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PROCEEDINGS AND DEBATES OF THE 80th CONGRESS, SECOND SESSION

SENATE

TUESDAY, MARCH 16, 1948

(Legislative day of Monday, March 15, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

We pray unto Thee, O God, and call Thee our Father.

Since Thou art our Father, we are Thy children; and if Thy children, we need never despair, no matter how dark and troubled our horizons.

Teach us not to despise the life we are called to live, since it was given us by Thee. Teach us not to neglect the task of today because we cannot see its eternal effect. Teach us not to neglect the little duties which are training us for a great stewardship.

Help us to give a good account of this day for Jesus' sake. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 15, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 15, 1948, the President had approved and signed the act (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 160) providing that the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, March 17, 1948, at 12:30 p. m., for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The message also announced that the House had passed the bill (S. 1486) to provide for payment of salaries covering periods of separation from the Government service in the case of persons improperly removed from such service, with an amendment in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to the concurrent resolution (H. Con. Res. 155) entitled "Concurrent resolution to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes."

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 183. An act to transfer lot 1 in block 115, city of Fairbanks, Alaska, to the city of Fairbanks, Alaska;

H. R. 238. An act for the extension of admiralty jurisdiction;

H. R. 2273. An act to amend the act of May 29, 1944, providing for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal;

H. R. 3229. An act to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory;

H. R. 4090. An act to equalize retirement benefits among members of the Nurse Corps of the Army and the Navy, and for other purposes;

H. R. 4455. An act to authorize the conveyance by the Secretary of the Interior to the Richmond, Fredericksburg & Potomac Railroad Co. of certain lands lying in the bed of Roaches Run, Arlington County, Va., and for other purposes;

H. R. 4725. An act to confer jurisdiction on the several States over offenses committed by or against Indians on Indian reservations;

H. R. 5112. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended;

H. R. 5287. An act to amend section 58d of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 5470. An act to repeal subsection (b) of section 3 of the act of December 30, 1947; and

H. J. Res. 320. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the creation of the Territory of Minnesota.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, I should like to make a statement at this time for the information of the Senate.

The tax bill, which was expected to be brought up Wednesday, will be delayed until Thursday. It is felt that because of the joint session of the two Houses on Wednesday which the President has requested, and the address which will be made by him, the tax bill should be taken up Thursday instead of Wednesday, as was previously announced.

I should like to state further that the distinguished Senator from South Dakota [Mr. GURNEY] has asked that the Senate proceed with the consideration of Calendar No. 657, House bill 3051, after the disposition of the unfinished business, which is House Concurrent Resolution 131, relating to Reorganization Plan No. 1.

REORGANIZATION PLAN NO. 1

The Senate resumed the consideration of the concurrent resolution (H. Con. Res. 131) against adoption of Reorganization Plan No. 1 of January 19, 1948.

The PRESIDENT pro tempore. From this point, under the unanimous-consent agreement, the time is in the control of the Senator from Missouri [Mr. DONNELL] and the Senator from Minnesota [Mr. BALL].

Mr. MILLIKIN. Mr. President, will the Senator from Missouri yield to me to make an announcement?

The PRESIDENT pro tempore. The Senator from Missouri is recognized.

Mr. DONNELL. I yield to the Senator from Colorado.

The PRESIDENT pro tempore. This is in the time of the Senator from Missouri.

Mr. DONNELL. I understand the Senator from Colorado has a very brief statement to make.

The PRESIDENT pro tempore. The Senator from Colorado.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the Committee on Finance may file a report to accompany House bill 4790, a bill to reduce individual income-tax payments, and for other purposes, after the recess is taken today.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. DONNELL. Mr. President, I rise to favor the adoption of House Concurrent Resolution 131, by which it is declared that the Congress does not favor Reorganization Plan No. 1 of January 19, 1948. I wish to state that at this moment I yield myself 45 minutes of the 2 hours which are allotted to this side of the question.

The PRESIDENT pro tempore. The Senator from Missouri is recognized for 45 minutes.

Mr. DONNELL. It will be noted, Mr. President, by reference to the language of the concurrent resolution, that although I rise in an affirmative attitude, in fact I am rising in opposition to Reorganization Plan No. 1 of January 19, 1948.

This concurrent resolution, by which it is declared that the Congress does not favor the reorganization plan, passed the

House of Representatives February 25, 1948, by a voice vote. Thus it was that the House of Representatives evidenced its disapproval of the proposed plan.

Mr. LODGE. Mr. President, will the Senator yield to me for a moment that I may suggest the absence of a quorum?

The PRESIDENT pro tempore. Does the Senator from Missouri yield for that purpose?

Mr. DONNELL. I do not care to yield for that purpose.

The PRESIDENT pro tempore. The Senator from Missouri declines to yield.

Mr. DONNELL. The Senate Committee on Labor and Public Welfare has recommended that the concurrent resolution do not pass; that is to say, the Senate Committee on Labor and Public Welfare favors the President's reorganization plan. The vote of the members of that committee, however, was not unanimous. It was nine in favor of recommending that the concurrent resolution do not pass and four in opposition to the recommendation that the resolution do not pass. Four members of the Senate Committee on Labor and Public Welfare, therefore, namely, the Senator from Indiana [Mr. JENNER], the Senator from New York [Mr. IVES], the Senator from Ohio [Mr. TAFT], and the speaker at the moment, are opposed to the President's reorganization plan.

What does the reorganization plan propose to do? First, it transfers to the Department of Labor the United States Employment Service. It transfers also to the Secretary of Labor the functions of the Federal Security Administrator with respect to the United States Employment Service.

I call to the attention of the Senate particularly at this moment the fact that the United States Employment Service is today temporarily in the Department of Labor, but only until 6 months after the official termination of the war, when the United States Employment Service will automatically revert to the Federal Security Agency.

The effect of the reorganization plan, so far as it concerns the United States Employment Service, is therefore to prevent the return of that service to the Federal Security Agency 6 months after the official termination of the war, and to establish the United States Employment Service in the Department of Labor. So much, for the moment, as to the effect of the proposed plan upon the United States Employment Service.

In the second place, the proposed plan transfers from the Federal Security Agency to the Department of Labor the Bureau of Employment Security of the Federal Security Agency. The Bureau of Employment Security is the one which administers the Federal responsibilities relating to the unemployment-compensation system.

The plan further transfers from the Federal Security Administrator to the Secretary of Labor the functions of the former with respect to unemployment compensation and his functions under the Federal Employment Tax Act, as amended.

Further referring to the Bureau of Employment Security, that is to say, the Bureau which administers the Federal responsibilities relating to the unemployment-compensation system, the plan provides that there shall be in the Department of Labor a Commissioner of Employment, to be appointed under the classified civil service by the Secretary of Labor, at a salary of $10,000 a year.

The duties of the Commissioner of Employment are thus described:

> There shall be in the Department of Labor a Commissioner of Employment, who shall be appointed under the classified civil service by the Secretary of Labor, receive compensation at the rate of $10,000 per annum, and perform such of the functions transferred by the provisions of this plan as the Secretary shall designate.

Mr. President, finally, with the exception of some minor provisions, the plan provides that the Federal Advisory Council—established pursuant to the Wagner-Peyser Act of June 6, 1933—shall "advise the Secretary of Labor and the Commissioner of Employment with respect to the administration and coordination of the functions transferred by the provisions of this plan."

Mr. President, after this somewhat lengthy statement of the contents of the plan, may I boil down in a very few words, the ultimate effect of the President's reorganization plan? It is twofold. First, it will prevent the reversion of the United States Employment Service to the Federal Security Agency, which reversion will, in the absence of the plan, occur under existing law 6 months after the termination of the war, and will establish that service, that is to say, the United States Employment Service, in the Department of Labor.

In the second place, the effect of the plan is to transfer from the Federal Security Agency to the Department of Labor the functions of the Federal Security Agency respecting unemployment compensation. Therefore, if the plan should become effective both unemployment compensation and employment service functions of the Federal Government will be vested in the Department of Labor.

I should call attention at this moment to the fact that the Federal functions with respect to both unemployment compensation and employment service are supervisory rather than operative. Each allocates funds to the States for operation by the States of the actual local compensation and employment offices.

So far as I know, it is generally agreed that it is advisable and important that the Federal functions relating to unemployment compensation and employment service be administered in the same department. Therefore, inasmuch as this plan proposes to vest both these functions in the Department of Labor, the question, Mr. President, as I see it, is, in which department should they be administered? The reorganization plan makes the very succinct response that they should be administered in the Department of Labor.

My position in opposing the reorganization plan is twofold. First, that no action toward changing existing law concerning the unemployment compensation and the employment service Federal functions should be taken until the Commission on Organization of the Executive Branch of the Government shall have reported. That Commission, of which former President Hoover is Chairman, is working under Public Law 162, of which my distinguished friend, who was in his seat but a moment ago, the Senator from Massachusetts [Mr. LODGE], is one of the authors, was passed by the Eightieth Congress and approved July 7 last.

Second, that the functions relating respectively to unemployment compensation and employment service should not in any event be at this time placed in the Department of Labor.

Mr. President, there was a poll taken recently of the various State employment security agencies. The poll was designed to ascertain whether or not the members of that organization favored an active participation by the organization, either for or against the plan. It was not a poll to ascertain the individual opinions of the men who constitute those agencies. In that poll, which was to ascertain whether or not the organization, the conference itself, should take affirmative, positive action, it is significant to note that in favor of taking such positive action there were only 10 of the States that voted affirmatively. Twenty-four of the States voted against taking affirmative action by the conference. Ten of them were neutral, and four were not voting. So, Mr. President, I take it that in an organization which would naturally be loath, much more loath perhaps than would the individual component members, to take affirmative steps with respect to opposition to a proposed plan, nevertheless 24 out of the 44 States voted affirmatively in favor of taking affirmative steps in opposition to the plan.

Mr. President, addressing myself to the first point of my position, namely, that no action toward changing the existing law governing the unemployment compensation and employment service Federal functions should be taken until the Hoover commission shall have reported, I desire to submit certain observations.

There has been filed in the Senate minority views on behalf of three of the four members who dissented from the majority report of the members of the Committee on Labor and Public Welfare. It is pointed out in the minority views that there is a compelling reason why the plan should not be approved at this time. I think the minority has stated it so explicitly and clearly that I could do no better than to read a brief portion upon this point. Say these views of the minority:

> The whole question of the organization of the executive branch of the Government is now being studied by a commission specifically created for that purpose by Public Law 162, of the first session of the Eightieth Congress.
>
> The Commission created by that act is comprised of 12 members, 4 of whom were appointed by the President, 4 by the President pro tempore of the Senate, and 4 by the Speaker of the House of Representatives. The present membership of that Commission is as follows: Herbert Hoover, Chairman; Dean C. Acheson, Vice Chairman; James Forrestal, Secretary of Defense; Arthur S. Flemming, Civil Service Commission; George H. Mead, Dayton, Ohio; George D. Aiken, Senator from Vermont; John L. McClellan, Senator from Arkansas; James K. Pollock, Ann

Arbor, Mich.; Joseph P. Kennedy, Hyannis Port, Mass.; Clarence J. Brown, Representative from Ohio; Carter Manasco, Representative from Alabama; James H. Rowe, Washington, D. C.; Francis P. Brassor, Washington, D. C., secretary to the Commission; Lawrence Richey, Washington, D. C., special assistant to the Chairman.

Mr. President, this notable legislation under which the Commission was created declares it—

To be the policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

(1) Limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(2) Eliminating duplication and overlapping of services, activities, and functions;

(3) Consolidating services, activities, and functions of a similar nature;

(4) Abolishing services, activities, and functions not necessary to the efficient conduct of Government; and

(5) Defining and limiting executive functions, services, and activities.

For the purpose of carrying out the policy which I have just read, the Commission, which is a bipartisan commission, was established by law. There sits in the chair at this moment my distinguished friend [Mr. LODGE] to whom I made reference a few moments ago, and who is one of the authors of this notable item of legislation of the present Congress.

It was suggested in some circles recently that the argument that action on the President's reorganization plan should be postponed until after the Hoover Commission shall have reported is negatived by certain remarks of the House Committee on Expenditures in the Executive Departments, made a few months ago when it reported favorably on establishing the Hoover Commission. Before I read what that House committee stated, let me invite attention to the fact that under the terms of the act, Public Law 162, it is provided that within 10 days after the Eighty-first Congress is convened and organized the Commission shall make a report of its findings and recommendations to the Congress. I call attention to this fact because of the obvious situation that no protracted delay would result from the adoption of the suggestion, which I make, of postponing action on the matters embraced in the President's reorganization plan until after the Hoover report shall have been submitted.

The House Committee on Expenditures in the Executive Departments stated when it reported in favor of the Hoover Commission bill:

The committee wishes to point out that the establishment of the Commission provided for in this bill will in no way supersede or interfere with the functions and work of any congressional committee, or with the rights and prerogatives of the President to reorganize the executive department under the provisions of the reorganization act. * * * Various congressional committees will be entirely free to continue their usual work of investigation and study of the activities and functions of the various divisions of Government coming under their jurisdiction; and the President may order departmental reorganization just as he has done in the past.

With this statement of the House committee I have no quarrel. It is certainly true that the rights and prerogatives of the President are not in the slightest affected by Public Law 162. It is true, of course, that the committees are entirely free to continue their usual work of investigation and study, and this has been done. The President has presented his plan. The Committee on Labor and Public Welfare has considered the plan. But, Mr. President, notwithstanding this observation by the House committee, it is certainly not obligatory upon the Senate of the United States to approve this plan if as a matter of sound business judgment it deems it inadvisable so to do. The House of Representatives whose committee itself reported as I have indicated, has also as I earlier stated, adopted this resolution of disapproval of the plan by a voice vote. Among the points made very clearly in the report of the committee is the fact that the Hoover Commission is functioning, and that we should wait until after it reports.

So I suggest and earnestly submit that, as a matter of sound business judgment, when this Commission, for which, as I understand, approximately $750,000 was initially appropriated for carrying out its functions, shall have reported on the various subject matters relating to the overlapping and duplicating of departments, it is sound business judgment that we should not now undertake to prejudge what should be done and adopt this reorganization plan, with the considerable changes in the executive structure which the plan contemplates. So much, for the moment, for the first point of opposition to the proposed plan.

I pass now to the second point of opposition to the plan. The second point is, as I have stated, that the unemployment compensation functions, the Employment Service functions, should not be placed in the Department of Labor. Mr. President, from the passage of the Federal Social Security Act of 1935 the unemployment compensation functions have continuously been in the Social Security branch of the Government, and have never been in the Department of Labor. This is true in spite of the report which was made by the Committee on Economic Security back in the early part of 1935, in which it recommended as follows:

The collection of the Federal tax and investment of the reserve funds should be under the control of the Secretary of the Treasury. All other aspects of Federal participation in unemployment compensation should be a responsibility of the Department of Labor.

That was the recommendation of the committee. Its members included Frances E. Perkins, Secretary of Labor, as chairman; Mr. Morgenthau, Secretary of the Treasury; the Attorney General, Mr. Cummings; the Secretary of Agriculture, Mr. Wallace; and the Federal Emergency Relief Administrator, Mr. Hopkins.

Yet notwithstanding the recommendation of that committee, that the functions relating to unemployment compensation should be a responsibility of the Department of Labor, Congress placed those functions not in the Department of Labor, but in the social-security branch of the Government.

It is interesting to observe that the social-security bill, House bill 7260, as it passed the House of Representatives, and as reported by the Senate Committee on Finance, placed the Social Security Board under the Department of Labor. I refer to Report No. 628 of the Senate.

But the Senate did not concur in the action of the House, or in the action of its own Committee on Finance, and, as finally passed by the Senate and ultimately by the House of Representatives, the bill did not place the Social Security Board in the Department of Labor, but established it as an independent agency.

However, at the outset of the United States Employment Service under the Wagner-Peyser Act of 1933, the Employment Service was created by Congress in the Department of Labor. President Roosevelt, in his Reorganization Plan No. 1 of 1939, placed the Employment Service in the Federal Security Agency. Said President Roosevelt in a message transmitting that plan to Congress—page 63, U. S. C. A., titles 5 and 6, 1947, Cumulative Annual Pocket Part:

I find it necessary and desirable to group in a Federal Security Agency those agencies of the Government, the major purposes of which are to promote social and economic security, educational opportunity, and the health of the citizens of the Nation.

Continuing, the President said:

The agencies to be grouped are the Social Security Board, now an independent establishment, the United States Employment Service, now in the Department of Labor, the Office of Education, now in the Department of the Interior, the Public Health Service, now in the Treasury Department, the National Youth Administration, now in the Works Progress Administration, and the Civilian Conservation Corps, now an independent agency.

So, Mr. President, it will be noted that although Congress had in 1933 placed the Employment Service in the Department of Labor, 6 years later the President placed it in the Federal Security Agency.

Continuing, the President said:

The Social Security Board is placed under the Federal Security Agency, and at the same time the United States Employment Service is transferred from the Department of Labor and consolidated with the unemployment-compensation functions of the Social Security Board in order that their similar and related functions of social and economic security may be placed under a single head and their internal operations simplified and integrated.

The unemployment-compensation functions of the Social Security Board and the Employment Service of the Department of Labor are concerned with the same problem, that of the employment, or the unemployment, of the individual worker.

Therefore, they deal necessarily with the same individual. These particular services to the particular individual also are bound up with the public-assistance activities of the Social Security Board.

Mr. President, not only did the President of the United States so express himself, but in the last year—1947—the Congress itself, in acting on the President's Reorganization Plan No. 2, declined to

lodge the Employment Service in the Department of Labor. I should say in fairness that the proposition at that time would have left the unemployment-compensation functions in the Federal Security Agency, but would have left the Employment Service in the Department of Labor; and of course much was properly made of the fact that it was improper to divide those functions between two separate agencies. Nevertheless, the fact remains that Congress declined to adopt the suggestion of the President to lodge the Employment Service in the Department of Labor.

Mr. President, the fact is that unemployment compensation and employment service affect both the employer and the employee, and both should be administered by a neutral agency, rather than by an agency created, as is the Department of Labor, with the purpose "to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment." I mean no reflection upon the Department of Labor when I suggest very respectfully that it is formed and created as an advocate of one particular segment of our population; and however honestly and however nobly that Department may function, it is its legal duty to look at the various problems which come before it from the standpoint of that particular segment of the population, namely, the wage earners of the United States. This has been recognized in the Department of Labor itself.

There are two Assistant Secretaries who assist the present Secretary of Labor. I may say that the present Secretary of Labor, formerly a Member of this body, and formerly a member of the Federal bench, as I understand, is not and never has been a member of a labor union. But there are two Assistant Secretaries—and only two—and each of them is a labor-union member, one being a member of the A. F. of L. and the other being a member of the C. I. O. The third man in the upper echelon of the Department, if you please, is Mr. William L. Connolly, who is the Director of the Bureau of Labor Standards, and who is also a member of a labor union, namely, the American Federation of Labor.

It may be suggested, and doubtless will be, that there is no bias that can or will be shown by the Department of Labor in the administration of its functions. I point out the fact that under date of August 7, 1946, a letter went forward from the President of the American Federation of Labor to the presidents and secretaries of the State federations of labor, included in which letter is the following short paragraph:

> We are working with the headquarters office of the USES—

That is the United States Employment Service, in the Department of Labor—

> in Washington on the development of national standards of employment-service operations designed to safeguard labor's interests and to minimize the dangers to labor involved in the return of the USES to State operation. However, there is much that the State federations themselves can do. We will communicate with you from time to time with respect to this matter. In the meantime it is recommended—

And thereafter follow certain recommendations.

Obviously, Mr. President, the Department of Labor was working—and I have no criticism of it for doing so—with the American Federation of Labor for the interests of that particular segment of our population. It will be recalled that last year notwithstanding the undoubted benefit to the Nation of a joinder of the two functions in one department, the Department of Labor strongly advocated to the Senate of the United States the President's Reorganization Plan No. 2, under which those two functions—namely, unemployment compensation and employment service—were separated.

The fact is that the unemployment compensation is part, and a very important part, of a social-welfare plan. As I indicated earlier, unemployment compensation has from the passage of the Federal Security Act of 1935 been in the Social Security branch, and never in the Department of Labor. I call attention to the following brief excerpts from the 1947 Annual Report of the Federal Security Agency, at page 93:

> It is important, too, that the employment-security program continue to function as part of a comprehensive system of social security. Old-age and survivors' insurance and unemployment insurance cover largely the same workers, and should move in the direction of uniformity of coverage. With uniformity, the reporting burden for employers would be simplified and the program made more understandable to workers.
>
> The employment-security program also has close relationships with the public-assistance programs. Since both are Federal-State programs, both have been subject to a single set of personnel merit-system standards and, in many ways, a single set of fiscal standards. These devices make for ease and economy of administration, and should be continued and expanded.

Mr. President, in the minority views, as set forth in the pamphlet which has been circulated, at pages 2 and 3, is a most interesting and instructive statement of the relation of unemployment compensation and employment service to the functions of the Federal Security Agency. I shall not read those pages. I assume they are upon the desks of all Senators. But in the course of the discussion of the fact that unemployment compensation and employment service are related to functions in the Federal Security Agency, it is pointed out that the Bureau of Employment Security is a part of a program designed to protect the homes of the Nation, through provision for the minimum income essential for the maintenance of those homes during periods of unemployment. I commend to every Senator who is now present a glance at those two pages of the report. The report continues, in part, by saying:

> It is the opinion of the minority that the subject programs are related to a larger number of activities currently under the jurisdiction of the Federal Security Agency than is true of their relationship to activities under the Department of Labor.

The report points out further and very significantly that—

> virtually all the programs of the Federal Security Agency involve grant-in-aid relationships with the State governments. Return of the United States Employment Service to the Federal Security Agency, which could be accomplished without any confusion or interruption of service, would merely add one additional program involving the States to those now administered by this Agency. The Department of Labor, on the other hand, has had comparatively little to do with grant-in-aid programs and the intricate problems involved in Federal-State relationships.

I see upon the floor of the Senate today Members who have been Governors of their States. I take it that every man who has served in that capacity in his own State can well realize something of the intricate and difficult situations which arise in handling the grant-in-aid programs which are administered from the Federal level down to the States, and I take it it is extremely important that the functions which relate to grant-in-aid programs should so far as possible be consolidated in one agency, and that agency, the one which has had vast experience in the handling of the various programs.

Mr. President, the majority report of the Labor Committee is in error when it states that—

> It will be noted that virtually all the programs of the Federal Security Agency are primarily concerned with population not in the labor force.

As a matter of fact the old-age and survivors insurance program, which is the largest program under the Social Security Administration, covers the major portion of the labor force and, I believe, is intended ultimately to cover the entire labor force. Indeed, the old-age and survivor's insurance program is far more comprehensive in scope than are the unemployment compensation and employment service programs which deal with only a small portion of the workers in the labor force, except in a period of mass unemployment.

Mr. President, I have referred to the fact that it is important, in a matter of this kind, which involves the interests of both employers and employees, that the administration of the programs from the Federal level should be as nearly as possible in the hands of a neutral agency. Someone may ask, "Well, how can it hurt the minority, whatever happens under the administration of unemployment compensation?" I call attention to only one illustration at the moment, namely, the matter of so-called experience rating. Mr. President, you are doubtless familiar with the fact that in, I think, all the States, or substantially all of them, there is a law which permits an employer to have his rating of the amount which he pays into the unemployment compensation fund by way of taxes reduced as his experience of unemployment goes down. In other words, if he is an employer who has but little unemployment, his rate is always lower than is the rate of the employer who has a large amount of unemployment.

It happens, Mr. President, that upon this particular subject there is a very great diversity of opinion. The opinion of the labor unions is decidedly opposed to the so-called experience-rating provisions of the State laws.

The PRESIDING OFFICER (Mr. LODGE in the chair). The Senator yielded 45 minutes to himself, and that time has now expired.

Mr. DONNELL. I yield myself 15 minutes more.

I quote from Mr. Abraham L. Zwordley, speaking for the president of the United Automobile Workers of America, C. I. O. as follows:

> We strongly urge this committee—

That was a Committee of the House on Ways and Means—

> to approve the adoption of language in the Social Security Act which will abolish experience-rating provisions in State laws.

Mr. Nelson H. Cruikshank, director of social-insurance activities of the American Federation of Labor, testifying before the same committee, said:

> From long experience the American Federation of Labor is convinced that the most desirable single improvement that could be made in the present Federal-State program would be the elimination of the encouragement to the enactment of experience-rating provisions in the State laws.

Mr. President, there was convened in 1946 a notable conference on labor legislation. The proceedings were published by the Department of Labor. Those present were mainly labor commissioners and representatives of organized labor. The résumé of the resolution of the committee, as it appears in the proceedings, is as follows:

> The experience-rating provisions in State laws have not proven effective in stabilizing employment but have proven to be powerful incentive to the adding of disqualification and restrictive eligibility provisions to the State laws, and to narrow interpretation of those provisions with the result that many persons in need of protection of unemployment insurance are deprived of their benefits.
>
> The committee recommends that the experience-rating provisions be removed from State unemployment-compensation laws.

So, Mr. President, I cite the attitude of the labor unions, the decision of various officials and representatives of organized labor, meeting in convention in 1946. Their proceedings, published by the Department of Labor, point out their opposition to the experience-rating provisions of the State laws. It is my understanding that it is generally considered not only by the legislatures of the States of the Union, which I think have all, or substantially all, provided for such ratings, but it has been considered proper by the Congress, by allowing certain internal-revenue credits, depending on the experience rating of the particular employer. Moreover, Mr. President, I take it that it is undoubtedly the view of the great number of employers of this country that provisions for unemployment experience rating are wholesome and sound.

We here come to a problem upon which there is this divergence of opinion, labor unions on one side, management and the legislatures of the States and the Congress of the United States upon the other. What is going to happen to the experience ratings if the unemployment service and the unemployment compensation shall be placed in the Department of Labor, which, as I have indicated, by the statute creating it, has a trustee relationship in favor of labor as a cestui qui trust? If time permitted I could mention other illustrations, but time does not permit. I have other illustrations at hand if needed. I may during the course of the remainder of the debate have the privilege of mentioning them.

But, Mr. President, I take it that undoubtedly if these functions be placed in the hands of the Department of Labor, which is by the very statute creating it imbued and impressed with an obligation of a trusteeship nature, we shall find the Department of Labor using its influence upon the legislatures of the States of our Union to change or perhaps even to abandon the experience-rating provisions which now exist throughout substantially all, and perhaps all, of the United States.

I understand it is asserted by the Department of Labor that it has no power whatsoever over this subject. I undertake to say again that any former governor who is a Member of this body, or any Member of this body who has been a member of a State legislature dealing with these problems, can readily testify to the tremendous influence which the Federal Government can exercise through a Federal bureau, which, on the one hand, has power over the purse-strings by reason of the power to determine whether rules and regulations have been complied with, and, on the other hand, has power to determine whether the tax offsets to which employers are claiming to be entitled, shall be allowed. I say, every former governor in this body, I think, can testify to the power which a Federal bureau, having within its grasp such powers as this, can exercise locally.

It is true, Mr. President, that the Department of Labor cannot pass either Federal or State legislation, but when the Department publishes a large list of regulations—and I have a set of them here on my desk at the moment, consisting of some 63 pages, I believe, which outline and interpret provisions in regard to internal revenue taxation and credits on experience ratings—I say, Mr. President, when a bureau has the power to lay down rules and regulations upon that type of topic, it is very easy to see that the bureau will have tremendous power in the legislatures of our country in determining whether the present rules shall be maintained or whether there shall be a relaxation of or change in the presently existing laws.

That is merely one illustration of the fact that it is of utmost importance that these two functions, namely, the function of unemployment compensation and of employment service, shall be vested, as nearly as possible, in a neutral department.

I say that certainly the Department of Labor is not a neutral department. The question may be asked, What is a neutral department? It is hard to find any department which is entirely neutral. I dare say that the Federal Security Agency, which does not have impressed upon it the statutory duty of being the guardian of a certain segment of our population, comes more nearly, from a legal standpoint, to possessing neutrality than does the Department of Labor.

Mr. President, my time has very nearly expired. I should like to discuss, and I trust that some other Senator will discuss, the question of efficiency and economy which is inherent in this particular proposal. I shall not at the moment have time to go into that question, although I trust I shall have an opportunity before the end of the debate to say at least a few words upon that point. I will say, however, that if, instead of transferring these functions to the Department of Labor, they be permitted to remain, in the case of unemployment compensation, with the Federal Security Agency, and in the case of employment service shall revert to that Agency at the end of 6 months, there will immediately be brought about at least one very striking change in the organization of the Labor Department, namely, that the 12 regional offices which are operated at tremendous expense, I think at some point between a million and a million and a half dollars per annum, and are operated exclusively for the employment service, will close down. I am unable to see how it is possible to deny that a very substantial saving will result from that particular action in closing those offices.

I desire to conclude this portion of my remarks by saying again that this reorganization plan proposes to take out of the Federal Security Agency the unemployment-compensation function which has been there continuously since the creation of the social-security system in our country in 1935. This proposed plan would undertake to turn the functions relating to unemployment compensation over to the Department of Labor, which has never had them. Furthermore, Mr. President, the plan would lodge in the Department of Labor the Employment Service, which, under the existing law, will revert automatically, at the end of 6 months after the termination of the war, to the Federal Security Agency.

I repeat, Mr. President, that my position of opposition to the proposed plan is twofold: First, that no action of this type should be taken until after the Hoover commission, working under the Brown-Lodge bill, shall have reported in the early part of the Eighty-first Congress; and, secondly, that the functions relating, respectively, to unemployment compensation and the employment service, should not in any event at this time be placed in the Department of Labor.

How much time does my side have remaining, Mr. President?

The PRESIDING OFFICER. The Senator from Missouri has until 1 o'clock, and then 1 hour beyond that, for his side.

That leaves an hour and 4 minutes to the side of the Senator from Missouri.

Mr. DONNELL. I yield the floor.

Mr. BALL. Mr. President, I yield 10 minutes to the Senator from Montana [Mr. MURRAY].

Mr. MURRAY. Mr. President, the problem which we have before us today is not as complicated as might appear from the extended debate which has taken place with regard to it.

This reorganization plan proposed by the President deals exclusively with the organizational location of the Federal supervision of the State unemployment-compensation programs and of the Federal end of our public employment service system.

Since the reorganization plan deals exclusively with the location of the Federal aspects of the unemployment compensation and the public employment service programs, it might be expected that the testimony presented to the committee would have been addressed primarily to that subject—to the relationships of the Federal aspects of unemployment compensation and the employment service to each other; to the relationships of these two programs to other functions of the Federal Government.

To the contrary, however, much of the testimony before the committee was directed not to these questions, but to the administration of unemployment-compensation and employment-service programs by the State, which is in no way affected by this reorganization plan. I feel obliged, therefore, to analyze some of the testimony presented.

We are all aware of the fact that the Federal Unemployment Tax Act provides that States may, if they choose, reduce the unemployment-benefit pay-roll-tax rates for individual employers who, for one reason or another, are able to maintain relative stability of employment. This is known as merit rating. Forty-seven States have chosen to introduce merit-rating schemes and have thereby reduced the average pay-roll-tax rates by 50 percent. There are some individuals who are of the opinion that merit rating is the sine qua non of State unemployment-compensation programs. There are others who feel that merit rating is wholly unsound. But the point I wish to emphasize is that it makes no difference what one's attitude may be toward merit rating, because merit rating is in no way, directly or indirectly, affected by either the adoption or the rejection of this reorganization plan.

Without reviewing the hearings, Senators may find it difficult to understand why the question of pay-roll tax "merit rating" should figure so prominently in the discussions of the reorganization plan. The hearings patently revealed, however, that many of the witnesses had been, as have many of us, subjected to a vigorous fear campaign based upon gross misrepresentation. For example, some powerful organizations have been bombarding their members with allegations similar to the following:

> Unless this plan is defeated both in the House and in the Senate within 60 days from the introduction it will probably result in adding $13,000,000 a year to the tax bill of * * * employers [in this State] who now save that much through merit rating.

Mr. President, I repeat that merit rating is in no way, directly or indirectly, affected by the reorganization plan. It is not surprising, however, that in face of the flood of such misinformation many well-meaning employers have been frightened into aggressively opposing this plan.

Another item that figured prominently in the testimony was "suitable work." As we all know, an unemployed worker must accept a job, if a suitable one is available, or he may be disqualified from receiving unemployment - compensation benefits. The term "suitable work" is found only in State unemployment-compensation laws. The determination of what constitutes "suitable work" is made by State officials in accordance with State laws, State precedents, and State court decisions. What constitutes "suitable work" is not subject to the review of any Federal agency, and cannot be affected in any way by the reorganization plan.

Another allegation made repeatedly was that if the United States Employment Service is located in the United States Department of Labor employers will lose confidence in the Service and will not use the local employment offices. Witnesses expressing such fears had a very difficult time explaining their position. First of all, the operating centers of our Federal-State employment-service system are the local employment offices. These offices, where all the activities come to fruition, are supervised and staffed by local officials, who are appointed in accordance with State civil-service laws. These local officials are under the direction of State administrators, who themselves are appointed in accordance with State laws and regulations. If this were not sufficient refutation of the contention that employers will not use the offices, there is the remaining fact that the United States Employment Service is now, and has been for the 2½ years since the war, located in the Department of Labor, and during the time the Federal end of the Service has been in the United States Department of Labor the local employment offices have been used more than ever by employers.

The most groundless and dangerous of all allegations made by the opponents of the reorganization plan, however, is that the Department of Labor will be biased in its administration of the Federal responsibility for these two programs. Not a scintilla of evidence has been presented to support this allegation. The facts are that the administrative agencies responsible for the functions of these programs must, like all other administrative agencies of the Federal Government, carry out their responsibilities in accordance with the purposes and policies established by the Congress.

Any deviation from this principle would constitute a malfeasance intolerable to our democratic form of government. I label this allegation of bias as dangerous because it strikes at the very foundation of our cabinet system of government, and such allegation is designed to engender a distrust in all Government activities.

Let me now turn for a moment to the fundamental question of the relationship of unemployment compensation and employment service programs to other functions carried on by the Federal Government. Are unemployment compensation activities closely related to other activities carried on in the Federal Security Agency? Claim has been made, for example, that there is a close tie between old-age and survivors insurance and the State unemployment compensation programs. Old-age and survivors insurance provides a retirement pension for workers who have left the labor market because of old age. Unemployment compensation, however, provides earned partial wages for temporarily unemployed workers who remain in the labor market. Old-age and survivors insurance is a Federal program. Unemployment compensation programs are State programs, with Federal supervision.

The argument that unemployment compensation should remain in the Federal Security Agency because of the possibility of the States enacting temporary disability benefit programs is a non sequitur. The Federal Government has made no provision for a program for the payment of temporary disability payments. The two States which pay temporary disability benefits have established these programs on their own.

The contention that unemployment compensation activities are in some way related to the Pure Food and Drug Administration, Office of Education, eleemosynary institutions, the public health program, and other programs administered by the Federal Security Agency, is too far fetched to merit comment. On the contrary, everyone agrees to the intimate relationship between unemployment compensation and the public employment service. Both programs are in turn closely interrelated with other programs located in the United States Department of Labor. In that Department, therefore, these two programs can draw upon the resources and facilities available in the Department of Labor, and at the same time contribute to the activities and programs of the other Bureaus in that Department. The activities of the Bureau of Apprenticeship, the Bureau of Labor Standards, the Women's Bureau, and the Bureau of Labor Statistics, all deal with related aspects of the problem of maximizing and stabilizing employment. We look in vain for any comparable relationship between the unemployment compensation and employment service programs to other activities carried on by the Federal Security Agency.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Minnesota can yield more time to the Senator if he desires to have it.

Mr. MURRAY. I will take 3 minutes more.

There is one other point I wish to make. There is some contention that no reorganization action should be taken until the report of the Commission on Organization of the Executive Branches of the Government, headed by Mr. Herbert Hoo-

ver, is submitted to the Congress sometime next year. I do not believe that the members of this body ever thought that, by creating that Commission, they intended to declare an interregnum during which Congress and the President, under authority we have given him, would abdicate responsibilities. I do not believe that we are justified in waiting for the report of that commission in face of the unanimous agreement that the Federal aspects of the Unemployment Compensation and Employment Service programs should be brought together under a common direction.

Concerning this study-Government Commission, I wish to remind my colleagues that a similar Commission, namely, the President's Committee on Administrative Management, which was established in 1937, studied the organization structure of the Federal Government, and recommended the organizational pattern provided for in the present reorganization plan. That Commission recommended that the Federal phases of both the Unemployment Compensation and the public Employment Service be located in the United States Department of Labor.

On the basis of the record, I am convinced that the Federal responsibility for these two programs should be brought under a common direction in the Department of Labor. In the Department of Labor, I believe they can achieve their maximum efficiency.

I urge my colleagues to reject House Concurrent Resolution 131 so that this Reorganization Plan No. 1 can be put into effect without further delay.

Mr. BALL. Mr. President, I ask unanimous consent that we may have a quorum call, and that the time be divided equally between the two sides.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota that a quorum be called and that the time be equally apportioned between the two sides? The Chair hears none, and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Conor
Baldwin	Hickenlooper	O'Daniel
Ball	Hoey	O'Mahoney
Barkley	Holland	Overton
Bricker	Ives	Pepper
Bridges	Jenner	Reed
Brooks	Johnson, Colo.	Robertson, Va.
Buck	Johnston, S. C.	Robertson, Wyo.
Bushfield	Kem	Russell
Butler	Kilgore	Saltonstall
Byrd	Knowland	Smith
Capehart	Langer	Sparkman
Capper	Lodge	Stennis
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Donnell	McClellan	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Eastland	McKellar	Thye
Ecton	McMahon	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Malone	Watkins
Flanders	Martin	Wherry
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent by leave of the Senate.

The Senator from Alabama [Mr. HILL] is absent on public business.

The Senator from Rhode Island [Mr. MCGRATH] is absent on official business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from California [Mr. DOWNEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present.

Mr. BALL. Mr. President, I yield 15 minutes to the senior Senator from Utah [Mr. THOMAS].

Mr. THOMAS of Utah. Mr. President, I have been surprised—I might say shocked—by the flood of propaganda that has been put out in connection with this reorganization plan. Employers throughout the Nation evidently have been subjected to misrepresentations concerning the issues involved. I find that many of these employers have forwarded these misrepresentations on to Members of Congress, urging us to reject the reorganization plan on the basis of considerations that are in no way involved in the plan itself.

It has already been pointed out that the plan is concerned exclusively with the organizational location of the Federal aspects of unemployment compensation and the public employment service. This plan has nothing whatsoever to do with the Federal or the State laws under which these programs have been established and under which they are administered.

I wish to emphasize that the plan has nothing to do with the Federal Unemployment Tax Act, or the State pay-roll tax merit rating levied thereunder, or the amount of funds collected, or with the unemployment trust funds of the States, or with the determination of benefit amounts, with "suitable work," or with any number of other features of our unemployment-compensation program with which this reorganization plan is alleged to deal.

Yet some of us have been deluged with communications alleging that if the reorganization plan is adopted, the pay-roll tax rate will be increased and the accumulated reserves for benefit payments will be turned into a slush fund and used for other than benefit-payment purposes. Employers cannot be expected to understand all the details of legislation pending before the Congress. They evidently are being victimized by false propaganda. I might be writing and wiring my Senators, too, if I were in their place, and were being swamped with misinformation dressed up in the garb of facts.

"Write, or better wire, your Senator," is the exhortation they are receiving. "Call upon the publishers or editors of the newspapers in your localities. Get them to join you in your opposition, so as to carry more weight with your delegatin in Congress."

Some of the communications I have received are so absurd that I am chagrined to think that anyone could hold such a low opinion of Congress as to imagine that the representatives of the people could be misled by such claims.

I repeat, the reorganization plan in no way deals with the Unemployment Tax Act, the State merit tax rates levied thereunder, or the unemployment trust fund. The Federal Unemployment Tax Act not only authorizes the States to establish experience-rating programs, but leaves wide discretion to the States as to the type of program they may establish. No Federal administrator can in any way modify the States' rights in this connection.

The same is true with respect to the unemployment trust fund which is derived through State tax levies and is deposited with the Treasurer of the United States. The funds belong to the States, and are subject to withdrawal by the States only for the purposes of paying unemployment compensation benefits in accordance with the benefit formula written into each State law. No Federal official can dictate to any State or compromise the States' rights in the withdrawal and payment of the funds for the purposes for which they were collected.

What the reorganization plan does is to bring together under a Commissioner of Employment direction in the Department of Labor, where they belong, the Federal aspects of unemployment-compensation and employment-service programs. Let us not be misled in our action, by propaganda, and let us reject the House Concurrent Resolution 131, so that this reorganization plan may be adopted.

Mr. President, at this point in my remarks, in order that my statement may be illustrated by what has actually taken place in the way of propaganda, I ask unanimous consent to have printed in the RECORD a copy of a letter sent out by the Baltimore Association of Commerce, with an explanation; and, in addition, an explanation made in reply to the argument presented by the Baltimore Association of Commerce.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

BALTIMORE ASSOCIATION OF COMMERCE,
Baltimore, Md., February 2, 1948.

Re Reorganization Plan No. 1 of 1948.

To the Member Addressed:

On January 19, President Truman sent to Congress Reorganization Plan No. 1 of 1948, which proposes the transfer of the unemployment-compensation functions of the Federal Security Agency to the Department of Labor. The plan also would make permanent the control of the United States Employment Service by the Labor Department.

Unless this plan is defeated both in the House and Senate within 60 days from its introduction, it will probably later result in adding approximately $13,000,000 a year to the tax bill of Maryland employers who now save that much through merit rating.

You can calculate your own minimum share of this new tax by subtracting the amount you now pay from the amount you would pay if there were a 3-percent tax on

your entire covered pay roll. Also, a careful consideration of the proposed plan will indicate numerous other sound objections. For example, Federal functions affecting the control of unemployment compensation should remain under a neutral agency in the interest of the public as a whole.

At present, it appears that this proposal may be defeated in the House of Representatives, but in the Senate, where it also must be defeated, the outcome is very seriously in doubt.

Last year the proposal to transfer USES permanently to the Labor Department was only defeated by a last-minute change of one vote. Both Senator TYDINGS and Senator O'CONOR voted in favor of such transfer. It is possible that their action was due in part to the fact that relatively few organizations and individuals expressed their opposition.

The association protested the transfer last year. It is again asking all Maryland congressional representatives to vote against the present enlarged proposal as set forth in the attached statement.

We feel it is highly important that Maryland businessmen telephone, telegraph, or write to Senators MILLARD E. TYDINGS and HERBERT R. O'CONOR their strong, reasoned objections to the Reorganization Plan No. 1 of 1948, as their votes may easily be the deciding factor.

You are urged to act promptly on this important issue.

Very truly yours,

W. G. EWALD,
Secretary.

STATEMENT BY BALTIMORE ASSOCIATION OF COMMERCE REGARDING REORGANIZATION PLAN NO. 1 OF 1948 (H. Doc. 499)

I. TRANSFER OF BUREAU OF EMPLOYMENT SECURITY TO UNITED STATES DEPARTMENT OF LABOR

The Bureau of Employment Security is the Federal bureau which controls various highly important aspects, on the State level, of unemployment compensation in Maryland. These aspects not only include all State administrative expenses, but the power to make regulations which can nullify the laws passed by the Maryland Legislature; such, for instance, as the present merit rating provisions, which now effect a saving to Maryland employers of approximately $13,000,000 a year.

The present unemployment compensation system itself was set up for the benefit of the entire public, in order to assure workers who were covered by the act of cash payments to tide them over during periods when they were unemployed through no fault of their own and also to help level the ups and downs of business cycles for industry and commerce. Both of these purposes are considered as important to all citizens through their effect on the national economy.

The administration of this program, which has been in existence for more than a decade, was naturally placed both on Federal and on State levels under the control of independent agencies not connected either directly or indirectly with business or labor.

The present proposal to place the Federal control of unemployment compensation under a strongly partisan agency, such as the Department of Labor, would upset the foundation of the present system, viz, its administration by a neutral agency for the benefit of the entire public. By its nature and functions, the Department of Labor would obviously be prejudiced in favor of labor, whereas the need is for administration in the interest of the public as a whole.

It is believed that the Legislature of Maryland, as representatives of the people of this State, would never authorize the transfer of unemployment compensation in Maryland from the control of an independent State agency, such as now administers it, to the Maryland Department of Labor and Industry. By the same token it seems inconceivable that the citizens of Maryland would not be strongly opposed to the placement of Maryland's independent agency under the Federal control of a special-purpose agency of whatever nature. Particularly would this be true when such an agency would have the power to cripple or destroy many of the most important features that the Maryland Legislature has enacted on this subject, merely by making changes in the regulations.

II. PERMANENT TRANSFER OF UNITED STATES EMPLOYMENT SERVICE TO UNITED STATES DEPARTMENT OF LABOR

As to the permanent transfer of USES to the United States Department of Labor, which is also proposed as a part of this program, we see no reason to alter the strong opposition to this change which we recorded last year, when this proposal was made to both the Senate and House and turned down. We feel that perm nent Federal control of USES by the Labor Department would inevitably result in administrative rules and regulations which may well be harmful to employment conditions in Maryland and greatly decrease the usefulness of the agency both to labor in obtaining employment and to employers in hiring labor. It is also more than likely that such rules and regulations would increase the cost of unemployment compensation. As USES clearly should be administered on the Federal level (as well as on the State level) in cooperation with the same agency which administers unemployment compensation, then if the latter agency is properly retained under independent administration certainly USES should not be transferred permanently to the Labor Department.

We feel that this subject is important to the economic well-being of both Maryland and the Nation and to the preservation of proper legislative powers of the several States.

The purposes of the Reorganization Plan No. 1 of 1948 are simple. It provides for the continuation of the United States Employment Service in the United States Department of Labor where it is now located and the transfer of unemployment-compensation functions of the Federal Government to that Department. The plan will increase efficiency of the operations of the Government and will promote economy to the fullest extent consistent with the efficient operations of these programs.

The opponents to the reorganization plan have resorted to a scare campaign, so common in an election year. Through gross misrepresentations and untruths, they have attempted to conjure up fantastic fears in order to defeat the measure. For example, the Baltimore Association of Commerce, in a letter addressed to all of its members on February 2, declares:

"Unless this plan is defeated both in the House and Senate within 60 days from its introduction, it will probably later result in adding approximately $13,000,000 a year to the tax bill of Maryland employers who now save that much through merit rating. * * *

"At present, it appears that this proposal may be defeated in the House of Representatives, but in the Senate, where it also must be defeated, the outcome is very seriously in doubt. * * *

"We feel it is highly important that Maryland businessmen telephone, telegraph, or write to Senator MILLARD E. TYDINGS and HERBERT R. O'CONOR their strong, reasoned objections to the Reorganization Plan No. 1 of 1948, as their votes may easily be the deciding factor."

The authors of this appeal know full well that the reorganization plan has no effect upon the Federal Unemployment Tax Act of 1935, or upon the Maryland or any other State law which governs the pay-roll tax rate in the States. Although the reorganization plan has nothing to do with existing Federal and State statutes, the opposition is attempting to take this occasion to destroy the effectiveness of both the unemployment-compensation and employment-service programs in this country.

To the letter quoted above was appended a statement by the Baltimore Association of Commerce regarding Reorganization Plan No. 1 of 1948 (H. Doc. 499). An analysis of this statement is attached.

ANALYSIS OF BALTIMORE ASSOCIATION OF COMMERCE STATEMENT

1. ALLEGATION

The Bureau of Employment Security is the Federal Bureau which controls various highly important aspects, on the State level, of unemployment compensation in Maryland. These aspects not only include all State administrative expenses but the power to make regulations which can nullify the laws passed by the Maryland Legislature; such, for instance, as the present merit rating provisions which now effect a saving to Maryland employers of approximately $13,000,000 a year.

FACT

The Federal agency administering the unemployment compensation program has no power to make regulations which can nullify any existing State or Federal law. The merit rating system referred to is provided for under the Federal Unemployment Tax Act of 1935 and the individual tax rate is governed by the Maryland unemployment compensation law. Forty-five States have merit rating provisions in their laws.

2. ALLEGATION

The present proposal to place the Federal control of unemployment compensation under a strongly partisan agency, such as the Department of Labor, would upset the foundation of the present system, viz, its administration by a neutral agency for the benefit of the entire public. By its nature and functions, the Department of Labor would obviously be prejudiced in favor of labor, whereas the need is for administration in the interest of the public as a whole.

FACT

This is sheer nonsense. The United States Employment Service has been administered by the Department of Labor during 9 of 15 years of its history and no one has cited a single case in which this agency has failed to be impartial in administering the program in the interest of the public as a whole. The Department of Labor is in the same position with respect to the administration of both the unemployment compensation and employment service programs as any other agency of the Federal Government in that it is obliged to administer legislation in accordance with the laws enacted by the Congress.

3. ALLEGATION

It is believed that the Legislature of Maryland, as representative of the people of this State, would never authorize the transfer of unemployment compensation in Maryland from the control of an independent State agency, such as now administers it, to the Maryland Department of Labor and Industry.

FACT

This is a matter to be decided entirely by the people of the State of Maryland. Sixteen States have placed unemployment compensation and employment service functions in their State departments of labor. In no State have these two programs been placed in the State counterpart of the Federal Security Agency responsible for health, welfare, and educational programs.

4. ALLEGATION

By the same token it seems inconceivable that the citizens of Maryland would not be strongly opposed to the placement of Mary-

land's independent agency under the Federal control of a special-purpose agency of whatever nature. Particularly would this be true when such an agency would have the power to cripple or destroy many of the most important features that the Maryland legislature has enacted on this subject, merely by making changes in the regulations.

FACT

The message transmitting the Reorganization Plan No. 1 of 1948 to the Congress stated the purposes of the plan as follows: (1) to group, coordinate, and consolidate agencies and functions of Government according to major purposes; (2) to increase the efficiency of the operation of the Government; and (3) to promote economy to the fullest extent consistent with the efficient operation of the Government. The Reorganization Act is restricted solely to the Federal Government and confers no power on anyone to cripple or destroy with regulations any part of legislation which has been enacted on this subject by any State.

5. ALLEGATION

As to the permanent transfer of the United States Employment Service to the United States Department of Labor, which is also proposed as a part of this program, we see no reason to alter the strong opposition to this change which we recorded last year, when this proposal was made to both the Senate and House and turned down.

FACT

The principal argument against the permanent transfer of the United States Employment Service to the United States Department of Labor was that the Reorganization Plan No. 2 of 1947 permanently placed unemployment compensation and the United States Employment Service in separate Government agencies. The Reorganization Plan No. 1 of 1948 overcomes this criticism.

6. ALLEGATION

We feel that permanent Federal control of the United States Employment Service by the Department of Labor will inevitably result in administrative rules and regulations which may well be harmful to employment conditions in Maryland and greatly decrease the usefulness of the agency both to labor in obtaining employment and to employers in hiring labor.

FACT

In the past 2½ years since the United States Employment Service was returned to the United States Department of Labor, the number of job placements made by the public employment offices over the country and the number of job orders received by those offices from employers have been greater than ever before in the peacetime history of the public employment service.

7. ALLEGATION

As the United States Employment Service clearly should be administered on the Federal level (as well as on the State level) in cooperation with the same agency which administers unemployment compensation, then if the latter agency is properly retained under independent administration certainly the United States Employment Service should not be transferred permanently to the Labor Department.

FACT

This would put the cart before the horse. The job-finding activity should be given emphasis over the payment of unemployment benefits. Clearly the job-finding activity is a basic responsibility of a department of labor. Therefore the United States Employment Service properly belongs in the United States Department of Labor and the closely related unemployment compensation program should be transferred to that Department.

Mr. THOMAS of Utah. In connection with this same idea, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a communication sent out by the Texas Mid-Continent Oil and Gas Association, of Dallas, Tex., in regard to the reorganization plan, together with arguments explaining what the plan calls for, in answer to the communication sent by the Texas Mid-Continent Oil and Gas Association.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

TEXAS MID-CONTINENT OIL AND GAS ASSOCIATION,
Dallas, Tex., January 31, 1948.

To Texas Petroleum Industry:

The unemployment-compensation fund to which you and other employers have contributed nearly $8,000,000,000 (yes, billions) is in immediate danger of being transferred from the officially neutral Federal Security Agency to the Department of Labor, which is usually prolabor.

Almost lost in the tumult of congressional investigations and debate on the European recovery program is another Presidential reorganization plan which will transfer unemployment compensation and other employment service functions to the Department of Labor. Labor organizations and Department of Labor spokesmen have been putting on pressure for this change in hopes of a more liberal paying out of unemployment benefits through redefinition of what constitutes "unemployment." Such redefinition will likely extend unemployment compensation to many categories not now recognized for that purpose. Under a biased administration this fund of nearly $8,000,000,000 may be converted to job-hold-out money.

This effort is embodied in Reorganization Plan No. 1 of 1948 (H. Doc. 499). A resolution opposing this plan has been introduced in the House by Congressman CLARE HOFFMAN, chairman of the House Committee on Expenditures in the Executive Departments, and the resolution has been referred to that committee. Hearings on the resolution (H. Con. Res. 131) will begin February 5.

It is imperative that you write, wire, or call your Congressman and both Senators and voice your opposition to this move. This should be done immediately. The Presdent's authority to submit plans of this nature (which become law unless defeated by joint resolution, adopted both by House and Senate) expires March 31, 1948. Therefore, opponents of the plan must act quickly.

To give your opposition maximum voice, it is respectfully suggested that you personally write or call upon the publishers or editors of newspapers in your locality. As employers of large groups, they will generally be disposed to join you in opposition to such a move and their views on an issue of this type will carry considerable weight with the Texas delegation to Congress.

The importance of this issue would merit the attention of your chamber of commerce organization, various civic clubs, and any other trade organizations to which you belong. The Texas delegation has been advised by this association that we are opposed to the reorganization plan. Your active participation in your community will give a tremendous boost to the effort to defeat this plan.

This is not a matter which we can brush off with the feeling that some other group will take care of it.

Yours very truly,

CHARLES E. SIMONS.

OTHER MISREPRESENTATIONS RE REORGANIZATION PLAN NO. 1 OF 1948

Reorganization Plan No. 1 of 1948 is very simple and direct. It transfers from the Federal Security Agency to the Department of Labor the unemployment compensation functions of the Federal Security Agency and provides for their coordination through a commissioner of employment with USES activities, which, the plan provides, would remain in the Department of Labor.

That is all the plan does. It does not rescind or amend one iota of legislation governing the Federal Government's role in the Federal-State employment service and unemployment-compensation programs. It is intended simply to carry out the Reorganization Act of 1945 to provide for greater economy and efficiency of administration and to put together companion programs where they can best be administered.

The plan would relieve the Federal Security Agency of responsibilities foreign to its primary interest of administering health, welfare, educational services, and pensions and would concentrate in the Department of Labor programs concerned with bringing workers and employers together.

All well-informed people recognize this. Nevertheless, the opponents of the reorganization plan have inspired a vicious and mendacious propaganda campaign against the plan. Trade associations, themselves stimulated by an inspired campaign of misrepresentation, have urged their members to request Congressmen to oppose the plan. The most flagrant and alarming fabrications have been circulated across the country, some of which have probably returned to plague Congressmen.

For example, the Mid-Continent Oil and Gas Association on January 31 urged the Texas petroleum industry to "write, wire, or call your Congressman and both Senators and voice your opposition to the plan." And the pretext for sounding the alarm was:

"The unemployment-compensation fund to which you and other employers have contributed nearly $8,000,000,000 (yes, billions) is in immediate danger of being transferred from the officially neutral Federal Security Agency to the Department of Labor, which is usually prolabor.

"Almost lost in the tumult of congressional investigators and debate on the European recovery program is another Presidential reorganization plan which will transfer unemployment compensation and other employment-service functions to the Department of Labor. Labor organizations and Department of Labor spokesmen have been putting on pressure for this change in hopes of a more liberal paying out of unemployment benefits through redefinition of what constitutes "unemployment." Such redefinition will likely extend unemployment compensation to many categories not now recognized for that purpose. Under a biased administration this fund of nearly $8,000,000,000 may be converted to job-hold-out money."

These palpable fabrications must be rejected out of hand. The unemployment compensation reserve is not now in the custody of the Federal Security Agency but is in a trust fund, owned by the States, and upon which the United States Government pays interest. The States regularly requisition these funds from the Treasury to be expended by the States in the payment of unemployment-compensation benefits without review or restriction by any Federal agency whatsoever.

The allegation that unemployment-compensation benefits would be paid by the States to workers on strike or otherwise unwilling to accept employment if the reorganization plan goes through is wholly unfounded. Everyone knows that whether or not a worker receives benefits is a matter for determination by State agencies, administering State laws. Neither the Federal Security Agency, the Department of Labor, or any other Federal agency has any influence at all in the determination of which workers do and which do not receive benefits.

Such irresponsible allegations deliberately blink the fact that for the past 2½ years, during which the United States Employment

Service has been a part of the Labor Department, it has enjoyed fuller cooperation from, and has given more effective service to, employers than during any other previous period in its history, including the 3 years of its 15 years during which it was a part of the Federal Security Agency.

Mr. THOMAS of Utah. I also ask to have printed in the RECORD at this point as a part of my remarks a letter headed "News and views on legislation," sent out by the Texas Manufacturers Association, of Houston, Tex. This letter is identical with a statement issued by the South Carolina Chamber of Commerce on February 27, 1948.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TEXAS MANUFACTURERS ASSOCIATION,
Houston, Tex., March 3, 1948.

NEWS AND VIEWS ON LEGISLATION

ACTION REQUIRED IF FEPC BY DEFAULT IS TO BE AVOIDED—THIS TELLS HOW

The President's Reorganization Plan No. 1 of 1948 seeks to give the Department of Labor permanent supervisory control over the unemployment compensation and employment-service functions in the 48 States.

This will mean the subjection of the State systems to carrying out, indirectly but nevertheless effectively, FEPC policies through the rule-making and purse-string-control powers of the Secretary of Labor. Note the following:

(A) When the Labor Department put up its bitter-end fight to prevent the return of employment services to the States at the end of the war, it was responsible (arranging sponsors, drafting bills, etc.) for the introduction of the following measures to consolidate its position and extend its control over employment-service activities.

S. 1456 (Senator MURRAY, October 31, 1945) provided that no person would be referred to a job with any employer "(d) if the prospective employer discriminates against any employee or applicant for employment because of race, color, or national origin" (sec. 4).

H. R. 4437 (Mr. RAMSPECK, October 18, 1945) and its Senate companion measure S. 1510 (Senator MURRAY, October 24, 1945) empowered the Secretary of Labor to see that the States, if and when their employment services were returned, would "assure equal referral opportunities for equally qualified applicants on the basis of their qualifications" (sec. 212).

The above measures were rejected by the Congress, and the employment services were returned to the States (H. R. 6739) without additional controls—so Congress thought.

(B) In spite of the rejection by the Congress of FEPC and other controls in the measure returning employment services to State operation, the Secretary of Labor, through his rule-making power, attempted to compel the States to accept and administer an FEPC regulation. The alternative given them was having their grants cut off for failing to comply with the rules and regulations promulgated by the Secretary. The rules promulgated by the Secretary were sent to the field on September 6, 1946. This set of rules and policy statements contained the following provision:

"It is a policy of the USES to service all orders by referring workers on the basis of occupational qualifications, without regard to discriminatory qualifications concerning race, creed, color, national origin or citizenship (unless citizenship is a legal requirement) when such workers are available."

A committee of the States met with representatives of the Labor Department on September 20 and strenuously objected to the above FEPC and other regulations.

The southern States objecting to the FEPC regulation were backed in their stand by their northern associates—the States previously having agreed to stand together on an assortment of objectionable points. The Labor Department receded on its FEPC and certain other contested positions.

However, the Department of Labor put into effect its FEPC hiring policy in the District of Columbia. It was free to do this since it has direct control of the local employment offices. This regulation is still in effect in the District.

If Reorganization Plan No. 1 prevails and the Department of Labor is given permanent jurisdiction over State Unemployment Compensation and Employment Services, that it will proceed to enforce a sub rosa FEPC is obvious.

(1) Its FEPC position will now have the official endorsement and the full backing of the President's announced position.

(2) The States will not be in the position to bargain collectively as they were when their employment offices were being returned in the fall of 1946.

(a) There will not again be the variety of issues to furnish a basis for concerted State action.

(b) The States were compelled to agree when they accepted the rules and regulations in 1946 that they would accept all future modifications and changes in those rules.

The Federal Security Agency which now has supervision over unemployment compensation and which will again have supervisory control over State employment services if Reorganization Plan No. 1 fails, has never insisted on an FEPC policy in State administration. (Note: Federal Security Agency had control of both services up to January 1, 1942, at which time the Federal Government took over and operated until November 16, 1946.)

It is inescapable, on the record, that a vote for Reorganization Plan No. 1 is a vote for an FEPC policy in the Federal administration over State employment service operations.

Write Senators CONNALLY and O'DANIEL, using this bulletin as a base—don't send it—make your letter a personal one.

Mr. THOMAS of Utah. I further ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the Social Security Service Bulletin of the Ohio Chamber of Commerce, Columbus, Ohio.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

[From the Social Security Service Bulletin, Ohio Chamber of Commerce, Columbus, Ohio]

SHALL UNEMPLOYMENT COMPENSATION GO TO LABOR DEPARTMENT?—AN ISSUE WHICH REQUIRES YOUR ATTENTION

"[From the Cincinnati Enquirer of November 24, 1947]

"WHY CHANGE?

"Manufacturers and businessmen who pay taxes for unemployment benefits do not see eye-to-eye with a rumored plan in Washington for a Presidential reorganization under which both the employment-service and the unemployment-compensation functions remaining at the Federal level would be transferred to the Department of Labor.

"In fact, they dislike the idea so heartily that they are protesting to the Senators and Representatives and asking their aid in defeating any such proposal.

"The matter came up before the Ohio Chamber of Commerce's social legislation committee in Columbus recently. In a resolution this committee declared it was 'deemed unwise to place jurisdiction in the Labor Department because it was established primarily to articulate the viewpoint of labor and labor organizations in national affairs. Both employers and employees have an interest in reasonable job referral standards, and in the more than $8,000,000,000 trust fund available for benefits which has been built up primarily from taxes on employers. Continuation of the employment-service and unemployment-compensation programs under a neutral, unprejudiced agency is deemed essential to a fair and equitable system in public interest.'

"If it is true that the Labor Department's basic philosophy is directed toward the interests of labor, its administration of unemployment compensation could become rather costly and could easily be twisted from the intent of the law. We believe the Ohio protest, therefore, is warranted and that the program should be retained in an independent agency and not transferred to the Labor Department."

The reproduced editorial from the Cincinnati Enquirer tells the story.

Its background information will be helpful to Ohio business people in expressing their views to their Senators and Congressmen.

THE ISSUE

Shall the social-insurance system be changed from a public program to a "labor's right" program?

Shall employers become taxpayers only, without a word as to management of the seven to eight billion dollars in State unemployment-compensation funds?

Shall "suitable work" be defined in terms of union-contract agreements?

These things could happen if the proposed new reorganization plan should be enacted.

Other businessmen with whom you may be in contact will be interested in this issue also.

Respectfully,

PAUL J. DAUGHERTY,
Director, Social Security Department.

Mr. THOMAS of Utah. Mr. President, as I listen to the discussion on this plan I find myself somewhat confused at the position taken by the opponents of the plan with respect to economy aspects. The estimates of the Bureau of the Budget as carried in the committee minority views indicate that if this reorganization plan is adopted it will result in an annual savings of approximately $750,000. I thoroughly agree that $750,000 a year is not a monumental savings, but I should like to point out that this amount is equal to the total appropriation for the Commission on Reorganization of the Executive Departments.

What is even more perplexing is the inconsistency of the opponents of this plan. On the one hand it is vigorously argued that this plan, if adopted, will effect no substantial savings over the cost of administering the unemployment compensation and employment service programs, if both are administered in the Federal Security Agency. For that reason it is urged that the Congress at this time should reject the President's plan. The rejection of this plan would mean that possibly for several years both of these programs would retain their status quo. Both would be administered in separate agencies. If it should take 2 years to receive, analyze, and adopt all or any portion of the report issued by the Hoover Commission, the delay in bringing these two agencies together would result in a needless expenditure of more than a million and a half dollars.

The point I am making is that on the one hand the opponents of this plan decry the fact that it will not effect an economy, while on the other hand they

advocate action which would retain the status quo at a cost of $1,500,000 excessive expenditure. I find it difficult, as all of you must, to reconcile these inconsistent positions.

I think the validity of the position that this plan should be adopted immediately is quite obvious. Everyone has agreed that the administration of these two programs in separate agencies is intolerable from an administrative standpoint, and also because of waste of public moneys. I think we should act and act promptly to defeat House Concurrent Resolution 131 and adopt this Reorganization Plan No. 1 of 1948. I urge all Senators to take this position with me.

Mr. President, I should like to make one further remark at this point. There is much confusion in the minds of Senators about how they should vote on the resolution, because of the fact that it is stated in the negative. I suggest that when the time for voting comes the Chair state the question in such a way that Senators can understand what it means to vote "yea" and what it means to vote "nay" in order that they may not become confused by asking and answering the questions.

The PRESIDING OFFICER (Mr. IVES in the chair). The present occupant of the chair will probably not be occupying the chair at that time; but he will see that whoever is occupying the chair at that time is properly informed.

Mr. THOMAS of Utah. I thank the Chair.

The PRESIDING OFFICER. The Chair thinks the Senator's point is very well taken.

Mr. THOMAS of Utah. Mr. President, one further remark, and my time will have expired.

For some time there has been a tendency for certain interests in our country to stand against any kind of proposal which might in any way increase the validity, workability, and ability of the Labor Department to perform its functions. Everyone knows that the Department of Labor was established for the purpose of advancing the standards and the interest of the laboring people of our country. In the act bringing it into existence those words or similar words are used. Therefore it is sometimes assumed that the Labor Department will always administer affairs in an impartial way, being zealous for the interest and uplift of the workers of the country.

This, of course, is not borne out by history. It would never be borne out by the facts. Of course, no department of our government would be able to administer affairs when there were differences of opinion expressed in such a biased way.

Mr. President, I see no reason why the people of the United States who, during the past generation or more, have stood so firmly in favor of promoting the general welfare of our people, should not be proud to stand by the side of the Department of Labor, even if it was a little overzealous in attempting to raise the standards of those who labor in our country. Therefore the remarks made against the Department of Labor may in reality be a tremendous compliment to it. The remarks of those who would like to destroy its effectiveness may in reality be due to the fact that the Department of Labor has been effective and the wage earners of our Nation have been benefited as a result of the Department of Labor's organization and work.

I trust that in the consideration of this resolution no one will take action as a result of the biased communications we have received. I also hope that no Member of the Senate will feel justified in taking action or in casting a vote in order to make less effective that institution in our Government which has been created to benefit the general welfare of the common workers of our land.

The PRESIDING OFFICER. The Chair advises the Senator from Utah that he still has more than 2 minutes of his time remaining, if he desires to use them.

Mr. THOMAS of Utah. I shall not use them, Mr. President.

Mr. BALL. Mr. President, I yield 7 minutes to the Senator from West Virginia [Mr. KILGORE].

Mr. KILGORE. Mr. President, the proposal to postpone placing the unemployment compensation and employment service functions together under a common direction, so that the question may again be debated by some future Congress, is an unexpected development. I feel like an attorney confronted with a surprise witness.

The opponents of the reorganization plan are now suddenly saying, "Let it go—wait until the Commission on the Organization of the Executive Branch of the Government has made a report to another Congress."

They overlook the fact that the two programs which are affected by the reorganization plan have been continually studied by Congress since the close of the war. Hearings involving one or both of these programs have been held, starting back in November 1945, and continuing intermittently in both Houses of Congress in 1946, culminating in the hearings on the President's Reorganization Plan No. 2 of 1947.

In addition, there have been appropriation hearings which have been unique for their searching inquiries into the functions and activities of these two programs. It was through the Appropriation Act of 1946 that the local employment offices were returned to State administration. I dare say that more of the details are known by Congress about the purposes, relationships, and activities of these two programs than is known about any other program of Government. There should not be a Member of this body willing to acknowledge that he is lacking in information and therefore unable to arrive at an intelligent decision concerning this reorganization plan.

The Commission on the Organization of the Executive Branch of the Government is charged with the study of all executive agencies and departments of our Government. It is unreasonable to suppose that with such broad responsibilities to study the activities of myriad Government agencies, the Commission will be able to uncover any facts or principles concerning these two agencies that are not already known to the members of this body.

Mr. President, the chorus of "mañana" now being raised is as truly a legislative filibuster as if I attempted to retain the floor of the Senate from now until March 19, the date on which this reorganization plan would automatically become effective. Should I attempt such a ridiculous undertaking, I would be diverting this body from the consideration of problems of almost cosmic importance, just as the rejection of the reorganization plan would maintain the Nation's two employment-security programs in a state of confusion for another year or two, until the purposes of the reorganization plan are effected.

I have great respect for the Chairman and members of the Commission on the Organization of the Executive Branch of the Government. I feel certain that this Commission will eventually issue a report which will be helpful to some future Congress in arriving at decisions concerning the proper organization of the executive branch of Government. But, in the final analysis, this Commission is merely a fact-finding body. When the report is eventually received, Congress cannot escape its responsibility to analyze and evaluate the recommendations and to arrive at its own decisions. On the basis of the facts that we now have—the same facts that will have to be used by the Commission—I am satisfied that the Commission recommendations will be consistent with the reorganization plan we now have before us. I do not know how many Members of this body have had occasion to review the work of a similar commission, the President's Committee on Administrative Management, which was established in 1937. The report of that committee is worth studying. Interestingly enough, it recommends that programs such as the unemployment compensation and employment service should be placed in the Department of Labor.

It is argued that the Congress has established this new study-Government Commission and has appropriated several hundred thousand dollars to finance its studies, and that after having taken such action, we should now wait until the Commission has reported.

To me, this argument is superficial. It is not reasonable to expect that the recommendations of this Commission, whatever they may be, will be acted upon by some future Congress before 1, 2, or 3 years from now. The acceptance of the reorganization plan now will result in a saving, within the next fiscal year alone, of more than the entire cost of the Commission on the Organization of the Executive Branch of the Government. The accumulated savings before the report of the Commission is finally acted upon are likely to be two or three times that amount.

I seriously doubt whether any Member of this body had the remotest notion that the establishment of the Commission was to free this body from its clear responsibility to act in accordance with the reorganization legislation of 1945. The committee recommending the establishment of the Commission on the

Organization of the Executive Branch of the Government was crystal clear on this point when it said:

> The committee wishes to point out that the establishment of the Commission provided for in this bill will in no way supersede or interfere with the functions and work of any congressional committee or with the rights and prerogatives of the President to reorganize the executive department under the provisions of the Reorganization Act. * * * While the Commission is in existence, various congressional committees will be entirely free to continue their usual work of investigation and study of the activities and functions of the various provisions of government coming under their jurisdiction; and the President may order departmental reorganization just as he has done in the past.

The chairman of the Commission has recently declared, with particular reference to action on the current reorganization plan, that there should be no delay pending the ultimate issuance of a report by the Commission at some future date.

Mr. President, there seems to be general consensus that the unemployment-compensation and employment-service programs should be brought together without delay in the same Department. The only question at issue is whether these two programs should be in the Department of Labor, or in some other agency of government. Why even this point should be a question at issue is incomprehensible to me. The objections that have been voiced against the inclusion of these two programs in the Labor Department seem to boil down to a serious, if not deliberate and malicious, misunderstanding of the proper functions of the Department of Labor.

The legislation which created the Department of Labor stated its purpose as being the advancement of opportunities for profitable employment. In all the years of its operation, the Department of Labor has construed this to mean the benefiting of both workers and employers by bringing them together for the furtherance of their joint interests. Thus, the expression of fear that bias and prejudice will prevent the Department of Labor from properly administering these two programs, implies a distrust of the Department's ability to carry out its proper functions. It also implies a desire to do away with this agency of government.

If the Department of Labor is to continue, then it seems the only proper agency to administer programs whose objective, like the Department's, is to provide workers with a measure of economic security and to aid employers in securing workers. If it is not the function of the Department of Labor to find jobs for workers, then the name of this department is meaningless, and likewise there is no significance to the names of other sections of the Department, such as the Bureau of Labor Statistics, the Apprentice Training Service, the Division of Labor Standards, and the Women's Bureau. If it is the proper function of the Labor Department to find jobs for workers, then that Department must also administer unemployment compensation, since this program is so closely related to the employment-service program.

The two programs have no relation, on the other hand, to the programs of the Federal Security Agency, which deals with such needs as old-age pensions, child care, and public health. Both unemployment compensation and the public employment services are dealing with the rights of workers and employers, and should, therefore, be administered by the agency whose basic function is to protect these rights.

This is simple logic; but apparently in the controversy over this matter, logic is pitting itself against suppositions that have no foundation in fact. The Department of Labor in administering these programs cannot in any way change the laws of the individual States which determine all such matters as merit-rating systems and control of State trust funds. This is clearly indicated in the excellent report of the Senate Committee on Labor and Public Welfare. Yet there have been irresponsible contentions that there is, in fact, a fear of this, when the plain truth is that only the State legislatures, not any Federal agency, could effect any such basic change in the systems of public employment services or unemployment compensation.

It is regrettable that precious time must be wasted these days in refuting such inconsistent charges as those which have been made in this matter, for it is their very inconsistency that makes them suspect. Last year, when the United States Employment Service was being considered for inclusion in the Department of Labor, no charge of bias was made against the Department of Labor. This year, when the two programs which everyone agrees should be administered by the same agency are proposed for inclusion in the Labor Department, an argument is suddenly raised that has no basis either in the past record of the Department or in its future plans.

The PRESIDING OFFICER. The Chair dislikes to interrupt the Senator from West Virginia, but he would point out to the Senator that his 7 minutes' allotment of time has expired. The Chair assumes the Senator from Minnesota would be willing to give him more time.

Mr. BALL. Mr. President, I yield to the Senator a few more minutes.

Mr. KILGORE. I think the Senate Committee on Labor and Public Welfare has done an exemplary job of looking into all aspects of the controversy and reducing the proposition to clear and concise terms. It is their conclusion that the preponderance of evidence is in favor of placing both the United States Employment Service and the Bureau of Employment Securtiy in the Department of Labor. It would be indefensible for us to prolong unnecessarily the separation of these two inter-related programs.

If some future Congress, because of needed reorganization of our executive agencies, decides that these functions should be regrouped with other activities carried on by the Federal Government, this regrouping can be more readily effectuated because the closely related activities of these two programs will have already been coordinated.

Meanwhile, all the facts in the case—and the Senate Committee which has carefully studied these facts—indicate that we should reject House Concurrent Resolution 131, so that the two programs in question can be brought together now.

Mr. BALL. Mr. President, I yield 10 minutes to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, my attitude toward certain so-called civil rights proposals is well known. But because I believe in meeting issues squarely, I am sorry that an attempt has been made to introduce the FEPC into the discussion of Reorganization Plan No. 1.

I have gone into this matter very carefully, and I am convinced that there is no justification for the allegations that the approval of Reorganization Plan No. 1 could be a means of achieving the purposes of a Fair Employment Practice Act through the operation of our public employment service system. To clear up any doubt about this question, I wish at this time to call attention to the policy which under the United States Employment Service applies in service to minority groups. Workers who constitute so-called minority or special-applicant groups in our labor force, as you know, Mr. President, vary in types of persons in the different sections of our country. I wish to remind the Senate that they include Negroes, Spanish-Americans, orientals, handicapped persons, veterans, women, and youth. The policy in serving the members of the special groups who use the public employment service is:

> (a) To promote employment opportunity for all applicants on the basis of their skills, abilities, and job qualifications.
>
> (b) To make definite and continuous effort with employers with whom relationships are established, to the end that their hiring specifications be based exclusively on job performance factors.

The implementation of this policy and the methods and procedures for carrying it out are left to the individual States. However, I have received, and I have been advised that all other southern Senators have received, communications not quoting this policy which is currently in effect, but quoting the policy which was adopted during the war emergency by the War Manpower Commission, for the period when our public Employment Service temporarily gave up its Federal-State character in order to achieve under unified Federal operations the speed necessary for all-out manpower mobilization to win the war. Although the wartime policy has not been in effect in the local offices of the States since the return of the employment offices to State administration in November 1946, it is now alleged through skillful innuendoes and outright misrepresentations that the wartime policy will again be imposed on the States, if the United States Employment Service is permanently located in the Department of Labor. We should bear in mind that the United States Employment Service is now and for the last 2½ years has been located in the United States Department of Labor.

Because of my own interest in the public Employment Service, and because of a request from the Governor of my State that this matter receive my careful at-

tention, I have gone to great pains to obtain the facts which I believe enable me to vote on the merits of the reorganization plan, rather than to base my vote on the reckless propaganda which has been spread around.

I wish to recount the facts as substantiated by the record of the United States Employment Service. After the war, upon liquidation of the War Manpower Commission, the return of local employment offices to State administration was imminent. No general revision was made of wartime policies until the date of return was determined. In 1946, after the date for return of the offices to the States had been determined, new policies for reestablishment of the Federal-State system were then formulated.

The first draft of the reconversion policies and regulations was forwarded, for discussion purposes, to State administrators, to members of the employment service committee of the Interstate Conference of State Employment Security Agencies, and to the executive secretary of the Council of State Governments.

I have here the communication in which the State officials were urged to give to the Director of the United States Employment Service their comments and any recommendations they thought should be taken into account in the final preparation of the policies and regulations. I wish to quote from the letter that the Director of the United States Employment Service sent to each State official at that time:

> It is our sincere desire and intention to maintain a truly cooperative Federal-State undertaking in carrying out the provisions of the Wagner-Peyser Act. In that spirit we seek and invite your frank comments as well as your analysis of the attached documents in the light of the particular problems you may foresee in your own State.

Mr. President, I cannot imagine a more intelligent, fair, and cooperative approach to this problem. The Department of Labor was not engaging in double talk. A subsequent meeting was held in September 1946 by the United States Employment Service with the Employment Service Committee of the Interstate Conference of Employment Security Agencies. At that meeting, policies and regulations were discussed in detail to the end that no provision of these documents would be in conflict with State laws and State administrative practices, and that they would promote the greatest efficiency in the operation of our public employment service. Following the conference, representatives of the States participated in the final drafting of the policies, in the form in which they were published in the Federal Register and transmitted to the States, in October, a month and a half before the return of the employment offices to State administration in November 1946.

I would say that the way in which the policies and procedures for the Federal-State system was determined is a landmark in Federal-State cooperative relationships. And yet, just lately, and only for purposes of opposing this reorganization plan, in some of the communications I have received, and which state they are being sent to all southern Senators, the actions of the Department of Labor are made to appear as deep-dyed plots to change the present policies that were jointly agreed upon by Federal and State officials, and which have been in effect since return to our Federal-State system in 1946. As I pointed out, the present policies were formulated with the complete cooperation of the States and were issued after assurance had been received from the States that they would give rise to no problems of administration. The point I wish to emphasize is that since their adoption the United States Employment Service has received no complaint or criticism from the States, until our consideration of this reorganization plan.

A document which, I understand, has been widely circulated among us southerners, has a wholly unscrupulous intent. It says that a vote for the approval of the reorganization plan is in part an endorsement of the recently announced civil-rights program. Such allegations are vicious and untrue.

As I said in the beginning of my remarks, my position on certain civil-rights proposals is well known. But my convictions are too dear to me to be spent upon false issues masquerading in a guise ingeniously designed to win my support. The voice is the voice of Jacob, all right, but the hands are the hands of Esau. This, in my judgment, is a clumsy attempt to impose upon the intelligence and deepest sentiments of those of us who are from the South.

I am completely satisfied that this reorganization plan has no bearing upon the civil-rights proposals.

Because of this fact, and because of what seems to be unanimous agreement that these two programs should be located in the same Federal Department, I am opposed to the House Concurrent Resolution No. 131. I urge my colleagues on both sides of the aisle to join me in supporting the reorganization plan by voting down the concurrent resolution.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. BALL. Mr. President, I yield 4 minutes additional time to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I thank the Senator very much.

As I have already pointed out, because local employment offices were to be transferred back to State administration, no general revision was made in the wartime policies. The August 27, 1946, field instruction was issued in order to discontinue local office reporting of discriminatory hiring practices to the liquidated FEPC.

It is true that the August 27, 1946, policy is followed by the District of Columbia Placement Center. But the District of Columbia Placement Center occupies a unique position in our public employment service system. It is not like the local employment offices of State agencies because Congress itself in passing the Wagner-Peyser Act made the District of Columbia office a part of the Federal Government. The personnel of the District offices are appointed in accordance with Federal Civil Service laws and regulations. Incidentally, the Department of Labor has recommended to the Congress that the administrative responsibility for the District of Columbia Placement Center be transferred to the District of Columbia government in order that it may also have the same relationship to the Department of Labor as is now held by other local employment offices under State administration.

Mr. BALL. Mr. President, I yield 10 minutes to the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, in the interest of continuity and the saving of time, I do not desire to yield during my remarks.

I rise to speak in support of the Senate Labor and Public Welfare Committee recommendation. It was adopted by a vote of 9 to 4. It is that House Concurrent Resolution 131 do not pass and that Reorganization Plan No. 1 of 1948 be permitted to become effective. I want to ask the Members of this body, this question:

What are we to say to the workers of this country if we turn down this plan? We must answer to the more than 59 million wage earners. They will be vitally affected by our vote on the resolution and by similar issues that will be coming before us between now and the time we adjourn or recess for the political conventions of both parties.

Thirty-seven millions of these wage earners are eligible for unemployment insurance benefits.

All wage earners are intended to be served by the local offices of the Federal-State public employment service system.

Basically, the issue that will be voted on here is this:

Shall we, or shall we not, restore to the United States Department of Labor some of the meaning that a Republican Congress and a Republican President 35 years ago, March 4, 1913, intended the Labor Department to have?

The immediate issue is whether or not we shall agree to locate the related Unemployment Compensation-Employment Service operations in the Labor Department, where both phases of an over-all employment program can be most efficiently conducted in terms of men, money, and national welfare.

Mr. President, if we here repudiate the 9-to-4 recommendation of the Senate Labor and Public Welfare Committee, we shall, by so doing, commit a new act of discrimination against the Labor Department. It will be similar to, but more direct than, the action of Congress last year when the House proposed a 40-percent slash in the operating budget of that Department.

It is relevant to mention that on March 5, the day following the thirty-fifth anniversary of the founding of the Labor Department by a Republican Congress and a Republican President, the House Approprations Committee recommended a further cut in the Labor Department funds, a further slash of 24.7 percent, including a 40-percent cut in funds for the Bureau of Labor Statistics, abolition of the Bureau of Veterans' Reemployment Rights, and closing down of field offices of the Women's Bureau. All in all, the House Appropriations Committee recommended an amputation

that may mean dismissal of as many as 600 of the employees remaining in the Department of Labor. Compare this treatment of the Labor Department with our treatment of the Department of Agriculture, the Department of Commerce, and the Department of the Interior.

The National Labor Relations Board, which is an independent agency, requested for 1949, on an annual basis, nearly as much as the amount allowed by the House for the whole Department of Labor, excluding the United States Employment Service. For the second time in this Eightieth Congress, the House has performed a major operation upon the Labor Department.

At this rate we shall shortly have the Labor Department on a stand-by, caretaker basis, if, indeed, we do not abolish it altogether.

At the present time, the Labor Department, intended by law to serve more than 59,000,000 wage earners, has a budget of approximately $15,400,000, or, including approximately $64,800,000 for State employment services, and $4,700,000 for the United States Employment Service operating expenses, a total budget of $84,900,000. Compare either of these totals—$15,400,000 or $84,900,000—as you choose, for serving more than 59,000,000 wage earners, with the much greater sums allowed many other departments which serve fewer United States citizens. Labor sees the class discrimination that this Congress has practiced against the Labor Department and against labor, not merely against organized labor, but against all wage earners.

The Senate Labor and Public Welfare Committee report, recommending that House Concurrent Resolution 131 do not pass, has this to say of the opposition to Reorganization Plan No. 1:

> In essence * * * the principal opposition to the reorganization plan boils down to an expression of fear that the Department of Labor, through the Secretary of Labor, would be biased and prejudiced in its actions. It has also been alleged by opponents of the plan that because of alleged bias of the Department of Labor, employers will not use the public employment offices of the Employment Service. There is no basis of fact to support this position. No testimony before the committee reveals a single instance, or any other concrete evidence, to support the fear that prejudice would govern the actions of the Department of Labor in administration of the subject programs.

Mr. President, I think there is a real and justified fear here, not that the Labor Department, administering this two-part program vitally affecting 37,000,000 insured wage earners, would be administered in a biased or unfair manner—but that it would be too unbiased, too fair, too alert, and conscientious in administering title III of the Social Security Act and the Unemployment Insurance Tax Act within the letter and intent of those acts. That, I think, is plain from testimony in the hearings.

So, Mr. President, we get back to the basic issue: Shall we, by accepting your committee's 9 to 4 recommendation and voting against House Concurrent Resolution 131, give the United States Department of Labor this two-part function of job finding and safeguarding the prompt, fair, and accurate payment of unemployment compensation benefits to eligible workers when jobs cannot be found?

Let me assure the Members of this body that labor is thoroughly aware of the fears and prejudices and intents behind House Concurrent Resolution 131 that would reject this Reorganization Plan No. 1.

Labor has noticed the rank and indefensible disparity between the functions and funds assigned to the Department of Labor and to other departments of the Federal Government. In the hearings, representatives of the American Federation of Labor and the Congress of Industrial Organizations took pains to stipulate that they were not objecting to the attitude and treatment accorded the Department of Agriculture, for instance, and to the farmers. But they did spell out the discriminatory treatment against the Department of Labor, both in functions and in funds. The records show that labor bitterly resents the charges of "bias" that are so lightly and so irresponsibly thrown at the Department of Labor. Labor recognizes that discrimination against the Labor Department is purposeful discrimination against the wage earners of this country.

Representatives of both the American Federation of Labor and the Congress of Industrial Organizations remarked in the hearings that the argument for locating this two-part function in a so-called neutral agency and against locating it in the Labor Department—which the opponents alleged without a scintilla of proof to be biased in favor of labor at the expense of employers and the public interest—was strange doctrine for our democracy, a novel ideology which assumes the inevitability of class struggle and class conflict. Such an ideology if applied to our entire governmental structure, including other executive departments, would call for the destruction of the present structure of our Cabinet form of government and its replacement by some other structure based on these assumptions of class struggle and class conflict.

Let me read labor's challenge to those who would withhold this two-part function from the Labor Department, as that challenge was stated in the course of the Senate hearings:

> Located in the Labor Department, the emphasis will be on getting workers back in productive jobs on a 100-percent weekly take-home-pay basis, rather than letting them stagnate in unemployment drawing less than 50 percent—I believe less than 35 percent—of their regular wages in benefits. The result of this would be to protect and conserve the unemployment benefit-trust funds and in promoting the welfare of wage earners by getting them back to work as quickly as possible, the Nation's purchasing power, markets, and welfare would be protected and promoted.
>
> If this assumption that promotion of the welfare of labor is inimical to the welfare of other segments were correct—and we say it is not correct—then not only should the Congress disapprove this plan, but perhaps it should consider the repeal of the act creating the Labor Department and the abolition of that Department, not only to prevent further wastage of public funds but to stop an activity which, if that assumption were correct, would be a threat to the public welfare.
>
> A proposal for outright abolition of the Department of Labor, rather than indirect reduction of its functions until it is not much more significant than a mechanical bird in a cuckoo clock, would get the basic issue involved in this discussion before the American people.
>
> This question of the attitude of Congress toward the Department of Labor, in terms of functions and appropriations, is broader and deeper and more important than the instance before you in the consideration of this resolution. But the decision on this resolution will be an indication, one way or another, of attitude on the broad and fundamental question of whether or not we are to have an agency that is more than a Department of Labor in name only.

That is the basic issue, Mr. President. One might paraphrase Kipling's Tommy Atkins and say, "You bet that labor sees."

Between now and November most of us will be out campaigning, protesting our love and affection for labor, for wage earners, for the honest men of toil. And I dare say that most of us will find words to utter in support of the principle that labor has a right to organize and bargain collectively; that, in the public interest, wage earners have the right to social security, to unemployment compensation and old-age and survivors insurance. We who are Republicans will contend that our party accepts and endorses the whole social-security program that has been established in the past 12 years. Our appeal to the voters, including the 37,000,000 wage earners insured under the Social Security Act, will be that the Republican Party can do everything the Democratic Party has done, and that we pledge ourselves to do it better.

That is a perfectly good campaign platform—provided there is something substantial in our record of performance to support it.

But if we here repudiate the 9-to-4 recommendation of the committee which considered and approved this reorganization plan; and if we thereby refuse to assign to the Labor Department the responsibility for the job of helping unemployed wage earners to find jobs, employers to find qualified workers, and for the safeguarding through the State programs of prompt and accurate payment of unemployment-compensation benefits when due during the interval of unemployment; and if the Congress then follows up such an antilabor decision by any such cut in Labor Department funds as the House has recommended, you can write it down in the book that the wage earners of this country are going to see, and remember, what has been done to the Labor Department. They will mark down and remember what has been done to their interest, security, and welfare by the butchery of funds and functions which this Congress, in its first and second sessions, has practiced upon the one Department which, under our form of government, is by statute devoted to promoting the welfare of wage earners.

You bet labor will see. Labor will remember. Perhaps labor will vote.

When we face our constituents who, I thank God, are still this year the sovereigns in this free land, I think the less said about this legislative butchery the better.

It might be well for us, facing the citizen voters who are still our masters, to recall the words of Plato:

In the presence of the people, the representatives of the people should stay silent.

If we reject the Labor Committee's recommendation, and thereby refuse to locate this two-part function in the Labor Department; if we again slash Labor Department funds; if we adjourn without acting favorably on bills which will provide some of the needed services to the working men and women of this country, then I offer this practical advice on how to make a speech in the 1948 campaign:

First. Whenever possible, do it by radio from a studio;

Second. Speak at a meeting arranged and attended by representatives of employers who agree with you; or

Third. When you have to talk to a labor audience and there is no way out of it—such as sore throat, grounded planes, or missed train connections—I suggest that you borrow one of those cages they have behind baseball catchers and hockey goalies. Just turn the cage around and speak through it.

Mr. President, I believe that, no matter what happens to the riven organism known as the Democratic Party, we Republicans are going to need a few labor votes this fall in order to win, certainly in some of the State contests. I do not hold with the theory that every labor vote cast for Wallace is a vote for the Republican Party and against the Democratic Party. I cannot view as desirable a 10,000,000 vote for Wallace. That would mean the election to Congress of some of his collaborators. That, in reality, would mean the establishment of a leftist-directed political organization in our national life on a scale that, given a new depression, might have extremely serious consequences in this country and in the world.

Now, addressing my remarks to the practical, functional need for the location of this two-part program of our public employment service and unemployment compensation within the Department of Labor, it seems to me that there is an immediate and urgent need, very close not only to the national welfare but affecting the national security.

I am no prophet, no economist. I do not know what is going to happen to our economy between now and November. Whether it is going to be sustained at full employment levels, whether unemployment is going to increase or decrease, but I read that certain lines of goods are now being brought up into balance. I know that certain soft goods have shown a tendency to back up and accumulate in heavy inventories in recent months. Wide publicity has been given price cuts announced by President Charles E. Wilson, of General Electric Corp., for certain General Electric products, such as radios, but not including turbines and other heavy machinery for which there is a big backlog of orders.

The future is uncertain and imponderable.

I can imagine a set of circumstances resulting from the decline of purchasing power, sales, production, and employment that would result in a substantial increase in unemployment next fall. Should this recession develop, wage earners' interest in our action on this reorganization plan will have been tremendously intensified.

Under the present circumstances it is clear that this is no time to take action designed to weaken these two programs. I refer to productive efforts to make good on our commitments to the Marshall plan; or, should that plan fail of implementation, by being too late with too little, to prepare and equip ourselves for a show-down with Russia.

Either way, as a matter of protection to wage earners, of service to employers, of protection to our economy, and of underpinning for our national security, we need the Unemployment Compensation-United States Employment Service operations within the Department of Labor. I sincerely hope that the Senate will this afternoon see its way clear to vote to retain them there.

I close by asking consent to have added to my remarks a statement I have prepared showing what happened to the so-called $300,000 surplus the Department of Labor had last year, pointing out that it was not a surplus in fact, but really amounted to an inability on the part of the Department of Labor to make use of the $300,000 saving because of some unfortunate cuts Congress made in the program of the Department.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ESTIMATED 1948 DEPARTMENT OF LABOR APPROPRIATION SURPLUS

TRAVELING EXPENSES, $300,000

This surplus has come about due primarily to two factors. First, the appropriation structure for the Department for the fiscal year 1948 contained a special appropriation for traveling expenses and in making the adjustments last year at the time we were considering this bill originally in the House and again as a result of the Senate changes, we apparently did not make the proper adjustment in the traveling expense appropriation. Second, we were informed by representatives of the Department during the course of the hearings that the drastic reduction in the Department's appropriations for the current year caused a considerable slump in its activities for the first 4 months of the fiscal year during which time the personnel and programs were being adjusted to operate within the amounts approved. This accounts for a part of the surplus. I am further advised that the Department has recommended to the Bureau of the Budget that the sum of $300,000 be placed in reserve.

MISCELLANEOUS EXPENSES, WAGE AND HOUR DIVISION, $11,000

In the statement submitted as a part of the justification for the Wage and Hour Division there was shown clearly to the committee an estimated savings in this appropriation of $11,000. This saving was brought about mainly by aggressive action on the part of the Department of Labor staff to obtain free office space in lieu of rented commercial space.

VETERANS' REEMPLOYMENT RIGHTS DIVISION, $52,000

Last year was the first year an appropriation was made for this activity in the Department of Labor. The appropriation bill was not cleared until the last of July and the Department was unable to recruit staff until the appropriation bill was passed. The appropriation was made for salaries on a full annual basis and there was a lapse due to this lateness in the passage of the bill and this accounts for the surplus here.

UNITED STATES CONCILIATION SERVICE, $10,000

This Service was transferred out of the Department of Labor during the first quarter of the current fiscal year and funds were appropriated to the Department to defray its expenses for that period which it was in the Department. The $10,000 represents the unused balance of $430,001 appropriated to the Department for this purpose.

On the basis of the above, I think it is a mistake to criticize departments that do not find ways and means of using up every penny that has been appropriated. In fact, this is an unusual record in my opinion, and the Department should be complimented rather than penalized in the making of appropriations for this year because of these unused balances. The House cut the appropriations for the Department for the year 1948 more than 40 percent. Obviously this caused drastic changes in organizational structure and methods of doing business throughout the Department, and neither Congress nor the Department was in a position to intelligently determine down to the last dollar the actual amount that would be needed until after these changes had been made. Likewise I think we have to recognize that the passage of an appropriation bill with 1 month of the fiscal year gone and funds contained in such bill for a full fiscal year for a new activity should result in there being unobligated balances at the end of the year.

I want to emphasize that any action by this body indicating in any way that it is to the disadvantage of the departments to have unobligated balances of appropriations at the end of any fiscal year because it may bring about a penalization in the amount approved for the subsequent year is a bad policy for us to follow.

Mr. BALL. Mr. President, the opposition to Reorganization Plan No. 1 centers on two things. The first is the plea that we should wait for the Hoover Commission to report. The second is that the two agencies, the employment service and the unemployment compensation function, belong more logically in the Security Agency than in the Department of Labor.

Historically the Congress in 1933—and it is the only time the Congress ever acted on the question—placed the United States Employment Service in the Department of Labor, recognizing that its function was to secure jobs for wage earners, and that no function more logically belonged in the Department of Labor. When the Social Security Act was passed in 1936 the Bureau of Unemployment Compensation, or Bureau of Employment Security, was placed under the old Federal Security Board. Subsequently by Executive order the President transferred the employment service to the Federal Security Board, until January 1942 when the whole employment service was nationalized and made an arm of the War Manpower Commission.

Congress provided for its return to the States in November 1946 and since that time, in fact since the end of the war, in 1945, the employment service, has, by Executive order, been in the Department of Labor. That Executive order was issued under certain war powers, which do not expire until 6 months after the official termination of the war, and the proponents say that unless the reorganization plan is adopted the employment

service will remain in the Department of Labor at least two more years, the Unemployment Compensation Division will remain in the Federal Security Agency, and the two will be separated.

Mr. President, on the one point that these two agencies should be in the same Federal department there is no disagreement. On page 113 of the hearings Senators will find a statement of the results of a poll of all the State administrators of these programs to which the Senator from Missouri [Mr. DONNELL] referred. One of the questions asked was:

Do you favor unemployment compensation and employment service being in the same department at Federal level?

To this question 46 States voted "yes" and no State voted "no." I think the States were also unanimous in feeling they should have a single budget for the two services.

They were divided as to where the two agencies should be combined. As the Senator from Missouri said, 24 States wanted their organization to oppose this reorganization plan, feeling that these two agencies should be in the Federal Security Agency. Ten States were in favor of supporting the plan, feeling that the two agencies belong logically in the Department of Labor, and 10 States said their associations should remain neutral on the question.

So I do not think there is any serious argument over the fact that these two services should be in the same department at the Federal level. The question is whether they should be in the Federal Security Agency, a so-called neutral agency, or in the Department of Labor, which by statute is directed to advance the welfare of the wage earners of the United States, and is to that degree partisan.

Now as to the amount of the Federal expenditures that may be saved by this reorganization, I ask unanimous consent to have printed in the RECORD at this point an analysis of the possible savings, submitted by the Bureau of the Budget.

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Without objection, it is so ordered.

The analysis is as follows:

BUREAU OF THE BUDGET SUBMITTAL TO SENATE SUBCOMMITTEE, MARCH 2, 1948

In any statement of comparative expenditures by the United States Employment Service and the Bureau of Employment Security, consideration must be given to the fact that certain functions are performed at different levels of operation by the two agencies.

For instance, the Federal Security Agency has personnel consultants in all its regional offices and the USES in only four. The USES stations its auditors in Washington and the Federal Security Agency at the regional and State level.

After consultation with both agencies, at which time there was discussion of the general plans under which each would operate, the following estimates of potential savings under consolidation have been determined by level of operation. These estimates contemplate no lessening of the service now rendered the States:

I. Under Reorganization Plan No. 1 of 1948—Consolidation in the Department of Labor.

(a) At the departmental level, $70,000.

This would result from the integration of all activities relating to budgets and the granting of funds, and of certain administrative and staff functions which have a common purpose, such as field operation, research and statistics, and administrative services. Some change in method of operation is also contemplated. This estimate is a net figure and funds have been provided to staff the immediate office of the Commissioner of Employment as contemplated by the plan.

(b) At the field level, $180,000.

These savings can be achieved through joint use of existing field staffs of the two bureaus. Since the Department of Labor has no predetermined regional structure, some adjustments of regional patterns will be possible. The entire staff will be composed of working technicians with no supervisory structure above them.

II. Consolidation in the Federal Security Agency.

(a) At the departmental level, $91,000.

This saving would result from integration of the State budgetary and grants process and the consolidation of certain common services. An additional saving in personnel consultants will be possible because the Federal Security Agency already has complete regional coverage in this area.

(b) At the field level, $155,000.

This saving would result from the joint use of existing field staff, including auditors; the absorption of certain space and other overhead costs at the regional level.

Although the two estimates are arrived at by a separate set of calculations arising from the differing methods of operation in the two agencies, it is apparent that the resulting economies under either arrangement are not in total far apart.

In addition to the above amounts, it is estimated that savings of $500,000 can be made in the grants appropriations by reason of State operation of the two programs under a single set of fiscal, budgetary, and personnel standards.

Mr. BALL. Mr. President, that analysis shows that under Reorganization Plan No. 1 it is estimated that at the departmental level $70,000 will be saved and on the field level $180,000, or a total of $250,000. If the consolidation were made in the Federal Security Agency, the savings would be $91,000 at the departmental level and $155,000 at the field level, or a total of $246,000.

Under consolidation in either agency the Bureau of the Budget estimates that about $500,000 a year would be saved in the administration of these programs at the State level. So that the total savings in either case would be approximately $750,000, or, for 2 years, $1,500,000. I think we all recognize that if the reorganization plan is not approved the two agencies will remain in separate departments for at least 2 years. So we are talking about an immediate saving of $1,500,000.

I agree with the Senator from Missouri that there is not any appreciable difference in the savings in the Department of Labor over the Federal Security Agency; the saving would be approximately the same in either place; but it would come 2 years earlier if the reorganization plan is approved and if House Concurrent Resolution 131 is disapproved by the Senate.

One of the arguments, Mr. President, advanced against approving this reorganization plan and disapproving the concurrent resolution is that Congress should wait for the so-called Hoover Commission studying the whole question of reorganization of the executive branch to have a chance to complete its study and make a report. I submit that that is merely an easy way of dodging the issue which is clearly before the Senate at this time. As a matter of fact, in the report of the House Committee on Expenditures, which recommended the resolution creating the Hoover Commission, there is this language:

The committee wishes to point out that the establishment of the Commission provided for in this bill will in no way supersede or interfere with the functions and work of any congressional committee, or with the rights and prerogatives of the President to reorganize the executive department under the provisions of the Reorganization Act * * * various congressional committees will be entirely free to continue their usual work of investigation and study of the activities and functions of the various divisions of Government coming under their jurisdiction; and the President may order departmental reorganization just as he has done in the past.

Mr. President, the issue of whether these two functions should be combined in the Federal Security Agency or in the Department of Labor is not a new one. It was before Congress a year ago, and it has been before Congress in various bills for several years. I think Congress is thoroughly familiar with all the arguments on both sides of the question, and to dodge a decision at this time simply on the basis that we should wait for another Commission to go over the same ground that our various committees already have gone over two or three times at least, and report, seems to me simply to be dodging the issue before us.

Now, as to the question—and it is really the fundamental question and issue here—as to whether these functions, those of the United States Employment Service and the Bureau of Employment Security, which is in charge of and supervises the paying out of unemployment compensation to workers who are unemployed and cannot find jobs, should be combined in the Federal Security Agency or the Department of Labor. The argument is made that they should be in the Federal Security Agency because it handles old-age and survivors' insurance, old-age assistance, aid to the blind, aid to dependent children, and other grants-in-aid from the Federal Government to the States. But, Mr. President, every one of those programs in the Federal Security Agency, outside of this particular one, deals with individuals who have, for one reason or another, such as disability or old age, left the labor force. They are no longer looking for jobs or able to work, whereas unemployment compensation is an entirely different picture. That is a temporary benefit payment simply to tide the worker over until he finds a job, and the primary purpose of both programs is to find the unemployed worker a job.

The theory of those who advocate placing both of these services in the Federal Security Agency is that all the emphasis should be on the insurance feature, on paying out unemployment-compensation benefits. I submit, Mr. President, that that is entirely a wrong view of the two programs. The emphasis is on keeping people employed, and when they become unemployed on finding jobs for them.

Mr. SALTONSTALL. Mr. President, will the Senator yield at that point?

Mr. BALL. I yield.

Mr. SALTONSTALL. In Massachusetts, as I understand, of those who come in to obtain unemployment compensation, approximately only 10 percent get employment through the agency. Between 70 and 80 percent of them come in for unemployment compensation. Is it not better, where such a high percentage are coming in for payments, to keep those payments in the same place with other types of payments, such as those for social security? They may not have a direct bearing on unemployment, but they have a social-security tinge. Is it not better to keep both in the same place?

Mr. BALL. No. I think the Senator's figures are correct. Only about 10 or 20 percent of the placements in jobs in this country are made through the State employment services, which are in turn supervised by the United States Employment Service. That is the best argument I know of for not accepting the theory of those who would put the primary emphasis in this program on paying out insurance benefits rather than on getting jobs. I believe that we need to build up the Employment Service and build up the confidence of employers in it. Clearly under our many labor-relations contracts providing for seniority, lay-offs, and rehiring, a great many placements inevitably will be made outside any public employment service, because the employer is obligated by his contract first to rehire those of his former employees who have been laid off. But it is my conception of the two programs — unemployment compensation and the Employment Service—that the primary purpose is first to stabilize employment. That is why I am for merit rating. The first purpose is to keep employment as stable as possible the year round.

The second purpose is, when employees become unemployed through no fault of their own, to give them insurance benefits temporarily to tide them over until they can obtain remunerative jobs, working full time and producing. I submit that the emphasis in the program should be on the Employment Service, in stabilizing employment, and finding jobs as quickly as possible for those who are unemployed.

The argument is raised that since in the organic act creating the Department of Labor it is directed to advance the welfare and interests of the wage earners of the United States, it is not the proper agency to administer these two programs, because employers have a cash interest in the unemployment compensation fund. Mr. President, I was not in the Senate when the Social Security Act was passed, but as I understand that act, it was not passed primarily for the benefit of employers, to keep their contributions low. It was not passed even primarily for the benefit of the whole public. It was passed primarily to stabilize employment, to provide temporary unemployment compensation benefits to employees, and to advance the welfare of the wage earners of the United States. That is the whole purpose both of unemployment compensation and of the Employment Service.

Certainly if there is any function of the Federal Government which belongs logically in the Department of Labor, created to advance and protect the interests and welfare of wage earners, it is these two programs, designed first, to stabilize employment, and second, when an employee is unemployed, to pay him some weekly benefits to tide him over and finally to get him a full-time paying job. If that whole program does not have as its primary purpose the advancement of the welfare of the wage earners of the United States, then I completely misunderstand it.

So I submit that the argument that it is primarily an insurance program simply has no merit on the basis of the facts. We do not want to pay unemployment compensation to employees any longer than we absolutely have to, until we can get them full-time productive paying jobs in industry. That is where the emphasis should be.

I grant that the employers of the country are very fearful of the Department of Labor. I hold no particular brief for the leadership of that Department, and what seems to me to be its tendency to think that only two individuals, one named Phil Murray and the other named Bill Green, are qualified to decide what is good for the welfare of the wage earners of the country.

I do not believe that the Department is any too well balanced at this time; but I do not think we should turn down this plan on the basis of a temporary situation which prevails in the Department of Labor. If we take the position that these functions do not belong in the Department of Labor, in view of their primary purpose, it seems to me that we should go the whole hog and abolish the Department of Labor. I do not know why we have such a Department in the executive branch of the Government if it is not to administer this type of program.

As I stated, I grant that the employers of the country have been stirred up. I suspect that there has been quite a campaign of stirring them up, judging by the stack of telegrams which I have received on the question. They are afraid that if these two functions are administered in the Department of Labor, somehow that Department will find a way, first, to destroy the merit-rating provision of the act under which, if an employer has a stable employment record, his compensation rate decreases. I do not know why they are any more afraid of the Department of Labor in that regard than they are of the Security Agency.

I happened to be a newspaperman covering the State legislature when the Social Security Act was passed by Congress. I can remember when the Federal Security Board came into the State and lobbied in the State legislature against any kind of merit rating. Every year, in its report, the Federal Security Agency has opposed merit rating. But Congress wrote the authorization for merit rating into the Federal law, and the State legislatures have written it into the State laws. No interpretations by the Department of Labor can change that basic law. I think the record amply demonstrates that Federal officials are not capable of mobilizing sufficient pressure. If they could not do it back in 1936, they certainly cannot today mobilize sufficient pressure or lobbying strength in any State legislature to repeal the merit-rating provisions which are in the State law.

The other fear is that through its power to issue regulations and fix standards under the Federal law—and not exceeding its authority under that law—the Department of Labor will somehow change the referral standards on the basis of which employees are referred to job vacancies, and will somehow force a change in the definition of "suitable employment," which is contained in a great many State laws which have merit rating; in other words, for example, that the Department of Labor will insist that a carpenter who is unemployed must draw benefits for his full benefit period because a job cannot be found for him as a carpenter, even though after a few weeks the Employment Service says, "That is hopeless, but we do have a job opening at a somewhat lower rate, as a laborer or carpenter's helper." That is a real fear on the part of many employers; but I submit again that the record is clear that the State legislatures have complete authority, within the standards set in the Federal law, and not by the Department of Labor, to define what is suitable employment, what is a suitable job opening which, if turned down by an unemployed person, thereafter will deprive him of the right to draw benefits. I submit that the authority of the State legislature and the supremacy of the State law on that subject have been established in many, many decisions of the State appeal boards and of the State courts, and there is not the slightest possibility that the Department of Labor, even if it wished to do so, would be able to change that situation.

Mr. President, I grant that the fear on the part of employers is real. But I do not see and I cannot see, on the face of the record, where it is justified.

Finally, I submit that as to these two programs of unemployment compensation and employment service—finding jobs for those who are unemployed—if there are two programs which were devised primarily to serve the welfare and the interests of the wage earners of the United States, those are the two. The Department of Labor was created to serve the welfare of the wage earners of the United States. If these two functions do not belong there, then I respectfully ask, What does belong in the Department of Labor?

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DONNELL. Mr. President, I yield to the Senator from New York.

Mr. IVES. Mr. President, I have listened with a great deal of interest to the splendid exposition and analysis presented in the last hour and a half by those debating the proposed plan. I do not rise at this time for the purpose of reviewing its historical background or analyzing its present form. Those matters have been covered very effectively

by the distinguished Senator from Missouri [Mr. DONNELL] and also by the distinguished Senator from Minnesota [Mr. BALL].

What I wish to point out are the number of matters on which there seems to be common agreement, and also a number of others on which apparently there is an honest difference of opinion.

There seems to be no question whatever regarding the advisability of having these two particular functions in one department or one agency of the Government for obviously they have a very close relationship.

There also seems to be very little difference insofar as the cost is concerned. Assuming that these two functions are to be combined, presumably the cost would be about as much whether lodged in the Department of Labor or the Federal Security Agency.

Then we come to another area, one in which there is a ground for difference. I think the word which best describes it is the word "fear." There seems to be expressed here, on the part of those who have participated in the debate thus far, a basic fear, one way or the other, in connection with the effect of this proposed plan.

Those who are in opposition to it—and I am not referring to those who have debated in opposition to the plan, because only the distinguished Senator from Missouri [Mr. DONNELL] has done so—but among those groups which are opposed to it, there seems to be a fear that it is going to hurt business. That by interpretation, if these functions are placed together in the Department of Labor, merit or experience rating plans in the various States of the United States will be harmfully affected. Mr. President, I am opposed to this plan, and I am in favor of this resolution; but I doubt the occasion for that fear.

At the same time, I would point out that the law itself, as I recall, has approximately four lines on the question of merit or experience rating, leaving the matter of interpretation largely to rule and regulation, and determination of policy itself, by the administration itself. At the present time, as we know, this determination of policy lies in the Federal Security Agency and as has been pointed out there are 61 pages of regulations now in effect. I have had a little experience with this body of regulations. It so happens, if perhaps the Senate will pardon a personal reference, that I had more to do than any other one person with the establishment of merit or experience rating in the State of New York, and I know the problems we encountered. I know how we had to have our plan conform to the Federal pattern, as laid down—most of all—by rule and regulation. So when anyone here says that rule and regulation have nothing to do with it, I can testify to the contrary.

However, even that being so, I have just as much confidence in the Department of Labor in this connection as I have in the Federal Security Agency. I do not know why there should be a greater prejudice in one place than in the other.

Then there is another element of fear which seems to have entered into this debate, namely, the fear that unless this plan is adopted as proposed, the Department of Labor itself will be very seriously impaired and perhaps will go out of existence because of lack of function. Mr. President, I do not share in that fear. So long as I have anything to do with this body or am in any way connected with legislation in the Federal Government, I expect to advocate as strongly as I can, personally, an independent Department of Labor. There is great need for such a Department. The very fact that there is this proposed delay, if it be no more than that, as a result of the resolution now before us, in turning over these combined functions to that one Department, in no way would indicate that the Department itself is condemned, nor should it be thought of in that connection.

I say to those who entertain such a fear that I share the criticism which has been raised in connection with adequate appropriations for several of the functions of that Department, and I also feel that it has not received sufficient appropriations in some instances for those functions; but at the same time I do not join them in their fear as to the future of the Department of Labor. This is not final action. Final action presumably will come, if this resolution is adopted by the Senate, when the report of the Hoover Commission is made and when action on that report is taken.

Mr. President, I feel very strongly that when the Congress of the United States passes legislation which establishes a commission to study the organization of our Federal Government, with the idea of having it make recommendations upon which the Congress, in turn, should act in the matter of reorganization or making such changes as may be found necessary, it ill behooves us, even though the report cited by the distinguished Senator from Minnesota [Mr. BALL] indicates that it is perfectly permissible to do so, to now, or at any other time while this Commission is in operation, establish, as we would be establishing here, something of a permanent nature which in reality is brand new.

So I say, Mr. President, that it seems to me we should delay action in this case until we have this report. This does not necessarily mean a 2-year delay. As has been pointed out, the report will be here early in the next session, before the middle of January. If there is demand that there be this merger at once, action can be taken if warranted. Insofar as I am aware, no one is suffering at the present time because of the present policy which is in vogue where these two functions of government are concerned. A few more months of delay will cause no damage at any spot with which I am acquainted.

It all leads up to one conclusion, namely, that if we do take this action in this instance—that is to say, if we fail to approve this resolution, and if we allow this plan to become effective—if, later on, the Hoover Commission reports and recommends otherwise, and we find that in our judgment the Hoover Commission is correct, so that then we have to go to work to upset the whole proceeding, then it seems to me that in this instance we shall have taken a most unwise course.

It seems to me that under the circumstances, and in the face of all the conditions cited by both the Senator from Missouri and myself, action on the matter should be delayed, and we should approve the House resolution.

Mr. DONNELL. Mr. President, the Senator from Ohio [Mr. TAFT] was expected to speak at this moment. I ask the Chair's indulgence, in order that I may ascertain if the Senator is in the cloakroom.

Mr. TAFT entered the Senate Chamber.

Mr. DONNELL. Mr. President, I yield to the Senator from Ohio. I may say in yielding that we are very happy that both he and the Senator from Maine [Mr. BREWSTER] escaped injury in the accident which befell them within the past few hours. I am glad to see the Senator here.

Mr. TAFT. Mr. President, the essential change made by the proposed reorganization plan is the transfer of the Bureau of Employment Security to the Department of Labor. The Bureau of Employment Security throughout its entire life has been in the Federal Security Agency. It was one of the major bureaus of that Agency. It was a part of the social-security set-up in the beginning. It is now proposed to transfer it from the Federal Security Agency to the Department of Labor. There is on the calendar a bill to create a Federal Department of Health, Welfare, and Education, which in effect will take over most of the functions of the Federal Security Agency. I think that undoubtedly that Agency sooner or later should become a Federal department. It seems to me the functions of the Bureau of Unemployment Compensation fall properly within the functions of that particular Agency.

It is claimed that the proposed move should be made because the Employment Service is in the Labor Department today. There has been a great deal of question as to where the Employment Service should be. It was originally in the Labor Department. In 1939, the President, through a reorganization plan similar to the one now proposed, transferred it to the Federal Security Agency. He is now endeavoring to reverse the procedure followed by him at that time. Subsequently, it wandered off to the War Manpower Commission, and from the War Manpower Commission, by Executive order issued under the War Powers Act, it went back to the Department of Labor.

I quite agree it would be desirable probably that both services be in one department. I rather think it is more appropriate that they be in the Federal Security Agency than in the Department of Labor. There has always been the difficulty that the Department of Labor, in a way, was set up, as an advocate and representative of labor, and whenever it comes to functioning in a matter in which not only the interests of labor are involved but also the interests of the employer or the employing agency, the question arises whether the function is being assigned to a prejudiced tribunal.

I do not know what should be done about the Labor Department. I am

hopeful that the general reorganization proposals of the Lodge-Brown Commission, of which former President Hoover is chairman, will deal with the question and will try to have the Labor Department deal with all labor relations of whatever kind, functioning equally and impartially between the representatives of labor and the representatives of the employer and of the public. I think perhaps that could be done. Until it is done, I think we are not going to solve the problem of the prejudice that exists against the Department of Labor on the part of those who feel that it represents solely the interests of labor. There were times during the war when it was alleged that control of the Employment Service by the Department of Labor or by the War Manpower Commission was actively used to promote the interests of particular unions, and that union men were given preference in sending them to employers for jobs. In certain cases charges were made that particular unions were favored over other unions. I do not know how true those charges may have been, but they were widely believed and they have helped to create prejudice against giving to the Department of Labor complete control over the employment service and the Bureau of Unemployment Compensation, and against giving them the power to try to direct the flow of labor as they may think it desirable, solely in the interests of unions as opposed to employers.

I think that in a reorganized Labor Department there would be a very strong argument for putting both services into one department, but my own conclusion is that until we have a more comprehensive study of the whole Federal Government, and until we have a comprehensive reorganization plan, we ought to leave things as they are.

The report of the Hoover Commission I understand is proceeding, and is expected to be made by the first of next January, when it will be before the Congress. It will be one of the most important functions of Congress to decide the general character of the Labor Department, together with all other departments with which we may deal, and to determine the exact status and nature of the Federal Security Administration. Until that is done, I do not think we should take the Bureau of Unemployment Compensation from the place it has been for, I think, 15 years and transfer it to the Department of Labor, with the very great possibility that within 6 months it may be grabbed away from the Department of Labor again and set up in some other division or in some new department of security or in some rearranged Department of Labor. It seems to me that would be a very futile thing.

When we are approaching a general reorganization, unless we can be certain that this proposal follows the line which the reorganization is likely to take, it seems to me we had better wait for that reorganization to be submitted to Congress. I am very optimistic, more so than I have ever been heretofore, that when the reorganization plan is submitted we can adopt that plan, and that it may effect great economies.

So far as I can see, the economies to be effected by the proposed plan are of rather minor character. There is an advantage in having the Department of Labor and the Unemployment Compensation Bureau in one place, although they have been in different places; and we have managed to get along without any serious inconvenience. I do not quite see why we should not leave them where they are and await the development of the reorganization plan which is coming to Congress.

So, Mr. President, I have signed the minority views, in which the Senator from Indiana [Mr. JENNER] and the Senator from New York [Mr. IVES] have joined and to which, I think, the Senator from Missouri [Mr. DONNELL] agrees.

I have no particular prejudice against the Labor Department, but until that Department can be reorganized and set up on a sound basis, until we know the general character of the reorganization and the ultimate status of the Federal Security Administration, I am very much opposed to taking the Bureau of Unemployment Compensation from the place it has been, and shifting it to the Labor Department with the possibility that within 6 months we shall take it away from the Labor Department and put it somewhere else.

The reorganization scheme, together with the exercise of the war powers, has worked out too much in the way of shifting departments here and there until no one knows where he is and no one is certain of his status or that he will remain there for more than a few months or a few years. I believe we had better agree on a policy of stability until we do a "bang-up" job of complete reorganization. I am very much opposed to the plan and am in favor of agreeing to the resolution which has been passed by the House and which is now before the Senate.

Mr. DONNELL. Mr. President, may I inquire how much time remains for those who favor the resolution?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. WHERRY. Mr. President, many Senators have discussed this proposed legislation with me, and apparently some Senator should explain the mechanics of the voting. One Senator recently stated that he would like very much to vote for the resolution. He wanted to retain the Department of Labor as it is now. This is an occasion when a vote for the resolution is a vote against the plan, and a vote against the resolution is a vote in favor of the plan. So I hope, Mr. President, it will be explained in the time of some Senator so that it will be thoroughly understood.

Mr. IVES. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. IVES. I do not think the Senator from Nebraska was in the Chamber when the matter was brought to the attention of the occupant of the chair. It has been requested that the Presiding Officer, whoever he may be at the time of the vote, will explain the significance of the vote.

Mr. DONNELL. Mr. President, I inquire how much time remains for the proponents of the resolution?

The PRESIDING OFFICER. Thirty-eight minutes.

Mr. DONNELL. I yield to the Senator from Minnesota [Mr. BALL].

Mr. BALL. Mr. President, if it be agreeable to the Senator from Missouri, I yield 5 minutes of my time to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, I do not think much can be added to the arguments which have been made both for and against the resolution which is now before the Senate. However, I wish to emphasize two or three points.

It has been stated by the speakers in opposition that we should not take any action on this subject relating to any reorganization of our departments at this time because the Committee for the Reorganization of Government is engaged in making a study and will report next year, and therefore we should wait until that report is before us before undertaking to reorganize any branch of the Government whatsoever.

In that respect I will say that the Commission on the Reorganization of Government, known as the Hoover Commission, does not expect this Congress to withhold any action looking to the reorganization of any branch of government until it shall make its report. I know that to be a fact, because I am a member of the Hoover Commission. I attended the meeting of the Commission at which the subject was brought up. In fact, I brought it up, myself, and it is thoroughly understood by Mr. Hoover and by every member of the Commission that the Congress is not expected to delay action on reorganizing any part of the executive branch of the Government while awaiting the report of the Commission.

As to the subject immediately before us, that of the President's proposal to transfer the unemployment compensation part of the Social Security Administration to the Department of Labor, I think this security agency has done as good work where it has been under an independent agency as it would have done anywhere, and I think the Employment Service has done as good work in the Department of Labor as it would have done anywhere.

What disturbs me, Mr. President, is the effort which is so patently being made to strip the Department of Labor of all its important functions. As has been said by some of the Senators, this is undoubtedly due to fear. I regret the conflict which has existed between employers and organizations of employees during recent years. Evidently employees fear that their employers are trying to take from them the privileges which they may have gained during the past 20 years, and the employers evidently fear that if they do not place sufficient curbs upon their employees the time may come when the employees will take over the business itself. I think both these fears are quite groundless.

If this resolution is adopted the effect will be to remove the Employment Service from the Department of Labor.

I am disturbed by efforts which have been made to take the Employment Service from the Department of Labor, because that would leave that Department very little but an empty shell which would not even warrant continuing it in existence. The Department of Labor is an agency through which 30,000,000 or 40,000,000 working people of the country have a voice in the President's Cabinet. I believe our human resources should be represented in the President's Cabinet. For that reason I should dislike to see the Employment Service taken from the Department of Labor.

There has been very little demand to take the Employment Service away from the Department of Labor, so far as my State is concerned. Of some 250 fairly important industrialists I believe I have received communications from approximately 6. So far as commercial interests are concerned, I have had communications from approximately a dozen automobile dealers and from possibly a few others. This represents only a small percentage of the total, showing that they are not so profoundly disturbed over the situation as are the leaders of the organizations which have asked them to write to the Members of the Senate and protest against the adoption of the President's plan.

The Federal Security Agency and the Employment Service are closely allied in their work; in fact, in the State of Vermont they are under the same roof with only a door between them.

The PRESIDING OFFICER (Mr. ECTON in the chair). The time of the Senator has expired.

Mr. BALL. Mr. President, I yield to the Senator from Vermont such additional time as he may require.

Mr. AIKEN. Both agencies could probably have performed their work during recent years at less expense, and undoubtedly they have employed more help than they needed to do the work which they have had to do. But that is not peculiar to those two agencies of the Government.

If there has been to any extent poor administration of their functions, the remedy does not lie in abolishing the functions or the work of the agencies, but in changing the administration. It is evident that the Republican Party had that in mind when it inserted in its platform of 1944 a plank which reads as follows:

> The Department of Labor has been emasculated by the New Deal. Labor bureaus, agencies, and committees are scattered far and wide in Washington and throughout the country and have no semblance of systematic or responsible organization. All governmental labor activities must be placed under the direct authority and responsibility of the Secretary of Labor.

That is the labor plank from the Republican platform of 1944.

It seems to me, Mr. President, that we would not be improving things by taking the Employment Service away from the Department of Labor because of some fear to leave it there, thereby making that Department only a hollow shell. It might as well be abandoned completely as to continue it under the pretense of having the working people of the country represented in the President's Cabinet.

Mr. BALL. Mr. President, I yield to the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Mr. President, I do not intend to make an extended speech on the resolution before the Senate. The issues are not complicated and, I believe, are well understood by all Senators. When plan No. 2 was before us during the first session of the Eightieth Congress I voted to place the United States Employment Service in the Department of Labor. The United States Employment Service simply makes allocations of funds to the various State governments for the administration of State employment services, pursuant to a plan previously approved by each State government. It also serves as a coordinating body and clearing house, and provides research and statistical services for the State employment service system; functions which it would be impracticable to duplicate in each State. It is not an operating agency in the States, such as providing job-placement functions of the respective State employment services. The conduct of relations with both workers and employers is the function of the State employment services, operating at State level in accordance with State laws. Therefore, I believe that it should be under the jurisdiction of the Labor Department. Both the proponents and opponents of the plan generally agree that the United States Employment Service is a proper responsibility of the Department of Labor. The plan, covered by the pending concurrent resolution, seeks to place both the Bureau of Employment Security and the United States Employment Service under the Department of Labor. I share the same views entertained by me when plan No. 2 was considered, as I have just outlined, and that is, that the United States Employment Service concerned with job-finding functions is a proper responsibility of the Department of Labor.

State unemployment compensation systems were established under provisions of the Federal Security Act and the Unemployment Tax Act of 1935. These systems are State-operated. The respective State unemployment compensation laws govern the coverage, conditions of eligibility for benefits, the amount and duration of benefits, and the contribution rates levied upon pay rolls. All State laws, as a prerequisite to the filing of a claim for unemployment benefits, require that unemployed workers register at local employment offices as evidence of their availability for work and that they are willing and able to work. The State laws control the determination of what constitutes "suitable work," the interpretation of which is the responsibility of State unemployment compensation officials, and is conditioned by precedents established by appeals authorities in each State and decisions of the State courts.

In the States both the unemployment compensation and the employment service programs are administered within a single agency. There is very close coordination of the two programs, in some instances even to the extent of integration of the duties of personnel assigned to these functions.

The Bureau of Employment Security in the Federal Security Agency administers the Federal responsibilities relating to the unemployment compensation system. The Bureau, like the United States Employment Service, is a supervisory rather than an operating agency which allocates funds to the States for administration of the State unemployment compensation laws. As in the States, it has been found on the Federal level that the unemployment compensation functions are intimately related to those of the United States Employment Service. Since most of the States operate both of these programs in a single agency, to wit: The labor department of the respective States, I can see no valid reasons to place these functions in the Social Security Agency of the Federal Government. Most of those functions have to do with the welfare of the laboring man at the State level.

Mr. President, I have here a letter which was sent to me sometime ago, dated February 17, 1948, from Mr. H. B. Turcan, administrator of the Louisiana Division of Employment Security. The letter speaks for itself, and gives very good reasons why the concurrent resolution before the Senate should be voted down. I submit the letter for the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF LOUISIANA,
DEPARTMENT OF LABOR,
DIVISION OF EMPLOYMENT SECURITY,
Baton Rouge, February 17, 1948.

Hon. ALLEN J. ELLENDER,
United States Senate,
Washington, D. C.

DEAR SENATOR ELLENDER: You will recall that when the President's Reorganization Plan No. 2, 1947, placing the United States Employment Service permanently in the Department of Labor, was under consideration last June, I wrote to you urging that you support that plan. The fact that you interested yourself in the merits of this plan and strongly supported it as being in the best interests of the workers and employers of Louisiana and of the whole Nation is well remembered by all of us. Had there been just a few others who acted as effectively as you did in this matter last year, we would now be much further along toward a stable employment security system today.

Unfortunately, however, plan No. 2, 1947, was rejected by one vote in the Senate, and as a result Congress is having to divert its attention from other matters of great importance to consider the President's Reorganization Plan No. 1, 1948, which seeks to place the Bureau of Employment Security and the United States Employment Service in the United States Department of Labor. You will recall that last year I advocated that both these agencies be transferred to the Labor Department, even though the President's plan No. 2, 1947, provided only for the transfer of the Employment Service. Consequently, I regard plan No. 1, 1948, as even more deserving of active support than the plan of last year.

You remember last year all sorts of strange arguments were presented before your committee opposing plan No. 2, 1947. Most of these arguments were plainly unrealistic and motivated by factors other than the best interests of workers and employers. The only really legitimate argument advanced against plan No. 2, 1947, was that both the

Bureau of Employment Security and the United States Employment Service should be placed together in one Federal Department so that the State Employment Security Agencies could have the advantage of dealing with one Federal agency rather than two. This argument has been met by plan No. 1, 1948, which proposes to place both Federal agencies together in the Department of Labor.

True to form, however, the people who last year were more interested in grinding their own axes than they were in the efficiency of the employment-security program have thought up some other arguments which do not make sense to many of us who have the responsibility of serving employers and workers. Their three principal arguments are quoted below:

1. "They contend that the United States Department of Labor is controlled and directed by organized labor."

I have had 10 years of first-hand experience in dealing with the United States Department of Labor, and regard the above argument as patently ridiculous. It is in the same category as a statement to the effect that the United States Department of Justice is controlled and directed by the American Bar Association.

The Department of Labor, in carrying out its responsibilities under the law, employs several outstanding individuals from organized labor. The Department of Justice employs numerous eminent lawyers affiliated with their professional associations. Every department of the Federal and State Governments employs specialists in their particular functions. This has not created a situation in which each department is only a thinly disguised front for special interests. They are actually instruments of Government created and governed by the laws of the land.

I do not know of a single instance in my dealings with the United States Department of Labor during the past 10 years in which the decisions or actions of that Department have been dominated by organized labor, or prejudicial to the interests of employers. It is doubtful that anyone appearing before your committee can cite specific instances of such domination or prejudice. The rules and regulations of the Secretary of Labor under which the States operate their employment services were made and issued only after a series of conferences and negotiations with State officials. I do not know of a single State official who feels that the Secretary's rules and regulations are not equitable and fair. Furthermore, neither management groups nor organized labor have objected to these rules. It is also a matter of fact that not one single State official since November 16, which is the time the employment service was returned to State operation, has experienced any difficulty with the United States Employment Service or the Department of Labor which can be attributed to organized labor domination.

My position in this matter is neither prolabor nor antilabor. My position is simply that of a State employment security administrator who would like to see an intelligent solution to this problem of Federal organization so that we can devote full time and energy to rendering both employers and workers the full measure of service to which they are entitled. I believe that the President's plan No. 1 of 1948 provides such a solution.

2. "They contend that the employment-service and unemployment-insurance programs are much more closely related to the functions of the Federal Security Agency than they are to the functions of the United States Department of Labor."

As you well know, this question was settled a long time ago in Louisiana and in many other States by placing these two functions in the State Department of Labor. We attribute the success of our agency here very largely to the fact that our functions have not been confused with welfare activities, but have been identified for years with the dignified and responsible relationships between employers and workers in a free enterprise economy.

My point of view, which is shared by all thinking officials of government, industry, and labor, is that any attempt to dispense biased justice or service as between employers and workers would do the cause of workers irreparable damage. The best interests of labor have always been, and are today, best served by the square deal, the even-handed administration of the law, in order that there not be set in motion power politics within the Government itself for perverting the law to the service of any special group. Wherever in any country unequal consideration has become a policy of government, labor has always been first to suffer. Wherever the rights of labor have been abridged, the rights of employers likewise have soon disappeared.

These things are mentioned simply to emphasize the point that in Louisiana and in many other States, the employment-service and unemployment-insurance programs are administered in the Department of Labor; that this administration has met with the approval and support of employers, workers, and the public; that the President's Committee on Administrative Organization in 1937 endorsed this type of administration; and last, there is a basic philosophy of administration of labor affairs which has served always to guide administrators in labor matters toward equal and unbiased justice as the best guaranty of the rights of employees.

To place the employment-service and unemployment-insurance programs in the Federal Security Agency with public relief, cancer control, and public hospitals is to imply that the employment process is a pathology, the labor market a group of people requiring special Government protection, and the Department of Labor an organ of the Federal Government corrupted by special interests with the official approval of the Congress and of the executive department itself.

With these implications I cannot agree.

3. "They contend that the action should be deferred until the Hoover Commission reports to the Eighty-first Congress."

This is plainly an administrative filibuster which keeps the Nation's whole employment-security program in a state of confusion for another year or two.

The Hoover Commission now studying the organization of the executive branch of the Government is undertaking essentially the same task of the 1937 Commission—which recommended that all programs of benefits to workers based on right be placed in the Labor Department. The Hoover Commission is composed of men of ability and integrity, and there is little doubt that they will confirm the findings of the able Commission which preceded them in this task.

Senator, a summary of my position can be quickly stated. As a citizen I have confidence in the integrity of the President in submitting plan No. 1, 1948, to Congress; from experience I know that the United States Department of Labor has the ability and will deal justly, fairly, and efficiently with both employers and workers; as a State administrator I know it is imperative that the employment-service and unemployment-insurance programs be given a unified leadership by the Department of Labor, which legally, logically, and by experience is the best qualified to give such leadership.

I therefore respectfully urge that you again give the same earnest and effective attention to support of plan No. 1, 1948, that you gave to plan No. 2, 1947.

Sincerely yours,

H. B. TURCAN, *Administrator,*
Louisiana Division of Employment Security.

Mr. DONNELL. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DONNELL. The Senator from Ohio [Mr. TAFT] emphasized the importance of not taking action at this time on the pending concurrent resolution because of the fact that the so-called Hoover Commission is performing its duties and is to make a report early in the coming year. I think that is a strong point, which, in my judgment, cannot be answered, and presents a common-sense approach to the situation we face.

In that connection I take this opportunity to refer to certain remarks made on behalf of the Chamber of Commerce of the United States which in my judgment are important, and are in point at this time. These remarks were made by Mr. Marion B. Folsom, treasurer of the Eastman Kodak Co., representing the Chamber of Commerce of the United States in Washington, D. C.; before the Labor Subcommittee of the Senate Committee on Labor and Public Welfare on Concurrent Resolution No. 131. Mr. Folsom was speaking on the 28th day of February this year. It is of interest to recall that he is chairman of the committee on social security of the Chamber of Commerce of the United States, and is a member of the Senate Finance Committee Social Security Advisory Council. I emphasize the membership of Mr. Folsom on the committee on social security of the Chamber of Commerce because to my mind it is of importance that a great organization such as the Chamber of Commerce of the United States obviously considers that matters relating to unemployment compensation are embraced within the general subject matter of social security.

The Chamber of Commerce of the United States, according to the statement made by Mr. Folsom, supports House Concurrent Resolution 131, that is to say, the Chamber of Commerce of the United States opposes the President's reorganization plan which is now being argued in this body.

Mr. Folsom states:

> Thus, the chamber opposed Reorganization Plan No. 1, a position based on a declaration of policy adopted by the membership at the chamber's 1947 annual meeting.

A copy of the declaration is set forth, and I should like to read from Mr. Folsom's statement, or the declaration, I am not certain which it is. It is headed:

> THE FOURTH PLAN IN LESS THAN A YEAR
>
> Reorganization Plan No. 1 represents the fourth separate and distinct approach to Government organization, so far as Federal job-finding and unemployment-benefit-paying activities are concerned, which the President has sponsored in less than a year.
>
> First, late last spring he proposed Reorganization Plan No. 2, 1947, which would have placed job-finding activities in the Department of Labor, separating them from unemployment-benefit-paying activities which would have been placed in the Federal Security Agency.

Mr. President, I digress to recall that this particular proposal, Reorganization Plan No. 2, 1947, was disapproved by both Houses of Congress, and therefore did not go into effect.

Continuing, Mr. Folsom says, now speaking of the fourth plan in less than a year:

Second, a few months later, he—

That is, the President—

participated in the appointment of the distinguished Hoover Commission, charged with the duty of making an authoritative study, with recommendations, about the organization of the executive branch. Federal employment security activities are definitely within the scope of the study, and, in fact, the Brookings Institution has been delegated the task of reporting on all Federal health, education, and social-security functions—an important piece of work that is still in progress.

I digress again to point out that not merely does the Chamber of Commerce of the United States say what I have been reading, but it points out, as I have indicated, that the great organization known as the Brookings Institution has been delegated an important task, which, as is indicated, is still in progress, or was, at any rate, when Mr. Folsom testified a few days ago. Continuing, he said:

Third, only last month, in his State of the Union message, the President called for the establishment of an executive department of health, education, and security. The new department, in which all Federal activities in these fields would be centralized, would be a successor to the Federal Security Agency, and surely would include both the unemployment-compensation and employment-service functions.

Mr. Folsom concludes this portion of his statement with these words:

The present plan—

Meaning the plan which is being debated this afternoon in the United States Senate—

The present plan—clearly inconsistent with any of the foregoing—would tear both functions away from the other social-security activities and would put them both in the Labor Department. Being thus the fourth distinct approach in a very short period of time, how can the plan be considered a mature, carefully thought-through proposal to improve the executive branch?

Mr. President, I submit there is much common sense in that observation of Mr. Folsom, of the Chamber of Commerce of the United States.

I have indicated here this afternoon the twofold position which I take with respect to this reorganization plan; first, that no action of this kind should be taken until the opportunity shall have been given for the Hoover Commission to make its report, which will be made in the early part of the year 1949; in the second place, that the Department of Labor is not the department in which to place these two functions, unemployment compensation and employment service.

It is the intention that either the distinguished Senator from Minnesota or myself will in a few minutes request a quorum call, and that following the quorum call each of us may take 10 minutes to close the debate upon the pending proposal, if that is agreeable to the Senate. Therefore, I shall not at this moment go into the details of the particular point I have made, but shall wait until more Senators are present at least to give a synopsis of the reasons which in my judgment should cause the Senate to refuse to approve the President's proposal.

I may say, however, in this connection that certainly from the standpoint of economy there has been no special advantage pointed out in favor of this particular proposal, this plan of the President of the United States. It will be recalled that in the Reorganization Act of 1945, under which the proposed plan is promulgated and suggested, it is stated:

It is the expectation of the Congress that the transfers, consolidations, coordinations, and abolitions under this act shall accomplish an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies affected.

Mr. President, from the testimony before our committee it is very difficult, indeed, to determine with any degree of accuracy what would be the saving under this particular plan, but it certainly is true that there would be no material decrease in expense if the plan were to be put into effect over the saving which would result if the law were allowed to stand as it is, the Federal Security Agency to retain unemployment compensation, and 6 months after the termination of the war receive also the functions of the Employment Service of the United States.

Mr. President, it may be of some interest to note, and I say this not in criticism but as a matter of fact, that when the Director of the Bureau of the Budget of the United States Government, Mr. Webb, came before our committee a few days ago to testify, he placed approximately $50,000 as the saving which would result from this plan on the level here in Washington, and although it is obvious that either of these plans will effect results and changes in the field all over the United States, the Bureau of the Budget of the United States had not, in the consideration of the plan, given thought or attention to its effect upon the expenditures in the field. So we find Mr. Webb coming back at the request of the committee after having made some further investigation as to how much the saving would be under the plan now before us. I may say in passing that the total administrative expenses in the various States of the Employment Service and unemployment-compensation programs were shown by Mr. Webb to have amounted to $5,852,064. Obviously a saving of $50,000 on the Washington level would be less than 1 percent of the amount of the expenditures for the year 1948 as estimated by him.

Mr. President, I should not oppose the saving of less than 1 percent, but obviously it is not a change of a minute nature—I mean minute from the standpoint of finance—that is contemplated by the Reorganization Act, because as I read it, it was contemplated and it was the hope and the expectation of Congress that a saving of not less than 25 percent would result from each of the various plans that might be proposed. But, Mr. President, in point with the suggestion made by the Chamber of Commerce of the United States as to the inadequacy of the thought which has been given to the whole proposal which is now before us, I call the attention of the Senate to the fact that when Mr. Webb came before us he had not given attention or a single thought as to what would be the effect of the plan on the expenses of the Department except here in Washington. I may say incidentally that he stated that in his judgment the consolidation of the two functions, which if the law should stay as it is will in due time occur in the Federal Security Agency, would effect a saving of about $40,000; so there was only about $10,000 on the Washington level that Mr. Webb thought would be saved by this particular Presidential reorganization plan.

Mr. Webb, as I stated, then went back and made investigation as rapidly as he could, with respect to the field, and he came back with the general proposal which is set forth in the hearings at pages 61 and 62, indicating that in his judgment the saving under the plan proposed by the President would be, I believe, about $4,000 more than it would be in the case of the consolidation back in the Federal Security Agency. Then after considering those figures he said that in addition to the above amount it is estimated that under consolidation, either in the Department of Labor or in the Federal Security Agency, savings of $500,000 can be made in the grants appropriation by reason of such operation of the two programs under a single set of fiscal budgetary and personnel standards.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. DONNELL. Mr. President, I thank the Senate for its attention. With the consent of the Senator from Minnesota [Mr. BALL], may I ask for a quorum call? The Senator from Minnesota advises me that another Senator desires to speak.

Mr. BALL. Mr. President, I yield 6 minutes to the Senator from Florida [Mr. PEPPER].

Mr. PEPPER. Mr. President, I would like to compliment the subcommittee of the Senate Committee on Labor and Public Welfare for the thoroughness and care with which it held hearings on Reorganization Plan No. 1 of 1948. Due to the comprehensive record so built, it became obvious to 9 of the 13 members of the full committee that the Senate should favor the adoption of this reorganization plan.

No one seems to disagree upon the value of placing the employment-service and the unemployment-compensation programs in one Federal department with all possible dispatch. Even the opponents of the reorganization plan concur in the wisdom of speeding the coordination of these Federal responsibilities into a single department.

Nevertheless, some opponents of the plan recommend that the Congress should defer action on this or any other reorganization until the Commission on Organization of the Executive Departments of the Government makes its report sometime in 1949. As the record shows, when Congress created that Commission, specific provision was made that no reorganization proposal, either by Congress or by the President, should be postponed until the Commission finishes its report. Furthermore, the Chairman

of that Commission, former President Hoover, on February 19 recommended that Congress and the President proceed with needed reorganization without delaying such action until his Commission makes its report.

It is interesting to me that the distinguished senior Senator from Ohio [Mr. TAFT] was one of the three members of his committee who recommend that no reorganization action be taken until after the Hoover Commission reports. This minority position of the distinguished Senator has come as a surprise to me, laboring, as I was, under the belief that the Senator was promoting the bill which he has introduced to establish a new department of government and thus effect a considerable reorganization of government.

Moreover, in connection with the argument that Congress should wait on the Hoover Commission, I think it is of more than passing interest that two of the four congressional members of that 12-member commission disapprove House Concurrent Resolution 131 and favor this reorganization plan.

Mr. President, all we have been able to learn from the opponents of the reorganization plan as to the reasons for their opposition is that they hold fears—as formless as they were nameless—that the Secretary of Labor will somehow conspire to direct the program in a partisan, prejudicial fashion. Opponents claim that the Secretary of Labor will determine for the four State administrators, first, who should and who should not receive unemployment-compensation checks; and, second, for what amount and for how long.

Opponents of the plan imply that the Secretary will try to tell employers whom they must hire and whom they must not. Has there been any evidence of such an attitude on the part of the Secretary of Labor during the last 2½ years that the United States Employment Service has been in the Department of Labor? Apparently not. The record shows that with the USES in the Department of Labor, employers have been attracted to—not driven from—the use of our public employment service in greater numbers in the last 2½ years than ever before. Need I point out that the Federal statutes and the statutes of the 48 States and 3 Territories are safe from the Secretary of Labor superseding them and requiring payment of benefits or the withholding of benefits? The Federal and State laws provide clear and comprehensive limitations and mandates covering the payment of unemployment-compensation benefits and administration of the unemployment-compensation trust fund.

Mr. President, my State is predominantly agricultural. The same is true of perhaps most of the States represented in this body. The needs of farmers are not to be overlooked in any of our States. In addition to all the other good reasons that have been urged for the acceptance of Reorganization Plan No. 1 of 1948, I should like to supply another. Farmers are not covered by unemployment-compensation laws. Farm workers cannot build up unemployment-compensation benefits. But farmers must look to the United States Employment Service to assist them in the recruitment of a farm labor supply, and the maintenance of that supply throughout the critical crop seasons. The United States Employment Service, since it resumed farm placement activities on January 1, 1948, is doing a most creditable job for farmers and farm workers. It has already won a considerable degree of cooperation and admiration from farmers and growers' associations while in the Department of Labor.

Farmers are much concerned that their interests and the activities of the United States Employment Service will be submerged if the Service is removed from the Department of Labor to an agency whose primary concern is the administration of insurance programs of no relation to farmers and farm employment. In the Department of Labor the responsibility of finding workers for employers, including farmers, and of finding jobs for workers, including farm workers, will be emphasized over the payment of unemployment-compensation checks.

In consideration of these facts I urge that this body reject House Concurrent Resolution 131 so that the reorganization plan can be adopted.

The Honorable Millard F. Caldwell, distinguished Governor of Florida, has urged the Senate to approve Reorganization Plan No. 1. The commission responsible for the administration of both the unemployment-compensation and the employment-service programs in my State of Florida has stated:

> In all matters, whether they be large or small, the Department of Labor has demonstrated its ability to cooperate and administer its program to our complete satisfaction. Although our unemployment-compensation record is one of the most efficient and economical in the Nation, we have continuously battled with the Federal Security Agency over budgets, compensation plans, procedures, and many minor subjects. Furthermore, the Department of Labor definitely recognizes the sovereignty of the States and their rights to administer these Federal-State programs without petty hindrances. It is our sincere hope that your committee will take favorable action on Reorganization Plan No. 1 of 1948.

I therefore wish to join in that recommendation to the Senate, that we reject House Concurrent Resolution 131.

I thank the able Senator from Minnesota [Mr. BALL] for his allocation of time.

Mr. BALL. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time required by the quorum call be equally divided between the two sides.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Capehart	Flanders
Baldwin	Capper	Fulbright
Ball	Connally	George
Barkley	Cooper	Green
Bricker	Cordon	Gurney
Bridges	Donnell	Hatch
Brooks	Dworshak	Hawkes
Buck	Eastland	Hayden
Bushfield	Ecton	Hickenlooper
Butler	Ellender	Hoey
Byrd	Ferguson	Holland
Ives	Malone	Saltonstall
Jenner	Martin	Sparkman
Johnson, Colo.	Maybank	Stennis
Johnston, S. C.	Millikin	Stewart
Kem	Moore	Taft
Kilgore	Morse	Taylor
Knowland	Murray	Thomas, Okla.
Langer	Myers	Thomas, Utah
Lodge	O'Conor	Thye
Lucas	O'Daniel	Umstead
McCarran	O'Mahoney	Vandenberg
McCarthy	Overton	Watkins
McClellan	Pepper	Wherry
McFarland	Reed	Wiley
McKellar	Robertson, Va.	Williams
McMahon	Robertson, Wyo.	Wilson
Magnuson	Russell	Young

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

The Chair inquires of the Senator from Minnesota and the Senator from Missouri whether there is to be further debate on this question.

Mr. BALL. Mr. President, how much time have I remaining?

The PRESIDENT pro tempore. The Senator from Minnesota has 10 minutes remaining, and the Senator from Missouri has 15 minutes.

Mr. BALL. I yield 5 minutes to the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, of course, in 5 minutes no one can adequately discuss this proposal. But I wish to register my approval of Reorganization Plan No. 1 and I desire to give one or two reasons why I think it should be adopted.

In the first place, Congress authorized the President to undertake reorganization of the executive departments. Congress was not doing a futile thing when it authorized the President to do that. Congress had a right to assume that from time to time the President would exercise the authority thus conferred upon him by law. It is in the exercise of that authority that the President has sent to Congress the reorganization plan which combines in the Department of Labor, for administrative purposes, the Employment Service—the USES—and the unemployment-compensation features now in the Federal Security Administration.

It seems to me that no one can deny that the question of getting jobs for persons who are unemployed is intimately related to the question of paying them unemployment compensation if they are not employed. In the social security setup, naturally the emphasis is on compensation. That organization is not charged with the duty of finding jobs for unemployed persons, but its duty is to provide compensation for them while they are unemployed, whereas in the Department of Labor the emphasis is on finding jobs for unemployed persons. To my mind it is infinitely more important that unemployed persons be given jobs than it is that they be given compensation temporarily while they are out of employment. Similarly, I believe the two services should be correlated.

In the views of the minority in regard to this matter, quotations are given from a letter written by Mr. Ewing in which he was emphasizing his side of the case, in connection with the reasons for the President's recommendation that this transfer be made; but the whole matter was not included. He stated in his letter

that he was stating his side of the question but he said that of course the President had exercised the judgment incumbent upon him, and he said further that since the President was advocating the transfer, he had no objection.

Mr. President, it is argued that we should wait until the Commission headed by former President Hoover has reported. Mr. Hoover himself said, on the 19th of February, I believe, that we should not wait for the Commission to report, that there was no reason why we should wait for the report of the Commission before proceeding with the normal consolidation of the departments and agencies of the Government. I do not know that he had this particular plan in mind when he made that statement; but certainly by analogy it could be interpreted as a recommendation that Congress proceed with its duty, and not wait for the Commission to report before voting to approve the plan submitted by the President under the act which the Congress passed into law.

I have no doubt there will be greater efficiency in the Department of Labor if it handles both these agencies and coordinates and correlates them—both unemployment as to jobs and unemployment as to compensation—than would be possible under a separation of the jurisdiction of those two agencies. It seems to me that the interests of economy and efficiency require their consolidation. It also seems to me that we should continue the emphasis placed upon finding jobs for people, rather than finding ways to pay them if they are unemployed. Both those things go together, and both should be administered by the same department. Therefore, I am in favor of Reorganization Plan No. 1.

It is stated or intimated in the minority views that employers do not have full faith in the Department of Labor. It is the business of the Department of Labor, Mr. President, through the Employment Service, to find employment for people; and in the past several years they have been able to find jobs for approximately 7,000,000 American workingmen. Surely the industry of the country needs such an agency. Surely it ought not to be taken out of the Labor Department. That Department was created by a fundamental act 35 or 36 years ago in order that it might promote the welfare of working people. Certainly it is in the interest of the promotion of their welfare to find employment for them rather than simply to compensate them while employment is lacking. Therefore, I hope the plan will be adopted, and that the House resolution will be rejected.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. BALL. Mr. President, the two services of unemployment compensation and employment service, as all Senators know, are administered at the State level by the State governments. In every State the two functions are combined in one division. There is, I believe, no argument on the Senate floor that it would be inadvisable to have their supervision at the Federal level combined in one department. The real issue is whether they should be combined in the Federal Security Agency or in the Department of Labor.

One other issue has been raised, namely, that Congress should not act on the matter until the Hoover Commission reports.

Mr. President, I think the Senate has debated the question fully. It was debated last year; it has been debated at this time. We have all the facts. It is believed that the objective sought by opponents of the measure may be only delay. As a matter of fact, the only condition under which the report of the Hoover Commission would change the question before Congress is in the event the Commission recommended abolition of the Department of Labor. Even though the Commission might find such action administratively sound, I do not think there is a Senator on the floor who would agree that it is politically possible. It will not be done. If there is to be a Department of Labor devoted to serving the interests and welfare of the wage earners of the United States, I submit that there are no functions of government which more appropriately belong in that department than those relating to the payment of unemployment-compensation benefits temporarily to wage earners who may be unemployed and cannot find a job, and the function of the Employment Service, in trying, as soon as possible, to find full-time jobs for the same wage earners. The primary purpose of both programs is to serve the welfare and interests of the wage earners. If there are any functions that appropriately belong in the Department of Labor, they are those two functions. I hope the Senate will see fit to vote to reject House Concurrent Resolution 131, and approve the reorganization plan.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. BALL. I yield to the Senator from West Virginia.

Mr. KILGORE. I should like to ask the Senator from Minnesota if it is not true that the inclusion of the two functions within the Department of Labor would make it a true Department of Labor, representing the interests of both organized and unorganized labor? Would it not afford to unorganized labor the same contacts as to organized labor?

Mr. BALL. I think the Senator is correct. I believe that a greater number of unorganized workers perhaps take advantage of these programs than do the organized workers, the members of the unions very often being covered by seniority provisions, by reason of which they do not make use of the Employment Service in obtaining jobs.

Mr. President, the fears that supervision by the Department of Labor will change merit-rating or job-referral standards are completely unfounded. Those standards are written into State laws. They cannot be changed by Federal regulation. Those are the primary fears that have been expressed by opponents of the reorganization plan. I do not think they have any foundation.

The PRESIDENT pro tempore. The entire time of the Senator from Minnesota for the presentation of arguments on his side has expired.

Mr. DONNELL. Mr. President, how much time do I have?

The PRESIDENT pro tempore. Fifteen minutes.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield to the Senator from Nevada.

Mr. MALONE. Mr. President, it seems to me that since there is a $2,000,000 congressional commission making a fair and full investigation and that is obligated to report to the Congress of the United States within 7 or 8 months, at least prior to the meeting of the Eighty-first Congress, we should not set or encourage a precedent for the President to continue the juggling of departments in the meantime. In other words, it seems to be well established that the two bureaus, the Bureau of Employment Security and the United States Employment Service, should be together, that they both should be either in the Federal Security Agency or in the Department of Labor. That seems to be well established. All the witnesses have agreed to that. It is simply a question of where the permanent reorganization should be finally lodged. Therefore I shall vote to approve the resolution, in order to prevent undue juggling of departments until the joint committee, which is spending $2,000,000 and which is doing a very serious piece of work, has completed its investigation and reported to the Senate and to the House of Representatives relative to the final disposition of the two bureaus.

Another provision which makes the present agitation of the work of the Unemployment Compensation Bureau and the Employment Service unwise at this time is, I am informed, that within 6 months following the official close of World War II, the Employment Service must be returned to the Federal Security Agency.

Each move involves a transfer of personnel and records. It is unwise to continue such a procedure until we have concrete evidence from the congressional commission as to where they really belong.

Mr. MAGNUSON. Mr. President, will the Senator yield for an insertion in the RECORD on the matter now pending before the Senate?

Mr. DONNELL. I yield very briefly.

Mr. MAGNUSON. Mr. President, I intend to support the reorganization plan. I ask unanimous consent that my reasons therefor may be printed in the RECORD at this point.

The PRESIDENT pro tempore. Is there objection?

There being no objection, Mr. MAGNUSON's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

The Committee on Labor and Public Welfare has recommended approval of Reorganization Plan No. 1 of 1948, and the defeat of House Concurrent Resolution No. 131 by a 9 to 4 vote. The subcommittee held 2 days of hearings on this plan, and recommended its approval to the full committee.

I understand that the minority of both the subcommittee and the full committee believes that the reorganization plan should be rejected because the whole question of the organization of the executive branch of the

Government is now being studied by the Hoover Commission. It certainly was never my understanding when we established the Commission on Organization of the Executive Departments of the Government that we in any way nullified our authority or responsibility to take action on reorganization plans or laws which might change the location of an agency within the Federal structure. I don't believe any Senator thought that would be the case.

John D. Davis, commissioner of the Employment Security Department of the State of Washington, appeared before the Senate subcommittee in favor of Reorganization Plan No. 1, and in his statement spoke to this point. He had read the report of the House committee which considered this matter and understood that waiting for the Hoover Commission seemed to be the only argument (if you wish to call that an argument) being advanced by those who wished to defeat the reorganization plan.

Mr. Davis, commissioner of employment security in my State, is fully acquainted with the present status of the Employment Service and unemployment-compensation programs, and he had this to say in his testimony before the Senate subcommittee:

"Since the return of the employment service to State operation, we in the States have been faced with many problems arising out of the separated operation of these functions by the Federal Government. * * * The disadvantages of continued separation of these two Federal functions and the advantages to be gained from their joinder in a single department are numerous and well-recognized. * * *

"From the standpoint of the States, coordination of these functions in a single Federal department is * * * important. * * * This separate administration at the Federal level and the consequent requirement of dealing with two sets of personnel in this program result in constant irritation, confusion, contradiction, and wasted time in the State agencies. * * *

"This reorganization plan, I believe, fully attains the objective which we in the States have long sought. * * * A new Division of Employment is created in the Department of Labor. For the first time, our Federal Government will, as the result of adoption of this plan, recognize in its administrative structure that the problems of employment and unemployment are worthy of attention at a high level. This plan seems ideally constructed to meet the present operating problems and to assure concentrated attention upon the national economic problems in the field of employment and unemployment. * * *

"With respect to the objection that no action to unify these functions should be taken now because the Hoover Commission is studying the whole question of administrative organization, I suggest that those who raise it are not entirely sincere or at best do not fully understand the proposal. * * * There is common agreement among all State and Federal people who have a direct concern with this program that these problems can be and should be resolved by unifying the functions in a single department. Since all the authorities in this field agree, why should we endure the curses of the present situation a moment longer than necessary. At best, Congress may not act on the recommendations of the Hoover Commission within 2 years."

That is the opinion of a man who is fully acquainted with the State side of the picture.

There is no need for continuing the present unsatisfactory state of affairs when every one of the 48 State employment security administrators in this country agrees that the Federal functions of the Employment Service and Unemployment Compensation Commission should be coordinated in one department, and every one of these 48 State administrators believes that they should be coordinated now. I agree with them. Certainly from the standpoint of good administration and better service to the 48 States that Reorganization Plan No. 1 be approved, and House Concurrent Resolution No. 131 be rejected. In addition to these reasons it is entirely clear that the only way that any money can be saved this year, or probably next year, is to act favorably on Reorganization Plan No. 1. Waiting for the Hoover Commission report will cost this Government more than the cost of the Hoover Commission study itself—probably twice as much. Therefore, I believe the evidence is compelling that House Concurrent Resolution 131 should be defeated.

Mr. DONNELL. Mr. President, I yield to myself the remainder of the time on our side. May I inquire how much time I have?

The PRESIDENT pro tempore. The Senator is recognized for 14 minutes.

Mr. DONNELL. I am glad it is not 13.

Mr. President, the plan that is before the Senate does two things primarily. In the first place, it shifts the Federal functions relative to unemployment compensation from the Federal Security Agency to the Department of Labor. This it does, although the functions of unemployment compensation have for approximately 13 years been in the social security branch of the Government, in fact, ever since the passage of the Federal Social Security Act in 1935. The functions relative to unemployment compensation have never been in the Department of Labor. So, Mr. President, one of the effects or results of the reorganization plan would be the shifting of unemployment compensation from the branch of the Government in which it has always been, to a department in which it has never been.

In the second place the proposed reorganization plan will technically transfer to the Department of Labor the United States Employment Service. I say technically, because that Service is today at this moment in the Department of Labor, but with this very important reservation, that under the law as it now stands, at the conclusion of 6 months following the termination of the war, the Employment Service automatically goes back to the Federal Security Agency.

Therefore, Mr. President, we are confronted with this situation: If the President's reorganization plan shall be approved, the unemployment compensation and employment-service functions will both be placed in the Department of Labor. If, on the other hand, the President's proposal is not adopted, the law itself will ultimately, at the end of 6 months after the termination of the war, bring about the very consolidation to which the senior Senator from Kentucky referred a few moments ago. The consolidation, instead of being in the Department of Labor, will then be in the Federal Security Agency.

Mr. President, I oppose the President's plan, for two reasons: First, that no action toward changing the existing law with respect to the two functions of unemployment compensation and employment service should be taken until after the Hoover Commission shall have reported. The Commission will report under the terms of the law creating it, in the early part of January of next year. As I understand, three-quarters of a million dollars was appropriated at the outset for the initiation of the work of the Commission. The very appropriate remarks of my friend from Nevada [Mr. MALONE] it seems to me should be emphasized so strongly that they cannot be forgotten, that it would be establishing an improper precedent, considering an organization such as the Hoover Commission, financed, I trust, adequately, certainly with a personnel of the highest possible type, not to wait until that Commission shall have had an opportunity to make its report.

Mr. President, I am not unmindful of the presentation made this afternoon by the distinguished Senator from Vermont [Mr. AIKEN], and I can well understand how the Hoover Commission might very generously say it does not plan at all that its work shall impede the work of the Congress of the United States. But, regardless of what the Commission may have said, regardless of what the House committee may have said along similar lines at the time the bill was passed creating the Commission, I submit that from the standpoint of sound business judgment it is a mistake to allow the President's reorganization plan to go into effect until this adequately personnelled and, I trust, adequately financed, Commission shall have had an opportunity to report.

The second point I make is that the functions relating, respectively, to unemployment compensation and employment service, should not in any event, certainly at this time, be placed in the Department of Labor.

What are my reasons for this statement? At the outset I should say that to my mind these functions, inasmuch as they concern not only labor but employers, should, so far as possible, be placed in a neutral agency. I appreciate the difficulty of entire neutrality. I can well understand how there may be those who would feel that even the Federal Security Agency is not characterized with that utmost, superlative, paramount neutrality which we should like to have. That may well be true; but, obviously, Mr. President, that office of our Government, the Federal Security Agency, is not under the trust relationship created by the statute which established the Department of Labor, making it, as I see it, virtually a trustee, and the wage earners of our country cestuis que trustent.

Without criticism of the Department of Labor, but, indeed, commending it for its fine adherence to the statute creating it, I say it is impossible for that agency to have even an approach to the neutrality which it should have in order that all persons concerned should have so far as possible a neutral, unbiased agency in charge of their affairs.

Mention has been made of the fear of employers. My distinguished friend from Minnesota [Mr. BALL] himself stated that no doubt there is great fear among employers. My friend from New York [Mr. IVES] was inclined to feel, in fact, I think he does feel affirmatively, that that fear is unfounded. But, Mr. President, if time permitted I might read some very eloquent and impressive statements from employers showing the

existence, at any rate, of that fear. I quote for illustration just a sentence from the testimony of Mr. R. K. Argo, personnel director of the Alabama Mills, Inc. He said:

> Take the Labor Department. Two of the assistant secretaries are chosen from the ranks of the A. F. of L. and CIO who represent only a small minority of workers—not management, but workers—throughout the country. We believe it is a recognized fact that the Labor Department serves only the interest of labor and not that of business.

It is entirely possible that Mr. Argo may be mistaken, but I can well understand the fear, when we find, as I have found upon my desk, a letter from William Green of the American Federation of Labor setting forth a section of a declaration of policy of the sixty-sixth convention of the American Federation of Labor in which it is said:

> We have repeatedly called for the administration of the United States Employment Service to be placed within the United States Department of Labor. In view of the close tie between unemployment compensation and the employment services we recommend that legislation be introduced providing for the transfer of both the United States Employment Service and the Bureau of Employment Security from the Federal Security Administration to the United States Department of Labor.

When I see that statement and see, likewise, as set forth in the CONGRESSIONAL RECORD, a letter from Mr. Murray to whom the distinguished Senator from Minnesota referred, glowingly and strongly advocating the Presidential reorganization plan, I can well understand the fear which the gentlemen who are employers, and represent management, legitimately and honestly entertain. It may be that they are mistaken; it may be they are wrong, but the fear exists. It is a fear that should not have any reason to exist. It is entirely possible to place these functions in a department which certainly should not have a duty as a trustee, at any rate, to safeguard the interests of one side as against the interests of the other.

It may be—and I am not so sure but what it is true—that the Federal Security Agency will incline toward labor. I am not questioning that. I do say, Mr. President, that that organization is not subject to the duty of trustee and cestui que trust.

I have not the time in these concluding moments to repeat what has been said this afternoon with respect to the relation of the Unemployment Compensation and the Employment Service to the Federal Security Agency, but I call attention to the fact that certainly a President of the United States, the Honorable Franklin D. Roosevelt, thought they were related, when in 1939 he took away from the Department of Labor the Employment Service and placed it alongside of and in coordination with the Unemployment Compensation Service in the Federal Security Agency of the United States.

Mr. President, I point out, as has already been done this afternoon, the very close relationship existing between unemployment compensation, the employment service, and social-security functions.

Reference was made by the senior Senator from Kentucky to a letter from Mr. Oscar R. Ewing, Administrator of Social Security. It was stated that the entire letter does not appear in the report. It does appear in the CONGRESSIONAL RECORD at pages 1711 and 1712. I should like to close by reading a few words from the concluding paragraph of his letter. He testified before us that his letter was a lawyer's letter, setting forth his views, and he was perfectly satisfied to go along with the policy determined. His letter, in its concluding paragraph, says:

> It is my considered opinion—

That indicates a lawyer or an advocate setting forth these things to be counterbalanced by others—

> It is my considered opinion that employment, compensation in the event of unemployment, compensation for temporary disability due to accident or sickness, extended disability benefits if provided, old-age insurance, survival benefits, and assistance for those not eligible for insurance benefits are inextricably bound together.

Mr. President, they are bound together, and Mr. Ewing's letter was correct.

I close, Mr. President, with this remark: I am sure that the Chair will advise the Senate what the particular parliamentary procedure is with respect to the vote. In my mind we have a situation which has not been adequately considered in the past, according to the Chamber of Commerce of the United States. I think we should at least give them some measure of credibility as to their opinion concerning a measure which would take away from the Security Agency a function, an unemployment-compensation function, which Congress decided 12 or 13 years ago should be there and which has never been taken away from it for a single minute of time. I say we should consider very carefully any proposal to place back in the Department of Labor permanently and anchoring it there—I mean permanently in the sense that it cannot be changed without further statute—the Employment Service. One function it has never had would be there, and also a function which, under the law, automatically reverts to the Federal Security Agency.

For this reason and for the final reason I have indicated, that the commission headed by Mr. Hoover has not had time to file its report, I earnestly ask for the adoption of House Concurrent Resolution 131 which disapproves the President's recommendation.

The PRESIDENT pro tempore. The time of the Senator from Missouri has expired.

Mr. WHERRY. I suggest the absence of a quorum.

Mr. BALL. Before the quorum is called, I ask for the yeas and nays on the concurrent resolution.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The Senator from Nebraska suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Myers
Baldwin	Hickenlooper	O'Conor
Ball	Hoey	O'Daniel
Barkley	Holland	O'Mahoney
Bricker	Ives	Overton
Bridges	Jenner	Pepper
Brooks	Johnson, Colo.	Reed
Buck	Johnston, S. C.	Robertson, Va.
Butler	Kem	Robertson, Wyo.
Byrd	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Sparkman
Connally	Lodge	Stennis
Cooper	Lucas	Stewart
Cordon	McCarran	Taft
Donnell	McCarthy	Taylor
Dworshak	McClellan	Thomas, Okla.
Eastland	McFarland	Thomas, Utah
Ecton	McKellar	Thye
Ellender	McMahon	Umstead
Ferguson	Magnuson	Vandenberg
Flanders	Malone	Watkins
Fulbright	Martin	Wherry
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young
Hawkes	Murray	

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present. Under the unanimous-consent agreement, the Senate will now proceed to vote.

Because of the parliamentary paradox involved in the vote, the Chair has been requested to make the following statement:

Reorganization Plan No. 1 is before the Senate in the form of House Concurrent Resolution 131 disapproving the plan. The question will be put on agreeing to the concurrent resolution disapproving the plan. Therefore, Senators favoring the plan will vote "nay." Senators opposing the plan will vote "yea." If there is any question about the accuracy of the Chair's announcement, the Chair will recognize any Senator.

The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. GREEN. Mr. President, my colleague the junior Senator from Rhode Island [Mr. MCGRATH] is absent on official business. He has sought a pair, but was unable to find one. If present and voting, he would vote "nay."

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate, and is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Washington would vote "yea," and the Senator from New Mexico would vote "nay."

The Senator from Maine [Mr. WHITE] is absent because of illness, and is paired with the Senator from New Jersey [Mr. SMITH], who is absent on official business. If present and voting, the Senator from Maine would vote "yea," and the Senator from New Jersey would vote "nay."

The Senator from West Virginia [Mr. REVERCOMB] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent, and, if present and voting, would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent. If

present and voting, the Senator from South Dakota would vote "yea."

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent by leave of the Senate.

The Senator from Alabama [Mr. HILL] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from California [Mr. DOWNEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Washington would vote "yea."

I announce further that the Senator from New York [Mr. WAGNER] would vote "nay" if present.

The result was—yeas 58, nays 25, as follows:

YEAS—58

Baldwin	Hawkes	Reed
Bricker	Hickenlooper	Robertson, Va.
Bridges	Hoey	Robertson, Wyo.
Brooks	Holland	Russell
Buck	Ives	Saltonstall
Butler	Jenner	Stennis
Byrd	Kem	Stewart
Capehart	Knowland	Taft
Capper	Lodge	Thomas, Okla.
Connally	McCarran	Thye
Cordon	McCarthy	Umstead
Donnell	McClellan	Vandenberg
Dworshak	McFarland	Watkins
Eastland	Malone	Wherry
Ecton	Martin	Wiley
Ferguson	Millikin	Williams
Flanders	Moore	Wilson
Fulbright	O'Conor	Young
George	O'Daniel	
Gurney	Overton	

NAYS—25

Aiken	Johnston, S. C.	Murray
Ball	Kilgore	Myers
Barkley	Langer	O'Mahoney
Cooper	Lucas	Pepper
Ellender	McKellar	Sparkman
Green	McMahon	Taylor
Hatch	Magnuson	Thomas, Utah
Hayden	Maybank	
Johnson, Colo.	Morse	

NOT VOTING—13

Brewster	Hill	Tydings
Bushfield	McGrath	Wagner
Cain	Revercomb	White
Chavez	Smith	
Downey	Tobey	

The PRESIDENT pro tempore. On the question of agreeing to House Concurrent Resolution 131, the yeas are 58 and the nays are 25, so the concurrent resolution is agreed to, and Reorganization Plan No. 1 of January 19, 1948, is disagreed to.

REPORT ON LEND-LEASE OPERATIONS (H. DOC. NO. 568)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations.

(For text of President's message, see proceedings of the House of Representatives on p. 2950.)

TRANSFER BY NAVY DEPARTMENT OF CERTAIN DORIES

The PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Coastal Auxiliary, Inc., of Myrtle Beach, S. C., had requested the Navy Department to transfer three dories for use by that organization in maritime rescue operations, which was referred to the Committee on Armed Services.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"Senate Joint Resolution 2

"Joint resolution relative to memorializing Congress to keep open the Veterans' Administration Office at Modesto

"Whereas the veterans served by the Modesto office of the Veterans' Administration number between 16,000 and 20,000 and constitute between 25 percent and 30 percent of the population of the Modesto area; and

"Whereas the said Modesto office is scheduled to be closed on the 19th day of March 1948; and

"Whereas the nearest office of the Veterans' Administration will then be 29 miles distant from the said Modesto office; and

"Whereas the closing of the said Modesto office will seriously disrupt the apprenticeship and on-the-job training program in Modesto and throughout Stanislaus County: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Congress and the President of the United States are urged and memorialized to take such steps as may be necessary to keep open the office of the Veterans' Administration at Modesto, and provide adequate funds therefor; and be it further

"Resolved, That the secretary of the Senate is directed to transmit copies of this resolution to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution adopted by the Council of Jewish Federations and Welfare Funds, Inc., at Chicago, Ill., favoring the enactment of House bill 2910, to authorize the United States during an emergency period to undertake its fair share in the resettlement of displaced persons in Germany, Austria, and Italy, including relatives of citizens or members of our armed forces, by permitting their admission into the United States in a number equivalent to a part of the total quota numbers unused during the war years; ordered to lie on the table.

By Mr. GREEN:

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Banking and Currency:

"Resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States to work for an investigation of the grain shortage which confronts the Nation and the present allocation of such commodity, for the purpose of providing immediate alleviation of this serious situation, which is menacing the poultry and dairy industry in this and other States

"Whereas a serious grain shortage confronts the Nation and the present allocation of such commodity is raising the price of grain almost every week, a condition which leaves the poultry and dairy industry in this and other States in such hazardous state that a shortage of fowl and meat will undoubtedly ensue: Now, therefore, be it

"Resolved, That the members of the Rhode Island General Assembly do earnestly request the Senators and Representatives from Rhode Island in the Congress of the United States of America to work for an investigation of such grain shortage and the present allocation of this commodity which will alleviate the increasing prices for the purchase of grain which is making it almost prohibitive for those engaged in the poultry and cattle industry to continue in this form of livelihood; and be it further

"Resolved, That duly certified copies of this resolution be transmitted by the secretary of state to the Senators and Representatives from Rhode Island in the Congress of the United States."

REDUCTION OF INCOME-TAX PAYMENTS—LETTER FROM MANHATTAN (KANS.) CHAMBER OF COMMERCE

Mr. CAPPER. Mr. President, I have a letter from the secretary of the Chamber of Commerce of Manhattan, Kans., setting forth three specific recommendations in connection with pending income-tax legislation, commonly referred to as the Knutson bill, H. R. 4790. I ask unanimous consent to present the letter for appropriate reference and request that it may be printed in the RECORD.

There being no objection, the letter was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE,
Manhattan, Kans., March 13, 1948.

The Honorable ARTHUR CAPPER,
The Senate, Washington, D. C.

DEAR SENATOR CAPPER: This is to inform you that the governmental affairs committee of the Manhattan Chamber of Commerce, headed by Dr. F. D. Farrell, president emeritus of Kansas State College, studied the Knutson bill (H. R. 4790) very thoroughly, and passed their recommendations on to the board of directors of the Manhattan Chamber of Commerce.

At the regular meeting of the board of directors held on February 10, 1948, I, as secretary of the Manhattan Chamber of Commerce, was instructed by board resolution adopted by unanimous vote of the directors present, to notify you and the other Members of the Kansas congressional delegation that the Manhattan Chamber of Commerce—

1. Urges that every practicable effort be made during these times of high national income to effect substantial reduction in the Federal debt, principally through reduction in governmental expenditures.

2. Recommends a moderate reduction in the Federal income-tax liability of persons in the lower-income-tax brackets.

3. Urgently recommends that the present discriminations against Federal income-tax payers in the non-community-property States be discontinued.

We sincerely hope and trust that you will give these recommendations serious consideration when the Knutson bill comes up for vote.

Respectfully submitted.

MANHATTAN CHAMBER OF COMMERCE,
C. C. KILKER, *Secretary-Manager.*

OLEO AND SOYBEANS—EDITORIAL FROM HOARD'S DAIRYMAN

Mr. CAPPER. Mr. President, I have received a fine editorial on the oleomargarine question which appeared in the March 10, 1948, issue of Hoard's Dairyman. It is such an able article on this controversial matter that I send it to the desk for appropriate reference, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was received, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

OLEO AND SOYBEANS

In the interest of honesty and commercial morality, the present tax of 10 cents a pound on yellow oleomargarine must be maintained. Indeed, properly, it should be increased to make it impossible for this product to masquerade as butter.

Dairymen are willing to accept the results of honest competition, but they protest that yellow oleomargarine is a substitute so cunningly devised and colored that it cannot be detected except by scientific experts and for this reason cannot be considered honest competition.

This question of deceit is the major reason why consumers as well as producers should support the present Federal law. As has been true through the years, the two dozen manufacturers of oleomargarine have sought to confuse the issue. They seek to set farmer against farmer on the basis of self-interest and have induced some representatives of the soybean industry to front for them and argue for the repeal of the Federal law taxing yellow oleomargarine.

What are the facts as to self-interest of the grower of soybeans? As Al Smith used to say, "Let's look at the record." Here is what we find, based on records from the United States Department of Agriculture:

Th^ farm price of soybeans in 1946 was $2.57, and 80 percent of the production was crushed for oil and meal. The grower received not quite two-thirds of the wholesale value of the resulting oil and meal. On the bushel basis he received slightly under 18 cents for the soybean oil used in oleomargarine; $1.11 for the soybean oil used in paints, shortening compounds, etc.; and $1.28 for soybean meal.

What is the grower's major interest and most important market? Is it the 18 cents a bushel from soybean oil used in oleomargarine or the $1.28 he receives from the soybean meal purchased by the dairyman?

The self-interest of the soybean farmer, if nothing else, should lead him to support protection against dishonest competition in dairy markets. Good dairy prices are a vital factor in conserving the future price of soybeans.

REPORT OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. BUTLER, from the Committee on Interior and Insular Affairs, to which was referred the bill (H. R. 4167) to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for the production of oil, gas, and other hydrocarbons for such terms of years and on such conditions as may be from time to time provided by the legislative assembly of the respective States, reported it with amendments, and submitted a report (No. 1014) thereon.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSHFIELD:

S. 2323. A bill to authorize and direct the Secretary of the Interior to issue to Charles Short Step a patent in fee to certain land; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 2324. A bill to grant a preference to certain former employees and temporary and war-service-indefinite employees of the United States in obtaining a permanent civil-service status;

S. 2325. A bill to enable certain former officers or employees of the United States separated from the service subsequent to January 23, 1942, to elect to forfeit their rights to civil-service retirement annuities and to obtain in lieu thereof returns of their contributions with interest;

S. 2326. A bill to repeal the Alaska Railroad Retirement Act of June 29, 1936, as amended, and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such act of June 29, 1936, is applicable;

S. 2327. A bill to amend the act of June 27, 1944, Public Law 359, and to preserve the equities of permanent classified civil-service employees of the United States; and

S. 2328. A bill giving eligibility to Emanuel H. Waldecker for appointment in the classified civil service of the United States; to the Committee on Post Office and Civil Service.

S. 2329. A bill for the relief of Henrik Mannerfrid; and

S. 2330. A bill for the relief of certain Indonesians; to the Committee on the Judiciary.

By Mr. SMITH:

S. 2331. A bill to provide for the special care and feeding of children by authorizing additional moneys for the International Children's Emergency Fund of the United Nations; to the Committee on Foreign Relations.

By Mr. GURNEY:

S. 2332. A bill to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946; to the Committee on Armed Services.

(Mr. MURRAY introduced Senate Joint Resolution 197, to establish a commission to report on the development and conservation of the resources of the Missouri River Basin, which was referred to the Committee on Public Works, and appears under a separate heading.)

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 1013, RELATING TO REDUCTION OF INCOME-TAX PAYMENTS

Mr. WHERRY. Mr. President, I ask unanimous consent to submit a resolution, and I request its immediate consideration.

The PRESIDENT pro tempore. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 211), as follows:

Resolved, That there be printed 4,000 additional copies of the Senate report, when submitted, accompanying the bill H. R. 4790, to reduce individual income-tax payments, and for other purposes, of which 1,000 copies shall be for the use of the Committee on Finance, 1,000 copies for the use of the Committee on Ways and Means, 1,000 copies for the Senate document room, and 1,000 copies for the House document room.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. LANGER submitted an amendment intended to be proposed by him to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which was ordered to lie on the table and to be printed.

ELIMINATION OF REGULAR ARMY AND AIR FORCE OFFICERS, ETC.—AMENDMENTS

Mr. PEPPER submitted amendments intended to be proposed by him to the bill (H. R. 2744) to provide for the elimination of Regular Army and Regular Air Force officers and for the retirement of officers, warrant officers, and enlisted men of the Regular Army and the Regular Air Force, and to provide retirement benefits for members of the Reserve components of the Army of the United States, the Air Force of the United States, United States Navy and Marine Corps, and Coast Guard, which were referred to the Committee on Armed Services and ordered to be printed.

AMENDMENT OF CONSTITUTION RELATING TO ELECTION OF PRESIDENT AND VICE PRESIDENT—AMENDMENT

Mr. LODGE. Mr. President, I ask unanimous consent to submit an amendment in the nature of a substitute intended to be proposed by me to the joint resolution (S. J. Res. 91) proposing an amendment to the Constitution of the United States relating to the election of the President and the Vice President, which I introduced during the first session, and which provided by way of constitutional amendment for the election by direct popular vote of the President and Vice President of the United States.

The amendment I now submit differs from the original resolution in one important respect. The former proposed constitutional amendment would have abolished the electoral vote entirely and would have provided that the President and Vice President should be elected by direct vote of the people. While I still believe in my original proposal, continuous study of this whole problem has led me to think that the necessary reform of our present wholly obsolete machinery can also be achieved by providing that the electoral vote shall be representative of and proportionate to the popular vote. This avoids abolishing the electoral vote, which my earlier proposal would have done.

The substitute resolution which I now submit abolishes the electoral college, and provides that the President and Vice President shall be elected at a general, but not a popular, election. Each State shall have a number of electoral votes equal to the number of Senators and Representatives to which it is entitled in Congress. Each candidate shall be credited with such proportion of the electoral vote of each State as he received of the total popular vote therein. In case of a tie in the electoral vote the person for whom the greatest number of popular votes was cast shall be President. The

Vice President shall be elected in the same manner as the President.

Only by revising the method for the election of President and Vice President can we avoid the very dangerous possibilities which are inherent in our present system, whereby an obsolete electoral college makes possible the election as President of a man who has not received a majority or plurality of the popular vote. Clearly this is a matter of sufficient importance to warrant the careful consideration by the Congress and presentation to the people for such action as they desire in bringing up to date the basic framework of their Government.

The language of the amendment which I submit today is the same as that contained in a number of resolutions introduced by Members of the House, and which I have learned just a few hours ago has received favorable action by a committee of that body. In order that Members in both branches who believe in reform of our electoral procedure may present a united front, I am espousing this new resolution, in the nature of a substitute which is herewith submitted.

I request that the amendment be referred to the Committee on the Judiciary, and that a statement which I made in 1947, and which I have revised and brought up to date, be printed at this point in the RECORD.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and referred to the Committee on the Judiciary, and, without objection, the statement presented by the Senator from Massachusetts will be printed in the RECORD.

The statement was ordered to be printed in the RECORD, as follows:

The men who sat in Philadelphia during the long hot summer of 1787 were perplexed about many things, but there was one intricate problem which puzzled them especially. This was the problem of how to choose a President of the United States. The method of choosing Senators and Representatives was a simpler matter, because the States were in existence; they were truly going concerns. The central government, however, was still only on paper. It was a dream. Although the Convention was composed for the most part of men of conservative views, there were many differences of opinion as to how the President should be chosen.

Some thought he should be chosen by the legislative branch. Mr. Gouverneur Morris, however, we read in the record of the Federal Convention, was pointedly against his being so chosen. He will be the mere creature of the Legislature if appointed and impeachable by that body. He ought to be elected by the people at large, by the freeholders of the country. That difficulties attend this mode he admits. But they have been found superable in New York and in Connecticut and would, he believed, be found so in the case of an Executive for the United States. If the people should elect, they will never fail to prefer some man of distinguished character or services; some man, if he might so speak, of continental reputation. If the Legislature elect, it will be the work of intrigue, of cabal, and of faction.

Mr. Madison held that "there are objections against every mode that has been, or perhaps can be, proposed. The election must be made either by some existing authority under the National or State Constitutions, or by some special authority derived from the people, or by the people themselves. The two existing authorities under the National Constitution would be the legislative and judiciary. The latter, he presumed, was out of the question; the former, in his judgment, liable to insuperable objections. Besides the general influence of that mode on the independence of the Executive: 1. The election of the Chief Magistrate would agitate and divide the Legislature so much that the public interest would materially suffer by it. Public bodies are always apt to be thrown into contentions, but into more violent ones by such occasions than by any others. 2. The candidate would intrigue with the Legislature, would derive his appointment from the predominant faction and be apt to render his administration subservient to its views. 3. The ministers of foreign powers would have and make use of the opportunity to mix their intrigues and influence with the election. Limited as the powers of the Executive are, it will be an object of great moment with the great rival powers of Europe who have American possessions, to have at the head of our Government a man attached to their respective politics and interests. No pains, nor perhaps expense, will be spared to gain from the Legislature an appointment favorable to their wishes. Germany and Poland are witnesses of this danger. In the former the election of the head of the Empire, till it became in a manner hereditary, interested all Europe and was much influenced by foreign interference. In the latter, although the elective magistrate has very little real power, his election has at all times produced the most eager interference of foreign princes, and has, in fact, at length slid entirely into foreign hands.

"The option before us then lay between an appointment by electors chosen by the people and an immediate appointment by the people. He thought the former mode free from many of the objections which had been urged against it, and greatly preferable to an appointment by the National Legislature. As the electors would be chosen for the occasion, would meet at once and proceed immediately to an appointment, there would be very little opportunity for cabal or corruption. As a further precaution, it might be required that they should meet at some place distinct from the seat of government, and even that no person within a certain distance of the place at the time should be eligible. This mode, however, had been rejected so recently and by so great a majority that it probably would not be proposed anew.

"The remaining mode was an election by the people, or rather by the qualified part of them, at large. With all its imperfections, he liked this best. He would not repeat either the general arguments for or the objections against this mode. He would only take notice of two difficulties which he admitted to have weight. The first arose from the disposition in the people to prefer a citizen of their own State, and the disadvantage this would throw on the smaller States. Great as this objection might be, he did not think it equal to such as lay against every other mode which had been proposed. He thought, too, that some expedient might be hit upon that would obviate it. The second difficulty arose from the disproportion of qualified voters in the Northern and Southern States, and the disadvantages which this mode would throw on the latter.

"The answer to this objection was: 1. That this disproportion would be continually decreasing under the influence of the Republican laws introduced in the Southern States, and the more rapid increase of their population. 2. That local considerations must give way to the general interest. As an individual from the Southern States, he was willing to make the sacrifice."

Rufus King, speaking in the United States Senate on March 20, 1816, recalled that at the time of the adoption of the Constitution "the opinion had been that all undue agency or influence was entirely guarded against; that the men selected by the people from their own body would give their votes in such a manner so that no opportunity would be afforded for a combination, to change the freedom and popular character which naturally belonged to the electoral bodies. Such had been the idea of the Nation at the time of the adoption of the Constitution. "We know," said he, "the course which this thing has taken.

"The election of a President of the United States is no longer that process which the Constitution contemplated. In conformity with the original view of the authors of that instrument, I would restore, as thoroughly as possible, the freedom of election to the people. * * * It was with the people the Constitution meant to place the election of the Chief Magistrate, that being the source least liable to be corrupt."

Others at the convention who favored electing the President by popular vote were Benjamin Franklin and Charles Carroll.

The final result, of course, was the creation of the electoral college. The reason for it was given by Alexander Hamilton in the following language:

"It was equally desirable that the immediate election should be made by men most capable of analyzing the qualities adapted to the station and acting under circumstances favorable to deliberation and to a judicious combination of all the reasons and inducements that were proper to govern their choice. A small number of persons elected by their fellow citizens from the general mass will be most likely to possess the information and discernment requisite to so complicated an investigation."

This brings up a picture of a meeting of impartial people, each using his own judgment, to find the best man for President.

This is what Alexander Hamilton said that the electoral college was supposed to be. Actually it has never worked that way. The electors became automatons, exercising no discretion at all, and a whole set of defects came into existence which had been neither foreseen nor approved by the framers of the Constitution. Congressman GOSSETT put the problem well when he said last year in the House of Representatives: "Under the existing system, as you know, no citizen has ever been permitted to vote directly for a President. In fact, under our present system, the votes of millions of our citizens do not count in the final tally. We elect the most important officer of our Government through a hocus-pocus method called the electoral college. We vote for electors, who in turn, through a dubious, confused, and technical procedure, vote for one of the candidates for President. The candidate who receives the greatest number of popular votes in a particular State gets all of the electoral votes of that particular State, each State having a number of electoral votes equal to the number of its Members in the Congress. If no candidate gets a majority of the electoral votes of the Nation, the issue is then thrown into the Congress to be decided among the high three candidates."

At least five defects in the system as it exists today are to be noted.

UNIT RULE

First is the unit rule, which runs roughshod over minorities. This rule makes a campaign in any State a gamble—it is all or nothing. Even though Cleveland eked out a meager 1,149-vote victory in the great State of New York over Blaine in 1884, he received all the 36 electoral votes from that State. In no State where President Roosevelt received a majority in the 1944 election was a single Dewey vote counted in the final reckoning. In no State where Dewey received a majority was a single Roosevelt vote counted in the final reckoning. Not only were they not counted, they were really misappropriated. In the final count the winner

receives credit for millions of votes which were actually cast against him. On the basis of popular vote, Mr. Roosevelt should have been credited with 286 electoral votes, and Mr. Dewey with 245. Actually the count stood—Roosevelt, 432; Dewey, 99. The extra 146 votes which the winner received came from the loser.

The unit vote, as Congressman CLARENCE F. LEA has pointed out, "was a method adopted by the dominating political party in each State to prevent the minority parties in the State from having any voice in the selection of the President. This effort of dominant political parties to prevent minorities in the State from having a voice in the selection of a President was intense preceding the election of 1800 and subsequently developed into a universal practice.

"The Tammany victory in New York in the spring of 1800 and the victory of the Jefferson party in Pennsylvania forecast the election of Jefferson unless the system of selecting Presidential electors should be changed.

"The Federal leaders sought to forestall the election of Jefferson by bringing about a deadlock in the Legislature of Pennsylvania, and thus prevent the people of Pennsylvania from having any voice in the election. They sought to change the system of selecting electors in New York from the general to the district system of election in order that Adams might secure part of the electoral votes of New York instead of Jefferson securing them all.

"The Legislature of New Hampshire took away the right of the people to select their Presidential electors and chose Federalist electors. In the election that followed, the Jefferson State ticket won by a popular vote of 10 to 6, but the electors chosen by the legislature all voted for Adams.

"In Massachusetts the Federalist Legislature did away with the district system of selecting electors and caused them to be selected by general ticket to prevent Jefferson securing any of the electors.

"In Virginia the general assembly did away with the district system of election and provided for the general-ticket system in order to eliminate the possibility of Adams securing any electoral votes in Virginia.

"In 1812, within about 1 week of election, the Legislature of New Jersey took away from the people the right to vote for Presidential electors, and selected the electors in order to prevent the opposition party from securing any electors from that State.

"Thus the origin of the unit-voting system was a deliberate purpose to deny all minorities a voice in the selection of a President."

One perversion of the original system led to another. Madison, for example, who had always opposed the unit vote, urged Virginia in 1800 to adopt it as a matter of defense against the opponents of Jefferson in other States.

It was also true that the people distrusted a delegate who was in no way bound. They were suspicious that a few delegates might, in a close contest, be in the position of dictating the choice. They turned to a system of pledged electors, and when that was done, as Mr. LEA says, "the reason for Presidential electors disappeared."

The result is that within a State a candidate gets all or nothing, and the voter's vote is counted on the winning side, whether he voted that way or not. He gets less than nothing.

The House report (No. 262, 73d Cong., 1st sess.) gives this compilation:

"For instance, in 1928 Mr. Hoover had less than 50 percent of the vote of the State of New York; Mr. Smith had nearly 47 percent. Yet Mr. Hoover received the whole 45 electoral votes of New York.

"In 1912 Wilson received 42 percent of the popular vote of the United States and 82 percent of the electoral vote. In 1924 Coolidge carried 12 States by minority votes, which gave him 86 electoral votes.

"In 1924 John W. Davis as candidate for President received 6,000,000 votes that brought him no electoral votes. Six million people went to the polls and cast a vote for Davis that did not mean a single vote in the electoral college. He carried a limited number of States in which he received less than 2,000,000 votes, and for those 2,000,000 votes he received 136 electoral votes. In other words, 6,000,000 votes meant no electoral votes; 2,000,000 votes meant 136 electoral votes.

"It is apparent there is no mathematical accuracy in the plan on a basis of inherent justice. In a close contest the result is subjected to chance, a turn of fortune. A large percent of the uncertainty is whether or not the plurality candidate will receive a larger percentage of the disfranchised votes than his opponent.

"In the election of 1928 the proportion of voters who were disfranchised in this way—that is, voters whose ballots were not only not counted as voted, but contrary to the way they voted—amounted to 38 percent of all the votes of the people of the United States. In other words, 38 people out of every hundred who voted had their votes thrown into the waste basket at the State line and they were not considered when the votes were counted at the joint session of Congress, where the result was finally determined.

"In the election of 1932 the votes of 39 out of every 100 people who voted were likewise discarded and not considered when the vote was computed here in the Capitol.

"In 1932 Hoover received 2,150,000 votes in States he carried, and which gave him 59 electoral votes. In the single State of New York Hoover received 1,938,000 votes, and not a single electoral vote. His votes in that one State almost equaled all of his votes in the States he carried, and yet from those States he received 59 votes and from New York nothing.

"Hoover's vote in New York, at the recent election, equaled his total vote in 23 other States in the Union. Hoover received nearly 15,800,000 votes and over 13,600,000 of those votes brought him no electoral vote whatever. All of his electoral votes came from the 2,000,000 and none from the 13,000,000.

"The total majority Hoover received in all States he carried was 230,585. If a majority of those votes in each State, 116,000 in all, could have been transferred to Roosevelt, the election would have been unanimous. Hoover would not have received a single electoral vote. Having received over 39 percent of all the votes, nevertheless, the election would have been unanimous. Hoover's name would not have been mentioned in the poll we heard over in the Capitol. As the votes were counted President Hoover's name was not mentioned in connection with the electoral votes represented by over 13,600,000 persons who voted for him.

"Mr. Hoover received only the electoral votes brought to him by the votes of 5.3 percent of the voters of the Nation who voted in the States he carried. He received no electoral votes from 34.2 percent of the voters of the Nation who voted for him in the States he did not carry. In other words, 34.2 percent of the votes of the Nation gave him no electoral votes and 5.3 percent gave him 59 electoral votes."

In the election of 1936, 35 people out of every 100 who voted had their votes disregarded when the electors gathered in Washington.

In the election of 1944, the votes of 45 out of every 100 people who voted were, in effect, disfranchised. A system of computing elections results that discards 45 percent of the voters before the final count begins cannot be said to be either just or accurate.

In 1944, in the State of Ohio, Roosevelt received 1,570,763 votes, which was a bare 11,500 votes less than Dewey received there. Yet he received not a single electoral vote, while Dewey gathered the State's 25 electoral votes.

In the 1940 election in the State of New York, Willkie received only 224,440 less votes than did Mr. Roosevelt out of 6,279,396 votes cast for both these candidates. Nevertheless, Roosevelt received the entire New York electoral vote of 47, while Willkie received not a single electoral vote. As a matter of fact, Willkie's 3,027,478 votes almost equaled the 4,266,676 votes which he received in the States he carried; and yet from those States he received 82 electoral votes and from New York nothing.

WINS MOST VOTES AND LOSES

A second defect in the present system is that it makes possible a situation in which the candidate with the most popular votes receives the least electoral votes. This has actually happened three times in our history.

In 1824 Andrew Jackson secured a popular plurality of 50,000 votes over John Quincy Adams, but failed of the Presidency when the election was decided by the House of Representatives.

In 1876 Hayes became President by the majority of 1 electoral vote, even though Tilden actually received 258,000 more votes than he did.

In 1888 Cleveland lost the Presidency even though he had a popular vote of 5,540,050 against Harrison's 5,444,337.

It is certainly quite probable that in future elections one candidate will receive the electoral vote and another the popular vote, and this is a contingency against which we should guard. The passions and hatreds that a bitter elective struggle engenders could well lead to violent and bloody conditions under such circumstances. This almost proved to be the case in 1876. Had Samuel J. Tilden taken a belligerent attitude, the United States might well have been plunged into civil strife. Fortunately, he refused to listen to the pleas of his followers to seize the Presidency by force. In the lands of our Latin-American neighbors violence flares because of far less provocative election disputes.

The following table shows the difference between popular and electoral vote:

Comparison of percentage of popular to electoral votes

[Fractions ignored]

Year	Candidate	Popular vote	Electoral vote	Discrepancy
		Percent	*Percent*	*Percent*
1876	Hayes	47	50	3
1880	Garfield	48	57	9
1884	Cleveland	48	54	6
1888	Harrison	44	58	14
1892	Cleveland	46	62	16
1896	McKinley	50	60	10
1900	do	50	65	15
1904	Roosevelt	56	70	14
1908	Taft	50	60	10
1912	Wilson	42	82	40
1916	do	49	52	3
1920	Harding	60	76	16
1924	Coolidge	54	72	28
1928	Hoover	58	83	25
1932	Roosevelt	57	89	32
1936	do	60	98	38
1940	do	55	85	30

Average discrepancy, 7 elections, 18 percent.

DEADLOCKS

A fourth defect is the method provided for breaking deadlocks. The Constitution provides that in such a case the election of the President shall be cast into the House of Representatives where he shall be elected by a majority vote of the Members—not voting as individual Members, however, but voting

by States. It is, therefore, possible for 25 small States, with a total membership of only 89 out of a total of 435 Members, to control the election.

USELESS

A fifth defect is the uselessness of the electors. They are not people who use their independent judgment. They are not nearly as well known to the voters as are the candidates for President and Vice President. The people need no go-between of this kind. It is, moreover, possible for a dangerous situation to arise in a close election where one or two electoral votes may have a decisive effect. The danger does not lie in the theoretical possibility that the delegate might forget his pledge. It does lie in the possibility that he might be sick, or insane, or suddenly killed—or might meet with any of the uncontrollable mischances to which human flesh is heir. These risks are unavoidable for individual human beings; it is not necessary, however, to inject them into our system for electing a President.

ENCOURAGES FRAUD

A sixth defect, although an incidental one, in the present system is that it encourages fraud. By concentrating effort in a few doubtful States, the chance for corrupt electoral practices increases. The close New York State margin of 1,247 for Cleveland, to which reference has been made, for example, stood between him and 35 electoral votes. Thirty-five votes can mean the difference between victory or defeat. What a temptation for the boss and the machines. What a strategic place for them to stand.

REFORM OF SYSTEM

Many attempts have been made to reform the system. Andrew Jackson was impressed with its defects. Agitation to change it rose strongly after the disputed election of 1876. In recent years Representative LEA, in collaboration with Senator Norris, has carried on an admirable campaign of public education and has produced a plan of his own which proposes to divide the State vote among the candidates in exact proportion to their popular vote. As he put it: "Abolish the electoral college; retain electoral votes; let the people vote directly; abolish the unit State vote and give each candidate the electoral votes of the State in exact proportion to his popular vote."

TEXT OF SENATE JOINT RESOLUTION 91

An amendment is hereby proposed to the Constitution of the United States which shall be valid to all intents and purposes as part of the Constitution when ratified by three-fourths of the legislatures of the several States. Said amendment shall be as follows:

"ARTICLE —

"SECTION 1. The executive power shall be vested in the President of the United States of America. He shall hold his office during the term of 4 years, and together with the Vice President, chosen for the same term, be elected as herein provided.

"The electoral-college system of electing the President and Vice President is hereby abolished. The President and Vice President shall be elected by the people of the several States. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. Congress shall determine the time of such election, which shall be the same throughout the United States. Until otherwise determined by the Congress, such election shall be held on the Tuesday next after the first Monday in November of the year preceding the year in which the regular term of the President is to begin. Each State shall be entitled to a number of electoral votes equal to the whole number of Senators and Representatives to which such State may be entitled in the Congress.

"Within 45 days after such election, or at such time as the Congress shall direct, the official custodian of the election returns of each State shall make distinct lists of all persons for whom votes were cast for President and the number of votes for each, and the total vote of the electors of the State for all persons for President, which lists he shall sign and certify and transmit sealed to the seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall in the presence of the Senate and House of Representatives open all certificates and the votes then shall be counted. Each person for whom votes were cast for President in each State shall be credited with such proportion of the electoral votes thereof as he received of the total vote of the electors therein for President. In making the computations, fractional numbers less than one one-thousandths shall be disregarded unless a more detailed calculation would change the result of the election. The person having the greatest number of electoral votes for President shall be President. If two or more persons shall have an equal and the highest number of such votes, then the one for whom the greatest number of popular votes were cast shall be President.

"The Vice President shall be likewise elected, at the same time and in the same manner and subject to the same provisions, as the President, but no person constitutionally ineligible for the office of President shall be eligible to that of Vice President of the United States.

"SEC. 2. Paragraphs 1, 2, and 3 of section 1, article II, of the Constitution and the twelfth article of amendment to the Constitution, are hereby repealed.

"SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the States within 7 years from the date of the submission thereof to the States by the Congress."

NOTICE OF HEARING ON NOMINATION OF ANTHONY J. DIMOND TO BE UNITED STATES DISTRICT JUDGE, DIVISION NO. 3, DISTRICT OF ALASKA

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Thursday, March 25, 1948, at 10 a. m, in the Senate Judiciary Committee Room, Room 424, Senate Office Building, upon the nomination of Anthony J. Dimond, of Alaska, to be United States District Judge, Division No. 3, District of Alaska. Judge Dimond is now serving in this office under an appointment which expired February 10, 1948. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Kentucky [Mr. COOPER], chairman, the Senator from North Dakota [Mr. LANGER], and the Senator from Washington [Mr. MAGNUSON].

EXPORTATION OF FLOUR TO THE CUSTOMS UNION OF BELGIUM AND THE NETHERLANDS

Mr. BUTLER. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD an exchange of letters I have had with the State Department relative to the supposed concession we received from the Customs Union of Belgium and Netherlands on our exportation of flour to them.

I believe this exchange of correspondence is self-explanatory. It is evident that the concessions we were supposed to have received are in fact of no practical value. This is all the more unfortunate since the question relates to the export markets of some of our principal surplus agricultural commodities, namely, wheat and flour.

More important perhaps is the fact that the correspondence clearly shows the misleading use of flour statistics being made by the State Department in support of the trade agreement program. The letter from the Department makes much of the fact that the duty-free import quota agreed to by the Netherlands for all countries is greater than prewar imports of flour from the United States alone. Obviously, this comparison is improper. The duty-free quota on flour imports from all countries should be compared with prewar imports of flour from all countries. Although I called this fact to the attention of the State Department almost 2 months ago, I have to date received no acknowledgement of impropriety, and nothing more than a routine acknowledgement of my last letter. Mr. President, I present the correspondence for insertion at this point in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

DECEMBER 9, 1947.

Mr. WINTHROP G. BROWN,
Acting Director,
Office of International Trade Policy,
Department of State.

MY DEAR MR. BROWN: Previously, I have contacted Mr. Clayton and other officials of the State Department relative to the 3-percent import duty on American flour imposed by the Customs Union of Belgium and the Netherlands. These contacts run back some months, covering in part the period of the negotiation of the trade agreements at Geneva. At various times, I received the assurances of the appropriate officials of your Department that every effort would be made to obtain real trade advantages for American flour in this foreign market.

Now the new agreements have been announced, and it is apparent they do not provide for any effective help to our export trade in flour to Benelux. The 3-percent duty is bound, not reduced, and the tariff-free quota of 50,000 tons is not large enough to be of any substantial benefit to our exporters. My sources of information in the flour trade tell me that in the flour business, competitive margins are so close that a 3-percent duty, or even a 1-percent duty, will probably be completely effective in keeping American flour out of the Benelux market, as soon as present abnormal international trade conditions come to an end. My sources further point out that the Netherlands formerly had no duty at all on flour. This 3-percent duty, therefore, represents an increase in a "tariff barrier" rather than a decrease.

You may be aware that I have at times expressed some criticism of the trade-agreements program as it is being conducted at present. Possibly you are under the false impression that all criticism of the program, such as mine, is based entirely on the fear that competitive imports will damage our own industries. While that is an important consideration, it is by no means the only

basis of criticism. Here we have a case of an important export group which is necessarily thrown into opposition to the program because you have failed to open up to them the export markets you have promised. You have let down the very group which was supposed to have been benefited.

You can understand, I am sure, that it is no real answer to say that the present Benelux duty is less than the former Belgium licensing fee. No substantial quantity of flour was sold to Belgium under this fee, anyhow, and I am advised that no substantial quantity will be sold under the proposed 3-percent duty. In other words, persuading the Benelux negotiators not to charge more than 3 percent is a mere paper concession of no practical significance. Our exporters are interested in real concessions that will open up real markets and not mere gestures.

The case is all the more important, it seems to me, because the question relates to an export market for one of our greatest surplus crops in normal times.

I appreciate that you cannot guarantee to secure specific concessions from particular foreign countries in negotiations of this type. I do feel, however, that unless you can get real concessions that will really help our exports, you should not make drastic reductions in our own tariff system. By the terms of the Geneva Agreement, about two-thirds of our dutiable imports from the Netherlands and almost half our dutiable imports from Belgium have suffered reductions, not bindings. These concessions are real, and we should receive some concrete benefits in return.

I would certainly like to have your comments on this flour export situation. If your trade-agreements program is not satisfactory even to the export groups of this country, it seems to me it is in need of serious revision.

Very sincerely yours,

HUGH BUTLER,
United States Senator, Nebraska.

DECEMBER 26, 1947.

The Honorable HUGH BUTLER,
United States Senate.

MY DEAR SENATOR BUTLER: This is in reply to your letter of December 9, 1947, addressed to Mr. Brown, expressing dissatisfaction with the Benelux concession on wheat flour in the General Agreement on Tariffs and Trade, and requesting the comments of the Department. It is noted that you evidence particular concern over the binding of the 3 percent Customs Union duty and express the opinion that the tariff quota of 50,000 metric tons to enter the Netherlands duty free is too small to be of substantial benefit.

As indicated in the Department's letter of April 24, the 3-percent rate on wheat flour could not form the basis for a direct protest by the United States because the general level of duties in the Customs Union tariff does not exceed the average of the rates in the former Netherlands and Belgo-Luxemburg tariffs and because the 3 percent, while an increase over the free treatment formerly accorded by the Netherlands, is as you know a decrease in the former Belgian rate. In the course of the negotiations at Geneva, however, where individual duty rates were discussed, the United States delegation pressed strongly for the abolition of the 3-percent rate. The delegation had been supplied with the data presented by our millers in letters such as those to which you refer. The negotiators were fully aware of the points made by the millers and by their Dutch agents in the Netherlands regarding the effects on United States flour exports to the Netherlands of a duty of 3 percent, or any duty, where wheat is admitted duty free. It was only after efforts to obtain complete duty-free treatment for all wheat flour entering the Customs Union had been exhausted that an alternative was considered in the form of a duty-free tariff quota for the Netherlands. The figure of 50,000 metric tons was approved by the Interdepartmental Committee on Trade Agreements, including representatives of the Departments of Commerce and Agriculture, as a substantial quota which should meet our needs.

In the table below you will find a tabulation of Netherlands imports of wheat flour from the United States over the 5-year period prior to the war, which period is regarded by the Department of Agriculture as representing normal averages.

Netherlands imports of wheat flour from the United States

Year:	*Metric tons*
1934	7,200
1935	8,900
1936	25,500
1937	39,000
1938	43,700

The annual average over the 5-year period 1934–38 was 24,900 tons and for the three highest years of that period, 1936–38, was only 36,100 tons. During the year 1939 and a portion of the year 1938 many countries in Europe, including the Netherlands, were accumulating stock piles of wheat flour. Hence, that period is generally considered an abnormal one. However, even if the year 1939 is included, the annual average for the 5 years 1935–39 amounts to only 35,800. The quota, of course, is a tariff quota applicable to all countries. As the United States has been the leading supplier of flour to the Netherlands, our exporters should have little difficulty in obtaining the bulk of the quota when normal trade is reestablished.

The results of the 3 percent duty on our exports will have to be observed during the next several years. It is believed that the duty-free quota in the Netherlands will insure at least the same exports to that country as before the war and that the duty will be more than offset by the increase in trade and purchasing power which the Customs Union should bring to the Benelux countries.

Sincerely yours,

For the Counselor:

FLORENCE KIRLIN,
Special Assistant.

JANUARY 23, 1948.

Hon. GEORGE C. MARSHALL,
Secretary of State.

MY DEAR MR. SECRETARY: Reference is made to your letter, CP, of December 26, 1948, in reply to my letter of December 9, addressed to Mr. Winthrop Brown, regarding the Benelux concession on wheat flour in the General Agreement on Tariffs and Trade.

It is evident to me from your letter that there is no relief in sight for the situation outlined in my previous communication. Although you contend that the concessions obtained from Benelux for our flour millers are important, the fact remains that most of the millers and exporters seem to agree with me rather than with you.

This letter is not written to prolong this controversy needlessly. It does seem important, however, to call to your attention a rather serious confusion of thought, to give it the kindest possible term, on the part of the members of your staff charged with dealing with the historical statistics relative to this matter.

Statistics quoted in your letter make much of the fact that the duty-free quota you have obtained from the Netherlands (50,000 metric tons) is greater than the Netherlands imports of flour from the United States for any of the years 1934–38. This is a comparison of two figures which are not comparable. The new duty-free quota for the Netherlands relates to imports from all countries, not merely to imports from the United States.

If the 50,000-ton quota from all countries is compared with prewar imports of flour by the Netherlands from all countries, it becomes obvious that in most prewar years imports were considerably greater than 50,000 tons. In other words, the new quota represents a reduction in trade and an increased trade barrier, rather than the reverse.

Imports of wheat flour in metric tons for the years 1925–39 as given me by the Department of Commerce are as follows:

Year:	*Quantity in metric tons*
1925	137,578
1926	141,950
1927	164,793
1928	174,608
1929	125,154
1930	159,723
1931	114,575
1932	31,266
1933	44,951
1934	38,906
1935	41,519
1936	62,641
1937	64,707
1938	67,718
1939	95,235

Your comments have been most interesting, but I hope that if any additional trade agreements are negotiated, such agreements will show more substantial benefits to our export trade than has been the case in this agreement with the Customs Union of Benelux.

Very sincerely yours,

HUGH BUTLER,
United States Senator, Nebraska.

FEBRUARY 4, 1948.

The Honorable HUGH BUTLER,
United States Senate.

MY DEAR SENATOR BUTLER: The receipt is acknowledged of your letter of January 23, 1948, continuing earlier correspondence regarding the Benelux concession on wheat flour in the general agreement on tariffs and trade. Your comments and the Commerce Department statistics you have submitted are being carefully considered by the appropriate officers of the Department. Further comment on this subject will be made by the Department in the near future.

Sincerely yours,

For the Secretary of State:

CHARLES E. BOHLEN,
Counselor.

NORTH DAKOTA NOT ISOLATIONIST—EDITORIAL FROM THE FARGO FORUM

Mr. YOUNG. Mr. President, for many years commentators, politicians, and others have been speculating on whether or not North Dakota is an isolationist State. Personally I have never thought there was much difference between the thinking of people in my good State and the thinking of people in other States. I ask unanimous consent to have printed in the RECORD as a part of my remarks an editorial appearing in the Fargo Forum, North Dakota's largest newspaper, under date of March 13, 1948, under the title "North Dakota Not Isolationist."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NORTH DAKOTA NOT ISOLATIONIST

When Senator MILTON R. YOUNG, of North Dakota, set out to find what North Dakotans think of the various issues before Congress, we wondered what kind of response he would get to the questionnaire he mailed to 40,000 people.

His preliminary report, as reviewed in the Fargo Forum last Sunday, showed that the Senator's constituents aren't a bit backward about saying what they think. They are giving some straightforward and thought-provoking answers.

For instance, North Dakota for years has been accused of being isolationist in its atti-

tude on foreign affairs. The outside observer would undoubtedly think that this State, some 1,400 miles from the nearest ocean, in the exact center of the North American Continent, is still largely unconcerned about what goes on in Europe and Asia. But the Senator's poll shows that North Dakotans are in favor of financial aid to Europe by the lopsided margin of 14 to 1. That vote certainly doesn't fit in with any theory that an isolationist attitude still prevails in the State.

Another thing that Senator YOUNG brought out is that his constituents aren't answering his poll with just "yes" and "no" marks. He said the additional comments and remarks written on the sheets showed that the people were doing a lot of thinking about the questions he asked; nor were the answers from only one political group or faction. Many of the leaders of the different factions have written in their answers and included, in many instances, their reasons for their answers.

While the results of the poll won't be a major factor in determining how Congress is going to act on the various issues, it is interesting to North Dakotans to find out how we, as a State, think, especially in view of the fact that so many politicians and orators have told us from time to time how they know we think.

DEATH OF ROY C. BROOKS IN GRETNA, LA.

Mr. TAYLOR. Mr. President, it has come to my attention that Mr. Roy C. Brooks, of Louisiana, was shot and killed by a police officer in Gretna, La., on February 27 last. If the circumstances were as they have come to my attention, it would seem that a Federal investigation of this incident would be in order.

I ask unanimous consent to insert in the RECORD a letter from Mrs. Elizabeth Sasuly, the Washington representative of the Food, Tobacco, Agricultural and Allied Workers Union of America. Mr. Brooks, the colored man who was shot, was a member of this union. I ask to have the letter printed, together with a brief account of his death.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

FOOD, TOBACCO, AGRICULTURAL AND
ALLIED WORKERS UNION OF AMERICA,
Washington D. C., March 15, 1948.

Hon. GLEN TAYLOR,
Senate Office Building,
Washington, D. C.

DEAR SENATOR TAYLOR: I am enclosing a copy of the letter I showed you this afternoon describing the murder of Roy C. Brooks, a Negro member of our union, by a police officer in Gretna, La.

Under the Federal civil rights statutes, this murder is a Federal crime. I have checked the actions which the Federal Government has authority to take in this case with Frank Donner of the CIO legal department and I am informed as follows: Any police officer acting under color of law who willfully takes an individual's life has deprived him of his constitutional rights under the meaning of the civil rights code. It is possible for the Federal Government to prosecute a police officer where they could not prosecute members of a lynch mob because the fact that the murderer is an officer makes the crime a "State action," in which case the civil rights code applies.

The Department of Justice should immediately investigate and prepare an indictment of the policeman who committed this murder and bring him before a grand jury. As indicated in the enclosed letter, wires have been sent to Attorney General Tom Clark requesting this action and to President Truman asking that he instruct the Attorney General to act, but to date no replies have been received.

This case is a glaring example of a situation in which the Federal Government has authority to act and has not acted. It is true, however, that enactment of antilynching legislation would strengthen the present laws which apply. The antilynch bill under consideration provides penalties for local officials who participate in lynch murder as well as for lynch mobs. These penalties are more severe—up to 20 years imprisonment and $10,000 fine—as compared with 1 year imprisonment and $1,000 fine under the civil rights statute.

It would help enormously in exposing this scandalous murder if you would make the facts known on the floor of the Senate.

Sincerely yours,
ELIZABETH SASULY,
Washington Representative.

PROVISIONAL COMMITTEE FOR
JUSTICE IN THE BROOKS CASE,
New Orleans, La., March 5, 1948.

DEAR FRIEND: On Friday, February 27, 1948, at 3:15 p. m. in the city of Gretna, La., Roy C. Brooks, a decent law-abiding citizen of this State and a long-time member and leader of local 309, FTA–CIO, was deliberately murdered in cold blood by Policeman Alvin Bladsacker of the Gretna police.

FTA has investigated this case thoroughly and have found, without the shadow of a doubt that this is the most brutal murder case in the long and bloody history of Negro murder by the Gretna police.

The facts in brief are this: Roy C. Brooks, a Negro, got on a bus in Gretna behind a Negro woman who had boarded the bus mistakenly, inserted her nickel in the slot register and then, finding that she was on the wrong bus, asked for the return of her nickel. The bus driver refused, saying that the nickel had gone through the register and that he could not return it to her. Brooks, being right behind the woman, and noting the incident handed her his nickel instead of inserting it in the register so that no one would be the loser. This is common practice in such cases. But the bus driver challenged Mr. Brooks and insisted that he insert a nickel in the register. This Mr. Brooks rightfully refused to do.

Policeman Alvin Bladsacker, on traffic duty at the ferry entrance a few feet away, walked over to the bus when heard the bus driver's loud talk and ordered Mr. Brooks immediately from the bus. Mr. Brooks attempted to explain what had happened to the policeman and the policeman struck him savagely in the head with his blackjack. He then proceeded to walk Mr. Brooks, bleeding profusely, to the Gretna jail, a block away. When half way to the jail, Policeman Bladsacker, without any provocation whatsoever from Mr. Brooks (it was broad daylight and hundreds of people were walking the street in the vicinity) pulled out his pistol and very deliberately murdered Mr. Brooks. The coroner's report stated that there were two bullets in Brooks' body—one in the abdomen and one in the back—both fired at close point blank range. It was also stated that Mr. Brooks was unarmed. When his body was examined he was still holding a bag of peanuts in one hand and his hat in the other. The policeman had claimed that he shot in self-defense when Mr. Brooks pulled a weapon on him.

Policeman Bladsacker is back at his post at the ferry. The Louisiana Seafood Workers Council of FTA–CIO has met with heads of the local branch of the National Association for the Advancement of Colored People and Brotherhood of Railway Sleeping Car Porters, as well as with representatives of many other unions and organizations. A committee has been set up, with Albert O'Brien, FTA, as chairman and G. C. Montgomery of the Brotherhood of Sleeping Car Porters as chairman, to fight this glaring example of lynch law. Other organizations referred to above are represented on the committee.

May we ask your assistance in helping to bring a murderer to justice? Will you use your good offices to obtain maximum support to this end? Wires have been sent to Attorney General Tom Clark and President Truman asking them to investigate and take action. No replies have been received.

Sincerely yours,
LEWIS BROWN,
President, West Bank NAACP.
LARRY LARSEN,
Regional Director, FTA–CIO.
G. C. MONTGOMERY,
Brotherhood of Sleeping Car Porters.
A. A. O'BRIEN,
International Representative, FTA–CIO.

PAYMENT OF SALARIES COVERING PERIODS OF SEPARATION FROM GOVERNMENT SERVICE

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1436) to provide for payment of salaries covering periods of separation from Government service in the case of persons improperly removed from such service, which was to strike out all after the enacting clause and insert:

That section 6 of the act of August 24, 1912 (U. S. C., 1940 ed., title 5, sec. 652), is amended to read as follows:

"SEC. 6. (a) No person in the classified civil service of the United States shall be removed or suspended without pay therefrom except for such cause as will promote the efficiency of such service and for reasons given in writing. Any person whose removal or suspension without pay is sought shall (1) have notice of the same and of any charges preferred against him; (2) be furnished with a copy of such charges; (3) be allowed a reasonable time for filing a written answer to such charges, with affidavits; and (4) be furnished at the earliest practicable date with a written decision on such answer. No examination of witnesses nor any trial or hearing shall be required except in the discretion of the officer or employee directing the removal or suspension without pay. Copies of the charges, the notice of hearing, the answer, the reasons for removal or suspension without pay, and the order of removal or suspension without pay shall be made a part of the records of the proper department or agency, as shall also the reasons for reduction in grade or compensation; and copies of the same shall be furnished, upon request, to the person affected and to the Civil Service Commission.

"(b) Notwithstanding subsection (a) of this section, the head of any department or agency may, whenever he deems it necessary in the interests of national security, summarily remove or suspend without pay any officer or employee in such department or agency. Any such person summarily removed or suspended under authority of this subsection shall have an opportunity (1) within 30 days after such removal or suspension to appear personally before the officer or employee designated by the head of his department or agency and to be informed of the reasons for such removal or suspension to such extent as the head of such department or agency finds compatible with the public interest, and (2) to submit, within 30 days after such personal appearance, such statement or affidavits, or both, as he may desire, to show why he should be reinstated or restored to duty. Any such person shall be furnished at the earliest practicable date with a written decision on any answer submitted by him under clause (2) of this subsection.

"(c) Any person removed or suspended without pay from the classified civil service—

"(1) who, after filing a written answer to the charges as provided under subsection

(a) or (b) or after any further appeal through proper authority within 60 days after receipt of an adverse decision on the answer, is reinstated or restored to duty on the ground that such removal or suspension was unjustified or unwarranted; or

"(2) who is reinstated or restored to duty as a result of an appeal to proper authority within 60 days after removal or suspension without pay in a reduction in force on the ground that such removal or suspension was unjustified or unwarranted,

shall be paid compensation by the department or agency which removed or suspended without pay such person, at the rate of pay received on the date of such removal or suspension, for the period of such removal or suspension, less any amounts earned by him through other employment during such period, and shall for all purposes except the accumulation of leave be deemed to have rendered service during such period. A decision with respect to any appeal to proper authority under this subsection shall be made at the earliest practicable date.

"(d) Membership in any society, association, club, or other form of organization of postal employees not affiliated with any outside organization imposing an obligation or duty upon them to engage in any strike, or proposing to assist them in any strike, against the United States, having for its objects, among other things, improvements in the condition of labor of its members, including hours of labor and compensation therefor and leave of absence, by any person or groups of persons in said postal service, or the presenting by any such person or groups of persons of any grievance or grievances to the Congress or any Member thereof shall not constitute or be cause for reduction in rank or compensation or removal of such person or groups of persons from said service.

"(e) The right of persons employed in the civil service of the United States, either individually or collectively, to petition Congress, or any Member thereof, or to furnish information to either House of Congress, or to any committee or member thereof, shall not be denied or interfered with."

SEC. 2. Section 6 of the act of August 24, 1912, as amended by this act, shall apply (1) to persons whose removal is sought, but who have not actually been removed, under such section 6 prior to the date of its amendment by this act, (2) to persons whose removal or suspension without pay is sought on and after the date of enactment of this act, and (3) to persons who are summarily removed or suspended without pay for reasons of national security on and after the date of enactment of this act.

SEC. 3. Section 3 of the act entitled "An act to expedite the prosecution of war, and for other purposes," approved December 17, 1942 (Public Law 808, Seventy-seventh Congress), is hereby repealed, except that such section shall remain in full force and effect with respect to persons summarily removed under authority of such section prior to the date of enactment of this act.

Mr. LANGER. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. LANGER, Mr. THYE, and Mr. O'CONOR conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 148. An act for the relief of Charles G. Meyers;

S. 401. An act authorizing the Secretary of the Interior to issue a patent in fee to Clarence M. Scott;

S. 1407. An act authorizing the issuance of a patent in fee to Robert E. Doyle;

S. 1517. An act authorizing the issuance to James Perry Doyle of a patent in fee to certain lands in Big Horn County, Mont.; and

S. J. Res. 172. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during 1948.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2453) to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3730. An act to amend section 20 (12) of the Interstate Commerce Act, with respect to recourse, by an initial or delivering carrier, against the carrier on whose line loss of, or damage or injury to, property is sustained, on account of expense incurred in defending actions at law;

H. R. 5118. An act to authorize the sale of certain individual Indian land on the Flathead Reservation in the State of Montana; and

H. R. 5310. An act to authorize the admission into the United States of persons of races indigenous to Siam, and to make them racially eligible for naturalization.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H. R. 2502. An act to provide for the general welfare and advancement of the Klamath Indians in Oregon;

H. R. 3506. An act to provide for the acquisition of a site for a new Federal building in Huntington, W. Va., adjoining existing Federal buildings there, as an economy measure, before land values have increased as a result of improvements;

H. R. 4836. An act to authorize the purchase of a new post-office site at Omaha, Nebr.;

H. R. 4967. An act to provide for the acquisition of a site and preparation of plans and specifications for a new postal building and for remodeling of the existing main post-office building in Portland, Oreg., and for other purposes;

H. R. 5315. An act to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases, and for related purposes; and

H. J. Res. 251. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the coming of the Swedish pioneers to the Middle West.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, as indicated:

H. R. 183. An act to transfer lot 1 in block 115, city of Fairbanks, Alaska, to the city of Fairbanks, Alaska;

H. R. 238. An act for the extension of admiralty jurisdiction;

H. R. 5287. An act to amend section 58d of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 5310. An act to authorize the admission into the United States of persons of races indigenous to Siam, and to make them racially eligible for naturalization; to the Committee on the Judiciary.

H. R. 2273. An act to amend the act of May 29, 1944, providing for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal;

H. R. 4455. An act to authorize the conveyance by the Secretary of the Interior to the Richmond, Fredericksburg & Potomac Railroad Co., of certain lands lying in the bed of Roaches Run, Arlington County, Va., and for other purposes;

H. R. 4725. A bill to confer jurisdiction on the several States over offenses committed by or against Indians on Indian reservations; and

H. R. 5118. An act to authorize the sale of certain individual Indian land on the Flathead Reservation in the State of Montana; to the Committee on Interior and Insular Affairs.

H. R. 3229. An act to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory; to the Committee on Finance.

H. R. 4090. An act to equalize retirement benefits among members of the Nurse Corps of the Army and the Navy, and for other purposes; to the Committee on Armed Services.

H. R. 3730. An act to amend section 20 (12) of the Interstate Commerce Act with respect to recourse by an initial or delivering carrier against the carrier on whose line loss of or damage or injury to property is sustained on account of expense incurred in defending actions at law; to the Committee on Interstate and Foreign Commerce.

H. R. 5112. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

H. R. 5470. An act to repeal subsection (b) of section 3 of the act of December 30, 1947; to the Committee on Banking and Currency.

JOINT MEETING OF THE TWO HOUSES

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 160, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, March 17, 1948, at 12:30 p. m., for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

Mr. WHERRY. I move the adoption of the concurrent resolution.

The motion was agreed to.

Mr. WHERRY. Mr. President, it is not the intention to transact any business tomorrow after the joint meeting of the two Houses of Congress provided for by House Concurrent Resolution 160, which has just been agreed to. There will be no necessity for Senators to return to the Senate Chamber after the delivery of the President's message in the Hall of the House of Representatives. I therefore ask unanimous consent that at the conclusion of the joint meeting of the two Houses tomorrow the Senate stand in recess until 12 o'clock noon on Thursday next.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Nebraska?

Mr. CONNALLY. Mr. President, reserving the right to object; I shall not object, but I want to protest against the habit of the Senate going over to the Hall of the House of Representatives and dissolving there, instead of coming back to its Chamber and adjourning or taking a recess here. The most dignified and the most proper thing for us to do is to return to the Senate Chamber and recess or adjourn here. On this occasion, however, I shall not object, but I think that hereafter I shall object. The action proposed to be taken is not a dignified one. It would not have a good effect on the public for the Senate to march over to the House and sit with the Members of the House, and then when the session is over simply dissolve, and each Senator go his own way. I think the Members of the Senate should return to the Senate Chamber and adjourn or recess here. Until recently that has always been the custom. Lately, however, we have been doing as now suggested by the Senator from Nebraska. I do not think well of such a practice. I do not think it is provided for in the Reorganization Act, if I remember correctly. Is it?

Mr. WHERRY. Mr. President, if there is any serious objection to the request, if it is the wish of the distinguished Senator from Texas that the Senate return to the Senate Chamber and adjourn or recess here after the joint meeting with the House, I will withdraw the unanimous-consent request.

Mr. CONNALLY. No.

Mr. WHERRY. But some Senators wanted to have the order made, and I have at least carried out their request. If there is any objection to the request I shall be glad to withdraw it.

The PRESIDENT pro tempore. Is there objection to the request?

Mr. MORSE. Mr. President, reserving the right to object, I want to suggest that I do not know of any one in this body who has the slightest idea as to what the President of the United States is going to talk to the Congress about tomorrow afternoon. It is to be presumed that he is going to talk about something he considers to be of emergent importance to the people of the Nation. I think we ought to keep ourselves in a position so that following the President's address a quorum of the Senate of the United States might be available for a discussion of the address delivered by the President of the United States, if we consider it of that importance. In view of the fact that he is calling the Congress into joint meeting, certainly he must consider the matter he will there present to us of sufficient importance so that it ought to receive our due deliberation and consideration. If we agree to the proposed unanimous-consent request which has just been made, Mr. President, we will not be in a position to have a session of the Senate after the address, unless some order is issued by the President pro tempore while we are still in joint meeting. Therefore, because I continue to assume that the President's address must be of great national importance, and because I think we ought to be in a position to discuss it if we think it necessary to discuss it, I object.

Mr. WHERRY. Mr. President, I shall be glad to withdraw the unanimous-consent request.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. In view of the withdrawal of the unanimous-consent request by the acting majority leader, what will be the parliamentary situation tomorrow immediately following the delivery of the message of the President?

The PRESIDENT pro tempore. The Senate will return to its Chamber and be in session.

REMOVAL OF CERTAIN LIMITING PROVISIONS IN THE CONSTRUCTION OF VESSELS AND AIRCRAFT

Mr. WHERRY. Mr. President, I move that the Senate proceed to the consideration of House bill 3051, Calendar No. 657.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3051) to amend the act of July 19, 1940 (54 Stat. 780; 34 U. S. C. 495a), and to amend section 2 and to repeal the profit-limitation and certain other limiting provisions of the act of March 27, 1934 (48 Stat. 503; 34 U. S. C. 495), as amended, relating to the construction of vessels and aircraft, known as the Vinson-Trammell Act, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Nebraska.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment, in section 2, on page 2, line 7, after the word "third", to strike out "proviso thereof, and so much of the fourth proviso which reads 'if inconsistent with the public interests in any year to have a vessel or vessels constructed as required above'" and insert "and fourth provisos thereof and substituting therefor the following: *'Provided further*, That the President may have such vessel or vessels built in a Government or private yard as he may direct, it being the intent of the Congress that as fair and equal an allocation of new-vessel construction work as is practical be made between Government and private yards.'"

CONFIDENTIAL STATUS OF EMPLOYEE LOYALTY RECORDS—EXECUTIVE ORDER OF THE PRESIDENT

Mr. HICKENLOOPER. Mr. President, in today's issue of the Federal Register there appears, under the heading, "Title 3—the President," a directive of the President of March 13, 1948, headed "Confidential status of employee loyalty records—Memorandum to all officers and employees in the executive branch of the Government."

Thereafter follows the Executive order, which in effect orders all persons in the executive branch of the Government to refuse to obey any subpenas, requests, or demands for confidential records of any kind, and specifically mentions the FBI.

This remarkable Executive order says, in closing:

> There shall be no relaxation of the provisions of this directive except with my express authority.

I have no intention of discussing the merits or demerits of this Executive order at this time, but I ask that at this point in my remarks the entire Executive order be printed in the RECORD.

There being no objection, the Executive order was ordered to be printed in the RECORD, as follows:

TITLE 3—THE PRESIDENT

DIRECTIVE OF MARCH 13, 1948

Confidential status of employee loyalty records

Memorandum to All Officers and Employees in the Executive Branch of the Government:

The efficient and just administration of the employee loyalty program, under Executive Order No. 9835 of March 21, 1947, requires that reports, records, and files relative to the program be preserved in strict confidence. This is necessary in the interest of our national security and welfare, to preserve the confidential character and sources of information furnished, and to protect Government personnel against the dissemination of unfounded or disproved allegations. It is necessary also in order to insure the fair and just disposition of loyalty cases.

For these reasons, and in accordance with the long-established policy that reports rendered by the Federal Bureau of Investigation and other investigative agencies of the executive branch are to be regarded as confidential, all reports, records, and files relative to the loyalty of employees or prospective employees (including reports of such investigative agencies), shall be maintained in confidence, and shall not be transmitted or disclosed except as required in the efficient conduct of business.

Any subpena or demand or request for information, reports, or files of the nature described, received from sources other than those persons in the executive branch of the Government who are entitled thereto by reason of their official duties, shall be respectfully declined, on the basis of this directive, and the subpena or demand or other request shall be referred to the Office of the President for such response as the President may determine to be in the public interest in the particular case. There shall be no relaxation of the provisions of this directive except with my express authority.

This directive shall be published in the Federal Register.

HARRY S. TRUMAN.

THE WHITE HOUSE,
March 13, 1948.

Mr. HICKENLOOPER. Mr. President, I invite the attention of Senators and any other interested persons in Government to the last sentence of subdivision (e) of section 15 of the Atomic Energy Act of 1946. That sentence reads as follows:

The committee—

Meaning the Joint Committee on Atomic Energy created by this statute—

is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

Mr. President, I rise at this time so that by no stretch of the imagination could anyone, in Government or out, come to the conclusion that by silence with respect to this Executive Order I, as chairman of the Joint Committee on Atomic Energy, have any intention of abrogating or giving up the statutory authority which is so clearly and unequivocally reposed in the Joint Committee on Atomic Energy for access to records of all kinds in any Government department or establishment if they are deemed by the Joint Committee on Atomic Energy to be appropriate for the purpose of investigations in the public interest.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. KNOWLAND. I merely wish to say that I believe the able Senator from Iowa, chairman of the Joint Committee on Atomic Energy, has raised a very important question. As one member of the Joint Committee on Atomic Energy I believe there is no question, under the McMahon Act, that the Joint Committee on Atomic Energy has full right to access to all the files of any Federal agency, including the FBI, that it has an obligation to obtain that information, and that it would be derelict in its duty if it did not insist upon the right to get whatever information is needed. Speaking for myself alone, I would not vote for the confirmation of any member of the Atomic Energy Commission if the committee were to be deprived of information which it needs in order properly to safeguard the very republic itself.

Mr. HICKENLOOPER. Mr. President, as I stated a moment ago, I have no intention at this time of pursuing a discussion of the merits or demerits of this particular Executive order or the connotations which it raises. However, I wish to say that in the interest of clarity and a full understanding of the certainty with which I in my capacity as chairman of the joint committee will advance and protect the legal rights of the joint committee, I feel that this statement should be made now, before further time elapses.

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD immediately following the remarks of the Senator from Iowa an editorial entitled "Loyalty Reports," published in the Washington Post of today.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LOYALTY REPORTS

There was urgent need for just the sort of simple, straightforward directive President Truman issued yesterday to executive-branch employees forbidding them to surrender files relative to the loyalty program without his express authority. Lacking this directive, executive officials were in danger of being bullied or overawed into permitting a most dangerous usurpation of power by arrogant congressional committees. No doubt there will still be blustering demands from the Thomases, Rankins, Hoffmans, and Busbeys on Capitol Hill. But the more sober and responsible Members of the Legislature will know very well that there is an abundance of precedent and of constitutional authorization to back up the President's position.

Every consideration of common sense backs it up as well, of course. The loyalty program would be meaningless if suspect employees were to be tried in newspapers and before congressional committees—stigmatized publicly in advance of any hearing. Confidential information and valuable sources would be disclosed to the serious impairment of essential security. The operations of the FBI would be gravely embarrassed and impeded. Information genuinely necessary to the proper functioning of congressional committees should, to be sure, be furnished willingly and expeditiously by the executive branch of the Government. But in view of some of the recent outrageous demands by legislative groups, the President is altogether right in insisting that he be the judge of what is to be submitted to them in this delicate and important realm.

STAMPS COMMEMORATIVE OF ONE HUNDREDTH ANNIVERSARY OF THE CREATION OF THE TERRITORY OF MINNESOTA

The PRESIDENT pro tempore laid before the Senate the joint resolution (H. J. Res. 320) to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the creation of the Territory of Minnesota.

Mr. THYE. Mr. President, yesterday the Senate passed an identical Senate joint resolution. I ask unanimous consent that House Joint Resolution 320, passed by the House, be now considered and passed by the Senate.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota?

There being no objection, the joint resolution was read twice by its title, considered, ordered to a third reading, read the third time, and passed.

THE WORLD SITUATION

Mr. WILEY. Mr. President, only a few weeks ago there was read from the rostrum the Farewell Address of George Washington. I wish to read a few of his sentences and briefly comment on the world situation as I see it today.

George Washington said:

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible * * *. Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice? It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements * * *. Against the insidious wiles of foreign influence, the jealousy of a free people ought to be constantly awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government.

Will the time come when his words will again become the policy of this country? The answer to that question, Mr. President, will depend upon future events, upon the action of those countries that we have twice stepped aside to aid and assist. It will depend upon what success the new Russian world power will have in its outward swing to take over the world. It will depend upon our own approach to the world problems and our ability to meet them head-on and find the adequate solution.

Another President in our history told us that we should "speak softly but carry a big stick."

This calls for an analysis of the implications contained in those two phrases: "Speak softly; carry a big stick."

"Speak softly." I think that implies that America in every emergency must use the God-given power of reason and judgment with the opposition to see if it is possible to bring judgment into the picture.

Perhaps, Mr. President, to make this concrete in the present situation, it means a direct appeal to Mr. Stalin for a conference to see if there is any way out of this international dilemma, this misunderstanding that seems to become progressively greater. It calls for action, not by the old diplomats, but by the new, the kind who can bring light into a muddled picture, who can look through and over and above the crisis and find the solution; who can get angry, fearsome, human minds to think straight. There is nothing of an appeasement nature in this suggestion. It means plainly and definitely to follow the Biblical precept, "Come and let us reason together." Out of such occasions, much good can come.

Mr. President, I am well aware of the results of many previous Big Three, Big Four, and Big Five Conferences—at Yalta, Potsdam, and Tehran, and so forth. I am all too aware that many of the verbal commitments made by several of the principals have been very callously violated by deeds in a matter of days and months following the conferences. So, in suggesting this new conference, I am not asking that the American people pin their faith on whatever mere words or whatever mere agreements or contractual pledges result from the conferences. As I have stated in the Senate since my coming here 9 years ago, I am concerned, not so much with the letter of international agreements, but with the spirit, or, as I have phrased it in the past, "with the will and intent and purpose" which foreign governments manifest in their deeds, rather than in their mere words.

I think it also should be said at this point that any future pattern of conferences which is laid down should adhere to the rule that the decisions or the tentative agreements made at these conferences should be publicized and

should be the subject of review by the American people and by their representatives.

One of the greatest single problems which has confronted this Government in the management of its foreign policy in the past 2 years has been the existence of undisclosed agreements which apparently have been considered, in part, at least, as binding on the American public, though never disclosed to the public and never the subject of formal action by the American Congress.

It is absolutely vital that our future agreements be, not merely the agreements of an executive of one nation speaking to the executive of another nation, but, in effect, agreements between peoples, having behind them the endorsement of the people, which alone can make such agreements binding.

Mr. President, what are the connotations of the second point, "Carry a big stick"? We are living in a new age. Let me ask a few questions which are implied in the first question: What is the status of our strategic material supply? What has been done in relation to the decentralization of our war industrial and governmental potential? What has been thought through as the best defense, not to yesterday's warfare, but to tomorrow's warfare? What has been thought through to make effective the legislative emergency and wartime machinery? What has been done in relation to obtaining the far-flung bases which are necessary in case of another conflict?

What is being done in relation to adequate and efficient "procurement" for the "big stick," to see that all waste and extravagant expenditures are being done away with? What is being arranged in relation to production and what it takes to create the "big stick."

What is being done to meet the impact of demands for higher wages, and the lust for profits, in case the situation becomes "hot"?

What is being done to prevent sabotage by a fifth column in the event of a national emergency? The other day I spoke briefly on this subject, calling to the attention of the Senate the report of Constantin Oumansky.

In asking these questions, my position is not to sabotage any security regulations or to ask that there be made public any information which would be detrimental to the national defense and welfare. I am merely asking these questions in order to let our military and executive leaders know that we in the Senate are not unaware of the vital need for preparedness on every front, and that we insist that they take action adequate to meet whatever emergency may arise.

What will be done, I ask further, to mobilize the resources of American education to turn out the trained experts that will be necessary for any emergency in the atomic age—the engineering personnel, the administrative personnel, the foreign language specialists, and so forth?

None of these remarks should contribute in any way to what has been characterized as war hysteria or a panic psychology in which we cannot be morally armed and spiritually prepared, nor should any of this preparedness be used for political purposes in any way, in order to endanger a crisis psychology in the people, so that they are compelled to vote at the polls one way or another; nor should it be used to take Uncle Sam's Treasury for a "ride."

Yes, Mr. President, "carry a big stick" means a great deal in this age that it did not mean when our people simply were told, "Keep your powder dry."

THE REMINGTON RAND LABOR CONTROVERSY

Mr. IVES. Mr. President, as one who is deeply interested in helping to obtain peaceful and happy industrial and labor relations for the Nation, and particularly for New York State, I am disturbed by the controversy which continues to exist between the Remington Rand Co. and the United Electrical, Radio, and Machine Workers of America.

It seems to me that misunderstanding and stubbornness have led to the present unfortunate impasse. On the one hand, the company has seen fit to refuse to bargain collectively with the union, relying on its interpretation of the law, which it feels proscribes its obligation to bargain with the representative of its employees. On the other hand, it should be pointed out that the union has not complied with the filing requirements of the Labor-Management Relations Act, which is a condition precedent to the utilization of the Board's process, but not a necessary prerequisite for the continuation of collective bargaining.

I would point out in this connection that, as stated by Mr. Robert Denham, the general counsel of the National Labor Relations Board, in a letter to Mr. Lee Pressman, then the general counsel of the CIO—

> The act does not prevent Remington Rand from entering into any contract they may desire to with the UE, but if they incorporate a union security provision they will do so at their peril, and, of course, the closed-shop contract is specifically forbidden by the law.

In the interests of sound and constructive industrial and labor relations and industrial peace in New York State, I am hopeful and sincerely trust that the Remington Rand Co. and the United Electrical, Radio, and Machine Workers of America will enter into constructive bargaining relations, as encouraged and permitted by the law.

DEVELOPMENT AND CONSERVATION OF RESOURCES OF MISSOURI RIVER BASIN

Mr. MURRAY. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution to establish a commission to report on the development and conservation of the resources of the Missouri River Basin.

The joint resolution calls for an immediate review and revision of the irrigation, navigation, and flood control and soil conservation programs under way or planned by the Army engineers, the Bureau of Reclamation, and other Government agencies, for the Missouri River and its tributaries. The resolution I have filed is prompted at this moment because of new and alarming evidence which has just reached me that the projected $3,000,000,000 program in the Missouri Valley is so poorly planned that much of the money already being spent may turn out later to have failed of its purposes. Appropriations still to be made by the Congress may not achieve the results hoped for by the farmers, workers, and businessmen of the great Missouri Valley. Safeguarding the people's money warrants a full examination of these vast expenditures in the Missouri Valley.

Mr. President, these are serious charges, and I do not make them lightly. They come as a result of new evidence just brought to me in independent surveys and reappraisals of the so-called Pick-Sloan plan. That evidence shows that the farmers in the semihumid areas of the eastern valley may be called upon to pay exorbitant sums for their water. It shows that there will not be enough water in the Missouri and its tributaries to meet both the expanding demands for irrigation and the requirements for navigation year in and year out.

Both purposes cannot be served adequately. Figures presented to me indicate that during the recurring dry cycles that have visited our Missouri Basin since recorded time, the barges which should be hauling grain and coal on the river will not be able to float for more than a few months a year in a dry period. Or, if they do find water under them, it will be because the Army engineers have stored behind big dams immense quantities of water which is allowed to flow downstream to sustain navigation, but at the expense of irrigation on the millions of parched acres upstream where crops are dying for want of that very water. Farmers, who will need this same water to save their crops during the worst half of any 12-year dry cycle, will not get it for that purpose if the Army engineers get it for transportation first.

This issue was partly considered some years back and resulted in the O'Mahoney amendment to the Flood Control Act of 1944, which provided:

> The use for navigation of waters arising in States lying wholly or partly east of the ninety-eighth meridian shall be only such use as does not conflict with any beneficial, consumptive use, present or future, in States lying wholly or partly west of the ninety-eighth meridian, of such waters for domestic, municipal, stock, water, irrigation, mining, or industrial purposes.

Farmers and residents all over the upper-river States heralded this provision as a lifesaver. Having put it on the statute books of the land, most of us have felt secure in the belief that sufficient water will remain in the upper-basin States, including the Dakotas, to provide adequately for irrigation of all irrigable lands there. But, now, new and practical possibilities for irrigation are appearing in the upper valley, above and beyond those originally calculated by the Bureau of Reclamation. They may require another two to three million acre-feet of water. This fact brings into question the value and planning of the navigation work being undertaken. The Army engineers have apparently assumed that they will get all the water they need for every year's operation of a 9-foot channel from Sioux City to the mouth of the Missouri. In fact, more than casual

mention is already being made of the immediate need for planning a 12-foot channel to make possible a uniform transportation system on the Mississippi and Missouri that would require so much more water for navigation that the remainder left available for irrigation would be completely inadequate.

Mr. President, the Army engineers have launched a program which will cost over $200,000,000 for navigation works on the Missouri. Much of the sum which they are now spending in moving dirt or driving piles or installing more concrete may be wasted if there is inadequate water. But if they take all the water they need, the result will spell ruin to the chances of thousands of farmers who confidently believe that the O'Mahoney amendment assures them a first right to the river water—all the water they need for irrigation of their land now and in the future.

We cannot add to the amount of water. That is up to nature. But we can plan for the wisest use of nature's offering.

It becomes daily more clear that the Pick-Sloan plan compromise is inadequate to provide low-cost water and electric power for the farmers in all the States of the Missouri Basin. New calculations indicate that power may cost four times what TVA power costs wholesale. The Army engineers obtained authority to build most of the big dams which carry power installations. Thus, the benefit of the write-offs for flood control and navigation, which would have been given under reclamation law to farmers receiving irrigation water from dams constructed by the Bureau of Reclamation for multiple purposes, will not be forthcoming. The result, so the independent surveys being made indicate, will be water for irrigation at such high cost as to be prohibitive to many farmers who are expecting and have every right to expect to receive cheap irrigation water on the same terms that this Government has provided it to farmers in other parts of the United States with whose products they must compete.

This problem cannot wait for the dams to be built, and then be reconsidered, for by then the damage will have been done. We must know now, and the thousands of farmers in the 10 States of the Missouri have every right to know now, whether the present program of construction will prevent them getting all the cheap irrigation water they need, and the cheap power they also need badly. The merchants and workers whose welfare is so tightly interlaced with the prosperity of the farmers need to know, too.

Shocking facts are contained in the reports reaching me that the present construction plans of the Army engineers and the Bureau of Reclamation are so poorly conceived in terms of the production of an adequate amount of hydroelectric power that can be marketed at low cost as to lead to the conclusion that the farmers, merchants, and prospective businessmen are being wholly misled. If the present programs go through to completion, the hope of industrializing the valley will be lost forever, because these plans will apparently result in the production of hydroelectric power higher in cost than even steam-generated power.

We, of the Congress, who have appropriated hundreds of millions of taxpayers' dollars for these projects in the Missouri Valley had better know now, before it is too late, whether that is true. For the voters have every reason to hold us responsible for any misuse or waste of public funds. And we need to know through an independent survey and review of the situation, one conducted by competent people who are not employed by any of the self-interested agencies. We need a unified revision of all the present plans. Whether the several-billion-dollar program, which is so heavily freighted with the future of the people and their property in the 10 Missouri Valley States, will be for their benefit is a vital concern to all of us.

I have therefore proposed in the resolution at the desk that the President set up a three-man board composed of outstanding competent citizens, two of whom must be long-time residents of the Missouri Valley States. That board is empowered to examine the plans, structures, and operations of the several bureaus and agencies of the Federal Government pertaining to the control of floods, navigation, irrigation, soil conservation, wildlife and recreation, electric power development, and forestation programs conducted by the Department of the Interior, War Department, and Department of Agriculture, and their units in the States which form the Missouri Valley. The board is not allowed to interfere in any way with, or delay for one moment projects already authorized by the Congress.

This board shall report to the President and the Congress its preliminary findings within a year, and make its final report before the end of the second year. That final report should be a constructive and unified program that will really provide cheap water and power. When this report is before us, the Congress can then make such changes in present projects or those to be approved as it sees fit.

The proposed act calls for a full-time board, providing sufficient money to enable a first-class job to be done. Nothing less than that will suffice to give us the right answers. The $250,000 appropriated for this purpose will be money extremely well spent if it stops the bungling and waste, the heedlessness, the confusion, and the overlapping which now characterize the efforts of the several competing agencies working in the Missouri Valley. It must come up with a full and correct answer to the paramount question concerning the water needs and uses of the farm people of the 10 Missouri Valley States.

There being no objection, the joint resolution (S. J. Res. 197) to establish a commission to report on the development and conservation of the resources of the Missouri River Basin, introduced by Mr. MURRAY, was received, read twice by its title, and referred to the Committee on Public Works, and is as follows:

Whereas it now appears that irrigation water may cost the farmers of the Missouri Valley far more than they can be expected to repay; and

Whereas recent examination of the prospects (1) for expanding irrigation in the Missouri Valley and (2) for making the principal navigation channels of the Missouri River of equal depth with the principal Mississippi waterways, indicates that there will be insufficient water to meet both future navigation and irrigation demands at the same time; and

Whereas this prospective water shortage jeopardizes the investment of the $220,000,000 in navigation works which the Army Engineers are undertaking; and

Whereas this prospective water shortage coupled with continued construction of navigation works may in time jeopardize the effectiveness of the O'Mahoney amendment to the Flood Control Act of 1944 which gives preference to irrigation, municipal, domestic, and other water uses in the Upper Basin States west of the ninety-eighth meridian; and

Whereas no program has been developed for unified operation for power production of the dams to be constructed by the Army Engineers with the dams to be constructed by the Bureau of Reclamation, nor can such a program be developed under dual agency control, the results being waste of water, waste of power, and high cost of electric energy; and

Whereas the amount of hydroelectric power to be produced at Bureau of Reclamation dams has been lowered by more than half of the amount originally planned, and the allocations to flood control and navigation for its dams are not expected to be more than one-fourth of those originally anticipated, resulting in exceedingly high-cost electric energy generated by the Bureau dams; and

Whereas only low-cost electric power can produce the needed industrialization of the Missouri Valley, and this industrialization is now jeopardized in all respects; and

Whereas salable low-cost electric power in large quantities is also necessary to provide assistance to the farmers in repaying their indebtedness for irrigation works, and the prospect of high-cost power will add greatly to the farmers' financial burdens; and

Whereas the welfare of the farmers, shippers, and the power consumers in large areas of the Missouri Valley is threatened by the prospective high costs for water and power, the prospective loss of industrial development and the inadequacy of water for navigation; and

Whereas the fate of this vast Missouri Valley area affects directly the food supply, raw materials, and many finished goods used by the entire Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby established a commission to be known as the Missouri Valley Resources Commission, to consist of three members to be appointed by the President by and with the advice and consent of the Senate. Two of the members of the Commission shall have been residents of the Missouri Valley, in one or another of the 10 States of that valley (Montana, Wyoming, North Dakota, South Dakota, Nebraska, Kansas, Missouri, Colorado, Minnesota, and Iowa), for a continuous period of at least 5 years immediately prior to appointment. At least one member of the Commission shall be a member of the engineering profession. None of the members of the Commission may be in the employ of the Federal or any local government at the time of appointment to the Commission. The President shall designate one of the members to act as chairman of the Commission. Each member of the Commission shall receive compensation at the rate of $15,000 per annum.

(b) The principal office of the Commission shall be at some point within the Missouri Valley, but the Commission may establish such other offices as it deems advisable.

(c) The Commission shall have power, without regard to the civil-service laws, to

appoint, and, in accordance with the Classification Act of 1923, as amended, to fix the compensation of, such personnel as it deems advisable.

(d) The Commission shall cease to exist upon the expiration of 2 years after the date of enactment of this joint resolution.

SEC. 2. (a) The Commission shall review all plans and programs authorized by the Congress or suggested by the various Government agencies as their proposals for the development and conservation of the resources of the Missouri River Basin. It shall examine existing structures and works, operations, and activities of any such agencies with respect to any such plans or programs. Based on this review the Commission shall make a preliminary report of its findings within 1 year after enactment of this joint resolution. The President shall transmit such report to the Congress within 30 days after he receives it.

(b) Not later than 2 years after the date of enactment of this joint resolution the Commission shall make a full report to the President with recommendations for the organization of the work of the Federal agencies engaged in the development and conservation of the resources of the Missouri River Basin and for the best means of establishing fullest cooperation between such Federal agencies and agencies of the several States of the region.

(c) The report of the Commission shall be made available to the Federal agencies whose activities are dealt with therein, not later than 1 month prior to its submission to the President. Such agencies may submit such comments as they care to make with respect thereto and such comments shall be included in an appropriate section of the report as finally submitted, together with whatever reply from the Commission it deems necessary. The President shall transmit such report to the Congress within 30 days after he receives it.

(d) In carrying out its functions under this act, the Commission shall not interfere with or delay the work on any project authorized by the Congress.

SEC. 3. In order to carry out its work expeditiously and efficiently the Commission, under procedures to be set up by the President, shall have access to all records and files of the several Federal agencies carrying on development or resources activities in the Missouri River Basin, including, but not limited to, the records and files of the Corps of Engineers of the Army, the several bureaus and divisions of the Departments of the Interior, Agriculture, and Commerce, the Federal Power Commission, and the Interstate Commerce Commission. Each such agency, and each other Government agency having information or records useful to the Commission, shall furnish all assistance possible to the Commission upon request made by the Chairman.

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000 for the work of the Commission.

REMOVAL OF CERTAIN LIMITING PROVISIONS IN THE CONSTRUCTION OF VESSELS AND AIRCRAFT

The Senate resumed the consideration of the bill (H. R. 3051) to amend the act of July 19, 1940, and to amend section 2 and repeal the profit limitation and certain other limiting provisions of this act of March 27, 1934.

Mr. BALDWIN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. BALDWIN. Am I correct in my understanding that the business now pending before the Senate is Order No. 657, H. R. 3051?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BALDWIN. I should like to inquire of the acting majority leader whether or not, following the disposition of the unfinished business, or some time soon, he would join me in a motion to consider Order No. 702, Senate bill 1557, and Order No. 704, Senate bill 1375, which are, respectively, bills to incorporate the Catholic War Veterans and the Jewish War Veterans.

Mr. WHERRY. I respond to the Senator's inquiry by stating that apparently each and every time the calendar is called there is a request that Calendar Orders 702 and 704 go over. I should like to advise the distinguished Senator that if we can finish consideration of the pending bill tonight, as is our intention—and I respectfully suggest to Members of the Senate that they remain—the next order of business will be the tax bill. I suggest to the Senator that if he shall then desire to avail himself of the opportunity, in the event the bills he has mentioned have not been made a special order, he make his motion after the tax bill has been considered.

Mr. BALDWIN. Very well.

Mr. GURNEY. Mr. President, we have been endeavoring to get this bill before the Senate for some time. I refer to House bill 3051, which is now the unfinished business. The bill proposes to amend section 2 and to repeal the profit-limitation and certain other limiting provisions of the act of March 27, 1934, as amended, relating to the construction of vessels and aircraft, known as the Vinson-Trammell Act, and for other purposes. It passed the House of Representatives approximately a year ago, July 7, 1947, and was reported by the Senate Armed Services Committee on July 19, 1947. Taking the bill as it came from the House, our committee made one amendment which I believe helped the bill. It appears on page 2. I shall read it for the RECORD:

Provided further, That the President may have such vessel or vessels built in a Government or private yard as he may direct, it being the intent of the Congress that as fair and equal an allocation of new-vessel-construction work as is practical be made between Government and private yards.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. GURNEY. Do I have the floor, Mr. President?

The PRESIDENT pro tempore. The Senator from South Dakota has the floor.

Mr. GURNEY. I had not quite finished my explanation of the bill.

The purpose of the bill is to amend certain provisions of the Vinson-Trammell Act. This proposed legislation is pertinent to the Air Force. I think it is timely. I believe I shall be able to tell the Senate why. Insofar as it relates to profit limitation and the building program on aircraft construction the Vinson-Trammell Act, approved March 27, 1934, is a permanent peacetime law and is the basic law governing construction for the Navy. The profit-limitation provisions of the act relating to vessels and aircraft were made applicable to the construction of Army aircraft by section 14 of the act of 1939.

The Vinson-Trammell Act became law in 1934 at a time when we were in a period of depression. That point is important. It was designed to maintain employment of skilled men in navy yards which were Government-owned, and to raise the abnormally low employment level. Due to radically different conditions existing in private naval and aircraft construction companies today as compared with 1934, the objections to the act as amended have been raised and are the subject of this bill.

This bill removes the limitation that 10 percent of naval aircraft, including the engines thereof, must be manufactured in Government aircraft factories. Of course we all know that the Government is not now and never has been able to produce 10 percent of airplanes and aircraft engines. Since the close of the war——

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. GURNEY. I yield for a question.

Mr. FERGUSON. What is the capacity of the Government in relation to the production of aircraft and propellers?

Mr. GURNEY. So far as I know, the Government does not now operate any factories. They are all operated by private concerns.

Mr. FERGUSON. Then it really has no capacity. Is that correct?

Mr. GURNEY. That is correct. The Army and Navy have been building a few experimental models at different airports.

Mr. FERGUSON. But as to production, they have no capacity, have they?

Mr. GURNEY. No; the Senator is correct.

Mr. GREEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from South Dakota yield to the Senator from Rhode Island?

Mr. GURNEY. I yield for a question.

Mr. GREEN. My question is whether the Senator does not feel that it is inopportune to discuss this question today and that it should be put over until after the President's address tomorrow, when there may be a different point of view as to the Government's aiding in building vessels, or as to our changing the law.

Mr. GURNEY. As I see it, I do not believe it would make any difference, if I may say so. Whether we confront another emergency or not, the bill should still be passed by the Senate.

Mr. GREEN. Does the Senator propose to ask for action this afternoon?

Mr. GURNEY. The present purpose is to act on the bill this afternoon.

Mr. GREEN. Mr. President, I suggest the absence of a quorum.

Mr. GURNEY. I did not yield for that purpose, Mr. President.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. GURNEY. I yield to the Senator from Virginia, for a question.

Mr. ROBERTSON of Virginia. I think all the Members of the Senate who have shipyards in their States would like to have full knowledge of this bill. It may be that the amendment which has been

inserted in the House bill, leaving it to the President to make a fair allocation of new construction, would take care of the fears which have been expressed to us by the workers in our Government yards that the ultimate effect of this legislation will be to take business away from Government yards which they would otherwise secure under the existing law. Considering the lateness of the hour and the fact that there are only 15 Members of the Senate on the floor, I was wondering if the distinguished Senator would be willing to make his opening statement on the bill this afternoon and let the bill be the continuing order for tomorrow, and to take up the bill for consideration and complete action on it after the delivery of the President's message to the two Houses at noon tomorrow.

Mr. GURNEY. I will say to the Senator from Virginia that it will not be possible for me to be on the floor of the Senate after the delivery of the President's message tomorrow, for the reason that our committee is holding hearings at which testimony will be given by the Secretary of State. We tried for more than a month to have the bill considered but always met objection. The objectors would never allow even a 5-minute explanation. Therefore, we could not, before this time, present it to the Senate. We feel it is very necessary, inasmuch as the House has passed it, to have the Senate act on it.

Mr. PEPPER. Mr. President, will the Senator from South Dakota yield?

Mr. GURNEY. I yield.

Mr. PEPPER. I am indeed astonished to hear the Senator from South Dakota say that the Senators who objected would not permit an explanation. So far as I am aware, I was the one who objected to this bill. I did so several times. I do not know whether any other Senator objected, but I have never declined to withhold an objection at the request of any Senator who desired to make an explanation of a bill. I want that very definitely understood. The Senator does not mean that he requested the withdrawal or withholding of the objection in order that he might have an opportunity to make an explanation, and that the Senator from Florida refused, does he?

Mr. GURNEY. The Senator from Florida is not the only Senator who objected. We have had some conversations with other Senators on the floor. As the Senator knows, we have been trying to find a place on the agenda of the Senate when we could find time to make the bill the order of business. If we do not make it the order of business this evening, I do not know just when we can get it up again.

Mr. PEPPER. Will the Senator yield further?

Mr. GURNEY. I yield.

Mr. PEPPER. So far as the Senator from Florida was concerned in making his objection, he felt, and I think the discussion so far has indicated that his feeling was justified, that this is not the kind of a bill to be disposed of under the 5-minute rule.

Mr. GURNEY. That is correct.

Mr. PEPPER. I have never objected to the bill being made the pending business at some other time, and did not object this afternoon when the request was made, and do not have any objection now, but I do object to disposing of such a far-reaching bill after 5 o'clock, with only a few Senators present. It is all right that it should be made the unfinished business, but I do not think the Senator should insist upon disposing of the bill this late in the afternoon, with so few Senators present.

Mr. WHERRY. Mr. President, will the Senator from South Dakota yield?

Mr. GURNEY. I yield to the Senator from Nebraska.

Mr. WHERRY. Let us clarify the situation. Calendar No. 657, House bill 3051, is the unfinished business. There is no doubt about that.

Mr. PEPPER. That is correct.

Mr. WHERRY. It was my thought that if we could get the bill up at 4 o'clock, immediately after the reorganization concurrent resolution had been adopted, there might be a possibility of concluding its consideration tonight. The reason why I had entertained the hope that that might be done was that, as Senators know, the President is to address a joint meeting of the two Houses tomorrow, and it seemed to be the opinion of Senators who were consulted that possibly the Senate should reflect upon the President's message, and not bring up the tax bill until Thursday. So I asked, at the beginning of the session at noon today, that the tax bill go over until Thursday, and I announced then that immediately after the reorganization concurrent resolution was disposed of we would make House bill 3051 the unfinished business. So the Senator from South Dakota was on firm ground when he believed that there would be ample time to discuss the bill and pass it this evening.

The Senator from South Dakota is a very busy man. Unfortunately he has been called to a meeting tomorrow at which his presence is imperative, and he is the one in charge of the bill. I promised him personally that we would try to work the bill in today, because when the tax bill is taken up, I am sure all Senators will agree, we should not displace it with any other measure until its consideration has been completed, which means that we might run over until Saturday with that bill. No one can tell. The debate might continue for several days. All Senators are in accord with the purpose of bringing up that bill. On the other hand, if it develops that there should be further debate and more consideration of House bill 3051, I am satisfied, knowing the Senator from South Dakota is as reasonable as any Senator in this body, that he will want it fully considered.

My desire was that the distinguished Senator from South Dakota be permitted to give a full explanation of the bill, and the Senate then proceed with it with the idea that we might perhaps accomplish the purpose for which we made it the unfinished business. But I am satisfied that if that cannot be done tonight, no Senator would force the bill to an issue. It is merely a question of expediting the bill. Is the Senator from South Dakota in full accord with my explanation?

Mr. GURNEY. Mr. President, I thank the Senator from Nebraska for his help. I may say that it would be almost impossible to carry on the debate tomorrow, for the reason that not one member of the committee which considered the bill would be able to be on the floor of the Senate. It would not be entirely fair to debate it without the sponsors present.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator from South Dakota yield?

Mr. GURNEY. I yield to the Senator from Virginia.

Mr. ROBERTSON of Virginia. I should have no inclination to make the point of no quorum this late in the evening, and inconvenience those who may have left the Capitol, but at least three Senators who have had to return to their offices to sign their mail are interested in this bill. I feel that if an effort is to be made to bring the bill to a vote this afternoon, it may be necessary to make a point of no quorum, so that those Senators may have a chance to return and say something about the bill, if they care to, if we are to proceed to a vote on it. That is the position of those who represent States where there are navy yards. It is a very vital matter.

Mr. WHERRY. Mr. President, the distinguished Senator from South Dakota states that he is agreeable to the program indicated. If he can explain the bill, he will agree to let it go over until after the President's message is delivered tomorrow. The Senator is willing to explain the bill tomorrow. So, unless there is further business in connection with this bill, when the Senate takes a recess this evening, it will recess until tomorrow, Senators will attend the joint meeting, and return to the Senate Chamber and conclude the legislation.

Mr. MYERS. Mr. President, I understood the Senator from South Dakota to say that neither he nor any of the other members of the committee could be present in the Senate tomorrow. I am very much interested in the proposed legislation, since I think it affects not only the Philadelphia Navy Yard, but the Philadelphia aircraft factory. Therefore, I should like to know whether it is the intention of the acting leader of the majority and the chairman of the committee to have the consideration of the bill concluded tomorrow.

Mr. WHERRY. That is the intention, because, as I have already explained, the tax bill will be brought up on Thursday. We do not wish to displace House bill 3051 with the tax bill unless it is absolutely necessary. It would be my hope, in going over until tomorrow, that the consideration of this bill could be concluded then. I make that announcement now. I think it is only reasonable, and I am satisfied all Senators will agree. I think all Senators interested should be present, and I suppose they will be. Instead of recessing after the joint meeting tomorrow, the Senate will remain in session and conclude the consideration of House bill 3051.

Mr. MYERS. I cannot be present because I have had an engagement of

long standing which I must keep, and I must leave after the President delivers his message. I want the RECORD to show that I am definitely and absolutely opposed to the bill. I may leave a statement to be read, or something to be inserted in the RECORD. But I can see no reason for the bill at this time, and I am only sorry it is brought up in this way, or will be brought up tomorrow, when there are so many other things to be done by Senators, and when the President's message may be uppermost in the minds of most Senators.

I had hoped the Senator might agree that since he could not be present, the bill might go over until a later date, but if it should come up tomorrow and come to a vote, I want the RECORD to show that I am absolutely opposed to it.

THE EUROPEAN RECOVERY PROGRAM—ARTICLE BY WELLINGTON JEFFERS

Mr. MALONE. Mr. President, it was my privilege to address the Prospectors and Developers Association convention held in Toronto, Canada, on March 10. The association is the leading mines' and miners' organization of the nation to the north. It is a great country, a great mining area, and a great nation in the making.

We import 95 percent of our nickel from Canada in normal times, much of our asbestos and other strategic minerals and materials needed in this Nation. They, in turn, purchase many materials from us.

The two nations are very close in their social and trade relations, and have been included in the Monroe Doctrine for 125 years, that is, we have been bound under that doctrine since 1823 to protect the integrity of that nation.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD at this point an article which appeared in the Globe and Mail of Toronto, Canada, March 12, 1948. The article was written by Mr. Wellington Jeffers, financial editor of that newspaper.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HARD-HITTING SENATOR FROM NEVADA SEES ERP FAILS SIGNALLY IN EFFECTIVE METHODS TO MEET RELIEF AND REHABILITATION NEEDS OR FIGHT REDS

(By Wellington Jeffers)

I think Canadians would do well to weigh carefully the ideas shadowed forth by Republican Senator GEORGE MALONE, of Nevada, at the annual mining day banquet of the Prospectors and Developers Association. Then, and especially later in a talk with this writer, he was quite clear and outspoken in his view that a very different and a more realistic approach to international spending will be made by the new government to be elected in the United States next fall and he seems calmly confident that the present administration is on the way out.

Senator MALONE is not one who speaks and then thinks. He speaks a lot and in March took almost 2 days in his voluminous presentation of the case against the Marshall plan or ERP as it was proposed. But he wasted no time; he has been on the spot in so many countries to gather the facts about world conditions that it would take a number of books to accommodate all he found out. He has talked with the heads and chief ministers of Britain, France, Italy, Germany, and other countries and as a consulting engineer who has successfully accomplished many great tasks it is not extraordinary that he should have looked at what he saw in industrial and business revival and in the lives of the people with a professional and expert eye rather than to accept what he was told.

I think it likely that some listeners Wednesday night were irritated that an American, no matter how eminent or well qualified, should speak candidly about Britain and its present shortcomings. But Senator MALONE has no use for nice phrasing that gets nowhere. He told me afterward that he believes the best basis for understanding among the peoples of Canada and the United States and all the other nations which elect to travel together in common defense is for citizens and representatives of each country to speak their minds clearly and unequivocally so that all know where they stand. He has based his political and public and business career on frank statement. There have been times in Nevada when he took an unpopular stand, but eventually he went to Washington because events justified his stand and his fellow citizens saw it.

Senator MALONE is not one who worships the memory of the late Franklin Roosevelt. Lately, in England, he listened to Anthony Eden telling how unfortunate it was for England that the present socialistic government was elected. He said to Mr. Eden, "We have had one for 15 years. You simply followed our example. We are going to put ours out in 1948. What is your schedule?"

"What is your chief criticism of the late Franklin Roosevelt?" I asked him.

"He was the only President in the history of the United States to open wide the doors of the Treasury. Billions of dollars were tossed out on all sorts of projects as though such spending was of no account. The debt mounted and a bad psychology in this matter was encouraged. In my country today I find it very regrettable that all these plans for the world at large are proposed and discussed by too many men who do not know what a billion dollars means. Some talk of $17,000,000,000 not being enough. They do not seem to have the slightest concept of what it means. They do not know or realize that it is more than the total value of all the property and wealth of the 11 States in the western region where I live. This is on top of our spending $24,000,000,000 already since the war stopped for relief and recovery and other world purposes. People are bemused and confused in their thinking when they talk that way. They might as well say $70,000,000,000 or $700,000,000,000; it would mean as much to them and be of as little practical use in the end."

"Senator MALONE," I said, "I have regarded General Marshall's original declaration and the ERP proposals coming from them as being a distinct advance on what was done earlier. It seemed to me that it was intended at first that the various peoples should get money only insofar as they showed a decided willingness to help themselves and did help themselves. I see you do not think that what is proposed so far does that. I am sending for what you said in the CONGRESSIONAL RECORD on March 4 and 5 and 8 on this topic. In the meantime, do you tell me that present proposals do not live up to that idea of self-help?"

"Just to show how confused the thinking is," said Senator MALONE, "they are currently treating the whole ERP matter in one bundle and arguing that with this money you can feed the hungry, rehabilitate Europe, and fight communism. That cannot be effective. Each should be treated on its own merits.

"If the hungry have to be fed, let us treat that by itself. This is the third crop in Europe since the Second Great War and it will apparently be a good one. I do not know of any previous war where countries had to be carried beyond the third crop following a war. However, if people are hungry, I for one believe in helping them. But we should send the food under proper auspices and not to governments which can do with it as they like even in some cases to selling it in the black market.

"Consider the case for rehabilitation. I have some experience in that. I have been on many reclamation and power projects. (Editor's note: Senator MALONE was adviser to United States Secretary of the Interior in the construction of the great Boulder Dam, and in 1942–43 he inspected as consultant to the Secretary of War the Alcan Highway, the United States bases in the Aleutians, Alaska, and the South Seas.) When I was in Britain, France, Germany, and Italy after the war my experience led me not to look at the great damage done by bombs but at the amount of recovery. I tell you British industry has a higher potential now than in 1937; Germany can come back fast and could quickly achieve an annual production of six to eight million tons of steel. What a burden that would take off ERP. Other countries are coming back also.

"My idea is that we should be willing to help countries which are going to work with us militarily in preparations to make us strong enough to avert another world war. I believe this money should be put in the World Bank on somewhat the same principles used in the Reconstruction Finance Corporation, and those who want help in industrial rehabilitation or expansion should apply there for loans just as businessmen do here. Then a regular business procedure of investigating every application and deciding whether the applicant has a chance to succeed in his present location or what methods would be followed. In other words, rehabilitation should proceed under banking and business guidance on accepted and tried principles. Billions handed out to governments will do no good. That at least has been made plain. On my plan much more good would be done with much less expenditure.

"As for communism I believe President Monroe did a great thing when he proclaimed the Monroe Doctrine. In this hemisphere it has prevented a great deal of aggression from Europe."

"We believe here," I interjected, "that the famous British statesman, Canning, first proposed the Monroe Doctrine."

"They were not so pleased later in Britain," said the Senator. "In any case, it is our traditional policy, and it is my view that we could not do better than extend it to countries willing to enter into a defense pact with us. I think predatory powers would think twice if it were placed in the forefront of world policy that any attack on the sovereignty of one of these nations from outside would bring them all down on the aggressor with the United States at the head. That is the way to fight communism, not with reckless expenditure of funds which will have no effect at all in that field.

"One thing more," he said. "It is my view that the nations we deal with should be willing to put their financial houses in order. Britain's pound is now far overvalued. The British are a smart people and I do not wonder that they want to buy $4 worth of goods with a pound instead of $2.50, as it is on the free market. But all have to face reality somehow and sometime. Italy seems to me to have done the best job that way so far. To do a real job in a world rehabilitation and to beat communism money has to mean something again. We have to know in the United States exactly what $1 and $1,000,000,000 do mean and foreign exchanges should be related to ours in strict relation to reality. That is what Italy tried to do and it is a first step to a better world."

Senator MALONE thinks too many people live in the British Isles. He would like to see the surplus go out through the British

Empire and to the United States. One of his observations was that "it took 140 years to build the United States system as it stands and only 15 years to wreck it." The Roosevelt ruin he spoke of does not prevent him from looking ahead. He believes the United States has only scratched the surface of its resources. "But you in Canada," he said, "you have a bigger country than we have and you haven't even seen it yet. I believe you will have 100,000,000 people here eventually and 50,000,000 in several generations."

We did not have any time to bridge further the gulf between ruin and this great future but from what has been said so far it is easy to guess that Senator MALONE thinks the first essential is to get down to brass tacks, to put the cards on the table face up and for everybody to buck the line. I use these sporting terms because GEORGE MALONE was amateur boxing champion of the Pacific Coast when he was an undergraduate of the University of Nevada. He knows how to give and take blows. He invites criticism of his own plans, the more searching the better. He wants it from Canadians as well as from his own countrymen. I am told that he is one of a group of younger Republican Senators, who want a much more energetic approach to domestic and world affairs than the party ever gave in the past. Rebel may be too strong a word, but the 11 Western States certainly have different views to put forward than those who come from the western coast and from the Orient, or those who come from the Atlantic seaboard and from Europe. This interview will show that Senator MALONE'S view is western; it is not circumscribed by his immediate environment.

RECESS

Mr. WHERRY. Mr. President, it appearing that all business that can be transacted this afternoon has been completed, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o 'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 17, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 16 (legislative day of March 15), 1948:

DIPLOMATIC AND FOREIGN SERVICE

North Winship, of Georgia, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Union of South Africa.

SUPREME COURT, TERRITORY OF HAWAII

Hon. Albert M. Cristy, of Hawaii, to be an associate justice of the Supreme Court of the Territory of Hawaii, vice Hon. Emil C. Peters, term expired.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 16, 1948

The House met at 11 o'clock a. m.

Rt. Rev. Msgr. Ottavio Silvestri, pastor of St. Joseph's Church, Brooklyn, N. Y., offered the following prayer:

We thank Thee, O Lord, for the many favors with which Thou hast blessed our great Nation, where at all times the dignity of every man is honored and his rights respected.

Continue, O Lord, we pray Thee, to enlighten our minds so that our enactments inspired by Thee, the source of all truth and justice, may always be in conformity with Thy divine will. Guide us in our concerted deliberations so that our actions may be an example to those nations where Thou art ignored and the rights of man trodden upon.

Give us the wisdom and fortitude to work together effectively for the reestablishment in the world of peace and order so necessary and so desired by men of good will.

Grant us further, O Lord, perseverance in our determined resolve to alleviate, where possible, the suffering of those whose plight is the saddest and whose needs the most pressing, notwithstanding the opposition and ingratitude of those who persist in their bad will.

For the success of our trying work in these difficult times, we ask a special blessing for the Speaker of the House, the Members of Congress, and for the workers of this assembled body. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on March 15, 1948, the President approved and signed bills of the House of the following titles:

H. R. 408. An act for the relief of Lawson Ashby; Mrs. Ora Ashby; and Lawson Ashby, the legal guardian of Betty Mae Ashby, a minor; Darrel Ashby, a minor; Kenneth Ashby, a minor; and Vernon Ashby, a minor;

H. R. 621. An act for the relief of Vera Frances Elicker;

H. R. 993. An act for the relief of the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb;

H. R. 1298. An act for the relief of Anastasios Panage Ioannatos, known as Anastasios Panage Ionnetos or Tom Panage Yanatos;

H. R. 1654. An act for the relief of the estate of Mrs. Elizabeth Campbell;

H. R. 1864. An act for the relief of Mrs. Raiford D. Smith;

H. R. 1929. An act for the relief of Edwin Osgood Cogan, his wife Helen Olga Cogan, and his daughter Isabel Joan Cogan;

H. R. 2161. An act to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes," approved April 5, 1944 (58 Stat. 190);

H. R. 2373. An act for the relief of Stanley-Yelverton, Inc.;

H. R. 2374. An act for the relief of Nita H. Stanley;

H. R. 3973. An act relating to the compensation of commissioners for the Territory of Alaska;

H. R. 4331. An act for the relief of Bertha M. Rogers; and

H. R. 4541. An act for the relief of Jesse F. Cannon, Jackson Jones, and the estate of John Halstadt.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 1809. An act to facilitate the use and occupancy of national-forest lands, and for other purposes;

H. R. 3506. An act to provide for the acquisition of a site for a new Federal building in Huntington, W. Va., adjoining existing Federal buildings there, as an economy measure, before land values have increased as a result of improvements;

H. R. 4836. An act to authorize the purchase of a new post-office site at Omaha, Nebr.;

H. R. 4967. An act to provide for the acquisition of a site and preparation of plans and specifications for a new postal building and for remodeling of the existing main post-office building in Portland, Oreg., and for other purposes;

H. R. 5315. An act to ratify the administrative promotions of employees on military furlough from the field postal service in certain cases, and for related purposes; and

H. J. Res. 251. A joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the coming of the Swedish pioneers to the Middle West.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2453. An act to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1107. An act relating to the arming of American vessels;

S. 1571. An act to promote the national defense by increasing the membership of the National Advisory Committee for Aeronautics, and for other purposes;

S. 1723. An act to amend the acts authorizing the courses of instruction at the United States Naval Academy and the United States Military Academy to be given to a limited number of persons from the American Republics so as to permit such course of instruction to be given to Canadians;

S. 2201. An act supplementing the act entitled "An act authorizing the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State," approved April 7, 1948;

S. 2277. An act to amend section 13 of the Surplus Property Act of 1944, as amended, to provide for the disposition of surplus real property to States, political subdivisions, and municipalities for use as public parks, recreational areas, and historic-monument sites, and for other purposes;

S. J. Res. 155. Joint resolution providing for a rehearing in the matter of the Bellows Falls Hydro-Electric Corp. (project No. 1892), known as the Wilder Dam project, and a review of any order of the Federal Power Commission therein;

S. J. Res. 158. Joint resolution to authorize the issuance of a special series of stamps commemorative of the eighty-fifth anniversary of Lincoln's Gettysburg Address;

S. J. Res. 178. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anni-

versary of the creation of the Territory of Minnesota; and

S. J. Res. 189. Joint resolution to provide for the issuance of a special postage stamp in honor of the Five Civilized Tribes of Indians in Oklahoma.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5214. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1949, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. REED, Mr. BRIDGES, Mr. SALTONSTALL, Mr. GREEN, and Mr. RUSSELL to be the conferees on the part of the Senate.

VESSELS OF CANADIAN REGISTRY TO TRANSPORT IRON ORE

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent for immediate consideration of the joint resolution (S. J. Res. 172) to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during 1948.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. WEICHEL]?

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That by reason of the continued extraordinary requirements of the iron and steel industry for Lake Superior iron ore, notwithstanding the provisions of section 27 of the act of Congress approved June 5, 1920 (41 Stat. 999), as amended by act of Congress approved April 11, 1935 (49 Stat. 154), and by act of Congress approved July 2, 1935 (49 Stat. 442), or the provisions of any other act of Congress or regulation, vessels of Canadian registry shall be permitted to transport iron ore between the United States ports on the Great Lakes during the year 1948 or until such date prior to the end of said year as the Congress by concurrent resolution or the President by proclamation may designate.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. JACKSON of California asked and was granted permission to extend his remarks in the RECORD and include an editorial and a statement by Mr. Merrin, of Beverly Hills.

Mr. JAVITS asked and was granted permission to extend his own remarks in the RECORD.

Mr. LODGE (at the request of Mr. JAVITS) was granted permission to extend his remarks in the RECORD.

Mr. ALLEN of California asked and was granted permission to extend his remarks in the RECORD and include a newspaper article.

Mr. McDOWELL asked and was granted permission to extend his remarks in the RECORD and include a broadcast by the eminent radio commentator, George Reedy.

Mr. BRADLEY asked and was granted permission to extend his remarks in the RECORD and include a press release from the Army.

THE LATE SADAO S. MUNEMORI

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, at this moment, a truly American ceremony is taking place at the Army Base, New York, where the transport *Wilson Victory* is being renamed *Private Sadao S. Munemori*, in honor of an American of Japanese descent, who gave his life for his country, during the recent war, on a battlefield of northern Italy.

Private Munemori was one of that hard-fighting patriotic group of Americans who cast aside all hyphenated names and allegiances and stood for freedom—for honor and dignity on the part of every individual. Private Munemori was a Californian and his next of kin, his mother, Mrs. Nawa Munemori, is a resident of my home city, Long Beach, Calif. This valiant soldier single-handedly destroyed two German machine guns, killed three and wounded two of the gunners, and then gave his own life by hurling himself upon an exploding grenade to save the lives of two comrades.

For this heroic act, the details of which are entered in the Appendix of the RECORD, the Nation's highest award, the Medal of Honor was awarded posthumously to Private Munemori.

Mr. Speaker, the naming of a national vessel in honor of this young Californian—this American soldier of Japanese descent—seems to me to typify that relationship we should ever emphasize—that neither race, nor creed, nor color bars recognition of courage and achievement in these United States.

The SPEAKER. The time of the gentleman from California has expired.

NAVY AIR POWER

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, today I have introduced a bill which reads as follows:

There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1949, the sum of $4,800,000,000 to be expended by the Department of the Navy in carrying out its functions and operations.

This is an increase of $729,000,000 over the budget estimates of the money to be appropriated for use by the Navy during the next fiscal year. I have introduced this bill, Mr. Speaker, so that the production of planes for the Navy may be increased and a start made toward the achievement of a 14,500-plane Navy. The 14,500-plane program for the Navy corresponds to the 70-group Air Force program. If the bill I have introduced is passed deliveries for the fiscal year 1950 will amount to 2,400 planes instead of 1,050 as provided for in the President's budget.

The SPEAKER. The time of the gentleman from New Hampshire has expired.

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from Labor of Saturday, March 13, entitled "Conscription Heat On; Hershey's Breath-Taking Plan."

Mr. KEOGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Denis M. Hurley.

Mr. LANHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution.

Mr. BARTLETT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the New York Herald Tribune.

Mr. JARMAN (at the request of Mr. JONES of Alabama) was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. ENGLE of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter in regard to gold and inflation.

LIGNITE RESEARCH LABORATORY IN NORTH DAKOTA

Mr. WELCH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2453) providing for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining, and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill and the Senate amendment, as follows:

Page 2, line 7, after "conserving", insert "lignite coal."

Mr. RANKIN. Mr. Speaker, reserving the right to object, I wish to ask the gentleman from California a question. Of course, I shall not oppose the resolution. Can the gentleman give me the B. t. u. content of that lignite coal?

Mr. WELCH. The gentleman from North Dakota [Mr. ROBERTSON] is author of the bill, and is very familiar with the subject and I yield to him to answer the gentleman's question.

Mr. ROBERTSON. I may say to the gentleman from Mississippi that the B. t. u. content of the coal varies in different

parts of the area. It would be rather difficult to tell the gentleman exactly what it is in any particular section. Perhaps the greatest value of the lignite coal deposits of North Dakota will in the future be for industrial purposes rather than for heat.

Mr. RANKIN. How great is the deposit estimated to be?

Mr. ROBERTSON. Six hundred billion tons.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is the day for the calling of individual bills on the Private Calendar. The Clerk will call the first bill on the calendar.

MOUNT VERNON, ALEXANDRIA & WASHINGTON RAILWAY CO.

The Clerk called the bill (H. R. 2698) to provide for an appeal to the Supreme Court of the United States from the decision of the Court of Claims in a suit instituted by the Mount Vernon, Alexandria & Washington Railway Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Mount Vernon, Alexandria & Washington Railway Co. may, at any time within 6 months after the date of the enactment of this act, appeal as of right to the Supreme Court of the United States from the judgment of the Court of Claims of the United States on a decision sustaining defendant's demurrer to plaintiff's petition in this suit No. 41,953, heretofore instituted in the Court of Claims by said Mount Vernon, Alexandria & Washington Railway Co., and jurisdiction is hereby conferred upon the Supreme Court to consider and determine on such appeal all questions of law and fact upon the merits, and render judgment in justice and equity and without regard to technical bars, either reversing or sustaining said decision and judgment as said Supreme Court may find proper and in accord with law and equity: *Provided,* That if it reserve said decision and judgment defendant be allowed to amend the complaint, if deemed necessary, and that the case be remanded to the Court of Claims for trial in accordance with said decision and order of reversal, with the right to either party to appeal, as of right, from the judgment of the Court of Claims at any time within 6 months after entry of said judgment to the Supreme Court of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUDWIG POHORYLES

The Clerk called the bill (H. R. 3880) for the relief of Ludwig Pohoryles.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the alien Ludwig Pohoryles, an orphan of Polish nationality, who entered the United States on the steamship *Gripsholm* on May 5, 1947, and who is in the care of his aunt, Mrs. Regina Schwartz, a permanent resident of the United States, shall be permitted to remain in the United States for permanent residence.

With the following committee amendments:

In line 5, after "1947," insert "in a transit status."

In line 8, add the following sentence: "Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the first available quota for Poland."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DONAT AND LAURA LAROCHE

The Clerk called the bill (S. 111) for the relief of Donat and Laura Laroche.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SUNDRY RESIDENTS OF ALASKA, VETERANS OF WORLD WAR II

The Clerk called the bill (H. R. 333) for the relief of sundry residents of Alaska, veterans of World War II.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following, in full settlement of all claims against the United States for reimbursement of the amounts they expended for necessary travel expenses, in addition to any amounts paid to them by the United States for such purposes, in traveling from the places of their discharges, as indicated, from the Army of the United States to their homes: To Loyd C. Peterson (ASN 19,065,772), from Portland, Oreg., Army Air Base to Steel Creek, Alaska, the sum of $49.46; to Stanton O. Katchatag (ASN 39,951,322), from Fort Richardson, Alaska, to Unalakleet, Alaska, the sum of $63.25; to Frederick Katchatag (ASN 39,825,707), from Fort Richardson, Alaska, to Unalakleet, Alaska, the sum of $63.25; to Andrew J. Edwards (ASN 39,846,575), from Fort Lewis, Wash., to Fairbanks, Alaska, the sum of $59.15; to Harry E. Outwater (ASN 39,825,785), from Fort Lewis, Wash., to Deering, Alaska, the sum of $119.90; to Harry Ambrose (ASN 39,825,451), from Fort Richardson, Alaska, to Nulato, Alaska, the sum of $74.75; to Philip Madros, from Fort Richardson, Alaska, to Nulato, Alaska, the sum of $51.75; to Alfred Silas, from Fort Richardson, Alaska, to Nulato, Alaska, the sum of $54.84; to James Aresac (ASN 39,525,986), from Fort Richardson, Alaska, to Nome, Alaska, the sum of $69; to Ralph D. Willoya (ASN 39,525,971), from Fort Richardson, Alaska, to Nome, Alaska, the sum of $22.80; to Albert Fleischmann (ASN 39,950,017), from Fort Richardson, Alaska, to Beaver, Alaska, the sum of $28.75; to Manley V. Carls (ASN 19,045,346), from Fort Richardson, Alaska, to Fairbanks, Alaska, the sum of $34.50; to Robert L. Johnson (ASN 39,825,546), from Fort Richardson, Alaska, to Tibbs Creek, Alaska, the sum of $45.55; to Peter Wholecheese (ASN 39,825,895), from Fort Richardson, Alaska, to Galena, Alaska, the sum of $80.50; to Solomon A. Tommy (ASN 39,825,503), from Fort Richardson, Alaska, to Fairbanks, Alaska, the sum of $16.85; to Charles Hoffman (ASN 39,825,540), from Fort Richardson, Alaska, to Bethel, Alaska, the sum of $25.35; to Stanley R. Amarok (ASN 39,825,917), from Fort Richardson, Alaska, to Golovin, Alaska, the sum of $97.75; to Eddie Charles, Jr. (ASN 39,525,928), from Fort Richardson, Alaska, to Bethel, Alaska, the sum of $25.35; to Edward A. Barr (ASN 39,825,758), from Fort Richardson, Alaska, to Deering, Alaska, the sum of $92; to Fred Goodhope (ASN 39,825,761), from Fort Richardson, Alaska, to Deering, Alaska, the sum of $109.25; to Raphael P. Kupanook (ASN 39,951,204), from Fort Richardson, Alaska, to Aniak, Alaska, the sum of $14.85; to Alfred B. Frank (ASN 39,950,428), from Fort Richardson, Alaska, to Minto, Alaska, the sum of $34; to Allen W. Hardluck (ASN 39,825,584), from Fort Richardson, Alaska, to Kokrines, Alaska, the sum of $20; to Martin Cooper (ASN 39,951,413), from Fort Richardson, Alaska, to Ninilchik, Alaska, the sum of $25.30; to William K. Sheldon (ASN 39,825,752), from Fort Richardson, Alaska, to Noorvik, Alaska, the sum of $155.75; to Clifton Jackson (ASN 39,846,202), from Fort Richardson, Alaska, to Kiana, Alaska, the sum of $91.37; to Jacob A. Stalker (ASN 39,825,936), from Fort Richardson, Alaska, to Noatak, Alaska, the sum of $78.75; to George Starbuck (ASN 39,825,741), from Fort Richardson, Alaska, to Deering, Alaska, the sum of $109.25; to Harry Watral (ASN 39,846,535), from Camp Polk, La., to Fairbanks, Alaska, the sum of $28.75; to Henry H. Sookiayak (ASN 39,846,319), from Fort Lewis, Wash., to Shaktoolik, Alaska, the sum of $22.05; to Walter U. Morris, from Nome, Alaska, to Noorvik, Alaska, the sum of $74.75; to Harry Snyder (ASN 39,525,930), from Fort Lewis, Wash., to Bethel, Alaska, the sum of $158.79; to Charles R. Biederman (ASN 39,846,591), from Portland, Oreg., Army Air Base to Eagle, Alaska, the sum of $76.26; to Frederick Terrel (ASN 39,825,863), from Portland, Oreg., Army Air Base to Wiseman, Alaska, the sum of $70.25; to William Huttula (ASN 19,068,951), from Portland, Oreg., Army Air Base to Fairbanks, Alaska, the sum of $61.65; to Frank A. Ahyoovik (ASN 39,825,586), from Whittier, Alaska, to Wainwright, Alaska, the sum of $206.86; to Robert W. Heavey (ASN 39,525,911) (O 1,334,857), from Camp Atterbury, Ind., to Fairbanks, Alaska, the sum of $186.64; to Earl Scott (ASN 39,825,713), from Fort Lewis, Wash., to Shishmaref, Alaska, the sum of $282.36; to Verne Eutak (ASN 39,825,918), from Fort Lewis, Wash., to Shishmaref, Alaska, the sum of $240,36; to Eugene Tetinek (ASN 19,068,869), from Fort Richardson, Alaska, to Fortuna Ledge, Alaska, the sum of $91.60; to Samuel T. Wesley (ASN 39,825,937), from Fort Richardson, Alaska, to Kotzebue, Alaska, the sum of $137.40; to Jack B. Kontchak (ASN 39,825,774), from Fort Richardson, Alaska, to Unalakleet, Alaska, the sum of $102.20; to Lloyd Ahvakana (ASN 39,825,514), from Fort Richardson, Alaska, to Barrow, Alaska, the sum of $18.95; to Isaac Kisserak (ASN 39,846,573), from Fort Richardson, Alaska, to Fairbanks, Alaska, the sum of $5.55; to Tim Gologergon (ASN 39,846,306), from Fort Richardson, Alaska, to Savoonga, Alaska, the sum of $62.80; to Hoover Koonalook (ASN 39,825,517), from Fort Richardson, Alaska, to Barrow, Alaska, the sum of $46; to George Luke (ASN 39,825,704), from Fort Richardson, Alaska, to White Mountain, Alaska, the sum of $12.75; to Andrew Demoski (ASN 39,950,356), from Fort Richardson, Alaska, to Tanana, Alaska, the sum of $56.87; to Walter K. Nayokpuk (ASN 39,825,743), from Veterans' Hospital, Walla Walla, Wash., to Shishmaref, Alaska, the sum of $279.39; to Moses J. Cruikshank (ASN 39,825,889), from Fort Richardson, Alaska, to Beaver, Alaska, the sum of $83.57; to Willie Fitka, from Seattle, Wash., to Fortuna Ledge, Alaska, the sum of $286.50; to Tommy K. Lee (ASN 39,825,905), from Fort Richardson, Alaska, to Kobuk, Alaska, the sum of $256.87;

to Francis J. Madros (ASN 39,525,892), from Fort Ord, Calif., to Anchorage, Alaska, the sum of $98.40; to Frederick Woods (ASN 39,825,510), from Fort Richardson, Alaska, to Fairbanks, Alaska, the sum of $32.75; to Frank Ford (ASN 39,950,889), from Fitzsimons General Hospital, Denver, Colo., to Eck, Alaska, the sum of $77.15; to John C. Slenes (ASN 39,825,450), from Hot Springs, Ark., to Long Creek, Alaska, the sum of $40.25; to Delbert E. Walton (ASN 39,825,717), from Fort Richardson, Alaska, to Kivalina, Alaska, the sum of $83.25; to Charles E. Mayo, Jr. (ASN 39,950,004), from Fort Richardson, Alaska, to Rampart, Alaska, the sum of $31; to Elmer N. Erickson (ASN 39,825,499), from Fort Lewis, Wash., to Fairbanks, Alaska, the sum of $59.15; to Chester J. Downey (ASN 39,825,744), from Camp Beale, Calif., to Kotzebue, Alaska, the sum of $193.25; to Henry W. Adams (ASN 39,525,828), from Fort Jackson, S. C., to Koyuk, Alaska, the sum of $243; to Robert J. Zentmire, from Fort Bliss, Tex., to Seward, Alaska, the sum of $58.38; to Hjalmar A. Lindquist (ASN 19,065,773), from Portland, Oreg., Army Air Force Separation Base to Steel Creek, Alaska, the sum of $101.90; to Gregg A. Tagarook (ASN 39,846,563), from Fort Richardson, Alaska, to Wainwright, Alaska, the sum of $138; and to Leonard John (ASN 39,825,856), from Whittier, Alaska, to Stevens Village, Alaska, the sum of $57.50: *Provided*, That no part of any of the sums appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claims settled by the payment of such sums, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following, in full settlement of all claims against the United States for reimbursement of the amounts they expended for necessary travel expenses, in addition to any amounts paid to them by the United States for such purposes, in traveling from the places of their discharges, as indicated, from the Army of the United States to their homes: To Loyd C. Peterson (ASN 19065772) from Portland, Oreg. Army Air Base to Steel Creek, Alaska, the sum of $49.46; to Andrew J. Edwards (ASN 39846575) from Fort Lewis, Wash., to Fairbanks, Alaska, the sum of $59.15; to Harry E. Outwater (ASN 39825785) from Fort Lewis, Wash., to Deering, Alaska, the sum of $119.90; to Harry Ambrose (ASN 39825451) from Fort Richardson, Alaska, to Nulato, Alaska, the sum of $67.25; to Phillip Madros, of Nulato, Alaska, from Fort Richardson, Alaska, to Nulato, Alaska, the sum of $67.25; to Alfred Silas, of Nulato, Alaska, from Fort Richardson, Alaska, to Nulato, Alaska, the sum of $67.25; to Ralph D. Willoya (ASN 39525971) from Fort Richardson, Alaska, to Nome, Alaska, the sum of $22.80; to Albert Fleischmann (ASN 39950017) from Fairbanks, Alaska, to Beaver, Alaska, the sum of $28.75; to Robert L. Johnson (ASN 39825546) from Fort Richardson, Alaska, to Tibbs Creek, Alaska, the sum of $45.60; to Peter Wholecheese (ASN 39825895) from Fort Richardson, Alaska, to Galena, Alaska, the sum of $40; to Solomon A. Tommy (ASN 39825503) from Fort Richardson, Alaska, to Fairbanks, Alaska, the sum of $16.85; to Charles Hoffman (ASN 39825540) from Fort Richardson, Alaska, to Bethel, Alaska, the sum of $25.35; to Stanley R. Amarok (ASN 39825917) from Fort Richardson, Alaska, to Golovin, Alaska, the sum of $12.20; to Eddie Charles, Jr. (ASN 39525928) from Fort Richardson, Alaska, to Bethel, Alaska, the sum of $25.35; to Edward A. Barr (ASN 39825758) from Fort Richardson, Alaska, to Deering, Alaska, the sum of $1.20; to Fred Goodhope (ASN 39825761) from Fort Richardson, Alaska, to Deering, Alaska, the sum of $1.20; to Raphael P. Kupanook (ASN 39951204) from Fort Richardson, Alaska, to Aniak, Alaska, the sum of $14.85; to Alfred B. Frank (ASN 39950428) from Fort Richardson, Alaska, to Minto, Alaska, the sum of $30.65; to Allen W. Hardluck (ASN 39825584) from Fort Richardson, Alaska, to Kokrines, Alaska, the sum of $20; to Martin Cooper (ASN 39951413) from Fort Richardson, Alaska, to Ninilchik, Alaska, the sum of $25.30; to William K. Sheldon (ASN 39825752) from Fort Richardson, Alaska, to Noorvik, Alaska, the sum of $47.70; to Clifton Jackson (ASN 39846202) from Fort Richardson, Alaska, to Kiana, Alaska, the sum of $38; to Jacob A. Stalker (ASN 39825936) from Fort Richardson, Alaska, to Noatak, Alaska, the sum of $38; to George Starbuck (ASN 39825741) from Fort Richardson, Alaska, to Deering, Alaska, the sum of $1.20; to Henry H. Sookiayak (ASN 39846319) from Fort Lewis, Wash., to Shaktoolik, Alaska, the sum of $22.05; to Walter U. Morris, of Noorvik, Alaska, from Nome, Alaska to Noorvik, Alaska, the sum of $74.75; to Harry Snyder (ASN 39525930) from Fort Lewis, Wash., to Bethel, Alaska, the sum of $61.45; to Charles R. Biederman (ASN 39846591) from Portland, Oreg., Army Air Base to Eagle, Alaska, the sum of $76.26; to Frederick Terrel (ASN 39825863) from Portland, Oreg., Army Air Base to Wiseman, Alaska, the sum of $70.25; to William Huttula (ASN 19068951) from Portland, Oreg., Army Air Base to Fairbanks, Alaska, the sum of $61.65; to Frank A. Ahyoovik (ASN 39825586) from Whittier, Alaska, to Wainwright, Alaska, the sum of $59.16; to Robert W. Heavey (ASN 39525911) (O–1334857) from Camp Atterbury, Ind., to Fairbanks, Alaska, the sum of $156.78; to Earl Scott (ASN 39825713) from Fort Lewis, Wash., to Shishmaref, Alaska, the sum of $250.95; to Verne Eutuk (ASN 39825918) from Fort Lewis, Wash., to Shishmaref, Alaska, the sum of $166.45; to Eugene Tetinek (ASN 19068869) from Fort Richardson, Alaska, to Fairbanks, Alaska, the sum of $16.85; to Samuel T. Wesley (ASN 39825937) from Fort Richardson, Alaska, to Kotzebue, Alaska, the sum of $39.20; to Lloyd Ahvakana (ASN 39825514) from Fort Richardson, Alaska, to Point Barrow, Alaska, the sum of $18.95; to Isaac Kisserak (ASN 39846573) from Fort Richardson, Alaska, to Fairbanks, Alaska, the sum of $12.35; to Tim Gologergon (ASN 39846306) from Fort Richardson, Alaska, to Savoonga, Alaska, the sum of $62.80; to Hoover Koonalook (ASN 39825517) from Fort Richardson, Alaska, to Point Barrow, Alaska, the sum of $46; to George Luke (ASN 39825704) from Fort Richardson, Alaska, to White Mountain, Alaska, the sum of $12.20; to Andrew Demoski (ASN 39950356) from Fort Richardson, Alaska, to Tanana, Alaska, the sum of $38.50; to Walter K. Nayokpuk (ASN 39825743) from Baxter General Hospital, Spokane, Wash., to Shishmaref, Alaska, the sum of $156.79; to Moses J. Cruikshank (ASN 39825889) from Fort Richardson, Alaska, to Beaver, Alaska, the sum of $45.65; to Willie Fitka (ASN 39825598) from Fort Lewis, Wash., to Fortuna Ledge, Alaska, the sum of $178.30; to Tommy K. Lee (ASN 39825905) from Fort Richardson, Alaska, to Kobuk, Alaska, the sum of $13.70; to Francis J. Madros (ASN 39525892) from Fort Ord, Calif., to Anchorage, Alaska, the sum of $98.40; to Frederick Woods (ASN 39825510) from Fort Richardson, Alaska, to Rampart, Alaska, the sum of $32.75; to Frank Ford (ASN 39950889) from Fitzsimons General Hospital, Denver, Colo., to Eek, Alaska, the sum of $77.15; to Johan C. Slenes (ASN 39825450) from Hot Springs, Ark., to Long Creek, Alaska, the sum of $40.25; to Delbert E. Walton (ASN 39825717) from Fort Richardson, Alaska, to Kivalina, Alaska, the sum of $83.25; to Charles E. Mayo, Jr. (ASN 39950004) from Fort Richardson, Alaska, to Rampart, Alaska, the sum of $28.90; to Elmer N. Erickson (ASN 39825499) from Fort Lewis, Wash., to Fairbanks, Alaska, the sum of $59.15; to Chester J. Downey (ASN 39825744) from Camp Beale, Calif., to Kotzebue, Alaska, the sum of $160.10; to Henry W. Adams (ASN 39525828) from Fort Jackson, S. C., to Koyuk, Alaska, the sum of $235.40; to Robert J. Zentmire (ASN 39950205) from Fort Bliss, Tex., to Seward, Alaska, the sum of $57.05; to Hjalmar A. Lindquist (ASN 19065773) from Portland, Oreg., Army Air Base, to Steel Creek, Alaska, the sum of $101.90; to Gregg A. Tagarook (ASN 39846563) from Fort Richardson, Alaska, to Wainwright, Alaska, the sum of $22.45; to Leonard John (ASN 39825856) from Whittier, Alaska, to Stevens Village, Alaska, the sum of $30.11; to Charles M. Peterson (ASN 6904533) the sum of $48.82 from Bremerton, Wash., to Sitka, Alaska; to Henry Atmik (ASN 39825941) the sum of $29.45, from Anchorage, Alaska, to Koyuk, Alaska; and to Anthony Lewis (ASN 39825559) the sum of $68.60, from Anchorage, Alaska, to Bethel, Alaska."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HEIRS OF IDA LONDINSKY

The Clerk called the bill (H. R. 342) for the relief of the heirs of Ida Londinsky.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SYLVESTER T. STARLING

The Clerk called the bill (H. R. 344) for the relief of Sylvester T. Starling.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sylvester T. Starling, route No. 1, Hope Mills, N. C., the sum of $767.58. The payment of such sum shall be in full settlement of all claims of the said Sylvester T. Starling against the United States on account of or in connection with the amount he was required by the Army to pay for damages to a ¾-ton weapons carrier, United States No. 270825, when said weapons carrier was in collision with another Army vehicle in New Guinea on July 12, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OLLIE McNEILL AND ESTER B. McNEILL

The Clerk called the bill (H. R. 345) for the relief of Ollie McNeill and Ester B. McNeill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ollie McNeill and Ester B. McNeill, of Fort Bragg, Cumberland County, N. C., the sum of $10,000. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injury and damage to their automobile as a result of being struck by an Army glider at Fort Bragg, N. C., on December 1, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdeameanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 9, strike out "and damage to their automobile."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DUDLEY TARVER

The Clerk called the bill (H. R. 762) for the relief of Dudley Tarver.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dudley Tarver, of Oakdale, La., the sum of $6,169.04. The payment of such sum shall be in full settlement of all claims of the said Dudley Tarver against the United States for personal injuries, medical, hospital, nursing expenses, and loss of earnings sustained as the result of a collision on January 26, 1944, on United States Highway No. 165, near Kinder, La., involving the truck in which he was a passenger and a United States Army truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$6,169.04" and insert "$3,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES G. MEYERS

The Clerk called the bill (H. R. 1218) for the relief of Charles G. Meyers.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill S. 148 be substituted for the House bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles G. Meyers, of Lyman, Wash., the sum of $4,000, in full satisfaction of his claim against the United States for compensation for personal injuries and loss of earnings sustained by him and for reimbursement of hospital, medical, and other expenses incurred by him as a result of having been hit, while engaged in the pursuit of his occupation as a fishing guide, by a bullet fired by an Army officer during target practice at Camp Lyman, Wash., on February 14, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any amount not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H. R. 1218) was laid on the table.

A motion to reconsider was laid on the table.

UNITED STATES RADIATOR CORP.

The clerk called the bill (H. R. 1490) for the relief of the United States Radiator Corp., of Detroit, Mich.

There being no objection, the clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the United States Radiator Corp., of Detroit, Mich., the sum of $655,819, in full settlement of all claims against the United States for losses sustained in the manufacture of magnesium sand castings for Government contractors engaged in the manufacture of fighting, training, and transport airplanes for use by the Army Air Forces in the prosecution of the war, the said losses having been occasioned primarily by reason of the corporation's reliance upon representations and assurances made in good faith by agents of the Government but which were not fulfilled: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$655,819" and insert "$491,187.89."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN J. O'NEIL

The Clerk called the bill (H. R. 1524) for the relief of John J. O'Neil.

There being no objection, the clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John J. O'Neil, 16 Arlington Street, Leominster, Mass., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said John J. O'Neil against the United States on account of personal injuries sustained by him on February 5, 1944, when the automobile he was driving was struck by a United States Army truck, vehicle No. W-254973, at Washington Street and Merriam Avenue, Leominster, Mass.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$2,344."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELIZABETH B. MURPHY

The Clerk called the bill (H. R. 1659) for the relief of Mrs. Elizabeth B. Murphy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit the accounts of Mrs. Elizabeth B. Murphy, postmaster at Beacon, N. Y., from any liability to refund or pay to the United States the sum of $8,089.90, such sum being postal funds embezzled by Earl H. Cochrane, former post-office clerk at Beacon, N. Y., embezzlement taking place while Mrs. Elizabeth B. Murphy was acting postmaster.

With the following committee amendment:

Page 1, line 6, strike out "from any liability to refund or pay to the United States the sum of $8,089.90, such sum being postal funds embezzled" and insert in lieu thereof "in such amount as will equal the balance determined by the Comptroller General to be due in such accounts as the result of various embezzlements."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELBERT SPIVEY

The Clerk called the bill (H. R. 1855) for the relief of Elbert Spivey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and empowered to pay, out of any money in the Treasury not otherwise appropriated, to Elbert Spivey, the sum of $6,500, in full settlement of his claim against the United States for permanent and partial disability caused by an injury received by the said Elbert Spivey on or about June 20, 1942, resulting from an automobile accident on said date, the automobile in which he was riding being hit by a War Department truck and the said injuries being sustained in the resultant collision; the accident occurring on Government Street Road, a highway leading west from Mobile, Ala., said accident occurring in Mobile County in the State of Alabama: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof, shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$6,500" and insert "$4,000".

Page 1, line 7, strike out "permanent and partial disability" and insert "personal injuries, medical, and hospital expenses."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK VICTOR NORALL

The Clerk called the bill (H. R. 1955) for the relief of Frank Victor Norall.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MURPHY & WISCHMEYER

The Clerk called the bill (H. R. 2329) for the relief of Murphy & Wischmeyer.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

GEORGE CLEVE WILLIAMS

The Clerk called the bill (H. R. 2372) for the relief of George Cleve Williams.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Cleve Williams, the sum of $5,000, in full settlement of his claim against the United States for personal injuries, hospital, and medical expenses resulting from an accident involving a United States Marine Corps truck on highway numbered 10, near Clarks, N. C., on the night of August 19, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MANUEL GRAULAU VÉLEZ

The Clerk called the bill (H. R. 2602) for the relief of the estate of the late Manuel Graulau Vélez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to the administrator of the estate of the late Manuel Graulau Vélez, who was fatally injured on February 19, 1943, when struck in Carolina, P. R., by a United States Army truck. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DARWIN SLUMP

The Clerk called the bill (H. R. 2728) for the relief of Darwin Slump.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Darwin Slump, Clarinda, Iowa, the sum of $11,267.45. The payment of such sum shall be in full settlement of all claims of the said Darwin Slump against the United States on account of personal injuries, loss of earnings, medical expenses, and future medical expenses sustained by him as a result of a collision, on December 6, 1944, on United States Highway No. 71, about 1 mile south of Clarinda, Iowa, involving an automobile driven by Ethel Guenther, Clarinda, Iowa, and a United States Army truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$11,267.45" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARDEN CONSTRUCTION CO.

The Clerk called the bill (H. R. 2897) for the relief of the Marden Construction Co., Inc.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CHARLES B. FEATHERSTONE

The Clerk called the bill (H. R. 2922) for the relief of Charles B. Featherstone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles B. Featherstone, of Framingham, Mass., the sum of $500, in full settlement of all claims against the United States for property damage and personal injuries sustained, and for medical and hospital expenses and loss of income incurred, as a result of a collision between a motor vehicle driven by him and an Army truck on United States Highway No. 9 in Framingham, Mass., on October 7, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GERTRUDE WESTWAY

The Clerk called the bill (H. R. 3112) for the relief of Mrs. Gertrude Westway, legal guardian for Bobbie Niles Johnson, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Gertrude Westway, legal guardian for Bobbie Niles Johnson, a minor, of 522 South Front Street, Wilmington, N. C., the sum of $10,000. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injury sustained by Bobbie Niles Johnson as a result of being struck by an Army truck at Front and Ann Streets, Wilmington, N. C., on July 9, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "Westway" and insert in lieu thereof "Westaway."

Page 1, line 6, strike out "Bobbie" and insert in lieu thereof "Bobby."

Page 1, line 8, strike out "$10,000" and insert in lieu thereof "$7,000."

Page 2, line 1, strike out "Bobbie" and insert in lieu thereof "Bobby."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles Johnson, a minor."

A motion to reconsider was laid on the table.

NELLIE M. CLARK

The Clerk called the bill (H. R. 3244) for the relief of Nellie M. Clark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, to Nellie M. Clark, of Lyndhurst, N. J., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, and loss of earnings sustained as the result of an accident involving a United States Army vehicle at the intersection of Central and Passaic Avenues, East Newark, N. J., on July 17, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$10,000" and insert "$2,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARENCE S. OSIKA

The Clerk called the bill (H. R. 3260) for the relief of Clarence S. Osika.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clarence S. Osika, of Coquille, Oreg., the sum of $7,738.60, in full satisfaction of his claim against the United States for compensation, for personal injuries sustained by him when he was struck by parts of the wreckage of a United States Navy airplane which crashed into a nearby building, in Coquille, Oreg., on October 15, 1944, and for reimbursement of medical, hospital, and other expenses incurred by him as a result of such injuries up to November 1, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "of his claim against the United States for compensation" and insert "and final settlement of any and all claims arising out of the accident."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. RUSSELL COULTER

The Clerk called the bill (H. R. 3328) for the relief of Mr. and Mrs. Russell Coulter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,500 to Mr. Russell Coulter and the sum of $1,500 to Mrs. Russell Coulter (Dorothy Coulter), such sums to be in full satisfaction of their respective claims against the United States for personal injuries sustained by them on April 15, 1944, when their car was struck by a United States mail truck, between thirty-ninth and Fortieth Avenues on Powell Boulevard, in Portland, Oreg.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$1,500" and insert "$1,000."

Line 6, strike out "$1,500" and insert "$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMELINE LARTIGUE

The Clerk called the bill (H. R. 3352) for the relief of Emeline Lartigue.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Emeline Lartigue, of Mobile, Ala., the sum of $405.10. The payment of such sum shall be in full settlement of all claims of the said Emeline Lartigue against the United States arising out of the damage to her automobile, which, on August 26, 1946, was struck at an intersection in the city of Mobile, Ala., by an Army staff car operated by an enlisted man who was acting outside the scope of his employment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARGARET K. CAHN

The Clerk called the bill (H. R. 3526) for the relief of Mrs. Margaret K. Cahn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,000 to Mrs. Margaret K. Cahn, of Flushing, Long Island, N. Y., in full settlement of all claims against the United States, for personal injuries and loss of earnings sustained as the result of an accident in the lobby of Pennsylvania Station, New York City, when she fell over a United States Army recruiting poster on November 30, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$3,000" and insert "$2,500."

Line 9, strike out "in the lobby of" and insert "on the sidewalk in front of the."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAL W. CLINE

The Clerk called the bill (H. R. 3867) for the relief of Hal W. Cline.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Hal W. Cline, Atlanta, Ga., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Hal W. Cline against the United States on account of personal injuries sustained by him on October 1, 1943, when he was knocked down by several soldiers while performing his duties as passenger-train conductor of the Atlanta & West Point Rail Road Co.; *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES LEON KEATON

The Clerk called the bill (H. R. 3914) for the relief of James Leon Keaton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James Leon Keaton, Angie, La., the sum of $500. The payment of such sum shall be in full settlement of all claims of the said James Leon Keaton against the United States on account of personal injuries sustained on August 29, 1942, at Biloxi, Miss., in an accident involving a United States Army service car.

With the following committee amendment:

At the end of the bill strike out the period and insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF THE LATE ANASTACIO ACOSTA

The Clerk called the bill (H. R. 4315) for the relief of the estate of the late Anastacio Acosta.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to the administrator of the estate of the late Anastacio Acosta, who was fatally injured on March 18, 1940, when a bomb dropped by the United States naval air forces exploded in the island of Vieques, Puerto Rico. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after "the sum of" strike out the remainder of page 1 and on page 2, line 1, the words "account of such accident" and insert the following: "$3,000 to the estate of Anastacio Acosta, and to the estate of Domingo Acosta Arizmendi the sum of $1,500, in full settlement of all claims against the United States for their deaths sustained as a result of a bomb dropped by the naval air forces which exploded in the island of Vieques, P. R., on March 18, 1940."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Anastacio Acosta, and the estate of Domingo Acosta Arizmendi."

A motion to reconsider was laid on the table.

ESTATE OF RAFAEL REBOLLO

The Clerk called the bill (H. R. 4317) for the relief of the estate of Rafael Rebollo.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to the administrator of the estate of the late Rafael Rebollo, who was killed on August 17, 1943, when struck in Guaynabo, P. R., by a Work Projects Administration truck. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, strike out "Work Projects Administration truck" and insert "Government truck operated by a project employee on the work-relief program in Puerto Rico under the Federal Works Agency."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSOLIDATED STEEL CORP. OF LOS ANGELES, CALIF.

The Clerk called the bill (H. R. 4377) for the relief of the Consolidated Steel Corp. of Los Angeles, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Navy Department be, and is hereby, authorized and directed to receive, consider, and pay the claims of the Consolidated Steel Corp. arising under Navy Department, Bureau of Ships contract NObs 10771 by reason of claimants failure to comply with the provisions of article 5 (b) of said contract: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Navy Department be, and is hereby, authorized to waive compliance by the Consolidated Steel Corp. with the requirement of article 5 (b) of Navy Department, Bureau of Ships Contract NObs–10771, that estimates of the cost of performing change orders be submitted within 10 days of the receipt of such orders or within such further time as the naval inspector may allow in writing within said 10-day period: *Provided*, That no amount in excess of 10 percent of the amount of any claim made payable by this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim and same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARBOR BOAT BUILDING CO. AND OTHERS

The Clerk called the bill (H. R. 4379) for the relief of the Harbor Boat Building Co.; the Wilmington Welding & Boiler Works; and B & R Machine Works, of Los Angeles, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Navy Department be, and is hereby, authorized and directed to receive, consider, and pay the claims of the Harbor Boat Building Co., the Wilmington Welding & Boiler Works, and B & R Machine Works, arising under Navy Department, Bureau of Ships contracts NObs 10738 and NObs 10759, by reason of claimants' failure to comply with the provisions of article 5 (b) of said contracts: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Navy Department be, and is hereby, authorized to waive compliance by the Harbor Boat Building Co., and the Wilmington Welding & Boiler Works, and B & R Machine Works, with the requirement of article 5 (b) of Navy Department, Bureau of Ships Contracts NObs–10738 and NObs–10759, that estimates of the cost of performing change orders be submitted within 10 days of the receipt of such orders or within such further time as the naval inspector may allow in writing within said 10-day period: *Provided*, That no amount in excess of 10 percent of the amount of any claim made payable by this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim and same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES C. SMITH ET AL.

The Clerk called the bill (H. R. 4399) for the relief of James C. Smith, Charles A. Marlin, Andrew J. Perlik, and Albert N. James.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit the accounts of James C. Smith, postmaster at Pittsburgh, Pa., and to relieve Charles A. Marlin, Andrew J. Perlik, and Albert N. James, post-office clerks, or former clerks, in the Oakland station post office, Pittsburgh, Pa., from any liability to refund or pay to the United States the sum of $2,578.97, such sum being money-order funds lost in a burglarly of the Oakland station, on March 15, 1944.

With the following committee amendment:

Page 1, line 5, after the words "Pittsburgh, Pa.," strike out the remainder of the bill and insert in lieu thereof "Stephen A. Bodkin, former postmaster, and to relieve Charles A. Marlin, Andrew J. Perlik, and Albert N. James, post-office clerks in the Oakland station post office, Pittsburgh, Pa., from any liability to refund or pay to the United States the sum of $2,578.97, such sum being money-order funds lost in a burglary of the Oakland station, on March 15, 1944."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The title was amended so as to read: "A bill for the relief of James C. Smith, Stephen A. Bodkin, Charles A. Marlin, Andrew J. Perlik, and Albert N. James."

A motion to reconsider was laid on the table.

WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY

The Clerk called the bill (H. R. 4441) for the relief of the William J. Burns International Detective Agency.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the William J. Burns International Detective Agency the sum of $1,127.70. The payment of such sum shall be in full payment of all claims of the said the William J. Burns International Detective Agency against the United States for services rendered during the months of April, May, and June 1946, for the War Assets Administration for plant protection in connection with J. R. Geis and Company at Second and Chesapeake Avenue (Brooklyn), Baltimore, Md.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOUGLAS L. CRAIG

The Clerk called the bill (H. R. 4452) for the relief of Douglas L. Craig.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Douglas L. Craig, San Clemente, Calif., the sum of $3,200. The payment of such sum shall be in full settlement of all claims of the said Douglas L. Craig against the United States for personal injuries sustained as the result of an accident involving an Army car on the highway between Livermore and San Francisco, Calif., on March 4, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDRES QUINONES AND LETTY PEREZ

The Clerk called the bill (H. R. 817) for the relief of Andres Quinones and Letty Perez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General is hereby authorized and directed not to issue order and warrants of deportation in the cases of Andres Quinones and Letty Perez, any previous or existing law to the contrary notwithstanding. From and after the date of the approval of this act, Andres Quinones and Letty Perez should be deemed to be lawfully admitted residents of the United States.

With the following committee amendment:

Page 1, line 5, after the word "directed", strike out the balance of the bill and insert in lieu thereof the following: "to dismiss deportation proceedings pending against the aliens Andres Quinones and Letty Perez; and to record the lawful admission of such aliens for permanent residence in the United States as of May 15, 1945, on which date they were legally admitted at the port of San Francisco, Calif., as temporary visitors.

"SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the quota of the Philippine Islands of the first year that the said quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE CHAN

The Clerk called the bill (H. R. 831) for the relief of George Chan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General is hereby authorized and directed to dismiss the deportation proceedings now pending against George Chan, and that he shall hereafter be deemed to have been lawfully admitted to the United States for permanent residence as of the date of entry.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in the administration of the immigration and naturalization laws the Attorney General is hereby authorized and directed to record the permanent admission to the United States of George Chan as of December 13, 1944, the date on which he was brought to this country by Army airplane. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for persons of the Chinese race of the first year that the said quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORA GREENBAUM (BRENNER)

The Clerk called the bill (H. R. 926) for the relief of Dora Greenbaum (Brenner).

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FRANTISEK JIRI PAVLIK OR GEORG PAVLIK

The Clerk called the bill (H. R. 1409) for the relief of Frantisek Jiri Pavlik or Georg Pavlik.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

JOHN KOSTIUK ET AL.

The Clerk called the bill (H. R. 1749) to amend the act entitled "An act for the relief of Johannes or John, Julia, Michael, William, and Anna Kostiuk."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Private Law No. 167, Seventy-sixth Congress (ch. 530, 1st sess.), approved August 7, 1939, is hereby amended as follows: "After the date 'April 15, 1925', change the colon to a period and strike out the remainder of the act."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That Private Law 167, Seventy-sixth Congress (ch. 530, 1st sess.), approved August 7, 1939, is hereby amended to read as follows: 'That in the administration of the immigration and naturalization laws the Attorney General is hereby authorized and directed to cancel the warrant of arrest and the order of deportation heretofore issued against Johannes or John, Julia, Michael, William, and Anna Kostiuk. Hereafter, for the purposes of the immigration and naturalization laws, such aliens shall be deemed to have been admitted for all purposes to the United States for permanent residence on April 15, 1925.' "

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MABEL TOWNSEND PRETTY ON TOP

The Clerk called the bill (S. 400) authorizing the issuance of a patent in fee to Mabel Townsend Pretty On Top.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Mabel Townsend Pretty On Top, of Lodge Grass, Mont., a patent in fee to the following-described lands situated in the State of Montana: The southwest quarter of section 13 and the southeast quarter of section 14, township 7 south, range 37 east, Montana principal meridian.

With the following committee amendments:

On line 7, after the figure "13", strike out the words "and the."

On line 8, strike out the words "southeast quarter of section 14."

On line 9, delete the period, add a colon and the following: "*Provided*, That when the land herein described is offered for sale, the Crow Tribe or any Indian who is a member of said tribe shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARENCE M. SCOTT

The Clerk called the bill (S. 401) authorizing the Secretary of the Interior to issue a patent in fee to Clarence M. Scott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, upon the filing of a written application by the Indian owner named in this act, to issue to Clarence M. Scott, of Billings, Mont., a patent in fee to the following-described lands, including homestead lands allotted to him on the Crow Indian Reservation, Mont.: The south half of section 16, and the north half of the northwest quarter and the northwest quarter of the northeast quarter of section 21, township 6 south, range 32 east, Montana principal meridian.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARY E. LEAF

The Clerk called the bill (S. 773) authorizing the issuance of a patent in fee to Mrs. Mary E. Leaf.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Mrs. Mary E. Leaf, of McIntosh, S. Dak., a patent in fee to the following-described lands allotted to her in Corson County, State of South Dakota: The west half of section 20, township 22 north, range 21 east, of the Black Hills meridian.

With the following committee amendment:

Page 1, line 8, after the word "meridian" insert "*Provided*, That when the land herein described is offered for sale, the Standing Rock Sioux Tribe or any Indian who is a member of said tribe shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT E. DOYLE

The Clerk called the bill (S. 1407) authorizing the issuance of a patent in fee to Robert E. Doyle.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized in his discretion to issue to Robert E. Doyle a patent in fee to the following described lands situated in Big Horn County, Mont.: The north half of the northwest quarter, the southeast quarter of the northwest quarter, and the southwest quarter, section 28; the north half of the northwest quarter, the southeast quarter of the northwest quarter, and the southwest quarter, section 28; the north half of the northeast quarter, the southwest quarter of the northeast quarter, the southeast quarter, and the east half of the east half of the west half, section 29; township 8 south, range 37 east, Montana principal meridian, containing 640 acres.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES PERRY DOYLE

The Clerk called the bill (S. 1517) authorizing the issuance to James Perry Doyle of a patent in fee to certain lands in Big Horn County, Mont.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to James Perry Doyle, a Crow Indian allottee No. 1661, of Sheridan, Wyo., a patent in fee to the following-described lands situated in Big Horn County, Mont.: Southeast quarter of section 17, township 8 south, range 37 east; the northwest quarter and the north half of the north half of the southwest quarter, section 21, township 8 south, range 37 east; the east half of the east half of the northwest quarter, the northeast quarter and the north half of the southeast quarter of section 20, township 7 south, range 37 east, Montana principal meridian, containing 640 acres.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLBERT H. CANNON

The Clerk called the bill (H. R. 2384) for the relief of Colbert H. Cannon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Colbert H. Cannon, of Oceanside, Calif., the sum of $10,000. Payment of such sum shall be in full settlement of all claims against the United States on account of injuries, suffered by the said Colbert H. Cannon on or about June 23, 1943, when the car he was driving was struck by a Marine Corps ambulance: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 8, after the word "injuries", insert "medical and hospital expenses and loss of earnings."

Page 2, line 1, after the word "ambulance" insert "on Coast Highway, near Carlsbad, Calif."

The committee amendments were agreed to.

Mr. DOLLIVER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER: On page 1, line 6, strike out "$10,000" and insert "$8,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARMEN MORALES

The Clerk called the bill (H. R. 3162) for the relief of Carmen Morales.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Carmen Morales, who was injured on June 11, 1944, when a United States Army truck overturned on Insular Highway No. 25 between Cantaño and Santurce, P. R. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the words "sum of" strike out "$5,000" and insert "$750"; page 1, line 5, after the word "Carmen" strike out the word "Morales" and all of lines 6, 7, 8, 9, and 10, down to and including the word "accident" and insert "Morales; to pay the sum of $1,500 to Aida Morales (Sanchez); to pay the sum of $5,000 to Lydia Cortes, in full settlement of all claims against the United States for personal injuries, medical and hospital expenses sustained as a result of an accident involving a United States Army vehicle on Insular Highway No. 25, between Cantaño and Santurce, P. R., on June 11, 1944."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Carmen Morales, Aida Morales, and Lydia Cortes."

A motion to reconsider was laid on the table.

AMIN BIN REJAB

The Clerk called the bill (H. R. 338) for the relief of Amin Bin Rejab.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the immigration laws, the Attorney General is authorized and directed to permit Amin Bin Rejab, husband of an American citizen, to remain permanently in the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert "That the Attorney General be, and he is hereby directed to record the lawful admission for permanent residence in the United States of Amin Bin Rejab as of September 1, 1937, at the port of Newport News, Va."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SARAH JANE SANFORD PANSA

The Clerk called the bill (H. R. 1724) to legalize the admission to the United States of Sarah Jane Sanford Pansa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is hereby directed to record the entry into the United States of Sarah Jane Sanford Pansa at New York, N. Y., on November 30, 1946, as a lawful admission to the United States for permanent residence for the purposes of the immigration and naturalization laws. The Secretary of State shall thereupon reduce by one the immigration quota for Italy for the current fiscal year.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL BOULANGER

The Clerk called the bill (H. R. 2152) for the relief of Paul Boulanger.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CRISTETA LA-MADRID ANGELES

The Clerk called the bill (H. R. 3608) for the relief of Cristeta La-Madrid Angeles.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Cristeta La-Madrid Angeles as of September 19, 1946, the date she was admitted temporarily to the United States.

With the following committee amendment:

Page 1, line 8, after the words "United States" insert "Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for the Philippine Islands for the fiscal year then current."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CHARLOTTE D. WANG ET AL.

The Clerk called the bill (H. R. 3640) for the relief of Mrs. Charlotte D. Wang, Harvey S. P. Wang, and Arthur Y. P. Wang.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MRS. CLETUS E. TODD

The Clerk called the bill (H. R. 3824) for the relief of Mrs. Cletus E. Todd, formerly Laura Estelle Ritter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917 (8 U. S. C. 136 (e)), Mrs. Cletus E. Todd (formerly Laura Estelle Ritter), the wife of a citizen of the United States who served honorably in the armed forces of the United States during World War II, may be admitted to the United States for permanent residence under the act approved December 28, 1945 (Public Law 271, 79th Cong.), if she is found otherwise admissible under the provisions of the immigration laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DENNIS FERNANDEZ

The Clerk called the bill (H. R. 4130) for the relief of Dennis (Dionesio) Fernandez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, the alien Dennis (Dionesio) Fernandez, who entered the United States as a contract laborer on July 13, 1944, at El Paso, Tex., and who performed honorable service in the military forces of the United States during the period beginning January 28, 1946, and ending April 10, 1947, shall be held and considered to have been lawfully admitted to the United States for permanent residence.

With the following committee amendment:

On page 1, line 10, add the following: "Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Spain for the first year such quota number is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRGINIA NUNES

The Clerk called the bill (H. R. 4266) for the relief of Virginia Nunes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Virginia Nunes the sum of $500, in full settlement of all claims against the United States for personal injuries, medical, and hospital expenses sustained by Miss Nunes when she was struck by a Navy vehicle on September 21, 1944, in Taunton, Mass.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "Virginia" and insert "John C."

Page 1, line 8, strike out "Miss" and insert "his minor daughter, Virginia."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The bill was amended so as to read: "A bill for the relief of John C. Nunes."

A motion to reconsider was laid on the table.

JOEL D. MINOR

The Clerk called House Joint Resolution 242, to direct the Secretary of the Interior to issue a patent for certain land to Joel D. Minor.

There being no objection, the Clerk read the bill, as follows:

Resolved, etc., That the Secretary of the Interior is hereby authorized and directed to issue a patent to Joel D. Minor for the south half of the southeast quarter of section 23, township 1 south, range 3 east, of the third principal meridian, Illinois.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That title in fee simple is hereby confirmed in Joshua Britton who made entry under the act of 1847 under Warrant No. 52347 on May 21, 1849, at Shawneetown, Ill., district land office, his heirs and assigns, to all rights to and interest in the following described lands in Jefferson County, Ill.: South one-half of the southeast quarter of section 23, township 1 south, range 3 east, third principal meridian, Illinois."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to confirm title in fee simple in Joshua Britton to certain lands in Jefferson County, Ill."

A motion to reconsider was laid on the table.

LUZ MARTIN

The Clerk called the bill (H. R. 2418) for the relief of Luz Martin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Luz Martin as of June 21, 1945.

With the following committee amendment:

On line 6, after "1945" strike out the period and add the following: "at the port of Norfolk, Va. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for the Philippine Islands for the year then current."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ANTHONY D. CHAMBERLAIN

The Clerk called the bill (H. R. 761) for the relief of Mrs. Anthony D. Chamberlain.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Anthony D. Chamberlain, Oakdale, La., wife of Anthony D. Chamberlain, deceased, the sum of $10,000, in full settlement of all claims against the United States on account of the death of Anthony D. Chamberlain as a result of a collision on January 26, 1944, on United States Highway 165, near Kinder, La., involving the truck which he was driving and a United States Army truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "Mrs. Anthony D. Chamberlain, Oakdale, La., wife" and insert "the estate."

Page 1, line 7, after the word "deceased", insert "of Oakdale, La."

Page 1, line 7, strike out "$10,000", insert in lieu thereof "$5,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Anthony D. Chamberlain, deceased."

A motion to reconsider was laid on the table.

MRS. EFFIE S. CAMPBELL

The Clerk called the bill (H. R. 814) for the relief of Mrs. Effie S. Campbell.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

H. C. BIERING

The Clerk called the bill (H. R. 1308) for the relief of H. C. Biering.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to H. C. Biering, a citizen of the United States acting as attorney in fact for his brother, E. A. M. Biering, Danish Minister to the Balkans, of Helena, Mont., the sum of $18,280.01. The payment of such sum shall be in full settlement of all claims of the said H. C. Biering against the United States arising out of losses and expenses incurred by himself, acting as attorney in fact, by reasons of the erroneous issuance of the Alien Property Custodian on October 11, 1943, of vesting order No. 2392, which resulted in the seizure of $67,066.55 from H. C. Biering, acting as attorney in fact.

With the following committee amendments:

Page 1, line 8, strike out $18,280.01" and insert in lieu thereof "$11,212.05."

Page 1, line 10, strike out "and expenses incurred by himself, acting as attorney in fact" and insert in lieu thereof "of interest."

At the end of bill strike out the period and insert ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK E. BLANCHARD

The Clerk called the bill (H. R. 2264) for the relief of Frank E. Blanchard.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

BESSIE B. BLACKNALL

The Clerk called the bill (H. R. 3113) for the relief of Bessie B. Blacknall.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bessie B. Blacknall, Henderson, N. C., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Bessie B. Blacknall against the United States on account of personal injuries sustained by her as the result of the derailment on December 21, 1944, of a passenger train operated by the Alaska Railroad, Department of the Interior, on which she was traveling: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS A. W. ELDER

The Clerk called the bill (H. R. 3805) for the relief of Thomas A. W. Elder.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas A. W. Elder, of Stewart Manor, N. Y., formerly a civilian employee of the War Department, the sum of $10,000, in full satisfaction of his claim against the United States for compensation for personal injuries, loss of earnings, and substantial impairment of his earning power, resulting from negligence and improper professional treatment and care by an Army doctor during the time he was hospitalized for certain injuries at the Three Hundred and Fifty-ninth Station Hospital of the United States Army, at Trinidad, British West Indies, during the period from May 1944 to December 1944, inclusive.

With the following committee amendment:

Page 1, line 7, strike out "$10,000" and insert "$9,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM PRICE

The Clerk called the bill (H. R. 4048) for the relief of William Price.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of $3,280.18, to William Price, of River Edge, N. J., in full settlement of all claims against the United States for services rendered as acting postmaster at River Edge, N. J., from October 1, 1945, to August 19, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, strike out lines 3 to 9, inclusive, and insert the following: "That the Comptroller General of the United States is hereby authorized and directed to credit the accounts of William Price, of River Edge, N. J., in the sum of $3,280.18, in full settlement

of all claims against the United States for services rendered as acting postmaster at River Edge, N. J., from October 1, 1945, to August 19, 1946."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIMPLE BENOIT

The Clerk called the bill (H. R. 5208) for the relief of Dimple Benoit.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LEON NIKOLAIVICH VOLKOV

The Clerk called the bill (H. R. 703) for the relief of Leon Nikolaivich Volkov.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is hereby authorized and directed to cancel forthwith the outstanding warrant of arrest, order of deportation, warrant of deportation, and to record the lawful admission for permanent residence of Leon Nikolaivich Volkov, who recently entered the United States if he is found to be otherwise admissible under the provisions of the immigration laws.

Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Russian quota of the first year that the said Russian quota is available.

With the following committee amendments:

Page 1, line 7, strike out "recently."

Page 1, line 7, after the words "United States," insert "at Burlington, Vt., on December 12, 1945,".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS CAMARDA

The Clerk called the bill (H. R. 2760) for the relief of Thomas Camarda.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation proceedings which may have been commenced in the case of said Thomas Camarda.

With the following committee amendments:

Page 1, line 7, strike out the word "said."

Page 1, line 7, after "Camarda", insert "a resident of Detroit, Mich."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL FADEM

The Clerk called the bill (H. R. 4372) for the relief of Samuel Fadem.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ANTONIO VILLANI

The Clerk called the bill (H. R. 4631) for the relief of Antonio Villani.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, directed to cancel the outstanding order and warrant of deportation in the case of the alien, Antonio Villani, and he shall not again be subject to deportation by reason of the same facts upon which said warrant and order have issued.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That, notwithstanding the provisions of the first category of section 3 of the Immigration Act of 1917 (8 U. S. C. 136 (a)), Antonio Villani, a native-born citizen of Italy, may be admitted to the United States for permanent residence, if he is otherwise admissible under the provisions of the immigration laws."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GABEL CONSTRUCTION CO.

The Clerk called the bill (H. R. 1734) for the relief of the Gabel Construction Co.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER. That concludes the call of bills on the Private Calendar.

EXTENSION OF REMARKS

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances and in one to include comments made by Earl Godwin on the decision of the Supreme Court relative to religious teaching in public schools.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. COX. Mr. Speaker, reserving the right to object, I do so merely for the purpose of stating that I came over this morning with the expectation of asking unanimous consent to extend my remarks in the RECORD and include therein the comments of this, one of the Nation's greatest commentators, on the decision of the Supreme Court holding that nonsectarian religious teaching in a public school violates the constitutional rights of an atheist and therefore cannot be conducted in such schools.

Mr. Speaker, this decision shocked, and rightly so, all God-fearing people in America and made them wonder just why and how the Court made this finding at a time when communism is conducting a vicious attack upon religion and religious institutions everywhere.

The broadcaster said, in addition to what appears in the extension, that the next move would be to have the inscription "In God we trust" removed from the coined money of this Nation and the constitutional oath to which we all are compelled to subscribe have stricken from it the words "So help me, God."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. LESINSKI asked and was given permission to extend his remarks in the RECORD and include a radio address delivered by him over radio station WWJ, Detroit, Mich.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD in two instances and include in one a bill he filed on yesterday.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DORN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech delivered by Mr. Henry W. Grady. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $236.60, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include in each extraneous matter.

RENT-CONTROL BILL

Mr. KELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY. This rent control bill which is before the House is a misnomer. Under it we may as well consider rent controls thrown out the window for all practical purposes.

The argument has been offered that twice the number of homes were constructed last year as in the previous year and presumably, therefore, the housing shortage is not serious. Such reasoning is meaningless, for the houses built last year were largely for sale, and those which were for rent were beyond the reach of the white-collar worker, veterans, and the low-wage earner. These groups are right where they were 3 or 4 years ago when housing was so scarce. It seems to be the intention to lift all controls or make them so light as to be negligible on the theory that supply will equal demand, but it will be some time before that situation will affect these groups.

The provision in the bill for local board action is monstrous. The boards

are all-powerful and responsible to no authority, and there is no appeal from their decisions.

What we are confronted with in this bill, virtually eliminating rent controls, are further inroads by inflation. The greater the inflation, the greater the "bust"; and since depressions usually hit low-wage and white-collar groups the hardest, this bill is working toward eventual disaster for millions of people.

I hope the Congress will not support this bill in its present form. I am going to vote against it, because it represents an outright fraud upon the public. This is purely a Republican bill, and is an attempt to deceive the public into believing it is getting rent controls.

CALL OF THE HOUSE

Mr. KILBURN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 23]

Abbitt	Fellows	Meade, Ky.
Bakewell	Flannagan	Mitchell
Bates, Mass.	Fogarty	Morrison
Battle	Gallagher	Mundt
Boykin	Grant, Ala.	Nodar
Brehm	Griffiths	O'Toole
Brown, Ohio	Gwinn, N. Y.	Richards
Camp	Hall,	Riehlman
Chiperfield	Edwin Arthur	Rivers
Clark	Hartley	Rooney
Clippinger	Hoffman	Shafer
Cole, N. Y.	Jarman	Thomas, N. J.
Coudert	Jenkins, Pa.	Towe
Davis, Tenn	Jones, N. C.	West
Dawson, Ill.	Kearns	Wilson, Ind.
Delaney	Lyle	Winstead
Dingell	Manasco	Wood

The SPEAKER. On this roll call 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDERS GRANTED

Mr. POWELL. Mr. Speaker, I ask unanimous consent that tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HESELTON. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative programs of today and tomorrow and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and to include an article appearing in the New York Times.

Mr. CHENOWETH asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ELSTON asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Cincinnati Inquirer.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address by Moshe Shertok and another by Dr. Silver. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $479.25, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. POTTS asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. BELL. Mr. Speaker, the gentleman from Alabama [Mr. BOYKIN] has heretofore been granted permission to extend his remarks in the RECORD and include an address by Horace C. Wilkinson. He has been informed by the Public Printer that this will exceed two pages of the RECORD and will cost $177.50, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include several editorials.

Mr. O'HARA asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. GARMATZ asked and was given permission to extend his remarks in the RECORD.

Mr. BURLESON asked and was given permission to extend his remarks in the RECORD and include an editorial.

PRESIDENTIAL ELECTORAL SYSTEM CHANGED

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. KEFAUVER. Mr. Speaker, the Committee on the Judiciary this morning unanimously reported a resolution for submission of a constitutional amendment which is of tremendous importance. This amendment, if adopted, will remedy our outmoded system of electing a President and Vice President and will be a most important step toward responsible two-party government.

The greatest demonstration of popular government in our time is when 50,000,000 or more American citizens, untrammeled, with freedom of thought and action, go to the polls and determine who shall be the next President of the United States. No patriotic citizen will question the contention that such an election should be conducted under rules which will definitely result in the election of one of the candidates and that all votes should be counted by a method that will accurately and justly reflect the will of the American people. We do not have such a system today. Ever since 1824, when a deadlock threw the election into the House of Representatives, all students of government have recognized that our system of electing a President has serious defects and that they should be remedied.

Section I, article 2, of the Constitution provides that each State shall be entitled to a number of Presidential electors equivalent to the number of Senators and Representatives of that State in Congress; that the electors of each State shall meet in the State capitol on the same day and choose a President and a Vice President.

Both Republicans and Democrats have joined in sponsoring the amendment to the Constitution. House Joint Resolution 9, by the gentleman from Texas [Mr. GOSSETT], is the resolution which was reported. House Joint Resolution 108 is the bill I have pending. It would provide for the elimination of the electors and that each State should be entitled to a number of Presidential votes, the same as we have at the present time, and that these votes should be divided between the candidates for President and Vice President in proportion to the number of popular votes cast in that State. For instance, in a Presidential election, assuming that the Democratic candidate secured 600,000 popular votes and the Republican 200,000 popular votes, the Federal votes for Tennessee would be divided on the basis of 9 for the Democrats and 3 for the Republicans. The votes under the amendment would be directly for the candidates and not for the electors.

Let us see the conditions that have arisen which makes this amendment necessary. The founding fathers did not anticipate political parties. They intended that the people of a State would elect a superior group of people known as electors and that these electors would use their independent judgment in selecting a President. This method was carried out for about 12 years, but by 1800, with the formation of political parties, the electors became mere robots or automatons of the party will, and since that time we have gone through the rather ridiculous formality of voting for electors who are not supposed to exercise any discretion in the choice of a President. This, however, places the Nation in a dangerous situation. During the last election, you will recall, certain Democratic electors in Texas threatened to vote for someone else other than the Democratic Party candidate. Had their threat been carried out, and if this had determined the result of the election, we might have had a very bad disturbance or a revolution in this country. There is no logic or wisdom in holding on to a system which does not represent what the people, by common practice, have decided should be done. We should make our Constitution comply with the practice which is actually taking place.

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There are other important and compelling reasons why this amendment should be adopted. Under the present system if any candidate wins by a plurality of one the entire electoral vote of that State goes for that candidate. The minority, therefore, has no voice in the election of the President. The result is that the Democratic and Republican national organizations fight out every Presidential election in a relatively few States. The Republicans mark off the solid South—the Democrats concede certain New England and Midwestern States will be in the column of the GOP, and there is virtually no campaign carried on in those States which are conceded. The people in the solid South and those New England States do not actually participate in the Presidential election because it has already been determined which way those States will go. Under this proposed amendment every vote would count whether it was cast in the solid South or in the State of New York. The issues would be discussed in every State and every citizen who went to the polls would be actually participating in the work of our democracy.

We all recognized that the political control of States has a great deal to do with the benefits that will be secured from the Federal Government. It should not be that way but it always has and it always will be. The Democratic Party is inclined to feel that there is not much need of doing anything for the South because the South will be Democratic in any event. When the Republican Party is in power it does little for the South because its leaders feel that politically there is no need of placing improvements and benefits in our section. As a matter of fact practically every Presidential election hinges upon the votes of New York, Pennsylvania, Ohio, Illinois, California, and a few other States. And these are the sections that receive the special consideration in the way of patronage and public improvements from the two political parties. If the amendment I am proposing is adopted each State in the Union would receive its fair and just share of Federal benefits.

Furthermore the present system makes it impossible for practical purposes for a President to be elected from the South, from New England, or from the West. There are only a few States given consideration when the parties are looking for Presidential material. This amendment would change that situation entirely. It would give a candidate from Tennessee an equal chance with one from New York or Ohio.

Perhaps the most important reason why this amendment should be put into effect is that actually the United States is operated by its political parties. In other words, we have party government. It was not intended to be that way by those who wrote the Constitution, but the early statesmen of the country soon found that the best and most wholesome method of operating a democracy was on a party basis. That is, each party presents its platform and its candidate. The people choose between them. The party selected has the responsibility of fixing the policy and of administering the laws during the time it is in power. The minority party has the duty of criticism, of pointing out defects, of prodding the party in power when mistakes are made, and in that way trying to win control for itself.

From my years of experience in Congress I am convinced that a strong two-party system is the most logical, responsive, and satisfactory way to operate a democratic form of government. Those countries which have had multiple parties suffer from divided responsibility and this is the cause of many of their failures. But it is not possible to have an effective two-party system under our present Constitution. In the South, there is really only one party. In New England and many other States of the Union, there is only one party and both sections lose much of the benefit of criticism—of the incentive to get out the best possible candidates, and of seeing that their party is truly responsive to the needs and demands of the people.

Under this system we can transmute the election returns into a fair and accurate common unit of expressing the will of the Nation as the votes are counted. We can give the Nation a just system of electing a President and on a plan that will operate definitely, uniformly, and accurately under all circumstances. This proposal will make the parties responsible to all sections comprising it. It will reduce the ill results of a third-party movement. By adopting this plan we will make an important contribution to clean, efficient, and progressive government.

I earnestly hope that the resolution will be brought before the House for approval at an early date and that it may be submitted to the legislatures of the States before this Congress adjourns. It is an amendment to the Constitution which is dictated by common sense and is necessary for the orderly operation of the Government.

TWENTY-FIFTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 563)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States of America:

I am transmitting herewith the twenty-fifth report of operations under the Lend-Lease Act.

In my letter transmitting the twenty-fourth report I stated that quarterly reports would thereafter be based on the fiscal reports prepared by the Office of Lend-Lease Fiscal Operations of the Treasury Department, and that as further final settlements with various countries were negotiated they would be included in the quarterly reports.

The attached "Report on Lend-Lease Fiscal Operations" was prepared by the Treasury Department and submitted to the Secretary of State in accordance with Executive Order No. 9726. The period covered is from March 11, 1941, through June 30, 1947.

Completion of activities under the various pipe-line agreements and further negotiations looking toward final lend-lease settlements with the Union of Soviet Socialist Republics and other countries have continued since the issuance of the twenty-fourth report. No additional final settlement agreements have been signed.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 15, 1948.*

EXTENSION OF RENT CONTROLS

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 2182, with Mr. PLOESER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, section 1 of the bill had been read.

Mr. COX. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Chairman, the morning press announces that the President will address a joint session of Congress on the foreign situation tomorrow. It is well that he should. I hope that he will give to the people information they should have had long ago. But if it is his purpose to stampede the House into accepting without amendments the foreign relief bill just adopted by the Senate, he will be disappointed. For if I know the sentiment of this body, and I think I do, it will write its own foreign relief bill, and this bill will include both financial and military aid for China. A strong China is as necessary to world security as is a strong Europe, and the situation in China is equally as critical as that to be found in any part of Europe. It has been demonstrated over and over again that money will not stop the spread of communism. What we have done has been more than canceled out by the zeal of the Communists. There is but one thing that will stop Russia, and that is for this country to take the position of saying to Russia "one more aggression on your part means war." If the President does not say this in substance in his message tomorrow, he will miss doing that which ought to be done.

Mr. REED of New York. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the attack upon our free institutions and upon the funda-

mental principles which sustain them is unfortunately coming from within the United States. It is strange to see sovereign citizens of this Republic surrendering their reason and ardently embracing an unknown, unidentified, and unrevealed foreign program.

Does any person know what the Marshall plan actually seeks to accomplish other than to spend billions? More important still, who is the author of the plan and what does he seek to do with the billions obligated under the provisions of the Marshall plan?

I believe that when the hysteria of this propaganda rebellion against facts and reason subsides and the iniquitous as well as stupid purpose of the Marshall plan is revealed to the public there will be such deep resentment and indignation on the part of the citizens of our country that there will be a house cleaning which has already been too long delayed.

Not since Hitler rose to power by means of his propaganda machine has there been created any agency of like effectiveness for bending the will of the people and directing it to their own self-deception and possible destruction until the advent of the State Department's propaganda organization. It has extended the tentacles of its persuasive power to every corner of the body politic.

In the light of the hysteria of fear that has been aroused in the minds of the American people in an effort to insure the passage of the so-called Marshall plan, the words of an eminent author, Ralph Barton Perry, are most timely and appropriate. I quote:

> If democratic institutions consist, in the last analysis, of beliefs, sentiments, and habits, then they are exposed to whatever dangers beset the mind and will. If the American people become mentally deranged, or morally degenerate, American democracy would perish. Or if the minds of Americans were profoundly altered, so that they no longer believed in American principles, were no longer devoted to them, and were no longer habituated to their practice, then American democracy would have undergone a transformation into another sort of polity. Democracy is vulnerable, therefore, to psychological forces, such as indoctrination, publicity, suggestion, hysteria, and propaganda.
>
> American democracy depends for its enduring vitality on continuity of tradition.

Right at this very moment the Communists and their fellow travelers in key positions in the United States Government are following the Hitlerian technique as strengthened and made more effective by their Kremlin psychologists and advisers in an effort to bend the public mind to their purposes. These ever-present active and zealous subversive elements are well aware that psychological forces, such as indoctrination, publicity, suggestion, hysteria, and propaganda are multiplied in power and purpose many times by the very fact that they are suffered and permitted to promote their subversive activities against the Government which shelters and protects them while they are carrying out their aims.

What is needed now is the establishment of a high court in which to try the war criminals here at home. War criminals should have been tried and convicted for suffering and permitting the arming of Japan. The war criminals in our country built Japan's Navy, Army, and Air Force with essential war materials, otherwise there would not and could not have been a Pearl Harbor.

War criminals here at home should have been put on trial when they suffered and permitted the shipment of war materials to Hitler to build up his armies preparatory to his aggressions.

Our war criminals should have been tried without delay when General Patton was forced to halt his troops an hour's march from Prague and to be forced to remain idle while more than 2,500 Czechs were slaughtered, waiting for a Russian tank corps to travel 300 miles from Berlin to take over.

War criminals responsible for sending war materials from the United States to Russia and her satellites to carry on her aggressions and threatened aggressions should be put on trial and convicted of their high crimes and treasonable acts.

The mutation of time has removed some war criminals, but some remain and these occupy high places within the Trojan horse directing the insidious propaganda now stirring our people into a frenzy for war. It is a political scheme to elect and elect, to spend and spend, and to tax and tax.

We have an oversupply of war criminals and inasmuch as there is no statute of limitations why not clean house now? Why not go back to the perfidious program of UNRRA which rehabilitated Czechoslovakia in preparation for Russia to take over?

With our people whipped into a frenzy of fear, it may be that the cost to them of the Marshall plan may be of no consequence, yet some time in a period of mental quiet those whom I have the honor to represent may wish to know the cost to them if and when the plan is put into operation.

Allegany County: Population, 39,681.

Cattaraugus County: Population, 72,652.

Chautauqua County: Population, 123,580.

The cost to the three counties will be $21,232,170, a mere trifle, of course, to an international boondoggling administration.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at the proper time I propose to offer a motion to report this bill back to the House with the recommendation that the enacting clause be stricken out.

In my opinion this is one of the most dangerous pieces of legislation with which Congress has ever had to deal, because it strikes at a fundamental principle, the right of an American to own and control his own private property, his own home.

This question, or a similar question, arose in England many years ago when William Pitt, one of the great statesmen of all time, in speaking of the rights of the individual to control his own property, or his own home, said:

> The poorest man in England in his cottage may bid defiance to all the forces of the Crown.
>
> It may be frail, its roof may shake; the winds may blow through it; the storms may enter; the rains may enter; but the King of England cannot enter; all his forces dare not cross the threshold of the ruined tenement.

Under the Constitution of the United States, you cannot take private property for public use without just compensation, and except by due process of law. Here you attempt by congressional action to take the private property of individual Americans, turn it over to someone else without constitutional authority, in my opinion, and without just compensation.

People who have lived all the years of their lives in thrift and sobriety and who have struggled and saved and who have gone without the things they actually needed in order to buy a home or a piece of property that they might have it for use in their old age, are now deprived of its use, and it is turned over to someone else.

If you could read the letters I have received from all over the United States, you would see that, in many instances, it is abused in a manner that no decent man can condone.

Talk about stopping inflation. Strange as it may seem to the thinking man, this bill comes from the Committee on Banking and Currency that has not turned its hand, as far as I have been able to see, to check inflation of the currency through the Federal Reserve System. Until that is done, prices will continue to rise.

But here you attempt to punish the individual property owner for the benefit of someone else. Do you know that is just the first step that England took, and now she is taking over the farm lands of England, Scotland, and Wales, and that those farmers in Wales, England, and Scotland, those people from whom we sprang, may soon find themselves the slaves of some long-nosed commissar from the slums of London.

Look at what happened in Russia. They not only took over private homes, and private apartment houses, but they went a step further and took over the land and reduced every person in Russia to the state of a slave, so they could tell them where they should live and where they should work and how much they should be paid, not in proportion to what they made but in bushels. In 1933 they made a bad crop in the Ukraine, and those commissars from Moscow went down and took every particle of their production and starved from three to five million of the best people in Europe to death in their own homes.

I say it is about time to get back to the Constitution, to be frank with the American people, and vote this measure down.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mrs. DOUGLAS. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mrs. DOUGLAS: Strike out all of the committee substitute amendment and insert in lieu thereof the following:
>
> "That this act may be cited as the 'Housing and Rent Extension Act of 1948.'
>
> "SEC. 2. The provisions of the Housing and Rent Act of 1947 are amended by inserting the following immediately preceding 'Title I—Amendments to Existing Law':

"'DECLARATION OF PURPOSES

"'This act is hereby declared to be in the interest of the national defense and security and necessary to the successful completion of the present war. The Congress recognizes that an emergency exists with regard to housing accommodations due to the acute shortage of all types of housing, and especially rental housing.

"'The purposes of this act are, during the transition period from war to peace, to stabilize rents for housing accommodations and prevent speculative, unwarranted, and abnormal increases in rents for such accommodations; to prevent unwarranted evictions because they would cause grave hardship to tenants and because unlimited evictions would render it extremely difficult to control rents; to protect persons with relatively fixed and limited incomes, consumers, wage earners, investors, and veterans and other persons dependent on life insurance, annuities, pensions, and allowances granted to veterans attending school or learning trades, from undue impairment of their standard of living; to prevent the disruption of production due to the inability of employees to find adequate housing; to conserve scarce building materials for housing and other essential construction; and to assist veterans to obtain adequate housing for themselves and their families.'

"SEC. 3. Section 1 (b) of title I of the Housing and Rent Act of 1947 is amended by inserting the following new paragraph (2) at the end of paragraph (1) thereof and numbering the old paragraphs (2) and (3) as paragraphs (3) and (4), respectively:

"'(2) Whenever in the judgment of the Rent Administrator there is, or is likely to be, a shortage in the supply of any materials or facilities needed for an increased supply of housing accommodations, he may by regulation or order allocate, or establish priorities for, the delivery of such materials or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to increase the supply of housing accommodations. The Rent Administrator may exercise any power or authority conferred upon him by this paragraph through such department, agency, or officer as he shall direct.'

"SEC. 4. Section 4 of title I of the Housing and Rent Act of 1947 is amended by substituting 'June 30, 1950' for 'April 1, 1948' wherever the latter date appears in said section.

"SEC. 5. Title II of the Housing and Rent Act of 1947 is amended by striking out the subtitle 'Declaration of Policy' and by striking out all of section 201 and in lieu thereof inserting the following:

"'SEC. 201. The title "Housing Expediter" and the name "Office of Housing Expediter" referred to in the Veterans' Emergency Housing Act of 1946, as amended, and in the Housing and Rent Act of 1947, as amended, are hereby changed, respectively, to "Rent Administrator" and "Office of Rent Control": *Provided, however,* That the powers, duties, and functions of said official and of said agency under the above or any other laws or Executive orders shall in no way be enlarged, diminished, or otherwise affected by virtue of such change of names: *Provided further,* That any regulation, order, contract, or other action made, prescribed, issued, granted, or performed by or in respect of said official or agency shall (except to the extent expressly rescinded, modified, superseded, or made inapplicable by or under authority of law) have the same force and effect as if such change of names had not been made: *And provided further,* That no suit, action, or other proceeding commenced by or against said official in his official capacity or said agency shall abate by reason of such change of names; that judicial notice of such change of names shall be taken in all such suits, actions, or proceedings; and that said official and agency shall not be required to give notice to any party to such suit, action, or proceeding, or to any other person of said change of names.'

"SEC. 6. Section 202 of the Housing and Rent Act of 1947 is amended in the following respects:

"(a) Clause (1) of paragraph (c) is amended by striking out the first word 'those' and inserting after the word 'accommodations' the following: '(other than dwelling units occupied by nontransient tenants).'

"(b) Clause (2) of paragraph (c) is amended to read as follows:

"'(2) any housing accommodation in any motor court, tourist home, or trailer camp (including trailer space) when such accommodation is occupied by a transient guest.'

"(c) By striking out clause (3) in its entirety.

"(d) By adding at the end thereof the following new paragraph:

"'(f) The term "district court" means any district court of the United States and the United States court for any Territory or other place subject to the jurisdiction of the United States.'

"SEC. 7. Section 204 of the Housing and Rent Act of 1947 is amended in the following respects:

"(a) By striking out the language 'March 31, 1948' and in lieu thereof inserting 'June 30, 1950.'

"(b) Paragraph (b) is amended to read as follows:

"'(b) During the period from the effective date of this act and ending on the date this act ceases to be in effect, the maximum rents for controlled housing accommodations, unless and until changed by the Rent Administrator in accordance with subparagraph (5) of this paragraph, shall be the rents fixed by the Rent Administrator determined as follows:

"'(1) For housing accommodations for which a maximum rent was in effect on March 31, 1948, the maximum rent shall continue to be such maximum rent;

"'(2) For housing accommodations not included within the definition of "controlled housing accommodations" as this definition read prior to amendment the maximum rent shall be the higher of (a) the rent generally prevailing in the defense-rental area for comparable accommodations on the maximum rent date for such area, plus due allowance, where new construction is involved, for general increases in the cost of construction in the area from 1939 until the date the construction is or was completed; (b) the maximum rent last in effect for such housing accommodations under Federal rent control;

"'(3) For housing accommodations which were exempted from control pursuant to the second proviso to section 204 (b) of the Housing and Rent Act of 1947 as section 204 (b) read prior to amendment by the Housing and Rent Extension Act of 1948, the maximum rent shall be the last maximum rent in effect for such housing accommodations under Federal rent control prior to the execution of the lease under section 204 (b): *Provided, however,* That the landlord may continue to charge the rent specified in a lease complying with section 204 (b), prior to amendment, for the entire month in which this act takes effect;

"'(4) For housing accommodations recontrolled pursuant to the provisions of subsection (e) of this section, the maximum rent shall be the maximum rent established by the Rent Administrator in the order or regulation of recontrol; and

"'(5) The Rent Administrator may, by regulation or order, make such adjustments in the maximum rents established under subparagraphs (1), (2), (3), and (4) of this subsection (b) as may be necessary to carry out the purposes and provisions of this title.'

"(c) By striking out the language of paragraphs (c), (d), (e), and (f) in their entirety and in lieu thereof inserting the following:

"'(c) Notwithstanding the provisions of subsection (a) of this section, the Rent Administrator shall make general adjustments in the maximum rents in effect or established in any defense-rental area for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes, other costs, or income, within such defense-rental area, whenever in his judgment the maximum rents in the area are not generally fair and equitable to landlords of any substantial and well-defined class of housing accommodations. For the purpose of making such determinations the Rent Administrator shall, from time to time, cause accounting surveys of operating experience under rent control to be made in the various defense-rental areas and he shall compare the operating experience of landlords under rent control with their operating experience in the years 1939 and 1940.

"'(d) Notwithstanding the provisions of subsection (a) of this section, the regulations and orders of the Rent Administrator may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions as in his judgment are necessary or proper in order to effectuate the purposes of this Act.

"'(e) Whenever the Rent Administrator finds with respect to any substantial and well-defined class of housing accommodations in any defense-rental area, whether or not previously controlled or decontrolled, that (1) the demand for such accommodations is in excess of the supply, and (2) that the rents for such accommodations have risen or are threatening to rise in a manner inconsistent with the purposes of this act, and (3) that local governmental officials are unable or are unwilling to stabilize rents at levels consistent with the purposes of this act, he may by regulation or order establish such maximum rents for such accommodations as will in his judgment be generally fair and equitable and will effectuate the purposes of this act: *Provided, however,* That if the accommodations brought under control have previously been decontrolled, the Rent Administrator shall not establish new maximum rents for them which are lower than the last maximum rents they had when previously controlled.

"'(f) Whenever the Rent Administrator finds with respect to any substantial and well-defined class of housing accommodations in any defense-rental area that (1) the supply of such accommodations is substantially in balance with demand, and (2) that the removal of rent control will not result in rent increases inconsistent with the purposes of this act, he is authorized and directed, by regulation or order, to remove such accommodations from control.

"'(g) The Rent Administrator is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who as a group are representative of the affected interests in the area, to be appointed by the Rent Administrator, from recommendations made by the respective Governors: *Provided,* That in any case where the Governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within 30 days after request therefor (subsequent to March 31, 1948) from the Rent Administrator, the Rent Administrator shall without such recommendations appoint the original members of such boards or such members as may be required to fill vacancies. The Rent Adminis-

trator shall immediately, subsequent to March 31, 1948, screen the membership of the boards to determine if their membership complies with the standards set forth in this section and shall promptly take steps to effectuate any change in the membership of any board necessitated by this provision.

"'(h) The Rent Administrator shall furnish the local advisory boards suitable office space and stenographic assistance and shall make available to such boards any records and other information in the possession of the Rent Administrator with respect to the establishment and maintenance of maximum rents for housing accommodations in the respective defense-rental areas which may be requested by such boards.

"'(i) The local advisory boards shall have the following powers: (1) To make recommendations to area rent offices for increases or decreases in maximum rents in individual adjustment cases; (2) after public hearings, to make recommendations to the Rent Administrator with respect to the decontrol of the defense-rental area or any portion thereof; (3) after public hearings, to make recommendations to the Rent Administrator with respect to the adequacy of the general rent level in the area; (4) to make recommendations with respect to the operations generally of the area rent office, with particular reference to hardship cases; (5) to exercise such functions for educational, administrative, and compliance purposes as are delegated by the Rent Administrator.

"'(j) Within 30 days after receipt of any recommendation of a local advisory board such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in 30 days. The Rent Administrator or any area rent director receiving a recommendation from a local advisory board shall give full and careful consideration to such recommendation and to any data accompanying it but the responsibility for deciding any matter so presented shall rest solely with the Rent Administrator or the area rent director, as the case may be.'

"SEC. 8. Section 205 of the Housing and Rent Act of 1947 is amended in the following respects:

"(a) By striking out the subtitle 'Recovery of Damages by Tenants'."

"(b) by striking out the language of the section in its entirety and in lieu thereof inserting the following:

"'SEC. 205. (a) The Rent Administrator is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this act, or in the administration and enforcement of this act and regulations thereunder.

"'(b) The Rent Administrator is further authorized, by regulation or order, to require any person who rents or offers for rent or acts as broker or agent for the rental of any housing accommodations, to furnish any such information under oath or affirmation or otherwise, to make and keep records and other documents, and to make reports, and he may require any such persons to permit the inspection and copying of records and other documents, and the inspection of defense-rental area housing accommodations. The Rent Administrator may administer oaths and affirmations and may, whenever necessary, by subpena require any such person to appear and testify or to appear and produce documents, or both, at any designated place.

"'(c) For the purpose of obtaining any information under subsection (a), the Rent Administrator may by subpena require any other person to appear and testify or to appear and produce documents, or both, at any designated place.

"'(d) The production of a person's documents at any place other than his place of business shall not be required under this section in any case in which, prior to the return date specified in the subpena issued with respect thereto, such person either has furnished the Rent Administrator with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Rent Administrator as to the information contained in such documents.

"'(e) In case of contumacy by, or refusal to obey a subpena served upon, any person referred to in subsection (e), the district court for any district in which such person is found or resides or transacts business, upon application by the Rent Administrator, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof. The provisions of this subsection shall also apply to any person referred to in subsection (d).

"'(f) Witnesses subpenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"'(g) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 ed., title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

"'(h) Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel.'

"SEC. 9. Section 206 of the Housing and Rent Act of 1947 is amended by striking out the entire language of the section and in lieu thereof inserting the following:

"'SEC. 206. (a) It shall be unlawful, regardless of any contract, agreement, lease, or other obligation heretofore or hereafter entered into, for any person to demand or receive any rent for controlled housing accommodations, or otherwise to do or omit to do any act, in violation of any of the provisions of this act, or of any regulations, orders, or requirements thereunder, or to attempt or agree to do any of the foregoing.

"'(b) It shall be unlawful for any person to remove or attempt to remove from any controlled housing accommodations the tenant or occupant thereof or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this act or any regulation, order, or requirement thereunder.

"'(c) It shall be unlawful for any officer or employee of the Government, or for any adviser or consultant to the Rent Administrator in his official capacity, including members of local advisory boards, to disclose, otherwise than in the course of official duty, any information obtained under this act, or to use any such information for personal benefit.

"'(d) Nothing in this act shall be construed to require any person to offer any housing accommodations for rent.

"'(e) Whenever in the judgment of the Rent Administrator any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of the provisions of section 206 of this act, he may make application to any Federal, State, or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such provision, and upon a showing by the Rent Administrator that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"'(f) Any person who willfully violates any provision of section 206 of this act, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed pursuant to any regulation or order issued under section 205 of this act shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment for not more than 2 years in the case of a violation of subsection (c) of this section and for not more than 1 year in all other cases, or to both such fine and imprisonment. Whenever the Rent Administrator has reason to believe that any person is liable to punishment under this paragraph, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(g) The district courts shall have jurisdiction of criminal proceedings for violations of this section, and, concurrently with State and Territorial courts, of all other proceedings under section 206 of this act. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found: *Provided, however,* That all suits under paragraph (i) of this section shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Rent Administrator or the United States Government in any proceeding under this act.

"'(h) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this act or any regulation, order, requirement, or agreement thereunder, notwithstanding that subsequently such provision, regulation, order, requirement, or agreement may be modified, rescinded, or determined to be invalid. In any suit or action wherein a party relies for ground of relief or defense upon this act or any regulation, order, requirement, or agreement thereunder the court having jurisdiction of such suit or action shall certify such facts to the Rent Administrator. The Rent Administrator may intervene in any such suit or action.

"'(i) Any person who receives any payment of rent in excess of the maximum rent prescribed by this act, or any regulation or order issued thereunder, or fails to refund any rent payments in accordance with any order under this act, shall be liable to the person from whom he receives such payment, or to whom he fails to refund such payment, for reasonable attorneys fees and costs as determined by the court, plus liquidated damages in the amount of (1) $50, or (2) three times the amount by which the payment or payments received exceed the maximum rent which could lawfully be received, or three times the amount which was not refunded, whichever, in either case, may be the greater amount: *Provided,* That the amount of such liquidated damages shall be the amount of the overcharge or overcharges if the defendant proves that the violation was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. Suit to recover such amount may be brought in any Federal, State, or Territorial court of competent jurisdiction within 1 year after the date of such violation. If the tenant either fails to institute

any action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Rent Administrator may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the Rent Administrator, the tenant shall thereafter be barred from bringing an action for the same violation or violations. For the purpose of determining the amount of liquidated damages to be awarded to the plaintiff in an action brought under this subsection all violations alleged in such action which were committed by the defendant prior to the bringing of the action shall be deemed to constitute one violation, and the amount received or retained in connection with such one violation shall be deemed to be the aggregate amount received or retained in connection with all violations. A judgment in an action under this paragraph shall be a bar to a recovery under this subsection in any other action against the same defendant on account of any violation with respect to the same plaintiff prior to the institution of the action in which such judgment was rendered.'

"SEC. 10. Section 209 of the Housing and Rent Act of 1947 is amended by striking out the language of the section in its entirety and in lieu thereof inserting the following:

"'(a) So long as the tenant continues to pay the rent to which the landlord is entitled, no tenant shall be removed from any housing accommodations, by action to evict or to recover possession, by exclusion from possession, or otherwise, nor shall any person attempt such removal or exclusion from possession, notwithstanding that such tenant has no lease or that his lease or other rental agreement has expired or otherwise terminated, and regardless of any contract, lease, agreement, or obligation heretofore or hereafter entered into which provides for entry of judgment upon the tenant's confession for breach of the covenants thereof or which otherwise provides contrary hereto, unless—

"'(1) under the law of the State in which the action or proceeding is brought the tenant is (A) violating the obligation of his tenancy (other than an obligation to pay rent higher than rent permitted under this act or an obligation to surrender possession of such housing accommodations) or (B) is committing a nuisance in such housing accommodations or using such housing accommodations for an immoral or illegal purpose or for other than living or dwelling purposes;

"'(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations, or for the immediate and personal use and occupancy as housing accommodations by his father, mother, grandfather, grandmother, son, or daughter: *Provided, however,* That where the housing accommodations are a part of a multiple-unit structure or premises owned or leased by a cooperative corporation or association, the tenant may not be evicted unless at the time eviction is sought at least 80 percent of the tenants of the dwelling units in the structure or premises have purchased stock or other evidence of interest in the cooperative or association entitling them to possession of their respective dwelling units by virtue of a proprietary lease or otherwise.

"'(3) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of substantially altering, remodeling, or demolishing them and replacing them with new construction, and the altering or remodeling is reasonably necessary to protect and conserve the housing accommodations and cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any construction planned; or

"'(4) the housing accommodations are nonhousekeeping, furnished housing accommodations located within a single-dwelling unit not used as a rooming or boarding house and the remaining portion of which is occupied by the landlord or his immediate family.

"'(b) Notwithstanding any other provision of this act, the United States or any State or local public agency may maintain an action or proceeding to recover possession of any housing accommodations operated by it where such action or proceeding is authorized by the statute or regulations under which such accommodations are administered: *Provided,* That nothing in this subsection shall be deemed to authorize the maintenance of any such action or proceeding upon the ground that the income of the occupants of the housing accommodations exceeds the allowable maximum unless such income, less any amounts paid to such occupants by the Veterans' Administration on account of service-connected disability or disabilities, exceeds the allowable maximum.

"'(c) No person shall take any action to execute a judgment of eviction entered by any court in conformity with paragraphs (2), (3), and (4) of subsection (a) of this section until 90 days after the judgment was entered.

"'(d) Every notice to a tenant to vacate or surrender possession of housing accommodations shall state the ground under this section upon which the landlord relies for removal or eviction of the tenant and the facts necessary to establish the existence of such ground. A written copy of such notice shall be given to the area rent office within 24 hours after the notice is given to the tenant.

"'No tenant shall be removed or evicted from housing accommodations by court process or otherwise, unless at least 10 days (or, where the ground for removal or eviction is nonpayment of rent, the period required by the local law for notice prior to the commencement of an action for removal or eviction in such cases, but in no event less than 3 days) prior to the time specified for surrender of possession and to the commencement of any action for removal or eviction, the landlord has given written notices of the proposed removal or eviction to the tenant and to the area rent office, stating the ground under paragraph (a) of this section upon which such removal or eviction is sought, the facts necessary to establish the existence of such ground, and specifying the time when the tenant is required to surrender possession.

"'Where the ground for removal or eviction of a tenant is nonpayment of rent, every notice pursuant to this paragraph (d) shall state the rent for the housing accommodations, the amount of rent due and the rental period or periods for which such rent is due.

"'If judgment for possession is sought by virtue of a confession of judgment or a warrant of attorney authorizing confession of such judgment against the tenant, the date of commencement of the action as referred to in this section shall be deemed to be the date of filing in court the first papers in the proceedings for the entry of such judgment.

"'(e) The Rent Administrator may intervene in any action or proceeding mentioned in this section for the purpose of advising the court concerning the meaning or application of his regulations and in the interest of securing uniformity in the applications of this act.'

"SEC. 11. Section 210 of the Housing and Rent Act of 1947 is amended by striking out 'Housing and Rent Act of 1947;' and substituting 'Housing and Rent Act of 1947, as amended;'.

"SEC. 12. Section 202 of the Housing and Rent Act of 1947 is amended by adding at the end thereof the following new paragraph:

"'(g) The provisions of title II as herein amended shall cease to be in effect on June 30, 1950, except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this title and all regulations, orders, and requirements issued thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such rights, liability, or offense.'

"SEC. 13. This act shall become effective on the first day of the first calendar month following the month in which this act is enacted.

"SEC. 14. Section 211 of the Housing and Rent Act of 1947 is amended by striking out the words 'but shall not be applicable to the District of Columbia' and inserting in lieu thereof the following: 'including the District of Columbia.'

"SEC. 15. The Housing and Rent Act of 1947 is amended by adding the following new section after section 213:

"'PROCEDURE AND REVIEW

"'SEC. 214. (a) The Rent Administrator shall provide by appropriate regulations, when an interested person so requests, for a review by himself of the denial in whole or in part by any area rent director of a petition for adjustment of rent or a determination of any area rent director reducing or fixing the maximum rent for any housing accommodations.

"'(b) Any determination of the Rent Administrator on an individual petition for adjustment of rent or any order entered by him reducing or fixing the maximum rent for controlled housing accommodations shall be reviewable on complaint of an interested person in the United States district court for the district in which the housing accommodations are located. The review shall be upon the basis of the record before the Rent Administrator, which the Rent Administrator shall certify to the court within 30 days after he is served with the complaint. No order reviewed in the foregoing manner shall be enjoined, set aside, in whole or in part, or modified unless the complainant establishes to the satisfaction of the court that the order is not supported by substantial evidence or is not in accordance with law.'"

Mr. McCORMACK (interrupting the reading of the amendment.) Mr. Chairman, I ask unanimous consent that further reading of the substitute now be dispensed with and that it be printed in the RECORD at this point.

The gentlewoman from California will explain it in her remarks.

Mr. WOLCOTT. We, of course, object to that; we have not seen the amendment yet.

Mr. McCORMACK. I thought I was accommodating the gentleman.

Mr. Chairman, I withdraw my request.

(The Clerk concluded reading the amendment.)

The CHAIRMAN. The gentlewoman from California is recognized for 5 minutes in support of her amendment.

Mrs. DOUGLAS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, and I do not like to, but because of the legislative program and because it is very essential that we dispose of this bill today, and also because there are innumerable very important amendments to be discussed this afternoon, I am constrained to object to any requests to extend time beyond the usual 5 minutes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. McCORMACK. Might I suggest to my friend—I know that on past occasions such an objection is usually coupled with the phrase, "after this particular request." We have done it on our side repeatedly when situations arose where it was deemed necessary.

Mr. WOLCOTT. I will amend it, and will object to any further requests for continuance after this one.

I have no objection to the gentlewoman from California proceeding for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

The CHAIRMAN. The gentlewoman from California is recognized for 10 minutes.

Mrs. DOUGLAS. Mr. Chairman, my amendment is basically the old provisions of the Emergency Price Control Act, which has been amended to fit in with conditions resulting from the 1947 act. I sent a copy of this bill to every Member last night. I regret that it seems we always have to legislate on price control with a bill in our hands only 12 or 24 hours.

We have a housing crisis for a number of reasons. Five minutes will not permit discussion of them. But the fact remains we have not enough homes for people to live in.

The Joint Committee on Housing submitted yesterday to the Congress evidence of this fact and recommended a tremendous housing program.

The United States Conference of Mayors, declaring that throughout most of the cities there exists a drastic housing shortage, petitioned the Congress of the United States to extend rent control until the present housing shortage conditions are eliminated.

Families are not only short of homes, they are short of dollars. Consumer expenditures have increased. Prices have gone up and savings have gone down. Consumer indebtedness in the last year has grown to frightening proportions. The dollar will not buy what it did a year ago.

Not only have food and clothes gone up, but rents have gone up, too. Do not make any mistake about that.

During the 32 months between September 1939 and May 1942, when there were no rent controls, residential rents in 29 cities surveyed by the BLS advanced slightly more than 5 percent. With the imposition of rent control between 1942 and July 1947—5 years—residential rents rose only 1 percent. With the Decontrol Rent Act of 1947, we find that rents increased during the first 4 months of its operation from July to October 1947 more than 5 percent; that is, 500 percent more than they had increased all through the difficult war years, and as much as it had for almost 3 years before rent control.

The BLS index on rent is a very moderate one and assumes that people stay in one place all through the years. It measures the average rate in the same accommodations year after year. The Bureau of Census, however, made a Nation-wide survey of all urban and rural nonfarm areas and found that the rentals being paid to landlords in the 7 years from April 1940 to April 1947 had increased an average of 36 percent. This was before the Decontrol Rent Act of 1947.

If residential rents have increased so tremendously under the present act, what will be the net result of the bill now before us?

Chaos!

We still need rent control; most of us are agreed on that.

Now the question is, "Does the Banking and Currency Committee bill provide effective rent control?" I say "No."

It fails to extend rent control for a reasonable period of time. No one wants controls for the sake of controls, but we will be performing a miracle if the housing shortage is over in 2 years. Two years is the irreducible minimum of time for an effective bill.

It is cruel and inhuman to place our citizenry again next year in a position of uncertainty and anxiety as to whether or not they are going to have a home to live in.

My bill extends rent control for 2 years.

You cannot have effective rent control unless you can enforce it. The Administrator has testified and my constituents write me that the pending bill is woefully inadequate in this respect. My bill provides for injunction, treble damages, and criminal sanction.

No system of rent control will work if tenants are constantly in fear of illegal eviction. When legally evicted, tenants must be given a reasonable period of time in which to find a new home in this tight housing market.

The pending bill ignores these two all-important factors. My bill makes provision for them.

In addition, my bill provides rent-control protection for the millions of tenants throughout the country living as permanent residents in apartments and residential hotels, motor courts, trailer camps, and individual rooms.

It further provides protection for tenants living in newly built and converted units.

The bill provides definite standards for the Rent Administrator and local boards to follow in administering the act. My bill requires that the local boards be truly representative and act only in an advisory capacity.

In fairness to the tenants who were coerced into signing leases providing for a 15-percent increase under the belief that rent control would expire on February 29 of this year, the bill provides for the rolling back of rentals in those units to the original rent.

This may seem like a drastic bill but, believe me, the present inflation requires drastic measures.

I believe that the boards as set up in the rent-control bill before us will act as a constant pressure on rents throughout the whole year, forcing tenants to accept a 15-percent increase because the tenant will always fear that the control board may decontrol the whole area or raise rents, not 15 percent, but 100 percent. There are no standards provided for in the pending bill before us. There is no appeal from their decisions.

Mrs. NORTON. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. Apparently the real-estate people are anticipating that this bill will become law. Last week I received notice that the rent of my apartment in Washington would be increased 17 percent.

Mrs. DOUGLAS. I will say to the gentlewoman from New Jersey that I am not surprised—and I warn the Members, Mr. Chairman, that if this bill is passed rents will rise not 17 percent but 117 percent. Rents have increased this past year out of all proportion to what people are able to pay—not only where units were decontrolled under the decontrol rent bill of 1947, not only under the 15-percent lease provision in the 1947 act, but also in hardship cases. This was testified to by the Rent Administrator. Sixty-six percent of the petitions for increase were granted during the first half of 1947—the average amount of increase was 15.7 percent. In the second half of the year he granted 75 percent of the rent-increase petitions. These increases ran between 16 and 18 percent. I will say to the gentlewoman from New Jersey that unless we pass a real rent-control bill the lid is finally off. The bill before us will not only affect rents but the entire economic and social life of the Nation.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

Mr. CELLER. I object, Mr. Chairman.

Mr. WOLCOTT. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 105, noes 30.

Mr. CELLER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the motion was agreed to.

Mr. WOLCOTT. Mr. Chairman, it is very obvious from the reading of the amendment and the remarks made by the gentlewoman from California [Mrs. DOUGLAS] as to what objective is sought by the amendment. It would, in principle and in effect, restore rent controls on almost all, if not all, rental property. It would restore the authority which we took away from the Expediter last year to allocate any and all building materials.

In 1946 when these allocation controls were in effect, when the Housing Expediter could control every nail and every square inch of lumber, and could channel them into home construction, we completed only 437,000 units. Last year we took off all the remaining controls. The administration early in the year recognized that these controls were tying up construction, that we were not getting the maximum amount of construction, so they took some of them off. Last July we took them all off. In consequence of that, in 1947, we completed

835,100 new permanent family dwelling units, almost twice the number which were completed in 1946. In my book, that is housing for everybody, and the only way we can get housing is to encourage the maximum production of houses. The only way we can ever lick rent control is to produce so rapidly, in such volume, as to meet the demand and saturate the rental market. Then there will be no more need for action on rents.

I do not believe this Congress at this time, with the probability that if we handle this situation correctly, we can build a minimum of a million units this next year, wants to take any chances with this program. I hope the amendment will be defeated.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

Mr. CELLER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. CELLER moves that the Committee do now rise and report S. 2182 back to the House with the recommendation that the enacting clause be stricken therefrom.

Mr. CELLER. Mr. Chairman, I had no intention of offering a preferential motion to refer the bill back to the House with the enacting clause stricken from the bill, but I am rather amazed at the attitude of the gentleman from Michigan, the chairman of the Committee on Banking and Currency, seeking to prevent Members from having their say on this bill. I offer the motion by way of protest. This is a very important bill, highly important to the constituencies of the various Members, and there should be no short-circuiting of any attempt of the Members to express themselves on this momentous piece of legislation. This is high-handed procedure. Are the proponents of the bill afraid of hearing the truth about its obnoxious provisions?

The bill that has been offered to us by the Committee on Banking and Currency to my mind is an ersatz relief bill. It is fooling nobody. It is pure imitation. It presumes to give protection to harassed tenants but gives no protection whatsoever. In truth and in fact it gives a field day for landlords to increase their rentals all over the country. It gives well-nigh carte blanche to the so-called local boards to decontrol wide areas, areas in my community and areas in your communities, on good grounds or coffee grounds. Landlords will now get the green light to place more burdens upon already harassed tenants. The instant bill is the slamming of the door in the face of an anxious public awaiting a reasonable and fair rent-control bill.

Further, new construction is now decontrolled.

Come up to my neck of the woods, come to Brooklyn and Long Island, and you will find only expensive houses are being built. Many new expensive houses have been built, and their numbers are used to swell the statistics and to indicate the vast numbers of new homes. But they are the type of homes that the veteran and the white collar man and the average worker cannot afford to pay for. Over and beyond that we find that this bill brought in by the Committee on Banking and Currency gives the Advisory Boards the right to grant all manner and kinds of relief to the landlord and not to the tenant who is entitled to relief. We will have an avalanche of increases in rents all over the country. The privileges accorded to the landlords under this bill are as broad as a barn door. I would say that the bill should be called "How to filch unwarranted increases from unsuspecting tenants." It becomes as easy for the landlord to get increases as the operation of the old shell game. The landlord just says "hardship" to the local board and makes application for an increase. He pads his cost and expense accounts. There is no adequate provision for audit or checking. Just as the magician says "abracadabra" the landlord finds an increase handed to him on a silver platter when there was no increase before.

Under the present inadequate law the American people have been subjected to increased rents which they cannot afford to pay. The rent line must be reestablished and held as an absolute essential in the fight to protect the living standards of the American people.

I would first of all extend rent control beyond the date provided by the instant bill, to wit, to June 30, 1949.

I would continue control of all rents that are now controlled.

I would control now exempt new housing. I would roll back rents covered by the 15-percent so-called voluntary increase to their previous ceilings after the present leases expire or after a change of tenancy.

I would make local advisory boards representative of labor, veteran, consumer, and tenant groups and of the public, as well as representing real-estate owners and landlords. It would limit the power of the local boards to make recommendations and then only after the public hearings, leaving sole responsibility for all decisions with the Housing Expediter or area rent director.

I would prohibit execution of eviction judgments for a period of 6 months after their entry.

I would require that tenants be notified of landlord petitions for "hardship" increases and that they be given an opportunity to be heard.

I would establish criminal sanctions and treble damage suits by the tenant or the Housing Expediter.

This is certain: Present conditions are intolerable. Relief is imperative. The burdens of tenants are insufferable. Yet the bill offered would underscore these difficulties. None of the remedies I suggest are contained therein. The bill is the answer to the rapacious landlord's prayer. A real-estate lobby could not have written a better bill for the landlord's pleasure and enjoyment.

I want rent control, but not the control offered by the instant bill. I shall vote against it in the hope that a decent regard for the troubled and worried tenant will be the basis for a new bill.

Mr. JACKSON of California. Mr. Chairman, I rise in opposition to the motion.

I have listened with considerable interest and no small measure of concern to the amendment offered by the gentlewoman from California, and also to the privileged motion which has just been presented for consideration.

I think, perhaps, that before I say anything further with respect to the question of Federal rent control that I should explain my personal situation, lest it be conceivably charged that I seek in this matter to grind a personal ax or further my own interests.

In the first place, I should like to say that I represent a district in which Democrat registrations top those of my own party by roughly 5 to 3. It is a district which is principally and largely an urban residential area, in which more than half a million persons make their homes.

I do not personally know a real-estate lobbyist nor any member of the national real-estate organizations who seeks to end rent control on the Federal level. Furthermore, I have never owned a single foot of the American soil to which I owe and pay my allegiance. In light of these facts, I can truly say that I have no personal stake in this matter of rent control, other than the natural concern of an American citizen and legislator who holds to a very firm, and sometimes old-fashioned, belief in the ideals, institutions, and traditions of his Government.

In company with a great many other Members of this body, I have lost considerable sleep over the subject of continued Federal rent control. I have tried, to the best of my ability, to coordinate specious and fallacious reasoning with my own personal concepts of American justice, and have made every effort to rationalize, in my own mind, some course of action which would achieve the politically impossible—the discovery of some formula satisfactory to tenants and landlords alike. Obviously, I have failed, for the simple reason that mixing justice and equity with political expediency is an impossibility.

I have received ample warning that in voting against a continuation of Federal rent control I shall be welding the weapon of my own political assassination and that such a vote will inevitably result in spreading my political gore over the length and breadth of the Sixteenth Congressional District of California. Be that as it may, the vote will be so cast.

Rationalization of an untenable position appeared somewhat easier for me several weeks ago, when the Supreme Court handed down its decision on the legality of rent control. Here, at last, I thought, was a rose-strewn path of least resistance. I could walk down the trail of Federal controls in peacetime, secure in the knowledge that the highest Court of appeal had sanctioned my action.

However, as it was to develop in the days that followed, the Supreme Court decision had not put an end to the pitiable letters from men and women of thrift, honesty, and integrity out in my district, men and women whose only sin or transgression had been the acquisition of small pieces of income property, upon which they were dependent for a livelihood in the face of rising costs and a depreciated dollar.

It has been quite truly said here today that there are not enough houses in this country to meet the need of the moment, and that the greatest shortage is in rental

housing. I take no issue with that statement. By the same token it might well be pointed out that there is a shortage of automobiles, electric refrigerators and a great many other things. Still the Federal Government does not presume to tell the owner of an automobile when and where he must go, or what persons he must convey to and from their work. Nor does Government demand that you open your refrigerator in order that the iceboxless neighbor may cool his hamburger. It is only in the realm of rental housing that confiscation persists, and it is only in this field that there is a total and complete blackout of individual freedom.

Whatever legal opinions may be held to the contrary, it is my unalterable belief that an American citizen has a legal and moral right to exercise control over legally acquired private property. If it is desired to change the Constitution of the United States to deny that inalienable right, then this body should proceed to write the necessary legislation, but we cannot lightly take that action in a half-fish, half-fowl bill such as the one offered here today.

I am a veteran of 10 years active service in the armed forces of this country, and as such, I am not without proper regard for the plight of many thousands of my comrades-in-arms, but to even suggest that the majority of veterans approve or espouse confiscation of personal property and personal liberty of action is to say that they lend themselves to an organized effort to hew away the foundations of the social order they fought to defend, I, for one, and my mail tells me that I do not stand alone in this fight, cannot subscribe to the doctrine that government, as such, has a right to trespass beyond the threshold of a man's home.

It is to be sincerely hoped that when the roll is called today, some of the gentlemen who condemn our assistance to foreign nations, and call for "a resurgence of the American spirit" and "assistance to Americans for a change" will stand up and be counted in behalf of millions of thrifty and industrious American citizens, who look to Washington in bewilderment and quite properly ask, "Whither are we drifting?"

The committee bill will pass, as committee bills have a way of doing, but I, for one, will vote "No" and I shall content myself with the silent applause of those who founded this Republic and possibly some others who seem unable to forget that 1948 is an election year and that we are justified in taking whatever action will be advantageous to us at the voting machines and ballot boxes of this country.

The CHAIRMAN. The time of the gentleman from California [Mr. JACKSON] has expired.

The question is on the motion offered by the gentleman from New York [Mr. CELLER].

Mr. RANKIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. As I understand, only one motion of this kind can be offered to a bill.

The CHAIRMAN. Unless the text of the bill is changed.

Mr. RANKIN. The adoption of this motion means killing the bill entirely? It means doing away with rent control?

The CHAIRMAN. If the House concurs in the recommendation.

Mr. RANKIN. I hope it does.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York [Mr. CELLER].

The motion was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentlewoman from California [Mrs. DOUGLAS].

The question was taken, and on a division (demanded by Mrs. DOUGLAS) there were—ayes 29, noes 117.

So the amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amended offered by Mr. MULTER: In lines 16 and 17, on page 17, strike out the words "Housing and Rent Act of 1948" and insert in lieu thereof the words "Rent Decontrol Act of 1948."

Mr. MULTER. Mr. Chairman, I have offered this amendment changing the title as indicated in order to point up the argument that has been made on this floor with reference to this bill. Your committee has found as a fact that an emergency still exists with respect to rental housing accommodations, and that it is necessary for a further limited time to continue certain restrictions upon rents. If this be so and you confirm that finding by passing this bill, then let us pass a bill that will control rents and not decontrol them.

This bill in its present form decontrols rents and does not continue control. This bill has eliminated criminal sanctions, it has weakened the injunction provision, it does not permit the Housing Expediter to sue for treble damages in the event the tenants dare not, and there are any number of other provisions in this bill which will weaken effective rent control.

Amendments will be offered during the course of the reading of the bill to try to correct these defects.

The delegation of power to local advisory boards in my opinion renders the entire bill unconstitutional.

For the benefit of the constitutional lawyers and those who are going to vote against this bill on the ground that we should support our Constitution, let me call attention to the fact that our United States Constitution provides that:

Congress shall have power to provide for the general welfare of the country.

In clause 18 of the same article is the further provision:

Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers.

The United States Supreme Court at the October 1947 term without dissent has held that your existing rent control law is constitutional as a proper exercise by this body of the power granted to it by the Constitution.

Let us not by this bill try to go to the people with an unconstitutional law. We have the constitutional power to give them a good one. Your committee has found that the country needs this bill. Now, let us give it a bill that is going to work. If you do not want a bill that is going to work then let us not fool the people with a bill that is entitled "Rent Control" when it will not control rents. Let us call it Rent Decontrol because that is the bill you have before you now unless you are going to amend it so as to make it effective.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. Does the gentleman think that this or any other rent-control bill is for the general welfare when it penalizes people who have been thrifty enough to buy property for rental purposes?

Mr. MULTER. The property owner is but one part of our citizen population. This bill protects that man's property because, if you will recall what happened in New York and in other places in the country during the last depression, there were riots and civil commotions because we did not have control. Take this law off and in every urban community of this country you will have riots and civil commotion that will take away from that property owner his property and destroy it. This will save it for him.

Mr. COLE of Missouri. We did not have riots and civil commotion before the law was enacted in the first instance and there are, as a matter of fact, more housing units now per capita than there were when the law was first enacted.

Mr. MULTER. The gentleman's statement is wrong. In the first place, the law was enacted in ample time to prevent the riots and civil commotion that were rampant throughout the country during the depression. If you did not have this law on the statute books, which was put through during the war, you would have had the same trouble.

Referring to the statement about more housing, we have heard that statement repeatedly. Surely, we do have more houses, but we do not have enough houses. I am sure the gentleman knows that. Since 1940 the number of families in the United States has increased by more than 17 percent, which means that we need at least 17 percent more houses to take care of those families unless you say that the people should continue to live in groups of two or three families in a one-family unit.

Mr. COLE of Missouri. Does the gentleman believe that removing this law would cause riots and civil commotion? Does that mean, if the gentleman's theory is correct, that we must continue rent control as long as we are a Nation?

Mr. MULTER. No. As soon as your demand is met by the supply, as soon as your housing units catch up, and they are catching up, with the demand, whether that be in 1 year or 2 years, we will remove this rent-control law just as we removed other emergency control laws.

Mr. COLE of Missouri. May I observe that we would solve the housing shortage by removing it now.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HENDRICKS. Mr. Chairman, I rise in opposition to the pending amendment and ask unanimous consent to proceed out of order for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HENDRICKS. Mr. Chairman, I did not rise for the purpose of opposing this amendment. It becomes my painful duty to correct certain misimpressions appearing in the Washington Merry-Go-Round of March 11, 1948, written by Drew Pearson. Let me say that Drew Pearson has been called all sorts of liars. I am not calling Drew a liar for the simple reason that I have found in a good many instances, when he has been called a liar, what he has said has proven to be the truth. I remember on various occasions when he has written something and has been called a liar, we suddenly found out that what he said was the truth.

I think quite often if we would stop to ascertain the source of his information, we would find out that the misimpression or mistakes were given to him by his source of information. On one occasion I happened to be present when a certain incident occurred. Drew Pearson wrote it up later. It was rather drastic, and, I think, hurt a certain man, but I know that he received his information from a Member of Congress, and the information he received was quite distorted.

In regard to this article that appeared in the Merry-Go-Round of March 11, may I say that it is not true, but Mr. Pearson is not responsible. It is in reference to the so-called Keefe amendment on the appropriation bill for the Federal-Labor Security Departments. He could have received this information only from a member of the Appropriations Committee, and whoever gave him the information distorted it and fixed it to suit himself.

I want to read the part of this article that refers to my part in this debate.

This is under date line March 11, 1948, of the Courier Journal, which, I believe, is published in Louisville, Ky. It says:

> Most vigorous opposition to KEEFE'S amendment, during the secret committee debate, came from Florida's Democratic JOE HENDRICKS.

I do not deny that.

> "The North licked us in the Civil War, but not through superior bravery or ability," he said. "It was by sheer force of manpower. We lost that fight, but we're not going to lose this one. Blood will run before we give in.
>
> "The Southern States will never, under any circumstances, accept a dollar of Federal money if we have to let niggers into our higher institutions," continued HENDRICKS. "We intend to maintain segregation in the South."
>
> He appealed to the Republicans to help the southern bloc vote down KEEFE'S amendment, reminding them that Florida once voted for Herbert Hoover.
>
> "Florida voted for Hoover because Al Smith was a Catholic," snapped KEEFE. "That's just another example of intolerance."

Mr. Chairman, I take exception to three of these statements. The quotation which says that I said, "blood will run before we give in" is nothing more or less than a distortion of the facts, because I have never made such a statement in discussing the civil-rights program. It is too drastic. Saying that "blood will run" is repugnant to me. I never said it, and there are Members present in this committee who will back me up.

The second thing which is repugnant to me and that I dislike very much is the word appearing in the second paragraph "niggers." I never use the word. I dislike it. The scientific name for the race is "Negro," and I used it on every occasion in that committee meeting. If there is any man in this House or on that committee that can stand up and say to this membership that I was disrespectful in any manner to the Negro race, I want him to stand up right now and say so, and they are here listening now. I never use the term "nigger." I use the term "Negro" all the time.

The third thing is this:

> He appealed to the Republicans to help the southern bloc vote down KEEFE'S amendment, reminding them that Florida once voted for Herbert Hoover.

I never mentioned that once in the debate. What I said was that the North has always said that we should have a two-party system in the South, and that I sometimes doubt the wisdom of it. But I never mentioned the 1928 election.

Then again I quote:

> "Florida voted for Hoover because Al Smith was a Catholic," snapped KEEFE. "That's just another example of intolerance."

Mr. KEEFE, as I recall, never made one answer to any statements made.

There is not a word of truth in those things, I state to you. I want to say this: I know that it is too much to ask that the Member who reported this debate to Mr. Pearson step forward and admit that he did so, because it is a violation of the rules of the House and the Committee to report anything done in executive session. However, I do not think that it is asking too much to ask that that man get in touch with Mr. Pearson and inform him that he was mistaken.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. HENDRICKS. May I have an additional minute?

The CHAIRMAN. All time has expired.

Mr. HENDRICKS. Mr. Chairman, I have many Negro friends in the State of Florida. I have been kind to them and they have reciprocated. On one occasion that I remember very clearly I came to the aid of a colored woman who had been doing my laundry while I was in school. I forgot the incident, but she later reminded me of it and told me how much she appreciated it. It has been her delight when I visited her on my return trips to Florida to prepare some choice food which she knows that I like for me. The word "nigger" is offensive both to me and the Negro. Sarah Saunders, the Negro woman to whom I just referred, reads the papers regularly. If she thought I used the term "nigger," she would be offended. I would rather offend every Member of this House than to offend Sarah and my other friends of the Negro race in Florida. The Members of this House may understand, but Sarah would be hurt. This I do not want to do. I hope that whoever reported this debate to Mr. Pearson will at least call Mr. Pearson, in secrecy if necessary, and inform him that these statements are incorrect:

I never said that "blood will run."

I never used the term "nigger."

I never appealed to the Republicans to support the southern bloc, reminding them that Florida voted for Hoover.

I did vigorously oppose the antisegregation portions of the amendment and continue to do so, and have no objections to anyone knowing what I actually said and how I voted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The amendment was rejected.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: Page 17, line 18, strike out all that follows and insert the following:

"That this act may be cited as the 'Housing and Rent Act of 1948.'

"TITLE I—AMENDMENTS TO TITLE I OF HOUSING AND RENT ACT OF 1947

"SEC. 2. Section 1 (b) (1) of the Housing and Rent Act of 1947 is amended by adding before the period at the end thereof a colon and the following: *'Provided*, That no such permit shall be required for the construction of any structure or facility to be operated by an educational institution or church or for baseball parks and football stadia, whether or not constructed or operated by private interests, which will be made available on a part-time or time-to-time basis for the use of schools, churches, youth movements, or other community or public-welfare projects.'

"SEC. 3. Section 4 of such act is amended by striking out 'March 1, 1948' wherever such date appears therein and inserting in lieu thereof 'May 1, 1949.'

"TITLE II—MAXIMUM RENTS

"SEC. 201. (a) The Congress hereby reaffirms the declaration in the Housing and Rent Act of 1947 that unnecessary or unduly prolonged controls over rents would be inconsistent with the return to a peacetime economy and would tend to prevent the attainment of the goals therein declared.

"(b) Section 201 (b) of such act is amended to read as follows:

"'(b) The Congress hereby declares that it is its purpose to terminate at the earliest practicable date all Federal restrictions on rents on housing accommodations. At the same time, the Congress recognizes that an emergency exists and that it is necessary for a limited time to continue certain restrictions upon rents charged for rental housing accommodations in defense-rental areas in order to remedy conditions growing out of World War II, and that such restrictions are necessary in the interest of national security and necessary to the successful completion of the war, as well as the achievement of a reasonable stability in the general level of rents during the transition period. The Congress further declares that such restrictions

must be administered with a view to prompt and adequate adjustments where owners of rental housing accommodations are suffering hardships because of the inadequacies of the maximum rents applicable to their housing accommodations, and under procedures designed to minimize delay in the granting of necessary adjustments which, so far as practicable, shall be made by local boards with a minimum of control by any central agency. It is the intent of Congress that this title shall be administered in such manner as to encourage and attain the termination of rent controls in any areas and with respect to any class of housing accommodations as soon as practicable in the light of conditions that exist in those areas and with respect to that class of housing accommodations.'

"(c) To the end that the policies declared in section 201 (b) of the Housing and Rent Act of 1947, as amended by this act, may be effectively carried out with the least possible impact on the economy pending complete decontrol, the provisions of this act are enacted.

"SEC. 202. Section 202 (c) of such act is amended to read as follows:

"'(c) The term "controlled housing accommodations" means housing accommodations in any defense-rental area, except that it does not include—

"'(1) those housing accommodations, in any establishment which is commonly known as a hotel in the community in which it is located, which are occupied by persons to whom are made available customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service (but not necessarily including all of such services); or

"'(2) any motor court, or any part thereof; any trailer or trailer space, or any part thereof; or any tourist home serving transient guests exclusively, or any part thereof; or

"'(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947, except that contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect; or (B) which for any successive 24-month period during the period February 1, 1945, to the date of enactment of the Housing and Rent Act of 1948, both dates inclusive, were not rented (other than to members of the immediate family of the landlord) as housing accommodations; or (C) the construction of which was completed on or after February 1, 1945, and prior to February 1, 1947, and which between the date of completion and June 30, 1947, both dates inclusive, at no time were rented (other than to members of the immediate family of the landlord) as housing accommodations; or

"'(4) nonhousekeeping, furnished housing accommodations located within a single dwelling unit not used as a rooming or boarding house and the remaining portion of which is occupied by the landlord or his immediate family.'

"SEC. 203. (a) Section 204 (a) of such act is amended by striking out 'February 29, 1948' and inserting in lieu thereof 'the close of April 30, 1949.'

"(b) Section 204 (b) of such act is amended to read as follows:

"'(b) (1) Subject to the provisions of paragraphs (2), (3), and (4) of this subsection, during the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on June 30, 1947: *Provided, however*, That the Rent Administrator shall, by regulation or order, make such adjustments in such maximum rents as may be necessary to prevent any person from suffering a loss in the operation of any controlled housing accommodations (but the foregoing provision shall not be construed to deprive the Rent Administrator of authority, where required to remove hardships or correct inequities, to make adjustments in such a manner as to allow any such person to make a profit from such operation), or to remove hardships, or to correct other inequities, or further to carry out the purposes and provisions of this title.

"'(2) In any case in which a landlord and tenant, on or before December 31, 1947, in accordance with the provisions of this subsection as then in effect, voluntarily entered into a valid written lease in good faith with respect to any housing accommodations, such housing accommodations shall not be subject to any maximum rent established or maintained under the provisions of this title unless such lease has been or is hereafter terminated or expires before April 30, 1949, in which case the maximum rent for such housing accommodations shall, through April 30, 1949, be not in excess of 15 percent over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948: *Provided*, That the landlord and a tenant (including any new tenant) may enter into a new voluntary lease subject to the conditions applicable with respect to landlords and tenants who have not heretofore entered into voluntary leases, except that no maximum rent need be in effect on the date of execution of such new lease.

"'(3) In any case in which a landlord and tenant (including landlords and tenants in the case of housing accommodations with respect to which leases were entered into under this subsection prior to the date of enactment of the Housing and Rent Act of 1948, and including any new tenant) on or before December 31, 1948, voluntarily enter into a valid written lease in good faith (at any rental agreed upon in the lease, but not in excess of 15 percent over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948) with respect to any housing accommodations for which a maximum rent is in effect under this section, and such lease takes effect on or after the effective date of the Housing and Rent Act of 1948 and expires on or after December 31, 1949, and if a true and duly executed copy of such lease is filed, together with the tenant's statement hereinafter provided for, within 15 days after the date of execution of such lease, with the Rent Administrator, such housing accommodations shall not hereafter be subject to any maximum rent established or maintained under the provisions of this title unless such lease is terminated before April 30, 1949, in which case the maximum rent (unless a subsequent lease entered into under the provisions of this paragraph is in force) shall be not in excess of 15 percent over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948. In order to insure adequate protection of the rights of tenants under the provisions of this paragraph a landlord shall, in the case of a lease entered into with a tenant in possession at the time such lease is entered into, at the time of filing a copy of such lease with the Rent Administrator, file a statement in the following form, signed by the tenant in such lease before he executes the lease:

"'Date _____.

"'I am entering into a lease on housing accommodations occupied by me at _____ _____ voluntarily and in good faith,
(Address)
and I fully understand that I am not required to enter into such lease and cannot be compelled to vacate these housing accommodations for failure to enter into such lease.

"'(Signed) _____.
(Tenant)'

"'(4) A landlord shall file a report with the Rent Administrator of any termination of a lease entered into under this subsection prior to the expiration date of the lease, including leases entered into under this subsection prior to the date of enactment of the Housing and Rent Act of 1948. Such report shall be filed within 15 days after such termination or 15 days after the effective date of such act, whichever is the later date.'

"(c) Section 204 (c) of such act is amended to read as follows:

"'(c) The Rent Administrator is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect, in any defense-rental area or portion thereof or with respect to any class of housing accommodations in any such area or portion thereof, if in his judgment the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met. The Rent Administrator shall from time to time make surveys with a view to carrying out the purpose of this subsection to decontrol housing accommodations at the earliest practicable time.'

"(d) Section 204 (e) (1) of such act is amended to read as follows:

"'(e) (1) The Rent Administrator is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who, insofar as practicable as a group are representative of the affected interests in the area, to be appointed by the Rent Administrator, from recommendations made by the respective governors: *Provided*, That in any case where the governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within 30 days after request therefor (subsequent to the date of enactment of the Housing and Rent Act of 1948) from the Rent Administrator, the Rent Administrator shall without such recommendations appoint the original members of such boards or such members as may be required to fill vacancies. Nothing in the foregoing provision shall require the reappointment of present members of local advisory boards, but any change in the membership of any local advisory board necessitated by this provision shall be effectuated as promptly as may be practicable. Each such board shall have sufficient members to enable it promptly to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this title within its area; and in any such case the board shall hold a hearing at the request of either party. The local boards may make such recommendations to the Rent Administrator as they deem advisable with respect to the following matters:

"'(A) Decontrol of the defense-rental area or any portion thereof over which the local board has jurisdiction, and decontrol of any class of housing accommodations within such defense-rental area or portion thereof;

"'(B) The adequacy of the general rent level in the area; and

"'(C) Operations generally of the local rent office, with particular reference to hardship cases.'

"(e) The second sentence of section 204 (e) (3) of such act is amended to read as follows: 'Any recommendation of a local board appropriately substantiated, in the opinion of the Rent Administrator, and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.'

"(f) Section 204 (e) (4) of such act is amended to read as follows:

"'(4) Immediately upon the enactment of the Housing and Rent Act of 1948 the Rent Administrator shall communicate with the governors of the several States advising them of the provisions of this subsection as amended and of the number and location of defense-rental areas in their respective States and the areas or portions thereof in which boards are to be appointed therein, and requesting the cooperation of the governors of the several States in carrying out such provisions.'

"(g) Section 204 (f) of such act is amended to read as follows:

"'(f) The provisions of this title shall cease to be in effect at the close of April 30, 1949.'

"SEC. 204. Section 206 of such act is amended to read as follows:

"'SEC. 206. (a) It shall be unlawful for any person to offer, solicit, demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204 or otherwise to do or omit to do any act in violation of any provision of this title.

"'(b) Whenever in the judgment of the Rent Administrator any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of any provision of this title, he may make application to any Federal, State, or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such provision, and upon a showing by the Rent Administrator that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.'

"SEC. 205. (a) Section 209 (a) (2) of such act is amended to read as follows:

"'(2) The landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations, or for the immediate and personal use and occupancy as housing accommodations by his father, mother, grandfather, grandmother, son, or daughter, or, in the case of a landlord which is an organization exempt from taxation under section 101 (6) of the Internal Revenue Code, for the immediate and personal use and occupancy as housing accommodations of members of its staff: *Provided*, That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no action or proceeding under this paragraph to recover possession of any such housing accommodations shall be maintained unless stock in the cooperative corporation or association has been purchased by persons who are then tenants of at least 65 percent of the dwelling units in the structure or premises and are entitled by reason of stock ownership to proprietary leases of dwelling units in the structure or premises.'

"(b) Section 209 (a) (4) of such act is amended to read as follows:

"'(4) The landlord seeks in good faith to recover possession of such housing accommodations (A) for the immediate purpose of substantially altering or remodeling the same for continued use as housing accommodations, or for the immediate purpose of conversion into additional housing accommodations, and the altering, remodeling, or conversion cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any conversion planned, or (B) for the immediate purpos of demolishing such housing accommodations.'

"(c) Section 209 (a) (5) of such act is hereby repealed.

"(d) Section 209 (a) of such act is amended by adding after paragraph (4) thereof a new paragraph (5) to read as follows:

"'(5) The landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of withdrawing such housing accommodations from the rental market, and such housing accommodations shall not thereafter be offered for rent as such.'

"(e) Section 209 of such act is amended by adding at the end thereof the following new subsection:

"'(c) No tenant shall be obliged to surrender possession of any housing accommodations pursuant to the provisions of paragraph (2), (3), (4), or (5) of subsection (a) until the expiration of at least sixty days after written notice from the landlord that he desires to recover possession of such housing accommodations for one of the purposes specified in such paragraph.'"

"TITLE III—MISCELLANEOUS

"SEC. 301. Section 2 (a) of the Administrative Procedure Act, as amended, is amended by inserting after 'Housing and Rent Act of 1947' the following: 'as amended.'

"SEC. 302. Nothing in this act or in the Housing and Rent Act of 1947 shall be construed to require any person to offer any housing accommodations for rent.

"SEC. 303. Nothing in this act shall be construed to impose or authorize the imposition of maximum rents upon any housing accommodations in any defense rental area or portion thereof, or upon housing accommodations of a class, in the case of which maximum rents have been removed by administrative action in accordance with the provisions of the Housing and Rent Act of 1947; and nothing in this act shall be construed to affect any adjustment in maximum rent made in accordance with the Housing and Rent Act of 1947.

"SEC. 304. Section 2 of Public Law 301, Eightieth Congress, approved July 31, 1947 (relating to eviction of tenants from publicly operated housing accommodations), as amended, is hereby amended by striking out 'April 1, 1948' and inserting in lieu thereof 'April 1, 1949.'

"SEC. 305. The title 'Housing Expediter' and the name 'Office of Housing Expediter' referred to in the Veterans' Emergency Housing Act of 1946, as amended, and in the Housing and Rent Act of 1947, as amended, are hereby changed, respectively, to 'Rent Administrator' and 'Office of Rent Control': *Provided, however*, That the powers, duties, and functions of said official and of said agency under the above or any other laws or Executive Orders shall in no way be enlarged, diminished, or otherwise affected by virtue of such change of names: *And provided further*, That any regulation, order, contract, or other action made, prescribed, issued, granted, or performed by or in respect of said official or agency shall (except to the extent expressly rescinded, modified, superseded, or made inapplicable by or under authority of law) have the same force and effect as if such change of names had not been made: *And provided further*, That no suit, action, or other proceeding commenced by or against said official in his official capacity or said agency shall abate by reason of such change of names; that judicial notice of such change of names shall be taken in all such suits, actions, or proceedings; and that said official and agency shall not be required to give notice to any party to such suit, action, or proceeding, or to any other person of said change of names.

"SEC. 306. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 307. This act shall become effective on the first day of the first calendar month following the month in which it is enacted."

Mr. FULTON (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with. It is simply the insertion of the Senate bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RANKIN. Mr. Chairman, reserving the right to object, if it is a serious amendment, why we would like to know what it is.

Mr. FULTON. It is Senate bill 2182 that we all have a copy of. It is the stricken-out part in the bill we are now considering. It is simply the difference between the version of the bill submitted by the Committee on Banking and Currency and the Senate version, S. 2182.

Mr. Chairman, this amendment is offered to bring up the issue between the House version, the bill offered by the House Committee on Banking and Currency, and the Senate version, S. 2182, that has been passed and that is known as the Ives-Baldwin bill. My amendment substitutes the Senate bill. The only thing I have added to the Senate bill is section 304, preventing evictions which the Committee on Banking and Currency has placed in the House bill.

I want to compliment the Committee on Banking and Currency on their work, and the gentleman from Michigan [Mr. WOLCOTT] for his work, on this legislation. If you will refer to section 304 of the bill prepared by the committee, you will find it reads as follows:

SEC. 304. Section 2 of Public Law 301, Eightieth Congress, approved July 31, 1947 (relating to eviction of tenants from publicly operated housing accommodations), as amended, is hereby amended by striking out "April 1, 1948" and inserting in lieu thereof "April 1, 1949."

That section extends the permission of the local housing authorities to keep people in the housing projects where their incomes have gone above the approximately $2,100 limit. It gives the local housing authorities that discretion when there is no other housing available and eviction would cause undue hardship.

To explain to you the major difference between the House and the Senate versions, may I say that I am not taking the Democratic position; I am taking the other Republican position taken by the Senate, and it is the position that has so far carried in this legislation to date.

If you will refer to page 11 of the bill S. 2182, that you have before you, with the House amendment attached to it, you

will see that in line 22 there is the phrase "in the opinion of the Rent Administrator." The provision reads:

Any recommendation of a local board appropriately substantiated, in the opinion of the Rent Administrator, and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

On page 25, in the House bill, you will find the same language, but it simply leaves out the phrase, "in the opinion of the Rent Administrator." This means that the local boards that are appointed in the States are the sole judges. There is no right of appeal from those boards. There is no over-all rent policy for the country. There is no person who is in charge, who looks to see whether the particular action of the local board conforms to the regulations and the laws under which our rent control is operated. I feel that we should have a policy, that is, the various boards should be living within the law and some check should be made on them which requires the phrase, "in the opinion of the Rent Administrator."

I would hesitate to say whether or not the House version is constitutional because there is no right of appeal from the local boards to anyone. As was pointed out here on the floor yesterday, when we had similar local boards under the draft system, at least they had somebody above that made their decisions conform, and that made them obey the regulations. This provision will insure a unified system that is fair to all.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. Did the gentleman include in his amendment the reenactment of title I of Senate 2182, which is the restriction on the construction of amusement facilities?

Mr. FULTON. The whole thing goes in; yes.

Mr. COLE of Kansas. Has the gentleman given consideration to the elimination of title I?

Mr. FULTON. We had the bill that was offered previously as an amendment, that goes for complete controls and complete allocations. We have a bill of the Banking and Currency Committee that you could call a States' rights bill, that would leave it all up to the local government completely. I am looking at the major problem, the control, and trying to put in a compromise between the two, which is the Republican position taken in the Senate.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. JAVITS. Will the gentleman agree that the Senate bill is a compromise, and that if accepted as a compromise it would probably be satisfactory to most of the House, as far as the gentleman knows?

Mr. FULTON. I believe it would.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

Mr. BOGGS of Louisiana. I object.

Mr. WOLCOTT. Mr. Chairman, I move that debate on this amendment and all amendments thereto close in 5 minutes

The CHAIRMAN. The question is on the motion of the gentleman from Michigan [Mr. WOLCOTT].

The motion was agreed to.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. WOLCOTT. I yield.

Mr. BUCHANAN. How is the 5 minutes to be divided?

Mr. WOLCOTT. I will take not to exceed 2 minutes and there will be 3 minutes remaining to be allotted to such Members as the Chairman may recognize.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. WOLCOTT. I yield.

Mr. EBERHARTER. Mr. Chairman, was not the gentleman from Michigan recognized as having the floor before he made his motion on the additional 5 minutes' debate which was just voted on, and would not that time begin to run after the gentleman from Michigan has finished?

The CHAIRMAN. Since the motion was agreed to by the committee, the gentleman from Michigan [Mr. WOLCOTT] has been recognized for 5 minutes which is all of the time remaining for debate on this amendment.

Mr. WOLCOTT. Mr. Chairman, the proper way to proceed, of course, is to try to perfect the committee amendment and if the committee amendment is unsatisfactory to the committee after it has been perfected, then a vote against the adoption of the committee amendment would accomplish the purpose sought by the gentleman from Pennsylvania. So a vote against the committee amendment will ipso facto put into effect the language of the Senate bill. For that reason and in the interest of good legislation and effective parliamentary procedure, the amendment should be voted down. We will try to perfect the bill. Then if the majority of the members of the committee are opposed to it, of course they can exercise their prerogatives and vote against it before the Committee rises.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. FULTON. Do you recall that I had taken section 304 of your committee amendment and inserted it in the Senate bill, making a new section? Therefore there is something more in this amendment.

Mr. WOLCOTT. Then what I said applies to everything with the exception of section 304.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, I merely want to state that while I agree that the Senate bill 2182 is a better bill than the final House draft as reported out by our own Committee and although we have spent some 3 days in executive session clarifying the language of the bill, nevertheless I believe, as the Chairman has properly stated his position, that it would be better to consider it section by section. Although I dislike to oppose my colleague from Pennsylvania on the amendment that he has offered, I believe it would be in order to follow the suggestion of the Chairman at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The amendment was rejected.

The Clerk read as follows:

TITLE I—AMENDMENTS TO TITLE I OF HOUSING AND RENT ACT OF 1947

SEC. 2. Section 1 (b) of the Housing and Rent Act of 1947, as amended, is hereby repealed.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 17, lines 20 and 21, after section 2, strike out the sentence and insert:

"Section 1 (b) 1 of the Housing and Rent Act of 1947 is hereby amended by adding before the period at the end thereof a colon and the following:

" '*Provided*, That such permit may also be required as a condition of constructing any building or facilities for commercial purposes, whenever the Housing Expediter determines that in any geographic area there is a shortage, or there is likely to be a shortage of building material or labor for use in such commercial construction, which will materially interfere with the construction of necessary residential housing which would then otherwise be constructed in such area.' "

Mr. JAVITS. Mr. Chairman, the purpose of my amendment is to strike out of the bill what is now in it, which eliminates the necessity for the Housing Expediter to license amusement and recreational construction; and to restore a part of the provision which appeared in the law prior to the one in 1947, to the extent of requiring permits for commercial construction if certain stated conditions are met.

The Banking and Currency Committee itself has noted in its report on page 2 that because of the provision requiring permits for recreational and amusement construction, some $76,000,000 of applications were denied, and only some $23,000,000 of applications were granted for the period from July 1, 1947, to January 23, 1948. We therefore have a right to suppose that a material part of the $76,000,000 in denied applications resulted in more materials and more labor being available for more housing construction.

It is generally admitted on the floor that what we are interested in is building more homes. The chairman of the Committee on Banking and Currency stated that there had been a great many more homes built in 1947 than in 1946. Those of us who live in big-city districts as well as many in little-city districts know that though true, it was just about half what was needed. About 850,000 homes were built in 1947, but it still left us with an actual shortage that year estimated at several million homes; certainly short of what should have been

produced from an emergency building of homes in 1947. Not less than a million and a half homes is what we should have had; so that although many homes were built, not nearly enough were built compared to what was needed.

I realize there is opposition in the House to any kind of comprehensive housing bill like the Taft-Wagner-Ellender housing bill, but nevertheless we ought to do everything we can do within the confines of the type of legislation we have already passed, to stimulate the channeling of building materials and labor to housing construction, as distinguished from amusement and recreational construction and commercial construction.

Commercial construction amounts to a great deal more than amusement and recreational construction. I have the figures here before me. In 1947 we built $883,000,000 worth of commercial construction; and for the first 2 months of 1948, $176,000,000 of commercial construction. That is stores, warehouses, lofts, commercial fronts. We have all seen how many stores are getting new commercial fronts nowadays. You can be sure that they could live very well without them and still do their business. It involves office buildings, garages, and similar construction. Here is an enormous amount of money which is being spent in construction, some part of which—perhaps not all of it—I have no interest in stopping the business of the Nation—that would be foolish—but some part of it could be saved in construction materials and labor which could be used for housing.

You will note that my amendment is very specific. First, it confines the determination of the Housing Expediter to a specific geographical area. Second, that the permit which is sought in order to warrant denial has to materially interfere with the construction of necessary residential housing which would then otherwise be constructed in such area. In other words, if the Expediter finds that the labor and material are directly useful for increased residential housing construction in the particular area, then and then only has he the right to deny a permit for commercial construction. I think if we really mean what we say, that we intend with the means at our disposal in the bill before us and in every other way we can to see that residential housing construction is expanded, this is one way in which we can help to the tune of a billion dollars a year to help that residential housing construction program.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. MULTER. I am in accord with your amendment, but unless the gentleman on your side will appropriate the money with which to enforce that kind of provision there is no point in putting it into the bill. The Expediter has not got the funds or the manpower with which to enforce that kind of provision. Unless we give him additional appropriations it would be meaningless to put that in the bill.

Mr. JAVITS. I believe that if the House manifests its will the agency will get the necessary appropriation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COLE of Kansas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the University of Kansas, last year, had one of the finest football teams in the country. It went down to Florida to compete with the team from Georgia Tech at the Orange Bowl game. I sat at home during that game and listened to the broadcast. The broadcaster remarked about what a marvelous crowd there was in that great stadium. He said, "Only yesterday this large stadium was completed by the addition of a tremendous upper section, so that additional thousands of people could see this one game." And I thought to myself, yes; I wonder how much steel and how much concrete, how much lumber was necessary to complete that particular stadium to be used for 1 day.

Out in Kansas we have a town by the name of Marysville of about 4,000 population. In that town a veteran wanted to complete a roller-skating rink so that the children of that community might have an opportunity for recreation, but his application for the construction of that particular building was turned down. Then in my district I have two little towns in the same community, each of about the same size and about 15 miles apart. There is a small movie in each, but the owners of each of these movies wanted to enlarge their theaters. Both sent applications to Washington to enlarge their theaters. One of the applications was approved, the other was denied.

During the war and shortly thereafter I had the pleasure, of course, of attending movies here in Washington. In order to get into a downtown movie I had to stand in a long line, a huge mob of people waiting to get inside to see the picture. I have been to the movies once or twice in the last 2 or 3 months. Now I can walk in at my pleasure, and yet there is a building on Fifteenth Street that is being remodeled for another movie.

In other words, this program which has been set up by Congress in the past in an effort to channel construction materials for the use of veterans in building homes has not worked out. It has worked unsatisfactorily; it has worked unfairly.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from California.

Mr. POULSON. Speaking about unnecessary construction and use, I would remind the gentleman that the Democratic National Committee has taken over the top two floors in a new building. They are adding to the shortage right along.

Mr. COLE of Kansas. In addition, I call attention to the report of this committee on this bill. According to the construction records of the Bureau of Labor statistics, total new construction and grants of priority from July 1947 to January 1948 amounted to $8,370,000,000, and of this total, residential construction amounted to $3,590,000,000. The Housing Expediter's figures once set the total construction for recreational purposes at 6 percent of the total. It will be seen, however, that by taking the Housing Expediter's figures for applications for recreational and amusement construction that the total amounts to only $100,000,000-plus, or slightly over 1 percent of the total amount.

Mr. Chairman, my point is that when we finally arrive at a situation which attempts to channel certain critical material into the construction of veterans houses, of course, it is a fine idea, but, frankly, it does not work. It does not accomplish anything.

Mr. Wood, Housing Expediter, stated on page 68 of the hearings:

> It is one of the saddest headaches of the entire program, in my opinion, much worse than rent control.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a fact that the hundred million dollars the gentleman referred to is recreational construction and that there is no question about my figure of $833,000,000 in 1947 for commercial construction?

Mr. COLE of Kansas. I think that is true.

Mr. JAVITS. I checked the figures. We are dealing with a billion dollars, not $100,000,000, a very appreciable sum and a very appreciable amount of labor and material.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

The Clerk read as follows:

SEC. 3. Section 4 of such act, as amended, is amended by striking out "April 1, 1948" wherever such date appears therein and inserting in lieu thereof "April 1, 1949."

TITLE II—MAXIMUM RENTS

SEC. 201. Section 202 (c) of such act, as amended, is amended by striking out paragraphs (2) and (3) thereof and inserting in lieu of such paragraphs the following:

"(2) any motor court, or any part thereof; any trailer or trailer space, or any part thereof; or any tourist home serving transient guests exclusively, or any part thereof; or

"(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947, except that contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22,

1946, shall remain in full force and effect; or (B) which for any successive 24-month period during the period February 1, 1945, to date of enactment of the Housing and Rent Act of 1948, both dates inclusive, were not rented (other than to members of the immediate family of the landlord) as housing accommodations; or (C) the construction of which was completed on or after February 1, 1945, and prior to February 1, 1947, and which between the date of completion and June 30, 1947, both dates inclusive, at no time were rented (other than to members of the immediate family of the landlord) as housing accommodations; or

"(4) any housing accommodations leased temporarily by a State or any political subdivision thereof during the period between the acquisition of the same for the purpose of public improvement and the construction of such improvement thereon."

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 18, after words "the following:" on line 4, insert the following: "(1) Those housing accommodations in any establishment which is commonly known as a hotel or rooming house in the community in which it is located, which are occupied by persons who are provided customary hotel or rooming house services, such as maid service, furnishing and laundering of linens, telephone and secretarial or desk service, use and upkeep of furnishings and fixtures, and bellboy service, other than such housing accommodations in such hotels or rooming houses whether with or without such services or any part thereof by persons who occupy the same on a permanent basis and provided further that such persons were in occupancy of such housing accommodations for a period of more than 6 months prior to June 30, 1947, and are still in possession thereof on March 1, 1948."

Mr. MULTER. Mr. Chairman, the sole purpose of this amendment is to bring within rent controls apartment hotels and rooming houses so far as permanent residents are concerned. It is my feeling that those persons in permanent residence in places of that kind need the protection of this law as much as those who happen to be fortunate enough to have a dwelling unit of more than one or two rooms.

No doubt it will be said here again, as it has been previously said in opposition to the extension of rent controls, that rent controls are stopping building throughout the country. In answer to that argument I want to quote to you from a statement issued on February 26, 1948, by the National Association of Home Builders:

In recent months, FHA offices, particularly in the major urban centers which constitute the rental market, have received nearly as many applications for rental as for sales housing.

In other words, even though we continue rent control it is not stopping or interfering with those who do want to build new houses, whether for rental or for sale as homes.

I want to quote also from a publication issued on March 15, 1948, by the National Association of Real Estate Boards:

New houses were generally stable in price and in volume of transactions.

A strong market for vacant lots and acreage promised a continued healthy level of home production.

In other words, rent control and the extension of rent control will in no way interfere with the construction of new buildings which will help alleviate the shortage and soon make it unnecessary for rent control.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. Does the gentleman want those to be put under a ceiling?

Mr. MULTER. Yes.

Mr. KENNEDY. It may be interesting to the Members to know that in the apartment house over here a one-room apartment will cost $150 a month and a two-room apartment $400 a month.

Mr. MULTER. It might also be interesting to know that quotations on apartments given to me at the present time, old ones, the best I was offered was $300 a month, and that was a one-room apartment.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, as I understand the amendment offered by the gentleman from New York, he would put back under control what we have referred to as those accommodations in hotels occupied by permanent guests.

Mr. MULTER. Only to the extent that they are still being occupied by those permanent guests .

Mr. WOLCOTT. Yes. Last year we gave a great deal of thought and consideration to this subject. The committee, and later on the Congress, decided that because of the increase in the cost of the services which were furnished the occupants of these accommodations, they should be decontrolled. We decontrolled transient rooms and we decontrolled finally those rooms in hotels occupied by these so-called permanent guests where they were receiving hotel services, such as maid service, linen service, maintenance of furniture, bellboy service, telephone service, and secretarial service, for the reason that the increase in the cost of these services justified it. It was taken into consideration that in these cases the landlords or owners were selling not only accommodations, not only shelter, but services as well. Of course, controls had been taken off similar or comparable services in all other lines. We took into consideration in this respect an amendment which had been offered to the bill in the Senate, which we were not in agreement with, because it broadened this issue, and we could not broaden it to the point where it would have nullified our intent and would decontrol, perhaps, a great many accommodations which we did not intend to decontrol in this field. The language which the committee wrote into the bill seemed to be the most desirable compromise between the two extremes of no control at all and some control over these properties. The committee has given a great deal of thought and attention to it, and we found it impossible to suggest any better language than that which is contained in the present law, and we have left it substantially as it is.

I hope that the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The amendment was rejected.

Mr. FLETCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 18, line 1, insert (a) after section 201, and on page 19 after line 9, insert the following:

"(b) Section 203 of such act, as amended, is amended by adding at the end thereof the following new subsection:

"'Any State, by resolution duly passed, may, at any time, declare that no Federal control and regulation of maximum rents of housing accommodations within its boundaries is necessary, and 30 days thereafter the provisions of this title shall not apply within such State.'"

Mr. FLETCHER. Mr. Chairman, housing has always been a local and a State problem. I congratulate the chairman of the House Committee on Banking and Currency. I feel that the section which he offers in connection with local advisory boards is a very fine one. If the intent of that section is carried out, it will give the privilege of local option and may do the job of decontrolling some defense areas and working out inequities between tenant and landlord which may exist. I have a fear, however, that it might be declared unconstitutional. I also feel that there is a possibility that by regulation or by a stacking of the local advisory boards this section might not be effective. I hope that that fear will not be borne out. I say again, I am very much in favor of this local advisory board section. However, I am offering my amendment to supplement and complement the local advisory board section. Let me read it again:

Any State, by resolution duly passed, may, at any time, declare that no Federal control and regulation of maximum rents of housing accommodations within its boundaries is necessary, and 30 days thereafter the provisions of this title shall not apply within such State.

This strictly involves the theory of local option to make it more responsive to the people.

The Housing Act of 1947 was a good act, but I claim that the intent of Congress was thwarted by the maladministration of that act. I am afraid the same thing will happen with this bill if adopted as is.

There just is no use continuing Federal rent control on the Federal level unless we have some method which automatically will provide that rent control will be decontrolled in those localities and those States where they indicate by an act of their legislature that they so desire. I am not advocating State rent control. As a matter of fact, I hope the States do not take over rent control, but I do recognize that they have a perfect right to have it if they so desire. You

can see that, as night follows the day, those States which said that Federal rent control was no longer necessary would become decontrolled at the Federal level and they could if they so desired put on a state rent-control law. The States are better able to afford the expense of rent control administration than the Federal Government at the present time, with our high Federal debt. Twelve States already have a State rent-control law on their books, which would go into effect if Federal rent control ended. My amendment only makes it possible for those States that do not want rent control to by resolution end rent control in their States.

Why should we continue to let rent control be a political football? Why should not the legislatures of the various States be responsive to the will of the people in those States, so that the people by act of their legislatures may be permitted to end Federal rent control? Not one single soul has come before the Banking and Currency Committee with a good reason why we should continue Federal rent control on the Federal level.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from California.

Mr. JACKSON of California. Does the gentleman think it is possible to lay down a rule of thumb on rent control that will cover the Everglades of Florida and the middle of Los Angeles?

Mr. FLETCHER. No; I think we have had positive proof by the administration of the Federal rent-control law of 1947 that it cannot be properly done.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from New York.

Mr. MULTER. Do I correctly understand that the gentleman is going to vote against this bill?

Mr. FLETCHER. I am definitely going to vote against this bill if the bill stays as it is at the present time. I would seriously consider voting for the bill if this amendment is accepted by the House. A great many Members of the House have expressed that same opinion to me.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. The gentleman's amendment would not permit a State legislature to get out from under the Federal act in order to go under its own act?

Mr. FLETCHER. My amendment would allow a State by resolution to end rent control on the Federal level. What they do within their State, whether they continue rent control or have no rent control, would then be a matter of determination with that State.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from Minnesota.

Mr. MACKINNON. May I observe on that point that if a State first decides it is not necessary, that they obviously cannot thereafter put it into effect on a State or local level.

Mr. FLETCHER. That does not necessarily follow, as they might decide that it is not necessary to have rent control on the Federal level, but at the same time they might want to put it on the State level and that would be within their own discretion.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 10 minutes.

Mr. BUFFETT. Mr. Chairman, reserving the right to object, I do so to inquire whether I can have 5 minutes to speak in favor of the amendment.

Mr. WOLCOTT. That is all right with me, Mr. Chairman. I would only like about 3 minutes, and therefore I ask unanimous consent that debate on this amendment and all amendments thereto close in 10 minutes, the last 3 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BUFFETT. Mr. Chairman, I favor the Fletcher amendment because it is probably the one proposal which gives some hope that the Federal rent-control problem might be solved.

I wonder if this House knows the tragedy resulting to nations from earlier rent-control experience. In Austria during World War I rent control began in 1917. In 1922 they still had emergency rent control and issued bonds for rental housing.

I have one of them in my hand. It is a 10,000-crown bond. When that bond was issued they printed it in English. I suppose that they expected to sell some of these bonds in America. Let me read from the face of the bond itself:

> This loan is solely designed for building purposes in order to alleviate the scarcity of lodgings in the territory and the city of Vienna caused by conditions due to the war.

This bond was issued in 1922. Today it is worthless. The Austrian crown currency in which it was payable is also worthless. The great housing project that it financed stands as a stark reminder of rent control in Austria.

Rent control was continued from year to year in Austria always as an emergency that would soon be cleared up. The Socialists in Austria made it the major plank in elections. It finally resulted in civil war in 1934., That was the pay-off for rent control in Austria; civil war in 1934.

A few years later the Hitler putsch followed and the end of all liberty in that land. This bond had gone out the window years earlier.

You can say that calamity cannot happen here. But the economic laws that govern this land are the same economic laws that operated in Austria in 1922. If Jan Masaryk had jumped out of a window in this country, the result would have been the same as when he jumped out a window in Czechoslovakia. Perhaps that incident oversimplifies the issue, but the illustration is plain. The same economic laws are in operation everywhere. They operate here the same as they operated in Vienna.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. RANKIN. If this bill were defeated, then if the States wanted to put on a program of this kind, they could do so, could they not?

Mr. BUFFETT. That is exactly what this amendment provides. If the States want rent control, they can have it. If they want to get rid of Federal rent control and have State rent control they can have it. If they want no rent control, they can simply pass an appropriate resolution and Federal rent control ends 30 days later.

Mr. RANKIN. If the States are going to have rent control, then let it be a State matter entirely, and let us not have the Federal Government meddling with it.

Mr. BUFFETT. Exactly. When the Housing Expediter was before our committee, I asked: "This is pretty much of a local problem, is it not?" He answered, "It is becoming more of a local problem every day." This amendment recognizes that situation, and will give the States the power to keep rent control or to eliminate rent control, according to their local necessities.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. FLETCHER. Do you see any reason why this could not supplement and complement the local advisory section? It is strictly on the State level, and not on the local advisory level.

Mr. BUFFETT. It would strengthen that provision immeasurably, because it puts the problem before each State in a constructive fashion.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. MACKINNON. I think the gentleman has misstated the amendment. I think the effect of the amendment would be this: that if you are going to have rent control at all, you must have Federal rent control. If you do not want rent control you can get away from Federal rent control, but it does not leave the alternative for State rent control. I believe that is an accurate statement of the effect of the proposed amendment.

Mr. BUFFETT. I am not a constitutional lawyer, so I will not debate that technical point. But I am confident that the amendment will transfer control over this matter to the State if the State accepts it.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. KUNKEL. Mr. Chairman, this rent control law is based on the fact that there is existing a national emergency. It is so stated in the bill. A recent Supreme Court decision has taken that same position. Now here you are turning back to the States and saying whether there is a national emergency or whether there is not, the State legislature has the power to create a condition which the Federal Government has legislated to prevent. In my judgment that would be completely unconstitutional. Since it raises the question of constitutionality, it will probably be tested in the courts,

and cause a great deal of indecision until the matter comes to a final conclusion. I do not see how you can rest this Federal rent regulation on a national emergency, which is a question which must be determined by the Congress of the United States, and then allow a State to adopt a course which is in direct contravention to the theory on which the law is based.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. FLETCHER. If the local advisory boards in this bill are set up with the right to make recommendations and the Housing Expediter on the basis of that recommendation makes a finding, surely the same theory would follow if the State makes a recommendation and the Federal Government acts on that recommendation.

Mr. KUNKEL. No, not at all, because the local advisory boards are appointed by the Housing Expediter on the recommendation of the Governor of the State, but they are set up in order to determine a question of fact; that is, whether there is a housing shortage in an area, or whether the rents should be raised or not. They are under the general control of the Housing Expediter and the Federal Government. These local boards are to determine questions of fact in their own specific areas. They are not passing a State-wide law, expressing the will of the people of a State.

Mr. WOLCOTT. Mr. Chairman, of course, this question of State rent control has given us no little concern. We all realize there is a great deal of sentiment for it, but the suggestion comes from those who want to get rid of rent control. I want to get rid of rent control as soon as we can safely do so. We all want to get rid of rent controls but let me predict if you turn this subject back to the States you will probably never get rid of rent control. The reason for that is, and I think all of you who have had anything to do with State legislatures, local governments, know that a Member of Congress perhaps builds up a little stronger immunity against pressure than officials of localities, including members of State legislatures. We are not so susceptible, perhaps, to pressure as they are in the local legislative bodies. So long as we keep this on a Federal level, we can get rid of it eventually. If you turn it back to the States, you will have it with you perhaps forever. If we give encouragement to the States to take over control of rents, it is just a step from there to the control of prices.

If it is constitutional for a State to control rents it is constitutional for the State to control the prices of commodities; and I do not think as Members of Congress we want to encourage the setting up of 48 little economies throughout the United States which we shall have the responsibility of harmonizing.

Fundamentally, we should be just as opposed to controls being returned to the States, encouraging the 48 States to set up their own individual economies within their own sovereignties as we are to continue these controls on a Federal level indefinitely. I think we can be sure that so long as this matter rests with us here, at least those of us in this Congress who have had to live with the subject for years, we can gradually get rid of these controls; but we know that if we turn these controls back to the States we are going to have more and more controls, because the same pressures on the States for rent control will be used to impose price control; and then you and I cannot do the job of economic stabilization that is imposed upon us.

The CHAIRMAN. The time of the gentleman from Michigan has expired, all time on this amendment has expired.

The question is on the amendment offered by the gentleman from California [Mr. FLETCHER].

The question was taken; and on a division (demanded by Mr. FLETCHER) there were—ayes 29, noes 83.

So the amendment was rejected.

The Clerk read as follows:

SEC. 202. (a) Section 204 (a) of such act, as amended, is amended by striking out "March 31, 1948" and inserting in lieu thereof "March 31, 1949."

(b) Section 204 (b) of such act, as amended, is amended to read as follows:

"(b) (1) Subject to the provisions of paragraphs (2) and (3) of this subsection, during the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on June 30, 1947: *Provided, however,* That the Housing Expediter shall, by regulation or order, make such individual and general adjustments in such maximum rents in any defense-rental area or any portion thereof, or with respect to any housing accommodation or any class of housing accommodations within any such area or any portion thereof, as may be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title.

"(2) In any case in which a landlord and tenant, on or before December 31, 1947, in accordance with the provisions of this subsection as then in effect, voluntarily entered into a valid written lease in good faith with respect to any housing accommodations, such housing accommodations shall not be subject to any maximum rent established or maintained under the provisions of this title unless such lease is hereafter terminated or expires before March 31, 1949, in which case the maximum rent for such housing accommodations shall, through March 31, 1949, be not in excess of 15 percent over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948: *Provided,* That the landlord and a tenant (including any new tenant) may enter into a new voluntary lease subject to the conditions, specified in paragraph (3) of this subsection, applicable with respect to landlords and tenants who have not heretofore entered into voluntary leases.

"(3) In any case in which a landlord and tenant voluntarily enter into a valid written lease in good faith (at any rental agreed upon in the lease, but not in excess of 15 percent over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948) with respect to any housing accommodations for which a maximum rent is in effect under this section, and such lease takes effect on or after the effective date of the Housing and Rent Act of 1948 and expires on or after December 31, 1949, and if a true and duly executed copy of such lease is filed, within 15 days after the date of execution of such lease, with the Housing Expediter, such housing accommodations shall not thereafter be subject to any maximum rent established or maintained under the provisions of this title unless such lease is terminated before March 31, 1949. If any such lease is so terminated the maximum rent (unless a subsequent lease entered into under the provisions of this paragraph is in force) shall be not in excess of 15 percent over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948."

(c) Section 204 (c) of such act, as amended, is amended to read as follows:

"(c) The Housing Expediter is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect, in any defense-rental area or portion thereof or with respect to any class of housing accommodations in any such area or portion thereof, if in his judgment the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met. The Housing Expediter shall from time to time make surveys with a view to carrying out the purpose of this subsection to decontrol housing accommodations at the earliest practicable time."

(d) Section 204 (e) of such act, as amended, is amended to read as follows:

"(e) (1) The Housing Expediter is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area, to be appointed by the Housing Expediter, from recommendations made by the respective governors: *Provided,* That in any case where the Governor has made no recommendations for original appointments to local Boards or appointments to fill vacancies, within 30 days after request therefor (subsequent to the date of enactment of the Housing and Rent Act of 1948) from the Housing Expediter, the Housing Expediter shall without such recommendations appoint the original members of such boards or such members as may be required to fill vacancies. Nothing in the foregoing provision shall require the reappointment of present members of local advisory boards, but any change in the membership of any local advisory board necessitated by this provision shall be effectuated as promptly as may be practicable. Each such board shall have sufficient members to enable it promptly to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this title within its area; and before recommending any such adjustment the board shall give notice to the parties and shall hold a hearing at the request of either party. Any local board may make such recommendations to the Housing Expediter as it deems advisable with respect to the following matters:

"(A) Removal of any or all maximum rents in the area, or any portion thereof, over which the local board has jurisdiction, or with respect to any class of housing accommodations within such area or any portion thereof, if in the judgment of the local board the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met; and

"(B) Adjustments, other than individual adjustments, in maximum rents in such

area or any portion thereof or with respect to any class of housing accommodations within such area or any portion thereof deemed by the local board to be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title; and

"(C) Operations generally of the local rent office with particular reference to hardship cases.

"(2) The Housing Expediter shall furnish the local boards suitable office space and stenographic assistance and shall make available to such boards any records and other information in the possession of the Housing Expediter with respect to the establishment and maintenance of maximum rents and housing accommodations in the respective defense-rental areas which may be requested by such boards.

"(3) Upon receipt of any recommendation from a local board, the Housing Expediter shall promptly notify the local board, in writing, of the date of his receipt of such recommendation. Except as provided hereinafter in this subsection, within 30 days after receipt of any recommendation of a local board such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in 30 days. Any recommendation of a local board appropriately substantiated and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

"(4) For the purposes of paragraph (3) any recommendation of a local board as to a matter referred to in paragraph (1) (A) or (B) shall be deemed to be appropriately substantiated and in accordance with applicable law and regulations, and shall be carried into effect as hereinafter provided—

"(A) if the local board held a public hearing on such matter, at which interested persons (including representatives of the State and of political subdivisions thereof) were given a reasonable opportunity to be heard, by interpleader or otherwise, with right to be represented by counsel;

"(B) if notice of the date, time, place, and purpose of such hearing was given (i) in writing to the Governor of the State not less than 15 days prior to such date, and (ii) by publication in a newspaper of general circulation in the area over which the local board has jurisdiction at least 15 days prior to such date, and a second notice was given by publication in such a newspaper at least 5 days prior to such date; and

"(C) if a copy of the local board's recommendation was filed with the Governor of the State within 5 days after such recommendation was mailed to the Housing Expediter.

If such recommendation is with respect to a matter referred to in paragraph (1) (A), such recommendation shall be carried out by the Housing Expediter so that the decontrol is effected on the date recommended by the local board, but not before 60 days after the receipt of the recommendation by the Housing Expediter. During the period of 90 days beginning with the date on which such decontrol is effected, however, the provisions of section 209 of this title shall be in effect as though such decontrol had not been effected.

If such recommendation is with respect to a matter referred to in paragraph (1) (B), such recommendation shall be carried out by the Housing Expediter so that the adjustment in maximum rents is effected on the date recommended by the local board, but not before 30 days after the receipt of the recommendation by the Housing Expediter.

"(5) Immediately upon the enactment of the Housing and Rent Act of 1948 the Housing Expediter shall communicate with the Governors of the several States advising them of the provisions of this subsection as amended and of the number and location of defense-rental areas in their respective States and the areas or portions thereof in which boards are to appointed therein, and requesting the cooperation of the Governors of the several States in carrying out such provisions."

(e) Section 204 (f) of such act, as amended, is amended to read as follows:

"(f) The provisions of this title shall cease to be in effect at the close of March 31, 1949."

(f) Section 204 of such act, as amended, is amended by adding at the end thereof a new subsection, as follows:

"(g) Nothing in this title shall be interpreted or construed to authorize the Housing Expediter to prohibit, in the case of any rental agreement hereafter entered into, the demand, collection, or retention of a security deposit, if said deposit does not exceed the rent for 1 month in addition to the otherwise authorized collection of rent in advance, and if the tenant is allowed, under the terms of the rental agreement, to occupy the premises for the period covered by the security deposit without further payment of rent."

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi.

Mr. MONRONEY. Mr. Chairman, at what point in the reading of the bill was the gentleman recognized?

The CHAIRMAN. The gentleman was recognized inadvertently because of a misunderstanding that an amendment could be offered in the middle of a section. The Chair has recognized the gentleman from Mississippi.

Mr. RANKIN. Mr. Chairman, I am not surprised that the gentleman from Oklahoma becomes lost in this maze of legislative bewilderment.

The gentleman from Pennsylvania [Mr. KUNKEL] said a while ago that we should vote down the amendment offered by the gentleman from California [Mr. FLETCHER] on the ground that we are in an emergency. Did you ever know a Presidential campaign, or have you known one in the last 25 years, that we were not in an emergency?

What emergency are you talking about?

Here you are violating one of the most fundamental principles of government and a fundamental principle of the common law, by putting into the hands of the Federal Government the right to take a man's property without due process of law and giving it to another man without just compensation.

That procedure cannot be justified by any provision of the Constitution, even though the gentleman from New York [Mr. MULTER] who has spoken so often that he is sometimes referred to as "Mr. Multigraph," said a while ago that the general welfare clause of the Constitution covered this proposition. It took a long time from John Marshall to the gentleman from New York [Mr. MULTER] to find out that the general welfare clause covered such nonsense as this.

The gentleman from Pennsylvania talked about the legislatures of the various States not having the courage to legislate on this question. If I ever see less courage manifested per capita in the Legislature of Mississippi than I see in the Congress of the United States today, I think I shall move out of the State.

Deep down in your hearts you know that this bill ought not to pass. You know—and those who have investigated it know—that one of the reasons for the scarcity of houses is this rent control. I heard a Member of Congress in the cloakroom a while ago telling about one of his neighbors in a small community renting some rooms for $2 a month. The tenant took some of his relatives in with them and the landlord raised the rent to $4 a month. The tenant went to the rent-control representative and he made the landlord pay the $2 back.

People write me from all over the United States every day that people, many of whom have spent their money in riotous living, who never tried to save money to own a home, are sprawling around in their properties which are going down and their taxes are rising all the time, and the cost of living is going up.

If Congress wants to do what is right, let us just recommit this bill to the committee and let it die.

Oh, someone said, "We will have a riot in New York." You do not mean to tell me they will have a riot in New York. You hear those fellows who talk about riots in New York say they we are going to have riots in Mississippi. If they are going to have a riot, probably New York is the place to have it; I do not know. I do know that the last serious riot in this country was in Detroit, which is in the home State of my distinguished friend the Chairman of this Committee.

The truth is that if this rent control goes dead, you will have more rooms for rent tomorrow or from now on than you have today. You deter people from building homes, from owning homes, from renting their homes or renting rooms in their apartments, because if they get people in there they want to get rid of they cannot get them out.

Remember, this is just the first step. You are taking over the control of a man's private property—his house. Just one more step and you will be even with Stalin when you take over the land and say to every man, "We will tell you to whom to rent your land."

I am going to vote against this bill, and I expect to offer a motion to recommit it to the committee and let it die there.

Mr. MARCANTONIO. Mr. Chairman——

The CHAIRMAN. The Chair has said he would next recognize the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MARCANTONIO. There is a pro forma amendment pending, and it has not been withdrawn.

The CHAIRMAN. That does not affect the gentleman from Oklahoma.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

Mr. MARCANTONIO. I object, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Mississippi withdraw his pro forma amendment?

Mr. RANKIN. Yes, Mr. Chairman.

Mr. MARCANTONIO. Without the consent of the committee?

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oklahoma.

Mr. MARCANTONIO. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. Can the gentleman from Mississippi withdraw his pro forma amendment without the consent of the committee?

The CHAIRMAN. The Chair will put the request to the committee. The gentleman from Mississippi [Mr. RANKIN] asks unanimous consent to withdraw his pro forma amendment. Is there objection?

Mr. MARCANTONIO. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. MARCANTONIO. I seek recognition in opposition to the pro forma amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from New York is recognized in opposition to the pro forma amendment.

Mr. MARCANTONIO. Mr. Chairman, you have just heard the gentleman from Mississippi place the blame for shortages on controls. We have heard other gentlemen make this same statement throughout the debate on this bill. I believe it is necessary to present to this House the facts with regard to shortages.

We find today that despite the removal of controls we still have a most acute shortage. Controls were completely removed last July by action of this House. I voted against removing the controls.

Mr. Chairman, what has happened since the removal of the controls? There has been some construction, but that construction has not affected millions of Americans who are in need of homes. Whatever construction we have had has been beneficial to those who can afford to pay high rents but it has been of very little benefit to the average veteran and the small or middle income earner.

Let us see why homes for the type of people who need them so badly are not being built. I wonder how many Members of this House know what the price of brick is today? With the removal of controls and price controls brick has gone up to $32 a thousand. Steel is $85 a ton if you can get it, but the real price for steel is from $135 to $150 a ton, and even then you cannot get it.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I was informed only recently by an independent concern that they had to pay $285 a ton in what I call the red market, because anybody that is paying that sees red, not gray. Am I right?

Mr. MARCANTONIO. Exactly. The result has been that you have been unable to build any homes, any multiple dwelling homes, that are so greatly needed. It is as a result of the shortage in multiple dwellings that we have an emergency. This emergency is due to the removal of controls.

The gentleman from Mississippi and others beat their breasts about the home owners, and I hear so much talk about their rights. I think controls are what in the long run are going to guarantee the property rights of the home owners of this country, for if we continue this system of no controls and permit this inflation spiral to continue there is going to be a bust. When that bust comes, those small property owners of your districts will be the ones who will be hurt. I am not concerned with riots in New York or Mississippi but I am concerned with the economic riot that is going to take place in this country as a result of no controls, as a result of a condition that brings about $32-a-thousand brick and a gray market for steel, with United States Steel increasing its steel prices $5 a ton, and no multiple dwellings, no homes for the average veteran, and no homes for the middle and small income groups of the country. You have an emergency, and to meet that emergency you give us talk about property rights, property rights that will be wiped out when the bust comes as a result of no controls.

This bill does not restore controls, this bill is in the direction of less and less and no control. This bill was criticized in detail yesterday in general debate, but the basic criticism is that realistically it removes all controls. Speak about property rights, how about the rights of the 50,000,000 tenants who are going to lose as a result of this bill whatever small protection they have heretofore had? That is the question that confronts this Congress. So let us stop talking about riots and rights, let us start to prevent what will happen to the rights and welfare of tenants when this bill becomes law as well as what will happen to the rights and the property of the small owners when the bust comes as a result of the no-control policy of the Eightieth Congress.

Mr. MONRONEY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk:

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 22, beginning with line 13, strike out the language through page 27, line 5, inclusive, and substitute the following:

"Section 204 (e) (1) of such act is amended to read as follows:

"'(e) (1) The Housing Expediter is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area, to be appointed by the Housing Expediter, from recommendations made by the respective Governors: *Provided*, That in any case where the Governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within 30 days after request therefor (subsequent to the date of enactment of the Housing and Rent Act of 1948) from the Housing Expediter, the Housing Expediter shall without such recommendations appoint the original members of such boards or such members as may be required to fill vacancies. Nothing in the foregoing provision shall require the reappointment of present members of local advisory boards, but any change in the membership of any local advisory board necessitated by this provision shall be effectuated as promptly as may be practicable. Each such board shall have sufficient members to enable it promptly to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this title within its area; and in any such case the board shall hold a hearing at the request of either party. The local boards may make such recommendations to the Housing Expediter as they deem advisable with respect to the following matters:

"'(A) Decontrol of the defense-rental area or any portion thereof over which the local board has jurisdiction, and decontrol of any class of housing accommodations within such defense-rental area or portion thereof;

"'(B) The adequacy of the general rent level in the area; and

"'(C) Operations generally of the local rent office, with particular reference to hardship cases.'

"The second sentence of section 204 (e) (3) of such act is amended to read as follows: 'Any recommendation of a local board appropriately substantiated, in the opinion of the Housing Expediter, and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.'

"Section 204 (e) (4) of such act is amended to read as follows:

"'(4) Immediately upon the enactment of the Housing and Rent Act of 1948 the Housing Expediter shall communicate with the Governors of the several States advising them of the provisions of this subsection as amended and of the number and location of defense-rental areas in their respective States and the areas or portions thereof in which boards are to be appointed therein, and requesting the cooperation of the Governors of the several States in carrying out such provisions.'"

Mr. MONRONEY. Mr. Chairman, while this amendment might seem long and complicated, it is not as complicated as it sounds. It is simply the language of the bill as passed by the Senate originally and which was subject to many, many days of study and debate.

This identical language was before the House in our Committee on Banking and Currency for several days while the amendment which this amendment strikes out was before us but for a few hours.

Therefore I think it can hardly be said that this is ill-considered or hasty legislation. Simply, it substitutes the Senate language to keep these advisory boards exactly what the name implies. They are advisory boards. They are recommended by the Governor. On the recommendation by the Governor, they must be appointed by the Housing Expediter, and the boards will recommend to the Housing Expediter whether rents should be raised in the local area or whether they shall be even controlled. The Senate bill goes further to say that any recommendation of the local board "appropriately substantiated in the opinion of the rent administrator and in accordance with the applicable laws and regulations shall be approved and appropriate action shall be promptly taken to carry such recommendations into effect."

Mr. BOGGS of Louisiana. Will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. BOGGS of Louisiana. The distinguished gentleman from Pennsylvania [Mr. KUNKEL] argued the question of the unconstitutionality of the amendment offered by the gentleman from Nebraska. Can the gentleman from Oklahoma distinguish this situation from that one?

Mr. MONRONEY. I certainly cannot, because I think the amendment which my amendment strikes out sets a

strange and probably unconstitutional new idea or system of government, creating a new government beyond the boundaries of municipal or county or State or Federal authority.

Suspended up in thin air are these 665 regional boards, responsible to no one. Proponents of this strange device claim that this is local control.

It is not local control. It is remote control, because these boards are so far removed from the people they have authority over that they are not even confirmed by any single elective body in this country.

Yet you would turn over to those boards the most important matter of rent control without any standards of appeal or review whatsoever as to the evidence they consider, the qualifications of membership or any other suitable standards justifying their decisions.

Mr. BOGGS of Louisiana. Will the gentleman yield again?

Mr. MONRONEY. I yield.

Mr. BOGGS of Louisiana. The statement was further made by our colleague from Pennsylvania that by the enactment of such an amendment the entire bill might be jeopardized by a decision on the constitutional question, so that in a short period of time we may not have any rent control. Is there not similar danger in here?

Mr. MONRONEY. I think there is even greater danger of this section being unconstitutional.

I have never in my life seen such a broad and sweeping delegation of congressional authority to anybody without any logical or reasonable tests or standards required as to their performance.

Under the section that this amendment strikes out, all those boards are required to do is to prove that they held a regularly called meeting and that all sides had a chance to be heard. Is that an adequate test involving the national rent emergency which this bill covers? All the Board has to do to qualify its decisions, without reference to when evidence or anything, is to prove that a meeting was regularly held.

I think we are following a strange new system of law to delegate those broad, sweeping powers, that are rightfully ours, to every Tom, Dick, and Harry, confirmed by no one.

If you want to really have rent control, the honest way is to decide on this basic issue. You cannot jump on a horse and gallop off in two opposite directions. You cannot compromise the positions of people who do not want any rent control and those who do want effective rent control.

The honest way is to give the people of this country the right to know where we stand, and to stand up and be counted, whether you want real rent control and are willing to pass a bill that will be more than rent control in name only.

I cannot agree that we are talking about compelling people to yield their private sacred homes to tenants. I think that the commercial housing of tenants is purely a business enterprise, entirely different from private homes.

It is the human problem of the lives of millions of people who live in those houses of brick and mortar. It is their homes which are involved, and this Congress should think about the tenants once in a while.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MONRONEY] has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BOGGS of Louisiana. Reserving the right to object, how many are there? I have an amendment. The gentleman from Pennsylvania [Mr. BUCHANAN] has another amendment.

Mr. KLEIN. I have an amendment.

Mr. WOLCOTT. I wonder if we cannot come to some agreement as to time.

Mr. SPENCE. This is the very heart of the bill. I think we should have ample time to discuss it.

Mr. MACKINNON. How many amendments are there on the desk?

The CHAIRMAN. Amendments at the desk do not necessarily mean that the Member will call them up. There are probably six or eight amendments at the desk. The Chair is judging from the demonstration on the floor, not from the amendments at the desk.

Is there objection to the request of the gentleman from Michigan?

Mr. BOGGS of Louisiana. Mr. Chairman, I object.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close in 50 minutes, the last 10 to be reserved to the chairman of the committee.

Mr. MACKINNON. Mr. Chairman, reserving the right to object, I cannot see how we can know what we are getting into until we know what some of these amendments are. I object.

Mr. WOLCOTT. Mr. Chairman, I move that all debate on this section close in 50 minutes, the last 10 to be reserved to the chairman of the committee.

The CHAIRMAN. The question is on the motion.

The motion was rejected.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close in 1 hour, the last 10 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. MACKINNON. Mr. Chairman, reserving the right to object, would the gentleman preface his request with the proviso that the time be equally divided on all amendments?

The CHAIRMAN. That is within the discretion of the Chair and the Chair, I believe, usually follows that procedure.

Mr. MACKINNON. I do not want to see us get into the situation where we spend all of the time on one amendment and then have five or six amendments voted on with no consideration.

The CHAIRMAN. The Chair will attempt to divide the time as fairly as possible between the amendments.

Mr. MACKINNON. With that understanding, Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that all debate on this section and amendments thereto close in 1 hour, the last 10 minutes to be reserved to the committee. Is there objection?

There was no objection.

Mr. SPENCE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. How is the time going to be divided? Is time going to be assigned equally to the discussion of all amendments that are to be offered?

The CHAIRMAN. Seventeen Members are standing who have evidenced a desire to be heard. Ten minutes are to be reserved to the committee. That will give about 3 minutes apiece.

Mr. MONRONEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONRONEY. Will the 10 minutes reserved to the committee be divided equally between the majority and the minority?

The CHAIRMAN. The gentleman from Oklahoma will address his inquiry to the gentleman from Michigan.

Mr. WOLCOTT. I intended that the time be allotted to the chairman to use in his discretion.

The CHAIRMAN. The gentleman from Michigan has 10 minutes reserved to the committee. The inquiry of the gentleman from Oklahoma is, Will the time be divided equally between the minority and the majority?

Mr. WOLCOTT. Yes.

The CHAIRMAN. It will be.

Mr. RAYBURN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAYBURN. To begin with, Mr. Chairman, the Monroney amendment is pending now. I should dislike to see all of these amendments debated and then read all at once and voted on. I was wondering if those who are on their feet desiring to speak on the Monroney amendment could be allowed to speak first and that amendment disposed of, and those who have other amendments allowed to follow? In that way we would know what the situation was.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. WOLCOTT. I believe the Monroney amendment is perhaps the most important amendment and the most controversial amendment I could imagine in the bill. It would be perfectly agreeable if the parliamentary situation is such that we can set aside a definite part of the hour for the discussion of the Monroney amendment. It would be perfectly satisfactory. I would suggest perhaps 30 minutes.

Mr. RAYBURN. I was wondering if those Members who are on their feet on either side of the House who wanted to speak on the Monroney amendment and who do not have an amendment of their own could not give evidence of that now so that the Chair might recognize them first, and then vote on the Monroney amendment. Then let the others follow.

The CHAIRMAN. The Chair may say that the request for the over-all time limit included, of course, the Monroney amendment and if the committee uses 5 minutes in rebuttal to the Monroney amendment, that will leave only 5 minutes remaining to go to the opposite side under the agreement which was just entered into.

Mr. WOLCOTT. Mr. Chairman, would it be in order to propound a unanimous-consent request that 30 minutes of the 60 minutes just agreed to be devoted to the Monroney amendment?

The CHAIRMAN. The request is in order. Is there objection to the request of the gentleman from Michigan?

Mr. JAVITS. Mr. Chairman, reserving the right to object, what will that leave for the proponents of other amendments?

The CHAIRMAN. That leaves 30 minutes for all other amendments to this section.

Mr. JAVITS. How many are there?

The CHAIRMAN. The Chair cannot say. There may be more proposals. The Chair cannot limit it to the amendments that are now at the desk.

Mr. JAVITS. Would the gentlemen who have amendments and who have asked to be heard or who are on their feet evidence that? Was there a list taken by the Clerk?

The CHAIRMAN. I think that would be helpful. The Chair sees nine Members indicating they have amendments.

Mr. JAVITS. Mr. Chairman, then I object.

Mr. HARRIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARRIS. As I understand it, time was limited to 1 hour, the last 10 minutes to be in charge of the committee?

The CHAIRMAN. The gentleman is correct.

Mr. HARRIS. I observe as I look around that there are about eight members of the committee standing. Will that 10 minutes be divided between the members of the committee as committee time?

The CHAIRMAN. As the Chair stated previously, it will be divided equally between the majority and minority of the committee. The Chair will eventually allow the ranking minority member of the committee and the chairman of the committee to decide who shall enjoy use of the time.

Mr. WOLCOTT. Mr. Chairman, may I propound another parliamentary inquiry?

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, would it be in order to ask unanimous consent to vacate the proceedings by which we limited time on the section to an hour, then propose a unanimous-consent request that all debate on the Monroney amendment be limited to 30 minutes?

The CHAIRMAN. It is in order for the gentleman to ask unanimous consent to vacate the proceedings.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the proceedings be vacated by which the committee agreed to an hour's debate.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate upon the so-called Monroney amendment and all amendments thereto close in 30 minutes and that the last 5 minutes be reserved for the chairman of the committee.

Mr. RAYBURN. Mr. Chairman, reserving the right to object, may we have an understanding that at the end of the 30 minutes the Monroney amendment will be voted on?

The CHAIRMAN. And all amendments thereto, 5 minutes to be reserved to the chairman of the committee. Is there objection to the request of the gentleman from Michigan?

Mr. SPENCE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. Mr. Chairman, how will the time be divided? How are we going to divide the 30 minutes?

The CHAIRMAN. The Chair will try to divide it as equally as possible between the supporters of the amendment and those who oppose the Monroney amendment.

Mr. MARCANTONIO. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. Will Members who have amendments to the Monroney amendment be given preference in recognition?

The CHAIRMAN. The Chair will recognize them as fast as the Chair can in dividing the time. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any Members who have amendments to the Monroney amendment?

Mr. BUCHANAN. Mr. Chairman, I offer an amendment to the Monroney amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN as a substitute for the Monroney amendment: On page 22, line 15, strike out all the language after the figure "1" and ending at the word "provisions" on page 27, line 5, and substitute the following:

"The Housing Expediter is authorized and directed to appoint in each defense-rental area, or such portion thereof as he may designate, a local advisory board from recommendations made by the mayor or chief executive officer of any municipality or municipalities contained within the area. Insofar as practicable, each municipality within the area shall be represented on such board in proportion to its size. Such board members shall be citizens of the area and shall be, as a group, representative of the affected interests in the area: *Provided*, That in any case where no recommendations for appointments to local boards or appointments to fill vacancies are made from any municipality within the area, within 30 days after request therefor (subsequent to the date of enactment of the Housing and Rent Act of 1947) from the Housing Expediter, the Housing Expediter shall without such recommendations appoint the original members of such boards, or such members as may be required to fill vacancies or to represent municipalities for which recommendations have not been made. Each such board shall have sufficient members to enable it promptly to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this title within its area, and before recommending any such adjustment the board shall give notice to the landlord and tenant and shall hold a hearing at the request of either the landlord or the tenant. Any local board may make such recommendations to the Housing Expediter as it deems advisable with respect to the following matters:

"(A) Removal or any or all maximum rents in the area, or any portion thereof, over which the local board has jurisdiction, or with respect to any class of housing accommodations within such area or any portion thereof, if in the judgment of the local board the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met; and

"(B) Adjustments, other than individual adjustments, in maximum rents in such area or any portion thereof or with respect to any class of housing accommodations within such area or any portion thereof, deemed by the local board to be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title; and

"(C) Operations generally of the local rent office with particular reference to hardship cases.

"(2) The Housing Expediter shall furnish the local boards suitable office space and stenographic assistance and shall make available to such boards any records and other information in the possession of the Housing Expediter with respect to the establishment and maintenance of maximum rents and housing accommodations in the respective defense-rental areas which may be requested by such boards.

"(3) Upon receipt of any recommendation from a local board, the Housing Expediter shall promptly notify the local board, in writing, of the date of his receipt of such recommendation and shall make the contents of such recommendation available for publication. Except as provided hereinafter in this subsection, within 30 days after receipt of any recommendation of a local board such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in 30 days. Any recommendation of a local board appropriately substantiated and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

"(4) Immediately upon the enactment of the Housing and Rent Act of 1948 the Housing Expediter shall communicate with the mayors or chief executive officers of the affected municipalities advising them of the provisions of this subsection as amended and of the areas or portions thereof in which their municipalities are located, and requesting the cooperation of the mayors or chief executive officers of the affected municipalities in carrying out such provisions."

Mr. BUCHANAN. Mr. Chairman, this substitute for the Monroney amendment authorizes the Housing Expediter to appoint in each defense-rental area a

local advisory board from recommendations made by the mayor or chief executive officer of any municipality or municipalities contained within the area.

Now, I would just like to point out the composition of the 655 boards that are in existence today. New boards, of course, will be created under this legislation. The ideal proportional ratio for the board would be, say, one representing the landlord group, one representing the tenant group, and three representing the public interest, or it could be two representing landlords, two representing the tenants, and the other the general public. There are 45 boards in existence that conform to the ideal ratio of 1 landlord representative, 1 tenant representative, and 3 public-interest representatives. There are 95 boards that conform approximately to the 2, 2, and 1 ratio, that is, 2 landlord representatives, 2 tenant representatives, and 1 representative of the public interest. Of some 203 boards, they require the addition of 1 tenant representative to secure an approximation of the ideal ratio. One hundred and thirty-one boards would require the addition of more than one tenant representative. In other words, on these boards they have two representatives now representing the landlords, one the tenants, and two representing other interests. Some 20 boards now require the addition of 1 landlord representative. They do not have any landlord representative at all. Some 27 boards would require the addition of 1 tenant and 1 landlord representative to secure an approximation of the ideal ratio. There are 334 boards out of the 655 boards that are loaded against the tenant, wherein no one represents the tenants' interests.

What this amendment would do, of course, would be to make it possible for recommendations to be sent by the mayor or chief executive officer in the rent area so that a better local representation of the affected interests would be recommended to the governor for his consideration and submission to the Housing Expediter.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, it has been said that arbitrary power should exist nowhere in the Republic, but we have created an arbitrary power in this case that could not be exceeded.

We call these boards advisory boards. It is a misnomer, just as the title of the bill is a misnomer. Their findings are as final as the edict of a Roman emperor. There is no appeal from their findings. The only matter that can be considered is procedure.

In every law I have ever observed there has been a provision as to the qualifications of those who are to administer it. We trust our fortunes to the jury, but we have peremptory challenges, and we can disqualify them for personal interest or the fact that they have an opinion on the subject. You cannot disqualify this board. This board has vested in it powers that cannot be challenged, and you cannot ask them whether they have a personal interest or not, or whether or not they are related to the parties in interest. Their findings may be the result of whim or caprice and not based upon evidence, yet there is no review of the findings that they may make. You can review the procedure, which is but the shadow, but the substance is ignored by the law. I say it is an anomaly in the law.

I hear some gentlemen say, "We are for this because this is local self-government." It is anything but local self-government. It is entirely inconsistent with every principle of local self-government, with every concept of the law and of justice and of protection of the rights of the individual.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, a big part of my political thinking and philosophy has always been that the best type of government is that which is kept close to home, where people may look at it and change it if they want to do so.

It seems to me that any rent-control bill that we may pass in this body ought to keep government close to home. It is impossible, when you set up these so-called advisory boards under a rent director here in Washington, for those boards to have any authority. We have seen such boards operating under OPA, WPB, and other war agencies. They were a fake. These boards were told what to do. Recommendations were made by the boards, but the orders for them came from Washington. They were merely a front to try to give a little dignity to what Washington wanted to do.

In my own territory, under the rent-control bill, we had two territories where the very finest citizens in the town were placed by the Governor on the rent-control advisory board. They advised that these areas be taken out of rent control. That information was sent to Washington. Did it get any action? No. Yet the people, if they were asked to vote for rent control or no rent control in those little towns of 10,000 people, would vote overwhelmingly against rent control. But they had to come to Washington, and the Rent Control Director said, "No; you cannot do it."

No, I think we ought to go back to State's rights, to government just as close to home as we can make it responsible. I want to get away from this situation where people from all over the country must come to Washington, hat in hand, sometimes praying and urging to get something from bureaucratic government in Washington. Our country did not become strong and great because the city of Washington made it so. It became strong because individuals at home had some rights to make some decisions about their own property and the way they were living. I repeat, my colleagues, this country became great, but not from a controlled economy and direction from Washington. I urge you to keep the rent-control question in local communities. That is the true democratic way. It is good government and responsive to the people.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ISACSON].

Mr. ISACSON. Mr. Chairman, I want to record my protest against the limitation of debate on this all-important question of rent control.

This is one of the most important questions facing the Congress today as it refers to the welfare of the American people. It is more important than assistance to Greece or Turkey or China, and yet we are being limited here to 2½ minutes on this all-important question.

I want the people in my district to know what has happened here this afternoon.

There has been the crudest political maneuvering here this afternoon. The gentlewomen and gentlemen of this House of Representatives are being left a choice which would impale them on either horn of a dilemma, which faces them. They are given the spurious choice of voting for a bill which is a sham and a fraud, a bill which will give us a rent decontrol law, or to vote against the bill and thus end rent control altogether. What a shabby choice. The thought behind the strategy is to face the progressive Members of Congress with an empty choice that would either make them vote for the immediate death of control, or vote for a bill which would provide a slower but just as certain death for rent control. A choice which will be hidden from the people because of the limitation of debate and the impossibility of procuring a record vote.

Have we then forgotten the lessons that we learned after the First World War? Have we forgotten so soon that immediately after rent control was lifted, rents rose 48 percent from November 1918, to the end of 1920, and kept on rising until they had risen 65 percent?

Even today, with these landlord and realty interest packed boards still compelled to refer their recommendations to the Housing Expediter, 31,000 increases a month are being granted. Yes, 3 out of 4 increases that are requested by landlords are granted.

Can we imagine what will happen if these local decontrol boards, instead of having the power merely to recommend increases actually are given the power and prerogatives to decide in each instance whether or not rents should be increased? It will mean the end of effective rent control.

I ask support for my amendment, which would restore real rent control.

Mr. MARCANTONIO. Mr. Chairman, I take this occasion to charge that the Federal rent-control office in the New York area has become the annex of the real-estate board. Rents are being increased without notice to the tenants, without opportunity given to tenants to examine the application and the alleged reason for the increase. If this bill is adopted in its present form without the Monroney amendment, the real-estate board of the city of New York will become absolute in its power over the tenants of New York City.

The bill in its present form makes decontrol a certainty. It will deprive the tenants of this country of even the semblance of protection that they have had under the rent act of 1947. I hope this amendment will be adopted. I trust that a provision will also be written into the bill to guarantee against ex parte applications on the part of landlords; to guarantee that rent-control administration will be real-estate proof; guaranteeing against control by the real estate board, particularly in my city, where the real-estate board now reigns supreme in United States rent-control administration.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I rise in support of the Monroney amendment. I do not think it is necessary or enlightening to undertake to discuss the constitutionality of this bill, or one without amendment. The Supreme Court has already passed on that and I do not reckon any of us is much better lawyer than the Supreme Court Justices.

This is a national question, as I view it, and we have declared and continue to declare that a national emergency exists. It is not quite conceivable how the Congress may either legally or morally delegate its responsibility to care for a national emergency that has been brought about by the war in that so many of the people of the United States are denied the privileges of having a home in which to live.

In this connection, Mr. Chairman, I do not share the pronouncement made by my colleague the gentleman from North Carolina [Mr. BARDEN] on yesterday, in which he indicated that he did not care much about New York. I care a whole lot about New York. I am interested in every town, every city, and every county in the United States of America, and it is not a personal or local consideration with me. Whether people in other great cities of this country have a place to live is a matter of very high concern to every man in North Carolina, in my opinion.

Mr. Chairman, I think we cannot afford to delegate the authority to put into execution the responsibility of caring for an emergency that exists to an entirely local board. We have the responsibility, as Members of the Congress, to follow out, that this is a national question; it is one that affects the economy of the United States of America; and the legislatures of the several States cannot legislate upon that subject. It requires action by the Congress of the United States.

The CHAIRMAN. The gentleman from Louisiana [Mr. BOGGS] is recognized.

Mr. BOGGS of Louisiana. Mr. Chairman, I rise in support of the amendment. I think the subject has been very thoroughly discussed. I believe that the dangers inherent in the amendment have been very well made known to the Members of this body, particularly the constitutional question wherein lies the danger of completely invalidating what we are trying to do here today.

Mr. MONRONEY. Will the gentleman yield?

Mr. BOGGS of Louisiana. I yield.

Mr. MONRONEY. I think there is one thing that has not been properly brought out in discussion today, and that is the effect of the so-called voluntary 15-percent increase in this bill being made almost a mandatory 15-percent increase. Because of the decontrol provisions no tenant can rely on the pledge of Congress for 12 months rental protection, because tomorrow or next week or the week after, the local board may decontrol his area.

So he again must go to his landlord immediately and plead for a continuation of the present 15-percent voluntary increase because of his uncertainty.

That will be one of the principal effects of this, decontrol by local boards with no possibility of review of any kind as to the facts or the need for decontrol. Such decontrol would put the tenants absolutely at the mercy of the landlord. They will be forced to ask for a 15-percent increase in their own rents because they cannot rely with any certainty on what Congress is promising them for continued rent control.

Mr. BOGGS of Louisiana. I yield back the balance of my time.

The CHAIRMAN. The gentleman from New York [Mr. KEATING] is recognized for 2½ minutes.

Mr. KEATING. Mr. Chairman, I support this amendment. My concern is not only with the possible injury which may be suffered both by tenants and landlords if this amendment be not adopted but also by the inexcusable abdication of our legislative responsibility which seems to me inherent in the bill as it stands.

The part of the measure now before us is neither fish, fowl, nor good red herring. It is neither Federal control nor is it State control.

The Senate bill, on the other hand, recognizes the necessity for some plan of Federal administration of a Federal statute by providing that the decision of a local board shall be reviewed by a responsible Federal official.

There is much to support the argument that those in a particular locality with intimate knowledge of local conditions are best equipped to decide whether there is in that area such a housing shortage as to require the continuation of regulation over rents and rental terms. Such a determination of the issues at the local level is highly desirable. Undoubtedly in most cases the decisions of such local boards should not be interfered with by a remote Federal official sitting in the capacity of an appellate tribunal. In reversing the findings of local boards there have no doubt been, as is alleged, abuses in the administration of the rent-control law heretofore.

The remedy for that condition, however, lies rather in improved administration than in taking the drastic step as a Federal legislative body of eliminating all Federal officialdom from the administration of the law. There is no one who has been more critical than I of many of the steps taken by the personnel of the executive branch of the Federal Government. I cannot, however, square the provisions of this law with my sense of legislative responsibility.

If we intend to end Federal rent control, let us say so. If we intend to continue it, let us make that equally clear. Let us, above all, not enact a measure which professes to be a Federal rent-control bill, but which divests both the Federal Legislature and the Federal executive branch of all control or responsibility.

Under the provisions of this legislation, the Housing Expediter designates a local advisory board of five members who are required to be those recommended to him by the governor of the particular State. Neither the governor nor the Federal Housing Expediter has any power of removal, nor is there any review provided for the decisions of this board, except the obviously inadequate provision for court review by certiorari, in which the only question would be whether there had been compliance with all formalities, such as the giving of a notice of hearing.

This board is set up, responsible to no one, reviewable by no one, with no standards established as guide posts for its actions, to make final decisions on questions of decontrol, rental adjustments, and the like. Such a plan deprives both tenants and landlords of the opportunity to review possibly arbitrary decisions by a local board.

Furthermore, it is unfair to the governors of the respective States. Upon their heads will be heaped the abuse for any improper or ill-considered decisions by those whom they have recommended for appointment, while at the same time they are deprived of any power of removal or any other control over the administration of the law itself.

This body of five men, created in this unusual fashion, is set off by itself as the court of last resort in matters vitally affecting the well-being, happiness, and pocketbooks of large segments of our people. The only parallel I can think of for such an ill-conceived creature is the late, lamented NRA, condemned by the Supreme Court in the Schechter case.

I entertain most serious doubts about the constitutionality of this unrestricted delegation of powers to groups of State-nominated officials. Certainly such a measure impresses me as legislatively unsound.

The adoption of this amendment, which is similar in effect to one which I now have at the Clerk's desk, will have the result of curing what I feel may be a fatal defect in this measure, and which I am convinced is a radical departure from the principles of sound administration.

If the amendment should be defeated, I urge upon the House conferees the desirability of reconsidering their position on this fundamental issue in order that the legislative product which finally eventuates may reflect an impregnably sound and clearly constitutional approach to this problem.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Texas [Mr. RAYBURN] for 2½ minutes.

Mr. RAYBURN. Mr. Chairman, the remarks of the gentleman from New York I could adopt as my own and be proud of them. It would appear to me that we are going a long way to set up a little appointive board back in some far back county in the United States to deal entirely, totally, and finally with a question like this. Appeals may be taken from the decisions of justices of the peace, justices of county courts, of judges of district courts, when those men have been elected to their offices after a contest. It seems to me that we are going a long way in the delegation of authority and I am somewhat amazed at the gentleman from Michigan [Mr. WOLCOTT], able and astute gentleman that he is, who for years has spoken out against the delegation of authority, and especially the delegation of authority without appeal. If the board follows certain rules that are set up there is no appeal from their decision. I have been here quite awhile, I have seen congressional power delegated, but to me this is the most reckless abdication of authority I have yet seen. It would appear to me that the language to which the gentleman from Oklahoma refers, and this is the heart of what he is trying to restore to the bill, is found in the Senate bill, as follows:

Any recommendation of a local board appropriately substantiated, in the opinion of the rent administrator, and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

Now it appears to me we are going a long way and somebody, somewhere, might challenge the legality of this thing; then we would be without any rent control at all.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT] for the remaining 5 minutes.

Mr. WOLCOTT. Mr. Chairman, on the question of the constitutionality of the committee bill, may I say that this Congress under decisions of the Supreme Court can place any limitation it sees fit upon any bill which it enacts. We could theoretically provide that a law would continue in full force and effect until some clerk here in the Capital said it should not continue beyond a specified time. There is no question about the constitutionality of giving to these local boards the power to limit the operation of this law. If it is constitutional to authorize the Housing Expediter to remove rent controls, it follows that we can vest similar powers in local boards.

These boards are appointed upon the recommendation of the Governors. Existing law says that they must be "representative citizens." We did not know what that meant. They may be representatives of certain interests. To cure that situation, in this proposed law we say they must be "representative of the interests affected." So if the intent of the law is carried out by the governors and the rent administrator, as we expect it will be, then there is no opportunity from now on to stack these boards.

Let me also call attention to the fact that if and when a local board recommends that an area be decontrolled the rents cannot be increased for 2 months—60 days—after the filing of this recommendation with the Expediter. Likewise, the area cannot be decontrolled for 60 days after the filing of the recommendation. The tenants cannot be ousted for 90 days after that. So there is a 5-month period between the date the recommendation for decontrol is filed with the Expediter and the date on which the tenant may be ousted.

In the case of recommendations in respect to general adjustments, or class adjustments, the adjustments cannot be put into effect for 30 days. The local board can set any date it wants to when these adjustments of a general nature take effect, but not within 30 days from the date of filing the recommendation.

It seems to me that the arguments made that there are no review provisions are not altogether sound for the reason that the amendment offered by the gentleman from Oklahoma, as I understand it, restores Senate action.

Understand that this language in the House bill is to clarify what must be done in order for the Expediter to hold that the recommendations have been appropriately substantiated. Now, if this procedure has not been followed, the local boards have only the same advisory authority that they have now; they can still make recommendations without following this procedure. In that case the Expediter can determine whether the recommendations have been appropriately substantiated. But, if this procedure is followed, then he must follow the recommendations.

As I say, we have protected the tenant by giving him 5 months after this recommendation is filed before he can be ousted; in this interim period the provisions of section 209 apply as if the area had not been decontrolled 5 months in which to readjust his condition. It seems to me that that is a fair thing to do. It is in the interest of fairness. It is also in keeping with the policy which this Congress last year determined in respect to the gradual decontrol of rental properties and is in the interest of economic stability.

I hope that the amendment will be defeated.

The CHAIRMAN. The question is on the Buchanan substitute for the Monroney amendment.

The substitute was rejected.

The CHAIRMAN. The question is on the Monroney amendment.

The question was taken; and on a division (demanded by Mr. BUCHANAN) there were—yeas 69, noes 102.

Mr. MONRONEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MONRONEY and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 83, noes 135.

So the amendment was rejected.

Mr. BOGGS of Louisiana. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BOGGS of Louisiana: On page 27, after line 20, insert the following:

"SEC. 206. (a) It shall be unlawful for any person to offer, solicit, demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204 or otherwise to do or omit to do any act in violation of any provision of this title.

"(b) Whenever in the judgment of the Housing Expediter any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of any provision of this title, he may make application to any Federal, State, or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such provision, and upon a showing by the Housing Expediter that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond."

Mr. BOGGS of Louisiana. Mr. Chairman, the amendment which I have offered does one thing and a very simple thing. It substitutes language already incorporated in the bill which was passed in the Senate so far as the injunctive procedure is concerned. On the House side, this language which was adopted by the Senate after full debate was stricken, so that the bill we now have before us leaves only one remedy for a tenant, and that is the injunctive proceeding only in a case involving rent or eviction. This is only one other instance where we are attempting to ride two horses, and where we are attempting to fool the people, if you will. It seems to me it is incumbent upon all of us to be honest with ourselves and with the people. Either we are for rent control or we are against rent control. We are now dealing with a bill, debate upon which is about to be completed and the reading of which is about over. It will undoubtedly pass the House and the word will go out to the Nation that we have extended rent control. We have extended something that might be called rent control, but actually it has no enforcement practices or procedures of any nature, type, or description, except this injunction procedure. It is highly discriminatory. It puts landlord against landlord, and tenant against tenant, and vice versa. If the Senate language is not adopted, we would be much more honest with the American people if we voted down rent control. It is difficult for me to understand why it is necessary to fool people about this problem. Either there is a housing shortage or there is not a housing shortage. If there is not a housing shortage, then there is no justification for rent control. If there is a housing shortage, then this country needs something much more than this bill now before us. I recently served on the joint committee made up of seven Senators and seven Members of the House. That committee held hearings in 50 American cities, in the North, East, South, West, and everywhere. Everywhere we went from every class of society representing every segment of our economy, we heard that the most critical economic and social problem facing any particular area was the housing problem. I do not cite that as my own testimony, but I cite it as the testimony of every group, without a single exception,

who testified at these committee hearings in about 50 American cities.

Are we to answer the American people, millions of veterans who fought this war recently concluded, the little people if you will, who are attempting to get along in this period of inflation, are we to give them as an answer to this stupendous housing problem affecting every section of our country, affecting our entire social life, this so-called rent-control bill? It would be much better, it would be much more honest if we voted down this bill.

I hope that the amendment which I have offered, which is a fair amendment and which was adopted in the Senate after full deliberation, will be adopted by the Committee.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield.

Mr. BUCHANAN. I suggest that the title be changed to "Rent Control With a New Look," because after this legislation is adopted it would serve notice on the tenants of this Nation that they had better begin to look out for new quarters and look out for evictions and look out for higher rents that are in the offing.

Mr. BOGGS of Louisiana. I thank the gentleman for his contribution. The real problem that we face is a housing problem, which involves millions of Americans, many of whom are veterans. The challenge to us is, Are we going to meet it?

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, under the present law the Expediter has authority to ask for injunctive relief for violations of maximum rents. That is a part of the safeguards which are provided and help to effectuate the purpose of this act, which is to establish and maintain maximum rents. If I understand the amendment offered by the gentleman from Louisiana [Mr. BOGGS] it would extend beyond that and authorize injunctive relief in effect against the State courts, which are given the obligation of passing upon the validity, and many respects the equity of eviction proceedings. It broadens existing law in that respect, and surely we should have enough confidence in our State courts to see that the law is followed and that equity is done. If we cannot, then of course by this amendment we reestablish what has always been considered a rather dangerous precedent on a very fundamental matter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. BOGGS].

The question was taken; and on a division (demanded by Mr. BOGGS of Louisiana) there were—ayes 50, noes 102.

So the amendment was rejected.

Mr. FLETCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLETCHER: On page 20, line 7, strike out all of paragraph 2.

Mr. FLETCHER. Mr. Chairman, this amendment will reaffirm and restate the decontrol features in the Housing and Rent Act of 1947. This act was enacted by the first session of the Eightieth Congress as an orderly decontrol measure. Pursuant to this act, over 10 percent of the dwellings under maximum rent controls were put under the voluntary lease plan. Approximately 1,700,000 tenants and properties voluntarily entered into such agreements in good faith with the understanding that these said living conditions would no longer be subject to rent controls after December 31, 1947.

Mr. BANTA. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. BANTA. Does this section of the bill which the gentleman's amendment proposes to strike out place rent controls over properties that were decontrolled under the Housing and Rent Act of 1947?

Mr. FLETCHER. That is exactly what it does.

Mr. BANTA. In other words, the section of the bill which the gentleman's amendment would strike out, would bring under control rental properties decontrolled under the 1947 act?

Mr. FLETCHER. The gentleman is correct. If my amendment is adopted, properties which were decontrolled under the 1947 law would not be recontrolled by the bill now under consideration, whereas, they will be recontrolled if my amendment is rejected and the bill passes as it is.

Mr. BANTA. To state it another way, if the gentleman's amendment is not adopted we will have taken action here today to again control properties that were decontrolled under the provisions of the law that we passed at the first session of the Eightieth Congress?

Mr. FLETCHER. The gentleman is entirely correct. If we pass the act as now written, we will be recontrolling properties that were decontrolled by action taken at the last session.

Mr. BANTA. In other words, this Congress by the act of 1947 provided that if landlord and tenants in good faith entered into a lease for the rental of property which was to expire at a given date thereafter, for an increase in rent of not to exceed 15 percent, that thereafter that property would be decontrolled.

Mr. FLETCHER. The gentleman is correct.

Mr. BANTA. But now, if we adopt the bill as written and reject the gentleman's amendment, we will have put into effect a law which breaks faith with those people who have voluntarily entered into lease agreements, and our action at the first session, when we provided a method for decontrol, their properties would now be brought under control under the 1948 act?

Mr. FLETCHER. The gentleman is correct, and I thank him for his contribution.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. After I have completed my statement, I will yield, if the gentleman will let me proceed to make the few points I have prepared. If we recontrol these properties, what will happen? If we pass the bill as written, it will discourage the owners of rental property. As a matter of fact, people will not continue to rent these properties; they will convert them into commercial properties or hold them off the rental market, claiming that the Congress of the United States is breaking faith with them by telling the people one thing under the act of 1947 and then turning around in 1948 and recontrolling their properties.

I want to say that if we do not pass this amendment today, but say that these properties are to be recontrolled, it will discourage investment and venture capital in the construction of new rental housing. Why should people construct new homes for rent if, after we have told them that their new construction will be free of control, they find that the Congress has turned around and recontrolled property we had said would be decontrolled?

If this Congress recontrols property which it promised would be decontrolled, it will discourage the rehabilitation and modernization of existing structures. People who would like to put their apartments in shape, people who would like to repaint or repair their houses, will not. Why should they when Congress breaks faith with the people of this country? Any retrogressive move will be contrary to the decontrol preamble of the 1947 act and will tend to destroy the faith of the people of this country in the sincerity of their Congress.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the effect of the amendment offered by the gentleman from California would be to put back into effect existing law which provides that, upon the termination of a lease under which the rent has been increased not to exceed 15 percent and provided the lease is terminated by death or otherwise before March 31, 1949, that property is not controlled for any purpose whatsoever. Now, a great many tenants entered into leases in good faith to seek the protection which was afforded under leases which might otherwise involve rent increases after March 31 of this year had we not taken the action which I hope we take today to continue rent-control another year.

It seemed only fair that we put those properties back under control, where these leases terminate after the effective

date of this bill, but at the new consideration which for all practical purposes is 15 percent above the maximum rents previously set by the Expediter. I therefore hope the amendment will be rejected in fairness to the 10 percent of the tenants and landlords who voluntarily have entered into leases for an increase in rent not to exceed 15 percent. Otherwise all of these leases which expire by death or otherwise between the effective date of this bill and March 31, 1949, will not be under control for any purpose whatsoever.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. FLETCHER. Should we not also consider what is fair to the property owner who in good faith and upon the recommendation of this Congress entered into a lease and we said, "If you will do so, as of December 31, 1947, you will be protected?"

Mr. WOLCOTT. I grant the gentleman all that, but in the meantime the landlords have had the benefit of a 15-percent increase.

Mr. FLETCHER. I would like to point out that it is a question of what is right in equity rather than what this Congress may later on decide.

Mr. WOLCOTT. Those were the recommendations of the committee, and I think they are sound.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, if there ever was an amendment that pointed out the question of property rights versus human rights, it is this one.

If a tenant has been fair enough to give his landlord a 15-percent voluntary agreement in exchange for a lease that extended through December 31, 1948, he surely should be protected under this act for the additional 2 months that the act will run.

Under the gentleman's amendment, the people who were fair with their landlord are just suckers, they are fall guys, and they are given the works after December 31, 1948. They would not get any protection under the law. Yet the tenant who refused last year and this year to give the landlord a voluntary 15-percent increase can stay in without paying the 15 percent until the act expires in March 1949. I am astounded and amazed that such proposal be made to permit any landlord to do this to a tenant who was fair enough to give him a 15-percent voluntary increase.

I hope this amendment is voted down and voted down solidly.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, America has grown great, rich, and powerful, because ours is a free country and a free people. Freemen always work harder, produce more, and outfight slaves.

Listening to the arguments of some Members presented here yesterday and today I marvel and wonder how this Nation ever became supreme among the sovereign nations of this world. I am sure that we have achieved our greatness not because of governmental controls, rules, and regulations, from a centralized Federal bureaucracy in days gone by, but because we have lived under a competitive system of free, individual, economic enterprise. No floor has held us up; no ceiling has held us down. We could rise or fall because of our own individual worth.

The truth of the matter is that under our rent-control laws the tenant has exercised greater authority and control over the property in which he lives than has the actual owner himself.

You get some scalawag in an establishment, who even makes money himself in spite of the meager rent that he is paying, it is next to impossible to get him out. Be honest. Is it fair for the tenant to make a profit while the landlord suffers a loss? That is the reason that we have dried up private capital, and it is the reason why 3 years after the shooting has stopped we still find ourselves in such a muddled state of confusion and bewilderment in this country. No sensible person will venture to build when he knows he will suffer a loss.

I am sure we all recognize that in large populous centers there may be some excuse for the continuation of some kind of rent control, but there is no excuse whatever in many of the smaller places all over this land of ours. It would seem that many of the ardent adherents and proponents of rent control are inbued with the economic and political philosophy of the late Harry Hopkins who believed in taking from the "haves" and giving to the "have-nots." Of course, it is popular to sponsor such legislation because there are more tenants than there are landlords, but I submit to you that the gentleman from California [Mr. FLETCHER] is correct when he said we should not consider whether it is popular but whether it is right.

In these trying times and desperate days, when dastardly demagogues are striving mightily to lift the one-third rabble up by pulling the other two-thirds of our decent citizenry down, we need to hear the advice of Abraham Lincoln:

> Property is the fruit of labor; property is desirable; it is a positive good in the world; that some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let him not who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built.

Gentlemen, I do not know how much longer this Nation that has been a free country and a free people can continue to exist if we continue for much longer these wartime controls. If we take the shackles off business, if we free private capital to invest in new enterprises, if we give industry the green light, I think that we would not be suffering such a serious shortage of housing. For 3 years under Government controls, at enormous public expense, we have failed to get adequate housing.

You know and I know people not only in small towns but in large cities, people of wealth, who rent flats, apartments, and houses, suites in hotels—6 to 12 rooms—at a low, fixed-rental basis. They spend perhaps 2 or 3 months out of the year in that establishment. Their summers are spent in Canada, their winters in Florida, at which time the flat, the apartment, or the house goes vacant.

If you had no controls and could divide the establishment into smaller units, it would accommodate many more people. This practice is going on all over this country. It is the thing that has retarded recovery, and what I am saying now might not be popular with some of my constituents, but I believe that what I am saying is the truth and is right, and that is all that matters.

Mr. Chairman, it was once honorable and worthy to own property in this country. The American home owner always has been the backbone of this Nation. Only under the New Deal was an honest, industrious, and frugal American citizen who worked hard and saved for a rainy day considered a prince of privilege or an economic royalist.

In recent years, however, it seems to be a crime for anyone to own property. Much stress has been laid by New Dealers, Communists, and left-wingers upon the difference between human rights and property rights. Sir, I know of no greater human right than the right to own property—to work hard and enjoy the fruits of one's own labors.

Of course, the radicals in our country would set up a Socialist state, take away all profits, place a penalty upon thrift and industry, only to reward idleness and indolence in order to get the support at election time of the lunatic fringe and of the common rabble.

In closing, I want it thoroughly understood that I do not receive one single dollar of rent from any person for any property that I own, but I do believe that every honest investor in any legitimate enterprise is entitled to a fair and reasonable profit on his investment. When that ceases to be we no longer have an America.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. FLETCHER].

The question was taken; and on a division (demanded by Mr. FLETCHER) there were—ayes 18, noes 110.

So the amendment was rejected.

Mr. MACKINNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MACKINNON: On page 22, line 2, after "thereof" strike out the rest of said line and all of lines 3 through 8, and in line 9 through the word "met" and insert "if in his judgment the need for continuing maximum rents no longer exists because the demand for rental housing accommodations has been reasonably met."

Mr. MACKINNON. Mr. Chairman, I hope the members of this committee will seriously consider this amendment. If you will turn to page 22 of the bill as it is presently worded you will find two powers in the hands of the local boards. These summarize to permit the local boards to do anything they want. There is absolutely no limitation on their discretion and there is no standard appropriate to the situation that is laid down in the law. In my opinion, this bill has no chance of standing up against a con-

stitutional test on an unlawful delegation of legislative power.

My proposed amendment does this: It knocks out the power to classify. Any person familiar with the limitations on that power knows that if there is no standard with respect to the power of classification you can do anything you want. That is just exactly what this bill does in the shape it is in at the present time. They do, however, have some semblance of a standard. To the extent that it is good I have reiterated it, and retained it in the law and to the extent that it is bad I have left it out. The extent to which it is bad is the language that permits the board to remove controls "due to sufficient construction of new housing accommodations." That is not germane to the problem at all. If housing accommodations have been erected that are for sale only, and that is permissible under this bill as it is now drafted, that obviously does not satisfy the need for rental housing. Consequently I feel that the board standard of whether the rental situation has been met is the only proper standard and the only germane standard that should be considered.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto close in 20 minutes.

Mr. KLEIN. Mr. Chairman, reserving the right to object, does that mean every Member who has an amendment at the desk will have the right to speak on his amendment and if so, how much time will he get?

The CHAIRMAN. Apparently there are six amendments on the desk, but unless they are called up by the Members, of course they will not be presented.

Mr. HARDY. Mr. Chairman, reserving the right to object, I would like to have 5 minutes on my amendment. I certainly hope that the chairman of the committee does not place us in a situation where we will not have at least 5 minutes on an amendment.

Mr. WOLCOTT. Mr. Chairman, I appreciate the position of the gentleman. The last time we had a bill up, he had a very limited time to speak.

Mr. HARDY. Mr. Chairman, I would like about a minute and a half.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto close in 30 minutes; pending that request, Mr. Chairman, may I propound a parliamentary inquiry?

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. If the unanimous consent request is granted, will all amendments that are pending be voted on in the order in which they are presented at the end of 30 minutes?

The CHAIRMAN. The Chair understands that that would be the procedure under a limitation of debate of this kind.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto close in 30 minutes, with the last 8 minutes to be reserved for the committee.

Mr. HARDY. Mr. Chairman, reserving the right to object, I would like to know specifically what that does to me.

The CHAIRMAN. It appears that six Members want to be heard on their amendments, which would limit the time to 4 minutes apiece.

Mr. HARDY. Mr. Chairman, with the understanding that I am going to get 4 minutes, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MACKINNON].

The amendment was rejected.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 26, after line 6, insert a new subsection as follows:

"(d) If the proposed recommendation has been submitted to the governing body or bodies of the political subdivision or subdivisions affected and has been concurred in by such governing body or bodies, in the event such concurrence has not been secured the Housing Expediter shall take such action as in his judgment the evidence justifies."

Mr. HARDY. Mr. Chairman, I am moving over on this side because I realize I must have some support from my Republican friends in order to carry this amendment. The chamber was not in very good order when the Clerk reported my amendment, so I shall read it again.

The amendment relates to the criteria by which the Housing Expediter would determine his course of action in connection with a recommendation made by a local board. I call to your attention the fact that one criterion required is that the Board shall hold public hearings. There is nothing in there in connection with the weight of evidence presented at the hearing.

The second provision is that the Board shall give certain specific notice with respect to the hearing; and the third provision is that the Board shall submit a copy of its recommendation to the governor of the State within 5 days after the recommendation has been mailed to the Housing Expediter.

There is no provision whatever to even suggest that the Advisory Board should give any weight to the evidence submitted at the public hearing. I submit that this Board has authority without responsibility, and therefore there should be some authority vested in the elected officials of a community, who are responsible to the people they represent. For that reason I would add this amendment which reads:

If the proposed recommendation has been submitted to the governing body or bodies of the political subdivision or subdivisions affected, and has been concurred in by such governing body or bodies.

If that is done, if the recommendation of the Board is concurred in by a city council or the county commissioners or the county supervisors, then the Housing Expediter would automatically approve the recommendation.

In the event such concurrence has not been secured the Housing Expediter shall take such action as in his judgment the evidence justifies.

Now I submit it is only reasonable that some of the authority for making changes in rent control should be vested in the community affected. Those who are responsible to the people of the community know what is best for that community.

I would call to your attention a situation which might, and most likely would, arise. A hearing would be called. There might be a preponderance of evidence in favor of continuing control. The Board could completely ignore that evidence and recommend decontrol and by complying with the dates required and by submitting notice to the Governor, the Housing Expediter would be compelled to accept that recommendation.

The same thing could work the other way. The preponderance of evidence could be in favor of decontrol and the Board might recommend just the opposite.

I hope the chairman of this committee and the rest of the Republicans as well as Democrats will go along with me.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and a division was demanded by Mr. HARDY.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. I had propounded a parliamentary inquiry and asked whether or not all of these amendments could not be pending at the end of the 30-minute period. I understood the Chair to say that they all would be pending and would be voted upon in the order in which they were introduced. Otherwise I surely should have wanted to be heard on this amendment.

The CHAIRMAN. If that is the will of the Committee it can be done that way; it can be done either way.

Mr. WOLCOTT. I am sure that the Chair had already so announced.

The CHAIRMAN. The Chair had made that announcement. The Committee will proceed under the agreement.

The Chair recognizes the gentleman from New York [Mr. ISACSON].

Mr. ISACSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ISACSON: On page 20, line 7, strike out all of the language beginning in line 7, on page 20, to and including line 21 on page 21 and insert the following:

"2. In any case in which a landlord and tenant on or before December 31, 1947, voluntarily entered into a valid written lease which provided for rent in excess of 15 percent for the maximum rent which in the absence of a lease would be in effect with respect thereto, such lease shall upon the termination of said lease revert to the aforesaid maximum rent and the provisions of this act shall be made applicable thereto."

Mr. ISACSON. Mr. Chairman, I have just listened to the gentleman from Missouri talk about the greatness of our Nation and then use that greatness as a falacious and spurious argument to end all rent control.

I agree with the gentleman that we have a great Nation, but not merely because someone gets up on the floor of Congress and so proclaims it.

We have a great Nation, Mr. Chairman, because it is a Nation with a government which is designed to legislate for all the people, not for the real-estate interests, not for the rich, not for the few—but for all the people; for the millions of men and women who need housing today and who desperately need the continuance and extension of rent control.

What is this Congress doing? It is, by defeating the Monroney and the Isacson amendments, making it possible for local advisory boards to decontrol areas.

What is going to happen will be that tenants, all over this country, who are worried about the decontrol of their particular area will immediately be stampeded into signing a lease which provides for a 15-percent increase. The Isacson amendment would remove that provision which would prevent voluntary leases calling for 15-percent increases and would restore controls over all those housing accommodations previously subject to those controls.

I estimate that if rents are increased 15 percent the Nation's rent bill will be boosted by $800,000,000. If rents are increased 15 percent many families all over this country will be compelled to curtail their expenditures on food and on clothing, thus cutting down even more the standard of living which has already been hit so hard by inflation.

This is no time to add to the already intolerable burden of the American people.

I remember last June when Mr. Hubert U. Nelson, an official of the National Association of Real Estate Boards, said that the decontrol of rents would bring the same beneficial results that the decontrol of food and goods had provided. The inflationary prices of today are eloquent proof that premature decontrol of rents would have the same disastrous effects on our economy as did the premature decontrol of the prices of goods and of services.

Already under this so-called voluntary-lease clause 18 percent of the tenants of housing units under control all over the Nation have been decontrolled.

In Buffalo 16 percent of all rents were decontrolled.

In Detroit, 35 percent of all rents were decontrolled.

In Pittsburgh 39 percent were decontrolled.

In metropolitan New York the latest figures indicate that of 250,000 housing units, representing 13½ percent of the total units, have been decontrolled.

Mr. Chairman, I ask that my amendment be passed.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 20, line 5, after the word "inequities," add the following: "or to compensate tenant for failure of landlord to duly maintain any controlled housing accommodation."

Mr. JAVITS. Mr. Chairman, the purpose of my amendment is to give tenants the right to seek relief through the Housing Expediter with respect to inequities and hardships which they suffer. We are getting down to the basic details of this bill now and away from the broad, sweeping generalities of the desirability or undesirability of control.

There is a provision in this act by which tenants and landlords may get together on 15-percent-rent-increase leases. In my particular part of New York and in other parts of the country landlords have tried in every way they could to make tenants believe that they have to enter into these lease agreements and that if they do not, dire consequences would follow. One of the principal techniques of this effort is to make the tenants feel that if they fail to enter into such lease agreements providing for a 15-percent increase, they cannot get their apartments redecorated and cannot get any repairs done, despite the fact that under normal circumstances the landlord would make these repairs either by agreement or through definite custom. If we really mean what we say about these 15-percent-increase leases being voluntary, we should not submit the tenants to that kind of coercion.

My amendment asks that there be put into the bill a provision by which the tenant may be protected if the landlord fails to do what he is supposed to do. It says that the landlord shall "duly maintain." The words "duly maintain" mean that he shall do what he is supposed to do under ordinary circumstances. If he fails to duly maintain the premises, then the tenant may by application to the Housing Expediter seek to get compensation for his default out of his rent.

Today if the tenant makes such an application to the Housing Expediter he is faced first with long delays and, second, with a very complicated procedure on proof that his apartment is worth less because the landlord is not maintaining it properly, a burden which no tenant can bear.

Under my amendment the Housing Expediter would be required to assess the value of what the landlord should have done and has failed to do, and the tenant would be compensated.

Mr. Chairman, we are by this bill giving the landlords an opportunity to get rent increases due to hardship or inequity. We should at the same time give the tenants some relief. We should equalize this matter of entering into 15 percent rent increase leases so that they are really voluntary, and so that there is no coercion, either express or direct or indirect. We should not permit the landlords to be able to tell the tenant that he cannot get his apartment redecorated or repaired, which the landlord will not do unless the 15 percent increase lease agreement is entered into. I do not think that the tenant ought to have that kind of a pistol held to his head. My amendment provides specifically that the tenant get prompt relief in those cases where the obligation exists to make the necessary repairs and decoration that the tenant is entitled to.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KENNEDY: On page 20, line 25, after the words "voluntary leases" strike out "(3)" from line 25 to line 21 on page 21.

Mr. KENNEDY. Mr. Chairman, when this House agreed to pass the Rent Control Act in 1947 they did so because they recognized that the ratio of supply of homes to the demand was out of order and that if they did not pass a rent-control act rents would shoot up to 50, 60, and 70 percent all over the country. From the language of the bill it could be determined that rent control would be lifted at the end of this year. The Congress recognized that when rent control should be lifted in March 1948 rents would shoot up by at least 25 to 30 percent. The bill thus provided that a tenant should have the opportunity to protect his family by providing that by agreement rents should be lifted only 15 percent from the time of the agreement until December 1948. That agreement would last 8 months longer than the rent control which would end in March 1948, so if the rents went up 30, 40, or 50 percent the tenant who made such an agreement would be protected for at least 9 months longer than March 1948. One million six hundred thousand leases carrying the 15-percent agreement were signed for that period. Now we are going to present a rent control for another year, so it means that all the people who signed that 15-percent agreement have been robbed. They signed it to protect themselves from the lifting of rent control and now they do not need that protection. So, he may have paid 15 percent extra per month while perhaps the man next door did not pay for it, and he finds that the agreement was useless because we are going to put rent control in for another year. He was treated unfairly. The 15-percent clause should never have been in the bill. This bill contains the same provision. We do not know whether rent control will be lifted in 1949. If we do, it will be because the ratio between supply and demand will be about even. We will keep rent control on to 1950 if the ratio is not even. So, if we provide for this 15-percent agreement to go on, again a lot of people will think that we are going to lift control and in another year tenants may again sign the 15-percent lease, and then will be taken again. This section should be stricken out, because it is obvious that rent control will be lifted in 1949 only if the supply and demand of homes are about equal and rents will not go up much. If there is still a shortage of homes rent control will continue until 1950. We do not want to see the people deprived of money next year like those 1,600,000 were this year. I should think that they would have small respect for the majority party who put that bill in in 1947, and I hope that you will cut it out so that it will not happen again this year.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: On page 21, line 21, after "1948", insert the following: "In order to insure adequate protection of the rights of tenants under the provisions of this paragraph a landlord shall, in the case of a lease entered into with a tenant in possession at the time such lease is entered into, at the time of filing a copy of such lease with the Housing Expediter, file a statement in the following form, signed by the tenant in such lease before he executes the lease:

"Date ----------

"I am entering into a lease on housing accommodations occupied by me at ----------
(Address)

voluntarily and in good faith, and I fully understand that I am not required to enter into such lease and cannot be compelled to vacate these housing accommodations for failure to enter into such lease.

"(Signed) ----------
(Tenant)"

Mr. KEATING. Mr. Chairman, the approach of the gentleman from New York [Mr. ISACSON] and, if I understand it, the practically similar approach of the gentleman from Massachusetts [Mr. KENNEDY] is to provide that we will now nullify all agreements heretofore entered into by landlords and tenants providing for a 15-percent increase or less. While conceding the existence of abuses, we all know that there were many cases where landlords and tenants to the advantage of both entered into leases providing, among other things, for an increase in rent. The tenant oftentimes was happy to sign a lease containing a modest increase in order to get needed repairs attended to or new paint or plumbing, or something done which was an advantage to him.

The one objection, however, which I feel we have all heard voiced time and again was that tenants were forced into these deals against their wills. This certainly does not apply to all or probably most landlords. Unfortunately, however, there were some who went around to tenants after we passed the rent-control bill last year and said, "Congress has passed a bill under which you will have to pay more rent, and you are going to have to pay me 15 percent more or get out."

The tenants in most of those cases were not well-informed. They could not afford lawyers. They swallowed that argument. Again, I reiterate, because I want to be fair, it is not contended by any means that this was universal. But we do all know there were thousands of such instances.

If the tenant and landlord by a purely voluntary arrangement want to enter into an agreement, one of the terms of which is for an increase in rent within the statutory limits, it does not seem to me that we should interfere. But the one thing we can and should prevent is any overreaching on the part of a landlord. We should be sure that the tenant understands that this is a voluntary arrangement and that he is not required to enter into such a deal.

The purpose of this amendment, therefore, is simply to include in the lease a statement on the part of the tenant that he understands that he is not forced to sign the lease, and that it is a purely voluntary arrangement.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Minnesota.

Mr. MACKINNON. The gentleman's amendment provides that the lessee will sign his name under that declaration?

Mr. KEATING. That is right.

Mr. MACKINNON. Is that the same provision that is included in the Senate bill?

Mr. KEATING. That has passed the Senate. That amendment is now in the Senate bill. I feel in that respect, as in several others, the Senate bill is preferable to this bill.

Mr. MACKINNON. That will have the effect of bringing right home to the tenant what his rights really are?

Mr. KEATING. That is right. That is the purpose of it.

Mr. MACKINNON. I compliment the gentleman on his amendment.

We have a mayor in Minneapolis who misadvised tenants last year, and he did great harm. He led them to believe they had no rights and that the landlord could do anything. It took a long time to straighten out the situation, and more tenants had to go to court to protect their rights against landlords who had been led by the mayor's statements to believe they had greater rights than the law gave them. So the gentleman's amendment, as I see it, could stop that sort of bad advice and thus do much good.

Mr. KEATING. I appreciate the comment of my distinguished colleague, and knowing his reputation for fairness, am happy that he supports this amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. If the committee amendment is voted down in the House, we get right to the Senate bill, do we not?

In other words, the Senate bill is before the Committee of the Whole, so that if the committee substitute is voted down in the House, we come up to the Senate bill?

Mr. KEATING. I believe so. As a result of his long experience, the gentleman would be better informed on the parliamentary situation than I.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT], for 8 minutes to close the debate.

Mr. WOLCOTT. Mr. Chairman, the situation is such that it looks as if I might have to discuss five amendments in 8 minutes. I will do the very best I can.

First, with respect to the Hardy amendment, that should by all means be defeated for the reason that the amendment substitutes the discretion of the mayor of the city for that of the Housing Expediter. As I understand it, the provision is simply that the recommendation of the local board must be approved by the governing body before it can have the effect of a binding recommendation.

Mr. HARDY. Mr. Chairman, will the gentleman yield? I am afraid the gentleman misunderstood my amendment.

Mr. WOLCOTT. As I read the amendment, the recommendation must be approved by the local governing board, which for all practical purposes is the mayor of the municipality in most instances. We set up these boards and provide that they must be representative of the interests affected. The mayor of any community might not generally represent the interests affected. He may have some particular political interest in results. It opens the door to a situation where it might defeat the very purpose for setting up the board.

Mr. Chairman, with reference to the Isacson amendment on page 20, the leases referred to in the gentleman's amendment are illegal because his amendment provides "in any case in which a landlord and tenant on or before December 31, 1947, voluntarily entered into a valid written lease which provided for rent in excess of 15 percent over the maximum rent," and so forth. That could not be done under existing law and it could not be done under this bill which we are now considering. So of course it would be an illegal lease, and therefore the Expediter could not accept it even if he wanted to.

Mr. Chairman, with reference to the amendment offered by the gentleman from New York [Mr. JAVITS] there is a provision of law at the present time by means of which the amendment offered by the gentleman might be effectuated. If the properties are not maintained as they should be, then the Expediter can make such adjustments as he sees fit to relieve hardships and correct inequities. If the properties are not maintained, then we have always contended that it is the duty and obligation of the rent administrator to say to the landlord, "If you do not maintain this property, then we are going to offset the amount which this tenant has to pay to maintain the property." Therefore, the rent can be reduced any time that the properties are not being maintained in proportion as the cost of the maintenance increases the cost to the tenant.

With reference to the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] that is to strike out a provision involving the practice whereby new leases may be entered into providing for rent increases not to exceed 15 percent in keeping with the practice which we authorized last year.

Mr. Chairman, with reference to the Keating amendment, we discussed that thoroughly in committee. It is based on the idea of coercion. If the members will refer to page 9 of the bill, they will find that that is in the Senate bill. If the tenant can be coerced into entering into an original lease, of course he can be coerced into signing this statement. The only difference would be that after negotiations in respect to a lease, the landlord or the agent might say, "Here, Mr. Tenant, sign in two places instead of one," and he would sign in two places instead of one place. To me that is no

protection at all. You might better say that no lease should be entered into unless there is a representative of the rent administrator there to explain to the tenant just what is meant by the lease, and just what he is getting himself into.

Mr. Chairman, by all means all of these amendments should be roundly defeated.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that preceding the vote on each amendment, the particular amendment be read.

Mr. ANGELL. Mr. Chairman, I object.

Mr. HARDY. Mr. Chairman, in view of the fact that the chairman of the committee did not understand my amendment, I ask unanimous consent that my amendment be read.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk again read the amendment offered by the gentleman from Virginia [Mr. HARDY].

Mr. ANGELL. Mr. Chairman, in view of the fact that one of the amendments has been read, I withdraw the objection I made to the request of the gentleman from New York [Mr. JAVITS].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARDY].

The question was taken, and on a division (demanded by Mr. HARDY) there were—ayes 81, noes 105.

Mr. HARDY. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. WOLCOTT and Mr. HARDY to act as tellers.

The committee again divided; and the tellers reported that there were—ayes 99, noes 137.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. ISACSON].

Mr. JAVITS. Mr. Speaker, I renew the request I submitted a short time ago, that each amendment be reported before it is voted on. I ask unanimous consent that each amendment be read before it is voted on.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Clerk will report the Isacson amendment.

The Clerk reread the Isacson amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. ISACSON].

The amendment was rejected.

The CHAIRMAN. The Clerk will report the Javits amendment.

The Clerk reread the Javits amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

The CHAIRMAN. The Clerk will report the Kennedy amendment.

The Clerk reread the Kennedy amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The amendment was rejected.

The CHAIRMAN. The Clerk will report the Keating amendment.

The Clerk reread the Keating amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEATING].

The amendment was rejected.

The Clerk read as follows:

SEC. 203. (a) Section 209 (a) (2) of such act, as amended, is amended to read as follows:

"(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations, or for the immediate and personal use and occupancy as housing accommodations by a member or members of his immediate family, or, in the case of landlord which is an organization exempt from taxation under section 101 (6) of the Internal Revenue Code, for the immediate and personal use and occupancy as housing accommodations of members of its staff: *Provided*, That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no action or proceeding under this paragraph to recover possession of any such housing accommodations shall be maintained unless stock in the cooperative corporation or association has been purchased by persons who are then tenants of at least 65 percent of the dwelling units in the structure or premises and are entitled by reason of stock ownership to proprietary leases of dwelling units in the structure or premises;".

(b) Section 209 (a) (4) of such act, as amended, is amended to read as follows:

"(4) the landlord seeks in good faith to recover possession of such housing accommodations (A) for the immediate purpose of substantially altering or remodeling the same for continued use as housing accommodations, or for the immediate purpose of conversion into additional housing accommodations, and the altering, remodeling, or conversion cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any conversion planned, or (B) for the immediate purpose of demolishing such housing accommodations;".

(c) Section 209 (a) of such act, as amended, is amended by striking out the period at the end of paragraph (5) thereof and inserting a semicolon and the word "or", and by adding after such paragraph (5) a new paragraph to read as follows:

"(6) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of withdrawing such housing accommodations from the rental market, and such housing accommodations shall not thereafter be offered for rent as such."

(d) Section 209 of such act, as amended, is amended by adding at the end thereof the following new subsection:

"(c) No tenant shall be obliged to surrender possession of any housing accommodations pursuant to the provisions of paragraph (2), (3), (4), (5), or (6) of subsection (a) until the expiration of at least 60 days after written notice from the landlord that he desires to recover possession of such housing accommodations for one of the purposes specified in such paragraphs."

Mr. CHURCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 28, line 13, after the word "then", strike out the word "tenants" and insert the word "occupants."

Mr. CHURCH. Mr. Chairman, I believe the amendment is agreeable to the chairman of the committee.

Mr. Chairman, line 13 at page 28 is confusing in the use of the phrase "who are then tenants."

This phrase should state "who are then occupants" or "who at the time such action is instituted are occupants" or "who are then stockholder tenants and in occupancy." The gentleman from Michigan [Mr. WOLCOTT] has kindly accepted the first suggestion which is my amendment, brought to my attention by Mr. Albert Greeley, 1309 Fargo Avenue, Chicago.

The three suggested changes are made so that we might choose the change to be inserted in this bill. You can readily understand that the present wording "who are then tenants" could be construed to preclude suit for possession unless 65 percent of the dwelling units are occupied by purchasers of stock who were tenants at the time of the purchase of the stock.

While the phrase "who are then tenants" probably means "who are then occupants" of 65 percent of the dwelling units at the time of the filing of the suit for possession, it should be clearly stated, otherwise those who have purchased cooperative units in 1946 and in 1947 will be dragged through the courts again as they have been under the 1947 Housing and Rent Act and do not yet have possession of the apartments which they purchased for homes.

Mr. MACKINNON. Mr. Chairman, if the gentleman will yield, I would like to have an explanation of that amendment.

Mr. WOLCOTT. Mr. Chairman, if the gentleman will yield, I understand that the amendment offered by the gentleman from Illinois [Mr. CHURCH], merely changes the word "tenants" to "occupants." I think the reason for that is that in these housing accommodations an occupant might not be a tenant; he might be a stockholder in a cooperative. I see no particular reason why it should not read "occupants." As far as I am concerned, the amendment is acceptable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. CHURCH].

The amendment was agreed to.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Chairman, the overwhelming majority of American consumers, particularly the housewives, the poor people as well as the hospitals and charitable organizations, have for several years insisted that the existing discriminatory taxes on margarine be removed. The demand became so great that the House Committee on Agricul-

ture scheduled hearings on the 16 or more bills pending in the House seeking repeal of these taxes. All last week for long hours during each day the committee heard witness after witness. In my judgment, their testimony demonstrated beyond question that margarine is as good as butter, its taste and its vitamin content and general qualities are equal or superior to that of butter. At these hearings Mr. Charles W. Holman, secretary of the National Cooperative Milk Producers Association, frankly admitted that the issue narrowed itself down as to whether or not margarine should be colored mechanically by the manufacturer or by the housewife.

Notwithstanding the overwhelming evidence in favor of repeal of these taxes, the committee this morning, by an overwhelming vote of 16 to 10, refused to even consider the numerous bills and further refused to consider any bill which may hereafter be introduced on the subject or to take any action with respect thereto at any time during the remainder of the Eightieth Congress. And then to clinch the matter, the motion was made to reconsider this action and it was moved to place that motion on the table, which motion was later adopted by the identical vote of 16 to 10. This means that the Committee on Agriculture has refused to stand up and be counted on the merits of the issue. In substance, it means that we should not hereafter even whisper the word "margarine," much less speak out thereon in committee. The word "margarine" has been deleted and expunged from the dictionary so far as the Committee on Agriculture is concerned.

It is now proposed that a subcommittee of the House Committee on Agriculture be appointed to confer with representatives of the butter industry and the margarine industry to determine if any agreeable plan can be worked out sometime in the future for the adjustment of this issue in a manner entirely satisfactory to both industries. This is nothing more than pure "bunk" and an attempt to mislead American consumers and to leave them laboring under the false hope that the House Committee on Agriculture will hereafter heed their demands. The consumer will not be misled.

While the committee has yet to act on the proposal it will be readily observed that it contemplates a conference between the big interests, the butter manufacturers and the margarine manufacturers. It ignores the interest of the American people, it does not propose to confer with the housewife or with the poor or with the hospitals or with any of the consumers who must pay the bill.

Do not be fooled by the appointment of such a subcommittee should the Committee on Agriculture authorize it. They have killed the bills and it is now proposed to soften the impact and quiet Nation-wide resentment against such action by setting up a committee to study the problem and confer with the big interests. And do not overlook the fact that if such a subcommittee should be appointed and should reach any conclusion, good or bad, under the action taken by our committee today it could not even make a report to, nor could one be received by, the whole committee.

Mr. KLEIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KLEIN: On page 27, after line 20, insert the following:

"(h) Section 206 of such act as amended is amended by inserting the following:

"'(c) An person who wilfully violates any provision of this title shall, upon conviction thereof, be subject to a fine of not more than $1,000 or imprisonment for not more than 1 year, or both. Whenever the Rent Administrator has reason to believe that any person is liable to punishment under this subsection he may certify the facts to the Attorney General who may, in his discretion, cause appropriate proceeding to be brought.'"

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment. I think that amendment would apply to the section we have already adopted.

The CHAIRMAN. The Chair thinks the amendment is in order. It precedes the section which is under consideration yet does not amend the previous section.

THIS AMENDMENT PUTS TEETH IN THE BILL

Mr. KLEIN. Mr. Chairman, this amendment is a very simple one and does not require very much explanation. If we are really sincere that we want genuine rent control, if you on the Republican side are sincere in saying that this affords adequate rent control to the people of the country, you should be willing to adopt this amendment, which simply put a criminal sanction into the bill. This puts teeth in the bill. This simply says that if a landlord does not live up to the regulations of the Housing Expediter or the law itself he shall be subject to criminal penalties, which shall not exceed a fine of $1,000 or 1 year in jail.

It requires specifically, as do most of these criminal sanctions, that it be a willful violation on the part of the landlord, and it gives the landlord a good deal of protection in that the Housing Expediter must first find that the landlord has willfully violated the terms of the act or of his order. Then he goes to the Attorney General, who in turn must find that a criminal violation exists. It is then referred to the United States attorney in the district in which the violation took place. Finally, the United States attorney in that district will investigate and find whether, in his opinion, criminal prosecution should be instituted. It is a triple protection given to the landlord or those whom it is claimed have willfully violated the act.

THIS IS A FRAUD ON THE AMERICAN PEOPLE

In the defeat of the Monroney amendment we virtually emasculated this bill.

There is no real and effective rent control in this bill. The people of this country will recognize that a fraud is being perpetrated on them by the passage of a bill which is called rent control and actually is not rent control at all. I think the point made by my colleague the gentleman from New York [Mr. MULTER], that the title of this bill should be amended so that it would be called a rent decontrol bill, is a very good one. I think the people ought to know what is happening. But if we do have this bill, if we do have this purported rent control, then at least let us put some teeth in it and, where the law is being violated, or the rules of the Housing Expediter, then we should have some criminal penalties.

Mr. Chairman, I hope the amendment is adopted, and if this and other strengthening amendments are not adopted, then I serve notice now that I shall be forced to vote against passage of the bill, for I will not make myself a party to this fraud on the American consumer. I want real rent control; I would fight and vote for a real rent-control bill. I cannot and will not vote for this weak-kneed imitation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KLEIN].

The amendment was rejected.

Mr. MACKINNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACKINNON: On page 29, line 1, after "conversion" and before "cannot", insert "is reasonably necessary to protect and conserve the housing accommodition, and."

Mr. MACKINNON. Mr. Chairman, this is the same language as is contained in the present law. It is offered to prevent remodeling from becoming a racket. The House adopted this amendment last session, and it has been very beneficial. I urge the House to continue this provision.

The CHAIRMAN. The question is on the amendment offered by the gentlemen from Minnesota.

The question was taken; and on a division (demanded by Mr. MACKINNON) there were—ayes 16, noes 101.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 29, line 24, insert a comma and add before the period, "and such longer period not exceeding an additional 90 days as may be granted in its discretion by the court having jurisdiction to issue a judgment of eviction in respect to such housing accommodations."

Mr. JAVITS. Mr. Chairman, the purpose of this amendment is to apply to tenants who are evicted by virtue of rights to bring about eviction reserved to the landlords in this bill. Those evictions being for alterations, or because the landlord seeks to recover the premises for his own use, or if he proposes to withdraw the premises entirely from use for housing, and for instance, proposes to convert them to a loft building or a garage or some other structure. I propose to extend to tenants, who through no fault of their own are being evicted, the same time limitations which are extended in areas where the area boards decontrol the whole area. In those cases, as the chairman of the Committee on Banking and Currency has explained, there is first a 60-day notice period and then after decontrol is finally determined upon, a 90-day notice period within

which tenants may relocate or make other preparations before there is decontrol.

In the provision now before us, if eviction is to take place by virtue of an act of the landlord, as permitted under the bill, such as remodeling or because he has withdrawn the accommodations entirely from housing or because he wants to occupy them himself, he must give 60 days' notice. My amendment provides that the court which has jurisdiction to issue an eviction judgment may in its discretion give in addition up to 90 days' grace to the tenant. Hence the tenant is getting exactly the same rights as he would get if the whole area or that particular type of housing accommodations were being decontrolled.

I submit that the standard established by the bill as to what is necessary under existing conditions to enable people to relocate themselves, which is 60 days and 90 days, even in an area to be decontrolled, should be applicable equally to tenants who are being evicted from premises through no fault of their own and because of rights which are given to the landlord under this bill. I believe in all fairness that the House should adopt this amendment, and in all fairness the committee ought to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

The Clerk read as follows:

TITLE III—MISCELLANEOUS

SEC. 301. Section 2 (a) of the Administrative Procedure Act, as amended, is amended by inserting after "Housing and Rent Act of 1947" the following: ", as amended."

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when this bill makes its exit from the Committee of the Whole and comes back into the House, then opportunity will be given for the people of the country to know squarely and directly what Members of the House stand for complete destruction of rent control at this time. The Senate bill, weak as it is and practically an extension of the Republican measure of last year, is much better than the House substitute. Last year we witnessed in the Congress the passage of a rent-control bill that took away controls over nonessential construction; took away effective control as far as controlling rents is concerned; the power of the Federal agency to go into the Federal court upon its own initiative and bring suit for triple damages and ask for injunctive relief; the necessity for the landlord to make report if there was a change of tenancy; which resulted within 4 months in an increase in residential rents five times as much as took place during the preceding 4 years.

We now have the House substitute before us. In the bill last year there was at least a minimum of good, although the minimum was very small. Under the House substitute there is not even a small, minimum of good left. By the unconstitutional, unreasonable, and illogical method of abdicating our authority to local boards, those who vote for the House substitute are taking the position that they do not have the courage to tell the people directly, "We are not going to extend rent control," and under the guise of deceiving the people that they did vote for an extension, they are practically voting indirectly for repeal, so to speak, of any rent-control legislation, or the failure of even a minimum of rent control during the next year.

Now we are going to have an opportunity for a roll-call vote; we are going to have one as between the Senate bill and, from a legislative angle, this iniquitous monstrosity which the majority of the House committee has imposed upon this committee and the House, and on which we see so many fine Members, against their own judgment, blindly following the leadership that demands that this monstrosity pass this Chamber. The people will have an opportunity to know politically where the responsibility lies. Already the cost of living has increased 30 percent as the result of what happened in the Congress a little over a year and a half ago. Now we are having this marked increase in rents imposed upon millions of Americans. For the first time in the consideration of this bill this year and last year, we have an opportunity for a straight vote. We are going to have a straight vote, and the straight vote will be on the House substitute or accepting the lesser of the two evils, the bill as it passed the Senate.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. MCCORMACK] has expired.

The Clerk read as follows:

SEC. 302. Nothing in this act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

SEC. 303. Nothing in this act shall be construed to impose or authorize the imposition of maximum rents upon any housing accommodations in any defense-rental area or portion thereof, or upon housing accommodations of a class, in the case of which maximum rents have been removed by administrative action in accordance with the provisions of the Housing and Rent Act of 1947; and nothing in this act shall be construed to affect any adjustment in maximum rent made in accordance with the Housing and Rent Act of 1947.

SEC. 304. Section 2 of Public Law 301, Eightieth Congress, approved July 31, 1947 (relating to eviction of tenants from publicly operated housing accommodations), as amended, is hereby amended by striking out "April 1, 1948," and inserting in lieu thereof "April 1, 1949."

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 27, line 20, at the end of section 203, insert the following section 204:

"Section 205 of such act is amended by striking out from the title the words 'by tenants' and by inserting *'Provided further*, That if the person from whom such payment is demanded, accepted, or received either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Housing Expediter may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the Housing Expediter, the person from whom such payment is demanded, accepted, or received shall thereafter be barred from bringing an action for the same violation or violations' after the sentence 'Suit to recover such amount may be brought in any Federal, State, or Territorial court of competent jurisdiction within 1 year after such violation.'"

Mr. MULTER. Mr. Chairman, a little earlier in the day, the gentleman from Mississippi [Mr. RANKIN] criticized me for attentiveness to my duties as a Member of this august body. He suggested that my name be changed from MULTER to "Multigraph." I modestly hope that all of my colleagues here will interpret that to mean that my multiple remarks have been graphic. I assure you that as my remarks multiply in the days ahead they will always be pertinent and I hope they will always be offered without rancor. I know that they will be singularly clear of misstatement.

As to this amendment—this is your last chance, Mr. Chairman, to put some teeth into this bill. You have ruled out criminal sanctions, you have ruled out or weakened the injunction proceedings. The only thing you have left in the bill is the right of the tenant when his rent by voluntary action or otherwise has been boosted above the limit, to sue for damages. This provision will permit the Expediter to sue for those damages in the name of the Government if the tenant fears the effect of such action because of pressure that may be brought upon him by the landlord if he sues.

I trust that you will see your way clear to put this provision into the bill to add some method of enforcement.

SOAK-THE-TENANT BILL

Mr. SABATH. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, I rise for the purpose of supporting the gentleman's amendment although I fully appreciate it will meet the same fate that all other constructive amendments have met at the hands of the Republican majority that have voted nearly solidly against them.

As I stated yesterday, the delay in bringing the bill before the House was willful and deliberate and was done in order not to give the President time to veto it. From what I have observed in the debate today and from the votes that have been made, this monstrosity of a bill will pass the House. I stated "monstrosity." One of today's newspapers gave it a better name—"soak the tenant bill," and that is really the proper name for it.

REAL-ESTATE LOBBY WILL CELEBRATE

The action of the Republican majority today will, no doubt, be celebrated by the great real-estate lobby that has been with us for several years, but the millions of tenants throughout the length and breadth of our country will deplore and mourn their action. By your action you again hope you will be able to mislead the tenants, war veterans, and the sincere Americans who have their sympathy.

I am hopeful, however, when the bill is taken up by the House and Senate conferees that the Senate will insist upon their bill. While it is not the bill I would like to vote for, it is the best that we can obtain for the tenants.

PROPERTY RIGHTS VERSUS HUMAN RIGHTS

Earlier in the day the gentleman from Mississippi [Mr. RANKIN] deplored and lamented that people were deprived of their property rights but expressed nary a word for the protection of human rights. The gentleman from Missouri [Mr. SHORT] tearfully complained that property interests have greatly suffered in the last 15 years under what he delighted in terming "the bureaucratic government." The gentleman seems to forget the conditions which existed during the last 4 years of former President Hoover's administration, when want, hunger, and misery was the people's lot, and forgetful, too, that it was this so-called bureaucratic government that brought to the country the greatest prosperity it has ever enjoyed.

RELIEF FOR BUSINESS—HIGHER PRICES FOR CONSUMERS

Mr. Chairman, if free enterprise has ever been free, it has been so during the last 15 years as evidenced by the fact that during the Democratic administrations business interests have enjoyed the greatest profits of all time and which they are continuing to enjoy today. Unfortunately, for the common people, ever since the Republicans came into control of Congress, they have fostered, passed, and repealed legislation which has brought a steady increase in the cost of living. Beginning with the killing of the Price Control Act, they have passed other legislation not in the interest of the people but for the benefit and relief of big business, and with the passage of this emasculated rent-control act prices will go still higher and people of average or small earnings will find it impossible to make both ends meet.

The Rent Control Act protected tenants from paying exorbitant rentals. Rentals of commercial properties not under rent control have gone up from 50 to 100 percent, and in some instances 200 percent. If we did not have rent control on homes, the same drastic increases would have been imposed on millions of tenants.

NO RIGHT OF APPEAL BY TENANTS

This bill eliminates the local boards originally appointed by the Housing Expediter, the members and personnel of which have served long, faithfully, and conscientiously, and who, by reason of their experience and familiarity with local conditions, are best qualified to determine fair and just rentals. The record will show that they have allowed increases to hundreds of thousands of landlords where the facts justified. But now, by this bill, these Federal local boards are supplanted by boards appointed by the governors of the States, which boards are given arbitrary power, free to increase rents and to even decontrol rents in the area of their jurisdiction, from which there is no right of appeal by the tenant. The Housing Expediter himself is actually shorn of all his powers except to act in effecting the appointment of the persons named by the governors to serve on the local boards.

Mr. Chairman, I realize the Republican majority have the votes to pass this bill, but it will not have them next election, as by that time the people will understand that they have been betrayed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

SEC. 305. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 306. This act shall become effective on the first day of the first calendar month following the month in which it is enacted.

The CHAIRMAN. The question is on the committee substitute for the Senate bill.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 165, noes 83.

So the committee substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PLOESER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such control no longer exist, and for other purposes, pursuant to House Resolution 501, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. MONRONEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. MONRONEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MONRONEY. In order to vote against the committee amendment adopted by the Committee of the Whole the vote would be "No"?

The SPEAKER. Of course, if the gentleman is against an amendment, the vote is "No."

Mr. MARCANTONIO. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. If the committee amendment is voted down, then the House will have to vote on the Senate bill?

The SPEAKER. If the amendment is voted down, the Senate bill will remain. The question is on the amendment.

The question was taken; and there were—yeas 228, nays 155, not voting 48, as follows:

[Roll No. 24]

YEAS—228

Abernethy	Andersen, H. Carl	Andresen, August H.
Allen, Calif.	Anderson, Calif.	Andrews, N. Y.
Allen, Ill.	Arends	Auchincloss
Banta	Barden	Barrett
Bates, Mass.	Beall	Bender
Bennett, Mich.	Bennett, Mo.	Bishop
Blackney	Boggs, Del.	Bolton
Bradley	Bramblett	Brophy
Brown, Ga.	Bryson	Buck
Buffett	Busbey	Butler
Byrnes, Wis.	Carson	Case, S. Dak.
Chenoweth	Church	Clevenger
Coffin	Cole, Kans.	Cole, Mo.
Cole, N. Y.	Colmer	Cooley
Cotton	Coudert	Cox
Cravens	Crawford	Crow
Cunningham	Curtis	Dague
Davis, Ga.	Davis, Wis.	Dawson, Utah
D'Ewart	Dirksen	Dolliver
Dondero	Doughton	Durham
Ellis	Ellsworth	Elston
Engel, Mich.	Fellows	Fenton
Fernandez	Fisher	Fletcher
Foote	Fuller	Gamble
Gavin	Gearhart	Gillette
Gillie	Goff	Goodwin
Graham	Grant, Ind.	Gregory
Gross	Gwynne, Iowa	Hagen
Hale	Hall, Leonard W.	Halleck
Harness, Ind.	Harrison	Harvey
Herter	Hess	Hill
Hinshaw	Hoeven	Holmes
Hope	Horan	Jackson, Calif.
Jenison	Jenkins, Ohio	Jennings
Jensen	Johnson, Calif.	Johnson, Ill.
Johnson, Ind.	Johnson, Okla.	Jones, N. C.
Jones, Wash.	Jonkman	Kean
Kearney	Kearns	Keefe
Kerr	Kilburn	Kilday
Knutson	Kunkel	Landis
Lea	LeCompte	LeFevre
Lemke	Lewis	Lichtenwalter
Lodge	Love	Lucas
McConnell	McCowen	McCulloch
McDonough	McGarvey	McGregor
McMillen, Ill.	Mack	Macy
Maloney	Martin, Iowa	Mason
Mathews	Merrow	Meyer
Michener	Miller, Conn.	Miller, Md.
Miller, Nebr.	Morris	Murray, Tenn.
Murray, Wis.	Nicholson	Nixon
Norblad	O'Hara	Owens
Pace	Passman	Patterson
Peden	Peterson	Phillips, Calif.
Phillips, Tenn.	Ploeser	Plumley
Potter	Poulson	Preston
Price, Fla.	Ramey	Rankin
Reed, Ill.	Reed, N. Y.	Rees
Reeves	Regan	Rich
Riley	Rizley	Robertson
Rockwell	Rogers, Fla.	Rogers, Mass.
Rohrbough	Russell	Sadlak
St. George	Sanborn	Schwabe, Mo.
Schwabe, Okla.	Scoblick	Scott, Hardie
Scott, Hugh D., Jr.	Scrivner	Seely-Brown
Short	Simpson, Ill.	Simpson, Pa.
Smith, Kans.	Smith, Maine	Smith, Ohio
Smith, Wis.	Stefan	Stevenson
Stockman	Stratton	Sundstrom
Taber	Talle	Tibbott
Tollefson	Twyman	Vail
Vinson	Vorys	Vursell
Wadsworth	Weichel	Wheeler
Whitten	Whittington	Wigglesworth
Wilson, Tex.	Wolcott	Wolverton
Wood	Woodruff	Youngblood

NAYS—155

Albert	Combs	Granger
Allen, La.	Cooper	Hand
Almond	Corbett	Hardy
Andrews, Ala.	Courtney	Harless, Ariz.
Angell	Crosser	Harris
Arnold	Dawson, Ill.	Hart
Bakewell	Deane	Havenner
Bates, Ky.	Delaney	Hays
Beckworth	Devitt	Hébert
Bell	Domengeaux	Hedrick
Blatnik	Donohue	Heffernan
Bloom	Douglas	Heselton
Boggs, La.	Eberharter	Hobbs
Bonner	Elliott	Holifield
Brooks	Elsaesser	Huber
Buchanan	Engle, Calif.	Hull
Buckley	Evins	Isacson
Bulwinkle	Fallon	Jackson, Wash.
Burke	Feighan	Javits
Burleson	Folger	Johnson, Tex.
Byrne, N. Y.	Forand	Jones, Ala.
Canfield	Fulton	Judd
Cannon	Garmatz	Karsten, Mo.
Carroll	Gary	Keating
Celler	Gathings	Kee
Chapman	Gordon	Kefauver
Chelf	Gore	Kelley
Clason	Gorski	Kennedy

Keogh	Mills	Ross
Kersten, Wis.	Monroney	Sabath
King	Morgan	Sadowski
Kirwan	Morton	Sarbacher
Klein	Muhlenberg	Sasscer
Lane	Multer	Sheppard
Lanham	Murdock	Sikes
Larcade	Nodar	Smathers
Latham	Norton	Smith, Va.
Lesinski	O'Brien	Snyder
Ludlow	O'Konski	Somers
Lusk	O'Toole	Spence
Lyle	Patman	Stanley
Lynch	Pfeifer	Stigler
McCormack	Philbin	Taylor
McMahon	Pickett	Teague
McMillan, S. C.	Poage	Thomas, Tex.
MacKinnon	Potts	Thompson
Madden	Powell	Trimble
Mahon	Price, Ill.	Van Zandt
Mansfield	Priest	Walter
Marcantonio	Rains	Worley
Meade, Md.	Rayburn	Zimmerman
Miller, Calif.	Redden	

NOT VOTING—48

Abbitt	Fogarty	Morrison
Battle	Gallagher	Mundt
Bland	Gossett	Norrell
Boykin	Grant, Ala.	Richards
Brehm	Griffiths	Riehlman
Brown, Ohio	Gwinn, N. Y.	Rivers
Camp	Hall,	Rooney
Case, N. J.	Edwin Arthur	Shafer
Chadwick	Hartley	Thomas, N. J.
Chiperfield	Hendricks	Towe
Clark	Hoffman	Welch
Clippinger	Jarman	West
Davis, Tenn.	Jenkins, Pa.	Williams
Dingell	McDowell	Wilson, Ind.
Dorn	Manasco	Winstead
Eaton	Meade, Ky.	
Flannagan	Mitchell	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Case of New Jersey for, with Mr. Gossett against.

Mr. Towe for, with Mr. Dingell against.

Mr. Camp for, with Mr. Eaton against.

Mr. Riehlman for, with Mr. Shafer against.

Mr. Williams for, with Mr. Clippinger against.

Mr. Jenkins of Pennsylvania for, with Mr. Dorn against.

Mr. Meade of Kentucky for, with Mr. Fogarty against.

Mr. Brehm for, with Mr. Richards against.

Mr. Wood for, with Mr. Rooney against.

General pairs until further notice:

Mr. Brown of Ohio with Mr. Abbitt.

Mr. Hoffman with Mr. Morrison.

Mr. McDowell with Mr. Rivers.

Mr. Mitchell with Mr. West.

Mr. Hartley with Mr. Jarman.

Mr. Chiperfield with Mr. Clark.

Mr. Mundt with Mr. Winstead.

Mr. Griffiths with Mr. Hendricks.

Mr. Gwinn of New York with Mr. Battle.

Mr. Edwin Arthur Hall with Mr. Davis of Tennessee.

Mr. Welch with Mr. Boykin.

Mr. Thomas of New Jersey with Mr. Manasco.

Mr. Wilson of Indiana with Mr. Grant of Alabama.

Mr. Gallagher with Mr. Bland.

Mr. Chadwick with Mr. Flannagan.

Mr. LATHAM changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BUCHANAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BUCHANAN. I am, Mr. Speaker, in its present form. I shall not ask for the yeas and nays, as that has been covered by a previous vote.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BUCHANAN moves to recommit S. 2182 to the Committee on Banking and Currency with instructions to report the bill back to the House with the following amendment: On page 22, beginning with line 13, strike the language through page 27, line 5, inclusive, and substitute the following:

"(d) Section 204 (e) (1) of such act is amended to read as follows:

"'(e) (1) The Rent Administrator is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area, to be appointed by the Rent Administrator, from recommendations made by the respective Governors: *Provided*, That in any case where the Governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within 30 days after request therefor (subsequent to the date of enactment of the Housing and Rent Act of 1948) from the Rent Administrator, the Rent Administrator shall without such recommendations appoint the original members of such boards or such members as may be required to fill vacancies. Nothing in the foregoing provision shall require the reappointment of present members of local advisory boards, but any change in the membership of any local advisory board necessitated by this provision shall be effectuated as promptly as may be practicable. Each such board shall have sufficient members to enable it promptly to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this title within its area; and in any such case the board shall hold a hearing at the request of either party. The local boards may make such recommendations to the Rent Administrator as they deem advisable with respect to the following matters:

"'(A) Decontrol of the defense-rental area or any portion thereof over which the local board has jurisdiction, and decontrol of any class of housing accommodations within such defense-rental area or portion thereof;

"'(B) The adequacy of the general rent level in the area; and

"'(C) Operations generally of the local rent office, with particular reference to hardship cases.'

"(e) The second sentence of section 204 (e) (3) of such act is amended to read as follows: 'Any recommendation of a local board appropriately substantiated, in the opinion of the Rent Administrator, and in accordance with applicable law and regulations, shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.'

"(f) Section 204 (e) (4) of such act is amended to read as follows:

"'(4) Immediately upon the enactment of the Housing and Rent Act of 1948 the Rent Administrator shall communicate with the Governors of the several States advising them of the provisions of this subsection as amended and of the number and location of defense-rental areas in their respective States and the areas or portions thereof in which boards are to be appointed therein, and requesting the cooperation of the Governors of the several States in carrying out such provisions.'

"(g) Section 204 (f) of such act is amended to read as follows:

"'(f) The provisions of this title shall cease to be in effect at the close of April 30, 1949.'

"SEC. 204. Section 206 of such act is amended to read as follows:

"'SEC. 206. (a) It shall be unlawful for any person to offer, solicit, demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204 or otherwise to do or omit to do any act in violation of any provision of this title.

"'(b) Whenever in the judgment of the Rent Administrator any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of any provision of this title, he may make application to any Federal, State, or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such provision, and upon a showing by the Rent Administrator that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.'"

Mr. RANKIN. Mr. Speaker, I make the point of order that this motion to recommit is not in order because it is the same material that was just voted on by the House.

The SPEAKER. The Chair overrules the point of order. The motion to recommit is not the same as the amendment just voted upon. The motion to recommit does not go as far as the original amendment.

The question is on the motion to recommit offered by the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. MARCANTONIO. Mr. Speaker, I demand tellers.

Tellers were ordered, and the Speaker appointed as tellers the gentleman from Michigan [Mr. WOLCOTT] and the gentleman from New York [Mr. MARCANTONIO].

The House divided; and the tellers reported that there were—ayes 85, noes 189.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. WOLCOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 251, nays 133, not voting 47, as follows:

[Roll No. 25]

YEAS—251

Allen, Calif.	Bakewell	Bradley
Allen, Ill.	Barrett	Bramblett
Allen, La.	Bates, Mass.	Brooks
Almond	Beall	Brophy
Andersen, H. Carl	Beckworth	Brown, Ga.
	Bender	Bryson
Anderson, Calif.	Bennett, Mich.	Buckley
Andresen, August H.	Blackney	Burke
	Bloom	Busbey
Andrews, Ala.	Boggs, Del.	Butler
Andrews, N. Y.	Boggs, La.	Byrne, N. Y.
Arends	Bolton	Canfield
Auchincloss	Bonner	Cannon

Carson	Heselton	Nicholson
Case, S. Dak.	Hess	Nixon
Chapman	Hill	Nodar
Chelf	Hinshaw	Norblad
Clason	Hobbs	O'Brien
Cole, Kans.	Hoeven	O'Hara
Cole, N. Y.	Holmes	Pace
Cooper	Hope	Patterson
Corbett	Horan	Phillips, Calif.
Coudert	Hull	Phillips, Tenn.
Courtney	Javits	Ploeser
Cox	Jenkins, Ohio	Plumley
Crosser	Johnson, Calif.	Potter
Crow	Johnson, Ill.	Potts
Dague	Johnson, Ind.	Poulson
Davis, Ga.	Johnson, Tex.	Preston
Davis, Wis.	Jones, Ala.	Price, Fla.
Dawson, Utah	Jones, N. C.	Priest
Delaney	Jones, Wash.	Rains
Devitt	Judd	Ramey
D'Ewart	Kean	Reed, Ill.
Dirksen	Kearney	Rees
Domengeaux	Kearns	Reeves
Doughton	Keating	Regan
Durham	Kee	Riley
Eberharter	Keefe	Robertson
Ellis	Kefauver	Rockwell
Elsaesser	Keogh	Rogers, Mass.
Elston	Kerr	Rohrbough
Engel, Mich.	Kersten, Wis.	Ross
Engle, Calif.	Kilburn	Russell
Evins	Kirwan	Sadlak
Fallon	Kunkel	Sadowski
Feighan	Landis	St. George
Fellows	Lane	Sarbacher
Fenton	Lanham	Sasscer
Fernandez	Larcade	Scoblick
Folger	Latham	Scott, Hardie
Foote	Lea	Scott,
Forand	LeCompte	Hugh D., Jr.
Fuller	LeFevre	Seely-Brown
Fulton	Lesinski	Sheppard
Gamble	Lewis	Sikes
Garmatz	Lichtenwalter	Simpson, Pa.
Gary	Lodge	Smathers
Gathings	Love	Smith, Maine
Gavin	Ludlow	Smith, Va.
Gearhart	Lusk	Snyder
Gillette	McConnell	Somers
Gillie	McCulloch	Stanley
Gordon	McDonough	Stevenson
Gore	McGarvey	Stockman
Gorski	McMahon	Stratton
Graham	McMillan, S. C.	Sundstrom
Grant, Ind.	McMillen, Ill.	Taber
Gregory	Mack	Talle
Gross	MacKinnon	Taylor
Hagen	Macy	Thomas, Tex.
Hale	Madden	Tibbott
Hall,	Maloney	Tollefson
Leonard W.	Mathews	Trimble
Halleck	Meade, Md.	Twyman
Hand	Meyer	Vail
Hardy	Michener	Van Zandt
Harris	Miller, Conn.	Vinson
Hart	Miller, Md.	Vorys
Hays	Monroney	Wadsworth
Hébert	Morton	Wigglesworth
Hedrick	Muhlenberg	Wolcott
Heffernan	Murdock	Wolverton
Hendricks	Murray, Tenn.	Woodruff
Herter	Murray, Wis.	Zimmerman

NAYS—133

Abernethy	Curtis	Kelley
Albert	Dawson, Ill.	Kennedy
Angell	Deane	Kilday
Arnold	Dolliver	King
Banta	Dondero	Klein
Barden	Donohue	Knutson
Bates, Ky.	Douglas	Lemke
Bell	Elliott	Lucas
Bennett, Mo.	Ellsworth	Lyle
Bishop	Fisher	Lynch
Blatnik	Fletcher	McCormack
Buchanan	Goff	McCowen
Buck	Goodwin	McGregor
Buffett	Granger	Mahon
Bulwinkle	Gwynne, Iowa	Mansfield
Burleson	Harless, Ariz.	Marcantonio
Byrnes, Wis.	Harness, Ind.	Martin, Iowa
Carroll	Harrison	Mason
Celler	Harvey	Merrow
Chenoweth	Havenner	Miller, Calif.
Church	Holifield	Miller, Nebr.
Clevenger	Huber	Mills
Coffin	Isacson	Morgan
Cole, Mo.	Jackson, Calif.	Morris
Colmer	Jackson, Wash.	Multer
Combs	Jenison	Norton
Cooley	Jennings	O'Konski
Cotton	Jensen	O'Toole
Cravens	Johnson, Okla.	Owens
Crawford	Jonkman	Passman
Cunningham	Karsten, Mo.	Patman
Peden	Rogers, Fla.	Teague
Peterson	Sabath	Thompson
Pfeifer	Sanborn	Vursell
Philbin	Schwabe, Mo.	Walter
Pickett	Schwabe, Okla.	Weichel
Poage	Scrivner	Wheeler
Powell	Short	Whitten
Price, Ill.	Simpson, Ill.	Whittington
Rankin	Smith, Kans.	Wilson, Tex.
Rayburn	Smith, Ohio	Wood
Redden	Smith, Wis.	Worley
Reed, N. Y.	Spence	Youngblood
Rich	Stefan	
Rizley	Stigler	

NOT VOTING—47

Abbitt	Fogarty	Mundt
Battle	Gallagher	Norrell
Bland	Gossett	Richards
Boykin	Grant, Ala.	Riehlman
Brehm	Griffiths	Rivers
Brown, Ohio	Gwinn, N. Y.	Rooney
Camp	Hall,	Shafer
Case, N. J.	Edwin Arthur	Thomas, N. J.
Chadwick	Hartley	Towe
Chiperfield	Hoffman	Welch
Clark	Jarman	West
Clippinger	Jenkins, Pa.	Williams
Davis, Tenn.	McDowell	Wilson, Ind.
Dingell	Manasco	Winstead
Dorn	Meade, Ky.	
Eaton	Mitchell	
Flannagan	Morrison	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Case of New Jersey for, with Mr. Gossett against.

Mr. Jenkins of Pennsylvania for, with Mr. Dingell against.

Mr. Meade of Kentucky for, with Mr. Williams against.

Mr. Fogarty for, with Mr. Dorn against.

Mr. Camp for, with Mr. Clippinger against.

Mr. Riehlman for, with Mr. Shafer against.

Mr. Thomas of New Jersey for, with Mr. Gwinn of New York against.

Mr. Battle for, with Mr. Brehm against.

Mr. Towe for, with Mr. Rooney against.

Additional general pairs:

Mr. Eaton with Mr. Abbitt.

Mr. Mitchell with Mr. Winstead.

Mr. Brown of Ohio with Mr. Grant of Alabama.

Mr. Chadwick with Mr. Clark.

Mr. Griffiths with Mr. Manasco.

Mr. Mundt with Mr. West.

Mr. McDowell with Mr. Jarman.

Mr. Chiperfield with Mr. Richards.

Mr. Edwin Arthur Hall with Mr. Morrison.

Mr. Hartley with Mr. Boykin.

Mr. Hoffman with Mr. Rivers.

Mr. Gallagher with Mr. Davis of Tennessee.

Mr. Welch with Mr. Bland.

Mr. Wilson of Indiana with Mr. Flannagan.

Mr. VURSELL changed his vote from "yea" to "nay."

Mr. HOBBS, Mr. GORDON, and Mr. CANNON changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1949

Mr. DIRKSEN, from the Committee on Appropriations, reported the bill (H. R. 5883) making appropriations for the Department of Agriculture—exclusive of the Farm Credit Administration—for the fiscal year ending June 30, 1949, and for other purposes (Rept. No. 1571), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. COLMER reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. CROSSER asked and was given permission to extend his remarks in the RECORD in connection with a bill he introduced to amend the Railroad Unemployment Insurance Act, as amended.

Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. MULTER (at the request of Mr. KLEIN) was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. BREHM] be permitted to extend his remarks in the RECORD and include an article by Felix Morley. The gentleman from Ohio [Mr. BREHM] has been informed by the Public Printer that this will exceed two pages of the RECORD and will cost $189.34, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

UNITED NATIONS

Mr. JUDD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. Mr. Speaker, three times in the last 3 years the gentleman from Arkansas [Mr. HAYS] and I have introduced resolutions trying to get our Government to move consistently and vigorously in the direction of determining an over-all, positive, consistent foreign policy that is bipartisan and works toward strengthening the United Nations so that the great load that our country is called upon to carry in this world emergency can be spread to the mass of mankind and the bulk of nations who want to have freedom and security. The world put its faith in the United Nations but unfortunately as it has worked out, some of the structures and provisions of the United Nations have been used by certain nations to block peace rather than to make peace. That is an intolerable situation. We must get the United Nations revised so that it can become a workable instrument that the peaceful nations of the world can use to make peace, not one that the nonpeaceful nations can use to block peace. Twelve of our colleagues, six Republicans and six

Democrats, have also introduced this resolution. We commend it to the members of the House for their careful study and support.

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. Mr. Speaker, again I am happy to join my friend the gentleman from Minnesota [Mr. JUDD] in the introduction of this resolution, which we believe will lead to the strengthening of our best hope, the United Nations. At an appropriate time I hope to discuss in detail in behalf of my colleagues, the gentleman from South Carolina [Mr. RICHARDS], the gentleman from Alabama [Mr. JARMAN], the gentleman from Montana [Mr. MANSFIELD], the gentleman from Mississippi [Mr. COLMER], the gentleman from New York [Mr. BYRNE], and the gentleman from Tennessee [Mr. KEFAUVER], the hopes we have for achieving a firm peace in the world through the instrumentality described by the gentleman from Minnesota [Mr. JUDD].

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, I join my distinguished colleague, the gentleman from Minnesota [Mr. JUDD] and the gentleman from Arkansas [Mr. HAYS], in the introduction of this very important and far-reaching resolution. For more than 2 years now I, too, have been advocating a strong policy in dealing with this matter. I am particularly interested in this resolution because it provides the machinery to prevent the use of the veto by one nation to prevent world peace.

THE UNITED NATIONS AND PEACE

Mr. MUHLENBERG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MUHLENBERG. Mr. Speaker, we are all deeply concerned in efforts to establish peace in the world. There are only three ways today when one nation, and one alone, threatens peace: The first is that advocated by Henry Wallace and his supporters—the idea that we shall give in to the Russian bear for what it wants, depending on the Red Government of Russia to work for the good of mankind; or another plan is now being followed in part by certain western European countries—a defensive alliance of material and men—a strengthening of all national resources in a determination for survival at all costs; or a third plan—that of strengthening a world alliance of like-minded powers determined that by their might and their combined good will peace and opportunity for the common man may be engendered all over the world. I am for the third plan—which is the one proposed here today.

I believe the American people want the United Nations to succeed. I believe they are bitterly disappointed that their dreams of peace have not yet been realized; also, that they are prepared to sacrifice heavily to forward the realization. Long ago we came to understand that a minority voice, or even a single voice, in the UN councils has become the vote that has stopped action, and we want obstructive tactics checkmated. It will not be done except with a new arming of public opinion within the council. So we suggest a new strengthening of the voice and the judgment and the power of UN—the voice by creation of a new agreement that prevents negation by a single vote; the judgment by a new majority opinion that will overrule; the power by a new UN police force that contains world-wide and volunteer elements of strength.

How much better it is to do this within existing framework than to abandon what has gone before and start anew. It can be done. The scheme already suggested by my most distinguished colleagues, revises and supplements work that started in 1920 under President Wilson, for which at that time the world was not ready, but which now is being earnestly prayed for all over the world—even I believe in the minds of the downtrodden little Russians. It says to aggressors and to those who believe in ruthless domination over the will of the people—"Thou shalt not."

I earnestly commend the plan to the administration. It is a prerequisite to any plan for the rehabilitation of western Europe for fear of consequences of failure must be changed to hope of success; it takes advantage of the knowledge of the workings of international agreements that we have painfully acquired over the past years; it is practical and offers cooperation all over the world.

And if it does not work fully, if nevertheless we are committed to heavy material expense, we can know that the free hand of fellowship has been offered and rejected, and it will put the heavy finger of moral responsibility for peace on the one nation that refuses—and it can say without shadow of doubt: "Thou are the man."

But it will work; it does give hope to a despairing world; it costs us less; it gives us more; it echoes in firm and practical thought those significant words of Benjamin Franklin on the day that our own United States came into being, March 4, 1789: "God grant that not only the love of liberty but a thorough knowledge of the rights of man may pervade all the nations of the earth so that a philosopher may set his foot anywhere on its surface and say 'this is my country.'"

EXTENSION OF REMARKS

Mr. JUDD asked and was given permission to revise and extend his remarks and include a resolution.

Mr. HARNESS of Indiana (at the request of Mr. HALLECK) was granted permission to extend his remarks in the RECORD and include a radio broadcast.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1107. An act relating to the arming of American vessels; to the Committee on Foreign Affairs.

S. 1571. An act to promote the national defense by increasing the membership of the National Advisory Committee for Aeronautics, and for other purposes; to the Committee on Armed Services.

S. 1723. An act to amend the acts authorizing the courses of instruction at the United States Naval Academy and the United States Military Academy to be given to a limited number of persons from the American Republics so as to permit such course of instruction to be given to Canadians; to the Committee on Armed Services.

S. 2201. An act supplementing the act entitled "An act authorizing the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State," approved April 7, 1948; to the Committee on Public Works.

S. 2277. An act to amend section 13 of the Surplus Property Act of 1944, as amended, to provide for the disposition of surplus real property to States, political subdivisions, and municipalities for use as public parks, recreational areas, and historic-monument sites, and for other purposes; to the Committee on Expenditures in the Executive Departments.

S. J. Res. 155. Joint resolution providing for a rehearing in the matter of the Bellows Falls Hydro-Electric Corp. (project No. 1892), known as the Wilder Dam project, and a review of any order of the Federal Power Commission therein; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 158. Joint resolution to authorize the issuance of a special series of stamps commemorative of the eighty-fifth anniversary of Lincoln's Gettysburg Address; to the Committee on Post Office and Civil Service.

S. J. Res. 189. Joint resolution to provide for the issuance of a special postage stamp in honor of the Five Civilized Tribes of Indians in Oklahoma; to the Committee on Post Office and Civil Service.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1809. An act to facilitate the use and occupancy of national forest lands, and for other purposes;

H. R. 2502. An act to provide for the general welfare and advancement of the Klamath Indians in Oregon;

H. R. 3506. An act to provide for the acquisition of a site for a new Federal building in Huntington, W. Va., adjoining existing Federal buildings there, as an economy measure, before land values have increased as a result of improvements;

H. R. 4836. An act to authorize the purchase of a new post-office site at Omaha, Nebr.;

H. R. 4967. An act to provide for the acquisition of a site and preparation of plans and specifications for a new postal building and for remodeling of the existing main

post-office building in Portland, Oreg., and for other purposes;

H. R. 5315. An act to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases, and for related purposes; and

H. J. Res. 251. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the coming of the Swedish pioneers to the Middle West.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 1990. An act to provide a means for the orderly continuation and completion of the Deer Creek and aqueduct divisions of the Provo River project, Utah;

S. 1782. An act to provide for selection of superintendents of national cemeteries from meritorious and trustworthy members of the armed forces who have been disabled in line of duty for active field service;

S. 1733. An act to authorize payment to certain enrolled members of the Seminole Tribe of Indians under act of July 2, 1942 (Public, No. 645, 77th Cong.); and

S. J. Res. 172. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during 1948.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 56 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 17, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1391. Under clause 2 of rule XXIV, a letter from the Acting Secretary of the Navy, transmitting proposed transfer of three dories to the Coastal Auxiliary, Inc., was taken from the Speaker's table and referred to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REED of Illinois: Committee on the Judiciary. House Joint Resolution 334. Joint resolution giving the consent of Congress to the compact on regional education entered into between the Southern States at Tallahassee, Fla., on February 8, 1948; with an amendment (Rept. No. 1569). Referred to the House Calendar.

Mr. BUSBEY: Committee on Interstate and Foreign Commerce. S. 2081. An act to extend the provisions of the Federal Airport Act to the Virgin Islands; without amendment (Rept. No. 1570). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIRKSEN: Committee on Appropriations. H. R. 5883. A bill making appropriations for the Department of Agriculture (exclusive of the Farm Credit Administration) for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 1571). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CRAVENS: Committee on the Judiciary. H. R. 700. A bill for the relief of Anthony Arancio; without amendment (Rept. No. 1565). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 894. A bill for the relief of Pacific Fire Insurance Co. and American Orchestra Co., Inc.; with an amendment (Rept. No. 1566). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 2193. A bill for the relief of Robert E. Graham; with an amendment (Rept. No. 1567). Referred to the Committee of the Whole House.

Mr. CRAVENS: Commitee on the Judiciary. H. R. 2889. A bill for the relief of Aubrey F. Houston; without amendment (Rept. No. 1568). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 5870. A bill to amend the act of May 16, 1946 (Public Law 383, 79th Cong.), as amended, to provide increased allowances for the escorts of repatriated war dead; to the Committee on Armed Services.

H. R. 5871. A bill to provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes; to the Committee on Armed Services.

By Mr. KEOGH:

H. R. 5872. A bill to provide for the acquisition of a site and preparation of plans and specifications for a new courthouse building for the eastern district of New York, and for other purposes; to the Committee on Public Works.

By Mr. MERROW:

H. R. 5873. A bill making appropriations for the Department of the Navy for the fiscal year ending June 30, 1949; to the Committee on Appropriations.

By Mr. O'HARA:

H. R. 5874. A bill to establish a District of Columbia Armory Board, and for other purposes; to the Committee on the District of Columbia.

By Mr. CROSSER:

H. R. 5875. A bill to amend the Railroad Unemployment Insurance Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. FERNÓS-ISERN:

H. R. 5876. A bill to add section 3–a to the Organic Act of Puerto Rico; to the Committee on Public Lands.

By Mr. HARRISON:

H. R. 5877. A bill to amend section 143 (b) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mrs. SMITH of MAINE:

H. R. 5878. A bill to provide for the payment of a uniform allowance to officers of the Reserve components of the United States Army and the United States Air Force; to the Committee on Armed Services.

By Mr. BARTLETT:

H. R. 5879. A bill to repeal the Alaska Retirement Act of June 29, 1936, as amended, and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such act of June 29, 1936, is applicable; to the Committee on Post Office and Civil Service.

By Mr. WOLVERTON:

H. R. 5880. A bill to amend section 32 (a) (2) of the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. SHEPPARD:

H. R. 5881. A bill to authorize the appropriation of funds for construction and acquisition of school facilities at Parker Dam power project; to the Committee on Public Lands.

By Mr. ANDERSON of California:

H. R. 5882. A bill to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes; to the Committee on Armed Services.

By Mr. DIRKSEN:

H. R. 5883. A bill making appropriations for the Department of Agriculture (exclusive of the Farm Credit Administration) for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

By Mr. JONES of Alabama:

H. Con Res. 161. Concurrent resolution to express the sense of the Congress with respect to universal service and total mobilization of national resources in any future war in which the United States may be engaged; to the Committee on Armed Services.

By Mr. LODGE:

H. Con. Res. 162. Concurrent resolution expressing the sense of the Congress with respect to the steps which should be taken by the President to help the people of Italy to conduct their elections free from threats and to preserve the freedom and independence of Italy; to the Committee on Foreign Affairs.

By Mr. JUDD:

H. Con. Res. 163. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. HAYS:

H. Con. Res. 164. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. HALE:

H. Con. Res. 165. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. MUNDT:

H. Con. Res. 166. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. GWINN of New York:

H. Con. Res. 167. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. BURKE:

H. Con. Res. 168. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. MUHLENBERG:

H. Con. Res. 169. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. NIXON:

H. Con. Res. 170. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. RICHARDS:

H. Con. Res. 171. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. JARMAN:

H. Con. Res. 172. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. MANSFIELD:

H. Con. Res. 173. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. COLMER:

H. Con. Res. 174. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. BYRNE of New York:

H. Con. Res. 175. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. KEFAUVER:

H. Con. Res. 176. Concurrent resolution recommending the revision of the United Nations Charter; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BOGGS of Louisiana introduced a bill (H. R. 5884) for the relief of Jacques Schwartz and Mrs. Natalie Baron Schwartz, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1558. By Mr. BRADLEY: Petition of Mrs. Elfreda Zinn and 16 other residents of California, opposing the enactment of a universal military training bill; to the Committee on Armed Services.

1559. By Mr. CANFIELD: Petition of Mrs. Esther S. Frankel and 227 other signers, of the Paterson, N. J., area, opposing universal military training; to the Committee on Armed Services.

1560. By Mr. GRAHAM: Petition of 40 residents of Beaver, Pa., urging the establishment of a system of universal military training; to the Committee on Armed Services.

1561. By Mr. HUBER: Petition of 37 citizens of Medina County, in the Fourteenth Congressional District of Ohio, furnished by John Thomas Taylor, director, national legislative commission of the American Legion, favoring the approval of universal military training; to the Committee on Armed Services.

1562. Also, petition of 28 citizens of Medina County, in the Fourteenth Congressional District of Ohio, furnished by John Thomas Taylor, director, national legislative commission of the American Legion, favoring the approval of universal military training; to the Committee on Armed Services.

1563. Also, petition of 28 citizens of Medina County in the Fourteenth Congressional District of Ohio, furnished by John Thomas Taylor, director, national legislative commission of the American Legion, favoring the approval of universal military training; to the Committee on Armed Services.

1564. By Mr. JOHNSON of Illinois. Petition of the American Legion, McDonough County Post, No. 6, Department of Illinois, that the Congress take steps for the continued operation subregional, local, or contact offices of the Veterans' Administration; to the Committee on Veterans' Affairs.

1565. By Mr. LEWIS: Petition of 16 residents of Barnesville, Ohio, urging defeat of universal military training; to the Committee on Armed Services.

1566. By Mr. YOUNGBLOOD: Petition of Miss Clarice Dee Johnston, petitioning the President to call into action all former members of the Office of Strategic Services and to appoint a qualified citizen as chief; to the Committee on Armed Services.

1567. By the SPEAKER: Petition of E. Brown and others, petitioning consideration of their resolution with reference to the defeat of universal military training; to the Committee on Armed Services.

1568. Also, petition of Mrs. Josie B. Gardner, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

WEDNESDAY, MARCH 17, 1948

(Legislative day of Monday, March 15, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

We pray, O God, in this uncertain hour, that Thou wilt reveal Thyself and Thy will to the leaders of our Nation.

Help them to see the right way to preserve the things so dearly bought and to resolve the difficulties that seem so great.

Inspire their thoughts by the mind of Christ coming into their minds and the courage to challenge America to accept the moral responsibilities of the spiritual leadership of the world.

May we not be afraid to face facts, however unpleasant. Take away the acrophobia of our souls that we may breathe the pure air of high ideals and lofty purpose without becoming lightheaded.

For the sake of the world, for the sake of peace, for the sake of America, for conscience sake, for God's sake, help us to do the right thing. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 16, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 400) authorizing the issuance of a patent in fee to Mabel Townsend Pretty On Top, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills of the Senate, each with an amendment in which it requested the concurrence of the Senate:

S. 733. An act authorizing the issuance of a patent in fee to Mrs. Mary E. Leaf; and

S. 2182. An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 333. An act for the relief of sundry residents of Alaska, veterans of World War II;

H. R. 338. An act for the relief of Amin Bin Rejab;

H. R. 344. An act for the relief of Sylvester T. Starling;

H. R. 345. An act for the relief of Ollie McNeill and Ester B. McNeill;

H. R. 703. An act for the relief of Leon Nikolaivich Volkov;

H. R. 761. An act for the relief of the estate of Anthony D. Chamberlain, deceased;

H. R. 762. An act for the relief of Dudley Tarver;

H. R. 817. An act for the relief of Andres Quinones and Letty Perez;

H. R. 831. An act for the relief of George Chan;

H. R. 1308. An act for the relief of H. C. Biering;

H. R. 1490. An act for the relief of the United States Radiator Corp. of Detroit, Mich.;

H. R. 1524. An act for the relief of John J. O'Neil;

H. R. 1659. An act for the relief of Mrs. Elizabeth B. Murphy;

H. R. 1724. An act to legalize the admission to the United States of Sarah Jane Sanford Pansa;

H. R. 1749. An act to amend the act entitled "An act for the relief of Johannes or John, Julia, Michael, William, and Anna Kostiuk";

H. R. 1855. An act for the relief of Elbert Spivey;

H. R. 2372. An act for the relief of George Cleve Williams;

H. R. 2384. An act for the relief of Colbert H. Cannon;

H. R. 2418. An act for the relief of Luz Martin;

H. R. 2602. An act for the relief of the estate of the late Manuel Garulau Velez;

H. R. 2698. An act to provide for an appeal to the Supreme Court of the United States from the decision of the Court of Claims in a suit instituted by the Mount Vernon, Alexandria & Washington Railway Co.;

H. R. 2728. An act for the relief of Darwin Slump;

H. R. 2760. An act for the relief of Thomas Camarda;

H. R. 2922. An act for the relief of Charles B. Featherstone;

H. R. 3112. An act for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles Johnson, a minor;

H. R. 3113. An act for the relief of Bessie B. Blacknall;

H. R. 3162. An act for the relief of Carmen Morales, Aida Morales, and Lydia Cortes;

H. R. 3244. An act for the relief of Nellie M. Clark;

H. R. 3260. An act for the relief of Clarence S. Osika;

H. R. 3328. An act for the relief of Mr. and Mrs. Russell Coulter;

H. R. 3352. An act for the relief of Emeline Lartigue;

H. R. 3526. An act for the relief of Mrs. Margaret K. Cahn;

H. R. 3608. An act for the relief of Cristeta La-Madrid Angeles;

H. R. 3805. An act for the relief of Thomas A. W. Elder;

H. R. 3824. An act for the relief of Mrs. Cletus E. Todd (formerly Laura Estelle Ritter);

H. R. 3867. An act for the relief of Hal W. Cline;

H. R. 3880. An act for the relief of Ludwig Pohoryles;

H. R. 3914. An act for the relief of James Leon Keaton;

H. R. 4048. An act for the relief of William Price;

H. R. 4130. An act for the relief of Dennis (Dionesio) Fernandez;

H. R. 4266. An act for the relief of John C. Nunes;

H. R. 4315. An act for the relief of the estate of Anastacio Acosta, and the estate of Domingo Acosta Arizmendi;

H. R. 4317. An act for the relief of the estate of Rafael Rebollo;

H. R. 4377. An act for the relief of the Consolidated Steel Corp. of Los Angeles, Calif.;

H. R. 4379. An act for the relief of the Harbor Boat Building Co.; the Wilmington Welding & Boiler Works; and B & R Machine Works, of Los Angeles, Calif.;

H. R. 4399. An act for the relief of James C. Smith, Stephen A. Bodkin, Charles A. Martin, Andrew J. Perlik, and Albert N. James;

H. R. 4441. An act for the relief of the William J. Burns International Detective Agency;

H. R. 4452. An act for the relief of Douglas L. Craig;

H. R. 4631. An act for the relief of Antonio Villani; and

H. J. Res. 242. Joint resolution to confirm title in fee simple in Joshua Britton to certain lands in Jefferson County, Ill.

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 1733. An act to authorize payment to certain enrolled members of the Seminole Tribe of Indians under act of July 2, 1942 (Public, No. 645, 77th Cong.);

S. 1782. An act to provide for selection of superintendents of national cemeteries from meritorious and trustworthy members of the armed forces who have been disabled in line of duty for active field service;

S. 1990. An act to provide a means for the orderly continuation and completion of the Deer Creek and aqueduct divisions of the Provo River project, Utah;

H. R. 1809. An act to facilitate the use and occupancy of national-forest lands, and for other purposes; and

S. J. Res. 172. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during 1948.

PROGRAM FOR THE DAY

Mr. WHERRY. Mr. President, I make this announcement for the benefit of Members of the Senate that House bill 3051 is the unfinished business and that it is the intention after the joint meeting of the two Houses to return to the Senate and consider this bill and bring it to a conclusion this afternoon if possible so that we shall be ready to take up the tax bill tomorrow afternoon.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A letter in the nature of a petition from Hildegard Bock, of Los Angeles, Calif., praying financial relief for landlords to cover losses for damage caused by tenants; ordered to lie on the table.

By Mr. GREEN:

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Finance:

"Resolution memorializing Congress with relation to the continuance of the Veterans' Administration office in Pawtucket, R. I.

"Whereas it has come to the attention of the general assembly that the Veterans' Administration office in Pawtucket, R. I., is to be closed on March 26, 1948; and

"Whereas this is an injustice to the veterans, well and disabled as well as to their dependents, since it will cause them great inconvenience, loss of money and time if they are required to go to the Providence regional office for services; and

"Whereas the Pawtucket office since its inception in July of 1945 has served that area well for more than 2½ years and is considered a vital part of the Pawtucket community, handling approximately 100,000 veteran contacts: Now, therefore, be it

"*Resolved*, That the Rhode Island General Assembly now places itself on record as endorsing the work of the Veterans' Administration office in Pawtucket, R. I., earnestly requesting the Senators and Representatives from Rhode Island in the Congress of the United States to give consideration to this resolution and to use their influence to endeavor to keep open said Veterans' Administration office in Pawtucket, R. I.; and be it further

"*Resolved*, That duly certified copies of this resolution be transmitted by the Secretary of State to the Senators and Representatives from Rhode Island in the Congress of the United States."

By Mr. LODGE (for himself and Mr. SALTONSTALL):

Resolution of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolution memorializing Congress in favor of the passage of the adjusted-compensation bill as advocated by the Veterans of Foreign Wars of the United States.

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to enact into law the adjusted-compensation bill as advocated by the Veterans of Foreign Wars of the United States; and be it further

"*Resolved*, That copies of this resolution be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth."

Resolution of the General Court of the Commonwealth of Massachusetts; to the Committee on Rules and Administration:

"Resolution memorializing the Congress of the United States to enact legislation eliminating the payment of a poll tax as a prerequisite to voting

"Whereas article XV of the amendments to the Constitution of the United States provides that 'the right of citizens of the United States to vote shall not be denied or abridged by the United States, or by any State, on account of race, color, or previous condition of servitude'; and

"Whereas the Constitution further provides that the Congress shall have power to enforce said article by appropriate legislation; and

"Whereas the poll tax is now being used by some of the States as an instrument to defeat the constitutional guaranties and in denying citizens the right to vote because of race and color: Therefore be it

"*Resolved*, That the General Court of Massachusetts memorializes the Congress of the United States to enact appropriate legislation whereby payment of a poll tax will be eliminated as a requirement of voting; and be it further

"*Resolved*, That copies of this resolution be transmitted forthwith by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolution of the General Court of the Commonwealth of Massachusetts; ordered to lie on the table:

"Resolution in behalf of the displaced persons in Europe

"Whereas in Europe today there are thousands of persons, innocent victims of the holocaust which has enveloped their country and swept the world, who cannot return to the country of their origin; and

"Whereas these displaced persons are fugitives from religious and political persecutions, and, in certain cases, subjected to indirect coercive methods of repatriation; and

"Whereas the United States has endorsed the principle that compulsion should not be used on homeless persons, victims of war and power politics; and

"Whereas certain congressional legislation is designed to use immigration quotas not exhausted during the World War II for the purpose of admitting persons in accordance with the usual safeguard of immigration requirements; and

"Whereas these people, many of them of Polish origin, are thoroughly imbued with democratic ideals and are opposed to totalitarianism, would make good law-abiding citizens: Therefore be it

"*Resolved*, That the General Court of Massachusetts in session assembled recommends the passage of such legislation; and be it further

"*Resolved*, That we pledge our fullest cooperation in this great task not only for ourselves, but for the great number of Americans of many origins whom we have the honor to represent; and be it further

"*Resolved*, That a copy of this resolution be transmitted to the President of the United States, the Secretary of State, the Massachusetts Members of Congress, to the chairman of the House Subcommittee on Immigration, and to the chairman of the House Judiciary Committee."

Resolution of the General Court of the Commonwealth of Massachusetts; to the Committee on Interior and Insular Affairs:

"Resolution memorializing the Congress of the United States to enact legislation providing for the establishment of a national cemetery within the Commonwealth

"Whereas citizens of Massachusetts who were called to serve in the armed forces of the United States of America in World War II and who were in active contact with enemy forces at many places outside the territorial United States and in their service to the Nation many made the supreme sacrifice; and

"Whereas the bodies of these citizen-soldiers are now being returned to the home communities within the Commonwealth, it is desired that there should be provided a proper and suitable last resting place to be commensurate in dignity and beauty with the loyalty of their exemplary citizenship and also to provide a burial place for other veterans: Therefore be it

"*Resolved*, That the General Court of Massachusetts memorializes the Congress of the United States to enact legislation which will provide for the establishment and maintenance of a national cemetery within the Commonwealth; and be it further

"*Resolved*, That copies of this resolution be transmitted forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

REDUCTION OF INCOME-TAX PAYMENTS—REPORT OF COMMITTEE FILED DURING RECESS

Under authority of the order of the Senate of the 16th instant,

Mr. MILLIKIN, from the Committee on Finance, to which was referred the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, reported it on March 16, 1948, with amendments, and submitted a report (No. 1013) thereon.

REDUCTION OF INCOME-TAX PAYMENTS—SUPPLEMENTAL REPORT

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the Committee on Finance may file a supplemental report to accompany House bill 4790 to reduce individual income-tax payments and for other purposes after the recess today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSHFIELD:

S. 2333. A bill to authorize and direct the Secretary of the Interior to issue to Mrs. Annie Eunice Arm a patent in fee to certain land; to the Committee on Interior and Insular Affairs.

By Mr. STEWART:

S. 2334. A bill to change the name of the Dale Hollow Dam to "Cordell Hull Dam"; to the Committee on Public Works.

By Mr. LUCAS (for Mr. MAGNUSON):

S. 2335 (by request). A bill for the relief of Dr. Theodore A. Schmidt; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 2336. A bill to define the word "child" as used in the Immigration Act of 1924, as amended, to include an adopted child who is adopted before July 1, 1949; to the Committee on the Judiciary.

By Mr. BREWSTER (for himself, Mr. HAWKES, and Mr. MCMAHON):

S. 2337. A bill to increase the amount of articles acquired abroad by residents of the United States which may be brought into the country free of duty; to the Committee on Finance.

By Mr. BALDWIN:

S. 2338. A bill to provide for the performance of the duties of the office of postmaster at any post office of the first, second, or third class in which the office of postmaster becomes vacant; to the Committee on Post Office and Civil Service.

(Mr. WILEY introduced Senate bill 2339, to prohibit the mailing of propaganda disseminated by agents of foreign principals unless the source of such propaganda is identified therein, which was referred to the Committee on Post Office and Civil Service, and appears under a separate heading.)

By Mr. LANGER (for himself, Mr. CHAVEZ, and Mr. ROBERTSON of Wyoming):

S. J. Res. 193. Joint resolution to authorize the Postmaster General to withhold the awarding of star-route contracts for a period of 60 days; to the Committee on Post Office and Civil Service.

ESTABLISHMENT OF MIGRATORY WATERFOWL ZONES IN MONTANA

Mr. MURRAY submitted an amendment intended to be proposed by him to the bill (S. 1735) to establish two migratory waterfowl zones in the State of Montana, which was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred, as indicated:

H. R. 333. An act for the relief of sundry residents of Alaska, veterans of World War II;

H. R. 338. An act for the relief of Amin Bin Rejab;

H. R. 344. An act for the relief of Sylvester T. Starling;

H. R. 345. An act for the relief of Ollie McNeill and Ester B. McNeill;

H. R. 703. An act for the relief of Leon Nikolaivich Volkov;

H. R. 761. An act for the relief of the estate of Anthony D. Chamberlain, deceased;

H. R. 762. An act for the relief of Dudley Tarver;

H. R. 817. An act for the relief of Andres Quinones and Letty Perez;

H. R. 831. An act for the relief of George Chan;

H. R. 1308. An act for the relief of H. C. Biering;

H. R. 1490. An act for the relief of the United States Radiator Corp., of Detroit, Mich.;

H. R. 1524. An act for the relief of John J. O'Neil;

H. R. 1659. An act for the relief of Mrs. Elizabeth B. Murphy;

H. R. 1724. An act to legalize the admission to the United States of Sarah Jane Sanford Pansa;

H. R. 1749. An act to amend the act entitled "An act for the relief of Johannes or John, Julia, Michael, William, and Anna Kostiuk";

H. R. 1855. An act for the relief of Elbert Spivey;

H. R. 2372. An act for the relief of George Cleve Williams;

H. R. 2384. An act for the relief of Colbert H. Cannon;

H. R. 2418. An act for the relief of Luz Martin;

H. R. 2602. An act for the relief of the estate of the late Manuel Garulau Velez;

H. R. 2698. An act to provide for an appeal to the Supreme Court of the United States from the decision of the Court of Claims in a suit instituted by the Mount Vernon, Alexandria & Washington Railway Co.;

H. R. 2728. An act for the relief of Darwin Slump;

H. R. 2760. An act for the relief of Thomas Camarda;

H. R. 2922. An act for the relief of Charles B. Featherstone;

H. R. 3112. An act for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles Johnson, a minor;

H. R. 3113. An act for the relief of Bessie B. Blacknall;

H. R. 3162. An act for the relief of Carmen Morales, Aida Morales, and Lydia Cortes;

H. R. 3244. An act for the relief of Nellie M. Clark;

H. R. 3260. An act for the relief of Clarence S. Osika;

H. R. 3328. An act for the relief of Mr. and Mrs. Russell Coulter;

H. R. 3352. An act for the relief of Emeline Lartigue;

H. R. 3526. An act for the relief of Mrs. Margaret K. Cahn;

H. R. 3603. An act for the relief of Cristeta La-Madrid Angeles;

H. R. 3805. An act for the relief of Thomas A. W. Elder;

H. R. 3824. An act for the relief of Mrs. Cletus E. Todd (formerly Laura Estelle Ritter);

H. R. 3867. An act for the relief of Hal W. Cline;

H. R. 3880. An act for the relief of Ludwig Pohoryles;

H. R. 3914. An act for the relief of James Leon Keaton;

H. R. 4048. An act for the relief of William Price;

H. R. 4130. An act for the relief of Dennis (Dionesio) Fernandez;

H. R. 4266. An act for the relief of John C. Nunes;

H. R. 4315. An act for the relief of the estate of Anastacio Acosta, and the estate of Domingo Acosta Arizmendi;

H. R. 4317. An act for the relief of the estate of Rafael Rebollo;

H. R. 4377. An act for the relief of the Consolidated Steel Corp. of Los Angeles, Calif.;

H. R. 4379. An act for the relief of the Harbor Boat Building Co.; the Wilmington Welding & Boiler Works; and B & R Machine Works of Los Angeles, Calif.;

H. R. 4399. An act for the relief of James C. Smith, Stephen A. Bodkin, Charles A. Marlin, Andrew J. Perlik, and Albert N. James;

H. R. 4441. An act for the relief of the William J. Burns International Detective Agency;

H. R. 4452. An act for the relief of Douglas L. Craig; and

H. R. 4631. An act for the relief of Antonio Villani; to the Committee on the Judiciary.

H. J. Res. 242. Joint resolution to confirm title in fee simple in Joshua Britton to certain lands in Jefferson County, Ill.; to the Committee on Interior and Insular Affairs.

NOTICE OF HEARING ON NOMINATION OF ALBERT M. CRISTY TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE TERRITORY OF HAWAII

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, March 30, 1948, at 10 a. m., in the Senate Judiciary Committee room, room 424, Senate Office Building, upon the nomination of Hon. Albert M. Cristy, of Hawaii, to be an associate justice of the Supreme Court of the Territory of Hawaii, vice Hon. Emil C. Peters, term expired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Kentucky [Mr. COOPER], chairman; the Senator from Oklahoma [Mr. MOORE]; and the Senator from Nevada [Mr. MCCARRAN].

REDUCTION OF INCOME-TAX PAYMENTS

Mr. MCCARRAN. Mr. President, I send to the desk a copy of the feature column entitled "From Where I Sit," which was published in the March 2 issue of the Las Vegas Review-Journal, of Las Vegas, Nev.

This column is written by Mr. Alfred E. Cahlan, managing editor of the Review-Journal. Mr. Cahlan is a sage and a philosopher, as well as being one of the outstanding newspapermen of Nevada. He also happens to be national committeeman of the Democratic Party.

The article which I have sent to the desk is, therefore, noteworthy because of its authorship, as well as because of its content.

It is for the content, however, that I ask unanimous consent that this article may be printed in the body of the RECORD at the conclusion of my remarks.

We are considering many problems in the present session of the Congress. One of the most important of those problems, with regard to revision of the income-tax law, has been dealt with by the House of Representatives, and the bill which the House has passed is now pending before the Senate.

On Monday of this week I offered two amendments, which I intend to propose at the proper time to the income-tax-reduction bill. In conformity with my request at the time those amendments were offered, and in conformity with standard procedure in the Senate, the amendments in question have been

printed and have been referred to the Committee on Finance for consideration.

The article by Mr. Cahlan, which I have asked to have printed in the RECORD, is in some respects a better argument for my proposed amendments than I could make myself. This article was not inspired by me. What Mr. Cahlan puts in his column is never inspired by anyone. He is his own inspiration. Furthermore, I have no reason to think Mr. Cahlan had my proposed amendments in mind when he wrote this article. But the problem of which he writes is so very real, and Mr. Cahlan has presented his subject so well, that I commend his article to the attention of all Senators.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

FROM WHERE I SIT

(By A. E. Cahlan)

Does the present tax situation mean the end of free enterprise in the United States? Is it bound to stifle the development of industry in this country and prevent the creation of new jobs for the workers of the Nation? These are rather serious questions at the moment and are made even more so by the fact there is little real prospect for any substantial reduction for many years to come. So—let's take a look.

It has been stated repeatedly by economists that when the taxes of any government are in excess of 25 percent of national income, the inevitable result is a lower standard of living for the people. At the moment, the rate in this country is approximately 30 percent of national income and this condition has prevailed since the start of the last war.

Such heavy taxes can be borne temporarily as they have been in the past, but eventually the evil effects must take their toll. The time has come when we can no longer ignore their import, and when I say "We" I mean everyone who makes a living in the United States.

First signs have already made their appearance in financial circles. For some time now, it has been almost impossible for corporations to properly finance their operations. Sale of common stock to secure the capital necessary for expansion has almost come to an end. This means that the building of additional facilities, creation of new jobs, and the increase of production has been halted.

People who formerly invested their spare capital in such ventures don't have the money. It is being paid into the United States Treasury in the form of income taxes. Venture capital, the type that gambled in new enterprises which made this country great, is no longer available.

The result of that situation will undoubtedly be, if we are to follow the policies of the past several years, that the Government will decide it is necessary to supply the needed capital and thus extend its control over private industry. And that means, ironically, that the very money the Government will use to gain control of industry will come from the taxes paid by the same people who, because of heavy taxes, were unable to invest that same money and have something for themselves.

The time has passed and may never come again, when alert individuals can start on a shoestring and build for themselves a sizable industry or own their own small business. It used to be, under the American system of free enterprise, that anyone with vision could, with a little capital saved up, and a lot of hard work, eventually develop something for himself, paying out over a period of a few years through earnings. Taxes on those earnings now make this impossible. Only those with sizable sums of money can hope to prosper.

If you have your own capital, you can purchase a good business and, by good management, secure a fair return on the investment. But you can no longer start from scratch and make any appreciable headway in a whole lifetime. People nowadays are interested in getting their money out of businesses, investing in Government bonds or other gilt-edged securities and living on the income. They are not developing new industries or businesses because the hazards—particularly the taxes—are too great.

The wage earners have paid little attention to this situation if, in fact, they really realized its import. But the time has come when everybody will be affected, the workers particularly, for the reason that new jobs are not being provided because the kind of money that creates them is pouring into the Federal Treasury instead of into productive enterprises. Only now are we beginning to appreciate what's going on and, unfortunately, yes, tragically, there seems no relief in sight, what with our avowed intention of financing the whole world while our own economy totters on the brink.

An outstanding example is furnished in a letter sent out by G. A. Price, president of Westinghouse Electric Corp., in which he asserts that his company is now paying 10 times as much in Federal taxes as it did in 1939. Total tax bill for 1947, he states, was $67,053,517, of which Federal taxes were $55,803,983. This, he said, was equal to $4.29 a share on the common stock outstanding.

"If the dynamic business pace which this country has experienced since the end of World War II is to continue, there is real need to stimulate the investment of equity or venture capital in industry," he wrote.

The Federal Government, he explained, takes 38 percent of Westinghouse's income as corporate taxes. Then it collects individual income taxes ranging from 19 to more than 86 percent on the money the stockholders receive in dividends. There is no money left the corporation for expansion—no money left the stockholders for investment in new enterprises.

It has been popular to approve the idea of soaking the rich whether they be corporations or individuals. Many a little fellow has gloated over the fact that the monied group has been assessed a sizable percentage of earnings to pay the cost of government. But at the moment this is working to the disadvantage of everybody including the jobholders who may one day be job-seekers.

The only answer is to pare the Federal budget to the bone and that can be done only through rigid governmental economy. That has not been popular in the recent past when the Federal Treasury was a bottomless Santa Claus sack. Maybe we all will realize the import of this situation. If we don't, we are headed for a socialistic state whether we like it or not.

FAMILY SECURITY IN DANGER—STATEMENT BY THE FAMILY SERVICE ASSOCIATION OF AMERICA

[Mr. LODGE asked and obtained leave to have printed in the RECORD a statement entitled "Family Security in Danger," issued by the Family Service Association of America, which appears in the Appendix.]

SUCCESS OF NEGRO GIRL IN TALENT CONTEST—EDITORIAL FROM THE GOLDSBORO NEWS-ARGUS

[Mr. HOEY asked and obtained leave to have printed in the RECORD an editorial entitled "White in More Than in Color," from the Goldsboro (N. C.) News-Argus, which appears in the Appendix.]

FEDERATION OF EUROPE

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD a letter regarding the Federation of Europe, by Clarence K. Streit, from the New York Times of March 9, 1948, and comment on the letter by Hon. Burton K. Wheeler, under date of March 10, 1948, which appear in the Appendix.]

COMMITTEE HEARING DURING SENATE SESSION

Mr. MARTIN. Mr. President, I ask unanimous consent that the subcommittee on exports of the Small Business Committee may sit tomorrow during the session of the Senate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF RENT CONTROL

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, which was to strike out all after the enacting clause and insert:

That this act may be cited as the "Housing and Rent Act of 1948."

TITLE I—AMENDMENTS TO TITLE I OF HOUSING AND RENT ACT OF 1947

SEC. 2. Section 1 (b) of the Housing and Rent Act of 1947, as amended, is hereby repealed.

SEC. 3. Section 4 of such act, as amended, is amended by striking out "April 1, 1948" wherever such date appears therein and inserting in lieu thereof "April 1, 1949."

TITLE II—MAXIMUM RENTS

SEC. 201. Section 202 (c) of such act, as amended, is amended by striking out paragraphs (2) and (3) thereof and inserting in lieu of such paragraphs the following:

"(2) any motor court, or any part thereof; any trailer or trailer space, or any part thereof; or any tourist home serving transient guests exclusively, or any part thereof; or

"(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947, except that contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect; or (B) which for any successive 24-month period during the period February 1, 1945, to the date of enactment of the Housing and Rent Act of 1948, both dates inclusive, were not rented (other than to members of the immediate family of the landlord) as housing accommodations; or (C) the construction of which was completed on or after February 1, 1945, and prior to February 1, 1947, and which between the date of completion and June 30, 1947, both dates inclusive, at no time were rented (other than to members of the immediate family of the landlord) as housing accommodations; or

"(4) any housing accommodations leased temporarily by a State or any political subdivision thereof during the period between the acquisition of the same for the purpose of public improvement and the construction of such improvement thereon."

SEC. 202. (a) Section 204 (a) of such act, as amended, is amended by striking out "March 31, 1948" and inserting in lieu thereof "March 31, 1949."

(b) Section 204 (b) of such act, as amended, is amended to read as follows:

"(b) (1) Subject to the provisions of paragraphs (2) and (3) of this subsection, during the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on June 30, 1947: *Provided, however,* That the Housing Expediter shall, by regulation or order, make such individual and general adjustments in such maximum rents in any defense-rental area or any portion thereof, or with respect to any housing accommodations or any class of housing accommodations within any such area or any portion thereof, as may be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title.

"(2) In any case in which a landlord and tenant, on or before December 31, 1947, in accordance with the provisions of this subsection as then in effect, voluntarily entered into a valid written lease in good faith with respect to any housing accommodations, such housing accommodations shall not be subject to any maximum rent established or maintained under the provisions of this title unless such lease is hereafter terminated or expires before March 31, 1949, in which case the maximum rent for such housing accommodations shall, through March 31, 1949, be not in excess of 15 percent over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948: *Provided,* That the landlord and a tenant (including any new tenant) may enter into a new voluntary lease subject to the conditions, specified in paragraph (3) of this subsection, applicable with respect to landlords and tenants who have not heretofore entered into voluntary leases.

"(3) In any case in which a landlord and tenant voluntarily enter into a valid written lease in good faith (at any rental agreed upon in the lease, but not in excess of 15 percent over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948) with respect to any housing accommodations for which a maximum rent is in effect under this section, and such lease takes effect on or after the effective date of the Housing and Rent Act of 1948 and expires on or after December 31, 1949, and if a true and duly executed copy of such lease is filed, within 15 days after the date of execution of such lease, with the Housing Expediter, such housing accommodations shall not thereafter be subject to any maximum rent established or maintained under the provisions of this title unless such lease is terminated before March 31, 1949. If any such lease is so terminated the maximum rent (unless a subsequent lease entered into under the provisions of this paragraph is in force) shall be not in excess of 15 percent over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948."

(c) Section 204 (c) of such act, as amended, is amended to read as follows:

"(c) The Housing Expediter is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect, in any defense-rental area or portion thereof or with respect to any class of housing accommodations in any such area or portion thereof, if in his judgment the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met. The Housing Expediter shall from time to time make surveys with a view to carrying out the purpose of this subsection to decontrol housing accommodations at the earliest practicable time."

(d) Section 204 (e) of such act, as amended, is amended to read as follows:

"(e) (1) The Housing Expediter is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area, to be appointed by the Housing Expediter, from recommendations made by the respective Governors: *Provided,* That in any case where the Governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within 30 days after request therefor (subsequent to the date of enactment of the Housing and Rent Act of 1948) from the Housing Expediter, the Housing Expediter shall without such recommendations appoint the original members of such boards or such members as may be required to fill vacancies. Nothing in the foregoing provision shall require the reappointment of present members of local advisory boards, but any change in the membership of any local advisory board necessitated by this provision shall be effectuated as promptly as may be practicable. Each such board shall have sufficient members to enable it promptly to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this title within its area; and before recommending any such adjustment the board shall give notice to the parties and shall hold a hearing at the request of either party. Any local board may make such recommendations to the Housing Expediter as it deems advisable with respect to the following matters:

"(A) Removal of any or all maximum rents in the area, or any portion thereof, over which the local board has jurisdiction, or with respect to any class of housing accommodations within such area or any portion thereof, if in the judgment of the local board the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met; and

"(B) Adjustments, other than individual adjustments, in maximum rents in such area or any portion thereof or with respect to any class of housing accommodations within such area or any portion thereof, deemed by the local board to be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title; and

"(C) Operations generally of the local rent office with particular reference to hardship cases.

"(2) The Housing Expediter shall furnish the local boards suitable office space and stenographic assistance and shall make available to such boards any records and other information in the possession of the Housing Expediter with respect to the establishment and maintenance of maximum rents and housing accommodations in the respective defense-rental areas which may be requested by such boards.

"(3) Upon receipt of any recommendation from a local board, the Housing Expediter shall promptly notify the local board, in writing, of the date of his receipt of such recommendation. Except as provided hereinafter in this subsection, within 30 days after receipt of any recommendation of a local board such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in 30 days. Any recommendation of a local board appropriately substantiated and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

"(4) For the purposes of paragraph (3) any recommendation of a local board as to a matter referred to in paragraph (1) (A) or (B) shall be deemed to be appropriately substantiated and in accordance with applicable law and regulations, and shall be carried into effect as hereinafter provided—

"(A) if the local board held a public hearing on such matter, at which interested persons (including representatives of the State and of political subdivisions thereof) were given a reasonable opportunity to be heard, by interpleader or otherwise, with right to be represented by counsel;

"(B) if notice of the date, time, place, and purpose of such hearing was given (i) in writing to the governor of the State not less than 15 days prior to such date, and (ii) by publication in a newspaper of general circulation in the area over which the local board has jurisdiction at least 15 days prior to such date, and a second notice was given by publication in such a newspaper at least 5 days prior to such date; and

"(C) if a copy of the local board's recommendation was filed with the governor of the State within 5 days after such recommendation was mailed to the Housing Expediter.

If such recommendation is with respect to a matter referred to in paragraph (1) (A), such recommendation shall be carried out by the Housing Expediter so that the decontrol is effected on the date recommended by the local board, but not before 60 days after the receipt of the recommendation by the Housing Expediter. During the period of 90 days beginning with the date on which such decontrol is effected, however, the provisions of section 209 of this title shall be in effect as though such decontrol had not been effected. If such recommendation is with respect to a matter referred to in paragraph (1) (B), such recommendation shall be carried out by the Housing Expediter so that the adjustment in maximum rents is effected on the date recommended by the local board, but not before 30 days after the receipt of the recommendation by the Housing Expediter.

"(5) Immediately upon the enactment of the Housing and Rent Act of 1948 the Housing Expediter shall communicate with the governors of the several States advising them of the provisions of this subsection as amended and of the number and location of defense-rental areas in their respective States and the areas or portions thereof in which boards are to be appointed therein, and requesting the cooperation of the governors of the several States in carrying out such provisions."

(e) Section 204 (f) of such act, as amended, is amended to read as follows:

"(f) The provisions of this title shall cease to be in effect at the close of March 31, 1949."

(f) Section 204 of such act, as amended, is amended by adding at the end thereof a new subsection as follows:

"(g) Nothing in this title shall be interpreted or construed to authorize the Housing Expediter to prohibit, in the case of any rental agreement hereafter entered into, the demand, collection, or retention of a security deposit, if said deposit does not exceed the rent for 1 month in addition to the otherwise authorized collection of rent in advance, and if the tenant is allowed, under the terms of the rental agreement, to occupy the premises for the period covered by the security deposit without further payment of rent."

SEC. 203. (a) Section 209 (a) (2) of such act, as amended, is amended to read as follows:

"(2) the landlord seeks in good faith to recover possession of such housing accommo-

dations for his immediate and personal use and occupancy as housing accommodations, or for the immediate and personal use and occupancy as housing accommodations by a member or members of his immediate family, or, in the case of a landlord which is an organization exempt from taxation under section 101 (6) of the Internal Revenue Code, for the immediate and personal use and occupancy as housing accommodations of members of its staff: *Provided*, That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no action or proceeding under this paragraph to recover possession of any such housing accommodations shall be maintained unless stock in the cooperative corporation or association has been purchased by persons who are then occupants of at least 65 percent of the dwelling units in the structure or premises and are entitled by reason of stock ownership to proprietary leases of dwelling units in the structure or premises;".

(b) Section 209 (a) (4) of such act, as amended, is amended to read as follows:

"(4) the landlord seeks in good faith to recover possession of such housing accommodations (A) for the immediate purpose of substantially altering or remodeling the same for continued use as housing accommodations, or for the immediate purpose of conversion into additional housing accommodations, and the altering, remodeling, or conversion cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any conversion planned, or (B) for the immediate purpose of demolishing such housing accommodations;".

(c) Section 209 (a) of such act, as amended, is amended by striking out the period at the end of paragraph (5) thereof and inserting a semicolon and the word "or", and by adding after such paragraph (5) a new paragraph to read as follows:

"(6) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of withdrawing such housing accommodations from the rental market, and such housing accommodations shall not thereafter be offered for rent as such."

(d) Section 209 of such act, as amended, is amended by adding at the end thereof the following new subsection:

"(c) No tenant shall be obliged to surrender possession of any housing accommodations pursuant to the provisions of paragraph (2), (3), (4), (5), or (6) of subsection (a) until the expiration of at least 60 days after written notice from the landlord that he desires to recover possession of such housing accommodations for one of the purposes specified in such paragraphs."

TITLE III—MISCELLANEOUS

SEC. 301. Section 2 (a) of the Administrative Procedure Act, as amended, is amended by inserting after "Housing and Rent Act of 1947" the following: ", as amended."

SEC. 302. Nothing in this act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

SEC. 303. Nothing in this act shall be construed to impose or authorize the imposition of maximum rents upon any housing accommodations in any defense-rental area or portion thereof, or upon housing accommodations of a class, in the case of which maximum rents have been removed by administrative action in accordance with the provisions of the Housing and Rent Act of 1947; and nothing in this act shall be construed to affect any adjustment in maximum rent made in accordance with the Housing and Rent Act of 1947.

SEC. 304. Section 2 of Public Law 301, Eightieth Congress, approved July 31, 1947 (relating to eviction of tenants from publicly operated housing accommodations), as amended, is hereby amended by striking out "April 1, 1948" and inserting in lieu thereof "April 1, 1949".

SEC. 305. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 306. This act shall become effective on the first day of the first calendar month following the month in which it is enacted.

Mr. TOBEY. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. TOBEY, Mr. CAIN, Mr. FLANDERS, Mr. TAYLOR, and Mr. SPARKMAN conferees on the part of the Senate.

REMOVAL OF CERTAIN LIMITING PROVISIONS IN THE CONSTRUCTION OF VESSELS AND AIRCRAFT

The Senate resumed the consideration of the bill (H. R. 3051) to amend the act of July 19, 1940, and to amend section 2 and repeal the profit-limitation and certain other limiting provisions of the act of March 27, 1934.

Mr. GURNEY. Mr. President, I assume the Senate has returned to the consideration of the unfinished business. Is that correct?

The PRESIDENT pro tempore. The Chair suggests to the Senator that Senators will leave the Chamber in 7 minutes to attend the joint meeting in the Hall of the House of Representatives. Perhaps he would prefer not to proceed with his argument at the moment, but to have a quorum call.

Mr. GURNEY. I yield for that purpose.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Myers
Baldwin	Hawkes	O'Conor
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Brewster	Hill	Overton
Bricker	Hoey	Pepper
Bridges	Holland	Reed
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Bushfield	Johnson, Colo.	Russell
Butler	Johnston, S. C.	Saltonstall
Byrd	Kem	Sparkman
Cain	Kilgore	Stennis
Capehart	Knowland	Stewart
Capper	Langer	Taft
Connally	Lodge	Taylor
Cooper	Lucas	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Donnell	McCarthy	Thye
Downey	McClellan	Tobey
Dworshak	McFarland	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Malone	Wherry
Ferguson	Martin	Wiley
Flanders	Maybank	Williams
Fulbright	Millikin	Wilson
George	Moore	Young
Green	Morse	
Gurney	Murray	

Mr. WHERRY. I announce that the Senator from West Virginia [Mr. REVERCOMB] is necessarily absent.

The Senator from New Jersey [Mr. SMITH] is absent on official business.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent by leave of the Senate.

The Senator from Washington [Mr. MAGNUSON] and the Senator from Rhode Island [Mr. MCGRATH] are absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT

Mr. WHERRY. Mr. President, the time having nearly arrived for the joint meeting of the two Houses authorized by House Concurrent Resolution 160, to receive a communication from the President, I ask unanimous consent that the Senate now proceed to the Hall of the House of Representatives for the purpose indicated.

The PRESIDENT pro tempore. Without objection, the order is made.

The Chair will remind the Senate that its Members will return to the Senate Chamber after the joint meeting to continue the consideration of House bill 3051.

Thereupon, at 12 o'clock and 16 minutes p. m., the Senate, preceded by its Secretary (Carl A. Loeffler), its Sergeant at Arms (Edward F. McGinnis), and the President pro tempore, proceeded to the Hall of the House of Representatives to hear the address delivered by the President of the United States.

(For the address this day delivered by the President, see page 2996 of today's House proceedings.)

The joint meeting of the two Houses having been dissolved, the Senate returned to its Chamber at 1 o'clock p. m., and was called to order by the President pro tempore.

REMOVAL OF CERTAIN LIMITING PROVISIONS IN THE CONSTRUCTION OF VESSELS AND AIRCRAFT

The Senate resumed the consideration of the bill (H. R. 3051) to amend the act of July 19, 1940, and to amend section 2 and repeal the profit-limitation and certain other limiting provisions of the act of March 27, 1934.

The PRESIDENT pro tempore. The Senator from South Dakota [Mr. GURNEY] is recognized.

Mr. GURNEY. Mr. President, due to the fact that the Senate Armed Services Committee must prepare for a meeting this afternoon starting at 2:30 o'clock, at which time Secretary Marshall will appear before the committee, I do not care to press for further action on House bill 3051 at this time. I would therefore move that it be not proceeded with this afternoon.

The PRESIDENT pro tempore. That motion would not be in order. The bill may be temporarily laid aside.

Mr. GURNEY. I ask that the bill be temporarily laid aside, and remain on the calendar. I shall move to take it up at the first opportunity.

The PRESIDENT pro tempore. Is the Senator willing to have the bill's place as the unfinished business abandoned?

Mr. GURNEY. Yes, Mr. President.

The PRESIDENT pro tempore. That will be done automatically by the Senate's proceeding to the consideration of some other measure.

Mr. TOBEY. Mr. President, while I am glad the distinguished chairman of the Committee on Armed Services has seen fit to shunt the bill aside temporarily, that is not enough to satisfy me. The only thing to do with this piece of legislation, especially in view of the message just delivered by the President of the United States, is to kill it, and if I had a chance I would move to recommit the bill.

Mr. President, I happen to know this bill. The amendment to the law which a number would repeal today if they had their way, is the Tobey amendment to the Vinson naval bill, which I had put on the bill when I was a freshman in the House of Representatives, in 1934.

I ask, who wants this provision repealed, this 10-percent provision, and the answer comes, American businessmen. Of course they do. There is no limit to the profits some of them want to make. When the bill was before the House in 1934, I had it amended to include naval aircraft and Army aircraft. Under the operation of the amendment there has been returned to the Treasury of the United States about $10,000,000 of surplus profits; I think that is the amount. In heaven's name, if there is on the books today a piece of legislation that is bringing money back into the Treasury, let us thank God, and keep the provision in the law. Most legislation we enact these days attempts to siphon funds out of the Treasury.

Mr. SALTONSTALL. Mr. President, will the Senator from New Hampshire yield?

Mr. TOBEY. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I respectfully call the Senator's attention to the fact that Congress has passed a procurement bill, which came out of the Committee on Armed Services, and which I think takes care of the problem the Senator from New Hampshire is discussing. I hope that before he condemns the Armed Services Committee entirely he will read and study that bill. I shall be glad to go over it with him, because I believe the point he raises is answered in that bill.

Mr. TOBEY. I promise the distinguished Senator from Massachusetts that I shall look into it with both eyes. But I feel very strongly about this matter. This is not the first attempt to emasculate this law and this principle. We have a law which provides that profits in certain cases shall be limited to 10 percent. In heaven's name, how much do the manufacturers want?

When I brought this matter up in the House and later came over to the Senate in an effort to have it enacted, one great aircraft company had sold this Government some aircraft at a price which meant an unconscionable profit, I think a profit of about 90 percent. When they found they would be prosecuted by the Department of Justice, they sold back 50 airplanes at a dollar apiece, $50 for 50 planes, to dilute their profits, so that they would not stand accused before the bar of public opinion. That does not, however, mean that I would be excused if I stood quiet today. So I serve notice now that when, as, and if the bill comes up again, I shall be here fighting with all the strength I have. It would be regrettable to pass such a bill today, especially after the President's message to which we have just listened. What has come over the United States Senate? Of course, some business interests are concerned, and they want this provision repealed. Of course, they want it repealed, because they are coming into an era of great multiplicity of contracts—contracts for aircraft, ships, and other things, all subject to this profit limitation.

So, I say to Senators, keep it in the law. Think twice before considering seriously passing this bill, and when it comes up on the calendar, get into the fight and lick it to the queen's taste; and I assure my colleagues I will be with them.

Mr. ROBERTSON of Virginia. Mr. President, I should like to say to the distinguished Senator from New Hampshire that I have prepared an amendment to section 8 of the pending bill which I intend to send to the chairman of the committee handling it. By the amendment we would continue, so far as airplanes are concerned—and there are no surplus plants manufacturing them—the present 12-percent limitation on the profits of airplane manufacturers until the matter can be further and more maturely considered and possibly more perfect provision written into the law. I have the amendment prepared. I mentioned it to the chairman of the committee today before the Senate went to the Hall of the House of Representatives. He said he would like to consider it, and that perhaps he might be willing to accept it. So I assure the Senator that when the bill is called up that matter will be considered.

Mr. BREWSTER. Mr. President, will the Senator from New Hampshire yield?

Mr. TOBEY. I yield to the Senator from Maine.

Mr. BREWSTER. I think that the deferment of the consideration of the bill at this time is very wise, and I deeply appreciate the action of the chairman in taking that action.

I suggest to the Senator from New Hampshire, whose interest in this matter I have long known, as one associated with him on the Naval Affairs Committee of the House of Representatives at the time when the amendment was adopted, that it has been a matter which in the recent war was not so important, as a result of the renegotiation provisions in the law.

I point out that all our investigations have shown, and the report which we have filed has shown, that under the renegotiation statute 10 percent was the average; in fact, the profit permitted was a little under 10 percent, really 9 percent.

I am not prepared to state my position on this matter at this time. I think it invites the most careful exploration, and I believe it is possible a better method of control may be achieved. I am sure the Senator from New Hampshire, whose zeal in the matter, as well as that of many other Members of the House at the time to which the Senator has referred, has long been known, will welcome the most thorough investigation to determine exactly what protection may be afforded in connection with any procurement program which may result. I am very grateful to the Senator from South Dakota for deferring consideration of the bill at this time.

Mr. WHERRY. Mr. President——

Mr. TOBEY. Let me add just one word, and then I shall be through.

When the bill to which I have referred was before the House of Representatives, and we got the amendment through the House, then it became necessary to get it through the Senate, and I came over and went before the Committee on Naval Affairs, of which the Senator from Florida, Mr. Trammell, was at that time chairman. Opposed to me were Admiral Land and Admiral Robertson, and one or two other admirals, all opposed to the bill. The right prevailed, and the bill became a law. Then they tried to upset it by a conference report, and they failed, I think through rulings by Speaker Rainey.

Since that time two high admirals of the Navy have come to me and said, "This is the best piece of legislation affecting the Navy which has ever been passed." I submit that as expert testimony. I think the law is sound, and I stand on my previous remarks, and will welcome the coming of the time when we can fight this matter out on the floor at arms' length.

Mr. WHERRY. Mr. President, calendar No. 657, House bill 3051, has been withdrawn from immediate consideration, has it not?

The PRESIDENT pro tempore. That is correct.

Mr. ROBERTSON of Virginia. Mr. President, I send to the desk and ask to have printed and lie on the table until we again consider House bill 3051, a proposed amendment to that bill to retain the present limitation on the profits of complete aircraft.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

REDUCTION OF INCOME-TAX PAYMENTS

Mr. WHERRY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1055, House bill 4790, to reduce individual tax payments, and for other purposes, so as to make it the unfinished business.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Nebraska.

The motion was agreed to, and the Senate proceeded to consider the bill

(H. R. 4790) to reduce individual tax payments, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. WHERRY. Mr. President, since House bill 3051 has been withdrawn from immediate consideration in justice to all parties, even though it was the intention to attempt to get it passed today, I feel that it would be well to give Senators opportunity to reflect upon the message which has been delivered to the Congress today by the President of the United States.

THE PRESIDENT'S ADDRESS TO THE CONGRESS

Mr. TAYLOR. Mr. President, I should like to make a brief statement concerning the President's message which we have just heard. I think the lack of enthusiasm with which it was received is the best measure of what the American people feel about his request for universal training and the imposition of military draft. Our country is placed in a very sad position today, Mr. President, with this message having been delivered. The headline I read in a newspaper this morning was very warlike on our part, indicating that we were getting ready and preparing for any eventuality; and the subheadline in the newspaper was that the Russians were demobilizing more men. We certainly are giving the Russians every advantage in international relations we possibly can, and allowing them to set themselves up as the champions of peace and freedom.

I should like to call attention to one or two lines in the speech delivered by the President. He said:

> The situation in the world today is not primarily the result of the natural difficulties which follow a great war. It is chiefly due to the fact that one nation has not only refused to cooperate in the establishment of a just and honorable peace, but—even worse—has actively sought to prevent it.

I do not believe that is an accurate statement of the facts, Mr. President. I believe that we also have some responsibility to bear in this matter of not attaining peace. Drew Pearson stated in his column after the failure of the London Conference that our representatives there were very happy when the conference broke down. He said we were afraid that it might succeed; that we might get along with the Russians, and that did not fit in with the plans of our militarists.

Another passage in the President's speech was this:

> The Congress is also familiar with the developments concerning the United Nations. Most of the countries of the world have joined together in the United Nations in an attempt to build a world order based on law and not on force. Most of the members support the United Nations earnestly and honestly, and seek to make it stronger and more effective.

I do not believe that we have supported the United Nations consistently and endeavored to make it strong and effective. As I pointed out in my speech on the European-relief proposal, I believe that bill to be another measure—whether it was so calculated or not—whose inevitable result will be further to divide the world and weaken the United Nations, because it bypasses the United Nations. It carries on the policy which started with the inauguration of the Truman doctrine, when we bypassed the United Nations by taking unilateral action in Congress.

The President continued:

> One nation, however, has persistently obstructed the work of the United Nations by constant abuse of the veto. That nation has vetoed 21 proposals for action in a little over 2 years.

I believe that statement is as inaccurate in its implications as it is in fact. The Russians have used the veto 22 times, not 21 times, as was pointed out. However, I analyzed the use of the veto in the speech I made on the European relief proposals.

The President went on to say:

> Since the close of hostilities, the Soviet Union and its agents have destroyed the independence and democratic character of a whole series of nations in eastern and central Europe.

Mr. President, I can only say that they may have destroyed their independence and their democracy, but the people of those countries have been oppressed for centuries. It is nothing new for millions of them not to have freedom. What they are seeking is economic security. It is very hard to sell people on democracy when they are hungry. Most of those nations asked us for assistance. We refused because we were afraid that they would come under the domination of Russia. So they took the other course. Personally I think it would have been a good investment to try to help them, and this fate might not have overtaken them.

The President went on to say:

> I am confident that the United States will, by appropriate means, extend to the free nations the support which the situation requires. I am sure that the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to help them to do so.

Mr. President, all this talk of free nations has a hollow sound to my ears when I read yesterday that 900 Vichyites came out from under the slimy rocks where they had been hiding since they were virtually banished from political life in France, and denied their right to vote, as having been collaborators with Adolf Hitler. But now, because of the attitude we are taking, they find courage to come forth and hold a banquet, not a meeting in the open air as common folks have to do generally; they hold a great banquet, and they make a statement that they want a Christian government in France; that they are antitotalitarian—what mockery, Mr. President—and they say that since the war France has been ruled by Jews.

Mr. President, that is exactly the Hitler line, the Goebbels line out in the open again because of the aid and comfort we are giving to reactionaries all over the world.

Mr. de Gaulle is being groomed, his armor is being burnished and he is waiting for the call to come to set up a dictatorship in France. Freedom. We are preparing to welcome Franco back to our bosom. Freedom. In Greece we are supporting the same government that was a stooge for Adolf Hitler, and shooting down thousands of people in cold blood. Freedom, Mr. President.

The President went on to say——

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. WHERRY. I will say that it was my intention to move a recess of the Senate. I wonder how much longer the Senator from Idaho will take.

Mr. TAYLOR. I have about 3 or 4 minutes left, I guess. I thank the Senator for the privilege of speaking. I am sorry to detain the Senate, but I think now is the time to speak while the matter is fresh in the minds of the people.

The President continued:

> It is necessary, therefore, that we take additional measures to supplement the work of the United Nations and to support its aims. There are times in world history when it is far wiser to act than to hesitate.

How about Palestine, Mr. President? Would it not be better to act than to hesitate in Palestine?

And when we talk of implementing and supporting the United Nations, what about Greece, Mr. President, where we bypassed and undermined and practically destroyed the United Nations?

The President said this, toward the end of his speech.

> The world situation is too critical, and the responsibilities of this country are too vast, to permit party struggles to weaken our influence for maintaining peace.

I want to point out that the President did not say that he appealed to all political factions to refrain from creating discord. He said:

> The * * * situation is too critical * * * to permit party struggles to weaken our influence for maintaining peace.

If the President meant that we must all unite for military training, if he meant that all political factions must unite to reimpose the draft upon the American people—if that is what the President meant, Mr. President, I can guarantee that there will be political opposition, that there will not be political unanimity, and although we may not be permitted to carry on for a very long period of time, we shall certainly fight this drive toward war, this surrender to Wall Street and the military, to our last breath of freedom.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. SALTONSTALL. Mr. President, whether we are Republicans or Democrats we listened to President Truman who spoke as a United States citizen in behalf of the United States and its security. I am not sure for whom the Senator from Idaho [Mr. TAYLOR] was speaking when he made his speech a moment ago.

Mr. MORSE. Mr. President, I only wish to add my word in support of the sentiments expressed by the Senator from Massachusetts, and say this in addition:

The President of the United States spoke to us not only as an American citizen, but at least for the time being, as President of the United States. His speech was excellently motivated and sincere in its patriotic intent. Although as the evidence unfurls itself we may find some differences with the President as to some of the particular recommendations which he may have made, I think there can be no doubt about the fact that the President laid before the American people today the great issue which we all must ponder, namely, Do we intend to carry out the meanings of American democracy, based upon the right of the individual to political and personal freedom, or do we mean only to profess the human rights of democracy and not see to it that they are put into practice wherever there is an attempt to trample them under totalitarianism?

I recognize the right of the Senator from Idaho to express the views which he has expressed; but I, for one, also recognize the duty which I feel rests on those of us who believe in national security and who are willing to put into practice the principles of freedom as we know them in our country, always to stand ready to oppose the type of philosophy expressed by the Senator from Idaho before the Senate this afternoon, and all the implications which I think run through his remarks. Once again he, in effect, defends Russian attacks upon principles of individual liberties and through his remarks supports, whether he knows it or not, the Russian foreign policy which endangers the security of our Nation and freedom in Europe. I shall continue to oppose his views whenever he expresses them in the Senate.

Mr. HOLLAND. Mr. President, I wish to express my deep appreciation, as an American citizen, to the Senator from Massachusetts and the Senator from Oregon, who have so clearly spoken out in disapproval and repudiation of the sentiments expressed by the Senator from Idaho, who unfortunately sits on the same side of the Chamber where my own seat is found.

I take this means, Mr. President, not only to express appreciation to the two real Americans who have spoken—and I suspect they speak for every Member on the other side of the Chamber—but I take this first occasion to disassociate myself just as fully as it is possible to do so from what I regard as the overfriendly expressions toward an ideology in government which I do not think has the support or the friendliness of any Senator on this side of the Chamber save the Senator who spoke, the Senator from Idaho.

Speaking only as an American, I agree with the distinguished Senator from Massachusetts and the distinguished Senator from Oregon that the President was speaking not as a party man, but as an American who carries upon his shoulders and heart and conscience the heaviest responsibility weighing upon any living American, when he brings to the joint session of the Congress the important message which we have just heard.

So far as the Senator from Florida is concerned, I think it is as Americans who believe in American democracy that we should receive that message—a difficult message to deliver. It is a difficult path which he points out for us to follow. The message comes from the President of the United States, who himself is a great American, and is entitled to have us, as true Americans, and not as apologists for a foreign and hateful ideology, receive his message at this time of great national and international crisis.

Mr. CAPEHART. Mr. President, I regret that the Senator from Idaho has left the Chamber. So far as I am personally concerned, there is no difference between Hitler and Stalin—both dictators. I was against Hitler, and I am against the dictatorial government of Russia.

I may differ with the President of the United States as to the best way in which to stop communism, but I certainly do not differ with him in his purpose to stop it.

I cannot quite understand any person in the United States, regardless of who he may be or where he may come from, who is so short-sighted and who has so little vision that he is unable to see that the world today is divided on the issue of ideologies of government, and that sooner or later those two ideologies will clash.

I sincerely hope that while we may differ—and we have a right to differ—on the method of stopping this bully, we shall never differ in our purpose of doing so.

Mr. WILEY. Mr. President, yesterday I spoke briefly on the floor of the Senate on the world situation. I did not hear the remarks of the Senator from Idaho; but when the President of the United States comes to report to a joint session of the Senate and House, he is acting within his constitutional purview. He reports to us on the condition of the Nation and the condition of the globe.

In every word he spoke there was no question in his mind that he was giving us a factual delineation of world conditions as he saw them. In other words, he was performing his executive function. He is only human, as we are; but he has a great responsibility, and he fulfilled that responsibility today by outlining to us and to the world what he thought should be America's role now and in the future. He reminded us of our responsibility; and I trust that in the days ahead we can sit down and reason together and see our way through the fog that seems to be separating the two great nations—America and Russia.

Today in a breakfast group I heard a Senator utter a prayer that God Almighty would give to him and others the vision to see the answers. I feel that it is through the channel of reason that we may find the answer, under the guiding hand of providence.

Mr. President, today the President of the United States referred to the nations whose representatives are meeting today in Belgium and are signing an agreement for collective security and for united action. I have hope that the pressure of the Communists on the freedom-loving nations of Europe will bring about a realization of the dream that European statesmen have had so long and that we in this country have mentioned so often, namely, a free United States of Europe, and that out of this terrifically challenging situation will come great good.

I hope the President's statement of today, calling attention to the responsibility of the United States in the world situation, will help in the realization of that dream in Europe. If it does, I trust it will peacefully operate to contain the efforts of the Russian Government. Today the President spoke of Russia, of the Communists, of their leadership. Mr. President, I suppose if it had not been for all the interchange of talk and discussion which has occurred in the United Nations, some persons might say that the President's address of today was a war address. But after what we have witnessed in the forum of the United Nations, where Vishinsky and others have used the language they have, it probably simply means that we have served notice of an intent, to back up our commitments.

But, Mr. President, talk is cheap. It now remains for us, in the days ahead, to express by appropriate action—and I emphasize the words "appropriate action," and I weigh them carefully—how we shall implement the intent. Let us bear in mind that adequate implementation does not mean outmoded methods and means.

Mr. WHERRY. Mr. President, before this session closes, I think I should make this brief statement. I heard the remarks of the Senator from Idaho [Mr. TAYLOR]. It seems to me to be unusual at least to take out of a speech a word, as he did, the word "political"—and thereby attribute partisan politics to the effort being made by the Chief Executive of our Nation to accomplish peace. We may disagree with the approach in connection with ERP or the approach to the foreign policy of the United States in Europe. Certainly I have been critical, but I think constructively so, relative to the policy we have had there for the past 2½ years. Everyone knows what my position is. Yet I revere and respect the high office of the President of the United States. Whether the President be a Democrat or a Republican or an independent, or from whatever party he may come, after all we owe our allegiance and our loyalty to what I consider to be the highest executive office in the world.

I do not feel that it is opportune or justified that anyone should question the loyalty and the patriotism of President Truman. I think all of us feel that his plea to the American people today for unanimity certainly was on a high plane. We might disagree with the approach, we might not even get the end results, but I certainly feel that all of us wish to be on record as attesting to the patriotism of our President.

Mr. BARKLEY. Mr. President, I regret that I had not returned from the Hall of the House of Representatives when the Senator from Idaho [Mr. TAYLOR] made his remarks. Therefore, I do not know what he said, and I cannot comment upon what he said. He must have said something he should not have said, to draw the comments upon his re-

marks which have been made here by Members of the Senate.

Mr. President, honest men may differ without attributing to others perfidious motives. Certainly that should be true in critical times like the ones through which we are passing.

I wish to express my appreciation to all the Senators—the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Indiana [Mr. CAPEHART] the Senator from Nebraska [Mr. WHERRY], the Senator from Florida [Mr. HOLLAND], the Senator from Oregon [Mr. MORSE], and the Senator from Wisconsin [Mr. WILEY]—who have risen to the high position of giving credit to the Chief Executive of this Nation for his sincerity and, I may say, his courage in presenting a program such as that he laid before the Congress today.

Men may differ with him about it, and perhaps will differ with him about it in respect to one detail or another; but certainly when the time comes in this country when we impugn the motives of the Nation's Chief Executive by attributing to him small and petty political considerations, by intimating that he is in league with some organization or some institution with which we do not agree—when that time comes, we ourselves are in danger of losing respect for the very democracy for which we are fighting, and which we hope to preserve.

MAILING OF FOREIGN PROPAGANDA

Mr. WILEY. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill which I previously introduced in 1941 and 1943. Those were war days. The purpose of the bill is to prohibit the mailing of propaganda disseminated by agents of foreign governments, unless the source of such propaganda is identified legibly on the first page.

The bill would cover all newspapers, magazines, pamphlets, or other publications published by and/or for any agent of a foreign government. Each such publication would have to carry a statement showing by whom it was published, followed by the name of the agent; and then there would be printed the name of the government for which the agent was working.

PURPOSE OF BILL

As I stated on March 5, 1943, when I introduced Senate bill 828, the purpose of this measure is to enable the American people to properly evaluate the mass of propaganda which floods them.

In these perilous times it is more necessary than ever before that we be prepared against rash, synthetic thinking based on a lack of facts. We must immunize ourselves against panic psychology, against war hysteria.

We know that the American people have become the targets for the greatest flood of propaganda unleashed by foreign governments in man's history. That propaganda must, in my opinion, be adequately identified unless we are to fall unwitting prey to it.

PROGRAM FOR PREPAREDNESS

This, of course, is but one more means of assuring America's moral preparedness, her moral rearmament, if you please, in these times. Decentralization of Government and of industry is a part of the program which I have submitted to help enable us to be adequate to our heavy challenges in these times. We are called upon to display the highest vision and the highest judgment if we are to maintain the peace and our own security.

I am fully aware, of course, that the House Un-American Activities Committee has been working on this subject very intensively, reviewing bills, for example, which would require the registration of Communists as foreign agents, and similar legislation. Whatever the final decision of the House committee, I am hoping that the bill which I have introduced today will ultimately be incorporated in one way or another in final legislation relating to foreign agents in this land which we in the Congress enact.

There being no objection, the bill (S. 2339) to prohibit the mailing of propaganda disseminated by agents of foreign principals unless the source of such propaganda is identified therein, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 148. An act for the relief of Charles G. Meyers;

S. 401. An act authorizing the Secretary of the Interior to issue a patent in fee to Clarence M. Scott;

S. 1407. An act authorizing the issuance of a patent in fee to Robert E. Doyle; and

S. 1517. An act authorizing the issuance to James Perry Doyle of a patent in fee to certain lands in Big Horn County, Mont.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MABEL TOWNSEND PRETTY ON TOP

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 400) authorizing the issuance of a patent in fee to Mabel Townsend Pretty On Top, which were, in line 7, strike out all after "13", down to and including "14" in line 8; and in line 9, after "meridian", insert a colon and the following proviso: "*Provided*, That when the land herein described is offered for sale, the Crow Tribe or any Indian who is a member of said tribe shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

Mr. BUTLER. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

MRS. MARY E. LEAF

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 773) authorizing the issuance of a patent in fee to Mrs. Mary E. Leaf, which was, in line 8, after "meridian", to insert a colon and the following proviso: "*Provided*, That when the land herein described is offered for sale, the Standing Rock Sioux Tribe or any Indian who is a member of said tribe shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

Mr. BUTLER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, March 17, 1948, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 148. An act for the relief of Charles G. Meyers;

S. 401. An act authorizing the Secretary of the Interior to issue a patent in fee to Clarence M. Scott;

S. 1407. An act authorizing the issuance of a patent in fee to Robert E. Doyle;

S. 1517. An act authorizing the issuance to James Perry Doyle of a patent in fee to certain lands in Big Horn County, Mont.;

S. 1733. An act to authorize payment to certain enrolled members of the Seminole Tribe of Indians under act of July 2, 1942 (Public, No. 645, 77th Cong.);

S. 1782. An act to provide for selection of superintendents of national cemeteries from meritorious and trustworthy members of the armed forces who have been disabled in line of duty for active field service;

S. 1990. An act to provide a means for the orderly continuation and completion of the Deer Creek and aqueduct divisions of the Provo River project, Utah; and

S. J. Res. 172. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during 1948.

RECESS

Mr. WHERRY. Mr. President, the work of the Senate for this afternoon having been concluded, I now move that the Senate take a recess until tomorrow, Thursday, at noon

The motion was agreed to; and (at 1 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 18, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 17 (legislative day of March 15), 1948:

UNITED STATES MARSHAL

Carl H. Fleckenstine, of Pennsylvania, to be United States marshal for the middle district of Pennsylvania, vice Robert W. Rabb, deceased.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be senior surgeon (equivalent to the Army rank of lieutenant colonel), effective date of acceptance:

Paul H. Stevenson

To be scientist director (equivalent to the Army rank of colonel), effective date of acceptance:

Lawrence T. Fairhall

To be scientist (equivalent to the Army rank of major), effective date of acceptance:

Martin D. Young

To be nurse officers (equivalent to the Army rank of major), effective date of acceptance:

Helen Bean	Mary J. Dunn
Donna Pearce	Margaret G. Arnstein

IN THE MARINE CORPS

The following-named permanent warrant officers, now serving in temporary commissioned ranks, to be permanent commissioned warrant officers in the Marine Corps, to rank with but after second lieutenants:

Walter E. Anderson	Gordon L. Rea
Hubert G. Bozarth	Frederick M. Steinhauser
Zadik Collier	Clyde H. Webster
Frederick Dykstra	Clarence S. Wick
John R. Gray	
Leon E. Matthews	

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 17, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

In the name of our Lord and Saviour, who lived and died that He might show the glory of just and righteous living, we lift our breath in prayer.

O Thou who hast walked our earthly ways and filled them with new meanings, be Thou the Master and guide of us all. Grant that the menace of these times may find us unafraid, doing our duty without haste and without pause. Lead all our citizens to serve and sacrifice, lest we lose the last best hope of our democracy.

In all our works, let the words of our mouths and the meditations of our hearts be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution and concurrent resolutions of the House of the following titles:

H. J. Res. 320. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the creation of the Territory of Minnesota;

H. Con. Res. 131. Concurrent resolution against adoption of Reorganization Plan No. 1 of January 19, 1948; and

H. Con. Res. 160. Concurrent resolution providing for a joint meeting of the Congress on March 17, 1948.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 400. An act authorizing the issuance of a patent in fee to Mabel Townsend Pretty On Top; and

S. 773. An act authorizing the issuance of a patent in fee to Mrs. Mary E. Leaf.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1486) entitled "An act to provide for payment of salaries covering periods of separation from the Government service in the case of persons improperly removed from such service"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LANGER, Mr. THYE, and Mr. O'CONOR to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2182) entitled "An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TOBEY, Mr. CAIN, Mr. FLANDERS, Mr. TAYLOR, and Mr. SPARKMAN to be the conferees on the part of the Senate.

RECESS

The SPEAKER. Pursuant to the order of the House, the Chair declares a recess subject to the call of the Chair.

Thereupon (at 12 o'clock and 4 minutes p. m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 21 minutes p. m.

JOINT SESSION OF THE HOUSE AND SENATE

At 12 o'clock and 22 minutes p. m., the Doorkeeper announced the President pro tempore of the Senate and the Members of the United States Senate.

The Senate, preceded by the President pro tempore of the Senate and by their Secretary and Sergeant at Arms, entered the Hall of the House of Representatives.

The President pro tempore of the Senate took the chair at the right of the Speaker, and the Members of the Senate took the seats reserved for them.

The SPEAKER. On the part of the House, the Chair appoints the following members of the committee to conduct the President of the United States into the Chamber: The gentleman from Indiana [Mr. HALLECK], the gentleman from New York [Mr. TABER], and the gentleman from Texas [Mr. RAYBURN].

The PRESIDENT pro tempore of the Senate. On the part of the Senate, the Chair appoints as members of the committee to escort the President of the United States into the Chamber: The senior Senator from Ohio [Mr. TAFT], the Senator from Nebraska [Mr. WHERRY], and the senior Senator from Kentucky [Mr. BARKLEY].

At 12 o'clock and 25 minutes p. m., the Doorkeeper announced the ambassadors, ministers, and chargés d'affaires of foreign governments.

The ambassadors, ministers, and chargés d'affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 28 minutes p. m., the Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 30 minutes p. m., the Doorkeeper announced the President of the United States.

The President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the Congress, I have the distinguished honor of presenting to you the President of the United States.

ADDRESS OF THE PRESIDENT OF THE UNITED STATES

The PRESIDENT. Mr. President, Mr. Speaker, Members of the Congress, I am here today to report to you on the critical nature of the situation in Europe, and to recommend action for your consideration.

Rapid changes are taking place in Europe which affect our foreign policy and our national security. There is an increasing threat to nations which are striving to maintain a form of government which grants freedom to its citizens. The United States is deeply concerned with the survival of freedom in those nations. It is of vital importance that we act now, in order to preserve the conditions under which we can achieve lasting peace based on freedom and justice.

The achievement of such a peace has been the great goal of this Nation.

Almost 3 years have elapsed since the end of the greatest of all wars, but peace and stability have not returned to the world. We were well aware that the end of the fighting would not automatically settle the problems arising out of the war. The establishment of peace after the fighting is over has always been a difficult task. And even if all the Allies of World War II were united in their desire to establish a just and honorable peace, there would still be great difficulties in the way of achieving that goal.

But the situation in the world today is not primarily the result of the natural difficulties which follow a great war. It is chiefly due to the fact that one nation has not only refused to cooperate in the establishment of a just and honorable peace, but—even worse—has actively sought to prevent it.

The Congress is familiar with the course of events.

You know of the sincere and patient attempts of the democratic nations to find a secure basis for peace through negotiation and agreement. Conference after conference has been held in different parts of the world. We have tried to settle the questions arising out of the war on a basis which would permit the establishment of a just peace. You know

the obstacles we have encountered. But the record stands as a monument to the good faith and integrity of the democratic nations of the world. The agreements we did obtain, imperfect though they were, could have furnished the basis for a just peace—if they had been kept.

But they were not kept.

They have been persistently ignored and violated by one nation.

The Congress is also familiar with the developments concerning the United Nations. Most of the countries of the world have joined together in the United Nations in an attempt to build a world order based on law and not on force. Most of the members support the United Nations earnestly and honestly, and seek to make it stronger and more effective.

One nation, however, has persistently obstructed the work of the United Nations by constant abuse of the veto. That nation has vetoed 21 proposals for action in a little over 2 years.

But that is not all. Since the close of hostilities, the Soviet Union and its agents have destroyed the independence and democratic character of a whole series of nations in eastern and central Europe.

It is this ruthless course of action, and the clear design to extend it to the remaining free nations of Europe, that have brought about the critical situation in Europe today.

The tragic death of the Republic of Czechoslovakia has sent a shock throughout the civilized world. Now pressure is being brought to bear on Finland, to the hazard of the entire Scandinavian peninsula. Greece is under direct military attack from rebels actively supported by her Communist-dominated neighbors. In Italy, a determined and aggressive effort is being made by a Communist minority to take control of that country. The methods vary, but the pattern is all too clear.

Faced with this growing menace, there have been encouraging signs that the free nations of Europe are drawing closer together for their economic well-being and for the common defense of their liberties.

In the economic field, the movement for mutual self-help to restore conditions essential to the preservation of free institutions is well under way. In Paris, the 16 nations which are cooperating in the European recovery program are meeting again to establish a joint organization to work for the economic restoration of western Europe.

The United States has strongly supported the efforts of these nations to repair the devastation of war and restore a sound world economy. In presenting this program to the Congress last December, I emphasized the necessity for speedy action. Every event in Europe since that day has underlined the great urgency for the prompt adoption of this measure.

The Soviet Union and its satellites were invited to cooperate in the European recovery program. They rejected the invitation. More than that, they have declared their violent hostility to the program and are aggressively attempting to wreck it.

They see in it a major obstacle to their designs to subjugate the free community of Europe. They do not want the United States to help Europe. They do not even want the 16 cooperating countries to help themselves.

While economic recovery in Europe is essential, measures for economic rehabilitation alone are not enough. The free nations of Europe realize that economic recovery, if it is to succeed, must be afforded some measure of protection against internal and external aggression. The movement toward economic cooperation has been followed by a movement toward common self-protection in the face of the growing menace to their freedom.

At the very moment I am addressing you, five nations of the European community, in Brussels, are signing a 50-year agreement for economic cooperation and common defense against aggression.

This action has great significance, for this agreement was not imposed by the decree of a more powerful neighbor. It was the free choice of independent governments representing the will of their people, and acting within the terms of the Charter of the United Nations.

Its significance goes far beyond the actual terms of the agreement itself. It is a notable step in the direction of unity in Europe for the protection and preservation of its civilization. This development deserves our full support. I am confident that the United States will, by appropriate means, extend to the free nations the support which the situation requires. I am sure that the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to help them to do so. [Applause.]

The recent developments in Europe present this Nation with fundamental issues of vital importance.

I believe that we have reached a point at which the position of the United States should be made unmistakably clear.

The principles and purposes expressed in the Charter of the United Nations continue to represent our hope for the eventual establishment of the rule of law in international affairs. The Charter constitutes the basic expression of the code of international ethics to which this country is dedicated. We cannot, however, close our eyes to the harsh fact that through obstruction and even defiance on the part of one nation, this great dream has not yet become a full reality.

It is necessary, therefore, that we take additional measures to supplement the work of the United Nations and to support its aims. There are times in world history when it is far wiser to act than to hesitate. There is some risk involved in action—there always is. But there is far more risk in failure to act.

For if we act wisely now, we shall strengthen the powerful forces for freedom, justice, and peace which are represented by the United Nations and the free nations of the world.

I regard it as my duty, therefore, to recommend to the Congress those measures which, in my judgment, are best calculated to give support to the free and democratic nations of Europe and to improve the solid foundation of our own national strength.

First, I recommend that the Congress speedily complete its action on the European recovery program. That program is the foundation of our policy of assistance to the free nations of Europe. Prompt passage of that program is the most telling contribution we can now make toward peace.

The decisive action which the Senate has taken without regard to partisan political considerations is a striking example of the effective working of democracy.

Time is now of critical importance. I am encouraged by the information which has come to me concerning the plans for expeditious action by the House of Representatives. I hope that no single day will be needlessly lost.

Second, I recommend prompt enactment of universal training legislation.

Until the free nations of Europe have regained their strength, and so long as communism threatens the very existence of democracy, the United States must remain strong enough to support those countries of Europe which are threatened with Communist control and police-state rule.

I believe that we have learned the importance of maintaining military strength as a means of preventing war. We have found that a sound military system is necessary in time of peace if we are to remain at peace. Aggressors in the past, relying on our apparent lack of military force, have unwisely precipitated war. Although they have been led to destruction by their misconception of our strength, we have paid a terrible price for our unpreparedness.

Universal training is the only feasible means by which the civilian components of our armed forces can be built up to the strength required if we are to be prepared for emergencies. Our ability to mobilize large numbers of trained men in time of emergency could forestall future conflict and, together with other measures of national policy, could restore stability to the world.

The adoption of universal training by the United States at this time would be unmistakable evidence to all the world of our determination to back the will to peace with the strength for peace. [Applause.] I am convinced that the decision of the American people, expressed through the Congress, to adopt universal training would be of first importance in giving courage to every free government in the world.

Third, I recommend the temporary reenactment of selective-service legislation in order to maintain our armed forces at their authorized strength.

Our armed forces lack the necessary men to maintain their authorized strength. They have been unable to maintain their authorized strength through voluntary enlistments, even though such strength has been reduced to the very minimum necessary to meet

our obligations abroad and is far below the minimum which should always be available in the continental United States.

We cannot meet our international responsibilities unless we maintain our armed forces. It is of vital importance, for example, that we keep our occupation forces in Germany until the peace is secure in Europe.

There is no conflict between the requirements of selective service for the regular forces and universal training for the reserve components. Selective service is necessary until the solid foundation of universal training can be established. Selective service can then be terminated and the regular forces may then be maintained on a voluntary basis.

The recommendations I have made represent the most urgent steps toward securing the peace and preventing war.

We must be ready to take every wise and necessary step to carry out this great purpose. This will require assistance to other nations. It will require an adequate and balanced military strength. We must be prepared to pay the price of peace, or assuredly we shall pay the price of war.

We in the United States remain determined to seek, by every possible means, a just and honorable basis for the settlement of international issues. We shall continue to give our strong allegiance to the United Nations as the principal means for international security based on law, not on force. We shall remain ready and anxious to join with all nations—I repeat, with all nations—in every possible effort to reach international understanding and agreement.

The door has never been closed, nor will it ever be closed, to the Soviet Union or any other nation which will genuinely cooperate in preserving the peace.

At the same time, we must not be confused about the central issue which confronts the world today.

The time has come when the free men and women of the world must face the threat to their liberty squarely and courageously.

The United States has a tremendous responsibility to act according to the measure of our power for good in the world. We have learned that we must earn the peace we seek just as we earned victory in war, not by wishful thinking but by realistc effort.

At no time in our history has unity among our people been so vital as it is at the present time.

Unity of purpose, unity of effort, and unity of spirit are essential to accomplish the task before us.

Each of us here in this Chamber today has a special responsibility. The world situation is too critical, and the responsibilities of this country are too vast, to permit party struggles to weaken our influence for maintaining peace.

The American people have the right to assume that political considerations will not affect our working together. They have the right to assume that we will join hands, wholeheartedly and without reservation in our efforts to preserve peace in the world. [Applause.]

With God's help we shall succeed. [Applause, the Members rising.]

At 12 o'clock and 50 minutes p. m., the President retired from the Hall of the House of Representatives.

The members of the President's Cabinet retired from the Hall of the House of Representatives.

The ambassadors, ministers, and chargés d'affaires of foreign governments retired from the Hall of the House of Representatives.

At 12 o'clock and 53 minutes p. m., the Speaker announced that the joint session was dissolved.

Thereupon the President pro tempore and the Members of the Senate returned to their Chamber.

RECESS

The SPEAKER. Pursuant to authority previously conferred on the Chair by order of the House, the Chair declares a recess until 1:30.

Thereupon (at 12 o'clock and 55 minutes p. m.) the House stood in recess until 1:30 p. m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1:30 o'clock p. m.

THE PRESIDENT'S MESSAGE (H. DOC. NO. 569)

The SPEAKER. The President's message will be referred to the Committee of the Whole House on the State of the Union and ordered printed.

HON. LEO F. RAYFIEL

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MULTER]?

There was no objection.

Mr. MULTER. Mr. Speaker, I ask unanimous consent to include at this point in the RECORD a transcript of the proceedings of the induction of my predecessor, the distinguished gentleman from Brooklyn, the Honorable Leo F. Rayfiel, as United States district judge for the eastern district of New York on September 17, 1947.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MULTER]?

There was no objection.

The matter referred to follows:

ADDRESSES AT THE INDUCTION OF HON. LEO F. RAYFIEL, AS UNITED STATES DISTRICT JUDGE, FOR THE EASTERN DISTRICT OF NEW YORK, BROOKLYN, N. Y., SEPTEMBER 17, 1947

(Present: Hon. Robert A. Inch, presiding; Hon. Clarence G. Galston; Hon. Mortimer W. Byers; Hon. Matthew T. Abruzzo; Hon. Harold M. Kennedy, United States district judges.)

Judge INCH. This court has been convened in order to install the Honorable Leo F. Rayfiel as United States district judge, eastern district of New York, to which position he has been duly appointed by the President, by and with the advice and consent of the Senate.

The clerk will read the commission.

Mr. GILKES. "Harry S. Truman, President of the United States of America: To all who shall see these presents, greetings: Know ye that reposing special trust and confidence in the wisdom, uprightness, and learning of Leo F. Rayfiel, of New York, I have nominated, and by and with the advice and consent of the Senate, do appoint him United States district judge, eastern district of New York, and do authorize and empower him to execute and fulfill the duties of that office according to the Constitution and laws of the said United States, and to have and to hold the said office with all the powers, privileges, and emoluments to the same of right pertaining unto him, the said Leo F. Rayfiel, during his good behavior.

"In testimony whereof I have caused these letters to be made patent and the seal of the Department of Justice to be hereunto affixed, done at the city of Washington, this 30th day of July, in the year of our Lord 1947, and of the independence of the United States of America, the one hundred and seventy-second.

"HARRY S. TRUMAN,
"President.

"TOM CLARK,
"Attorney General."

Judge INCH. Now, Mr. Rayfiel, will you approach the bench and repeat after me the oath.

(Mr. Rayfiel repeated after Judge Inch the following oath:)

"I, Leo F. Rayfiel, do solemnly swear that I will administer justice without respect to persons, and do equal right to the poor and to the rich, and that I will faithfully and impartially discharge and perform all the duties incumbent upon me as United States district judge according to the best of my ability and understanding, agreeably to the Constitution and laws of the United States, and that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to same; that I take this obligation freely without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office upon which I am about to enter: So help me God."

Judge INCH. The Court now recognizes Dr. Harry Halpern, rabbi of the East Midwood Jewish Center.

Rabbi HALPERN. Almighty God, in this hour fraught with great consequences in the destinies of men and of nations, we lift our voices to Thee and humbly invoke Thy blessing; we pray that Thou mayest illumine the place of Leo F. Rayfiel, Thy servant, who on this day assumes the responsible position of administering justice to all those who may come before him. May he truly serve Thee and the ideals embodied in Thy sacred writ. May he be a source of strength to defend and uphold those traditional principles by which America has become the leader of nations. Through his dispensation of justice may all men recognize the protection which we enjoy under the Constitution of our country. May all men come to love and admire and respect those traditions for which millions have bled, and may it be granted to us to lead all nations from darkness into light, and to be a force in the bringing of peace and amity and brotherhood amongst all the inhabitants of the earth. Amen.

Judge INCH. The Court now recognizes Mr. Walter Bruchhausen, president of the Brooklyn Bar Association.

Mr. BRUCHHAUSEN. Judge Inch and Judge Rayfiel, honored members of the bench, and friends of Judge Rayfiel:

We of the Brooklyn Bar Association are particularly appreciative of the opportunity of coming here today to participate in these ceremonies. This is an opportunity that rarely comes to a lawyer, to be able to come into a courtroom and say something to a judge, and about a judge, and so, if I may digress a moment, I would like to stress something that is in the minds of many lawyers, and that is a tendency in some of the courts to disregard precedent.

Edmund Burke once said that society is a contact between the dead, the living, and the unborn. As I interpret that, that means

we began something by the crystallization of human experience, which in many ways is precedent.

Disraeli, thinking along that line, also remarked that precedent is the preservation of a principle.

I doubt that Judge Rayfiel would overlook the force of that reasoning. I think we here in this district are very conscious of precedence, and it is well at the same time to keep it in mind.

Judge Rayfiel, I feel, has displayed several important points of wisdom today. In the first place, he selected a cool day—one of the few we have had in many weeks. In the second place, he has selected the day on which the Constitution of the United States is being celebrated in the various courts throughout this State, and elsewhere, and I would like to make another observation in connection with the situation. It has often been a source of wonderment to me why life terms existed for members of the Federal bench, whereas in many of our courts, especially the State courts, as you know, there is a fixed term. I was interested, and possibly some of you have read the reason for it in the Federalist, which, as you know, was a publication issued during the time the Constitution was promulgated, and Alexander Hamilton was the strong proponent of a life term for the Federal judiciary. He feared an encroachment by the legislature on the judiciary, and that it would influence detrimentally the independence of the judiciary. I think we all feel that that principle of life tenure in the Federal court, especially in this district, has been well founded and has worked to the benefit of all.

There is something in common between these Federal courts for the eastern district of New York and the Brooklyn Bar Association. As I understand from some of the old-timers this court was instituted about 1867. The forerunner of the Brooklyn Bar Association came in 1872, so we feel that we are particularly close to this Constitution Day and to this court, and while we officially greet Judge Rayfiel today we are reserving a later day, October 8, at our association room, to have him there. We cordially invite him to be there, and we will then be ready to greet him and express to him personally our good wishes for a happy administration in this court.

Judge INCH. Thank you, Mr. Bruchhausen.

The court now recognizes Mr. Henry Ward Beer, president of the Federal Bar Association of New York, New Jersey, and Connecticut. He has done a great deal in helping the Federal courts from time to time as the opportunity permitted. Mr. Beer.

Mr. BEER. If your honors please, ladies and gentlemen:

The membership of the Federal Bar Association of New York, New Jersey, and Connecticut, are happy indeed to welcome you, Judge Rayfiel, to the membership of this honorable court of justice.

The people of your congressional district here in Brooklyn found in you a lawyer of intelligence, integrity, and honesty, and at two general elections sent you to Congress as their lawmaker. Now you come to this court by appointment of the President to sit as a judge of the laws made by Congress with which you have in a large measure become familiar.

The eastern district of New York is a court of great tradition. The judges who have presided in this court for nearly 100 years have, through industry and learning, won the highest respect for its judgments.

Opinions of this court have become beacon lights for Federal and State courts all over our great country wherever "even-handed justice" are the watchwords. These opinions are etched deeply into the Nation's legal history and I would, if time permitted, quote many of those opinions with the names of the learned judges who wrote them. But it is sufficient to say that your brothers, Judges Inch, Galston, Byers, Abruzzo, and Kennedy, are splendidly all equipped to guide you and help maintain that tradition now so firmly rooted in this court.

Whenever our country has passed through terrible wars and their aftermaths, whenever it has become the solemn obligation of our Federal courts to pass upon human rights and property rights, they have, throughout their many years of passing judgment, maintained the dignity of law and order.

Today democracy is undergoing the greatest test it has ever had. Democracy, from which springs the essence of all constitutional liberty, is being subjected to the crucible test of debate and trial to ascertain whether we can endure the white heat of the contending forces and still survive as a nation.

But again you will find that the assayist of this metal will be judges like yourself, and democracy will be safe in this atomic era in your hands.

In all of the upheavals the steady hands of the judges of our Federal courts have been at the helm of the ship of state. So today the Federal district courts can be relied upon as always to keep the anchor to windward so that we might not run afoul.

The fundamental principles of law, equity, and fair play, regardless of how difficult the problem, must be your guide not only in matters of property rights, but especially in those which are concerned with human rights.

However, we who listen to the voices of those who speak outside as well as inside this and other Federal courts of our country know that there never has been a greater need for judges of integrity, learning, and high character.

May I pause for a moment to direct your attention to one matter which no doubt needs the attention of all of our courts. Do you know that it has become the custom in recent years for the United States attorneys throughout the country to publish for public approval the percentages of convictions obtained? In the southern district of New York, for example, the recent high percentage of convictions was nearly 100 percent. In this district the percentage is almost as high.

These high percentages of convictions have received great public applause and commendation. They are attributed to many causes. Some say the prosecution never prosecutes unless the man is guilty beyond all reasonable doubt. Others say it is due to spineless incompetent defendants' counsel. Yet others say the system of Federal criminal jurisdiction puts the prisoner at such a disadvantage that he is like a ball player with two strikes on him before he picks up the bat and goes to the plate. Others say our Federal judges have become assistant prosecutors.

Another reason for such great success on the part of the Federal prosecutor is partly due to the fact that public opinion and the newspapers seem to be invariably against the prisoner at the bar. Knowing this psychological fact you, Judge Rayfiel, will need to be strong to guard against that prejudice.

No man coming before the court is ever presumed to be guilty but I never knew a man charged with what may be termed "a great crime" in which the newspapers ever suggested that the prisoner might possibly be innocent.

It is not because the men who write for the press are destitute of all love of justice and fair play, but it is because it has now become an American tradition and a deeply rooted instinct to go along with the prosecutor, especially the Federal prosecutor.

The instinct of the American multitude is with the Government of the United States, and I speak from many years' experience as a Government prosecutor. We especially note this whenever the Federal prosecutor is in need of testimony. Then people come flocking to him from Maine to California to assist their Government.

On the other hand, the accused, though presumed innocent, when arrested and brought to trial, finds that people who were actually present at the scene of the crime or who know all about the alleged crime and perhaps know the accused is not guilty, will often suffer him to be punished, rather than come forward to tell what they know if to do so would expose them to shame or even cause them any inconvenience.

In spite of all the foregoing assertions it has been proven by the history of our own great country, that the bench and bar gives to the people an impartial administration of justice, for upon this, Judge Rayfiel, depends our life, liberty, property rights, and happiness. All these fundamentals are under the peculiar, instinctive, and intimate protection of the bench and bar.

It is the judicial power, unafraid and uncorrupted, above all else, that brings to the home of every citizen all the blessings of our American society and makes it dear to every one of us.

Judge Rayfiel, your responsibilities are great, but we know that you are capable of sustaining them. The Federal Bar Association extends to you its most friendly hand of welcome to the bench, and we give you our pledge that if you follow the fine judicial traditions that have characterized the labors of the judges of this court, you, too, will become a part of that tradition.

Judge INCH. The court now recognizes the Honorable J. Vincent Keogh, United States attorney for the eastern district of New York.

Mr. KEOGH. May it please the court: On behalf of the entire staff of the United States attorney's office of this district I am privileged to welcome and extend respectfully good wishes to His Honor, whom we greet today. His background, experience, heritage, and profound intellect make him even more mindful than we are of the solemnity of this occasion. That the true administration of justice is the firmest pillar of good government is conceded by all. The individuals who so administer this justice wear more than merely the robes of office. Unseen they wear in their hearts and minds the responsibilities of the office.

So I say this is a solemn occasion of which His Honor is necessarily conscious. The integrity which he brings with him is a reminder. His wholesome life experience is yet another reminder. His long public service and his years at the bar particularly cause him to know that on this day he has not only reached the pinnacle of legal attainment, but also the zenith of judicial responsibility.

How fortunate we in this district are to have ascend the bench today, not the first but the second generation—a qualified judge—the son of a revered, humane, and wise judge. We are impressed by the fact that the father-judge in counseling his son has suggested that the latter be an eloquent listener. Would that not only judges but most of us might be so well advised.

I greet and congratulate His Honor, who might well be consoled by the learned words of the late Justice Cardozo in The Nature of the Judicial Process:

"I was much troubled in spirit, in my first years upon the bench, to find how tractless was the ocean on which I had embarked. I sought for certainty. I was oppressed and disheartened when I found that the quest for it was futile. I was trying to reach land, the solid land of fixed and settled rules, the paradise of a justice that would declare itself by tokens plainer and more commanding than its pale and glimmering reflections in my own vacillating mind and conscience. I

found with the voyagers in Browning's Paracelsus that the real haven was always beyond."

Our hope is that, although he knows the real haven is beyond, in a long and learned judicial career many satisfactory havens will be found by this new voyager—His Honor, Judge Rayfiel.

Judge INCH. Thank you, very much, Mr. KEOGH.

The court now recognizes another good friend of many years in the courts, the Honorable Michael F. Walsh, now justice of the Supreme Court of the State of New York.

Judge WALSH. May it please your honor, Judge Inch, associate judges of the United States District Court for the Eastern District of New York, and friends of Judge Rayfiel:

A set of happy circumstances I would say gives me the honor which is now mine to take a few moments in this proceeding which brings to the bench a friend of all of us here now, Judge Leo F. Rayfiel.

The first of those circumstances, if I may be permitted a personal allusion, is the opportunity to address you, Judge Inch, and your associates. I refer to the past years, and I have never forgotten first of all the respects I had as a lawyer, and the friendships I won during my comparatively short time as United States attorney, and the friendship exemplified and given by you and your associates to me, so it is a pleasure to be here.

The second circumstance has been referred to by Mr. Bruchhausen, the president of the Brooklyn Bar Association, and that is that throughout the land today we observe Constitution Day.

One hundred and sixty years ago today the delegates who had been convened at Philadelphia through the warm summer of 1787 gave to the States the Constitution, and we have revered it from that time.

Would that those representatives of nations from all over the world who are now assembled in the UN could grasp some of the wisdom and some of the foresight that our founding fathers had. Strange as it may seem is the fact that there is not existing in the world today one goverment in the same form that it existed 160 years ago when our Constitution was sent out to the States. Every one has changed, and over this 160 years I think we have come to know, even with the smallest amount of reasoning, the value of that Constitution.

I refer to the Constitution because Judge Rayfiel today has sworn to uphold it, and a thought upon the Constitution gives us some idea of the dignity of the office that he has come to fill.

The Constitution we are told is the bulwark of the Republic. The Constitution is the supreme law of the land. The Constitution is the finest piece of human law that was ever put upon the books of a nation.

But the greatness of the Constitution comes not from the fact it is human law alone, but that it recognizes a higher law, the natural law, which is a part of the divine law.

Today in ending his commission, President Truman referred to "the year of our Lord." When Judge Rayfiel took his oath Judge Inch ended with the words "so help me God," because even above the Constitution there is a higher law, but the greatness of the Constitution comes from the fact that it incorporates recognition of natural law. My right to free speech, the right to follow the dictates of my conscience, were not granted by the Constitution, but by the Creator, but they are recognized by the Constitution and our courts enforce them.

The third event is that a citizen of Brooklyn has risen to the heights of the Federal court bench.

If the Constitution has survived 160 years, if the amendments have been in accordance with the basic principles of the Constitution, it is because of the judiciary of our Federal Government. These members of the district court, the circuit court of appeals, and the Supreme Court of the United States have been the protectors and guardians of the rights enumerated and the privileges granted by the Constitution.

It is to such a post that our neighbor and friend, Leo F. Rayfiel, rises today, and we who have known him through the years are happy to gather here and acclaim his appointment and to be present at his induction. As has been so well said, he brings the necessary experience and moral qualifications. He has the opportunity of sitting on the bench and looking objectively at a case, and hard as it is for human beings to eliminate their sentiments and ideas, Judge Rayfiel is eminently qualified to decide upon the facts as proved in the evidence, and to apply the law fearlessly and judiciously, always with the knowledge that he sits in the finest judiciary that anywhere exists.

We say we know he has the qualifications. We know he will discharge his duties faithfully. We know he will be impartial and not conclude on discrimination, and we know at all times he will stand not only as a new judge, but, as the years go on, as a capable, efficient judge, and a worthy son of a great father.

And today, Judge Rayfiel, on behalf of your neighbors and other members of the judiciary for whom I am privileged to speak, I wish you long life, happiness, and success, and when you go to bed at night I hope you will be able to sleep.

Judge INCH. Thank you very much, Judge Walsh.

The court now recognizes the Honorable Payton Ford, Assistant Attorney General in charge of the claims division in Washington, representing the Attorney General, Tom Clark.

Mr. FORD. May it please the court: The Attorney General regrets that he cannot be here. He welcomes the submission of his Honor's name, and his confirmation by the Senate, and he knows he will serve in his office as United States district judge with honor.

(The following letter was received from Hon. Meier Steinbrink:)

SEPTEMBER 17, 1947.

Hon. ROBERT A. INCH,
United States District Court,
Federal Building, Brooklyn, N. Y.

DEAR BOB: There came to me a very cordial letter from my long-time friend, Leo F. Rayfiel, whom you are going to induct at 2 o'clock today.

I wish it were possible for me to be present and, also, to attend the reception which is to follow, but unfortunately I find my calendar terribly crowded and at the hour of his induction I shall be at a meeting in Manhattan. If I were present, I should in person do that which I will ask you to permit this letter to do for me.

Please extend to all my most cordial greetings, and especially to Judge Rayfiel the sincere wish that he will find in his new work complete happiness and that he may serve with the distinction which has characterized all of the members of the bench in the eastern district of New York through many years, and that this service of his may continue until he has attained a ripe old age and voluntarily retires.

To you my most cordial greetings and good wishes.

Always sincerely,

MEIER STEINBRINK.

(The following telegram was received from Mayor O'Dwyer:)

Hon. LEO F. RAYFIEL,
Chambers of Hon. Robert A. Inch,
United States District Court.

DEAR LEO: Executive session of the board of estimate as well as other duties prevent me from attending your induction as a Federal judge. However, I am happy to join with your many friends and associates in extending my hearty congratulations and my wishes for many happy years of public service as a member of the distinguished Federal judiciary. Congress has lost an intelligent and conscientious member but the bench has gained an able jurist.

WILLIAM O'DWYER,
Mayor.

Judge INCH. We have decided to do something a little different, and I would ask the clerk before Judge Rayfiel says a few words, to put his gown on him, and we will welcome him to the bench where he may shake hands with his associates and speak from here.

Judge RAYFIEL. Senior Judge Inch, my distinguished colleagues, members of the several State, city, municipal, and county courts, my distinguished former colleagues in the House of Representatives, and I see scattered around the room, a few of my old friends and colleagues at Albany, and, of course, all you ladies and gentlemen who have been kind enough to share with me this very pleasant occasion:

It was with considerable trepidation that I approached this ceremony and the part that I might be called upon to play in it. I feared that I might have to sit through a great deal of eulogistic reference to me, which none of my friends who really know me would take very seriously. Before we left Judge Inch's chambers this afternoon, Judge Abruzzo admonished me not to believe all the kind things that would be said of me.

Of course I was pleased to hear several of the speakers refer to me in a complimentary manner, though I know that it involved some sacrifice of accuracy for them to do so.

I was particularly impressed with Mr. KEOGH's talk. He delivered the kind of a talk that I have often wished I were able to deliver. It was beautiful. Insofar as he referred to my beloved father, I echo his sentiments and opinions. He did not overdo it a bit. With regard to his reference to me, I choose to consider his statements as a standard or goal to which I should aspire rather than as an appraisal of me.

And, of course, the same is true of the delightful talk of Judge Walsh, whom I have known for many years, and who was kind enough to promise me the comfort of a good night's sleep. I want to assure Judge Walsh, who lives about a hundred feet from my home, that I shall sleep quietly, so as not to disturb him in his richly deserved repose.

I wish my father had been able to be present here today, and I know that all of you who have known him these many years share that wish with me. He has been an inspiration to me, as he has been to so many of his friends and associates. I am sure that the experience, advice, and guidance which I have acquired from him through the years will be of invaluable assistance in my new work. Please do not think me vain if I lay claim to the fact that I have acquired an additional quality possessed in great measure by my father—and that is humility.

I am fortunate also in having received an assurance of cooperation and assistance from Senior Judge Inch and my other new colleagues. As a matter of fact, during the past 3 or 4 weeks several of the judges of this court have, figuratively speaking, taken me by the hand and guided me, and one of them literally did so. I know that they will not mind if I occasionally dip into their extensive storehouse of knowledge and experience. I promise not to abuse the privilege.

I want to thank all of you for your presence. You have been so kind that my blood pressure, which reached its high just prior to and in anticipation of this ceremony, has now receded. Judge Inch did much to comfort me. He did not administer anything but words, but he did it very effectively.

I hope that I may be able to justify a few of the kind things that have been said about me. I shall try my very best to do so. I can do no less.

May I again thank you for honoring me by your presence today.

Judge INCH. This completes the ceremony. The court will now adjourn.

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield.

Mr. KEOGH. Mr. Speaker, upon the happy occasion of the induction of our former distinguished colleague, Leo F. Rayfiel, as United States district judge, I was necessarily absent from the country in the discharge of my official duties. I should have wanted to join with his many friends on that, the greatest day of his professional and public career. A day that we, who know him, will long remember, too. For it marked the ascendency to the judiciary of one able and well-trained at the bar; a faithful public servant, and a fine, humane, and sturdy American. His latest honor has already reflected great credit to our community. He is a good man who is and will be a good judge. We who have served with him wish him all that life can give—health, happiness, and continued fruitful public service.

UNIFIED PLAN OF ACTION FOR AVIATION

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. HINSHAW]?

There was no objection.

Mr. HINSHAW. Mr. Speaker, as chairman of the combat aviation subcommittee of the Congressional Aviation Policy Board, I arise to remark again that our committee has sought to obtain the requirements of the Navy and the Air Force and the Army, in accordance with a unified plan of action agreed to by the Joint Chiefs of Staff. As yet no such plan has been agreed upon. Over this last week end, I understand, the Secretary of Defense has been endeavoring to obtain an agreement as to the roles and missions to be performed by the several individual services. Thus far no announcement has been made of any such agreement, but I hope that one has been found. Thereafter it will be necessary for the Joint Chiefs of Staff to prepare a unified plan of action before the United States can know the weight of the various arms of the services necessary to the national security.

The SPEAKER. The time of the gentleman from California has expired.

THE PRESIDENT'S MESSAGE

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. CHURCH]?

There was no objection.

Mr. CHURCH. Mr. Speaker, President Truman's message to Congress contributed nothing to a better understanding of the international situation and American foreign policy, if any. He told us nothing we did not already know. He added only to the existing public confusion as to where we are going and why.

His personal appearance before Congress to repeat what he has previously said was nothing more than an attempt to create a fear hysteria and to direct public attention to himself, in the hope of being able to stem the political tide against him. He only confirmed the American people's conviction that President Truman is unable to furnish the country with constructive leadership so greatly needed in this day of both national and international unrest.

We are in this perilous morass because our foreign policy during and following the war lacked intelligent direction and because the administration made agreements without giving the people all the facts. Our foreign policy still lacks intelligent direction and the administration still refuses to give the people all the facts.

Dictator Stalin with his troubles at home complains against international encroachment, and so forth, in order to placate his starving people. His troubles are more desperate than the world outside the iron curtain realizes. Throughout history frightened dictators have used this technique to scare their people—to take their minds away from their problems at home.

Harry Truman, at an all-time low—with the political tide against him—has adopted this technique to cover up his colossal failures—to bring him back up the hill in political stature.

Mr. Speaker, the blunders of Roosevelt and Truman at Yalta and Potsdam are still in the minds of our people. Thank God the November election is not far off when the people may speak. A Democratic President means war.

THE FUEL-OIL SITUATION

Mr. CLASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CLASON. Mr. Speaker, during the fuel-oil shortage with which many parts of the country, particularly New England, were stricken during the past winter, I did not feel that legislation was needed to solve the problem. It seemed to me that the petroleum industry could and would carry out an expansion program necessary to provide adequate supplies of their products to meet further developments in the automobile and oil-burner industries.

For that reason I contacted officials of the Standard Oil Co. of New Jersey, from whom I have received the utmost cooperation during the trying winter months just passed.

After hearing United States Government officials predict a shortage of fuel oil and gasoline for the next 5 years, I was determined to secure the opinions of officials of one of the greatest oil companies in the country. I therefore wrote Mr. Howard W. Page, assistant to the president of the company, who is in charge of determining in advance the demand for various petroleum products.

I have been gratified by the careful analysis by the petroleum industry of the prospects for next winter as estimated by Mr. Page in a comprehensive letter which I have received from him. This letter clearly indicates that the Standard Oil Co. of New Jersey and, undoubtedly, all other major oil companies will make every reasonable effort to provide all fuel oil necessary for its consumers during the winter of 1948–49.

My letter to Mr. Page and his reply are as follows:

MARCH 8, 1948.

HOWARD W. PAGE,
Assistant to the President, Standard Oil Co. of New Jersey, New York, N. Y.

DEAR MR. PAGE: According to a United Press story of February 25, you have predicted that the petroleum industry will lick the heating-oil and gasoline shortage this year.

I am particularly interested in your remarks because of the serious difficulties in my congressional district in recent months on fuel oil.

During hearings, Director Ball, of the Department of the Interior, on more than one occasion, prophesied that there would be fuel-oil shortages during the next four or five winters. In view of the information contained in your statement, it does not seem to me that such shortages should be necessary.

I wish you would advise me of your opinion about the ability of the oil companies to supply sufficient fuel oil during the next and succeeding winters. It will mean much to my constituents to know of your views.

Very sincerely,

CHARLES R. CLASON.

STANDARD OIL CO.,
New York, N. Y., March 10, 1948.

Hon. CHARLES R. CLASON,
House of Representatives,
House Office Building,
Washington, D. C.

MY DEAR MR. CLASON: In reply to your letter of March 8, it is my own view, based on a careful study of available information, that the increase in industry's capacity to produce over the coming year, including next winter, will be at least as high as the increase in demand which could reasonably be expected at this time. In the past neither I nor anyone else in the industry, to my knowledge, has ever overestimated the industry's ability to increase supplies.

An estimate of forward demands is, however, very difficult because of the many unpredictable factors involved. For example, last year more than 500,000 people took out existing coal furnaces and replaced them with oil burners in their homes. This was a very startling increase which was certainly not predicted by us. We were unable to foresee the combined effects of relatively low petroleum prices compared with other commodities, the continued surplus of income over goods available, and the possible effect of previous coal strikes. Therefore, in estimating the demand for this coming year we do so with some trepidation. We are assuming, based on some preliminary indications, that the rapid abandonment of other fuels for oil will slow down to some extent; that rapidly increasing requirements resulting from increased business activity will also slow down somewhat because of having reached a level of practically full employment in 1947. If we are right in these predictions, the increase in demand this year over last year should not be over 6 or 7 percent which, in itself, is more than a normal prewar rate of

increase, compared with the 8 to 9 percent increase in supply.

I think we must recognize, however, that if demand is within 2 to 3 percent of maximum supply capacity there will be cases of anticipated shortages, which in the end will be taken care of before they develop into actual shortages. There were many cases during the past winter wherein dealers and distributors were unable to obtain advance guaranties or contracts for the full amount of supplies they needed, or thought they needed, to meet their customers' requirements. Practically all of these dealers obtained sufficient supplies before they actually ran out. In the meantime they were worried and in some cases these worries were passed on to their customers and to Members of Congress.

The reason for such a situation is that individual suppliers do not know in advance exactly what their supplies will be. They may lose crude-oil connections to other refiners; there may be unexpected shut-downs in their refinery equipment, and during the past year the availability of transportation facilities could not be fully depended upon. The suppliers exercised ordinary business judgment in not contracting or guaranteeing supplies in advance beyond the amounts they felt reasonably sure they could furnish. In most cases their continued efforts to increase supply resulted in a slightly higher actual availability than originally estimated as "reasonably sure." When these supplies became assured they were sold either directly to the distributors and dealers, if there was a customer relationship between them, or through the State and local fuel-oil coordinators to the distributors who were unable to obtain their full needs directly from previous suppliers.

There were also spot shortages last year, which could occur again if the consumption of petroleum products continues to increase at abnormal rates of growth. Most of the relatively few actual spot shortages last year resulted from unusual storm conditions which interfered with truck delivery. Some few cases can be attributed to maldistribution of basic supply. It is impossible to predict perfectly the exact needs of each individual consumer and area at all times. Therefore, with basic supply and requirements in very close balance, a few spot shortages are unavoidable.

There is a fundamental difference between spot shortages and an over-all shortage of supply. Spot shortages can be corrected in a very short time—say 1 or 2 days. An over-all shortage of supply requires rationing in one form or another, depending upon the extent of the shortage. In this case the consumers' requirements could not be met in full for an extended period of time.

Last year there were spot shortages, but no over-all rationing except perhaps voluntary reduction of consumption on the part of individual consumers.

During the coming year we are confident that there will be no over-all shortage of supply, barring strikes, disasters, or other impediments to maximum operations, including Government control. If the rate of increase in demand is normal there should not be any spot shortages. If it continues to be abnormal, it may again be necessary to use distribution expedients such as company allocations and aid from local and State fuel-oil coordinators.

I do not wish to minimize the unpleasant aspects of spot shortages. The oil industry will, I am sure, do everything possible to avoid them during the coming year. On the other hand, there has been some tendency to draw unwarranted conclusions from the situation and alarm the public unduly.

A committee of the American Petroleum Institute is now engaged in preparing a study of the supply potentialities during the coming summer and winter. I will be glad to see that a copy of this is forwarded to you as soon as it is ready for publication. It will represent the combined views of industry representatives on the supply situation during this period and will, therefore, be of more interest, I feel, than the opinion of one individual or one company.

Very sincerely yours,

H. W. PAGE,
Executive Assistant to the President.

EXTENSION OF REMARKS

Mr. ALLEN of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. PATTERSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by Hon. Junius C. Hutchins, a State representative from the town of Harwinton, Conn.

Mr. PLOESER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement made by the Speaker on yesterday.

Mr. OWENS asked and was given permission to extend his remarks and include an article from the Times-Herald of yesterday by Frank C. Waldrop, entitled "Why Prayers?"

Mr. BUCK asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in each to include extraneous matter.

JUSTICE FOR ITALY

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, on March 7, Il Progresso Italo-Americano published an editorial setting forth a program well calculated to restore Italy to the family of the world's great democratic nations. I have today inserted that editorial in the Appendix of the RECORD and I commend it to the Congress and to the State Department.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE DOMESTIC OIL SITUATION

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, on last Friday the Committee on Interstate and Foreign Commerce unanimously decided to send the following message to all coordinators in each of the States and in the District of Columbia who have been appointed during the past winter:

MARCH 12, 1948.

House Interstate and Foreign Commerce Committee requests your advice by Tuesday morning as to prospects in your State through April 30 in terms of available heating and industrial oils. The committee would appreciate your best estimate of the number of barrels required beyond anticipated deliveries in that period of kerosene, gas, oil, and distillate fuel and residual oil to guarantee no shortage within your State.

CHARLES A. WOLVERTON,
Chairman.

The telegram was addressed to the following:

Charles N. Mitchell, fuel coordinator, Emergency Fuel Office, State Armory, Hartford, Conn.

Leon Walker, fuel coordinator, care of Diamond Ice & Fuel Co., Wilmington, Del.

Marvin H. Walker, emergency fuel oil coordinator, care of Florida Citrus Commission, Lakeland, Fla.

Frank Arnold, chairman, Committee on Fuel Oil Conservation and Distribution, Office of the Governor, Atlanta, Ga.

Carl R. Jonswald, chairman, Fuel Conservation Committee, care of Arrow Petroleum Co., 7419 Franklin Street, Forest Park, Ill.

A. W. Groves, fuel coordinator, care of State Conservation Department, Indianapolis, Ind.

Jeff Robertson, State emergency oil coordinator, care of State Corporation Commission, Topeka, Kans.

Joseph B. Hutchinson, oil coordinator, care of Aetna Oil Co., Louisville, Ky.

Harold W. Nicholson, State fuel director, South Portland, Maine.

Hon. Emory H. Niles, State fuel coordinator, room 101, Davison Building, Fayette and Charles Streets, Baltimore, Md.

George H. Rockwell, fuel oil coordinator for Massachusetts, room 27, State House, Boston, Mass.

Donald S. Leonard, chairman, Michigan Fuel Committee, East Lansing, Mich.

James W. Clark, State fuel conservator, room 203, State Capitol, St. Paul, Minn.

Bert Cooper, fuel coordinator, care Department of Business Administration, State Office Building, Jefferson City, Mo.

Rufus M. Howard, fuel oil coordinator, care of Department of Agriculture, Lincoln, Nebr.

John E. Holden, emergency fuel oil coordinator, care of Atlantic Terminal Sales Corp., Newington, N. H.

Joseph L. McLaughlin, State fuel coordinator, care of State Motor Tax Bureau, Trenton, N. J.

Charles H. Sells, State fuel coordinator, care of superintendent of public works, Albany, N. Y.

W. Z. Betts, State coordinator of fuel, care of department of purchase and contracts, Raleigh, N. C.

Eric V. Weber, chairman, advisory committee, care of Fred Eldean Co., 138 East Court Street, suite 320, Cincinnati, Ohio.

Tom H. Marshall, fuel coordinator, care of Anderson Prichard Oil Corp., Oklahoma City, Okla.

Brig. Gen. Brenton G. Wallace, fuel coordinator, City Hall, Philadelphia, Pa.

John J. Gill, chairman, Fuel Commission of Rhode Island, 1405 Industrial Trust Building, Providence, R. I.

E. H. Talbert, fuel coordinator, Wade Hampton Office Building, Columbia, S. C.

C. F. Overton, fuel-oil coordinator, care of South Dakota Natural Resources Commission, State Capitol, Pierre, S. Dak.

Adjutant General G. Hilton Butler, fuel coordinator, State Capitol, Nashville, Tenn.

Adjutant General Murdock A. Campbell, emergency fuel-oil coordinator, Montpelier, Vt.

Crawley Joyner, Jr., Virginia coordinator, care of commissioner of motor vehicles, Twelfth and Main Streets, Richmond, Va.

Ralph D. Lowe, Elk Refining Co.; W. H. St. Clair, Esso Standard Co.; Lyle S. Salisbury, Pure Oil Co.; State Emergency Oil Committee, Office of the Governor, Charleston, W. Va.

Anthony E. Madler, fuel administrator, care of department of agriculture, Capitol Building, Madison, Wis.

Frank P. Aughnay, fuel-oil coordinator, Public Service Commission, State Capitol, Bismarck, N. Dak.

Rodney Q. Selby, emergency fuel coordinator, Central National Bank Building, Des Moines, Iowa.

Many messages have come back. They throw a good deal of light on the situation. I will insert them in the RECORD so all of the Members may know what the situation is in their States.

It is to be hoped that messages will arrive soon from the coordinators in Florida, Kansas, Kentucky, Massachusetts, Missouri, Nebraska, North Carolina, Rhode Island, and Tennessee so that the committee and the Congress may have an authentic and current report on conditions in each of our States where there have been hardships or threatened hardships this winter. It is encouraging to read so many optimistic messages. We all hope that we are through the worst of this particular situation.

The messages follow:

PORTLAND, MAINE, *March 15, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee:

Relative to your telegram of March 13, time does not permit me to secure gallonage protections for period requested. However, indications are that available supply and anticipated receipts of No. 2 fuel oil, kerosene, and gasoline will be adequate to avoid any undue hardship unless something unforeseen at this time develops during the next 45 days. Will wire information on industrial oils later.

HAROLD W. NICHOLSON,
State of Maine Fuel Director.

PORTLAND, MAINE, *March 15, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee:

Industrial oils adequate to avoid hardships unless something unforeseen develops during the next 45 days.

HAROLD W. NICHOLSON,
State of Maine Fuel Director.

PORTSMOUTH, N. H., *March 16, 1948.*
Hon. CHARLES A. WOLVERTON,
Chairman of the House Interstate and Foreign Commerce Committee:

Industry as a whole feel that they can take care of all demands in the State of New Hampshire through the month of April.

JOHN E. HOLDEN,
Fuel-Oil Coordinator, State of New Hampshire.

MONTPELIER, VT., *March 16, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee:

After due consideration and study, the industry as a whole advises me that it will be able to take care of the fuel needs of our State through the month of April. I believe that this can be done.

MURDOCK A. CAMPBELL,
State Emergency Fuel-Oil Coordinator.

HARTFORD, CONN., *March 15, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee, Washington, D. C.:

Re telegram, figures not available at present to make estimate. In checking with companies, find primary suppliers have not given any figures for April. Some do not know what is coming to them for the balance of March. If figures will result in more product for Connecticut, could have estimate for you in about a week.

CHARLES N. MITCHELL,
Chairman, Connecticut Advisory Committee on Fuel.

ALBANY, N. Y., *March 15, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee, United States House of Representatives, Washington, D. C.:

New York State estimates a deficiency of 200,000 barrels of kerosene and 300,000 barrels of No. 2 fuel oil for period up to and including April 30. No deficit in No. 5 and No. 6 fuel oil and gas oil is apparent at this time.

CHAS. H. SELLS,
State Fuel Coordinator.

TRENTON, N. J., *March 15, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee, Washington, D. C.:

Retel March 12, advice from petroleum industry and other sources indicates supply condition in New Jersey will be fairly adequate from March 15 through April 30. Prolonged cold spell might result in some hardship cases. It is anticipated also that some individual companies—American Mineral Spirits particularly—will be hard-pressed. Petroleum industry advises, however, that exact figures cannot be given without prolonged survey and would not be available until period considerably lapsed. Regret staff of this office so limited it has been impossible to accumulate such statistics of this type.

JOS. L. MCLAUGHLIN,
State Fuel Coordinator.

WILMINGTON, DEL., *March 16, 1948.*
Hon. CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee, House of Representatives:

Retel of 12th, best estimate, based on check of major suppliers in area, indicates possible shortage, dependent on weather conditions, of 15,000 barrels of kerosene, 10,000 barrels of distillate fuel. No residual oil could develop between date and April 30.

LEON WALKER,
Fuel Coordinator for Delaware.

PHILADELPHIA, PA., *March 15, 1948.*
Hon. CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee, House Office Building:

Retel, suggest requested information may be obtained more accurately from M. F. Sloan, Jr., zone representative, National Petroleum Council, care Gulf Oil Corp., 1515 Locust Street, Philadelphia.

BRENTON G. WALLACE,
Fuel Oil Coordinator, Commonwealth of Pennsylvania.

BALTIMORE, MD., *March 15, 1948.*
Hon. CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee, House of Representatives:

Retel, have contacted all major suppliers heating and industrial oils in Maryland, and statements to us indicate no shortage in Maryland likely to occur in any mentioned category through April 30.

EMORY H. NILES,
Maryland State Fuel Coordinator.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
DEPARTMENT OF WEIGHTS, MEASURES, AND MARKETS,
Washington, D. C., March 15, 1948.
The Honorable CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee, House of Representatives, Washington, D. C.

DEAR CONGRESSMAN WOLVERTON: Your telegram of March 12 relative to the needs of the District of Columbia and surrounding areas for petroleum products through April 30 was received this morning.

In reply, please be advised that it is the opinion of this committee that we have reached the peak of petroleum product requirements in this area.

It is believed that the anticipated deliveries of kerosene, distillate fuel, and residual oil will be sufficient to meet our needs. Of course, a cold snap at the present time, which would probably be of short duration, would bring about an additional demand for fuel. However, it is believed that this committee, through the cooperation of the Industry Advisory Committee, would be able to meet its designated requirements.

In this area, which takes in the metropolitan area of Washington, including Prince Georges and Montgomery Counties in Maryland, and Fairfax and Arlington Counties in Virginia, as well as the town of Alexandria, the committee has been able to meet without undue hardship the demands of the citizens and this has only been possible through a very fine spirit of cooperation on the part of the local industry representatives.

The committee has had no experience with gas oil and therefore is not in a position to make any comment in connection with this commodity.

Trusting that the above answers your questions, I remain,

Very truly yours,

J. T. KENNEDY,
Chairman, Fuel-Oil Coordinating Committee, District of Columbia.

ST. PAUL, MINN., *March 16, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee:

Require 5,000,000 more gallons fuel oil, season's heating, 12,000,000 gallons more tractor fuel for spring crops.

J. W. CLARK,
Fuel Conservator.

DES MOINES, IOWA., *March 15, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee, Washington, D. C.:

My best estimate of the number of barrels required beyond anticipated deliveries between now and April 30 of kerosene, gas, oil,

and distillate fuel and residual oil to guarantee no shortage within our State is 180,000 barrels.

RODNEY Q. SELBY,
State Fuel Oil Coordinator.

CINCINNATI, OHIO, *March 16, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee:

Re telegram data regarding petroleum products supply on State basis not available to us at this time. Discussed subject with principal suppliers, consensus of opinion indicates no shortage of critical nature anticipated in Ohio.

ERIC V. WEBER,
Chairman, Ohio Governor's Oil Advisory Committee.

LANSING, MICH., *March 16, 1948.*
Hon. CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee,
Washington, D. C.:

On basis of figures projected last fall, Michigan shortage of heating oil during remainder of March and April estimated 340,000 barrels. Situation now much easier with worst over and with continued help of oil companies as extended so far this winter we expect no serious emergency. Industrial-oil situation tight but we are not receiving any calls for aid.

DONALD S. LEONARD,
Michigan Fuel Administrator.

INDIANAPOLIS, IND., *March 15, 1948.*
Hon. CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee, House of Representatives Office Building:

No shortage of heating and industrial oil anticipated in Indiana from today through April 30. The various oil companies report supplies adequate to meet demand. Impossible to furnish quantities of oil on hand and anticipated requirements. Indianapolis citizens committee suspended operations March 1 due to lack of hardship cases. Other areas in Indiana have had the same experience.

A. W. GROVES,
State Fuel Coordinator.

FOREST PARK, ILL., *March 15, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee:

No figures available by individual companies or otherwise, to my knowledge, to comply with your request on fuel-oil situation. Based on my experience, it is my opinion that the situation has eased and the demand for fuels will be met if weather is normal. Opening of Illinois waterway has cleared up the situation in the Chicago area local office for hardship cases. Have so few applicants that office will be closed today. Residual fuels in comfortable supply. Position light fuels tight over all, but believe demands will be met.

C. R. JONSWALL,
Chairman, Governor's Fuel Conservation Committee, State of Illinois.

MADISON, WIS., *March 13, 1948.*
Hon. CHARLES A. WOLVERTON,
Chairman, Committee on Interstate and Foreign Commerce,
Room 1334, House Office Building:

Unable to give you reasonably accurate estimate of fuel needs for Wisconsin through April 30. Weather is important determining factor. Critical Wisconsin situation thus far averted because of distribution aid by State and Federal Government. Urge continuation of tank-car procurement service by ODT.

ANTHONY E. MADLER,
Wisconsin Fuel Administrator.

BISMARCK, N. DAK., *March 16, 1948.*
Hon. CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee:

Retel 12th: North Dakota has weathered heating-oil emergency to date, but supplies are and will be very short. Survey not available other oils mentioned. However, spring farm work will get under way shortly. North Dakota large user gasoline and tractor fuel, and particularly dependent upon those fuels for agricultural purposes. Demand for those fuels will therefore be extremely heavy and continue unabated until close harvest season.

FRANK P. AUGHNAY,
Fuel Oil Coordinator for North Dakota.

PIERRE, S. DAK., *March 16, 1948.*
Congressman CHARLES A. WOLVERTON,
Interstate and Foreign Commerce Committee:

Estimated requirements beyond anticipated deliveries through April 30 for South Dakota 70,651 gas, 13,720 kerosene, 18,484 distillate, 6,977 power fuel.

C. F. OVERTON,
State Fuel Coordinator.

RICHMOND, VA., *March 16, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee:

Information received indicates oil allocated by companies sufficient to meet requirements in Virginia through April 30.

C. F. JOYNER, JR.,
Virginia Fuel Oil Coordinator.

CHARLESTON, W. VA., *March 15, 1948.*
Hon. CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee,
Washington, D. C.:

Reference your wire 12th, our committee is not in a position to give the information requested. Our State has not suffered product shortages sufficient to justify gathering statistics that would make this information available. Regret we cannot comply. Up to now we have been able to take care of our spot shortages and there is no reason to believe the situation will get any worse through April 30.

CLARENCE W. MEADOWS,
Governor of West Virginia.

COLUMBIA, S. C., *March 16, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee:

Retel, check made with various oil industries. Barring unusually cold weather anticipated delivery for month of April will take care of situation. Mild weather has been in our favor.

E. H. TALBERT,
Fuel Oil Coordinator.

ATLANTA, GA., *March 15, 1948.*
Hon. CHARLES A. WOLVERTON,
Chairman:

Reurtel March 13, needs have been met well due to warm weather for past 2 weeks. Impossible to estimate any number of barrels for the future. Industry cooperating very closely with me as coordinator.

FRANK M. ARNOLD,
Chairman, Committee on Fuel Oil Conservation, Governor's Office.

OKLAHOMA CITY, OKLA., *March 15, 1948.*
CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee, House of Representatives:

It is not anticipated that Oklahoma will have any shortage of petroleum products for the month of April. It is further anticipated that the refineries in this State will export out of the State the usual quantities.

T. H. MARSHALL,
State Fuel Coordinator.

SPECIAL ORDER GRANTED

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent to address the House for 45 minutes on Monday next following the other special orders that may have been entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

UNITED STATES AIR SUPREMACY

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, it is a great disappointment that in the Presidential message just delivered there was no mention of United States air supremacy.

Mr. Speaker, I am convinced that if the President had advocated that the Congress immediately increase the proposed budget appropriations for air power by between four and five billion dollars to start the United States on the road to air supremacy, it would have done more good to relieve international tension, protect the security of the United States, and stop the westward march of the Soviet Union than everything else he suggested. We should immediately appropriate all the funds necessary to achieve and maintain the 70-group plane program as recommended by the Air Force, and to achieve and maintain a 14,500-plane Navy. To do this the following appropriations are required: A supplemental appropriation of $500,000,000 for the Air Force for the current fiscal year, six billion annually for the Air Force beginning with the fiscal year 1949, and four billion eight hundred million for the Navy for the fiscal year 1949. This means an increase in budgetary estimates of over $4,000,000,000.

BYPASSING THE UNITED NATIONS

Mr. OWENS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, I like logic, but the address of the President today was neither logical nor consistent.

He asked that we cooperate to strengthen the powers of the United Nations organization. However, his previous request that we send military aid to Greece and Turkey constituted a bypassing of the UN, as does his present request that we send financial and other aid directly to the various nations of Europe. By such actions he has striven to weaken, if not actually to destroy, the UN.

During the 14-year period preceding the election of the Eightieth Congress we observed the growth of centralized bureaucratic government which regimented the American people and shackled their liberties. It was a matter of tax and tax to elect and reelect. Every time the program of the administration was challenged an emergency of some type was declared in order to divert the attention of our citizens from the charges which were being leveled against the administration. When the appointment of certain membership to the Supreme Court of the United States was severely criticized and challenged, charges were made against the so-called dictators of the aggressor nations of Europe, which did not include the Big Bear, and such action succeeded in drawing the attention of the people from the Supreme Court inquiry. But, then, the subject of the aggressor nations was dropped, and nothing was done in connection therewith for the next 2 years preceding the opening in Europe of what was destined to be a world war. During those years billions of dollars were spent in idle gifts which had no other effect except to weaken the backbone and morale of the people of our Nation.

While the Soviet Union invaded the domain of Poland, as did the Nazi horde, and while there was an unholy alliance existing between nazism and Red fascism, our administration continued to court the advocates of Red fascism and their fellow travelers while directing its barbs only against the other dictators and aggressor nations of Europe and Asia. At the same time, promises were being made that our sons would never be called upon to fight on foreign shores, except in case of attack. But we are still waiting to hear from the administrative and military leaders of our country with respect to the reason why the attack was made against us, and why it was permitted to happen, when and as it did. That same leadership, which has been truly discredited, now seeks to declare another emergency and to bring about another war for no other reason than to retain the same power and control which it has so frightfully held for the past 15 years.

The majority party of the Eightieth Congress has attempted to keep its promise to the American people, and it has been aided in its purpose by many of the members of the minority party. However, the administration appears determined to continue creating one crisis after another in order to have a foundation to justify the renewal of the servitude and regimentation of the once free and sovereign people of our Nation. We came here to end such regimentation and bureaucratic control. We can do so, and also be prepared to meet the challenge of any other nation which seeks to threaten the freedom of the world. The President advocates immediate aid to the nations of Europe and has requested universal military training. Not one word was spoken by him with respect to reviving our waning Air Force, nor has he suggested that we immediately take action to establish the best air force in the world, and to strengthen the industry of our Nation, which was the greatest single factor in the winning of two wars. No; Congress has only been told that it must spend billions upon billions of dollars in foreign nations with no adequate explanation being given to it to justify the creation of additional administrative bureaus which such action would necessarily entail. It means the hiring of perhaps 100,000 or more additional Federal employees, not including the countless number of workers who would be taken from industry should any law be passed with respect to universal military training. We would weaken our Nation where it needs the greatest strength at this time; that is, in our industry.

The combination of the President's recent message on the state of the Union and the address of today constitute, in my opinion, the most abject surrender to defeatism in the history of our beloved country. As we look back to the addresses of many of our Presidents of the past, including the inaugural addresses of Washington, Jefferson, and Lincoln, and the Farewell Address of the Father of our Country, we can only pray that the same type of leadership will again be given to us before we are again brought into world conflict which may end, during our lives, the liberty which we have known, and perhaps for all time; it might, in fact, bring about the virtual annihilation of the people of the world.

The SPEAKER. The time of the gentleman from Illinois has expired.

EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include an article by Thomas L. Stokes appearing in today's News.

ST. PATRICK'S DAY

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, March 17 is the day that we descendants of Irish fathers and mothers like to celebrate. It was heartening to all of us to note the abundance of green carnations on the lapels of our colleagues in this crowded Chamber today.

Mr. KIRWAN. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Ohio.

Mr. KIRWAN. Mr. Speaker, I want to thank John Costello at this time for sending up the green carnations, and I also thank the American League for Ireland.

Mr. MANSFIELD. I thank the gentleman from Ohio and I, too, want to thank our former colleague, the Honorable John Costello, of California, for giving us these carnations to wear today.

STRENGTHENING OF OUR AIR DEFENSE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I am afraid that we Americans have become too accustomed to judging our ability to accomplish things through the fact that we are always able to raise almost any amount of money necessary for the carrying out of any particular program. I say that because those of our membership who have advocated large appropriations for aviation have overlooked the fact that despite every conceivable inducement we have been unable to supply the manpower so badly needed in order to maintain our air defenses. It is tragic when we consider the fact that we cannot today properly man two large aircraft carriers, and are short over 50,000 men in the Navy.

The President of the United States pointed to this situation as well as it could have been done when he stated:

> Our armed forces lack the necessary men to maintain their authorized strength. They have been unable to maintain their authorized strength through voluntary enlistments, even though such strength has been reduced to the very minimum necessary to meet our obligations abroad and is far below the minimum which should always be available in the continental United States.

That there is need for immediate action is dramatically demonstrated when we consider that we have fewer than 50,000 mobile troops in the United States, 50,000 more troops are needed in Japan, that we should have a minimum of 20,000 more men in Europe. Worse than this is the fact that our Air Force is short of its authorized strength by 36,000 men.

THE CONGRESSIONAL DAILY DIGEST

Mr. MONRONEY. Mr. Speaker, I ask unanimcus consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Speaker, I just want to call to Members' attention the first birthday of the Congressional Daily Digest, established in conformance with part 2, section 221, of the Legislative Reorganization Act of 1946. The Digest started publication on March 17, 1947, and is functioning very successfully under the supervision of the Clerk of the House and the Secretary of the Senate, respectively. Nowhere else is it possible to find a running account of the activities of all congressional committees such as is carried in the Digest. Each day the CONGRESSIONAL RECORD is published, the

Digest carries the legislative program for the day, a list of committees that are meeting, as well as the place, the time, and subject matter to be considered by the committees. A résumé of the Chamber activities of the same day is included in each Digest. In addition to these services, they handle numerous telephone requests for various types of information, I have been told. So to anyone who wants to keep well informed, I recommend the reading of the last four pages of each CONGRESSIONAL RECORD, and I take this occasion to wish continued success to the Congressional Daily Digest and the staff that has so ably performed its duty in bringing to us in concise form a record of the Congress as it appears in the CONGRESSIONAL RECORD.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD in two instances on St. Patrick.

THE PRESIDENT'S MESSAGE—NATIONAL DEFENSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it is difficult to reconcile the President's fear of communism in Europe with his efforts to impose communism on the people of the Southern States through the so-called civil-rights program.

It is also difficult to reconcile it with his recent order denying to congressional committees the right to investigate loyalty records of Communists now on the Federal pay roll.

But, I want to say that the thing we need most is an air force, the strongest air force on earth; and if Congress will provide the strongest air force on earth and the administration will turn the atomic bomb over to that air force and let the world know that we are ready, then we will be respected.

Communism respects only force and power.

Today the Communists have their spies throughout the United States and on the Federal pay roll in practically every bureau of this Government, trying to undermine and destroy everything for which we stand.

Let us get ready in the right way, and that is by building the strongest air force on earth and turning over to it the control of the atomic bomb.

Then we can protect our country.

Then we will have peace.

LEAVE OF ABSENCE

Mr. ROSS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. TAYLOR] be granted leave of absence on account of illness.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include a radio address by Mr. Jack Bell.

Mr. JONES of Washington asked and was given permission to extend his remarks in the RECORD and include a statement made by him before the Senate Subcommittee on Appropriations on the Foster Creek Dam.

THE PRESIDENT'S MESSAGE

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, I regard the President's message as the last warning to the Soviet Union. It was directed to Moscow rather than to the American people. There were no new facts in the address, however, to justify the enactment of universal-military training or the reenactment of selective-service legislation at this time. I do not believe that we have exhausted the channels of diplomacy in our dealings with Russia. Until we have, we must not be stampeded into wartime hysteria. Let us not forget that our own National Government, including the present occupant of the White House, has contributed to the expansion of Soviet influence in Europe.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, the President's speech is the most tragic communication ever received by our people from any high public official of the United States. In effect he told the Nation that we have lost the peace, that our whole war effort was in vain. He complained that the administration had tried to cooperate with Stalin in achieving peace but instead Stalin had used his powers to frustrate peace. Surely this is a late hour to find out that the United States cannot deal with Stalin or anybody else who believes in communism, for communism itself is a state of perpetual war.

What is needed in Washington now is a thorough and sweeping house cleaning. If we had had men at the head of our Government who were not themselves sympathetic to communism the situation we are facing today would not be with us. Therein lies the secret of the trouble in which we now find ourselves.

Of course, Mr. Truman wants to create a condition of hysteria in the Congress and the Nation to regain his lost support.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I assume that the President's message means that we are no longer going to ship strategic material and radar to Czechoslovakia with the approval of, in fact, at the direction of the State Department. I hope that he will also instruct his Secretary of Commerce to cease shipping war material to Russia, and I also trust that he will take up with the proper officials the termination of Communist domination of the union of the civil-service employees in the Canal Zone and the Communist commissar domination of our merchant shipping on Government-owned vessels.

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, my criticism of the President's message is that he did not go far enough. I think his message was an understatement of the case, for I am convinced that the world situation is far more critical than he has indicated a willingness to disclose. While he did manifest some spirit in his references to Russia, what he said fell far short of being tough. There is no prospect of ever winning Russian cooperation. Our appeasement of her in the effort to cooperate is in large part responsible for the plight in which the world finds itself. It was not what the President said but what he failed to say that made his message disappointing to me.

UNITED NATIONS

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I want to raise a lone voice today in behalf of the ideals and the purposes of the United Nations. In the 3 years that have passed since the United Nations was born in San Francisco, it seems that we have failed to strengthen the only organization which can guarantee peace to a troubled world. No one nation has the men, no one nation has the dollars, no one nation has the guns to police, feed, and fight the world, whether it be the Soviet Republic or the United States of America. Let us return before it is too late to multilateral solutions of international problems and not turn to unilateral solutions by military dominance, following the theory that might makes right. Our Nation must be strong and able to support freedom, liberty, and justice. It will be a sad day for freedom if the ideal of collective security through cooperative action in the United Nations, is allowed to die. May God preserve us from the arrogance of the strong, and the pride that goeth before a fall.

THE PRESIDENT'S MESSAGE

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, today a number of gentlemen on my left, Members of the House, have criticized in a very vicious manner the message of the President of the United States. In my opinion, the President only did his duty, as he is called upon to do by the Constitution of the United States, that is, to keep Congress advised of the world situation. In his opinion, in the opinion of his staff and his advisers, and in the opinion of practically 90 percent of the people of the United States, the world situation is serious. He only did his duty when he came up here and advised Congress and made recommendations.

On the one hand, we had our beloved Speaker saying only this morning, according to the newspapers, that Congress is going to give to the Army all the money it wants, all the money the Navy wants, and all the money the Air Force needs. I think the members of the Republican Party ought to get together on what type of a program the Congress should adopt.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, today is the third time the President, on short notice, has had convened and has addressed an emergency joint session of the Congress. The first time was in May 1946. He came here and presented what he deemed to be a very dire situation, and he asked for the most drastic antilabor legislation. This House gave it to him. Only 13 Members voted against it. The Senate was more calm and more deliberate, and as a result this country was not disgraced with the legislation that the President had asked. In March 1947 again he came here and fanned the flames of hysteria and we gave him the Truman doctrine which today is the cause of world disagreement and possible war. Now today again he comes here and asks for complete mobilization. Complete mobilization is asked for on the same day when the Soviet Union has announced demobilization of its army. I do hope that the people of America will not be fooled by the military-banker clique that has made the President the prisoner of the White House.

WORLD PEACE IS A MORAL ISSUE

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, the other day the press reported that the martyred Masaryk found great comfort in that little verse in the sixth chapter of Galatians, which says, "For brethren, ye have been called unto liberty." This country has always been called unto liberty. It is our purpose in history. That makes the issue in the world today a moral issue. It is very simple to me, I do not mind saying to you. It is the issue between right and wrong. The things that we see over there now are wrong, and if we are a professed Christian nation, there is only one place where we can stand, and that will be on the side of right. It is singular indeed that 100 years after Mohammed, the Christian and the Moslem faith came to grips on the field of Tours under Charles Martel, better known as Charles the Hammer. One hundred years ago to the month after Karl Marx, we find the President of the United States and the responsible head of a great country defining the issue. The issue is tyranny versus freedom. That makes it a moral issue, and let that be the standard that we follow wherever it may take us.

ST. PATRICK'S DAY AND WORLD PEACE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the gentleman from Illinois [Mr. DIRKSEN] has presented to the House and to the country the real basic issue, the moral issue of liberty. Liberty is a moral issue. As the gentleman has well said, "Where law ceases, tyranny starts," whether within a nation or in a powerful nation trying to impose its will by force upon other weaker nations. In connection with the moral issue, it is very significant that the President appeared before a joint session of the Congress today on St. Patrick's birthday. That is most significant. His very presence here today and the interpretation to be placed upon his remarks, as I see it, must take into consideration that very important fact. St. Patrick is one of the great spiritual forces of Christendom and of the western civilization. The appearance of the President at this joint session of the Congress on St. Patrick's birthday in 1948, in this world crisis, is a matter of great significance. Whether one agrees in whole or in part with the President's message or whether he disagrees with it in whole or in part, the fact remains that he has displayed outstanding courage in giving to the Congress of the United States and to our people and the people of the world the message that he has. One thing is certain, he is the outstanding man in public life and in governmental life of today who recognizes the danger to the world that international communism represents, and who is giving the leadership to meet this challenge. He is furnishing affirmative leadership to have our country exercise its powers affirmatively and effectively in order to bring about peace and stop the onrush of international communism.

SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

The SPEAKER. Pursuant to the provisions of House Resolution 461, Eightieth Congress, the Chair appoints as members of the Special Committee to Investigate Campaign Expenditures the following Members of the House: Mr. RIZLEY, of Oklahoma; Mr. FELLOWS, of Maine; Mr. HARNESS, of Indiana; Mr. HARRIS, of Arkansas; Mr. FOGARTY, of Rhode Island.

ADMISSION INTO THE UNITED STATES OF ALIEN FIANCÉES OR FIANCÉS

Mr. FELLOWS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4838, an act to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States, with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

After line 6 insert:

"SEC. 2. Clause (b) of the proviso of the first section of the act approved June 29, 1946 (60 Stat. 339), is hereby repealed."

Line 7, strike out "2" and insert "3."

The SPEAKER. Is there objection to the request of the gentleman from Maine [Mr. FELLOWS]?

Mr. JAVITS. Mr. Speaker, reserving the right to object, and I shall not object, I call the attention of the House to the fact that by the Senate amendment in which it is gratifying to note that the subcommittee of the Judiciary Committee of which the gentleman from Maine [Mr. FELLOWS] is the chairman, has now concurred, all fiancées are put on an equal basis, and frauleins no longer will get a general visa, which they have been getting, but will also come here under a temporary 90-day permit, and if they do not marry they will be sent back. This closes an important loophole for exploitation of the fiancées act to which I drew attention, and sought to amend when the bill was before us on the Consent Calendar. I then pointed out the unfairness of letting frauleins who came here ostensibly as fiancées and did not marry remain as quota immigrants, getting a preference even over many DP's and persecutees. This loophole, is now closed.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Maine [Mr. FELLOWS]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, FISCAL YEAR 1949

Mr. DIRKSEN. Mr. Speaker, in the interest of passing on to things a little more bucolic, I move that the House resolve itself into the Committee of the

Whole House on the State of the Union for the consideration of the bill (H. R. 5883) making appropriations for the Department of Agriculture, exclusive of the Farm Credit Administration, for the fiscal year ending June 30, 1949, and for other purposes. Pending that motion, Mr. Speaker, I suggest to the minority member of the subcommittee the gentleman from Missouri [Mr. CANNON] that general debate shall continue through the rest of the day, the time to be equally divided.

Mr. CANNON. That will be entirely satisfactory, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Illinois [Mr. DIRKSEN].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5883, with Mr. HINSHAW in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DIRKSEN. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I am not insensible to the fact that the consideration of a bill making appropriations for the Department of Agriculture comes as something of an anticlimax after the statement of the President of the United States. It is a very considerable departure from the spirit that seemed to permeate this Chamber when the Chief Executive was speaking with what I thought was a very considerable forthrightness, in putting the finger of accusation where it belonged, and reminding us of our responsibility. However, that is not the matter under discussion today and I hope to address myself to it at some future time. The Subcommittee on Agriculture enjoyed the greatest felicity as it labored for weeks in the consideration of this bill, which involves many hundreds of millions of dollars for the benefit of American agriculture.

At this point I want to pay testimony to the members of the subcommittee. The party line is never drawn in that committee. There is the utmost felicity in the consideration of the hundreds, yes, thousands of items here involved. While there was some disagreement between some members of the committee on certain items, yet in the main I think the bill represents our unanimous opinion.

I felt that perhaps on this occasion I might make just a remark or two about agriculture in general, because it becomes necessary for the Congress to look down the road a little as we spell out our legislative responsibilities to those millions of people who till the soil and who provide not only for us but who provide for nearly the whole wide world. It is not so many years ago, as time is reckoned, that America was 90 percent agricultural. Back in the days of Daniel Webster nearly everybody could be counted, with few exceptions, either among our farm or our rural population because we had no metropolitan centers, and even a few decades ago this was very genuinely an agricultural country. Farming was one of those things where a man moved out on the land with such crude tools and implements as were available. He scratched the soil. He put in such seed as he could find. He brought to it a great spirit of resignation as he followed his conflict with drought and insects and bugs and all those things that destroy the harvest. He took such crop as there was, utilized a portion of it for his own needs, bartered some of it for clothing and chewing tobacco and those other delights of civilization and carried on in a very simple and elementary fashion. If he found that the farm did not produce or that the soil had lost its fertility and was depleted, it was so easy to move because farm land was available.

I said to the full committee the other day that I encountered a statement made in the administration of Martin Van Buren that in the opinion of the experts of that day we had enough available arable domain to last us for all purposes for 500 years. It took perhaps less than 50 years to disprove that statement, because within 50 years after it was made, the frontier was closed, the frontier was simply pushed into the Pacific Ocean, and that was the end. Then came a rather interesting development in the country. It is what I call the product of two forces that account for the kind of economic development we have. In those early days most folks were scattered somewhere east of the Allegheny Mountains. Then some strange force came along, a centrifugal force, the force that spews things away from the center, and scattered them over the whole country, that enlarged our frontiers even to the western ocean. Then began the opposite of that force, a centripetal force, which picks things up from the periphery and draws them to the center. It is that force that accounts for our metropolitan centers like San Francisco, New York, Chicago, Pittsburgh, Philadelphia, and all the rest. So out of these forces, of course, we find the great segment of people working with their hands and their brains living in the cities, and elsewhere that segment tilling the land that the rest of us may live.

In those early days, of course, it was a very, very simple business. A farmer did not have to worry about prices; he had no concern about transportation particularly; he had no anxiety about competition. All those factors scarcely entered into his life because he was living a Christian and simple existence. But when that frontier closed competition began and it was not easy to move on to another farm after he had worn out one or two farms somewhere else. He had to give some account to competition, prices, and increase in land cost, and transportation, and productivity.

Now, then, there came a kind of fiat revolution in agriculture that has witnessed a step-up of productivity to the point where 1946 was the most productive year in the whole history of American agriculture. We produced more of everything for more people in more places in 1946 than at any time in the history of this Republic. That is testimony to the effect that farming has become a business, it has become a science, and it is to make it a business, and to make it a science, and to make it efficient, and to take into account all the factors that affect agriculture that the Department of Agriculture has been pursuing these various functions, more than 42 of which you will find cited under major headings in the pending bill.

The farmer today has a responsibility unequaled at any time in the history of agriculture, either in this or any other country. You see, 40 years ago the farmer had to produce for some 42,000,000 people on farms and for some 58,000,000 people like you and me scattered around the country; but if you will look at the census figures and the new population estimates you will find that now fewer people by 5,000,000 existing on farms must make provision for even more people in this country. Then, in addition, they must make provision for more people elsewhere in the world. Where we had 32,000,000 people working on farms, men, women, and children, two generations ago, we had 5,000,000 fewer people on farms in 1947. They must produce for more than twice as many people as was the case 40-odd years ago.

So we have a responsibility to them, hooked up with the fact that hungry, starving people everywhere in the world are looking to the great bread basket of the United States. You know, when it is all said and done, food is still the No. 1 problem and we must recognize it.

We go downstairs, sit around the table, and look over the menu. We like it or we do not like it. We like to talk about food, and if we do not like what is on the menu we like to talk about a great big thick rare steak garnished with mushrooms; we like to talk about choice desserts, big cuts of apple pie garnished with rich, nutritious American cheese; we like to talk about spiced shrimp and all delicacies, such as ice cream and things of that sort. Have you ever seen it to fail that the minute the ladies get around a bridge table or meet at the missionary society or anywhere else, give them 5 minutes and they are talking about food? "Oh, my dear, I cooked a new dish today and it was delicious," and away they go on the great subject of food. Yes; the little fellow on the corner who runs a grocery store is identified with the greatest business on the face of the earth, and that is food. It has always been so.

You will remember that in the days of the Pharaohs they did not say to the peasants on the farm: "Now, come in with so many kopeks, lira, or zlotys, or anything in the form of cash to pay your taxes." No. The old history says that the taskmasters, with whip in hand, representing the Pharaohs who owned the land said, "Come now with corn." That was important because corn was food for the king as well as it was food for the most humble vassal serf that labored upon the land.

Mr. MITCHELL. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Indiana.

Mr. MITCHELL. Was that food taxed in those days?

Mr. DIRKSEN. That food was probably more heavily taxed than food has been at any time since. But, you see, food is the important consideration and food is the big consideration over on the other side at the present time. Take, for instance, the gleaners that I saw going about picking up single grains of wheat in German fields; those who cut the tops off of sugar beets and cooked them for meals. Oh, how the gleaners worked early and late in order to find a little something that they could put in the family larder in order that they might subsist. That was testimony to food. We read yesterday morning in the papers about the bread lines in the Soviet Union. That is testimony to food.

I sat on the balcony of the home of the former secretary of Pan-Arab League, overlooking the blue Nile, and after we had discussed politic and economic matters, quickly we turned to the subject of food and the pressure of 18,000,000 people subsisting on what was produced in that very narrow, confined valley of the Nile. So, everywhere you go, you find that food is the No. 1 order of business of all mankind; and that, of course, gives the farmer in this day and generation a great responsibility. And he has been equal to it in this country, as witness, of course, the production that he has achieved. There are people who have been alarmed about our own capacity to produce for all purposes. You know, Thomas Henry Malthus, the great economist of England, was concerned about this matter. He lived and flourished in London in 1800. He was probably the counterpart of our leading economists today. But, you remember, he was the author of the Malthusian theory that population would finally outstrip man's capacity to produce, and it would be only because of those compensating forces like war and famine and pestilence and death that would save mankind. See, that was the basis of the Malthusian theory. I used to laugh at it. I am not quite sure whether I laugh at it now or not. Some 30 years ago a professor at Harvard authored a book called Mankind at the Crossroads, and he contended that our capacity to produce would not keep step with our capacity and the necessity for consuming in order to subsist. I have examined it. I have read it several times, and I thought, well, his premise cannot subsist, and the reason I thought that it could not subsist was that I was thinking of the future. Corn production in the State of Illinois used to be an average of 21 bushels per acre. It is now well over 50. It is common to produce 100 bushels per acre, and we have many fields now that produce 150 bushels to the acre because of the improvement of hybrid corn seed. It is moving into all the corn area of the country. And I thought our very distinguished professor must be absolutely wrong. But when you take the world in the large and measure its capacity to produce, the increase in population, and the necessity of a given number of calories a day in order to subsist, you begin to wonder some about this whole question of food production. So, it means that if we discharge our agricultural responsibility in this country, there must be greater efficiency than there has been. There must be almost a sacred regard for the fertility and the conservation of the soil. There must be improved strains of seed.

All those things we must do in order to safeguard subsistence for ourselves and at the same time meet that demand that comes from the world, which has such a tremendous impact upon the ultimate peace and serenity of mankind. It is pretty hard to sell democracy to a man whose belly growls. It is pretty hard to sell Christianity to a man who is in the agony of hunger. By doing this we orient the economy of the world and help to bring subsistence, and dissipate these evil shadows that are in the world today, so we make a real contribution to the preservation of this great concept we have of individual freedom and the democratic principle which is the wellspring of all human progress.

So we get back to the farm and to the necessity for conserving this natural resource and making it fruit and flower and produce in even greater measure than it ever has before. We made some progress. You know, it is a singular thing that the tillable domain of this country is not much greater than it was a hundred years ago. There are two things we can do. We can expand it in a sense by making it more efficient, so that 1 acre will do the work of two. That is the same as doubling your domain. We are doing that. We put mechanical power upon the farm to displace animal power. Heretofore it would require perhaps fifteen or sixteen million acres to provide the feed for the draft animals that we used upon the farm and in the city. The automobile displaces the horse and the mule, the farm truck and the tractor displace the horse and the mule; so we have enlarged our farm domain by some fifteen or sixteen million acres, which now produce food and fiber for people instead of animals.

Down in the Southland the research in cotton has increased yields by about 75 pounds per acre, and for all that increase it is like adding so much cotton land or so much land to the domain that can be used for some other productive purpose. So we have been enlarging by greater efficiency the domain of the country. But we must not be unmindful that the population of the country increases. Then if it becomes necessary to increase the arable land domain, of course we are going to have to give attention to the question of bringing new lands into cultivation by some form of irrigation, which requires money. When that time comes those who are interested will come as suppliants to this body, to the Congress, and say, "Please, sir, we need money now for a very indispensable purpose, that of guaranteeing the subsistence of the people."

So there has been productivity and the farmer has in larger and larger measure discharged his responsibility to our people and to the rest of mankind, but we have much farther to go. As I think of this problem in the large and look down the pathway maybe only 25 years, I think I begin to appreciate more than I ever did before the necessity for giving more and more attention to this question of preserving this great resource which will be inexhaustible if we preserve it, and that is the soil of our country, to preserve its fertility, and to conserve it against all manner of erosion and leaching, so that the tons of topsoil that find their way into the Gulf and the water courses year after year may yet be conserved.

With respect to fertility, I introduced a bill not so long ago, and I am happy to say that the legislative Committee on Agriculture is going to give it attention very shortly. It calls for the establishment of a central laboratory as part of this research-laboratory chain that we authorized some years ago.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DIRKSEN. Mr. Chairman, I yield myself 10 additional minutes.

It will be one of these five research centers. It will give its time over to fertility research of all kinds. It is pretty well diffused in government today. The Department of Agriculture does some, the TVA does some; there is a little of it here, and there is a little of it there. We would go faster and further, I believe, if we could gather up this fertility research function and put it in one place, and find the most competent people we could to deal with it. Thus we could assure in the future that the fertility of our country would not be wasted. My friend from Wisconsin, whom I do not see at the moment, but who I am sure is here, has compiled an interesting table. He is going to talk about it after a while. He showed it to me a little while ago. He says that for every bushel of wheat that we send abroad, we export 18 cents worth of fertility out of our soil. You see those figures were gotten up by the Department of Agriculture. If that be true, and if in proportionate measure, we export fertility with every bushel of wheat and barley and rye that we send out of the country, then, of course, we must replete the soil and put something back so that these resources will not be exhausted. Secondly, in its physical characteristics, this soil must also be carefully, carefully conserved. So the net of all that is simply this, that as we think of new frontiers in the North, in the East, in the South, in the West, and in the sky, I have come to the conclusion that the new frontier of America is neither up nor in the four cardinal points of the compass. The new frontier for America is down. It is in the soil. As greater demand is made upon us by hungry and starving people everywhere in the world and as this drain continues, so a proper solicitude for our subsistence and for those who shall come after us means that that resource must be carefully safeguarded.

All these things that I have said to you are things that we are carrying out in the main in this agricultural appropriation bill. We speak of soil. We have a Soil Conservation Service. We increased their appropriation over 1948 by $6,000,000. Perhaps we could have increased it more. Perhaps it is just as well that we moved progressively but with reasonable slowness so that always

the foundation and the efficacy of the operation can well be preserved. When we speak of the soil, we think of the Agricultural Adjustment Administration and soil-conservation practices, the terracing of land and the planting of trees, flood control, and the liming of land. All that is part of this whole conservation program.

I want to take time off right at this point to make a little suggestion to you. I sincerely hope that it falls on fertile soil, because I shall not be here to pursue it. If I were here on some other day, I would pursue it with vigor. So I suggest it to you now. Every year we encounter this controversy of whether to provide $150,000,000 or $200,000,000 or $300,000,000 for the AAA program. I suppose if it was $500,000,000 or $600,000,000 it would still be a matter of controversy. It sort of sets a limit, as it were, upon how much is done to improve the land and conserve these resources. So the other day I made this suggestion. I think it has some merit. Why should not we say to every farmer in the United States, large and small, whether he operates a little farm of 3 acres, which is the smallest farm that the Census Bureau recognizes for statistical purposes, or whether he operates a 10,000-acre farm—why not say to him, "Mr. Farmer, look: Up to a given percentage of the gross receipts of your farm, big or little, we will give you a credit on your income tax for certain prescribed soil practices. If you put so much lime on so many acres in a crop year and will certify that fact in connection with your tax return, we will give you a credit. If you follow some of these other prescribed practices, and there are literally hundreds of them in this soil-conservation field, and you so certify to the Bureau of Internal Revenue in connection with your tax return, you get that much of a credit." Then it would not be necessary to appropriate money here. It would not be necessary to have a large administrative force to lead farmers by the hand, because I think they have been pretty well indoctrinated in this whole matter of soil conservation. But you take the lid off, and it is conceivable that in a given year they may do, not $150,000,000 of conservation as in the current year, or $225,000,000 as they would do under the authorization in this bill for the next crop year, it could be $500,000,000 or it could be $1,000,000,000 as a matter of fact, but it is for every farmer wedded to the land to determine for himself. I think it would be the best guaranty, free from every restriction, free from every administrative expenditure, to carry on this program of soil conservation and fertility so necessary to the future of the subsistence of America.

Now we go from soil to this whole question of production. You must have the soil and then you must have the farmer and you must have the power and then we get production.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Certainly; I yield.

Mr. COOLEY. The gentleman has been discussing soil-conservation service and practices under the AAA program now being administered by the Production and Marketing Administration. I wonder if the gentleman would mind commenting upon the advisability of coordinating the various activities of the agencies now dealing with the soil.

Mr. DIRKSEN. With pleasure. That is a matter that has been discussed literally for years in the Subcommittee on Agriculture Appropriations. It has been discussed in the full committee. It has been discussed here. There are quite a number of agencies that directly and indirectly, either in the field of research or the field of actual operation upon the soil, are pursuing a part of this general conservation function. It would be in the interest of efficiency and certainly in the interest of economy if there were greater consolidation of those functions. I know that the Legislative Committee on Agriculture has wrestled with that a number of times. I know that my distinguished friend the gentleman from North Carolina [Mr. COOLEY] has introduced a bill on the subject and has given it attention for a great many years. Unfortunately we cannot do that kind of a job on an appropriation bill. It must be done on the legislative level. I express the earnest hope that his committee will yet agree upon a bill that will consolidate some of these functions, because it will be in the interest of conserving these resources and at the same time getting the maximum benefit for the lowest dollar of expenditure out of the Public Treasury.

Now, with respect to production, of course, research is going on in every field. I remember years ago when there was not a single acre of soya beans out on the prairies of Illinois. Then somebody imported the honorable bean from Manchuria. It is an honorable bean, and it has grown in dignity and in stature. The whole Middle West will soon be verdant with the dark, lush foliage of the soya bean in many areas. It is a crop that now runs into hundreds of millions of dollars. It has become a major crop. It is used in the form of meal for cattle feed; pressed meal that can be turned on a lathe and fashioned into door handles, accessories for automobiles; in the form of oil that finds its way into your salad daily or as a dryer for the paint that the farmer puts on his barn. All that has come out of the humble and honorable bean which was a stranger to this land a great many years ago. It is the product of research. We are improving the characteristics of these soya beans so that they produce more; so that they better resist the ravages of pests and diseases of one kind or another.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DIRKSEN. Mr. Chairman, I yield myself 10 additional minutes.

We pay testimony to the noble bean. At the same time, we pay testimony to this whole question of research. We see it in the field of forestry. You know, I expect to the unimaginative and unromantic soul a tree is just a tree and nothing more. Maybe it stands alone as a quiet sentinal in the woodland, not very impressive to the unimaginative folk. To others it is nothing more than one of many trees that make up a woodlot or forest; but to Joyce Kilmer a tree was something more than a tree. Oh, we remember that great poem that was translated into melody. What a magnificent thing it is. It has been sung in every concert hall, in every church in this blessed land. That great apostrophe to trees! A tree is something more than a tree; realistically, it has now become a crop—it is a cash crop. So there is great emphasis in this bill on forestry and on forestry research, because a tree is no longer a tree; it is expressed in terms of dollars and cents to people who till the soil. I saw one of the greatest signs I have ever seen in my life some weeks ago when I went down to convalesce for a little while in Florida. It was at the turn of a road. Some imaginative soul had grabbed a paint brush and with some facility had painted on a huge board, "Caution! Trees working." Caution! Trees working. That was done like these signs we used to see on the highway, "Caution! Men working." But you see this was a caution to people who were careless with fires, it was a caution to people who were careless with axes, that here were trees working, because they were part of a cash crop. So we give money now to forestry and forestry research, to the production of timber, because it is part of the agricultural program, and it is part of the income of the farmer today.

When a man has gone on the soil and he has produced, of course, he gets rather interested in getting the thing that he produced to market. So we have given much attention to this whole matter of marketing facilities, marketing research, marketing outlets, in the hope that the twin sister of marketing, which is a fair price for the farmer, might not recede to the level where it would practically diminish its purchasing power and have a deleterious effect upon the whole economy of the country. So we go from soil to production and from production to marketing. One of the items here in marketing is the school-lunch program of $65,000,000—from surplus, we hope; and then there are the section 32 funds. If anybody is not familiar with it, I may say that some years ago Congress provided—the Seventy-fourth Congress—that we would grab 30 percent of all the customs receipts that were collected on things that come into the United States and would devote it to the encouragement of export or to finding new uses for agricultural products. You see, that is an interesting throw-back to the days of Alexander Hamilton and those who thought the first American industry ought to be protected so it could grow up in the shadow of British competition, get its sea legs and then let it forage for itself. It was always the feeling that perhaps we had favored industry too much and particularly with respect to the importation of agricultural commodities; so some examination into all these premises of history came along with the idea that perhaps we ought to equalize it, so let us take roughly one-third of this money and then use it in order to dissipate any surpluses that may develop from time to time. That is the general history and origin of the so-called section 32 funds. On the basis of the customs receipts for the previous calendar year, this year the 30 percent will be roughly $135,000,000.

So now that money is available. The Budget Bureau suggested that we make available for general purposes, for the disposition of surplus goods the same amount that we carried in the bill last year, namely, $44,000,000. The committee had other ideas about it. While I do not always concur, yet I do concur in the action of the majority. So, instead of rescinding a portion of this money, we have left it intact. We took $65,000,000 and transferred it over to school-lunch fund instead of using a direct appropriation and then the other $26,000,000 is in the form of roving cash. It is up on the shelf, and if some day an emergency situation develops it will be there for the Commodity Credit Corporation to expend in order to relieve the surplus problem.

I think our friends from the Pacific coast can with real justification say that they did have some alarm about the possibility of surpluses in the field of perishable commodities, particularly citrus fruits, and that perhaps they might run into an acute situation that would require some money. It would be great assurance for them certainly if sufficient funds were available to meet the emergency should it arise. I do think they argued their case with some force and some persuasion. So the action of the committee is that the $135,000,000 will be roughly divided so that $65,000,000 will go to school lunches and the other $70,000,000 will be available for the general purposes of section 32.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Montana.

Mr. D'EWART. Can the gentleman tell me how much the Geneva agreements would cut these Section 32 funds?

Mr. DIRKSEN. I do not know that they would cut them at all. Does the gentleman mean the impact of the Geneva agreements? I cannot say.

Mr. D'EWART. They materially cut our tariff rates on wool and other things that contribute to this fund, and I am sure it is going to make a lot of difference in the amount of money that is available under Section 32. I just wondered if the gentleman could give us that information.

Mr. DIRKSEN. I doubt whether anybody can make a firm estimate in dollars and cents or in pounds or bushels what it might be. There has been a little discussion about it, but I regret exceedingly that that is as far as my information goes.

Now, then, we go from the question of soil to production, from production to marketing and from marketing to prices. The whole problem of agriculture prices is one that besets us over and over and over again. What will happen if the so-called Steagall proposals which are existing law at the present time should be taken from the books I do not know. What the legislative Committee on Agriculture will do with that matter, since it expires at the end of this calendar year, I do not know. But I do know that this old question of how much the farmer gets, of course, is going to be very much in the public eye. There will be controversy for many reasons. I said that years ago we did not have to worry too much. The farmer packed up a bucket full of eggs and a wagon load of sweet corn and he either found a buyer or maybe he did not. If he could not get 30 cents a dozen for the eggs maybe he could get 20 cents. I am frank to say that when I did a little farming in a very small way long ago I used to sell many eggs for 10 cents a dozen. I expect every farmer in the land who has farmed for any length of time has had an experience of that kind. You did not have to be concerned so much about that. But today it is a matter of concern because there are taxes to be paid, there is competition from other countries, there are all those factors, including the whole question of investment in the farm itself.

You do not go out on the bare soil today with your two hands and no implements and do a job of farming and stay there. To be a good, efficient farmer out in my country today probably takes $20,000, $25,000, or $30,000. There must be tractors, there must be outbuildings, there must be wire fences, there must be cream separators, there must be livestock, cows, and chickens, probably some animal power. All those things put together, plus the cost of the land today, develops a real investment. So the farmer is a businessman, and one of the things he must make sure of, if he is not going to find the heavy hand of the mortgagee resting upon him some day, is that he will be able to make out, so there is a keen interest in this whole question of prices.

In addition to all these economic factors there is this question of making farm life a little more attractive. I can remember as a youngster going out on a farm that it was necessary to get up at 4 o'clock in the morning.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. DIRKSEN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, you would light a lantern, you were expected to milk the cows before you started out in the field on a cultivator or a plow. The day started early and lasted late, and when you came back from the field your hands were stiff. You did not know whether you could milk a cow or not. But, after all, it had to be done. Those were long days, and there was not too much of an attraction about farming.

Of course, there was an exodus away from the farms. I was interested in the testimony we had last year when we were dealing with this question of getting farm labor back upon the farms when the Commissioner of Agriculture and his committee in New York queried the veterans who were returning, and who had lived on the farm, whether or not they would be willing to go back. Only a very small percentage wanted to go back. They found city life entrancing; they found it alluring, so they did not want to go back. So, among other things we must contribute to the appeal and the attractiveness of farm life, and one of the ways we do it, of course, is, first of all, to make literature available and to make available electric light. So, this rural-electrification program has been going on for a number of years, and I know of nobody in the Congress who is opposed to it. I have said over and over that I hope we do not overstep ourselves in the matter; that we take our time and make it a progressive program, unfold it by stages, and look down the road as well as we can to iron out any difficulty that may arise from time to time so that when it becomes a perfect utility pattern in the farm life of America it will rest on a good, solid foundation. I know if two or three times as much money were authorized for REA alone, that perhaps there would be a way to allocate it, but I think it is preferable that we finish the course we have pursued, and it will not take too long, measured in terms of the number of qualified farms there still are in the country before this program, in its first stages, at least, will have been consummated. Now, then, many intelligent electrical cooperatives are going to have to heavy up their loans, there must be a recanvassing, there must be heavier improvements, and they will have to come back for more loans for heavier transmission lines, so that is all the more reason we ought to walk slowly. I think we have been generous. The budget estimate for REA for the last fiscal year was $300,000,000. We increased it by $100,000,000, so that the bill before you today is a bill that calls for $400,000,000 for REA loans for fiscal 1949.

Here is the soil where we started. Here is this question of production and the question of marketing and prices; the question of research and the question of more gracious and sweeter living on the farm. Over and above it all, there must be somebody to direct all this, and that is the administrative force of the Department, the Secretary and all his experts, the library, the office of information, the chief legal officer of the Department, who happens to be the Solicitor. Those are the people, located here in the Nation's Capital, who seek to direct and supervise this program and keep it in good balance in order that out of it all there may eventually be even a sounder and more productive agriculture than we have ever known in the history of the country that will be equal to every responsibility that comes on in the years that lie ahead. As I think of this administrative force, the Secretary was very free to say to us that he was having difficulty in keeping men who were schooled in the Government business and in the business of the Department of Agriculture, because there were such attractive offers from the outside. He has lost a good many men and probably will lose others. Obviously, Government cannot meet the offers that are made by private industry, but, at least, we can move partly in that direction in the hope that a little more inducement will keep these men who have had this long experience and whose background is necessary to the expert articulation of these programs. So, there is a provision in the bill in which authority is conferred on the Secretary of Agriculture to go beyond existing pay scales. We hope it will not be regarded as a precedent for every other department of Government. It represents our solution and our proposed

remedy for the problem that is here. So, we must try to keep these men who are capable, if we can keep them. While we cannot meet the offers of private enterprise, at least, we can make it a little more worth while and so keep them in this governmental enterprise.

Let me rush on to just a few items that I want to leave with you. The first one I should like to mention is this. You scarcely hear this question of loyalty come out in connection with the Department of Agriculture. You hear it in connection with almost every other department of Government. Very, very seldom is the question raised there. The committee is proud of the fact that the finger of taint has not been put upon these people. We regard them as good, trusted public servants, each one doing his duty. So we are glad to report that, insofar as we know there is no breath of suspicion upon those who are identified with agriculture.

Secondly, let me say that perhaps the economies reflected here are not all I might want, and maybe not as substantial as would delight the heart of one who would go infinitely further. There is a modest economy here, but I think that the very fact that it is on the modest side is testimony to the fact that we did not ruthlessly and carelessly and indiscriminately just swing an ax through every bureau for the sake of saving a dollar here or a dollar there. This must be an efficient operation. If you are going to follow the course of letting the lowest dollar represent the ultimate objective, then the thing to do would be to take an ax and simply slice out whole functions, stop them altogether, but not cripple activities and make them inefficient. We have tried to do that with every function and every service that is represented in this bill.

We have listened very carefully to the testimony, and we have examined the justifications. We have reduced in some instances, but I am confident that the Department can do an efficient operation within the limit of money that is here, and we have not been too lavish in that respect.

I see my old friend from Indiana [Mr. GILLIE] here. That leads me to the question of meat inspection, because he has introduced a bill to restore meat inspection to its former status, namely, payment out of the Federal Treasury. You will recall that when we brought the bill here last year we provided, and it was a legislative provision, that meat inspection should be taxed against the packing industry. I remember with interest the speeches that were made here. I remember all the dire predictions that were made. I remember also the trepidation of spirit that disturbed some of the Members because of the change. I am so grateful to the House that it upheld that provision written in the bill. It was approved by the Senate, and it was quickly put in effect.

There are about 950 packing plants that operate under that new set-up today, whereby we tax the cost against the packing industry. There will be enough money so that we can put on more inspectors. As a matter of fact, they have put on 200 more inspectors than they have had before. It is working well.

Having a rather personal interest in it, I think I ought to read this testimony into the RECORD, because it is not my testimony, it comes from the Department itself, namely, from Dr. Miller, of the Bureau of Animal Industry, which has direct charge of this matter. My esteemed friend and colleague from Minnesota [Mr. H. CARL ANDERSEN] said to Dr. Miller:

> Does the entire program seem to be working out as well as you expected?

Dr. Miller said:

> A whole lot better than I had any reason to believe it would. Our relations with the packing industry have continued on a very high plane since the legislation requiring them to pay for the inspection.

On the question of how many withdrew from inspection as a result of this, Dr. Miller said:

> We lost a total of 8 producing plants out of some 950.

They used to lose more than eight plants when they were under the old system.

How much does it cost? We let Dr. Miller speak. He said one-twentieth of a cent per pound—too small to tax against the farmer, too small to tax against the consumer. It becomes a legitimate charge on the cost of doing business by the packing industry. We have enough money. Dr. Miller says, "This gives us enough money to function effectively." So that is the story. I would implement it, of course, by the testimony of our former colleague from New York, Hon. Charles I. Stengle, who is the legislative representative of the American Federation of Government Employees. You see him about the corridors here. His is a familiar face and has been for years. When this matter was up, he came to me last year and expressed fear, and as a matter of fact did all that he could honorably do to encompass the defeat of this program. Here is his language. His testimony is found on page 683 of the record. He said:

> I met it with fear and trepidation. I worked hard to try to defeat it, frankly speaking, but I did not succeed. Then I made up my mind I would find out during the year how it would work. I went all the way across to your State of California into the northeast and the midwest and I checked with our organizations in those places.

What did he find? I will let our old friend, Charlie Stengle, speak again. Here is what they told him in the field:

> For God's sake, do not disturb the Dirksen amendment. It is working fine.

He also said:

> I never saw more unanimity after a year's trial among the people that are affected than there is among the Bureau of Animal Industry people today. They like the plan.

That, I think, dissipates our fears. I think it is proper that the packing industry should assume that fee. Of course, it will save eleven, twelve, and thirteen million dollars a year, which would otherwise be taken out of the Public Treasury.

I yield to my friend the gentleman from Indiana.

Mr. GILLIE. I am glad to hear this report from the Agriculture Appropriation Committee. The reason I am interested in this problem is because of the way that the inspectors are hired. I do not believe that that is the proper way to insure proper inspection. When a packing plant hires their own inspectors, that is much different from the Government hiring the inspectors and paying them. That is the reason I am opposed to this system of paying for the inspectors. That is not the right way to do it. I can tell you that I was an inspector at one time, and it does not work out and will not work out and someday you are going to change it just as sure as I am standing here.

Mr. DIRKSEN. Has the gentleman spoken to the Department about it? You ought to talk to Dr. Simms and Dr. Miller.

Mr. GILLIE. I do not care what they say. I have never talked to them about it at all. I have never talked to them about it. I can tell you that it is not going to work.

Mr. DIRKSEN. My friend, you should talk to them.

Mr. Chairman, I yield to my friend the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Are not the inspectors under civil service?

Mr. DIRKSEN. Exactly. They are Federal employees subject to all the benefits, such as retirement benefits, annuities, and other rights, privileges, prerogatives, and so forth.

Mr. PHILLIPS of California. The record will show that more inspectors have been on the job under the new program than previously. Only eight of the inspected packing houses dropped out of the program, which is less than normal.

Mr. DIRKSEN. That is right.

Mr. PHILLIPS of California. They are not subject to any administrative control whatever on the part of the packers.

Mr. DIRKSEN. That is definitely right. That same independent character has been preserved that has always been the case. The meat packer cannot hire an inspector, they cannot fire him. They cannot give him orders, nor can they discipline him. Mr. Chairman, I will insert as part of my remarks the following letter from Dr. Simms, the Chief of the Bureau of Animal Industry:

> DEPARTMENT OF AGRICULTURE,
> AGRICULTURAL RESEARCH ADMINISTRATION,
> BUREAU OF ANIMAL INDUSTRY,
> *Washington, D. C., March 17, 1948.*
>
> Hon. EVERETT M. DIRKSEN,
> *United States House of Representatives.*
>
> DEAR MR. DIRKSEN: Mr. Orr has asked that I inform you regarding our handling of meat inspection personnel under the cost assessment provision, with reference particularly to those affected by shutdowns of plants on account of strikes.
>
> As I have previously assured you, the meat inspection personnel receive exactly the same handling under this arrangement as they did when the Federal meat inspection program was financed by appropriated funds. The inspector continues to receive his salary from the United States Treasury, retains all

of his civil-service rights, and is accountable only to his supervisor. The procedures which we have worked out to give effect to the provision of the appropriations act are working out satisfactorily. The relationship between the inspector and the personnel of the meat-packing plant where he is assigned remains exactly as it was in past years.

The assignment and movement of meat inspectors to take care of inspection requirements throughout the inspected portion of the meat-packing industry also are handled under the packer paying arrangement the same as they were when appropriated funds were being used. Insofar as the personnel aspects are concerned, the current conditions incident to strikes in the meat packing industry create problems similar to those that were encountered in past years under like conditions. In those cases where a striking plant wishes to be in a position to commence operations on short notice, the meat inspectors are held in stand-by, which is active status and not charged to any leave, and under the present legislation the packer would be billed for their services in the usual way. In case a plant requests suspension of inspection for a definite future period which we require to be at least 2 weeks in duration, the affected inspectors are placed on leave, and should the suspension extend for a period beyond the amount of leave credited to any inspector, he is then placed on leave without pay. Detailed instructions to inspectors in charge concerning the handling of this situation are contained in the enclosed copy of circular letter No. 2983, supplement 2. These instructions were issued only after every precaution was taken to assure the employee of his full civil-service rights.

The extent to which the meat inspection fund will be affected will depend very largely on the length of the strike and the extent to which employees of the Meat Inspection Service draw on accumulated annual leave. In fixing inspection fees it was estimated that employees would take a normal amount of annual leave as currently earned. If, however, employees draw on annual leave built up in former years when the meat inspection work was financed from appropriated funds, the amount of payments for leave will, of course, substantially exceed that estimated in fixing the current inspection fee. Employees as a whole carried over from previous years accumulated annual leave of very substantial value. To the extent that they take this leave there will, of course, be no corresponding reimbursement to the Meat Inspection Fund through inspection fees. This does not change the basic situation with regard to the Meat Inspection Fund since the amount represented by leave accumulations would in any case have to be considered as a liability against the fund. Therefore, the extent to which the cash position of the fund is impaired will be offset by a corresponding reduction in the leave liability against the fund. In other words, the situation at the beginning of the fiscal year was that there was a meat inspection fund of $5,000,000 against which there was a leave liability which, for purposes of illustration, we may value at $2,000,000. Should the strike last so long that employees take leave accrued in previous years to the value of $1,000,000, the position of the fund then would be that it contained approximately $4,000,000 in cash and bills receivable, but that the leave liability against the fund had been reduced to $1,000,000, leaving the net worth unchanged. It is possible that the strike might be so prolonged or become so widespread as to result in the taking of accumulated leave to an extent which might leave in the fund insufficient cash for the operation of an adequate inspection service when service is resumed. In that case it probably would be necessary for the Department to ask Congress for a further appropriation to restore the cash position of the fund to an adequate amount.

The Department may in the near future wish to take the liberty of consulting you with regard to this situation, particularly if there should be indications that the strike will be of long duration.

Very truly yours,

B. T. SIMMS,
Chief of Bureau.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. DIRKSEN] may have 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DIRKSEN. I thank my friend, the gentleman from Missouri.

Mr. Chairman, there are two other matters that I think I ought to allude to. One is in the field of relationships between the Congress and the executive branch. If we are going to do a job for agriculture, there must be no hostility between the committees of Congress and the Department of Agriculture as they seek to reach common ground and provide the necessary funds with which they are to perform all these very useful functions. So early last year I took it upon myself to go down to the Department of Agriculture and ask the Secretary of Agriculture to convene all the bureau heads and I talked to them, to put them at their ease; to tell them when they came to let no fears, well-founded or otherwise, prevent them from telling the whole story. If it developed some spirited debate, sometimes some testy words, well and good. That serves a very useful purpose in rounding out the whole story, because it takes all the facts on both sides in order to make the case on which we must predicate the appropriations that we finally recommend to this body. I have gone down there on several occasions and I am happy to report that I believe between this committee and the various bureau heads and the Secretary of Agriculture there is sweetest of feeling. While they do not always agree with what we do nor do we always agree with what they do, yet it is in the interest of this common cause that we pursue.

One other thing I shall remind you about. You are going to encounter it as time goes on, probably in greater degree, and that is the constant pressure upon Members of Congress for funds, for functions, for new activities, that a group or a section is interested in. We had that experience this last year. I think probably there were 40 Members of Congress who heard about this. I think I should read this into the RECORD and mention it in a way that it will get out to the attention of the country.

Located in the Nation's Capital, there is an association known as the National Agricultural Limestone Association, Inc. It is located at 1424 K Street NW., Washington 5, D. C. If you are interested in calling them up, their telephone number is Sterling 9135. There is a young man who serves as secretary and executive director of this organization by the name of Robert M. Koch. It is Mr. Koch's business to analyze roll calls here in the Congress and to see how you voted and then to interpret that roll call and send it out to your farmers. I am not sure that it is always a fair interpretation, but while Mr. Koch is a very engaging young gentleman who came before the committee, you see he is working for an organization that sells limestone, and they have some 200 producers, large and small. The small producers pay $75 a year; the intermediate size producers pay $150; the larger producers pay $500. So they may have $35,000 or $40,000 in the kitty. That will pay for Mr. Koch's salary and for a couple of girls to burn out the bearings on mimeograph machines and to buy oil to keep the bearings cool, so that these mimeographed matters may be sent into your district. The name of the Member is here, but I will not use it. I will just refer to it as Mr. X.

NATIONAL AGRICULTURAL LIMESTONE ASSOCIATION, INC.,
Washington, D. C.

To Farmers in Congressman X's District:

As you may know Congressman X was one of the Congressmen who voted in favor of cutting the 1947 agricultural-conservation program from $300,000,000 to $150,000,000 and against continuing the program after this year. You will recall that there were two votes taken in regard to this problem. On one vote the vote was 174 in favor and 180 against continuing the program without any cut. In other words, if four Congressmen who voted against the program had supported it, there would have been no cut. On the other vote there were 171 in favor and 218 against which, of course, meant that if 24 Congressmen who voted against it had supported it, there would have been no reduction.

From my 10 years' observation of this program before taking my present position a year ago, I feel sure an overwhelming majority of the farmers approve these programs. This was verified by the survey we made in four congressional districts last spring when over 90 percent of the farmers voted not to reduce the appropriations for these programs. I have recently attended some of the hearings held by the House and Senate Agriculture Committees both in Washington and out in the States and again an overwhelming majority of farmers and representatives of farm organizations have testified in support of these programs.

This association has decided to conduct a survey of farmer opinion in several congressional districts where Congressmen voted against these programs, in order that there might be a statistical summary of farmer opinion to show these Congressmen. Therefore, will you return the enclosed card and indicate whether or not you agree with the stand which Congressman X took in voting on the Department of Agriculture appropriation bill last spring when he helped reduce this program for 1947 and cut it in half for 1948.

Sincerely yours,

ROBERT M. KOCH,
Secretary.

[Enclosure.]

RETURNABLE CARD

☐ 1. Do you agree with your Congressman that the agricultural conservation program should be discontinued?

☐ 2. Do you disagree with your Congressman and think that this program should be continued:

- ☐ a. As it is at present?
- ☐ b. With a larger appropriation?
- ☐ c. With a smaller appropriation?

Name ----------

Address ----------

Survey of farmer opinion in regard to congressional votes to cut the agricultural conservation program in various congressional districts

State	Congressional district	Congressman	Number of post offices returns came from	Percent replies received	Percent which agreed with Congress	Percent which disagreed with Congress
California	3d	Johnson, L	26	27.9	31.1	68.9
	22d	Phillips, J	28	32.6	33.0	67.0
Colorado	2d	Hill, W. S	56	31.3	13.8	86.2
Connecticut	1st	Miller, W. J	37	37.0	0	100
Delaware	At large	Boggs, J. C	27	33.7	5.9	94.1
Idaho	1st	Goff, A. M	53	45.4	3.1	96.9
Illinois	17th	Arends, L. C	63	44.3	1.5	98.5
Indiana	2d	Halleck, C. A	71	56.3	3.0	97.0
Iowa	7th	Jensen, B. F	57	38.1	1.1	98.9
Kansas	1st	Cole, A. M	77	39.0	4.2	95.8
Kentucky	7th	Meade, W. H	91	35.6	9.3	90.7
Maine	3d	Fellows, F	82	44.3	3.0	97.0
Maryland	1st	Miller, E. T	58	36.6	7.2	92.8
Massachusetts	2d	Clason, C. R	21	31.7	10.6	89.4
Minnesota	1st	Andresen, A. H	76	45.4	7.1	92.9
Missouri	1st	Arnold, W	82	51.6	1.3	98.7
Montana	2d	D'Ewart, W. A	82	49.6	8.0	92.0
Nebraska	3d	Stefan, K	61	38.2	1.0	99.0
Nevada	At large	Russell, C. H	23	28.3	25.0	75.0
New Hampshire	2d	Cotton, N	104	46.2	9.0	91.0
New Jersey	3d	Auchincloss, J. C	28	31.8	7.6	92.4
New York	35th	Fuller, H. C	38	55.2	3.1	96.9
	2d	Hall, L. W	48	36.8	8.2	91.8
	38th	Taber, J	44	33.9	6.6	93.4
Ohio	5th	Clevenger, C	53	41.0	4.8	95.2
Oklahoma	8th	Rizley, R	22	25.6	6.5	93.5
	1st	Schwabe, G. B	34	46.6	8.5	91.5
Oregon	1st	Norblad, W	67	42.6	12.5	87.5
	2d	Stockman, L	73	41.0	12.2	87.8
Pennsylvania	21st	Gross, C. H	51	46.6	8.5	91.5
South Dakota	2d	Case, F	65	46.2	2.8	97.2
Tennessee	2d	Jennings, John, Jr	45	54.3	4.9	95.1
Utah	2d	Dawson, W. A	49	43.3	6.7	93.3
Vermont	At large	Plumley, C. A	120	56.6	1.8	98.2
Virginia	5th	Stanley, T. B	78	56.6	1.7	98.3
West Virginia	2d	Snyder, M. G	88	48.3	1.4	98.6
Wisconsin	7th	Murray, R. F	79	67.3	1.0	99.0
Wyoming	At large	Barrett, F. A	74	42.6	7.0	93.0

I call your particular attention to the return card on the bottom of the letter.

Now, you see, Mr. Koch says:

My more than 10 years' observation of this program before taking my present position.

Where was Mr. Koch for 10 years? Mr. Koch was in the Department of Agriculture and had worked there for more than 9 years. And what was Mr. Koch's business in the Department of Agriculture? He was in the Limestone Branch of the AAA. You see, Mr. Koch speaks as an expert, and so now from his conning tower here on K Street in Washington, he looks through a spyglass upon the roll calls and then he analyzes them; and then you will be weighed in the balance and either found wanting or not wanting in proportion as you vote money to buy limestone, whether it is good or whether it is bad. Now, you see that is pretty brutal pressure, and there are other pressures coming from other sources. So, after a while, it is an interesting speculation and it is more than academic for this good reason: How long can free government endure if it becomes the victim of sectional and group pressures which have only one interest? And that is to see how much they can get out of the Federal Treasury. If it continues in this frank and unabashed form, we may yet see the day prophesied by Thomas Babington Macaulay over a hundred years ago when he said, "Your Constitution is all sheet and no anchor and that free government may yet vanish."

I am speaking to the country today and I hope that these groups will relent in this business; for, after all, people in this body are only human. They like to be reelected, and they like to be on the right side of their people if they can. I am now serving my sixteenth year in this body. I always liked to be in consonance with the feeling of the people back home insofar as I could and if it did not contravene my conscience; but I reaffirm that this is a humane government, and that is the reason it is a great government, and when this kind of business begins it carries on and on and on until we get to the day similar to that when we had the Capital of the United States at York, Pa., and people came and almost tried to overturn it with their demands. The reason there is no vote in the District of Columbia today, and the reason the Congress has exclusive legislative jurisdiction over an area 10 miles square was for the purpose of assuring the survival of free constitutional government in this country. But you see the radio, the multigraph, and the multilith have somehow changed this area of 10 square miles. The pressure can come from 2,000 or 3,000 miles away. Also I admonish every group in the country today to be pretty careful in what they ask because there will be others who will match their demands, and when they do in sufficient number and in sufficient quantity look out for the perpetuity of free government. One of its most important segments is the man for whom this bill is being considered today, the American farmer. I thank you.

Mr. CANNON. Mr. Chairman, I heard with the deepest regret, a regret which I am certain is shared by all Members of the House, the announcement of the gentleman from Illinois that this is the last bill he will report to the House. It has been our hope, in view of his rapid recovery he would be in a position to reverse his decision and return to Congress.

Mr. Chairman, I do not believe the retirement of any Member of the House would be a matter of such universal regret, and I am certain that the retirement of no other Member of the House would more adversely affect the work of the Congress, as that of the gentleman from Illinois.

I agree with him when he says that consideration of this bill is an anticlimax following the great message just delivered by the President of the United States. But it is not an inappropriate measure under the circumstances.

The President made a strong, inspiring announcement of the determination of the United States to resist all encroachments of totalitarian governments upon the sovereignty of free countries, and at the same time urgently recommended drastic measures to meet the situation. Among those measures was adequate military preparation.

Mr. Chairman, food is as much a munition of war as is gunpowder, and one of the determining factors which turned the scales in our favor in the recent war was not only the vast production of our factories but the equally unprecedented production of our farms.

We could not have won the war without the American farmer, and, as the gentleman from Illinois so very well said, food is the No. 1 requirement.

So, Mr. Chairman, it seems singularly appropriate that we should turn from this great message, with its inspiring appeal, which I am certain both the Congress and the country will heed, to a measure which involves the production not only of one of the greatest requisites in peace but one of the most essential ammunitions of war.

It seems also at this time particularly apropos that we should consider the future of the American farm and the American farmer at this critical time, with a view to maintaining the standard of living on the farm and thereby maintaining efficient farm production and insuring production of an adequate supply of food, fiber, and material whether in peace or war, both for our own industry and the industry of our allies should eventualities require.

For 7 years the American farmer has been gearing production to an abnormal demand. Never before have we required such vast quantities of food as in the war years and subsequent years for our armies and the armies of our allies and for our own population and since the war for the population of democratic countries in Europe.

Now, if war does not come—and God grant that it may not—and the demand for food in this country drops back to normal, not merely to a prewar level but to the level of the increase in population and the increased demand of industry upon the products of the American farm, when we provide for domestic consumption alone as eventually we must under such circumstances, we will be producing at a rate far beyond the capacity of the domestic market to consume. It follows inevitably that when the war demand drops the same disastrous surpluses will clog the market that wrecked farm prices after the First World War.

We remember very well those disastrous days when the abnormal demand of the first war subsided, and cotton sold at 5 cents a pound, hogs at $2 a hundred, eggs at 6 cents a dozen, wheat at 30 cents a bushel, and the American farmer lost his shirt. And the catastrophe did not stop with the farmer. When the farmer was bankrupt and could no longer buy, the merchant could no longer sell and the factory could no longer produce and there was no longer any demand for labor, and 9,000,000 men tramped the streets and the highways and rode the rails looking for a job—any kind of a job that would provide a scant living for his family. Wall Street crashed and men shot themselves or jumped from tall buildings.

Now, Mr. Chairman, history repeats itself. Again we are starting on the decline that has followed every war. It would have followed this war immediately had it not been for the international situation which maintained temporarily a market for the products of the American farm. And it will certainly follow when we are limited to the domestic market as we eventually will be if permanent peace is realized.

To meet the situation, to bring the farmer and all business dependent on his patronage out of the depression, Congress from 1932 to 1946 instituted reforms which brought American agriculture back to prosperity, which has preserved our soil and national farm resources, and which has brought up the income and the standard of living of the American farmer to where it is today.

In this Congress we are faced with the question as to whether we will continue these measures which have rehabilitated American agriculture or whether we will abandon them and go back to the old laissez faire conditions under which we sold American farms as long as anybody would bid, and half of the country banks of the Nation closed their doors and labor and industry were stagnated.

We are confronted here, in this session, with the expiration of one of the most important of these measures which brought about this happy rehabilitation and the current national prosperity. At midnight on the 31st day of December 1948, one of the farm-parity laws expires. It must be reenacted before the end of this session, and nothing has as yet been done to extend it, to continue a floor price under farm prices.

As a matter of fact, a report has been filed by a subcommittee of the other House, recommending a new law which will reduce the 90 percent of parity which the Government guarantees the American farmer on the long-range program and substitute a sliding scale which will give the farmer about 75 percent of parity.

Even 90 percent of parity was 10 percent too low. Can any reasonable man tell us why the American farmer should not be on a parity with any other American workman or producer?

I realize, Mr. Chairman, that there has been a feeling on the part of many consumers that the farmer is rolling in unparalleled prosperity, that he is profiteering, and is reaping unheard-of and disproportionate profits. The statistics produced before this committee in the hearings on this bill completely repudiated any such misconception. We were told by the representatives of the Department of Agriculture that the per capita net income of the farmer in 1940 was $243, while that of the rest of the country was $697. The farmer received only about a third of the income of those not living on farms who worked less hours and under better weather conditions. In 1946, the income of the farmer, after receiving all these war prices we hear so much about, was only $779, while everybody else got an average per capita income of $1,288. Who is doing the profiteering there? They also testified that for the year 1945, the latest year on which statistics are available for the purpose, 24 percent of all American farms earned an annual income of less than $400 each, and two-thirds of all the farms in the United States averaged a gross income of only $900 each. These are cold Government statistics.

And the trend is downward. It was shown that although the American farmer received higher prices in 1947 than in 1946, his net profit for 1947 was less than for 1946 for the reason that everything which entered into his cost of living and into his expense of production was so much higher in 1947 that the net return was less than for 1946.

The index of farm prices dropped 9 percent between January 15 and February 15—the sharpest drop since the disastrous twenties. During the same period the index of prices farmers pay dropped only a little over 1 percent. That brings the ratio of prices paid by the farmer to prices received by the farmer down to the lowest point since November 1942. The farmer's dollar today is worth 10 cents less than a month ago, and 21 cents less than its peak in October 1946. And there is every indication that the decline will continue. Unless prompt steps are taken we are already on our way back to the farm collapse which followed the First World War. If those steps are to be taken they must be taken between now and June, when Congress adjourns for the Republican National Convention at Philadelphia.

Mr. Chairman, the problem of maintaining a floor under the price of farm products, equivalent to the floor we maintain under industrial wages and under industrial profits is one of the foremost problems before America today, whether we vision ahead a period of permanent peace or whether we reluctantly concede that the only price of safety and the preservation of our form of government lies in the arbitrament of the sword.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Chairman, I will take an additional 15 minutes.

In either peace or in war we must maintain a floor under the price of American farm products commensurate with that maintained under every other American industry. There is no alternative but farm bankruptcy, involving universal unemployment and national bankruptcy. I trust those who bear the responsibilities of leadership will give us an opportunity to take action at an early day. We are already nearing the end of the session, and this is a question which is entitled to full debate and ample consideration. Opportunity should be afforded to consider a program which will continue the policy which has raised the farmer and the country to the highest degree of prosperity in the history of any nation in the world.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to my distinguished friend, the acting chairman of the committee, who, in my opinion, has contributed as much to the welfare of American agriculture as any man who has ever served in the American Congress.

And may I take advantage of the opportunity, Mr. Chairman, to say here, what I have already said, both in the subcommittee and the whole committee, that few men have served on the Committee on Appropriations, and especially on the subcommittee on agricultural appropriations, who have brought to the deliberations of the committee the comprehensive knowledge of the problems of agriculture, the integrity of mind and heart and the ability and will to fight the battles of the American farmer as the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. I am not of the gentleman's party, and we differ on partisan questions, but we are both farmers and I thank the people of his congressional district for sending him here and keeping him here these crucial years. He has added directly to the cash income of every farmer in the Nation. His knowledge of farm needs, his familiarity with congressional procedure, and his ripe experience will be even more needed in the next Congress.

Mr. H. CARL ANDERSEN. I appreciate the statement of the gentleman very much, and I do want to state that I am glad that the gentleman from Missouri brings up this point as to the necessity of doing something before it is too late toward renewing our price support floor. That is of the greatest importance to agriculture. We have seen what happened last month when, in a few days time, wheat and corn took a nose dive, dropping over half a dollar a bushel. In case certain untoward things develop, there is no telling what might happen to the entire financial structure of agriculture. If agriculture suffers, the entire Nation is going to suffer in the ratio of seven to one.

Mr. CANNON. I am especially glad to hear the gentleman make this timely statement, because in my opinion he is one of the most eminent authorities on agricultural matters in the United States today. I think we might well heed the warning which he voices at this time.

Mr. Chairman, because of this acute situation, I regretted to hear the suggestion that the Commodity Credit Corporation be deprived of the extra money aggregating $5,000,000 which it received from the remnants of the lend-lease funds and the recommendation that this amount be covered back into the Treasury. It is true that at the present time

the Commodity Credit Corporation has ample resources, but it is also true that with the funds provided by the Commodity Credit Corporation we have been able to stabilize the market for American farm products and through its operations have been able to carry out the pledges of the Congress to the American farmer that we will not permit him to again suffer the disastrous deflation which followed the First World War. I sincerely hope that no attempt will be made to deprive the Corporation of these funds which may unexpectedly become imperatively essential to the maintenance of American farm prices.

It is also to be regretted that there is persistent effort to deprive us of a part of section 32 funds which under the law are available for the stabilization of farm prices. As will be noted, the committee in the pending bill insists that they be retained uncommitted for the use for which originally authorized. It is of the greatest importance that every dollar of this fund be held in readiness for any emergency.

In this connection it should be observed with regret and emphatic protest that in the great bill which has just passed the other body providing for European relief a provision is included which in effect appropriates the unused residue of this fund for the current year.

For the current year these funds amounted to approximately $149,000,000. Of that $149,000,000, upon the recommendation of this committee, $44,000,000 were appropriated for the purposes of the fund, $65,000,000 for the school-lunch program, and the remaining $44,000,000 was covered into the Treasury.

It is surprising to read in the bill S. 2202, providing for European relief, the bill which passed the Senate Saturday, a provision providing that "rescission of the remainder of section 32 funds by the act of July 30,"—that was the agricultural appropriation bill for the fiscal year 1948—"is hereby canceled," which amounts to an appropriation of $40,000,000 originating in the Senate. It is an encroachment upon prerogatives of the House and I trust that when that bill comes before the Committee on Foreign Affairs that committee, in the maintenance of the rights of the House of Representatives since the ratification of the Constitution, will take appropriate action.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Extensive hearings have been held and a great deal of publicity has occurred, which created what seems to be justifiable fear in the minds of many people of an attempt to tax cooperatives, which I think would be a very unwise thing to do. I would like to ask the gentleman, if he will accept this inquiry at this time, what his views are on that question?

Mr. CANNON. The gentleman raises a very pertinent question. Collective buying and selling are to the farmer what collective bargaining is to labor and collective trade associations are to industry. The individual farmer is at a disadvantage in the market. When he drives up to the market with his produce he asks, "What are you paying?" and no matter what the price is he takes it. He has no alternative. And when he buys coal, bindertwine, machinery, or fencing he asks, "What is the price?" And regardless of what the price is, he pays it—or he does not get the goods. As a seller he is at the mercy of the buyer. And as a buyer he is at the mercy of the seller. They are organized and he is not. But when 5,000 farmers associate themselves together, as all other producers have done time out of mind, and go into the market with a single cooperative as their spokesman they receive quite a different price for their products and pay a much fairer price for their purchases.

And now the predatory interests who have been preying on the farmer are endeavoring to tax his cooperative out of existence. They would deny him the right of collective operations which they have themselves been employing since the mind of man runneth not to the contrary. But in the language of the great English jurist, the right to tax is the right to destroy and I join the gentleman from Massachusetts in protesting against any effort to impose prohibitive taxes on farm cooperatives and deny the farmer the inalienable right of organization and cooperation. The farmer is at a great disadvantage in the distribution and marketing of his products. His prices are the last to go up and, as the distinguished gentleman from Minnesota says, they are the first to come down, and he should not be further handicapped by denying him the privilege exercised by every other industry.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from California.

Mr. JOHNSON of California. My State of California was one of the pioneers in the development of the cooperative marketing system, way back in the days of Hiram Johnson, about 1912 or 1914. Has the gentleman heard of any plan to tax the cooperatives where the main effort of the cooperative is for the farmers to join forces and have a business agency handle the marketing of their fruits?

Mr. CANNON. California was one of the pioneer States in cooperative work. It has supplied the models upon which many of the other States, including my own, have based their cooperative marketing organizations.

Mr. JOHNSON of California. I wish to make the observation, if the gentleman from Missouri will indulge me, that as a result of the cooperative movement in my State the cost of fruits, nuts, and vegetables has been reduced to the consumer and they have raised the quality of the product which goes on the market. Their efforts have assured good fruits, good vegetables, good nuts going to the American housewife. That is another product that has come out of these cooperatives.

Mr. CANNON. It has increased appreciably the quality of its product and has thereby benefited both the producer and the consumer.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, I do not approve, and I have many times on this floor criticized efforts to bring undue influence to bear on Members of the House. I am not acquainted with the efforts of any limestone association or organization to influence the members of the committee or other Members of the House. And I am not in sympathy with any such efforts if the attempt has been made to bring undue influence to bear. But I do know, Mr. Chairman, that the provision under which the farmer is encouraged to lime his land should be considered on its merits and that any group or association which has distributed literature on the subject should not be made a whipping post to discredit the importance of the use of limestone in increasing production and protecting land from erosion.

I was glad to hear the distinguished gentleman from Illinois pay a special tribute to research, for along with hybrid corn and with the introduction of soybeans, and so forth, the application of limestone to land throughout the country has been one of the most beneficial practices ever brought about by research and modern scientific agricultural methods. You can search through the length and breadth of the land, and the use of lime, agricultural lime, has now become universal, and you will not find a single farmer anywhere who will not tell you that the use of limestone in neutralizing the acid soils has not been of inestimable benefit. It has increased production and it has protected the land against erosion. Anyone who encourages the use of limestone on the American farm is not only contributing to the farm economy but to the economy and prosperity of the country as a whole.

Mr. Chairman, I do not know the man who wrote the letter referred to here. We are told he was at one time an employee of the Department of Agriculture. That is neither relative nor material. Some of the big interests have come here and enlisted Members of Congress in their publicity staffs and they are now enrolled as lobbyists in the records of the Clerk of the House. They have taken some of the most prominent and influential Members off of this floor and so the fact that this man was once in the employ of the Government is not material.

I certainly do not condone any improper methods of influencing Members of the House, but in the absence of such methods it is difficult to confer a greater favor on the American farmer than encouraging the use of limestone.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from California.

Mr. PHILLIPS of California. In the absence of the gentleman from Illinois I think I should call attention to the fact that the point is not really that the young man who wrote the letter was formerly a member of the Department of Agriculture, although in the Department he had been buying limestone, but the fact that in sending out these pressure letters he was not accurate in his state-

ments. I think that was the point involved. I also think we should say that in spite of his efforts the committee did not in any way hold it against the limestone industry, hoping that perhaps as the years pass and as experience comes on his shoulders, he will learn not to do things that way.

Mr. CANNON. I did not see the letter and did not know the man who wrote the letter was charged with untrue statements. That would completely alter the situation. But in any event I trust any action by any organization will not be made the occasion of repealing any provisions of law or denying appropriations which have heretofore been employed in encouraging the use of limestone in agriculture.

Mr. Chairman, this is a better bill than was presented in the last Congress, though that is not saying a great deal, because the bill presented in the last Congress was the worst agriculture appropriation bill ever presented to the Congress in the history of the United States. While this bill is a little bit better and makes a few increases, which were necessitated by the fact that we came within 4 votes of recommitting the last bill, it is still far short of what we ought to do in order to preserve the American industry which is our mainstay in time of peace and our greatest defense in time of war.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Chairman, I was interested in the comments of the gentleman who preceded me, Mr. CANNON, of Missouri, in regard to the activities of a Mr. Koch who has circularized the farmers in several congressional districts purporting to take a poll of the attitude of these farmers on the question of reducing the soil-conservation program appropriation. May I state, emphatically, that I have no objection to anyone at any time or in any place publicizing in every way possible the record of any vote cast by me on any measure presented to the Congress. Most of my constituents know that I voted to reduce the soil-conservation appropriation last year. Most of them realize that with farm income at an all-time high level they should not expect the Federal Government to provide them with free lime, fertilizer, and so forth.

I do, however, wish to make it a matter of record that I object to having false or misleading information circulated throughout my district, particularly by one who has a selfish interest in the increasing of certain appropriations. Mr. Koch reported that a hundred percent of the farmers in my congressional district who returned his post-card ballots stated that they were opposed to the position taken by me. I have had letters and I have had conversations with farmers who have assured me that they returned these post cards after marking them to show that they approved of the reduction in this appropriation.

Further, I notice in the printed hearings on this bill that Mr. Koch states that he developed his mailing list by accumulating the names of farmers who have previously purchased lime. I have the information from a most reliable source that his mailing list was obtained, at least in part, from an employee of the Department of Agriculture with whom Mr. Koch was previously associated. The activities of Mr. Koch are, in my opinion, a despicable form of lobbying.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Personally, I think the letter Mr. Koch put out was reprehensible. I told him so face to face. In the first place, he makes two very inaccurate statements in that letter. He accuses Members of voting for the discontinuance of the program. I do not think at any time such a vote was before the House last year. He further accuses various Members upon the motion to recommit of voting to sustain the subcommittee, yet there were these separate items contained in that motion. The gentleman will see on page 927 of the hearings a copy of that motion.

Mr. MILLER of Connecticut. I am glad the gentleman brought that out. I intended to refer to the fact that there were two other questions involved in that motion to recommit. He makes no effort to explain that. I state for the record and for the information of my own constituents that I did vote to reduce the appropriation.

Mr. H. CARL ANDERSEN. May I say also that the fact that this man, as he admits in the record, is a paid representative of the limestone interests, and directly interested in securing additional millions of dollars out of the triple A soil-conservation fund, in itself makes it all the more reprehensible for him to attempt to defeat Members of Congress through unfair and unethical practices.

Mr. MILLER of Connecticut. I also point out that approximately 10 percent of the total soil-conservation appropriation has gone to members of that association in that $30,000,000 was spent out of the $300,000,000 appropriation for the purchase of lime. I am not surprised that the overwhelming majority of farmers who were approached on the question do want to continue to receive free lime. It takes a man with strong feelings on the subject to take the position that he needs lime but would rather buy it than accept it free from his Government. I thank God that we have many Connecticut farmers who are willing to buy their own lime.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Washington.

Mr. HORAN. I think it is a tribute to our free American farmers that many of them do rather resent this receiving free lime and would rather pay for it themselves.

Mr. MILLER of Connecticut. They certainly do in my district.

Mr. SHEPPARD. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. CROSSER].

ECONOMIC JUSTICE WOULD BRING PEACE IN INDUSTRY

Mr. CROSSER. Mr. Chairman, the dispute in regard to so-called labor laws has made one fact very clear. There has been shown more ill will than clear thinking given to the subject of just working conditions and wages.

Without unreasonable, despotic power, or oppression, justice in the distribution of wealth may be assured in a way that is clear and logical, and may be stated, as follows:

> Discover the natural law and into harmony with it adjust the laws of human governments.

The earth exists and is governed in accord with law which is altogether just. That law is not in any way dependent on the vain conceited notions of any human being or group of human beings whose egotism craves the official power to direct the lives of all other people.

A proper understanding of the principles of political economy, and of the correct application of the same to the problems which distress the people, would soon bring about the reign of economic justice. The adjustment of men's conduct and actions, in harmony with the true laws of life, would thus be assured and soon we would have the glorious rule of right with all of its joys.

Let us consider, then, the principles, which, if properly obeyed, will assure all men their rights, banish hate and establish universal brotherhood.

There are three factors engaged in the production of all goods. They are labor, capital, and what may be named as either natural resources, land or the earth. To assure, by law, to each of these factors its just share in what may be produced by the united action of the three factors just named must be the chief aim of true statesmanship.

Now, everything which people use or consume must be derived from the earth. Our first task, therefore, in our effort to find out what is the fair share of each of the three factors is to understand, first of all, what are men's rights in regard to the control of the land, called also natural resources or land.

First let us note that rightful ownership of anything, whatsoever, exists because the person claiming such ownership either has made what he claims to own or has given for it, something of equal value to someone who had acquired it rightfully.

One Power is the sole cause of the existence of the earth's population. It is clear, too, that the Power which produced the earth's inhabitants created also the earth itself. Certainly no human being ever created or could create a single particle of the earth. Reason requires us also to regard the one Power as the Father to the earth's inhabitants. If, however, the Creator is parent to the earth's beings, then we cannot reasonably believe that that Power, the Father, would or could be unfair or unjust to any of His creatures. On the contrary, instead of being unfair, He has provided equal rights for all His creatures in the bounty which He has supplied.

What then, with due regard for justice to all, is the true nature of men's rights in the earth?

Surely no person could be given exclusive ownership of the earth, or any part of it, without injustice to all other

beings. No; on the other hand, the natural resources, the land, is the common heritage of all mankind, and must be used on the basis of equal rights to all and special privilege to none.

In order to illustrate the true nature of men's rights in the bounty called the earth, furnished by the Creator, let us suppose that we are at the beginning of history, when we find but one man on the earth. Whether you call that first man John or Adam, we may be sure that he will try to satisfy his desires with the least effort necessary. That is natural. He would, therefore, choose, for his use that part of the earth which, because of location or natural richness, will produce the largest amount of goods as the result of his labor. In other words, he would take the most productive part of the earth, and his labor would produce more from that part of the earth than it would secure from any other part of equal size.

After the first man, however, had taken possession of the best tract of land, the second man comes along and demands possession of the same tract of land. The first man, of course, says that he will not give up possession because he, the first man, owns the choice land. The second man then asks the first man for what reason the first man claims to be the owner, the exclusive owner, of the very best tract of land. The first man then answers: "It is mine because I saw it first." The second man then asks the first man: "Do you mean to say, because of the mere fact that the light was first reflected from this tract of land to your eyes instead of to my eyes that, therefore, you have the exclusive right and title to the best of all tracts of land?" The first man, being a reasonable person, then answers: "Well, I must admit that the reason I gave you is not logical but, nevertheless, my right to this land is as good as yours." The second man admits that to be true, also. In order, therefore, to assure justice to both men, it is agreed by them that whatever amount of goods may be produced from the first tract of land, more than from the next best tract of land by the same amount and quality of labor, is clearly due to the natural advantage in the first tract of land, such as its better location, its chemical elements, or because of some other natural advantage possessed by the first tract of land. In other words, the first tract of land has greater productive power because of its location, its natural richness, or because of some other quality given to it by the Creative Power. Certainly, then, the greater production from the first tract of ground is not due to either the mental effort or physical labor of any human being. Such being the case, both men are entitled to equal shares in what is produced from the first tract of land, more than what is produced by like effort from the second best tract.

It is agreed, therefore, that the first man will finish his year's work on tract No. 1, and that the second man, for the same length of time, will apply the same amount and quality of labor to the next best tract of land of like area. They agree also that whatever is produced then from the first tract of land more than what is produced from the second tract, by the same amount and quality of labor by the second man, is due to the better advantages in tract No. 1 and, therefore, is to be divided between the two men at the end of the year. This assures each person of the full value of his labor and also assures him of his fair share of what is altogether due to the better advantage afforded, by nature, in the first tract of land.

Now, whether the number of persons on the earth is 2 or 2,000,000,000, the principle just explained applies in the same way. Whatever part of production is due to better natural advantage, that part surely belongs rightly to all the people in common, called society. Every person, of course, must be assured of possession of the land occupied by him, for the time for which he pays to society, or its government, the value of the amount, by which the reasonably possible production of the land, occupied by him, exceeds the reasonably possible production, from a like area of the least productive land, occupied by any person. The value per year, of this difference in productive power, is what is called economic rent. Whether it be industrial land, city land, or farm land the economic rent of such land is the value of what, by a certain amount and quality of labor, it will produce more than will be produced by the same amount of labor from a like area of the least productive land occupied by anyone.

Economic rent is the amount which is justly due to society, to all the people in common, for the right given by society for the possession of natural resources. Economic rent is, therefore, the only proper source from which government should collect the money necessary to pay its expenses.

Instead, however, of using this just method, the method which would reward men for their industry and enterprise, resulting in better and increased production, the expense of government has been taken wrongly from the people, by taxation, from what by their own efforts they have produced. This method of getting revenue to pay the expense of government has discouraged enterprise and retarded business. The cost of government has been paid from taxes unjustly collected from values created in goods produced by labor and capital. It certainly should be clear to anyone that all taxes put upon goods are penalties which hold back production. Surely, everyone can see also that such taxes increase the price of goods. They also lessen sales, because the higher becomes the price of goods, the smaller is the amount of goods that can be sold. The demand for goods lessens, as the price of the same rises. That means less profit for the seller and less wages for employees.

The injustice and harm which results from such unjust system of taxation may be seen on every side and continue during every minute of our lives. All things men produce are taxed. The owner is taxed—in effect, fined—on account of every improvement he may make on his house, barn, garage, fence, or other of the many changes made by him, which may improve the living conditions of himself, his family, and in fact, of the whole community. Instead of being encouraged to make progress and to improve the standard of life, and instead of being commended for doing so, men are taxed—fined—punished because they improve conditions. Some governments even tax the householder on account of every pane of glass he puts in windows to allow the daylight to enter his house to brighten it. Practically all of the different kinds of goods needed by the people for their welfare are taxed many, many times—in fact are collected on account of the sale of everything used or consumed by people during their entire lives.

Now all taxes on building improvements and on all goods which increase people's comfort and health, surely, unavoidably lower the standards of living and retard the progress of civilization.

All taxes on things produced by labor and capital reduce the sales of such goods. This is so because the taxes included in their cost price increase their price. That, of course, makes it harder for people to buy the goods. The wages paid workers are then less, because less goods are sold. Fewer workers are needed therefore to produce the smaller supply of goods manufactured. That results in unemployment for many people. The unemployed seek the same jobs and offer to work for less than the regular wages in order to have a means of earning a living. Prosperity and progress are delayed, because governments, to pay expenses, take by taxation a big part of what is produced by labor and capital. Men are thereby punished for their industry and discouraged in their efforts to be enterprising.

Yes, every excise tax, sales tax, and every other like tax on the sale of goods, certainly holds back business constantly.

Nevertheless, men are taxed more and more as they become more industrious and enterprising in the production of the comforts needed for a better general standard of living. Indefensible as is the taxing of men, as they become more industrious, more enterprising, and produce more goods, a much greater evil results. Because of the failure to collect government expenses, from the economic rent of natural resources, it is not expensive to hold the resources out of use. This results in monopoly and deprives the people of the benefit of competition.

The failure to collect the expenses of government from the economic rent of natural resources, controlled by monopolists, causes the loss of vast amounts of revenue which would provide abundantly for the very best quality of government. Instead of doing this, however, people are taxed, punished, because they have been industrious in making useful goods and in improving property to make it more comfortable, more attractive, more sanitary, and better in every way for everybody.

Much has been said about the importance of free enterprise and individual initiative, and yet when people earnestly try to be industrious and enterprising, they are taxed (that is, fined), punished for their intelligent effort to be enterprising and for attempting to be industrious instead of lazy.

The true principle may be stated as follows: Justice requires that men be taxed according to the value of the privilege they enjoy at the hands of society, of government, and that they should not be taxed—fined—according to the effort they make to live decently and to be better citizens, and should not be punished by a fine—called taxes—because they use their understanding and ability to be enterprising.

The collection of the cost of government, from economic rent, is the fairest and the most scientific method of securing abundant revenue for the best quality of government. The value of land, and income derived from land, results from the presence and activity of society, of the community.

The market value of the land or natural resources exists because of the presence of population. In 1626 Manhattan Island, upon which New York City is located, was bought by a group of Hollanders from the Indians for $24. On December 31, 1934, the official value of the land, exclusive of improvements, was $4,600,000,000. The land in and about the Cleveland Public Square originally had so little market value that it was used for pasture. Now the value of the land within a few hundred yards of the square is measured in millions of dollars. We could give an unlimited number of examples of like experiences involving great increases in the market value of land in all parts of the country. All of such increases in value are due to the same cause, namely, the increase in population. The increase in population results in the construction of more buildings, and the erection of new buildings requires much material and the employment of many workers. All this, of course, results in better business.

The improvement and increase in business raises the market value of the ground where such business is carried on. The presence of the greater population, the larger community, increases business, and the improved business increases the market value of the land. The value of the land was not created by the person who by chance may have had title to the land. Instead, the presence of the larger population, the larger community caused the increase in the value of the land. The yearly income paid to the owner of land was not in any sense earned by the owner but was due altogether to the presence of a greater number of people whose activity and enterprise helped to improve business in general. Certainly, then, the community which has caused the increased income from the land is entitled to collect from that income the cost of the community government.

It will now be admitted, I am sure, that serious injustice and great wrong have been suffered by the people because of the unwise methods of taxation commonly used by governments to secure money to pay their expenses.

We have shown that land values and the income or interest on the values created by the presence of a larger population, the larger community, have not been paid to society, to the people as a whole, whose presence, industry, and enterprise created the land values and the income or interest paid on them. No; on the contrary, the increased land values and the income on the same have been handed over to private persons who were neither the cause of nor the creators of the land values or the interest or income paid on same.

The community's loss of the interest on these increased land values, handed over to privileged private persons, is bad enough, and violates every principle of justice. To add insult to injury, however, after giving the economic rent to private persons, in order to pay Government expenses, people are robbed—legally, of course—of what they produce by their labors. If the family improves the home then it is taxed—fined. If people erect buildings and increase the value of the land in the neighborhood, they are taxed for putting up the buildings which improve the community. On the other hand, the persons who hold their land idle—while it increases in value because of their neighbor's work, enterprise, improvements, and building—are not taxed, or are taxed but little on their increased land values. Taxes are put upon everything people make or buy from other makers to improve their standard of living, and improve community life. Business is retarded, the progress of civilization is slackened and halted because men are taxed—punished—for producing, to sell, things needed for the health, comfort, and refinement of the people in general.

There is a wrong, however, far greater even and much more harmful to the people than the loss of money caused by the failure to collect revenue from the land values created by the public; a wrong even greater than the taking by taxation, from the people, of a part of the value of what they produce by their labor to supply the needs of society and to make life more wholesome and pleasant. That evil consists of the monopolies, the power given to a few persons, as a result of the failure to collect from such persons the expenses of government from the values created, added to the land, by the presence and activity of the people, the community.

This failure to collect the cost of government from the income, created by the community's presence and activity, makes it possible and easy for the monopolists to hold out of use, or use but inefficiently, the land or resources, in their possession. They can and do hold out of use, the land, the resources, because their refusal or failure to use them costs them little or nothing. While the land is held idle they are relieved of the necessity of exerting any effort. They need not use funds they may have, to carry on any business. The greatest wrong of all, however, consists of the fact that they can and do prevent other people from using the land.

By collecting the money needed by government from economic rent it would make it impossible for anybody to monopolize the natural resources and to hold them for speculative purposes. The holders of land would be compelled, then, to make good use of the land or natural resources, in order to have the money to pay their taxes. Because the monopolizers would be compelled to use the natural resources, in order to have money to pay their taxes, they would need workers and there would thus be created a demand for labor. The owners of land, of natural resources, throughout the country would be influenced and act in the same way and all industry, commerce, and agriculture would therefore flourish. Unwilling idleness would soon be unknown, and the so-called wage problem would settle itself. The wage problem would no longer exist because, if men were not paid fair wages and given good working conditions, they could go to fair-minded employers who would be glad to hire them on just terms.

To illustrate what has just been said, let us suppose, for example, that all the known oil lands were located in Pennsylvania, Ohio, and West Virginia, and one or a few men were to have title to the full and unlimited ownership and control of the same, and could hold it out of use by paying trifling taxes amounting to not much more than the taxes on poor farm land, this is what would likely happen. The holders of such oil lands would use such part of the lands as might be required to supply kerosene—coal oil—to the people burning the same to make what was, at the time, a new kind of light. The oil landholders could then raise the price of coal oil as high as they might please, unless they should make the price so high as to cause people to stop using coal oil and to begin again to burn candles for light. Moreover, since the owners would be the only employers of expert oil workers, the monopolists could constantly reduce the wages paid the expert oil workers, unless they should reduce such wages to or below the level of unskilled workers' wages, and thus drive the oil workers to accept employment at work requiring no special skill.

We have here noted, and explained the injustice which was the sure result of permitting the private monopoly of oil lands. Like injustice would result from permitting the private monopoly of other natural resources such as iron-ore land, copper-ore land, zinc-ore land, lead-ore land, other kinds of ore land and land underlaid with coal, or land which, because of the presence of a large population, is valuable for factory or business purposes.

Private monopoly of natural resources, of any part of the earth, makes it possible for the few who are given such monopoly to accumulate great wealth, which they do not earn by either manual labor or mental effort. A far worse evil than the possession, by monopolists, of their unearned wealth, however, is the power which enables monopolists to keep others from using the land, the resources. Because monopolists are required to pay so little in taxes that they need not use the land to earn the taxes, the land remains idle without any risk to the holder, while it increases in value.

The collection of the expenses of government from economic rent would put an end to the dog-in-the-manger monopoly control of the natural resources, and in no other way can monopoly be prevented. If even the larger part of the economic rent of land, of the natural

resources, possessed by him, were collected from the owner to pay the expense of government, it would be necessary for him either to make good use of it himself or to allow someone else to use it. If he were to hold it without making good use of it, he could not afford to pay the tax, because he would be making no income with which to pay the taxes or rent. If he did not pay the taxes, someone else would do so and would have, then, the right to use the land. To make use of the land, however, it would be necessary for its new possessor to employ workmen and that would improve employment conditions, increase wages, and increase business in general.

Whether or not the possessor may have properly used the land, the expense of government should be collected, of course, from economic rent. The economic rent exists because of the presence and activity of society, that is, all the people, and the failure of the holders of land to use it is no excuse for not paying what they owe to the people, to the community. Moreover, its proper use, as required by justice to all the people, would produce the money to pay the taxes, and would also provide fair compensation for the user.

By the champions of government according to the personal discretion and direction by official agents we have been told that competition has been tried and has failed. On the contrary, the fact is that, in modern times, there has been no opportunity for true competition. Competition in the fundamental sense has not had a real trial.

Control of the great bulk of natural resources is in the hands of a comparatively few persons. The possession and control, of the greater part of the valuable natural resources, commercial sites and industrial land, enables, however, the holders of the same to put into their pockets large profits created by the presence and activity of large populations. After the monopolists have taken the unearned increment from what has been produced, the rank and file of the people are allowed to scramble with each other for a miserable existence out of what is left. Obedience to the principle, which I have discussed, would make it impossible for the few, even legally, to thus rob the many.

There has now been pointed the way to economic justice. When, in accordance with the principle just discussed, the reign of right will prevail, we shall cease to be harassed by industrial strife. The feeling of hatred and opposition will cease, and in their stead the spirit of cooperation and brotherhood will prevail.

In the early part of these remarks I urged: "Discover and obey the natural law." Whether we call it the law of life, the law of nature, the law of creative power, there certainly exists a perfect law and the universal adjustment of men's actions and conduct to that perfect law will assure liberty and perfect happiness. Thomas Jefferson said: "The God who gave us life gave us liberty." We must understand, however, that human beings do not and cannot create justice. They can only discover, that is, become conscious of justice and its laws, established for the harmonious control of the universe. Men's actions and conduct and the laws of human governments should be brought into adjustment, into harmony with the law of creation.

The unfettered operation of the principle which we have discussed would assure all men just compensation for their service and assurance of profitable employment at all times.

No longer then in fear of oppressors; no longer the victim of want or the fear of want, men's moral courage will be awakened and joyously will they obey their best impulses. In their spirit of freedom and with gladness, men will eagerly accept the glorious principles of justice and they will earnestly strive to express the universal harmony of life. Then will disappear the meanness, the jealousy, the envy, and hatred which now blight the lives of men.

In the sublime cause of brotherhood, with songs of joy pealing from their hearts, with the spirit of justice shining from their eyes and in perfect unison will march the sons of men. Then will men be freemen and the grandeur of creation will manifest throughout the land.

Mr. SHEPPARD. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, it is getting rather late and I am not going to take a great deal of time. I do, however, feel that I am amply justified in making a few comments particularly in view of the fact that this house is going to lose a very valuable Member.

I want to say to the gentleman from Illinois [Mr. DIRKSEN] that as a friend, and fellow Member, I am most regretful that you have found it necessary to discontinue your public service in representing the people of your district, your State, and the Nation which you have so well and so ably represented so long. I feel that the House is losing a Member it can ill afford to lose. You have always had the temerity, if I may use that term, to present the facts with which you have had to deal and which you have known to exist relative to any subject to which you have directed your attention.

I can remember when you came back from Europe and gave the benefit of your experience and observations to the people of this Nation. I think beyond any question of a doubt the factors that have developed in the international field have amply justified your conclusions. You did beyond the question of a doubt give to the people of this Nation the benefit of your experience, and it was certainly well worth while. I have enjoyed working with you, EVERETT, very, very much. You have been most gracious. You have been courteous and you have always been a Member to whom one could go and discuss his problems. Your application and devotion to your duties, in my opinion, have been unlimited. My compliments to you and my deep regrets that you are not going to come back to continue your service in the House of Representatives.

Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi, a member of the committee [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, as has been stated earlier, perhaps it is somewhat of an anticlimax to be discussing the agricultural appropriation bill right after the President's message on the serious international situation with which we are faced. However, in another way and from another viewpoint it may be highly appropriate that we discuss the Department of Agriculture and the American farmer at such a time. Certainly in the history of the world there has been no greater contribution to any effort than was made by the American farmers during the past few years. Not only did they feed our troops abroad and feed a large part of the world, but they fed this Nation perhaps better than any nation has ever been fed before in history. That does not mean that there have not been any shortages. But due to the increase in the national income, there have been much greater demands for agricultural products than we have ever known before. There has been greater consumption than we ever had before. These things did not just come about by accident. They have come about because of the untiring efforts of that great segment of the population of the United States, namely, the American farmer. Of course, these things were not done without a serious strain upon our agricultural plant and upon the soil resources of the country.

As I stated before this committee, in many respects the American farmers have proven themselves the greatest farmers in the history of the world, if you judge them by the production they have brought forth. If we judge them, however, and this might be an unfair criticism, by the toll that they have taken from the soil resources of this Nation, we might be classified as the poorest farmers in the world, because certainly the record of the United States will show that since 1776 we have wasted away greater amounts of rich fertile soil than the people of any nation have wasted away in the same period of time. That came about naturally in the course of the development of this country, because in the early years if your fertile lands became thin and eroded you just moved over to the next hillside or the next river valley or into the next State or into the next section. We thought we had unlimited amounts of rich American soil, and it did look so at the time. But as we have grown in population and as we have used that soil, the records show that we have recklessly moved on to new lands and now we have little if any fertile land not in hard use. We have begun to recognize that fact in the last 10 or 15 years, and we have begun to recognize the problems of the American farmer, and to realize that proper attention ought to be given to his plant, that is the fertility of his farm lands; that attention should be given to his income, and his living conditions, so that he might truly have the benefits of this great Nation which are enjoyed by almost all other segments of the population.

One of our greatest actions was in setting up the AAA program whereby the Federal Government contributes about a third of the expense of restoring

and maintaining the fertility of our soil, and in an effort to get the farmer to do his part at his expense to maintain and in some cases to restore his land because we all have and our children have an interest in the productivity of his land in the years ahead.

The more the land will produce, the fewer people it takes to feed our Nation and the greater the number of people who can devote themselves to building automobiles, radios, refrigerators, and the thousand and one things that make for the American way of life.

If we let our land wear out, the productivity go down, the greater the number of our people will have to work at just providing food. We would then have fewer of the luxuries of life which today the average family considers necessities.

With regard to the AAA program, I have differed with the Department of Agriculture and with Members of the Congress on this floor with reference to their description of this Federal contribution to the cost of soil practices as payments. It has frequently been said that they are payments to farmers. Actually they are contributions toward the cost of retaining the fertility of the soil, or in many cases the restoration of its fertility. It says to the American farmer that the Nation is interested in the fertility of our soil. We are interested in the productivity of that soil because on it rests the very prosperity of our Nation. You who happen to hold it through your lifetime, if out of the payments you receive from the sale of agricultural products, will spend $2 maintaining and restoring that farm, the Federal Government will contribute $1 toward that end. I think that is a practice that has proven highly beneficial, not only to keeping the great rate of production that was so essential during the war, but toward restoring this great plant on which we all depend. Farmers are seeing the benefit of good soil practices and many now would go forward with such work without Federal contributions. If we can keep this program for a few more years, I hope that all farmers will go forward with such programs on their own.

We have done other things in the last few years which have meant much to the American farmer. We have set up in the Congress the Rural Electrification Administration. Under this program loans are made to groups of farm people for the purpose of building electrical lines. The records that were disclosed before this committee show that a great percentage of the American farmers now have so organized and now have the benefits of rural electrification. This is an important thing yet many farms remain unelectrified. In discussing this measure, the records will further show that less than seven-tenths of 1 percent of the farmer cooperatives who have borrowed money from the Federal Government for rural electrification are as much as 30 days in arrears in repayment. We find that people who live on the farms which have electricity, have the advantages of people in the city. We find that they are using electricity in their dairy barns, using it about the home to get rid of some of the drudgery associated with farming and farm life and which, perhaps, has contributed to so many of our farm boys and girls leaving the farms and going to the cities.

We did another thing that has meant a great deal to the American farmer, when we set up the Commodity Credit Corporation, which incidentally, will expire on the 30th of June this year unless authorization is passed by the Congress, and I am sure that action will be taken. The Commodity Credit Corporation is set up for the purpose of assuring to the farmer at least 90 percent of parity for the major agricultural products of this country. It gives to the farmer a sense of security. It does not guarantee that they will make a tremendous profit. It is not even based on cost of production, but it does let the American farmer know that the bottom will not fall out, and certainly it has done a great deal to maintain the great rate of production that we have had the last several years.

Another great action taken by the Congress which has paid great dividends to agriculture is section 32 of the Agricultural Adjustment Act. By this provision 30 percent of the customs revenues that come to this Government in customs receipts from foreign agricultural commodities that we permit to come into this country in competition with our own production, are set aside to promote new uses for farm products and for use in handling surpluses of Agricultural products. As I tried to convince the House last year, I am greatly in favor of the continuation of this program. We all remember last year when the majority, the Republican Party or the members of it, struck out all funds from this source and, in effect, would have repealed section 32 for a year. We finally saved $44,000,000 of section 32 funds last year and we did it only after a tremendous fight. We had one of the hardest fights last year that it has been my privilege to ever engage in or witness, on AAA payments. We had the same kind of a fight on the school-lunch program and with regard to rural electrification. I am glad to say that after our floor fights last year we managed to save many of these programs. This year I am gratified that my colleagues and friends on the other side in the committee, before this bill came out, recognized that last year they made some serious mistakes in dealing with agriculture and we were able this year to fairly adequately take care of those programs. At heart I am sure they are all friendly to agriculture. On motions made in the committee this year, I am glad to say that several of my Republican colleagues were willing to go along with us. We find in the bill before us that the Agricultural Adjustment Administration program for next year, has been raised from $150,000,000 to approximately $225,000,000.

This, as I say, is not a direct payment by the Federal Government. It means in effect that if the American farmers will spend about $675,000,000 toward restoring and maintaining farm fertility and having done that, the Federal Government assures them it will contribute $225,000,000, or one-third of the cost, through the soil-conservation contributions which is so highly important to improve soil fertility in this country.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. H. CARL ANDERSEN. I am glad the gentleman brought out that point about these payments, for some people very unkindly call them subsidy payments to farmers. They are in reality remuneration in part for what the farmer does toward the preservation of his soil; and, after all, that soil is the heritage of our Nation.

Mr. WHITTEN. I am glad to have the contribution of the gentleman from Minnesota. I might pause at this time to say that I join with many of our friends on this committee in deploring the fact that our very capable chairman, the gentleman from Illinois, the Honorable EVERETT DIRKSEN, finds it necessary to retire from the Congress. I hope that circumstances may so change that he will be able to reconsider and will be back with us, for he is a very able Member, a man with whom it is a pleasure to serve, a man who is extremely well informed, a worthy antagonist but one with whom we can always differ and still enjoy the fight. He will be greatly missed by this committee and by the Congress, for he has contributed greatly to our Nation in his years of service in the Congress.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. PHILBIN. I want to compliment the gentleman upon the excellent discussion he is making of the bill.

It has been reported to me, and I so understand, that the appropriation for soil conservation as allocated to the State of Massachusetts has been reduced to $286,000 for the current year from $711,000 last year. I wonder if the gentleman can throw any light upon the reason for that reduction?

Mr. WHITTEN. Last year we had an announced program of $150,000,000, whereas the year before we had an announced program of $300,000,000. Last year with the reduced amount it was stated that it would be distributed on a new formula, which gave particular attention to need; that is, soil depletion. As the gentleman will recall, the changes made in the bill last year met very strenuous objection. The only thing the gentleman can attribute the reduction to is the reduction of the program and the new formula adopted for distribution on the basis of need more nearly than had been true under the prior act.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. PHILLIPS of California. I just wish to make a slight correction. The gentleman from Massachusetts referred to the soil-conservation payments. I think we should be careful to distinguish between appropriations for soil conservation and appropriations for payments under the triple A. What the gentleman referred to was under the triple A. With that exception the explanation of the gentleman from Mississippi is correct.

Mr. WHITTEN. I thank the gentleman from California. I wanted to say before the contribution of my friend from Massachusetts that I am highly gratified that, since we do have to lose our chairman, the next man in line on his side of the aisle will be the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. With the gentleman from Minnesota, CARL ANDERSEN, as chairman of this committee, we have an excellent friend of agriculture. He knows the bill, he knows his subject, and by his actions in the committee and in the House we know that not only is he a friend of the farmer but that he is a farmer himself—a man who appreciates and realizes the problems of American agriculture.

Now, to proceed with other matters that are covered in this bill; let us take up the Rural Electrification Administration. We had the votes of some Members on the other side of the aisle, and, together with the Democratic votes, the item for rural electrification carries $400,000,000. That is $100,000,000 above the amount that was allowed last year. We must do all we can to carry the benefits of electricity enjoyed by many farmers to those that do not now have it.

Let me say to the membership that this is in effect loan authorizations. There is not a dollar taken out of the Treasury until the local cooperatives can spend that money for lines, poles, and equipment. There is not a dollar paid by the Rural Electrification Administration in interest until they actually use those funds. In effect the money is in the Treasury and we have actually given them what you might term contractual authority. Now, they must have the money appropriated and allocated for the whole project because it would be unwise to start out on the construction of a line unless you have the money in sight to complete that line. Another thing with regard to these loans is that this is not a grant to the American farmer, it is not a grant to these cooperatives; it is a loan. It is a loan on which interest is paid, and, as I stated earlier in my statement this afternoon, less than seven-tenths of 1 percent of those borrowers from the Rural Electrification Administration are as much behind as 30 days in their repayments. The wonderful picture they present to us of the great number of American farms that are being electrified and the great benefits that will result to the American farmer is something in which we can all take pride. Here we try to expand the program so that all farmers may have this wonderful service for which they are glad to pay.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. Recently while back in Missouri I attended a meeting of a large cooperative in my part of the State. They told us that while they are making all the improvements that they can they have on file more applications for extension of that service to the farmers in that section of my district than they have users at the present time.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. ZIMMERMAN. In other words, the people of that district want this service and the farmers and the men who are behind it have done everything they can do. The only reason they are not getting it is that the REA is not able to give them that service under the present set-up.

It does seem to me that a thing that has done so much to brighten rural life, to bring joy and happiness to people who live back on the farms, should be encouraged, and that we ought to give them this service when, as the gentleman has so pointedly said, it does not cost our Government one cent. It is a loan which will be paid back and is being paid back as no other institution has met its obligations that I know of. Instead of holding this thing down, it does seem to me that we ought to give this service to the farmers of this country who are going to produce the food that is going to be so greatly needed in the years to come, and will always be needed.

Mr. WHITTEN. Mr. Chairman, I am in thorough accord with the gentleman, and I think the members of the committee have shown they are in accord in that they have provided in this bill $100,000,000 more than the budget approved. May I say there is now pending before the Deficiencies Committee a budget request for $175,000,000 to meet the needs of REA from now until the 1st of July. The funds under this bill will not become available until July 1 of this year, so these funds are for the ensuing fiscal year. It is the judgment of the committee that this will adequately take care of the allocations and authorizations needed for the year beginning July 1 next.

I mentioned earlier that we went through a fight last year with regard to section 32 funds. The Members on the Republican side have gone with us this year in saving section 32 of the Agricultural Adjustment Act. In my opinion, that is one of the wisest things this committee could possibly have done. Last year I participated as strongly as I knew how in an effort to save those funds for the present year and we did save $44,000,000 of the estimated $135,000,000 or $140,000,000 that would have been in that fund normally.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. We all recall the fight that the gentleman from Mississippi made to make sure that the farmer would get the benefit of section 32 funds as intended by law. I am glad that fight succeeded and resulted finally in what we have in this bill.

Will the gentleman tell me, however, what influence the action of the other body in placing upon the so-called European recovery bill $44,000,000, or so, that is to be charged against section 32 will have upon this particular fund?

Mr. WHITTEN. Well, if I am correctly informed, and my information comes from the newspapers, what was done in the other body has to do with the present fiscal year.

Last year, as I said, we finally managed to salvage $44,000,000 which, as I stated earlier, under section 32, represents a part of the receipts, or a part of the 30 percent of customs receipts, which the Government collects as a result of letting competitive foreign agricultural products come into this country, and it is set aside for the use of the Government in promoting new uses of agricultural products, and then handling surpluses. Last year we finally saved $44,000,000 of that sum for the purpose set out in the act. The remainder was to be paid into the Treasury. That was for the present fiscal year, which will expire July 1, 1948. If I am correctly informed, the action of the Senate was to take a part of the funds that would have gone back into the Treasury for the present fiscal year and provide for their use in a manner for which it was not originally intended.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Washington, a very able and conscientious member of this committee.

Mr. HORAN. As I understand, over in the other body last Saturday they added an amendment to the ERP bill which will allow the use of section 32 funds for that purpose. I believe that has been discussed here. Our action here will allow, will it not, the remainder of that fund, or a total sum of $70,000,000 to be used for that purpose.

Mr. WHITTEN. Our action here has to do with this fund for the next fiscal year. I may be in error, but I think the Senate action had to do with that fund for the present fiscal year. You know, there is another question that might arise, and that is as to the authority of the Senate to make appropriations, and actually that is in effect what they have done. I doubt whether appropriations can originate in the Senate, and I doubt whether it should stay in the bill when it comes over here. I believe it could be taken out on a point of order, and unless somebody else does so, I would be inclined to make that point of order, if I am correct in my understanding of the situation.

I would like to say further that this committee this year has been able to not only take care of the triple-A program, I think, on a fairly sound basis, but I think we have recognized in our discussions something that is highly important to the American farmer. When you go back into the States, your State committees have to announce the program for the year, what the plans are and what the programs are for the farmers. They announce that to the farmers. They announce what the Government's contribution shall be up to the announced program. But they have no way to estimate just how much farmer participation there will be. Year before last we had a $300,000,000 program announced; last year we had a $150,000,000 program announced, and it leaves the local committees and the local farmers where they do not know whether the plan is up or down or whether to do this, that, or something else. Certainly, in the discussion in this committee this year it was intimated that we could agree to go along

at a reasonable level for a period of several years, and thereby, I think, we will add much to the real benefits of this program and, I think, have some stability in the program which will enable the farmer to work out plans that will really do something toward restoring and maintaining the fertility of the soil of our farms.

There were several other matters in the committee on which I think we did a good job. We tried to make adequate provision for the forestry industry of this Nation. We recognize that trees are one of our great natural resources. We tried to establish adequate fire protection; we tried to establish adequate trails and roads so that this timber could be taken out before it is too old and deteriorated, and to take care of forest farming; we tried to provide experimental stations so that they could demonstrate to the farmer the utility and the value that could well be made of his wastelands if put in trees.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. I would like to inquire of the gentleman from Mississippi what provision is made for forestry research establishments in States where they have not been available up to this time. For example, in the State of Missouri we have a great forest reserve there, and we are in great need of this research establishment there to promote forestry in our State. What funds were provided, if any, for that purpose?

Mr. WHITTEN. Under the experimental forestry establishments the bill, as I recall, provided for eight new units. I do not know that the bill fixes the location of those units although the State of Missouri ranks rather high on the list that needs them. I think your need will be met by this bill. Certainly, the gentleman is right, that the need in that area of this type of work is great. We have tried progressively to add a few more units each year until we have a national coverage.

Mr. ZIMMERMAN. I am mighty glad that the committee has made provision for these units, because it means a lot to our agricultural resources and to the future of our country. I am very hopeful that when the proper allocation is made, our State, with its great forest holdings, will be recognized and that such a unit will be located in the State of Missouri.

Mr. WHITTEN. I thank the gentleman.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. CANNON. As will be observed from the report of the committee, provision is made in the bill for the establishment of research centers in certain areas, including Missouri.

Mr. WHITTEN. Eight new units. I do not think there is any showing as to where they will be located, though I understand the State of Missouri stands high in that list.

Mr. HORAN. If the gentleman will yield, the State of Missouri is mentioned in the report.

Mr. WHITTEN. It may be; I did not realize that.

Mr. ZIMMERMAN. I thank the committee for that consideration.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. CANNON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Mississippi.

Mr. WHITTEN. Another thing I think is worthy of comment at this time is the willingness with which the people on our side of the aisle and the Members on the Republican side have tried to realize that the problems of the farmers of this country are somewhat diversified by region, by type of farming, and things of that sort. I am highly pleased that various of our colleagues on this committee have gone along with me in my viewpoint with regard to the triple-A contributions. I live in a district that has a considerable part of the rich lands of the Mississippi delta. On the other hand, I have the hills; in many cases, thin upland that adjoins this area. I have lots of lands that have been recovered and brought back to fertility. I have seen the growth in the last 10 or 12 years of splendid dairy herds and splendid herds of beef cattle. I have seen that area go into diversification, as has been preached for so long. But I realize that the triple-A contributions have contributed much toward that change. That is one of our prime needs in that area.

I realize that the areas represented by some of the gentlemen on this committee and other Members of the House do not have that need to the same extent there is in my region. They have a greater need for the type of technical service that is rendered by the Soil Conservation Service, which does a good job in my own area. Yet I have tried to convince them, and I am glad to say they have gone along somewhat in this attitude, so that we can recognize that the problems of one region should be met by the people and by the planning and by a program that is needed by the people in that region, and they in turn realize that I have separate and distinct kinds of problems which should be worked out by the people in that area. Unless we work together we cannot carry forward this great program that has been developed in the interest of the American farmer and of the American people, because the American people are dependent upon the prosperity of the American farmer. I think that if you study every depression we have had you will see that it started when they began to clamp down too far on the American farmer; he lost his purchasing power and the wheels of industry ceased to turn. You will find that the ability of the American farmer to produce food and fiber and the ability of our plant to stand such production is largely going to determine the prosperity of this country in the future. The Members on both sides of the aisle have in this bill made an effort to work out these problems, and I think we have done a pretty fair job.

There are several places where I would have given larger sums. With reference to the Farmers Home Administration, this bill grants $1,000,000 more in administrative funds. I think that was a wise decision. The people who have to do with the Farmers Home Administration are supervising the collection of more than $800,000,000. That is money that is owed to the American Government. The folks that have borrowed that money have done a good job of repayment, and nearly all of them are way ahead in the schedules of repayment, but it is a benefit to the American people and the American Government to collect that money as soon as you can, and it is a benefit to that man who has borrowed to let him pay it while he is able, because in the lean years that may lie ahead of us it may be a little harder for him to pay, and the Government may find it a little harder to collect. So the expenditure of a reasonable amount of money on proper supervision and proper handling of collections is money well spent. I think this $1,000,000 will bring back many times that amount in collections that otherwise we might not make with regard to this program.

I cannot pass on from that item without paying tribute to the man who now heads the Farmers Home Administration, Dillard Lasseter. He took that program when it had not too good a reputation nationally due to some of the other people who had headed it at one time. Locally most of the people had done a good job, but we had been unable in the Congress to get the leaders at the top to even obey the will of Congress with reference to getting rid of certain great social projects scattered throughout the country. The man now at the head of it has been there for 2 or 3 years. He has cleaned up the agency and he is doing a wonderful job and is carrying on the kind of work that the Congress intended when they set it up. This committee recognizes that fact and has commented very favorably upon Mr. Lasseter and his work here and the splendid forces that he has in the field. They are now doing what they wanted to do all the time, but which they were prevented from doing many times by orders from on top. We are glad to get rid of some of the folks at the top who helped contribute to that deplorable state of affairs, which, as I say, is now corrected. I could go on talking about many other items that are covered in this bill.

Of local interest to my own area, the bill provides for a livestock marketing service for Memphis, Tenn., and a dairy, poultry, fruit, and vegetable market news service for Jackson, Miss. This service is badly needed and is a worthy recognition of the great progress my section has made in those fields.

We have made adequate funds available to control the pink bollworm, which is a real menace to the cotton industry.

I feel we might well have appropriated a larger sum for research under the Research and Marketing Act of 1946. I think this work is vital for the years ahead. The Department made an excellent showing on this program. Some

members of the committee, I might say a majority of the members of the committee, differed with me on that and felt it would be safe and sound to go along a little bit more slowly than some of us might think well and thus be sure to get off on a sound footing with reasonable funds and thus get the highly skilled technical personnel that can continue this work. Whether this amount will take care of that, I sometimes doubt, but we will have a chance to develop additional testimony in the Senate from which we can further determine whether the amount appropriated adequately meets their needs. The committee, I feel, might well have allowed the third increment to the extension services. Additional agents to do 4–H Club work; helping with the Future Farmers of America is the best investment we could possibly make.

Again I say as we come to the consideration of this bill, perhaps I should not say it this way, but in view of the hard fight that we had last year showing some of our colleagues on the left that they were making a mistake in drastically cutting funds for the Department of Agriculture and eliminating some of these programs, I am highly gratified that apparently we gave them the cure, because they have contributed greatly to bringing out a sound bill this year. I know they were friends of the American farmer all the time, and through this bill they demonstrate that fact and show that they are friends of agriculture and thus of the Nation. I think, all in all, we have brought out a bill here which will contribute not only to the welfare of American agriculture, but will contribute greatly to the welfare of the American Nation in this most serious time, when so many foreign demands are being made on our productivity. I am glad to present this bill to this body. I believe, by and large, it will meet the needs of agriculture. I am glad that I had some small part in helping to bring it to its present status.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield such time as he may require to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I want to pay my sincere respects to our friend, the gentleman from Illinois [Mr. DIRKSEN], chairman of this subcommittee. When I came here as a new Member, EVERETT DIRKSEN was always available to me and always had time in that busy life of his to answer questions and to give sound advice. It has been with a great deal of pleasure that I have labored on this committee with EVERETT DIRKSEN for 4 years. I have found his work constructive. If he did not feel that he had a constructive objective, he did not labor in that direction—he did not waste his time. This Congress and this Nation and the world is suffering a loss by his leaving Congress by his own decision. We fervently hope his difficulties will be overcome and that he will return. His usefulness and his ability must not necessarily be lost to a troubled world—and it is a troubled world now indeed—for he has an objectiveness that cannot help but be fruitful. His discussion about food this afternoon I thought was rather enjoyable. Certainly food, shelter, and clothing are basic; and vision that we might be able to soundly project for adequate diets, and adequate protection of those things that make adequate diet possible, is essential to the future of ourselves and the world.

This afternoon this Congress in joint session listened to the President of the United States. I think one sound comment that can be said is that we are relieved that a definite assertion has been made as to just who our expected adversaries are. We have quit the double talk, and this Nation, through its President, has announced basic opposition to totalitarianism. Yes, the Soviet Union was mentioned in that address. However, that does not relieve this Congress from the many responsibilities and from the duty of asking a great many questions. We know with whom we may have war, but we do not know the answer to many other questions. The President was not too specific. Let us have some answers from the administration. I would like to ask some of the questions that you and I, as Members of Congress, seeking to express the will of the people of the United States, will have to answer. We will probably have to prepare for hostilities, as the President has indicated in this address today. But, for what? Defense? If so, what is the pattern for us? What is the job for every American? If it is planned for us to attack, how? Certainly we would not attack Russia on land. Napoleon tried that with half a million men and the result is one of the tragic failures of history. Hitler tried it with 220 divisions, over 3,000,000 men, and the result is tragic history. That is one of the questions that we will have to answer in this body, and prepare what is before us in terms of that answer.

Are we to attack, perhaps, by sea? Well, if so, we are well prepared, because we have in being the world's one great Navy. It is, indeed. Yet, if Russia is to be our adversary it is questionable whether she can be blockaded, and certainly our Navy could not deliver, with ships, the knock-out blow. So we come down to some consideration, perhaps, of points that have been mentioned by other speakers following the President's address, that we should have the greatest air force in the world, and you and I, my colleagues, will have to determine if that is to be our procedure.

Then there is the other matter of how to regiment this Nation if we are to go to war. What is the useful, proper, effective job for every American? The President did not mention universal military training. He said· "Second, I recommend prompt enactment of universal training legislation." You and I apparently will have to answer the question, Does that mean military training? So there are many questions before this Congress that you and I as individuals, and speaking for other individuals in the United States, will have to answer. The greatness of this Nation has been our desire, our attempts to find a useful spot, if at all possible, for the individuals who collectively make this Nation great.

We will have to answer these questions and provide opportunities and protect the future of these people.

In this bill we have tried to do that as far as appropriations for agriculture in this great Nation are possible. As you appraise this bill, first and foremost before you today should be this consideration: Does it preserve the individual integrity of our free American citizen? Does it provide opportunity? Does it protect?

In this bill we have implemented the research and extension service for Alaska. Alaska in any man's future—predicting as he might any logistic, or strategic, or tactical future for the Air Forces, must necessarily take Alaska into consideration. Alaska produces, I believe, only one-sixth of her total agricultural products, the food that the able chairman, the gentleman from Illinois [Mr. DIRKSEN] was mentioning earlier in the afternoon. So we have implemented and spelled out in this bill that the research that is going on in Alaska must be designed to increase her self-sufficiency as an agricultural entity of the United States. If Alaska is to figure in our military air future this is especially important.

In this bill we have increased the amount for soil conservation so that we will be better able to spread the aid out to areas where the soil is subject to erosion. We have taken steps to protect productivity of the soil by increasing funds for this work where the soil actually is.

REA loans are provided for in the bill. These are loans that will be repaid by the United States. They are important to every farmer who needs the help of electricity and we have taken a long step in this bill to provide protection and to find use for and create places for American individuals by providing for every proper phase of agriculture. What we have done cannot help but fit importantly into what is before America. We have tried to spell out here and show you what we have done about protection for those who till our farms and raise the food that is needed whether we have war or not. The other questions that I mention I trust will be spelled out by the administration so that we will know in so many words and not in double talk what lies before us and what our preparation program must entail.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. H. CARL ANDERSEN. I cannot let this opportunity go by without paying a little tribute to my colleague from Washington. He especially on the committee I believe has a broader knowledge of one field in this bill, forestry, than any other member. I personally have acquired from him a tremendous amount of knowledge relative to that great industry.

Mr. HORAN. I thank my colleague from Minnesota and I want to say that one of the things we have done in this bill to protect the future of our people is to provide for an intelligent extension of our forestry program. These are the things we do as Members of the Congress

of the United States to protect the future of the individual citizen of this country.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. MURDOCK. I wish to second the complimentary remarks just made by the gentleman from Minnesota and well-deserved by our colleague from Washington. I presume the gentleman refers to the experimental forestry-research program, which has been increased over last year's program by $275,000 and increased over the budget estimate. I want to compliment the committee on that particular piece of work for I think still greater good will result from such experimental work in forest products.

Mr. HORAN. In fairness to the subcommittee on which I have had the pleasure of serving I want to say that for 3 years now we have been trying to develop an expanding program for forestry that would include not only Government lands but privately owned lands and individuals who have forest farms or wood lots.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman has consumed 11 minutes.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Chairman, last summer the President vetoed the Allen bill, which would have continued the premium price plan for copper, lead, and zinc. This action by the President has not only forced the closing of many mines producing these vital and strategic metals, but it has threatened the existence of many others in such important districts as the copper area in northern Michigan.

One of the prime requisites for the building of the kind of military defense this country needs today is an adequate supply of strategic metals such as copper, lead, and zinc. The President in his message this afternoon laid before Congress the increasing danger of expanding communism and he pointed out the immediate necessity of an improved system of national defense. Very few people will disagree with the President on the dangers which confront the world as a result of the tyranny from the rulers of Moscow. But let us be honest with ourselves. If we are to undertake a proper preparedness program in the defense of our country, we must increase our stock piles of strategic materials necessary for that purpose. Our national stock pile of these vital supplies has been depleted. It must be rebuilt without delay. It cannot be done without a maximum production of copper.

There are many mines throughout the United States capable of producing millions of pounds of copper. But because the copper concentration is not as heavy in some mines as it is in others, the cost of production becomes an important factor. A small subsidy or premium payment by the Government is the only method which will permit the continued operation of the so-called high-cost producing mines.

There is a copper mine in my district which has operated almost continuously since 1852. During that span of almost 100 years it has producer over 300,000,000 pounds of refined copper. It has helped supply the copper needs of our Government in each of its wars from the Civil War through World War II. It is still producing more than 500,000 pounds of copper monthly and stands ready to contribute to our country's needs should the occasion arise. But, like many other of such mines, operating costs are high because of the relatively low copper content in the ore, so that for many years the company has barely gotten back a new dollar for an old one and has recovered nothing for depreciation or depletion which is customarily assessable against current production. Due to this situation it has been unable to make any appropriation for underground development and as a result no such development has been undertaken since the early part of 1945. The lack of development has reduced the amount of available reserves to a point where the mine must eventually close and the available ore thus be irretrievably lost. Increased freight rates as well as the cost of coal, steel, and other commodities have resulted in a situation where the production cost will exceed the market price for copper produced. No business can continue for long under such circumstances.

This is not an isolated situation. It exists in almost every copper-producing area in the United States. Add the combined production of these high-cost mines and they make a very sizable and important contribution to the over-all production of copper in the United States. Are we going to permit these mines to close in the face of a desperate national need for copper? Are we going to permit this loss of production which is needed to replenish our stock piles, at such a critical moment, for the lack of governmental assistance and support? The cost of a subsidy for the production of copper is picayunish compared with the benefits our country will derive through the continued operation of the mines which need assistance under such a program. I think it was estimated last year that the Russell bill, H. R. 2455, would cost less than $100,000,000 per year. This is indeed trivial when we appraise the relative importance of copper in the over-all defense program.

Mr. Chairman, we have been very generous in our gifts to foreign countries. We give it away in billions—not millions. We give it away without any hope or expectation of its return. We do not even require a foreign nation to account to us for the manner in which it spends our money. If we can afford to let politicians in foreign countries gamble with our money, surely we can afford to invest in the production of our own natural resources to insure a continuous and adequate supply of the strategic materials so important to our own national welfare. Congress should pass H. R. 2455 without delay.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, we are having what you might call a love feast this afternoon and I like it. I am happy as one who is not a member of the Appropriations Committee to join in these fine tributes to all of the members of the Subcommittee on Agricultural Appropriations from both sides of the aisle. I join in expressing regret that we are not to have the service of our beloved friend from Illinois [Mr. DIRKSEN]. I think he might pardon me—it will not embarrass him—if I refer to the fact that in the early days of my service in the Congress we had an occasional clash on the floor as to the policies of the Farm Home Administration. I thought the gentleman from Illinois [Mr. DIRKSEN] was pretty tough on me and on the agency with which I had been connected before coming to Congress. Then I found that he was rendering a service in requiring the new agency to meet better standards; but I wonder if he will not agree with me now that there was a value in the early experiments even though they did not work out? It is a good deal like Thomas Edison, who, after a thousand experiments in which he failed, and critics stated, "What a terrible loss in time," said in reply, "Not at all. We have learned a thousand ways not to do a thing."

At that time there were three principal divisions, one the resettlement idea of establishing cooperative farm projects; second, the farm ownership program of helping farmers get a stake in land where they could improve living standards; and, finally, what we called the rural rehabilitation program that helped the farmer where he was to operate more efficiently. Those were the loans that worked out and that was the program that proved successful. So with the abandonment of the community projects and the emphasis on these other two, the farm ownership and the rural rehabilitation programs, we have today in the Farmers Home Administration one of the finest agencies now operating in the United States Government.

I join, too, in the remarks of the gentleman from Washington [Mr. HORAN]. Both he and the gentleman from California [Mr. PHILLIPS] have had an opportunity to observe the group of farmers who were forced to move out of the South when agricultural opportunities proved inadequate into areas of the West in order that they might stay in agriculture, for the land on which they had operated in the southern Appalachians and in the Ozark country had been washed away. Before the United States Government inaugurated its ambitious soil-conservation program they fought a losing fight to retain their farms.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Arizona.

Mr. MURDOCK. Do I understand the gentleman to mean now that we have adopted the best features of the old agency and are putting them into practice now, rejecting those found to be unworthy?

Mr. HAYS. Exactly. That explains my reference to the gentleman from Illinois [Mr. DIRKSEN]. I realize now there was much value in what he had to say, and I am inviting him to join me in the conclusion that we now have under the present Farmers Home Administration a sound program. I believe if it were not sound it would not have his approval and would not have the committee recommendation for millions of dollars in loan funds for the farm-ownership program.

Mr. MURDOCK. We have found simple ways not to do things.

Mr. HAYS. Yes; the gentleman is correct.

Mr. TRIMBLE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Arkansas.

Mr. TRIMBLE. I am glad to hear my friend from Arkansas, and most of the time my leader, say that the Farmers Home Administration has done so much for basic agriculture. We have seen our errors, and we have corrected them, and we are now on the way toward solving a great program that will help the farmers of our country.

Mr. HAYS. I thank the gentleman.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. PHILLIPS of California. I want to say that California is very happy to have these friends and neighbors of the gentleman come to California. They make good farmers, and there is room for more people like that.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HAYS. I appreciate the statement of the gentleman from California. I know that there is a personal element in that comment, and I am afraid that some of my former Arkansas friends may be voting Republican out there now; otherwise there would not be such signs of affection for the gentleman from California as I find. The gentleman from Washington [Mr. HORAN] has also spoken of the high character of those who have been forced into a migration that took them into the West, where they could have better opportunities.

Mr. HORAN. Mr. Chairman, if the gentleman will yield further, I will say to my friend from Arkansas that you could run for Congress out there and almost win by vote of the people from Arkansas, because we have so many of them, particularly from Izard County, and they are, without doubt, all of them, outstanding workers.

Mr. HAYS. While the gentleman has the floor, let me add that I think we are touching on a problem here that deserves the attention of the Congress, and I appreciate the businesslike attention he has given to it. I wish there were more such men in the United States who have not only a sound business background in the field of agriculture but some of the social concepts that these friends of mine from the West have. I wonder if the gentleman from Washington will join me in this further statement that while they are good citizens and have fitted into the agricultural system of the West, from the standpoint of the well-being of the American farmer, it is desirable for them to stay in that country with which they are familiar. In other words, if we can work out a program that leaves them anchored to the land they know, it is the duty of the Congress to give every encouragement to that kind of program.

Mr. HORAN. Might I say that I know it has been the determination of the subcommittee to put every individual farmer back on his own feet, wherever possible. Whatever complaints may have come probably were inspired by the fear of too much patronage in any program such as this. I want to say that I think we have ironed out some of these differences, and that we are closer in agreement than perhaps in the past when the gentleman used to come before the subcommittee in the days of the depression, when conditions were different than they are now.

Mr. HAYS. I thank the gentleman.

I appreciate the patience with which they have heard those of us who have on our hearts the adjustment of the severe social problem that has robbed us of important human resources in Arkansas, although it added to your resources in the West, and I appreciate very much what the gentleman has said.

Mr. MURDOCK. Mr. Chairman, if the gentleman will yield further, I want to make these remarks in all seriousness. I am not at all facetious. I want to say to my friend from California, who said some very complimentary things about some of the gentleman's former neighbors who moved out there, that they did not all go to California. In attempting to go there, they crossed Arizona, and many of them decided to stay. They are among the best citizens we have, and some of the best farmers.

Mr. HAYS. I appreciate that, and they had to be good to stay in farm occupations. I have lived with them. I remember the day when I decided not to be a farmer and become a statesman. I was picking peaches on my Uncle Will's farm and the temperature was 110°. There is something about peach fuzz on the back of your neck when the temperature gets that high that helps you with such a decision. Anybody who stays in agriculture and survives, with the hazards that the farmer has, deserves all the encomiums that the gentleman from Arizona is paying him.

Mr. MURDOCK. I might say, partly facetiously, that they did not all become Republicans when they moved out West.

Mr. HAYS. I am glad to have that reassurance. We may indulge in pleasantries, but if we are going to be serious I agree that the RECORD should show that they did not all go Republican.

I want to give the Members an interesting item with reference to the agency I am speaking of today.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. CANNON. Mr. Chairman, I yield five additional minutes to the gentleman from Arkansas.

Mr. HAYS. Not long ago the Arkansas Press Association had a contest. It was called The Balanced Farming Contest. Of the white farmers winning the first three prizes, two were borrowers from this agency. Among the three with honorable mention, two were borrowers. Among the Negro farmers, the ones in first and third positions were borrowers from the Farmers Home Administration. Of the three with honorable mention, one was a borrower. Out of the 12 honored by the Arkansas Press Association, 7 were borrowers from this agency. That is some indication, since they constitute only a fraction of the total number of Arkansas farmers, of the effectiveness of this program.

Without detracting, I hope, from what I have said in appreciation of the subcommittee's excellent work, may I express disappointment that they did not grant to the Farmers Home Administration the full $75,000,000 in loans for production and subsistence as requested in the budget. I know it is easy to criticize, and it is with reluctance that I do so and only because I feel that the money could be wisely used and would be repaid.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman will admit, however, that we gave them the same amount in that item that was provided for the present fiscal year?

Mr. HAYS. Yes.

Mr. H. CARL ANDERSEN. May I say to the gentleman that the committee felt that in this era of prosperity which is more or less general in agriculture today, perhaps the $60,000,000 would take care of that stratum of low-income farmers, in whom both the gentleman and I are interested.

Mr. HAYS. I appreciate that, and I know that the committee gave the matter its best judgment and did not want to be ungenerous. I insist, however, that here is a group of farmers who do not share proportionately in the income resulting from price increases. You can double the price of a pound of cotton, but for a farmer who grows just two or three bales you have not elevated him greatly in the scale of living. What we need to do is to support a program that helps him not only with his cash income but with his subsistence program, so that the two are geared together and his real standard of living is improved. Thousands of them, may I say to the gentleman from Minnesota, will be without the loans they need. Mr. Lasseter showed the committee that in fiscal 1947, with $92,000,000 available for these loans, 36 States ran out of money before February in that fiscal period.

I am bringing out these points for future consideration because of the fact that this is a loan program and the money will be repaid. It draws 5 percent interest. It is costing the Government around 2 percent. Actually, while there is some loss in our capital loans, naturally, in this kind of a social program as distinguished from the farm-credit program, I think the difference in the interest absorbs much of the administrative expense and, in many instances, it actually shows up on the right side of the ledger.

May I say to the gentleman that I know the committee has done the very best it could, and it would be unbecoming of me to say anything in criticism of their action on that score. What I have wanted to emphasize is that the Farmers Home Administration has passed through a great transition. They have moved out of an experimental agency into a sound social program that aids farm ownership and improves relations between landlord and tenant, and that, by a live-at-home program, greatly expands the agricultural resources of this country. I am grateful for the indulgence of the committee. Without soil conservation, without the research that has been provided, and the other things that the gentleman from Illinois detailed in his opening speech it would have been impossible to chalk up this marvelous record for the Farmers Home Administration.

May I close with the point I made in the beginning that we are now engaged in a great research in the field of human relations in adjusting a vast social problem that means much to American agriculture, enabling the big farmer and the little farmer to recognize their common interests and work together for American agriculture and for the security of our Nation. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Mr. Chairman, I would not want the gentleman from Arkansas to feel that anything I have said as to the amount of subsistence loans would or should detract from my good opinion of Mr. Lasseter and his organization and the splendid job they are now doing. I think they are doing a very fine job today. But, of course, we in the Committee on Appropriations, as the gentleman well knows, have so many hundreds of items which we must try to shave down to the bone in order to keep within a reasonable amount in any appropriation bill.

Mr. HAYS. It was the knowledge that that is true which tempered my comment. I will state again that I am very grateful to the committee for the consideration they have given this agency.

The CHAIRMAN. The time of the gentleman has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, it has become increasingly obvious to me and especially obvious after the statements made by the Speaker of the House, both on yesterday and today, as well as by the President in his message to the Congress of the United States today, that we are in a great national emergency—the greatest this country has ever faced. Much as I dislike to believe so, much as I dislike not only the implication but the hard, relentless facts that we face—yes, possible war—I am convinced that we must be prepared and be prepared immediately and completely. The Speaker spoke twice on the need for a great Air Force. By Air Force I am sure he means a great and powerful naval air force as well as an effective Air Force. Many persons forget that there are naval air forces as well as the Air Force. While they are unified and working together, there are certain functions that must be kept separate in order that they both will be effective in the maximum degree. The naval air forces can strike the enemy immediately and anywhere. The entire country must realize this.

Mr. Chairman, I hold in my hand a bill (S. 1641) to establish a Women's Army Corps of the Regular Army and to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and in the Navy and Marine Corps Reserves, and for other purposes. Mr. Chairman, the passage of this bill will be another fine mobilization measure. The Senate passed this bill last July. The bill provides that the act may be cited as the Women's Armed Services Integration Act of 1947. That bill passed the Senate last July. The Armed Services Committee, I understand, are having hearings upon it. I was told that a rumor had started that the Navy did not want this bill passed as it was. I am reliably informed by high-ranking naval officers—in fact, the highest in the Navy—that the Navy is extremely anxious to have this bill passed. The Navy feels it is essential.

In the recent war, manpower shortages made it mandatory to utilize women where practicable in order to release men for billets which they alone could fill. In the future there is sound reason to believe that manpower will be an even greater problem. It is obvious, therefore, that should we have a future war women will have to be utilized and in greater measure than before.

The case for making the WAVES a part of the Regular Navy stands squarely on the basis of an essential preparation for possible future war. It is on exactly the same basis for both the Army and the Navy. It has been shown by bitter experience that after the enemy blow falls there is not time to create the needed facilities without great loss of life and money. It is a simple matter to expand an existing organization in comparison with reestablishing one which has been disestablished.

Some who admit that WAVES will be essential in war argue that in time of peace they should be retained in the Reserve and not in the Regular Navy. If that argument were valid, all the armed services could be maintained in a reserve status only. The Naval Reserve is a vital and essential adjunct to the Regular Navy. The individual in the Reserve must give adequate time to his civilian pursuit, he cannot also give full time to a military pursuit. Every essential part of the naval service must maintain a nucleus in peace adequate for and capable of rapid expansion in case of war. This is especially true of the WAVES organization, since in time of peace it is possible to explore and test the full capabilities of women, whereas this is not possible during war.

Of the 86,000 women who served in the Navy, approximately 30 percent were assigned to aviation billets. A large portion of them were trained in aviation specialties. They taught aircraft gunnery, instrument flying, aerial and celestial navigation. They increased the efficiency of the pilot-training program by the caliber of instruction they provided. After the Women's Reserve program got under way no pilot went into combat without having received somewhere in his training instruction from these Waves specialists. The Naval Air Transport Service utilized Waves in about 2.6 percent of their wartime billets as transport airmen and air transport officers, as well as in general duty. Women also packed parachutes, serviced lifesaving equipment, assembled and repaired the engines of the planes the pilots flew. Women in control towers throughout the United States and later in Hawaii directed air traffic. In the secret night-fighter-training program a large and indispensable part, including detailed technical tasks, was carried out by Waves. Trained aerographers worked side by side with the men in the very important task of weather forecasting. In all these aviation activities and others Waves did a most outstanding job. They were alert, dependable, conscientious, and untiring, even in jobs of highly tedious and repetitive nature. Their service was characterized by an exceptional spirit, morale, and devotion to duty. I mention these past performances only because the wartime experience thus gained of the abilities of women in aviation is a reliable indication of future usefulness.

I will not labor the question of whether Waves are effective or efficient in these billets, or whether they are more or less so than men. Long experience both in civil life and in the Navy has shown conclusively that there are certain billets that a woman can fill better than the average man. It is simply a case of the intelligent utilization of manpower so that the individual is fitted into the job for which he is adapted and which he likes and not into one where the reverse is true.

Considering the economy factor and increased efficiency gained through the services of women, not to retain them would be short-sighted. We must be realistic and progressive in our thinking and face the fact that the Navy will need the services of trained women in the event of any future emergency. To insure their presence at that time we must make provision now for a nucleus as part of our permanent peacetime naval organization.

For some time past the Secretary of National Defense, Mr. Forrestal, the Secretaries of the Army and the Navy, General Eisenhower, General Bradley, Admiral Nimitz, Admiral Denfeld, and Admiral Radford have repeatedly stated the need for the passage of the bill. The need is even more urgent now. When I introduced the first WAAC bill some believed it would not be passed, but it was enacted overwhelmingly by Congress.

They have done a remarkable job ever since. That was also true of the bill to create the WAVES and the Marines and the SPARS. These women deserve recognition for their splendid services, but I am not asking for the passage of the bill just because they deserve recognition. I am asking for the passage of it because it is necessary. Manpower is likely to be drafted. Women will be needed also. I prefer not to have the

women drafted, and the passage of this bill will help prevent the drafting of women. The hard work that the country must do in order to be mobilized and mobilized completely requires the services of women. Today at Boston a WAC sergeant reports that women went to the Army base in large numbers. That was their patriotic response in this emergency. S. 1641 should be passed out of the Armed Services Committee at once and pass the House.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, so much has been said and properly said by way of compliment to the committee that I feel I must not neglect to second the fine things that have been said regarding the work of the chairman and other members of the subcommittee and of the full committee in preparing this bill.

It seems too bad for me to overlook the major phases of this appropriation measure and ask questions about a very minor phase, but I want to take a minute or two on that and direct my questions more particularly to the gentleman from California [Mr. PHILLIPS] because this is a matter that pertains to us directly. I am especially interested, as I know the gentleman from California [Mr. PHILLIPS] is interested in one phase of experimental work which the Department is carrying on. That particularly is testing and studying the powerful new insecticides that have been invented and called into use in recent years.

Some of these dusts and sprays are very effective but deadly, and affect adversely our honeybees. Have we any hope for relief on that score in this bill? Our farmers must dust or spray certain crops but we must protect those busy workers and friends of agriculture, the bees.

Mr. PHILLIPS of California. The gentleman represents a district, and represents it very well, I may say, a district very similar to mine, and I am therefore not only as a member of the subcommittee but personally interested in the same problem that he brings up today. We have some hope.

Bees are owned in all 48 States of the Union, but in 8 States the Department of Agriculture is presently carrying on experiments. There are in the United States between 5,000,000 and 6,000,000 hives of bees producing in the neighborhood of 313,000,000 pounds of honey. Since the average value of a hive of bees would be in the neighborhood of $8 to $10 this means we are talking about a $50,000,000 industry in the United States. But the money value of the bees is only a small part of the real value of bees to the country for, as the gentleman pointed out, we would not have our fruit industries and many agricultural industries which require plant fertilization were it not for bees. Consequently it has been necessary to carry on investigations and it is gratifying to report that some forward steps have been made in the control of disease in bees; and I can say to the gentleman that the Department said to us as a subcommittee that advances have been made. It is also extremely important to study the problem the gentleman has talked about, the effect upon bees of, we will say, DDT and others of the powerful insecticides now in widespread use. In fact in one experiment in my own district upon gnats, the greatest sufferers were the bees of the district, not the gnats.

The gentleman from Arizona appeared before the committee and made a very realistic and effective plea for a small sum of money which had previously been spent in, I think, Phoenix, in his home State. We were assured by the Department that while they would not use that money in Phoenix, that the experiments woud be continued. I agree with the gentleman that they are important.

Mr. MURDOCK. I thank the gentleman.

What I stated in my appearance before the subcommittee was that just this last year some very powerful insecticides had been used for dusting and that sort of thing, and that many colonies of bees had been killed, and some livestock had been killed likewise by these insecticides. What we want to find out is what effective insecticides can be used safely. The farmers are just as anxious as the bee owners to know and use what is safe and effective. They want to avoid litigation and that sort of thing, as well as protecting insect friends. So I do hope that sufficient appropriations have been made in the lump and that adequate authority rests with the Department to make adjustments so that money can be used in this new type of experimental work on the nature and proper effectiveness of newly developed insecticides.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, I want to take this opportunity to add my sincere regrets to those that have already been so well expressed, at the loss of the chairman of this subcommittee, the gentleman from Illinois [Mr. DIRKSEN]; also to compliment the committee upon the fine piece of work it has done in preparing this budget. Having served as chairman of a budget committee in Indiana, I have some appreciation for the fine work and the tremendous effort it has cost to satisfy all of the groups who must be heard in preparing a budget that does justice or at least a semblance of justice to all. I have particular regard for the fine spirit of cooperation that seems to have emanated from this committee as evidenced here this afternoon, for I am only too well aware of the kind of dissension that frequently arises in the preparation of a budget. I appreciate very much the spirit of harmony that has been achieved this year.

First of all, may I mention particularly the support that you have given research within the Department of Agriculture. Dr. Lambert, who is Chief of this division, is a very close friend of mine and served as chief of the experimental station in Indiana before coming to the United States Department of Agriculture. I have not only a very high personal regard for Dr. Lambert but in my opinion, as a research specialist he is probably without peer in the country. A fine tribute I would like to pay to this fine gentleman who is worthy of the tribute and the confidence that you have placed in him in connection with this particular phase of the budget.

I also want to mention the support you have given the Extension Service. In Indiana, the Extension Service, through the years has functioned almost faultlessly and certainly has inspired a great amount of confidence which it deserves among the people, particularly the farmers of Indiana.

We hear a great deal of talk about some plan to reorganize agriculture and I appreciate the fact this is a matter that involves factions and problems from Maine to California and from Minnesota to Florida.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HARVEY. Mr. Chairman, so far as Indiana is concerned, the present system is functioning as satisfactorily as can be expected.

With reference to the Forest Service there is no field of endeavor in which our efforts can produce more constructive good for future generations than in the field of forestry. Indiana has taken its share of lead in this particular phase of endeavor. It is a field that should receive greater consideration as time goes on because I know of no greater resource that this country has than its forests. Certainly the least we can do is to try to repair the damage and ravages that our forests have suffered in the past.

In closing, I want particularly to congratulate the committee on the fine manner in which it has reorganized and put on a more efficient basis the Farmers Home Administration. That particular arm or phase of the Department of Agriculture was designed to function better in the way it is functioning now. Certainly, from its original inception there was much room for improvement. There was the opinion prevailing in my own State originally that it was more or less the catch-all for most of the crackpot ideas that were visited upon this country. I am happy to compliment not only the Department of Agriculture and the Farmers Home Administration, but this subcommittee for the fine manner in which it has brought a workmanlike and a constructive force out of this particular branch.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I want to call the attention of the House to an Associated Press dispatch dated March 13, 1948, from Columbus, Ga., as follows:

NEWSMEN MAULED AND DRUGGED AT KLAN MEETING, PAPER SAYS

COLUMBUS, GA., March 13.—The Columbus Ledger said today two of its reporters and a photographer were manhandled, forced to drink whisky, and given some kind of an in-

jection at a Ku Klux Klan meeting near Manchester, Ga., last night.

Manchester is 30 miles northeast of here. It is not far from the little White House at Warm Springs where President Roosevelt died.

The Ledger identified the two reporters as Jim Bellows and Carlton Johnson and the photographer as Joe Talbot.

Gordon Allen, managing editor, said they told this story:

They had gone to the Klan meeting at a little schoolhouse and were recognized by the klansmen. The klansmen handed each newsman a pint of whisky and told them if they didn't drink it, they would pour it down their throats.

Each of the men drank the whisky. Later they were led into the meeting hall, and after one of the men passed out, Mr. Talbot was given two shots from a hypodermic needle in his leg, and Mr. Johnson was given a shot in the arm.

Then the three were placed in their automobile and left on the side of a road. Five minutes after the klansmen left them a Manchester policeman arrested them.

At Manchester, Police Chief E. T. Keevle said the three men were arrested by a night policeman on the outskirts of the city in an automobile. They were jailed on a charge of being drunk and were released today in bond of $8.75 each.

In Atlanta, Dr. Samuel Green, Georgia grand dragon of the Klan, said he was at the meeting last night held at the Klan clubhouse on Pine Mountain, but knew nothing about anybody being "roughed up."

President A. H. Chapman promptly wired Attorney General Clark asking him to investigate the incident.

Mr. Chairman, as I understand, this incident arose because the newspapermen and the news photographer, who were not members of the Klan, attended this meeting. However, they did not disguise who they were. The reason I am calling this to your attention, Mr. Chairman, and the attention of the membership, is the fact that this is not only intimidation of newspaper reporters in their chosen work, that of reporting the news to the people of their cities and of their State, but to the fact that they were actually brutally treated. Force was used on them, and they were humiliated to a degree to which no person following his profession in this country should be subjected. Why was that done?

It was done, Mr. Chairman, in my opinion, in an attempt to suppress freedom of the press, because the Ku Klux Klan did not want its meetings and actions published, nor did it want its purposes known to the people of the country. This attempt by force and brutality to suppress freedom of speech in this country is, in my opinion, un-American, because freedom of the press is as American as the Constitution itself, and when an attempt is made to suppress freedom of the press that is acting in an un-American way. For this reason I call upon the Committee on Un-American Activities of the House of Representatives to investigate this incident, to investigate that particular chapter, or lodge, or whatever secret name they have, of the Ku Klux Klan, and find out what their purposes are, and find out if, in truth and in fact, as it is charged, they are completely and totally un-American and are committing acts which are repugnant to the principles of any person who believes in constitutional American government. If the Committee on Un-American Activities refuses to do this, I can see no justification for the Congress having given them as much as $200,000 to investigate activities of an un-American character.

Insofar as the Klan is concerned, I only know what I have heard about them and what I have read in the newspapers and in the magazines. I do not say definitely that their charter calls for the type of action that was perpetrated this particular evening, but I think it is a proper cause for an investigation by the Committee on Un-American Activities. I hope the chairman of the subcommittee which has this type of un-Americanism under its jurisdiction will take it upon himself to immediately send investigators to find out the true facts of this regrettable incident.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I do not know anything about the incidents that the gentleman stated happened in Georgia with reference to the Ku Klux Klan, but I do know that I am in whole-hearted agreement with the gentleman in thinking that the Klan should be investigated and the real purpose behind the present Ku Klux Klan should be aired. But I want to go a little bit further and ask the gentleman if he will join me in a request that I am going to make during the latter part of this week to the Committee on Un-American Activities to investigate also the activities of Drew Pearson and Walter Winchell, who are spreading malicious lies all over the United States about incidents which never happened, for the purpose of maligning the State of Mississippi and giving the State of Mississippi an unwarranted bad name. I intend to give reasons for asking that.

Mr. EBERHARTER. I am delighted the gentleman from Mississippi joins with me insofar as an investigation of the Ku Klux Klan by the Committee on Un-American Activities is concerned. However, this is the first I have heard of his suggestion to investigate individual newspapermen. In my opinion, that is a matter that is quite serious. I would not want to say right now that I would consider that a newspaper account that any person following his chosen profession put under or over his name would constitute an un-American activity.

Mr. WILLIAMS. I intend before asking for such an investigation to present what I believe to be adequate proof that there is more behind the activities of Drew Pearson and Walter Winchell than merely newspaper writing. I intend to substantiate that with proper and competent evidence.

Mr. EBERHARTER. I most certainly agree that any activity, whether by an individual or by an organization which might be un-American should be thoroughly investigated and exposed. The Committee on Un-American Activities has a broad grant of power from the Congress. If it in its wisdom decides to investigate any individual newspaperman or any individual broadcaster or commentator, I hope that it will not make any releases of any charges that are made until an adequate opportunity has been given to the accused to present their own side, and to have a fair and impartial investigation made, and after which the committee will arrive at a fair, impartial, and just conclusion. The danger in many of these investigations is that intimidation is used. Publicity is desired most earnestly by some of those conducting the investigation, in many instances, and without foundation in fact, many times, the characters of many persons are besmirched and a valuable right is taken away, in some instances, from individual citizens. So it is my earnest hope that no smear campaigns will be undertaken.

The Clerk read down to and including page 2, line 2, of the bill.

Mr. DIRKSEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HINSHAW, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5883) making appropriations for the Department of Agriculture, exclusive of the Farm Credit Administration, for the fiscal year ending June 30, 1949, and for other purposes, had come to no resolution thereon.

ST. PATRICK'S DAY

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, today everywhere persons of Irish blood may gather, wherever or whatever they may be, their minds and hearts turn back to the glories of the Emerald Isle. They pause to pay tribute of gratitude, affection, and reverence to their great patron saint, St. Patrick. They lift their heads in pride for the magnificent achievements of their race in every land and clime. They dwell again upon the noble virtues of the Irish—the refreshing morality and goodness of their women, the zeal and courage of their men, the achievements of their statesmen and patriots, the piety of their priests of the gospel.

Liberty has had no more gallant defenders, no more militant advocates than the Irish. In the name of liberty which Irish men and women love with the same consuming passion that they love their God, the Irish have fought and died for centuries to protect and preserve the God-given right of mankind to enjoy a free way of life.

In many lands the Irish have lavished their capacity for achievement and loyalty, but it is in America, of all places on earth, that their contributions to the Nation reach highest level. In every branch of human activity, in every State, in every vocation and business, in every walk of life, the Irish have risen through ability, stamina, courage, and loyalty to

places of respect, distinction, accomplishment, and useful invaluable service. There is no race or group in the country which has fought more bravely or with greater sacrifice in defense of the Nation than the Irish. The blood of Irish-American boys saturates every battlefield of our country and mingles with the waters of every ocean and has sprinkled the combat airways of the world from tropical swamps to the desolate wastes of the Arctic. In statecraft, in the professions, in industry, in God's ministry, in the rank and file of faithful loyal workers who forge out the industrial and productive power of the Nation, the Irish have exemplified the highest type of citizenship and the noblest type of devotion to the institutions of free government and the free way of life.

And so, today, my friends, let us all hail to St. Patrick and the glorious race he inspired with Christian zeal and love of democracy. We may well seek to emulate in these days of danger, apprehension, and crisis the courage and fortitude and determination and never-say-die spirit of the Irish. To love and fight for our rights and liberties is a sacred privilege to every true Irishman and every true American. To strive for justice and peace and the rule of law to order and insure the dignity of free nations and the dignity of the individual is a great obligation we owe to our own country and our fellow citizens. To walk humbly with our Maker, to maintain our security and avoid the horrible scourge of war must be our unflinching purpose.

May the staff of St. Patrick inspire, guide, and protect us through courage, faith, and forbearance to find the way to peace.

RURAL MAIL CARRIERS

Mr. REES. Mr. Speaker, I call up the conference report on the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of three years, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

On page 2, line 1, of the House engrossed amendments, strike out "twelve months" and insert in lieu thereof "two years".

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

Strike out "twelve months" and insert in lieu thereof "two years".

And the House agree to the same.

EDWARD H. REES,
WILLIAM C. COLE,
ANTONI N. SADLAK,
TOM MURRAY,
JOHN E. LYLE,
Managers on the Part of the House.

WILLIAM LANGER,
C. D. BUCK,
RALPH E. FLANDERS,
DENNIS CHAVEZ,
OLIN D. JOHNSTON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The bill as passed by the Senate provided for an increase of 1 cent a mile in the equipment maintenance allowance of rural mail carriers, such increase to be in effect for a temporary period of 36 months.

The House struck out all of the Senate bill after the enacting clause and inserted substitute language. The language inserted by the House, however, was identical with the language of the bill as it passed the Senate, except that it provided that the temporary increase should be in effect only for a period of 1 year.

Under the conference agreement the increase would be effective for a period of 2 years.

The amendment to the title contained in the conference agreement merely conforms the title to the text of the bill as agreed upon by the conferees.

EDWARD H. REES,
WILLIAM C. COLE,
ANTONI N. SADLAK,
TOM MURRAY,
JOHN E. LYLE,
Managers on the Part of the House.

Mr. REES. Mr. Speaker, I move the adoption of the conference report.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

STRENGTHENING OUR NATIONAL DEFENSE

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, when I returned from Europe last October, I reported the communistic threat was more serious than generally realized, and we had to give immediate aid to the free nations of Europe. I called for a strengthening of our national defense, particularly in aviation, and I suggested President Truman seek a face-to-face meeting with Premier Stalin in an effort to stop the cold war growing hot by the minute. I repeated this suggestion on the floor of the House, and I wish it had been carried out.

Ever since I visited our troops on the fighting fronts during the war I have advocated universal military training.

I shall support the President's first two proposals, and I shall support the third if it is established we cannot raise needed military quotas otherwise. I shall not gamble with American security.

EXTENSION OF REMARKS

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include two resolutions.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD and include an editorial.

DEPARTMENT OF INTERIOR AND ITS PROPAGANDA

Mr. POULSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. POULSON. Mr. Speaker, southern California is in a life-and-death struggle over water. The entire future of that great area, its progress and development, depend on equitable distribution of the waters of the Colorado River.

For 25 years California has been in a controversy over the division of these waters with the State of Arizona. Legislation is now before the House of Representatives, placed there by the Congressmen from southern California, asking that this long controversy be taken to the Supreme Court for final settlement.

On many occasions the Department of the Interior has sought to confuse these issues and to deceive the public with misleading statements. The latest effort of this type comes from Assistant Secretary of the Interior William E. Warne, who is now reported in the press to be promoting a proposal to alleviate the water shortages of southern California by bringing water from the Columbia River in the far Northwest.

This proposal is not only totally unfeasible, but it is absolutely contrary to any desire on the part of the officials of southern California. I personally am accusing the heads of the Department of the Interior of using the lowest form of propaganda to defeat the legislation now before Congress. This is not a new program of the Department of the Interior, but has been its consistent policy in seeking to defeat the efforts of southern California to preserve its contracts for Colorado River water, signed years ago with the Federal Government and the States of the Colorado River Basin.

We should not be misled by this propaganda, because anyone can see that this proposal is made for the sole purpose of inciting animosity from the people of the great States of the Northwest against the people of California.

I am inserting in the CONGRESSIONAL RECORD a statement by the board of directors of the Metropolitan Water District

of Southern California excoriating the Department of the Interior and Assistant Secretary Warne for this proposal, and charging them with an attempt to distract the attention of Congress from California's legitimate rights in the Colorado River:

STATEMENT BY THE BOARD OF DIRECTORS, THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, MARCH 12, 1948

In a news dispatch from Washington, D. C., dated March 11, 1948, Assistant Secretary of the Interior William E. Warne is reported to be promoting a proposal to supply southern California's water needs by tapping the Columbia River.

The board of directors of the Metropolitan Water District of Southern California, representing some 22 cities, does not endorse or support Warne's proposal to take Columbia River water away from the people of Washington, Oregon, and Idaho to supply the needs of southern California communities. The 3,100,000 persons now residing within the boundaries of the Metropolitan Water District have long-established water rights on the Colorado River, evidenced by contracts with the Federal Government. The board of directors of the district intends to maintain those rights and make available to the people of the district the Colorado River water for which the district now has contracts, and for which the people of the district have invested some $200,000,000 in the construction of an aqueduct system.

Neither the metropolitan water district nor any other public or private agency in California is seeking to increase its water claims on the Colorado River beyond present contract rights. Other than diversion from the Colorado River, no such agency is seeking to import water to southern California from any area outside the State of California. We are seeking only to protect and maintain long-established rights on the Colorado River.

The proposal from Warne and others outside of southern California that Columbia River water be diverted to this area represents an attempt to distract the attention of Congress from California's legitimate rights on the Colorado River. The public officials and people generally in Washington, Idaho, and Oregon are entitled to know that the Metropolitan Water District of Southern California does not subscribe to the proposal being put forth by Mr. Warne.

EXTENSION OF REMARKS

Mr. BENDER asked and was given permission to extend his remarks in the RECORD in three instances, in one to include an address by President Young of the Chesapeake & Ohio Railroad.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. HESELTON] is recognized for 15 minutes.

THE FUEL-OIL SITUATION

Mr. HESELTON. Mr. Speaker, my purpose in using part of the time granted me is to bring up to date certain developments with reference to the fuel-oil situation.

Earlier today I read certain telegrams sent to the chairman of the House Committee on Interstate and Foreign Commerce from several State fuel coordinators, indicating in large measure that a considerable degree of optimism exists among them as to their ability to carry through the last of April. I think in part that is due to certain things done by the industry itself.

I want to call attention to an article which appears in Monday's Journal of Commerce:

SHIP EIGHT OIL CARGOES FROM COAST

Production of heating oil and kerosene broke all records in early March, but renewed cold weather requires continued public cooperation to conserve available supplies, the East Coast Petroleum Regional Advisory Committee, reported over the week end.

As an example of extraordinary efforts of oil companies to rush emergency supplies to the east coast, Socony-Vacuum reported it will have brought to the east coast by the end of March, eight tankers from the west coast carrying a total of 850,000 barrels of No. 2 heating oil.

Supplies continue to be tight in certain areas, although some easing of the situation was indicated. Through the committee's efforts, large quantities of heating oil and kerosene have been made available to State fuel-oil coordinators to relieve acute shortages in the New England, New York Harbor, Albany, Philadelphia, and Baltimore areas.

Although production of heating oil and kerosene normally falls off sharply at this time of year, record production is continuing in the east coast and Gulf coast refining areas, the committee said.

Production of distillate fuel oil last month averaged 717,000 barrels daily, or 23.6 percent of total refinery runs of crude, as against 430,000 barrels daily, or 16.3 percent, in February of last year. Kerosene production set a new high record in the week ending March 6.

The Subcommittee on Transportation reported that every emergency request for transportation facilities had been met and that there are no requests for such facilities pending at this time.

The second article I want to bring to your attention is not quite as optimistic. It indicates there is a feeling on the part of some of our colleagues in the other body that there is an indefinite situation existing with reference to price. I will include the full article, so so that all may examine the replies received by Senator O'MAHONEY in his attempt to determine why these price rises are threatened again.

The article reads as follows:

O'MAHONEY WARNS AGAINST OIL PRICE RISES, GETS INDEFINITE INDUSTRY REPLIES

(By Hal Bourland)

WASHINGTON, March 15.—The sword of Government control hung heavier over the oil industry today as Senator JOSEPH C. O'MAHONEY, Democrat, of Wyoming, warned petroleum bigwigs that Congress will be forced to intercede in the event of additional price increases.

The warning gained significance because Senator O'MAHONEY has been a stalwart defender of free enterprise in the oil business.

IRKED BY PRICE ANSWERS

The Senator said voluntary industry agreements have not "acted to restrain inflation." He was visibly irked by responses to a telegram to top-level officials of the major oil firms in which he sought to determine if further price increases are contemplated.

The Wyoming Senator said the oil industry is under constant pressure to raise prices, and one of the reasons is the inability to increase production because of lack of steel.

"When the leading steel companies increase the price of pipe the natural effect is to put pressure on oil companies to increase the price of oil," Senator O'MAHONEY said. "It is perfectly apparent that the increases in basic industries will bring disaster which will overwhelm the industry and the people alike.

"All industry spokesmen, even the steel men, agree that economic statesmanship demands restraint, but voluntary restraints are not sufficient to do the job the Nation needs. Responsibility, complete and final, rests on Congress and congressional leaders for their failure to act."

The oil companies responding to the O'Mahoney wire refused to commit themselves as to future increases, but denied any knowledge of alleged concerted action to hike prices.

ABRAMS' REPLY

Frank W. Abrams, chairman of Standard Oil Co. (New Jersey), denied his company was taking advantage of strong markets.

"For your information," he wrote, "certain affiliates of this company are currently examining their price structures to see whether there are products on which price reductions might be made."

Mr. Abrams refused to commit his company on the effect of the last price increase. He added that crude production since early December has increased 122,000 barrels a day and that wildcatting is now the highest in recent years.

R. G. Dunlop, president of Sun Oil, also denied knowledge of forthcoming increases, but added, "We firmly believe, however, that freely functioning prices are the only sound economic means of bringing supply and demand into balance."

WILSON DENIES CONSPIRACY

Robert E. Wilson, chairman of Standard Oil Co. (Indiana), replied:

"Neither I nor any other individual in the industry can advise you on this."

RISING PREMIUMS

"As our company has previously stated, we do not favor any crude price increases at this time and hope they do not occur. However, premium payments by small purchasers are continuing and in some areas increasing; and if other major purchasers of crude should increase prices we would be forced to follow or lose much of our crude supply and be unable to supply our customers.

"We believe that the recent price increase had perceptibly stimulated imports, production, drilling, and secondary recovery efforts, and will have substantially greater effect when we get enough steel. Crude production is making new high records almost every month. Last fall's increase did not increase refinery margins in this area except to those who sell at so-called gray market prices. But refinery runs are still making new high records."

API'S ANSWER

The president of the American Petroleum Institute, William R. Boyd, Jr., wrote, "I am compelled to say * * * that I have no information which would enable me to give you an intelligent answer."

He added that the institute's inflexible policy is not to concern itself "directly or indirectly" with price.

In his wire Senator O'MAHONEY asked—

1. If the oil industry will follow the lead of the steel industry in raising prices.

2. If recent oil-price increases have had any perceptible effect on promoting production of crude or expanding supply of refiners.

In the third place I want to include in my remarks something which I think will be of growing importance to us in the months immediately ahead. That has to do with the tremendous increase in demand for gas which as of March 16 would indicate a rise of 8.79 percent over the consumption in 1947. It does seem to me we can well turn our attention now in part, at least, to the reasons for and the cures of any gas shortage.

This article reads as follows:

UNITED STATES GAS DEMAND UP 8.79 PERCENT IN 1947

United States gasoline consumption hit a record 32,725,000,000 gallons last year, up 2,644,000,000 gallons, or 8.79 percent from 1946, the American Petroleum Institute reported yesterday.

Daily consumption averaged 89,658,000 gallons in 1947, as against 82,412,000 the year before.

In December, gasoline usage gained 10.74 percent over December 1946, rising 270,922,000 gallons, to a total of 2,792,804,000.

In leading seaboard States, consumption last year totaled as follows, compared with 1946:

New York, 2,121,364,000, against 1,945,783.

New Jersey, 1,027,053,000, against 935,235,000.

Pennsylvania, 1,813,918,000, against 1,661,487,000.

Massachusetts, 821,069,000, against 750,258,000.

Maryland, 420,720,000, against 380,306,000.

Connecticut, 421,401,000, against 384,544,000.

API's estimates, by States, follows:

Gas consumption by States, 1947

[In thousands of gallons]

	Month of Dec. 1947	12 months ended with—	
		Dec. 1947	Dec., 1946
Alabama	39,177	437,157	393,705
Arizona	18,058	190,338	171,519
Arkansas	27,734	301,459	274,793
California	322,683	3,409,025	3,169,368
Colorado	27,757	372,664	338,129
Connecticut	35,095	421,401	384,544
Delaware	6,363	76,687	69,959
District of Columbia	14,079	157,689	145,745
Florida	62,724	651,790	571,651
Georgia	52,477	600,596	545,803
Idaho	12,576	166,202	147,860
Illinois	150,183	1,810,502	1,643,919
Indiana	80,998	965,824	888,643
Iowa	60,526	795,789	749,924
Kansas	49,561	639,993	596,464
Kentucky	40,015	453,868	409,963
Louisiana	40,569	414,236	376,360
Maine	15,643	200,589	184,571
Maryland	36,585	420,720	380,306
Massachusetts	68,463	821,069	750,258
Michigan	136,103	1,621,697	1,455,290
Minnesota	54,946	763,683	711,864
Mississippi	29,748	336,882	305,089
Missouri	78,591	889,811	814,968
Montana	12,090	191,745	175,235
Nebraska	28,538	358,167	327,428
Nevada	4,852	63,836	59,810
New Hampshire	8,985	113,292	103,681
New Jersey	86,574	1,027,053	935,235
New Mexico	15,595	179,599	163,768
New York	165,847	2,121,364	1,945,783
North Carolina	58,885	693,229	636,469
North Dakota	12,176	237,910	228,216
Ohio	154,383	1,774,889	1,627,797
Oklahoma	49,009	581,296	524,668
Oregon	35,783	433,244	380,781
Pennsylvania	156,555	1,813,918	1,661,487
Rhode Island	12,687	145,765	133,712
South Carolina	30,961	349,262	311,883
Tennessee	47,608	528,904	496,755
Texas	216,516	2,326,510	2,264,143
Utah	12,943	166,365	150,066
Vermont	6,656	85,368	77,291
Virginia	54,150	612,150	561,416
Washington	48,414	579,279	527,593
West Virginia	26,515	286,398	260,900
Wisconsin	62,898	807,114	738,863
Wyoming	7,879	107,108	94,629
Total	2,792,804	32,725,159	30,080,468
Daily average	90,000	89,658	82,412
Change from previous year:			
Total change	+270,922	+2,644,691	----------
Percent change in daily average	+10.74	+8.79	----------

Finally, I would like to call attention to an article in the Journal of Commerce of Sunday, which is as follows:

UNITED STATES AGENCIES' INABILITY TO GET OIL STIRS FEELING IN FAVOR OF CONTROLS

WASHINGTON, March 16.—Possibility that the Bureau of Mines may revise drastically its method of estimating petroleum demands loomed today as the strain in Government-industry relations increased.

Congressional leaders and certain Government agencies in the meantime gave added support to the establishment of a National Petroleum Commission to take over regulation of all phases of the oil business.

KRUG STUDIES PROBLEM

Interior Secretary J. A. Krug, alarmed at the implications by Senator KENNETH S. WHERRY, Republican, Nebraska, that present forecasts of demand by the Bureau of Mines are unduly influencing the market, is now studying the testimony of A. G. White, his petroleum economist, recently given to a Senate Small Business Subcommittee.

Two courses are open to Secretary Krug:

1. He can ask for a larger appropriation for the petroleum division to thus permit a more accurate study.

2. He can insist that present estimates are accurate and "are not influenced by artificial demand figures set by major oil companies."

Government agencies, greatly disturbed by their inability to obtain petroleum supplies, in the meantime, are looking more and more to Federal controls, according to one official.

BILL STILL PENDING

The proposal of Representative JOHN W. HESELTON, Republican, Massachusetts, to establish a National Petroleum Commission still remains before the House Interstate Commerce Committee, and only one Government department, State, has given its reaction to the plan. It has been learned, however, from reliable sources that two additional Government agencies are due to support such United States control.

The argument is that the industry has fallen down on the job. One agency is scheduled to tell the House Interstate Commerce Committee that the industry has not been sincere in its efforts to keep prices down, and that stocks are purposely being held back.

Another Government agency points out that a great portion of the industry just does not want Government business because contractors are unwilling to accept Government penalties for failure to deliver, failure to meet Government specifications, as well as failure to maintain posted prices.

Government officials also complain that in many instances certain companies, which fail to obtain contracts after bidding, will divert their products to commercial channels and are unwilling to participate in other Government business.

The article indicates that at least two Government agencies are now thinking at least of supporting the resolution I filed some time ago proposing to establish a national petroleum commission.

If the heating season ends soon, as we all hope, we still have the threat of a gasoline shortage. In terms of the President's message today, that is a matter of the highest kind of national security. None of us can afford to become complacent or indifferent. Industry must rise to this challenge. Nevertheless, Government, too, has a grave responsibility. Our production problem is of great national interest. Our export program requires the highest kind of skillful administration. No one can assert, with confidence, that the exports of gasoline during the first quarter have not contributed to this threat of a shortage this summer. I shall examine the program for the next quarter with interest. I know that each of you will join in insisting upon a sound, realistic program of quotas during these next 3 months. As soon as I can obtain a report on the Department's plans, I shall advise you of it.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2453. An act to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining, and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace; and

H. J. Res. 320. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the creation of the Territory of Minnesota.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 148. An act for the relief of Charles G. Meyers;

S. 401. An act authorizing the Secretary of the Interior to issue a patent in fee to Clarence M. Scott;

S. 1407. An act authorizing the issuance of a patent in fee to Robert E. Doyle; and

S. 1517. An act authorizing the issuance to James Perry Doyle of a patent in fee to certain lands in Big Horn County, Mont.

ADJOURNMENT

Mr. HINSHAW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 32 minutes p. m.) the House adjourned until tomorrow, Thursday, March 18, 1948, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. REED of Illinois: Committee on the Judiciary. H. R. 5708. A bill to exempt civilian members of the permanent Joint Board on Defense, United States-Canada, from certain statutory restrictions on outside activities; without amendment (Rept. No. 1572). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 5885, a bill relating to the rights of the several States in lands beneath inland navigable waters and to the recognition of equities in submerged coastal lands adjacent to the shores of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. FELLOWS (by request):

H. R. 5886, a bill to amend section 332 (a) of the Nationality Act of 1940; to the Committee on the Judiciary.

By Mr. HALE:

H. R. 5887, a bill to promote the American merchant marine by facilitating the effectuation of vessel replacement programs and by eliminating certain discriminations against unsubsidized American shipowners; to the Committee on Ways and Means.

By Mr. CUNNINGHAM:

H. R. 5888, a bill to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

By Mr. WOLVERTON:

H. R. 5889, a bill to extend the provisions of title VI of the Public Health Service Act to the Virgin Islands; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H. R. 5890. A bill to promote the development and conservation of certain resources in the submerged coastal lands adjacent to the shores of the United States; to the Committee on Public Lands.

By Mr. CRAVENS:

H. R. 5891. A bill to repeal an act approved August 24, 1894, entitled "An act to authorize the purchasers of the property and franchises of the Choctaw Coal & Railway Co. to organize a corporation, and to confer upon the same all the powers, privileges, and franchises vested in that company" and all acts amendatory thereof and supplemental thereto; to the Committee on the Judiciary.

By Mr. BOGGS of Louisiana:

H. R. 5892. A bill to provide for water-pollution-control activities in the Public Health Service of the Federal Security Agency and in the Federal Works Agency, and for other purposes; to the Committee on Public Works.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact legislation eliminating the payment of a poll tax as a prerequisite to voting; to the Committee on House Administration.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States in favor of the passage of the adjusted-compensation bill as advocated by the Veterans of Foreign Wars of the United States; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact legislation providing for the establishment of a national cemetery within the Commonwealth; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States with regard to immigration of displaced persons in Europe; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE of New York:

H. R. 5893. A bill for the relief of Vartan Chamsarian; to the Committee on the Judiciary.

By Mr. GORSKI:

H. R. 5894. A bill for the relief of Zdzislaw Falkowski; his wife, Maria Janina Falkowski; and his daughter, Malgorzata Maria Roza Falkowski; to the Committee on the Judiciary.

By Mr. HÉBERT:

H. R. 5895. A bill for the relief of John F. Oettl; to the Committee on the Judiciary.

H. R. 5896. A bill for the relief of Paul C. Juneau; to the Committee on the Judiciary.

By Mr. HEFFERNAN:

H. R. 5897. A bill for the relief of Mrs. Margaret Liebermann Gordon; to the Committee on the Judiciary.

By Mr. HOLMES:

H. R. 5898. A bill for the relief of St. Elizabeth Hospital, Yakima, Wash.; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 5899. A bill to provide for the admission of Mrs. Julia Balint to the United States as a nonquota immigrant; to the Committee on the Judiciary.

By Mr. SHAFER:

H. R. 5900. A bill for the relief of Miss Angela Siradakis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1569. By Mr. CLASON: Petition of the General Court of Massachusetts to the Congress of the United States to enact into law the adjusted compensation bill as advocated by the Veterans of Foreign Wars of the United States; to the Committee on Ways and Means.

1570. Also, petition of the General Court of Massachusetts to the Congress of the United States to enact appropriate legislation eliminating the payment of a poll tax as a prerequisite to voting; to the Committee on House Administration.

1571. By Mr. FORAND: Petition of Alfred A. Caldarone, M. D., and 360 other employees of the Veterans' Administration of Providence, R. I., and southern Massachusetts, urging favorable action and ultimate passage of legislation providing for a pay increase to Federal employees, in view of the present inequality in wages and living costs; to the Committee on Post Office and Civil Service.

SENATE

THURSDAY, MARCH 18, 1948

(Legislative day of Monday, March 15, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father in Heaven, save us from the conceit which refuses to believe that God knows more about government than we do, and deliver us from the stubbornness that will not seek God's help.

Today we claim Thy promise: "If any man lack wisdom, let him ask of God, who giveth to all men liberally * * * and it shall be given him." Thou knowest, Lord, how much we need it. Make us willing to ask for it and eager to have it. In Jesus' name we pray. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 17, 1948, was dispensed with, and the Journal was approved.

PROGRAM FOR SATURDAY AND EASTER WEEK END

Mr. WHERRY. Mr. President, I announce to the Senate that it is now not only the intention but the program that there shall be no Saturday session this week. The feeling is that the tax bill will extend over until next week at any rate, and for that reason there will be no Saturday session.

Relative to the Easter week end, it is the intention now that there shall be an adjournment from Thursday night, March 25, so that the Senators who care to do so may go home for the Easter season. The Senate will reconvene again on Monday, which will be March 29, and have a call of the calendar for the consideration of unobjected-to bills; and if it meets with the approval of the Senate, no controversial matters will be taken up on Monday afternoon, but the Senate will proceed with any matter on Tuesday. So there will be a session on Monday in order that we may comply with the constitutional provision in regard to adjournments for more than 3 days. If there are any questions to be asked, I shall be glad to answer them.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4838) to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes.

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 400. An act authorizing the issuance of a patent in fee to Mabel Townsend Pretty On Top;

S. 773. An act authorizing the issuance of a patent in fee to Mrs. Mary E. Leaf;

H. R. 2453. An act to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining, and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace;

H. R. 4838. An act to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées and fiancés of members of the armed forces of the United States; and

H. J. Res. 320. Joint resolution to authorize the issuance of a special series of stamps

commemorative of the one hundredth anniversary of the creation of the Territory of Minnesota.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF UNITED NATIONS PARTICIPATION ACT, 1945

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the United Nations Participation Act of 1945 to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization (with accompanying papers); to the Committee on Foreign Relations.

REPORT ON ACTIVITIES OF DEPARTMENT OF JUSTICE

A letter from the Attorney General of the United States, transmitting, pursuant to law, a report on the activities of the Department of Justice for the fiscal year ended June 30, 1947 (with an accompanying report); to the Committee on the Judiciary.

REHABILITATION AND RESOURCES OF NAVAJO AND HOPI INDIANS

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

PETITIONS

Petitions, etc., were laid before the Senate by the President pro tempore and referred as indicated:

Resolutions adopted by the General Court of the Commonwealth of Massachusetts, favoring the enactment of legislation providing for the establishment of a national cemetery within the Commonwealth of Massachusetts; to the Committee on Interior and Insular Affairs.

(See resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on March 17, 1948, p. 2987, CONGRESSIONAL RECORD.)

A letter from the Secretary of the Navy, transmitting a resolution adopted by the General Assembly of American Samoa, at Fagatogo, Tutuila, American Samoa, requesting that action on organic legislation affecting American Samoa be deferred for a period of 10 years or more (with accompanying papers); to the Committee on Interior and Insular Affairs.

EXTENSION OF DISTRICT RENT CONTROL—REPORT OF A COMMITTEE

Mr. BUCK. From the Committee on the District of Columbia, I ask unanimous consent to report an original bill to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act.

There being no objection, the bill (S. 2342) to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act, reported by Mr. BUCK from the Committee on the District of Columbia, was received, read twice by its title, and ordered to be placed on the calendar.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 18, 1948, he presented to the President of the United States the following enrolled bills:

S. 400. An act authorizing the issuance of a patent in fee to Mabel Townsend Pretty On Top; and

S. 773. An act authorizing the issuance of a patent in fee to Mrs. Mary E. Leaf.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. TOBEY, from the Committee on Interstate and Foreign Commerce:

Harold Armstrong Jones, of California, to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1952.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG:

S. 2340. A bill to provide that service-connected disability compensation paid by the Veterans' Administration to occupants of veterans' temporary housing be disregarded in determining the rentals to be paid by the occupants of such housing; to the Committee on Banking and Currency.

By Mr. HILL:

S. 2341. A bill to authorize an increase in the annual appropriation for the maintenance and operation of the Gorgas Memorial Laboratory; to the Committee on Labor and Public Welfare.

(Mr. BUCK, from the Committee on the District of Columbia, reported an original bill (S. 2342) to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. THOMAS of Utah:

S. 2343. A bill for the relief of Olga Belakhovsky-Erelbe; to the Committee on the Judiciary.

By Mr. GURNEY:

S. 2344. A bill to provide for economic rehabilitation, reorientation, and reeducation in Japan, Korea, and the Ryukyu Islands, and for other purposes; to the Committee on Armed Services.

By Mr. DOWNEY:

S. 2345. A bill for the relief of Chin Suey Hong and his wife, Lee Suey You; to the Committee on the Judiciary.

By Mr. ROBERTSON of Wyoming:

S. 2346. A bill to provide for the distribution among the States of Colorado, New Mexico, Utah, and Wyoming of the receipts of the Colorado River Development Fund for use in the fiscal years 1949 to 1955, inclusive, on a basis which is as nearly equal as practicable and to make available other funds for the investigation and construction of projects in any of the States of the Colorado River Basin in addition to appropriations for said purposes from the Colorado River Development Fund; to the Committee on Interior and Insular Affairs.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENTS

Mr. CONNALLY submitted amendments intended to be proposed by him to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. KEM (for himself and Mr. WILLIAMS) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 4790) supra, which were ordered to lie on the table and to be printed.

TRANSFER OF REMOUNT SERVICE—AMENDMENTS

Mr. THOMAS of Oklahoma submitted amendments intended to be proposed by him to the bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture, which were ordered to lie on the table and to be printed.

ADDRESS BY SENATOR GREEN BEFORE RHODE ISLAND BRANCH OF THE AMERICAN FEDERATION OF LABOR

[Mr. GREEN asked and obtained leave to have printed in the RECORD an address delivered by him at the semiannual convention of the Rhode Island State branch of the American Federation of Labor on March 14, 1948, which appears in the Appendix.]

FAREWELL TALK BY THE PUBLIC PRINTER

[Mr. HAYDEN asked and obtained leave to have printed in the RECORD a farewell talk by the Public Printer to the employees of the Government Printing Office, March 12, 1948, which appears in the Appendix.]

JOSEPHUS DANIELS—ADDRESS BY BISHOP W. W. PEELE AND EDITORIAL COMMENT

[Mr. UMSTEAD asked and obtained leave to have printed in the RECORD an address delivered at the funeral of the late Josephus Daniels by Bishop W. W. Peele, and editorials on the life of Mr. Daniels, which appear in the Appendix.]

THE NUREMBERG TRIALS—LETTER FROM E. C. DEANE

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD a letter regarding the Nuremberg trials in Germany, from E. C. Deane, of El Dorado, Ark., which appears in the Appendix.]

THE LATE NIKOLA D. PETKOV, BULGARIAN DEMOCRATIC LEADER

[Mr. SMITH asked and obtained leave to have printed in the RECORD a memorandum covering the background and story of the life of the late Nikola D. Petkov, Bulgarian democratic leader, which appears in the Appendix.]

FOREIGN POLICY OF THE UNITED STATES — EDITORIAL FROM WALL STREET JOURNAL

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an editorial entitled "On Thin Ice," published in the Wall Street Journal of March 17, 1948, which appears in the Appendix.]

GI FLIGHT TRAINING—ARTICLE BY DON V. SEEVERS

[Mr. McCARRAN asked and obtained leave to have printed in the RECORD an article entitled "An Answer to Statements Made by Budget Bureau Representatives In Regard to GI Flight Training," prepared by Mr. Don V. Seevers, manager of the Texas State Aviation Association, which appears in the Appendix.]

ASSASSINATION OF MAHATMA GANDHI—LETTER FROM ANDREW V. CORRY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a letter from Mr. Andrew V. Corry, a citizen of Montana temporarily residing in New Delhi, India, describing the assassination of Mahatma Gandhi, which appears in the Appendix.]

SENATOR TAFT'S REPLY TO A WASHINGTON DAILY NEWS EDITORIAL

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a letter from

Senator TAFT in reply to an editorial published in the Washington Daily News on Tuesday, March 16, 1948, which appears in the Appendix.]

SOCIAL MILESTONES—ARTICLE BY MALVINA LINDSAY

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "Social Milestones," written by Malvina Lindsay and published in the Washington Post of March 4, 1948, which appears in the Appendix.]

LEAVE OF ABSENCE

Mr. BUTLER. Mr. President, I ask permission of the Senate to be absent after the adjournment tomorrow for approximately 1 week.

The PRESIDENT pro tempore. Without objection, the request is granted.

MEETING OF A SUBCOMMITTEE

Mr. WHERRY. Mr. President, I ask unanimous consent that a subcommittee of the Committee on the Judiciary considering the tidewater land bill be permitted to meet during the session of the Senate this afternoon.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RENT CONTROL—DISMISSAL OF HENRY J. ZETZER

Mr. CAIN subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD some excerpts from a letter written by Mr. Henry J. Zetzer, regional rent administrator, region No. 3, under date of February 24, 1948, together with a memorandum prepared by me under date of March 15, 1948. These papers cover some of the reasons which led the Acting Housing Expediter, Mr. Tighe Woods, on last Saturday, to suspend Mr. Zetzer in Cleveland from his prevailing duty. I would suggest and hope, Mr. President, that these two items may immediately precede a letter submitted this morning by the junior Senator from Ohio [Mr. BRICKER] on the same subject.

There being no objection, the excerpts and memorandum were ordered to be printed in the RECORD, as follows:

CONFIDENTIAL MEMORANDUM

OFFICE OF THE HOUSING EXPEDITER,
OFFICE OF RENT CONTROL,
Cleveland, Ohio, February 24, 1948.

To: All area rent directors, all area rent director attorneys, all chief attorneys.

From: Henry J. Zetzer, regional rent administrator.

Subject: Biweekly letter (excerpts only from letter).

As I write this, it seems certain that Congress will extend the present act 30 days in order to give more time to the Housing and Rent Act of 1948. There is no cause for jubilation, and such action must be construed as a victory for the opposition forces, since Congress has had ample time to consider and pass a proper rent bill. I have spent some time wading through the transcript of the hearings before the Senate subcommittee in order to gain a first-hand understanding of the legislative background. I was much impressed by the fine showing Tighe Woods made even though they raked him over the coals repeatedly. Just looking over the membership of the subcommittee gives one a good picture of what we are up against, viz: Republicans CAIN, BUCK, and BRICKER; Democrats TAYLOR and FULBRIGHT. Only TAYLOR expressing any faith in rent control, and most of the others are openly hostile. It was the usual mummery of gleefully pouncing on any statement derogatory to control and turning over under the microscope anything favorable; all accompanied by repeated protests that this is only in the interest of impartiality and thoroughness. Certainly the evidence submitted did not support the bill reported out. Apart from the issue of rent control, one is astounded at a system of government which encourages legislative sabotage by giving the job of drafting legislation to people who are openly out of sympathy with the objective. It is like asking the railroads to draw regulations for civil aeronautics. Certainly it should not require much intelligence to think of a better way—but such is the weakness of our democracy.

* * * * *

The inequities provision is a dandy in that the Administrator must adjust to prevent any person from suffering a loss in the operation, or to remove hardship or correct inequities. (Socialism in reverse.) The 15-percent lease hike is reenacted and remains in effect until April 30, 1949, with the term of the lease fixed so as not to expire before December 31, 1949. As to existing leases, these accommodations remain free from the maximum rent provisions unless and until the lease is terminated or expires before April 30, 1949. In such case the maximum rent shall be not more than 15 percent over the maximum rent in the absence of a lease. To bolster up the voluntary angle this statement must be signed by the tenant: "I am entering into a lease on housing accommodations occupied by me at ——— voluntarily and in good faith, and I fully understand that I am not required to enter into such lease and cannot be compelled to vacate these housing accommodations for failure to enter into such lease." Under this bill, accommodations once leased are recontrolled when the lease is terminated (of course, the landlord may lease again but not for more than 15 percent above maximum). Landlords are required to report terminations of leases within 15 days.

According to the language of this bill the advisory boards are to consist of representative citizens who are citizens of the area and who, insofar as it is practicable, as a group are representative of the affected interests in the area. If the governor makes no nomination for original appointments or vacancies within 30 days after requested, the Administrator may appoint without nomination. "Nothing in the foregoing provision shall require the reappointment of present members, but any change in the membership * * * shall be effectuated as promptly as may be practicable." In dealing with individual cases, the board must grant hearing to any party requesting it.

After all the howling about the Expediter refusing to follow board recommendations, the buck is passed to the Administrator in that he must approve any recommendation appropriately substantiated in the opinion of the Rent Administrator.

* * * * *

Looking over the résumé, I note Senator CAIN's proposal to automatically decontrol when the vacancy rate reaches 1 percent is not included. The proposal to increase rents 15 percent when operating costs in any area go up 30 percent is likewise out. From the great zeal shown by the subcommittee to give landlords relief, one is chagrined to note the absence of a blanket increase. If this were the honest conclusion of Congress, there would be no difficulty in administering the bill, but certainly no intelligent consideration of the legislative history can reconcile the profound concern over the landlord's plight shown by the subcommittee and the provisions of S. 2182, which as a whole is tougher than the Housing and Rent Act of 1947. Of course, we should keep in mind that the Senate bill has not been debated as yet and that the final act may be much different. The policy of our office is to get the word around just as fast as possible so that you will not be taken by surprise. Keeping in mind that it is not the rent director's job to campaign for or against any bill, I point out that it is proper for you to inform the public as to the various proposals.

In the House, Mr. Wolcott's committee introduced H. R. 5390 which is the 30-day extension proposal. The argument is that the Miller case was pending in the Supreme Court and that furthermore there is a break in commodity prices which may affect the situation. The unanimous decision of the Supreme Court upholding the constitutionality of the Housing and Rent Act of 1947, and the severe jump in steel are a couple of jokers the Congressmen failed to anticipate. Meanwhile the Apartment House Owners' Association is spreading the word that the 30-day extension is the first step in the plan to end rent control now. If this rumor hits your town, do not think it is news. No doubt many Congressmen would like to kill rent control now—but will they dare?—that's the question. So let the landlord groups howl for the present.

MEMORANDUM

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
March 15, 1948.

To: All Senators.

From: Senator HARRY P. CAIN, chairman, subcommittee on Rents and Housing, Banking and Currency Committee.

Subject: Dismissal of Henry J. Zetzer, regional rent administrator, region No. 3.

You may have heard and read by radio and press of Saturday last that Mr. Tighe Woods, Acting Housing Expediter, had dismissed Mr. Henry J. Zetzer, regional rent administrator of region No. 3. This region covers the States of Ohio, Indiana, Kentucky, Michigan, and West Virginia.

Attached are excerpts from a letter which was issued by Mr. Zetzer under date of February 24th, the day on which the Senate passed its version of the 1948 rent bill, and received by your subscriber about a week ago. The rent subcommittee thought it proper to confer with the Housing Expediter, Mr. Woods, about the question of how far an executive agent could go in indicting the integrity and sincerity of the United States Senate and individual Members of that body.

Mr. Woods met with the Subcommittee on Rents and Housing last Saturday morning. He had not previously seen the letter which is attached. After reading the letter Mr. Woods declared that Mr. Zetzer had been guilty of extreme bad judgment and bad taste and that Mr. Zetzer should be summarily removed from the service.

The Housing Expediter, Mr. Woods, informed Mr. Zetzer by telephone last Saturday afternoon that he was suspended as of that date. The regional office in Cleveland, Ohio, opened on Monday, March 15, under a new acting regional administrator.

The Housing Expediter, Mr. Woods, is presently examining the files of every regional office, of which there are seven throughout the Nation, to determine if other agents of the Housing Expediter have been guilty of that practice which led to the dismissal of Mr. Zetzer. Mr. Woods will dismiss any individual within his organization who officially or publicly denounces and criticizes any policy which is laid down by the Congress. Mr. Woods understands that his task, and that of his agents, is primarily one of effectively administering any law which the Congress approves.

Mr. Woods, in the considered opinion of your subcommittee on rents, is to be complimented for having taken positive action on the same day that Mr. Zetzer's dereliction was brought to his attention.

Your subcommittee on rents thought you ought to be advised of the facts which led to Mr. Zetzer having been removed from his official position.

RENT CONTROL—ENCOURAGEMENT OF COMPLAINTS BY TENANTS

Mr. BRICKER. Mr. President, last week there was placed in the CONGRESSIONAL RECORD a letter from the regional rent director of Cleveland, Mr. Henry J. Zetzer. This communication was sent to all area rent director attorneys and all chief attorneys, and when it was made public it resulted in the dismissal of Mr. Zetzer as the regional rent director for Cleveland. The rent bill is now in conference between the Senate and the House; and in order that the document may be available for the information of the conferees and of the Members of the House and Senate in the consideration of the conference report, I ask unanimous consent to place in the RECORD at this time a confidential, so-called, bulletin of the Cleveland acting regional compliance officer, Mr. Stanley Berke, which communication shows the attitude of the compliance officer in that district.

Especially do I desire to call attention to the encouraging of complaints, and the complaint leveled at the officials of that area because they had not brought the average of the complaints in the Cleveland area up to the general average of the country; in other words, emphasizing that this is an agitating, trouble-making organization, rather than one attempting to carry out the provisions of the law enacted by the Congress.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

To: All area rent directors, attorneys, compliance negotiators.
From: Stanley Berke, acting regional compliance officer.
Subject: Volume of tenants' complaints in region 3.

During the past two months the national office has issued a series of "Analyses of 501 reports" giving comparative compliance statistics by regions. In each report this region has ranked sixth out of 7 regions in volume, both of tenants' complaints received and of compliance actions docketed.

To place this situation in its proper perspective the following statistics indicate what portion of the Nation's housing registrations fall within this and the other regions. In parallel columns there is also shown the break-down of tenants' complaints as filed by regions both in numbers and percentage-wise for January 1948. (The housing statistics are for June 1947, the last ones available and are adjusted for the cancellation of region VII (Denver).)

	Registrations	Percent of total	Tenants' complaints for January 1948	Percent of total
National	16,906,417	100	31,522	100
Region II (New York City)	5,061,054	29.9	15,142	48
Region III (Cleveland)	2,176,479	12.9	2,273	7.2
Region V (Dallas)	2,156,167	12.8	3,181	10.1
Region VIII (San Francisco)	2,074,991	12.3	3,939	12.5
Region VI (Chicago)	2,042,338	12.1	3,225	10.2
Region IV (Atlanta)	1,955,118	11.6	2,325	7.4
Region I (Boston)	1,440,270	8.5	1,437	4.6

It is evident by any comparison you desire to make of the above figures that this region is considerably behind all the others in its compliance activity. We are primarily concerned with the volume of tenants' complaints since the 501 reports indicate that once we have processed the complaints on hand our record compares favorably with the national average.

Each office is responsible for a portion of this deficiency since every one of them could be doing a better job of encouraging complaints. The following are some of the specific reasons we have found for this situation:

1. Area rent director and staff not sold on compliance.

2. Administrative section ignores violations it finds when processing petitions.

3. Compliance section refuses to consider violations referred to it administratively.

4. Where a D-10 complaint discloses some grounds for an adjustment, office sends petition forms and copy of D-10 (the latter is absolutely inexcusable).

5. Receptionist and others in office advise tenants not to file complaints until they have moved out of the premises.

6. No respect for confidences tenants give to office personnel (e. g., front desk conferences by the area rent director in the presence of landlords and others).

7. No complaints accepted unless signed by the tenant.

8. Tenants' complaints permitted to accumulate without action being taken and without counting them in the statistical totals.

9. Refusal to process a tenant's complaint without a Form D-66 (not absolutely needed).

It is realized that the foregoing do not apply to all offices. In fact, many offices have none of these faults. Others are guilty of all or most of them.

In view of the record established in other regions, the usual arguments concerning a weak act and lack of tenant protection are not valid. Most certainly we cannot justify our existence as an agency devoted solely to rent adjustments. We must also protect the rent levels established by law to the best of our ability. Any person who claims this cannot or should not be done admits that he is a failure as an administrator.

We believe that every office must evaluate its compliance operation in the light of the above statistical comparisons. If the San Francisco region with 12.3 percent of all housing registrations can maintain a flow of tenants' complaints equal to 12.5 percent of the total number of complaints filed nationally, it is expected that this region must at least match this activity with 12.8 percent of the registrations. The regional office will make vigorous efforts to attain this minimum and will expect full cooperation from all area offices.

EQUIPMENT MAINTENANCE OF RURAL CARRIERS—CONFERENCE REPORT

Mr. LANGER. Mr. President, I submit a conference report on Senate bill 203, to increase the equipment maintenance of rural carriers, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The conference report will be read.

The conference report was read by the Chief Clerk, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of three years, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: On page 2, line 1, of the House engrossed amendments, strike out "twelve months" and insert in lieu thereof "two years"; and the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows: Strike out "twelve months" and insert in lieu thereof "two years"; and the House agree to the same.

WILLIAM LANGER,
C. D. BUCK,
RALPH E. FLANDERS,
DENNIS CHAVEZ,
OLIN S. JOHNSTON,
Managers on the Part of the Senate.

EDWARD H. REES,
WILLIAM C. COLE,
ANTONI N. SADLAK,
TOM MURRAY,
JOHN E. LYLE,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

REDUCTION OF INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 4790) to reduce individual tax payments, and for other purposes.

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	Overton
Barkley	Hill	Pepper
Brewster	Hoey	Reed
Bricker	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Johnston, S. C.	Russell
Butler	Kem	Saltonstall
Byrd	Kilgore	Smith
Cain	Knowland	Sparkman
Capehart	Langer	Stennis
Capper	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Thye
Dworshak	McGrath	Tobey
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	
Hatch	Murray	

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. MILLIKIN. Mr. President, the Senate has before it H. R. 4790 as amended by the Senate Finance Committee. The bill is a relief and equalization measure providing for reduction of the individual income-tax burden, and the removal of inequalities between individuals living in community-property States and non-community-property States. This last phase of the bill applies to the Federal estate and gift taxes as well as the income tax.

A copy of the committee's report and the hearings will be found on the desk of each Senator.

The committee's bill does not provide for as much tax reduction as that contained in the House bill. The House bill called for an annual reduction in tax liabilities of approximately $6,658,000,000. The Finance Committee's bill involves an annual loss of revenue on a liability basis of $4,773,000,000, a difference of approximately $2,000,000,000.

Under existing law there are approximately 54,500,000 individual income-tax payers. Under the bill about 7,400,000 of these will be relieved entirely of income-tax liability. Seventy-one percent of the total reduction granted by the bill will go to individuals with incomes, after deductions and before exemptions, of less than $5,000. Twenty-nine percent will go to individuals with incomes of five thousand or over.

Individuals with incomes under five thousand report approximately 80 percent of the income after deductions but before exemptions. Although they pay only 55 percent of the present tax, they will receive 71 percent of the reduction under the committee's bill.

Individuals with net incomes of $5,000 or over report approximately 20 percent of the income after deductions but before exemptions. They pay 45 percent of the present tax, but receive only 29 percent of the relief under the committee's bill.

Under the committee's bill the tax reduction is made in the following manner:

First. Personal and dependency exemptions are increased from $500 per capita to $600 per capita. This means that a taxpayer will receive an additional exemption of $100 for himself, an additional $100 for his spouse, and an additional $100 for each of his dependents. Thus, a married person with two dependents will receive a total exemption of $2,400 as compared with a $2,000 exemption under existing law.

The increase in the per capita exemption from $500 to $600 will relieve approximately 6,000,000 taxpayers from income-tax liability. It will result in a revenue reduction of approximately $2,000,000,000.

Second. Husbands and wives are permitted to split their income for tax purposes. Those who wish to avail themselves of this opportunity will elect to file a joint return, divide by 2 their income after deductions and exemptions, compute their tax on this basis, and multiply the result by 2.

Third. The maximum standard deduction for married couples filing joint returns has been raised to $1,000. The standard deduction for single persons has also been raised to $1,000.

Fourth. An additional $600 exemption is granted to taxpayers who are 65 or more years of age. If both husband and wife have attained the age of 65, the $600 exemption is granted to each spouse. This will relieve 1,400,000 of these citizens from income-tax liability and benefit an additional 2,300,000 taxpayers who have passed that age minimum.

Fifth. In lieu of the present $500 deduction an additional $600 exemption is granted to taxpayers who are blind. If both husband and wife are blind, the $600 exemption is granted to each spouse. These exemptions are given to the blind irrespective of their age. They are in addition to the exemption allowed persons who are 65 or over.

Sixth. Percentage rate reductions varying according to the amount of the tax are provided for all taxpayers. The distribution of these tax reductions is as follows: (1) Taxpayers with incomes, after deductions and exemptions, of $2,000 or less receive a reduction in tax of 12.6 percent. (2) Taxpayers with incomes, after deductions and exemptions, in excess of $2,000 but not in excess of approximately $136,700 receive a reduction of 12.6 percent on the tax on the first $2,000 of their income after deductions and exemptions and 7.4 percent on the tax on the balance. These same reductions apply to the tax on the first $136,700 of income for taxpayers with incomes, after deductions and exemptions, in excess of $136,700. The reduction on the tax on the income in excess of $136,700 is limited to 5 percent. In other words, the rates are cumulative.

The House bill provided reductions of 30 percent on the tax attributable to incomes up to $1,000; reductions ranging from 30 to 20 percent on the tax on incomes from $1,000 to $1,395.83; 20 percent reduction on the tax on incomes from $1,395.83 to $4,000; and 10 percent on the tax attributable to incomes in excess of $4,000. This required a "notch" provision, which complicated the law from an administrative standpoint. The committee's plan eliminates this "notch" and thus greatly aids tax simplification.

Seventh. The estate and gift taxes are amended as follows:

(a) The 1942 amendments which provided special rules in the case of community property are repealed for persons dying and as to gifts made after the date of the enactment of this bill.

(b) Provision is made for estate and gift tax splitting of noncommunity property. This provision will apply to persons dying after the date of the enactment of this bill, so that community property and noncommunity property may be placed on an equal basis at the same time.

Under this provision, property passing in a common-law State from a decedent to the surviving spouse is deducted from the decedent's gross estate up to a limit of 50 percent of the value of the decedent's gross estate less deductions for funeral expenses, debts, and other claims against the estate. In a similar fashion husbands and wives, in common-law States, may treat their gifts as being made one-half by each spouse. Residents of community-property States may also take advantage of the estate and gift tax splitting provisions with respect to transfers of their separate property. The same splitting effect is achieved for community property by the repeal of the 1942 amendments.

As to the effect of this tax reduction on the budget: The enactment of the committee's bill will reduce the revenues by $558,000,000 in the fiscal year 1948 and $5,100,000,000 in the fiscal year 1949. We estimate that in the fiscal year 1948 this will leave a surplus of $5,000,000,000, and in the fiscal year 1949 a surplus of $5,200,000,000.

The reduction of $2,500,000,000 in the President's budget called for by the Joint Legislative Budget Resolution will increase the surplus in the fiscal year 1949 to $7,700,000,000.

In our surplus calculations we have taken account of the operation of the European recovery program trust fund which raises total expenditures for the fiscal year 1948 by $3,000,000,000 and makes the same amount available for the first expenditures for ERP during the fiscal year 1949. We have also added to the estimate of expenditures of the President's budget for fiscal 1948 and 1949 additional expenditures so far requested for foreign aid amounting to $34,000,000 in fiscal 1948 and $311,000,000 in fiscal 1949.

For its revenue estimates the committee has used the figures supplied by the staff of the Joint Committee on Internal Revenue Taxation, instead of those appearing in the budget document. The committee is convinced that the staff estimates are conservative, and they were substantiated by testimony at the hearings.

The assumptions as to personal income on which these estimates are based are spelled out in the report on this bill. It will be noted that the staff has assumed a mere continuance of current levels of business during the first half of the calendar year 1948, and a moderate decline in business conditions during the balance of this year and the first half of 1949. The estimates have been adjusted for the recent decline in the commodity markets and the stock exchange. There is a good chance that the estimates as they now stand represent an understatement of the revenues which we shall actually collect in the fiscal year 1949.

However, if any Senator wishes to rely upon the Treasury's estimates of receipts

in arriving at the tax effect of the bill on the budget for the fiscal year 1948 and 1949—and I divert, to say that the Treasury missed it by $10,000,000,000 in 1948—he will still find that there exists a substantial surplus for debt reduction and contingencies. Using the Treasury estimate of receipts, the surplus for the fiscal year 1948 is estimated at three billion eight hundred ninety million, and for the fiscal year 1949 at two billion three hundred ninety-seven million, a total for the 2 years of six billion two hundred eight-seven million. Giving effect to reduction of expenditures of two billion five hundred million as recommended by the joint legislative budget resolution, the surplus for 1949, using the Treasury figures, will be increased to $4,897,000,000, or a total for the 2 years of $8,787,000,000.

The Treasury in preparing its revenue estimates used an income level below that used by the Joint Committee staff. The Treasury assumed that the income level in the calendar year 1948 and in the first half of the calendar year 1949 would be $200,000,000,000.

Alleged to be the current income level, this is in fact more than $10,000,000,000 below the level of December 1947 and January 1948. In justifying the use of the $200,000,000,000 assumption, the Treasury points to the fact that the average income level for all of 1947 is 197 billion.

However, this is only blindfolded playing with figures. We all know that the income level in the first half of 1947 was considerably below the level in the latter part of that year, and that the trend in the latter part of the year was upward. Therefore, the average for 1947 cannot properly be called the current level at the close of the year.

I repeat that the estimates of our staff of the surplus for debt reduction and contingencies which will remain in 1949—an estimate of from 5.2 billion to 7.7 billion dollars—is more realistic and demonstrable.

The relation of tax reduction to supply, demand, and price levels has been under discussion. Expert witnesses predicted before your committee a moderate falling off in business conditions during the latter part of 1948, similar to that assumed by the staff in preparing its revenue estimates. The committee is also aware of a growing body of opinion among business economists which supports this forecast.

Mr. WHERRY. Mr. President, does the Senator from Colorado desire to have interruptions during the course of the presentation of his remarks, or would he prefer to have interruptions withheld?

Mr. MILLIKIN. Mr. President, let me say first that I never run away from interruptions.

Mr. WHERRY. Of course not. I did not mean that.

Mr. MILLIKIN. But I should prefer to be permitted to finish my entire presentation. Then I shall welcome questions.

Mr. WHERRY. I thank the Senator.

Mr. MILLIKIN. However, Mr. President, the committee has not overlooked the possibility of continued inflationary pressure in recommending the proposed tax reduction. It is not believed that, on balance, the Finance Committee bill will add to the inflation problem. Let me remind the Senate again that after full account has been taken of the effects of the tax reduction provided by your committee's bill, there may be as much as 10.2 to 12.7 billion dollars available for debt retirement in 1948 and 1949. Let me point out that debt retirement of this size can be made an extremely deflationary operation.

If taxes are not reduced at all, $15,900,000,000 to $18,400,000,000 may be available for debt reduction in 1948 and 1949. In view of the current uncertainty as to economic prospects, it seems clear that debt reduction of such massive proportions would be quite apt to be excessively deflationary. It might not merely check inflation, but might produce actual catastrophic deflation.

It must not be forgotten that the deflationary effects of debt reduction depend upon whose bonds are retired by the Government. The least deflationary effect results from the purchase of securities held by individuals. A more deflationary effect is attained from the purchase of securities held by commercial banks. The maximum effect is obtained when the securities are purchased from the Federal Reserve System.

We believe that the managers of the debt, with the surpluses remaining after giving effect to this bill, will retain all needed flexibility for constructive pressures against inflation.

Those who allege that tax reduction is inflationary may overlook the fact that the kind of tax reduction provided by this bill will stimulate the incentives which are basic to production. An increase in production is the best possible way of relieving inflationary pressures. It operates not by restricting demand, but by increasing supply. It means a higher standard of living for everybody.

The additional incentives provided by this bill are less than I would like to see. But the reverse in direction, in and of itself, will release constructive hopes and energies with chain reaction values far beyond the immediate amount of reduction.

The people will have received an authentic sign that we are on the way to the doing of those things necessary for a free and solvent economy.

Congress has expressed its intention to reduce the 1949 budget expenditures by $2,500,000,000. Such a reduction in expenditures will also reduce inflationary pressures.

A balanced view of our problems requires that we also give some mind to deflationary forces and to possible bulwarks against their precipitous and disorderly operation. Production is catching up with demand. We are already in surplus in many fields where the buyer is now ruling the price. Washing machines, radios and electrical equipment are examples.

Should business begin to taper off, the effects of this tax reduction upon the incentives to work and to invest would be extremely important. The increase in exemptions and the comparatively large percentage tax reduction in the lower-income brackets would set free additional purchasing power which would be very helpful.

I have already touched briefly upon the effect of incentives on the productivity of our economy. This is important, not only with reference to our level of production in the immediate future, but also for the attainment of a higher standard of living in the years to come. The effect of the existing income tax on the incentives to work, to save and to invest is shown most clearly by the so-called marginal rates. These are the rates imposed on the last dollar of income received. Since they show how much if any additional income an individual will actually receive after taxes, they reveal the true incentive to him to increase his efforts or to assume additional risks.

For example, under existing law the individual with income after deductions but before exemptions of $10,000, who makes a successful risk investment which returns him an additional net income of $1,000, must pay 36 percent of it to the Federal Government alone.

If his income is $25,000 and he makes a successful risk investment which returns him an additional net income of $1,000, he must pay 56 percent of it to the Federal Government alone. I am not mentioning State and local taxes.

If his income is $50,000, and he makes a successful risk investment which returns him an additional net income of $1,000 he must pay 71.3 percent of it to the Federal Government alone.

Let us view it from another angle. Let us see what has happened to take-home results since before the war for those in the income brackets where we must look for the risk capital needed to keep the pay rolls going. Assume a married taxpayer with two dependents and look at his income after deductions but before exemptions.

In order to have the same income left after taxes under present tax rates as he had in 1939, an individual with a net income of $5,000 a year in 1939 must have today a net income of $5,684. It takes a net income of $9,550 to give the same income after taxes as was enjoyed by a taxpayer with an $8,000 net income in 1939; a $12,257 income today to match a $10,000 income of 1939; and a $20,119 income to equal a $15,000 income in 1939. To match a $25,000 income in 1939, it is actually necessary to have an income of over $40,000 today, and a $50,000 income in 1939 represents the equivalent of an income of nearly $124,000 today.

The higher the income bracket, the more fantastic is the increase in income which it is necessary to have to match an equivalent income after taxes in 1939. A $228,000 income now is equal to an income of $75,000 in 1939; an income of nearly $313,000 represents the equivalent of a $100,000 income in 1939; and an income of over $1,260,000 would be required today to give the same income after taxes as a $500,000 income in 1939.

The figures which I have read do not take into consideration the 68-percent increase in the cost of living as of December 1947 over the average of 1939.

We get an especially graphic picture of the harshness of our steeply progres-

sive income-tax rates by testing the relation of income taxes paid per dollar of income by taxpayers in different brackets.

Let us assume a single person with no dependents and look at his income after deductions but before exemptions:

The $5,000 income man pays 10 times as much as the $1,000 income man;

The $10,000 man pays 25 times as much as the $1,000 man;

The $20,000 man pays 70 times as much as the $1,000 man;

The $25,000 man pays 99 times as much as the $1,000 man;

The $50,000 man pays 265 times as much as the $1,000 man;

The $100,000 man pays 669 times as much as the $1,000 man.

Let us make the same comparison using a net income base after deductions but before exemption of $5,000:

The $10,000 man pays three times as much as the $5,000-income man;

The $20,000 man pays seven times as much as the $5,000 man;

The $25,000 man pays 10 times as much as the $5,000 man;

The $50,000 man pays 27 times as much as the $5,000 man;

The $100,000 man pays 69 times as much as the $5,000 man.

The distortions in the rates of the late 1930's were magnified enormously during the war, when it was considered justifiable to repress risk investment for everything but war production. There was less need at that time for concern about venture capital in the middle and upper brackets because Uncle Sam, one way or another, was putting up most of the money.

But now we are confronted with the necessity of financing a dynamic, forward-moving peacetime economy out of our private resources, and I suggest that our job is to eliminate as rapidly as possible every obstructive factor. Our taxing irrationalities are luxuries which we shall not long be able to endure.

We need not depend alone upon our own experience to see the depressing effect of high tax rates on savings, venture capital, and incentives.

The increase in tax rates in Great Britain preceded by many years the increase in taxes in the United States.

The Liberal Government in Great Britain in 1910 initiated graduated income taxes even before the United States adopted an income tax. And Great Britain reached relatively high income tax rates much sooner than we did.

Moreover, there were no important reductions in British income taxes after World War I as there were in this country.

It is worth pointing out therefore that the ratio of savings to national income in Great Britain has declined seriously over a period of years. In 1911, before the income taxes in Great Britain became very heavy, savings represented approximately 16 percent of total national income. By 1924, this ratio had dropped to something like 11 percent. And by 1938 the ratio was actually down to less than 7 percent.

The effect of this decrease in savings and, therefore, in the private source of supply for capital investment in Great Britain, hardly needs elaborating. All of us are well acquainted with the trials with which Great Britain is afflicted today and the difficulties she is having in building up her industries and capital investments. It is not my intention to imply that high tax rates are the sole cause of Great Britain's present difficulties. However, I do not believe it can be gainsaid that they represent one of the most important causes.

Because times are good today many people ignore the need for adequate incentives and overlook the dangers of repressive income tax rates. We meet contentions similar to those of the Secretary of Commerce which appear to recognize the long-run danger inherent in these rates, but the argument is made that because business is operating at a very high level, little immediate result can be obtained from increasing incentives.

Such argument assumes that we face a kind of ceiling on production. This is another way of saying that there is no hope of reducing the problem of scarcities by increased production. Yet the President's Council of Economic Advisers has reported an increase in physical volume of output of 5 percent during the calendar year 1947 and has set a goal of a 3-percent increase during the calendar year 1948.

We continue to have bottlenecks in industry. There are still great opportunities to improve the efficiency of our productive plant by more effective organization and utilization of manpower and resources.

The fact that our production is not expanding as rapidly as it might is brought out clearly by comparing our experiences in recent years with those of the years immediately following World War I. During the 3 years immediately following World War I productivity increased by more than 10 percent a year. This is far in excess of the gains made since VJ-day.

I add that it was an early order of business after World War I to get rid of wartime tax rates, and that was accomplished. It is my firm conviction that the maintenance of repressive tax rates is one of the principal reasons why our performance is not as good today as during the early 1920's.

In his testimony before the committee, the Secretary of Commerce argued that there is no need to reduce taxes now in order to stimulate investment. He pointed out that the current volume of investment is very high. He denied specifically the argument which has come to us from responsible business sources that the expansion of business, and therefore production, was being restricted through a shortage of investment funds.

The Secretary placed emphasis upon the total volume of savings in our economy, but did not direct himself specifically to the venture capital which is critical to the development of the economy. This is the kind of capital which is scarce. This is the kind of investment which we hope to stimulate through the tax reduction provided by this bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator from Nebraska.

Mr. WHERRY. Apparently there was some misunderstanding regarding the announcement relative to the sessions of the Senate this week and next week. I made the announcement earlier that it was the feeling of the Senators in charge of the tax bill that we could not complete it this week, and therefore there would be no Saturday session this week. I made reference to the Easter recess the following week, and stated it was the intention, if the Senate approved, to observe the Easter season by recessing on Thursday night, March 25, to Monday, March 29, and that on Monday, March 29, if it meet with the approval of the Senate, there would be no controversial legislation brought up for consideration on that day, in order that those who wanted to attend Easter services with their families might return and be ready for business on Tuesday.

Mr. MILLIKIN. Mr. President, I should like to suggest that I hope we can finish with this bill today and tomorrow, but if we cannot, I do not think we should have a Saturday session.

The shortage of venture capital can be demonstrated from the Secretary's own statement. The evidence is spelled out in the report on the committee's bill and I can do no better than to read an excerpt from it:

1. The amount of business investment financed by retained profits represented an unusually large proportion of the total in 1947. Specifically, retained profits were 37.8 percent of total investment in 1947, as compared to 27.5 percent in 1946 and 30.7 percent in 1941. It is believed that this heavy dependence on internal financing was not a matter of choice, but was forced on corporations by the difficulty of floating new security issues.

2. The important role played by undistributed profits in 1947 produced a subnormal relationship between dividends and corporate profits. A tabulation made from Department of Commerce data indicate that in 1947 dividends represented about 58 percent of total profits, as compared with the 65 to 80 percent customarily distributed. This, of course, has the effect of making new stock issues less attractive to prospective investors, which in turn accentuates the need for financing out of undistributed profits.

3. Of the new issues marketed in 1947, an unusually large proportion took the form of fixed-income securities rather than stock. In that year bonds and notes represented 68.3 percent of the total, as compared to 43.5 percent in 1946.

4. The amount of risk-bearing common stocks issued in 1947 was 10 percent less than in 1946. Of the new securities issued in 1947, common stock represented only 22 percent of the total as compared to 43.5 percent in 1946. This reduced emphasis on common stocks, together with the heavy reliance on debt financing, reflects the difficulty experienced by corporations in obtaining risk capital.

5. Life-insurance companies are taking a very large proportion of the new securities, while individuals, who must be the chief source of risk capital, are buying a relatively small proportion. The life-insurance companies and banks, which must place their funds in securities with a low degree of risk, accounted for 83 percent of the net purchases in 1947 and were the only net purchasers in 1946. On the other hand, domestic individual buyers accounted for none of the net purchases in 1946 and only 17.1 percent in 1947. This is still another indication that those buying securities today are for the most part seeking relatively riskless investments.

6. Net securities issued by the risk-taking industrials in 1947 dropped while safer net issues of the utilities increased substantially. In 1947 the industrials accounted for 48.8 percent of the total and utilities 51.2 percent. In 1946 the retirement of railroad securities more than offset the issues of other utilities. Therefore, the only net issues which occurred in that year were those of the industrial group.

If any further evidence is desired of the scarcity of venture capital, attention need only be turned to the unprecedented existence of a sluggish stock market in a period of booming business. Here, too, there is a marked preference for securities with a low degree of risk. The average yield on new securities has been increasing for some time, and the spread between the rates paid on issues involving a greater degree of risk and those of the gilt-edged variety is now substantially larger than it was a year or so ago. This increasing premium, which must be paid for risk capital, is still another indication of its increasing scarcity.

I interpolate at this point that the chairman of the New York Stock Exchange appeared before the committee. I may say he is a member of the opposite party. He came at his own request and confirmed completely that the market for risk securities has dried up. He gave us long lists of securities, which will be found in the report of the hearings, which it was attempted to float but which had to be withdrawn because they would not sell, or because to sell them would require too much of a discount in the selling price.

I should like to emphasize that I am not talking about a theory. I think everyone will agree that we must get our risk capital either out of the Government or out of private citizens, and that we cannot maintain our kind of economy if we do not get it out of private citizens. The evidence is incontrovertible that we are not getting it.

Mr. President, I think that poses one of the most serious challenges that is before the Congress today. Here we are called upon to assume tremendous burdens abroad and at home which must necessarily come out of an economy which must be supported by the citizens of the United States, where the seed corn must originate for keeping the economy going. The evidence is incontrovertible that that source of capital has dried up, and no longer exists. That is not a prophecy for next year or for 5 years from now. It was the imminence of the threat, the immediacy of it, that brought Emil Schram, the chairman of the New York Stock Exchange, before the committee.

Mr. CONNALLY. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I should say that I have declined to yield in all cases because I wished to conclude, but if the Senator insists, I yield, but I shall be delighted to yield to him after I finish my remarks.

Mr. CONNALLY. I was impelled to rise by what the Senator was discussing at the time I asked him to yield. I shall wait until he concludes.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Senator prefers not to yield.

Mr. MILLIKIN. I thank the Senator from Texas.

The incentive effects of the kind of tax reduction provided in the committee's bill are given increased significance by the ominous turn of events in international affairs. If we face a period in which we must maintain a high level of military and foreign aid expenditures, it will be necessary for us to increase production in order to avoid a serious curtailment in the physical standard of life at home. To maintain a constant flow of goods and services for civilian consumption, and at the same time provide large quantities of additional military equipment and foreign aid, there must be a substantial increase in the total output of our economy. The incentives which make such an expansion possible are of critical importance. We cannot afford a rate schedule on individual incomes which is so repressive in its effects that people will not find it worth while to put forth the efforts needed for or to assume the risks of additional production. We must provide a sound economy at home in order to meet more adequately the problems abroad.

I have explained in general terms why the committee believes that tax reduction is both desirable and necessary at this time. Let me now turn to the reasons why the committee is advocating the adoption of the specific provisions contained in this tax bill.

I suspect that the Senate will be greatly interested in the provisions which produce a geographical equalization of the burden of the individual income, estate and gift taxes. When H. R. 1 and H. R. 3950 were before the Senate last year, a strong sentiment was expressed for including income tax equalization provisions in those tax bills. Amendments to that effect were proposed which at that time could not be accepted.

The proposed legislation was too difficult to draft on the floor of the Senate. Moreover, it was unwise to restrict equalization to the income tax alone. Senators from the community property States pointed out that inequalities also existed in the estate and gift taxes because of certain amendments adopted in 1942. It seemed advisable, therefore, to undertake a general program of geographical equalization covering the estate and gift taxes, as well as the income tax. There was not even a rough draft or plan of such legislation available at the time the tax reduction bills of the last session were under debate.

Furthermore, the addition of income splitting to the bills we had under consideration last year would have produced a lopsided tax reduction. Income splitting is more valuable to those in the upper income groups than to those in the lower tax brackets. For these reasons action on income splitting was postponed until the entire question of geographical equalization could be given thorough study.

On July 14, 1947, I made the following statement to the Senate regarding the income splitting proposal:

> The demand is so strong that I am inclined to believe, indeed I feel practically certain, that we will have a readjustment for Federal income tax purposes so that there may be Nation-wide splitting of incomes between the spouses. But the matter is related to gift taxes and estate taxes and trusts, and the benefits which the noncommunity property States would receive under such a system will leave certain residual problems in the community property States, which will have to be ironed out, and this cannot be done on the floor of the Senate.

In the months which have intervened it has been possible to develop a draft of the income splitting amendment which it is believed will meet with general satisfaction.

Moreover, in the interval a special committee of the tax section of the American Bar Association has brought forward a plan for extending the splitting technique to the estate and gift taxes. This committee was made up of a distinguished group of tax lawyers from both common law and community property States. These men worked long and assiduously, and after completing their draft submitted it to the Treasury Department, the staff of the Joint Committee on Internal Revenue Taxation and the House legislative counsel, for criticism. The draft was then subjected to extensive revision. This proved to be an extremely difficult operation, consuming many months of work on the part of a rather large number of people. The final product has only just now been completed.

The committee believes that the draft now before this body will produce approximate geographical equalization. We have been warned by the draftsmen that not all of the special problems which may arise under the legislation have been dealt with successfully, but we believe that the chief issues are being resolved. We anticipate that any special problems which may arise can be met by subsequent amendments of a technical character.

For this reason the committee can now recommend to the Senate a complete set of equalization provisions covering the income, estate, and gift taxes. These provisions will bring material benefits to taxpayers in community property and common law States alike, and will remove one of the most irritating groups of inequalities in the existing tax laws. They will set up a new national system for calculating income, estate, and gift tax liabilities.

In the committee bill the equalization provisions are a part of an integrated plan providing a balanced program of tax reduction. The relief accorded by the equalization provisions to the middle and upper brackets is balanced in part by the inclusion in the bill of an increase in the personal exemptions which will benefit primarily taxpayers in the lower income brackets. The percentage reductions under the committee bill have also been adjusted so as to maintain a balance in the bill as a whole.

As has been mentioned, the income splitting formula operates through the election by the married couple of the option to file a joint return. When a married couple elects to file a joint return under the committee bill, combined income of the two spouses, after deductions and exemptions, is divided by two. The tax is computed on this basis, and the results are multiplied by two. The

results are the same as if the man and the wife had income of precisely equal size and filed separate returns. Income splitting will benefit residents of all States, since it permits the splitting of all the income of the spouses, whether derived from community property or from separate property.

Let me stress, at this point, the fact that no couple is required to handle its income in this fashion. The option to file separate returns will remain available to taxpayers in common law and community property States alike, just as it is under present law. Couples in community property States, whose incomes are derived from community property and are therefore divided approximately equally by the operation of State law, may continue to file separate returns, just as they do today, without paying any more taxes than those couples using joint returns.

Let me emphasize also that the income-splitting option does not disturb in any way the manner in which property and income are divided under State law. It does not determine the income. It is merely a formula for calculating the amount of tax due.

Along with income splitting, in order to achieve geographical equalization, adjustments are required in the standard deduction and in the deduction for unusual medical expenses. At the present time taxpayers with incomes in excess of $5,000 may elect to use a standard deduction of $500 in lieu of itemizing their deductions. In a community-property State, if the income of a married couple is $10,000 or more, and the couple file separate returns, both may claim standard deductions of $500, or a combined standard deduction of $1,000. To realize equal treatment in common-law States, it was necessary to provide that married couples filing the income-splitting joint return receive a standard deduction of $1,000, or 10 percent of their income, whichever is lesser.

Raising the maximum standard deduction for all married persons to $1,000 also presents a different type of equalization problem. Single persons and heads of families do not participate in the benefits of income splitting, nor do they receive any benefit from raising the maximum standard deduction on a joint return to $1,000.

The committee therefore deemed it advisable to incorporate in its bill a special provision raising the maximum standard deduction for single persons to $1,000. This will place married couples and single persons upon an equal footing with respect to the standard deduction. It also appears to be a desirable method of compensating single individuals in some degree for the advantages of income splitting, which extend only to married couples. It is a more appropriate kind of relief for single persons than an increase in exemptions, since it grants relief to single persons in approximately the same income brackets as the married couples who benefit from the income-splitting provisions.

At the present time a special deduction is allowed for medical expenditures to the extent that they exceed 5 percent of the taxpayer's income before deductions and exemptions. However, this deduction is subject to a ceiling of $1,250 a year if the taxpayer claims only his own exemption, and $2,500 if he claims one or more additional exemptions. In a community-property State if both the husband and wife file separate returns, each claiming a dependent, it is possible for the two of them together to receive a maximum medical deduction of $5,000. If only one of them is entitled to a dependency exemption, the maximum medical deduction is $3,750. The committee's bill raises the ceiling for a married couple filing a joint return to $3,750 if they have one dependent, or $5,000 if they have two or more dependents. This equalizes the treatment of the maximum medical deduction under the two types of property systems.

The provision of approximate geographical equalization under the estate and gift taxes requires two steps. The first is the repeal of the 1942 amendments, which reestablishes the general rule that tax liabilities are determined on the basis of the operation of the State law of property governing the transfer. The second is the establishment of a so-called marital deduction which is intended to produce a tax liability in the common-law States of approximately equal size to that in community-property States.

While the 1942 amendments were enacted in an effort to achieve geographical equalization, it is evident from the testimony heard by the committee that they have in fact failed to do so. For this reason their repeal is advisable.

In the common-law States it is possible for the testator to avoid a second tax on the death of his wife by providing a life estate to his wife for life with remainder to the children. Let me illustrate this with a simple case. Assume that a man in New York State dies leaving an estate of $200,000 arising from his own earnings. Under existing law an estate tax would be paid upon the death of the husband on the entire $200,000, after allowance for deductions and exemptions.

Now let us see what would happen to this same individual in a community-property State. In a community-property State the husband could not create a life estate or a remainder interest in the part of the community property belonging to his wife. Nevertheless, the present law may impose a tax upon the entire estate, even though under the State law one-half belongs to the wife. Then, upon the death of a wife, some six or more years later, another estate tax is due upon her half of the community property.

Furthermore, under the 1942 amendments, if the wife dies first, and leaves her interest in community property to her husband, an estate tax is paid at her death, even though the entire community property was economically attributable to the husband, and the entire community property is also included in the husband's estate.

While the repeal of the 1942 amendments would provide relief in the situation which I have just described, it would also reintroduce a great many inequalities which existed before those amendments were adopted. Therefore, it is necessary to take the second step and introduce the estate-splitting or the marital deduction. Roughly speaking, this deduction, which I have already described, will produce the same tax treatment when a decedent spouse in a common-law State leaves half of his property to his surviving spouse as will be obtained, under the repeal of the 1942 amendments, in cases where the surviving spouse receives an interest in community property under the operation of State law.

The rules which apply to all transfers in common-law States apply also to transfers of separate property in community-property States.

The exemption increases have been incorporated in the committee's bill, partly because the benefits they provide will be heavily concentrated in the lower-income brackets. This makes more acceptable the distribution of the benefits of the equalization provisions.

The rise in the cost of living since the committee had the tax bills of last year under consideration is an additional reason for increasing the exemptions. When the committee reported out H. R. 1 last May the cost of living was 156 percent of the 1935–39 base. By January 1948 it had risen to 169 percent of that base.

Income after taxes has not kept pace with this rise in the cost of living. On a per capita basis and in 1947 dollars, income after taxes has shrunk from an average of $1,285 in the first quarter of 1946 to $1,188 in the fourth quarter of 1947. Because of this drop of approximately $100 in the real producing power of the consumers' incomes the committee deemed it desirable to raise exemptions by $100 for all taxpayers, their spouses and their dependents.

Let me remind the Senate again that the exemption increase is in addition to the percentage reductions and that the largest of these is given in the lowest income-tax brackets. Moreover, as has been pointed out, there are provisions in the committee's bill for special additional exemptions for the aged and the blind, the benefits of which will also be concentrated heavily in the lower-income brackets. Of the total reduction in tax liabilities resulting from the committee's bill, about 71 percent will be received by taxpayers with incomes after deductions but before exemptions of less than $5,000.

The same reasons which prompted the inclusion of a special exemption for persons aged 65 and over in the tax-reduction bills of the last session apply even more forcefully now. There is a heavy concentration of relatively small incomes among the persons in this age group. Moreover, these taxpayers did not receive the same increase in incomes during the war and the immediate postwar years which helped younger people to meet the rise in prices and the additional taxes which the war necessitated. These older people could not, generally speaking, supplement their regular incomes by going to work at the prevailing high rates of wages. As a result their economic position deteriorated relative to that of the rest of the community.

The group 65 and over includes a great many retired school teachers, policemen, municipal workers, and persons who have retired from private industry, whose sole source of livelihood is a small pension, annuity, or retirement pay. Some of these people already receive tax relief as the result of a set of exclusions of particular types of income which are a part of the existing law. For instance, recipients of annuities under the Railroad Retirement Act and of the retirement pay of Army and Navy officers, retired by reason of medical survey, are excluded in full from gross income by statutory enactment. Annuities under the old age and survivors insurance system of the Social Security Act have been excluded by Treasury decision.

Such exclusions discriminate against the recipients of other kinds of income. As a result there has been an insistent demand for the granting of similar favored treatment to other types of retirement income, especially to pensions of former employees of State and local governments, retired school teachers, and former civil-service employees of the Federal Government. Strong contention can be made that the special exemption which is provided under the committee's bill for all persons over 65 irrespective of the character of their income is a more satisfactory answer to the problem at hand than an extension of the system of exclusions of particular types of retirement income.

The committee's bill also provides a special exemption of $600 for blind persons. Blind persons 65 or over may claim this exemption in addition to that based on age.

The special exemption of $600 for the blind is a substitute for a $500 deduction allowed under present law. Blind persons receive material benefits from this change. The amount allowed is, of course, larger and, in addition, the substitution of an exemption for a deduction in itself has some very real advantages. Because of this change blind persons do not forfeit the right to use the standard deduction as they do when they claim the special deduction under existing law. This is important because in most cases the itemized deductions of blind persons, other than the special deduction, will aggregate considerably less than the standard deduction. Moreover, an exemption can be taken into account in withholding, while a deduction can not. Thus with an exemption, the relief provided will be effective throughout the year. Blind persons will not have to wait for a refund after the close of the year in order to obtain the relief which the law provides.

I have already pointed out the committee's reason for reducing the over-all size of the percentage reductions provided by the House bill. It is also worth noting that the formula used in the committee's bill for calculating the reduction differs from that which appears in the House version. Under the committee's bill the reduction is made with respect to all the income in the bracket, whereas certain of the reductions made under the House bill apply only to incomes below a given size. The formula used in the committee's bill avoids the troublesome "notch" provision of the rate-reduction schedule in the House bill.

The percentage reductions in the committee's bill range from 12.6 percent with respect to income in the lowest-tax bracket to 5 percent with respect to income in the higher-tax brackets. Although these tax reductions appear in fractions, the reductions in tentative tax, which are the ones which the taxpayer will see on his tax form, are even percentages so far as the great bulk of the taxpayers are concerned under the committee's bill.

Another substantial improvement was achieved over the House bill by adopting a set of percentage reductions which avoids dividing the first tax bracket into three parts as is done under the House bill. This represents a considerable saving in administrative effort both from the standpoint of employers and the Bureau of Internal Revenue. It is important to keep this bracket as simple as possible since this is the point where most of the withholding by employers takes place. The committee's action satisfies the only really substantial criticism which the Commissioner of Internal Revenue made when he appeared at the committees' hearing to comment on the administrative features of the House bill.

In conclusion let me draw the Senate's attention to a table showing the amount of the tax reduction which the committee's bill will provide in each of the States. I ask unanimous consent to insert the table in the RECORD at this point. I earnestly commend it to the attention of every Member of this body so that there may be full appreciation of the relief which this bill will provide to the residents of his State.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated distribution by States of the tax reduction provided by H. R. 4790 as amended by Senate Finance Committee

[In millions of dollars]

	Reduction
Alabama	36.1
Arizona	14.6
Arkansas	18.3
California	474.3
Colorado	35.2
Connecticut	91.5
Delaware	16.9
District of Columbia	42.5
Florida	68.6
Georgia	50.3
Hawaii	22.9
Idaho	11.0
Illinois	365.4
Indiana	108.8
Iowa	56.3
Kansas	44.4
Kentucky	38.9
Louisiana	46.2
Maine	19.7
Maryland	81.0
Massachusetts	178.8
Michigan	216.3
Minnesota	73.6
Mississippi	16.9
Missouri	102.1
Montana	13.3
Nebraska	33.4
Nevada	8.2
New Hampshire	12.8
New Jersey	198.5
New Mexico	9.2
New York	737.2
North Carolina	48.5
North Dakota	10.1
Ohio	272.6
Oklahoma	37.0
Oregon	52.1
Pennsylvania	343.0
Rhode Island	29.3
South Carolina	21.0
South Dakota	9.1
Tennessee	46.6
Texas	163.7
Utah	13.7
Vermont	6.4
Virginia	60.8
Washington	88.3
West Virginia	30.6
Wisconsin	90.6
Wyoming	6.9
Total	4,573.5

Source: Staff of the Joint Committee on Internal Revenue Taxation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOLCOTT, Mr. GAMBLE, Mr. SMITH of Ohio, Mr. KUNKEL, Mr. SPENCE, Mr. BROWN of Georgia, and Mr. PATMAN were appointed managers on the part of the House at the conference.

REDUCTION OF INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 4790) to reduce individual tax payments, and for other purposes.

Mr. FULBRIGHT. Mr. President, has the Senator from Colorado yielded the floor?

Mr. MILLIKIN. Yes, I yield to the Senator.

Mr. FULBRIGHT. Has the Senator yielded the floor?

Mr. MILLIKIN. I yield for the purpose of permitting Senators to submit amendments.

Mr. FULBRIGHT. I intend to make a speech on the subject of my amendment.

Mr. MILLIKIN. Very well.

Mr. FULBRIGHT. Mr. President, sometime ago I submitted an amendment to House bill 4790, which was referred to the Committee on Finance and ordered to be printed. I wish now to submit the same amendment, in which the Senator from South Carolina [Mr. JOHNSTON] joins me, and I ask that it be printed and lie on the table. I intend to call it up at the first opportunity.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. MAYBANK. Mr. President, I also desire to submit an amendment which I ask to have printed and lie on the table. I submitted the amendment on January 26 before the Finance Committee.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

The Chair would like to address an inquiry to the Senator from Colorado.

Mr. FULBRIGHT. Mr. President, I thought I had been recognized and had the floor.

The PRESIDING OFFICER. The Senator from Arkansas has the floor. Does the Chair understand correctly that the Senator from Colorado yielded the floor so that amendments could be submitted by individual Senators?

Mr. MILLIKIN. That is correct.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. FULBRIGHT. Mr. President, I wish to speak to the amendment. The purpose of the amendment is to repeal the existing tax on oleomargarine. The bill before the Senate being a tax bill, and the amendment being appropriate and germane to the bill, I think this is the proper time to discuss the amendment.

A great deal has been said during the past 2 or 3 years concerning the cost of living, and inflation, and I should like to point out that, so far as I know, this is the first measure which directly and specifically would have the effect of immediately reducing the cost to the public of one of the most important items of our diet.

Mr. President, before I take up the discussion of the amendment itself I should like to read a short editorial published in the Washington Evening Star of Wednesday, March 17, simply because it brings up to date the matter and comments upon the action of the Committee on Agriculture of the House of Representatives in shelving all measures relating to this subject. The editorial is entitled "The Oleo Goat," and is as follows:

THE OLEO GOAT

In voting 16 to 10 to shelve legislation to repeal Federal taxes on oleomargarine, the House Agriculture Committee ought to be thoroughly ashamed of itself. It has voted to prevent Congress as a whole from debating and deciding on the issue. It has voted in favor of the proposition that it is perfectly all right to keep on making a goat of the American consumer as long as the American consumer carries less weight than the butter lobby.

Reason, common sense, the democratic process, and simple ordinary fair play have had nothing to do with the committee's action. The only thing that has counted is the dairy industry's selfish, sectional insistence on making a kind of pickpocket out of the Federal Government in order to penalize any American who chooses to buy margarine instead of butter. Although generally conceded to be as agreeable to the taste and at least as nutritious as butter, margarine can be produced more cheaply, and it is therefore such an evil thing to dairymen that they have been browbeating and abusing it in the market place for years past.

More particularly, the American consumers have been browbeaten and abused. For no reason except to protect butter, they have had to take their margarine loaded down with iniquitous levies. Anyone manufacturing it must pay an annual license fee of $600, and wholesalers and retailers are similarly taxed with a special high rate on the colored variety. Then, to top everything off, the housewife must pay 10 cents a pound extra if she buys it colored, and a fourth of a cent if she buys it white and goes to the trouble of coloring it herself. Moreover, in addition to these outrageously unjustified Federal taxes, several of the States take sharp bites of their own out of the oleo dollar.

What the House Agriculture Committee has done is to vote for the perpetuation of this public-be-damned situation. It has not had the courage or the sense of fairness to let the repealer proposals get to the floor for a democratic decision. Unless a majority petition can force its hand or unless the test can be brought about by means of a rider to the Senate tax-cut bill, Congress thus will be able to do nothing about the issue until the next regular session. Accordingly, as things look now, the American consumer will continue to pay through the nose for the privilege of eating margarine.

It is for the very purpose of enabling the Congress, especially the Senate, to express itself upon this question that I offer the amendment to the bill.

Mr. President, for 62 years the Federal antimargarine laws have been on the statute books.

I do not think it will serve any useful purpose to debate whether they were justified at the time they were first passed in 1886. The argument used was that some such laws were needed to safeguard the public from fraud and to safeguard the health of the public. At that time, margarine was not the nutritious product it has since become. Even so, the Congress should not have used the taxing powers to hit at margarine, and could have dealt with the situation more directly by pure-food laws. But the arguments used in 1886, or in 1902 and 1931, when the Federal margarine laws were amended and strengthened, no longer apply. They are relics of a day when there were few or no pure-food laws, when both margarine and butter were frequently manufactured under unsanitary conditions, and when trade practices were not so enlightened or so subject to public regulation and perusal as they are today.

It is not my purpose to review the whole long history of this controversy, but it will be helpful, I think, if we consider briefly exactly what margarine is, the arguments used to justify its drastic regulation—and it is more drastically regulated than any other food product—and the reasons that these arguments have lost today whatever validity they may once have had.

WHAT IS MARGARINE?

Margarine has been made in Europe since the days of Napolean III, and in the United States since 1874.

The original product was made largely of beef fat, which technically is known as oleo oil, hence the name "oleomargarine."

The name "oleomargarine," indicating the use of oleo oil, is today a misnomer, and its use should be discontinued. Ninety-eight percent of the fats and oils used in margarine today are vegetable, but under the archaic law of 1886 the product must still be labeled officially as "oleomargarine." The more accurate name is "margarine." It is made almost entirely today of domestic vegetable oils—largely soybeans and cottonseed, with small amounts of peanut and corn oil being used.

An official definition and standard of identity was adopted by the United States Food and Drug Administration in 1941 under the Federal Food, Drug, and Cosmetic Act of 1938. Under it, margarine has a minimum fat content of 80 percent; the actual average figure for 1947 is slightly more. The standard requires fortified margarine to contain a minimum of 9,000 USP units of vitamin A per pound. But 99 percent of all margarine now is fortified with 15,000 units of vitamin, the content always being shown on the label. Margarine fortification is endorsed by the American Medical Association and leading nutritionists.

The only basic difference between margarine and butter is that margarine is vegetable fat, butter an animal-fat product. They are equally nutritious. Each offers about 3,300 calories per pound. The amount of vitamin A in butter varies according to seasonal and other factors; while in margarine it is maximum and uniform the year around. Both products are equally digestible. There is no allegation, of course, that the vitamin content of butter at any period of the year is beneath that which is considered healthy, certainly on the average. There may be such cases in isolated communities.

Report after report by medical associations and nutritional scientists declare margarine to be a nutritious, high-quality food.

For example, the report on margarine by the New York Academy of Medicine states:

From a nutritional viewpoint, when it is fortified with vitamin A in the required amount, oleomargarine is the equal of butter, containing the same amounts of protein, fat, carbohydrates, and calories per unit of weight. Moreover, since the minimum vitamin A content of enriched oleomargarine is fixed, and the amount of this vitamin in butter may range up to 20,000 units per pound, enriched oleomargarine is a more dependable source of vitamin A than is butter. Since it is a cheaper product than butter, fortified oleomargarine constitutes a good vehicle for the distribution of vitamin A and fats to low-income groups and should therefore be made available to them. Under the standards set by the Food and Drug Administration, oleomargarine is as clean and sanitary a food as butter. The two products are likewise equal in digestibility. Their relative palatability is a matter of individual taste.

A report on margarine by the Food and Nutrition Board of the National Research Council states:

The present available scientific evidence indicates that when fortified margarine is used in place of butter as a source of fat in a mixed diet, no nutritional differences can be observed. Although important differences can be demonstrated between different fats in special experimental diets, these differences are unimportant when a customary

mixed diet is used. The above statement can only be made in respect to fortified margarine and it should be emphasized that all margarine should be fortified.

Perhaps the most significant study of the relative nutritional qualities of margarine and butter was that made by three University of Illinois scientists, the results of which were published in the February Journal of the American Medical Association. In my opinion, this study explodes the contention that butter contains some mysterious and highly beneficial "growth ingredient" not present in margarine.

Three distinguished scientists of the University of Illinois College of Medicine—Drs. Harry Leichenger, George Eisenberg, and Anton J. Carlson—conducted a 2-year study of 217 children in 2 separate orphanages—one group of which had butter in its diet and the other margarine. This study showed no difference in the effects of the fats on growth and health.

I call attention to the following conclusions of the three scientists:

Blood studies showed that there were no significant differences between the margarine or butter groups.

The children in the margarine group experienced a high degree of good health during the study and in comparing their health to those in the butter group it appears to have been much better.

When infirmary records are compared it is readily seen that the margarine group fared much better than the butter group. We are not making claims that the margarine group were healthier simply because their diet contained margarine. Other variables are more likely to account for their better health.

In 1886 it was contended that margarine was an unhealthy food and was being sold fraudulently as butter. In 1902, when the original law, which imposed a 2-cent tax on all margarine, was amended to reduce the tax on uncolored margarine and place an almost prohibitive impost on the artificially colored yellow product, the argument was again made that consumers must be protected from fraud. In 1931, when the 10-cent tax was imposed on all yellow margarine, whether artificially or naturally colored, the contention was made that margarine was a foreign product since a great deal of it was then being made from imported palm and coconut oil.

I call attention to the fact that in the law of 1931 the tax is imposed upon margarine even when it is naturally yellow. The result is that the manufacturers are now compelled to bleach all yellow color out of the natural margarine product.

I should like to point out here that the "foreign" argument is of no importance today. More than 95 percent of all margarine is now made of domestic ingredients. This argument is as archaic today as the contention that margarine is an unhealthy food.

Equally invalidated is the contention that the antimargarine laws are needed to protect consumers from the possible fraudulent sale of yellow margarine as butter. There were no pure food laws when Congress passed the antimargarine law in 1886, and both butter and margarine were sold in bulk or tub form. Now margarine is sold only in cartons, specifically and properly labeled.

Nowadays the Federal pure-food laws and similar pure-food laws in 47 of the 48 States guarantee the proper labeling and standard of purity of food products, including margarine, thus adequately protecting consumers. There are also, of course, criminal statutes in every State against fraud and misrepresentation.

Of course, no law was ever passed which would prevent lawless men from breaking it. But few risks were ever so well guarded against as the possibility that margarine would be sold fraudulently to any widespread extent if these discriminatory taxes were repealed. If we have any doubts on that score, however, there is no reason why we cannot further strengthen the already extensive labeling and marking requirements to achieve even greater safeguards. I am sure many Members would agree to the general principle that direct legislation of this sort is preferable to the use of the taxing power of the Government to accomplish a similar purpose indirectly. I think it is almost as ridiculous as if we had a tax on people who commit murder or burglary. If there is anything wrong with the product itself, it ought to be outlawed directly. I think that is inherently one of the evil aspects of this whole system of restrictive legislation.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAYBANK. I wish to commend and congratulate the Senator from Arkansas on his most able address. Later, if he will yield to me, I shall appreciate it very much. I wish to make a brief statement.

Mr. FULBRIGHT. I shall be glad to yield to the senior Senator from South Carolina. He has long been a battler in the effort which has been going on for many years to remove these taxes, and I appreciate very much any remarks which the Senator may make on the subject.

Mr. MAYBANK. I join the Senator in his fine effort, but I wish to make a few brief remarks.

Mr. FULBRIGHT. A dairy organization cites six cases of the fraudulent sale of margarine as butter. This record actually shows that there is little danger of fraud. The cases represent the isolated actions of a very few individuals over a period of 20 or 30 years. The amount of margarine involved was infinitesimal by comparison with the amount of the product which was manufactured. The records of judgments under the Federal Food, Drug, and Cosmetic Act, published by the Food and Drug Administration, show that from 1930 through 1947 butter was seized, for various violations, 2,910 times; margarine only 30 times during this period. In only 2 cases was margarine seized for contamination, filth, addition of foreign matter, decomposition, or similar reasons; butter was so seized in 652 cases. Margarine's few seizures under the Food and Drug Administration have been mainly because of slightly less than 80 percent fat content.

During the period mentioned, butter volume was four to five times that of margarine. But the seizures were at a ratio for butter of 100 to 1 for margarine.

In this connection, only butter is exempt from certain labeling requirements of the Federal Food, Drug, and Cosmetic Act. The artificial color may be and is added without stating this fact on the label. Special dairy interests that put through the legislation on margarine were able to prevent butter from having to be accurately labeled. Likewise, the label states no grade or other value by which the contents—a pound of butter—may be judged by the consumer. Furthermore, much butter is artificially flavored without so stating on the label.

I think it should be made clear here, so that there may be no concern on the point, that no responsible margarine manufacturer or distributor of margarine—no proponent of repeal of these discriminatory tax laws—is opposed to the labeling and marking provisions of the pure-food laws. Margarine wants to be known as margarine, labeled as margarine, sold as margarine. I am afraid some spokesmen for the butter interests have conjured up a specter of fear on this particular issue that is almost as fraudulent as the thing they say they want to prevent.

Closely allied with the contention that these Federal margarine taxes are necessary to prevent the widespread fraudulent sale of yellow margarine as butter is the claim of the proponents of these laws that butter has some kind of preemptive right to the use of yellow. Indeed, in 1902, when the tax of 10 cents a pound was laid against yellow margarine, the claim was freely made that yellow was butter's color and the tax was actually justified as a kind of impost imposed for the use of that color.

Representative WADSWORTH, of New York, chairman of the House Agriculture Committee, answered this contention, when it was first made, with a clarity and cogency that seem to me still convincing:

If that claim is right, what shade of yellow is it (butter) entitled to. It is only in the months of May and June—and I speak as a practical butter maker myself when I made the assertion—that creamery butter, and that, of course, is the butter of commerce, has a decided yellow color or tint and that color disappears entirely or almost so, when the fall and winter sets in. * * *

I deny that butter has the copyright, patent right, or any other right to any particular color, whether yellow or otherwise. * * * If coloring oleomargarine helps to perpetrate a fraud, then the coloring of butter is actually a fraud because it makes the consumer believe, and necessarily, that fall or winter or white butter of any season of the year is June butter, which is generally considered the best.

Mr. President, I hope that even those who contend that the antimargarine laws should be continued will not deny that modern margarine is a nutritious and high-quality food, equal in every respect to the butter product.

HOW THE ANTIMARGARINE LAWS PENALIZE MARGARINE

Why, then, does the Federal Government impose the following taxes and license fees on margarine?

	Colored modern margarine	Uncolored modern magrarine
	Cts. per lb.	*Cts. per lb.*
Excise taxes	10	¼
	Per year	*Per year*
Manufacturers' license fees	$600	$600
Wholesalers' license fees	480	200
Retailers' license fees	48	6

In addition, Federal Regulation No. 9, promulgated and enforced by the Bureau of Internal Revenue, imposes very burdensome restrictions on those engaged in the manufacture and distribution of margarine.

The law imposing the $600 tax on manufacture of colored margarine has been interpreted to mean that private hospitals, private charitable institutions, public eating places, and others which buy and color margarine must pay the yearly manufacturers' license fee of $600, plus the 10 cents per pound tax.

WHY WERE THESE LAWS ENACTED?

There are, of course, no sound reasons for the imposition of these taxes and license fees on margarine.

Both margarine and butter are colored yellow to meet food habits. We are accustomed to yellow table spreads, just as we are used to white milk. We would look with distaste upon green milk—though in every respect except color it might be identical with other milk. Our housewives do not object to white margarine for cooking purposes. They are accustomed to white cooking fats, such as lard. But they do want their margarine yellow for table use. There is no valid reason why their preference should be ignored or thwarted.

Margarine looks like butter. Furthermore, it imitates and is a substitute for butter. But what is wrong with that? If we are to levy a tax on all products which imitate the original, in color and other characteristics, we are going to stifle competition. The very essence of competition is to develop new products which are like the old, but are better and cheaper. If one will think of that for a moment in regard to our present economy, and will consider the great number of new products which one sees in the markets, in the form of all sorts of consumer goods, one realizes that if every new product which imitates a well-established product were prohibited or restricted in the same way that margarine is, it would make a tremendous difference to our so-called free enterprise system. It is a curious thing that those who have opposed most strenuously the repeal of these laws are the same persons who talk so much and so vociferously about free enterprise.

Of course, the supreme irony of this amazing claim of butter to a monopoly on yellow is that the fats and oils used in the manufacture of margarine contain some naturally yellow color. Under Federal regulations, however, these fats and oils must be bleached, a process which adds to the cost of manufacture, in order to make white margarine. Otherwise, the margarine resulting would have to pay the 10-cents-a-pound Federal tax.

DO THESE LAWS PROTECT THE DAIRY INDUSTRY?

There is little question that the purpose of the 10-cents-a-pound Federal tax on colored margarine and the license fees imposed on wholesalers and retailers, as well as the bulk of State legislation penalizing margarine, is to favor the butter industry and to limit the production and distribution of margarine. In other words, the purpose is clearly regulatory and not to produce taxes.

Indeed, a careful study of the congressional debates in 1886, 1902, and 1931 will convince almost anyone that the fundamental reason back of this legislation was not the desire to protect consumers from potential fraud—however, there were other more direct ways to do that; nor was it that margarine was unhealthy—in which case its sale should have been prohibited; nor was it because margarine, for a time, was manufactured largely from imported oils—a higher import duty could have stopped that. The fundamental, underlying reason was a desire to protect the dairy industry in general and the butter industry in particular against competition from margarine, whether it was made from foreign or domestic oil.

In 1886, Representative Millard, of New York, a leading proponent of the original bill, told the House:

> Either oleomargarine must go or the great dairy industry of the country must be wiped out—utterly destroyed.

This argument was repeated over and over. We are still hearing it today in the congressional hearings and debates on this subject.

A report made in 1939 to the Secretary of Agriculture on barriers to internal trade in farm products says:

> Generally, those favoring margarine legislation have been frank to say that their object is to protect the dairy industry. When the Washington tax of 15 cents per pound was carried to the Supreme Court, the sponsors of the act candidly stated that their purpose was to help the butter industry and they made their arguments on that basis.

The Dairy Record, a magazine representing the dairy industry, in an editorial on June 18, 1941, said:

> The dairy industry must set as its goal the complete extermination of oleomargarine. It must never rest until the manufacture and sale of oleomargarine have been outlawed in this country.

And Hoard's Dairyman, another well-known spokesman for dairy interests, on January 25, 1943, said:

> The tax of 10 cents a pound on oleomargarine colored in semblance of yellow butter is to stop the sale of this product. The tax should be higher. * * * It seems to us the dairy industry has a right to protect its products.

I could cite scores of similar statements which make it very clear that the basic reason for the antimargarine laws was to protect the dairy industry.

Leaving aside consideration of the wisdom or justice of legislation which seeks to protect one domestic product against another or one group of American farmers against another, let us consider whether antimargarine legislation has accomplished its avowed purpose. Has it protected the dairy industry?

Let us grant at once what cannot be doubted for a moment, that antimargarine legislation, both State and Federal, has hurt the margarine industry. It has made margarine more expensive for the manufacturer to make and the consumer to buy; it has made it less attractive to users, especially through the 10-cent tax and other drastic restrictions on yellow margarine; it has curtailed margarine's retail outlets; it has discouraged expansion of the industry. In short, it has limited both the production and distribution of margarine. But, despite this fact, the production of margarine has expanded steadily, and the 1947 output of 725,000,000 pounds is the highest on record, exceeding the next highest year, 1946, by 100,000,000 pounds.

Mr. President, on the point of the restriction of the outlets, I looked up the figures this morning. I think that is perhaps one of the principal evils. It is generally thought that the 10-cent tax was perhaps the greatest restriction, but I think the effect of the licensing laws, which prevent distribution, is probably equally great. There are approximately 550,000 retail food outlets in this country. Only 271,000 handle any margarine at all, either white or yellow. There are only 5,102 which handle yellow margarine. That is less than 1 percent, so that the real difficulty I think confronting the people is simply that yellow margarine is not available at all, even with the payment of the 10-cent tax.

But what of the dairy industry, particularly those farmers who earn the major part of their livelihood from the sale of milk for butter making? In 1901, the year preceding the passage by Congress of the most drastic of the antimargarine laws, the 10-cent tax on yellow margarine, per capita consumption of butter was 19.9 pounds. It has never been that high since 1901.

Following the enactment of the last Federal antimargarine legislation in 1931, per capita butter consumption fluctuated within narrow limits, dropping from 18.1 in 1932 to 17.8 in 1933, rising briefly to 18.2 in 1934, and then dropping to 17.1 in 1935. With one exception, when it rose to 17.3 in 1939, it continued to drop steadily until 1945.

And then, in 1946, it dropped again, this time to 10.5 pounds per capita, the lowest per capita butter consumption in our history. I mention this particularly because the butter lobby has advanced, against all the evidence, the argument that wartime conditions—price control, rationing, and other emergency factors—were largely responsible for declining butter consumption.

The record shows, on the contrary, that total butter production, as well as

per capita consumption, has shown a fairly steady decline for many years.

In the 10-year period between 1936 and 1946, total butter production, including both creamery and farm manufacture, declined from 2,131,000,000 pounds to 1,501,000,000 pounds, or approximately 29 percent. At the same time total milk production, for all purposes including butter, increased from 102,410,000,000 pounds in 1936 to 120,276,000,000 pounds in 1946. While there was more milk available for butter manufacture, then, the percentage of this milk made into butter decreased from approximately one-third in 1936 to one-fifth in 1946.

Wartime conditions undoubtedly had some effect on butter production, but they were not controlling; nor were they all disadvantageous to butter. For example, from June 1, 1943, until October 31, 1945, butter producers received a subsidy of 5 cents a pound.

In 1947, with wartime controls removed, per capita butter consumption is estimated to have been 11.5 pounds. This represented a very moderate increase over 1945 and 1946, but not even the most ardent butter advocate could take much encouragement from it. It was the third lowest rate since 1896.

It is not margarine that has driven more and more butter out of the market. If this were the reason for the decline in butter consumption, we should have expected margarine to have occupied that portion of the market vacated by butter. But no such thing has occurred.

Margarine per capita consumption in 1946 was 3.8 pounds higher than it had been in any previous year except 1945. But this represented an increase of only eight-tenths of a pound per capita since 1936. During the same 10-year period butter consumption dropped 5.9 pounds. In other words, the American people, on an average, bought about 6 pounds less butter per person in 1946 than they did in 1936, but they did not fill this gap—and it is a definite nutritional gap—with a corresponding increase in margarine purchases. Only one-seventh of the lost butter consumption was replaced during these 10 years by margarine.

The fact is that butter has been taking itself out of the market. The high cost of producing butter as compared with the more profitable uses of milk; the price at which butter is sold—and for the most part, must be sold—to enable butter producers to compete with other purchasers of feed and farm labor and land—these are the factors which, largely of necessity, have given us dollar butter and deprived the butter industry of approximately 30 percent of the market which it had 10 years ago.

Actually, margarine production does not materially affect the price of butter though, as we have seen, when butter prices are very high, some consumers, who cannot afford butter, turn to margarine.

Apparently the proposed legislation in the Congress has had some effect, since, according to this morning's newspapers, butter jumped up 7 cents a pound yesterday after the shelving of all the bills in the House of Representatives affecting margarine taxes.

A study, published in 1942, by the Wisconsin College of Agriculture, in the heart of the dairy country, found no relation between margarine and butter prices. I read from that study:

> There is no evidence in the past that oleomargarine has been the important factor in causing low butter prices. In 1932 there were about 11½ pounds of butter consumed for every pound of oleomargarine, and consumers spent $15 for butter for every dollar spent for oleomargarine. If all the money spent for oleomargarine that year had been spent for butter, the retail price of butter would have been increased 1.7 cents per pound. This would not have solved the dairy farmer's problem.

From the record it seems abundantly clear that antimargarine legislation has failed to aid butter producers. It has simply prevented margarine from occupying the market for table spreads which butter could not fill.

This leads to another question, more important than the first. We have already seen that antimargarine legislation has not aided that dwindling portion of the dairy industry which produces butter. But what of the much larger portion, those dairy farmers who depend mainly upon fluid milk and whole-milk products for their livelihood? Has antimargarine legislation "protected" them?

There are, in the United States, some 24,500,000 dairy cattle owned by approximately 5,000,000 farmers. Of the farmers, 1,176,000—a little more than one-fifth—receive some income from butter manufacture, either on the farm or through sale of milk to creameries. For only half, or approximately 600,000, does butter represent the chief source of income. The others, roughly 85 percent of all dairy farmers, receive their principal income, or all of it, from the sale of the products of the cow in fluid-milk form or for manufacture into cheese, dried whole milk, evaporated milk, condensed milk, skim milk, or ice cream.

But butter's importance to dairy farmers generally has been accentuated by certain other factors.

For it was, and still is, the use of butter as a price "stabilizer" and "balance wheel," as it is variously called, which has led many dairy farmers to insist upon special "protection" for butter against margarine competition.

For if, when depression comes, butter cannot recapture the table-spread market because of the possible encroachment of margarine, then butter prices, it is contended, will fall abnormally and carry down with them the whole dairy price structure.

This argument, of course, does not stand up under examination. In the first place, as we have seen, margarine has never taken over more than a small portion of the table-spread market vacated by butter. But even if margarine, upon the repeal of this discriminatory legislation, took over a much larger share of the table-spread market vacated by butter or all of it, there is no reason why these formulas cannot be changed, so that the prices of dairy products would be tied to some more stable and profitable product than butter. Indeed, there is every reason why they should be changed if they injure the dairy farmer.

Recently, in the Western Dairy Journal, Merrit Nash, a prominent dairy farmer, wrote:

> My interest in the oleomargarine question is primarily selfish. As a person who gets his entire income from a dairy farm, I felt that I have a right to voice my opinion regarding what I think to be the soundest way in which to improve that field of endeavor and to make it more profitable for myself. Butter is our price stabilizer * * * and I object to exactly that. It stabilizes our prices at levels which are generally most unprofitable. Why do we not select a dairy product that will reflect a more advantageous stabilizing effect?

Even more significant is a report by the Boston Milkshed Pricing Committee, published in September 1947. This committee, composed of a number of outstanding dairy economists, was appointed by Richard D. Aplin, Acting Marketing Administrator, in response to criticisms of the fluid-milk-pricing formula used in the Boston market by representatives of cooperative milk associations. This formula called for a change of 22 cents a hundredweight in the class I milk price for each 5-cent change in the New York wholesale butter price, for each 3-cent change in the New York wholesale price of nonfat dry-milk solids, or for any equivalent combination of the two.

The committee, with Dr. George F. Dow, chairman of the dairy committee of the New England Research Council on Marketing and Food Supply, in charge, worked on their report for 3½ months. They studied the milk-pricing situation in general with particular reference, of course, to the Boston market. They recommended that the butter formula for setting class I milk prices in the Boston milkshed be abandoned.

I think the Senate will be interested in some of their reasons for this recommendation, which I read:

> For many years until 1946 the class I prices in the Federal order for the Boston market have been related roughly to butter prices, over a narrow range of prices. Since June 1, 1946, there has been in the order a full-fledged formula for establishing class I prices. It has been unsatisfactory. Since the end of the war, butter and powder prices have proved to be erratic and unreliable measures of general economic conditions which should be used as a guide to sound fluid milk prices. To cite an example: consumer buying power was about the same in October 1946 as in March 1947, and the supply of butter moving into trade channels was almost the same in those 2 months; yet the price of butter was 84 cents in October and 64 cents in March. The difference was due apparently to the advance psychological appraisal of demand and supply prospects for butter by the forces that make the wholesale butter market. There is no reason why such errors of judgment should affect fluid-milk prices in Boston by 2 cents a quart.

The report, after discussing the advantages and disadvantages of formula price-fixing for fluid milk as opposed to public hearings or other means for setting prices, recommended the establishment of a new formula for the Boston milkshed based, not on butter prices at

all, but on the composite level of the United States wholesale prices, New England department store sales, and Boston milkshed grain-labor costs.

It seems fairly clear that, today, butter is no longer a desirable price stabilizer for milk products. Indeed, it seems to have become such a liability as a price fixer that the sooner it is abandoned the better for the dairy industry. I think it is fair to conclude that to the extent that antimargarine laws encourage dairy farmers to stick to butter as a price stabilizer—under the mistaken belief that butter is protected by such laws—they are definitely harmful to the dairy industry.

There remains the contention of the butter lobby that butter is a kind of balance wheel for them since its increased production offers the only alternative use for their milk surplus when fluid-milk sales decline. This is a key point in the argument of the butter lobby for protective laws against margarine competition, but I think it is at variance with the evidence today.

It may have been partially true once, when the evaporated and condensed milk businesses were in their infancy, when dried whole milk was just an idea in a scientist's mind, when cheese-making was largely a home industry, and when the ice-cream business was a minor outlet for the products of the dairy cow. But today the situation has changed.

I have here a table which indicates clearly how these whole milk industries, all of them more profitable alternative users of surplus milk than butter, have grown in recent years.

I ask that the table be inserted in the RECORD.

The PRESIDING OFFICER (Mr. AIKEN in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Utilization of milk in whole-milk dairy products

Product	Average 1935–39	1946	1946 increase
	Pounds	*Pounds*	*Pct.*
Fluid milk and cream	44,146,000,000	59,927,000,000	35.7
Ice cream	3,083,000,000	8,420,000,000	173.1
Cheese	6,690,000,000	10,990,000,000	64.2
Evaporated milk	4,024,000,000	6,098,000,000	51.5
Condensed milk	426,000,000	574,000,000	34.7
Dried whole milk	146,000,000	1,448,000,000	992.0
Total	58,515,000,000	87,455,000,000	49.8

Mr. FULBRIGHT. By contrast, Mr. President, to this increased use of milk in other products, total butter production during this period dropped more than 600,000,000 pounds, or approximately 29 percent.

Moreover, the expanded margarine production which might be expected if antimargarine laws were removed would offer an important outlet for milk products in times of depression as well as prosperity, for skim milk constitutes approximately 15 percent of the constituents of margarine.

Now, of course, the more milk we divert to butter production the less we have for fluid milk and other whole-milk products, such as ice cream and cheese, which, unlike butter, utilize the full nutritional value of the milk solids. In the course of butter manufacture, the rest of the milk is fed to livestock, thrown away, or converted into nonfat dry-milk powder. And since butter utilizes little of the nutrients in whole milk besides vitamin A, these nutrients are wasted when not converted for some human use.

W. A. Wentworth, vice president of the Borden Co., pointed out, in an address to the Minnesota Ice Cream Manufacturers Association in December 1947, that if we had attempted to produce enough butter in 1947 to make the per capita consumption of 10 years ago possible, it would have been necessary to divert 13,500,000,000 pounds from fluid and whole-milk uses.

He said:

> If this 13,500,000,000 pounds were to come from the supply for some other dairy products, it would take more than all of the milk which will be made into whole-milk cheeses this year (1947) or it would take 80 percent of the milk which is being made into both ice cream and evaporated milk in 1947.

Any attempt, therefore, in good times or bad, to increase butter production would necessarily be at the expense of these whole-milk products and of fluid milk and fluid-milk distribution, whole-milk industries such as ice cream, cheese, and dried milk, the income of dairy farmers, and the health of our people.

It is difficult to understand how even the butter lobby can make any considerable number of farmers believe that it is ever to their economic interest to protect butter production at the inevitable expense of milk producion, for the sale of the dairyman's product as butterfat is, as I have stated, a sale at the lowest price for that product, and the sale of fluid milk is the highest. Other whole-milk products, such as cheese, ice cream, and so forth, fall in between these extremes. The average price paid to farmers for butterfat sold as fluid milk or cream during the 10-year period, 1936–45, was about 74 cents a pound; for milk sold as butterfat about 37 cents; in other words, approximately one-half. Consider what this meant to the dairy farmers of this country.

This fact was not lost upon all of them, of course, and accounts for the fact that while much more milk was produced in 1947 than a decade ago, much less butter was manufactured.

The statistics graphically tell the story of the decreasing importance of butter and the rise of fluid milk and other byproducts.

In 1946, the dairy farmers' total cash income from the sale of all his dairy products was $3,716,374,000, of which only $548,874,000 came from the sale of butterfat and farm butter—exactly 14.7 percent of the total. Just 10 years before, income from butterfat and farm butter had amounted to 29.5 percent of the dairy farmers' total income.

As a result of declining butter production and increasing utilization of milk for fluid use and in whole-milk products, butter today, in certain sections of the country, constitutes such a minor factor in the dairy industry as to make the claim of the butter lobby that the industry's continued prosperity depends upon the suppression of margarine an absurdity.

I have here a table which I wish to have inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Income from sale of whole milk as a percentage of total dairy income	Income from sale of butterfat and farm butter as a percentage of total dairy income
Wisconsin:		
1936	79.0	21.0
1941	89.8	10.2
1946	98.64	1.36
Minnesota:		
1936	23.4	76.6
1941	27.4	72.6
1946	68.1	31.9
Illinois:		
1936	77.8	22.2
1941	82.0	18.0
1946	88.6	11.4
Indiana:		
1936	71.2	28.8
1941	80.2	19.8
1946	90.2	9.8
Michigan:		
1936	69.5	30.5
1941	77.5	22.5
1946	87.9	12.1
Kansas:		
1936	44.0	56.0
1941	42.5	57.5
1946	55.9	44.1
Ohio:		
1936	78.7	21.3
1941	87.4	12.6
1946	93.5	6.5
Iowa:		
1936	24.4	75.6
1941	23.3	76.7
1946	29.3	70.7
Washington:		
1936	71.8	28.2
1941	77.2	22.8
1946	90.6	9.4
9 North Atlantic States:		
1936	96.6	3.4
1941	97.9	2.1
1946	98.4	1.6
16 Southern States:		
1936	74.2	25.8
1941	77.0	23.0
1946	85.5	14.5
11 Western States:		
1936	73.6	26.4
1941	79.7	20.3
1946	91.3	8.7
United States:		
1936	70.5	29.5
1941	75.8	24.2
1946	85.2	14.8

Source: Data from Agricultural Statistics, U. S. Department of Agriculture.

Mr. FULBRIGHT. Mr. President, this table graphically illustrates the extent of the decline in butterfat production and butter manufacture in terms of the farmer's income. I merely wish to point out one or two matters which appear in the table.

Let us take a State such as Wisconsin, commonly believed to be greatly dependent upon butter, and many of whose farmers have been led to believe that butter is the basis of their prosperity. The figures reveal that income from the sale of whole milk, as a percentage of the total dairy income in 1936, was 79 percent. In other words, of the total dairy income, 79 percent came from the sale of whole milk. In 1941 the percentage had risen to 89.8 percent, and in 1946 to 98.64 percent. To put it another way, income from butter was only 21 percent

in 1936, and in 1946 it was only 1.36 percent of the total income from dairy products.

The obvious conclusion is that the industry has shifted, and the producers sell practically all their dairy products in the form of whole milk. It is notable from this table that in States such as Minnesota, Illinois, and Indiana the story is the same. This list shows that of the principal dairy States there is only one in which the income from fluid milk or whole milk is less than 50 percent of the total income from dairy products. That is the State of Iowa, where in 1946 the income from whole milk was only 29.3 percent. That was the lowest. In all the other States appearing on the table income from whole milk was more than 50 percent, and those States include Wisconsin, Minnesota, Illinois, Indiana, Michigan, Kansas, Ohio, and Washington.

I have grouped the other States. In the North Atlantic States we find almost the same story that applies to Wisconsin. Then there are the 16 Southern States, the Western States, and the whole United States, in which, I might say, 85.2 percent of the total income from dairy products in 1946 came from the sale of whole milk.

HOW BEST TO PROTECT THE DAIRY INDUSTRY

The real interests of the dairy industry—and of the country as a whole—would best be served by expanding fluid-milk consumption, at least until we achieve the nutritional goal of 100 quarts more per person per year recommended by the Bureau of Home Economics. This could be done through educational campaigns emphasizing the importance of fluid milk and of other whole milk products in the individual diet; through expanded use of milk in such nutritionally desirable projects as the school-lunch program—which should be extended to every public school in America; and, of course, through wider use of modern milk production techniques and improved marketing methods.

But this could not be done, of course, if any considerable portion of the total milk supply were diverted from fluid and other whole milk products to butter manufacture.

THE ANTIMARGARINE LAWS HURT AMERICAN FARMERS

One of the unfortunate aspects of the Federal antimargarine laws is the harm done American farmers who produce the ingredients which go into margarine.

These ingredients are the products of farms in 44 of the 48 States. Their sale to the margarine market constitutes an important source of income for over 2,300,000 farmers in every section of the country.

Eighty percent of the constituents of margarine is vegetable fat; 15 percent is skim milk—pasteurized and cultured; the other 5 percent is made up of salt and various other flavoring ingredients.

For the fiscal year 1946–47, according to the Bureau of Internal Revenue, 47.4 percent of the vegetable fat used in margarine was cottonseed oil; 41.5 percent was soybean oil; and 3.1 percent was peanut oil. Corn oil and other vegetable oils account for the remainder.

The total farm value of the cottonseed produced in 1946 was $246,473,000. This was shared, in part, by 1,600,000 cotton growers who received income from cottonseed oil. The most important market for cottonseed oil in 1946 was shortening. In 1947, it was margarine. During the first 9 months of 1947, margarine used 32.5 percent of the total cottonseed oil refined. In 1946, 222,814,000 pounds of cottonseed oil was used in margarine. During the first 9 months of 1947, 194,484,000 pounds were used in margarine. This is the most recent figure I have.

It is absurd for certain spokesmen for the dairy interests to continue to repeat that margarine is a minor market for the cottonseed farmer. Even if it were true, it would not excuse discriminatory laws against margarine, but the record reveals that it is not true.

The pleas of the cotton South for the removal of these burdens on the livelihood of its farmers have been heard many times in Congress. They have gone unheeded, largely, I think, because the cotton farmers were neither so well organized as the butter farmers, nor so influential politically—due largely to the political situation in the South.

But the contest, this time, is not one between the cotton South and the butter North. Aside from the increasingly powerful protests of housewives and other consumers from every section of the country, there is another group of American farmers who have a vital interest in the repeal of these one-sided laws. The soybean farmers, too, are deprived of a fair return for their labor by legislation which prevents margarine from competing, like other domestic products, in a free American market.

There are three great soybean-producing areas in this country: the North Central or Corn Belt region—Illinois, Indiana, Ohio, Iowa, and Missouri; the Mississippi Delta—Arkansas, Mississippi, and Louisiana; the Middle Atlantic Coast—North Carolina, Virginia, Maryland, and Delaware. These are the principal, but by no means, the only areas in the United States in which soybeans are produced. Thirty States produced soybeans in some quantity in 1946, and so amazing has been the expansion of this crop and the improvement in the varieties used, varieties that are adaptable to a wide range of soil and climatic conditions, that we may expect an even wider geographical distribution of soybean production in the future.

In 1924, total production of soybeans for sale as beans was 4,947,000 bushels; in 1933, 13,509,000 bushels; in 1939, 90,141,000 bushels; in 1946, 196,725,000 bushels. That, as will be noticed, is an increase of 41 times in the period of 22 years. I do not suppose there is any other agricultural commodity or crop in the country which has had an equivalent increase.

The value of soybeans, sold as beans, has increased from $12,698,000 in 1933 to $73,052,000 in 1939, to $517,387,000 in 1946.

It will be noted that the value of soybeans alone is only slightly under the total value of all the butter produced in the country. So in terms of values of farm products, it is not a minor matter at all which is involved in the legislation.

Perhaps the most important factor in expanding soybean production was the opening up, in the early 1930's, of profitable markets for soybean oil in the shortening and margarine industries. This was a triumph of long years of research leading to improved processing and refining methods which permitted a greater utilization of the edible properties of the bean.

Significantly, the greatest expansion of the soybean industry has occurred in the north-central region—Illinois, Indiana, Ohio, Iowa, and Missouri, along with Minnesota, in the heart of the dairy farming country. Not only does this region produce more soybeans than any other, but it harvests more of that production for sale as beans.

Just how important the soybean industry has become as compared, for example, with the butter industry, to the farmers of the Midwest, is illustrated in a table, compiled from Department of Agriculture statistics, which I ask to have printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cash receipts, with comparison, 1946

State	Soybean crop	Percent of all crops	Butter and butterfat	Percent soybean receipts of butter receipts
	Thous. of dol.		*Thous. of dol.*	
Illinois	183,243	31.0	20,021	915.0
Iowa	82,182	26.4	111,737	73.2
Indiana	56,897	23.7	12,545	438.0
Ohio	36,905	14.7	12,254	308.3
Missouri	34,290	18.1	22,202	154.5
Minnesota	22,172	9.0	76,461	28.9

Mr. FULBRIGHT. I call attention to the table to illustrate the fact that this particular industry is not of minor importance. For example, in the year 1946 the soybean crop of Illinois was worth $183,243,000, whereas butter and butterfat brought only $20,021,000. In other words, the value of the soybean crop of Illinois was 915 percent greater than the value of butter and butterfat produced in that great agricultural State.

In Indiana the value of the soybean crop produced was 438 percent greater than the value of butter and butterfat produced.

In Ohio the value of the soybean crop was 308 percent greater than the value of butter and butterfat.

In Missouri the value of the soybean crop was 154 percent greater than the value of butter and butterfat.

In Iowa the value of the soybean crop was 73 percent of the value of the butter and butterfat, and in Minnesota it was 29 percent of the value of butter and butterfat.

REPEAL OF THE ANTIMARGARINE LAWS WOULD BENEFIT OUR COUNTRY

I should prefer, however, to base my argument for freeing an important market for soybean farmers from restrictive laws on another plane than competition. I am not willing, if it can be avoided, to put one group of American farmers

against another. I am for the dairy farmer, the cotton farmer, and the soybean farmer. We should never have discriminated by law against one group of American farmers for the benefit of another.

No; there are other—more compelling—reasons, it seems to me, for freeing this highly important market—margarine—from restrictive legislation.

These reasons are concerned with the welfare of the country as a whole—with a healthy economy and a healthy people.

In recent years, despite some improvement in production, we have been plagued with scarcity—scarcity of food, particularly of meats, grains, milk, and fats. This scarcity, which is by no means due entirely to overseas commitments resulting from the war, has been reflected in higher prices, which in turn have led to demands for higher wages.

But there is one domestic crop in which no wartime shortage developed—babies. Approximately 10,000,000 wartime babies threw the estimates of population out of line. These new Americans must be clothed and housed and fed.

It is scarcity economics to discriminate against any good food product, a product which is needed to meet the nutritive standards demanded by our expanding population.

There is, as we all know, a desperate need abroad for grain for human consumption. At the same time there is, according to the Department of Agriculture, a serious protein deficiency in livestock feeding today.

There is abundant evidence to show that meal from soybeans and cottonseed, if made available in sufficient quantities through the expansion of the vegetable-oil markets, would not only offer an efficient means of overcoming this deficiency in the livestock ration but would also help to free grain for human consumption.

Mr. Ersel Walley, president of the American Soybean Association, points out that soybean-oil meal, containing over 40 percent digestible protein, today leaves the processing plant at approximately the same price per pound as is paid for wheat or corn by livestock feeders. Yet a pound of soybean-oil meal will replace from 3 to 4 pounds of corn in the livestock ration, discourage the feeding of wheat, and will, therefore, help alleviate both the protein deficiency and the grain shortage.

Cottonseed-oil meal would prove, for all practical purposes, equally efficacious. It compares in price and nutritive qualities with soybean meal.

It is not surprising then, that an Agricultural Department publication, The Deficit in Protein for Livestock (1946), points out, that—

> How much farmers will buy (of high protein concentrates) is therefore literally only a question of how much will be available, as it is probable that whatever is produced will be bought and fed.

One argument which has been heard often from the proponents of these restrictive laws is that soybeans are destructive of the soil and therefore economically wasteful. Little or no support for this argument has even been offered but, like the jingling radio commercial it seems to depend on repetition alone for its appeal.

Recently the Christian Science Monitor investigated the truth of this contention. I quote from the issue of January 14, 1948:

> Spokesmen for the butter industry have made repeated claims that a substantial increase in the soybean crop, from which soybean oil, a prime ingredient of margarine, is made, would be detrimental to soil conservation and adversely affect the general agricultural economy of the Nation. It is argued that soybeans and other fat-producing seed crops are soil-depleting crops.
>
> These claims are not substantiated by technicians in the Soil Conservation Service of the Department of Agriculture. They state: "On the basis of our experience, if soybeans are grown, even as a clean-tilled crop, with proper conservation methods and practices to protect the land, they are no worse on the land than any other clean-tilled crop such as corn and cotton. * * *"
>
> The soybean plant, which is a legume, benefits the land by adding nitrogen to the soil through its roots.
>
> "Soil conservation," Department of Agriculture specialists say, "does not mean only the conservation of topsoil, but putting all soil to the use for which it is best adapted."
>
> "Federal technicians charge that dairy farmers are as guilty of improper utilization of their land as crop farmers. Pasture lands can be greatly injured by grazing at wrong seasons or by grazing too much stock per unit of land."

I want to emphasize the statement of Department of Agriculture specialists in regard to soil conservation. They say what many of us may not have considered, that soil conservation involves more than the saving of topsoil. In this sense, I think we can agree, it involves the most efficient use of a given acre of land and a given amount of farm labor; it involves putting all soil to the use for which it is best adapted.

In 1943, the Iowa State College—in the heart of the largest butter-producing State in the Nation—published the fact that 1 acre of soybeans will produce as many pounds of vegetable fat as 2 acres devoted to dairying will produce of butterfat. Their report stated also that one man-hour of labor will produce 13.3 pounds of soybean oil compared with only 1.5 pounds of butterfat.

The Iowa State survey concluded by recommending that restrictions on the sale of margarine—State excise taxes, license fees, and so forth—should be removed so that its consumption may be encouraged.

C. F. Christian, farm-marketing specialist at Ohio State University, also studied this problem recently. Professor Christian revealed that—

> The dairyman raises an acre of grain, usually corn, and has another 2 acres in hay or pasture to produce 225 pounds of butter. The acre of corn will take at least 30 hours work and hay and pasture require more work, and care of the cows will involve another 150 hours in producing 225 pounds of butter.
>
> An acre of soybeans can be grown with 14 hours of man labor and will make about 225 pounds of margarine.
>
> A pound of butter represents 10 times the amount of farm labor and 3 times the amount of farm land that is represented by a pound of margarine.

I think that is really the basic cause for the difficulty which butter is encountering these days in the market.

I should like to emphasize this point: I do not believe there is a single Member of this Congress who wants to destroy the butter industry. I do not believe that any of the Members who have introduced bills for the repeal of the antimargarine laws wants to hurt the dairy industry. It is my sincere belief that the repeal of these laws would be to the advantage of all farmers, including dairy farmers, and of the American people generally.

Much of the argument voiced in defense of the antimargarine laws has been based on an unproved assumption—that without this discriminatory legislation the dairy industry would be disrupted. There has been no proof submitted in this Congress or elsewhere, so far as I am aware, to support this assumption. All the evidence I have seen—and I have studied this question carefully—abundantly proves the contrary.

On the other hand, it is clear that restrictions which hamper and curtail the production and distribution of margarine are restrictions upon those who produce the ingredients of margarine—more than 2,300,000 American farmers. And, as I have indicated, they are also restrictions upon the welfare of the greatest livestock industries, of needy people at home and abroad, and upon the best interests of the whole American people.

I hope that all Members, regardless of party affiliation, will study the facts in this issue carefully and without prejudice. I am confident, if this is done, that there can be but one outcome: the antimargarine laws will be, at long last, removed from the statute books.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from South Carolina.

Mr. MAYBANK. I should like to ask the distinguished Senator from Arkansas if he has completed his address.

Mr. FULBRIGHT. I have completed the formal part of it, and I am glad to yield to the Senator. I have a few further matters to insert in the RECORD.

Mr. MAYBANK. I wish to commend the Senator for his most able and enlightening address.

Mr. President, I have always believed that the fight for repeal of the oleomargarine-tax laws should be carried on in the Ways and Means Committee of the House and in the Senate Finance Committee. It is an unjust tax upon the people.

I am sorry that the Senate Committee on Finance was unable to approve the amendment of the Senator from Arkansas and of my distinguished colleague [Mr. JOHNSTON], or my own amendment. I understand that after I appeared before the committee the committee did not take up the individual amendments, but decided not to consider any amendments dealing with subjects not covered by the text of the bill as it came from the House.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. MILLIKIN. Let me say to the distinguished Senator that we listened with great interest to his own presentation of the subject, and also that of the Senator from Arkansas [Mr. FULBRIGHT]. We were not passing on the merits of the question at all. Our decision was to stick to the bill without additions of any kind. That was the reason why the Senate Finance Committee took the action which it did.

Mr. MAYBANK. I thank the Senator from Colorado. I knew, of course, that the committee held meetings. As he suggested, I appeared before the committee and presented my thoughts in connection with my amendment.

Mr. President, in 1943 I did the same thing; and in 1944 there was a long discussion in the CONGRESSIONAL RECORD as to the tax on oleomargarine. I was pleased to see the distinguished Senator from Vermont [Mr. AIKIN], who took a large part in this debate in 1944, presiding.

The thought I wish to present is that I hope perhaps next year, when this question comes before the Senate Finance Committee, the committee will vote favorably on it and will report this proposed legislation to the Senate.

In the meantime, Mr. President, I submitted my amendment on January 16. I shall make only a few remarks at this time.

Since 1943 I have been making an effort to have attached to the revenue bill an amendment which would repeal certain taxes on oleomargarine, would amend the definition of manufacture of oleomargarine, and would repeal the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine. Having failed to have this amendment favorably reported to the floor of the Senate by the Finance Committee, in connection with the revenue bill, I have now offered the amendment in its own right, with the kindness of the Senator from Arkansas in yielding to me a few moments ago.

I shall not take time now to discuss the many reasons for the repeal of these taxes and licenses, because the injustice of these discriminatory regulations is too well known to the manufacturers, wholesalers, retailers, and particularly the housewives of the Nation. The farmers, the men who produce the high-grade vegetable oils used in the manufacture of margarine—certainly know the facts. Judging from the letters and telegrams which come to my office daily, they have felt the burden of these ridiculous restrictions far too long.

This question transcends the lines of any group, even so powerful a group as the one which has been able to maintain this legislated stranglehold over an otherwise competitive industry.

Mr. President, the time has come when the American people are no longer willing to tolerate the existence of such a restraining hand on the manufacture of one product, which has every right to take its deserved place and stand on its own merits, in its own field, along with other products. The properties of margarine and the benefits to be gained from its use on the family tables of this country have been expounded over and over again by competent authorities. Its nutritional value is an established fact, and the article itself is controlled and labeled by the Pure Food and Drug Administration as to identity and compliance with standards.

Mr. President, the people of the United States do not intend to keep quiet any longer and submit to these discriminatory regulations. They must and will be heard.

In conclusion, I merely wish to say to my distinguished friend the junior Senator from Arkansas, and to my colleague the junior Senator from South Carolina, that I have no pride of authorship in this matter, and I shall join with them in the hope that some day these iniquitous taxes will be removed. I only wish again to remind the Senate, for the record, that on January 16 of this year I suggested that the only way to repeal the oleomargarine tax was through tax legislation coming from the Senate Finance Committee and the House of Representatives Ways and Means Committee. I do not think it an agricultural matter. I think it a finance matter, a tax matter, a matter in which the people of these United States are far more interested than in any other tax matter before us today.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MAYBANK. If the Senator will bear with me, I should like to yield first to the Senator from Arkansas in connection with the oleomargarine debate.

Mr. CONNALLY. I may say to the Senator that I am for oleomargarine. My request that the Senator yield is in connection with an amendment which I desire to have printed so that it may be considered tomorrow. I shall only take a moment.

Mr. MAYBANK. I yield.

Mr. CONNALLY. Mr. President, I submit an amendment to the pending tax bill, with the request that it be printed and lie on the table.

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). The amendment will be received, printed, and lie on the table.

Mr. CONNALLY. I wish the proponents of the oleomargarine measure good luck. I am with them.

Mr. McCLELLAN and Mr. KEM addressed the Chair.

Mr. MAYBANK. Mr. President, I now yield to the Senator from Arkansas [Mr. MCCLELLAN] after which I shall immediately yield to the Senator from Missouri.

Mr. CONNALLY. Let me suggest at this point in the discussion that the Government has been unfair to oleomargarine, not only in the matter of taxes, but in former years I stood on the floor of the Senate and opposed provisions in appropriation bills which prohibited under any circumstances the use of oleomargarine in veterans hospitals and other Government hospitals and institutions. I pleaded against such provisions and voted against them, but was unsuccessful. I thought that might help along a little the debate on the subject of oleomargarine.

Mr. McCLELLAN. Mr. President, I thank the Senator yielding. I rose while my colleague [Mr. FULBRIGHT] had the floor. I wanted to ask my colleague a question. I was not present when he began his remarks this afternoon, having been called out of the Chamber on other business for a little while. I did not know, and therefore I wanted to inquire of my colleague, whether he proposes to offer an amendment to the pending bill to remove the unjust tax on oleomargarine or to repeal it.

Mr. FULBRIGHT. Mr. President, in reply to the senior Senator from Arkansas, I wish to say that I submitted an amendment to the pending bill. It has been printed and has been considered by the committee. I have not yet formally submitted it on the floor, because the committee amendments have not as yet been disposed of. I intend to do that, however, and I hope to obtain a vote on the floor of the Senate on my amendment at the proper time.

Mr. McCLELLAN. Is it the intention of my colleague to formally submit the amendment and to press for its acceptance?

Mr. FULBRIGHT. That is my intention.

Mr. McCLELLAN. Mr. President, I want to join with my colleague and associate myself with all that he has said in support of his amendment and in his desire to have the tax repealed. Some 2 or 3 weeks ago he made a very able address in the Senate on this issue. He has made extensive research on the subject and has given it profound study. In his address 2 or 3 weeks ago, and in his address today, he has presented facts and statistics which strongly and irrevocably force the conclusion this unjust tax should be repealed.

Mr. President, I realize something of the problem which is involved in tax legislation. I know from experience during the last session of Congress, when efforts were made by some of us to have certain discriminatory taxes and provisions eliminated from our tax structure, that these battles are not easy, and that the present one affecting oleomargarine has been going on for quite a long time—for a period of years. I know, too, Mr. President, that it is going to be said before the debate closes that this is not the proper time and not the proper bill, and that the amendment should be deferred until some other time and submitted in connection with some other bill, or that it should come to the Senate for consideration as a separate bill. But I say that whenever it develops and is ascertained and established that we have either an unjust tax, a tax that is inequitable, a tax that discriminates, as in the present instance, or a tax that actually penalizes an important food product, which is not only needed by American consumers but which is in demand throughout the world, the first time an opportunity is presented to repeal such tax, that is the time to do it.

Mr. President, I commend my colleague for the service he is rendering, not only to the producers of cotton and soybeans, but the service he is undertaking to render to the consumers of the Nation, to the housewives, and to the people of the world who need this food which America can produce, and which our people should be permitted to produce without a penalizing tax. I say to

my colleague, to the two able Senators from South Carolina, and to others who have participated in this fight through the years and who are now battling again to have the tax repealed, that a debt of gratitude is owed them. I hope that they will be successful at this session of the Congress in having this amendment to the pending measure agreed to. It has my enthusiastic support.

Mr. MAYBANK. Mr. President, I now yield to the Senator from Missouri.

Mr. KEM. Mr. President, I send to the desk an amendment to the pending bill, which I ask to have printed and lie on the table

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. KEM. Mr. President, the amendment which I have just submitted, proposes on page 5, between lines 6 and 7, to insert the following:

SEC. 105. Deduction for tuition and incidental expenses of teachers.

(a) Section 23 of the Internal Revenue Code is amended by adding at the end thereof the following new subsection:

"(bb) Tuition and incidental expenses of teachers: In the case of an individual employed as a teacher in any public or private school, all expenses for tuition, books, laboratory and other school fees, school equipment, meals and lodging, travel, and other incidental expenses, necessarily incurred in pursuing at any institution of learning a course of instruction required for continuance of his employment or for advancement in grade or salary and approved by appropriate school authority for such purpose."

(b) Clause (1) of section 24 of the Internal Revenue Code is amended by inserting before the semicolon the following: "and except expenses deductible under section 23 (bb)."

On page 5, line 7, strike out "105" and insert in lieu thereof "106."

Mr. President, the purpose of the amendment is to afford relief to the school teacher who is not now being permitted to deduct as business expense the cost of certain essential training required in order to retain their positions in the teaching profession. The practice is now frequent, and is becoming more so, for school boards and other school authorities to require teachers to attend summer school every few years in order to qualify for continued employment or to meet qualifications for salary increases. The cases in which this additional expense to the teacher is borne by the school board or other authorities are the exception rather than the rule.

The Bureau of Internal Revenue has stated in its rulings that it considers certain items an ordinary and necessary expense in conducting business. They define it in this language:

Every necessary item of expense in conducting business incurred primarily because of and solely in the furtherance of the business engaged in.

Yet, in spite of this general rule stated in such plain language, the Bureau of Internal Revenue, in 1921, held as follows:

Expenses incurred by school teachers in attending summer school are in the nature of personal expenses incurred in advancing their education, and are not deductible in computing net income.

That ruling was made in 1921. It has been consistently adhered to by the Bureau of Internal Revenue since that time, the Bureau and the Tax Court taking the position that to change the rule is now a matter for the Congress.

I think the tax authorities are undoubtedly correct in that position, but they are most inconsistent in holding to that effect, in view of other rulings which they are now enforcing. For instance, if a business organization sends one of its employees to school to learn how to operate a certain machine or to learn how to do a certain job better, it can deduct as a business expense the cost of paying for this education of the employee. In other words, if the employer incurs the expense, it may be deducted as a business expense, but when an employee incurs it, the taxing authorities are enforcing a different rule.

Similarly, Mr. President, a physician attending a medical convention or a chemistry professor attending a meeting or convention may deduct as a business expense the cost of the trips. Both of those cases have been ruled on by the Tax Court. Although the chemistry professor can deduct from his taxable income the cost of attending a convention to gain new knowledge, if he spent the same amount of time and money in attending school, the Bureau would not allow the deduction.

I know that this question has been previously presented to the Senate. There is nothing new and original about it, so far as I am concerned, but it constitutes a glaring injustice to an important group in our society. I think the Senate should, without any further delay, give it serious consideration.

We hear a great deal these days regarding additional compensation so that school teachers may receive an adequate living wage. It would help a great deal if we should remove from the tax laws this patent discrimination against them.

Mr. MAYBANK. Mr. President, I have only one statement to make, and that is with regard to the amendment which I introduced in January 1936, and the amendment introduced in 1943, which was voted on on January 17, 1944. For many long years I have tried to have such an amendment adopted.

At this time I will yield the floor to the distinguished Senator from Arkansas [Mr. FULBRIGHT], who I understand has something to add to the record.

Mr. AIKEN. Mr. President, I suggest to the Senator from South Carolina that he cannot yield the floor. He may yield to a Member of the Senate.

Mr. MAYBANK. I yield to the Senator from Arkansas.

Mr. AIKEN. The Senator will have to remain on his feet.

Mr. MAYBANK. I am always on my feet, and my feet are always on the ground.

Mr. FULBRIGHT. Mr. President, I do not want to prolong this debate. There are one or two points I should like to make to round out my statement. I shall have something to say later on the amendment. There is a short statement of two paragraphs in the testimony of the Under Secretary of the Treasury before the House committee. I refer to the testimony of Mr. A. L. Wiggins regarding the impact of the margarine tax. I should like to read it:

The tax burden, however, reflects only part of the cost of these taxes to consumers. The existence of the oleomargarine taxes interferes with the availability of margarine in certain areas and induces individuals who would otherwise buy margarine to forego table fats or buy butter. Where, for example, as the result of the occupational taxes, consumers with equal preference for the two products are unable to procure 40-cent margarine and are obliged to purchase 90-cent butter, the burden of these taxes approximates the difference between the selling price of these items.

It is clear that for several reasons the burden of these taxes on consumers is not adequately measured by the Treasury's tax collections. The taxes increase the cost of the product; they interfere with the consumer's freedom of choice in satisfying personal wants; and they increase his living costs by interfering with the consumption of less expensive foods. While the imposition of these burdens through taxation is always undesirable, it is especially objectionable at times when high prices threaten the living standards of important groups in the population.

That is one statement. The other is a paragraph which I think sums up a very important issue. This, again, is a statement from Mr. Wiggins——

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I yield to the Senator from Minnesota.

Mr. THYE. Did I correctly understand the Senator to say that because of the tax, consumers are unable to get oleomargarine? Did I correctly understand the Senator to say that?

Mr. FULBRIGHT. I do not believe the Senator was present when I was explaining a moment ago——

Mr. THYE. I am referring to what the Senator read just a moment ago. I thought I heard him read a line to the effect that consumers were unable to get oleomargarine and were compelled to buy butter at a much higher price than the 40 cents at which oleomargarine would be selling. I wondered whether I correctly heard the Senator's statement.

Mr. FULBRIGHT. The Senator heard me correctly. Whether he would like to have an explanation I do not know. I shall be glad to give him one if he cares to have it.

Mr. THYE. Then I should like to ask another question. A tax of 10 cents a pound is imposed on the colored oleomargarine, and the uncolored oleomargarine carries a tax of only one-fourth of a cent. There is no restriction; it is only a question of whether the product is colored or uncolored. If colored, it must carry a higher tax, and if uncolored it carries a tax of only a quarter of a cent. Am I correct in understanding it in that manner?

Mr. FULBRIGHT. I would gather from the Senator's remarks that he does not understand it at all, because the real fact is that what restricts the availability of margarine much more than a quarter of a cent or 10 cents a pound is the

license fees. The fact is that of approximately 550,000 retail outlets for food, because of these restrictions and licenses, only 271,000 carry white margarine and only 5,000, less than 1 percent, carry the yellow margarine, which necessarily means that the ordinary person cannot go into a store and buy it, because it is not available, whereas if the licensing fees were removed, it would be available in all 550,000 places.

Mr. THYE. Will the Senator from South Carolina yield further?

Mr. MAYBANK. I yield.

Mr. THYE. I understood the Senator to say that license fees are not a factor, that is, a fee placed upon a business establishment, but the tax on the colored oleomargarine is the question. In order that the record may be perfectly clear, and people understand it, if the product is not colored, although it is just as nutritious in every sense as the colored product, it carries a tax of but a quarter of a cent a pound. If it is colored to imitate butter, it must carry a 10-cent-a-pound tax, but from the standpoint of nutrition it is not one iota better than the uncolored product. Am I right, or wrong?

Mr. FULBRIGHT. That is true.

Mr. THYE. So, if the Senator cares to follow that further, the question would be one as to how much the processor and the retailer were compelled to pay as a business license. But it is not a tax on the product.

Mr. FULBRIGHT. It is a tax on the right to manufacture or distribute the product, and it is an excise tax. It is for the purpose of regulation, not taxation.

Mr. THYE. If I may ask one further question, suppose the product were allowed to be colored in the perfect color of butter. How could one in any way determine whether it was a dairy product or was an artificial product resembling butter, having all the flavor and appearance of butter, so that it could not be determined, except through an actual laboratory test as to whether it was butter or oleomargarine?

Mr. FULBRIGHT. The proper way to deal with the problem, the way followed in every other case, is to have it provided for in the pure-food law. That is the way we deal with all matters relative to food, except this one, in which the approach is by the indirect method of taxation. If it can be proved that margarine is a deleterious product, and not a nutritious food, that it is harmful, it should be outlawed, and I think that Senators who are interested in this tax should offer a bill to outlaw it, and see what the Congress would do about it. I think this tax is similar to our imposing a tax on everyone who committed a burglary in an effort to prevent burglary.

Mr. THYE. If I may interrupt again, the tax placed on the product when colored is a regulating tax.

Mr. FULBRIGHT. Why should we not put a tax on butter because color is used in it? The Senator knows very well that the greater part of the butter sold in this country in the winter is colored artificially.

Mr. THYE. I have heard it suggested that the manufacturers should color the olemargarine either pink or blue or purple. Such colors are oftentimes as acceptable, as is yellow, and I am wondering why they do not accept one of those shades rather than a color which resembles butter, which has been known to mankind ever since the idea of separating butterfat from the whole milk was conceived.

Mr. FULBRIGHT. Why do not the butter makers color butter green or blue instead of yellow?

Mr. THYE. That is a question which could be answered, but I asked the Senator the first question, as to why the oleo makers did not color the oleomargarine pink or blue.

Mr. FULBRIGHT. The trouble is that the butter producers have affirmatively used the power of the Government. The makers of margarine are not seeking to do that at all. There is an inherent deception in butter one buys this time of year. The Senator knows the reason. It is because butter makers color butter in wintertime to make it appear as if it were the same kind of butter that is produced in the summer, when butter contains a great many more vitamins than it does in winter. I might add that butter is the only product I know of which does not bear on its carton a notice that it is artificially colored. The manufacturers of oleomargarine must attach such a label.

Mr. THYE. If the Senator will permit one more interruption, it is only in the extreme northern sections of the United States that dry feed is fed cattle in certain months of the year. In other portions of the year they are on pasture. Therefore in one State butter may have an extremely yellow color, whereas four or five hundred miles farther north, in the colder belt, where the cattle are on dry feed, there is a different color to the butter. The butter industry accepted that condition, and in order to make the butter uniform and not discriminate against certain sections of the country in certain portions of the year, they did color it to make the color uniform. Because of that uniform color, the oleo processors, whom the Senator is defending here this afternoon, are attempting to imitate, by coloring and flavoring their product so that it resembles butter in every detail. That is why I suggest, in order that there may not be this constant conflict, that they accept blue or purple or red as the color, because to some persons one of those colors is even more acceptable than yellow.

Mr. FULBRIGHT. I thank the Senator. I am sure that no one had ever before thought of making the product purple. I am sure the manufacturers will be very thankful and grateful for the Senator's suggestion.

I have one further point from Mr. Wiggin's statement I wish to put in the RECORD. I quote from the record before the committee of the House:

> The basic issue raised by the oleomargarine taxes is the propriety and desirability of using the tax laws to affect the relative position of competing industries, both of which use domestic agricultural raw materials. In the case of oleomargarine, the taxing power is used as a punitive measure against one industry to advance the interests of another. In the process, the public is deterred from the free exercise of its consumer preferences. Without passing judgment on the relative merits of the two products from the viewpoint of the public health, matters upon which your committee has had abundant expert testimony, it is the view of the Treasury Department that the use of the taxing power to distort the normal development of competing industries and to deprive them of the full benefit of the free enterprise system conflicts with the public interest, and in the absence of compelling consideration, should be avoided.

Just one further word regarding the procedure. It is always suggested, as it will be this time, that the Senate is not the proper forum in which to present this proposal. I wish only to point out that in advertising and marketing their product, according to the laws which apply to all other food products, the butter industry has achieved a very special preference in the House of Representatives. Because of the fact that under our system tax bills originate in the House, since this oleomargarine regulation is disguised as a tax, it is always said its repeal should start in the House. But when it starts in the House it is referred by special act of the House to the Committee on Agriculture, to which no other tax bill is referred, under the practice in the House.

Thus the situation is such that it is virtually impossible to submit this question to a vote of the Congress without following the procedure which we are trying to follow in this case, that is, by presenting an amendment to a pending tax bill, which will definitely get a hearing on the floor of the Senate. I see no reasonable possibility of any other approach to obtaining a vote on this amendment.

Mr. MAYBANK. Mr. President, I concur in what the Senator from Arkansas has said, that the only way to approach this subject is through an amendment to a tax bill.

I again wish to state that an amendment was offered to a tax bill recently by the senior Senator from Arkansas [Mr. MCCLELLAN], in which many of us from non-community-property-tax States joined, and long debate followed. The provision was included when this new bill came over from the House this year, thanks to the Finance Committee and those who have so ably striven to bring forth this bill.

Mr. President, I wish to ask, What is the question before the Senate? Is there an amendment to the tax bill pending?

The PRESIDING OFFICER. At this time no committee amendments have been offered.

Mr. MAYBANK. Mr. President, I send to the desk again the amendment I submitted on January 26. I offer the amendment and ask that it be considered. Of course with the understanding, Mr. President, that it is agreeable to the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from South Carolina [Mr. JOHNSTON].

Mr. MILLIKIN. Mr. President, it is somewhat out of order to consider the amendment at this time. It is customary to give first consideration to committee amendments. But the amendment offered by the Senator from South Carolina does not interfere with the committee's bill. Therefore if the Senate is prepared to proceed with the amendment offered by the Senator from South Carolina I shall offer no objection. If

we proceed to consider it I should like the Senate to vote on it quickly, and not to keep it hanging fire, or buffeted back and forth here.

Mr. MAYBANK. I can quite understand that the Senator from Colorado desires that the Senate proceed with consideration of the bill, and it is perfectly agreeable to me that the Senate do so. However, I should like to have consideration of my amendment now, and I ask for the yeas and nays.

Mr. MILLIKIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Daniel
Baldwin	Hayden	Overton
Ball	Hickenlooper	Pepper
Barkley	Hill	Revercomb
Brewster	Hoey	Robertson, Va.
Bricker	Holland	Robertson, Wyo.
Brooks	Ives	Russell
Buck	Johnson, Colo.	Saltonstall
Butler	Johnston, S. C.	Smith
Cain	Kem	Sparkman
Capehart	Kilgore	Stennis
Capper	Knowland	Stewart
Connally	Langer	Taft
Cooper	Lodge	Taylor
Cordon	Lucas	Thomas, Okla.
Donnell	McCarran	Thye
Dworshak	McCarthy	Tobey
Eastland	McClellan	Umstead
Ecton	McFarland	Vandenberg
Ellender	McKellar	Watkins
Ferguson	McMahon	Wherry
Flanders	Magnuson	Wiley
Fulbright	Martin	Williams
George	Maybank	Wilson
Green	Millikin	Young
Gurney	Moore	
Hatch	Murray	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from South Carolina [Mr. MAYBANK], which will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following new section:

SEC. —. Repeal of certain taxes on oleomargarine.

(a) Repeal of tax on colored oleomargarine: Section 2301 (a) of the Internal Revenue Code (relating to the tax on oleomargarine) is amended to read as follows:

"(a) Rate: Upon oleomargarine which shall be manufactured and sold, or removed for consumption or use, there shall be assessed and collected a tax at the rate of one-fourth of 1 cent per pound."

(b) Amendment of definition of manufacturer of oleomargarine: Section 2302 (a) of the Internal Revenue Code (relating to manufacturers of oleomargarine) is amended to read as follows:

"(a) Definition: Every person who manufactures oleomargarine for sale shall be deemed a manufacturer of oleomargarine."

(c) Repeal of occupational tax on manufacturers, wholesalers, and retailers of oleomargarine: Part I of subchapter A of chapter 27 of the Internal Revenue Code (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine) is repealed.

(d) Effective date: This section shall be effective July 1, 1948.

Mr. MILLIKIN obtained the floor.

Mr. MAYBANK. Mr. President——

Mr. MILLIKIN. I yield.

Mr. MAYBANK. I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. MAYBANK. Mr. President, with the indulgence of the distinguished Senator from Colorado——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from South Carolina?

Mr. MILLIKIN. I yield.

Mr. MAYBANK. Mr. President, I have the floor.

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Colorado has the floor.

Mr. MAYBANK. The Senator from Colorado agreed that I might have the floor immediately following the quorum call, if I yielded for the quorum call.

The PRESIDING OFFICER. No such agreement was made with the Chair.

Mr. MAYBANK. Nevertheless, I understood that to be the agreement.

Mr. MILLIKIN. Mr. President, under the circumstances I yield to the Senator from South Carolina.

Mr. MAYBANK. I thank the Senator.

Mr. President, before this amendment is voted on, I wish to say that if there is any amendment which the Senator from Arkansas or any other Senator desires to propose to my amendment, I shall be very glad to accept it.

Other than that, Mr. President, I have nothing further to say.

Mr. MILLIKIN. Mr. President, I strongly urge that the pending amendment be rejected. A series of amendments of this type came before the Senate Finance Committee. We did not go into the merits of those amendments, and I wish to emphasize that the vote on the amendment is not at all to be considered a necessary reflection of the opinion as to the merits of the amendment of those who, for example, may vote against it. This amendment and the related amendments have to do with excise and occupational taxes. That is a subject which is not directly related to the business of the bill now before us. The Senate Finance Committee necessarily had to delineate the scope of the bill which the committee wished to bring before the Senate. It was perfectly apparent that if we commenced to open up this bill in order to take care of excise taxes and other forms of taxes, we would wind up in a state of complete scatteration. There are many, many inequities in our excise-tax structure. Many of our present excise taxes cannot be justified from the standpoint of logic, or from the standpoint of the competitive situation in which the articles concerned are placed by the taxes thus imposed upon them, or from the standpoint of equity. For that reason, I believe there is sound opinion that all those taxes should be considered together and dealt with in a revision bill.

However, if we make any other approach to the subject, it seems to me clear that every Senator would have an amendment to propose; and if we allow the pending amendment to come into the bill now before us, there no longer will be any valid reason for keeping out other amendments with respect to which claims for justice can also be made.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. WHERRY. Is any reduction of any excise tax provided in this bill?

Mr. MILLIKIN. No reduction of any excise tax is provided in this bill.

Mr. WHERRY. So this is the only one that is suggested, is it?

Mr. MILLIKIN. Yes; it is the only one suggested, so far as I recall at the moment.

Mr. WHERRY. It is my understanding that the Government receipts from excise taxes generally amount to a total of approximately $7,000,000,000.

Mr. MILLIKIN. That is correct.

Mr. WHERRY. It is my further understanding that it is the position of the Senator from Colorado that all revisions or changes in excise taxes should be dealt with in a separate bill, and that on that basis the Senator from Colorado opposes having the pending amendment included in this bill.

Mr. MILLIKIN. That is correct.

Mr. WHERRY. So the point is that, if the formula of dealing in a separate bill with all revisions of excise taxes is to be preserved, neither this amendment nor any other amendment relating to excise taxes should be adopted to this bill.

Mr. MILLIKIN. That is correct.

Mr. WHERRY. Regardless of the merit of this amendment, this is an income tax reduction bill, not an excise tax revision bill. The excise tax revision bill will come before us later.

Mr. CAIN. Mr. President, will the Senator yield to me?

Mr. MILLIKIN. I yield.

Mr. CAIN. If the pending amendment is defeated, can the Senator from Colorado recommend a course of action which would result in bringing the subject of oleomargarine taxation to the floor of the Senate so that it could be thoroughly studied and explored?

Mr. MILLIKIN. I am very glad the Senator has asked that question, and I shall discuss it at once.

Mr. President, I can understand the desire of those who favor this amendment to have it added to this bill. I understand there have been some difficulties in advancing an amendment of that kind in the House of Representatives.

I wish to say that the House of Representatives Ways and Means Committee is considering a general revision bill. Not only do I understand that it is to take care of administrative provisions, but I also understand that inequities in the taxes and rates of tax at various points along the line are likewise being considered.

Of course, I am not in position to promise what will happen in the House of Representatives with respect to an amendment of this kind. But I believe it is clear that, under the Constitution, the House of Representatives has the initiating jurisdiction in respect to taxes; and I am thoroughly convinced that in a major matter of this kind, no matter what the Senate did in the way of amendment its action would not meet with the approval of the House of Representatives. The House cherishes—and properly so—its right to initiate tax legislation. It is true that we have a right to amend such legislation; but when we

propose revolutionary amendments, particularly amendments which at the time do not meet with the sentiment of the House, we are simply wasting time.

I am quite sure that if an amendment of this kind were adopted by the Senate and were sent to conference, it would be rejected in conference, because the House does not intend that the Senate shall have the initiating power in these important matters of legislation, and especially where there is such a substantial deviation from the bill which the House of Representatives has sent to us.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator.

Mr. MAYBANK. I should like to address a question to the Senator. After a long fight in this body on community property taxes last year, a provision on that subject was included this year by the House of Representatives, through action of the Ways and Means Committee. In the event we are unsuccessful this afternoon in obtaining agreement to the pending amendment or to some amendment such as the one submitted by the Senator from Arkansas, does the Senator believe that the Ways and Means Committee will take up the matter and give it proper consideration, and not merely sidetrack it again? I do not say that it was sidetracked by them, but whenever it has been referred to the Agriculture Committee of the House, it has always been turned down by that committee. For a long period of time, beginning prior to my coming to the Congress and before I knew what legislation meant, the House Agriculture Committee has continually turned a deaf ear to repeal of the tax on oleomargarine. I know the Senator cannot speak for the House. I share his views as to the prerogatives of the House, but I should like to ask the Senator if he thinks the House Ways and Means Committee might, in connection with consideration of the subject of excise taxes, take up the matter of the reduction or repeal of the tax on oleomargarine. Does the Senator think they would do that?

Mr. MILLIKIN. I should like to give a complete, unequivocal answer to that question.

Mr. MAYBANK. I can understand the Senator's position.

Mr. MILLIKIN. The Senator mentions a precedent set a year ago in connection with the splitting of income.

Mr. MAYBANK. That was in connection with community-property laws.

Mr. MILLIKIN. At that time I stated to the Senate that I believed the next bill that came to the Senate would have such a provision in it and it is in the bill.

Mr. MAYBANK. I congratulate the Senator, if I may, and extend to him my deep appreciation of his statement, and of the able manner in which the tax bill has been handled by his committee.

Mr. MILLIKIN. The point I want to make in connection with the manner in which it would be handled in the House is this: I am acquainted with the scope of the studies that are going on over in the House Ways and Means Committee. I am not able, and I want to say this in perfect frankness, to give the same type of assurance as to what will happen in the House on this subject as the assurance I was able to give a year ago on income-tax splitting. I want to say that with complete candor. But I think it is also equally true, by reason of the division of opinion in the House, that this would prevent the success of any amendment that might be put on the pending bill in this body.

Mr. MAYBANK. Does the Senator agree that it is a tax question?

Mr. MILLIKIN. I agree with that.

Mr. MAYBANK. Is it true that, as the Senator has so ably stated in connection with other excise taxes, he considers this a proper matter to be handled in connection with tax legislation?

Mr. MILLIKIN. It is quite apparent that it is a tax question, and the House Ways and Means Committee ever since last summer has been making a very careful study of our whole Federal tax system. I may say that we have been making some study of it, and I am referring particularly to revision subjects and to matters of excise tax. But how the House will crystallize its opinion of this, most candidly and with complete frankness, I cannot give the kind of assurance, which turned out to be a durable assurance, that I gave a year ago.

Mr. MAYBANK. I thoroughly agree with the Senator. I appreciate his statement as to why he is unable to give such assurance. I appreciated the Senator's saying that it is his understanding the subject of the oleomargarine tax is a matter for the House Ways and Means Committee and for the Finance Committee, that, in its entirety, it is not an agricultural matter.

Mr. MILLIKIN. That is my personal opinion. I should say to the Senator that there has been some difference of opinion in the Senate on that question, but in my own opinion it is clearly, by the spelling of the words, a tax matter.

Mr. MAYBANK. I thank the Senator.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. SALTONSTALL. There are many people in Massachusetts who are very much in need of a repeal of this tax. I have expressed my sympathy with their purpose many times. I understand the distinguished Senator to say that their cause will not be helped at the present time by voting for the pending amendment. Is that correct?

Mr. MILLIKIN. That distinctly is my opinion, and that gives me the opportunity to make clear something that I intended to come to. Neither the majority nor the Senate Finance Committee is taking any position on the policy involved in the merits of the amendment. A Senator may vote to keep this amendment out of the bill, without prejudicing his position in favor of removing the taxes from oleomargarine. We are not going into the merits of that. Our position is that it has no place in the pending bill, and that if it were put in the bill, it would necessarily be dropped in conference; that it is unwise to put it in this bill, because if we opened the door to extraneous matters, we would wind up here in a state of complete scatteration, instead of getting the kind of bill we wish to get.

Mr. SALTONSTALL. The bill it is proposed to pass is strictly an income-tax bill, is it not?

Mr. MILLIKIN. That is correct.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I gladly yield to the Senator from Texas.

Mr. CONNALLY. I do not care to discuss the immediate subject under debate, but I wish to take issue with some of the statements made by the chairman with reference to the fact that the House has the right to initiate tax legislation, and therefore that the Senate is somewhat handicapped in making amendments. I understand of course that the House initiates all tax legislation, but I do not agree that there is any limitation on the power of the Senate to amend a tax bill when it comes to this body, irrespective of what the ultimate results might be when the bill is returned to the House. I think the whole concept of our bicameral legislative body is that the authority and power of the Senate in regard to the amendment of tax bills is very wide and very sweeping, and that otherwise we would not have two bodies, we would have but one. The House of Representatives would be the absolute dictator in matters of taxation. It has that right, so far as initiating bills is concerned; but I do not want to agree, and I take issue with the Senator that the Senate is limited in its right to make amendments. I take issue only on the matter of public policy involved. I think the authority of the Senate to amend a tax bill is plenary.

Mr. MILLIKIN. I may say to the Senator I do not believe there is the slightest disagreement between us. I subscribe to every word he has said. Clearly we have the right to amend a revenue measure when it comes to the Senate. I was speaking to the policy of amending. As we have the privilege of amending, we also have the privilege as a matter of policy of not amending. I am suggesting that as a matter of policy this is not the proper place to raise this extraneous subject matter. I am suggesting that as a matter of policy if we did so, it would die in conference. I am suggesting as a matter of policy that no man is prejudicing his position with respect to the margarine tax by voting against inclusion of the amendment in this bill.

Mr. MAYBANK. Mr. President, speaking on the matter of policy, I should like to add to what the Senator has said that, regardless of political affiliations, the policy of the House has always been to sidetrack the oleomargarine tax repeal measure and to turn it over to the Agricultural Committee, there to be buried. The only time it has ever been voted on to my knowledge was when the Senate Finance Committee was kind enough to hold hearings in 1943, at which time it brought in the amendment with an unfavorable report. We had a chance to vote. I do not see that we are getting anywhere as a matter of policy, unless we can establish as a policy of taxation, as the distinguished Senator so ably stated, that the House Ways and Means Com-

mittee will consider the oleomargarine tax along with other excise taxes.

Mr. MILLIKIN. I may say to the Senator that if there should come from the House a bill dealing with this and related subjects, there will be no suppression of the subject in the Senate Finance Committee.

Mr. MAYBANK. I desire to say to the chairman of the Senate Finance Committee that no one could have been more courteous or generous to me than was the committee, which permitted me to appear before the committee and to state my views.

Mr. MILLIKIN. I appreciate the remarks of the Senator.

Mr. SPARKMAN. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from Alabama.

Mr. SPARKMAN. I have been very much interested in the remarks which have been made about the possibility of getting from the House a bill to repeal this tax. Of course, as the Senator from South Carolina has mentioned, under the rules and practices of the House, any such bill goes to the Agricultural Committee rather than to the Ways and Means Committee. So, if the Senator insists upon the principle which I thought he announced earlier, of giving the House the absolute right to propose the repeal of this kind of tax, we probably never shall succeed in having it repealed. I understand he is in agreement with the senior Senator from Texas in that regard. However, I should like to ask the Senator a question, if I may. He called attention to the fact that this is an excise tax, and that no excise taxes are affected by the pending bill. Is that correct?

Mr. MILLIKIN. That is correct.

Mr. SPARKMAN. Is it not also correct that the tax on oleomargarine is the only excise tax on food products?

Mr. MILLIKIN. Offhand, I do not know of any exception.

Mr. SPARKMAN. If the Senator will yield further, I was interested in a headline in the afternoon newspaper reading as follows:

Butter jumps 7 cents here. Dairy officials attribute increase to shelving margarine tax repeal.

The argument has been made in favor of tax reduction that it should be done only to ease the high cost of living, to give some relief to those who need relief, to help them under the high-cost-of-living conditions. I do not know of anything that could help the people who need help in buying food more than would the repeal of this tax, which, because of inaction on the part of the House committee having jurisdiction of it, makes butter jump 7 cents a pound on the same day the committee fails to act.

Mr. MILLIKIN. I want it distinctly understood that I am not making any criticism, direct or indirect, of those who are airing the subject in the Senate. I believe everything that has been said here emphasizes the fact that our real problem is in the House. We cannot pass a tax bill unless it can be approved in the House.

Mr. SPARKMAN. The trouble is not in the House; it is in a committee of the House. I believe everyone who has made any study of the situation will say that if the House ever has an opportunity to vote on the question it will overwhelmingly repeal the restrictive measure.

Mr. MILLIKIN. I will only say to the Senator that I am not in position to pass on that statement, but if there is an imperfection in the system it is a fact which must be dealt with.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. ROBERTSON of Virginia. Mr. President, I should like to inquire whether the amendment wipes out all restrictions on oleomargarine or merely removes the 10-cent tax on colored oleomargarine?

Mr. MILLIKIN. This particular amendment retains the tax at the originating level, but wipes out the other taxes.

Mr. ROBERTSON of Virginia. Does it wipe out the present requirement applying in all public eating houses?

Mr. MILLIKIN. It retains the ¼-cent tax, but wipes out the other taxes.

Mr. ROBERTSON of Virginia. It wipes out the 10-cent tax on colored oleomargarine?

Mr. MILLIKIN. Yes.

Mr. ROBERTSON of Virginia. It does not wipe out the provision in the law which requires restaurants, hotels, and public eating houses which serve oleomargarine to notify their patrons that what they are receiving is oleomargarine, and not butter. Is that correct?

Mr. MILLIKIN. My understanding is that the amendment goes to the tax features.

Mr. ROBERTSON of Virginia. As I understand the position of the Senator, it is that he is perfectly willing to have the committee consider this legislation, but that he feels with respect to it as he does with respect to the excise tax on church organs. The Senator knows that I am very anxious to see that tax removed, because there is no justification to tax our churches on musical instruments. It is a tax which was imposed more or less inadvertently, I think, as a war measure, during the war period. The Senator has told me that he would give consideration to that matter at the proper time, but that he did not want this bill to be opened up, either in committee or on the floor, to excise taxes or increased gifts for charities, or any matters other than personal income taxes.

Mr. MILLIKIN. That is correct.

Mr. MAYBANK. Mr. President, will the Senator yield further?

Mr. MILLIKIN. I yield.

Mr. MAYBANK. In connection with the tax on church organs, many of us are in favor of repealing that tax. The issue here is that the tax on oleomargarine is under the jurisdiction of the House Committee on Agriculture. It never is referred to the Ways and Means Committee, of which the Senator from Virginia [Mr. ROBERTSON] was for a long time a member.

Mr. ROBERTSON of Virginia. That is true.

Mr. BALDWIN. Mr. President, can the Senator from Colorado advise us whether consideration is being given in the committee to the question of excise taxes generally?

Mr. MILLIKIN. Our committee staff has recently studied the whole subject of excise taxes in preparation for what we hope will be a later bill dealing with at least some of the more obnoxious of those taxes. I know that the House is studying the whole subject.

Mr. BALDWIN. Can the Senator give us any assurance, within reason, that we shall have an opportunity at this session of the Congress to vote upon the question of oleomargarine taxes in an excise-tax bill as distinguished from an income-tax bill?

Mr. MILLIKIN. I have had that same question put to me, but I always want to be completely frank with my colleagues. I can not give a durable assurance to that effect.

Mr. BALDWIN. Can the Senator say whether he has knowledge that the subject is now under consideration in the House?

Mr. MILLIKIN. I know that our whole tax system is under study in the House.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK], on which the ayes and nays have been ordered.

Mr. FULBRIGHT. Mr. President, the amendment offered by the Senator from South Carolina does not go as far as the amendment which I have offered and on which I appeared before the Finance Committee. I wish to offer my amendment as a substitute. I have previously understood that amendments would not be in order until after disposal of the committee amendments. I will say that the difference between the two amendments is that the amendment offered by the Senator from South Carolina reduces the tax to one-quarter of a cent on all margarine alike, colored or uncolored.

My amendment would repeal all oleomargarine taxes, the one-quarter-of-a-cent tax, the 10-cent tax, and the license tax, which I think is the proper approach. If this article of food is a legitimate one which people want, I can see no excuse for any restriction at all. If it is a bad article of food, if it should be eliminated, I think its use should be prohibited altogether.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON of Virginia. Did the Senator from Arkansas vote for the truth-in-fabric bill so that shoddy could not be sold as wool in cloth purchased by the public?

Mr. FULBRIGHT. I think that is a proper principle; yes.

Mr. ROBERTSON of Virginia. If that be true, does the Senator think oleomargarine should be sold for butter?

Mr. FULBRIGHT. No.

Mr. ROBERTSON of Virginia. The amendment would wipe out all distinction between the two.

Mr. FULBRIGHT. That is a completely false assumption. That is not the purpose of the amendment at all. If the

Senator thinks the Pure Food, Drug, and Cosmetics Act is not a sufficient control—I think it is—I have an amendment which I shall offer which goes somewhat further than the existing law, by applying to all public eating places a requirement that the management shall post, so that the public can see, a notice that oleomargarine is being served in the establishment. The penalties for violation are the same as for violations of other sections of the Federal Food, Drug, and Cosmetics Act. I think that is the only reasonable way. It is the way which is followed as to every other food product. It is a most peculiar thing that this particular product, which all the medical associations have agreed is a perfectly proper, nutritious, and healthful food, has to receive such unusual treatment, even as to which House committee must handle it. It is a perfectly ridiculous anachronism which had its roots in 1886, when there was no pure-food law.

The point made by the Senator from Virginia is one of the old red herrings. If there be any doubt about that, I am perfectly willing to offer an amendment which would take care of that point.

As to all margarine, it now bears an honest label. The carton states on the label exactly what is contained in it, the number of vitamins, whether the margarine is colored, and so on, whereas the label on butter, by special legislation—it again being the only exception I know of—does not state that it is artificially colored, or what the contents are, how many vitamins there are in it, and so forth. Senators will recall that the only statement on the label is that it is butter. So that I do not think there is anything to that argument at all. I believe that the testimony before the House committee, and the facts which have been presented here, more than justify my position.

A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. As to the amendment to the Pure Food, Drugs, and Cosmetics Act, is this amendment affecting margarine germane and proper to be offered to the pending bill?

The PRESIDING OFFICER. The rule of germaneness would not apply to an amendment offered to the pending bill.

Mr. FULBRIGHT. For the information of the Senator, then as soon as the pending amendment shall be adopted, I should like to offer the other amendment, because so much has been made of the point of protection against the sale of oleomargarine as butter. There is no one I know of supporting the repeal of these taxes who has any idea of trying to make it possible to sell margarine as butter. That is not the purpose, and I think that everyone on that side of the question will agree. They are perfectly willing to have the product stand on its own feet, and to be sold as margarine. All they want from legislation is an avoidance of the particular discrimination that has existed.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAYBANK. My amendment repeals all the other taxes, that is, the 10-cent-a-pound tax on colored margarine, and the various license fees. My thought is that, so far as I am concerned, I am perfectly willing to accept the Senator's amendment. I had left the quarter-of-a-cent tax. I am more than pleased, for my part, to accept the Senator's amendment.

Mr. MILLIKIN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLIKIN. What is the question before the Senate?

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Carolina. Is there objection to his withdrawing it?

Mr. ROBERTSON of Virginia. Mr. President, I object, because I feel that the substitute is carrying us too far into a program which may seriously injure our dairy industry, and if we injure the dairy industry, we injure the meat industry; veal calves will be gone, the cross-stock that might be developed into meat is gone, and all farmers, then, who do not have access to a fluid milk market, as in the District of Columbia, and who now sell their surplus cream to a local creamery to be made into butter, will be put out of business.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry. Who has the floor?

Mr. ROBERTSON of Virginia. I have a right to object to the Senator's withdrawing the amendment.

Mr. MAYBANK. Mr. President, I had no intention of withdrawing my amendment. I merely said that, so far as I was concerned, I would accept that part of the amendment which the Senator from Arkansas suggested which would eliminate the one-fourth of 1 percent tax, which I believe should be done. I shall of course vote for his amendment.

Mr. FULBRIGHT. Mr. President, I of course dislike to go back over the argument that was brought up by the Senator from Virginia. I think his basic confusion of the dairy industry and the butter industry is of vital importance, and I hope all the Members of the Senate will take the trouble to consider the statistics taken from the Department of Agriculture on this subject.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from California?

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. I should like to have the Senator yield to me long enough to address a question to the able Senator from Colorado, the chairman of the Committee on Finance.

Mr. FULBRIGHT. I yield for that purpose.

Mr. KNOWLAND. I should like to say that I am vitally interested in the whole excise-tax question. Those of us particularly from the far West feel that certain of the taxes imposed on transportation and communications injuriously affect and work to the detriment of the West. Of course, if the pending bill is once opened up to amendment on excise taxes, I should feel constrained at that time to offer amendments preventing discrimination to western transportation and communications. I had understood earlier that the Senator from Colorado had said that, according to the best information he then had, he thought there would be some type of an excise bill which would later come to the Senate—he thought in April—dealing with certain so-called noncontroversial excise-tax matters. I take it that at that time, if, in the judgment of the Senate, it were proper to do so, not only could this oleomargarine amendment be taken up, but also the discriminatory excise taxes on transportation and communications would also be in order at that time. Is that correct?

Mr. MILLIKIN. The Senate would be at perfect liberty to amend any measure of that kind which came from the House. One of the problems we would have at that time, assuming it made a difference in the revenue, would be as to how much the budget would stand. We are not now in position to speculate on that.

The answer to the question is that of course we would be in position to give the matter consideration by amendment if it were not in the bill as it came from the House.

Mr. KNOWLAND. The immediate point is that the distinguished Senator from Arkansas has been making a very able presentation of his case, and I merely wish to point out that the oleomargarine tax is not the only discriminatory tax, and it is merely because I feel that the subject should not be presented in the consideration of the income-tax bill that I am not offering certain amendments I have in mind.

Mr. MILLIKIN. I have made the point that I imagine that there are 96 amendments in 96 pockets, and if we open the bill, we will have all of them, and will wind up with a bill that is a complete scatteration. Furthermore, a Senator does not prejudice his position as to the margarine matter by voting to keep this amendment out of the bill.

Mr. FULBRIGHT. Of course, I would not contend that this amendment presents a noncontroversial excise tax. The fact is it is not an excise tax at all, in the sense that the tax the Senator referred to is. This tax is a regulation. Its only purpose is to prevent, so far as possible, the production of margarine. The amount of tax that is collected is scarcely more than sufficient to pay for administration. The tax receipts are small. During the 1930's they amounted on the average to about $2,000,000 a year, and during the war they went up to as high as $7,000,000.

The purpose of the taxes is to prohibit and regulate the production of margarine. All the debates and all the hearings, as well as the statements from the butter interests, are clear about that.

I wish to return to the point made by the Senator from Virginia [Mr. ROBERTSON], because it is fundamental. He spoke of the dairy industry, and he brings in as being opposed to my amendment all who are engaged in the dairy industry, and confuses the issue by identifying with the butter industry all those engaged in the diary industry, those producing fluid milk, cheese, dried milk, and condensed milk. The value to the

farmer of all the butter produced in the United States is less than $600,000,000. I think butter manufacture represents about one-sixth of the products of the dairy industry.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Not at this time. I will yield in a moment. The whole approach of the butter institute and of its most powerful representatives in Washington is to confuse the dairying people as a whole, who, of course, are very important to the country, with the specialized interests of butter, the least profitable part of the whole dairy industry.

I read into the record a moment ago, when most Senators were not present, the average price during the last 10 years of butterfat sold as butter compared with its price sold in the form of whole milk, ice cream, cheese, powdered milk, dried milk, and so forth. Actually the price of butterfat sold as butter is one-half the price received for milk in the whole-milk form. What has actually happened during the past 10 or 15 years is that the butter segment of the industry has become a drag on the rest of it, and, in my opinion, is holding down the development of the dairy industry as a whole.

Consider, for example, the fact that during the last 10 years from 1936 to 1946 the production of butter has dropped about 600,000,000 pounds. It has dropped from around 2,130,000,000 to around roughly one and one-half billion pounds, whereas the production of milk has increased from 102,000,000,000 pounds to 120,000,000,000 pounds, all of that excess and increase going into dried milk, condensed milk, cheese, ice cream, and in fluid milk, where the real profit is, and where the producers actually get the full benefit of the whole milk. That has been the situation. Anyone who says or believes that the whole prosperity of the dairying industry of the country is dependent upon the margarine tax is in my opinion simply misinformed.

I will now yield to the Senator from Virginia.

Mr. ROBERTSON of Virginia. Mr. President, we in Virginia buy our cheese in Wisconsin, and I presume the people of Arkansas do the same. Does the Senator want me to tell the small farmers in Virginia, who are now selling their cream to local creameries, that by the adoption of the Senator's amendment they will lose their market for butter, and they should proceed to make cheese, when we have no cheese factories and no skilled workers in cheese, and no market for Virginia cheese?

Mr. FULBRIGHT. Mr. President, I am not as familiar with the conditions in Virginia as I am familiar with those in Arkansas, but I say that in Arkansas I think it would be very difficult to find any community in which there was not an outlet for ice cream or for cheese or for condensed milk or for dried milk. I know that is true in Arkansas. I presume we produce as much butterfat in Arkansas, in the sense of whole milk from the farms, as is produced in Virginia, but I know that the reason why the industry is profitable is because the whole milk is disposed of, not in the form of butter primarily, but in the other forms I have mentioned.

Mr. ROBERTSON of Virginia. Is it not true that in Virginia the ice-cream manufacturers are now getting all the milk and cream they can use? What is there in the proposal to help sell more oleomargarine that will increase the demand for ice cream?

Mr. FULBRIGHT. A while ago I called attention to the report by the Department of Agriculture. I regret very much that the Senator from Virginia was not present when I made my initial speech, because in it I brought out all the facts, and I hesitate to go over them again. The fact is that the Department of Agriculture estimates that there is a terrific shortage today of all these products in the whole milk form. There is a shortage of ice cream. There is great difficulty in filling the demand for ice cream. The same is true respecting dried milk. In the past 10 years there has been an increase of 990 percent in the use of whole milk for making dried milk, and still a sufficient quantity cannot be obtained.

Mr. ROBERTSON of Virginia. Mr. President, I have more knowledge of what conditions are in Virginia than in Arkansas, but there is no shortage of milk and cream for ice cream in Virginia. I believe the Senator's amendment goes too far. I would not stand on the Senate floor and seek to justify what is now regarded by some as a punitive tax on a legitimate competitive article. I would not seriously object to the amendment offered by the Senator from South Carolina [Mr. MAYBANK] to take off the 10-cent tax on colored margarine. But with all due deference, I think the substitute of the Senator from Arkansas goes too far, and I frankly hope it will be defeated.

SEVERAL SENATORS. Vote! Vote!

Mr. FULBRIGHT. Mr. President, I well understand that the majority party has agreed—in fact, it is evident by the attitude of the chairman of the committee handling the bill—that this matter should not be included in the pending legislation. I only want to point out to the chairman of the committee that his explanation of what might be anticipated with regard to the House is not very likely to be justified.

I do not know whether all the Members of the Senate understood a moment ago when we were discussing the situation in the House, that this is the only case involving a tax which is referred to the Committee on Agriculture. That was done by special act of the House. So all the great study of excise taxes being conducted by the Committee on Ways and Means of the House will not affect this matter at all. That is one reason why this particular proposal should receive consideration here different from the excise taxes referred to by the Senator from California [Mr. KNOWLAND]. Those taxes will be considered by the Committee on Ways and Means, and I am sure will be considered as taxes, and consideration will be given of what their impact will be upon the public and the economy of the country, whereas this particular tax will **not** be considered by that committee.

In my opinion there is no practical way by which a vote can be had on this matter except the procedure we have been following. The Senator knows what happened in the Committee on Agriculture of the House. If he will examine the membership of that committee, and note how the various members rank on the committee, it will be perfectly clear to him why the results were as they were. There are a few States, a very few States as a matter of fact, in which the element of butter is of real consequence, compared, for example, to the interests of the soybean producers. One such State is Minnesota and another is Iowa. If the chairman of the committee will examine the membership of the Committee on Agriculture of the House it will be perfectly plain to him why a bill covering the subject under discussion can never get out of that committee so long as the membership remains as it now is.

There is no secret about that. The same thing has been going on for 64 years. There is a very special interest involved. It is a kind of interest which has great value to Members from certain States when it comes to election time. That is the real fact of the matter. It is simply true that we cannot secure a vote on this question in any other way than that we now propose. There is no way to bring the subject to a vote other than by the procedure we are now following. I think there is plenty of ground to distinguish this particular so-called excise tax from the excise taxes mentioned by the Senator from California.

Mr. President, I think very few Members of the Senate have had the time to consider the changes which have come about in the last 10 years in the margarine industry. In Wisconsin, for example, 98 percent of the dairy products is marketed in the whole-milk form. Less than 2 percent of the butterfat produced in Wisconsin is marketed as butterfat. It is true that it was not too long ago when that was not a fact. But in Illinois, Wisconsin, Ohio, Indiana, Missouri, all through that area, the crop of soybeans, sold as beans, is worth more than butter. If Senators care to look at it purely as a local proposition, of what it will do to their own farm constituents—and that evidently is the way a great many men in Congress do look at it, especially in an election year—they will be surprised to find how many of their own constituents have an economic interest in freeing the channels of commerce in this field from these utterly unjustifiable restrictions.

I realize that probably a year or two more of education will be required before Senators will take the trouble to find out what has actually happened in the margarine industry. The butter part of the dairying industry is obviously decreasing in importance, as will be seen from the facts which I mentioned a moment ago. I remind the Senate that in 1901 the per capita consumption of butter in this country was 19.9 pounds per person. In 1946, the last year for which I have figures, it was 10.5 pounds. I think in 1947 it rose to about 11 pounds, just about half what it was 46 years ago,

But that difference has not been taken up by the margarine industry. The real net effect of this law has simply been to hold down one legitimate food product in favor of a competing food product which has not benefited to the same extent. So far as butter is concerned, I think the benefit is completely illusory.

Mr. President, in spite of the so-called parliamentary situation regarding the tax bill, and the desire of Senators not to open up the question, I hope they will at least consider the facts which have been presented in my previous statement, showing statistics with regard to the production of soybeans in their own States. Soybeans are produced in practically all the States. I hope Senators will compare the actual values to their own constituents.

The overriding thought, I think, and the real consideration, is the effect upon our economy as a whole, and especially upon consumers. The Senator from Alabama [Mr. SPARKMAN] has just brought to the attention of the Senate the fact that the price of butter increased 7 cents a pound yesterday as a result of the refusal to consider the legislation in the House. I think that is only a beginning. I believe that the price of butter will be between 90 cents and a dollar for a long time, because it is simply uneconomical to produce it under present conditions—that is, relatively uneconomical in comparison with soybeans and cottonseed, and the ultimate product, margarine.

In my previous remarks I gave some facts about the cost of production of the basic ingredients which go into margarine, as compared with butterfat. I do not believe that anyone would dare contend that over a long period we could expect to bolster up a specific industry which is relatively so much more costly than a competing industry. The result of the repeal of these laws should be that margarine at reasonable cost will be made available in all the stores of the country for the low-income groups. At the present time it is not available in most of the stores. White margarine is available in less than half of the retail outlets, whereas yellow margarine is available in only 1 percent of the retail outlets of the country. That is the reason why it is not more widely used.

Mr. President, I think it violates all the principles of our free economy to maintain a law such as this, which restricts the sale of a legitimate food product simply because the producers of another legitimate food product believe that such a law might be of help to them.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. I offered my amendment as a substitute for the amendment offered by the Senator from South Carolina [Mr. MAYBANK]. He has agreed to accept it. Does that make my amendment in order?

The PRESIDING OFFICER. Objection was made to the withdrawal of the amendment of the Senator from South Carolina.

Mr. FULBRIGHT. I offer my amendment as a substitute for the amendment offered by the Senator from South Carolina.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] as a substitute for the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

The amendment offered by Mr. FULBRIGHT as a substitute for the amendment of Mr. MAYBANK is as follows:

At the end of the bill add the following:

"TITLE VII—REPEAL OF TAXES ON OLEOMARGARINE

"SEC. 701. Repeal of section 2301 of the Internal Revenue Code.

"(a) Section 2301 of the Internal Revenue Code (relating to the tax on oleomargarine) is repealed.

"(b) The amendment made by subsection (a) shall take effect on the day following the date of the enactment of this act.

"SEC. 702. Repeal of part I of subchapter A of chapter 27 of the Internal Revenue Code, effective July 1, 1948.

"Effective July 1, 1948, part I of subchapter A of chapter 27 of the Internal Revenue Code (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine) is repealed. Beginning with the day after the date of the enactment of this act and until July 1, 1948, wholesale dealers in oleomargarine who vend no other oleomargarine except that upon which a tax of one-fourth of 1 cent per pound would have been imposed by section 2301 (a) of the Internal Revenue Code if such section had not been repealed shall pay the lower tax prescribed in section 3200 (b) (1) of such code. Beginning with the day after the date of the enactment of this act and until July 1, 1948, retail dealers in oleomargarine who vend no other oleomargarine except that upon which a tax of one-fourth of 1 cent per pound would have been imposed by section 2301 (a) of the Internal Revenue Code if such section had not been repealed shall pay the lower tax prescribed in section 3200 (c) of such code."

Mr. FULBRIGHT. Mr. President, on the amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Is the amendment of the Senator from Arkansas offered as a substitute for the amendment originally offered by the Senator from South Carolina?

Mr. FULBRIGHT. That is correct.

Mr. HAWKES. Mr. President, I wish to say to the Senator from Arkansas that I listened to his presentation of this subject before the Senate Finance Committee the other day. I have a deep interest in what he is advocating, but I, for one, feel that it is a question which should not be acted upon at this time. I am very anxious to continue my interest in the subject at a later date. I merely wished to place my position on record.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] as a substitute for the amendment offered by the Senator from South Carolina [Mr. MAYBANK]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERTSON of Virginia. Mr. President, I wish to announce that the senior Senator from Virginia [Mr. BYRD] was presented today with a new grandson, and he is necessarily absent.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. BUSHFIELD], and the Senator from Kansas [Mr. REED] are absent on official business. If present and voting, the Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Kansas [Mr. REED] would vote "nay."

The Senator from Indiana [Mr. JENNER] is necessarily absent, and is paired with the Senator from Rhode Island [Mr. MCGRATH]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Rhode Island would vote "yea."

The Senator from Oregon [Mr. MORSE] is necessarily absent, and is paired with the Senator from New York [Mr. WAGNER]. If present and voting, the Senator from Oregon would vote "nay" and the Senator from New York would vote "yea."

The Senator from Maine [Mr. WHITE], who is absent because of illness, is paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from Maine would vote "nay," and the Senator from Pennsylvania would vote "yea."

Mr. BARKLEY. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent by leave of the Senate.

The Senator from Rhode Island [Mr. MCGRATH] is absent on official business.

The Senator from Pennsylvania [Mr. MYERS] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from California [Mr. DOWNEY], the Senator from Maryland [Mr. O'CONOR], the Senator from Idaho [Mr. TAYLOR], the Senator from Utah [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Rhode Island [Mr. MCGRATH] is paired on this vote with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from Indiana would vote "nay."

The Senator from New York [Mr. WAGNER] is paired on this vote with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from New York would vote "yea," and the Senator from Oregon would vote "nay."

The Senator from Wyoming [Mr. O'MAHONEY] is paired on this vote with the Senator from Utah [Mr. THOMAS]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Utah would vote "nay."

I announce further that the Senator from Pennsylvania [Mr. MYERS] is paired on this vote with the Senator from Maine [Mr. WHITE]. If present and voting the Senator from Pennsyl-

vania would vote "yea," and the Senator from Maine would vote "nay."

The result was announced—yeas 33, nays 45, as follows:

YEAS—33

Baldwin	Hoey	Maybank
Connally	Holland	Moore
Cooper	Ives	Murray
Eastland	Johnston, S. C.	O'Daniel
Ellender	Kilgore	Overton
Fulbright	Lodge	Pepper
George	McClellan	Russell
Green	McFarland	Sparkman
Hatch	McKellar	Stennis
Hayden	McMahon	Thomas, Okla.
Hill	Magnuson	Umstead

NAYS—45

Aiken	Ferguson	Robertson, Va.
Ball	Flanders	Robertson, Wyo.
Barkley	Gurney	Saltonstall
Brewster	Hawkes	Smith
Bricker	Hickenlooper	Stewart
Brooks	Johnson, Colo.	Taft
Buck	Kem	Thye
Butler	Knowland	Tobey
Cain	Langer	Vandenberg
Capehart	McCarran	Watkins
Capper	McCarthy	Wherry
Cordon	Malone	Wiley
Donnell	Martin	Williams
Dworshak	Millikin	Wilson
Ecton	Revercomb	Young

NOT VOTING—18

Bridges	Lucas	Reed
Bushfield	McGrath	Taylor
Byrd	Morse	Thomas, Utah
Chavez	Myers	Tydings
Downey	O'Conor	Wagner
Jenner	O'Mahoney	White

So Mr. FULBRIGHT's substitute for Mr. MAYBANK's amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from South Carolina [Mr. MAYBANK]. On this question the yeas and nays have been demanded and ordered, and the clerk will call the roll.

Mr. MAYBANK. Mr. President——

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. MAYBANK. I wish to say that the amendment I have offered differs from that of the Senator from Arkansas only in that it leaves the one-fourth of a cent tax on oleomargarine, but removes the 10-cent tax on margarine, which the housewives of the Nation so object to because it makes so much extra work and trouble for them.

Mr. MAYBANK's amendment is as follows:

At the proper place in the bill insert the following new section:

"SEC. —. Repeal of certain taxes on oleomargarine.

"(a) Repeal of tax on colored oleomargarine: Section 2301 (a) of the Internal Revenue Code (relating to the tax on oleomargarine) is amended to read as follows:

"'(a) Rate: Upon oleomargarine which shall be manufactured and sold, or removed for consumption or use, there shall be assessed and collected a tax at the rate of one-fourth of 1 cent per pound.'

"(b) Amendment of definition of manufacturer of oleomargarine: Section 2302 (a) of the Internal Revenue Code (relating to manufacturers of oleomargarine) is amended to read as follows:

"'(a) Definition: Every person who manufactures oleomargarine for sale shall be deemed a manufacturer of oleomargarine.'

"(c) Repeal of occupational tax on manufacturers, wholesalers, and retailers of oleomargarine: Part I of subchapter A of chapter 27 of the Internal Revenue Code (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine) is repealed.

"(d) Effective date: This section shall be effective July 1, 1948."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERTSON of Virginia. For the reason heretofore announced by me, my colleague, the senior Senator from Virginia [Mr. BYRD] is necessarily absent.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from South Dakota [Mr. BUSHFIELD] are absent on official business. If present and voting, the Senator from South Dakota [Mr. BUSHFIELD] would vote "nay."

The Senator from Indiana [Mr. JENNER] is necessarily absent and is paired with the Senator from Rhode Island [Mr. MCGRATH]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Rhode Island would vote "yea."

The Senator from Oregon [Mr. MORSE] is necessarily absent and is paired with the Senator from New York [Mr. WAGNER]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from New York would vote "yea."

The Senator from Maine [Mr. WHITE], who is absent because of illness, is paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from Maine would vote "nay," and the Senator from Pennsylvania would vote "yea."

Mr. BARKLEY. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent by leave of the Senate.

The Senator from Rhode Island [Mr. MCGRATH] is absent on official business.

The Senator from Pennsylvania [Mr. MYERS] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from California [Mr. DOWNEY], the Senator from Nevada [Mr. MCCARRAN], the Senator from Maryland [Mr. O'CONOR], the Senator from Idaho [Mr. TAYLOR], the Senator from Utah [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Rhode Island [Mr. MCGRATH] is paired on this vote with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from Indiana would vote "nay."

The Senator from New York [Mr. WAGNER] is paired on this vote with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from New York would vote "yea," and the Senator from Oregon would vote "nay."

The Senator from Wyoming [Mr. O'MAHONEY] is paired on this vote with the Senator from Utah [Mr. THOMAS]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Utah would vote "nay."

I announce further that the Senator from Pennsylvania [Mr. MYERS] is paired on this vote with the Senator from Maine [Mr. WHITE]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Maine would vote "nay."

The result was announced—yeas 33, nays 45, as follows:

YEAS—33

Connally	Holland	Murray
Cooper	Johnston, S. C.	O'Daniel
Eastland	Kilgore	Overton
Ellender	Lodge	Pepper
Fulbright	McClellan	Robertson, Va.
George	McFarland	Russell
Green	McKellar	Sparkman
Hatch	McMahon	Stennis
Hayden	Magnuson	Thomas, Okla.
Hill	Maybank	Umstead
Hoey	Moore	Williams

NAYS—45

Aiken	Ecton	Reed
Baldwin	Ferguson	Revercomb
Ball	Flanders	Robertson, Wyo.
Barkley	Gurney	Saltonstall
Brewster	Hawkes	Smith
Bricker	Hickenlooper	Stewart
Brooks	Ives	Taft
Buck	Johnson Colo.	Thye
Butler	Kem	Tobey
Cain	Knowland	Vandenberg
Capehart	Langer	Watkins
Capper	McCarthy	Wherry
Cordon	Malone	Wiley
Donnell	Martin	Wilson
Dworshak	Millikin	Young

NOT VOTING—18

Bridges	Lucas	O'Mahoney
Bushfield	McCarran	Taylor
Byrd	McGrath	Thomas, Utah
Chavez	Morse	Tydings
Downey	Myers	Wagner
Jenner	O'Conor	White

So Mr. MAYBANK's amendment was rejected.

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared regarding the proposed repeal or revision of the present Federal taxes on oleo.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ALEXANDER WILEY, REPUBLICAN, OF WISCONSIN, MARCH 18, 1948

Mr. President, I rise in opposition to any proposal to attach as a rider to the pending tax-reduction bill an amendment for revision or repeal of the present Federal taxes on oleo.

My reasons for opposition are many. First, they are based on the fact that to attach a rider of this sort is a completely objectionable procedure. Second, my reasons for opposition to this particular rider are that I am inherently opposed to repeal or revision of the taxes on oleo.

There is, unfortunately, a tremendous amount of phony propaganda being spread around this issue. Sentiment among American housewives, among grocers, among businessmen, has been agitated against the present taxes on oleo. A major smear job has been attempted on the American dairy farmer and upon Congress, who feel that the dairy farmer should be protected by protecting from infringement the color of his natural product—butter.

I believe that we should answer this phony propaganda by the facts in the matter, by pointing out, for example, that we have no objection to the sale of oleo as such, but that we are merely seeking to have it properly identified and packaged so that there is no confusion in the mind of the consumer as to exactly what he is purchasing.

HOUSE COMMITTEE HAS KILLED OLEO BILLS

To take the first point, Mr. President, regarding my opposition to this procedure of

a rider, we note that the House Agriculture Committee after 5 days of hearings decided to table indefinitely the pending bills which would have repealed or revised the oleo taxes. One day later the committee appointed a subcommittee of five to study oleo taxes and report to the full committee by December 31 of this year. Here, then, we have a committee of the House of Representatives taking its stand at the present time, 16 to 10, against any change in the taxes. We must bear in mind, of course, that it is the House of Representatives which, under the United States Constitution, has the authority to initiate action on all measures affecting Federal revenues. At the same time, we have Members of the United States Senate attempting to sneak through an amendment which their colleagues could not succeed in passing openly in the House committee. Moreover, we have Members of the Senate attempting to circumvent the procedures which the House Agriculture Committee has established in setting up this subcommittee to study the oleo taxes.

Mr. President, I have objected on previous occasions to the attachment of riders even when they are germane to the main bill. I most emphatically object when their attachment is designed solely in order to secure the passage of legislation which could not otherwise be passed by a frank and open vote on the actual issues involved.

OLEO ADVOCATES HAVE SEIZED ON HIGH-PRICE ISSUE

Why, Mr. President, has this whole issue come up at this particular time? The answer is that the manufacturers of oleo see in the present inflationary situation the opportunity to smear the American dairy industry, to smear the American dairy farmer as an alleged profiteer. We should note that the tax on uncolored oleo is only one-quarter of a cent per pound. How anyone can contend that such an infinitesimally small tax is contributing to the high cost of living is almost impossible to comprehend. On the other hand, the tax on colored oleo is only 10 cents per pound. Housewives are perfectly free to buy the uncolored oleo and then to color it themselves.

We know this fact: That if the present taxes on oleo were removed, there would very quickly be the disappearance of white oleo, which has served as an important price stabilizer on the colored product. If white oleo disappeared, colored oleo would gradually be increased in price, and undoubtedly there would be no saving at all to the American housewife.

Butter prices since the end of price controls have risen around 50 percent and so have oleo prices. At the same time we must recognize the terrific advances which the American dairy farmer has faced in labor costs and machinery costs and in other equipment costs which have accounted for this comparatively small increase in the price of butter. The American dairy farmer, Mr. President, is not trying to profiteer. He is, however, trying to protect his industry from complete disorganization.

REPEAL OF OLEO TAXES WOULD DISORGANIZE DAIRY INDUSTRY

Mr. President, a third reason for my opposition to the repeal or revision of oleo taxes is that such repeal or revision would cause complete chaos and disorganization in the American dairy industry. The Washington representative of the National Grange has predicted that the eventual result "would be the slaughter of from 1,500,000 to 2,000,000 dairy cows. In addition to forcing thousands of dairymen out of business it would mean a scarcity of milk solids and less rather than more dairy products for American consumers."

We know that butter production is related very closely to cheese, milk-solid production, and the manufacture of other dairy products. To upset that delicate relationship is to impair the very backbone of American dairy farming.

We have had many evidences in the past of slide-rule economists attempting to dictate to the American dairy cow—when it should produce its milk. It is obvious that cows produce less milk in the winter than spring, and if there is enough fluid milk in the winter, there is too much in the spring. Some of it has to go into butter. You can't change the processes of nature.

I call attention, Mr. President, to the fact that in 1945 there were almost 4,500,000 farms reporting milking of cows. Two and a half million farms reported dairy products sold. As of 1947 there were around 26,000,000 cows on American farms with an average value per head of around $145. The total cash farm income from dairy products sold in 1946 was over three and three-fourths billion dollars. It would be folly to recklessly and arbitrarily upset and disorganize the American dairy industry. The economic consequences of such action not only in the Midwest, but throughout the Nation, would be catastrophic.

CONSUMERS WOULD BE DENIED ADEQUATE PROTECTION

A fourth reason, Mr. President, for my opposition to repeal or revision of these oleo taxes is that by changing them, the American consumer would have no adequate protection against deception and misrepresentation. They would have no adequate way of knowing what they got when they asked for butter. We know that most consumers get part or all of their butter or oleo after it has left the containers in individual serving or in bulk from grocers. Obviously, it would be very easy to switch a pound of oleo into an empty butter container. At the present time, pure food and drug laws cannot protect the public in intrastate shipments and sales. Moreover, we should recognize that Federal taxes on oleo are not levied for the primary purpose of raising revenue in the common sense of that term. Rather, they provide funds for administering the oleomargarine laws and in preventing fraud and deception in the manufacture and sale of the product. Thus, they protect the dairy industry against unfair competition on the part of an imitation product and they protect the consuming public as well.

The records of the Pure Food and Drug Administration are full of cases where oleo moonshiners have attempted to pawn off oleo as butter. I do not cast any doubts upon the integrity of the manufacturers of oleo, but I do call attention to the enforcement records which are full of these cases of violation of the law by oleo moonshiners.

LET'S STUDY DISCRIMINATION LAWS

Mr. President, I do not believe in discrimination of one product against another product. I call attention to the fact that oleomargarine is not the only food that is taxed. Butter itself is taxed if it does not meet all of the requirements. For example, if it is not made exclusively from milk or cream, with or without additional coloring matter, and if it does not contain 80 percent or more by weight of milk fat as required by law. Any butter not meeting such standards is subject to exactly the same internal revenue packaging regulations, license fees, and taxes as oleo.

Let no one claim that the American dairy industry or the senior Senator from Wisconsin is therefore asking for unfair discrimination. We are seeking protection of the natural trade-mark of American butter. I invite attention to the fact that way back in 1939, just 10 weeks after I came to the Senate, I introduced Senate Resolution 101, which provided for the appointment of a special committee of Senators to make a full and complete study, "an investigation of legislation and other governmental action which results in the establishment of barriers to and burdens upon interstate commerce."

I reported then to the Senate that the American dairy industry was in many of the States being severely discriminated against by these interstate trade barriers. I called attention to the fact that one of the reasons for the founding of the American Union were trade barriers which had previously existed in the Thirteen Colonies and which had caused such havoc. I stated about the reckless use of police power:

"We believe in the police power, but we do not believe in it as a smoke screen or a camouflage to hide an illegal or unconstitutional purpose."

Yes, Mr. President, I stand ready now, as I am sure many of my colleagues do, to make such a full and complete study of all interstate trade barriers—of all discrimination against products of any kind. We in the dairy industry are not asking for anything which is unjustified, but rather for the protection of the natural trade-mark which the public has come to associate with butter.

Mr. LODGE. Mr. President, I should like to make a brief statement, and in that connection I ask the attention of the Senator from Colorado [Mr. MILLIKIN].

I have offered to this bill an amendment providing that existing tax laws which apply to Americans shall also apply to aliens. When I made that proposal, I made a brief statement along the following lines:

Under the terms of the European recovery bill, which the Senate has passed and which now is in the House of Representatives, assistance is to be extended to the nations of Europe, and the cost of that assistance will be borne by the American people. That legislation is correctly based on the premise that the people of Europe will do all in their power to help themselves, and I assume that means not only the people of Europe whose total livelihood is in Europe but also those whose assets may be in this country. I think that view was taken by the Foreign Relations Committee and by the Senate when it approved a provision in the ERP bill directing that each recipient nation make official use of and locate and control whatever assets its nationals might have in the United States. That was one prong of this fork, if I may use such a phrase.

But the action the Senate took in connection with the ERP bill does not meet all the issues involved. It was for that reason that I offered to the pending tax bill the amendment of which I speak.

The amendment was suggested to me by the fact that at present there are certain classes of aliens who are not taxed on capital gains arising from profits in this country, and, of course, that situation is highly discriminatory against American citizens who are required to pay such taxes.

I should like to ask the Senator from Colorado what action the Finance Committee took on that proposition.

Mr. MILLIKIN. Mr. President, the Finance Committee gave careful consideration to the amendment proposed by the Senator from Massachusetts. There were several things which operated on our judgment to the extent that we decided not to add the amendment to the bill.

First, let me say that I believe there was very general approval of the amendment and favorable sentiment regarding it, among the members of the committee. The moral values behind the Senator's amendment seem to me to be indisputable. However, the main decision before the committee was whether to consent to opening the bill to other matters than those which are before us in the bill now before the Senate. It was decided that if we opened the bill in one respect, we would be opening a regular Pandora's box, and probably would be confronted with 96 amendments.

Secondly, the House Ways and Means Committee has been giving a great deal of study to that precise matter. The committee has had expert advice on it, and has been working on proposed amendments to cover the subject. It is not entirely free of complication, because it involves our international relations and involves study of existing conventions which touch the subject matter.

So, in view of the fact that the House of Representatives had the matter under consideration and has made a real, genuine study of it, and is doing so, and that probably—of course, I am not in a position to make any promises for the House of Representatives—something of that kind will come over here in a general revision bill which may come to us in April, consisting largely of noncontroversial matters, we thought it would be better to let the House of Representatives move, rather than ourselves.

Then there is also the question of initiating jurisdiction, and we thought we ought to pay some attention to the feelings of the House in that matter.

Mr. LODGE. Mr. President, if the Senator will yield to me for one more minute——

Mr. MAYBANK. Mr. President, the Senator from Massachusetts can appreciate, if I may only ask him one favor, that the remarks that are now being made might follow a brief further discussion of the oleomargarine question that is now before the Senate.

Mr. LODGE. I quite agree, and I shall be through in a moment. I thank the Senator from Colorado for his statement. I gather that the general policy was adopted against approving any amendments, regardless of their substantive merit, and that therefore the failure to adopt this amendment does not mean that there was a disapproval of what it attempts to do.

Mr. MILLIKIN. If the Senator will yield, I would say that my judgment of the sentiment of the committee was to the contrary, that there was considerable approval of the substantive merit of the amendment. It was a question as to whether we should handle it in the pending bill or whether we should let the House, where a deeper study has been made of it, act first.

Mr. LODGE. Let me say, with the indulgence of the Senator from South Carolina, that I, of course, am sorry the amendment was not agreed to. I can appreciate the very practical reasons which actuated the committee in not opening the door to a whole flood of amendments. I also realize that if the amendment were offered now, without committee sanction, the chances are it might be rejected and again the action would not be based on the merits of the proposition. Furthermore it is always better to have these things start in the House, where under the Constitution tax measures are supposed to originate. In the light of all these factors and with the information which the Senator gives me that the whole matter is coming up in the House in the very near future, I shall not offer the amendment at this time. I simply will say that if action is not taken at the present session, I shall be back again next year, and I shall then submit it on the floor, because I think as a matter of elementary justice to American citizens, and as a matter of morale and justice in the international situation, action of this kind should be taken.

Mr. WHERRY obtained the floor.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield to the Senator from Colorado.

Mr. MILLIKIN. I was going to suggest to the acting majority leader that the Senate recess until noon tomorrow. I should like to say in that connection that under developments which are occurring, I am hopeful we can finish the bill tomorrow.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield to the distinguished Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I first want to ask unanimous consent to be absent tomorrow from attendance on the session of the Senate. Tomorrow the National Rivers and Harbors Congress, of which I have the honor of being president, will be holding its forty-eighth annual convention in the city of Washington. My presence at this convention will be in line with the objectives of the organization—to promote the further development of our great national water resources.

The PRESIDING OFFICER. Without objection, the request is granted.

Mr. McCLELLAN. Mr. President, I regret that I shall have to be absent tomorrow, but I want to take this occasion to announce my support of the pending measure — the tax-reduction bill. At the last session of Congress, when the two tax bills were before the Senate, I was not in position at that time to support those bills, because they did not contain certain provisions that I desired, but that are contained in the pending measure. My colleagues will recall that last year when those bills were pending I submitted and sought to have adopted two important amendments—one embodying the split-income provision for husbands and wives—to accord to husbands and wives in 36 common-law States the same privileges with respect to Federal income taxes as those now enjoyed by husbands and wives in community-property States.

Mr. President, that amendment I offered to the previous and last of the two tax bills at the last session of Congress received 40 votes for to 52 against. I also submitted another amendment to raise the personal exemption of income-tax payers on the last tax bill before the Senate last year. I presented that amendment to raise personal exemptions by $100—the same figure that is contained in the pending bill. That amendment was defeated by a narrow vote of 43 for to 44 against.

I should like to see personal exemptions further increased so as to give even greater relief to our low-income groups who need tax relief the most. But I realize, Mr. President, we are compelled to consider the impact the loss of revenue involved will make on the Federal Treasury. I am glad, however, this much relief is now being given.

In the early days of the present session of the Congress, I think on January 12, I again took the floor of the Senate to urge the Republican leadership of the Congress, both in the House and in the Senate, to incorporate these two provisions in any tax bill that they undertook to enact into law at this session.

I am much gratified that those two provisions are now contained in the pending bill. I want to compliment and commend the majority party, which has the responsibility primarily of initiating tax legislation at the present session of Congress. I am very much pleased that they have seen the wisdom and the justice of these measures which I have sponsored in the past, and that they are now a part of the tax-reduction bill.

Mr. President, I want also to make this observation. When the tax measures were before the Senate at the last session of the Congress I stated that I was not wholly convinced that we should undertake any reduction in the national revenues. Subsequently, however, there was apparently a surplus of revenues over expenditures, and I therefore felt fully justified in supporting a tax-reduction measure of the right kind. I so stated earlier in the present session of the Congress.

Mr. President, recent events have developed a world situation, in which international affairs have become more acute, and our Federal expenditures are necessarily going to be much greater than had been anticipated. While I still doubt the wisdom under the existing conditions of undertaking any large tax reduction, and feel that perhaps no tax reduction can be justified, because whatever we reduce taxes now, the exigencies of the situation may compel us before the end of the present session of the Congress, or certainly within another year, to revert to the increasing of taxes instead of reducing them. I do not know what event awaits us, or what is in store for us in world problems and with respect to the necessity of our keeping revenues high, in order to meet not only the ordinary but the extraordinary expenses of Government that may be involved. No one can foretell what crisis tomorrow, a few days, or a few weeks or months may bring. We shall simply have the courage and statesmanship to meet the situation from day to day and from time to time.

Mr. President, I shall support the pending bill, or any reasonable substitute

for it, if it shall carry in it the two provisions for which I have been fighting since tax reduction has been proposed. I shall vote to establish in the law the principle of split income for husband and wife throughout the Nation, irrespective of whether they live in a community-property State or in a common-law State. Once that principle is established, once the discrimination which now exists is removed and the present inequity is removed, the principle of equal justice will remain in our tax structure and, in my judgment, will never be eliminated. So I shall vote for the measure primarily to have that principle established in the law. Then, Mr. President, if the situation shall compel us again to raise taxes and increase revenues in this country, it will be done on a basis of equality and simple justice free of discriminating against citizens of one State as against those of another.

Again I want to commend the Republican leadership, both in the House and in the Senate, for its wisdom in accepting the provisions to which I refer. I sincerely believe that had they been accepted in the tax bills introduced at the last session of Congress, they would have already been enacted into law.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Colorado.

Mr. MILLIKIN. I think the Senator from Arkansas has made a great contribution to the whole subject of split incomes, last year and ever since that time, and his efforts are deeply appreciated.

Mr. LANGER. Mr. President, I wish to bring to the attention of the distinguished chairman of the Finance Committee the fact that when the last tax bill was being considered there were, as the Senator well knows, various Republicans who were in favor of split-income taxes. It was not only a few members of the Democratic Party who were advocating the change. The Senator from North Dakota joined with the Senator from Arkansas [Mr. MCCLELLAN] in asking that the split-income tax provision be attached to the bill which was passed at that time and which was vetoed by the President.

I agree with the article published by the distinguished columnist, Frank Kent, approximately 3 months ago, in which he said that in his judgment the Republican leadership had dismally failed in not placing that particular provision in the tax bill which was passed at that time.

I call the attention of the distinguished Senator further to the fact that such a provision will save between $600,000,000 and $800,000,000, and that it does not affect a taxpayer who pays a tax below the sum of $4,000, or, in fact, almost $5,000.

Therefore, Mr. President, I want again to call the attention of the distinguished chairman of the Finance Committee to the fact that if we pass a bill containing that provision it will save $600,000,000 to $800,000,000 for those in the higher brackets.

When the last tax bill was before the Senate the distinguished Senator from Arkansas and I advocated an increase in exemptions in the lower brackets. At that time I was in favor of an exemption of $1,000 for a single person, and $2,000 for a married couple, just as the law provided before World War II. However, in view of the large gap, we were willing to make the exemptions $750 and $1,500.

I think it would be manifestly unfair to leave the exemption at $600. I do not believe that figure is high enough, and I hope that tomorrow, when the distinguished chairman of the Committee on Finance again brings the bill upon the floor, he will be able to give us information as to how much it will cost the Government in taxes if we make the exemption $650 or $750 for a single person, $1,500 to $2,000 for a married couple. I believe the two matters I have mentioned, the partnership provision and the increase in exemptions, are correlated, that they should go together, because in my opinion it is not right to adopt a partnership provision unless we also raise the exemptions for the lower income-tax group correspondingly.

NEED FOR FURTHER SOIL CONSERVATION

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. KILGORE. Mr. President, I had intended to address the Senate on the subject of the need for further soil conservation, but, due to the lateness of the hour, I ask unanimous consent to have my remarks printed as a statement in the body of the RECORD.

There being no objection, Mr. KILGORE's statement was ordered to be printed in the RECORD, as follows:

SOIL CONSERVATION

Mr. President, "Food will win the war and write the peace" was a prophetic remark made by Marvin Jones when he was War Food Administrator, which has turned out substantially true. The American farmer's remarkable job played a headline role in our winning the war, and it is apparent that the peace will not be written so long as whole nations continue to face a hungry future. In a large measure, the chaotic insecurity of Europe today is due to the serious food shortage in the war-torn countries.

Now, in order that peace may be a fact instead of a hope, we are being called on to aid in reconstructing Europe by furnishing food and raw materials to all those countries which are so desperately in need.

Thus, the soil of our country must again play a leading role in world affairs. Instead of getting some rest from the heavy demands that the war placed on our soil, it must continue to produce the largest possible amount, despite the fact that much of it is already overworked and pulled down to low productivity.

From neither a humanitarian nor a realistic view can we refuse to meet this demand on our land. The problem is only how to meet it without badly damaging our soils and their future productivity.

The solution is not difficult but must be faced now: We need a more extensive, complete soil-conservation program.

During the war, over 3,000,000 acres of land were plowed up in the old Dust Bowl area of this country. That land, it is true, has yielded some excellent wheat crops, due to favorable moisture conditions during the past several years. However, when drought comes, or if lower prices make it less profitable for cultivation, we are in danger of a worse Dust Bowl condition than we have known before.

The soil on two-thirds of those 3,000,000 acres, on the western fringes of the old Dust Bowl, will take to the air one of these days and the results of this wind erosion will be devastating to millions more acres of cultivated land. The native farmers in the Dust Bowl area know very well what blowing sand particles can do to young wheat plants. Foresight now in organizing soil-conservation districts in that area which would prevent the continued plowing up of unsuitable soil is essential in any long-range planning for soil conservation.

This is only one aspect of the problem of protecting our productive land, much of which has been lost already. Originally, we had approximately 560,000,000 acres of good cropland and our topsoil averaged 9 inches in depth; today it averages only 6 inches and on millions of acres it is all gone.

We now have 450,000,000 acres in crop production but only 390,000,000 of that is safe for continued cultivation. Land which can be cleared or drained or irrigated and used for cultivation brings the total cropland resources to 466,000,000 acres. This is on the assumption, of course, that we use wisely what we now have and prevent future erosion.

With a population of 144,000,000 people, each person in this country depends on a little more than 3 acres of cropland for his food and much of his clothing. The Commerce Department estimates that by 1960 our population will have grown to between one hundred and fifty-three and one hundred and sixty-two millions. By 1975, between one hundred and sixty-two and one hundred and eighty-five million people will depend on about 2½ acres each for their living—this is the smallest acreage per person that will provide the standard of living we now enjoy. This drives home the importance of developing a strengthened national land policy.

We certainly cannot go on as we have been for the last 50 years. About a fourth of our cropland—approximately 110,000,000 acres—is now being damaged by erosion at a rapid rate. The productive capacity of much of this land will be permanently damaged, and I am told that 500,000 acres will be ruined each year for further cultivation unless we start practicing a sound and complete system of conservation on that land within the next 10 or 15 years.

Furthermore, I understand that on another one hundred and ten to one hundred and twenty million acres of cropland, erosion is proceeding at a less rapid but still serious rate. This soil will still be usable if farmers apply a complete conservation plan in the next 25 years. On another 200,000,000 acres of cropland, erosion is progressing at a slower rate.

This cropland is not located in big blocks. It is scattered throughout the farms of the Nation. In order to prevent ruination of much of this land, we must proceed on a national level to strengthen our soil-conservation program as rapidly as possible.

Farmers in soil-conservation districts, with the help of skilled technicians furnished by the United States Soil Conservation Service, are planning and applying complete conservation programs to land at the rate of about 20,000,000 acres a year. Soil conservationists say that this should be stepped up to 50,000,000 acres a year in order to overtake the problem and keep the land safe. They also say that in spite of the good progress being made, practically 90 percent of the farm land in the United States needs some kind of conservation treatment.

For example, we need 124,000,000 acres of contour tillage, 212,000,000 acres of improved or better-adapted rotations, 90,000,000 acres protected by terraces, more than 200,000,000 acres of woodland needing better management and improved cutting, and some 19,000,000 acres of drainage improvement. These

are just a few examples of what the country needs if we are to protect our good soil and rebuild depleted soils to profitable production.

In my own State of West Virginia we have a little less than 9,000,000 acres of farm land. Of that, 3,000,000 acres is suitable for continuous cultivation, provided that good rotations—and the needed practices such as contouring, terracing, strip cropping, and other measures—are used to protect the land. Another 1,500,000 acres can grow a cultivated crop occasionally. The best use for well over 4,000,000 acres is pasture and woodland. At the present time, not all the acres best suited to crops are being used for that purpose; nor are all the acres best suited to pasture and woodland being so used. It is obvious that shifting land to its best use is a fundamental part of soil conservation. This means taking into account the soil, the slope, and similar conditions.

West Virginia also needs more than a million acres of contour tillage, more than 200,000 acres of cover crops, about 1,333,333 acres of improved rotations, and more than a million acres of strip cropping. West Virginia also has 1,500,000 acres of woodland which need improvement by selective cutting, half a million acres of woodland that can be made more profitable by preventing grazing damage. There are also 1,333,333 acres that should be planted to trees because they are gullied or because the land is best suited to producing timber.

Experiment station results—and first-hand reports from farmers throughout the country—indicate that a complete soil-conservation program would increase production on the average farm by amounts ranging anywhere up to 30 or 40 percent.

For the past 12 years our administration has been aware of this necessity and has sought to develop a program that would meet the needs both of the farmer and of his land. Only a brief look at this program is needed to convince anyone of the significant progress that has been made, at very small cost to our Government. That brief look will disclose, however, that stronger support of the program, particularly support of the Soil Conservation Service which cooperates in the agricultural conservation program, is as essential as it is economical.

The agricultural conservation program provides payments to farmers for a part of the cost of carrying out approved conservation practices; it also furnishes certain fertilizers and lime for specified use instead of payments. It gives educational help to stimulate interest among farmers and a desire to do something about soil conservation.

Cooperating in this program are the land-grant colleges, the extension services, the experiment stations, and the Soil Conservation Service, as well as other Federal and State agencies.

All conservation practices carried out under the program must be approved by local, elected farmer committees which serve without pay. They are responsible for the administration of the program in each county. To assist the county committee there is also elected annually in each community or township in the county, a community committee of farmers.

They call on the Soil Conservation Service for technical help in planning and applying programs to the individual farms. They call on the State extension services for financial and educational help. They also call on other local, State, or Federal agencies which are in a position to assist them with problems relating to soil and water conservation.

At the end of fiscal year 1947, the Soil Conservation Service had helped some 630,000 farmers and ranchers to develop farm conservation plans covering over 192,000,000 acres in the United States. The conservation measures had been applied to about 106,000,000 acres.

Help in planning and applying soil conservation is given by the Service's technicians right out on the farm. It is a complete, scientific job done acre by acre. The farmer takes an active hand in the planning and does all the work of applying it.

The Soil Conservation Service is one of the most efficient, and certainly one of the least costly, considering the job it is doing, of any in the Government. For fiscal 1947 the Service had available about $46,000,000 for research, management of submarginal land, and assistance to farmers in soil-conservation districts. During that year more than 92 percent of its money was used for technical supervision and direct assistance to farmers on the land. The remainder was used for administration and various other necessary overhead costs.

During the current fiscal year it is operating under a budget reduction of over $5,000,000, and as a result of the curtailment in funds less help could be given on a program vital to the welfare of the Nation. In June 1947 there were 1,889 agricultural districts; in December of the same year that number had increased to 1,940 districts. Yet some 200,000 farmers who applied to soil-conservation districts for technical help were unable to get it in 1947 because of lack of sufficient technicians. This backlog of applicants would be greater, apparently, but some districts have asked farmers not to apply for help because the work load already is too great.

In my own State of West Virginia, where farmers have organized 14 soil-conservation districts, including over 12,000,000 acres, I know very well what curtailment of soil-conservation funds means.

I have in mind one story of a typical run-down farm in West Virginia and what the Soil Conservation Service was able to do to make it a more profitable unit of our agricultural structure.

The story appeared in the January 21 issue of the Nicholas County News Leader. It tells of a farmer near Caress, W. Va., who has brought a badly eroded farm back to profitable production.

This farmer bought his land 24 years ago. Some of it had been cleared before the Civil War and had been farmed too hard. Much of the land was grown up to brush and briars. After he bought the farm he put some of the best land to corn, but erosion set in immediately. Then he tried oats and grass on the eroding fields, but the soil was so depleted that sod would not form.

He had been reading about terracing, strip cropping, and other methods, so he tried some terraces, but they didn't work because, as he now says, they were not built right. After World War I he heard about strip cropping from soldiers who had been in Europe. So he tried that, but his alternating strips of corn and meadow were too wide, and he still had quite a bit of erosion. He made some improvements, used more grasses and legumes, and managed to hold the farm in just good enough condition to give him a living. But he still was understandably dissatisfied.

Then the county extension agent told him about the Elk soil-conservation district. He applied to the district, and the supervisors sent the technicians of the Soil Conservation Service out to help him.

The soil conservationist helped him develop a farm-conservation plan and laid out his strips in narrower bands, put them on the contour, and helped him develop a crop rotation. All of this helps keep the soil in place and keeps fertilizer and seed from being washed away.

This farmer says he wishes that he had been able to get this help 20 years ago, when he first realized that his topsoil was slipping away from him. He points to one field as an example of the value of conservation farming. It is a field divided into six contour strips, each of which is farmed with a good rotation and other soil-conserving practices which are part of his complete program. He reports that he now raises as much on one strip as he formerly raised on the entire field of six strips.

We must keep this typical story in mind when we hear cold figures like those I quoted earlier to the effect that during 1947 over 200,000 farmers have had to be turned down on their request for technical help because of the limited appropriation made available by the Congress for the Soil Conservation Service.

This is hardly the way to protect and enrich our land resources. On the contrary, instead of curtailing, we should be doing far more than ever to conserve soil and water resources with a complete, scientific, and better integrated program. The greatest buying power we have ever had makes a tremendous demand for food and raw materials. This aggravates our erosion problem by placing a heavier strain on the soil. With our population increasing and soil and water resources diminishing, we must use the land wisely and manage it properly.

In view of these facts, how can we justify reduced funds for any of our conservation services? How can we afford to continue to lose the equivalent of 500,000 acres of crop land a year?

The American farmer is certainly ready to do his part of this job. The proof is the steadily increasing number of soil-conservation districts with farmers calling for help to protect and improve their land.

In West Virginia last year farmers participating in the conservation program used almost a million tons of limestone and 142,000 tons of superphosphate, planted about 227,000 acres of green manure and cover crops, and established 275 miles of terraces.

Participation in the program is certainly ample evidence that farmers who are in the lower-income group—and about two-thirds of them are in that group—need the help and are doing a good job with the help they get.

Instead of cutting down that help we should be raising our insurance in the food and fiber supply of this country. We can do this best by giving more adequate support to the agencies providing practical technical help, education, and assistance through payments or materials, which are all parts of an integrated conservation program. We also should increase our research program. The more the farmer knows about his land the better he can work it to its highest productivity.

In a very literal sense our lives depend on the soil. In the past droughts and dust bowls, depressions, and wars caught us unprepared. Today our national responsibilities are greater than ever before. We must face these responsibilities in a solid, realistic manner by expanding our soil-conservation work. Our grave domestic and world responsibilities make it imperative that we do not fall short of our goal of greater soil productivity.

ATTITUDE OF BURLEY AND DARK LEAF TOBACCO EXPORT ASSOCIATION TOWARD TRADE-AGREEMENTS PROGRAM

Mr. BUTLER. Mr. President, 10 days ago, to be exact, on March 8, I asked permission to insert in the RECORD letters with reference to the experience of certain persons in connection with the administration of the reciprocal trade agreements, wherein it was brought out that stanch supporters of the program, after the experiences they have lately had, are becoming stanch opponents of it and are recommending changes in the law when the matter comes up between now and the close of the present Congress.

The fruit industry on the Pacific coast is also concerned, realizing that the State Department in advocating the extension of the life of the trade agreements is not interested in taking care of the welfare of the American farmer.

I could give many more examples, but these should be sufficient to make Congress and the people realize what the State Department is doing. I should like to have both letters printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 18, 1948.*

HON. HUGH BUTLER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR BUTLER: You will recall my letter of March 5, 1948, which appears at page A1449 of the Appendix of the CONGRESSIONAL RECORD, pointing out that the Burley and Dark Leaf Tobacco Export Association, a stanch supporter of the reciprocal trade-agreements program in the past, had finally removed the State Department wool from its eyes and now opposes the program and recommends termination of all existing trade agreements.

Here is another example of awakening to the State Department deception and scheme of selling the American farmers down the river, even their friends and supporters. The enclosed letter written to Senators MAGNUSON and CAIN, of Washington, by Mr. Walter Hebert, general manager of the Yakima Fruit Growers Association, is very significant and indicative of the trend. It should be read and studied carefully by every American producer and exporter. Mr. Hebert was previously a long-time supporter of the reciprocal trade-agreements program and attended the recent Geneva Conference as a representative and a member of the Horticultural Industry Advisory Committee on International Trade appointed by the Secretary of Agriculture. His primary interest is in the export of apples and pears. His experiences at the Geneva Conference in watching the reciprocal trade-agreements law being administered in the raw brought him to the rude awakening that the program has never been reciprocal, was never intended to be reciprocal, and never will be reciprocal. He now opposes the program and opposes any extension of the Reciprocal Trade Agreements Act without safeguarding amendments.

I recommend your careful study and thought of Mr. Hebert's forthright and honest statement in the enclosed letter, keeping in mind the fact that he was a strong supporter of the program from 1934 up to his experience at Geneva. It would be a wonderful experience and rude awakening if every American could sit through one of the State Department's negotiations.

The deciduous fruit industry of California is another group which has awakened to the realization that the State Department has not the slightest interest in expanding exports of agricultural commodities or in any other way promoting the welfare of the American farmer. I could give you many more examples but these should be enough to make the Congress and the people begin to realize what the State Department is doing.

Sincerely yours,

JOHN BRECKINRIDGE.

YAKIMA FRUIT GROWERS ASSOCIATION,
Yakima, Wash., March 11, 1948.

Senator WARREN G. MAGNUSON,
Senator HARRY P. CAIN,
Senate Office Building,
Washington, D. C.

DEAR SENATORS MAGNUSON AND CAIN: The cherry industry of the State of Washington is sending Mr. Ed S. Brown, a large cherry grower of Selah, Wash., to Washington, D. C. Mr. Brown is due to arrive next Monday, March 15, and will doubtless call on you gentlemen in due course.

The purpose of Mr. Brown's trip is in connection with the Reciprocal Trade Agreements Act which is coming up for renewal shortly, possibly for 1 year. The cherry industry is deeply interested and gravely concerned with the act and its administration. The writer, as I know Senator MAGNUSON especially will recall, was present at the Geneva Conference as an unofficial adviser without portfolio—representing the horticultural industry of the United States and there saw the law being administered in the raw. As a strong supporter of the reciprocal trade agreements program as conceived by Mr. Cordell Hull, he was grievously disappointed and disillusioned as a result of this first-hand observation of the negotiations of trade agreements. I can truthfully and candidly now say that unless the act is satisfactorily amended along the lines Mr. Brown will have to present for your consideration, then it had better be scrapped. It is no good for agriculture or horticulture, including not only cherries (a minor crop), but apples, pears, tree nuts, citrus, dairy products, hops, and many others, all of which will be behind the amendments to the act.

I am sorry I cannot give you the amendments now because they have to be reworked and perhaps combined in one amendment. That's a job for the attorneys engaged to do this technical work and to coordinate the views of the various industries involved.

I wish to assure you gentlemen that the proposed amendment to the act is not incompatible with the best interests of the apple and winter pear industries of this State, even though they will not be actively engaged in sponsoring the amendment. The apple and pear industries are engaged in an export program in connection with ERP legislation and at the moment cannot enter this other field of legislative activity. They are just as vitally interested, however, in having these proposed control measures applied to Canadian apples and Argentine apples and pears, as we in the cherry industry are concerned with Italian cherries. This last year we had some 35,000 barrels of Italian cherries (and that's a lot of cherry cocktails) come into the United States and undersell our domestic cherries after paying the tariff, and here's the way it was done. The Italian Government bought the cherries from the Italian growers at an arbitrary, pitifully low price paid in depreciated lira currency, equal to 3 or 4 cents American. Then the Italian Government sold the cherries in our market with the knowledge and consent of our State Department at a price no American grower can compete with, and the Italian Government made the profit. It squeezed its own nationals and then proceeded to lick the American producer with the club it had seized from its own helpless cherry grower. We have seen Argentina doing the same thing with its wheat, purchased or confiscated from its own growers at $1.50 a bushel or thereabouts, and sold to France at $5. When state buying and selling goes to these extremes (and seemingly in the case of Italy, with the knowledge and consent, if not the collusion, of our State Department) then it is time Congress takes action to change the rules.

I know you will be interested in what Mr. Brown will have to present for your consideration, and I hope you will give it your favorable consideration and active support.

With kind regards, I am,
Very truly yours,

WALTER HEBERT,
General Manager.

TIDELANDS AND SUBMERGED LANDS BILL

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a statement of Hon. Robert Lee Bobbitt, of Texas, before the Committee on the Judiciary, in respect to the tidelands bill. Mr. Bobbitt is a former attorney general of Texas, a former justice of the court of civil appeals of that State, and a former chairman of the State highway commission. He is a very distinguished, cultured, and able lawyer.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF ROBERT LEE BOBBITT, OF SAN ANTONIO, FORMER ATTORNEY GENERAL OF TEXAS, FOR THE SPECIAL TIDELANDS COMMITTEE OF THE STATE BAR OF TEXAS, BEFORE THE JOINT MEETING OF THE SENATE AND HOUSE JUDICIARY COMMITTEES, MARCH 5, 1948, IN SUPPORT OF S. 1988, THE TIDELANDS AND SUBMERGED LANDS BILL

Mr. Chairman, and members of the committee, my name is Robert Lee Bobbitt. I live and practice law in San Antonio, Tex. I do not own, nor do I represent any owner of, or any applicant for, any interest in submerged lands. While such interest or ownership would not, in my opinion, disqualify any citizen or lawyer from appearing as a witness before this committee, nevertheless it is proper that our interests be fully known.

I appreciate the privilege and courtesy extended by this committee in connection with this most important problem, and in deference to others and the convenience of the committee, I shall try to avoid taking up your valuable time or encumbering the record with cumulative statements and testimony or a discussion of cases and matters which have already been presented.

We fully endorse and commend to the favorable consideration of this committee and the Congress, the able presentations heretofore made by Attorney General Price Daniel, of Texas, Gov. Beauford H. Jester, State Land Commissioner Bascom Giles, and many others who have covered fully, I think, most of the legal questions involved, as well as the purposes and effect of the several bills pending before this committee.

With the permission of your committee, Mr. Chairman, I should like to attach a short brief and analysis of some of the questions here involved on behalf of the tidelands committee of the State Bar of Texas.

The citizens of Texas, and particularly the members of the bar, were shocked to read the theories and conclusions contained in the opinion of the Supreme Court of the United States in the California case on June 23, 1947.

At the regular annual meeting of the State Bar of Texas in Dallas, July 5 last, and at the largest meeting of that organization within my memory, the following resolution was, after due consideration, unanimously adopted:

"Resolution of State Bar of Texas

"Whereas since the founding of the Republic, the several States have been uniformly recognized as the owners of coastal lands and lands covered by the marginal sea within their respective boundaries; and

"Whereas in its recent opinion in the California case the Supreme Court of the United States, without citing a single authority but wholly ignoring the effect of numerous prior decisions and unquestioned claims of the several States, declared that the Federal Government had a paramount right to all of the resources, including the oil and gas, under California's marginal sea, without regard to or settling the question or ownership of the lands involved; and

"Whereas the Court based its decision upon the sweeping and dangerous assertion that, because it was the duty of the Federal Government to defend the country against attack and to conduct foreign relations it had a paramount right to take all the resources

in and under the marginal sea, without compensation; and

"Whereas this doctrine wholly ignores the reserved powers of the several States, would convert the United States Government into a superstate not resting on constitutionally granted powers, and would bring about a revolutionary change in our Constitution by a mere fiat of the Supereme Court; and

"Whereas finally the doctrine of the California case constitutes a direct threat to all ownership of minerals and other resources, public and private, because it is bottomed upon the novel and unfounded premise that the Federal Government has the right to take without compensation all the resources, under all lands submerged and inland which it is obliged to defend, thus leading directly to nationalization of all natural resources, and wholesale confiscation: Now, therefore, be it

"Resolved, That the State Bar of Texas in meeting duly assembled at Dallas, Tex., on July 5, 1947, approves and pledges its support to the twofold fight now being made by the attorney general of Texas, Hon. Price Daniel, and the Texas school land board, composed of Gov. Beauford Jester, Land Commissioner Bascom Giles, and Attorney General Daniel, as follows:

"First. Prepare to defend Texas' special claim of ownership and of full right of exploitation and enjoyment of its submerged lands and all resources therein.

"Second. At the same time join the other States and all others concerned in support of congressional action recognizing and restoring the general rights of ownership and enjoyment heretofore held by the several States; further

"Resolved, That Congress be urged by this association to pass immediately suitable legislation renouncing the powers attributed to the Federal Government by the Supreme Court in the California case, clarifying and declaring the States title to submerged lands under the marginal sea and inland waters within their respective boundaries, and to all resources in and under said lands, thus avoiding endless litigation; that a copy of this resolution be delivered to each Member of the Texas delegation in Congress with expression of our appreciation for their former leadership on similar legislation; and further

"Resolved, That the president of the Texas State Bar be directed to appoint a committee of three members to cooperate with and assist Texas officials in accomplishing these objectives.

"We, the undersigned, certify that the foregoing is a true and correct copy of a resolution adopted by the annual meeting and convention of the State Bar of Texas at Dallas, Tex., on July 5, 1947.

"H. GRADY CHANDLER,
"President, State Bar of Texas.
[SEAL] "WM. J. PARK,
"Secretary."

As provided in the above-quoted resolution, President Chandler, of the State bar, appointed a special tidelands committee, composed of Hon. John D. McCall, of Dallas, Hon. Palmer Hutcheson, of Houston, and myself, with instructions to render all possible and proper assistance to our Governor, our attorney general, our State land commissioner, and others to try to accomplish the purposes set forth in the resolution. I have the honor to serve as chairman of this special committee.

The members of this committee have endeavored to render the assistance directed in the resolution of the State bar, and I appreciate the opportunity to appear here to submit these brief statements and observations concerning the purpose and effect of the proposed legislation.

Our people are fearful, Mr. Chairman, that the unfortunate and unjust treatment now being imposed upon the citizens and the sovereign State of California by our Federal Government may soon, or at some undetermined future time, be extended to any one or all of the other States of the Union, depending, as we understand, upon the result of investigations and decisions to be made by the Attorney General, or his successor or successors, in the future.

As the result, we understand, of disputes and differences between individuals or companies now holding leases for oil production under the authority of the State of California, and on lands within the boundaries of that State, on the one hand, and seekers after, or applicants for, leases from a department of the Federal Government on the same land, on the other hand—or because some of the representatives of the Federal Government thought it "needed" the oil within the boundaries of the State of California—suit was brought by the Attorney General of the United States against California which has resulted in the chaos, confusion, and injustices now being experienced by the people of that State and her institutions, and which appear to be threatening many, if not all, of the remaining States.

Mr. Chairman, and gentlemen of the committee, the oil and other natural resources of California, Louisiana, Ohio, Michigan, Wisconsin, Texas, or any other State, are most valuable assets to the people and to the economy of all concerned. Of infinitely more value and more importance, however, is the type and form of Government enjoyed by the citizens, and the confidence of the citizens in their Government. Oil or other natural resources may be supplanted by, or substituted for, other elements or discoveries in the field of natural science, but the liberties, opportunities, and safeguards of the citizens in a sound, equitable, and just Government, when lost or usurped, are terribly difficult to supplant or recover.

The confidence of the average citizen in the justice and fair dealing of his Government is most definitely of "paramount importance" to the continuance and integrity of our constitutional form of Government. Certainly it is not out of place to remind ourselves, in the situation here before us, that "eternal vigilance is the price of liberty," and is also the requirement to securing and maintaining good title to property in this Nation.

With these thoughts and purposes in mind, Mr. Chairman, and members of the committee, we endorse and most earnestly request the enactment of S. 1988 by the Congress at the earliest practicable time. It is our conviction that such action by the Congress will, under all the tragic and chaotic conditions existing at the present time, more nearly accomplish justice for the sovereign States and the citizens of the United States than any proposal now pending in the Congress.

We appreciate the action and support of the 20 Senators of the United States who sponsor this particular legislation as being in the public interest, and for the welfare, of the Government and people of the United States.

We respectfully oppose the enactment of S. 2165 and S. 2222 and other similar proposed bills advocated, as we understand, by some of the departments of the executive branch of the Government.

We join wholeheartedly with the American Bar Association in the position taken by that great group of American citizens and leaders, as expressed in its resolution, also unanimously adopted, at the recent meeting of its house of delegates in Chicago. This resolution has already been presented to this honorable committee at the request of, and through a representative of, the president of that association.

We understand it to be the established law of our country that all policies of the Federal Government in respect to the ownership, "Paramount Rights in," management, handling and disposition of the lands and other properties of our Federal Government come under the constitutional duty and responsibility of the Congress. The Supreme Court of the United States, even in its opinion in the California case, acknowledges this to be true.

The duty and responsibility of the executive departments and agencies in respect to the lands and properties of the United States, as we lawyers have been taught to believe, is to carry into effect the mandates of the Congress, prescribing their duties and responsibilities as well as their limitations—in the discharge of their administrative duties.

With all respect to some of the departments of the executive branch of the Government, it seems to us that we are here presented with proposed legislation advocated by some of these executive agencies, under which the Congress is asked, in practical effect, to delegate its power and responsibility over to one of the Federal bureaus, with authority in that bureau to donate, appropriate, or allocate 90 percent of the income from oil produced from the lands in the so-called marginal sea to a few of the States and to another department of the executive branch of the Government—otherwise the Congress will be giving away property of the United States.

It occurs to us, in passing, that some of the statements heretofore made before this committee by representatives of the executive branch of the Government to the general effect that the Congress should not give away the property and resources of all the people of the United States, etc., constitutes or indicates a lack of confidence in the judgment and patriotism, if not the integrity, of the Members of the Congress of the United States who, under our Constitution, are charged with the complete power and responsibility to enact laws concerning, and to make provision for the disposition, handling, and management of our Federal lands and all other Government properties.

Insofar as we are concerned, out West and down in Texas, Mr. Chairman, and members of the committee, we have complete confidence in the judgment, integrity, and patriotism of the members of this committee, and in the other Members of our National Congress, in respect to this, as with other important matters, affecting the citizens of the United States.

We firmly believe that the Members of the Congress can be fully trusted to perform their important and constitutional duties in reference to the lands and properties in question. We do not believe that the Members of the Congress will give away any property anywhere to anybody not entitled to receive it under the Constitution of the United States and under the laws duly enacted by the Congress.

We believe it to be sound policy and we prefer to have our property rights, and all other rights in this country, safeguarded by laws, duly passed by the legislative branches of the Government, interpreted by the courts—operating within their proper sphere of action—and administered by our executive agencies and departments, limiting and restricting themselves to their duties and responsibilities as provided by law, and with each of the three great branches of the Government operating within its proper sphere of power and in conformity with the provisions of the Constitution.

It is our belief that the people—all the people—of our country have the right to know, from the plain and written law of the land, duly enacted by the Congress or clearly defined in simple and understandable language by the courts of our country, where they stand in respect to their property rights as well as all other rights.

With all respect to the Supreme Court of the United States, the unfortunate condition that now confronts us, under the

strange and revolutionary theory promulgated, and applied in the California case, is the fact that we find many good-faith citizens, who have invested their money in property, and sovereign States who have invested public funds in properties located in the so-called 3-mile belt, now dangling in the air of paramount rights and full dominion, as the result of the failure of the Supreme Court of the United States to find, in accordance with the established laws of this country since the founding of this Republic, that a citizen does, or does not, own title to the property that he has bought and paid for, in full reliance upon the decisions of the courts of his State and his Nation.

It is our understanding that, if the provisions set forth in S. 2222 and S. 2165 are enacted into law, we will continue to remain in this generally chaotic condition or state in this country, and that such unfortunate situation will apply to many, if not all, of the States of the Union—depending upon decisions to be made by agents or bureaus, instead of laws duly enacted by the Congress.

On the other hand, as we understand the pending bills, if the Congress enacts S. 1988 there will be preserved to the sovereign States, and to the good-faith citizens thereof, these rights and investments which they have made in the utmost good faith under the established law of the States and the Nation from the date of the founding of the Republic down to June 23, 1947, or to October 27, 1947, when the most unusual decree was entered by the United States Supreme Court in the California case.

It is our considered and deliberate conviction, Mr. Chairman, that you are not only justified, from every standpoint of law and equity, in passing this particular legislation, but that through its enactment you will restore and confirm the confidence of the people of the States and the Nation in the justice and fair dealing of their Government, and which Government, through the years, enabled its citizens—enjoying the opportunities provided by fair dealing, open competition and individual and energetic enterprise—to build the most powerful Nation in the world, and to develop the strongest economy in all the history of mankind.

The distinguished and accomplished Attorney General of the United States—whose ability, character, and good faith we in no manner question—has stated before this committee, as I understand, that he will, from time to time as the facts and circumstances may determine and, as I understand, in the performance of what he conceives to be his duty, file suit against some of the States or all of the States who may be involved, to carry into effect what is stated to be the decision or holding in the California case that the Government of the United States, "holding paramount rights" and "full dominion over" certain areas within the boundaries of the States, as they have heretofore been understood and established, to "recover lands or the proceeds of oil produced therefrom"—unless, of course, he is prevented from so doing by appropriate action of the Congress.

With all respect to our Attorney General and all other officers and agents of the executive branch of our Government, we most earnestly submit that the Congress of the United States, in the performance of its plain constitutional duty and definite responsibility, should remove this "Sword of Damocles" from above the heads of the sovereign States of the Union, and of the good-faith citizens thereof and tell the Attorney General and all others concerned, in plain and definite language—which the Supreme Court of the United States certainly failed to use in the California case—just what he and they must and must not do in respect to the property and the rights of the people of each and every State in the Nation.

As a matter of fact, and in conformity with sound Government policy, we submit that the Attorney General of the United States and all other agencies of the executive department, are entitled to have the Congress act, and to act promptly and definitely, on the matters here involved, in order that the interests of the Federal Government, the rights of the States and all citizens concerned, may have that assurance and enjoy those safeguards to which they are entitled under the Constitution of the United States and the form of government which we have enjoyed thereunder.

In making this suggestion we intend, or indicate, no lack of confidence in the desire and determination of Attorney General Clark to "do full justice" to any State or individual against whom he may feel it his duty to institute legal proceedings from time to time as his investigations may develop, and make, in his judgment, necessary to protect the public interest. It is our desire that his duties be made certain and definite.

Furthermore, our present fair-minded Attorney General may, unfortunately, be succeeded by someone who does not perhaps hold the views which he has stated to this committee and which indicate that full justice will be done under the policy or lack of policy now in effect. It is within the realm of possibility, at least, that someone possessing the theories and the aptitude of changing his mind—such as we find in the person of former Secretary Harold Ickes—might become Attorney General, and who might have other ideas of justice and fair dealing which are possessed by the present Attorney General. Thus we might experience further confusion and injustices, all of which we earnestly submit can be obviated, and for the best interests of all the people in the United States should be obviated in square conformity with our Constitution and laws through action of the Congress in making S. 1988 the law of the land.

Mr. Chairman, there is at least one further observation we should like to place before you at this time. When this important issue was pending before the United States Supreme Court recently, and before the Court handed down its new and novel paramount rights opinion as applied in the California case, the Congress enacted House Joint Resolution 225 in the Seventy-ninth Congress, by a large majority in both Houses.

As we understand the situation, the President of the United States vetoed this act of the Congress in order, as he stated in his veto proclamation, that the "jurisdiction of the Supreme Court should not be interfered with while it is arriving at its decision in the pending case."

We do not here argue, Mr. Chairman, or question the propriety of this action by our President at that time. Certainly the judicial branch of the Government should always be left free and unfettered to pass upon any issue or case properly pending before it for determination. Such freedom is in line with the traditions and history of our Government, and squarely complies with what we understand to be the constitutional mandate that the three branches of the Government should be free to act independently in their proper sphere of influence and power.

Now, however, that the Supreme Court has finally acted upon the issue then pending before it for determination, and which is now here pending before this Congress for handling in accordance with the suggestions contained in the opinion of the Court in the California case, we respectfully submit that now the Congress of the United States should likewise be left free and unfettered to perform its constitutional duty and responsibility to establish the policy of the Government in respect to this important matter.

It is in this spirit and for this purpose, we believe, that the chairman and some members of this committee have suggested to the Attorney General, during the hearings now pending, that no additional lawsuits by the powerful Government of the United States should be filed against any of the sovereign States, or citizens who hold rights under their authority, until the Congress can perform its duty in the congressional area of national power which belongs solely under the Constitution to the Congress. (See opinion, California case.)

In this connection, furthermore, we remind this honorable committee that we are privileged to have many able and distinguished lawyers and judges now serving in the Congress of the United States. Fortunately, we are in a position to rely upon their judicial devotion, as well as their legislative ability and experience, in considering and passing the necessary legislation to solve this important question without further delay, danger, or confusion.

Mr. Justice Black, in the California case, stated:

"The Constitution vests in Congress power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States. We have said that the constitutional power of Congress in this respect is without limitation. Thus neither the Court nor the executive agencies could proceed contrary to an act of Congress in this congressional area of national power."

In view of the pending legislation and the widespread interest and importance of the questions now before the Congress for determination, we hope and we have the right to expect that the President of the United States and all other agencies or departments of the Government not connected with, nor holding the responsibility of, the Congress, will not seek to interfere directly, or indirectly, with the efforts of the Congress to solve these questions in accordance with the Constitution and laws of our country.

We earnestly and respectfully submit that the filing of new and additional lawsuits in the Supreme Court of the United States, or even the indication or threat or suggestion that such may be necessary, against the sovereign States and against persons, citizens, and institutions holding under the States, questioning title to their properties and disrupting their economy in what they believe to be their just property rights, while the Congress is considering the very matters and properties in question, is not the type of cooperation and consideration that was intended, if not specifically required, by the Constitution in setting up our form of Government, and providing for the proper independence of the three great branches of Government.

Mr. Chairman, we most respectfully and earnestly submit that the enactment of S. 1988 by the Congress will serve the best interest of the people of the United States, and will preserve and properly extend the long and well established law of our sovereign States, and of the United States, and fully comply with the provisions of the Constitution of the United States of America.

Such action, furthermore, will in no way hinder, but will, in reality, greatly aid the Government of the United States in the performance of its paramount rights and duties in conducting our foreign affairs and national defense.

And, finally, such action will restore and confirm the confidence of our citizens in our form of Federal-State sovereignty in public affairs and will demonstrate to all concerned that the legislative branch of our Government is performing its full constitutional duty; that the judicial branch of the Government is not seeking directly or indirectly to "legislate," and that the President and the executive departments are performing their functions in full observance of, and respect to, the Congress and the Judiciary as contemplated by, and provided in, the Constitu-

tion of the United States, "the greatest document ever conceived by the mind of man."

PROGRAM FOR SENATE SESSIONS

Mr. WHERRY. Mr. President, once again for the record I announce that it appears now, as has already been stated by the distinguished and able chairman of the Committee on Finance, that there is every likelihood that we can drive to a finish and complete the bill tomorrow night. At least we hope that can be done.

There will be no session of the Senate on Saturday, and, once again for the record, so that there may be no misunderstanding, I announce that it is now the program that the Senate will keep the Easter season as has been done in former years, so that Senators can be with their families. To that end there will be a recess Thursday night before Good Friday, and the Senate will reconvene on Monday following.

All Senators have not yet been consulted, but it is hoped an agreement will be reached that no controversial matters will be taken up Monday following Easter Sunday, although the Senate must reconvene on Monday because of the constitutional provision regarding adjournments for more than 3 days. The hope is that we may take up matters which are not controversial, and on the following Tuesday start the consideration of whatever legislation is to be taken up.

Mr. LANGER. Mr. President, I take this opportunity to compliment the distinguished acting leader of the majority for arranging so that the Senate will not have to meet on Good Friday. I am not certain whether he was a Member of the Senate at the time, but 2 or 3 years ago this particular matter was discussed, and at that time I pointed out that, although the Senate adjourned for the opening of the baseball season, and had a recess on that day, nevertheless at that time, under the then leadership, the Senate met on Good Friday. I took occasion at that time, in spite of criticism, to read on the floor of the Senate on Good Friday from Johnson's history of the Crucifixion of Christ, and as a matter of fact took most of the afternoon, so that there was not much done at any rate, and it did not hurt Senators to listen to the reading of the history of the Crucifixion.

RECESS

Mr. WHERRY. I appreciate the generous remarks of the Senator from North Dakota. I know how he feels about the celebration of the Easter season and keeping the spirit of the Easter holiday. I think I echo the sentiments of every Member of the Senate when I say it is the feeling of all that it is most appropriate that the Members of the Senate, if possible, may be with their families on Easter Sunday. I subscribe to that sentiment with all my heart. It is desired that Senators be present and ready to proceed with the work of the Senate on Tuesday.

I now move that the Senate take a recess until tomorrow at noon.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 19, 1948, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 18, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lord God of our salvation, search us and know our hearts; try us and see if there be any wicked way in us. Let Thy spirit move upon us, stirring us to a sense of solemn duty.

In this day of uncertainty, direct our minds in serious channels, that we may ponder and consider its meaning and learn its lesson. Help us to hold the reins of government securely, giving to our people assurance that a just and righteous future awaits us.

Enjoin us to keep the springs of our national life unpolluted by ignorance or disloyalty, lest we sacrifice the dearest and best things of life. Grant that the love of truth, the power of justice, and the refuge of prayer may arm us, for against these evil can never prevail. Bless unto us all the bounties of Thy grace, and Thine shall be the praise. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from today's Wall Street Journal.

Mr. GOODWIN asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include in each a resolution passed by the National Guard Association of Massachusetts.

Mr. DONDERO asked and was given permission to extend his remarks in the Appendix of the RECORD.

THE GERMAN EDITION OF THE STARS AND STRIPES

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, I have just received the following letter from the Department of the Army which indicates that the use of the term "unofficial publication" used by Stars and Stripes is clearly without authority and consciously or unconsciously misleading. The letter further establishes Army responsibility for the contents of this publication.

I note that General Parks, instead of assuring the American people that the grievous situation I have revealed would be speedily corrected, has denied what is a matter of open, printed record.

This may seem as incredible as the charge I made that the War Department was advertising for recruits for the United States Army in Communist newspapers in the United States. The charge was admitted by the then Secretary of War Robert Patterson, after I had called it to his attention. One look at the article contained in the Stars and Stripes ought to convince any reasonable person that the criticism I made rests on solid ground.

DEPARTMENT OF THE ARMY,
Washington, March 13, 1948.

Hon. GEORGE A. DONDERO,
House of Representatives,
Washington, D. C.

DEAR MR. DONDERO: In reply to your specific questions in your letter of February 21, 1948, to Secretary Forrestal, the European edition of the Stars and Stripes is a direct responsibility of the Commander in Chief, European Command. The general directive to which theater policies in this matter must conform is section I, War Department Circular No. 103, dated April 6, 1946. I inclose a copy of this circular and one of Circular No. 5 of September 23, 1947, which extends the expiration date of Circular No. 103.

Copies of the theater directives pertinent to publications of the Stars and Stripes have been requested from Europe and should arrive within a few days. I shall have them forwarded to you as soon as they arrive.

So far as can be ascertained, the expression "unofficial publication" used in connection with the Stars and Stripes means "by and for the soldier." It seems that the expression was first used on verbal instructions of the theater commander and was never confirmed by written directive.

Sincerely yours,

KENNETH C. ROYALL,
Secretary of the Army.

THE ARMED SERVICES

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, now that the President has asked for military training and a return to the Selective Service System, I submit that it is necessary for Members of Congress to have some very definite information from the armed services.

First. What is the authorized strength of all branches of the armed forces?

What is their present strength?

How many have applied for enlistment in each branch and how many have been accepted?

What are the causes for rejection?

It comes to my attention that a number of former World War II veterans have been rejected for reenlistment apparently because of the present rigid physical standards. I should like to have the answer to the question, How do the present standards compare with those in the early and last days of the Selective Service System?

I am wondering if the requirements for admission have been raised so high that even men accepted for service in the last war are now being turned down. I have submitted the above questions to the Armed Services Committee of the House and to the various branches of the armed services for complete information. In my humble opinion, we ought to have it in order to approach the problem with a clear understanding.

EXTENSION OF REMARKS

Mr. HOFFMAN (at the request of Mr. WOODRUFF) was given permission to extend his remarks in the RECORD.

Mr. SNYDER asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. JONES of Washington asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement made by himself today to the National Rivers and Harbors Congress on flood control and also an editorial from the Seattle Times.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD in three instances and include resolutions from the United Automobile Workers and also a resolution adopted by the Ancient Order of Sciots.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include section 2036 of the Internal Revenue Code.

Mr. RICH asked and was given permission to extend his remarks in the RECORD at the conclusion of the business of the day and include a Voice of America broadcast over the Columbia Broadcasting System entitled "March of Science: Taking a Chance," which he terms "a triumph in trash."

Mr. CHURCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter received from Kenneth Colegrove, professor of political science, Northwestern University.

Mr. ANGELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Post.

IMMIGRATION FROM RUSSIA AND ITS SATELLITE COUNTRIES

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, some 2 or 3 months ago I introduced a bill in the Congress providing for the total restriction of immigration from Russia and its satellite countries. In view of recent events, I shall do all I can to insist on the passage of this measure, which, in my opinion, is a very appropriate piece of legislation and this would be a very appropriate time to pass it.

This bill reads as follows:

H. R. 4555

A bill terminating issuance of immigration visas to natives of certain countries

Be it enacted, etc., That the Secretary of State and the Attorney General are hereby authorized and instructed—

(1) To discontinue issuance of immigration and visitors' visas in Soviet Russia and in Yugoslavia, Czechoslovakia, Poland, Hungary, Rumania, Bulgaria, Albania, the Ukraine, and Byelorussia;

(2) To discontinue issuance of immigration visas to natives of Russia residing abroad unless they left Soviet Russia prior to January 1, 1935, and are qualified for admission under the immigration laws.

(3) To limit the issuance of nonimmigrant visas under section 3 (1) and section 3 (7) of the Immigration Act of May 26, 1924, as amended, to officials of the Governments of the Soviet Union, Yugoslavia, Czechoslovakia, Poland, Hungary, Rumania, Bulgaria, Albania, the Ukraine, and Byelorussia to the number and purpose of similar visas being granted by such governments to United States officials.

THE FUEL-OIL SITUATION

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, the House Committee on Interstate and Foreign Commerce has now received two additional replies from State fuel-oil coordinators in Massachusetts and in Nebraska. These replies and the ones I placed in the RECORD previously indicate a fairly comfortable situation along the Atlantic coast, with the exception of New York and Delaware. They indicate, however, a very difficult situation in Minnesota, Nebraska, the Dakotas, Wisconsin, and that general area.

We of the east coast have no desire to take from those who need fuel oil that which exists in the Gulf coast territory. It is my purpose not to let this situation die as far as the east coast is concerned but to join with my colleagues of the Midwest who do need fuel oil, and I will do all I can to try to help them get it. If, through some unanticipated circumstances, we should find ourselves in difficulties, I know that they would help us as they have during this winter.

I do want to caution all who are interested that this does not mean that we are entirely safe. A reading of the telegrams will clearly indicate that it will be only through the continued cooperation of everyone and through the most careful practice of conservation that we shall be guaranteed no hardships.

The telegram from Massachusetts is as follows:

BOSTON, MASS., *March 17, 1948.*

CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee:

Regret reply your wire of 12th delayed by inability of many companies to supply information concerning anticipated deliveries through April 30. Present low inventories at supply sources necessitate constant shifting of shipping and supply schedules. Supply schedules for month of April not available to most Massachusetts company offices until early April. Therefore we are unable to furnish committee with figures which would be realistic. Present over-all situation very tight with little prospect of easement for several weeks. But no evidence of consumer distress. Sorry we cannot give you requested information.

GEORGE H. ROCKWELL.

The letter from Nebraska is as follows:

STATE OF NEBRASKA,
Lincoln, March 15, 1948.

Hon. CHARLES A. WOLVERTON,
Chairman, House Interstate and Foreign Commerce Committee, Washington, D. C.

DEAR MR. WOLVERTON: This is in reply to your telegram of March 13, requesting information concerning prospects in this State for available heating and industrial oils through April 30; also, an estimate of the number of barrels of kerosene, gas oil, distillate and residual oil required beyond anticipated deliveries for that period to guarantee no shortage within this State.

According to information received from petroleum dealers and surveys conducted by jobber associations in this State, the demand for kerosene and burning oils (gas oil, distillate and residual oil) will exceed deliveries by approximately 10 percent for the 2-month period March and April 1948.

Kerosene orders will be especially heavy in March, April, and May as poultry raisers in starting baby chicks generally use this type of fuel for brooder-stove operations.

The division of motor fuels of the Nebraska Department of Agriculture and Inspection reports that imports of kerosene for January 1948 were 14.1 percent greater than for January 1947. An increase of 16.2 percent was noted in imports of burning oil for January 1948 over January 1947. Reports for February 1948 are not yet available.

Anticipating deliveries for the 2-month period March and April 1948 at the rate of increase reflected by January 1947–48 comparisons indicate this State will receive 9,897,756 gallons of kerosene and 25,200,288 gallons of burning oil.

With demand exceeding supply by 10 percent, it will be necessary to increase kerosene deliveries by 23,556 barrels and burning oil 59,285 barrels to avoid shortages through April 30.

Trusting this is the information desired, I am,

Very truly yours,

RUFUS M. HOWARD,
Director, Department of Agriculture and Inspection, Fuel Oil Coordinator for Nebraska.

Mr. Speaker, although replies have not been received as yet from Florida, Kansas, Kentucky, Missouri, North Carolina, Rhode Island, and Tennessee, it may be a fair inference that none of the States are experiencing any major difficulties.

In my opinion the next major step should be taken in terms of the quota which will be established early next month for exports during the second quarter. In that connection I commend to your attention the article appearing at pages 3031 and 3032 of yesterday's RECORD discussing the substantial increase in the demand for gasoline throughout this country.

PRESIDENT TRUMAN'S ADDRESS IN NEW YORK

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, the morning papers carry the statement that President Truman, in his address last night before the Society of the Friendly Sons of St. Patrick in the grand ballroom of the Hotel Astor, New York, departed from his prepared text to say—and I quote:

I do not want, and I will not accept, the political support of Henry Wallace and his Communists. If joining them or permitting

them to join me is the price of victory, I welcome defeat. These are days of high prices, but any price of Wallace and his Communists is too much to pay. I am not buying.

To me, it certainly advertises Mr. Wallace, and it looks like sour grapes.

Now it might be that the Appropriations Committee is cutting down on Mr. Truman's spending, which hurts; or it might be reminiscent of the radio debate last night between our colleagues, MARCANTONIO, of New York, and JOHN RANKIN, of Mississippi, when, in closing his speech, MARCANTONIO, referring to a Negro man in Mississippi when he knew he was speaking out to the whole country over the radio, cried, "Help! Help! Help!"

WHITE AMERICANS BETRAYED—THE FEPC LAW IN NEW YORK

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a radio address I made last night, and to also include an address that I made in 1945 on the FEPC, which was then in existence in Washington.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, you have just listened to the gentleman from Pennsylvania [Mr. RICH] talking about my radio debate last night with the gentleman from New York [Mr. MARCANTONIO], the FEPC leader in the House.

The gentleman from Pennsylvania wound up his speech by referring to the story that the gentleman from New York [Mr. MARCANTONIO] told about the old colored fellow crying "help, help," when they asked him what he would like to say over the radio.

If it had not been for my efforts I fear the Legislature of Pennsylvania might have been misled into passing the so-called FEPC law with which I am sure the gentleman from Pennsylvania [Mr. RICH] does not agree. I think he is as much opposed to it as I am.

If that had been the case, and the State of Pennsylvania had imposed the same regulations that are in force in the State of New York, I fear that, not only the gentleman from Pennsylvania [Mr. RICH] himself, but many other businessmen, merchants, and manufacturers throughout that proud commonwealth, would today be crying, "help, help, help."

In order that the Members of the House may understand just what this measure means, I am inserting the radio address which I delivered over the Mutual Broadcasting System last night, and to which the gentleman from Pennsylvania [Mr. RICH] refers.

It reads as follows:

My fellow Americans, in discussing this so-called civil-rights program that certain elements are now attempting to foist upon the American people, I feel that in the time that has been allotted to me I can discuss only one phase of it, and that is the FEPC, or the so-called Fair Employment Practice Commission.

You have just listened to the gentleman from New York, Mr. MARCANTONIO, the leader in the fight for the passage of the so-called FEPC bill.

This proposed legislation was placed upon the statute books of the State of New York, without the people of that State being consulted. If it had been submitted to them and thoroughly explained to them, I dare say it never would have seen the light of day.

I was surprised to see Governor Dewey get his mustache in the wringer on this proposition, and to be so far misled as to sign the measure. Now, he doesn't seem to have the courage or the statesmanship to advocate its repeal, although it is driving industries out of the State of New York, and doing more to disturb the business interests of that proud Commonwealth than any other measure with which they have ever been afflicted.

It has been defeated in every State in which it has been submitted to a vote of the people.

In 1946 it was placed on the ballot in the State of California, which is usually regarded as about the most progressive, if not the most radical, State in the Union, and the same elements that are urging its passage now did everything they could to get it adopted then, yet, when the vote was taken, it was defeated by a clear majority in every single individual county in California, and it lost in the State by approximately a million majority.

I sent to New York and got a copy of the New York FEPC Act, and the regulations that were put into effect under it, and I want to read to you some of those regulations now, and show the rest of the American people just what this proposition means and what its advocates propose to do to the rest of the country.

On February 13, 1947, I made a speech in the House in which I analyzed this New York law and its regulations. Hundreds of thousands of copies of that speech have been published and distributed throughout the country. Practically every time such a measure has been taken up in a State legislature someone has provided the members with copies of that speech, and, so far as I have been able to find, they have defeated it in every single instance.

I understand it is going to be referred to the voters of the State of Michigan this fall, and I predict that it will be defeated by even a greater majority in that State than it lost by in the State of California. It simply violates every principle upon which our Government is founded, and is, in my opinion, one of the most dangerous measures that could be placed upon the statute books of the United States at this time.

If it were in effect as a national law now, with the same regulations that prevail in the State of New York, our enemies could have their spies at the elbow of every man in a key position in any business establishment or in any defense plant throughout the entire Nation. I will prove that to you as I go along.

Let's examine the regulations that have been adopted for the enforcement of this law in the State of New York.

Here is the first unlawful practice set out in the regulations under the laws of the State of New York: It is unlawful to make "inquiry into the original name of the applicant for employment, whose name has been changed by court proceedings or otherwise."

That expression is taken verbatim from the regulations adopted and put into force under the law of the State of New York. If anybody can tell me just what it contributes to fair employment to deny the employer the right to inquire what a man's name was before it was changed by court proceedings or otherwise, then I would certainly like to hear it.

Here is the next unlawful practice set out in these regulations: It is unlawful to make "inquiry into the birthplace of the applicant for employment, the birthplace of the parents, spouse, or other close relative."

Can anybody give any legitimate reason for that restriction?

Now remember, this is not Russia we are talking about. This is in the State of New York.

If such a law had been on the statute books of this Nation 7 years ago, our enemies might have had their spies in every defense plant in the country at the time Pearl Harbor was attacked.

It is an unlawful practice, under these regulations, in the State of New York to require that the applicant for employment "produce a birth certificate or baptismal certificate."

Can anybody tell me how that restriction contributes to fair employment?

It is unlawful in New York, under this law, to make "inquiry into the religious denomination of an applicant for employment, his religious affiliations, his church, parish pastor, or religious holidays observed, or inquiry into whether an applicant for employment is an atheist."

An employer cannot make such an inquiry even though the firm involved may be publishing religious literature.

Under this law in New York, it is unlawful to tell "an applicant for employment that this is a Catholic, Protestant, or Jewish organization."

Now just what do you think that restriction contributes to fair employment?

Under the law it is an unlawful practice in New York to tell "an applicant for employment that the following holidays will be observed by the firm and no others, naming the holidays, e. g., Decoration Day and July the Fourth, etc."

Now remember the language quoted are the words written into these regulations by the authorities charged with enforcing this law in the State of New York.

It is an unlawful practice under this law and these regulations in the State of New York to make "inquiry into the complexion of an applicant for employment."

If you should inquire into his complexion you might get tangled up with the law of the State of New York.

Efforts were made to impose this law on the people of the proud State of Pennsylvania. But, when the members of the State legislature of that great State became informed as to just what it really meant, they killed it as dead as Hector.

Here is another unlawful practice under the laws of New York. It is unlawful to "require that an applicant for employment annex a photograph."

You can't even ask for his picture so you can tell what he looks like. How do you suppose this aids fair employment?

It is unlawful to make "inquiry whether an applicant for employment is a naturalized or native-born citizen; the date when the applicant acquired citizenship; whether the applicant's parents or spouse are naturalized or native-born citizens of the United States; the date when such parents or spouse acquired citizenship."

You cannot inquire into these questions under the FEPC law in the State of New York, even though you may be manufacturing materials for national defense.

It is against the law, or the regulations in New York to "require that an applicant for employment produce his naturalization papers or first papers."

He may tell you that he is a naturalized citizen but you cannot ask to see his citizenship papers, or his first papers.

If this law were in effect all over the United States, with these same regulations, as I said, our enemies could have a spy at the elbow of every man of importance in every business establishment and every defense plant in the United States.

It is an unlawful practice in New York "to inquire into the lineage of an applicant for employment, his ancestry, or national origin."

What does that have to do with fair employment?

Here is another unlawful practice. It is an unlawful practice in New York "to make inquiry into the maiden name of the wife of a male applicant for employment and/or inquiry into the maiden name of the mother of a male or female applicant for employment."

What if he had married a former spy?

You could not even inquire as to what her name had been—or what it was alleged to have been.

It is an unlawful practice in the State of New York to make "inquiry into the general military experience of an applicant for employment."

I hope every ex-serviceman in America is listening in, especially to this next one.

Here it is: It is unlawful in New York to make "inquiry into the whereabouts of an applicant for employment during the First World War, i. e., during the period from 1914 to 1919."

I dare say that by now it is unlawful in that State to inquire where a man was during the last war.

Here is another unlawful practice in the State of New York. It is an unlawful practice to make "inquiry into the organization of which an applicant for employment is a member, including organizations, the name or character of which indicates the religion, race, or national origin of its members."

If that law had been in force all over the United States during 1941, the Japs, the Germans, or the Italians could have had their spies in key positions in every business establishment and every defense plant in America.

It is a dangerous piece of radical legislation, and one that violates those great fundamental principles upon which our Government is based.

It should never be enacted into law.

Mr. Speaker, under permission granted me to extend my remarks, I am inserting an address I made in this House on Thursday, July 12, 1945, showing what a mess this FEPC was here in Washington, and throughout the country, during its existence under Executive order.

It reads as follows:

FEPC A BETRAYAL OF WHITE AMERICANS

(Speech of Hon. JOHN E. RANKIN, of Mississippi, in the House of Representatives, Thursday, July 12, 1945)

Mr. RANKIN. Mr. Chairman, the passage of a law at this time legalizing this so-called FEPC would be a betrayal of the white people of the country. If every individual in the United States could understand just what it means there would be such a roar of protest coming from every State in this Union that it would never see the light of day.

If every Member of Congress would "screw his courage to the sticking place" and vote his convictions on this so-called FEPC it would not get 50 votes out of the entire membership of 435.

It is a most dangerous and brazen attempt to fasten upon the white people of America the worst system of control by alien or minority racial groups that has been known since the crucifixion.

When I read the names of the personnel of this outfit you will understand what I mean.

To sanctify this organization by law would give the lie to everything we have told our American boys they were fighting for. Instead of coming back to liberty, freedom, and democracy they would find themselves sold into this bondage, herded, humiliated, and regimented by alien influences directed by a foreign comintern representing the deadly doctrine of Karl Marx that is based upon hatred for Christianity and for everything that is based on Christian principles.

It is a manifestation in legislative form of that infidelity that has closed thousands of Christian churches in Europe and been responsible for the murder of untold millions of Christian human beings.

This measure is not directed altogether at the white people of the South. If it were, you folks in the North would not have so much ground for alarm. We in the South know how to combat subversive elements. As Henry Grady once said, we wrested the South from such domination "when Federal drum beats rolled nearer and Federal bayonets hedged closer to the ballot box of the South than it ever will again in this Republic."

But you people in the North have not had that training, and this FEPC is likely to bring grief, strife, hatred, race riots, and chaos in your northern cities if this vicious agency is perpetuated and sanctioned by your votes.

Do not forget that the returning servicemen know what this thing means, and they are going to call you to account next year—beginning with the primary. They are not going to wait until the general election.

Do not forget that every businessman, every farmer, every professional man, and every other independent individual whose blood glows with the instinct of American liberty, is going to join these men, and those other patriotic forces that are fighting to save American institutions for which these boys have been fighting and dying upon every battlefield in the world.

If every man and every woman in the United States could just read the list of individuals that compose the personnel of this crazy FEPC, and its subdivisions throughout the country, I dare say there would not be enough of you left who vote for it, even if nominated in the primaries next year, to form a corporal's guard.

For your information, and for the information of the American people generally, I am going to read you the official personnel as it exists today. Remember, this list is taken from the official record. This is the group that wants to nose into and control every business in the United States. Remember, they can search the files and records of every business establishment in America where some disgruntled individual is willing to trump up a charge of discrimination. They can drag them all over the country and try them, and in that way destroy any ordinary business concern.

The next thing they are going to try to do is get control of your schools and force their communistic henchmen into the schools and teach your children their subversive doctrines.

Read these lists carefully, which, as I said, are taken from the official records here in Washington, and you will see that not 1 out of 10 on these rolls is a white Gentile American.

Here is the official list:

Committee on Fair Employment Practice, Washington, D. C., Office of the Chairman

Incumbent	Title	Race	Salary
Ross, Malcolm	Chairman	White	$8,000
Johnson, George M.	Deputy Chairman.	Colored	8,000
Hubbard, Maceo	Hearings examiner.	do	5,600
Bloch, Emanuel	do	White	5,600
Copper, Evelyn	do	do	5,600
Berking, Max	Assistant to Chairman.	do	3,800
Alexander, Dorothy.	Secretary to Chairman.	Colored	2,600
Clifton, J. Jeanne	Secretary to Deputy.	do	2,000
Brooks, Mary	Clerk-stenographer.	do	1,800
Banting, Myra	do	White	1,800

You will note that in this office of the chairman, consisting of 10 people, there are five Negroes and five white people, most of whom have foreign names. One of the whites is a stenographer who receives the smallest salary of anyone on the list.

Remember that the members of this group preside over the destiny of every business enterprise in America, and are using their assumed powers to harass white Americans out of business.

This is the organization Members of Congress are being asked to perpetuate by the passage of this bill.

FIELD OPERATIONS

Here is the Division of Field Operations:

Field operations

Incumbent	Title	Race	Salary
Maslow, Will	Chief	White	$6,500
Mitchell, Clarence	Principal fair-practice examiner.	Colored	5,600
Davidson, Eugene	do	do	5,600
Beall, W. Hayes	Senior fair-practice examiner.	White	4,600
Mercer, Inez	Fair-practice examiner.	do	3,800
Rogers, Eleanor	Clerk-stenographer.	Colored	1,800
Saito, Otome	do	Japanese-American.	1,800
Thompson, Mildred	do	Colored	1,800
Cornick, Emma	do	do	1,620

You will note that it consists of nine people—five Negroes, one Japanese, and three others—two of whom have records of affiliations with Communist-front organizations, according to the reports of the Dies committee.

Imagine this group going about over the country riding herd on the white American businessmen of the Nation, telling them whom they shall employ, whom they shall promote, and with whom they may associate.

It would be interesting, and probably enlightening, to check up on these people and see how many of them are native-born Americans.

Members of Congress had better do this now, before they get caught in this trap, because this question of un-American activities is going to be an issue in every congressional district next year, beginning with the primaries.

The people are not going to wait until the general election for someone who holds a commission as a result of the pernicious activities of Sidney Hillman and his gang to

wrap the party cloak about him and shout to the people of his district that "I am a Republican" or "I am a Democrat."

More than 2,000,000 young men have already been discharged in this war, and they are organizing now to try to save America for Americans. They are going to read your records, and they are likely to ask you some very embarrassing questions when you get home.

REVIEW AND ANALYSIS DIVISION

Now look at this list and see who reviews all these records of racial discrimination when they come to Washington, and you will understand how the editor of the Dallas News felt and how other white gentiles feel, including Cecil B. DeMille, the great American movie producer, when they are harassed out of business.

Here is the list:

Review and Analysis Division

Incumbent	Title	Race	Salary
Davis, John A.	Chief	Colored	$5,600
Lawson, Marjorie	Research analyst	do	3,800
Golightly, Cornelius	Compliance analyst	do	3,200
Hemphill, India	do	do	2,600
Coan, Carol	do	White	2,600
Davis, Joy P.	do	Colored	2,600
Hoffman, Celia	Clerk-stenographer	White	1,800
Spaulding, Joan	do	Colored	1,800

You will note that it consists of six Negroes and two white people, one of whom is named Carol Coan and the other Celia Hoffman, a white stenographer receiving the lowest salary on the list.

Now, if you sign the petition to bring out this bill or vote for this monstrosity, do not forget that when you get home those white American businessmen who help to sustain this Nation in time of peace and whose sons are fighting its battles in time of war are going to want to ask you some questions that you may not be able to answer.

LEGAL DIVISION

But if you want a real laugh, look at this Legal Division.

Legal Division

Incumbent	Title	Race	Salary
Reeves, Frank D.	Attorney	Colored	$4,600
Stickgold, Simon	do	White	4,600
Gordon, Jernevive	Clerk-stenographer	Colored	1,800

You will note that this so-called Legal Division consists of two Negroes and a Simon Stickgold.

INFORMATION DIVISION

Now we come to the Information Division. If you want information about this outfit, write to this division:

Information Division

Incumbent	Title	Race	Salary
Bourne, St. Clair	Information specialist	Colored	$3,800
Whiting, Margaret	Clerk-stenographer	do	1,800

You will note that it consists of two Negroes, one registered as an information specialist and the other as a clerk-stenographer.

BUDGET AND ADMINISTRATION

Now we come to the Budget and Administration Division. This Division not only makes up the budget but administers the regulations. Here is the list:

Budget and Administration

Incumbent	Title	Race	Salary
Jones, Theodore	Chief	Colored	$5,600
Jeter, Sinclair	Assistant administrative officer	do	3,200
Baker, Vivian D.	Clerk-stenographer	do	2,000
Jackson, Bosales A.	Clerk-typist	do	1,620
Paynter, Minnie A.	do	do	1,620
Hollomon, Irving	Clerk	do	1,440
Selby, Ralph R.	Chief, fiscal	do	2,600
Ross, Sylvia B.	Voucher auditor	do	2,000
Nelson, Otelia	Accounting clerk	do	1,620
Carpenter, Elizabeth	do	do	1,620
Brent, Pearl T.	do	do	1,620

This outfit, which is composed of 11 Negroes, and no whites at all, not only makes up the budget for financing this aggregation, but it seems to have the power of administration. I hope you will read this list to your white businessmen, farmers, and ex-servicemen at home when you get back and ask for renomination in the primaries next year.

MAIL AND FILES DIVISION

Now, here are the ones that have control of the mails and filing system:

Mail and Files

Incumbent	Title	Race	Salary
Douglas, Lela	Chief, Mail and Files	Colored	$2,000
Welch, Selena	Docket clerk	do	1,800
Gamble, Jessie	File clerk	do	1,620
Phillips, Rose	do	do	1,440
Reed, Charles	Messenger	do	1,380
Mitchell, Regina	File clerk	do	1,440

You will note that this division is composed entirely of Negroes—six Negroes, and no whites at all. I wonder why they discriminated against the white race in setting up these two powerful branches of this most dangerous agency?

REGIONAL OFFICE, NEW YORK

Now, let us turn to the regional offices and see who is going to harass the business people back in the States. Here is the list for the State of New York:

Regional office, New York

Incumbent	Title	Race	Salary
Lawson, Edward H.	Regional director	Colored	$5,600
Jones, Madison S.	Fair-practice examiner	do	3,800
Jones, Robert G.	do	do	3,800
Donovan, Daniel R.	do	White	3,800
Irish, Miriam	Clerk-stenographer	Colored	2,000
Asepha, Tillie	do	White	1,620
Schwartz, Sonia	do	do	1,620

This is the list that is going to help Governor Dewey harass the white American businessmen of the Empire State. You will note that it is composed of four Negroes and three white people. Please read the names of the three white people and see if you can figure out their antecedents.

Businessmen of New York are going to have a hard time after this war without having all this communistic conglomeration to deal with, to say nothing of the one which Governor Dewey and his political henchmen have now heaped upon them.

REGIONAL OFFICE, PHILADELPHIA

Now, let us turn to Philadelphia, the birthplace of the Constitution—the City of Brotherly Love. At the risk of causing glorious old Benjamin Franklin to turn over in his grave, I read you the list:

Regional office, Philadelphia

Incumbent	Title	Race	Salary
Fleming, G. James	Regional director	Colored	$5,600
Greenblatt, Mildred	Fair-practice examiner	White	3,800
Manly, Milo A.	do	Colored	3,800
Risk, Samuel R.	do	White	3,800
Grinnage, Willard	do	Colored	3,200
Gorgas, Helen	Clerk-stenographer	do	1,800
Klinger, Karyl	do	White	1,800
Brown, Grayce	do	Colored	1,440

You will note that it is composed of eight individuals—five Negroes and three whites, Mildred Greenblatt, Samuel R. Risk, and Karyl Klinger.

Don't you know there will be some brotherly love when that crowd gets going on the businessmen of the Philadelphia area?

REGIONAL OFFICE, WASHINGTON, D. C.

Now, here is the regional office in Washington, D. C., the Nation's Capital, where there has been so much persecution of white gentiles in the last few years. Here is the list:

Regional office, Washington, D. C.

Incumbent	Title	Race	Salary
Evans, Joseph	Regional director	Colored	$5,600
Houston, Theophilus	Fair-practice examiner	do	3,200
Kahn, Alice	do	White	2,600
Chisolm, Ruby	Clerk-stenographer	Colored	1,800
Urback, Dorothy	do	do	1,620

You will note it consists of four Negroes and Alice Kahn. Just what chance a white gentile will have with this group is entirely problematical, to say the least of it.

REGIONAL OFFICE, CLEVELAND

Now, let us move out where the West begins and take a look. Here is the list in the Cleveland regional office:

Regional office, Cleveland

Incumbent	Title	Race	Salary
McKnight, William	Regional director	Colored	$4,600
Abbott, Olcott R.	Fair-practice examiner	White	3,800
Glore, Lethia	do	Colored	3,200
Kelley, Berniza	Clerk-stenographer	do	1,620
Wasem, Edna	do	White	1,800

You will note that this group is composed of three Negroes and two whites, Olcott R. Abbott and Edna Wasem.

Don't you know the white people of Cleveland will enjoy being dominated by them?

CINCINNATI REGIONAL OFFICE

Cincinnati seems to be largely under the jurisdiction of the Cleveland office since it only has two people:

Cincinnati

Incumbent	Title	Race	Salary
James, Harold	Fair-practice examiner.	White	$4,600
----------	Clerk-stenographer.	----------	1,800

DETROIT REGIONAL OFFICE

Now let us move on to Detroit, Mich. Here is the regional office for Detroit:

Detroit

Incumbent	Title	Race	Salary
Swan, Edward	Examiner in charge.	Colored	$4,600
Sese, Doris K	Clerk-stenographer.	Japanese-American.	1,620

You will note that it is composed of one Negro and one Japanese. I know the businessmen of Detroit are grateful for this consideration.

I should like to hear some of the comments they will make to you gentlemen from Detroit when you get home next summer, if you support this vicious measure.

REGIONAL OFFICE, CHICAGO

Here is the list of the regional office in the Windy City:

Regional office, Chicago

Incumbent	Title	Race	Salary
Henderson, Elner	Regional director.	Colored	$5,600
Gibson, Harry H. C.	Fair-practice examiner.	do	3,800
Schultz, Joy	do	White	3,800
Williams, Le Roy	do	Colored	3,200
Zeidman, Penny	Clerk-stenographer.	White	1,800
Ingram, Marguerite S.	do	Colored	1,620

You will note it is composed of four Negroes, Joy Shultz, and Penny Zeidman. I am told that a representative of this group went into the office of Swift & Co. and asked how many Negro members they had on their board of directors. The answer was, "We have no Negro members on our board of directors." Then the question came back, "Why haven't you?" This just shows what this supergovernmental set-up is driving at. They want to communize America and destroy everything which our glorious ancestors have left us and for which our boys are now fighting and dying all over the world.

REGIONAL OFFICE, ATLANTA

Here is a list of the Atlanta office:

Regional office, Atlanta

Incumbent	Title	Race	Salary
Dodge, Witherspoon.	Regional director.	White	$4,600
Hope, John	Fair-practice examiner.	Colored	3,800
McKay, George D	do	White	3,200
Chubb, Sally	Clerk-stenographer.	do	2,000
Ingram, Thelma	do	Colored	1,800

You will note that it consists of two Negroes and three whites; the most important post in this office, that of examiner, is held by a Negro. I wonder how the people of Georgia enjoy the domination of this group. I may have more to say about them later.

REGIONAL OFFICE, KANSAS CITY

Here is the list of the Kansas City office:

Regional office, Kansas City

Incumbent	Title	Race	Salary
Hoglund, Roy A	Regional director.	White	$5,600
Ormabee, Eugene	Fair-practice examiner.	do	3,800
Jones, Mildred	Clerk-stenographer.	Colored	1,620
Schlien, Helene G	do	White	1,620

You will note that this office force consists of three whites and one Negro. You can read the list of whites yourself and then judge how many of them really represent the people of that area.

ST. LOUIS REGIONAL OFFICE

Here is the list of the regional office at St. Louis:

St. Louis

Incumbent	Title	Race	Salary
Theodore Brown	Examiner in charge.	Colored	$3,800
Morris Levine	Examiner	White	3,200
Armatha Jackson	Clerk-stenographer.	Colored	1,620

You will notice that it consists of two Negroes and Morris Levine. Just how they came to select these particular individuals to preside over the destiny of the white businessmen of the great State of Missouri I cannot understand.

REGIONAL OFFICE, DALLAS, TEX.

The members of the regional office at Dallas are as follows:

Regional office, Dallas

Incumbent	Title	Race	Salary
Castenada, Carlos	Regional director.	White	$4,600
(Vacancy)	Fair-practice examiner.	----------	3,200
Gutleben, Willetta	Clerk-stenographer.	White	1,800

You will note there is one vacancy. Last year that position was held by a Negro, namely, Roy V. Williams. The other two members, Carlos Castenada, the regional director, and Willetta Gutleben, seem to be in charge of the office at the present time. This is the regional office that attacked the Dallas News last year for carrying an advertisement for a Negro janitor. This fellow Castenada, the director, held the same position that he holds now. If this set-up is made permanent, then I presume the rest of the white American businessmen in Texas may expect to be harassed just as the Dallas News was.

REGIONAL OFFICE, NEW ORLEANS

The regional office at New Orleans consists of the following members:

Regional office, New Orleans

Incumbent	Title	Race	Salary
Ellinger, W. Don	Regional director.	White	$3,800
Morton, James H	Fair-practice examiner.	Colored	3,200
Ronning, Evelyn	Clerk-stenographer.	White	1,800

You will note that there are two whites and one Negro in this office. As the Negro is the fair-practice examiner, just what the decent people of Louisiana may expect at the hands of this outfit is something to contemplate.

REGIONAL OFFICE, SAN FRANCISCO

The San Francisco office consists of the following individuals:

Regional office, San Francisco

Incumbent	Title	Race	Salary
Kingman, Harry L	Regional director.	White	$5,600
Rutledge, Edward	Fair-practice examiner.	do	4,600
Ross, Bernard	do	do	3,800
Seymour, Virginia	Administrative assistant.	do	2,000
Mazen, Jewel	Clerk-stenographer.	do	1,800

This is the only office we have found yet that consists entirely of white (?) people. Just what the background of each one of them is I am unable to say.

LOS ANGELES REGIONAL OFFICE

The Los Angeles regional office consists of the following:

Los Angeles

Incumbent	Title	Race	Salary
Hunt, A. Bruce	Hearings examiner.	White	$5,600
Brown, Robert E	Fair-practice examiner.	Colored	3,600
Lopez, Ignacio	do	White	3,800
Vetter, Vera G	Clerk-stenographer	do	1,800
Lerna, Marie	do	do	1,620

You will note that there are four whites and one Negro in this office, the Negro being the fair-practice examiner. I do not know what consideration the white businessmen of the Los Angeles area are receiving at the hands of this group, but from what I can hear there is considerable gnashing of teeth over the situation.

Mr. Chairman, this FEPC is a supergovernment of commissars, with more power for evil than any other agency that has ever been created in this country. If Congress should ratify it and make it the law of the land, then we will have sacrificed and destroyed that sacred freedom for which our brave men are now fighting and dying on every battle front in the world.

We have no right to pass such a drastic, revolutionary measure that literally changes our way of life, as well as our form of government, while these boys are away from home in uniform, fighting to sustain American institutions.

As I said before, we are going to carry this battle against such un-American activities into every congressional district in the United States next year, in the primary, so that no one can crawl behind the party cloak and claim immunity at the hands of any segment of our people.

This is a battle for the survival of free constitutional government, for the survival of the American way of life, for the survival of free enterprise, for the survival of American liberty itself.

It is a battle to save America for Americans.

EXTENSION OF REMARKS

Mr. PRESTON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GOSSETT asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. DELANEY asked and was given permission to extend his remarks in the RECORD and include an address.

Mr. REDDEN asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD in three instances and to include in each newspaper articles.

MARGARINE

Mr. POAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Speaker, on last Tuesday, the effort to relieve the consumers of America of taxes on margarine, was buried without benefit of clergy. The next day the butter market went up 8 cents a pound. That looked as if the butter monopoly was ready to charge the consuming public not only with the cost of the butter lobby, but with a nice profit as well. This was to have been expected. The butter monopoly has long since shown its utter disregard for the consumer.

We had, however, been given to understand that the heart of the butter dealers bleed for the dairy farmer—for the man who milks the cows. We had been told that the farmer's income was directly dependent on the price of butter. Therefore, there were those of us who had hoped that at least a part of this 10 percent increase would be reflected in the income of this man who feeds and milks the cows.

I was interested in seeing just how much this meant to the real farmer. I, therefore, this morning checked with five leading purchasing dairies in Washington, D. C., and they tell me that they have not increased their price to the farmer by one single, solitary cent; not even a fraction of a cent. In other words, the consumer must pay the Government an extra 10 cents to use yellow margarine, or pay the butter monopoly approximately a dollar a pound for butter, colored with the same yellow coloring matter. The consumer must pay for this monopoly the Government gives the butter people, but unfortunately, the farmer gets no advantage in return. It is a one-way street. The interests of both the dairy farmer and the consumer must make way for the profits of the butter monopoly.

OLEOMARGARINE

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, it is beyond the realm of man's ability to explain satisfactorily to the American housewives, and the other margarine consumers of the Nation, the action of the Agriculture Committee of the House, shelving consideration to remove the ransom now exacted from the American people for the privilege of eating margarine. Neither reason, common sense, evidence, nor justice was considered by the 16 voting against acting on this tremendously important question.

The pleas of approximately 40,000,000 households in this Nation were turned down. The supplications of every responsible labor organization in the Nation, as well as many veterans' organizations, have not even been considered by the committee. The fact that 800,000,000 pounds of oleo was mixed by the American people last year, with the incredible figure of over 13,000 years spent in the task of coloring margarine, made no impression on the opponents of this legislation. This, coupled with the expert testimony of doctors, scientists, the American Medical Association, and from experiments conducted on the effect upon the growth of young people utilizing margarine and butter, wherein the uncontroverted truth bears testimony to the healthfulness of margarine, fell on deaf ears.

Yea, Mr. Speaker, the American housewife is disappointed. She has been deceived, and she will not forget this action come November's elections. She will make an inquiry of those who will offer for Congress. She will remember, among many other mournful things, that she has to pay a tribute to feed her children and other loved ones the spread that bread requires. She knows that margarine is no substitute for butter, but the coequal of butter.

Our only recourse now is to sign my Discharge Petition No. 12, on the Speaker's desk. You who resent being deprived of the opportunity to vote on the removal of the ransom exacted from the users of margarine on behalf of the processors of butter, must now stand up and be counted. We are right, we are right.

The humblest citizen in the land, clad in the armor of right, can prevail against a whole host of error.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, the Committee on Agriculture is composed of estimable and able gentlemen. All of them have my respect and affection. The fact remains, however, that they are quite properly selected from essentially rural areas representing agricultural constituencies and often with very special and valuable talents in their chosen field. A sound and progressive agricultural policy in this Nation is, of course, of prime importance.

Nevertheless, the members of this committee themselves would probably be the last ones to claim that they represent a fair cross section of the communities in this great country where the concentration of population in urban centers has become the recent trend.

It is an anachronism, therefore, that a measure to remove the tax on oleomargarine should be referred to the Committee on Agriculture. Every other measure relating to the raising of revenue goes, of course, to the Committee on Ways and Means. There is no doubt that, under our existing rules, the various legislative proposals introduced at this session to do away with this tax were properly referred to Agriculture. When our present rules were adopted, it was expressly provided in subparagraph (1) of rule XI that—

Unless otherwise provided herein, any matter within the jurisdiction of a standing committee prior to January 2, 1947, shall remain subject to the jurisdiction of that committee or of the consolidated committee succeeding generally to the jurisdiction of that committee.

Back in 1886, I understand, this matter was thrashed out on the floor of the House. At that time the decision was made that such a bill belonged to Agriculture. 1886 was a long time ago. Much has happened in this country and the world since that time. We must revise our thinking and review the propriety of that decision.

When the constitutionality of the tax on oleomargarine was attacked in the late nineties the measure was sustained on the ground that it was for the purpose of raising revenue. That is, of course, the only ground upon which it can be legally supported. For that very reason, any measures elating to this tax should fall within the purview of the Ways and Means Committee.

I have accordingly introduced today a House resolution to amend rule XI (1) (s) 1 of our rules to extend the jurisdiction of the Committee on Ways and Means expressly to any proposed legislation affecting this tax. This committee has representatives drawn from all walks of life and all kinds of communities, from the farms, from the villages and from the cities. It is only reasonable to suppose that their approach to this problem would be of a more balanced character than is inherently possible in the committee where such legislation now slumbers.

In my judgment this is the most practical and feasible method of allowing the membership of this body in true democratic fashion to express its views on this controversial issue. Perhaps a majority of the membership prefer to leave the jurisdiction as it is. If so, they should welcome the opportunity to allow the House to express itself. If the majority feels otherwise, as I apprehend may be the case, to maintain the status quo represents rule by technicality, rather than by reason.

It is my sincere hope that the Committee on Rules, whether or not they may agree with the contention that jurisdiction in this matter should rest with Ways and Means, will permit the membership to pass upon this vital question by reporting favorably this House resolution.

EXTENSION OF REMARKS

Mrs. LUSK asked and was given permission to extend her remarks in the

RECORD and include an editorial stressing the urgency of the European recovery plan.

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous material.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an address delivered by him yesterday before the convention of the United Textile Workers of America.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD and include certain telegrams from agricultural leaders of Louisiana.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD on two subjects.

THE PRESIDENT'S MESSAGE

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS. Mr. Speaker, after listening to the President's message yesterday, I wrote down in a few words my reaction to it. This is what I wrote, and I put it in the record at this time for what, if anything, it is worth:

I am for a strong Army and Navy, and especially a strong Air Force, but I am not convinced, as yet, that we should have universal military training or a return to selective military service. And although I am opposed to communism as much as anyone could be, I do not propose to let hysteria sweep me off my feet.

We have gone to Europe twice with armed forces, spilling our precious blood and spending our billions, and what have we accomplished? We should be most cautious about going again, as our going the next time could prove fatal to our way of life. Let us remain calm.

COUNTY AGRICULTURAL BUILDINGS

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. Mr. Speaker, I have received many inquiries regarding the bill I introduced to provide for the construction of county agricultural buildings. The Federal Government under this bill is not to own the buildings, title is to remain in local authorities, but we would save some rent and we would provide a convenient place for the farmer to go to deal with the officials of all the agricultural agencies, Federal, State, and county.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Texas.

Mr. POAGE. I have been much interested in the gentleman's bill, which is before our committee. I hope we shall be able to report the bill just as soon as the Government is in position to carry on a building program. There is certainly a need for county agricultural buildings, but the problem right now is that of actually providing building material.

Mr. HAYS. I agree that it is not the time to inaugurate a public-building program. The point is that when such a program is undertaken, there should be a place for the agricultural interests, and all of the agencies should be housed under one roof. For that reason I have introduced the bill, and at the proper time I shall ask the chairman to schedule it for hearing. My principal purpose in making this statement is to explain that it is strictly a building proposal and does not involve a merger or consolidation program, as some inquirers have thought. The bill is H. R. 877.

EUROPEAN RECOVERY ACT

Mr. HUBER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HUBER. Mr. Speaker, I understand that the Foreign Affairs Committee will report the European Recovery Act on Friday, and it will be brought to the floor of the House on next Tuesday, and that after consideration on Tuesday, Wednesday, and Thursday, the House will then adjourn for Good Friday and convene again the following Monday for further consideration of the bill.

Mr. Speaker, I know how much Good Friday means to the Members of Congress of all faiths, yet I know of no more fitting way to observe this day than by using it to hasten approval of this legislation that may halt the advance of anti-God forces, which, if unchecked, will destroy our country, our way of life, and our religions in free America.

Mr. Speaker, I strongly urge that the leadership of this House keep the body in almost continuous session, including nights and Sundays if necessary, until the European Recovery Act is passed.

Today's headline in the Washington Daily News reads, "Soviet V–2's Aimed at Rome and Trieste."

PALESTINE

Mr. ISACSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ISACSON. Mr. Speaker, the President's new crisis talk today was a political move to divert the attention of the American people from the betrayal of Palestine, where peace is really at stake, and to further heighten the tension of a spurious war hysteria.

It is most significant that the President conspicuously avoided any mention of Palestine in his address.

The one real threat of war in the world today is in Palestine—and that threat is of President Truman's own making.

The President asserts that the United States is seeking "to build a world based on law" through the United Nations.

Yet it is his administration, through its outright betrayal of the United Nations partition decision, which has signaled the outbreak of horrible bloodshed in Palestine.

President Truman and his military leaders have closed their eyes to the sale of American lend-lease armaments by the British to Arab nations for the massacre of Palestine. President Truman himself has denied the Jewish people in Palestine even the means of self-defense, through his illegal and unconscionable embargo on shipments of arms to the people of Palestine.

Every word uttered by the President merely underscored the complete bankruptcy of the Truman doctrine in Greece, in Turkey, and in China. Every appeal to the emotions of the American people was to cover up the spiral of inflation that has ripped our Nation, the weakening of civil liberties and the intrusion of thought control that threatens our freedom, the soak-the-poor tax program that burdens the little people in America. Every oratorical flourish, every allusion to threats of war was designed to conceal the one genuine war situation threatening the peace of the world today.

Why beat the drums about the possibilities of some war when even now Arab maurauders with weapons provided for by American money are ravaging Jewish towns in Palestine. Why speak of a threat of war when even now thousands of Arab troops, British trained and led, and armed with British and American weapons are lining up in preparation for massacres and pogroms against Jewish settlers, unarmed and unable to obtain arms because of the infamous, unconscionable, and completely illegal embargo imposed by President Truman.

The President would have us interfere in the affairs of the Greek people despite their wish to conduct their affairs by themselves. He would have us interfere in the affairs of the Italian people, the French people, the Turkish people, in fact, in every nation except the one place where our assistance is so desperately needed—in Palestine—the one place where our assistance would be consistent with every concept of American humanitarianism—the one place where our assistance would be consistent with upholding and strengthening the United Nations which constitutes the one hope for peace today. Yes, the President would have us interfere in every nation except in Palestine, the one place where we should interfere for peace through the United Nations.

The American people are not going to be fooled or scared by this war program. Our only prayer is that this Presidential-created "Frankenstein monster of war" does not get out of control before November when the American people will be able to take the control away from the man who conceived this martial monstrosity.

EXTENSION OF REMARKS

Mr. MACKINNON (at the request of Mr. AUGUST H. ANDRESEN) was given per-

mission to extend his remarks in the RECORD and include extraneous matter.

ARKANSAS

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, I have a question I would like to direct to the gentleman from Arkansas who was just speaking for the agricultural people in the country. I would like him to tell me whether this statement is correct or not:

The Arkansas farmer gets up in the morning at the alarm of a Connecticut clock; buttons his Chicago suspenders to Detroit overalls; washes his face with Cincinnati soap in a Pennsylvania pan; sits down to a Grand Rapids table; eats his Chicago meat, Tennessee flour, cooked with Kansas lard on a St. Louis stove. He puts a New York bridle on a Kansas mule, fed with Iowa corn. He plows a farm covered with an Ohio mortgage with a Chattanooga plow. At the end of the day he says a prayer written in Jerusalem, crawls under a blanket made in New Hampshire only to be kept awake by an Arkansas dog—the only home product on his place.

This was told the Agriculture Committee in the Kansas City hearing by a man who said he is a farmer from Arkansas.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

LET US ASK FOR DIVINE GUIDANCE

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, the gentleman from Ohio [Mr. HUBER] has requested that the House work on ERP legislation on Good Friday. I think back to the time of the writing of the Constitution of the United States when the gentlemen of that meeting felt that on occasion, when in deep conflict on important issues they need take time out to ask for divine guidance to do the right thing at the right time. I feel certain that it would be a good idea for the whole membership of the House of Representatives to go to our respective houses of worship on Good Friday and ask for divine guidance to direct and help us through these perilous times when important and far-reaching decisions are called for. The churches of Washington have requested the Congress to temporarily cease from our labors and attend church services on Good Friday. This we certainly should do.

WHY DEFEND RUSSIA?

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, prompted by the remarks made by the gentleman from New York [Mr. ISACSON] a few moments ago, I would like to say that it is my thought that in this country there is slight room anywhere at any time for apologists for Russia. Mr. Speaker, the time has come when those who love America must band together. The domestic enemies of our country are rapidly being drawn into the political party now headed by Mr. Wallace. Mr. Wallace is the candidate of the Communists for the Presidency of the United States.

OLEOMARGARINE

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, my friend, the distinguished gentleman from Minnesota, hit the nail on the head a moment ago with regard to margarine. He said:

We—

Meaning the Committee on Agriculture—

want the American housewife to have butter.

The American housewife has demonstrated that she wants margarine and she wants it colored. I think, come next November, she will express her feelings on the matter unmistakably.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield gladly.

Mr. AUGUST H. ANDRESEN. I say to the gentleman even if we had passed his bill to permit the coloring of oleomargarine yellow that yellow margarine could not have been sold in the States of New York, Massachusetts, Connecticut, Pennsylvania, Ohio, Illinois, and many others totaling 23 States altogether.

Mr. BUCK. May I say to the gentleman that I think, if our bill had passed, the States would have very quickly recognized the desirability of falling into line.

Mr. AUGUST H. ANDRESEN. The gentleman is very optimistic.

EXTENSION OF REMARKS

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include a eulogy of Tyler Johnston.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, it is rather disturbing to hear all this talk about oleo and its virtues. Permit me to bring to your attention the condition of the Navajo Indians, due to a milk and butter shortage. About 10 years ago a former Director of the Indian Bureau forced or at least induced the Navajos to dispose of most of their milk cows—the milk goat—and buy and raise sheep instead. That, my friends, was the beginning of the misery and strife and hunger and sickness among the Navajos on their reservation. Now, if you are going to give the foster-mother of man, the cow, a bad break, I am telling you you are in for a lot of trouble in days to come.

All you have to do is to study what happened to the Navajo Indians. The goat is their milk cow, the Navajo Indians' foster mother, just as the good old milk cow is man's foster mother. Give her, at least, a small break I plead with you in all seriousness, for she is a much more important factor to a happy healthy prosperous America than most people realize.

THE FOLLOWERS OF HENRY WALLACE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, Mr. Wallace and those who are supporting him need no defense from any attack that has been launched against them and Mr. Wallace by the gentleman from Georgia [Mr. Cox]. It is significant indeed that the gentleman from Georgia [Mr. Cox] asks for a gang-up of all, irrespective of party affiliation, to put over a war program. We who support Mr. Wallace are proud of the position we are taking. What we have here today illustrates the situation, a bipartisan program for war with those of the Wallace party standing up for the program for peace. We want to return to the foreign policy of Franklin Delano Roosevelt and substitute that policy for the war policy of the military-banker clique that has taken over the Government of the American people without consulting the American people. The press, the radio, and both political parties stand for a war program which is being sold to the American people by soap-opera ballyhoo and hysteria which have reached the stage of obscenity. We stand for peace, We are ready to take the consequences, but in making that fight we are defending America.

The SPEAKER. The time of the gentleman from New York has expired.

HENRY A. WALLACE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for such part of a minute as I may need.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, what I shall say will not be to buttress what the gentleman from Georgia said, nor will it be any reply to what the gentleman from New York [Mr. MARCANTONIO] has just said; but in all seriousness, feeling as I do about my country, its rich history, and its great destiny, I do trust that in some utterance some time somewhere that Henry Wallace makes an utterance that will be in favor of and for the United States of America.

PRESIDENT REJECTS WALLACE SUPPORT

Mr. DEANE. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DEANE. Mr. Speaker, I wish at this particular time to read a few lines taken from the great address of President Truman, delivered last night in New York:

I do not want and I will not accept the political support of Henry Wallace and his Communists. If joining them or permitting them to join me is the price of victory, I recommend defeat.

These are days of high prices. But any price for Wallace and his Communists is too much to pay. I'm not buying.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. DEANE. No.

The President also said:

We must beware of those who are devoting themselves to sowing the seeds of disunity among our people. The age-old strategy of divide and conquer can be as effective now as it was in the day of the aggressors of old.

This, Mr. Speaker, is language the people of North Carolina appreciate.

HOUSING AND RENT ACT OF 1948

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, with House amendment thereto and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. WOLCOTT, GAMBLE, SMITH of Ohio, KUNKEL, SPENCE, BROWN of Georgia, and PATMAN.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to include in the remarks he will make in the Committe of the Whole today certain tables and certain excerpts.

THE EUROPEAN RECOVERY PROGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I listened with great interest to the remarks of the gentleman from Ohio [Mr. HUBER] and the observations of the distinguished majority whip in reply thereto. As I interpreted the remarks of the gentleman from Ohio [Mr. HUBER] he is urging that the House pass the European recovery bill before Good Friday and in view of the challenge to western civilization in which Good Friday plays a very important part in the origin of western civilization that the House meet on that day if the bill is not passed by that time. It would be a dramatic answer and a message to the decent world that is still outside of the so-called iron curtain if before next Friday we could pass the European recovery measure and I hope that will be done.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1949

Mr. DIRKSEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5883) making appropriations for the Department of Agriculture—exclusive of the Farm Credit Administration—for the fiscal year ending June 30, 1949, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5883, with Mr. HINSHAW in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. At the conclusion of the session yesterday evening, the Clerk had read the first paragraph of the bill. The Clerk will read.

The Clerk read as follows:

Within the funds available to the Department, the Secretary of Agriculture may fix the compensation of not to exceed 10 persons without regard to the maximum payable under existing law, to serve, without regard to civil-service laws, in any positions in the Department.

Mr. BUCK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BUCK. Mr. Chairman, I make a point of order against lines 3 to 7, page 4, on the ground that this is legislation in an appropriation bill.

The CHAIRMAN. Does the gentleman from Illinois [Mr. DIRKSEN] desire to be heard?

Mr. DIRKSEN. Mr. Chairman, I concede the point of order.

The CHAIRMAN. In the opinion of the Chair, the matter referred to is legislation on an appropriation bill, and sustains the point of order.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 4, line 3, insert the following: "Within the funds available to the Department, but without limitation of other authority, the Secretary of Agriculture may employ, in any position in the Department, not to exceed 10 persons in the special executive and special professional grades (CAF–16 and P–9) as authorized by the Classification Act of 1923, as amended, but no such person shall be paid at an annual rate in excess of $15,000."

Mr. DIRKSEN. Mr. Chairman, I think the language is in order, and I doubt very much whether the matter has to be debated, particularly. But I want to say to the House that one of the greatest problems, not only in the Department of Agriculture, but in other departments, in view of the salaries paid in private industry, is the increased difficulty in retaining career service men who have had long experience, and who are now being lured away by blandishments of offers from private industry. It is very common, indeed, for a man who has spent a long time in the Federal service at $9,000 a year, to entertain offers from private industry ranging from $25,000 to $30,000 a year. If there was some little increase in order to meet the cost of living and the responsibilities which men in those positions must necessarily bear, they would be willing to continue in the career service, to the credit of the Federal Government and to the eternal credit of the welfare of the people of the country. When this matter was first presented to the committee, I think we were unanimous that some relief ought to be offered, and there was some difficulty in contriving the method whereby it ought to be done. We thought, perhaps, that discretion ought to be vested in the Secretary of Agriculture to pay whatever he thought necessary in order to keep some of these men. He has confided to us that many will be leaving this year unless some remedy is afforded. Now then, it was done by offering this discretion and putting a limitation on the number that he could employ at an increased salary, with a stipulated amount.

The matter, of course, was subject to a point of order, but I think the alternative language is within the authority of the Classification Act of 1923. I hope, therefore, that it will have the approval of the Committee of the Whole.

The Classification Act of 1923, as amended (5 U. S. C. 673), provides:

PROFESSIONAL AND SCIENTIFIC RESEARCH

* * * * *

Grade 9 in this service, which may be referred to as the special professional grade, shall include all positions which are or may be specifically authorized or appropriated for at annual rates of compensation in excess of $9,000.

Similar provision is carried under the clerical, administrative, and fiscal service relating to grade 16, as follows:

Grade 16 in this service, which may be referred to as the special executive grade, shall include all positions which are or may be specifically authorized or appropriated for at annual rates of compensation in excess of $9,000.

It has been held invariably that where an activity is authorized by any statute to the extent that such activity may be "appropriated for by the Congress" that it is in order to report on an appropriation bill an appropriation for such purpose or activity.

The language of the amendment conforms to the provisions above quoted and is believed to be in order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

The Clerk read as follows:

In all, $12,000,000: *Provided*, That for necessary printing and binding there may be transferred to, and made a part of, the item "Printing and binding, Department of Agriculture," such sums as are necessary: *Provided further*, That the Secretary may make available to any bureau, office, or agency of the Department such amounts from this appropriation as may be necessary to carry out the functions for which it is made (but amounts made available to the Office of the Secretary, Office of the Solicitor, and Office of Information shall not exceed those which the

Director of the Bureau of the Budget, after a hearing thereon with representatives of the Department, shall determine), and any such amounts shall be in addition to amounts transferred or otherwise made available to other appropriation items of the Department: *Provided further*, That no part of this appropriation shall be available for work relating to fish or shellfish or any product thereof, except for the support of equitable transportation rates before Federal agencies concerned with such rates.

Mr. BATES of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BATES of Massachusetts: On page 6, line 9, after "such rates", strike out the period and insert "and for development of foreign markets."

Mr. BATES of Massachusetts. Mr. Chairman, in the report of the committee on this bill they have added, in substance, the proviso that none of that money shall be expended for fishery products. That is a special provision set up in the bill. I do not know for what reason they would exclude any of the appropriations contained therein from being spent for what we all know is a good food product. We have in this country today an industry whose total value, including retail outlets, is approximately a half billion dollars. The catch of fish last year augmented our food supply in this country by over 4,500,000,000 pounds, resulting in tremendous sums of money flowing in not only to the pockets of the fishermen but the trade all through the land. There has been a tremendous amount expended by the fishery industry running into the hundreds of millions of dollars. Mr. Chairman, it seems to me when we are speaking about the food supply in this country and the economy conditions that the fisheries help to develop in the communities all over this country, and the thousands of people that are engaged in that industry, that we ought to be as sympathetic as we possibly can in order to help them to dispose of the fish that is available.

Under the ERP program recently adopted by the Senate and now in the House, there is a provision that fish may be considered with all other commodities as a proper product for sale in the European markets in order that the hungry people of Europe may have made available to them those fishery products which are high in caloric value.

The fishing industry for the past year, particularly segments of the fish canning industry, have supplied quantities of canned fish for relief feeding in Europe. Purchasing for the most part has been handled by the Department of Agriculture at the request of the State Department. Because of the fact that canned fish had to compare favorably in calories with grains on a per-pound basis, only the less costly varieties such as canned silver hake, herring, and mackerel were purchased in quantity.

Probably the most fallacious part of the fish-buying program in the United States and the unfairest from an industry standpoint is the yardstick for buying these products. Fish and seafood bought in any form for relief feeding is bought strictly on a caloric basis. The industry is aware that fishery products are high in calories, but this is secondary to their value in proteins and minerals which are necessary to life itself. Facts have been established that a person fed calories alone may die of rickets. Why then, should the fishing industry be required to sell its products on a false premise?

Recently the Army Quartermaster Corps executed a contract with Newfoundland for over 40,000,000 pounds of pickled herring. The fish, according to best information, are to be distributed to German civilians in our occupied zone of Germany. Presumably the determination for this purchase was made by our military authorities in Germany. It is significant that the fish processors and canners of the United States had no notice of the fact that our Army Quartermaster Corps intended to buy herring or any other fishery products until the deal was being consummated. Finally when the domestic industry did become advised, it was too late to make bids on the item specified or comparable ones.

After buying over 13,000,000 pounds of canned fish in the interim aid program, the State Department has informed the Department of Agriculture that no more canned fish is to be acquired for relief. The main reasons advanced are:

First. That Austria, where part of the canned fish were to be shipped, has at present an abundance of meat because of the slaughtering of livestock due to a feed shortage.

Second. Italy, where canned fish were to be shipped, prefers her canned fish in oil and does not relish the species previously sent abroad by United States canners.

Third. The countries participating in the Marshall plan have exportable surpluses of canned fish and therefore there is no demand for the importation of canned fish.

The matter of buying fishery products on a caloric basis has already been dealt with above.

Even if the arguments advanced are well founded, it seems to us that the American industry is entitled to know more of the facts. To buy fish stocks from foreign governments may or may not be expedient. If purchases are to be on the basis of American dollars with American money, then the American industry should be given a chance to bid. It should furthermore know the program of the State Department and the Army. That our own Government officials and Army personnel should keep American industry in the dark just does not seem, on the face of it, to be good judgment. The American fishing industry, listed as being a billion-dollar one, should not be ignored. Prior to the war, the United States was second largest in fish and sea-food production and its position has been strengthened since the war because of the fact that Japan, a defeated country, ranked first.

The hit and miss program of the State Department and the Army is having a bad effect on the economy of the fishing industry. Certain fish canners have geared their production schedules so that they could produce food for the relief program. Actually if all these canners knew of the uncertainty of Government buying, it is unlikely they would can the less costly varieties of fish—they could not run the risk. Already a number of canners are unwilling to run the risk without a firmer commitment because they know of recent canned fish cancellations on the part of the State Department. The economy is affected too by reason of the fact that canners have been able to produce less costly species during the off-season and thereby retain their factory help the year round. One of the reasons why canned fish prices are sometimes high is because the costs have to be spread over such a relatively short season. Fish canning for relief, therefore, fits into the economy of the domestic fish canning industry, although the profits for the operation are generally small.

In answer to the objections raised for cancelling out canned fish in the foreign-aid program, let us consider them in order. Austria may or may not have a suitable supply of meat, and therefore canned fish should not be shipped there. But who has made this determination and where are the figures to substantiate the claim? With our own country facing a meat shortage, according to the Department of Agriculture, it is difficult to concede that a defeated nation should have an ample supply.

With respect to Italy, that country may prefer to have fish in oil, but why fish in brine would not serve as a substitute if the nationals of that country are hungry is not understandable. Canned fish can be easily handled and stored. Italy has neither the tin nor the means of distributing her fresh fish production to inland points. Actually there seems to be a lack of proof that hungry Italians will not eat American canned fish.

Next, an explanation that countries participating in the European recovery plan or foreign-aid program have exportable surpluses will stand examination. A review of Tariff Commission figures reveals that those countries in some cases do have exportable surpluses, but they are so-called luxury or high-cost items. A typical example is Norway. That country is a big producer of brisling sardines. They are selling on the American market at about $26 per case. Portugal, Denmark, Sweden, and Holland also ship sardines, fancy herring items, and fish cakes to this country for fancy prices. It would appear then that this country may have been taken in by a lot of propaganda by fish-producing countries that prefer to keep our competition in the world market to a minimum.

It must be remembered that the United States fishing industry operates without a subsidy. This is not true in Canada, our worthy competitor, and it is not true in many other major fish-producing countries of the world. The fisherman in this country pays into the Federal Treasury an average of $541.38 each year, while getting back $21.07. The farmer fares better—he pays in an average of $177.17 and gets back $98.88. It is evident that we have neglected our fisheries.

To overcome some of the obstacles complained of, it would only seem reasonable that the Congress should appropriate sufficient funds to investigate firsthand the foreign feeding situation. Already the Department of Agriculture operates a foreign service. Personnel already provided could possibly, with slight addition, appraise the foreign food situation and recommend where fishery products fit into ERP. Authority has already been granted the Department of Agriculture in the Agricultural Marketing and Research Act of 1946—Public Law 733. There is no authority for the Department of Interior, through the Fish and Wildlife Service, to develop foreign markets for fishery products; hence, no conflict between the Departments. As a matter of fact, under the act, the Department of Agriculture could call upon the Fish and Wildlife Service to assist with the work of developing foreign markets. Last year money was appropriated for transportation in the Marketing and Research Act; developing foreign markets for fishery products could possibly be added this year.

In the course of developing a market abroad for fishery products, thought should be given to permit canned fish to be purchased on a true-value basis so that a fair price can be returned to the canner for certain species which, because of high costs, are not competitive with grain on a caloric basis.

We all know that fish is an excellent food product in every way, and it seems to me, Mr. Chairman, that this bill ought to contain a provision stating simply that when other commodities are being sold in the European area by our representatives, whether it is by a representative of the Department of Agriculture or Interior or by the State Department, that the same representatives ought to be permitted to survey the European food situation in order to determine whether or not fish, in addition to other food products, may be made available, and that is all my amendment means; that in the determination of what is needed along the line of food for the hungry people of Europe, that they may just simply give fish consideration, and that the officer having the information relative to the needs, including food needs and other needs, simply transmit that information to the fishery industries of this country. It seems to me, Mr. Chairman, that that is very little for us to do.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

I am very much interested in this appropriation bill for the Department of Agriculture and I wish to direct my remarks to the item for funds to carry out the Research and Marketing Act of 1946. When we compare the cost of research with the total costs for the Department of Agriculture, it is apparent that the portion for research is rather small. It is through research, however, that we make progress. The extension-service schools and colleges of agriculture and other agencies working with the Federal Government have made a distinct contribution to the science of farming.

It is contended by some that the appropriation to carry out Public Law 733 of the Seventy-ninth Congress should be curtailed because the work is not yet well organized. That situation does not prevail in the North Central region. A well-informed individual has written me as follows:

> Since the passage of Public Law 733, representatives of the State experiment stations in the North Central region at least, have worked very diligently to get work organized under the provisions of this law. The statement that work is not well enough organized to warrant the appropriation of the amount authorized by the law and approved by the Bureau of the Budget certainly does not apply to the North Central States. As a matter of fact, we have work organized which cannot be carried on with appropriations at the level of last year.
>
> We have gone ahead and planned this work, putting time and expense into the planning and initiation of work, on the assumption that funds would be provided for the prosecution of the work.

Mr. Chairman, I have received a telegram from Mr. Charles Marshall, president of the Nebraska Farm Bureau Federation, in reference to this measure and, in particular, reference toward this research work. It is his opinion that these funds are essential to meet the readjustment problems ahead.

It is my sincere hope that before this measure is transmitted to the President that another look can be taken at these research funds and that an adequate amount be provided.

Mr. TOLLEFSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts [Mr. BATES]. May I, as chairman of the House Subcommittee on Salt Water Fish and Shellfish, commend the gentleman from Massachusetts for his continued interest in fisheries matters. I know of no one who has been more active or more helpful in matters affecting the fishing industry of our country, and I desire to publicly pay my respects to him for his earnest efforts in its behalf.

His amendment provides that out of the funds here to be appropriated for agricultural research and marketing, a portion of the money may be expended for development of foreign fisheries markets. It is true that in the strict sense of the word, agriculture does not include fish products. On the other hand, when the Marketing and Research Act of 1946 was passed, fisheries products were intended to be included. Appropriations for fisheries matters are normally to be found in the Interior Department appropriations bill. Unfortunately, there is no legislative authority for the Fish and Wildlife Department of the Interior to develop markets abroad. There is authority under the Research and Marketing Act for the Department of Agriculture to do so. It only makes good sense, therefore, to say that while representatives of the Agriculture Department are developing foreign markets for agricultural products, they should also be authorized to develop foreign markets for fish products. In a sense, they would be killing two birds with one stone. Fish are one of our most valuable food resources, and fisheries constitute one of our Nation's oldest and most valuable industries. This industry has long been self-sustaining and has not asked—nor does it now ask—for subsidies. It is true that a certain amount of Federal funds have been spent for research and development of our domestic fisheries; but it is interesting to note that for every ton of fish products produced in this country, our Government has spent 89 cents, whereas for every ton of agricultural products it has spent more than $5.

The fishing industry is entitled to consideration, and it seems clear to me that it would be good business to assist them in the development of markets in those foreign nations which now want or might want our fisheries products.

I hope that the Members will vote for the amendment.

I should also like to urge the Committee to give serious consideration to increasing the amount of funds for the entire research and marketing program. The tremendous value of this program cannot be overemphasized. The benefits, not only to agriculture itself but to the general welfare of our Nation, have been clearly demonstrated. We should not curtail the activities contemplated under this provision of the law, but, on the contrary, should amplify them.

Mr. CANNON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am disappointed that some of those who have been particularly interested in this bill on the other side of the aisle have not proposed to make reasonable increases in the provision for the Research and Marketing Act.

This act was sponsored by the distinguished gentleman from Kansas [Mr. HOPE]. Of the many services he has rendered the country, I think none is more valuable than the work he has done in securing the enactment of the authorizing act for research and marketing. As evidence of the soundness of his position and his wisdom in sponsoring the Research and Marketing Act, the measure passed the House by a practically unanimous vote. His argument in favor of research for the benefit of agriculture was so convincing that there was hardly a vote in opposition to it.

However, Mr. Chairman, it is useless and futile for us to pass these authorization acts if we do not implement them with appropriations. To authorize a Service and then refuse to finance it is mere lip service and amounts to a betrayal of the agricultural interests it purports to serve. It doesn't mean anything.

Mr. Chairman, there is too much of this legerdemain of praising the farmer and telling him what an indispensable fellow he is and how our hearts bleed for him and assuring him we are going to be of service to him, and then doing nothing. We pass an authorization act and promise him equality with other industries and then by failure to provide the money, nullify the whole proceedings.

That is precisely what has been done in this case. By refusing to include a

little money in this bill we are nullifying the research and marketing act which had the approval, not only of the Congress, but of the entire country.

I must confess I am at a loss to understand why some of those who supported the research and marketing act and who are in charge of this legislation have not offered amendments to make the act effective. If they had offered even two or three minor amendments such as on page 4, line 23, a proposal to appropriate the additional $2,500,000 so greatly needed there, it would have at least been consistent. It is impossible to achieve the purposes of this act with any degree of success without having at least $5,000,000 for that purpose.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Arizona.

Mr. MURDOCK. I am glad to join with my colleague in protesting the cut in this particular item. I would like to see an amendment offered, and I would like to see the increase made because there are quite a number of items that would come under that lump-sum appropriation which ought to be made but which had to be left out without the increase in the appropriation.

Mr. CANNON. The gentleman is correct in that position.

The item of research and utilization and associated problems on page 5, line 4, should have at least one and a quarter million dollars additional. In line 7 there should be an additional quarter of a million dollars in order to make these programs even moderately effective.

Mr. Chairman, I was much impressed yesterday by the remarks of the eloquent gentleman from Illinois on the importance of research. I do not think anyone can speak more convincingly than the gentleman from Illinois when his heart is in it and his heart was undoubtedly in it when he spoke yesterday. He spoke of hybrid corn and improved strains of soybeans and other advantages which have not only prospered the farmer but which have immeasurably increased the food supply of the country and the general prosperity of the Nation. Now in this bill we decline to provide funds to continue research. We pay tribute to research, but when it comes to actually putting research into practice we provide only $3,000,000 out of the $10,000,000 which was authorized and without which it cannot function with complete success.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has expired.

Mr. CANNON. I ask unanimous consent, Mr. Chairman, to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. The authorization provided by this act, sponsored and supported by the distinguished gentleman from Kansas [Mr. HOPE], chairman of the great Committee on Agriculture of the House, specifies $10,000,000. That was considered at the time a very modest amount, but this bill carries only $3,000,000 for title II and nothing for title I. Did we really want research when we passed the Hale-Flannagan bill or were we merely indulging in glittering generalities?

Mr. Chairman, we must not overlook one of the most important phases of this program. The legislation sponsored by the gentleman from Kansas [Mr. HOPE] provides that all Federal funds shall be matched by State funds in not less than equal proportions.

The Federal Government puts up a maximum of half the amount. The State must put the other half, and in numerous instances the State provides more than half, so that out of every dollar the Federal Government spends for research, under this authorization it gets a minimum of $2 in education and research service. From the Government's point of view it is a profitable transaction.

I trust, Mr. Chairman, that those who are responsible for legislation in this session and to whom we look for leadership and upon whom we depend to take care of the agricultural interests of the country, will not permit this opportunity to pass without making adequate additions to the meager sums provided in the bill.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. HOPE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret that the committee has not seen fit to increase the appropriation under the Research and Marketing Act, and especially under title I of the act, for the cooperative work between the Department of Agriculture and the experiment stations in States.

Mr. HORAN. If the gentleman will yield, we did increase the amount over last year.

Mr. HOPE. The total amount of the bill is increased, but I am referring particularly to the amount provided in section 1. If I gave the impression that the amount was not increased over last year I did not intend to do so, because there is an increase in a very important part of the bill, the part relating to marketing. I am glad the committee has seen fit to include that increase in the bill.

I have been urged to offer an amendment to increase the amount to be paid to the agricultural experiment stations in the various States but I have hesitated to do so and will not do so. One reason is that I think this a pretty good bill. I congratulate the committee and its distinguished chairman for the fine job they have done on this measure.

Because they have brought in such a good bill, I am reluctant to question their judgment on the amount that they have brought in on this item, although I will say frankly it would be very difficult for me to resist voting for an amendment to increase it, were the same offered.

I hope that the Senate committee when it considers this bill may find itself justified in increasing the amount under the Research and Marketing Act. As far as I am concerned I may go before the Senate committee myself and ask for an increase in the amount, especially in title I for the cooperative work; but because I do feel that the committee has done an excellent job, and because there has been an increase of $3,000,000 in a most important part of this work I feel that for the present I should stay with the committee and I am not going to offer an amendment at this time.

I do want to express the hope that if the Senate committee after full consideration should include an increase in this item that the House conferees will give it generous and careful consideration and if they think a case has been made will agree to the increased amount.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HORAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HORAN. What amendment is before the House?

The CHAIRMAN. The amendment offered by the gentleman from Massachusetts [Mr. BATES].

Mr. HORAN. Mr. Chairman, I ask unanimous consent that the Clerk may again read the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk again read the Bates amendment.

Mr. HORAN. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

The CHAIRMAN. The gentleman from Washington is recognized for 5 minutes.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN I yield.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. CANNON. Mr. Chairman, reserving the right to object, will not the gentleman modify that to include 5 minutes to the gentleman from Georgia?

Mr. DIRKSEN. My request goes only to this amendment. The section is still open.

Mr. HORAN. We just want to get this amendment out of the way.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that all debate on this amendment close in 5 minutes. Is there objection?

There was no objection.

Mr. HORAN. Mr. Chairman, this proviso was put in the bill last year to attempt to clarify the status of the Interior Department and the Agriculture Department with regard to fish and shellfish. Obviously, they are not agricultural products. The confusion develops from the fact that they are food. They are appropriated for and all work in connection with fisheries and fish and shellfish is carried on in the Interior

Department. We felt that, in the interest of clarifying the budgets of both Departments, the matter should be excluded here and that this item should be taken care of through Department of Interior appropriations. However, we have no objection to the exceptions that are in that proviso or the inclusion of the words added by the gentleman from Massachusetts. I take this time merely to impress the administration, and especially those two Departments, with the need for keeping this matter thoroughly clarified.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. BATES].

The amendment was agreed to.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I address my remarks to those of the gentleman from Missouri and the gentleman from Kansas, both of whom have a deep interest in the subject of the Research and Marketing Act, commonly known on this floor as the Hope-Flannagan Act. I worked for more than 10 years to see an act of that kind placed upon the statute books and I was delighted when it finally became law. I consider it one of the most forward-moving actions of the Congress which adopted it.

I concur with what the distinguished gentleman from Kansas, chairman of the Committee on Agriculture, said, except that more money should be added to the appropriation now. What I am about to say should follow the comments of the gentleman from Kansas and the gentleman from Missouri in the RECORD. For this reason, I wish to refer to the original act of the gentleman from Kansas and the gentleman from Virginia which contemplated that work upon this matter should begin at once. The act provided, in the first year, naming the calendar year, $9,500,000. The work did not start until the end of the year. Much of it did not get going until very recently, within the last few months.

It is not desirable, nor is it necessary, that the amounts indicated in the original act should be appropriated, but only as much money as can be economically used by the Department. In the opinion of the Subcommittee on Agricultural Appropriations, very properly in my mind, as a friend of the act, the amount appropriated is adequate. There is also this to consider: The gentlemen who were successful in putting that act into effect, and giving it its name, contemplated that research in marketing should be one of the primary objectives of the act. It was to be the equal of research in production, which was already being carried on. It was not the intent then, nor do I believe it to be the intent now, that that money should be used to supplement money already being expended for the type of production research carried on for a long time, nor do I believe, and I am very sure of this fact, that it was the intention to set up in the Department a new project, inferior to production research, nor to require marketing research to clear through production research.

I have discussed this with the Secretary of Agriculture, and others, and I say positively that many agencies of Government simply went to this fund, after the adoption of last year's budget, and attempted to use that money to piece out cuts made by the Congress in their regular budgets. The present head of the P. and M. Section deserves a great deal of credit for withstanding these requests. I am convinced that the amount in this bill is adequate, under the administration being given to the fund, and until such time as the Department of Agriculture sets up the agency contemplated in the original act, and specifically described in the report of the legislative committee, and desired not only by me, but by the gentleman from Kansas and the gentleman from Missouri, and certainly all members of the legislative committee at the time the act was adopted.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. MURDOCK. The gentleman and I are both interested in experimental work done on new insecticides that are very effective, and some very deadly. I am concerned about these new and untried insecticides and their effects upon bees. There is not enough of that needed work being done. If this work were more adequately provided for, would it not be in this particular amendment?

Mr. PHILLIPS of California. It could be, because the gentleman has chosen one subject which spreads itself over both production and marketing. Both are important. This committee has appropriated a great deal of money for direct experimental work, as well as for work under the Marketing Act. The gentleman will remember that the addition of $3,000,000 was in the field of marketing—title II—and could, therefore, be used for the subject interesting to the gentleman from Arizona.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, you will recall that I was one of the those last year that certainly recognized the value of research and of providing adequate appropriations for the Research and Marketing Act of 1946.

In the years ahead we are going to need all the information available if we are to take care of farm problems. The Research and Marketing Act of 1946 was one of the greatest measures that has been passed by the Congress. This act however only authorizes and the act is of no benefit unless it is implemented by adequate appropriations.

It was only after a rather strenuous fight on the floor of the House that we were able, on our motion, to provide the funds last year. At that time it was said that the Department could not properly use the increased appropriation. Nevertheless, we were able to provide, I think, adequately for this program for the present fiscal year. I am glad to see that those who resisted the increased appropriations last year found—I think they found, and I know it was my reaction to the testimony of these witnesses—that a splendid job has been done in using the entire funds that were set up last year for the present fiscal year. The results have been highly satisfactory. The local committees and other advisory committees have contributed greatly to getting this program going. They have made a fine showing before our committee with reference to the entire program.

I am not pleased at the amount of increase that is in the present bill. I think the Department clearly justified an increase over and above the amount that is provided in the bill, and showed us that this could well be used for research in agriculture at this time. In the next few years we at least think we can see a high probability of great surpluses. Notwithstanding the fact that I was convinced, as were other Members, that the Department should have this money—and witnesses made an excellent showing—the majority of the committee differed with us on that, since they feel the testimony did not fully justify the increased amounts. In view of this fact, we have concluded that it might be better to wait and have the witnesses to develop the matter fully in hearings before the Senate, where the Department will have a chance further to present the evidence that they have done a good job and can use increased amounts most effectively in the coming year. I know the Department can well use additional funds, and while my Republican friends are not yet convinced, and though they have the most votes here, I believe that on review even they will be convinced, and that additional funds will be provided before this bill becomes law.

The Clerk read as follows:

For necessary expenses in connection with the publication, indexing, illustration, and distribution of bulletins, documents, and reports, the preparation, distribution, and display of agricultural motion and sound pictures, and exhibits, and the coordination of informational work in the Department, $580,000, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses, which several amounts or portions thereof, as may be determined by the Secretary, not exceeding a total of $13,975 shall be transferred to and made a part of this appropriation, of which total appropriation amounts not exceeding those specified may be used for the purposes enumerated as follows: For personal services in the District of Columbia, $538,000; for preparation and display of exhibits, $105,925; and the preparation, distribution, and display of motion and sound pictures, $55,600: *Provided, however,* That if the total amounts of the appropriations or authorizations for the current fiscal year from which transfers to this appropriation are herein authorized shall at any time exceed or fall below the amounts estimated, respectively, therefor in the budget for such year, the amounts transferred or to be transferred therefrom to this appropriation and the amount which may be expended for personal services in the District of Columbia shall be increased or decreased in such amounts as the Director of the Bureau of the Budget, after a hearing thereon with representatives of the Department, shall de-

termine are appropriate to the requirements as changed by such reductions or increases in such appropriations or authorizations: *Provided further*, That when and to the extent that in the judgment of the Secretary agricultural exhibits and motion and sound pictures relating to the authorized programs of the various agencies of the Department can be more advantageously prepared, displayed, or distributed by the Office of Information, as the central agency of the Department therefor, additional funds not exceeding $300,000 for these purposes may be transferred to and made a part of this appropriation, from the funds applicable, and shall be available for the objects specified herein, including personal services in the District of Columbia: *Provided further*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of $10,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Department of Agriculture Organic Act of 1944 (5 U. S. C. 574), said act being elsewhere herein referred to as the Organic Act of 1944, as amended by section 15 of the act of August 2, 1946 (5 U. S. C. 55a): *Provided further*, That no part of this appropriation shall be used for the establishment or maintenance of regional or State field offices or for the compensation of employees in such offices except that not to exceed $10,000 may be used to maintain the San Francisco radio office.

Mr. JENKINS of Ohio. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS of Ohio. Mr. Chairman, may I ask the distinguished chairman of the committee, the gentleman from Illinois [Mr. DIRKSEN] a question with reference to page 20 of the report, which the committee has had printed with reference to this bill. It has to do with the location of experiment stations in forestry work. This bill provides an appropriation of $260,000 to be expended for the construction of eight different stations. One of these is to be located in Ohio. The gentleman will recall that when I appeared before his committee I stressed the importance of locating one of these stations in Ohio. For years I have been appearing before this committee almost annually, trying to impress the committee with the importance and the necessity of locating one of these experiment stations in that part of Ohio in which the Federal Government has established a national forest known as the Wayne Natural Forest. In this section the State of Ohio has one of the most beautiful forests in the whole country. When I appeared before the gentleman's committee a short time ago I tried to impress the committee with the importance of locating this station not far from the city of Athens, Ohio, in which is located the Ohio University. My idea was that this great university might use this station in connection with its work in teaching forestry and kindred subjects. And in turn, the experiment station might find it convenient and advantageous to use some of the facilities offered by the university. May I ask the gentleman if it is not true that these facts as I have here stated them were the most important factor in the determination of the location of this plant? In other words, did not the committee have definitely in its mind the location of the Ohio station near Athens, Ohio?

Mr. DIRKSEN. I may say to the gentleman from Ohio that it was the specific intent of the committee that the money here provided for eight forestry centers was to include one in Ohio near the university at Athens, Ohio.

Mr. JENKINS of Ohio. I thank the gentleman.

The Clerk read as follows:

For payments to the States, Hawaii, Alaska, and Puerto Rico, for cooperative agricultural extension work as follows:

Capper-Ketcham, Bankhead-Jones, and related Acts: Capper-Ketcham Act, the act approved May 22, 1928 (7 U. S. C. 343a, 343b), $1,480,000; Bankhead-Jones Act, section 21, title II, of the act approved June 29, 1935 (7 U. S. C. 343c), $12,000,000; Bankhead-Jones Act, section 23, title II, of the act approved June 29, 1935, as amended by the act of June 6, 1945 (7 U. S. C. 343d–1), $8,500,000; additional extension work, the act approved April 24, 1939, as amended (7 U. S. C. 343c–1), $555,000; Alaska, the act approved February 23, 1929 (7 U. S. C. 386c), extending the benefits of the Smith-Lever Act to the Territory of Alaska, $13,950, and section 3 of the act approved June 20, 1936 (7 U. S. C. 343e), extending the benefits of the Capper-Ketcham Act to the Territory of Alaska, $10,000, in all, for Alaska, $23,950; Puerto Rico, the act approved August 28, 1937 (7 U. S. C. 343f–343g), extending the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico, $408,000; in all, Capper-Ketcham, Bankhead-Jones, and related Acts, $22,966,950.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 14, line 1, strike out "$8,500,000" and insert "$10,500,000."

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer this amendment because of the splendid record of achievement of our Extension Service. For 34 years the Extension Service has been operating as a partnership enterprise in education. The three partners in this Service are the Department of Agriculture, the land-grant colleges, and the farmers of our various counties. Extension is a cooperative service and its budget is about evenly provided by the Federal Government on the one hand and from States and counties on the other.

Through this organization our county agents and home demonstration agents bring to the 6,000,000 farm homes in America the best information available for operation of our farms and development of our farm homes.

Mr. Chairman, for 30 years I have had the privilege of membership in the farm bureau and have watched our Extension Service bring to farm boys and girls a greater interest in remaining upon the farms. These young people today are the new generation of farmers of America and are fast becoming recognized as leaders in agriculture.

Today we have about 1,800,000 boys and girls in 4-H Clubs. I commented to Mr. Wilson, head of Extension Service, that if we could bring the influence of these clubs into the large population areas, we would have considerably less juvenile delinquency today.

Mr. Chairman, in 1945 Congress almost unanimously passed an amendment to the Bankhead-Jones Act which provided for further development of our Extension Service with three successive installments to be matched by the States. The total amount when it matured was to be $12,500,000. We have provided for the first two installments totaling $8,500,000. There is still due $4,000,000 of the authorization in the act of 1945. That increase has not been requested by the administration in its budget.

My amendment will give to Extension an additional $2,000,000, above the $8,500,000 now implementing the 1945 act. With this $2,000,000 further development of Extension Service can be provided, such as technical and educational assistance to farm families, improving their standards of living, and developing and planning better farm homes. We can do further work with 4–H Clubs and assist the farm wife in a better program of canning, food preservation, and nutrition.

Mr. Chairman, we still have, for example, 800 counties that do not have home-demonstration agents. Our county agents made a splendid record of achievement during the war, and they are entitled to our thanks for their good work.

Extension is a great cooperative service, and I personally feel that we should help to push this fine work into each and every nook and corner in our Nation. Let us give an additional $2,000,000 this year and help the girls and boys on the farms to become the outstanding citizens of our Nation in future years. This will be money very well spent.

Mr. Chairman, I sincerely hope that this amendment will be agreed to. If it were not in such a worthy cause I would not suggest this increase over the budget. We are soon sending thousands of millions of dollars abroad under the Marshall plan to help European recovery and to keep western Europe out of the hands of Communists. These few millions allocated to Extension Service will do much to continue our country as the kind of a nation in which communism can never obtain a foothold.

Mr. PHILLIPS of Tennessee. Mr. Chairman, it is an honor to speak in this Congress in behalf of the farmer. I want to congratulate the Appropriations Committee which has so ably handled the Agriculture Appropriation bill under the leadership of the very able gentleman from Illinois, Hon. EVERETT DIRKSEN.

The proposed amendment to add $2,000,000 to the appropriation bill for extension service is worthy of our consideration and support. The Farm Bureau has expressed great interest in increasing the extension service appropriation. The Farm Bureau has offered considerable evidence and facts upon which we may guide our legislative action, not only on this bill, but other worthy farm legislation. I favor the extension work because I am familiar with the fine program which it offers to the boys and girls on our farms throughout the country. Under this program young men and women are instructed in the latest and most improved methods of farming and marketing. These 4–H Clubs, Home Demonstration Agents and County Agents work together, thereby giving the

young men and women an opportunity to learn something about agriculture, and to improve farm life in America.

I think the Congress adopted a wise and far-seeing policy when we enacted the institutional on-the-farm training as a part of the training program under the GI bill of rights. I am for that program because I know what it will do for our farm boys. The returned veterans have an opportunity to learn scientific farming, how to improve crop yield, how to select the best kinds of seeds, how to erect suitable buildings on the farms, all of which are essential to the continued improvement of the rural and farm life in America.

The farmers of America have never failed us in war or in peace. We cannot and must not fail them now. The tillers of the soil are the most valuable citizens of this Republic. They are independent and employ every member of the family on their own earth, thus assuming an employment burden which would fall upon industry. The farmer as an individual is a self-reliant and dependable citizen who lives within his income, and does not buy anything until he can pay for it in cash or farm-grown commodities. From the culture of the earth he wrings from the stubborn soil the food which feeds us. His crops and cattle replenish the breadbasket in every home. The farmer has faith that the good fortune of sunshine and seasons will produce a bountiful crop, and with his trust in God he labors long hours from before daylight until late at night. If history has taught us anything, we are now aware of the great national importance of agriculture.

Our farmers did a wonderful job toward winning the war. "Food will win the war" was heard everywhere. Our Government encouraged farmers to produce more, to work longer hours, to increase their acreage, to produce more hogs, more grain, more beef, and to provide for not only this country but for the armies and civilian population of many countries throughout the world. The farmers responded to that all-important job and made an outstanding contribution to American and Allied victories. Not only did the farmers produce food but in addition thereto they furnished millions of men to work in industry and to wear the uniform to make victory certain. We may well stand up and say, "Well done, thou good and faithful servant."

Agriculture is the backbone of America. We have seen great improvement in farm life. Electricity has shifted many of the burdens and much of the drudgery from the backs of men and women to electrical appliances driven by electricity. Many farm homes have not been able to get electricity due to the lack of materials. No transformers or necessary wire could be procured during the critical war days. The committee has reported out $400,000,000 for the advancement of rural electrification. This program will place lights in the farm home, furnish power for farm machinery, bring to the farm home many modern conveniences which the farmer and his family have not had the opportunity to enjoy on a large scale. I hope to see the time come when a good road will reach every farmer's home, and when electricity can be extended to him, and when he can receive his daily mail. These improvements will help to better our farm life and will attract thousands of young men to live on farms who may otherwise move to the big cities, which already have problems of housing, and in many cases overpopulation in view of job opportunities.

The farmer has been accused of being responsible for the high cost of living. This is an unfair charge launched at the farmer, who receives only a small part of the price of a product bought by the consumer. The farmer is entitled to a little more than the cost of production if he is to make a profit on his toil and labor. I hope the day never comes when we will again have 30-cent wheat, 6-cent eggs, 5-cent cotton, $2 per hundred hogs, and 4-cent beef. Unfortunately, throughout the history of America, farm prices are the first to fall. When this great pillar of our economy is weakened our entire economic structure suffers. While the farmers have been making advancement in research and in production, they are faced with difficult problems of high prices for farm machinery, clothing, and education for their children. The farmer is faced with big taxes, big Government, big plans, and big bureaus which cost money. The farmer is not responsible for the giving of billions of American dollars to foreign nations. Let us take a look at the true picture. The farmer gets on an average 2.4 cents out of the 12 cents the consumer pays for a loaf of bread. Out of this 2.4 cents the farmer pays for labor, seeds, and marketing. He is constantly faced with building fences, and making replacements, and repairs. He is constantly faced with the question of soil depletion for which he must purchase fertilizer. In recent years, our farmers have reclaimed a considerable amount of land. It is good national policy to preserve and nourish our soil against erosion. It is wise to preserve the fertility of land. Great demands have been made for larger and higher production, and at the same time valuable farm machinery has been denied our farmers. Much of this machinery has been shipped to foreign countries, where it is left to rust away. In many instances the machinery is not adaptable to the soil where it is sent, or the people have not been trained, and do not know how to use it. Frequently they do not have the spare parts to make the repairs, and in other cases no gasoline is available to operate said farm machinery.

In addition to much valuable farm machinery, there has been considerable fertilizer sent out of this country. It is about time that we give the farmer the necessary protection to insure that he can purchase needed machinery and get the fertilizer to perform his great task on the farms of this country, and thereby continue to provide food for the homes throughout this land, and, in addition thereto, assume the burden of producing whatever we can spare for the hungry people of the world.

When the farmer sells a steer on the Chicago market he may receive in the neighborhood of $25 per hundred. That seems to be a lot of money. The consumer may pay from 70 to 85 cents per pound, or for stewing beef he may pay 65 cents per pound. The hide may be sold by the packer for a good price. It is estimated, however, that the farmer gets 40 or 50 cents out of the dollar that the consumer pays for the finished product. Out of this 50 cents the farmer must feed the steer for a period of 1 or 2 years. He must produce the corn and grain for the steer. Then he must pay for marketing and transporting the animal, all of which cost money. I cite these facts in order that we might be a little more tender in our judgment upon our farmer friends throughout this country.

The bill under discussion provides for continued research and experimentation in the field of agriculture. The farmers continue to increase production. Their standard of living is getting better. Scientific research in marketing and the development of hybrid corn and other farm and garden varieties have improved farm life. Cheap fertilizer, cheap electricity, and available transportation facilities will improve farm life. Industry spends hundreds of millions of dollars annually for scientific research. Great laboratories are kept going 24 hours per day. Modern industrial research continues. In the great laboratories of this country, among the test tubes we see the scientists moving cautiously and patiently in search of new methods in order to meet new competition. Today we have arrived at a point in our national existence where scientific research will do for agriculture what it has done for the great industries of this country. Research will make more bushels of wheat grow, provide a greater production of hay, a greater production of milk and butter; beef, grain, and hogs can be produced by modern methods discovered by research. We must not forget, however, that on the farms and gardens of this country under the noonday sun there is much toil and labor connected with the great and noble agricultural pursuits of this country. These toiling millions are entitled to fair prices, and are entitled to parity for their products. It becomes frequently necessary for the Government to step into the picture and give actual assistance to aid the farmers who have a surplus of fruit, cattle, poultry, beans, perishable goods, tobacco, and other farm commodities.

At this point, in connection with the disposition of surplus commodities, we have the problem of the school-lunch program. This program is based upon two underlying and fundamental factors. First, it furnishes a market for surplus commodities and fresh vegetables from the farm. Secondly, this program is a great humanitarian program. I have seen it in action. It gives health, life, and vitality to millions of bright-eyed boys and girls in our schools. They are the future citizens of this Republic. It is a good investment. This bill makes available $65,000,000 for the national school-lunch program. It is commendable that the committee has recommended the continuation of this program for the boys and girls of America. In my

opinion, the richest possession of this country is found in the children.

We have wasted away much valuable land. In early days our forefathers moved on to other land. The public domain of free land is all but exhausted. Soil conservation, flood control, and the development of our forests have become national problems. The national welfare and national health is interwoven with the well-being of the agricultural and rural life of America.

The Appropriations Committee has brought out a fine bill in the interest of American agriculture. On both sides of the aisle there seems to be satisfaction with the appropriations provided for agriculture in the present H. R. 5883. I think it is a token of good judgment and fine respect for our farmers, who have been very gracious and kind in their provision of food and in their defense of our Constitution and the way of life in this Republic. It is a feeling of genuine pleasure that the Congress by taking this action today has given appropriate recognition to this great group of hard-working, fine, and patriotic citizens who have stood firmly in defense of the home life of this country on every occasion when they have been needed.

Mr. COTTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall not make use of the entire 5 minutes but I wish to say a word in behalf of this amendment because I believe it to be of vital importance to the State which I represent.

I feel we should all be grateful to the Subcommittee on Agriculture of the Committee on Appropriations for the splendid treatment and careful consideration they have given to the interests of agriculture in the bill they have brought in. However, I represent in this body a State that has for many years been fighting a losing battle in agriculture and has threatened to become, to some extent at least, a recreational rather than an agricultural State. The opening of the vast area of the West and the rise of agriculture in other parts of the country have forced the farmers in New Hampshire to exert desperate efforts to gain a livelihood and maintain farm production.

One of our greatest problems has been to keep our young people within our State and on our farms, and train and encourage them to mold their careers at home and thus build and preserve our State. In the past we have been bled white of our young manhood and womanhood to lay the foundations of the great commonwealths that have arisen in the West. As I look about me at this moment I see many of my colleagues whose forebears came from New Hampshire and New England.

The young people's work of the Extension Service, especially the 4–H Clubs, is in my opinion the very heart and soul of our agricultural program. It includes the training and leadership that in my State and many others will help us keep our young people on the farm. Administered as it is at the State and county level with Federal assistance it is worthy of special consideration. Those of you who do not like straight-line Federal agencies must admire the Extension Service. Those of you who like participation of Federal and State must appreciate the fact that every dollar we put in from the Federal Government is matched by State money.

Let me repeat in closing that the purpose of this fund makes it the most important part of the entire agricultural appropriation bill for it helps save the young people of this country for agriculture. I appreciate the need of economy and commend the committee for its efforts in that direction. I understand that we may not expect to appropriate the $4,000,000 contemplated and in a sense promised by the Bankhead-Flannagan Act, but I hope we may adopt this amendment of $2,000,000.

One more word, there are those among us who are saying, "Let us wait and see if this appropriation will not be adopted in the other body." I feel very strongly that this House should not wait for that. Let us take the lead in providing this amount for a service so vital to agriculture.

The CHAIRMAN. The time of the gentleman from New Hampshire [Mr. COTTON] has expired.

Mr. PACE. Mr. Chairman, I move to strike out the last two words and I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. PACE]?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that, including the time of the gentleman from Georgia, all debate on this amendment and all amendments thereto close in 23 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

Mr. PACE. Mr. Chairman, I think it is necessary that some more specific explanation be made of this amendment. In 1945 there came before the House Committee on Agriculture groups of farm women, farmers, and the boys and girls who live on the farms, showing the need for additional services on the farms, particularly in the 4–H Club work. I am sure every member of the House Committee on Agriculture will recall that it was one of the most convincing demonstrations that has ever been given to our committee. We reported the legislation unanimously. Its author was the distinguished gentleman from Virginia [Mr. FLANNAGAN], who was then chairman of the committee. The principal purpose was to authorize additional funds for the Extension Service for use in 4–H Club work. There cannot be anything which contributes any more to the building of the Nation than the education and training of these farm girls and farm boys.

We provided that $4,500,000 should be available for the first year, then $8,500,000 for the second year, and then $12,500,000 for the third and future years. The Congress in its wisdom has heretofore provided $8,500,000. The committee has not recommended the additional $4,000,000.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. H. CARL ANDERSEN. The Budget Bureau, of course, has not requested it.

Mr. PACE. That is correct but let us not be too much influenced by this budget business. The fact is that the Department of Agriculture asked for the additional $4,000,000. One of the great farm organizations, the American Farm Bureau, is asking the House to appropriate the additional $4,000,000. The budget did knock the $4,000,000 out and in this instance the committee has gone along with the budget, but the committee in its wisdom, in which I am in full accord, increased a number of items over and above the budget; and one of the most significant instances, be it said to their everlasting credit, was the addition of $100,000,000 above the budget recommendation for rural electrification. I am proud that they did. I am proud of and appreciate the active and effective efforts of the gentleman from Minnesota [Mr. H. CARL ANDERSEN] in securing this increase. He is entitled to the thanks of the farmers in every part of this Nation for this action. So the mere fact that the budget decided to cut this $4,000,000 is not of itself, I am sure my distinguished friend will agree, all-persuasive.

Mr. H. CARL ANDERSEN. I agree with the gentleman.

Mr. PACE. Why, of course, and I also want to thank the gentleman for offering this amendment. The boys and girls on the farms will thank him.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. JENNINGS. I just want to say in support of the attitude that the distinguished Representative from Georgia is now taking—and he is always in the forefront in looking after the interests of agriculture all over this country—that I am in sympathy with the position he takes.

These boys and girls in the 4–H Clubs are doing a magnificent job. They are making a very definite and material contribution not only to the food supply of the country but also they are learning how to produce livestock economically. When it reaches the market it means a big cash return to the boys and girls and is a contribution to the food supply of the country.

Mr. PACE. I thank the distinguished gentleman from Tennessee. He displays a keen knowledge of the significance of this appropriation.

Let me repeat, there has never been a bill reported to the House with more enthusiastic support than the authorization for this appropriation in 1945. There has not been one scintilla of evidence that the need today is not even more critical than it was in 1945. Your Committee on Agriculture submitted the bill to the House, and I am not sure about this but I think it was passed by the

House unanimously. Does the gentleman from California recall as to that?

Mr. PHILLIPS of California. I think it was.

Mr. PACE. Mr. Chairman, we have here a bill requested by the farmers of the Nation, a bill requested by one of the finest groups of boys and girls who ever appeared before any committee. All of the members will recall that. We have here a request for an appropriation that the Members of the House have requested, one that is urgently needed; yet in the consideration which we are required to give this matter today we are asking only one-half of the $4,000,000, or $2,000,000, being confident that the United States Senate will add the other $2,000,000.

I hope the time may come soon when those of us in the House who have some interest in the welfare of the farmers will be permitted to appropriate for them and will not be put in the attitude before the farmers of this Nation that "We will give you 50 cents on the dollar, that is all we can do, but we know that the United States Senate will give you the other 50 percent."

All of you remember what happened last year. You cut this bill all to pieces, contrary to the wishes of many of us, and saw the United States Senate build it right back up again.

I hope this amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I know there is much to be said about this amendment. This is perhaps the most important part of our extension work. When you realize that the rural people of this country raise nearly 50 percent of the children, though they constitute in population about 25 percent of the people, when you realize those country children do not have the opportunities that many of the city children of the Nation have, then we begin to appreciate what this boys' and girls' club work really means.

I wish to compliment the gentleman from Minnesota [Mr. H. CARL ANDERSEN] for introducing this amendment. The history of Congress will show that all during the years he has been a Member he has been one of the foremost men in advocating legislation for the benefit of American agriculture. Now, we are led to believe that the budget is something rather holy. I hope that none of us will be misled by our distinguished colleague from the great State of Illinois, who I presume will have to oppose the amendment offered by the gentleman from Minnesota. I wish you would listen to the gentleman from Illinois [Mr. DIRKSEN], but I hope you do not pay too much attention to his argument.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Iowa.

Mr. HOEVEN. I want to concur in everything that has been said with reference to the splendid work being done by the 4–H Clubs in America. When these young people appeared before the Committee on Agriculture in 1945 they made a lasting impression on me. After all, they are the future farmers of America, and although I regret very much that the $4,000,000 item is not in the bill, I shall wholeheartedly support the Andersen amendment.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Mississippi.

Mr. RANKIN. I, too, want to concur in what has been said. The gentleman who just preceded me has expressed my views exactly. In my humble opinion these 4–H Clubs have done more to raise the standard of living for the American farmers than any other organization in the history of our country, and I therefore hope that this extra amount will be appropriated.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Being on this committee, I asked Dr. Wilson to give us testimony with regard to this matter. However, the Budget Bureau having turned it down he could not testify about it. I would like to call attention to the fact this bill carries many, many millions of dollars for soil-conservation work. Doubtlessly, if in years past we had given the kind of work that this amendment would provide to the school boys and girls of this country we might today be called on to appropriate a whole lot less in an effort to reclaim the depleted soils of this Nation.

Mr. MURRAY of Wisconsin. I agree with the gentleman from Mississippi, and I thank him very kindly for his contribution. This is the most important part of conservation.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from North Dakota.

Mr. LEMKE. The gentleman was a member of the Extension Service for some time in the State of Wisconsin, was he not?

Mr. MURRAY of Wisconsin. Yes, but I would not care to bring that up if it will harm the amendment.

Mr. LEMKE. Well, I want to give the gentleman credit for it while he is talking on the subject. I shall wholeheartedly support the amendment, because I think it is a wealth-creating project.

Mr. MURRAY of Wisconsin. I thank the gentleman from North Dakota for his kind remarks.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I believe that the gentleman from Mississippi has stated that if we can afford to send $17,000,000,000 abroad in one bill, we can put on an additional $2,000,000 here for the sake of helping out the farm boys and girls of America.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I can remember when I was a boy they had a song they sang that I would rather be in jail with nobody to go my bail than to spend 1 minute down on the farm. The way to get away from that, I say, is to make it interesting for these boys who are on the farm to remain. There were boys, when I was growing up, whose daddy gave them a bull calf, and it was theirs until it got to be a steer, and then it belonged to their daddy. With these 4–H Clubs the boy owns the calf until it becomes a steer, and then he gets two or three hundred dollars for it. I want to say in conclusion that the finest crop, the most valuable crop now growing to manhood and womanhood in this country, are the boys and the girls who cluster around the hearthstone of the farm home.

Mr. MURRAY of Wisconsin. I thank the gentleman from Tennessee.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HILL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Chairman, the Bankhead-Flannagan authorization contemplated supplemental appropriations primarily for the purpose of employing county agricultural agents, county home-demonstration agents, county 4–H Club agents, and assistant agents in these categories in counties not having these services, and to provide additional workers as needed insofar as funds would permit.

An appropriation to cover the first increment was made for the fiscal year July 1, 1945, to June 30, 1946; and for the second increment for the fiscal year July 1, 1946, to June 30, 1947. An appropriation was not made as authorized for the third increment for the fiscal year July 1, 1947, to June 30, 1948. The Association of Land-Grant Colleges and Universities renewed its request for the inclusion of this item in the appropriation to be made for the fiscal year July 1, 1948, to June 30, 1949.

Colorado's allotment from the appropriation made for the first increment under the Bankhead-Flannagan Act was $69,229.50, and for the second increment $109,541.44. Our allotment under the third increment, had the appropriation been made, would have been $141,853.37.

All county agricultural agents, county home-demonstration agents, and county 4–H Club agents in Colorado are employed cooperatively by the United States Department of Agriculture, Colorado A. & M. College, and boards of county commissioners. Salaries, for the most part, are paid from funds appropriated by Congress and the State legislature. A minimum of $600 per annum is provided by boards of county commissioners to apply on the salaries of county agricultural agents, and $200 per annum to apply on the salaries of county home-demonstration agents, county 4–H Club agents, and assistants in each category.

All travel and other expense, including office space, equipment, clerical and stenographic assistance, and so forth, is defrayed from appropriations made by boards of county commissioners.

Funds included in our budget for the current fiscal year are distributed as follows: Congressional appropriations, 49 percent; State appropriations, 23 percent; county appropriations, 28 percent.

For all county agricultural agents, county home-demonstration agents, and county 4–H Club agents now employed, the distribution is as follows: Federal and State funds, 55.5 percent; county appropriations, 44.5 percent.

Land-grant colleges and universities have for many years been at a disadvantage because of inadequacy of grant-in-aid funds for the purpose of rendering the services expected of them in contrast with many Federal agencies for whom appropriations are made by Congress for salaries and expense without any financial obligation on the part of State or county governments. Federal agencies engaged in related activities and supported exclusively by congressional appropriations have had the advantage of a much higher salary schedule for their personnel than applies generally to the Extension Service personnel of land-grant colleges and universities, and have also had the advantage of salary increases greatly in excess of those which have been possible without additional Federal funds having been made available for this purpose.

Since Bankhead-Flannagan funds became available for the employment of additional personnel on July 1, 1945, contracts with Colorado boards of county commissioners for personnel not previously employed are as follows: County agricultural agents, 3; county home-demonstration agents, 13; county 4–H Club agents, 14; assistant agents, 1; total 31. This additional personnel was employed on the assumption that the third increment would be forthcoming. This is the first time that Congress has enacted legislation authorizing an additional appropriation for cooperative extension work in agriculture and home economics without also making an appropriation to cover the authorization.

The third increment authorized under the Bankhead-Flannagan Act would yield $32,311.93 in addition to that which Colorado now has. Should this be forthcoming, it would require an additional State appropriation of approximately $60,000 per annum to provide the personnel and expense incident thereto, in order to fulfill our obligations under project agreements with the United States Department of Agriculture, contracts with boards of county commissioners, and compliance with requests received from boards of county commissioners for additional personnel but for which contracts have not yet been negotiated pending the availability of additional Federal and State funds.

Many other States undoubtedly are in the same predicament.

A STATEMENT RELATING TO APPROPRIATIONS OF RESEARCH AND MARKETING ACT FUNDS FOR USE BY THE STATE AGRICULTURAL EXPERIMENT STATIONS AND APPROPRIATIONS FOR ADDITIONAL COUNTY AGRICULTURAL AGENTS, COUNTY HOME DEMONSTRATION AGENTS, COUNTY 4–H CLUB AGENTS, AND ASSISTANT AGENTS

Comparison of President's budget and House bill for 1949 Research and Marketing Act funds

Title and section	Budget item		House appropriation item	
	Amount	Percent of total	Amount	Percent of total
Title I:				
Sec. 9	$5,000,000	26.3	$2,500,000	Same as 1948.
Sec. 10a	6,000,000	31.6	3,000,000	Do.
Sec. 10b	3,000,000	15.8	1,500,000	Do.
Title II: Full sum	5,000,000	26.3	5,000,000	Increased for 1949.
Total	19,000,000	100.0	12,000,000	

Funds authorized under section 9 are appropriated to the States, Puerto Rico, and Hawaii as grants-in-aid for expenditure by the agricultural experiment stations. These funds may be used in support of research within the broad authorization of title I, section 1, on a wide variety of problems of primary concern to the agriculture of the States and Territories. The character of the work is determined and directed by the agricultural experiment stations. Much of the work is conducted in cooperation with neighboring States and with research bureaus of the Department of Agriculture. All projects undertaken are coordinated in advance with a view to avoiding duplication and overlapping. Although the funds did not become available to the States until late August, the experiment stations were able to begin work on their research programs at once. A preliminary survey indicates that not less than 85 percent will be utilized during the first fiscal year. This rate of expenditure is normal for that part of the year for which funds were available. The unexpended portion is considered in allocations on the program planned for 1949.

For convenience in cooperation among stations, the directors are organized in four regional groups. Thirty-six fields of agricultural research have been chosen that are of interest to several or all States in one or more regions. One director has been selected in each region as an administrative adviser for each field of work that is of regional interest. He sees to it that a technical committee is organized from among station workers competent in the field for which he is responsible. This committee, together with appropriate Federal representatives, spearheads the regional program under which are coordinated both State and cooperative Federal activities within the region.

Section 9 funds appropriated for the fiscal year 1948 are being used largely in support of seven major research fields. These are (1) marketing agricultural products; (2) cotton investigations, including mechanization and breeding; (3) foods and human nutrition; (4) the introduction, multiplication, and use of new plants for industrial and other purposes; (5) improvement of farm homes and other farm buildings; (6) improvement through breeding of livestock, including poultry; and (7) a Nation-wide study of Newcastle disease in poultry.

Important progress already has been made in some of these investigations. For example, in marketing of Colorado peaches information leading to improvement of quality will be put into practice this coming season. A report on a study of farm poultry processing plants in New York has been published as a guide in the construction of additional plants by farmers.

Findings show that of approximately 2,000,000 eggs going to hatcheries in the Delmarva Peninsula each week roughly a half million fail to hatch. Many of the factors involved have been under study. Results will be published in a few weeks as an aid to producers.

A study of the occurrence of dental caries now in progress in Oregon has revealed marked differences as between certain coastal and inland counties.

Additional results will appear as the work progresses in all areas of the country.

Mr. Chairman, it is important that sufficient funds for this work be appropriated.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, this is an amendment in which my State is particularly concerned. We live in a State of wide areas, long distances, and this activity is something that works in the rural homes and the rural communities and meets with conditions there more than some of the other activities. I have known of the work of the county agents and the Extension Service for years. They have always done a splendid job. They have always cooperated with the farm people. They have not been partisan. I think it is one of the agencies of the Federal Government that has helped to hold the rural youth on the farm and has helped to build our country communities.

Mr. ROCKWELL. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Colorado.

Mr. ROCKWELL. Mr. Chairman, I want to add my approval to this amendment. For 14 years I served on a State board of agriculture in the State of Colorado and observed the wonderful work being done by the Extension Service. I think they need this money, and I am very happy that the gentleman from Minnesota has offered it.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Mississippi.

Mr. RANKIN. I listened to the remarks of the gentleman from Tennessee [Mr. JENNINGS] a while ago, about the old song of the boy who said he would rather be in jail than to spend 1 minute down on the farm.

Of course, that was back in the old dark days before we began our rural-electrification program. Now, these boys and girls, instead of rushing through school to get away from home, are rushing through school to get back home. We are building up farm life in America.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Washington.

Mr. ANGELL. I want to commend the gentleman for his remarks on this bill. Of course, I plan to support the bill. In our State of Oregon the 4–H Clubs are doing wonderful work. I doubt if there is any organization in the country that is doing more for the young people on the farm than the 4–H Clubs. I think it is a commendable bill, and I think we should add the $2,000,000 at this time.

Mr. D'EWART. This is an educational program that is being extended in the rural communities and rural homes, at a time when it is very much needed.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, I congratulate the gentleman from Minnesota on offering this amendment. It is a further evidence of his informed interest in agriculture and of his good-business common sense. I do regret, however, that he compromised to the extent of asking for only half the amount of the estimate, half that really should be provided.

This is the third increment. We have already appropriated the first two increments in full. Now we should provide this last $4,000,000 to complete the authorization. But I am always willing to take a half a loaf when I cannot get the whole loaf, so I accept the gentleman's amendment for $2,000,000 instead of $4,000,000 we should have.

This is the most popular of all the Federal farm activities. It reaches directly into the home. It touches every farm family intimately. I remember one evening when I had been out late at night on a speaking engagement and I drove by to see my own farm agent. I was ashamed to go by and wake him up at that late hour of the night, but I had been having some trouble with my hogs which the veterinarian seemed unable to handle, so I took the liberty of imposing on him and getting him out of bed. But when I got there his wife said he had not come in yet, that he was attending a meeting of farmers over on the other side of the county and would not be in until about midnight. So I waited for him, and he did not come in until after 1 o'clock in the morning. He had been in a long session over there with farmers helping them with their personal problems. I do not know any class of men who have shown the zeal and devotion to duty which has characterized the farm agents it has been my good fortune to know except the indefatigable circuit riders who carried the gospel to the countryside in pioneer days.

Mr. Chairman, this provision is not only for the benefit of the farmer but for the benefit of the farm wife and the farm children as well. Much has been said of the importance of the 4–H Clubs. In my State we had in 1944 only 17,831 boys and girls in the 4–H Club. Thanks to this service we have today 31,730. But there are 100,000 boys and girls in Missouri who should be enjoying the advantages of the 4–H Club work and whom we can bring into the 4–H Clubs if you will make this money available.

Then it makes it possible for us to have a home agent, a trained university woman, who counsels and assists the women of the family on domestic problems, problems of health, sanitation, nutrition, better clothing, home management, home improvement, community development, and the thousand things that intimately affect the home and the children. Certainly while we are appropriating the vast sums we are providing in this bill for every other purpose we can supply half the amount of the estimate for farm homes.

I would like to point out also that substantial progress is being made in the State of Missouri, for example, in getting practical soil-conservation practices applied as indicated by the following comparisons for 1937 and 1947:

	1937	*1947*
Tons limestone spread	375,037	3,186,000
Tons fertilizer used	44,026	345,196
Number farmers using fertilizer	26,541	149,251
Acres contour planted	77,785	824,569
Acres terraced (11-year total of acres terraced, 469,789)	32,529	58,192
Number standard ponds built (11-year total standard ponds built, 56,093)	977	7,861
Acres green manure plowed under	179,437	786,084
Acres all legumes on farm lands	3,083,000	12,268,750
Percent cultivated land growing legumes (percent)	27.6 in 1939	41

Increased personnel will make it possible to go ahead much faster with this work as well, provided we are also able to hold present trained personnel in the counties. Frankly, our salary scale possible under present finances is resulting in a steady flow of capable men to better-paying positions, even though most prefer extension work.

We have already given the first two increments, we have made the first two appropriations in full. Let us finish the job and make this contribution to the last installment.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that all Members may be permitted to revise and extend their remarks at this point in the RECORD on this subject.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Chairman, I was a member of the Committee on Agriculture which reported and steered through the House the Bankhead-Flannagan Act which authorized an expansion of and increased appropriations for the Extension Service. The primary purposes of the act were to improve the general standards of farm life and expand 4-H Club work for the benefit of rural youth. The Congress placed its stamp of approval thereon by unanimous vote.

We knew then as we do now that increased appropriations would be necessary. The question now is, Are we simply going to rest upon the authorization act which is nothing more than an approval of the program, or shall we implement the same by and with adequate appropriations?

In the last 12 years, for some reason or another, between six and seven million people have left the farms and moved into the already over-crowded cities of this country. I believe that most of them left because other fields presented a brighter future and better standards of living. As I have stated, it was one of the objectives of the act to improve the standards of farm life. The trek from the farm to the cities and towns continues at an alarming rate. Unless the Congress of the United States, which in a large part controls the destiny of agriculture, makes every effort to raise the standards and attractions of farm life, particularly for the young farm boys and girls, then American agriculture could and might degenerate to a second-rate enterprise. I don't want to see this country become a mass importer of farm products as are many nations of the earth today. But it can happen. And, it will happen unless we who are in position to improve farm standards bend every effort to do so. Dividends will be returned manyfold.

Many witnesses from all sections of the country appeared before our committee in 1945 in support of this legislation. Of these, the most enthusiastic, the most appealing, and the most impressive was a group of 4–H Club boys and girls. This was more or less their bill. It was their day in court, one of the few days which the youth of our land have had before our body. They offered substantial evidence in support of their position and won an easy verdict because they were right.

Now the time has come to implement the legislation. Adoption of the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] is intended to do just that. I regret that the amendment does not go further and embody the entire increment of $4,000,000. More than likely when this bill is returned from the Senate the full increment will be included. I trust that it will and that the House will then recede and concur.

Mr. Chairman, may I take this opportunity to compliment the gentlemen of the subcommittee for including $400,000,000 in the bill for rural electrification? I believe you have acted wisely in increasing the budget recommendation. Electric power adds as much or more to the comforts of our rural people as any other service rendered by the Federal Government. Since REA is a self-liquidating program, costing the taxpayers not one dime, I have never understood why any limitation of any kind or character should be placed on this appropriation item. I again congratulate the committee. You have rendered our people a great service.

Mr. LANHAM. Mr. Chairman, I urge the Committee of the Whole House to adopt the amendment to add $2,000,000 to the appropriation for the Extension Service for 4–H Club work.

Around 116,000 Georgia farm boys and girls who belong to 4–H Clubs were in the spotlight as they observed National

4–H Club Week, March 1 to 7. The theme chosen by this fine group of young people for the next year is, "Creating better homes today for a more responsible citizenship tomorrow." I am glad to add my approval and endorsement of the good work that these 4–H groups are doing, and heartily commend the leaders of these young people and the young people themselves on their fine work in their respective counties.

These farm boys and girls carry out club projects under the supervision of county and home demonstration agents. They constitute a very important part of the State extension program, and occupy an important place in Georgia's agricultural picture.

Four–H Club members in Georgia completed projects in 1947 valued at more than $12,000,000, and these projects included work in almost every phase of farming. For instance, 42,000 members had home gardens and produced food for home use or for sale. More than 20,000 members carried projects with poultry. Around 1,100 boys and girls participated in a poultry chain, believed to be one of the largest "chain" projects in the Nation. Each member sold a few of the chickens raised, and the money from such sales was contributed to a fund to be used for purchasing approximately 110,000 chicks for members in 1948.

Fifteen Georgia club members exhibited 21 prize Jersey animals at the 1947 All-American Jersey Show in Columbus, Ohio, and won more prize money than any other State 4–H Club group in the Nation.

Around 12,000 club members attended summer 4–H Club camps in their own counties or in one of the camps in the State open to all counties. More than 800 club members won county championships in their club project work, and represented their counties at six district project achievement meetings during the summer. Around 250 club boys and girls attended the State 4–H Club congress in Atlanta where champions in the various projects were named. Twenty-seven boys and girls represented Georgia at the national 4–H Club congress in Chicago in December.

Although all of Georgia's 116,000 4–H Club boys and girls are between the ages of 10 and 20, more than 8,000 adults are at work in the State club program. More than 7,500 farm men and women, school leaders, and others are now serving as county and community 4–H Club advisers and they assisted the club boys and girls in the State in observing national 4–H Club week, March 1–7. These men and women serve without pay, and assist rural young people in planning work, recreational activities, and with 4–H Club farm and home projects.

Thirty-eight forestry demonstrations were given at six district project achievement meetings by outstanding boys and girls. The 4–H Club members also gave these demonstrations 170 times before more than 3,700 farm people. State winners in the contest, Betty Carlock, Catoosa County, and Oscar Bachelor, Telfair, were awarded trips to the national 4–H Club congress in Chicago.

Farm Bureau members and other groups are giving strong support to the Bartow County 4–H Club program, according to a report from County Agent Harold Boggs. Some of the leading livestock farmers in the county and a number of bank officials are helping club members get started with livestock projects. Plans are under way to have a combined 4–H Club and Farm Bureau rally day next fall, and a part of the program will be a cattle show. Recently, 4–H Club members in the county participated in a radio program calling attention to the assistance being given to their program by Farm Bureau members and expressing appreciation for this help.

It is impossible to say too much in praise of the remarkable record and the great program of the 4–H Clubs and FFA Clubs.

Mr. WINSTEAD. Mr. Chairman, I arise in support of the amendment of the gentleman from Minnesota [Mr. ANDERSON]. I think that nothing this Congress could do would be greater than to approve this amendment. Personally, I would prefer the entire amount of $4,000,000 for the third increment under the Bankhead-Jones Act. These funds, as I understand it, are largely to be used for assistant county agents, who spend their time in 4–H Club work. Certainly, the investment we have in these young men and women in our high schools is greater than the amount of money that may be included in this amendment. If, in the last 50 years, we had given proper instruction in the high schools along this line by experts in the field such as these assistant county agents will be, doubtless we would have to appropriate far less money in this bill for soil-conservation work. It is my hope that this $2,000,000 will be added, and further that the Senate will give consideration to including the entire amount, for certainly I believe that this work should be promoted in every way possible.

Prior to my coming to Congress I had a number of years experience in dealing with young men and young women, and certainly the splendid job that has been done by the 4–H Club agents, and the splendid work that has been done by these young men and women, is being reflected today in the fine farmers that we find in Mississippi and in every State in the Union.

I want to take time to state to this Committee that I think that we are making a mistake by not providing additional sums for the Research and Marketing Administration, that is under the so-called Hope-Flannigan Act of 1946. Certainly in the years to come when apparently we are to have tremendous agricultural surpluses any information that may become available as a result of research in agriculture will certainly be worth while and, in fact, we must have it.

I have conferred with members of the committee on the Democratic side, and they believe that it is better to wait until this matter is in the Senate when the folks dealing with this subject in the Department will have an opportunity to present their case with all the evidence, and I believe that the Republicans and Democrats alike will then be willing to add additional funds for this program.

I must compliment this committee for the splendid job that I feel they have done on the over-all Agriculture Appropriation bill for 1948. I recall last year when I, together with other Democrats, participated in the fight on this floor to save the Agricultural Appropriations. We had to do this because many of the items had been eliminated by the committee, then under control of our Republican friends on the left. This year apparently the committee has seen fit to change their attitude for this bill, which I think, reasonably makes provision for most of the activities of the Department of Agriculture. They have provided $225,000,000 in the announced program for next year's AAA program. In other words, the Federal Government will contribute approximately one-third of the cost of soil-conservation practices. This Congress should understand that for each dollar of Federal contribution the American farmers put up approximately $2 for each one that the Federal Government contributes. It may be said that this should not be necessary, but certainly the National Government, the people of the entire country, have an interest in the soil fertility of our country. We realize that the very prosperity of our Nation is dependent upon the productivity of our soil. We have greatly depleted our soil in the last 50 years and even before then. Today there is no new land to which to go. The only way we can hope for future prosperity is to maintain and in many instances to restore the fertility of the soil where it has been so badly depleted and eroded. In the last 10 or 12 years I have seen such rapid progress in my area that I must say this is one of the finest programs that has ever been started by the United States Government.

Another provision of this bill in which I take pride, and it is particularly important in my own area, is the provision of $400,000,000 for the Rural Electrification Administration. I went before the committee and testified as forcefully as I know how that this should be done. This $400,000,000 includes $100,000,000 more than the budget has approved. Certainly, the farmers of this country, those that have electricity, had been benefited and you might say had been put on an equality with the rest of the country. But that doesn't help the man who is still trying to get electricity. We must take out of farm life the drudgery and make farm life as attractive as possible, and we can do this not at Federal expense, because these loans are loans. They are not grants. The records show that less than seven-tenths of 1 percent of these borrowers, farmer cooperatives consisting entirely of farm members, are behind as much as 30 days in their repayments. I believe that with these funds in the next year since materials are becoming available, we can bring electric current to nearly every farm home in the country. Certainly, we should not stop until it is made available, for then truly life on the farm will be attractive and our boys and girls who have been leaving the farms in such great numbers in the past few years will find it after all probably the most enjoyable life and the best place in which to live.

Mr. Chairman, I went before this committee and urged that adequate provision be made for the foresty industry of this country and for forest research, and for adequate fire protection. I have checked this bill, and while in many instances I might add some additional funds, I feel that on the over-all the committee has given some very serious attention and has made reasonably adequate provision for the great forestry interests in this country. Certainly, here again as I said with regard to our soil fertility we are dealing with one of our greatest natural resources. Certainly, we owe it to the generations to come, to the boys and girls yet unborn and those who are growing up today, to preserve and leave for them, a rich and fertile country with ample forestry products, trees, if you please, to meet the needs of the future.

With regard to the Farmers' Home Administration, I note that the committee has granted $1,000,000 increase in the administrative expenses. A check of the records before the committee will disclose that the Farmers' Home Administration now has outstanding more than $800,000,000 in loans. These loans are made to American citizens who have done a rather good job in repayment. We know that during the past few years and at present that the farm income is greater than the average over the years and certainly it is an assistance to those who owe this money, as well as to the Government to have proper supervision and I believe that this $1,000,000 will be far exceeded by the money that will be collected by the United States as a result, and every dollar that is paid now by the people who owe the money will be of assistance to them in the lean years that may lie ahead.

I cannot let this opportunity pass, however, to compliment the great farm population of this country for the splendid job they have done throughout the war. They have produced as no nation in history has ever produced. In doing this they have had to deplete their forests; they have had to deplete the soil fertility in many regions, and certainly the recognition by this committee and this Congress of these serious drains on our great natural resources is something that I am glad to see, and I feel that by making this appropriation today we are doing what we can to help relieve that situation and to give to the American farmers the attention and service which they so rightly deserve. I take pride in having had some part in the preparation of this bill by presenting my testimony to the committee. I congratulate the committee on the splendid job they have done. The committee has made adequate provision for the soil-conservation set-ups. In many cases the technical advice that may be given by the soil-conservation agent to the soil-conservation districts is of importance to the people affected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, my good friend the gentleman from Wisconsin [Mr. MURRAY] said he hopes you will not believe too much of what I say, but at least it will be candid and it will come from the heart.

I do not believe in legislation by Western Union. There have been over 50 telegrams on this floor this morning signed by Mr. Klein, the president of the Farm Bureau Federation. He comes from Iowa, and I esteem him to be a good friend of mine, but he has asked for this in the last day. There have been telegrams from the presidents of every State Farm Bureau Federation in the United States. I talked to the president of one of them on the telephone yesterday morning. I said, "Are you really interested in this thing?" He said, "No; it is one of those things we just do as an organizational policy."

Now you come brandishing telegrams asking for $4,000,000, and in pursuance of that, the gentleman from Minnesota thought he would make a compromise by making it $2,000,000.

Let me say to you first of all that while the emphasis is on youth and 4-H, do not forget that 15 percent of this money will be for salary increases for those who are already on the pay roll. Let us be square about it. Secondly, it will be devoted to technical and educational assistance. There are people on this floor who would not vote a dollar for educational finance. The bill has been pending in the Senate and House for a long time, but I apprehend that you are going along with this amendment. Why, you could fill this Chamber full of money and still not have sufficient to take care of a broad program like the improvement of the standards of farm work. Farm and home planning. That is what it is for. Then take the item of marketing and distribution. We just gave them $3,000,000 for marketing and distribution research in this bill under the Research and Marketing Act. Agricultural youth and 4-H—improvement of farm buildings—there is additional money here for farm engineering and for the improvement of farm buildings, for canning, and for food preservation. It is the House committee that has stood religiously by the Bureau of Economics and Human Nutrition when the other body cut them down year after year. Those are the things that are involved here. Are you going to ride roughshod over the judgment of a majority of the committee because you have received a telegram from Mr. Klein and the president of the Farm Bureau Federation in your State? I have carried more water in 16 years in this Congress for the Farm Bureau Federation than any Member on this floor, and they know it. I have addressed their conventions annually year after year. I have had Mr. Orr get me off the floor year after year. I have had to carry water for them, but gentlemen, in heaven's name, let us not legislate by Western Union today. I suggest that you stand by the committee. This is the budget amount which is contained in the bill. The committee did not cut it. You would think for all the world that the President's Budget Bureau would not be lacking in solicitude for agriculture and for the American farmer. He is just as anxious to get those votes as you are, and as I was. So he has done everything for them. But it is the Budget Bureau that said this increase should not be allowed. We have given the full amount of the budget requests this year and last year. You see, there is more here than meets the eye. It is not just 4-H; it is not just agricultural youth; it is all of these various activities. I say to you gentlemen you could almost fill this Chamber full of money and it still would not be enough for all these functions. There are some 11,000 or 12,000 of these people scattered all over the United States. In addition there are thousands in the Farmers Home Administration doing the same thing. I have labored honestly for years to bring about a consolidation of these field functions in the hope that we could get a little more efficiency and probably save a little money for a very humble fellow by the name of John Q. Taxpayer.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired on the amendment.

The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 54, noes 29.

So the amendment was agreed to.

The Clerk read as follows:

BUREAU OF DAIRY INDUSTRY

Salaries and expenses: For necessary expenses, including not to exceed $515,300 for personal services in the District of Columbia, in carrying out the provisions of the act of May 29, 1924 (7 U. S. C. 401–404), including investigations, experiments, and demonstrations in dairy industry, for carrying out the applicable provisions of the act of May 9, 1902 (26 U. S. C. 2325, 2326 (c)), relating to process or renovated butter, as amended by the act of June 24, 1946 (Public Law 427), and the act of May 23, 1908 (21 U. S. C. 94 (a)), insofar as it relates to the exportation of process or renovated butter, $1,050,000.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word in order to ask a few questions of the committee.

I wish to get some information from the committee relative to the foot-and-mouth disease. First, how much have we expended to date on the eradication of the foot-and-mouth disease in Mexico?

Mr. DIRKSEN. Speaking from memory there was $61,000,000 authorized. Obligated and expended, a total of $61,447,346. Of that amount, roughly $23,000,000 was for the purchase of canned meat.

Mr. MILLER of Nebraska. I would like to ask what amount is proposed for expenditure to control or eradicate the disease in this bill?

Mr. DIRKSEN. No funds are provided for under this bill. It is a sort of blank check arrangement with the Commodity Credit Corporation furnishing the funds and we have not given any attention to a restoration of the funds.

Mr. MILLER of Nebraska. I thank the gentleman from Illinois. That is the question I was interested in. I do not approve this blank check method of paying for the program. The foot-and-mouth-disease program has been a failure in Mexico. We attempted to help Mexico eradicate the disease. Whether it was through a bungling of the program

or a lack of cooperation between the two countries, the program has failed.

The cattle industry in the United States is vitally interested in trying to control the disease, eradicate it. I understand that the Department of Agriculture through the Bureau of Animal Industry is entering upon a program of vaccination in a buffer zone some 250 miles south of the border, trying to establish immunity through the use of vaccines. European countries have been fighting this disease for the last 40 years and I think for some 15 or 20 they have been using vaccine. Their experience has shown that it is not a cure for the disease nor does it control the disease. It seems to me that such a program in Mexico merely helps to fasten the disease upon the country. It does not eradicate the disease. The only sure method is to kill and bury the infected animal.

I yield to the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. We were down in Mexico together and had a close look at the problem in that area.

Mr. H. CARL ANDERSEN. I am glad the gentleman from Nebraska has called this matter to the attention of the House.

Personally, I hope that the Deficiency Subcommittee will take away that so-called blank check in reference to this operation because I feel as does the gentleman from Nebraska that we are on the road to wasting a huge amount of money if we start on the vaccination program that is contemplated. I would like to see them come specifically to this particular subcommittee and tell us exactly what they intend to do and ask for a certain amount of money. I do not like this blank check proposition.

Mr. MILLER of Nebraska. I agree with the gentleman; and I maintain further that the program we are now proceeding upon is unadequate, if I understand it correctly, and I have been advised week after week by the Bureau of Animal Industry. They are setting out upon a program now trying to establish a buffer zone through the use of vaccine and the kill-and-bury method where they can, but I am fearful that such a program may sooner or later bring that disease into the United States.

Mr. H. CARL ANDERSEN. The gentleman will recall last June when we were out at that center in Mexico where the distribution of mules was taking place to be used instead of the oxen that had been slaughtered. Both the gentleman from Nebraska and I were shocked to see that the taxpayers of America received no credit whatever for the millions of dollars they had thrown into that program.

Mr. MILLER of Nebraska. Certainly the program has not engendered any good will among the Mexicans for this country. I have not been pleased with the departments of government charged with the administration of this program.

Foot-and-mouth disease is a terrible scourge upon any country. It would cost billions of dollars if it were to fasten itself upon the United States, and I hope the committee will go the last mile in helping to eradicate the disease and keep it from our country.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. CANNON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am in complete accord with everything that has been said by the gentleman from Nebraska. There is only one remedy and that is prompt and complete extermination. The experience in every country which has tried the various methods of quarantine has demonstrated that sooner or later the disease breaks through. No zone, no vaccine, no expedient adopted except extermination is effective. Dogs, birds, every means of communication, from the automobile to the airplane, must sooner or later bring it into the United States.

I am glad to join the gentleman in an expression of distressed and alarmed dissatisfaction over discontinuance of the extermination program. I realize there are all but insurmountable obstacles to extermination, but it is the only remedy.

Mr. Chairman, the menace is so great to our livestock industry and to the food supply of the United States that I join in the hope that some prompt and effectual means will be adopted without undue delay to combat this terrifying infection. It is the No. 1 agricultural problem of the day.

Mr. FISHER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the pending bill carries reductions of $89,243,198 under the total amount of direct appropriations for that Department during the fiscal year 1948, which ends in June. It is $92,049,027 below the budget estimate for direct appropriations for 1949, beginning in July. The net decrease, however, when transfers of funds are taken into account, will be less than indicated.

RURAL ELECTRIFICATION

The pending bill includes a total loan thorization of $400,000,000 for REA. I desire to commend the committee that prepared this bill for providing that amount. Some people here are heard to complain, in referring to expenditures like this: "The Congress has gone on a spending spree." But the simple fact is, this involves no cost whatever to the taxpayers—none whatever. In the operation of this Government there are many places for needed savings, for reduced personnel, and for removal of duplications and nonessential bureaus and agencies. I have in the past and shall in the future continue to support such reductions. But those who oppose the expansion program for REA cannot base it on the ground of cost to the taxpayers because the taxpayers do not in any degree subsidize this great program of making electric service available to the rural people of this country. The Government actually borrows the money that is loaned to REA and pays interest thereon. That money is, in turn, loaned by REA to the various cooperatives who pay the Government an interest rate slightly above the rate the Government pays.

The total of $400,000,000 is $100,000,000 in excess of the budget estimate and is $175,000,000 above the amount authorized for the current fiscal year. That is good business because more materials for expansion of lines are now available. Moreover, even in the cases where necessary materials are in short supply, it is essential that the money be available for loans in order that the cooperatives may place advance orders for such material with the factories.

Mr. Chairman, I endorse the increase in REA loan funds. As I have said, all such loans are repaid with interest. The expansion of this great REA service has been phenomenal. In my own congressional district in Texas, the REA consumer connections have, according to a report recently made to me by Hon. Claude Wickard, the Administrator, increased by 90 percent since 1942 when I was elected to Congress. But I know of many deserving applicants who have not been reached. I know of many who have been waiting since before the war. It is understandable that, due to shortages, some of the delay has been unavoidable, and shortage of loan funds for earlier orders has contributed to that delay. Ample funds to enable the fullest latitude of expansion should be provided, and this bill does that.

SOIL CONSERVATION

Mr. Chairman, soil conservation is of interest to every American citizen, whether he lives on the soil or not. Many people do not realize the importance of soil to their own personal welfare. It has been truly said that when a nation loses its top-soil it loses its economy. We have through the years been profligate and wasteful in our treatment of mother earth, and as a result nearly one-third of our productive top-soil has been lost.

A few days ago I engaged in a radio interview with Dr. Hugh H. Bennett, Chief of our Soil Conservation Service, and he there pointed out that the cost to this Nation of uncontrolled erosion amounts to a billion dollars a year—that is, in such measurable items as direct cost to farmers and ranchers, contributions to flood damage, silting of reservoirs and ditches, and so on, not to mention such other costs as reduced income and purchasing power of farmers and ranchers, and a narrowed tax base. We are still losing at least 500,000 acres of cropland every year, with a still larger number damaged in some degree, Dr. Bennett pointed out.

But progress is being made in combating this enemy to our economy. The eradication of cedar, prickly pear, and other noxious growths along with conservation treatments such as range seeding, water development, contour planting, construction of terraces, strip cropping, and planting cover crops, have all added to the program for preserving the soil and making the best possible use of it.

As evidence of this progress, I take pride in referring to what has been and is being done in my own congressional district in southwest Texas, one of the leading livestock and agricultural areas in America. In that 27-county district there are now 13 soil-conservation districts, which take in nearly 9,000,000 acres of land. The entire State of Texas has 143 districts, including about 127,000,000 acres, or 75 percent of the State.

All of these soil-conservation practices and range programs should be encouraged. They add to the sum-total of results. It has been very correctly said that the great floods to which the Nation is subjected are the result of despoiling, without replacing, our great forests and by carelessness in preserving top soil. The beginnings of floods are in the numbers of little gullies and streams on farms and ranches. A little gully in the land looks harmless, but it is the vehicle which carries the top soil and run-off of water which should be held on the land where it falls. It follows that the more water retained in the ground where it falls, the less will get to the banks of the rivers which cause untold damages. An authority has said that the crest of floods could be reduced by 20 percent by soil-conservation methods. And to think that it is estimated that a 40-acre farm is deposited at the mouth of the Mississippi every minute at flood time—and this is but one river.

Mr. Chairman, I favor the continued support of this program. And I favor retaining the Soil Conservation Service as an independent agency. Howsoever desirable other programs on this subject have been, it is generally admitted that the Soil Conservation Service has done a good job, and at a minimum of cost.

The moderate increase provided in this bill for the Soil Conservation Service will enable the Service to assign technical assistants to the rather large number of new conservation districts that have been and are being created. During the past year alone about 250 new districts have been created, and experience has shown, according to the testimony before the committee, that the average cost of rendering assistance to a soil-conservation district is about $20,000 per annum. This is the kind of money that is well spent. It is an investment in the future of America.

FOOT-AND-MOUTH DISEASE

Mr. Chairman, before I sit down I should like to comment briefly on the item dealing with the eradication of foot-and-mouth disease in the Republic of Mexico. We have spent a lot of money down there in the fight. As the committee points out, the original program for this work was on the basis of complete eradication, involving the complete destruction of infected animals. During the progress of the work, the Mexican Government announced it could no longer carry on the destruction program, due to the resistance among the natives whose animals were being slaughtered. That was a big disappointment to all of us who joined in this war against this dreaded disease.

The program has now been modified. The present plan is to maintain the northern quarantine line. Infected cattle found within a distance of the quarantine line which threaten a breakthrough are to be slaughtered. Except for that, the program is confined in the main to maintenance of the quarantine. The plan is to prevent the infection of the beef-cattle areas of northern Mexico, and keep the infected area pushed relentlessly back from the Mexican border.

The House Committee on Agriculture recently reported out H. R. 5098, a bill to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease. Laboratories and experiment stations could be established on islands or elsewhere so as to keep the live virus, even for experimental purposes, from being brought to our own landed area. Our scientists will then continue with ever-increasing zeal and effort to develop an effective vaccine or other preventive agency.

The battle against this constant threat of spread of the disease across the Rio Grande must be continued, and every means of effectively combating it explored and utilized. Above everything, we must not allow ourselves to become complacent and relax our efforts so long as there is an infected animal south of the border.

Mr. GILLIE. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I am very glad this foot-and-mouth controversy has been brought to the front again, because it is a matter in which I am very much interested. Whatever money we have spent, and it has been considerable, I know—about $36,000,000—is money that I am certainly glad we have spent, because it has kept the disease in Mexico so far. If it ever gets into this country, it is going to cost us not millions but billions of dollars to eliminate. We all know that up to this time it is the most terrible disease known to either man or animal.

In January this year in Mexico it had been decided to change the program. The program that I want is kill and bury. That is the only program which will eliminate the foot-and-mouth disease. The only thing that can be done is to kill and bury. However, Mexico apparently cannot stand the expense. The expense would be too much on her economy. So she decided to change the program and use the quarantine and vaccination method. There is nothing we can do about that except go along with them with this program. There is nothing we can do. We still wanted to kill and bury, but it is impossible for us to carry on that program down there, so it is was necessary for us to join them in this new program.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from Wyoming.

Mr. BARRETT. I want to commend the gentleman for the splendid work he has done on this problem. In view of the change that has taken place in connection with the fight against the foot-and-mouth disease in Mexico, may I ask the gentleman if it is not imperative that a fence be constructed as soon as possible on the boundary between this country and Mexico?

Mr. GILLIE. I am glad to answer the question. It is more imperative than ever that we use every known method, including the fence along the border, anything we can think of to try to stop this disease, either by building a fence, by vaccination, double quarantine lines, protective zones, or anything else, including quarantine strips now established in the center of Mexico. It is now just a little bit less than 300 miles from our line.

We are not going to keep our men down there on the quarantine line for all time. The time will come, probably within a year or more from now, that we will be pulling most of our men out of there and bringing them home or at least back to the border.

Mr. BARRETT. What progress has been made, if any, on the construction of this boundary fence?

Mr. GILLIE. Not very much. The Committee on Foreign Affairs does not seem to be very much interested in the matter. The fence bill is being held up somewhere. We are having a lot of trouble getting a bill out. I do not know what will become of it, but I am still hoping that we will be farsighted enough, and the Foreign Affairs Committee will be farsighted enough, to vote this bill out.

Mr. BARRETT. As the gentleman has pointed out, if we permit this disease to come into this country, it is probably going to cost us several billion dollars, and we certainly ought to spend the necessary amount of money to build a fence, in my opinion.

Mr. GILLIE. That is correct.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Mr. Chairman, I am sure that the House recognizes that the gentleman from Indiana, Dr. GILLIE, who has taken part in several foot-and-mouth-eradication campaigns in the past, is probably the man who is most responsible for awakening the people of America to the probable consequences of this disease, which is today the most important problem facing agriculture. I am certainly glad that Dr. GILLIE is doing the good work that he is doing in attempting to secure research stations to try to find a cure for this particular disease. Congressman GILLIE should be entitled to the thanks of American agriculture for his continued efforts toward combating this dread disease.

Mr. GILLIE. I thank the gentleman from Minnesota, who is deeply interested in this problem, being a livestock grower of considerable size in his district and who accompanied my subcommittee to Mexico in June 1946 to get first-hand information on the disease.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from Texas [Mr. WORLEY] who has given a lot of help to the subcommittee on this particular matter, whose district lies dangerously close—should the disease ever break through the quarantine line in Mexico.

Mr. WORLEY. I would like to give the gentleman from Minnesota and other members of the Committee on Appropriations full credit for the excellent cooperation the Committee on Agriculture has given in making the necessary appropriations for the eradication of this disease. I am sure we will call on

them before long for additional appropriations for the purpose of setting up a research laboratory in order to carry on experiments to find a remedy to alleviate this situation.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

The Clerk read as follows:

For expenses necessary for investigations, experiments, and demonstrations in connection with the production and improvement of farm crops and other plants and plant industries; soils and soil-plant relationships, and the application of engineering principles to agriculture; plant diseases, including nematodes, and methods for their prevention and control; plant and plant-disease collections and surveys; the distribution of weeds and means for their control; methods of handling, processing, transportation, and storage of agricultural products; and plants in foreign countries and our possessions for introduction into the United States, including explorations and surveys, and propagation and testing in this country; for the operation and maintenance of airplanes; and for personal services in the city of Washington, as follows:

Mr. HOEVEN. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Chairman, I am one of those who believes that the Congress should enact legislation for a long-range farm program at this session. I believe it is smart to make hay while the sun shines. During the past several years, we have been legislating from one emergency to the next and, as a result, we have a hodge-podge of laws, rules, and regulations relating to agriculture. It is my firm belief that when agriculture is prosperous as it is today, that is the time to legislate for agriculture. We should have a comprehensive, sound, long-range program for agriculture that we can resort to in case of emergency; and we should not wait to legislate until an emergency is upon us. The farmers of America are entitled to know what kind of an agricultural program they can fall back on when dark days come along.

The Committee on Agriculture has devoted much time and effort in connection with a long-range farm program. The committee held several regional hearings throughout the country last fall getting the viewpoint of real dirt farmers everywhere. Eight regional hearings were held in the East, South, and Midwest, and further hearings are contemplated in the Rocky Mountains and Great Plains areas and on the Pacific coast. Volumes of testimony have been taken, and while the testimony is still fresh in our minds, we should legislate. If we do this, our farmers will know what to expect and can arrange their farm operations accordingly. A year hence the domestic and world situation may be entirely different and, under such circumstances, it may become most difficult to legislate for agriculture.

In the first instance, it is essential that we have a national income of approximately $200,000,000,000 annually. From all indications this will be necessary to fulfill our financial obligations. The price structure for agriculture products is at the very foundation of our approach to a stabilized national economy. It may well be that it will not be possible to enact a long-range farm program during this session of Congress. Therefore, it is most essential that we give prompt consideration to some of the matters vital to the welfare of agriculture as they involve farm legislation we already have on the statute books. If the farmers of this country are to have any encouragement to believe that the present price structure will be protected in the next year or two, it stands to reason that legislation must be forthcoming rather promptly.

The Steagall amendment, which was enacted to protect the price level of agricultural products at 90 percent of parity, will expire on December 31, 1948. It certainly should be extended for another year or two. This will give the next Congress a reasonable opportunity to develop a long-range farm program if one is not enacted at this session. The act to extend the life and increase the credit resources of the Commodity Credit Corporation should also be extended to cover the same period as that covered by the extension of the Steagall amendment, whether it be for 1 year or 2. It would also seem equally important to amend the act providing for the Reconstruction Finance Corporation inasmuch as that act will expire on June 30, 1948. Further, if the Trade Agreements Act is extended on and after its expiration date on June 12, 1948, most careful consideration must be given to its effect upon the American market as it may involve large-scale imports of various agricultural products, foodstuffs, and raw materials during the next few years. In connection with any extension of the Trade Agreements Act, the Congress should see to it that when the charter for an international trade organization is presented by the State Department for congressional approval that it be correlated with the terms of any extension of the Trade Agreements Act.

Items of legislation herein mentioned would seem to be the minimum which should be considered by the present session of Congress, assuming, of course, that a long-range farm program cannot now be enacted due to the time element.

In this troubled world of today it is highly essential that our agricultural economy be amply protected in every way. Agriculture is the Nation's basic industry. Whatever the Congress does in the matter of farm legislation most certainly reflects on the production of food in this country. If we give the farmers of America the assurance they need in the way of legislation and if they have confidence that the agricultural economy of this country is amply protected, you may be sure they will continue the job of feeding not only this country but also a large portion of the world. In my judgment, the time for action is now; and I sincerely hope that the committees of Congress having jurisdiction of these matters will give them their prompt and favorable consideration.

Mr. JENSEN. Mr. Chairman, due to the fact that the Subcommittee of Interior Appropriations is holding hearings, I have been obliged to be in attendance with that committee most of the time today. However, I did have the privilege of hearing the remarks made today by my colleague, Congressman HOEVEN, of my own State of Iowa, and I am pleased to endorse his observation regarding the need and importance of a prosperous agriculture to insure a prosperous Nation.

Mr. SPEAKER, I wish to compliment the members of the Agriculture Subcommittee of Appropriations for the very fair amounts in this bill for the fiscal year 1949. Especially do I want to thank them for the amount of funds provided in the bill for the Soil Conservation Service, which is of such great importance to all the American people.

Mr. HESELTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my purpose in taking the floor at this time is to discuss with the chairman and members of the committee an amendment which I have previously submitted on other appropriation bills. It had been my thought to offer this type of amendment as a new section 204 at the end of the bill:

That no part of the appropriations contained in this act shall be used for the purpose of converting any coal heating units to oil or natural gas in any federally owned or rented buildings in the States of Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia.

The reason for mentioning the States is that in each of these States, as well as the District of Columbia, fuel oil coordinators have been appointed because of the possibility of hardship conditions. Consequently I think no one will dispute the fact that this indicated a definite emergency this last winter and perhaps even now, and possibly for several years to come.

However, I have been in touch with the Secretary of Agriculture and have just now received the following letter from him:

In reply to your telegram of March 17, no conversions are contemplated from coal to heating oil nor are any new heating installations planned for the use of oil or natural gas out of funds to be provided in the pending appropriations bill for the Department of Agriculture.

With that in mind, may I ask the chairman of the committee if that is also the intention and purpose of the committee? If so, I see no desirable purpose to be served by offering the amendment.

Mr. DIRKSEN. I can assure the gentleman from Massachusetts that that is the purpose of the committee, and I am confident it is the purpose of the Department and that they will cooperate in every respect. There would be some objection to putting an amendment in the bill because, first of all, the activities of the Department are so far flung, ranging from Portland, Maine, to Portland, Oreg., and from Key West to San Diego.

They have these facilities scattered everywhere. If there were a limitation in the bill, it might hamstring their activities on a single small facility as far away as Alaska. However, I am confident they will cooperate, and that is the purpose and spirit of the committee also.

Mr. HESELTON. I thank the chairman. I certainly will not offer the amendment.

I personally regret deeply that the gentleman from Illinois is leaving us. It is a personal loss to me, and I know it is a loss to all of the Members of the House. I wish him every success in recovering his health as well as success in any activity which he chooses to take up. I hope it will mean that he will be back with us before long. I am sure he knows that as long as a single colleague of his remains in this House, he will find a cordial welcome whenever he comes to see us. I hope that will be very frequently.

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there are a couple of things in connection with this legislation that I would like to clear up with the distinguished Committee on Agricultural Appropriations. One is in connection with the funds provided for the Farmers Home Administration. I was always under the impression that the money went to loans for farmers and to low-income groups in order that they might acquire personal property. I find there are certain amounts of this money that have been used for irrigation purposes. I wonder if some member of the subcommittee could clear that situation up.

Mr. HORAN. I understand there is some question as to the authority in law and whether it is broad enough to do that or not. In replying to the gentleman from Wisconsin, I might say that that is one of the difficulties that Subcommittees on Appropriations do have, that is trying to clarify these things so that we know where the funds are going to be expended and whether or not it is consistent with the intent and will of the Congress when the act was originally passed. That is why we sometimes get rather particular in our questioning. This is one of those items.

Mr. MURRAY of Wisconsin. I might say to the gentleman that so far as I can make out, there is authority in the law, but I cannot understand why we should have two appropriations for irrigating land.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. DIRKSEN. Of course the Farm Security Administration now known as the Farm Home Administration has always carried on this function of providing water facilities for arid and semiarid lands. In pursuance of that, there is a certain type of irrigation work which they do which is limited in dollar amount and in character so that there is no duplication of the irrigation services in the Department of the Interior. I think a line of demarcation is very clear. I think the Farm Home Administration has abided by that limitation and in the main has done rather useful work, both in making loans and rendering expert engineering advice in connection with the various irrigation projects.

Mr. MURRAY of Wisconsin. Then the only issue is whether the money should be used for irrigation or should be loaned to low-income people?

Mr. DIRKSEN. No; that is no issue here, because each one of these functions is expressly authorized, and when the matter was considered by the subcommittee they considered the item as justified so that comes as a separate item on which the committee passed in order to determine how much money they should have for that particular function. But there is no particular relationship to the lending of money as such.

Mr. MURRAY of Wisconsin. Of course, if they use it for irrigation purposes, they cannot lend it to somebody at the same time to start a farm. They cannot use the same dollar twice.

Mr. DIRKSEN. Except that this is an authorized function of the Farmers Home Administration.

Mr. MURRAY of Wisconsin. I am not disputing the legality of it. I am saying that it cannot be used for two purposes. If it is used for one purpose, it cannot be used for the other.

Mr. HORAN. In further clarification, I think it should be borne in mind that the work of the Bureau of Reclamation is limited to the Western States whereas there may be a call for certain irrigation facilities in the entire United States where the Bureau of Reclamation does not function and where the Department of Agriculture already had facilities and personnel.

Mr. MURRAY of Wisconsin. I thank the gentleman very much.

Another point that I would like to clear up at this time is in connection with the agricultural bill because there is so much said every year in connection with soil conservation. I have a letter from the Department showing the amount and value of different crops so far as the fertilizer content is concerned. At the proper time I will get permission to put the letter in at this point.

The letter is as follows:

MARCH 14, 1948.

Hon. REID F. MURRAY,
House of Representatives.

DEAR MR. MURRAY: This acknowledges your letter of February 24, 1948, requesting information concerning the fertilizer value of nitrogen, phosphoric acid, potash, and calcium carbonate in wheat, tobacco leaves, and cotton.

The amount of these nutrient elements removed by a given crop varies somewhat with the fertility of the soil itself and the growing conditions of the crop. Based on analyses by several authorities, the average values for the plant food in the three crops have been obtained with the use of the prices specified by you and are given in the following table:

Value of nutrients in crops [1]

Crops	Nitrogen		Phosphoric acid		Potash		Calcium carbonate		Total cents [2]
	Pounds	Cents	Pounds	Cents	Pounds	Cents	Pounds	Cents	
Wheat grain, 1 bushel, 60 pounds	1.2	12.0	0.51	4.6	0.25	1.5	1.2	0.36	18.46
Tobacco leaves, 1 pound	.04	.4	.112	.11	.072	.43	.16	.04	.98
Cotton, lint, 1 bale, 500 pounds	1.00	10.0	.50	4.5	3.15	18.9	.89	.22	33.62

[1] Content of nutrients based on data in fertilizer and crop production by L. L. Van Slyke, and Mineral Composition of Crops, USDA Miscellaneous Publication No. 369.

[2] Values: N at 10 cents per pound; P_2O_5 at 9 cents per pound; K_2O at 6 cents per pound; $CaCO_3$ at $6 per ton for wheat, $5 per ton for tobacco and cotton.

Sincerely yours,
CHARLES F. BRANNAN,
Assistant Secretary.

I might say it shows that a bushel of wheat has 18 cents worth of fertilizer in it. I do not want to say that because we ship 400,000,000 bushels of wheat out of the United States that we are shipping 72,000,000 worth of fertilizer or fertility from the soils of our country, because that would not be giving the exact true picture. The loss of fertility could take place if this wheat was consumed in the United States. All the nitrogen that is in the wheat does not come from the fertilizer that is purchased. Much of it comes from the legumes raised by the farmers. It is probably raised much cheaper than the amount per pound in commercial fertilizer.

I also have the figures for tobacco. It shows that tobacco is practically 1 cent a pound in fertilizer value.

If only the bales of cotton are shipped, there is very little fertilizer sold from the farm.

I put that in to show that we must give some consideration to what is being taken out of the land in comparison to what is being put back.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. MURRAY] has expired.

The Clerk read as follows:

Insect investigations: For the investigation of insects affecting fruits, grapes, nuts, trees, shrubs, forests and forest products, truck and garden crops, cereal, forage and range crops, cotton, tobacco, sugar plants, ornamental and other plants and agricultural products, household possessions, and man and animals; for bee culture and apiary management; for classifying, identifying, and collecting information to determine the distribution and abundance of insects; for investigations in connection with introduction of natural enemies of injurious insects and related pests and for the exchange with other countries of useful and beneficial insects and other arthropods; for developing methods, equipment, and apparatus to aid in enforcing plant quarantines and in the eradication and control of insect pests and plant diseases; and for investigations of insecticides and fungicides, including methods of their manufacture and use and the effects of their application, $3,019,800.

Mr. FARRINGTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on page 15 of the committee's report on this bill there appears in the paragraph under the heading "Bureau of Entomology and Plant Quarantine" the following sentence:

The committee has approved the sums set up in the budget for the several work projects for 1949, with the exception that $50,000 is earmarked for mango fruitfly investigations in Hawaii.

I wish to ask the chairman of the subcommittee if I am correct in understanding that it is the purpose of the committee to require the Bureau of Entomology and Plant Quarantine to initiate, with this amount of money, a program to combat the infestations of the mango fruitfly in Hawaii.

Mr. DIRKSEN. I may say to the gentleman that was the specific intent of the committee, for after the gentleman from Hawaii had made his representation, the committee was persuaded that here was an infestation that carried somewhat of a danger, not only to the Territory of Hawaii, but to continental United States as well, because it is a hardy insect that can live in northern latitudes, and may in time give us a great deal of trouble. So we are happy to cooperate in the matter. It is with some regret perhaps that the amount is not much larger, but at least it will enable a start to be made in the various islands where the infestation is quite evident.

Mr. FARRINGTON. I wish to thank the Chairman and the Members of the Committee for the action taken on this request, as the presence of this fly in Hawaii, the result of the rapid development during the war of air transportation across the Pacific, has been the cause of very great alarm among all of the scientists familiar with the dangers of this insect.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield.

Mr. PHILLIPS of California. I am glad the gentleman is bringing this out. I think it should be said in fairness to the Delegate from Hawaii, that it was the respect which he deserves on the part of the committee that made it possible to put this item in, because the figures available at that time were not adequate. It was the statement of the gentleman from Hawaii that really put the item in the budget. Subsequent to that, the gentleman himself secured and furnished to the committee evidence which proves the seriousness of this threat, which is decidedly the most dangerous of the fruitfly family, and one which could cause greater destruction in the States of the United States than the Mediterranean fruitfly or any of the others of that family. It is not a question of Hawaii asking for something for itself, but of Hawaii standing as a barrier in protection of Arizona, Florida, Louisiana, Texas, and California.

The method of correcting this, of meeting the threat, is to find a natural enemy of the mango fruitfly. It is that for which the gentleman from Hawaii is pleading, and not for anything in the way of a selfish interest.

Mr. FARRINGTON. I thank the gentleman from California and yield back the balance of my time.

The Clerk read as follows:

Insect and plant-disease control: For carrying out operations or measures to eradicate, suppress, control, or to prevent or retard the spread of Japanese beetle, sweetpotato weevil, Mexican fruitflies, phony peach and peach mosaic, cereal rusts, and pink bollworm and Thurberia weevil, including the enforcement of quarantine regulations and cooperation with States to enforce plant quarantines as authorized by the Plant Quarantine Act of August 20, 1912, as amended (7 U. S. C. 151–167), and including the establishment of such cotton-free areas as may be necessary to stamp out any infestation of the pink bollworm as authorized by the act of February 8, 1930 (46 Stat. 67), and for the enforcement of domestic plant quarantines through inspection in transit, including the interception and disposition of materials found to have been transported interstate in violation of Federal plant quarantine laws or regulations, and operations under the Terminal Inspection Act (7 U. S. C. 166), $2,586,200: *Provided*, That no part of this appropriation shall be used to pay the cost or value of trees, farm animals, farm crops, or other property injured or destroyed: *Provided further*, That, in the discretion of the Secretary, no part of this appropriation shall be expended for the control of sweetpotato weevil in any State until such State has provided cooperation necessary to accomplish this purpose, or for barberry eradication until a sum or sums at least equal to such expenditures shall have been appropriated, subscribed, or contributed by States, counties, or local authorities, or by individuals or organizations for the accomplishment of this purpose.

Mr. BEALL. Mr. Chairman, an imported insect, the Japanese beetle, attacks over 300 species of plants. It does its major damage to turf, pastures, corn, soybeans, and fruit. In addition, it destroys the foliage of many shade trees and shrubs and is a nuisance in addition to being a serious economic menace. It has spread over most of the eastern United States, as far south as South Carolina and west to Illinois. The major damage is confined to northern New Jersey, New York, Connecticut, Pennsylvania, Maryland, and Virginia. Most of the States have some program of public assistance in reducing the infestation and injuries. Maryland has been in the forefront of this fight. They have been expending $80,000 to $100,000 annually.

Maryland's funds have been spent in a cooperative endeavor between the Federal, State, and county agencies to retard the spread and reduce the population of beetles and damage. Maryland has as its fundamental objective the establishment of parasites with the expectation of ultimately reducing this imported pest to the status of a native pest. However, this does not provide immediate protection to crops in the newly infested areas of Maryland but is gradually reducing damage in the old infested areas. Last year in Montgomery County alone the damage to corn was $250,000. Thus, an emergency is present and the funds available are not adequate to meet the situation. The Maryland Board of Public Works made available an extra $14,000 this year; Montgomery County, $10,000; and Frederick County, $6,000. As this is a cooperative effort in which the Bureau of Entomology and Plant Quarantine has participated in the past by the contribution of services, labor, and equipment, we hope that this assistance can be increased rather than decreased, as we are led to believe will be the case. Through unfamiliarity of the Maryland entomologists with the procedure, a request for additional funds was not presented to the Subcommittee on Agriculture of the Appropriations Committee. It has now been brought to my attention in the hope that the need may be presented to the House. There is great need for assistance in the cooperative suppressive measures that are being prosecuted vigorously by Maryland, and for which no funds appear to be available in the 1949 appropriation bill. The funds for control work, we are informed, are for quarantine, scouting, and suppressive measures only in States where new establishments have been found and for research. Suppressive measures in the old areas will not only reduce the serious losses to crops but will reduce the population that serves as the reservoir from which new infestations derive their origin.

Thus, suppressive measures in Maryland tend to protect other States, particularly to the south and west. Funds should be available to enable the Bureau of Entomology and Plant Quarantine to cooperate in suppressive measures in any State that has a definite State program of combating this serious enemy of the farmer, florist, nurseryman, and householder interested in maintaining the beauty of his lawns and shade trees.

The Clerk read as follows:

National forest protection and management: For the administration, protection, use, maintenance, improvement, and development of the national forests, including the establishment and maintenance of forest tree nurseries, including the procurement of tree seed and nursery stock by purchase, production, or otherwise, seeding and tree planting and the care of plantations and young growth; the operation and maintenance of aircraft and the purchase of not to exceed four; the maintenance of roads and trails and the construction and maintenance of all other improvements necessary for the proper and economical administration, protection, development, and use of the national forests, including experimental areas under Forest Service administration, except that where, in the opinion of the Secretary, direct purchases will be more economical than construction, improvements may be purchased; the construction (not to exceed $10,000 for any one structure), equipment, and maintenance of sanitary and recreational facilities; timber cultural operations; development and application of fish and game management plans; propagation and transplanting of plants suitable for planting on semiarid portions of the national forests; estimating and appraising of timber and other resources and development and application of plans for their effective management, sale, and use; examination, classification, surveying, and appraisal of land incident to effecting exchanges authorized by law and of lands within the boundaries of the national forests that may be opened to homestead settlement and entry under the act of June 11, 1906, and the act of August 10, 1912 (16 U. S. C. 506–509), as provided by the act of March 4, 1913 (16 U. S. C. 512); investigation and establishment of water rights, including the purchase thereof or of lands or interests in lands or rights-of-way for use and protection of water rights necessary or beneficial in connection with the administration and public use of the national forests; and all expenses necessary for the use, maintenance, improvement, protection, and general administration of the national forests, $24,639,175, of which not to exceed

$25,000 shall be available for the purchase of one nursery site.

Mr. BARRETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARRETT: On page 38, line 16, strike out "$24,639,175" and insert "$24,889,175."

Mr. BARRETT. Mr. Chairman——

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield for a consent request?

Mr. BARRETT. I yield.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes, the last 3 to be reserved to the committee.

The CHAIRMAN. The gentleman from Illinois asks that all debate on this amendment including the 5 minutes allotted to the gentleman from Wyoming, conclude in 20 minutes, the last 3 being reserved to the committee.

Is there objection?

There was no objection.

Mr. BARRETT. Mr. Chairman, the purpose of this amendment is to provide an additional $250,000 for range reseeding.

During the past 30 years, the Forest Service has made drastic cuts in the permitted number of livestock running on the forest ranges of the West. In fact, the reductions have been in excess of 50 percent and the Forest Service proposes further reductions during the next 3 years. The average fee for running cattle on the forests has been increased by 30 percent over last year's fees. Fees for sheep have increased 32 percent over 1947. The receipts returned to the Treasury from the users of the forest range in 1948 will be $500,000 higher than in 1947.

It is estimated that during the next fiscal year the Forest Service could effectively spend approximately $1,000,000 for range revegetation. About 200,000 acres of national-forest range have already been artificially reseeded. This work is no longer in the experimental stage. It is estimated that approximately 4,000,000 acres of our national forests should be reseeded. The Forest Service states that it has been demonstrated that these lands can be restored to production within 2 or 3 years and made to support from five to ten times the number of livestock.

Mr. Chairman, since 1943 the sheep population of this country has decreased from 49,000,000 head to something less than 31,000,000 head today. The cattle population of this country has decreased from 85,000,000 head in 1945 to about 78,000,000 head today. In addition to that, we can no longer ship cattle from Mexico to this country because of the foot-and-mouth disease now spreading like wildfire in that country. So we are cut off from our normal supply of 500,000 head of cattle each year from Mexico.

Mr. Chairman, over 400,000,000 of the 800,000,000 acres in the 11 Western States belong to the Federal Government. In my State the Federal Government owns 80 percent of the minerals under all the lands within the borders of the State. The Government receives terrific income from these public lands. As long as the Government retains the ownership and the dominion and control of these lands it seems to me that it must assume the obligation of protecting and improving these lands so as to help produce sufficient feed to properly take care of the livestock industry, which is the center of the economy of the Western States.

Mr. Chairman, this program of reseeding should have been instituted a long time ago. It should have been operating on a large scale at least 10 years ago. It will take a long time to reseed the 4,000,000 acres of forest lands which need revegetation today. I hope that this Committee will accept my amendment to increase this appropriation by $250,000. If this is done, I am sure that the Forest Service can inaugurate a program of reseeding on an orderly scale so that we can look forward to the day when increases instead of decreases in the permitted number of livestock will be in order from the forest supervisors of the West.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, I am glad to join the gentleman from Wyoming in support of his amendment to increase the amount for reseeding an additional $250,000. It is an infinitesimal amount, to be sure, but as the gentleman from Wyoming said, our forests generally have been neglected. It is the policy to operate our forests on a sustaining-yield basis. This means that there shall not be taken off any more timber than we can plant or grow. We have made some progress in that direction, but in our travels over the public lands of the country we have discovered that very little has been done to replace the grass that has been trampled out.

Mr. Chairman, this is a relatively new program. It is something that should have been inaugurated years ago because we cannot go on continually taking something out of the soil and never putting anything back. I hope that the members of the committee on both sides of the aisle will recognize the justice of this amendment; that it is in the national interest and will wholeheartedly support it. To keep the topsoil in place by a grass sod is the first fundamental in flood control. The more money we spend to plant grass in our public and private forests the less we will be compelled to spend for flood control, flood losses, erosion, and other soil-conservation practices. I hope the amendment will be approved.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. ROCKWELL].

Mr. ROCKWELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wyoming [Mr. BARRETT]. As he stated, the subcommittee of the Committee on Public Lands made trips throughout 11 of the Western States last summer. Among these hearings several were held having to do entirely with the Forest Service. We found that in some instances livestock permits on forest ranges had been drastically cut by the Forest Service. The reason given was that the ranges were deteriorated; that they had been overgrazed in the past and needed rejuvenation. Even on those ranges where domestic stock has been reduced, it was shown that there was not the improvement in forage that should have been made. The answer seems to be a program of the reseeding and the rehabilitation of those ranges. The amendment offered by the gentleman from Wyoming raises from $543,046 to $793,046 the amount to be used next year on the national forests for range reseeding. Research conducted by the Forest Service in the last two or three years has demonstrated that this money can be used most profitably and that the range forage will increase from four to ten times what it was before. If this program is followed, there will be an increase in the Federal income from grazing on those lands; it will save the stock men from receiving further livestock cuts on those ranges the forest officials consider to have lack of forage; and it will help conserve the much-needed water that is so desperately needed in the lower valleys.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, this is an item that I have been interested in for a long while. I returned from a series of hearings out West on the cost of living and the high price of beef and the low state of our grain supply last fall with a feeling that something constructive and more or less all-embracing should be done about a study of the extent of, the condition and the value and the need for taking care of our watersheds and our ranges. Consequently, I directed letters to three departments and to TVA last fall to find out who had public lands that were classified as grazing lands. You will find a table of this on page 406 of part 1 of our hearings. It may surprise some of you to know that the Department of the Interior has grazing lands that are administered by five different divisions of that Department. We find grazing lands being administered by two different divisions of the Department of Agriculture. Strange as it may seem to you, the Department of National Defense has over 6,000,000 acres of grazing land, and TVA, which apparently takes the best care of them, because they get the highest fees per acre, has about 40,000 acres of grazing land. When I got this chart I was interested to know what the amount of it was. In public lands alone there are over 300,000,000 acres classified as grazing lands. It may interest you to know, and it should make it easier to vote for this amendment, that we take in about $6,500,000 per year in grazing lands. That is all in the chart. I also inquired as to the amount of range improvement work, protective work, if you please, that was carried on, and you will find that in an additional chart on page 407 of the hearings. Believe me, these grazing lands are important to the

whole Nation, because they are an integral and important part of our watersheds. You are not alone protecting and helping the supply of beef and the livestock of this country by voting to improve and protect the ranges, you are also protecting for future use the watersheds of the Nation. I would be very happy to see the committee accept this amendment.

United States grazing lands, compiled by Hon. Walt Horan

Department and bureau	Number of acres	Gross revenue, 1947	Gross revenue anticipated, 1948
Interior:			
National Park Service	1,705,780.00	$13,776.67	Same.
Indian Affairs	44,311,000.00	1,438,000.00	Slightly higher.
Bureau of Land Management	163,784,000.00	1,058,827.00	$1,470,638.
Bureau of Reclamation	492,791.32	[1] 56,890.58	Same.
Fish and Wildlife Service	853,207.00	112,140.20	Do.
Defense:			
Army	3,017,427.00	1,069,135.00	Slightly higher.
Navy	100,287.00	69,578.00	Do.
Agriculture:			
Forest Service	83,165,918.00	2,293,773.00	$2,500,000.
Soil Conservation Service	6,493,893.00	335,000.00	$440,000.
Tennessee Valley Authority	39,823.00	44,378.00	Approximately 25 percent less.[2]
Total	303,964,126.32	6,491,498.45	

Department and bureau	Expended, 1947		Estimated improvements, 1948
	Research	Improvements	
Interior:			
National Park Service	None	None	Same.
Indian Affairs	do	$146,000	$180,000.
Bureau of Land Management	$15,540	$794,350	$858,000.
Bureau of Reclamation	None	None	None.
Fish and Wildlife Service	Incidental [3]	$40,000	Same.
Defense:			
Army	Nominal	Nominal	Slightly higher.
Navy	do	do	Do.
Agriculture:			
Forest Service	$330,000	$535,000	Same as 1947.
Soil Conservation Service	None [4]	$550,000	$365,000.
Tennessee Valley Authority	do	$30,000	Approximately 25 percent less.[2]

[1] Calendar year 1946.
[2] Reduced acreage expected.
[3] Some benefit from research for wildlife improvement.
[4] This amount included under improvements.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, let me say in behalf of my esteemed friend from the great open spaces of Wyoming that when he and his colleagues in the House, along with some very reputable representatives of the livestock industry in the far West, came before the committee, the subcommittee was deeply impressed. It is a matter of regret that that item has not had more exploration both in the Department and in the subcommittee. I find my resistance weak in seeking to refute the amendment. I may say candidly I would have no objection if the amendment were adopted.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Wyoming.

Mr. BARRETT. May I say to the gentleman that the West has always been very appreciative of the high service the distinguished gentleman from Illinois has rendered his country. We appreciate the splendid way in which the gentleman has cooperated in the solution of western problems. We are very sorry indeed to know that the gentleman has decided not to stand for reelection. We will miss him in the years that lie ahead. We hope that the time will come when this great American will respond to the call to again serve the Nation on the floor of this House.

Mr. DIRKSEN. I am grateful to my friend from Wyoming.

One gets a better appreciation of the problems out there in proportion as he goes to see the problems. Years ago I had no appreciation of what water meant to a good many otherwise arid reaches in the West. I had no clear appreciation of what forestry meant there and what grass means on the ranges. When all is said and done, grass is God's benediction to mankind. It anchors the moisture to the soil, its lushness is subsistence for livestock, which tickles the succulent taste of mankind, and, of course, without this range feeding, we would be at pains to find subsistence for the great livestock population of the country. So I shall not resist too sternly the proposal to add $250,000 to the bill for the purpose of reseeding the ranges and bringing about that feed that is so indispensable to a continuation of the vast livestock industry of the West.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. BARRETT].

The amendment was agreed to.

The Clerk read as follows:

Forest products: Experiments, investigations, and tests of forest products under section 8, at the Forest Products Laboratory, or elsewhere, $1,000,000.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to compliment the Subcommittee of the Appropriations Committee on Agriculture which has brought this annual appropriation bill to the floor of the House.

These men by their years of training and their keen interest in agriculture, are among the most competent men in the Congress.

This committee spends weeks in taking testimony from the most reliable sources as to the amount of money it would seem wise to spend for the further promotion of agriculture.

Having owned and operated farms, and having been a member of the Farm Bureau for many years, I realize the importance of agriculture to the Nation. I am interested in keeping agriculture in a sound and prosperous condition. Agriculture, in my opinion, is the most important segment of the economy of the Nation. If agriculture is neglected to the point where the farmer's income is reduced, for every dollar reduction in farm income there is a reduction of about $7 in the national income.

Statistics during the past 20 years show that for every dollar increase in farm income, the total income of the Nation is increased seven times that amount. Basic wealth comes from the land. If we have a depression in the future it will be because of a reduction in farm income. If we can keep farm income on a high level and maintain a prosperous agriculture, it is almost impossible to have a depression in this country.

Mr. Chairman, this committee has provided for soil conservation. If we maintain and improve the fertility of our soil we add to the wealth of the Nation and are insuring a sufficient food supply for the future. It is extremely important that we expand the knowledge and the profits that accrue from the conservation of the soil.

I was particularly pleased to note that the committee has written into this bill $400,000,000 for the future extension of rural electrification to the farms of the Nation, and at this point I would like to point out that the administration only requested of this Congress $300,000,000.

This committee in its desire to continue the extension of rural electrification to the farms of the Nation as rapidly as possible has very wisely, in my judgment, written into this bill $100,000,000 more than the President asked for through the Bureau of the Budget.

Mr. Chairman, last year when this appropriation bill was before the House, the request for REA funds was reduced in the House. Many of the best friends of agriculture and many of those who were keenly interested in the rapid extension of power and light to the farmers, voted for that reduction. They did it at that time because they felt that the lack of supplies and material for the construction of such lines was so scarce that they could not spend all of the money requested. Finally when the House and Senate finished that legislation the total amount requested by REA was reduced by only about $25,000,000. I regret that some Members of the House and others sought to criticize the Members who made that slight reduction apparently

in the hope of taking a political advantage of many who were economy-minded, and who believed that all of the money had been appropriated for REA that the various organizations would be able to spend by reason of the short supply of merchandise.

Now, Mr. Chairman, I would like to point out that on last year and this year combined, as a total, in these two sessions of Congress, when this bill is approved, we will have authorized $75,000,000 more for the extension of rural electrification than was requested by the officials of REA or the Bureau of the Budget representing the President.

Mr. Chairman, in fact may I point out that on pages 506 and 507 of the copy of the hearings which were held on this bill, under the questioning of the gentleman from Minnesota, Congressman Andersen, chairman of the subcommittee, Mr. Wickard of REA, and Mr. Roberts of the Bureau of the Budget, disclosed in their testimony that they later decided when material became more accessible that they would ask for a supplemental or deficiency appropriation in the amount of $175,000,000 in December 1947, which was turned down by the administration. And, in this connection, I submit the question and answers on page 507 from the hearings on this bill which took place between the gentleman from Minnesota, Congressman Andersen, chairman of the subcommittee, Mr. Wickard of the REA, and Mr. Roberts of the Bureau of the Budget which represents the President, as to the amount of money the administration will approve for Government expenses:

Mr. WICKARD. Yes, sir. May I explain to you what I think is the policy of Congress so far as I understand it.

Mr. ANDERSEN. Yes; go ahead, sir.

Mr. WICKARD. I have felt that Congress wanted to electrify rural America as fast as it was practical to do so. When there was an improvement in the materials situation, as we saw it, I felt that I should make the request for additional funds, because I was afraid we were not keeping the pipe line full to keep construction going at the optimum rate.

Mr. ANDERSEN. Now, Mr. Roberts, will you answer me as to why the Department turned down this request for $175,000,000 in December, or any part thereof?

Mr. ROBERTS. That estimate, Mr. Andersen, was given very careful consideration and, after some time, it was determined that in view of the over-all budgetary situation that, at least for the time being, the Department considered it not advisable to send it forward to the Bureau of the Budget.

Mr. ANDERSEN. And no request has been made in the form of a deficiency for the 1948 fiscal year, has there, Mr. Roberts?

Mr. ROBERTS. No; there has not.

Mr. Chairman, when there is a charge made that the Republican Congress has not been sufficiently liberal with REA the record shows we have appropriated $75,000,000 during last year and this, more than was requested by the administration or the Bureau of the Budget representing the President.

We Members of Congress want to extend rural electrification as rapidly as possible. We want to extend soil conservation, we have voted many millions for the extension of farm-to-market roads. While agriculture is of vast importance to everyone, yet there is flood control in which many farmers are greatly interested, and there are other departments of government in which the farmers are interested, and important departments of government that do not directly touch the farmer such as the Labor Department, Veterans' Administration, Social Security, and dozens of others. The Congress must appropriate for and supply all these departments with funds.

When we Members of Congress are called upon to appropriate $40,000,000,000 that is requested by the President this year, we must, in the interest of all the people of the Nation, scrutinize the requests for appropriations and loans closely in every department of government. Were it not for the economy minded Members of this Congress who have the courage to deny more appropriations than are necessary, we would wreck the economy of this country and bankrupt the Nation to the detriment of everyone.

Mr. DAVIS of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Wisconsin: On page 39, line 12, strike out "$1,000,000" and insert "$1,250,000."

Mr. DAVIS of Wisconsin. Mr. Chairman, this is not the most pleasant duty that any Member who has constantly urged economy in Government has to perform. But I do feel I have the responsibility of offering this amendment at this time. It raises the appropriation for the Forest Products Laboratory at Madison from $1,000,000 to $1,250,000. I would like to give a little bit of the history of this station at Madison, Wis. Last year the original appropriation requested, which was about $1,500,000, was cut by the House to $1,000,000. As a result of a conference with the Senate, however, a figure of $1,250,000 was decided upon. This year that same amount has been requested, and once more the committee has reduced it to $1,000,000. I think all the Members of the House will appreciate that I am not just speaking for the Forest Products Laboratory at Madison in making this request. This is the only nerve center for forestry research in the United States. There are seven utilization units throughout the country which work to practicalize the developments at the laboratory. This is an institution for the benefit of all who are interested in forestry and the utilization of forestry products. I think it well to point out that there are two ends to this pipe line with reference to the use of forest products in this country. One of them is the angle that is concerned with putting things into the supply end, the development of forestry throughout the entire Nation. The other end of that pipe line is to be sure that we are making the best use of the products that we have. How are we going to do that? How are we going to see that these 100,000,000 tons of forestry products that are being wasted in this country at the present time because they are not being properly utilized will be saved?

The only suggestion I have to offer is that we give our support to the research facilities which will make it possible for us to save what is now being wasted. We cannot always go out and find new sources of forestry products, but we can develop ways of making the best use of those resources that we have. The Forest Products Laboratory, I need not remind you, did a magnificent wartime job, but that is not significant to us here at this time. What is significant, however, is that during this war period of expanded research, the Forest Products Laboratory opened up great new fields of research in the use of forestry products. By opening up that field, they have developed many peacetime uses. Right now they are working on a great many things for practical peacetime use. For us to say that we are giving them the same amount that we gave them several years ago is no answer, because this field has opened up to the point that there is a great deal of good that can be done by continuing an adequate appropriation. In the field of housing, the development of industrial alcohol and liquid fuels and wood sugars, this institution is in the midst of important research that should not be discontinued. It would be a disservice to the people of this country if that were to be done. In the past there has been some difference of opinion regarding the administration of this institution, but under Dr. George Hunt, who is now in charge of that institution, there can be no reasonable difference of opinion as to the kind of practical job that is being done there.

May I say this is not a personal appeal for the Forest Products Laboratory at Madison. It is an appeal to all of you who are interested in making the best use of the forest products of this Nation. This is the only center of research we have for that purpose. You cannot answer by saying that private research should do the job. The cold fact of the matter is that there is no profit in having private research do it. It is a public responsibility. I hope you will join me in seeing that the public responsibility is performed by restoring what I consider to be an unreasonable cut in the appropriation for the laboratory at Madison, Wis.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. SMITH of Ohio. Does not the gentleman think that exactly the same argument can be made for every proposition which is presented to us in favor of additional appropriations?

Mr. DAVIS of Wisconsin. No, sir. This is an important research project. Money spent here is a money-saving project. That certainly is not true of all of the large appropriations that have passed through this House in the last year and are passing through it now.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. DAVIS] has expired.

Mr. HORAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is one of four reservations regarding the Forest Service that I made when we were writing

up the bill. I want you to know that the work of this Forest Service Products Laboratory is important in a number of ways, but I would like to justify it by just mentioning to you that in the matter of packaging of perishables, like apples, pears, and citrus fruits all over the United States, the matter of the box shook, as we call it, is becoming an increasingly tight item. I know that in the Forest Products Laboratory they are seeking the ultimate solution to the increasingly difficult matter of buying the box shook. That is the material you use when you make boxes. They are shook in the knocked-down form. If they do nothing more than solve that one very tight problem, your $250,000 will have been invested wisely in the wealth and future of the Nation.

I trust you will accept this amendment offered by the gentleman from Wisconsin [Mr. DAVIS].

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. JOHNSON of California. When I was a boy I lived in the lumber country of Wisconsin and I know of millions and millions of tons of slabs and other stuff that went down into the burners and was burned up. Is it not a fact that we have learned to develop masonite and a lot of other things from waste wood products? The purpose of this laboratory is to expand that field and take the place of lumber from this waste material. Do you think this is a fair statement that by adding a quarter of a million dollars we might find a way to produce millions of dollars' worth of useful wood products that would otherwise be wasted?

Mr. HORAN. That is certainly true. Of course, when you say 1 percent of the Nation's remaining forest woods, that is an enormous amount. That is the direction in which this laboratory is working. I hope you will accept this amendment.

The CHAIRMAN. The time of the gentleman from Washington [Mr. HORAN] has expired.

Mr. CANNON. Mr. Chairman, I rise in opposition to the amendment.

Mr. DIRKSEN. Will the gentleman yield?

Mr. CANNON. I yield.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes, the last 5 minutes to be reserved to the committee.

Mr. MACK. I would like 5 minutes on this amendment.

Mr. DIRKSEN. Mr. Chairman, I modify the request to make it 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

Mr. CANNON. Mr. Chairman, I do not have to tell you that I favor every practical agricultural appropriation. I have economized on many appropriations, but I have never economized on an appropriation for the benefit of agriculture. I thought the money could be spent to advantage.

But, Mr. Chairman, if there is any item in this entire bill, if there is anywhere in the entire jurisdiction of the Department of Agriculture where money is being wasted it is here. We have dealt with this agency for a good many years, and they are the most persistent and plausible propagandists it has ever been my misfortune to deal with. As a matter of fact I sometimes wonder how, with their indefatigable activity in this respect they have time for anything else. I remember when we asked them: "What are you doing?" They said: "Testing packages." "How do you test them?"

They said: "We raise the package 1 foot off the ground and drop it. Then we raise it 2 feet off the ground and drop it. Then we raise it 3 feet off the ground and drop it."

Some time ago when they were before us they were enthusiastic about the prefabricated houses they were building. But nothing practical ever came of it.

In all of our experience with this agency I do not recall any practical results commensurate with the vast amount of money they have spent.

Some time ago a man from the State of Washington who was interested in forestry came to my office and urged an increased appropriation for the Madison Laboratory. He was rather indignant at my hesitation in assuring him of my cooperation pending hearings on the estimate. On his way back home to the State of Washington he stopped off to visit the laboratory. When he got back home he wrote me a letter and said, "I want you to forget everything I said about increasing the appropriations for the Madison Laboratory. He said, "I do not think they are accomplishing a thing of any particular value."

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. How long ago did this experience occur?

Mr. CANNON. It was some time ago. But at that time the laboratory had been running for many years and had come before us every year asking for increased appropriation with no record of results of any commercial value.

So, Mr. Chairman, if any change is made in this amount, it ought to be reduced. We would not make a mistake if we cut it in half. In any event, I hope we will not make the mistake of increasing the amount recommended by the committee.

The CHAIRMAN. The gentleman from Washington [Mr. MACK] is recognized for 5 minutes.

Mr. MACK. Mr. Chairman, I have the honor to represent a congressional district which has more forest products and forest-product manufacturing than any other congressional district of this country. We are producers of lumber, of plywood, of shingles, and of furniture. The great problem of the lumber industry of the Pacific coast is that of utilizing that tremendous part of the tree which is constantly going into sawdust, into waste, and is being burned in the sawmill burners.

The forest-products industry is a peculiar industry. We have 40,000 companies engaged in the manufacture of plywood, lumber, and forest products. Few of those companies are large enough to employ their own experts to make studies and do research to accomplish the best results.

The gentleman from Missouri [Mr. CANNON] has said that the money appropriated for the Forest Products Laboratory is wasted. I can tell you, as the Representative of a district that is entirely engaged in the manufacture of forest products that many new products have been put into use in the State of Washington as a result of research done by this laboratory. The Federal Government of the United States, through its Indian Department and through its Forest Service, is itself one of the greatest owners of timber in this country. The Government is engaged in this research for the interests of the industry and to obtain greater utilization of the trees, a large part of which now go into wood waste.

I support the amendment offered by the gentleman from Wisconsin [Mr. DAVIS].

The CHAIRMAN. The gentleman from Illinois [Mr. DIRKSEN] is recognized for 5 minutes.

Mr. DIRKSEN. Mr. Chairman, the gentleman from Wisconsin has offered an amendment to add $250,000 to the estimate of appropriations for the Forest Products Laboratory located at Madison, Wis., where research work on timber and timber products is carried on and has been carried on for a number of years.

Like the gentleman from Missouri, I certainly developed a prejudiced viewpoint some years ago when I went there. I spent some time there, and I was extremely unhappy when I came back. The result of my visit to that laboratory was such that I would have joined the gentleman from Missouri in striking out all of the money for the Forest Products Laboratory because I shared his viewpoint at that time, and I certainly share it in part now that there has been a lot of wasted energy up there.

Last year we had this experience. I wondered after all what was accomplished and insisted at that time that perhaps they ought to insert in the RECORD a list of their accomplishments. They intrigued me a great deal. They are all listed. There are literally hundreds of them, and they reflect 10 years of effort because they are cataloged as 825 jobs completed by the Forest Products Laboratory up to December 31, 1946, and these are called 825 typical accomplishments. To me, it is all very interesting.

One of their typical accomplishments is that they have developed impreg, a dimensionally stable form of phenolic resin-treated wood. That is very interesting.

Another of their accomplishments is that they have developed compreg, a dimensionally stable form of phenolic resin-treated compressed wood. That is very interesting if it has any effect upon the gayety of nations and the advancement of American industry.

They also determined the approximate attractive force of wood for water. I expect that has been done many times in the physical laboratories of the country,

but they have demonstrated it, and they say in their own language that it was a typical accomplishment.

They showed that hardwood and softwood lignins have different absorption spectra. It is highly interesting, so far as the ultimate destiny of mankind is concerned. They have demonstrated it, but I expect that has been demonstrated on other occasions. They say that was a typically completed project.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. Now, will not the gentleman concede that those things, which sound theoretical here on the floor of the House, can have a very important practical application in the building industry and other important projects?

Mr. DIRKSEN. It could be. I went there with my soul full of hope, thinking that at long last they were going to find an answer in the field of housing. I examined the same houses that were examined by Mrs. Roosevelt. I wanted to know something about condensation between walls in these sectional houses. I went back down to my own area and I found that the average garden variety of architect in my own home town knew more about it than they told me up at Madison.

That is one of the things that gave me a sense of frustration about this whole business. I have no doubt this is a field in which things can be accomplished, but I am not at all persuaded that things have been accomplished.

They say that they have developed two means of stirring liquids within a sealed system that have been used in highly evacuated systems and in moisture transfusion cups. That is very interesting, too. However, we tried to make it plain to all scientists in Government years ago that over a given period of time we were willing to be forbearing and tolerant and to bear with them in the matter of these highly academic curiosities; but that at the end of a stated period of time we wanted some tangible results into which you could sink your teeth. So here are hundreds of projects, and I tried to sink my teeth in one of them. I find they are not very nutritious. I do not think there is anything nutritious about having them develop a method for analyzing solutions of creosote and heavy petroleum fuel oils of low sulfur content. That is highly interesting, and it is one of those chemical vagaries, I would say, but I felt sure we were coming up with something better. They said something to us in the hearings about a wallboard, but we have a wallboard experiment going on in another department. They said something about wood sugar and wood molasses. But do not forget that we have spent a million dollars on this thing and we have not come up with anything substantial yet. I do believe, gentlemen, that $1,000,000 is enough for this. Then they can pursue these nice curiosities until they can come up with something.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Wisconsin) there were—ayes 12, noes 31.

So the amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, on behalf of the gentleman from Maryland [Mr. BEALL], I ask unanimous consent to return to page 30, line 2, in order that the gentleman may extend his remarks at that point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

FOREST ROADS AND TRAILS

For expenses necessary for carrying out the provisions of section 23 of the Federal Highway Act, approved November 9, 1921, as amended (23 U. S. C. 23, 23a), and for the construction, reconstruction, and maintenance of roads and trails on experimental areas under Forest Service administration, (1) $9,750,000 for forest development roads and trails, and (2) $5,000,000 for forest highways, which sums are authorized to be appropriated by the act of December 20, 1944 (Public Law 521), in all, $14,750,000 (including not to exceed $100,000 for personal services in the District of Columbia), to be immediately available and to remain available until expended: *Provided*, That this appropriation shall be available for the rental, purchase, construction, or alteration of buildings necessary for the storage and repair of equipment and supplies used for road and trail construction and maintenance, but the total cost of any such building purchased, altered, or constructed under this authorization shall not exceed $10,000, with the exception that any building erected, purchased, or acquired, the cost of which was $10,000 or more, may be improved within any fiscal year by an amount not to exceed 2 percent of the cost of such buildings certified by the Secretary.

Mr. D'EWART. Mr. Chairman, this is the item of "Roads and trails in national forests," an exceedingly important item to all of the Western States. Three years ago we authorized $25,000,000 for 3 years for this purpose. The first year we appropriated $4,500,000; the next year, $5,300,000; and this year the item in the bill is $5,000,000, a total of $14,800,000. There was $75,000,000 authorized, but $60,200,000 was not spent. Those of us who travel in the West realize that these are the roads in the national forests. You come up to a national-forest boundary with a fine Federal-aid road; then you find a stretch of high-mountain road that is within the national forest that is not improved, and then when you come to the other side of the forest boundary you get onto a fine road again. The appropriations have been so small over the years that it is just impossible to provide these short stretches of road through the national forests and to build those roads up to the standards of the main highways. It seems to me that now that the war is over it is time that we provide more adequately for these forest roads. In the case of my own State, during the war there were only 46 miles of these roads built. Out of the $5,000,000 appropriated this year there will be available for some six or seven hundred miles of these roads in my States the sum of $400,000, just barely enough to maintain the roads that are presently built, and not to build any additional roads. If we are going to have these connecting links completed it is necessary that this item for forest roads and trails be enlarged so that those connecting links can be built, and so that when you travel from east to west or north to south over this country you will not come to a forest road that is almost impassable, a dangerous stretch of road, because it is generally in the high, rocky, mountain country. Additional funds for these roads inside of the national forests should be provided.

If we go on with the size appropriations we are getting at the present time we will never have these stretches completed. Something must be done. Either we must take this item out of the agricultural appropriation bill and put it into the Bureau of Roads, or we must increase the appropriation inside the agricultural appropriation bill. Other roads are improved from year to year. The Federal-aid system is something of which we are proud. But we do have these connecting links. We need additional funds in order to complete them. I hope the committee will see its way clear to granting an increase in this particular item.

Mr. BARRETT. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, on the whole the committee is to be congratulated on its splendid work on this bill. I am forced to disagree with the appropriation for forest highways.

The forest-highway system consists of a total of 23,410 miles of which 12,700 miles are in the Western States. About 14 percent of the entire area of Wyoming consists of national forest reserves. It is true that these highways are highly important to the Western States but it must be remembered that they are also important links on the Federal aid and primary State highway systems. Everyone knows that the forest highways have a long-standing reputation of being terrible roads compared with connecting roads outside the forests. When the war started, the forest-highway roads with the highest traffic were entirely out of date because of the fact that these roads were first improved and also were of low standard. Of course there was no work done on these roads after 1942 because of the war. At the outset, it must be noted that during the war, the forest-highway system deteriorated much faster than it could be improved.

As the gentleman from Montana has so well pointed out, the primary system of Federal-aid roads is kept up in a very excellent manner, but the forest highways are just as bad as the others are good. The people are scared to drive over these roads. I had one Member of Congress tell me that he thought his life was in jeopardy when he traveled over one of the forest highways in our State.

I cannot quite see any justification for this appropriation of only $5,000,000. The fact is that the Forest Service requested an appropriation of $40,200,000 from the Bureau of the Budget. The Budget approved $5,300,000, and the committee reduced it to $5,000,000.

Before the war it was estimated that at 1940 prices it would cost about $560,000,000 to build the forest-highway system up to an acceptable standard. It will cost nearly $840,000,000 to do the job today, and if we had an annual appropriation of $25,000,000 it would take 33 years to complete the system.

These forest highways are important links in the highway system of the country, particularly in the Western States, and they are generally used for interstate traffic in the Mountain States. These highways are in deplorable condition. They are not safe for the present volume and speed of traffic. Common sense and sound business demands that these roads be improved as speedily as possible in order to provide for the safety and security of the traveling public.

In 1944 this Congress authorized an appropriation of $75,000,000 for forest highways for the 3-year postwar period. To date only $9,800,000 has been appropriated. The budget request for forest highways for the next fiscal year is $5,300,000. That entire amount could be spent in Wyoming and our forest highways would still be in mighty bad shape. Now, it was contemplated that these appropriations would be on the basis of $25,000,000 per year, but if the appropriation is not increased over last year the total amount appropriated for the 3-year period will be only $14,800,000. Surveys, plans, and estimates are completed for work estimated to cost about $21,000,000, and surfacing projects estimated to cost about $5,000,000 more are ready for contracting. Bids could be taken in one season on approximately the total of these amounts, but the reasonable maximum for 1 year would be the unappropriated balance of the first two postwar years authorization or $40,200,000, which would mean an increase of $35,200,000 over the amount carried in this bill.

Mr. Chairman, the $5,000,000 provided for in this bill is so ridiculously low that it seems to me that it should be apparent to every reasonable man that the green light should be given for the construction of these roads in order to protect the lives and the limbs of the people who are compelled to travel over them.

Mr. ROCKWELL. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield to the gentleman from Colorado.

Mr. ROCKWELL. I want to add my word of approval to what the gentleman is saying, and also what the gentleman from Montana has said, that this forest-aid program is a very vital thing in our State. I notice the bill H. R. 4867, which is a forest-highway bill introduced by the gentleman from Iowa [Mr. CUNNINGHAM] is asking for $25,000,000 a year for forest highways. We need more than $5,000,000 between now and this time next year.

Mr. BARRETT. I agree with the gentleman. If I may have the attention of my good friend, the gentleman from Illinois, when I appeared before the subcommittee, the gentleman told me it was his understanding that the Bureau of Public Roads was going to come before the Deficiency Appropriation Committee and ask for an appropriation which would take up all of the authorized but unappropriated funds from the 1944 act. It would seem to me that would be good business and sound judgment. As I understand, Mr. MacDonald was before the committee. I would like to say I think it is entirely proper, and also I would like to hear what the gentleman has to say about that.

Mr. DIRKSEN. I think what the gentleman from Wyoming is seeking to convey is correct except that it ought to be carefully set out in this respect. The Commissioner of Public Roads Administration was endeavoring to get clearance from the Bureau of the Budget so that he could present to the deficiency subcommittee that item aggregating some $40,000,000. That requires, of course, two steps. First of all, he must get clearance from the Bureau of the Budget, and secondly, he must make a case before the deficiency subcommittee.

Mr. BARRETT. As I understand, the figure of $40,000,000 was correct as to the first 2 years if the appropriation for $5,000,000 stands, and it will be figured at approximately $60,200,000 for the 3 years.

Mr. DIRKSEN. However, we were not advised that he was going to ask for the entire amount. I am drawing on my memory now.

Mr. BARRETT. I see. I take it, then, the gentleman from Illinois has indicated that so far as his subcommittee is concerned they would have no objection to Mr. MacDonald of the Bureau of Public Roads coming before the Deficiency Committee with a justification for an appropriation of $40,000,000 to take up the slack on these authorized but unappropriated funds.

Mr. Chairman, I certainly appreciate the splendid way in which the chairman of this subcommittee has stated the situation with reference to this appropriation. I hope that the deficiency committee will give serious consideration to that request and that the Bureau of Public Roads will go before the Budget and get the authority to come up here and ask for the $40,000,000 so that we can start to build these roads that are an integral part of our primary highway system. Certainly a chain is no stronger than its weakest link. If we are going to have roads that are going to connect the East and the West and the North and the South, we must have good roads all the way, especially in this day and age when the travel is at such high rates of speed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HORAN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, these are numbers 3e and 4e of the items in this bill on which I have reservations. The situation is simply this. The testimony to be found on pages 512 and 513 of the hearings will indicate why I say that we are going to meet this item coming back. I told my colleagues that on the subcommittee. I am convinced of it. But the gentleman from Wyoming has just been telling you of the situation which in nowise has been brought about by the Congress. We have $5,000,000 in this bill for forest highways. Mr. MacDonald in testimony appearing on page 513 of the hearings said he could let all of that right away. I asked him how many million dollars he needed to meet the commitments or build the roads already planned, and he said $21,000,000. In addition to that, plans have already been drawn for an additional $5,000,000 worth of roads that need to be resurfaced. It is obvious to me that this item in the bill simply will not stand up over in the Senate and I do not believe it will in conference. I think we should be completely frank with the Committee of the Whole today and say so.

Mr. Chairman. I yield back the remainder of my time.

Mr. BROOKS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this item of forest trails is important. This entire chapter of the bill on forests is extremely important to the people of the United States.

My section of the country is the home of a great many of the lumber companies and is considered the center of the forestry industry in the South. Naturally we are concerned with the preservation of the forests of the Nation. When we have a bad year as we did last year, with drought striking throughout the country, and we see these woods go up in flames, we are deeply distressed. Anyone who loves the forests is disturbed when they see millions of acres of timber destroyed. We know that it is destruction of very valuable property, the loss of which will be felt by our people. We know also that we are destroying things of beauty to the countryside, and leaving a marred and ugly spot in place of growing standing timber.

The thing that disturbs me, Mr. Chairman, is the lack of ability on the part of our fire-fighting service to meet these forest fires when they come. I have given considerable thought to the matter. I am not prepared to introduce a bill on the matter but I would like the Members of Congress and the Forest Service to give this very careful study and attention. It seems to me our forest-fire service should be given greater mobility. For instance, in one part of the country, we may have an abundance of rainfall. Perhaps on the Pacific coast we may have a great deal of rainfall. Perhaps in the South or Southwest we may have a drought. As a result of this condition we might find that one section of the country is stricken with a tremendous number of forest fires, and other sections are spared. My thought is that if our forest-fire-fighting service is given greater mobility, we could move the equipment, the machines, and even the personnel from one section of the country to another with great speed. For instance, last year I recall that there was a large forest fire in southeast

Louisiana. At that time of course the equipment was needed in that section. Subsequently there was a forest fire in the northwest section of Louisiana. I was told afterward that had we been able to reach the forest fire which broke out in northwest Louisiana within 2 or 3 days, we would have been spared most of the destruction which naturally followed in the wake of a large forest fire and it could have been extinguished in its early stages. The equipment and men were not available for that section. They were in the southeast section of the State, and means were not available to move them to the fire promptly. As a result, hundreds of thousands of acres of very valuable forest land was destroyed.

Now presenting this on a larger scale, for instance, we might have gone over into east Texas, which is just a few miles away from that forest, and borrowed the forest fire-fighting equipment from the people of Texas to meet that emergency. We might give greater mobility by moving this equipment by air; certainly by moving it by roadway with high speed automobile equipment. All of this leads up to the thought that this service should have a mobile unit. Such a unit should be susceptible of immediate movement from one station to another. I am persuaded to believe that with the same amount of money which we appropriate each year we may meet the situation which year after year becomes a more serious menace to the country more efficiently and more helpfully and thereby save to our people and to the Nation millions and millions of dollars in timber which is now consumed by fire during every great drought which hits our country. I give you that thought and I hope the Committee on Appropriations and the Forestry Service examine the matter of giving further mobility of the fire-fighting service.

The Clerk read as follows:

For expenses necessary to enable the Secretary to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U. S. C. 590g–590q), and the provisions of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1281–1407) (except the provisions of sections 201, 202, 303, 381, and 383 and the provisions of titles IV and V), including personal services in the District of Columbia; not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States; $150,000,000, to remain available until December 31, 1949, for compliance with programs under said provisions of the Agricultural Adjustment Act of 1938, as amended, and the act of February 29, 1936, as amended, pursuant to the provisions of the 1948 programs carried out during the period July 1, 1947, to December 31, 1948, inclusive: *Provided*, That not to exceed $24,500,000 of the total sum provided under this head shall be available during the current fiscal year, for salaries and other administrative expenses for carrying out such programs, including the tobacco and peanut-marketing quota programs, the cost of aerial photographs, however, not to be charged to such limitation; but not more than $7,000,000 shall be transferred to the appropriation account, "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That payments to claimants hereunder may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of the act of March 4, 1909, as amended (18 U. S. C. 80): *Provided further*, That none of the funds herein appropriated or made available for the functions assigned to the Agricultural Adjustment Agency pursuant to the Executive Order No. 9069, of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State or county information employees, but this shall not preclude the answering of inquiries or supplying of information to individual farmers: *Provided further*, That such amount shall be available for salaries and other administrative expenses in connection with the formulation and administration of the 1949 programs (amounting to $225,000,000, including administration, and formulated on the basis of a distribution of the funds available for payments and grants among the several States in accordance with their conservation needs as determined by the Secretary: *Provided further*, That the proportion allocated to any State shall not be reduced more than 15 percent from the 1946 distribution and that no participant shall receive more that $500) of soil-building practices and soil- and water-conservation practices, under the Act of February 29, 1936, as amended, and programs under the Agricultural Adjustment Act of 1938, as amended; but the payments or grants under such program shall be conditioned upon the utilization of land with respect to which such payments or grants are to be made, in conformity with farming practices which will encourage and provide for soil-building and soil-and water-conserving practices in the most practical and effectime manner and adapted to conditions in the several States, as determined and approved by the State committee appointed pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended for the respective States: *Provided further*, That the Secretary may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of said Office in auditing payments under this item: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That the Secretary is authorized and directed to make payments to farmers who complied with the terms and conditions of the agricultural conservation programs, formulated pursuant to sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, if the Secretary determines that, because of induction into the armed forces of the United States, such farmers failed to file, or were prevented from filing, applications for payment under any such program during the period the applicable appropriation for such program was available for obligation, such payments to be made out of the unobligated balance of the appropriation, "Conservation and use of agricultural land resources," in the Department of Agriculture Appropriation Act, 1946: *Provided further*, That an application for payment on the prescribed form is filed by any such farmer (or the person entitled to payment in case of death, disappearance, or incompetency of the farmer under regulations issued pursuant to section 385 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C., 1940 edition, 1385)) within 1 year from the date of his discharge from the armed forces, or by December 31, 1948, whichever is later: *And provided further*, That no part of any funds available to the Department, or any bureau, Office, corporation, or other agency constituting a part of such Department shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, or who has been found in accordance with the provisions of section 6 of the act of July 11, 1919 (18 U. S. C. 201), to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise to concur in the statement that agriculture is the foundation for all the industries of the United States, and to call attention to the problem which has presented itself to agriculture in times of depression or recession. My friends from the industrial areas, Mr. Chairman, will remember that a factory can close its door and, during a depression, maintain its prices, but nature knows of no way of closing the doors of production, so the farmer takes a terrific loss under similar circumstances. For that reason the prices of products dropped to where corn was bringing 57 cents, hogs $6.21 a hundred, potatoes 70 cents, and wheat 70 cents, while parity under present conditions would make corn $1.45, wheat about $2 a bushel, and so forth, thus maintaining not only food production, but the economy of the United States.

With that brief statement and the statement that I think this bill has been well considered and well treated by the House, which the subcommittee on Agriculture should appreciate, I want to say these final words for myself in connection with the discussion.

I have now served my first two sessions on this committee, after serving for 4 years on the legislative Committee on Agriculture, an unusual, and an excellent education. I join those Members of the Congress who have spoken about the retirement of the present chairman of the subcommittee. It will be a distinct loss, not merely to this Congress but to the country, when the gentleman from Illinois [Mr. DIRKSEN] retires of his own volition because of an eye condition which, I am happy to add, is apparently improving. I want to express my personal feeling of appreciation to him. It has been an education and a pleasure to have served under him as the chairman of that subcommittee. I add to that a feeling of pleasure, a feeling that the committee will still be in good hands under the gentleman from

Minnesota [Mr. H. CARL ANDERSEN], whose knowledge of agriculture, gained from his own efforts, has time and time again shown the subcommittee the direction in which its votes and its decisions should lie. I look forward with regret to the loss of Mr. DIRKSEN but with pleasure that he is to be succeeded, if the usual procedure is carried out, by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. PLUMLEY. Mr. Chairman, I do not propose to take much time discussing the bill now under consideration to appropriate funds for the Department of Agriculture for the fiscal year 1949. It is one of the best bills it has been my good fortune to have had a part in presenting for the consideration of the House.

Until the long-range program for agriculture arrives from the legislative committee, it is as good a bill for agriculture as can be drawn. There are so many items of a necessarily temporary nature; there are so many things we anticipate will be changed, and in fact know must be changed, that it is difficult to appropriate to maintain and to sustain programs which will be repudiated when the so-called long-range program is enunciated, approved, and adopted.

Then, Mr. Chairman, we have been fortunate to have had our old colleague, "Clint" Anderson, as Secretary of Agriculture. He talks our language. He has put a stop to a lot of things which were happening for which the Department of Agriculture was being criticized and for which there was no authorization under the law. He has been outspoken as to the needs of his Department, and we have gone along with him, as I am sure he appreciates. Certainly I, for one, appreciate the value of his advice and the very worth-while service he renders.

In closing may I say, Mr. Chairman, that I came to Congress in the Seventy-third Congress as did one EVERETT DIRKSEN, of Illinois. Our paths have gone along together over the years. He has rendered outstanding service to his district, to the Congress, and to the country, and has by unstinting labor earned the right to conserve his strength now in order to enjoy the reward of such service. We hope he may find new fields of endeavor to his complete liking which will contribute to his early and complete recovery while affording him large opportunity for continued service to his country such as he alone can render.

As is usual and necessary, this agricultural appropriation bill, as presented, reflects many minor compromises as to amounts and as to whether to go along with or to increase the Budget estimates. Also, as is usual, there is no minority report. When we fought the thing out in committee, both sides agreed to compromise in order to present a unified front. That is what committees are for.

The Clerk read as follows:

NATIONAL SCHOOL LUNCH ACT

To enable the Secretary to carry out the provisions of the National School Lunch Act of June 4, 1946 (Public Law 396), there is hereby made available $65,000,000 of the funds appropriated for the fiscal year 1949 by section 32 of the act approved August 24, 1935 (7 U. S. C. 612 (c)), such amount to be without regard to the 25 percent limitation contained in said section 32, and to be exclusive of funds expended in accordance with the last sentence of section 9 of the National School Lunch Act: *Provided*, That no part of such funds shall be used for nonfood assistance under section 5 of said act.

Mr. CANNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is a matter of regret to all who supported the appropriation for the school-lunch program last year, a very substantial majority of the House, that this item has not been increased to include the deficiency appropriations which have been made for the last 2 years. Both years we provided $65,000,000 in the annual bill for the school-lunch program. And in each instance the amount was found to be so inadequate that the Congress each year passed a deficiency appropriation bill providing $6,000,000 additional to supplement the $65,000,000. I believe the amount this year was $5,000,000. So that even on terms of needs and costs a year and 2 years old, we should have appropriated in this bill at least $71,000,000 for the 1949 program. On the most conservative estimate, the amount is $6,000,000 short of minimum needs.

The program has been so successful that the number of schools participating has increased beyond all expectations and the number of children benefited by the program has increased by thousands. At the same time, the cost of every item entering into the menu has also increased in keeping with, and in proportion to, the cost of living of the average family. But notwithstanding the fact that more schools are to be served and more children are to be fed and higher prices are to be paid, we are still appropriating the same inadequate $65,000,000.

As a matter of fact we are advised that the request of the Department was for $100,000,000 and the studies submitted to the Secretary show a need of at least $133,000,000 for an effective program.

Due to the drastic drop in farm prices in the last few weeks, the service of the program to agriculture through consumption of surplus farm products becomes increasingly important. Already a surplus of agricultural products is accumulating, including eggs, powdered milk, potatoes, apples, and other foods, and as normal conditions return and we are again restricted to the domestic market, the school-lunch program will provide an outlet which will materially relieve the congestion due to the inevitable overproduction which follows every war.

Mr. Chairman, it is to be regretted that the committee has not taken a more realistic view of this item. Unquestionably demands will be greater and costs will be higher. The amount provided is inadequate. To pass the item in this form is to invite a further appropriation either in another body or in some subsequent bill. In the most prosperous country in the world, when we are shipping mountains of food every day in the year to feed the children of foreign lands we cannot allow American children to go unfed.

Mr. CURTIS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, if an amendment is offered to increase the amount for school lunches, I shall oppose it. As a matter of fact, if I had any hope that efforts would be successful, I would offer an amendment to strike this amount out entirely. The indications are that the national income in the United States will run in the neighborhood of $209,000,000,000. If, with such a national income, our people cannot feed themselves, what are we going to do when a depression comes along? Certainly we believe in a program of nourishment for the children of America. But with all the burdens placed upon the Federal Government, why should it be the responsibility of the Government at Washington to feed people at a time like this, irrespective of need? There is another aspect of this program that I have mentioned on more than one occasion on this floor. I never was for the idea, but I became convinced that it was bad when as a Member of this body, I received letters in years gone by from little children saying, "Dear Congressman, will you please vote for the school lunch, so that we can have it at school?" We are teaching little children to pray, "Oh politicians, who art in Washington, give us this day our daily bread." I wonder where we are going in this Republic if we teach little children that the way to get something to eat is to write to their Congressmen in Washington? That is not the way this Republic was built. We are not now in an era of unemployment and depression. I sincerely hope that the gentleman from Missouri, who leads so many fights to increase appropriations, certainly will not offer an amendment to increase this amount. It should be stricken out entirely.

Mr. BUCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCK: On page 51, line 10, after "available", strike out "$65,000,000" and insert "$1."

Mr. BUCK. Mr. Chairman, here is a chance to save $64,999,999. Here is a chance to prove you really believe in economy as to the Federal Government. Every State in the Union is better able financially to provide lunches for needy children than the national Treasury. There is no more sense in Uncle Sam paying for school lunches than there is for paying for woolen underwear or mittens or overcoats. Let us stop this nonsense. I subscribe to everything just said by the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Will the gentleman yield?

Mr. BUCK. I yield.

Mr. CURTIS. Is it the gentleman's understanding that this expenditure is confined to lunches for needy children?

Mr. BUCK. It is not.

Mr. CURTIS. It is lunches for everyone, including those who can well afford to pay for them.

Mr. BUCK. Exactly.

Mr. CURTIS. And including the teachers of the country?

Mr. BUCK. And the matching formula, unless it has been changed from last year, is completely fraudulent, in that it permits money value to be placed upon voluntary assistance on these lunches. And that is the State's contribution which the Federal Government must match. The whole scheme as I see it was conceived in sin and born in iniquity, and should be abolished.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield.

Mr. ARENDS. Was not one of the original purposes of the act to provide school lunches because of the surplus commodities which we had in the country, and which are no longer with us?

Mr. BUCK. That was one of the excuses which led to placing the provision on the statute books originally. The gentleman is correct.

Mr. Chairman, I yield back the balance of my time.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 2 minutes.

Mr. CANNON. Mr. Chairman, I wonder if the gentleman would allow me 1 minute?

Mr. DIRKSEN. Yes. I will divide the time with the gentleman, and yield him 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CANNON. Mr. Chairman, the carefully tabulated experience of our schools has been that even the children from the better and more affluent homes have profited by the school-lunch program, and that the adoption of the program has been universally followed by a marked improvement in both the health and scholarship of the children without regard to social or economic status.

Those denying the value of the program are in disagreement with the official records and the testimony of the teaching staff of every school, which has adopted it. Once adopted, the program has never been vountarily discontinued, so far as I am aware, by any community.

If we can afford to provide for the health of the hogs and cattle and other livestock for which millions of dollars are appropriated in this bill, surely we can provide something for the hungry and undernourished children of the Nation.

I am willing to economize, Mr. Chairman, but not at the expense of the childhood of America.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. DIRKSEN. Mr. Chairman, the committee by an overwhelming vote sometime ago approved the National School Lunch Act. While it was certainly not in line with my views and my sympathies, the fact is that it is on the books. The fact of the matter is that $75,000,000 has been authorized. I hope, therefore, that the amendment offered by the gentleman from New York [Mr. BUCK] will be voted down, notwithstanding the fact that as far as my personal sentiments are concerned I would subscribe to it.

Mrs. LUSK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mrs. LUSK. Is it not true that the gentlemen who voted against the school-lunch programs have missed the point entirely? The plan for hot school lunches is basic to our good health programs in this country. The method of appropriating for the hot lunches has been abused. The use of surplus commodities was one method.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. BUCK].

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 6, noes 40.

So the amendment was rejected.

The Clerk read as follows:

COMMODITY EXCHANGE AUTHORITY

Commodity Exchange Act: To enable the Secretary to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U. S. C. 1–17a), including not to exceed $153,000 for personal services in the District of Columbia, $530,000.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not have the opportunity yesterday of listening to the entire remarks of my distinguished friend, the gentleman from Illinois [Mr. DIRKSEN], although I listened to a considerable part of them. I was called away on some important conferences during the period of his remarks. I did however have the opportunity of listening to the opening and a good part of the remarks of my distinguished friend, the gentleman from Missouri [Mr. CANNON], and I was very much distressed, if I might use that word, when I listened to his opening remarks in relation to our distinguished friend from Illinois [Mr. DIRKSEN] indicating an intention not to seek reelection. The gentleman from Missouri [Mr. CANNON] paid some very fine compliments yesterday to the gentleman from Illinois [Mr. DIRKSEN], and every word that the gentleman from Missouri said I concur in and I think every Member of Congress does—plus.

The gentleman from Illinois is one of the outstanding Members of the Congress. He is a Member and a gentleman who enjoys the profound respect, yes, affection of his colleagues without regard to party. The gentleman from Illinois is a constructive influence, a party man—but we respect party men on each side—a man whose outlook has always been forward and constructive, a man who as a Member of the House wields a powerful influence upon his colleagues as a result of his sound logic and his very gracious, simple, yet effective, eloquence. The services of one like the gentleman from Illinois can ill be lost in this great body at any time, but particularly at this time in the Nation's and the world's history.

I do not know the reasons which prompt the gentleman to take his stand, although I have heard that due to considerations of health he feels constrained to take this action. I hope the gentleman will be able to reconsider his determination. If not I hope the people of his district without regard to party will, if he can respond, call upon him to continue service in this body.

It is an unusual thing to hear one like myself, first a Democrat, second a former majority leader, and now the Democratic whip, speak this way, but I do so because I consider it my duty and by my utterances I want to show the commanding position this friend and colleague of ours occupies, and to the people of his district the rank and the unique and the unusual position he occupies in this body, the great admiration for him and the respect and confidence of his colleagues without regard to party, and our appreciation of the outstanding character of the service he renders. My purpose in addressing you now is twofold: One, to express my personal feelings and high regard for the gentleman, and, two, to express the hope, and that hope is entertained as strongly as any I have ever felt or entertained, that between now and the months to come when the gentleman has got to make his final decision such as the filing of papers in the primaries that those reasons which prompt him to take the action now will so change that he can again run, be elected, and serve his people and his country throughout the next 2 years ably and brilliantly as he has during the past years and as he is now doing during this present session of Congress.

In any event, no matter what his decision may be, we will respect it. If the gentleman returns to the next Congress, those of us who are here, particularly myself, if I am present, will welcome his return. If the situation does not change and he adheres to his determination not to run, the gentleman may always know that as long as any Member who served with him lives and as long as he lives, he will have their complete respect and also unlimited affection.

Mr. RANKIN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I take advantage of this opportunity to pay my humble tribute to the distinguished gentleman from Illinois [Mr. DIRKSEN], with whom I have served for many years, and with whom I have crossed swords many times—and knew—

> The stern joy which warriors feel
> In foemen worthy of their steel.

Everyone who really knows him regrets to see him leave the House.

But as we go through these troublesome times, I am often reminded of the expression of Danton, the great French revolutionist, who, when he came to the end of his road, said: "It is better to be an humble fisherman down by the seashore struggling for your daily bread

than to have to do with the government of men."

Perhaps at no time in history, certainly since I have been a Member of this House, has a man's services here been so disturbing, I will say from every standpoint, as they are today.

Mr. Chairman, I have witnessed many changes in this body. I have seen every Member from Illinois change, except one, since I have been here. In a majority of the States I have seen them all change.

I have seen many of the finest men I have ever known serve the best years of their lives in this House and leave it penniless. I often think of the expression of Cardinal Wolsey, and this does not apply to the gentleman from Illinois, but it does apply to many others I have seen leave this body. I have often thought of the expression of Cardinal Wolsey in Shakespeare's Henry VIII. After he had served Henry VIII so long, and was finally kicked out, he returned to the little abbey from whence he came, and when his friend came out to meet him, he said:

An old man broken with the storms of state
Is come to lay his weary bones among ye:
Give him a little earth for charity!

I have thought of that expression many times. I have seen some of the finest men I have ever known on both sides of the aisle, men who served honorably and well through a long stretch of years—"Men whom the lust for office could not kill; men whom the spoils of office could not buy"—leave this Capitol without a thing save honor.

Shakespeare says:

Good name in man and woman, dear my lord,
Is the immediate jewel of their souls:
Who steals my purse steals trash, 'tis something, nothing;
'Twas mine, 'tis his, and has been slave to thousands;
But he that filches from me my good name
Robs me of that, which not enriches him,
And makes me poor indeed.

Our distinguished friend the gentleman from Illinois, EVERETT DIRKSEN, who always put his country's interest first, will not only carry with him the respect and esteem of his fellow Members of this, the greatest legislative body in the world, but he will take with him a good name more valuable than all the gold of Ophir, or all the gems of Golconda's ancient mines.

God bless you, EVERETT. Our esteem, our affection, and our admiration go with you.

The Clerk read as follows:

Salaries and expenses: For the making and servicing of new loans, insuring mortgages, the servicing and collecting of loans made under prior authority, and the liquidation of assets transferred to Farmers' Home Administration pursuant to the Farmers' Home Administration Act of 1946, $22,000,000, together with a transfer to this appropriation item of not to exceed $120,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended.

Mr. CANNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, one of the most ill-considered reductions made in this bill was in this item for production and subsistence loans, which is cut $15,000,000 below an already low budget estimate. As a matter of fact, inadequate provision is made for the entire farm-credit program.

Back in 1920 and subsequent years a farmer, regardless of the land, stock, and equipment he owned, could not borrow from any source. No bank would lend him a dime. Under the restrictions placed upon them by State and Federal authorities, they could not make such loans even had their reserves warranted it. In that critical period the Government came forward and said, "If no one else will provide you with working capital, a Federal agency will be created to take care of your needs." The program was successful beyond the expectations of the most sanguine. Today there are farmers in every community who have been able to finance their operations and buy their homes, and who owe their prosperity to the farm-credit policies of the Government.

But recently the Congress has tended to restrict farm credit. Notwithstanding the remarkable record of repayment and the small percentage of losses incurred in lending money to farmers, there has been a definite reduction in the appropriations for the purpose. The reduction here of the estimate of $75,000,000 for production and subsistence loans and the failure to increase other farm-credit appropriations is just another step in that direction.

Instead of cutting the amount by $15,000,000 the amount should have been increased. There are many young people getting established on farms who will not be able to follow a good land use program because they will be under the necessity of putting their land in quick cash crops which will tend to lose fertility much faster than they are able to build it up. There are many veterans with young families and newly acquired farm homes who will need help to properly equip their farming operations. They are not quite eligible for short time banking loans because much of their resources and further requirements are of a capital nature, which means slower repayment than can be secured through the banks. And there are older farmers who, due to emergencies or unexpected reverses, should be able to apply for loans of this character.

It is the wrong section of the business cycle to contract farm credit. We have reached the peak and the cycle is turning down and from now on, barring another war, farm prices will be lower and need for farm credit greater. I talked recently with one of the county supervisors in my section of the country who told me that the demands of his territory for production and subsistence loans was three to four times as great as the amount available for that purpose. "It is rather discouraging" he said, "to be operating a loan program without funds." And coupled with the denial of funds is the heart-breaking necessity of determining which one of the four applicants is to have the loan and which three are to be turned out empty handed—although all four of them are good risks and can be expected to repay their loans with interest.

Also, the demand and the need for farm ownership money is much greater than in the past several years. The mortgage plan has not proven completely successful because private sources cannot afford to take loans of such long maturities and at such rates of interest, even though the Government guarantees eventual repayment.

All amounts under this title should be increased. There are thousands of farmers to whom success or failure through life depends on securing the capital which the Government can provide without loss to the Federal Treasury.

This bill is unsatisfactory in many respects, but it is particularly unfavorable to farm acquisition and farm prosperity where either is dependent on long-time personal credits at reasonable rates of interest.

Mr. HAYS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I wish to add just these few words to what I said in general debate about this item of which the gentleman from Missouri has just spoken. As I understand the reduction to which he referred, for the production and subsistence loans, is from $75,000,000,000 to $60,000,000. That is the amount appropriated for the current year. As I pointed out, the money for fiscal 1947 ran out in February last year, and it is happening again this year. Hundreds of thousands of these applicants for loans from the Farmers Home Administration are farm lads coming back from war and seeking again farming opportunities.

I share the disappointment of the gentleman from Missouri with this particular action of the committee. I do it reluctantly, because I think on the whole they have done an exceedingly fine job. I speak only because candor prompts me to do it.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Texas.

Mr. MAHON. In the committee I offered an amendment to restore this amount, because I felt that the program of $75,000,000 would probably be inadequate and that we certainly should have the budget estimate. I am sympathetic with the gentleman's position.

Mr. HAYS. I appreciate that. I am not offering an amendment to increase this amount. I have laid no basis for it. But I am constrained to express the hope that in conference, if the other body should feel on reflection that the amount should be increased, our conferees will be inclined to increase the amount. I hope we can make due provision for these veterans with farm background to operate successfully in their accustomed vocation.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. In connection with what the gentleman has said, recently I had occasion to go back home. As many of you know, I come from a strictly agricultural district. While there I found that in our section of Missouri, which is a very fertile section,

last year we had quite a drought, and a good many of the men who had gotten loans from the banks were unable to pay off. This year they were having difficulty in getting the necessary funds to operate their lands. In addition, I found a number of veterans who had made application for these loans wanting to go into agriculture, the thing they were raised up to do. They were not able to do so because they could not get the money. The money had run out. It seems to me that this is an opportunity for this Congress to do something for this group of veterans, at least give them a chance to get started in agriculture. I do hope the time will come when we can act favorably on a reasonable increase which will give these boys the opportunity we promised them would be theirs when they came back and sought to reestablish themselves as citizens.

Mr. HAYS. It should be pointed out that these loans are not in competition with private banking.

Secondly, and I make this statement with confidence that I can support it, the record of the Farmers Home Administration in the repayment of this type of loan is amazing. Not in any other type of noncommercial loan has a comparable record been made by a Government agency.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Iowa.

Mr. LECOMPTE. I see in the bill, if I read it correctly, an item of $15,000,000 for title I and $60,000,000 for title II, and down below it appears that the item for salaries is $22,000,000, plus fees amounting to $120,000. That would make it appear that the cost of the administration is going to be about a third as much as the loan.

Mr. HAYS. No. I am afraid the gentleman has not included all of the items. The administrative expense runs about 2½ percent, which is not excessive. Remember, this agency administers assets of almost $1,000,000,000.

Mr. LECOMPTE. The cost of administering this is not what it appears to be at first glance.

Mr. HAYS. No.

Mr. LECOMPTE. It looks like it might be 30 percent or 40 percent.

Mr. HAYS. No. That is not correct, because it runs about 2½ percent, which, as I indicated, is not an excessive amount. The committee was rather generous with administrative items. They did not give the full amount requested by the Budget, but they came so close to it that I feel we cannot complain. I thoroughly concur with the committee in its conservative approach to administrative expenses.

May I say in closing that this points up the need for a careful distinction in appropriation items between those that represent a direct outlay and those that represent recoverable expenditures. This is in the second category. These are loans, not grants. On the basis of the record of repayments, there is every assurance that almost the entire amount, if not the entire amount, will be repaid. Certainly I hope that the conference committee will be inclined to be more generous on this particular item.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to congratulate the committee for providing this $400,000,000 for loans for rural electrification for the next fiscal year.

For the last 15 years, I have devoted a large part of my time to this issue. I do not hesitate to say that it has done more for the American farmers than anything else Congress has ever attempted.

At this point in the RECORD, I am submitting a table showing the number of farms that were electrified in 1934 in each State and also showing the steady progress made in rural electrification from December 31, 1934, to June 30, 1946.

The table is as follows:

Comparison of rank, percentage, and number of farms electrified with central-station service, 1935, 1940, 1945, and 1946, by States and for the United States

Area	Farms, Jan. 1, 1935, number [1]	Farms receiving central-station electric service, Dec. 31, 1934			Farms, Apr. 1, 1940, number [1]	Farms receiving central-station electric service, Apr. 1, 1940			Farms, Jan. 1, 1945, number [3]	Farms receiving central-station electric service, June 30, 1945 [4]			Farms receiving central-station electric service, June 30, 1946			Increase in electrified farms from Dec. 31, 1934, to June 30, 1946		
		Number [2]	Percent	Rank		Number [1]	Percent	Rank		Number [5]	Percent	Rank	Number [5]	Percent	Rank	Number	Percent	Rank
United States	6,812,350	743,954	10.9	------	6,096,799	1,853,249	30.4	------	5,876,730	2,725,610	44.7	------	3,106,775	52.9	------	2,362,821	317.6	------
Alabama	273,455	11,053	4.0	33	231,746	33,907	14.6	41	227,686	66,400	28.7	36	77,650	34.1	41	66,597	602.5	15
Arizona	18,824	5,577	29.6	12	18,468	5,607	30.4	24	13,142	8,250	44.7	26	9,400	71.5	20	3,823	68.5	44
Arkansas	253,013	2,943	1.2	47	216,674	21,303	9.8	5	199,276	41,150	19.1	45	61,300	30.8	43	58,357	1,982.9	2
California	150,360	81,093	53.9	1	132,658	107,904	81.3	4	137,962	122,200	92.1	3	132,700	96.2	2	51,607	63.6	46
Colorado	63,644	7,145	11.2	25	51,436	14,823	28.8	25	47,656	25,300	49.2	24	29,750	62.4	23	22,611	316.5	25
Connecticut	32,157	10,138	31.5	10	21,163	16,995	80.3	5	22,241	19,300	91.2	4	20,000	89.9	6	9,862	97.3	40
Delaware	10,381	1,791	17.3	20	8,994	3,545	39.4	21	9,296	5,250	58.4	21	6,700	72.1	19	4,909	274.1	29
Florida	72,857	5,700	7.8	26	62,248	15,476	24.9	28	61,697	22,200	35.7	31	29,200	47.3	28	23,500	412.3	19
Georgia	250,544	6,956	2.8	41	216,033	42,409	19.6	33	228,055	78,000	36.1	30	95,150	41.7	33	88,194	1,267.9	6
Idaho	45,113	13,433	29.8	11	43,663	25,439	58.3	13	41,498	34,100	78.1	13	36,700	88.4	8	23,267	173.2	35
Illinois	231,312	28,379	12.3	23	213,439	80,027	37.5	22	204,228	122,800	57.5	22	131,700	64.5	22	103,321	364.1	22
Indiana	200,835	23,476	11.7	24	184,549	91,127	49.4	17	176,194	135,500	73.4	14	147,900	83.9	12	124,424	530.0	16
Iowa	221,986	32,047	14.4	22	213,318	73,308	34.4	23	209,009	128,600	60.3	20	155,000	74.2	18	122,953	383.6	21
Kansas	174,589	13,224	7.6	28	156,327	27,960	17.9	37	141,518	43,600	27.9	38	51,100	36.1	39	37,876	286.4	28
Kentucky	278,298	8,480	3.0	39	252,894	38,607	15.3	40	238,807	65,500	25.9	40	76,650	32.1	42	68,170	803.9	10
Louisiana	170,216	2,826	1.7	46	150,007	16,058	10.7	44	129,952	31,150	20.8	43	47,800	36.8	38	44,974	1,591.4	4
Maine	41,907	13,959	33.3	8	38,980	20,221	51.9	15	42,184	23,600	60.5	19	24,000	56.9	25	10,041	71.9	42
Maryland	44,501	6,791	15.3	21	42,175	17,170	40.7	20	41,315	26,850	63.7	18	29,500	71.4	21	22,709	334.4	24
Massachusetts	35,094	14,494	41.3	7	31,897	26,220	82.2	2	37,009	27,700	86.8	5	33,300	90.0	5	18,806	129.8	37
Michigan	196,517	42,152	21.4	17	187,589	131,126	69.9	7	174,980	157,300	83.9	6	165,050	94.3	3	122,898	291.6	27
Minnesota	203,302	13,783	6.8	30	197,351	50,075	25.4	26	188,948	92,500	46.9	25	105,250	55.7	26	91,467	663.6	12
Mississippi	311,683	2,802	.9	48	291,092	26,078	9.0	46	263,528	54,500	18.7	46	65,300	24.8	46	62,498	2,230.5	1
Missouri	278,454	17,893	6.4	31	256,100	39,204	15.3	39	243,276	72,850	28.4	37	93,650	38.5	34	75,757	423.4	17
Montana	50,564	2,768	5.5	32	41,823	7,947	19.0	34	37,747	11,350	27.1	39	14,200	37.6	35	11,432	413.0	18
Nebraska	133,616	9,544	7.1	29	121,062	22,832	18.9	35	111,684	37,050	30.6	35	41,650	37.3	36	32,106	336.4	23
Nevada	3,696	946	25.6	15	3,373	1,555	43.5	19	3,429	1,860	52.1	23	1,975	57.6	24	1,029	108.8	39
New Hampshire	17,695	9,495	53.7	2	16,554	10,845	65.5	10	18,786	13,850	83.6	7	15,750	83.8	13	6,255	65.9	45
New Jersey	29,375	15,162	51.6	4	25,835	21,298	82.4	1	26,086	24,300	94.1	2	25,700	98.5	1	10,538	69.5	43
New Mexico	41,369	1,350	3.3	37	34,105	4,479	13.1	42	29,749	7,400	21.7	42	10,300	34.6	40	8,950	663.0	13
New York	177,025	57,825	32.7	9	153,238	102,283	66.7	9	149,856	121,200	79.1	10	126,250	84.2	11	68,425	118.3	38
North Carolina	300,967	9,672	3.2	38	278,276	67,627	24.3	29	287,441	106,350	38.2	28	126,000	43.8	30	116,328	1,202.7	7
North Dakota	84,606	1,968	2.3	43	73,962	3,218	4.4	48	69,520	6,250	8.5	48	7,250	10.4	48	5,282	268.4	30
Ohio	255,146	48,048	18.8	19	233,783	137,080	58.9	41	220,910	184,600	79.0	11	199,500	90.3	4	151,452	315.2	26
Oklahoma	213,325	5,648	2.6	42	179,687	20,149	11.2	43	167,686	36,400	20.3	44	48,650	29.0	45	43,002	761.4	11
Oregon	64,826	17,839	27.5	14	61,829	36,369	58.8	12	63,125	49,400	79.9	9	56,100	88.9	7	38,261	214.5	33
Pennsylvania	191,284	45,182	23.6	16	169,027	94,081	55.7	14	171,539	116,200	68.8	15	128,300	74.8	17	83,118	184.0	34
Rhode Island	4,327	1,975	45.6	6	3,014	2,457	81.5	3	3,603	2,950	97.9	1	3,150	87.4	9	1,175	59.5	47
South Carolina	165,504	3,796	2.3	44	137,558	27,568	20.0	32	147,120	57,100	41.5	27	65,750	44.7	29	61,954	1,632.1	3
South Dakota	83,303	2,939	3.5	36	72,454	3,981	5.5	47	68,705	8,300	11.5	47	9,300	13.5	47	6,361	216.4	32
Tennessee	273,783	9,727	3.6	34	247,617	38,884	15.7	38	235,666	63,350	25.6	41	71,300	30.3	44	61,573	633.0	14
Texas	501,017	11,466	2.3	45	418,002	79,127	18.9	36	390,814	144,900	34.7	32	168,400	43.1	31	156,934	1,368.7	5

Footnotes at end of table.

Comparison of rank, percentage, and number of farms electrified with central-station service, 1935, 1940, 1945, and 1946, by States and for the United States—Continued

Area	Farms, Jan. 1, 1935, number [1]	Farms receiving central-station electric service, Dec. 31, 1934			Farms, Apr. 1, 1940, number [1]	Farms receiving central-station electric service, Apr. 1, 1940			Farms, Jan. 1, 1945, number [2]	Farms receiving central-station electric service, June 30, 1945 [4]			Farms receiving central-station electric service, June 30, 1946			Increase in electrified farms from Dec. 31 1934, to June 30, 1946		
		Number [2]	Percent	Rank		Number [1]	Percent	Rank		Number [5]	Percent	Rank	Number [5]	Percent	Rank	Num ber	Percent	Rank
Utah	30,695	16,130	52.5	3	25,411	17,411	68.5	8	26,322	20,000	78.7	12	21,550	81.9	14	5,420	33.6	48
Vermont	27,061	7,945	29.4	13	23,582	12,213	51.8	16	26,490	15,800	67.0	16	19,900	75.1	16	11,955	150.5	36
Virginia	197,632	14,954	7.6	27	174,885	42,144	24.1	30	173,199	60,250	34.4	33	72,500	41.9	32	57,546	284.8	20
Washington	84,381	40,060	47.5	5	81,686	58,283	71.4	6	79,887	68,300	83.6	7	69,500	87.0	10	29,440	73.5	41
West Virginia	104,747	3,647	3.5	35	99,282	25,199	25.4	27	97,686	33,550	33.8	34	36,200	37.1	37	32,553	892.6	9
Wisconsin	199,877	39,206	19.6	18	186,735	87,556	46.9	18	177,747	124,450	66.6	17	136,350	76.7	15	97,144	247.8	31
Wyoming	17,487	527	3.0	40	15,018	3,474	23.1	31	12,476	5,550	37.0	29	6,500	52.1	27	5,973	1,133.4	8

[1] U. S. Bureau of the Census, 1935 and 1940.
[2] Edison Electric Institute.
[3] U. S. Bureau of the Census, preliminary estimates, 1945 census of agriculture.
[4] Based on 1940 census; 1945 not available when estimate made.
[5] REA estimates.

This table alone tells a story of progress seldom equaled and never surpassed in all the history of this country.

It shows that in 1934 we had only 10.9 percent of our farms electrified, and that by June 30, 1946, we had 52.9 percent of the farms of this country electrified.

Here is another table that brings us down to June 30, 1947, and shows that by that time we had increased the number of electrified farms to 61 percent.

The table referred to follows:

Systems energized, miles energized, and consumers connected for REA borrowers and the percentage of total farms electrified by all agencies

Area	Systems energized [1]		Miles energized [1]		Consumers connected [1]		Percentage of total farms electrified
	June 30, 1947	Sept. 30, 1947	June 30, 1947	Sept. 30, 1947	June 30, 1947	Sept. 30, 1947	June 30, 1947
United States	889	896	546,781	568,077	1,843,351	1,933,493	61.0
Alabama	24	24	13,259	13,905	59,693	62,589	[2] 48.0
Arizona	5	6	736	754	3,751	3,899	84.7
Arkansas	19	19	14,302	14,816	52,186	55,828	42.2
California	5	5	1,683	1,687	5,140	7,248	90.3
Colorado	20	20	9,273	9,533	27,987	29,332	68.8
Connecticut	0	0	0	0	0	0	98.5
Delaware	1	1	1,056	1,070	3,633	3,699	81.9
Florida	17	17	6,133	7,003	21,974	23,759	58.8
Georgia	43	43	26,543	27,583	109,562	116,129	53.8
Idaho	9	9	3,430	3,482	8,892	9,215	93.3
Illinois	28	28	24,961	25,898	74,888	78,468	74.9
Indiana	44	44	25,474	26,285	95,437	99,224	85.4
Iowa	54	54	36,026	37,204	90,074	92,340	79.0
Kansas	24	26	12,590	13,774	26,807	29,017	41.7
Kentucky	25	25	16,728	17,286	72,629	76,057	43.8
Louisiana	15	15	10,899	11,526	40,671	43,360	45.8
Maine	4	4	489	489	2,099	2,173	74.7
Maryland	2	2	2,487	2,523	11,476	12,066	78.5
Massachusetts	0	0	0	0	0	0	95.2
Michigan	13	13	10,711	10,848	41,144	42,793	92.0
Minnesota	50	50	38,524	39,944	91,516	95,740	62.4
Mississippi	23	23	20,515	21,209	90,430	93,950	32.9
Missouri	42	42	28,890	29,682	102,671	106,699	49.2
Montana	17	18	4,895	5,200	14,255	14,877	41.4
Nebraska	24	24	15,398	15,843	33,545	34,676	38.0
Nevada	2	2	144	147	645	652	54.9
New Hampshire	1	1	1,547	1,560	3,942	4,150	90.4
New Jersey	2	2	448	449	1,944	2,016	95.1
New Mexico	9	10	2,433	2,701	7,442	8,274	40.6
New York	6	6	2,852	2,864	10,040	10,158	94.1
North Carolina	35	35	16,338	17,303	68,341	72,609	54.8
North Dakota	10	11	5,062	5,600	9,602	10,541	15.6
Ohio	28	28	22,120	22,543	82,558	84,943	90.0
Oklahoma	24	24	20,319	21,133	51,131	53,223	47.7
Oregon	13	13	3,897	4,086	14,039	14,575	92.2
Pennsylvania	13	13	12,006	12,178	42,512	44,107	83.6
Rhode Island	0	0	0	0	0	0	97.3
South Carolina	23	23	13,634	14,230	50,448	53,843	52.2
South Dakota	15	16	3,643	4,034	11,348	11,939	18.2
Tennessee	30	30	15,974	16,489	120,824	125,905	40.4
Texas	74	74	56,694	58,989	154,640	163,591	55.8
Utah	5	5	920	930	2,899	3,000	79.6
Vermont	3	3	1,389	1,462	3,949	4,099	79.5
Virginia	16	16	12,206	13,126	43,248	46,518	53.9
Washington	21	21	7,445	7,370	17,651	18,119	94.6
West Virginia	2	2	595	595	2,165	2,295	50.7
Wisconsin	32	32	18,875	19,491	54,311	56,238	79.1
Wyoming	14	14	3,065	3,079	7,739	8,046	55.0
Alaska	2	2	118	119	957	998	----------
Virgin Islands	1	1	55	55	516	516	----------

[1] Includes latest available figures for systems paid in full.
[2] Revised.

NOTE.—State figures represent data for REA borrowers incorporated within the State.

When we started this program you will note that we only had 10.9 percent of our farms electrified, and some of the States had as little as 1 percent. My State was one of them. Today we have 61 percent of our farms electrified.

The farmers are clamoring for this service in every State in the Union. Every dollar of this money will come back with interest, and it will add immeasurably to the wealth of the Nation.

There is also an application pending for a deficiency appropriation for $175,000,000 additional funds to carry on this rural-electrification program during the balance of the present fiscal year. I sincerely trust that every dollar this deficiency appropriation asked for by the Bureau of the Budget will be provided. Remember that if this money is not allocated, it will not be spent. Not a dime of it will be wasted. But when the farmers have been assured that they can get the funds, they can then secure the materials with which to build the lines and supply the transformers and electrify their homes in every section of the country. Then every dollar of this money will be taken by them; and as I said, it will all come back with interest.

I remember 15 years ago when a distinguished friend of mine on the other side of the aisle, who has long since left the House, rose and asked me how far I intended to go with this program. He said: "Do you mean you would build power lines down the public roads?" I said: "Some of them would be down the public roads, some of them would be across the pasture. Some of them would be down the lane." I want to reach every farmhouse the tax collector can find in times of peace, or that we can reach with the draft in times of war. If we do that, we will be building a strong America, a self-sustaining America. We will be doing more for the rural people of this country than has ever been done for them in all history.

At this point I submit a copy of the pending applications by States, showing the dire necessity for this deficiency appropriation:

In order that each Member may see where this money is needed, I am breaking these applications down alphabetically:

ALABAMA

The applications now pending from that State amount to $5,562,000.

ARIZONA

The applications now pending from that State amount to $1,076,000.

ARKANSAS

The applications now pending from that State amount to $4,657,000.

CALIFORNIA

The applications now pending from that State amount to $315,000.

COLORADO

The applications now pending from that State amount to $5,303,000.

CONNECTICUT

The applications now pending from that State amount to zero.

DELAWARE

The applications now pending from that State amount to $150,000.

FLORIDA

The applications now pending from that State amount to $10,225,000.

GEORGIA

The applications now pending from that State amount to $17,913,000.

IDAHO

The applications now pending from that State amount to $1,705,000.

ILLINOIS

The applications now pending from that State amount to $9,045,000.

INDIANA

The applications now pending from that State amount to $2,186,000.

IOWA

The applications now pending from that State amount to $13,473,000.

KANSAS

The applications now pending from that State amount to $12,878,000.

KENTUCKY

The applications now pending from that State amount to $10,497,000.

LOUISIANA

The applications now pending from that State amount to $2,914,000.

MAINE

The applications now pending from that State amount to $146,000.

MARYLAND

The applications now pending from that State amount to $800,000.

MASSACHUSETTS

The applications now pending from that State amount to zero.

MICHIGAN

The applications now pending from that State amount to $2,472,000.

MINNESOTA

The applications now pending from that State amount to $13,457,000.

MISSISSIPPI

The applications now pending from that State amount to $6,660,000.

MISSOURI

The applications now pending from that State amount to $29,797,000.

MONTANA

The applications now pending from that State amount to $8,942,000.

NEBRASKA

The applications now pending from that State amount to $18,099,000.

NEVADA

The applications now pending from that State amount to $80,000.

NEW HAMPSHIRE

The applications now pending from that State amount to $513,000.

NEW JERSEY

The applications now pending from that State amount to $98,000.

NEW MEXICO

The applications now pending from that State amount to $1,960,000.

NEW YORK

The applications now pending from that State amount to $157,000.

NORTH CAROLINA

The applications now pending from that State amount to $3,702,000.

NORTH DAKOTA

The applications now pending from that State amount to $23,948,000.

OHIO

The applications now pending from that State amount to $3,220,000.

OKLAHOMA

The applications now pending from that State amount to $9,337,000.

OREGON

The applications now pending from that State amount to $1,740,000.

PENNSYLVANIA

The applications now pending from that State amount to $2,161,000.

RHODE ISLAND

The applications now pending from that State amount to zero.

SOUTH CAROLINA

The applications now pending from that State amount to $6,765,000.

SOUTH DAKOTA

The applications now pending from that State amount to $14,962,000.

TENNESSEE

The applications now pending from that State amount to $10,552,000.

TEXAS

The applications now pending from that State amount to $20,802,500.

UTAH

The applications now pending from that State amount to $605,000.

VERMONT

The applications now pending from that State amount to $450,000.

VIRGINIA

The applications now pending from that State amount to $4,200,000.

WASHINGTON

The applications now pending from that State amount to $2,290,000.

WEST VIRGINIA

The applications now pending from that State amount to $53,000.

WISCONSIN

The applications now pending from that State amount to $6,802,000.

WYOMING

The applications now pending from that State amount to $3,710,000.

Let us provide these funds and speed the day when we will have every farm home in this country electrified at rates the farmers can afford to pay.

Mr. CANNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, too much cannot be said in appreciation of the services rendered in this connection by the gentleman from Mississippi [Mr. RANKIN]. Along with Senator Norris, of Nebraska, he had a large part in the creation of the Tennessee Valley Authority and he, as much as any Member of the House, is responsible for the ample appropriations which have been made for the Rural Electrification Administration in the critical years of its establishment.

If the gentleman ever dies, as I hope he never will, the lights shining from millions of farm homes all over the Nation will constitute an eloquent testimonial to his long and useful service in this House.

Mr. HORAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I share with the gentleman from Mississippi the desire to see every farm in the Nation electrified. But the method that we have to employ, bringing these funds to Congress for appropriation, because of the lag and difficulties of getting supplies that have to be competed for in the open market, we have developed a considerable amount of confusion in the construction program of rural lines. Some of that we feel is due to too much nursing on the part of the administration of co-ops that should be allowed to be on their own. Keeping them on the administrative rolls we feel creates part of the lag that exists because of the administrative bottleneck. When we go back into the House I shall get permission to insert a table here on all of the REA's in the several States of the Nation which shows their total assets, their net worth, their age, and so forth. Some of these certainly could be liberated from administrative restrictions. Others, as this table will show, need administrative help.

This table should be explained somewhat. In the net-worth column there are some figures in parenthesis. These co-ops are deficient. That should be added to the total assets to show their financial position as being in additional liability.

You will see that there are some which are in trouble. This trouble should be worked out and corrected, because they reflect upon all of the REA co-ops and their record is used against the good names of the sound cooperatives.

I feel that we are making headway in clarifying the REA program and I trust we will make sound headway.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. RANKIN. Let me say to the gentleman from Washington that originally the interest rates were very high. The restriction as to amount was limited to $40,000,000 a year and I believe the amortization period was only 20 years. We got this relaxed a few years ago, reducing the interest rate to 2 percent, taking the limit off the amount that can be provided for rural electrification, and extending the amortization period to 35 years. That has enabled a great many of these co-ops that were having trouble to get back on their feet and to carry on their work of electrifying farm homes in their respective areas. I feel that if we will just continue to give them the support we are giving them here today that we will soon electrify every farm home in the country.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr JENKINS of Ohio. I just want to join with the gentleman in his expressions with reference to the efforts REA is making in my section of the country, southern Ohio. We have one of the most modern and up-to-date cooperatives of that kind I think in the whole country, and it has been operating magnificently.

Mr. HORAN. We have outlined the policy of the committee on the complete record in our hearings and I trust that what is being submitted here will further amplify that. I know that the Members are interested in REA and seeing it maintained on a sound basis.

I hope the material we are putting into the CONGRESSIONAL RECORD today will assist in clarifying a lot of this matter and perhaps remove the confusion.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. MAHON. I think the gentleman will agree that there might be some misunderstanding in the country over the availability of the $100,000,000 in addition to the budget estimate which is provided in this bill. I think it has been pointed out on the floor that this money will not be available for present needs; it will not be available until July 1.

I believe it should also be pointed out that a budget estimate for an additional $175,000,000 for the current fiscal year is now pending before the Deficiency Committee.

Mr. HORAN. I may say, however, that that budget estimate was not sent up until the gentleman from Mississippi on last Saturday practically forced the REA to send it up.

Net worth of REA-financed rural electric-distribution systems as of Aug. 31, 1947

Borrower designation	Total assets	Net worth		Age in months	
		Amount	Percent of assets	Average	Since energization
REGION X					
Arizona:					
13	(1)	(1)	-----	(1)	11
14	$1,365,842	$104,456	8	77	86
17	596,291	(21,763)	-----	13	14
22	(1)	(1)	-----	(1)	1
New Mexico:					
4	834,367	200,141	24	71	107
8	1,061,226	37,851	4	50	92
9	1,202,229	50,161	4	57	105
11	659,322	11,975	2	14	37
12	568,441	(61,755)	-----	33	81
13	----------	(2)			
14	(1)	(1)	-----	(1)	11
17	(1)	(1)	-----	(1)	29
20	364,321	9,460	3	17	21
Texas:					
7	606,176	4,457	1	61	138
11	920,881	59,991	7	58	106
21	623,744	27,847	4	91	116
23	764,606	64,422	8	77	108
30	1,693,189	348,962	21	58	110
33	350,157	179,782	51	105	116
38	1,015,743	90,389	9	76	116
40	1,371,122	155,892	11	59	103
41	522,223	114,904	22	80	119
44	237,559	12,190	5	97	111
45	795,275	37,762	5	85	114
47	908,419	(8,337)	-----	89	104
48	936,081	301,814	32	81	108
49	712,136	90,750	12	94	114
50	1,004,391	114,403	11	72	109
52	822,338	36,194	4	70	109
53	897,302	110,409	12	65	108
54	1,279,745	170,671	13	65	106
55	967,005	1,774	(3)	49	99

Footnotes at end of table.

Net worth of REA-financed rural electric-distribution systems as of Aug. 31, 1947—Continued

Borrower designation	Total assets	Net worth		Age in months	
		Amount	Percent of assets	Average	Since energization
REGION X—con.					
Texas—con.					
56	$1,254,352	$160,966	13	69	109
58	665,363	60,604	9	82	105
59	825,773	41,702	5	57	99
60	1,651,859	240,014	15	44	97
61	1,079,255	9,431	1	81	105
62	692,623	3,008	(3)	72	94
63	737,880	49,859	7	82	107
64	1,293,287	82,220	6	64	104
65	840,423	87,588	10	56	105
67	935,107	37,131	4	80	106
68	710,604	113,388	16	60	100
69	1,351,383	112,207	8	68	100
70	1,098,747	89,682	8	61	99
71	522,073	38,806	7	61	96
72	937,480	69,517	7	78	95
75	573,713	148	(3)	60	97
76	4,054,776	318,271	8	-----	94
77	819,272	128,479	16	66	99
78	813,723	66,814	8	72	94
80	997,029	18,478	2	42	96
83	741,314	65,544	9	64	94
84	514,950	(1)	(1)	47	94
85	498,284	2,839	1	67	93
86	1,057,715	99,343	9	60	97
87	1,145,181	60,473	5	50	91
88	737,682	74,758	10	75	91
89	862,932	46,512	5	43	79
91	853,702	60,321	7	65	93
92	1,002,711	55,701	6	66	92
93	778,455	81,541	10	52	92
94	1,052,111	111,432	11	65	92
95	1,352,446	37,232	3	58	94
96	789,327	41,038	5	50	92
97	559,704	8,288	1	46	79
98	617,023	33,169	5	43	86
99	774,975	55,452	7	61	93
100	3,144,661	181,267	6	-----	100
101	880,118	110,525	13	72	93
102	715,238	67,772	9	60	91
103	861,654	91,448	11	68	84
104	548,592	19,928	4	47	89
106	983,681	61,890	6	43	79
107	924,423	33,297	4	59	81
108	645,776	(2,671)	-----	35	80
111	662,922	13,419	2	50	80
113	435,582	970	(3)	17	24
114	447,958	14,672	3	39	73
115	657,612	(12,720)	-----	30	68
118	731,438	(11,191)	-----	27	52
119	454,410	211	(3)	14	27
123	735,999	60,495	8	61	101
124	339,619	(4,993)	-----	15	20
125	881,865	38,068	4	24	50
135	647,603	(9,245)	-----	11	19
REGION I					
Delaware: 2	1,364,054	192,399	14	93	113
Maine:					
2	274,897	4,809	2	87	106
8	285,413	(31,270)	-----	83	86
12	224,915	(28,127)	-----	33	66
13	102,731	(12,833)	-----	62	67
Maryland:					
4	2,065,665	201,381	10	79	108
7	2,031,038	153,231	8	59	92
New Hampshire:					
4	1,733,409	(385,276)	-----	69	90
New Jersey:					
4	339,744	(4,531)	-----	85	115
6	237,263	11,026	5	102	120
New York:					
19	513,306	(8,889)	-----	31	38
20	612,794	(6,118)	-----	30	38
21	621,780	(25,888)	-----	26	34
23	150,592	(19,598)	-----	39	42
24	202,293	(11,790)	-----	31	39
North Carolina:					
10	690,223	22,199	3	52	95
14	350,694	66,405	20	90	114
16	597,189	48,236	8	64	124
21	830,124	140,640	17	75	106
23	2,465,053	34,538	1	81	115
25	803,480	33,166	4	79	98
31	754,121	5,373	1	68	100
32	543,766	43,944	8	60	93
33	474,305	1,954	-----	76	96
34	894,201	36,427	4	61	98
35	991,161	(666)	-----	61	95
36	971,691	42,512	4	61	97
37	902,774	12,275	1	74	95
38	45,990	(12,878)	-----	73	96
39	903,181	45,975	5	65	90
40	655,805	65,424	10	78	92

Footnotes at end of table.

Net worth of REA-financed rural electric-distribution systems as of Aug. 31, 1947—Continued

Borrower designation	Total assets	Net worth		Age in months	
		Amount	Percent of assets	Average	Since energization
REGION I—con.					
North Carolina—continued					
43	$822,803	$270,303	33	68	87
46	1,539,474	(643)	-----	45	78
47	636,154	15,810	2	49	77
48	362,120	(11,491)	-----	65	79
49	992,834	896	-----	41	78
50	514,154	22,760	4	65	76
51	1,041,595	59,625	6	47	77
52	921,291	68,556	7	40	78
53	433,254	(16,275)	-----	59	70
55	294,020	(10,227)	-----	57	71
56	337,834	(27,561)	-----	35	66
58	624,514	12,557	2	9	13
59	417,899	11,888	3	14	33
63	68,825	9,262	13	55	116
66	583,514	8,249	1	9	14
Pennsylvania:					
4	1,769,639	190,460	11	97	123
6	1,599,411	254,773	16	85	116
12	307,967	7,431	2	86	116
13	1,266,091	81,440	6	83	117
14	788,684	15,660	2	77	116
15	1,368,695	85,901	6	84	118
17	1,488,661	261,434	18	76	108
19	453,905	9,413	2	48	84
20	1,469,311	80,184	5	65	93
21	877,437	6,558	1	62	90
22	592,376	49,284	8	69	91
24	442,388	47,965	11	78	92
25	1,463,564	3,986	-----	47	76
Vermont:					
7	770,195	80,362	10	67	100
8	944,705	(107,759)	-----	45	93
10	275,525	(37,854)	-----	38	59
Virginia:					
2	502,795	(1,809)	-----	91	110
11	2,205,972	(10,993)	-----	81	115
22	1,485,057	87,694	6	89	133
27	3,669,167	(17,203)	-----	59	117
28	665,870	18,303	3	71	112
29	1,267,592	25,488	2	68	107
30	1,118,430	3,330	-----	68	102
31	1,457,402	43,495	3	69	106
34	2,027,046	45,452	2	40	94
35	902,043	37,116	4	54	100
36	510,836	(13,468)	-----	38	84
37	607,809	(16,973)	-----	59	84
38	436,377	(43,206)	-----	65	86
39	753,695	(34,966)	-----	46	75
41	1,195,176	(7,531)	-----	54	116
REGION II					
Florida:					
14	2,161,360	(42,747)	-----	56	107
15	616,003	5,654	1	49	91
16	830,588	84,417	10	80	105
17	1,139,371	36,887	3	54	101
22	537,596	6,692	1	56	87
23	347,156	(5,941)	-----	58	85
24	584,454	(104,067)	-----	35	56
25	232,837	3,007	1	58	76
26	828,806	54,135	6	41	72
28	576,988	(13,043)	-----	42	73
29	653,628	30,525	5	44	68
30	776,251	26,125	3	35	75
33	326,628	7,827	2	4	5
34	404,748	(19,275)	-----	13	24
35	590,255	1,516	-----	9	12
Georgia:					
7	1,275,208	672,530	53	97	133
8	566,687	114,988	20	75	120
17	694,994	114,861	16	59	120
20	625,974	103,799	17	80	122
22	1,536,808	336,948	22	91	122
31	386,987	73,357	19	75	118
34	1,120,055	142,044	13	67	121
35	924,745	216,635	23	80	122
37	789,460	95,421	12	69	119
39	893,125	52,511	6	66	111
42	479,489	41,933	9	96	124
45	509,173	120,342	24	87	107
51	510,852	76,568	15	68	121
58	1,131,759	84,490	7	81	114
65	752,720	80,136	11	71	119
66	1,004,358	364,934	36	86	119
67	1,213,246	56,967	5	91	114
68	464,315	35,908	8	94	111
69	616,321	36,598	6	71	111
70	925,340	8,167	1	79	112
73	398,665	36,863	9	87	103
74	836,212	18,032	2	83	113
75	557,433	36,272	6	82	109
77	559,598	71,920	13	77	98

Footnotes at end of table.

Net worth of REA-financed rural electric-distribution systems as of Aug. 31, 1947—Continued

Borrower designation	Total assets	Net worth		Age in months	
		Amount	Percent of assets	Average	Since energization
REGION II—con.					
Georgia—Con.					
78	$454,998	$56,437	12	82	98
81	852,383	93,881	11	88	98
83	1,195,468	186,162	16	64	101
84	549,199	106,831	19	78	104
86	765,636	51,838	7	62	99
87	355,109	12,871	4	79	96
88	695,957	61,853	9	64	101
90	718,463	84,546	12	81	100
91	629,816	8,949	1	44	87
92	459,891	25,762	6	81	85
94	405,481	38,624	9	53	84
95	653,494	(11,042)	-----	44	81
96	633,467	(17,525)	-----	52	77
97	438,754	25,153	6	46	79
98	300,433	(5,208)	-----	60	73
99	288,945	26,290	9	65	75
103	242,153	4,584	2	5	6
South Carolina:					
14	1,131,097	102,697	9	71	107
19	965,360	53,640	6	65	91
21	757,132	(29,726)	-----	71	90
22	527,618	(6,557)	-----	59	91
23	484,709	(10,167)	-----	74	88
24	361,428	(843)	-----	75	90
25	552,898	166,677	30	56	83
26	641,433	8,070	1	66	84
27	526,941	(17,820)	-----	60	83
28	1,277,537	117,306	9	66	85
29	690,633	23,045	3	62	80
30	364,135	(7,075)	-----	61	80
31	893,123	16,830	2	53	80
32	523,255	8,140	2	46	80
33	426,584	(31,231)	-----	72	80
34	490,277	117,300	24	61	80
35	660,729	(6,914)	-----	38	80
36	386,798	(45,349)	-----	47	70
37	578,905	38,448	7	53	80
38	1,162,157	26,781	2	63	80
40	330,266	(6,619)	-----	31	54
41	392,632	19,626	5	38	71
Virgin Islands: 1	[6] 202,317	(53,210)	-----	66	69
REGION III					
Alabama:					
9	367,205	(6,982)	-----	90	122
18, TVA	917,510	286,916	31	90	131
19, TVA	403,583	118,266	29	94	128
20	568,792	113,762	20	92	111
21, TVA	764,219	112,955	15	78	112
22	1,260,245	19,283	1	47	93
23	888,007	45,800	5	102	113
25	380,694	68,918	18	83	100
26	496,241	(16,297)	-----	85	100
27	772,077	11,680	2	80	97
28	913,095	(62,204)	-----	75	94
29	970,581	52,911	5	75	93
30	1,173,519	96,029	8	63	94
32	722,236	27,608	4	73	86
33	433,262	14,128	3	79	87
35, TVA	475,864	160,214	34	63	86
36, TVA	1,232,163	182,705	15	62	86
37, TVA	606,356	174,198	29	72	86
38, TVA	1,023,003	707,213	69	81	86
39	860,509	8,549	1	12	18
43, TVA	621,711	244,870	39	60	66
44 [7]	545,461	67,340	12	(1)	36
46, TVA	139,565	5,514	4	6	7
47, TVA	(1)	(1)	-----	(1)	(1)
Kentucky:					
3	989,271	56,290	6	64	98
18	917,176	52,771	6	72	116
20	635,782	162,990	26	80	112
21	1,082,883	162,372	15	91	115
23	774,968	86,128	11	78	102
26, TVA	1,428,951	154,323	11	73	108
27	810,318	94,836	12	89	110
30	877,536	108,937	12	79	111
33	1,300,125	115,305	9	81	111
34	1,040,250	99,894	10	64	104
35, TVA	1,113,789	105,150	9	78	102
37	1,379,941	112,448	8	82	115
38, TVA	606,784	20,148	3	48	98
40	368,166	60,669	16	95	111
45	584,475	87,557	15	78	101
46	1,100,632	171,939	16	64	102
49	372,768	47,406	13	80	102
Kentucky:					
50, TVA	1,318,955	87,464	7	56	96
51	521,954	47,995	9	69	97
52	2,160,832	164,935	8	64	103
54	1,328,308	46,554	4	60	84
55	1,084,974	19,672	2	78	127
56	483,851	(10,673)	-----	62	75
57	599,463	(7,180)	-----	50	72
58	481,828	(32,577)	-----	57	73

Footnotes at end of table.

Net worth of REA-financed rural electric-distribution systems as of Aug. 31, 1947—Continued

Borrower designation	Total assets	Net worth		Age in months	
		Amount	Percent of assets	Average	Since energization
REGION III—con.					
Mississippi:					
1, TVA	$339,682	$125,178	37	104	138
17, TVA	543,059	384,918	71	77	99
20	700,256	78,782	11	72	113
21	901,804	82,302	9	76	115
22, TVA	817,433	63,972	8	78	114
23	1,313,245	29,821	2	60	107
24, TVA	327,902	53,260	16	76	111
26, TVA	1,214,936	220,709	18	63	100
28	817,809	137,844	17	63	111
29, TVA	1,719,758	556,334	32	76	97
30	1,208,517	166,354	14	55	97
31	1,221,347	149,353	12	61	104
34	1,974,260	135,927	7	90	103
36	1,384,488	102,919	7	47	99
38	1,139,701	71,389	6	49	96
39	1,144,470	32,032	3	62	93
40	2,332,730	(3,095)	-----	58	100
41	1,941,646	36,134	2	51	95
43, TVA	487,298	166,500	34	95	100
45, TVA [7]	1,172,962	239,418	20	75	93
49, TVA	982,965	585,429	60	(1)	92
50, TVA	882,289	259,429	29	47	92
Tennessee:					
1, TVA	2,287,839	446,877	20	86	133
9, TVA	2,025,536	113,440	6	77	116
16, TVA	1,604,337	394,671	25	77	122
17, TVA	301,012	39,500	13	81	117
19, TVA	2,177,862	541,576	25	71	129
20, TVA	2,339,477	863,515	37	64	132
21, TVA	2,378,707	654,704	28	92	121
23, TVA	301,520	147,214	49	67	109
24, TVA	1,503,283	392,479	26	86	101
25, TVA	1,179,878	361,846	31	74	96
26, TVA	861,911	90,186	10	63	73
27, TVA	410,203	51,943	13	47	75
31, TVA	904,136	151,636	17	36	99
32, TVA	650,622	350,181	54	77	96
34, TVA	553,827	157,372	28	27	95
35, TVA	1,179,858	365,341	31	68	87
37, TVA	738,405	243,406	33	74	85
38, TVA	823,228	409,771	50	62	85
39, TVA	735,195	137,504	19	(1)	(1)
43, TVA	507,062	212,293	42	61	76
45, TVA	782,198	287,882	37	63	71
46, TVA	773,709	19,445	3	54	62
48, TVA	821,158	147,226	18	45	68
49, TVA	397,203	22,491	6	59	67
51, TVA	629,302	6,564	1	66	73
REGION IV					
Indiana:					
1	999,127	151,203	15	74	114
6	657,196	268,738	41	114	135
7	670,192	253,238	38	95	121
8	470,991	183,596	39	85	116
9	510,324	143,291	28	84	112
11	658,279	180,349	27	74	100
14	507,914	8,292	2	106	122
15	305,459	15,136	5	82	110
16	670,493	234,926	35	103	116
18	537,279	37,347	7	97	111
21	343,150	87,611	26	93	107
24	583,695	167,928	29	101	116
26	668,061	57,260	9	70	91
27	615,056	38,439	6	86	97
29	598,498	109,982	18	82	108
32	494,448	119,618	24	106	111
33	708,745	332,007	47	106	116
35	492,957	88,257	18	86	97
37	763,003	155,378	20	88	112
38	346,005	92,849	27	104	120
40	967,812	134,562	14	80	91
41	288,036	56,210	20	91	102
42	1,271,067	97,843	8	65	102
44	329,977	90,862	28	65	97
46	391,310	84,807	22	81	92
47	517,352	39,351	8	78	95
52	1,545,024	94,531	6	62	93
53	446,621	73,777	17	89	99
55	1,111,494	199,341	18	81	92
59	610,363	158,478	26	93	112
60	1,032,807	71,529	7	65	84
70	628,955	113,181	18	81	89
72	424,669	62,890	15	58	90
74	633,800	229,385	36	108	122
80	568,124	171,500	30	97	111
81	644,272	122,319	19	80	92
83	677,458	27,365	4	67	74
87	659,512	226,875	34	80	90
88	614,766	194,749	32	75	102
89	944,739	127,798	14	63	95
92	1,132,655	156,397	14	82	111
99	671,309	20,315	3	64	73
100	352,053	50,728	14	61	86

Footnotes at end of table.

Net worth of REA-financed rural electric-distribution systems as of Aug. 31, 1947—Continued

Borrower designation	Total assets	Net worth		Age in months	
		Amount	Percent of assets	Average	Since energization
REGION IV—con.					
Michigan:					
5	$743,919	($24,296)	-----	94	106
26	2,266,932	(91,440)	-----	102	115
28	1,566,754	155,497	10	86	116
33	1,441,288	17,347	1	74	107
37	1,889,613	64,602	3	102	110
40	1,810,571	(230,554)	-----	86	107
41	544,024	----------	-----	88	102
42	906,344	(7,201)	-----	73	99
44	665,746	28,354	4	78	99
45	1,695,641	202,292	12	97	108
Ohio:					
1	1,607,009	(38,612)	-----	119	134
24	283,971	79,393	28	109	114
29	1,276,710	7,310	1	76	114
30	396,688	52,197	13	93	115
31	963,413	231,190	24	84	127
32	1,187,819	110,764	9	72	107
33	924,716	109,001	12	88	119
39	1,205,071	176,338	15	88	110
41	1,034,596	115,200	11	85	112
42	575,387	48,959	9	93	112
50	570,095	7,244	1	114	121
55	701,388	88,797	13	87	114
56	990,310	195,030	20	117	127
59	468,507	63,569	14	92	112
60	1,111,698	243,065	22	97	114
65 [8]	1,868,918	152,859	8	72	116
68	459,898	2,220	(9)	102	115
71	343,048	155,476	45	90	130
74	423,615	18,811	4	98	113
75	607,790	64,969	11	92	115
83	930,141	95,405	10	81	109
84	735,884	119,128	16	70	96
85	505,983	161,579	32	84	96
86	1,366,956	205,682	15	70	101
87	1,018,240	109,712	11	86	96
88	1,767,581	40,267	2	31	89
93	978,448	11,799	1	43	76
94	446,541	(9,096)	-----	32	56
West Virginia:					
8	170,505	(58,237)	-----	92	104
10	545,680	(134,357)	-----	77	105
REGION V					
Illinois:					
2	1,576,752	342,526	22	70	117
7	214,967	40,305	19	75	117
8	980,052	194,736	20	69	93
12	1,205,372	138,142	11	64	92
18	2,212,681	(14,466)	-----	85	110
21	1,588,877	78,393	5	85	121
23	984,154	98,175	10	82	121
26	1,923,912	272,392	14	85	109
27	785,450	69,773	9	51	98
28	1,379,871	146,422	11	62	105
29	1,331,802	179,302	13	70	104
30	984,195	44,571	5	77	101
31	511,817	84,875	17	65	95
32	908,270	68,018	7	76	97
33	699,500	60,334	9	76	92
34	1,355,976	48,269	4	52	89
36	1,170,207	101,571	9	70	92
37	1,794,969	282,819	16	74	91
38	1,951,416	388,802	20	76	97
39	1,001,802	68,510	7	79	92
40	1,067,533	57,106	5	64	89
41	1,525,595	278,210	18	65	97
43	1,002,190	37,588	4	57	90
44	456,875	(36,993)	-----	68	88
45	515,601	81,926	16	69	89
46	1,324,473	301,364	23	67	89
48	564,267	(12,894)	-----	25	36
Iowa:					
2	648,043	103,549	16	65	98
3	1,087,067	57,139	5	41	94
5	800,717	69,103	9	77	119
7	861,772	152,565	18	63	95
9	3,271,956	235,879	7	77	119
11	61,022	26,230	43	97	118
12 [10]	39,166	37,252	95	125	125
14	782,520	49,799	6	83	113
15	588,814	25,612	4	70	108
16	532,354	54,126	10	83	119
18 [11]	53,443	17,816	33	104	125
19	666,950	18,275	3	54	121
21	859,549	186,651	22	77	98
23	700,861	58,440	8	73	119
26	830,281	112,723	14	81	114
27	1,083,404	214,695	20	78	113
30	886,754	150,748	17	81	113
31 [12]	1,006,701	188,465	19	82	112
32	1,474,202	208,480	14	74	113
33	632,439	99,600	16	85	113
34	2,052,429	369,659	18	70	112

Footnotes at end of table.

Net worth of REA-financed rural electric-distribution systems as of Aug. 31, 1947—Continued

Borrower designation	Total assets	Net worth		Age in months	
		Amount	Percent of assets	Average	Since energization
REGION V—con.					
Iowa—Con.					
36	$673,297	$183,021	27	83	113
38	1,310,680	147,349	11	68	113
39	758,705	189,420	25	83	115
40	453,887	53,407	12	46	117
41	607,679	196,661	32	78	106
43	1,143,287	194,644	17	76	113
49	886,643	235,498	33	75	113
50	506,697	51,988	10	54	95
51	821,654	222,562	27	68	92
52	1,063,946	176,448	17	63	92
53	927,593	251,836	27	70	97
55	479,470	140,160	29	79	97
56	1,043,462	210,561	20	71	99
57	861,906	106,447	12	55	93
59	523,623	25,357	5	58	94
60	1,086,066	265,425	24	68	96
61	522,381	76,607	15	65	91
62	573,916	84,470	15	62	94
67	376,611	63,794	17	71	95
69	1,048,078	74,216	7	41	86
70	344,061	66,583	19	73	92
71 [13]	852,179	142,280	17	64	92
73	1,036,607	94,020	9	58	89
74	2,041,315	186,152	9	47	91
75	597,962	35,995	6	36	71
77	602,439	5,996	1	46	71
79	1,181,060	11,215	1	33	68
80	893,044	(26,444)	-----	22	28
82	635,563	25,273	4	5	7
Michigan:					
20	644,804	7,229	1	65	105
29	486,665	(18,431)	-----	92	112
43	642,623	5,484	9	89	102
Wisconsin:					
14	851,360	86,337	10	86	119
16	497,264	38,391	8	98	123
19	638,630	33,677	5	79	114
21	366,358	52,195	14	96	114
25	1,033,616	69,955	7	60	121
27 [14]	523,016	21,762	4	91	115
29	1,199,603	123,346	10	86	113
31	609,099	96,882	16	90	124
32	680,588	112,954	17	91	112
35	662,621	54,820	8	94	123
37	767,497	62,573	8	94	114
38	550,811	140,351	25	109	122
40	1,181,900	136,851	12	81	116
41	1,159,483	39,918	3	83	115
43	1,185,212	91,055	8	73	111
46	550,705	38,163	7	80	111
47	564,145	(13,049)	-----	78	105
48	402,734	(6,138)	-----	69	95
49	771,367	62,731	8	85	110
51	517,088	68,410	13	76	99
52	471,100	29,294	6	70	99
53 [15]	723,437	(6,309)	-----	70	101
54	868,155	91,032	10	68	97
55	739,874	40,911	6	65	93
57	632,647	25,065	4	52	91
58	712,313	1,848	.3	59	66
59	108,448	399	.4	19	20
60	538,038	(10,274)	-----	41	48
62	267,214	(5,485)	-----	18	20
63	827,493	16,145	2	19	23
REGION VI					
Minnesota:					
1	1,130,432	202,578	18	69	116
3	1,123,727	253,385	23	99	128
4	220,925	45,872	21	89	126
9	738,693	282,860	38	78	108
10	701,121	(14,244)	-----	92	116
12	798,794	(1,546)	-----	73	81
15	198,128	81,643	41	94	128
18	1,637,812	87,905	5	63	120
25	1,236,946	404,687	33	83	122
32	1,857,046	189,603	10	63	114
34	1,451,194	124,618	9	74	110
35	842,246	285,025	34	97	115
37	1,206,836	301,096	25	75	126
39	1,594,250	265,942	17	71	104
48 [16]	1,110,965	142,928	13	75	111
53	1,356,373	259,287	19	74	115
54	426,907	109,249	26	80	116
55	1,210,223	350,104	29	82	113
56	1,119,600	59,908	5	67	113
57	1,976,600	306,114	15	59	107
58	546,896	202,328	37	65	95
59	1,178,576	279,817	24	61	108
60	709,776	146,335	21	85	117
61	1,029,819	181,836	18	78	114
62 [17]	1,129,669	290,899	26	72	113
63	1,280,993	215,359	17	80	110

Footnotes at end of table.

Net worth of REA-financed rural electric-distribution systems as of Aug. 31, 1947—Continued

Borrower designation	Total assets	Net worth		Age in months	
		Amount	Percent of assets	Average	Since energization
REGION VI—con.					
Minnesota—Con.					
65	$608,134	$156,976	26	89	114
66	1,096,335	164,362	15	73	115
71	1,027,876	251,238	24	75	107
72	598,777	116,400	19	72	95
73	712,603	172,271	24	69	98
74	872,114	118,626	14	66	90
75	780,698	11,907	2	37	78
79	1,052,467	53,214	5	59	90
80	595,360	59,850	10	67	84
81	296,724	37,402	13	82	130
82	896,937	19,246	2	64	80
83	671,809	18,542	3	68	75
84	967,299	35,671	4	33	69
85	906,612	34,587	4	40	71
87	744,005	11,054	2	24	47
89	564,104	34,427	6	55	80
92	524,585	10,802	2	55	79
93	148,609	6,941	5	42	74
94	539,801	(9,187)	-----	20	21
95	777,796	(46,528)	-----	51	73
96	666,596	1,505	-----	26	37
97	617,198	(11,758)	-----	25	34
North Dakota:					
8	835,800	74,578	9	46	117
11	1,503,177	166,004	11	82	111
13	397,175	65,709	17	56	102
17	1,085,577	43,818	4	32	86
19	2,380,236	74,239	3	44	92
21	872,175	8,704	1	22	47
22	304,248	8,534	3	17	17
South Dakota:					
3	627,444	11,652	2	68	119
6	217,168	(579)	-----	89	114
7	700,823	17,908	3	72	109
11	341,884	(7,010)	-----	61	85
12	1,083,120	135,855	13	62	81
15	234,980	(11,111)	-----	56	69
16	862,920	(10,360)	-----	54	63
18	527,698	8,510	2	3	3
19	448,291	14,018	3	3	8
20	451,876	8,683	2	8	10
21	611,609	5,149	1	10	23
26	962,024	20,519	[2] 2	7	7
28	273,383	4,088	1	4	7
REGION VII					
Colorado:					
7	582,698	75,488	13	100	119
14	822,842	44,765	5	83	110
15	1,154,259	351,217	30	68	111
16	1,446,450	(2,988)	-----	43	91
17	1,578,094	(1,999)	-----	73	110
18	197,422	(47,440)	-----	68	69
20	546,091	(76,084)	-----	85	99
22	881,211	109,726	12	66	91
25	321,559	(17,145)	-----	43	76
26	251,455	8,807	4	60	85
29	1,697,039	7,112	(1)	60	90
31	763,660	116,664	15	67	83
32	427,603	13,537	3	55	79
33	580,391	32,292	6	58	76
34	268,676	21,199	8	64	72
35	393,802	18,337	5	25	61
36	343,108	(24,231)	-----	64	69
37	1,488,653	1,811	(1)	24	56
40	244,955	(921)	-----	9	13
Kansas:					
7	779,316	3,643	(1)	72	106
8	574,506	(33,662)	-----	43	102
13	759,049	16,474	2	75	113
14	672,090	46	(1)	74	96
15	1,305,940	60,586	5	84	108
18	411,088	36,333	9	82	96
19	448,723	20,510	5	76	90
21	495,513	38,197	8	89	105
22	211,632	(22,468)	-----	99	104
24	862,299	42,527	5	78	93
25	535,927	(14,677)	-----	65	94
26	624,461	(5,513)	-----	61	93
27	1,418,975	(76,263)	-----	65	91
28	352,206	(19,031)	-----	53	99
29	507,713	(3,036)	-----	77	85
30	749,541	1,726	(1)	69	89
31	1,030,825	(3,526)	-----	45	85
32	1,293,954	39,348	3	61	87
33	796,168	(26,625)	-----	41	91
34	1,426,205	19,068	1	41	105
37 [18]			-----	(1)	3
39	335,651	(23,929)	-----	56	62
40	444,792	(16,692)	-----	10	16
44	568,734	(18,901)	-----	23	35
45 [18]			-----	(1)	3

Footnotes at end of table.

Net worth of REA-financed rural electric-distribution systems as of Aug. 31, 1947—Continued

Borrower designation	Total assets	Net worth		Age in months	
		Amount	Percent of assets	Average	Since energization
REGION VII—con.					
Nebraska:					
1	$292,626	$83,799	29	117	125
2	58,143	9,797	17	105	126
3	275,813	25,239	9	104	116
4	491,174	(22,166)	-----	92	110
44	2,013,560	38,053	2	80	124
49	368,260	(71,434)	-----	100	108
51	1,166,658	120,235	10	51	114
54	762,166	61,745	8	84	108
56	876,127	73,013	8	60	104
59	644,319	14,311	2	48	89
62	476,462	294	(1)	59	92
63	433,865	26,146	6	52	86
64	572,653	(1,419)	-----	67	91
65	656,354	50,968	8	55	93
66	557,255	12,389	2	55	87
71	498,847	30,726	6	70	88
76	1,479,253	(5,417)	-----	78	109
77	2,214,442	18,324	1	93	129
78	2,001,690	156,195	8	54	105
79	591,736	(19,572)	-----	51	67
81	953,630	(52,148)	-----	77	111
82 [19]	463,062	(11,313)	-----	27	33
83	770,500	(26,189)	-----	14	24
86	198,775	13,867	7	(20)	(20)
Wyoming:					
3	268,748	22,569	8	75	92
5	380,101	14,916	4	86	115
6	634,050	74,563	12	98	115
9	250,220	7,135	3	74	86
10	257,734	17,850	7	58	116
11	454,721	77,869	17	94	106
12	94,229	6,102	6	90	113
13	65,480	22,679	35	97	113
14	1,021,943	(2,663)	-----	49	88
16	199,368	1,309	1	10	15
21	324,679	(7,442)	-----	39	63
23 [20]	291,729	4,710	2	(1)	36
25	73,869	5,722	8	6	6
REGION VIII					
Arkansas:					
9	2,102,836	292,409	14	70	105
10	1,130,517	72,641	6	72	113
11	540,777	4,601	1	92	109
12	1,002,239	10,173	1	78	107
13	1,254,773	16,766	1	76	105
15	1,455,899	(13,117)	-----	62	110
18	1,802,846	28,731	2	56	107
21	1,507,593	54,198	4	41	92
22	960,112	65,154	7	62	94
23	578,819	98,911	17	63	93
24	1,770,705	103,387	6	55	100
26	674,707	30,664	5	60	87
27	728,399	37,576	5	48	87
28	481,260	(27,805)	-----	37	59
29	604,506	(10,723)	-----	27	64
30	625,670	4,620	1	8	27
31	898,469	(12,824)	-----	11	17
33	490,173	14,296	3	5	13
Louisiana:					
6	248,606	61,397	25	82	113
7	1,081,676	149,858	14	83	111
8	234,642	44,457	19	87	101
9	1,736,559	237,816	14	55	111
10	1,249,578	51,113	4	49	106
11	749,758	26,762	4	39	93
12	1,256,927	23,779	2	48	93
13	1,156,058	10,640	1	63	92
15	358,213	15,385	4	63	95
17	2,503,304	(29,864)	-----	39	93
18	1,112,548	70,582	6	36	82
19	814,328	(17,599)	-----	14	38
20	805,979	(13,111)	-----	34	67
Missouri:					
12	1,455,372	138,385	10	57	106
18	1,036,172	91,430	9	70	112
19	765,323	127,290	17	59	117
20	690,919	6,144	1	80	121
22	491,853	1,598	-----	94	110
23	1,474,041	26,323	2	66	121
24	815,792	7,125	1	60	121
26	804,204	(27,392)	-----	74	115
27	1,085,263	31,650	3	62	115
28	1,169,930	18,180	2	67	106
30	1,799,593	51,006	3	61	107
31	975,623	114,550	12	78	102
32	746,609	37,484	5	74	95
33	1,598,486	27,258	2	61	92
34	1,384,186	74,699	5	58	92
35	758,453	54,335	7	60	88
36	1,051,834	45,051	4	86	99
37	1,115,202	25,948	2	67	88
38	1,029,744	44,859	4	48	84
40	1,094,443	46,926	4	68	92

Footnotes at end of table.

Net worth of REA-financed rural electric-distribution systems as of Aug. 31, 1947—Continued

Borrower designation	Total assets	Net worth		Age in months	
		Amount	Percent of assets	Average	Since energization
REGION VIII—con.					
Missouri—Con.					
41	$942,094	$(5,541)	-----	56	88
42	1,517,902	(7,946)	-----	61	89
43	994,599	122,687	12	56	90
44	920,876	2,449	-----	64	88
45	1,288,426	4,364	-----	51	84
46	973,752	23,095	2	45	84
47	970,341	54,329	6	70	92
48	1,364,519	79,990	6	59	91
49	1,103,256	10,711	1	54	85
50	1,311,152	5,328	-----	45	77
51	1,013,243	(30,371)	-----	45	71
53	1,439,387	34,308	2	49	86
54	1,385,642	(34,815)	-----	36	69
55	808,859	(2,918)	-----	34	69
56	703,692	(5,010)	-----	49	71
57	933,885	(62,971)	-----	26	41
58	1,764,840	55,643	3	17	20
66	435,975	7,336	2	3	3
68	177,724	6,577	4	2	2
Oklahoma:					
1	1,846,627	91,360	5	65	116
2	1,590,468	(30,371)	-----	64	115
6	1,615,988	70,097	4	59	111
8	439,201	209,821	48	102	135
10	1,155,572	71,743	6	70	112
12	1,393,575	181,809	13	77	113
14	499,467	16,415	3	73	111
15	1,370,659	91,279	7	56	105
16	1,117,088	31,627	3	66	104
18	1,036,643	20,189	2	40	92
19	1,087,543	(10,117)	-----	61	95
20	524,165	3,259	1	61	92
21	1,254,013	47,810	4	59	93
22	2,024,367	92,492	5	51	95
23	852,696	17,916	2	66	94
24	1,014,978	(19,102)	-----	70	93
25	687,819	96,225	14	70	95
26	886,172	49,396	6	60	93
27	763,354	(16,085)	-----	38	87
28	1,032,900	47,747	5	40	77
29	900,658	(28,802)	-----	42	74
30	533,745	(19,789)	-----	43	70
31	1,503,737	129,189	9	41	72
34	323,340	31,127	10	9	10
REGION IX					
Alaska:					
2	240,817	(886)	-----	58	67
3	197,930	26,083	13	53	61
California:					
6	783,548	(90,451)	-----	90	110
16	393,238	(14,850)	-----	82	106
18	206,322	8,641	4	63	89
Idaho:					
4	855,364	(24,631)	-----	67	133
10	1,684,554	23,964	1	95	109
11	634,953	98,316	15	79	99
15	324,789	(6,488)	-----	87	95
16	169,124	19,050	11	69	81
17	482,194	27,628	6	76	94
19 [22]	199,160	17,547	9	59	68
21	122,444	(16,747)	-----	65	66
Montana:					
1	302,905	42,269	14	74	116
2 [23]	631,977	116,732	18	78	113
5	258,170	21,938	8	84	116
9	742,109	125,975	17	73	116
10	971,197	27,183	3	45	115
12	264,929	1,020	4	87	115
13	405,674	60,858	15	72	104
15	729,203	55,966	8	64	102
16	447,508	8,601	2	42	94
17	287,807	26,430	9	54	87
19	717,457	16,229	2	44	79
21	446,829	34,358	8	42	75
26	278,422	(17,181)	-----	22	22
28	321,387	(4,875)	-----	19	19
30	609,042	39,406	6	-----	14
31	948,385	12,585	1	12	14
Nevada:					
3	48,492	3,023	6	31	35
4	226,952	196,369	87	92	99
Oregon:					
2	307,310	4,322	1	53	106
4	1,668,210	22,926	1	51	82
14	334,960	127,222	38	100	109
16	323,805	(77,647)	-----	69	84
17	810,560	26,937	3	69	96
18	1,092,396	(33,055)	-----	24	61
21	871,516	(29,579)	-----	54	81
22	223,758	(6,620)	-----	45	69
25	367,309	29,600	8	55	75
26	928,881	13,262	1	40	75
32	606,506	14,199	2	66	111

Footnotes at end of table.

Net worth of REA-financed rural electric-distribution systems as of Aug. 31, 1947—Continued

Borrower designation	Total assets	Net worth		Age in months	
		Amount	Percent of assets	Average	Since energization
REGION IX—con.					
Utah:					
6	$639,785	$(39,048)	-----	65	92
8	663,607	(19,079)	-----	85	96
10 [21]	178,809	(148)	-----	13	15
Washington:					
8	733,150	(35,116)	-----	58	112
9	517,690	(24,303)	-----	87	109
14 [1]					
17 [24]	344,036	4,266	1	58	69
18	2,146,032	10,012	.5	74	112
20	479,654	43,730	9	65	88
23	86,106	498	.6	103	106
27	391,077	21,028	6	81	102
28	193,013	9,048	5	77	92
30	748,968	(2,530)	-----	72	82
31	79,006	(10,108)	-----	43	63
32	156,886	5,281	3	72	82
35	433,061	(3,873)	-----	62	84
36	719,825	23,415	3	47	84
37	797,253	33,406	4	61	74
39	151,805	18,596	12	65	78
42 [23]	269,167	15,262	6	41	49
46	249,436	8,799	4	20	22
47	527,376	(10,274)	-----	26	28

[1] Data not available.
[2] Private utility; no information.
[3] Less than ½ of 1 percent.
[4] Data as of July 1947.
[5] Data as of June 1947.
[6] Data as of April 1947.
[7] July 31, 1947, figures.
[8] Does not include investment or equity in Ohio midland property.
[9] Less than 1 percent.
[10] As of July 31, 1947.
[11] As of May 31, 1947.
[12] As of July 31, 1947.
[13] As of July 31, 1947.
[14] As of July 31, 1947.
[15] As of July 31, 1947.
[16] Data as of June 30. August not available.
[17] Data as of July 31. August not available.
[18] No data up through August.
[19] As of May.
[20] Acquired lines.
[21] As of September.
[22] As of Feb. 28, 1947.
[23] As of June 30, 1947.
[24] As of July 31, 1947.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MAHON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in my colloquy with the gentleman from Washington I was undertaking to point out that if we are going to meet the present needs of the REA at the moment, the $400,000,000 provided in this bill is not adequate. It will be necessary to provide $175,000,000 or some suitable amount in the request which is now pending before the Deficiency Appropriations Subcommittee for the REA program for the balance of this fiscal year, which will be concluded on June 30, 1948.

The gentleman made reference to the appearance of the gentleman from Mississippi before the Deficiency Subcommittee. The gentleman from Mississippi did appear and eloquently championed the cause of the REA before that subcommittee. I may say in fairness that the gentleman from Washington himself was present in the interest of a better REA program.

I hope when this deficiency bill is presented to the House next week it will be possible to secure favorable action by the House on the $175,000,000, which will be immediately available to meet the present need of farmers throughout the Nation who are waiting for the REA to actually come to their homes. This sum was requested of the Budget by the REA several weeks ago and finally came to the House for consideration this week.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Mississippi.

Mr. RANKIN. I call the gentleman's attention to the fact that when the last deficiency bill was before the House I tried to get a deficiency appropriation for $300,000,000 included, but many Members did not understand the proposition and it was lost by a small majority.

I went before the Deficiency Appropriations Subcommittee and showed that we had $229,000,000 more in applications than we would have the funds to supply during the balance of this fiscal year and that applications were coming in at the rate of $24,000,000 a month and would undoubtedly run to about $300,000,000. I took this proposition up with the Bureau of the Budget, the REA, and everyone else interested, and they finally set up this estimate of $175,000,000 to try to take up the slack from now until the end of the fiscal year, June 30. I hope that the Committee will give us the entire amount.

Mr. MAHON. I thank the gentleman for his contribution.

Mr. HARNESS of Indiana. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, while this Committee is engaged in considering an appropriation bill for the farmers of the Nation, we might well take note of a matter I learned of within the last hour. I was informed, if you please, to my utter amazement, that the State Department has negotiated a reciprocal trade agreement with Czechoslovakia, which agreement will be signed on next Saturday. Under that agreement we open our markets to the now Soviet government of Czechoslovakia to ship into this country shoes, glassware, rubber footwear, and in exchange we will become obliged to ship to Czechoslovakia heavy equipment, steel, farm implements, automobiles, trucks, and a long list of other critical materials.

This information comes to me on the heels of the President's speech to the Congress of yesterday. In my opinion, it is one of the most stupid blunders the administration has thus far made. It is an inconsistency that the American people ought to protest to the very housetops; and I therefore take this first opportunity to register my vigorous protest against the signing of that agreement.

I hope the Members of this House and the Members of the Congress will raise their voices and try to influence the State Department against going forward with this agreement.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Washington.

Mr. HORAN. I heard last week end that Mexico had abrogated her treaties which were entered into in 1943.

Mr. HARNESS of Indiana. Yes; I just learned of that today. But we have not done one single thing to stop our concessions to Mexico, notwithstanding the fact that they have abrogated their agreements and increased their tariff rates.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I endorse heartily what the gentleman has said. By way of information, I may say that the Committee on Ways and Means this afternoon adopted a resolution of practically the same import that the gentleman is talking about. This resolution that the Committee on Ways and Means adopted—of course, it could not speak for the Congress; it only speaks for itself—serves notice on the world that the committee does not feel bound by any such action taken.

Mr. HARNESS of Indiana. Unfortunately the resolution that the Committee on Ways and Means adopted today will have nothing to do with this, because this is a reciprocal trade agreement that was negotiated and is now being carried forward which will become effective 30 days after next Saturday. It is an outrageous imposition upon the American people.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Georgia.

Mr. PRESTON. Let us get at the bottom of this thing. Is it not a fact that that negotiation has been going on long before Czechoslovakia capitulated and that the gentleman has no assurance that the State Department is going to sign this agreement?

Mr. HARNESS of Indiana. I have the assurance from the State Department within the hour, and they said they were going forward with it, and nothing could stop them.

Mr. PRESTON. That nothing would stop them?

Mr. HARNESS of Indiana. Yes.

Mr. PRESTON. Well then, I join the gentleman in voicing my protest.

Mr. HARNESS of Indiana. I know this, that negotiations were going on in Geneva long before the debacle in Czechoslovakia. The inexcusable thing is the going forward now and signing it after the President denounced this collapse in Czechoslovakia just on yesterday.

Mr. RAYBURN. Mr. Chairman, if the gentleman will yield; is this a treaty?

Mr. HARNESS of Indiana. This is a reciprocal trade agreement.

Mr. RAYBURN. The one that was made in Cuba a few weeks ago, and has almost been completed now, will be in the form of a treaty.

Mr. HARNESS of Indiana. I am sure the gentleman from Texas has reference to the International Trade Organization, which is meeting in Habana. That organization, in which I understand, incidentally, that Czechoslovakia presently has its active representative, is seeking to establish the patterns and principles for future international trade relations. It is a function of the United Nations, and has nothing to do with the proposed agreement about which I am speaking. This agreement is being worked out by our Department of State under the authority granted by the Reciprocal Trade Agreements Act. This is not any longer a treaty matter. As the gentleman remembers, we long ago abrogated the authority of Congress in matters of international trade. The authority now rests in the Department of State. And in this instance it would appear that the Department is about to use that authority in a reckless and dangerous manner to the serious detriment of the American economy and our national security. I vigorously protest this proposed agreement, and demand that the administration immediately withdraw from any commitment it may have undertaken, or may undertake, under it.

Any attempt to undertake an agreement with Czechoslovakia as a helpless puppet of the Communist dictatorship is dangerous folly. All normal intercourse between two friendly nations is precluded. Any trade with Czechoslovakia from this point on must be trade with Communist dictatorship on its own terms, and to its material advantage. If the Executive persists in going through with this agreement, I will insist that Congress take whatever steps may be necessary to protect the United States against such action.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to make approximately half a dozen typographical and caption corrections in the bill which are as follows:

On page 2, line 4, the caption "Office of the Secretary" to be printed in large caps.

On page 4, line 8, the caption "Research and Marketing Act of 1946" to be printed in large caps.

On page 11, line 6, the caption "Library, Department of Agriculture" to be printed in large caps.

On page 32, line 3, the word "process" to be changed to "processes."

On page 45, line 16, after the word "information", insert a comma.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

REA

Mr. MACKINNON. Mr. Chairman, I am pleased to note the $400,000,000 allowed the REA under this bill. That is $100,000,000 more than was requested by the administration, but, in my opinion, the higher amount was fully substantiated by the hearings before the committee. This illustrates the proper method of dealing with appropriations for REA and other functions. As I pointed out in my remarks when the deficiency appropriations bill was up, the amendment offered at that time was an improper method of proceeding. The amount here appropriated fully justifies that observation.

Mr. JOHNSON of Texas. Mr. Chairman, it is always heartening to me to see a good solid American enterprise receive recognition and honest encouragement for a job well done.

That is why I felt good about the committee's recommendations that we provide $400,000,000 for the Rural Electrification Administration's loan funds in 1949.

The committee was asked for only $300,000,000 in the budget estimate. But after hearing testimony of witnesses—after learning what a fine job the REA continues to do and how badly money is needed to keep that work going—the committee added another $100,000,000 to the budget estimates.

That is the kind of recognition the REA deserves.

Those of you who have seen the changes wrought by REA during the last 12 years know what I mean. You have seen the power of electricity generate a whole new era of prosperity for the people in wide areas throughout the land.

Yes, you know and I know, that folks out in the country can see the future better—and find their way along more safely—if they are guided by electric lights, instead of flickering, wavering kerosene lamps.

If ever there was an enterprise wholly American in concept and character, it is the program of extending the blessings of electricity to all the people who live in the rural areas of our land.

This $400,000,000 we are asked to appropriate would go straight to the bedrock of this Nation's strength—rural America. No man, and certainly no government, ever lost anything by putting faith in rural America.

The history of the REA has proved this to be true.

Wherever REA loans have been extended, the people who received the benefits of electric service have paid back their loans. Those people out on the farms and ranches can be trusted. They pay their debts. They use their money wisely and sensibly.

I know that down in my district in Texas, where I grew up with these fine hard-working rural citizens, I've always heard the people repeat over and over their wisdom about spending money wisely.

When the electrification program came into my district, those men and women spent their loans from the Government wisely and judiciously. And now we have a more prosperous, happier district because of electricity—and because of the wisdom of the folks who live there.

But in my district, as in most of the districts you gentlemen represent, there is still much to be done if electric lights are to shine in every rural home.

Great progress has been made on rural electrification in my district. There are more than 18,000 members of the two large electric cooperatives that serve my district, more than 10,000 of them in one cooperative alone.

These people know what a blessing electric current can be in a rural area. They know that electrification has increased their income, their potential earning power, their security, and their happiness.

The people who have electricity know these things—and the people who do not have it yet know the same thing.

They are the people I think we should be particularly interested in now, and it

is for them that this $400,000,000 appropriation is important.

On the desks of the managers of the electric cooperatives in my district down in Texas, 7,000 applications have piled up—applications from people who want electric current in their homes. These applications are coming in steadily at the rate of 200 each month, and there is no reason to expect a let-up anytime soon.

These people have applied. They have paid their dues. They are ready for service. But they don't have it.

They should have electric current, and I say that the Congress should do all in its power to keep the frontiers of rural electrification moving forward.

This $400,000,000 appropriation we are asked to consider is essential to this purpose. Rural electrification has been squeezed into a bottleneck.

Unless our rural electric cooperatives have money in the bank, they find it almost impossible to obtain the materials needed for expanding the service. Most of the materials—such as wire, transformers, meters, and similar items—are hard to get anyway.

Our REA-financed cooperatives just do not have a chance against private utilities in bidding for these vital materials unless we give them the money to back up their ambition.

Passage of this $400,000,000 appropriation would not mean an immediate end to that bottleneck. But it would prevent a more serious situation several years hence. The rural cooperatives are now placing orders for materials to be used in 1949, 1950, and on in the future.

A few weeks ago we had a motion up here to appropriate $300,000,000 to be spent by the Department on REA between now and July 1. I favored that for the same reason that I strongly support this larger appropriation—because the cooperatives need the money if they are to prepare for the future.

I wish that this Congress could do something to tell these 7,000 people in my district—and thousands more in other districts—that they might have lights tomorrow.

We cannot do that. But we can tell them, "Here is the money you will need. You can start looking for materials, you can place your orders, and you will have electric current someday soon."

We should do that much at least.

Then these people who have made their applications for lights in their homes, who have paid their dues in the cooperative, and who are now waiting—then these people can hope that they will soon receive the lights they have waited for so long.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is always an interest in what has been done when the bill has been perfected in the Committee of the Whole, as reported to the House the bill had in it direct appropriations of $543,000,000. Now then, there has been added $2,000,000 by virtue of the adoption of the amendment to increase the amount for the Extension Service. In addition $250,000 has been added for range reseeding in the item under Forestry Service, so that as it stands at the present time there are direct appropriations of $545,000,000, a transfer of $65,000,000 of section 32 funds for the national school-lunch program and $400,000,000 in loan authorizations for REA. The total, therefore, is $1,010,000,000. You will find a table in the hearings, which I think will be of interest. I asked specifically that it be brought up to date, and it appears on page 1151 of part 2 of the hearings.

You will notice that the first appropriation made for the Department of Agriculture, although it was not a department at that time, in 1839, was the very modest sum of $1,000. When it was created as a department by act of 1862, and Abraham Lincoln was the President of the United States, the amount was $64,000 for all agricultural functions. In 1873, when the tragedy of Black Friday was upon the country, the appropriations for the Department of Agriculture were only $212,000. In 1896, when William B. McKinley, the martyred President, presided over the Executive destinies of the country, we had only gotten up to $3,900,000. Then in 1918, in the last year of the war, we first got over the $100,000,000 mark, and there for the first time the appropriations for agriculture were $117,000,000. In 1939 we got over the billion mark, $1,624,000,000. So it might be said as we conclude our deliberations on this bill that while it is a billion-dollar bill, agriculture is a billion-dollar business called upon to feed the hungry and the starving abroad and provide subsistence for the people of our own country.

May I say to you all, I am profoundly and humbly grateful for all the gracious observations that were made with respect to my service here.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. JOHNSON] be permitted to extend his remarks immediately preceding the remarks just made by the gentleman from Illinois.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MACKINNON. Mr. Chairman, I ask unanimous consent to extend my remarks just preceding the remarks of the gentleman from Illinois.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HINSHAW, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5883) making appropriations for the Department of Agriculture (exclusive of the Farm Credit Administration) for the fiscal year ending June 30, 1949, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the gentleman from Vermont [Mr. PLUMLEY] be permitted to extend his remarks in the RECORD at that point relating to the Agricultural Adjustment Administration and to include certain material and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no obection.

Mr. HORAN asked and was given permission to revise and extend his several remarks on the bill just passed and include extraneous matter.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until Friday night to file reports on certain bills that will be considered on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

A TRIUMPH IN TRASH

Mr. RICH. Mr. Speaker, the taxpayers of this Nation ought to know how some of the moneys appropriated by the Congress for short-wave broadcasts to Europe, Asia, and other parts of the world are being wasted on just plain trashy subjects.

A striking example was the broadcast of February 4, by the Columbia Broadcasting System, called the March of Science.

The theme for this broadcast is almost impossible of comprehension. It appears that the setting opens in a fortune-teller's booth at Coney Island. The characters impersonated were a fortune-teller, Madame LaBelle; her son, Monty; his fiancée, Rose; his uncle Ben, and a carnival barker. The argument deals with the law of possibilities, and its application to cards and dice. Then the scene shifts from the fortune-tellers booth to Uncle Ben's farm near Peoria.

This broadcast should have been entitled a "Triumph in Trash," with which I am sure you will agree, after reading the script, which follows:

COLUMBIA BROADCASTING SYSTEM, AMERICAN SCHOOL OF THE AIR, MARCH OF SCIENCE, NO. 18: TAKING A CHANCE, WEDNESDAY, FEBRUARY 4, 1948, 5–5:30 P. M. EASTERN STANDARD TIME

Cue: (Columbia Broadcasting System, 30 seconds.)

Organ: Series theme.

Announcer: Columbia presents the March of Science.

Music: Carnival midway theme, Down Behind.

Barker: Try your luck on the wheel of fortune. What's your lucky number? Step up and try it.

Voice 1: Hear that, Joe? Take a chance.

Voice 2: Why should I throw my money away?

Voice 1: You won't. If you keep trying, you can't lose. There's a pattern, see? You have to win sometime. It's in the cards.

Music: To wipe out, Into.

Announcer: Is it in the cards? Is there any law in the laws of chance? Is there certainty about any happening—such as whether or not a baby will be a boy or a girl? That is the story we bring you today—what can science tell us about—

Organ: Light beat, Taking a Chance.

Announcer: Our story takes us first to New York's Coney Island, where a jaunty little man and a very pretty blond-haired girl are marching up the boardwalk. The girl—she might be a farm girl with her simple dress and healthy pink cheeks—nervously clasps the man's hand as they hurry along.

Organ: Sneak carnival atmosphere under.

Sound: Sneak crowds and surf under.

Announcer: On one side the sparkling ocean pounds at the white sand. On the other is an endless line of catchpenny souvenir shops, shooting galleries, roller coasters, dime museums. At last the girl speaks.

Rose: Are you sure you know where it is, Monty?

Monty: Not much further, Rose, unless she's moved. We'll see the place in a minute.

Rose: Gee, Monty, I'm nervous.

Monty: Why? It's only mother.

Rose: I know. But she's never heard of me. How's she going to take it?

Monty: Oh, you two will get along fine. She'll think you are swell.

Rose: I hope so. But suppose she won't come with us, Monty? Suppose she doesn't want to come out and live at your Uncle Ben's?

Monty: She will. I'll talk her into it.

Rose: She's just got to, Monty. I don't see how we can be married if she doesn't.

Monty: She'll come. Oh, there's the place! See the poster, over the doorway?

Rose (reading): "Madame LaBelle. Sees all, Knows all, Tells all. Are you troubled or worried? Consult Madame LaBelle, the seventh daughter of a seventh daughter." Oh, Monty!

Monty: Oh, buck up, Rose! She doesn't bite.

Barker (coming on): Right this way, folks! Get your fortune told here.

Monty: Is that madame inside?

Barker: She can take you now. Step right in, both of you.

Rose: Monty, I'll wait—till you come for me.

Monty: All right, Rose. (To Barker) The lady'll wait here.

Barker (confidentially): Don't speak too loud or suddenlike, when you go in. The madame's been in a trance all day, and those trances is something fierce. And be careful—it's dark in there.

Monty: O. K.

Sound: Fade out surf and crowds.

Organ: Fade out.

Madame (fade in): Don't speak. Don't say anything. I don't want to hear. Just pull a chair up to the table and don't stumble on the rug—there, you sittin'? I have to keep it dark in here. It works better. Now let's take a look in the crystal—Mmm. There's crowds in the crystal. They swirl. They whirl and swirl around. Maybe we better use the cards first, or tea leaves. Tea leaves are good. Oh, wait a minute. The clouds are partin'! I can see, I can see! You're goin' on a journey—a long journey.

Monty: Which way?

Madame: It looks like—west.

Monty: I just came from there; from Chicago.

Madame: From Chicago, eh? Say, hold on. Let me look at you. You're not——

Monty: What's the matter, Ma? Doesn't your crystal ball even tell you when your own son walks in?

Madame (ecstatically): Monty! Monty, you bad boy, sneakin' up on your mother without so much as a word. Let me turn on the lights and look at you.

Sound: Light switch.

Madame: There, that's better. Why, you're lookin' fine. Now tell me all about yourself. You never write. How am I to know what you're doing?

Monty: You mean the cards won't tell you?

Madame: Oh, stop making fun of your poor old mother, and say what you're up to. What are you doing in New York?

Monty: Well, Ma, I came east to make you a proposition.

Madame (on guard): Oh, no, Monty, none of that. I know your propositions. You need money, and——

Monty: It's nothing like that, Ma; honest. I came to take you back to Chicago.

Madame: You what?

Monty: Sure. Uncle Ben's got a big farm out near Peoria, and he wants you to keep house for him. Pay you a regular wage, too. Hundred dollars a month, and your keep.

Madame: Me, keep house? For my brother Ben? Me, on a farm? Madam LaBelle, the seventh daughter——

Monty: Oh, Ma, come off it. Your name's Maisie Doolittle, and you're the only daughter in your family. And this is no life for a woman of your age. Look at this place. And that room in the back, where you live! I want to get you out of all this, Ma.

Madame: You stop castin' aspersions on the way I live. I like the way I live, I'll have you know. I like bein' a fortune teller, and no son of mine is going to come in here and——

Monty: All right, all right, just calm down. That isn't all I have to tell you.

Madame: I won't calm down. Insultin' my profession. Fortune tellin' is one of the oldest professions in the world and——

Monty: I didn't say it wasn't.

Madame: And who are you to talk? When did you ever earn an honest day's living?

Monty: Now, Ma, no good to lose your temper. Besides, I do earn an honest living.

Madame: You?

Monty: I do. I have a job.

Madame (incredulous): What kind of job?

Monty: I'm a life-insurance salesman.

Madame: Monty Doolittle, a life-insurance salesman?

Monty: That's right.

Madame: You mean—you don't play the horses any more?

Monty: I swore off.

Madame: No more all-night poker games?

Monty: Not on your life.

Madame. I can't believe it. Monty, my darlin', what changed you?

Monty: Well, I got tired of that kind of life. I want to settle down now in a home of my own, and when I took the insurance job—that changed me.

Madame (the skeptic): Hah!

Monty: I tell you it did, Ma. I had to study. I learned all about taking chances, and what we call good luck and bad luck, and it cured me. I don't gamble any more.

Madame: Some job. (Suddenly.) I don't want any life insurance, if that's what you're working up to.

Monty: I'm not tryin' to sell you insurance, Ma, honest.

Madame: Well, what are you here for? You can talk all you like about Uncle Ben and Peoria, but I smell a rat. There's something behind all this, Monty, and I know it, because I know you.

Monty: Ma, there's a girl waiting outside. If you'll just——

Madame (interrupting): There's always girls outside. Let her wait. I'll tell her fortune later. You tell me what made you give up gambling.

Monty: All right, if you really want to know.

Madame: I do.

Monty: Did you ever hear of the law of probabilities?

Madame: When was that passed?

Monty: It wasn't that kind of law. It's a scientific law, like the law of gravitation. It wasn't passed—it was discovered.

Madame: How?

Monty: Well, it all started when people tried to work out systems to win at gambling—figuring the odds, taking a chance. And now it's a science, a special branch of mathematics, like statistics.

Madame: There's lots of systems been worked out, Monty, to win at roulette, and poker, and dice.

Monty: Yes, and you want to know something? There's not one of 'em any good.

Madame: Not one system any good?

Monty: Not one. Mathematics proves it. It can't be done. You can't beat the laws of chance. And you want to know something else? This is hard to believe, but it's true. If you gamble long enough, you're going to lose all your capital. Mathematics proves that, too.

Madame: Why, I've known lots of people made a pile in gambling!

Monty: That's because they stopped playing in time. If they'd kept on, they'd have lost everything they owned. Its inevitable.

Madame: Well, I can't see why you took a regular job, if that's the case.

Monty: And you've got to quit, too, Ma. There's no sense in telling fortunes either—not any more.

Madame (suspiciously): I don't see what your old law of probabilities has to do with me.

Monty: Because now, Ma, you can foretell the future—mathematically.

Madame: I don't believe it.

Monty: It's better than your cards and tea leaves and your crystal ball.

Madame: You mean that scientists can predict the same things I can? Like—well, whether you're going to get married next year? Say, you're not married, are you?

Monty: No, Ma, not yet. That's what I—

Madame: I'll tell you when you're going to get married. I'll even tell you what she looks like. Just let me shuffle those cards—

Sound: Shuffle deck, under.

Monty: Oh, Ma, put those things down! I thought you wanted to hear about the law of probabilities.

Madame: Not till you've had your fortune told. Now you sit back and be quiet * * * Three of hearts, ten of diamonds, deuce of clubs, eight of diamonds—no marriage for awhile yet, Monte—ah here we are! The Queen of Spades! There she is. The fifth card. A widow woman. About 45, I'd say. Dark hair and eyes. You'll meet her in about 10 years.

Monty: Ma, that's the silliest thing I ever heard in all my life.

Madame: It's true. There she is, right on the table in front of you.

Monty: It couldn't be true, because—

Madame: Don't you dare to contradict the cards, young man!

Monty: Ma, you are so stubborn!

Madame: I won't hear anything different! The cards—

Monty (angry): What has the way the cards are shuffled got to do with whether I get married? That's nothing but superstition, Ma! The cards couldn't have anything to do with it!

Madame: Now you listen to me, Monty—

Monty: All those five cards mean is that you've turned up one out of more than two and a half million possible poker hands.

Madame: It does, too! It——

Monty: Ma, there are a certain number of five-card combinations in the deck. And the chance that you would turn up this particular hand was exactly one in—just a minute, I wrote the number down in my notebook—here it is—exactly one in 2,598,960.

Madame: Well, I won't argue that, but——

Monty: But here's the point, Ma. The law of probabilities says that if you lived to be 10,000 years old, and sat here at this table all that time dealing out poker hands, that exact combination of cards would turn up once approximately every two and a half million times you dealt the deck.

Madame: Ten thousand years. I guess the deck would be all worn out.

Monty: Oh, you're not serious. Here I am doing my best to explain the law of probabilities, and you——

Madame: But, Monty, what's all this got to do with your getting married? The cards say——

Monty: Listen, Ma, the girl I'm going to marry is——

Madame: The Queen of Spades.

Monty: Ma, you're hopeless. If I told you I was going to marry somebody else, would you believe me?

Madame: No.

Monty: Look, Ma, pay attention. I've got to explain this law to you.

Madame: Why?

Monty: Because I've got to convince you to give up fortune telling. Otherwise, you won't come to Peoria.

Madame: Monty, I don't get it. Why all of a sudden do I have to go to Peoria?

Monty: If you'd just let me explain——

Madame: Go ahead.

Monty: Look. Here's a pair of dice.

Madame: Ah, hah. Given up gambling, have you?

Monty: These are for demonstration only. I'd no more get into a game now, with what I know——

Madame: All right, all right, I believe you.

Monty: Suppose I roll one of these dice. What are my chances of turning up a three-spot?

Madame: Well, they're one in six, I suppose. The die has six sides.

Monty: One in six, that's right. Now.

Sound: Die on table.

Madame: A two-spot.

Monty: A deuce. I didn't make it. The odds were 5 to 6 against my making it. Correct?

Madame: That's right.

Monty: Suppose I roll both dice, and I want each of them to turn up a three. What are my chances now?

Madame: One in thirty-six.

Monty: Right. And how did you get that figure?

Madame: I multiplied 6 times 6.

Monty: What are the odds against my throwing a double three?

Madame: Thirty-five to 36.

Monty: That's fine, Ma. You're doing O. K. so far.

Madame: But, Monty, I still don't see what all this has to do with your not marrying the Queen of Spades.

Monty: Ma, this is complicated. Now will you just be patient?

Madame: I'm not sayin' a word.

Monty: All right. Suppose I roll the dice 36 times. How many times is the double three going to turn up?

Madame: Well, once, I should think.

Monty: Most likely they'd turn up once. Or they might turn up twice, or maybe not at all. But suppose I throw the dice 360 times. How many times can I expect the double three to turn up then?

Madame: Well, 10 times as often, I suppose.

Monty: The double three might actually turn up 3 or 9 or 11 or 12 times, but 10 is what you could reasonably expect. Now, suppose I roll the dice 36,000 times. How many times can I expect the double three to turn up?

Madame: About a thousand times?

Monty: Yes. And here's the important thing. This is where the law of probabilities begins to work. That double three is going to turn up almost exactly 1,000 times. For when you get up into big figures, pure chance is going to hit the expected average just about on the nose. And the bigger the figures, the closer it's going to be. Do you see where all this is leading us?

Madame: Well, not exactly, Monty.

Monty: Simply this. Down in the low figures, there can be a lot of difference between what you expect and what you get. Suppose you expect something to happen once, and it actually happens twice. That's a 100-percent difference.

Madame: Yeah.

Monty: But up in the high figures, suppose you expect something to happen a thousand times, and it actually happens 997 times. The difference betwen 997 and a thousand isn't nearly so important as it is between one and two.

Madame: Now I see it. Now I see it. The bigger the figures the closer you're going to come to what you expect.

Monty: That's my girl. That's right, Ma. Gee, you ought to have been a mathematician.

Madame: Well, I'm not. I'm a fortune teller, and proud of it. And I still say you're going to marry the Queen of Spades.

Monty: No; I'm not.

Madame: I suppose the law of probabilities says you're not.

Monty: Listen, Ma, a mathematician can't tell me, Monty Doolittle, whether I'm going to get married next year, but since there are thousands and thousands of single men of my age in this country, he can predict what the chances are that I'll get married.

Madame: How?

Monty: By taking the statistical records, and figuring the odds, the way insurance companies do.

Madame: But if it can't tell you, Monty, whether you're going to be married——

Monty: Listen. Three things can happen. I can get married, I can stay single, or I can die. The chances on each one have all been figured out, from the statistics. All I can ever find out are the odds——

Madame: Ah, I'll take tea leaves, Monty, any day.

Monty (defensively): I never said anyone could predict whether I'm going to get married. But a statistician can tell mighty close how many men 27 years old are going to get married next year.

Madame: Well, that's not the same thing at all. My crystal ball——

Monty (angry): Of course it's not the same thing, Ma. It's better—a whole lot better. It's the foundation of all kinds of business—like life insurance, and public-opinion polls, and advertising, and mail-order houses.

Madame: Now you keep your voice down, Monty, and watch what you say. I run a quiet, refined establishment here, and——

Monty: My eye. Can't you see, Ma, science has moved into this prediction business and made it respectable. It——

Madame: Who says I'm not respectable? Young man, I——

Monty: You've been shoved right out in the cold, only you don't know it. Your predictions don't mean a thing. And here I am trying to get you into a nice new job, in a nice home, and——

Madame (sighs): Oh, I know, Monty. You're a good boy, I suppose, thinkin' of your old mother like that. But I sort of like fortune telling.

Monty: But, Ma, can't you see? You're just gypping the public.

Madame: I bring a lot of comfort. I tell folks what they want to hear, mostly.

Monty: But it's not right, Ma, for them or for you. Come back to Chicago with me, to Uncle Ben's. We'll fly back.

Madame: I don't want to fly to Chicago. I'm perfectly happy here. Maybe a scientist can predict better than I can—I don't admit it, mind you——

Monty: Ma, there's a girl outside, waiting to talk to you.

Madame: Oh, all right, all right. I'll take her. (Calls.) Send in the next customer, Billy.

Monty: But, Mom——

Narjer (off): O. K.

Madame (straining): I'll have to turn off the lights.

Sound: Light switch.

Madame: There. And, Monty, you sit over in the corner, where it's dark, and keep quiet.

Monty: You mean you're going to tell her fortune?

Madame: You haven't talked me out of telling fortunes, Monty—not yet you haven't. Here she comes. Come in, my dear. But don't speak. Don't say a word. I don't want to hear. Just pull the chair up to the table.

Rose: But——

Madame: Ssh! Not a word, not a word, dearie. Just fix your eyes on the crystal. See the clouds—whirlin' and swirlin'?

Organ: Sneak in something very sentimental, but with cockeyed dissonant harmonics, like "Age of Gold." Carry under.

Madame: Ah, the clouds are thick. But they're beginning to part now. I see—I see—you're going to get a letter.

Rose: Letter? Madame LaBelle, I——

Madame: Quiet, honey. If you talk you'll break the spell. You won't hear what's going to happen to you. This isn't any ordinary letter. It's from—it's from a movie actor, tall; dark, unbelievably handsome—oh, dearie—it's from Garmy Montgomery. I can just hear you reading that letter now. (Slow fade.) It's all here in the crystal. Just as plain as can be——

Note: Play entire scene with broad exaggeration.

Rose (reading): "Dear Miss Marvelous, the other day you sat in the drugstore eating a double giant jumbo chocolate banana marshmallow dream, and I sat right next to you. I'm sure you didn't notice me, Miss Marvelous, but I saw you, and right then I knew that you were the only girl in the world to play the leading lady in my next picture. My chauffeur will call for you in my special platinum-plated convertible, and drive you straight to Hollywood. Your humble and devoted admirer, Garmy Montgomery.

Sound: Very fancy auto horn, off.

Rose: What is that? Somebody honking for me? Yes. Yes. It's the platinum-plated convertible, with six motorcycle policemen to clear the way.

Sound: Door opens.

Rose (calls): Just a minute. I'm coming. I'm coming.

Sound: Motorcycle sirens.

Organ: Pick up sirens, build, then down under again.

Sound: Phone rings.

Secretary: Super-Gargantuan Pictures, Inc. Miss Marvelous' secretary, good morning.

Voice 1 (filter): This is Miss Marvelous' hairdresser.

Secretary: Miss Marvelous can see you from 2:15 to 2:25, Emile.

Voice 1 (ecstatically): Oh, isn't she wonderful!

Sound: Hang up phone.

Secretary: Here, young man, where are you going? What's in that package?

Voice 2: Gown for Miss Marvelous. Here's the bill, $10,000.

Secretary: Hmmp! Well, she might wear it—around the house.

Sound: Phone rings.

Secretary: Miss Marvelous' Secretary, good morning.

Voice 3 (filter): Say, does Miss Marvelous want an oval swimming pool, or kidney-shaped?

Secretary: Oh, don't bother Miss Marvelous with things like that! Don't you know that Miss Marvelous is the greatest film star in the wide world?

Organ: Up and down.

Gary (languidly): Miss Marvelous: Miss Marvelous!

Rose: Yes. (sighs) Gary?

Gary: Miss Marvelous, I've asked you this question so many times in our pictures—and now, in real life, the words just won't come. Miss Marvelous, I can't live without you! You're gorgeous, wonderful, supergargantuan! Miss Marvelous, will you marry me?

Organ: Up deliriously.

Madame: There, dearie, that'll be 50 cents.

Organ: Down and out in a discord.

Monty (coming on): Ma, haven't you got any sense at all?

Rose (frightened): Monty! Haven't you told her who I am?

Monty: Ma, this is the girl I'm going to marry.

Madame: What's that?

Monty: This is Rosie Perkins, of Peoria.

Madame: Peoria! Monty Doolittle, if you don't explain yourself this minute——

Monty: It's perfectly simple, if you'd just listen once, instead of——

Madame (firmly): I'm listening.

Monty: Rosie works for Uncle Ben. And we think an awful lot of each other. But every time I say "Let's get married," Rosie says, "Uncle Ben needs me. How can I leave the farm when he hasn't got anybody else?"

Madame: So that's it. You want me to keep house for Uncle Ben so you and Rosie can get married?

Rose: That's it, Madame LaBelle; won't you, please? Uncle Ben's a fine man, and——

Madame: I know my own brother, young lady.

Monty. Say you will, Ma—please.

Madame: How about Rose's career in the movies? I can see for myself she's pretty enough.

Monty: The only career Rose cares about is being Mrs. Monty Doolittle.

Rose: That's right, Madame LaBelle.

Madame: But you know what I saw in the crystal ball——

Monty: You've got a wonderful imagination, Ma, but you can't predict the future.

Madame: I suppose you think that you can do better.

Monty: Ma, nobody can predict what's going to happen to Rose or me or any one person. But you can tell what's going to happen with great numbers of people.

Madame: How?

Monty: Oh, Mom—it's what I've been telling you. By using the theory of probabilities—up in the high numbers, where the law begins to work. It looks at the statistics, and figures the odds.

Madame: I don't understand it. Do you?

Monty: Of course, I do. I've got to. How else could I sell life insurance?

Madame: What's one got to do with the other, Monty? Mind you—I'm not buying any.

Monty: Look, Mom. Why would you have to pay more for insurance than me? (Going on) Because the risk is greater for you. And why would we both have to take physical examinations before the company would issue a policy? Because the company has to be sure that we both are in at least average condition, with an average chance to reach a ripe old age. Don't you see? The insurance company is predicting that most people will live a good long life.

Rose: Insurance companies are always advertising about health and safety, aren't they, Monty? I suppose that's good for their business.

Monty: Certainly it is. Do you see what they're doing? They're changing the odds. When people take better care of themselves, it shows up in the statistics as a longer life expectancy, and the odds are better on anybody's living longer.

Madame: Well, Monty, I don't call the insurance business predicting, exactly—

Monty: Take another case. I'll show you what I mean. Suppose a dentist publishes an article in a medical journal. The dentist says, "I've got a patient 70 years old who has an almost perfect set of teeth. He lives in a certain town where there's a certain mineral in the drinking water, and I think that mineral is the reason his teeth are so good." N w, would you believe him?

Madame: Well, not necessarily. There might be some other reason the old man's teeth are good. It's just one case.

Monty: Of course. But if you took 10,000 people and fed 'em this mineral, and then thousands that never got a sniff of the mineral, and tLen looked at their teeth——

Rose: Why, then you'd know.

Monty: And furthermore, if your statistics showed that this mineral did help to preserve the teeth of—say half the people who drank it, why then you could put it into the drinking water in other towns, and the law of probability says that half the people in that town ought to have better teeth. Now that's a real prediction, Ma.

Madame: I wish I lived in that town, Monty. I have more trouble with my plate.

Monty: Well, Ma, maybe there's mineral in Peoria. Come on, give up all this hocuspocus, and come with us.

Madame (dejectedly): Me, on a farm. I can just picture it. Look there, in the crystal.

Rose: I don't see anything.

Madame: Well, I do. I see plenty.

Organ: Sneak rural music under, but with dissonant harmonics, as before.

Madame: I see an old rooster, stretching his wings and sticking his neck out. Got a mean face, that bird. It's 3:30 in the morning, and he's fixin' to wake up the whole county.

Rooster: Crows.

Madame (yawns): Oh, dear; oh, dear; oh, dear!

Sound: Knock on door.

Madame: What is it?

Ben (rube accent): Time to get up, Maisie. Time to milk the cows.

Madame: I'm coming. What's the weather like?

Ben: Little chilly this morning; 54 below. You'd better put on your sweater.

Rooster: Crows again.

Madame (shouts): I'm coming! I'm coming!

Organ: Up and down.

Sound: Milk streaming into pail, under.

Madame: Oh, my poor back!

Cow: Moos.

Madame: Hold still, Bossie. Stop switchin' your tail around. Ouch!

Ben (off): Maisie, time to feed the hosses.

Madame: I'm coming.

Organ: Up and down.

Madame (groans under weight): There's your breakfast, Dobbin, you ill-tempered beast.

Horse: Whinnies.

Madame: Bare your teeth at me, will you?

Horse: Neighs.

Madame: Man's best friend, eh? Hey, let go my arm.

Ben (off): Maisie, time to chop wood for the stoves.

Madame: I'm coming.

Organ: Up and down.

Sound: Chopping.

Ben (off): How many cords you got chopped, Maizie?

Madame: Ten cords.

Ben: Better make it an even dozen.

Dog (off): Barks uproariously.

Chickens: Clucking.

Ben (off): Maisie, go catch Rover. He's snappin' at the hens.

Madame (wearily): I'm coming. Oh, why did I ever leave Coney Island, where everything was so quiet and peaceful?

Organ: Up despairingly, then under very low.

Madame: But I'll go, Monty. If that's the kind of life you want for your poor old mother, I'll go. Get your tickets. Peoria, here I come!

Organ: Up into bridge, Segue into something bucolic and fade under.

Sound: Birds singing, under. Footsteps on gravel walk, under.

Monty: There, Ma—did you ever see a prettier farm than this? It isn't much like what you imagined, now, is it?

Madame: It's all right, I guess.

Monty (enthusiastically): It's the model farm of the whole county. Everything runs by electricity. Wait till you see the kitchen, and the barns.

Madame: How far is Peoria?

Rose: Only 30 miles.

Monty: Look, there's Uncle Ben.

Ben (off, calls): Hello, there!

Rose: Oh, he's a grand fellow. Almost as nice as my husband.

Ben (coming in, pleasant normal Midwestern speech): Welcome to the newlyweds! And Maisie! Welcome to your new home, Maisie!

Sound: Stop footsteps.

Madame: Hello, Ben.

Ben: Maisie, it's grand of you to come out here and run the house for me. I never dreamed you'd really do it. It was all Rose's idea. Naturally, I wouldn't have stood in the way of her and Monty getting married, but she's such a good kid—she didn't want to put me to any inconvenience.

Monty: Well, Ma's here now anyway, Uncle Ben. But she took a lot of persuading.

Ben: And you're going to like it here, too, Maisie. Why, there's something doing every minute. Tonight, there's a sociable at the Grange——

Madame (wryly): A sociable, eh?

Ben: Yes. And Friday a husking bee, and next week the county fair——

Madame (quickly): County fair? Where's that?

Ben: Only about an hour's drive. You want to go?

Madame: Well, that's next week.

Ben: Sure. You'll have time to get acquainted with the farm by then—say goodby to Monty and Rose——

Madame: Well, we'll see about it.

Monty: Shucks, Ma, after Coney Island—that won't mean anything to you.

Madame: We'll see, Monty, we'll see.

Ben: Well, come along everybody. We've got to get Maisie settled.

Organ: Bridge, sequel to carnival theme, under.

Announcer: You have been listening to Columbia's School of the Air series.—The March of Science. Today, Taking a Chance. The program was written by Edward Mabley and directed by John Dietz. Original music by Albert Buhrman.

(Give credit to actors.)

COMMITTEE ON FOREIGN AFFAIRS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight Saturday night to file a report on the foreign-aid bill, the number of which is S. 2202.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of committees in order on Calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I want to state to the House, the probable program for next week and the week following so far as we know it now. As the House knows, unanimous consent has been granted for the Committee on Foreign Affairs to file a report on the foreign-aid bill by Saturday night. We all know that the foreign-aid bill came to us from the other body on Monday of this week. Prior to that time, the Committee on Foreign Affairs of the House had held extensive hearings on the subject and has been giving very careful consideration to this highly important problem. The committee has done much preliminary work in drafting the legislation, and I think it has been rather well understood that the actual drafting of the measure to be presented to the House would begin when that legislation came from the other body. The Committee on Foreign Affairs is now literally working night and day in the perfecting of the legislation.

As we all know, there are many problems in connection with this particular measure. There are differences of opinion. The committee, acting as the agency of the House of Representatives, is trying to write good legislation. The chairman of that committee informs me he has high hopes that they will complete their work on the bill, and have the report ready to file on Saturday. If the report is filed on Saturday, it is expected that application will be made on Monday to the Committee on Rules for a rule. Of course, I have no way of knowing whether or not the rule will be voted out on Monday or on Tuesday. I hope, however, that the rule may be voted out on Monday. If the rule is thus granted, we will then proceed to have general debate on the bill.

It is to be hoped, certainly, that general debate can be concluded next week. If it is concluded next week, then the bill would be read for amendment under the 5-minute rule on Monday, March 29. The House will meet at noon on Monday. I am quite sure that there would be no objection to meeting an hour earlier on Tuesday in an effort to complete the bill, as well as an hour earlier on Wednesday if the bill cannot be completed by Tuesday.

Wednesday of that week is March 31. So far as I am concerned, I am quite confident that the final action on the bill in the House of Representatives may be had not later than Wednesday, March 31. I might point out in that connection that the administration in fixing a so-called dead line for the passage of this legislation fixed the date of April 1. There will doubtless be differences between the bill as it passes the House and the bill as it came from the other body, which will necessitate certain adjustments in conference. However, there is no reason that I can see why those adjustments cannot be speedily made. So far as the effect in this country and throughout the world is concerned, I am quite sure that when the legislation is passed by the House of Representatives, it having been previously passed by the other body, the world and the country will know that the legislation will become the law of the land.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. RAYBURN. I am glad to hear the gentleman express the hope that this matter can be expedited. Speaking, I believe, for all the Members on this side of the aisle, we are willing to meet at any hour in the day that the gentleman considers is appropriate for the speedy enactment of this matter and to sit as late as is necessary.

Mr. HALLECK. May I say that the gentleman from Texas on all occasions has cooperated in the expedition of the various legislative programs that have come before us. I am glad to have his assurance on this very important matter. I realize there are some people who think that possibly the House of Representatives has not moved as rapidly on this legislation as they think would be desirable. But it must be recognized this legislation involves matters of tremendous consequence to the country. Each of us has a responsibility to the people we represent and to the country to see that the best legislation that can be devised is finally written into law. That is the reason I assert that the House of Representatives on this measure, as on all measures coming before it, has moved with due expedition, but likewise with that care and consideration that certainly the people of the United States have a right to expect of this great legislative branch of the Government.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mrs. ROGERS of Massachusetts. I am very glad that the bill will come out expeditiously. Also, I assume other defense measures will follow. I am very glad not to raise any objection to the dispensing with Calendar Wednesday business. I wonder if the gentleman can tell me which committee has the call 1 week from Wednesday.

Mr. HALLECK. I have made no investigation of that. It may be that on a week from Wednesday we will be concluding action on the foreign-aid bill. I do not know which committee has the call.

EXTENSION OF REMARKS

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD.

GENERAL LEAVE TO EXTEND REMARKS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their own remarks on the bill that was under consideration today.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. AUGUST H. ANDRESEN asked and was given permission to extend the remarks he made earlier today and to include certain tables and information.

Mr. MORRISON asked and was given permission to extend his own remarks in the RECORD.

Mr. KLEIN (at the request of Mr. MARCANTONIO) was granted permission to extend his remarks in the Appendix and include an editorial from the Washington Post.

Mr. MARCANTONIO asked and was given permission to extend his remarks in the RECORD and to include a radio address delivered by him last night.

SPECIAL ORDER GRANTED

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that after the regular business of the day today and after such special orders as may exist I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ROONEY (at the request of Mr. O'TOOLE) from March 3, 1948, on account of illness.

The SPEAKER. Under special order heretofore granted, the gentleman from California [Mr. HOLIFIELD] is recognized for 15 minutes.

PALESTINE PARTITION MUST BE ENFORCED

Mr. HOLIFIELD. Mr. Speaker, during my service in Congress beginning in January 1943, I have steadfastly advocated a national home for the Jews in Palestine. I have taken this position because of the basic justice inherent in the proposition. Palestine, first, is the historical home of the Jew. We know that this fact is undeniable as it is established by both sacred and profane history. Although the Jew has had no specific land to call his own since the dispersion, centuries ago, his belief in sacred prophecy has not waned. The Zionist Jew in particular, prays for the fulfillment of sacred prophecy.

Believing, as I do, that God will again restore the land of Moses, Solomon, and David to Israel, I have sought to harmonize my actions as a United States Representative with this purpose. I have voted for the various House resolutions favoring the establishment of a national Jewish state. I have spoken many times in Congress and elsewhere, trying to encourage the consummation of this plan.

As an ardent supporter of the United Nations, I was pleased when the Palestine problem became a matter of United Nations determination. The long and dreary years of frustration and discouragement, as commission followed commission, as the British administration continued to nullify and violate the Balfour Declaration and the provisions of the League of Nations mandate, seemed to be over. Surely a decision from the general assembly of the United Nations would be based on justice. Surely such a decision would be enforced.

Finally the decision of the official United Nations Palestine Commission was rendered. This decision was reviewed and confirmed by the majority of the member nations of the General Assembly. The decision of partition was far from the maximum desires of the Zionist as well as many of us who had worked for a Jewish national home in Palestine. But it seemed the best solution obtainable in a chaotic and hectic world. For the first time since the mandate was established, official approval had been given to the establishment of a Jewish state. But the forces who for over 25 years have opposed a Jewish national home, were not through. The Arab League, the British colonial office, and the great oil combines of the Middle East, refused to cooperate with the United Nations decision. Powerful political and financial forces pulled the strings and their puppets responded.

Although President Truman and United Nations delegate, Warren Austin, had used their influence to obtain the partition decision, powerful military and financial advisers have advised caution. At a time when every effort should be made toward implementation of the decision, we hesitate and quibble over technicalities.

What are the salient points approved by the General Assembly? I shall enumerate the important points:

First. The separation of Palestine—CIS-Jordan area—into two separate states: one for the Jews and one for the Arabs.

Second. The establishment of Jerusalem as a free city—enclave arrangement, UN supervision.

Third. Economic union—joint customs, currency, trade, transportation, communications, and so forth.

Fourth. Separate political control by each race of its own territory.

Fifth. The opening of a Jewish port such as Haifa for Jewish refugees—150,000 during the transitional period.

Sixth. Formation of a Jewish armed militia by the United Nations Palestine Commission before the May 15 withdrawal of British.

What has occurred since the General Assembly approved the partition plan?

First. The Arab League composed of various Arab nations have refused to accept the partition approved by the General Assembly. They have defied the decision orally and by raising armed troops and invading Palestine in a war of terror against the Jews.

Second. The British have refused to comply with the decision provisions.

Third. They have not kept civil order in Palestine and Jews are being massacred.

Fourth. The British have disarmed members of the Haganah—the Zionist home guard—and have permitted the Arab troops to retain their arms.

Fifth. The British have refused to permit the UN Palestine Commission to enter Palestine and form the Jewish armed militia as directed.

Sixth. The British have not opened the port of Haifa for in-migration of 150,000 Jewish refugees, although 35,000 who attempted illegal entry are in concentration camps on the island of Cyprus.

The attitude of the Arabs in defying the UN is understandable although not justifiable. For the United Nations to permit defiance of its decisions is unthinkable and inexcusable. The actions of the British mandate in its passive resistance to its duties as a mandatory power is but a continuation of the long history of broken promises and repudiated obligations to the Jews of Palestine. It is too much to expect a change in British policy between now and their date of mandate relinquishment May 15, 1948, although a firm stand on the part of our own Government might convince them of the wisdom of a change. I refer to a frank understanding between our two Governments that continued cooperation on our part—British loan, Marshall plan, and so forth—depends on their compliance with the UN decision requirements between now and May 15, 1948.

Our State Department should throw all of its power and influence behind the implementation of the Palestine decision. First, through negotiations with the United Kingdom as suggested above, and second, by a more aggressive attitude in the conferences of the respective committees and organs of the United Nations.

Third, the immediate formation of a contingent international police force to assist the Jewish armed militia, if necessary.

This is possible without formal action by the United Nations. Ample precedent exists for this procedure.

Technicalities of procedure are causing delay which may mean the difference between the life and death of thousands of Palestinian Jews. The delay also means loss of hope, and yes, death to thousands of Jewish refugees from European ghettos who are huddled in concentration camps in Europe and on the Island of Cypress.

Another move on the part of our Government should be taken immediately. I refer to lifting the arms embargo to Palestine. The effect of our arms embargo on Palestine has been tragic. It has evolved from an act destined to establish our neutrality, into placing us into the category of an unwitting accomplice to Arab murderers. I shall explain this point: The Arabs are not deprived of arms and munitions by the embargo, although most of the surrounding Arab countries are also on our list of embargoed nations. The Arabs, however, have access to arms from nations such as Turkey, Saudi Arabia, Yemen and other Middle East nations who are of the Mohammedan faith. In addition to these sources for arms and munitions there is the secret assistance of the United Kingdom which has placed no embargo on arms to the Arab countries surrounding Palestine. What is the result? The Jews surrounded by Arab nations, under the iron heel of the antagonistic British mandatory power, are unable to obtain arms to defend themselves against Arab attack. This means the possible massacre of nearly a million Jews if left to the mercy of Arab fanatics, when British soldiers finish their evacuation May 15th. The United Nations and the United States cannot stand helplessly by and allow this to happen. Time is the essence of this crisis. Our State Department should immediately lift this unfair arms embargo on Palestine and allow rapid shipment of arms into the new Palestinian state, so that the Haganah can be transformed into the official militia requested by the terms of the UN Palestine Commission. I have been informed by Palestinian Jews that if this step is taken, the Jews can most probably defend themselves without outside manpower. In the name of humanity, we can do no less. If we fail to do this one possible independent cooperative act on our part, the bloodshed caused by the Arabs will be on our hands.

Although the cause of a national home for the Jews has been near to my heart for many years, I realized anew the urgency of this cause after visiting the terrible German concentration camps during June 1945, less than 60 days after

VE-day. There I saw the terrible remnants of Nazi cruelty. The following year, July 1946, I visited Palestine—Haifa, Tel Aviv, Jerusalem, Bethlehem, and numerous villages, both Arab and Jew. There I saw the miracle of Zionist development in all of its startling wonder. The beautiful modern city of Tel Aviv on the shores of the blue Mediterranean, reminded me of the modern cities of my own beloved State of California. This likeness was emphasized even more when I visited the citrus groves, fig orchards, and vineyards which grew on desert land reclaimed through heart-breaking toil by the Zionists. Just as in California, these types of vegetation depended almost entirely upon irrigation water.

I talked with native Palestinian Arabs as well as Jews and found no basic conflict. The troubles between Arab and Jew have been caused by outside political figures in the Arab League, many of whom—such as their leader, the ex-Mufti of Jerusalem—were in league with the Nazis during World War II. Coupled with the British policy of antagonism and oppression, nothing but trouble could be expected. But we can right the wrongs to a great extent if we move fast and firmly demand that justice be done before it is forever too late. The deadline is now. May 15, 1948, will be too late.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4838. An act to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 400. An act authorizing the issuance of a patent in fee to Mabel Townsend Pretty on Top; and

S. 773. An act authorizing the issuance of a patent in fee to Mrs. Mary E. Leaf.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly the House (at 4 o'clock and 59 minutes p. m.), pursuant to its order heretofore entered, adjourned until Monday, March 22, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1392. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill, to promote the rehabilitation of the Navajo and Hopi tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes; to the Committee on Public Lands.

1393. A letter from the Attorney General, transmitting the report on the activities of the Department of Justice for the fiscal year ended June 30, 1947; to the Committee on the Judiciary.

1394. A letter from the Secretary, Department of the Air Force, transmitting a draft of a proposed bill to provide for the administration of military justice within the United States Air Force, and for other purposes; to the Committee on Armed Services.

1395. A letter from the Comptroller General of the United States, transmitting a report on the audit of Panama Railroad Company for the years ended June 30, 1946 and 1945 (H. Doc. No. 570); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1396. A letter from the Secretary of State, transmitting a draft of a proposed bill to amend the United Nations Participation Act of 1945 to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such Organization; to the Committee on Foreign Affairs.

1397. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal years 1948 and 1949 in the amounts of $40,800 and $200,000, respectively, for the Department of Labor (H. Doc. No. 571); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 5137. A bill to amend the Immigration Act of 1924, as amended, with an amendment (Rept. No. 1574). Referred to the Committee of the Whole House on the State of the Union.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2286. A bill to amend the Nationality Act of 1940; with amendments (Rept. No. 1575). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on the District of Columbia. H. R. 4649. A bill to provide that compensation of members of the Alcoholic Beverage Control Board of the District of Columbia shall be fixed in accordance with the Classification Act of 1923, as amended; without amendment (Rept. No. 1577). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 5564. A bill to amend the Federal Crop Insurance Act, as amended; without amendment (Rept. 1578). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. House Joint Resolution 354. Joint resolution to provide for the disposing of the Government irrigation experiment station at Bard, Calif., and the establishment in lieu thereof of a similar station at or near Brawley, Calif.; without amendment (Rept. No. 1579). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. H. R. 403. A bill for the relief of Louise Peters Lewis; with an amendment (Rept. No. 1573). Referred to the Committee of the Whole House.

Mr. O'HARA: Committee on the District of Columbia, S. 468. An act to amend the act entitled "An act to incorporate the Imperial Palace, Dramatic Order Knights of Khorassan," to increase the amount of property which the corporation may hold from $100,000 to $5,000,000; without amendment (Rept. No. 1576). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 5901. A bill to provide for the distribution among the States of Colorado, New Mexico, Utah, and Wyoming of the receipts of the Colorado River development fund for use in the fiscal years 1949 to 1955, inclusive, on a basis which is as nearly equal as practicable and to make available other funds for the investigation and construction of projects in any of the States of the Colorado River Basin in addition to appropriations for said purposes from the Colorado River development fund; to the Committee on Public Lands.

By Mr. COX:

H. R. 5902. A bill to amend the Social Security Act so as to provide that payments to States for old-age assistance shall be on the basis of paying an equal amount for each individual entitled to old-age assistance; to the Committee on Ways and Means.

By Mr. HUBER:

H. R. 5903. A bill to designate as a depository of Government publications the public library of each city having a population of 100,000 or more in which there is no such depository; to the Committee on House Administration.

By Mr. WELCH:

H. R. 5904. A bill to incorporate the Virgin Islands Corporation, and for other purposes; to the Committee on Public Lands.

By Mr. COOLEY:

H. R. 5905. A bill to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes; to the Committee on Agriculture.

By Mr. CRAWFORD:

H. R. 5906. A bill to amend the Second Decontrol Act of 1947; to the Committee on Banking and Currency.

By Mr. LYNCH:

H. R. 5907. A bill to amend section 1000 of the Internal Revenue Code, relating to imposition of gift tax; to the Committee on Ways and Means.

By Mr. MEADE of Maryland:

H. R. 5908. A bill to prohibit the exportation of goods, articles, or commodities from the United States to any place in the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

By Mr. WINSTEAD:

H. R. 5909. A bill to amend the Atomic Energy Act of 1946; to the Joint Committee on Atomic Energy.

By Mr. FISHER:

H. R. 5910. A bill to amend paragraph "Seventh" of section 12 of the Federal Farm Loan Act (U. S. C., 1946 ed., title 12, sec. 771); to the Committee on Agriculture.

By Mr. SMITH of Virginia:

H. R. 5911. A bill to authorize the addition of certain lands to Manassas National Battlefield Park, Va., and for other purposes; to the Committee on Public Lands.

By Mr. EVINS:

H. Con. Res. 177. Concurrent resolution expressing the sense of the Congress that the

veterans' flight-training program under the Servicemen's Readjustment Act of 1944 should not be curtailed; to the Committee on Veterans' Affairs.

By Mrs. ROGERS of Massachusetts:

H. Con. Res. 178. Concurrent resolution authorizing the Committee on Veterans' Affairs of the House of Representatives to have printed for its use additional copies of parts 1 and 2 of the hearings held before said committee relative to flight training; to the Committee on House Administration.

By Mr. KEATING:

H. Res. 504. Resolution to amend rule XI (1) (s) 1 of the Rules of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Virginia, memorializing the President and the Congress of the United States to make certain changes in the Hatch Act; to the Committee on House Administration.

Also, memorial of the Legislature of the State of Mississippi, memorializing the President and the Congress of the United States on the subject of the development of the Pascagoula River and its tributaries for navigation; to the Committee on Public Works.

Also, memorial of the General Assembly of American Samoa (through the Secretary of the Navy) memorializing the President and the Congress of the United States to defer action on organic legislation affecting American Samoa for a period of 10 years or more; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EVINS:

H. R. 5912. A bill for the relief of Walter W. Hearne; to the Committee on the Judiciary.

H. R. 5913. A bill for the relief of the Wilson County Fair, Inc.; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 5914. A bill for the relief of Nicolo Locicero; to the Committee on the Judiciary.

By Mr. PFEIFER (by request):

H. R. 5915. A bill for the relief of Carmine Arnaldo; to the Committee on the Judiciary.

By Mr. SARBACHER:

H. R. 5916. A bill for the relief of Poon Lim; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 5917. A bill to record the lawful admission to the United States for permanent residence of Mr. Paul Hettasch, his wife, Mrs. Ellen Marie Hettasch, and their daughter, Miss Katie Ellen Margarete Hettasch; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1572. By Mr. BRADLEY: Petition of George H. Whitwood and 46 other residents of Long Beach, Calif., opposing the enactment of a universal military training system; to the Committee on Armed Services.

1573. By Mr. CASE of South Dakota: Petition of 23 persons residing at Martin, S. Dak., and vicinity, expressing opposition to enactment of S. 1934, prohibiting the granting of preference in leasing Indian lands, on account of Indian blood, to any person of less than one-half Indian blood; to the Committee on Public Lands.

1574. By Mr. FORAND: Resolution of the General Assembly of the State of Rhode Island and Providence Plantations, memorializing Congress with relation to the continuance of the Veterans' Administration office in Pawtucket, R. I.; to the Committee on Veterans' Affairs.

1575. Also, petition of Polish American Congress of Providence, R. I., urging the speedy passage of a law permitting a substantial number of displaced persons to come to these United States as immigrants because of their belief that 1 year's delay will be most detrimental to the displaced persons; to the Committee on the Judiciary.

1576. Also, petition of Polish National Alliance, Lodge 677, of Central Falls, R. I., urging the speedy passage of a law permitting a substantial number of displaced persons to come to these United States as immigrants, in the belief that 1 year's delay will be most detrimental to the displaced persons; to the Committee on the Judiciary.

1577. By the SPEAKER: Petition of Norman H. Crawford and sundry others, petitioning consideration of their resolution with reference to enactment of universal military training; to the Committee on Armed Services.

1578. Also, petition of Hughes R. Hilliard, petitioning consideration of his resolution with reference to a petition for a redress of grievance; to the Committee on the Judiciary.

1579. Also, petition of L. H. Weller and sundry other citizens of West Palm Beach, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1580. Also, petition of H. C. Curtis and sundry other citizens of West Palm Beach, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1581. Also, petition of county commander, American Legion, Kings County, N. Y., petitioning consideration of their resolution with reference to investigation of Serge Rubinstein; to the Committee on the Judiciary.

1582. Also, petition of William E. Garrison and sundry others, petitioning consideration of their resolution with reference to retention of disabled veterans in the Veterans' Administration; to the Committee on Veterans' Affairs.

1583. By Mrs. SMITH of Maine: Resolution of the Limerock Valley Pomona Grange, opposing the removal or reduction of the Federal tax on colored oleomargarine; to the Committee on Agriculture.

SENATE

FRIDAY, MARCH 19, 1948

(Legislative day of Monday, March 15, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God our Father, as a battery is recharged without sound or motion, so wilt Thou, in this moment so precious, send Thy spirit into the hearts and minds of Thy servants, the Senators of the United States.

With newness of life, with spiritual power, vision, and lively faith, enable them to meet all the demands of this day with glad anticipation, and give them peace. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 18, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 5883) making appropriations for the Department of Agriculture (exclusive of the Farm Credit Administration) for the fiscal year ending June 30, 1949, and for other purposes, in which it requested the concurrence of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

POLITICAL CONTRIBUTIONS BY LABOR UNIONS

A letter from the Solicitor General of the United States, making inquiry whether the Senate or the House desires to participate in the proceedings incident to a proposed appeal by the Government from the decision holding the Labor-Management Relations Act of 1947, prohibiting labor unions from making political contributions, in part to be unconstitutional; to the Joint Committee on Labor-Management Relations.

AUDIT REPORT OF PANAMA RAILROAD COMPANY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Panama Railroad Company for the years ended June 30, 1946 and 1945 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT OF BUREAU OF EMPLOYEES' COMPENSATION

A letter from the Administrator, Federal Security Agency, transmitting, pursuant to law, the Annual Report of the Bureau of Employees' Compensation for the fiscal year 1947 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF ST. ELIZABETHS HOSPITAL

A letter from the Administrator, Federal Security Agency, transmitting, pursuant to law, the Annual Report of St. Elizabeths Hospital for the fiscal year 1947 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on Public Works:

"House Concurrent Resolution 4

"Concurrent resolution memorializing the Federal Congress of the need for the development of the Pat Harrison waterway and urging action thereon

"Whereas in 1825 the Legislature of the State of Mississippi memorialized Congress on the subject of the development of the Pascagoula River and its tributaries for navigation; and

"Whereas the need for this development, that has existed for more than a century, is more acute today than ever before; and

"Whereas the economic and social welfare of southeast Mississippi would be greatly promoted by the canalization of the Pascagoula, Leaf, and Chickasawhay Rivers, and Tallahala Creek; and

"Whereas the military importance of this waterway is recognized by competent authorities; and

"Whereas the people of the several counties drained by these streams seek the establishment of 9-foot barge channels serving the cities of Hattiesburg, Laurel, Meridian, and points between these communities and the Gulf: Therefore be it

"Resolved by the house of representatives (the senate concurring therein), That the importance of this public work to industry, agriculture, and distributive business of Mississippi be once more called to the attention of the President of the United States and the Senate and the House of Representatives, and action urged thereon; be it further

"Resolved, That a copy of these concurrent resolutions be transmitted to the President of the United States, the President of the Senate, Speaker of the House of Representatives, United States district engineer office, and to the Mississippi delegation in Congress with the request that this project be advanced with every means at their command."

A resolution of the Senate of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"Senate Resolution 33

"Resolution relating to the grazing of cattle in Yosemite National Park

"Whereas the cattle-raising industry is one of the major industries and sources of support of a large share of the population of Tuolumne and Mariposa Counties; and

"Whereas the production of beef on a full, complete, and major scale is imperative in order to feed the people of the United States and the starving peoples of foreign countries; and

"Whereas, by reason of the serious drought now existing in the State of California, pasturage available for cattle in Tuolumne and Mariposa Counties is insufficient, and owners and producers are compelled to sell and dispose of cattle or transport and ship them out of Tuolumne and Mariposa Counties and out of the State of California for adequate feed and pasturage; and

"Whereas such shipment involves substantial additional cost and expense in the raising and producing of cattle; and

"Whereas the present high cost of beef renders it difficult for people of small means to purchase and consume beef, and such additional cost and expense will make it impossible for many people to purchase and consume beef; and

"Whereas thousands of acres of standing grass, constituting good and adequate pasturage and food for many thousand head of cattle, exists adjacent to Tuolumne and Mariposa Counties in Yosemite National Park; and

"Whereas the National Park Service in the Department of the Interior of the United States prohibits the pasturage of cattle in Yosemite National Park: Now, therefore, be it

"Resolved by the Senate of the State of California, That the Department of the Interior of the United States be requested to permit, subject to the usual reasonable rules and regulations of the Department and of the National Park Service, the pasturage of cattle on the pasturage land in Yosemite National Park; and be it further

"Resolved, That the secretary of the senate transmit copies of this resolution to the President of the United States, the Director of the National Park Service of the United States, the Superintendent in charge of Yosemite National Park, the President pro tempore of the Senate, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A petition of sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan, to provide old-age assistance; to the Committee on Finance.

A letter in the nature of a petition from G. L. Van Fleet, of Oklahoma City, Okla., relating to the reduction of taxes and other pending legislation before the Congress (with an accompanying paper); ordered to lie on the table.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolutions memorializing the Congress of the United States to enact an adequate antilynch law

"Whereas the Constitution of the United States provides that no person shall be deprived of life, liberty, or property without due process of law; and

"Whereas the Constitution further provides that in all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury, and to be informed as to the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory processes for obtaining witnesses in his favor; and to have the assistance of counsel for his defense; and

"Whereas 'lynch law' is a direct repudiation of these fundamental principles of our Constitution and of humane conduct; and

"Whereas several States where lynchings are regular occurrences show no inclination to prosecute those responsible for the lynchings; Therefore be it

"Resolved, That the General Court of Massachusetts memorializes the Congress of the United States to enact an appropriate antilynch law which will give the authorities of the United States adequate power and complete jurisdiction to prosecute unlawful lynchings; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the presiding officer of each branch of Congress, and to the members thereof from this Commonwealth."

By Mr. LODGE (for himself and Mr. SALTONSTALL):

Resolutions of the General Court of the Commonwealth of Massachusetts; ordered to lie on the table:

"Resolutions memorializing the Congress of the United States to enact a Fair Employment Practices Act

"Whereas the Declaration of Independence states: 'We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness"; and

"Whereas the preamble of the Constitution of the United States declares that the people ordained and established the Constitution in order to 'establish justice'; and

"Whereas the Commonwealth of Massachusetts has already established a Fair Employment Practices Act to outlaw discrimination in employment: Therefore be it

"Resolved, That the General Court of Massachusetts memorializes the Congress of the United States to adopt an effective permanent Fair Employment Practices Act; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BRICKER, from the Committee on Banking and Currency:

H. R. 5314. A bill to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; with an amendment (Rept. No. 1015).

By Mr. ECTON, from the Committee on Post Office and Civil Service:

S. 1989. A bill to provide for the payment of certain Government employees for accumulated or accrued annual leave in cases involving transfers to other Government agencies under different leave systems; without amendment (Rept. No. 1016).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing two nominations, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. TOBEY, from the Committee on Banking and Currency:

John Taylor Egan, of New York, to be Public Housing Commissioner; and

Oscar Kent La Roque, of North Carolina, to be a member of the Home Loan Bank Board for the remainder of the term expiring June 30, 1949.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

S. 2347. A bill for the relief of Sheldon J. Coffman; to the Committee on the Judiciary.

By Mr. BALDWIN:

S. 2348. A bill to amend Public Law 313, Eightieth Congress, to accelerate scientific research in aeronautics by authorizing the creation of 15 additional positions in the National Advisory Committee for Aeronautics at rates of pay from $10,000 to $15,000 per annum; to the Committee on Post Office and Civil Service.

S. 2349. A bill relating to the issuance of reentry permits to certain aliens; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2350. A bill for the relief of Klara Ungar Klajn; to the Committee on the Judiciary.

By Mr. MURRAY (by request):

S. 2351. A bill for the relief of Béno Demenyi and Margit Demenyi, his wife; to the Committee on the Judiciary.

By Mr. REED (for himself and Mr. JOHNSON of Colorado):

S. 2352. A bill to amend the Federal Trade Commission Act with respect to the advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

By Mr. ECTON:

S. 2353. A bill authorizing the Secretary of the Interior to issue a patent in fee to Kathleen Doyle Harris; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 2354. A bill for the relief of certain Latvians and Estonians; to the Committee on the Judiciary.

By Mr. HOEY (for himself and Mr. UMSTEAD):

S. J. Res. 199. Joint resolution for the relief of the First-Citizens Bank and Trust Co., administrator of the estate of C. A. Ragland, Sr.; to the Committee on the Judiciary.

PROPOSED REORGANIZATION OF THE UNITED NATIONS

Mr. FLANDERS. Mr. President, within the next few days I hope to be permitted to join with other Senators on both sides of the aisle in presenting a resolution which calls for a reorganization of the United Nations, both as to its structure and its procedure. Precedent to that, however, and in fundamental support of it, I wish to bring a related proposal before this body.

The matter to which I wish to direct attention is the desirability of bringing before the bar of world public opinion the differences between the acts and policies of ourselves and the Soviet Union, and the effects of those acts and policies upon the objectives which the United Nations was organized to effect. Evidently this question is one which determines whether we shall have peace or war.

We were brought face to face with these problems by the President's message on Wednesday, March 17. That message was given in a serious spirit, and, so far as I have observed, was received seriously. There is little evidence that it was delivered with political intent or that it was listened to as though it were a political maneuver. How could it be so given and so received when we review the swift march of past events, whose pressure falls alike on the Chief Executive and his administration, on the Congress, and on the whole Nation? Grave though the events seem to be, there yet appear in the heavens portents of events to come more fearful than those we have yet known.

The shadow of these future events, Mr. President, hung over the debate on the European recovery program. Not since I have been a Member of this body have I listened to debate which was, on the whole, on such a high plane. It so happened that I was present during most of the time when Senators on this side of the aisle were speaking. I was particularly impressed by the deep sincerity of the statement made by the junior Senator from Illinois [Mr. BROOKS] in opposition to the proposal. Likewise in opposition was the senior Senator from Minnesota [Mr. BALL]. An able and sincere speech in favor was made by the junior Senator from Washington [Mr. CAIN].

While the latter two Senators upheld opposing sides in the debate, yet they agreed in their conviction that we must address ourselves at an early date to the reorganization of the United Nations. They are not content to drift as we have been drifting, with current events determining our course, and with the organization which was to safeguard our future being left farther and farther behind in a side eddy of the current of history. I join with these two Senators, and, I am sure, with others on this floor, in the conviction that we must make the United Nations into an aggressive fighting organization for the waging of peace. It is not such an organization today. It is, in fact, decaying.

We are waging peace on far too narrow a front. We have been thinking of it too long and too intensely on purely military terms. The military elements of this war for peace must be vigorously pursued, but to trust to them alone weakens our campaign.

In the Marshall plan we had an operation on the economic front. Recent events, however, are changing the character of that until it, too, shows signs of becoming preponderantly military. The recent action of the five European countries—Benelux, Great Britain, and France—is definitely and logically pointing to the direction of military cooperation and military support by us.

The neglected front in this war for peace is the political one. The United Nations must be reformed until it becomes the instrument of a peace offensive. This must be done even to the point of tearing it down and rebuilding, should that unfortunate necessity arise. In my judgment it need not arise if we act quickly and wisely.

The full Assembly of the United Nations should be called together. Before the bar of world opinion we should present our case against the Soviet Government. We should state clearly the course of events as we have seen them. We should paint a clear picture of how the Russian advance across western Europe looks to us. We should draw the deadly parallel between Soviet aggression and Nazi aggression as it appears in our eyes. Russia, in turn, should have full opportunity to tell the world how she views our position and our policies. She should explain how and why she transmutes our least self-seeking and most peaceful endeavors into terms of imperialistic and capitalistic aggression.

The issue must be dramatized. The great drama must be played on a global scale before the nations of the earth. With such a background, such a setting, and such dramatic action, we can proceed with or without Russia to the task of forging the United Nations into a militant weapon for advancing international cooperation and protecting the freedom of mankind.

As a step in the direction of putting this proposal into effect, I ask unanimous consent to submit a concurrent resolution which reads as follows:

Resolved by the Senate (the House of Representatives concurring), That the President is hereby requested to instruct the United States representative at the seat of the United Nations and representative in the Security Council to seek, either through request of the Security Council or of a majority of the members of the United Nations, to convene the General Assembly of the United Nations in order that the General Assembly may consider in accordance with the Charter of the United Nations the actions taken by the United States and the so-called western nations on the one hand and the Union of Soviet Socialist Republics and the governments of its so-called satellites on the other, and the effects of these actions on the maintenance of world peace and the principles of the Charter of the United Nations.

There being no objection, the concurrent resolution (S. Con. Res. 47) submitted by Mr. FLANDERS was received and referred to the Committee on Foreign Relations.

MEMORIAL SERVICES FOR DECEASED SENATORS

Mr. TAFT submitted the following resolution (S. Res. 212), which was referred to the Committee on Rules and Administration:

Resolved, That on Wednesday, the 21st day of April 1948, at 3 o'clock p. m., the legislative business of the Senate be suspended for the purpose of holding memorial services for deceased Senators. Senators shall have leave for 60 legislative days to extend their remarks in the CONGRESSIONAL RECORD on the life, character, and public service of deceased Senators. At the conclusion of the proceedings, the President pro tempore as a further mark of respect to the memories of the deceased, shall declare the Senate adjourned. The necessary expenses connected with such memorial services shall be paid out of the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Rules and Administration.

INFORMATION CONCERNING THE POTSDAM AGREEMENTS

Mr. CAPEHART. Mr. President, on behalf of myself and 31 other Senators, I ask unanimous consent to submit for appropriate reference a resolution, and I request that the names of the coauthors and the resolution be read by the clerk.

The Chief Clerk read as follows:

Resolution submitted by Mr. CAPEHART (for himself, Mr. WHERRY, Mr. REVERCOMB, Mr. BALDWIN, Mr. BROOKS, Mr. BUCK, Mr. FLANDERS, Mr. KEM, Mr. HAWKES, Mr. MARTIN, Mr. MOORE, Mr. TOBEY, Mr. BUTLER, Mr. MALONE, Mr. ECTON, Mr. ROBERTSON of Wyoming, Mr. BRICKER, Mr. DWORSHAK, Mr. WILLIAMS, Mr. JENNER, Mr. CAIN, Mr. LANGER, Mr. FERGUSON, Mr. MORSE, Mr. DONNELL, Mr. WATKINS, Mr. CORDON, Mr. BRIDGES, Mr. AIKEN, Mr. BUSHFIELD, Mr. MCCARTHY, and Mr. IVES):

"Whereas the President of the United States declared in his address to the Congress on March 17, 1948, that one nation has "persistently ignored and violated" agreements which "could have furnished a basis for a just peace"; and

"Whereas such violations have been proclaimed the cause for international disturbances which have led to the requested consideration by this Congress of drastic legislation affecting the peoples of this Nation: Therefore be it

"Resolved by the United States Senate in session this ——— day of ———, 1948, That the President of the United States be, and is hereby, requested to furnish to the Congress full and complete information on the specific violations of agreements by the nation referred to in the President's address

on March 17, 1948, before the Congress; and be it further

"*Resolved*, That the President of the United States, who was present at and participated in the Potsdam Conference wherein certain agreements designed to create peace throughout the world are believed to have been entered into between the United States and other nations allied with the United States during the recent war, be and is hereby requested to advise this Congress of all existing agreements between those nations."

Mr. CAPEHART. Mr. President, just a word about the resolution. The resolution is not intended to be critical of the President of the United States. The authors of it are interested in but one thing, and that is to ascertain what agreements, entered into between this country and Russia, have been violated, and what agreements were entered into between this Nation and Russia at Yalta, Tehran, Potsdam, Casablanca, and at other places. We believe the people of the United States, as well as Members of Congress, are entitled to know specifically what the agreements were, and which of the agreements have been violated, as indicated by the President in his speech of March 17.

There being no objection, the resolution (S. Res. 213) was received and referred to the Committee on Foreign Relations.

HOUSE BILL REFERRED

The bill (H. R. 5883) making appropriations for the Department of Agriculture (exclusive of the Farm Credit Administration) for the fiscal year ending June 30, 1949, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

HIGHWAY DEVELOPMENT—ADDRESS BY SENATOR REVERCOMB

[Mr. REVERCOMB asked and obtained leave to have printed in the RECORD an address entitled "Highway Development," delivered by him at the annual meeting of the West Virginia Petroleum Society, at Charleston, W. Va., on March 17, 1948, which appears in the Appendix.]

NEED FOR EUROPEAN RECOVERY PROGRAM — STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement of his reasons for supporting the European recovery program, which appears in the Appendix.]

AMERICAN PARTICIPATION IN EUROPEAN RECOVERY—ADDRESS BY JAMES D. MOONEY

[Mr. BRICKER asked and obtained leave to have printed in the RECORD an address entitled "American Participation in European Recovery," delivered by James D. Mooney, president and chairman of the board, Willys-Overland Motors, before the American Society of Tool Engineers, on March 18, 1948, which appears in the Appendix.]

FEDERAL BUILDINGS AND POST OFFICES—ADDRESS BY SENATOR CAIN

[Mr. CAIN asked and obtained leave to have printed in the RECORD a radio address on the subject of Federal Buildings and Post Offices, transcribed by him to be broadcast over a number of radio stations in the State of Washington, which appears in the Appendix.]

FLOOD CONTROL AND NAVIGATION—STATEMENT BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a copy of a statement on the subject of 1948-49 funds of Army Engineers for flood control and navigation, made by him before the subcommittee of the Senate Committee on Appropriations, March 19, 1948, which appears in the Appendix.]

THE UNITED NATIONS AND PALESTINE—ARTICLES BY BENJAMIN V. COHEN

[Mr. LODGE asked and obtained leave to have printed in the RECORD two articles on the subject "The United Nations and Palestine," by Benjamin V. Cohen, which appeared in the New York Herald Tribune March 16 and March 17, 1948, which appear in the Appendix.]

ANTILYNCHING BILL—EDITORIAL FROM THE TIMES-PICAYUNE

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an editorial entitled "To Make It Legal," published in the New Orleans (La.) Times-Picayune of March 12, which appears in the Appendix.]

MEETING OF SUBCOMMITTEE

Mr. CAIN asked and obtained consent for the fiscal subcommittee of the Committee on the District of Columbia to sit during the session of the Senate this afternoon.

REDUCTION OF INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 4790) to reduce individual tax payments, and for other purposes.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Conor
Baldwin	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Johnson, Colo.	Revercomb
Bushfield	Johnston, S. C.	Robertson, Va.
Butler	Kem	Robertson, Wyo.
Byrd	Kilgore	Russell
Cain	Knowland	Saltonstall
Capehart	Langer	Smith
Capper	Lodge	Sparkman
Connally	Lucas	Stennis
Cooper	McCarran	Stewart
Cordon	McCarthy	Taft
Donnell	McFarland	Taylor
Dworshak	McGrath	Thomas, Okla.
Eastland	McKellar	Thomas, Utah
Ecton	McMahon	Thye
Ellender	Magnuson	Tobey
Ferguson	Malone	Umstead
Flanders	Martin	Vandenberg
Fulbright	Maybank	Watkins
George	Millikin	Wherry
Green	Moore	Wiley
Gurney	Morse	Williams
Hatch	Murray	Wilson
Hawkes	Myers	Young

Mr. WHERRY. I announce that the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from New Mexico [Mr. CHAVEZ] is absent on public business.

The Senator from Arkansas [Mr. MCCLELLAN] is absent by leave of the Senate on official business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the first committee amendment, on page 3, line 10, which strikes out one table and substitutes another.

Mr. MILLIKIN. Mr. President, the amendment now before the Senate, together with a group of tables commencing on page 65 and continuing, roughly, to the end of the bill, are all connected. In a word, they establish the rate reductions in income taxes which the amended bill proposes, as distinguished from the much higher reduction rates, involving about $2,000,000,000 more, contained in the House bill. I assume that except for Senators who favor the House bill as is, and the rates it contains, every Senator can vote for these particular amendments. I assume that Senators who do not want any tax bill would regard these amendments as preferable over the reduction rates of the House bill. Final positions can be registered on final passage of the bill.

The PRESIDENT pro tempore. Does the Senator suggest that the amendments referred to be considered en bloc?

Mr. MILLIKIN. I suggest that they be considered en bloc, beginning with the amendment on page 3, and then skipping over to page 65 and continuing through to the end of the table, on page 80.

The PRESIDENT pro tempore. Without objection, the amendments will be considered en bloc. The question is on agreeing to the first committee amendment, plus the other amendments which the Senator from Colorado has mentioned, the amendments being considered en bloc.

The amendments considered en bloc are as follows:

Under the heading "Title I—Income tax reduction," on page 3, after line 10, to strike out:

"If the aggregate is:	The reduction shall be:
Not over $200----	33½ percent of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but over $840.	24 percent of the aggregate.
Over $840--------	$201.60, plus 14½ percent of excess over $840."

And in lieu thereof to insert:

"If the aggregate is:	The reduction shall be:
Not over $400----	17 percent of the aggregate.
Over $400 but not over $100,000.	$68 plus 12 percent of excess over $400.
Over $100,000-----	$12,020 plus 9.75 percent of excess over $100,000."

Under the heading "Title IV—Adjusted gross income of less than $5,000," on page 65, after line 2, to strike out:

"Tax other than in case of joint return of husband and wife under sec. 51

If adjusted gross income is—		And the number of exemptions is—				If adjusted gross income is—		And the number of exemptions is—							
At least	But less than	1	2	3	4 or more	At least	But less than	1	2	3	4	5	6	7	8 or more
		The tax shall be—						The tax shall be—							
$0	$675	$0	$0	$0	$0	$2,325	$2,350	$229	$120	$40	$0	$0	$0	$0	$0
675	700	2	0	0	0	2,350	2,375	232	123	43	0	0	0	0	0
700	725	5	0	0	0	2,375	2,400	235	126	46	0	0	0	0	0
725	750	8	0	0	0	2,400	2,425	239	129	49	0	0	0	0	0
750	775	11	0	0	0	2,425	2,450	242	132	52	0	0	0	0	0
775	800	14	0	0	0	2,450	2,475	246	136	55	0	0	0	0	0
800	825	17	0	0	0	2,475	2,500	249	141	58	0	0	0	0	0
825	850	20	0	0	0	2,500	2,525	253	145	61	0	0	0	0	0
850	875	23	0	0	0	2,525	2,550	256	150	64	0	0	0	0	0
875	900	26	0	0	0	2,550	2,575	259	154	67	0	0	0	0	0
900	925	29	0	0	0	2,575	2,600	263	159	70	0	0	0	0	0
925	950	32	0	0	0	2,600	2,625	266	163	73	0	0	0	0	0
950	975	35	0	0	0	2,625	2,650	270	168	76	0	0	0	0	0
975	1,000	38	0	0	0	2,650	2,675	273	172	79	0	0	0	0	0
1,000	1,025	41	0	0	0	2,675	2,700	276	177	82	2	0	0	0	0
1,025	1,050	44	0	0	0	2,700	2,725	280	181	85	5	0	0	0	0
1,050	1,075	47	0	0	0	2,725	2,750	283	186	88	8	0	0	0	0
1,075	1,100	50	0	0	0	2,750	2,775	287	190	91	11	0	0	0	0
1,100	1,125	53	0	0	0	2,775	2,800	290	195	94	14	0	0	0	0
1,125	1,150	56	0	0	0	2,800	2,825	294	199	97	17	0	0	0	0
1,150	1,175	59	0	0	0	2,825	2,850	297	204	100	20	0	0	0	0
1,175	1,200	62	0	0	0	2,850	2,875	300	208	103	23	0	0	0	0
1,200	1,225	65	0	0	0	2,875	2,900	304	213	106	26	0	0	0	0
1,225	1,250	68	0	0	0	2,900	2,925	308	216	109	29	0	0	0	0
1,250	1,275	71	0	0	0	2,925	2,950	311	219	112	32	0	0	0	0
1,275	1,300	74	0	0	0	2,950	2,975	315	223	115	35	0	0	0	0
1,300	1,325	77	0	0	0	2,975	3,000	319	226	118	38	0	0	0	0
1,325	1,350	80	0	0	0	3,000	3,050	324	231	123	43	0	0	0	0
1,350	1,375	83	3	0	0	3,050	3,100	332	238	129	49	0	0	0	0
1,375	1,400	86	6	0	0	3,100	3,150	340	245	136	55	0	0	0	0
1,400	1,425	89	9	0	0	3,150	3,200	347	252	145	61	0	0	0	0
1,425	1,450	92	12	0	0	3,200	3,250	355	259	154	67	0	0	0	0
1,450	1,475	95	15	0	0	3,250	3,300	362	266	163	73	0	0	0	0
1,475	1,500	98	18	0	0	3,300	3,350	370	272	172	79	0	0	0	0
1,500	1,525	101	21	0	0	3,350	3,400	377	279	181	85	5	0	0	0
1,525	1,550	104	24	0	0	3,400	3,450	385	286	190	91	11	0	0	0
1,550	1,575	107	27	0	0	3,450	3,500	392	293	199	97	17	0	0	0
1,575	1,600	110	30	0	0	3,500	3,550	400	300	208	103	23	0	0	0
1,600	1,625	113	33	0	0	3,550	3,600	407	307	215	109	29	0	0	0
1,625	1,650	116	36	0	0	3,600	3,650	415	314	222	115	35	0	0	0
1,650	1,675	119	39	0	0	3,650	3,700	422	322	229	121	41	0	0	0
1,675	1,700	122	42	0	0	3,700	3,750	430	329	236	127	47	0	0	0
1,700	1,725	125	45	0	0	3,750	3,800	437	337	243	133	53	0	0	0
1,725	1,750	128	48	0	0	3,800	3,850	445	345	250	142	59	0	0	0
1,750	1,775	131	51	0	0	3,850	3,900	452	352	257	151	65	0	0	0
1,775	1,800	135	54	0	0	3,900	3,950	460	360	263	160	71	0	0	0
1,800	1,825	139	57	0	0	3,950	4,000	467	367	270	169	77	0	0	0
1,825	1,850	144	60	0	0	4,000	4,050	475	375	277	178	83	3	0	0
1,850	1,875	148	63	0	0	4,050	4,100	482	382	284	187	89	9	0	0
1,875	1,900	153	66	0	0	4,100	4,150	490	390	291	196	95	15	0	0
1,900	1,925	157	69	0	0	4,150	4,200	498	397	298	205	101	21	0	0
1,925	1,950	162	72	0	0	4,200	4,250	505	405	304	213	107	27	0	0
1,950	1,975	166	75	0	0	4,250	4,300	513	412	312	220	113	33	0	0
1,975	2,000	171	78	0	0	4,300	4,350	520	420	319	227	119	39	0	0
2,000	2,025	175	81	1	0	4,350	4,400	528	427	327	234	125	45	0	0
2,025	2,050	180	84	4	0	4,400	4,450	535	435	335	241	131	51	0	0
2,050	2,075	184	87	7	0	4,450	4,500	543	442	342	247	139	57	0	0
2,075	2,100	189	90	10	0	4,500	4,550	550	450	350	254	148	63	0	0
2,100	2,125	193	93	13	0	4,550	4,600	558	457	357	261	157	69	0	0
2,125	2,150	198	96	16	0	4,600	4,650	565	465	365	268	166	75	0	0
2,150	2,175	202	99	19	0	4,650	4,700	573	472	372	275	175	81	1	0
2,175	2,200	207	102	22	0	4,700	4,750	580	480	380	282	184	87	7	0
2,200	2,225	211	105	25	0	4,750	4,800	588	488	387	288	193	93	13	0
2,225	2,250	215	108	28	0	4,800	4,850	595	495	395	295	202	99	19	0
2,250	2,275	218	111	31	0	4,850	4,900	603	503	402	302	211	105	25	0
2,275	2,300	222	114	34	0	4,900	4,950	610	510	410	309	218	111	31	0
2,300	2,325	225	117	37	0	4,950	5,000	618	518	417	317	225	117	37	0

"Tax in case of joint return of husband and wife under sec. 51

If adjusted gross income is—		And the number of exemptions is—			If adjusted gross income is—		And the number of exemptions is—						
At least—	But less than—	2	3	4 or more	At least—	But less than—	2	3	4	5	6	7	8 or more
		The tax shall be—					The tax shall be—						
$0	$1,350	$0	$0	$0	$2,675	$2,700	$162	$82	$2	$0	$0	$0	$0
1,350	1,375	3	0	0	2,700	2,725	165	85	5	0	0	0	0
1,375	1,400	6	0	0	2,725	2,750	168	88	8	0	0	0	0
1,400	1,425	9	0	0	2,750	2,775	171	91	11	0	0	0	0
1,425	1,450	12	0	0	2,775	2,800	174	94	14	0	0	0	0
1,450	1,475	15	0	0	2,800	2,825	177	97	17	0	0	0	0
1,475	1,500	18	0	0	2,825	2,850	180	100	20	0	0	0	0
1,500	1,525	21	0	0	2,850	2,875	183	103	23	0	0	0	0
1,525	1,550	24	0	0	2,875	2,900	186	106	26	0	0	0	0
1,550	1,575	27	0	0	2,900	2,925	189	109	29	0	0	0	0
1,575	1,600	30	0	0	2,925	2,950	192	112	32	0	0	0	0
1,600	1,625	33	0	0	2,950	2,975	195	115	35	0	0	0	0
1,625	1,650	36	0	0	2,975	3,000	198	118	38	0	0	0	0
1,650	1,675	39	0	0	3,000	3,050	202	123	43	0	0	0	0
1,675	1,700	42	0	0	3,050	3,100	208	129	49	0	0	0	0
1,700	1,725	45	0	0	3,100	3,150	214	135	55	0	0	0	0
1,725	1,750	48	0	0	3,150	3,200	220	141	61	0	0	0	0
1,750	1,775	51	0	0	3,200	3,250	226	147	67	0	0	0	0
1,775	1,800	54	0	0	3,250	3,300	232	153	73	0	0	0	0
1,800	1,825	57	0	0	3,300	3,350	238	159	79	0	0	0	0
1,825	1,850	60	0	0	3,350	3,400	244	165	85	5	0	0	0
1,850	1,875	63	0	0	3,400	3,450	250	171	91	11	0	0	0
1,875	1,900	66	0	0	3,450	3,500	256	177	97	17	0	0	0
1,900	1,925	69	0	0	3,500	3,550	262	183	103	23	0	0	0
1,925	1,950	72	0	0	3,550	3,600	270	189	109	29	0	0	0
1,950	1,975	75	0	0	3,600	3,650	279	195	115	35	0	0	0
1,975	2,000	78	0	0	3,650	3,700	288	200	121	41	0	0	0
2,000	2,025	81	1	0	3,700	3,750	297	206	127	47	0	0	0
2,025	2,050	84	4	0	3,750	3,800	306	212	133	53	0	0	0
2,050	2,075	87	7	0	3,800	3,850	315	218	139	59	0	0	0
2,075	2,100	90	10	0	3,850	3,900	324	224	145	65	0	0	0
2,100	2,125	93	13	0	3,900	3,950	333	230	151	71	0	0	0
2,125	2,150	96	16	0	3,950	4,000	342	236	157	77	0	0	0
2,150	2,175	99	19	0	4,000	4,050	351	242	163	83	3	0	0
2,175	2,200	102	22	0	4,050	4,100	360	248	169	89	9	0	0
2,200	2,225	105	25	0	4,100	4,150	369	254	175	95	15	0	0
2,225	2,250	108	28	0	4,150	4,200	378	260	181	101	21	0	0
2,250	2,275	111	31	0	4,200	4,250	387	267	187	107	27	0	0
2,275	2,300	114	34	0	4,250	4,300	396	276	193	113	33	0	0
2,300	2,325	117	37	0	4,300	4,350	405	285	199	119	39	0	0
2,325	2,350	120	40	0	4,350	4,400	414	294	204	125	45	0	0
2,350	2,375	123	43	0	4,400	4,450	423	303	210	131	51	0	0
2,375	2,400	126	46	0	4,450	4,500	430	312	216	137	57	0	0
2,400	2,425	129	49	0	4,500	4,550	437	321	222	143	63	0	0
2,425	2,450	132	52	0	4,550	4,600	443	330	228	149	69	0	0
2,450	2,475	135	55	0	4,600	4,650	450	339	234	155	75	0	0
2,475	2,500	138	58	0	4,650	4,700	457	348	240	161	81	1	0
2,500	2,525	141	61	0	4,700	4,750	464	357	246	167	87	7	0
2,525	2,550	144	64	0	4,750	4,800	471	366	252	173	93	13	0
2,550	2,575	147	67	0	4,800	4,850	478	375	258	179	99	19	0
2,575	2,600	150	70	0	4,850	4,900	485	384	264	185	105	25	0
2,600	2,625	153	73	0	4,900	4,950	491	393	273	191	111	31	0
2,625	2,650	156	76	0	4,950	5,000	498	402	282	197	117	37	0"
2,650	2,675	159	79	0									

And in lieu thereof to insert:

"If adjusted gross income is—		And the number of exemptions is—				If adjusted gross income is—		And the number of exemptions is—								
									2		3					
At least	But less than	1	2	3	4 or more	At least	But less than	1	And if other than a joint return is filed	And if a joint return is filed	And if other than a joint return is filed	And if a joint return is filed	4	5	6	7	8 or more
		The tax shall be—						The tax shall be—								
$0	$675	$0	$0	$0	$0	$2,325	$2,350	$250	$150	$150	$50	$50	$0	$0	$0	$0	$0
675	700	3	0	0	0	2,350	2,375	253	154	154	54	54	0	0	0	0	0
700	725	7	0	0	0	2,375	2,400	257	157	157	58	58	0	0	0	0	0
725	750	11	0	0	0	2,400	2,425	261	161	161	62	62	0	0	0	0	0
750	775	14	0	0	0	2,425	2,450	265	165	165	65	65	0	0	0	0	0
775	800	18	0	0	0	2,450	2,475	268	169	169	69	69	0	0	0	0	0
800	825	22	0	0	0	2,475	2,500	272	172	172	73	73	0	0	0	0	0
825	850	26	0	0	0	2,500	2,525	276	176	176	77	77	0	0	0	0	0
850	875	29	0	0	0	2,525	2,550	280	180	180	80	80	0	0	0	0	0
875	900	33	0	0	0	2,550	2,575	283	184	184	84	84	0	0	0	0	0
900	925	37	0	0	0	2,575	2,600	287	187	187	88	88	0	0	0	0	0
925	950	40	0	0	0	2,600	2,625	291	191	191	92	92	0	0	0	0	0
950	975	44	0	0	0	2,625	2,650	294	195	195	95	95	0	0	0	0	0
975	1,000	48	0	0	0	2,650	2,675	298	199	199	99	99	0	0	0	0	0
1,000	1,025	52	0	0	0	2,675	2,700	302	202	202	103	103	3	0	0	0	0
1,025	1,050	55	0	0	0	2,700	2,725	306	206	206	106	106	7	0	0	0	0
1,050	1,075	59	0	0	0	2,725	2,750	309	210	210	110	110	11	0	0	0	0
1,075	1,100	63	0	0	0	2,750	2,775	313	214	214	114	114	14	0	0	0	0
1,100	1,125	67	0	0	0	2,775	2,800	317	217	217	118	118	18	0	0	0	0
1,125	1,150	70	0	0	0	2,800	2,825	321	221	221	121	121	22	0	0	0	0
1,150	1,175	74	0	0	0	2,825	2,850	324	225	225	125	125	26	0	0	0	0
1,175	1,200	78	0	0	0	2,850	2,875	328	228	228	129	129	29	0	0	0	0
1,200	1,225	82	0	0	0	2,875	2,900	332	232	232	133	133	33	0	0	0	0
1,225	1,250	85	0	0	0	2,900	2,925	336	236	236	136	136	37	0	0	0	0
1,250	1,275	89	0	0	0	2,925	2,950	340	240	240	140	140	40	0	0	0	0
1,275	1,300	93	0	0	0	2,950	2,975	345	243	243	144	144	44	0	0	0	0
1,300	1,325	96	0	0	0	2,975	3,000	349	247	247	148	148	48	0	0	0	0
1,325	1,350	100	1	0	0	3,000	3,050	356	253	253	153	153	54	0	0	0	0
1,350	1,375	104	4	0	0	3,050	3,100	364	260	260	161	161	61	0	0	0	0
1,375	1,400	108	8	0	0	3,100	3,150	373	268	268	168	168	68	0	0	0	0
1,400	1,425	111	12	0	0	3,150	3,200	382	275	275	176	176	76	0	0	0	0
1,425	1,450	115	16	0	0	3,200	3,250	391	283	283	183	183	83	0	0	0	0
1,450	1,475	119	19	0	0	3,250	3,300	399	290	290	190	190	91	0	0	0	0
1,475	1,500	123	23	0	0	3,300	3,350	408	298	298	198	198	98	0	0	0	0
1,500	1,525	126	27	0	0	3,350	3,400	417	305	305	205	205	106	6	0	0	0
1,525	1,550	130	31	0	0	3,400	3,450	425	312	312	213	213	113	14	0	0	0
1,550	1,575	134	34	0	0	3,450	3,500	434	320	320	220	220	121	21	0	0	0
1,575	1,600	138	38	0	0	3,500	3,550	443	327	327	228	228	128	29	0	0	0
1,600	1,625	141	42	0	0	3,550	3,600	452	335	335	235	235	136	36	0	0	0
1,625	1,650	145	45	0	0	3,600	3,650	460	344	342	243	243	143	44	0	0	0
1,650	1,675	149	49	0	0	3,650	3,700	469	353	350	250	250	151	51	0	0	0
1,675	1,700	153	53	0	0	3,700	3,750	478	362	357	258	258	158	59	0	0	0
1,700	1,725	156	57	0	0	3,750	3,800	486	370	365	265	265	166	66	0	0	0
1,725	1,750	160	60	0	0	3,800	3,850	495	379	372	273	273	173	73	0	0	0
1,750	1,775	164	64	0	0	3,850	3,900	504	388	380	280	280	181	81	0	0	0
1,775	1,800	167	68	0	0	3,900	3,950	513	396	387	288	288	188	88	0	0	0
1,800	1,825	171	72	0	0	3,950	4,000	521	405	395	295	295	195	96	0	0	0
1,825	1,850	175	75	0	0	4,000	4,050	530	414	402	303	303	203	103	4	0	0
1,850	1,875	179	79	0	0	4,050	4,100	539	423	410	310	310	210	111	11	0	0
1,875	1,900	182	83	0	0	4,100	4,150	547	431	417	317	317	218	118	19	0	0
1,900	1,925	186	87	0	0	4,150	4,200	556	440	425	325	325	225	126	26	0	0
1,925	1,950	190	90	0	0	4,200	4,250	565	449	432	332	332	233	133	34	0	0
1,950	1,975	194	94	0	0	4,250	4,300	574	457	439	341	340	240	141	41	0	0
1,975	2,000	197	98	0	0	4,300	4,350	582	466	447	350	347	248	148	49	0	0
2,000	2,025	201	101	2	0	4,350	4,400	591	475	454	359	355	255	156	56	0	0
2,025	2,050	205	105	6	0	4,400	4,450	600	483	462	367	362	263	163	63	0	0
2,050	2,075	209	109	9	0	4,450	4,500	608	492	469	376	370	270	171	71	0	0
2,075	2,100	212	113	13	0	4,500	4,550	617	501	477	385	377	278	178	78	0	0
2,100	2,125	216	116	17	0	4,550	4,600	626	510	484	393	385	285	186	86	0	0
2,125	2,150	220	120	21	0	4,600	4,650	635	518	492	402	392	293	193	93	0	0
2,150	2,175	223	124	24	0	4,650	4,700	643	527	499	411	400	300	200	101	1	0
2,175	2,200	227	128	28	0	4,700	4,750	652	536	507	420	407	308	208	108	9	0
2,200	2,225	231	131	32	0	4,750	4,800	661	544	514	428	415	315	215	116	16	0
2,225	2,250	235	135	35	0	4,800	4,850	669	553	522	437	422	322	223	123	24	0
2,250	2,275	238	139	39	0	4,850	4,900	678	562	529	446	430	330	230	131	31	0
2,275	2,300	242	143	43	0	4,900	4,950	687	571	537	454	437	337	238	138	39	0
2,300	2,325	246	146	47	0	4,950	5,000	695	579	544	463	444	345	245	146	46	0"

Under the heading "Title V—Reduction in withholding of tax at source on wages," on page 68, after line 9, to strike out:

"(a) Requirement of withholding. Every employer making payment of wages shall deduct and withhold upon such wages a tax equal to the sum of the following:

"(1) 12 percent of whichever of the following is the lesser:

"(A) the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); or

"(B) the amount shown in the second column in the table in subsection (b) (1);

"(2) 18 percent of whichever of the following is the lesser:

"(A) the amount by which the wages exceed the sum of—

"(i) the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); plus

"(ii) the amount shown in the second column in the table in subsection (b) (1); or

"(B) the amount shown in the third column in the table in subsection (b) (1);

"(3) 14 percent of the amount by which the wages exceed the sum of—

"(A) the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); plus

"(B) the sum of the amounts shown in the second and third columns in the table in subsection (b) (1).

"(b) (1) The table referred to in subsection (a) is as follows:

"Percentage method withholding table

Pay-roll period	1 Amount of one withholding exemption	2 Maximum amount subject to 12 percent rate	3 Maximum amount subject to 18 percent rate
Weekly	$13.00	$21.00	$9.00
Biweekly	26.00	43.00	17.00
Semimonthly	28.00	46.00	19.00
Monthly	56.00	93.00	36.00
Quarterly	167.00	278.00	110.00
Semiannual	333.00	556.00	219.00
Annual	667.00	1,111.00	440.00
Daily or miscellaneous (per day of such period)	1.80	3.00	1.00"

And in lieu thereof to insert:

"(a) Requirement of withholding: Every employer making payment of wages shall deduct and withhold upon such wages a tax equal to 15 percent of the amount by which the wages exceed the number of withholding exemptions claimed multiplied by the amount of one such exemption as shown in subsection (b) (1).

"(b) (1) The table referred to in subsection (a) is as follows:

"Percentage method withholding table

"Pay-roll period:	*Amount of one withholding exemption*
Weekly	$13.00
Biweekly	26.00
Semimonthly	28.00
Monthly	56.00
Quarterly	167.00
Semiannual	333.00
Annual	667.00
Daily or miscellaneous (per day of such period)	1.80"

At the top of page 71, to strike out:

"If the pay-roll period with respect to an employee is weekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$11	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$11	$12	$1.40	0	0	0	0	0	0	0	0	0	0
$12	$13	1.50	0	0	0	0	0	0	0	0	0	0
$13	$14	1.60	.10	0	0	0	0	0	0	0	0	0
$14	$15	1.70	.20	0	0	0	0	0	0	0	0	0
$15	$16	1.90	.30	0	0	0	0	0	0	0	0	0
$16	$17	2.00	.40	0	0	0	0	0	0	0	0	0
$17	$18	2.10	.60	0	0	0	0	0	0	0	0	0
$18	$19	2.20	.70	0	0	0	0	0	0	0	0	0
$19	$20	2.30	.80	0	0	0	0	0	0	0	0	0
$20	$21	2.50	.90	0	0	0	0	0	0	0	0	0
$21	$22	2.60	1.00	0	0	0	0	0	0	0	0	0
$22	$23	2.80	1.20	0	0	0	0	0	0	0	0	0
$23	$24	2.90	1.30	0	0	0	0	0	0	0	0	0
$24	$25	3.10	1.40	0	0	0	0	0	0	0	0	0
$25	$26	3.30	1.50	0	0	0	0	0	0	0	0	0
$26	$27	3.50	1.60	.10	0	0	0	0	0	0	0	0
$27	$28	3.70	1.80	.20	0	0	0	0	0	0	0	0
$28	$29	3.80	1.90	.30	0	0	0	0	0	0	0	0
$29	$30	4.00	2.00	.50	0	0	0	0	0	0	0	0
$30	$31	4.20	2.10	.60	0	0	0	0	0	0	0	0
$31	$32	4.30	2.20	.70	0	0	0	0	0	0	0	0
$32	$33	4.40	2.40	.80	0	0	0	0	0	0	0	0
$33	$34	4.60	2.50	.90	0	0	0	0	0	0	0	0
$34	$35	4.70	2.60	1.10	0	0	0	0	0	0	0	0
$35	$36	4.90	2.80	1.20	0	0	0	0	0	0	0	0
$36	$37	5.00	3.00	1.30	0	0	0	0	0	0	0	0
$37	$38	5.10	3.20	1.40	0	0	0	0	0	0	0	0
$38	$39	5.30	3.30	1.50	0	0	0	0	0	0	0	0
$39	$40	5.40	3.50	1.70	.10	0	0	0	0	0	0	0
$40	$41	5.50	3.70	1.80	.20	0	0	0	0	0	0	0
$41	$42	5.70	3.90	1.90	.40	0	0	0	0	0	0	0
$42	$43	5.80	4.10	2.00	.50	0	0	0	0	0	0	0
$43	$44	6.00	4.20	2.10	.60	0	0	0	0	0	0	0
$44	$45	6.10	4.30	2.30	.70	0	0	0	0	0	0	0
$45	$46	6.20	4.50	2.40	.80	0	0	0	0	0	0	0
$46	$47	6.40	4.60	2.50	1.00	0	0	0	0	0	0	0
$47	$48	6.50	4.70	2.60	1.10	0	0	0	0	0	0	0
$48	$49	6.60	4.90	2.80	1.20	0	0	0	0	0	0	0
$49	$50	6.80	5.00	3.00	1.30	0	0	0	0	0	0	0
$50	$51	6.90	5.20	3.20	1.40	0	0	0	0	0	0	0
$51	$52	7.00	5.30	3.40	1.60	0	0	0	0	0	0	0
$52	$53	7.20	5.40	3.50	1.70	.10	0	0	0	0	0	0
$53	$54	7.30	5.60	3.70	1.80	.30	0	0	0	0	0	0
$54	$55	7.50	5.70	3.90	1.90	.40	0	0	0	0	0	0
$55	$56	7.60	5.80	4.10	2.00	.50	0	0	0	0	0	0
$56	$57	7.70	6.00	4.20	2.20	.60	0	0	0	0	0	0
$57	$58	7.90	6.10	4.40	2.30	.70	0	0	0	0	0	0
$58	$59	8.00	6.20	4.50	2.40	.90	0	0	0	0	0	0
$59	$60	8.10	6.40	4.60	2.50	1.00	0	0	0	0	0	0
$60	$62	8.30	6.60	4.80	2.80	1.20	0	0	0	0	0	0
$62	$64	8.60	6.90	5.10	3.10	1.40	0	0	0	0	0	0
$64	$66	8.90	7.10	5.40	3.50	1.60	.10	0	0	0	0	0
$66	$68	9.20	7.40	5.70	3.80	1.90	.30	0	0	0	0	0
$68	$70	9.40	7.70	5.90	4.20	2.10	.60	0	0	0	0	0
$70	$72	9.70	8.00	6.20	4.50	2.40	.80	0	0	0	0	0
$72	$74	10.00	8.20	6.50	4.70	2.60	1.10	0	0	0	0	0
$74	$76	10.30	8.50	6.80	5.00	3.00	1.30	0	0	0	0	0
$76	$78	10.50	8.80	7.00	5.30	3.30	1.50	0	0	0	0	0
$78	$80	10.80	9.10	7.30	5.50	3.70	1.80	.20	0	0	0	0
$80	$82	11.10	9.30	7.60	5.80	4.10	2.00	.50	0	0	0	0
$82	$84	11.40	9.60	7.80	6.10	4.30	2.30	.70	0	0	0	0
$84	$86	11.60	9.90	8.10	6.40	4.60	2.50	1.00	0	0	0	0
$86	$88	11.90	10.10	8.40	6.60	4.90	2.80	1.20	0	0	0	0
$88	$90	12.20	10.40	8.70	6.90	5.20	3.20	1.40	0	0	0	0
$90	$92	12.40	10.70	8.90	7.20	5.40	3.60	1.70	.20	0	0	0
$92	$94	12.70	11.00	9.20	7.50	5.70	3.90	1.90	.40	0	0	0
$94	$96	13.00	11.20	9.50	7.70	6.00	4.20	2.20	.60	0	0	0
$96	$98	13.30	11.50	9.80	8.00	6.30	4.50	2.40	.90	0	0	0
$98	$100	13.50	11.80	10.00	8.30	6.50	4.80	2.70	1.10	0	0	0
$100	$105	14.00	12.30	10.50	8.80	7.00	5.30	3.30	1.50	0	0	0
$105	$110	14.70	13.00	11.20	9.40	7.70	5.90	4.20	2.10	.60	0	0
$110	$115	15.40	13.60	11.90	10.10	8.40	6.60	4.90	2.80	1.20	0	0
$115	$120	16.10	14.30	12.60	10.80	9.10	7.30	5.60	3.70	1.80	.30	0
$120	$125	16.80	15.00	13.30	11.50	9.70	8.00	6.20	4.50	2.40	.90	0
$125	$130	17.40	15.70	13.90	12.20	10.40	8.70	6.90	5.20	3.20	1.50	0
$130	$135	18.10	16.40	14.60	12.90	11.10	9.40	7.60	5.80	4.10	2.00	.50
$135	$140	18.80	17.10	15.30	13.50	11.80	10.00	8.30	6.50	4.80	2.70	1.10
$140	$145	19.50	17.70	16.00	14.20	12.50	10.70	9.00	7.20	5.50	3.60	1.70
$145	$150	20.20	18.40	16.70	14.90	13.20	11.40	9.70	7.90	6.10	4.40	2.30
$150	$160	21.20	19.50	17.70	15.90	14.20	12.40	10.70	8.90	7.20	5.40	3.50
$160	$170	22.60	20.80	19.10	17.30	15.60	13.80	12.00	10.30	8.50	6.80	5.00
$170	$180	23.90	22.20	20.40	18.70	16.90	15.20	13.40	11.70	9.90	8.20	6.40
$180	$190	25.30	23.60	21.80	20.00	18.30	16.50	14.80	13.00	11.30	9.50	7.80
$190	$200	26.70	24.90	23.20	21.40	19.70	17.90	16.20	14.40	12.60	10.90	9.10
		14 percent of the excess over $200 plus—										
$200 and over		27.40	25.60	23.90	22.10	20.30	18.60	16.80	15.10	13.30	11.60	9.80

"If the pay-roll period with respect to an employee is biweekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$20	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$20	$22	$2.50	0	0	0	0	0	0	0	0	0	0
$22	$24	2.80	0	0	0	0	0	0	0	0	0	0
$24	$26	3.00	0	0	0	0	0	0	0	0	0	0
$26	$28	3.20	.20	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.40	0	0	0	0	0	0	0	0	0
$30	$32	3.70	.60	0	0	0	0	0	0	0	0	0
$32	$34	4.00	.90	0	0	0	0	0	0	0	0	0
$34	$36	4.20	1.10	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.40	0	0	0	0	0	0	0	0	0
$38	$40	4.70	1.60	0	0	0	0	0	0	0	0	0
$40	$42	4.90	1.80	0	0	0	0	0	0	0	0	0
$42	$44	5.20	2.10	0	0	0	0	0	0	0	0	0
$44	$46	5.50	2.30	0	0	0	0	0	0	0	0	0
$46	$48	5.90	2.60	0	0	0	0	0	0	0	0	0
$48	$50	6.20	2.80	0	0	0	0	0	0	0	0	0
$50	$52	6.60	3.00	0	0	0	0	0	0	0	0	0
$52	$54	7.00	3.30	.20	0	0	0	0	0	0	0	0
$54	$56	7.30	3.50	.40	0	0	0	0	0	0	0	0
$56	$58	7.70	3.80	.70	0	0	0	0	0	0	0	0
$58	$60	8.00	4.00	.90	0	0	0	0	0	0	0	0
$60	$62	8.30	4.20	1.20	0	0	0	0	0	0	0	0
$62	$64	8.60	4.50	1.40	0	0	0	0	0	0	0	0
$64	$66	8.90	4.70	1.60	0	0	0	0	0	0	0	0
$66	$68	9.20	5.00	1.90	0	0	0	0	0	0	0	0
$68	$70	9.40	5.20	2.10	0	0	0	0	0	0	0	0
$70	$72	9.70	5.60	2.40	0	0	0	0	0	0	0	0
$72	$74	10.00	5.90	2.60	0	0	0	0	0	0	0	0
$74	$76	10.30	6.30	2.80	0	0	0	0	0	0	0	0
$76	$78	10.50	6.70	3.10	0	0	0	0	0	0	0	0
$78	$80	10.80	7.00	3.30	.20	0	0	0	0	0	0	0
$80	$82	11.10	7.40	3.60	.50	0	0	0	0	0	0	0
$82	$84	11.40	7.70	3.80	.70	0	0	0	0	0	0	0
$84	$86	11.60	8.10	4.00	1.00	0	0	0	0	0	0	0
$86	$88	11.90	8.40	4.30	1.20	0	0	0	0	0	0	0
$88	$90	12.20	8.70	4.50	1.40	0	0	0	0	0	0	0
$90	$92	12.40	8.90	4.80	1.70	0	0	0	0	0	0	0
$92	$94	12.70	9.20	5.00	1.90	0	0	0	0	0	0	0
$94	$96	13.00	9.50	5.30	2.20	0	0	0	0	0	0	0
$96	$98	13.30	9.80	5.70	2.40	0	0	0	0	0	0	0
$98	$100	13.50	10.00	6.00	2.60	0	0	0	0	0	0	0
$100	$102	13.80	10.30	6.40	2.90	0	0	0	0	0	0	0
$102	$104	14.10	10.60	6.70	3.10	.10	0	0	0	0	0	0
$104	$106	14.40	10.90	7.10	3.40	.30	0	0	0	0	0	0
$106	$108	14.60	11.10	7.50	3.60	.50	0	0	0	0	0	0
$108	$110	14.90	11.40	7.80	3.80	.80	0	0	0	0	0	0
$110	$112	15.20	11.70	8.20	4.10	1.00	0	0	0	0	0	0
$112	$114	15.50	12.00	8.40	4.30	1.20	0	0	0	0	0	0
$114	$116	15.70	12.20	8.70	4.60	1.50	0	0	0	0	0	0
$116	$118	16.00	12.50	9.00	4.80	1.70	0	0	0	0	0	0
$118	$120	16.30	12.80	9.30	5.00	2.00	0	0	0	0	0	0
$120	$124	16.70	13.20	9.70	5.50	2.30	0	0	0	0	0	0
$124	$128	17.20	13.70	10.20	6.30	2.80	0	0	0	0	0	0
$128	$132	17.80	14.30	10.80	7.00	3.30	.20	0	0	0	0	0
$132	$136	18.30	14.80	11.30	7.70	3.80	.70	0	0	0	0	0
$136	$140	18.90	15.40	11.90	8.40	4.20	1.20	0	0	0	0	0
$140	$144	19.40	15.90	12.40	8.90	4.70	1.70	0	0	0	0	0
$144	$148	20.00	16.50	13.00	9.40	5.20	2.10	0	0	0	0	0
$148	$152	20.50	17.00	13.50	10.00	6.00	2.60	0	0	0	0	0
$152	$156	21.10	17.60	14.10	10.50	6.70	3.10	0	0	0	0	0
$156	$160	21.60	18.10	14.60	11.10	7.40	3.60	.50	0	0	0	0
$160	$164	22.20	18.70	15.10	11.60	8.10	4.00	1.00	0	0	0	0
$164	$168	22.70	19.20	15.70	12.20	8.70	4.50	1.50	0	0	0	0
$168	$172	23.30	19.70	16.20	12.70	9.20	5.00	1.90	0	0	0	0
$172	$176	23.80	20.30	16.80	13.30	9.80	5.70	2.40	0	0	0	0
$176	$180	24.40	20.80	17.30	13.80	10.30	6.40	2.90	0	0	0	0
$180	$184	24.90	21.40	17.90	14.40	10.90	7.10	3.40	.30	0	0	0
$184	$188	25.40	21.90	18.40	14.90	11.40	7.80	3.80	.80	0	0	0
$188	$192	26.00	22.50	19.00	15.50	12.00	8.50	4.30	1.30	0	0	0
$192	$196	26.50	23.00	19.50	16.00	12.50	9.00	4.80	1.70	0	0	0
$196	$200	27.10	23.60	20.10	16.60	13.10	9.50	5.40	2.20	0	0	0
$200	$210	28.00	24.50	21.00	17.50	14.00	10.50	6.60	3.10	0	0	0
$210	$220	29.40	25.90	22.40	18.90	15.40	11.90	8.40	4.30	1.20	0	0
$220	$230	30.80	27.30	23.80	20.30	16.70	13.20	9.70	5.60	2.40	0	0
$230	$240	32.10	28.60	25.10	21.60	18.10	14.60	11.10	7.40	3.60	.50	0
$240	$250	33.50	30.00	26.50	23.00	19.50	16.00	12.50	9.00	4.80	1.70	0
$250	$260	34.90	31.40	27.90	24.40	20.90	17.30	13.80	10.30	6.40	2.90	0
$260	$270	36.30	32.70	29.20	25.70	22.20	18.70	15.20	11.70	8.20	4.10	1.00
$270	$280	37.60	34.10	30.60	27.10	23.60	20.10	16.60	13.10	9.60	5.40	2.20
$280	$290	39.00	35.50	32.00	28.50	25.00	21.40	17.90	14.40	10.90	7.20	3.40
$290	$300	40.40	36.80	33.30	29.80	26.30	22.80	19.30	15.80	12.30	8.80	4.60
$300	$320	42.40	38.90	35.40	31.90	28.40	24.90	21.40	17.90	14.30	10.80	7.10
$320	$340	45.10	41.60	38.10	34.60	31.10	27.60	24.10	20.60	17.10	13.60	10.10
$340	$360	47.90	44.40	40.90	37.40	33.80	30.30	26.80	23.30	19.80	16.30	12.80
$360	$380	50.60	47.10	43.60	40.10	36.60	33.10	29.60	26.10	22.60	19.00	15.50
$380	$400	53.40	49.80	46.30	42.80	39.30	35.80	32.30	28.80	25.30	21.80	18.30
		14 percent of the excess over $400 plus—										
$400 and over		54.70	51.20	47.70	44.20	40.70	37.20	33.70	30.20	26.70	23.20	19.60

"If the pay-roll period with respect to an employee is semimonthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$22	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$22	$24	$2.80	0	0	0	0	0	0	0	0	0	0
$24	$26	3.00	0	0	0	0	0	0	0	0	0	0
$26	$28	3.20	0	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.10	0	0	0	0	0	0	0	0	0
$30	$32	3.70	.40	0	0	0	0	0	0	0	0	0
$32	$34	4.00	.60	0	0	0	0	0	0	0	0	0
$34	$36	4.20	.90	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.10	0	0	0	0	0	0	0	0	0
$38	$40	4.70	1.30	0	0	0	0	0	0	0	0	0
$40	$42	4.90	1.60	0	0	0	0	0	0	0	0	0
$42	$44	5.10	1.80	0	0	0	0	0	0	0	0	0
$44	$46	5.40	2.10	0	0	0	0	0	0	0	0	0
$46	$48	5.70	2.30	0	0	0	0	0	0	0	0	0
$48	$50	6.00	2.50	0	0	0	0	0	0	0	0	0
$50	$52	6.40	2.80	0	0	0	0	0	0	0	0	0
$52	$54	6.70	3.00	0	0	0	0	0	0	0	0	0
$54	$56	7.10	3.30	0	0	0	0	0	0	0	0	0
$56	$58	7.50	3.50	.20	0	0	0	0	0	0	0	0
$58	$60	7.80	3.70	.40	0	0	0	0	0	0	0	0
$60	$62	8.20	4.00	.70	0	0	0	0	0	0	0	0
$62	$64	8.50	4.20	.90	0	0	0	0	0	0	0	0
$64	$66	8.90	4.50	1.10	0	0	0	0	0	0	0	0
$66	$68	9.20	4.70	1.40	0	0	0	0	0	0	0	0
$68	$70	9.40	4.90	1.60	0	0	0	0	0	0	0	0
$70	$72	9.70	5.20	1.80	0	0	0	0	0	0	0	0
$72	$74	10.00	5.40	2.10	0	0	0	0	0	0	0	0
$74	$76	10.30	5.70	2.30	0	0	0	0	0	0	0	0
$76	$78	10.50	6.10	2.60	0	0	0	0	0	0	0	0
$78	$80	10.80	6.40	2.80	0	0	0	0	0	0	0	0
$80	$82	11.10	6.80	3.00	0	0	0	0	0	0	0	0
$82	$84	11.40	7.10	3.30	0	0	0	0	0	0	0	0
$84	$86	11.60	7.50	3.50	.20	0	0	0	0	0	0	0
$86	$88	11.90	7.90	3.80	.40	0	0	0	0	0	0	0
$88	$90	12.20	8.20	4.00	.70	0	0	0	0	0	0	0
$90	$92	12.40	8.60	4.20	.90	0	0	0	0	0	0	0
$92	$94	12.70	8.90	4.50	1.20	0	0	0	0	0	0	0
$94	$96	13.00	9.20	4.70	1.40	0	0	0	0	0	0	0
$96	$98	13.30	9.50	5.00	1.60	0	0	0	0	0	0	0
$98	$100	13.50	9.70	5.20	1.90	0	0	0	0	0	0	0
$100	$102	13.80	10.00	5.40	2.10	0	0	0	0	0	0	0
$102	$104	14.10	10.30	5.70	2.40	0	0	0	0	0	0	0
$104	$106	14.40	10.60	6.10	2.60	0	0	0	0	0	0	0
$106	$108	14.60	10.80	6.50	2.80	0	0	0	0	0	0	0
$108	$110	14.90	11.10	6.80	3.10	0	0	0	0	0	0	0
$110	$112	15.20	11.40	7.20	3.30	0	0	0	0	0	0	0
$112	$114	15.50	11.70	7.50	3.60	.20	0	0	0	0	0	0
$114	$116	15.70	11.90	7.90	3.80	.50	0	0	0	0	0	0
$116	$118	16.00	12.20	8.30	4.00	.70	0	0	0	0	0	0
$118	$120	16.30	12.50	8.60	4.30	.90	0	0	0	0	0	0
$120	$124	16.70	12.90	9.10	4.60	1.30	0	0	0	0	0	0
$124	$128	17.20	13.40	9.60	5.10	1.80	0	0	0	0	0	0
$128	$132	17.80	14.00	10.20	5.60	2.30	0	0	0	0	0	0
$132	$136	18.30	14.50	10.70	6.30	2.70	0	0	0	0	0	0
$136	$140	18.90	15.10	11.30	7.00	3.20	0	0	0	0	0	0
$140	$144	19.40	15.60	11.80	7.80	3.70	.40	0	0	0	0	0
$144	$148	20.00	16.20	12.40	8.50	4.20	.90	0	0	0	0	0
$148	$152	20.50	16.70	12.90	9.10	4.70	1.30	0	0	0	0	0
$152	$156	21.10	17.30	13.50	9.70	5.10	1.80	0	0	0	0	0
$156	$160	21.60	17.80	14.00	10.20	5.60	2.30	0	0	0	0	0
$160	$164	22.20	18.40	14.60	10.80	6.40	2.80	0	0	0	0	0
$164	$168	22.70	18.90	15.10	11.30	7.10	3.20	0	0	0	0	0
$168	$172	23.30	19.50	15.70	11.90	7.80	3.70	.40	0	0	0	0
$172	$176	23.80	20.00	16.20	12.40	8.50	4.20	.90	0	0	0	0
$176	$180	24.40	20.60	16.80	13.00	9.20	4.70	1.40	0	0	0	0
$180	$184	24.90	21.10	17.30	13.50	9.70	5.20	1.80	0	0	0	0
$184	$188	25.40	21.60	17.80	14.00	10.20	5.70	2.30	0	0	0	0
$188	$192	26.00	22.20	18.40	14.60	10.80	6.40	2.80	0	0	0	0
$192	$196	26.50	22.70	18.90	15.10	11.30	7.10	3.30	0	0	0	0
$196	$200	27.10	23.30	19.50	15.70	11.90	7.80	3.80	.40	0	0	0
$200	$210	28.00	24.20	20.40	16.60	12.80	9.00	4.60	1.30	0	0	0
$210	$220	29.40	25.60	21.80	18.00	14.20	10.40	5.90	2.50	0	0	0
$220	$230	30.80	27.00	23.20	19.40	15.60	11.80	7.70	3.70	.30	0	0
$230	$240	32.10	28.30	24.50	20.70	16.90	13.10	9.30	4.90	1.50	0	0
$240	$250	33.50	29.70	25.90	22.10	18.30	14.50	10.70	6.30	2.70	0	0
$250	$260	34.90	31.10	27.30	23.50	19.70	15.90	12.10	8.10	3.90	.60	0
$260	$270	36.30	32.50	28.70	24.90	21.10	17.30	13.50	9.70	5.10	1.80	0
$270	$280	37.60	33.80	30.00	26.20	22.40	18.60	14.80	11.00	6.70	3.00	0
$280	$290	39.00	35.20	31.40	27.60	23.80	20.00	16.20	12.40	8.50	4.20	.90
$290	$300	40.40	36.60	32.80	29.00	25.20	21.40	17.60	13.80	10.00	5.40	2.10
$300	$320	42.40	38.60	34.80	31.00	27.20	23.40	19.60	15.80	12.00	8.00	3.90
$320	$340	45.10	41.30	37.50	33.70	29.90	26.10	22.30	18.50	14.70	10.90	6.60
$340	$360	47.90	44.10	40.30	36.50	32.70	28.90	25.10	21.30	17.50	13.70	9.90
$360	$380	50.60	46.80	43.00	39.20	35.40	31.60	27.80	24.00	20.20	16.40	12.60
$380	$400	53.40	49.60	45.80	42.00	38.20	34.40	30.60	26.80	23.00	19.20	15.40
$400	$420	56.10	52.30	48.50	44.70	40.90	37.10	33.30	29.50	25.70	21.90	18.10
$420	$440	58.80	55.00	51.20	47.40	43.60	39.80	36.00	32.20	28.40	24.60	20.80
$440	$460	61.60	57.80	54.00	50.20	46.40	42.60	38.80	35.00	31.20	27.40	23.60
$460	$480	64.30	60.50	56.70	52.90	49.10	45.30	41.50	37.70	33.90	30.10	26.30
$480	$500	67.00	63.20	59.40	55.60	51.80	48.00	44.20	40.40	36.60	32.80	29.00
		14 percent of the excess over $500 plus—										
$500 and over		68.40	64.60	60.80	57.00	53.20	49.40	45.60	41.80	38.00	34.20	30.40

"If the pay-roll period with respect to an employee is monthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$44	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$44	$48	$5.50	0	0	0	0	0	0	0	0	0	0
$48	$52	6.00	0	0	0	0	0	0	0	0	0	0
$52	$56	6.50	0	0	0	0	0	0	0	0	0	0
$56	$60	6.90	.30	0	0	0	0	0	0	0	0	0
$60	$64	7.40	.80	0	0	0	0	0	0	0	0	0
$64	$68	7.90	1.30	0	0	0	0	0	0	0	0	0
$68	$72	8.40	1.70	0	0	0	0	0	0	0	0	0
$72	$76	8.90	2.20	0	0	0	0	0	0	0	0	0
$76	$80	9.30	2.70	0	0	0	0	0	0	0	0	0
$80	$84	9.80	3.20	0	0	0	0	0	0	0	0	0
$84	$88	10.30	3.60	0	0	0	0	0	0	0	0	0
$88	$92	10.80	4.10	0	0	0	0	0	0	0	0	0
$92	$96	11.30	4.60	0	0	0	0	0	0	0	0	0
$96	$100	12.10	5.10	0	0	0	0	0	0	0	0	0
$100	$104	12.80	5.60	0	0	0	0	0	0	0	0	0
$104	$108	13.50	6.00	0	0	0	0	0	0	0	0	0
$108	$112	14.20	6.50	0	0	0	0	0	0	0	0	0
$112	$116	14.90	7.00	.30	0	0	0	0	0	0	0	0
$116	$120	15.70	7.50	.80	0	0	0	0	0	0	0	0
$120	$124	16.40	8.00	1.30	0	0	0	0	0	0	0	0
$124	$128	17.10	8.40	1.80	0	0	0	0	0	0	0	0
$128	$132	17.80	8.90	2.30	0	0	0	0	0	0	0	0
$132	$136	18.30	9.40	2.70	0	0	0	0	0	0	0	0
$136	$140	18.90	9.90	3.20	0	0	0	0	0	0	0	0
$140	$144	19.40	10.30	3.70	0	0	0	0	0	0	0	0
$144	$148	20.00	10.80	4.20	0	0	0	0	0	0	0	0
$148	$152	20.50	11.40	4.70	0	0	0	0	0	0	0	0
$152	$156	21.10	12.10	5.10	0	0	0	0	0	0	0	0
$156	$160	21.60	12.90	5.60	0	0	0	0	0	0	0	0
$160	$164	22.20	13.60	6.10	0	0	0	0	0	0	0	0
$164	$168	22.70	14.30	6.60	0	0	0	0	0	0	0	0
$168	$172	23.30	15.00	7.00	.40	0	0	0	0	0	0	0
$172	$176	23.80	15.70	7.50	.90	0	0	0	0	0	0	0
$176	$180	24.40	16.50	8.00	1.40	0	0	0	0	0	0	0
$180	$184	24.90	17.20	8.50	1.80	0	0	0	0	0	0	0
$184	$188	25.40	17.80	9.00	2.30	0	0	0	0	0	0	0
$188	$192	26.00	18.40	9.40	2.80	0	0	0	0	0	0	0
$192	$196	26.50	18.90	9.90	3.30	0	0	0	0	0	0	0
$196	$200	27.10	19.50	10.40	3.80	0	0	0	0	0	0	0
$200	$204	27.60	20.00	10.90	4.20	0	0	0	0	0	0	0
$204	$208	28.20	20.60	11.50	4.70	0	0	0	0	0	0	0
$208	$212	28.70	21.10	12.20	5.20	0	0	0	0	0	0	0
$212	$216	29.30	21.70	12.90	5.70	0	0	0	0	0	0	0
$216	$220	29.80	22.20	13.70	6.10	0	0	0	0	0	0	0
$220	$224	30.40	22.80	14.40	6.60	0	0	0	0	0	0	0
$224	$228	30.90	23.30	15.10	7.10	.50	0	0	0	0	0	0
$228	$232	31.50	23.90	15.80	7.60	.90	0	0	0	0	0	0
$232	$236	32.00	24.40	16.50	8.10	1.40	0	0	0	0	0	0
$236	$240	32.60	25.00	17.30	8.50	1.90	0	0	0	0	0	0
$240	$248	33.40	25.80	18.20	9.30	2.60	0	0	0	0	0	0
$248	$256	34.50	26.90	19.30	10.20	3.60	0	0	0	0	0	0
$256	$264	35.60	28.00	20.40	11.20	4.50	0	0	0	0	0	0
$264	$272	36.70	29.10	21.50	12.70	5.50	0	0	0	0	0	0
$272	$280	37.80	30.20	22.60	14.10	6.40	0	0	0	0	0	0
$280	$288	38.90	31.30	23.70	15.50	7.40	.70	0	0	0	0	0
$288	$296	39.90	32.30	24.70	17.00	8.40	1.70	0	0	0	0	0
$296	$304	41.00	33.40	25.80	18.20	9.30	2.70	0	0	0	0	0
$304	$312	42.10	34.50	26.90	19.30	10.30	3.60	0	0	0	0	0
$312	$320	43.20	35.60	28.00	20.40	11.30	4.60	0	0	0	0	0
$320	$328	44.30	36.70	29.10	21.50	12.70	5.50	0	0	0	0	0
$328	$336	45.40	37.80	30.20	22.60	14.20	6.50	0	0	0	0	0
$336	$344	46.50	38.90	31.30	23.70	15.60	7.40	.80	0	0	0	0
$344	$352	47.60	40.00	32.40	24.80	17.10	8.40	1.80	0	0	0	0
$352	$360	48.70	41.10	33.50	25.90	18.30	9.40	2.70	0	0	0	0
$360	$368	49.80	42.20	34.60	27.00	19.40	10.30	3.70	0	0	0	0
$368	$376	50.90	43.30	35.70	28.10	20.50	11.40	4.60	0	0	0	0
$376	$384	52.00	44.40	36.80	29.20	21.60	12.80	5.60	0	0	0	0
$384	$392	53.10	45.50	37.90	30.30	22.70	14.30	6.50	0	0	0	0
$392	$400	54.20	46.60	39.00	31.40	23.80	15.70	7.50	.90	0	0	0
$400	$420	56.10	48.50	40.90	33.30	25.70	18.10	9.20	2.50	0	0	0
$420	$440	58.80	51.20	43.60	36.00	28.40	20.80	11.80	4.90	0	0	0
$440	$460	61.60	54.00	46.40	38.80	31.20	23.60	15.40	7.30	.70	0	0
$460	$480	64.30	56.70	49.10	41.50	33.90	26.30	18.70	9.70	3.10	0	0
$480	$500	67.00	59.40	51.80	44.20	36.60	29.00	21.40	12.60	5.50	0	0
$500	$520	69.80	62.20	54.60	47.00	39.40	31.80	24.20	16.20	7.80	1.20	0
$520	$540	72.50	64.90	57.30	49.70	42.10	34.50	26.90	19.30	10.20	3.60	0
$540	$560	75.20	67.60	60.00	52.40	44.80	37.20	29.60	22.00	13.40	6.00	0
$560	$580	78.00	70.40	62.80	55.20	47.60	40.00	32.40	24.80	17.00	8.40	1.70
$580	$600	80.70	73.10	65.50	57.90	50.30	42.70	35.10	27.50	19.90	10.80	4.10
$600	$640	84.80	77.20	69.60	62.00	54.40	46.80	39.20	31.60	24.00	16.00	7.70
$640	$680	90.30	82.70	75.10	67.50	59.90	52.30	44.70	37.10	29.50	21.90	13.20
$680	$720	95.80	88.20	80.60	73.00	65.40	57.80	50.20	42.60	35.00	27.40	19.80
$720	$760	101.20	93.60	86.00	78.40	70.80	63.20	55.60	48.00	40.40	32.80	25.20
$760	$800	106.70	99.10	91.50	83.90	76.30	68.70	61.10	53.50	45.90	38.30	30.70
$800	$840	112.20	104.60	97.00	89.40	81.80	74.20	66.60	59.00	51.40	43.80	36.20
$840	$880	117.60	110.00	102.40	94.80	87.20	79.60	72.00	64.40	56.80	49.20	41.60
$880	$920	123.10	115.50	107.90	100.30	92.70	85.10	77.50	69.90	62.30	54.70	47.10
$920	$960	128.60	121.00	113.40	105.80	98.20	90.60	83.00	75.40	67.80	60.20	52.60
$960	$1,000	134.10	126.50	118.90	111.30	103.70	96.10	88.50	80.90	73.30	65.70	58.10
		14 percent of the excess over $1,000 plus—										
$1,000 and over		136.80	129.20	121.60	114.00	106.40	98.80	91.20	83.60	76.00	68.40	60.80

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period—

And the wages divided by the number of days in such periods are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period—										
$0	$1.50	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$1.50	$1.75	$0.20	0	0	0	0	0	0	0	0	0	0
$1.75	$2.00	.20	0	0	0	0	0	0	0	0	0	0
$2.00	$2.25	.25	.05	0	0	0	0	0	0	0	0	0
$2.25	$2.50	.30	.05	0	0	0	0	0	0	0	0	0
$2.50	$2.75	.30	.10	0	0	0	0	0	0	0	0	0
$2.75	$3.00	.35	.15	0	0	0	0	0	0	0	0	0
$3.00	$3.25	.40	.15	0	0	0	0	0	0	0	0	0
$3.25	$3.50	.40	.20	0	0	0	0	0	0	0	0	0
$3.50	$3.75	.45	.20	0	0	0	0	0	0	0	0	0
$3.75	$4.00	.50	.25	.05	0	0	0	0	0	0	0	0
$4.00	$4.25	.55	.30	.05	0	0	0	0	0	0	0	0
$4.25	$4.50	.60	.30	.10	0	0	0	0	0	0	0	0
$4.50	$4.75	.65	.35	.10	0	0	0	0	0	0	0	0
$4.75	$5.00	.65	.35	.15	0	0	0	0	0	0	0	0
$5.00	$5.25	.70	.40	.20	0	0	0	0	0	0	0	0
$5.25	$5.50	.75	.45	.20	0	0	0	0	0	0	0	0
$5.50	$5.75	.75	.50	.25	.00	0	0	0	0	0	0	0
$5.75	$6.00	.80	.55	.25	.05	0	0	0	0	0	0	0
$6.00	$6.25	.85	.60	.30	.10	0	0	0	0	0	0	0
$6.25	$6.50	.85	.60	.35	.10	0	0	0	0	0	0	0
$6.50	$6.75	.90	.65	.35	.15	0	0	0	0	0	0	0
$6.75	$7.00	.95	.70	.40	.15	0	0	0	0	0	0	0
$7.00	$7.25	.95	.70	.45	.20	0	0	0	0	0	0	0
$7.25	$7.50	1.00	.75	.50	.25	0	0	0	0	0	0	0
$7.50	$7.75	1.05	.80	.55	.25	.05	0	0	0	0	0	0
$7.75	$8.00	1.10	.85	.60	.30	.05	0	0	0	0	0	0
$8.00	$8.25	1.10	.85	.60	.30	.10	0	0	0	0	0	0
$8.25	$8.50	1.15	.90	.65	.35	.15	0	0	0	0	0	0
$8.50	$8.75	1.20	.95	.70	.40	.15	0	0	0	0	0	0
$8.75	$9.00	1.20	.95	.70	.45	.20	0	0	0	0	0	0
$9.00	$9.25	1.25	1.00	.75	.45	.20	0	0	0	0	0	0
$9.25	$9.50	1.30	1.05	.80	.50	.25	.05	0	0	0	0	0
$9.50	$9.75	1.30	1.05	.80	.55	.30	.05	0	0	0	0	0
$9.75	$10.00	1.35	1.10	.85	.60	.30	.10	0	0	0	0	0
$10.00	$10.50	1.40	1.15	.90	.65	.35	.15	0	0	0	0	0
$10.50	$11.00	1.45	1.20	.95	.70	.45	.20	0	0	0	0	0
$11.00	$11.50	1.55	1.30	1.05	.80	.55	.25	.05	0	0	0	0
$11.50	$12.00	1.60	1.35	1.10	.85	.60	.30	.10	0	0	0	0
$12.00	$12.50	1.70	1.45	1.20	.95	.70	.40	.15	0	0	0	0
$12.50	$13.00	1.75	1.50	1.25	1.00	.75	.45	.20	0	0	0	0
$13.00	$13.50	1.80	1.55	1.30	1.05	.80	.55	.25	.05	0	0	0
$13.50	$14.00	1.90	1.65	1.40	1.15	.90	.65	.35	.10	0	0	0
$14.00	$14.50	1.95	1.70	1.45	1.20	.95	.70	.40	.20	0	0	0
$14.50	$15.00	2.00	1.75	1.50	1.25	1.00	.75	.50	.25	0	0	0
$15.00	$15.50	2.10	1.85	1.60	1.35	1.10	.85	.60	.30	.10	0	0
$15.50	$16.00	2.15	1.90	1.65	1.40	1.15	.90	.65	.35	.15	0	0
$16.00	$16.50	2.20	1.95	1.70	1.45	1.20	.95	.70	.45	.20	0	0
$16.50	$17.00	2.30	2.05	1.80	1.55	1.30	1.05	.80	.55	.25	.05	0
$17.00	$17.50	2.35	2.10	1.85	1.60	1.35	1.10	.85	.60	.30	.10	0
$17.50	$18.00	2.45	2.20	1.95	1.70	1.45	1.20	.95	.70	.40	.15	0
$18.00	$18.50	2.50	2.25	2.00	1.75	1.50	1.25	1.00	.75	.45	.20	0
$18.50	$19.00	2.55	2.30	2.05	1.80	1.55	1.30	1.05	.80	.55	.30	.05
$19.00	$19.50	2.65	2.40	2.15	1.90	1.65	1.40	1.15	.90	.65	.35	.10
$19.50	$20.00	2.70	2.45	2.20	1.95	1.70	1.45	1.20	.95	.70	.40	.20
$20.00	$21.00	2.80	2.55	2.30	2.05	1.80	1.55	1.30	1.05	.80	.55	.25
$21.00	$22.00	2.95	2.70	2.45	2.20	1.95	1.70	1.45	1.20	.95	.70	.40
$22.00	$23.00	3.10	2.85	2.60	2.35	2.10	1.85	1.60	1.35	1.10	.85	.60
$23.00	$24.00	3.20	2.95	2.70	2.45	2.20	1.95	1.70	1.45	1.20	.95	.70
$24.00	$25.00	3.35	3.10	2.85	2.60	2.35	2.10	1.85	1.60	1.35	1.10	.85
$25.00	$26.00	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.75	1.50	1.25	1.00
$26.00	$27.00	3.65	3.40	3.15	2.90	2.65	2.40	2.15	1.90	1.65	1.40	1.15
$27.00	$28.00	3.75	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.75	1.50	1.25
$28.00	$29.00	3.90	3.65	3.40	3.15	2.90	2.65	2.40	2.15	1.90	1.65	1.40
$29.00	$30.00	4.05	3.80	3.55	3.30	3.05	2.80	2.55	2.30	2.05	1.80	1.55
		14 percent of the excess over $30 plus—										
$30.00 and over		4.10	3.85	3.60	3.35	3.10	2.85	2.60	2.35	2.10	1.85	1.60"

And in lieu thereof to insert:

"If the pay-roll period with respect to an employee is weekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$13	15% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$13	$14	$2.00	.10	0	0	0	0	0	0	0	0	0
$14	$15	2.20	.30	0	0	0	0	0	0	0	0	0
$15	$16	2.30	.40	0	0	0	0	0	0	0	0	0
$16	$17	2.50	.50	0	0	0	0	0	0	0	0	0
$17	$18	2.60	.70	0	0	0	0	0	0	0	0	0
$18	$19	2.80	.80	0	0	0	0	0	0	0	0	0
$19	$20	2.90	1.00	0	0	0	0	0	0	0	0	0
$20	$21	3.10	1.10	0	0	0	0	0	0	0	0	0
$21	$22	3.20	1.30	0	0	0	0	0	0	0	0	0
$22	$23	3.40	1.40	0	0	0	0	0	0	0	0	0
$23	$24	3.50	1.60	0	0	0	0	0	0	0	0	0
$24	$25	3.70	1.70	0	0	0	0	0	0	0	0	0
$25	$26	3.80	1.90	0	0	0	0	0	0	0	0	0
$26	$27	4.00	2.00	.10	0	0	0	0	0	0	0	0
$27	$28	4.10	2.20	.30	0	0	0	0	0	0	0	0
$28	$29	4.30	2.30	.40	0	0	0	0	0	0	0	0
$29	$30	4.40	2.50	.60	0	0	0	0	0	0	0	0
$30	$31	4.60	2.60	.70	0	0	0	0	0	0	0	0
$31	$32	4.70	2.80	.90	0	0	0	0	0	0	0	0
$32	$33	4.90	2.90	1.00	0	0	0	0	0	0	0	0
$33	$34	5.00	3.10	1.20	0	0	0	0	0	0	0	0
$34	$35	5.20	3.20	1.30	0	0	0	0	0	0	0	0
$35	$36	5.30	3.40	1.50	0	0	0	0	0	0	0	0
$36	$37	5.50	3.50	1.60	0	0	0	0	0	0	0	0
$37	$38	5.60	3.70	1.80	0	0	0	0	0	0	0	0
$38	$39	5.80	3.80	1.90	0	0	0	0	0	0	0	0
$39	$40	5.90	4.00	2.10	.20	0	0	0	0	0	0	0
$40	$41	6.10	4.10	2.20	.30	0	0	0	0	0	0	0
$41	$42	6.20	4.30	2.40	.50	0	0	0	0	0	0	0
$42	$43	6.30	4.40	2.50	.60	0	0	0	0	0	0	0
$43	$44	6.50	4.60	2.70	.80	0	0	0	0	0	0	0
$44	$45	6.60	4.70	2.80	.90	0	0	0	0	0	0	0
$45	$46	6.80	4.90	3.00	1.10	0	0	0	0	0	0	0
$46	$47	6.90	5.00	3.10	1.20	0	0	0	0	0	0	0
$47	$48	7.10	5.20	3.30	1.40	0	0	0	0	0	0	0
$48	$49	7.20	5.30	3.40	1.50	0	0	0	0	0	0	0
$49	$50	7.40	5.50	3.60	1.60	0	0	0	0	0	0	0
$50	$51	7.50	5.60	3.70	1.80	0	0	0	0	0	0	0
$51	$52	7.70	5.80	3.90	1.90	0	0	0	0	0	0	0
$52	$53	7.80	5.90	4.00	2.10	.20	0	0	0	0	0	0
$53	$54	8.00	6.10	4.20	2.20	.30	0	0	0	0	0	0
$54	$55	8.10	6.20	4.30	2.40	.50	0	0	0	0	0	0
$55	$56	8.30	6.40	4.50	2.50	.60	0	0	0	0	0	0
$56	$57	8.40	6.50	4.60	2.70	.80	0	0	0	0	0	0
$57	$58	8.60	6.70	4.80	2.80	.90	0	0	0	0	0	0
$58	$59	8.70	6.80	4.90	3.00	1.10	0	0	0	0	0	0
$59	$60	8.90	7.00	5.10	3.10	1.20	0	0	0	0	0	0
$60	$62	9.10	7.20	5.30	3.40	1.50	0	0	0	0	0	0
$62	$64	9.40	7.50	5.60	3.70	1.80	0	0	0	0	0	0
$64	$66	9.70	7.80	5.90	4.00	2.00	.10	0	0	0	0	0
$66	$68	10.00	8.10	6.20	4.30	2.30	.40	0	0	0	0	0
$68	$70	10.30	8.40	6.50	4.60	2.60	.70	0	0	0	0	0
$70	$72	10.60	8.70	6.80	4.90	2.90	1.00	0	0	0	0	0
$72	$74	10.90	9.00	7.10	5.20	3.20	1.30	0	0	0	0	0
$74	$76	11.20	9.30	7.40	5.50	3.50	1.60	0	0	0	0	0
$76	$78	11.50	9.60	7.70	5.80	3.80	1.90	0	0	0	0	0
$78	$80	11.80	9.90	8.00	6.10	4.10	2.20	.30	0	0	0	0
$80	$82	12.10	10.20	8.30	6.40	4.40	2.50	.60	0	0	0	0
$82	$84	12.40	10.50	8.60	6.70	4.70	2.80	.90	0	0	0	0
$84	$86	12.70	10.80	8.90	7.00	5.00	3.10	1.20	0	0	0	0
$86	$88	13.00	11.10	9.20	7.30	5.30	3.40	1.50	0	0	0	0
$88	$90	13.30	11.40	9.50	7.60	5.60	3.70	1.80	0	0	0	0
$90	$92	13.60	11.70	9.80	7.80	5.90	4.00	2.10	.20	0	0	0
$92	$94	13.90	12.00	10.10	8.10	6.20	4.30	2.40	.50	0	0	0
$94	$96	14.20	12.30	10.40	8.40	6.50	4.60	2.70	.80	0	0	0
$96	$98	14.50	12.60	10.70	8.70	6.80	4.90	3.00	1.10	0	0	0
$98	$100	14.80	12.90	11.00	9.00	7.10	5.20	3.30	1.40	0	0	0
$100	$105	15.30	13.40	11.50	9.60	7.70	5.70	3.80	1.90	0	0	0
$105	$110	16.10	14.10	12.20	10.30	8.40	6.50	4.60	2.70	.70	0	0
$110	$115	16.80	14.90	13.00	11.10	9.10	7.20	5.30	3.40	1.50	0	0
$115	$120	17.60	15.60	13.70	11.80	9.90	8.00	6.10	4.10	2.20	.30	0
$120	$125	18.30	16.40	14.50	12.60	10.60	8.70	6.80	4.90	3.00	1.10	0
$125	$130	19.00	17.10	15.20	13.30	11.40	9.50	7.60	5.60	3.70	1.80	0
$130	$135	19.80	17.90	16.00	14.00	12.10	10.20	8.30	6.40	4.50	2.60	.60
$135	$140	20.50	18.60	16.70	14.80	12.90	11.00	9.10	7.10	5.20	3.30	1.40
$140	$145	21.30	19.40	17.50	15.50	13.60	11.70	9.80	7.90	6.00	4.10	2.10
$145	$150	22.00	20.10	18.20	16.30	14.40	12.50	10.50	8.60	6.70	4.80	2.90
$150	$160	23.20	21.20	19.30	17.40	15.50	13.60	11.70	9.70	7.80	5.90	4.00
$160	$170	24.70	22.70	20.80	18.90	17.00	15.10	13.20	11.20	9.30	7.40	5.50
$170	$180	26.10	24.20	22.30	20.40	18.50	16.60	14.70	12.70	10.80	8.90	7.00
$180	$190	27.60	25.70	23.80	21.90	20.00	18.10	16.10	14.20	12.30	10.40	8.50
$190	$200	29.10	27.20	25.30	23.40	21.50	19.60	17.60	15.70	13.80	11.90	10.00
		15 percent of the excess over $200 plus—										
$200 and over		29.90	28.00	26.00	24.10	22.20	20.30	18.40	16.50	14.60	12.60	10.70

"If the pay-roll period with respect to an employee is biweekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$26	15% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$26	$28	$4.00	.20	0	0	0	0	0	0	0	0	0
$28	$30	4.30	.50	0	0	0	0	0	0	0	0	0
$30	$32	4.60	.80	0	0	0	0	0	0	0	0	0
$32	$34	4.90	1.10	0	0	0	0	0	0	0	0	0
$34	$36	5.20	1.40	0	0	0	0	0	0	0	0	0
$36	$38	5.50	1.70	0	0	0	0	0	0	0	0	0
$38	$40	5.80	2.00	0	0	0	0	0	0	0	0	0
$40	$42	6.10	2.30	0	0	0	0	0	0	0	0	0
$42	$44	6.40	2.60	0	0	0	0	0	0	0	0	0
$44	$46	6.70	2.90	0	0	0	0	0	0	0	0	0
$46	$48	7.00	3.20	0	0	0	0	0	0	0	0	0
$48	$50	7.30	3.50	0	0	0	0	0	0	0	0	0
$50	$52	7.60	3.80	0	0	0	0	0	0	0	0	0
$52	$54	7.90	4.10	.30	0	0	0	0	0	0	0	0
$54	$56	8.20	4.40	.60	0	0	0	0	0	0	0	0
$56	$58	8.50	4.70	.90	0	0	0	0	0	0	0	0
$58	$60	8.80	5.00	1.20	0	0	0	0	0	0	0	0
$60	$62	9.10	5.30	1.50	0	0	0	0	0	0	0	0
$62	$64	9.40	5.60	1.80	0	0	0	0	0	0	0	0
$64	$66	9.70	5.90	2.00	0	0	0	0	0	0	0	0
$66	$68	10.00	6.20	2.30	0	0	0	0	0	0	0	0
$68	$70	10.30	6.50	2.60	0	0	0	0	0	0	0	0
$70	$72	10.60	6.80	2.90	0	0	0	0	0	0	0	0
$72	$74	10.90	7.10	3.20	0	0	0	0	0	0	0	0
$74	$76	11.20	7.40	3.50	0	0	0	0	0	0	0	0
$76	$78	11.50	7.70	3.80	0	0	0	0	0	0	0	0
$78	$80	11.80	8.00	4.10	.30	0	0	0	0	0	0	0
$80	$82	12.10	8.30	4.40	.60	0	0	0	0	0	0	0
$82	$84	12.40	8.60	4.70	.90	0	0	0	0	0	0	0
$84	$86	12.70	8.90	5.00	1.20	0	0	0	0	0	0	0
$86	$88	13.00	9.20	5.30	1.50	0	0	0	0	0	0	0
$88	$90	13.30	9.50	5.60	1.80	0	0	0	0	0	0	0
$90	$92	13.60	9.80	5.90	2.10	0	0	0	0	0	0	0
$92	$94	13.90	10.10	6.20	2.40	0	0	0	0	0	0	0
$94	$96	14.20	10.40	6.50	2.70	0	0	0	0	0	0	0
$96	$98	14.50	10.70	6.80	3.00	0	0	0	0	0	0	0
$98	$100	14.80	11.00	7.10	3.30	0	0	0	0	0	0	0
$100	$102	15.10	11.30	7.40	3.60	0	0	0	0	0	0	0
$102	$104	15.40	11.60	7.70	3.90	.10	0	0	0	0	0	0
$104	$106	15.70	11.90	8.00	4.20	.40	0	0	0	0	0	0
$106	$108	16.00	12.20	8.30	4.50	.70	0	0	0	0	0	0
$108	$110	16.30	12.50	8.60	4.80	1.00	0	0	0	0	0	0
$110	$112	16.60	12.80	8.90	5.10	1.30	0	0	0	0	0	0
$112	$114	16.90	13.10	9.20	5.40	1.60	0	0	0	0	0	0
$114	$116	17.20	13.40	9.50	5.70	1.90	0	0	0	0	0	0
$116	$118	17.50	13.60	9.80	6.00	2.20	0	0	0	0	0	0
$118	$120	17.80	13.90	10.10	6.30	2.50	0	0	0	0	0	0
$120	$124	18.20	14.40	10.60	6.70	2.90	0	0	0	0	0	0
$124	$128	18.80	15.00	11.20	7.30	3.50	0	0	0	0	0	0
$128	$132	19.40	15.60	11.80	7.90	4.10	.30	0	0	0	0	0
$132	$136	20.00	16.20	12.40	8.50	4.70	.90	0	0	0	0	0
$136	$140	20.60	16.80	13.00	9.10	5.30	1.50	0	0	0	0	0
$140	$144	21.20	17.40	13.60	9.70	5.90	2.10	0	0	0	0	0
$144	$148	21.80	18.00	14.20	10.30	6.50	2.70	0	0	0	0	0
$148	$152	22.40	18.60	14.70	10.90	7.10	3.30	0	0	0	0	0
$152	$156	23.00	19.20	15.30	11.50	7.70	3.90	0	0	0	0	0
$156	$160	23.60	19.80	15.90	12.10	8.30	4.50	.60	0	0	0	0
$160	$164	24.20	20.40	16.50	12.70	8.90	5.00	1.20	0	0	0	0
$164	$168	24.80	21.00	17.10	13.30	9.50	5.60	1.80	0	0	0	0
$168	$172	25.40	21.60	17.70	13.90	10.10	6.20	2.40	0	0	0	0
$172	$176	26.00	22.20	18.30	14.50	10.70	6.80	3.00	0	0	0	0
$176	$180	26.60	22.80	18.90	15.10	11.30	7.40	3.60	0	0	0	0
$180	$184	27.20	23.40	19.50	15.70	11.90	8.00	4.20	.40	0	0	0
$184	$188	27.80	24.00	20.10	16.30	12.50	8.60	4.80	1.00	0	0	0
$188	$192	28.40	24.60	20.70	16.90	13.10	9.20	5.40	1.60	0	0	0
$192	$196	29.00	25.20	21.30	17.50	13.70	9.80	6.00	2.20	0	0	0
$196	$200	29.60	25.80	21.90	18.10	14.30	10.40	6.60	2.80	0	0	0
$200	$210	30.60	26.80	23.00	19.10	15.30	11.50	7.60	3.80	0	0	0
$210	$220	32.10	28.30	24.50	20.60	16.80	13.00	9.10	5.30	1.50	0	0
$220	$230	33.60	29.80	26.00	22.10	18.30	14.50	10.60	6.80	3.00	0	0
$230	$240	35.10	31.30	27.40	23.60	19.80	16.00	12.10	8.30	4.50	.60	0
$240	$250	36.60	32.80	28.90	25.10	21.30	17.40	13.60	9.80	6.00	2.10	0
$250	$260	38.10	34.30	30.40	26.60	22.80	18.90	15.10	11.30	7.50	3.60	0
$260	$270	39.60	35.80	31.90	28.10	24.30	20.40	16.60	12.80	8.90	5.10	1.30
$270	$280	41.10	37.30	33.40	29.60	25.80	21.90	18.10	14.30	10.40	6.60	2.80
$280	$290	42.60	38.70	34.90	31.10	27.30	23.40	19.60	15.80	11.90	8.10	4.30
$290	$300	44.10	40.20	36.40	32.60	28.70	24.90	21.10	17.30	13.40	9.60	5.80
$300	$320	46.30	42.50	38.70	34.80	31.00	27.20	23.30	19.50	15.70	11.80	8.00
$320	$340	49.30	45.50	41.60	37.80	34.00	30.10	26.30	22.50	18.70	14.80	11.00
$340	$360	52.30	48.50	44.60	40.80	37.00	33.10	29.30	25.50	21.60	17.80	14.00
$360	$380	55.30	51.40	47.60	43.80	40.00	36.10	32.30	28.50	24.60	20.80	17.00
$380	$400	58.30	54.40	50.60	46.80	42.90	39.10	35.30	31.50	27.60	23.80	20.00
		15 percent of the excess over $400 plus—										
$400 and over		59.80	55.90	52.10	48.30	44.40	40.60	36.80	32.90	29.10	25.30	21.50

"If the pay-roll period with respect to an employee is semimonthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$28	15% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$28	$30	$4.30	.20	0	0	0	0	0	0	0	0	0
$30	$32	4.60	.50	0	0	0	0	0	0	0	0	0
$32	$34	4.90	.80	0	0	0	0	0	0	0	0	0
$34	$36	5.20	1.10	0	0	0	0	0	0	0	0	0
$36	$38	5.50	1.40	0	0	0	0	0	0	0	0	0
$38	$40	5.80	1.70	0	0	0	0	0	0	0	0	0
$40	$42	6.10	2.00	0	0	0	0	0	0	0	0	0
$42	$44	6.40	2.30	0	0	0	0	0	0	0	0	0
$44	$46	6.70	2.60	0	0	0	0	0	0	0	0	0
$46	$48	7.00	2.90	0	0	0	0	0	0	0	0	0
$48	$50	7.30	3.20	0	0	0	0	0	0	0	0	0
$50	$52	7.60	3.50	0	0	0	0	0	0	0	0	0
$52	$54	7.90	3.80	0	0	0	0	0	0	0	0	0
$54	$56	8.20	4.10	0	0	0	0	0	0	0	0	0
$56	$58	8.50	4.40	.20	0	0	0	0	0	0	0	0
$58	$60	8.80	4.70	.50	0	0	0	0	0	0	0	0
$60	$62	9.10	5.00	.80	0	0	0	0	0	0	0	0
$62	$64	9.40	5.30	1.10	0	0	0	0	0	0	0	0
$64	$66	9.70	5.60	1.40	0	0	0	0	0	0	0	0
$66	$68	10.00	5.90	1.70	0	0	0	0	0	0	0	0
$68	$70	10.30	6.20	2.00	0	0	0	0	0	0	0	0
$70	$72	10.60	6.50	2.30	0	0	0	0	0	0	0	0
$72	$74	10.90	6.80	2.60	0	0	0	0	0	0	0	0
$74	$76	11.20	7.10	2.90	0	0	0	0	0	0	0	0
$76	$78	11.50	7.40	3.20	0	0	0	0	0	0	0	0
$78	$80	11.80	7.70	3.50	0	0	0	0	0	0	0	0
$80	$82	12.10	8.00	3.80	0	0	0	0	0	0	0	0
$82	$84	12.40	8.30	4.10	0	0	0	0	0	0	0	0
$84	$86	12.70	8.50	4.40	.20	0	0	0	0	0	0	0
$86	$88	13.00	8.80	4.70	.50	0	0	0	0	0	0	0
$88	$90	13.30	9.10	5.00	.80	0	0	0	0	0	0	0
$90	$92	13.60	9.40	5.30	1.10	0	0	0	0	0	0	0
$92	$94	13.90	9.70	5.60	1.40	0	0	0	0	0	0	0
$94	$96	14.20	10.00	5.90	1.70	0	0	0	0	0	0	0
$96	$98	14.50	10.30	6.20	2.00	0	0	0	0	0	0	0
$98	$100	14.80	10.60	6.50	2.30	0	0	0	0	0	0	0
$100	$102	15.10	10.90	6.80	2.60	0	0	0	0	0	0	0
$102	$104	15.40	11.20	7.10	2.90	0	0	0	0	0	0	0
$104	$106	15.70	11.50	7.40	3.20	0	0	0	0	0	0	0
$106	$108	16.00	11.80	7.70	3.50	0	0	0	0	0	0	0
$108	$110	16.30	12.10	8.00	3.80	0	0	0	0	0	0	0
$110	$112	16.60	12.40	8.30	4.10	0	0	0	0	0	0	0
$112	$114	16.90	12.70	8.60	4.40	.30	0	0	0	0	0	0
$114	$116	17.20	13.00	8.90	4.70	.60	0	0	0	0	0	0
$116	$118	17.50	13.30	9.20	5.00	.90	0	0	0	0	0	0
$118	$120	17.80	13.60	9.50	5.30	1.20	0	0	0	0	0	0
$120	$124	18.20	14.10	9.90	5.80	1.60	0	0	0	0	0	0
$124	$128	18.80	14.70	10.50	6.40	2.20	0	0	0	0	0	0
$128	$132	19.40	15.30	11.10	7.00	2.80	0	0	0	0	0	0
$132	$136	20.00	15.90	11.70	7.60	3.40	0	0	0	0	0	0
$136	$140	20.60	16.50	12.30	8.20	4.00	0	0	0	0	0	0
$140	$144	21.20	17.10	12.90	8.80	4.60	.50	0	0	0	0	0
$144	$148	21.80	17.70	13.50	9.40	5.20	1.10	0	0	0	0	0
$148	$152	22.40	18.30	14.10	10.00	5.80	1.70	0	0	0	0	0
$152	$156	23.00	18.90	14.70	10.60	6.40	2.30	0	0	0	0	0
$156	$160	23.60	19.50	15.30	11.20	7.00	2.90	0	0	0	0	0
$160	$164	24.20	20.10	15.90	11.80	7.60	3.50	0	0	0	0	0
$164	$168	24.80	20.70	16.50	12.40	8.20	4.10	0	0	0	0	0
$168	$172	25.40	21.20	17.10	12.90	8.80	4.60	.50	0	0	0	0
$172	$176	26.00	21.80	17.70	13.50	9.40	5.20	1.10	0	0	0	0
$176	$180	26.60	22.40	18.30	14.10	10.00	5.80	1.70	0	0	0	0
$180	$184	27.20	23.00	18.90	14.70	10.60	6.40	2.30	0	0	0	0
$184	$188	27.80	23.60	19.50	15.30	11.20	7.00	2.90	0	0	0	0
$188	$192	28.40	24.20	20.10	15.90	11.80	7.60	3.50	0	0	0	0
$192	$196	29.00	24.80	20.70	16.50	12.40	8.20	4.10	0	0	0	0
$196	$200	29.60	25.40	21.30	17.10	13.00	8.80	4.70	.50	0	0	0
$200	$210	30.60	26.50	22.30	18.20	14.00	9.90	5.70	1.60	0	0	0
$210	$220	32.10	28.00	23.80	19.70	15.50	11.40	7.20	3.10	0	0	0
$220	$230	33.60	29.50	25.30	21.20	17.00	12.90	8.70	4.60	.40	0	0
$230	$240	35.10	31.00	26.80	22.70	18.50	14.40	10.20	6.10	1.90	0	0
$240	$250	36.60	32.50	28.30	24.20	20.00	15.90	11.70	7.60	3.40	0	0
$250	$260	38.10	33.90	29.80	25.60	21.50	17.30	13.20	9.00	4.90	.70	0
$260	$270	39.60	35.40	31.30	27.10	23.00	18.80	14.70	10.50	6.40	2.20	0
$270	$280	41.10	36.90	32.80	28.60	24.50	20.30	16.20	12.00	7.90	3.70	0
$280	$290	42.60	38.40	34.30	30.10	26.00	21.80	17.70	13.50	9.40	5.20	1.10
$290	$300	44.10	39.90	35.80	31.60	27.50	23.30	19.20	15.00	10.90	6.70	2.60
$300	$320	46.30	42.20	38.00	33.90	29.70	25.60	21.40	17.30	13.10	9.00	4.80
$320	$340	49.30	45.20	41.00	36.90	32.70	28.60	24.40	20.30	16.10	12.00	7.80
$340	$360	52.30	48.10	44.00	39.80	35.70	31.50	27.40	23.20	19.10	14.90	10.80
$360	$380	55.30	51.10	47.00	42.80	38.70	34.50	30.40	26.20	22.10	17.90	13.80
$380	$400	58.30	54.10	50.00	45.80	41.70	37.50	33.40	29.20	25.10	20.90	16.80
$400	$420	61.30	57.10	53.00	48.80	44.70	40.50	36.40	32.20	28.10	23.90	19.80
$420	$440	64.20	60.10	55.90	51.80	47.60	43.50	39.30	35.20	31.00	26.90	22.70
$440	$460	67.20	63.10	58.90	54.80	50.60	46.50	42.30	38.20	34.00	29.90	25.70
$460	$480	70.20	66.10	61.90	57.80	53.60	49.50	45.30	41.20	37.00	32.90	28.70
$480	$500	73.20	69.10	64.90	60.80	56.60	52.50	48.30	44.20	40.00	35.90	31.70
		15 percent of the excess over $500 plus—										
$500 and over		74.70	70.60	66.40	62.30	58.10	54.00	49.80	45.70	41.50	37.40	33.20

"If the pay-roll period with respect to an employee is monthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$56	15% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$56	$60	$8.70	.40	0	0	0	0	0	0	0	0	0
$60	$64	9.30	1.00	0	0	0	0	0	0	0	0	0
$64	$68	9.90	1.60	0	0	0	0	0	0	0	0	0
$68	$72	10.50	2.20	0	0	0	0	0	0	0	0	0
$72	$76	11.10	2.80	0	0	0	0	0	0	0	0	0
$76	$80	11.70	3.40	0	0	0	0	0	0	0	0	0
$80	$84	12.30	4.00	0	0	0	0	0	0	0	0	0
$84	$88	12.80	4.50	0	0	0	0	0	0	0	0	0
$88	$92	13.40	5.10	0	0	0	0	0	0	0	0	0
$92	$96	14.00	5.70	0	0	0	0	0	0	0	0	0
$96	$100	14.60	6.30	0	0	0	0	0	0	0	0	0
$100	$104	15.20	6.90	0	0	0	0	0	0	0	0	0
$104	$108	15.80	7.50	0	0	0	0	0	0	0	0	0
$108	$112	16.40	8.10	0	0	0	0	0	0	0	0	0
$112	$116	17.00	8.70	.40	0	0	0	0	0	0	0	0
$116	$120	17.60	9.30	1.00	0	0	0	0	0	0	0	0
$120	$124	18.20	9.90	1.60	0	0	0	0	0	0	0	0
$124	$128	18.80	10.50	2.20	0	0	0	0	0	0	0	0
$128	$132	19.40	11.10	2.80	0	0	0	0	0	0	0	0
$132	$136	20.00	11.70	3.40	0	0	0	0	0	0	0	0
$136	$140	20.60	12.30	4.00	0	0	0	0	0	0	0	0
$140	$144	21.20	12.90	4.60	0	0	0	0	0	0	0	0
$144	$148	21.80	13.50	5.20	0	0	0	0	0	0	0	0
$148	$152	22.40	14.10	5.80	0	0	0	0	0	0	0	0
$152	$156	23.00	14.70	6.40	0	0	0	0	0	0	0	0
$156	$160	23.60	15.30	7.00	0	0	0	0	0	0	0	0
$160	$164	24.20	15.90	7.60	0	0	0	0	0	0	0	0
$164	$168	24.80	16.50	8.20	0	0	0	0	0	0	0	0
$168	$172	25.40	17.10	8.80	.50	0	0	0	0	0	0	0
$172	$176	26.00	17.70	9.40	1.10	0	0	0	0	0	0	0
$176	$180	26.60	18.30	10.00	1.70	0	0	0	0	0	0	0
$180	$184	27.20	18.90	10.60	2.30	0	0	0	0	0	0	0
$184	$188	27.80	19.50	11.20	2.90	0	0	0	0	0	0	0
$188	$192	28.40	20.10	11.80	3.50	0	0	0	0	0	0	0
$192	$196	29.00	20.70	12.40	4.10	0	0	0	0	0	0	0
$196	$200	29.60	21.30	13.00	4.70	0	0	0	0	0	0	0
$200	$204	30.20	21.90	13.60	5.30	0	0	0	0	0	0	0
$204	$208	30.80	22.50	14.20	5.90	0	0	0	0	0	0	0
$208	$212	31.40	23.10	14.80	6.50	0	0	0	0	0	0	0
$212	$216	32.00	23.70	15.40	7.10	0	0	0	0	0	0	0
$216	$220	32.60	24.30	16.00	7.70	0	0	0	0	0	0	0
$220	$224	33.20	24.90	16.60	8.30	0	0	0	0	0	0	0
$224	$228	33.80	25.50	17.20	8.90	.60	0	0	0	0	0	0
$228	$232	34.40	26.10	17.80	9.50	1.20	0	0	0	0	0	0
$232	$236	35.00	26.70	18.40	10.10	1.80	0	0	0	0	0	0
$236	$240	35.60	27.30	19.00	10.70	2.40	0	0	0	0	0	0
$240	$248	36.50	28.20	19.90	11.60	3.30	0	0	0	0	0	0
$248	$256	37.60	29.30	21.00	12.70	4.40	0	0	0	0	0	0
$256	$264	38.80	30.50	22.20	13.90	5.60	0	0	0	0	0	0
$264	$272	40.00	31.70	23.40	15.10	6.80	0	0	0	0	0	0
$272	$280	41.20	32.90	24.60	16.30	8.00	0	0	0	0	0	0
$280	$288	42.40	34.10	25.80	17.50	9.20	.90	0	0	0	0	0
$288	$296	43.60	35.30	27.00	18.70	10.40	2.10	0	0	0	0	0
$296	$304	44.80	36.50	28.20	19.90	11.60	3.30	0	0	0	0	0
$304	$312	46.00	37.70	29.40	21.10	12.80	4.50	0	0	0	0	0
$312	$320	47.20	38.90	30.60	22.30	14.00	5.70	0	0	0	0	0
$320	$328	48.40	40.10	31.80	23.50	15.20	6.90	0	0	0	0	0
$328	$336	49.60	41.30	33.00	24.70	16.40	8.10	0	0	0	0	0
$336	$344	50.80	42.50	34.20	25.90	17.60	9.30	1.00	0	0	0	0
$344	$352	52.00	43.70	35.40	27.10	18.80	10.50	2.20	0	0	0	0
$352	$360	53.20	44.90	36.60	28.30	20.00	11.70	3.40	0	0	0	0
$360	$368	54.40	46.10	37.80	29.50	21.20	12.90	4.60	0	0	0	0
$368	$376	55.60	47.30	39.00	30.70	22.40	14.10	5.80	0	0	0	0
$376	$384	56.80	48.50	40.20	31.90	23.60	15.30	7.00	0	0	0	0
$384	$392	58.00	49.70	41.40	33.10	24.80	16.50	8.20	0	0	0	0
$392	$400	59.20	50.90	42.60	34.30	26.00	17.70	9.40	1.10	0	0	0
$400	$420	61.30	53.00	44.70	36.40	28.10	19.80	11.50	3.20	0	0	0
$420	$440	64.20	55.90	47.60	39.30	31.00	22.70	14.40	6.10	0	0	0
$440	$460	67.20	58.90	50.60	42.30	34.00	25.70	17.40	9.10	.80	0	0
$460	$480	70.20	61.90	53.60	45.30	37.00	28.70	20.40	12.10	3.80	0	0
$480	$500	73.20	64.90	56.60	48.30	40.00	31.70	23.40	15.10	6.80	0	0
$500	$520	76.20	67.90	59.60	51.30	43.00	34.70	26.40	18.10	9.80	1.50	0
$520	$540	79.20	70.90	62.60	54.30	46.00	37.70	29.40	21.10	12.80	4.50	0
$540	$560	82.20	73.90	65.60	57.30	49.00	40.70	32.40	24.10	15.80	7.50	0
$560	$580	85.20	76.90	68.60	60.30	52.00	43.70	35.40	27.10	18.80	10.50	2.20
$580	$600	88.10	79.80	71.50	63.20	54.90	46.60	38.30	30.00	21.70	13.40	5.10
$600	$640	92.60	84.30	76.00	67.70	59.40	51.10	42.80	34.50	26.20	17.90	9.60
$640	$680	98.60	90.30	82.00	73.70	65.40	57.10	48.80	40.50	32.20	23.90	15.60
$680	$720	104.60	96.30	88.00	79.70	71.40	63.10	54.80	46.50	38.20	29.90	21.60
$720	$760	110.60	102.30	94.00	85.70	77.40	69.10	60.80	52.50	44.20	35.90	27.60
$760	$800	116.50	108.20	99.90	91.60	83.30	75.00	66.70	58.40	50.10	41.80	33.50
$800	$840	122.50	114.20	105.90	97.60	89.30	81.00	72.70	64.40	56.10	47.80	39.50
$840	$880	128.50	120.20	111.90	103.60	95.30	87.00	78.70	70.40	62.10	53.80	45.50
$880	$920	134.50	126.20	117.90	109.60	101.30	93.00	84.70	76.40	68.10	59.80	51.50
$920	$960	140.40	132.10	123.80	115.50	107.20	98.90	90.60	82.30	74.00	65.70	57.40
$960	$1,000	146.40	138.10	129.80	121.50	113.20	104.90	96.60	88.30	80.00	71.70	63.40
		15 percent of the excess over $1,000 plus—										
$1,000 and over		149.40	141.10	132.80	124.50	116.20	107.90	99.60	91.30	83.00	74.70	66.40

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period—

And the wages divided by the number of days in such periods are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period—										
$0	$2.00	15% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$2.00	$2.25	$0.30	.05	0	0	0	0	0	0	0	0	0
$2.25	$2.50	.35	.10	0	0	0	0	0	0	0	0	0
$2.50	$2.75	.40	.10	0	0	0	0	0	0	0	0	0
$2.75	$3.00	.45	.15	0	0	0	0	0	0	0	0	0
$3.00	$3.25	.45	.20	0	0	0	0	0	0	0	0	0
$3.25	$3.50	.50	.25	0	0	0	0	0	0	0	0	0
$3.50	$3.75	.55	.25	0	0	0	0	0	0	0	0	0
$3.75	$4.00	.60	.30	.05	0	0	0	0	0	0	0	0
$4.00	$4.25	.60	.35	.05	0	0	0	0	0	0	0	0
$4.25	$4.50	.65	.40	.10	0	0	0	0	0	0	0	0
$4.50	$4.75	.70	.40	.15	0	0	0	0	0	0	0	0
$4.75	$5.00	.75	.45	.20	0	0	0	0	0	0	0	0
$5.00	$5.25	.75	.50	.20	0	0	0	0	0	0	0	0
$5.25	$5.50	.80	.55	.25	0	0	0	0	0	0	0	0
$5.50	$5.75	.85	.55	.30	0	0	0	0	0	0	0	0
$5.75	$6.00	.90	.60	.35	.05	0	0	0	0	0	0	0
$6.00	$6.25	.90	.65	.35	.10	0	0	0	0	0	0	0
$6.25	$6.50	.95	.70	.40	.15	0	0	0	0	0	0	0
$6.50	$6.75	1.00	.70	.45	.15	0	0	0	0	0	0	0
$6.75	$7.00	1.05	.75	.50	.20	0	0	0	0	0	0	0
$7.00	$7.25	1.05	.80	.50	.25	0	0	0	0	0	0	0
$7.25	$7.50	1.10	.85	.55	.30	0	0	0	0	0	0	0
$7.50	$7.75	1.15	.85	.60	.30	.05	0	0	0	0	0	0
$7.75	$8.00	1.20	.90	.65	.35	.10	0	0	0	0	0	0
$8.00	$8.25	1.20	.95	.65	.40	.10	0	0	0	0	0	0
$8.25	$8.50	1.25	1.00	.70	.45	.15	0	0	0	0	0	0
$8.50	$8.75	1.30	1.00	.75	.45	.20	0	0	0	0	0	0
$8.75	$9.00	1.35	1.05	.80	.50	.25	0	0	0	0	0	0
$9.00	$9.25	1.35	1.10	.80	.55	.25	0	0	0	0	0	0
$9.25	$9.50	1.40	1.15	.85	.60	.30	.05	0	0	0	0	0
$9.50	$9.75	1.45	1.15	.90	.60	.35	.05	0	0	0	0	0
$9.75	$10.00	1.50	1.20	.95	.65	.40	.10	0	0	0	0	0
$10.00	$10.50	1.55	1.25	1.00	.70	.45	.15	0	0	0	0	0
$10.50	$11.00	1.60	1.35	1.05	.80	.50	.25	0	0	0	0	0
$11.00	$11.50	1.70	1.40	1.15	.85	.60	.30	.05	0	0	0	0
$11.50	$12.00	1.75	1.50	1.20	.95	.65	.40	.10	0	0	0	0
$12.00	$12.50	1.85	1.55	1.30	1.00	.75	.45	.20	0	0	0	0
$12.50	$13.00	1.90	1.65	1.35	1.10	.80	.55	.25	0	0	0	0
$13.00	$13.50	2.00	1.70	1.45	1.15	.90	.60	.35	.05	0	0	0
$13.50	$14.00	2.05	1.80	1.50	1.25	.95	.70	.40	.15	0	0	0
$14.00	$14.50	2.15	1.85	1.60	1.30	1.05	.75	.50	.20	0	0	0
$14.50	$15.00	2.20	1.95	1.65	1.40	1.10	.85	.55	.30	0	0	0
$15.00	$15.50	2.30	2.00	1.75	1.45	1.20	.90	.65	.35	.10	0	0
$15.50	$16.00	2.35	2.10	1.80	1.55	1.25	1.00	.70	.45	.15	0	0
$16.00	$16.50	2.45	2.15	1.90	1.60	1.35	1.05	.80	.50	.25	0	0
$16.50	$17.00	2.50	2.25	1.95	1.70	1.40	1.15	.85	.60	.30	.05	0
$17.00	$17.50	2.60	2.30	2.05	1.75	1.50	1.20	.95	.65	.40	.10	0
$17.50	$18.00	2.65	2.40	2.10	1.85	1.55	1.30	1.00	.75	.45	.20	0
$18.00	$18.50	2.75	2.45	2.20	1.90	1.65	1.35	1.10	.80	.55	.25	0
$18.50	$19.00	2.80	2.55	2.25	2.00	1.70	1.45	1.15	.90	.60	.35	.05
$19.00	$19.50	2.90	2.60	2.35	2.05	1.80	1.50	1.25	.95	.70	.40	.15
$19.50	$20.00	2.95	2.70	2.40	2.15	1.85	1.60	1.30	1.05	.75	.50	.20
$20.00	$21.00	3.05	2.80	2.50	2.25	1.95	1.70	1.45	1.15	.90	.60	.35
$21.00	$22.00	3.20	2.95	2.65	2.40	2.10	1.85	1.55	1.30	1.05	.75	.50
$22.00	$23.00	3.35	3.10	2.80	2.55	2.25	2.00	1.70	1.45	1.20	.90	.65
$23.00	$24.00	3.50	3.25	2.95	2.70	2.40	2.15	1.85	1.60	1.35	1.05	.80
$24.00	$25.00	3.65	3.40	3.10	2.85	2.55	2.30	2.00	1.75	1.50	1.20	.95
$25.00	$26.00	3.80	3.55	3.25	3.00	2.70	2.45	2.15	1.90	1.65	1.35	1.10
$26.00	$27.00	3.95	3.70	3.40	3.15	2.85	2.60	2.30	2.05	1.80	1.50	1.25
$27.00	$28.00	4.10	3.85	3.55	3.30	3.00	2.75	2.45	2.20	1.95	1.65	1.40
$28.00	$29.00	4.25	4.00	3.70	3.45	3.15	2.90	2.60	2.35	2.05	1.80	1.55
$29.00	$30.00	4.40	4.15	3.85	3.60	3.30	3.05	2.75	2.50	2.20	1.95	1.70
		15 percent of the excess over $30 plus—										
$30.00 and over		4.50	4.20	3.95	3.65	3.40	3.10	2.85	2.55	2.30	2.05	1.75"

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. ELLENDER. As I understand the pending amendment on page 3, there will be a reduction of 17 percent if the aggregate tentative tax is not over $400?

Mr. MILLIKIN. That is correct.

Mr. ELLENDER. And so on until, when the aggregate tentative tax is above $100,000, the reduction will be 9.75 percent on the excess, plus the stated amount of $12,020.

Mr. MILLIKIN. Yes; and the rates are cumulative.

Mr. ELLENDER. Can the Senator tell us what the aggregate percentage reduction will be as to those taxpayers who will be entitled to take advantage of the split-income provision of the pending measure?

Mr. MILLIKIN. The reductions will benefit all taxpayers, from the lowest to the highest.

Mr. ELLENDER. I understand that; but the question I am asking is, to what extent, percentagewise, will taxpayers who take advantage of the split income provision be benefited?

Mr. MILLIKIN. The rate increases over those contained in the House bill involve about $1,700,000,000 of reduction in revenue, and the split-income provision involves $600,000,000 plus. The rate reductions also are applicable to those who benefit from the split-income provision.

Mr. ELLENDER. The information I am attempting to obtain from the Senator is the extent percentagewise to which a taxpayer who now has an income in excess of $100,000 will be benefited if he were permitted to split his income. Cannot the Senator give us the saving to which such a taxpayer would be benefited?

Mr. MILLIKIN. Let us assume a married person with no dependents, and the entire income earned by one spouse—income after deductions, but before exemptions. The $100,000 man, under the present law, would pay $63,127.50. Under the House bill he would pay $44,963.88. Under the bill as reported to the Senate he would pay $46,402.88.

Mr. ELLENDER. In other words, there would be a saving to the $100,000 man of about $16,000.

Mr. MILLIKIN. Under the House he would save $18,163.62. Under the Finance Committee bill he would save $16,724.62.

Mr. ELLENDER. Aside from the saving the Senator has just indicated, there would be a further saving to the $100,000 man of 9.75 percent on his income in excess of $100,000, would there not?

Mr. MILLIKIN. The tables which appear in the bill reflect the split-income benefit plus the rate reductions.

Mr. ELLENDER. I understand that in addition to the savings the Senator has just indicated, there would be an additional saving, for a person making over $100,000, of 9.75 percent on such excess. Is not that correct?

Mr. MILLIKIN. I have suggested to the Senator that that is already taken into account in the figures I have given him. There is no additional saving. The saving is completely reflected in the figures I have given the Senator.

Mr. ELLENDER. Then are we to understand that the entire percentagewise saving for a taxpayer whose income is in excess of $100,000 will be 9.75 percent?

Mr. MILLIKIN. His saving will be $16,724.62 under the Finance Committee bill.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. MILLIKIN. I yield.

Mr. TAFT. That is assuming that there is an income of $100,000 for the taxpayer himself, and none for his wife.

Mr. MILLIKIN. That is for a married person with no dependents.

Mr. TAFT. Yes. A gentleman from the State of Louisiana would already have saved that under existing law, and the only additional saving he would receive would be 5 or 6 percent.

Mr. ELLENDER. I am not questioning that. I am for the split income proposed so as to put all taxpayers on the same basis so far as that can be done. I am attempting to elicit from my distinguished colleague the amount of saving that will accrue to taxpayers who are not now able to lawfully split their income. It is my view that on incomes up to say $300,000, the savings will be more than would have prevailed under the Knutson bill of last session. I contend that we should not give further cuts to such taxpayers in the hope of keeping the losses to the Treasury down to $4,000,000,000 or less.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I am glad to yield.

Mr. GEORGE. I think the Senator from Colorado misunderstood the question of the Senator from Louisiana. The Senator from Louisiana is speaking of incomes in excess of $100,000—for instance, $300,000 or $400,000.

Mr. MILLIKIN. I am in a position to give the Senator that information, if he wishes it.

Mr. GEORGE. The Senator from Louisiana may have asked the particular question whether the saving would be $12,020 plus 9.75 percent on all over and above $100,000.

Mr. MILLIKIN. Would the Senator like me to give the figures for a person with an income of $300,000?

Mr. ELLENDER. No; I am not seeking figures as to any other amount. I was hopeful of obtaining information from the Senator that would show that the split-income proposal affords sufficient tax relief to many of the country's taxpayers.

I had intended to present to the pending measure an amendment along the following lines: As I have just stated, I believe that the tax relief that will be afforded under this bill to those who can split their incomes might be sufficient relief for them, and I was going to propose in my amendment to extend similar relief to widowers and widows, and some relief to single persons, not as great, however, as that afforded the ones I have just mentioned.

Under the split-income-tax theory, as presented here, the only persons who will benefit will be married persons. I further understand that the savings in taxes to married persons will be greater than the savings in taxes that would have resulted under the Knutson bill of last year.

Mr. MILLIKIN. There is no question that under the terms of this bill there is a special benefit for married persons who will get the benefit of split incomes, if they have not heretofore had the benefit of that provision. There is no question about that.

Mr. ELLENDER. And I am for it.

Mr. MILLIKIN. Yes; I understand that the Senator from Louisiana is for it.

Mr. ELLENDER. Yes.

Mr. MILLIKIN. I am making the further suggestion that under our anticipated revenue and our anticipated expenditures, we are not in position to achieve a complete equalization all the way along the line, so as to place single persons and others who do not benefit under this particular provision on a complete equalization basis.

Mr. ELLENDER. To my way of thinking, all that is due to the fact that evidently the persons I have mentioned have not been given any consideration at all by the committee which presented this bill.

Mr. MILLIKIN. Yes; we have increased the standard deduction, which gives them some benefit.

Mr. ELLENDER. But a person must be married in order to get the full benefit of this bill.

What I think should have been done—and I have discussed this before with the distinguished Senator from Colorado—is that some relief along the line of that given to married persons under this bill should be extended to widowers and widows and also, to a certain lesser degree, to single persons. I repeat, I do not mean relief to the same extent should be given; but some relief should be given to them. That could be accomplished by reducing the rates given under this bill to married persons over and above the tax savings made possible through the split-income process. Those who are able to split their incomes will be given quite a saving. In addition, the bill reduces taxes generally to all taxpayers in excess of a billion dollars. In other words, those able to split their income obtain considerable relief. In addition, they obtain more relief on the same basis as is afforded to all other taxpayers. It seems to me that relief should be more equitably distributed.

Mr. TOBEY. Mr. President, will the Senator yield to me?

Mr. MILLIKIN. I yield.

Mr. TOBEY. I should like to say to the Senator from Louisiana that as I read the proposed legislation and as I comprehend the import behind it, rather than the verbiage, one of the byproducts of this legislation will be a benefit to the country as a whole, namely, to stimulate participation in holy wedlock.

Mr. ELLENDER. I concur in that remark.

Now, to revert to my original question, how much greater or less, percentagewise, would the tax savings for a married couple with the income all earned by one spouse be, from the split income provison alone, in contrast to the savings for such persons under the same circumstances, under the original Knutson bill which was considered during the last session of Congress?

Mr. MILLIKIN. Under the original Knutson bill a married couple with $50,000 of net income received a 20 percent reduction in their tax. Under the committee's bill the same married couple residing in a non-community-property State will receive a 24.48 percent reduction due to the split income provision alone. The other provisions of the bill bring the total reduction up to 30.63 percent.

Mr. ELLENDER. In other words the percentage reduction due to the split income is greater by about 4 percent. If we consider all the relief afforded under the pending measure, the saving would be about 10 percent more than the original Knutson bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendments which have been stated en bloc.

Mr. CONNALLY. Mr. President, I regret to have to disagree with the Senator on the question of the adoption of these amendments en bloc. I have an amendment which is to a committee amendment.

Mr. MILLIKIN. Mr. President, I may say that I am passing that part of the bill deliberately, so that the Senator from Texas may present his amendment without any interference. We are not now approving the committee amendments or the amendments in the bill which have to do with the gift tax or the estate tax. We are dealing now only with the question of income-tax rates.

Mr. CONNALLY. I thought the request was that all the amendments be considered en bloc.

Mr. MILLIKIN. No. That was previously delimited in this way: We are proposing to adopt the amendments on page 3 and then to adopt the amendments on the tables which support the reduction contained in the amendments on page 3; and we are passing the entire subject of estate and gift taxes, to accommodate the offering of the Senator's proposed amendment.

Mr. CONNALLY. I thank the Senator. The amendment I have in mind would apply to page 33.

Mr. MILLIKIN. That is correct. We are passing over that portion of the bill for the present.

The PRESIDENT pro tempore. The question is on agreeing to the amendments en bloc, being those on page 3, plus those on page 65 and following, to the end of the table on page 80.

The amendments were agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The CHIEF CLERK. On page 18, it is proposed to strike out parts 2 and 3, and insert new sections——

Mr. MILLIKIN. Mr. President, I suggest that we pass over, for the time being, from page 18 to page 64, which is the subject matter I have discussed with the Senator from Texas [Mr. CONNALLY].

The PRESIDENT pro tempore. Without objection, that procedure will be followed.

Mr. MILLIKIN. I invite attention, Mr. President, to an amendment at the bottom of page 80, which should receive separate attention.

The PRESIDENT pro tempore. What amendment does the Senator from Colorado wish to have considered now?

Mr. MILLIKIN. I wish now to have the Senate consider an amendment at the bottom of page 80, which changes a date from April 1 to May 1, 1948.

The PRESIDENT pro tempore. The question is on agreeing to the amendment on page 80, as stated by the Senator from Colorado.

The amendment was agreed to.

Mr. MILLIKIN, Mr. President, I send to the desk an amendment which I offer and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. In the eleventh column of the table on page 67, it is proposed to strike out the figures "325" and insert in lieu thereof the figures "335."

Mr. MILLIKIN. That is a technical correction, Mr. President.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. What amendment does the Senator from Colorado wish to have considered at this time?

Mr. MILLIKIN. We have no amendments that we wish to have considered at this time, Mr. President. I have understood that the Senator from Texas [Mr. CONNALLY] and the Senator from Nevada [Mr. MCCARRAN] are ready to proceed with amendments.

The PRESIDENT pro tempore. The Senator from Nevada is recognized, and subsequently the Senator from Texas will be recognized.

Mr. MCCARRAN. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

SEC. —. Elimination of tax on transportation of persons.

Subchapter C of chapter 30 of the Internal Revenue Code (relating to the tax on transportation of persons) is hereby repealed.

SEC. 2. The amendment made by this act shall apply to amounts paid after the date of the enactment of this act for transportation after such date.

Mr. MCCARRAN. Mr. President, in order that the Senate may understand the law as it now stands, I beg leave to read chapter 30, subchapter C:

Tax on transportation of persons, etc.: There shall be imposed upon the amount paid within the United States, on or after October 10, 1941, for the transportation, on and after such effective date, of persons by rail, motor vehicle, water, or air, within or without the United States, a tax equal to 10 percent of the amount so paid. Such tax shall apply to transportation by motor vehicles having a passenger seating capacity of less than 10 adult passengers, including the driver, only when such vehicle is operated on an established line.

Then, subsection (c) of that section reads as follows:

Seats, berths, etc.: There shall be imposed upon the amount paid within the United States for seating or sleeping accommodations in connection with transportation with respect to which a tax is imposed by subsection (a) a tax equivalent to 10 percent of the amount so paid.

The Revenue Act of 1943, enacted 2 years subsequently, amended the foregoing by providing, as follows:

1650. War tax rates of certain miscellaneous taxes, etc.: In lieu of the rates of tax specified in such of the sections of this title as are set forth in the following table, the rates applicable with respect to the period beginning with the effective date of title III of the Revenue Act of 1943 (April 1, 1944) and ending on the first day of the first month which begins 6 months or more after the date of the termination of hostilities in the present war, shall be the rates set forth under the heading "War-tax rate":

Transportation of persons: Old rate, 10 percent; war tax rate, 15 percent.

Mr. President, Public Law 17 of the Eightieth Congress, section 2, provides:

Section 1650 of the Internal Revenue Code (war tax rates of certain miscellaneous taxes) is hereby amended by striking out "and ending on the first day of the first month which begins 6 months or more after the date of the termination of hostilities in the present war."

In other words, the provision which I have just read in the present law continues indefinitely the 15 percent imposed in 1943. It does not terminate with hostilities or 6 months thereafter. By the language I have just read it is made a continuing tax.

The tax was imposed in 1941. It was undoubtedly imposed as a war measure, for two reasons: First of all, perhaps the lesser reason was the collection of revenue by the Government. I believe, and I think my judgment is borne out, that it was largely imposed at a time when troops were being moved across the continent and elsewhere, and when we wanted as much space on rail and bus and air facilities as we could possibly obtain for the moving of our troops and for those who, in Government business, were compelled to travel. So we were anxious to curtail travel.

It will be recalled, Mr. President, that along about that time there was a general hue and cry about curtailing travel. Everyone was supposed to remain at home as much as possible and thus avoid congestion in vehicles of travel. So the tax was imposed as a war measure and at the same time as a revenue measure.

It seems to me, Mr. President, that the time has now arrived when the imposition of a penalty on the traveling public should be eliminated. The privately conducted business of the United States is so involved in travel today that it cannot very well be said that we are not imposing a penalty on business itself when we impose a penalty on travel. Today there is scarcely an industry that does not have its agents, its representatives, or its business heads traveling throughout the country in keeping with the nature of the business conducted. We are therefore not only imposing a tax directly upon American industry, but we are imposing a penalty, if you please, Mr. President, upon American industry, if in keeping with its necessities travel must be indulged in.

Fifteen percent of the cost of one ticket from here to San Francisco amounts to something; 15 percent of the rate that one pays for a berth or a reservation amounts to something, when added to the general penalty imposed by taxes on the industry of the country. It having been a war measure, imposed for the purpose of curtailing travel, as I say, as well as for collecting revenue, it is time that the imposition of a penalty should cease, here and now. The amount of revenue to be collected by the Treasury in 1948 was first estimated at $215,000,000. There has been a revision of that estimate, and my recollection of the revision is that it runs about $244,000,000.

Mr. President, this is not in reality a legitimate tax. It was, in my judgment, imposed for the sole purpose of preventing promiscuous travel throughout the country, rather than as a revenue measure. That being true, the penalty should be imposed no longer, and industry should be freed from this burden, which seems to me to be unnecessary at this time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Nevada.

Mr. MILLIKIN. Mr. President, it would be very difficult to answer the arguments which the Senator has made, on their merits. We are trying to pass a bill with a maximum of $4,700,000,000 of reduction on a liability basis. The tax the Senator proposes to repeal is a very substantial revenue producer. As the Senator has said, it is estimated to produce $244,000,000 in fiscal year 1948. Obviously if we remove this tax, we shall either have to add that much to the amount of the bill, or fail to include some reduction now in the bill, if we are to adhere to our limitation on amount. I think it is very clear that the figure $4,700,000,000 meets with general satisfaction, and I believe that if we increased the amount there would be a very substantial added resistance to the bill.

We have at the present time excise taxes on admissions and dues, on alcoholic beverages, on automobiles, parts, accessories, tires and tubes, on bowling alleys and billiard and pool tables, on

business and store machines, on coconut and other vegetable oils, on coin-operated amusement and gambling devices, on communications, on documents, on electrical energy, on electric, gas, and oil appliances, on electric-light bulbs and tubes, on firearms and ammunition, on furs, on gasoline and lubricating oil, on jewelry, on luggage, purses, toilet cases, and so forth, on matches, on oleomargarine, on photographic apparatus, on playing cards, on radios, phonographs, records, and musical instruments, on refrigerators and air conditioners, on safe-deposit-box rental, on silver bullion transfers, on sporting goods, on tobacco, on toilet preparations, and the tax which the Senator's amendment proposes to strike down.

I agree with the Senator that this is a regressive tax, and I agree that we must get rid of it. I think it hobbles enterprise in this country, but, I may say to the Senator, so do all these other excise taxes, or most of them. I doubt whether anyone could listen to the list of taxes on which we are collecting excises and not reach the conclusion that many of those are perhaps equally as regressive as the one which the Senator has described.

I suggest, therefore, that the answer is that we cannot approach it piecemeal in connection with the bill, but must approach the whole subject of excise taxes on an over-all basis and see if we cannot reduce them whenever the Government's fiscal situation shall permit. I cannot promise, but I am hopeful that we may be able to reach at least some part of the more obnoxious of the taxes later in the year. Again, that depends on the revenue situation at the time. If we were to open the bill to accommodate the Senator from Nevada, to meet the very sound arguments which he has made, we could not avoid opening the bill in half a dozen different directions. If we do that, we cannot attain our objectives and cannot keep the bill within the financial limits desired by the Senate.

I hope the Senator will not press his amendment.

Mr. McCARRAN. Mr. President, last year this particular matter was before the Senate. I desire to read an excerpt from the CONGRESSIONAL RECORD, in which my good friend, the very able Senator from Colorado, in a colloquy between himself and me on a similar amendment, said:

> Mr. President, let me say I hope the distinguished Senator from Nevada will not press for the adoption of his amendment. It goes to the whole subject of transportation excise taxes. It involves an enormous amount of money. The taxes on airplane travel alone, I am informed, amount to approximately $250,000,000 a year.

The Senator was in error in that statement, but that is water over the wheel. I read further:

> I do not believe that the Senate should make an offhand reduction of that amount in the Government's revenues.
>
> Moreover, the amendment ties into the whole subject of excise taxes, which will be thoroughly sifted—

And I draw the attention of the Senator to his language of last year—

> which will be thoroughly sifted in connection with the forthcoming general tax revision bill.

I draw the Senator's attention to that statement—I am not to be understood as at all chiding the Senator because there has been no revision of the tax law—only to say that I do not think we can look forward to any general revision of the tax law to any greater extent at this time than we could at that time. I do not see anything in the offing to permit such revision. I do not think we will have much legislation on the subject if this bill shall pass.

I want to draw the attention of the Senate to another matter. The subject matter of my amendment has been the object of a study conducted by the Executive Committee on Economic and Foreign Policy which is composed of representatives from the Department of State, the Department of Agriculture, the Department of Commerce, the Department of Labor, and the Treasury, as well as of the United States Tariff Commission. That committee has adopted a policy in opposition to the continued imposition of this transportation tax.

I hold in my hand a letter from the Department of State, signed by Willard L. Thorp, Assistant Secretary, dated March 17, 1948. The Senator from Colorado will note the date. It is the best and most significant date in the year—March 17. I want him to note the date, because it is an important letter written on an important date. It reads as follows:

> MARCH 17, 1948.
>
> MY DEAR SENATOR MCCARRAN: In a telephone conversation yesterday with Mr. John Peurifoy you requested the Department of State's views on your proposed amendment to H. R. 4790 to eliminate the tax on transportation of persons by repealing subchapter C of chapter 30 of the Internal Revenue Code. The department has consistently favored the encouragement of all nonimmigrant travel without discrimination or direction, and believes that the transportation tax is an impediment to such travel, and that the tax as it now stands, since it has been repealed for certain areas, may result in discrimination against the areas to which it is still applicable. The department, therefore, is generally favorable to elimination of the tax.
>
> This position is in accordance with action taken by the executive committee on Economic Foreign Policy on June 6, 1947, in connection with H. R. 3318, representing the Departments of Treasury, Agriculture, Commerce, Labor, the United States Tariff Commission, and concurred in by the Civil Aeronautics Board and the United States Maritime Commission. It is understood, however, that it was at that time and continues to be the view of the Department of the Treasury that the repeal of the tax on transportation of persons should not be considered prior to the proposed comprehensive revision of the entire excise tax structure.
>
> Because of the urgency of your request, this letter has not been cleared by the Bureau of the Budget to which copies are being sent.
>
> Sincerely yours,
>
> WILLARD L. THORP,
> *Assistant Secretary.*

I wish to draw to the attention of the Senate the fact that we are imposing through this tax a penalty on our own citizens traveling within the confines of the United States. If I should buy a ticket to Liverpool I would pay only the tax to Bermuda. From there on to Great Britain or Europe, or wherever I might be traveling, I would not have to pay the tax. If I should buy a ticket to Australia I would pay the tax as far as Honolulu, and from Honolulu on to Australia I would not pay the tax. In other words, we are imposing a penalty on our own people and compelling them to pay that penalty or else to stay at home, even though today the business of America depends largely on travel.

Mr. MILLIKIN. Mr. President, again I have little disagreement, if any, with what the distinguished Senator has said. I think the tax is a bad tax. I think we should get rid of it. In view of the inequities in our excise-tax system the House Ways and Means Committee, assisted by experts, started last summer making studies on the subject. I say to the distinguished Senator that the Senate Finance Committee has recently released a descriptive summary of Federal excise taxation. There is no lack of consciousness of the evils of the system, and there is no lack of desire to get rid of the worst of such taxes. But we cannot do everything in one jump. The Senator's amendment would mean a very serious reduction of revenues. It would throw the whole bill out of kilter. I hope that the Senator will withdraw his amendment, because I can assure him that we are going ahead with revision plans. That is not merely conversation. There has been a very earnest step made on both sides of the Congress.

I think everyone wants to get rid of the worst of the excise taxes and to reduce substantially the rates, as to many of the others. We hope to do it later in the session, at least in part, if the revenues shall permit. I do not believe that any better assurance could be given.

Mr. McCARRAN. Mr. President, if I may interrupt—and I do not wish to interrupt or to prolong the discussion—there was never a time in the history of this country when the removal of penalties from the people and from industry has been so necessary as at this time. We intend to send billions of dollars abroad. Every industry in America will be taxed to the utmost. The people have to travel in order to build up their own internal business and continue to operate, and yet we are to impose a penalty on them which the Senator from Colorado says should be taken off. I have the greatest respect in the world for the Senator from Colorado, but I am unable to follow his argument when he says certain taxes should be eliminated and should not be imposed, and yet that we shall keep this wrong and erroneous policy. I say to the Senator, with all due respect, in response to his request that I withdraw my amendment, that I cannot do it at this time. I ask for a yea-and-nay vote on my amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amend-

ment offered by the Senator from Nevada [Mr. McCARRAN], on which he asks for the yeas and nays.

The yeas and nays were ordered.

Mr. McCARRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Conor
Baldwin	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Johnson, Colo.	Revercomb
Byrd	Johnston, S. C.	Robertson, Va.
Cain	Kem	Russell
Capehart	Kilgore	Saltonstall
Capper	Knowland	Smith
Connally	Langer	Sparkman
Cooper	Lodge	Stennis
Cordon	Lucas	Stewart
Donnell	McCarran	Taft
Dworshak	McCarthy	Thomas, Okla.
Eastland	McFarland	Thomas, Utah
Ecton	McKellar	Thye
Ellender	McMahon	Tobey
Ferguson	Malone	Umstead
Flanders	Martin	Vandenberg
Fulbright	Maybank	Watkins
George	Millikin	Wiley
Green	Moore	Williams
Gurney	Morse	Wilson
Hatch	Murray	Young
Hawkes	Myers	

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment submitted by the Senator from Nevada [Mr. McCARRAN].

Mr. MILLIKIN. Mr. President, the amendment before the Senate is an amendment offered by the distinguished senior Senator from Nevada [Mr. McCARRAN] which would abolish the transportation tax on persons. Its adoption would reduce the revenue of the Government by $240,000,000 a year. If the amendment were agreed to, it naturally would raise the reduction made possible by the enactment of the pending bill by that amount of money. I do not believe the general sentiment of the Senate is in favor of raising the reduction beyond the figure suggested by the Senate Committee on Finance.

Mr. President, the tax involved is an excise tax, it is a tax which we should get rid of, but the same problem is presented that is met in the case of all other excise taxes. It is not possible to deal with these taxes piecemeal. We must give them over-all consideration. Studies of this subject are under way in the House Committee on Ways and Means and the Senate Committee on Finance. I hope we get at it as soon as permitted by our revenues.

Mr. McCARRAN. Mr. President, I wish that the Senator from Colorado would in all fairness repeat to the Senators now assembled what he said to a few of us on the floor a few moments ago. He concurred at that time with practically everything I presented in the way of argument, that this tax is a penalty on the traveling public, imposed on American citizenry within this country, and that it should be eliminated. He agreed that it was imposed in order to check travel, and I say now that the tax of itself is an impediment to the industries of the country, at a time when by every means possible, we are trying to encourage industry to expand.

In view of the fact that the State Department, the Treasury Department, the Department of Agriculture, and the Department of Commerce—all the agencies concerned—over their signatures state that this tax should be eliminated, that it is a tax which retards progress in this country, it seems clear to me the amendment should be agreed to.

The argument that it would change the lines of the bill seems to me an argument of no weight whatever. If the Congress of the United States is afraid to do the right thing by its people merely because it might change the line of a bill which is now in the hands of Congress, then it seems to me we have lost our function here in the Senate.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the senior Senator from Nevada [Mr. McCARRAN]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], and the Senator from Indiana [Mr. JENNER] are necessarily absent. If present and voting, the Senator from Minnesota, the Senator from Maine, and the Senator from Indiana would vote "nay."

The Senator from Maine [Mr. WHITE] is absent because of illness. If present and voting, the Senator from Maine would vote "nay."

The Senator from Nebraska [Mr. BUTLER] and the Senator from South Dakota [Mr. BUSHFIELD] are unavoidably detained. If present and voting, the Senator from Nebraska would vote "nay."

The Senator from Wyoming [Mr. ROBERTSON] and the Senator from Nebraska [Mr. WHERRY] are detained on official business. If present and voting, the Senator from Wyoming, and the Senator from Nebraska would vote "nay."

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent on public business.

The Senator from Washington [Mr. MAGNUSON] and the Senator from Rhode Island [Mr. McGRATH] are absent on official business.

The Senator from Arkansas [Mr. McCLELLAN] is absent by leave of the Senate on official business.

The Senator from Idaho [Mr. TAYLOR] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Maryland [Mr. TYDINGS] and the Senator from California [Mr. DOWNEY] are absent because of illness.

The result was announced—yeas 13, nays 67, as follows:

YEAS—13

Connally	Malone	Pepper
Eastland	Maybank	Stewart
Johnston, S. C.	Moore	Thomas, Okla.
Langer	Murray	
McCarran	O'Daniel	

NAYS—67

Aiken	Hatch	O'Mahoney
Baldwin	Hawkes	Overton
Barkley	Hayden	Reed
Bricker	Hickenlooper	Revercomb
Bridges	Hill	Robertson, Va.
Brooks	Hoey	Russell
Buck	Holland	Saltonstall
Byrd	Ives	Smith
Cain	Johnson, Colo.	Sparkman
Capehart	Kem	Stennis
Capper	Kilgore	Taft
Cooper	Knowland	Thomas, Utah
Cordon	Lodge	Thye
Donnell	Lucas	Tobey
Dworshak	McCarthy	Umstead
Ecton	McFarland	Vandenberg
Ellender	McKellar	Watkins
Ferguson	McMahon	Wiley
Flanders	Martin	Williams
Fulbright	Millikin	Wilson
George	Morse	Young
Green	Myers	
Gurney	O'Conor	

NOT VOTING—16

Ball	Jenner	Tydings
Brewster	McClellan	Wagner
Bushfield	McGrath	Wherry
Butler	Magnuson	White
Chavez	Robertson, Wyo.	
Downey	Taylor	

So Mr. McCARRAN's amendment was rejected.

Mr. McCARRAN. Mr. President, I ask unanimous consent to have printed in the RECORD certain telegrams received by me supporting my amendment.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MIAMI, FLA., *March 17, 1948.*

Hon. PAT McCARRAN,
United States Senate:

AAA executive committee meeting here today adopted following resolution: "Executive committee of American Automobile Association strongly urges that tax-reduction bill now pending in Senate be amended to provide complete elimination of 15 percent transportation tax. Committee heartily endorses amendment introduced by Senator McCARRAN on Monday, March 15, providing for such elimination. Committee believes abolition of levy would increase travel within United States, throughout Western Hemisphere, and to Hawaii, and would give those areas relief already given by Congress to American travelers visiting other parts of the world." Committee members unanimously supporting this action are: H. J. Brunnier, San Francisco, Calif.; William G. Bryant, Detroit, Mich.; J. J. Cavanagh, Chicago, Ill.; William J. Gottlieb, New York, N. Y.; Lou E. Holland, Kansas City, Mo.; Standish L. Mitchell, Los Angeles, Calif.; Matt F. Morse, St. Louis, Mo.; J. E. O'Neill, Fresno, Calif.; Andrew J. Sordoni, Wilkes-Barre, Pa.; Ralph Thomas, Detroit, Mich.; and John L. Young, Cleveland, Ohio.

Respectfully,

R. J. SCHMUNK,
President,
American Automobile Association.

BURBANK, CALIF., *March 18, 1948.*

Senator PAT McCARRAN,
Senate Building,
Washington, D. C.:

Distinctly remembering the night I preceded you as speaker at the Purchasing Agents Association of Milwaukee, some years ago, I am very certain that the abolition of the 15-percent transportation tax as proposed in bill H. R. 4790 is but another sterling example of your splendid efforts and I cannot emphasize too strongly the necessity for the removal of the tax in question.

E. VAN VECHTEN,
North Hollywood, Calif.

DALLAS, TEX., *March 18, 1948.*

Senator MCCARRAN,
Senate Office Building,
Washington, D. C.:

We wish to heartily commend your suggestion for the removal of the 15-percent passenger tax.

OLIVE & MYERS MANUFACTURING CO.

NEW YORK, N. Y., *March 18, 1948.*

Senator PAT MCCARRAN,
The Senate Building, Washington, D. C.:

Strongly endorse your amendment covering repeal of 15-percent tax in transportation. This measure designed in wartime to discourage travel in U. S. A. has long since lost its reason for existence. It increases unnecessarily the cost of American business travel necessary for prosperity. It acts as an unwarranted penalty to Americans taking hard-earned vacations. It discourages traffic on American railroads, air lines, bus lines, etc., in a manner against the public interest. In its present state it discriminates in favor of foreign travel which is largely untaxed. Its removal will be hailed by all Americans as a constructive move in the return to a more normal economy.

THOS. COOK & SON AMERICAN CORP.

ELKO, NEV., *March 19, 1948.*

Senator PAT MCCARRAN,
Washington, D. C.:

Earnestly request you support bill to repeal tax on transportation.

ELKO CHAMBER OF COMMERCE,
F. E. WALTERS, *Secretary.*

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the distinguished senior Senator from Texas.

Mr. CONNALLY. Mr. President and Members of the Senate, I have a very important amendment, and I shall not detain the Senate long in explaining it. I hope Senators will control their urge to go to the lunchroom for a little while, because they might have to be recalled if they go there. I hope not.

Mr. President, I send to the desk an amendment to a committee amendment and ask to have it stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 33, beginning with line 6, it is proposed to strike out all down to and including line 6, on page 34, and insert the following:

Sec. 351. Repeal of community property estate tax amendments.

(a) Effective with respect to estates of decedents dying after the date of the enactment of the Revenue Act of 1942, sections 811 (d) (5), 811 (e) (2), and 811 (g) (4) of the Internal Revenue Code (relating to community property) are hereby repealed.

(b) Such section 811 (e) is further amended—

(1) by striking out of the heading of such subsection the words "and community"; and

(2) by striking out of paragraph (1) the following: "Joint Interests.—."

(c) If the refund of any overpayment resulting from the application of this section is prevented on the date of the enactment of this act, or within 1 year from such date, by the operation of any law or rule of law (other than sec. 3761 of the Internal Revenue Code, relating to compromises), refund of such overpayment may, nevertheless, be made if claim therefor is filed within 1 year from the date of the enactment of this act. No interest shall be paid on any overpayment resulting from the application of this section.

(d) Notwithstanding the repeal of sections 811 (d) (5), 811 (e) (2), and 811 (g) (4) provided in subsection (a) of this section, the taxes imposed under chapter 3 of the Internal Revenue Code upon the transfer of the net estate of any decedent dying after the date of the enactment of the Revenue Act of 1942 and on or before the date of the enactment of this act—

(1) shall not exceed the taxes which would have been imposed under such chapter 3 upon such transfer if this section had not been enacted; but

(2) shall not be less than the taxes imposed upon such transfer under such chapter 3, as amended by subsection (a) of this section, increased by an amount equal to the excess of—

(A) the taxes which would be imposed under such chapter 3 upon the transfer of the net estate of each subsequent decedent (dying on or before the date of the enactment of this act) if computed by excluding, from the deduction which would be allowed (if this section had not been enacted) under section 812 (c) of the Internal Revenue Code (deduction for property previously taxed), the portion thereof which would be attributable to the inclusion in the gross estate of the prior decedent of the value of any property which is not includible in such gross estate but which would have been so includible if this section had not been enacted, over

(B) the taxes imposed under such chapter 3 upon the transfer of the net estate of such subsequent decedent, computed without excluding the portion of the deduction referred to in clause (A).

For the purposes of subparagraph (A), the "taxes which would be imposed under such chapter 3 upon the transfer of the net estate of each subsequent decedent" shall be computed by including in the gross estate of such subsequent decedent the amount which inures to the estate of such subsequent decedent by reason of the reduction (resulting from the enactment of this section) in the taxes imposed under such chapter 3 upon the transfer of the net estate of the prior decedent."

On page 42, lines 9, 10, 11, it is proposed to strike out "during the calendar year 1942 or after the date of the enactment of the Revenue Act of 1948" and insert in lieu thereof the following: "after December 31, 1941."

On page 60, lines 6, 7, 8, it is proposed to strike out "during the calendar year 1942 or after the date of the enactment of the Revenue Act of 1948" and insert in lieu thereof the following: "after December 31, 1941."

Mr. MILLIKIN. Mr. President, will the Senator yield to me for a moment?

Mr. CONNALLY. Certainly.

Mr. MILLIKIN. I think it would be more in order to have the committee amendment to which the Senator's amendment applies stated.

Mr. CONNALLY. That is correct: I agree.

The PRESIDENT pro tempore. Will the Senator from Colorado identify the committee amendment?

Mr, CONNALLY. On page 33.

Mr. MILLIKIN. The amendment begins on page 18.

Mr. CONNALLY. On, no; on page 33.

The PRESIDENT pro tempore. The committee amendment will be stated.

The CHIEF CLERK. On page 18, after line 10, it is proposed to strike out:

PART II—ESTATE TAX

SUBPART 1—REPEAL OF 1942 COMMUNITY-PROPERTY AMENDMENTS

Sec. 351. Transfers of community property in contemplation of death, etc.

Effective with respect to estates of decedents dying after the date of the enactment of this act, section 811 (d) (5) of the Internal Revenue Code (relating to transfers of community property in contemplation of death, etc.) is hereby repealed.

Sec. 352. Joint and community interests.

(a) Effective with respect to estates of decedents dying after the date of the enactment of this act, section 811 (e) (2) of the Internal Revenue Code (relating to inclusion of community property in gross estate of decedent) is hereby repealed.

(b) Such section 811 (e) is further amended—

(1) by striking out the heading of such subsection the words "and community"; and

(2) by striking out of paragraph (1) the following: "(1) Joint interests.—".

Sec. 353. Proceeds of life insurance.

Effective with respect to estates of decedents dying after the date of the enactment of this act, section 811 (g) (4) of the Internal Revenue Code (relating to life insurance in the case of decedents in community-property States) is hereby repealed.

SUBPART 2—MARITAL DEDUCTION FOR BEQUESTS, ETC., TO SPOUSE

Sec. 361. Marital deduction.

(a) Section 812 of the Internal Revenue Code (relating to deductions in computing net estate in the case of a citizen or resident of the United States) is hereby amended by adding at the end thereof a new subsection to read as follows:

"(e) Bequests, etc., to surviving spouse.—

"(1) Allowance of marital deduction.—

"(A) In general: An amount equal to the value of any interest in property passing from the decedent to his surviving spouse, but only to the extent that such interest is included in determining the value of the gross estate.

"(B) Life estate or other terminable interest. Where, upon the lapse of time, upon the occurrence of an event or contingency, or upon the failure of an event or contingency to occur, such interest passing to the surviving spouse will terminate or fail, no deduction shall be allowed with respect to such interest—

"(i) if an interest in such property passes or has passed (for less than an adequate and full consideration in money or money's worth) from the decedent to any person other than such surviving spouse; and

"(ii) if by reason of such passing such person (or his heirs or assigns) may possess or enjoy any part of such property after such termination or failure of the interest so passing to the surviving spouse.

"(C) Interest of spouse conditioned on survival for limited period: For the purposes of subparagraph (B) an interest passing to the surviving spouse shall not be considered as an interest which will terminate or fail upon the death of such spouse if—

"(i) such death will cause a termination or failure of such interest only if it occurs within a period (not exceeding 6 months) after the decedent's death; and

"(ii) such spouse in fact does not die before the expiration of such period.

"(D) Interest of surviving spouse reduced by reason of estate, etc., taxes: In determining for the purposes of subparagraph (A) the value of any interest in property passing to the surviving spouse there shall be taken into account the effect which a tax imposed by this chapter, or any estate, succession, legacy, or inheritance tax, has upon the net value to the surviving spouse of such interest.

"(E) Trust with power of appointment in surviving spouse: In the case of an interest in property passing from the decedent to a trust, if the trust will terminate upon the death of the surviving spouse of the decedent, and if under the terms of the trust such spouse is entitled for her life to all the income from the corpus of the trust, payable annually or at more frequent intervals, with the power to appoint by will the entire corpus to her estate, and with no power in herself or any other person to appoint or invade any part of the corpus during her life—

"(i) the interest so passing shall, for the purposes of subparagraph (A), be considered as passing to the surviving spouse, and

"(ii) no part of the interest so passing shall, for the purposes of subparagraph (B) (i), be considered as passing to any person other than the surviving spouse.

This subparagraph shall be applicable only if, under the terms of the trust, such power to appoint by will is exercisable in all events.

"(F) Limitation on aggregate of deductions: The aggregate amount of the deductions allowed under this paragraph (computed without regard to this subparagraph) shall not exceed 50 percent of the value of the adjusted gross estate, as defined in paragraph (2).

"(2) Computation of adjusted gross estate—

"(A) General rules: Except as provided in subparagraph (B) of this paragraph the adjusted gross estate shall, for the purposes of paragraph (1) (F), be computed by subtracting from the entire value of the gross estate the aggregate amount of the deductions allowed by subsection (b) of this section.

"(B) Special rule in cases involving community property: If the decedent and his surviving spouse at any time held property as community property under the law of any State, Territory, or possession of the United States, or of any foreign country, then the adjusted gross estate shall, for the purposes of paragraph (1) (F), be determined by subtracting from the entire value of the gross estate the sum of:

"(i) the value of property which is at the time of the death of the decedent held as such community property; and

"(ii) the value of property transferred by the decedent during his life, if at the time of such transfer the property was held as such community property; and

"(iii) the amount receivable as insurance under policies upon the life of the decedent to the extent purchased with premiums or other consideration paid out of property held as such community property; and

"(iv) an amount which bears the same ratio to the aggregate of the deductions allowed under subsection (b) of this section which the value of the property included in the gross estate, diminished by the amount subtracted under clauses (i), (ii), and (iii) of this subparagraph, bears to the entire value of the gross estate.

For the purposes of clauses (i), (ii), and (iii), property shall be considered as 'held as such community property' if it was at any time acquired by the decedent (by one exchange or by a series of exchanges) in exchange for his interest in property held as such community property. The amount to be subtracted under clause (i), (ii), or (iii) shall not exceed the value of the interest in the property described therein which is included in determining the value of the gross estate.

"(3) Definition: For the purposes of this subsection an interest in property shall be considered as passing from the decedent to any person if and only if—

"(A) such interest is bequeathed or devised to such person by the decedent; or

"(B) such interest is inherited by such person from the decedent; or

"(C) such interest is the dower or curtesy interest (or statutory interest in lieu thereof) of such person as surviving spouse of the decedent; or

"(D) such interest has been transferred to such person by the decedent at any time; or

"(E) such interest was, at the time of the decedent's death, held by such person and the decedent (or by them and any other person) in joint ownership with right of survivorship; or

"(F) the decedent had a power (either alone or in conjunction with any person) to appoint such interest and if he appoints or has appointed such interest to such person, or if such person takes such interest in default upon the release or nonexercise of such power; or

"(G) such interest consists of proceeds of insurance upon the life of the decedent."

(b) The amendment made by subsection (a) of this section shall be applicable only with respect to estates of decedents dying after the date of the enactment of this act.

Sec. 362. Property previously taxed.

(a) Section 812 (c) of the Internal Revenue Code (relating to the deduction for property previously taxed) is hereby amended by adding after the first paragraph a new paragraph to read as follows:

"The following property shall not, for the purposes of this subsection, be considered as property with respect to which a deduction may be allowed: (A) property received from a prior decedent who died after the date of the enactment of the Revenue Act of 1948 and was at the time of such death the decedent's spouse, (B) property received by gift after such date from a donor who at the time of the gift was the decedent's spouse, and (C) property acquired in exchange for property described in clause (A) or (B)."

(b) Section 812 (c) is further amended by striking out "subsections (a) and (d)" and inserting in lieu thereof "subsections (a), (d), and (e)."

PART III—GIFT TAX

Sec. 371. Gifts of community property.

Section 1000 (d) of the Internal Revenue Code (relating to gifts of property held as community property) is amended by adding at the end thereof a new sentence to read as follows: "This subsection shall be applicable only to gifts made after the calendar year 1942 and on or before the date of the enactment of the Revenue Act of 1948."

Sec. 372. Marital deduction.

Section 1004 (a) of the Internal Revenue Code (relating to deductions in computing net gifts in the case of a citizen or resident of the United States) is hereby amended by adding at the end thereof a new paragraph to read as follows:

"(3) Gift to spouse—

"(A) In general: Where the donor transfers during the calendar year (and after the date of the enactment of the Revenue Act of 1948) by gift an interest in property to a donee who at the time of the gift is the donor's spouse—an amount with respect to such interest equal to one-half of its value.

"(B) Life estate or other terminable interest: Where, upon the lapse of time, upon the occurrence of an event or contingency, or upon the failure of an event or contingency to occur, such interest transferred to the spouse will terminate or fail, no deduction shall be allowed with respect to such interest—

"(i) if the donor retains in himself, or transfers or has transferred (for less than an adequate and full consideration in money or money's worth) to any person other than such donee spouse, an interest in such property, and if by reason of such retention or transfer the donor (or his heirs or assigns) or such person (or his heirs or assigns) may possess or enjoy any part of such property after such termination or failure of the interest transferred to the donee spouse; or

"(ii) if the donor immediately after the transfer to the donee spouse has a power to appoint an interest in such property which he can exercise (either alone or in conjunction with any person) in such manner that the appointee may possess or enjoy any part of such property after such termination or failure of the interest transferred to the donee spouse. For the purposes of this clause the donor shall be considered as having immediately after the transfer to the donee spouse such power to appoint even through such power cannot be exercised until after the lapse of time, upon the occurrence of an event or contingency, or upon the failure of an event or contingency to occur.

An exercise or release at any time by the donor, either alone or in conjunction with any person, of a power to appoint an interest in property, even though not otherwise a transfer, shall, for the purposes of clause (i) of this subparagraph, be considered as a transfer by him.

"(C) Joint interests: If the interest is transferred to the donee spouse as sole joint tenant with the donor or as tenant by the entirety, the interest of the donor in the property which exists solely by reason of the possibility that the donor may survive the donee spouse, or that there may occur a severance of the tenancy, shall not be considered for the purposes of subparagraph (B) as an interest retained by the donor in himself.

"(D) Trust with power of appointment in donee spouse: Where the donor transfers in trust an interest in property, and the trust will terminate upon the death of his spouse, and under the terms of the trust his spouse is entitled for her life to all the income from the corpus of the trust, payable annually or at more frequent intervals, with the power to appoint by will the entire corpus to her estate, and with no power in herself or any other person to appoint or invade any part of the corpus during her life—

"(i) the interest so transferred in trust shall, for the purposes of subparagraph (A), be considered as transferred to the donee spouse, and

"(ii) no part of the interest so transferred in trust shall, for the purposes of subparagraph (B) (i), be considered as retained in the donor or transferred to any person other than the donee spouse.

This subparagraph shall be applicable only if, under the terms of the trust, such power to appoint by will is exercisable in all events.

"(E) Community property: A deduction otherwise allowable under this paragraph shall be allowed only to the extent the transfer can be shown to represent a gift of property which does not fall within either of the two following classes:

"(i) Property which is, at the time of the gift, held as community property under the law of any State, Territory, or possession of the United States, or of any foreign country; or

"(ii) Property which, although not so held, was at any time acquired by the donor (by one exchange or by a series of exchanges) in exchange for his interest in property held by him and the donee spouse as community property."

Sec. 373. Technical amendment.

Section 1004 (c) of the Internal Revenue Code is hereby amended to read as follows:

"(c) Extent of deductions: The deductions provided in subsection (a) (2) or (3) or in subsection (b) shall be allowed only to the extent that the gifts therein specified are included in the amount of gifts against which such deductions are applied."

Sec. 374. Gift of husband or wife to third party.

Section 1000 of the Internal Revenue Code (relating to imposition of gift tax) is hereby amended by adding at the end thereof a new subsection to read as follows:

"(f) Gift of husband or wife to third party.—

"(1) Considered as made one-half by each.—

"(A) In general: A gift made after the date of the enactment of the Revenue Act of 1948 by one spouse to any person other than his spouse shall, for the purposes of this chapter, be considered as made one-half by him and one-half by his spouse, but only if at the time of the gift each spouse is a citizen or resident of the United States. For the purposes of this subsection an individual shall be considered as the spouse of another individual only if he is married to such individual at the time of the gift and does not remarry during the remainder of the calendar year.

"(B) Consent of both spouses: Subparagraph (A) shall be applicable only if both spouses have signified (in accordance with the regulations provided for in paragraph (2)) their consent to the application of subparagraph (A) in the case of all such gifts made during the calendar year by either while married to the other.

"(2) Time and manner of signifying consent: A consent under this subsection shall be signified at such time and in such manner as is provided under regulations prescribed by the Commissioner with the approval of the Secretary. The right to consent, and the right to revoke a consent previously signified, with respect to a calendar year, shall not exist on any day if a return for such year by one spouse (required otherwise than by reason of the application of paragraph (1)) filed on such day would be a return not timely filed.

"(3) Joint and several liability for tax: If the consent required by paragraph (1) (B) is signified with respect to a gift made in any calendar year the liability with respect to the entire tax imposed by this chapter of each spouse for such year shall be joint and several."

And in lieu thereof to insert the following:

PART II—ESTATE TAX

SUBPART 1—REPEAL OF 1942 COMMUNITY PROPERTY AMENDMENTS

Sec. 351. Transfers of community property in contemplation of death, etc.

Effective with respect to estates of decedents dying after the date of the enactment of this act, section 811 (d) (5) of the Internal Revenue Code (relating to transfers of community property in contemplation of death, etc.) is hereby repealed.

Sec. 352. Joint and community interests.

(a) Effective with respect to estates of decedents dying after the date of the enactment of this act, section 811 (e) (2) of the Internal Revenue Code (relating to inclusion of community property in gross estate of decendent) is hereby repealed.

(b) Such section 811 (e) is further amended—

(1) by striking out of the heading of such subsection the words "and community"; and

(2) by striking out of paragraph (1) the following: "(1) Joint interests.—."

Sec. 353. Proceeds of life insurance.

Effective with respect to estates of decedents dying after the date of the enactment of this act, section 811 (g) (4) of the Internal Revenue Code (relating to life insurance in the case of decedents in community property States) is hereby repealed.

SUBPART 2—MARITAL DEDUCTION FOR BEQUESTS, ETC., TO SPOUSE

Sec. 361. Marital deduction.

(a) Section 812 of the Internal Revenue Code (relating to deductions in computing net estate in the case of a citizen or resident of the United States) is hereby amended by adding at the end thereof a new subsection to read as follows:

"(e) Bequests, etc., to surviving spouse.—

"(1) Allowance of marital deduction.—

"(A) In general: An amount equal to the value of any interest in property which passes or has passed from the decedent to his surviving spouse, but only to the extent that such interest is included in determining the value of the gross estate.

"(B) Life estate or other terminable interest: Where, upon the lapse of time, upon the occurrence of an event or contingency, or upon the failure of an event or contingency to occur, such interest passing to the surviving spouse will terminate or fail, no deduction shall be allowed with respect to such interest—

"(i) if an interest in such property passes or has passed (for less than an adequate and full consideration in money or money's worth) from the decedent to any person other than such surviving spouse (or the estate of such spouse); and

"(ii) if by reason of such passing such person (or his heirs or assigns) may possess or enjoy any part of such property after such termination or failure of the interest so passing to the surviving spouse;

and no deduction shall be allowed with respect to such interest (even if such deduction is not disallowed under clauses (i) and (ii))—

"(iii) if such interest is to be acquired for the surviving spouse, pursuant to directions of the decedent, by his executor or by the trustee of a trust.

For the purposes of this subparagraph, an interest shall not be considered as an interest which will terminate or fail merely because it is the ownership of a bond, note, or similar contractual obligation, the discharge of which would not have the effect of an annuity for life or for a term.

"(C) Interest in unidentified assets: Where the assets (included in the decedent's gross estate) out of which, or the proceeds of which, an interest passing to the surviving spouse may be satisfied include a particular asset or assets with respect to which no deduction would be allowed if such asset or assets passed from the decedent to such spouse, then the value of such interest passing to such spouse shall, for the purposes of subparagraph (A), be reduced by the aggregate value of such particular assets.

"(D) Interest of spouse conditional on survival for limited period: For the purposes of subparagraph (B) an interest passing to the surviving spouse shall not be considered as an interest which will terminate or fail upon the death of such spouse if—

"(i) such death will cause a termination or failure of such interest only if it occurs within a period not exceeding 6 months after the decedent's death, or only if it occurs as a result of a common disaster resulting in the death of the decedent and the surviving spouse, or only if it occurs in the case of either such event; and

"(ii) such termination or failure does not in fact occur.

"(E) Valuation of interest passing to surviving spouse: In determining for the purposes of subparagraph (A) the value of any interest in property passing to the surviving spouse for which a deduction is allowed by this subsection—

"(i) there shall be taken into account the effect which a tax imposed by this chapter, or any estate, succession, legacy, or inheritance tax, has upon the net value to the surviving spouse of such interest; and

"(ii) where such interest or property is incumbered in any manner, or where the surviving spouse incurs any obligation imposed by the decedent with respect to the passing of such interest, such incumbrance or obligation shall be taken into account in the same manner as if the amount of a gift to such spouse of such interest were being determined.

"(F) Trust with power of appointment in surviving spouse: In the case of an interest in property passing from the decedent in trust, if under the terms of the trust his surviving spouse is entitled for life to all the income from the corpus of the trust, payable annually or at more frequent intervals, with power in the surviving spouse to appoint the entire corpus free of the trust (exercisable in favor of such surviving spouse, or of the estate of such surviving spouse, or in favor of either, whether or not in each case the power is exercisable in favor of others), and with no power in any other person to appoint any part of the corpus to any person other than the surviving spouse—

"(i) the interest so passing shall, for the purposes of subparagraph (A), be considered as passing to the surviving spouse, and

"(ii) no part of the interest so passing shall, for the purposes of subparagraph (B) (i), be considered as passing to any person other than the surviving spouse.

This subparagraph shall be applicable only if, under the terms of the trust, such power in the surviving spouse to appoint the corpus, whether exercisable by will or during life, is exercisable by such spouse alone and in all events.

"(G) Life insurance with power of appointment in surviving spouse: In the case of proceeds of insurance upon the life of the decedent receivable in annual or more frequent installments commencing within 1 year after the decedent's death, if under the terms of the policy all amounts payable during the life of the surviving spouse are payable only to such spouse, and if such spouse has the power to appoint all amounts payable after such spouse's death (exercisable in favor of the estate of such spouse, whether or not the power is exercisable in favor of others)—

"(i) such proceeds shall, for the purposes of subparagraph (A), be considered as passing to the surviving spouse, and

"(ii) no part of such proceeds shall, for the purposes of subparagraph (B) (i), be considered as passing to any person other than the surviving spouse.

This subparagraph shall be applicable only if, under the terms of the policy, such power in the surviving spouse to appoint, whether exercisable by will or during life, is exercisable by such spouse alone and in all events.

"(H) Limitation on aggregate of deductions: The aggregate amount of the deductions allowed under this paragraph (computed without regard to this subparagraph) shall not exceed 50 percent of the value of the adjusted gross estate, as defined in paragraph (2).

"(2) Computation of adjusted gross estate.—

"(A) General rule: Except as provided in subparagraph (B) of this paragraph the adjusted gross estate shall, for the purposes of paragraph (1) (H), be computed by subtracting from the entire value of the gross estate the aggregate amount of the deductions allowed by subsection (b) of this section.

"(B) Special rule in cases involving community property: If the decedent and his surviving spouse at any time held property as community property under the law of any State, Territory, or possession of the United States, or of any foreign country, then the

adjusted gross estate shall, for the purposes of paragraph (1) (H), be determined by subtracting from the entire value of the gross estate the sum of:

"(i) the value of property which is at the time of the death of the decedent held as such community property; and

"(ii) the value of property transferred by the decedent during his life, if at the time of such transfer the property was held as such community property; and

"(iii) the amount receivable as insurance under policies upon the life of the decedent to the extent purchased with premiums or other consideration paid out of property held as such community property; and

"(iv) an amount which bears the same ratio to the aggregate of the deductions allowed under subsection (b) of this section which the value of the property included in the gross estate, diminished by the amount subtracted under clauses (i), (ii), and (iii) of this subparagraph, bears to the entire value of the gross estate.

For the purposes of clauses (i), (ii), and (iii) community property (except property which is considered as community property solely by reason of the provisions of subparagraph (C) of this paragraph) shall be considered as not 'held as such community property' as of any moment of time, if, in case of the death of the decedent at such moment, such property (and not merely one-half thereof) would be or would have been includible in determining the value of his gross estate without regard to the provisions of section 811 (e) (2). The amount to be subtracted under clause (i), (ii), or (iii) shall not exceed the value of the interest in the property described therein which is included in determining the value of the gross estate.

"(C) Same—conversion into separate property.—

"(i) If during the calendar year 1942 or after the date of the enactment of the Revenue Act of 1948, property held as such community property (unless considered by reason of subparagraph (B) of this paragraph as not so held) was by the decedent and the surviving spouse converted, by one transaction or a series of transactions, into separate property of the decedent and his spouse (including any form of co-ownership by them), the separate property so acquired by the decedent and any property acquired at any time by the decedent in exchange therefor (by one exchange or a series of exchanges), shall, for the purposes of clauses (i), (ii), and (iii) of subparagraph (B), be considered as 'held as such community property.'

"(ii) Where the value (at the time of such conversion) of the separate property so acquired by the decedent exceeded the value (at such time) of the separate property so acquired by the decedent's spouse, the rule in clause (i) shall be applied only with respect to the same portion of such separate property of the decedent as the portion which the value (as of such time) of such separate property so acquired by the decedent's spouse is of the value (as of such time) of the separate property so acquired by the decedent.

"(3) Definition: For the purposes of this subsection an interest in property shall be considered as passing from the decedent to any person if and only if—

"(A) such interest is bequeathed or devised to such person by the decedent; or

"(B) such interest is inherited by such person from the decedent; or

"(C) such interest is the dower or curtesy interest (or statutory interest in lieu thereof) of such person as surviving spouse of the decedent; or

"(D) such interest has been transferred to such person by the decedent at any time; or

"(E) such interest was, at the time of the decedent's death, held by such person and the decedent (or by them and any other person) in joint ownership with right of survivorship; or

"(F) the decedent had a power (either alone or in conjunction with any person) to appoint such interest and if he appoints or has appointed such interest to such person, or if such person takes such interest in default upon the release or nonexercise of such power; or

"(G) such interest consists of proceeds of insurance upon the life of the decedent receivable by such person.

Except as provided in subparagraph (F) or (G) of paragraph (1), where at the time of the decedent's death it is not possible to ascertain the particular person or persons to whom an interest in property may pass from the decedent, such interest shall, for the purposes of clauses (i) and (ii) of subparagraph (B) of paragraph (1), be considered as passing from the decedent to a person other than the surviving spouse.

"(4) Disclaimers.—

"(A) By surviving spouse: If under this subsection an interest would, in the absence of a disclaimer by the surviving spouse, be considered as passing from the decedent to such spouse, and if a disclaimer of such interest is made by such spouse, then such interest shall, for the purposes of this subsection, be considered as passing to the person or persons entitled to receive such interest as a result of the disclaimer.

"(B) Disclaimer by any other person: If under this subsection an interest would, in the absence of a disclaimer by any person other than the surviving spouse, be considered as passing from the decedent to such person, and if a disclaimer of such interest is made by such person and as a result of such disclaimer the surviving spouse is entitled to receive such interest, then such interest shall, for the purposes of this subsection, be considered as passing, not to the surviving spouse, but to the person who made the disclaimer, in the same manner as if the disclaimer had not been made."

(b) The amendment made by subsection (a) of this section shall be applicable only with respect to estates of decedents dying after the date of the enactment of this act.

Sec. 362. Property previously taxed.

(a) Section 812 (c) of the Internal Revenue Code (relating to the deduction for property previously taxed) is hereby amended by adding after the first paragraph two new paragraphs to read as follows:

"The following property shall not, for the purposes of this subsection, be considered as property with respect to which a deduction may be allowed: (A) property received from a prior decedent who died after the date of the enactment of the Revenue Act of 1948 and was at the time of such death the decedent's spouse, (B) property received by gift after such date from a donor who at the time of the gift was the decedent's spouse, and (C) property acquired in exchange for property described in clause (A) or (B).

"Where, under the provisions of section 1000 (f), a gift received by the decendent was considered as made one-half by the donor and one-half by the donor's spouse, one-half of the gift shall be considered as received by the decedent from each such spouse."

(b) Section 812 (c) is further amended by striking out "subsections (a) and (d)" and inserting in lieu thereof "subsections (a), (d), and (e)."

Sec. 363. Credit for gift tax.

(a) Section 813 (a) (2) (A) of the Internal Revenue Code (relating to credit for gift tax) is hereby amended by inserting before the period at the end thereof the following: "reduced by the aggregate amount of the deductions allowed under subsections (d) and (e) of section 812."

(b) Subparagraph (B) of section 813 (a) (2) of the Internal Revenue Code (relating to credit for gift tax) is hereby amended to read as follows:

"(B) In applying, with respect to any gift, the ratio stated in subparagraph (A), the value at the time of the gift or at the time of the death, referred to in such ratio, shall be reduced—

"(i) by such amount as will properly reflect the amount of such gift which was excluded in determining (for the purposes of sec. 1003 (a), or of sec. 504 (a) of the Revenue Act of 1932) the total amount of gifts made during the year in which the gift was made;

"(ii) if a deduction with respect to such gift is allowed under section 812 (e) (the so-called 'marital deduction')—then by an amount which bears the same ratio to such value (reduced as provided in clause (i) of this subparagraph) as the aggregate amount of the marital deductions allowed under section 812 (e) bears to the aggregate amount of such marital deductions computed without regard to subparagraph (H) of section 812 (e) (1); and

"(iii) if a deduction with respect to such gift is allowed under section 812 (d) (the so-called 'charitable deduction')—then by the amount of such value, reduced as provided in clause (i) of this subparagraph.

"(C) Where the decedent was the donor of the gift but, under the provisions of section 1000 (f), the gift was considered as made one-half by his spouse—

"(i) the term 'the amount of the tax paid under chapter 4', as used in subparagraph (A) of this paragraph, includes the amounts paid with respect to each half of such gift, the amount paid with respect to each being computed in the manner provided in subparagraph (D); and

"(ii) in applying, with respect to such gift, the ratio stated in subparagraph (A) of this paragraph, the value at the time of the gift or at the time of the death, referred to in such ratio, includes such value with respect to each half of such gift, each such value being reduced as provided in clause (i) of subparagraph (B) of this paragraph.

"(D) (i) For the purposes of subparagraph (A), the amount of tax paid under chapter 4, or under title III of the Revenue Act of 1932, with respect to any gift shall be an amount which bears the same ratio to the total tax paid for the year in which the gift was made as the amount of such gift bears to the total amount of net gifts (computed without deduction of the specific exemption) for such year.

"(ii) For the purposes of clause (i) the 'amount of such gift' shall be the amount included with respect to such gift in determining (for the purposes of section 1003 (a), or of section 504 (a) of the Revenue Act of 1932) the total amount of gifts made during such year, reduced by the amount of any deduction allowed with respect to such gift under section 1004 (a) (2), or under section 505 (a) (2) of the Revenue Act of 1932 (the so-called 'charitable deduction'), or under section 1004 (a) (3) (the so-called 'marital deduction')."

(c) Section 936 (b) (1) of the Internal Revenue Code (relating to credit for gift tax) is hereby amended by inserting after the words "entire gross estate" in clause (A) thereof the following: "reduced by the aggregate amount of the deductions allowed under subsections (d) and (e) of section 812."

(d) Paragraph (2) of section 936 (b) of the Internal Revenue Code (relating to credit for gift tax) is hereby amended to read as follows:

"(2) In applying, with respect to any gift, the ratio stated in clause (A) of paragraph (1), the value at the time of the gift or at

the time of the death, referred to in such ratio, shall be reduced—

"(A) by such amount as will properly reflect the amount of such gift which was excluded in determining (for the purposes of section 1003 (a), or of section 504 (a) of the Revenue Act of 1932) the total amount of gifts made during the year in which the gift was made;

"(B) if a deduction with respect to such gift is allowed under section 812 (e) (the so-called 'marital deduction')—then by an amount which bears the same ratio to such value (reduced as provided in subparagraph (A) of this paragraph) as the aggregate amount of the marital deductions allowed under section 812 (e) bears to the aggregate amount of such marital deductions computed without regard to subparagraph (H) of section 812 (e) (1); and

"(C) if a deduction with respect to such gift is allowed under section 812 (d) (the so-called charitable deduction)—then by the amount of such value, reduced as provided in subparagraph (A) of this paragraph.

"(3) Where the decedent was the donor of the gift but, under the provisions of section 1000 (f), the gift was considered as made one-half by his spouse—

"(A) the term 'the amount of the tax paid under chapter 4,' as used in paragraph (1) of this subsection, includes the amounts paid with respect to each half of such gift, the amount paid with respect to each being computed in the manner provided in paragraph (4); and

"(B) in applying, with respect to such gift, the ratio stated in clause (A) of paragraph (1), the value at the time of the gift or at the time of the death, referred to in such ratio, includes such value with respect to each half of such gift, each such value being reduced as provided in subparagraph (A) of paragraph (2).

"(4) (A) For the purposes of paragraph (1), the amount of tax paid under chapter 4, or under title III of the Revenue Act of 1932, with respect to any gift shall be an amount which bears the same ratio to the total tax paid for the year in which the gift was made as the amount of such gift bears to the total amount of net gifts (computed without deduction of the specific exemption) for such year.

"(B) For the purposes of subparagraph (A) the 'amount of such gift' shall be the amount included with respect to such gift in determining (for the purposes of section 1003 (a), or of section 504 (a) of the Revenue Act of 1932) the total amount of gifts made during such year, reduced by the amount of any deduction allowed with respect to such gift under section 1004 (a) (2), or under section 505 (a) (2) of the Revenue Act of 1932 (the so-called 'charitable deduction'), or under section 1004 (a) (3) (the so-called 'martial deduction')."

(e) The amendments made by the section shall be applicable only with respect to the estates of decedents dying after the date of the enactment of this act.

Sec. 364. Optional valuation.

The last sentence of section 811 (j) of the Internal Revenue Code (relating to optional valuation) is hereby amended to read as follows: "In case of an election made by the executor under this subsection, then—

"(A) for the purposes of the deduction under section 812 (d) or section 861 (a) (3), any bequest, legacy, devise, or transfer enumerated therein, and

"(B) for the purposes of the deduction under section 812 (e), any interest in property passing to the surviving spouse,

shall be valued as of the date of the decedent's death with adjustment for any difference in value (not due to mere lapse of time or the occurrence or nonoccurrence of a contingency) of the property as of the date 1 year after the decedent's death (substituting, in the case of property distributed by the executor or trustee, or sold, exchanged, or otherwise disposed of, during such 1-year period, the date thereof).

Sec. 365. Liability of life-insurance beneficiaries, etc.

(a) Section 826 (c) of the Internal Revenue Code (relating to liability of life-insurance beneficiaries) is hereby amended by adding at the end thereof the following new sentence: "In the case of such proceeds receivable by the surviving spouse of the decedent for which a deduction is allowed under section 812 (e) (the so-called 'marital deduction'), this subsection shall not apply to such proceeds except as to the amount thereof in excess of the aggregate amount of the marital deductions allowed under such subsection."

(b) Section 826 (d) of the Internal Revenue Code (relating to liability of recipient of property over which decedent had power of appointment) is hereby amended by adding at the end thereof the following new sentence: "In the case of such property received by the surviving spouse of the decedent for which a deduction is allowed under section 812 (e) (the so-called 'marital deduction'), this subsection shall not apply to such property except as to the value thereof reduced by an amount equal to the excess of the aggregate amount of the marital deductions allowed under section 812 (e) over the amount of proceeds of insurance upon the life of the decedent receivable by the surviving spouse for which proceeds a marital deduction is allowed under such subsection."

Sec. 366. Basis of surviving spouse's interest in community property

Section 113 (a) (5) of the Internal Revenue Code (relating to basis of property transmitted at death) is hereby amended by adding at the end thereof the following new sentence: "For the purposes of this paragraph the surviving spouse's one-half share of community property held by the decedent and the surviving spouse under the community-property laws of any State, Territory, or possession of the United States or any foreign country shall be considered to be property 'acquired by bequest, devise, or inheritance' from the decedent, if the death of the decedent was after the date of the enactment of the Revenue Act of 1948, and if at least one-half of the whole of the community interest in such property was includible in determining the value of the decedent's gross estate under section 811."

PART III—GIFT TAX

Sec. 371. Gifts of community property.

Section 1000 (d) of the Internal Revenue Code (relating to gifts of property held as community property) is amended by adding at the end thereof a new sentence to read as follows: "This subsection shall be applicable only to gifts made after the calendar year 1942 and on or before the date of the enactment of the Revenue Act of 1948."

Sec. 372. Marital deduction.

Section 1004 (a) of the Internal Revenue Code (relating to deductions in computing net gifts in the case of a citizen or resident of the United States) is hereby amended by adding at the end thereof a new paragraph to read as follows:

"(3) Gift to spouse.—

"(A) In general: Where the donor transfers during the calendar year (and after the date of the enactment of the Revenue Act of 1948) by gift an interest in property to a donee who at the time of the gift is the donor's spouse—an amount with respect to such interest equal to one-half of its value.

"(B) Life estate or other terminable interest: Where, upon the lapse of time, upon the occurrence of an event or contingency, or upon the failure of an event or contingency to occur, such interest transferred to the spouse will terminate or fail, no deduction shall be allowed with respect to such interest—

"(i) if the donor retains in himself, or transfers or has transferred (for less than an adequate and full consideration in money or money's worth) to any person other than such donee spouse (or the estate of such spouse), an interest in such property, and if by reason of such retention or transfer the donor (or his heirs or assigns) or such person (or his heirs or assigns) may possess or enjoy any part of such property after such termination or failure of the interest transferred to the donee spouse; or

"(ii) if the donor immediately after the transfer to the donee spouse has a power to appoint an interest in such property which he can exercise (either alone or in conjunction with any person) in such manner that the appointee may possess or enjoy any part of such property after such termination or failure of the interest transferred to the donee spouse. For the purposes of this clause the donor shall be considered as having immediately after the transfer to the donee spouse such power to appoint even though such power cannot be exercised until after the lapse of time, upon the occurrence of an event or contingency, or upon the failure of an event or contingency to occur.

An exercise or release at any time by the donor, either alone or in conjunction with any person, of a power to appoint an interest in property, even though not otherwise a transfer, shall, for the purposes of clause (i) of this subparagraph, be considered as a transfer by him. Except as provided in subparagraph (E), where at the time of the transfer it is impossible to ascertain the particular person or persons who may receive from the donor an interest in property so transferred by him, such interest shall, for the purposes of clause (i) of this subparagraph, be considered as transferred to a person other than the donee spouse.

"(C) Where the assets out of which, or the proceeds of which, the interest transferred to the donee spouse may be satisfied include a particular asset or assets with respect to which no deduction would be allowed if such asset or assets were transferred from the donor to such spouse, then the value of the interest transferred to such spouse shall, for the purposes of subparagraph (A), be reduced by the aggregate value of such particular assets.

"(D) Joint interests: If the interest is transferred to the donee spouse as sole joint tenant with the donor or as tenant by the entirety, the interest of the donor in the property which exists solely by reason of the possibility that the donor may survive the donee spouse, or that there may occur a severance of the tenancy, shall not be considered for the purposes of subparagraph (B) as an interest retained by the donor in himself.

"(E) Trust with power of appointment in donee spouse: Where the donor transfers in trust an interest in property, if under the terms of the trust his spouse is entitled for life to all the income from the corpus of the trust, payable annually or at more frequent intervals, with power in the donee spouse to appoint the entire corpus free of the trust (exercisable in favor of such donee spouse, or of the estate of such donee spouse, or in favor of either whether or not in each case the power is exercisable in favor of others), and with no power in any other person to appoint any part of the corpus to any person other than the donee spouse—

"(i) the interest so transferred in trust shall, for the purposes of subparagraph (A), be considered as transferred to the donee spouse, and

"(ii) no part of the interest so transferred in trust shall, for the purposes of subpara-

graph (B) (i), be considered as retained in the donor or transferred to any person other than the donee spouse.

This subparagraph shall be applicable only if, under the terms of the trust, such power in the donee spouse to appoint the corpus, whether exercisable by will or during life, is exercisable by such spouse alone and in all events.

"(F) Community property—

"(i) A deduction otherwise allowable under this paragraph shall be allowed only to the extent that the transfer can be shown to represent a gift of property which is not, at the time of the gift, held as community property under the law of any State, Territory, or possession of the United States, or of any foreign country.

"(ii) For the purposes of clause (i), community property (except property which is considered as community property solely by reason of the provisions of clause (iii)) shall not be considered as 'held as community property' if the entire value of such property (and not merely one-half thereof) is treated as the amount of the gift.

"(iii) If during the calendar year 1942 or after the date of the enactment of the Revenue Act of 1948 property held as such community property (unless considered by reason of clause (ii) as not so held) was by the donor and the donee spouse converted, by one transaction or a series of transactions, into separate property of the donor and such spouse (including any form of co-ownership by them), the separate property so acquired by the donor and any property acquired at any time by the donor in exchange therefor (by one exchange or a series of exchanges) shall, for the purposes of clause (i), be considered as 'held as community property.'

"(iv) Where the value (at the time of such conversion) of the separate property so acquired by the donor exceeded the value (at such time) of the separate property so acquired by such spouse, the rule in clause (iii) shall be applied only with respect to the same portion of such separate property of the donor as the portion which the value (as of such time) of such separate property so acquired by such spouse is of the value (as of such time) of the separate property so acquired by the donor."

Sec. 373. Technical amendment.

Section 1004 (c) of the Internal Revenue Code is hereby amended to read as follows:

"(c) Extent of deductions: The deductions provided in subsection (a) (2) or (3) or in subsection (b) shall be allowed only to the extent that the gifts therein specified are included in the amount of gifts against which such deductions are applied."

Sec. 374. Gift of husband or wife to third party.

Section 1000 of the Internal Revenue Code (relating to imposition of gift tax) is hereby amended by adding at the end thereof a new subsection to read as follows:

"(f) Gift of husband or wife to third party.—

"(1) Considered as made one-half by each.—

"(A) In general: A gift made after the date of the enactment of the Revenue Act of 1948 by one spouse to any person other than his spouse shall, for the purposes of this chapter, be considered as made one-half by him and one-half by his spouse, but only if at the time of the gift each spouse is a citizen or resident of the United States. This subparagraph shall not apply with respect to a gift by a spouse of an interest in property if he creates in his spouse a power of appointment, as defined in subsection (c) of this section, over such interest. For the purposes of this subsection an individual shall be considered as the spouse of another individual only if he is married to such individual at the time of the gift and does not remarry during the remainder of the calendar year.

"(B) Consent of both spouses: Subparagraph (A) shall be applicable only if both spouses have signified (in accordance with the regulations provided for in paragraph (2)) their consent to the application of subparagraph (A) in the case of all such gifts made during the calendar year by either while married to the other.

"(2) Manner and time of signifying consent:

"(A) Manner: A consent under this subsection shall be signified in such manner as is provided under regulations prescribed by the Commissioner with the approval of the Secretary.

"(B) Time: Such consent may be so signified at any time after the close of the calendar year in which the gift was made, subject to the following limitations—

"(i) the consent may not be signified after the 15th day of March following the close of such year, unless before such 15th day no return has been filed for such year by either spouse, in which case the consent may not be signified after a return for such year is filed by either spouse;

"(ii) the consent may not be signified after a notice of deficiency with respect to the tax for such year has been sent to either spouse in accordance with section 1012 (a).

"(3) Revocation of consent: Revocation of a consent previously signified shall be made in such manner as is provided under regulations prescribed by the Commissioner with the approval of the Secretary, but the right to revoke a consent previously signified with respect to a calendar year—

"(A) shall not exist after the 15th day of March following the close of such year if the consent was signified on or before such 15th day; and

"(B) shall not exist if the consent was not signified until after such 15th day.

"(4) Joint and several liability for tax: If the consent required by paragraph (1) (B) is signified with respect to a gift made in any calendar year the liability with respect to the entire tax imposed by this chapter of each spouse for such year shall be joint and several."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. CONNALLY] to the committee amendment.

Mr. CONNALLY. Mr. President, this amendment has for its purpose making effective retroactively the repeal of the provisions of the act of 1942, which imposed upon community estates subject to inheritance taxes a tax upon all the estate, rather than the particular half.

What is the history of this matter? The bill recognizes the injustice of the act of 1942 by repealing that feature of it, but it repeals it only prospectively, only in the future. In the meantime, since 1942, both wives and husbands in the community-property States have had to labor under the injustice and wrong of double taxation in connection with inheritances and estates. We recognize that that was wrong and unjust by repealing that provision of the law so far as the future is concerned. The effect of this amendment is to make the repeal retroactive and give relief to those taxpayers, husbands, and wives, who were assessed a double penalty under the act of 1942.

The community-property States have always maintained the theory and the law that one-half of the community property belonged to the wife in her own right, and did not pass by inheritance, and should not be subjected to inheritance tax. The act of 1942, as applied to estate taxes, provided that if one of the spouses died, the other would have to pay on the entire estate, instead of on his half.

Mr. President, the pending bill is liberal to the common-law States. Under the terms of the bill we are permitting income taxpayers in all the States—community-property States and common-law States—to divide their income. We of the community-property States are not resisting that provision. The common-law States are getting a great deal of advantage. We feel that the entire situation should be properly adjusted, and that justice should be done to those who were caught within this trap, as it were, from 1942 to the present time.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HATCH. The Senator has used the expression "double taxation," which I think is an unfortunate expression. It is not double taxation.

Mr. CONNALLY. I withdraw the expression.

Mr. HATCH. When a man died in my State and the property passed to the wife, one-half passed to her by inheritance. The other half did not pass by inheritance. It was her own property, under the laws of my State which have existed for many years. But the Federal Government levied an estate tax upon the half which belonged to the wife and was not inherited. It is not double taxation. It is unjust, unfair, and confiscatory taxation.

Mr. CONNALLY. I thank the Senator. I probably used an inaccurate term. However, if the Senator was following my remarks, he will remember that I had already explained that in community-property States the wife's half of the property was her own. She did not acquire it by inheritance or by devise. It was her own. That was the case up until 1942. I do not wish to criticize the Finance Committee, of which I have been a member for many years, but in 1942, in a spirit of recrimination, this punitive tax was levied on all the estate, whether it belonged to the wife or to the husband, or whether it belonged to the community.

The result has been that in my State in several glaring instances the wife has been forced to pay on the entire estate, half of which she already owned, half of which was hers.

So far as the community-property law is concerned, my State has had such a law for a hundred years. It was no device to avoid taxation. It was a great social policy of allowing the earnings of the husband and wife to be divided half and half. It was a progressive measure. That has been the law for 100 years; but in 1942, in a spirit of getting even, as it were, with the community-property States for the income-tax advantages which they had theretofore enjoyed, Congress adopted this punitive measure, saying, "If one of you dies the other will have to pay on all the estate, just as if it belonged to one of you."

The result has been in many cases that the widow has been practically impoverished. She has to pay this double

amount—I will not use the expression "double taxation"—of revenue to the Federal Government on her own property, when she is not yet dead. When she does die, her children must pay another inheritance tax on her part of what she gets from her husband. It is unjust and unfair.

To make this repeal retroactive, and to refund to those taxpayers what they are justly entitled to, would cost the Treasury about $80,000,000. Mr. President, are we going to weigh justice, equity, and fair dealing on one side of the scale, and money on the other side? If this proposal is just and right, we ought to make those persons whole. The bill recognizes that it is a just proposal. The bill recognizes that the act of 1942 was unjust, because it repeals it as to the future. But if it is right to repeal it as to the future, it ought to be right to make the repeal retroactive.

Let me show what else the bill does in behalf of the common-law States. Under the terms of the bill taxpayers in the common-law States are permitted to split their income with husbands or wives for the purpose of income-tax payment, which will cost the Treasury $500,000,000 a year. We of the community-property States are not complaining. We are willing that taxpayers in the common-law States should have the advantage of the income-splitting provision.

What else does the bill do? It provides that in a common-law State, when a husband or wife dies, the survivor may deduct one-half of the entire estate when it comes to paying inheritance or estate taxes. True, that is a fiction, a creation of the law; but the law arbitrarily gives to every estate-tax payer a deduction of one-half of the entire estate, and he does not pay a cent on it. Yet Congress has laid its heavy hand on taxpayers in community-property States for the past 6 years. The Government has collected twice as much money as should have been collected. Congress now admits that the Government should never have collected it. It admits that it would be wrong to do it in the future. If it is wrong to collect it in the future, it is wrong to retain it after having collected it.

The common-law States receive a great advantage under the terms of the pending bill. We are not complaining. We have never complained of the rights of the common-law-property States. In the past we have only maintained what the Supreme Court said was the law. We have only maintained what the Internal Revenue Bureau ruled was the law. We have only contended for our own laws, which are a hundred years old. Shortly after my State came into the Union it enacted laws which provided that the common earnings of the husband and wife, after coverture, should belong one-half to the husband and one-half to the wife. That is a humane law; it is a just law. It should be the law in every State of the Union.

But we are not seeking to dictate that. We are not seeking to impose our will upon others. We do protest, however, against the heavy hand of the Federal Government during that 6-year period extorting from the widows and children and other dependents of deceased taxpayers double the amount they should have paid. It is admitted now that that was wrong, and that in the future it should not occur. Mr. President, if it should not occur in the future, it should not have occurred in the past.

So, in a spirit of fairness and equity and justice, I appeal to the Senate to adopt this amendment. It is to be adopted for the future; in this bill allowance will arbitrarily be made to the survivor for a credit of one-half of all the property, although all of it may already belong to him, and not to his wife.

I hope the Senator from Colorado will not be so persuasive and eloquent as he usually is, in resisting this amendment. I feel that in his heart the Senator from Colorado recognizes the justice of my amendment because he has approved the repeal of this provision of the act. He has approved the adoption of a policy providing that it shall not obtain in the future. Knowing the high principles of the Senator from Colorado and his high concept of justice and equity, I cannot believe that he would think that although it is right to wash it out as to the future it is proper to hold on to these ill-gotten gains, which were extorted from the taxpayer and poured into the Treasury, in discrimination against the residents of the community-property States. It was a rank injustice and discrimination. It was permitted—and I was on the committee, and I should know something about it—in a spirit of recrimination, in a punitive move, in a desire to get even, as it were, with the community-property States which had been enjoying, as was contended by those opposing it, a special privilege in connection with income-tax payments.

Now the provision of the act of 1942 is to be wiped out. We do not object to those in other States having split incomes. It will cost the Treasury $500,000,000 to do that. Certainly, I think, we should have back the little $80,000,000 which the Government has taken from us unjustly, wrongfully, and in violation of the spirit of fairness.

So, Mr. President, I appeal to the Senate to adopt this amendment.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. O'MAHONEY. I understood the Senator to say a moment ago that the Senate had already adopted the committee amendment.

Mr. CONNALLY. No; it has not yet been adopted; the Senator misunderstood me. What I meant was that in the bill it is provided that as to the future this discrimination shall cease.

Mr. O'MAHONEY. I thank the Senator, because I wish to make a few remarks upon the committee amendment.

Mr. MILLIKIN. Mr. President, I am somewhat embarrassed in resisting this amendment. I participated in the vote by which the 1942 act was enacted. In the light of backsight, it seems to me that the vote was wrong and should not have been cast.

Mr. CONNALLY. I thank the Senator.

Mr. MILLIKIN. The sole question is, What should be done about it? The committee has presented to the Senate a bill which from now on will rectify whatever wrong there was in that. The question is whether retroactive redress should be afforded.

If I could consider this matter solely by itself, I would be greatly tempted by the blandishments of the distinguished senior Senator from Texas. But frankly, Mr. President, the light of backsight points out so many errors in our legislative processes, so many errors in tax matters, so many errors all the way along the line, that our Treasury simply could not stand their retroactive redress. I think we have had unconscionable income-tax rates for a long time. I have wished for a long time that we could have increased the exemptions in the law. The common-law States undoubtedly believe that they should have been entitled to split incomes and the other benefits of this bill for a long time. All the way across the whole field of legislation, in the light of backsight, we find governmental injustices.

I fear this proposal as a precedent. I am afraid that if we did this thing, it would dog us for as long as we continue to be here, in any direction in which anyone could show there had been an injustice by legislation.

This measure would increase the extent of the reduction by, I am told, from $90,000,000 to $100,000,000. That is another factor to be considered.

Mr. CONNALLY. It would be $85,000,000.

Mr. MILLIKIN. But I put my main objection to it on the ground that it is a precedent which I respectfully suggest we cannot afford to establish; because if we did, anyone who could show that he had been injured by the maintenance of an unjust tax rate, could with equally good argument show that we should make his loss good, all the way back to the time when the tax was first imposed. I do not think that is a sound principle of government.

Mr. CONNALLY. Mr. President, I thank the Senator for his admission that the act was unjust when it was enacted. It was wrong and unjust, and it has been unjust for 6 years.

The Senator says that will be fixed for the future under this bill. But, Mr. President, a man does not die twice. A man on whose estate a tax is paid dies only once. If his widow marries again, and subsequently she dies, the tax will be paid, of course.

Mr. President, it was wrong for the Government to slip its hand into the pockets of these estate-tax payers and take money which did not belong to the Government and which we say now the Government should not have taken. We say it was wrong, and that it is stained all over with guilt and shame; but now some would have us say that we need the money and we are going to keep it. That is the doctrine of the pickpocket and the highjacker: "I need the money, and I will take it and keep it."

Mr. President, I have the highest affection for the Senator from Colorado. I go beyond admiration; I have the highest affection for him. Why does not the Senator soften up the doctrine and let the amendment be adopted and go to conference. I hope the Senator will let

the milk of human kindness come up to the level of his logic of a while ago, when he said this tax should never have been adopted, that he did wrong when he voted for it in the committee, and that the Congress did wrong in enacting it, and that the Treasury has been doing wrong all the time in collecting this unearned money.

Mr. President, I appeal to the Senate to adopt this amendment and do justice.

The Senator from Colorado has said that other taxpayers will be trooping up here; that this will constitute a precedent for every person who thinks he was wronged by some law away back yonder and that all such persons will want relief. Mr. President, this proposal does not apply to an individual. It applies to a whole class. The act of 1942 was aimed at a whole class. The taxpayers of noncommunity-property States will get the benefit of a $500,000,000 reduction under the split-income provision; they will receive the double allowance as a reduction. So, in the case of inheritance taxes or estate taxes we should now be given back what was unjustly taken away from us, before the people of other States reach into the Treasury and gobble up a lot of money that they never have enjoyed, on the plea that that is just.

Mr. President, I ask the Senate to adopt this amendment and do a just act.

Mr. MILLIKIN. Mr. President——

The PRESIDENT pro tempore. The Senator from Colorado.

Mr. O'DANIEL. Mr. President, will the Senator yield to me?

Mr. MILLIKIN. I yield.

Mr. O'DANIEL. Mr. President, I am in favor of the amendment offered by my colleague. It embraces only simple justice. It seeks to correct a gross injustice imposed on citizens of community-property States since 1942. The Senate Finance Committee recognizes that injustice and has adopted an amendment to repeal the law that caused the injustice. Inasmuch as this has been done, it is only fair that the committee amendment be made retroactive to 1942, and that restitution be made of the taxes unjustly collected during that time.

Mr. President, I come with clean hands to plead for justice for the citizens of my State, and other community-property States, because when the citizens of other States were being unjustly taxed, I plead for justice for them. Last year the able Senator from Arkansas [Mr. McCLELLAN] introduced an amendment which would give to the husbands and wives of non-community-property States the same income-tax status as our married people had. I spoke in favor of his amendment and voted for its enactment. His amendment was not adopted then, but the same proposal is included in the present tax bill, and I favor it.

But while we are adjusting this inequity against the husbands and wives of the common-law States, let us also remove the injustice that has been imposed on the married couples of our community-property States, by approving the pending amendment introduced by my colleague [Mr. CONNALLY].

The able Senator from Colorado [Mr. MILLIKIN] has stated that to approve this amendment would establish a precedent and cause people to seek refunds in other cases. It may be that there have been inequities in other tax laws, but if so, those inequities affected people of all our 48 States. The inequity in this case affects people in only 10 community-property States. The other 38 States of course can outvote us, but are we going to use might instead of right in this Senate? We claim to be a Nation of people who resent using might, and condemn aggressor nations which override small nations. Let us practice what we preach. Let not the Senators of 38 noncommunity-property States use their overwhelming majority of votes to inflict injustice on the 10 community-property States. Let me plead with Senators to use right and justice as their guide in voting on this amendment.

The estate and inheritance tax provisions of 1942 were wrong. We now recognize that fact, and are repealing same. These taxes will be figured properly after this bill is enacted into law, but while we are repealing the law, or correcting it, we should go further and adopt Mr. CONNALLY'S amendment so that those who have been overtaxed during the past 6 years may be given a refund.

Mr. HATCH. Mr. President, will the Senator yield for just a word?

Mr. MILLIKIN. I yield to the Senator from New Mexico.

Mr. HATCH. Mr. President, I hope the Senator from Colorado, whose approach to the entire bill may be said without flattery to have been fair and reasonable, will reconsider his position and will not only agree to take the amendment to conference, but will agree to fight valiantly for it. The distinguished and able lawyer from Colorado will without doubt agree with me that it is wrong and unfair to levy an inheritance or estate tax upon property of the living. That is true, is it not? But that is exactly what the law of 1942 did. It levied an inheritance tax upon the living, which the people of my State were required to pay. Some of them had to sell their property at a great sacrifice, and the businesses of others were ruined, because of this unfair, unjust, and wrongful tax.

Mr. President, I am quite sure the Senator agrees with me. I recognize that he has his troubles as chairman of the committee, particularly in his efforts to avoid unwise precedents. A precedent is being established in this matter; but it is the first instance that has come to my attention of taxes being collected in this manner. It is wrong, unjust, and unfair. I do not think another instance of it can be found. If we concede that it is wrong, unjust, and unfair, then we should establish a precedent of righting the wrong.

Mr. President, I am not afraid to have the Congress place itself on record by saying that in any instance similar to the one under discussion, where a manifest wrong has been perpetrated, the Government will right that wrong. As an American citizen, Mr. President, I should be proud of my Government if it were to take that stand by saying that where a wrong or injustice has been done, the Government will right the wrong. I do not fear that kind of precedent.

Mr. MILLIKIN. Mr. President, the tax being considered was enacted in 1942, in order to obtain revenue in connection with a war. The same is true of several of the inequitable and unjust excise taxes. It is also true of the confiscatory income-tax rates, and of many other exactions imposed by the Government. If this be called an injustice, in view of its war origin, and if, therefore, retroactive relief should be given, the same argument is available for retroactive relief against excessive and inequitable excise taxes. The same argument is available for retroactive relief against excessive income taxes. The same argument is available for retroactive adjustment in common-law States of the split-income principle.

The Senate is now adopting the community-property system for income-tax purposes. If that is right today, it was also right in 1942. By the same line of argument, one could seek to repeal retroactively the provision of the present law, and a retroactive adjustment would be necessary. I hope the amendment will be rejected.

Mr. CONNALLY. Mr. President, I want to add only a word. The excise taxes and other taxes to which the Senator has referred were taxes upon everybody. They were general taxes. The tax under consideration was leveled at a particular group, a particular segment, and therefore its injustice is all the more apparent.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Texas.

Mr. MILLIKIN. I request the yeas and nays.

The yeas and nays were ordered.

Mr. O'DANIEL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	O'Conor
Baldwin	Hoey	O'Daniel
Barkley	Holland	O'Mahoney
Bricker	Ives	Overton
Bridges	Johnson, Colo.	Pepper
Buck	Johnston, S. C.	Reed
Butler	Kem	Revercomb
Byrd	Kilgore	Robertson, Va.
Cain	Knowland	Robertson, Wyo.
Capehart	Langer	Russell
Capper	Lodge	Saltonstall
Connally	Lucas	Smith
Cooper	McCarran	Sparkman
Cordon	McCarthy	Stewart
Donnell	McFarland	Taft
Dworshak	McGrath	Thomas, Okla.
Eastland	McKellar	Thomas, Utah
Ecton	McMahon	Thye
Ellender	Magnuson	Tobey
Ferguson	Malone	Umstead
Flanders	Martin	Vandenberg
Green	Maybank	Watkins
Gurney	Millikin	Wherry
Hatch	Moore	Wiley
Hawkes	Morse	Williams
Hayden	Murray	Young
Hickenlooper	Myers	

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

The question is on the amendment offered by the Senator from Texas [Mr.

CONNALLY], on which the yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], and the Senator from Indiana [Mr. JENNER] are necessarily absent. If present and voting, the Senator from Minnesota, the Senator from Maine, and the Senator from Indiana would vote "nay."

The Senator from Maine [Mr. WHITE] is absent because of illness. If present and voting, the Senator from Maine would vote "nay."

The Senator from Illinois [Mr. BROOKS] and the Senator from South Dakota [Mr. BUSHFIELD] are unavoidably detained. If present and voting, the Senator from Illinois and the Senator from South Dakota would vote "nay."

The Senator from Iowa [Mr. WILSON] is absent on official business.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Idaho [Mr. TAYLOR], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Mississippi [Mr. STENNIS] is absent on official business.

The Senator from Tennessee [Mr. MCKELLAR] is absent on official committee business.

On this vote, the Senator from Georgia [Mr. GEORGE], who is necessarily absent, is paired with the Senator from Arkansas [Mr. MCCLELLAN], who is absent by leave of the Senate on official business. If present and voting, the Senator from Georgia would vote "nay," and the Senator from Arkansas would vote "yea."

The result was announced—yeas 33, nays 46, as follows:

YEAS—33

Barkley	Hoey	Maybank
Butler	Johnston, S. C.	Moore
Capper	Kilgore	Murray
Connally	Langer	O'Daniel
Cooper	Lucas	Overton
Dworshak	McCarran	Pepper
Eastland	McFarland	Russell
Ellender	McGrath	Thomas, Okla.
Hatch	McMahon	Thomas, Utah
Hayden	Magnuson	Umstead
Hill	Malone	Wherry

NAYS—46

Aiken	Hickenlooper	Robertson, Va.
Baldwin	Holland	Robertson, Wyo.
Bricker	Ives	Saltonstall
Bridges	Johnson, Colo.	Smith
Buck	Kem	Sparkman
Byrd	Knowland	Stewart
Cain	Lodge	Taft
Capehart	McCarthy	Thye
Cordon	Martin	Tobey
Donnell	Millikin	Vandenberg
Ecton	Morse	Watkins
Ferguson	Myers	Wiley
Flanders	O'Conor	Williams
Green	O'Mahoney	Young
Gurney	Reed	
Hawkes	Revercomb	

NOT VOTING—17

Ball	Fulbright	Taylor
Brewster	George	Tydings
Brooks	Jenner	Wagner
Bushfield	McClellan	White
Chavez	McKellar	Wilson
Downey	Stennis	

So Mr. CONNALLY'S amendment was rejected.

Mr. MILLIKIN. Mr. President, I send to the desk an amendment which will repeal the 1942 estate tax law, which the Senate has been discussing, as of January 1 this year instead of on the effective date of the act, as now provided in the bill, and also make retroactive the estate splitting provisions as of January 1, 1948. The amendment would make all these provisions retroactive, and equalize them as of the first of this year, instead of on the effective date of the act, as now provided.

The PRESIDENT pro tempore. The amendment will be printed in the RECORD. It is not necessary to read it, in the light of the statement of the Senator from Colorado.

The amendment was, on page 33, to strike out line 6 and through line 6 on page 34, and insert the following:

Sec. 351. Repeal of community property estate tax amendments.

(a) Effective with respect to estates of decedents dying after December 31, 1947, sections 811 (d) (5), 811 (e) (2) and 811 (g) (4) of the Internal Revenue Code (relating to community property) are hereby repealed.

(b) Such section 811 (e) is further amended—

(1) by striking out of the heading of such subsection the words "and community"; and

(2) by striking out of paragraph (1) the following: "Joint interests.—."

(c) Notwithstanding the repeal of sections 811 (d) (5), 811 (e) (2), and 811 (g) (4) provided in subsection (a), the taxes imposed under chapter 3 of the Internal Revenue Code upon the transfer of the net estate of any decedent dying after December 31, 1947, and on or before the date of the enactment of this act shall not exceed the taxes which would have been imposed under such chapter 3 upon such transfer if this section had not been enacted.

On page 42, lines 10 and 11, to strike out "the date of the enactment of the Revenue Act of 1948" and insert in lieu thereof the following: "December 31, 1947."

On page 60, lines 7 and 8, to strike out "the date of the enactment of the Revenue Act of 1948," and insert in lieu thereof the following: "December 31, 1947."

Mr. O'MAHONEY. Mr. President, I inquire of the Senator from Colorado whether this is an amendment to the committee amendment.

Mr. MILLIKIN. This is an amendment to make the provisions effective as of the effective date of the bill.

Mr. O'MAHONEY. I inquire of the Senator whether the committee amendment relating to estate and gift taxes has been agreed to.

The PRESIDENT pro tempore. It has not been agreed to.

Mr. MILLIKIN. That amendment has been withheld.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Colorado.

The amendment was agreed to.

Mr. MILLIKIN. Mr. President, I submit a similar amendment bearing on the same subject.

The PRESIDENT pro tempore. The amendment will be printed in the RECORD. It is not necessary to read it, under the statement of the Senator from Colorado.

The amendment was, on page 45, line 19, strike out "the date of the enactment of this act" and insert in lieu thereof the following: "December 31, 1947."

Page 46, lines 3 and 4, strike out "the date of the enactment of the Revenue Act of 1948" and insert in lieu thereof the following: "December 31, 1947."

Page 52, line 16, strike out "the date of the enactment of this act" and insert in lieu thereof the following: "December 31, 1947."

Page 52, line 18, before "The" insert the following: "(a)."

Page 53, after line 10, insert a new subsection to read as follows:

(b) The amendment made by this section shall be applicable only with respect to estates of decedents dying after December 31, 1947.

Page 54, after line 9, insert a new subsection as follows:

(c) The amendments made by this section shall be applicable only with respect to estates of decedents dying after December 31, 1947.

Page 54, lines 21 and 22, strike out "the date of the enactment of the Revenue Act of 1948" and insert in lieu thereof the following: "December 31, 1947."

Mr. CONNALLY. Mr. President, I offer the amendment which I send to the desk. It relates to what the Senator from Colorado has just said.

The PRESIDENT pro tempore. Is the Senator asking that the vote on the amendment offered by the Senator from Colorado be withheld?

Mr. CONNALLY. I am.

Mr. MILLIKIN. Mr. President, does the Senator desire to have the vote on my amendment withheld?

Mr. CONNALLY. The amendment I submit relates to the amendment offered by the Senator from Colorado.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Colorado.

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I send to the desk an amendment providing certain things with reference to the allowance in case of sale by a wife of property received by reason of the death of her husband. I ask the Senate to give the amendment consideration.

The Senate has just refused to make the repeal of community-property estate taxes retroactive. According to my view, that was unjustified, but the majority have the votes, and they have done it. I am not satisfied, but I am quiescent.

Now let me state what happens under the present law. A husband dies. The tax collector comes along and assesses the whole estate. I am not arguing that point, but that is the fact. If the wife later sells the property, or the administrator sells it, the basis for the valuation of gains or losses on property that was in the hands of the wife goes back to the time when she acquired the property, or it was acquired by the community, perhaps 30 or 40 years before. At the time it was acquired the price may have been very low, but at the time of the death

of the decedent the price may have advanced very greatly. The wife is assessed the difference between the present high price and the former low price in figuring gains and losses.

That does not apply to persons living in common-law States. In a common-law State, when the husband dies the property which is in the hands of the wife is assessed on the basis of its valuation at the time of his death. My amendment is designed simply to correct that situation, so that if the property in her hands is sold by her, or if the administrator has to dispose of it in order to pay the inheritance tax, she shall not be required then to pay an additional income tax based on the difference between the present value and the former value when the husband and wife acquired it, perhaps 30 or 40 years ago. No one has to do that in a common-law State, but it has to be done in a community-property State. We want to correct that so as to put all on the same basis, so that the property in a wife's hands will be judged as to its value at the time of the husband's death, instead of the value at the time of original acquisition, perhaps 30 or 40 years ago.

I have before me a letter the writer of which states that that very provision cost a widow who was a taxpayer $13,000 more than one living across the State line would have had to pay. She had to pay $13,000 more in income taxes by reason of the difference in valuation. She had already paid the inheritance tax, or the estate tax, but on top of that she was obliged to pay $13,000 increase in income taxes by reason of the difference between the valuation at the time of the husband's death and the valuation when the property was originally acquired.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BUCK. Do I understand correctly the Senator to state that in a case such as he cites, the inheritance taxes are figured on the current assessed value of the property, and in addition to that it is necessary to pay an income tax?

Mr. CONNALLY. The assessment for estate-tax purposes is fixed on the basis of the value of the property on the date of the death of the husband or of the wife, as the case may be. When he or she comes to pay the income tax, the husband or the wife surviving, or the administrator, is asked, "What did the property cost 30 years ago?" Assuming it cost the husband and wife $10,000, but that it is worth $100,000 now, the survivor is obliged to pay on the basis of $90,000 gain, whereas an individual in like circumstances who lives across the line in another State does not have to pay anything.

Mr. BUCK. I agree that that is all wrong.

Mr. CONNALLY. Mr. President, I ask the Senate to adopt the amendment. It is a just and fair amendment, and will not affect directly the committee amendment.

The PRESIDENT pro tempore. The amendment offered by the Senator from Texas will be printed at this point in the RECORD without reading, in view of the explanation the Senator has made of it.

The amendment offered by Mr. CONNALLY is as follows:

On page 53, line 10, after the period insert a quotation mark.

On page 54, line 12, before "Section", insert: "(a)."

On page 54, line 15, strike out "sentence" and insert "sentences."

On line 25, after the period and before the quotation marks, insert the following: "In the case of property held by a decedent and his surviving spouse under the community property laws of any State, Territory, or possession of the United States or any foreign country, if the value of any part of the surviving spouse's one-half share of such property was included in determining the value of the gross estate of the decedent and a tax under chapter 3 was payable upon the transfer of the net estate of the decedent, then for the purposes of this paragraph such part of such one-half share of the surviving spouse shall be considered to be property 'acquired by bequest, devise, or inheritance' from the decedent, if the death of the decedent was after the date of the enactment of the Revenue Act of 1942 and on or before December 31, 1947; but nothing in this sentence shall reduce basis below that which would exist if the Revenue Act of 1948 had not been enacted."

On page 54, after line 25, insert a new subsection to read as follows:

"(b) If the allowance of a credit or refund of any overpayment of tax resulting from the application of this section is prevented on the date of the enactment of this act, or within 1 year from such date, by the operation of any law or rule of law (other than section 3761 of the Internal Revenue Code, relating to compromises), credit or refund of such overpayment may, nevertheless, be allowed or made if claim therefor is filed within 1 year from the date of the enactment of this act. No interest shall be paid on any overpayment resulting from the application of the last sentence of section 113 (a) (5) of such code, as amended by this section, if such overpayment is for a taxable year beginning before January 1, 1948."

Mr. MILLIKIN. Mr. President, it is very difficult for one to resist playing Trilby to the Senator's Svengali. I shall be very glad to take the amendment to conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Texas [Mr. CONNALLY] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. CONNALLY. Mr. President, I wish to express my very deep gratitude to the Senate for its most generous action toward me. Awhile ago I asked the Senate for a loaf and the Senate gave me a stone, but now I have at least received a crumb.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment beginning on page 18, line 11, down to and including line 8, on page 64.

A TWO-HUNDRED-AND-FIFTY-MILLION-DOLLAR WINDFALL FOR THE WEALTHY FEW

Mr. O'MAHONEY. Mr. President, much as I regret at all times to take the floor in opposition to any proposal coming from the distinguished and affable Senator from Colorado [Mr. MILLIKIN], I must call the attention of the Senate to the fact that the committee amendment affecting estate and gift taxes is one of the most remarkable pieces of legislation I have ever had the opportunity to examine. It was aptly described the other day by a member of the Finance Committee as "a fiction." It is a fiction designed to create a condition in non-community-property States supposedly somewhat similar to that which exists in the community-property States. It has taken the drafter of this measure 32 pages in which to accomplish his object, and I doubt very much whether there is any Member of the Senate or of the House, or any lawyer, except possibly one who has been devoted to tax legislation for a quarter of a century, who can interpret the meaning of the amendment.

First of all, I should like to have Senators know that when the Senate of the United States adopts the amendment, as I am sure it will, it will be voting for a windfall of about $250,000,000 a year to be distributed amongst the very wealthy of the United States, who can at no time measure more than twelve or fifteen thousand in number. No ordinary citizen, no worker, no professional man, no citizen who has not accumulated an estate of at least $60,000, or who is making a gift in excess of $30,000, will receive any benefit from the amendment. So at a time when we all know that the Government of the United States needs all the money to be raised by taxation, we are undertaking here to split a melon among 12,000 very wealthy families while we neglect all the other millions who pay taxes.

I said a moment ago that I doubted very much whether any Member of the Senate understands what is provided in the 32 pages of this bill, which are devoted to the very complex task of remitting $250,000,000 annually to people who are now liable and who can afford to pay estate and gift taxes to the United States.

I think, Mr. President, that this amendment coming from the committee reflects the color of the whole bill. It provides relief for the very wealthy and reduces the revenue of the United States, when our Government needs revenue as it has never needed it except in the fighting war. It is a proposal to the Senators from the community-property States to support tax reduction by giving to the non-community-property States something similar to the cut in taxation that is provided for the people in the community-property States. Like the increased exemption, it is merely an attempt to get votes to pass a tax-reduction bill in an election year.

Mr. President, let me invite any Member of the Senate to tell me the meaning of the following provision which is found on page 41, beginning in line 16:

For the purposes of clauses (i), (ii), and (iii) community property (except property which is considered as community property solely by reason of the provisions of subparagraph (C) of this paragraph) shall be considered as not "held as such community property" as of any moment of time, if, in case of the death of the decedent at such moment, such property (and not merely one-half thereof) would be or would have been includible in determining the value of his gross estate without regard to the provisions

of section 811 (e) (2). The amount to be subtracted under clause (i), (ii), or (iii) shall not exceed the value of the interest in the property described therein which is included in determining the value of the gross estate.

Mr. President, will some member of the committee expound this paragraph to the Senate? Let me read it again:

For the purposes of clauses (i), (ii), and (iii) community property (except property which is considered as community property solely by reason of the provisions of subparagraph (C) of this paragraph) shall be considered as not "held as such community property" as of any moment of time, if, in case of the death of the decedent at such moment, such property (and not merely one-half thereof) would be or would have been includible in determining the value of his gross estate—

And so forth. This is one sample of the complex and obscure language which is to be found throughout the 32 pages which are devoted to the legislation of this $250,000,000 windfall to be distributed annually among the people who least need a windfall. There was a time in the history of the Senate when there were progressive Republicans in this body who would not for one moment think of passing special legislation for the advantage of the very wealthy. I remember the time when a measure such as that would have brought a minority report from the progressive Republicans on the Finance Committee. But we are now passing a bill which is intended to bring about the distribution of a melon among the very wealthy people of the Unted States. This bill, or a similar bill reducing taxes, was vetoed by the President last year, and it was not passed over the veto.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. I think I should correct the Senator when he says that a similar bill to the one before us, was vetoed last year by the President. Let me say to the Senator that it was an entirely different bill which was brought forth last year. The Senator well knows the kind of bill which was presented. The Senator is absolutely correct in saying that this bill was introduced this year for political expediency. The truth of the matter is that the leaders of the Republican Party do not believe in the theory of this bill. Last year they tried to jam through a bill to do the very thing which the Senator said it would do, for the upper class and middle class, practically entirely ignoring those in the lower brackets. In order to get a tax bill through this year for political purposes, they adopted an increase in exemptions from $500 to $600, and split the family income, realizing that that was the only way they could get a tax bill through in this election year.

I merely wish to correct the statement of the Senator. Last year's tax bill was nothing like this tax bill.

Mr. O'MAHONEY. Mr. President, I am grateful to the Senator from Illinois. What I meant was that last year a tax reduction bill was brought forth which was vetoed. It did not contain these provisions. The present bill contains these provisions in the hope that they will attract votes enough to pass the bill over an expected veto.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. The Senator is absolutely correct. I distinctly remember that last year, before the Finance Committee and on the floor of the Senate, when we attempted to increase the exemption from $500 to $600 the plea was made that every individual had a stake in government, and that we simply could not take the little fellow off the tax rolls under any circumstances. At that time the argument was also made that it was not the right time to bring in a bill splitting family incomes, that they would be getting more than their fair share of tax reduction. Yet when we figure what the middle income groups are getting in the way of a reduction in rates under this bill, plus the split income provision, we find that the middle group of people are getting a tremendous advantage over those in the lower income groups. If we had a graph showing what this bill actually does, we would find that it is all out of balance so far as the leveling process is concerned between the various groups getting tax relief under this bill.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Mr. President, I wish that some Senator who is completely familiar with the manner in which this bill was constructed would make those revelations to the Senate and the public, because the public does not know what is in this bill, and it will not know what is in the bill unless there is some debate. But we are gathered here to shove the bill through.

I now yield to my distinguished friend from Colorado.

Mr. MILLIKIN. Mr. President, the distinguished Senator from Illinois has suggested what he claims is the political motivation of the bill, and he has made reference to the bill of last year. He has made the point that this bill grants excessive benefits to those in the middle and upper brackets. I wish to point out that the bill grants 30 percent of its relief to the middle and upper brackets and 70 percent to the lower brackets.

I also wish to point out that as a result of the split-income agitation which we had in the Senate last year, early after the Senate adjourned last summer I requested the staff to commence work on a balanced bill, a bill which would balance split income against increased exemptions to achieve the kind of balance which we could not achieve by trying to draw a bill on the floor of the Senate last year. So if there was a political motivation, the gleam first came into my eye early last summer. What we were trying to do was to draft a balanced bill. I suggest that we have achieved one. I suggest also that its obvious merits will attract a very substantial vote in the Senate.

Mr. O'MAHONEY. Mr. President, I am perfectly certain that the very able and far-seeing Senator from Colorado knew last summer that 1948 would be an election year.

Mr. MILLIKIN. I have not been oblivious to that fact for some time. The election cannot come too soon for me.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. BARKLEY. I was wondering whether the gleam referred to by the Senator from Colorado was one which was made more visible by the fact that there is an election approaching. Is that the sort of gleam which he has in his eye constantly in the matter of legislation?

Mr. MILLIKIN. I can only hope that that gleam is present all the time.

Mr. BARKLEY. "Hope springs eternal in the human breast."

Mr. MILLIKIN. And "hope too long deferred maketh the heart sick."

Mr. O'MAHONEY. Mr. President, it would be to the great regret of the Senator's colleagues if he lost that gleam. I am sorry that he feels that his hope has been deferred so long that his heart is sick. I can understand that that situation may be the thing which adds to his optimism at the present moment.

Mr. President, I want Senators to know what the Senate is doing when it adopts this committee amendment. Suppose some wealthy citizen in a non-community-property State, a common-law State, prior to 1942 had divided his estate by gift to his wife. He may now do it again, if this provision becomes law, and obtain a double benefit.

One member of the Committee on Finance smiled a little when we were discussing this bill off the floor and I called it a bill for the relief of old men's darlings. It is precisely that.

Let me invite the attention of Senators to the fact that in the case of a widower with children who dies leaving an estate of $1,000,000, under this amendment there would be an estate tax amounting to $325,700. But in the case of an old man without children, who in his declining years takes to his bosom some young person, he may divide his estate, and it will be subject to a tax of only $145,700. That is what we are doing in order to obtain votes. Not only is that a fact, Mr. President, but then, after the death of the old gentleman who had married the young wife, under this amendment the young wife might herself marry some young and sturdy gentleman, and then she would have a right to divide the property again and pass it on without taxation.

Mr. President, this measure will cripple the gift-tax and estate-tax law. It should not be adopted. It cannot be interpreted. If it is enacted, it will place upon the Treasury Department an utterly impossible burden, with 32 pages of the most complex language, designed to split a melon of $250,000,000 every year, for the benefit of 12,000 persons.

I hope we may have a yea-and-nay vote on this measure, because I should like to see the record stamped here so that Members of the Senate who are supporting this provision will be reporting to their constituents at home that they are supporting an outrageous proposal of this kind.

I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MILLIKIN. Mr. President, what is the pending question?

The PRESIDING OFFICER (Mr. ECTON in the chair). The question is on agreeing to the committee amendment.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], and the Senator from Indiana [Mr. JENNER] are necessarily absent. If present and voting, the Senator from Minnesota, the Senator from Maine, and the Senator from Indiana would vote "yea."

The Senator from Maine [Mr. WHITE] is absent because of illness. If present and voting, the Senator from Maine would vote "yea."

The Senator from Vermont [Mr. FLANDERS] and the Senator from Kansas [Mr. REED] are detained on official business. If present and voting, the Senator from Vermont, and the Senator from Kansas would vote "yea."

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Arkansas [Mr. MCCLELLAN] is absent on official business by leave of the Senate.

The Senator from Mississippi [Mr. STENNIS] is absent on official business.

The Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The result was announced—yeas 67, nays 15, as follows:

YEAS—67

Aiken	Hawkes	Overton
Baldwin	Hickenlooper	Pepper
Bricker	Hill	Revercomb
Bridges	Hoey	Robertson, Va.
Brooks	Holland	Robertson, Wyo.
Buck	Ives	Russell
Bushfield	Johnson, Colo.	Saltonstall
Butler	Johnston, S. C.	Smith
Byrd	Kem	Sparkman
Cain	Knowland	Stewart
Capehart	Lodge	Taft
Capper	McCarthy	Thye
Connally	McKellar	Tobey
Cooper	McMahon	Umstead
Cordon	Magnuson	Vandenberg
Donnell	Malone	Watkins
Dworshak	Martin	Wherry
Eastland	Maybank	Wiley
Ecton	Millikin	Williams
Ellender	Moore	Wilson
Ferguson	Morse	Young
George	O'Conor	
Gurney	O'Daniel	

NAYS—15

Barkley	Kilgore	McGrath
Fulbright	Langer	Murray
Green	Lucas	Myers
Hatch	McCarran	O'Mahoney
Hayden	McFarland	Thomas, Utah

NOT VOTING—14

Ball	Jenner	Thomas, Okla.
Brewster	McClellan	Tydings
Chavez	Reed	Wagner
Downey	Stennis	White
Flanders	Taylor	

So the committee amendment was agreed to.

LEAVE TO FILE REPORT DURING RECESS

Mr. VANDENBERG. Mr. President, I ask unanimous consent that the Senate Committee on Foreign Relations be permitted to file a report on the Greek-Turkish aid bill, during the week-end recess.

The PRESIDING OFFICER. Without objection, the order is made.

REDUCTION OF INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 4790) to reduce individual tax payments, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. O'MAHONEY. Mr. President, I send to the desk an amendment, and ask for its immediate consideration. I also ask unanimous consent that the amendment be printed in the RECORD, without reading.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment of Mr. O'MAHONEY was, at the end of the bill, to add the following new title:

TITLE VII—EXCESS-PROFITS TAX

Sec. 701. Reapplication of excess-profits tax.

(a) Reapplication: Section 122 (a) of the Revenue Act of 1945 is hereby amended to read as follows:

"(a) In general: The provisions of subchapter E of chapter 2 shall not apply to any taxable year beginning after December 31, 1945, and ending prior to January 1, 1948. The provisions of part III of such subchapter shall not apply to any taxable year beginning after December 31, 1945."

(b) Decrease in rate of tax: Section 710 (a) (1) of the Internal Revenue Code is hereby amended to read as follows:

"(a) Imposition.—

"(1) General rule: There shall be levied, collected, and paid for each taxable year, upon the adjusted excess-profits net income as defined in subsection (b), of every corporation (except a corporation exempt under section 727) a tax equal to the following:

"50 percent of the amount of the tentative excess-profits net income (as defined in subsection (d) of this section) in excess of 135 percent but not in excess of 140 percent of the tentative excess-profits credit (as defined in subsection (d) of this section), plus

"75 percent of the amount of the tentative excess-profits net income (as defined in subsection (d) of this section) in excess of 140 percent but not in excess of 150 percent of the tentative excess-profits credit (as defined in subsection (d) of this section), plus

"100 percent of the amount of the tentative excess-profits net income (as defined in subsection (d) of this section) in excess of 150 percent of the tentative excess-profits credit (as defined in subsection (d) of this section)."

(c) Increase in exemption: Section 710 (b) (1) of the Internal Revenue Code is hereby amended to read as follows:

"(1) Specific exemption: A specific exemption of $50,000, except that in the case of a taxpayer which is not entitled to use the excess-profits credit based on income pursuant to section 713, and which is not one of a group of two or more corporations owned or controlled directly or indirectly by the same interests, a specific exemption of $100,000."

(d) Increase in excess-profits credit: Subsections (a) and (b) of section 712 of the Internal Revenue Code (relating to allowance of excess-profits credit) are hereby amended to read as follows:

"(a) Domestic corporations: In the case of a domestic corporation which was in existence before January 1, 1940, the excess-profits credit for any taxable year shall be an amount equal to 135 percent of a credit computed under section 713 or section 714, whichever amount results in the lesser tax under this subchapter for the taxable year for which the tax under this subchapter is being computed. In the case of all other domestic corporations, the excess-profits credit for any taxable year shall be 135 percent of an amount computed under section 714.

"(b) Foreign corporations: In the case of a foreign corporation engaged in trade or business within the United States, the first taxable year of which under this subchapter begins on any date in 1940, which was in existence on the day 48 months prior to such date and which at any time during each of the taxable years in such 48 months was engaged in trade or business within the United States, the excess-profits credit for any taxable year shall be an amount equal to 135 percent of a credit computed under section 713 or section 714, whichever amount results in the lesser tax under this subchapter for the taxable year for which the tax under this subchapter is being computed. In the case of all other foreign corporations, the excess-profits credit for any taxable year shall be 135 percent of an amount computed under section 714."

(e) Tentative excess-profits net income and credit: Section 710 of the Internal Revenue Code is hereby amended by adding after the end of subsection (c) the following new subsection:

"(d) Tentative excess-profits net income and credit.—

"(1) Tentative excess-profits net income: The tentative excess-profits net income shall be the excess-profits net income minus the specific exemption.

"(2) Tentative excess-profits credit: The tentative excess-profits credit shall be that proportion of the sum of the excess-profits credit provided under section 711 (b) (2) and the unused excess-profits credit provided under section 711 (b) (3) which 100 bears to 135."

(f) Definition of unused excess-profits tax: Section 710 (c) (2) of the Internal Revenue Code is hereby amended by striking out the last two sentences thereof and by inserting in lieu thereof the following: "For the purposes of the determination of the taxes imposed by this subchapter for taxable years beginning before January 1, 1946, there shall be no unused excess profits credit for a taxable year beginning after December 31, 1946. The unused excess profits credit for a taxable year beginning in 1946 and ending in 1947 shall be an amount which is such part of the unused excess profits credit determined under the preceding provisions of this paragraph as the number of days in such taxable year prior to January 1, 1947, is of the total number of days in such taxable year. For the purposes of the determination of the taxes imposed by this subchapter for taxable years ending after December 31, 1947, there shall be no unused excess profits credit for a taxable year ending before January 1, 1948. The unused excess profits credit for a taxable year beginning in 1947 and ending in 1948 shall be an amount which is such part of the unused excess profits credit determined under the preceding provisions of this paragraph as the number of days in such taxable year after December 31, 1947, is of the total number of days in such taxable year."

(g) No carry-back to 1946 or 1947: Section 710 (c) of the Internal Revenue Code is hereby amended by adding at the end thereof the following new paragraph:

"(5) No carry-back to 1946 or 1947: For purposes of the determination of the taxes imposed by this subchapter for taxable years ending after December 31, 1947, the term 'preceding taxable year' and the term 'preceding taxable years', as used in this subsection, do not include any taxable year ending prior to January 1, 1948."

(h) Technical amendments: The following sections of the Internal Revenue Code are restored to read as such sections read immediately prior to the enactment of the Revenue Act of 1945, to be effective as so restored, with respect to taxable years ending after December 31, 1947, as if section 122 (g) of the Revenue Act of 1945 had not been enacted:

(1) Section 26 (e) (relating to the credit for income subject to the excess-profits tax);

(2) Section 13 (a) (2) (defining "normal tax net income");

(3) Section 15 (a) (defining "corporation surtax net income");

(4) Section 26 (b) (relating to the credit for dividends received);

(5) Section 102 (d) (1) (defining terms for the purpose of the tax imposed by section 102);

(6) Section 131 (b) (prescribing certain limitations on the foreign tax credit);

(7) Section 204 (a) (2) (relating to foreign mutual insurance companies other than life or marine).

(i) Taxable years to which amendments applicable: The amendments made by subsections (b), (c), and (d) of this section shall be applicable with respect to taxable years ending after December 31, 1947. For treatment of taxable years beginning in 1947 and ending in 1948, see section 401.

EXCESS-PROFITS TAX A TWO-EDGED SWORD—OFFERS CORPORATIONS CHOICE OF REDUCING PRICES OR APPLYING EXTORTIONATE PROFITS ON NATIONAL DEBT

Mr. O'MAHONEY. Mr. President, I rise to explain the amendment. While it is an excess-profits tax amendment, it is not the restoration of the wartime excess-profits tax, nor is it the excess-profits tax provision that was considered in the House of Representatives by the Committee on Ways and Means. The theory of this excess-profits tax is, first, that profits are being made now by corporations at a rate far exceeding that at any time in the history of the United States. The Government debt is greater than was ever dreamed possible. The Government of the United States now needs revenue more than it ever needed it at any time in history. Secondly, the objective of the amendment is to provide an incentive for little business and local business by providing a special exemption for independent competitive enterprise. The reason for that is, Mr. President, that the history of what has been going on in our economy, as revealed by the studies of the Small Business Committee, by the studies of other committees, and by the report which was filed here in 1941 by the so-called Temporary National Economic Committee, clearly demonstrates the fact that the concentration of economic power is proceeding at such a rapid rate that practically a handful of corporations in the United States now dominate our economy and reap these profits. The third reason, Mr. President, is that we are still in a period of inflation. The bill is so drafted in my opinion as to stimulate the reduction of prices.

A STIMULUS AND INCENTIVE TO SMALL COMPETITIVE ENTERPRISE

Senators who vote in favor of this amendment will be saying to those corporations which are making tremendous profits, "Either reduce your prices and make it easier for the people of the United States to live and to do the things which they must do, or, if you decline to reduce prices, then be satisfied to make your contribution upon the reduction of the national debt."

I submit, Mr. President, that no Member of Congress can read this provision without acknowledging the desirability of accomplishing these objectives if it can be done.

Under the wartime excess-profits taxes there was provided an exemption of only $10,000. That, of course, is easily understandable and quite justifiable. But at this time the situation is different. We are endeavoring, Mr. President, to build up the economy of our own States. We are trying to establish little competitive enterprises. Everyone gives lip service to those objectives. Here is an opportunity to do something about it, because in this measure we provide, first of all, a specific exemption of $50,000. There will be no excess-profits tax upon the profit of any corporation which earns less than $50,000. Such a corporation may be a subsidiary or affiliate of one of the giant corporations. It applies right across the board. But in order that we may encourage the building up of enterprises in the States represented by the Senators upon the floor, I have written into the bill an additional provision—a specific provision—reading as follows:

A specific exemption of $50,000—

Except that in the case of a taxpayer who is not entitled to use the excess-profits credit based on income, pursuant to section 713—and let me say parenthetically that is the base period which was followed in the wartime tax—and which is not one of a group of two or more corporations owned or controlled directly or indirectly by the same interests, a specific exemption of $100,000.

So Senators can say to the owners of corporations in their States that if they are not affiliated with other corporations, if they are in fact independent competitive enterprises, they will not have to pay an excess-profits tax upon any profit less than $100,000.

So much for the exemption which is intended to encourage little business, local business, competitive business.

LOTS OF TALK BUT NO ACTION AGAINST HIGH PRICES

Now for the provision designed to force the reduction of prices. Under resolutions introduced in this body during the first session of this Congress by distinguished Republican Senators, committees of this body were sent throughout the length and breadth of the land to look into the rising cost of living. They returned almost unanimously recommending specific legislation to do something to control inflation.

The western subcommittee, headed by the distinguished junior Senator from Utah [Mr. WATKINS], only a few days ago rendered a report in which it recommended the adoption of an excess-profits tax. It was not the excess-profits tax which I suggested. The committee recommended that the highest rate should be 50 percent. I do not do that. I provide not only the specific exemption of $50,000 for all corporations, $100,000 for the independent, competitive enterprise, but I provide also that there shall be an income profit-tax credit of 135 percent of normal, and then above the exemption and above the 135 percent, the excess-profits rate is 50 percent on all of the profits which are 135 percent above normal and not in excess of 140 percent; 75 percent of those profits which are in excess of 140 percent and not in excess of 150 percent, and 100 percent of those profits which are in excess of 150 percent of normal.

So that with this provision on the statute books, the managers of the great corporations which manufacture and distribute the goods which the people of the United States need, will have the choice either to pay the tax or to reduce prices. They can reduce prices.

CORPORATE PROFITS BREAK ALL RECORDS IN 1947

No one, Mr. President, who is at all familiar with what has been occurring in the economy of the United States can doubt the fact that profits are exceeding all previous records. I have in my hand the March Economic Letter of the National City Bank of New York. It is not my letter. The figures therein contained are not my figures. I did not get them from the Treasury Department or from the Bureau of Internal Revenue. I received them from no political organization of any kind, no labor union, no organization which desires to "soak the rich." These figures I read to the Senate from the letter of the National City Bank of New York. I ask Senators, How about housing in their States? Are houses being built fast enough? Listen to the record of the profits which are being made upon the materials which go into the building of houses. I read from page 32 of the monthly letter on economic conditions and Government finance, issued from New York in March 1948.

PROFITS ON PAINT AND VARNISH UP 70 PERCENT OVER 1946

Eleven companies engaged in making paint and varnish, according to the National City Bank, had profits of $19,946,000 in 1946. I said "profits." I should have said net income after taxes. After they had paid all their taxes their net income was $19,946,000.

In 1947 their net income after taxes was $34,059,000, an increase of 70.8 percent.

I ask Senators to tell the householders in their States, if they will, that they are willing that the companies which manufacture the paint and varnish which go into the homes of the people should have made in 1947 a net income after taxes which was 70.8 percent greater than they made in 1946.

Tell them that you have it upon the authority of the National City Bank of New York, and then tell them, if you will,

that you voted against an excess-profits tax designed either to apply those profits upon the national debt, or to reduce prices.

Bear in mind that reduction of prices would have just as beneficial an effect as an addition to the revenue of the Government, because it would maintain in continuity that system of employment and income which alone will save us from disaster and save us from the results of any inflation.

If there is one thing, Mr. President, this country cannot stand, it is another war. Our system will scarcely endure another world war. But the system cannot survive another depression, and in due course I shall undertake to demonstrate that beyond any cavil or doubt. Remember, there was an increase of profit of 70.8 percent on varnish.

CEMENT, GLASS, AND STONE PROFITS INCREASE 33.4 PERCENT

How about cement, glass, and stone products? Forty-four corporations reporting to the National City Bank made net income in 1946, after taxes, of $76,109,000. In 1947 they made net income, after taxes, of $101,506,000, an increase of 33.4 percent. Cement and stone go into the houses of our constituents. They add to the profits of great corporations operating in interstate commerce, which are piling up beyond all records.

Mr. President, that is not all. There are iron and steel. When I think of iron and steel I think of the testimony of Mr. Fairless, the president of United States Steel, and the testimony of Mr. Homer, president of Bethlehem Steel, when they appeared before the Joint Committee on the Economic Report to tell the committee why they increased the prices of semifinished steel on February 12 by $5 a ton. I remember that testimony, and I remember how the distinguished Senator from Ohio [Mr. TAFT], chairman of the committee, said to Mr. Fairless that in increasing their prices at that time they were inviting inflation and disaster.

IRON AND STEEL PROFITS 57.7 PERCENT GREATER

How about the profits? What is the profit picture? Iron and steel go into the State of every Senator on this floor. Iron and steel are used by farmers in their machinery, in the wire with which they build their fences. Iron and steel are used by those who mine in the ground, by those who drill for petroleum, pump it out of the ground, and transport it by pipe line. Iron and steel are being used by almost every industry in the United States. Yet, upon the authority of the National City Bank I am able to report to the Senate of the United States that 36 companies engaged in the business of producing iron and steel had a net income in 1946, after taxes, amounting to $259,712,000, and in 1947 their net income, after taxes, had risen to $409,478,000, or an increase of 57.7 percent.

Shall we say, Mr. President, that those companies should not pay an excess-profits tax, or reduce their prices?

We hear talk about the cost of housing, about the shortage of housing, about the necessity of doing something for the veterans of the United States. Yet we have a bill before us which, in the face of these tremendous profits, does nothing either to reduce the prices or to increase the revenue of the United States.

PROFITS DOUBLE ON BUILDING, PLUMBING, AND HEATING EQUIPMENT

Thirty-eight companies engaged in the manufacture of building, heating, and plumbing equipment in 1946 had net income, after taxes, of $32,117,000. In 1947 the figure was $62,985,000. All the profits earned by these 38 companies manufacturing building equipment, heating equipment, and plumbing equipment, as reflected by their net incomes after taxes, increased almost 100 percent. The actual increase was 96.1 percent.

How can we tolerate such a situation? The apologists for these great enterprises, which hold in their hands the economy of the United States, say, "They need this money." They got along very well without it in 1946 even though in 1946 their profits exceeded the profits of any previous year in history.

This is an example of the way we are digging the ditch into which the capitalistic system will fall. When I stand here urging that an excess-profits tax be levied, I am defending the capitalistic system. But those who refuse to make an assessment upon extortionate profits of this kind, in a period such as this, are walking blindly to the edge of the precipice.

PROFITS ON FOOD SOAR 39 PERCENT

Mr. President, I shall not undertake now to go over all these matters. Let me speak, however, of one or two of the others. Forty-seven companies engaged in producing food products had net income in 1946, after taxes, of $138,006,000. In 1947 they had profits of $191,897,000, an increase of 39 percent. They produce food which goes on the table of every one of the 145,000,000 people in the United States. Extortionate profits were made, because we are in a period of inflation.

NINE HUNDRED AND SIXTY CORPORATIONS INCREASE EARNINGS ON NET WORTH FROM 12.5 TO 17.1 PERCENT DURING YEAR

Mr. President, I could proceed with the analysis of this report by the National City Bank, and I could read the figures on net worth, and the percentage of profit upon net worth. I shall content myself by saying that a total of 960 manufacturing corporations, which earned an average of 12.5 percent upon their net worth in 1946, earned an average of 17.1 percent on their net worth in 1947.

Do these figures mean nothing? Do these figures mean nothing with respect to inflation and the cost of living? Do they mean nothing with respect to the support of the Government of the United States? Do they mean nothing with respect to the equipment of this Government of the people, in this period of its national existence?

Oh, Mr. President, over and over and over again I have heard members defending the tax bill. I have heard them talk about it as though it were an incentive tax bill. It is not an incentive tax bill. My amendment is an incentive proposal. It will enable the little fellow, the competitive fellow, to enter the field of our economy and help to increase the production of those goods and commodities which the people of the United States so sadly need.

The theory that by reducing the personal taxes of those who receive huge incomes we shall promote incentive is utterly without foundation, and it is clearly proved to be a false theory by the report submitted by the distinguished Senator from Colorado. Talking about incentive taxation, he nevertheless wrote into the report a clear statement showing that it will not produce incentive results. The report of the committee on page 15 declares in paragraph 4:

> The amount of risk-bearing common stocks issued in 1947 was 10 percent less than in 1946.

And so forth, and so on. The reduction of the issuance of common stock will not be cured by reducing the personal income tax. It will be cured only by doing something constructive to provide incentive.

CONSTRUCTIVE INCENTIVE NEEDED

During the studies of the Western Subcommittee on the Cost of Living I mentioned at several of the hearings that what we ought to have is a provision in the tax law which would accelerate depreciation. Under the present law it takes 20 years to write off the investments in the expansion of a plant. I would cut that down to 5 years, and then there would be an incentive to put money into the expansion of productive facilities. Nothing like that will be done by the bill. It represents an umbrella which covers everybody, those who waste their money as well as those who invest. Why not let us do something constructive for once? I venture to say it will be politically much wiser to adopt an amendment of the character of my amendment, which would have an incentive, than merely to cut the melon for the very wealthy, as was done by the estate- and inheritance-tax modification.

Another incentive that might have been proposed, a perfectly simple one, is to alter the rate of taxation. Senators know that under the present law—I think it is section 132—the normal net tax for a corporation amounts to about 24 percent and the surtax amounts to about 14 percent. I should like to see an amendment added to the bill which would cut out the normal tax of 24 percent upon the investment of capital in risk-taking enterprise by those who desired to be competitive, who are establishing little business and local business. That would be an incentive. Or to cut out the surtax, and let the normal tax ride.

But, Mr. President, the committee has done none of these things. Instead it has proceeded upon the theory that now we have come to peace, our troubles are behind us, the crisis is over, now all that we need to do is to cut down the expenses of government, and to cut down its receipts. How can any Member of

this body, or of the other branch of Congress, entertain for one moment the notion that the need for revenue is passing?

CONGRESS PROPOSES TAX CUT IN TIME OF CRISIS AND MOUNTING EXPENDITURES

Mr. President, I have in my hand a list of some of the new expenditures which we have authorized. We passed an act to increase the lending authority of the RFC for public-works loans by $25,000,000. That is an increased outlet.

We extended for 1 year the Federal Highway Act of 1944 at a cost of $500,000,000. That is a new expenditure.

We increased the authorization and appropriation under section 502 of the Lanham Act, in connection with use housing, by $35,500,000.

We stepped up the flood-control program for the Mississippi River by $100,500,000.

The civil-function bill for the Army is now under consideration by a subcommittee of the Senate Committee on Appropriations, and that committee is considering additional money for expansion purposes.

We voted aid to Greece and Turkey in the amount of $275,000,000 for 1948, and I understand that the Senate Committee on Foreign Relations is now drafting a bill making an additional allowance for next year.

Federal loyalty legislation added $11,000,000 to the expenses of government

The Interim Aid Act added $597,000,000.

Congress increased the veterans' allowances for educational purposes on a net basis $120,000,000.

Aid to China is coming along. Legislation to provide such aid has not been passed yet, but we are going to do something about it.

Aid is proposed for Trieste.

Then there is provision to be made for Latin-American military cooperation.

Other legislation is pending for far eastern reconstruction.

All this, Mr. President, amounts to almost $800,000,000.

Are we cutting down the expenditures of government? The President's budget made a great reduction, but the budget must necessarily contain a provision for increased appropriations authorized by Congress.

Take the case of veterans' pensions. They are steadily increasing, because war veterans are getting into the pensionable stage every year, and this increase will continue for many years to come. The budget recommendation this year was for $2,105,000,000. It will increase annually at the rate of at least $50,000,000.

Public assistance under the Social Security Act goes up $100,000,000.

I say nothing about the European relief program.

I spoke of universal training. If legislation to provide for universal training is enacted it will cost $890,000,000 in the first year, $984,000,000 in the second year, and $1,500,000,000 in the third year.

Public works expenditures are up.

Then there is Federal aid to education. I do not know how many Senators on this floor are pledged to support expenditure for Federal aid to education. It will be a new expenditure of at least $300,000,000 a year.

We come next to rural electrification. The demand for that was so great that when last year on the consideration of the appropriation bill the House cut it very severely, the Senate restored a substantial part of the cut.

There is now talk about providing for stream-pollution abatement, and a bill is pending looking toward that end. That will cost $100,000,000 more. In the new fiscal year to which this bill applies, under the terms of the bill which was described a few days ago by the distinguished junior Senator from Wisconsin [Mr. McCARTHY] the net increase in cost for housing, according to his figures, will be at least $150,000,000 a year.

All the way down the line the Congress of the United States—this Republican Congress—is passing new bills every week increasing the expenditures of the Federal Government, and now we seek to reduce the receipts of the Government by $4,000,000,000. We have the problem of our own domestic economy to settle. Every Senator knows that it is not settled, and that it can be settled only by the Federal Government; and yet we propose to reduce the receipts of the Federal Government. Senators talk as though the cost of government were being reduced.

In 1944 I introduced a measure to authorize the Bureau of Mines in the Department of the Interior to carry on a demonstration program to make synthetic fuel from oil shale and coal. The bill as I introduced it authorized the work to be carried on for a period of 5 years at a cost of $30,000,000. The need for making synthetic fuel was so great that when I introduced an extension it was reported from the Public Lands Committee without dissent. It was passed without objection upon the floor of the Senate. It was passed by the House. That bill increased the expenditure of the Federal Government by $30,000,000. Now a Republican Representative from New Jersey, Mr. WOLVERTON, has introduced a bill to authorize the RFC to make loans to private industry to produce synthetic fuel. His bill authorizes appropriations running up to $400,000,000.

Mr. President, I could stand here for the rest of the afternoon reciting the bills introduced by Republican Members of the Eightieth Congress increasing the expenditures of the Federal Government. In spite of that situation, we indulge in the fiction that we do not need an excess-profits tax, that we can permit concentrated industries like United States Steel and Bethlehem, in the face of a possible demand for increased wages, to increase the cost of steel.

Members of the Senate ought to know that the great steel companies, in defense of their indefensible action, were willing to let the Congress of the United States and the people of the United States understand that they had increased the price of steel only on an inconsiderable amount of their product, only on semifinished steel. But the record showed otherwise. I introduced into the RECORD testimony from Iron Age, which shows that the steel companies had raised prices during the year 1948 on many other commodities, including wire, including the axles which go into the manufacture of freight cars and locomotives, tubing which goes into the plumbing of a house, and pipe, which goes into the drilling of oil wells and the transportation of oil.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. FULBRIGHT. I ask the Senator what happened after the repeal of the excess-profits tax in 1945. There can be no doubt about what is likely to happen if excess profits continue to increase. I believe the Senator opposed the repeal of the excess-profits tax in 1945.

REPEAL OF EXCESS-PROFITS TAX IN 1945 STARTED THE INFLATION SPIRAL

Mr. O'MAHONEY. The Senator has a good memory, and I am happy to say that he likewise opposed it.

Mr. FULBRIGHT. The repeal of that tax was really the beginning of the first spiral of inflation.

Mr. O'MAHONEY. It was the beginning of the first spiral of inflation. The Senator is quite right.

Mr. FULBRIGHT. Conditions are such that failure to reimpose the excess-profits tax would be a second stage in the same spiral.

Mr. O'MAHONEY. That is very true. I will say to the Senator from Arkansas that I can reach no other conclusion. If we do not place some sort of restraint upon extortionate profits, then we must know that we are voting to increase the concentration of economic power in the United States.

I ask Senators to look at the chart before them. I have distributed reprints of the chart. A copy will be found on the desk of every Senator. The chart shows that the national debt of the Government of the United States has reached a pinnacle, exceeding anything that ever happened in the history of any government. Never before in the history of the United States has the national debt exceeded the income of the people in a single year until 1942, in the midst of the war. Now, although we have an inflated national income of more than $200,000,000 a year, the national debt towers above it. The national debt is $259,000,000,000.

Back in 1939, when the national debt was climbing up toward $49,000,000,000, people were saying, "The Government cannot possibly sustain a national debt of $50,000,000,000. We are going bankrupt." Now the debt is $259,000,000,000; and the Finance Committee of the Senate rejected this amendment to provide excess-profits taxes at a time when the Government needs revenue more than it ever needed it before.

Every member of the joint committee of the Senate and House, or of a subcommittee thereof, who traversed this country last fall examining into the cost of living will testify that the cost of living has risen so high that now we are undermining savings. Savings have been expended; and many people in the lower

income groups are finding it more and more difficult to make their income stretch over the cost of living.

CONCENTRATED ECONOMIC POWER GROWS

On the other hand, we have continued the concentration of economic power. A few years ago I stood on the plaza of the Capitol of the United States when a President was inaugurated. I think today of the language which he used in that inaugural address. He was talking about the ideal system that should be followed by the Government of the United States in time of crisis. I think his statement is very apropos now:

I can vision—

Said he—

the ideal republic, where every man and woman is called under the flag, for assignment to duty, for whatever service, military or civil, the individual is best fitted; where we may call to universal service every plant, agency, or facility, all in the sublime sacrifice for country, and not one penny of war profit shall inure to the benefit of private individual, corporation, or combination, but all over the normal shall flow into the defense chest of the Nation.

Mr. President, those were the words of Warren G. Harding when he was inaugurated on the 4th of March 1921.

The peace treaties have not yet been written, Mr. President. No one knows better than the Foreign Relations Committee of this body—which now has unanimously recommended to this body two bills providing for large expenditures to rehabilitate Europe, to protect the democratic system—that we are in a crisis as great as the crisis of war, even though we call it peacetime. In that crisis are we to be blind enough to cut the taxes, to cut the revenue of the Government, to refuse to impose an excess-profits tax upon the great corporate giants which now dominate the economy of the United States?

O Mr. President, I am going to ask for a yea-and-nay vote upon this amendment. But first I should like to ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks the full table from the National City Bank's letter of March 1948, from which I have been quoting.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit A.)

Mr. JOHNSON of Colorado. Mr. President, before the Senator takes his seat I should like to ask him a question.

Mr. O'MAHONEY. Yes, indeed.

Mr. JOHNSON of Colorado. I am trying to understand the Senator's amendment. It is written in technical language which is quite a little beyond my understanding.

Mr. O'MAHONEY. I think the Senator from Colorado is overmodest. This is a simple amendment.

Mr. JOHNSON of Colorado. I thank the Senator for the compliment, although I cannot agree with him.

I wish to find out what is the basis of the Senator's amendment with respect to normal profits.

Mr. O'MAHONEY. It is the war base of 1939–41. Although the wartime excess-profits tax has been removed from the tax law, all the provisions have not actually been repealed. So this amendment would operate upon the same basis of normal profits for the same period mentioned in the wartime excess-profits tax law.

Mr. JOHNSON of Colorado. Yes; that is what I understood. But does the rate provided in the Senator's amendment exceed the rate of the excess-profits tax which prevailed during the war?

Mr. O'MAHONEY. Oh, no, except in the upper brackets, where it rises to 100 percent.

Mr. JOHNSON of Colorado. It goes up to 100 percent; and in the wartime excess-profits tax it went up to 85 percent, and there was a rebate on that, I think.

Mr. O'MAHONEY. I think it went a little higher than 85 percent.

Mr. JOHNSON of Colorado. Yes; I believe it went to 90 percent.

Mr. O'MAHONEY. Yes.

Mr. JOHNSON of Colorado. And there was a 10-percent kick-back on it.

Mr. O'MAHONEY. This amendment provides an excess-profits tax credit of 135 percent of the normal tax during the base period, and then a 50-percent excess-profits tax on the 5 percent between 135 percent of normal and 140 percent of normal; and then it is graduated up to 175 percent of that portion of the excess-profits tax which is more than 140 percent of normal and not more than 150 percent; and then it goes to 100 percent of that profit which is over 150 percent of normal.

So the taxpayer can avoid the 100 percent tax merely by reducing prices.

Mr. JOHNSON of Colorado. I have one other question: In the Senator's amendment are there any other provisions which were not in the wartime excess-profits tax?

Mr. O'MAHONEY. Yes. The specific exemption in the wartime excess-profits tax was $10,000.

Mr. JOHNSON of Colorado. The Senator's amendment would increase that to $50,000, I believe.

Mr. O'MAHONEY. In my amendment I have increased that to $50,000, and I have added another provision since the measure was presented to the Finance Committee. I hand it to the Senator now. It provides that where the taxpayer—that is to say, the corporation—is not operating with one or more other corporations—in other words, where it is not the subsidiary or affiliate of another corporation—then the specific exemption is $100,000.

Mr. JOHNSON of Colorado. I think that is a very excellent provision.

I heard the Senator express the belief that his amendment is an incentive amendment. I should like to say to him that I introduced a tax bill, which is still pending before the Senate Finance Committee, which I deem to be a real incentive tax bill so far as corporations are concerned. It provides for an exemption of $10,000 a year for all corporations from all taxes—not only excess-profits taxes but all taxes. That is to say, it gives a corporation an opportunity to grow at the rate of $10,000 a year. If the corporation uses the $10,000 in its capital investment or capital gains, and thus increases its size by $10,000, it is then entitled to a $10,000 exemption.

It was my belief, and it is my belief now, that that would compel all corporations to grow at least to the extent of $10,000 a year. As the President said in his state of the Union message, we need $50,000,000,000 invested in the industries of this country.

So it would seem to me that would be one practical way of obtaining the desired increase.

I was unable to have my amendment adopted by the Senate Finance Committee, or even seriously considered, for the reason that the committee was trying to hold the present bill to individual income-tax matters, and not open it up to many miscellaneous matters, such as my measure contemplated. Therefore, I did not receive consideration for it in the committee.

Mr. O'MAHONEY. Mr. President, I am very much interested to learn that the Senator from Colorado, who is a member of the Finance Committee, was treated in the same cavalier fashion that other Members of the Senate, who are not members of the committee, were treated.

Mr. JOHNSON of Colorado. I had a part in that treatment, however.

Mr. O'MAHONEY. The Senator from Massachusetts [Mr. LODGE] appeared before the committe with a prepared statement in support of an amendment which he regarded as very important. The distinguished junior Senator from Arkansas [Mr. FULBRIGHT] also appeared before the committee and argued for an amendment on the repeal of the oleomargarine tax. The Senator from Missouri [Mr. KEM] also appeared before the committee and urged an amendment. But I understand that all those amendments were simply lumped together with the amendment of the Senator from Colorado and were deposited in the wastebasket, without consideration.

Mr. JOHNSON of Colorado. Mr. President, I am not complaining. My bill was perhaps in a little different category from that of the other measures. Mine was a tax bill. I meant it to be in the form of an amendment to this bill, but it was not in the form of an amendment.

I am not complaining about the treatment given by the committee, because my voice was a part of the voice of the committee in deciding that the committee could not take up all these outside matters in connection with this bill. We hoped that before very long there would come from the House of Representatives a general tax bill, a general revenue bill, and we felt that that would be the proper time to present all the different measures that abound in this body, calling for amendments of the tax structure.

So I am not complaining at all. I simply mention that fact to the Senator. If I thought his amendment would receive the approval of this body, I would try to get my tax bill added as an amendment to his amendment—perhaps over his objection, but nevertheless I would try to do it. But I am not very optimistic about the chances the Senator's amendment has of being adopted.

Mr. O'MAHONEY. I should be very happy to read the Senator's amendment. From his description, I feel that he has a very excellent idea. I am sorry that the Finance Committee did not give him the attention that the amendment deserves. I should have no objection to his explaining the amendment now and adding it to my amendment, because I know that if he makes his explanation it will only lend emphasis to the point I have been trying to make.

INTEREST ON NATIONAL DEBT GREATER THAN COST OF ALL CIVILIAN AGENCIES OF GOVERNMENT

Mr. President, this bill came over from the House cutting off more than $6,000,000,000 from the receipts of the Federal Government. The distinguished junior Senator from Colorado—and I compliment him for it—realizing the folly of making any such reduction of revenue as that, did his level best to hold this relief for the wealthy down to $4,000,000,000 plus. But I want to call attention to the fact that the interest upon the national debt is rising. I called the Bureau of the Budget only this morning to find out what we would have to pay. This year, interest upon the national debt is $5,200,000,000. It probably will be $50,000,000 more next year. The House of Representatives has sent to the Senate a bill which cuts away from the receipts of the Federal Government more than the $5,200,000,000 in interest which we must pay upon the national debt. Mr. President, let us not close our eyes to the fact that $5,200,000,000 interest upon the national debt is more than the entire cost of government 20 years ago. The $5,200,000,000 which we are paying in interest upon the national debt is more than the cost of the White House, of the courts, of the Congress, and of the civilian departments and agencies of government. Can that be treated lightly?

Mr. KEM. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am glad to yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator whether he had these facts in mind when there was before this body a bill to send $5,300,000,000 to 16 countries of western Europe?

Mr. O'MAHONEY. I did, indeed. I had that in mind. I voted for European aid, as a great majority of the Members of this body did, because of my conviction that unless that money is expended, the democratic system will have to undergo another and more severe test than it has ever undergone before. That is precisely why I say we cannot afford now to cut down the receipts of the Federal Government.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Idaho.

Mr. DWORSHAK. Has the Senator applied the formula covered by the proposed amendment to corporate income for 1947, so that we might have an estimate of the amount of tax receipts available under the provisions of the amendment?

Mr. O'MAHONEY. If there were no reduction of prices, the revenue under the excess-profits-tax amendment which I am submitting probably would amount to about $4,000,000,000. But my hope was that it would result in reducing prices, because I feel that by reducing prices it will do more good.

Mr. KEM. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Yes; I am glad to yield to the Senator from Missouri.

Mr. KEM. Will the Senator favor us with his view as to whether the sending of $5,300,000,000 to countries in western Europe would have a tendency to reduce or to lift the price level and the cost of living in this country?

Mr. O'MAHONEY. Of course, the sending of that sum abroad will result in reducing the total amount of contribution we have to make to carry on relief programs abroad and that we are making. But I am quite frank to say to the Senator, of course, it creates a demand upon our goods, and therefore would contribute to keeping prices high. But here I have a measure which provides an incentive for increasing the production of those very goods.

Mr. President, I ask for the yeas and nays upon this amendment.

EXHIBIT A

Preliminary summary of manufacturing earnings in 1946 and 1947

(Net income is shown as reported—after depreciation, interest, taxes, and other charges and reserves, but before dividends. Net worth includes book value of outstanding preferred and common stock and surplus account at beginning of each year)

[In thousands of dollars]

Industrial groups	Number of companies	Net income after taxes		Percent change [1]	Net worth, Jan. 1		Percent return	
		1946	1947		1946	1947	1946	1947
Baking	15	44,254	44,942	+1.6	225,001	241,448	19.7	18.6
Meat packing	18	67,726	83,353	+23.1	655,149	689,361	10.3	12.1
Sugar	20	28,847	64,441	(+)	239,234	270,489	12.1	23.8
Other food products	47	138,006	191,897	+39.0	772,250	870,575	17.9	22.0
Beverages	45	161,809	164,503	+1.7	490,414	625,619	33.0	26.3
Tobacco products	17	90,701	104,683	+15.4	765,912	797,550	11.8	13.1
Cotton goods	35	61,938	113,799	+83.7	245,843	279,842	25.2	40.7
Other textile products	55	132,537	181,291	+36.8	577,307	670,408	23.0	27.0
Leather and shoes	26	24,033	38,042	+58.3	226,293	245,131	10.6	15.5
Rubber products	18	124,952	112,173	−10.2	611,211	692,034	20.4	16.2
Pulp and paper products	36	61,831	116,557	+88.5	472,848	548,673	13.1	21.2
Chemical products	39	256,485	319,182	+24.4	1,717,713	1,843,879	14.9	17.3
Drugs, soap, etc	13	55,290	59,779	+8.1	281,213	331,625	19.7	18.0
Paint and varnish	11	19,946	34,059	+70.8	131,169	143,390	15.2	23.8
Petroleum products	21	88,775	150,086	+69.1	899,939	966,900	9.9	15.5
Cement, glass, stone products	44	76,109	101,506	+33.4	609,857	669,489	12.5	15.2
Iron and steel	36	259,712	409,478	+57.7	3,509,694	3,623,323	7.4	11.3
Agricultural implements	12	45,551	90,827	+99.4	694,668	731,416	6.6	12.4
Building, heating, plumbing equipment	38	32,117	62,985	+96.1	276,740	317,966	11.6	19.8
Electrical equipment and radio	39	46,620	131,956	(+)	732,732	860,055	6.4	15.3
Machinery	84	46,146	93,791	(+)	523,081	567,519	8.8	16.5
Office equipment	11	25,972	38,979	+50.1	132,059	155,917	19.7	25.0
Other metal products	101	67,784	117,311	+73.1	504,051	555,727	13.4	21.1
Automobiles and parts	55	33,984	197,718	(+)	663,877	792,985	5.1	24.9
Railway equipment	14	27,569	41,406	+50.2	323,857	343,200	8.5	12.1
Aircraft and parts	13	8,319	[2] 18,201	(−)	124,855	127,177	6.7	-------
Miscellaneous manufacturing	97	104,565	155,621	+48.8	698,701	782,600	15.0	19.9
Total manufacturing	960	2,131,578	3,202,164	+50.2	17,105,668	18,744,298	12.5	17.1

[1] Increases or decreases of over 100 percent not computed.
[2] Deficit.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY], on which he requests the yeas and nays. Is the request sufficiently seconded?

Mr. MILLIKIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Colorado having suggested the absence of a quorum, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Colorado. Mr. President, if the Senator will withhold the suggestion for a moment, I was going to submit an amendment to the amendment; but the bell has now rung.

Mr. MILLIKIN. I am willing to withdraw the suggestion.

Mr. JOHNSON of Colorado. The bell has already rung.

The PRESIDENT pro tempore. The Chair suggests that what the Senator from Colorado has in mind could be done after the quorum call.

The Chief Clerk resumed and concluded the calling of the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Barkley	Hickenlooper	O'Conor
Bricker	Hill	O'Daniel
Bridges	Hoey	O'Mahoney
Brooks	Holland	Revercomb
Buck	Ives	Robertson, Va.
Bushfield	Johnson, Colo.	Robertson, Wyo.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stennis
Connally	Lodge	Stewart
Cooper	Lucas	Taft
Cordon	McCarran	Taylor
Donnell	McCarthy	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Eastland	McGrath	Thye
Ecton	McKellar	Tobey
Ellender	McMahon	Umstead
Ferguson	Magnuson	Vandenberg
Flanders	Malone	Watkins
Fulbright	Martin	Wherry
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

Mr. O'MAHONEY. Mr. President, I have asked for the yeas and nays.

The PRESIDENT pro tempore. There is evidently a sufficient second; and the yeas and nays are ordered.

Mr. JOHNSON of Colorado. Mr. President, I desire to offer an amendment to the amendment which has been offered by the Senator from Wyoming [Mr. O'MAHONEY]. I ask that at this point in the RECORD my amendment be printed.

The PRESIDENT pro tempore. Without objection, the amendment to the amendment will be printed in the RECORD.

The amendment offered by the Senator from Colorado [Mr. JOHNSON] to Mr. O'MAHONEY'S amendment is as follows:

At the end of Mr. O'MAHONEY'S amendment insert the following:

"That section 23 of the Internal Revenue Code, as amended (relating to deductions from gross income), is amended by adding at the end thereof a new subsection as follows:

"'(bb) Deduction for capital expenditures by corporations: In the case of a corporation—

"'(1) amounts expended during the taxable year for the acquisition of new buildings, facilities, equipment, or machinery, or for permanent improvement or betterments made to increase the value or productivity of any property; and

"'(2) amounts expended during the taxable year to retire indebtedness incurred, during an earlier taxable year and subsequent to December 31, 1947, in the acquisition of new buildings, facilities, equipment, or machinery, or in the making of permanent improvements or betterments to increase the value or productivity of any property, but only to the extent that a deduction with respect to such acquisition, improvement, or betterment has not been allowed under paragraph (1).

"'The amounts deducted under this subsection with respect to expenditures during any taxable year shall not exceed $10,000.' This proviso shall be effective with respect to expenditures made during taxable years beginning after December 31, 1947."

Mr. JOHNSON of Colorado. Mr. President, ever since I have been in Congress I have heard of the importance of helping small business. My amendment is clearly one which would help small business grow. We know how cooperatives have grown because they have had an opportunity, under the revenue laws, of plowing back into their business a large portion of their earnings. My amendment provides for the plowing back into business of at least $10,000 a year; and if that be done, no tax is collected on the income.

There was a time in past generations when small businesses had an opportunity to grow. The great corporations of today had their beginning in that period. But at the present time it is practically impossible for any business to increase very much in size. We have heard a great deal with regard to incentive taxation. There should be incentive taxation. The President has said that we need $50,000,000,000 more invested in industries. Where the $50,000,000,000 is to come from is not very clear. I hope it will not come from the Government. I hope we shall not have corporations in which capital is invested by the Government. The only other way that I can see is for a corporation to save enough money out of its tax burden to enable it to grow.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. O'MAHONEY. There is grave danger of precisely the result which the Senator feels. I pointed out earlier today that measures have been introduced to authorize the RFC to spend Government money in building new enterprises. It is a much more sensible way and is much more in harmony with the free-enterprise system to extend such an incentive as is provided in my amendment and as is provided in the Senator's amendment. I am happy that the Senator is proposing his amendment. I shall be very glad to accept it as a part of my amendment, if he desires to offer it in that way.

Mr. JOHNSON of Colorado. I desire to offer it in that way, and I thank the Senator very much for what he has said.

I think we should have a very bad situation in this country if our capital structure had to depend upon Federal money for its growth and development.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. FULBRIGHT. When the Committee on Banking and Currency had under consideration the RFC there was a great deal said about providing aid for small business. It became apparent that what was needed was some incentive to provide needed capital. I think a measure along the lines of that which the Senator is proposing is the very thing that is needed, far more than would be the making of loans which, in an inflationary period, will not solve the problem of small business.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. WHERRY. Is the amendment which the Senator is offering proposed for the purpose of amending the amendment offered by the Senator from Wyoming? Did the Finance Committee consider it?

Mr. JOHNSON of Colorado. My amendment originally was in the form of a bill. It was before the Finance Committee but was not considered as an amendment to the pending bill. The Finance Committee agreed that it would not consider at this particular time a great many amendments or other bills relating to the Federal revenue. Inasmuch as the Senator from Wyoming, who is not a member of the committee, has offered an amendment which does in a way pertain to corporation taxes, I thought my bill, which has been pending in Congress for some time, might very well be considered at this time as a part of his proposal. I am not at all complaining about any bad treatment from the committee, because the opposite is true, and the decision not to consider outside matters was my decision, as well as that of the other members of the committee.

My particular bill not only affords an incentive for small industries to grow, but in my opinion it would compel small businesses to grow. No small business could afford not to put back into the business the $10,000 exemption to which it would be entitled if it plowed back into the business that amount of new capital.

Mr. WHERRY. I have not read the amendment. Does it mean that a small business making more than $10,000 would still be able to plow back the $10,000?

Mr. JOHNSON of Colorado. Yes.

Mr. WHERRY. How much money would they have to make before they could get the benefit?

Mr. JOHNSON of Colorado. All corporations would benefit, provided they invested an amount not less than $10,000, or lesser amount of tax exemption they claimed.

Mr. WHERRY. Is there any limitation, or does the Senator define in the amendment what small business is?

Mr. JOHNSON of Colorado. No; the exemption applies to all corporations. All corporations can claim an exemption of $10,000, provided they put that much money back into the industry. A large business might not care about it, but a small business would be compelled, under such a provision, to add that much money to its capital investment. It would be foolish not to do it.

Mr. WHERRY. Why does the Senator offer it to the amendment of the Senator from Wyoming?

Mr. JOHNSON of Colorado. I offer it to the pending amendment because the amendment deals with corporations.

Mr. WHERRY. If the amendment is agreed to as a part of the pending amendment, while it attempts to carry out the purpose of the Senator from Colorado, would it not result in confusion with reference to the excess-profits tax? I am wondering why the Senator could not offer the amendment directly to the bill.

Mr. JOHNSON of Colorado. I do not care to offer it directly to the bill because I am a member of the Committee on Finance, and we agreed in the committee that we were not going to offer amendments to the bill. But now an amendment is pending, and I am offering my bill as an amendment to the pending amendment.

Mr. WHERRY. I understand.

Mr. JOHNSON of Colorado. It may be a little complicated, but at least it meets the technical situation. I am offering it as an amendment to the amendment of the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I modify my amendment by accepting the amendment of the Senator from Colorado.

The PRESIDENT pro tempore. The yeas and nays having been ordered, unanimous consent is required before the alteration in the amendment of the

Senator from Wyoming can be made. Is there objection? The Chair hears none, and the pending question is on agreeing to the amendment of the Senator from Wyoming perfected by the addition of the amendment submitted by the Senator from Colorado.

Mr. JOHNSON of Colorado. Mr. President, there is one more word I wish to say. As nearly as I can discover, my amendment would cost the Treasury $500,000,000 annually.

Mr. MILLIKIN. Mr. President, as has been stated by my distinguished colleague the senior Senator from Colorado [Mr. JOHNSON], the amendment would cost $350,000,000 or $400,000,000. That naturally would have to be added to the cost of the bill, unless we are prepared to revise the whole bill.

Once more I should like to say that this whole subject is under study in the House Ways and Means Committee. I am very sympathetic with the idea of doing something special for the smaller corporations, but, as I have said, the subject is under study, and I do not believe it is appropriate to provide for it in the pending bill without its having more study than we can give it on the floor of the Senate.

Mr. President, I should like to ask my distinguished colleague what remains of the excess-profits-tax theory under this amendment.

Mr. JOHNSON of Colorado. My amendment has nothing to do with the excess-profits tax as such. My amendment applies to the ordinary corporate tax.

Mr. MILLIKIN. A parliamentary inquiry. What is the status of the amendment of the Senator from Wyoming?

The PRESIDENT pro tempore. It is the pending question, and it has been modified by the addition of the amendment suggested by the Senator from Colorado [Mr. JOHNSON]. In other words, the vote will be taken on the two proposals as one.

Mr. MILLIKIN. I have already suggested that the cost of the amendment of the distinguished Senator from Colorado would be $350,000,000 or $400,000,000. I believe that would be an excessive extension of the amount of reduction which seems to meet with general satisfaction in the Senate.

I make the further point that the whole subject also has been under intense study by the House Ways and Means Committee, and I am very hopeful that something special can be worked out, whenever the revenues will permit, to help the small-business man.

Much has been said here and elsewhere about the high level of corporation profits, and that results from the fact, in the main, that attention is directed to the subject and to the amounts involved before giving consideration to taxes. Reducing corporate profits before taxes to an after-tax basis cuts the total for the calendar year 1947 from $28,700,000,000 to $17,400,000,000. Similarly, the elimination of corporation tax liabilities reduces the 1946 total from $21,100,000,000 to $12,500,000,000.

Corporate profits are also overstated at the present time because they include unusually large amounts of so-called profits which represent increases in the value of inventories due to the rise in prices. This element in profits is illusory and will quickly turn into a loss when prices begin to decline. The 1947 profit figures include no less than $5,700,000,000, which represents increase in the value of inventories. If this element is removed from the total, and tax liabilities are also taken into account, corporate profits in 1947 are reduced from $28,700,000,000 to $11,700,000,000. Similarly, adjustment for taxes and changes in the value of inventories reduces the 1946 total from $21,100,000,000 to $7,900,000,000.

A further inflation of current estimates of profits results from the inadequacy of the depreciation charges which are now being made. Depreciation is based on original cost rather than replacement cost. In a period of rising prices this means that the depreciation written off over the actual life of the asset will not equal the price which must be paid to replace the asset when it is worn out. This is another way of saying that profits have been overstated during the interval in question. It is impossible to estimate statistically the importance of this factor in the present situation, but, because of the large size of the price changes which have occurred since before the war, failure to charge off adequate depreciation is undoubtedly of major importance. This I believe was recognized by the distinguished senior Senator from Wyoming.

Mr. President, I am going to place in the RECORD at this point some tables, and I now merely mention their general significance.

Table I shows corporate profits after adjustment for tax liabilities and changes in the value of inventories. In column 7 corporate profits on this basis are expressed as a percent of national income. It will be observed that the percentage in 1947 is almost exactly the same as that in 1939, and substantially below the percentages which existed in 1937 and 1929.

Table II shows the relationship between dividends paid and corporate profits after adjustment for tax liabilities and changes in the value of inventory. It will be observed that dividends are only 58 percent of profits in 1947 as compared with 88 percent in 1939 and 100 percent in 1937, two relatively prosperous prewar years. The 1947 percentage is also substantially below the percentage which existed in 1929.

The fact that a relatively small percentage of current profits are being distributed as dividends can be used to support the argument that the profits received are needed in order to finance the necessary expansion of business. I have already gone into that rather fully. This is another reason for saying that current profits are not too high.

There are some hogs in business. There are men in business whose teeth are too long, and there ought to be ways of getting at them. But let us take a cut out of the egg and not out of the hen which lays the egg.

Table III shows dividends as a percentage of national income. It also shows wages and salaries as a percentage of national income. The table indicates that dividends are a very much smaller percentage of the total than they were in prosperous years before the war, while wages and salaries are actually a larger percentage of the total than they were in 1929.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the three tables to which I have just referred.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—*Corporate profits in selected years*

[In billions of dollars]

	National income (1)	Corporate profits before taxes and, including change in value of inventories (2)	Inventory valuation adjustment (3)	Corporate profits, net of changes in value of inventories (4)	Corporate tax liabilities (5)	Corporate profits after taxes and net of changes in value of inventories (6)	Percent net corporate profits to national income (7)
1947	203	28.7	−5.7	23.0	11.3	11.7	5.8
1946	178	21.1	−4.7	16.5	8.6	7.9	4.4
1945	183	20.2	−.5	19.7	11.3	8.4	4.6
1942	136	21.0	−1.3	19.8	11.7	8.1	6.0
1939	73	6.5	−.7	5.8	1.5	4.3	5.9
1937	74	6.2		6.2	1.5	4.7	6.3
1929	88	9.8	+.5	10.3	1.4	8.9	10.0

Source: Department of Commerce data.

TABLE II.—*Dividends and profits in selected years*

[In billions]

	Profits after taxes and inventory adjustment	Dividends	Percent dividends to profits
1947	11.7	6.8	58
1946	7.9	5.6	71
1945	8.4	4.8	57
1942	8.1	4.3	53
1939	4.3	3.8	88
1937	4.7	4.7	100
1929	8.9	5.8	65

Source: Department of Commerce data.

TABLE III.—*National income, dividends, and wages and salaries in selected years*

[In billions]

	National income	Dividends	Percent national income to dividends	Wages and salaries	Percent wages and salaries to national income
1947	203	6.8	3.4	122.8	60.5
1946	178	5.6	3.1	111.1	62.2
1945	183	4.8	2.6	117.5	64.2
1942	136	4.3	3.2	81.7	60.0
1939	73	3.8	5.2	45.7	62.5
1937	74	4.7	6.3	45.9	62.1
1929	88	5.8	6.6	50.2	57.0

Source: Department of Commerce data.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. LANGER. What is the source of the statistics?

Mr. MILLIKIN. The Department of Commerce is the source of the statistics.

As to the general policy of going back to an excess-profits-tax system, I should like to quote from Secretary Glass when he was dealing with the subject after World War I under conditions similar, but on a smaller scale, to those which exist today:

It encourages wasteful expenditure, puts a premium on overcapitalization, and a penalty on brains, energy, and enterprise, discourages new ventures, and confirms old ventures in their monopolies.

I quote now former Secretary of the Treasury Vinson, now Chief Justice of the United States, in connection with our 1945 repeal of excess-profits taxes. He said:

Repealing the excess-profits tax means getting out of the tax system a tax which certainly in its present form has no place in the peacetime system.

The case against the excess-profits tax for 1946 goes beyond the facts that it is primarily a wartime control and that it is erratic and inequitable. It is also an obstacle to that reconversion and expansion of business which is so necessary for a high level of employment and income.

* * * * *

Clearly, the repeal of the excess-profits tax will stimulate production. Today we are starved for new houses, new cars, new radios, and the like. The best defense against the use of our wartime savings to bid up prices on these scarce items is to remove the scarcity. Production and more production is the key. To this end, elimination of the repressive influence of the excess-profits tax will make a real contribution.

* * * * *

Yet, despite its contribution to the successful operation of a wartime economy, the excess-profits tax has been an erratic and in many instances an inequitable tax. The difficulty is that calling profits excessive does not make them excessive. Calling profits normal does not make them normal. Normal profits and excessive profits look alike. There is no chemical reagent to distinguish them.

The excess-profits tax, to be sure, has a formula—a very complicated formula in its entirety—for distinguishing normal and excessive profits. But that formula is seriously defective.

One serious defect of the excess-profits tax for the postwar period lies in the weakness of the average earnings credit, which uses prewar profits as a measure of normal profits. A corporation may continue to earn free of excess-profits tax 95 percent as much as it averaged during the years 1936–39, and this amount is often enlarged by various relief provisions. A corporation with a high prewar earnings experience may thus earn 20 percent, 30 percent, or more on its invested capital without paying any excess-profits tax. New and rising corporations do not have the benefit of such a credit—

I emphasize this especially—

and are thus at a competitive disadvantage in relation to established long-prosperous corporations. Whatever the merits of the average earnings credit in measuring excessive war profits, it would be grossly unfair if applied to peacetime business.

The same thing was emphasized again and again by the Secretary as a result of examination by Senators, including questions by the Senator from Connecticut [Mr. McMAHON].

The then chairman of the Senate Finance Committee, the Senator from Georgia [Mr. GEORGE], in advocating the repeal of the World War II excess-profits tax, pointed out a number of the objections to the tax in peacetime. He said:

New, growing, and small corporations are particularly hurt by the excess-profits tax. The old established firm has a large excess-profits credit, and, therefore, has a decided competitive advantage over new and growing companies. * * * The competitive disadvantage of such a tax to a new and rising corporation is tremendous. The new and rising corporation, not having an adequate credit, pays a much heavier excess-profits tax on its current income than the old established firm. * * *

The Treasury stated that for 1943 over 70 percent of the corporations subject to the excess-profits tax had net incomes of less than $100,000. * * * On the other hand, some of our very large corporations do not pay any excess-profits taxes. In 1943 it was estimated by the Treasury that one-third of the corporations with incomes of $1,000,000 and over did not have taxable excess profits.

The tax also discourages risk-taking, since corporations can retain only a small part of their profits. The continuance of the tax * * * will discourage new investments in both 1945 and 1946. As a result this tax will retard production.

It should be borne in mind that only about 22,000 corporations will have net incomes of $60,000 or more in 1946, that many of these 22,000 corporations will be benefited through the repeal of the excess-profits tax. * * * It is estimated that of the 260,000 corporations with net incomes for 1946, 238,000 will have incomes below $60,000. While some of these will be benefited through the repeal * * * it is believed desirable to extend further relief through a reduction in the ordinary corporate rate.

I remind my colleagues that we took this very courageous action in 1945 because we wanted to liberate the profits of corporations so that they could use them for expansion to cover the reconversion period. It has had precisely that effect. Had we continued the excess-profits taxes, I do not know where we would have obtained our money for expanding plants during this period. The evidence before the committee and, I think, the discussion here show that risk capital has dried up. Corporations have been financing themselves through their own fat, and through the addition of indebtedness rather than through risk investment.

I suggest that this effort to reimpose the excess-profits tax system is the antithesis of what we are trying to do, and should be defeated.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY], as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], and the Senator from Indiana [Mr. JENNER] are necessarily absent. If present and voting, the Senator from Minnesota, the Senator from Maine, and the Senator from Indiana would vote "nay."

The Senator from Maine [Mr. WHITE] is absent because of illness. If present and voting, the Senator from Maine would vote "nay."

The Senator from Kansas [Mr. REED] is detained on official committee business.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Arkansas [Mr. McCLELLAN] is absent on official business by leave of the Senate.

The Senator from Louisiana [Mr. OVERTON] is absent on official business.

The Senator from New York [Mr. WAGNER] is necessarily absent, and if present would vote "yea."

The result was announced—yeas 26, nays 58, as follows:

YEAS—26

Barkley	Johnson, Colo.	Myers
Connally	Kilgore	O'Mahoney
Dworshak	Langer	Russell
Fulbright	McCarran	Sparkman
Green	McFarland	Stennis
Hatch	McGrath	Taylor
Hayden	Magnuson	Thomas, Okla.
Hill	Morse	Thomas, Utah
Holland	Murray	

NAYS—58

Aiken	George	O'Daniel
Baldwin	Gurney	Revercomb
Bricker	Hawkes	Robertson, Va.
Bridges	Hickenlooper	Robertson, Wyo.
Brooks	Hoey	Saltonstall
Buck	Ives	Smith
Bushfield	Johnston, S. C.	Stewart
Butler	Kem	Taft
Byrd	Knowland	Thye
Cain	Lodge	Tobey
Capehart	Lucas	Umstead
Capper	McCarthy	Vandenberg
Cooper	McKellar	Watkins
Cordon	McMahon	Wherry
Donnell	Malone	Wiley
Eastland	Martin	Williams
Ecton	Maybank	Wilson
Ellender	Millikin	Young
Ferguson	Moore	
Flanders	O'Conor	

NOT VOTING—12

Ball	Jenner	Reed
Brewster	McClellan	Tydings
Chavez	Overton	Wagner
Downey	Pepper	White

So Mr. O'MAHONEY's amendment, as modified, was rejected.

Mr. PEPPER subsequently said: Mr. President, I had an important engagement at one of the departments which prevented my reaching the floor until after the result of the vote on the O'Mahoney amendment was announced. Had I been able to vote upon the amendment, I would have voted "yea."

Mr. MILLIKIN obtained the floor.

Mr. BUTLER. Mr. President, will the Senator yield to me?

Mr. MILLIKIN. I yield.

Mr. BUTLER. Mr. President, it had been my intention to call up an amendment which has been on the table for some time. The amendment, which I submitted for printing, provides for the exemption of certain excise taxes in connection with agricultural fires, and so forth. But from the action taken here already with reference to other excise taxes, I have been convinced that it is not in keeping with the purpose or spirit

of this measure to consider excise taxes at this time. So I shall not call up the amendment, but I am in hope that it will shortly be considered in connection with a general tax bill.

However, Mr. President, I have a proposal which I wish to suggest to the chairman of the committee at this time, in the hope that he may see fit to give it consideration. It is an amendment with reference to the definition of partnership and partner.

I now offer the amendment and send it to the desk and ask to have it stated.

The PRESIDENT pro tempore (Mr. CAIN in the chair). The amendment will be stated.

The CHIEF CLERK. After section 305, it is proposed to add the following:

Sec. 306. Definition of partnership and partner.

Paragraph (a) (2) of section 3797 of the Internal Revenue Code is amended by inserting at the end thereof the following: "Any partnership created before January 1, 1946, and valid by the law of the State where created and doing business shall be deemed valid for Federal income-tax purposes, and each partner thereof, in computing his net income, shall include only his distributive share of the ordinary net income or the ordinary net loss of such partnership, computed as provided in section 183 (b), in accordance with the terms of the partnership agreement."

Sec. 307. Taxable years to which applicable.

The amendment made by section 306 shall be applicable with respect to taxable years beginning after December 31, 1940, and before January 1, 1946.

Mr. BUTLER. Mr. President, I think the reading of the amendment is sufficient to inform the Senate of its general purpose. The Senate has already incorporated in the bill a community-property item. That will take care of such cases as may occur from now on, if this bill becomes law.

But we have given no consideration whatsoever to exactly the same arrangements which were legally followed under partnership forms for the past several years. I know of a great many cases of partnerships which were strictly legal, and which were so considered by the States in which they operated; yet the Bureau of Internal Revenue has been endeavoring to collect back taxes from them, has taken those firms into court unnecessarily, and has put great expense upon them, when that should not have been the case.

The amendment I propose would make the definition applicable for the years 1940 to 1946—not following 1946, but up to the year 1946. It would legalize those partnerships which were recognized as legal by the States in which they operated.

Mr. BUTLER subsequently said: Mr. President, I ask unanimous consent to have printed in connection with my opening remarks on this amendment, a statement regarding it which I have prepared, and which I would deliver at this time, but for the lack of time today for extended remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MARCH 19, 1948.

STATEMENT BY SENATOR BUTLER WITH REFERENCE TO A PROPOSED TAX BILL AMENDMENT TO DEFINE PARTNERSHIPS AND PARTNERS FOR INCOME-TAX PURPOSES

Mr. President, I realize that our consideration of tax legislation at the present time is strictly limited in scope to the subjects already covered by the bill as passed by the House. I believe that my proposed amendment will be considered to fall within that scope. When we go into executive session on this bill, I hope this proposal can be considered by the committee.

My proposed amendment is designed to define partnerships and partners for income-tax purposes. This amendment is designed to do justice and give relief to a considerable number of taxpayers who have been injured by recent decisions of the Bureau of Internal Revenue and of the Supreme Court. The situation is this: In a great number of cases, it has ben found that owners of businesses have granted as gifts to their wives or other relatives some share in their businesses, thus making their wives partners. When a man performs an action of this sort, several results naturally occur. For one thing, where the property granted is substantial, he may have to pay the gift tax on the grant. Second, he naturally loses all legal control over the property granted. That is, his wife thereafter legally is entitled to a partner's share in the profits in the business and a partner's liability for any losses. If she and her husband have any personal difference or differences of opinion on the conduct of the business or otherwise, she has entire legal control of her share.

Thirdly, the grant of a share in a business to the wife may also permit husband and wife to make a real saving on the income-tax liability against the earnings of the business as a whole. We are all familiar with that fact in connection with the proposal extending to the citizens of all States the right to prepare their Federal income-tax returns on the same basis as if they lived in so-called "community-property States."

There is, of course, no doubt that some of these grants by husbands to wives are made with the intent of reducing the income-tax liability of the couple. When that is the motive for the grants, no doubt they are a form of tax avoidance. Tax avoidance is nothing new to us, and we all know it occurs in connection with every tax we have ever enacted.

In connection with these partnership cases, the Bureau of Internal Revenue has taken the position that many or most of the gifts by husbands to their wives are an attempt to evade a liability that the couple should have paid. The Bureau has taken the position that regardless of the legal status of the partnership, it should pay taxes just as if no gift had ever been made, provided it could convince a court that the gift was made in order to decrease the tax liability of the partnership. The Bureau has claimed the right to go beyond State laws governing partnerships and determine what is called the factual relationship as distinct from legal relationships recognized by State laws.

On February 25, 1946, the Supreme Court handed down decisions in two of these cases, known as the Lufthaus and Tower cases, by which it agreed with the Bureau that certain of these partnerships were, in effect, attempted evasions of Federal income-tax laws, and that the tax liability should be the same as if the gifts had not been made. Since that time, the Bureau has attempted to go back into a number of years prior to those Supreme Court decisions and collect back the excess liability in each case.

My own feeling, frankly, is that the Congress should not try to go behind the legal relationships that are recognized by State law. In other words, I feel that when the State recognizes that a partnership exists, we should not attempt to prove that this partnership is an evasion of Federal income taxes. At the worst, in my judgment, the taxpayer is guilty of nothing more than avoidance. When we do try to go behind a legal partnership and determine what the Bureau of Internal Revenue calls the factual relationship, we immediately run into a whole host of problems. One of them, for example, is the problem of determining why the gift was made. When we try to determine such an abstract thing as a man's motives through legal process, we are bound to make a great many mistakes.

However, my proposed amendment does not go that far. It merely provides relief for those taxpayers who, in good faith by the terms of the law as it was then understood, entered into such partnerships before the Supreme Court decisions referred to. That is, it applies only to partnerships created before January 1, 1946, and only to taxable years beginning after 1940 and before 1946. For the present, I am not pressing the argument beyond that point.

This problem will, of course, be fairly well taken care of for the future if title III of H. R. 4790 is enacted. The only thing my proposal affects will be those family partnerships entered into before the Supreme Court decisions. I think we are entitled to believe that any such partnerships were entered into in good faith.

On the other hand, if we do not adopt something like this, we have the situation of the Bureau of Internal Revenue trying to go back into all the prior years as far as the statute of limitations allows and collecting additional sums from taxpayers who had believed that their liability was completely liquidated on their incomes for those prior years. The campaign the Bureau has been carrying on for the last year or two to reopen those old returns and collect additional taxes is causing a great deal of hardship and disorganization to a great many business firms, and in a good many cases, it has forced liquidation of assets and hampered their operations in many ways.

This general proposal has received some study from the committee previously, but I don't believe any definite decision was ever reached. My feeling is that we are recognizing the problem for the future in a slightly different sense by title III of this bill. In justice, I believe we ought to go back in these partnership cases and grant some relief.

Mr. MILLIKIN. Mr. President, there are many complaints as to the way the Bureau of Internal Revenue has been harassing people who are in partnerships of the type described by the distinguished senior Senator from Nebraska. The great difficulty today is, as it was a year ago, that no one has yet come forward with a formula which automatically will administer itself and will separate the colorable and fraudulent transaction from the general and legal transaction.

Ever since the debate on this matter last year, the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Nebraska [Mr. BUTLER], and I, and other Senators have been working on the Bureau, to try to get it to have a more intelligent administration of this matter, and the staffs have been working to try to find a formula which will make it less possible for the Bureau of Internal Revenue to do inequitable and unjust things.

I am glad to say that the staff advises me that it believes some progress has been made, and it is about ready to present the matter to the House of Representatives Ways and Means Committee, in the hope that some statutory relief can be provided later in the session. I cannot guarantee it, but there is nothing before the Senate now that is so all-inclusive in its definition as would at once automatically exclude the fraud cases from the cases that are genuine. Of course, that is the problem.

As the Senator has pointed out, we ought not have much trouble with this matter in the future, because the nonexistence of the privilege of splitting incomes has motivated many of our trust arrangements, many of our partnership arrangements, and many devices of that kind. Now there will no longer be any reason for them. So at least we have stopped it, in the main, I believe, in the future.

As to the past, I do not believe we can proceed now, because we do not have a formula that will sufficiently protect the revenues in cases which are not bona fide.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. MILLIKIN. I yield.

Mr. WHERRY. I wish to say that I am in total sympathy with the amendment of the senior Senator from Nebraska. I think it should receive early consideration in connection with any tax-revision bill, and it should receive attention at the Bureau of Internal Revenue. If a State recognizes a legal partnership I cannot understand why there should be any attempt in the Bureau of Internal Revenue to determine that for purposes of revenue it should not be so recognized.

So I am in total sympathy with the amendment. I think it certainly has been brought to the attention of the committee, and I think it should be brought to the attention of all Members of the Senate. In my opinion the Bureau of Internal Revenue should recognize that when a legal partnership is recognized for all purposes within a State, certainly it should be so recognized for purposes of income taxes.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to me?

Mr. MILLIKIN. I yield.

Mr. HICKENLOOPER. Mr. President, I wish to join with the Senator from Nebraska [Mr. WHERRY] in complimenting his colleague [Mr. BUTLER] on his work on this amendment, and also to compliment the Senator from Colorado [Mr. MILLIKIN] for his sympathetic understanding of the problem involved. As he mentioned a moment ago, I have been greatly interested in this problem. I had an amendment similar to the one proposed by the senior Senator from Nebraska. I have had the amendment up, as has he, although he really took the lead in this matter. I make no claim of origin.

I have been persuaded by my contacts with the staff of the Finance Committee and with the chairman of the Finance Committee that that committee is zealously seeking a more workable formula to assure the accomplishment of the end sought by the amendment. Being persuaded that they are doing that, I refrain from filing my amendment at this time to this bill.

I say to the Senator from Nebraska that in my office I have dozens of examples of arbitrary and un-understandable proceedings on the part of the Bureau of Internal Revenue in an effort to overturn partnerships that are as soundly legal as anything under the law of our State can be legal, in my opinion. Apparently their refusal to adopt regulations and attitudes that are at all fair in approaching these problems is one that can be corrected only by statute.

I say to the Senator from Colorado, as I told him a while ago, that being persuaded, as I am, that his committee is earnestly searching for a sound, workable principle to write into an amendment, and that if they find such an amendment, they will consider it carefully, and, I hope, will adopt it, I have refrained from filing my amendment.

The Senator from Nebraska is eminently correct in the theory of his amendment. I had made up my mind that I would not try to urge it in connection with this bill. I wish to make it clear that if I vote against the amendment of the Senator from Nebraska, I shall do so only in the interest of keeping this bill clean at this time, because perhaps a better formula will be found soon.

Mr. McCLELLAN. Mr. President, will the Senator yield to me?

Mr. MILLIKIN. I yield.

Mr. McCLELLAN. I should like to state, first, for the RECORD, that I have had to be absent from the Chamber thus far today on account of my attendance at the National Rivers and Harbors Congress. I have just entered the Chamber. I was not here when the Senator from Nebraska presented his amendment and when it was read. May I inquire if the Senator's amendment is designed to cure the practice on the part of the Bureau of Internal Revenue of refusing to recognize with respect to taxation, bona fide partnerships between husband and wife and between other members of families?

Mr. BUTLER. Mr. President, I would say that that is exactly the purpose of the amendment.

Mr. McCLELLAN. If the Senator from Nebraska will yield further, I commend him for presenting the amendment, and I want the privilege of supporting it. There were two tax bills before the Senate last year and, as the Senator will probably recall, I offered and urged a similar amendment on both occasions. The abuse practiced by the Bureau of Internal Revenue under the present regulation, or lack of equitable regulation, is one of the very things that inspired the provision which is now in the pending bill with respect to split incomes. Gross inequities and gross injustices are involved in the conditions which now prevail. If a man should give away half his estate, or transfer or sell half of his business, to one a stranger, with whom there is no family relationship, that would be recognized by the Bureau as a legitimate transaction; but if he should give it to his wife or sell it to his wife or child, then he would be immediately looked upon with suspicion. I have found very little effort on the part of the Bureau of Internal Revenue to make any effort whatever to determine cases which are bona fide and to deal with them justly. I hope the Senator's amendment will be agreed to.

Mr. MILLIKIN. Mr. President, I wish to add that I have just been reassured by the director of our staff that that is an active subject with the technicians and with the House Ways and Means Committee, and that they are hopeful of being able to devise some measure in the reasonably near future to reach these bad cases. I repeat, I do not think that we at this time can determine what should be done on the floor of the Senate. It is a very complicated question, reaching into trusts and family partnerships and all sorts of arrangements, bona fide, colorable, and some fraudulent. I do not believe we should dispose of the whole subject on the theory that they are all legitimate. In any event, I believe we should have the benefit of the extensive study of the subject which is coming to a head and which has been made by our staff and by the House Ways and Means Committee.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. BUTLER. Am I correct in my understanding that the Senator says there is every likelihood of this point being raised in the next bill that comes before the Senate?

Mr. MILLIKIN. I feel reasonably safe in making such a statement to the Senator.

Mr. BUTLER. May I also ask this question? I know the Senator cannot give definite assurance, of course, but would it be possible for him to use his influence with the Bureau of Internal Revenue to get the Bureau to ease up a little bit on their persecution in connection with some perfectly legitimate cases covered by the amendment, until they find out what the intent of Congress is in this respect?

Mr. MILLIKIN. Mr. President, I should like to say that I shall be delighted to do that. If any Senator will bring to my attention any of the bad cases, while, of course, I cannot guarantee any kind of results, I shall be delighted to take them up with the Bureau of Internal Revenue.

Mr. BUTLER. Mr. President, in the light of the explanation made by the chairman, and with the assurance that he apparently has from the staff, while I dislike not having action on the amendment at this time, I know that we want to get through tonight, and I shall withdraw the amendment from immediate consideration, but with the distinct understanding that it is to be covered when the next tax bill comes before the Senate, which we hope will be in the not distant future.

The PRESIDING OFFICER. The Senator from Nebraska withdraws his amendment.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator from Georgia.

Mr. GEORGE. Mr. President, I wish to make a very brief statement on the bill as a whole. I do not desire to interfere with other Senators, if they have some particular matter they want to present at the moment.

I take this occasion, Mr. President, to state why I shall support the committee bill. In the first place, by two successive bills following the actual cessation of hostilities, we did two things with respect to corporations. First, we made available to corporations certain benefits which they ultimately would have received, but we expedited or moved up the date on which they would receive them. That was of very great benefit to the corporations. Then, in the 1945 act, we repealed the excess-profits tax and also cut the combined normal and surtax rates by 2 percentage points clear across the board. At that time we definitely committed ourselves to the reduction of individual income rates. At that time I had the honor of being chairman of the Senate Finance Committee. I thought I was speaking with full approval of the Treasury Department, at least, because the Secretary of the Treasury had himself strongly recommended the repeal of the excess-profits tax in the 1945 act. I know that I feel a very definite moral obligation to support a reduction in individual income rates.

Mr. President, very many plausible arguments could be made in behalf of amendments to tax bills. The great difficulty about the restoration of the excess-profits tax is simply that corporations cannot be made to earn profits in peacetime, if the profits are all to be taken from them in taxes. They will find some way by wastage or otherwise to avoid accumulation of profits upon which they would have the extreme dissatisfaction of seeing the Government take all by way of taxation. My confident belief is that such progress as has been made since the war toward restoration of production in the United States has been due very largely to the repeal of the Excess-Profits Tax Act. If it were restored now, I am confident it would discourage business in the United States; not more than 22,000 of the 350,000 taxpaying corporations would be caught, and those 22,000 would speedily find a way of wasting their profit rather than turning it all over to the tax collector.

The issue was raised earlier in the day by the distinguished Senator from Louisiana, regarding inequities between individuals as a result of the splitting-of-income provisions by this particular bill. The distinguished Senator was quite right in all that he said. There are inequities still existing between individuals within the community-property and within the common-law States, as we refer to them. All that could be expected to be accomplished by this bill was to take the necessary step of eliminating the inequities between the community-property States and the large group of common-law or non-community-property States. There will be another day in which we can iron out the inequities that will still exist between individuals who are themselves heads of families and whose spouses have passed away, and between single persons in the same category.

So I think, Mr. President, there is a substantial reason for congratulation upon the taking of the first definite step toward the elimination of the inequities in the largest class of taxpayers in the non-community- and community-property States, namely, married taxpayers. Later on these inequities with respect to individuals—and they undoubtedly exist—can be given consideration.

The bill, Mr. President, will accomplish things which have been advocated on the floor by many Senators. It will raise the exemption from $500 to $600. That is not a great amount, but it will relieve from all taxation at least from 6,000,000 to 6,500,000 taxpayers in the lowest brackets. I think that is decidedly worth while. Moreover, by doubling the exemptions for taxpayers who are 65 years of age and over, an additional 1,000,000 to 1,300,000 or 1,400,000 taxpayers will be completely relieved. I think that is distinctly and definitely worth while.

I know there will be no disagreement upon the point of increasing exemptions to blind taxpayers. I think that will be approved without any dissent. There is a substantial reason why we should double the exemption of taxpayers who are 65 years of age and above. In the first place, the doubled exemption will not be significant to the taxpayer who has a large income. It will be negligible so far as he is concerned. If he has a large income he will still continue to pay a high tax to the Government and will not receive a great deal of benefit. But in the category of persons who are 65 years and over, there is a large number of retired persons, a large number of annuitants, men and women who have been employed by the Government and who have retired on a small pittance, men and women who have bought small annuities and who therefore have a very moderate fixed income on which to live during the remaining days of their lives.

I think the provision in the bill covering that point is a good one. Certainly the provision with respect to the blind is a good provision. Certainly I believe, Mr. President, that the splitting of income eliminates an inequity between persons in the same category in the several States, which, sooner or later, in one way or another, we would be compelled to remove.

The distinguished Senator from Wyoming [Mr. O'MAHONEY] offered an amendment with respect to equalizing provisions with respect to gift and estate taxes, and he very properly pointed out that there is a possible serious loophole in that provision in the bill. That is one of the subjects which will require some further study. But, Mr. President, so far as I personally am concerned, I am not greatly disturbed about the gift-tax or the estate-tax law, once we admit the community of interest between married persons in the property which they own in common or acquire, because, if there is a community of interest, there should not be, in my judgment, any gift tax or any inheritance tax imposed so long as the property shall remain within that narrow community of the husband and the wife. If the gift be to the children a different case is presented, and there should be a gift or inheritance tax in that case. If the gift is to a stranger, of course there should be a gift or inheritance tax.

I shall not try to point out further what I believe to be the fruits of the bill. I am pointing to the things which I have mentioned for the simple purpose of saying that, morally committed as I feel I am, to a reduction in individual income taxes, with the reforms which have been introduced into our revenue system through this bill, I am willing to vote for it. I am willing to vote for it even if tomorrow war shall come and the chips are down and we have to raise taxes again upon all our taxpayers, because it will be better, if we must raise taxes again, to know that we have corrected some of the basic inequalities in the tax system. Then the tax burden will rest more equitably and more evenly upon all of the taxpayers.

Just a further word, Mr. President. With respect to this point I wish to be very careful, because it might be considered as being in the nature of a prediction, although I think it is not.

It is my belief that there is adequate room in the budget for the tax reductions proposed by the budget in both of the fiscal years 1948 and 1949.

I am convinced that we can expect a surplus in the fiscal year 1948 of $5,000,000,000 and a surplus next year of at least $5,200,000,000.

In arriving at these estimates I have used the receipt estimates of the staff of the Joint Committee on Internal Revenue Taxation. From long experience it has been my observation that these are more reliable than those of the Treasury, which properly are on the conservative side.

With respect to expenditures I have assumed that the President's estimate of expenditures in the fiscal year 1948 will be increased by $3,000,000,000 and that his estimate for the fiscal year 1949 will be decreased by $3,000,000,000. This will be the result of the European Recovery Program Trust Fund which was included in the foreign-aid expenditures recently approved by this body. The President's proposed expenditures in both of these years were also increased by all of the additional foreign-aid expenditures requested by the President since submitting his budget. It is worth noting that the President's proposed expenditures already included $400,000,000, which was his estimate of the cost which will be incurred in the fiscal year 1949 by the adoption of universal military training. Should his draft proposal be adopted this would increase these expenditures by only a few million dollars.

On the basis which I have just outlined, we can expect receipts of the $46,000,000,000 in 1948 before any tax reduction, and expenditures of about $5,500,000,000. The proposed tax reduction will decrease receipts in 1948 by only about $500,000,000. This, therefore, will leave a surplus of $5,000,000,000.

In 1949 we can expect receipts of about $47,300,000,000. Expenditures after the

increases I have allowed for would be about $37,000,000,000, leaving a surplus before tax reduction of nearly $10,300,000,000. The Finance Committee's bill would decrease this by about $5,100,000,000, leaving a surplus of about $5,200,000,000.

In my opinion, surpluses of $5,000,000,000 or more in 1948 and 1949 are large enough to provide for adequate debt reduction and any contingencies which may arise.

These surpluses have been computed on a very conservative basis. Items which may raise expenditures have been taken into consideration, but not those which would decrease expenditures.

If expenditures are reduced by $2,500,000,000 in 1949, as this Congress has recommended, we can expect a surplus after the tax reduction proposed of about $7,700,000,000.

On the most conservative basis, therefore, there is room for tax reduction, as well as debt retirement.

On this basis, Mr. President, and for the reasons I have already stated, I shall support the bill reported by the Committee on Finance.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Virginia.

Mr. ROBERTSON of Virginia. I wish to preface my question by saying that on numerous occasions my illustrious predecessor, Carter Glass, told me that in his opinion the senior Senator from Georgia was the ablest tax man in the Senate, as well as one of the finest. The senior Senator from Georgia may be pleasantly surprised to know how many in the Old Dominion beside myself share that viewpoint.

I wish to ask the Senator from Georgia whether I correctly understood him to say that on the basis of his intimate knowledge of fiscal affairs, covering nearly 25 years' service on the Committee on Finance of the Senate, during a portion of which time he was chairman of the committee, he is satisfied that we can take care of the essential functions of the Government, of the ERP program, and of a large military establishment, and make the tax reduction proposed in the pending bill, and still have left a reasonable surplus.

Mr. GEORGE. In my opinion we can, but of course it would depend on how large a military program were approved by the Congress. On the basis of the President's recommendation, and bearing in mind that in the budget which the President submitted $400,000,000 was included to cover the cost of universal military training, I do not believe there is any question regarding a surplus in the fiscal year 1948 and in fiscal year 1949 adequate to accomplish the things the Senator from Virginia has enumerated.

Mr. ROBERTSON of Viriginia. Did I correctly understand the Senator to say that if changed conditions should indicate to us next year that the current rate of taxation would not finance what we were then called upon to do, he would not hesitate to advocate an increase in taxes in order that we might maintain a balanced budget?

Mr. GEORGE. The distinguished Senator correctly understood me. If, unhappily, war or war conditions should come, when all bets would be off, we would immediately increase every tax rate which would bear an increase. I am committed to that course, and I am doubly assured that that is the right course because of the fact that the pending bill puts into our revenue laws reforms which remove certain inequities which should be eliminated.

Mr. ROBERTSON of Virginia. In addition to that, I understood the Senator to say he would like to have established now provision that poor people should have an exemption of $600 for each dependent, and that married people in the non-community-property States should be given the same privilege of splitting incomes now enjoyed in the community-property States.

Mr. GEORGE. That is correct.

Mr. ROBERTSON of Virginia. The Senator would like to have that principle established now?

Mr. GEORGE. I should like to have it established now. I should like to see it written into our basic law.

Mr. ROBERTSON of Virginia. Is it not a fact that when two amendments making provision for that principle were offered when he had the tax bill before us last year, the junior Senator from Virginia voted for both of them?

Mr. GEORGE. The distinguished junior Senator from Virginia did advocate both of them. I remember talking with him about them. Concerning the soundness of the proposals then made, I have not the slightest doubt; but we were at that time laboring under the difficulty of attempting to produce a tax-reduction bill which would not lose too much to the Treasury.

Mr. ROBERTSON of Virginia. I should like to ask one further question of the distinguished Senator from Georgia. Is it not likewise true that at the Democratic caucus last Tuesday, when our distinguished minority leader was discussing a substitute bill which would have reduced the revenue only $4,000,000,000, and for which the senior Senator from Georgia, the senior Senator from Kentucky, the senior Senator from Texas, and the senior Senator from Virginia had voted in committee, the junior Senator from Virginia said at that caucus that he would have preferred the privilege of voting for that bill?

Mr. GEORGE. The Senator from Virginia is exactly correct and accurate in his statement. He did express the hope that he might vote for a bill which would not reduce revenue more than $4,000,000,000.

Mr. ROBERTSON of Virginia. I thank the Senator from Georgia very much.

Mr. WHERRY. Of course, Mr. President, I feel that all legislative proposals should be considered and debated, and such amendments offered as Senators may desire to present. For that reason I feel that it is impossible to say at this moment just how long the debate will last today. I know the distinguished junior Senator from Oregon [Mr. MORSE] has six or seven amendments he desires to present, consideration of which will no doubt take considerable time. He has waited patiently, and is ready to offer the amendments. The Senator from North Dakota [Mr. LANGER] has an amendment to offer. But it is our hope that we can conclude the consideration of the bill tonight. Many Senators have asked what the program is, and I want the arrangements to be agreeable to all Senators. Unless there is some strenuous objection, I think we should proceed until we terminate the legislation this evening. That is the present purpose, and will be our program.

Mr. FULBRIGHT. Mr. President, I do not want to detain the Senate very long, but I have an amendment which I submitted to the bill on February 27. Ever since I have been in the Senate I have heard a great deal of talk about helping small business. When I was a member of the Committee on Education and Labor several bills dealing with that question were pending in that committee. In the Committee on Banking and Currency we have just finished considering proposed legislation dealing with the Reconstruction Finance Corporation. Much is said about helping small business, but I have seen nothing which specifically contributed to assist the smaller corporations, the smaller businesses of the country. We have created and maintained at great cost a Special Committee on Small Business, but I am unaware of any measures being sponsored or proposed by that committee which directly help small business.

Mr. President, having had this interest, I sponsored a bill which is now on the calendar, Senate bill 493, but it has received considerable opposition, and I doubt that the majority will be willing to consider the bill favorably at the present session. Having that in mind, however, I now offer an amendment to House bill 4790, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

Sec. —. Specific exemption of $15,000 for corporations.

(a) Paragraph (2) of section 13 (a) of the Internal Revenue Code is amended to read as follows:

"(2) Normal-tax net income: The term 'normal-tax net income' means the adjusted net income minus a specific exemption of $15,000 and minus the credit for dividends received provided in section 26 (b)."

(b) Section 15 (a) of the Internal Revenue Code is amended to read as follows:

"(a) Corporation surtax net income: For the purposes of this chapter, the term 'corporation surtax net income' means the net income minus (1) a specific exemption of $15,000, (2) the credit for dividends received provided in section 26 (b), and (3) in the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h). For the purposes of this subsection dividends received on the preferred stock of a public utility shall be disregarded in computing the credit for dividends received provided in section 26 (b)."

Mr. FULBRIGHT. Mr. President, the amendment would provide a $15,000 corporation tax exemption. The Joint

Committee on Internal Revenue Taxation estimates that, on the basis of the current level of corporate profits, such an exemption would result in a $620,000,000 reduction in corporate tax liabilities for a full year.

While the provision necessarily would apply to all corporations, obviously those benefiting relatively the most would be the small corporations.

At this point I ask unanimous consent to have printed in the RECORD, without reading it, a table which I have giving the savings on the basis of various earnings.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Corporation with taxable net income of—	Now pays	With $15,000 exemption	Saving
$5,000	$1,050	0	$1,050
$10,000	2,200	0	2,200
$15,000	3,350	0	3,350
$20,000	4,500	$1,050	3,450
$25,000	5,750	2,200	3,550
$30,000	8,400	3,350	5,050
$35,000	11,050	4,500	6,550
$40,000	13,700	5,750	7,950
$45,000	16,350	8,400	7,950
$50,000	19,000	11,050	7,950
$55,000	20,900	13,700	7,200
$60,000	22,800	16,350	6,450
$65,000	24,700	19,000	5,700

For corporations with incomes over $65,000, the saving would be $5,700.

Mr. FULBRIGHT. Mr. President, the table shows that a corporation, for example, with $10,000 net income, which now pays $2,200, would pay no income tax. A corporation, for example, with $50,000 income which now pays $19,000 would pay $11,050. Corporations which earn above $65,000—and that is the top sum—would have a savings of $5,700, and that is all. So the net effect would be much greater relatively on small corporations than on large ones.

According to Mr. Harold M. Groves, in Postwar Taxation and Economic Progress, McGraw-Hill, 1946—

> Nearly everyone in America has a kind word for small business, though there is a widespread, cynical impression that the kindness is largely confined to words.

Mr. KEM. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KEM. I should like to ask the Senator from Arkansas a question. Like the Senator from Arkansas, I am very much interested in the encouragement of small business enterprise, and with that idea in mind I have been very much interested in the Senator's amendment. But with respect to the practicability of the amendment, this thought occurs to me: If the amendment were made part of the tax law is there anything to prevent a business from being split into a number of small units for the purpose of taking advantage of the exemption which the amendment would provide? For example, is there anything to prevent a chain store enterprise from dividing itself into a number of smaller units?

Mr. FULBRIGHT. I should say, no; there is nothing to prevent that being done. Of course, one of our objectives is to encourage the small corporations to grow, and if large corporations break themselves up into a number of small independent corporations, I think that might be a very helpful thing.

Mr. KEM. We do not want to open the door for the entry of fraud and evasion.

Mr. FULBRIGHT. No; I agree.

Mr. KEM. Let us say a corporation makes a profit of $100,000 a year. Would nothing be gained by permitting it, through the adoption of the Senator's amendment, to divide into 10 corporations, each making $10,000 a year, and thus very much reducing the total tax payments?

Mr. FULBRIGHT. I would say offhand to the Senator from Missouri that I doubt very seriously that it would be worth the while of a corporation to divide up in the manner suggested by the Senator, into 10 different corporations, each having a corporate set-up, corporation officers, and all the expenses incident to the operation of a corporation.

Mr. KEM. I understand the position the Senator from Arkansas takes, but the amendment he has offered would make it worth the while of a corporation to do that very thing.

Mr. FULBRIGHT. I do not think it would be worth the while of a corporation to do such a thing under the provisions of the amendment. I do not see how a corporation which naturally grew up to the size of a $100,000-a-year corporation would, as a practical matter, undertake to divide itself into 10 corporations.

Mr. KEM. The Senator by his presentation shows that there would be substantial savings in taxes for the smaller corporations. Is that not true?

Mr. FULBRIGHT. Yes, that is true; but a greater expense would be involved by reason of dividing a corporation into many smaller ones, because of the separate officers, the keeping of separate books, and so on. I think what the Senator from Missouri has in mind is that some fraud might result from the amendment.

Mr. KEM. I do not know that such a split-up as I have referred to would occasion considerable increase in expenses. There can be one president who spreads his interest and activity over any number of corporations, and the same could be true with respect to vice presidents, secretaries, and other officers.

Mr. FULBRIGHT. I believe what the Senator from Missouri has in mind is that such a split-up could occur as a scheme to evade the tax.

Mr. KEM. In enacting a tax law we have constantly to inquire as to whether the door is being left open to possible evasion.

Mr. FULBRIGHT. I agree with the Senator that the possibility of evasion is always present. I was in favor of the amendment which the Senator from Missouri proposed the other day. But in his explanation of it the Senator pointed out how difficult it had been to draw the line between some activities, such as those engaged in by teachers while teaching, and while going to school. I agree with the Senator that it is difficult to draw such lines of distinction. I agree with the Senator that if there were an evasion, a scheme to break up a large corporation for the purpose alone of evading taxation, and if the small corporations resulting from the break up of the large one were conducted and administered as though they were a large corporation, simply for the purpose of fraud, such an operation would not be recognized, for tax reduction purposes, just as the Department would not recognize the operation of certain partnerships which were referred to a moment ago.

I do not think this is quite the proper time and place to go into all the difficulties of administering the revenue laws. I grant that the administration of the law is difficult. Attempt at evasion would be made under any and all conditions. Laws have been made respecting partnerships which are very aggravating to partners who are honestly and genuinely partners in doing business. There would be difficulties arising under the amendment, but I do not see why they should be greater than in any other similar cases. If such development as the Senator speaks of should occur, I am quite sure the Committee on Finance and the Bureau of Internal Revenue would take steps to prevent it. This amendment is very similar to the provision which was proposed by the senior Senator from Colorado [Mr. JOHNSON], except that there is a difference in amount, and his proposal contained a provision that the money must be reinvested in the company, which provision is not involved in this amendment.

The president of a small service company put the same thought which I just quoted from Mr. Groves a little more bluntly and accurately when he wrote:

> What has been done to date, Senator, so far as I can see and for that matter feel is so much conversation and little action.

The trend of corporate mergers is alarming.

The degree of prewar concentration in the economy as a whole, and in manufacturing industries in particular, was stated in the report of the Senate Small Business Committee, submitted in January 1946:

> The 200 largest nonfinancial corporations owned about 55 percent of all the assets of all the nonfinancial corporations in the country.
>
> One-tenth of 1 percent of all the corporations owned 52 percent of the total corporate assets.
>
> Less than 4 percent of all the manufacturing corporations earned 84 percent of all the net profits of all manufacturing corporations.
>
> More than 57 percent of the total value of manufactured products was produced under conditions where the four largest producers of each product turned out over 50 percent of the total United States output.
>
> One-tenth of 1 percent of all the firms in the country in 1939 employed 500 or more workers and accounted for 40 percent of all the nonagricultural employment in the country.
>
> One-third of the industrial research personnel was employed by 13 companies.

Since the period for which these figures are reported we have gone through a war which increased the trend toward monopolistic concentration of economic power. Wartime Government contracts were given predominantly to the large

corporations. Of $175,000,000,000 in Government-contract awards between June 1940 and September 1944, $107,000,000,000, or 67 percent, went to only 100 of the more than 18,000 corporations receiving war-contract awards. During the war 68 corporations received two-thirds of the $1,000,000,000 appropriated by the Government for research and development purposes in industrial laboratories.

Since the war we have gone through a period of unprecedented business activity and high-price levels—conditions which, according to the Federal Trade Commission, produce the greatest numbers of mergers. More mergers and acquisitions in the manufacturing and mining industries took place in 1946 than in any of the previous 15 years. The latest figures for 1947 show that the trend is continuing, and that the proportion of acquisitions of competing concerns is increasing all the time. Furthermore—and this is significant—most of the actions have consisted of the swallowing up of small companies by large corporations. Thirty-two percent of the companies merged between 1940 and 1946 have been absorbed by the very largest corporations—those with assets over $50,000,000. Another 41 percent of the total were taken over by corporations with assets of from five to forty-nine millions of dollars. At the other end of the scale, the distinctly small firms, those with less than $1,000,000 of assets, made only 11 percent of the acquisitions. One hundred and twenty out of the two hundred largest corporations account for 27 percent of the total number of concerns acquired.

We have a declared public policy in aid of small business, to implement which we have created the Smaller War Plants Corporation, the Office of Small Business of the Commerce Department, the appropriation for which, I understand, has been eliminated by the Committee on Appropriations, and the Select Committees on Small Business of the Senate and the House. We have a declared public policy against monopoly—the antithesis of small business—implemented by a series of antitrust statutes, including the Sherman and Clayton Acts.

However, in spite of this policy, we have done little to enable small business to strengthen itself to withstand the pressures of monopoly. To this end we must recognize what the particular problems of small business are, and especially how those problems compare with similar problems of big business. In other words, how is our economic system so biased in favor of big business as to permit it to swallow up small corporations?

Such a bias can be shown in the four sources from which business generally can get funds to maintain and expand production: These are: First, depreciation; second, new capital investment by the public; third, borrowing; and fourth, surplus earnings, by far the most important to small corporations.

First. Depreciation, of course, is allowable to both small and big business, but it is also obviously dependent upon earnings, which are discussed later. In other words, depreciation does no good if there has been no net earning. Furthermore, it is only helpful in maintaining production, not in expanding, and in view of the increased costs of capital goods and construction, past depreciation allowances are not particularly helpful. At any rate, small corporation business is not as diversified as is big business, and depreciation cannot be as accurately predicted. To obtain its rights the small corporation must retain expensive accounting and legal counsel, and often go to the courts for justice. The situation is quite different in the case of the large corporation with its corps of expert professional assistance. But the importance of proper depreciation is more important to the small company, whose life may depend upon the replacement of one machine.

Second. Small corporations obviously cannot compete in the capital market on an equal basis with large companies. A Securities and Exchange Commission study of the experience of 584 small and unseasoned companies registering certificates between 1933 and 1937, shows that only 23 percent of the total value were sold within 1 year. One hundred and ninety-one companies reported that none of the securities registered by them were sold. For the remaining 393 companies, sales amounted to 34 percent of the securities registered, of which 17 percent were made to officers, directors, promoters, and principal stockholders. Furthermore, the SEC studies show that, even when small corporations can sell securities, the cost of flotation eats up a much larger percentage of the proceeds, and is a serious burden on outside financing.

Third. Borrowing: Small business, because of its difficulty in obtaining outside capital, must rely largely on debt capital, an undue portion of which is short-term, and the interest rates charged are on the average much higher than those paid by large businesses. This was the finding of the Smaller War Plants Corporation in 1945. In 1938, the Business Advisory Council of the Commerce Department found that of 600 sound firms, selected because of their high commercial ratings, 75 percent were unable to satisfy their long-term capital requirements. The Smaller War Plants Corporation found that small business must pay interest rates which average three times as high as those paid by larger borrowers.

That is of particular significance in connection with the idea that the RFC or some such agency should advance money to the corporations. In this particular field, it is true that Government money has been of great assistance, primarily because of the lower interest rates, but I say that that is no long-term solution to the problems of small business.

Fourth. Surplus earnings: Traditionally, this is the means of supplying the bulk of the capital requirements of small corporations. And, as we have seen, there is more reason for it than mere tradition. To quote the study made by the Smaller War Plants Corporation:

> Small business is made largely dependent on the reinvestment source of capital not only for expansion but also for putting its financial house in order. Therefore, if the small-business section of the economy is to become a vigorous competitive force, it is essential that smaller firms be in a position to reinvest a large part of their earnings. The tax system as applied to smaller firms should be constructed with this end in view.

The strength and growth of small corporations must be financed internally—through plowing back earnings. This, of course, leads to an examination of the ability, particularly in relation to larger businesses, of small corporations to finance themselves from earnings. With the tremendous rise in costs of construction and capital goods, the low-income corporation, bidding in today's inflated market, is in much the same position as the low-income wage earner bidding for food, housing, and clothing.

The Congress, in enacting the excess-profits taxes, took the advice of the Treasury Department that the period 1936 to 1939 was a fairly prosperous period for business. For the average year during this period, 59.8 percent of the corporations show no net income.

Obviously a great proportion of this percentage were small corporations. On the average for the 4 years, 1938–41, 93.9 percent of the corporations did not realize as much as $25,000. For this same period, only 6.1 percent of the corporations had 93.8 percent of the total net income, and the 2.4 percent of the companies having net income of over $100,000 earned 85.8 percent of the total.

An analysis of profits for the years 1936 to 1944, inclusive, dividing the large and small corporations at the line of $500,000 in assets, shows that the large corporations without fail earned from two to eight times as high a percentage of profits as did the smaller concerns. The figures for percentage of net income to gross income, for the years 1942 through 1944, the latest period for which the figures are available, are as follows:

Assets over $500,000: 1942, 13 percent; 1943, 13.1 percent; 1944, 11.7 percent.

Assets under $500,000: 1942, 4.6 percent; 1943, 5.4 percent; 1944, 5.3 percent.

As to net profits after taxes, the figures for these years are as follows:

Assets over $500,000: 1942, 6.1 percent; 1943, 5.6 percent; 1944, 5 percent.

Assets under $500,000: 1942, 2.1 percent; 1943, 2.3 percent; 1944, 2.5 percent.

Mr. President, I may summarize by saying that it was surprising to me at the time to find the great difference in the percentage of profit in relation to income between the larger and the smaller corporations. It has generally been thought that the smaller firms made a much larger percentage of profit, and that the larger firms gained their tremendous dollar profits on a high-volume, low-mark-up basis. Contrary to this general opinion, however, the fact is that the smaller the firm, the smaller the percentage of profits to sales.

The figures for profit per dollar of sales for the first three quarters of 1947 show the following:

Corporations with assets under $250,000, 5 percent; corporations with assets between $5,000,000 and $100,000,000, 8 percent; corporations with assets over

$100,000,000, 7.7 percent; average for all corporations, 6.9 percent.

In other words, the profits per dollar of sales are smallest in the case of the smallest corporations.

If it is true, as claimed by big business, that its phenomenal profits during the last 2 years are based upon a too-low margin of profit per sale, it is even more true of the smaller corporations.

The smaller corporations are not diversified to the extent that large corporations are. Profits may fluctuate widely from one year to another, and the provisions in our present tax law for carry-back and carry-over may be insufficient to protect small corporations from failures because of these fluctuations.

It should be emphasized that the ability of small corporations to resist the incentives to merge is comparative; and the comparison should be made, and has been made, to the big corporations, for they are the ones which threaten monopoly.

It is quite popular today to take the view that there are many inequities in our present system, but that we should wait for a general tax revision to correct these inequities until after we know what our complete economic situation will be. Mr. President, the time will never come when we are able definitely and finally to say that any revenue act is perfectly fair to all concerned. Certainly, there is no assurance that within the foreseeable future we shall return to normalcy. The most we can do is to try, within the limits of necessary Government expenditures, to correct the inequities as they arise, particularly where these inequities have such far-reaching social and economic results as a trend toward monopoly.

Of course, it is not claimed that a $15,000 exemption will cure all the defects or end the complaints attending our corporate income-tax structure. But it will be of some assistance to small corporations, to the maximum extent of $7,950, in resisting the pressures of big business toward monopoly. Within the limits of the exemption, it will also have these collateral results: (1) end the double taxation of dividends; (2) lessen complaints about the Treasury's attitude toward depreciation allowances; (3) lessen the claimed inadequacy of our present provisions for carry-back and carry-forward of losses; and (4) decrease complaints about favored tax treatment of cooperatives.

We must afford the small corporations the means of resisting the trend toward monopoly. The time to do it is now—during the period of relatively high profits. If a depression is to follow our present inflation, now is the time to enable the small corporations to strengthen themselves to meet it.

On the other hand, if high productivity is to be the means of fighting more inflation, we should enable the small corporation to expand its productive capacity by plowing back earnings.

Mr. President, it seems to me that the help or encouragement we can give small corporations is the greatest single thing that we can do toward the preservation of the private-enterprise system. The point about the large corporations which frightens me more than anything else is that they create a condition under which it is easy for Government to take over. Mr. President, the backbone of the freedom of our business structure is the preservation of a large number of small corporations. We must make it possible for them to stay in business and to grow large, for that matter. I have nothing against large corporations, as such, but I do object to all corporations becoming large corporations. In my opinion, the healthy part of our economy has always been the existence of a large number of small corporations, which make our economy flexible and afford a broad spread of judgment among management, and provide opportunity for the development of large corporations in the future.

Mr. BUCK. Mr. President, will the Senator yield to me?

Mr. FULBRIGHT. I yield.

Mr. BUCK. I have been much interested in the amendment the distinguished Senator from Arkansas has submitted. I have a somewhat similar one which I propose to submit if it is not possible to have his amendment adopted.

I think the time has come when Congress should extend further help to small business. I believe every Member of this body and its many committees has endeavored since VJ-day, and before that, to find help for small business.

As proof that these efforts have not been in vain, we can refer to statutes such as the RFC Act, under which that organization has been given authority to make loans to small business, and has been directed to do so. It also has a priority in regard to providing surplus war materials for sale to small business.

Furthermore, Congress has made it possible for GI's to borrow Government money for investment in small business; and, as we know, this body and the House of Representatives have for a number of years maintained Small Business Committees, which have done very excellent work in assisting the small businessman.

Mr. President, I should like to take a few minutes to refer to some statements which were made at the time of the recent RFC investigation by the Banking and Currency Committee. Here is an excerpt from a letter from Mr. Dodds, who is chief of the Small Business Division of the Reconstruction Finance Corporation:

> In the calendar year 1946, 11,047 loans of $1,000 or less were made to business enterprises, 89.5 percent of the total for that year.

Mr. FULBRIGHT. Mr. President, if I may interrupt the Senator from Delaware, I should like to say, first, that the Senator from Delaware conducted those hearings on the RFC. I had the honor of being a member of the subcommittee, and in all my experience in the Senate I have never seen a subcommittee conducted as efficiently and on such a high plane and so completely free from any kind of external interference as was that subcommittee. I wish to take this opportunity publicly to acknowledge my gratitude to the Senator from Delaware for the way he conducted those hearings. I learned more from them than I did from any other activity of the kind with which I have had the pleasure of being associated since I have been in the Senate.

Along that line I wish to say—because I remember that the Senator and I discussed this matter—that the basic trouble with the kind of assistance which has been extended, although I approve of what has been done in that connection, is related to the question of supplying adequate capital. The average small business simply is not sufficiently attractive to investors. That is the basic trouble.

Mr. BUCK. Mr. President, I thank the Senator, and I agree entirely.

I wish to read what Mr. Goodloe has said about small-business loans:

> More than 90 percent of all business loans authorized by RFC have been in amounts of $100,000 or less, and 65 percent of such loans do not exceed $25,000.

I should like to ask the Senator from Arkansas whether he will accept to his amendment an amendment which would limit the exemption of $15,000 in profits to those companies which have not more than $25,000 of net income. About 208,000 corporations would be covered, and the cost in terms of loss of revenue would not be more than $260,000,000.

Mr. FULBRIGHT. I may say to the Senator that I considered that suggestion very seriously, but I was afraid, purely as a practical matter, of getting any serious consideration of it by the Senate and by the House, and I felt that it simply would not be accepted. I thought about it a long time. The reason I made the amendment applicable to all corporations is, there are those who feel that there would be discrimination and who therefore would vote against it on that ground if we were merely trying to help a small group.

Mr. BUCK. The only purpose in doing it would be to try to retain for the Government as much revenue as possible. It would be the difference between about $260,000,000 and $600,000,000, I think, estimating that it would amount to about $15,000 on each and every corporation.

Mr. FULBRIGHT. I think that is correct. I personally should have no objection to the proposal, if the Senator thinks it would be possible to have it accepted, but I have a feeling that the managers of the bill are not going to accept it. If the Senator feels they would be more likely to accept it with his amendment, I shall be glad to accept the amendment.

Mr. BUCK. No; I am not any more hopeful than is the Senator.

Mr. FULBRIGHT. I think I may say to the Senator that our purposes are identical.

Mr. BUCK. That is true.

Mr. FULBRIGHT. It is the small corporation that really needs assistance. My reasoning in connection with my own amendment is that while it saves money for the large corporation, it is such a small amount relative to their total income that it would not make very much difference.

Mr. BUCK. It would not make much difference to them.

Mr. FULBRIGHT. However, it would make a great difference to a small concern earning $10,000 or $15,000 a year.

Mr. BUCK. As I say, my only purpose was to try to save that $440,000,000 in revenue to the Government.

Mr. FULBRIGHT. I should be willing to accept it. I have merely stated my reason. I thought there would be more likelihood of the amendment being accepted if it applied to the large concerns.

Mr. BUCK. Let us hear what the chairman of the committee has to say about it.

Mr. FULBRIGHT. I would be interested to know what he has to say on the point.

Mr. President, I do not wish to detain the Senate longer. I would merely sum up the argument by saying that I hope the chairman of the committee will give serious consideration to the amendment. I may say to the Senator from Colorado that other committees of the Senate, in the course of hearings in which I have participated, have undertaken to ascertain what could be done, otherwise than through taxation, to help small business. I call his attention to one bill which has been on the calendar since last year, having been reported by the Committee on Banking and Currency. Its purpose is to help small business. In all the hearings, nearly every witness would come to the point that what is really needed is assistance in the matter of taxes. In other words, it should be made rather attractive to the ordinary investor to invest in a small business. That is really the thought back of the amendment. I hope the distinguished chairman of the Committee on Finance will take the proposal seriously, that he will present it to the committee, and that they will consider it seriously, because of the effect it will have.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Maryland.

Mr. O'CONOR. Mr. President, I intend to vote for the tax-reduction bill (H. R. 4790) now before the Senate, and in order to set forth the reasons prompting my action I have prepared a statement of my views.

I ask unanimous consent to insert the statement as a part of my remarks at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR O'CONOR

In the firm conviction that continuing development and strengthening of the American economy through the initiation of new enterprise is a requisite basis of any world-wide efforts for international cooperative progress, I consider the pending tax-reduction proposals as of the utmost importance to the future prosperity of America and of the world.

The soundness of America's industrial and economic position in comparison to that of other countries of the world is in itself evidence of the soundness of America's free-enterprise system, under which individual and corporate initiative and development have always been encouraged and fostered. On the other hand we can see all too plainly the lack of progress in other countries where such initiative and enterprise are not only discouraged, but positively forbidden. The crisis facing Great Britain at the present time points up the lack of success of the Socialist regime which had promised such manifold benefits to the workers of that harassed country.

One of the prime needs of a free-enterprise system such as ours is the continuing provision of new venture capital. This comes in the main from savings of individuals and is available only when individuals and their corporate undertakings find it possible to retain an adequate surplus from their earnings, above and beyond the requirements of Government taxation, and the maintenance of the high standard of living which the American system of free enterprise has made possible in far greater measure here than anywhere else in the world.

Throughout the war years the American people and American industry and business patriotically accepted a staggering load of taxation in order that the huge military expenditures program might be financed to as great an extent as possible from current tax receipts. Implicit in their acceptance of this excessive tax load, however, was the implied and often voiced understanding on the part of Government's representatives that once the war emergency was ended some of the oppressive tax burden would be lifted from the shoulders of individuals and corporations alike. This has not been done, despite the several years that have elapsed. While some reasons might be advanced for the failure to reduce the burden, the fact remains that our people continue to be taxed far beyond the limits of sound business judgment and to far greater length than any system of free enterprise long can endure. For excessive taxation leads away from the proven way of progress afforded when a nation's people are free and encouraged to give full play to their individual enterprise and to avail themselves of the technological advances made possible by scientific developments under the stress of war.

I believe there should be reduction in the Nation's huge debt, but with full acquiescence in a continuing policy of debt reduction I maintain that there is no more propitious time for lightening the tax burden from our people than when the National Treasury enjoys an extraordinarily large unencumbered surplus. Particularly is this Treasury surplus to be emphasized because from present estimates surplus for the next fiscal year will be even greater, despite the large commitments that will be necessary to effectuate America's plans for European economic aid and despite also the admitted needs for larger appropriations for military purposes.

When it is considered that in our own relatively small State of Maryland the tax cuts contemplated in H. R. 4790, as amended by this body, are estimated to total $80,000,000, the effect on future development of Maryland's tremendous industrial activities can be appreciated. Notwithstanding the fact that Maryland's total savings will be exceeded by only 14 other States, my plea for tax reduction as proposed in H. R. 4790 is not based on any narrow sectional considerations. The need for releasing some portion of the earnings of our people applies with equal force to the residents of every other State in every section of the country, for, fortunately, State lines do not restrict the imagination or business daring of our people anywhere.

Unlike so many other areas in the world today, our people are privileged to cast their eyes hundreds or even thousands of miles away to entirely new fields of endeavor, and can undertake there any type of enterprise their training or their particular skills can envisage. This is the kind of desirable economy that will be maintained by sound tax reduction, such as we are now discussing.

I voted last year for the Nation-wide adoption of the community-property principle and approve now of its inclusion in the present tax bill. Also I have supported the proposed increase in personal and dependency exemptions from $500 to $600 and think this feature of the measure is fortunate.

I shall cast my vote for passage of the bill, with the thorough conviction that in so doing we are strengthening the economy of our Nation as well as advancing the cause of the free institutions which throughout more than a century and a half have made America the wonder and the envy of the world.

Mr. HAWKES and Mr. LANGER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield; if so, to whom?

Mr. MILLIKIN. Mr. President, I have promised to yield to the Senator from New Jersey [Mr. HAWKES]. I yield to him.

Mr. HAWKES. Mr. President, as a member of the Senate Finance Committee, I desire to make a brief statement in regard to House bill 4790, as amended. I wish first to pay my respects to the distinguished Senator from Colorado for the fine way in which he has placed this subject before the Senate. I also wish to associate myself with remarks made by the distinguished Senator from Georgia [Mr. GEORGE] as to his feelings regarding this bill. I concur in everything said by the Senator from Georgia late this afternoon.

Mr. President, I shall vote for H. R. 4790 because I believe its provisions are about the best that could be worked out under existing conditions and that they go as far as we should at this time.

The bill does not correct all the injustices and inequities in the existing Federal income-tax structure. It is merely a step in the right direction.

With respect to advantages derived by married citizens in so-called community-property States as against such citizens in the remaining States which operate under the common law, the pending bill would, as nearly as possible, place the married citizens of common-law States on a parity with those in community-property States.

It will, so far as is possible at the moment, correct inequities not only in connection with the actual income-tax liability of the individual, but it will adjust the inequities in connection with gift and estate taxes so that all our married citizens in all the States will be treated more nearly on the same basis in this regard.

Likewise, as the distinguished chairman of the Senate Finance Committee has so ably explained to the Senate, it gives relief to those in the lower income-tax brackets by raising the exemption, thereby removing 6,000,000 people from the income-tax rolls. It is figured that this special exemption to the aged will remove from the tax rolls almost 1,500,000 persons and will benefit at least 3,700,000. It gives special added relief to the blind, who are entitled to the utmost consideration we can afford to give.

It grants to the income group below $5,000 a higher rate of tax reduction than to those earning more than $5,000. Furthermore, the bill provides greater reduction to those in the income group between $5,000 and $136,000 than to those with incomes in excess of $136,000. It

grants only 5 percent income-tax reduction to those in the brackets above $136,000.

The bill also includes several other minor provisions which, in my opinion, work toward justice and equity. Among them is a more liberal provision regarding medical disbursements.

The most important thing this new tax bill does, which is overlooked by a great majority of our people, is that, in effect, it says to the American citizen—"Your representatives in Congress realize that a continuance of wartime taxes while you are engaged in peacetime pursuits could very easily destroy the initiative of the American system. Continuance of such tax rates would prevent you from investing available funds in new interprises and the expansion and improvement of old enterprises so as to keep the Nation in a position to supply its citizens on a reasonable basis with all the necessities and some of the luxuries of life."

There are few things more important than for the Congress thus to assist in restoring faith and confidence in the minds of our people. The only difference between this Nation of ours and all the other nations of the world who are knocking at our door for help and asking to be saved is that we have not yet destroyed the individual's initiative even though we have reduced his enthusiasm through the imposition of burdensome taxes which, to a large extent have been made necessary by the wasteful operations of our Government.

Initiative which was developed in this country over a period of almost 150 years, under our established process of reward as an incentive to accomplishment and the use of genius, is one of the two or three most vital things we must protect. I wish more of our citizens would appreciate that we cannot maintain our present standards or move forward unless we guard and protect initiative for our citizens. This bill, I believe, restores some measure of reward for such initiative by eliminating at least some oppressive aspects of the existing tax structure.

It will help to keep the machine going. It will aid business to obtain revenue from which come all taxes, which are necessary to keep our great Government in operation. If we destroy that machine which provides the profit from which taxes are collected, and if we forget for one moment the admonition of the first great Chief Justice of the United States, that "the power to tax is the power to destroy," then we may be assured that we shall end up in socialism into which much of the rest of the world has plunged.

I want to say also that, in my opinion, this tax reduction is justified at the moment because we have a surplus for the fiscal year 1948 of at least $7,500,000,000, according to the Treasury Department's own estimates. Other important witnesses who appeared before the Senate Finance Committee estimated the 1948 surplus to be substantially higher than 7½ billions and a surplus for the fiscal 1949 greater than the 1948 surplus.

I was particularly impressed by what the distinguished Senator from Georgia said, that he would vote for this tax reduction bill with its corrective features, even if he felt that we might be going into war. That is the way I understood the Senator. We may have to change our course many times, but while we are in peace we must operate as a peaceful group of people shall find necessary.

The Treasury surplus not only permits this tax reduction but allows for a substantial payment on the debt, both of which are vital to the preservation of our American system and the protection of our people.

I feel that the people's representatives appreciate that much remains to be done to correct injustices and eliminate unnecessary taxes, if our citizens are to have their confidence in our great system fully restored and we are to bring out the necessary amount of risk and venture capital to provide for the expansion of industry and business, in order that the 700,000 new persons looking for employment each year may expect to find a gainful occupation and earn a livelihood.

I wish to thank the Senator from Colorado for yielding to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Arkansas [Mr. FULBRIGHT].

Mr. MILLIKIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Myers
Baldwin	Hill	O'Conor
Barkley	Hoey	O'Daniel
Bricker	Holland	O'Mahoney
Bridges	Ives	Overton
Brooks	Johnson, Colo.	Pepper
Buck	Johnston, S. C.	Reed
Butler	Kem	Revercomb
Cain	Kilgore	Robertson, Va.
Capehart	Knowland	Robertson, Wyo.
Capper	Langer	Russell
Chavez	Lodge	Saltonstall
Connally	Lucas	Smith
Cooper	McCarran	Sparkman
Cordon	McCarthy	Stennis
Donnell	McClellan	Stewart
Dworshak	McFarland	Taft
Eastland	McGrath	Taylor
Ecton	McKellar	Thye
Ellender	McMahon	Tobey
Ferguson	Magnuson	Umstead
Flanders	Malone	Vandenberg
Fulbright	Martin	Watkins
George	Maybank	Wherry
Green	Millikin	Wiley
Gurney	Moore	Williams
Hatch	Morse	Wilson
Hawkes	Murray	Young

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. WHERRY. Mr. President, it appears quite certain that it will be impossible to finish the consideration of the bill and all amendments tonight, although it had been our hope to do so. In view of that situation, I wish to present a unanimous-consent request for the fixing of an hour and day for a vote on the bill and all amendments. I have not included, however, a request that when the Senate convenes on Monday the distinguished Senator from Oregon be recognized. I do intend to ask that that be done, because the Senator from Oregon has been waiting patiently for recognition, as he has seven amendments he wishes to offer to the bill.

I send to the desk the request for unanimous consent, and ask that it be read.

The PRESIDING OFFICER. The clerk will read the request, for the information of the Senate.

The Chief Clerk read as follows:

Ordered, by unanimous consent, That on the calendar day of Monday, March 22, 1948, at the hour of 5 o'clock p. m., the Senate proceed to vote, without further debate, upon any amendment that may be pending, or any amendment that may be offered, to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, and upon the final passage of the bill itself.

Ordered further, That the time between the hours of 3 o'clock and 5 o'clock on said day be equally divided between the proponents and the opponents of the bill, to be controlled, respectively, by the Senator from Colorado [Mr. MILLIKIN] and the Senator from Kentucky [Mr. BARKLEY].

The PRESIDING OFFICER. Is there objection to the proposed agreement offered by the Senator from Nebraska?

Mr. BARKLEY. Mr. President, reserving the right to object, I have made plans which will unavoidably take me away from the city on Monday. I am anxious that my vote on the bill be recorded, and I wonder if under those circumstances the Senator from Colorado would be willing to arrange for me to have a live, nontransferable pair on the bill, if I should not return in time to vote.

Mr. MILLIKIN. Mr. President, I wish to say that the matter of the pair requested by the Senator from Kentucky [Mr. BARKLEY] has been arranged.

Mr. WHERRY. Mr. President, I ask unanimous consent that when the Senate convenes on Monday the junior Senator from Oregon [Mr. MORSE] be recognized.

The PRESIDING OFFICER. The Chair would suggest that before making such a request it must be determined whether or not the Senator's original request has been agreed to. Is there objection to the unanimous-consent request presented by the Senator from Nebraska?

Mr. MORSE. Mr. President, reserving the right to object, I want to make a very brief statement in regard to the situation as it affects the junior Senator from Oregon. I think it was last Monday that I notified the distinguished Senator from Colorado [Mr. MILLIKIN] that it was my intention to make about a 2-hour speech during the course of the debate. I have courteously and cooperatively worked with the Senator from Colorado during the week as other amendments have been presented, to allow those amendments to be considered by the Senate in the course of the debate, planning to reserve unto myself today the necessary time to make the speech on the tax bill I want to make for the RECORD. Unfortunately the situation on the floor became so congested today that all day long and until this moment I have been unable to obtain the floor.

I do not want the impression to be created, because it would be decidedly unfair to the junior Senator from Oregon, that the fact that we are not voting

tonight on the bill is in any way my responsibility, because I think the Senator from Colorado himself would be the first to admit on the floor of the Senate that he has had from me throughout the week the utmost cooperation in endeavoring to have the debate concluded this week.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MILLIKIN. I am very glad to confirm what the Senator has said.

Mr. MORSE. I deeply regret that at the closing hour, the fact that my speech has not been delivered, is one of the reasons why we shall not be able to obtain a vote tonight. But I think the Members of the Senate will agree with me that at least there is merit in my desire to express myself for the record—not necessarily for the Senate, but for the record—in view of the position I have taken on taxes since I have been in the Senate.

I have decided to vote for the bill; but I think my constituents are certainly entitled to know my detailed reasons as to why I have reached that conclusion, in view of the fact that I have opposed, even at length in the Senate, the previous tax bills which have been under the able floor leadership of the Senator from Colorado.

I have certain amendments to the bill which I hope to have adopted, or I hope at least to have some of them included in the bill. But the paramount reasons for my voting for the bill are two. I shall dwell on them at greater length on Monday.

First, I am satisfied that public opinion has crystallized in this country during the past year in favor of a tax-reduction bill. That does not mean that I shall vote for any tax-reduction bill that is offered, but it does mean that under our representative form of government I have the clear duty, as I see it, of carrying out what I am satisfied has become the permanent and crystallized public opinion in support of a tax-reduction bill at this time, and, subject to such statements as I may make on Monday as to what I think has caused that crystallization of public opinion, I feel that now I have no course of action to follow, once convinced that that is the predominant will of the American people, but to vote for a tax-reduction bill.

The second point I want to make—and I shall elaborate it on Monday—is that I think we can pass the tax-reduction bill which is being offered now if we have clearly stated for the record at the time certain modifications which I think ought to be adopted at the earliest possible date in order to avoid great economic dangers which I think may potentially flow from the tax bill if we do not proceed to adopt such modifications. I hope that some of them can be adopted on Monday when I offer the set of amendments which I now send to the desk so they may be printed and lie on the table, and be available to Members of the Senate on Monday.

The PRESIDING OFFICER. Without objection, the amendments will be received, printed, and lie on the table.

Is there objection to the unanimous-consent request submitted a few minutes ago by the Senator from Nebraska?

Mr. LANGER. Mr. President, reserving the right to object, I wish to ask the distinguished Senator from Colorado, who has been very kind to me, and with whom I have discussed my proposed amendment many times, whether on Monday he will be willing to give me 15 minutes of his time to speak in favor of an amendment which will raise the exemption above the $600 limit? I think I shall be able to demonstrate very clearly that that exemption as a matter of fact will represent a reduction of $200 for poor people.

Mr. MILLIKIN. The Senator from Colorado is glad to yield the time requested to the Senator from North Dakota.

Mr. WHERRY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing to the unanimous-consent request submitted by the Senator from Nebraska.

Mr. HOLLAND. Mr. President, reserving the right to object, I should like to say that I have a few brief remarks which I should like to have the privilege of presenting to the Senate before the vote is taken on the bill. As I understand the request for unanimous consent, it is coupled with the request, which I shall certainly want to recognize, that the Senator from Oregon [Mr. MORSE] have the floor when the Senate reconvenes on Monday. The announcement made by the Senator from Oregon that he has a speech of 2 hours to deliver might easily prove to be an optimistic one respecting the time which he might expect to consume. I am not at all sure that any other Senator will have any chance on Monday to make even brief remarks. Therefore it seems to me there ought to be greater leeway, because I believe that in a matter of this magnitude any Senator who has any observations to make on the bill should have an opportunity to do so.

I shall object to the request unless those of us who desire to make brief remarks on the bill shall have the opportunity to do so.

Mr. WHERRY. I think I can say to the distinguished Senator from Florida that that can be arranged. If the debate shall continue until 3 o'clock, then beginning at 3 o'clock the time between then and 5 o'clock will be divided equally between the opponents and proponents of the measure. I am satisfied now that if the distinguished Senator from Florida will make known in whose time he would like to have 15 minutes given him, we can guarantee that it will be given him.

Mr. HOLLAND. I would not agree to leave that question open, Mr. President. I think each Senator has the right to be heard at reasonable length on a subject of this importance, and the request having taken the turn it has, I do not think there is any assurance whatever that such a situation as the Senator indicates will obtain.

Mr. MILLIKIN. I shall be glad, Mr. President, to give the Senator from Florida 15 minutes of my time on Monday.

Mr. WHERRY. The Senator from Colorado has assured the Senator from Florida that he will be glad to give him 15 minutes out of his time on Monday. That makes it a certainty that the Senator from Florida will be recognized and allotted 15 minutes.

Mr. HOLLAND. Very well.

The PRESIDING OFFICER. The question is on agreeing to the unanimous consent request made by the Senator from Nebraska [Mr. WHERRY]. Is there objection? The Chair hears none, and the agreement is entered into.

Mr. WHERRY. Mr. President, I now renew the unanimous consent request that when the Senate convenes on Monday the junior Senator from Oregon [Mr. MORSE] may be recognized.

Mr. GREEN and other Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska has the floor. Does the Senator yield; and if so, to whom?

Mr. WHERRY. I am glad to yield to the Senator from Rhode Island.

Mr. GREEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GREEN. I understand that the proposal was that the Senator from Kentucky [Mr. BARKLEY] be granted leave of absence for the day. I also understand that the time of the opponents of the measure is to be divided by him. How can he divide the time if he is not present?

The PRESIDING OFFICER. As the Chair understands, the Senator from Kentucky did not request permission to be absent on Monday.

Mr. BARKLEY. Mr. President, I said that I had planned to be absent on Monday and that in the event I am absent, I desired a pair. If I am absent, of course, I cannot control the time, but some other member of the committee who is opposed to the bill will do so.

Mr. GREEN. I think my distinguished friend the Senator from Florida [Mr. HOLLAND] ought to have some assurance that he will have an opportunity to speak.

Mr. BARKLEY. The Senator from Colorado [Mr. MILLIKIN] has stated that he would yield 15 minutes of his time. I do not know what side the Senator from Florida is on.

Mr. WHERRY. Mr. President, the Senate has not yet adjourned. It is our intention to continue in session tonight until we dispose of the pending amendment, known as the Fulbright amendment.

The PRESIDING OFFICER. Is there objection to the last request made by the Senator from Nebraska? Without objection, the order is made.

Mr. GEORGE. Mr. President, may the request be stated?

Mr. WHERRY. The request was that, in view of the fact that we would like to recess from tonight until Monday, the junior Senator from Oregon [Mr. MORSE] be recognized when the Senate convenes on Monday.

Mr. GEORGE. I have no objection to that; but has the other unanimous-consent request been agreed to?

The PRESIDING OFFICER. The other request was agreed to.

Mr. GEORGE. Very well, Mr. President.

Mr. WHERRY. Mr. President, is there objection on the part of the distinguished Senator from Georgia?

Mr. GEORGE. As the ranking minority member of the Finance Committee, I certainly think I should have something to say about the control of the time; but probably I have not, and it does not make any difference. As a democratic process, I yield to it.

Mr. BARKLEY. Mr. President, let me say, in connection with the Senator's remarks, that I was not present when the agreement was entered into. I did not know that my name appeared in the agreement as in control of any time on the part of those who oppose the bill. The agreement stipulates that the time shall be divided among those who oppose and those who favor the bill. I presume that my name was inserted—certainly without my knowledge and without consultation with me—on the ground that I am opposed to the bill, and would be an appropriate person to control the time on that side.

The Senator from Georgia has announced his support of the bill. I suppose that had something to do with the arrangement in the agreement. But I had nothing to do with it, I will say to my friend from Georgia. I knew nothing whatever about it. So far as I am concerned, I am willing to have my name eliminated from the agreement entirely, and I ask unanimous consent that my name be eliminated as one of those who will control time on the bill, either for it or against it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. WHERRY. We certainly would have to object to that request, unless there is a substitution that can be made at this time in place of the Senator from Kentucky.

Mr. GEORGE. Mr. President, I have no desire to control time on the bill. I have announced that I would support the bill; but I think I have enough of the ordinary sense of decency to allow the opponents to have all the time that would be at my disposal. However, I do not care to have anything to do with the division of time. Nevertheless, I do not quite appreciate the fact that the ranking minority Member and former chairman of the committee is not even consulted about the unanimous-consent agreement.

Mr. HATCH. Mr. President, I ask unanimous consent that the previous unanimous-consent agreement be vacated for the time being, until a suitable agreement can be reached.

Mr. BARKLEY. Mr. President, let me make a suggestion. I do not know how my name happened to be the one suggested to control the time in opposition to the bill. No one doubts the fairness of the Senator from Georgia. Although he is for the bill, I have no doubt that he would give the entire time at the disposal of the opponents to those who are opposed to the bill. Therefore, I ask unanimous consent that my name be eliminated, and that the name of the Senator from Georgia be substituted.

Mr. GEORGE. Mr. President, I object to that request. I do not care to do it that way. However, as the ranking minority member of the committee, I should have had something to say about the unanimous-consent agreement. I did not know that it had been entered into; but if it has been entered into, I do not care to reopen it.

Mr. MILLIKIN. Mr. President, let me say that so far as the time allotted to me is concerned, I shall be delighted to work in closest consultation on that subject with the distinguished senior Senator from Georgia.

Mr. HATCH. Mr. President, I had proposed a unanimous-consent agreement which I thought should be agreed to. I think our troubles can be solved in a few minutes.

Mr. WHERRY. Mr. President, I regret very much that I shall have to object to the request. I point out to the distinguished Senator that the reason is that since the unanimous-consent agreement was entered into several Senators have left to keep other engagements. I hope that the difficulty over the name can be straightened out.

Mr. BARKLEY. Mr. President, I ask the Senator to permit me to make a suggestion.

Mr. WHERRY. Certainly.

Mr. BARKLEY. I understand that the Senator from Texas [Mr. CONNALLY] is opposed to the bill. He is a member of the Committee on Finance. I ask unanimous consent that his name be substituted for mine, as in control of the time in opposition to the bill.

The PRESIDING OFFICER. Is there objection to the request made by the senior Senator from Kentucky? Without objection——

Mr. CONNALLY. Mr. President, reserving the right to object, like the Senator from Georgia, I have not been consulted on this question. My name was presented without consultation with me. Personally I think the Senator from Georgia should accept and perform this duty. He is the ranking minority Member and former chairman of the committee. Personally I am very strongly in favor of the Senator from Georgia performing this duty. I wish to serve the Senate and the committee whenever called upon to do so; but in view of the attitude of the Senator from Georgia I do not know what to say.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky [Mr. BARKLEY] to substitute the name of the Senator from Texas [Mr. CONNALLY] for his own name? The Chair hears none and the substitution is made.

Mr. HATCH. Mr. President, in the consideration of the pending bill I have wanted to make a very few brief remarks. I do not wish to make them by way of argument, but I should like to state my own position; and as I state my position on the bill I hope the leaders may be able to get together and enter into some unanimous-consent agreement.

Mr. President, in the past I have voted for every loan and every aid—first to Greece and Turkey, under the so-called Truman doctrine. I also voted in committee and on the floor of the Senate for the European recovery program. I voted for it because I believed in it.

Furthermore, I shall vote for universal military training when that measure comes before the Senate. I shall also vote for the interim draft provision suggested by the President. As I have said, I voted for the European recovery program, and today I voted in the committee for the additional loan to Greece and to Turkey. Mr. President, I know that these measures for which I have voted are going to cost tremendous sums to the taxpayers of the United States. I also know and believe that if we have a tax-reduction program, it will add to the inflationary spiral. In the light of all these things—the tremendous, mounting costs, which I think every person should realize—I can see no sound or justifiable reason for any tax reduction. Therefore I shall vote against the bill.

Mr. President, in taking this much time in hope that the leaders might get together and agree upon some unanimous-consent proposal, I have wished to state my own position; namely, that I think to reduce taxes now is unsound and unwise; and I shall vote against the final passage of any such bill.

Mr. WHERRY. Mr. President, will the Chair please state what unanimous-consent agreements have been entered into?

The PRESIDING OFFICER. Three unanimous-consent agreements have been entered:

The first, as the Chair understands, is that all amendments to the pending tax bill shall be voted on and disposed of beginning at 5 o'clock on Monday afternoon next, and that the time between 3 and 5 o'clock shall be equally divided between the proponents and the opponents of the bill, to be controlled by the Senator from Colorado [Mr. MILLIKIN] and the Senator from Texas [Mr. CONNALLY], respectively.

The second unanimous-consent agreement entered is that the Senator from Oregon [Mr. MORSE] shall be first recognized when the Senate convenes at noon on Monday.

The third unanimous-consent agreement is that the senior Senator from Texas [Mr. CONNALLY] will take the place of the senior Senator from Kentucky [Mr. BARKLEY] in connection with the disposition of the time prior to the vote on Monday.

Mr. WHERRY. I thank the Chair.

Mr. President, I understand the pending question is on the adoption of the amendment of the Senator from Arkansas [Mr. FULBRIGHT]. Is that correct?

The PRESIDING OFFICER. The question before the Senate is the Fulbright amendment; that is correct.

Mr. DONNELL. Mr. President, will the Senator yield, to permit a parliamentary inquiry?

Mr. WHERRY. Certainly.

Mr. DONNELL. If I did not misunderstand the announcement the Chair made, the Chair referred only to voting on the amendments, and stated that such

voting would begin at 5 o'clock on Monday. I assume that the Chair meant to refer to both voting on the amendments and voting on the bill itself. Is that correct?

The PRESIDING OFFICER. The Chair understands that all debate on the bill will be closed at 5 o'clock on Monday next, and that immediately thereafter the voting on the amendments and on the bill will occur.

Mr. WHERRY. Mr. President, I am glad to yield at this time to the Senator from Colorado.

Mr. MILLIKIN. Mr. President, the question now before the Senate is on adoption of the amendment of the distinguished junior Senator from Arkansas [Mr. FULBRIGHT]. If his amendment should become law it would add $650,000,000 to the cost of this bill. Therefore, I earnestly request that the amendment be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. FULBRIGHT].

Mr. MILLIKIN and Mr. FULBRIGHT requested the yeas and nays, and they were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], and the Senator from Indiana [Mr. JENNER] are necessarily absent. If present and voting, the Senator from Minnesota, the Senator from Maine, and the Senator from Indiana would vote "nay."

The Senator from Maine [Mr. WHITE] is absent because of illness. If present and voting, the Senator from Maine would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Indiana [Mr. CAPEHART], the Senator from Vermont [Mr. FLANDERS], the Senator from New York [Mr. IVES], the Senator from North Dakota [Mr. LANGER], the Senator from Kansas [Mr. REED], the Senator from Ohio [Mr. TAFT], the Senator from Minnesota [Mr. THYE], the Senator from Delaware [Mr. WILLIAMS], and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. BYRD], the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH], the Senator from Georgia [Mr. GEORGE], the Senator from Arizona [Mr. HAYDEN], the Senator from Illinois [Mr. LUCAS], the Senator from Connecticut [Mr. MCMAHON], the Senator from Maryland [Mr. O'CONOR], the Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], the Senator from Utah [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are unavoidably detained.

The Senator from California [Mr. DOWNEY] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The result was announced—yeas 21, nays 46, as follows:

YEAS—21

Buck	Kilgore	O'Daniel
Chavez	McCarran	O'Mahoney
Fulbright	McClellan	Pepper
Hatch	McFarland	Russell
Hill	Magnuson	Sparkman
Johnson, Colo.	Murray	Stewart
Johnston, S. C.	Myers	Wherry

NAYS—46

Aiken	Ellender	Moore
Baldwin	Ferguson	Morse
Barkley	Gurney	Revercomb
Bricker	Hawkes	Robertson, Va.
Bridges	Hickenlooper	Robertson, Wyo.
Brooks	Hoey	Saltonstall
Butler	Holland	Smith
Cain	Kem	Stennis
Capper	Knowland	Tobey
Connally	Lodge	Umstead
Cooper	McCarthy	Vandenberg
Cordon	McKellar	Watkins
Donnell	Malone	Wiley
Dworshak	Martin	Young
Eastland	Maybank	
Ecton	Millikin	

NOT VOTING—29

Ball	Ives	Taylor
Brewster	Jenner	Thomas, Okla.
Bushfield	Langer	Thomas, Utah
Byrd	Lucas	Thye
Capehart	McGrath	Tydings
Downey	McMahon	Wagner
Flanders	O'Conor	White
George	Overton	Williams
Green	Reed	Wilson
Hayden	Taft	

So Mr. FULBRIGHT's amendment was rejected.

Mr. ELLENDER. Mr. President, earlier in the day I stated I would offer to the pending measure an amendment which would have the effect of giving tax relief to widows and widowers comparable to that allowed married persons, and which would also afford some tax relief to single persons. Because of the warm reception accorded all amendments thus far considered by the Senate, I have decided not to press my amendment. However, before reaching that decision I discussed the purpose of my amendment with several members of the Finance Committee, including its chairman, and I was assured that my proposal would receive earnest consideration and close study by the Finance Committee as soon as other tax legislation is considered by the committee.

DR. FABIEN SEVITZKY

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement prepared by me in respect to Dr. Fabien Sevitzky, together with a telegram I sent to Mr. Chester E. Klee regarding Mr. Sevitzky.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement and telegram were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

Mr. President, from time to time it is the proud duty of the members of the Senate to pay our respects on the floor of the Senate to great Americans of the past and present.

In these days of questionable patriotism and loyalty in other countries throughout the world, it becomes even more significant when we perform such duties.

I believe that the tributes paid here in the Congress have much to do with the continuance of the traditional American spirit which keeps us the greatest nation in the world.

It is my honor to pay tribute to a man who 25 years ago today began his career as a great American.

A quarter of a century ago Dr. Fabien Sevitzky, conductor of the famous Indianapolis Symphony Orchestra, arrived in the United States from Poland, after having succeeded in crossing the border from his native Russia.

He promptly became a citizen of the country he had loved long before he had the pleasure of touching its shores.

Since that time, Dr. Sevitzky has won a national reputation as a musical director and symphonic conductor.

Although he has won fame in Boston, Philadelphia, New York, Chicago, Detroit, Hollywood, and many other great cities of the country, we, in Indiana, are especially proud that for the last 12 years he has been conductor of the great Indianapolis Symphony Orchestra.

I have personal knowledge of Dr. Sevitzky's efforts to be helpful in the affairs of his beloved America and I assure you, Mr. President, that every Member of the Congress can feel justified in joining me in this tribute.

MARCH 18, 1948.

Mr. CHESTER E. KLEE,
Olean, N. Y.:

It is a great pleasure to me to add my most sincere congratulations to a great man, a great musician, and, above all, a great citizen, Dr. Fabien Sevitzky, on this twenty-fifth anniversary of his American citizenship. All Indiana is proud of him. His contribution to the culture of Indiana is deeply appreciated by every Hoosier. His success and his great love for America are symbols of the American way of life.

HOMER E. CAPEHART,
United States Senator From Indiana.

RECESS

Mr. WHERRY. Mr. President, it appearing that the work of the Senate has been concluded for the day, I now move that the Senate stand in recess until Monday noon next.

The motion was agreed to; and (at 6 o'clock and 45 minutes p. m.) the Senate took a recess until Monday, March 22, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 19 (legislative day of March 15), 1948:

CIVIL AERONAUTICS BOARD

Joseph J. O'Connell, Jr., of New York, to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1953.

IN THE ARMY

Col. Kenneth David Nichols, O17498, Army of the United States (professor, U. S. Military Academy), for temporary appointment as major general in the Army of the United States under the provisions of section 515 of the Officer Personnel Act of 1947; such appointment to continue in force only for the duration of his assignment as Army member of the Military Liaison Committee to the Atomic Energy Commission and Chief of the Armed Forces Special Weapons Project.

IN THE AIR FORCE

PROMOTIONS IN THE UNITED STATES AIR FORCE

To be first lieutenants

First Lt. Kenneth McMillin Stewart, AO56486, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 1, 1948.

First Lt. Emil John Schutt, AO50351, Air Force of the United States, second lieutenant, U. S. Air Force), with rank from April 1, 1948.

First Lt. Robert Andrew Blair, AO38439, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 1, 1948.

Capt. Ralph Lee Hicks, AO56487, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 1, 1948.

First Lt. Shirley Leon Foreman, AO50354, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 4, 1948.

First Lt. Robert Thomas Higdon, AO56490, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 4, 1948.

First Lt. Edward Joseph Conway, AO56489, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 4, 1948.

First Lt. Theodore Phillip Martin, AO56488, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 4, 1948.

First Lt. Daniel Joseph Sheehan, Jr., AO50355, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 5, 1948.

First Lt. Alvin Willard Banner, AO56491, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 5, 1948.

Second Lt. Nelton Ronald Wilson, AO38440, United States Air Force, with rank from April 6, 1948.

First Lt. Milburn Grant Apt, AO56492, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 8, 1948.

First Lt. Jack Cox, Jr., AO50356, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 8, 1948.

First Lt. Andrew Jules Chapman, AO38442, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 11, 1948.

Capt. Paul Enos Rova, AO50357, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 12, 1948.

First Lt. Robert Francis Kaltenbacher, AO50358, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 14, 1948.

Second Lt. Billy Gordon Moseley, AO56502, United States Air Force, with rank from April 15, 1948.

First Lt. Jack Victor Allen, AO56494, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. Paul Arnold Roney, AO38446, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. Philip Reed Vaughn, AO50359, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. Douglas John Howard, AO56495, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. Robert Ewing Gay, AO50360, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. Robert James Pierce, AO56497, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

Second Lt. Donald Graham May, AO56498, United States Air Force, with rank from April 15, 1948.

First Lt. William Boyd, Jr., AO38447, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. Robert Rufus French, AO50361, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

Second Lt. Albert Edwin Ninde, AO50362, United States Air Force, with rank from April 15, 1948.

First Lt. Elmer Roy Smith, AO56500, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. Harlan Eugene Ball, AO50363, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. William Alfred Swanson, AO38448, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

Second Lt. Lawrence Oscar Thomas, AO56501, United States Air Force, with rank from April 15, 1948.

Second Lt. James Millard Davis, AO56503, United States Air Force, with rank from April 15, 1948.

First Lt. Delbert Volney Berg, Jr., AO41323, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

Second Lt. Richard Gene Twyman, AO56505, United States Air Force, with rank from April 15, 1948.

First Lt. Stephen Phillip Walter, AO56507, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. Jesse Charles Bush, Jr., AO41324, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. Rufus Winfrey Scott, AO50364, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. Dewey Roger Laney, AO41325, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

First Lt. James Edward Leonhard, AO38449, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

Second Lt. Leo Cayetano Baca, AO50365, United States Air Force, with rank from April 15, 1948.

Second Lt. David Both Van Pelt, AO56508, United States Air Force, with rank from April 15, 1948.

First Lt. William Stanley McGregor, AO56510, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

Second Lt. William Richard Werb, AO56499, United States Air Force, with rank from April 15, 1948.

Second Lt. Paul Quillian Holloway, AO56509, United States Air Force, with rank from April 15, 1948.

Second Lt. Donald Oscar Beck, AO56504, United States Air Force, with rank from April 15, 1948.

First Lt. Leo Dee Putt, AO56506, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 15, 1948.

Capt. Marvin Walter Miller, AO50366, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 16, 1948.

Second Lt. Don Byron McEntire, AO56511, United States Air Force, with rank from April 17, 1948.

First Lt. John Richard Francis, AO38450, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 18, 1948.

First Lt. David Sylvester Melluish, AO56513, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 18, 1948.

Second Lt. Montie Thompson, Jr., AO50370, United States Air Force, with rank from April 19, 1948.

First Lt. Robert Joseph Kalina, AO56514, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 20, 1948.

First Lt. Ray Barton, AO56515, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 20, 1948.

Second Lt. Carl Bryan Fountain, AO56516, United States Air Force, with rank from April 21, 1948.

First Lt. Donald William Payne, AO56517, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 21, 1948.

First Lt. Joseph Robert Clark, AO50372, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 25, 1948.

First Lt. Donald Wilbert Akers, AO41328, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 26, 1948.

Capt. Bushnell Nelson Welch, AO56520, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 27, 1948.

Second Lt. Edward Charles Whalen, AO56522, United States Air Force, with rank from April 28, 1948.

First Lt. Theodore Leonard Monasee, AO56523, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 29, 1948.

First Lt. Charles Arthur Monasee, AO41329, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 29, 1948.

Second Lt. Gerald Vern Kehrli, AO56524, United States Air Force, with rank from April 29, 1948.

First Lt. Frederick John Reitman, Jr., AO38454, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 29, 1948.

Capt. Von Harold Dixon, AO50376, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from April 30, 1948.

Second Lt. Gerald Francis Fitzgerald, AO56526, United States Air Force, with rank from April 30, 1948.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Marion Earl Sims, Moundville, Ala., in place of E. L. Sledge, resigned.

ARKANSAS

Iva S. Matlock, Leola, Ark., in place of L. D. Hopper, resigned.

Paul Stonesifer, Winslow, Ark., in place of J. V. Stockburger, transferred.

CALIFORNIA

Ivor E. Lanigar, Susanville, Calif., in place of E. R. Winchel, removed.

FLORIDA

Joseph W. Westmoreland, Jay, Fla., in place of M. V. North, transferred.

GEORGIA

Dwain S. Brock, Baldwin, Ga., in place of B. B. Blackburn, resigned.

Frederick L. Dekle, Clyo, Ga., in place of R. C. DeLoach, transferred.

Kermit Q. Ward, Molena, Ga., in place of W. D. Bennett, retired.

John T. Stubbs, Jr., Summerville, Ga., in place of F. F. Chapman, removed.

ILLINOIS

Daniel F. Pembroke, Monticello, Ill., in place of J. F. Hartsfield, resigned.

IOWA

Russell E. Bamsey, Audubon, Iowa, in place of G. W. Oelke, resigned.

Dorris E. Trullinger, Farragut, Iowa, in place of P. K. Kraschel, resigned.

Raymond M. Harrold, Palmer, Iowa, in place of W. H. Theisen, removed.

Walter F. Webster, Promise City, Iowa. Office became Presidential July 1, 1945.

Oral J. Brown, Washington, Iowa, in place of M. C. DeLong, deceased.

KANSAS

Howard C. Cain, Delphos, Kans., in place of M. A. Cain, resigned.

Wayne L. Green, Osborne, Kans., in place of L. P. Gallagher, resigned.

Ruth H. Berrigan, Solomon, Kans., in place of H. D. MacCloughan, resigned.

KENTUCKY

Harold A. Bolin, Irvington, Ky., in place of R. L. Frymire, transferred.

LOUISIANA

Jack Bostwick, Bastrop, La., in place of Jack Bostwick, transferred.

MAINE

Frederick A. Hobbs, II, Alfred, Maine, in place of G. H. Williams, retired.

Samuel H. Ring, Lovell, Maine, in place of M. R. Pitman, removed.

MARYLAND

Charles A. Snavely, Baldwin, Md. Office became Presidential July 1, 1947.

Joseph B. Rawson, Salisbury, Md., in place of M. R. Toulson, resigned.

MICHIGAN

Franklin L. Erickson, Central Lake, Mich., in place of Evert Van Den Berg, resigned.

Clarence F. Allen, Fowlerville, Mich., in place of D. L. Lockwood, resigned.

Joseph Thomas Kaderabek, Irons, Mich., in place of E. M. Voorhees, retired.

Court R. Houghmaster, Millersburg, Mich., in place of F. B. Mills, deceased.

Charles K. Guy, Rapid City, Mich., in place of J. O. Way, resigned.

MINNESOTA

Ellert M. Erickson, Brooten, Minn., in place of A. E. Imsdahl, transferred.

Charlotte C. Keniston, Champlin, Minn., in place of H. A. Smith, transferred.

Max H. Casey, Jordan, Minn., in place of Herman Herder, retired.

Joseph W. Henning, Miltona, Minn., in place of L. J. Hintzen, deceased.

John J. Jaschke, Minneota, Minn., in place of W. B. Gislason, resigned.

Lawrence H. Wegner, Raymond, Minn., in place of H. E. Day, resigned.

MISSISSIPPI

Marvin C. Miller, Blue Springs, Miss., in place of S. H. Speck, retired.

Charles D. Bragg, Crawford, Miss., in place of W. B. Potts, resigned.

James H. Boyette, Goodman, Miss., in place of J. T. Skelton, retired.

MISSOURI

Clyde A. Revelle, Advance, Mo., in place of Carl Richmond, resigned.

Leo G. Kidd, Eureka, Mo., in place of J. E. Davis, transferred.

Alfred D. Boon, Franklin, Mo. Office became Presidential July 1, 1944.

Donald H. Lockman, Winona, Mo., in place of J. T. Loyd, resigned.

NEBRASKA

Arthur Glen Miller, Atkinson, Nebr., in place of A. G. Miller. Incumbent's commission expired June 23, 1942.

Jerry E. Severyn, Schuyler, Nebr., in place of M. B. Farrell, resigned.

NEVADA

Beatrice E. Hinds, Smith, Nev., in place of Geraldine Keeley, resigned.

NEW JERSEY

Melvin A. Jolly, Old Bridge, N. J., in place of Luella Brown, retired.

NEW YORK

Stewart C. H. Nuspliger, Adams, N. Y., in place of J. W. Cain, retired.

Maurice H. Adair, East Meredith, N. Y., in place of F. I. Adair, retired.

Julia C. McManus, Montrose, N. Y., in place of E. C. McManus, resigned.

Walter J. McCue, North Bellmore, N. Y., in place of Benjamin Lomench, resigned.

NORTH CAROLINA

Robert Willis Pope, Lucama, N. C., in place of L. S. Campbell, retired.

OHIO

Russell E. Elliott, Jackson Center, Ohio, in place of P. L. Heintz, removed.

Richard P. Hampson, Pleasantville, Ohio, in place of G. R. Daubenmire, removed.

Francis M. Myers, Russellville, Ohio, in place of L. E. Harman, transferred.

OKLAHOMA

Cecil D. Gray, Canton, Okla., in place of C. L. Willis, resigned.

Clarence H. Chambers, Chickasha, Okla., in place of W. H. LaBoon, retired.

Waldine E. Knodel, Cyril, Okla., in place of R. B. Britton, deceased.

PENNSYLVANIA

Eugene W. Collins, Atglen, Pa., in place of J. H. Baldwin, retired.

TEXAS

Alton Joyce Evans, Shallowater, Tex., in place of L. E. Baker, retired.

UTAH

John T. Adams, Tooele, Utah, in place of F. G. Eastman, resigned.

VIRGINIA

Carl L. Wingate, Crockett, Va., in place of L. S. Copenhaver, resigned.

Wright H. Dawson, Esmont, Va., in place of E. P. Heath, deceased.

Lewis K. Gathright, Goochland, Va., in place of C. A. Gathright, transferred.

James A. O'Neill, Lorton, Va., in place of C. L. Jett, resigned.

William H. Grubb, Jr., Purcellville, Va., in place of T. N. Carruthers, resigned.

Samuel Francis Atwill, Jr., Reedville, Va., in place of S. F. Atwill, Sr., resigned.

Boyd Boggess, Richlands, Va., in place of H. G. McGlothlin, deceased.

WEST VIRGINIA

Elizabeth L. Williams, Glen Rogers, W. Va., in place of Reuben Williams, retired.

Anne M. Lavindar, Kingston, W. Va., in place of D. W. Proffit, removed.

Josephine G. Byrant, Raysal, W. Va. Office became Presidential July 1, 1945.

WISCONSIN

Ralph J. Lemke, Omro, Wis., in place of M. D. Anderson, transferred.

WITHDRAWALS

Executive nominations withdrawn from the Senate March 19 (legislative day of March 15), 1948:

MEMBER OF THE FEDERAL POWER COMMISSION

Burton N. Behling to be a member of the Federal Power Commission.

POSTMASTER

Claude L. Overson to be postmaster at Firth, in the State of Idaho.

SENATE

MONDAY, MARCH 22, 1948

(Legislative day of Monday, March 15, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, give us the faith to believe that it is possible for us to live victoriously even in the midst of dangerous opportunity that we call crisis. Help us to see that there is something better than patient endurance or keeping a stiff upper lip and that whistling in the dark is not really bravery.

Trusting in Thee, may we have the faith that goes singing in the rain, knowing that all things work together for good to them that love Thee. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 19, 1948, was dispensed with, and the Journal was approved.

EXCHANGE OF TELEGRAMS BETWEEN SENATOR LODGE AND HENRY A. WALLACE

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD an exchange of telegrams which I have had over the week end with Henry A. Wallace.

The PRESIDENT pro tempore. Without objection, the exchange of telegrams between the Senator from Massachusetts and Mr. Wallace will be printed in the RECORD.

The telegrams are as follows:

Mr. HENRY A. WALLACE,
New York, N. Y.

DEAR SIR: Your telegram to me so utterly distorts the truth and uses the phrases which we all love in so cynical a manner that I cannot hope by any reply of mine to make you admit the great wrong you are committing.

But as one citizen whose whole life is bound up with America and who seeks, as best he can, to serve and protect her, I feel I must in reply record my opinion of the great harm you have done your country and the plain people of the world.

Because of the fact that you once held high office, your activities are interpreted abroad as signs of American disunion and are therefore a direct encouragement to the masters of the Soviet police empire to continue their campaign of extending the iron curtain. Thousands of everyday citizens whose civil liberties, and perhaps lives, have recently been snuffed out do not share your veiws, and would, I am sure, rise in protest if they were free to speak their minds.

Very truly yours,

H. C. LODGE, Jr.

Your responsibility and that of the other Members of the Congress to quell the war hysteria which is being fanned by the military and cartelist members of the administration is brought into sharp focus by the President's convening of another emergency joint session. There is no evidence that any nation has threatened acts of aggression against us or threatens our national security. Yet, the President and members of his Cabinet act as though a war crisis were imminent. The people look to the Congress for calmness and sanity. They expect you to guard them against dangerous and wholly unnecessary steps which will curtail their liberties and take us down the road to an economic and political life regimented by the military.

Twice before the President has convened the Congress in an atmosphere of artificially created crisis to cover up failures of his own policy. In May 1946 the President made an inflammatory attack on the railroad workers and called for repressive legislation, which the Congress wisely rejected. Again, in March 1947, the President created another crisis to get military aid for Greece and Turkey. He embarked us on a course which has now proved bankrupt.

The crisis in international affairs results from the complete failure of the Truman doctrine throughout the world. The way out of this crisis is to renounce the doctrine as the basis of our foreign policy. We must stop finding excuses for ignoring the peacemaking machinery of the United Nations.

The American people cannot understand why a democratic election in Italy should be used to increase international hysteria merely because the administration fears the results may displease it. The Congress must give evidence that when we speak of democracy we mean democracy. The present administration is ruining the good name of the American people the world over. It rests with the Congress to quell the hysteria and set a standard for the observance of democratic principles which will enable us to regain moral leadership in world affairs and in the cause of peace.

HENRY A. WALLACE.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 2 years, and for other purposes, and it was signed by the President pro tempore.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 205 individuals whose deportation has been suspended for more than 6 months by the Commissioner of Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on the Judiciary.

CONTRACT RELATING TO CERTAIN LANDS OF CHOCTAW AND CHICKASAW INDIANS OF OKLAHOMA

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a contract providing for the sale to the United States of America of all of the right, title, and interest of the Choctaw and Chickasaw Nations of Indians of Oklahoma in the segregated coal and asphalt lands and deposits reserved from allotment (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the chief Scout executive, Boy Scouts of America, transmitting, pursuant to law, the Thirty-eighth Annual Report of the Boy Scouts of America for the year 1947 (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions, etc., were laid before the Senate by the President pro tempore and referred as indicated:

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"Senate Joint Resolution 7

"Resolution relative to memorializing Congress to appropriate funds for the construction of a breakwater at Half Moon Bay

"Whereas the construction of a breakwater at Half Moon Bay is necessary to provide a safe harbor and a refuge for small craft on the Pacific Ocean between San Francisco Bay and Monterey Bay, to provide facilities for commercial and sport fishing, to create beaches and recreational facilities, and to retard erosion, which has become serious on sections of the coast of San Mateo County; and

"Whereas on January 20, 1948, in Washington, D. C., the construction of a breakwater at Half Moon Bay, at a cost of $4,500,000, was recommended by the Board of Review for Rivers and Harbors of the United States Army Engineers; and

"Whereas the construction of a breakwater at Half Moon Bay has been endorsed by the Congress of Industrial Organizations, the American Federation of Labor, the Chamber of Commerce of Santa Cruz, the Chamber of Commerce of San Francisco, the chambers of commerce of every community in San Mateo County, and the Chamber of Commerce of the State of California; and

"Whereas the Board of Supervisors of San Mateo County has committed itself to furnish the Army engineers with the cooperation they require, including contribution of easements, rights-of-way, royalty-free rock, and cash in the sum of $100,000; and

"Whereas the Honorable Earl Warren, Governor of the State of California, after consultation with various agencies of the State government, has recommended early construction of a breakwater at Half Moon Bay; and

"Whereas bills authorizing the construction of, and appropriating funds for, a breakwater at Half Moon Bay may have been, or are about to be, introduced in Congress: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Congress and the President of the United States are urged and memorialized to take such steps as may be necessary to provide authority and funds for the early construction of a breakwater at Half Moon Bay; and be it further

"Resolved, That the Secretary of the Senate is directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, and the Speaker of the House of Representatives, and to each Senator and Representative from California in Congress of the United States."

A joint resolution of the Legislature of the State of California; ordered to lie on the table:

"Assembly Joint Resolution 4

"Joint resolution memorializing Congress to consider certain California products in any bill authorizing European relief under the Marshall plan

"Whereas Congress may pass a law authorizing European relief pursuant to the Marshall plan; and

"Whereas the State of California produces large quantities of raisins, dried fruits, milk byproducts, and citrus concentrates: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Congress of the United States is memorialized to take into consideration California products such as raisins, all kinds of dried fruits, milk byproducts, and citrus concentrates in any bill authorizing European relief under the Marshall plan; and be it further

"Resolved, That the chief clerk of the assembly prepare and transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California."

Two joint resolutions of the Legislature of the State of California; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Resolution 4

"Joint resolution relative to memorializing Congress and the President of the United States in relation to migratory game birds

"Whereas pursuant to treaties of the United States with Great Britain and Mexico, the jurisdiction to regulate the taking of migratory game birds is vested in the Congress of the United States and has been exercised by the enactment of the Migratory Bird Treaty Act; and

"Whereas said act provides for the making of regulations to carry out its purposes, which regulations are now made by the Fish and Wildlife Service in the Department of the Interior and become effective when approved by the President of the United States; and

"Whereas in formulating such regulations said act requires that due regard be taken to 'the zones of temperature' as well as distribution and other factors, and this has resulted in the establishment of zones running in general from east to west; and

"Whereas in relation to wild ducks it has been established that there are four principal flyways running north and south across the country from Canada to the Caribbean Sea, Mexico, and even farther south, that each of these flyways has its own population of ducks, and that there is little change from one flyway to another, with the result that each flyway presents its own problems of conservation, independent of the others; and

"Whereas the State of California lies in the Pacific flyway which runs from Alaska and the northern part of Canada south across the western part of the United States and into Mexico and farther south, and it is only in relation to this flyway that the conservation of ducks in California can properly be carried out; and

"Whereas the regulation of wild fowl, and particularly wild ducks, in California in relation to other areas of the United States lying along flyways other than the Pacific does not take into consideration the relative independence of the several flyways nor the fact that the duck population in any given area depends upon conditions up and down its particular flyway, rather than in areas lying in the same zones of temperature on other flyways; and

"Whereas Senate bill 2199 and House of Representatives bill 5493 provide for the amendment of said act to provide that regulations adopted pursuant thereto shall be based on conditions existing within each area, section, or flyway; and for the creation of a Migratory Game Bird Advisory Committee: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Congress and the President of the United States are urged and memorialized to enact the legislation incorporated in Senate bill 2199 and House bill 5493; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President of the United States, to the President of the Senate and Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

"Assembly Joint Resolution 7

"Joint resolution relative to the shipbuilding industry of the west coast

"Whereas during the war years, those years from 1941 to 1946, the splendid job of shipbuilding done on the west coast turned out in vast numbers the ships vital to the successful prosecution of the war and which were a determining factor in ending World War II in an all-out victory for the United States and her allies; and

"Whereas to operate these vast and vital shipbuilding enterprises it was necessary to employ many thousands of men and women, who removed from their homes and established communities centering around and supported by the shipyard pay rolls, creating prosperous areas enjoying normal community business in the sale and exchange of commodities and services; and

"Whereas there have been persistent rumors that there might be a severe curtailment in the amount of shipbuilding done on the west coast; and

"Whereas such a curtailment would seriously and adversely affect an industry now established and vital to the economic life of the west coast, at the same time incapacitating or destroying vast enterprises which should be maintained in the interests of national defense and employed in the building, rebuilding, repair, and maintenance of the United States merchant marine: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the United States Maritime Commission is hereby memorialized to do all in its power to retain in the west coast shipyards a volume of shipbuilding and repair which will insure the permanent continuance of these industries on the west coast, avert the economic loss and disaster resulting from a disruption and uprooting of these many shipbuilding communities and the scattering of workers skilled in shipbuilding and repair, to the end that these priceless facilities built up during the war years shall be preserved and continued in the interests of an adequate merchant marine and as a factor vital to the national defense; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the United States Maritime Commission, to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California, Oregon, and Washington in the Congress of the United States."

PROTEST AGAINST UNIVERSAL MILITARY TRAINING AND DRAFT LEGISLATION

Mr. BUTLER. Mr. President, I ask unanimous consent to present and to have printed in the RECORD a telegram from Mrs. Vera Sheffield, of Omaha, Nebr., protesting against the enactment of universal military training and draft legislation.

There being no objection, the telegram was received and ordered to be printed in the RECORD, as follows:

OMAHA, NEBR., *March 19, 1948.*

Senator HUGH BUTLER,
Washington, D. C.:

Request this be read before Congress. Women uniting request you vote against passage of universal military training and draft bill. Do Congress and Truman want women of United States to march on Washington? These bills would bring on war. War means destruction of world by atom bomb.

Mrs. VERA SHEFFIELD.

ASSISTANCE TO GREECE AND TURKEY—REPORT OF A COMMITTEE FILED DURING RECESS

Under authority of the order of the Senate of the 19th instant.

Mr. VANDENBERG, from the Committee on Foreign Relations, reported an original bill (S. 2358) to amend the act approved May 22, 1947, entitled "An act to provide for assistance to Greece and Turkey," and submitted a report (No. 1017) thereon, which bill was read twice by its title and ordered to be placed on the calendar.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

S. 2278. A bill to authorize the sale of certain public lands in San Juan County, Utah, to the Southwest Indian Mission, Inc.; without amendment (Rept. No. 1018).

REPORT OF JOINT COMMITTEE ON HOUSING—INDIVIDUAL VIEWS OF SENATOR McCARTHY (REPT. NO. 1019).

Mr. McCARTHY, as a member of the Joint Committee on Housing, submitted his individual views relative to the report of the Joint Committee on Housing submitted on March 15, 1948, which were ordered to be printed.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 22, 1948, he presented to the President of the United States the enrolled bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 2 years, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG (for himself and Mr. MAGNUSON):

S. 2355. A bill to amend the Immigration Act of 1924, as amended; and

S. 2356. A bill to amend the act providing for the expedition for admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces; to the Committee on the Judiciary.

By Mr. RUSSELL:

S. 2357. A bill to amend section 4 of the act entitled "An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor," approved June 27, 1924; to the Committee on Agriculture and Forestry.

(Mr. VANDENBERG, from the Committee on Foreign Relations, reported an original bill (S. 2358) to amend the act approved May 22, 1947, entitled "An act to provide for assistance to Greece and Turkey, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. REVERCOMB:

S. 2359. A bill for the relief of Hayward O. Brandon; to the Committee on the Judiciary.

By Mr. KILGORE:

S. 2360. A bill for the relief of Dr. Chung Ki Lui; to the Committee on the Judiciary.

By Mr. FLANDERS:

S. 2361. A bill to provide for a temporary extension of the National Housing Act, as amended; to the Committee on Banking and Currency.

By Mr. MAGNUSON:

S. 2362. A bill for the relief of Russell S. Fothergill; to the Committee on Finance.

(Mr. BUTLER (by request) introduced Senate bill 2363, to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes, which was referred to the Committee on Interior and Insular Affairs, and appears under a separate heading.)

By Mr. McMAHON:

S. 2364. A bill to enable children under 21 years of age adopted by United States citizens to enter the United States as nonquota immigrants and to become naturalized; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado (for himself and Mr. REED):

S. 2365. A bill to amend the Federal Trade Commission Act with respect to the advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

By Mr. GURNEY:

S. 2366. A bill to amend section 202 of title II of the Army-Navy Medical Services Corps Act of 1947, as amended, to remove the present restriction on appointments to the Navy Medical Service Corps; to the Committee on Armed Services.

By Mr. BALL:

S. 2367. A bill for the relief of Francis Doman; to the Committee on the Judiciary.

By Mr. STEWART (for himself, Mr. SPARKMAN, Mr. JOHNSTON of South Carolina, Mr. KILGORE, Mr. HOEY, Mr. HOLLAND, Mr. EASTLAND, Mr. JOHNSON of Colorado, Mr. McFARLAND, Mr. MAYBANK, Mr. McCLELLAN, and Mr. RUSSELL):

S. 2368. A bill to amend the Social Security Act, as amended, so as to increase the amounts of Federal contributions to the States for old-age assistance, aid to dependent children and aid to the blind; to the Committee on Finance.

By Mr. LUCAS:

S. 2369. A bill to adjust the effective date of certain awards of pensions and compensation payable by the Veterans' Administration; to the Committee on Finance.

REHABILITATION OF NAVAJO AND HOPI TRIBES OF INDIANS

Mr. BUTLER. Mr. President, by request of the Secretary of the Interior, I ask unanimous consent to introduce for appropriate reference a bill to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes, and I request that the bill together with a letter from the Secretary of the Interior recommending its passage, be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the bill together with the letter from the Secretary of the Interior will be printed in the RECORD as requested by the Senator from Nebraska.

There being no objection, the bill (S. 2363) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes, introduced by Mr. BUTLER (by request), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That in order to further the purposes of existing treaties with the Navajo Indians, to provide facilities, employment, and services essential in combating hunger, disease, poverty, and demoralization among the members of the Navajo and Hopi Tribes, to make available the resources of their reservations for use in promoting a self-supporting economy and self-reliant communities, and to lay a stable foundation on which these Indians can engage in diversified economic activities and

ultimately attain standards of living comparable with those enjoyed by other citizens, the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the funds from time to time appropriated pursuant to this act, a program of basic improvements for the conservation and development of the resources of the Navajo and Hopi Indians, the more productive employment of their manpower, and the supplying of means to be used in their rehabilitation, whether on or off the Navajo and Hopi Indian Reservations. Such program shall include the following projects:

PROJECTS FOR BOTH NAVAJO AND HOPI INDIANS

1. Soil and water conservation and range and livestock improvement work.
2. Completion and extension of existing irrigation projects, and completion of the investigation to determine the feasibility of the proposed San Juan-Shiprock irrigation project.
3. Surveys and studies of timber, coal, mineral, and other physical and human resources.
4. Development of industrial and business enterprises.
5. Development of opportunities for off-reservation employment and assistance in adjustments related to such employment.
6. Roads and trails.
7. Air-transport facilities.
8. Telephone- and radio-communication systems.
9. Domestic and stock water supply.
10. Relocation and resettlement of Navajo and Hopi Indians.

PROJECTS SOLELY FOR NAVAJO INDIANS

11. Establishment of a revolving loan fund.
12. Hospital buildings and equipment, and other health-conservation measures.
13. School buildings and equipment, and other educational measures.

SEC. 2. The foregoing program shall be administered in accordance with the provisions of this act and existing laws relating to Indian affairs, shall include such facilities and services as are requisite for or incidental to the effectuation of the projects herein enumerated, shall apply sustained-yield principles to the administration of all renewable resources, and shall be prosecuted in a manner which will provide for completion of the program, so far as practicable, within 10 years from the date of the enactment of this act. An account of the progress being had in the rehabilitation of the Navajo and Hopi Indians, and of the use made of the funds appropriated to that end under this act, shall be included in each annual report of the work of the Department of the Interior submitted to the Congress during the period covered by the foregoing program.

SEC. 3. Navajo and Hopi Indians shall be given, whenever practicable, preference in employment on all projects undertaken pursuant to this act, and, in furtherance of this policy, may be given employment on such projects without regard to the provisions of the civil service and classification laws. To the fullest extent possible, Indian workers on such projects shall receive on-the-job training in order to enable them to become qualified for more skilled employment.

SEC. 4. The Secretary of the Interior is authorized, under such regulations as he may prescribe, to make loans from the loan fund authorized by section 1 hereof to the Navajo Tribe, or to any member or association of members thereof, for such productive purposes as, in his judgment, will tend to promote the better utilization of the manpower and resources of the Navajo Indians. Sums collected in repayment of such loans and sums collected as interest or other charges thereon shall be credited to the loan fund, and shall be available for the purpose for which the fund was established.

SEC. 5. In order to facilitate the fullest possible participation by the Navajo Tribe in the program authorized by this act, the members of the tribe shall have the right to adopt a tribal constitution in the manner herein prescribed. Such constitution may provide for the exercise by the Navajo Tribe of any powers vested in the tribe or any organ thereof by existing law, together with such additional powers, not in excess of the powers possessed by other organized or incorporated Indian tribes, as the members of the tribe may deem proper to include therein. Such constitution shall be formulated by the Navajo Tribal Council with the concurrence of the Secretary of the Interior, and shall be effective upon adoption by secret ballot of the adult members of the Navajo Tribe in an election, held under such regulations as the Secretary may prescribe, at which a majority of the qualified votes cast favor such adoption.

SEC. 6. Notwithstanding any other provision of existing law, the tribal funds now on deposit or hereafter placed to the credit of the Navajo Tribe of Indians in the United States Treasury, shall be available for such purposes as may be designated by the Navajo Tribal Council and approved by the Secretary of the Interior.

SEC. 7. The sum of $90,000,000 is hereby authorized to be appropriated for the purpose of carrying out the provisions of this act. Funds so appropriated shall be available for administration, investigations, plans, construction, and all other objects necessary for or appropriate to the carrying out of such provisions. Such further sums as may be necessary for or appropriate to the annual operation and maintenance of the projects herein enumerated are hereby also authorized to be appropriated. Funds appropriated under these authorizations shall be in addition to funds made available for use on the Navajo and Hopi Indian Reservations, or with respect to Indians of the Navajo and Hopi Tribes, out of appropriations heretofore or hereafter granted for the benefit, care, or assistance of Indians in general, or made pursuant to other authorizations now in effect.

The letter presented by Mr. BUTLER was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE INTERIOR,
Washington, March 17, 1948.

Hon. ARTHUR H. VANDENBERG,
President pro tempore,
United States Senate.

MY DEAR SENATOR VANDENBERG: Transmitted herewith is a draft of a proposed bill, "To promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes."

I request that this measure be referred to the appropriate committee for consideration, and I recommend that it be enacted.

On December 2, 1947, in a public statement dealing with the emergency-relief situation on the Navajo Indian Reservation, the President stated that the problems of the Navajos will not be solved merely by providing relief for them this winter, and continued, "I expect to submit to the next regular session of the Congress my recommendations for the Federal Government's part in a long-range program of rehabilitation for the Navajos." On December 19, 1947, the Congress gave statutory recognition to a like concern by enacting Public Law 390. This law authorizes $2,000,000 for an emergency grant and work-relief program for the Navajo and Hopi Reservations, and in section 2 provides that the Secretary of the Interior is authorized and directed at the earliest practicable date to submit to the Congress his recommendations for necessary legislation for a long-range program dealing with the problems of the Navajo and Hopi Indians.

The proposed bill has been prepared in the Department of the Interior for the purpose of placing before the Congress the recommendations for a long-range program called for in Public Law 390. These recommendations have been approved by the President. They embody a plan whereby the Federal Government may fulfill its responsibilities to the Navajo and Hopi Indian Tribes, in furtherance of treaty provisions and in conformity with Federal policy, as defined in numerous statutes since the founding of the Nation.

The members of the Navajo and Hopi Tribes now live under precarious conditions not comparable with the living standards enjoyed by most other citizens. In fact, the very existence of many of them is now imperiled. To meet this situation, a 10-year program for the rehabilitation of these Indians and the better utilization of their resources has been formulated. The legislative provisions requisite to implement this program are included in the proposed bill. Conditions incident to the war have delayed completion and submission to the Congress of this program, which has been under study in the Department of the Interior for a number of years. As it is a long-range program, involving considerable costs, and is of vital importance to both the Government and the Indians, special legislation, which would authorize the Secretary of the Interior to proceed with this specific program, is believed to be the best way of providing for its undertaking.

The proposed bill includes an authorization of $90,000,000 for the purpose of carrying out of its provisions. Section 1 of the bill indicates the types of projects which would be undertaken. Ten of the items listed would apply to both the Navajo and Hopi Indians and three of them solely to the Navajo Indians. Since the Hopi jurisdiction is completely surrounded by the Navajo Reservation, the projects called for in items 1 to 10, inclusive, such as soil and water conservation and construction of roads and trails, would be more effective if administered on a joint basis. Items 11, 12, and 13, providing respectively for credit, health, and educational projects, are designated solely for the Navajo Tribe, because the needs of the Hopi Tribe in these fields do not appear to call for the enactment of special legislation.

Enclosed for your information are copies of a report on Navajo and Hopi conditions which was recently completed by this Department. This report contains a comprehensive explanation of the need for, and content of, the long-range rehabilitation program which the attached draft of bill would authorize. Representatives of this Department will be glad to supplement this data in any way desired by the Congress or its committees.

The President has advised me that this proposed legislation has his approval, and has authorized me to submit it to the Congress for consideration.

Sincerely yours,

J. A. KRUG,
Secretary of the Interior.

EXTENSION OF TIME FOR INVESTIGATION OF CERTAIN POSTMASTERS

Mr. LANGER submitted the following resolution (S. Res. 214), which was referred to the Committee on Post Office and Civil Service:

Resolved, That the last paragraph of Senate Resolution 81, Eightieth Congress, agreed to June 17, 1947 (authorizing an investigation of the appointment of postmasters), is hereby further amended by striking out the date "March 31, 1948" and inserting in lieu thereof the date "June 30, 1948."

FEDERAL AID TO EDUCATION—AMENDMENT

Mr. HAWKES. Mr. President, I ask unanimous consent to submit an amend-

ment intended to be proposed by me to the bill (S. 472 to authorize the appropriation of funds to assist the States and Territories in financing a minimum-foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes, and I request that the amendment lie on the table and be printed.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and lie on the table, as requested by the Senator from New Jersey.

Mr. HAWKES. I have prepared a statement in explanation of the amendment, and I ask unanimous consent that the statement and amendment be printed in the RECORD.

There being no objection, the statement and amendment were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HAWKES

I am today submitting an amendment to S. 472, the so-called Federal aid-to-education bill, which is now pending on the Senate Calendar (Calendar No. 439).

At the outset I wish to state that I have not committed, nor do I propose to commit, myself in favor of the bill S. 472. In fact, I have studied the provisions of the bill in the light of its announced objectives and feel that this legislation runs contrary to the fundamental principle of keeping the control of our educational processes in the States and local governments rather than in the Federal Government.

I am persuaded, however, that this measure has considerable support from those taking a contrary view. With the thought that those of us who object to this legislation may be outvoted and the bill become law, it is the purpose of my amendment to incorporate in the bill at least one provision that should meet with the approval of everyone who believes in Americanism and the American way of life.

My amendment adds as a condition to any State receiving Federal contributions under the pending bill the requirement that such State shall "Provide for the teaching in the public elementary and secondary schools within such State of regular courses of instruction in the text and interpretation of the Constitution of the United States, consisting of not less than 2 hours of classroom instruction during each 4-week period within the school year, in each grade or year above the fifth (excluding kindergarten)."

As more and more of us know, September 17 of each year is celebrated as Constitution Day. Last Constitution Day, September 17, 1947, it was my privilege to deliver an address at Columbus, Ohio. In that address I said in part:

"The job of the American people right now, if we care to preserve our system and make it work so that the people throughout the world will follow its principles, is to bring home to every American citizen, man, woman, and child, the unvarnished truth regarding the Constitution of the United States and its meaning, and the objectives of the American system, so each can understand the simple principles and purposes involved and the vital necessity of preserving them in fact and truth.

"The Constitution, adequately taught in all our schools, would do much to preserve our Constitution and the American system."

I believe that my amendment is so simple in terms and meaning that no one can fail to appreciate its value and the necessity for carrying it into effect, whether in a bill of this sort or through any other means that effectively will bring to our American youth the full meaning and significance of the heritage that is theirs.

I should like to make it clear that the direction and operation of my amendment will be entirely in the hands of the State and local authorities.

AMENDMENT BY MR. HAWKES TO S. 472

On page 21, line 17, after the semicolon, insert the following: "(h) provide for the teaching in the public elementary and public secondary schools within such State of regular courses of instruction in the text and interpretation of the Constitution of the United States, consisting of not less than 2 hours of classroom instruction during each 4-week period within the school year, in each grade or year above the fifth (excluding kindergarten)."

DID YOU HAPPEN TO SEE SENATOR ALEXANDER WILEY?—ARTICLE BY JOHN WHITE

[Mr. SMITH asked and obtained leave to have printed in the RECORD an article entitled "Did You Happen To See Senator ALEXANDER WILEY?" by John White, from the Washington Times-Herald of March 22, 1948, which appears in the Appendix.]

DEVELOPMENT OF SUBMARINES—ARTICLE BY ANSEL E. TALBERT

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an article relating to development of submarines, written by Ansel E. Talbert, and published in the New York Herald Tribune of March 21, 1948, which appears in the Appendix.]

THE PRESIDENT'S CIVIL RIGHTS MESSAGE—EDITORIAL FROM THE COURIER-CHRONICLE

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "Negro Editor Talks Plainly to His People," from the Courier-Chronicle, of Humboldt, Tenn., which appears in the Appendix.]

THE RACE ISSUE—ARTICLE BY PHILIP J. ALLEN

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article entitled "Professor Analyzes Race Issue," by Philip J. Allen, published in the Washington Post of March 21, 1948, which appears in the Appendix.]

PUT FREEDOM TO WORK—EDITORIAL FROM THE INDIANAPOLIS STAR

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Put Freedom to Work," published in the Indianapolis Star of March 12, 1948, which appears in the Appendix.]

THE CAPEHART PLAN—EDITORIAL FROM THE TRI-COUNTY PRESS

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial from the Tri-County Press, of Polo, Ill., which appears in the Appendix.]

THE STATE OF THE NATION—BROADCAST BY WALTER WINCHELL

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD a radio broadcast by Walter Winchell on March 21, 1948, which appears in the Appendix.]

MEETINGS OF COMMITTEES AND SUBCOMMITTEES

Mr. KNOWLAND asked and obtained consent that the Subcommittee on Labor and Federal Security of the Committee on Appropriations be permitted to meet this afternoon and for the remainder of the time that the subcommittee is considering the Labor and Federal Security appropriation bill.

REDUCTION OF INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes.

Mr. WHERRY. It is my understanding that the tax-reduction bill is the unfinished business, and by unanimous consent the junior Senator from Oregon [Mr. MORSE] is to be recognized.

The PRESIDENT pro tempore. The Senator is correct. The business before the Senate is H. R. 4790, which is open to further amendment. The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I rise to discuss my views on the pending tax bill. I appreciate the suggestion of the Senator from Nebraska [Mr. WHERRY], the acting majority leader, that he would be glad to extend me the courtesy of having a quorum call, but I ask him not to call for a quorum, because I am not speaking to the Senate today nearly so much as I propose to speak to the American people from the Senate floor. Also I propose to speak to the RECORD for future reference. I do it because I am convinced that the tax proposals I make today will eventually become a part of the tax laws of this country and I want the RECORD to show that since I have been in the Senate I have been fighting for them.

I think my views on taxes are pretty well known in the Senate. It was on July 11 and 12 last year that I delivered my major addresses on taxation in the Senate, under the title, "A Progressive Republican Tax Program." I am pleased to be able to say today that, in light of the events which have transpired in this country both in the field of our domestic economic problems and in the field of international problems, there is not a word to be found in my addresses of July 11 and July 12, 1947, that I see fit to modify to any degree whatsoever. To the contrary, by way of incorporation through reference in this speech today, I would reiterate every tax proposal and every argument in support of my views on taxation which I laid down in my addresses of July 11 and July 12 last year.

Mr. President, this being true, it is quite proper that the question should be asked me, in view of your opposition to the Knutson tax bill of 1947, what is your explanation or your rationalization or your excuse for voting for the pending tax bill now before the Senate? I have what I consider to be a series of very good reasons for voting for this tax bill, but reasons which nevertheless should be accompanied, with certain very definite warnings to the American people concerning the fiscal policies of the Federal Government as represented by the policies expressed in the pending tax bill.

I digress for a moment to say that in the interest of continuity it is not my intention to yield during my remarks, except in connection with any questions which the floor leader of the bill, the

distinguished Senator from Colorado [Mr. MILLIKIN], may wish to ask me. However, in the interest of continuity and the conservation of time, I do not desire to yield to any other Senator during the course of my remarks; although at the close of them I shall be very happy to try to answer such questions as any Senator may desire to propound to me.

Mr. President, to return to the listing of my reasons why I propose to vote for the pending tax bill in contrast to my opposition to the Knutson tax bill of last year, I want to make the following points:

First, I endeavor in my position in the Senate to carry out to the best of my sights what I consider to be the basic theories of representative government as contemplated by the Founding Fathers of the Constitution. I need not tell this to the Members of the Senate at this time, but I want to point out to the American people that there is constantly confronting one in the position of a United States Senator the ethical problem of adjusting his honest convictions on the merits of issues to his duty always to carry out what he concludes to be the crystallized dominant majority opinion of the people at any time on a given legislative subject. That produces a great conflict of conscience sometimes, Mr. President, because it is so easy for one in my position to assume that the majority opinion at a given time on a given issue coincides with his personal convictions on that issue when sometimes that is not the case. But once he becomes convinced that his personal convictions on a given issue are out of line with the dominant crystallized public opinion of the country, then I say, under our representative form of government, he has the duty to bow to that opinion, because the people through him have the right to have a fixed, crystallized public opinion put into law. I do not mean that it becomes a Senator's duty to vote for just any law, Mr. President, because there are some other ethical considerations relating to one's duty in the Senate that he must take into account before he votes on any given piece of legislation. Once he is convinced that the people want legislation on a certain subject, even though his personal convictions lead him to believe that it is unwise at the time to pass that type of legislation, I say it is clearly his duty as a representative of the people to do what he can to bring about legislation that is sound and that will carry out the dominant will of the country.

Relating that proposition to the pending tax legislation, although I have personal fears of drastic tax reduction at this time, I am perfectly convinced, Mr. President, that the American people today, by an overwhelming majority of sentiment, are saying to the Members of the Congress, "We want and we expect you to pass tax-reduction legislation."

Mr. President, I think it would be a false assumption that the American people are saying to the Congress, "We are asking that you pass this particular bill," because, let us be frank about it, the great majority of the American people are not familiar with the details of the bill. If we are going to be intellectually honest about the proposition to which I am addressing myself we must admit that relatively few people in the United States are to any considerable degree whatsoever familiar with the details of the bill pending before the Senate. So there does rest upon us as individual Members of the Congress the ethical duty of ascertaining for ourselves whether or not a given piece of legislation, in this instance the Millikin tax bill—and I prefer to call it the Millikin tax bill for reasons which I shall point out later—will carry out what I am satisfied is the clear mandate of a majority of the American people who are asking for tax-reduction legislation.

So in balancing these ethical duties which confront us in carrying out the solemn trust which is ours, imposed upon us by the people through a representative government, we must ask ourselves in this instance whether this particular piece of legislation is sufficiently reasonable, sufficiently sound, and sufficiently proper from the standpoint of the public interest to effectuate with reasonable effectiveness and a minimum of damage to the public welfare what has become the crystallized majority public opinion of the people on tax legislation.

To that question I find that in all intellectual honesty I can answer in the affirmative, and I can make that answer, Mr. President, because of the great differences not only between the bill now pending before the Senate and the Knutson tax bill of the last session of Congress but also between the bill now pending before the Senate as modified, as amended by the Millikin committee, and the Knutson bill which passed the House of Representatives in the present session of Congress.

Mr. President, at the risk of boredom I want to repeat from a little different angle this ethical problem which confronts me as a representative of the people of my State on this tax legislation, namely that they have the right to expect me to do what I can to bring about the best tax-reduction bill that can be enacted at the present session of Congress without at the same time passing a tax bill which is so detrimental to the public interest that I, in good conscience, would have to say, "It is better, it is much better, that I vote against this bill and tell my people why I am against the bill, than to vote for a bill which I think is so unsound from the standpoint of the public welfare that it would not be a proper way of carrying out a public mandate requesting a tax-reduction bill."

Mr. President, after literally many hours of study of the bill, and after wrestling with some very deep convictions on serious questions of taxation confronting the people, I find myself in a position where in all honesty I am free to tell the people of my State and the people of my country that I believe a vote for this tax bill is the proper vote to cast on the merits of the bill. Hence I am going to vote for it. But I am going to vote for it only after putting in the RECORD some very serious warnings concerning our fiscal policy which I believe need to be issued to the American people at this time.

There is another angle to the ethical considerations I have raised. One only has to sit in this Chamber, as a Member of the Senate, fully to understand and appreciate the problems of ethics that confront him in seeking to carry out the principles of a representative government and at the same time maintain in the Senate complete intellectual honesty as an individual person and citizen.

I state this angle of political ethics in this way: I could never see my way clear, no matter how strong I felt public opinion was on a given issue, to vote for a piece of legislation which I believed to be either unconstitutional or which I was convinced would not in fact, because of its provisions, carry out the intent of the American people as expressed by a mandate in a given demand for legislation on a particular subject. I can say to you, Mr. President, that this point is very difficult to get across to the American people: I suspect perhaps it is politically unwise even to try to explain it to the American people because it is so easy for opponents to misrepresent it and take it out of context to one's political detriment. Nevertheless, I think it is a point which must be driven home to our people, because I know of many in my State, as well as elsewhere in the country, who do not fully understand this very fundamental principle of representation in the Congress of the United States. They seem to be laboring under the illusion that we are a pure democracy in the sense that our only duty in the Congress of the United States is to unqualifiedly support every public prejudice, every temporary opinion on the part of the American people, and immediately put into effect such views on the theory that they represent true majority opinion.

I call that making a Gallup-poll approach to our job in the Senate and I would have the American people ponder the fact that representative government will never be safe in America if we continue to increase the tendency on the part of both the people and the Congress to do the job of legislating from the standpoint of a Gallup-poll approach. It is a serious trend in America, and when my mail says, "Can you not read the Gallup poll?" my answer is, "Yes, I can read the Gallup poll on various issues, but I also know that the Gallup poll seldom expresses fixed, crystallized public opinion on any issue. I am not ready to turn the job of legislative statesmanship over to the Gallup poll or over to any similar device for determining public opinion. I grant that such polls are very helpful and help us determine what public attitudes are on certain legislative issues, but Senators make a mistake if they think such polls reflect any careful and thorough analyses of a given piece of legislation by the public. The job of analyzing legislation rests upon us and the people have the right to expect us to check legislation for weaknesses and abuses as well as for unconstitutional provisions. More than half the time—yes, I think more than three-quarters of the time—such polls as the Gallup poll merely reflect public attitudes including public prejudices. No matter how impolitic it may be, I once again say from this Senate desk to the

people of my State and my Nation that I am never going to make a Gallup-poll approach to my job in the United States Senate. If my remaining in this position is dependent upon making that type of approach, I shall take my licking in 1950, firm in the conviction that I shall have made a record in support of a very sound principle of representative government, a principle to which the people themselves eventually will agree once they thoroughly understand it. It is permanent public opinion; it is crystallized public opinion; it is public opinion based upon a careful analysis of the facts involved in a given piece of legislation which it is my duty to represent in the United States Senate, and no other type of public opinion.

On June 5 of last year I discussed, in somewhat different language, the same ethical problem which confronts a Member of the United States Senate in carrying out crystallized, fixed, permanent public opinion on a given issue. It caused a great deal of consternation in some circles in my State when I announced in the course of that speech that I would vote against the Taft-Hartley bill.

In the course of that speech I said that I would have to vote against the Taft-Hartley bill, that I would have to vote against that bill on the basis of my study of it, even though public opinion in my State—and in the Nation—showed by the polls that the people seemed to think that they wanted the Tart-Hartley law passed. It was my explanation of my position on the Taft-Hartley bill which was so completely overlooked by the press and which did me such a grave and unfair political injustice. I pointed out as clearly as I can use the English language that I could not vote for the Taft-Hartley bill because I was satisfied that it would not fulfill the desire of the American people for legislation which would check labor abuses. I was convinced that the American people did not understand the weaknesses of that bill. I was satisfied that they were not familiar with its procedural shortcomings, and were unaware of the fact that its great procedural weaknesses would defeat the very purposes which those groups in America had in mind when they urged, by polls, telegrams, and letters, the passage of such a measure.

I was confronted by the proposition of political ethics which I am trying to explain and discuss today, namely, how far a Member of the United States Senate, in the exercise of intellectual honesty, can justify going in voting for a given piece of legislation simply because there is a tremendous wave of public pressure urging its passage when he is convinced that there is very little public understanding of the weaknesses and shortcomings and the serious defects of the legislation itself.

So I say today, as I said on June 5, 1947, that if I were presented today with the identical problem which confronted me then with relation to the Taft-Hartley bill, I should again cast a negative vote. I should cast that negative vote for the same two main reasons which I set forth in my speech on June 5, 1947.

First, because I think the American people are entitled to receive from me, as a student of labor problems, a vote based upon my knowledge of labor legislation and upon my honest conclusion, after studying the Taft-Hartley bill, that it involved certain unacceptable procedural weaknesses and injustices, including procedural violations of a basic principle of American jurisprudence, namely, that there must be uniform application of legal procedures to all people upon whom the law is to be applied if we are to retain equality of justice in America. Because the Taft-Hartley law violates that basic principle, and because the record which has been made under the Taft-Hartley law since its enactment verifies the position I took on June 5, I should have to say to the American people, impolitic as the statement might be, that given the same choice I had on June 5, 1947, I would cast the same "no" vote. I say that because I could not, in intellectual honesty, vote for a bill which, because of its violations of basic procedures of equality of justice I deemed to be so detrimental to government by law that a vote for it could not be justified. Under such circumstances I think it is my duty to vote "no" and then go before my constituents and give my reasons for voting against such a measure even though I may be satisfied at the time most of my constituents think they want me to vote for such a given piece of legislation because they are laboring under the mistaken notion that it will accomplish the legislative objective which they have in mind.

The second reason why, under like circumstances, I would cast the same "no" vote today that I cast on the Taft-Hartley bill last June is the reason I set forth in that June 5, 1947, speech, namely, that I was convinced that the proposed law contained unconstitutional provisions. I am still convinced of it.

There is an ethical consideration, an ethical duty resting upon each Member of the Congress of the United States which rises high above effectuating a temporary public opinion in support of a law which the public itself has never carefully analyzed. That is the ethical duty of never violating the oath of office which one takes when he undertakes the solemn obligation of serving his people in the United States Senate.

So, Mr. President, if at any time I am honestly and sincerely convinced that a given proposal for a law is in fact unconstitutional, as I was convinced the Taft-Hartley bill was unconstitutional, I shall vote against the proposal, no matter how strong the public demand for it may be.

Why do I say that? I say that because the people of my State and the people of the Nation sent me here to sustain and support the Constitution, and to live up to my oath to support it and sustain it.

I think there is another mandate from the American people which supersedes all other public demands and which is basic in the American system of representative government, namely, the mandate that we shall vote in the Senate of the United States in accordance with our honest convictions as to the constitutionality of any piece of legislation brought before us. Whenever I cannot square such legislation with my convictions as to its constitutionality, then I shall vote against it. I agree that all doubts should be resolved in favor of constitutionality but when careful analysis of a bill such as the Taft-Hartley bill leaves one convinced that it contains unconstitutional sections he should vote "no."

Mr. O'DANIEL. Mr. President, will the Senator yield?

Mr. MORSE. I am sorry; I stated at the beginning that I would not yield until I had finished.

When I made my major speech against the Taft-Hartley bill I pointed out that I considered certain of its sections to be unconstitutional; and although those sections have not yet reached the United States Supreme Court, it is interesting to note that already there is a growing recognition on the part of employers and public groups generally that there are features of the law which are unconstitutional. Being of that opinion at the time I voted on the bill, it seems to me that if I were to be true to my oath of office, I had no other course of action to follow but to live up to my oath and vote against the bill. It is interesting to note that one section of the bill has been declared unconstitutional by a lower Federal court and I believe the court's decision will be sustained when the issue reaches the United States Supreme Court. Those of us who opposed the Taft-Hartley bill during the course of the Senate debate challenge this section of the law along with others on constitutional grounds.

I make those statements as a preliminary to my discussion of the pending tax legislation, Mr. President, because I think they are important in pointing out the distinction between reasons supporting my "no" vote on the Taft-Hartley bill and my "yes" vote on the pending tax legislation. There is nothing unconstitutional about the pending tax measure. In my opinion, to a considerable degree it will carry out the mandate of the American people for tax-reduction legislation. It is workable legislation, Mr. President; of that I have satisfied myself. It is legislation which is fair, provided certain very serious complications do not develop in the world scene in the months immediately ahead. But if those complications should develop, then I say to the people of my State and to all of the American people today that it will become incumbent upon the Congress of the United States to meet in extraordinary session, as I am sure it will, and proceed to pass additional tax legislation which will contain provision for the maintenance of a Federal revenue sufficiently high to protect our national security. I think that is implicit in many of the excellent statements the Senator from Colorado [Mr. MILLIKIN], the floor leader of this bill, has made during the course of the debate as we have proceeded with the consideration of the tax bill.

Mr. President, I wish to take a moment's time to pay my very sincere compliments to the Senator from Colorado

for the very able leadership he has evidenced in the progress of this bill through committee and through this debate. He and I may have some differences, as we do, in regard to some of the provisions of the bill, principally over the question as to whether the bill goes far enough in eliminating certain glaring, gross inequities; but we are of one mind on the proposition that this bill, so far as it goes, is a fair bill in light of the conditions of the hour.

It is quite a different bill from the Knutson bill, passed by the House of Representatives. I cannot stress that point too strongly, Mr. President, in this statement of my reasons for my vote for this bill. I say that because if the only choice we had were the bill which came to us from the House of Representatives, then I think I would have no course of action to follow but to say to the American people, "I think the House bill is so drastic and so detrimental to the fiscal stability of our Government that I feel compelled to vote against it, and then to tell you why, on the assumption that if you, too, knew the reasons, you would not want me to vote for it." One can call that the political risk of representative government from the officeholder's standpoint, Mr. President, but it is also a test of statesmanship as to whether one is willing to run the gantlet of what I call the political risk of representation by voting against a piece of legislation if he honestly believes that the proposed legislation, if enacted, would be detrimental to the welfare of the people and if he honestly believes that if the people knew of the weaknesses and the defects of the bill, they, too, would want him to vote against it. In other words, Mr. President, determining what is majority opinion also involves a consideration of the element of timing, because the majority opinion that counts, the majority opinion that I think a representative should seek to serve, is the majority opinion which he believes would exist if all the people had all the facts which he has when he comes to vote on a given piece of legislation. I call it the political risk of representation, and I have studied this piece of tax legislation from that standpoint.

I have studied at great length the many representations which have been made to me by constituents who have made a very careful study of tax legislation. I have studied the representations which have come to me from farm groups, from labor organizations, from chambers of commerce, from all groups that have taken the time in the last few months to make a detailed and careful analysis of various proposals for tax reduction. I have come to the honest conclusion—and one can say little more, Mr. President, in explanation of a vote—that, regardless of some of the shortcomings of this bill, I believe that if all the American people took the time to study the bill in detail their mandate for tax reduction would be the same; they still would say "Vote for tax-reduction legislation." I think they would say that this bill should be passed.

Mr. President, I do not think that would be true if the choice we had were only the House bill. I think public opinion would be greatly different if today we were to offer to the American people the House bill, and they took the time to study it in detail, with no choice offered them to vote for the Millikin bill. I would be perfectly willing to stand by the assertion, and accept my political responsibility for it, that the American people would agree that the bill passed by the House is too drastic, goes too far, and is not sufficiently safe for the economy of this country to be passed at this time. In other words, I am saying that I think under the able leadership of the Senator from Colorado there has been brought forth a bill which would cause the American people, on the basis of careful study, to say to me, "Yes; we think you ought to vote for that bill."

Mr. President, there is a great deal of subjectivity in the problem which confronts the individual Senator in determining for himself what his political duty is in connection with his vote on any given piece of legislation. I recognize that there is much subjectivity in my mental processes which have caused me to reach the conclusion that if all the details of this bill were thoroughly understood by the American people, they would tell me to vote for it. Likewise, there is much subjectivity in my conclusion that if the only choice I gave them were the Knutson bill in its House form, they would give me a contrary mandate. Nevertheless, that is my honest opinion. One cannot explain to anyone else's satisfaction, on the basis of objective criteria, I admit, the subjective processes which cause one to reach a certain conclusion. But I wish to repeat that I shall vote for this bill because I think it does not violate sound public policy at this time, whereas I think the more drastic bill which the House of Representatives passed would violate it, and would leave me in such a position that I would have to run the political risk that I previously spoke about, by voting against the House bill, and then telling my constituents why I voted against it, in the firm conviction that once they knew, they, too, would agree.

I next wish to call attention to what the Senator from Colorado [Mr. MILLIKIN] points out in the committee report in justification of the pending bill. Because of the fact that the bill is much more than a mere modification of the percentages of existing tax rates in that it seeks at least to make some progress in the treatment of gross inequities in the tax structure, I find it a great improvement over the bill which the Senator from Colorado offered to the Senate last year and which I voted against. As I have said so many times, the real problem of tax reduction in the United States is not basically a problem of readjusting tax rates by way of percentage juggling or modification; the real tax problem that confronts us is the problem of tackling the gross inequities which exist in our present tax structure, and which make it so difficult for us to go forward with an expanding economy and to maintain Government revenues at a level sufficiently high to meet our domestic and international obligations. If we leave those inequities in the tax structure and merely give the American people some downward cuts in tax-rate percentages, we shall have given them no real tax reduction. I use the word "real" in the sense and with the meaning that the word "real" is used when we speak of "real wages." I say that if all we do is to modify the percentages of tax rates, we shall have given the American people no real tax reduction.

After the passage of time—and I do not think very much time either—the so-called dollar savings realized from a tax reduction resulting only in a downward reduction in percentages will be eaten up by way of a further depreciation in the value of the American dollar. I think it would have been one of the worst types of public fraud to have passed the type of tax bill which was offered last year, which for the most part consisted only in a juggling of percentage rates. I said the same thing in about so many words from this desk in the debate last year. I said then, and I repeat now, that a tax bill which does not seek to come to grips with some of the gross inequities of the present tax structure which are preventing an expanding economy from going forward will further depreciate the value of the American dollar.

We cannot ignore the fact that on 1946 values—and 1946 was not so long ago—we have now a 77-cent dollar, and that on 1939 values we have a dollar worth a fraction less than a 50-cent piece. That is a very serious fact. It is a fact so serious in its implications, Mr. President, that I think I should fail to perform the high duty of my office if I did not once again say to the American people, "We must be willing to take whatever economic steps will be successful in stopping the downward trend in the value of the American dollar." If we do not stop it, the counterpart, of course, of the depreciation of the value of the dollar is the inflationary spiral of unjustified high prices; I was about to say profits, too; indeed, I think profits should be included. If we do not take the necessary steps to come to grips with that problem, the result is bound to be depreciation of the value of the dollar.

Mr. President, we cannot change economic laws. If the inflationary spiral is permitted to proceed upward and the value of the American dollar to proceed downward, the final result, of course, is going to be an economic collapse; how soon, not being a prophet, I cannot tell; but I point out such a danger is a very real and serious one.

So I am not interested, even in a Presidential election year, Mr. President, in offering the American people a tax bill which does nothing but juggle percentages in the rates of taxation. If I had before me this morning only the bill which was before me last year—a bill which for the most part merely juggled percentages in rates of taxation—I should have to vote against it. But the Millikin bill now pending does much more than that; it goes much further than merely making adjustments of percentages in tax rates. It is a bill which shows definite progress in the direction of at least starting to eliminate some of the gross inequities in our tax structure.

My difference with the bill, as the Senator from Colorado knows, is that

I do not think the committee went nearly far enough in making recommendations for the removal of gross inequities. Some of the amendments which I shall offer today, and upon which the Senate will vote at a later hour this afternoon, do come to grips with some of the most serious inequities in our tax structure.

I dare say, Mr. President—and I shall await with interest any denial of the statement I now make—that not one Senator on the committee of which the Senator from Colorado is chairman will deny the fact that the major amendments I shall offer today and which I offered last year on the floor of the Senate do come to grips with some of the gross inequities in our tax structure, not touched by the Millikin bill of this year. I made that point on the floor of the Senate last year in the debate. I paraphrase the words of the Senator from Colorado, but the CONGRESSIONAL RECORD will show that he made a statement to the effect that he agreed with the junior Senator from Oregon that there is a great need of overhauling and revising the tax structure in the interest of eliminating gross inequities. He said also, in the course of the debate, that he believed the amendments offered by the junior Senator from Oregon in regard to tax inequities deserved the careful and thorough consideration of the committee. That was a year ago. I am offering the same amendments today. I know the committee has given some consideration to the amendments, because most of the recommendations I am making today, as the hearings before the committee will show, have been made by witnesses appearing before the committee. I do not propose to quarrel with the committee or criticize the committee because of the fact that it has not brought forth a tax bill that includes more of the amendments I offered last year than the pending bill does.

I think I know from the course of the discussion thus far in this debate what my good friend from Colorado will be inclined to say, because he has said it, in effect, with regard to some other proposals for amendments, that they are amendments which deserve further consideration. I recognize the tremendous task he has had as chairman of the committee, and as a Member of the Senate who day by day comes in contact with legislative processes. I know we cannot have everything all at once. I wish to say, most respectfully, however, that I think some of the amendments I am offering today are amendments which the committee should have recommended, because no case can be made out, nor was any case made out in committee, against the economic soundness of the amendments which I am offering. So in fairness to myself, in fairness to the proponents of the amendments, I want to express for the RECORD disappointment over the fact that the committee has not gone further in recommending amendments which some of us have advocated for more than a year, and which seek to eliminate some of the most gross inequities in the tax structure, inequities which must be eliminated if we are to avoid the real danger of a further depreciation of the value of the American dollar.

The amendments are not original with me. They are amendments which I have accepted as the result of study of what, to me, is my tax bible, because I know of no discussion of taxation available to the Senate which is more sound with respect to taxes than is the report of the Committee for Economic Development. I say now, as I said last year, that I stand ready and willing, although I know of reasonable arguments that can be made for the modification of some of the details of the report of the Committee on Economic Development—I repeat in this tax speech, as I said in my tax speech last year, I stand ready and willing to vote for the recommendations on taxation made by the Committee on Economic Development for the elimination of gross inequities in our tax structure.

I call that statement particularly to the attention of American businessmen; I call it particularly to the attention of those groups in American business who, without referring to the record, without finding out what the junior Senator from Oregon in fact stands for in the field of taxation, have jumped to the false conclusion that I am an enemy of business. I believe the tax report of the Committee on Economic Development, from which I shall quote at some length in a moment, sets forth the soundest tax safeguards for American business that American business can bring forward. I accept the recommendations in the report in their totality, and I am ready to vote for them. That is how much of an enemy of business I am.

Mr. President, I recognize that unless we eliminate the gross inequities from our tax structure so that we can go forward with an expanding economy, and at the same time maintain Government revenues at a level which is sufficiently high to meet our domestic and international obligations, we are headed for economic insolvency in America.

That causes me to digress a moment to repeat a point which I made in the tax debate last year and which needs to be made again this year. It represents one of the differences I have with the Millikin report, but, for the reasons earlier announced in my remarks today, I am submerging that difference and am going along with the report, although I think in due course the Congress of the United States must come to the position which I am taking on this point at this time. When I say we are headed for economic insolvency in this country unless we proceed to revise our fiscal policies in such manner so that we can go forward with an expanding economy and meet our international and domestic obligations, I mean the maintenance of a balanced budget over the years. I may add that the danger will be greatly increased if we do not come to more realistic grips with the national debt than we have done so far in the Congress of the United States.

The Senator from Colorado in an exchange with me in the debate last year, pointed out that one of the tax principles on which he stands is the principle that in times of great prosperity and high income we should tax high and pay our debts, so that in periods of business recession and depression we can lower taxes and decrease our payments on the debt. At that time I said in the debate that he and I were in complete agreement as to what is the most important underlying principle which ought to govern tax legislation, and I repeat that today. But I want the RECORD to show that although I am going along with this tax bill, Mr. President, I think it is a grievous mistake, even in a Presidential election year, for the Congress of the United States to adopt a budgetary policy which does not include at least a minimum payment on the national debt of $5,000,000,000.

I am willing to venture the suggestion now, Mr. President, that the American people, in the not too distant future, will come to recognize that statement of mine as being essentially sound. Every businessman knows that he cannot justify a fiscal policy for his business which does not provide for an annual retirement of his debt in an amount at least equal to the carrying charges on the debt. I should like to hear from any businessman in America who denies that premise, who will deny that at a time of high income in his business, of high profits, of high prosperity, he should proceed to retire the debt on his business by an amount at least equal to the carrying charges on his debt. Of course most businessmen will tell us that it is sound debt retirement practice to pay much more than that. If it is good practice in an individual business in times of high prosperity to pay more than the carrying charges on a business debt, then it is a good rule to apply to the public debt. The American people, not the Government of the United States, owe a debt which is, in round figures, approximately $260,000,000,000. It is a public debt. It is the debt of all the people of the country. The carrying charges on that debt are in excess of $5,000,000,000. I understand that they amount to $5,250,000,000.

I say, Mr. President, we ought to practice good business policy in government, also, and as politicians we ought to have the courage and the vision to tell the American people that they should tighten their belts and pay annually at least $5,000,000,000 on the national debt. With the international situation what it is, with the potential dangers in that situation, with the potential future expenditures that may be imposed upon us in case things shall not go so well internationally, the debt will become greater rather than smaller. So, Mr. President, I register again this year, as I did last year, my dissent from the proposition that we should pay only $2,500,000,000 on the national debt. That is only half enough as a minimum.

Mr. President, my faith in the sound judgment of the American people is such that I still believe that if we made the economic facts known to the people, if they understood the relationship of the public debt to their own individual prosperity, if they understood the relationship of the debt to maintaining a solvent Government, they would say, "If you can prove to us, if you can satisfy us, that

you have cut all unnecessary Government expenditures to the bone, that you have economized without adopting a penny-wise and pound-foolish policy, we are ready to say you as Senators and Congressmen should authorize the paying of at least $5,000,000,000 on the debt."

Although I am going along with the bill because I think it has moved in the direction of eliminating some of the inequities about which I shall speak in a moment, I shall vote for it with the record crystal clear on the proposition that I think the Congress of the United States is letting down the American people in regard to debt payments, and that it is not exercising the political leadership the Congress should exercise in hesitating to tell the American people, "You cannot run away from that debt; it has to be paid; $260,000,000,000 of it must be paid."

I know the interesting subterfuges and plans of repudiation which are already at work on the public mind in regard to the debt. I know the clever propositions which are already in the incubator, about to hatch, proposing that we set the debt aside for 200 years, and pay some driblets on it over a 200-year period. Such a proposal is a travesty on the economic stability of this country. It is morally wrong, too. We have no right to pass on to future generations, a century or two hence, a great obligation which is ours, much of which was cumulated because from 1920 to 1941 we failed future generations of Americans by following a course of action of blind nationalism and stupid economic isolationism. We have to pay for that mistake. A large share of that $260,000,000,000 of public debt represents the cost of the mistakes we made from 1920 to 1941.

Mr. President, the American people are game. They can face their mistakes, and they have the courage to correct their mistakes once the facts are presented to them. So I say, give them the facts, and I do not think there will be found underlying American public opinion today any approval of paying only $2,500,000,000 on the national debt.

I said I was going to vote for the bill because it seeks to do more than merely to juggle percentages in tax rates. The Senator from Colorado, in his excellent report, on page 3, points out, under the heading "Individual income taxes," that "Personal and dependency exemptions are increased from $500 per capita to $600 per capita."

Reasonable minds can differ as to how we are going to protect the people in the low-income brackets. I should prefer another method, but I cannot deny that increasing the exemptions from $500 to $600 will in fact benefit chiefly the people in the lowest income brackets.

My criticism of that particular proposal—although I accept it—is that I think it is a mistake to have many millions of American people taken off the tax rolls entirely, and that is what will be the result of the increased exemption. I think the report, to use round numbers, means that approximately an additional 6,000,000 Americans will come off the tax rolls entirely. I would not do it that way, because I think it is important to maintain even the taxpayer's mite, so as to keep constantly in the minds of all our people that, even though their incomes are small, they owe much to our form of government, to the freedoms which it makes available to them, and to the many public services which it is their privilege and right to enjoy.

I am aware also of the fact that taking many millions off the tax rolls involves a considerable amount of administrative waste, because of those millions a large percentage will gradually come back under higher income brackets. Taking them off the tax rolls and putting them back when their incomes increase costs millions of dollars. I am informed by officials of the Treasury Department that such administrative bookkeeping transaction alone runs into huge sums of money.

I would have preferred to lower the percentages rather than to use the complete exemption process; but I have to admit that reasonable men can differ in the approach. The committee followed another course of action. I cannot deny its reasonableness, and I must admit that it tends to ameliorate one of the gross inequities about which I spoke so much last year. Suffice for that.

I turn now to the second point the Senator from Colorado makes in his report, in regard to inequities. He says on page 3:

> Percentage tax reductions ranging from 12.6 percent to 5 percent, according to the size of the income, are provided for all taxpayers. Table 2 compares these percentage reductions with those in the bill passed by the House.

I ask permission, because the time is passing so rapidly, to have that table inserted at this point in my remarks, plus the remaining part of the discussion of the Senator from Colorado on the second inequity to which I have addressed myself.

The PRESIDING OFFICER (Mr. O'CONOR in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

> While the percentage reductions from present law tax are carried out to one decimal place in two instances, the reductions in tentative tax are in even percentages as far as the bulk of the taxpayers are concerned. Since these reductions are the percentages which appear on the tax form, your committee believed that it was important to have the reductions in tentative tax expressed as even percentages in the lower brackets. Moreover, your committee's reductions are made in a form which avoids the necessity of passing the notch rate of $67 appearing in the House bill. This is accomplished by making the reduction in the lowest bracket available to all taxpayers with corresponding adjustment in the reductions allowed with respect to additional income. This change removes the only serious administrative problem raised by the Commissioner of Internal Revenue at your committee's hearings.
>
> The percentage reductions in your committee's bill are as follows:
>
> (a) Persons with incomes of $2,000 or less after deductions and exemptions [1] receive a 12.6-percent reduction in their tax.
>
> (b) Persons with incomes of $2,000 to about $136,700 after deductions and exemptions receive a reduction of 12.6 percent of the tax on the first $2,000 of their net incomes after exemptions and a reduction of 7.4 percent of the balance of their tax.
>
> (c) Persons with incomes in excess of about $136,700 receive a reduction of 12.6 percent of the tax on the first $2,000 of their incomes after deductions and exemptions, a reduction of 7.4 percent of the tax on the next $134,700, and a reduction of 5 percent of the balance of their tax.

[1] More accurately, surtax net incomes. For clearer understanding, however, the term "incomes after deductions and exemptions" will be used hereafter in this report.

TABLE II.—*Percentage reductions in individual income taxes provided under your committee's bill and under the bill as passed by the House*

A. REDUCTIONS UNDER YOUR COMMITTEE'S BILL

Income after deductions and exemptions	Tentative tax [1]	Reductions in tentative tax [1]	Reductions in present law tax
$0 to $2,000	$0 to $400	17 percent	12.6 percent.
$2,000 to $136,719.10	$400 to $100,000	17 percent of the tentative tax on the first $2,000 of surtax net income plus 12 percent of the tentative tax on the excess.	12.6 percent of the present law tax on the first $2,000 of surtax net income, plus 7.4 percent of the present law tax on the excess.
$136,719.10 and over	$100,000 and over	17 percent of the tentative tax on the first $2,000 of surtax net income, plus 12 percent of the tentative tax on about the next $134,700 plus 9.75 percent of the tentative tax on the excess.	12.6 percent of the present law tax on the first $2,000 of surtax net income, 7.4 percent of the present law tax on about the next $134,700, plus 5 percent of the present law tax on the excess.

B. REDUCTIONS UNDER THE HOUSE BILL

$0 to $1,000	$0 to $200	33.5 percent	30 percent.
$1,000 to $1,395.83	$200 to $279.17	$67	30 percent to 20 percent.
$1,395.83 to $4,000	$279.17 to $840	24 percent	20 percent.
$4,000 and over	$840 and over	24 percent of the tentative tax on the first $4,000 of surtax net income plus 14.5 percent of the tentative tax on the excess.	20 percent of the present law tax on the first $4,000 of surtax net income plus 10 percent of the present law tax on the excess.

[1] More correctly, tentative normal tax and surtax. The term "tentative" refers to the tax computation before the 5-percent reduction provided by present law or the percentage reductions provided under this bill.

Mr. MORSE. In essence, Mr. President, the 12.6 percent top reduction down to 5 percent is quite a different figure from the percentage reductions proposed in the Knutson bill last year, and from the percentage reductions contained in the Knutson bill as it passed the House this year.

If the only difference between the Knutson House bill and the Millikin Senate bill were that difference, it would be perfectly clear, I think, why the Senate bill is so far superior to the House bill. I say that because reductions in the Senate version of the bill are reasonable. They will remove some of the inequities from which various tax groups are suffering so far as the tax rates themselves are concerned. At the same time the much higher reductions in the Knutson House bill, which could not possibly be justified from the standpoint of keeping our Government fiscally strong in these very trying days, are avoided.

I now turn to the third inequity the Senate committee bill seeks to eliminate, as does also the bill as passed by the House. I refer to the provision permitting husbands and wives to split their incomes for tax purposes. I fought for that provision last year. I was one of the cosponsors, with the Senator from Arkansas [Mr. McCLELLAN], whom I see in the Chamber now. We, along with some other Senators, urged that very amendment last year. I think the Senator will agree with me that we not only urged it, we begged for it, we pleaded for it, we pointed out to the Senator from Colorado, who was in charge of the bill last year, that it is only common justice that the same principle of taxation, so far as Federal taxes are concerned, should be applied uniformly throughout the country.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MORSE. I am very sorry, but I announced I could not yield until I had completed my statement, and I cannot make an exception. I have a pretty good idea what the Senator from Arkansas would say, and I should like to hear him say it. I am sure he seeks only to verify my statements about the fight we put up last year for this important tax proposal that seeks to equalize the tax rights of husbands and wives in all States.

The PRESIDING OFFICER. The Senator from Oregon prefers not to yield at this time.

Mr. MORSE. Mr. President, the committee accepted that amendment this year. It will result in a substantial tax reduction for millions of American taxpayers.

If the Presiding Officer will pardon a personal reference, I may say that last year the State of Oregon passed a community-property tax law. Many lawyers in my State tell me it is a very confused and ambiguous law. But it is perfectly clear, as one follows the proceedings of the State legislature, that it was passed almost entirely and solely for the purpose of ending the discrimination against the citizens of Oregon, the husbands and wives in Oregon, which had been created because of the fact that the same Federal tax principle of splitting incomes for tax purposes was not applied to all husbands and wives throughout the States, but was limited only to those States which had a community-property law. I am satisfied that if the community-property tax-reduction principle, or split-income principle, now in the pending Senate bill had been in the bill last year, certain community-property laws would not have been passed in some States. I am reliably informed that if the Oregon Legislature had been assured that the principle would have been in last year's Federal tax bill the State Legislature of Oregon would not have enacted the law to which I have referred. I am also advised that if we pass the pending tax bill containing the split-income provision, there is a good possibility that the State Legislature of Oregon in the next session may repeal the community-property law, because of the fact that it was primarily passed in order to avoid and end a tax discrimination against husband and wives living in non-community-property States.

So, if the Presiding Officer will again pardon a personal reference, I wish to say that I know from personal experience the split-income provision of the law is going to mean a considerable tax reduction to millions of people of the United States. In my own case that one amendment alone this year will mean a saving of several hundred dollars. It will eliminate one of the gross inequities against which we fought unsuccessfully last year. I want to thank the Senator from Colorado for at least supporting in his new bill one of the amendments we offered last year. Even though progress may be slow it is encouraging at least to have such concrete evidence that we are making some progress on these amendments for which I fought last year.

The Senator from Colorado points out in his committee report that another inequity is cured by the pending tax bill, namely, an additional exemption is granted to taxpayers who are 65 or over. If both husband and wife have attained the age of 65, the $600 exemption is granted to each person.

I shall not take the time to dwell at any length upon what I think is our duty to the aged. I have commented on it before many times in the Senate. I desire only to repeat that I think it is fine and sound that the proposed tax law contain such a benefit to the aged, because we have a great responsibility and a great obligation toward the old people of America which we have not yet fulfilled in the Congress.

Next, I find it possible to go along with the bill this year, in contrast to my opposition to the tax bill of last year, because of the proposal to grant an additional $600 exemption to taxpayers who are blind. That does not involve very many people; but it represents something else for which I pleaded not so many days ago during the course of the debate on the Marshall plan. It represents again a recognition of the great spiritual values of democracy, of the great humanitarianism of democracy, of the fact that in a democracy, after all, our whole structure is based upon our recognition of the dignity of the person and the obligations to each other in a free society to carry out the mandate of being our brother's keeper, and of putting into legislative and political effect the Golden Rule.

I like the bill from that standpoint because I think the symbolism of that change in the tax law is of great value to the people of our country at this time when the temptations are so great for us to turn away from the spiritual values of democracy and think only in terms of selfishness and materialism and of the greed which sometimes characterizes so much of the thinking of our people when appeals are made to the pockets of Americans rather than to the hearts of Americans.

So I say that the report itself shows that the committee has taken some steps forward in seeking to eliminate some of the gross inequities about which I pleaded so hard in my speech last year, and which I am attempting to reiterate again today.

Now, Mr. President, I want to turn to some specific references—to two documents I have on the desk in front of me. One is the November 1947 report of the Committee for Economic Development. "Taxes and the Budget" is its title, with a subtitle, "A Program for Prosperity in a Free Economy." The second document is the testimony given before the Senate Finance Committee, presided over by the Senator from Colorado, by J. Cameron Thomson, of Minneapolis, president of the Northwest Bancorporation and chairman of the Tax Subcommittee of the Research and Policy Committee, Committee for Economic Development.

I am not going to have time, Mr. President, to read all the excerpts from Mr. Thomson's statesmanlike statement on tax policies which I should like to read to the Senate. Hence, I ask the Senate to have printed at this point in the RECORD certain excerpts from Mr. Thomson's testimony which I think should be read if one is to have a clear understanding of the tax recommendations of the Committee for Economic Development.

The PRESIDING OFFICER (Mr. O'CONOR in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

I am J. Cameron Thomson, of Minneapolis, president, Northwest Bancorporation, and chairman of the Tax Subcommittee of the Research and Policy Committee, Committee for Economic Development. I am appearing at the request of your committee on behalf of the Committee for Economic Development.

Last November CED issued its recommendations for long-run Federal tax reform in a statement entitled, "Taxes and the Budget." This statement is the result of several years of intensive study by the committee on the question of what kind of tax and budgetary policy will contribute most to continuing high employment and sustained prosperity in a free economy. Copies of the statement have been distributed to your committee.

The main features of the committee's basic tax program are:

1. A substantial general cut in individual income-tax rates, with emphasis on relief to lowest-bracket persons and reduction of the deterrent effects of high marginal rates on incentives.

2. Extension of the income-splitting privilege to married couples in all States.

3. Elimination of all excises except those on alcoholic beverages, tobacco, and gasoline.

4. Reduction of the double taxation of dividends.

5. Reduction of the standard rate of corporate profits tax from 38 percent to 30 percent as soon as budget requirements permit, and eventually to the first-bracket rate of the individual income tax.

6. Lengthening of the period for which losses may be carried forward and applied against subsequent profits from 2 years to 5 years; shortening the carry-back period from 2 years to 1 year.

7. Computation of the individual income tax on the basis of average income over a period of years.

8. Elimination of the tax-exemption privilege from future issues of State and local securities.

The CED recognizes that this whole program cannot be put into effect in 1948. However, we believe that it is necessary to have the goal before us as a guide to such tax reforms and tax reductions as are feasible for 1948. Tax changes this year will be steps toward a postwar tax structure with which we may have to live for many years. Before we take these steps we should know where we want to go, what kind of normal tax system we want, and we must be careful that the first steps are in keeping with that objective.

The CED tax statement of last fall contained no recommendations as to tax policy for 1948. The committee felt that no final decisions needed to be made until early this year, at which time the expenditure outlook ahead would be clearer, and economic developments of the first months of the year could be reviewed.

CED has recently been engaged in preparing its tax recommendations for 1948, as part of a study of the problem of stabilizing the economy in a period of inflation and uncertainty. The full CED report has not yet been completed, but the statement which follows, in my judgment, summarizes the committee's position with regard to tax policy for 1948. I shall not discuss today all of CED's recommendations concerning economic stabilization, as I understand that questions of monetary policy, public works, etc., are not currently being considered by your committee.

Recommendations for economic policy in 1948 should be based upon the four following facts:

1. The economy is now in a condition of inflation and the immediate objective of policy should be the end of that inflation.

2. Reversal of the economic trend is possible, and we must be prepared to check such a reversal short of serious unemployment.

3. The need to reduce Federal expenditure and taxes is imperative, and stabilization policy must be reconciled with this fact.

4. Reform of the tax system now will help strengthen the economy to resist a possible future tendency to depression. If we wait until the depression, tax reform may come too late, if it comes at all.

With regard to the need to reduce Federal expenditures and taxes:

1. The committee believes that reform of the tax system requires drastic reduction of Federal expenditures. Some beginnings of tax reform can be made in 1948 with the present level of expenditures. But, to achieve even the minimum urgent tax reforms, sharp expenditure reductions will be needed. We must not only cut out all expenditures that are not vital to the national welfare; in view of present inflationary pressures, we must also defer all expenditures that are not vital now, even though some of them may be necessary in the long run.

2. The committee believes that the present tax system is a serious threat to the vitality of the American economy. I shall not attempt to describe fully the impact of the tax system upon the economy, nor detail the needed reforms. The committee has discussed these subjects at some length in its policy statement issued in November 1947. However, I wish to call attention to a few facts:

(a) A large proportion of business managers, professional persons, and investors must now pay 50 cents or more in taxes out of every additional dollar they earn.

(b) Much of the income that once would have provided the funds for investment in risky enterprise now goes in taxes.

(c) In a system of heavy taxes, dividend income is doubly taxed.

(d) The tax system bears most heavily upon businesses that are new or that experience intermittent losses, and upon individuals with fluctuating incomes—precisely the businesses and individuals most likely to be engaged in economic development and expansion.

Under such a tax system the incentive, drive, and venturesomeness that have meant so much to the progress of this country are atrophying. The sources of funds to finance development are drying up. We risk a stagnation that could destroy our society.

On the basis of the President's expenditures estimates, present tax rates, and the assumption of high employment at present prices, there would be a cash surplus of $10,000,000,000 to $11,000,000,000 in calendar 1948. Under ordinary conditions—that is, in the absence of inflationary pressure—reduction of this surplus to $6,000,000,000 would be appropriate. However, under present inflationary conditions, it would be taking unwise inflationary risks to make a tax reduction in cash that would reduce the surplus by that full amount. The amount of tax reduction given in cash at this time should be kept fairly small, and the stimulating effect on demand resulting from such a reduction should be counteracted by wise use of restrictive credit policies, and by vigorous action to reduce Government expenditures.

The following tax program is recommended for 1948:

1. A reduction in 1948 income-tax rates should be given in the form of bonds, keeping cash collections at the present rates. Under this plan individuals would pay their entire 1948 tax liability at present rates in cash. Withholding and quarterly declarations would be made at the present rates. After the year is over individuals would receive a refund bond from the Treasury equal to the difference between their liabilities at present rates and their liabilities at new reduced rates.

The refund bonds should be similar to the present E bonds. They should not be transferable, and should not be redeemable for 60 days after issue. Most of the bonds would be issued in the second quarter of 1949. Refund bonds should be issued in multiples of, say, $10, odd amounts being paid in cash.

A general tax reduction, if it is not matched by a reduction of Government expenditures, will not significantly increase the supply of consumers' goods. It will not increase total real consumption. An attempt to spend the increased income that individuals would have could only add to the already excessive demand for the limited supply of goods. But, within narrow limits, tax revision can effect some desirable redistribution of real consumption without imposing excessive burdens upon anti-inflationary policy. Beyond that a tax reduction can increase real incomes if the recipients will save the tax reduction and not try to spend it. A tax reduction that is saved can serve a useful purpose, without adding to the taxpayer's current consumption. It can provide the taxpayer with assets that will enable him to increase his consumption later when more goods are available. Currently, it can encourage him to greater effort and more production. The purpose of the bond proposal is to provide for the saving of part of the tax reduction.

In reducing rates, emphasis should be given to relieving the burden on the lowest-bracket persons, and to reducing the deterrent effects of extremely high marginal rates on incentives. The general pattern of rates should correspond to that proposed by CED in its November 1947 policy statement, Taxes and the Budget.

The committee recommends that present income-tax exemptions of $500 per person be retained. Instead of raising the exemptions, we favor a reduction in excises as the only way in which substantial tax relief can be given to the lowest-income group in the population—the group which does not now pay income taxes. The reduction of excises would be passed on in lower prices—perhaps not all of it immediately, but nearly all in a relatively short period. For the lower bracket income taxpayers the committee favors lower rates rather than higher exemptions, because there is an advantage in retaining a larger number of direct taxpayers who have a clearly visible stake in sound Federal finance.

It is not feasible for me to make a definite recommendation now as to the amount of rate reduction to be given under the bond plan because of uncertainty about the level of Federal expenditure. However, I believe that a reduction of two to three billion dollars would be appropriate if 1948 cash expenditures approximate the President's estimate.

2. Extend to all married couples in all States the privilege of dividing their incomes, deductions, and exemptions equally between them for income tax purposes, effective January 1, 1948. This step is necessary not only to end the present discrimination in favor of couples in the community-property States, but also to make it unnecessary for other States to adopt the community-property system to get the present tax advantage. Extension of the income-splitting privilege is estimated by the Treasury to cost about $800,000,000 of revenue much of which is likely to be lost anyway as a result of State adoption of the community-property system.

3. Eliminate excise taxes on transportation and communications. In the limited amount of real immediate tax relief that can be given in 1948, primary consideration should go to persons with very low incomes. The really low-income persons in the United States pay no Federal income tax because their incomes are below the exemption level. But they can be given tax relief by reduction of excises which increase the prices of the things they buy. In all the long list of excises there are none more burdensome to the very poor than the taxes on transportation and communications, which raise the prices of the necessities of life. Elimination of these taxes will reduce revenues by about $1,000,000,000 a year. This change cannot be made retroactive, but it should take effect promptly after enactment.

4. Lengthen the period for which business losses may be carried forward and applied against future profits from the present 2 years to 5 years; reduce the carry-back period from 2 years to 1 year. This reform would have no effect on revenue in 1948 or 1949. It would reduce a discrimination that weighs particularly upon the newer and riskier businesses, because these are the ones most likely to encounter losses that cannot be offset under present law. Enacting this change now would strengthen the economy for the uncertain times that lie ahead.

5. If there is reliable evidence that cash expenditures actually made in calendar 1948 will be below the President's estimates, cuts larger than those proposed here may be possible. However, if the budget position permits additional tax reduction, consideration should be given to other reforms, rather than to further lowering of individual income-tax rates. I would place reduction of the present double taxation of corporate dividends near the top of any list of urgent reforms.

The 1948 tax program which I have proposed would have the following advantages:

1. It would afford some relief from the present heavy burden of taxation. This relief would be granted in a way which would contribute most to sustained prosperity without adding materially to current inflationary pressures.

2. It would permit substantial debt retirement out of surplus revenue under present conditions of very high employment and national income.

3. It would be a desirable first step toward the reform of our tax system which is so urgently needed if we are to maintain a free, progressive, and prosperous Nation. The best time to take this step is now, when budget requirements and economic stabilization permit it and our future economic strength requires it.

Mr. MORSE. Mr. President, I wish I possessed the means of making available to every taxpayer in America the tax discussion and the recommendations found in the two documents of the Committee for Economic Development. As I said earlier in my remarks, I am perfectly willing to accept and put into effect now the tax recommendations of the Committee for Economic Development as set forth in its November 1947 report. I am making a record on those recommendations today only for future reference, because I say with a smile on my face that I shall be the most surprised man in the Senate if I succeed in having any of my amendments adopted this afternoon. I am going to try hard. The fact that I am going to vote for the bill without the amendents in no way justifies, it seems to me, any Member of the Senate ignoring my amendments. I hope that when the hour of 5 o'clock arrives each Member of the Senate will ask himself this question: "Do I really have a sound reason for voting against any one of MORSE's amendments?" If each Member of the Senate would be guided in his vote this afternoon by his answer to the question, "Are MORSE's amendments meritorious?" I am satisfied that all my amendments would receive the unanimous endorsement of the Senate.

I do not think, for example, that any Senator is going to rise in the Senate and argue against the first amendment I shall discuss this afternoon, having to do with carry-overs on net operating loss. I do not think anyone is going to make an argument against that amendment because I do not believe a sound argument can be made against it. If that be true, then I should like to hear the Senator from Colorado tell us that he will take some of these amendments to conference, because there is no need for further study of them. They have been studied now for more than a year. The arguments are all in their favor. I say the time has come to take a few more steps along the pathway of eliminating gross inequities from our tax structure than the Senator's committee has done in the report and in the bill that is offered us today.

Because I want to have it in the RECORD I shall read a few paragraphs from the masterful discussion of taxation legislation published by the Committee for Economic Development in its November 1947 report. I should like to have printed at this point in the RECORD, Mr. President, the names not only of the members of the Committee on Taxes, but of the complete Committee for Economic Development. The list will be found in the first few pages of the report, with special reference to members of the Committee for Tax Research to be found on the last page of Mr. Thompson's testimony.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COMMITTEE FOR ECONOMIC DEVELOPMENT
RESEARCH AND POLICY COMMITTEE

Raymond Rubicam, chairman, New York, N. Y.; Chester C. Davis, vice chairman, president, Federal Reserve Bank of St. Louis, St. Louis, Mo.; John D. Biggers, president, Libbey-Owens-Ford Glass Co., Toledo, Ohio; James F. Brownlee, Fairfield, Conn.; Gardner Cowles, president and publisher, Des Moines Register and Tribune, Des Moines, Iowa; Donald David, dean, Graduate School of Business Administration, Harvard University, Boston, Mass.; C. Scott Fletcher, president, Encyclopedia Britannica Films, Inc., Chicago, Ill.; Marion B. Folsom, treasurer, Eastman Kodak Co., Rochester, N. Y.; George L. Harrison, president, New York Life Insurance Co., New York, N. Y.; Robert Heller, president, Robert Heller & Associates, Inc., Cleveland, Ohio.

Paul G. Hoffman, president, the Studebaker Corp., South Bend, Ind.; Jay C. Hormel, chairman of the board, Geo. A. Hormel & Co., Austin, Minn.; Eric A. Johnston, president, Motion Picture Association of America, Inc., Washington, D. C.; Ernest Kanzler, chairman of the board, Universal C. I. T. Credit Corp., Detroit, Mich.; Fred Lazarus, Jr., president, Federated Department Stores, Inc., Cincinnati, Ohio; Thomas B. McCabe, president, Scott Paper Co., Chester, Pa.; Fowler McCormick, chairman of the board, International Harvester Co., Chicago, Ill.; Philip D. Reed, chairman of the board, General Electric Co., New York, N. Y.; Beardsley Ruml, chairman of the board, R. H. Macy & Co., Inc., New York, N. Y.; Wayne C. Taylor, Washington, D. C.; J. Cameron Thomson, president, Northwest Bancorporation, Minneapolis, Minn.

RESEARCH ADVISORY BOARD

Sumner H. Slichter, chairman, Lamont University professor, Harvard University; Robert D. Calkins, vice chairman, vice president and director, General Education Board; Douglass V. Brown, professor of industrial management, department of business and engineering administration, Massachusetts Institute of Technology; David F. Cavers, professor of law, Harvard University; Neil Jacoby, vice president, the University of Chicago; Harold Lasswell, professor of law, Yale University; Theodore W. Schultz, professor of agricultural economics, the University of Chicago; Ralph Young, Assistant Director, Division of Reasearch Statistics, Board of Governors of the Federal Reserve System.

RESEARCH STAFF

Research director: Theodore O. Yntema, professor on leave from School of Business, the University of Chicago.

Associate research director and executive secretary of research and policy committee: Howard B. Myers.

Economist: Herbert Stein.

Associate research director: Gardiner C. Means.

Assistant to research director: Sylvia Stone.

SUBCOMMITTEE ON TAXES

J. Cameron Thomson, chairman, president, Northwest Bancorporation, Minneapolis, Minn.; John D. Biggers, president, Libbey-Owens-Ford Glass Co., Toledo, Ohio; James F. Brownlee, Fairfield, Conn.; Marion B. Folsom, treasurer, Eastman Kodak Co., Rochester, N. Y.; Paul G. Hoffman, president, the Studebaker Corp., South Bend, Ind.; Ernest Kanzler, chairman of the board, Universal C. I. T. Credit Corp., Detroit, Mich.; Raymond Rubicam, New York, N. Y.; Beardsley Ruml, chairman of the board, R. H. Macy & Co., Inc., New York, N. Y.; Wayne C. Taylor, Washington, D. C.

TECHNICAL ADVISERS TO SUBCOMMITTEE ON TAXES

Roy Blough, professor of economics and political science, the University of Chicago (former Director, Division of Tax Research, United States Treasury); Norris Darrell, Sullivan & Cromwell, New York, N. Y.; Harry J. Rudick, Lord, Day & Lord, and professor of law, School of Law, New York University.

Mr. MORSE. Mr. President, this list is composed of great leaders of American business and industry. There is not a Government official on the committee. Here is a report on taxation issued by business leaders and industrialists. It represents a great piece of tax legislation statesmanship. Let us see what the committee says. I have selected a few of what I think are the salient paragraphs from the report.

On page 13 of its November 1947 report, the committee states:

Two essentials for economic progress are: (a) the willingness of individuals to devote effort, imagination, and capital to increased production, more efficient production, and the production of new things, and (b) the supply of capital ready to move into the frontiers of economic development.

That bears out what I have been saying in another way so many times—the need for an expanding economy in this country if we are to continue to be economically solvent.

In the United States both of these factors have been abundant. The American system has held forth the chances of large rewards to persons who would turn their efforts or funds to economic development. This chance for large rewards was the driving force behind countless ventures. Many of them failed but large numbers succeeded, in smaller or greater measure, and pushed upward the curve of economic progress. The profits from the successful enterprises constituted a large flow of capital into the hands of venturesome, energetic, imaginative persons willing to risk this capital in further development. The point is not merely that we had a large supply of savings; the savings were attracted to participate in the risks of economic enterprise.

Today our economy faces a new situation. Except in war or its aftermath, we have never endured taxes as high as we now face. This means that Federal taxes will be taking a much larger proportion than ever before of the income that must privide the incentives to individual enterprise and the sources of private capital investment. We cannot hope to return in the near future to tax levels as low as those before the war. But we must do our utmost to reduce taxes by economy in government expenditure, and we must distribute the remaining burden in the ways least damaging to progress.

FISCAL POLICY AND FREEDOM

Fiscal policy, because of its effects upon employment, prices, and progress, has a direct relation to the preservation of our freedoms. There is danger that if we fail to achieve the goals of stability and progress by methods appropriate to a free society the public may turn to measures of control inimical to freedom without realizing their consequences. It is not only our own freedoms that are at stake. The world looks to the United States for a demonstration of the ability of a free society to solve its basic economic problems.

There is another vital way in which fiscal policy affects the survival of a free society.

A free society must have a competitive, decentralized economy. In such an economy the power of any individual to make decisions affecting the welfare of others—decisions as to prices, wages, and output—is limited by the existence of actual or potential competitors in the market.

I do not know where I could turn for a better defense of the major proposals I have made in support of legislation for the curtailment of monopoly than the excellent phrasing of the paragraph which I have just read from this report of outstanding American industrialists.

Essential to a competitive economy is "A climate in which new, small, and independent business can be conceived and born, can grow and prosper. * * * If the opportunities for new business are destroyed or otherwise disappear, a system of free enterprise will atrophy."

A tax system that discourages new and independent business and arrests the growth of established businesses therefore is a threat to a free economy and a free society. The present tax system does this.

I completely agree with that assertion of the committee, and I contend that the amendments which they suggest later in the report would help to remove the danger here discussed in the report.

It bears most heavily upon those characteristics most likely to be associated with newness, independence, growth, and competitive vigor in business. It erects a barrier to the success of businesses that are especially risky, that have widely fluctuating earnings, or that are highly dependent upon internal financing. By creating a tax system that will be fair to all businesses we can contribute greatly to the vitality of our free society.

Then the committee proceeds to discuss its views and theories as to a budgetary policy, on pages 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, and 28. I ask unanimous consent to have those pages printed in the RECORD at this point as a part of my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

I. BUDGETARY POLICY

In section II of this policy statement we shall offer recommendations for raising the necessary Government revenues in the most appropriate way. In the present section we shall consider the requisites of a budgetary policy, a policy with respect to the relation between total Government revenues and total expenditures, to achieve the basic objectives we have outlined.

THE PRINCIPLES OF BUDGETARY POLICY

Four considerations are of supreme importance in the development of budgetary policy:

(a) Federal finance should help to make fluctuations in total demand less severe, and thus aid in stabilizing employment and prices. When total demand exceeds total supply and inflationary conditions prevail, the effect of Federal finance should be to restrain demand. When total demand is low, when unemployment is high and prices falling, the effect of taxation and expenditure should be to stimulate demand.

(b) Budgetary policy should serve to restrain unnecessary Government expenditure and to stimulate efficiency in government. Everyone agrees that economy in government is important. But the achievement of economy requires that our belief in economy be effectively directed against the particular pressures that always will be found in support of particular expenditures. Budgetary policy can be an effective force for economy if we harness the legitimate and specific interest in lower taxes to the general interest in economy. Every proposal that would expand Government functions should pass the test of society's willingness to pay for it in taxes.

(c) Budgetary policy should provide for the reduction of the public debt under conditions of reasonably high employment and production. The interest charge on the debt now accounts for about 10 percent of our Federal tax load. Surely we cannot think that these taxes are burdenless because we pay the proceeds to ourselves in interest. The deterrent effects of high taxes upon risk-taking and incentives to effort are not at all offset by the payment of interest on Government debt; interest on the Government debt is not the kind of income that is most important to reward or stimulate private effort or enterprise.

(d) Budgetary policy should recognize that it takes a long time to make most fiscal decisions and achieve their effects, and that the present state of our ability to forecast economic fluctuations is still very low. Any fiscal program that relies for its success upon prompt response and adjustment to known economic changes through a series of separate decisions, or upon accurate forecasting of future fluctuations, invites failure.

There are some particular measures that can be initiated so quickly and, if necessary, reversed so promptly that they involve only short and relatively safe forecasts. But success in the year-to-year operation of most elements of fiscal policy requires that minimum reliance be placed upon forecasting economic fluctuations.

WHAT'S IN THE BUDGET?

Before we can decide on budgetary policy, it is necessary to make clear what we mean by the budget.

There are two budgets of the Federal Government officially compiled and in current use. These are the administrative budget and the consolidated cash budget. The administrative budget does what the budget system was first created to do—to enable the Congress and the President to control the expenditures and operations of the hundreds of agencies that constitute the Federal Government. It does this by stating in detail the funds appropriated to each agency and purpose, the obligations incurred for expenditure under each of these heads, and the amounts spent out of each fund, including amounts paid or transferred to other accounts.

Beyond this administrative function, this budget, together with its supplementary statements, serves another purpose. It presents an accounting statement of the financial relations of the various Federal agencies, corporations, and trust accounts to the public and to each other.

The other budget, the consolidated-cash budget, is designed for quite a different purpose. It shows the Government's financial transactions as they affect the whole economy—the expenditures that absorb goods and services or add to private incomes, the receipts that subtract from private incomes, the deficits or surpluses that add to or subtract from the public's holdings of money and Government bonds.

The dollars that affect demand are the dollars paid to or taken from the public, not the dollars transferred from one Government account to another. Therefore, in the consolidated-cash budget all transactions between one part of the Government and another are excluded. And since the transactions that are significant for total demand are those that involve receipt or payment of money, this budget is on a cash basis. All cash transactions between the Government, and this includes all Government agencies, corporations, and trust accounts, and the public are shown. It excludes all transactions not involving payment of money to the public or receipt of money from the public.

The recommendations of this policy statement are framed throughout with reference to the consolidated-cash budget.

In recent budget messages of the President a statement of the Federal accounts on a consolidated-cash basis has been utilized as supplementtary information to make clear the relationship of Federal financial operations to the economy. The consolidated-cash budget has also been used in the President's economic report as the significant representation of the economic effects of Federal finance. In its policy statement, fiscal policy to fight inflation (September 1946), the research and policy committee of CED based its quantitative recommendations on this budget. Other business organizations and nongovernmental groups concerned with the impact of Federal finance upon the economy have turned increasingly to the picture shown by the consolidated-cash budget. A few illustrations will show the nature of the distinction between the two budgets.

Because the consolidated-cash budget excludes all intra-Government transactions, it does not show as an expenditure the transfers from the general Government accounts to, for example, the trust accounts set up for the operation of the social security system. Such transactions are important to the administrative budget for recording the status of the various accounts in relation to each other. But the transfers are not transactions with important current economic effects.

At the same time, there are billions of dollars of receipts and expenditures that appear in the consolidated-cash budget but are not included in the administrative budget. The outstanding case is the pay-roll tax receipts and expenditures of the social security system. Present legal and accounting relations between the general Government and the trust accounts are best revealed if these transactions are shown separately from other receipts and expenditures. But if we want to weigh the effects of the budget upon private purchasing power, total demand, employment and prices, the budget must include these important collections and payments.

The cash character of the consolidated-cash budget is illustrated by the treatment of the issue and redemption of veterans' terminal leave bonds. For fiscal 1947 the administrative budget included as an expenditure about $2,000,000,000 to reflect the issue of these non-negotiable non-cashable bonds in that year. Their economic effect was small; in fact, terminal leave was paid this form to prevent the payment from having inflationary consequences. The consolidated-cash budget did not include this item as an expenditure.

In fiscal 1948, when about $1,500,000,000 of these bonds are being turned into cash, much of which will be used for consumption, the administrative budget shows no expenditure in this account. But the fiscal 1948 consolidated-cash budget does include this $1,500,000,000 payment because it is now actually being put into the hands of individuals as expendable income. (Similarly, the consolidated-cash budget shows interest on savings bonds as an expenditure when it is paid in cash, while the administrative budget includes the interest as it accrues. In both budgets taxes are included in receipts when collected, not when the liability accrues.)

The size of the net difference between the two budgets varies from year to year. Thus, in fiscal 1947, the surplus in the consolidated-cash budget was almost $6,000,000,000 larger than the surplus in the administrative budget. But, by contrast, official estimates are that the consolidated-cash surplus in fiscal 1948 will be $5,500,000,000 and the administrative surplus $4,700,000,000—a difference of $800,000,000. (The indicated surplus for calendar 1948 is much larger.) Under some

conditions the consolidated-cash surplus would be smaller than the administrative surplus. Many of the differences between the two budgets relate to the time at which various transactions are recorded; over a reasonably long period—say 10 years—these differences would cancel out. At present the most important persistent difference between the two budgets is in the treatment of the social-security trust accounts. Over a 10-year period, the consolidated-cash surplus would exceed the administrative surplus by approximately the amount of surplus in the social-security accounts. If the social-security system were set up so that its expenditures and receipts balanced over a moderate period, the average surplus in the consolidated-cash budget would be roughly the same as the average surplus in the administrative budget. (The consolidated-cash budget bears no relation to the dual budget or capital budget system sometimes proposed during the depression. These budgets called for division of Government expenditures into two categories, one to include all expenditures that resulted in capital assets, such as public buildings or dams. This system moved in exactly the opposite direction from the consolidated-cash budget, which seeks to present a unified picture of the transactions that have important economic effects, without regard to financial or functional differences.)

THE THREE ALTERNATIVES IN BUDGET POLICY

There are three distinct alternatives in budgetary policy:

1. The annually balanced budget policy: This policy attempts to keep Government revenues continuously equal to or in excess of Government expenditures, regardless of economic conditions.

2. The managed compensatory budget policy: Under this policy, attempts would be made to adjust tax rates and expenditure programs as often as necessary and to the extent necessary to keep employment or the national income steady at a high level.

3. The stabilizing budget policy: This policy is described herein, and advocated as the most practical method of achieving all the objectives of budgetary policy. Its basic principle is to set tax rates to balance the budget and provide a surplus at agreed high levels of employment and national income and thereafter to leave them alone unless there is some major change in national policy or condition of national life.

ANNUAL BUDGET BALANCING

The annual-balance policy cannot be made to work, and the effort to make it work accentuates inflations and depressions. With its inevitable break-down, fiscal policy becomes a mere day-to-day expedient.

This program requires that, whenever a decrease in the national income is forecast, tax rates must be raised or expenditures cut, or both, to prevent a budget deficit. Whenever the forecast of higher national income promises larger surpluses, it not only permits but invites a cut in tax rates and a rise in expenditure programs. On the record the program meant tax cuts in the prosperous twenties, and tax increases in the depressed thirties.

The implications of such a program are clear.

(a) Tax rates and expenditure programs will be changed at times and in directions most harmful to high employment and stable prices. When incomes are low and unemployment is widespread, tax rates must be raised and Government expenditures cut. In boom times the program welcomes tax reductions and new expenditures.

(b) Annual budget-balancing policy does not in the long run promote Government economy. The program allows a growth of public expenditure in boom times, without any increase of tax rates, even with a decrease in tax rates. The policy does not furnish steady pressure against the initiation of unnecessary expenditures; the pressure it does provide, to end entrenched expenditure programs in depressions, is certain to be ineffective.

(c) The system dissipates the potentially large surpluses of good times and strives vainly for balance in bad times. In a fluctuating economy this program will not result in debt reduction.

(d) To carry out the program requires a degree of accuracy in forecasting fluctuations in business activity that has not been achieved in the past and that is not possible now.

(e) The program involves irregular and unpredictable variations of tax rates, with unsettling effects upon business and personal planning.

THE MANAGED COMPENSATORY BUDGET POLICY

The theory of the managed compensatory budget is simple. Whenever employment is judged about to be below a high level, taxes should be cut and expenditures increased by the amount necessary to prevent the forecast from coming true. Whenever prices seem about to be above the proper level, tax rates must be raised and expenditures cut.

Dependence upon accurate forecasting of business fluctuations is even greater for the compensatory budget than for the annually balanced budget. If forecasting is inaccurate, the compensatory budget could easily increase fluctuations rather than moderate them.

Like the annually balanced budget system, the compensatory program encourages increased expenditure programs without higher tax rates at some stage of the business cycle. However, whereas the annually balanced budget plan opens the door to new spending in boom times, the compensatory plan opens the door in depression—actual or forecast. In either case the effect upon Government economy is likely to be the same—periods of rapid increases in spending, followed by futile efforts at retrenchment and a generally excessive upward drift of expenditures.

If the managed compensatory system is to make any progress toward reducing the debt, it must count upon creating large surpluses in prosperous periods by raising taxes and cutting expenditures. But expenditures resist downward change and taxes resist upward change. In the present state of economic forecasting, it will always be possible to make out a plausible case that depression is around the corner. Such a prediction will permit both unpleasant alternatives to be avoided, since under the managed compensatory theory the forecast of depression requires lower tax rates and higher expenditures. This system offers no realistic hope of debt reduction.

Under this plan, as under the annual-balance plan, tax rates are subject to frequent and unsettling changes.

THE STABILIZING BUDGET POLICY: WHAT IT IS

The key to a program that will promote stability, Government economy, and debt reduction without requiring impossible accuracy of forecasting business fluctuations is this:

Set tax rates to balance the budget and provide a surplus for debt retirement at an agreed high level of employment and national income. Having set these rates, leave them alone unless there is some major change in national policy or condition of national life.

Tax rates, by themselves, do not determine how much revenue will be collected. The rates merely say, for example, that revenue will be $9 per gallon of liquor sold, $38 per $100 of corporate profits, $50 per $100 of individual taxable income within a certain bracket, and so on. How much will be collected with these rates depends upon the amount of liquor sold, the amount of corporate profits, and the amount of individual incomes. Since all of the important elements of the tax base are closely related to the national income, collections under any system of unchanging tax rates will be larger as the national income rises and smaller as the national income falls.

Some kinds of Government expenditures also tend to vary automatically with economic conditions. Unemployment compensation payments are the outstanding case. When unemployment rises these payments also rise, and when unemployment drops the payments decline. In addition, some expenditures—such as public works—may be advanced or held back to meet changing economic conditions within the limits of an agreed total expenditure program.

With tax rates set to yield a moderate surplus at high-employment national income, larger surpluses will result when the national income is above that level. At lower national incomes the surplus will be smaller and below some point there will be deficits.

Under this system, surpluses arising when national income goes above the standard high-employment level should not be used to increase expenditures. Likewise, a reduction of tax rates without a corresponding reduction of expenditures would be contrary to the policy, regardless of the actual surplus at the actual national income (subject to exceptions that will be stated below).

A direct consequence of the stabilizing budget principle is that fluctuations in the national income do not call for fluctuations in tax rates, or in expenditures except for the automatic response of some expenditure items. However, changes in tax rates or expenditures will be appropriate under some circumstances. If, for example, improvement of the international situation should lead to a substantial reduction in annual expenditure for defense, a lowering of tax rates would be appropriate. Similarly, if a new program is to be adopted that will substantially raise the annual level of Federal spending, higher tax rates will be required.

Three exceptions should be noted to the general principle that tax rates and expenditures should only change up or down in step with each other:

1. With a growing population and rising productivity, the national income at high employment will gradually rise. Therefore, the yield of a constant system of tax rates at the standard high-employment national income will also slowly and steadily increase. This gradual increase of tax yield will permit, without higher tax rates, some gradual increase in normal Government expenditure that may accompany the growth of the population and the national income. Moreover, as the economy grows into higher income levels, the amount of debt reduction consistent with high employment and stable prices may increase also; if so, the increased yield of the tax system should be retained for that purpose. Any readjustment of tax rates made possible by the long-time growth of the tax base should be made at reasonable intervals, say 5 years, in order to avoid the unsettling effects of annual rate changes.

2. From time to time an urgent need may arise for an extraordinary expenditure that is large in amount but known to be temporary. It would probably be undesirable to raise tax rates sharply in order to finance such expenditures currently, and then to cut tax rates when the expenditure ceases. A plan for meeting these expenditures over a somewhat longer period would therefore be appropriate. This plan might take the form of a smaller tax rate increase, extended over a longer period.

If the expenditure is in the form of loans, the repayments may provide the source from which the expenditure will, in the end, be met. Whatever the plan for ultimately financing the expenditure, any immediate inflationary consequences of the expenditure should be offset by anti-inflationary borrowings. Outlays under a program for foreign rehabilitation may fall within this exception.

3. The recommendations of this report are presented in the belief that, if they are combined with appropriate measures in other fields, economic fluctuations can be confined to moderate departures from a high level. Yet it would be foolhardy to ignore the possibility that we may again confront an economic crisis of great magnitude—either severe depression or major inflation. Some extraordinary action must and will be taken if such a crisis appears. An emergency congressional reduction or increase in tax rate (perhaps with a fixed, automatic termination date) would then be one of the most effective and least dangerous of the available courses.

How the stabilizing budget policy works

The policy recommended here cannot be "adopted" and left to run without common sense and vigilance. Basically, we are presenting the principles that are important in making the decisions that must be made. The policy will not yield the results of which it is capable unless the principles are consistently followed and reasonably interpreted.

Any policy faces the danger that those responsible for administering it will not accept it or, giving lip-service to it, will seek to evade its intent. This is not a peculiarity of the policy recommended here. The first essential for the success of any policy is the existence of a will to carry it out. But it would be undue cynicism, unjustified by experience, to believe that reasonable adherence to principles is unattainable.

The policy of the stabilizing budget is more likely to be consistently followed than either of the alternative policies, simply because it is easier. It does not call for unachievable accuracy in forecasting economic fluctuations or impossible speed in action. It does not seek to impose an intolerable and unattainable increase of tax rates in the face of unemployment and shrinking income.

The enactment of the Legislative Reorganization Act in 1946 provides basis for confidence in the development of a determination by the Government to carry out a policy such as is recommended here. The most important feature of the act, from the standpoint of this program, is that it recognizes the need for a congressional fiscal program as distinguished from a series of unrelated fiscal actions. This act and the Employment Act of 1946 gave us for the first time congressional mechanisms that begin to approach adequacy for formulating and executing a congressional budget. These mechanisms need to be strengthened and improved. Particularly, responsibility needs to be centered upon the majority party to adopt a legislative budget and to follow it in appropriations and tax legislation. But at least a start has been made toward the development of new congressional machinery that can make possible an integrated congressional fiscal policy.

At present, the President submits to the Congress each year a budget of estimated receipts aind disbursements under existing and proposed expenditure authorizations and tax laws. The four revenue and appppropriations committees of the two Houses of Congress, acting jointly, then prepare a legislative budget. The committees present their recommended budget, including estimates of total receipts and expenditures, to the two Houses for adoption. When adopted, this budget serves as a guide to congressional action on appropriations and taxes.

Aside from the improvements of this procedure that are needed to make any fiscal policy work, the stabilizing budget policy involves three changes from present practice:

1. The budget used by the President and the Congress in decisions on total receipts and expenditures should be the consolidated-cash budget, rather than the administrative budget.

2. Estimates of revenue yield from existing or recommended taxes should be based on a high-employment national income, rather than upon a forecast or arbitrarily selected national income.

3. The program recommended here suggests a standard to be followed by the President and the Congress in deciding upon the relation between total receipts and total expenditures. That standard is that the consolidated-cash budget should show a moderate surplus at an agreed high-employment level of national income. There does not now seem to be any standard generally accepted or consistently applied.

How the stabilizing budget policy promotes economic stability

The automatic change in tax collections and Government outlays with fluctuations in the national income is an essential feature of the program recommended here. This kind of variation is precisely what is required if fiscal policy is to aid economic stability. When employment, production, and prices rise, national income will rise. As the national income rises, tax collections will rise, taking more and more from the available income of the public. At the same time, outlays under such programs as unemployment compensation will fall. This process will restrain increases of demand and curb inflationary pressure. Similarly, the automatic decline of tax revenue acts to check a downward movement. When production and income drop, tax collections will fall too. Income after taxes will decline less than income before taxes. This will help to sustain production and employment. The stabilizing effect will be reinforced by an increase in unemployment compensation and other payments.

In other words, with stable tax rates variations in tax yields and outlays will tend to cushion variations in available incomes, after tax, and thereby to lessen fluctuations in demand and production. This is not new, but its importance has grown greatly since before the war for the following reasons:

1. Even with strenuous efforts for economy, Federal taxes for some time will be much higher in relation to the national income than they were before the war.

2. Greater reliance upon the progressive income tax means greater relative change in tax collections with any change in national income. When a wage-earner goes on part-time work, for example, his consumption of tobacco, gasoline, and other commodities subject to excise taxation is unlikely to fall to zero, or even to fall in proportion to his loss of income. But his income tax is very likely to fall to zero and will certainly fall relatively more than his income.

3. The pay-as-you-go, withholding method of income-tax payments has greatly shortened the time between a drop in an individual's income and the consequent reduction in his income-tax payments. For most taxpayers, changes in income and changes in tax are simultaneous.

4. Unemployment compensation is new and has only recently begun to approach its potentialities as a stabilizing force. Unemployment compensation benefits under present laws would increase about $175,000,000 per year for every million increase in unemployment, and this amount would be higher if desirable extensions of coverage and improvements of benefits were made.

These developments have given us an instrument, which, if we allow it to operate, will be a new, powerful force for economic stability.

The great advantage of the automatic corrective response of tax revenues and expenditures is this: It does not depend for its stabilizing effect upon impossible accuracy in forecasting economic fluctuations or an impossible speed in making fiscal decisions and taking fiscal action.

Mr. MORSE. Mr. President, I now turn to page 35 of the report of the Committee for Economic Development, in which it discusses its tax proposals under the subject Tax Program for 195(x).

That needs a word of explanation at this point. In the November 1947 report the Committee for Economic Development did not recommend that its tax proposals be put into effect in 1948. It will be remembered that last year I offered an amendment which would make the date for making applicable the tax program an uncertain date, to be determined by the Congress at a later time, dependent upon then existing economic conditions. In accordance with the principle of having a flexible date for tax reduction the Committee for Economic Development did not fix any given year for the putting into effect of its proposals, but fixed the year "195(x)."

However, there have been some significant changes in economic conditions since the November 1947 report of this committee. Our national income has risen to a point far beyond what I surmise the committee had in mind when it wrote its 1947 report. Our prosperity has risen to a level which I think has far exceeded all the predictions of 2 years ago, or even at the time the report was written.

The difference in theory between the November 1947 report of the Committee for Economic Development and my presentation today is only this: I think the date of "195(x)" found running throughout the November 1947 report should be changed to "1948." In other words, I am ready now to make "195(x)" 1948, and to put the Committee's recommendations into effect now.

On page 35 of this report, the Committee says:

> Immediate interest in tax problems naturally centers on the changes that may be made in 1948. The country needs tax reduction as fast as it is possible without serious inflationary consequences.

I think the Senator from Colorado has discussed very ably the inflationary aspects of his tax proposals, and I am not greatly concerned about any serious danger of inflation resulting from the particular recommendations which the Senator from Colorado is making in his report. I would be greatly concerned if the proposals were the proposals of the House Knutson bill; but I think the proposals offered by the Senator from Colorado reduce to the lowest possible minimum the dangers of a further upsweep of inflation growing directly out of these tax proposals.

I return now to the report of the committee:

> The decisions on taxes made in 1948 and 1949 will have a lasting effect on the possibility of reaching a tax system that will promote high employment, business stability, sound fiscal policy and economic progress. If tax reform is left to follow tax reduction, and is not made the guiding principle of tax reduction, tax reform may never come. There are two real dangers. One lies in concentrating attention on only one or two parts of the tax system. The second danger lies in arbitrary, across-the-board formulas for tax reduction. Horizontal cuts from a bad tax system will not create a good tax system.

Mr. President, that trenchant sentence in the report is the burden of the argument I made last year, and which I

repeat today. We cannot produce a good tax system until we do something about the gross inequities in our present system. We cannot produce a good tax system by making only horizontal cuts across existing inequities. We must tear out by the roots from our tax structure those glaring inequities. This significant sentence in the report of the Committee for Economic Development should be printed in large letters and hung over the desk of every Member of Congress. I repeat it:

Horizontal cuts from a bad tax system will not create a good tax system.

I read further:

Tax changes in 1948 or 1949 will be steps toward a postwar tax structure with which we may have to live for many years. Before we take these steps we should know where we want to go, what kind of normal tax system we want, and we must be careful that the first steps are in keeping with the objective.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD the paragraphs appearing on pages 36, 37, 38, 39, and 40 of the report, because I cannot stay within my time limit if I do not obtain such permission.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE TAX SYSTEM WE START WITH

At present the three chief sources of Federal revenue are the individual income tax, the corporate-profits tax, and excise taxes.

The main source of revenue is the individual income tax. About 50,000,000 persons now pay an individual income tax; in 1939 only 4,000,000 persons paid in individual income tax. The tax is at progressive rates on income in excess of personal exemptions and deductions. Exemptions of $500 for each taxpayer and dependent are allowed. On the first $2,000 of taxable income (income in excess of exemptions and deductions) the rate is 19 percent; it rises to 50.35 percent on income between $18,000 and $20,000 and reaches a maximum of 86.45 percent on income in excess of $200,000.

The standard rate of corporate-profits tax is 38 percent and applies to the net earnings of all corporations that earn $50,000 or more in any year. Corporations with smaller profits pay at lower rates on the first $25,000 of net profits, ranging down to 21 percent on the first $5,000 of profits. Profits ranging between $25,000 and $50,000 are taxed at 53 percent to make the total tax 38 percent on the first $50,000.

Excise taxes are now imposed upon the sale of over 50 groups of goods and services, at either the manufacturing or retail level. The largest revenue producers are alcoholic beverages, tobacco, and gasoline. Some excises yield only small amounts of revenue and are levied primarily for regulatory purposes.

TABLE I.—*Cash receipts from the public, year ending June 30, 1948*

	Billions
Individual income tax [1]	$20.5
Corporate profits tax	8.5
Excise taxes	7.2
Employment taxes (social security)	3.5
Estate and gift taxes	.7
Customs	.5
Trust accounts (excluding pay-roll taxes)	1.0
Miscellaneous receipts (including sales of war surplus)	2.8
Total	44.7

[1] Gross basis, including overpayments that will be refunded.

HOW MUCH TAXATION IN 195(*x*)?

Under the budgetary program outlined in part I, taxes should be high enough to yield a $3,000,000,000 surplus with the national income that would be produced at high employment and a price level consistent with high employment.

Any tax plan involves the selection of some national income figure and some figure for Government expenditures. The problem is always to devise a tax system capable of yielding a certain amount of revenue under certain conditions of national income.

No one can predict exactly how much taxation will be required in 195(*x*). The level of Federal expenditure is uncertain, depending upon the state of international relations and upon other unsettled issues. The rate of growth of productivity cannot be precisely foretold. And it is extraordinarily difficult at this moment of rapidly moving prices to estimate what price level will be consistent with high employment, say, 5 years from now.

Our present purposes do not require that the revenue requirements of 195(*x*) be estimated now with complete accuracy. We are not proposing a revenue program for 195X to be enacted now. For our purpose it is essential only that the revenue requirements should not be assumed so low or the national income so high that the fundamental hard choices in selecting sources of revenue are evaded. We believe beyond this that our assumptions have sufficient probability to make our recommendations pertinent. The principles stated here will suggest the general character of the tax system that we believe would serve the economy best even under conditions rather different from our assumptions.

We shall base our particular tax recommendations on Federal cash expenditure of $30,000,000,000 in 195(*x*). This involves a reduction of $5,800,000,000, or about 16 percent, from the official estimate for fiscal 1948, when the 1948 figure is adjusted for comparability with the normal year assumptions. (Refunds of tax overpayments are excluded from expenditures, as the overpayments will be excluded from revenue estimates. Also the redemption of terminal-leave bonds is excluded from the 1948 expenditures as a unique, nonrecurring payment.) This is neither a hope nor a recommendation. It is certainly to be hoped that unproductive expenditure can be eliminated and the essential functions of Government performed at a cost below $30,000,000,000. It is urgent that every effort be made to achieve this objective. The problems of tax revision are, however, more clearly seen if we think in terms of expenditures somewhat on the high side.

We shall assume $220,000,000,000 as the high employment national income for 195(*x*). To some this may appear at first to be a high figure, particularly if it is compared to prewar levels. Yet, a few facts will indicate that some figure in the neighborhood of $220,000,000,000 is reasonable. The national income in the third quarter of 1947 was at the annual rate of about $205,000,000,000. (The figures used here are the revised Department of Commerce estimates. Many people are familiar with a figure of $165,000,000,000 that was used in discussions of taxes early in 1947. The national income in 1946, on the unrevised basis, was $165,000,000,000. The difference between this figure and the $205,000,000,000 used above is made up of two elements: (a) $13,000,000,000 due to conceptual changes and statistical corrections in the measurement of the national income; and (b) $27,000,000,000 due to the rise of production and prices since 1946.)

Normal net population increase would raise the number employed by about 1 percent each year. Prewar experience points to an annual increase of about 2 to 2½ percent in output per worker. In a period when wartime technological advances are being extensively applied and postwar dislocations are being corrected the growth of productivity should be much more rapid. This was the experience after World War I. Some decline in hours of work per week is likely and is allowed for in our estimate. The $220,000,000,000 national income assumption involves a 2½-percent annual increase in output per worker.

The growth of productivity and population would lead to an increase of about 15 percent in real national income by 1951—a national income of $235,000,000,000 at the price level of early 1947. To get the standard national income it is necessary to select the price level base. It seems reasonable today to say that some decline from the present price level is possible without a significant increase in unemployment. Some narrowing of profit margins in many sectors and some decline in prices of farm products probably would not entail any substantial reduction of output. However, there are also some prices—notably rents—that must rise before balanced price relations are achieved. Moreover, it is likely that in any pronounced price decline most prices would soon encounter the resistance of relatively fixed costs, including wages, after which further downward price pressure would mean rising unemployment. We have assumed that a decline in the price level of about 7 percent below the third quarter of 1947 is possible without a significant increase in unemployment. Assuming a 7 percent price decline, we get the national income of roughly $220,000,000,000 that is used in calculating tax requirements in 195(*x*).

It should be repeated that there will be ample opportunity for reappraisal of the situation before tax decisions for 195(*x*) must be made. If experience of the intervening years indicates that a price level lower than the one we have assumed is consistent with high employment, or if productivity does not rise at the assumed rate, the standard national income will be lower. This would require higher tax rates than we have suggested here unless expenditures are less than $30,000,000,000. On the other hand, higher prices or faster productivity increase would mean a higher standard national income and lower tax rates.

PROGRESS AND PROGRESSION

The relative tax burden to be imposed on persons in different income groups has been the central issue in much recent debate on taxes.

A common approach to this problem is that more progession in tax rates is always better than less—that it is always desirable to increase the share of the tax burden on the upper incomes and reduce the share on the lower incomes. A contrary view opposes any proposal for increasing the degree of progression and supports any means of reducing the tax burden in the upper income groups. An attempt can be made to evade this issue by recourse to taxes, the impact of which is somewhat obscure, such as excise taxes and corporate profits taxes. This approach is strongly reflected in the present tax system.

This policy statement rejects both the extreme views and the evasive approach. We believe that understanding of the way our economy works and recognition of the common interest in high employment, progress and freedom provide a test by which this issue can be resolved. We mean much more than that a compromise is possible. Beyond a certain point further tax progression would not really advance the objectives sought by those who urge the extreme progression. Through its deterrent effects on incentives it would greatly reduce the vigor and advance of the free society that has yielded so much and can yield so much more for all of us, including persons with low incomes. It would cut into the pioneering investment that makes more jobs—and makes them more

productive. On the other hand, beyond a certain point less progression would not really advance the objectives sought by those who most emphasize the reduction of tax burdens in the upper brackets. Adequacy of consumers' markets is an important condition for high investment and economic progress, and welfare of the low-income groups is essential to the political stability of a free society.

Mr. MORSE. Mr. President, on page 41—and I recommend this to the Senate—the committee, under the subject General Objectives of the Tax Program, says:

The tax program recommended here is dictated by four major considerations:

1. The program must yield the required revenue. This has forced us to forego many recommendations that we would consider appropriate if revenue requirements were lower.

I digress from that point to supplement it in this way: We politicians have the duty of telling the American people that their Federal revenues must be kept at a sufficiently high level to maintain adequate funds with which to meet our domestic and international obligations. We must not run the risk of allowing our Federal revenues to fall so low that we cannot meet those obligations. In preparing our budget and our appropriation bills for this year, Mr. President, we must not adopt a policy of failing to give to the people the essential Government services necessary to the maintenance of a high standard of living. The Government plays a great part in maintaining that high standard. I intend always to be intellectually honest and to tell the people of my State that the only way by which we can keep up the necessary Government revenues, the only way by which we can obtain the appropriations necessary for building the great wealth-creating projects of the West, for example, and also of the South and the Middle West and the East and all the other sections of the United States, the only way by which we can pay for these Government services which the American people are going to demand is by providing for sufficient Federal revenues through taxation.

In referring to the Government services which the American people will demand, I say let us stop deluding ourselves about the matter. If we think for a moment that by drastically lowering taxes we shall reduce the demands of the American people for high appropriations necessary to maintain certain essential Government services, we are fooling only ourselves, not the American people. The people must be told quite forthrightly that they need to avoid the paradoxical situation in which they may find themselves if they demand tax reductions too great to enable the tax structure at the same time to provide the revenues which are necessary in order to supply the appropriations which the people demand for the Government services they want. The people must be told by the polticians that they cannot have their economic cake and eat it too, that they must make up their minds as to how much Government service they want, how far they want Congress to go in the direction of carrying out the great principle which Lincoln taught, namely, that it is one of the primary duties of representative government to do for all the people what they cannot do for themselves or what they cannot so well do for themselves, but which needs to be done. And, as Lincoln said, there are many such things.

Mr. President, we cannot run away from this hot issue of appropriations versus tax reduction. The American people cannot, either. I am going along with tax reduction because I think some tax reduction can be made. I think the tax reduction proposed by this bill can be made, and we can still raise sufficient money from our tax structure to meet the essential Government services our people are demanding. However, we cannot provide a lot of new ones, Mr. President—and still be able to pay even the inadequate sum of $2,500,000,000 on the national debt.

The situation calls for the utmost frankness and honesty with the people on the tax issue. They should have made plain to them what their mandate in regard to tax reduction means, and they should be reminded that we in the Congress are not men of magic who can pull revenues out of the thin atmosphere, but that they can come only from tax dollars. There is no other source. I also say on this point that we must be forthright enough to let the people know that the politicians who are telling them that they are working 3 to 4 days out of every 10 for the Government are not telling them the whole story. That makes a very persuasive argument, I know, but I say that the American people are not working 3 to 4 days out of every 10 for the Government. I say that politicians who are using that argument should tell the American people that the services of Government which the people are demanding from the Government require them to pay taxes which constitute, on the average and in the long run, the equivalent of their income for from 3 to 4 days out of every 10. That is quite different from saying that the average person is now working 3 to 4 days out of every 10 for the Government. I think we also should tell the people that when they pay taxes for those services which they demand the only persons for whom they are working happens to be themselves, and not the Government at all.

Of course, I know there are certain wastes in Government which we can eliminate; there are certain unessential services which we can eliminate. But, Mr. President, I think that you and I know they constitute but a very small drop in a huge bucket of Government services being performed for the people. So I say now what I have said on another occasion, namely, that I think the American people should be told that they undoubtedly get better values, dollar for dollar, out of their tax dollars and the services which flow from those tax dollars than they do from any other dollars they spend. When they spend tax dollars for highways in the United States they receive excellent value.

Mr. President, our appropriations for highways should be greatly increased, not lessened, in this session of Congress, because as a result of the war the highways have greatly deteriorated. We have not been able to keep them in repair. The highway system of the United States is one of the great wealth-producing projects in our land. When the people spend tax dollars for highways, for whom are they working? They are not working for the Government; they are working for themselves. When they spend tax dollars for education, for whom are they working? They are working, not for the Government, but for themselves. And when they spend tax dollars for national security, to protect their own safety, for whom are they working? They are working, not for the Government, but for themselves and their children and grandchildren and generations yet to come.

I think that in some way, somehow, we must cause the American people to understand that we cannot have the American system of high standards without tax dollars, and a lot of them. They must make their choice as to whether they want us to take them back into an era of American history when the many great benefits we enjoy today were not available to them, or whether they want to pay the tax dollars necessary to maintain those services. I think we must enable them to see that they must ignore the politicians who in a demagogic fashion throughout the Nation are trying to tell them that they can cut and cut and cut taxes down below a level which will give us the Federal revenue necessary to maintain these services, and still have the services. The American people should be wary of politicians who promise them huge tax reductions and at the same time promise them huge appropriation bills.

I will go along with any Member of the Senate in the elimination of unnecessary expenditures and in the elimination of waste, but I shall not be guilty of telling the American people that we can cut the heart out of tax revenues and still maintain a solvent economy and maintain the Government services which our people know are so essential not only to our security but to our economic well-being.

The Committee for Economic Development understands that.

Mr. President, you cannot read the report of these great industrialists without recognizing that they are not politicians and that they are not offering their recommendations on the basis of how many votes they may obtain on the basis of their recommendations. They have offered their tax recommendations on the basis of what is good for the American people from the standpoint of the national economy. That is the only approach I am going to make to the tax issue. I think that when the American people come to understand that approach they will approve it.

The second objective the committee recommends is that the program should avoid seriously repressing effects on incentives to operating investment; third, that there should be a fair and reasonable degree of progression in the tax burden; and fourth, that the program should be equitable in its treatment of persons in similar economic circumstances; in other words, the principle of a uniform application of a tax regulation.

There then follows, Mr. President, on page 41, a discussion of individual income. Some of the recommendations are found in the pending bill. I again want to say to the Senator from Colorado that I think he deserves high commendation for bringing to us a bill that contains as many of these recommendations as it does. I ask permission to have printed in my remarks at this point the material beginning on page 41, exclusive of the table material on 42 and 43, continuing with the text material on pages 44 and 46.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE INDIVIDUAL INCOME TAX

The committee recommends that the individual income tax continue to be the main source of Federal revenue. The initial rate of individual income tax in 195(x) should be reduced to 11.5 percent and should apply to the first $1,000 of income in excess of exemptions and deductions. (The present starting rate is 19 percent on the first $2,000 of taxable income.) Rates should rise gradually above the starting level to reach a rate of 50 percent on income in the bracket $100,000 to $150,000 and graduation should continue beyond that point. The recommended schedule is shown in table II.

Present exemptions of $500 per person should be retained.

Married couples in all States should be permitted to compute their income tax as if their combined incomes, exemptions, and deductions were equally divided between them.

A system of averaging should be introduced in the individual income tax so that a person with a fluctuating income will pay over a reasonable period substantially the same tax as if he had the same total income evenly spread through the period.

Income from all future security issues by State and local governments should be made fully taxable.

TAXES ON BUSINESS

The standard rate of corporate profits tax in 195(x) should be 30 percent (compared to the present 38 percent). When revenue requirements permit, the corporate profits tax should be further reduced until a flat rate equal to the initial rate of individual income tax is reached. (Until this objective is reached, some differential of tax rates in favor of corporations with less than $50,000 of earnings should be retained. These should be a smoothly rising series of marginal rates until the $50,000 level is reached. The extremely high marginal rate in the notch area—$25,000 to $50,000—should be eliminated.)

A start should be made toward elimination of double taxation of distributed corporate profits. There are a number of ways of accomplishing this. (For example, the corporation could be given a credit against its tax for dividends paid by it.) The committee recommends the withholding plan as a feasible and equitable method. Part of the corporation's tax payment would be considered withholding tax on distributed profits, comparable to the present withholding tax on wages. Withholding should be calculated at the rate of 11.5 percent on dividends, the initial rate of the individual income tax. When the stockholder computes his individual income tax liability, he would include in his income his cash dividend plus the tax withheld by the corporation. The amount of tax he pays would then be the tax on this total income, calculated in the ordinary way, less the amount of tax that had been withheld.

The present tax on dividends received by one corporation from another and the penalty tax on the filing of consolidated returns should be eliminated. Their revenue yield is insignificant and they serve only to penalize many proper business arrangements.

Both corporate and noncorporate businesses should be allowed to carry losses from business operations backward to apply against earnings of the previous year and forward against subsequent earnings for a period of 5 years.

Both corporate and noncorporate businesses should be permitted greater latitude in making annual allowances for depreciation.

In applying to operating companies the penalty tax against accumulation of profits to avoid individual income tax (sec. 102 of Internal Revenue Code), the burden of proving that accumulations are unreasonable should be on the Treasury.

EXCISE TAXATION

All excises except those on alcoholic beverages, tobacco, and gasoline should be eliminated, reducing the total yield of excise taxes by nearly 50 percent.

Table IV shows the estimated yield of the recommended tax program compared with the estimated yield of the present tax system at the assumed national income of $220,000,000,000.

Mr. MORSE. Under the subject of Economic Consequences of Taxation, Individual Tax Rates and Incentives, on pages 47–50 the material covers many of the points I have already made in this address, I ask permission to have it, including the material under the heading "The impact of corporation taxes," on pages 50, 51, and 52, incorporated in the Record at this point.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

ECONOMIC CONSEQUENCES OF TAXATION

INDIVIDUAL TAX RATES AND INCENTIVES

Incentives to productive effort and to risk-taking are affected largely by the marginal rates of income tax rather than the average rates of tax. The marginal rate of tax for any individual is the proportion of the additional dollar of income that would be taken in income tax. The average rate of tax is the proportion of an individual's total income that goes in income tax. A person with $50,000 of income pays about $24,000 of income tax under present rates. His average rate of tax is thus 48 percent. But if he earns an additional $1,000 of income, his tax will raise by $684 and he can retain only $316. His marginal rate of tax is 68.4 percent. Moreover, as his income increases he moves into higher brackets, and the proportion of the additional income going into tax increases. It is this marginal rate of tax that affects decisions to engage in economic activity that promises to yield additional income. The taxpayer may frequently decide that it is not worth while to exert extra effort to earn additional income, since the proportion of the additional income he retains is so small.

The actual height of the present income tax on incomes in excess of, say $10,000, is not generally recognized. This is partly because the existing situation is relatively new. The drastic increases of 1932 and 1936 and, even more, of the war years have resulted in wholly new circumstances affecting individual economic behavior.

Consider the case of a man with $20,000 of income (net income after deductions but before exemptions. The case assumes a married man with two children and only earned income), for example. Twenty years ago he paid in taxes about 8 percent and retained about 92 percent of a $1,000 increase in his earnings. Ten years ago the income tax share of that extra $1,000 was much larger—15 percent—but he still retained 85 percent. Today he pays in taxes 50.35 percent of the extra $1,000—he has become a minority partner in his own additional income.

The incentive effects of high income tax rates flow from a rather simple set of facts. Many economic decisions involve a balancing of the advantages of more income, on the one side, against the advantages of greater safety of assets, greater security in the job, or less effort, on the other side. The income tax shifts the balance of advantage in such decisions. In any given situation, it reduces the net income (after tax) that can be obtained for additional risk or effort.

In a modern integrated economy the welfare of each of us depends upon the use made of the productive capacity of all of us. If marginal tax rates on coal miners were so high that they preferred to work only 3 days a week, we would all be much worse off. If the taxes paid by most farmers were so high that they preferred to sit on the front porch rather than strive for maximum production, all of us, not merely the farmers, would suffer.

Just so, we all lose if business managers and investors face tax rates so high that the urge to economic expansion with its attendant risks is weakened. We can expect that most people will do their regular jobs as well as they can. But economic progress and the opening up of new and more productive jobs require doing things that are extraordinary and risky. Powerful motives are needed to encourage men to change from a secure position to one with chances of brilliant success or total failure, or to induce an investor to risk his funds in the development of new products, processes, or services. Very high marginal tax rates reduce the force of these motives.

No one can say precisely at what level of rates the income tax begins to have seriously adverse incentive effects. Undoubtedly, the adverse effects mount as we go up in the rate scale, 60 percent being worse than 50 percent and 50 percent being worse than 40 percent. However, there is probably a psychological breaking point at 50 percent, where the individual realizes that the Government will take a larger share than he will of any additional income. Great risks accompany any tax system that places a large and important group of persons in a position where half or more of any additional income will be taken by the Federal income tax. All persons with taxable net incomes of $18,000 or more are in that position now. Desire to avoid this danger underlies the committee's recommendation that rates be reduced so that a bracket rate of 50 percent is not reached until the $100,000 level of taxable income. Gradual progression of rates would continue until a maximum of 77.5 percent is reached at $1,000,000.

THE IMPACT OF CORPORATION TAXES

Clear thinking about corporate taxes has been hampered by confusion as to who pays them. Inanimate objects pay no taxes; corporate taxes can only come out of the pockets of living persons, whether or not they are aware of it.

These persons who pay the tax are not all stockholders. In part, the tax is paid indirectly by consumers and wage earners who may not own a share of stock. This indirect taxation occurs because the taxes are, in some measure, counted as part of the costs of doing business. Some part of the tax gets passed on to consumers in higher prices for the goods they buy. Some of it is invisibly borne by workers in lower wages and salaries than they would otherwise receive.

Insofar as the tax is ultimately paid by consumers or workers it has the same defects as excise taxes, which are discussed on page 54. To the extent that it is not so paid, it

interferes in many ways with high production and economic growth. Heavy taxation of corporate earnings takes very large amounts of funds out of the stream of business operations just when they are most likely to be invested to increase production and productivity. This damaging effect of high corporate taxes is felt particularly by small corporations which rely on retained earnings as an important source of equity capital.

Corporate taxes have another deterrent effect. They restrain business executives from undertaking productive expansion—particularly in new and venturesome operations, the risk of which must be measured against the possible return after payment of taxes. At the same time that high corporate taxes repress total investment, they disort the pattern of investment that does take place by overstimulating expenditures that can be quickly charged off against earnings.

A particularly serious aspect of our present corporate-tax provisions is the imposition of double taxation upon the portion of stockholders income that is distributed. This income is taxed once when the corporation pays a tax on its earnings, and then again when those earnings are received by the individual stockholder in the form of dividends.

Double taxation is not only a gross inequity; it diminishes risk-taking investment by discriminating taxwise against income derived from stock ownership. Whereas this particular form of owner income is taxed twice, other forms of owner income—that is, interest, rents, and royalties—are taxed only once; and income from the securities of State and local governments is not taxed at all. As a consequence, it is more advantageous for persons with money to put their savings into forms of investment which avoid risk taking.

Double taxation of dividend income also encourages recourse to borrowing, rather than the issue of equity securities, as a method of business financing; and the greater reliance upon borrowing increases the vulnerability of the economy to serious deflation and unemployment.

The committee regards reduction of the corporate profits tax to the level of the initial rate of the individual income tax (i. e., the 11.5 percent recommended) as important to the objective of high employment and economic progress. The revenue requirements of 195(x) do not permit us to recommend this full reduction without sacrifice of even more important reductions in the individual income tax. Our recommended cut to a 30-percent corporate rate is a step which should be followed by further steps toward the 11.5 percent rate as lower expenditure and higher national income permit.

Mr. MORSE. Mr. President, on page 53 of this excellent report, the committee, under the subject of taxation-free bonds, says:

Tax-free bonds: The present tax system not only penalizes risk-taking but also gives tax inducements for safety seeking. Interest on State and municipal bonds is exempt from Federal income tax. These untaxed securities attract the savings of the very persons to whom we ordinarily must look for a large share of the flow of venture capital—those persons in the high-income brackets. Denial of tax exemption to future State and local bond issues will gradually eliminate this highly uneconomic discrimination.

Last year, Mr. President, I offered the same tax amendment that I offer this year, asking for the elimination of all tax-exempt securities. There is little more I can say on that amendment than is contained in the paragraph just read and in the comments I made in my speech last year. I therefore ask unanimous consent to have inserted at this point in the RECORD in addition to the paragraph just read the comments I made on my amendment, which seeks to eliminate tax-exempt securities and bonds, in the speech I delivered last year. I also ask to have the amendment on this point printed in the RECORD.

There being no objection, the amendment and comments were ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. MORSE to the bill (H. R. 4790) to reduce individual income-tax payments and for other purposes, viz: At the proper place in the bill insert the following:

"SEC. —. Taxability of interest on future Federal, State, and local obligations, and so forth.

"(a) Limitation on tax-free interest: Section 22 (b) (4) of the Internal Revenue Code (relating to tax-free interest) is hereby amended by inserting after the word 'obligations' in clause (A) of the first sentence thereof the following: ', issued before January 1, 1949,".

"(b) Consent to State and local taxation: The United States hereby consents to the taxation, under an income tax of interest upon obligations, issued on or after January 1, 1949, of the United States, any Territory, possession, or political subdivision thereof, or the District of Columbia, by any duly constituted taxing authority having jurisdiction to tax such interest if such taxation does not discriminate against such interest because of its source. The provisions of this subsection shall, with respect to any such obligations, be considered as amendatory of and supplementary to the respective act or acts authorizing the issue of such obligations, as amended and supplemented.

"(c) Amendment to the Public Debt Act of 1941: Section 4 (a) of the Public Debt Act of 1941, as amended, is hereby amended by inserting in the first sentence thereof, after the words 'agency or instrumentality thereof' the following: ', or on or after January 1, 1948, by any Territory, possession, or political subdivision thereof, or the District of Columbia.'"

Mr. MORSE. Mr. President, the proposed amendment would terminate, effective January 1, 1949, the issuance of State and local governmental securities exempt from Federal income taxes and Federal securities exempt from State and local income taxes. It would leave the tax-exempt status of securities issued prior to that date and outstanding on that date unaffected. To clear the way for extending the benefits of this legislation to State and local governments the language of this amendment would give the Federal Government's consent to nondiscriminatory State and local income taxation of securities issued after the end of this year by the United States, its Territories, and the District of Columbia.

This reform in our tax structure is long overdue, in my opinion, and has been urged repeatedly by men and women in all walks of life, in all sections of the country, and without regard to political affiliation. The arguments in support of this overdue tax reform are numerous, but I will mention at this time only three.

1. Tax-exempt securities prevent the equitable distribution of the tax burden because they make it possible for some people, especially those with large and very large incomes, to escape all or part of their income-tax liability As a result, Federal and State governments are prevented from giving full application to the principle of ability to pay in their taxes. To make matters worse, the tax benefit derived from tax exemption is not uniformly distributed among those who avail themselves of it. Its value increases as the individual's income increases.

It is a rich man's escape. It is an escape for the very, very rich man. It is a hole in our tax structure which should be plugged, and plugged quickly by Congress at this session, by the adoption of my amendment.

The resulting loss in income tax revenue both to the Federal Government and the States has to be made up from other sources, including some taxes which fall with particular weight on people in very small incomes.

This is another example showing that the incidence of tax rates really places an undue burden upon the poor man. I say that if we are really going to put into effect the principle of ability to pay, then this type of amendment, long overdue, should be enacted without further delay.

2. Another important argument in favor of this legislation concerns the effect of tax exemption on the general functioning of our economy. So long as individuals with large incomes are able to invest their capital in tax-exempt securities, they are discouraged from making investments in enterprise involving risk.

I take the position that if people of the United States enjoy the right and the advantage of making great profits out of our private-property economy, they owe something to that economy. They certainly should not be encouraged by this type of loophole to sink their money in tax-exempt securities, which in a certain sense becomes frozen money, and, in a certain sense—and to a degree only I admit, but to that degree—nonproductive money. I think we are going to obtain, in the years to come, as I said earlier this afternoon, greater and greater support for an ever-expanding economy. I think it is not unreasonable in building up our tax structure to say to the people of wealth of America, "We expect you to make your money work. We expect you to make your money productive. We think it is your obligation to your country to see to it that your financial resources are used to the end of bringing the products of labor to an ever-increasing number of people, and to an ever larger degree." That is why, on principle, I am wholly and completely opposed to the loopholes in our tax system that permit the wealthy to escape their due tax burden by investing their money in tax-exempt securities. I say, Mr. President, that in the interest of the system itself—and I refer to the private-property system, which the politicians so glibly talk about as the free enterprise system—the men of wealth of America have an obligation to keep that system working for the benefit of all our people, by making their money work in productive enterprises. They should not be allowed to take a run-out on their obligations to promote an ever-expanding economy, by sinking their dollars in tax-exempt securities.

I say, Mr. President, that industry finds it difficult to compete with tax-exempt securities in attracting the income of individuals in the higher income-tax brackets. Why should it not have difficulty? Of the wealthier humans as well as of the poor, it is to be expected that, if given an out, by way of relieving themselves of their tax obligations owed the country by putting their money in tax-exempt securities, they will put it there and not in productive business, the constant expansion of which is necessary to preserve the American system of private enterprise. This has important effects on the reconversion of industry from war to peace and interferes with the flow of capital to the new enterprises which are ready to get under way in the wake of the technological progress made during the war. Finally, this amendment would increase Federal and State income-tax revenue gradually over the years as the volume of tax-exempt securities already

outstanding diminished and would reach a peak when all presently outstanding tax-free securities matured and were redeemed. The increased income-tax revenue would afford an opportunity for eliminating some of the more inequitable taxes in our tax system.

Mr. MORSE. In the interest of time, I also ask unanimous consent to have printed at this point in the RECORD the discussion of the Committee for Economic Development on annual depreciation rates.

There being no objection, the discussion was ordered to be printed in the RECORD, as follows:

Annual depreciation rates: A great deal of confusion surrounds the question of annual depreciation rates, and business has been hampered by restrictive regulations affecting depreciation. So long as the total charges do not exceed the original cost of business assets, there can be little difference to the Government in the long run whether such costs are written off slowly or rapidly. The ability to amortize assets rapidly provides an important stimulus for the purchase of new and more efficient equipment. The committee believes that, within the limits of reason, business management should be permitted to use its own judgment in establishing depreciation rates. A requirement that publicly owned corporations must disclose to stockholders the depreciation allowances taken for tax purposes would tend to limit abuse of the greater latitude in particular cases.

Mr. MORSE. Returning for a moment to the recommendation on tax-exempt securities, I desire to say that my amendment is an amendment which carries out the principle to be found in the recommendation of the Committee for Economic Development on this subject. I know of no good reason—and I shall be glad to have the Senator from Colorado give me any good reason—why the amendment that seeks to bring to an end tax-exempt securities should not be agreed to by the Senate this afternoon. It is an amendment in line with the underlying philosophy of the Finance Committee's report, namely, the point which the Senator from Colorado brings out so well, that we need to encourage incentive, we need to encourage the expanding of our economy, and we need to encourage new business. You and I know, Mr. President, that so long as we make tax-exempt securities and bonds available, the money invested in them will be invested in competition with risk capital. What we need, and the economic cry of the hour, is a greater expenditure and investment of risk capital; and so I ask, Why not now? If it be sound in theory, why not adopt the amendment now? We have had a whole year in which to consider it. I pleaded for it last year. I ask now, Is there any good reason for not adopting it at this time? It is not mine, in the sense that it is original with me; it is recommended by the Committee for Economic Development, the soundness of whose report I do not hear questioned on the floor of the Senate by anyone. I have not found it seriously questioned throughout the country.

I ask also, Mr. President, to have published the material appearing on pages 54, 55, and the top of page 58 of the report.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

TAX BURDENS UNDER THE RECOMMENDED PROGRAM

The large reduction of tax burdens under the recommended program is widely distributed among the major revenue sources and among all income groups. We have tried in our recommendations to correct the two outstanding defects of the distribution of the present tax burden. One defect, already discussed, is the incentive-destroying burden on the higher-earning groups. The other defect is that present taxes, including excises, are too high on the lowest-income group from the standpoint of fair progression and improvement in the standard of living of the masses of the people.

It is clear that with the revenue requirements we now face the taxation of all groups, including low- and middle-income persons, must be high by prewar standards. Even if repressive effects upon enterprise were entirely disregarded, higher rates in the upper brackets would not provide major relief elsewhere, simply because the total income in the upper brackets is too small to furnish the needed revenue.

The total burden of taxes on the low- and middle-income groups cannot be shifted elsewhere. There is, however, a problem of distributing this burden. This is largely a question of relative reliance upon excises and the individual income tax.

In the program recommended here the total yield of excise taxes would be reduced nearly 50 percent—a larger cut than in any other part of the tax system. Particular emphasis is given to reduction of excises as the only way in which substantial tax relief can be obtained by the lowest-income group in the population.

Excise and sales taxes are, of course, paid by individuals, just as personal-income taxes are. Instead of paying the tax directly and immediately to the Government, the individual does so indirectly, the distributor or manufacturer doing the job of collection for the Government. Individuals pay excise taxes in proportion to their purchases of the goods and services on which the taxes are imposed. When large amounts of revenue are to be raised from excises the taxes must be levied on articles of mass consumption. These are likely to be articles on which low-income persons spend a relatively large part of their income, and low-income persons therefore bear a disproportionately large tax burden.

The effect of excise taxation is illustrated by the present tax on freight transportation. Most persons are unaware that they pay this tax, even indirectly. But the higher freight charges resulting from the tax raise the cost of almost all the goods we buy—food, fuel, clothing, and so on—the necessities of life. The price to the consumer is raised by more than the amount of the tax, where manufacturers, wholesalers, and retailers add their normal percentage mark-ups to their higher costs.

With foreseeable revenue requirements, some excises must be retained. The committee's selection of the particular excises to be retained—alcoholic beverages, tobacco, and gasoline—is partly based on the fact that they are large revenue producers and relatively easy to administer. (It may be desirable for the Federal Government to abandon some of the excises we have recommended for retention, as part of a program for coordination of Federal-State taxation. If such coordination involves Federal abandonment of any of the recommended excises, presumably the States would turn over to the Federal Government equivalent revenue sources more appropriate for Federal use.) Moreover, the gasoline tax may be regarded as a fee for the use of highways constructed in part from Federal funds. Consumption of the other items is optional for most persons.

Under the committee's program the individual income-tax rate on the first $1,000 of taxable income would be reduced from 19 percent to 11.5 percent or by 39.5 percent. This cut, combined with the provision for equal splitting of income between husband and wife, means that the total income tax on a married couple with two dependents will be reduced 39.5 percent if their total income does not exceed $4,400.

For incomes above $4,400 the percentage of tax reduction depends upon whether the couple is already splitting their combined income, either because they have separate incomes, or by reason of residence in a community-property State. Separate returns are relatively rare among couples with less than $10,000 income, outside the community-property States; most couples in this income class will therefore get the full reduction resulting from the income-splitting provision.

If Federal expenditures are $30,000,000,000 or more, revenue requirements will not permit both an increase of personal exemptions and as sharp a cut as we recommend in the first bracket rate of the income tax, unless recourse is to be had to plainly inferior revenue sources, such as excises. In reducing the income-tax burden at the bottom, the committee prefers lower rates to higher exemptions because there is an advantage in retaining a larger number of direct taxpayers who have a clearly visible stake in sound Federal finance.

Mr. MORSE. Mr. President, we now come, on page 58 of the report, to this language:

ELIMINATING INEQUITIES

The program recommended here will eliminate or reduce the outstanding arbitrary discriminations of the present tax system:

1. Discrimination against persons with irregular incomes.
2. Discrimination against persons with dividend incomes.
3. Discrimination in favor of holders of State and municipal securities.
4. Discrimination in favor of married couples in the community-property States.

Except for the discrimination against married couples in community property States, I respectfully say that the bill the Senate is about to pass does not go far enough in eliminating these discriminations. I ask permission to have inserted in the RECORD at this point the discussion appearing under the heading, "Eliminating inequities," including the material on page 59, under the subjects, Taxation for Capital Gain, Improper Accumulation of Profits, Estate and Gift Taxation, Social Security, Unemployment Compensation, and Old-Age and Survivors' Insurance, running through to page 63.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

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4. Discrimination in favor of married couples in the community-property States.

The first three have been discussed in considering the impact of taxes on incentives.

Married couples living in the community-property States (prior to 1947, these were

Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Oklahoma, Texas, Washington, and the Territory of Hawaii. In 1947 Pennsylvania, Michigan, Nebraska, and Oregon were added to the list), but not couples in other States, are now permitted to divide their combined incomes equally between them in computing their income-tax liability, regardless of the share of the income actually earned by each spouse. The dollar value of the privilege is, of course, due to the fact that under progressive rates (above the first bracket) the tax on each member is less than half of what the tax would be on their income combined.

There is an urgent practical reason for correcting this situation, apart from the reason of fairness to residents of other States. Four more States have recently adopted community-property laws. The question now is whether the change should be made promptly and simply for all States by the Federal Government, or slowly and with the disturbance of property relations that is involved in separate action by the States. Federal action is preferable. The committee recommends Federal legislation to permit married couples in all States to compute their income-tax liability as if the income were equally divided between them.

TAXATION OF CAPITAL GAINS

In its 1944 policy statement on taxation the committee recommended that when individual and corporate income-tax rates had been substantially reduced and averaging introduced, capital gains should be fully taxable like other income. These conditions have not been met, and their attainment seems some years distant.

The capital-gains provisions are the one relief in the present law from the great tax deterrents to investment in new and uncertain enterprises. So long as tax rate remain near their present level, this relief should be preserved. Furthermore, practical provisions for averaging must be worked out before long-term capital gains can be fairly subjected to full rates of individual income tax. It would obviously be unfair to tax in one year gains realized on assets held over a period of years. When there has been some experience with averaging and with lower tax rates, clearer judgment as to the feasibility of eliminating the present differential treatment will be possible.

IMPROPER ACCUMULATION OF PROFITS

Under section 102 of the Internal Revenue Code a penalty tax is imposed on corporations that accumulate profits for the purpose of avoiding payment of individual income tax by stockholders. Reasonable application of this principle should not interfere with the normal operations of businesses. However, the law as written and administered has been a source of great uncertainty and confusion. The law creates a presumption in favor of the Treasury if the Treasury claims that accumulation of profits has been unreasonable. Once the unreasonableness of accumulation has been established, with the aid of this presumption, the taxpayer can only escape the penalty tax by proving by a clear preponderance of the evidence that the motive to avoid income tax was not present. This leaves legitimate business policy open to attack and difficult to defend against vague charges of unreasonableness and suspect motive. The law should be amended to create a presumption that in the case of operating companies profit accumulations are reasonable unless the Treasury shall prove the contrary. However, the unreasonableness of accumulation, once established, should continue to be determinative of purposes to avoid tax unless the taxpayer shall prove the contrary.

ESTATE AND GIFT TAXATION

There have been a number of proposals for reform of the estate and gift taxes. These proposals are generally not aimed at improving the economic effects of the tax, but rather at eliminating inequities and closing loopholes.

The committee has not been able to study these plans sufficiently to determine how they would operate in terms of what are probably their most serious economic effects—the disappearance of independent businesses at the death of their owners and the maintenance of large estates in excessively safe and liquid form. The committee wishes to call attention to the need for thorough exploration of this problem. The yield of the estate and gift tax is not important in the whole tax picture. Therefore, revenue considerations do not stand in the way of desirable reform.

SOCIAL SECURITY

Collections and payments under the social security system are an important element in the effect of Government finance on total demand and employment. For this reason the consolidated cash budget would include the social security receipts and expenditures. Inclusion in this budget is not a denial of the many special considerations important to the determination of social security policies. But it emphasizes the role of social security finance in fiscal policy and requires that decisions here, and in other parts of the budget, be mutually adjusted to give the desired total results.

Unemployment compensation

An unemployment compensation system is more than a device for safeguarding workers in part against wage loss from unemployment. It is also a valuable factor in a fiscal policy for economic stabilization. Unemployment compensation operates automatically to sustain demand when business activity is falling off, and to restrict demand when inflationary conditions exist.

If unemployment compensation is to reach its maximum potential usefulness, both to the worker and to the economy, coverage must be broadened and benefits increased in many States. Benefits must be held short of the point at which unemployment becomes attractive. However, the States that have lagged behind on benefits should raise their standards to approximate those of the leading States. In general, present unemployment pay-roll tax rates appear adequate to finance necessary increases in benefits in the low States. The committee has previously recommended that the coverage of unemployment compensation acts be broadened at once to include Federal civilian employees, maritime workers, and workers in establishments employing fewer than eight persons in States where those groups are still uncovered. (The Problem of Change-Over Unemployment, a statement on national policy by the Research and Policy Committee of the CED, August 1945, p. 20.)

The committee specifically recommends that unemployment compensation be so adjusted that payments and collections would be equal over a period of moderate fluctuations of employment, in which unemployment averaged roughly four million to four million five hundred thousand.

Old-age and survivors' insurance

Two ideas underlie the present method of financing old-age and survivors' insurance:

1. The system should be financed in large part by pay-roll taxes on wages of covered workers.

2. The system should not be entirely financed by pay-roll taxes, but at some time should receive a contribution from the general revenue.

The committee believes that these principles are sound. Stability and certainty of benefits, and the feeling that benefits are received as a matter of right, are essential to the purposes of the program. Substantial contributions by covered workers and their employers strengthen these features of the system. At the same time, the interest in the welfare of the aged that justifies a national compulsory insurance system also justifies a measure of financial support from the general revenue.

The committee reiterates its recommendation of an earlier policy statement (Toward More Production, More Jobs, and More Freedom, a statement on national policy by the research and policy committee of the CED, October 1945, pp. 28–29) for liberalization of benefits and extension of old-age and survivors' insurance to many groups not now covered. Extension of coverage is desirable for its own sake to prevent the destitution and dependence of the aged. In addition, it will permit greater latitude in the choice of methods of financing the system by making social insurance more truly a general Government function.

It is to be hoped that by 1950, when the present tax rate is scheduled to rise, coverage of the system will have been widened and benefits increased. It will then be appropriate to reconsider the entire financial status of the system.

Mr. MORSE. All this material does, Mr. President, is to present, perhaps in a somewhat more theoretical way and perhaps in a somewhat less controversial language, many of the points which I made earlier in my remarks this afternoon.

On page 64 of what I call my tax bible, the report of the Committee for Economic Development, I find a discussion of the point that careful plans for tax revision must be made as soon as possible, and a defense of the amendments which I shall offer this afternoon. That material is found on pages 66, 67, and 68, and I ask unanimous consent to have that material printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

It is important that careful plans for tax revision be made in the Congress as soon as possible. The American economy needs a tax reduction in the near future. At present it needs confidence that the cuts, when made, will reflect a reasonable appraisal of the economic impact of taxation.

Whatever the appropriate timing may prove to be, it is probable that the approach to the normal tax structure will have to be made in steps. The tax reductions recommended in the program for 195(x) presuppose a reduction of expenditures that cannot be achieved in a single year and a growth of national income that will be realized over the course of several years. In transitional reductions toward the long-run system attention should be given to urgent reforms in all parts of the tax structure and not merely to cuts where the burdens are most obvious.

The following recommendations are offered as a reasonable first step toward the long-run goals on the assumption that the first step permits a revenue reduction of about $6,000,000,000.

1. Reduce the present initial rate of individual income tax (now 19 percent on the first $2,000 of taxable income) to 15.2 percent on the first $1,000 and 16.8 percent on the second $1,000. Continue progression of marginal rates to reach 67.3 percent at $100,000 and a top rate of 82 percent at $1,000,000. The recommended rate schedule is shown in table V. This schedule is a halfway step from the present schedule to the one recommended for 195(x). It emphasizes reductions to relieve the burden on the lowest-bracket persons and to reduce the deterrent effects of extremely high marginal rates on incentives. The cut recommended would involve a revenue loss of approximately $3,100,000,000. Larger rate reductions cannot be made (within the limits of a $6,000,000,000 total revenue

reduction) without precluding urgent revisions elsewhere in the tax system.

2. Extend to married couples in all States the privilege of dividing their incomes, deductions, and exemptions equally between them. This step is necessary not only to end the present discrimination in favor of couples in the 13 community-property States, but also to make it unnecessary for other States to adopt the community-property system to get the present tax advantage. Extension of the income-splitting privilege will cost about $800,000,000 of revenue, much of which is likely to be lost anyway as a result of State adoption of the community-property system.

3. Eliminate excise taxes on communications and transportation. Reduction of excises is necessary if persons with very low incomes—below the income tax exemptions—are to share in direct tax relief. Elimination of the excises on communications and transportation is particularly important, because these taxes enter into the prices of almost all commodities, including the necessities of life. Elimination of these taxes will reduce the revenue by about $1,000,000,000.

4. Make a start toward elimination of the double-tax on dividends. This should be done by treating part of the tax paid by corporations as withholding at source of the stockholders' individual income-tax liability on dividends. This withholding tax would be treated both by the corporation and the stockholder just as the withholding tax on wages is treated now. The amount to be considered withholding should be 15.2 percent (initial rate of individual income tax) of dividends. This is a first step toward removing a major obstacle to economic expansion and high and increasingly productive employment. In addition, it will partially correct a serious inequity in the present tax system. It is estimated that this reform will reduce total tax liability by about $1,100,000,000.

5. Lengthen the period for which business losses may be carried forward and applied against future profits from the present 2 years to 5 years; reduce the carry-back period from 2 years to 1 year. As a result of the present limited provisions for offsetting losses against profits, businesses with intermittent losses bear a heavier tax burden than businesses with steady profits. This discrimination weighs particularly upon the newer and the riskier businesses, because these are the ones most likely to encounter losses that cannot be offset. Lengthening the loss carry-forward period will encourage the expansion of existing businesses and the starting of new ones. This provision would not begin to reduce the revenue until 3 years after its adoption, since present law already provides for carrying forward losses for a period of 2 years. When the full effect of the provision is reached the revenue loss might be about $300,000,000 a year.

Mr. MORSE. I come now, Mr. President, to my amendment relating to carry-overs of net operating losses. It is rather difficult to say that one amendment is any more important than is another, but for purposes of emphasis I want to say that, from the standpoint of American businessmen and of encouraging an expanding economy, and from the standpoint of giving a shot in the arm to business incentive in America, it is the most important amendment before the Senate.

I ask unanimous consent to have incorporated in the RECORD the amendment and the same statement which I made in defense of that amendment a year ago in my speech on taxation.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. MORSE to the bill (H. R. 4790) to reduce individual income tax payments, and for other purposes, viz: At the proper place in the bill insert the following:

"SEC. —. Carry-overs of net operating loss.

"(a) Section 122 (a) of the Internal Revenue Code (relating to definition of net operating loss) is amended to read as follows:

"'(a) Definition of net operating loss: As used in this section, the term "net operating loss" means the excess of the deductions allowed by this chapter over the gross income, with the adjustments provided in subsection (d). For such purpose a net operating loss is to be computed under the law applicable to the taxable year of such net operating loss.'

"(b) Section 122 (b) of the Internal Revenue Code (relating to amount of carry-back and carry-over) is amended to read as follows:

"'(b) Amount of net operating loss carry-over: If for any taxable year beginning after December 31, 1948, the taxpayer has a net operating loss, such net operating loss shall be a net operating loss carry-over for each of the five succeeding taxable years, except that the carry-over in the case of each of the succeeding taxable years after the first succeeding taxable year shall be the excess, if any, of the amount of such net operating loss over the net income for the intervening taxable year or years computed, under the law applicable to such years, (A) with the adjustments provided in subsection (d) (1), (2) and (4) and (B) by determining the net operating loss deductions for such intervening taxable year or years without regard to such net operating loss or the net operating loss of a year subsequent to the taxable year, and without regard to any reduction specified in subsection (c).'

"(c) Section 122 (c) of the Internal Revenue Code (relating to amount of net operating loss deduction) is amended to read as follows:

"'(c) Amount of net operating loss deduction: The amount of the net operating loss deduction shall be the aggregate of the amounts of the net operating loss carry-overs to the taxable year reduced by the amount, if any, by which the net income computed with the adjustments provided in subsection (d) (1), (2), (3), and (4) exceeds, in the case of a taxpayer other than a corporation, the net income (computed without such deduction), or, in the case of a corporation, the normal-tax net income (computed without such deduction).'

"(d) Section 122 (d) of the Internal Revenue Code (relating to exceptions, additions, and limitations) is amended—

"(1) By striking out 'The exemptions, additions, and limitations referred to in subsections (a), (b), and (c) shall be as follows:' and inserting in lieu thereof 'The adjustments referred to in subsections (a), (b), and (c) shall include the following exceptions, additions, and limitations:'; and

"(2) By striking out paragraph (6).

"(e) Carry-backs and carry-overs from years beginning before January 1, 1949: Despite the provisions of subsection (b) of this section the provisions of section 122 (b) prior to its amendment by this section shall remain in force for the purposes of the determination of the carry-backs and carry-overs of a net operating loss from any taxable year beginning before January 1, 1949; such determination to be made as if subsection (b) had not been enacted."

BUSINESS LOSS TO CARRY-FORWARDS

Mr. MORSE. Opportunities to offset business operating losses sustained in 1 year against taxable income of other years is very important for both the equity and economic effects of the income tax. Unless adequate loss offsets are allowed, the income tax may become in part a tax on capital rather than on true net income, and this will be unfair and will damage the incentive to invest. Adequate loss offsets are especially important for small, undiversified firms.

Under present law, net operating losses of both incorporated and unincorporated businesses may be carried back and applied against the income of the two preceding years, and any unabsorbed balance may be carried forward against the income of the two following years.

Consideration should be given to two questions: First, whether the present loss offset period is long enough, and, second, whether the emphasis should be on carry-forwards or carry-backs.

There is no conclusive evidence as to length of loss offset period needed. There is, however, or seems to be, among tax experts, rather general agreement that at least a moderate lengthening of the present 4-year period is desirable. The administrative difficulties associated with very long offset periods argue against any great extension of the period, unless further experience demonstrates its desirability. A 5-year offset period would seem to be sufficient to allow most depression losses to be offset against income of more prosperous years.

It would be desirable to shift from the present combination of carry-backs and carry-forwards to a 5-year carry-forward with no carry-back, as my amendment seeks to accomplish. A carry-forward is preferable to a carry-back, because a carry-back is of no benefit to new businesses and may even give their established competitors an unfair advantage. Moreover, a carry-forward is administratively simpler. Unlike a carry-back, a carry-forward does not require that returns of prior years be kept open and that old transactions be audited.

Mr. MORSE. I cannot add to that, Mr. President. A very able defense of it will be found in the report of the Committee for Economic Development which I have already inserted in the RECORD. What it proposes to do is simply to extend forward the right to take the benefits for losses into a 5-year period instead of using the present system of a carry-back on losses.

When we talk about the need for greater investment of risk capital and the need of new businesses being started and old businesses extending their present operations, we must provide the tax inducement for men to take the risk.

There are some representatives of labor, though not many, who seem to think that this amendment will give an unfair advantage to businessmen. This amendment, in my judgment, is just as important, if not more important, to the workers of the country than to the businessmen of the country, because the businessmen, with their accumulated savings, can sit in their chairs and the workers of the country must have jobs. We must have ever-increasing employment in America, and this amendment, in my judgment, is vital to the future employment of workers and in maintaining a full-employment program.

There is nothing injurious to labor in any of the amendments I am offering. The trouble with some labor leaders who think they are in opposition to some of these amendments is that they have not taken the time to study them and to understand their effect on the welfare of American workers. They need to get through their heads the fact that we cannot have labor prosperity without

business prosperity. They must get through their heads the fact that we cannot have labor prosperity with business following a restrictive instead of an expanding program. They must get through their heads the fact that basic to the capitalistic system—and all of labor's rights, in my judgment, are dependent upon the capitalistic system—we must maintain a tax structure which will make it possible for American business to make reasonable profits and to give business an inducement to invest its risk capital.

In my closing remarks, in a letter which I shall read, I shall clinch that point, because if I did not say anything else this afternoon I would want the labor leaders of America to know that I think they need to take a more statesmanlike attitude than they have taken in times past on the whole problem of taxation. I say that because their interests are not to be found in the tax theory of "soak the rich." Their best interest is to be found in a tax structure based upon ability to pay, a tax structure which does not confiscate, which does not drive business away from the inducement to expand our economy. That is labor's interest in our tax structure, because unless we have such a tax structure we shall not have an expanding economy. Without an expanding economy unemployment will burden the streets of America as soon as the abnormal demand for short-supply goods is satisfied. Labor leaders, as well as politicians, businessmen, and consumers generally must raise their sights on the whole question of taxation and see that, after all, a tax program which kills incentive does its greatest damage to the workers rather than to the owners of capital.

Although it is difficult to say that one amendment is more important than another, I think this amendment is of great importance. I can see nothing in it which is to the slightest extent in conflict with the report of the Millikin committee. I know of nothing in the amendment that would support the committee's refusal to take it to conference. I am willing to wager that 99 percent of American businessmen favor the amendment. That is quite a statement, and I am not given to overstatements, Mr. President. I have talked about the amendment all over America during the past year. I have discussed it before many business conferences, and I cannot find any objections to it. I should like to have it go to conference. I think it is a fair request—take it to conference and see if the two committees in conference will not reach the same conclusion that the Committee for Economic Development has reached. I think they will.

Mr. President, I said I would finish as near 2 o'clock as possible, and I shall try to do it, but I want to make a few running comments on some other amendments.

I am reoffering my amendment regarding an optional tax with respect to small corporations and shareholders therein, and I ask unanimous consent to have incorporated at this point in the RECORD the amendment and the same argument I made in its support last year. There is nothing more I can add today, except what the committee so well brings out in its report, that here is another amendment that needs to be adopted if we are to give small corporations the relief they must have in order to encourage them to expand their business and to risk their capital.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. MORSE to the bill (H. R. 4790) to reduce the individual income tax payments, and for other purposes, viz: At the proper place in the bill insert the following:

"SEC. —. Optional tax in case of small corporations and shareholders therein.

"(a) The Internal Revenue Code is hereby amended by adding after section 15, the following new section:

"'SEC. 16. Tax on small corporations.

"'If a small corporation (as defined in Supplement V) signifies in its return under this chapter, under the conditions specified in Supplement V, its desire not to be subject to the tax imposed by section 13 (b), section 14 (a), section 14 (b), or section 15, it shall be exempt from such tax for the taxable year, and the provisions of Supplement V shall apply to the shareholders in such corporation who were shareholders on the last day of such taxable year of the corporation. Such corporation shall not be exempt for such year if it is a member of an affiliated group of corporations filing consolidated returns under section 141.'

"(b) The Internal Revenue Code is hereby amended by adding after section 421, the following:

"'SUPPLEMENT V—TAX ON SHAREHOLDERS OF SMALL CORPORATIONS

"'SEC. 422. Applicability of supplement.

"'If a small corporation (as defined in section 423) is exempt under section 16 for a taxable year from income tax under chapter 1, the provisions of this supplement shall be applicable with respect to each shareholder of such corporation who was a shareholder in such corporation on the last day of such taxable year of the corporation.

"'SEC. 423. Definition of small corporations.

"'As used in this supplement, the term "small corporation" means a corporation which has—

"'(A) no more than five stockholders of record at any one time during the taxable year next preceding the taxable year in which such corporation signifies its desire to be exempt under section 16, or has more than five such stockholders and submits to the Commissioner under regulations prescribed by the Commissioner with the approval of the Secretary, the written consent of individuals owning at least 95 percent of the stock outstanding on the 15th day of the last month of the corporation's taxable year for such corporation to signify its desire to be exempt under section 16;

"'(B) only common stock outstanding;

"'(C) only individuals who are citizens or residents of the United States as shareholders;

"'(D) no securities registered at any securities exchange; and

"'(E) sold none of its securities to an insurance company or another financial institution (other than a local development bank chartered to aid small business).

"'SEC. 424. Termination of election.

"'If a corporation signifies its desire to elect the provisions of section 16 and this supplement, such election shall continue in effect until such corporation shall no longer be eligible for taxation as a small corporation, or such corporation indicates under regulations prescribed by the Commissioner with the approval of the Secretary that it no longer desires to be taxed under the provisions of section 16 and this Supplement. A corporation which terminates its election, shall not be eligible for taxation as a small corporation for any taxable year subsequent to the taxable year in which such election is terminated.

"'SEC. 425. Undistributed Supplement V net income.

"'For the purposes of this chapter, the term "undistributed Supplement V net income" means the Supplement V net income (as defined in section 426) minus the amount of dividends paid during the taxable year. For the purposes of this section the amount of dividends paid shall be computed in the same manner as provided in subsections (d), (e), (f), (g), (h), and (i) of section 27.

"'SEC. 426. Supplement V net income.

"'For the purposes of this chapter, the term "Supplement V net income" means the net income except that the following shall not be allowed:

"'(A) The credit for dividends received provided in section 26 (b);

"'(B) The deduction for charitable and other contributions provided by section 23 (g); and

"'(C) The credit for taxes of foreign countries and possessions of the United States provided by section 131.

"'SEC. 427. Corporation income taxed to shareholders.

"'(a) General rule: The undistributed Supplement V net income (but not net loss) of a small corporation shall be included in the gross income of the shareholders in the manner and to the extent set forth in this Supplement.

"'(b) Amount included in gross income: Each shareholder who, on the last day of the taxable year of the corporation, was a shareholder in such corporation shall include in his gross income, as a dividend, for the taxable year in which or with which the taxable year of the corporation ends, the amount he would have received as a dividend if on such last day there had been distributed by the corporation, and received by the shareholders, an amount equal to the undistributed Supplement V net income of the corporation for its taxable year.

"'(c) Effect on capital account of small corporation: An amount equal to the undistributed Supplement V net income of the small corporation for its taxable year shall be considered as paid-in surplus or as a contribution to capital, and the accumulated earnings and profits as of the close of such taxable year shall be correspondingly reduced, if such amount is included as a dividend in the gross income of the shareholders.

"'(d) Basis of stock in hands of shareholders: The amount required to be included in the gross income of the shareholder under subsection (b) shall, for the purpose of adjusting the basis of his stock with respect to which the distribution would have been made (if it had been made), be treated as having been reinvested by the shareholder as a contribution to the capital of the corporation, to the extent to which such amount is included in his gross income in his return, increased or decreased by any adjustment of such amount in the last determination of the shareholder's tax liability, made before the expiration of 7 years after the date prescribed by law for filing the return.

"'(e) Period of limitation on assessment and collection: For period of limitation on assessment and collection without assessment, in the case of failure to include in gross income the amount properly includible therein under subsection (b), see section 275 (d).'

"(c) Section 275 (d) of the Internal Revenue Code is hereby amended by adding after subparagraph (2) the following new subparagraph:

"'(3) Small corporations: Under section 427 (b) (relating to the inclusion in the gross

income of shareholders of their distributive shares of undistributed Supplement V net income of a small corporation).'"

Mr. MORSE. The problem as I see it is as follows:

Corporations are now taxed on their net income at rates ranging from 21 percent for small corporations to 38 percent for corporations with net incomes in excess of $50,000. Individual stockholders are taxed on their dividend income at the regular individual income-tax rates. The application of both the corporate and individual income tax results in what is commonly called double taxation of distributed profits. This is held to be both inequitable and damaging to the incentive to invest.

The problem arises only with respect to the distributed part of corporate profits, since only the corporate income tax is applied to profits retained in the enterprise for reasonable business purposes. Moreover the problem is not simply a matter of double taxation in the literal sense of imposition of two separate taxes on the same income. More generally stated, it is a problem of taxation of dividends at higher rates than other kinds of income. Profits distributed to stockholders whose incomes are too small to be subject to the individual income tax are, nevertheless, subject to the corporate income tax and are hence taxed more heavily than other kinds of income going to the same individuals. In fact, the relative overtaxation is greater in the case of these low-income stockholders than in the case of high-income stockholders. This is so because in the case of high-income stockholders who are subject to the upper brackets of the individual income tax, a considerable part of the corporate tax merely takes the place of the individual income tax that would otherwise be due on dividend income.

GENERAL METHODS OF REDUCING OR ELIMINATING DOUBLE TAXATION

The existing double taxation of distributed corporate profits could be reduced or eliminated either by an adjustment in the tax paid by stockholders on dividend income or by an adjustment in the tax paid by corporations on the distributed part of profits. Two types of plans that have been advanced are briefly outlined here:

A. Withholding plan (CED proposal)

The Committee for Economic Development and others have recommended a withholding plan for reducing or eliminating double taxation. This approach is used in Great Britain, and is sometimes called the British system. Corporations would pay a tax on their whole net income, but part or all of the tax would be regarded as advance withholding of stockholders' taxes on dividend income. When dividends were declared, stockholders would include in their taxable income cash dividends received, plus the withholding tax on the income from which they were declared. In paying their individual income tax, however, stockholders would take credit for the withholding tax. In cases where the amount withheld exceeded the stockholder's individual income-tax liability, he would receive a refund from the Treasury. In operation, the withholding plan would be rather similar to the present withholding on salaries and wages, but the amount withheld would not be adjusted to take account of the stockholder's personal exemption and credit for dependents.

B. Reduction or elimination of the corporate tax on distributed profits (Ruml-Sonne plan)

Another approach to the double-taxation problem, which has been recommended by Beardsley Ruml and H. Chr. Sonne—Fiscal and Monetary Policy, Planning Pamphlet No. 35, National Planning Association, 1944; see also Mr. Ruml's article, Fiscal Policy and Taxation and Discussion, proceedings of the National Tax Association, 1944, pages 167–173, 181–187—among others, is to reduce or eliminate the corporate tax on distributed profits but not on undistributed profits. This could be accomplished either by continuing the corporate income tax and allowing corporations a credit or deduction for dividends paid, or by eliminating the corporate income tax and imposing a tax on undistributed profits. This approach would eliminate or reduce the double taxation of distributed profits, but would keep a tax on undistributed profits in order to prevent tax avoidance and undue revenue loss. This approach could achieve exactly the same allocation of taxes on dividend recipients as the withholding method.

C. Other plans

Other plans that have been advanced include exemption of all dividends received from the first-bracket rate of the individual income tax and exemption of a part of dividends from all brackets of the individual income tax. These plans could reduce the extent of double taxation, but, in general, they would be less exact and less equitable than the withholding method and the Ruml-Sonne type of proposal. They would offer no benefit to stockholders whose incomes are too small to be subject to the individual income tax, but would reduce the tax on dividends received by high-income stockholders below the rate paid on other kinds of income.

PARTNERSHIP TAX TREATMENT FOR CERTAIN CORPORATIONS

The plans discussed above are general methods of reducing or eliminating double taxation for all corporations. A special approach has been suggested, however, for certain corporations which closely resemble partnerships in many respects, and which are in direct competition with unincorporated enterprises.

It has been suggested that corporations with simple capital structures and a small number of stockholders be given the option of being taxed like partnerships. Under the partnership treatment, the corporate income tax would be completely eliminated, and stockholders would be taxed at the regular individual income-tax rates on their part of both distributed and undistributed profits. For tax purposes the corporate form would be largely disregarded.

The partnership option would not be formally restricted to small corporations, but in practice most of the corporations eligible would be small concerns. It is unlikely that the few large corporations that would be eligible would choose the option. The corporations eligible for the partnership treatment would be the vast majority of all corporations, but they earn only a small part of total corporate profits.

The partnership treatment would be an effective and equitable means of eliminating double taxation in a certain area. It would also reduce taxes on reinvested earnings in the case of corporations owned by low-income stockholders. The partnership treatment would eliminate any tax discrimination between incorporated and unincorporated business.

Mr. MORSE. The amendment tackles the problem of double taxation, so far as dividends are concerned. It affords relief from one of the confiscatory inequities in our present tax structure insofar as what amounts to double taxation on small corporations is concerned. I should like to hear some argument against it.

In most controversial questions in the Senate, Mr. President, I usually find myself in a position where there is a very strong case on the other side, thus showing reasonable men can differ on the same issue. However, I have studied this amendment just as hard as I can study anything; I have read report after report on taxes; I have talked to tax experts; and I cannot find anyone who denies the position taken by the Committee for Economic Development in its report on this amendment. When one finds himself in that position, and pleads that there be adopted, or at least taken to conference, an amendment against which no tax experts will raise their voices in opposition, he is inclined to ask, What is it that one can say or do that will get the Congress of the United States to come to grips with the type of inequity this amendment seeks to eliminate? I repeat, I should like to have the amendment go to conference, unless someone can give me a reason, which I have not been able to find in all my reading on this subject, showing there is something fallacious or wrong or defective about the amendment.

I cannot add anything to what I said last year about my amendment on capital gains. Therefore, in the interest of time, I ask consent to have the same argument inserted in the RECORD at this point to follow the amendment I am now offering.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment and argument were ordered to be printed in the RECORD, as follows:

At the proper place in the bill insert the following:

"SEC. —. Capital gains and losses.

"(a) Holding period, short- and long-term gains and losses: Section 117 is amended by striking out '6 months' wherever occurring therein and inserting in lieu thereof '12 months.'

"(b) Definitions: Section 117 (a) is amended by inserting at the end thereof the following new paragraphs:

"'(12) Net alternative-tax capital loss: The term "net alternative-tax capital loss" means the excess of the losses for the taxable year from sales or exchanges of capital assets held for not more than 36 months over the gains for such taxable year from sales or exchanges of capital assets held for not more than 36 months, if and to the extent such losses and gains are taken into account in computing net income.

"'(13) Net alternative-tax capital gain: The term "net alternative-tax capital gain" means the excess of the gains for the taxable year from sales or exchanges of capital assets held for more than 36 months over losses for such taxable year from sales or exchanges of capital assets held for more than 36 months, if and to the extent such gains and losses are taken into account in computing net income.'

"(c) Percentage taken into account: Section 117 (b) is amended to read as follows:

"'(b) In the case of a taxpayer, other than a corporation, only the following percentages of the gain or loss recognized upon the sale or exchange of a capital asset shall be taken into account in computing net capital gain, net capital loss, and net income:

"'100 percent if the capital asset has been held for not more than 12 months;

"'75 percent if the capital asset has been held for more than 12 months but not more than 24 months;

"'50 percent if the capital asset has been held for more than 24 months.'

"(d) Alternative taxes.—

"(1) Section 117 (c) is amended to read as follows:

"'(c) Alternative taxes.—

"'(1) Corporations: If for any taxable year the net alternative tax capital gain of

any corporation exceeds the net alternative tax capital loss, there shall be levied, collected, and paid, in lieu of the tax imposed by sections 13, 14, 15, 204, 207 (a) (1) or (3), and 500, a tax determined as follows, if and only if such tax is less than the tax imposed by such sections:

"'A partial tax shall first be computed upon the net income reduced by the amount of such excess, at the rates and in the manner as if this subsection had not been enacted, and the total tax shall be the partial tax plus 25 percent of such excess.

"'(2) Other taxpayers: If for any taxable year the net alternative tax capital gain of any taxpayer (other than a corporation) exceeds the net alternative tax capital loss, there shall be levied, collected, and paid, in lieu of the tax imposed by sections 11 and 12, a tax determined as follows, if and only if such tax is less than the tax imposed by such sections:

"'A partial tax shall first be computed upon the net income reduced by the amount of such excess, at the rates and in the manner as if this subsection had not been enacted, and the total tax shall be the partial tax plus 50 percent of such excess.'

"(2) Section 12 (c) is amended by striking out 'six' therein and inserting in lieu thereof 'thirty-six.'

"(e) Capital gains and losses of common trust funds: Section 169 (c) (1) is amended by striking out '6 months' wherever occurring and inserting in lieu thereof '12 months.'

"(f) Capital gains and losses of partners: Section 182 is amended by striking out '6 months' wherever occurring therein and inserting in lieu thereof '12 months.'

"(g) Effective date: This section shall be applicable to taxable years beginning after December 31, 1948."

Mr. MORSE. Mr. President, it has been proposed that the existing treatment of capital gains and losses be revised. The present law provides that short term gains and losses are those from the sale or exchange of assets held for not more than 6 months, and that long term gains and losses are those from the sale or exchange of assets held more than 6 months. For individual income-tax purposes, 100 percent of short-term gains and losses are included in income, while 50 percent of long-term gains and losses are recognized. Under the proposed revisions there would be several holding periods, instead of two sharply distinct holding periods. One hundred percent gains and losses from assets held not more than 12 months would be included in ordinary income; 75 percent of those from assets held more than 12, but not more than 24 months, would be included; and 50 percent of those from assets held more than 24 months, but not more than 36 months, would be included.

The lengthening of the first holding period from 6 to 12 months is necessary in order that speculative income be put on the same footing as earned and business incomes. Under present law, speculative income from assets held more than 6 months is given long-term capital gains treatment, and is not made subject to full income-tax rates, as is earned and business income. That is, so the tax experts tell me, only 50 percent of income from speculation may be included in taxable income, and, if the alternative tax is applied, such speculative income may be taxed at only 25 percent. It is difficult for me to see why speculative income earned over the period of one taxable year should not be subject to the same rate of tax as wages, salaries, and business incomes earned over the period of one taxable year.

A short holding period of 6 months encourages the conversion of ordinary speculative income into long term gains and leads to a loss of revenue to the Government. A 12-month holding period would allow the securities markets to take their normal course without the presence of a noneconomic factor in the form of a 6-month holding period. The 12-month holding period would mean there is less inducement to short-selling and to dumping securities on which losses have accumulated in less than 6 months. There would then be less danger of sudden depressions of the securities markets.

Finally, there is ample historical precedent for an initial holding period of at least 1 year. From 1922 to 1933, there was a single holding period of 2 years. From 1934 to 1937 there were five holding periods, 100 percent inclusion on income and full income-tax treatment being extended to gains and losses from assets held 1 year or less. Between 1938 and 1941, speculative gains and losses, which were treated as ordinary income, were gains and losses from the sale and exchange of assets held not more than 18 months.

The revised treatment of capital gains and losses would include in ordinary income 75 percent of gains and losses from assets held over 12 months but not over 24 months, and 50 percent of gains and losses from assets held more than 24 months but not more than 36 months. These gradual step-downs of recognition of gain or loss are in contrast to the sharp distinction between short-term and long-term gain of present law. Provision for these intermediate-length gains and losses improve the equity of treatment between short- and long-term gains and losses. In addition, the gradualness of the step-down reduces the incentive to hold assets for a short while longer just to get a sizable tax advantage. The length of time, 3 years, over which the step-down is spread also reduces the tendency to hold. This encouragement of earlier realization embodied in the multiple-holding period system would thus minimize the loss in revenue to the Government from the treatment of capital gains. Finally, there is historical precedent in the entire treatment of capital gains through the 1930's for recognizing that capital gains are accumulated over long periods of time even though they are realized at one particular point of time. The acts of 1934 and 1938 provided for recognition of a smaller proportion of gain or loss from assets held for longer periods of time.

The revised capital-gains tax would apply an alternative tax of 25 percent of the net gain on assets held more than 36 months as compared to the present alternative tax of 25 percent of the net gain on assets held more than 6 months. The present alternative tax is inequitable in that it enables high-income individuals to get a preferential rate of 25 percent even on speculative gains accrued in less than a year. The new alternative tax is a supplement to the step-down of recognition provided in the multiple-holding period. It recognizes that a large gain accumulated over more than 3 years might bring a person into a high tax bracket when the gain is realized. It constitutes an attempt to tax the gain as if it were realized over smaller successive intervals of time.

The loss offset provisions of present law would continue in the revised treatment. Short-term gains and losses would be gains and losses from the sale or exchange of assets held not more than 12 months. Long-term gains and losses would be gains and losses on assets held more than 12 months. The provisions of present law with respect to loss offsets and carry-overs of capital losses are generally satisfactory.

Mr. MORSE. Mr. President, I have already covered the amendment on tax-exempt securities. I have three others. I do not even know whether or not I shall call them up this afternoon. I wish to be frank with the Senate. These are not amendments which are based on the report of the Committee for Economic Development. They are minor amendments. I think they are meritorious amendments. However, they are amendments which seek to rectify some minor inequities which befall certain small groups of people. I agree with the Senator from Colorado, and I think it is in keeping with the spirit of his discussion, that we cannot at this time correct all the abuses and all the inequities we find in our tax structure. A good many of these matters have to be considered further. I disagree with him that there is a question whether we can at this time correct the major abuses about which I have spoken thus far in my address this afternoon.

In passing, I wish to say to the Senator from Colorado that sooner or later we should take some action, I think, on these three minor amendments. I think we could very well take cognizance of the first one now, and adopt it, because it relates to a problem which has grown out of the housing shortage.

There have been sold by home owners a great many homes in which they were living, but which were sold so they could buy larger or smaller homes. During the period of the housing shortage many people have found that their housing facilities have been inadequate, and have found it necessary to sell their homes and buy others. There have been many more who have been caught in this type of squeeze, I may call it, when, as the result of dislocations following the war, they found themselves, as war workers, living, we will say, in Portland, Oreg., where they bought homes during the war but have returned to Columbus, Ohio, or Detroit, Mich., to take new jobs, selling their homes in Portland and buying new homes in Columbus or in Detroit. What do they have to do? They have to sell their homes, take the sale price they obtain from them; pay a very high tax on that sale price, then turn right around and buy new homes, at very high prices, in Detroit or Columbus. The sole purpose of the amendment is to cure the tax inequity created by that situation.

In brief, all the amendment seeks to do is to cover those cases in which it can be shown that a man sold his home in order to buy a new home. It exempts him from the tax on the sale price of his old home, provided he invested the money he received from the first sale in the new home. Although this may be looked upon as a rather minor inequity, again the amendment is one which seeks to have the Government act in a fair and square manner to the taxpayer. I think it is rather a Shylock attitude on the part of the Government, when a man is caught in that type of economic squeeze, where he has to sell his home today and tomorrow buy another home in order to put a roof over his family, to take the huge tax—and it is a substantial tax—out of the price of his home, even though he reinvests every penny he received in the sale for a new home. It is a little thing, but when our Government ever becomes so great that it cannot cure these little injustices, the time will have

arrived when Government will suffer a loss of confidence on the part of our people.

Mr. REVERCOMB. Mr. President, will the Senator yield before he leaves that point?

Mr. MORSE. I am sorry, but I announced at the beginning of my remarks that I would not yield, and I refused to yield to other Senators. But I shall be through very shortly, and then I shall be glad to yield.

The PRESIDING OFFICER. The Senator from Oregon prefers not to yield.

Mr. MORSE. I ask that there be printed at this point the amendment I propose on this subject.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill add the following new title:

"TITLE VII—MISCELLANEOUS

"SEC. 701. Sales of residences.

"(a) Gains: Section 112 of the Internal Revenue Code, as amended, is amended by adding after subsection (m) thereof a new subsection reading as follows:

"'(n) Gains from sales of residences: If property used by the taxpayer as his residence for a period of more than 6 months is converted, during any taxable year ending after the enactment of the Revenue Act of 1948, into similar property to be used by the taxpayer as his residence, or into money which is forthwith in good faith, under regulations prescribed by the Commissioner with the approval of the Secretary, expended by the taxpayer in the acquisition of similar property to be used as his residence, or in the establishment of a replacement fund, no gain shall be recognized. If any part of the money is not so expended, the gain, if any, shall be recognized to the extent of the money which is not so expended (regardless of whether such money is received in one or more taxable years and regardless of whether or not the money which is not so expended constitutes gain).'

"(b) Basis for determining gains or losses: Section 113 (a) of the Internal Revenue Code, as amended, is amended by adding after paragraph 22 thereof a new paragraph reading as follows:

"'(23) Residential property: If the property was acquired, during any taxable year ending after the enactment of the Revenue Act of 1948, as a result of a conversion described in section 112 (n), the basis shall be the same as in the case of the property so converted, decreased in the amount of any money received by the taxpayer which was not expended in accordance with the provisions of law (applicable to the year in which such conversion was made) determining the taxable status of the gain upon such conversion, and increased in the amount of gain recognized upon such conversion under the law applicable to the year in which such conversion was made.'"

Mr. MORSE. Mr. President, I have another amendment, a minor one, which I am perfectly willing to have considered further. I recognize it has not been before the committee, and I wish to be perfectly fair and say I do not think that issues which have not been considered by the committee presided over by the Senator from Colorado should be considered in the first instance on the floor of the Senate. But I wish to make my record on this amendment. It is an amendment which has been urged upon me by a great number of women's organizations, who point out that the working mother suffers a rather serious discrimination, in that if she has to maintain a family at the same time while she works it becomes necessary for her to bring someone into the home to take care of the small children, a housekeeper or maid.

These organizations have urged consideration of an amendment which I am offering, but which I say I do not think in all fairness I can press without committee consideration. Let us, however, make the record on it today. Such a mother should be allowed a deduction from her taxes in an amount equal to the amount she has to spend in order to have her youngsters taken care of in the home while she earns the money necessary to support them. It is, again, another one of the minor tax inequities, but I think in fairness the amendment should be agreed to. I ask to have it printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the proper place in the bill add the following:

"SEC. —. (a) Paragraph (2) of section 23 (a) of the Internal Revenue Code (relating to the deduction of nontrade or nonbusiness expenses from gross income) is amended by adding thereto a new subparagraph as follows:

"'(B) Expenses for certain domestic services: In the case of a mother who is employed outside the home and who has one or more minor children living at home for whose care it is necessary to employ a maid, or housekeeper, or nurse, the ordinary and reasonable expenses incurred by her during the taxable year for the domestic services of any one of the foregoing, but no deduction shall be allowable under this subparagraph for any such expenses incurred in any periods of time exceeding 1 day during which the taxpayer was not employed outside the home.'

"(b) Such paragraph is further amended by inserting after the paragraph heading, 'Nontrade of nonbusiness expenses.', a subheading as follows: '(A) In gneral.'

"(c) The amendment made by this section shall be effective with respect to expenses incurred during taxable years beginning after December 31, 1947."

Mr. MORSE. Mr. President, I have another amendment, relating to insurance annuities, which I think should receive very careful consideration. I am not so sure it is not one which can be taken to conference, and if in conference it should be decided the amendment should be referred to the committees for further study, that would be agreeable to me. But there is another tax area which calls for much fairer treatment than we are giving those concerned in that area these days. I refer to those receiving small insurance annuities.

Only last night a friend visited me who has just returned from St. Petersburg, Fla. He told me about a very interesting incident. He said he noticed a large number of old men, men 65 years old and older, selling newspapers on the streets of St. Petersburg. He knew some of them, and he found that many of them—he said most of them, but I will say many of them—were trying to live on very small insurance annuities, and they had found that because of the increase in the cost of living their annuities were no longer sufficient to meet the high cost of living. So they were averaging from 80 cents to a dollar a day from the sale of newspapers on the street corners, and in front of the cafeterias and amusement places, which was enough to help eke out a very small insurance annuity, which made it possible for them at least to exist, but not in very sumptuous quarters.

I think we have let down the old people, those who are trying to get along on very small insurance annuities. My amendment seeks to provide a reduction in the tax on those small annuities. Again, I say, I think the amendment goes to the human phase of our tax program. Let us not overlook human values when we come to the task of eliminating inequities from our tax structure.

I ask unanimous consent that the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill insert a new title to read as follows:

"TITLE VII—MISCELLANEOUS PROVISIONS

"SEC. 701. Exclusion of amounts received as annuities.

"Section 22 (b) (2) (A) of the Internal Revenue Code is amended by striking out the first two sentences thereof and inserting in lieu thereof the following:

"'(A) In general: Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts) under a life insurance, endowment, or annuity contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income.'"

Mr. MORSE. Mr. President, I close by asking for permission to have inserted at this point in my remarks some comments which I made in a letter I wrote to a constituent in answer to a proposal for a Federal sales tax. Mark my words, Mr. President, there is a movement on foot in America to seek to provide tax relief by those who have the best ability to pay taxes, by the adoption of a Federal sales tax. I have not taken the time to discuss my views on excise taxes, but I say to the Senator from Nevada [Mr. MCCARRAN] here and now that I want to confess I made a mistake last Friday when I voted as I did on his excise-tax proposal. I should have voted for it rather than against it. If I could cast my vote on that proposal again, I should vote to eliminate the excise tax on transportation and traveling charges. I think we must make very clear that we are not going to continue down the road to the imposition of a Federal sales tax. The way we have been expanding our excise taxes amounts to nothing more than creeping up on a Federal sales tax. I am so unalterably opposed to the principle of a sales tax, because it cannot be reconciled with the principle of ability to pay, that I ask to have inserted at this point in my remarks excerpts from the letter I wrote to my constituent, in which I stated my opposition to a sales tax.

There being no objection, excerpts from the letter were ordered to be printed in the RECORD, as follows:

I am opposed to a general Federal sales tax because I think it violates the basic principle which should be followed in imposing taxes, namely, the ability-to-pay criterion. A family's need for the necessities of life is certainly no test of ability to pay. Although it is a broad generalization there, nevertheless, is a great deal of truth in the general opposition to a sales tax, namely, it is a tax which taxes the need of people for the necessities of life rather than being a tax which calls upon them to support their Government in accordance with their ability to pay. Thus, a man with a large family and a low income discovers that the pennies which are taken away from him, by way of a sales tax every time he or his wife goes to the grocery store, butcher shop, shoe store, and clothing store are all out of proportion, from the standpoint of his ability to pay, to the sales tax that is collected from his more wealthy neighbors.

Furthermore, I would point out that a tax based upon the principle of ability to pay is consistent with the taxation theory that those citizens who have been able to accumulate from our economic system through their own initiative and hard labor or through inheritance have a great interest in and a great responsibility for maintaining that system, by way of supporting the Government expenditures through reasonable taxes. I think it is very easy to, and I believe many proponents of certain types of taxes push the argument I have just mentioned entirely too far. However, I think it must be admitted that the majority of people who fall into the class of citizens generally referred to as people of moderate and wealthy means are the beneficiaries not only of their own hard labor and business acumen but also are the beneficiaries of an economic system which has made available to them economic advantages which they did not create but which have had a great deal to do with the accumulation of their property and savings, in addition to their own personal endeavors.

For example, economic developments throughout the Nation, including the development of a war, produced a tremendous shortage of steel in recent years with the result that owners of steel resources and operators of steel mills became the beneficiaries of a national economic development which they, as individuals, did not produce but which they, as individuals, were able to capitalize on because of the economic position in which they found themselves. I recognize that there are many other factors that also must be considered when one is trying to determine what is a fair tax to be imposed upon any one group but, nevertheless, I think it must be admitted that it is only fair to impose the heavier burden of taxation upon those individuals in our society who are the beneficiaries of our economic system as tested by their accumulation of property and wealth. The sales tax does not meet that test.

Now I would be the first to insist that the tax on wealth and property must not be so burdenscme as to destroy incentive or as to amount in fact to a form of confiscation but, at the same time, I think, when one looks solely at the criterion of the ability to pay, it must be admitted that the sales tax is not a fair tax because it does not gage ability to pay but rather rests on a need of an individual to make purchases for necessities.

Workers and farmers generally oppose the sales tax because they see in it a passing of the tax buck, so to speak, from those most able to pay taxes on accumulated wealth to those who have, relatively speaking, little accumulated wealth. I think they are right about that. However, as I have mentioned above, I am not one who holds to the view that taxes should be levied upon the principle of "soak the rich," or on the principle of "soak the real-property owners." I think in many sections of the country real-property taxes are too high and income taxes are too low. As far as Federal taxes are concerned, you will find, if you will check into my record in the Senate, that I think there is a need for a good many changes in the Federal tax laws in order to get rid of certain gross inequities which have developed in those laws because those inequities have turned into a soak-the-rich principle.

Here again in the question of taxation, as is true of most questions, we are dealing with problems of degree. Take, for example, my position on the Federal inheritance tax. I admit that there should be a Federal inheritance tax. However, my opposition to the present Federal inheritance tax is that the rates are so high it operates, in effect, as a confiscatory tax in many cases. Therefore, I propose in my amendment that the tax rate be lowered but that the base be broadened so that a good many inheritances not now covered by the tax will be covered but at a rate so low it will be fair and reasonable. I think that such an amendment to the inheritance tax is fair and reasonable, because it will do away with the injustices of the excessively high inheritance tax now imposed and, at the same time, approximate the same Federal revenue gathered from existing inheritance taxes.

The point I am trying to make clear is that when I say, as a matter of tax principle, ability to pay should be our prime criterion, I do not mean that unreasonable taxes should be imposed on various forms of wealth, such as real property or inheritances or any other source of wealth and income. After all, the objective and incentive of our capitalistic system is, and should be, the opportunity for any man of ambition and ability to accumulate wealth and become a rich man. In some quarters in America, one would think that it is almost a sign of criminality if one becomes a rich man. I do not share that view and I think it will be very unfortunate for the economic welfare of our country if we ever impose a system of taxation which discourages men from trying to accumulate wealth. In a good many respects, our present tax laws are doing that very thing now. I am trying to secure the adoption of some amendments which will correct the most gross inequities of our Federal tax laws.

Now, to go back to my discussion of the Federal sales tax problem, I would point out that there is another theory of taxes to which the opponents of the sales tax call attention. They point out that the operation of our economic system inevitably results in certain numbers of our citizens becoming fairly well off financially, whereas a much larger number accumulate very little savings, but rather live pretty much on a day-to-day or month-to-month basis. There are a great many reasons for that. In some instances, the fault lies with the individual in that he may be inclined to waste his money or be a spendthrift. On the other hand, there are many people who are confronted with one adversity after another, such as illness, accidents, crop failures, and hard luck generally. There are many others who either lack the native ability or who from a combination of circumstances beyond their control make it impossible for them to do more than just about make both ends meet.

The opponents of the sales tax point out that this large segment of our population, composed of families who do not accumulate any considerable amount of savings and many of which always remain either in debt or just barely meet the expenses of a really low standard of living, are responsible, nevertheless, for a very large share of the production of our national wealth. Thus, it is argued that the large number of people who do not have the economic ability of the smaller number in our population who own a larger share of our wealth, nevertheless, are the producers of a large share of that wealth. Inconsistent and paradoxical as that argument may sound, nevertheless, any analysis of it shows that there is a great deal of soundness to it, when viewed from the fact that if all the productive efforts of all the millions of people of the United States, who have no savings or whose total assets as individuals are less than $1,000 per person, should all of a sudden completely stop their economic efforts our entire economic system would collapse.

If you can imagine that happening, then I think you will agree with me that production of wealth in this country would practically come to a complete standstill. This is exactly what Lincoln had in mind when he pointed out that all wealth is dependent upon the mass of the people who produce it. Thus, the opponents of the Federal sales tax argue, from the standpoint of tax theory, that people of low incomes pay in a very real sense a large indirect tax when through their combined efforts they are the most important factor in the chain of economic causation which produces our national wealth. They say that our national wealth is but a summation of the individual estates of people who are able to accumulate economic resources above that which they need for day-to-day living. Therefore, it is argued that it is not a just tax to impose upon people of low income a Federal sales tax upon the necessities of life which they must purchase in the course of their labor of producing for the most part the surplus wealth which accrues to the benefit of the so-called property or wealthy people of the country. Here again, I want to make clear that I would not press that argument to an extreme degree, but it certainly is one of the theoretical principles which must be considered in developing a practical tax program.

As to the general sales tax, the sound argument of the opponents is that it takes too great a burden of taxation off the backs of those best able to pay taxes and places that burden on the large mass of our people who already are most responsible for the production of the wealth owned by those most able to pay taxes. It is this attempt to shift the burden of taxes from the wealthy to the poor through the medium of the sales tax, that has led to the almost universal defeat of sales-tax proposals, whenever the people themselves have had the chance to cast a direct vote on the issue. There have been some exceptions to this, but not many.

Mr. MORSE. Mr. President, I close by thanking the Senate for its patience in permitting me to make this record for future reference with regard to my position on taxes.

I again want to thank the Senator from Colorado for the kindness he has shown me throughout the week, in the understanding we have had that on the closing day of the debate I would have an opportunity to present my views in detail.

Before I began my speech I agreed, Mr. President, that I would yield to the Senator from Vermont [Mr. FLANDERS] for a question or a comment.

In closing I again say to the Senate that my tax bible is the report of the Committee for Economic Development. I am ready now to vote for every one of the recommendations for the elimination of gross inequities in our tax structure that the Committee for Economic Development recommends to us. I am willing to have my record on tax

legislation judged by future actions of the Congress in respect to the amendments I offered last year and again today. It is my opinion and prediction that the tax principles of most if not all of those amendments will be written into our tax laws within a very few years. There is not a single good reason for failing to adopt them this year. There are many reasons as I have attempted to set forth in this speech for adopting them at once. If I fail to receive their passage today I shall not lose hope in regard to them. I serve notice on the Senate that I shall continue to press for the adoption of my amendments until the Congress finally heeds the Nation-wide demand of businessmen, tax experts, and all who have studied them that they be passed.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. MORSE. I am now glad to yield to the Senator from Vermont.

Mr. FLANDERS. I am naturally very much pleased by the high regard in which the Senator from Oregon holds the Committee for Economic Development. I was chairman of its research and policy committee from the time of its foundation until the time I became a Member of the Senate. I wish to emphasize the objectivity of its studies, the very careful way in which the businessmen on the committee have considered the general good of the country rather than short-sighted business interest, and I wish to assure the Senator from Oregon that I shall vote for his CED amendments. I am looking forward to the time when the chairman of the House Committee on Ways and Means and the chairman of the Senate Finance Committee—and I have this assurance, if I understand it correctly, from the Senator from Colorado—will be dealing with fundamental tax reform. I am looking forward to that time.

Mr. HATCH and Mr. MILLIKIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. MILLIKIN. Mr. President——

Mr. HATCH. Mr. President, I raise a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. I was the first Senator on his feet, and I first addressed the Chair. I have no objection to yielding to the Senator from Colorado.

Mr. MILLIKIN. I shall appreciate it very much if the Senator from New Mexico will yield to me.

Mr. President, first I wish to congratulate the distinguished Senator from Oregon [Mr. MORSE] on the very fine address he has just concluded. There are some differences between us on the theory of taxation, but that is not important. He has illuminated the subjects which he has chosen to discuss, as he always illuminates everything that takes the interest of his heart and mind.

Mr. President, out of order I ask unanimous consent, first, that the following amendment be made to the amendment already adopted by the Senate relating to estate and gift taxes, in order to correct a technical error; viz, page 46, line 6, strike out "such date" and insert the following: "the date of the enactment of the Revenue Act of 1948"; and, second, that, to correct other technical errors, the action of the Senate in agreeing to the amendment on page 42, lines 10 and 11, striking out "the date of the enactment of the Revenue Act of 1948" and inserting in lieu thereof "December 31, 1947" and to the amendment on page 60, lines 7 and 8, striking out "the date of the enactment of the Revenue Act of 1948" and inserting in lieu thereof "December 31, 1947", be rescinded.

Mr. President, I will say to the distinguished Senator from New Mexico that it was understood that I might have the floor during the remaining time prior to 3 o'clock, which I shall not in any sense monopolize. But I had agreed to recognize the Senator from New York [Mr. IVES] for a few minutes and the Senator from West Virginia [Mr. REVERCOMB] for a few minutes, and then the Senator from North Dakota [Mr. LANGER] wishes to speak for 15 or 20 minutes. Would it be agreeable to the Senator from New Mexico if that were done?

Mr. HATCH. Mr. President, I have no desire to be contentious. I do, however, believe we should conduct ourselves in accordance with the Rules of the Senate of the United States. Those rules require that the Senator who is first on his feet and addresses the Chair is entitled to recognition. That is all I contend for. I shall yield to the Senator from Colorado and let him control the time in any way he desires.

Mr. MILLIKIN. I deeply appreciate the Senator's gracious attitude.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. May I inquire of the Chair as to how the time is being controlled, and at what hour control of the time begins?

The PRESIDING OFFICER. Under the unanimous-consent agreement, the time before 3 o'clock is not controlled. The time after 3 o'clock is.

Mr. HATCH. I beg the Chair's pardon. I understood it was controlled before 3 o'clock.

Mr. MILLIKIN. No; the time is controlled from 3 o'clock on.

The PRESIDING OFFICER. Under the unanimous-consent agreement adopted on Friday last, the division of time is made between the hours of 3 and 5, and that time is controlled.

Mr. HATCH. Mr. President, I insist then that I be recognized, because I was first on my feet, and I was the first one to address the Chair.

The PRESIDING OFFICER. The Chair will say to the Senator from New Mexico that the Chair recognized the Senator from Colorado.

Mr. HATCH. The Chair did; that is quite true.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. As I understand, the Senator from Colorado expects to farm out the time from now on until 3 o'clock. I certainly am going to object to that. As a member of the Finance Committee I have something to say on the bill, and I propose to secure recognition from the Chair between now and the time when the hour of 3 o'clock arrives.

Mr. HATCH. Mr. President, will the Senator from Colorado yield to me?

Mr. MILLIKIN. I should like to say, Mr. President, that I believe we can proceed expeditiously if we go ahead in the manner I have just suggested. It will only take a minute or two for the Senator from New York to conclude his remarks, and the same is true with respect to the Senator from West Virginia [Mr. REVERCOMB]. The Senator from North Dakota [Mr. LANGER] has consented to restrict himself to 15 minutes. I think that after that there will be sufficient time remaining before 3 o'clock for the Senator from Illinois to say what he has in mind to say.

Mr. LUCAS. I hope there will be sufficient time left for me.

Mr. MILLIKIN. Before we proceed any further, may we have action on the technical amendment I have offered?

The PRESIDING OFFICER. Is there objection to the request for unanimous consent made by the Senator from Colorado?

The Chair hears none, and it is so ordered.

Mr. HATCH. Mr. President, will the Senator from Colorado yield to me for one moment, or will the Senator yield me the floor?

Mr. MILLIKIN. No; I cannot. I am sorry. Let me suggest that as a practical matter——

Mr. HATCH. Mr. President, if I were to gain the floor, I would yield to the Senator from New York and the Senator from West Virginia, both.

Mr. MILLIKIN. How much time would the Senator from New Mexico require?

Mr. HATCH. I would take 5 minutes or perhaps 10 minutes.

Mr. MILLIKIN. I am willing to do that.

Mr. HATCH. But I do not wish to be under any limitation. I would not agree to being under limitation.

Mr. MILLIKIN. Then I could not agree. I want to work out a practical agreement so everyone will be happy. The Senator's suggestion, as he first made it, is entirely acceptable.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. The Senator from Illinois will be constrained to make a point of order against any Senator farming out the time between now and 3 o'clock.

The PRESIDING OFFICER. It is understood definitely that there is no restriction on the time until 3 o'clock. The unanimous-consent agreement provides for limiting the time between 3 o'clock and 5 o'clock.

Mr. LUCAS. I submit the Senator from Colorado cannot hold the floor between now and 3 o'clock and farm out the time to various Senators

Mr. MILLIKIN. Mr. President, let me suggest that if we can have a few minutes, instead of losing time in this parliamentary discussion, we shall have the decks clear, and there will be plenty of time between now and 3 o'clock.

Mr. LUCAS. Then why does not the Senator yield the floor?

Mr. MILLIKIN. I intended to yield to the distinguished Senator from New Mexico [Mr. HATCH].

Mr. HATCH. The understanding was that I was to be limited in my remarks to 5 minutes. I did not intend to take longer. I suggest the absence of a quorum.

Mr. WHERRY. Mr. President, will the distinguished Senator withhold the suggestion of the absence of a quorum?

Mr. HATCH. Certainly.

Mr. WHERRY. I suggest that the Senator from Colorado yield the floor. I think we can get through with all of this.

Mr. MILLIKIN. Mr. President, I should like to have it understood that the Senator from North Dakota [Mr. LANGER] was promised last Friday night, as a practical working arrangement, that he would have 15 minutes. I should like to have that promise protected. I think we are honor bound to protect it. I do not care whether it is protected when I have the floor or when the Senator from New Mexico has the floor, but I believe that the understanding into which we have entered should be kept.

Mr. HATCH. Mr. President, if the Senator from North Dakota in his own right were to rise and seek recognition and be recognized, I would not object. I do object to the farming out of time.

Mr. MILLIKIN. Mr. President, have I the floor.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. MILLIKIN. I yield to the Senator from New York.

Mr. IVES. Mr. President——

Mr. LUCAS. Mr. President, I make the point of order that the Senator from Colorado cannot yield to the Senator from New York for a speech. He can only yield for a question. Under the circumstances, I claim the floor.

The PRESIDING OFFICER. The Chair rules that the floor cannot be yielded except for a question.

Mr. REVERCOMB. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Colorado still has the floor.

Mr. MILLIKIN. Mr. President, the time is short. We can stand here and waste the rest of the time between now and 3 o'clock in a futile parliamentary row. I am hoping that by yielding the floor we can have an end to this discussion, and that every Senator who wishes to speak will have the opportunity.

Mr. IVES and Mr. LUCAS addressed the Chair.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from Colorado has yielded the floor?

Mr. MILLIKIN. I yield the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

PARTITION OR TRUSTEESHIP IN PALESTINE

Mr. IVES. Mr. President, action by the Government of the United States in demanding that partition of Palestine, as recommended by the General Assembly of the United Nations, now be abandoned and supplanted by a United Nations' trusteeship, is appalling. It may prove tragic, not only where it concerns the Jewish people of Palestine, but in its effect upon the future of the United Nations and upon the influence and prestige of the United States.

Largely because of insistence and pressure on the part of the United States, the partition of Palestine was recommended by the United Nations' General Assembly. More than any other nation we assumed the responsibility for the establishment of the Jewish State in Palestine.

Now, because the United Nations and ourselves are confronted with serious difficulties in effectuating the plan of partition, our Government urges that partition be dropped. But these difficulties were visible or foreseeable when partition was approved by the General Assembly less than 4 months ago.

Now we propose as an alternative a temporary trusteeship under the United Nations, whose exact form is yet to be determined. But there are evident already obstacles to any plan of trusteeship, which might prove more serious than are those confronting partition. In fact, it is a matter of record that the General Assembly considered a proposal for trusteeship and turned it down as being less desirable than partition.

Are we now to insist upon a trusteeship and later, if it is adopted, counsel that it be abandoned for something else or for nothing else when perchance the going gets tough? Is this the plan of the national administration? Is there to be a complete surrender of principle to expediency? Of idealism to opportunism?

I know that this wobbly, catch-as-catch-can, will-o'-the-wisp policy does not represent the character of the American people. I know that the great moral and spiritual values, which are the real foundation of America's greatness, are still dominant in American character. I know that the American people want their Government to act as they would act, aiding the persecuted and the oppressed, defending the rights of the weak and the small, cherishing—above all—the sanctity and honor of our given word.

The time for plain speech by the administration is long overdue. Absolute candor with the American people and with the world is needed now most of all.

If we are so defenseless as a Nation that we dare not speak out and must resort to clever device and devious maneuver, then let us know the worst. Let us know in order that we may prepare for the worst. Let us know in order that national unity may be restored as rapidly as possible. Let us know in order that through unity and preparedness we may be able again to exert in the world the influence for justice and peace which should be ours.

And let us know the truth about Palestine. Let us know why we should abandon the plan for partition because it is hazardous and substitute for it a plan for trusteeship which would appear to be just as hazardous. Let us know why it is necessary thus to place the United Nations' and our own influence in jeopardy. Let us know why we should not stand by honorable commitments or keep faith with those who have relied upon our integrity.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

Mr. IVES. I yield for a question.

Mr. CAPEHART. I do not know that what I wish to say is a question. I wish to congratulate the able Senator from New York on such a splendid statement. I am certain that the great majority of the American people feel just as he does. They want to know why one day we recommend one thing, and the next day we recommend another. In my opinion the American people are entitled to know exactly what the policy of the present administration is to be in the future in respect to Palestine. I congratulate the able Senator from New York, and I agree with every word he has said.

Mr. IVES. I thank the Senator.

REDUCTION OF INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes.

Mr. LANGER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from North Dakota will be stated.

The LEGISLATIVE CLERK. On page 6, line 17, it is proposed to strike out "$600" and insert in lieu thereof "$1,000." On page 6, line 18, it is proposed to strike out "$600" and insert in lieu thereof "$1,000."

Mr. LANGER. Mr. President, I was very much interested in the remarks of of the distinguished Senator from Oregon [Mr. MORSE] a few minutes ago.

I invite the attention of the Senate to certain facts in that connection. I agree with the Senator from Oregon that all tax-exempt securities should be abolished. I agree with the distinguished Senator that the aged should be taken care of. I agree with him that the amounts which annuitants receive are entirely too small. I agree with him that good roads are needed all over the United States. I agree with him that the health program outlined a short time ago by Representative KEEFE, calling for an expenditure of $8,000,000,000, should be carried out within the next 5 years. I agree with Major General Fleming that $75,000,000,000 should be spent for public buildings and good roads within the next 15 years. But, Mr. President, I should like to know who is going to pay for it. I wish to know whether the underprivileged, and whether those who make incomes of $4,000 or $5,000 or $6,000 or $7,000 a year, together with the underprivileged,

through the medium of hidden taxes are going to pay for it, or whether we are going to have a real tax bill, one which will make the man who has an income of $100,000, $200,000, $300,000, or $400,000 or more a year pay.

Mr. President, it is a strange fact that the Treasury Department itself is confused. Apparently one part of the Treasury Department does not know what the other part is doing. I hold in my hand the testimony of Mr. Farioletti, who is assistant in the Treasury Department, having charge of tax matters. I have before me the testimony he gave on the 15th day of January last, before the Senate Post Office and Civil Service Committee. I read a portion of his testimony:

Mr. RILEY. Mr. Farioletti, in 1939 there was a family exemption of $2,500; isn't that right?

Mr. FARIOLETTI. The exemptions in 1939 were $1,000 for single persons, $2,500 for married couples and heads of families, and $400 for each dependent.

Mr. RILEY. As against what now?

Mr. FARIOLETTI. Today the exemption is $500 for a single person, $1,000 for married couples, and $500 for each dependent.

Mind you, Mr. President, this is the testimony of the head of the Tax Division of the United States Treasury, the very man who testified on behalf of this proposed tax legislation. Remember that my amendment provides for a tax exemption of $1,000 for a single man and $2,000 for a married couple. The pending bill, as we know, provides only a $600 exemption for a single person. What does the head of the Tax Division of the United States Treasury say about that matter? He says this:

Mr. FARIOLETTI. The exemption for a married man with two dependents is now four times $500, or $2,000, and since most wage earners use the tax table where a deduction of about 10 percent is allowed, that means that earnings up to $2,225 are exempt from tax. In other words, a married man with two children—

Mr. President, I repeat that this testimony comes from the head of the Tax Division of the Treasury Department—

who earns up to $2,225 would pay no individual income tax under present law. The exemption in 1939 was $3,300.

Listen to this, Mr. President. I wish every Senator who voted to give away our substance to foreign countries would listen to this. This is the testimony of the head of the Tax Division of the Treasury Department:

If that exemption were to be adjusted for price increases since 1939, it would be raised to—

Mr. President, not to $3,000, not to $4,000, but to—

$5,438, as shown by the figures in the study—and that figure is as of September 1947.

So, Mr. President, when the authors of this bill provide a $600 exemption for a single person and an exemption of $1,250 for a married couple, I direct attention to the testimony of the Treasury Department's own tax expert, who says that the exemption for a married couple with two children should be $5,438.

On the 22d of December 1947, the Treasury Department released to the afternoon newspapers—and I hope the distinguished Senator from Colorado read it—a statement reading in part as follows:

The amount to which a $500 exemption—

Which in the bill would be increased to the tremendous sum of $600—

would have to be adjusted upward to offset the effect of price increases since 1939, 1942, and 1944 is given in the study as being $824, $703, and $653 respectively.

So, Mr. President, it is an insult to the small wage earners of the United States to raise the exemption from $500 to $600, when the Treasury Department itself says that the exemption should be raised to $824, plus $703, plus $653, and when the Treasury Department itself says—and I challenge any Senator upon this floor to dispute it—that instead of being $1,250, the exemption for a married man with two children should be $5,438, in order to provide a basis of equality with the cost of living in 1939. That is the amount of exemption which is required today, in view of the increases in the prices of food, clothing, and other items which constitute the cost of living.

Mr. President, instead of reading all this release, I ask that it be printed in full at this point in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Factual and analytic information bearing on Federal income-tax-exemption levels is contained in a study made public today by the Treasury Department under the title "Individual Income Tax Exemptions." The study sets forth data and considerations helpful in weighing the adequacy and equity of exemptions now in effect. It makes no policy recommendations.

The study presents the increases in consumer prices and living costs since 1939 and discusses the relation of these changes to the adequacy of the present exemption levels. Available information on family budgets is given.

Our war finance program, the study recalls, brought the personal income-tax exemptions down to their present record low point. As a simplification move, legislation in 1944 placed exemptions and dependency allowances on a per capita basis. At present the exemption for the taxpayer, his wife and dependents is at the uniform level of $500 each for both normal tax and surtax.

In considering postwar tax revision, the role of the exemptions in the Federal tax system poses a number of specific problems:

(a) The timing of exemption changes in relation to economic and fiscal conditions.

(b) The relative amounts of exemptions for single persons, married couples, and dependents.

(c) The postwar level of exemptions in the light of revenue requirements and the extent of reliance on the individual income tax as compared with other levies.

(d) The choice between tax rate and exemption adjustments.

Taking the exemptions which prevailed in the income year 1939 as a basis of comparison, the present per capita exemption of $500 without adjustment for price changes, is 50 percent of the 1939 figure in the case of single individuals, 40 percent for married couples, and 125 percent for dependents. Thus the net result of changes since 1939 has been a sharp exemption decrease for single persons and married couples, but a substantial increase in the dependency allowance.

Price increases for goods and services accent the wartime exemption reductions. The value of the exemptions when expressed in terms of purchasing power has suffered a decrease even greater than the decrease in dollar amounts. The amount to which a $500 exemption would have to be adjusted upward to offset the effect of price increases since 1939, 1942, and 1944 is given in the study as being $824, $703, and $653 respectively.

The study presents the best available figures as to three levels of family budgets, these being described as maintenance level, a modest but currently adequate level, and so-called health and decency level. Comparisons indicate that the exemptions are substantially below maintenance requirements for a single person without dependents and for a married couple without dependents.

Charts and tables accompanying the study show the budget-exemption comparisons at a glance for various family statuses.

There is detailed consideration in the study of data related to the major issue of whether the present per capita exemption system should be continued, or whether relatively larger exemptions should be accorded to single persons and married persons than to dependents.

Departure from the per capita system would involve some loss of simplification in income-tax procedure. However, the study states that a greater exemption for principals than for dependents would provide relief, where it appears to be most needed with a minimum sacrifice of revenue.

Certain types of exemption combinations which depart from the per capita system are cited, under which considerable simplification could be preserved. Illustrations of such exemption systems are: $800 for a single person, $1,600 for a married couple, and $400 for a dependent, $800 for a single person, $1,200 for a married couple, and $400 for a dependent. The first of these combinations would reduce revenue, number of taxpayers, and the total tax base to roughly the same extent as would an increase in the per capita exemption from $500 to $700. The second would be comparable in its effects to a per capita exemption of $600.

Tables are attached showing such pertinent information as the exemption allowances since the inception of the income tax in this country in 1913, and the comparative exemption experience of the United States, Canada, and Great Britain since 1939.

INDIVIDUAL INCOME-TAX EXEMPTIONS

A major issue in individual income-tax policy relates to the level and structure of personal exemptions. It is the purpose of this study to bring together the available factual information bearing on the adequacy of the existing exemptions and to discuss the various revenue, equity, economic, and administrative considerations raised by alternative methods of revising the exemptions. No policy recommendations are made in this study, which is designed to provide factual and analytic background material which may be helpful in formulating such recommendations.

This study was prepared in the Individual Income Tax Section of the Division of Tax Research. The revenue estimates used in the study were supplied by the Office of the Technical Staff. Valuable assistance and suggestions were received from other members of the Treasury tax staff, including consultation with members of the Office of Tax Legislative Counsel on legal matters and of the Bureau of Internal Revenue on administrative matters.

This subject has also been considered by a committee composed of the technical tax staffs of the Treasury Department and the

Joint Committee on Internal Revenue Taxation. An early draft of this study was made available to the committee and it has benefited at various points by the committee's discussions. The material contained herein, however, is not to be considered as representing in any way the views of the staff of the Joint Committee on Internal Revenue Taxation.

DIVISION OF TAX RESEARCH,
United States Treasury Department.

Mr. LANGER. Mr. President, I have before me another study. This one was made by the Bureau of Labor Statistics in connection with the Treasury Department. In the study the question is asked, What does it cost a family of four to live in Washington, D. C.? The answer is that it costs $3,458, and that does not allow for a single luxury.

What does it cost in Seattle, Wash.? Three thousand three hundred and eighty-eight dollars.

What does it cost in New York City? Three thousand three huidred and forty-seven dollars.

But, Mr. President, just as soon as a man makes $4,000 a year, if he has a wife and two children his income tax is $114.

I have before me other testimony given by both the Department of Labor and the Treasury Department. It shows how inequitable this bill is, how unfair it is to persons who are earning $3,000 or $4,000 or $5,000 or $6,000 a year, as compared with those who earn all the way from $200,000 to $2,000,000 a year. Mind you, Mr. President, these are not the words of the Senator from North Dakota. These are the words of an official of the Treasury Department of the United States Government, Mr. Farioletti, assistant head of the Tax Department. A $200 increase. Mr. President, the committee allowed only a $100 increase. They raised it a miserable, niggardly, miserly $100. But the Treasury Department, speaking through Mr. Farioletti, said:

> A $200 increase in per capita exemptions would equal a reduction of 4.4 percentage points in the combined rate scale in all brackets. The distribution of the reduction under these alternative rate reductions would, of course, be quite different than under the indicated exemption increases.

Mr. President, I want to show the difference, of increasing the exemption from $500 to $600, or a $100 increase when compared with the lowering of the rate for the taxpayer who has an income of $200,000 a year by 4.4 percent. This again is the testimony of the Treasury Department, Mr. President:

> This results from the fact that low-income taxpayers would have their taxes considerably reduced or even entirely eliminated under exemption increases, whereas the rate reductions would not give so great a decrease and would not remove anyone from the tax rolls.

Thus a $200 per capita exemption would remove the tax for a married couple with a $1,400 income, whereas the 4.4 rate decrease would still leave the couple with about three-fourths of its present tax liability. On the other hand, a couple with $100,000 of net income would have a reduction of how much? Do you think, Mr. President, they have been treated the same as the poor man? A couple with $100,000 of net income would have a reduction of $331, under the $200 exemption increase, as compared with $4,000, under the 4.4 rate decrease.

So you will see, Mr. President, that the taxes of the rich are reduced about 15 times as much as are the taxes of the poor. And that is not all.

I call attention in the report signed by the Finance Committee to page 18, on which there appears a table. There it shows the rate for a man making $4,000, with a wife and 2 children. Under this new bill he has to pay $114. But what does a man with $200,000 pay? He pays 86.45 percent, under the present law, and that is reduced 4.4 percent, so he only pays 82.128 percent.

Mr. President, is it not strange that a man with a $2,000,000 income or a $5,000,000 income should be assessed on the same basis as a man who has a $200,000 income? Why stop at $200,000 when there are scores of men who make returns on incomes of from half a million dollars to a million and a half dollars? Why should they pay taxes on the same basis as the man who has an income of $200,000? And yet under the pending bill, Mr. President, that is the situation.

I put in this amendment a provision for an exemption of $1,000 and $2,000 for single persons and married couples, respectively, in the hope that at least it would be taken to conference by the distinguished chairman of the committee. However, he refused, just as those in charge of the bill of last year refused. They also refused to take a split income taxes provision to conference, although the distinguished Senator from Arkansas [Mr. MCCLELLAN] and I begged them to do so. They were high and mighty, Mr. President. They said, "It is this tax bill, without changing the crossing of a "t" or the dotting of an "i." The Senator from Arkansas and I said, "Very well, gentlemen, we will vote to sustain the President's veto." We did, and they got no tax bill at all.

The Senator from Arkansas and I at that time not only begged that the community-property provision be included in the bill, but we both asked that the exemptions be raised. In this miserable bill which is before us today, the exemption is raised a measly, contemptible sum of $100 for a man with a wife and two children, with an income of $4,000 a year. The same men who vote billions of dollars for foreign countries now propose a miserable, contemptible raise of $100 a year in exemptions.

So, Mr. President, I want to go on record today as saying that I think it is a disgrace to the Republican Party that it propose an increase in the exemption of only $100. Unluckily I must vote for this bill, because I am satisfied the more money we give this bunch of tax eaters, the more they are going to waste, the more they are going to give away to foreign countries. They are already scooping it out by scoopfuls, giving it to anybody that comes and asks for it. Already, although we have not yet passed the Marshall plan, the 16 countries are meeting to divide it up, before the money ever gets there. England gets half of it; France gets mad and says, "We are not satisfied with $750,000,000," and they walk out of the conference because they want more. Although they have not yet received the money, they are already dividing it.

Mr. President, I believe that the very least exemption a single man should have is $1,000; a married couple, at least $2,000. Before the war it was $1,000 and $2,500. So I hope that my amendment will be agreed to.

I am sorry that my time is up. I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks the testimony of Mr. Farioletti, the tax expert, together with the charts, contained on pages 70 and 71; the article on page 72, relative to individual income-tax exemptions; the part on 73; the part entitled "Exemptions Compared With Family Budgets"; on page 76; all of page 78, together with the table.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The CHAIRMAN. Yes, of course. Mr. Farioletti, we really appreciate your coming over here to give us some facts on income-tax exemptions.

Mr. FARIOLETTI. My name is Marius Farioletti. I am Assistant Director of Tax Research, Treasury Department. I understand, Mr. Chairman, that a question arose this morning over this particular sentence of a press release No. S. 580, issued December 22, 1947. In this press release which covered a research study by the Division of Tax Research, "Individual income-tax exemptions," there appeared the following sentence:

"The amount to which a $500 exemption would have to be adjusted upward to offset the effect of price increases since 1939, 1942, and 1944 is $824, $703, and $653, respectively."

The question, I understand, is how were these latter three figures obtained?

They were obtained in the following manner: To the per capita exemption of $500 there was applied the increase in the index of consumer prices issued monthly by the Bureau of Labor Statistics. With 1939 the average for the year as a base, in September 1947, that index was 164.8. Multiplying $500 by 164.8 yields $824. With 1942 as a base the September 1947 index is 140.6. This raises the $500 exemption to $703. With 1944 as a base, the consumer price index for September 1947 is 130.5, and applied to the $500 exemption this yields $653, and that is the way those figures were determined, Senator.

The CHAIRMAN. Don't you think that it is unfair to have the same amount of exemption for each child in a family? Don't you think there should be more for the third child than the second and more for the second than the first?

Mr. FARIOLETTI. As you know, Senator, the present income tax provides a $500 exemption for each dependent, and it doesn't differentiate between age of dependents——

The CHAIRMAN. Yes; but you remember when Theodore Roosevelt was President he wanted large families. Don't you fellows believe that in computing this tax you ought to yield more exemption for the second child than for the first and more for the third than the second, and so on?

Mr. FARIOLETTI. I can't answer that question, Senator, because I am simply a technician with the Treasury Department, and that is a policy question which I cannot answer.

Mr. RILEY. Mr. Farioletti, in 1939 there was a family exemption of $2,500, isn't that right?

Mr. FARIOLETTI. The exemptions in 1939 were $1,000 for single persons, $2,500 for mar-

ried couples and heads of families, and $400 for each dependent.

Mr. RILEY. As against what now?

Mr. FARIOLETTI. Today the exemption is $500 for a single person, $1,000 for married couples and $500 for each dependent.

Mr. RILEY. $1,500 less for a married couple?

Mr. FARIOLETTI. That's correct.

The CHAIRMAN. What are you recommending in the next tax bill?

Mr. FARIOLETTI. I am not recommending anything, Senator, but the Secretary is going to appear tomorrow morning before the House Ways and Means Committee on H. R. 4790——

The CHAIRMAN. How much exemption do you think would be necessary to catch up with the purchasing power of 1939?

Mr. FARIOLETTI. We have some figures in this study [indicating] which I think will answer that. If the $1,000 exemption for single persons which was in effect in 1939 was adjusted for the increase in consumer prices since 1939, in September 1947, the equivalent would have been $1,648. The equivalent for a married couple in September of 1947 would have been $4,120. The equivalent for a dependent would have been $659. This appears in chart 3 on page 4 of the summary of the study previously referred to. If you like I will enter this as an exhibit.

The CHAIRMAN. Is this going to be the testimony tomorrow before the House Ways and Means Committee?

Mr. FARIOLETTI. What?

The CHAIRMAN. What you just testified to.

Mr. FARIOLETTI. I don't know, sir.

Mr. RILEY. What would the adjustment be for a married man with two children?

Mr. FARIOLETTI. The exemption for a married man with two dependents is now four times $500, or $2,000, and since most wage earners use the tax table where a deduction of about 10 percent is allowed, that means that earnings up to $2,225 are exempt from tax. In other words, a married man with two children, who earns up to $2,225 would pay no individual income tax under present law. The exemption in 1939 was $3,300. If that exemption were to be adjusted for price increases since 1939, it would be raised to $5,438, as shown by the figures in the study—and that figure is as of September 1947.

The CHAIRMAN. I would like to have the income-tax study you are referring to put into the record and marked "Exhibit 7."

(The following income-tax summary was inserted into the record and made a part thereof as exhibit 7, pursuant to the chairman's instructions:)

"Factual and analytic information bearing on Federal income-tax-exemptions levels is contained in a study made public today by the Treasury Department under the title 'Individual Income-Tax Exemptions.' The study sets forth data and considerations helpful in weighing the adequacy and equity of exemptions now in effect. It makes no policy recommendations.

"The study presents the increases in consumer prices and living costs since 1939 and discusses the relation of these changes to the adequacy of the present exemption levels. Available information on family budgets is given.

"Our finance program, the study recalls, brought the personal income-tax exemptions down to their present record low point. As a simplification move, legislation in 1944 placed exemptions and dependency allowances on a per capita basis. At present the exemption for the taxpayer, his wife, and dependents is at the uniform level of $500 each for both normal tax and surtax.

"In considering postwar-tax revision, the role of the exemptions in the Federal-tax system poses a number of specific problems:

"(a) The timing of exemption changes in relation to economic and fiscal conditions.

"(b) The relative amounts of exemption for single persons, married couples, and dependents.

"(c) The postwar level of exemptions in the light of revenue requirements and the extent of reliance on the individual income tax as compared with other levies.

"(d) The choice between tax rate and exemption adjustments.

"Taking the exemptions which prevailed in the income year 1939 as a basis of comparison, the present per capita exemption of $500, without adjustment for price changes, is 50 percent of the 1939 figure in the case of single individuals, 40 percent for married couples, and 125 percent for dependents. Thus the net result of changes since 1939 has been a sharp exemption decrease for single persons and married couples, but a substantial increase in the dependency allowance.

"Price increases for goods and services accent the wartime exemption reductions. The value of the exemptions when expressed in terms of purchasing power has suffered a decrease even greater than the decrease in dollar amounts. The amount to which a $500 exemption would have to be adjusted upward to offset the effect of price increases since 1939, 1942, and 1944 is given in the study as being $824, $703, and $653, respectively.

"The study presents the best available figures as to three levels of family budgets, these being described as maintenance level, a modest but currently adequate level, and so-called health and decency level. Comparisons indicate that the exemptions are substantially below maintenance requirements for a single person without dependents and for a married couple without dependents.

"Charts and tables accompanying the study show the budget-exemption comparisons at a glance for various family statuses.

"There is detailed consideration in the study of data related to the major issue of whether the present per capita exemption system should be continued, or whether relatively larger exemptions should be accorded to single persons and married persons than to dependents.

"Departure from the per capita system would involve some loss of simplification in income-tax procedure. However, the study states that a greater exemption for principals than for dependents would provide relief where it appears to be most needed with a minimum sacrifice of revenue.

"Certain types of exemption combinations which depart from the per capita system are cited, under which considerable simplification could be preserved. Illustrations of such exemption systems are:

"Eight hundred dollars for a single person, $1,600 for a married couple, and $400 for a dependent, $800 for a single person, $1,200 for a married couple, and $400 for a dependent. The first of these combinations would reduce revenue, number of taxpayers, and the total tax base to roughly the same extent as would an increase in the per capita exemption from $500 to $700. The second would be comparable in its effects to a per capita exemption of $600.

"Tables are attached showing such pertinent information as the exemption allowances since the inception of the income tax in this country in 1913, and the comparative exemption experience of the United States, Canada, and Great Britain since 1939.

"INDIVIDUAL INCOME-TAX EXEMPTIONS

"A major issue in individual income-tax policy relates to the level and structure of personal exemptions. It is the purpose of this study to bring together the available factual information bearing on the adequacy of the existing exemptions and to discuss the various revenue, equity, economic, and administrative considerations raised by alternative methods of revising the exemptions. No policy recommendations are made in this study, which is designed to provide factual and analytic background material which may be helpful in formulating such recommendations.

"This study was prepared in the Individual Income Tax Section of the Division of Tax Research. The revenue estimates used in the study were supplied by the Office of the Technical Staff. Valuable assistance and suggestions were received from other members of the Treasury tax staff, including consultation with members of the Office of Tax Legislative Counsel on legal matters and of the Bureau of Internal Revenue on administrative matters.

"This subject has also been considered by a committee composed of the technical tax staffs of the Treasury Department and the Joint Committee on Internal Revenue Taxation. An early draft of this study was made available to the committee and it has benefited at various points by the committee's discussions. The material contained herein, however, is not to be considered as representing in any way the views of the staff of the Joint Committee on Internal Revenue Taxation.

"DIVISION OF TAX RESEARCH,
"United States Treasury Department.

"INDIVIDUAL INCOME-TAX EXEMPTIONS

"SUMMARY

"1. Wartime reduction in exemptions

"One of the most striking features of the war-finance program was the reduction in personal exemptions under the individual income tax. At the low point reached under the Individual Income Tax Act of 1944, all persons with net income above a flat $500 exemption were subject to normal tax. Under present law the taxpayer is allowed an exemption of $500 each, for himself, his wife, and dependents for both normal tax and surtax.

"Additional information on the war-period developments is given in chart 1, page ii, which summarizes the exemption provisions under the Federal individual income tax for the entire period 1913–47. Taking the exemptions which prevailed in the income year 1939 as a basis of comparison, the present exemption, without adjustment for price changes, is 50 percent of the 1939 figure in the case of single individuals, 40 percent for married couples, and 125 percent for dependents. The net result of exemption revisions since 1939 has been a sharp decrease in exemptions for single persons and married couples, but a substantial increase in the dependent exemption.

"2. Exemptions and the increases in living costs

"To appreciate fully the extent of the wartime reduction in exemption levels it is necessary to take into account not merely the dollar decrease in exemption but the even greater decrease in the value of the exemptions when expressed in terms of goods and services. The rise in the cost of living has sharply reduced the command of the dollar exemptions over goods and services. While this development may have imposed income tax at real income levels not necessarily intended when the present exemptions were adopted, it is in accord with the view of those who held that the income-tax base should have been further broadened. The increase in consumer prices 1939–September 1947 is shown in chart 2, page iii. The amount to which a $500 exemption would have to be adjusted upward merely to offset the effect of price increases since 1939, 1942, and 1944 is indicated in chart 3, page iv, as being $824, $703, and $653, respectively. This chart also compares present exemptions with 1939 exemptions adjusted upward to provide the same purchasing power as in 1939. Thus, 1939 exemptions for single persons, married couples, and dependents had the same purchasing power, respectively, as $1,648, $4,120, and $659 had in September 1947.

"3. Specific problems and issues

"The individual income-tax exemptions are related to the role of the individual income tax in the revenue system as a whole and its over-all strength. In addition to the basic policy questions involved in determining over-all revenue goals and the relative emphasis on individual, business, and excise tax sources, the question of exemption revision raises the following more specific issues:

"(a) The question of an immediate adjustment of the exemptions to take account of higher living costs.

"(b) The postwar level of exemptions consistent with adequate revenues and the extent of reliance on the individual income tax as compared with other taxes.

"(c) The choice between rate and exemption adjustments.

"(d) The question of the relative amounts of exemption for single persons, married couples, and dependents, and

"(e) The timing of exemption changes in relation to economic and fiscal conditions.

"Other questions which may call for consideration include (1) the possibility of a substitute for higher exemptions, such as a special low starting rate or special deductions for hardship cases; (2) proposals for a basic change in exemption method, involving the adoption of tax credits or other devices in lieu of exemptions; and (3) stability versus flexibility of exemptions in the postwar tax structure.

"4. Exemptions compared with family budgets

"In legislative and other discussions of income-tax exemptions, reference is generally made to the objective of relieving some minimum standard of living from direct tax. Concepts of such a minimum standard differ, ranging from a bare subsistence to a comfortable standard of life. From the standpoint of sound social policy, it has been held that an income-tax exemption below the maintenance budget requirements of a manual worker and his family is undesirable because it would tend to result in lower economic vitality, less production, and possibly higher Government expenditures for social purposes.

"In chart 4, page vii, existing exemptions are compared with the latest information (September 1947) available for a maintenance budget level, a modest but currently adequate standard of living for a city worker's family, and a so-called health and decency budget level. These comparisons indicate that present exemptions are substantially below maintenance requirements for a single individual with no dependents and for a married couple with no dependents. However, the present $500 dependent exemption apparently exceeds the maintenance requirements for a dependent, so that present exemptions are perhaps within the range of adequacy for married couples with one or two dependents and are more than adequate to cover a maintenance standard for a married couple with more than two dependents. Present exemption levels are substantially below the requirements for the other two higher levels of living for all family sizes.

"Family budget data are also useful in throwing light on the question of what relative amounts of exemption should be allowed for single persons, married couples, and dependents, as distinguished from the issue of the dollar amounts or the general level of exemptions. On the basis of the available information with respect to comparable living requirements for different-sized families, summarized in the following table, the present per capita exemption appears to allow relatively too little exemption for single individuals living alone and relatively too much for dependents, taking the married couple with no dependents as the standard of reference.

"Present exemptions compared with Bureau of Labor Statistics estimates of incomes needed to achieve comparable levels of living

[Relative: married couple, no dependents—100]

Exemption	Bureau of Labor Statistics estimates [1]	Exemptions for single persons, married couples, and dependents, respectively		
		$500, $1,000, $500	$800 $1,600, $440 (combination A)	$800, $1,200, $400 (combination B)
Single, no dependents	[2] $70.0	$50	$50	$67
Married, no dependents	100.0	100	100	100
Married, 1 dependent	128.0	150	125	133
Married, 2 dependents	152.5	200	150	167
Married, 3 dependents	174.0	250	175	200
Married, 4 dependents	194.5	300	200	233

[1] Average of BLS estimates for savings and diet criteria (see sec. 11A, pp. 5-6).
[2] Savings criterion only. Diet data not available.

"5. Revenue, number of taxpayers, and tax base

"As shown in chart 5, page 79, exemption changes exert a powerful leverage on individual income-tax revenue, tax base, and taxpayers. According to estimates assuming $166,000,000,000 of national income payments in 1947, on which chart 5 is based, an increase in the exemption from $500 to $600 per capita would reduce (a) individual income-tax revenue by about $1,600,000,000, or almost 10 percent; (b) the number of individual income-tax payers by about 5,000,000, or almost 10 percent; and (c) the surtax net income base by about $8,000,000,000, or 12 percent, as compared with present law.

"On the same assumptions, an increase in exemptions from $500 to $700 per capita would decrease (a) individual income-tax revenue by about $3,000,000,000, or 18 percent, (b) the number of individual income-tax payers by about 11,000,000, or 22 percent, and (c) the surtax net income base by $15,000,000,000, or 22 percent.

"6. International comparisons

"A summary comparison of personal income-tax exemptions in the United States, Great Britain, and Canada, for 1939, selected war years, and under most recent postwar legislation, is presented in the accompanying table. As this comparison shows, in general, 1939 exemptions were higher in the United States than in Great Britain and Canada, and the wartime exemption decrease was relatively greatest in the United States. Federal income-tax exemptions for 1947 applicable to single individuals and married couples are lower than the Canadian but higher than the British for 1947–48. The income-tax exemption for dependents is higher in the United States than in the United Kingdom and Canada. However, these countries pay family allowances for children under certain ages which in effect raise the tax value of a dependent child.

"Comparison of personal exemptions and credits for dependents in the United States, United Kingdom,[1] and Canada, for 1939, selected war years, and 1947

Income year [2]	Personal exemptions						Credit for dependents		
	Single person			Married person					
	United States	United Kingdom	Canada	United States	United Kingdom [3]	Canada	United States	United Kingdom	Canada
1939	$1,000	$400	$1,000	$2,500	$720	$2,000	$400	$240	$400
1940	800	400	750	2,000	680	1,500	400	200	400
1941	750	320	750	1,500	560	1,500	400	200	400
1942	500	320	660	1,200	560	[4] 1,200	350	200	[5]
1944–45	500	320	660	[6] 1,000	560	[4] 1,200	[6] 500	200	[5]
1947	500	440	750	[6] 1,000	720	1,500	[6] 500	[7] 240	[8] 100 [9] 300

[1] Pound converted at $4.
[2] Calendar year in the case of United States and Canada; 1-year period beginning Apr. 6 of year shown in the case of the United Kingdom.
[3] If the wife has earned income, the married allowance is increased by amounts up to a maximum of $180 for 1939–42, $320 for 1942–46, and $440 for 1947–48.
[4] Minimum taxable limit, applicable to taxpayers with up to $1,570 of net income. For taxpayers with larger incomes the exemption consisted of an income deduction of $660 plus a tax credit of $150 against the graduated tax starting at 30 percent.
[5] In lieu of an income exemption the following tax credits were deductible from the amount of tax: $28 from normal tax (rate 7 percent) and $80 from graduated tax (initial rate 30 percent).
[6] Surtax exemptions. For surtax, each taxpayer was allowed an exemption of $500, plus $500 for his spouse, and $500 for each dependent. The normal tax exemption was either $500 or up to a maximum of $1,000 if the return included income of both husband and wife. For 1946 and subsequent years, the surtax exemptions were made applicable to the normal tax also.
[7] Since Aug. 6, 1946, a family allowance of $1 a week or $52 a year is paid for each child, other than the eldest, under 16 years of age.
[8] Exemption allowed dependents eligible to receive family allowances. Family allowances average about $72 annually per child under 16 years of age.
[9] Exemption allowed dependents not eligible for family allowances."

Mr. LANGER. Mr. President, I shall take only one more minute. The distinguished chairman of the committee says the exemptions in other countries are lower. Reference is made to Canada. What are the facts? Here is the testimony of the Treasury Department:

The income-tax exemption for dependents is higher in the United States than in the United Kingdom and Canada. However, these countries pay family allowances for children under certain ages, which in effect raise the tax value of a dependent child.

But, Mr. President, you do not find that in the report which is before us; you will look in vain for it in the report.

Mr. President, very reluctantly I shall vote for this bill, but I want every one in America to know that under its terms the man with a low income is discriminated against morning, noon, and night, and that the man with a high income, especially the man who receives an income of over $100,000, is favored. The more he receives the more he saves. The man who makes $400,000,000 a year pays exactly the same rate as the man who has an income of $200,000.

Mr. President, I repeat, though I shall vote for the bill, I shall do all I can to have amendments added to it as rapidly as we can possibly add them.

Mr. LUCAS. Mr. President, last year the House Ways and Means Committee proposed to reduce taxes by a percentage reduction across the board. Two bills of that kind came before the House and Senate, both of which were passed but both of which were vetoed by the President of the United States. The vetoes were sustained on both occasions. If either of those bills had become law the result would have been an unconscionable tax saving in the high income-tax brackets, leaving the low income-tax groups without the relief so essential to them, because it is upon them that the burden of the high cost of living falls the hardest.

When those bills came before the Senate the Senator from Illinois opposed them vigorously, primarily on the ground that they were unsound and inequitable so far as a balanced tax program was concerned.

In order to focus attention on my idea of the proper way to reduce taxes I introduced last year, as a member of the Finance Committee of the Senate, a substitute bill for the House bill Numbered 1, which was known as the Knutson bill. Briefly, that bill contained three provisions, the first one being to increase all tax-exemptions from $500 to $600. The second provision was the splitting of family incomes so that persons in common-law States would be placed upon an equal basis with those persons in community-property States, so far as individual income taxes were concerned. The third provision was a reduction in the rate of 2 percent on the surtax brackets, all of which would have cost the Treasury approximately $4,000,000,000. I also requested at that time that the bill become effective as of January 1, 1948.

Mr. President, strange as it may seem, the bill which was introduced in the House of Representatives this year and which is now being considered by the Senate adopted two of those features, namely, the increase in exemptions and the split in the family income. It also provides for a reduction in rates in the surtax brackets, as well as a reduction across the board.

I rise at this time merely to point out to the Senate and to the country the fact that the Senator from Illinois last year introduced that kind of a bill as a substitute for the unconscionable measure which was at that time pending and which was later vetoed by the President of the United States, whose veto was sustained by the Senate. There is no significant difference in principle between that bill and the pending measure. There are a few minor variations. In other words, had the Congress of the United States accepted the theory and philosophy of a proper kind of tax bill as laid down in the substitute offered by the Senator from Illinois last year, we should not now be debating a tax measure, because with the split family income and the increase in exemptions, which is not enough, but is the best that can be done under the circumstances, we should have had a tax bill, notwithstanding the veto by the President of the United States to the contrary. This course, however, did not suit the Republican majority, who drove on obstinately to pass a tax bill containing the objectionable across-the-board tax features I have mentioned.

Mr. President, I desire at this time to offer a copy of the amendment which I offered last year as a substitute and ask that it be made a part of the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Amendment (in the nature of a substitute) intended to be proposed by Mr. LUCAS to the bill (H. R. 1) to reduce individual income-tax payments, viz: Strike out all after the enacting clause and insert the following:

"That this act may be cited as the 'Individual Income Tax Reduction Act of 1947.'"

SEC. 2. Increase in personal exemptions.

Section 25 (b) (1) of the Internal Revenue Code (relating to credits of individual against net income) is hereby amended by striking out "$500", wherever appearing therein, and by inserting in lieu thereof "$600", and by striking "$1,000" and by inserting in lieu thereof "$1,200."

SEC. 3. Income of husband and wife.

So much of section 12 (b) of the Internal Revenue Code (relating to the computation of surtax) as precedes the table therein is hereby amended to read as follows:

"(b) Computation of surtax.—

"(1) Separate return: Except in the case of a joint return by husband and wife, there shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax determined by computing a tentative surtax under the table set forth in paragraph (3) of this subsection, and by reducing such tentative surtax by 5 percent thereof.

"(2) Joint return: In the case of a joint return by husband and wife under section 51, there shall be levied, collected, and paid for each taxable year upon the aggregate surtax net income of the husband and wife a surtax determined—

"(A) by computing a tentative surtax under the table set forth in paragraph (3) of this subsection upon an amount equal to one-half of such aggregate surtax net income;

"(B) by multiplying the tentative surtax ascertained under subparagraph (A) by 2; and

"(C) by reducing the amount ascertained under subparagraph (B) by 5 percent thereof.

"(3) Surtax table: The table referred to in paragraphs (1) and (2) is as follows:".

SEC. 4. Standard deduction.

Section 23 (aa) (1) of the Internal Revenue Code (relating to the optional standard deduction for individuals) is amended to read as follows:

"(1) Allowance: In the case of an individual, at his election a standard deduction as follows:

"(A) Separate return with adjusted gross income $5,000 or more: Except in the case of a joint return by husband and wife, if the adjusted gross income is $5,000 or more, the standard deduction shall be $500.

"(B) Joint return with adjusted gross income $5,000 or more: In the case of a joint return by husband and wife under section 51, if the aggregate adjusted gross income of the husband and wife is $5,000 or more, the standard deduction shall be $1,000 or an amount equal to 10 percent of such aggregate adjusted gross income, whichever is the lesser.

"(C) Adjusted gross income less than $5,000: If the adjusted gross income is less than $5,000, the standard deduction shall be an amount equal to 10 percent of the adjusted gross income upon the basis of which the tax applicable to the adjusted gross income of the taxpayer is determined under the tax table provided in section 400."

SEC. 5. Reduction in surtax on individuals.

Section 12 (b) of Internal Revenue Code (relating to rates of surtax) is amended by striking everything after the colon and inserting in lieu thereafter the following:

"If the surtax net income is:	The tentative surtax shall be:
Not over $2,000	15% of the surtax net income.
Over $2,000 but not over $4,000.	$300, plus 17% of excess over $2,000.
Over $4,000 but not over $6,000.	$640, plus 21% of excess over $4,000.
Over $6,000 but not over $8,000.	$1,060, plus 25% of excess over $6,000.
Over $8,000 but not over $10,000.	$1,560, plus 29% of excess over $8,000.
Over $10,000 but not over $12,000.	$2,140, plus 33% of excess over $10,000.
Over $12,000 but not over $14,000.	$2,800, plus 38% of exces over $12,000.
Over $14,000 but not over $16,000.	$3,560, plus 42% of excess over $14,000.
Over $16,000 but not over $18,000.	$4,400, plus 45% of excess over $16,000.
Over $18,000 but not over $20,000.	$5,300, plus 48% of excess over $18,000.
Over $20,000 but not over $22,000.	$6,260, plus 51% of excess over $20,000.
Over $22,000 but not over $26,000.	$7,280, plus 54% of excess over $22,000.
Over $26,000 but not over $32,000.	$9,440, plus 57% of excess over $26,000.
Over $32,000 but not over $38,000.	$12,860, plus 60% of excess over $32,000.
Over $38,000 but not over $44,000.	$16,460, plus 64% of excess over $38,000.
Over $44,000 but not over $50,000.	$20,300, plus 67% of excess over $44,000.
Over $50,000 but not over $60,000.	$24,320, plus 70% of excess over $50,000.
Over $60,000 but not over $70,000.	$31,320, plus 73% of excess over $60,000.
Over $70,000 but not over $80,000.	$38,620, plus 76% of excess over $70,000.
Over $80,000 but not over $90,000.	$46,220, plus 79% of excess over $80,000.
Over $90,000 but not over $100,000.	$54,120, plus 82% of excess over $90,000.
Over $100,000 but not over $150,000.	$62,320, plus 84% of excess over $100,000.
Over $150,000 but not over $200,000.	$104,320, plus 85% of excess over $150,000.
Over $200,000	$146,820, plus 86% of excess over $200,000."

SEC. 6. The Secretary of the Treasury is authorized and directed to make such changes in the tables in section 400 (Optional Tax Table) and section 1622 (Withholding Tables) as may be necessary to reflect the reduction in taxes provided for in the preceding provisions of this Act.

SEC. 7. The amendments to the Internal Revenue Code made by this act shall become effective with respect to taxable years beginning after December 31, 1947.

Mr. LUCAS. Mr. President, that is practically all that the Senator from Illinois desires to say. I merely want to make the record plain. I wish to reiterate the position which I took almost a year ago upon the question of taxation. I believe my position is further enforced by the able argument made by the Senator from Georgia [Mr. GEORGE]. We do need relief from the standpoint of the inequities which are involved in the present tax structure which is upon the statute books, the most glaring one being the inequality existing between common-law States and community-property States. If the time shall come when an emergency shall arise and it becomes necessary once again to increase taxes, or if the time shall come when we can further decrease taxes and when other inequities in our tax structure can be straightened out, we shall be in better position to do equity among our taxpayers throughout the Nation. I propose to support the measure when the final vote is taken.

I yield the floor.

Mr. HOLLAND. Mr. President, on July 18 of last year 33 Democratic Senators, of whom I had the honor to be one, joined with three Republican Senators in sustaining the veto of the President to the Individual Income-Tax Reduction Act of 1947, which was House bill 3950. That tax-reduction bill, if it had been passed, would have taken effect on January 1, 1948. Since the pending income tax reduction bill is to take effect as of January 1, 1948, and since I shall vote for this measure because of the great differences between it and the measure which was vetoed last July, I think it is timely to make brief reference to some of the substantial differences between the defeated 1947 bill and the present measure which, in my judgment, make the present measure a reasonably fair and desirable tax-reduction bill as contrasted with the very bad bill which was defeated last year.

In the first place, the pending measure retains only one feature contained in the 1947 measure, namely, that of allowing additional exemptions for persons over 65 years of age. All the other provisions of the pending measure represent substantial departures from the tax philosophy which dominated the 1947 bill.

Senators will recall that the 1947 bill was predicated originally upon the announcement by the chairman of the Ways and Means Committee of the House insisting upon a 20-percent reduction across the board for all taxpayers, and despite the fact that such a reduction would have meant that the overwhelming majority of taxpayers would be left on the tax rolls, and required to pay 80 percent of the taxes which had been placed upon them purely as a war measure.

Mr. President, there was of course some departure from that original approach, but I wish to make it perfectly clear that in the humble opinion of the junior Senator from Florida the departure was not great throughout the consideration of the two measures last year. To my mind it is crystal clear that those measures, as they were finally taken up and passed by the Congress, and later refused passage by vote sustaining the President's vetoes—in both cases these bills gave undue emphasis and too large a part in the tax reduction to the well-to-do citizen, and much too small a part to those of small income.

The PRESIDING OFFICER. The hour of 3 o'clock having arrived, the Chair calls attention to the unanimous-consent agreement, under which the time is to be divided equally, to be controlled by the Senator from Colorado [Mr. MILLIKIN] and the Senator from Texas [Mr. CONNALLY].

Mr. MILLIKIN. Mr. President, I yield 20 minutes to the Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. The Senator from Florida is recognized for 20 minutes.

Mr. HOLLAND. I thank the Senator from Colorado.

More than nine-tenths of the taxpayers had been placed on the income-tax rolls as a result of war-tax legislation, under which their personal exemptions were sharply cut as a temporary war necessity.

Notwithstanding this undoubted fact, the income-tax measure which was proposed last year by the Republican majority of the House and Senate contained no provision to restore to taxpayers any of the personal exemptions which had been cut off as a result of dire war necessity, except only in the case of the relatively small group of aged citizens. Not a single taxpayer would have been cut off the roll by last year's measure, Mr. President, except the small group of aged.

Senators will remember the fight which was made on the floor last year for the recognition of the principle that personal exemptions must be raised as a feature of any fair income-tax reduction measure. The Senate majority voted overwhelmingly last year against the raising of the personal exemption by $100. The Republican Senators voted 10 for and 38 against this important principle.

I am happy, Mr. President, that the Senate majority has changed its mind at this session, and has included in the pending measure a provision by which personal exemptions will be increased by $100. The recognition of this principle is a victory for those who fought the 1947 measure, and defeated it. This victory is of tremendous importance, particularly to the citizens of small income throughout the Nation. It established the pattern that as income taxes are reduced, the Congress now proposes to retrace in some degree the path which it followed in placing wartime tax burdens upon individual citizens of small incomes.

In order that a clear showing may be made as to the fact that this small restoration of personal exemptions constitutes the biggest single factor in the pending bill, I ask that at this time table 14, on page 30 of the committee report on the pending measure, No. 1013, be printed in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE XIV.—*Distribution of the tax reduction resulting from the various provisions of the House bill and the Finance Committee bill*

[Assuming personal income of $208,000,000,000]

	Reduction, House bill		Reduction, Finance Committee bill	
	In millions of dollars	In percent of total	In millions of dollars	In percent of total
		Percent		*Percent*
Increase in the per capita exemption to $600	2,000.1	30.0	2,000.1	41.9
Additional exemption for persons over 65	163.8	2.5	163.8	3.4
Special provision for the blind	0.1	(1)	0.1	(1)
Allowing married couples to split their incomes	598.2	9.0	550.3	11.6
Increase in the standard deduction [2]	59.4	0.9	59.4	1.2
Percentage reductions	3,637.2	54.6	1,799.7	37.7
Decrease in income tax liabilities	6,458.9	97.0	4,573.5	95.8
Effect on estate and gift taxes	199.1	3.0	199.1	4.2
Total decrease in tax liabilities	6,658.0	100.0	4,772.6	100.0

[1] Less than 0.05 percent.
[2] This includes the reduction in tax liabilities for married couples as well as single individuals.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. HOLLAND. Mr. President, upon inspection of table 14 of the committee report, it will appear that the restoration of $100 of personal exemptions accounts for a total reduction of $2,000,100,000 out of the grand total of $4,772,600,000 reduction involved in this bill. The report of the committee further shows, Mr. President, that over 6,000,000 citizens who are now paying minor amounts of income taxes are taken off of the income-tax roll by this provision alone.

The next very great departure in the pending bill from the defeated measure of last year is the inclusion of the provision by which the incomes of married couples are split for income-tax purposes. This provision is necessary in order to give to the married citizens of 36 States equal treatment with married citizens of 12 States in which the community-property law prevails. Last year, when the proposed tax-reduction law was pending, the distinguished senior Senator from Arkansas [Mr. MCCLELLAN] was the leader of a strong effort to secure the inclusion of this principle as a matter of simple justice and equity. However, last year the Senate Republicans voted overwhelmingly—40 to 10—against the inclusion of this important and just principle.

I am happy, Mr. President, that the Senate majority has changed its mind at this session and has included in the pending measure the so-called split-income provision for married couples. The recognition and inclusion of this principle is a victory for the senior Senator from Arkansas—and I strongly commend and compliment him—and for all those who fought the 1947 measure and defeated it. This victory is of tremendous importance, particularly to married citizens in the middle brackets of income in those 36 States of our Nation which are not community-property States.

If Senators will for a moment advert to the table which I incorporated in my remarks a few minutes ago, namely, table 14, from page 30 of the committee report, they will find that the inclusion of the split-income feature in the pending measure accounts for $550,300,000 of the total amount of tax reduction, which, added to the reduction of more than $2,000,000,000 accomplished by increasing the personal exemption by $100, makes a total of more than $2,550,000,000 of the tax reduction which will be accomplished under the pending measure, and which flow from the two proposals incorporated in the pending bill and strongly supported by the Democratic minority when the 1947 measure was being considered, but which were overwhelmingly voted down by the Republican Senators last year.

To consider briefly the saving accomplished by married couples in the common-law States by the split-income proposal, I call to the attention of the Senate a table of estimates incorporated in the RECORD by the senior Senator from Arkansas in the course of his able address on the subject last December 12. Senators will note that that table, prepared by the congressional Joint Committee on Internal Revenue Taxation, showed a total savings in the amount of $784,210,000, which would accrue out of the split-income proposal to married citizens of the non-community-property States.

I have discussed with the staff of the joint committee the apparent discrepancy between the $784,000,000 savings estimated in that table and the $550,000,000 savings estimated by the joint committee to accrue out of the split-income provision in the pending bill. I am assured that there is no discrepancy, Mr. President. The difference results from the fact that the December table was calculated upon levels of taxation existing then and existing now, that is, under existing law, whereas the $550,000,000 figure was calculated upon levels of taxation which will exist after adoption of the other provision of the pending bill. In other words, the $550,000,000 saving will be accomplished by married taxpayers over and above reductions which they will receive out of other features of the pending bill.

My particular reason for mentioning this point at this time is that by referring to the table filed by the senior Senator from Arkansas last December, each Senator can discover for himself approximately how much money will be saved to the married couples of his State by the adoption of this split-income provision. In the case of Florida, the table filed by the Senator from Arkansas shows that Florida would have saved $14,025,000 by the split-income provision without changing other features of their income-tax law. In view of the other changes made by the pending measure this figure will be reduced, Mr. President, to approximately $10,000,000 as the annual savings which will accrue to the married couples of Florida alone as a result of their having the benefit of the split-income provision. Other Senators can, I am told, develop the approximate figures for their States by taking five-sevenths of the amount shown for their respective States in the table filed last December and heretofore mentioned.

The total savings accomplished under all provisions of the pending measure for all the citizens of each State have already been shown by the table inserted by the distinguished chairman of the Committee on Finance as a part of his able debate, and shown on page 3042 of the RECORD. In the case of Florida, the total savings under this bill are shown to be $68,600,000, of which amount approximately ten million results from the split-income provision.

Completing my reference to these two vital provisions—increased exemptions for all individual taxpayers, and split incomes for married couples—which are included in the pending measure, but were left out last year, I call attention to a fact which I am sure is entirely obvious to all, that if last year's bill had passed it would have killed any chance for enacting this year, additional tax reductions covering the two new provisions. The last year's measure would have accomplished a total reduction of $4,100,000,000 and its adoption would certainly have precluded a further reduction now, effective at the same time, January 1, 1948, of over $2,550,000,000.

The third point which I mention briefly as showing the much greater merit of this measure as contrasted with last year's bill, Mr. President, is that the total reductions accomplished under this measure are spread so much more fairly among all citizens than was the case under the bill defeated last year. Without discussing this point at length, I ask unanimous consent, at this time, to have printed as a part of my remarks, two tables. The first is table XVI–H from the committee report on the pending measure, appearing on page 40 of the report.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE XVI–H.—*Comparison of individual income tax under present law, and under House bill, and the Finance Committee bill*

MARRIED PERSON—2 DEPENDENTS—UNDER AGE 65, WITH INCOME DIVIDED AS FOLLOWS: 50 PERCENT AND 50 PERCENT

Income after deductions but before exemptions	Amount of tax			Amount of tax reduction, H. R. 4790		Percent tax reduction, H. R. 4790	
	Present law	H. R. 4790		House bill	Finance Committee bill	House bill	Finance Committee bill
		House bill	Finance Committee bill				
						Percent	*Percent*
$2,000							
$2,500	$95.00	$13.30	$16.60	$81.70	$78.40	86.00	82.53
$3,000	190.00	79.80	99.60	110.20	90.40	58.00	47.58
$4,000	380.00	212.80	265.60	167.20	114.40	44.00	30.11
$5,000	570.00	386.00	431.60	184.00	138.40	32.28	24.28
$6,000	769.50	547.20	597.60	222.30	171.90	28.89	22.34
$7,000	969.00	708.32	780.16	260.68	188.84	26.90	19.49
$8,000	1,178.00	875.52	973.76	302.48	204.24	25.68	17.34
$9,000	1,387.00	1,042.72	1,167.36	344.28	219.64	24.82	15.84
$10,000	1,615.00	1,209.92	1,360.96	405.08	254.04	25.08	15.73
$11,000	1,843.00	1,410.18	1,575.68	432.82	267.32	23.48	14.50
$12,000	2,090.00	1,632.48	1,804.48	457.52	285.52	21.89	13.66
$13,000	2,337.00	1,854.78	2,033.28	482.22	303.72	20.63	13.00
$14,000	2,603.00	2,077.08	2,262.08	525.92	340.92	20.20	13.10
$15,000	2,869.00	2,319.90	2,512.00	549.10	357.00	19.14	12.44
$20,000	4,370.00	3,657.12	3,888.32	712.88	481.68	16.31	11.02
$25,000	6,099.00	5,199.54	5,475.84	899.46	623.16	14.75	10.22
$30,000	8,113.00	6,977.94	7,306.24	1,135.06	806.76	13.99	9.94
$40,000	12,787.00	11,167.44	11,618.24	1,619.56	1,168.76	12.67	9.14
$50,000	18,164.00	15,986.22	16,577.92	2,177.78	1,586.08	11.99	8.73
$60,000	23,940.00	21,174.36	21,917.76	2,765.64	2,022.24	11.55	8.45
$70,000	29,944.00	26,567.70	27,468.80	3,376.30	2,475.20	11.28	8.27
$80,000	36,195.00	32,179.92	33,245.12	4,015.08	2,949.88	11.09	8.15
$90,000	42,764.25	38,079.42	39,317.12	4,684.83	3,447.13	10.96	8.06
$100,000	49,590.00	44,225.16	45,642.56	5,364.84	3,947.44	10.82	7.96
$150,000	86,184.00	77,128.98	79,508.48	9,055.02	6,675.52	10.51	7.75
$200,000	126,255.00	113,172.36	116,605.76	13,082.64	9,649.24	10.36	7.64
$250,000	168,492.00	151,178.82	155,723.52	17,313.18	12,768.48	10.28	7.58
$300,000	210,767.00	189,226.32	195,367.36	21,540.68	15,399.64	10.22	7.31
$400,000	296,248.00	266,155.80	276,570.70	30,092.20	19,677.30	10.16	6.64
$500,000	382,679.00	343,940.28	358,676.54	38,738.72	24,002.46	10.12	6.27
$750,000	598,804.00	538,452.78	563,995.28	60,351.22	34,808.72	10.08	5.81
$1,000,000	814,929.00	732,965.28	769,314.04	81,963.72	45,614.96	10.06	5.60

Source: Staff of the Joint Committee on Internal Revenue Taxation.]

Mr. HOLLAND. The second is table V–C appearing on page 9 of the committee report (No. 468) on H. R. 3950 which was the Income Tax Reduction Act of 1947.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V–C.—*Comparison of individual income tax under present law and under H. R. 3950*

MARRIED PERSON—TWO DEPENDENTS—UNDER AGE 65

Net income before personal exemption	Amount of tax		Reduction in tax under H. R. 3950	
	Present law	H. R. 3950	Amount	Percent
$2,000				
$2,500	$95.00	$66.50	$28.50	30.00
$3,000	190.00	133.00	57.00	30.00
$4,000	380.00	304.00	76.00	20.00
$5,000	589.00	471.20	117.80	20.00
$6,000	798.00	638.40	159.60	20.00
$7,000	1,045.00	836.00	209.00	20.00
$8,000	1,292.00	1,033.60	258.40	20.00
$9,000	1,577.00	1,261.60	315.40	20.00
$10,000	1,862.00	1,489.60	372.40	20.00
$11,000	2,185.00	1,748.00	437.00	20.00
$12,000	2,508.00	2,006.40	501.60	20.00
$13,000	2,869.00	2,295.20	573.80	20.00
$14,000	3,230.00	2,584.00	646.00	20.00
$15,000	3,638.50	2,910.80	727.70	20.00
$20,000	5,890.00	4,712.00	1,178.00	20.00
$25,000	8,521.50	6,817.20	1,704.30	20.00
$30,000	11,381.00	9,104.80	2,276.20	20.00
$40,000	17,442.00	13,953.60	3,488.40	20.00
$50,000	24,111.00	19,288.80	4,822.20	20.00
$60,000	31,179.00	24,943.20	6,235.80	20.00
$70,000	38,532.00	30,825.60	7,706.40	20.00
$80,000	46,170.00	36,936.00	9,234.00	20.00
$90,000	54,093.00	43,274.40	10,818.60	20.00
$100,000	62,301.00	49,840.80	12,460.20	20.00
$150,000	104,538.00	84,107.30	20,430.70	19.54
$200,000	147,269.00	120,428.65	26,840.35	18.23
$250,000	190,475.00	157,153.75	33,321.25	17.49
$300,000	233,700.00	193,895.00	39,805.00	17.03
$400,000	320,150.00	271,075.00	49,075.00	15.33
$500,000	406,600.00	348,425.00	58,175.00	14.31
$750,000	622,725.00	541,800.00	80,925.00	13.00
$1,000,000	838,850.00	735,175.00	103,675.00	12.36

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. HOLLAND. Mr. President, a brief comparison of these two tables shows that this year's act has been so drastically changed from last year's measure as to do away with the very great preference shown the well-to-do under the 1947 bill. Without quoting at great length, I simply mention that a citizen with net income of $1,000,000 would have received a reduction under the 1947 bill of $103,675. Under the pending bill his taxes would be reduced by $45,614, which is certainly a substantial cut. At the $100,000 income level the reduction was—last year—$12,460, this bill $3,947. At the $20,000 level the two reductions are—last year $1,178, this year $481.68.

If Senators will follow the tables on down they will find that at a level of income somewhere between $6,000 and $7,000 per year—that is net income, Mr. President—the savings are equal under the two bills, but for all lower incomes the reductions made by this year's bill are greater than those proposed last year, largely because of the increased personal exemptions. For a net income of $2,500 the tax of a married man with wife and two children is cut from the present level of $95 to $16.60 instead of leaving his tax at $66.50 as proposed last year.

I repeat that figure. This year's bill would cut the tax of a man receiving a net income of $2,500, who has a wife and two children, to $16.60, whereas under last year's measure the tax would have been left at $66.50.

I wish that time permitted me to make this point at greater length. Suffice it to say that, speaking for myself, I recognize the approach made by the distinguished Committee on Finance to this whole problem of individual income-tax reduction as a sound and fair approach, and I think the measure should be enacted into law.

I well recognize that international problems of profound significance are pending, but even if the Congress is confronted within the near future with the necessity of increasing the revenue I am in complete accord with the sentiments expressed by the distinguished senior Senator from Georgia in his able discussion of this bill that it is by all means best for us to straighten out the manifest injustice growing out of the community property tax situation and to reestablish the principle of restoring personal exemptions, cut down to too low levels by war necessities, and they will still be too low with the $100 raise, Mr. President, in the effort to reassert the time-honored principle which has always been followed heretofore of allowing personal exemptions in time of peace which would protect the living standards of American homes. If then it becomes necessary to raise more taxes we shall at least start from a base on which equal treatment is given to married couples throughout the Nation wherever they may live—and under which hope is held out to the citizen of humble means that we are not forsaking the time-honored principle of income taxation—and forgetting the increased cost of living and the need for restored exemptions—but that in this bill we reaffirm the sound policy of personal exemptions which last year we were about to destroy, or at least to ignore.

Mr. President, I shall vote for this bill feeling that while it does not make everything right, it tends to correct two of the greatest difficulties that we now have under present law, and it lays the basis for a feeling on the part of all citizens that they are receiving equal treatment under the law with respect to the contemplated change in income taxation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the bill (S. 468) to amend the act entitled "An act to incorporate the Imperial Palace, Dramatic Order Knights of Khorassan," to increase the amount of property which the corporation may hold from $100,000 to $5,000,000.

The message notified the Senate that Mr. MONRONEY had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, vice Mr. PATMAN, excused.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WIGGLESWORTH, Mr. PHILLIPS of California, Mr. ROBERTSON, Mr. COUDERT, Mr. HENDERSON, Mr. ANDREWS of Alabama, and Mr. THOMAS of Texas were appointed managers on the part of the House at the conference.

REDUCTION OF INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes.

Mr. CONNALLY. Mr. President, I yield 15 minutes to the Senator from New Mexico [Mr. HATCH].

Mr. HATCH. Mr. President, I thank the Senator from Texas for yielding me 15 minutes. I have but a few words to say, as a matter of fact. On Friday I mentioned that I was trying to kill a little time so that the Members of the Senate could get together and agree on a unanimous-consent agreement, and while I did so I presented some of the reasons why I oppose the bill.

As the time approaches for a vote, Mr. President, it becomes perfectly obvious that the bill is going to be passed, perhaps by an overwhelming majority. It is not my purpose to be critical of those who vote in favor of tax reduction. It is understandable, Mr. President, how heavy the burden of taxes has rested upon the backs of American taxpayers. It is also understandable why Members of the Congress should be more than anxious to relieve the taxpayers from this burden as much as possible. What I say is not in a spirit of invidious criticism. I am quite sure that Members who vote for the bill will do so under the belief and assurance that the tax reduction proposed can be safely made. If I could conscientiously hold to that belief I would vote for the bill; I cannot and do not hold to any such theory.

On Friday last, largely killing time, as the distinguished acting leader of the majority will agree, I stated very briefly some of the reasons why I could not vote for the pending bill. I mentioned bills I had voted for calling for expenditures—not minor expenditures, but huge expenditures—from the Treasury. Since I have been in the Senate I have voted for every bill which would contribute in any degree whatever to the national defense. Long before Pearl Harbor I voted for measures which I thought would contribute to the national defense. I was not happy about those measures. But I knew then, as I know now, that there are powers in this world which recognize only force and nothing else. Today I realize that much of that condition still exists. There are forces and powers in the world which recognize only military strength and might. To meet those forces—which I do not like to meet—I am willing, for the time being, to vote for every expenditure necessary for the defense of this country. That includes, as I said last Friday, universal military training. It

also includes the temporary draft. More than that, it includes every aid we can give through the ERP and through the Greek-Turkish loan, which we shall shortly vote, as well as additional aid to China.

I know that the votes which I shall cast will call for a huge expenditure of money. They will call for expenditures far beyond the conception of any of us. Being firmly convinced of that, I am not willing to say to the American people, "On the one hand I will give you tax relief, and on the other vote for these huge expenditures." To me that is not consistent with honesty or fair dealing.

I think we should be very frank with the American public. We should tell them that the course upon which we have embarked is going to cost many millions, if not billions, of dollars. The only way those expenditures can be met is by taxation. Because I believe that so firmly, I want very much to say to the American people, "This is going to cost you money; and the only way money can be raised is through taxation. Because it can be raised only through taxation, I shall not vote today to reduce taxes when I realize that tomorrow we may have to raise taxes."

Mr. President, I feel very firmly on this question. I shall not undertake today to argue to empty seats. I wish the situation were otherwise, but it is not.

At this point I ask unanimous consent to have printed in the RECORD as a part of my remarks an editorial entitled "Untimely Tax Cut," published in the Washing Evening Star of February 3, 1948.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNTIMELY TAX CUT

The temper of Congress—and presumably of the people—being what it is, any protest against a tax cut this year probably is futile. Nevertheless the protest should be made, for this is not the time to be cutting taxes.

With a margin of more than enough votes to override a veto, the House again has called for tax reduction. This latest measure would take 6,000,000 people off the tax rolls and reduce revenues by $6,500,000,000. This is accomplished principally by increased exemptions, a sliding scale percentage cut in the tax rate and by adoption of the community property principle.

In normal times this would be a good tax-reduction program. But these times are not normal.

One of the reasons for the present inflation is that the supply of dollars in the hands of consumers is greater than the supply of goods. The effect of this is to force prices up and the addition of $6,500,000,000 to the volume of purchasing power is almost certain to drive prices still higher. The national debt stands at $256,000,000,000. It is imperative that this debt be reduced and a maximum reduction ought to be made when the national income is high, as it is now. The Republicans hope that they can provide for tax reduction and still reduce the debt this year by $2,600,000,000. That is an optimistic estimate, but even if it should prove valid, the fact remains that at this rate it would take 99 years to pay the debt, and this is without any allowance for the lean years that are bound to come.

Finally there is the fact, largely ignored when taxes are under discussion in a campaign year, that this country is more at war than at peace. With international conditions as they are we cannot afford to take the chances that might be taken in a tranquil world. If we have any margin of revenue over and above a proper debt reduction, that margin should be used to strengthen our defenses and to finance the countermoves we are making in the face of Russian expansion. This is a field in which there can be no certain cost figures, but we would be wiser to plan on spending more rather than less than the current estimates.

These considerations point to one conclusion. Any tax reduction now is inimical to the best interests of the Nation. But if, for reasons of domestic politics, some tax reduction is inevitable this year, then the cut should be held to the lowest figure possible. There are Members of the Senate, where the bill now goes, who share this view, and they should be given every support.

Mr. HATCH. Mr. President, there is a strong feeling that the people of the country are demanding a tax cut. I should like to read from an editorial published in the Santa Fe New Mexican, which is a Republican newspaper. Among other things the editorial says:

That brings us back to the question of the 1948 tax cut. The Republican position is that both a tax reduction and an adequate European aid program are possible, provided domestic expenditures are cut down.

Listen to this concluding paragraph:

If that can be demonstrated, it should be done. But—Republican or Democratic—no tax cut ought to be made if it interferes with an adequate plan to save our position in Europe.

I ask unanimous consent that the entire editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MARSHALL'S STATEMENT

Congress and the Nation should give heed to the thoughtful words of Secretary Marshall, who yesterday asked an all-or-nothing program of aid to the nations of western Europe.

Mr. Marshall is not a person to be frightened by bogeymen, nor is he in the habit of talking without knowing his subject. When he says the international situation is "critical in the extreme," he means exactly that.

And he meant it when he told Congress that if it didn't intend to do the job right, it shouldn't try to do it at all.

One of the greatest dangers of the Marshall plan is that it might turn out to be another case of too little and too late. It certainly will prove so if Congress should argue lengthily and finally come up with a program which will commit the country to a strong European policy without the wherewithal to carry it out. It would be better to do nothing at all.

That brings us back to the question of a 1948 tax cut. The Republican position is that both a tax reduction and an adequate European aid program are possible, provided domestic expenditures are cut down.

If that can be demonstrated, it should be done. But—Republican or Democratic—no tax cut ought to be made if it interferes with an adequate plan to save our position in Europe.

Mr. HATCH. Mr. President, I think there is a great deal of misconception. The Congress of the United States believes that the people of America are demanding a tax cut, that they must have a tax cut, and that nothing else will satisfy them. I do not adhere to that belief at all. I think the people are strongly and courageously either in favor of or opposed to taxes, just as they are in favor of or opposed to war. I believe there is a great misconception here in the Congress about the attitude of the people of the United States. What they want more than anything else is some security, some certainty against the hazards and the horrors of war. Against the hazards and horrors of war, the people of the United States are willing to pay whatever sum is necessary.

In this connection, Mr. President, let me read an excerpt from a letter which I received this morning from a resident of Albuquerque, N. Mex. I shall not read his name, because I do not have permission to do so.

The PRESIDENT pro tempore. The Chair wishes to point out to the Senator from New Mexico that his time will expire in 1 minute.

Mr. MILLIKIN. Mr. President, if the Senator will yield, let me say I shall be glad to yield five more minutes to him.

Mr. HATCH. I thank the Senator.

Mr. President, I now read the letter:

DEAR SENATOR HATCH: During your years in office I have not troubled you often with correspondence. I am only writing you at this time because of the utterances that are coming out of Washington to the effect that Messrs. Truman, Marshall, Forrestal, and others "must show something nearer a crisis between this country and Russia" before certain representatives of the people will take action on selective service and other devices to make the defenses of our Nation strong.

My own feeling and that of numerous other people to whom I talk—and I converse with many persons in this business—is that no stone should be left unturned to prepare the country for any emergency, and at once. Quick action is the keynote.

The actions of Joe Stalin and his satellites are definitely comparable to those of Hitler before World War II.

Mr. President, with what wisdom he speaks.

He further states:

Our American characteristic of saccharine idealism should be replaced and now with that of hard, unyielding, metallic realism. When first the idea of turning the other cheek was promulgated, the weapon was the palm of the hand. It is now the atomic bomb which leaves no cheek or other feature to be turned.

Under the circumstances, I am willing to continue paying the onerous taxes that are prevalent today and even more, if the money is to be used to keep up the armed strength of this Nation. This is no time to take any chances. From where I sit they are too great.

As I said the other day, Mr. President, I have voted for all the large increases in Government expenditures, but I feel very definitely that there are going to be more large increases. We cannot maintain a huge Military Establishment without them. The President has been criticized because he did not talk about the Air Force in his recent message to Congress. Mr. President, whenever we maintain a huge Military Establishment, whether on land, air, or sea, we are inviting increased expenditures. All of us know they are going to come about. If we have universal military training, if we have the draft, expenses are going to be increased mightily.

My simple thought is this: Now, while we have the money, while the taxes are coming in, why should not we have even a surplus? Why make a rebate to taxpayers who may not want it? I am not sure that they want it at all. I think the taxpayers want, first of all, to prepare the Nation adequately from a military standpoint, in the ultimate hope that sometime, somehow, we can work out a peaceful world.

For those reasons, Mr. President, although I may be the only one to vote against the bill—and probably I shall find myself in that category—I shall vote against this measure. If the President vetoes it, I shall vote to sustain the veto.

The PRESIDENT pro tempore. The time of the Senator from New Mexico has expired.

Mr. MILLIKIN. Mr. President, I yield 10 minutes to the Senator from West Virginia.

Mr. REVERCOMB. Mr. President, the proposed reduction of income taxes will mean, in a practical way, that the people of the United States individually will have more of their own money with which to meet the expenses of daily life and, I hope, to maintain savings programs for themselves.

I shall support this bill. I supported the tax-reduction bill of last year. At that time I stated that that bill did not contain all the provisions which I wished to see in it. I voted for it because it would have reduced the taxes of all the people of the United States. However, at that time I urged upon the Senate the inclusion of provision for an increased personal exemption, as well as provision for the division of income between husband and wife as a basis for taxation. I am very glad indeed to see that this year the bill includes those provisions, and I extend my congratulations to the chairman of the Finance Committee, the Senator from Colorado [Mr. MILLIKIN], and to the other members of the committee for giving heed to those very important phases of the taxation problem and for including provisions regarding them in the pending measure. Those of us who advocated those two provisions in particular a year ago can, with good feeling, support the bill now pending before the Senate.

I also wish to call attention to two provisions which I think are worthy of special note, and which certainly are impressive to me in supporting this bill. One is the provision for an exemption of $1,200 for persons 65 years of age or over. The second is a provision for an added exemption for blind persons. I think those two provisions commend the bill to people generally and to the Members of Congress who are in favor of giving special consideration to those who are less capable of meeting the requirements and the work of life.

Mr. President, I desire to address several questions to the Senator from Colorado. This is a tax-reduction bill. In this bill we have stayed directly on that subject, and I think it is proper that that has been done. I congratulate the Senator from Colorado on the great ability he has shown in handling the bill and, I may add, his fine patience throughout the entire discussion.

The subject on which I wish to interrogate him is not covered by the bill, but it is one which is before his committee. I refer in particular to the laws known as the social-security laws. I understand that subject is now before the Senate Finance Committee.

I may say that a short time ago I introduced a bill providing that the old-age-benefit age shall be 60 instead of 65 years, and making some provisions for persons who become physically disabled to carry on their work even before reaching the retirement age.

Will the Senator from Colorado advise us as to what is being done at this time within his committee on the subject of pensions for age retirement and upon disability payments for those who become unable to work?

Mr. MILLIKIN. Mr. President, in the last session of the Congress a resolution was adopted authorizing the Senate Finance Committee to set up a special advisory council to review the whole subject of social security. Pursuant to that resolution, during the summer a committee was set up, consisting of 17 citizens from all parts of the United States. I doubt very much whether a finer collection of citizens has ever been assembled to do a voluntary piece of work on behalf of the Government. They have been working on it since shortly after that body was created. They are at this time considering the subject of coverage and expect to finish that subject within the near future. Then, as I understand it, they will turn to unemployment-compensation insurance. They are making a very thorough study of the whole subject and will give the Senate Finance Committee the benefit of their recommendations.

The present studies of the council involve the question as to whether or not a large number of people who are not now covered, such as those, for example, in domestic employment and farm laborers, shall be taken into the system. Personally, I hope that we do have a substantial increase in coverage.

Mr. REVERCOMB. May I ask the Senator from Colorado this question? Does he feel that at this session of the Congress we shall have a report upon the subject of the investigation and study with respect to old-age retirement and also the question of additional amounts to be paid, and the subject of insurance for disability benefits?

Mr. MILLIKIN. All the subjects which the Senator has mentioned are under the specific study of the Council. I believe that there is a very good chance that we shall have the entire report, or a report in installments, prior to the time that this Congress adjourns. I am also informed that in the House of Representatives the committee is hopeful of getting a bill before the House having to do with the subject of coverage before Congress adjourns. So far as the Senate side is concerned, the Senate Finance Committee will be ready to proceed in an informed way whenever we get anything on the subject from the House.

Mr. REVERCOMB. I want to thank the Senator very much, because I did want to know of the progress that is being made. This is very informative to me.

Mr. MILLIKIN. Mr. President, if the Senator will yield——

Mr. REVERCOMB. I am glad to do so.

Mr. MILLIKIN. I may say that the 17 members have had a number of meetings here in Washington. They travel from all over the country to come here. The attendance has been excellent. They show a great interest in their work. They have built up a very fine technical staff. I look forward to a very comprehensive and thoughtful series of recommendations from that council.

Mr. REVERCOMB. I am glad indeed to have that information from the Senator, who is the able chairman of the Finance Committee.

Mr. President, the idea of old-age retirement, or looking after those who are unable to care for themselves, both through age and through affliction or illness, is not new in the idea of Government. We have had it with us since the beginning of organized government. The state has always, through some method, attempted to look after its indigent, its aged, and those who could not help themselves.

The PRESIDENT pro tempore. The time of the Senator from West Virginia has expired.

Mr. MILLIKIN. Mr. President, I yield 3 minutes more to the Senator from West Virginia.

Mr. REVERCOMB. I thank the Senator.

The PRESIDENT pro tempore. The Senator is recognized for 3 minutes more.

Mr. REVERCOMB. I may say with respect to the lowering of the age that many crippling diseases do not wait until a man reaches 55. Statistics show that particularly the diseases of the heart and arthritis very frequently attack men before that age.

Voluntary disability insurance has long been available through commercial insurance carriers, fraternal organizations, labor unions, and through pension plans instituted by individual employers for their employees. But the amount of voluntary permanent disability insurance now in force is rather inconsequential.

The Federal old-age and survivors insurance program for workers in industry and commerce is the only major retirement system which fails to provide benefits for insured workers who are forced to retire from gainful work because of disability. The American Medical Association in 1938 endorsed the principle of disability insurance, recommending that "the present old-age and survivors insurance program should be expanded to cover the risk of total disability."

The prime purpose of a program providing insurance benefits for permanent disability should be the payment of cash benefits to the disabled worker and his dependents. Such cash benefits should be comparable to the benefits provided in the event of old age. The worker who becomes disabled in middle or early life needs insurance benefits at least as much as does the worker who has been retired from employment because of his age. His dependents need the protection accorded now to the dependents of a retired worker. He is even more likely to have children under 18 dependent upon him

than in the case of the man of an older age. Moreover, the younger worker has generally had less opportunity to accumulate individual reserves through savings.

The burden of disability falls most heavily on the lower-income families. A number of investigations have found sickness to be one of the major causes of public assistance. Analysis of data with relation to children given assistance discloses that about 25 percent of all children receiving aid need it because of physical or mental incapacity of a parent.

Experience under the older retirement systems indicates that superannuation is not always closely related to chronological age. While many workers are capable of continuing work well past the age of 60 or even 65, others less sturdy may be unable at a much lower age to hold onto a job or to find a new one.

There is nothing in this proposal, and there should be nothing in it, that would require a man to retire at any given age; but if he is free and unable to work he should be cared for.

The addition of permanent disability insurance benefits and the lowering of the retirement age would improve the present social-security system and be sound and justifiable additions to the program. They would assist in reducing the cost to the Federal and State Governments of relief and assistance. They would be of great social value to disabled individuals and to their families.

The PRESIDENT pro tempore. The Senator's time has again expired.

Mr. REVERCOMB. Mr. President, will the Senator yield me two more minutes to enable me to finish?

Mr. MILLIKIN. I yield two more minutes.

The PRESIDENT pro tempore. The Senator from West Virginia is recognized for two additional minutes.

Mr. REVERCOMB. I again thank the Senator from Colorado. Private insurance companies have found it difficult to handle disability insurance because of its high cost in individual cases, and because of adverse selection against the companies under a voluntary private insurance set-up. The adoption of permanent-disability insurance under our laws would not therefore conflict with private insurance interests. On the contrary, it would undoubtedly serve to stimulate the purchase and sale of voluntary disability insurance through private insurance companies, just as old-age and survivors insurance has stimulated the sale of private insurance.

Lowering the age to 60 would quicken the time for retirement of men in frail health who, even at present, continue to work when they are past 65, in many cases because of the margin of difference in age between them and their wives. Statistics show that the average age of the wife of the worker is several years younger than that of her spouse. The worker often continues past the age of 65 in order to allow his wife to reach that age so that both can begin to receive retirement benefits simultaneously.

Mr. President, I think it is a far-reaching and important subject of legislation. I have brought it up in the midst of the discussion because it will come out of the same committee, the able Committee on Finance of the Senate, from which the present legislation came. I am glad indeed to hear the chairman of that committee state that there is a chance this year that there may come from the House legislation upon the subject.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MILLIKIN. Mr. President, I yield 5 minutes to the Senator from Montana [Mr. MURRAY].

Mr. MURRAY. Mr. President, I intend to vote for the pending bill in spite of its many shortcomings, because it is the best bill we can expect to pass at this session of the Congress. The bill no doubt is a vast improvement over the Knutson bill, although it still fails in many respects to give tax relief where tax relief is most needed. It increases personal exemptions from $500 to $600, thereby dropping 7,400,000 low-income taxpayers from the tax rolls. A further increase in the exemption eliminating several million additional low-income taxpayers from the rolls who earn less than subsistence incomes would be much more desirable. The bill as written gives some relief to the low-income bracket, but the bulk of the tax reduction will be enjoyed by the very high-income groups representing monopoly and concentrated ownership.

The bill fails completely to give small business substantial assistance. I advocated and voted for the O'Mahoney amendment which would exempt the first $10,000 of corporate income, provided it be plowed back into the business. Provisions such as this are essential to give small business some incentive.

The application of the community-property principle to all States had my support and sponsorship in the last session, and I am glad that it is included in the bill which is now before the Senate. I have also advocated for several years the special additional exemption of $600 for the aged and the blind, and that is a just provision in the pending bill, which in my judgment greatly improves the measure.

Mr. President, these are uncertain times in which to enact tax legislation, but if we are to have a tax bill at this time we should have a measure which is generally fair to the people as a whole. I think that under all the circumstances the bill we have before us should be passed, and therefore I intend to vote for it.

Mr. McMAHON. Mr. President—

Mr. MILLIKIN. Mr. President, may I ask the Senator if he expects to speak in my time?

Mr. McMAHON. I will say to the Senator from Colorado that the Senator from Texas [Mr. CONNALLY] agreed to allocate some time to me. He is not present at the moment, and I was wondering if the Senator from Colorado would do the honors.

Mr. MILLIKIN. I have only 5 minutes remaining for myself.

Mr. McMAHON. The Senator from Texas now approaches, and I think it would be agreeable to him if I proceed for a few moments.

Mr. CONNALLY. Mr. President, I yield the Senator 10 minutes.

Mr. McMAHON. I do not think I shall take 10 minutes. I have an amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be received and lie on the table. There is another amendment pending.

Mr. McMAHON. The amendment which I have sent to the desk is identical in all respects with the amendment offered by the senior Senator from Wyoming [Mr. O'MAHONEY] last Friday, with the exception that it raises the exemptions from $50,000 to $100,000 in the case of subsidiary corporations, and raises from $100,000 to $200,000 exemptions of corporations which have no financial connection with any other corporation.

It was the sentiment of the Senate last Friday that the amendment offered by the Senator from Wyoming should be defeated, perhaps because the amount provided in the amendment by way of exemption was too small.

With the arguments made by the Senator from Wyoming on the necessity for the curbing of exorbitant profits I wish to associate myself, because I find myself in agreement with them. I therefore believe that if we raise the exemptions perhaps we shall accomplish the end sought by the Senator from Wyoming and shall still succeed in protecting those corporations of small capitalization, rather than unduly punishing them.

So long as I am addressing myself to the general subject, Mr. President, I should like to say that I have somewhat reluctantly decided to vote for the bill. The main reason I have decided to vote for it is because through the community-property provision the tax burden is equalized in the State of Connecticut and in the other States of the Union with community-property statutes. However, I should be less than fair to my constituents if I did not say that I think the relief which is provided for in the bill may well be of short duration. I do not wish to be unduly pessimistic; I do not wish to be a Cassandra, but I do say that if on April 18 certain conditions shall come about I shall be very much surprised if the tax schedules under which the American people are now carrying on will not have to be restored in this calendar year; but if that shall occur, and the schedules shall be restored, they will be restored with equal burden upon all alike. I know of no other way to accomplish that objective than to vote for the bill.

If the American people interpret my vote as indicating that I believe we are on our way back to some Nirvana which we can label "normalcy" they are grossly deceived, and I wish to undeceive them. Mr. President, in your time, in my time, and in the time of other Members of this body I do not think any reasonably prudent man can look forward to any condition which might with any justification be named one of normalcy. So the American people, in my opinion, should not be too optimistic, nor should they misjudge what may happen in the future by the fact that some of us, for the sake

of equality in taxation for all alike, have come to the conclusion that we are willing to vote for the bill because we realize we may have to restore, within 12 months, the schedules which we are now reducing.

Mr. PEPPER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield?

Mr. CONNALLY. Mr. President, I inquire how much time have I?

The PRESIDENT pro tempore. The Senator's side has 39 minutes.

Mr. CONNALLY. I yield 6 minutes to the Senator from Florida.

Mr. PEPPER. Mr. President, I share much of the sentiment expressed by the able Senator from Connecticut [Mr. MCMAHON]. I doubt if our tax reduction will be a matter of very long duration. It seems, however, that it is the determined policy of the majority of the Senate and the Congress—and I think I might in fairness say the prevalent sentiment of the country—that there should be a tax-reduction bill. I shall therefore vote, at the conclusion of the debate, for the best tax bill we are able to obtain in this Chamber.

I will say, however, that in my opinion two principles should prevail in the bill we adopt. First, the reduction should go to those taxpayers who need the reduction most in order to obtain a decent American standard of living. In my humble opinion that applies generally to the single taxpayer with no dependents and with an income of less than $1,500 a year, and to the married taxpayer with an income of less than $5,000 a year. That is substantially the proposal of the President of the United States to the Congress. I shall offer an amendment which in appropriate language seeks substantially to accomplish that objective.

The other principle which should prevail in the bill is that reduction should be made to those taxpayers who carry the load of the private-enterprise system so as to provide the greatest incentive for more abundant production and the expansion of the national economy.

I shall in substance offer two amendments, the first of which, as I have said, is the President's proposal to the Congress, which will adopt the $40 per taxpayer cost-of-living credit to the individual taxpayer and to his dependents. In the case of a single man that would be $40; in the case of a married man, $40 for himself, $40 for his wife, and $40 for each dependent the married taxpayer who is the head of a family may have.

I shall offer subsequently an amendment the effect of which will be to strike out the 77 percent which is the maximum rate which under the bill may be applied to the individual taxpayer and insert in lieu thereof the figure 50 percent. That is not to give large taxpayers immunity from tax obligations which I think they should bear. It is merely to give incentive to the individual taxpayer to make the greatest contribution he can make to the productivity and the income of the Nation.

Mr. President, I know that if we want a motor to run we must give it gasoline; if we want a mule to plow we must feed him; and if we want the men and women of America who have the greatest ability to produce to contribute their utmost to the economy of the Nation, we must let them have a little something left which they can call their own.

A few days ago a man engaged in business said to me, "If I make $100,000, I get $35,000 residue for myself, but for the next $100,000 I make I get $5,000, for the next $100,000 I make I get another $5,000, and for the third $100,000 another $5,000." He said, "Why should I risk losing my investment when I have no hope of reward of any appreciable character coming back to me from my enterprise?"

I believe in the private-enterprise system. I want the taxpayer to pay according to his ability, but there is a point of diminishing returns, and if we do not recognize it, we thwart the principal incentive we have, the incentive which carries us all on in our private-enterprise economy.

In the limited time I have, let me summarize what would be the effect of my first amendment, which, as I have said, is the exact proposal made by the President and repudiated by the committee. The amendment would provide a cost-of-living adjustment of taxes of $40 for each taxpayer and each dependent.

The Senate committee bill begins to confer its major benefit on those making incomes of above $1,500 for the single taxpayer and above $5,000 for the married taxpayer. The President's proposal gives 93 percent of the benefit to the class of taxpayers making less than $5,000 a year.

I can tell the Senate about my State, Mr. President. According to last year's Treasury figures, in Florida there were 585,000 taxpayers who made less than $5,000 a year, and 23,000 taxpayers who made more than $5,000 a year. My amendment would give 93 percent of the benefit to the 585,000 in my State who need it most, because they are in the gross-income class of less than $5,000. However, my second amendment would adopt the schedule of taxes of the Senate committee, for the group between $5,000 and $22,000. In other words, my amendment would not reduce by a single penny the benefit the committee bill gives to the man with a net income between $5,000 and $22,000 a year. The amendment would merely take a little more money from the Treasury surplus as it were, and give it to those who need it most.

My amendment would take about 10,300,000 taxpayers from the tax rolls. The Senate committee bill would take off about 7,400,000. But again I give the benefit where the need is greatest.

Mr. President, my first amendment would reduce the receipts of the Treasury about $3,200,000,000, whereas the Senate committee bill exemptions and tax reductions would reduce the Treasury receipts about $4,600,000,000. As I have said, however, 93 percent of the proposed benefit which my amendment would accomplish would be given to the group making below $5,000.

I offer for the RECORD, to be incorporated in my remarks at this point, statements I have entitled "Provisions of Various Tax Proposals" and "Status of Taxpayers With Incomes Under $5,000 Under Various Proposals."

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

PROVISIONS OF VARIOUS TAX PROPOSALS

1. Knutson bill (H. R. 4790): Would raise personal tax exemptions from $500 to $600, would give all persons 65 and over additional $600 exemption, would raise blind exemption to $600 (from $500), would provide for community property, and would reduce tax rates from 30 percent for those with incomes of $1,000 or less to 10 percent for incomes over $4,000.

2. President's bill (H. R. 4968) Dingell bill: Would provide a cost-of-living adjustment of taxes of $40 for each taxpayer and each dependent, and would raise excess-profits taxes of corporations in the following manner: By providing a $50,000 exemption for excess profits of all corporations and would reduce the maximum rate set at 85.5 percent in 1945 to 75 percent and raising the average rate of the normal profits tax to 35 percent. The present maximum rate of 38 percent would be raised to about 50 percent.

3. Senator PEPPER's bill (S. 1897): Would raise personal income-tax exemptions from $500 to $1,000 for single individuals and from $1,000 to $2,500 for a married couple, and would provide $500 for each dependent. (S. 1864 is your community-property bill.)

4. Senate revision of H. R. 4790: Would provide personal and dependency exemptions of $600 instead of present $500; would lower present tax rates by 12.6 percent on incomes up to $2,000; would lower by 12.6 percent on the first $2,000 and 7.6 percent on the excess over $2,000—for the income group $2,000–$136,719.10; for income groups over $136,719.10, the bill would lower rates on the first $2,000 by 12.6 percent, 7.4 percent on the next $134,719.10, and 5 percent for the excess over $136,719.10; would provide for community-property taxation; would give an additional exemption of $600 for each taxpayer and for each spouse 65 and over; would give an additional exemption of $600 to each blind taxpayer and to each blind spouse in lieu of a present credit of $500; and would apply the community-property principle to estate and gift taxes.

STATUS OF TAXPAYERS WITH INCOMES UNDER $5,000 UNDER VARIOUS PROPOSALS

1. Taxpayers under the present law with incomes under $5,000 are 96 percent of all taxpayers, with 78 percent of all taxable incomes before exemptions, and they pay 55 percent of all income taxes.

2. Under the Senate proposal, this group would be 95 percent of all taxpayers, with 79 percent of all taxable incomes before exemptions, and would pay 51 percent of all income taxes. Only 71 percent of the reduction would go to this group.

3. Under the President's tax-credit proposal, this group would be 95 percent of all taxpayers, with 78 percent of all taxable incomes before exemptions, and would pay 47 percent of all income taxes. Ninety-three percent of the proposed reduction would go to this group.

4. In 1939 this group represented 91 percent of all taxpayers, and they paid only 10 percent of all income taxes. Under the Pepper proposal, over 95 percent of the tax relief would go to taxpayers under $5,000 a year.

Mr. PEPPER. Mr. President, I also offer for the RECORD a statement showing the distribution of benefits under the Senate committee bill and under my amendment, if it shall be agreed to, to be incorporated at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EFFECTS OF TAX PROPOSALS

1. Reduction in number of taxpayers:

Knutson bill	6,300,000
Dingell bill	10,300,000
Pepper bill	23,000,000
Senate bill	7,400,000

The total number estimated of income recipients in 1948 is 54,500,000 with taxable incomes under the present law.

2. Total reduction in tax liabilities:

Knutson bill	$6,660,000,000
Dingell bill	3,200,000,000
Pepper bill	11,000,000,000
Senate bill	4,773,000,000

The total tax liability under the present law for 1948 is estimated at $21,450,000,000.

3. Effect on income groups:

Knutson bill: 66 percent of the tax reduction would go to taxpayers in income groups under $5,000 a year.

Dingell bill: 93 percent of the tax reduction would go to taxpayers in income groups under $5,000 a year. The corporation tax would apply only to 22,000 corporations out of the total of 360,000 taxable corporations and would provide about $3,200,000,000 in taxes. The $50,000 exemption would help the small business groups.

Pepper bill: 95 percent of the tax reduction would go to taxpayers in income groups under $5,000.

Senate bill: 71 percent of reduction would go to income groups under $5,000 a year.

ISSUES INVOLVED

1. Page 1 of the report: "This relief is heavily concentrated among taxpayers in low-income brackets. Such taxpayers also receive preferential treatment in the percentage tax reductions made by this bill. Additional relief is granted to persons, 65 and over, and to the blind."

Page 13 of the report states that to accomplish the goal of increased production "the initiative of our business managers must be stimulated, and profits after taxes must be of sufficient size to attract investors into risk-taking enterprise." The committee states that the present high tax rates represent one of the chief obstructions to the achievement of this higher level of production.

2. The answer, as shown by the discussion in the pages following, is: The bill gives inadequate tax relief to the lowest-income groups and the relief granted is inequitably distributed with respect to exemptions, percentage tax reductions, and special exemptions. The argument of the committee about tax incentives is unfounded.

Mr. PEPPER. Mr. President, I offer also to be printed in the RECORD a statement entitled "Exemptions," in which I deal with the subject of exemptions.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXEMPTIONS

1. Pages 20–21 of the report: Under the bill, a $100 exemption increase is granted on the basis of a calculated decline of $100 in the purchasing power of the average income after taxes during 1946 and 1947. Income after taxes per capita dropped from $1,285 in January 1946 to $1,188 in the fourth quarter of 1947.

2. This type of analysis has no statistical basis, since the index of the cost of living is based upon the trends of prices of consumers' goods and services purchased by families with moderate incomes and should not be applied to groups in the upper-income brackets. Changes in the cost of living bring about changes in the patterns of family consumer expenditures. And even in the same family income group, it is necessary to make adjustments or changes not only in the cost of living, but changes in the proportion of expenditures for different items in the family budget.

3. Between 1921 and 1939, there were practically no changes in the personal exemptions and credits for dependents. The period 1940–42, personal exemptions were reduced by successive steps to unprecedented levels. The low point was reached under the Income Tax Act of 1944, under which all persons with a net income above a flat $500 exemption were subject to the tax.

4. War needs raised the exemptions to emergency levels and the $500 per capita exemption with the increased cost of living now endangers the health and living standards of most of our population. The cost of living in January 1948 was almost 70 percent above the 1939 level. The present exemption without regard to price changes is 50 percent of 1939 figures in the case of single persons, 40 percent for married couples and 125 percent for dependents.

5. The principal issues involved are: (1) an exemption adjustment or a rate adjustment or both must be made to take into account higher living costs; (2) exemptions must be reexamined in the light of living standards of the different groups and (3) exemptions and rates must be examined in the light of economic and fiscal conditions.

Mr. PEPPER. Mr. President, I emphasize only this point, that in 1939 the married taxpayer had an exemption of $2,500. Now it is only $1,000. Under the bill it would be only $1,200, whereas in 1939 it was $2,500. We have not, therefore, taken the small taxpayer back to anywhere near the level of his taxes in 1939.

The PRESIDENT pro tempore. The time of the Senator from Florida has expired.

Mr. PEPPER. I wonder if the Senator from Texas would grant me two more minutes? He indicated a moment ago that he might grant me 2 or 3 minutes more. The Senator from Texas appears to be out of the Chamber at the moment.

Mr. MILLIKIN. Mr. President, I shall be glad to yield the Senator from Florida 2 minutes of the time under my control.

Mr. PEPPER. I thank the Senator from Colorado.

Mr. President, I offer for inclusion in the RECORD a statement showing the exemptions and family budgets. I may say that, according to the Treasury figures, a married couple with two dependents has to have $3,672 to have a decent budget to live, according to American standards of living. Yet, Mr. President, the recognition is not given to the taxpayer by the Senate bill. I ask unanimous consent that the statement may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXEMPTIONS AND FAMILY BUDGETS

1. Exemptions should be at least adequate enough to cover the amount required for reasonable maintenance of the average single individual taxpayer or for the average taxpayer with dependents. It is generally conceded that it is essential to exempt amounts which are required to maintain a family in health and efficiency. Concepts of such a standard differ from a bare minimum subsistence to a comfortable decent standard of living. When the Federal income-tax law was enacted in 1913, Senator Williams in the Senate (CONGRESSIONAL RECORD, vol. 50, pt. IV, 63d Cong., 1st sess., Aug. 28, 1913, p. 3851) cited $4,000 as the objective of the House of Representatives as a standard of living, reasonable in amount for an American family to live upon, and that a sum below that should not be taxed.

2. Data is shown in the following table, comparing exemptions in 1939, in 1947, in the Senate proposal, and in my proposal with a bare subsistence budget, a modest minimum budget, and a health and decency budget for a city worker and his dependents. A comparison is also shown for the break-even point in 1944 of expenses and income for a city worker and his dependents. It is not possible to apply the changes in the cost of living to the 1944 figures, because the break-even point in family expenditures, as related to family income, varies with changes in income, expenditure habits, and their response to relative price changes.

Group	1939 exemption	1947 exemption	Senate exemption, H. R. 4790	Pepper proposal	Law subsistence budget	Modest budget	Health and decency budget	Break-even level
Single person, no dependents	$1,000	$500	$600	$1,000	$955	$1,495	$1,686	$1,045
Family of 2 persons	2,500	1,000	1,200	2,500	1,364	2,136	2,408	1,493
Family of 3 persons	2,900	1,500	1,800	3,000	1,746	2,734	3,082	1,896
Family of 4 persons	3,300	2,000	2,400	3,500	2,080	3,257	3,672	2,254
Family of 5 persons	3,700	2,500	3,000	4,000	2,373	3,716	4,190	2,568
Family of 6 persons	4,100	3,000	3,600	4,500	2,653	4,154	4,683	2,852

3. It is obvious on the basis of the bare subsistence budget that present exemptions are inadequate for single persons and married couples and close to the range of adequacy for a family of three or four and adequate for a family of five or six. On the basis of a modest minimum budget, present exemptions are substantially below the standard of living for all sizes of family units and the same thing applies to the standard based on a health-and-decency budget. On the basis of break-even levels and exemptions in that year, the break-even point exceeded the gross exemptions for family units ranging from one to four persons and the exemptions exceeded the break-even points for families of five and six persons. This suggests, however, that if these budgets were priced at present levels, the break-even levels would evidently exceed present exemptions for all sizes of family units.

Mr. PEPPER. Mr. President, I offer also for the RECORD some additional tables showing the effect of the two proposals, a newspaper article, and several additional sheets of data which bear upon the question.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

SAVINGS AND INCOME

1. The following table shows that in 1946, 66 percent of the families surveyed, had some savings, 7 percent had no savings and 27 percent had deficits caused by expenses exceeding incomes. Generally speaking, the proportion of families with savings increased as the income increased. Families with no savings reached the zero level at the $5,000 level and the proportion of families with deficits decreased as the income increased.

Income group	All families	Families with savings	Families with no savings	Families with deficit
	Pct.	Pct.	Pct.	Pct.
All families	100	66	7	27
Under $1,000	100	39	28	33
$1,000 and under $2,000	100	57	10	33
$2,000 and under $3,000	100	65	3	32
$3,000 and under $4,000	100	75	2	33
$4,000 and under $5,000	100	78	(1)	22
$5,000 and under $7,500	100	81	1	18
$7,500 and over	100	88	(1)	12

[1] Under ½ of 1 percent.

2. The following table shows that the net pay of a single worker adjusted for the cost of living in 1939 has increased only about $2.70 and for a head of a family of four about $6.00. However, since December 1941, the net pay adjusted for the rise in the cost of living has decreased about 90 cents for the single worker and increased about $1.10 a week for the head of a family of four.

Net weekly pay (after deductions for taxes) and net pay adjusted for increase in cost of living since 1939

	Net pay after taxes		Net pay adjusted for cost of living in 1939	
	Single worker	Head of family of 4	Single worker	Head of family of 4
November 1947	$43.85	$49.33	$26.43	$29.74
June 1946	37.30	42.78	27.81	31.90
March 1945	39.32	45.09	[1] 30.82	[1] 35.35
December 1941	30.39	31.86	27.34	28.66
August 1939	23.50	23.53	23.69	23.72

[1] Peak month.

[From the New York Herald Tribune of July 17, 1947]

UNITED STATES FAMILIES' MEDIAN INCOME $2,300 IN 1946—HALF MADE MORE, HALF LESS; FEDERAL RESERVE FIGURE IS UP $280 FROM 1945

WASHINGTON, July 16.—The middle income for the Nation's 46,500,000 families rose from $2,020 in 1945 to $2,300 last year, the Federal Reserve Board estimated today.

"Middle income" means that half the families received more, half less. The Board's survey defined a family as a related group living under the same roof and pooling incomes to meet major expenses.

The Board said 60 percent, or 27,500,000, of these families had a joint income of $2,000 or more in 1946, as compared with 53 percent, or 24,500,000, the year before.

Fewer than 6,600,000 families had income at that level in the mid-1930's—but dollars would buy more then. The Board noted that even the income rises from 1945 to 1946 were offset by "substantial increases in prices of consumer goods."

Incomes of white-collar families improved more on an annual basis than those of wage workers, the survey showed, largely because many wage workers worked less although their hourly pay rose.

The middle income for families with earnings from clerical and sales work was $2,600 last year, up $400 from the year before.

For families of skilled workers alone the middle income was $2,800, but for skilled, semiskilled, and unskilled workers' families taken together it was $2,300, up only $100 from 1945.

Families of professional workers fared best, with middle incomes rising to $4,000 last year, up $700 from the year before. Those of business managers and the self-employed did next best, with middle incomes of $3,700, up $400.

Middle incomes of families operating farms was given as $1,300, up $300, but the Board pointed out that substantial supplements in nonmoney income such as food raised on the farm keep farmers' incomes from being closely comparable with others.

A concentration of high incomes and savings among a comparatively few families was reported by the Board and summarized this way:

Ten percent, or 4,650,000 families, had incomes of $5,000 or more and got almost one-third of the total income received by all families. They also owned about 40 percent of total savings in bank accounts and Government bonds.

The low 40 percent, or 18,600,000 of the families, had incomes below $2,000 and owned about 15 percent of the bank account-Government bond savings.

THE PROBLEM OF THE AGED AND THE BLIND

1. The aged and the blind and other disabled persons are hard-pressed by cost-of-living increases.

2. Special relief for particular groups is contrary to the general principle that an income tax should apply uniformly to income groups similarly situated. The riddling of the exemptions for special groups makes it a less effective and less equitable revenue instrument. The special exemptions are not distributed according to need. No benefits are provided for the aged and blind with incomes so low that they are not subject to a tax. The largest benefit would go to persons with the least need. If personal exemptions were raised substantially, for example to the 1939 level, the special-group needs would be automatically reduced and the same thing would apply if a tax credit like the President's proposal were applied. This might mean a greater loss of revenues, but there would be no inequities as between individuals in the same income group which would exist under the Senate committee proposal. The present income-tax treatment of pensioners and annuitants would also be solved if personal exemptions were raised to the 1939 level or a tax credit were applied. The tax structure should not be used as a means of raising the income of pensioners and annuitants alone. What we should do is pass a decent old-age pension and annuity bill such as that provided in S. 1510, which I have introduced in the Senate.

3. In April 1947, there were an estimated 10,591,000 persons 65 and over in the United States. Of these it was estimated that 2,730,000 were in the labor force. In November 1947, 2,817,000 persons, 65 and over, were estimated to be in the labor force.

4. The Senate committee states, in its report, that 1,400,000 aged persons will be removed from the rolls and another 2,300,000 will get tax reductions as a result of the Senate bill. The report stated that this group includes retired school teachers, policemen, Federal and municipal workers, and persons retired by private industry. The report cites the tax exclusions for railroad pensioners, social-security pensioners, and disabled retired Army and Navy officers.

5. There are no reliable statistics of incomes in recent years for persons 65 and over. In 1944, a total of 9,930,000 persons, 65 and over, reported as to their incomes. Of these, 3,226,000 reported no incomes, 2,292,000 reported incomes under $500, 1,416,000 reported incomes between $500 and $1,000, 1,200,000 reported incomes between $1,000, and $2,000, and 1,100,000 reported incomes of $2,000 and over. I have no doubt on the basis of a comparison of the data by income and marital status and dependency that a return to the 1939 level of exemptions or a $40 tax-credit system, applicable to all taxpayers, would provide more relief in terms of amount and equity to the aged and the blind than the Senate committee proposal.

TAX-RATE REDUCTIONS

1. A $3,000 income in 1939 had the same purchasing power as approximately $5,100 does today. In 1939, taxpayers with incomes under $3,000 paid less than 5 percent of the Federal income taxes. Under the Senate bill, persons with incomes under $5,000 would pay 51 percent of the Federal taxes. There were slightly over 70 percent of our taxpayers in 1939 with incomes under $3,000 and about 96 percent had incomes under $5,000 in 1948.

2. The following tables show:

(a) Under the present proposal, incomes under $1,500 get a greater percentage reduction in their tax than under the Senate proposal for single persons and incomes under $5,000 for a married person with two dependents get a greater percentage reduction in taxes than under the Senate proposal. These are the groups which, according to family budgets, savings, studies, and the increase in the cost of living require a greater reduction in taxes than higher-income groups.

(b) The President's proposal gives a greater proportionate increase in spendable income to the lower-paid group (under $1,500 for single persons and under $5,000 for married persons with two dependents), whereas the Senate proposal shows a greater increase in spendable income as such income increases.

3. The President's plan would reduce taxes for those over $5,000 by only $225,000,000, whereas the Senate proposal would give to this group $1,347,800,000. In other words, the data shows that the President's proposal gives tax relief to those who need it most.

4. An analysis of the sources of Federal revenues shows that in 1939 income taxes furnished about 18 percent of our total revenues and in 1948 about 48 percent, whereas there have been declines in corporate taxes from 22.6 percent to 21.1 percent, sales and excise taxes 30.9 percent to 16.2 percent, estate and gift taxes 6.4 percent to 1.9 percent. At the same time, the percentage of tax liability of taxpayers with incomes under $5,000 has increased from 9.8 percent to 56.2 percent between 1939 and 1948, whereas for taxpayers with incomes of $5,000 and over the percentage of tax liability decreased from 90.2 percent to 43.8 percent under the present law for 1948. The Senate bill would increase this slightly to 48.7 percent.

Comparison of tax proposals

SINGLE PERSON—NO DEPENDENTS

Net income before exemptions	Tax, present law	Tax, Truman proposal	Reduction in tax	Senate proposal	Reduction in tax
			Pct.		Pct.
$700	$38.00	----------	100.0	$16.60	56.32
$800	57.00	$17	70.2	33.20	41.75
$1,000	95.00	55	42.1	66.40	30.11
$1,500	190.00	150	21.1	149.40	21.37
$5,000	921.50	882	4.3	810.72	12.02
$25,000	9,362.25	9,322	.4	8,600.48	8.14
$50,000	25,137.00	25,097	.2	23,201.44	7.70
$100,000	63,540.75	63,501	.1	58,762.24	7.52
$250,000	191,771.75	191,732	(1)	179,831.03	6.23
$500,000	407,896.75	407,857	(1)	385,000.00	5.61

[1] Less than 0.05 percent.

MARRIED PERSON—2 DEPENDENTS—1 WAGE EARNER

Net income before exemptions	Tax, present law	Tax, Truman proposal	Reduction in tax	Senate proposal	Reduction in tax
			Pct.		Pct.
$2,500	$95.00	$0	100.0	$16.60	82.53
$3,000	190.00	30	84.2	99.60	47.58
$5,000	589.00	429	27.2	431.60	26.72
$25,000	8,521.50	8,362	1.9	5,475.84	35.74
$50,000	24,111.00	23,951	.7	16,577.92	31.24
$100,000	62,301.00	62,141	.3	45,642.56	26.74
$250,000	190,475.00	190,315	.1	155,723.52	18.24
$500,000	406,600.00	406,440	(1)	358,676.54	8.29

Less than 0.05 percent.

Tax decrease as percentage of net income after deducting present tax liabilities

Net income before exemption	Single person		Married, 2 dependents	
	President's plan	Senate plan	President's plan	Senate plan
	Percent	*Percent*	*Percent*	*Percent*
$700	5.7	3.2	----------	----------
$800	5.4	3.1	----------	----------
$1,000	4.4	3.2	----------	----------
$1,500	3.1	3.1	----------	----------
$2,500	1.9	3.0	4.0	3.3
$3,000	1.6	2.6	5.7	3.2
$5,000	1.0	2.7	3.6	3.6
$25,000	.3	4.9	1.0	18.5
$50,000	.2	7.9	.6	29.1
$100,000	.1	13.1	.4	46.9
$250,000	.1	20.5	.3	60.1

Senate committee proposal

	Distribution of reductions (in millions)	
	Amount	Percent
Exemptions	$2,000.1	41.9
65 and over	163.8	3.4
Blind	.1	(1)
Community property	550.3	11.6
Rate reduction	1,799.7	37.7
Medical reduction	59.4	1.2
Total	4,573.5	95.8
Gift and estate	199.1	4.2
Grand total	4,772.6	100.0

[1] Less than 0.05 percent.

Seventy-nine and six-tenths percent of the total reduction is the result of the lowering of exemptions and tax reductions. The community-property provision and the State and gift tax changes constitute over 15.5 percent of the total reduction in comparison with 3.4 percent in assistance to the aged and the blind.

Mr. PEPPER. In conclusion, Mr. President, the first amendment is the substance of the President's proposal to give the $40 tax reduction to the individual taxpayer and each one of his dependents, and the second amendment adds to the benefit of the small-tax-payer a reserve for the taxpayer between $5,000 and $22,000 by providing for the rates in the Senate bill, and it substitutes a maximum of 50 percent instead of a maximum of 77 percent for the individual taxpayer, and therefore I believe makes a meritorious recognition of the incentive that a taxpayer should have if he is to make his maximum contribution to the productivity of the Nation.

The PRESIDENT pro tempore. The time of the Senator from Florida has expired.

Mr. PEPPER. Mr. President, I ask that a statement I have prepared relating to savings be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

(d) The committee makes much of the fact that insurance companies purchased about 83 percent of the total net security purchases in 1947 and were the only purchasers in 1946. A comparison of 1947 and 1946 shows that domestic individuals took 17.1 percent of all the net purchases of securities in comparison with zero in 1946, whereas the proportion for insurance companies and banks declined from 100 percent to 83 percent. The committee's own data shows that individuals purchased relatively more securities in 1947 than in 1946.

(e) The savings of relatively few individuals are properly available for investments in risky and untried enterprise. It is only persons with incomes of $10,000 or more a year who make any significant investment in stocks or bonds, or in a business.

Income group	Income after taxes	Distribution of family income—1941						
		Average income	Percent spent on living	Average put in savings	Percent put in savings	Average invested in stocks and bonds	Average invested in stocks and bonds and business	Percent invested in stocks and bonds and in business
Under $500	(1)	(1)	141.9	(1)	−40.0	(1)	(1)	−1.9
$500 to $1,000	(1)	(1)	103.9	(1)	−3.8	(1)	(1)	−.1
$1,000 to $1,500	$1,244	$1,247	101.5	−$42	−2.1	−$2	$7	.6
$1,500 to $2,000	1,749	1,752	96.6	42	3.2	2	3	.2
$2,000 to $2,500	2,227	2,238	96.2	44	2.6	0	26	1.2
$2,500 to $3,000	2,732	2,743	96.2	68	4.8	2	−28	−1.0
$3,000 to $5,000	3,707	3,735	90.9	307	7.9	4	45	1.2
$5,000 to $10,000	6,120	6,208	82.3	1,110	15.3	133	81	2.4
$10,000 and over	13,357	14,125	68.7	3,909	17.5	529	1,855	13.9

[1] Not shown.

Source: P. 521, Senate hearings.

(f) Earl Bunting, president of the National Association of Manufacturers, confirms the conclusions reached from the above table in the New York Journal of Commerce of August 29, 1947, in which he is quoted as saying that the investing class consists of income groups with incomes over $10,000 a year. The table also shows that normally this group places about two-thirds of its excess income in savings and one-twelfth in stocks and bonds.

Surtax rate present law	Rate in Senate bill	Income bracket at which rate begins	Revenue loss if proposed rate were applied to incomes above present bracket
56 percent	49.2	$20,000–$22,000	$685,000,000
62 percent	54.5	26,000– 32,000	455,000,000
69 percent	60.7	38,000– 44,000	275,000,000
75 percent	66.0	50,000– 60,000	160,000,000
84 percent	73.9	80,000– 90,000	45,000,000

Mr. CONNALLY. Mr. President, I yield 10 minutes to the Senator from Wyoming [Mr. O'MAHONEY].

TO ENCOURAGE PRIVATE DEVELOPMENT OF SYNTHETIC-FUEL INDUSTRY

Mr. O'MAHONEY. Mr. President, it is evident from what has been said upon the floor today that the tax bill will pass; that a substantial majority of the Members of the Senate will give it their support. I was not convinced when the bill was reported by the Senate Finance Committee, nor am I yet convinced now, that the measure should pass. It is clear to me, Mr. President, that the conditions which obtain throughout the world and here in the United States are such that this is no time to deplete the receipts of the Federal Government. Be that as it may, however, I recognize the fact that no words of mine will deter the membership of the Senate from the decision which has already been reached.

I do rise, however, Mr. President, with the hope that since the tax bill is to be passed I may be able to induce the very able Senator from Colorado [Mr. MILLIKIN], who is in charge of the bill, to give his support to the two amendments which I am now about to offer. I shall ask, Mr. President, that the amendments may be printed in full in the RECORD at this point in my remarks.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

At the appropriate place insert the following additional sections:

"SEC. —. That the Internal Revenue Code is amended by inserting therein, immediately after the heading preceding section 111, the following new section:

"'SEC. 110. Synthetic liquid fuel plant amortization deduction.

"'(a) General rule: Every person, at his election, shall be entitled to a deduction with respect to the amortization of the adjusted basis (for determining gain) of any synthetic liquid fuel plant facility (as defined in subsec. (c)), based on a period of 60 months. Such amortization deduction shall be an amount, with respect to each month of such period within the taxable year, equal to the adjusted basis of the facility at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction above provided with respect to any month shall be in lieu of the deduction with respect to such facility for such month provided by section 23 (1), relating to exhaustion, wear and tear, and obsolescence.

"'(b) Election of amortization: The election of the taxpayer to take the amortization deduction shall be made only by a statement to that effect in its return for the taxable year in which the facility was completed or acquired. The election shall be irrevocable.

"'(c) Definition of synthetic liquid fuel plant facility: "As used in this section, the term "synthetic liquid fuel plant facility" means any facility, land, building, machinery, or equipment, or part thereof, to the extent constructed, reconstructed, erected, installed, or acquired after December 31, 1947, for the purpose of providing for the operation of a synthetic liquid fuel plant.

"'(d) Capital gains on sale of amortization facility: Anything to the contrary in this title notwithstanding, any gain realized upon the sale or other disposition of any property with respect to which any amortization deduction has been claimed under this section shall to the extent of any such amortization deduction be considered gain realized on the sale or other disposition of a capital asset held for a period of less than 6 months.

"'(e) Life tenant and remainderman: In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.'

"SEC. 2. The amendment made by the first section of this act shall be effective with respect to taxable years beginning after December 31, 1947."

At the proper place in the bill, insert the following new section:

"SEC. —. (a) Paragraph (3) of section 114 (b) of the Internal Revenue Code (relating to percentage depletion for oil and gas wells) is amended to read as follows:

"'(3) Percentage depletion in the case of oil and gas wells, oil shale mines, and coal used for the production of synthetic fuels. In the case of oil and gas wells and in the case of oil shale mines the allowance for depletion under section 23 (m) shall be 27½ percent of the gross income from the property during the taxable year, and in the case of coal mines from which coal is produced for use in the production of synthetic liquid fuels the allowance for depletion under section 23 (m) shall be 27½ percent of the gross income from the coal so produced during the taxable year, excluding from gross income in any such case an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property or in respect of the coal so produced. Such allowance shall not exceed 50 percent of the net income of the taxpayer (computed without allowance for depletion) from the property or from the coal so produced, except that in no case shall the depletion allowance under section 23 (m) be less than it would be if computed without reference to this paragraph.'

"(b) The first sentence of subparagraph (A) of paragraph (4) of section 114 (b) of the Internal Revenue Code (relating to percentage depletion for coal, and so forth) is amended by inserting before the period at the end thereof the following: 'and excluding from such gross income in the case of coal mines an amount equal to the gross income realized from coal produced for use in the production of synthetic liquid fuels.'

"(c) The amendments made by subsections (a) and (b) of this section shall be applicable only with respect to taxable years beginning after December 31, 1947."

Mr. O'MAHONEY. Mr. President, everyone in the Senate, in the House, and in the country, knows that the people of the United States need oil as never before in history except at the very height of the war. Everyone knows that liquid fuel is the instrumentality of modern commerce. It is the means of aviation, it is the means by which war is carried on. The United States contributed of its supplies of petroleum to carry on the war in such a generous fashion that it is clear now if—and we all prayerfully hope that such an eventuality may not develop—another conflict should develop, it would be utterly impossible for the United States to supply its needs for synthetic fuel from its own petroleum resources within the boundaries of continental United States.

On the 1st of January 1947, acting as chairman of the Special Senate Committee on Petroleum Resources, I submitted to this body a report which came from that committee by its unanimous consent recommending, among other things, that we should undertake here by appropriate measures to increase the supply of natural petroleum by stimulating the search for new deposits of petroleum and should also promote the development of synthetic liquid fuel.

Private capital had not been invested in the development of synthetic fuels much beyond the research and the experimental stage. That is being done to some extent by private capital. Only the Government has undertaken to establish demonstration plants to make liquid fuel from coal and from oil shale.

There has been introduced in the present session of Congress by the distinguished chairman of the House Committee on Interstate and Foreign Commerce a measure authorizing the RFC to make unlimited loans, up to the extent of an authorization of $400,000,000, to private industry to build synthetic-fuel plants, and failing that, to make loans or advances of these funds to Government agencies to build and operate plants. That is the road to Government ownership and operation of a great industry.

I come here today, Mr. President, with amendments designed to help private industry to do this job. I ask the Senate of the United States to give its support to an amendment which will provide accelerated depreciation to private capital for the construction of synthetic-fuel plants. The amendment would allow depreciation in 5 years, instead of 20, under the present law. If adopted it would be an invitation to private capital to invest in the construction of plants to make oil from coal and oil from oil shale.

There are huge deposits of coal in the United States today which are not being utilized. There are tremendous deposits of oil shale in three States, the States of Wyoming, Utah, and Colorado. There are deposits of oil shale which the experts tell us contain not less than 300,000,000,000 barrels of oil. That is twice as much as the present estimate of the potential reserves of the Middle East—Iran, Iraq, Saudi Arabia, and Mesopotamia combined. But nothing is being done about it, because we do not provide the incentive that is necessary to enable private capital profitably to be invested in the enterprise.

In addition to providing for accelerated depreciation for the construction of these plants, the amendment provides that for the coal which is used in the manufacture of liquid fuel and for the oil shale which is used for the same purpose, there shall be the same percentage depreciation which under the present law is allowed for petroleum. The percentage depreciation for the production of petroleum under the present law is 27½ percent of the value.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. PEPPER. There are many of us who are interested in the continued exploration for petroleum. Am I to understand that the present rate of deduction allowed for exploratory expenses is 27½ percent?

Mr. O'MAHONEY. Precisely; and intangible costs are also allowed under the present law. In other words, when the private producer of petroleum is computing its tax at the end of the tax year, it computes the value of the petroleum which has been developed and then deducts 27½ percent of that before the tax liability is determined. The amendment which I offer provides that the same treatment shall be extended in the case of coal and oil shale used for the development of synthetic liquid fuel.

I observe that the chairman of the Committee on Finance has been paying attention to these remarks. I discussed the subject with him before I took the floor this afternoon, and expressed to him the hope that he would lend his support to these amendments. I think it is highly important in the public interest that we take action now to give some hope that we may create opportunity for the investment of private capital in the development of these resources of the United States to produce the fuel which is so sorely needed by the people of our Nation and by the Nation itself.

At the present moment the petroleum reserves in the United States do not exceed 22,000,000,000 barrels.

The PRESIDENT pro tempore. The time of the Senator from Wyoming has expired.

Mr. CONNALLY. Mr. President, I yield two additional minutes to the Senator from Wyoming.

Mr. O'MAHONEY. As I have already pointed out, the reserves of petroleum in the Middle East are estimated at about 150,000,000,000 barrels. We have double that amount in coal and oil shale, from which synthetic liquid fuel may be produced.

Mr. President, I hope that the United States Senate will adopt these constructive amendments. This policy was recommended, not in specific terms, but in general terms, by the unanimous report which came from the Senate Special Committee on Petroleum.

The PRESIDENT pro tempore. To whom does the Senator from Texas yield?

Mr. CONNALLY. I yield to the Senator from Colorado [Mr. MILLIKIN].

Mr. MILLIKIN. Mr. President, I yield 5 minutes to the Senator from Mississippi [Mr. EASTLAND].

Mr. EASTLAND. Mr. President, I shall reluctantly vote for this bill. The distinguished Senator from Colorado has ably and conscientiously sought to bring forth the very best tax-reduction measure he could under the circumstances. It is not a perfect bill, but I shall support it.

I stated that I would support the bill reluctantly. It is my judgment that any surplus in the Treasury should be used, first, for rearmament, and second, to reduce the national debt. This is especially important when it appears that there will be large expenditures in the future for national defense. If the national debt is reduced, it will be then much easier to finance the national-defense program. I support the bill because I believe that otherwise the revenue of the Government would be spent, not for rearmament and debt reduction, which take priority, but for nonessential things. In tax reduction we have insurance against waste of the Federal revenues.

I entirely agree with the Senator from Connecticut [Mr. MCMAHON], who stated a few moments ago that in a few months in all probability the tax rates will have to be raised. My judgment is that this reduction will apply only to 1 year; and in supporting it I am certainly not committing myself not to raise taxes in the near future if it becomes necessary for national defense.

Mr. President, I have before me an intelligence statement given me by the Army, which shows the preparation for offensive war of a great nation in Europe. In my judgment it is absolutely essential that the United States rearm and create

an Air Force, an Army, and a Navy great enough to prevent further aggression on the part of that power, and to protect this country.

So when I vote today for this bill it is with the distinct understanding that tax reduction is only for this year, in my judgment, because if military expenditures require it, then I think we should raise the tax rate to whatever extent is necessary to prepare America for any eventuality.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a statement prepared by the War Department dealing with Soviet rearmament.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SOVIET REARMAMENT

The Soviet Minister of Armed Forces, Marshal Bulganin, stated in an Army Day speech last month that measures have been taken to incorporate the military lessons of World War II in present Soviet military doctrine, and that the Soviet Union has completed the demobilization of its armed forces to a peacetime level. If what he says is true, then the Soviets, with an armed forces strength of just over 4,000,000, intend to maintain a modern military establishment of over twice the strength of that with which they faced their warlike German and Japanese neighbors in 1939.

Since the end of the war the Soviets have cut the numerical strength of their armed forces by about two-thirds, but this demobilization affected chiefly their numerous infantry units, and hardly touched the shock elements—the armored and mechanized divisions which form the striking force of the Soviet Army. These units are abundantly supplied with effective medium and heavy tanks, the latter far stronger than any we have given our troops.

The Soviet Army was developed during World War II to accomplish the task of fighting a powerful and determined opponent who had almost 200 divisions in line. It is being reorganized with a new mission in mind: the rapid application of overwhelming mobile power against potential enemy forces in Europe and Asia which are now dispersed, weak, and largely uncoordinated. Its infantry divisions have been greatly strengthened, both as fire power and capabilities for continuous combat and supply. Effective, improved, conventional weapons—heavy mortars; large, high-velocity antitank guns; excellent tanks—are being produced in large quantities and distributed to the troops. Lend-lease and new Soviet trucks are supplanting the predominantly horse-drawn transport of World War II. An urgent and continuous program of training at all levels is succeeding in creating high combat efficiency.

Hand in hand with the physical reorganization, rearmament and strengthening of the Soviet Army, there has been a psychological reorientation. The postwar sag in morale has been largely overcome, and the average Soviet line soldier now has an active hatred toward western democracies and a strong conviction that his country is strong, and that its policy is altruistic and just.

Mr. MILLIKIN. Mr. President, I yield 5 minutes to the Senator from Utah [Mr. THOMAS].

Mr. THOMAS of Utah. Mr. President, when the American people supported the income-tax idea and the amendment to that effect was written into the Constitution of the United States, it was done with words so simple that any 10-year-old child could understand its meaning. Today, no one in the United States knows what the sixteenth amendment means. The income tax never has been allowed to become a simple matter. Our tax structure has the power of making or marring our democracy.

We are still struggling to bring about a condition wherein the American people can tax all incomes fairly and justly. Gradually the chaos incident to the early law is being remedied. There was a time when no State salary was taxed. There was a time when no Federal judge's salary was taxed. There was a time when many incomes from investments were exempt. With each exemption there developed a special group of our citizenry that became privileged under the tax law. There never has been a time when the tax has worked universally. To prove what I mean by that statement, think of the struggle Congress after Congress has had in attempting to make available to all of the people in the United States a right which the so-called community-property States have had for their people. Struggle is the only word to be used in connection with reforms of this type. I would support this tax bill because it at least brings about this one reform. Why should one group of our people be privileged over other groups because of an action taken as a result of State law?

I can heartily support H. R. 4790 because it brings into existence another needed reform which makes it possible to encourage what has become an almost universal practice of our people, to retire faithful workers, after years of service, on small annuities. All Senators know that I introduced into the Senate an anti-inflation bill which to date has not been given any consideration. With high prices as they are our citizens who are attempting to live on small annuities find it almost impossible. To tax these small annuities means to discourage one of the most forward-looking habits being rapidly adopted by industry and Government to build up security for faithful workers. If the progress made in this development is retarded by taxation these people will become dissatisfied. If small annuities become less valuable saving for old age may be discouraged, and that affects not only the lives and habits of our people but also the great principle of thrift and insurance, both of which are basic to dollar democracy in America. The extra exemption for persons over 65 years of age will restore the progress which the development of small annuities has made but which has been nullified recently by inflation. I can support this bill because it raises the general exemption, thereby removing from the tax rolls thousands of persons who should never have been there because of small incomes. I do not agree with the logic of my colleagues that because we are threatened with unforeseen extraordinary expenditures we shall bring no relief to those who deserve it so fully.

I am supporting this bill, as I have indicated, because of its reforms; and I know that once these reforms are put into our law, if taxes have to be increased because of extraordinary expenditures, they will be increased by taxing those who are best able to bear it. If this bill should be vetoed, I will vote to override the veto. Seldom does the opportunity come to anyone sitting in the Senate to vote for the basic reforms that are in this bill. If we do not act now, if we neglect putting these reforms into law just because tax reduction may be inexpedient, when again will the opportunity present itself to bring about these reforms?

Mr. MILLIKIN. Mr. President, I yield 3 minutes to the Senator from Nevada [Mr. MALONE].

The PRESIDENT pro tempore. The Senator from Nevada is recognized for 3 minutes.

Mr. MALONE. Mr. President, the long-established administration tax policy of siphoning off wage and income increases through taxes for the alleged purpose of preventing inflation has effectively dried up the sources of risk capital, but has notoriously failed to prevent inflation. This policy, if followed to its logical conclusion, means that ultimately all capital expenditure must come from government sources, since no private capital would be available for such investments.

It is the same general policy adopted by the administration in regard to the so-called strategic and critical minerals and materials production—a policy that we are a "have not" nation, and must import such minerals and materials from the low-wage foreign countries. Then the administration proceeds to adopt a selective free-trade policy, through the Reciprocal Trade Act, thereby putting our high-wage, high-living-standard workers in direct competition with the low-wage, low-living-standard European and Asiatic workers, and bringing about the very scarcity which the administration predicted in the first place.

The chairman of the New York Stock Exchange, Mr. Emil Schram, has said that the market for "risk" securities has dried up. That has been caused by the very policies instituted to siphon off the wage increases and the other increases in income, the money so obtained to be used, presumably, for increased expenditures for our own Government, and for foreign expenditures. In the last few years, the administration seems to have had a policy, culminating notably in the Marshall plan, to make up the trade-balance deficits of all the countries of Europe. If we do that, we shall, presumably, also have to make up the trade-balance deficits of all the other countries of the world—not only their trade-balance deficits with us, but their trade-balance deficits arising from other sources. If these policies continue, it seems to me there is no question but that eventually we shall have to appropriate money for business purposes in this country, just as is being done today in England and elsewhere. In other words, such a policy will bring about the very thing that those responsible for the policy say they are trying to prevent.

Furthermore, if we are setting a precedent as admitted by a spokesman for the Marshall plan—of making up the trade-balance deficits from all sources of all of the European countries each year—we will then have to include the Asiatic countries—and permanently adopt the selective free-trade policy through the Reciprocal Trade Act—and going into a world trade organization with 57

nations, each with one vote, with the announced purpose of dividing the production and consumption of the world—then we will be one economic world and financing it all.

Mr. President, I am supporting this bill and only wish that time had been available to reorganize the entire structure of the legislation to provide risk capital and an incentive for such investments.

It is well known that mining, for example, is a speculative enterprise; then when risk capital is not available and our high-wage living standard workers are put into competition with the low-wage European and Asiatic countries, then the result is the drying up of the mines of this Nation. About 90 percent of the operating mines have closed for these reasons.

Mr. MILLIKIN. Mr. President, I yield 3 minutes to the Senator from Missouri [Mr. KEM].

The PRESIDENT pro tempore. The Senator from Missouri is recognized for 3 minutes.

Mr. KEM. Mr. President, the committee bill affords some relief to the American people from the load of wartime taxes which now is intolerable. The patience and firmness with which our people have borne this excessive burden speak loudly for their patriotism and fortitude. Such relief is overdue. It is encouraging to believe, if one may judge from the temper of this body, that veto or no veto, relief is in sight. I shall vote for the pending bill.

I should like to ask the chairman of the committee, the Senator from Colorado [Mr. MILLIKIN], about the disposition of the amendment providing for a deduction for tuition and incidental expenses for teachers. The junior Senator from Delaware [Mr. WILLIAMS], the senior Senator from Florida [Mr. PEPPER], and I are associated in connection with that amendment.

Mr. MILLIKIN. Mr. President, I hope the Senator will not call up the amendment. I think there is a great deal of merit in a deduction of that kind, if properly circumscribed. I do not believe it is good practice to consider it all by itself. I believe we should consider the whole subject of professional deductions all the way along the line, and should write a uniform rule under very careful standards.

The subject is under study by the House Ways and Means Committee. In view of that fact, I do not believe the House would accept any amendment of the kind the Senator from Missouri suggests, which we might send to them in connection with the pending measure.

Therefore, I hope the amendment will be withdrawn. I also hope that the Ways and Means Committee of the House of Representatives will give it careful and, so far as I am concerned, favorable consideration.

Mr. KEM. Mr. President, if the Senator from Florida wishes to speak in connection with this matter, I yield to him.

Mr. PEPPER. I thank the Senator very much.

Mr. President, the Senator from Colorado will recall that this is the amendment which was under consideration last year in connection with the tax bill. It will also be recalled that there was a very strong vote in the Senate in favor of the amendment. At that time the Senator from Colorado, with his usual kindness, indicated that this situation would have his particular interest when the tax bill came up this year.

We feel that the amendment is very justifiable. I say to the Senator that I trust that we may continue to hope that he, as one of those responsible for our present tax policies, will regard this amendment sympathetically.

Mr. MILLIKIN. I shall be very glad to cooperate on an amendment of that kind to reach professional people, if properly limited and defined.

The PRESIDENT pro tempore. The time of the Senator from Missouri has expired.

Mr. KEM. Mr. President, in view of the situation, and with the permission of the cosponsors of the amendment, I withdraw it.

Mr. CONNALLY. Mr. President, I yield 3 minutes to the Senator from Pennsylvania [Mr. MYERS].

Mr. MYERS. Mr. President, the last 2 years have been years of forgetfulness. Nearly everyone wished to forget the horror and destruction and heartbreaks of the war. They wanted to get back to normalcy. But, Mr. President, we cannot forget the recent past nor should we disregard the ominous future. But that is what the Congress proposes if it should vote today for tax reduction.

Today it is popular to vote for tax reduction. It may be the proper political vote, because every American wishes to have his taxes reduced; but I think it is time for this Congress to begin to think of the future, to begin to think about the youth of today, about the next generation, and about the United States of tomorrow and next year and the years to come. I suppose anything can happen in an election year, but I never thought that in such a critical world situation as the one in which we find ourselves today, when we are solemnly told by our military leaders and our State Department and our President that the world is in danger, that the United States is in danger, when world war III may burst upon a worried world at a time when America is pouring billions of dollars into Europe and Asia in an all-out effort to stop the march of the Soviet Union; when we are thinking about drafting our young men and also imposing upon the youth of the country compulsory military training, when we are thinking of expending many billions of dollars to strengthen our military forces, that we would think of tax reduction.

Mr. President, I wish more of us would think of next year and the dangers which confront us, instead of about next November.

Last year I voted twice against tax reduction, Mr. President, because I did not know what our foreign commitments might be in 1948. I believe I was right then. Today we know not what the future may bring. Yet I have heard some statements on the floor of this body to the effect, "Let us reduce taxes for a year, and then we can raise the rates next year or the year after if it should be found necessary." I repeat, too many of us here do not desire to face the facts of life—they wish to forget the past.

Mr. President, that is the sort of thinking which almost prevailed in the Congress 2 months before Pearl Harbor, particularly in the House of Representatives when, by a majority of one vote, it voted to extend the draft law at a time when the war clouds were over us. Two months before the bombs dropped from the Land of the Rising Sun on Pearl Harbor, the Congress was thinking about November rather than the future of the country. Thank God that one vote was found which preserved the draft law. But it was Providence and not good judgment which protected us that day.

Mr. President, in view of the danger that confronts us and the billions of dollars which we must expend for the protection of our own country and our way of life, and the billions we must expend to keep ourselves strong and thus preserve the peace, for peace can only be had if we give notice to all the world that we intend to preserve it and are strong enough to preserve it.

I, for one, will not consider tax reduction at this time.

The PRESIDENT pro tempore. The time of the Senator from Pennsylvania has expired.

The Senator from Texas is recognized.

Mr. CONNALLY. Mr. President, and Members of the Senate, a year ago I voted against tax reduction, under the bill then pending. Today I feel more like opposing this bill than I did the bill of a year ago.

Mr. President, it is not a pleasant task to vote contrary to the majority of one's colleagues and associates. It is not pleasant to vote against what is thought to be the sentiment of the American people in regard to this bill, but I am not responsible for the votes of the majority of this body. I am not responsible to the public sentiment of which they speak, but I am responsible for my individual vote. That is why I have dared in the face of tremendous odds to place in the RECORD a slight résumé of the reasons which impel me to vote against the bill.

I should like to see tax reduction. I pay sizable income taxes. I should like to have my tax cut and reduced. I should like to have it done if it is for the public welfare in addition to my own self desire and selfish reason. But, Mr. President, we are here today as representatives of the American people and as representatives of the American Government. On an issue such as this, our primary responsibility is to the Government and to the people of the United States. Reference has been made to the election next fall. I suppose that everybody is more or less sensitive to political trends and elections. But, as affecting the American people and the American Government I think the vote upon this bill should not be based on the temporary and ephemeral result of an election next November.

What is our situation, Mr. President? The Treasury of the United States—and that means the people—owes $250,000,000,000—not millions of dollars, but $250,000,000,000. Who holds the bonds representing that debt? They are held by the people Senators have been talk-

ing about here today, people they want to relieve, people whose burdens they desire to lessen. It is just as much a lessening of their burden to make secure their bonds and the indebtedness of the Government to them, as it is to give them a little hand-out in the form of a temporary reduction in taxes.

It has been said by Senators, "I am going to vote for this bill, but I am going to vote it with the expectation that within a year we shall have to raise taxes again." Mr. President, that is not a sound position. In addition to $250,000,000,000 of indebtedness which we owe to our own people—thank God, we do not owe it abroad—what are our obligations? Senators have referred to the passage of a tax-relief bill being for the benefit of business. What was the national income last year? The estimated income now is $208,000,000,000 a year. Is that evidence that the country is in a bad way? Does that afford any proof that corporations and business enterprises are in a bad way?

Mr. President, when we repealed the excess-profits tax law a little more than a year ago we handed over to the corporations and business enterprises of the Nation six billion dollars annually which otherwise would have gone into the Treasury of the United States. What do the statistics with respect to business show? They show that for 1947 the retained profits of corporations in the United States amounted to $10,100,000,000 for 1947, as against $6,500,000,000 for 1946. Does that show there was any recession? Business keeps climbing, and profits keep going higher and higher—$10,000,000,000 in 1947, retained in their treasuries, against $6,000,000,000 in 1946.

Mr. President, instead of showing a decline, the corporations are making more money today than they ever made in history of the Republic. The people of the United States as a rule—of course there are exceptions—so far as finances are concerned, are enjoying greater prosperity than they have ever enjoyed in the history of the Republic. Do we want that condition to continue? Do we want to protect it? Yes, of course. I do. And it is not necessary under those conditions to reduce the taxes and hand over to them money which would be spent perhaps in a manner to cause inflation.

Mr. President, what are the other demands? I hold in my hand the hearings before the Finance Committee on the pending bill. Mr. Harriman, Secretary of Commerce, testified as follows:

> At the end of 1947, the liquid position of corporations as a whole was still favorable by prewar standards. The ratio of liquid assets to sales or to current liabilities was generally higher than it had been just prior to our entry into the war, or in the twenties.

That, in brief, is a statement of some of the facts regarding business and corporate profits. Profits are higher than they have ever been in the history of the Republic; corporations have stronger treasuries, more money in their vaults, greater strength in their financial setups, than ever before.

Mr. President, we have a national debt of $250,000,000,000. We have a national income of $208,000,000,000, three or four times as much as we expected in recent years, years that are past.

Furthermore, we have assumed obligations recently by the passage of the European relief measure, not explicit commitments but at least tentative commitments, of $17,000,000,000. In addition, a bill is now pending before the Committee on Foreign Relations providing $463,000,000 for aid to China. Other situations in the world, such as those in Greece and Turkey, are demanding $275,000,000 more, and bills providing that amount are now pending before the Congress, and no doubt will be passed.

The President of the United States, in view of the threatening conditions abroad, recently appeared before the Congress recommending the passage of universal military training. That will require millions upon millions of dollars. Moreover, he recommended reimposition of the draft, in order to fill up the Regular Army to strength. If that occurs, it will require still more millions upon millions of dollars. Where are we going to get the money? Where are we going to get the funds? The funds will have to come out of the Treasury, or they will have to be borrowed, or it will be necessary to levy in some form high rates of taxation, higher than those that will obtain in the event of passage of the pending measure.

Mr. President, we are going to have to build up our Air Force, and I am in favor of that. I want the United States to have the greatest and most efficient Air Force in the world, with the greatest striking power, with the greatest range of operation, with air fields and with all the appurtenances necessary to make the United States Air Corps supreme throughout the world. We are going to have to increase military expenditures. For every soldier who is added to the Army, there must be an appropriation of additional funds, a very sizable sum for his maintenance and keep, his salary and wages, and all the incidentals that go with military life.

Senators speak as if the war were over. I wish to God the war were over, that all over the world peace prevailed, and that we were turning our energies to peace instead of lying awake at nights, as some of the nations do, dreaming of expanding their territory, dreaming of spreading their ideologies, dreaming of incorporating within their system other nations and other powers. But, Mr. President, we have not reached that point. We are still at war, at the moment not a war with bayonets, guns, artillery, and airplanes, but we are at war because of nations which are subjugated, nations which are swallowed up by another nation just as effectively as if Hitler's minions had moved in with artillery and subjugated them.

Mr. President, we know not what transactions may occur in the world picture. Italy will vote on the 18th of April. Suppose she goes Communist. Will we not be affected? Will we not be more or less involved? For any eventuality, the best thing the United States can do is to keep itself financially strong. If war shall come, our last bastion will be the Treasury of the United States. Our Gibraltar will be the Treasury of the United States. Our last resource will be a strong Treasury, because we all know that war requires expenditures of colossal proportions. Our first duty, in order to remain strong in the world, in order to exert an influence in the world, in order to protect our own security, is to have a strong Treasury, to have the funds within our own control, not be forced to raise taxes in an hour of extremity, not be forced to campaign for funds to replenish our resources.

So, Mr. President, for all of these reasons, which to me are compelling, I shall have to register my vote against this bill, believing that in so doing I shall be pursuing a course which is the best for the welfare of our country, best for the welfare of the people of the United States, and, in a larger measure, best for the welfare of the world, because democracy all over the world is looking to the United States to save it and to preserve it. We cannot avoid our destiny; we cannot avoid our responsibilities, and we cannot evade or dodge the heavy burden which rests upon us. If democracy in the world is to be saved we are the ones who must save it. In order to save it we must have a strong Treasury, a strong financial establishment. We must keep within our own control the necessary resources which we shall need in the hour of peril, in any hour of danger, in any hour that approaches us through the dark and troubled clouds which beset the world.

Mr. President, I shall vote "nay."

The PRESIDENT pro tempore. The Senator from Colorado is recognized for 6 minutes.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MILLIKIN. Mr. President, I yield to the Senator from Oregon for a question.

Mr. MORSE. Is the Senator willing to say to the Members of the Senate that it is his opinion that this tax bill, when it shall pass the Senate, will not have to go to conference?

Mr. MILLIKIN. I think so.

Mr. MORSE. And that, therefore, the request of the junior Senator from Oregon that at least two or three of his amendments be sent to conference cannot be granted?

Mr. MILLIKIN. I believe that is the result of what I have said.

Mr. President, the distinguished senior Senator from Texas has described the United States Treasury as the bastion of our liberty in these troubled days. I suggest to the distinguished Senator that the United States Treasury is a bastion, but there is a bastion even inside of that. The United States Treasury will not prepare us for our next war. I suggest that our next war will be prepared for, if we must have a war, which God forbid, by our sons, our plants, and our economy. This tax bill, I respectfully suggest, removes shackles which are killing the incentives which would cause our plants to expand and to develop techniques and products on which we must depend to sustain prosperity and to sustain the burdens of any emergency that may happen. Of course we have ahead of us perilous days. No man can say with exactitude what we shall be called upon to do. But whatever shall be done we must have a healthy economy to do it. The testimony before the committee and the debate in the Senate, I suggest have

made it crystal clear that incentive capital in this country has dried up. I am not speaking of next week, next month, or next year. It has already dried up. It is one of the most serious economic crises that has ever confronted this country. If we are to preserve our revenues they must be preserved out of production, out of a healthy economy. The only way we can have a healthy economy is to have margins of savings out of which we can keep risk investment going. This bill is a shorter step than I should like to see, but it is a useful and constructive step in that direction. So far as I am concerned, this country will not lack one iota of whatever is necessary in manpower, in equipment, or in action by the American people to assure its protection. Whatever is required must come out of a healthy economy. What we are doing here is taking a first step toward the achievement of such an economy.

I believe it is axiomatic that by removing the hobbles from our economy we shall increase our revenues. I have voted for several tax increases; and, I say to you that I shall so vote again if it shall become necessary. I hope it shall never become necessary. I associate myself completely with the statement made several days ago to the same effect by the great senior Senator from Georgia [Mr. GEORGE].

Mr. President, we have had a series of amendments. Many of them strike me as having merit. Almost all of them cover subject matters already under consideration by the House Ways and Means Committee. I do not believe we could get the House to accept any amendment covered by its own initiating jurisdiction which has already attached.

I come to the point I wanted to make. I earnestly request that every amendment be rejected, for the reason that I am assured that the House will accept this bill "as is." Let us get this bill "as is" passed and send it over to the House, where I am assured by its leaders it will pass.

It is easy in these terribly confused times to lose sight of our great objectives. We are properly lending the strength of this country to nations abroad which have been stricken. I think most of us are proud to participate in the effort. Today we have a measure which will bring direct relief to the people of the United States. I suggest that if there be any Senator who feels that there is doubt about the timeliness of this bill, let him today take a calculated risk for the people of the United States.

The PRESIDENT pro tempore. All time under the unanimous-consent agreement has expired, and under the agreement the Senate will proceed to vote upon amendments.

The Chair is sure that the Senate would desire him to take half a minute to express his joy in seeing the majority leader the distinguished senior Senator from Maine [Mr. WHITE] back in the Senate after his long illness. Through years of faithful service, through shining integrity and kindly friendliness, the Senator from Maine has richly deserved the respect and affection of all his colleagues. [Applause, Senators rising.]

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	O'Conor
Baldwin	Hill	O'Daniel
Ball	Hoey	O'Mahoney
Bricker	Holland	Overton
Bridges	Ives	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Smith
Chavez	Lodge	Sparkman
Connally	Lucas	Stennis
Cooper	McCarran	Stewart
Cordon	McCarthy	Taft
Donnell	McClellan	Taylor
Dworshak	McFarland	Thomas, Okla.
Eastland	McGrath	Thomas, Utah
Ecton	McKellar	Thye
Ellender	McMahon	Tobey
Ferguson	Magnuson	Umstead
Flanders	Malone	Vandenberg
Fulbright	Martin	Watkins
George	Maybank	Wherry
Green	Millikin	White
Gurney	Moore	Wiley
Hatch	Morse	Williams
Hawkes	Murray	Wilson
Hayden	Myers	Young

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER] and the Senator from South Dakota [Mr. BUSHFIELD] are necessarily absent.

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

The first question is on the amendment submitted by the senior Senator from North Dakota [Mr. LANGER].

The amendment was, on page 6, line 17, to strike out "$600" and insert "$1,000," and on page 6, line 18, to strike out "$600" and insert "$1,000."

Mr. LANGER. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDENT pro tempore. For the information of the Senate, the amendment increases the exemption from $600 to $1,000 for each taxpayer and his spouse. The yeas and nays are requested. Is the request sufficiently seconded?

The yeas and nays were not ordered.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. O'MAHONEY. Mr. President, I call up the amendment on synthetic liquid fuel plant amortization deduction.

The PRESIDENT pro tempore. Is there more than one amendment?

Mr. O'MAHONEY. There are two. I ask unanimous consent that the two amendments may be considered en bloc.

The PRESIDENT pro tempore. Without objection, the amendments will be considered en bloc.

The first amendment was to insert at the proper place in the bill the following:

SEC. —. That the Internal Revenue Code is amended by inserting therein, immediately after the heading preceding section 111, the following new section:

"SEC. 110. Synthetic liquid-fuel plant amortization deduction.

"(a) General rule: Every person, at his election, shall be entitled to a deduction with respect to the amortization of the adjusted basis (for determining gain) of any synthetic liquid-fuel plant facility (as defined in subsection (c)), based on a period of 60 months. Such amortization deduction shall be an amount, with respect to each month of such period within the taxable year, equal to the adjusted basis of the facility at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction above provided with respect to any month shall be in lieu of the deduction with respect to such facility for such month provided by section 23 (1), relating to exhaustion, wear and tear, and obsolescence.

"(b) Election of amortization: The election of the taxpayer to take the amortization deduction shall be made only by a statement to that effect in its return for the taxable year in which the facility was completed or acquired. The election shall be irrevocable.

"(c) Definition of synthetic liquid-fuel plant facility: As used in this section, the term 'synthetic liquid-fuel plant facility' means any facility, land building, machinery, or equipment, or part thereof, to the extent constructed, reconstructed, erected, installed, or acquired after December 31, 1947, for the purpose of providing for the operation of a synthetic liquid-fuel plant.

"(d) Capital gains on sale of amortization facility: Anything to the contrary in this title notwithstanding, any gain realized upon the sale or other disposition of any property with respect to which any amortization deduction has been claimed under this section shall to the extent of any such amortization deduction be considered gain realized on the sale or other disposition of a capital asset held for a period of less than 6 months.

"(e) Life tenant and remainderman: In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant."

SEC. 2. The amendment made by the first section of this act shall be effective with respect to taxable years beginning after December 31, 1947.

The second amendment was to insert at the proper place in the bill the following new section:

SEC. —. (a) Paragraph (3) of section 114 (b) of the Internal Revenue Code (relating to percentage depletion for oil and gas wells) is amended to read as follows:

"(3) Percentage depletion in the case of oil and gas wells, oil shale mines, and coal used for the production of synthetic fuels. In the case of oil and gas wells and in the case of oil shale mines the allowance for depletion under section 23 (m) shall be 27½ percent of the gross income from the property during the taxable year, and in the case of coal mines from which coal is produced for use in the production of synthetic liquid fuels the allowance for depletion under section 23 (m) shall be 27½ percent of the gross income from the coal so produced during the taxable year, excluding from gross income in any such case an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property or in respect of the coal so produced. Such allowance shall not exceed 50 percent of the net income of the taxpayer (computed without allowances for depletion) from the property or from the coal so produced, except that in no case shall the depletion allowance under section 23 (m) be less than it would be if computed without reference to this paragraph."

(b) The first sentence of subparagraph (A) of paragraph (4) of section 114 (b) of the Internal Revenue Code (relating to percentage depletion for coal, and so forth) is amended by inserting before the period at the end thereof the following: "and excluding from such gross income in the case of coal mines an amount equal to the gross

income realized from coal produced for use in the production of synthetic liquid fuels."

(c) The amendments made by subsections (a) and (b) of this section shall be applicable only with respect to taxable years beginning after December 31, 1947.

The PRESIDENT pro tempore. The question is on agreeing to the amendments.

The amendments were rejected.

Mr. PEPPER. Mr. President, I call up the first of my two amendments. The purpose of the amendment is to allow, as the President recommended——

The PRESIDENT pro tempore. The Chair cannot receive a speech on the subject.

Mr. PEPPER. The amendment is rather lengthy, and I was merely stating the substance of it in lieu of having it read.

The PRESIDENT pro tempore. Very well.

Mr. PEPPER. The amendment, as I think is agreed by the able chairman of the Committee on Finance, the Senator from Colorado [Mr. MILLIKIN], merely provides a tax credit of $40 to each taxpayer, and gives 93 percent of the reduction to taxpayers with incomes of $5,000 or less.

The amendment was to strike out and insert as follows:

Strike out titles I and II and substitute the following in the appropriate place:

"TITLE I—COST-OF-LIVING CREDIT

"SEC. 101. Cost-of-living credit.

"Subsections (c) and (d) of section 12 of the Internal Revenue Code are hereby amended to read as follows:

"'(c) Reduction of tentative normal tax and tentative surtax: The combined normal tax and surtax under section 11 and subsection (b) of this section shall be the aggregate of the tentative normal tax and tentative surtax, reduced by—

"'(1) 5 percent of such aggregate, and

"'(2) the cost-of-living credit provided in subsection (d).

"'(d) Cost-of-living credit: The cost-of-living credit shall be an amount equal to $40 multiplied by the number of exemptions allowed under section 25 (d) for the taxable year. In no event shall such cost-of-living credit exceed the aggregate of the tentative normal tax and tentative surtax reduced by 5 percent thereof.'

"SEC. 102. Individuals with adjusted gross incomes of less than $5,000.

"The tax table in section 400 of the Internal Revenue Code (relating to optional tax on individuals with adjusted gross incomes of less than $5,000) is hereby amended to read as follows:

"If adjusted gross income is—		And the number of exemptions is—			If adjusted gross income is—		And the number of exemptions is—						
At least	But less than	1	2	3 or more	At least	But less than	1	2	3	4	5	6	7 or more
		The tax shall be—					The tax shall be—						
$0	$800	$0	$0	$0	$2,375	$2,400	$273	$138	$3	$0	$0	$0	$0
$800	$825	4	0	0	2,400	2,425	278	143	8	0	0	0	0
$825	$850	8	0	0	2,425	2,450	282	147	12	0	0	0	0
$850	$875	12	0	0	2,450	2,475	286	151	16	0	0	0	0
$875	$900	17	0	0	2,475	2,500	290	155	20	0	0	0	0
$900	$925	21	0	0	2,500	2,525	295	160	25	0	0	0	0
$925	$950	25	0	0	2,525	2,550	299	164	29	0	0	0	0
$950	$975	30	0	0	2,550	2,575	303	168	33	0	0	0	0
$975	$1,000	34	0	0	2,575	2,600	307	172	37	0	0	0	0
$1,000	$1,025	38	0	0	2,600	2,625	312	177	42	0	0	0	0
$1,025	$1,050	42	0	0	2,625	2,650	316	181	46	0	0	0	0
$1,050	$1,075	47	0	0	2,650	2,675	320	185	50	0	0	0	0
$1,075	$1,100	51	0	0	2,675	2,700	325	190	55	0	0	0	0
$1,100	$1,125	55	0	0	2,700	2,725	329	194	59	0	0	0	0
$1,125	$1,150	60	0	0	2,725	2,750	333	198	63	0	0	0	0
$1,150	$1,175	64	0	0	2,750	2,775	337	202	67	0	0	0	0
$1,175	$1,200	68	0	0	2,775	2,800	342	207	72	0	0	0	0
$1,200	$1,225	72	0	0	2,800	2,825	347	211	76	0	0	0	0
$1,225	$1,250	77	0	0	2,825	2,850	351	215	80	0	0	0	0
$1,250	$1,275	81	0	0	2,850	2,875	356	219	84	0	0	0	0
$1,275	$1,300	85	0	0	2,875	2,900	361	224	89	0	0	0	0
$1,300	$1,325	89	0	0	2,900	2,925	365	228	93	0	0	0	0
$1,325	$1,350	94	0	0	2,925	2,950	370	232	97	0	0	0	0
$1,370	$1,375	98	0	0	2,950	2,975	375	237	102	0	0	0	0
$1,375	$1,400	102	0	0	2,975	3,000	379	241	106	0	0	0	0
$1,400	$1,425	107	0	0	3,000	3,050	387	247	112	0	0	0	0
$1,425	$1,450	111	0	0	3,050	3,100	396	256	121	0	0	0	0
$1,450	$1,475	115	0	0	3,100	3,150	405	264	129	0	0	0	0
$1,475	$1,500	119	0	0	3,150	3,200	415	273	138	3	0	0	0
$1,500	$1,525	124	0	0	3,200	3,250	424	281	146	11	0	0	0
$1,525	$1,550	128	0	0	3,250	3,300	434	290	155	20	0	0	0
$1,550	$1,575	132	0	0	3,300	3,350	443	299	164	29	0	0	0
$1,575	$1,600	136	1	0	3,350	3,400	452	308	172	37	0	0	0
$1,600	$1,625	141	6	0	3,400	3,450	462	317	181	46	0	0	0
$1,625	$1,650	145	10	0	3,450	3,500	471	327	189	54	0	0	0
$1,650	$1,675	149	14	0	3,500	3,550	481	336	198	63	0	0	0
$1,675	$1,700	154	19	0	3,550	3,600	490	345	206	71	0	0	0
$1,700	$1,725	158	23	0	3,600	3,650	499	355	215	80	0	0	0
$1,725	$1,750	162	27	0	3,650	3,700	509	364	223	88	0	0	0
$1,750	$1,775	166	31	0	3,700	3,750	518	374	232	97	0	0	0
$1,775	$1,800	171	36	0	3,750	3,800	528	383	241	106	0	0	0
$1,800	$1,825	175	40	0	3,800	3,850	537	392	249	114	0	0	0
$1,825	$1,850	179	44	0	3,850	3,900	546	402	258	123	0	0	0
$1,850	$1,875	183	48	0	3,900	3,950	556	411	267	131	0	0	0
$1,875	$1,900	188	53	0	3,950	4,000	565	421	276	140	5	0	0
$1,900	$1,925	192	57	0	4,000	4,050	575	430	286	148	13	0	0
$1,925	$1,950	196	61	0	4,050	4,100	584	440	295	157	22	0	0
$1,950	$1,975	201	66	0	4,100	4,150	593	449	304	165	30	0	0
$1,975	$2,000	205	70	0	4,150	4,200	603	458	314	174	39	0	0
$2,000	$2,025	209	74	0	4,200	4,250	612	468	323	182	47	0	0
$2,025	$2,050	213	78	0	4,250	4,300	622	477	333	191	56	0	0
$2,050	$2,075	218	83	0	4,300	4,350	631	487	342	200	65	0	0
$2,075	$2,100	222	87	0	4,350	4,400	640	496	351	208	73	0	0
$2,100	$2,125	226	91	0	4,400	4,450	650	505	361	217	82	0	0
$2,125	$2,150	231	96	0	4,450	4,500	659	515	370	226	90	0	0
$2,150	$2,175	235	100	0	4,500	4,550	669	524	380	235	99	0	0
$2,175	$2,200	239	104	0	4,550	4,600	678	534	389	245	107	0	0
$2,200	$2,225	243	108	0	4,600	4,650	687	543	398	254	116	0	0
$2,225	$2,250	248	113	0	4,650	4,700	697	552	408	263	124	0	0
$2,250	$2,275	252	117	0	4,700	4,750	706	562	417	273	133	0	0
$2,275	$2,300	256	121	0	4,750	4,800	716	571	427	282	142	7	0
$2,300	$2,325	260	125	0	4,800	4,850	725	581	436	292	150	15	0
$2,325	$2,350	265	130	0	4,850	4,900	734	590	445	301	159	24	0
$2,350	$2,375	269	134	0	4,900	4,950	744	599	455	310	167	32	0
					4,950	5,000	753	609	464	320	176	41	0"

"SEC. 103. Technical amendments.

"(a) Section 11 of the Internal Revenue Code (relating to the normal tax on individuals) is hereby amended by striking out 'by 5 percent thereof' and inserting in lieu thereof 'as provided in section 12 (c).'

"(b) Section 12 (b) of the Internal Revenue Code (relating to the rate of surtax on individuals) is hereby amended by striking out 'by 5 percent thereof' and inserting in lieu thereof 'as provided in subsection (c) of this section.'

"(c) Subsections (e), (f), (g), and (h) of section 12 of the Internal Revenue Code are amended to read as follows:

"'(e) Computation of tax without regard to credits against tax: In the application of this section, the combined normal tax and

surtax shall be computed without regard to the credits provided in sections 31, 32, and 35.

"'(f) Ascertainment of normal tax and surtax separately: Whenever it is necessary to ascertain the normal tax and the surtax separately, the surtax shall be an amount which is the same proportion of the combined normal tax and surtax as the tentative surtax is of the aggregate of the tentative normal tax and tentative surtax; and the normal tax shall be the remainder of such combined normal tax and surtax.

"'(1) Alternative tax: For alternative tax which may be elected if adjusted gross income is less than $5,000, see Supplement T.

"'(2) Tax in case of capital gains: For rate and computation of alternative tax in lieu of normal tax and surtax in the case of capital gains from the sale or exchange of capital assets held for more than 6 months, see section 117 (c).

"'(3) Tax on personal holding companies: For surtax on personal holding companies, see section 500.

"'(4) Avoidance of surtaxes by incorporation: For surtax on corporations which accumulate surplus to avoid surtax on shareholders, see section 102.

"'(5) Sale of oil or gas properties: For limitation of surtax attributable to the sale of oil or gas properties, see section 105.'

"SEC. 104. Taxable years to which amendments applicable.

"The amendments made by this title shall be applicable with respect to taxable years beginning after December 31, 1947. For treatment of taxable years beginning in 1947 and ending in 1948, see section 401."

Strike out titles IV and V and insert the following:

"TITLE IV. REDUCTION IN WITHHOLDING OF TAX AT SOURCE OF WAGES

"SEC. 301. Percentage method.

"Section 1622 (b) (1) of the Internal Revenue Code is amended to read as follows:

"'(b) (1) The table referred to in subsection (a) is as follows:

"'*Percentage method withholding table*

Pay-roll period	Amount of one withholding exemption	Maximum amount subject to 17 percent rate
Weekly	$15.00	$44.00
Biweekly	30.00	88.00
Semimonthly	33.00	92.00
Monthly	66.00	184.00
Quarterly	197.00	556.00
Semiannual	395.00	1,112.00
Annual	789.00	2,224.00
Daily or miscellaneous (per day of such period)	2.20	6.00'

"SEC. 302. Wage bracket withholding.

"The tables contained in section 1622 (c) (1) of the Internal Revenue Code (relating to wage bracket withholding) are hereby amended to read as follows:

"If the pay-roll period with respect to an employee is weekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$15	17% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$15	$16	$2.70	.10	0	0	0	0	0	0	0	0	0
$16	$17	2.80	.20	0	0	0	0	0	0	0	0	0
$17	$18	3.00	.40	0	0	0	0	0	0	0	0	0
$18	$19	3.20	.60	0	0	0	0	0	0	0	0	0
$19	$20	3.30	.70	0	0	0	0	0	0	0	0	0
$20	$21	3.50	.90	0	0	0	0	0	0	0	0	0
$21	$22	3.70	1.10	0	0	0	0	0	0	0	0	0
$22	$23	3.80	1.30	0	0	0	0	0	0	0	0	0
$23	$24	4.00	1.40	0	0	0	0	0	0	0	0	0
$24	$25	4.20	1.60	0	0	0	0	0	0	0	0	0
$25	$26	4.40	1.80	0	0	0	0	0	0	0	0	0
$26	$27	4.50	1.90	0	0	0	0	0	0	0	0	0
$27	$28	4.70	2.10	0	0	0	0	0	0	0	0	0
$28	$29	4.90	2.30	0	0	0	0	0	0	0	0	0
$29	$30	5.00	2.50	0	0	0	0	0	0	0	0	0
$30	$31	5.20	2.60	0	0	0	0	0	0	0	0	0
$31	$32	5.40	2.80	.20	0	0	0	0	0	0	0	0
$32	$33	5.60	3.00	.40	0	0	0	0	0	0	0	0
$33	$34	5.70	3.10	.50	0	0	0	0	0	0	0	0
$34	$35	5.90	3.30	.70	0	0	0	0	0	0	0	0
$35	$36	6.10	3.50	.90	0	0	0	0	0	0	0	0
$36	$37	6.20	3.70	1.10	0	0	0	0	0	0	0	0
$37	$38	6.40	3.80	1.20	0	0	0	0	0	0	0	0
$38	$39	6.60	4.00	1.40	0	0	0	0	0	0	0	0
$39	$40	6.80	4.20	1.60	0	0	0	0	0	0	0	0
$40	$41	6.90	4.30	1.70	0	0	0	0	0	0	0	0
$41	$42	7.10	4.50	1.90	0	0	0	0	0	0	0	0
$42	$43	7.30	4.70	2.10	0	0	0	0	0	0	0	0
$43	$44	7.40	4.90	2.30	0	0	0	0	0	0	0	0
$44	$45	7.60	5.00	2.40	0	0	0	0	0	0	0	0
$45	$46	7.80	5.20	2.60	0	0	0	0	0	0	0	0
$46	$47	8.00	5.40	2.80	.20	0	0	0	0	0	0	0
$47	$48	8.20	5.50	2.90	.30	0	0	0	0	0	0	0
$48	$49	8.40	5.70	3.10	.50	0	0	0	0	0	0	0
$49	$50	8.60	5.90	3.30	.70	0	0	0	0	0	0	0
$50	$51	8.80	6.00	3.50	.90	0	0	0	0	0	0	0
$51	$52	8.90	6.20	3.60	1.00	0	0	0	0	0	0	0
$52	$53	9.10	6.40	3.80	1.20	0	0	0	0	0	0	0
$53	$54	9.30	6.60	4.00	1.40	0	0	0	0	0	0	0
$54	$55	9.50	6.70	4.10	1.50	0	0	0	0	0	0	0
$55	$56	9.70	6.90	4.30	1.70	0	0	0	0	0	0	0
$56	$57	9.90	7.10	4.50	1.90	0	0	0	0	0	0	0
$57	$58	10.10	7.30	4.60	2.10	0	0	0	0	0	0	0
$58	$59	10.30	7.50	4.80	2.20	0	0	0	0	0	0	0
$59	$60	10.50	7.70	5.00	2.40	0	0	0	0	0	0	0
$60	$62	10.70	8.00	5.20	2.70	.10	0	0	0	0	0	0
$62	$64	11.10	8.30	5.60	3.00	.40	0	0	0	0	0	0
$64	$66	11.50	8.70	5.90	3.30	.70	0	0	0	0	0	0
$66	$68	11.90	9.10	6.30	3.70	1.10	0	0	0	0	0	0
$68	$70	12.20	9.50	6.70	4.00	1.40	0	0	0	0	0	0
$70	$72	12.60	9.90	7.10	4.40	1.80	0	0	0	0	0	0
$72	$74	13.00	10.20	7.40	4.70	2.10	0	0	0	0	0	0
$74	$76	13.40	10.60	7.80	5.00	2.40	0	0	0	0	0	0
$76	$78	13.70	11.00	8.20	5.40	2.80	.20	0	0	0	0	0
$78	$80	14.10	11.40	8.60	5.80	3.10	.50	0	0	0	0	0
$80	$82	14.50	11.70	8.90	6.20	3.50	.90	0	0	0	0	0
$82	$84	14.90	12.10	9.30	6.50	3.80	1.20	0	0	0	0	0
$84	$86	15.30	12.50	9.70	6.90	4.20	1.60	0	0	0	0	0
$86	$88	15.60	12.90	10.10	7.30	4.50	1.90	0	0	0	0	0
$88	$90	16.00	13.20	10.50	7.70	4.90	2.20	0	0	0	0	0
$90	$92	16.40	13.60	10.80	8.10	5.30	2.60	0	0	0	0	0
$92	$94	16.80	14.00	11.20	8.40	5.70	2.90	.30	0	0	0	0
$94	$96	17.10	14.40	11.60	8.80	6.00	3.30	.70	0	0	0	0
$96	$98	17.50	14.70	12.00	9.20	6.40	3.60	1.00	0	0	0	0
$98	$100	17.90	15.10	12.30	9.60	6.80	4.00	1.40	0	0	0	0
$100	$105	18.50	15.80	13.00	10.20	7.40	4.70	2.00	0	0	0	0
$105	$110	19.50	16.70	13.90	11.20	8.40	5.60	2.80	.20	0	0	0
$110	$115	20.40	17.70	14.90	12.10	9.30	6.50	3.80	1.10	0	0	0
$115	$120	21.40	18.60	15.80	13.00	10.30	7.50	4.70	1.90	0	0	0
$120	$125	22.30	19.50	16.80	14.00	11.20	8.40	5.60	2.90	.20	0	0
$125	$130	23.20	20.50	17.70	14.90	12.10	9.40	6.60	3.80	1.00	0	0
$130	$135	24.20	21.40	18.60	15.90	13.10	10.30	7.50	4.70	2.00	0	0

"If the pay-roll period with respect to an employee is weekly—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$135	$140	$25.10	$22.40	$19.60	$16.80	$14.00	$11.20	$8.50	$5.70	$2.90	$0.20	$0
$140	$145	26.10	23.30	20.50	17.70	15.00	12.20	9.40	6.60	3.80	1.10	0
$145	$150	27.00	24.20	21.50	18.70	15.90	13.10	10.30	7.60	4.80	2.00	0
$150	$160	28.40	25.70	22.90	20.10	17.30	14.50	11.70	9.00	6.20	3.40	.60
$160	$170	30.30	27.50	24.80	22.00	19.20	16.40	13.60	10.90	8.10	5.30	2.50
$170	$180	32.20	29.40	26.60	23.90	21.10	18.30	15.50	12.70	10.00	7.20	4.40
$180	$190	34.10	31.30	28.50	25.70	23.00	20.20	17.40	14.60	11.80	9.10	6.30
$190	$200	35.90	33.20	30.40	27.60	24.80	22.10	19.30	16.50	13.70	10.90	8.20
		19 percent of the excess over $200 plus—										
$200 and over		36.90	34.10	31.30	28.60	25.80	23.00	20.20	17.40	14.70	11.90	9.10

"If the pay-roll period with respect to an employee is biweekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$30	17% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$30	$32	$5.30	.10	0	0	0	0	0	0	0	0	0
$32	$34	5.60	.50	0	0	0	0	0	0	0	0	0
$34	$36	6.00	.80	0	0	0	0	0	0	0	0	0
$36	$38	6.30	1.10	0	0	0	0	0	0	0	0	0
$38	$40	6.70	1.50	0	0	0	0	0	0	0	0	0
$40	$42	7.00	1.80	0	0	0	0	0	0	0	0	0
$42	$44	7.40	2.20	0	0	0	0	0	0	0	0	0
$44	$46	7.70	2.50	0	0	0	0	0	0	0	0	0
$46	$48	8.00	2.90	0	0	0	0	0	0	0	0	0
$48	$50	8.40	3.20	0	0	0	0	0	0	0	0	0
$50	$52	8.70	3.50	0	0	0	0	0	0	0	0	0
$52	$54	9.10	3.90	0	0	0	0	0	0	0	0	0
$54	$56	9.40	4.20	0	0	0	0	0	0	0	0	0
$56	$58	9.70	4.60	0	0	0	0	0	0	0	0	0
$58	$60	10.10	4.90	0	0	0	0	0	0	0	0	0
$60	$62	10.40	5.20	.10	0	0	0	0	0	0	0	0
$62	$64	10.80	5.60	.40	0	0	0	0	0	0	0	0
$64	$66	11.10	5.90	.70	0	0	0	0	0	0	0	0
$66	$68	11.50	6.30	1.10	0	0	0	0	0	0	0	0
$68	$70	11.80	6.60	1.40	0	0	0	0	0	0	0	0
$70	$72	12.10	7.00	1.80	0	0	0	0	0	0	0	0
$72	$74	12.50	7.30	2.10	0	0	0	0	0	0	0	0
$74	$76	12.80	7.60	2.40	0	0	0	0	0	0	0	0
$76	$78	13.20	8.00	2.80	0	0	0	0	0	0	0	0
$78	$80	13.50	8.30	3.10	0	0	0	0	0	0	0	0
$80	$82	13.90	8.70	3.50	0	0	0	0	0	0	0	0
$82	$84	14.20	9.00	3.80	0	0	0	0	0	0	0	0
$84	$86	14.50	9.40	4.20	0	0	0	0	0	0	0	0
$86	$88	14.90	9.70	4.50	0	0	0	0	0	0	0	0
$88	$90	15.30	10.00	4.80	0	0	0	0	0	0	0	0
$90	$92	15.60	10.40	5.20	0	0	0	0	0	0	0	0
$92	$94	16.00	10.70	5.50	.30	0	0	0	0	0	0	0
$94	$96	16.40	11.10	5.90	.70	0	0	0	0	0	0	0
$96	$98	16.80	11.40	6.20	1.00	0	0	0	0	0	0	0
$98	$100	17.20	11.70	6.60	1.40	0	0	0	0	0	0	0
$100	$102	17.50	12.10	6.90	1.70	0	0	0	0	0	0	0
$102	$104	17.90	12.40	7.20	2.00	0	0	0	0	0	0	0
$104	$106	18.30	12.80	7.60	2.40	0	0	0	0	0	0	0
$106	$108	18.70	13.10	7.90	2.70	0	0	0	0	0	0	0
$108	$110	19.00	13.50	8.30	3.10	0	0	0	0	0	0	0
$110	$112	19.40	13.90	8.60	3.40	0	0	0	0	0	0	0
$112	$114	19.80	14.20	8.90	3.80	0	0	0	0	0	0	0
$114	$116	20.20	14.60	9.30	4.10	0	0	0	0	0	0	0
$116	$118	20.50	15.00	9.60	4.40	0	0	0	0	0	0	0
$118	$120	20.90	15.40	10.00	4.80	0	0	0	0	0	0	0
$120	$124	21.50	15.90	10.50	5.30	.10	0	0	0	0	0	0
$124	$128	22.20	16.70	11.20	6.00	.80	0	0	0	0	0	0
$128	$132	23.00	17.40	11.90	6.70	1.50	0	0	0	0	0	0
$132	$136	23.70	18.20	12.60	7.30	2.10	0	0	0	0	0	0
$136	$140	24.50	18.90	13.40	8.00	2.80	0	0	0	0	0	0
$140	$144	25.20	19.70	14.10	8.70	3.50	0	0	0	0	0	0
$144	$148	26.00	20.50	14.90	9.40	4.20	0	0	0	0	0	0
$148	$152	26.80	21.20	15.60	10.10	4.90	0	0	0	0	0	0
$152	$156	27.50	22.00	16.40	10.80	5.60	.40	0	0	0	0	0
$156	$160	28.30	22.70	17.10	11.60	6.30	1.10	0	0	0	0	0
$160	$164	29.00	23.50	17.90	12.30	6.90	1.70	0	0	0	0	0
$164	$168	29.80	24.20	18.60	13.10	7.60	2.40	0	0	0	0	0
$168	$172	30.50	25.00	19.40	13.80	8.30	3.10	0	0	0	0	0
$172	$176	31.30	25.70	20.20	14.60	9.00	3.80	0	0	0	0	0
$176	$180	32.00	26.50	20.90	15.30	9.80	4.50	0	0	0	0	0
$180	$184	32.80	27.20	21.70	16.10	10.50	5.20	0	0	0	0	0
$184	$188	33.50	28.00	22.40	16.90	11.30	5.80	.70	0	0	0	0
$188	$192	34.30	28.70	23.20	17.60	12.00	6.50	1.30	0	0	0	0
$192	$196	35.00	29.50	23.90	18.40	12.80	7.20	2.00	0	0	0	0
$196	$200	35.80	30.20	24.70	19.10	13.60	8.00	3.30	0	0	0	0
$200	$210	37.10	31.50	26.00	20.40	14.90	9.30	4.60	0	0	0	0
$210	$220	39.00	33.40	27.90	22.30	16.70	11.20	5.60	1.00	0	0	0
$220	$230	40.90	35.30	29.80	24.20	18.60	13.10	7.50	2.80	0	0	0
$230	$240	42.70	37.20	31.60	26.10	20.50	14.90	9.40	4.60	0	0	0
$240	$250	44.60	39.10	33.50	27.90	22.40	16.80	11.30	5.70	1.00	0	0
$250	$260	46.50	41.00	35.40	29.80	24.30	18.70	13.20	7.60	2.80	0	0
$260	$270	48.40	42.80	37.30	31.70	26.20	20.60	15.00	9.50	3.90	0	0
$270	$280	50.30	44.70	39.20	33.60	28.00	22.50	16.90	11.40	5.80	1.00	0
$280	$290	52.10	46.60	41.00	35.50	29.90	24.40	18.80	13.20	7.70	2.10	0
$290	$300	54.00	48.50	42.90	37.40	31.80	26.20	20.70	15.10	9.60	4.00	0
$300	$320	56.80	51.30	45.70	40.20	34.60	29.10	23.50	17.90	12.40	6.80	1.30

"If the pay-roll period with respect to an employee is biweekly—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$320	$340	$60.60	$55.10	$49.50	$43.90	$38.40	$32.80	$27.30	$21.70	$16.20	$10.60	$5.00
$340	$360	64.40	58.80	53.30	47.70	42.10	36.60	31.00	25.50	19.90	14.40	8.80
$360	$380	68.10	62.60	57.00	51.50	45.90	40.30	34.80	29.20	23.70	18.10	12.60
$380	$400	71.90	66.30	60.80	55.20	49.70	44.10	38.50	33.00	27.40	21.90	16.30
		19 percent of the excess over $400 plus—										
$400 and over		73.80	68.20	62.70	57.10	51.50	46.00	40.40	34.90	29.30	23.80	18.20

"If the pay-roll period with respect to an employee is semimonthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$34	17% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$34	$36	$6.00	.40	0	0	0	0	0	0	0	0	0
$36	$38	6.30	.70	0	0	0	0	0	0	0	0	0
$38	$40	6.70	1.10	0	0	0	0	0	0	0	0	0
$40	$42	7.00	1.40	0	0	0	0	0	0	0	0	0
$42	$44	7.40	1.70	0	0	0	0	0	0	0	0	0
$44	$46	7.70	2.10	0	0	0	0	0	0	0	0	0
$46	$48	8.00	2.40	0	0	0	0	0	0	0	0	0
$48	$50	8.40	2.80	0	0	0	0	0	0	0	0	0
$50	$52	8.70	3.10	0	0	0	0	0	0	0	0	0
$52	$54	9.10	3.40	0	0	0	0	0	0	0	0	0
$54	$56	9.40	3.80	0	0	0	0	0	0	0	0	0
$56	$58	9.70	4.10	0	0	0	0	0	0	0	0	0
$58	$60	10.10	4.50	0	0	0	0	0	0	0	0	0
$60	$62	10.40	4.80	0	0	0	0	0	0	0	0	0
$62	$64	10.80	5.20	0	0	0	0	0	0	0	0	0
$64	$66	11.10	5.50	0	0	0	0	0	0	0	0	0
$66	$68	11.50	5.80	.20	0	0	0	0	0	0	0	0
$68	$70	11.80	6.20	.60	0	0	0	0	0	0	0	0
$70	$72	12.10	6.50	.90	0	0	0	0	0	0	0	0
$72	$74	12.50	6.90	1.20	0	0	0	0	0	0	0	0
$74	$76	12.80	7.20	1.60	0	0	0	0	0	0	0	0
$76	$78	13.20	7.50	1.90	0	0	0	0	0	0	0	0
$78	$80	13.50	7.90	2.30	0	0	0	0	0	0	0	0
$80	$82	13.90	8.20	2.60	0	0	0	0	0	0	0	0
$82	$84	14.20	8.60	2.90	0	0	0	0	0	0	0	0
$84	$86	14.50	8.90	3.30	0	0	0	0	0	0	0	0
$86	$88	14.90	9.30	3.60	0	0	0	0	0	0	0	0
$88	$90	15.20	9.60	4.00	0	0	0	0	0	0	0	0
$90	$92	15.60	9.90	4.30	0	0	0	0	0	0	0	0
$92	$94	15.90	10.30	4.70	0	0	0	0	0	0	0	0
$94	$96	16.30	10.60	5.00	0	0	0	0	0	0	0	0
$96	$98	16.70	11.00	5.30	0	0	0	0	0	0	0	0
$98	$100	17.00	11.30	5.70	.10	0	0	0	0	0	0	0
$100	$102	17.40	11.70	6.00	.40	0	0	0	0	0	0	0
$102	$104	17.80	12.00	6.40	.70	0	0	0	0	0	0	0
$104	$106	18.20	12.30	6.70	1.10	0	0	0	0	0	0	0
$106	$108	18.50	12.70	7.10	1.40	0	0	0	0	0	0	0
$108	$110	18.90	13.00	7.40	1.80	0	0	0	0	0	0	0
$110	$112	19.30	13.40	7.70	2.10	0	0	0	0	0	0	0
$112	$114	19.70	13.70	8.10	2.40	0	0	0	0	0	0	0
$114	$116	20.00	14.00	8.40	2.80	0	0	0	0	0	0	0
$116	$118	20.40	14.40	8.80	3.10	0	0	0	0	0	0	0
$118	$120	20.80	14.80	9.10	3.50	0	0	0	0	0	0	0
$120	$124	21.40	15.30	9.60	4.00	0	0	0	0	0	0	0
$124	$128	22.10	16.10	10.30	4.70	0	0	0	0	0	0	0
$128	$132	22.90	16.90	11.00	5.40	0	0	0	0	0	0	0
$132	$136	23.60	17.60	11.70	6.00	.40	0	0	0	0	0	0
$136	$140	24.40	18.40	12.40	6.70	1.10	0	0	0	0	0	0
$140	$144	25.10	19.10	13.10	7.40	1.80	0	0	0	0	0	0
$144	$148	25.90	19.90	13.80	8.10	2.50	0	0	0	0	0	0
$148	$152	26.60	20.60	14.60	8.80	3.20	0	0	0	0	0	0
$152	$156	27.40	21.40	15.30	9.50	3.80	0	0	0	0	0	0
$156	$160	28.10	22.10	16.10	10.10	4.50	0	0	0	0	0	0
$160	$164	28.90	22.90	16.80	10.80	5.20	0	0	0	0	0	0
$164	$168	29.60	23.60	17.60	11.60	5.90	.30	0	0	0	0	0
$168	$172	30.40	24.40	18.30	12.30	6.60	.90	0	0	0	0	0
$172	$176	31.10	25.10	19.10	13.10	7.30	1.60	0	0	0	0	0
$176	$180	31.90	25.90	19.90	13.80	7.90	2.30	0	0	0	0	0
$180	$184	32.60	26.60	20.60	14.60	8.60	3.00	0	0	0	0	0
$184	$188	33.40	27.40	21.40	15.30	9.30	3.70	0	0	0	0	0
$188	$192	34.20	28.10	22.10	16.10	10.10	4.40	0	0	0	0	0
$192	$196	34.90	28.90	22.90	16.80	10.80	5.10	0	0	0	0	0
$196	$200	35.70	29.60	23.60	17.60	11.60	5.70	.10	0	0	0	0
$200	$210	37.00	31.00	24.90	18.90	12.90	6.50	1.30	0	0	0	0
$210	$220	38.90	32.80	26.80	20.80	14.80	8.80	3.00	0	0	0	0
$220	$230	40.70	34.70	28.70	22.70	16.70	10.60	4.70	0	0	0	0
$230	$240	42.60	36.60	30.60	24.60	18.50	12.50	6.50	.80	0	0	0
$240	$250	44.50	38.50	32.50	26.40	20.40	14.40	8.40	2.50	0	0	0
$250	$260	46.40	40.40	34.30	28.30	22.30	16.30	10.30	4.20	0	0	0
$260	$270	48.30	42.20	36.20	30.20	24.20	18.20	12.10	6.10	.30	0	0
$270	$280	50.10	44.10	38.10	32.10	26.10	20.00	14.00	8.00	2.00	0	0
$280	$290	52.00	46.00	40.00	34.00	27.90	21.90	15.90	9.90	3.90	0	0
$290	$300	53.90	47.90	41.90	35.80	29.80	23.80	17.80	11.80	5.70	0	0
$300	$320	56.70	50.70	44.70	38.70	32.70	26.60	20.60	14.60	8.60	2.50	0
$320	$340	60.50	54.50	48.40	42.40	36.40	30.40	24.40	18.40	12.30	6.30	.30
$340	$360	64.20	58.20	52.20	46.20	40.20	34.10	28.10	22.10	16.10	10.10	4.10

"If the pay-roll period with respect to an employee is semimonthly—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$360	$380	$68.00	$62.00	$56.00	$49.90	$43.90	$37.90	$31.90	$25.90	$19.80	$13.80	$7.80
$380	$400	71.80	65.80	59.70	53.70	47.70	41.70	35.60	29.60	23.60	17.60	11.60
$400	$420	75.50	69.50	63.50	57.50	51.50	45.40	39.40	33.40	27.40	21.30	15.30
$420	$440	79.30	73.30	67.30	61.20	55.20	49.20	43.20	37.20	31.10	25.10	19.10
$440	$460	83.10	77.00	71.00	65.00	59.00	53.00	46.90	40.90	34.90	28.90	22.90
$460	$480	86.80	80.80	74.80	68.80	62.70	56.70	50.70	44.70	38.70	32.60	26.60
$480	$500	90.60	84.60	78.50	72.50	66.50	60.50	54.50	48.40	42.40	36.40	30.40
		19 percent of the excess over $500 plus—										
$500 and over		92.50	86.50	80.40	74.40	68.40	62.40	56.30	50.30	44.30	38.30	32.30

"If the pay-roll period with respect to an employee is monthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$68	17% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$68	$72	$12.00	.70	0	0	0	0	0	0	0	0	0
$72	$76	12.70	1.40	0	0	0	0	0	0	0	0	0
$76	$80	13.30	2.10	0	0	0	0	0	0	0	0	0
$80	$84	14.00	2.80	0	0	0	0	0	0	0	0	0
$84	$88	14.70	3.50	0	0	0	0	0	0	0	0	0
$88	$92	15.40	4.10	0	0	0	0	0	0	0	0	0
$92	$96	16.10	4.80	0	0	0	0	0	0	0	0	0
$96	$100	16.80	5.50	0	0	0	0	0	0	0	0	0
$100	$104	17.40	6.20	0	0	0	0	0	0	0	0	0
$104	$108	18.10	6.90	0	0	0	0	0	0	0	0	0
$108	$112	18.80	7.60	0	0	0	0	0	0	0	0	0
$112	$116	19.50	8.20	0	0	0	0	0	0	0	0	0
$116	$120	20.20	8.90	0	0	0	0	0	0	0	0	0
$120	$124	20.90	9.60	0	0	0	0	0	0	0	0	0
$124	$128	21.50	10.30	0	0	0	0	0	0	0	0	0
$128	$132	22.20	11.00	0	0	0	0	0	0	0	0	0
$132	$136	22.90	11.70	.40	0	0	0	0	0	0	0	0
$136	$140	23.60	12.40	1.10	0	0	0	0	0	0	0	0
$140	$144	24.30	13.00	1.80	0	0	0	0	0	0	0	0
$144	$148	25.00	13.70	2.50	0	0	0	0	0	0	0	0
$148	$152	25.70	14.40	3.20	0	0	0	0	0	0	0	0
$152	$156	26.30	15.10	3.80	0	0	0	0	0	0	0	0
$156	$160	27.00	15.80	4.50	0	0	0	0	0	0	0	0
$160	$164	27.70	16.50	5.20	0	0	0	0	0	0	0	0
$164	$168	28.40	17.10	5.90	0	0	0	0	0	0	0	0
$168	$172	29.10	17.80	6.60	0	0	0	0	0	0	0	0
$172	$176	29.80	18.50	7.30	0	0	0	0	0	0	0	0
$176	$180	30.40	19.20	7.90	0	0	0	0	0	0	0	0
$180	$184	31.10	19.90	8.60	0	0	0	0	0	0	0	0
$184	$188	31.80	20.60	9.30	0	0	0	0	0	0	0	0
$188	$192	32.60	21.20	10.00	0	0	0	0	0	0	0	0
$192	$196	33.30	21.90	10.70	0	0	0	0	0	0	0	0
$196	$200	34.10	22.60	11.40	.10	0	0	0	0	0	0	0
$200	$204	34.80	23.30	12.00	.80	0	0	0	0	0	0	0
$204	$208	35.60	24.00	12.70	1.50	0	0	0	0	0	0	0
$208	$212	36.30	24.70	13.40	2.20	0	0	0	0	0	0	0
$212	$216	37.10	25.30	14.10	2.80	0	0	0	0	0	0	0
$216	$220	37.80	26.00	14.80	3.50	0	0	0	0	0	0	0
$220	$224	38.60	26.70	15.50	4.20	0	0	0	0	0	0	0
$224	$228	39.30	27.40	16.20	4.90	0	0	0	0	0	0	0
$228	$232	40.10	28.10	16.80	5.60	0	0	0	0	0	0	0
$232	$236	40.80	28.80	17.50	6.30	0	0	0	0	0	0	0
$236	$240	41.60	29.60	18.20	6.90	0	0	0	0	0	0	0
$240	$248	42.70	30.70	19.20	8.00	0	0	0	0	0	0	0
$248	$256	44.20	32.20	20.60	9.30	0	0	0	0	0	0	0
$256	$264	45.70	33.70	22.00	10.70	0	0	0	0	0	0	0
$264	$272	47.20	35.20	23.30	12.10	.80	0	0	0	0	0	0
$272	$280	48.70	36.70	24.70	13.40	2.20	0	0	0	0	0	0
$280	$288	50.20	38.20	26.20	14.80	3.60	0	0	0	0	0	0
$288	$296	51.80	39.70	27.70	16.20	4.90	0	0	0	0	0	0
$296	$304	53.30	41.20	29.20	17.60	6.30	0	0	0	0	0	0
$304	$312	54.80	42.70	30.70	18.90	7.70	0	0	0	0	0	0
$312	$320	56.30	44.20	32.20	20.30	9.00	0	0	0	0	0	0
$320	$328	57.80	45.70	33.70	21.70	10.40	0	0	0	0	0	0
$328	$336	59.30	47.20	35.20	23.20	11.80	.50	0	0	0	0	0
$336	$344	60.80	48.70	36.70	24.70	13.10	1.90	0	0	0	0	0
$344	$352	62.30	50.30	38.20	26.20	14.50	3.30	0	0	0	0	0
$352	$360	63.80	51.80	39.70	27.70	15.90	4.60	0	0	0	0	0
$360	$368	65.30	53.30	41.20	29.20	17.20	6.00	0	0	0	0	0
$368	$376	66.80	54.80	42.70	30.70	18.60	7.40	0	0	0	0	0
$376	$384	68.30	56.30	44.20	32.20	20.10	8.70	0	0	0	0	0
$384	$392	69.80	57.80	45.70	33.70	21.60	10.10	0	0	0	0	0
$392	$400	71.30	59.30	47.20	35.20	23.20	11.50	.20	0	0	0	0
$400	$420	73.90	61.90	49.90	37.80	25.80	13.90	2.60	0	0	0	0
$420	$440	77.70	65.70	53.60	41.60	29.60	17.50	6.00	0	0	0	0
$440	$460	81.50	69.40	57.40	45.30	33.30	21.30	9.50	0	0	0	0
$460	$480	85.20	73.20	61.20	49.10	37.10	25.00	13.00	1.60	0	0	0
$480	$500	89.00	77.00	64.90	52.90	40.80	28.80	16.70	5.00	0	0	0
$500	$520	92.80	80.70	68.70	56.60	44.60	32.60	20.50	8.50	0	0	0
$520	$540	96.50	84.50	72.40	60.40	48.40	36.30	24.30	12.20	.60	0	0
$540	$560	100.30	88.30	76.20	64.20	52.10	40.10	28.00	16.00	4.10	0	0
$560	$580	104.00	92.00	80.00	67.90	55.90	43.80	31.80	19.80	7.70	0	0
$580	$600	107.80	95.80	83.70	71.70	59.60	47.60	35.60	23.50	11.50	0	0

"If the pay-roll period with respect to an employee is monthly—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$600	$640	$113.40	$101.40	$89.40	$77.30	$65.30	$53.30	$41.20	$29.20	$17.10	$5.10	$0
$640	$680	121.00	108.90	96.90	84.80	72.80	60.80	48.70	36.70	24.60	12.60	.60
$680	$720	128.50	116.50	104.40	92.40	80.30	68.30	56.20	44.20	32.20	20.10	8.10
$720	$760	136.00	124.00	111.90	99.90	87.90	75.80	63.80	51.70	39.70	27.60	15.60
$760	$800	143.50	131.50	119.50	107.40	95.40	83.30	71.30	59.30	47.20	35.20	23.10
$800	$840	151.10	139.00	127.00	114.90	102.90	90.90	78.80	66.80	54.70	42.70	30.70
$840	$880	158.60	146.60	134.50	122.50	110.40	98.40	86.30	74.30	62.30	50.20	38.20
$880	$920	166.10	154.10	142.00	130.00	118.00	105.90	93.90	81.80	69.80	57.70	45.70
$920	$960	173.60	161.60	149.60	137.50	125.50	113.40	101.40	89.40	77.30	65.30	53.20
$960	$1,000	181.20	169.10	157.10	145.00	133.00	121.00	108.90	96.90	84.80	72.80	60.80
		19 percent of the excess over $1,000 plus—										
$1,000 and over		184.90	172.90	160.90	148.80	136.80	124.70	112.70	100.60	88.60	76.60	64.50

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period—

And the wages divided by the number of days in such periods are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period—										
$0	$2.25	17% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$2.25	$2.50	$0.40	.05	0	0	0	0	0	0	0	0	0
$2.50	$2.75	.45	.10	0	0	0	0	0	0	0	0	0
$2.75	$3.00	.50	.10	0	0	0	0	0	0	0	0	0
$3.00	$3.25	.55	.15	0	0	0	0	0	0	0	0	0
$3.25	$3.50	.60	.20	0	0	0	0	0	0	0	0	0
$3.50	$3.75	.60	.25	0	0	0	0	0	0	0	0	0
$3.75	$4.00	.65	.30	0	0	0	0	0	0	0	0	0
$4.00	$4.25	.70	.35	0	0	0	0	0	0	0	0	0
$4.25	$4.50	.75	.40	0	0	0	0	0	0	0	0	0
$4.50	$4.75	.80	.40	.05	0	0	0	0	0	0	0	0
$4.75	$5.00	.85	.45	.10	0	0	0	0	0	0	0	0
$5.00	$5.25	.90	.50	.15	0	0	0	0	0	0	0	0
$5.25	$5.50	.90	.55	.20	0	0	0	0	0	0	0	0
$5.50	$5.75	.95	.60	.20	0	0	0	0	0	0	0	0
$5.75	$6.00	1.00	.65	.25	0	0	0	0	0	0	0	0
$6.00	$6.25	1.05	.70	.30	0	0	0	0	0	0	0	0
$6.25	$6.50	1.10	.70	.35	0	0	0	0	0	0	0	0
$6.50	$6.75	1.15	.75	.40	0	0	0	0	0	0	0	0
$6.75	$7.00	1.20	.80	.45	.05	0	0	0	0	0	0	0
$7.00	$7.25	1.25	.85	.50	.10	0	0	0	0	0	0	0
$7.25	$7.50	1.30	.90	.50	.15	0	0	0	0	0	0	0
$7.50	$7.75	1.35	.95	.55	.20	0	0	0	0	0	0	0
$7.75	$8.00	1.40	1.00	.60	.25	0	0	0	0	0	0	0
$8.00	$8.25	1.40	1.05	.65	.30	0	0	0	0	0	0	0
$8.25	$8.50	1.45	1.10	.70	.30	0	0	0	0	0	0	0
$8.50	$8.75	1.50	1.10	.75	.35	0	0	0	0	0	0	0
$8.75	$9.00	1.55	1.15	.80	.40	.05	0	0	0	0	0	0
$9.00	$9.25	1.60	1.20	.80	.45	.10	0	0	0	0	0	0
$9.25	$9.50	1.65	1.25	.85	.50	.10	0	0	0	0	0	0
$9.50	$9.75	1.70	1.30	.90	.55	.15	0	0	0	0	0	0
$9.75	$10.00	1.75	1.35	.95	.60	.20	0	0	0	0	0	0
$10.00	$10.50	1.80	1.45	1.05	.65	.25	0	0	0	0	0	0
$10.50	$11.00	1.90	1.50	1.15	.75	.35	0	0	0	0	0	0
$11.00	$11.50	2.00	1.60	1.20	.80	.45	.05	0	0	0	0	0
$11.50	$12.00	2.10	1.70	1.30	.90	.55	.15	0	0	0	0	0
$12.00	$12.50	2.20	1.80	1.40	1.00	.60	.25	0	0	0	0	0
$12.50	$13.00	2.30	1.90	1.50	1.10	.70	.35	0	0	0	0	0
$13.00	$13.50	2.40	2.00	1.60	1.20	.80	.40	.05	0	0	0	0
$13.50	$14.00	2.50	2.10	1.70	1.30	.90	.50	.15	0	0	0	0
$14.00	$14.50	2.60	2.20	1.80	1.40	1.00	.60	.20	0	0	0	0
$14.50	$15.00	2.65	2.25	1.90	1.50	1.10	.70	.30	0	0	0	0
$15.00	$15.50	2.75	2.35	1.95	1.60	1.20	.80	.40	0	0	0	0
$15.50	$16.00	2.85	2.45	2.05	1.65	1.25	.90	.50	.10	0	0	0
$16.00	$16.50	2.95	2.55	2.15	1.75	1.35	.95	.60	.20	0	0	0
$16.50	$17.00	3.05	2.65	2.25	1.85	1.45	1.05	.65	.30	0	0	0
$17.00	$17.50	3.15	2.75	2.35	1.95	1.55	1.15	.75	.35	0	0	0
$17.50	$18.00	3.25	2.85	2.45	2.05	1.65	1.25	.85	.45	.10	0	0
$18.00	$18.50	3.35	2.95	2.55	2.15	1.75	1.35	.95	.55	.15	0	0
$18.50	$19.00	3.40	3.05	2.65	2.25	1.85	1.45	1.05	.65	.25	0	0
$19.00	$19.50	3.50	3.10	2.75	2.35	1.95	1.55	1.15	.75	.35	0	0
$19.50	$20.00	3.60	3.20	2.80	2.40	2.05	1.65	1.25	.85	.45	.05	0
$20.00	$21.00	3.75	3.35	2.95	2.55	2.15	1.75	1.40	1.00	.60	.20	0
$21.00	$22.00	3.95	3.55	3.15	2.75	2.35	1.95	1.55	1.15	.75	.40	0
$22.00	$23.00	4.15	3.75	3.35	2.95	2.55	2.15	1.75	1.35	.95	.55	.15
$23.00	$24.00	4.30	3.90	3.50	3.15	2.75	2.35	1.95	1.55	1.15	.75	.35
$24.00	$25.00	4.50	4.10	3.70	3.30	2.90	2.55	2.15	1.75	1.35	.95	.55
$25.00	$26.00	4.70	4.30	3.90	3.50	3.10	2.70	2.30	1.90	1.55	1.15	.75
$26.00	$27.00	4.90	4.50	4.10	3.70	3.30	2.90	2.50	2.10	1.70	1.30	.90
$27.00	$28.00	5.05	4.65	4.30	3.90	3.50	3.10	2.70	2.30	1.90	1.50	1.10
$28.00	$29.00	5.25	4.85	4.45	4.05	3.65	3.30	2.90	2.50	2.10	1.70	1.30
$29.00	$30.00	5.45	5.05	4.65	4.25	3.85	3.45	3.05	2.65	2.30	1.90	1.50
		19 percent of the excess over $30 plus—										
$30.00 and over		5.55	5.15	4.75	4.35	3.95	3.55	3.15	2.75	2.35	2.00	1.60

"SEC. 303. Effective date.

"The amendments made by this title shall be applicable only with respect to wages paid on or after April 1, 1948."

Strike out title VI and substitute the following:

"TITLE V—FISCAL-YEAR TAXPAYERS

"SEC. 401. Fiscal-year taxpayers.

"(a) Income tax: Section 108 of the Internal Revenue Code is hereby amended by striking out '(d)' at the beginning of subsection (d) and inserting in lieu thereof '(f),' and by inserting after subsection (c) the following:

"'(d) Taxable years of individuals beginning in 1947 and ending in 1948.—

"'(1) In general: In the case of a taxable year of an individual beginning in 1947 and ending in 1948, the combined normal tax and surtax under sections 11 and 12 shall be an amount equal to a combined normal tax and surtax computed as if the law applicable to taxable years beginning after December 31, 1947, were applicable to such taxable year except that the amount of the cost-of-living credit under section 12 (d) shall not exceed that portion of such credit which the number of months in such taxable year after December 31, 1947, bears to the total number of months in such taxable year.

"'(2) Supplement T: In the case of a taxable year of an individual beginning in 1947 and ending in 1948 who has elected to pay the tax imposed by Supplement T, the tax shall be an amount equal to a tax determined as if section 400 as applicable to taxable years beginning after December 31, 1947, were applicable to such taxable year, increased by that portion of the cost-of-living credit under section 12 (d) which the number of months in such taxable year prior to January 1, 1948, bears to 12.'"

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER].

The amendment was rejected.

Mr. PEPPER. Mr. President, the second amendment limits the total tax which may be assessed against any taxpayer to 50 percent of his income instead of 77 percent of his income, as the Senate committee bill provides.

The amendment was, on page 3, line 12, to strike out "77" and insert "50."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER.]

The amendment was rejected.

Mr. MORSE. Mr. President, I wish to call up the first of my seven amendments, the one printed and lying on the desk, with the heading "Carry-overs of net operating loss."

The amendment was, at the proper place in the bill, to insert the following:

SEC. —. Carry-overs of net operating loss.

(a) Section 122 (a) of the Internal Revenue Code (relating to definition of net operating loss) is amended to read as follows:

"(a) Definition of net operating loss: As used in this section, the term 'net operating loss' means the excess of the deductions allowed by this chapter over the gross income, with the adjustments provided in subsection (d). For such purpose a net operating loss is to be computed under the law applicable to the taxable year of such net operating loss."

(b) Section 122 (b) of the Internal Revenue Code (relating to amount of carry-back and carry-over) is amended to read as follows:

"(b) Amount of the net operating loss carry-over: If for any taxable year beginning after December 31, 1948, the taxpayer has a net operating loss, such net operating loss shall be a net operating loss carry-over for each of the five succeeding taxable years, except that the carry-over in the case of each of the succeeding taxable years after the first succeeding taxable year shall be the excess, if any, of the amount of such net operating loss over the net income for the intervening taxable year or years computed, under the law applicable to such years, (A) with the adjustments provided in subsection (d) (1), (2) and (4 and (B) by determining the net operating loss deductions for such intervening taxable year or years without regard to such net operating loss or the net operating loss of a year subsequent to the taxable year, and without regard to any reduction specified in subsection (c)."

(c) Section 122 (c) of the Internal Revenue Code (relating to amount of net operating loss deduction) is amended to read as follows:

"(c) Amount of net operating loss deduction: The amount of the net operating loss deduction shall be the aggregate of the amounts of the net operating loss carry-overs to the taxable year reduced by the amount, if any, by which the net income computed with the adjustments provided in subsection (d) (1), (2), (3), and (4) exceeds, in the case of a taxpayer other than a corporation, the net income (computed without such deduction), or, in the case of a corporation, the normal-tax net income (computed without such deduction)."

(d) Section 122 (d) of the Internal Revenue Code (relating to exceptions, additions, and limitations) is amended—

(1) By striking out "The exemptions, additions, and limitations referred to in subsections (a), (b), and (c) shall be as follows:" and inserting in lieu thereof "The adjustments referred to in subsections (a), (b), and (c) shall include the following exceptions, additions, and limitations:"; and

(2) By striking out paragraph (6).

(e) Carry-backs and carry-overs from years beginning before January 1, 1949: Despite the provisions of subsection (b) of this section the provisions of section 122 (b) prior to its amendment by this section shall remain in force for the purposes of the determination of the carry-backs and carry-overs of a net operating loss from any taxable year beginning before January 1, 1949; such determination to be made as if subsection (b) had not been enacted.

Mr. MORSE. Mr. President, I wish to say that I shall ask for a courtesy yea-and-nay vote on only two of my seven amendments; this being one, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. REVERCOMB. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. REVERCOMB. May we have a designation of the amendment so it will be possible for us to recognize it in its printed form?

The PRESIDENT pro tempore. The Chair understands that it is the amendment which has the designation "G" at the bottom.

The clerk will call the roll on the first amendment submitted by the Senator from Oregon [Mr. MORSE].

Mr. McCLELLAN. Mr. President, will the Chair state for the the information of the Senate again what the amendment is?

The PRESIDENT pro tempore. It is the amendment lettered "G" on the Senators' desks, submitted by the Senator from Oregon.

The clerk will call the roll.

Mr. GREEN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. GREEN. There are several amendments on my desk submitted by the Senator from Oregon. I see none lettered "G."

The PRESIDENT pro tempore. There are seven amendments which were offered by the Senator from Oregon. The Chair cannot control what is being circulated.

Mr. GREEN. None of the seven printed amendments on my desk contains any designation "G" on it.

The PRESIDENT pro tempore. That is the only identification the Chair can give.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER] is necessarily absent. If present and voting, the Senator from Maine would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. BARKLEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is unavoidably detained.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The result was announced—yeas 22, nays 68, as follows:

YEAS—22

Chavez	Kilgore	Myers
Flanders	Langer	O'Mahoney
Fulbright	McCarran	Pepper
Green	McGrath	Sparkman
Hatch	McMahon	Thomas, Okla.
Hayden	Magnuson	Thomas, Utah
Hill	Morse	
Johnston, S. C.	Murray	

NAYS—68

Aiken	Hawkes	Reed
Baldwin	Hickenlooper	Revercomb
Ball	Hoey	Robertson, Va.
Bricker	Holland	Robertson, Wyo.
Bridges	Ives	Russell
Brooks	Jenner	Saltonstall
Buck	Johnson, Colo.	Smith
Butler	Kem	Stennis
Byrd	Knowland	Stewart
Cain	Lodge	Taft
Capehart	Lucas	Taylor
Capper	McCarthy	Thye
Connally	McClellan	Tobey
Cooper	McFarland	Umstead
Cordon	McKellar	Vandenberg
Donnell	Malone	Watkins
Dworshak	Martin	Wherry
Eastland	Maybank	White
Ecton	Millikin	Wiley
Ellender	Moore	Williams
Ferguson	O'Conor	Wilson
George	O'Daniel	Young
Gurney	Overton	

NOT VOTING—6

Barkley	Bushfield	Tydings
Brewster	Downey	Wagner

So Mr. MORSE's amendment lettered "G" was rejected.

Mr. MORSE. Mr. President, I call up my second amendment, on which I shall also ask for a courtesy yea and nay vote. The amendment is printed and is on the desks of Senators. It is identified by having the letter "F" at the bottom of the first page, the heading of it being "Optional tax in case of small corporations and shareholders therein."

The amendment is as follows:

At the proper place in the bill insert the following:

"SEC. —. Optional tax in case of small corporations and shareholders therein.

"(a) The Internal Revenue Code is hereby amended by adding after section 15, the following new section:

"'SEC. 16. Tax on small corporations.

"'If a small corporation (as defined in Supplement V) signifies in its return under this chapter, under the conditions specified in Supplement V, its desire not to be subject to the tax imposed by section 13 (b), section 14 (a), section 14 (b), or section 15, it shall be exempt from such tax for the taxable year, and the provisions of Supplement V shall apply to the shareholders in such corporation who were shareholders on the last day of such taxable year of the corporation. Such corporation shall not be exempt for such year if it is a member of an affiliated group of corporations filing consolidated returns under section 141.'

"(b) The Internal Revenue Code is hereby amended by adding after section 421, the following:

"'SUPPLEMENT V—TAX ON SHAREHOLDERS OF SMALL CORPORATIONS

"'SEC. 422. Applicability of supplement.

"'If a small corporation (as defined in section 423) is exempt under section 16 for a taxable year from income tax under Chapter 1, the provisions of this Supplement shall be applicable with respect to each shareholder of such corporation who was a shareholder in such corporation on the last day of such taxable year of the corporation.

"'SEC. 423. Definition of small corporations.

"'As used in this Supplement, the term "small corporations" means a corporation which has—

"'(A) no more than five stockholders of record at any one time during the taxable year next preceding the taxable year in which such corporation signifies its desire to be exempt under section 16, or has more than five such stockholders and submits to the Commissioner under regulations prescribed by the Commissioner with the approval of the Secretary, the written consent of individuals owning at least 95 percent of the stock outstanding on the fifteenth day of the last month of the corporation's taxable year for such corporation to signify its desire to be exempt under section 16;

"'(B) only common stock outstanding;

"'(C) only individuals who are citizens or residents of the United States as shareholders;

"'(D) no securities registered at any securities exchange; and

"'(E) sold none of its securities to an insurance company or another financial institution (other than a local development bank chartered to aid small business).

"'SEC. 424. Termination of election.

"'If a corporation signifies its desire to elect the provisions of section 16 and this Supplement, such election shall continue in effect until such corporation shall no longer be eligible for taxation as a small corporation, or such corporation indicates under regulations prescribed by the Commissioner with the approval of the Secretary that it no longer desires to be taxed under the provisions of section 16 and this Supplement. A corporation which terminates its election, shall not be eligible for taxation as a small corporation for any taxable year subsequent to the taxable year in which such election is terminated.

"'SEC. 425. Undistributed Supplement V net income.

"'For the purposes of this chapter, the term "undistributed Supplement V net income" means the Supplement V net income (as defined in section 426) minus the amount of dividends paid during the taxable year. For the purposes of this section the amount of dividends paid shall be computed in the same manner as provided in subsections (d), (e), (f), (g), (h), and (i) of section 27.

"'SEC. 426. Supplement V net income.

"'For the purposes of this chapter, the term "Supplement V net income" means the net income except that the following shall not be allowed:

"'(A) The credit for dividends received provided in section 26 (b);

"'(B) The deduction for charitable and other contributions provided by section 23 (g); and

"'(C) The credit for taxes of foreign countries and possessions of the United States provided by section 131.

"'SEC. 427. Corporation income taxed to shareholders.

"'(a) General rule: The undistributed Supplement V net income (but not net loss) of a small corporation shall be included in the gross income of the shareholders in the manner and to the extent set forth in this supplement.

"'(b) Amount included in gross income: Each shareholder who, on the last day of the taxable year of the corporation, was a shareholder in such corporation shall include in his gross income, as a dividend, for the taxable year in which or with which the taxable year of the corporation ends, the amount he would have received as a dividend if on such last day there had been distributed by the corporation, and received by the shareholders, an amount equal to the undistributed Supplement V net income of the corporation for its taxable year.

"'(c) Effect on capital account of small corporation: An amount equal to the undistributed Supplement V net income of the small corporation for its taxable year shall be considered as paid-in surplus or as a contribution to capital, and the accumulated earnings and profits as of the close of such taxable year shall be correspondingly reduced, if such amount is included as a dividend in the gross income of the shareholders.

"'(d) Basis of stock in hands of shareholders: The amount required to be included in the gross income of the shareholder under subsection (b) shall, for the purpose of adjusting the basis of his stock with respect to which the distribution would have been made (if it had been made), be treated as having been reinvested by the shareholder as a contribution to the capital of the corporation, to the extent to which such amount is included in his gross income in his return, increased or decreased by any adjustment of such amount in the last determination of the shareholder's tax liability, made before the expiration of 7 years after the date prescribed by law for filing the return.

"'(e) Period of limitation on assessment and collection: For period of limitation on assessment and collection without assessment, in case of failure to include in gross income the amount properly includible therein under subsection (b), see section 275 (d).'

"(c) Section 275 (d) of the Internal Revenue Code is hereby amended by adding after subparagraph (2) the following new subparagraph:

"'(3) Small corporations: Under section 427 (b) (relating to the inclusion in the gross income of shareholders of their distributive shares of undistributed Supplement V net income of a small corporation)'."

Mr. MORSE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The Senate will understand we are voting upon the amendment submitted by the Senator from Oregon identified by the letter F. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER] is necessarily absent. If present and voting, the Senator from Maine would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. BARKLEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is unavoidably detained.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The result was announced—yeas 31, nays 59, as follows:

YEAS—31

Chavez	Lucas	O'Mahoney
Cooper	McCarran	Pepper
Flanders	McClellan	Russell
Fulbright	McFarland	Sparkman
Green	McGrath	Taylor
Hatch	McMahon	Thomas, Okla.
Hayden	Magnuson	Thomas, Utah
Hill	Maybank	Wilson
Johnston, S. C.	Morse	Young
Kilgore	Murray	
Langer	Myers	

NAYS—59

Aiken	George	Overton
Baldwin	Gurney	Reed
Ball	Hawkes	Revercomb
Bricker	Hickenlooper	Robertson, Va.
Bridges	Hoey	Robertson, Wyo.
Brooks	Holland	Saltonstall
Buck	Ives	Smith
Butler	Jenner	Stennis
Byrd	Johnson, Colo.	Stewart
Cain	Kem	Taft
Capehart	Knowland	Thye
Capper	Lodge	Tobey
Connally	McCarthy	Umstead
Cordon	McKellar	Vandenberg
Donnell	Malone	Watkins
Dworshak	Martin	Wherry
Eastland	Millikin	White
Ecton	Moore	Wiley
Ellender	O'Conor	Williams
Ferguson	O'Daniel	

NOT VOTING—6

Barkley	Bushfield	Tydings
Brewster	Downey	Wagner

So Mr. MORSE's amendment was rejected.

Mr. MORSE. Mr. President, I now offer my amendment lettered E, the heading of which is "Capital gains and losses."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon, which amendment is identified by the letter "E." The amendment will be printed in the RECORD at this point.

The amendment was, at the proper place in the bill, to insert the following:

SEC. —. Capital gains and losses.

(a) Holding period, short- and long-term gains and losses: Section 117 is amended by striking out "6 months" wherever occurring therein and inserting in lieu thereof "12 months."

(b) Definitions: Section 117 (a) is amended by inserting at the end thereof the following new paragraphs:

"(12) Net alternative-tax capital loss: The term 'net alternative-tax capital loss' means the excess of the losses for the taxable year from sales or exchanges of capital assets held for not more than 36 months over the gains for such taxable year from sales or exchanges of capital assets held for not more than 36 months, if and to the extent such losses and gains are taken into account in computing net income.

"(13) Net alternative-tax capital gain: The term 'net alternative-tax capital gain' means

the excess of the gains for the taxable year from sales or exchanges of capital assets held for more than 36 months over losses for such taxable year from sales or exchanges of capital assets held for more than 36 months, if and to the extent such gains and losses are taken into account in computing net income."

(c) Percentage taken into account: Section 117 (b) is amended to read as follows:

"(b) In the case of a taxpayer, other than a corporation, only the following percentages of the gain or loss recognized upon the sale or exchange of a capital asset shall be taken into account in computing net capital gain, net capital loss, and net income:

"100 percent if the capital asset has been held for not more than 12 months;

"75 percent if the capital asset has been held for more than 12 months but not more than 24 months;

"50 percent if the capital asset has been held for more than 24 months."

(d) Alternative taxes.—

(1) Section 117 (c) is amended to read as follows:

"(c) Alternative taxes.—

"(1) Corporations: If for any taxable year the net alternative-tax capital gain of any corporation exceeds the net alternative-tax capital loss, there shall be levied, collected, and paid, in lieu of the tax imposed by sections 13, 14, 15, 204, 207 (a) (1) or (3), and 500, a tax determined as follows, if and only if such tax is less than the tax imposed by such sections:

"A partial tax shall first be computed upon the net income reduced by the amount of such excess, at the rates and in the manner as if this subsection had not been enacted, and the total tax shall be the partial tax plus 25 percent of such excess.

"(2) Other taxpayers: If for any taxable year the net alternative-tax capital gain of any taxpayer (other than a corporation) exceeds the net alternative-tax capital loss, there shall be levied, collected, and paid, in lieu of the tax imposed by sections 11 and 12, a tax determined as follows, if and only if such tax is less than the tax imposed by such sections:

"A partial tax shall first be computed upon the net income reduced by the amount of such excess, at the rates and in the manner as if this subsection had not been enacted, and the total tax shall be the partial tax plus 50 percent of such excess."

(2) Section 12 (c) is amended by striking out "six" therein and inserting in lieu thereof "thirty-six."

(e) Capital gains and losses of common trust funds: Section 169 (c) (1) is amended by striking out "6 months" wherever occurring and inserting in lieu thereof "12 months."

(f) Capital gains and losses of partners: Section 182 is amended by striking out "6 months" wherever occurring therein and inserting in lieu thereof "12 months."

(g) Effective date: This section shall be applicable to taxable years beginning after December 31, 1948.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was rejected.

Mr. MORSE. Mr. President, I now offer my amendment identified by the letter "D," the heading of which is "Taxability of interest on future Federal, State, and local obligations, and so forth."

The amendment was, at the proper place in the bill, to insert the following:

SEC. —. Taxability of interest on future Federal, State, and local obligations, and so forth.

(a) Limitation on tax-free interest: Section 22 (b) (4) of the Internal Revenue Code (relating to tax-free interest) is hereby amended by inserting after the word "obligations" in clause (A) of the first sentence thereof the following: ", issued before January 1, 1948,".

(b) Consent to State and local taxation: The United States hereby consents to the taxation, under an income tax of interest upon obligations, issued on or after January 1, 1948, of the United States, any Territory, possession, or political subdivision thereof, or the District of Columbia, by any duly constituted taxing authority having jurisdiction to tax such interest if such taxation does not discriminate against such interest because of its source. The provisions of this subsection shall, with respect to any such obligations, be considered as amendatory of and supplementary to the respective act or acts authorizing the issue of such obligations, as amended and supplemented.

(c) Amendment to the Public Debt Act of 1941: Section 4 (a) of the Public Debt Act of 1941, as amended, is hereby amended by inserting in the first sentence thereof, after the words "agency or instrumentality thereof" the following: ", or on or after January 1, 1948, by any Territory, possession, or political subdivision thereof, or the District of Columbia."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon, the amendment being identified by the letter "D."

The amendment was rejected.

Mr. MORSE. Mr. President, I now offer my amendment identified by the letter "C." It has to do with the deduction of certain nontrade or nonbusiness expenses.

The amendment was, at the proper place, to insert the following:

SEC. —. (a) Paragraph (2) of section 23 (a) of the Internal Revenue Code (relating to the deduction of nontrade or nonbusiness expenses from gross income) is amended by adding thereto a new subparagraph as follows:

"(B) Expenses for certain domestic services: In the case of a mother who is employed outside the home and who has one or more minor children living at home for whose care it is necessary to employ a maid, or housekeeper, or nurse, the ordinary and reasonable expenses incurred by her during the taxable year for the domestic services of any one of the foregoing, but no deduction shall be allowable under this subparagraph for any such expenses incurred in any periods of time exceeding one day during which the taxpayer was not employed outside the home."

(b) Such paragraph is further amended by inserting after the paragraph heading, "Nontrade or nonbusiness expenses.", a subheading as follows: "(A) In General."

(c) The amendment made by this section shall be effective with respect to expenses incurred during taxable years beginning after December 31, 1947.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon, the amendment being identified by the letter "C."

The amendment was rejected.

Mr. MORSE. Mr. President, I now offer my amendment lettered B, the heading of the amendment being "Exclusion of amounts received as annuities."

The amendment was, at the end of the bill, to insert a new title to read as follows:

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. Exclusion of amounts received as annuities.

Section 22 (b) (2) (A) of the Internal Revenue Code is amended by striking out the first two sentences thereof and inserting in lieu thereof the following:

"(A) In general: Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts) under a life insurance, endowment, or annuity contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE], the amendment being identified by the letter B.

The amendment was rejected.

Mr. MORSE. Mr. President, the last amendment which I shall offer is identified by the letter A. The amendment is headed "Sales of residences."

The amendment was, at the end of the bill, to add the following new title:

TITLE VII—MISCELLANEOUS

SEC. 701. Sales of residences.

(a) Gains: Section 112 of the Internal Revenue Code, as amended, is amended by adding after subsection (m) thereof a new subsection reading as follows:

"(n) Gains from sales of residences: If property used by the taxpayer as his residence for a period of more than 6 months is converted, during any taxable year ending after the enactment of the Revenue Act of 1948, into similar property to be used by the taxpayer as his residence, or into money which is forthwith in good faith, under regulations prescribed by the Commissioner with the approval of the Secretary, expended by the taxpayer in the acquisition of similar property to be used as his residence, or in the establishment of a replacement fund, no gain shall be recognized. If any part of the money is not so expended, the gain, if any, shall be recognized to the extent of the money which is not so expended (regardless of whether such money is received in one or more taxable years and regardless of whether or not the money which is not so expended constitutes gain)."

(b) Basis for determining gains or losses: Section 113 (a) of the Internal Revenue Code, as amended, is amended by adding after paragraph 22 thereof a new paragraph reading as follows:

"(23) Residential property: If the property was acquired, during any taxable year ending after the enactment of the Revenue Act of 1948, as a result of a conversion described in section 112 (n), the basis shall be the same as in the case of the property so converted, decreased in the amount of any money received by the taxpayer which was not expended in accordance with the provisions of law (applicable to the year in which such conversion was made) determining the taxable status of the gain upon such conversion, and increased in the amount of gain recognized upon such conversion under the law applicable to the year in which such conversion was made."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon

[Mr. MORSE], the amendment being identified by the letter "A."

The amendment was rejected.

Mr. McMAHON. Mr. President, I offer the amendment which I send to the desk. It has to do with the reapplication of the excess-profits tax.

The PRESIDENT pro tempore. The amendment will be printed in the RECORD.

The amendment was, at the proper place, to insert the following new title:

TITLE VII—EXCESS-PROFITS TAX

SEC. 701. Reapplication of excess-profits tax.

(a) Reapplication: Section 122 (a) of the Revenue Act of 1945 is hereby amended to read as follows:

"(a) In general: The provisions of subchapter E of chapter 2 shall not apply to any taxable year beginning after December 31, 1945, and ending prior to January 1, 1948. The provisions of part III of such subchapter shall not apply to any taxable year beginning after December 31, 1945."

(b) Decrease in rate of tax: Section 710 (a) (1) of the Internal Revenue Code is hereby amended to read as follows:

"(a) Imposition.—

"(1) General rule: There shall be levied, collected, and paid for each taxable year, upon the adjusted excess-profits net income as defined in subsection (b), of every corporation (except a corporation exempt under section 727) a tax equal to the following:

"50 percent of the amount of the tentative excess-profits net income (as defined in subsection (d) of this section) in excess of 135 percent but not in excess of 140 percent of the tentative excess-profits credit (as defined in subsection (d) of this section), plus

"75 percent of the amount of the tentative excess-profits net income (as defined in subsection (d) of this section) in excess of 140 percent but not in excess of 150 percent of the tentative excess-profits credit (as defined in subsection (d) of this section), plus

"100 percent of the amount of the tentative excess-profits net income (as defined in subsection (d) of this section) in excess of 150 percent of the tentative excess-profits credit (as defined in subsection (d) of this section)."

(c) Increase in exemption: Section 710 (b) (1) of the Internal Revenue Code is hereby amended to read as follows:

"(1) Specific exemption: A specific exemption of $100,000, except that in the case of a taxpayer which is not entitled to use the excess-profits credit based on income pursuant to section 713, and which is not one of a group of two or more corporations owned or controlled directly or indirectly by the same interests, a specific exemption of $200,000."

(d) Increase in excess-profits credit: Subsections (a) and (b) of section 712 of the Internal Revenue Code (relating to allowance of excess-profits credit) are hereby amended to read as follows:

"(a) Domestic corporations: In the case of a domestic corporation which was in existence before January 1, 1940, the excess-profits credit for any taxable year shall be an amount equal to 135 percent of a credit computed under section 713 or section 714, whichever amount results in the lesser tax under this subchapter for the taxable year for which the tax under this subchapter is being computed. In the case of all other domestic corporations, the excess-profits credit for any taxable year shall be 135 percent of an amount computed under section 714.

"(b) Foreign corporations: In the case of a foreign corporation engaged in trade or business within the United States, the first taxable year of which under this subchapter begins on any date in 1940, which was in existence on the day 48 months prior to such date and which at any time during each of the taxable years in such 48 months was engaged in trade or business within the United States, the excess-profits credit for any taxable year shall be an amount equal to 135 percent of a credit computed under section 713 or section 714, whichever amount results in the lesser tax under this subchapter for the taxable year for which the tax under this subchapter is being computed. In the case of all other foreign corporations, the excess-profits credit for any taxable year shall be 135 percent of an amount computed under section 714."

(e) Tentative excess-profits net income and credit: Section 710 of the Internal Revenut Code is hereby amended by adding after the end of subsection (c) the following new subsection:

"(d) Tentative excess-profits net income and credit.—

"(1) Tentative excess-profits net income: The tentative excess-profits net income shall be the excess-profits net income minus the specific exemption.

"(2) Tentative excess-profits credit: The tentative excess-profits credit shall be that proportion of the sum of the excess-profits credit provided under section 711 (b) (2) and the unused excess-profits credit provided under section 711 (b) (3) which 100 bears to 135."

(f) Definition of unused excess-profits tax: Section 710 (c) (2) of the Internal Revenue Code is hereby amended by striking out the last two sentences thereof and by inserting in lieu thereof the following: "For the purposes of the determination of the taxes imposed by this subchapter for taxable years beginning before January 1, 1946, there shall be no unused excess-profits credit for a taxable year beginning after December 31, 1946. The unused excess-profits credit for a taxable year beginning in 1946 and ending in 1947 shall be an amount which is such part of the unused excess-profits credit determined under the preceding provisions of this paragraph as the number of days in such taxable year prior to January 1, 1947, is of the total number of days in such taxable year. For the purposes of the determination of the taxes imposed by this subchapter for taxable years ending after December 31, 1947, there shall be no unused excess-profits credit for a taxable year ending before January 1, 1948. The unused excess-profits credit for a taxable year beginning in 1947 and ending in 1948 shall be an amount which is such part of the unused excess-profits credit determined under the preceding provisions of this paragraph as the number of days in such taxable year after December 31, 1947, is of the total number of days in such taxable year."

(g) No carry-back to 1946 or 1947: Section 710 (c) of the Internal Revenue Code is hereby amended by adding at the end thereof the following new paragraph:

"(5) No carry-back to 1946 or 1947: For purposes of the determination of the taxes imposed by this subchapter for taxable years ending after December 31, 1947, the term 'preceding taxable year' and the term 'preceding taxable years,' as used in this subsection, do not include any taxable year ending prior to January 1, 1948."

(h) Technical amendments: The following sections of the Internal Revenue Code are restored to read as such sections read immediately prior to the enactment of the Revenue Act of 1940, to be effective as so restored, with respect to taxable years ending after December 31, 1947, as if section 122 (g) of the Revenue Act of 1945 had not been enacted:

(1) Section 26 (e) (relating to the credit for income subject to the excess-profits tax);

(2) Section 13 (a) (2) (defining "normal tax net income");

(3) Section 15 (a) (defining "corporation surtax net income");

(4) Section 26 (b) (relating to the credit for dividends received);

(5) Section 102 (d) (1) (defining terms for the purpose of the tax imposed by section 102);

(6) Section 131 (b) (prescribing certain limitations on the foreign tax credit);

(7) Section 204 (a) (2) (relating to foreign mutual insurance companies other than life or marine).

(i) Taxable years to which amendments applicable: The amendments made by subsections (b), (c), and (d) of this section shall be applicable with respect to taxable years ending after December 31, 1947. For treatment of taxable years beginning in 1947 and ending in 1948, see section 401.

That section 23 of the Internal Revenue Code, as amended (relating to deductions from gross income), is amended by adding at the end thereof a new subsection as follows:

"(bb) Deduction for capital expenditures by corporations: In the case of a corporation—

"(1) amounts expended during the taxable year for the acquisition of new buildings, facilities, equipment, or machinery, or for permanent improvement or betterments made to increase the value or productivity of any property; and

"(2) amounts expended during the taxable year to retire indebtedness incurred, during an earlier taxable year and subsequent to December 31, 1947, in the acquisition of new buildings, facilities, equipment, or machinery, or in the making of permanent improvements or betterments to increase the value or productivity of any property, but only to the extent that a deduction with respect to such acquisition, improvement, or betterment has not been allowed under paragraph (1).

"The amounts deducted under this subsection with respect to expenditures during any taxable year shall not exceed $10,000." This proviso shall be effective with respect to expenditures made during taxable years beginning after December 31, 1947.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. MCMAHON].

The amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

Mr. MILLIKIN. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. AIKEN (when his name was called). On this vote I have a pair with the senior Senator from Kentucky [Mr. BARKLEY] who, if present and voting, would vote "nay." If I were at liberty to vote, I should vote "yea."

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. If present and voting, the Senator from Maine would vote "yea," and the Senator from New York would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent. If present and voting, the Senator from South Dakota would vote "yea."

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. BARKLEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is unavoidably detained.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

On this vote, the Senator from New York [Mr. WAGNER] is paired with the Senator from Maine [Mr. BREWSTER]. If present and voting, the Senator from New York would vote "nay," and the Senator from Maine would vote "yea."

The result was announced—yeas 78, nays 11, as follows:

YEAS—78

Baldwin	Hill	O'Daniel
Ball	Hoey	Overton
Bricker	Holland	Pepper
Bridges	Ives	Reed
Brooks	Jenner	Revercomb
Buck	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Knowland	Saltonstall
Capehart	Langer	Smith
Capper	Lodge	Sparkman
Chavez	Lucas	Stennis
Cooper	McCarran	Stewart
Cordon	McCarthy	Taft
Donnell	McClellan	Thomas, Utah
Dworshak	McKellar	Thye
Eastland	McMahon	Tobey
Ecton	Magnuson	Umstead
Ellender	Malone	Vandenberg
Ferguson	Martin	Watkins
Flanders	Maybank	Wherry
Fulbright	Millikin	White
George	Moore	Wiley
Gurney	Morse	Williams
Hawkes	Murray	Wilson
Hickenlooper	O'Conor	Young

NAYS—11

Connally	Kilgore	O'Mahoney
Green	McFarland	Taylor
Hatch	McGrath	Thomas, Okla.
Hayden	Myers	

NOT VOTING—7

Aiken	Bushfield	Wagner
Barkley	Downey	
Brewster	Tydings	

So the bill H. R. 4790 was passed.

Mr. MILLIKIN. Mr. President, I move that the bill be printed showing the Senate amendments numbered.

The motion was agreed to.

Mr. MILLIKIN. Mr. President, I also move that the Secretary be authorized to engross the amendments to the bill, to make corrections in the section numbering and lettering and in cross references, and to correct any typographical errors and changes in the table of contents.

The motion was agreed to.

OUR SECRET DIPLOMACY—EDITORIAL FROM THE BISMARCK LEADER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Our Secret Diplomacy," published in the Leader, of Bismarck, N. Dak., on Thursday, March 18, 1948.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUR SECRET DIPLOMACY

We think Senator LANGER has called attention to a very weak spot in our diplomatic department with the introduction of a Senate resolution dealing with secret commitments and agreements with other nations.

In time of war secrecy is often justified. It is virtually impossible to prevent leaks if scores of men have knowledge of any matter; but in peacetime it's quite a different thing. And even in war the practice can be carried too far.

As Mr. LANGER points out, in a speech carried elsewhere in this newspaper, the United States Senate has been left in total and complete ignorance of many important commitments and agreements entered into with other nations during the last decade. Some of these call for large expenditures of money, which the Congress is now being asked to vote—despite the fact that they had no voice in completing the agreements originally. It is this situation which Senator LANGER hopes to remedy by the following resolution:

"Resolved, That the Senate Committee on Foreign Relations shall cause to be prepared and distributed to each Senator a compilation of all international commitments or agreements which have been entered into on behalf of the United States during the course of the last 10 years.

"SEC. 2. It is the sense of the United States Senate that the Senate shall not be bound to implement by appropriation or other legislation any international commitment or agreement which shall be made or entered into on behalf of the United States of America unless such commitment or agreement shall be transmitted promptly after its execution to the Senate."

This does not prevent a President from entering into as many secret agreements as he may wish to make—but it does put him on notice that he had better see to it that they are sensible agreements that the Congress can reasonably approve of. If the resolution is finally passed, it should have a beneficial effect on our international relations.

After all, its the people's country, too, and they and their duly elected Representatives have a right to know what's going on.

LEAVE OF ABSENCE

Mr. AIKEN asked and obtained consent to be absent from the Senate on Tuesday, March 23, 1948.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, at this time I should like to make an announcement to the Senate. Senate bill 2358 has been reported today from the Foreign Relations Committee. That bill is known as the Greek-Turkish aid bill. It will be before the Senate for consideration tomorrow.

Prior to its consideration, it is the purpose, if it meets with the approval of the Senate, to make House bill 5314, Calendar No. 1058, the Rubber Act of 1948, the unfinished business. This bill has a deadline of April 1. I have been informed by the distinguished chairman of the Banking and Currency Committee [Mr. TOBEY] and the junior Senator from Ohio [Mr. BRICKER], who reported the bill, that they feel that the bill can be disposed of without very much debate tomorrow, beginning at noon. I also have their commitments that in the event the debate on it is prolonged, it will be perfectly agreeable to move to set it aside and to take up the Greek-Turkish aid bill. Therefore, for the benefit of Senators, I make the announcement at this time. At the conclusion of today's business, I shall move to have Calendar No. 1058, House bill 5314, made the unfinished business, with the understanding that if the debate on it is prolonged, we shall ask to have it set aside, and to have the Senate take up Senate bill 2358. That bill is not yet on the calendar. It was reported today, and it will be on the calendar for consideration tomorrow.

Mr. McCLELLAN. The unfinished business, as I understand, will be Calendar No. 1058, House bill 5314.

Mr. WHERRY. The unfinished business will be Calendar No. 1058, House bill 5314, as indicated on page 12 of the Legislative Calendar.

SENATOR VANDENBERG'S BIRTHDAY ANNIVERSARY

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. REVERCOMB. Mr. President, I wish to thank the Senator from Nebraska for yielding to me and for giving me the very great and keen personal pleasure of felicitating the President pro tempore of the Senate, the senior Senator from Michigan [Mr. VANDENBERG], upon the occasion of the anniversary of his birthday, and to say to him that I wish for him, as I know all other Members of the Senate do, many years of happiness and a long continuance of his faithful, fruitful, and devoted service to his country. [Applause.]

The PRESIDENT pro tempore. The Chair thanks the Senator from West Virginia.

MAINTENANCE OF DOMESTIC RUBBER INDUSTRY

Mr. WHERRY. Mr. President, I now move that the Senate proceed to the consideration of House bill 5314, Calendar No. 1058.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, which had been reported from the Committee on Banking and Currency, with an amendment.

EXECUTIVE SESSION

Mr. WHERRY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. VANDENBERG, from the Committee on Foreign Relations:

North Winship, of Georgia, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary to the Union of South Africa; and

Evett D. Hester, of Indiana, and sundry other persons for appointment in the Foreign and Diplomatic Service.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

CIVIL AERONAUTICS BOARD

The legislative clerk read the nomination of Harold Armstrong Jones, of California, to be a member of the Civil Aeronautics Board.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

HOME LOAN BANK BOARD

The legislative clerk read the nomination of Oscar Kent La Roque, of North Carolina, to be a member of the Home Loan Bank Board.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

PUBLIC HOUSING COMMISSIONER

The legislative clerk read the nomination of John Taylor Egan, of New York, to be Public Housing Commissioner.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. WHERRY. I ask unanimous consent that the President be immediately notified of all nominations this day confirmed.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

RECESS

Mr. WHERRY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 43 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 23, 1948, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 22 (legislative day of March 15), 1948:

CIVIL AERONAUTICS BOARD

Harold Armstrong Jones to be a member of the Civil Aeronautics Board for the term of 6 years, expiring December 31, 1952.

HOME LOAN BANK BOARD

Oscar Kent La Roque to be a member of the Home Loan Bank Board for the remainder of the term expiring June 30, 1949.

PUBLIC HOUSING COMMISSIONER

John Taylor Egan to be Public Housing Commissioner.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 22, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Beneath Thy mighty hand, O Lord, we humble ourselves and say, "Holy, holy, holy!" Thou art our Father, to be adored through all the changing scenes of life. By all that is wisest and best, do Thou encourage us to follow Thy teaching.

O Christ, Thou who art the way, again ride abroad redressing human wrongs and cleansing the temples of our sinning souls. Let Thy blessing be upon the youth of our land; in a day when the spirit of irreverence is jarring our homes, with a disregard for the sacred things of life, we pray Thee to strengthen them in the things of God. Grant that the fathers and mothers may be brought to a sincere realization of their urgent duty and example. Clothe us with that inner strength that shall direct and inspire us to cultivate the virtues of self-control, diligence, and loyalty to our mission. In Thy holy name we pray. Amen.

The Journal of the proceedings of Thursday, March 18, 1948, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 16, 1948:

H. R. 697. An act for the relief of Mrs. Essie N. Fannin, Miss Helen Hicks, Miss Marie Hicks, Miss Frances Fannin, William O. Thompson, and Mrs. W. D. Thompson;

H. R. 1131. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Charles L. Baker; and

H. R. 4980. An act relating to the acquisition by the United States of State-owned lands within Glacier National Park, in the State of Montana, and for other purposes.

On March 17, 1948:

H. R. 3936. An act to authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia, and for other purposes.

On March 18, 1948:

H. R. 2293. An act to amend the act entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters," approved February 8, 1895; and

H. R. 3742. An act for the relief of Robert Wilhelm Gerling.

On March 19, 1948:

H. R. 3175. An act to add certain public and other lands to the Shasta National Forest, Calif.

On March 20, 1948:

H. R. 4570. An act for the relief of Howard A. Yeager.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 203) entitled "An act to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 2 years, and for other purposes."

EXTENSION OF REMARKS

Mr. TWYMAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a telegram.

AUTOMOTIVE EQUIPMENT SENT TO RUSSIA

Mr. TWYMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. TWYMAN. Mr. Speaker, I wish to insert a newspaper article which appeared on the front page of the Times-Herald this morning. It tells about veterans picketing a Russian freighter at Jersey City which is loaded with tractors, automotive and farm equipment for Russia. What manner of foreign policy are we pursuing? We are being called upon to vote upon an extravagant European recovery program, the object of which is to stop Russia. At the same time, we continue to ship to Russia all that she needs. All last summer and all fall we shipped oil in great quantities to Russia. The President has all but declared war on the Russians, and yet we continue to supply them. The confusing operations of our State Department make it difficult for me to take seriously the saber-rattling statements made by the President on March 17.

VETS PICKET SHIP BEING LOADED WITH MACHINERY FOR RUSSIANS

JERSEY CITY, March 21.—Almost 50 ex-GI's, representing five veterans' organizations, today picketed the Russian freighter *Chukotka* here and warned that demonstrations will continue until the State Department bars shipments of potential war matériel to the Soviet Union.

The move was spearheaded by the Hudson County chapter of the Catholic War Veterans, which began picketing the 10,000-ton Red freighter which has been loading industrial and farm machinery.

Also in the picket line were representatives from the Veterans of Foreign Wars, the Jersey City American Legion post, the Army, Navy, Marine Corps veterans' group, and the Independent Veterans' Conference of Jersey City.

The veterans carried signs reading "Supplies now, draft tomorrow"; "Remember the scrap metal we sent to Japan"; "Stop aid to Russia"; and "Hitler and Mussolini were only amateurs compared to Pal Joey."

As the veterans picketed the ship, one stevedore moved machinery to the deck of the ship with a huge steam crane. Along the adjacent railroad tracks were stock piles of tractors, automotive and farm equipment.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article entitled "The Myth of Security," by Hanson W. Baldwin. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $177.50, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. SMITH of Kansas asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a talk made over the radio by Harold E. Mitchell.

Mr. GOODWIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. RIEHLMAN (at the request of Mr. BOGGS of Delaware) was given permission to extend his remarks in the Appendix of the RECORD and include extraneous material.

PALESTINE PARTITION RESCINDED BY THE UNITED STATES

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address

the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, on November 29, 1947, our representatives in the Assembly of the United Nations forced through a resolution recommending the partition of Palestine. Those representatives were high-pressured by top-flight Government officials in the executive department, by prominent citizens, and by some Members of Congress. The decision to recommend partition was a tragic mistake.

Mr. Speaker, on last Friday that mistake was corrected. Mr. Warren Austin on that day served notice on the Security Council that the United States has abandoned its support of partition and has requested suspension of any further action in that direction. On last Saturday Secretary of State George Marshall assumed full responsibility for this change in policy.

Mr. Speaker, it takes courage and vision for men to correct their own mistakes. The President and the Secretary, however, must have weighed their decision and concluded that enforcement of partition was against the vital interests of the United States in the present crisis. I here want to commend them for placing the interest of this Nation above their own personal political fortunes. Every American should congratulate them.

Mr. Speaker, press reports last week indicated that the prevailing attitude in Congress was against rescission of partition. This obviously is in error. I have consistently opposed partition, as have other Members of this body. The CONGRESSIONAL RECORD tells the story. There never has been any moral or legal justification for partition. Those who have pressed for implementation have ignored our vital national interests and in addition their actions would lead this country to war and the Jews in Palestine to slaughter.

Thank God, President Truman and George Marshall were big enough to correct a very bad decision.

PRESSURE GROUPS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I dislike very much to assume the prerogative or to presume to take the place of a former very distinguished Member of this House, Judge Sumners, of Texas, whose advice when he was a Member was always sought before given and well received.

At this time I address my remarks particularly to the younger Members of this body who have sought my advice and have been very kind to me when I have presumed to tell them what they should and what they should not do.

I have told them and I say again this is no time for them to yield to the pressure of so-called pressure groups. I give that advice after 14 years' experience as a Member of this very august body. This is the time for Members of Congress to hitch their wagon to a star but to keep both feet on the ground.

UNITED STATES AIR SUPREMACY

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, we should consider first things first. We must achieve and maintain United States air supremacy at all costs. Yet in 1946 and in 1947 the average yearly production of military aircraft was about 1,500 planes. The Soviet Union is producing between 6,000 and 12,000 planes a year. If we ever bring into being the 70-group Army Air Force program of 20,541 planes and develop a 14,500-plane Navy, we must appropriate at once the necessary money so that the services can let the contracts and the aircraft industry can begin to produce the planes.

I have introduced three appropriation bills for this purpose. The first provides a supplemental appropriation of $500,000,000 to be used by the Air Force during the current fiscal year. The second provides for an appropriation of $6,000,000,000 for the Air Force during the fiscal year 1949. The budget asks for only $3,054,000,000. The third provides for an appropriation of $4,800,000,000 for the Navy for the fiscal year 1949. The budget sets the figure at $4,071,000,000.

My bills constitute a total increase over budgetary provisions amounting to $4,175,000,000 to be spent on the Army Air Force and the Navy before June 30, 1949. This $4,175,000,000 will be only the start of the beginning of the development of the 20,541-plane Air Force program and the 14,500-plane Navy. Even with this we will have only the basis for the achievement and maintenance of air supremacy.

EXTENSION OF REMARKS

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. MACKINNON asked and was given permission to extend his remarks in the RECORD in two instances and to include in each articles.

Mr. RAMEY asked and was given permission to extend his remarks in the RECORD in five instances, to include in one two articles appearing in the Washington Post, in one an article appearing in the Christian Science Monitor, in one an article appearing in the Toledo Blade, in one a letter from James I. Sherwood, and in one an article appearing in the American Bar Association Journal.

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include an editorial.

WE CANNOT TRUST THOSE WHO LIED TO US

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ELLIS. Mr. Speaker, the oldest dodge known to politicians facing dissatisfaction and disintegration of their own party at home is to exploit an enmity abroad. By this device many a discredited statesman has rallied support to his side or at least diverted attention from his own shameful record.

Dr. Johnson summed the matter up in this fashion:

Patriotism is the last refuge of a scoundrel.

It has not been possible for those in charge of Government to admit that the Truman foreign policy has been a tragic, costly, and perhaps irreparable mistake.

Those in control of Government are coadjutators in error. No matter how hard they try to get out of their self-created dilemma, day by day Tehran, Yalta, Potsdam, and San Francisco plagued them, particularly the idiotic Morgenthau plan, the dual plan in Palestine and the double dealings with Chiang Kai-shek. The records ought to be kept straight in these days of alarm and excitement. Among a free people those who participate in errors must be held responsible for them.

One of the phenomena of this period has been the ability of this administration to cover up its mistakes. Their leaders would return from diplomatic disasters and their negotiations and agreements would be presented to the American people as diplomatic triumphs and super-achievements in the field of foreign affairs. Now that their mistakes are being uncovered they shout "Stop, thief."

We have to assume that those that supported the administration's policies at Tehran, Yalta, Potsdam, and such trivia as Dumbarton Oaks and Bretton Woods, are responsible for our present misfortune. It will avail them nothing for they face the facts of their own incompetence. There is no longer any cover up; therefore, when certain Cabinet members and others in high places gets terribly excited about the evils of Russia they can be challenged to deny the charge that they were accessories before the event, that they condoned the rape of European civilization by Stalin, that the big power representatives in advance consented to the despoliation of our small European allies and the countries we liberated.

Now, these people are deliberately reversing themselves and shouting louder and louder, demanding a war to correct their errors.

We have every right to say that if they are again planning to ask the American mothers and fathers to sacrifice their sons and daughters, we must demand better and more competent and more truthful managers. We cannot trust those who lied to us.

ADMINISTRATION'S IGNOMINIOUS DESERTION OF THE UN ON PALESTINE

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I have today introduced a bill to make lawful the shipment of arms, munitions, and implements of war to Palestine, to the Jewish State, when formed or to the Jewish agency for Palestine, for defense purposes, or if it still be practicable, to implement the General Assembly's partition resolution on Palestine, notwithstanding the provisions of the Secretary of State's embargo under the Neutrality Act, in order to enable international peace and security to be maintained there. The Arab League announces a continuance of warfare in Palestine unless the Jews are disarmed. This is the fitting sequel to the administration's policy of Arab appeasement by its shameful about face on Palestine partition. It could only result in leaving 700,000 Jews in Palestine defenseless and ripe for slaughter, by the thousands of Arab fanatics who are being armed and supplied, as all the world knows, by the surrounding Arab states. Clearly this bill is essential to let the Jews defend themselves until realism returns to American policy.

Mr. Speaker, the people of the United States are shocked by the administration's ignominious desertion of the United Nations and they will conclude that it presages the jettisoning of the United Nations and our hopes for peace through the alliance of nations in the United Nations—with or without the Soviets and their satellites. The administration guilty of this abandonment of the principles of morality and justice—even greater than its iniquity on Palestine—will be, I am confident, repudiated by the American people at their first opportunity.

CZECHOSLOVAK TARIFF CONCESSIONS

Mr. LOVE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. LOVE. Mr. Speaker, I rise in opposition to any tariff concessions by the United States Government to the new government of Czechoslovakia. It is my opinion that this tariff reduction would threaten serious injury to our industries and the standard of living of our American workers. I am not opposed to international trade with any country but I contend that it would be ridiculous to grant tariff concessions to those governments which foster ideologies in opposition to the United States Government.

On March 18 I sent the following message to the President of the United States and the Secretary of State:

As a Member of Congress from the First District of West Virginia, I hereby register vigorous protest to the United States Government confirming the Geneva agreements with Czechoslovakia which would reduce the tariff on hand-made glassware from 45 to 30 percent. In behalf of the hand-made glass industry of the United States and the manufacturers and workers of my district in particular, I demand that the Czechoslovak agreement scheduled for confirmation on March 20 not be executed and that all other Geneva agreements reducing tariff on hand-made glassware be revoked on the ground that said reductions threaten serious injury to the jobs and the standard of living of the hand-made-glass workers of the United States.

The United States production of blown or decorated table and glassware amounted to $23,000,000 in 1946 as compared with $8,000,000 in 1939. Imports were $2,500,000. Czechoslovakia, Sweden, and the United Kingdom are currently the chief competitors. Germany, Czechoslovakia, and Japan were before the war.

The hand-made glassware industry uses natural gas for its principal fuel and most factories are located in West Virginia, Ohio, Indiana, and Pennsylvania. Some 30 manufacturers employ 12,000 to 15,000 people. In 1945, this industry did a $23,000,000 business and added $15,000,000 to the pay rolls of this section of the country. It also purchased $2,000,000 worth of sand, lime, potash, metallic oxides, and coloring material, thereby creating pay rolls for other industries. It also consumed $2,500,000 worth of natural gas and other fuel and used $1,500,000 worth of corrugated paper boxes.

It would be a tragedy to lose this industry, but, should the Geneva agreements continue, the future of the glass industry in the United States looks very dark. An entirely new economy has been unconstitutionally forced upon us. An academic theory has been dictatorily substituted for a realistic and successful industrial system.

Under this theory, many of the industries that made our country strong will be destroyed. The purpose of these tariff cuts is obviously to increase competitive imports. The more imports we accept, the smaller our domestic markets will be. It is common knowledge that European workers earn about one-half to one-third as much as our American workers. Either some of our industries will be killed or our workers must drop their standard of living to those of European workers. What a tragedy this would be to our skilled glassworkers or any American workers. This must not come to pass.

The theory of those who have executed the Geneva agreements is a free world trade. They believe, for example, if Czechoslovakia can supply the United States with hand-made glassware cheaper than we could produce it that our skilled glassworkers should find new jobs in other industries such as making automobiles and that our glassworkers should move to other places.

That is an example of what is about to happen in this country. I am absolutely opposed to these principles. I believe that Congress should write our tariff laws as provided by the Constitution. I firmly believe that the American industry should be protected and that the standard of living of American workers should never be lowered but continually improved.

EXTENSION OF REMARKS

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD.

Mr. ARNOLD (at the request of Mr. SEELY-BROWN) was given permission to extend his remarks in the RECORD.

Mr. SEELY-BROWN asked and was given permission to extend his remarks in the RECORD.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts in each.

MACHINERY FOR RUSSIA

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. WEICHEL. Mr. Speaker, today's news discloses that ships are still being loaded in American ports with American heavy goods and machinery for Russia. The Russian ship *Chukotka* is now loading at Jersey City. It is being filled with heavy goods of which there is $282,000 worth of industrial machinery now on board, which will further help the Russians to make themselves strong. It is just the same as the President has been doing for a long period of time. For the last half of 1945 there was exported to Russia $563,000,000 worth of goods of which only $26,000,000 was commercial, the rest being gifts. In the year 1946 there was exported to Russia $400,000,000 worth of goods and machinery of which $64,000,000 was commercial and the rest being gifts. And from January 1, 1947, through September 1947 there was exported to Russia $114,000,000 worth of goods and machinery of which $66,000,000 was commercial and the rest being gifts.

All during the special session of Congress even American-owned ships were being loaded with shipments of heavy goods and machinery for Russia, and it is still going on. During January of this year there was a total of 25,742,565 pounds of aviation lubricating oils, mining machinery, automobiles, parts, construction machinery, and aluminum sulfate shipped to Russia. During February 1948 there was 10,273,637 pounds of construction machinery, mining machinery, metal working machinery, and industrial machinery shipped to Russia. And even today at Jersey City there is a ship loading for Russia and it was picketed yesterday by former members of the armed forces. This is in addition to all of the American-owned ships that are still in possession of the Russians, only several of which are returned.

Mr. Speaker, must the people themselves bodily stop the President from continuing these things to build up communism? I am including a news item from the Times-Herald of today of the Russian ship now loading at Jersey City,

and which was picketed by former members of the armed forces on Sunday:

VETS PICKET SHIP BEING LOADED WITH MACHINERY FOR RUSSIANS

JERSEY CITY, March 21 (NY News).—Almost 50 ex-GI's representing 5 veterans' organizations today picketed the Russian freighter *Chukotka* here and warned that demonstrations will continue until the State Department bars shipments of potential war matériel to the Soviet Union.

The move was spearheaded by the Hudson county chapter of the Catholic War Veterans which began picketing the 10,000-ton Red freighter, which has been loading industrial and farm machinery.

Also in the picket line were representatives from the Veterans of Foreign Wars, the Jersey City American Legion post, the Army, Navy, Marine Corps veterans' group and the Independent Veterans' Conference of Jersey City.

The veterans carried signs reading, "Supplies now, draft tomorrow," "Remember the scrap metal we sent to Japan," "Stop aid to Russia," and "Hitler and Mussolini were only amateurs compared to Pal Joey."

As the veterans picketed the ship, one stevedore moved machinery to the deck of the ship with a huge steam crane. Along the adjacent railroad tracks were stock piles of tractors, automotive and farm equipment.

SHIPMENTS TO RUSSIA

Mr. COLE of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COLE of Missouri. Mr. Speaker, on last Wednesday the President of the United States came before a joint session of the House and the Senate to advise us that we could not do business with Russia. He told us that our agreements with the Soviet Republic have been persistently ignored and violated, and then he had this to say—I quote:

The recent developments in Europe present this Nation with fundamental issues of vital importance. I believe that we have reached a point at which the position of the United States should be made unmistakably clear.

He then recommended the speedy enactment of the European recovery program, universal military training, and the reinstatement of the draft, saying:

The recommendations I have made represent the most urgent steps toward securing the peace and preventing war. We must be ready to take every wise and necessary step to carry out this great purpose.

Later in this same speech he said:

Each of us here in this Chamber today has a special responsibility.

That was last Wednesday. In today's Washington Times-Herald it is reported that on March 21, in Jersey City, N. J., the Russian freighter *Chukotka* was being loaded with potential war matériel, tractors, automotive and farm equipment, consigned to the Soviet Union.

The President has the power and the responsibility to prevent this and further exporting to the Soviet Union. Therefore I call upon him here and now to meet that special responsibility that he so eloquently reminded us of last Wednesday by exercising this power. If the situation is as critical as he would have us believe; if the situation is such that we should prepare for war, then surely we should not furnish our enemy with matériel and supplies with which to fight us.

THE STEEL SITUATION

Mr. MORTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain correspondence.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MORTON. Mr. Speaker, on March 11, 1,320 tons of cold-rolled annealed steel sheets were offered for sale ex dock, New York City, from England. The average price was $246 a ton or three times the going mill price in this country, almost exactly the current gray-market price in New York. I think that this situation speaks for itself. As we used to say in the Navy, it is fouled up like Hogan's goat.

I include the following letters showing what this situation with reference to steel is:

B. F. AVERY & SONS CO.,
Louisville, Ky., March 17, 1948.

Congressman THRUSTON MORTON,
House Office Building, Washington, D. C.

DEAR SIR: We take the liberty of enclosing for your information a letter received by our purchasing agent from the Catitol Corp. of New York City.

You will note this letter offers for sale 1,320 tons of cold-rolled steel sheets for shipment from England.

The prices quoted are approximately three times our current mill price and are pretty well in line with the so-called gray market prices here in the United States.

The cold-rolled steel sheets which they propose to ship from England are in extremely short supply here and many manufacturers are being forced to go into the gray market to make purchases in order to keep their plants running.

We think this is a serious situation, particularly in view of the reports which have been circulated indicating that a large part of the steel voluntarily supplied by American mills to assist in the European recovery program is being offered to our own manufacturers at these extremely high gray-market prices. It seems strange that our steel mills should continue to ship semifinished and finished steel to Europe while at the same time similar or the same steel is being offered to our own manufacturers at these high prices, to be shipped from Europe.

We do not know what kind of investigation you will be able to make of this situation but if we can be of assistance to you please call upon us and we of course will be interested in any information you can give us.

Very truly yours,

A. W. HUFF,
Secretary and Treasurer.

CATITOL CORP.,
New York, N. Y., March 11, 1948.

B. F. AVERY & SONS CO.,
Louisville, Ky.

(Attention Mr. E. T. Meyer, purchasing agent.)

GENTLEMEN: We are in a position to offer the following steel, cold-rolled annealed steel sheets, soft temper, being rolled by a reputable mill in England:

	Free on board steamship, English port	Ex dock, New York City
528 net tons, 16-gage, 36- by 72-inch	$202	$234
264 net tons, 18- gage, 36- by 72-inch	202	234
198 net tons, 20-gage, 36- by 72-inch	208	240
132 net tons, 22-gage, 36- by 72-inch	214	246
132 net tons, 24-gage, 36- by 72-inch	220	252
66 net tons, 26-gage, 36- by 72-inch	226	258

Of the 1,320 net tons, 200 are available for immediate delivery, balance to be completed the next 6 months, approximately 200 tons being shipped every 6 weeks.

Terms are to be payment by means of an irrevocable letter of credit which would release the money upon presentation of proper documentary evidence of inspection and shipment. A revolving letter of credit is to be established covering 200-ton shipments to be paid in dollars in this country. The required export license from England is available, plus satisfactory evidence of ability to deliver.

This offer is made subject to prior sale. The letter of credit is to be established after you have received confirmation of your order from the steel mill.

You will note that the material is obtainable either f. a. s. steamship, English port, or landed at dock, New York City (this, of course, includes all costs—freight, insurance, duty, etc.).

As we are fully confident of the delivery of the above material and feel that the prices are good, considering the present condition of the steel market, we hereby suggest a prompt reply.

Very truly yours,

CATITOL CORP.,
IRVING WEISSMAN, *President.*

EXTENSION OF REMARKS

Mr. OWENS asked and was given permission to extend his remarks in the RECORD and include an editorial from the Chicago Bar Association with respect to laymen practicing law in the Federal courts.

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD and include an editorial from Newsweek of March 1, 1948, by Henry Hazlitt entitled "Who Advises the Advisers?"

PREPAREDNESS SHOULD NOT MEAN WAR

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, without question we are in one of the most critical periods of our history. We are learning nearly every day of new commitments, and secret promises, which involve our country, that have been made by high officials without the sanction of Congress. We have been following the same procedure that we followed prior to Pearl Harbor. We continue to export critical materials, deplete our own natural resources and weaken our own national security both financially and in a military sense. In my opinion, this

procedure materially benefits our potential enemies, whoever they may be. It is time to face facts—even if they are not pleasant. We could be involved in a major conflict at any day. So I say, let us set our own country, our own house, and our own defenses in order, so that we will not be found wanting when and if the hour of conflict comes. However, I emphasize that preparedness does not necessarily mean we are going to war, but it does mean saving thousands of lives should a conflict be unavoidable.

I am not a prophet, Mr. Speaker, but the record speaks for itself, and may I quote from two speeches I made on the floor of Congress in 1941, several months prior to Pearl Harbor. I feel these statements are applicable to conditions as we find them today.

January 16, 1941, 10 months before Pearl Harbor:

I want to say to you that I believe the Nation ought to turn, with the same energy it would if Washington were being bombed, to produce a national defense.

Again on February 4, 1941, 9 months before Pearl Harbor:

We, of Congress, are those individuals who should have the information that will give us the understanding of the international affairs that we might give to the people back home true representative government. I call upon the leaders of this administration to submit to this body that information and quit forever the secret chamber meetings of a select few. I learned from my people that they want three things: First, peace; second, a strong defense program; and third, a decentralization of power. We can and we must extend full aid to those who are fighting aggression if only for our own defense, but we cannot, we must not, abandon our own free Government in the process.

We cannot continue as we have since VJ-day. We must stop weakening our own position and make quick and definite arrangements to again become the strongest nation in the world. May I suggest how this can be done:

First. No more secret commitments. Let the American people know the facts, then they will have faith and confidence in their Government.

Second. Develop our natural resources and build up our critical material supply.

Third. Give free enterprise a chance to expand and recognize the rights of individuals to live and work in the true American way without unnecessary governmental interference.

Fourth. Reduce unnecessary governmental expenditures so that sufficient money will be available without additional taxes to establish a military program second to none.

Fifth. Appropriate money for the immediate development of an Air Force that will be greater than the combined forces of our potential enemies.

Sixth. Grant sufficient money for a definite research program including the field of atomic-energy development.

Seventh. Enlarge our Army and Navy and other military units to the maximum strength necessary. In my opinion, this can be done by paying a living wage—comparable to what they could earn in the commercial world—to those who voluntarily desire to make the military field their life's work. Give to those who enlist in our military units a chance for an education in specific or selective fields. Then our armed units will be composed of individuals who are really professionals in their line of work, and who, after serving their volunteer enlistment period, will have a trade which will enable them to earn in private enterprise a decent living for themselves and families. Our Nation is the biggest corporation in the world today. Should it not be protected by those who are professionals in their respective fields and who are familiar and especially trained in the technique of modern defense?

I do not want war—the people I represent do not want war. We did not want World War I nor World War II, but we believe in facing facts and endeavoring to solve and ascertain the facts and problems before any emergency becomes fatal.

And above all else, Mr. Speaker, let us pray for divine guidance so that our decisions will be just and for the benefit of all.

EXTENSION OF REMARKS

Mr. SIMPSON of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include an address by Don G. Mitchell and an article from the Honolulu Star Bulletin.

ARKANSAS WITHIN MAGIC CIRCLE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, it is only natural for each of us to admire, respect, and love our State. All of us are certain that ours is the best, finest, most important, and provides the greatest opportunities. Roger W. Babson says in putting Arkansas in his magic circle: "Every one of our 48 States has certain unique advantages."

I am confident that is a true statement. Though we may have had our differences between States, we are one great family which makes our Nation great and strong. I have always tried to be careful about making any statement which would cast a reflection on any of our family of States. Thursday of last week the gentleman from Pennsylvania [Mr. GROSS], in a driblet of mirth, referred to my State by asking a question of my colleague the gentleman from Arkansas [Mr. HAYS] which reflected some implications.

We are not thin-skinned, as we feel big enough to take it. However, I think he was grossly unfair to my colleague by not giving him at least a moment to respond. I think he has the answer that should satisfy the gentleman from Pennsylvania, especially about the dog. I shall be glad to yield to him for that purpose.

Mr. HAYS. Mr. Speaker, if my colleague from Arkansas thinks that the Members would be interested in my tribute to the dog, which I delivered at Solgohachia on the Fourth of July, I shall be glad to give it again. My defense of the Arkansas dog is offered in the same spirit of good will that inspired the question of the gentleman from Pennsylvania; but, Mr. Speaker, when he maligned our dogs he started something. It is true that we import a lot of gadgets from Pennsylvania. The people of Pennsylvania ought to love us, for we are among their best customers. While we are not yet able to match Pennsylvania in the field of industry, we do have our home products—the cows, hogs, and dogs—that the Keystone State can never equal. If all the cows in Arkansas were one cow, she could stand with her front feet on the Great Plains of the West and her hind feet in the Dominion of Canada, and with her tremendous tail could wipe the icicles off the North Pole.

If all the hogs in Arkansas were one hog, he could stand with his front feet in the Gulf of Mexico, his hind feet in the Atlantic Ocean, and with his mighty snout could dig another Panama Canal.

Mr. Speaker, if all the dogs in Arkansas were one dog, he could stand on top the loftiest peak of the Ozark Mountains and raise a howl that would blow the rings from off the planet Saturn, and all the possums in Pennsylvania would not grease his upper lip.

Mr. HARRIS. Mr. Speaker, Roger W. Babson, an outstanding economist and citizen of the United States, made a very fine statement which was carried in an editorial in the Eldorado Daily News of my home city as to the opportunities, values, and importance of an area he calls the Magic Circle and includes Arkansas. I think this statement from this national figure deserves recognition and is a fair picture of our great area. I include it herein as an extension of my remarks:

IN THE MAGIC CIRCLE

Roger W. Babson, the economist whose predictions are more often right than wrong, in a recently published pamphlet says this about the area in which we are fortunate enough to live:

"Every one of our 48 States has certain unique advantages. Each has, more or less, some fertile land, but I am not interested in any State lines. I have, however, attempted impartially to draw a circle around the richest, and safest, self-sustained section of the United States. It happens that Eureka, Kans., is the center of this circle which reaches Omaha and Sioux City on the north, Springfield and Memphis on the east, Fort Worth and Dallas on the south, and nearly reaches Denver on the west."

If you will draw the magic circle as outlined by Babson on the map of the United States, you will see that south Arkansas is well within the desired area.

Babson goes on to say: "If you now live in this magic circle, continue to live therein and urge your children to settle there and bring up a good family. Support its churches, schools, newspapers, real-estate and insurance agents. Do not neglect the great opportunity which God has given you to live within this area.

"The magic circle and surrounding territory contains a wealth of natural resources, a reservoir of native labor, diversified agricultural production, low living costs, ample transportation, temperate climate, excellent educational facilities, abundant water supply, and the Nation's best health records.

"This area produces per capita the largest in value of minerals of any similar area in the United States. These include petroleum, lead, natural gas, zinc, coal gypsum, salt, and stone. In addition may be included: asphalt, road rock, mineral wool, carbon black, pyrites, bentonite, chalk, clay, volcanic ash and

helium. It also has great quantities of the ingredients of cement and other building materials.

"Not only is the production of these mineral products high at the present time, but their latent supply seems almost unlimited. In the case of salt, for instance, which is such a basic raw material in the chemical industry, there is a supply which would last 500,000 years.

"Within the area is produced wheat, corn, oats, sorghum, hay, flax, soybeans, alfalfa, barley, rye, sugar beets, tobacco, peanuts, cotton, and potatoes. In the case of most of these products, the magic circle produces per capita the largest amount of any similar area in the United States.

"Along with these crops are raised fine beef and dairy cattle, hogs, sheep, horses, mules, poultry, and bees. In fact, its grazing lands lead the world. Living is both wholesome and reasonable. The climate develops both hardy children and animals. As a result, the area is self-sustaining, with a surplus of food at low prices.

"The seven States of this area have an annual income of $15,000,000,000, which States share the largest percentage of per capita income increase since 1940 of any area in the United States. This gives them a unique trading area of their own, stimulated by the largest increase in percentage of farm income of any group of seven States. This increase applies not only to money received for the crops, but, in many cases, to the yield per acre and the quality of crops.

"Perhaps the most important of all, 95 percent of the population of the magic circle is native born, white stock. Only about 10 percent live in large cities. This area thus ranks first in effective manufacturing manpower per capita of any section in the United States."

More and more people every day are finding out what Babson has learned and are moving to south Arkansas and its area.

Sometimes we can't help feeling sorry for those who live outside the magic circle.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

EXTENSION OF REMARKS

Mr. COLMER asked and was granted permission to extend his remarks in the RECORD in two instances and include certain resolutions.

Mr. DAVIS of Georgia asked and was granted permission to extend his remarks in the RECORD in two instances and include a letter and an editorial.

PALESTINE

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GOSSETT. Mr. Speaker, to begin a serious statement with a facetious remark, someone has said: "The thing that killed the goose that laid the golden eggs was, she didn't have the 'propaganda.'" I was amazed to see in the Post, and the Star, and the News here in the city of Washington on Saturday a statement that Congress generally condemned our Government in reversing its position on the partition of Palestine. Such a statement is wholly unwarranted and untrue. Can it be that our press is controlled by Zionist propaganda? Can it be that such an intelligent fraternity is so wholly uninformed about this serious matter? While there is no semblance of agreement as to what should be done in the Palestine case, 90 percent of this Congress and 90 percent of the American people applaud and commend our representative, Mr. Austin, in disapproving the Assembly's recommendation for partition.

The American Congress and the American people have deplored the tragic error of our delegates to the UN Assembly in recommending a forcible partition of Palestine. That such recommendation was an inexcusable blunder is well known throughout this country.

The press may cut my throat or your throat with little damage. They might even cut the throat of the Congress and the Nation would survive. But should they succeed in propaganda for the partition of Palestine, they would stick a knife in the jugular vein of Uncle Sam himself.

The admission of our original mistake in this matter and our attempt to rectify the same is statesmanship of the highest order.

EXTENSION OF REMARKS

Mr. SIKES asked and was granted permission to extend his remarks in the RECORD.

Mr. BROOKS asked and was granted permission to extend his remarks in the RECORD in two instances and include certain articles and excerpts.

Mr. BOGGS of Louisiana asked and was granted permission to extend his remarks in the RECORD and include a newspaper editorial.

PALESTINE

Mr. ISACSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ISACSON. Mr. Speaker, I contend that it is not true that 90 percent of this Congress, or that a majority of this Congress, or that even an appreciable number of this Congress agree with the reversal of our policy in Palestine.

Mr. Speaker, last Friday, Mr. Warren Austin, representing the United States in the councils of the United Nations, informed the other great powers and the people of the world that the United States has changed its mind about a free Palestine.

Simple words, "the United States has changed its mind," and thus was betrayed the promise which had endured 1,800 years since the dispersion of the Jewish state by the Romans; the promise which had been reaffirmed in 1922 and in 1925 and again and again thereafter; the promise which always had the strength of morality and justice, and had most recently been given the formality of legality by the proclamation of the United Nations.

Mr. Speaker, the Jew turns his face toward Zion three times a day and prays that it may be God's will that in his day the Jewish people should, with Divine grace, return to the land of their forefathers.

In each of the 80 generations of the dispersion, in times when there were no steamships and no trains, aged Jews went to Palestine in order to die there; today around Jerusalem there are some 6,000,000 graves of these Jewish pilgrims whose last wish was to lie in the Holy Land with their faces toward Jerusalem.

And every religious Jew who died or dies in the dispersion and is buried by his fellow Jews—in Europe, in America, in Australia, in South Africa—is given a little pillow with sand from Palestine under his head, that he may lie on it in the place of his eternal rest, wherever that may be.

The right of the Jews to the hallowed ground of Palestine is indisputable. They will not recognize this latest and most infamous betrayal.

It may be that suffering is the badge of our tribe, but it is not written in our book that suffering is our destiny.

Mr. Speaker, what has happened in these few short months that we about-face before the world on this issue?

Is it that we fear that we cannot assure peace and security for the new nation of Palestine?

If this be the case, it must be cold comfort indeed for the nations to whom we now represent ourselves as protector under the Truman doctrine. If this be the case, it would mean that some 15,000 Arab soldiers, camped on the desert, with war surplus lend-lease arms have forced us to turn tail and abandon the goal we have pledged repeatedly for over 25 years.

Is such the case? I think it is not the case; I think nobody in the wide world, including the learned gentlemen who represent our Nation in the United Nations, believes the United States to be so weak and spineless.

Is it a question of security—is it that we require the oil reserves of the Middle East to safeguard us from attack—or even to fuel outposts in that part of the world?

Again the answer must be "No." Not even our military affairs experts have been able to persuade that view. They know well that, in the event of the very war many of our military minds are planning for, Middle East oil reserves would be of little or no use to us.

No, Mr. Speaker, there is another reason. The reason is profit, Mr. Speaker, profit from oil—the monopolists want middle eastern oil and are wading through Jewish blood to secure it. But, Mr. Speaker, it is blood not only of the Jews in Palestine, but of Arab peoples too, who are being forced by their feudal leaders into a needless, unwanted conflict to gratify the fanatical blood-lust of that base, infamous, Nazi-loving opportunist, the exiled Grand Mufti of Jerusalem—Haj Amin el Husseini—a fanatic who has preached holy war against minorities in Arabia all his years—and who now sits on his mountain top like a master puppeteer manipulating the destiny of millions of people.

Mr. Speaker, I have many facts to disclose to substantiate these charges and I will extend my remarks to include these facts.

Mr. Speaker, these facts cry out for investigation by this Congress. They indeed accuse our Government of allowing oil lobbyists, representing the biggest profiteering combine in all the history of American foreign investment, to twist the policies of our Nation around their oily fingers—and to drag in the dust of international disrepute the honor and integrity not only of our Nation but of the United Nations itself, upon whose strength and authority rests the hope of world peace.

These facts must be brought before the Congress for examination, Mr. Speaker. They must not lie unheeded in the minutes of the Congress. They must be aired by an appropriate committee of the Congress and the findings laid before the American people so that they may judge for themselves how meanly our national honor and integrity have been served in this infamous double-cross of the people of Palestine.

Mr. Speaker, I ask for a congressional investigation of the connection between this monstrous oil cartel, which cares only for profit and not for humanity or national honor or security, and the spineless vacillation of our Government in an effort to squirm out of our pledges and promises to the valiant pioneers of Palestine and the stateless Jews of Europe, seeking asylum in a homeland of their own from the oppression of the Hitlers of the world.

Mr. Speaker, the Arabian-American Oil Co.—called Aramco—and its pipeline construction subsidiary, Trans-Arabian Pipe Line Co.—called Tapline—is a billion-dollar enterprise—the largest private foreign investment in United States history. Its chief stockholders are the Texas Co. and Standard Oil of California, with Standard Oil of New Jersey and Socony-Vacuum of New York completing the ownership.

The Dillon Read Co., from which our Government has selected Mr. James Forrestal as Secretary of Defense, and Gen. William H. Draper as Under Secretary of the Army, has floated bond issues for these companies and is intricately involved in the affairs of Aramco, the Middle East exploitation combine of these great oil imperialists.

At the time the United Nations partition plan for Palestine was in the making last fall, there was great pressure from many sources against it, reflecting Arab opposition to the establishment of the long-pledged Jewish state.

But it was not until we had taken the partition step in the United Nations that the pressure was exerted where it really hurt the oil combine.

Aramco's pipe line, from the Dahrahn oil concessions in Saudi Arabia, was projected to pass from Arabia across Transjordan, Syria, and Lebanon, to the ancient port of Sidon on the Mediterranean.

Unless this pipe line could be completed, the Aramco concession was no particular bargain, since the tanker method of transportation through the Persian Gulf is three times as costly as oil pipelined to the Mediterranean.

Hence it was, and still is, all important for Aramco to get its pipe lines laid and gushing oil to peddle to Europe for Marshall-plan dollars.

But last December the crafty Arab Mufti took a hand. While Aramco had apparently made all necessary deals with the heads of the Arab countries through which the pipe line was to pass, the agreement still had to get the approval of parliaments in two newly established countries—Syria and Lebanon.

Hence the Mufti began his third "holy war" rampage since the First World War. Arab bands descended on pipe-line crews. Members of Arab parliaments cooled to approving their leaders' deals with Aramco for pipe-line construction rights-of-way.

So, in January, when all here seemed serene and hopeful about the future of Palestine, the worried heads of Aramco went to Beirut and Damascus.

In the party were W. S. S. Rogers, chairman of Tapline, vice chairman of Aramco, and board chairman of the Texas Co.; Burton E. Hull, president of Tapline, and builder of our Big-Inch and Little-Inch Pipe Lines; H. H. Hall, Tapline's chief engineer and former chief engineer for Standard Oil of California; George W. Ray, Jr., general counsel for Tapline and Aramco; and James Terry Duce, Aramco executive and chief lobbyist for the oil combine in Washington.

When this party was photographed in the St. George Hotel in Beirut, surveying a map of the Middle East with a background map of the pipe-line route adorning the wall behind them, Mr. Duce dodged the camera—and well he might.

Duce is the lobbyist who has been selling official Washington on the need for Middle East oil for United States security and inducing the erroneous belief that oil reserves on the United States continent are running low.

Yet it was the same Duce who testified before a House committee against a synthetic-fuels program calculated to guard against the draining of United States continental oil reserves.

It is the same Duce, too, whose machinations have led to our seeking oil in the Middle East when it can be had near at hand both from Canada and Mexico. But the Middle East oil—pipe lines, tanker trips, and the Mufti notwithstanding—is the choice of the oil imperialists because oil magnates can no longer exploit slave labor in Mexico, and, of course, they cannot mine Canadian oil on terms even approaching those obtainable from feudal Arab sheiks.

It was Middle East oil, incidentally, which Aramco jacked up in price from 34 cents to $1.05 a barrel for Uncle Sam when our oil needs were desperate during the two-front period of the war.

In any case, these oil cartelists went to Beirut and Damascus to come to terms with the Arab leaders—and with the odious Grand Mufti.

The Grand Mufti's terms have not changed over the years. They were—and still are—annihilation of every Jew in Palestine. The Pan-Arabic objective which the Mufti expounds to his fanatical following: "Kill the Jews wherever you find them; this pleases God." Small wonder that this man, listed as a war criminal until the British and French let him escape, is hated and feared even among the people of Araby as the potential fuehrer of Islam.

The Mufti's terms, then, were: Kill partition of Palestine or no approval of oil pipe lines across Arab nations. Approval of deals for pipe-line routes across Syria and Lebanon now lie tabled in the parliaments of those nations, awaiting Aramco's answer to the Mufti's terms. On the piers of Beirut and on sidings throughout Araby stand millions of dollars worth of pipe-line equipment, awaiting the go-ahead from the Grand Mufti of Jerusalem on his hateful terms.

This is the story the oil cartelist heads of Aramco brought back to the States. This is the story the Aramco board of directors heard at a closed meeting late in January.

Tabled in the Syrian Parliament is Premier Mardam Bey's agreement, a club over the heads of Aramco to kill the United Nations partition deal or lose millions in pipe-line equipment and future profits from a Mediterranean outlet for Arabian oil.

By the strangest of strange coincidences, it was just about the time of the Aramco board meeting to consider this troubling problem that Defense Secretary James Forrestal made the statement that partition would jeopardize the United States security.

From then on, from the end of January until the infamous turn-about of last Friday, the eventual betrayal of Palestine has been a virtual certainty.

This is a damning set of circumstances indeed.

Has it been, then, for crass cartelist profits that our national honor and the integrity of the United Nations has been plunged into disrepute?

Must the people of Palestine fall defenseless before the fuehrer of Islam's fanatics, so that Aramco can pump oil to the shores of Europe to recapture Marshall-plan dollars from the clients of our international money lenders?

Can an escaped war criminal—an insidious Arabian Hitler-in-exile—be permitted to dictate to the peace-loving United Nations of the world through a profit-mad, ruthless oil cartel?

The American people will give the answer to these questions if the facts are laid before them. Let the investigating arm of Congress summon these conniving cartelists before a tribunal of the people. And let us do this now, before the vengeful hordes of the invidious Mufti descend upon the people of Israel, bringing death to them and shame to our Nation in the name of unholy oil profits.

I therefore call for, first, an investigation by Congress of the substitution of a foreign policy dictated by oil monopolists for that previously declared before the United Nations.

Second. And, further, I urge that the Congress demand that the United States Government restore its support to the United Nations partition decision.

Third. I urge immediate recognition of the de facto Hebrew state being established in Palestine and the lifting of our arms embargo, so that the new state may not have to stand alone and defenseless amid surrounding enemy states once the British mandate is concluded.

EXTENSION OF REMARKS

Mr. BARTLETT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by Richard L. Neuberger.

Mr. MADDEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article published in the Gary Post-Tribune.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a letter from the Casimir Pulaski Mutual Aid Society.

Mr. THOMAS of Texas asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. SHEPPARD asked and was given permission to extend his remarks in the RECORD and include a newspaper item.

Mr. CELLER asked and was given permission to extend his remarks in the Appendix of the RECORD on two separate subjects.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and include a speech he made recently.

PALESTINE SELL-OUT

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, countering the statement made by the gentleman from Texas [Mr. GOSSETT] I would say that the scuttling of the Palestine partition by President Truman, abetted by Secretary Forrestal, was wicked. There is no trust in the plighted word. The betrayal is a tribute to Arab terror and oil-company intrigue.

The strong voice of the United States has departed. Instead we have the accents of weaklings. The steady hand that guided the debates on Palestine last summer is now palsied.

Moral conviction has departed; instead, we have a muttering, apologetic retreat of one who fears that perhaps a little while ago he revealed he had too much heart.

But, despite Arab treachery, despite British perfidy, and despite Truman back-tracking, the Jewish state is and will continue to be. It shall only be the degree of terror, the degree of blood, the degree of death.

PALESTINE

Mrs. DOUGLAS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, the United States back-down on Palestine is a betrayal of the faith of people everywhere in our leadership. The United States failure to support the United Nations decision on Palestine is not only a severe blow to our prestige and moral integrity but to the United Nations itself.

In arriving at a just course of action are we going to abandon international agreements in favor of power politics?

Are we going to retreat to methods which have in the past proved catastrophic? Where are we headed anyway?

Our present action is abandonment of the principle of settling international problems through peaceful and democratic processes.

Trouble in Palestine could have been avoided by a vigorous and firm stand.

We have been vacillating and dishonest in our handling of Palestine from the day the United Nations voted for partition.

The arms embargo was an invitation to violence. We can send arms to every other place in the world, but we cannot send arms to a people in support of a United Nations decision.

If our talk of liberty and democracy means anything, why are we abandoning the one democratic stronghold in the Middle East?

The violence following the United Nations decision represents activities by a few nations to impose their will over the majority in violation of international agreements. Our backing down in the face of this violence is an invitation for others to ignore decisions by international authority.

At any future time when the United Nations arrives at a settlement of an issue the parties involved are in effect assured of change by merely showing force and refusing to go along.

Vacillation and giving in in the face of violence is not going to bring peace and quiet to Palestine. It will bring even more violence.

Because we are the major power in the world today we have a greater responsibility than any other country in giving sustaining support to decisions peacefully arrived at.

I am convinced that the American people are outraged by the lack of courageous and intelligent leadership that has been made evident by the United States betrayal.

EXTENSION OF REMARKS

Mr. HOBBS asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Star.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. MITCHELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include a copy of the Gallup poll which appeared in the Louisville (Ky.) Courier-Journal, showing that 69 percent want the oleo taxes ended.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by an eminent physician, Dr. John R. Williams, and an editorial.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in two instances; in one to include a speech by Mr. JOHNSON of California, and in the other to include an article.

THE EFFECTS OF THE EUROPEAN RECOVERY PROGRAM

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include an editorial from the Illinois Journal.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, 2 months ago, obviously for political reasons, President Truman threw all of his power through our representatives in the United Nations to force through the partition of Palestine. It was reported at the time that our highest military leaders opposed it. Recently, he has admitted his mistake by the reversal of Mr. Austin of the position they had recently taken. The Members of Congress who are now called upon to approve the spending of $20,000,000,000 under the Marshall plan in Europe to try to make amends for the mistakes at Cairo, Teheran, Yalta, and Potsdam, which, in fact, put Russia in the driver's seat in Europe, are entitled to raise the question, Is the Marshall plan another colossal mistake on the part of the administration?

Mr. Speaker, to break the figures down so that the Members of Congress may know what we are being let in for if the Marshall plan is approved, the following table I am sure will give you a better idea of the amounts in dollars and material involved. They undoubtedly will convince you that when the Marshall plan is approved, the next step of the President will be to ask this Republican Congress to put on controls and rationing to stop the rise in the cost of living. Your first impulse will probably be that you will not do it, yet, on second thought, you will likely find that you must do it or suffer the consequences of worse inflation between now and November.

Summary of requirements for the European recovery plan for the 4-year period shown by commodities to be furnished by the United States

[In millions of dollars]

Commodity	1948	1949	1950	1951
Steel and steel-making materials	441.0	381.0	375.0	368.0
Petroleum and petroleum products	576.8	623.3	641.1	619.6
Oil equipment requirements	175.0	155.5	124.2	133.5
Agricultural implements	275.0	214.0	147.0	78.0
Tractors	78.0	52.0	48.0	40.0
Coal	369.0	225.0	126.0	54.0
Coal-mining machinery	80.0	54.0	46.0	40.0
Timber and products	95.9	92.6	87.3	75.0
Forest-products machinery	16.4	15.3	13.3	12.3
Electrical equipment	150.0	175.0	125.0	50.0
Fertilizer:				
Nitrogen	58.0	46.0	16.0	-------
Phosphate	40.0	33.0	36.0	28.0
Potash	40.0	49.0	50.0	53.0
Inland transport:				
Freight cars	168.0	147.0	52.0	-------
Passenger cars	28.0	28.0	28.0	28.0
Special equipment	7.0	2.0	1.0	1.0
Food (all categories)	2,100.0	2,000.0	1,800.0	1,700.0
Tobacco (for 4¼ years)	911.0	-------	-------	-------
Cotton (for 4¼ years)	1,957.0	-------	-------	-------

I am also including an article from the Illinois State Journal, Springfield, Ill.,

which deals in some plain words about the action of this Congress with reference to the Marshall plan which I believe you can read with profit in helping you to arrive at a decision on this important piece of legislation:

WE STAGGER ALONG

American taxpayers look with bewilderment upon the spectacle in Congress wherein the drive to enact the multiple billion gift to world socialism proceeds with accelerated tempo.

Taxpayers are bewildered, amazed, and aghast because they do not know, and none has deigned to tell them, how the billions are to be spent, what manner of radicalism will direct their expenditure, nor whether a dime of the colossal sum will accomplish an iota of the purposes claimed. The nearest guess anyone has ventured is that the proposed seventeen billions is a gamble.

Leaders of the movement to shell out all these American billions have betrayed every concept of American right and understanding. The average taxpayer has been willing, if a little more of sacrifice now would prevent an infinitely larger war outlay later, to stand a reasonable draft upon what otherwise would be their savings; but neither the Truman-Marshall New Deal forces, nor their so-called Republican adherents in the Senate and House, have had the simple decency to let Americans in on the frightful hazard this catastrophic venture entails.

Enough of information has come from across the ocean, however, to raise grave question. In the first place, the Socialist managers of England are planning to control the entire fund, once Americans turn it over. They have demanded an American set-up that is friendly to socialism, and if Truman and Marshall have their way, they will get it. Nor has Congress yet attempted to safeguard against such a dissipation. Stafford Cripps, Socialist economist of England's Cabinet, is directing the conspiracy, despite the warnings of genuine British economists who see only British ruin in the proposed gift.

The difference between socialism and communism, as contrasted with America's free-enterprise system, is only a hair's breadth. Yet professed believers in the American system go blithely ahead with a venture that has every secret aim to destroy the American way. The Bevin-Marshall billions are intended to advance the cause of socialism, and our legislative and administrative bodies are falling for the scheme.

British overseas airways, British European airways, the coal mines and railroads, all of them "nationalized" under socialism, are in the red. The Bevin-Marshall billions are intended merely to tide them over.

During World War II, thirteen billions in American tax dollars went to Russia and seven of her satellites in so-called lend-lease. Every cent of this huge total was used to advance the cause of communism. Since fighting ended, taxpayers have sent $1,463,482,000 more to these same eight nations, Russia included; and all of this has gone into Russian aggression. Now we are about to send many more billions, to help expand socialism.

One can begin to fathom the cynical and scornful remark by Stalin:

"The Russian people haven't forgotten I was Hitler's partner. If I cooperate with the Marshall plan, they will call me Truman's quisling."

Congress had better begin to tell Americans the truth. If it doesn't, millions will conclude that a gigantic sell-out was managed for a price.

MR. WALLACE AND HIS COMMUNISTS

Mr. CLEVENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CLEVENGER. Mr. Speaker, the denunciation of Mr. Wallace and his Communists by the President at New York the other night, after Mr. McGrath had so ardently and futilely wooed them for the past several weeks, seems a bit strained, when one remembers that this New Deal machine had absorbed all the Bolshies, Reds, pinks, fellow-travelers, and fuzzy-brains generally, and had voted them in the last nine elections—to spend and spend, tax and tax, and elect and elect. He protects his own queer ones even against Congressional subpena. Could his trouble be a "passel" of loose nuts and a bolt?

COLORED OLEOMARGARINE

Mr. LODGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. LODGE. Mr. Speaker, I rise to join with many of my colleagues who are dismayed and disturbed by the recent action of the Committee on Agriculture with respect to legislation repealing the tax on colored margarine.

Are we to have no opportunity to vote on this legislation at this session? The housewives of America are vitally interested in the repeal of this tax. They want to serve margarine and, as a matter of taste and habit, they want to serve it colored. Artificial coloring is used without penalty in making butter. I fail to see why there should be an inhibition in a similar use of coloring in the making of margarine.

Mr. Speaker, it can be said that the essence of our system is to safeguard minority rights while protecting the majority from minority control. The minority favoring this tax have no inalienable right that it be continued. The majority are the millions of American consumers who are being unjustly penalized. The interests of these consumers are being ignored.

I urge the committee to report a bill repealing this discriminatory tax. The House should be given an opportunity to debate the merits of this legislation.

EXTENSION OF REMARKS

Mr. SNYDER asked and was given permission to extend his remarks in the RECORD and include a biographical sketch.

Mr. SMITH of Ohio asked and was given permission to extend his remarks in the RECORD and include a statement by George Sokolsky.

Mr. O'KONSKI asked and was given permission to extend his remarks in the RECORD and include an article.

RENT-CONTROL BILL

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that in respect to the conferees on the part of the House on the bill S. 2182, the rent-control bill, the gentleman from Texas [Mr. PATMAN] be excused from further service as a conferee and that the Speaker be authorized to fill the vacancy.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Oklahoma [Mr. MONRONEY] to fill the vacancy. The Clerk will notify the Senate accordingly.

SUBCOMMITTEE ON PATENTS

Mr. KEATING. Mr. Speaker, at the request of the chairman of the Committee of the Judiciary, I ask unanimous consent that the Subcommittee on Patents be permitted to sit during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

FERROUS SCRAP SHORTAGE

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. PATTERSON. Mr. Speaker, on February 19, 1948, I introduced H. R. 5469, which is a bill to relieve the critical shortage of iron and steel scrap. Subsequently this measure was referred to the House Committee on Expenditures in the Executive Departments. I have since been assured by the chairman of that committee that hearings will be held immediately after receipt of reports from the agencies affected.

Since the introduction of this measure, national and international happenings have increased the need for this legislation. At the time of introduction there was in Germany an industry-Government scrap-iron and steel mission making a survey of the scrap-iron and steel situation there. The report of this mission serves to strengthen my belief that action on H. R. 5469 should be taken in the immediate future. The mission in its report estimates that there is available in Germany alone 10,000,000 tons of rubble scrap which would be made available for use in this country. In addition, there are approximately 140,000 tons of captured enemy material which would aid materially in the maintenance of our supplies here at home. The recommendations of this mission can almost completely be carried out by enactment of H. R. 5469. Section 4 of this bill makes provision for the return of ferrous scrap and scrap potential outside the continental United States.

As a further incentive for immediate consideration of this measure, I should like to quote to you from the report of the President's Committee on Foreign Aid, in which is maintained the following:

If possible, the United States Government should return scrap from certain foreign areas where scrap supplies are not as urgently needed for steel production as they are here. The Government should also speed up the process of declaring and releasing as scrap

any unusable surplus materials and equipment.

Also:

Scrap cannot be safely exported at this time.

According to the United States Bureau of Mines, the stock of iron and steel scrap in this country, as of August 31, 1947, was 4,470,200 tons; in comparison with 7,563,127 tons as of December 31, 1940. This clearly demonstrates the shortage of this vital material now existent in these perilous times. The supply of steel is further endangered by the actions of the soft-coal miners, which will necessitate a reduction in the production of finished steel.

All of these things, taken together, Mr. Speaker, demonstrate that we are faced with a critical situation with regard to the production of steel and pig iron, which can only be alleviated through the passage of this legislation.

I bring this to the attention of the Members of this House so that appropriate action might be taken by them to speed up consideration of H. R. 5469, and thus assure our country of adequate supplies of steel—our most vital material in a preparedness program.

OLEOMARGARINE

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, I want to give you all some confidential information. The American housewife is mad as blue blazes with the Congress. She spent 13,000 years last year mixing oleomargarine. Now, we have been talking about things this morning that we cannot do much about, but you hold it in your power and in your hands to bring the oleo bill before the Congress. All you have to do, if you have the energy left, is to walk right up here and take your pencil or mine and sign Discharge Petition No. 12. You will fulfill the hopes and aspirations of the people who, because of necessity or desire, eat oleomargarine, and you will administer to the Committee on Agriculture the beating to which they are entitled and for which they have asked. Get on the wagon before it gets loaded. We want everyone.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may have until midnight tonight to file a report on House Joint Resolution 342.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PALESTINE

Mr. FOLGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. FOLGER. Mr. Speaker, I sincerely regret the very bitter accusations and denunciations of the President and Secretary Marshall in respect to the Palestine situation. The remarks seem to me to be extreme. Somebody is mad about something. But I rather think, Mr. Speaker, that if one concludes that he has made a mistake, the finest thing he can do is to acknowledge it and correct it.

TAX REDUCTION

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Speaker, the papers yesterday were filled with dozens of stories that any man who runs could read and which showed a real and immediate threat to our free way of life, to our security, and to the security of the freedom-loving peoples of the rest of the world.

Yet in one part of this paper was the word that the House would quickly accept and approve a bill for the reduction of taxes of over $4,000,000,000.

This tax-reduction move comes at the moment when democracy itself is threatened by perhaps the greatest danger it has ever faced.

The President has asked for $5,300,000,000 for Marshall-plan aid. He has asked for universal military training and for the draft. I am for all these things.

All of these will cost money. Members of the Republican Party are saying we should not only do some of these things but we should appropriate one or two billion dollars additional to make this Nation supreme in the air.

I say we cannot afford a tax reduction at this time of great crisis to our country. You can do a great disservice if Congress follows the soft political way and votes a tax reduction.

You will get no political gain if we neglect the very defenses on which this Republic is built, to pass on a tax cut at this critical time.

PALESTINE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, the gentleman from Michigan [Mr. HOFFMAN] stated that the American people do not want to go to war for any minority groups. It seems to me that even the gentleman from Michigan should very easily realize that the very best way to avoid war and bloodshed in Palestine is for the State Department to keep its word and to take the lead in bringing about the enforcement of the United Nations' decision on Palestine. It is the failure to do that and the present betrayal of Palestine that will bring about war and bloodshed.

Speaking about minority groups, however, I wonder since when has Wall Street and the military clique become a majority group? We are being pushed into war and directed into war by this minority group, the Wall Street banker and military clique that has taken over the control of the foreign policy of the United States.

With reference to the protests that have been made here on Palestine, may I point out the fundamentals; that the present policy of our State Department, with reference to Palestine, is an integral part of the policy for the ERP. Both ERP and the betrayal of Palestine are based on the same policy, the stop-communism policy, that phony policy which causes ERP to be foisted on Europe and requires the State Department to appease the Hitlerite Arabs in Palestine.

The Marshall plan or ERP is an extension of the Truman doctrine as it has caused the blood of Greeks to be shed in Greece and the blood of Chinese to be shed in China. Now it is causing the shedding of Jewish blood in Palestine. All these human sacrifices invoked to safeguard and protect the expansion of Wall Street monopoly capital all over the world.

Stop communism was the pretense of the cartelists of 1938 to appease Hitler. It cost the lives of 6,000,000 Jews.

Today this same cry is raised by our Wall Street monopolies to appease the Hitlerite Arabs and impose their control over the world through ERP. How many more Jewish lives will this cost? So let me say to those advocates of ERP who are now protesting the State Department's reversal on Palestine, that in effect you are talking from both sides of your mouth, because the betrayal of Palestine and the appeasement of the Hitlerite Arabs is part and parcel of the Marshall plan, inseparable and indivisible. The betrayal of Palestine is the Middle East phase of the Marshall plan that you are trying to fasten on the American people.

ATTACKS AGAINST THE ADMINISTRATION

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I deplore the attacks that are being made on the administration on both sides of the aisle. I am not saying that these attacks are not merited, but nevertheless, I deplore them. I wish that those of you, although I realize you are in the overwhelming majority, who do not approve of this administration, would practice a little forbearance and recall what that Christian gentleman, Captain Clark, of the battleship *Oregon*, said after the battle of Santiago, "Don't cheer, boys, the poor devils are dying."

THE UNITED NATIONS—ANOTHER TOWER OF BABEL IS NOW COLLAPSING IN A CONFUSION OF TONGUES

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, instead of criticizing the President for his revival of righteousness in repudiating the partition of Palestine, Members ought to be applauding him.

Now having turned his back on the Palestine fiasco, he should go further and regain some more of his lost prestige by renouncing this communistic so-called civil-rights program.

As I said the other day, Towers of Babel have been collapsing in a confusion of tongues ever since the days of Genesis. This so-called United Nations today is no exception to the rule. It is on its way out.

That outfit had no more right to partition Palestine and set up a racial state in that country than it has to set up a Negro state in Harlem in New York or in Georgia or Mississippi, or to set up an Indian state in Ohio, Kansas, or Indiana, or a Mexican state in Texas, or a Japanese state in California.

The President of the United States and the Secretary of State saw what a blunder had been made, and they did right in repudiating it. In addition to the pressure that was brought to bear, threatening delegates that if they did not vote to partition Palestine they would not get any of this so-called Marshall plan money, it is rumored that other potent influences were used to secure votes for this partition.

I have introduced a resolution to withdraw from this Tower of Babel before it collapses entirely or drags us into another war. The sooner we get out of it and give the world to understand that it is not going to act as a super government to run the internal affairs of the United States or the other civilized nations of the earth, the better off humanity is going to be.

I congratulate the President and his Secretary of State on repudiating the partition of Palestine and I hope that they and the Congress will now follow through and cancel our membership in that organization entirely and let it follow in the wake of its predecessors by collapsing in a confusion of tongues.

EXTENSION OF REMARKS

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD.

HOLIFIELD DENOUNCES REVERSAL OF PALESTINE PARTITION POLICY

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, where there is lack of vision the people perish. Never have the people needed firm and wise leadership more than today. Never has leadership failed in its responsibilities to the people more tragically than since the end of World War II. The vacillating and weak procedure demonstrated in the reversal of our position on the partition of Palestine is the last and culminating blunder of a weak and confused leadership.

I am not concerned with the political fortunes of a Presidential candidate or a political party. I am concerned with a blundering leadership that is blindly hurling the people of our Nation into a third world war, an atomic war.

I am concerned with the partition reversal because it is another act which weakens the United Nations, the only hope for world peace. Lip service to the United Nations is not enough. Every ounce of brains and energy of the diplomats, and all of our physical and spiritual force should be thrown behind the improvement and development of a functioning United Nations.

How long will it take our leaders to recognize that in an atomic world, the old methods of national sovereignty, national military strength, and national resources are inadequate to guarantee the peace of the world? How long will it take them to tell the people the truth?

They know that the United States does not have the food, money, or manpower to feed, buy, or fight the world. Their present actions are not based on building a functioning international organization, where by means of multilateral cooperation with the majority nations of the world, problems could be solved in the spirit of the Charter.

Their present procedure is a turning back to the discredited methods of unilateral action; it is an attempt to achieve international amity by national prestige, wealth, and threat of national force; it is the madness of men trapped in the bankruptcy of their own mistakes; it is a lack of vision on the part of leadership that has demonstrated its incompetence with every reoccuring crisis.

God gave this Nation men with courage and vision for each crisis in our national history. He gave us George Washington, whose integrity and wise leadership founded our Republic; he gave us Abraham Lincoln, whose humility, wisdom, and devotion to the people preserved the Union; he gave us Woodrow Wilson and Franklin Delano Roosevelt, men who led us through the hazards of two great World Wars, and gave us the vision of international organization for world peace.

The people of the United States face the greatest crisis in our history. It is the crisis, not of national survival, alone, but the crisis of a third world war, which through methods of mass destruction, will paralyze civilization everywhere. The death and destruction which occurred during World War II was horrible. World War II methods are now obsolete. Atomic war will multiply the scope of death and destruction. Such a war will leave the great cities of the world destroyed, unnumbered millions dead, and chaos that cannot be repaired in centuries.

Out of our despair, out of our hopelessness in our inability to extricate ourselves from the path of destruction, we turn in humility and pray to God, who in times past has given us leaders capable of guiding us through critical days. Oh God, if it be Thy will that we as a Nation be destined to survive, send us the wisdom and strength to act in harmony with Thy laws. Help us to make the brotherhood of man a reality instead of a meaningless phrase. Send us men of wisdom, strength of purpose, and courage to lead us through the perilous days that face us. Give us men of vision to lead us away from war and toward the paths of peace, lest we perish.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. KEOGH (at the request of Mr. McCORMACK) was granted permission to extend his remarks in the RECORD and include a speech recently made by his distinguished brother, United States attorney for the eastern district of New York.

Mr. JUDD asked and was granted permission to extend his remarks in the RECORD in three instances and include some extraneous material.

Mr. MUNDT asked and was granted permission to extend his remarks in the RECORD and to include a letter received from abroad on the subject of work being done by the Voice of America.

OUR FOREIGN POLICY

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, it seems to be in order this morning to discuss our foreign policy. It looks as though the President and our State Department always wake up too late. I would like to say that the people of this country and the GI's of this country are at least 2 or 3 years ahead of the Congress and ahead of the State Department and ahead of the President. Nearly every man in my outfit asked the question in 1945, "Why is the First and Ninth Army being held up and the Russians allowed to take Berlin?" They also asked why Patton and Hatch were stopped at the borders of Czechoslovakia. That was the GI's.

Now, let me say this: If the State Department and the President and those in charge of the foreign policy of this country are going to reverse themselves every 2 or 3 months, where are we going to wind up? Yes; the GI's and the people of this Nation are ahead of its leaders, and, unless we wake up, some day it is going to be too late. Let us get rid of these millionaire, cocktail-sipping diplomats and brass hats and let some GI's and real common people make the peace of this world, and it will be a lasting peace.

The SPEAKER. The time of the gentleman from South Carolina [Mr. DORN] has expired.

DISTRICT OF COLUMBIA LEGISLATION

The SPEAKER. This is District of Columbia day. The gentleman from Illinois [Mr. DIRKSEN] is recognized.

LEARNERS' PERMITS

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 4572) to amend section 7 of the District of Columbia Traffic Act, 1925, as amended, to provide for learners' permits, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

Mr. STEFAN. Mr. Speaker, reserving the right to object, may I ask the chairman of the committee if this will increase the appropriations for the District of Columbia, and if so, how much?

Mr. DIRKSEN. Mr. Speaker, if the appropriations are increased, it will only be in a small share, and would probably cover the vehicles that might be necessary; namely, dual-driving vehicles that would be acquired by the school system of the District of Columbia.

I apprehend, without knowing exactly, that it would not be over two or three vehicles, and that would be the total amount involved.

I might say we have followed here the pattern set out in 20 or 25 States, in the hope that by teaching better driving at an early age it will be conducive to public safety on the highways. The annual traffic toll is between 35,000 and 40,000 men, women, and children at the present time. Certainly this matter is in dire need of attention in every part of the country. This is a modest step in the Nation's Capital by authorizing the issuance of these learner permits to students in the public schools.

Mr. STEFAN. I may say to the chairman of the committee that I heartily approve the bill. I merely wanted him to tell us how many automobiles they would need for the program.

Mr. DIRKSEN. Two or three.

Mr. STEFAN. I think it is a very fine piece of legislation, and I withdraw my reservation.

Mr. HARRIS. Mr. Speaker, reserving the right to object, I would like for the gentleman from Illinois to explain whether this is optional or will be required.

Mr. DIRKSEN. This is entirely optional and voluntary with the youngsters in the school.

Mr. HARRIS. Has the gentleman any information as to what additional burden it will place on the educational system?

Mr. DIRKSEN. I am not advised as to what the dual-driver vehicles cost, but they will require not over two or three. I would say a few thousand dollars would discharge all obligations under this program.

Mr. HARRIS. Does it have the support of various organizations in the District of Columbia, including the Commissioners?

Mr. DIRKSEN. It does and also of the American Automobile Association which has been pioneering in this whole field of traffic safety.

Mr. HARRIS. It is substantially the same program they have in a number of other States?

Mr. DIRKSEN. As I recall there is something like a score or two dozen States following this pattern at this time.

The SPEAKER. Is there objection to the request of the gentleman from Illinois that the bill be considered in the House as in the Committee of the Whole?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 7 (a) of the District of Columbia Traffic Act, 1925, as amended, is amended to read as follows:

"(a) (1) Upon application made under oath and the payment of the fee hereinafter prescribed, the Commissioners or their designated agent shall issue a motor-vehicle operator's permit to any individual who, after examination, in the opinion of the Commissioners or their designated agent, is mentally, morally, and physically qualified to operate a motor vehicle in such manner as not to jeopardize the safety of individuals or property. The Commissioners or their designated agent shall cause each applicant to be examined as to his knowledge of the traffic regulations of the District and shall require the applicant to give a practical demonstration of his ability to operate a motor vehicle within a congested portion of the District and in the presence of such individuals as may be authorized to conduct the demonstration, except that upon the renewal of any such operator's permit such examination and demonstration may be waived in the discretion of the Commissioners or their designated agent. Should the Commissioners or their designated agent believe that the issuance or reissuance of a permit in accordance with the provisions of this act may prove a menace to public safety, they or their agent may refuse the issuance or reissuance thereof. Operators' permits shall be issued for a period not in excess of 3 years upon compliance with such regulations as the Commissioners or their designated agent may prescribe. The fee for any such permit shall be $3. No operator's permit shall be issued to any individual under 16 years of age; and no such permit shall be issued to any individual 16 years of age or over but under 18 years of age for the operation of any motor vehicle other than a passenger vehicle or motorcycle or motor bicycle used solely for purposes of pleasure and owned by such individual or his parent or guardian.

"(2) Upon application made under oath and the payment of a fee of $1, the Commissioners or their designated agent may issue a learner's permit to any applicant who has successfully passed all parts of the examination other than the driving demonstration test. Such permit shall entitle the permittee, while having such permit in his immediate possession, to drive a passenger motor vehicle in the District for a period of 30 days, when accompanied by the holder of a motor vehicle operator's permit who is occupying a seat beside such permittee. Any such learner's permit may be renewed for an additional period of 30 days. No learner's permit shall be issued to any individual under 16 years of age; and no such permit shall be issued to any individual 16 years or over but under 18 years of age for the operation of any motor vehicle except when accompanied by the holder of a motor vehicle instructor's license who is occupying a seat beside such learner, or when operating a passenger vehicle used solely for purposes of pleasure and owned by such learner or his parent or guardian.

"(3) The Commissioners or their designated agent, upon proper application, may issue a restricted learner's permit without charge, effective for a school year or more restricted period, to any applicant 16 years of age or over who has successfully passed all parts of the examination other than the driving demonstration test and who is enrolled in a driver-training program approved by the Commissioners or their designated agent. Such restricted learner's permit shall entitle the permittee, while having such permit in his immediate possession, to operate a motor vehicle only within a designated area, and then only when a licensed motor vehicle driving instructor is occupying a seat beside the permittee.

"(4) In case of the loss of an operator's permit, a learner's permit, or a restricted learner's permit, the individual to whom such permit was issued shall forthwith notify the Commissioners or their designated agent, who shall furnish such individual with a duplicate permit. The fee for each such duplicate permit shall be 50 cents.

"(5) Enlisted men of the Army, Navy, Marine Corps, and Coast Guard shall be issued, without charge, a permit to operate Government-owned vehicles, while engaged in official business, upon the presentation of a certificate from their commanding officers to the effect that they are assigned to operate a Government vehicle and are qualified to drive, and upon proving to the satisfaction of the Director of Vehicles and Traffic that they are familiar with the traffic regulations of the District of Columbia."

SEC. 2. Section 7 (e) of the District of Columbia Traffic Act, 1925, as amended, is amended to read as follows:

"(e) No individual shall operate a motor vehicle in the District, except as provided in section 8, without having first obtained an operator's permit, a learner's permit, or a restricted learner's permit issued under the provisions of this act. Any individual violating any provision of this subsection shall, upon conviction thereof, be fined not more than $300 or be imprisoned not more than 90 days."

With the following committee amendments:

Page 2, line 21, strike the semicolon and substitute in lieu thereof a period; also strike the word "and" and all language following such word to the end of the sentence in line 2, page 3, and substitute in lieu thereof the following:

"No operator's permit issued to any individual under 18 years of age shall authorize the operation by such individual while he is under the age of 18 years of any motor vehicle other than a passenger vehicle or motorcycle or motor bicycle, used solely for purposes of pleasure: *Provided,* That such permit shall not authorize the operation by any such individual under the age of 18 years of any such motor vehicle for compensation."

Page 3, line 13, strike the words "renewed for an" and substitute in lieu thereof the words "extended for one."

Page 3, strike all of the language beginning with the word "and" in line 15 to the end of the sentence in line 21 and substitute in lieu thereof the following: "and no such permit issued to any individual 16 years of age or over but under 18 years of age shall authorize the operation of any motor vehicle unless the holder of such permit is accompanied by the holder of a motor-vehicle instructor's license who is occupying a seat beside such learner or unless the holder of such permit is operating a passenger vehicle used solely for purposes of pleasure and owned by such learner or his parent or guardian and such learner is

accompanied by the holder of a motor vehicle operator's permit who is occupying a seat beside such learner."

Pages 3 and 4, strike all after the quotation mark in line 22 to and including the word "permittee" in line 10, page 4, and substitute in lieu thereof the following:

"(3) Any pupil 15 years of age or over enrolled in a high school or junior high school driver education and training course approved by the Commissioners or their designated agent may, without obtaining either an operator's or a learner's permit, operate a dual-control motor vehicle at such times as such pupil is under instruction and accompanied by a licensed motor-vehicle driving instructor: *Provided*, That such instructor shall at all times while he is engaged in such instruction have on his person a certificate from the principal or other person in charge of such school stating that such instructor is officially designated to instruct pupils enrolled in such course, and whenever demand is made by a police officer such instructor shall display to him such certificate."

Page 4, line 11, strike the comma after the word "permit" and insert in lieu thereof the word "or."

Page 4, line 12, strike the following words: "or a restricted learner's permit."

Page 5, strike all of the language in lines 6 and 7 and insert in lieu thereof the following words: "first obtained an operator's permit or a learner's permit issued under the provisions of."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IMPERIAL PALACE, DRAMATIC ORDER KNIGHTS OF KHORASSAN

Mr. DIRKSEN. Mr. Speaker, I call up the bill (S. 468) to amend the act entitled "An act to incorporate the Imperial Palace, Dramatic Order Knights of Khorassan," to increase the amount of property which the corporation may hold from $100,000 to $5,000,000, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to incorporate the Imperial Palace, Dramatic Order Knights of Khorassan," approved February 25, 1909 (35 Stat. 646), is amended to read as follows:

"SEC. 2. That the said corporation shall have power to take and hold real and personal estate not exceeding in value $5,000,000, which shall not be divided among the members of the corporation, but shall descend to their successors for the promotion of the fraternal and benevolent purposes of said corporation."

Mr. DIRKSEN. Mr. Speaker, I shall presently ask the Speaker to recognize the gentleman from Minnesota, who is chairman of the Subcommittee on District of Columbia Fiscal Affairs handling this bill. He may have some observations to make on this bill as well as the three bills that are to follow, all of which come from his subcommittee. Before doing so, let me say simply that this is the first regular District of Columbia day that the District Committee has had in the House this session. There is a reason for that, and that is a desire to save the time of the Members and not to exercise our rights under the rules unless there is something to be offered. Consequently, we think it is well and advisable to accumulate this legislation until such time as we can make a fair presentation to the House. This will be in the interest of the Membership at large as well as the Members who serve on this particuar committee.

So, may I suggest that the Speaker recognize the gentleman from Minnesota in respect to this and the next three bills.

The SPEAKER. The gentleman from Minnesota [Mr. O'HARA] is recognized for 5 minutes.

Mr. O'HARA. Mr. Speaker, the bill before us, S. 468, is a bill to increase the amount of property which the fraternal order of the Imperial Palace, Dramatic Order of Knights of Khorassan may hold, increasing the amount from $100,000 to $5,000,000.

This is very worthy legislation. Its funds are used to aid indigent members of the organization, children, and the needy among its membership, and also for the education of young men and women.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. RICH. Do I understand they are asking the right to acquire property in the District to the value of $5,000,000?

Mr. O'HARA. Let me say to the gentleman from Pennsylvania that this is merely an authorization. They were originally incorporated in the District of Columbia and now have property which has been paid in by the membership by way of gifts and otherwise which is in excess of their original limitation on property which they might hold, which was $100,000. They desire that it be lifted because of the accumulation of money, funds, and property.

Mr. RICH. Will that take this property off the tax rolls?

Mr. O'HARA. Not at all. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING DISTRICT OF COLUMBIA RENT ACT

Mr. O'HARA. Mr. Speaker, I call up the bill (H. R. 5856) to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act, and I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1 (b) of the act entitled "An act to regulate rents in the District of Columbia, and for other purposes", approved December 2, 1941, as amended (D. C. Code, 1940 ed., sec. 45–1601), is hereby amended by striking out "March 31, 1948" and inserting in lieu thereof "April 30, 1948."

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPENSATION OF MEMBERS OF THE ALCOHOLIC BEVERAGE CONTROL BOARD OF THE DISTRICT OF COLUMBIA

Mr. O'HARA. Mr. Speaker, I call up the bill (H. R. 4649) to provide that compensation of members of the Alcoholic Beverage Control Board of the District of Columbia shall be fixed in accordance with the Classification Act of 1923, as amended, and I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the bill, as follows:

Be it enacted, etc., That the positions of members of the Alcoholic Beverage Control Board for the District of Columbia shall be classified in accordance with the Classification Act of 1923, as amended.

SEC. 2. That the sentence in section 4 of the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934, as amended, which reads: "The salary of each of the members of the Board shall be $5,000 per annum", shall remain in force and effect until the classifications provided for by the first section of this act shall have been effected and thereafter said sentence shall stand repealed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. HARRIS. Mr. Speaker, reserving the right to object, will the gentleman explain this legislation?

Mr. O'HARA. Mr. Speaker, this bill merely brings the Alcoholic Beverage Control Board and its employees in the District of Columbia under the same classification act as other employees of the District. It is my understanding this has been approved by the District Commissioners and I know of no objection to it.

Mr. HARRIS. Is it a fact that these are the only members of any commission in the District of Columbia who are not presently under the Classification Act?

Mr. O'HARA. That is correct.

Mr. HARRIS. This brings those employees of this organization under the same procedure, as the gentleman stated, as the employees in other commissions of the District of Columbia?

Mr. O'HARA. That is my understanding.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA ARMORY BOARD

Mr. O'HARA. Mr. Speaker, I call up the bill (H. R. 5874) to establish a District of Columbia Armory Board, and for other purposes, and I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. HARRIS. Mr. Speaker, reserving the right to object, and I shall not, may I inquire of the gentleman from Minnesota, chairman of the subcommittee, who has labored long and diligently on this very difficult problem, if it is his intention to explain the situation for the RECORD and to the Members of the House?

Mr. O'HARA. Mr. Speaker, this bill is an attempt to settle a rather unhappy and complicated situation which has existed. After a considerable number of hearings, the subcommittee finally had to write the bill in the form in which it is presented here today, which, incidentally, was reported unanimously by the Committee on the District of Columbia.

I may say to the gentleman from Arkansas that the Armory Board is charged with the operation of the Armory for its secondary purposes and for the purpose of obtaining as much income as possible in order to allay the considerable expense of operation of the Armory.

If there are any particular questions that the gentleman has in mind—and I may say he was a very able member of the subcommittee which worked diligently upon this bill—I will be happy to answer his questions.

Mr. HARRIS. Mr. Speaker, for the benefit of the RECORD, it might be stated that the National Guard Armory here in the District of Columbia was constructed for use of the National Guard and the component parts of our Army.

Mr. O'HARA. That is right.

Mr. HARRIS. And it has developed recently that this armory, the large auditorium, and the facilities out there might have some secondary uses whereby the District of Columbia might utilize this place for different functions, such as sporting activities, athletic contests, conventions, and so forth and so on. That would naturally bring in some revenues which the District Commissioners thought they should participate in to help pay for the maintenance, which is presently a burden on the District; is that not true?

Mr. O'HARA. That is correct.

Mr. HARRIS. The National Guard felt that they should have first call, and rightfully so, on the facilities there, and the controversy developed as to who was going to control it for those various purposes; is that not true?

Mr. O'HARA. That is correct, and particularly over the question of the so-called rental concessions; not necessarily the rental of the hall, but of the operation of the so-called canteen, the hat-checking facilities and other facilities which might be operated in the Armory.

Mr. HARRIS. This bill provides for an Armory Board composed of whom?

Mr. O'HARA. Composed of the Chairman of the Board of Commissioners, the Commanding General of the National Guard, and the Architect of the Capitol.

Mr. HARRIS. That procedure was agreed upon by everyone concerned with this problem, was it not?

Mr. O'HARA. I might say to my very good friend from Arkansas that between the different groups represented the only portion which was in dispute was subsection (f) of section 5 of the bill, and that is the one on which finally the committee had to write its own interpretation. And I might say to the gentleman that as provided in the report it is the intention of the subcommittee to follow up the provisions of the bill and particularly the division of the so-called income, and have it reviewed at some future date. If it does not work out under the present legislation, then it is intended for the committee to review it and probably fix some further limitation.

Mr. HARRIS. In other words, under this proposal, the Armory Board would have authority to determine how the funds from concessions, and so forth, might be utilized.

Mr. O'HARA. That is right.

Mr. HARRIS. I withdraw my reservation of objection, Mr. Speaker.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Nebraska.

Mr. STEFAN. Mr. Speaker, the history of the District of Columbia National Guard is one which is a very interesting one. It is a good record of unusual service to our country in both peacetime and during the war. The campaign for the construction of the fine National Guard Armory in the District of Columbia attracted unusual attention. It should be noted that the taxpayers of the District of Columbia paid for the construction of this building. Taxpayers in the States are represented in the Federal contribution to the District of Columbia. During the war the armory was used by the Federal Bureau of Investigation for the use of its fingerprint division. Since then the FBI has moved to other quarters and the National Guard now has possession of the armory. The controversy has been over the matter of concession receipts. Who is to get them? General Cox and his staff have been before the Committee on Appropriations in recent days asking for a deficiency appropriation for this fiscal year. During the hearings it was called to my attention that this bill, setting up a board for the armory, perhaps should be reviewed.

I call your attention to the section of the bill referred to by my colleague, the gentleman from Minnesota [Mr. O'HARA] on page 5. If you read the report and if you had listened to his explanation, you would find that the Board will be composed of the Chairman of the Board of Commissioners, Mr. Young, General Cox, the Adjutant General, and the Architect of the Capitol, Mr. Lynn. However, in subsection (f) on page 5 you will find this proviso:

> That the said Board may at its discretion and with the approval of the Commanding General of the District of Columbia Militia, grant the concession for nonalcoholic beverages and food to the canteen of the District of Columbia Militia, whenever in the opinion of said Board such action shall be for the public interest.

The question I want to ask the chairman of this subcommittee is whether or not this Board will have complete control of the giving of concessions in the armory, and will the District Commissioners, who do not have control over the fiscal affairs of the Guard today, have control of the fiscal policies of the Armory as far as the receipts and concessions are concerned? Does this bill, including subsection (f), have the approval of the Chairman, J. Russell Young, and other members of the Commission?

Mr. O'HARA. There are quite a few questions involved in my distinguished friend's question. There is no question in my mind but that the so-called Armory Board as it is now constituted has complete control over the income from all concessions within the Armory. The difficulty has been that the Board of Commissioners of the District wanted one thing and the commanding general of the National Guard wanted another. Subsection (f), to which the gentleman has referred, is simply a compromise which has been arrived at by the subcommittee itself.

Mr. STEFAN. Is it satisfactory to the Commissioners of the District?

Mr. O'HARA. I do not know.

Mr. STEFAN. Did the District Commissioners approve this bill?

Mr. O'HARA. I do not know whether they have or not. The only thing the District Commissioners and General Cox could not agree upon was subsection (f), so whether either of them approves of it now I do not know. We have reached the point where we feel we should act.

Mr. STEFAN. It is a matter of a compromise, since it had come to sort of a stalemate. Perhaps this is the only way the matter can be settled.

Mr. Speaker, I withdraw my reservation of objection.

Mr. O'HARA. Mr. Speaker, I call attention to the fact that there is an error in the report in subsection (j) on page 4. Where it reads "$5,000" it should read "$50,000." I merely want to make this statement a part of the record.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That it is hereby declared to be the policy of the Congress that the District of Columbia National Guard Armory shall be maintained and operated primarily to provide facilities for the quartering and training of the Militia of the District of Columbia, and, secondarily, to provide suitable facilities for major athletic events, conventions, concerts, and such other activities as may be in the interest of the District of Columbia, and that such armory shall be operated as nearly as practicable on a self-supporting basis.

SEC. 2. There is hereby established an Armory Board, to be composed of the President of the Board of Commissioners of the District of Columbia, the Commanding General of the District of Columbia Militia, and the Architect of the Capitol. Each member of the Armory Board is authorized to appoint, and in his discretion to withdraw the appointment of, an alternate and to delegate to such alternate authority to act in his place and stead in respect of the powers granted by this act. The members of said Board and their alternates shall serve without additional compensation. Said Armory Board shall elect a chairman from among its members.

SEC. 3. For the purposes of this act, said Armory Board is vested with the control of and jurisdiction over the District of Columbia National Guard Armory. For the purposes of maintenance and repair the armory shall be under the control and jurisdiction of the Commissioners of the District of Columbia.

SEC. 4. Upon the request of the Armory Board the Secretary of the Interior shall provide for the use of said Board, under such arrangements for improvement, lighting, and maintenance as may be agreed upon between the Secretary of the Interior and said Board, such areas of land adjacent to the armory and under the control of the Secretary of the Interior as said Board deems adequate for motor-vehicle parking purposes.

SEC. 5. The Armory Board shall set aside for the exclusive use of the Militia of the District of Columbia such parts of the headquarters and regimental buildings and basement of the drill hall, and such of the storage rooms contiguous to the drill hall as shown upon drawing A-3, first-floor plan, approved by the Commissioners April 19, 1940, as said Armory Board may from time to time find are necessary for the use of the militia. The parts of the armory so set aside for the use of the militia shall be under the control and jurisdiction of the commanding general of the militia for all purposes except maintenance and repair of the armory. The drill hall and those parts of the armory not set aside for the exclusive use of the militia shall be available to the militia under schedules for joint use made by the Armory Board so as to carry out the purposes and intent of this act.

SEC. 6. In order to carry out the secondary purposes of this act the Armory Board is hereby authorized, without regard to any other provisions of law—

(a) to determine all questions concerning the use of said armory for the secondary purposes of this act;

(b) to enter into contracts and agreements with District of Columbia and Federal departments, bureaus, establishments, and offices; and the provisions of the act of March 4, 1915, as amended (U. S. C., 1940 edition, Supp. V, title 31, sec. 686), are hereby made applicable to such contracts;

(c) to acquire by purchase or lease equipment, appliances, facilities, and property of any kind necessary or desirable to carry out the secondary purposes of this act, and to sell or dispose of any such property so acquired by said Board when in its judgment it shall be advantageous to do so: *Provided*, That no contract for more than $3,000 shall be entered into for this purpose without competitive bidding;

(d) to erect structures or installations in all of such parts of the armory as are not required exclusively for military purposes, and to make such structural and other changes in any such structures as it may deem necessary or desirable for carrying out the secondary purposes of this act: *Provided*, That nothing in this act shall authorize or permit the erection of any structure which in the opinion of the Commanding General of the District of Columbia Militia will lessen the availability of the armory for military purposes;

(e) to prepare, maintain, light, and operate motor-vehicle parking lots on such land as is provided for that purposes by the Secretary of the Interior under the terms of section 4 of this act;

(f) to operate or contract for the operation of, such concessions, including the checking of clothing and the sale of nonalcoholic beverages and food, as the said Board may deem appropriate to the purposes for which the armory may be leased: *Provided*, That the said Board may at its discretion, and with the approval of the Commanding General of the District of Columbia Militia, grant the concession for nonalcoholic beverages and food to the canteen of the District of Columbia Militia, whenever in the opinion of said Board such action shall be for the public interest;

(g) to furnish such services to renters, lessees, and other occupants of the armory as in its judgment are necessary or suitable for carrying out the secondary purposes of this act;

(h) to rent or lease from time to time, for any of the secondary purposes of this act, all or any part or parts of the armory not set aside for the exclusive use of the Militia of the District of Columbia in compliance with section 5 of this act, including any or all structures, equipment, or facilities of the armory, at such rental values as the Armory Board shall determine to be fair with respect to the interests of the District of Columbia, and for such periods of time as the Armory Board may determine, subject to cancellation when the public interest requires: *Provided*, That every lease or rental agreement which includes therein any period of time not covered by the schedules furnished under the provisions of section 5 of this act shall be binding and effective only when the Commanding General of the District of Columbia Militia has endorsed his approval thereon in writing;

(i) to carry public liability insurance protecting the interests of the District of Columbia, the Commissioners of the District of Columbia, the District of Columbia Militia, the Commanding General of the District of Columbia Militia, the Armory Board, and the members, officers, and employees thereof; and to require tenants or lessees of the armory to carry public-liability insurance protecting the interests of such tenants or lessees;

(j) to incur obligations not in excess of $50,000 at any one time in furtherance of the secondary purposes of this act, and not in excess of $10,000 above the unobligated excess in the Armory Board Working Capital Fund; and

(k) to accept the gratis services of such persons as may volunteer to aid in the conduct of its activities.

SEC. 7. Nothing contained in this act shall be construed as a limitation upon the operation of a canteen in the said armory for the use and benefit of the District of Columbia Militia, and any funds derived from the operation of such canteen shall inure to the benefit of the said District of Columbia Militia.

SEC. 8. There is hereby created an Armory Board working capital fund in the amount of $50,000, and there shall be deposited in the Treasury of the United States to the credit of the said Armory Board working capital fund all receipts derived from the exercise by the Armory Board of the powers granted by this act. Said Armory Board working capital fund, including all receipts credited thereto, shall be used as a permanent revolving fund for all expenses incurred by the Armory Board in the exercise of the powers granted by this act, including personal services. There shall also be transferred to said Armory Board working capital fund all revenues derived from rentals of the District of Columbia National Guard Armory under contracts made between July 1, 1947, and the date of enactment of this act, except revenues resulting from the operation of concessions, and the Secretary of the Treasury is authorized to transfer to the credit of the Armory Board working capital fund authorized by this act funds resulting from rental of the District of Columbia National Guard Armory received by him and held in escrow pending enactment of legislation. As soon as practicable after the close of each fiscal year, after provision has been made for payment of all lawful obligations then incurred, all sums in excess of $50,000 in said Armory Board working capital fund shall be transferred to the general revenues of the District of Columbia. Expenditures from such fund may be made only upon vouchers which have been certified by said Armory Board and which have been approved before payment by the Auditor of the District of Columbia, and shall be disbursed in the same manner as other District of Columbia funds are disbursed: *Provided*, That the Disbursing Officer of the District of Columbia is authorized to advance to the Armory Board, upon requisitions previously approved by the Auditor of the District of Columbia sums of money not to exceed $1,000 at any one time, to be used for office and sundry expenses of the Armory Board. There is hereby authorized to be appropriated annually such sum as may be required to supply any deficiency in the Armory Board working capital fund. Revenues resulting from the operation of concessions within the District of Columbia National Guard Armory under contracts made between July 1, 1947, and the date of enactment of this act which have been held by the District of Columbia National Guard pending enactment of legislation are hereby transferred to the canteen fund of the District of Columbia National Guard.

SEC. 9. The Armory Board is authorized to employ and fix the compensation and term of a manager and such personnel as may be necessary in connection with the operation of the armory for the secondary purposes of this act without regard to the provisions of the civil-service laws and Classification Act of 1923, as amended, and without regard to any prohibition against double salaries contained in any other law. Under the direction of the Board and with written authorization signed by the members thereof, said manager may exercise such of the powers vested in the Board by section 6 of this act as the Board shall determine.

SEC. 10. The Armory Board shall file with the Congress in January of each year a financial statement certified as to accuracy by the Auditor of the District of Columbia, a report of the activities and business at the armory during the preceding fiscal year, and recommendations to the Congress as to the future control and use of the armory.

Mr. SMITH of Virginia. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I am not in opposition to the bill but I do think we ought to understand pretty clearly, a little more clearly than we have, what we are getting into here. The whole nub of this controversy swings around who is going to get the proceeds of the rental of this armory and of the concessions of the armory. The District Commissioners feel that they ought to have it because they are paying for the maintenance and whatever structural changes may be required. General Cox feels that the militia ought to have it because they have the armory.

How is this problem settled? It is not settled by an agreement between these two gentlemen; it is settled in this bill by setting up a board consisting of the two warring factions on the question, they to be refereed by the Architect of the Capitol, who already has a good many troubles on his hands. We ought to understand what we are doing here before we do it. I am not going to oppose it, but I do believe we are laying the foundation for a nice row between the District Commissioners and the militia which will come back to us in the future. I will say to the Committee that I think they should have settled this matter before they brought it here. This does not settle anything, but this merely appoints a referee for the fight. I think that we are probably going to be in more trouble in the future

than if it were settled now while the question is before us.

Mr. O'HARA. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. O'HARA. The gentleman was present when we explained the difficulties before the full Committee on the District of Columbia.

Mr. SMITH of Virginia. I was there.

Mr. O'HARA. We would have treasured his advice at that time if he had any solution for this problem. But I say frankly to the gentleman from Virginia that the committee worked a great deal longer and spent a great deal more time on this bill than they should have.

Mr. SMITH of Virginia. I am sure that you did.

Mr. O'HARA. This is the best that we can do on this problem.

Mr. SMITH of Virginia. I am not quarreling with the committee. I am expressing the same views here as I expressed in the full committee. Frankly I do not know what is the answer. I am not so sure that promoting a fight is going to be the answer.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield? I rather share his view that, if the amount of money which may be taken in from the various concessions for distribution and then for covering it to the Treasury in the form of miscellaneous receipts is very small, then this may be an end of the entire controversy. If, however, the amount that is taken in in the form of secondary revenue is a substantial amount, then I have no doubt that this question will have to be resolved once again.

Mr. SMITH of Virginia. I expect that it will. I am not going to quarrel about it.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE ECONOMIC COOPERATION ACT OF 1948

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 505, Rept. No. 1587), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 15 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Foreign Affairs now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address he delivered before the Rivers and Harbors Congress.

Mr. LEONARD W. HALL asked and was given permission to extend his remarks in the RECORD.

DISTRICT OF COLUMBIA BUSINESS

NATIONAL TRAINING SCHOOL FOR GIRLS

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 5227) to provide that children be committed to the Board of Public Welfare in lieu of being committed to the National Training School for Girls; that the property and personnel of the National Training School for Girls be available for the care of children committed to or accepted by the Board of Public Welfare, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole; pending that request, Mr. Speaker, I do want to recognize the distinguished gentleman from California [Mr. ALLEN] who has been a very faithful and devoted member of the subcommittee under the chairmanship of Dr. MILLER, of Nebraska.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That after the effective date of this act no child shall be committed to the National Training School for Girls, but in lieu thereof any child may be committed by the court to the Board of Public Welfare. All children committed to the National Training School for Girls prior to the effective date of this act shall be under the guardianship, care, and custody of the Board of Public Welfare, and the terms of any court order or decree of commitment shall be binding on the Board. The Board of Public Welfare is authorized to parole or discharge any child committed to it or placed under its guardianship, care, or custody by this section.

SEC. 2. The buildings, grounds, and equipment of the National Training School for Girls shall be available for the care and training of children committed by the court to the Board of Public Welfare or received and accepted by said Board for care under the authority of this or any other act. Appropriations heretofore or hereafter made for the National Training School for Girls shall be available for the care and training of such children.

SEC. 3. The Board of Public Welfare is authorized in its discretion to use any public or private agency or institution or private family home either without expense or at a fixed rate of board for the care of any child placed under its guardianship, care, or custody under the provisions of this act.

SEC. 4. Subparagraph (2) of the second paragraph of section 14 of the act approved March 19, 1906 (34 Stat. 73), as amended by the act entitled "An act to amend an act entitled 'An act to create a juvenile court in and for the District of Columbia', and for other purposes", approved June 1, 1938 (52 Stat. 596), be, and the same hereby is, amended by striking therefrom the words "National Training School for Girls or the"; and by striking therefrom the word "schools" and inserting in lieu thereof the word "school" so the said subparagraph will read as follows:

"(2) Commit the child to the Board of Public Welfare; or to the National Training School for Boys if in need of such care as is given in such school; or to a qualified suitable private institution or agency willing and able to assume the education, care, and maintenance of such child without expense to the public."

Mr. ALLEN of California. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the bill H. R. 5227 concerns the National Training School for Girls. The school covers some 19 acres. At one time in 1928 it had as many as 119 girls. The type of girls committed to this institution are those who have committed some overt act in connection with crime. The population has now dropped down to seven girls. Because of the nature of the basic law, the Board of Public Welfare cannot use the facilities to their greatest advantage. The bill therefore proposes to transfer the facilities to the Board of Public Welfare and provide that commitments henceforth be made to the Board rather than to the Home. There was no objection to the bill as to this phase of it.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROTECTING THE PUBLIC HEALTH OF THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill H. R. 4636, to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, as amended; and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the penultimate sentence of section 6 of the act of Congress entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia" is hereby amended to read as follows: "If the commission finds that an applicant is entitled to a license by virtue of an outstanding license to practice medicine and surgery in the District of Columbia or by virtue of years of practice, under the provisions of section 24 of this act or by virtue of reciprocity, under the provisions of section 25, or by virtue of a certificate or diploma by a national examining board as provided in section 25 (a) of this act, it shall issue to him a license accordingly."

SEC. 2. The penultimate sentence of section 11 of the said act is hereby amended to read as follows: "An applicant who is reported by the board as qualified in said sciences and who is entitled to a license by reciprocity, without examination, or by virtue

of a certificate or diploma issued by a national examining board, shall thereupon be given such a license."

SEC. 3. (a) The third sentence of section 23 is hereby amended to read as follows: "Each application shall show whether the applicant (a) seeks a license (1) on the basis of a license to practice medicine and surgery in the District of Columbia, under section 24 of this act; (2) on the basis of years of practice, under section 24; (3) on the basis of reciprocity, under section 25 of this act; (4) by virtue of a certificate or diploma issued by a national examining board, as provided in section 25 (a) of this act; or (5) on the basis of examination, under section 26; or (b) seeks registration as a person exempted from licensure, under section 42."

(b) The fourth sentence of section 23 is hereby amended to read as follows: "Each application shall be accompanied by a fee, as follows: For a license on the basis of a license to practice medicine and surgery in the District of Columbia, a fee of $1; on the basis of years of practice in the District of Columbia, a fee of $25; for a license on the basis of reciprocity, a fee of $50; for a license on the basis of a certificate or diploma from a national examining board, a fee of $25; for certification of applications for license by reciprocity in other jurisdictions, a fee of $10; for a license on the basis of examination, a fee of $25; for registration as a person exempted from license, a fee of $1; but physicians and surgeons of the United States Army, Navy, and Public Health Service, and medical officers in any other branch of the Federal Government whatsoever, and practitioners of the healing art residing within and licensed by States bordering on the District of Columbia, who do not maintain an office or appoint places where patients may be met within the District of Columbia, applying for registration as persons exempted from licensure in the District of Columbia, shall not be required to pay any fee in connection with any such application."

SEC. 4. The said act is further amended by inserting after section 25 a new section designated "SEC. 25. (a)" to read as follows:

"SEC. 25. (a) The commission may issue a license, without examination, to anyone holding a certificate or diploma from a national examining board: *Provided*, That the examination given by the national examining board was as comprehensive and as exhaustive as that required in the District of Columbia. The applicant for license on this basis shall submit with his application proof satisfactory to the commission that he is not less than 21 years of age; that he is of good moral character; that he has had not less than 2 years of preprofessional education and training in a college or university acceptable to the commission before entering on the study of the healing art; that he has studied the healing art through not less than four graded courses of not less than 9 months each, in a professional school or schools registered under this act, and has been graduated by such school with the degree of doctor of medicine, doctor of osteopathy, or some equivalent degree; and, if required by the commission, that he has had not less than 1 year of training in a hospital registered by the commission under this act: *Provided further*, That the license issued on the basis of a certificate or diploma from a national examining board shall so state on its face."

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word, and I ask unanimous consent to proceed for five additional minutes out of order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in a speech a few days ago made out on the west coast, Secretary Marshall frankly stated that if the election in Italy in April went communistic that such action would place the United States in a position where it could not continue further aid and assistance to Italy under a Communist government.

This utterance was made necessary as a result of the type of campaigning the Communists in Italy are engaging in—in this campaign they state to the people of Italy that America will continue its aid and assistance even if there is a Communist victory.

With such campaign arguments being made, it is only fair, proper, and, in fact, necessary that our country make its position known. The present foreign policy of the United States in the event of a Communist victory will not permit a continuance of the very substantial aid we are now giving to Italy. It is only fitting and proper that such Communist campaign deception be exposed now, before the election, so that the people of Italy will understand the position they force our country into in the event the Communists take over their government as a result of the coming election.

I might also say that the people of Italy should be frankly informed that if, as a result of this coming election, the Communists win to such an extent that they take over the reins of government, that for all practical purposes immigration from Italy into the United States will be sharply reduced to a minimum, if not practically banned.

If Italy votes for communistic control of government, in view of our law which prohibits any immigrant from being admitted into the United States who "advocates the overthrow of government by force and violence," and which unquestionably applies to a Communist, it would probably mean that very few persons would be admitted into the United States from Italy. It is a fact that very few, if any, are being admitted from any satellite Communist nation because of the very careful scrutiny and investigation that is made.

I feel that it is only fair and proper that the people of Italy be informed of the law of the United States in this respect before the election takes place and not be deceived by false promises of Communist campaign speakers.

In the world situation of today Italy plays a most important part. The coming election in April is one of world-wide significance. The basic issue involved in this election is the issue of the ages—"law or tyranny." Down through the ages the clarion call of those who believed in liberty of the individual, when liberty was threatened, has been "when law stops, tyranny starts."

It is a struggle that has faced mankind many times in the past. It is the battle that faces the world today. It is the issue the people and the voters of Italy in the coming election must face in the next few weeks.

The entire world of those who stand for law and progress, for the dignity of man, and the sacredness of the family life, as well as those who stand for totalitarianism and tyranny and the destruction of the dignity of the individual and of the family life, are watching with the greatest of interest—yes; more than interest—the outcome of this election.

It is hoped that the people of Italy will detect and repudiate the voices and the appeals of the false prophets in their midst, and that they will repudiate those who seek to have Italy turn its back on its classic heritage and its noble institutions which have contributed so much to the progress of mankind. This heritage and these institutions are just as essential to the world of tomorrow as their contributions have been to the world in the past 2,000 years.

Italy has been the leader in creating the western civilization. It leadership in our culture and our way of life, particularly from the spiritual aspect, goes back 2,000 years.

During that period of time, Italy has been subjected to many alien attacks on its spiritual leadership of the western civilization, but its people have never failed in such a crisis. They have always responded to the test and never failed; they always kept their faith in God and His laws.

The people of Italy are again being tested. I cannot picture them turning their backs on 2,000 years of leadership and steadfastness and turning from the universal religious nation of the western world to being the "tail of the kite" and the enslaved state of atheistic communism.

The people of Italy, at least, have some kind of a free election afforded them. Such was denied to Lithuania, Estonia, Latvia, Poland, Yugoslavia, and other countries under the domination of Communist Soviet Russia.

The Italians have the opportunity of defeating this alien ideology so foreign to their history, their traditions, and so destructive of their future.

In the efforts of Italy and its people to rehabilitate and reconstruct their country, the United States has played a very important part to date, and since VE-day we have spent over $2,000,000,000 for food, raw materials, coal, minerals, and so forth, for Italy. We shall continue to do so if there is a government in Italy that stands for law and human dignity.

The people of America have a strong feeling of friendship for the people of Italy, and we know the people of Italy have a strong friendship for us. This is a natural friendship, a traditional bond between our two peoples.

There is no such relationship between the people of Italy and the people of Communist Russia. There has existed through the years a traditional friendship between our two countries. We in the United States, and particularly those Americans of Italian blood sincerely hope and pray that the people of Italy will show in the coming election that between Communist Russia and free America they prefer to stand with America.

The United States seeks to help the people of Italy. We seek to build, not destroy. Our policy is the policy of peace, the only way that peace can be brought about. We have clearly indicated that we want to build, not destroy.

The purpose and objectives of Communist Russia is to destroy, and that has been clearly indicated by the fact of a large number of unfortunate nations which have fallen under Russian domination to date. If the people of Italy vote for a Communist government, they are in fact voting for Russian Communist domination of their government and of themselves.

They are voting for their own destruction.

If the people of Italy defeat the Communists at the polls and the Communists should attempt civil war, the United States, and other countries outside of the so-called iron curtain, such as Great Britain, will and, in my opinion, cannot and must not permit such efforts to prevail.

Liberty under law is the right each person possesses in accordance with the moral law. Liberty is a moral right. It is being threatened by an alien ideology that denies the existence of the moral law and it is being directly tested in the Italian elections. As on past occasions, when this same issue presented itself to the people of Italy, they met it successfully. The decent peoples of the world still look with hope and expectancy to Italy and its people to again meet the challenge successfully.

A defeat of communism means a strengthened continuance of the traditional bonds of friendship between the people of America and the people of Italy.

Mr. HARRIS. Mr. Speaker, I do not believe the gentleman from Illinois or anyone has explained the bill.

Mr. DIRKSEN. I do not know whether it was explained while I was in the cloakroom responding to a telephone call or not.

Mr. HARRIS. May we have an explanation of the bill by the gentleman from California?

Mr. ALLEN of California. Mr. Chairman, the bill H. R. 4636 has for its purpose conferring upon the Commission on Licensure the authority to license without examination persons who in addition to other requirements have been issued a certificate or diploma by a national examining board. The practice in some 43 States is to admit those who wish to engage in the healing arts on examination and certificate by such a board.

The practice has been in the District to request the national board to furnish both the questions and the answers of some applicant who has taken that examination, then adopt the examination for the District.

The Commissioners now ask that the pending bill be enacted, which would give the Commissioner on Licensure the right to take the certificate of a national examining board rather than to examine the examination papers themselves. This will bring the practice in the District in line with the practice in 43 or more States and is recommended to us by the District health officer, the District medical society, and the District Corporation counsel.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPROPRIATIONS FOR FOREIGN AID, WELFARE OF INDIANS, AND TAX RETURNS

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 355, making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. MICHENER). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent that the resolution be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. CANNON. Mr. Speaker, reserving the right to object, I take for granted that there is no disposition to curtail debate on this side of the aisle or to restrict the offering of amendments.

Mr. WIGGLESWORTH. Mr. Speaker, this bill is a very brief one, and I hope we can proceed with dispatch and to dispose of it quickly in view of the fact that the time element enters into the picture very materially. There is no disposition to shut off amendments.

Mr. CANNON. Mr. Speaker, with that understanding I have no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

Resolved, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN AID

Foreign aid: For an additional amount for "Foreign aid," $55,000,000, to be applicable to Austria, France, and Italy: *Provided*, That, notwithstanding the provisions of section 15 of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.), all funds appropriated for the purposes of such act shall remain available for obligation for the procurement of commodities for a period of 30 days following the date of enactment of this act.

Mr. CANNON. Mr. Speaker, I wonder if the gentleman from Massachusetts would let us have a general statement on the bill and explain it generally before we take it up for amendment?

Mr. WIGGLESWORTH. I shall be very glad to do so, Mr. Speaker.

The bill, as you will note, makes provision for three items and for three items only.

The first item makes available further interim funds for foreign aid, the purpose being to provide for the period between about the end of the week and the date when the long-range program goes into effect, the funds being provided here with the understanding that the equivalent may be deducted from the first year's appropriation under the long-range plan. The appropriation will eliminate any loss of time in the placing of orders.

The second item is an item for $125,000 for the welfare of Indians, the very heavy winter in the West having created a critical situation there for which there is no money available at this time.

The third item makes avilable additional funds for refunding Internal Revenue collections, the amount of funds available for scheduling for this purpose having just about been exhausted at this time.

The three items have been lifted out of a great many items which the Committee on Appropriations has had under consideration in connection with the deficiency bill which will soon be reported to the House. They have been lifted out and submitted to the House for its consideration at this time, because in each instance it appears imperative to make the funds provided for available immediately.

Under leave to extend my remarks, I include at this point in the RECORD extracts from the committee report:

FOREIGN AID

This item, $55,000,000, for aid to Austria, France, and Italy, is authorized by Public Law 389 of the Eightieth Congress. For these purposes, a total of $597,000,000 was authorized and of that amount $522,000,000 was appropriated in the third supplemental appropriation bill signed by the President on December 23, 1947. The State Department advises that it is necessary to appropriate the additional amount of $55,000,000 in order to meet urgent needs between the date when the appropriation of $522,000,000 will have been exhausted, about March 25, and the date when funds will become available under the European recovery program bill. The committee is also informed by the State Department that the amount of $55,000,000, appropriated in the accompanying resolution, will be offset by reduction in funds to be made available under the European recovery program bill.

WELFARE OF INDIANS

The extraordinarily severe weather during this winter has made unanticipated inroads on funds available for relief of needy Indians. There are now a number of extremely acute situations for which funds are urgently required. The committee has received a budget estimate of $125,000 for this purpose and is convinced that if real suffering, and possibly outright starvation, is to be avoided, the sum must be appropriated immediately.

REFUNDS OF INTERNAL REVENUE COLLECTIONS

For the fiscal year 1948 an appropriation of $1,231,000,000 was made for refunds of overpayment of taxes. Expenditures to December 31 total $404,000,000 and as of March 11, $697,000,000 had been disbursed or scheduled to the disbursing offices for payment since December 31, making a total for the year as of that date of $1,101,000,000. Claims in the amount of $107,000,000 were scheduled to the 26 disbursing offices in the field during the week ending March 11. If that rate continued, $21,000,000 per day, enough claims would have been scheduled to the disbursing offices by the close of business on March 19 to exhaust the entire appropriation. Departmental officials state that the rate is increasing, inasmuch as during the week ending March 4 claims to the amount of $91,000,000 were processed. There is a several days' lag between the scheduling and the actual issuance of checks by disbursing officers and it appears that the entire fund will have been expended before the end of March.

The committee has under consideration a deficiency estimate of $800,000,000. The rate of expenditure has increased rapidly during recent weeks and is in excess of the rate for comparable periods in previous years so that it is not now possible for the committee to determine just what amount may be required. Therefore the committee recommends an appropriation of $500,000,000 to meet immediate needs. The whole problem will be studied in connection with the general deficiency bill to be reported to the House within a short time. Now that all tax returns for 1947 have been filed, current data can be developed very soon and the committee should be in a position to estimate accurately requirements for the remainder of the year.

Mr. CANNON. Mr. Speaker, this bill is just another instance of too little, if not too late, and in some respects, some of it is already too long deferred.

That is especially true of the first item, the appropriation for foreign aid. We were told when the original appropriation came up under the authorization for foreign aid, that more money would be required than was appropriated, but the committee insisted on cutting down the amount in order to make a record of economy, and now we have to come back and make further provision for the money which should have been provided originally.

As a matter of fact, it is unfortunate that it is necessary at this late date to provide the money at all. The Marshall plan bill should have been passed long ago, and if the Marshall appropriation, from which this money is to be deducted, had been passed when it should have been passed, the situation abroad would be less tense than it is today.

Much of the rapidly growing unrest abroad is due to the insistent propaganda spread by Russian insistence over the air that America has never intended and ultimately does not intend to supply the relief provided by this bill, and that we were merely making promises we could not carry out—and would not carry out.

The unwarranted delay in carrying out our commitments and providing this money has been cited by Russia as corroboration of their charges of insincerity. And as a result the Communist campaign, in Italy especially, has gained momentum and the anti-Communist government in power has lost ground so steadily that the loss of the national elections set for April 18 by the De Gasperi government was becoming more and more probable. Only the brilliant diplomacy of Secretary Marshall and President Truman in advocating the cession of Trieste to Italy has relieved the situation. The money originally provided was too little. Let us hope that this belated appropriation of supplementary funds is not too late.

As to the second appropriation, the appropriation for Indian relief, the testimony is not conclusive.

There was some question in the committee as to whether the testimony submitted justifies either the procedure or the amount.

Like the preceding item, it comes belatedly. It should have been provided in the last deficiency appropriation bill, if provided at all. Spring is now at hand and the worst of the winter is over.

In the last item of the bill, Mr. Speaker, we are again on familiar ground. This item is further and even more striking and convincing evidence of the "too little and too late" policy followed by this Congress in providing for the minimum needs of the Government. It was thoroughly demonstrated when the bill came up in the last session that $800,000,000 at least would be needed to make refunds of overpayments of taxes. Nothing would have been lost by including it then. Notwithstanding the convincing presentation made at that time, the accuracy of which is conceded in the report accompanying the pending bill, the committee insisted on cutting off $800,000,000 and listing it as a saving. Now the chickens have come home to roost, and it is up to us now, under the spur of the emergency, to make the appropriation which should have been made originally.

The committee has insisted on taking two bites at the cherry, and if we have to make an additional appropriation for tax refunds in the regular deficiency bill which will be reported the last of this week, we will take three bites at the cherry. Then if this full amount is not sufficient, as now seems probable, we shall have to take four bites at the cherry.

In brief, we have not only had to hash and rehash this routine item over and over again and waste the time of the committee and the Department and the House to no advantage; we have not only broadcast over the country a false impression of saving $800,000,000 when we were saving nothing at all; but we have had to meet the deadline of April 1 and perhaps future deadlines, or put the Government to the expense of paying 6 percent on all refunds which this unnecessary and unwarranted depletion of funds made necessary.

This hurry-up-to-meet-the-deadline joint resolution, Mr. Speaker, might well be entitled the "Too Little and Too Late Bill."

The Clerk read as follows:

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Welfare of Indians: For an additional amount for "Welfare of Indians," $125,000.

INDIAN WELFARE NEEDS

Mr. CASE of South Dakota. Mr. Speaker, the appropriation of $125,000 for "Welfare of Indians" is included in this emergency bill to meet the critical needs which have arisen on some of the reservations in the northern Great Plains area, arising primarily, out of the extraordinarily long and severe winter. Testimony brought before us by the Office of Indian Affairs stressed the hardship on the reservations in North and South Dakotas, confirming reports which had come to me personally of the suffering that is taking place.

The committee without exception was sympathetic to the proposition of providing what was really needed.

They were just as unanimous, I think, however, in condemning the attitude reported that volunteer gifts of food and clothing were discouraged by officials of some reservations. Robert Lee, State editor of the Rapid City (S. Dak.) Daily Journal, wrote me:

I can definitely state that agency officials discouraged relief supplies—voluntary gifts—and that one superintendent told me funds had often been given to needy Indians who were able to work, but unable to find work, only to later discover these funds were not spent on food and clothing. He then said Rapid City and Custer would have been more helpful if its citizens had written our South Dakota congressional delegation and urged them to help get higher appropriations for the Indians.

Of course, Mr. Lee, as well as members of the committee, wondered if indeed it were not better to give food and clothing than to give cash if the cash-relief grants sometimes were not spent for food and clothing.

That line—that people should write the congressional delegation urging higher appropriations—is one with which Congress is becoming quite familiar. Entirely apart from the question of whether a Government official may legally lobby for appropriations, the practice is reprehensible.

Government officials have a proper and direct line for reporting the need for additional funds in any field of administration. It is through their own agency of Government.

And I think, Mr. Speaker, that it should be noted for the RECORD, that this item of $125,000 was acted upon by the Appropriations Committee within a day after the budget request was before us. We conducted hearings Saturday morning, and the item was included in this emergency bill reported to the full committee this Monday morning, and now being passed by the House this Monday afternoon. The prompt response by our committee and the House of Representatives will be noted and appreciated.

Mr. STEFAN. Mr. Speaker, what has been said regarding Indians in South and North Dakota can in many ways be related to conditions among the Indians in Nebraska. The Winnebago, Omaha, Ponca, Santee-Sioux reservations are in my congressional district. There are about 5,000 Indians on those reservations and about 1,000 additional Indians come and go. Many of these Indians participated as soldiers and sailors during the last war. Many of them worked in war plants. These plants now having closed down resulted in many of the Indians losing their jobs and they have returned home. Recent reduction in farm prices also resulted in many of the Indians losing their jobs as farm hands. So we find quite a few of them without employment. I have been assured that of the $126,000 requested here for relief and welfare some will be available for the immediate needs on the reservations to which I have referred. I wish to assure the House this amount is needed.

The Clerk read as follows:

TREASURY DEPARTMENT
BUREAU OF INTERNAL REVENUE

Refunding internal-revenue collections: For an additional amount for "Refunding internal-revenue collections," $500,000,000.

Mr. GORE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GORE: On page 2, line 19, strike out the figure "$500,000,000" and insert "$800,000,000."

Mr. GORE. Mr. Speaker, I am sure my colleagues will remember the blare and constancy of predictions and publicity last year about how the budget was going to be slashed, or cut or "meat axed." The House even went so far as to formally pass a resolution to reduce the budget by $6,000,000,000.

Beyond the resolution stage, however, the going became tough and the vaunted economy drive bogged down.

One big reduction was made, however. From the budget for one small agency $800,000,000 was cut. Eight hundred million dollars is a lot of money and particularly a lot of money to be cut from one agency and from one single purpose. This one slash was larger than the combined reductions made in the Departments of Agriculture, Interior, State, Justice, Post Office, and Navy, plus several independent agencies. So you can see that the Republican leaders were really swinging their axes wildly and cutting deeply when they reached this item.

By such a large reduction one would think that surely a major agency of government had been abolished. But strange as it may seem, no bureaucratic agency was abolished; not one bureaucrat was severed from the public pay roll; and stranger still, not one taxpayer's dollar was saved. But the distinguished gentleman from New York [Mr. TABER] listed it as the largest reduction made by Congress last year.

This tremendous cut, the largest by all odds made by the Republican Congress, was made in money to pay tax refunds.

It was with no avail that some of us warned that this was a "phony" claim to economy, that not one dollar would be saved by it, and predicted that our Republican friends would be bringing in a deficiency appropriation bill providing funds to make tax refunds. If by some mistake you and I or some other taxpayer make an overpayment of our taxes, we are entitled to have that amount repaid to us and promptly. Several million people have just claims for refunds and I doubt if this Congress wants to deny or delay them.

Now what is the situation today? According to the committee report, which has just been corroborated by the statement of the chairman of the subcommittee, the Internal Revenue is now without monies to make further tax refunds. This is an intolerable situation. So we have this bill make an emergency appropriation of $500,000,000 for tax refunds. This, however, is still inadequate. I regret that the hearings before the subcommittee are not available in order that the membership might know just what the Internal Revenue Bureau officials testifie dto regarding this item. Being without that knowledge, I telephoned the Bureau this morning and was informed that they fully anticipate needing every dollar of the 800,000,000 which has been requested. Indeed, Mr. Speaker, the indications are, as I see it, that more than the 800,000,000 will be needed rather than less. The Bureau officials told me further that $600,000,000 would be needed for disbursement in the month of April. We are left in the anamalous position of passing an emergency appropriation bill in the amount of $500,000,000 when we are advised that at least $600,000,000 will be needed next month alone. Unless we appropriate sufficiently now, it will be necessary for us to consider another emergency appropriation bill almost immediately in order not to interfere with prompt payment of tax refunds. I have offered an amendment to increase the appropriation from $500,000,000 to $800,000,000. I hope it is adopted.

The distinguished gentleman from Missouri has referred to this as taking two or three or more bites at the cherry. That is an apt illustration. The passage of this bill by my Republican friends, however, is a diet something more unpalatable than cherries. It is eating legislative crow.

The SPEAKER. The time of the gentleman from Tennessee [Mr. GORE] has expired.

Mr. GORE. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GORE. I recognize that this is a day of high prices and that substitutes for high-priced items are in order. Some substitutes have proven fairly satisfactory, but this business of eating crow, as the Republican majority is doing today, in presenting this urgent deficiency appropriation for tax refunds, has been tried down through the ages without success. Cooks have tried various condiments and concoctions but they have not yet found a way to make it savory or palatable.

In the first place, I might warn my Republican colleagues, whose appearances even now suggest dyspeptic symptoms, that crow definitely is not good for human consumption. In the first place, it is tough. One must chew it and chew it and still chew it some more before summing up sufficient courage to swallow it. And yet it does not taste good, either. In fact, from my limited experience eating it, I can testify that it is quite unpleasant and the more one chews it the worse it gets. Nevertheless, since one is obligated to chew it a long time before his courage to go through with the act is sufficiently steeled, there is no way to avoid progressive unpleasantness. To be sure, a great deal of fortitude of the intestinal variety or plain necessity is required to eat crow.

It is a little hard to digest, too. Serious cases of dyspepsia have been known to result with various and sundry pains to the anatomy, particularly pains in the neck.

The effect is the same, whether the crow is eaten literally or figuratively.

Mr. Speaker, I do not believe my colleagues on the other side of the aisle really enjoy eating crow. What I cannot understand is why they want to force themselves to have a second helping of this unsavory bird. Unless sufficient appropriation is now made to make tax refunds, they will have to go to the doctor the second time. I am not a physician but I think I can give you the prescription that any competent physician would prescribe either as a cure or a preventive. It is sound and sensible fiscal policy, without sleight-of-hand bookkeeping or other efforts to mislead the people.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. GORE. I yield.

Mr. CANFIELD. I just wanted to ask the gentleman if he will be good enough, since he is writing prescriptions, to tell us why he has been suffering from a Charley horse for the last 3 weeks.

Mr. GORE. Trying to keep up with the various irresponsible meanderings of the Republican gentleman's party on fiscal policy. The curves were too sharp and it jerked a serious Charley horse. But I have recovered and I am still on your trail.

Indeed, my mental processes have been put to sore test, especially by this procedure. When the gentleman's committee brought in the bill making appropriations for tax refunds last year, the report alleged that less money would be needed for tax refunds because taxes were going to be reduced. But only last week the gentleman said that this year his committee was deferring consideration of the item for tax refunds until after action was taken on tax reduction because if taxes were reduced more money would have to be appropriated for tax refunds. Is it any wonder that any Member would have a Charley horse, mental or physical, trying to follow that sort of reasoning?

Again, I ask you, why do you want to repeat your farcical procedure? You know, you admit in your report that more money will be needed, and it will be needed before next month is out, and you will be in with another urgent deficiency—a second helping of crow.

I offer this amendment in order that we may act sensibly and sanely and quit trying to mislead the American people. If delaying tax refunds has any effect at all it will increase expenditures because we have to pay 6 percent on overpayments not refunded. There is no question of economy here. I have sought to change this 6-percent requirement but to no avail.

I hope that the majority will not add to the deficiencies of legislative skill which it reveals in seeking deficiency appropriations of this type by repeating the mistake which brought the pending bill before the House.

Mr. Speaker, I call upon my colleagues of the majority to abandon their policy of deficiency just this once for the policy of efficiency.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks following the consideration of that paragraph relating to the welfare of Indians and to include therein some excerpts from material offered during the hearings on this bill before the deficiency subcommittee.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD following the gentleman from South Dakota, as above indicated.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I rise in opposition to the amendment and ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The gentleman from Illinois is recognized for 10 minutes.

Mr. DIRKSEN. Mr. Speaker, I am always edified by the anatomical and medical disquisitions of my genial friend from Tennessee. He reminds me somewhat of a medical student I knew way back in the days when I was in college. He had become very adept in surgery but he knew nothing of anatomy; and so he is trying a surgical operation without anatomical preparation to pave the way.

I doubt very much if I would interpose in this discussion if it were not for the purpose of keeping the record straight. Let me direct your attention first to the observation of my esteemed friend the gentleman from Missouri [Mr. CANNON]. He said that the operation of the Subcommittee on the Treasury and the Post Office in dealing with tax refunds was wholly on a guessing basis. As a matter of fact, the guessing was on the side of the Treasury Department, and if anyone cares to go back and examine the responses to the questions and carefully explore the hearings he will discover that one question after another—and very direct questions indeed—were addressed to the research experts of the Treasury Department and to the bureau officials. We asked them in relation to this estimate for refunds: "How did you get the amount?" Well, it was just that, it was based on experience; but at long last there came that $64 response, it was a guess. We tried to get the details, how was it compounded, how did they make it up, how many returns did they examine, can you not give us some indication? You know a child in school after arriving at the answer to an arithmetic problem will nearly always be asked by the teacher: "Now, tell us how you arrived at the solution of this problem." And that is all that we were asking for at the hearing; but there was not an iota or scintilla of evidence or testimony to indicate that it was one thing more than a guess. They estimated the amount needed and came down with this amount. Consequently, the Subcommittee on the Treasury and the Post Office was eminently justified on the basis of the testimony in making its own estimate of the amounts needed.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. WIGGLESWORTH. I call the committee's attention to the fact that the sums actually expended in the first 6 months of the fiscal year amounted to $404,000,000, or about one-third of the funds made available for the period of 12 months.

Mr. DIRKSEN. That is exactly correct.

Let us look at this bill for a moment. The tax-refund appropriation became available on July 1, 1947, and in the normal course of the next year would be exceeded or expended or there would be a deficiency by June 30, 1948. Now, then, the same bureau personnel was there all the while from July 1, 1947, until the present time. So it is to be assumed as a reasonable figure that they addressed themselves to the business of estimating the amount of refunds and then the amount of overpayment. In the 24- or 25-week period from July 1, until December 31, they show you $404,000,000 or, roughly, $65,000,000 a month for the first 6 months of the present fiscal year since January 1. They have now jumped up to $70,000,000 a week. Now, you know, that is lavishness, that is generosity, indeed, in handling that money. The contention I made in the full committee meeting this morning, and the contention I reaffirm to you now, is that I would like to see the subcommittee take another look at this whole matter. How strange it is that in the first 6 months of the fiscal year, we were disbursing on schedule $65,000,000 a month, but since January 1, we have been disbursing $70,000,000 a week, and they expected to push that up to $100,000,000 a week.

Now, I would not for a moment directly or indirectly reflect upon the operations of that Department. But surely this change of pace merits more exploration than this matter has received.

There is another reason why I would like to see this Deficiency Committee take another look. It is a rather strange thing that 5 percent of all the taxes goes back in the form of refunds. That is a rather extraordinary situation. What is wrong? It should be substantially less. I will tell you what is wrong. Under existing law, from the day that you overpay on your income-tax return, you get 6 percent on the money that is returned to you. Show me a bank that can equal that as a source of investment. Show me any municipal bonds on which you can get 6 percent today. Show me any corporate bonds on which you can get 6 percent. But Uncle Sam will pay you 6 percent on the overpayment. It is just barely possible, of course, that there are some folks in the country who think it is a great idea to overpay Uncle Sam and get this 6 percent, twice as much as you can get in the bond market, and certainly more than you can get on the stock market today.

I would like to have them take a look at the interest rate and at the overpayments, because I fancy that in proportion as this 6 percent is eliminated or cut down, the overpayments will decrease and the operation of this Government so far as the Treasury Department is concerned will be improved.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Why does the Treasury pay 6 percent on these overpayments?

Mr. DIRKSEN. I presume the reason is that nobody has bothered as yet to go into the matter. I made a proposal some years ago to explore it; but it has carried on year after year. If you cannot charge it to anything else, you might charge it to the inertia of the Congress itself.

Mr. CRAWFORD. It seems to me that the liability rests right here.

Mr. DIRKSEN. Definitely.

Mr. CRAWFORD. It rests in this branch of the Congress first, and we should start on an appropriation bill, if necessary, in order to prevent the payment of that interest. There is no question but what people overpay their taxes in order to get the 6 percent. Why should we not all do it if that is the way the game is to be played?

Mr. DIRKSEN. So, Mr. Speaker, I respectfully suggest to the House that the amendment offered by the gentleman from Tennessee be rejected.

The bill provides $500,000,000 with which to operate. The committee did set out very explicitly in its report that it is going to have another hearing. So there are some things that ought to be carefully explored in order that all the facts may be adduced. It is a question of having a better look, rather than taking one bite out of a cherry or two bites or three bites. I am glad to take a half dozen bites at the cherry if it will be in the interest of John Q. Public and the taxpayers of the country.

Mr. Speaker, I respectfully suggest that the amendment be voted down with gusto.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent that all debate on the pending amendment and all amendments thereto do now close.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Tennessee [Mr. GORE].

The question was taken; and on a division (demanded by Mr. GORE) there were—ayes 16 and noes 57.

So the amendment was rejected.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks and include a statement from the committee report.)

AMENDING INTERNAL REVENUE CODE

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5065) to amend section 1700 (a) (1) of the Internal Revenue Code so as to exempt hospitalized servicemen and veterans

from the admissions tax when admitted free.

The Clerk read the title of the bill.

Mr. MARTIN of Iowa. Mr. Speaker, this bill has been approved unanimously by the Committee on Ways and Means.

This bill would exempt from payment of the present 20-percent admissions tax levied under section 1700 (a) (1) of the Internal Revenue Code, free admissions furnished to hospitalized service personnel and veterans hospitalized in any Government hospital or institution. Thus, it restores, in part, an exemption from this tax which was applicable during the war period in the case of free admissions to military and naval personnel when in uniform, limiting the exemption, however, to free admissions in the case of a particular class of service personnel and veterans.

The general effect of the bill will be to permit many thousands of hospitalized service personnel and veterans to attend a wide variety of sporting events, entertainments, and other educational and recreational functions through the courtesy of free-admission privileges. These privileges, however, to qualify as a basis for the exemption under this bill, must be extended by the operator of the place to which admission is otherwise charged. In view of the fact that the season for many highly enjoyable outdoor spectator events is about to open, your committee feels this bill is not only unique, and one of the most deserving of its kind, but that its early enactment is imperative.

In the case of persons admitted free or at reduced rates to any place at a time when, and under circumstances under which an admission charge is made to other persons, existing law requires, nevertheless, that a tax shall be collected based on the price so charged to such other persons for the same or similar accommodations, to be paid by the person so admitted. Exceptions to this rule are made in the case of bona fide employees, municipal officers on official business, and children under 12 years of age. This bill, in effect, simply adds to these three excepted classes of individuals two others, namely, hospitalized service personnel and certain hospitalized veterans, if in either case, they are not on leave or furlough.

Mr. Speaker, I see the author of the bill, the gentleman from Indiana [Mr. MITCHELL], present. I will be glad to yield to him if he desires time.

Mr. MITCHELL. Mr. Speaker, I would just like to take this opportunity to compliment the committee on the expeditious and very thorough manner in which they have handled this bill all the way through.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1700 (a) (1) of the Internal Revenue Code (relating to the tax on amounts paid for admission) is amended by adding at the end thereof a new sentence as follows: "No tax shall be imposed in the case of admission free of charge of a hospitalized member of the military, naval, or air forces of the United States or of a veteran hospitalized in a Government hospital or institution, except when such member or veteran is on leave or furlough."

SEC. 2. The amendment made by this act shall be effective on and after the first day of the first month which commences more than 20 days after the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD.

Mr. KING asked and was given permission to extend his remarks in the RECORD and include a statement made before the Committee on the Merchant Marine and Fisheries.

Mr. FOOTE asked and was given permission to extend his remarks in the RECORD on the subject of oleomargarine tax.

Mr. BUTLER asked and was given permission to extend his remarks in the RECORD.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the Appendix of the RECORD and include two letters on unconditional surrender.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. ELLIOTT] is recognized for 30 minutes.

DIGIORGIO FARMS STRIKE

Mr. ELLIOTT. Mr. Speaker, I am asking for this time in order to call your attention to a very serious condition that has existed in my State for nearly 6 months in connection with the picketing of the DiGiorgio Farms started October 1, 1947. Picketing of the farms has been the source of numerous articles and statements in many papers throughout the Nation. There has been a lot of false propaganda and misrepresentation given out by irresponsible and uninformed writers.

We talk about production and cooperation and trying to help the American farmer, but here is a case where communistic activities are connected with a program of picketing the DiGiorgio Farms in Kern County, Calif. The entire community has been aroused, to the point that a committee was appointed to make a thorough investigation and report the facts.

Former Secretary of the Interior Ickes was able through his miserable propaganda column to put out a report throughout the Nation making such charges as: the farm workers were not being treated fairly, that there were lice in their beds, the food was bad, the living conditions were bad, and that there were no churches or recreational facilities; in other words, that the laborers were being treated most terribly.

This afternoon I am going to give you as complete a story as I can. I am going to present to the House a petition signed by 1,200 farm workers showing the feeling of those workers. It is high time the Members of the Congress realize, when we talk about helping those abroad, that this picketing of one of our most productive farms is only the beginning of serious trouble. If this labor union is able to continue to picket this farm—and we know what they have in mind—when the summer months come we shall have a slow-down of production of all farm products throughout our Nation, because this is just the beginning of what they have in mind to do.

They first charged that there were Mexican nationals working on this farm as strikebreakers. I will show you a statement from the representative of the Federal Government on the conditions and the agreement between the DiGiorgio Farms and our own Federal Government as to the treatment of those people. I shall also read a statement from the sheriff of Kern County, who has been on the farm practically every day since October 1, 1947. I commend him for the fine job he has been able to do in keeping bloodshed and violence down to a minimum. There have been tense moments in that county, especially when over a thousand workers were interfered with.

Can you realize a condition existing during the harvest season, on this large farm, where a few outside pickets stopped a Santa Fe train and caused it to back up to the city of Bakersfield rather than go through the farm to distribute some iced cars so that the farmers beyond this farm could put in their produce? That has been a condition under which those people have been laboring in the State of California since last October.

To begin with, a committee was set up, since the community was aroused, and the committee made a report. There is here a letter answering some questions Mr. Ickes had asked through his propaganda column that went out to many papers throughout our Nation. A gentleman from Georgia wrote to one of the citizens of Kern County, and I will put this letter in the RECORD:

A COMMUNITY AROUSED

Kern County, Calif., is one of the first 10 counties of the United States in agricultural production. Even so, it is still learning and growing, and it is still peopled by the pioneers who built it.

In 1947 Kern County heard of the National Farm Labor Union for the first time. An A. F. of L. affiliate, it was headed by H. L. Mitchell, national president, formerly a member of the executive committee of the Southern Tenant Farmers Union, an affiliate of the CIO, and according to pages 679 to 682 of the 1938 report of the House Un-American Activities Committee, an associate in that CIO venture with Donald Henderson, a known Communist.

Early in 1947 a man named Hank Hasiwar, western organizer for this newly formed National Farm Labor Union, boldly announced he was going to attempt to organize all of the farm workers in California. Newly arrived from Texas, Hasiwar began holding mass meetings in farm communities, supported by a few of the local labor unions in Bakersfield, the county seat.

Hasiwar picked DiGiorgio Farms, pioneer development in the extreme southern portion of the fertile San Joaquin Valley, for his focal point in the first drive.

With the coming of the grape harvest, Hasiwar demanded the farm adopt and accept industrial-unionism control of the workers on the farm, under threat of a strike at harvest time. The demands were ignored.

Picket lines were placed on the ranch October 1, 1947, in an unsuccessful attempt to stop grape picking and packing. Mitchell then arrived from Tennessee to inspect the picket lines and then began issuing propaganda press releases on a national scale. Even train crews bringing cars to the packing shed were stopped until their own union committee investigated the "strike," after which they went through the lines. A union crew at the DiGiorgio winery is still going through the picket lines.

Failure to stop the harvest brought extravagant propaganda claims from the union, then Nation-wide circulation of defamatory statements about farmers and the way they were "treating" farm workers.

Finally Kern County, as a community, became aroused as inquiries began to come in from many places.

This is Kern County's answer to one portion of the slanderous attack.

[Excerpt from a letter of C. A. Cobb, owner, Ruralist Press, Atlanta, Ga., written November 28, 1947]

Mr. W. B. CAMP,
Bakersfield, Calif.

MY DEAR BILL: * * * [Here is] a statement appearing on the right-hand editorial page of the (Atlanta) Constitution yesterday. Mr. Ickes is deeply concerned over the situation at Arvin, and, like everything else that he deals in, he knows little or nothing about it; shows no understanding, yet is willing to tell the world exactly how it all ought to be managed. I wish you would read the article very carefully and check it against the facts and that you would let me have those facts.

I also place in the RECORD a statement made by Mr. Ickes which is as follows:

[Copy of column in the Atlanta Constitution, Thursday, November 27, 1947]

PLIGHT OF THE MIGRANT FARM LABORERS

(By Harold L. Ickes)

In the tradition, if not the spirit of the Pilgrim Fathers, the Nation today will offer up a special thanks for its obvious blessings. It will give thanks for the feeling of content and security that derives from our vast national cornucopia overflowing with golden corn, wheat of the color of falling leaves, to say nothing of the plentitudes of nuts and luscious fruits.

Yes, America may well say grace in round and sonorous phrases today. But it is not likely to give even a fleeting thought to the desperate plight of the more than 2,500,000 migrant farm laborers whose calloused hands harvested this bounty against the coming of Thanksgiving.

I have said before that food and aid for starving western Europe are unquestionably necessary, and that America can and must provide both. But we should not allow the vastness of this critical problem across the seas to blind our eyes to an equally dire, if less widespread, need for succor at home. It is generous of us to help the stricken of other lands; it would be only simple justice that we also render aid to our own. We can do both.

Millions of Americans do not even know that migrant labor constitutes one of our persistent problems. The notorious name of the Associated Farmers of California means nothing to them. Neither does the fact that migrant farm laborers are being treated more shamefully than were their prototypes in the dark ages. I suspect that I will not be spoiling a holiday dinner if I should introduce the public to a migrant farm family, typical of hundreds of thousands of actual farm slaves in the West.

In the fashion, then, of Ebenezer Scrooge, if you will take my hand, we will visit a hovel in the Arvin Labor Camp, near Bakersfield, Calif. * * * Ah, here we are. This is the home of John and Stella Gorman and their four children—Nora 10, George 7, Mable 2, and Gladys, under 1.

As you can see, the Gormans have just finished saying grace. They obviously are thankful for the crusts on their table, as it is all that they have. Their home, as you will see, is a one-room shack, the pot-bellied stove and the electric light bulb are the only household equipment provided this hapless family by a miserly landlord.

The Gormans share plumbing facilities with several dozens of their fellow laborers in an unhygienic community building, which we will avoid. Those are home-made beds in the corners, covered with cheap chenille. That calendar on the wall is, of course, an ornament. Days mean little to farm slaves. The table on which rests their travesty of a Thanksgiving dinner is crudely constructed from chance boards. Mr. Gorman and his wife pay $5 a week rent. But they will not be able long to afford this, because they are unemployed.

With 1,500 other members of the National Farm Labor Union, A. F. of L., they are out on strike against the DiGiorgio Farm Corp., an outfit which grows plums, apricots, and grapes. The human chattels quit work to force their employer at least to agree to discuss such (to them) life or death matters as better hours, an increase in the pittance they call wages, and more acceptable working conditions. Included among the strikers were 140 Mexican nationals working under contract between the Mexican and the United States Governments.

These serfs sought to walk out along with others, but they were prevented by the orders of arrogant officials of the United States Department of Agriculture. In effect, those officials threatened: "Either act as strike-breakers here or be deported to Mexico." This high-handed action brought protest from the Mexican Embassy to the State Department, resulting in a promise that the Mexicans would be removed from the strike-bound area.

Meanwhile, the DiGiorgio Corp. is able to operate on a reduced scale. Naturally the agricultural slaves are the chief sufferers. Until now the Gormans have maintained a roof over the heads of their children. We will not examine the roof too closely, but the climate is a dry one. The family has no money, but it is accustomed to this, as are the other strikers. There is no church to attend, no medical services, no recreational facilities. During the war the Federal Government saw to it that a few of these migrant families were decently housed. But peace brought the end of this unwanted consideration.

What remain of Government-built labor camps have been either leased or sold. The gentle Associated Farmers leased the Arvin Camp, where we now are, and at once raised the rents and abolished all comforts and services. Long hours and meager pay are their ideas of social obligation. But we must leave the Gormans to their hopes and dreams of a better day and return to our Thanksgiving Day dinners, the first one of which, indulged in by the Pilgrim Fathers, was made possible by the great-hearted Massasoit. Take my hand again, while we whisk back to the hearthside of a happy, well-fed America. We will drink a toast to the richest Nation on earth.

W. B. CAMP & SONS, INC.,
Bakersfield, Calif., December 19, 1947.

Mr. C. A. COBB,
Owner, Ruralist Press, Inc.,
Atlanta, Ga.

MY DEAR CULLY: Your letter of November 28, enclosing a copy of the statement made by Harold L. Ickes in his column in the Atlanta Constitution on Thursday, November 27, is very much appreciated.

I am not alone in my appreciation of your interest in sending this to us because it has been the subject of considerable discussion among the farmers of Kern County.

First let me say that while we are all, as farmers, concerned about the inflammatory, untrue propaganda statements made by Ickes about our particular agricultural area and the people who live in it, I think on the other hand those of us who have helped build this community take some pride in being blasted by the incorrigible Ickes and take a pride in joining that ever growing throng upon whom he vents his ire.

For it seems to us here, that in being placed with that group, we are being placed among the people who have made America great through belief in working and fighting for free enterprise and a free people, as opposed to bureaucratic governmental controls by the crackpots and the left-wingers.

A number of our community leaders were so incensed by the Harold Ickes article that a committee was voluntarily formed of men from various civic organizations of the community—men who are members of our Rotary Club, our Bakersfield Chamber of Commerce, our Kern County Chamber of Commerce, our Kiwanis Club and headed by the publisher and general manager of our local daily paper, which as you know, is the leading newspaper of the southern San Joaquin Valley.

This committee was formed for one sole purpose—to go to DiGiorgio Farms, there to personally make their own study of the true facts of the situation as compared with the statements made by Ickes.

The facts of the matter are that what Ickes calls a "strike," is in actuality an invasion of Kern County agriculture headed by outsiders, using the name of A. F. of L. National Farm Labor Unions, but using similar tactics to Communist agitators in an attempt to organize workers who do not want to join the union, and impose industrial unionism on seasonal agriculture with an attempted stoppage of the harvest.

Harold Ickes in his own inimitable way is parroting the statements of the out-of-State leader of this incited disturbance—a man who has failed in his task and is now desperately attempting, through national publicity, to collect a tremendous war chest from labor unions all over the United States, to use in a campaign for left-wing labor dictatorship over our agriculture.

Ickes' statement is as far fetched as John Steinbeck's Grapes of Wrath. And with your having been out here and visited these very farms on which these occurences have taken place, I am sure that you can bear witness with us that our wage scales are higher, our living conditions better for our farm workers than in any place in the United States.

In fact along with the other farmers of our community, I am very proud of the progress we have made in building a community composed of farmers and farm workers, where mutual concern for the community has resulted in one of the most highly productive agricultural areas in the world and a prosperous community for all.

Naturally we object and fight when left-wing labor agitators attempt to utilize the sympathy of the American public to force us to bow to their dictatorial demands and give them control of our economy.

This picket line on the DiGiorgio Ranch is propaganda and partly an attempt to force simultaneously, the company to sign a closed shop contract, and the workers to join the union to pay dues. The attempt has failed and the labor union has grown hysterical in its statements, resulting in parroting by such people as Ickes, who completely disregarded facts in an effort to go all out sensationally on the theory that more and more bureaucratic control is what we need.

I am attaching hereto the report of the committee which I mentioned earlier in regard to their investigation of Ickes' statement and the actual facts of the matter. In fact, one of the members, Harry G. Thompson, is president of the National Cotton Ginners' Association and will be in Atlanta in January for a meeting of that group. I have asked him to look you up and I hope that you can arrange a luncheon discussion of this subject with the editor of the Constitution.

Sincerely yours,

W. B. CAMP.

SPECIAL COMMITTEE MEMBERS

Walter Kane, chairman, publisher and general manager, the Bakersfield Californian; member, Bakersfield Rotary Club.

C. L. Whelden, merchant; operator of Whelden's Markets; member, Bakersfield Kiwanis Club.

G. B. Crome, merchant and radio station owner; the Bakersfield Hardware Co.; Radio Station KAFY, Mutual Broadcasting System affiliate; member, Bakersfield Rotary Club.

Harry G. Thompson, owner and operator Weed Patch Gin; president, National Cotton Ginners Association; member, Bakersfield Rotary Club.

J. K. Thrasher, owner, Thrasher Motors Co., member, Bakersfield Rotary Club.

C. P. Lake, Western Oilfields' Supply Co.; past president, Kern County Chamber of Commerce; member, Bakersfield Rotary Club.

Richard Leask, manager, Greater Bakersfield Chamber of Commerce; member, Bakersfield Rotary Club.

A. H. Walker, farmer; chairman, agricultural committee, Kern County Chamber of Commerce; past president, Kern County Farm Bureau.

E. G. Buerkle, farmer; president, Kern County Farm Bureau.

Frank Jeppi, International Feed & Fertilizer Co.; cotton ginner and cotton merchant; member, Bakersfield Rotary Club.

John J. Kovacevich, vineyardist and orchardist; past president Arvin Civic Club.

A REPORT

On Thursday, November 27, 1947, a number of newspapers in the United States, among them the Atlanta Constitution, of Atlanta, Ga., carried a syndicated column written by Harold L. Ickes, in which a great deal of space was given to the plight of migrant farm laborers in Kern County.

We, the undersigned members of a special committee, believing such erroneous information being distributed nationally by a public figure is detrimental to our community, have personally investigated the situation referred to by Mr. Ickes and hereby report our findings as related to Mr. Ickes' statements:

Mr. Ickes says: "With 1,500 other members of the National Farm Labor Union, A. F. of L., they are out on strike against the DiGiorgio Farms Corp., an outfit which grows plums, apricots, and grapes."

The facts are: Labor organizers placed a picket line on the ranch October 1. The workers did not strike. Of 1,445 persons employed at the time, 540 of them reported for work the day the picket line was established and that number grew daily after that. An economic survey of the southeastern San Joaquin Valley, prepared early this year for the Kern County Board of Supervisors and the Water Resources Committee of the Kern County Chamber of Commerce shows that on DiGiorgio Farms in the same month of 1946, no transient farm labor was employed and only 110 resident temporary workers were used with all other workers employed being permanent labor. This same report shows that 91.7 percent of all labor required on the DiGiorgio Farms is permanent worker filled; 6.8 percent is filled by resident temporary workers, and only 1.5 percent is filled by transient workers throughout the entire year.

Mr. Ickes says: "The human chattels quit work to force their employer at least to agree to discuss such (to them) life-or-death matters as better hours, an increase in the pittance they call wages, and more acceptable working conditions." "Days mean little to slaves."

The facts are: Employees at DiGiorgio Farms receive the highest agricultural wages paid in the community, with the minimum wage being 80 cents an hour. The average wage of all the workers employed at DiGiorgio Farms during the month of October 1947 was $202.47. Official Government reports show the average monthly pay of farm workers in California is $192, and in the United States $112.

Mr. Ickes says: "Included among the strikers were 130 Mexican nationals. * * * These serfs sought to walk out along with the others * * *."

The facts are: At no time did any of the Mexican nationals join in any of the activities of the picket line. Instead, they kept at work; and when the labor leaders demanded they be returned to Mexico, these nationals, using the sheriff of Kern County as their interpreter, signed statements stating (1) their satisfaction with working conditions on the DiGiorgio Farms, (2) their desire to complete their contract with the ranch, and (3) their desire to return in 1948 if it is possible."

Congressman ALFRED J. ELLIOTT (Democrat), representing this district, personally investigated the situation at that time, and was quoted in the Bakersfield Californian as follows—October 18, 1947: "I have visited the DiGiorgio Farms on two occasions, where there is picketing by outsiders in an effort to cause trouble with inside workers and Mexican nationals. To date, with imported picket lines, they have not succeeded in efforts to cause inside workers to leave their jobs. * * * If there were sufficient laborers to harvest the agricultural crops of California, I would be the first to ask the removal of the Mexican nationals, giving our own people the employment."

Mr. Ickes says: "Meanwhile the DiGiorgio Corp. is able to operate on a reduced scale."

The facts are: That while operations of picking and packing fruit were slowed down the first few days of intimidation with mass picketing at the farm, as soon as it was evident the law-enforcement officials would be present at all times to prevent mob action with violence, additional regular employees of the farm reported for work so that normal operations were resumed within 3 days. The work of harvesting the grape crop was completed and normal pruning operations in the orchards and vineyards have begun.

Mr. Ickes says: "Their home (John and Stella Gorman and family—as you will see, is a one-room shack, the pot-bellied stove, and the electric-light bulb are the only household equipment provided this hapless family by a miserly landlord."

The facts are: There is no basis for the implication that the Gormans live, or have ever lived, on DiGiorgio Farms. The Gormans lived several miles from the farm in housing which DiGiorgio Farms does not, nor has ever owned or controlled. Implications and statements of abject poverty do not check with pay-roll records. Gorman works in various harvests of the area, potatoes, fruits, and grapes. DiGiorgio Farms pay-roll records show that in his last employment there, Gorman worked a total of 65½ days during the grape harvest, earned a total of $419.60, an average of $6.40 per day, or $167.84 per month. It is emphasized that he did not work full time at DiGiorgio Farms during this period.

Mr. Ickes says: "There is no church to attend * * *."

The facts are: Within a radius of 7 miles (most are 3 to 4 miles) of DiGiorgio Farms there are the following churches which conduct regular services: Three Baptist, one Methodist, two Assembly of God, one Catholic, one Congregational, one Gospel Tabernacle. During the time of employment of Mexican nationals, they were provided free bus transportation to church services. Free bus transportation is also provided for children who wish to attend Sunday school when their parents do not care to drive in to town.

Mr. Ickes says: "No medical services."

The facts are: An eminently qualified physician and surgeon, Dr. D. H. DeSmet, has lived on DiGiorgio Farms for more than 10 years, serving the surrounding communities.

Mr. Ickes says: "* * * no recreational facilities."

The facts are: Excellent recreational facilities are available at DiGiorgio Farms and surrounding communities. The DiGiorgio Farms softball team, sponsored by the farm, with uniforms, equipment, and transportation furnished by the farm, won the Kern County softball championship in 1947. DiGiorgio Farms donated 40 acres of its best land plus $150,000 in cash for improvement of the public school on the farm, including the best recreational facilities, playgrounds, gymnasiums, and modern equipment. Tennis courts and other game facilities are maintained on the farm. Sports and recreational activities are encouraged on the farm.

Mr. Ickes says: "What remains of Government-built labor camps have been leased or sold. The gentle Associated Farmers leased the Arvin Camp, where we now are, and at once raised the rents and abolished all comforts and services."

The facts are: When Congress decided against continuation of Farm Security Administration operation of the farm labor camp at Arvin, a group of private farmers of that community, not the Associated Farmers, assumed the lease and obligation of operation. They kept the same manager, Mr. Dewey Russell, who for 6 years had operated the camp under Government supervision, in order to provide the same and improved services for workers residing there. In addition, inasmuch as inference is made by Mr. Ickes that all DiGiorgio Farm employees must live under extremely meager housing conditions, it is well to point out that DiGiorgio Farms furnishes 132 houses on the farm for regular employees. There is no rent charged for these but a utility fee of $3 per month is charged for such services as water, garbage disposal, etc. The farm lost $18,000 on this rent-free worker housing project in 1946, which they charge off as worthwhile from an employee relations viewpoint. The same reasoning is used in a loss of $49,000 in the operation of bunkhouses and dining rooms for the single men employed on the farm, where room and board is provided for $1.25 per day. The committee visited all of these facilities, found them to be in excellent condition, under constant inspection of the Kern County Health Department, and found that in addition to housing, most of the resident employees had been provided with space for vegetable and flower gardens, poultry pens, etc.; that facilities are provided on the farm without cost for such organizations and activities as the YMCA, Boy Scouts, Red Cross, etc. The committee found that approximately 200 children living at the camp attend excellent schools, with two busloads daily attending Kern County Union High School and Junior College in Bakersfield.

Mr. Ickes says: "Long hours and meager pay are their (the farmers') ideas of social obligation."

The fact are: That Government statistics have shown for many years that California agriculture pays the highest wage rates in the United States and that Kern County wage rates are among those highest. As pointed out in this report about the one farm

mentioned by Mr. Ickes, Kern County farmers are constantly improving housing conditions and working with their workers and other residents of their communities to provide improved public recreational and other social facilities. These same public facilities are available to worker and farmer alike.

The committee makes this report in the interest of justice and fair play, feeling that much injury has been done to Kern County as a growing and prosperous community by the publishing of statements such as those made by Mr. Ickes. Were the statements made by Mr. Ickes true in even a few regards as to conditions prevalent in Kern County then neither this county or California would be enjoying the greatest population growth of any area in the United States. It seems obvious that millions of people would not be trekking to California in order to be downtrodden, and in spite of such misleading statements, we feel that California will continue to be the mecca of many who come here and stay because of better pay and better living conditions.

Respectfully submitted in the hope of correcting the impressions created by Mr. Ickes.

Walter Kane, Chairman; C. L. Whelden; Harry G. Thompson; C. P. Lake; A. H. Walker; Frank Jeppi, G. B. Crome; J. K. Thrasher; Richard Leask; E. G. Beurkle; John J. Kovacevich.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. ANDERSON of California. Do I understand from the gentleman's remarks that Mr. Ickes was a member of this committee that was set up to inquire into this situation?

Mr. ELLIOTT. No. He was not a member of this committee to investigate this situation.

Mr. ANDERSON of California. Did he have any official position whatever then?

Mr. ELLIOTT. None whatever; he is just a propaganda mouthpiece to assist these outside pickets.

Mr. ANDERSON of California. In other words, he went in there of his own volition and picked this up as another story to print in his column?

Mr. ELLIOTT. I do not believe he was ever on the ranch, to my knowledge.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. PHILLIPS of California. I do not want to interrupt the gentleman but I want to say that I am very glad he is bringing these points out. There has been a great deal of misunderstanding about the situation. Is it not a fact that generally in California the trend has been more to permanent labor than to temporary labor.

Mr. ELLIOTT. That is correct.

I hold here in my hand checks that were paid to Mr. Gorman with respect to Mr. Ickes' complaint, showing that he did receive the money. His endorsement appears on the back.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from California.

Mr. ANDERSON of California. I want to ask the gentleman if he would indicate how that committee was set up and what the membership of it was.

Mr. ELLIOTT. As I stated a while ago, the whole community became aroused and they had a mass meeting, as a result of which they selected members from various service clubs and other organizations, including two or three farmer representatives. The committee was headed by the manager of a Bakersfield newspaper. Members of many organizations in the county joined this committee to make it possible so they could make a thorough investigation and report back to the community.

Mr. ANDERSON of California. As I understand, Mr. DiGiorgio is one of the most progressive farmers in California and has done a great deal more in connection with private, suitable housing and providing facilities for families engaged in work on the ranch than most farmers; is that not correct?

Mr. ELLIOTT. That is correct. I have here pictures of the DiGiorgio farms, showing the housing conditions, the kitchens, the dressing rooms, the shower facilities, and so forth. It any Member is interested in them, they are here at your disposal.

Mr. ANDERSON of California. Then it is indicated from the report of this committee which was set up in the community referred to by the gentleman previously in his remarks that the eminent Mr. Ickes deliberately falsified his newspaper article in order to create the impression that certain conditions exist there which do not exist at all?

Mr. ELLIOTT. That is correct.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, I have here the following statement from the United States Department of Agriculture:

UNITED STATES DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Berkeley, Calif., March 5, 1948.

DIGIORGIO FRUIT CORP.,
San Francisco, Calif.

GENTLEMEN: This is in compliance with the request for certain factual information made by representatives of your company during our telephone conversation of this morning.

I, William A. Anglim, Chief of Operations, Labor Branch, Production and Marketing Administration of the United States Department of Agriculture, do hereby certify that for the period July 1, 1943, to December 31, 1947, it was my responsibility to represent the Department in directing and supervising the Foreign farm-labor program in the State of California, as well as in other States comprising the southwestern division of the United States.

The international agreement entered into between the United States Government and the Republic of Mexico covering the employment of Mexican national agricultural workers contained certain guarantees for the workers, including, among other things, the furnishing of hygienic lodgings of a type used by the common laborer in the area of employment at no cost to the worker; the serving of good quality meals at cost; the payment of prevailing wages, and other prerequisites. The agricultural producers who employed Mexican nationals, pursuant to the provisions of a contract with the Department, were required to comply with these guarantees to the workers and in the event they failed to do so, the Government removed the Mexican workers.

The DiGiorgio Fruit Corp. employed Mexican national agricultural workers at their DiGiorgio farms in Kern County, Calif., almost from the inception of the foreign farm-labor program until the fall of 1947. Before workers were delivered under this contract, and periodically thereafter during the entire period of employment, the housing accommodations were inspected by representatives of this Department and of the Mexican Government, as well as by representatives of the division of housing of the State of California, and it must be assumed these housing accommodations were found to comply with all of the standards established by national procedure and by State laws because no Mexican national worker was ever removed from the DiGiorgio farms because of deficient housing accommodations. Likewise, no Mexican workers were ever removed from the DiGiorgio farms because of failure of the employer to fully comply with the contract provisions requiring the serving of good quality food at cost and the payment of prevailing wages to the workers.

In conclusion, I take pleasure in advising the DiGiorgio Fruit Corp. that your official representative in all contract matters connected with the Mexican farm-labor program, Mr. Robert DiGiorgio, has always cooperated with the Government to the fullest extent in discharging obligations under the terms of the international agreement with Mexico.

Sincerely yours,

WILLIAM A. ANGLIM,
Chief of Operations.

I also have a statement signed by the sheriff of Kern County with reference to the picketing conditions that he has found there up to the present time, together with his remarks on the false statements that have been made against the farm from time to time:

AFFIDAVIT OF JOHN E. LOUSTALOT, SHERIFF, KERN COUNTY, CALIF.

STATE OF CALIFORNIA,
County of Kern, ss:

John E. Loustalot, being first duly sworn, on his oath says:

1. That he is sheriff of Kern County, Calif., and has held said office for more than a year last past.

2. That since October 1, 1947, affiant has been at DiGiorgio Farms near Arvin, in the County of Kern, State of California, nearly every day and sometimes more often than once per day; that during said period affiant has had opportunity to observe the living conditions of farm workers of Mexican origin quartered at DiGiorgio Farms, and is familiar with the living conditions and the food furnished with respect to said farm workers of Mexican origin at said farms.

3. That during said period the living and sleeping quarters of said farm workers of Mexican origin at said farms have been clean, orderly, and free from lice and vermin; the toilets and shower rooms have been clean, sanitary, and maintained in good condition; that there has been hot water in said shower rooms for said workers.

4. That frequently during said period affiant has inquired of said workers of Mexican origin as to the living conditions and food conditions at said farms and always affiant has been informed by said workers of Mexican origin that they were well satisfied with their living conditions and the food furnished. In this connection, affiant speaks the Mexican tongue fluently and is able and

has been able to converse with said workers of Mexican origin in their native tongue; and it is the opinion of affiant that said workers of Mexican origin were not acting under any compulsion in stating to affiant that the living and food conditions are satisfactory.

JOHN E. LOUSTALOT.

Subscribed and sworn to before me this 5th day of March 1948.

[SEAL] PEARL ROBINSON,
Notary Public in and for the County of Kern, State of California.

I also have an affidavit signed by the Mexican workers who were on the farm, who signed a notarized statement to the effect that statements made regarding dirty camps, no water, and so forth, were just false statements.

STATE OF CALIFORNIA,
County of Kern, ss:

The undersigned, being each first duly sworn, on his oath says:

1. That he is a worker of Mexican origin and lives at the DiGiorgio Farms near Arvin in the county of Kern, State of California, and has lived there continuously for more than 10 weeks last past.

2. That affiant is over the age of 21 years and is now employed, and has been continuously employed at DiGiorgio Farms for more than 10 weeks last past as a farm laborer there, and has lived in the quarters provided at said DiGiorgio Farms for workers of Mexican origin continuously during said employment at said DiGiorgio Farms.

3. That during said employment at said DiGiorgio Farms the quarters furnished have been clean, healthy, and comfortable; that the food has been good and plenty of it; that the toilets and bathrooms have been clean and in good condition; that there has always been hot water for bathing. It is not true that during any time when affiant has been quartered at said farms that the mattresses have lice; it is not true that at any time when affiant has been quartered at said farms that the food is poor or inadequate, or the camp is dirty, or that there is no hot water.

4. Affiant has lived as aforesaid in said Mexican quarters at said DiGiorgio Farms, and he has never heard anyone complain about the quarters or the food, and he has never heard anyone say that the mattresses have lice, or that the food is poor or inadequate, or that the camp is dirty, or that there is no hot water.

Plutasco Marquez, Ralph Melendez, Lorenzo Marquez, August Jaime, Concepcion Lozano, Gill Palmerin, Anastasio F. Hernandez, Joe Gomez.

Subscribed and sworn to before me this 5th day of March 1948.

[SEAL] PEARL ROBINSON,
Notary Public in and for the County of Kern, State of California.
My commission expires August 26, 1950.

Mr. ANDERSON of California. I asked the gentleman previously if he would indicate to the House where the pickets that were engaged in picketing the DiGiorgio Farm came from. As I understand, they were not workers on the ranch; most of them were imported pickets.

Mr. ELLIOTT. The ones who picketed the farm were not workers on the farm, and the leadership came from Tennessee. It is outside leadership that brought this about.

I also file for the record here 1,200 names of people working on the farm, making a statement as to conditions on the farm. Some of these workers have been working there since 1923 and 1924, all these years, so that is pretty good proof that the Ickes' article is just propaganda:

We, the undersigned workers at DiGiorgio Farms, whose residence here reaches up to 25 years, have read statements made by people who are nonresidents and whom we do not know, to the effect that the people working on this ranch are dissatisfied with wages and living conditions. We wish to state that we are quite satisfied here, and know that we are getting better wages, better food, and living conditions than any farm worker in the United States of America. We also wish to state that we have so advised the management of DiGiorgio Farms that we do not want to join any farm-labor union as we are capable of representing curselves:

W. W. Palladine, Lawrence P. Webdell, E. L. Graffenstein, J. C. Letts, Gary Washburn, Garland E. McMahon, M. L. Newsom, C. O. McMahon, E. S. Twyford, Luis R. Flores, Wilfrido Maldanado, Rufino Cortez, Yrine Marrufo, Thomas Lucero, Joe Adamek, Albert C. Arayo, Vincent B. Esquibel, Pascual Duran, Tomas Patlan, Pilar C. Lizarrago, Ralph Henderson, Edna Smith, Lester Fannon, G. Ross, J. J. Shires, Herbert Haulcomb, Edward B. Garrison, Jessie McKenzie, D. C. Bennet, Floyd A. Anderson, Joseph C. Lyttle, Pearl Robinson, C. H. Baehr, Albert G. Harris, John F. Church, Betty Phinney, R. V. Weeks, J. B. Cross, Alvino Esarra, Antonio Squirra, Hilario Torres, Jose Eureste, Jose F. Candia, Juan Fava, Ernesto Velasquez, Thomas Cereno, Juan Ramirez, Dionide Lopes, Natividad Martinez, Alferedo Zamora, Harley M. Blagg, Pearl Whited, Jack Nigh, W. M. Hughes, Cecil Needham, W. P. Aday, H. E. Rhodes, Lillie Smith, E. D. Shinpock, H. P. Rains, Walter Webb Riddle, Mary Germanetti, E. J. Brown, G. B. Cross, R. V. Baehr, W. C. Armstrong, Elmer Stark, Clifford Harris, Juan Lemos, Hilario Mendes, Epifanio Baca, Aurelio Meza, Jose C. Gonzales, Joe Corapia, Fecundo Cruz, Maximo Torres, Emilia Gonzales, Ignacio Acosta, Francisco L. Garcia, Ignazio Encisp, C. D. Chandler, Paul Polston, Roscoe Partain, S. Odom, L. D. Garrett, William C. Nichols, R. E. Daniel, G. W. Newton, L. H. Wells, George Morris, Max H. Newman, Grace Parr, W. F. Boylan, Hugh A. Graham, W. S. Wittman, Clinton C. Goyer, G. H. Kreidler, D. Sisk, S. Castro, Cresenciano Oritz, Juan B. Acosta, Fillipe Arce, Pete Lizarrago, Raymond Woodard, Concepcion Lasano, Fernando Martinez, Arthur Marufo, Jesus Padilla, Moises S. Gonzales, Andon Zavala, Emma Upton, A. W. Tabor, W. C. Croft, Jim Williams, C. R. Wolen, P. G. Williams, Sue Chambers, Emie G. Lane, G. W. Gladwell, G. W. Bayes.

Angie E. Onelas, Juana H. Alfaro, Jesus Barraza, Luis Ruiz, Manuel Carrasco, Rafael G. Rodriguez, Jesus Garcia, Bernardo G. Hidalgo, R. M. Florez, Leon Sanchez, Alex L. Lucero, Antonio Romero, Juan C. Molina, Victor G. Herrera, B. R. Medina, Manuel N. Carrasco, Francisco Munez, Miguel Hernandez, Jose M. Yanez, Ysidro Abila, Guadalupe Regalado, Felix Garcia, Jesus Najera, Hollie A. Morris, S. Scott, T. F. Pearson, A. J. Nass, C. V. Moore, M. H. Lynch, Manico Avila, H. L. White, J. C. Ely, Ernest J. Best, R. L. Geer, C. C. Workmen, A. J. McCarrell, Antonio V. Martinez, Marciano R. Gillen, Guadalupe Trejo, Joe Urias, Carmen R. Cardiel, Herlinda G. Hernandez, Mildred Ontiveros, Jose A. Rivera, Alvaro Velarde, Jose Liceaga, Fabian Zapata, John Fuentes, Pete P. Gonzales, Anastacio F. Hernandez, Manuel Marquez, Miguel O. Perez, Jose Ugarte, Refugio Rangel, G. C. Sandoval, Joe Melendez, Jess C. Najera, Jose Navarro, Manuel Garcia, Victor E. Gonzales, Juan R. Saucedo, Mike Zuniga, Juan De Leon, A. B. Coppedge, N. A. Loftin, E. D. Weeks, Bill W. Hooser, W. R. Atchley, U. C. Cain, Pete Arregui, M. K. White, Ray Snider, Carl Nair, J. L. Wren, S. T. Long, Ramon Sierra, Lorenzo Borrego, Florentine Arellano, Arbrie Durham, Jesus Villegas, Mercedes Chavez, Alberta Gonzales, Cesaria A. Rodriguez, Angel R. Aguilar, Antonio Juarez, Feliz Liceaga, Abran Gomez, Jose R. Gomez, Vernon A. Reeder, Abel Alonzo, Julio B. Feria, Antonio Mijarez, Antonio Reyes, M. L. Galindo, Jesus A. Madrigal, Manuel Vieyra, Francisco Lopez, Joe C. Cardiel, Silverio Hermosillo, Jose M. Garcia, Jr., Francisco Varela, Martin R. Gonzales, Reinaldo Lopez, A. J. Barnett, C. L. Williams, Ernest Likens, M. D. Miller, Mildred Morse, Jesus Martinez, C. E. Corse, R. H. Johnson, Robert H. Finley, C. R. Ross, Mary Daniel, C. W. Jopes, Enrique Ramirez, Jr., Victor L. Luera, Alex A. Murillo, Manuel Gallegos, Miguel Fernandez, Lupe Medina, Esperanza Rocha, Guadalupe Garcia, Crus Rocha, Emilia Barraza, Gordon T. Rodriguez, Donato Marquez, Pete Rodriguez, Alfredo D. Gallardo, Pedro Hernandez, Antonio R. Garcia, Andrez Mijarez, Gilberto Duarte, Ignacio Mendez, Vicente M. Pesa, John C. Najera, Ladislado S. Pacillas, Feo Czaete, Toribio Castro, Jose D. Saenz, Baltazar Castro, Francisco Cacias, Mary Ridgeway, C. G. Richards, J. M. Pratt, E. C. Sweeden, L. G. Reed, D. T. Robinson, L. Navarro, A. L. Totty, D. H. Kimbrell, Redd Starr, Andrew Sam Knight, I. E. David, O. Gaitan, Pedro Arellano, Luis L. Salazar, Felix M. Villa, Leonardo Gonzalez, Plutaico Marquez.

H. M. Smith, Emil Surbeck, J. N. Austin, Loyd Reddick, G. W. Watkins, M. F. Garner, C. Romero, N. L. Garter, A. L. Hartley, Paul McAlister, M. C. Horning, J. W. Harvey, L. Q. Rhodes, J. L. Coffman, V. M. Mussa, H. F. Bisio, H. D. Church, Walter Sanders, Mildred McMahon, Ozella Nicodemus, Lillian Mussa, L. C. Fannon, Elmer L. Cameron, Ozella Bell, Edith Inns, Alice Jeffers, Jewell F. Luttrell, Elsie Meadors, G. B. Thompson, Eugena Flowers, Emily E. Smith, J. T. Rose, Charlie Flynn, Sam Morton, Olva Cornish, Toni Lisofski, J. B. Harp, Ralph Rhodes, John Butter, Myrtle Hawkins, H. G. West, E. A. Mahoney, Wiley Glosson, Roy Beal Harp, John Wilson, R. L. Titsworth, F. Lyon, F. T. Black, Robert Green, John E. Nicodemus, Hoyt Whitson, M. Romero, D. C. Head, W. N. McLain, Lee Bell, M. G. Reddick, Dollie Woods, Marie Finley, Earline Key, Blanche A. Fish, Donald Bell, A. B. Hollinger, Doris Skaggs, Opal Stewart, Marian A. Weston, Vera Hunt, F. B. Petty, E. Machetti, Ross Payne, Eula O. Cartwright, A. P. Hall, M. H. Boatman, Eugene C. Sanders, Martin Newton, Claude Rogers, Pearl L. Clark, Auston Mann, Austin J. Wyatt, Cecil Church, H. K. Edmonds, T. G. Jones, J. J. Nelson, S. H. Brians, A. H. Gantz, D. L. Guthrie, L. J. Hayes, R. Kromer, Chas. H. Berry, L. P. Sims, E. H. Hays, H. W. Guthrie, Jack Teters, J. F. Meadors, L. T. Lackey, C. G. Callier, Lorena Elliott, Fauntreba McMahon, Thelma Weeks, Luna E. Price, G. L. Griffin, Troy L. Gaasch, Willie L. Smith, Norma Jeffers, Flossie Lynch, Bobby E. Burns, Marie A. Burns, J. W. Honeysuckle, L. J. Lowery, Pearl Wooten, Virgil H. Smith, Amanda E. Hitchcock, Mrs. Walter Boylan, W. C. Minor, Dezzie Meadors, Ethel L. Jones, L. T. Baker, Willa Gaach, Pasquale Ligari, Glen Meadors, Earl Hopkins, Noble Reddick, M. L. Auger, C. Danley, Johnnie Dunn, Wm. Yotz, B. L. Amos, George L. Bell, J. W. Driskill, C. J. Germanetti, W. J. Johnson, Charles N. Light, H. L. Warren, Francis Wooten, B. G. Rhodes, Ciola Berry, Lucille Jones, Viola Johnson, I. A. Luttrell, L. Inns, W. E. Pope, Elsie K. Griffin, Lenora Bell, Lura Kizer, Artie M. Rhodes, Lottie Manning, J. L. D. Flowers, Bonnie Marmon, Myrtle Mae Rose, Mabel Luttrell, F. L. Cruse, Edna D. Bell, Herbert Gene Greer, Audrie M. Brown, Jewell M. Garner, F. C. Hall, W. F. Harris.

W. T. Holder, W. L. Golden, Jake Smith, Verta McCullar, Les Griffith, Agnes Church, Emma Kromer, Elodie D. Matley, Ona E. Wren, Louella Reese, Ada O. Emmons, Stella

Miller, Nancy Mann, Eva B. Brown, Billie Jo Miller, John E. Sprouse, L. A. Dillard, Kenneth Wheeler, Bill Jones, W. O. Emmons, L. C. Russell, Lucille James, Mose Holman, Dicy L. Miller, I. L. Fanon, C. R. Uhles, Dail Fannon, Elmer Hill, Dock Fannon, Warren E. Long, W. B. Finley, Ernest J. Stidham, S. O. Cruse, L. H. Rhodes, R. Q. Bush, Jesse Fannon, J. T. Marritt, Vernus L. Owen, T. A. Cassey, J. B. Beavers, James Anderson, Beatrice Reese, Monroe Lewis, Dovina Ligari, Clara A. Miller, Bertha Redford, W. T. Sprouse, Olva Herrin, Erich Koch-Weser, Eva Carter, Mary Barnum, Melba Coker, Geraldine Sprouse, Jim Ligari, Billy John Adams, Wesley Sparks, John Jones, G. F. Hicks, J. A. Davis, Florence Turpin, J. W. Church, Theodore Wheeler, F. D. Plotner, M. L. Gillespie, D. E. Brown, Ghristeen Storm, Don E. Embry, E. E. Lafavor, W. R. Nunnally, Junior Dillard, Edna Gillespie, J. M. Neuwirth, H. G. Rains, Overton Cruse, Jr., W. E. Turnbull, A. C. Burr, H. Needham, Robert W. Smith, Vera Larkin, S. M. Meadors, Georgia Euginia Frazier, Inez Ligari, Eva Butler, Clara Lafavor, R. C. Storm, Justin H. Meadors, Nellie M. Lasiter, Lavonia Hull, Nancy Griffith, Dena Boyd, Bob Dowell, Audie Luttrell, Everett E. Lynn, Jesus Wilis, W. E. Bolinger, F. M. Killian, O. L. McAdoo, Allie M. Nelson, Mike D. Karam, Orvil William, James C. Deeter, John A. Chuesberg, R. A. Beck, Leon Henderson, W. L. Turpin, J. R. Lisenbee, T. F. Edding, N. F. Exford, Lena E. Ray, Charles B. Huston, Eddie Dowell, Bill Needham, W. F. Faulkner, Hoyl Harris, J. W. Higgins, Arbrie Durham, Martha Miller, Pauline Meadors, Doris I. Miller, Tommy A. Wyatt, J. C. Laird, Hattie Burns, Wanda L. Lafavor, Bertha A. Meadors, Berry L. Scott, Anita Ligari, Velva Duford, Effie Meadors, R. W. Stokum, J. P. Johnson, Hershel R. Harris, S. W. Brawdy, J. Davis, D. C. Anderson, G. W. Ray, Frank Whitson, Semantha E. Cruse, J. L. Willis, J. E. Johnson, E. U. Garner, J. H. Breland, L. R. Johnson, Bill E. Neal, G. L. Miller, Dell Meadors, W. O. Lusk, John Waldron, C. T. Edwards, Dale Garrett, Paul F. Caswell, M. P. Singletary, Troy M. Dearen.

Lucille N. Bayes, I. V. Kersey, J. D. Morrison, Thelma Ward, Erma Barnum, N. A. Martin, Wilma J. Clark, C. N. Hale, Matt L. Weller, Velva Johnson, G. A. Dunn, A. C. Deeter, Pearl Brown, R. L. Bratton, D. G. Badayos, B. Luzod, George M. Batuga, Alberto Lovato, William Chapman, Frank A. Blenkner, Jr., C. Rodriguez, B. A. Hinilago, Vincent Catudan, Heribarto Cantreras, Raul Castillo, P. F. Wooten, A. Jauriega, C. Ramirez, Rafaila G. Valasco, Bruno M. Castro, Jose Santos, Aurelio Jimenez, Guadalupe H. Mediano, Augie Jaime, Francisca S. Saragosa, Selsa Barraza Julio Munoz, Antonio Sanchez, Gregoria Salazar, Marcos Herrera, Beatrice L. Luna, Mattie Eloise Blogg, B. G. Johnson, Jessie Winkle, E. D. Uhles, P. M. Hale, Oscar Twedt, Edna Timberlake, Thomas Y. Brawely, M. C. Duford, C. E. Williams, Willie Lutrel, Charles W. Frazier, O. C. Piercie, Benny G. Magbanua, G. Anez, C. A. Condia, Pedro Vazquez, Michele Zunino, J. B. Keeney, M. Esteban, Fermin Tamayo, B. Bohia, Refugio Herrera, S. N. Kemp, J. L. Hoke, Sam K. Kim, Cruz Rocha, Eusevia M. Martinez, Celedonio Reyes, Anastasio Aguayo, Juan Carrillo, Juan Garcia, Tonia Vasquez, Trine O. Mendoza, Alfredo Medina, J. Alvarado, Ruben C. Bernal, Pedro Ramirez, Ricardo Liceaga, Jimmie Jordan, Bobby E. Williams, C. L. Meadors, Leila Starr, W. R. Combee, Johnnie Buchanan, Geneva Wesley, Florence Pope, G. W. Gaasch, Clyde E. Baxter, C. G. Richardson, J. G. Cearley, A. Samuels, Sid Navarro, A. Dombriquez, Gene Valencia, Victor O. Gonzales, Ramando Garcia, J. A. Davis, Tom Nichols, F. Nisperos, N. Balutan, Jose R. Garcia, Refugio Lopez, Clovis J. Turner, Joe Alvarado, Antonio L. Zarate, Connie Florez, Seferina Martinez, Elgardo Ruiz, A. C. Perez, Isidro Estrada, David Mena, James V. Ortega, Maria Martinez, Santiago Martinez, Anastacio S. Baeza, Pablo C. Jimenez, Agustin Ramirez, M. R. Hernandez, Clara Woolf, Vivian Brand, Hautie Ruth Curtis, Nick Orloff, Howard Mann, Mary Larkin, John Fannon, Hattie Brownlee, Oral O. Hunter, Larkin Clarkstan, Mary Lutrel, Ellen V. McConnell Doris Goodwin, B. Bolayo, Leo U. Tamayo, John Gabuten, Troy S. Hooser, Bacilio Carrizalez, Tonia A. Page, John R. Lazaro, C. Bacaling, Tony Puyot, Albert D. Castro, Aurelio Romero, Lee Brown, Arturo T. Romero, Pedro C. Banuelos, Sara V. Arias, Bertha Mondragon, Concepcion R. Gurrola, Antonio Garcia, Jose B. Varela, Refugio Sifuentes, Lucy Jimenez, Trini Garcia, Ramon Jimenez, Angel Maldonado, Alejandro Aguilar, E. Acuna, Mary Ochoa.

A. D. Earnest, R. J. Vanderveer, A. Honeycutt, J. H. Rountree, A. W. Danley, Marcos Aparri, Q. Dumas, Solla McLain, Lyle R. McConnell, Earl Abernath, Billie Jane Robertson, J. D. Salie, Juan H. Sanchez, J. W. McLain, O. B. Webb, Nat Warren, Ruby Jones, Wesley Romine, Joaquin G. Cota, Bert Wilkerson, Jose M. Garcia, Estaban Varga, Mary L. Gant, Dicy Miller, Irene Guthrie, James Carter, Ruerora Estrada, Catalino Jacinto, Johnnie Johnson, Billie Wagner, Wanda Teters, Thad Costilow, Fabian Laroya, Edel Apostol, P. Angel, A. Arciaga, Benjamin Garcia, F. Chavez, B. Sarahia, Ben Farinas, R. A. Wilderson, J. D. Moore, Theodore Crus, W. R. Jeffers, Everett Baker, S. J. Varias, Troy Hale, W. E. Berry, W. F. Scott, Jim Lott, Louise Lott, Jim Salie, Gilardo E. Araguis, G. W. Ray, C. E. Fulcher, Charlie Burch, Lou Monroe, G. W. Salie, Rodolfo Aleman, Pablo Jimenez, Guadalupe O. Fernandez, Nellie J. Trotter, Pearl G. Jones, M. Meadows, V. H. Floyd, Rodolfo Ortiz, Guillermo Gober, Antonio B. Albion, Nettie Burch, Ora Jewett, Joyce Hess, Leonardo S. Carmona, F. Magallon, L. Bona, Pedro Perez, Juan Costillo, Jesus Enriquez, Severiano Portillo, Nicholas Aguirre, P. Mendoza, Chepamie Cox, W. L. Stomloyer, Jess McCain, Ellis Bryant, J. H. Ward, Grigoni Arellano, Jim Short, L. T. Bundy, E. J. Wilson, S. J. Nunally, Tommie Lou Reddick, James L. Mitchell, W. T. Cornelius, A. B. Bobcock, John Stidkson, J. M. Cates, Ellen Lott, S. Harris, Frances A. Reyes, Frank H. Estrado, Jose Germa, Geneva R. Wiley, Noretta Mullins, Naomi Crickpaum, W. E. Nichols, Gil Palmerin, Amelio Gonzales, Betty M. Worden, Z. M. McLain, George Redman, D. Blackwood, Jesus C. Herrera, Apolinio Placio, P. Rapacon, Ben S. Simisin, T. Macion, Pedro M. Garcia, Victor B. Mendoza, P. Losindo, C. C. Millon, A. J. Wadsworth, W. M. Arnold, R. J. Hughes, C. D. Maxey, Lorenzo A. Antonio, Tony Suliven, J. C. Cross, G. H. Bracken, Paul I. Philley, Dorothy L. Jones, Rose Coones, Joe G. Soza, E. M. James, T. J. Grigg, C. W. Robertson, Eva Jenkins, Rita Ledbetter, Luis J. Alcaid, Jr., Lee De Frates, Feliciano Ramirez, Gambo Resendez, Clara E. Misener, Dovie Page, Alta Harris, James O. Rector, Luis Rea, Joe Gutierrez, Bessie Lee Jenkins, Bessie Romine, Georgia Rhodes, Alfonso Rea, Francisco Franco, Nicholas Paquirigan, Alberto Tobayoyan, V. Plaza, Ruben Aguilar, Antonio Greiego, R. Velasco, Sebastian I. Buluag, S. M. Sandoval.

F. Flores Silva, Refugio Mercado, Jose G. Mancha, Jose Lopez, Jose C. Rodriguez, Salvador Sanchez, Jimmy Mendosa, Antonio Estraco, Victor Cavillo, K. H. Ennis, Dean Morse, J. R. Sprouse, W. O. Storm, James W. Pratt, Tony Calvarese, A. L. Harmon, Troy Kizer, Ford Hoopes, Edgar L. Dix, O. Cruse, Dave Bialock, A. J. Jones, Wendell Hellner, Bert McNatt, Zelner W. Ward, Carl Coker, R. L. Barker, George W. Wesley, W. E. Lutrel, Allen Hart, Loy Guthrie, Ralph Norwood, C. O'Hair, Roy Wilkerson, B. A. Dyer, W. C. McCreight, F. G. Moore, M. V. Irvin, J. R. Arce, Joe Arriola, Joe Rye, Gilberto Correa, Juan M. Sanchez, Ralph Melendez, Fernando Lopez, Juan Negrette, Melchor Vargas, Walter Fish, K. W. Shires, Ralph L. Taylor, Lonnie Crane, Billie S. Miller, Elmer M. Parsid, W. J. Hitchcock, D. N. McConnell, D. C. Kizer, G. F. Leake, Barnard Foss, Bert Mullins, Bert Riggins, J. D. Richardson, Perry Luttrell, I. F. Nolen, B. L. Hull, C. I. E. Robertson, Virgle Nichols, L. E. Jones, John A. Robertson, J. Masterson, A. B. Meadors, L. J. Peters, Virgil Smith, L. Lynn, R. W. Sullivan, Baltazar Hernandez E. A. Woods, Bert Bryan, Enrique O. Obalo, Issac V. Reyes, Pedro Duran, Joe G. Valdez, Rodrigo S. Herrera, Joe Medina, Reymundo Cisneros, Raul Mora, Joaquin Varquez, Bill McWhorter, Paul Meadors, O. L. Shires, J. W. Britt, L. E. Jeffers, C. C. Kent, J. H. Popejoy, Lester Marmon, R. B. Jackson, Cecil L. Rainey, J. W. Adams, H. G. Brassfield, G. W. Kromer, W. J. Reese, Chas. A. Pruett, W. E. Barnum, Lige Costilow, C. F. Wilson, J. H. Creekpaum, G. M. Pope, R. F. Wesley, T. P. Masterson, D. Holloway, Leota Hull, L. A. Tatum, E. G. Forbes, D. R. Arnold, T. E. Carroll, M. H. Gates, S. W. Carter, E. Salazar, Qirino M. Gaona, Vicente E. Hernandez, Castulo Rivas, Juan Z. Sosa, Angel Gallegos, Esteban Lucero, Angel B. Marquez, Clarence V. Bega, A. F. Andrews, Joan E. Elliott, J. W. Key, Jack Sanders, J. E. Barnum, Maxine Jeffers, Clyde D. Smith, L. B. Luttrell, C. W. Woolf, Chester C. Kimbrall, Herbert Barnum, Dow Jeffers, W. L. Wheeler, Lawerence Blackwell, Kenneth Rhoades, R. L. Carter, H. V. Ennis, J. C. Everett, G. O. Richards, H. J. Stewart, Harold Rhoades, N. L. Key, V. M. Clark, J. B. Bhone, James Tidwell, Floyd Salyards, T. I. Whitenton, James Washburn, Homer Archer, Faustino B. Vergara, Ernest Navarro.

C. P. Monzales, M. R. Rapados, Lupe Rivera, Juan Arce, Emilio Mendez, Enrique L. Tuebano, D. H. Rodriguez, Joe S. Barraza, Manuel Castanada, Pablo Gonzales, Raul Turrola, Jesus Rodriques, Jose C. Tierro, Andres B. Lopez, Ramon Marquez, Ramon G. Ballesteroz, Ramon W. Maya, Anastacio Reyes, Cruz Quiros, Guadalupe Arnijo, Gunzalo G. Esquivel, Jose Rivera, Edward Aranda, P. Dalmur, J. Parcon, V. R. Billanueva, Manuel Munoz, Martin C. Martinez, Catarino D. Villalubez, Adolfo Nicasio, Jose C. Magdaleno, Francisco Villapando, Magdaleno Estrada, Ralph Cason, Efram A. Rubolcaba, Jose Nicasio, Raul Cutierrez, Marcellino Garcia, Delfino Olivas, Joan D. Leon, Jr., Felipe Chavez, Joe Moreno, Nichalos Estrada, J. W. Ageete, Juan Blea, Francisco Hurtado, Pablo Contreras, G. M. Selano, H. Calipo, B. Pilien, Joe E. Leava, Francisco Rosa, Martin Guido, Ines Sanchez, Emilio R. Moreno, Rito P. Renovato, J. G. Alvarez, Enrique Romierez, Luis Q. Hernandez, Katie Lackey, Luis B. Ramirez, Monico A. Florez, R. Rocha, Inez Romero, Jose Lizarraga, Sotero Osaeta, Maria Lisarrago, Luis Ayira, Victoriano P. Artega, Cerafin Somora, Ysaac Martinez, Gilbert E. Elliott, Bernard Simisin, M. Iloga, Eulalio Flores, Daniel Esperaza, Armando Luevano, Jesus F. Ruiz, Lupe Reza, Eliaser Contreros, Jose A. Rangel, Victor L. Herrera, Julion F. Hernandez, Arnulfo Quimiro, David Gonzales, Isabel Escarciaga, Robert Garcia, Lorenzo Marquez, Ramon Lopez, Salvador Lopez, Cirilo M. Garcia, E. Marcia, Jose Garcia Montajano, Rosa Flores, Jesus Araro, Gabino Raya.

This is to certify that the above typewritten names are facsimiles of original signatures affixed to the above statement, which statement and signatures are now on file. Approximately 40 names appearing on the original list do not appear on these typewritten pages, due to the fact that the names were signed in pencil and are not legible.

PEARL ROBINSON,
Notary Public in and for the County of Kern, State of California.
My commission expires August 26, 1950.

In all fairness to the State of California and the DiGiorgio Farms, where all this activity has been centered and has slowed down production, I ask that a committee from the Committee on Un-American Activities, because of the Communist nature of this picketing, or a committee from the Committee on Labor

and Education, or a committee from both those committees, go to California and make a thorough investigation to see what we can do to stop this picketing on the farms before the heavy production of foodstuffs is seriously damaged, because this type of picketing harassment is un-American. This has been going on for 6 months. When you have 1,200 workers on the farm who are satisfied, certainly somebody back here, like Brother Ickes—I will not call him "Brother Ickes"; I want to call him something else, but I have to be nice because I am on the floor of the House—anybody that would put out that type of propaganda or allow his name to be used for that type of propaganda, trying to slow down food production at a time when we are urging everybody to cooperate 100 percent, certainly is not American. Again I repeat that I hope the House will back me up in asking for an investigation and correct this situation once and for all.

[From the Bakersfield Californian of February 2, 1948]

WHAT DO THE STRIKERS WANT?

DIGIORGIO STRIKE ISSUES DEFINED

To the Citizens of Kern County:

Since October 1, 1947, 1,100 employees of the DiGiorgio farm near Arvin have been on strike under the direction of the National Labor Union and the Teamsters' Union, both American Federation of Labor affiliates. To date there has been considerable discussion and much misunderstanding concerning the nature and aims of the strike. The strike committee, representing the two unions involved, takes this opportunity to present the purpose of the strike so the public will understand the issues at stake.

What caused the strike? The DiGiorgio corporation refused to meet with the representatives of the majority of its employees who had joined the union at the Arvin farm. Verbal and written requests for a meeting were disregarded.

Wages paid employees made it impossible for a worker to maintain a decent standard of living for himself and his family. The average weekly income of a DiGiorgio worker is $30 a week. The basic hourly rate for an 8-hour day, 5½-day week, is 80 cents an hour, making a daily wage of $6.40.

There was a complete lack of any machinery through which a worker could seek redress for his grievances. Such conditions as indiscriminate firings, promotions, inadequate and unsanitary toilet facilities, lack of cool water in the fields during hot weather, and other grievances proved a considerable source of labor-management friction and could have been settled through company-labor meetings.

The company failed to provide its employees with a reasonable degree of job security. Employees of 16 years' service were hired on a day-to-day basis. In many cases field workers reporting for work in the morning stood around several hours before being told no work was available.

What do the strikers want?

A 10-cent-an-hour pay raise to serve as a cost-of-living bonus.

Recognition of the principle of seniority whereby workers employed the longest would be the last laid off and the first rehired.

A grievance committee of duly elected representatives to meet with management whenever necessary.

The right of any man to belong to a union, the same as he may belong to a church or social club, without being discriminated against and discharged.

Is this asking too much? We do not think so. We believe our requests are neither excessive nor exorbitant. We feel sure Mr. DiGiorgio feels this way, too, but we cannot understand why he refuses to meet with us. We are not afraid of mediation and are open to any offers of mediation from an impartial source. Three months ago we attempted to solve the dispute through the agents of the State mediation and the Federal Mediation Services, but the company refused to attend the meeting called by these governmental officials.

Mr. DiGiorgio's viewpoint

Are we asking for things opposed to Mr. DiGiorgio's principles? We don't believe so. A national magazine, which carried an article on Mr. DiGiorgio 2 years ago, reported Mr. DiGiorgio as believing "an annual wage is coming in agriculture and he is for it." From this we assume he is in favor of a living wage.

On many occasions Mr. DiGiorgio has said he has met with his workers and settled grievances on the "lawn of his home." We assume from this he would not be opposed to regular and responsible grievance methods.

Basically, these two issues incorporate the Union's main aims. Because of the agreement in philosophy, why isn't it possible to settle our problems amicably? We want to.

Our requests are moderate

They are requested in the true American spirit. As Americans we cannot be blamed for trying to get what is fair and just. Our Americanism is not to be considered as a smoke screen to hide communism. We are opposed to communism and Communists and will fight them anywhere and everywhere. Our constitution prohibits a member of the Communist Party from holding a membership card.

Agricultural workers are specifically exempt from the Taft-Hartley law and the National Labor Relations Act. We are powerless to act through the arbitration and mediation agencies set up by the Federal Government. The present strike was our only recourse when the corporation refused to meet with us and arbitrate our differences. We trust the citizens of Kern County will view these facts dispassionately and will come to understand the issues involved.

NATIONAL FARM LABOR UNION,
JAMES PRICE,
Chairman, Strike Committee.
HATTIE SHADOWENS, *Secretary.*
PHINEAS PARKS, *Vice Chairman.*

(This advertisement was paid for by special contributions from Kern County union members and not out of the strike relief fund.)

[From the Bakersfield Californian of February 10, 1948]

TO THE NATIONAL FARM LABOR UNION

LET'S NOT DO ANYTHING TO DAMAGE OUR GREAT AGRICULTURAL SYSTEM

There are many places where worthy organizations can be of help in working out solutions to problems, and bring about good management and happiness to many workers. But let's quit trying to do something that is practically impossible, except that in so doing we hurt many, many persons of average circumstances. Sometimes it takes more courage to admit defeat than to win a victory; and you, the A. F. of L., will certainly win a much greater victory by graciously withdrawing your picket lines from the DiGiorgio Farms, and going on to those concerns which perhaps need your assistance. There is a place for you; but really you must admit that it is not in the agricultural field.

You honestly cannot find fault with Mr. DiGiorgio

You don't have to know him personally to know that. You have read the many tributes written about him, and you have seen the great good he has accomplished not only here in this San Joaquin Valley, but in the handling and distribution of his products so that they reach a vast number of people all over the world, and in the crowded cities where fresh product is so greatly needed. He has created year-around work for hundreds of employees, many who have been with him for 25 or 30 years, and has paid them always on the prevailing wage scale. Sure, some of your articles point out in large letters how difficult it is to get along on $6.40 a day, which is 80 cents an hour for an 8-hour day—or, what you report as $32 a week. But where else can a farm laborer get more than 80 cents an hour for farm labor? And besides, you know, and the men who tell you know, that we work from 8 to 15 hours a day; and it all depends on the fellow who is working whether he makes a living wage or not. If he is skilled enough to do something which will pay more; do it. But, if farm labor is all he is equipped to do then he should be thankful that he has a job and can work for a great corporation; owned and managed by a great humanitarian. Mr. DiGiorgio is really just that. He has never turned a deaf ear to one of his employees and has always been glad and willing to raise wages and do what is best for his employees, in-so-far as the operations will permit, and in keeping with the base wage of the community. He doesn't coddle anyone—in fact has been known to refuse unnecessary aid to his own relation—telling them rather to go out and earn recognition they may feel they deserve. And yet he has been known to keep old and faithful employees on the pay roll for months during illness or ill fortune, and to help them pay their hospital bills, and even funeral expenses. These things I know, and you and I both know that such things are not done except by men of kind and generous hearts.

It is only natural that in pursuing your present course you publicize things about Mr. DiGiorgio that you hope will discredit him; and publicize those things about your own organization to gain public favor. For instance, you make an issue of the fact that the officials have refused to meet with you and have ignored your letters and meetings. In his place you could do nothing else but just as he has done; because you see, from his standpoint there is no argument between himself and his employees.

There is nothing to settle

Work on the DiGiorgio Farms is going as before, even past the normal stage for this time of the year. The employees are satisfied, and are loyal. Those here now are to be really commended for their loyalty, because it is not easy to cross a picket line or drive along the road and hear foolish, silly, obscene remarks and maintain a level head. Yet some 1,200 employees are doing just that. You yourselves have only to come and look, and you will see perfectly well organized, well managed crews of men (1,222 of them as of this date), going to and from their work.

Taking the few employees of ours who are left on your picket lines and move them on to some field of industry that really needs them and your help. I personally can see no sense in picket lines, and believe that a purpose worthy of being won can be won by dignified and courteous methods. But if you deem picketing necessary, after your years of experience in such methods, then take these men and give them a real job to do. By their actions they have signified their unwillingness to be farm workers, even though they may not be qualified to do anything else. But give them a chance if you can use them. They must eat and live as must we all.

But let's not forget what happened

Only a few short years ago, many boys left the farms and went to war; other boys were deferred for essential farm work and were glad to be called farm workers. Now they classify themselves "truck drivers" and belong to the Teamsters Union. Each one did his part. Some of those boys are with you—some of them are with us. We can't both be wrong. Let's just be sure we are both right.

Last week's demonstration is proof of who is right

I honestly believe the A. F. of L. would gain great public favor and recognition by admitting that trying to organize agricultural labor is not wise, and that they should instead, concentrate their efforts on those industries which need their help in organization. Of course, I guess you would perhaps lose that anticipated revenue of income from dues, but then we can't lose something we have never had, and perhaps your gain would compensate.

It's worth a thought. Especially after the demonstration of last Friday. For probably an hour the roadside at headquarters of DiGiorgio was lined with cars and curious spectators, along with the pickets, all waiting to see the big caravan which was to come from all parts of the State to lend the pickets relief and encouragement. Tension ran pretty high among all of us, but some 1,200 employees of this great ranch stood dauntless and ready to see and meet the caravan. The caravan came—some 100-odd cars, carrying 209 people by actual count—and as they crossed Comanche highway our ranch cars and trucks rolled forward to meet them. It was the first double parade I have ever witnessed, and if you had seen the pride and joy registered in the faces of those DiGiorgio Farms employees, and the astonishment and surprise on the faces of those in the A. F. of L. parade you wouldn't have to wonder who is right. We are happy and well satisfied with the leadership and management of this great ranch.

This advertisement written and paid for by a DiGiorgio Farms employee.

(Mr. ELLIOTT asked and was given permission to revise and extend his remarks and include extraneous matter.)

EXTENSION OF REMARKS

Mr. GWINN of New York asked and was given permission to extend his remarks in the RECORD entitled "The Drama of ERP in Twenty-five Acts."

Mr. CLASON asked and was given permission to extend his remarks in the RECORD.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. DOUGHTON] and I may be permitted to extend our remarks in the Appendix of the RECORD with reference to two resolutions which were passed by the Committee on Ways and Means last week.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include a statement by James H. McGraw, Jr., president, McGraw-Hill Publishing Co., Inc., entitled, "Why You Cannot Get Ahead as Your Father Did."

MRS. INGA PATTERSON—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 577)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 1152, a bill "for the relief of Mrs. Inga Patterson, widow of F. X. Patterson."

It is the purpose of the bill to pay the sum of $1,375 to Mrs. Inga Patterson, widow of F. X. Patterson, of Washington, District of Columbia, in settlement of all claims against the United States for expenses incurred as a result of condemnation proceedings involving property of said F. X. Patterson, located at Anacostia Road, Southeast, Washington, District of Columbia.

It appears that the District Government, in 1944, initiated condemnation proceedings to acquire certain property then owned by the deceased, as a site for a junior high school in the vicinity of Thirty-fourth Street and Minnesota Avenue Southeast; that the case was tried on October 23, 1944, and the jury returned a verdict on November 21, 1944; that the award of the court appeared to the District Government to be excessive; and that, upon the recommendation of the District of Columbia Real Estate Committee, the case was dismissed. The law then in effect with respect to such condemnation proceedings provided that the Commissioners would have the option of abiding by the verdict of the jury and occupying the land appraised by them, or, within a reasonable time to be fixed by the court, of abandoning the same without being liable to damage therefor.

The proceedings were abandoned in this case, and in a letter dated November 28, 1944, to the District Commissioners, Mr. Patterson advised that he and his wife had decided that they preferred to have the condemnation proceedings dismissed.

The Congress enacted, and the President approved, on July 11, 1947, a measure (Public 177, of the 80th Cong.), which amended the law controlling condemnation proceedings in the District of Columbia, by providing that if a condemnation proceeding is abandoned the court shall award the owner of the property such amount as will in the opinion of the court reimburse the owner for all his reasonable costs and expenses, including reasonable counsel fees incurred in such proceeding, and that the sum so awarded shall constitute a judgment or judgments against the District of Columbia. This measure provides, however, that no such owner shall be entitled to reimbursement in any case where the proceeding is abandoned at the request or with the consent of the owner of such property.

Since the condemnation proceeding in this case was for the purpose of acquiring a site for a school building for expansion of the public school system of the District of Columbia, there would appear to be no justification for reimbursing the owner of the property out of funds of the Federal Treasury. If such reimbursement is to be made it should be made out of the funds of the District of Columbia government. The purchase of such sites has been uniformly a charge against District revenues in the past, and the act of July 11, 1947, specifically provides, as stated above, that reimbursements of this character shall be a charge against the District revenues.

In addition to the above objection, it should be noted that the act of July 11, 1947, provides that no property owner shall be reimbursed where the proceedings are abandoned at the request of the owner, and that in this case, the owner, in his letter of November 28, 1944, requested abandonment of the condemnation proceedings.

I, therefore, feel obliged to return the measure without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 20, 1948.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the message and the bill will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1949

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WIGGLESWORTH, PHILLIPS of California, ROBERTSON, COUDERT, HENDRICKS, ANDREWS of Alabama, and THOMAS of Texas.

MRS. PEARL COLE—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 576)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning without my approval H. R. 2012, a bill "for the relief of Mrs. Pearl Cole."

The bill would require the Bureau of Employees' Compensation of the Federal Security Agency, notwithstanding the statutory 1-year time limit for the filing of a death claim specified in the Federal Employees' Compensation Act for this type of case, to consider on its merits any claim that may be filed within 6 months after enactment of the present measure by Mrs. Pearl Cole for compensation on account of the death of her husband, Jesse T. Cole, whose death in August 1936

is alleged to have been a result of injuries received on June 10, 1931, in the performance of his duty as a letter carrier in the civil service of the United States. No benefits are to accrue prior to approval of this measure.

It appears from the records of the Federal Security Agency that Mr. Cole suffered fractures of his left arm and abrasions of the left hand on June 10, 1931, when he lost control of an automobile. His recovery was uneventful and he returned to his usual employment on September 10, 1941. He filed a claim under the Federal Employees' Compensation Act, which was approved, and received compensation benefits for the period ending September 9, 1931, in the sum of $133.61. Payments of $304 were also made out of the compensation fund for medical and transportation expenses. No application for review of the award or additional claim was ever made in his lifetime. He was involuntarily retired for economy reasons in 1933. On August 5, 1936, he died.

Since Mr. Cole had drawn disability compensation in his lifetime, his widow presumably was aware that if his death had in fact resulted from the injury she might be entitled to compensation. Yet no claim on account of such death was filed within the 1-year period of limitation established by the statute and the widow did not apprise the compensation agency of her husband's death until October 28, 1940, more than 4 years after such death.

In 1945, the Compensation Act was amended so as to permit the compensation agency to waive compliance with the 1-year time limit, for death claims filed within 5 years after the employee's death, but only if the failure to comply was due to circumstances beyond the claimant's control, or if the claimant has shown "sufficient cause or reason in explanation thereof," and material prejudice to the interest of the United States has not resulted from such failure. Congress did not choose to make that amendment retroactive to deaths from injuries occurring before December 7, 1940, and hence it could not as such avail Mrs. Cole. But if the principles laid down in the 1945 amendment be used as a yardstick for determining whether a special legislative waiver is justified in this case, the showing made by Mrs. Cole appears to fall hopelessly short of the requirements. There is nothing in the files of the Federal Security Agency or in the documents appended to the committee reports on H. R. 2012 that even hints that her failure to file a claim within 1 year was due to circumstances beyond her control or other reasonable cause. Moreover, it is probable that to submit the case to the agency now would be futile or would tend to cause material prejudice to the interest of the United States. This is so because of the difficulty of determining whether a death which happened more than 11 years ago resulted from an injury occurring over 16 years ago, when no lasting disability was brought to the compensation agency's attention in the decedent's lifetime and even the most favorable medical opinion produced merely ventures that the accident could have been one of the causes of the heart disease from which he died.

The time limitations were inserted in the Compensation Act because the Congress considered it more important to have matters conclusively settled at some point than to attempt to do ideal justice by keeping the doors forever open to the assertion of stale claims with all the risks attendant upon such a practice. To mitigate the harshness of the statutory bar a limited amount of leeway was allowed by the 1945 amendment for deserving cases. No doubt many whose claims were unassailable on their merits have been frustrated by the statutory bar, either because their cases, such as the Cole case, arose too early to receive the benefit of the 1945 amendment or because they have failed to show sufficient excuse for their delay. It thus appears that the enactment of this bill would be doubly discriminatory, and this without likelihood of really helping the claimant: (1) It would waive in claimant's favor statutory time limits applicable to similar or more meritorious claims. (2) It would do so even though claimant has failed to make the reasonable showing which others, who can take advantage of the statutory waiver provision, must make.

In view of these considerations I feel constrained to return the bill without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 20, 1948.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the message and the bill will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

CHARLES E. CROOK AND B. L. FIELDER—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 575)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 2268, Eightieth Congress, entitled "An act for the relief of Charles E. Crook and B. L. Fielder."

The bill authorizes and directs the Comptroller General to credit the account of Charles E. Crook, postmaster, of Vicksburg, Miss., in the sum of $699.15, and relieves B. L. Fielder, assistant postmaster in that office, from any liability to refund or to pay to the United States said sum of $699.15, such sum being the amount of increased salary paid to Mr. Fielder, assistant postmaster, from December 1, 1942, to August 12, 1946, and disallowed by the General Accounting Office. The bill also authorizes the Postmaster General to pay to Mr. Fielder from the appropriation made for the fiscal year 1947 such sum as he may have repaid as a result of the cirmumstances hereinabove set forth and provides that the Comptroller General shall allow the same.

The act of February 28, 1925, providing for the reclassification of salaries for postmasters and employees of the postal service, contained a provision in section 3 thereof whereby in central accounting offices where the gross receipts are less than $500,000 per annum and no postal cashier is provided, the employee in charge of central accounting work should be allowed an increase of $200 per annum. The act of July 6, 1945, provided substantially the same authority.

During the period December 1, 1942, through June 30, 1945, Mr. Fielder was paid additional compensation at a rate of $200 per annum for central accounting work, whereas Margaret A. Mulvihill received $200 per annum additional compensation for that work during the same period. Since there is no provision of law whereby two employees may draw additional salary for central accounting work at post offices with gross receipts of less than $500,000, the General Accounting Office stated exceptions in the amount of $539.96 in the accounts of Charles E. Crook for the overpayment of salary to Mr. Fielder through June 30, 1945.

Miss Mulvihill's assignment as employee in charge of central accounting records was terminated at the close of business on June 30, 1945. It was not until August 13, 1946, that the Postmaster General approved the assignment of Mr. Fielder to the central accounting work, with a $200 increase in compensation as provided by section 9 (z) of the act of July 6, 1945. Accordingly, the General Accounting Office stated additional exceptions in the amount of $238.02 in the accounts of Charles E. Crook for overpayment of salary to Mr. Fielder from July 1, 1945, to August 12, 1946. The sum of $80 has been reported as collected from Mr. Fielder.

It appears obvious that the Federal Government should not be required to pay the additional compensation of $200 per annum to two employees in the same office for the same work during the period December 1, 1942, through June 30, 1945. Miss Mulvihill apparently performed the central accounting work and appropriately received the additional compensation for that period; and there would appear to be no justification for relieving Mr. Fielder of the obligation to refund to the Government the overpayment to him of $539.96.

With respect to the period July 1, 1945, to August 12, 1946, both inclusive, for which period an additional suspension was made by the General Accounting Office in the amount of $238.02, there would be no objection to the enactment of a measure which would allow payment to whatever person actually performed the additional duties during that period.

In its present form, I feel obliged to return the bill without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 20, 1948.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

COLUMBIA HOSPITAL, RICHLAND COUNTY, S. C.—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 574)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 431, entitled, "An act for the relief of the Columbia Hospital of Richland County, S. C."

The bill authorizes and directs the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,414.90 to the Columbia Hospital of Richland County, S. C., in full settlement of all claims by the hospital against the United States for hospital care and medical attention provided for Halsford V. Sharpe. The bill asserts that Mr. Sharpe was a prisoner of the Bureau of Internal Revenue, that officers of that bureau placed him in the hospital for care, and that such officers agreed the Treasury Department would pay all claims relating to the treatment of the prisoner by the hospital.

The available facts indicate that Mr. Sharpe was wounded on March 7, 1942, by an assistant of certain alcohol tax investigators when the former attempted to escape from an illicit distillery. The investigators placed him in the Columbia Hospital. No evidence whatever apart from the claim of the hospital appears from the files of the Bureau of Internal Revenue that the hospital then or later was informed that the hospital bill would be paid by the Treasury Department. After Mr. Sharpe was placed in the hospital, his arrest was reported to the United States marshal who assumed custody of the prisoner. On September 17, 1942, the indictment against Mr. Sharpe was withdrawn. A copy of the order discharging him from the custody of the United States marshal was delivered to the hospital, with the endorsement by the marshal that he would no longer be responsible for any bill incurred by Mr. Sharpe. The marshal then paid to the Columbia Hospital the total sum of $1,055, the amount of Mr. Sharpe's bill for treatment from March 7, 1942, to September 17, 1942.

Thus it would appear that no evidence exists of any agreement at any time by the Treasury Department that it would reimburse the Columbia Hospital for the care of Mr. Sharpe. The hospital has been reimbursed by the United States marshal for the care furnished during the period Mr. Sharpe was in custody. The hospital was informed clearly at the time of discharge from custody that the marshal would no longer be responsible for bills incurred by Mr. Sharpe. No further circumstance is shown which could have led the Columbia Hospital to believe that any other branch of the United States Government would be responsible for further care of Mr. Sharpe. Therefore, no basis appears to exist for any claim by the hospital against the United States, and under these circumstances the payment proposed by the bill would constitute an undesirable precedent.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 20, 1948.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. JONES of Washington (at the request of Mr. MACK), indefinitely, on account of illness.

To Mr. H. CARL ANDERSEN, for 1 week, on account of official business.

To Mr. HORAN, for 1 week, on account of official business.

To Mr. ROBERTSON (at the request of Mr. ARENDS), for 1 week, on account of official business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 203. An act to increase the equipment maintenance of rural carriers 1 cent per mile per day travelled by each rural carrier for a period of 2 years, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on March 18, 1948, present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 1809. An act to facilitate the use and occupancy of national-forest lands, and for other purposes;

H. R. 2453. An act to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region;

H. R. 2502. An act to provide for the general welfare and advancement of the Klamath Indians in Oregon;

H. R. 3506. An act to provide for acquisition of a site for a new Federal building in Huntington, W. Va.;

H. R. 4836. An act to authorize the purchase of a new post-office site at Omaha, Nebr.;

H. R. 4838. An act to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States;

H. R. 4967. An act to provide for the acquisition of a site for a new postal building in Portland, Oreg.;

H. R. 5315. An act to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases; and for related purposes;

H. J. Res. 251. Joint resolution to authorize issuance of a special series of stamps commemorative of the one-hundredth anniversary of the coming of the Swedish pioneers to the Middle West; and

H. J. Res. 320. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the creation of the Territory of Minnesota.

ADJOURNMENT

Mr. CANFIELD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 24 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 23, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1398. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $125,000 for the Department of the Interior (H. Doc. No. 572); to the Committee on Appropriations and ordered to be printed.

1399. A letter from the Acting Secretary of the Interior, transmitting a contract providing for the sale to the United States of America of all of the right, title, and interest of the Choctaw and Chickasaw Nations of Indians of Oklahoma in the segregated coal and asphalt lands and deposits reserved from allotment by section 58 of the supplemental agreement of 1902 (32 Stat. 641); to the Committee on Public Lands.

1400. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 205 individuals whose deportation has been suspended for more than 6 months; to the Committee on the Judiciary.

1401. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend section 202 of title II of the Army-Navy Medical Services Corps Act of 1947, as amended, to remove the present restriction on appointments to the Navy Medical Service Corps; to the Committee on Armed Services.

1402. A letter from the Administrator, Federal Security Agency, transmitting the Annual Report of the Bureau of Employees' Compensation for the fiscal year 1947; to the Committee on Education and Labor.

1403. A letter from the Administrator, Federal Security Agency, transmitting the Annual Report of St. Elizabeths Hospital for the fiscal year 1947; to the Committee on Education and Labor.

1404. A letter from the Acting Secretary of the Interior, transmitting two copies of the statement of fiscal affairs of Indian tribes for the fiscal year ending June 30, 1947; to the Committee on Public Lands.

1405. A letter from the chief Scout executive, Boy Scouts of America, transmitting a copy of the Thirty-eighth Annual Report of the Boy Scouts of America for the year 1947 (H. Doc. No. 573); to the Committee on Education and Labor and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BEALL: Committee on the District of Columbia. H. R. 4572. A bill to amend section 7 of the District of Columbia Traffic Act, 1925, as amended, to provide for learners' permits, and for other purposes; with an amendment (Rept. No. 1580). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on the District of Columbia. H. R. 4636. A bill to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, as amended; without amendment (Rept. No. 1581). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on the District of Columbia. H. R. 5227. A bill to provide that children be committed to the Board of Public Welfare in lieu of being committed to the National Training School for Girls; that the property and personnel of the National Training School for Girls be available for the care of children committed to or accepted by the Board of Public Wel-

fare, and for other purposes; without amendment (Rept. No. 1582). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 5856. A bill to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act; without amendment (Rept. No. 1583). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 5874. A bill to establish a District of Columbia Armory Board, and for other purposes; without amendment (Rept. No. 1584). Referred to the Committee of the Whole House on the State of the Union.

Mr. EATON: Committee on Foreign Affairs. S. 2202. An act to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world; with amendments (Rept. No. 1585). Referred to the Committee of the Whole House on the State of the Union.

Mr. WIGGLESWORTH: Committee on Appropriations. House Joint Resolution 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections; without amendment (Rept. No. 1586). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 505. Resolution providing for consideration of S. 2202. An act to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world; without amendment (Rept. No. 1587). Referred to the House Calendar.

Mr. JENKINS of Ohio: Committee on Ways and Means. H. R. 5645. A bill to assist States in collecting sales and use taxes on cigarettes; with amendments (Rept. No. 1588). Referred to the Committee of the Whole House on the State of the Union.

Mr. CORBETT: Committee on Post Office and Civil Service. H. R. 5779. A bill to make Friday, December 24, 1948, a holiday for all Federal officers and employees; without amendment (Rept. No. 1589). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELLIS: Committee on Ways and Means. H. R. 5553. A bill to amend paragraph 1772 of the Tariff Act of 1930, as amended; without amendment (Rept. No. 1590). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. S. 805. An act authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the district embracing the east portion of Duchesne County and the west portion of Uintah County; without amendment (Rept. No. 1591). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 5854. A bill to amend title VI of the National Housing Act, as amended; with amendments (Rept. No. 1592). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES: Committee on Post Office and Civil Service. Report pursuant to House Resolution 176 on study of personnel offices in the executive departments and agencies of the Government; without amendment (Rept. No. 1593). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 5888. A bill to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; without amendment (Rept. No. 1594). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. House Joint Resolution 342. Joint resolution directing all executive departments and agencies of the Federal Government to make available to any and all standing, special, or select committees of the House of Representatives and the Senate, information which may be deemed necessary to enable them to properly perform the duties delegated to them by the Congress; with amendments (Rept. No. 1595). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 5918. A bill exempting from the Federal estate tax the proceeds of national service life insurance and United States Government life insurance; to the Committee on Ways and Means.

By Mr. BEALL:

H. R. 5919. A bill to amend an act approved July 16, 1947, entitled "An act to provide revenue for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. BOGGS of Louisiana:

H. R. 5920. A bill to establish a national housing objective and the policy to be followed in the attainment thereof, to facilitate sustained progress in the attainment of such objective, and for other purposes; to the Committee on Banking and Currency.

By Mr. BRADLEY:

H. R. 5921. A bill to provide for nautical education in the Territories, to facilitate nautical education in the States and Territories, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FARRINGTON:

H. R. 5922. A bill relating to the issuance of reentry permits to certain aliens; to the Committee on the Judiciary.

By Mr. GEARHART:

H. R. 5923. A bill to amend section 2402 (a) of the Internal Revenue Code, as amended, and to repeal section 2402 (b) of the Internal Revenue Code, as amended; to the Committee on Ways and Means .

By Mr. HEDRICK:

H. R. 5924. A bill to provide for the sale at cost of Public Housing Administration project No. W. Va.-46011; to the Committee on Public Works.

H. R. 5925. A bill to provide for the acquisition of a site for, and the construction of, a new Federal building at Charleston, W. Va., and for other purposes; to the Committee on Public Works.

H. R. 5926. A bill to provide for the construction of a post office at Dunbar, W. Va.; to the Committee on Public Works.

By Mr. JOHNSON of California:

H. R. 5927. A bill to authorize the Solano County project, California, for irrigation and reclamation, and for other purposes; to the Committee on Public Lands.

By Mr. MILLER of Connecticut:

H. R. 5928. A bill to provide for the performance of the duties of the office of postmaster at any post office of the first, second, or third class in which the office of postmaster becomes vacant; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL:

H. R. 5929. A bill relating to the issuance of reentry permits to certain aliens; to the Committee on the Judiciary.

By Mr. RAMEY:

H. R. 5930. A bill to provide for the establishment of minimum standards to insure the adequacy of educational institutions to furnish education under the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Veterans' Affairs.

By Mr. SIKES:

H. R. 5931. A bill to provide for the establishment of the Fort Gadsden National Monument; to the Committee on Public Lands.

By Mr. WELCH:

H. R. 5932. A bill to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes; to the Committee on Public Lands.

By Mr. EBERHARTER:

H. R. 5933. A bill to permit the temporary free importation of racing shells; to the Committee on Ways and Means.

By Mr. MARCANTONIO:

H. R. 5934. A bill to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world; to the Committee on Foreign Affairs.

By Mr. ISACSON:

H. R. 5935. A bill to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world; to the Committee on Foreign Affairs.

By Mr. KEFAUVER:

H. R. 5936. A bill to provide for the addition of certain surplus Government lands to the Chickamauga and Chattanooga National Military Park, in the States of Georgia and Tennessee, and for other purposes; to the Committee on Public Lands.

By Mr. ANDREWS of New York:

H. R. 5937. A bill to provide for the administration of military justice within the United States Air Force, and for other purposes; to the Committee on Armed Services.

By Mr. ELLIOTT:

H. R. 5938. A bill to amend section 2 of the Rivers and Harbors Act of 1937; to the Committee on Public Works.

By Mrs. SMITH of Maine:

H. R. 5939. A bill relating to the disposition of housing acquired or constructed by the United States; to the Committee on Public Works.

By Mr. WIGGLESWORTH:

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections; to the Committee on Appropriations.

By Mr. FULLER:

H. J. Res. 356. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of the historic city of Oswego, N. Y.; to the Committee on Banking and Currency.

By Mr. JAVITS:

H. J. Res. 357. Joint resolution to provide for the exportation of arms, munitions, and implements of war from the United States to Palestine; to the Committee on Foreign Affairs.

By Mrs. BOLTON:

H. Con. Res. 179. Concurrent resolution authorizing a reprint of the report and supplements of the Subcommittee on National and International Movements of the Committee on Foreign Affairs entitled "The

Strategy and Tactics of World Communism"; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States in relation to migratory game birds; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to include certain California products in any bill authorizing European relief under the Marshall plan; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the grazing of cattle in Yosemite National Park; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact an adequate antilynching law; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact a Fair Employment Practices Act; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts:

H. R. 5940. A bill for the relief of Fred H. Nichols; to the Committee on the Judiciary.

By Mr. CHURCH:

H. R. 5941. A bill for the relief of the Western Union Telegraph Co. and American Express Co.; to the Committee on the Judiciary.

By Mr. DIRKSEN:

H. R. 5942. A bill to exempt from taxation certain property of the American Friends Service Committee; to the Committee on the District of Columbia.

By Mr. FORAND:

H. R. 5943. A bill for the relief of Mrs. Mary T. Maloney Preece; Committee on Post Office and Civil Service.

By Mr. HAVENNER:

H. R. 5944. A bill for the relief of Chin Suey Hong and his wife, Lee Suey You; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 5945. A bill for the relief of Arnett Wells Leslie, Jr.; to the Committee on the Judiciary.

By Mr. MARTIN of Iowa:

H. R. 5946. A bill for the relief of the estate of Robert Joseph Welch; to the Committee on the Judiciary.

By Mr. MICHENER (by request):

H. R. 5947. A bill for the relief of Charles Duncan Monteith; to the Committee on the Judiciary.

By Mr. NIXON:

H. R. 5948. A bill for the relief of Mark H. Potter; to the Committee on the Judiciary.

By Mr. SIMPSON of Illinois:

H. R. 5949. A bill for the relief of Scott County, Ill.; to the Committee on the Judiciary.

By Mr. TIBBOTT:

H. R. 5950. A bill for the relief of Mihjalo Bakic or Mile Vujaklija; to the Committee on the Judiciary.

By Mr. BRADLEY (by request):

H. J. Res. 358. Joint resolution to invest and quiet title to certain submerged land within the Continental Shelf and beyond the 3-mile shore line from Long Beach, Calif.; to the Committee on Public Lands.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1584. By Mr. CLASON: Memorial of the General Court of Massachusetts to the Congress of the United States to enact an antilynching law; to the Committee on the Judiciary.

1585. Also, memorial of the General Court of Massachusetts to the Congress of the United States to enact a Fair Employment Practices Act; to the Committee on Education and Labor.

1586. Also, memorial of the General Court of Massachusetts to the Congress of the United States to enact legislation providing for the establishment and maintenance of a national cemetery within the Commonwealth of Massachusetts; to the Committee on Public Lands.

1587. Also, memorial of the General Court of Massachusetts, recommending the passage of legislation which would permit the use of immigration quotas not exhausted during World War II for the purpose of admitting displaced persons in Europe to this country; to the Committee on the Judiciary.

1588. By Mr. FORAND: Petition of Pulaski Democratic Club Ladies' Auxiliary, Pawtucket, R. I., urging speedy passage of a law permitting a substantial number of displaced persons to come to the United States as immigrants, in the belief that 1 year's delay will be most detrimental to the displaced persons; to the Committee on the Judiciary.

1589. Also, petition of the Polish-American Federation, of Pawtucket, R. I., urging speedy passage of a law permitting a substantial number of displaced persons to come to the United States as immigrants, in the belief that 1 year's delay will be most detrimental to the displaced persons; to the Committee on the Judiciary.

1590. Also, petition of the Polish Workmen's Aid Fund, of Pawtucket, R. I., urging speedy enactment of a law permitting a substantial number of displaced persons to come to the United States as immigrants, in the belief that 1 year's delay will be most detrimental to the displaced persons; to the Committee on the Judiciary.

1591. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, in behalf of displaced persons in Europe; to the Committee on the Judiciary.

1592. Also, memorial of the Massachusetts Legislature, favoring legislation eliminating the payment of a poll tax as a prerequisite to voting; to the Committee on House Administration.

1593. Also, memorial of the Massachusetts Legislature, favoring passage of the adjusted compensation bill as advocated by the Veterans of Foreign Wars of the United States; to the Committee on Ways and Means.

1594. Also, memorial of the Massachusetts Legislature, favoring a Fair Employment Practices Act; to the Committee on Education and Labor.

1595. Also, memorial of the Massachusetts Legislature, favoring an adequate antilynch law; to the Committee on the Judiciary.

1596. Also memorial of the Massachusetts Legislature, favoring legislation providing for the establishment of a national cemetery within the Commonwealth of Massachusetts; to the Committee on Public Lands.

1597. By Mr. LEWIS: Petition of 61 residents of Winona, Ohio, and vicinity, urging defeat of universal military training; to the Committee on Armed Services.

1598. By Mr. MARTIN of Massachusetts: Petition of sundry citizens of Massachusetts, favoring enactment of the Economic Corporation Act of 1948; to the Committee on Foreign Affairs.

1599. Also, petition of Henry J. Parkman and sundry citizens of Massachusetts, favoring enactment of the Economic Cooperation Act of 1948; to the Committee on Foreign Affairs.

1600. By Mr. SMITH of Wisconsin: Communication from national affairs committee of Kenosha Chamber of Commerce, Kenosha, Wis., setting forth the position of the chamber with reference to the European recovery program; to the Committee on Foreign Affairs.

1601. By the SPEAKER: Petition of Mrs. Savage, Evansville, Ind., and others, petitioning consideration of their resolution with reference to requesting amendment of the oath of allegiance to the United States of America, in United States Code, 1940, title 8, section 735b; to the Committee on the Judiciary.

1602. Also, petition of Miss Sophie Southwick, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1603. Also, petition of the Association of American Indian Affairs, Inc., petitioning consideration of their resolution with reference to defeat of H. R. 1113; to the Committee on Public Lands.

1604. Also, petition of Mrs. M. E. Roberts, St. Cloud, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

TUESDAY, MARCH 23, 1948

(Legislative day of Monday, March 15, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Lord Jesus, in the days of this holy week of solemn remembrance, bring to our minds again Thy new commandment that we love one another.

With loving concern in our hearts, may we cherish each other and be willing to put the welfare of others ahead of our own. In loving other people we shall best express our love for Thee. So help us to love that we may be loved for Thy name's sake. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 22, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 4572. An act to amend section 7 of the District of Columbia Traffic Act, 1925, as

amended, to provide for learners' permits, and for other purposes;

H. R. 4636. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, as amended;

H. R. 4649. An act to provide that compensation of members of the Alcoholic Beverage Control Board of the District of Columbia shall be fixed in accordance with the Classification Act of 1923, as amended;

H. R. 5065. An act to amend section 1700 (a) (1) of the Internal Revenue Code so as to exempt hospitalized servicemen and veterans from the admissions tax when admitted free;

H. R. 5227. An act to provide that children be committed to the Board of Public Welfare in lieu of being committed to the National Training School for Girls, that the property and personnel of the National Training School for Girls be available for the care of children committed to or accepted by the Board of Public Welfare, and for other purposes;

H. R. 5856. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act;

H. R. 5874. An act to establish a District of Columbia Armory Board, and for other purposes; and

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 468) to amend the act entitled "An act to incorporate the Imperial Palace, Dramatic Order Knights of Khorassan," to increase the amount of property which the corporation may hold from $100,000 to $5,000,000, and it was signed by the President pro tempore.

EXTENSION OF RENT CONTROL IN THE DISTRICT OF COLUMBIA

Mr. CAIN. Mr. President, I ask that the bill which has just come over from the House, which will extend the rent law of the District of Columbia for 30 days, be laid before the Senate.

The PRESIDENT pro tempore laid before the Senate the bill (H. R. 5856) to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act, which was read twice by its title.

Mr. CAIN. Mr. President, the only reason for my request that the bill be taken up at this time is that an effort will be made, as soon as Congress has passed a Federal rent law, to synchronize the provisions of the Federal law with those pertaining to the District of Columbia. I ask unanimous consent for the immediate consideration of the bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 2342, which is identical with House bill 5856, will be indefinitely postponed.

HEARING ON NOMINATION OF EDWARD ALLEN TAMM

Mr. DONNELL. Mr. President, by reason of the fact that Hon. Peyton Ford, assistant to the Attorney General of the United States, finds it impossible to be present at the hearing scheduled for 7 o'clock this evening with respect to the nomination of Edward Allen Tamm to be an associate justice of the District Court of the United States for the District of Columbia, the hearing will not be held. Postponement of the hearing is hereby announced until 7 p. m. Tuesday, March 30, 1948, at which time further hearing concerning the nomination will be entered on in room 424, Senate Office Building.

THE CRISIS IN FINLAND

Mr. LODGE. Mr. President, I have received a letter from the Finnish American League for Democracy embodying a statement of their views on the current world situation as it affects Finland and as it affects the United States. I think the letter is entitled to very careful attention and sympathetic reaction, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FINNISH AMERICAN LEAGUE
FOR DEMOCRACY,
Fitchburg, Mass., March 20, 1948.

Senator HENRY CABOT LODGE, Jr.,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: The Finnish American League for Democracy in convention assembled in Fitchburg, Mass., March 20, 1948, carefully considered the dangerous situation of Finland in the present chaotic world and decided to respectfully sumbit to you the following statement:

"Whereas the United States of America, the citizens of which we are, was established on the principles of justice and freedom and because the sincere purpose of this Nation and its Government is to defend peace and democracy and to safeguard the independence and freedom of all the people of the world;

"Whereas the Soviet Union with the Communist movements which serve it in all countries, on the contrary, are bent on continuing the aggressive policy of subjugation and extending the powers of the police state and terror under Moscow's protection, under which so many states and nations have already lost their independence and hundreds of millions of human beings deprived of their liberty;

"Whereas the Soviet Union still persists in sabotaging all efforts at peaceful reconstruction and return to peace in the United Nations, fails to redeem its promises to grant freedom and independence to the Eastern European nations and continues its preparations for war and aggression in order to destroy all democratic nations from the face of the earth and to rule the entire world insofar as possible;

"Whereas our former homeland Finland, that valiant defender of democracy which during her entire history has been forced to endure the oppressions of its powerful neighbor, has again become the particular object of Russian demands with apparent object to subjugate her and to destroy her independence in the manner that the independence of Estonia, Latvia, and Lithuania was destroyed;

"Whereas Finland has in no way on her part given any excuse for Russia to increase its pressure on Finland by the so-called mutual friendship treaties, the thinly veiled purpose of which is to tighten and intensify repression on her and to further the aggressive policy of Russia in Finland, but on the contrary has, with superhuman efforts and sacrifices, already fulfilled more than half of the heavy reparation obligations saddled on her in the Paris peace treaty by the conquering Russians, thereby causing her own people to live in continuous privation and on substandard sustenance, the endurance of which has been possible for her people on the strength of the financial and economic assistance given by the United States, and in the expectation that after the reparations have been paid in full, Finland will again enjoy her sovereignty, and will be able to order and arrange her national life according to the will of her people;

"Whereas Finland has been prevented from joining the United Nations organizations from where she expected to get protection for her independence and assurance against further Russian aggression; and

"Therefore we, delegates and representatives at the annual convention of the Finnish American League for Democracy, a group of naturalized and native-born citizens of the United States, at Fitchburg, Mass., on this 20th day of March 1948, appeal to the people, the press, the government officials, and the political leaders of this great republic, urging them to see that we here consolidate our forces and coordinate our efforts to carry on an intensive educational campaign against Russian terrorism and totalitarianism, and that our Government will use all possible measures to protect and defend the rights and freedom of Finland and other small nations now under oppression, and that with this in mind all our national resources will be organized to fight for lasting peace."

We have the honor to remain,
Most respectfully yours,

VICTOR ANNALA,
Chairman.
WILLIAM AHO,
Secretary.

EXCLUSION OF CERTAIN VENDORS OF NEWSPAPERS OR MAGAZINES FROM PROVISIONS OF SOCIAL SECURITY ACT AND INTERNAL REVENUE CODE

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Order of Business No. 1027, House bill 5052, to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code. I may say that when this bill was reached on the call of the calendar the Senator from Florida [Mr. PEPPER] objected. He authorizes me to state that he withdraws his objection.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Colorado?

Mr. WHERRY. Mr. President, reserving the right to object, I shall make no objection if the matter can be terminated without extended discussion.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 5052) to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code, was considered, ordered to a third reading, read the third time, and passed.

Mr. FULBRIGHT subsequently said: Mr. President, I understand that a few moments ago, before the quorum call, House bill 5052 was considered by unanimous consent and was passed. In view of the fact that yesterday afternoon, when the legislative program for today was stated, no mention was made of an

intention to have the calendar called or to have special bills brought up, and in view of the further fact that I wish to offer an amendment to the bill, I now ask unanimous consent that the action by which the bill was passed be reconsidered, and that the bill be reinstated on the calendar.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arkansas that the vote by which House bill 5052 was passed be reconsidered, and that the bill be reinstated on the calendar? The Chair hears none, and it is so ordered.

Mr. MILLIKIN subsequently said: Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1027, House bill 5052, to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code. The bill was passed earlier in the day, but on request of the Senator from Arkansas [Mr. FULBRIGHT] the vote was reconsidered. The Senator from Arkansas has since withdrawn his objection.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the bill (H. R. 5052) was considered, ordered to a third reading, read the third time, and passed.

DEVELOPMENT OF MISSOURI RIVER BASIN

Mr. MURRAY. Mr. President, I ask unanimous consent to have inserted in the permanent RECORD of March 16, at the conclusion of my remarks on page 3017 the full text of Senate Joint Resolution 197, which I introduced at the time.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the order is made.

THE NATIONAL HEART INSTITUTE

Mr. MURRAY. Mr. President, I had hoped to address the Senate on the need for prompt and favorable committee action on such important and essentially noncontroversial legislation as Senate bill 2215, the bipartisan bill to establish a National Heart Institute.

I have here a telegram urging such action signed by over seventy of our most outstanding citizens of both political parties. I have, too, a sheet setting forth the simple but inescapably frightening facts about heart disease which demand congressional action. It includes the proof that heart disease is the No. 1 killer of our people—and, I might add, of their elected representatives.

Inasmuch as our time is so limited, and since I am anxious to have these compelling arguments brought to the attention of all Members of the House of Representatives as well as of the Senate, I ask unanimous consent to have this telegram and its impressive list of signers, together with a fact sheet on heart disease, printed in the RECORD at this point.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *March 19, 1948.*

Hon. JAMES E. MURRAY,
United States Senate:

Day in and day out, men and women in their prime of life are struck by the No. 1 killer of mankind—heart disease. A constant increase in the death rate due to disease of the heart and arteries makes it imperative that pending legislation in your committee get an immediate hearing. Fifty-eight million living Americans, doomed to die from heart disease, are pleading for action.

Sponsors of the National Heart Committee: Irene Dunne, Herbert Bayard Swope, Edgar Kobak, Justin Miller, Gardner Cowles, A. F. Whitney, Gerard Swope, Elmo Roper, Niles Trammell, James and Marian Jordan (Fibber McGee and Molly), David Dubinsky, Samuel Goldwyn, Siegfried Hartman, Alfred McCosker, Walter Reuther, Grantland Rice, Robert W. Woodruff, Walter S. Mack, Jr., Frank Stanton, Philip Murray, Carl Whitmore, James A. Farley, Mark Woods, William Green, Harry Emerson Fosdick, John Hay Whitney, Lowell Thomas, Lois Mattox Miller, Barry Bingham, Leonard Lyons, Matthew Woll, Alfred Howell, Dr. Irving Wright, Seymour Berkson, Mrs. Ted Thackrey, Dr. Henry Simms, Mrs. Peter Rathvon, Bernard F. Gimbel, Dr. Charles A. R. Connor, M. Lincoln Schuster, Joshua Loth Liebman, Mrs. Arthur Baer, Gov. James Cox, Mrs. Daniel Mahoney, Dr. Airlie Barnes, Miss Jessica Daves, Miss Eleanor Lambert, Miss Leonora Corbett, Daniel Mahoney, Dr. T. Duckett Jones, Mrs. Dorothy Norman, Mrs. Bernard Gimbel, Dr. Harry Goldblatt, Henry Luce, Mrs. Franklin D. Roosevelt, Dr. David D. Rutstein, Julius Ochs Adler, Joan Bennett, Walter Wanger, James S. Adams, Dr. Paul White, Dr. Harold W. Dodds, Mrs. Harold Guinzberg, Harold Guinzberg, Dr. Howard Rusk, James Douglas, Paul Walter, Hugh K. Martin, Merrill Meigs, George W. Weber, Jr. Executive committee: Ed R. Gamble, Mrs. Anna M. Rosenberg, Emerson Foote, Mrs. Wendell Willkie, Gen. Wm. J. Donovan, Mrs. Albert D. Lasker, Don Francisco, Robert Coyne.

WHAT IS THE NEED FOR CONGRESSIONAL LEGISLATION AGAINST DISEASES OF THE HEART AND CIRCULATION?

1. How many people in our country die of diseases of the heart and circulation?

(a) More than one out of three of our people now die from these diseases.[1]

(b) 588,451 Americans died of these diseases in 1946.[1]

(c) 60,000,000 Americans now living will die of these diseases unless new treatments and cures are found.[2]

2. How many of our people are disabled, in varying degrees, by diseases of the heart and circulation?

(a) About 9,000,000,[3] or about 1 in every 16 people.

3. Is there a National Heart Institute in the United States Public Health Service like the National Cancer Institute? No.

(a) There is no National Heart Institute and the United States Public Health Service has only $974,500 this year to spend for research on diseases of the heart and circulation.[4]

(b) The National Cancer Institute in the United States Public Health Service has $14,000,000 of Federal funds this year to spend on cancer research, education, control, and other action against cancer,[5] of which $7,544,000 is for research.

4. How much money is being spent in this country from all sources on research for new treatments and cures of diseases of the heart and circulation which cause one out of three deaths?

(a) Less than $3,000,000 a year of private and Government funds, or only $3.98 per death from these diseases, it is estimated.[4 6 7]

(b) Our Government spends only $1.65 per death for the No. 1 killer of our people.[8]

5. How does this compare with what the United States Government spends on research and control of plant and animal diseases?

(a) The United States Department of Agriculture has $29,866,200 this year to spend on research and control of plant and animal diseases.[9]

(b) This is about 10 times as much as the amount spent from all sources on diseases of the human heart and circulation.

6. How many beds for clinical research in diseases of the heart and circulation are there in the United States?

(a) Only about 200 beds in the whole country for the 9,000,000 sufferers.[10]

(b) Only 909 special beds for convalescent cardiac patients, located in only 8 States, with 344 of the 909 beds in New York City.[11]

7. How many doctors specialize in the field of heart disease?

(a) Only 199 doctors limit their practice to diseases of the heart; another 439 give special attention to this field.[12] This makes a total of only 638 doctors out of a total of 135,942 effective physicians[13] who specialize in cardiology.

8. How would the creation of a National Heart Institute with large sums for research, medical education, facilities, and services help to change this situation?

(a) Such an institute would give grants-in-aid to qualified institutions for research into better treatments and cures.

(b) It would give similar grants for refresher courses for doctors, and for better teaching to medical students.

(c) It would give grants for construction of research facilities.

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[1] National Office of Vital Statistics (1 out of 2.37 deaths in 1946; 1 out of 2.38 deaths in 1945).

[2] Forty-two percent of the total deaths in 1946 were caused by diseases of the heart and circulation: 42 percent of 143,000,000 (estimated United States population) is 60,060,000.

[3] Dr. Rolla E. Dyer, director, National Institute of Health; estimate based on analysis of health of the Nation, 1940 (memorandum dated May 28, 1947).

[4] Dr. Rolla E. Dyer, director, National Institute of Health (letter dated December 12, 1947).

[5] Dr. Leonard A. Scheele, director, National Cancer Institute (letter dated September 25, 1947).

[6 7]

U. S. Public Health Service	$974,500
Nongovernmental agencies in United States	615,000
Life insurance companies of United States (Dr. Francis Dieuaide, Life Insurance Medical Research Fund)	550,000
Whitney Foundation	200,000
	$2,339,500

See footnote 4. Survey made in 1944 by Dr. H. M. Marvin, American Heart Association.

[8] $974,500 for 588,451 deaths.

[9] United States budget, fiscal year ending June 30, 1948.

[10] Fact brought out in hearings before Senators BRIDGES and PEPPER on need for additional research funds for heart disease, by group of heart specialists, in Senate hearing April 24, 1947.

[11] Miss Margaret Matheson, executive secretary, New York Heart Association.

[12] American Medical Association (letter dated August 13, 1947).

[13] Journal of American Medical Association, vol. 121, p. 1163 (1943): Total registered physicians, 1943: 179,039; difference represents those not practicing because of advanced age, physical disabilities, and other reasons.

(d) It would promote coordination of research of all work in these fields.

(e) It would make available for prompt use new information in these fields.

(f) It would make grants-in-aid to States for prevention, treatment, and control of these diseases, and for training of personnel for State and local health work.

(g) All these would go a long way toward saving some of the almost 600,000 people who die from heart and arterial diseases every year, almost 25 percent of whom are under 60 years of age, and whose productive life could be extended for the betterment of our national economy, and their own health and happiness.

9. How do the people of the United States feel about Government expenditures for such purposes?

(a) Eighty-three percent of the people polled by Research Associates in a pilot poll conducted in 1947 said "Yes" to the question: "Do you think Congress should put aside $100,000,000 to be used in research on tuberculosis and diseases of the heart and arteries?" [14]

(b) Eighty percent of the people in the same poll said "Yes" to the question: "Would you be willing to pay more taxes for research and study to find new diagnoses and treatments of these diseases?"

10. Is there hope for better treatments and cures through research in these fields?

Yes, science has already made these important advances:

(a) Prevention of recurrences of attacks of acute rheumatic fever by the use of sulfa drugs.

(b) The surgical relief and, in certain instances, cure of congenital heart defects.

(c) The lowering of blood pressure and the relief of symptoms in some cases by surgical treatment of high blood pressure.

(d) The use of sulfa drugs, penicillin, and streptomycin in the prevention and treatment of a type of heart disease known as subacute bacterial endocarditis.

But, many new research leads are not being adequately followed for lack of funds, and—

(a) Diseases of the heart and circulation are still the No. 1 killer of our people.

(b) One person dies every minute of diseases of the heart and circulation.[15]

(c) Diseases of the heart and circulation take a greater death toll than the five next leading causes of death combined.[16]

(d) They cause more than 300 times as many deaths as infantile paralysis.[17]

(e) One person in every 16 suffers from diseases of the heart and circulation.[18]

(f) Nearly one out of every two deaths after the age of 45 is caused by heart diseases.[19]

(g) It is no respecter of ages, and is the leading fatal disease among children from 5 to 19 years old.[19]

[14] Pilot poll conducted by Research Associates, New York City, January 1947.

[15] Five hundred twenty-five thousand six hundred minutes in a year; 588,451 deaths.

[16] Cancer, 182,005; deaths associated with childbirth, 145,094 (1945); accidental, 98,003; nephritis, 81,701; pneumonia, influenza, 62,-324.

[17] Three hundred times one thousand eight hundred and forty-five infantile paralysis deaths, (1946) equals 553,500.

[18] Nine million sufferers: 143,000,000 population.

[19] New York heart campaign booklet, Open Your Heart.

PETITION AND MEMORIAL

Petitions, etc., were laid before the Senate by the President pro tempore and referred as indicated:

A petition of the delegates of the Fifth Congressional District Townsend Convention, at Sanford, Fla., praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

The memorial of Ben Gittler, of Chicago, Ill., remonstrating against the enactment of legislation providing universal military training; to the Committee on Armed Services.

PROPOSED INUNDATION OF CERTAIN FARM LANDS IN MISSOURI—RESOLUTION OF MISSOURI HOUSE OF REPRESENTATIVES

Mr. KEM. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD House Resolution 169, adopted by the House of Representatives of the General Assembly of the State of Missouri, on March 17, 1948, relating to the proposal of certain Army engineers to inundate some of the best farm lands in the State of Missouri.

There being no objection, the resolution was received, referred to the Committee on Appropriations, and, under the rule, ordered to be printed in the RECORD, as follows:

House Resolution 169

Whereas it is proposed by the Army engineers that the best lands in our southwestern counties are to be inundated; and

Whereas the Army engineers seem to take for granted, along with other military men, that the rights of the individual are nothing and that the state is above all; and

Whereas an agreement was reached that nothing would be done about this program until it had been approved by the State; and

Whereas the State through its duly elected representatives has never approved this plan; and

Whereas the inundation of these farms could not possibly help in so vast an area as the Mississippi Basin; and

Whereas the multiplied millions which the Government would appropriate could be spent to greater advantage in terracing and conservation of these lands: Now, therefore, be it

Resolved, That the house of representatives object to the appropriation of funds by Congress for the wholesale destruction of these homes and the inundation of valuable farm lands of our communities; and be it further

Resolved, That the chief clerk be instructed to send a copy of this resolution to the Governor, the Senators, and to each of our Congressmen of Missouri.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. THYE, from the Committee on Post Office and Civil Service:

S. 1950. A bill to provide for a decennial census of housing; without amendment (Rept. No. 1020).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 23, 1948, he presented to the President of the United States the enrolled bill (S. 468) to amend the act entitled "An act to incorporate the Imperial Palace, Dramatic Order Knights of Khorassan" to increase the amount of property which the corporation may hold from $100,000 to $5,000,000.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSHFIELD:

S. 2370. A bill to authorize and direct the Secretary of the Interior to issue to Ignatius Leo Cadotte a patent in fee to certain land; to the Committee on Interior and Insular Affairs.

By Mr. DWORSHAK:

S. 2371. A bill validating certain conveyances of the Oregon Short Line Railroad Co. and the Union Pacific Railroad Co. and waiving, relinquishing, and disclaiming all title and all right of reverter and forfeiture of the United States of America to the lands described in said conveyances; to the Committee on Interior and Insular Affairs.

By Mr. O'MAHONEY:

S. 2372. A bill to amend paragraph (3) of section 114 (b) of the Internal Revenue Code; and

S. 2373. A bill to amend the Internal Revenue Code by providing a synthetic liquid-fuel plant amortization deduction; to the Committee on Finance.

By Mr. O'MAHONEY (for himself and Mr. ROBERTSON of Wyoming):

S. 2374. A bill to amend title VI of the Public Health Service Act so as to extend the time within which States may take legislative action necessary to qualify for receiving Federal aid in the construction of hospitals under such title; to the Committee on Labor and Public Welfare.

By Mr. MYERS:

S. 2375. A bill for the relief of Jaakauv Arens; to the Committee on the Judiciary.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 4572. An act to amend section 7 of the District of Columbia Traffic Act, 1925, as amended, to provide for learners' permits, and for other purposes;

H. R. 4636. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, as amended;

H. R. 4649. An act to provide that compensation of members of the Alcoholic Beverage Control Board of the District of Columbia shall be fixed in accordance with the Classification Act of 1923, as amended;

H. R. 5227. An act to provide that children be committed to the Board of Public Welfare in lieu of being committed to the National Training School for Girls; that the property and personnel of the National Training School for Girls be available for the care of children committed to or accepted by the Board of Public Welfare, and for other purposes; and

H. R. 5874. An act to establish a District of Columbia Armory Board, and for other purposes; to the Committee on the District of Columbia.

H. R. 5065. An act to amend section 1700 (a) (1) of the Internal Revenue Code so as to exempt hospitalized servicemen and veterans from the admissions tax when admitted free; to the Committee on Finance.

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections; to the Committee on Appropriations.

TRANSFER OF CERTAIN LAND TO FAIRBANKS, ALASKA—CHANGE OF REFERENCE

Mr. WILEY. Mr. President, House bill 183, to transfer lot 1 in block 115, city of Fairbanks, Alaska, to the city of Fairbanks, Alaska, was referred to the

Committee on the Judiciary. The jurisdiction of the Committee on the Judiciary does include matters relating to State and Territorial boundary lines, but there is nothing in H. R. 183 to indicate that the transfer of the land affected relates to either a State or Territorial boundary line. Actually it relates to the outright conveyance of the right, title, and interest of the United States in public lands. This is historically and logically a subject to be considered by the Committee on Interior and Insular Affairs. I took the matter up with the Senator from Nebraska [Mr. BUTLER], who is chairman of that committee, and he agrees with the conclusion I have just stated. Therefore, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the bill, and that it be referred to the Committee on Interior and Insular Affairs.

The PRESIDENT pro tempore. Without objection, the change of reference will be made.

UNITY IN SCANDINAVIAN COUNTRIES—STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement on the subject of Scandinavian collective security, prepared by him, which appears in the Appendix.]

THE LABOR-MANAGEMENT RELATIONS ACT: THE FIRST 200 DAYS—ADDRESS BY PAUL M. HERZOG

[Mr. IVES asked and obtained leave to have printed in the RECORD an address on the subject The Labor-Management Relations Act: the First 200 Days, delivered by Paul M. Herzog, chairman of the National Labor Relations Board, before the Industrial Relations Conference of the Chamber of Commerce of the United States, Chicago, Ill., March 18, 1948, which appears in the Appendix.]

PROBLEMS OF FORMER SERVICEMEN—ADDRESS BY GAEL SULLIVAN

[Mr. KILGORE asked and obtained leave to have printed in the RECORD a radio address regarding problems of former servicemen, delivered by Gael Sullivan, executive director of the Democratic National Committee, on March 18, 1948, which appears in the Appendix.]

UNIVERSAL MILITARY TRAINING—STATEMENT BY THE FIRST PRESIDENCY OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS

[Mr. WATKINS asked and obtained leave to have printed in the RECORD a statement on universal compulsory military training by the first presidency of the Church of Jesus Christ of Latter-day Saints, which appears in the Appendix.]

RELIGIOUS EDUCATION IN PUBLIC SCHOOLS—DECISION OF SUPREME COURT

[Mr. DONNELL asked and obtained leave to have printed in the RECORD two editorials relating to the decision of the Supreme Court in the case of *People of State of Illinois ex rel. Vashti McCollum*, the first entitled "Strictly Separate," from the St. Louis Star-Times, of March 9, 1948, the second entitled "A Victory for Freedom," from the St. Louis Post-Dispatch, of March 9, 1948, which appear in the Appendix.]

COMMENTS ON THE MARSHALL PLAN BY BRIG. GEN. BRICE P. DISQUE, RETIRED

[Mr. KEM asked and obtained leave to have printed in the RECORD a statement entitled "Some Comments Re the Marshall Plan," written by Brig. Gen. Brice P. Disque, retired, which appears in the Appendix.]

LYNCHING AND POLITICS—ARTICLE BY JOHN W. SCOVILLE

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an article entitled "Lynching and Politics," by John W. Scoville, economist, of Detroit, Mich., which appears in the Appendix.]

STATEHOOD FOR HAWAII—EDITORIAL

[Mr. CORDON asked and obtained leave to have printed in the RECORD an editorial entitled "Statehood for Hawaii," published in the March 23, 1948, issue of the New York Times, which appears in the Appendix.]

FOREIGN POLICY OF THE UNITED STATES—EDITORIAL FROM NEW YORK HERALD TRIBUNE

[Mr. HATCH asked and obtained leave to have printed in the RECORD an editorial entitled "To the Congress," published in the New York Herald Tribune of March 21, 1948, which appears in the Appendix.]

PREPAREDNESS PROPOSALS—ARTICLE FROM NEW YORK TIMES

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article entitled "Truman Again Reveals Quality of Boldness," written by Arthur Krock and published in the New York Times of March 21, 1948, which appears in the Appendix.]

TRUMAN PROGRAM IS POPULAR—ARTICLE BY RALPH W. PAGE

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled "Truman Program Is Popular," from the Philadelphia Evening Bulletin of March 8, 1948, which appears in the Appendix.]

THE CAPEHART PLAN—EDITORIAL FROM THE PALLADIUM-ITEM

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Senate Rejects Capehart Plan," from the Palladium-Item of Richmond, Ind., of March 15, 1948, which appears in the Appendix.]

THE STATE OF THE NATION—BROADCAST BY WALTER WINCHELL

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD a radio broadcast by Walter Winchell entitled "The State of the Nation," broadcast on Sunday, March 21, 1948, which appears in the Appendix.]

COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. WHERRY asked and obtained consent for the subcommittee of Small Business Committee investigating export licenses to hold a hearing during the session of the Senate this afternoon.

Mr. GURNEY asked and obtained consent for the Committee on Armed Services to sit during sessions of the Senate while the committee has under consideration the national preparedness bill.

MAINTENANCE OF DOMESTIC RUBBER INDUSTRY

The Senate resumed the consideration of the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

Mr. BRICKER obtained the floor.

Mr. WHERRY. Will the Senator from Ohio yield?

Mr. BRICKER. I yield.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Baldwin	Hatch	Moore
Ball	Hawkes	Murray
Brewster	Hayden	Myers
Bricker	Hill	O'Conor
Bridges	Hoey	O'Daniel
Brooks	Holland	O'Mahoney
Buck	Ives	Overton
Bushfield	Jenner	Pepper
Byrd	Johnson, Colo.	Reed
Cain	Johnston, S. C.	Revercomb
Capehart	Kem	Robertson, Va.
Capper	Kilgore	Robertson, Wyo.
Chavez	Knowland	Russell
Connally	Langer	Saltonstall
Cooper	Lodge	Smith
Cordon	Lucas	Stennis
Donnell	McCarran	Stewart
Downey	McCarthy	Taft
Dworshak	McClellan	Thomas, Utah
Eastland	McFarland	Thye
Ecton	McGrath	Tobey
Ellender	McKellar	Vandenberg
Ferguson	McMahon	Watkins
Flanders	Magnuson	Wherry
Fulbright	Malone	Wiley
George	Martin	Williams
Green	Maybank	Wilson
Gurney	Millikin	Young

Mr. WHERRY. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Idaho [Mr. TAYLOR], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Alabama [Mr. SPARKMAN] and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

AMENDMENT OF INTERSTATE COMMERCE ACT—RAILROAD REORGANIZATION—CONFERENCE REPORT

Mr. REED submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

CLYDE M. REED,
ALBERT W. HAWKES,
FRANCIS J. MYERS,
Managers on the Part of the Senate.

CHAS. A. WOLVERTON,
LEONARD W. HALL,
WILSON D. GILLETTE,
OREN HARRIS,
Managers on the Part of the House.

Mr. REED. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

Mr. REED. Mr. President, the managers on the part of both Houses desire this very brief statement to be made in connection with the adoption of the report:

The conference committees representing the House of Representatives and the Senate desire to call particular attention to the provisions of 20 (b) (2) relating to the solicitation of assents or of opposition to a plan of reorganization. It is the intent of Congress that this language shall fully protect the interests of all parties by giving the Commission authority to approve such formal solicitations. However, it is not intended that the provisions shall be onerous or vexatious to the extent that they will result in Commission censorship of normal or ordinary correspondence between a carrier and a stockholder. It is suggested that the Commission, in making rules and regulations covering such solicitations shall construe the language liberally so as to protect the public interest but at the same time not require the Commission to scrutinize all correspondence.

EXTENSION OF RENT CONTROL—MEETING OF CONFEREES

Mr. TOBEY. Mr. President, there is an old maxim that "To err is human, to forgive divine." With that preamble, I bring to the attention of the Senate the fact that while in the lobby of the Senate reading the dispatches from one of the press bureaus, I read an interesting article about the conference committee which has been meeting during the past 48 hours on rent control. In the interest of truth, I now read the statement, and I ask the attention of the Senator from Washington [Mr. CAIN]. The statement may arouse not only his risibilities, but perhaps something else. The article tells about the Senate-House conference committee on rent control. The conference committee is trying to resolve the differences between the two Houses. The article states:

During 5 hours of sometimes heated wrangling yesterday behind closed doors, the Senate-House committee ironed out several minor variances.

In the interest of truth, justice, and fairness, I will say that during my experience in both the House and Senate, covering a period of 14 years, I have never known of a conference in which there was a finer degree of amity, common courtesy, forbearance, and mutual understanding, than there was in the conference on the rent-control bill. In the interest of truth, I correct the record not only in the minds of my colleagues in the Senate, but for the benefit of the public at large. We can meet together on controversial matters and still be gentlemen, with no wrangling, no heat, but some light.

Mr. CAIN. Mr. President, I should like to add to what the chairman of the Banking and Currency Committee has said that not only can we meet harmoniously, but up to this minute we have been meeting harmoniously, and I think quite effectively.

MAINTENANCE OF DOMESTIC RUBBER INDUSTRY

The Senate resumed the consideration of the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes.

Mr. BRICKER. Mr. President, the order of business before the Senate is House bill 5314, Calendar 1058, as reported unanimously by the Banking and Currency Committee of the Senate, with an amendment which strikes out all after the enacting clause of the House bill and substitutes the bill prepared by the subcommittee of the Senate Banking and Currency Committee.

This bill deals with the synthetic rubber program of the United States. It is necessary now to consider the bill and to have Congress take action at the earliest possible time because of the fact that Public Law No. 24, Eightieth Congress, which extended the rubber controls of the Second War Powers Act, expires on the 31st day of this month. It is, therefore, necessary that there be enacted into law a statute which will create in the Government a continuing authority to supplant that which was granted under the Second War Powers Act.

This bill, which we are presenting to the Senate with the unanimous approval of the Banking and Currency Committee, also meets with the unanimous approval of the rubber manufacturing industry. According to the testimony before the subcommittee—and we held extensive hearings—this is the first time the rubber industry has ever united solidly behind any proposition or any legislative proposal. The bill, almost entirely, likewise meets with the approval of the various departments of the Government which are interested in the synthetic-rubber program—the Munitions Board, the Department of Commerce, the Department of State, and the RFC.

Briefly, this bill separates legislation affecting the synthetic-rubber industry from the other general war powers that continue to be exercised by the Government. It continues the authority of the Government over the allocation, specification, inventory controls and the production of synthetic rubber.

When the war broke out, we had a supply of natural rubber to the extent of 533,000 long tons on hand and 100,000 tons more on the high seas in shipment to our country. That amount, large as it was, was wholly inadequate to take care of the needs of the Nation. It was estimated at that time that 700,000 tons of natural rubber would be used annually, and that would have to be supplemented by a synthetic or a chemical product.

The reclaiming industry of the United States furnished 250,000 long tons a year during the period of the war, a most commendable contribution. Furthermore, the Government expended approximately $700,000,000 to build the synthetic-rubber industry. That industry operated during the war and to the present time by the Reconstruction Finance Corporation expanded to the point where it could produce annually approximately 1,000,000 tons of synthetic rubber.

A year ago, at the time when Congress enacted Public Law No. 24, the Government was taken out of the business of purchasing natural rubber. That function was turned back to the private industry. As natural rubber became more plentiful it became necessary to control and maintain a mandatory use of synthetic rubber if we were to continue the industry and were to utilize in the public interest the tremendous synthetic-rubber industry which had been built by the Government.

The bill which we present today gives the Government authority to continue the mandatory use of synthetic rubber in tires, tubes, and camelback. It is the judgment of the industry and it is the judgment of the Government that required use of synthetic rubber in those products will create a sufficient demand for that rubber and will maintain the industry in the public interest.

The tonnage capacity that shall be kept in operation or in stand-by condition amounts to 665,000 long tons, 600,000 tons of general-purpose rubber, and 65,000 tons of special-purpose rubber, of which 45,000 tons is for inner tubes. Those are the amounts generally agreed upon by the various governmental agencies which are interested and which have suggested this program. Likewise it is agreed by the industry that those amounts are adequate for the national security.

The plants in excess of those required for the specified amount of production, namely 665,000 tons under our bill, can be sold by the Government. I refer to the so-called fringe plants. Some of the plants have already been sold. The Government should have and desires authority to dispose of those plants which are not needed in a security program.

The pending bill likewise looks to the time when the Government will be completely out of the synthetic-rubber industry and all facilities will be sold or leased for private production. That desire was expressed not only by the industry, as its representatives appeared before the committee, but likewise by the

various representatives of the Government. This bill provides that the Government may continue its authority until June 30, 1950. Prior to that time, however, the administration is directed to work out a disposal plan. A report on such disposal plan is to be made to the Congress and the President on April 1, 1949. The bill further requires that the President, on the 15th day of January 1950, shall report to the Congress, a program for the complete disposal to private industry of the plants still remaining in the hands of the Government. Thereafter, there will be 5½ months in which Congress may determine whether in the public interest there should be a continuing Government program after that time or whether it is safe to sell the whole production capacity to private industry.

Your committee wishes it were possible to effect such a disposal program at the present time, but that seems now to be impossible. The synthetic industry has not yet developed to the point where it would meet the shock of a sudden decrease in the price of natural rubber. The philosophy of this bill is that synthetic rubber must be produced in these plants or they must be kept in such stand-by condition in order that in a very short period they would be used to produce an adequate amount of synthetic to take care of any emergency that might arise. The over-all and paramount interest, of course, is the public interest in the national security.

The bill further provides, subject to recapture clauses, for the leasing of the stand-by plants to private industry for their utilization in the production of synthetic rubber and, in some instances, for other use. The bill further provides that synthetic rubber produced in the leased facilities shall be used for voluntary consumption.

The amount of synthetic rubber that will be used in the mandatory program under the provisions of the bill will be entirely up to the President of the United States. It can be readily appreciated that within a year or two there might be a greater need to expand the program, or there might be a need to contract it. The bill allows the President to adjust the program of the mandatory use of synthetic rubber to the needs of the day.

In the early days of the war there was a patent pooling contract executed by some of the rubber companies, to which the Government was a signatory, the effect of which was that all development in the synthetic-rubber industry would be available to all signatories of the contract and to the Government itself. Your committee concluded that that contract has served its purpose and should now be terminated. We are convinced that research will be more productive and will more quickly improve synthetic rubber if each company is able to have the exclusive benefit of its own efforts. To that end the bill directs the Government to do all it can to effect a termination of the patent pooling agreement.

Mr. President, the bill as it comes before the Senate amended in the Banking and Currency Committee, has the unanimous approval of the Banking and Currency Committee. It meets with the unanimous approval likewise of the industry, and also with almost the complete approval—there was a little difference in one or two of the Government departments—but with almost the complete approval of the various departments of the Government.

We have a dead line to meet. There are some differences between the Senate bill and the bill of the House. We hope that the House will accept the Senate version. It is necessary that this measure have immediate consideration by the Senate. I hope the bill as amended by the Banking and Currency Committee will be passed promptly.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. BRICKER. I am very glad to yield.

Mr. LANGER. Calling attention to section 10, I wondered why it was necessary to create a new corporation to handle the rubber program.

Mr. BRICKER. Because of the fact that the present program is carried out by the Office of Rubber Reserve under the RFC, whose authority to perform such a function may be terminated in a bill shortly to come to the Senate.

Mr. LANGER. If there is a new corporation will there not be additional employees and additional salaries?

Mr. BRICKER. No; because there is already in existence the working staff, and the bill authorizes the transfer of the staff to any new corporation.

Mr. LANGER. I am glad to have the Senator's assurance that there will be no more employees added to the pay roll.

Mr. BRICKER. No; there will be no more employees; in fact there ought to be many less.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BRICKER. I shall be glad to yield.

Mr. TAFT. I think the Banking and Currency Committee has done a very fine piece of work, particularly in crossing out the House bill, which seemed to me to give absolute and completely arbitrary control of the whole industry, including natural rubber from the time the rubber starts in Malaya until it reaches the consumer in this country. But there are one or two questions about power that I should like to ask the Senator. On page 21, section 3, it is provided:

> To effectuate the policies set forth in section 2 of this act, the President is authorized to exercise allocation, specification, and inventory controls of synthetic rubber, and products containing natural rubber and synthetic rubber.

That is, products containing a mixture. Of course later on a mixture is required in many cases, so that the controls would apply practically to all tires and to every other form covered in (a) and (b). What are "allocation, specification, and inventory controls"? "Specification" is spelled out in (a) and (b); but what are "allocation and inventory controls"? What does that expression mean?

Mr. BRICKER. As the Government is in control of the synthetic rubber production it has the power, of course, and must have the power, to allocate as among the various using producers. Synthetic rubber and inventory control are likewise necessary to assure an adequate distribution. Some plants would be left out if the Government did not have that authority. The difference between the Senate bill and the House bill is that the Senate bill limits the authority of the Government to synthetic rubber and synthetic rubber products, and also limits it to so-called transportation items, such as tires, tubes, and camelback. It does not involve in any way belting or other nontransportation materials. The use in tires, camelback, and tubes, amounts to about 70 percent of the rubber production of the country, and that will be adequate to take care of the maximum production that would be required by the Government under this bill.

I do not know that there is any other way the Government could effectuate a program of control over synthetic rubber production, unless it had the power also to allocate it in the first place, the power to require specification—which means the percentage of synthetic rubber that goes into a product, tires, tubes, and camelback in this case—and control of the inventory so as to keep a regular flow to all the competing industry.

Mr. TAFT. It seems to me that it may be construed to be broad enough to authorize a rationing of all tires and all tubes, and I wonder if that is necessary.

Mr. BRICKER. No; it does not go to that extent. There was no intent at least that it ever should go to that extent.

Mr. TAFT. I wonder whether there is any need of allocation, specification, and inventory control beyond synthetic rubber itself. Why should products containing natural rubber and synthetic rubber be included? That would seem to put the Government right into the tire business, the tube business, and other rubber businesses.

Mr. BRICKER. The control—and it is limited to tires, tubes, and camelback—is necessary, I believe, because in no other way could the amount of synthetic rubber and the amount of natural rubber going into those items be controlled, and in no other way could there be assurance that each unit of the industry would have an adequate amount of the rubber to fulfill the specifications.

Mr. TAFT. I favor the allocation of synthetic rubber, but, having provided that every tire must contain 10 percent of synthetic rubber, if it is put in it, then why is it necessary to control the distribution of tires having 10 percent of synthetic rubber? That is the question I had in mind.

Mr. BRICKER. There is no control in this bill, certainly none intended, over the sale of tires, over the amount of tires that might be produced by any company, or over the kind of tires produced, so long

as the tires contain the minimum requirement of synthetic rubber.

Mr. TAFT. It seems to me that the words "and products containing natural rubber and synthetic rubber" should come out, or else there should be a provision limiting it to specific control and not to be covered by allocation and inventory control. That is my suggestion.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Michigan.

Mr. FERGUSON. Would there not be a limitation on the amount of tires which could be manufactured by a company? That may not be the purpose, but could not the rubber board, if it have control of the actual inventory permitted to be on hand, control the number of tires to be manufactured by a particular company?

Mr. BRICKER. I do not believe that is true. That has reference to section 2, which provides as follows:

> It is the policy of the United States that there shall be maintained at all times in the interest of the national security and common defense, in addition to stock piles of natural rubber which are to be acquired, rotated, and retained pursuant to the Strategic and Critical Materials Stock Piling Act (Public Law 520, 79th Cong. approved July 23, 1946), a technologically advanced and rapidly expandible rubber-producing industry in the United States of sufficient productive capacity to assure the availability in times of national emergency of adequate supplies of synthetic rubber to meet the essential civilian, military, and naval needs of the country.

The control over the final product relates back to section 2, which deals primarily with the Government's stockpiling program. That has not yet been completed. In the judgment of the representatives of the Government, the duration of this bill will provide adequate time to bring the Government's stock pile up to a sufficient amount.

Mr. FERGUSON. As a part of the history of the bill, if the question ever shall arise, there is no intention on the part of the committee or of the sponsors of the bill that there shall be any rationing of any of the rubber products so far as the consuming public may be concerned. Is that correct?

Mr. BRICKER. That is absolutely correct. On the contrary, the reason it was put in was to make it possible to have control over the final product and to let the stock-piling program go on.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. TAFT. On page 22, section 4, it is provided that—

> The President may impose such import restrictions on finished and semifinished rubber products as he deems necessary to assure equality with like or similar products produced within the United States in accordance with regulations issued under this act.

That means import restrictions to assure equality in what respect?

Mr. BRICKER. It gives the President power to prevent the importation of 100 percent natural rubber tires. I do not like those provisions, and yet they are necessary when the subject is approached from the standpoint of the public interest and the national security. It likewise gives the President power and authority to permit the manufacture of 100 percent rubber tires for export purposes in order to compete with the production in other countries; in other words, to keep our industry strong in competition with the industry of other countries. Other countries went off synthetic rubber a long time ago. They are manufacturing natural rubber tires in England and in many other countries. We must compete in the international market with those products. If we should permit those countries to import pure rubber tires into the United States it would do irreparable damage to our national security program.

Mr. TAFT. Is it the Senator's view of the word "equality" that it merely means equality of quality?

Mr. BRICKER. That is correct. The President could say to any importing country that it could send tires to this country containing a certain amount of synthetic rubber, but it could not ship to America, in competition with our industry, pure rubber tires.

Mr. TAFT. The Senator does not feel that that gives the President the right to impose quotas on the importation of tires.

Mr. BRICKER. I do not think so, except insofar as it involves pure rubber tires.

Mr. TAFT. The Senator does not feel that it in any way gives the President the power to change import duties, for instance, on tires.

Mr. BRICKER. No. There is nothing of that kind involved in the bill, and there was no intent of that kind. The intention, as we drafted the bill, was to protect the national security which is dependent upon the development and the maintenance of the synthetic-rubber industry. I know of no way it can be done except to prevent competition in our market with 100-percent natural rubber tires, and also to permit our companies to compete in the foreign market as long as they comply with the domestic requirement of foreign companies.

Mr. TAFT. Mr. President, I should like to offer an amendment to the bill. Section 10, page 30, provides:

> The President may issue such rules and regulations as he deems necessary and appropriate to carry out the purposes of this act.

We have been rather careful in recent years to confine the power to issue regulations. Incidentally, they have the force of law, and there is a penalty of $10,000 and 2 years imprisonment attached. I think it should be confined to the provisions rather than to the purposes of the act. I wonder if the Senator would be willing to strike out the word "purposes" in section 10 (a) and insert the word "provisions." I doubt very much if Congress can grant to the President power to make regulations having the force of law in order to carry out general purposes. There is such a broad field of delegation of legislative authority that I doubt if it should be done. If the Senator thinks he can accept my amendment, that the word "purposes" be stricken out and the word "provisions" be inserted——

Mr. BRICKER. I think it is a very good suggestion.

Mr. ROBERTSON of Virginia. Mr. President, what is the word that is to be inserted?

Mr. TAFT. To insert the word "provisions" instead of "purposes."

The PRESIDING OFFICER (Mr. DONNELL in the chair). The question is on agreeing to the amendment offered by the senior Senator from Ohio.

The amendment was agreed to.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. BUCK. As I understand, private industry is required to produce at least 665,000 tons of synthetic rubber. What governs the price?

Mr. BRICKER. The price is controlled in this bill by the cost. The bill requires that an accounting system be established which will comply with the requirements of accounting systems in industry, so that the total cost shall be carried by the sale of the synthetic rubber.

Mr. BUCK. And the Government requires that the rubber industry shall purchase that much synthetic rubber, does it not?

Mr. BRICKER. Not 665,000 tons, because there is an allocated amount fixed by the President. But we must keep in stand-by or in operating condition a productive capacity of 665,000 tons.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from New Hampshire.

Mr. TOBEY. Mr. President, I desire to speak very briefly to pay a very sincere tribute to the very able leadership which the junior Senator from Ohio has given to this matter. He has handled it entirely from its inception to the present time.

I should like to point out that what impresses me so favorably is that in this bill we establish an insurance for this country of an adequate supply of rubber in order to have it on hand if we should ever get into serious times financially, which God grant we shall not. The great value of this rubber supply is the fact that we shall offset to a great degree the pernicious influence created by the British and Dutch cartels, which for generations rigged the price of crude rubber to the American consumer from a price of 3 cents a pound to as much as $1.25 a pound. We played the fiddle while they danced. We are establishing a synthetic-rubber industry in this country and shall have by 1950 an adequate supply of rubber.

It is a good day, and I again pay tribute to the distinguished Senator from Ohio for the fine job he has done.

Mr. BRICKER. I thank the Senator very much. There are those of us who feel that in the course of a few years' time the American synthetic-rubber industry will be able to stand on its own

feet and that improved methods may make it possible to produce a product which will be desired over natural rubber and that the cost of production will be reduced accordingly.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended, which is itself open to amendment.

Mr. ROBERTSON of Virginia. Mr. President, the junior Senator from Ohio has very ably and adequately discussed the provisions of the bill, but since I was a cosponsor with him of the Senate bill which has been substituted for the House bill, and a member of the subcommittee which reported the Senate bill to the full Committee on Banking and Currency, I feel that it is very appropriate for me to say that I believe the Senate bill which we are substituting is an improvement over the House bill for which it is substituted.

Everyone agrees that we must continue the production of synthetic rubber. On February 7, 1947, the President recommended that the Government continue production of synthetic rubber in order that we might never again be wholly dependent upon a supply of natural rubber which in time of war might be cut off. As pointed out on page 8 of the committee report, the bill now under consideration by the Senate substantially meets the recommendations the President made to the Congress at that time.

The report filed by the committee gives a very full and detailed account of everything in the bill. However, I wish to summarize nine items very briefly, so that the Members of the Senate may easily comprehend what is involved.

The bill establishes Government authority in the rubber field in a separate and distinct bill.

The bill continues mandatory use of synthetic rubber.

It authorizes the Government to produce and sell synthetic rubber.

It requires that synthetic-rubber production capacity of 665,000 long tons a year be retained.

It permits the sale of all plants not necessary to make up 665,000 tons.

It provides for the formulation of plans for the sale to private parties of plants in the 665,000 group.

It provides for the leasing of stand-by plants.

It terminates wartime patent pooling.

It provides for research in synthetic rubbers, because, as the Senate bill points out, it is hoped that Government control is a temporary control, until we know that we can produce synthetic rubber which will be not only as good as raw rubber, but as cheap. Then it is expected the Government will turn the program loose, to be operated under the American system of private enterprise.

As the junior Senator from Ohio has pointed out, all the Government agencies with which we conferred—and we conferred with all who were primarily concerned—approved the provisions contained in the Senate bill.

I frankly concede that the attitude of the rubber industry must never be controlling on the Congress in the enactment of legislation. I think it is only fair to say, however, that those who are producing a commodity, on whom we must depend for its future production, and especially when they have done such a fine job as has been done in the emergency through which we have passed in recent years, are entitled to have their views considered to some extent.

Therefore, I wish to bring to the attention of the Senate at this time the fact, to which I believe the junior Senator from Ohio has already referred, namely, that the rubber industry prefers the Senate bill to the House bill. I ask the Senator from Ohio if that is not correct.

Mr. BRICKER. Yes, that is true. They unanimously approved the Senate bill as against the House bill.

Mr. ROBERTSON of Virginia. I wish to bring to the attention of the Senate the reasons why the industry preferred the Senate bill, because these are the essential difference between the two bills.

The Senate bill states that ultimate security lies in a free competitive synthetic-rubber industry. The House bill policy called for Government ownership and production until the Congress ordered otherwise.

The House bill requires a minimum production of 225,000 long tons. The Senate bill leaves the amount to be produced to the discretion of the President.

The House bill provides for control of natural rubber as well as synthetic and allows for required use in all products. The Senate bill provides for control of only synthetic rubber in tires and tubes.

The House bill permits leases for less than 1 year, but prohibits the making of synthetic rubber. The Senate bill allows leases for synthetic-rubber production.

The Senate bill requires pricing so that the Government will not lose money in the operation. There is no similar provision in the House bill.

The Senate bill provides that the Government shall prepare a disposal plan covering rubber plants. The House bill contains no such provision.

The Government has $697,000,000 invested in the synthetic rubber industry, and it is desired that we stimulate two things, first, research in the production of synthetic rubber, with the hope and belief that we will ultimately plan a process for making synthetic rubber that will be better and cheaper than the production of natural rubber, and in the second place, we do not believe that we will forever be in a national or international crisis, and therefore we want to look forward with confidence to the time when this Nation can go full steam ahead under the fundamental principle of free enterprise, and free competition, because we are satisfied, from our observation of governments abroad, that the further they have gone in the adoption of totalitarian forms of government the greater are the restrictions they have put on enterprise and the individual, and the less effective has their production been. We want to hold to a system that has made our Nation prosperous and strong, as well as free and happy.

Mr. President, in a word, that is one of the essential differences between the two bills. We look forward to the time when the free enterprise system will be in control, and the House bill holds out no hope of that kind.

I will ask the Senator from Ohio if my statement is not correct.

Mr. BRICKER. Yes, Mr. President, that is really the chief difference between the House bill and the Senate bill. The difference is in the philosophy of operation. The House bill does not make provision for the elimination of Government control, but the Senate bill looks forward to the time of the return to private enterprise and private production.

Mr. TAFT. Mr. President, I have conferred with the junior Senator from Ohio, and I wish to offer an amendment to the committee amendment, on page 22, line 1, after the word "and" at the beginning of the line, to insert the words "specification controls of." That will make the provision read:

> To effectuate the policies set forth in section 2 of this act, the President is authorized to exercise allocation, specification, and inventory controls of synthetic rubber, and specification controls of products containing natural rubber and synthetic rubber.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT] to the committee amendment.

Mr. ROBERTSON of Virginia. Mr. President, it was a little difficult to hear what the amendment proposed.

The PRESIDING OFFICER. The language proposed to be inserted is in line 1, page 22, immediately following the first "and", where the Senator from Ohio proposes to insert "specification controls of."

Mr. ROBERTSON of Virginia. I heard all that, but I did not hear the explanation.

Mr. TAFT. The reason for the amendment is that there is no intention of having a provision for allocation and inventory controls of products. There is no intention I know of to have allocation and inventory controls of all the tires in the United States, under which it would be possible to ration all tires and tubes, and so forth. There is reason for having specification controls of those, but so far as I know, no reason or intention for continuing the rationing of tires after the synthetic rubber is used in them.

Mr. ROBERTSON of Virginia. Mr. President, I wish to say to the distinguished senior Senator from Ohio that that issue was not raised by the representatives of the industry, so far as I know. The bill has been checked, rechecked, and double-checked by a number of experts, and with all due deference to the distinguished Senator, I hesitate to say that I will accept the amendment, when the language now in the bill is the language which the experts said the bill should contain, and to which industry made no objection. I will ask the junior Senator from Ohio if any industry has objected to this language.

Mr. BRICKER. Mr. President, I think I can clarify the situation very quickly. The question was not raised, and the provision was inserted at the request of the Government. This was the Government's request—I am reading from a memorandum prepared by Mr. Steelman's office and submitted to the committee by Mr. David Bruce, Assistant Secretary of Commerce:

> It is also necessary to include authority covering rubber products, to insure against any possible interpretation of the law as not authorizing specifications controls in products manufactured of rubber.

So the amendment of the senior Senator from Ohio meets exactly what the Government wanted, and does it in clearer language than the language of the bill.

Mr. ROBERTSON of Virginia. With that assurance from my copatron of the bill, I will gracefully yield.

The PRESIDING OFFICER. The question is on the amendment offered by the senior Senator from Ohio to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs to the committee amendment, as amended.

Mr. COOPER. Mr. President, will the Senator from Ohio yield to me so I may ask a question?

Mr. BRICKER. Yes.

Mr. COOPER. I ask the Senator from Ohio if it is true that the House bill was not clear as to whether or not Government-owned plants and facilities could be sold or leased to private industry.

Mr. BRICKER. The House bill is not exactly clear, and the amount set forth in the House bill would preclude the sale of some plants that ought to be sold. I think the Senator from Kentucky is primarily interested in the neoprene plant at Louisville.

Mr. COOPER. My interest arises from the fact that since the war there has been continuous depreciation, and obsolescence of the neoprene plant. If the Government cannot keep it in suitable repair, it should at least have the unquestioned authority under proper safeguards to sell or lease the plant.

Mr. BRICKER. That is true.

Mr. COOPER. There was some doubt as to whether it could be sold to private industry. Is it certain that this bill would give full power and authority to make such disposal and sale as would carry out the provisions of the bill and promote the objective of national security?

Mr. BRICKER. It is. The representative from the Louisville district appear before our committee——

Mr. COOPER. Representative MORTON; he has been very much interested in the maintenance of the plant at Louisville and has done a great amount of work on the matter in the Congress.

Mr. BRICKER. Representative MORTON; yes. He wanted to assure himself that under the provisions of our bill the neoprene plant at Louisville might be sold. It is true that it can be. It is not clear, under the provision of the House bill, whether that is true or not. Both sides are anxious to have it sold. The Government wants to sell it. The operating company wants to buy it. It is an industry which was established long before the war broke out and will stand on its own feet because of the need for neoprene products.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill H. R. 5314 was read the third time and passed.

ASSISTANCE TO GREECE AND TURKEY

Mr. VANDENBERG. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2358, to provide for assistance to Greece and Turkey.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2358) to amend the act approved May 22, 1947, entitled "An act to provide for assistance to Greece and Turkey."

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. VANDENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Baldwin	Hatch	Moore
Ball	Hawkes	Murray
Brewster	Hayden	Myers
Bricker	Hill	O'Conor
Bridges	Hoey	O'Daniel
Brooks	Holland	O'Mahoney
Buck	Ives	Overton
Bushfield	Jenner	Pepper
Byrd	Johnson, Colo.	Reed
Cain	Johnston, S. C.	Revercomb
Capehart	Kem	Robertson, Va.
Capper	Kilgore	Robertson, Wyo.
Chavez	Knowland	Russell
Connally	Langer	Saltonstall
Cooper	Lodge	Smith
Cordon	Lucas	Stennis
Donnell	McCarran	Stewart
Downey	McCarthy	Taft
Dworshak	McClellan	Thomas, Utah
Eastland	McFarland	Thye
Ecton	McGrath	Tobey
Ellender	McKellar	Vandenberg
Ferguson	McMahon	Watkins
Flanders	Magnuson	Wherry
Fulbright	Malone	Wiley
George	Martin	Williams
Green	Maybank	Wilson
Gurney	Millikin	Young

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, I shall be very brief in presenting this bill, Senate bill 2358, to amend the act approved May 22, 1947, entitled "An act to provide for assistance to Greece and Turkey." The bill is reported unanimously by the committee. It seems to me that the current and transparent circumstances recommend its passage beyond any words of mine. Except as we are prepared to default in our interest in maintaining a free world for ourselves and others, I should say that prompt enactment of this measure is indispensable to the hopes by which men live. We may not like it, but I submit that almost all of us would like far less the contagious consequences of its failure.

The legislative issue is simple. Except for one inconsequential detail dealing with civilians attached to the mission at Athens, there is only one question involved in the pending bill, namely, Shall we authorize an additional appropriation of $275,000,000 for aid to Greece and Turkey in further assistance of their independence at a key point in the contest against Communist aggression? At the moment, when subversive aggression displays increasingly immense appetites for conquest, shall we sustain our interest in helping Greece to stabilize herself against an obvious conspiracy which aims to put her in Communist chains? Shall we sustain our own interest in helping Turkey, which is the only truly independent nation left on the borders of Soviet Russia, from the Baltic to the Black Sea? Shall we sustain our own self-interest and the well-being of our non-Communist friends and of our associates in the true spirit of the United Nations? I can think of nothing which would do us and western civilization more grievous harm or invite more dangerous or more provocative misunderstanding of our purpose than to abandon this particular enterprise at this particular time; and I am entirely confident that Congress, regardless of previous differences of opinion on the subject, will take this view. We confront a condition, not a theory.

I shall omit today any general discussion of foreign policy. That should and must come upon another occasion. We have before us, in connection with the pending bill, a special and specific situation which, I submit, requires affirmative action, regardless of what our differences may be in respect to other phases of the international problem. This is not a new prospectus; this is unfinished business.

When I presented the original bill on this subject, 1 year ago, I said:

> This plan is for 15 months. Can this job be done in 15 months? I do not know. I doubt it. * * * I ask neither Congress nor the country to ignore the nature of this obligation. I trust them to prefer the truth.

Mr. President, the job has not been done in 15 months. In some aspects, conditions have worsened, consistent with the stepped-up Communist threats to independent self-government everywhere. It would be a miracle if Greece and Turkey were exceptions, when even our own national security is now discussed in terms of a renewal of selective service. On the other hand, the cardinal fact remains that Greece and Turkey are still independent nations. That may be a coincidence, but I think

it is a sequence, and I submit that the continuing sequence is worth its cost.

Furthermore, the record is significant, and in spots it is encouraging. It is significant because it plainly discloses the nature of the conspiracy which the world confronts. It is encouraging because of the progress that has been made in Greece and Turkey, despite the deterioration in the general situation.

Therefore, for today I confine myself to this record as a basis for our approval of the pending bill.

First, Mr. President, let me refer to the parliamentary situation. The House has chosen to put the European recovery bill, the Greek-Turkish-aid bill, and the China relief bill into one package. When it comes back to the Senate, it would be grossly unfair to the Senate to have to send it to conference without a prior opportunity for the Senate to speak intelligently on the Greek-Turkish-aid bill and the China relief bill. Therefore, we shall ask the Senate to act independently on the two latter propositions at once. Thus, the Senate conferees may be properly instructed when the House omnibus bill goes to ultimate conference.

Mr. President, I now refer very briefly to the record in Greece and Turkey, the subject to which the pending legislation is exclusively confined. The chronology in Greece tells its own tale, and I think it is the simplest way to understand the situation in which we and they find ourselves at the moment.

Mr. President, the pertinent parts of the story begin on March 31, 1946, when Greece held a free, independent election. There have been many things said from from time to time, of a loose and unpersuasive character, to the effect that we are backing a monarchy in Greece, as if in some aspect we were thus departing from our allegiance to our own ideals of organized freedom. But of course the fundamental fact about freedom is that so long as it is the representation of the free choice of those who enjoy it, it is the kind of freedom which is entitled to total respect by all who support self-government. So it seems to me that the first thing of importance is for us to realize that the election which was held on March 31, 1946, in Greece was a free election. It was supervised by American, British, and French observers, to make sure that it was a free election; and the present Parliament was chosen at that time. It represents the choice of the Greek people themselves.

On April 19 of the same year, the Communist Party issued a manifesto against the election—in the usual Communist pattern. But on May 24, 1946, the Government obtained its first vote of confidence in the Greek Parliament by a vote of 209 to 113.

Then, on September 1, 1946, came the key referendum to determine whether or not the Greeks themselves desired, on the one hand, to return to a semiconstitutional monarchy or whether they preferred to establish a free republic. Here, again, there was an absolutely free and independent election. The United States and the United Kingdom, for their own information, went to the extent of examining all the election rolls, so that they could know for themselves whether the plebiscite was going to produce and did produce an honest result. The result was, in round figures, that of 1,800,000 qualified voters in Greece registered at that time 1,700,000 voted; 1,200,000 voted for the restoration of the monarchy, and 520,000 voted for the Republic. Therefore I repeat that the form of government which exists in Greece is self-chosen in a free way, it is an expression of self-determination, it represents independence, and whether we like the particular form of independence which is thus indicated is beside the point. So long as it is a free and independent choice of those who are governed it represents freedom in a world where that type of freedom is rapidly being blotted out.

Now, Mr. President, let us continue with this chronology, because it tells really the story which we confront in this area. On November 23, 1946, the Greek Foreign Office issued a statement listing 31 alleged violations of Greek borders with Albania, Yugoslavia, and Bulgaria, since September 1, 1946. This is the beginning of the cynical and sinister record of subversion and aggression.

On December 3, 1946, the Greek charges against Yugoslavia, Bulgaria, and Albania were placed before the United Nations. On December 19, 1946, the Security Council agreed to send a special commission to Greece to investigate the situation in the northern border areas, with authority to visit all four of the countries involved. The commission consisted of representatives of the 11 members of the Security Council.

Now, Mr. President, we come down to January 30, 1947, when this first United Nations Commission starts its work in Athens. At the inception of its work it had some freedom of latitude in the neighboring areas, but when it left for the purpose of drawing up its initial report and left a subcommission on duty charged with the responsibility of investigating the border incidents where the guerrilla warfare was already seriously threatening Greek independence, the subcommission of the United Nations—in the first place, the Commission was never recognized by either Soviet Russia or any of its satellites—was prohibited access not only to satellite countries, but to one satellite country in particular which was itself a member of the United Nations. This is the point at which the reckless contempt for the United Nations starts. We hear a great deal about how the United States has bypassed the United Nations in connection with Greece and Turkey. This chronology will indicate where the responsibility lies for bypassing the United Nations in the record in respect to Greece and Turkey. There has been no bypassing on our part, as I shall presently indicate. On the contrary, however, there has been a frank, brutal refusal on the part of Soviet Russia and her satellites to recognize even the elementary authority of the United Nations at this critical point on the world's map.

On March 4, 1947, the State Department released the text of the Greek Government's appeal for assistance, dated March 3. This is the point at which the Greek Government applies to the United States for aid; and our aid, I want to underscore, proceeds upon a direct plea from the authentic government of Greece itself and a similar appeal from the authentic Government of Turkey.

President Truman then sent his message to Congress on May 22. The Congress approved the program for assistance to Greece and Turkey, and I again underscore the fact that it did not bypass the United Nations in this connection, although that charge is constantly made, because the second subsection of the congressional action at that time authorized and directed the President to withdraw any or all aid authorized under the act "if the Security Council," that being the organ of the United Nations, "finds, with respect to which finding the United States waives the exercise of any veto, or the General Assembly finds, that action taken or assistance furnished by the United Nations makes the continuance of such assistance unnecessary or undesirable."

So now, Mr. President, we are down to May 1947, with the first action by the present Congress in connection with the Greek-Turkish situation. Let us return to Greece and Turkey and see what has happened. On May 23, 1947, the report of the United Nations Commission of Investigation Concerning Greek Frontier Incidents, by a majority of eight members, found that Yugoslavia, Albania, and Bulgaria had given assistance to the Greek guerrilla movement. The Commission made recommendations to the Security Council concerning renewal of diplomatic and good neighborly relations between Greece and its northern neighbors, renewal or revision of frontier conventions, and so forth.

The Security Council of the United Nations began a discussion of this report on June 28, 1947. I am speaking now of the report of the United Nations Commission which was sent to Greece and Turkey to inquire into what was going on in the particular area which is involved in all the Greek trouble on its northern boundaries. This Commission, as the Senate will recall, had reported by a majority of eight members that the Soviet satellite states were guilty of assisting the invasion of the northern Greek border by so-called guerrillas, and the Security Council now proceeds on the indicated date to discuss this report of its own Commission, a report, I submit, which was in the nature of an indictment. But it was entirely impossible for the Security Council to arrive at any conclusive decision whatever, because the Soviet Union used its veto upon at least two, and my recollection is three, occasions to prevent any conclusive action by the Security Council regarding these border incidents. As a result, at the initiative of the Government of the United States, the matter was dropped from the agenda of the Security Council and went to the General Assembly, where there is no veto.

Thereupon, on October 21, 1947, a resolution of the General Assembly established a special committee of the General Assembly to observe conformance of the states concerned with the resolution recommending resumption of normal diplomatic and good neighborly relations between Greece and Albania, Bulgaria and Yugoslavia, and so forth.

This special committee again was boycotted by Soviet Russia and by all its satellites. It was not only boycotted, but when it held its first meeting on December 2, 1947, in Salonika, it discovered that it was not to be permitted even to enter the neighboring areas of Yugoslavia, Albania, and Bulgaria, even though one of those countries was under solemn obligation to the United Nations itself.

Nothing could be more important, Mr. President, than to underline the particular situation to which I am now adverting, because it involves the area in which there is confined the entire question of stabilizing Greece and ending not only the reign of terror, but ending the era of economic instability. If the border could be pacified, that would be the end of the question. The border has not been pacified through the instrumentality of the United Nations, because the northern border countries, under the dominion of Moscow, have declined even to permit the agents of the United Nations to enter the area to determine the situation.

Those who argue so persistently on the hustings, and sometimes even in this Chamber, that in some way the Government of the United States has given inadequate consideration to the United Nations in connection with the Greek situation, make me very weary. They particularly weary me when they totally neglect to call attention to the other side of the record, which is the side which identifies the ominous reason why the United Nations is failing to succeed in pacifying the Greek situation.

Mr. President, it is as a result of this situation which not even the United Nations was permitted to have a chance to view, and it is because of the situation on the northern Greek border, that we are again called upon to survey the necessity of assisting independent Greece, living under its own self-chosen government, to survive its trial by fire and by ordeal.

On December 29, 1947, the United Nations committee established by the General Assembly and sitting in Salonika, unanimously adopted a resolution declaring its view that a recognition, even de facto, of the Greek guerrillas as a government, followed by direct or indirect assistance against a member of the United Nations and in defiance of international law, peace treaties, and the principles of the Charter, would constitute a grave threat to the maintenance of international peace and security.

On January 22, 1948, Foreign Minister Bevin declared in the House of Commons that there was a dangerous situation in Greece, that the United Nations had been flouted by the Balkan neighbors of Greece, and that there was a real danger that they and the Soviet Union might make a great blunder over this business, warning that it was dangerous in international affairs to play with fire.

Still more important, from our point of view, on January 27, 1948, the Select Committee on Foreign Aid of the United States House of Representatives published a preliminary report on the necessity of aid to Greece. It noted that the geographical location of Greece was of considerable strategic significance, called attention to the totalitarian threat to Greece, and declared that if the United States withdrew its support from Greece the Communists would seize control of Greece and the constitutional forces resisting communism elsewhere would be weakened.

It is in respect to that chronology that we now come down to the necessity for supplemental action by the Congress of the United States. This chronology is, of course, oversimplified, but it tells the latest story in the tragedy of heroic Greece which has been the ill-fated victim of longer and more continuous alien disaster than perhaps any other land on earth. Yet it bravely struggles on to preserve its independent inheritance in a tradition which has blessed the world for centuries. Today, as always in its contributions to civilization, it is a symbol of vast influence, a symbol, today, of the modern battle for human rights and fundamental freedoms, a symbol of light fighting against darkness.

I think it is particularly interesting, Mr. President, to read from page 22 of the committee's report the initial impression of General Van Fleet, who is now at the head of the American mission in Greece. I shall read his comments as the result of his first inspection of these Greek patriots, fighting with their backs against the wall. I shall quote one paragraph from General Van Fleet's statement:

> My impression is that the Greek soldier is a magnificent fighter. He is proud, brave, and determined. His morale is excellent. More important perhaps is that the morale of the people of northern and eastern Greece is also wonderful. All the nation, to the last man, is behind the army, which, with continuing American aid, will finish its job this year. The will of the Greek nation for freedom, order, and everlasting peace is so strong that I cannot see any other force able to overcome this will.

Mr. President, I want to be quite specific about the situation which exists in Greece and which we confront in connection with the recommendation for a continuation of cooperation. The Greek guerrilla forces have increased in numbers. The record very clearly discloses that there has been an increase since May 1947. At that time the Greek guerrilla force numbered 14,000. In December it numbered 20,000. It is now estimated that the number is 26,000. It is to be added, however, that, according to the testimony, this is no reflection of enhanced Communist popularity. It is very often due to a cruel system of involuntary conscription impressed upon undefended areas in northern Greece by the invading guerrillas. The Greek Army itself, which numbered 120,000 when our mission first arrived, now numbers 132,000 in its mobile forces available to combat the guerrillas. But the important thing regarding the change in the situation is not the relatively small increase in numbers. The important thing is that the entire number of men is now available as a mobile force to fight the guerrillas, whereas, in the first instance, a year ago, when we first arrived and when this problem was first beginning to unfold, it was impossible to concentrate any central mobile force to striking purposes against the guerrilas because each of the little Greek towns, scattered all over the northern part of the country, insisted—and we can well understand the situation—that it must be protected with a special service unit against the possibility of a guerrilla raid. There was no adequate home-guard defense. Therefore one of the things developed so helpfully during the past year is the evolution of the home-guard battalions, so that now most of the towns of any particular importance in northern Greece have their own home-guard units, well equipped and under adequate command to deal with the sporadic threat which is always incident to guerrilla warfare. It never fights a frontal battle, but fights a sporadic battle on the flanks when one least expects it. It is the completion of these home guard battalions which now releases the main Greek Army to its main task, and it is on that basis that General Marshall, General Van Fleet, and the others who are in command of the situation, have a considerable optimism that the attack against the guerilla threat itself can now proceed to a far greater degree of success.

Some question was raised on the floor of the Senate during the preliminary discussions of the European recovery program about the nature and size of the American mission in Greece, its character and its operations, and what was contemplated under the extension of the present act.

The Foreign Relations Committee sought specific information on this subject, and the information is as follows:

On December 31, 1947, the American mission in Greece consisted of 286 people, 142 for economic aid, 8 for foreign relief, and 136 in the military group. Of the latter figure, 95 belonged to the Army, 41 belonged to the Navy group.

There are at present 242 United States military, including 26 civilians, and 41 United States naval personnel, or a total of 283, attached to the military sections of the American mission for aid to Greece.

Of the military personnel, 136 men, including 73 commissioned officers and 63 enlisted men, all noncommissioned officers, are engaged in giving military advice to operational units of the Greek forces.

The number of these military advisers is expected to be increased to a full strength of approximately 170, including 90 officers and 80 enlisted men.

The present civilian personnel consists of 183 members, most of them specialists able to assist in matters concerning public finance, civil government, industry, labor, public health, relief and welfare, public information, taxation, engineering, construction, budget, etc.

There was a particular inquiry, during the recent debate in the Senate, regarding what were called troops up front. There seemed to be a fear that we had American troops in combat in some fashion in the Greek area. The committee was particularly careful to pursue this subject so that there might be no possibility of doubt regarding it.

The conclusion was that it may be categorically stated that there are no units of American combat troops in Greece. The staff members of our mission have extended military advice to the Greek Army staff down to the divisional level, and in some instances to a lower level. But they have not actively engaged in fighting at the front.

The point is emphasized in the President's report on assistance to Greece and Turkey. Referring to the Greek request to strengthen our military commission there, the report states:

> These United States military advisers will neither participate in combat nor command Greek troops.

If Senators are further interested in the details of this particular phase of the matter, I suggest that a long cross-examination will be found in the printed report upon the desks of Senators, which goes into substantial detail dealing with this phase of the matter. I quote, only for the general information of the Senate, from the cross-examination of Secretary Marshall. He was saying:

> Practically all of those individuals—

That is, the American military advisers—

> Practically all of those individuals are involved in administrative or executive roles or as advisers to Greek military officials, and they are not troops in any accurate sense of the word.

Mr. President, I merely wish to refer to one other phase of the Greek matter to show that while the situation has worsened in some respects, there is really encouraging and stimulating progress being made by this great American experiment in Greece.

I wish to call attention to the fact that the Greeks have not been overwhelmed by the accumulation of their own disasters down the years, although, I repeat, I know of no country in the world that has been more continuously harassed for a long time than Greece; and, in addition to all this accumulation of problems, Greece confronts the problem of having 450,000 refugees, for whom she must be responsible. The combination of difficulties involved in meeting the internal economic situation is really appalling. Despite this fact, I am very happy to report that the committee found from its investigation that very substantial progress is being made in the stabilizing direction in which Congress has so frequently indicated it is primarily interested in the Old World. Already reforms in Greece include the following:

First, efforts are being made to stabilize the cost of living and to relate wages to the cost of living; second, success is attending efforts to bring the budget into reasonable balance; third, the deficit in the new budget has been reduced from 1,900,000,000,000 drachmas to 207,000,000,000 drachmas; fourth, about 15,000 Government employees are to be discharged, of whom approximately 8,000 have already been removed from the pay rolls—this represents a saving of 25 percent in civil-service salaries; fifth, by raising taxes and levying new taxes, increases in revenue are anticipated to the amount of 42 percent; sixth, plans are on foot to install a centralized Government budget control; seventh, industrial production at the end of 1947 had risen to 75 percent of prewar production; eighth, a program has been adopted to revive the Greek export trade, including vital trade with the United States-United Kingdom zones in Germany; ninth, an exchange certificate plan has been adopted to encourage Greek exports and thus increase the amount of foreign exchange available to Greece; tenth, restrictions have been placed on the use of credit and to centralize control of bank credits in the Bank of Greece; eleventh, an import program has been developed in order to meet the needs of industry and the civilian economy on an austerity basis; twelfth, the reconstruction program as it relates to transportation and communication, industrial mining, agriculture, and other fields is progressing.

Mr. President, I think this is very significant information, as indicating worthwhileness of the Greek adventure, in spite of all its set-backs and in spite of all its discouragements.

I desire particularly to indicate what our own aid specifically has accomplished. The Senate likes to think of specific projects in determining the value of foreign cooperation. I want to speak about some of the specific projects which have been accomplished under our inspiration and aid in Greece in the comparatively brief time we have had to operate. I refer to the clearance of the Corinth Canal, which saves 200 miles in passage from the Aegean to the Adriatic Sea, and is scheduled for completion by the 1st of June.

I refer to reconstruction of the port of Salonika and repair of the docks at Piraeus, which are expected to be completed in July.

By the 1st of May, construction and development work on five air fields needed for both military and civilian transport in Greece will be completed.

It is expected that by August 31, 800 miles of highways will have been restored to prewar condition. Present estimates are that by March 1 more than 1,900 families will have been rehoused under the mission's program.

Twelve million dollars of aid funds have been set aside for agricultural rehabilitation, and it is expected that by April 1, 9,000 acres of new land will have been drained and 60,000 acres restored to drainage through the repair and maintenance of existing works.

Irrigation projects will by April 1 make it possible to cultivate 33,500 acres of land not now in use. To improve the distribution and utilization of agricultural products, there will be constructed 16 food-processing plants.

In other words, Mr. President, the Greek picture has its discouragements because of the worsening of conditions in that part of the world, but it has its tremendous encouragements, and it particularly has its encouragements in respect to a continuation of the American programs which are under able management, which are receiving splendid cooperation, and which are promising to substantially hold this important key point in the free world on the rim of the iron curtain.

Now I should like to say a word about Turkey.

Turkey's problem, while distinct and different from the Greek, arises from the same causes; namely, direct and indirect pressures brought to bear by Soviet Russia. While Turkey suffered economically as a consequence of the war, her domestic economy and internal security remained intact. She would have been well on the way to prosperity were it not that the pressures from abroad force her to maintain a comparatively large standing army for security purposes. Two pressures in particular should be noted. In March 1945 Russia demanded a change in the 1936 Montreux Convention, which would give the U. S. S. R. joint control with Turkey over the straits. The Turkish Government, supported by the United States and Great Britain, rejected this demand. The second pressure was also applied in 1945, when the Soviet Government demanded the territories of Kars and Ardahan in eastern Turkey. These Soviet pressures continue without let-up to the present moment, according to reports of all witnesses.

The committee was impressed with the splendid morale of the Turkish people and military personnel. It also noted with satisfaction the measures adopted by Turkey to help herself, and the use she is making of the assistance supplied by the United States.

Mr. President, we constantly speak of "calculated risks" in connection with our foreign problems. I believe I voice the united sentiment of all branches of our Government—including the military and certainly including the Foreign Relations Committee—that Turkey is one of the very best of all "calculated risks." It has made superb progress in democratic ways. It has a spirit and a morale which are magnificent. It has a passionate attachment to its own independence. It will fight to the finish for its independence—even though it fights alone. It is a bastion of freedom at the very heart and core of the world's hazard and distress. I am proud to pay it this deserved compliment; and I anticipate that the Congress will be gald to express its compliments in the tangible form

which the pending measure contemplates.

Mr. President, that substantially concludes a survey of the facts that are involved. I think I have covered the whole situation. I think if I may say so most respectfully, that in my view it leaves us with no option in our own self-interest except to pass this supplemental authorization for the sake of a common cause in which we ourselves have such a definite stake. I think the record indicates the justification for this action on our part.

In conclusion, I simply want to quote to the Senate a statement by the Secretary of State to our committee in regard to the problem which I now bring to the bar of the Senate. I am quoting Secretary Marshall:

> The totalitarian groups whose aggressive aims have thus far been frustrated by the continued existence of a free Greece and a free Turkey are convinced that time will play into their hands; their leaders state with assurance that the United States will soon tire of giving aid to far-off Mediterranean countries, and that eventually they will be able to take over by default. It is my belief, however, that the Congress and the American people are unwilling to abandon the Greek and Turkish people at a time when a foundation is being laid which will enable them to stand their own ground without outside aid. It is, in my judgment, definitely in our self-interest as a nation and consistent with the principles of the United Nations Charter, to help these free people retain their freedom. A world in which it is possible for indirect aggression to deprive nations of their inherent right to pursue their peaceful national existence would be a world completely devoid of the ideals which the American people have so recently fought to preserve.

I add this additional sentence from another statement by the Secretary:

> Should we fail to continue our efforts, the consequences would be swift and tragic, and they would not be confined to Greece [and Turkey].

Mr. President, I am very hopeful that the bill may pass this afternoon.

Mr. CONNALLY, Mr. BRIDGES, and Mr. ELLENDER addressed the Chair.

Mr. VANDENBERG. Does the Senator from Texas wish me to yield to him?

Mr. CONNALLY. I wish to obtain recognition to speak in my own time.

Mr. VANDENBERG. I yield to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, I wish to address several questions to the distinguished Senator from Michigan, the chairman of the Foreign Relations Committee. As I understand the authorization is not to exceed $275,000,000.

Mr. VANDENBERG. Yes.

Mr. BRIDGES. In the submission of evidence to the committee were definite statements made as to the proportion to be used between Greece and Turkey? I noted on page 8 of the committee report that $100,000,000 has been allocated to Turkey, and $175,850,000 to Greece. Do these figures pertain to the current proposal or the previous aid program?

Mr. VANDENBERG. I think the Senator from New Hampshire is talking about the previous program.

Mr. BRIDGES. I read the figures to be found on page 8 of the report.

Mr. VANDENBERG. Let me answer the Senator's question regarding the present situation. The first necessity is that the situation should be held substantially liquid inasmuch as these interrelated necessities in this area can strategically require, as the Senator will understand, a shift in division. In the first instance, as I recall, the division is something like $75,000,000 to Turkey and $200,000,000 to Greece.

Mr. BRIDGES. Was there any evidence presented to the Senator's committee showing ways or means to be adopted to close some of the leaks in the administration in Greece? For instance, the Senator tells the Senate that so far as Turkey is concerned we have had no complaints as to how the money has been spent, but as to Greece we have had not only complaints but have seen with our own eyes some of the things that have happened. While I agree with the Senator in everything he has said about the necessity for aid to Greece, I should like to know that some of the holes are being blocked and that some of those very serious weaknesses which I observed personally, and which I know other Members of the Senate have observed, are being corrected.

Mr. VANDENBERG. I shall be very happy to answer the Senator's question. I think I can do it quite persuasively. The wastes to which the Senator refers I think were more atrocious in the Greek area than any other section of the UNRRA administration. Practically all the problems to which the Senator refers occurred under the UNRRA dispensation and under the related Greek management of UNRRA supplies.

I am very happy to say to the Senator that we explored that subject in the committee, and we found that most of the disclosures of wastes have been made by the new mission itself. They were the ones who succeeded in bringing most of these wastes into public view. Not only have they now practically liquidated all the old wastes, but I think there is reason to believe that they are highly dependable in preventing any duplication of such scandals.

I should like to be sure that the Senator fully understands the last answer, because the question he asked is one which has bedeviled every American legislature with any sense of responsibility. The stories have been awful, and some of the wastes have been awful. Looking forward instead of backward, I think there is substantial reason to rely upon the new American mission, because of the fact that it was the new American mission which disclosed most of the old scandals.

Mr. BRIDGES. Mr. President, will the Senator further yield?

Mr. VANDENBERG. I yield.

Mr. BRIDGES. Following up my question, I may say to the Senator that it was after the American mission had been in operation for some time that Members of the Senate visited Greece. In spite of the fact that we were extending new aid, they saw approximately $75,000,000 worth of American-furnished UNRRA equipment and supplies, every article in short supply in this country and at the same time vitally needed in the Greek-economic structure, piled up and exposed to the elements for a year. The Senator from California [Mr. KNOWLAND] was the first one to come in contact with that situation. Later other Members of the Senate visiting Greece saw the situation personally. It was shocking.

We went down to the wharves at a port near Athens, and we saw riding at anchor or tied to the wharves new fishing boats sent over from America. They had never been taken out. There was a country two-thirds surrounded by water. Its people were hungry, and yet those fishing boats had not been used.

I am in favor of aid to Greece. I was before, and I am today. But I do want waste eliminated. I realize that it started under UNRRA, but the same situation existed under the American mission when we were there.

Mr. VANDENBERG. Let me say again that my first answer to the Senator's question is that I think the present American mission is itself responsible for most of the disclosures to which the Senator refers. The testimony indicates that they have done a shipshape job in catching up with the waste.

The second thing I should like to say to the Senator is that, of course, this bill applies exclusively to military supplies, and does not involve the type of thing concerning which the Senator speaks.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. CONNALLY. We had called the attention of the representatives now in Greece to the complaints.

Mr. VANDENBERG. The Senator is quite right.

Mr. PEPPER. Mr. President, will the Senator please raise his voice? Unless we leave our seats we cannot hear what our colleague is saying. We certainly would be grateful for an opportunity to hear.

Mr. VANDENBERG. I shall try to reach the Senator from Florida. Sometimes I have difficulty in doing so.

Mr. PEPPER. It is not the tenor of the speech of the able Senator from Michigan but too often the contents which do not persuade the Senator from Florida.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr BRIDGES. There is one other point which I should like to raise with the Senator. Perhaps there is no opportunity to correct the situation in this bill, because, as I understand it, the bill is limited to military purposes. One of the things which bothers me—and I know it bothers other members of my committee, because we have been working on the problem for some time—is the question of awarding contracts for rehabilitation work in Greece. We heard some very weird stories in Greece with respect to such awards, and how they

were made. It was impossible to learn what American officials were responsible. In no instance were contracts awarded on the basis of competitive bidding. They were "hand out" contracts to selected contractors in this country. The contractors were chosen either by the Army engineers or the State Department, or a combination of both. Tens of millions of dollars were spent without competitive bidding. Contractors were not consulted in groups, but individual contractors were called in, and bids were negotiated. Is there any way in which this legislation could be amended so as to provide that all future contracts shall have the protection of competitive bidding, so that contracts would not be awarded to the favored few? In the weeks ahead some of the reports which are being prepared will prove very serious. I think the junior Senator from Michigan [Mr. FERGUSON], who has been working on the problem, will corroborate my statement.

Mr. VANDENBERG. Mr. President, I believe that what the Senator is discussing is outside the jurisdiction of the bill, because the pending bill deals exclusively with military supplies, which, under the terms of the bill, must be procured through the regular military procurement methods here and shipped across. So I respectfully submit that the problem which he raises is not involved at the point of this legislation. I am very happy to note that the Senator, with his usual persistence, is seeking adequate answers and will be seeking adequate limitations on appropriations when this area of action comes before the Committee on Appropriations.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. ELLENDER. A while ago the distinguished Senator, in answer to a question by the Senator from New Hampshire [Mr. BRIDGES], stated that $75,000,000 of this money would be used for aid to Turkey and $200,000,000 for aid to Greece.

Mr. VANDENBERG. I stated that that was the tentative division at the moment, with the distinct and constant reservation that the situation over there is changeable, and so liquid that the appropriation must be left substantially in flux.

Mr. ELLENDER. Who makes that determination?

Mr. VANDENBERG. I think the President of the United States, in the last analysis, would make that determination.

Mr. ELLENDER. I notice from the report accompanying the pending measure that the additional sum requested will be used entirely for military purposes.

Mr. VANDENBERG. That is correct.

Mr. ELLENDER. That applies to both Turkey and Greece.

Mr. VANDENBERG. That is correct.

Mr. ELLENDER. Can the Senator tell us how many British soldiers are in Greece at present?

Mr. VANDENBERG. I think there are approximately 5,000. The subject is discussed at some length in the document which is on the Senator's desk.

Mr. ELLENDER. To what extent, if at all, will any of these funds be used to pay for the upkeep of British soldiers stationed in Greece?

Mr. VANDENBERG. I should say not at all.

Mr. ELLENDER. To what extent does the Greek Government assist in maintaining the Greek Army which is now fighting the guerrillas in Greece?

Mr. VANDENBERG. I do not know the division of the Greek budget, but certainly we are far from furnishing funds to pay the total pay roll of the Greek Army.

Mr. ELLENDER. The report accompanying the bill states that all these funds will be used for military purposes, as I have previously pointed out. Does that mean to buy food to feed the soldiers, to purchase implements of war, and things of that character?

Mr. VANDENBERG. Yes; chiefly supplies. I would not be able to break down the fund.

Mr. ELLENDER. As I understand, there is no requirement by which the Greek Government could be forced to pay its pro rata share of the cost of maintaining the army described in the report.

Mr. VANDENBERG. The Senator may be very sure that the Greek Government still finds itself confronted with very heavy expenditures for these same purposes, despite our aid.

Mr. ELLENDER. I am sure the Senator is acquainted with the charges that were previously made that under the present law it was possible that our own soldiers may be used in Greece for combat purposes. As I understand, it is the view of the Senator that neither the act we are considering nor the law which it seeks to amend provides for anything other than military advisers from the United States.

Mr. VANDENBERG. I think that is categorically correct.

Mr. ELLENDER. And that none of these military advisers can be used in combat or to command the Greek troops.

Mr. VANDENBERG. The Senator is correct. Furthermore, I think the Senator will find in the testimony that that interpretation is underscored and underwritten by those responsible for our decision.

Mr. ELLENDER. Yes; I simply wished to be sure.

Does the Senator from Michigan know whether this money will be used to increase the number of United States military advisers?

Mr. VANDENBERG. It is a very small increase—15 or 20. I do not recall the exact figure. I gave the Senate the exact detail, and the Senator will find it in my remarks.

Mr. ELLENDER. I thank the Senator.

Mr. KNOWLAND. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. I yield.

Mr. KNOWLAND. I should like to address an inquiry to the chairman of the Foreign Relations Committee, and to make a brief statement.

I am in support of this proposed legislation. I voted for the last Greek-Turkish aid bill, and I intend to support this one.

However, the inquiry I desire to address to the Senator from Michigan deals with whether the Foreign Relations Committee is requesting from the State Department and the armed services information as to the actual monthly shipments going to both Greece and Turkey. I can say to the able Senator, as I have discussed with him some time ago, that I have not been entirely satisfied that the shipments, the actual loadings of cargoes on ships, and the deliveries of the cargoes to where they are needed, have been going as expeditiously as they should go. The United States did a very splendid job during the war in transporting various materials across the seas; but I call to the attention of the able Senator that the mere fact that funds have been allocated is not the same as the delivery of the goods to where they are needed, nor is a statement under the heading "Allotments or obligations" a true test of the ability to deliver the goods, because, in the first place, an allocation, as I understand, is merely the writing of a letter, in effect, from the State Department to the Department of the Army or the Department of the Navy, telling them that so many dollars are available. The obligation may not be in any sense an actual expenditure or the starting of a shipment to its destination.

I merely wish to express the hope that the Foreign Relations Committee will require not less than quarterly, and I hope perhaps monthly, statements on this subject—and I can say that as a member of the Appropriations Committee I intend to make the same request there—to see what can be done to expedite the actual shipments so that these materials will actually be in the hands of the Greek Government and the Turkish Government when they may be needed.

Mr. VANDENBERG. I am glad to have the Senator's observation, and I comment only, in reply, that we did have some testimony on the subject to which the Senator refers. There was a considerable delay, particularly in shipments to Turkey, as my recollection goes; but I think the Senator would find upon inquiry that the delay was caused primarily by the necessity for scrupulously planning the program before it was started, and that that was the chief cause of a lapse in shipments in the first instance. I seem to recall also some testimony about port congestions which caused considerable delay. But I shall hope to keep the Senator fully advised, as he requests, because his request is entirely reasonable.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Michigan yield; and if so, to whom?

Mr. VANDENBERG. I shall yield, but I am anxious to yield the floor to the Senator from Texas [Mr. CONNALLY].

Mr. COOPER. Mr. President, will the Senator yield to me at this point?

Mr. VANDENBERG. I yield.

Mr. COOPER. During the debate on the European recovery program, the distinguished Senator from Michigan

pointed out many times in the course of his speech the great pains that had been taken—and appropriately so, I think—to mark out clearly the lines of authority of the representatives of the State Department and the Administrator of the European recovery program. In the last few months, I have seen from time to time in the newspapers the suggestion that there has been disagreement between the Ambassador to Greece and Mr. Griswold. Did any information come before the committee which indicated such disagreement and which was reflected in the administration of aid to Greece?

Mr. VANDENBERG. Yes; we inquired specifically into that question, because of those stories. The testimony in reply is substantially a denial of any frictions whatsoever of the character which apparently were so grossly exaggerated in the press.

Mr. COOPER. Remembering the work done in the development of the Economic Cooperation Act to prevent disagreement between the State Department and the Administrator of the European recovery program, is it the Senator's belief that there exists in this act the same possibility for disagreement?

Mr. VANDENBERG. I think in this area and in connection with this problem, the situation relatively is greatly simplified, as compared to the sort of contemplation we faced in the larger European recovery program. I think I would be entitled to say that it is the committee's judgment that it was satisfied that there have been no frictions which have caused any difficulty. I may add that the then sitting ambassador to Greece has been transferred to Portugal, and a new ambassador is going to Greece; but that is purely a coincidence, I am advised.

Mr. COOPER. I thank the Senator.

Mr. DWORSHAK. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. I yield.

Mr. DWORSHAK. I recall that last year, when the authorization act was approved, one proviso referred to the interest of the Security Council of the United Nations; and also that the United Nations sent a commission to make an investigation of the border disputes between Greece, Albania, Bulgaria, and Yugoslavia. At that time that situation was referred to as an emergency.

I inquire whether the United Nations is currently interested in helping to stabilize conditions in Greece, or whether the project is entirely on a unilateral basis insofar as the United States is concerned.

Mr. VANDENBERG. The first thing I wish to say to the Senator from Idaho is that I think that perhaps before he returned to the Chamber, I covered in detail the relationship between the United States and the Greek program, to underscore the fact that Soviet Russia and her satellites have refused to permit the authorized representatives, first of the Security Council, and then of the General Assembly, even to have admission to the areas of friction. So, insofar as the interest of the United Nations, in this border situation is concerned, it finds itself totally checkmated by acts of definitive contempt for the United Nations.

So far as the activities involved in this bill are concerned, of course they are unilateral and exclusively those of the United States; and in view of the United Nations' record, I doubt whether there could be any assistance of any nature except as it was unilateral.

Mr. PEPPER and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Michigan yield; and if so, to whom?

Mr. VANDENBERG. I yield first to the Senator from Florida.

Mr. PEPPER. Mr. President, I have two or three questions I should like to ask, if I may. I did not hear the able Senator state, and I do not recall from the report, the number of guerrillas who were considered to be in the field at the time the original Greek-Turkish-aid bill was enacted last year. Does the Senator recall about that?

Mr. VANDENBERG. Yes. I think it was approximately 14,000 in May 1947.

Mr. PEPPER. What is the estimated figure at the present time?

Mr. VANDENBERG. About 26,000.

Mr. PEPPER. Would the Senator give us the relative strength of the Greek armed forces at the time the Greek-aid bill was passed last year and at the present time?

Mr. VANDENBERG. Yes. It was 120,000 then; it is 132,000 now. I may say to the Senator that I discussed this whole subject before he came in.

Mr. PEPPER. I very much apologize for my inability to be present sooner.

Mr. VANDENBERG. I simply want the Senator to know that he will find a very complete discussion of the figures in the RECORD. Since he is asking these questions, I anticipate that the Senator is about to suggest that 130,000 troops ought not to have too much difficulty in dealing with 26,000 guerrillas. Perhaps I anticipate him wrongly, but that question would be an interesting one. It was raised in the committee. It was disclosed to the committee in some detail that the nature of a conflict of this kind gives such a total advantage to the irregular attacking force over a frontier 600 miles long, involving rugged mountains and wide uninhabited spaces, that a relationship mathematically really is of no particular moment. General Marshall drew some interesting parallels between what General Villa did on the Mexican border with relatively no force at all, as indicating why the guerrilla has such a tremendous advantage over his adversary.

Mr. PEPPER. Would the Senator give us the approximate population of the Greek state at the present time?

Mr. VANDENBERG. I am told it is about 7,000,000.

Mr. PEPPER. Has the Senator given consideration, or has the United Nations, through any of its instrumentalities, given consideration to establishing their mission on the Greek side of the border with due regard for the location of guerrilla forces, so that it might, as an organization of the international organization, view the scene and itself perhaps participate in the solution?

Mr. VANDENBERG. It is my understanding that the present United Nations mission representing the General Assembly is centered at Salonika. I may not be right about that, but it certainly is centered in Greece, and it has been denied access to the Yugoslavian side, the Albanian side, and the Bulgarian side of the border.

Mr. PEPPER. What I had in mind is whether there is any way by which the representative or representatives of the United Nations Organization could, even from the Greek side, get close enough to the scene to form any opinion, in presenting a report on the aid that is spoken of as coming across the Greek border, or otherwise aid in the stability of that area?

Mr. VANDENBERG. No. If I understand the Senator's question, I think he is right at the heart and core of the tragedy of this business. First, the Security Council of the United Nations sent its representatives to this area for the precise purpose the Senator is describing, and in my view if it had been allowed to function, this whole situation would have stabilized long ago. But they were refused the right to cross the line into the three other countries. When they brought back their report, in which a majority strongly condemned this action on the part of Greece's neighbors, and it was put on the Security Council agenda, there could be no conclusive action in respect to it, because this was one point at which Russia used her veto twice, I think, or perhaps three times. As a result of that stalemate, the problem was transferred to the General Assembly, whence another commission was sent, but it confronted precisely the same prohibition. As a result, it has not been possible for the United Nations to exercise, as I agree with the Senator, what would have been not only a highly salutary influence but in the opinion of the Senator from Michigan, if there could have been decent, fair-play cooperation with either of those commissions on the part of all parties involved, we would not have this problem before us today.

Mr. PEPPER. Could the Senator tell us, out of his wide knowledge of this subject, whether there have been any soldiers other than Greek in character and origin who have been captured among the guerrilla forces, and if so, how many, and at what places?

Mr. VANDENBERG. No. I think I recall testimony bearing somewhat on the Senator's question. I am inclined to think most if not practically all those captured are Greeks. Before the Senator came in I indicated that a part of the increase in the strength of the guerrillas has been due to a very brutal and ruthless process of impressment by the guerrillas swooping down into isolated and unprotected northern Grecian areas and virtually kidnaping Greeks and putting them into the ranks of the guerrillas, according to the authenticated testimony of our own representatives.

I do not mean to infer for an instant that that represents the complete increase in the figures. But I think the Senator is correct, that essentially the ones captured are Greeks. The interesting thing, however, is that when they are captured or when the casualties resulting from the conflict are brought in with their arms, it almost inevitably results that the arms can be identified as having come in one way or another from Yugoslavian sources or Bulgarian sources or Alabanian sources; I think I ought to add, even from American sources, as a result of weapons which were thrown away during the World War.

Mr. PEPPER. How long is this appropriation of funds expected to last? They are from the present, are they not?

Mr. VANDENBERG. Fifteen months.

Mr. PEPPER. Fifteen months henceforth?

Mr. VANDENBERG. That is correct.

Mr. PEPPER. And as the Senator said a bit ago, are all the funds involved in this bill for both Greece and Turkey for military aid to those countries?

Mr. VANDENBERG. The Senator is correct.

Mr. PEPPER. Mr. President, I wish to address myself briefly to this subject, but I believe I heard the Senator from Michigan say that the Senator from Texas wished to speak. I should of course defer to him, if he cares to address himself to the subject now.

The PRESIDING OFFICER. The Chair may say to the Senator from Florida that the Senator from Texas has sought recognition for some time.

Mr. PEPPER. I gladly defer to the Senator from Texas.

Mr. CONNALLY. I thank the Senator very much.

Mr. President and Members of the Senate, I shall detain the Senate only very briefly. The chairman of the committee, the distinguished Senator from Michigan [Mr. VANDENBERG], has already traced the chronological development of the whole Greek-Russian situation, and it will not be necessary of course for me to repeat it. The Committee on Foreign Relations has most carefully reviewed the Greek-Turkish situation, as it did in considering the bill which was passed a year ago. The Committee on Foreign Relations reported the bill unanimously.

Mr. President, the Greek-Turkish aid bill is an enterprise from which we cannot retreat. It involves the prestige of the United States. It involves the prestige of the United Nations. Any relaxation on our part at this time would have a profoundly melancholy effect upon the world situation. What would those who are denouncing us in the press each day send out through their agencies of propaganda? "The United States, the imperialists, have lost their courage and abandoned their efforts to rehabilitate Greece and Turkey."

Mr. President, the Turkish program involves difficulties. I do not wish to tire Senators, but I should like to refer briefly to the kind of warfare and the place of warfare with which the Greeks have been confronted.

The area along the northern border of Greece next to Bulgaria, Albania, and Yugoslavia, is a mountainous, wooded area. The guerrillas who are attacking the Greeks do not fight in the conventional manner of an army organization. They are more or less of the type of bandits. They find an undefended village, rush in, and take over all the food and supplies they can find, impress the young men into their own forces, and, if the Greeks appear in a sizable force, the bandits scatter and go back to the hills and the woods. To compare the 26,000 guerrillas with the 132,000 Greek forces is not a fair comparison. We have hope that the situation will be relieved. General Marshall explained to us that there is taking place the organization of 40 or 50 home-guard units or police units which will defend the villages in their own localities. That will enable the Greek Army and the forces operating with the Greek Army to make frontal attacks on the guerrillas.

It was testified before the committee that the Greek forces would form a headquarters in the territory from which they could send out forces, and the villages in the meantime would be protected by home guards.

Mr. President, something has been said regarding waste. We found that under the old UNRRA organization there was much waste. There may be waste under this program. There is waste in almost all Government operations, now and then. We think that with General Van Fleet as head of the military mission to Greece, new energy and new vigor will be instilled into the organization and that it will give Greece a greater striking power.

Greece and Turkey occupy the most important strategic position in Europe. They are in the seat of the ancient civilization which clustered around the Mediterranean Sea. The right to the Mediterranean has been the subject of international disputes for hundreds of years. We cannot abandon Greece. We cannot turn over Turkey, a gallant nation, a nation whose soldiers are brave and courageous, to the infiltration of totalitarianism and all the evil influences which accompany it. We cannot surrender Greece. In the World War, Greece defended herself against the invasion of the Italians. I am sure it will be recalled how our hearts were stirred by the campaign in northern Greece as the Greeks hurled back the minions of Mussolini. Later on, when the Germans conquered Greece, the people suffered years of occupation, with hardships and sufferings, giving up everything except hope and life. When the war was over they were faced with threats on the northern boundary from Bulgaria, Yugoslavia, and Albania.

No, Mr. President; those countries have not been sending armies into Greece, but they have sent munitions there; they have sent supplies; and they will probably continue to do so unless the Greek forces, with our aid and assistance, are able to establish the authority of the Greek Government all along that 600-mile border.

As I said a moment ago, our prestige is involved in this enterprise. We cannot turn back. We cannot retrace our steps. We must see this problem through. We must help to reestablish the authority of the Greek Government and of the Greek Army in Greece, which holds the key position in the eastern Mediterranean region. We must help protect the integrity and the independence of Turkey, which occupies another key position at the very mouth of the Mediterranean Sea.

Those two countries are symbols of free government. They are small countries, weak countries, it is true, but they serve as symbols to the other countries of Europe that free government can survive, that it can live, and that a free people can choose their own form of government and select those who shall rule over them. I think it is particularly appropriate today that America, the greatest and strongest country on earth, should come to the aid and succor of those who are among the weakest and the smallest nations on the globe.

The integrity of the United Nations is involved. Representatives of the United Nations have been flouted on the border. They were sent there to perform one of the highest functions of the United Nations, which was to inquire into the charges that the internal affairs of Greece were being interfered with by the countries on the north. How could they solve the problem unless they were upon the ground? How could they solve it unless they visited both Greece and the countries across the border? But the iron hand forbade representatives of the United Nations visiting that territory. That avenue has been closed. It is a direct affront, a direct insult to the United Nations and to its authority. That authority is involved indirectly at least in what we do here today.

Mr. President, we want the United Nations to perform the task. We were glad to have the United Nations send its representatives there to ascertain the facts and to sit in judgment on the issues involved, because one of the primary, if not the supreme, duties of that Organization is to undertake to adjust international differences. But that road is closed. There is nothing for us to do, Mr. President, except to grant the additional appropriation for the purpose of strengthening the Greek Army and infusing new life into its ranks, supplying it with arms and ammunitions in order that it may be able to assert its authority and integrity.

That obtains also with regard to Turkey. The appropriation is not to exceed $275,000,000, with a tentative allocation of $75,000,000 to Turkey and $200,000,000 to Greece. A certain degree of elasticity is provided. If the exigencies of the situation should develop need for more money in the case of Turkey or more money in the case of Greece, relatively speaking, the bill provides for that sort of an allocation.

Mr. President, with the same purpose in mind I had a year ago, or perhaps a little less than a year ago, with the same objectives incorporated in the Greek-Turkish loan, with the same intent to

speak in the international field as we spoke when we enacted the previous bill, with the same principles and feelings and objectives, I shall support the pending bill, as the Committee on Foreign Relations unanimously supported it when it reported the bill. I hope it will pass overwhelmingly.

Mr. LANGER. Mr. President, when I took my seat in the Senate I pledged myself not to vote for a bill unless I knew something about it. I am not a member of the Committee on Foreign Relations, and I frankly confess, with all due respect to the distinguished chairman of that committee, that I never saw the pending bill or the report on it, until this afternoon. It may possibly have been upon my desk, and if so, I want the distinguished chairman of the committee to know that we were unusually busy, working on the pay bill, involving some 2,000,000 employees of the Government. I have only cursorily glanced through the report, and the same is true as to the bill.

When I saw the report I sent out, in the few brief moments I have had available, for the address delivered by the distinguished Senator from Michigan a year ago, or less than a year ago, in fact, for it was on April 8 last. Just glancing through it, as it appears on page 3196 of the CONGRESSIONAL RECORD, I find this language:

Lest there be overemphasis in the wrong place, I hasten to add that our contemplated military mission involves only from 10 to 40 officers and no combat troops. The naval mission contemplates nonbelligerent craft like mine sweepers, in the main. The military effort, though accounting for $150,000,000 of this grant, is to help Greece to help herself to be self-reliant in defense of her self-chosen government, whatever that may be.

I call attention again to the words of the distinguished Senator when he said:

I hasten to add that our contemplated military mission involves only from 10 to 40 officers and no combat troops.

That was on the 8th day of April last, less than a year ago. I pick up the report of the committee on the pending bill, and in the report I find in paragraph 15, on page 10, this language:

15. NUMBER AND SERVICE OF AMERICAN PERSONNEL

Greece: On December 31, 1947, the American mission in Greece consisted of 286 people—142 for economic aid, 8 for foreign relief, and 136 in the military group. Of the latter figure, 95 belonged to the Army and 41 belonged to the Navy group.

So I find it is not 10 to 40, but it is 136. The report continues:

There are at present 242—

Not from 10 to 40, but 242—

United States military (including 26 civilians), and 41 United States naval personnel, or a total of 283, attached to the military sections of the American mission for aid to Greece.

Of the military personnel, 136 men, including 73 commissioned officers and 63 enlisted men (all noncommissioned officers), are engaged in giving military advice to operational units of the Greek forces. The number of these military advisers is expected to be increased to a full strength of approximately 170, including 90 officers and 80 enlisted men.

The present civilian personnel consists of 183 members, most of them specialists able to assist in matters concerning public finance, civil government, industry, labor, public health, relief and welfare, public information, taxation, engineering, construction, budget, etc.

Then I find this as to Turkey:

The mission to Turkey is smaller than that sent to Greece. Of the 251 authorized, 182 have been assigned. There are 76 officers, 55 enlisted men, and 51 civilians; 71 belong to the Army group, 34 to the Air Force group, and 13 to the Navy group.

Not from 10 to 40 officers and no combat troops, Mr. President, as was said less than a year ago, by the distinguished Senator from Michigan.

Now we find the distinguished Senator from Texas [Mr. CONNALLY] saying, less than 10 minutes ago, "We cannot turn back. We have got to see it through."

Instead of having from 10 to 40 officers and no combat troops, as was stated in the Senate on the 8th day of April, we find by the report that there are in Greece alone 136 in the military group, and in Turkey 76 officers and 55 enlisted men, or a total of 131. That does not include the civilians.

Mr. President, I voted against the original bill providing for a loan to Turkey and Greece; but at that time, it will be remembered, much was said to the effect that the money that was going to Greece was not to be used entirely for military purposes. It was said it was going to be used to put Greece upon her feet economically, according to what was said on page 3196 of the RECORD, or that most of it was to be used for that purpose. It was said at that time very frankly that the Turkish aid was for military purposes. But today we find in the bill the following, on page 2, line 19:

Provided, That any military or civilian personnel detailed under section 1 of such act of 1947 may receive such station allowances or additional allowances as the President may prescribe.

A few days ago upon this floor, Mr. President, the distinguished Senator from Nebraska [Mr. BUTLER] and the distinguished Senator from Illinois [Mr. BROOKS] placed in the RECORD some statistics which to me proved very interesting. At that time we were discussing the Marshall plan. I refer Senators to page 2760 of the RECORD, on which appears a part of the speech made by the Senator from Illinois. In connection with his speech he placed in the RECORD a table entitled "Total Cost of Foreign Aid Apportioned on a Nation-wide per Capita Basis as Applied to the Population of Illinois."

First I call attention to Cook County. In 1940 Cook County had a population of 4,063,342. The population of the various counties, county seats, and other principal towns appear in column 1 of the table.

Column 2 is headed "Share of foreign aid July 1, 1945, to June 30, 1947." During that period Cook County's share is $743,713,486.

Column 3 has the heading "Share of foreign aid proposed by Marshall plan, 1948–52." For that period the total share of Cook County, Ill., would be $524,618,086.

Column 4 is headed "Share of total foreign aid provided and proposed 1945–47, 1948–52." For that period the total share of Cook County would be $1,268,331,572.

Column 5 is headed "Local taxes, 1942 (county, city, village, township, and road districts, school, fire, park, and sanitary districts)". All those taxes combined for Cook County in that year amounted to $227,793,240.

In other words, the foreign aid for Cook County, according to these statistics supplied by the Senator from Illinois, and he said they were prepared by the Congressional Library, amounted to $1,268,331,572, and all the taxes for 1942 for Cook County amounted to $227,793,240.

Cook County, Ill., of course, contains the second largest city in the United States.

Mr. President, let us consider a small county in the State of North Dakota. The smallest one, according to population and area, is Cass County, N. Dak., which has roughly a population of 60,000—not quite that number. I do not find a county in Nebraska equivalent to it, so I will look at the table for Illinois. Adams County, Ill., the county seat being Quincy, has a population of 65,229. That little county, which is about the size of Cass County, N. Dak., having a population of roughly 65,000, paid in 1942 total taxes of $1,980,497. Taking the figures which the Senator from Illinois placed in the RECORD on page 2760, what is the amount Adams County, Ill., will pay for foreign relief? In the fourth column under the heading "Share of total foreign aid provided and proposed, 1945–47, 1948–52," it is shown that the total amount which will be paid by Adams County, Ill., alone will be $20,360,580, and that is from a county which in 1942 received from all taxes, $1,980,497.

Mr. President, I prefer to rest the case with the people of America when they find out that one little county in Illinois having a population of roughly 65,000 must raise for foreign aid $20,360,580. I for one want it known that the Senator from North Dakota is never going to agree to a proposition of this sort, although the Senator from Texas [Mr. CONNALLY] said:

Oh, we cannot back down. We cannot back down. We have got to see it through. We have got to see it through.

Mr. President, when the first aid bill was passed the distinguished chairman of the Foreign Relations Committee said:

This plan is for 15 months. Can this job be done in 15 months?

And he very honestly and frankly said:

I do not know. I doubt it.

Mr. President, the Senator from Michigan was honest with the Senate.

He said:

I doubt it. Although in 15 months both the United Nations and the World Bank should be able substantially to take over.

Now it is going to be a year on the 8th day of April since that speech was made, and apparently neither of the two instrumentalities he mentioned, the United Nations or the World Bank, has been able to take over because here we find a request being made for $275,000,000 more.

Mr. President, a few moments ago the distinguished Senator from Texas said the United States is the greatest and strongest country on earth. That is true. But any man who has read history knows that at one time England was the strongest country in the world. England took over Greece, and England spent hundreds of millions of dollars more in Greece than the United States Government has even begun to spend.

Mr. President, I want to make it crystal clear that I voted against the British loan, every penny of it. I voted against the loans to Greece and Turkey—every penny of them. I voted against the $597,000,000 loan to the Governments—not the people but the Governments—of Italy, Austria, and France—every penny of it. I want the RECORD to show that I have always voted to give food or clothing to starving people anywhere on earth.

I want to make the RECORD clear today that in my judgment this is only a very small part of a general pattern. It is said that in the near future there will be requests for more money for China. Pretty soon we shall be confronted with requests for more money for some of the South American countries. A short time ago there was put in the RECORD a list of all the money that had been loaned one country after another. I ask unanimous consent to have incorporated in the RECORD at this point in my remarks tables showing the total cost of foreign aid, apportioned on a Nation-wide per capita basis, as applied to the population of counties, county seats, and principal towns in Nebraska.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total cost of foreign aid apportioned on a Nation-wide per capita basis, as applied to the population of counties, county seats, and principal towns in Nebraska

Counties, county seats, and other principal towns	Population, 1940	Share of foreign aid, July 1, 1945, to June 30, 1947 (population × $183.03), based on $24,099,211,087	Share of foreign aid proposed by Marshall plan 1948–52 (population×$129.11), based on $17,000,000,000	Share of total foreign aid provided and proposed, 1945–47, 1948–52 (column II+column III), based on $41,099,211,087	All local taxes, 1945 (county, city, school, village, township, poll, and others)
	I	II	III	IV	V
Adams County	24,576	$4,498,145	$3,173,007	$7,671,152	$915,375.98
Hastings	15,145	2,771,989	1,955,371	4,727,360	
Antelope County	13,289	2,432,286	1,715,743	4,148,029	451,929.70
Neligh	1,796	328,722	231,882	560,604	
Arthur County	1,045	191,266	134,920	326,186	53,434.16
Arthur	250	45,758	32,278	78,036	
Banner County	1,403	256,791	181,141	437,932	82,296.47
Harrisburg	115	21,048	14,848	35,896	
Blaine County	1,538	281,500	198,571	480,071	65,276.58
Brewster	77	14,093	9,941	24,034	
Dunning [1]	272	49,784	35,118	84,902	
Boone County	12,127	2,219,605	1,565,717	3,785,322	421,493.08
Albion	2,268	415,112	292,821	707,933	
Box Butte County	10,736	1,965,010	1,386,125	3,351,135	311,610.93
Alliance	6,253	1,144,487	807,325	1,951,812	
Boyd County	6,060	1,109,162	782,407	1,891,569	200,490.61
Butte	623	114,028	80,436	194,464	
Spencer [1]	635	116,224	81,985	198,209	
Brown County	5,962	1,091,225	769,754	1,860,979	210,749.82
Ainsworth	1,833	335,494	236,659	572,153	
Buffalo County	23,655	4,329,575	3,054,097	7,383,672	932,094.05
Kearney	9,643	1,764,958	1,245,008	3,009,966	
Burt County	12,546	2,296,294	1,619,814	3,916,108	606,169.14
Tekamah	1,925	352,333	248,537	600,870	
Butler County	13,106	2,398,791	1,692,116	4,090,907	479,757.95
David City	2,272	415,844	293,338	709,182	
Cass County	16,992	3,110,046	2,193,837	5,303,883	674,650.63
Plattsmouth	4,268	781,172	551,041	1,332,213	
Cedar County	15,126	2,768,512	1,952,918	4,721,430	555,243.55
Hartington	1,688	308,955	217,938	526,893	
Chase County	5,310	971,889	685,574	1,657,463	231,522.39
Imperial	1,195	218,721	154,286	373,007	
Cherry County	9,637	1,763,860	1,244,233	3,008,093	397,558.39
Valentine	2,188	400,470	282,493	682,963	
Cheyenne County	9,505	1,739,700	1,227,191	2,966,891	507,612.76
Sidney	3,388	620,106	437,425	1,057,531	
Clay County	10,445	1,911,748	1,348,554	3,260,302	406,924.46
Clay Center	715	130,866	92,314	223,180	
Sutton [1]	1,403	256,791	181,141	437,932	
Colfax County	10,627	1,945,060	1,372,052	3,317,112	388,893.37
Schuyler	2,808	513,948	362,541	876,489	
Cuming County	13,562	2,482,253	1,750,990	4,233,243	507,892.82
West Point	2,510	459,405	324,066	783,471	
Custer County	22,591	4,134,831	2,916,724	7,051,555	814,082.42
Broken Bow	2,968	543,233	383,198	926,431	
Dakota County	9,836	1,800,283	1,269,926	3,070,209	326,563.96
Dakota City	477	87,305	61,585	148,890	
Emerson [1 2]	879	160,883	113,488	274,371	
South Sioux [1]	4,556	833,885	588,225	1,422,110	
Dawes County	10,128	1,853,728	1,307,626	3,161,354	354,013.49
Chadron	4,262	780,074	550,267	1,330,341	
Dawson County	17,890	3,274,407	2,309,778	5,584,185	823,738.48
Lexington	3,688	675,015	476,158	1,151,173	
Deuel County	3,580	655,247	462,214	1,117,461	201,290.64
Chappell	1,093	200,052	141,117	341,169	
Dixon County	10,413	1,905,891	1,344,422	3,250,313	454,191.92
Ponca	1,003	183,579	129,497	313,076	
Dodge County	23,799	4,355,931	3,072,689	7,428,620	998,238.44
Fremont	11,862	2,171,102	1,531,503	3,702,605	
Douglas County	247,562	45,311,273	31,962,730	77,274,003	10,343,769.27
Omaha	223,844	40,970,167	28,900,499	69,870,666	
Dundy County	5,122	937,480	661,301	1,598,781	213,193.82
Benkelman	1,448	265,027	186,951	451,978	
Fillmore County	11,417	2,089,654	1,474,049	3,563,703	443,405.98
Geneva	1,888	345,561	243,760	589,321	
Franklin County	7,740	1,416,652	999,311	2,415,963	310,989.39
Franklin	1,272	232,814	164,228	397,042	

Footnotes at end of table.

Total cost of foreign aid apportioned on a Nation-wide per capita basis, as applied to the population of counties, county seats, and principal towns in Nebraska—Continued

Counties, county seats, and other principal towns	Population, 1940	Share of foreign aid, July 1, 1945, to June 30, 1947 (population × $183.03), based on $24,099,211,087	Share of foreign aid proposed by Marshall plan 1948–52 (population × $129.11), based on $17,000,000,000	Share of total foreign aid provided and proposed, 1945–47, 1948–52 (column II + column III), based on $41,099,211,087	All local taxes, 1945 (county, city, school, village, township, poll, and others)
	I	II	III	IV	V
Frontier County	6,417	$1,174,504	$828,499	$2,003,003	$278,021.66
Stockville	238	43,561	30,728	74,289	
Curtis [1]	952	174,245	122,913	297,158	
Eustis [1]	459	84,011	59,261	143,272	
Maywood [1]	426	77,971	55,001	132,972	
Furnas County	10,098	1,848,237	1,303,753	3,151,990	389,067.36
Beaver City	1,015	185,775	131,047	316,822	
Cambridge [1]	1,084	198,405	139,955	338,360	
Oxford [1 2]	1,141	208,837	147,315	356,152	
Gage County	29,588	5,415,492	3,820,107	9,235,599	1,120,951.92
Beatrice	10,883	1,991,915	1,405,104	3,397,019	
Garden County	4,680	856,580	604,235	1,460,815	226,066.03
Oshkosh	910	166,557	117,490	284,047	
Garfield County	3,444	630,355	444,655	1,075,010	99,029.59
Burwell	1,412	258,438	182,303	440,741	
Gosper County	3,687	674,832	476,029	1,150,861	135,593.00
Elwood	633	115,858	81,727	197,585	
Grant County	1,327	242,881	171,329	414,210	80,054.79
Hyannis	449	82,180	57,970	140,150	
Greeley County	6,845	1,252,840	883,758	2,136,598	215,957.00
Greeley	891	163,080	115,037	278,117	
Hall County	27,523	5,037,535	3,553,495	8,591,030	1,060,442.48
Grand Island	19,130	3,501,364	2,469,874	5,971,238	
Hamilton County	9,982	1,827,005	1,288,776	3,115,781	414,138.24
Aurora	2,419	442,750	312,317	755,067	
Harlan County	7,130	1,305,004	920,554	2,225,558	282,016.86
Alma	1,272	232,814	164,228	397,042	
Hayes County	2,958	541,403	381,907	923,310	163,493.29
Hayes Center	314	57,471	40,541	98,012	
Hitchcock County	6,404	1,172,124	826,820	1,998,944	282,355.62
Trenton	920	168,388	118,781	287,169	
Holt County	16,552	3,029,513	2,137,029	5,166,542	513,540.53
O'Neill	2,532	463,432	326,907	790,339	
Hooker County	1,253	229,337	161,775	391,112	63,778.99
Mullen	725	132,697	93,605	226,302	
Howard County	8,422	1,541,479	1,087,364	2,628,843	323,488.08
St. Paul	1,571	287,540	202,832	490,372	
Jefferson County	15,532	2,842,822	2,005,337	4,848,159	599,571.13
Fairbury	6,304	1,153,821	813,909	1,967,730	
Johnson County	8,662	1,585,406	1,118,351	2,703,757	326,410.77
Tecumseh	2,104	385,095	271,647	656,742	
Kearney County	6,854	1,254,488	884,920	2,139,408	281,992.88
Minden	1,848	338,239	238,595	576,834	
Keith County	8,333	1,525,189	1,075,874	2,601,063	343,137.41
Ogallala	3,159	578,192	407,858	986,050	
Keya Paha County	3,235	592,102	417,671	1,009,773	97,622.22
Springview	347	63,512	44,801	108,313	
Kimball County	3,913	716,196	505,207	1,221,403	256,280.63
Kimball	1,725	315,727	222,715	538,442	
Knox County	16,478	3,015,968	2,127,475	5,143,443	570,640.06
Center	146	26,722	18,850	45,572	
Bloomfield [1]	1,467	268,505	189,404	457,909	
Creighton [1]	1,272	232,814	164,228	397,042	
Lancaster County	100,585	18,410,073	12,986,529	31,396,602	3,850,253.39
Lincoln	81,984	15,005,532	10,584,954	25,590,486	
Lincoln County	25,425	4,653,538	3,282,622	7,936,160	997,567.31
North Platte	12,429	2,274,880	1,604,708	3,879,588	
Logan County	1,742	318,838	224,910	543,748	85,157.06
Stapleton	399	73,029	51,515	124,544	
Loup County	1,777	325,244	229,428	554,672	65,628.64
Taylor	349	63,877	45,059	108,936	
McPherson County	1,175	215,060	151,704	366,764	56,030.87
Tryon	198	36,240	25,564	61,804	
Madison County	24,269	4,441,955	3,133,371	7,575,326	808,131.46
Madison	1,812	331,659	233,947	565,597	
Norfolk [1]	10,490	1,919,985	1,354,364	3,274,349	
Merrick County	9,354	1,712,063	1,207,695	2,919,758	356,350.26
Central City	2,460	450,254	317,611	767,865	
Morrill County	9,436	1,727,071	1,218,282	2,945,353	481,576.76
Bridgeport	1,520	278,206	196,247	474,453	
Bayard [1]	2,121	388,207	273,842	662,049	
Nance County	7,653	1,400,729	988,079	2,388,808	308,704.01
Fullerton	1,707	312,432	220,391	532,823	
Nemaha County	12,781	2,339,306	1,650,155	3,989,461	441,615.58
Auburn	3,639	666,046	469,831	1,135,877	
Nuckolls County	10,446	1,911,931	1,348,683	3,260,614	433,553.79
Nelson	963	176,258	124,333	300,591	
Superior [1]	2,650	485,030	342,142	827,172	
Otoe County	18,994	3,476,472	2,452,315	5,928,787	639,206.95
Nebraska City	7,339	1,343,257	947,538	2,290,795	
Pawnee County	8,514	1,558,317	1,099,243	2,657,560	319,021.09
Pawnee City	1,647	301,450	212,644	514,094	
Perkins County	5,197	951,207	670,985	1,622,192	271,065.40
Grant	897	164,178	115,812	279,990	
Phelps County	8,452	1,546,970	1,091,238	2,638,208	386,848.93
Holdrege	3,360	614,981	433,810	1,048,791	
Pierce County	10,211	1,868,919	1,318,342	3,187,261	406,811.60
Pierce	1,249	228,604	161,258	389,862	
Plainview [1]	1,411	258,255	182,174	440,429	
Platte County	20,191	3,695,559	2,606,860	6,302,419	707,095.24
Columbus	7,632	1,396,885	985,368	2,382,253	
Polk County	8,748	1,601,146	1,129,454	2,730,600	351,151.28
Osceola	1,039	190,168	134,145	324,313	
Stromsburg [1]	1,127	206,275	145,507	351,782	
Red Willow County	11,951	2,187,392	1,542,994	3,730,386	480,513.67
McCook	6,212	1,136,982	802,031	1,939,013	

Footnotes at end of table.

Total cost of foreign aid apportioned on a Nation-wide per capita basis, as applied to the population of counties, county seats, and principal towns in Nebraska—Continued

Counties, county seats, and other principal towns	Population, 1940	Share of foreign aid, July 1, 1945, to June 30, 1947 (population × $183.03), based on $24,099,211,087	Share of foreign aid proposed by Marshall plan 1948–52 (population × $129.11), based on $17,000,000,000	Share of total foreign aid provided and proposed, 1945–47, 1948–52 (column II+column III), based on $41,099,211,087	All local taxes, 1945 (county, city, school, village, township, poll, and others)
	I	II	III	IV	V
Richardson County	19,178	$3,510,149	$2,476,072	$5,986,221	$666,425.69
Falls City	6,146	1,124,902	793,510	1,918,412	
Rock County	3,977	727,910	513,470	1,241,380	134,317.51
Bassett	931	170,401	120,201	290,602	
Saline County	15,010	2,747,280	1,937,941	4,685,221	485,479.10
Wilber	1,355	248,006	174,944	422,950	
Crete [1]	3,038	556,045	392,236	948,281	
Sarpy County	10,835	1,983,130	1,398,907	3,382,037	428,388.47
Papillion	763	139,652	98,511	238,163	
Bellevue [1]	1,184	216,708	152,866	369,574	
Saunders County	17,892	3,274,773	2,310,036	5,584,809	742,343.55
Wahoo	2,648	484,663	341,883	826,546	
Scotts Bluff County	33,917	6,207,829	4,379,024	10,586,853	1,641,413.74
Gering	3,104	568,125	400,757	968,882	
Scottsbluff [1]	12,057	2,206,793	1,556,679	3,763,472	
Seward County	14,167	2,592,986	1,829,101	4,422,087	543,338.30
Seward	2,826	517,243	364,865	882,108	
Sheridan County	9,869	1,806,323	1,274,187	3,080,510	376,154.32
Rushville	1,125	205,909	145,249	351,158	
Gordon [1]	1,967	360,020	253,959	613,979	
Sherman County	7,764	1,421,045	1,002,410	2,423,455	292,338.31
Loup City	1,675	306,575	216,259	522,834	
Sioux County	4,001	732,303	516,569	1,248,872	180,975.94
Harrison	500	91,515	64,555	156,070	
Stanton County	6,887	1,260,528	889,181	2,149,709	303,675.39
Stanton	1,526	279,304	197,022	476,326	
Thayer County	12,262	2,244,314	1,583,147	3,827,461	445,420.74
Hebron	1,909	349,404	246,471	595,875	
Thomas County	1,553	284,246	200,508	484,754	58,733.00
Thedford	288	52,713	37,184	89,897	
Thurston County	10,243	1,874,776	1,322,474	3,197,250	681,080.77
Pender	1,135	207,739	146,540	354,279	
Valley County	8,163	1,494,074	1,053,925	2,547,999	341,412.80
Ord	2,240	409,987	289,206	699,193	
Washington County	11,578	2,119,121	1,494,836	3,613,957	456,403.25
Blair	3,289	601,986	424,643	1,026,629	
Wayne County	9,880	1,808,336	1,275,607	3,083,943	403,764.66
Wayne	2,719	497,659	351,050	848,709	
Webster County	8,071	1,477,235	1,042,047	2,519,282	302,675.70
Red Cloud	1,610	294,678	207,867	502,545	
Wheeler County	2,170	397,175	280,169	677,344	83,652.73
Bartlett	176	32,213	22,723	54,936	
Erickson [1]	279	51,065	36,022	87,087	
York County	14,874	2,722,388	1,920,382	4,642,770	619,862.88
York	5,383	985,250	694,999	1,680,249	
Total for counties	[4] 1,315,834	[4] 240,837,097	[4] 169,887,328	[4] 410,724,425	

[1] Not county seat.
[2] Emerson Village is in Dakota, Dixon, and Thurston Counties.
[3] Oxford Village is in Furnas and Harlan Counties.
[4] Details will not necessarily add to totals because of rounding.

Sources: Rand-McNally Commercial Atlas and Marketing Guide, 1944, p. 245.
Sixteenth Census of the United States: 1940, Population, vol. I, pp. 637–645, U. S. Department of Commerce, Bureau of the Census.
Twenty-sixth Annual Report of the State Tax Commissioner and the State Board of Equalization and Assessment, 1946, State of Nebraska, pp. 214–223.

Mr. LANGER. Mr. President, I have not had time to read the committee report. There are 37½ pages of it, of which 20 pages are in fine type. I wish I had had time to read it all, but I have not, and I frankly say so. I think very few Senators have had time to read it. In the part which I have read I find an inconsistency. I would not call it a discrepancy, because it is not. The distinguished Senator from Michigan undoubtedly said what he thought was the truth; he stated that in his judgment only from 10 to 40 officers, and no combat troops, would be used. Undoubtedly he said what he believed to be true. Yet when I pick up this report and find out how many are there less than a year later, I simply repeat that in my judgment it is part of a general pattern which is fastening itself upon the country. I do not believe that the United States Government ought to have any part of it. It has been my judgment from the beginning that by adopting the United Nations Charter in the way it was adopted, and considering what the Charter contained, the United States Government was simply underwriting the British Empire.

What do we find today? We find that United States taxpayers have taken over the financing of Greece. They have taken over Turkey. They have already taken over a great many other countries, and in my opinion they are going to take over many more. My judgment is that before we get through our boys will be over there. At one time Mr. Churchill said over the radio, "All we want is weapons. We do not want men. Just give us the weapons." The time came when they called for our boys. In my judgment that is what the passage of this bill will lead to, and I do not want any part of it.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. KNOWLAND. I understood the able Senator from North Dakota to point out that he had voted against the original Greek-Turkish loan, and the emergency legislation in aid of Italy, France, and Austria, as well as the Marshall plan, which recently passed the Senate.

Mr. LANGER. That is correct.

Mr. KNOWLAND. It is my recollection—although I may be mistaken—that at the time the senior Senator from Idaho [Mr. TAYLOR] offered his amendment to the Marshall plan, that amendment called for an authorization of approximately $20,000,000,000 over a 4- or 5-year period, and provided for an authorization of approximately $5,000,000,000 for the first year, which was substantially the amount of the Marshall plan, the chief difference being that under the amendment offered by the senior Senator from Idaho funds would have been made available to Russia and her satellite powers. My recollection is that the senior Senator from North Dakota voted for the Taylor amendment.

Mr. LANGER. The distinguished Senator is partly right and partly wrong. In the first place, the amount was larger than the Senator has stated. In the second place, if the Senator will take the trouble to read the amendment which

was offered by the senior Senator from Idaho, he will find that that money was to be used for peace purposes, not war purposes. Not a dollar of that money could be used for the purchase of munitions or armaments of any kind or description.

In the third place, the distinguished Senator will remember that the amendment was in the nature of a substitute. I voted for the substitute; but the distinguished Senator from Idaho knew that even had the substitute been agreed to, I would have voted against the bill. I believe that the substitute offered by the Senator from Idaho was a better bill than the one which was passed. I hope I have made myself very clear.

Mr. PEPPER. Mr. President, I shall not find it possible to support the pending legislation, and I feel that the seriousness of the subject demands some statement of the reasons why I cannot support it.

As I stated in the debate on Saturday a week ago on the bill then pending, the so-called ERP aid program, we are at a way station on the road to war. Day by day, night by night, we are moving farther toward the end of that road which may lead to world disaster.

Every one of us in this Chamber has seen this situation paralleled once before. In 1937 President Roosevelt made his famous "quarantine" speech in Chicago, calling upon the nations of the world which believed in decency, law, and order to stand together and quarantine the aggressors. From that day until the end of the war there was almost a direct sequence and chain of events.

Mr. President, I was a part of that last movement toward war. My own opponents and the critics of that policy and program often called attention to the inevitable trend of the policy. Those of us who followed that policy hoped against hope that war might not be the inevitable result. However, the problem was so serious and the challenge so dangerous that we would not have stopped had we been convinced that there was no way to stop this side of war, so long as the enemy continued his vile aggressions.

Mr. President, if, at the present time, we are convinced that we are prepared to accept war as the inevitable end of this issue, then we may continue to go ahead. But the chances are about 99 out of 100 that, unless some dynamic step is taken by those in authority to bring about a decent understanding between the Soviet Union and the United States which will commit each to work with the other and with the other democratic peoples of the world for peace and prosperity instead of war, war will follow. Unless such a step is taken, I see no hope for either nation or the rest of mankind save engulfment in the most terrible war of all time leading to the downfall of world civilization.

I am speaking now about the consequences. Let us consider this chain of events. By the end of the recent war, the bonds that had united the Allies deteriorated; soon they were broken. First there were disputes and disagreements, then there were contentions, and then charges and countercharges; and then there were schisms in the United Nations, and then there were the first strong evidences of the breaking up of that instrumentality, upon which man had put so much hope for world peace. Then we felt that our own security was involved, and we launched upon a program of economic aid to certain nations threatened with aggression, whose security we thought was important and vital to the United States of America. That is the same purpose that we had in inaugurating lend-lease. We justified lend-lease, for which I voted and spoke, upon the theory that it was in the defense of America. As we went along the road, after the end of the war, there was greater and greater divergence between these two principal powers of the world. As I have said, we started giving economic aid, first to one nation, and then to another.

Finally, there came the time when, in March of last year, the President of the United States addressed a joint session of the Congress and for the first time asked us to commit ourselves to a program not only of economic aid but of military aid to countries threatened, as was said, with aggression. It was military aid, regardless of the fact that the men doing the fighting were not in American uniforms. Those who were doing the fighting were fighting with American guns, with American equipment, with American money, and they were supervised as to strategy and general plans by American officers and American military personnel.

We were told, when the Greek-Turkish aid bill was before the Congress last year, that we should divide the proposed aid half and half, as between economic aid and the military aid, with $150,000,000 for the one and $150,000,000 for the other. It was emphasized that we had to put Greece on her feet economically, and that we had to stop the aggression of the guerrillas. It was admitted then, as the distinguished Senator from Michigan has admitted today, that most of these guerrillas, if not all of them, were not soldiers from a foreign land, but were Greeks.

That action was taken against the counsel of some of us who pointed out that the Balkan mess is a morass and has been a morass to any large power that got into it. But some of our Members pointed out their belief that we would be an exception. We said that if we once got in, we would never get out, but we would become entangled in the arms of the Balkan octopus, and never would be able to escape. Some persons thought the situation justified greater optimism; but, with experience, they found they had to use for military purposes some of the economic-aid funds.

Now we are told that all the $200,000,000 which is sought at this time for Greece is for military aid during the next 15 months, and that all of the $75,000,000 which is being requested for Turkey is, not for economic aid, but exclusively for military aid. Mr. President, I am rather of the opinion that events have justified the fears many of us entertained that if we once entered, we would sink deeper and deeper into this unhappy situation. Here we are again confronted with an appeal for more money. Can anyone give us any assurance that there will not be another bill, a little later? In addition to this military aid, Greece expects to participate in the European recovery plan, as well? Will Turkey be better off next year unless some solution is made of the Dardanelles problem? Unless there is some reconciliation in the power struggle between Russia and the United States, will Turkey be better off next year?

Mr. President, let us just glimpse the scene. Over in Asia is China. In a few days we shall be asked to vote $579,000,000, as I believe the amount is, for China. I believe that is now said to be for economic aid. However, the next bill will carry military aid for China, because General MacArthur and General Wedemeyer and General Chennault, all familiar with the scene, have officially told the House Committee on Foreign Affairs that economic aid cannot stop the Communists in China.

So here we are: First economic aid and military aid, and now more military aid, for Greece. Economic aid now for China, and military aid later. Economic assistance for western Europe now; but what is on the threshold of tomorrow, Mr. President? It is an expectation based upon a possible construction of what the President in his recent message to Congress said; namely, that if the Marshall-plan nations do form an economic union, if they enter into a pact for their own military support and common defense, we will in every appropriate way back them up. What does that mean? Military commitments now are following in the wake of our economic assistance. It used to be said that our flag follows our trade. Now, Mr. President, the soldier is following our dollar assistance. I do not say that in any improper sense. I simply mean that military aid is the inevitable next step if the dollar assistance does not accomplish the objective to which we have committed ourselves.

What does that lead up to, and what have I to suggest? I am saying that we are not going to solve the world conflict in Greece. Is Greece to be another Spain; is it to be the proving ground on which the preparations for the next war are being made? I am saying that we are not going to settle the differences between the Soviet Union and the United States in China. I am saying we are not going to bring ourselves back into accord in western Europe. I am saying that, if we could bring about an understanding between the United States and the Soviet Union tomorrow, the peace of the world would be assured.

So I am asking these questions now, as I shall ask them again until war may be the policy of my country, at which time of course we shall have but one accord, Mr. President, and one effort to make, and that will be in the common effort behind our leaders and behind our flag; but until that unhappy day comes, I have a right to debate the policy of my country, and I shall exercise that right,

because, judging by the experience I have had in my own senatorial lifetime, I believe we are moving along the same path and in the same manner, to another war. I say that, before we fall over that abyss, before we topple over the precipice into that abysmal chasm, before the hopes of all mankind are thrown into the caldron of war, it is imperative that the President of the United States—aided by the counsel of every Senator and Representative and especially by the Foreign Relations Committee of the Senate, the Foreign Affairs Committee of the House, the Armed Services Committees of the two Houses of Congress, and the policy committees of the two political parties, and, in fact, aided by all the Congress and all the citizenry that he can mobilize—shall talk, in a last, final effort, to the leaders of the Soviet Union for peace, against the terrible threat of war which looms over our Nation and our world.

President Woodrow Wilson, acting before the conclusion of World War I, laid down to the German Imperial Government 14 points as a basis of peace. He made those points a condition of peace, and it was finally upon the basis of Woodrow Wilson's 14 points that the shooting-war stopped and the peace was formulated. I suggest, Mr. President, to the President of the United States that he lay down the points which constitute the acceptable basis of peace for the United States and the Soviet Union, and the nations related to each of those giants in their respective spheres. At least let us make it known to the nations and the people of the world that, instead of going blindly ahead to this unspeakable tragedy, we are at least exerting every effort within our power, including the utmost good will, before God and man, to find some honorable basis of peace and accord. The wounds of disagreement are deep, Mr. President, and they are sensitive, and it is difficult to be sure just when they can even be partially healed.

But if we could only arrest the process of contagion and infection, if we could start recovery, Mr. President, that would be something. If we only knew we were moving toward peace instead of toward the immeasurable tragedy of war, what would it not mean to mankind?

Mr. President, I think, therefore, that the challenge is to the very highest level of the executive branch and of the Congress. I should be very much disposed to see the Senate Committee on Foreign Relations, under its distinguished chairman, meet and say, "If it were your son whom you had to sacrifice in the vortex and the maelstrom of battle, is there not something you would be willing to do by way of honorable compromise before he disappeared?" That is what it amounts to. We are expected eventually to vote for war. That means taking somebody's loved ones, Mr. President. I only ask the question, have we done, every one of us in his own individual sphere, President, and Congress, and country—have we all done everything in our power yet to stop this disagreement and to restore harmony and accord? Or are we prepared to say for the record that further effort or any further trial offers only vain hope, and that, from now on, we are on the merry-go-round, and going and going and cannot stop. We are, Mr. President, going at a ferocious pace down a dangerous hill, and it will be difficult to stop; but if we do not find somehow a way to arrest our momentum and finally to stop our plunge before it is too late, for millions if not for all the world there is abysmal darkness ahead.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. VANDENBERG. Mr. President, I suggest the bill go to the third reading, and then I think I should ask for a quorum before the vote.

The PRESIDING OFFICER. If there be no further amendment to the bill, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and read the third time.

Mr. VANDENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Baldwin	Hatch	Moore
Ball	Hawkes	Murray
Brewster	Hayden	Myers
Bricker	Hill	O'Conor
Bridges	Hoey	O'Daniel
Brooks	Holland	O'Mahoney
Buck	Ives	Overton
Bushfield	Jenner	Pepper
Byrd	Johnson, Colo.	Reed
Cain	Johnston, S. C.	Revercomb
Capehart	Kem	Robertson, Va.
Capper	Kilgore	Robertson, Wyo.
Chavez	Knowland	Russell
Connally	Langer	Saltonstall
Cooper	Lodge	Smith
Cordon	Lucas	Stennis
Donnell	McCarran	Stewart
Downey	McCarthy	Taft
Dworshak	McClellan	Thye
Eastland	McFarland	Tobey
Ecton	McGrath	Vandenberg
Ellender	McKellar	Watkins
Ferguson	McMahon	Wherry
Flanders	Magnuson	Wiley
Fulbright	Malone	Williams
George	Martin	Wilson
Green	Maybank	Young
Gurney	Millikin	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

The bill having been read the third time, the question is, Shall it pass?

Mr. LANGER. Mr. President, I request the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill S. 2358 was passed.

Mr. CONNALLY. Mr. President, there were so many scattering votes that I request a yea-or-nay vote.

The PRESIDING OFFICER. The Chair rules that the bill has been passed. The yeas and nays were requested, but there was not a sufficient number of seconds.

Senate bill 2358 as passed is as follows:

Be it enacted, etc., That in addition to the amounts authorized to be appropriated under subsection (b) of section 4 of the act of May 22, 1947 (61 Stat. 103), there are hereby authorized to be appropriated not to exceed $275,000,000 to carry out the provisions of such act, as amended.

SEC. 2. (a) Subsection (a) of section 4 of such act of May 22, 1947, is hereby amended by adding at the end thereof the following: "The Reconstruction Finance Corporation is authorized and directed to make additional advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of this act, as amended, in such manner and in such amounts as the President shall determine. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose."

(b) Subsection (b) of section 4 of the said act is hereby amended by inserting after the word "repaid" the following: "without interest."

SEC. 3. Subsections (2) and (3) of section 1 of such act of May 22, 1947, are hereby amended to permit detailing of persons referred to in such subsections to the United States Missions to Greece and Turkey as well as to the governments of those countries. Section 302 of the act of January 27, 1948 (Public, No. 402, 80th Cong.), and section 10 (c) of the Economic Cooperation Act of 1948 (relating to investigations of personnel by the Federal Bureau of Investigation) shall be applicable to any person so detailed pursuant to such subsection (2) of such act of 1947: *Provided*, That any military or civilian personnel detailed under section 1 of such act of 1947 may receive such station allowances or additional allowances as the President may prescribe (and payments of such allowances heretofore made are hereby validated).

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 1486) to provide for payment of salaries covering periods of separation from the Government service in the case of persons improperly removed from such service, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. REES, Mr. SADLAK, and Mr. MURRAY of Tennessee were appointed managers on the part of the House at the conference.

FEDERAL AID TO EDUCATION

Mr. WHERRY. Mr. President, as has been announced prior to this time, the program for this week, after passing the rubber bill and the Grecian and Turkish aid bill, is to proceed with Calendar 439, Senate bill 472, which is known as the Federal-aid-to-education bill. I move that the Senate proceed to the consideration of the bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

The PRESIDING OFFICER. Is there objection?

Mr. McGRATH. I object.

Mr. WHERRY. Mr. President, I moved that the Senate proceed to the consideration of the bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska that the Senate proceed to the consideration of Senate bill 472. [Putting the question.] The noes appear to have it.

Mr. WHERRY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Baldwin	Hatch	Moore
Ball	Hawkes	Murray
Brewster	Hayden	Myers
Bricker	Hill	O'Conor
Bridges	Hoey	O'Daniel
Brooks	Holland	O'Mahoney
Buck	Ives	Overton
Bushfield	Jenner	Pepper
Byrd	Johnson, Colo.	Reed
Cain	Johnston, S. C.	Revercomb
Capehart	Kem	Robertson, Va.
Capper	Kilgore	Robertson, Wyo.
Chavez	Knowland	Russell
Connally	Langer	Saltonstall
Cooper	Lodge	Smith
Cordon	Lucas	Stennis
Donnell	McCarran	Stewart
Downey	McCarthy	Taft
Dworshak	McClellan	Thye
Eastland	McFarland	Tobey
Ecton	McGrath	Vandenberg
Ellender	McKellar	Watkins
Ferguson	McMahon	Wherry
Flanders	Magnuson	Wiley
Fulbright	Malone	Williams
George	Martin	Wilson
Green	Maybank	Young
Gurney	Millikin	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from Nebraska [Mr. WHERRY] to proceed to the consideration of Calendar No. 439, Senate bill 472.

The yeas and nays have been ordered. Debate is not foreclosed.

Mr. TAFT. Mr. President, as chairman of the Committee on Labor and Public Welfare, I wish to say that the committee reported Senate bill 472 on July 3 last, I believe by a unanimous vote.

Mr. LODGE. I understand the vote was not unanimous, Mr. President.

The PRESIDING OFFICER. If the Senator from Ohio will permit the Chair to say a word, there was one member of the committee who was opposed.

Mr. TAFT. I stand corrected, Mr. President. This is a matter of major importance to the country, and I see no reason why the bill should not be considered in accordance with the program presented by the chairman of the committee.

So far this session we have considered the whole question of foreign aid, we have provided money at the rate of $7,000,000,000 a year for foreign aid. We have considered the question of public works, and we have a budget today of $2,800,000,000 for public works. We are appropriating some $11,000,000,000 for the armed forces. We have not as yet taken any step dealing with the fundamental improvement of conditions among the people of the United States.

The purpose of Senate bill 472 is to assure some equality of opportunity among the children born in the United States. Out of some 20,000,000 children, there are about 1,000,000 who do not get any education at all, and a large number of children who get practically no education, as shown by the results of the selective-service examinations.

In my opinion, we have come to the point in our program when, whether there is war or no war, foreign aid or no foreign aid, communism or no communism, we should consider a question which involves the fundamental improvement of the citizens of the United States, in order that we may go forward in the field of education, which has been, after all, the foundation of all progress in the United States. So I see no reason why the bill should not be taken up and considered. There are differences as to details which can be fought out. Amendments can be considered. But certainly, Mr. President, I see no reason why we have not reached the point when this type of legislation should be seriously considered by the Senate and when we should deal with the report of a standing committee which gave extremely wide consideration to the whole problem.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield the floor.

Mr. TOBEY. Mr. President, I shall be very brief. I merely rise to confirm and endorse the remarks just made by the distinguished Senator from Ohio. The bill sought to be considered deals with the most fundamental need in these United States. The choicest asset of America is its child life. We older ones are moving on. The children of America are coming forward. We do not consider the child life of America in terms of the children of Idaho, of the children of New Hampshire, of the children of Florida, or of the children of New York. They constitute our greatest national asset. There are no boundaries to child life in the future of our country.

Here is a matter of equalization so that the strong shall help the weak, and give to the young people of our country the best advantages the country can afford. So I endorse the proposed legislation. I was glad to place my name on it. I stand shoulder to shoulder with the distinguished Senator from Ohio, and other confreres in this body, and hope and expect that the bill will be given the same priority that other pieces of legislation have had.

Nothing can be more far-reaching than the thoughts and motives behind this piece of legislation to improve the standards of education of America for the young childhood of America who are to be the fathers and mothers of future generations.

Mr. FULBRIGHT. Mr. President, I think it would be a great mistake not to consider this proposed legislation. Not only has it been under long study in the committee which reported the bill last spring, but it has also been studied in preceding sessions when I was a member of the committee. It has been considered for at least 10 or 15 years by the various committees of the House and Senate.

Some of the questions which were formerly highly controversial in this proposed legislation have been settled by the Supreme Court, in some instances in cases within the last few weeks. I think the very least the Senate should do would be to debate and consider the measure, and then if the Senate should reject it, of course the Senate would be entirely within its rights in doing so. But I think it would be a terrible mistake, after all that has been done up to this time, to refuse to consider the measure at the present time.

The Senator from Ohio promised many of us who are interested in the measure that it would be brought up, and I know that a great many outside the Senate have relied upon that promise and are expecting the Senate to take some action on the bill. I think it would be inexcusable, simply to avoid responsibility, to vote not to take it up at the present time.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. OVERTON. The Senator from Arkansas stated that many issues which were controversial in the former bills pertaining to the same subject matter have recently been adjudicated by the Supreme Court. Will the Senator mention to what he has reference?

Mr. FULBRIGHT. I was referring primarily to the question of State aid to parochial schools, sectarian schools. I think particularly the Everson case and the McCollum case outlined and limited that particular controversy in the sense that it is, so far as the Federal Government is concerned, unconstitutional to devote public moneys to private schools. That has been limited, I think, by those decisions. Those are the cases to which I had reference.

Mr. OVERTON. I thank the Senator.

Mr. ELLENDER. Mr. President, it has been my privilege to have been a Member of this honorable body for the past 11 years. One of the first tasks I had to perform when I came here was to hold hearings on a bill dealing with Federal aid to education which was pending before a committee on which I was serving. I know of no subject presented to the Senate which has received more careful consideration than Federal aid to education. As a matter of fact, the Senate has on two occasions, as I recall, during the 10 years I have been a Member, passed legislation which afforded aid to public schools.

The bill in question has been thoroughly considered by the Committee on Labor and Public Welfare. I understand there is some opposition to it, and it may be that some amendment will be offered which may clarify some objections which are in the minds of Senators who now oppose the measure, but, by all means, since the bill has received the close attention of the Committee on Labor and Public Welfare, I believe that we ought at least to vote for the motion, so the Senate can debate the bill to its heart's content.

Mr. McGRATH. Mr. President, I objected to the consideration of the bill as the next order of business in the Senate because I know for my own part, and on behalf of other Senators, that we would like a little more time to consider some

of the very serious aspects which are raised by the proposed legislation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McGRATH. I yield.

Mr. TAFT. It was not the intention, of course, to take up the bill today. The only purpose was to make it the unfinished business, and begin discussion of it tomorrow. I assume the debate will occupy at least 2 days, and probably 3 days, and that probably we will not be able to vote on the bill until next week. So there will be no effort whatever to hurry the Senate in the consideration of the bill.

Mr. McGRATH. I understand very well what the Senator from Ohio says, but the matters I have in mind are such as to require very serious consideration before many Members of the Senate probably will want to take a stand on the issues which are involved.

I likewise understand that the Senator from Ohio has said that the bill is designed to prevent certain inequalities which exist in the educational system of the country. While that may all be true, the bill also goes so far as to add certain inequalities to the educational system by discriminations which it assumes to set up with respect to children in certain types of schools. Some of us here in the Senate have very strong feelings on this matter, and I have thought that if more notice were given of the time when the bill was actually going to come before the Senate, there might be an opportunity to work out some of these things. It is for that reason that I objected, and I sincerely hope what I say may have sufficient appeal to persuade Members of the Senate to give us a little more time before the Senate proceeds to the consideration of this type of legislation.

I want to say for myself, Mr. President, that I am not opposed to Federal aid to education. I believe that we have reached the time in our country when some type of Federal aid must be given. But we have also reached a stage in our program when that aid must be given on a fair and equitable basis to all children of American citizens attending the schools which are authorized by our several States to give them education. There may be several ways of approaching the problem. It may be in the financial situation in which the Nation finds itself that we should confine ourselves now to the giving of aid only to those States that need it, whose economy will not permit them to give to their children the same high type of education which the children of other sections of the country enjoy. I would not object for one moment to that kind of a bill. Nor would I object to the type of bill which sought to give on a fair basis an equitable distribution of the moneys the Government is going to spend in all the States.

I frankly say, however, that I see no reason now, in view of the condition of the Nation's finances, why the Federal Government has to pour money into some of our States which have more than they can spend on education. I realize, however, that these are matters which can be debated when the bill is taken up.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McGRATH. I yield.

Mr. TAFT. The Senator is familiar with the fact that the President of the United States recommended such legislation, and included considerable sums of money in his budget for it.

Mr. McGRATH. The President has recommended some aid to education, and I am not speaking against aid to education. I am talking about the type of aid, and the fairness of the aid we are going to give. I stated the reasons, as I see them, why some of us feel that we should have more time to study the question, and I feel we should receive consideration from our colleagues by being given that time.

That is all that is implied in my position. I do not want Members of the Senate or the public to understand that I or others who support this position are opposed to some type of educational aid. We merely wish a little further time to give serious consideration to the problems involved.

Mr. LODGE. Mr. President, admitting the appealing nature of the bill and the great value of its stated purpose, I still think it can be set down at this particular time, when we are spending such huge sums to meet a world crisis which is growing constantly more serious, that expenditures of the size contemplated in the bill should be put off a little while.

That is not an argument against taking up the bill. There is, however, an argument against taking up the bill which springs from the fact that recently objections of a fundamental and far-reaching nature have been made to the bill. Such objections could not be taken care of on the floor of the Senate. I have been a Member of the Senate sufficiently long to realize that when we try to write a bill on the floor of the Senate we get into trouble. If we wish to make amendments to certain specific portions, we can often do so successfully; but the objections which have been made to this bill are of such a fundamental character that I think they constitute a very strong argument for letting some more time go by, to see if the problem cannot be solved in the committee, or among a small group of Senators, without considering the bill at this time.

Mr. CHAVEZ. Mr. President, I was formerly a member of the committee which considered this proposed legislation. As the chairman of a subcommittee I held hearings on a similar measure. I believe in the philosophy of the bill. I believe it to be the duty of the Federal Government to enact such legislation.

Mr. President, if any member of this body understands the opposition to the bill, the junior Senator from New Mexico does. Notwithstanding that, and notwithstanding the fact that I agree with the opposition so far as its reasons for opposing the bill are concerned, I still insist that the Senate should consider the bill at this time. I should be in favor of any amendment to the bill which would carry out the purposes which the opposition has in mind.

There can be no question of the necessity of legislation of this character when we consider the record of the last war in connection with the selective-service system. American boys who were willing to make the supreme sacrifice if need be could not join the Army because they did not have the equivalent of a fourth-grade education. No one can convince me that the Government does not have a responsibility.

I think we should vote on the bill. I do not like all the features of the bill. I wish to carry out some of the purposes of the opposition in connection with the bill. Let us amend the bill if necessary. I shall vote for any amendment to bring about the equality which I think is necessary and should be included in the provisions of the bill.

Mr. President, I intend to vote for the motion to consider the bill.

Mr. HILL. Mr. President, bills similar to this one have been before the Senate for many years. Volumes of hearings have been taken. If we were to bring into the Chamber from the Committee on Labor and Public Welfare the many volumes of hearings, they would be piled high on our desks. Year after year the committee has held hearings. Year after year the committee has spent many weeks considering the bill, attempting to reconcile differences, attempting to wipe out inequities, attempting to bring forth the best possible bill to provide Federal aid, with the primary responsibility for education still continuing in the States.

The Democratic platform of 1944 declared:

> We favor Federal aid to education, administered by the States without interference by the Federal Government.

This bill carries out that declaration in the Democratic platform. We might postpone consideration of the bill, and yet we could have no more information on the bill than we have at the present time. There is no avenue of information, no source of material, which the Committee on Labor and Public Welfare has not delved into in its consideration of the bill.

We all know as a practical matter that the longer the Congress stays in session the busier the Senate becomes. More pressing, urgent, and necessary matters pile up for attention.

In only a few days the appropriation bills will begin coming to the floor of the Senate. As we know, they must be acted upon by July 1. There are many other matters which the Congress will have to act upon before taking an adjournment. We now have a little lull, a little hiatus, when we can take up this bill and properly consider it. If we do not take advantage of the opportunity to consider the bill at this time, the overwhelming chances are that the bill cannot and will not be considered during the present session of the Congress. Now is the accepted time. Now is the opportunity. Senators who vote against taking up the bill might as well realize that they are voting now to have no Federal-aid-for-education bill, certainly

so far as this session of Congress is concerned.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Rhode Island.

Mr. McGRATH. Does the Senator wish to have us understand that there are no other measures on the Senate calendar which ought to be taken up?

Mr. HILL. I would not say that there are no other measures, but I will say that there is no matter of such pressing consequence that it must come before the Senate at this time instead of this bill. If we delay and do not take up the bill now, we shall shortly be confronted with matters of such necessity that we shall not again get back to the bill.

Mr. McGRATH. Does the Senator imply that there may be matters before the Senate which will require considerably more time to debate than they should require?

Mr. HILL. No; I do not imply that at all. However, I have been in the Senate sufficiently long to know that the nearer we come to the end of a session of Congress the busier we become, the more urgent are the matters we have to consider, and the less able we are to take up measures which are not of paramount necessity. So, as I say, in my opinion, it is either now or not at all at this session of Congress.

When the bill comes before the Senate we can take such reasonable time as we wish to take in debating it and discussing it and threshing out any questions that may be in the minds of any Senators. As we know, under the rules of the Senate, there is full opportunity for every Senator to make known his views, to raise any question he sees fit to raise, and to offer any amendment he may wish to offer. As the Senator from Ohio and other Senators have suggested, the matter of education is of national concern. It is a matter that must have national support.

During the last war the Selective Service System was forced to reject, to refuse to take for service in armed forces, almost as many men as those who were used in all the combat divisions deployed in the Pacific theater of war. Those rejections were necessary because of either mental or physical deficiencies. Today the Congress is confronted with a request from the President of the United States and from the armed forces of our country for the passage of a selective service law. The record shows that, under our present voluntary system, approximately three out of every five boys who have applied for admission to the armed forces have had to be rejected because of either mental or physical deficiencies.

Mr. President, we know that mental and physical deficiencies often go together, hand in hand. One is often the complement of the other. If a child is sent to school and educated there and trained there, and if he learns to take care of himself most of the time physically, he generally does not suffer from mental deficiency.

As the Senator from Ohio has suggested, we have appropriated billions of dollars for nations overseas, on the basis of strengthening our own national security. The Senate passed such a bill this very afternoon. It passed another one only last week. We are appropriating some $11,000,000,000 for our armed forces, this year. Yet the well-springs of our democracy are to be found in our school system. If we fail to consider this bill, we are neglecting our American democracy, we are neglecting the wellsprings from which this democracy comes.

If America is to continue to be strong; if America is to play its part in the building of the peace of the world, we must have an educated, trained, prepared, and enlightened citizenry.

Mr. President, I could think of no greater travesty than for the Senate to do what it has done in appropriating billions of dollars to foreign countries and appropriating billions of dollars for our armed forces, and yet saying, "Not one cent for the education of the youth of America; not one cent to strengthen and fortify the American democracy at its wellsprings."

Mr. TAFT. Mr. President, the objection to this bill is no new objection. As a matter of fact, I was largely instrumental in defeating a Federal-aid-to-education bill in the fall of 1943. Since that time we have worked over the subject, and now we have this bill. I would still vote against that bill. In the committee we have worked over it for practically 3 years, until finally we have the best solution of the problem we could reach.

The bill is a State-aid bill. So far as the question of parochial schools is concerned, that is dealt with on a home-rule basis, if you please. Under the bill we would permit Federal money to be used by a State for any purpose for which it uses its State funds, and the Federal funds could not be used for any purpose for which the State does not use its own State funds. I think that is a fair solution of the problem.

But if there is some other solution, if there is some better solution, let it be considered by the Senate. I wish only to say that the objection to this bill which was presented by the Senator from Massachusetts is not a new objection. It existed in 1943 when we debated the other bill. The question has been raised ever since, and it might just as well be dealt with now.

I say that I believe very strongly that we should proceed to consider the bill tomorrow. Some Senators have asked me about the possibility of a vote on Monday. I say that, as I understand, there will be no important votes on Monday. So, if the vote on this bill is not reached by Thursday night, probably the vote on it cannot be had until Tuesday.

Mr. WHERRY. Mr. President, it happens that the motion to have the Senate take up the bill was made by the junior Senator from Nebraska. I should like to make it clear that I do not agree in toto with the sentiments expressed by the Senator from Alabama. If I understood him correctly, he said that a vote against having the Senate take up the bill would be a vote against education. If that be true, then a vote in favor of having the Senate take up the bill is a vote in favor of the bill. However, I wish to be perfectly frank about the matter: My vote to have the Senate take up the bill does not signify what I expect to do in voting on the question of the passage of the bill. I shall do as I choose when that time comes. I have known many Senators who have voted in favor of having the Senate take up controversial measures, and who did so because they felt that the Senate has a right to consider proposed legislation, even though it is controversial, and let it have its day in court, so to speak.

It is on that theory that this motion was made. The fact that I made the motion and that I am going to support the motion does not foreclose me from voting either for or against the bill on its merits, when the time to vote on the bill comes, after the bill has been considered. In fact, in 1943, the last time when such a bill was before the Senate, I voted against it.

So I wish it strictly understood that the fact that I may vote for the motion to have the Senate take up the bill does not mean either that I shall vote for the bill or that I shall vote against the bill when the final vote on it comes. When that time comes, I shall decide as every other Senator will decide.

The Senator from Alabama has also said that the bill is in the Democratic platform. Mr. President, I did not move to have the Senate take up the bill because the bill is in the Democratic platform. [Laughter.] Let us be fair about this matter, and let us have that understood. I think the bill is an important piece of proposed legislation. I think it is highly controversial. There is no doubt about that. I think that there is other proposed legislation that possibly is just as important.

I do not think the fact that we have—I was going to say thrown away, but I shall say appropriated billions upon billions of dollars for some other purpose, is any justification for Senators to vote for this bill.

Mr. President, we have to have leadership. Bills and other measures must be brought up in an orderly fashion. We have done that.

It was the feeling of those in charge of the policy for the majority that the bill was important. It was on that theory that the measure was discussed, and it is on that basis that the motion to take it up was made. This is the first time in my experience that such a move has been questioned, and I feel rather bad about it.

I hope the motion to have the Senate take up the bill will be agreed to, so that the bill can be made the unfinished business. I plead with all Senators, on both sides of the aisle, to regard the motion to take up the bill in that light, rather than to regard the motion as any indication that any particular Senators are in favor of the bill.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. WHERRY. Mr. President, I yield first to the distinguished Senator who is

national chairman of the Democratic Party.

Mr. McGRATH. I am sorry to have been the one to question the authority of the distinguished whip of the majority. [Laughter.] I want to express my appreciation for his moving to take up a matter that is in the Democratic platform, and to assure him that I shall reciprocate and move to take up, between now and the end of 1948, many matters that were in the Republican platform of 1944.

Mr. WHERRY. Does that go for the State of Nebraska this fall, too, Mr. Chairman?

Mr. McGRATH. I told the Senator I was not going into Nebraska any more.

Mr. WHERRY. I thank the Senator. That is something. That is for the record.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. McMAHON. Without in any way registering opposition to the pending motion, may I ask the Senator from Nebraska if, in his opinion, it would be possible to take up legislation other than this bill, to afford to those of us who feel that there are certain amendments that we should cover an opportunity to study them over the Easter recess, and to take up the bill next week rather than to take it up for debate tomorrow? Does the schedule permit of such a possibility?

Mr. WHERRY. Mr. President, I want to thank the Senator for that inquiry, because I think Senators are entitled to know what the program is for the remainder of the week and for next week. As the Senator already knows, there is to be a recess from Thursday night until Monday. That will afford ample opportunity for observance of the Easter season.

If it meets with the approval of the Senate—I always say that, Mr. President, because I was once reminded of it by the distinguished Senator from Illinois, whom I shall never forget and whom I deeply appreciate—if it meets with the approval of the Senate, no votes will be taken on controversial matters on Monday, following Easter Sunday, so that in reality the Senate will not vote on such matters before next Tuesday. We shall reconvene on Monday, however, by reason of the fact that, following the recess on Thursday, the 3-day limit will expire on Monday.

It is my opinion, especially since moving to bring up this bill for consideration, that there will be plenty of debate on the bill, on Wednesday and Thursday. I think there is no doubt about that. If we recess from Thursday until Monday and are then ready to vote on Tuesday, I think that will give ample time to prepare any amendments and to prepare for any further debate on the bill.

There is one thing further. The bill providing aid for China, if I am correctly informed, will be reported on Monday. The distinguished chairman of the Committee on Foreign Relations states it will be reported Monday and will be ready for consideration Tuesday. I think the distinguished Senator from Michigan has already explained it to the Senate. Senators will understand that in order to keep up with the House schedule on aid, which is to be presented in one bill, it is necessary for the Senate to give prompt consideration to such bills as the one on aid to China.

I am quite satisfied that no one, including the distinguished Senator from Ohio, would object to asking to have the Federal aid to education bill temporarily laid aside on Tuesday, if necessary, in order to permit consideration of the bill providing aid for China. So I am entirely convinced, I may say to the distinguished Senator from Connecticut, that debate on the bill for Federal aid to education will continue into next week, at least. I think that should afford ample time in which to prepare amendments or to prepare further debate upon the bill itself. It was not the intention tonight even to proceed with the bill. The distinguished Senator from Ohio states that he would like to discuss it tomorrow.

As soon as today's session is concluded, it is the intention to recess until tomorrow, making the aid-to-education bill the unfinished business for consideration on Wednesday and Thursday, to recess until Monday, and then to take it up Tuesday, or to take up the China aid bill, if it is reported. From that time on, we shall have to see what we can do.

Mr. McMAHON. Mr. President, will the Senator yield further?

Mr. WHERRY. I yield.

Mr. McMAHON. Do I correctly understand that the Senator assures the Senate there will be no vote on the bill or on any of its amendments until some time Tuesday?

Mr. WHERRY. I did not say that.

Mr. McMAHON. That is the assurance the Senator from Connecticut would like to get, because we shall then know definitely that we have the week end within which to make some study of the Supreme Court decisions.

Mr. WHERRY. Will the Senator from Ohio agree to that?

Mr. TAFT. No; I will not. If the bill comes up for a vote on Thursday, there will be a vote on Thursday, so far as I am concerned. If we are ready to vote on Thursday, I see no reason why the vote should be delayed.

Mr. McMAHON. I say to the Senator from Ohio that he will not get a vote on the bill on Thursday.

Mr. TAFT. I am perfectly satisfied.

Mr. McMAHON and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. WHERRY. I shall be glad to yield further to the distinguished Senator from Connecticut.

Mr. McMAHON. I notify the Senator from Ohio that he will not get a vote on the bill on Thursday.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAFT. The Senator has a perfect right to prevent a vote on Thursday, but the procedure of agreeing that we will not vote for 4 days is something that I think should not be followed in any case. The Senate will never make any headway under such an agreement. It seems to me we must proceed in a regular and orderly manner. The only agreeement is—and it has been stated repeatedly—that Monday, following Easter Sunday, no one will ask for a vote on any controversial question. I quite agree with the Senator that probably there will be no vote on Wednesday or Thursday, but I do not think we should agree in advance to any such proposition, in the case of this bill or any other bill, so far as that is concerned. Otherwise we would be hindering action in the Senate today. Senators would go away, they would pay no attention to the business under consideration, and no progress would be made on the calendar of the Senate.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Washington.

Mr. MAGNUSON. I merely wanted to ask the Senator from Nebraska if Monday is not usually the calendar day.

Mr. WHERRY. That is correct.

Mr. MAGNUSON. Will the calendar be called on next Monday?

Mr. WHERRY. Mr. President, I had intended to refer to that on Thursday. My feeling is, and I think Senators will all agree, that if the calendar is to be called, we must keep on an operating schedule. It is my purpose always to have the calendar called on Monday. In order to catch up on the calendar, I was going to ask unanimous consent to call the calendar on next Monday for the consideration only of bills to which there is no objection. The calendar call was skipped last Monday. I now ask unanimous consent that when the Senate convenes on Monday there may be a call of the legislative calendar from the beginning, for the consideration of bills to which there is no objection.

The PRESIDING OFFICER. The Chair informs the Senator from Nebraska that there is a motion pending.

Mr. WHERRY. I am sorry. I withdraw the request.

The PRESIDING OFFICER. The Senate may do anything, of course, by unanimous consent. Does the Senator ask unanimous consent that he be permitted to make a unanimous-consent request at this time?

Mr. WHERRY. I make that request.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. WHERRY. I ask unanimous consent that when the Senate convenes on Monday it proceed to the call of the legislative calendar from the beginning, for the consideration of bills to which there is no objection.

The PRESIDING OFFICER. The Senate has heard the request. Is there objection?

Mr. MAGNUSON. Reserving the right to object, the Senator from Nebraska realizes there might be Senators unable to be present on Monday who might want to object to certain bills on the calendar, does he not?

Mr. WHERRY. In that event, the objection could be given to me, as acting majority leader.

Mr. MAGNUSON. May it be understood that if either the majority leader or the minority leader is notified of an

objection the bill in a given case will be passed over?

Mr. WHERRY. I may say that if any Senator on either side of the aisle who objects to the consideration of a bill for any reason will notify me of his objection, the bill will not be considered at that time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska?

Mr. McMAHON. What is the request Mr. President?

The PRESIDING OFFICER. Will the Senator from Nebraska state his request?

Mr. WHERRY. The request is for unanimous consent that when the Senate convenes next Monday, following the Easter vacation, the Legislative Calendar be called from the beginning, but only for the consideration of bills to which there is no objection.

The PRESIDING OFFICER. Is there objection to the request?

Mr. McGRATH. Mr. President, reserving the right to object, I merely want to preserve the parliamentary situation. The question under discussion was a motion made by the Senator from Nebraska to make a certain bill the unfinished business. It now seems to me, without having taken a vote on that question, that we would be getting a little bit off the track by trying to obtain a unanimous-consent agreement on an entirely different matter. I fear that this procedure might displace the original motion.

Mr. WHERRY. No.

The PRESIDING OFFICER. May the Chair suggest to the Senator from Rhode Island that it was called to the attention of the Senator from Nebraska that, by unanimous consent, consideration of the pending question, with respect to Senate bill 472, could be interrupted. In the absence of objection, the Senate has been considering the request. Is there objection? If not, the request is granted, and the order is made.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I may say that I join entirely in the point of view that the Senator from Nebraska has expressed. I voted in the policy committee to take up this bill, and I shall support that vote today. I did so because I believe that our system of life today depends upon better education. I believe that our whole system of freedom as we know it depends upon a man's understanding of what benefits he has in this country. I say, however, that since that policy-committee meeting was held, I have learned more about the problems in my own State, particularly in connection with the recent decision of the Supreme Court concerning matters of education. I also have listened, since I cast that vote, to many security problems that will cost us a great deal of money and which must engage our first attention in the Senate. So I hope the vote on this question, if there is going to be a vote in the days to come, will be put off for a sufficient time so that the bill may be studied, to see if amendments can be worked out. I think also we ought to have sufficient time to consider what effect the demands for our national security made by the armed forces and by the Secretary of State are going to have on the whole financial picture of the Federal Government in the coming months.

So I hope that while we may take up the bill today, we shall not hurry too much the vote on its final passage.

The PRESIDING OFFICER. The question is on agreeing to the motion of the junior Senator from Nebraska that the Senate proceed to the consideration of Calendar No. 439, Senate bill 472. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER] and the Senator from Vermont [Mr. AIKEN] are absent by leave of the Senate.

If present and voting, the Senator from Vermont would vote "yea."

The Senator from South Dakota [Mr. BUSHFIELD] is unavoidably detained. If present and voting, he would vote "nay."

The Senator from Washington [Mr. CAIN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. REVERCOMB], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Iowa [Mr. WILSON] are necessarily absent. If present and voting, the Senator from Washington [Mr. CAIN], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Oregon [Mr. MORSE] would vote "yea."

The Senator from Nevada [Mr. MALONE] and the Senator from Oklahoma [Mr. MOORE] are absent on official business.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Idaho [Mr. TAYLOR], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] and the Senator from Wyoming [Mr. O'MAHONEY] are unavoidably detained.

The Senator from Alabama [Mr. SPARKMAN], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are absent on important public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

If present and voting, the Senator from Kentucky [Mr. BARKLEY], the Senator from California [Mr. DOWNEY], the Senator from Alabama [Mr. SPARKMAN], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Utah [Mr. THOMAS], and the Senator from North Carolina [Mr. UMSTEAD] would vote "yea."

The result was announced—yeas 53, nays 21, as follows:

YEAS—53

Ball	Cooper	Flanders
Brewster	Cordon	Fulbright
Bridges	Donnell	George
Brooks	Dworshak	Hatch
Capehart	Eastland	Hayden
Capper	Ellender	Hill
Chavez	Ferguson	Hoey
Holland	McKellar	Stennis
Ives	Magnuson	Stewart
Jenner	Martin	Taft
Johnson, Colo.	Maybank	Thye
Johnston, S. C.	Millikin	Tobey
Kilgore	O'Daniel	Vandenberg
Knowland	Pepper	Watkins
Langer	Reed	Wherry
Lucas	Russell	Wiley
McClellan	Saltonstall	Young
McFarland	Smith	

NAYS—21

Baldwin	Gurney	McMahon
Bricker	Hawkes	Murray
Buck	Kem	Myers
Byrd	Lodge	O'Conor
Connally	McCarran	Overton
Ecton	McCarthy	Robertson, Va.
Green	McGrath	Williams

NOT VOTING—22

Aiken	Moore	Thomas, Utah
Barkley	Morse	Tydings
Bushfield	O'Mahoney	Umstead
Butler	Revercomb	Wagner
Cain	Robertson, Wyo.	White
Downey	Sparkman	Wilson
Hickenlooper	Taylor	
Malone	Thomas, Okla.	

So the motion was agreed to; and the Senate proceeded to consider the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes, which had been reported from the Committee on Labor and Public Welfare, with an amendment, to strike out all after the enacting clause and to insert:

That this act may be cited as the "Educational Finance Act of 1947."

SEC. 2. Nothing contained in this act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or to prescribe any requirements with respect to any school, or any State educational institution or agency, with respect to which any funds have been or may be made available or expended pursuant to this act, nor shall any term or condition of any agreement or any other action taken under this act, whether by agreement or otherwise, relating to any contribution made under this act to or on behalf of any school, or any State educational institution or agency, or any limitation or provision in any appropriation made pursuant to this act, seek to control in any manner, or prescribe requirements with respect to, or authorize any department, agency, officer, or employee of the United States to direct, supervise, or control in any manner, or prescribe any requirements with respect to, the administration, the personnel, the curriculum, the instruction, the methods of instruction, or the materials of instruction, nor shall any provision of this act be interpreted or construed to imply or require any change in any State constitution prerequisite to any State sharing the benefits of this act.

APPROPRIATION AUTHORIZED

SEC. 3. For the purpose of more nearly equalizing public elementary-school and public secondary-school opportunities among and within the States, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1949, and for each fiscal year thereafter, the sum of $300,000,000, to be distributed among the States as hereinafter provided.

APPORTIONMENT

SEC. 4. Ninety-eight percent of the funds appropriated under section 3 of this act for each fiscal year shall be distributed among the States, excluding those enumerated in

paragraph (G) of this section, in the following manner:

(A) Multiply (a) the number of children from 5 to 17 years of age, inclusive, in each State, as determined by the Department of Commerce, for the third calendar year next preceding the year in which ends the fiscal year for which the computation is made by (b) $45.

(B) Multiply (a) the average of the annual income payments for each State, as determined by the Department of Commerce, for the third, fourth, fifth, sixth, and seventh calendar years next preceding the year in which ends the fiscal year for which the computation is made by (b) 1 percent.

(C) Subject to the succeeding provisions of this section, the amount of the Federal allotment for any State shall be (a) the amount, if any, by which the amount calculated under paragraph (A) exceeds the amount calculated under paragraph (B) with respect to such State, or (b) $5 multiplied by the number of children in such State from 5 to 17 years of age, inclusive, as determined under paragraph (A), whichever is greater.

(D) Determine the percentage ratio of (a) the amount spent in each State from revenues derived from State or local sources for current expenditures for public elementary-school and public secondary-school education for the third fiscal year next preceding the fiscal year for which the computation is made, to (b) the average of the annual income payments for each State, as determined under paragraph (B) of this section. When the percentage ratio thus determined for any State is less than 2.5, the amount of the Federal allotment to such State, as computed under paragraph (C), shall be proportionately reduced.

(E) Determine the percentage ratio of (a) current expenditures in each State from revenues derived from State or local sources for public elementary-school and public secondary-school education for the year for which the computation is made, as estimated on the basis of reports submitted by the State for such purposes, to (b) the average of the annual income payments for each State, as determined by the Department of Commerce, for the three most recent calendar years for which annual income data are available. When for any fiscal year beginning after June 30, 1952, the percentage ratio thus determined for any State is less than 2.0, such State shall be ineligible to receive any part of the funds appropriated pursuant to section 3 of this act for such fiscal year, unless the estimated current expenditures under clause (a) of this paragraph is an amount equal to or greater than $120 multiplied by the number of pupils in average daily attendance for such fiscal year as determined on the basis of reports submitted by the State for such purpose. Any State thus determined to be ineligible shall remain ineligible until such time as revised estimates, determined as provided under this paragraph, produce a percentage ratio equal to or greater than 2.0, or an amount equal to or greater than $120 multiplied by the number of pupils in average daily attendance.

(F) In the event 98 percent of the funds appropriated for any fiscal year pursuant to section 3 of this act is insufficient to pay to all eligible States the amount of the Federal allotment to each such State, computed in accordance with the foregoing provisions of this section, the amount to be paid to each eligible State shall bear the same ratio to the amount of the Federal allotment to each such State as 98 percent of such appropriation bears to the sum of the Federal allotments to all eligible States.

(G) From 2 percent of the funds appropriated pursuant to section 3 of this act, such sums as may be necessary shall be apportioned by the Commissioner to Alaska, Hawaii, the Canal Zone, Puerto Rico, American Samoa, the Virgin Islands, and Guam according to their respective needs for additional funds for public elementary and public secondary schools upon the basis of joint agreements made with their respective State educational authorities.

CERTIFICATION AND PAYMENT

SEC. 5. The United State Commissioner of Education shall certify for each fiscal year the amounts to be paid under this act to each State that has qualified under section 7 of this act to the Secretary of the Treasury, who shall, through the fiscal service of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the treasurer or corresponding official of such State the amount certified for such fiscal year in four equal installments, as soon after the first day of each quarter as may be feasible, beginning with the first quarter of the fiscal year for which appropriations made under the authorization of this act are available. Such treasurer or corresponding official shall pay out such funds only on the requisition of the State educational authority.

AVAILABILITY OF APPROPRIATIONS

SEC. 6. In order more nearly to equalize educational opportunities, the funds paid to a State from the funds appropriated under section 3 of this act shall be available for disbursement by the State educational authority, either directly or through payments to local public-school jurisdictions or other State public-education agencies, for any current expenditure for elementary or secondary school purposes for which educational revenues derived from State or local sources may legally and constitutionally be expended in such State.

STATE ACCEPTANCE PROVISIONS

SEC. 7. (A) In order to qualify for receiving funds appropriated under this act, a State—

(1) through its legislature, shall (a) accept the provisions of this act and provide for the administration of funds to be received; (b) provide that the State treasurer or corresponding official in the State shall receive the funds paid to that State under this act and shall be required to submit to the United States Commissioner of Education, on or before the 1st day of November of each year, for transmission to the Congress, a detailed statement of the amount so received for the preceding fiscal year and of its disbursement; (c) provide that its State educational authority shall represent the State in the administration of funds received; (d) provide for an annual audit, and for the submission of a copy thereof to the Commissioner, of the expenditure of funds received under this act, and for a system of reports from local public-school jurisdictions and other State public-education agencies to the State educational authority; (e) provide that the State educational authority shall make reports to the Commissioner with respect to the progress of education, on forms to be provided by the Commissioner, which reports the Commissioner shall transmit to the Congress with recommendations for such revisions of this act as in his judgment the Congress should consider, with particular reference to recommendations arising from changing conditions in our national economy; (f) provide that the funds paid to any State from the funds appropriated pursuant to section 3 of this act shall be disbursed only to those local public-school jurisdictions or other State public-education agencies that, from revenues derived from State or local sources, pay average monthly salaries to their teachers not less than the average monthly salaries paid as of February 1, 1947, or the nearest prior date when school was in session; (g) in States where separate public schools are maintained for minority races, provide for a just and equitable apportionment of such funds to public schools maintained for minority races, without reduction of the proportion of revenues, derived from State or local sources, expended for educational purposes during the fiscal year ended in 1947 for public elementary-school and public secondary-school education of minority races: *Provided*, That, until the end of the fiscal year in which occurs the adjournment of the first regular session of the legislature of any State, which convenes after the enactment of this act, or until such legislature takes the action required under this section to qualify for receiving funds, whichever first occurs, such State shall be deemed to qualify for receiving such funds if the chief executive of such State takes the action required under this section to so qualify.

(2) through its legislature, shall provide that the State educational authority shall formulate and effectuate, for each fiscal year beginning after June 30, 1951, a plan for the apportionment of amounts paid to such State from funds appropriated pursuant to section 3 of this act for such fiscal year which (a) there will be available from all sources to each local public-school jurisdiction or other State public-education agency, for current expenditures for public elementary-school and public secondary-school education, an amount per pupil in average daily attendance at public elementary and secondary schools within such local public-school jurisdiction, or under the jurisdiction of such State public-education agency, not less than $50 or, in any fiscal year for which the amount to be paid to a State is less by reason of the provisions of paragraph (F) of section 4 than the amount of the Federal allotment to such State, an amount which bears the same ratio to $50 as 98 percent of the funds appropriated for such fiscal year pursuant to section 3 bears to the sum of all Federal allotments under section 4; and (b) in States where separate schools are maintained for minority races, there will be available from all sources to each local public-school jurisdiction or other State public-education agency for current expenditures for the schools maintained within such local public-school jurisdiction, or under the jurisdiction of other State public-education agency, for such races an amount per pupil in average daily attendance in such schools not less than the amount per pupil required under clause (a) to be made available with respect to all schools within such local public-school jurisdiction or under the jurisdiction of such other State public-education agency.

(3) shall transmit through its State educational authority to the United States Commissioner of Education notice of acceptance and certified copies of the legislative enactments and the regulations that may be issued by the State educational authority in connection with such funds. Any amendment of such enactments and revisions of regulations shall in like manner be transmitted to said Commissioner.

(B) The funds appropriated pursuant to section 3 of this act shall be paid only to those States which, during the preceding fiscal year, have provided from revenues derived from State sources for all public elementary-school and public secondary-school purposes an amount equivalent to at least one of the following: (1) The total amount actually spent for such purposes from such sources in the fiscal year ended in 1947, or (2) the amount per pupil in average daily attendance actually spent for such purposes from such sources in the fiscal year ended in 1947.

RIGHT OF APPEAL

SEC. 8. In the event a State educational authority is dissatisfied with any action by the United States Commissioner of Education taken with respect to such State pursuant to this act, or with his failure to take any action with respect to such State pursuant to this act, such authority shall have a

right to appeal to the Commissioner to change the action he has taken or to take the action he has failed to take, and to present to him in support of such appeal such statements and other evidence as such authority may deem appropriate. If the action taken by the Commissioner on such appeal is not satisfactory to the State educational authority, or if he fails to act thereon within 90 days after he receives such appeal, such authority shall have a right to appeal to the United States district court for any district in which any part of such State is located. The court shall receive in evidence a copy of the statements and other evidence presented by the State educational authority to the Commissioner, and such further evidence as the court in its discretion deems proper; and shall have jurisdiction to enter such judgment as the facts and the law may require.

DEFINITIONS

SEC. 9. As used in this act—

(A) The term "State" shall include the several States, the District of Columbia, Alaska, and Hawaii, Puerto Rico, the Canal Zone, American Samoa, the Virgin Islands, and Guam.

(B) The term "legislature" means the State or Territorial legislature or other comparable body, except that in the District of Columbia it shall mean the Board of Education, and in American Samoa and the Virgin Islands it shall mean the Governor.

(C) The term "minority race" shall mean any race or racial group that constitutes a minority of the population of the continental United States.

(D) A just and equitable apportionment of the funds provided under this act for the benefit of public schools maintained for minority races in a State which maintains by law separate public schools for minority races, means any plan of distribution which results in the expenditure, for the benefit of such minority race of a proportion of said funds not less than the proportion that such minority race in such State bears to the total population of that State.

(E) The term "State educational authority" means, as the State legislature may determine, (1) the chief State school officer (such as the State superintendent of public instruction, commissioner of education, or similar officer), or (2) a board of education controlling the State department of education; except that in the District of Columbia it shall mean the Board of Education, and in American Samoa, Guam, and the Virgin Islands, it shall mean the Governor.

(F) The term "current expenditures" does not include expenditures for interest, debt service, and capital outlay.

SEPARABILITY

SEC. 10. If any provision of this act or application thereof to any State, person, or circumstance is held invalid, the remainder of the act, and the application of such provision to other States, persons, or circumstances shall not be affected thereby.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, which is to strike out all after the enacting clause and insert an amendment in the nature of a substitute.

EXECUTIVE SESSION

Mr. WHERRY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. DONNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. THYE, from the Committee on Post Office and Civil Service:

Several postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of North Winship to be Envoy Extraordinary and Minister Plenipotentiary to the Union of South Africa.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Evett D. Hester to be Foreign Service officer.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Olcott H. Deming to be Foreign Service officer.

The PRESIDING OFFICER. Without obection, the nomination is confirmed.

The legislative clerk read the nomination of William L. Kilcoin to be Foreign Service officer.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John Dorman to be Foreign Service officer.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Raymond E. Lisle to be Foreign Service officer.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William J. Ronan to be Foreign Service officer.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of S. Wilson Clark to be Foreign Service officer.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHERRY. I ask unanimous consent that the President be notified immediately of all confirmations of today.

The PRESIDING OFFICER. Without objection, the president will be notified forthwith.

RECESS

Mr. WHERRY. As in legislative session, I move that the Senate take a recess until tomorrow at noon.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 24, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 23 (legislative day of March 15), 1948:

DIRECTOR OF THE MINT

Nellie Tayloe Ross, of Wyoming, to be Director of the Mint. (Reappointment.)

COAST AND GEODETIC SURVEY

The following-named employees of the Coast and Geodetic Survey to the positions indicated:

To the rank of commander in the Coast and Geodetic Survey from the date indicated:

Elliott B. Roberts, March 1, 1948.

To the rank of lieutenant commander in the Coast and Geodetic Survey from the date indicated:

Roswell C. Bolstad, March 1, 1948.

To the rank of ensign in the Coast and Geodetic Survey from the date indicated:

Harley D. Nygren, March 8, 1948.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 23 (legislative day of March 15), 1948:

DIPLOMATIC AND FOREIGN SERVICE

TO BE ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE UNION OF SOUTH AFRICA

North Winship

TO BE FOREIGN SERVICE OFFICER OF CLASS 2 AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Evett D. Hester

TO BE FOREIGN SERVICE OFFICERS OF CLASS 3, CONSULS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Olcott H. Deming
William L. Kilcoin

TO BE FOREIGN SERVICE OFFICERS OF CLASS 4, CONSULS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

John Dorman
Raymond E. Lisle
William J. Ronan

TO BE A FOREIGN SERVICE OFFICER OF CLASS 6, A VICE CONSUL OF CAREER, AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

S. Wilson Clark

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 23, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal Father, the guardian of the world, grant that we may ever be mindful of Thy great goodness to us; while life is very brief, it is very sacred and very grand, because it is the merciful gift of a God of love. May we esteem time so highly that not a day shall pass without reflecting some of Thy goodness.

In these days of tension and need, do Thou possess us with Thy spirit, that we may see clearly and walk fearlessly in consonance with the highest dictates of conscience. Ever lead us to guard our speech, for the tongue of the wise useth knowledge aright. Bless us with hope and patience, with truth and courage; come and make earth's broken things whole—broken faiths, broken hearts, and broken lives—that we may find the happy consummation of peace and good will. In the name of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced

that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4790. An act to reduce individual income-tax payments, and for other purposes.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5856. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2298) entitled "An act to amend the Interstate Commerce Act, as amended, and for other purposes."

EXTENSION OF REMARKS

Mr. McGARVEY asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Philadelphia Inquirer regarding the Nation's shrine in Philadelphia.

Mr. GAMBLE asked and was granted permission to extend his remarks in the RECORD and include an address by Rev. Paul A. Wolfe, minister of the Brick Presbyterian Church in New York City, before the annual Lincoln Day dinner of the National Republican Club on February 12, 1948.

Mr. LEFEVRE asked and was granted permission to extend his remarks in the RECORD and include an article by Walter Lippmann.

Mr. GOODWIN asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. DONDERO asked and was granted permission to extend his remarks in the RECORD and include a statement of our military government in Germany.

OUR FOREIGN POLICY

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, I understand that this House is about to discuss and vote on the European recovery program.

We would feel happier if the double talk could be eliminated, even in an election year, and that the membership and the people could hear the naked and unvarnished truth, painful as it may be.

The President in his recent address to the Congress practically declared war on communism and Russia and then ended up by assuring Russia that the door was still left open to her. You cannot have it both ways, so the administration had better make up what they are pleased to call their minds which it is to be—war on communism at home and abroad or a peace treaty with the Soviet Union.

We are being asked to put our country on a wartime basis, and in the next breath we are told that the State Department has just finished and is about to sign a reciprocal treaty with Czechoslovakia to send durable goods and machinery to that country, which will, of course, be passed on to Russia on demand. On December 2, 1947, I submitted a resolution, House Resolution 379, on the floor of this House to prohibit the shipping of goods to Russia, but no action was taken, although I received many letters commending the resolution as long overdue. Yesterday we read of veterans picketing a ship that was being loaded with goods for Russia, with which she can conquer Europe for communism.

Mr. Speaker, I feel like exclaiming with the great Cicero:

When, O Catiline, do you mean to cease abusing our patience? How long is that madness of yours still to mock us? When is there to be an end of that unbridled audacity of yours, swaggering about as it does now?

Mr. RANKIN. Mr. Speaker, will the lady yield?

Mrs. ST. GEORGE. I yield.

Mr. RANKIN. Does not the lady believe that before we go to war with communism abroad we ought to drive it from the Federal pay rolls at home?

Mrs. ST. GEORGE. Yes; the gentleman is right. I thank the gentleman for his contribution.

Mr. Speaker, from what I have heard, I believe the House bill for European recovery is even better than S. 2202. I believe it should and will pass, but it will be like throwing water down a pipe if it is not implemented with honest, straight-thinking administration.

If this administration cannot follow a straight course, then it is up to the Congress to do that very thing.

If this is simply to be used to scare our people again into keeping the present party in power, it is a mean and shabby trick.

We want to know the truth. Our people are well able to stand it. They want to follow the straight and narrow path that leads to peace, for they know from bitter experience that "wide is the gate and broad is the way that leadeth to destruction, and many there be that go in thereat."

Do not let us enter that gate again. If we must fight another war, let us not fight it to keep a political party in power.

Let it be said of us when the history of these troubled times is written that we faced the truth undaunted and remained free.

THE FOREIGN PROGRAM

Mr. MATHEWS. Mr. Speaker, I ask unanimous consent to address the House for one-half minute, a long one.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MATHEWS. Mr. Speaker, speaking of a bipartisan foreign program, how do we spell "buy"?

Mr. Speaker, I yield back the balance of my time.

EXTENSION OF REMARKS

Mr. STEVENSON asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include a petition from the Roy L. Vingers Post, No. 5, of the American Legion in La Crosse, Wis., with regard to universal military training; and in the other to include an item from the Black River Falls Banner Journal, written by Charles Lowe Cloud, entitled "The Indians' Sign."

Mr. TWYMAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous material.

Mr. SIMPSON of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD and include a report of the Projects Committee to the thirty-eighth annual convention of the National Rivers and Harbors Congress.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have permission to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

1-MINUTE SPEECHES

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. With regard to 1-minute speeches, there used to be a rule that they could not exceed 300 words. I notice that some of them this session go over two pages. What is the rule with reference to it?

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman may state it if it has a bearing on the question raised by the gentleman from Michigan.

Mr. RANKIN. I was going to ask if that was not merely a custom, not a rule.

The SPEAKER. The Chair will state that that was a rule established by the last House. It lies within the discretion of the Chair. The Chair will inquire into the matter and see if it has been abused.

JAMES FORRESTAL

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, I note in the public press that the candidate for the Vice Presidential nomination of the third party has sent a letter to the President, urging that he immediately request the resignation of the Secretary of National Defense, James Forrestal, so the national policy may be free from the taint of oil and imperialism.

Mr. Speaker, I am not of the same political faith as Secretary Forrestal, but I am 100 percent of the same brand of patriotism and I hold his name in high esteem. Mr. Forrestal served his country well as Secretary of the Navy. The American people believe he was appointed to be our first Secretary of Na-

tional Defense in recognition of the Navy's outstanding services while under his guidance and jurisdiction. I think that most of us agree.

Today, Secretary Forrestal has the courage and the vision to prepare the military, naval, and air forces, of the United States for whatever eventuality may be ahead. He deserves the full confidence of the Congress in his integrity and in his ability during these days of uncertainty and cold war.

THE TAX BILL

Mr. FORAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FORAND. Mr. Speaker, within the next 2 days I expect that the tax bill, H. R. 4790, commonly known as the Knutson tax bill, which passed the Senate last night, will come before the House for consideration.

I invite the attention of all Members to the fact that the bill is more unfair to the low-income-tax payer of this country than it was when it passed the House. Under the Senate version almost 37 percent of the relief will go to 4 percent of the taxpayers, those with incomes in excess of $5,000 a year. The remaining 64 percent will be distributed to the remaining 96 percent of the taxpayers.

When the bill left the House it provided for 37 percent of the relief to go to 4 percent of the taxpayers, those with incomes in excess of $5,000 a year. The bill on which we shall have to vote provides an additional shift of 3 percent of the tax burden from the high-income group to the low-income group.

Under the bill as now written, a taxpayer with a wife and two children and with an income of $3,000, will have his spendable income increased by 3.2 percent, but if that same man has an income of $10,000, his spendable income will be increased by 6.2 percent. If his income is $50,000, his spendable income will be increased by 28.6 percent, and if he has an income of $500,000, then his spendable income under this bill will be increased by 51.3 percent.

I repeat, Mr. Speaker, this is a most unfair bill.

EXTENSION OF REMARKS

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD in three instances and include newspaper articles.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. MACKINNON asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include a petition.

Mr. BUCK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the New York Journal of Commerce.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. LANHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial by David Lawrence.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an article from the Fort Myers News-Press.

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include a newspaper article.

Mr. BLAND asked and was given permission to extend his remarks in the RECORD and include certain quotations, letters, and reports.

Mr. SMATHERS asked and was given permission to extend his remarks in the Appendix of the RECORD and to include a newspaper article.

Mrs. LUSK asked and was given permission to extend her remarks in the RECORD and include a petition bearing on the European recovery program which comes from the First Congregational Church of Albuquerque, N. Mex.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a letter which appeared in the Washington Post of yesterday.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include several articles and newspaper items.

STEEL EXPORTS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, while we send abroad to Saudi Arabia tons of high grade fabricated steel for use by the great oil companies in developing their overseas properties, our little domestic steel industries are literally starving for lack of this basic commodity. All over America small plants using steel and steel products in the course of their work are struggling to keep open their doors and to keep their people employed. At the same time steel is being exported on an increasingly large basis; and for the development of Arabic lands and to put Arabs to work. In my section of Louisiana I have received a strong appeal from the Nabors Trailer Co., of Mansfield, La., an independent plant producing automobile trailers, for help in obtaining enough steel to keep the doors of this plant open. They, and other plants like them, are entitled to a fair share of these commodities in short supply. Shipments of steel to Saudi Arabia should stop until our own industries have enough steel upon which to operate.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances, to include in one a portion of an address he delivered on Sunday, and in the other a newspaper article.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Shreveport Journal entitled "The Peace Gathering."

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD in two instances, to include in one an editorial, and in the other an article.

EXPORT OF SCRAP IRON

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, I recall that when our relationships with Germany and Japan were growing more and more acute daily prior to Pearl Harbor, in company with other Members of the House, we called upon the then President and Secretary of State urging that all shipments to Germany and Japan of scrap iron and/or any other substance that might be used in war be stopped immediately. In view of the present tense situation between our own great country and Russia, including her satellites, I here and now call upon the President, Secretary of State, and others in authority to immediately stop shipment of any war-useful materials to said countries.

Our people back home do not understand, and neither do I, why our sons must again be called from their homes for military duty when at the same time machinery and other war materials continue to be supplied to our potential enemies.

I urge immediate termination of all agreements with totalitarian countries providing for the sale or transfer of materials useful in war regardless as to when the agreements were entered into.

THE TAX BILL

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Speaker, the papers say that Congress will have only 1-hour debate before approving the $4,000,000,000 tax cut. Surely such an unwise and dangerous reduction of Federal income, at a moment when democracy here and throughout the world is threatened with a greater danger than ever before, should be given more careful consideration. Before this year is over Congress probably will draft the sons of the mothers of this country because of this grave emergency.

It would seem to me, that since we recognize the grave emergency we face in world affairs, that the House should stop, look, and listen—and reconsider this reckless handling of our fiscal affairs in the light of today's dangerous world conditions—and particularly in the light of probable increases in national defense appropriations.

One fact Congress should keep in mind—if the emergency is so great that we must draft the sons of this country for our national safety—then we should not fail to draft the dollars as well. I can see no reason why our tax resources should be demobilized—at the very moment we are talking about requiring additional hundreds of thousands of men to serve this Nation.

CIVIL RIGHTS COMMISSION

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, referring to the report of the President's Committee on Civil Rights, Mr. MCGRATH, chairman of the Democratic National Committee, speaking to the press on March 9, 1948, said:

I also discussed with the President his civil rights message to the Congress and he told me his position remains unchanged.

I expressed to him my own opinion that the substance matter of his civil-rights message to the Congress is as old as the Constitution of the United States and as new as the 1944 Democratic platform.

Let me attempt briefly and partially to analyze this report of the President's Committee which is entitled "To Secure These Rights."

BACKGROUND OF THE COMMITTEE—ITS CREATION

The Committee was created by Executive Order 9808 of December 5, 1946.

ITS MEMBERSHIP

The Executive order named the following members: Sadie T. Alexander, James B. Carey, John S. Dickey, Morris L. Ernst, Roland B. Gittelsohn, Frank P. Graham, Francis J. Haas, Charles D. Luckman, Francis P. Matthews, Franklin D. Roosevelt, Jr., Henry Knox Sherrill, Boris Shishkin, Dorothy Tilly, Channing Tobias, and Charles E. Wilson, Chairman.

SCOPE OF THE ORDER

The order pointed with professed fear to alleged dangers to our "civil rights guaranteed by the Constitution," arising from "the action of individuals who take the law into their own hands and inflict summary punishment and wreak personal vengeance," the order denominated such individuals as "subversive of our democratic system of law enforcement and public criminal justice," and as something that "gravely threatens our form of government."

The President ordered the Committee to report to him, in writing, with recommendations "with respect to adoption or establishment, by legislation or otherwise, of more adequate and effective means and procedures for the promotion of civil rights of the people of the United States."

SCOPE OF THE COMMITTEE'S WORK

At page IX of the report, under the heading, "Assignment of the President," the scope of the Committee's activities is stated as follows:

The Committee's first task was the interpretation of its assignment. We were not asked to evaluate the extent to which civil rights have been achieved in our country. We did not, therefore, devote ourselves to the construction of a balance sheet which would properly assess the great progress which the Nation has made, as well as the shortcomings in the record. Instead, we have almost exclusively focused our attention on the bad side of our record—on what may be called the civil-rights frontier.

SOURCE OF COMMITTEE'S FUNDS

The Committee's functions were financed with funds taken from the President's so-called emergency fund, as follows:

1947	$60,000
1948	50,000
Total	110,000

The 168-page printed report announces that it is for sale by the Government Printing Office at $1 the copy.

PERSONNEL OF THE COMMITTEE

Six persons having the same names as do an equal number of the President's committee are accorded mention as having had membership in, or affiliation with, organizations which have been officially characterized as Communist fronts, including the National Council of American-Soviet Friendship, Inc., among still others. One of the names has 32 such citations, one has 28, one has 24, and another 7.

COMMENT

So, since the Executive order is a finding, determination, and an enumeration of what the President deemed wrong on the civil-rights front, his Committee apparently acted within the narrow scope of his assignment, and found what it was expected to find, although it follows that all sides of the civil-rights questions were not fully considered and presented.

The report truly is a masterpiece of word and thought—slanting to preconceived and predetermined ends and purposes. It shows a very clear intent, not only to perpetuate but to extend, the array of class against class and group against group, after the fashion of the New Deal and radical minorities — all with the underlying and clearly evident purpose of weakening and undermining our form of government and the ultimate destruction of our time-honored institutions.

If language has not been twisted and tortured out of all ordinary and common meaning, the report of the President's Committee goes much further: It proposes to array States against States, States against the Federal Government, the Federal Government against the States, State officials against Federal officials, and Federal officials against State officials—for the inevitable fostering and development of strife which can bring no good to any of the governments or of the peoples thereof. The adoption of the suggested reforms may well result in the complete destruction and downfall of our republican form of government, which is guaranteed by the Constitution to the several States of the Union.

The report discovers or evolves out of its authors' inner consciousness numerous matters and elements of so-called civil rights never heretofore conceived or asserted, and urges their adoption through measures—outside the framework of all constitutions—for their establishment and enforcement.

One vehicle advanced and urged for carrying out the recommendations of the Committee is: Legislation by the States to promote, establish, and enforce all suggested civil rights—conforming legislation like that which the New Deal procured the States to enact as a means of evading constitutional limitations when the Social Security Act was passed—legislation which, in its essence, constituted a circumvention of both Federal and State constitutions in that it amounted to a surrender of States' rights.

Indeed, under the guise of promoting, establishing, and extending civil rights, both old and new, the report recommends and urges everything short of miscegenation or intermarriage between the white and Negro races; and even that is done by very strong implications, for, if the recommendations are adopted and carried out, miscegenation is more than likely to follow, as the authors of the report doubtless hope it will.

The report speaks of equalitarians and equalitarianism; but its text and necessary implications brand it totalitarian. Indeed, it must have a totalitarian quality, for it is said on excellent authority that the report was accorded warm praise by one of the many official Communist publications in Russia.

The report relegates to the deep shadows all writings and endeavors of our numerous and foremost sob-sisters, tear-jerks, and rabble-rousing journalists. All emotional stops were pulled out, and no artful forms of expression were neglected in portraying the supposed bad side of our record on civil rights, ineffective government, State and Federal, and the like. And, since the report is what Dr. Truman clearly ordered, there can be no wonder that it received his full approval.

Well, the report of the President's Civil Rights Committee has already borne bitter fruit, for, according to recent press reports, one poor, misguided Mobile, Ala., Negro lost his life because of his too urgent and violent insistence upon the enjoyment of the rights of social equality which he claimed the President's civil-rights message to Congress gave him. Let us hope there will be no further like incidents.

The report is denominated a report on civil rights, but its text and content clearly brand it as a document demanding license instead of civil rights—license for minorities at that.

After all, Mr. Truman may not be alone in his civil-rights program, for it is reported on good authority that a top official of the Republican National Committee was pictured in company with Mary McLeod Bethune and Mrs. Clifford Durr, both of whom, with all certainty, insist upon the same civil rights or license for minorities as did the members of the President's Civil Rights Com-

mittee. Mary McLeod Bethune is the most notorious Negro female alined with the Communists with which the United States is inflicted, while Mrs. Durr, wife of Clifford J. Durr, a member of the Federal Communications Commission, has an unenviable record of Communist affiliation and association in her own right. Even her honored husband quite recently, when before an Appropriations Committee, exhibited much reluctance when asked about the aims and purposes of Communists in the United States.

However, it cannot be—it must not be—that the rank and file of the two major parties in this country will go along with the substance and recommendations of the President's Committee on Civil Rights. It is time the report receives the discussion it so richly deserves.

PARTIAL DETAILS OF THE REPORT

It is divided into five parts, each with a carefully phrased heading, as follows:

"Assignment from the President."

"I. The American heritage: The promise of freedom and equality."

"II. The record: Short of the goal."

"III. The Government's responsibility: Securing the rights."

"IV. A program of action: The Committee's recommendations."

HIGH LIGHTS OF THE SIX PARTS

No complete or detailed discussion of the report's contents is here attempted; but its high lights are briefly mentioned, as follows:

ASSIGNMENT OF THE PRESIDENT

Page IX, page 157:

It is not to be expected that every member of the Committee would personally put every statement just as it appears here. The report does represent a general consensus of the Committee except on those two specific matters where a substantial division of views is reported.

The Committee considered and rejected a proposal to recommend the enactment of a supplementary statute in which an attempt would be made to include a specific enumeration of all Federal rights running against public officers. Such an enumeration would inevitably prove incomplete with the passage of time and might prejudice the protection of omitted rights.

COMMENT

As to differences between members of the Committee—page IX—that is, "two specific matters." A careful reading of the entire report fails to disclose any two specific matters, unless the glossed-over quotation, supra, from page 157 is meant. At any rate, the distinction is without a difference.

Page 157 of the report, however, makes it abundantly clear that the Committee recommends legislation which can be construed as meeting and protecting any and all civil rights, real and imaginary, old or new, whether they are enumerated in, or omitted from such acts as shall be passed to carry out the recommendations.

I. THE AMERICAN HERITAGE: THE PROMISE OF FREEDOM AND EQUALITY

This subject is divided into subheads, as follows:

"The ideal of freedom and equality."

"The right to safety and security of the person."

"The right to citizenship and its privileges."

"Four essential rights"—pictures.

"The right to freedom of conscience and expression."

"The right to equality of opportunity."

"The heritage and the reality."

Pages 3 to 10: Under the foregoing general and subheads are found the following statements:

We have a great heritage of freedom and equality for all men, sometimes called the American way. Yet, we cannot avoid the knowledge that the American ideal still awaits complete realization.

The Committee has focused its attention, not upon our achievements in protecting our heritage of civil liberties, but upon our shortcomings and our mistakes.

In our land men are equal, but they are free to be different.

We can tolerate no restrictions upon the individual which depend upon irrelevant factors such as his race, his color, his religion, or the social position to which he is born.

A democratic majority, left unrestrained, may be as ruthless and tyrannical as were the earlier monarchs.

Freedom, however, as we now use the term, means even more than the traditional "freedoms" listed in our Bill of Rights—important as they are.

The three great rights of the Declaration of Independence have just been mentioned. Another noble statement is made in the Bill of Rights in our Constitution. A more recent formulation is found in the "four freedoms."

All able-bodied citizens must enjoy the right to serve the Nation and the cause of freedom in time of war. Any attempt to curb the right to fight in its defense can only lead the citizen to question the worth of the society in which he lives.

We have insisted only that religious freedom may not be pleaded as an excuse for criminal or clearly antisocialized conduct.

We have had human slavery. We have had religious persecution. We have had mob rule. We still have their ideological remnants in the unwarrantable pride and prejudice of some of our people and practices.

Comment: The foregoing statements readily suggest their complete answers. It will be well to remember, however, that they are the foundation upon which are rested the Committee's many and unusual recommendations.

Of course, the "four freedoms," admittedly never reduced to writing, and consisting merely of a chat between two aspiring world leaders, are long since dead and buried in our myriad of diplomatic mistakes and blunders. They can form no true basis for the creation of new civil rights, or for the extension of others.

It seems more than likely that, if the Committee's recommendations are adopted and efforts are made to enforce them, we may experience the very mob rule of which the Committee professes fear. Indeed, democracy has been defined, if carried to its logical ends, as synonymous with mob rule, and the Committee's recommendations would be expected to produce just that result.

II. THE RECORD: SHORT OF THE GOAL

The 93-page dissertation under this general heading is divided into subheads, as follows:

"Our diverse population."

"Signs of recent progress."

"The condition of our rights."

"The right to safety and security of the person."

"The crime of lynching."

"Although lynching has declined sharply" (charts).

"Police brutality."

"Administration of justice."

"Involuntary servitude."

"The wartime evacuation of Japanese-Americans."

"The right to citizenship and its privileges."

"The special problems of citizenship in Guam and American Samoa."

"The right to vote."

"Suffrage in poll-tax States" (charts).

"The right to bear arms."

"Negro military manpower" (charts).

"All services combined."

"Before unification of the armed services: The Army, the Navy, the Marines, the Coast Guard."

"The right to freedom of conscience and expression."

"Civil servants."

"Enemies of democracy."

"The right to equality of opportunity."

"The right to employment."

"Bases of job discrimination" (charts).

"Those charged with discrimination."

"On-the-job discrimination."

"Unemployment hits minority groups hardest: Prewar, spring 1940; postwar, fall 1946" (charts).

"Efforts to improve the situation."

"The right to education."

"Discrimination in public schools."

"Discrimination in private schools."

"The right to housing."

"The restrictive covenants."

"Public housing."

"The right to health services."

"Discrimination contributes to poor health" (charts).

"The right to public services and public accommodations."

"Discrimination in Federal service."

"Discrimination in State and local services."

"Discrimination in places of public accommodations."

"Segregation reconsidered."

"The separate but equal failure."

"Experience versus segregation."

"Segregation and prejudice" (charts).

"Civil rights in the Nation's Capital."

"The Nation's Capital a symbol of freedom and equality" (charts).

"Discrimination in housing."

"Discrimination in education."

"Discrimination in employment."

"Discrimination in health services."

"Discrimination in recreational services."

"Discrimination in places of public accommodation."

Comment: A casual reading will serve to convince that the Committee went far afield—far and away beyond matters which may be regulated within the framework of the Federal Constitution.

Under the above-quoted headings and subheadings are found the following statements, among many others:

Pages 2 to 95:

The record is neither as black as our detractors paint it, nor as white as people of good will would like to make it. To a large extent the light and dark shades in the picture are a reflection of the nature of our

people. The phrase "civil rights," is an abbreviation of a whole complex of relationships among individuals and among groups.

Groups whose color makes them more easily identified are set apart from the dominant majority much more than are the Caucasian minorities. The Negroes are by far the largest of these groups. * * * Today, 1 in every 10 Americans is a Negro. * * * But those groups, identified by physical appearance, unique culture traits, or both, are often geographically concentrated. As a result, theirs are the predominant civil-rights problems in particular localities.

In this report we are not concerned with the civil rights of particular minority groups as such. * * * The record shows, however, that the civil rights of certain minority groups have been in particular danger.

Under the heading, "Signs of recent progress," the report says:

The Committee has been much impressed by the number and work of private organizations whose chief aim is the furtherance of freedom. * * * These private agencies have rendered invaluable service to this Committee.

After referring to the impressive variety of civil-rights laws on the statute books of New York, the report continues:

The voluntary elimination of racial bans or differentials in employment practices by many business concerns, and the employment of Negro baseball players by teams in both major leagues, deserves high praise.

Mention should also be made of the ending of segregated schools in cities like Trenton and Gary; the lifting of restrictions against Negro doctors by hospitals in St. Louis and Gary; the establishment of interracial churches in many communities, and the employment of more than threescore Negro teachers by 25 predominantly white colleges.

The report deals extensively with the crime of lynching, police brutality, administration of justice, involuntary servitude, wartime evacuation of Japanese-Americans, the right to vote and its privileges, and special problems of citizenship in Guam and American Samoa.

Under the heading "The right to vote," there is found the following:

The franchise is denied to some citizens because of race; to others by institutions or procedures which impede free access to the polls.

The denial of suffrage on account of race is the most serious present interference with the right to vote. Until very recently, American Negro citizens in most Southern States have found it difficult to vote. Some Negroes have voted in parts of the upper South for the last 20 years.

The poll tax—another important legal obstacle to full suffrage in some Southern States—limits white as well as Negro suffrage. * * * A poll tax simply places the payment of a fee between the voter and the ballot box. * * * The poll tax has curtailed the size of the entire electorate—white and Negro.

When an individual enters the service of his country he necessarily surrenders some of the rights and privileges which inhere in American citizenship. The Government in return undertakes to protect his integrity as an individual and the dignity of his profession. * * * Unfortunately, however, the uniform is not always accorded the esteem it warrants. * * * When they attempt to assert their rights they are sometimes met with threats and even outright attack. Federal officials find they have no present authority to intervene directly to protect men in uniform against such abuses.

Private persons disregard the dignity of the uniform. There is much that remains to be done, much that can be done at once. Morally, the failure to act is inexcusable * * * it costs lives and money in the inefficient use of human resources * * * we are not making use of the most effective techniques for educating the public to the practicability of American ideals as a way of life * * * the military services can be used to educate citizens on a broad range of social and political problems. The war experience brought to our attention a laboratory in which we may prove that the majority and the minorities of our people can train and work and fight side by side in cooperation and harmony.

This Committee has made no extensive study of our record under the great freedoms which comprise this right (the right to freedom of conscience and expression): Religion, speech, press, and assembly. To have done so would have meant making this vast field the dominant part of our inquiry. * * * There still are, however, communities in which sporadic interferences with the rights of unpopular religious, political, and economic groups take place * * * groups like the Jehovah's Witnesses prove that.

The most immediate threat to the right of freedom of opinion and expression is indirect. It comes from efforts to deal with those few people in our midst who would destroy democracy * * * first the Communists whose counterparts in many countries have proved * * * that their ideology does not include a belief in universal civil rights. * * * The second are the native Fascists * * * as well as their foreign counterparts who prove to be equally hostile to the American heritage of freedom and equality.

This Committee unqualifiedly opposes any attempt to impose special limitations on the rights of those people (Communists and Fascists) to speak and assemble.

Specifically, public excitement about Communists has gone far beyond the dictates of good judgment and calmness of which Holmes and Brandeis spoke. A state of near-hysteria now threatens to inhibit the freedom of genuine democrats.

Efforts to protect the Government against disloyal employees may lead to dangerous Red hunting.

Our whole civil liberties history provides us with a clear warning against the possible misuse of loyalty checks to inhibit freedom of opinion and expression. * * * This is particularly true of any standard which permits condemnation of persons or groups because of association. The character, the policies, and the leadership of many organizations change. Individuals, too, change their opinions. The greatest care must be taken to avoid the misinterpretation of affiliation. * * * Before such affiliations may even be considered as relevant, the motive of the individual should be clearly established.

A second danger is that the procedure by which loyalty of accused Federal employees is determined may not accord with our traditions of due process of law * * * provision should be made for such traditional procedural safeguards as the right to a bill of particular accusations, the right to subpena witnesses and documents where genuine security considerations permit, the right to be represented by counsel, the right to a stenographic report of proceedings, the right to a written decision, and the right of appeal.

Comment: The comments of the report on the Government's loyalty program follow the Communist line perfectly. The suggestions, if followed, would afford perfect protection for the very Communists and "native Fascists" which the report hypocritically professes to condemn.

Furthermore, the statements willfully assume that employment in the Federal Government is an absolute right to be protected by the same principles, standards, and procedures as are applicable to criminal charges and to cases dealing with absolute property rights. Such contentions, manifestly, are ridiculous.

The assertions concerning "condemnation" for "affiliation" are mere twaddle and utter tommyrot. The argument completely ignores the fact that one's associates may make of him a very great security risk; yet the President's committee would have such a person retained in Government employment because he might change his mind.

One of the things which totalitarians of both left and right have in common is a reluctance to come before the people honestly and say who they are, what they work for, and who supports them. Those persons in our own country who try to stir up religious and racial hatreds are no exception. * * * This Committee is as eager to guarantee their civil rights as those of the people they attack. But we do not believe in a definition of civil rights which includes freedom to avoid all responsibility for one's opinion.

Comment: It is a new slant and an assertion of a new element to say that there are totalitarians of both left and right. The entire statement is a nonsensical jumble of words, designed to conceal the real thought behind them and to mislead and deceive readers of the report.

At the present, according to several witnesses who appeared before the Committee, many of those who spread racial and religious prejudices have gone underground.

Comment: It would be interesting to know who made that statement to the Committee. It must have been one of the numerous private organizations to which the Committee gives lavish praise for their assistance. It could have been representatives of the Friends of Democracy, which was instrumental in getting Upton Close excluded from the air in Mexico; or it could have been the Anti-Defamation League which has been rendering services to several States in their investigations and prosecutions of crimes, or alleged crimes.

Such private concerns being, as they are, invisible empires, worming their way into governmental functions, are becoming very, very dangerous to both majorities and minorities.

As recently as 1940 * * * a study by the staff of the Senate Committee on Campaign Expenditures revealed that one-third of the election propaganda in the campaign of that year was completely anonymous and that one-half was partially and inadequately identified as to source and sponsorship. Moreover, the committee reported that the anonymous material included "the most virulent, dishonest, and defamatory propaganda."

Comment: The Committee report studiously failed to refer to the smear conducted against ex-Senator Wheeler in the 1946 campaign, when it was disclosed that the defamatory literature used against him was prepared and paid for by some of the selfsame minority groups

which the authors of the report desire to protect.

The principle of disclosure is, we believe, the appropriate way to deal with those who would subvert our democracy by revolution or by encouraging disunity and destroying the civil rights of some groups.

Comment: The President's Committee has asked for it—and someone is duty bound to make the disclosure which its report so richly deserves and merits. In common with other professional uplifters and do-gooders, for the sake of making trouble and causing dissension, the President's Committee stands convicted of willful slanting and distortion of language to its own ends.

In the political realm, the Federal Communications Commission, the Post Office Department, the Clerk of the House of Representatives, and the Secretary of the Senate—all of these under various statutes—are required to collect information about those who attempt to influence public opinion. Hundreds of statements disclosing the ownership and control of radio stations are filed with the Federal Communications Commission.

Comment: Congress will feel grateful to the President's Committee for telling it that it created the FCC and other agencies to act in the political realm.

The President's Committee may be right, however, for the FCC has repeatedly been charged with political favoritism, and with favoring radical minorities, through the licensing of stations, and the like. Those facts are not mentioned, however, by the committee.

The Federal Government must set an example of careful adherence to the highest standards in guaranteeing freedom of opinion and expression to its employees. Beyond that, it ought to afford a source of reference where private citizens and groups may find accurate information about activities, sponsorship, and background of those who are active in the marketplace and public opinion.

Here is another effort to protect persons in their Government employment, as in the case of the loyalty program; and the President's Committee is on the side of protection for minorities, right or wrong.

Fulton Lewis, Jr., goaded by the administration hacks among the sensational newscasters, proposed the selfsame thing for all radio commenators, that is, full disclosure as to sponsorship, income, and so forth. However, no movement has been started to adopt his suggestion, by the Government or commentators themselves.

This suggestion of the Committee hardly squares with current efforts of the administration to hedge departmental activities about with gags and restrictions which will prevent employees from telling Congress or anyone else anything that might prove embarrassing to the administration.

Exclusion of Negroes, Jews, or Mexicans in the process of hiring is effected in various ways—by newspaper advertisements requiring only whites or gentiles to apply, by registration or application blanks on which a space is reserved for race or religion, by discriminatory job orders placed with employment agencies, or by the arbitrary policy of a company official of hiring.

Comment: No law of the Creator or valid law of the land requires anyone to employ a Negro if the services of a white man are desired. Apparently, the President's committee would force the employment of the members of minority groups to the exclusion of members of the majority.

A New Jersey Congressman recently said that newspapers in his State do not dare to carry advertisements calling for white help, for service in the home or otherwise.

A United States Census Bureau survey, bearing out the adage that minority workers are the last hired, first fired, discloses that from July 1945 to April 1946, employment among whites increased about one and one-half times while unemployment among nonwhites more than tripled. The situation has, of course, been aggravated by the accelerated migration of Negroes from the South to northern industrial areas during the war.

Comment: That is another way of slanting. The one explanation given among others that could be added, completely answers the statement.

The failure to give Negroes equal educational opportunities is naturally most acute in the South, where approximately 10,000,000 Negroes live * * * the committee believes that the "separate but equal" rule has not been obeyed in practice. There is a marked difference in quality between educational opportunities offered white children and Negro children in the separate schools.

Comment: The statement is coupled with this: "Whatever test is used, the expenditure per pupil, teachers' salaries, the number of pupils per teacher, transportation of students, adequacy of school buildings and educational equipment, length of school term, extent of curriculum," leave Negro students "invariably at a disadvantage." Here, again, is evidence of slanting to an end.

The South has made considerable progress in the last decade in narrowing the gap between educational opportunities afforded white children and that afforded Negro children. * * * In spite of the improvement which is undoubtedly taking place * * * the gap between white and Negro schools can never be completely eliminated by means of State funds alone.

Comment: Obtrusion of Federal funds will probably mean Federal control over the South's educational system; but that is the Committee's desire.

The Negroes of the South can acquire education if they will to do so. Booker T. Washington and the late Dr. Carver acquired education; and other Negroes can do likewise, with the South glorying in the doing thereof.

Nevertheless it is clear that there is much discrimination, based on prejudice, in admission of students to private colleges, vocational schools, and graduate schools. Since accurate statistical data is almost impossible to obtain this is difficult to prove.

Certainly the public cannot longer tolerate practices by private educational institutions which are in serious conflict with patterns of democratic life, sanctioned by the overwhelming majority of our people. By closing the door through bigotry and prejudice to equality of educational opportunity, the public is denied the manifold social and economic benefits that the talented individual might otherwise contribute to society.

Comment: The quoted statements are an insult to ordinary intelligence.

The President's committee would destroy the right of private schools to select their students; would force them to accept members of all minorities and races, and would compel them to grant strict social and racial equality, on the committee's assumption that the private schools are possessed of a public responsibility from which there is no escape. If that is not totalitarianism, to the left, what would constitute it?

Under the heading, "The right to housing," the report asserts that discrimination in housing results from business practices and from the restrictive covenants. The report does not deny that restrictive covenants have been uniformly upheld by the courts as lawful incidents to property ownership; the wisdom of such decisions is challenged; and it is insisted that the business practices and covenants have created ghettos and are providing our democratic society with one of its most challenging problems. The report asserts that much of the improvement in the housing conditions of the minorities in recent years has resulted from public housing.

Comment: The demand is that restrictive covenants be stricken down and destroyed, but there is no explanation as to how, or on what principles of law such property rights may be destroyed for the sole benefit of minorities. It is clearly implied that the Government is bound to furnish everybody a home; but there is no mention of the fact that to June 30, 1946, the Government's expenditures and incurred contingent liabilities in the housing field had amounted to approximately $15,000,000,000. However, spending and waste of the taxpayers' money neither merit nor get any consideration from the ideologists who comprised the President's Committee on Civil Rights.

Assertion such as are found throughout the Committee's report lend great weight to the oft-heard suggestion that the idealists, the radicals, and the Reds are hell bent on spending the Government of the United States into absolute bankruptcy and ultimate collectivism.

The language of the report under the headings "The right to public services and accommodations," "Discriminations in Federal services," "Discrimination in State and local services," "Discrimination in places of public accommodation," exhibits no semblance of restraint in demanding absolute social equality for Negroes with all other races and segments of our population.

Comment: Neither the Federal Constitution nor the laws passed thereunder guarantees any such equal social rights; but, of course, as shown by the committee's recommendations, the States will be asked to pass conforming legislation to meet any Federal legislation designed to accomplish such absolute equality. Such a course would call upon the States to surrender further parts of their sovereignty; and it seems likely that will not come as easy as did the setting up of social security and the unemployment trust fund.

Under the heading "Segregation reconsidered" great emphasis, with much misstatement, is, as usual, placed upon the right of minorities—the right to

equality in public and private accommodations. Adopting the key that the "separate but equal rule" has failed, the report says:

> On the one hand it (the "separate but equal" rule) recognizes Negroes as citizens and as intelligent human beings entitled to enjoy the status accorded the individual in our American heritage of freedom. It theoretically gives them access to all rights, privileges, and services of a civilized, democratic society. On the other hand, it brands the Negro with the mark of inferiority and asserts that he is not fit to associate with white people.
>
> Legally enforced segregation has been largely limited to the South. But segregation is also widely prevalent in the North, particularly in housing, and in hotel and restaurant accommodations. * * * The Federal Government has tolerated it even where it has full authority to eliminate it.
>
> The general spirit of the three civil war amendments seems to guarantee to all persons a full and equal status in American society.

One paragraph of the report is dedicated to alleged separation of whites from Negroes in the Panama Canal Zone, wage differentials, separate canteens, and so forth:

> The separate but equal doctrine stands convicted on three grounds. It contravenes the equalitarian spirit of American heritage. It has failed to operate, for history shows that inequality of service has been the omnipresent consequence of separation. It has institutionalized segregation and kept groups apart despite indisputable evidence that normal contacts among these groups tended to promote social harmony.

Comment: Words, mere words. If they can be regarded as yielding any serious thought or logical conclusions, they argue merely for out-and-out social and racial equality, come hell and high water, and with or without benefit of valid laws.

Under the heading, "Civil rights in the Nation's Capital," a picture is painted of an utter failure to recognize any civil rights of the Negro—there is charged: Discrimination in employment, in housing, in health services, in public and private accommodations, and the like.

Comment: The same comment may be made of the report concerning its discussion of the District of Columbia; and it may be added that there is a decided undercurrent of blame on Congress for permitting the horrendous conditions in the District of Columbia to continue, the Constitution to the contrary notwithstanding. The language discussing this subject, like other parts of the report, is more than merely touched with the brand of Marxism.

The report, while demanding full protection of all civil rights, old and new, conceded at page 104, that "the Federal Government does not possess broad, clearly defined delegated powers to protect civil rights which it may exercise at its discretion," and that "a detailed examination of the constitutional aspects of the civil rights problem makes clear that very real difficulties lie in the way of Federal action in certain areas," but that the examination "also makes clear that effective Federal power does exist under the Constitution."

That sounds somewhat like double-talk, but it may be explained by the strained and tenuous reasoning following in the report.

The report makes reference to, and discusses, the case of Missouri against Holland, holding that Congress has power to enact legislation to carry out lawfully made treaties, and the report makes this assertion:

> This doctrine has an obvious importance as a possible basis for civil rights legislation.

There can be no quarrel with the holding in the Missouri-Holland case, but it is to be remembered that treaties, when made in the light of the Constitution, become, with the Constitution the supreme law of the land—and may even override State statutes. Manifestly, a treaty violating the Constitution would not sustain such legislation.

However, the assertion that the doctrine of the Missouri-Holland case is a basis for even a possible legislation by Congress to meet the demands for civil rights legislation leads to a final parting of the ways.

Then follows in the report the extremely silly contention that because the Missouri-Holland case is "a possible basis for civil-rights legislation," then the United Nations Charter, "approved by the United States Senate as a treaty," which "makes several references to human rights," is likewise a basis for civil-rights legislation affecting only the people of the United States.

Manifestly, the human rights mentioned in United Nations Charter have not the slightest relationship to civil rights of the people of the United States; and, to make any such frivolous contention is like saying that getting the material for soup from the tail of the ox "is going too far back for soup."

It goes without saying that if the United Nations Charter, by any stretch of language or of the imagination, can be said to apply to the citizens of the United States, in their relationships with their own Government, it would be invalid as an abrogation of our own Federal Constitution. Ways and means are provided for changing that venerable document; and it cannot be done by treaty or agreement with any other nation or nations, ratified only by the Senate.

III. GOVERNMENT'S RESPONSIBILITY: SECURING THE RIGHTS

Some of the matters discussed in part III have already been analyzed; and it has been shown, by Committee admission, and otherwise, that the Government is wanting in power to do all the report recommends.

So, treatment of part III will be limited. This part is divided into a principal heading and subheadings as follows:

"Constitutional traditions as to governmental protection of civil rights."

"Power to protect the right to vote."

"Power to protect the right to freedom from slavery and involuntary servitude."

"Power to protect rights to fair legal process, to free speech and assembly, and to equal protection of the laws."

"The postal power."

"The war power."

"Power to regulate activities which relate to interstate commerce."

"The taxing and spending powers."

"Power over the District of Columbia and the Territories."

"Power derived from the Constitution as a whole to protect the rights essential to a national citizens in a democratic nation."

"The role of the Supreme Court as a guardian of civil rights."

"The Civil Rights Section experiment."

"Our Federal civil-rights machinery needs strengthening"—charts.

"Insufficient personnel."

"Adequacy of cooperation by United States attorneys."

"The Civil Rights Section's dependence upon the FBI for its investigative work."

"Hostility of local officers and local communities."

"The position of the Civil Rights Section in the Department of Justice."

"The problem of sanctions."

"Government sanctions to safeguard civil rights"—charts: Criminal penalties, civil remedies, administrative orders, grants-in-aid, disclosure.

"Climate of opinion."

Comment: Since the foregoing headings and subheadings clearly show that the discussions thereunder relate exclusively to civil rights of citizens of the United States and of the several States, the unusual and slanted language merits no detailed analysis.

Suffice it to say that the text under part III contains nothing to convince that the United Nations Charter is efficient to clothe Congress with power to take the actions recommended by the committee.

Lastly, it may be said that the power to prescribe the qualifications of voters and electors is, by the Constitution, left with the several States; and no Federal legislation has done more than to provide that no citizen who is qualified to vote under the laws of the State of his residence shall be disqualified because of his race, color, or previous condition of servitude.

Since the report says merely that a poll tax, applying to whites and Negroes alike, is something between the voter and the ballot box, there is nothing in the requirement that such tax be paid as a condition precedent to voting which infringes on the civil rights of either white or Negro.

IV. A PROGRAM OF ACTION: THE COMMITTEE'S RECOMMENDATIONS

This part of the report is divided into headings and subheadings as follows:

"The time is now."

"The moral reason."

"The economic reason."

"Discrimination in employment means (charts): Inefficient use of our labor force and less living standard for all, less purchasing power, less consumer demand, less production."

"Fair employment practices would bring (charts): Full and efficient use of all our workers, greater purchasing power, greater consumer demand, full production, higher living standard for all."

"The international reason Mr. President: 'We have surveyed the flaws in the Nation's record and have found them to be serious'."

THE COMMITTEE'S RECOMMENDATIONS

The reorganization of the Civil Rights Section of the Department of Justice to provide for:

The establishment of regional offices.

Substantial increase in its appropriation and staff.

Increase in investigative action in absence of complaints.

The greater use of sanctions.

Its elevation to the status of a full division.

Establishment within FBI of special unit of investigators trained in civil rights work.

Establishment by State governments of law enforcement agencies comparable to the Federal Civil Rights Section.

Establishment of a permanent Commission on Civil Rights in the Executive Offices of the President, and simultaneous creation of a Joint Standing Committee on Civil Rights in Congress.

Establishment by the States of permanent commissions on civil rights to parallel the work of the Federal commission at State level.

Increased professionalization of State and local police forces, now legislation by Congress to supplement section 51, United States Code.

Amendment of section 51 to remove penalty provision which disqualifies convicted persons from holding public office.

Amendment of section 52, title 18, United States Code, to increase the maximum penalty from $1,000 fine and 1 year to $5,000 fine and 10 years.

New statute by Congress to supplement section 52, specifically directed against police brutality and related crimes.

The enactment by Congress of Antilynching Act.

Enactment by Congress of a new criminal statute on involuntary servitude, supplementing sections 443–444, title 18, United States Code.

A review of wartime evacuation and detention experience looking to development of a policy that will prevent abridgment of civil rights of any person or groups because of race or ancestry.

Enactment by Congress of legislation establishing a procedure by which claims of evacuees for specific property and business losses resulting from wartime evacuation can be promptly considered and settled.

To strengthen the right to citizenship and its privileges, the President's committee recommends:

Action by the States or Congress to end poll taxes as a voting prerequisite.

The enactment by Congress of a statute protecting the right of qualified persons to participate in Federal primaries and election against interference by public officers and private persons.

The enactment by Congress of a statute protecting the right to qualify for, or participate in, Federal or State primaries or elections against discriminatory action by State officers based on race or color, or depending on any other unreasonable classification of persons for voting purposes.

The enactment by Congress of legislation establishing local self-government for the District of Columbia; and the amendment of the Constitution to extend suffrage in Presidential elections, and representation in Congress to District residents.

The granting of suffrage by the States of New Mexico and Arizona to their Indian citizens.

The modification of the Federal naturalization laws to permit the granting of citizenship without regard to the race, color, or national origin of applicants.

The repeal by the States of laws discriminating against aliens who are ineligible for citizenship because of race, color, or national origin.

The enactment by Congress of legislation granting citizenship to the people of Guam and American Samoa.

The enactment by Congress of legislation, followed by appropriate administrative action, to end immediately all discrimination and segregation based on race, color, creed, or national origin, in the organization and activities of all branches of the armed services.

The enactment by Congress of legislation providing that no member of the armed forces shall be subject to discrimination of any kind by any public authority or place of public accommodation, recreation, transportation, or other service or business.

To strengthen the right to freedom of conscience and expression the President's committee recommends:

The enactment by Congress and the States of legislation requiring all groups, which attempt to influence public opinion, to disclose the pertinent facts about themselves through systematic registration procedures.

Action by Congress and the executive branch clarifying the loyalty obligations of Federal employees, and establishing standards and procedures by which the civil rights of public workers may be scrupulously maintained.

To strengthen the right to equality of opportunity, the President's committee recommends:

The elimination of segregation, based on race, color, creed, or national origin, from American life.

The conditioning by Congress of all Federal grants-in-aid and other forms of Federal assistance to public or private agencies for any purpose on the absence of discrimination and segregation based on race, color, creed, or national origin.

For employment: The enactment of a Fair Employment Practice Act prohibiting all forms of discrimination in private employment, based on race, color, creed, or national origin.

The enactment by the States of similar laws.

The issuance by the President of a mandate against discrimination in Government employment and the creation of adequate machinery to enforce his mandate.

For education: Enactment by State legislatures of fair educational practice laws for public and private educational institutions, prohibiting discrimination in the admission and treatment of students based on color, race, creed, or national origin.

For housing: The enactment by the States of laws outlawing restrictive covenants; renewed court attack, with intervention by the Department of Justice, upon restrictive covenants.

For health services: The enactment by the States of fair health practice statutes forbidding discrimination and segregation based on race, color, creed, or national origin, in the operation of public or private health facilities.

For public services: The enactment by Congress by a law stating that discrimination and segregation, based on race, creed, color, or national origin, in the rendering of all public services by the National Government is contrary to public policy.

The enactment by the States of similar laws.

The establishment by act of Congress or Executive order of a unit in the Federal Bureau of the Budget to review the execution of all Government programs, and the expenditures of all Government funds, for compliance with the policy of nondiscrimination.

The enactment by Congress of a law prohibiting discrimination or segregation, based on race, color, creed, or national origin, in interstate transportation and all the facilities thereof, to apply against both public officers and the employees of private transportation companies.

The enactment by the States of laws guaranteeing equal access to all places of public accommodation, broadly defined, for persons of all races, colors, creeds, and national origins.

For the District of Columbia: The enactment by Congress of legislation to accomplish the following purposes in the District:

Prohibition of discrimination and segregation, based on race, color, creed, or national origin, in all publicly supported hospitals, parks, recreational facilities, housing projects, welfare agencies, penal institutions, and concessions on public property.

The prohibition of segregation in the public school system of the District of Columbia.

The establishment of a fair educational practice program directed against discrimination, based on race, color, creed, or national origin, in the admission of students to private educational institutions.

The establishment of a fair health practice program forbidding discrimination and segregation by public or private agencies, based on race, color, creed, or national origin, with respect to the training of doctors and nurses, admission of patients to hospitals, clinics, and similar institutions, and the right of doctors and nurses to practice in hospitals.

The outlawing of restrictive covenants.

Guaranteeing equal access to places of public accommodation, broadly defined, to persons of all races, colors, creeds, and national origins.

The enactment by Congress of legislation ending the system of segregation in the Panama Canal Zone.

To rally the American people to the support of a continuing program to strengthen civil rights, the President's committee recommends a long-term campaign of public education to inform the people of the civil rights to which they are entitled and which they owe to one another.

The report of the President's Committee on Civil Rights is ended with the following:

The Committee wishes to record its deep sense of appreciation for the generous help given it by many individuals, private organizations, and Government agencies. During the period from January to September 1947, the Committee met 10 times. At these meetings it heard twoscore witnesses. The Committee had correspondence with nearly 250 private organizations and individuals It was also assisted by some 25 agencies of the Federal Government and by an extended list of State and local public agencies.

Comment: Congress should conduct an investigation of the activities of the President's Committee on Civil Rights, to determine—

First. Why $110,000 was taken from the President's Emergency Fund and diverted to the payment of the expenses of said Committee, and how the money was spent;

Second. What individuals, private organizations, and Government agencies were heard by, and participated in, the hearings and deliberations of the Committee;

Third. What witnesses were heard, and what correspondence was had with the "nearly 250 private organizations and individuals";

Fourth. What Federal and what State agencies participated in the hearings and deliberations of the Committee; and

Fifth. What source did the Committee rely upon for advice in respect of the important matters of law involved in the Committee's report.

Since they are set forth in detail herein, the Committee's recommendations require no detailed comment; they speak eloquently for themselves, though not in a language which can either be understood or appreciated by any student of American Government and our institutions.

Doubtless, the Committee, as intellectuals and reformers are wont to do, believed and still believe that their labors brought forth a great charter for a true utopia. A careful reading of the report however, brings the inevitable conclusion that, instead of a utopia, the Committee would establish a veritable totalitarian government out of both the Federal and State establishments, to be supported and maintained by a most intricate Gestapo of investigators and enforcement impedimenta.

The Committee would change a vast part of both Federal and State governmental establishments and policies; but the report is utterly wanting in constitutional methods for doing so—the Committee just expresses its desires, and demands that Congress and the State legislatures comply.

The Committee's report is, truly, a historic document; and it should be preserved for posterity, as a shining example of wild-eyed and wholly irresponsible minority planning.

THE TAX BILL

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I want to address my remarks to the gentleman from Oklahoma [Mr. MONRONEY], who wants to tax and tax and tax the people of America, and spend, and spend, and spend everything he can for everybody all over the world. I want to tell you this: If you want to know what you ought to do, you ought to take care of America first and let the rest of the world look after themselves until we take care of our own people. Further, let me tell you right here and now that it is about time we thought of that. You have gotten this country in dreadful shape. You voted for all the poor laws we have put on the books the past 12 years. Now it is time the Republicans reduce taxes, reduce expenditures, and get the country out of the hole the New Deal has gotten it into. Save the American people and our country. Do not follow the New Deal any longer nor the advice of the gentleman from Oklahoma.

RUSSIAN GOLD

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, the source of the funds for Stalin to carry on his subversive activities in the United States has been essentially provided through the purchase of Russian gold by the United States Treasury. If the administration were really sincere in its protestations against further Russian expansionism it would stop immediately all further purchases of gold from Russia. I submit that the Congress could not possibly choose a better means for conveying its opposition to communism, at home and abroad, as well as Russian territorial aggression, than to immediately pass an act shutting off all further purchases of gold from that country.

EXTENSION OF REMARKS

Mr. KEATING asked and was given permission to extend his remarks in the RECORD with regard to the Palestine problem and to include editorials from the New York Herald Tribune and the Rochester Times-Union.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JONES of Washington (at the request of Mr. TOLLEFSON) was given permission to extend his remarks in the RECORD.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. JONES of Washington (at the request of Mr. MACK) was given permission to extend his remarks in the RECORD and include an address he delivered before the Rivers and Harbors Conference.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a radio address by George Reedy.

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks in the RECORD and include a statement by the Sea-Air Committee.

Mr. BEALL asked and was given permission to extend his remarks in the RECORD and include an address by Rev. Dr. Joseph F. Thorning.

Mr. MITCHELL asked and was given permission to extend his remarks in the RECORD and include an article from the United States News and World Report.

COLORADO RIVER WATER

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FLETCHER. Mr. Speaker, I am reliably informed that a subcommittee under the chairmanship of the gentleman from Indiana [Mr. HARNESS] will soon start hearings inquiring into the alleged illegal use of publicity and propaganda by the Secretary of the Interior, J. A. Krug, and the Commissioner of the Bureau of Reclamation, Michael W. Straus.

These charges have been leveled at Mr. Krug and Mr. Straus for using their high offices in lobbying Congressmen in favor of the Colorado River water claims of the State of Arizona against the water rights of the State of California.

As Representative of the California Twenty-third Congressional District of San Diego County, I am very much interested in seeing that Colorado River water, which is the source of supply of our drinking water, is fairly divided between the Colorado River States. With this in mind, I have introduced H. R. 4097, which would authorize commencement of an action by the United States to determine the interstate water rights in the Colorado River.

The State of California is now suffering an extremely serious drought condition which is so bad that in some cities there is a fine if you are found guilty of washing your car. It is ironical that at this same time, Mr. Krug and Mr. Straus are reported to be illegally using publicity and propaganda methods to gain congressional approval of the gigantic new central Arizona irrigation project, which would take water from California and seriously jeopardize our much-needed supply of drinking water.

ATOMIC BOMBS

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, yesterday, at our Nebraska Founders' Day in Lincoln, I remarked that part of our Navy was in the Mediterranean and had access to the use of atomic bombs in case of attack by Tito forces in Trieste, or by the Russians on our troops in Berlin. The Navy made a hurried denial that they had any atomic bombs available and listed the ships stationed in the Mediterranean area.

It seems to me, Mr. Speaker, in the light of what is going on in the world today, that the Navy and our military personnel would be grossly derelict in their duties in protecting our troops, if they do not have access to the atomic bomb, and indeed would use it in case our small number of troops were attacked by an overwhelming force from Tito or Joe Stalin.

A Russian general, a few weeks ago in Berlin, said that things would happen soon which would cause American troops to leave Berlin. This was a veiled threat of force. Our commander there, Gen. Lucius Clay, saw fit to state that our troops would stay in Berlin. We all know that the situation at Trieste is in a state of turmoil. The morning papers carry the headlines that the Slavs fire on Trieste—police in United States zone; and that Britain tells UN, Soviets must be halted.

A few days ago, Secretary of State Marshall said that things were very, very serious. The President echoed the same sentiment to Congress and to the country, saying we needed a return to selective service and adoption of universal military training. Military authorities admit it would be easy for the Russians to run all over Europe in a comparatively short time. Our meager troops in Europe and Trieste, might have to be evacuated in a short time. There could even be a second Dunkirk which would shock the world.

I cannot understand, Mr. Speaker, why the Navy should not have the atomic bomb on hand and ready to use should the emergency arise. I repeat, they are not fully equipped unless they do have this effective military weapon. Certainly the world knows we are making atomic bombs. What are they being made for—playthings? I would like to see our Navy and all of our armed forces fully equipped and we should let the world know that we do have atomic bombs and are ready to use them against any aggressor.

I repeat, Mr. Speaker, that if the Navy does not have the atomic bomb, they are not fully equipped for action. There is one thing that Stalin, Tito and company understands and that is the language of force. It is time to quit soft-pedaling and pussyfooting about the realities of life.

UNIVERSAL MILITARY TRAINING

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, former Justice Roberts, in testifying before a Senate committee yesterday, is reported in the press to have said:

> The core of opposition in this country to universal military training is the Communists.

That false Fascist-type statement insults the intelligence of millions of citizens including veterans and millions of the church people of this Nation who are opposed to universal military training. It goes to show how far a few self-appointed internationalists and one-world busybodies will go in false propaganda to carry their point. Many of us here in Congress, regardless of whether we are supporting or are opposed to universal military training, regard that statement as an insult to the patriotic people of the United States and their elected representatives.

If Judge Roberts and a few of his "one-worlders" who have been advocating a world government, could realize that the purposes of this great Government would best be served if they would quit trying to mislead the American people and trying to destroy the confidence of the people in representative government and retire to obscurity, the United States and the world would gain by their retirement.

The honest rank and file of the American people who are for or against universal military training have never advocated a world supergovernment that would, in fact, pull down the American flag.

They have never supported the Federal Union, Inc. and World Fellowship, Inc., of which Judge Roberts was the moving spirit, another of his wild schemes which would make the American taxpayers the Santa Claus of the world and set up a glorified world WPA. Judge Roberts' recent statement is a libel against the patriotic people of America. It is time to really retire Judge Roberts.

LEGISLATIVE POWER OF SUBPENA

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McDOWELL. Mr. Speaker, several days ago the President of the United States issued an Executive order respectfully declining to receive subpenas issued by the Congress on any person who is subject to a loyalty investigation. I have no desire to berate Mr. Truman for this action, but this presents a serious and indeed dangerous situation in these deadly times. I have this day introduced a resolution which if adopted by the Congress would, I believe cure this dangerous impasse. I shall sometime later in the day thoroughly explain this situation in a revision of my remarks.

EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and to include an article written by the gentleman from New York [Mr. SOMERS].

Mr. HAYS asked and was given permission to extend his remarks in the RECORD.

Mr. DURHAM asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD, and include an editorial and a memorial to the Congress.

THE LATE HONORABLE RICHARD NASH ELLIOTT

Mr. HARVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY. Mr. Speaker, it is my sad duty to call the attention of the House to the death of a former member.

Richard Nash Elliott, United States Representative from Indiana from 1917 to 1931, and subsequently a high official of the General Accounting Office, passed away Sunday afternoon, March 21, 1948. Although his health had been failing in recent years, he had but recently returned to his Washington home from a winter sojourn in Florida. Last week, as a result of a sudden relapse, he was removed to Emergency Hospital, where death came quietly. He was 74 years old.

The death of Dick Elliott comes as a shock to many. With kindness and respect he is remembered by former colleagues here, by a host of friends and former constituents in Indiana, and by those associated with him in the long years of his honorable and useful career as a public servant. I first made his acquaintance years ago, when as a youngster I began my apprenticeship in public office, and through the years our friendship ripened into one that remains a cherished memory for me. Dick Elliott was the last of my predecessors, and the first to greet me in Washington when I was named to the post that he served so faithfully as Congressman from the old Sixth District.

Richard N. Elliott was a native Hoosier. Born on a Fayette County farm, he attended public schools there, studied law in the county seat office of Conner & McIntosh, and was admitted to the bar in 1896. He served in the Indiana General Assembly from 1905 to 1907, and during those years as a successful lawyer became the friend of two other Connersville attorneys of opposite political faiths, the late Finley Gray and my immediate predecessor, the late Raymond S. Springer. This trio was destined by popular vote to serve in this House through a period of almost 40 years.

As a Congressman, Dick Elliott became chairman of the House Committee on Public Buildings and Grounds. In this capacity he was largely responsible for the construction and beautifying effort that led to the development of the Federal Triangle and this provided the American people such outstanding edifices as the Supreme Court and the New House Office Buildings. For this achievement, Dick Elliott was appropriately designated the father of Washington's public building program.

Before leaving his House post on March 4, 1931, Mr. Elliott was appointed by President Hoover as Assistant Comptroller General. During successive years he served in both this capacity and that of Acting Comptroller General until his retirement in 1943.

Throughout his life, Dick Elliott was highly regarded and fondly remembered for his geniality, ability, and integrity. Although a stanch Republican, he took proper pride in friendships shared with such opposition leaders as Champ Clark, Oscar Underwood, his fellow Hoosier, Thomas Marshall, and our former Speaker and Vice President, John Nance Garner.

I am sure that those who were privileged to know Dick Elliott join me in extending heartfelt condolence to his gracious widow, Elizabeth Ostheimer Elliott.

His body will be returned to Indiana for final rest in the land he loved so well. In the hearts of the many who knew this man and treasured his friendship, an epitaph is indelibly fixed for one who served with faith, understanding, and tolerance. Of him it should be said:

> He lived in a house by the side of the road, and was a friend of man.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. RAYBURN. I was also a Member during the service of Dick Elliott in the House of Representatives. He was one of the most popular men on both sides of the aisle with whom I ever had the privilege of serving. He was deserving of popularity because he was a gentle type of man. He was a friendly man and an efficient and capable legislator, as well as a good man.

Mr. HARVEY. I thank the gentleman for his contribution.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. HALLECK. All of us who knew Dick Elliott certainly join with the gentleman from Indiana [Mr. HARVEY] in expressing our great sorrow at his passing. When I came to the Congress in 1935 Dick Elliott was not then a Member of this body. But I soon became acquainted with him. He sought me out. He was always friendly and he was always willing to give you the benefit of his advice. One could be certain that whatever advice he offered was always his sincere and honest opinion. I have not met anyone any more reliable.

While Dick Elliott was a Republican and loyal to his party in the performance of his duties as a member of another branch of the Government, he never let politics interfere with that assignment or influence his decisions. Rather he did the right as he saw the right without favor and without fear. He thus made many friends here on both sides of the aisle who will never forget him. He was always pleasant and agreeable. Above all, he was an honest, intelligent, and able man. All of us from Indiana, as I am sure all who knew him, whatever his State or political faith, join with the gentleman from Indiana in mourning the loss of Dick Elliott.

Mr. HARVEY. I thank the gentleman for his contribution.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. RANKIN. Mr. Speaker, it was my pleasure to serve with Dick Elliott for 10 years in the House, and we lived in the same building for many years.

I knew him better than almost any other Member of Congress—not only him, but his elegant wife, to whom our hearts go out today in her present bereavement.

I can only say to the House what I said when I heard of Dick Elliott's death:

Another milestone along the highway of life has become the monument to a departed friend.

Mr. HARVEY. I thank the distinguished gentleman from Mississippi.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. KNUTSON. It so happened that Mr. Elliott and I came to the House at the same time. It was back in 1917, and I am the sole survivor of the Sixty-fifth Congress on the Republican side. I early learned to know Mr. Elliott for his sterling worth, his sound judgment, and his fine Americanism.

In his death the country has sustained a real loss.

Mr. HARVEY. I thank the distinguished gentleman from Minnesota.

Mr. REED of New York. Mr. Speaker, it was with deep sorrow that I learned of the sudden death of my dear friend, Hon. Richard Elliott, a distinguished son of the State of Indiana. I had the honor of serving with my good friend for several years in the House of Representatives. It was my privilege and one I shall always treasure of serving as a member of the Public Buildings and Grounds Committee of which my good friend Dick was chairman. He was a just, courageous, and honest man who enjoyed the confidence of his colleagues on both sides of the House. Whatever legislation came from the committee of which he was chairman was flawless and constructive. Through his wisdom and rare foresight a much-needed program of public buildings was inaugurated, especially post-office buildings. There was a great need for public buildings in the Capitol City following World War I, and these were provided under the leadership of Chairman Richard Elliott.

Those citizens who love the national Capitol because of its beauty and charm will always be indebted to Representative Richard Elliott for adhering to the master plan of Major L'Enfant whenever changes were suggested for the city. I have never known in my long service in Congress a more effective legislator than my good friend Dick.

The State of Indiana and the Nation which he served so faithfully and so well have lost a great American and also a man who dedicated himself to the fundamental principles of American constitutional government. I have lost a valued and sincere friend whom I have held in the highest esteem and affection these many years.

I extend my deepest sympathy to Mrs. Elliott and to the relatives and friends of our departed former colleague.

FOREIGN ASSISTANCE ACT, 1948

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up privileged resolution (H. Res. 506) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed 4,000 additional copies of the report of the Committee on Foreign Affairs (H. Rept. No. 1585) entitled "Foreign Assistance Act of 1948," of which 1,000 copies shall be for the Senate document room, 2,000 copies for the House document room, and 1,000 copies for the use of the Committee on Foreign Affairs.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT TO TITLE VI, NATIONAL HOUSING ACT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5854) to amend title VI of the National Housing Act, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 603 (a) of the National Housing Act, as amended, is hereby amended—

(1) by striking out "$4,450,000,000" and inserting in lieu thereof "$ ";

(2) by striking out "$4,950,000,000" and inserting in lieu thereof "$ ";

(3) by striking out "March 31, 1948" wherever it appears therein and inserting in lieu thereof "March 31, 1949";

(4) by striking out the period at the end thereof and adding a comma and the following: "and that, of the total authorization provided in this subsection, not less than $ shall be made available for the insurance of mortgages on rental properties under section 608, and not less than $ shall be made available for the insurance of mortgages on multifamily dwellings under section 603, on which commitments for insurance are issued subsequent to March 31, 1948."

(b) Section 603 (b) (2) of such act, as amended, is hereby amended by striking out the following: "necessary current cost (including the land and such initial service charges and such appraisal, inspection, and other fees as the Administrator shall approve)" and inserting in lieu thereof "value (as of the date the mortgage is accepted for insurance)."

(c) Section 603 (b) (5) of such act, as amended, is amended to read as follows:

"(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any one time, or not to exceed 5 percent per annum if the Administrator finds that in certain areas or under special circumstances the mortgage market demands it."

SEC. 2. Section 604 (b) of such act, as amended, is hereby amended by striking out "necessary current cost" and inserting in lieu thereof "value."

SEC. 3. (a) Section 608 (b) (3) (B) of such act, as amended, is hereby amended by striking out the semicolon and the word "and" at the end of the first proviso and inserting in lieu thereof a colon and the following: "*And provided further*, That the principal obligation of the mortgage shall not, in any event, exceed 90 percent of the Administrator's estimate of the replacement cost of the property or project on the basis of the costs prevailing on December 31, 1947, for properties or projects of comparable quality in the locality where such property or project is to be located; and."

(b) Section 608 (b) (3) (C) of such act, as amended, is hereby amended to read as follows:

"(C) not to exceed $8,100 per family unit for such part of such property or project as may be attributable to dwelling use.

"The mortgage shall provide for complete amortization by periodic payments within such term as the Administrator shall prescribe, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time, or not to exceed 5 percent per annum if the Administrator finds that in certain areas or under special circumstances the mortgage market demands it."

SEC. 4. Title VI of such act, as amended, is hereby amended by adding after section 610 the following new section:

"SEC. 611. (a) In addition to mortgages insured under other sections of this title, and in order to assist and encourage the application of cost reduction techniques through large scale modernized site construction of housing and the erection of houses produced by modern industrial processes, the Administrator is authorized to insure mortgages (including advances on such mortgages during construction) which are eligible for insurance as hereinafter provided.

"(b) To be eligible for insurance under this section, a mortgage shall—

"(1) have been made to and be held by a mortgagee approved by the Administrator as responsible and able to service the mortgage properly;

"(2) cover property, held by a mortgagor approved by the Administrator, upon which

there is to be constructed or erected dwelling units for not less than 25 families consisting of a group of single-family or two-family dwellings approved by the Administrator for mortgage insurance prior to the beginning of construction: *Provided*, That during the course of construction there may be located upon the mortgaged property a plant for the fabrication or storage of such dwellings or sections or parts thereof, and the Administrator may consent to the removal or release of such plant from the lien of the mortgage upon such terms and conditions as he may approve; and

"(3) involve a principal obligation in an amount—

"(A) not to exceed 90 percent of the amount which the Administrator estimates will be the value of the completed property or project, exclusive of any plant of the character described in paragraph (2) of this subsection located thereon, and

"(B) not to exceed a sum computed on the individual dwellings comprising the total project as follows:

"(i) $8,1600 or 90 percent of the valuation, whichever is less, with respect to each single-family dwelling, and

"(ii) $12,500 or 90 percent of the valuation, whichever is less, with respect to each two-family dwelling.

"with respect to the insurance of advances during construction, the Administrator is authorized to approve advances by the mortgagee to cover the cost of materials delivered upon the mortgaged property and labor performed in the fabrication or erection thereof; and

"(4) provide for complete amortization by periodic payments within such term as the Administrator shall prescribe and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time. The Administrator may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release.

"(c) Preference or priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families and for hardship cases as defined by the Administrator shall be provided under such regulations and procedures as may be prescribe by the Administrator.

"(d) The provisions of subsections (c), (d), (e), and (f) of section 608 shall be applicable to mortgages insured under this section."

With the following committee amendments:

Page 1, line 6, strike out "$" and insert in lieu thereof "$5,950,000,000."

Page 1, line 8, strike out "$" and insert in lieu thereof "$6,950,000,000."

Mr. RAYBURN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RAYBURN. Just how are we proceeding? The gentleman from Michigan did not ask unanimous consent that this bill be considered in the House as in the Committee of the Whole and I am just wondering upon what basis we are proceeding. It is a bill that carries a large authorization.

The SPEAKER. The gentleman from Michigan asked unanimous consent that it be considered in the House. When that consent was given it automatically would be considered in the House as in the Committee of the Whole.

Mr. RAYBURN. That is perfectly all right; I just did not hear that part of the gentleman's request.

Mr. JAVITS. Mr. Speaker, I move to strike out the last word in order to ask the gentleman from Michigan [Mr. WOLCOTT], two questions: First, what is the amount of the expansion in mortgage insurability which we are called upon to make in title VI?

Mr. WOLCOTT. The aggregate of insurance under title VI is increased to $6,950,000,000. The bill provides for a $2,000,000,000 increase. Of this $1,000,000,000 is a statutory increase, the second being left within the discretion of the President, which has been the traditional manner of handling these authorizations.

We provide also that not less than $600,000,000 be reserved for the insurance of what we refer to as 608 projects, which are the large multiple-dwelling units, the big apartment houses; and at least $200,000,000 be reserved for apartment houses of four or less units. That would leave the billion dollars for all purposes in addition to that.

Mr. JAVITS. I understand that applications for mortgage insurance under title VI have been running at the rate of an average of $50,000,000 a week. Mr. Speaker, right now, in the absence of a comprehensive housing bill this expansion of authority under title VI is about the only way veterans can hope to get new housing. I am very glad to see it and I think other Members interested in housing should be.

My other question relates to the provision which I understand is in the bill, which the gentleman from Michigan can confirm as we have had no chance to study this bill considering its coming up on consent, that the definition of the type of appraisal which is to be made as the basis for FHA title VI mortgages has been changed from one of necessary cost, which is the way it stood before, to one of value. The difference is that using a basis of value the bill would not give due consideration to the present abnormally high costs of building. The difference between the two standards of value and necessary cost is a reduction of between $500 and $700 in every mortgage. That makes quite a bit of difference when you are borrowing on a $6,000 or $8,000 per unit basis. Consequently many less homes may be built because builders may not venture if they cannot get a necessary cost instead of a value basis for the mortgages.

Mr. WOLCOTT. It is a matter left within the discretion of the Administrator. He can determine whether it shall be 90 percent of construction costs or 90 percent of present value, or he may provide that the insurance cover not to exceed 90 percent of the value. It will allow some discretion in the Administrator to determine the real value of these properties and thereby the attendant liability of the Government in respect to this insurance. Heretofore the Administrator has had little or no discretion and to insure to 90 percent of the construction cost offered no inducement to the builder to keep his construction costs down. We think this is in the interest of getting better and cheaper homes for our veterans and everyone else and at the same time protecting the Federal Government in respect to its continued liability on this insurance.

Mr. JAVITS. I may say that we are really concerned with getting the maximum number of homes even if the insurability is made somewhat more generous; but I am glad to see that the basis of appraisal for mortgages is at least left open to discretion.

Mr. BUFFETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BUFFETT. Mr. Speaker, does the consideration of this bill by unanimous consent carry the implication that the passage of it is without opposition

The SPEAKER. No. It simply means a way of getting the bill on the floor promptly for consideration. At the proper time the Chair will put the question on the passage of the bill and the gentleman may vote against it if he so desires.

Mr. MONRONEY. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I take this time to ask the distinguished chairman of the Committee on Banking and Currency if he can clear up a question in reference to the amount of interest rates which will be charged against these title VI loans.

As I understand it, we made it optional in the committee bill with the Federal Housing Administration for the interest rate to be increased in such limited localities where it is absolutely necessary to get additional financing for these title VI loans?

Mr. WOLCOTT. I will be very happy to answer the gentleman. There are two working titles in this bill. Title II requires a 20-percent down payment, you may say, with limited insurance at 80 percent of the value. Title VI authorizes insurance at not to exceed 90 percent of the current cost, as amended here to value.

In title II there is a provision that the interest is within the discretion of the Administrator and shall not exceed 6 percent. In what is known as 603—that is, title VI, section 603—which has to do with the insurance of projects having not more than four family units, we froze the interest rate at 4 percent, but in section 608, under which most of the large projects of over four families are constructed we allow this latitude up to 5 percent. The prevailing interest rate under section 608 insurance is 4½ percent.

We were confronted with this situation: Because of the inducements held out by nontaxable securities, principally municipals, the banks have shied away from these title VI, 4-percent mortgages. In other words, the market is such that we felt some discretion should be left in the Administrator as was formerly provided by law to meet changes in the money market and the credit market. So if it is necessary, under strict control, of course, to increase the rate one-sixteenth, one-eighth, or one-fourth, or in very extreme cases which we do not

anticipate, up to not to exceed 5 percent, he may do so in order to provide for the marketability of this paper so that we would effectuate the purposes of the act which are to continue the momentum of housing that exceeded all of our expectations last year.

It makes the act more flexible in many respects, and it gives reasonable assurance that there will be no lack of financing during the current year for home construction.

Mr. MONRONEY. It is the gentleman's intention then that this increase in interest rate will be used only in such emergency cases and in localities where financing at the present rate is absolutely unavailable?

Mr. WOLCOTT. The language of the act says he may do this if he finds that in certain areas or under special circumstances it is necessary.

Mr. MONRONEY. What I am trying to establish is the legislative history of this act, that the Congress is not inviting this increased rate on all title VI interest loans.

Mr. WOLCOTT. No.

Mr. MONRONEY. It is only to take care of the select cases where the financing is not obtainable at the present rate, in which case he may go forward a little bit in order to carry out the purposes of the act and in order to get houses built.

Mr. WOLCOTT. The gentleman has stated it correctly, and the Administrator and industry should understand that when and if we can market this paper for 4 percent, that that is the interest rate. It is only in these exceptional circumstances where the volume of housing is suffering because of the money market, the special circumstances, that he is authorized to do it, and that is why we did not by legislation increase the interest rate by statute.

Mr. MONRONEY. One more question. This bill will still permit the Federal Home Mortgage Insurance Company, commonly called "Fannie May," a subsidiary of RFC, to buy FHA title VI mortgages, and support the market.

Mr. WOLCOTT. There is no limitation.

Mr. MONRONEY. There is no limitation on the amount they can buy at present?

Mr. WOLCOTT. That is right.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that the gentleman be given one additional minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, if the gentleman will yield, will the gentleman advise the House whether he is in agreement with this increase of interest provision in the bill?

Mr. MONRONEY. I am a bit fearful that it might be an invitation to the home-mortgage people to sit back and wait until the interest rate is raised before accepting them. But with the very adequate explanation of our distinguished chairman, and with the understanding of the House that this is for use only in special emergency cases, then I am willing to go along.

If I were sure that Congress would be in session for all of this year so that we could come back and raise the interest rate by legislation, if it became necessary, I would much prefer that course. But, I am fearful that the Congress will leave Washington, and that the only chance to make good on this year's home-building program is to permit in these special and extraordinary cases a variation upward slightly in the interest rate.

Mr. JAVITS. And the gentleman feels sure that some money now being withheld from the mortgage market, at least, will come out in this way.

Mr. MONRONEY. I am sure some will come out.

Mr. BOGGS of Louisiana. Mr. Speaker, I move to strike out the last words.

Mr. Speaker, I should like to take one or two minutes to point out to the Members of the House that in the legislation now being considered the committee has done something which, in my opinion, will be extremely helpful in solving the housing problem. In the hearings before the Joint Committee on Housing, made up of 7 Senators and 7 Members of the House, we discovered that there was practically no Government encouragement being given to the growing prefabrication housing industry, and that many of the answers to the problems of housing could very possibly be found in this new industry which is now developing all over America.

Last year we wrote into this legislation section 609. Unfortunately the legal limitations were such that it was impossible for the Administrator to extend any substantial assistance to the prefabrication industry. In the bill before us provisions are incorporated which will permit the great prefabrication housing industry to get under way and make a real contribution toward solving the pressing housing problem. I should like to congratulate the chairman and members of the committee for accepting this provision.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield to the gentleman from Illinois.

Mr. SABATH. In regard to the prefabricated houses that could be sold for $5,000 or $6,000 to our ex-service men, one or two houses here and there, and not built on a large scale, where the little contractor was unable to get this loan, will he be relieved or aided?

Mr. BOGGS of Louisiana. In my opinion, yes. There is no limitation on the number of houses; 1 unit or 100,000 units are eligible for governmental loans.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield to the gentleman from Florida.

Mr. SIKES. I note in a number of instances that it is becoming difficult to secure financing of mortgages on housing constructed under the Federal Housing Acts. I wonder if the committee has taken steps toward providing that the Government may offer a market for mortgages where it is not possible to get private financing of construction.

Mr. BOGGS of Louisiana. I yield to the distinguished chairman of the committee to answer that question.

Mr. WOLCOTT. There has been a great deal of discussion with respect to a secondary market. We think that in many respects the passage of this bill will obviate the necessity of the Federal Government buying without recourse these mortgages and thereby creating a direct liability. We know that it will help that subject. But some time during this session we probably will be giving consideration to other housing legislation. We are reviewing several possibilities with respect to the "Fannie-May," as we call it, and the home-loan bank. They were set up primarily to constitute a secondary market. We might make some changes if the need for them arises. The provisions in this bill probably will help that situation sufficiently so that the present existing secondary markets will perhaps be sufficient, but if they are not sufficient, I think we can give the gentleman the assurance that we are not going to take any chances on this housing construction slowing up. If the secondary market is stopping it, we will give very considerable consideration to recreating one or creating a new one to do the job.

Mr. SIKES. I am glad to hear my distinguished friend say that. In the smaller communities I find it is quite difficult to get financing, and I find that many veterans are finding it difficult to secure financing for their homes.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield to the gentleman from Indiana.

Mr. HALLECK. I think it ought to be pointed out that this title VI provision expires March 31. That is the reason for bringing the matter up in this manner and undertaking to bring about its passage at this time. I sincerely hope that action may be expedited and the matter brought to a conclusion.

The SPEAKER. The time of the gentleman from Louisiana has expired.

Mr. BROOKS. Mr. Speaker, I move to strike out the last word for the purpose of asking the gentleman from Louisiana a question in line with the question asked by the gentleman from Florida a moment ago. Does not this bill permit secondary financing of loan mortgages through the Reconstruction Finance Corporation?

Mr. BOGGS of Louisiana. As the gentleman will recall that the House last year eliminated the authority of the Reconstruction Finance Corporation to purchase these mortgages. For my own part, I think that was a very serious mistake. I appreciate the statement made by the chairman of the committee, but it is my own opinion, and I believe the opinion of some other members of the committee, that some new authority must be created sooner or later. This bill does not contain that authority. That is the answer to the gentleman's question.

Mr. BROOKS. I think a serious mistake has been made in that respect. I know that in a great many areas con-

struction is suffering and suffering very seriously because there is no provision of law to refinance these construction loans with the Reconstruction Finance Corporation, as we did a year or two ago. I would look with much favor upon the restoration of that authority.

Mr. BOGGS of Louisiana. May I say to the gentleman that the same complaint was heard all over the Nation by the joint committee. May I also say that on yesterday I introduced a bill which creates a corporation in the Home and Finance Agency of the Government which would restore that authority.

Mr. BROOKS. In the last session of the Congress, the Senate passed a bill raising the amount of mortgage paper which might be refinanced through the Reconstruction Finance Corporation. That bill came to the House of Representatives, where it failed for lack of action. I tried to get it brought up for consideration but was not able to do so. It was a good bill and should have passed the House.

Mr. BOGGS of Louisiana. As I recollect, both the gentleman and I voted against taking this important authority away from the Reconstruction Finance Corporation.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 2, line 4, insert "$800,000,000."

Mr. SPENCE. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the expeditious passage of legislation is certainly to be desired, but sometimes I believe that we can proceed too speedily. I would think so in this case if it were not for the emergency that exists and the necessity for the immediate passage of this bill. I have not had an opportunity to read the bill or the report. But title 6 of the National Housing Act expires on the 31st of this month. It has certainly served the most useful purpose, particularly in these times of emergency. It has stimulated home building in a way that I am sure we have all desired by insuring private enterprise. I think wherever the Government has gone into the insurance business, it has not invaded the field of private enterprise but has rendered services that otherwise could not have been obtained. We have seen that in the case of the Federal Deposit Insurance Corporation, the Federal Savings and Loan Corporation, the War Damage Corporation, the Crop Insurance Corporation, and the Federal Housing Administration. This is another field where private enterprise was not invaded by the Government, and where the results have been advantageous to everyone. I hope the bill will be passed unanimously by the House. It would be a tragedy to see title 6 at this time discontinued. The $2,000,000,000 of insurance authorized will be rapidly applied to insuring mortgages for home construction, probably the greatest national need at the present time. More than that, it will develop private enterprise to continue to meet that emergency.

The SPEAKER. The question is on the amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 2, line 6, insert "$200,000,000."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 4, line 7, insert the following: "The Administrator may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release.

"SEC. 4. Section 609 of such act, as amended is hereby amended:

"(a) By striking out all of paragraph (1) of subsection (b) and inserting in lieu thereof the following:

"'(1) The manufacturer shall establish that binding purchase contracts have been executed satisfactory to the Administrator providing for the purchase and delivery of the houses to be manufactured, which contracts shall provide for the payment of the purchase price at such time as may be agreed to by the parties thereto, but, in no event, shall the purchase price be payable on a date in excess of 30 days after the date of delivery of such houses, unless not less than 20 percent of such purchase price is paid on or before the date of delivery and the lender has accepted and discounted, or has agreed to accept and discount, pursuant to subsection (1) of this section a promissory note or notes, executed by the purchaser, representing the unpaid portion of such purchase price, in which event such unpaid portion of the purchase price may be payable on a date not in excess of 180 days from the date of delivery of such houses.'

"(b) By striking out all of paragraph (4) of subsection (b) and inserting in lieu thereof the following:

"'(4) The loan shall involve a principal obligation in an amount not to exceed 90 percent of the amount which the Administrator estimates will be the necessary current cost, exclusive of profit, of manufacturing the houses, which are the subject of such purchase contracts assigned to secure the loan, less any sums paid by the purchaser under said purchase contracts prior to the assignment thereof. The loan shall be secured by an assignment of the aforesaid purchase contracts and of all sums payable thereunder on or after the date of such assignment, with the right in the assignee to proceed against such security in case of default as provided in the assignment, which assignment shall be in such form and contain such terms and conditions, as may be prescribed by the Administrator; and the Administrator may require such other agreements and undertakings to further secure the loan as he may determine, including the right, in case of default or at any time necessary to protect the lender, to compel delivery to the lender of any houses then owned and in the possession of the borrower. The loan shall have a maturity not in excess of 1 year from the date of the note, except that any such loan may be refinanced and extended in accordance with such terms and conditions as the Administrator may prescribe for an additional term not to exceed 1 year, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum (or not to exceed 5 percent per annum if the Administrator finds that special circumstances demand it) on the amount of the principal obligation outstanding at any time.'

"(c) By adding at the end of subsection (f) the following new sentence: 'The provisions of section 603 (d) shall also be applicable to loans insured under this section and the reference in said section 603 (d) to a mortgage shall be construed to include a loan or loans with respect to which a contract of insurance is issued pursuant to this section.'

"(d) By adding at the end thereof the following new subsections:

"'(i) (1) In addition to the insurance of the principal loan to finance the manufacture of housing, as provided in this section, and in order to provide short-term financing in the sale of houses to be delivered pursuant to the purchase contract or contracts assigned as security for such principal loan, the Administrator is authorized, under such terms and conditions and subject to such limitations as he may prescribe, to insure the lender against any losses it may sustain resulting from the acceptance and discount of a promissory note or notes executed by a purchaser of any such houses representing an unpaid portion of the purchase price of any such houses. No such promissory note or notes accepted and discounted by the lender pursuant to this subsection shall involve a principal obligation in excess of 80 percent of the purchase price of the manufactured house or houses; have a maturity in excess of 180 days from the date of the note or bear interest in excess of 4 percent per annum (or in excess of 5 percent per annum if the Administrator finds that special circumstances demand it); nor may the principal amount of such promissory notes, with respect to any individual principal loan, outstanding and unpaid at any one time exceed in the aggregate an amount prescribed by the Administrator.

"'(2) The Administrator is authorized to include in any contract of insurance executed by him with respect to the insurance of a loan to finance the manufacture of houses, provisions to effectuate the insurance against any such losses under this subsection.

"'(3) The failure to the purchaser to make any payment due under or provided to be paid by the terms of any note or notes executed by the purchaser and accepted and discounted by the lender under the provisions of this subsection shall be considered as a default under this subsection, and if such default continues for a period of 30 days, the lender shall be entitled to receive the benefits of the insurance, as provided in subsection (d) of this section except that debentures issued pursuant to this subsection shall have a face value equal to the unpaid principal balance of the loan plus interest at the rate of 4 percent per annum from the date of default to the date the application is filed for the insurance benefits.

"'(4) Debentures issued with respect to the insurance granted under this subsection shall be issued in accordance with the provisions of section 604 (d) except that such debentures shall be dated as of the date application is filed for the insurance benefits and shall bear interest from such date.

"'(5) The Administrator is authorized to fix a premium charge for the insurance granted under this subsection, in addition to the premium charge authorized under subsection (h) of this section, such premium charge shall not exceed an amount equivalent to 1 percent of the original principal of such promissory note or notes and shall be paid at such time and in such manner as may be prescribed by the Administrator.'

"(e) Amend section 609 as follows:

"'(j) To further carry out the purposes referred to in subsection (a) the Administrator is authorized to insure loans to finance the manufacture of housing equipment used

on the job site in the actual construction of housing (including advances on such loans) in the same manner and under the same conditions applicable with respect to loans eligible for insurance under subsection (b): *Provided*, That to the extent the proceeds of the loan are used for the purchase of equipment, plant, or machinery the principal obligation shall not exceed 75 percent of the purchase price of such equipment, plant, or machinery.

" 'The other provisions of this section insofar as they are applicable shall apply in like respect and effect to loans insured under this subsection.'

"SEC. 5. Section 610 of such act, as amended, is amended by adding at the end thereof the following new paragraph:

" 'The Administrator is further authorized to insure or to make commitments to insure in accordance with the provisions of this section any mortgage executed in connection with the sale by the Government, or any agency or official thereof, of any of the so-called Greenbelt towns, including projects known as Greenhills, Ohio, Greenbelt, Md., and Greendale, Wis., developed under the Emergency Relief Appropriation Act of 1935, and any mortgage executed in connection with the first resale, within 2 years from the date of its acquisition from the Government, of any portion of a project or property which is the security for a mortgage insured pursuant to the provisions of this section.' "

Mr. SMITH of Ohio. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 9, line 5, strike out all beginning at line 5 through and including line 16 on page 9.

Mr. SMITH of Ohio. Mr. Speaker, the provision which I am asking to have stricken from the bill provides for financing the manufacture of housing equipment used on the job site. We had no hearings on this matter. No evidence was presented to the committee that the people engaged in this line of manufacturing want the Government to guarantee the financing of their operations.

May I ask the gentleman from Louisiana [Mr. BOGGS] whether he has had any requests from any concerns for such a guaranty?

Mr. BOGGS of Louisiana. Yes.

Mr. SMITH of Ohio. Will you name the firms for the House, please?

Mr. BOGGS of Louisiana. It would be very difficult to do that, because everywhere the Joint Committee on Housing went throughout the last 6 months, in every prefabricated industry we had requests similar to this.

Mr. SMITH of Ohio. But you cannot name any specific concern that asked for this?

Mr. BOGGS of Louisiana. Will the gentleman yield?

Mr. SMITH of Ohio. Yes; I yield.

Mr. BOGGS of Louisiana. I may say that one of the finest prefabricated houses in this country is being manufactured in the city of New Orleans by the Higgins Industries, the famous boatbuilding firm, and a specific request was made there.

Mr. SMITH of Ohio. By the Higgins people, for what? For the purpose of guaranteeing the manufacture of housing equipment, or the construction of houses?

Mr. BOGGS of Louisiana. That is rather difficult to distinguish.

Mr. SMITH of Ohio. That is not at all difficult to distinguish. The gentleman understands me perfectly well. There is no justification whatsoever for this provision in this bill. You may just as well go another step and finance the people who manufacture the parts that go into home construction, and go on a little farther and guarantee the financing of the people who supply the furnishings of the home. There is just no limit because if you adopt the principle you sanction the whole procedure. We are guaranteeing a great deal. We do not know what our liabilities are at the present time. Where we have not even had any request for this procedure, I think we should refrain entirely from even considering it.

I ask, Mr. Speaker, that this amendment be adopted in the name of simple fairness, justice, and a little common sense and decency.

The SPEAKER. The time of the gentleman from Ohio [Mr. SMITH] has expired.

Mr. BOGGS of Louisiana. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I regret the necessity for again speaking to the Members, but I think it incumbent upon me to speak in opposition to the amendment offered by my good friend from Ohio, Dr. SMITH.

As a matter of fact, I think I can state, without fear of contradiction, that Dr. SMITH is really opposed to this whole bill. He has picked out this one section because he is probably more opposed to this section than to the bill itself. I have no complaint to make about that. The gentleman from Ohio, Dr. SMITH, feels that the Federal Government should extend no aid to anyone in the construction of housing in this country.

The truth of the matter is that one of the gravest social and economic problems facing this Nation is the housing shortage. Every provision in this bill is supported by private enterprise. Every provision in this bill is an aid to private enterprise. So far in the administration of the FHA these loans have not cost the taxpayers of this country one single, solitary cent. They have made possible today the only housing program that we have.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Louisiana. I am glad to yield to my good friend from Mississippi who is the author of one of the bills to extend title VI.

Mr. COLMER. I understand from the gentleman's remarks that one of the objectives of this manner of meeting this housing shortage is to have it done by private enterprise rather than by the Government stepping in and doing it upon some other basis.

Mr. BOGGS of Louisiana. That is right, but if private enterprise does not do it the Government is going to have to do it.

Mr. COLMER. Because we do have an acute shortage of housing.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield.

Mr. MONRONEY. As I understand the purpose of the amendment of the gentleman from Ohio, it is to strike out that amendment which makes possible the insurance of loans to get these improved methods of production in housing; to lower the costs of this finished housing by using modern technological methods, and modern machinery in the building of homes for veterans.

Mr. BOGGS of Louisiana. That is positively correct. The proposition was debated at length before the committee and adopted by the committee.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Louisiana. I am glad to yield to my committee colleague from Georgia. It was through his effort that RFC was given authority to purchase GI loans. We need some authority.

Mr. BROWN of Georgia. I wish to pay a compliment to the gentleman from Louisiana and to the committee because it is deserved. Of all the witnesses who appeared before our committee none of them criticized the operations of FHA, but praised it.

May I again say that year before last, when we were extending the life of the RFC, I introduced an amendment which was adopted by the committee and by the House under which the RFC could buy these mortgages to help these GI boys out. We lost it last year on the floor of the House. I offered the amendment, but it was lost by a few votes. So I am delighted to hear what my chairman said here, and I do hope that before very long we will amend the RFC Act so as to permit them to buy these GI loans.

Mr. GAMBLE. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield.

Mr. GAMBLE. Is it not true that this section is a corollary to the original 609 section, which provided for prefabricated houses?

Mr. BOGGS of Louisiana. That is correct.

Mr. GAMBLE. This would also include the La Tourneau type of house.

Mr. BOGGS of Louisiana. That is correct.

Mr. GAMBLE. I would like to reiterate that the Higgins house that we saw is the finest house we saw any place around the United States. He has done a fine job, and this would help continue that work. I believe they constructed the one we saw in 6 days, was it not?

Mr. BOGGS of Louisiana. That is right. I appreciate the gentleman's contribution very much. I may say to the membership that the gentleman who just made that statement, the gentleman from New York [Mr. GAMBLE] was chairman of the joint committee of the House and Senate which spent 6 months studying the housing situation.

I am glad to say, too, that the Higgins house has been approved by FHA. It is manufactured in New Orleans by the famous boatbuilding firm.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield.

Mr. SMITH of Ohio. I think the gentleman from Louisiana knows that the gentleman from Ohio has never in his going-on-10 years of service in the Con-

gress relied on any other Member to tell the rest of the membership where he stood on any measure that came to this body for consideration.

Mr. BOGGS of Louisiana. I think that is true. I congratulate the gentleman.

Mr. SMITH of Ohio. And I wish the gentleman had taken at least one moment during his 5 minutes to substantiate his position, or to refute my argument that the people he is asking to be financed never requested such assistance.

Mr. BOGGS of Louisiana. That is not true. I will refute that statement. I will say that everywhere we went, and by "we" I mean the joint committee, the prefabricated housing industry representatives asked for help; and this amendment provides help.

The SPEAKER. The question is on the amendment offered by the gentleman from Ohio to the committee amendment.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 16, noes 56.

So the amendment to the amendment was rejected.

Mr. WOLCOTT. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. WOLCOTT: On page 9, line 5, amend the committee amendment by striking out all of line 5.

Mr. WOLCOTT. Mr. Speaker, this amendment is offered to correct a drafting situation that is no longer necessary because of the language of lines 21 and 22.

The SPEAKER. The question is on the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The SPEAKER. The question is on the committee amendment as amended.

The committee amendment, as amended, was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 10, line 10, strike out "4" and insert "6."

The committee amendment was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 6, strike out "with" and insert "With."

The committee amendment was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 17, after the word "time," insert "or not to exceed 5 percent per annum if the administrator finds that in certain areas or under special circumstances the mortgage market demands it."

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. McCOWEN asked and was given permission to extend his remarks in the RECORD and include a resolution by the village of Milford, Ohio.

Mr. JENKINS of Ohio (at the request of Mr. TIBBOTT) was given permission to extend his remarks in the Appendix of the RECORD and include a speech.

PAYMENT OF SALARIES COVERING PERIODS OF SEPARATION FROM THE GOVERNMENT SERVICE IN THE CASE OF PERSONS IMPROPERLY REMOVED FROM SUCH SERVICE

Mr. REES. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1486) to provide for payment of salaries covering periods of separation from the Government service in the case of persons improperly removed from such service, with House amendments thereto, insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kansas. [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. REES, SADLAK, and MURRAY of Tennessee.

FOREIGN ASSISTANCE ACT OF 1948

Mr. HERTER. Mr. Speaker, I call up House Resolution 505 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 15 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Foreign Affairs now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. HERTER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SARATH], and at this time I yield myself such time as I may require.

Mr. Speaker, the present resolution makes in order the consideration of S. 2202 with 15 hours of general debate. It likewise provides that the substitute committee amendments recommended by the House Committee on Foreign Affairs now in the bill be considered under the 5-minute rule as an original bill.

I hope that the resolution will be adopted. Should it be adopted, it is my understanding that general debate will consume the next 3 days, and that the House will then adjourn over Good Friday until Monday, and that the bill will be read for amendment beginning on Monday.

In view of the fact that this piece of legislation is one of the utmost importance and that most of its provisions have been given the closest scrutiny both by the other body and by the House Committee on Foreign Affairs, I hope that the work of the House can be expedited next week when the bill is being read for amendment. With this in mind, I would urge most strongly that Members having amendments to offer would, if possible, confer in advance with the House Foreign Affairs Committee, or at least place in the record during general debate the text of these amendments in order that the smallest possible number of amendments will be offered to which no prior consideration has been given either by the committee or by the Membership of the House.

Probably no subject matter in our recent history has been given as exhaustive study and consideration as the subject matter of the bill we shall have under consideration if the rule is adopted. I wish to pay my respects to the Committee on Foreign Affairs for the excellent report which accompanies the bill—a report which has summarized in as terse a form as possible the great mass of documentary material and evidence made available as a result of the various studies and the hearings.

Many Members of the House, whether members of the Committee on Foreign Affairs or the House Select Committee on Foreign Aid, or as members of other committees whose work is directly affected by the program outlined in this bill, have given a great deal of time and thought to how best the purposes which this bill sets out to achieve can be realized. It is inevitable that there should have been differences of views on a large number of points. I feel that the bill now before us, like any piece of legislation dealing with so vast and complicated a subject, represents an extremely fair compromise of these various divergent views. For that reason, I shall support it in all its principal provisions. Even though many of us might feel that our own individual views, if carried into the law, might improve it, nevertheless, the passage of the bill is of such urgency that I feel we should subordinate our

personal opinions in order that the legislation may move forward to completion at the earliest practicable moment.

Why is this legislation so important? And why is it so urgent? The first question is fully answered in the report of the Committee on Foreign Affairs. Every Member of this House must be fully aware of the economic plight of the nations of western Europe or of Asia, whose economic and social fabric has been so seriously damaged either by war destruction or by the indirect repercussions of war. The recuperative processes, which all of us had hoped might follow in the wake of war and in the wake of large measures of assistance which we have given, have been infinitely slower than we had hoped, even though there are elements of optimism in the over-all picture. Every Member knows why the recuperative processes have been so slowed down and why recovery in western Europe as well as in the Far East has met unforeseen and stubborn resistance. It is because of the determination of the Russian-inspired Communists to prevent the return of social stability or economic recovery. It is this same force which brings the answer to the second question—namely, the urgency for this legislation. Not only has there been fierce resistance on the part of the Communists to every effort on our part to be of material aid, but, in addition, Russia has apparently stepped up its timetable in what no one can now doubt to be a steadily accelerated expansionist movement—a movement calculated to bring within the Russian orbit nation after nation bordering on the Russian sphere of control—whether by the internal support of minorities or by the external threat of force.

The time has come to call a halt—not through words alone, but through action. While no one can believe that the bill before us can overnight bring material help to any individual nation, nevertheless its early passage and its passage by a very substantial vote can be an extremely powerful psychological factor.

That the passage of the present bill would entail some sacrifices on the part of the people of this Nation no one can deny. That those sacrifices should be accepted, I strongly believe. What we are being called on to do in this legislation and what we may be called on in the form of further sacrifices in legislation that may follow this bill are, in my opinion, sacrifices which offer the greatest possibilities of maintaining peace in the world. The alternatives to taking any steps are only too obvious, and are not pleasant to contemplate. If we have any deep faith whatever in the maintenance of the types of freedoms for which we have fought, then we cannot through inaction allow nation after nation to lose similar freedoms and expect that we in the long run can escape unscathed.

The world has become too closely knit to permit of such wishful thinking. No one can guarantee that this legislation will, in and of itself, correct the serious threat to freedom besetting many nations of the world. I am convinced, however, that it can do much. I am convinced that the very fierceness of Communist opposition to its enactment indicates clearly the wholesome fear which communism has with respect to its eventual success. This is legislation which may well mark a turning point in mankind's history. It is legislation we should adopt at the earliest practicable moment.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include some articles.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I shall not explain the rule. The rule has been explained thoroughly by the gentleman from Massachusetts. I hope the bill will accomplish what the gentleman has stated, that it will bring freedom and liberty to people the world over.

I have naturally felt and hoped, as have a vast majority of the American people, that after 52 nations agreed on an organization, the United Nations, and our country cooperated to the fullest extent, it should not be necessary for us alone to finance Europe and the world. The other nations should have been called upon to cooperate to help bring freedom and liberty to the people of the world to safeguard democratic forms of government. But I am fearful, though I shall vote for the rule, because it was unanimously requested. I also hope I will be able to vote for the bill. However, I am not quite sure whether any amendments, in view of the workings of the whip-lashed majority, can or will be adopted. As to this effort on our part in these trying and serious days, due to the great propaganda that has been going on, and the hysteria that has been created, I wonder whether the people will remember and whether your memory is so short as not to remember what occurred in Germany when the Farben cartel clique and the powerful industrial interests destroyed and overthrew the German Republic and put Hitler in power; who, in conjunction with the Japs and others, within a short space of time, overran three-fourths of Europe and later, with the aid of Mussolini and the Japs, felt that they could control the universe and divide it among themselves. We were obliged in self-protection, actually, to enter the war to defend our democracy and our freedom and liberty. Thanks be unto God that we won that war. I was under the impression that after the war, we would also win the peace. Unfortunately, I regret to say that I do not see that the peace for which the American people are praying and hoping will be ours.

Unfortunately, the industrial and financial interests of our country, supported by the brass hats who seem to control the State Department, right after the cessation of hostilities started a propaganda that is responsible for the present-day hysteria and war scare. This propaganda continued notwithstanding that 90 percent of the American people are against war and plead for peace. It seems to me it is on all fours and instead of advocating the safeguarding of world democracy the interests behind this propaganda aim to build up a military Fascist government just as was done in Germany after the First World War but which, fortunately for the world, failed in their aim to dominate the world.

I wonder whether you gentlemen realize that of the billions provided for in this bill nearly two billion is allocated toward the rebuilding of the German war potential which will enable Germany to prepare for world war III as she did when helped by France and Great Britain in preparing for World War II.

This bill not only provides for the giving of aid to the amount of $6,205,000,000, but if all the authorizations contained therein are enacted providing for additional programs it will reach the stupendous total of $9,316,000,000. But Mr. Speaker, this is only the beginning of the planned foreign assistance for the first year. The planned 4-year program sets the foreign aid at seventeen billion but if one takes into consideration that the appropriations for the first year have been increased from $6,205,000,000 to $9,316,000,000 a proportionate increase or an increase to some degree, in the authorizations for each of the next 3 years may be anticipated. Therefore, instead of a total of seventeen billion to cover the 4-year plan, the figure is almost bound to reach $27,000,000,000, the very amount that certain gentlemen had at first recommended. The military gentlemen state that part of these authorizations will be for our defense, but I contend that they will be utilized for preparations for war.

Mr. Speaker, in this connection, should we not demand that the wealthy foreign corporations and individuals who, as reported by the Department of Commerce, have $27,000,000,000 in deposits, in investments and in stocks in this country and other countries, contribute part of their wealth toward the rebuilding and rehabilitation of their own countries?

I hope that those who profess to be patriotic—and many of them I know are—will not be led astray, and will cooperate with all those who feel the approaching danger from that source, and not permit the use of billions of our taxpayers' money, nearly half of which will go to Germany and Great Britain and most of the remaining half will go to countries that were neutral during the war and the balance to those countries which cooperated with Hitler and Mussolini.

Mr. Speaker, I firmly believe that if fair treatment had been accorded to the countries which cooperated with us, and who also fought for their freedom—if they had been granted a similar appropriation of the aid we have extended to the many countries, they, today, would not have been influenced or dominated as satellites of Russia.

I do not wish to assail or attack any man, but unfortunately I feel that we have men in high positions who are being led astray by the old Nazi propaganda that was so splendidly used after the First World War, and that is being duplicated now with still greater force and resourcefulness. I hope that I am

wrong in my fears, but I hope to God that we in our action today and during this week will do nothing that will bring about war, but will tend to bring peace to our Nation, to our people, and to the world.

Mr. Speaker, I insert an excerpt from an editorial appearing in the Chicago Sun-Times of March 14, 1948, which clearly and concisely points out the dangers confronting our country and which urges the restraint of passion and the exercise of calm and deliberate judgment:

> We have an interest in checking the forcible spread of communism where we can. We have an interest in helping peoples to make their own free choice of economic and political systems—the kind of free choice which was tragically denied to Czechoslovakia. But that interest cannot be served by military measures which have meaning only in terms of war.
>
> Suppose we had the war. Suppose we won it. Forgetting all it would do to us (including the probable loss of our own democracy), the clearly foreseeable result of such a conflict would be utter world chaos. And out of that chaos would inevitably rise the very totalitarianism we professed to be fighting. What kind of victory would that be?
>
> So let's get hold of ourselves. The world crisis demands American leadership with a positive and constructive policy, but not a fear-ridden military policy. It demands calm, rational judgment, but not unreasoning passion.

Mr. Speaker, I reserve the remainder of my time.

Mr. HERTER. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Speaker, the saddest thing about the Marshall plan is not the fact that it will fail to benefit the economic status of the countries to which the hand-outs will go.

The saddest thing about the Marshall plan is not the fact that it will cause accelerated inflation and speed up the deterioration of the dollar toward currency chaos in this country.

The saddest thing about the Marshall plan is not that it will play into Russia's hands by bringing on the terror of coercion and a police state in America, thus causing the spiritual and industrial power of this country to slowly disintegrate.

The saddest thing about the Marshall plan is not that it puts $17,000,000,000 into the hands of the same domestic administration that brought about the expansion of communism to its present position.

The saddest thing about the Marshall plan is not that the American people have been denied the opportunity to hear the evidence on both sides of this issue, because the radio networks and most leading periodicals have carefully suppressed or distorted the facts against it.

The saddest thing about the Marshall plan is not that American labor leaders and industrial leaders have been seduced by the bait of easy profits and unearned wages into supporting this scheme.

The saddest thing about the Marshall plan is not the fact that the funds will be used to prop up all the Socialist dictatorships in Europe and give those rulers further weapons to suppress the efforts of patriots who are trying to stay free.

The saddest fact about the Marshall plan is none of these, sad as they are.

It is the fact that the Republican Party in this country has abandoned its responsibility to give organized opposition to a plan for sanctimonious, global imperialism and continuous war.

America can withstand the loss of $17,000,000,000 more.

America could be the light of the world in the future as it has been before, despite the age-old troubles of Europe.

America could also recover from a temporary black-out of truth and a suppression of facts by radio and press.

But without a genuine two-party system that gives the people a real presentation of the facts and a choice on basic issues, America is indeed in danger. For the United States is following the pathway of many European countries. We are operating like a one-party state and a totalitarian government that cloaks itself in the mantle and technical accouterments of a two-party system.

The failure of the Republican leadership to preserve anything more than the shadowy forms of two-party government during this chronic crisis may be a prelude to the supreme human tragedy of our time, the destruction of the American way of life by suicide.

Let me close with these words by Henry George:

> It is an axiom of statesmanship which the successful founders of tyranny have understood and acted upon—that great changes can best be brought about under old forms.

Mr. Speaker, I yield back the balance of my time.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, this is a serious moment in the history of our country and the world and the person who does not see it is blind. The President in his message of a few days ago understated the case to which he in the main addressed himself, for the world situation is far more critical than he possibly was willing to disclose. He could have better justified the recommendations which he made, all of which should be enacted into law without delay. To delay action is to invite another Pearl Harbor. We should strip away the veil of words that conceal the truth and let the people know something of the peril under which they live.

Mr. Speaker, there no longer exists any reason why the so-called Marshall plan should be camouflaged as a purely relief measure. It cannot be justified upon such ground. Men do not go out, mortgage their homes and borrow money to give away; neither do they tax themselves and their children and their children's children in order to feed the hungry or to clothe the naked.

Mr. Speaker, the saddest thing about the Marshall plan is that it does not put emphasis upon military assistance rather than upon economic aid. Dollars alone will not stop Russia. Force can only be stopped by greater force.

By this measure we are simply undertaking to throw up a dike against the flood of communism that threatens to inundate the world. While there are relief characteristics in the bill, it is in the main something that we are undertaking to do by way of organizing the peoples of the world not already drawn behind the iron curtain to make common cause with us in the fight to keep freedom from being driven from the face of the earth. We, standing alone, cannot contend with an angry world organized against us. We need the people that we are proposing to help quite as badly as they need us.

Mr. Speaker, this bill is a war measure. As to whether our conflict with Russia will become a shooting war, all depends upon what Russia does, but we are here saying that the policy of appeasement which we have too long followed has ended and that we are prepared for all eventualities.

Mr. HERTER. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I shall make at this time and to include a statement of the National Grange appearing in its March 1948 official publication.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, for many weeks the Senate has been working on its bill, S. 2202, and for a like period the House Foreign Affairs Committee has been working night and day on a bill providing necessary economic and financial assistance to certain foreign countries. The Senate passed its bill by a vote of 69 to 17 against. The House committee recommends a somewhat different bill. While the House bill is more comprehensive and includes more territory, yet objectively they are the same. One of the principal differences is the manner of administering the economic aid contemplated.

I have given much attention to the Senate version, and my cursory study of the House bill leads me to believe that it is an improvement on the Senate bill. I therefore shall vote for the House substitute.

Mr. Speaker, to vote for or against this proposal is no easy decision, because no one has the absolute answer. The seriousness of our present international relations cannot be overestimated. A minor incident without significance ordinarily might, in these troublesome times, very easily plunge us into a great third world war. We all want to prevent this. We all want to do that which we conscientiously believe is most likely to prevent war. There is plausibility on either side of the argument and whatever position we take may be wrong. In short, it is a chance, and a terrible chance. If we pass this legislation it may not accomplish its purpose. On the other hand, the risk is so great that we cannot afford to take the chance, and not pass it. We may be damned if we do, but we are more likely to be damned if we do not.

In these circumstances I am constrained to believe that in the name of peace and in furtherance of my fervent desire to prevent war I must vote for this legislation.

Votes are not going to be changed in this debate. The people of the country, as well as our membership, have been arguing, studying, debating, and, yes, I might say praying, for lo, these many weeks and now the hour of decision has arrived and we must assume our responsibility.

I have no criticism of those who do not agree with me. I am sure they are as sincere and as patriotic as I am. I may be wrong. Again they may be wrong. Time alone will tell.

In the debate that is to follow the members of the Foreign Affairs Committee will explain the bill line by line and sentence by sentence. Full opportunity will be given for change and amendment, and in the end the perfected bill will represent the approval of a large majority of our membership. There is no question but that the bill will pass the House, and it naturally follows that a bill will speedily leave the Congress for the White House.

Mr. Speaker, I have just glanced through the committee report and I call the House's attention to page 60 of that report, which gives a list of the organizations appearing before the committee in support of the bill. This list is most enlightening and one of the groups is the National Grange.

The National Grange is possibly the most conservative farm organization in the country. It is the oldest and the one with the largest membership. In the part of the country from which I come there are many Grange halls and the organization gives close attention to, and studies carefully, pending legislation of national importance and with special reference to its effect on the farm population.

Not long ago I had a letter from an officer of a county Grange in which the view was expressed that our country could not afford to send more aid to Europe and the arguments, with which we are all familiar, supporting that position were presented. A little later I received a communication from the same writer asking me to reconsider his previous letter. He called my attention to the front page article in the March 1948 issue of the National Grange Monthly, the official magazine of the National Grange. My friend stated that after reading that article he had changed his mind and instead of opposing, favored ERP. His reasoning was good. He said that under our form of government the people sent Representatives to Congress to vote for them, and that he had come to believe that very often the Representative had more information at the time he voted than was available to the constituent back home. He called attention to the fact that the National Grange maintained a representative in Washington to study all legislation affecting the farmers and then to report to the farmers as to his conclusions.

Mr. Speaker, Mr. J. T. Sanders is the National Grange legislative counsel in Washington and was the writer of this article. I read the article carefully and it is a good presentation from the standpoint of agriculture. It reads as follows:

THE EUROPEAN RECOVERY PROGRAM IS MUTUAL AID

The problems giving rise to the European recovery program present to Americans as great a responsibility and opportunity as was probably ever presented to any people. Not only are our own welfare, happiness, and way of life at stake, but those of the entire world. We must approach this fearful responsibility with the utmost preparation, wisdom, and humility. Yet we are right now at the threshold of our decision on this momentous question.

The Grange supported the Marshall plan in its recent annual session at Columbus, Ohio, provided the countries show willingness to help themselves, that they establish reasonably satisfactory production goals, and that a separate administration be set up to operate the program.

The Grange looks upon the ERP as mutual aid, not simply as an aid to Europe; and believes that we must avoid any justified claim that we are imperialistic in giving this aid. We should give aid as one would give it to a neighbor whose house is on fire and which is threatening our own home if the fire is allowed to spread. We should give aid in the spirit in which any self-respecting helper and receiver should join hands, that is, for self-protection of the one and rehabilitation of the other—for mutual aid.

We are not giving of our accumulated substance so much as we are giving of our productive potentials in order that we may first maintain these potentials and, second, hold fast to our way of life in a friendly, peaceful world community. Some way must be found to gear our economy into a peaceful world economy, where aggression for material gain or for imposition of ideologies of any kind on an unwilling people, does not pay.

If we can do this we can and probably will double our standard of living, over that of prewar, in the next two or three decades. European recovery offers our best, our most hopeful, immediate approach to an era of peaceful production in the world. We must take this approach.

Both the "Molotov plan" and the "Marshall plan" aim at economic recovery of Europe. Russia wants recovery of all Europe under the banner of communism. The Communists wish to first create a maximum of chaos, misery, suffering, and despair, and a loss of reason, and then to move in by strong-arm methods. They then hope to restore, by police power and methods, the great productive processes of Europe under the banner of the hammer and sickle. Our European recovery program, in contrast, proposes to activate the productive potentials of Europe by supplementing their self-help with our economic aid. We thus hope to bring about the rebirth of freedom and peace in Europe and the world.

MORE THAN POLITICS

But the nature of the recovery problem of Europe is far more fundamental than merely a clash between communism and democracy. It is primarily a recovery program for Europe, and a mutual-aid program for Europe, the United States, and the rest of the world.

Before the war the 16 cooperating western European nations took one-half of all the world's imports, but contained only 12 percent of the world's people. Fully a fourth of these imports were paid for by income from investments abroad which investments were wiped out by the war, and exports must be increased accordingly if the same level of imports as prewar is to be maintained. This alone would greatly change their economy; but another important change in their economy has taken place—their trade relations with eastern Europe.

Before the war western Europe had only 2.4 times as many people, yet produced 6.5 times as much industrial products, as did the so-called iron curtain eastern European countries—excluding European Russia. Eastern Europe is predominantly agricultural. Over 60 percent of all people in it are dependent on agriculture compared with only 25 percent in the cooperating western European areas. Obviously the agricultural part of the European production balance was to a considerable extent, and is still, east of the iron curtain; and the industrial part is west of it. Great prewar trade flourished between the east and the west. The war and Russia's grip on these eastern European countries for the time being have greatly interfered with this prewar trade.

AGRICULTURE AND TRADE

The damages of World War II to Europe were mainly to agriculture in the east and to industry in the west. Fortunately for the success of the European recovery program, agricultural recovery in eastern Europe and sound trade between the east and the west probably will keep pace with recovery of western industries.

Although inherently the farm is a full-output industry, there are many conditions that tend to slow down food production on farms especially after a great war. If a farmer loses his hired labor, or any part of his draft-power, he will prepare less land for crops, prepare it poorly, turn some of it into meadows and pastures. He will become more self-sufficient and commercial food production will suffer. War in Europe has had most of these effects on agricultural production.

But one of the most powerful forces retarding agricultural production in Europe is the loss of normal exchangeability of the farmer's products with the products of nonagricultural industries. It is mainly this lack of exchangeability that is reducing European agricultural production. It required eastern European countries 10 years after World War I to return to normal production when industry was slow in recovering. Agricultural recovery was retarded almost entirely because of failure of industry to recover.

Since eastern Europe sustained most of the agricultural damage of World War II and western Europe most of the industrial devastation, industrial production in western Europe will largely determine the return to normal agricultural production in both eastern and western Europe. In general, this is true, although fertilizer, seed, miscellaneous supplies and draft power in the form of small tractors with mounted implements will doubtless be needed in certain areas. Obviously, a balanced industrial-agricultural production is the key to recovery, and this balance for Europe is to a large extent an east-west balance that depends largely on industrial recovery of western Europe—not a balance within eastern or within western Europe.

Communism has its greatest strength in industrial centers and not on the peasant farms of eastern Europe; and it should be remembered that a highly productive agriculture of eastern Europe is not complementary to Russian economy. A strong, vigorous, surplus-producing agriculutre in eastern Europe will, on the other hand, inevitably be complementary to the economy of western Europe.

REHABILITATION

Rehabilitation is far more significant in the European recovery program than relief. Both relief and rehabilitation are essential, but it would be a fatal mistake to supply relief but not enough to materially rehabilitate European productive capacity. Indeed, this would tend to perpetuate the relief prob-

lem. It is proposed to set up around $4,000,000,000 per year of aid. Our gross national product is today running well above $200,000,000,000. Thus, our aid would average around 2 percent of our national economic output. We believe that a 2-percent contribution is an entirely justified undertaking. For the first 15 months, calculated needs are placed at $6,800,000,000, or 2.7 percent of national product.

In approving the ERP satisfactory self-help efforts by Europe was the first condition laid down by the Grange. The speed with which European cooperating nations have responded with plans for self-help satisfies us that an honest energetic effort in this respect will be forthcoming. In 10 of these western European countries, total employment is indicated to be about 10 to 15 percent above prewar, average hours worked per week is around 45.4 hours compared with 39.8 hours for the United States, and idleness in 1947 from strikes was around 18,000,000 man-days compared with 97,000,000 in 1921 and 53,000,000 in 1920.

Thus idleness from strikes was from three to five times as much after World War I as it was in 1947. Industrial production, however, was still much below prewar in most of these countries, averaging possibly from 60 to 90 percent with much of their efforts going into clearing up and rebuilding. Considering their rations, which, on the whole, are barely above starvation levels, this is a remarkable demonstration of effort toward self-help.

SELF-HELP PHASES

We in the Grange believe that in the self-help phases will be found the greatest value in the European recovery program. The program is a strong means of developing a coordinated monetary and exchange stabilization, a more unified transportation system, and an elimination of many of the absurd tariff and other trade barriers between European countries. There is no part of the program in which there is so much potential good, so much potential assistance toward peace and prosperity as this. The Grange trusts that our Nation can and will rise to the plane of statesmanship that this opportunity demands.

In using our right to ask for a maximum of self-help we should carefully avoid interference with matters of internal affairs in the assisted nations. We should defend their right to freely choose by democratic means the type of government they want. We must let the people of Europe know who it is that is bringing this aid, not for the purpose of making them feel under obligation to us, but for the purpose of proving what a free people can and will do.

Mr. Speaker, I shall not take more time and shall vote for this bill in its final form. I express the hope that action in the Congress will be expedited to the end that the world may know that the United States of America wants to assist those democracies who will assist themselves and that we will not tolerate tactics on the part of any government, the purpose of which is to destroy the American way of life.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, this is not a relief or rehabilitation measure. It does not meet the test of relief or rehabilitation. The basic test is the extension through the United Nations of relief and rehabilitation without consideration of race, creed, or political belief. That principle is the United Nations principle. This bill by-passes and undermines the United Nations because the bill provides for unilateral action and imposes political and economic control over other nations. The principle of United Nations relief and rehabilitation has been completely disregarded by this bill as well as by the bill which preceded it. Therefore, in good conscience we owe it to the people of this Nation to state frankly to them that this is not a relief or rehabiliation bill.

This is a war measure. The gentleman from Georgia has honestly stated so, and I wish that the other proponents of this legislation would make the same honest admission. War measures are justifiable for the defense of the country. This is not a war measure in the defense of the Nation.

Mr. Speaker, this Nation, despite the tons and tons of newspaper and the billions of words to the contrary, is not in danger of attack. No matter how the proponents of this measure may attempt to rationalize themselves into a position of saying that this is a defense measure, the fact is we are not in danger of attack. This is a war measure which is being sold to the American people under the guise of stopping the threat of communism.

Let us analyze what that means. What are we really trying to stop? We are trying to stop the forward march of the people of Europe toward the nationalizing and public ownership of their basic industries and toward the breaking up of big landed estates. That march was started by the people of Italy prior to 1922 and then with an ERP program on the part of French and British bankers, fascism was instituted in Italy and imposed upon the Italian people in order to stop that forward march.

That forward march of the people was stopped by the Axis powers with military might for many years and with the termination of the war the Fascist blockade was removed and the forward march of the people of Europe toward public ownership, toward the breaking up of big landed estates, began again. This program is intended to again stop the march of the people of Europe.

What is this program? It is a scheme, it is a war measure, to impose upon the people of Europe Wall Street monopoly capital and buttress a decadent capitalism which has failed in Europe. We have moved in in Europe and in Asia. It is imperialism. Mr. Speaker, let us not be too naive. Imperialism does not mean merely the acquisition of some other nation's territory. Imperialism also means and realistically means today the expansion of the control of monopoly capital over the economy of other people.

As Life magazine in a leading editorial said recently, ERP is a program to establish capitalism in Europe. The people of Europe do not want it. The people of Europe do not want monopoly capital. They want public ownership of their basic industries. They want land for the peasants. Therefore, this program is intended to defend not America but satellite governments that have been established by our State Department whose only purpose is to guarantee the expansion of Wall Street trusts by defeating the aspirations of the people of Europe to obtain for themselves their own industries and to obtain for their people their own land. So, this is a war measure, but not in defense of America. It is a war measure in defense of the imperialistic expansion of finance monopoly capital. I have opposed it in the past; I shall oppose it again, and for this reason I oppose this resolution. I know in doing so my position will be distorted. I know that wrong interpretations will be placed on it, but, come what may, I take my stand for peace and progress in this decisive hour in the course of world events. We take here a long step toward war, a war not in defense of the Nation, but a war in defense of Wall Street imperialism. I have opposed that kind of a war and I shall continue to do so, because in doing so I am defending my fellow countrymen.

Mr. Speaker, I strongly favor aid to Europe and to people everywhere in the world. I am not an isolationist. I firmly believe in the United Nations. I believe that any program which is genuinely an aid and rehabilitation program can be accomplished only through the United Nations. Otherwise it becomes an imperialist program. I introduced a bill yesterday providing for aid to Europe through a United Nations agency. I shall offer that bill as a substitute for this bill now before us.

There is a vast difference between this bill and the bill I have introduced. The difference is fundamental and irreconcilable; the difference is between unilateral action and United Nations action; between imperialism and the peoples' right everywhere to establish their own economy; the difference between war and peace.

It has been a long and twisting road along which the American people have been led to reach the Marshall plan. And now that we are on the verge of taking another lunge forward under the prompting of the Department of State and other administration spokesmen, it would be well to pause and look back to discover how we started on this path and look forward to see where it is leading our people.

Today we have reached a stage in foreign policy that is but the latest development in a long series of seemingly unconnected events that stretch back to 1945 and 1946, when, flushed with a great victory, we embarked with the other countries of the world to make the peace through the United Nations.

Today, in the Marshall plan and in the proposals for military pacts and military adventures we are all aware that this country has moved far away from the letter and spirit of the Charter of the United Nations.

The Marshall plan, or the European recovery program, is usually described as having evolved out of a suggestion in a speech made by the Secretary of State at Harvard on June 15, 1947. For example, I notice that in the Basic Documents and Background Information on ERP prepared by the staffs of the Senate Foreign

Relations Committee and the House Foreign Affairs Committee the chronology of the ERP begins with June 5.

None of us are so naive as to believe that so significant a development in our foreign policy—this decision to lend our greatest weight in international affairs outside of the United Nations—suddenly blossomed forth from the Department of State with no reference to what had gone before.

On the contrary, when we examine the record of the Department of State in dealing with the problems of international relief and rehabilitation over the past few years we are struck by a pattern of step-by-step decisions which finally resulted in destroying any hope of handling this complex of world problems through cooperative action within UN; and these policies of the Department of State consistently resulted in unilateral actions on the part of the United States, now culminating in the Marshall plan.

We are witnessing today—and many are supporting—the creation of a whole series of bilateral agreements between this country and the countries of western Europe which spell the doom of the United Nations. So rapidly is this taking place that already the so-called humanitarian objectives of relief and reconstruction through the Marshall plan are being forgotten in the talk of military alliances between our country and the participating European countries.

The "holy war" is the next step, unless we halt this madness at once.

Now, what has gone before and how did we reach where we are today?

UNRRA

The first great attempt to solve international problems by cooperative action on the part of all the nations of the world was through the United Nations Relief and Rehabilitation Administration.

Few bother to recall today that the United States, under the great leadership of Franklin Roosevelt, played the leading role in the organization and operation of UNRRA. And this was as it should have been. For UNRRA was conceived of as a vehicle through which all the countries and peoples in need as the result of the devastation of World War II would be aided by each nation according to its own individual resources. The United States, as the strongest and wealthiest nation in the world, as the only major country that came out of the war with industrial and food production far above pre-war levels, made the greatest contributions to UNRRA.

The United States took the initiative for the establishment of a UN organization for relief purposes early in 1942. Finally, on November 9, 1943, the UNRRA agreement was signed.

I would like to recall the words of the late President Roosevelt at the time of the signing of the UNRRA agreement. He said, in part:

> We have acted together with the other United Nations in harnessing our raw materials, our production, and our other resources to defeat the common enemy. We have worked together with the United Nations in full agreement and action in the fighting on land, on the sea, and in the air. We are now about to take an additional step in the combined actions which are necessary to win the war and to build the foundation for a secure peace.
>
> The sufferings of the little men and women who have been ground under the Axis heel can be relieved only if we utilize the production of all the world to balance the want of all the world. In UNRRA we have devised a mechanism, based on the processes of true democracy, which can go far toward accomplishment of such an objective in the days and months of desperate emergency which will follow the overthrow of the Axis.
>
> As in most of the difficult and complex things in life, nations will learn to work together only by actually working together. Why not? The nations have common objectives. It is, therefore, with a lift of hope that we look on the signing of this agreement by all of the United Nations as a means of joining them together still more firmly.

This was the spirit and the conception of international relations upon which UNRRA flourished. What a far cry from the blood speeches marking the birth of the Marshall plan.

Today we find ourselves far removed from the Roosevelt design for international relations.

The United States, in supporting and working through UNRRA, of course, subscribed to its principles of actions. Among these was the policy statement on relief distribution which said:

> That the Council approves the following statement as a guide to activities with respect to relief and rehabilitation distribution:
>
> 1. That at no time shall relief and rehabilitation supplies be used as a political weapon, and no discrimination shall be made in the distribution of relief supplies because of race, creed, or political belief.
>
> 2. That distribution should be so conducted that all classes of the population, irrespective of their purchasing power, shall receive their equitable shares of essential commodities. When supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments in the price structure of the areas.
>
> 3. That distribution of relief and rehabilitation supplies should take place under effective rationing and price controls. The suppression of black markets should not be left to general pronouncements and decrees, but should be the subject of active measures of enforcement applied vigorously and unremittingly.

The UNRRA organization became engaged in full-scale operations in Europe after April 1, 1945. Its accomplishments both in Europe and the Far East were magnificent. These accomplishments have been questioned and doubted only by little men with selfish, narrow minds.

Millions of people throughout the world are alive today thanks only to UNRRA. UNRRA fed, clothed, and sheltered countless thousands. Epidemics of disease, so widely prevalent after World War I, were quickly stamped out by UNRRA medical teams before they became dangerous.

While food was most urgently required by people everywhere, the call for rehabilitation supplies was pressed only slightly less demandingly. Coal, and spare machine parts, trucks and seeds, farm implements and raw materials all were supplied through the facilities of the UNRRA organization; and in many countries the minimum industrial recovery necessary to maintain relief standards of living were achieved primarily through the aid of UNRRA.

In the course of its entire operations, which reached their peak in the first half of 1946, UNRRA expended about four thousand million dollars. The United States contributed about 72 percent of this total.

It is clear reading again the accomplishments of UNRRA through late 1945 and 1946 that in the UN all of the nations of the world had found an organizational medium which quickly pooled information and resources and as quickly succored the weak and the needy. And simply because it was an international organization in which all of the nations of the world participated—not a charity line or a hand-out—but an international organization through which every nation hoped to realize mutual help and mutual relief, it could and did operate without discrimination and without demanding commitments of any sort from the relief beneficiaries.

This was the key to the success of UNRRA. And when certain men in high places in this country—the men of Wall Street and the men of the military—found that UNRRA made impossible any allocations of relief or rehabilitation aids on any basis but need they destroyed UNRRA. UNRRA could not be used to further the special interests and prejudices of the men directing foreign policy from the Department of State today, so they ended UNRRA by simply refusing further participation in its activities. And with UNRRA died the first significant attempt at international cooperation after World War II.

This decision to destroy UNRRA was the first major step by the United States away from solving problems through UN.

It is useful to reexamine what was said by leading United States spokesmen at the time that this country withdrew from the only international organization capably solving immediate world economic problems.

END OF UNRRA

The Department of State maintained during the summer and fall of 1946 that nobody knew whether the countries then receiving UNRRA aid would continue to need it in 1947. And if it did turn out that help would be needed, that nothing prevented individual countries from asking help of the United States.

During most of 1946 the Director General of UNRRA was a great American and a great humanitarian, the late Fiorello LaGuardia. He is sorely missed today. Fiorello LaGuardia was a dear friend and a firm and loyal fighter in many struggles in the United States against the greedy and the selfish. He carried the same fighting spirit with him into UNRRA.

I know well how he fought to carry on the UNRRA program and the UNRRA spirit; but he was finally defeated by the very men who run our State Department today.

The principle that Fiorello LaGuardia fought so valiantly to uphold, really the foundation stone of the Charter of the United Nations, is the mutual solution of international problems within the framework of the United Nations.

When it was clear that the United States was adamant against the continuation of UNRRA, that the Department of State had decided to return to unilateral dealings with other countries as far as these problems were concerned, LaGuardia proposed a simple compromise. He would have had a committee of the General Assembly of the UN empowered to review world requirements and allocate some $400,000,000 of relief needs until the 1947 harvest was in. He discarded the controversial rehabilitation part of the program; the total funds of this relief committee were limited to about 10 percent of what UNRRA had expended; and no country would have been required to contribute more than 49 percent of the total fund. For the United States this would have amounted to $176,000,000.

This may seem like petty and tiresome history. For LaGuardia's proposal was turned down by the General Assembly of UN on December 11, 1946, but it is important history in the story of how we reached where we are today.

On November 13, after LaGuardia's proposition had been laid before the General Assembly, Dean Acheson, Under Secretary of State and United States Delegate to the UNRRA Council, said, in elaborating the United States opposition to the LaGuardia plan:

> Moreover, although it has often been said that relief would be granted on a purely humanitarian basis, there is a feeling here that gratitude on the part of the recipient countries would naturally be expected.

The United States made no bones about the fact that the UNRRA idea was out the window. From now on a quid pro quo would be demanded of all who asked for aid from this country.

LaGuardia made the following statement after hearing Dean Acheson:

> I have been charged with being suspicious and with charging improper motives when I told Committee 2 of the UN that there was a great danger after January 1 that certain countries would be aided and others not.
>
> All my fear has been justified by the statement made on the air Sunday by the Under Secretary of State Dean Acheson.
>
> * * * The whole purpose of the Central Committee (of UNRRA) in carrying out the mandate of this Council was to take from any nation the power to dole out in accordance with its individual views, rather than in accordance with concerted conclusions of a deliberating committee composed of 19 nations.

LaGuardia saw where this country was going when it withdrew from UNRRA. And events have bitterly borne out his predictions.

All of the major powers but the United States hoped for the continuation of UNRRA. LaGuardia had himself spoken to Stalin during the summer of 1946 and the latter made it clear to him that the U. S. S. R. stood for international action in dealing with this matter. As LaGuardia put it, "Generalissimo Stalin was * * * very much alive to the dangers of the national approach to this matter." The French and Chinese delegates to UNRRA made no bones about how anxious they were to keep the body functioning. And the British delegate to UNRRA, Philip Noel Baker, openly supported LaGuardia, according to a New York Times report, until Secretary Byrnes contacted British Foreign Minister Bevin and had him stopped.

When the use of the veto in UN is discussed it might well be recalled that the United States delegation in effect vetoed UNRRA by staying out of the proposed board which was approved by all the other major powers.

Secretary Byrnes, testifying before a subcommittee of the War Investigating Committee, unequivocally stated that this country would have no part in any international relief organization. He said:

> I should say that it is our position that whatever the United States does in the way of relief should be done by the United States unilaterally. * * * We will be willing to discuss with other governments that are willing to do something in the way of relief to find out what they are doing before we give aid, but we are not going to talk to the beneficiaries and ask the beneficiaries to determine the amounts that should be allotted.

Director General LaGuardia replied to this United States policy vigorously. He said, before the General Assembly of UN:

> I confess that I am bewildered at such a position. Is it not the greatest paradox in the world that the United States should favor international action everywhere but in relief—relief, the most simple and the most basic problem that today faces the United Nations?
>
> Is relief more explosive than the atom bomb? I find the Government of the United States urging international action when it comes to controlling the atomic bomb, to dealing with Trieste, to making peace settlements, when it comes to matters of trade and aviation, of trusteeships of bases, and of banking. * * * In all of these I find the United States urging international action—but not, apparently, when it comes to relief.

Thomas Hamilton, chief New York Times reporter at UN, summed up the fears of all the delegates there when he wrote on November 11:

> It is difficult for UN delegations to understand why the United States, if it is not acting on the premise that food is a weapon, insists on bilateral agreements for food when it had championed international action in the case of the World Bank, the World Health Organization, and half a dozen other agencies sponsored by UN.

Fiorello LaGuardia made one of the greatest speeches of his life when, on November 11, 1946, he pleaded with the United States delegation to UN to change their position and permit an international relief organization to continue under the limited scope he had proposed. His is a statement of first principles in international relations that all of us should read today when hysteria and saber rattling seem to compose the full extent of our foreign policy.

I quote at length from this speech:

> Now, gentlemen, there are many ways of dealing with this problem. The first, that aid should be given on a national basis. Each rich nation should choose the recipient and make its own conditions. This is the old-fashioned, imperialist way. This method of making one country dependent upon another was discarded by the world—I hope forever. That is not why the UN was formed. That is not the spirit of the Atlantic Charter or the San Francisco Charter, not as I understand it. * * *
>
> Another way is to create an international authority operating under the control of the UN and meeting the relief needs, without consideration of race, creed, or political belief, being guided only by the existence of true need. This is what is known as the new way of the UN. But it really is not a new way. It is a way brought to this world nearly 2,000 years ago in the teachings of the Prince of Peace. And a wicked world has to date refused to learn the lesson. * * *
>
> If it is open to one nation or group of nations to provide aid to any specific countries by predilection or choice as well as freezing or ignoring any particular country which for the moment may not be in the good graces of the contributing country, it would destroy everything that has been accomplished to date by UNRRA. It would be diametrically opposed to the spirit of UNRRA and the fine principle under which it was conceived. It would place weak nations at the mercy of wealthy and big nations. It would do more than anything else that could possibly happen to group nations to a point such as brought about World War II. It would place nations, finding themselves through no fault of their own in a temporary difficult situation at the mercy of contributing nations. It would be degrading instead of inspiring. It would be selfish instead of generous. It is reminiscent of the old days of politics here in my town, when the poor in the district were given a basket of food at Christmas and during the winter a bag of coal or two. Along came election time and they were reminded of the generosity of the political boss and taken in hordes to vote the ticket. I killed that in my town. I hope none of us will be a part of establishing such a system in international relations. * * *
>
> This plan, or any plan for food aid, is dependent upon other world organizations doing their part and carrying out the functions entrusted to them.
>
> There has been established this International Bank for Reconstruction with a sizable fund. Now part of the rehabilitation of these countries that we are seeking to aid in 1947 requires large amounts for rehabilitation of their industries and rehabilitation of transportation. The International Bank was created for that purpose. But it must go into operation and as these applications come in they must be decided on their merits. But if extraneous matters creep into it, as I see them creeping into this food matter, and political implications become factors in granting loans, then the whole program goes to pieces and the purpose is destroyed, and all the help we can give these countries in food would not make any permanent difference.

LaGuardia hammered away in every possible forum at the main point, that if food—or any other item of relief or aid—is not distributed by a small board of nations in an impartial manner among all countries, it will be handed out for political purposes. And he has been proven right in every instance of foreign relief and aid up to and including the Marshall plan itself.

POST-UNRRA RELIEF

The UNRRA idea and the UNRRA organization was buried by the General Assembly of UN on December 11, 1946. A United States resolution recognizing the continued need that some countries would have for aid in 1947 was adopted and a special—and completely powerless—Technical Committee was established to determine the needs for 1947. The members of UN were called upon to assist in

the furnishing of relief when and where needed during the year.

But the Department of State had a plan to replace UNRRA. Despite contentions that countries still needing help were few and the amount of assistance required relatively small, the new approach of unilateral aid in amounts far beyond the proposals of LaGuardia began to take shape at once.

A story in the New York Times of December 15, 1946, announced the new pattern:

> Meanwhile, it was learned that the American mission to Greece would shortly be announced. It appeared that this approach to the great postwar problems of one of the small states with which this country feels especially friendly might well form the pattern for the whole aid program of the United States after the UNRRA goes out of business. * * *
>
> The selection of that country (Greece) for beginning an inquiry of this sort also seemed to follow the line indicated at the State Department that the United States, while intending to act on a humanitarian basis in extending relief, nevertheless valued grateful recipients.

After January 1, 1947, the American foreign policy really began to hit its stride. This body knows what followed.

President Truman, in a message to Congress on February 21, 1947, recommended that $350,000,000 be appropriated immediately for foreign relief. This resulted in the foreign-relief program authorized by Public Law 84 and approved by the Eightieth Congress on May 31, 1947. The program was confined to the following four areas: Austria, Greece, Italy, and Trieste.

Recall that but a few weeks before the President's message the United States spokesmen at UN were deprecating the need for any relief program in 1947. Recall that the UNRRA program would not have cost the United States more than 49 percent of the $400,000,000 total, or $176,000,000. Recall that the areas most desperately in need when UNRRA ceased to exist were Byelorussia, the Ukraine, Yugoslavia, Czechoslovakia, Poland, and Albania.

Fiorello LaGuardia predicted this development when, in a radio debate on November 28, 1946, he said:

> Under the American plan, in order to give the State Department the absolute control to hand out according to its whims and fancies, its likes and dislikes, it will cost the United States in the neighborhood of $450,000,000 to $500,000,000. The purpose of keeping international control was to distribute the cost more equitably.
>
> The will of the American people is not presented, is not contained, in the resolution of the United States now pending before the UN. The United States resolution is nothing more than a unilateral scheme for providing aid at much greater cost, instead of international aid without conditions and strings, without carrying favor or creating fear.

It was but a few weeks later, on March 12, that President Truman, in his address before Congress, enunciated the Truman doctrine in asking for $400,000,000 for Greece and Turkey. This program described as one "to provide the economic basis for their defense." We are all aware that it has become primarily a military-aid program.

Interestingly enough the New York Times of March 7, 1948, reported that the Turkish Government felt the aid from the United States emphasized military expenditures too heavily. They requested that more attention be given to the needs of their civil economy.

In the summer of 1947 it was patently clear to all the world that the United States had embarked on a program of unilateral action, outside the UN, of helping only those selected countries it was felt would further the aims of the Department of State.

Similarly the Marshall plan evolved outside the UN, and with no reference to its organization and its subsidiary bodies dealing at that very time with the problems discussed at the Paris Conference in September 1947.

The interim-aid program, adopted during the special session of Congress in 1947 was confined to Austria, Italy, and France. Again this was the result of unilateral action on the part of the United States. And bilateral treaties were negotiated between the United States and the recipient countries stating the terms on which aid would be extended.

These bilateral agreements, in the words of the chairman of the Senate Foreign Relations Committee, are "bilateral contracts with each country in which their own targets are accepted and set up as the price of continuous aid," which "would serve to bring bluntly home to native populations the degree of responsibility which might attach to any internal opposition to the program."

The Marshall plan both in its unilateral character and in its growing emphasis upon military preparations is the lineal descendant of the Truman doctrine. It marks the culmination in the move away from the UNRRA-type of approach to solving international problems.

It marks as clearly the departure of the United States from the UN when so-called critical situations develop.

It is not surprising therefore to find that the Marshall plan—despite all its humanitarian claims, all its emphasis upon relief and reconstruction—is in reality the latest expression of the power-hungry men of this country.

Mr. HERTER. Mr. Speaker, I yield such time as he may desire to the gentleman from South Dakota [Mr. CASE].

WE CAN GET OUT OF THIS MESS

Mr. CASE of South Dakota. Mr. Speaker, the gentleman from New York [Mr. MARCANTONIO] is right in one respect—this is a decisive hour in the world's history. I do not like the mess we are in, but here we are. We can get out of this mess if we keep our heads and act coolly, but resolutely and courageously.

The bill we are about to consider stemmed from a suggestion in a speech by Secretary of State Marshall made at Harvard last June; namely, that before the countries of Europe should expect further aid from the United States they should get together, pool their resources, and see what they could do for themselves. In that speech Mr. Marshall said very plainly that the policy of the United States was not directed against any nation or political philosophy.

Originally, Russia and her satellite countries were invited to take part in the program of European recovery which was proposed to implement the speech. They declined.

Today this bill is described as a method of action to stop Russian domination of Europe. And it is probable that if Secretary Marshall were making his speech now, he would not repeat part of what he said in June 1947. Indeed, President Truman, in his special address to the Congress, last week, placed early passage of this bill alongside of such measures as compulsory, peacetime military service as steps of resolute action.

TRY THAT DOOR AGAIN

The passage in the President's speech which I thought very important was that in which he said:

> We shall remain ready and anxious to join with all nations—I repeat, with all nations—in every possible effort to reach international understanding and agreement.
>
> The door has never been closed, nor will it ever be closed, to the Soviet Union or any other nation which will genuinely cooperate in preserving the peace.

The emphasis which the President placed in his manner of speaking and by his use of the words "I repeat with all nations" were of special interest to me, because I know that a very high ranking Russian official did confer with a very high ranking United States official late in January or very early in February on the possibility of a meeting between Marshal Stalin and President Truman.

Both the Russian and United States officials were not only of a rank competent to discuss such a matter, but were proper persons to discuss it in the preliminary stages. In any event, the incident apparently led to a blank wall and both the President and Secretary Marshall have denied knowledge of it.

Whether the President meant by his words to reopen the conversations I do not know. I hope so. In any event, by whatever route we have arrived at the present state of affairs, here we are.

There should be no disagreement with the proposition that we should take whatever steps, in the combined judgment of Congress and the President, should be taken to insure the continuance of the United States.

STRENGTHEN THE AIR FORCE

Is peace or war ahead? No one knows. The President's proposals for universal training and reenactment of the draft are based on the belief that a show of force may halt the tactics of Soviet-inspired communism. Personally, I believe that a great strengthening of the Air Force would be more effective in persuading Russia that we mean what we say, and I propose to do what I can in that regard.

Here are some additional suggestions.

First. Stop trying to bluff Russia with talk. Recognize the natural desire of any nation to have mutual defense pacts with her neighbors—and be sure that ours with Canada, Mexico, and the Spanish-American countries are in good standing.

Second. Explore fully any approach toward an understanding—regardless of past statements or political considerations.

Third. Put our defense establishment in top condition—but don't look upon a show of force as a substitute for diplomacy. Strength may be an implement of diplomacy but is not a substitute for it—if we want peace.

Fourth. Cut out the contradictions in our foreign policy. For instance, let the German people live decently and become the natural allies of the free states of the West rather than forcing them to be easy victims for further communistic expansion.

Also, submit the partition of Palestine to a plebiscite instead of insisting upon forcing an extraterritorial division or decision which can be maintained only by outside troops—including Russia—and thereby putting Russian troops astride the oil lines we have built from Arabia to Haifa with a port on the Mediterranean which the Russians have always wanted. It is time to try what Woodrow Wilson called the right of self-determination.

EXPLORE THE BILL FULLY

Mr. Speaker, I do not propose at this time to state my personal convictions with respect to all phases of the bill before us. The importance of the issues warrants the fullest and freest discussion of the terms of the bill.

Beyond doubt, the bill as it comes to us does represent long hours of hard, conscientious labor by the members of the Committee on Foreign Affairs. Other Members of the House, however, have given the issues much study, too, and they all deserve the right to learn the full implications of the bill as written, as each will bear the responsibility for the vote he casts.

For that reason I am glad that the rule under which the bill is to be considered permits 15 hours of general debate before it is considered for amendment. And it is that rule upon which the first vote will come, before the House goes into Committee of the Whole House for consideration of the bill.

When we proceed into Committee of the Whole, I trust that the debate will bring out the unanswered questions—the commitments of the bill, year by year, if they extend beyond 1 year, and the commitments country by country.

EXAMINE EACH APPROPRIATION

In the final wind-up I trust it will be made clear that this bill is an authorization bill in the customary sense of that term in this chamber—an authorization bill to make appropriations within certain limits but not a commitment to make them in any given or specified amounts. Only with that understanding would I and many other Members feel free to vote for the legislation.

The exact amount of appropriations on the broad program of this bill, like on any other congressional authorization, should be the subject of searching analysis and frequent review as befits any expenditure of huge sums of public funds.

After all, each dollar spent under this bill, as under any other, has to be raised by taxes, and the amounts and effectiveness of all expenditures should be carefully checked against the announced and authorized objectives.

In conclusion, I wish to express three hopes:

First, that this legislation, if passed and implemented, will bring economic recovery to China and the countries of Europe.

Second, that Russia may be persuaded of our good but firm intentions.

Third, that those who conduct our foreign policies will not think of this bill as a solution of our unsatisfactory relations with Russia, but will seek earnestly an understanding which will bring calm to today's uneasy peace.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. KLEIN].

INVESTIGATE STATE DEPARTMENT AND SECURITY COUNCIL

Mr. KLEIN. Mr. Speaker, some weeks ago there appeared in the New York Post, and I inserted in the CONGRESSIONAL RECORD, a brilliant and dispassionate study of the conduct—and I am tempted to say the misconduct—of the Office of Near Eastern and African Affairs of the Department of State and its chief, Mr. Loy Henderson. These articles were prepared and written by Charles Van Devander and James A. Wechsler, of the Washington bureau of the Post. These are two of the most conscientious and responsible reporters in the Capital.

If there was any official denial of the allegations in those articles, it failed to come to my attention; nor have I noticed the slightest mitigation of the high-handed exercise of secret bureaucratic autocracy in that division.

On the contrary, the chief United States representative in the United Nations Assembly has reversed the American decision on Palestine. The enunciation of high American statesmanship on Palestine last November has been subverted and sabotaged beyond all recognition.

MILITARY IN THE SADDLE

Searching for an explanation of the arbitrary actions of the Department of State and the American delegation to the UN, students of public affairs have come to the conclusion that not only the Office of Near Eastern and African Affairs but also the recently established National Security Council is dedicated to the perpetuation of vested interests in the Near East and to the exploitation of power politics in a dangerous pattern which the United States, as a mature Nation, long ago abandoned and condemned.

Mr. Speaker, this subversion of public business to private predatory interests and to the military dreams of professional soldiers is one of the most dangerous trends in our public life today. Without the veil of sanctity, all in the name of national security, which these bureaucrats draw around themselves, they could not indulge in this terrifying game of secret diplomacy and national power.

I believe that the time is ripe, right now, for a thorough investigation of the administrative inefficiency and unbalance in the structure of the State Department, and of the grasp for power in the National Security Council by the representatives of the armed services through their outnumbering of the State Department representatives.

RESOLUTION TO INVESTIGATE OFFERED

I have accordingly introduced today a resolution calling for a careful and impartial scrutiny of this unwholesome condition by the House Committee on Foreign Affairs. I do not intend by the introduction of this resolution to single out any one individual as a scapegoat for all the ills which beset our foreign policies. While many of us, including myself, believe that Loy Henderson, Chief of the Office of Near Eastern and African Affairs, is personally responsible for many of the most flagrant reversals of stated policy, without an antiquated and cumbersome system of administration and without the invitation of the act which authorized the NSC, the individuals most to be criticized could not have exercised their irresponsible power.

I also believe that I have so drawn this resolution that the investigating committee could, as they should, carefully examine the relationship of the Arabian-American Oil Co. and its Washington vice president, James Terry Duce, to the National Security Council. I believe they can and should further examine the role played by Dillon, Read & Co. and other great banking houses, not only in the Near Eastern desk but throughout America's mighty and far-flung empire.

Mr. Speaker, I ask unanimous consent to insert at this point the text of the resolution I have just introduced:

Whereas there is increasing evidence that the conduct of American foreign policy is being conducted for and by military and financial interests with little or no regard to the traditional and stated policies of the United States as enunciated by the Congress and the President of the United States; and

Whereas this House views with alarm and apprehension the authority exercised in the determination of American foreign policy by the National Defense Council and the number of positions involving the formulation of policies which have been filled in purely civilian agencies with professional military men; and

Whereas skilled and informed observers have repeatedly pointed out that the duplications of administrative structure in the Department of State have led to the exercise of vast powers by small units having no corresponding responsibility to higher authority and the American public and are shielded from scrutiny by allegations of national security; and

Whereas specifically, the conduct of the Office of Near Eastern and African Affairs of the Department of State in relation to the stated policies of this government in Palestine has, on the public record, constituted a subversion of those policies and a repudiation of the action of the United Nations: Therefore be it

Resolved, That the Committee on Foreign Affairs is authorized and directed, by full committee or by subcommittee, to conduct a full investigation of the formulation and conduct of foreign policy of the United States, with special reference to the following issues, but not to the exclusion of any other matters deemed relevant and pertinent to the scope of the inquiry by the committee:

1. (a) Whether the National Defense Council is conducting its affairs in conformity with the intent of Congress and the meaning of the law;

(b) Whether the administrative structure of the Department of State is efficient and

promotes responsibility of the divisions to the highest authorities and the public welfare;

(c) Whether or not the Office of Near Eastern and African Affairs of the Department of State has thwarted and subverted the American policy on Palestine, has exceeded its authority, and has brought the United States into disrepute.

2. For such purposes the committee or subcommittee shall have power to send for persons and papers and administer oaths, and shall have the right to report at any time.

3. The commitee is authorized to make interim reports from time to time, in the discretion of the chairman and the members of the committee; but shall make its final report and legislative recommendations not later than January 4, 1949.

4. There is authorized to be appropriated from the contingent funds of the House such funds as are necessary to conduct the investigation.

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I have listened with interest to the remarks of the gentleman from New York [Mr. MARCANTONIO]. I have served with him in this House for a long time. I believe in his sincerity. We always know where he stands. I can only express the wish and the hope that some time in his public career he may speak as eloquently for the American form of government and for the American people as he speaks for communism on this floor.

I favor the European recovery bill which this rule makes in order, but seriously regret the delay occasioned by 15 hours' debate. That provision of the rule means very frankly that the leadership will not allow the bill to be passed this week.

If there is virtue in this bill—and the American people believe there is—then time is of the essence. The subject of the European recovery program has been under consideration for 3 months, with the executive branch of the Government urging prompt action almost daily.

We all know the importance of completing action on this bill before the Italian elections in April. No person knows certainly whether or not this bill will accomplish the desired result. But everyone knows that its chances of success are dependent upon the speed with which we act.

If we are going to pass this bill at all, we have already delayed too long.

To delay it now for another week, in order that Members may enjoy the Easter holiday, seems to me the ultimate in irresponsibility. And may I be so bold as to advise the Foreign Affairs Committee in charge of this bill to get in as much as possible of the 15 hours of debate today and tomorrow, because I venture the prediction that after tomorrow you will find yourselves in an embarrassing position when seeking a quorum for the balance of the week should any Member raise the point of no quorum.

Such incidents make us despair as to whether free democracies can survive and thrive in a modern world against the ideologies of dictatorship, equipped as it is to make prompt decisions, and to implement decision with action.

Many of us here carry fresh memories of the tragic events which led to the last world war. Perhaps we should pause and reflect on some of those events that had such profound effect on the subsequent course of human history.

We might wonder whether Pearl Harbor would have occurred if the Congress had not voted down the proposal for the fortification of Guam.

We might wonder what would have happened had just one more single Member of this body voted against the continuation of the draft in the summer of 1941—just 3 months before Pearl Harbor.

I hope that in preparing for the events that now seem to lie so close behind the curtain of the future, we shall not make tragic errors that may cost the lives of our sons and the safety of our country.

But I am apprehensive and afraid as I view the legislative scene in this body at this hour.

We hesitate and falter, and delay about the enactment of the European recovery program and other plans that we are advised by the executive branch to enact as essential to the safety of the Nation and to the survival of democracy in a world of totalitarianism.

Let us consider universal military training. The President has repeatedly recommended it to the Congress. The Armed Services Committee, after extended hearings, reported a bill to the House months ago.

The veterans' organizations, composed of the men who shed their blood and suffered on the battlefields of the last two wars, are pleading with the Congress to give to the youth of the Nation some form of military training that will prepare them for the exigencies of another war, if it has to come.

Many of us in this House well remember in the last war how we had to draft boys from the farms and factories who had no military training, and send them into the battlefronts with a minimum of preparation against the best-trained armies that the world had ever known.

I, for one Member, do not wish to have to repeat that heart-breaking experience.

I do not know what form or type or how intensive a military training bill should be enacted. Perhaps the time is not opportune; or perhaps the training proposed in the bill is not desirable. But I do know that the bill proposed by the Armed Services Committee, after months of study, is not receiving consideration by the Congress. Apparently the leadership refuses to let it come before the House.

Aside from the question of whether it is a good bill or a bad bill, it is a measure of such magnitude that it certainly should be brought to the floor of the House for debate and vote.

No small group of leaders in this body should prevent the representatives of all of the people of this great Nation from expressing themselves on so vital a policy.

And so I wonder if democracy can live and thrive in a modern world atmosphere of dynamic action and rapid change.

It is a question that should provoke profound reflection and stimulate us to speedy action on matters so vital to the survival of the civilization we have been privileged to share.

We of this generation are the custodians of that civilization. We must soon decide by our actions here what heritage we leave to the generations that are to come.

Mr. SABATH. Mr. Speaker, I have listened to my colleague the gentleman from Georgia [Mr. COX] as well as my colleague the gentleman from New York [Mr. MARCANTONIO], who designated this legislation before us as a war measure. I hope they are wrong, although I fear they might be right.

All I want to leave with you in the few minutes remaining is that you give serious consideration to the fact that after every war between any nations or group of nations the representatives of the warring nations sit down around the table and talk peace, and finally, invariably, agree on peace. Why cannot every effort be made by us before the destruction of lives and property occurs? Why cannot an honest-to-God effort be made to bring about peace before the war? Is it not worth trying? I do not say that we can succeed, but I hope we may. Every effort should be made by us, the greatest Nation in the world, and the greatest democracy, to bring about peace before a war happens and bring freedom and liberty to all peoples. We have not even started to bring back the bodies of the 300,000 men who lost their lives in the battlefields across the seas. Here we are again confronted with the possibility of sending millions of our boys into a cruel war under conditions which will be worse than any other war. I repeat, why not make every effort at this time? I think it is worth while that we should do everything in our power to bring about peace before the killing and destruction start.

Mr. Speaker, many persons insist that we have not been furnished with sufficient evidence to justify the passage of this legislation. All we have are the daily statements and interviews of certain generals and retired generals, many of the latter who are now in the employ of potential war industries. That, however, was not true in the case of General Marshall when he served as a special ambassador to China and who, after returning from China, rendered an actual report on the situation in that country in which he severely criticized Generalissimo Chiang Kai-shek and his corrupt administration. We have not been enlightened as to the report of General Wedemeyer as to the present situation and neither do we have a report from our present ambassador to China, Mr. Stewart, who only a few days ago stated that the solution of the Chinese situation lies with the Chinese people. But that does not matter to the war-bound militaristic State Department and to those representing directly and indirectly the Saudi Arabian Oil Co. whose main interest seems to be in the tainted-with-blood oil rather than in peace.

Mr. HERTER. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I did not expect to speak on this resolution. I only do so because my friend from Virginia implied that there was undue delay on the part of the leadership of the House. What are the facts? The leadership of the House requested a meeting of the Committee on Rules yesterday at the very time that the report was being printed. Could it have acted with more rapidity? Of course not. So far as the limitation of 15 hours of general debate, as provided by the rule, the distinguished gentleman from New Jersey, the chairman of the Committee on Foreign Affairs, asked for 10 hours. The Committee on Rules granted a rule providing no more than 15 hours. What confuses me most of all, Mr. Speaker, is that there are some people in America who, when something comes up for the good of Americans, never utter a word, but when it is a question of perhaps giving the dome of the Capitol away to foreign countries, then they want to rush things through without debate or understanding.

Mr. HERTER. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I, too, listened intently to the gentleman from Virginia. Many times in many things I have agreed with him. But I want to say here and now that if I ever listened to a speech that is going to put this country on the rocks and is going to make a militaristic nation out of this country with the universal military training, and having the people of America march to the goose-step like they did over in Germany, it was the remarks of the gentleman from Virginia [Mr. SMITH]. I tell you I am just getting a bit sick and tired of a lot of Members of Congress coming here after 10 years that they have been giving this country away and spending money like a bunch of drunken sailors and doing everything to get this country in the most pitiful condition that it has ever been in all its history, getting up now and accusing the Republican Party of not giving more than 15 hours of time to hand everything that we have over to the European nations. They would do it in 15 minutes. It is about time that the American Congress looked after the American people and stayed at home and stopped trying to run the affairs of all the nations in the world.

Our State Department and President picks out their governments or the people they want to head them. That is not right. How would we like them to come here and tell us who should be in Congress or in the White House? None of it for mine. I expect to keep out of their country's operation. That is none of my business. It is my business how we run this country, however. I want to look after our own people in America, and do what I can for them. America first for me. America all the time for me.

It is only going to be a short time until you will find that instead of the foreign countries looking upon us as good neighbors, we are going to be damned like nobody's business, because we have been sticking our noses into everybody else's business. If I had a neighbor and I interfered in everything he tried to do, I hope that neighbor and all the rest of the families in that vicinity would tell me to attend to my own business. I should think with what is going on now in those foreign countries, when we talk about trying to eradicate communism in those countries, that is the biggest misnomer that has ever been applied to any bill since I have been in this Congress. This bill is a military bill, call it what you want. You are going to militarize China. You cannot deny it. You are going to send military equipment to Greece and Turkey to try to get those countries militarized and you cannot deny that.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. RICH] has expired.

Mr. RICH. My time has expired, but I wish I could answer the gentleman from New York.

Mr. HERTER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. HERTER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 316, nays 21, not voting 94, as follows:

[Roll No. 26]

YEAS—316

Abernethy	Chelf	Fisher
Albert	Chenoweth	Fletcher
Allen, Calif.	Church	Fogarty
Allen, Ill.	Clason	Folger
Allen, La.	Coffin	Foote
Almond	Cole, Kans.	Forand
Andresen, August H.	Cole, Mo.	Fulton
	Cole, N. Y.	Gamble
Andrews, N. Y.	Colmer	Garmatz
Angell	Combs	Gary
Arends	Cooley	Gavin
Arnold	Cooper	Gearhart
Auchincloss	Corbett	Goodwin
Bakewell	Coudert	Gore
Banta	Courtney	Gossett
Barrett	Cox	Graham
Bates, Mass.	Cravens	Grant, Ind.
Beall	Crosser	Griffiths
Beckworth	Crow	Hagen
Bell	Cunningham	Hale
Bender	Davis, Ga.	Hall,
Bennett, Mo.	Davis, Tenn.	Edwin Arthur
Bland	Davis, Wis.	Hall,
Blatnik	Dawson, Utah	Leonard W.
Bloom	Deane	Halleck
Boggs, Del.	Delaney	Hand
Boggs, La.	Devitt	Hardy
Bolton	D'Ewart	Harless, Ariz.
Bonner	Dirksen	Harris
Bradley	Dolliver	Harrison
Bramblett	Domengeaux	Hart
Brooks	Dondero	Hartley
Brown, Ga.	Donohue	Harvey
Bryson	Dorn	Havenner
Buchanan	Doughton	Hays
Buck	Douglas	Hébert
Burke	Durham	Hedrick
Burleson	Eaton	Heffernan
Busbey	Eberharter	Herter
Butler	Ellsworth	Hess
Byrne, N. Y.	Elsaesser	Hinshaw
Byrnes, Wis.	Elston	Hobbs
Canfield	Engel, Mich.	Hoffman
Cannon	Engle, Calif.	Holifield
Carroll	Evins	Holmes
Case, N. J.	Fallon	Huber
Case, S. Dak.	Feighan	Jackson, Calif.
Celler	Fellows	Jackson, Wash.
Chadwick	Fenton	Javits
Jenison	Merrow	Sabath
Jennings	Meyer	Sadlak
Jensen	Michener	St. George
Johnson, Calif.	Miller, Calif.	Sanborn
Johnson, Ind.	Miller, Conn.	Sarbacher
Johnson, Okla.	Miller, Md.	Sasscer
Jones, Ala.	Miller, Nebr.	Schwabe, Okla.
Jonkman	Mills	Scoblick
Judd	Mitchell	Scott, Hardie
Karsten, Mo.	Monroney	Scott,
Kean	Morgan	Hugh D., Jr.
Kearney	Morris	Scrivner
Kearns	Morrison	Seely-Brown
Keating	Morton	Sheppard
Kee	Muhlenberg	Sikes
Keefe	Multer	Simpson, Ill.
Kelley	Mundt	Simpson, Pa.
Kennedy	Murdock	Smathers
Kerr	Murray, Tenn.	Smith, Kans.
Kersten, Wis.	Nicholson	Smith, Va.
Kilburn	Nixon	Smith, Wis.
Kilday	Norblad	Snyder
King	Norrell	Spence
Kirwan	Norton	Stefan
Klein	O'Brien	Stevenson
Kunkel	O'Hara	Stigler
Landis	O'Konski	Stockman
Lane	Pace	Stratton
Lanham	Passman	Sundstrom
Larcade	Patterson	Taber
Latham	Peden	Teague
Lea	Peterson	Thomas, Tex.
LeCompte	Philbin	Thompson
LeFevre	Phillips, Calif.	Tibbott
Lemke	Phillips, Tenn.	Tollefson
Lewis	Pickett	Towe
Lodge	Plumley	Trimble
Love	Potter	Vail
Lucas	Poulson	Van Zandt
Lusk	Preston	Vinson
Lyle	Price, Ill.	Vorys
Lynch	Priest	Wadsworth
McConnell	Ramey	Walter
McCormack	Rankin	Weichel
McCulloch	Rayburn	Welch
McDonough	Rees	Wheeler
McDowell	Reeves	Whitten
McGarvey	Regan	Whittington
McGregor	Richards	Wigglesworth
Mack	Riley	Williams
MacKinnon	Rivers	Wilson, Ind.
Madden	Rizley	Wilson, Tex.
Mahon	Rockwell	Winstead
Maloney	Rogers, Fla.	Wolcott
Mansfield	Rogers, Mass.	Wolverton
Martin, Iowa	Rohrbough	Woodruff
Mathews	Ross	Zimmerman
Meade, Ky.	Russell	

NAYS—21

Bishop	Isacson	Sadowski
Buffett	Knutson	Schwabe, Mo.
Clevenger	McCowen	Shafer
Clippinger	Marcantonio	Smith, Ohio
Ellis	Owens	Twyman
Gwinn, N. Y.	Reed, N. Y.	Vursell
Hull	Rich	Youngblood

NOT VOTING—94

Abbitt	Gathings	McMillen, Ill.
Andersen, H. Carl	Gillette	Macy
	Gillie	Manasco
Anderson, Calif.	Goff	Mason
Andrews, Ala.	Gordon	Meade, Md.
Barden	Gorski	Murray, Wis.
Bates, Ky.	Granger	Nodar
Battle	Grant, Ala.	O'Toole
Bennett, Mich.	Gregory	Patman
Blackney	Gross	Pfeifer
Boykin	Gwynne, Iowa	Ploeser
Brehm	Harness, Ind.	Poage
Brophy	Hendricks	Potts
Brown, Ohio	Heselton	Powell
Buckley	Hill	Price, Fla.
Bulwinkle	Hoeven	Rains
Camp	Hope	Redden
Carson	Horan	Reed, Ill.
Chapman	Jarman	Riehlman
Chiperfield	Jenkins, Ohio	Robertson
Clark	Jenkins, Pa.	Rooney
Cotton	Johnson, Ill.	Short
Crawford	Johnson, Tex.	Smith, Maine
Curtis	Jones, N. C.	Somers
Dague	Jones, Wash.	Stanley
Dawson, Ill.	Kefauver	Talle
Dingell	Keogh	Taylor
Elliott	Lesinski	Thomas, N. J
Fernandez	Lichtenwalter	West
Flannagan	Ludlow	Wood
Fuller	McMahon	Worley
Gallagher	McMillan, S. C.	

So the resolution was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Jenkins of Ohio with Mr. Gordon.
Mr. McMillen of Illinois with Mr. Patman.
Mrs. Smith of Maine with Mr. Gorski.
Mr. Thomas of New Jersey with Mr. Rooney.
Mr. Riehlman with Mr. Meade of Maryland.
Mr. Reed of Illinois with Mr. Lesinski.
Mr. Owens with Mr. Battle.
Mr. Bennett of Michigan with Mr. Kefauver.
Mr. Brown of Ohio with Mr. Fernandez.
Mr. Carson with Mr. Chapman.
Mr. Lichtenwalter with Mr. Gregory.
Mr. Dague with Mr. McMillan, of South Carolina.
Mr. Gillette with Mr. Clark.
Mr. Jenkins of Pennsylvania with Mr. Dingell.
Mr. Brehm with Mr. Keogh.
Mr. Crawford with Mr. Pfeifer.
Mr. Macy with Mr. Camp.
Mr. Jones of Washington with Mr. Rains
Mr. Gross with Mr. Jarman.
Mr. Heselton with Mr. Barden.
Mr. Mason with Mr. Buckley.
Mr. Ploeser with Mr. Manasco.
Mr. Taylor with Mr. Redden.
Mr. McMahon with Mr. Stanley.
Mr. McCowen with Mr. Wood.
Mr. Short with Mr. Somers.
Mr. Bakewell with Mr. Dawson of Illinois.
Mr. Bender with Mr. Powell.
Mr. Chiperfield with Mr. O'Toole.
Mr. Horan with Mr. West.
Mr. Hoeven with Mr. Andrews of Alabama.
Mr. Blackney with Mr. Worley.
Mr. Talle with Mr. Bates of Kentucky.
Mr. H. Carl Andersen with Mr. Gathings.
Mr. Ellis with Mr. Granger.
Mr. Gwynne of Iowa with Mr. Bulwinkle.
Mr. Anderson of California with Mr. Boykin.
Mr. Harness of Indiana with Mr. Poage.
Mr. Hope with Mr. Price of Florida.
Mr. Curtis with Mr. Ludlow.
Mr. Nodar with Mr. Flannagan.
Mr. Buffett with Mr. Grant of Alabama.
Mr. Gillie with Mr. Johnson of Texas.
Mr. Gallagher with Mr. Elliott.
Mr. Goff with Mr. Jones of North Carolina.
Mr. Hill with Mr. Hendricks.

The result of the vote was anounced as above recorded.

Mr. EATON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of S. 2202, with Mr. CASE of South Dakota in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. EATON. Mr. Chairman, first of all I want to call the attention of the Members to this bundle of documents now on the majority table. These are the documents with which the Committee on Foreign Affairs has had to wrestle for the last 2 months. Every document here has received the attention either of the whole Committee on Foreign Affairs or of members of the committee. As chairman it has been my object to give opportunity to every member of the committee on both sides to exercise all their energies and powers in the general advancement of our responsibilities.

Therefore, on this occasion I am going to ask the gentleman from Ohio [Mr. VORYS], who, in the unavoidable absence of the gentleman from Illinois [Mr. CHIPERFIELD], is our senior on the Republican side, and who has a judicial mind and is a good mathematician, to take charge of the time. If any of the brethren have their feelings hurt, I thank God that they cannot blame me for it.

The CHAIRMAN. The gentleman from New Jersey has consumed 2 minutes.

Mr. VORYS. Mr. Chairman, I yield to the distinguished chairman of our committee such time as he desires, and I understand that at present he desires 20 minutes.

Mr. EATON. Mr. Chairman, I would greatly appreciate the courtesy if I may be permitted to finish this brief statement without interruption.

The Foreign Affairs Committee by unanimous vote brings to the House today for its consideration and action, S. 2202, as amended, which may be cited as the Foreign Assistance Act of 1948.

In its preparation of the bill, the committee has had the helpful advice and cooperation of the majority leadership, as well as full and frank discussion and consultation with the steering committee.

Acting as the constitutional agent and servant of the House, the Foreign Affairs Committee has given more than 2 months of exhaustive and unbiased study to the far-reaching and complex problems involved in this legislation. In this prolonged study, we have kept always and equally in mind the effects of this legislation upon our own national economy, security, and peace; and upon the economy, security, and peace of those free nations with whose destiny, for good or ill, we are vitally concerned.

I commend the tireless industry and self-sacrificing faithfulness to duty of the working members of the committee in the formulation of this legislation.

While paying this tribute to my colleagues on the committee, I desire also to record for the committee and myself as chairman our appreciation of the helpful assistance rendered the committee by its administrative officer, its professional and clerical staff, and by representatives of the State Department.

It is not my purpose at this time to present a detailed analysis of the bill. That will be done by members of the committee as consideration of the legislation goes forward. I will simply enumerate the main provisions of the bill in order to project the problems with which it deals, in their entirety against the background of those world forces and conditions which make the immediate enactment of this legislation tragically urgent and necessary, and which constitute a supreme challenge to, and test of our national resources of intelligence and character.

The bill consists of four titles.

Its primal objective is to promote world peace, and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad, in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States.

In essence the bill constitutes the foundation of a long delayed and desperately needed foreign policy, for the guidance of our Nation in discharging its inescapable responsibilities as world leader in behalf of universal, personal, and national freedom, security, and peace.

Title I sets up the European recovery program. With certain modifications it is in accord with the Senate ERP bill.

Title II provides for the care and feeding of destitute children by authorizing a contribution of $60,000,000 to the International Children's Fund of the United Nations, to be made available as other member nations contribute their share of the fund.

Title III provides for military aid to Greece, Turkey, and China in their struggle to survive against the armed and unarmed aggression of communism.

Title IV provides for economic aid to China to be administered by the agency set up to administer the European recovery program.

The total cost of implementing the objectives of these four titles for the first year is set at $6,250,000,000, distributed at follows:

Five billion three hundred million dollars for European recovery.

Sixty million dollars for destitute children.

Two hundred and seventy-five million dollars for Greece and Turkey.

Five hundred and seventy million dollars for China.

The most obvious questions which will and ought to be asked by those who find it difficult to support this legislation are. First—Why is it necessary for our country, years after the end of armed conflict in Europe and the Orient, to keep on spending in ever increasing volume our financial and material resources in all parts of the world?

In the Second World War we spent over $300,000,000,000. Hundreds of thousands of the flower of our manhood were killed or wounded. We created the greatest public debt in history. We laid a fantastic and almost unbearable burden of taxation upon our people. We disrupted our old time American way of life by thrusting governmental control into the affairs of every citizen. We depleted our national resources. We disorganized our entire domestic economy. Our citizenship was left in a dangerous condition of mental and moral confusion and uncertainty.

Why then is it not our first duty to set our own house in order and postpone further foreign expenditure until that is done?

Second. In view of all this, why can we not now, as a Nation, withdraw completely within ourselves, attend exclusively to our own domestic affairs, leave the rest of the world alone, and insist that the rest of the world leave us alone?

The answer to these questions lies in the grim realities of present world-wide conditions, created and motivated by the mightiest spiritual and material forces of evil which have ever cursed mankind, and which beat, like the surge of the sea against the independence, security and peace of all free nations, including our own.

The measures proposed in this bill constitute a conscious recognition of the menace now confronting mankind. It is not a partisan measure. It is the voice of the American people of high and low degree; of all sections, breeds, creeds, and conditions, announcing once more to the world their own invincible will to be free and their comradeship with all other peoples of like character and mind.

The urgent necessity and vital significance of this legislation becomes self-evident when it is placed against the actual facts of life revcaled in those menacing material and spiritual forces now disturbing and disintegrating every normal, social, economic, and political institution and relationship in the world.

What in essence is this world situation with which we must deal, and from the effects of which we can no more escape than from the force of solar gravitation?

Mankind stands today in a shattered no man's land between two ages. One still in the throes of death; the other in the pangs of birth. The supreme task which now confronts all peoples is the creation of a new world civilization. The one central issue to be decided is whether this new world civilization shall be foundationed upon freedom or upon slavery.

The story of man's long and difficult journey from the jungle to his present advanced but precarious position is summed up in the word "civilization."

There have been many civilizations, each resting upon and sustained by some form of religion, and each successively destroyed when its spiritual energies became too weak or corrupt to further support its material superstructure.

The core and substance of every civilization has been and always will be its contribution to the freedom of men. Freedom is the distinctive glory of man. He alone of all animate beings is endowed with the power of choice between right and wrong. He alone is a spiritual being. And because he is a spiritual being, with the power of choice, he must be free.

So it comes to pass that the value and permanence of any given civilization in the past lies in its contribution to freedom. From age to age men have won for themselves freedom to worship, freedom to think, freedom to govern themselves.

In the last century or two, with political power in their possession, the masses of men have turned to economic freedom as the next goal to be achieved in a progressive civilization. With the ever-increasing utilization by science of the forces and resources of nature for the service of man, there is ground for the belief that it may become possible for every human being who helps to produce needed services, goods, and commodities, to achieve for himself by his own efforts freedom from economic want.

At this time in the history of civilization communism takes the stage and sets up an alleged civilization of its own. But communism is the only form of civilization that does not rest upon and take its impulse from the spiritual nature of men. Communism has no religion. It looks upon man as an animal with a mind, but without a soul. It has no morals. It springs from and is nourished by hate. It disrupts and destroys. It does not create or liberate or inspire. Its instrument is force and fear. It is the complete negation of every principle upon which a true civilization must be based. And it proposes to conquer the world by treasonable infiltration if possible; by armed force if necessary.

This is the issue which makes necessary the legislation we are now considering. Is the new world civilization to enthrone slavery in every land with Russia as its instrument of control? Or is the new world civilization to enthrone freedom in every land with America as its leader and champion?

Because this is the issue and these are the world-moving forces with which we must deal, no sacrifice, no effort is too great for America nor for every other freedom-minded and freedom-loving people to assume.

There they stand face to face. America the champion of freedom as the basis of all civilized life. Russia the champion of slavery as the basis of a world civilization without a soul. This legislation is an announcement to the world of our choice. Once our choice is made we must go on until victory is won for ourselves and for all mankind.

> There is a tide in the affairs of men,
> Which, taken at the flood, leads on to fortune;
> Omitted, all the voyage of their life
> Is bound in shallows and in miseries.
> We must take the current when it serves or lose our venture.

Mr. BLOOM. Mr. Chairman, after listening to the wonderful address of our chairman of the Committee on Foreign Affairs, I wish the Committee on Rules yesterday had known what the chairman was going to say today, for I think they would have made the time of debate about 1 hour and then let us go on and vote, because his speech has gone into all the details and ramifications of this legislation.

In over 2 months of hard labor the Committee on Foreign Affairs has gone into every detail and every consideration of this legislation. Any suggestion made by anyone, either in the Congress, on either side of the aisle, Republican or Democrat, or from the outside, was given a complete hearing before the committee. The committee has considered everything not from a political point of view but from the consideration of doing the right thing. I think if the Members would read the first few pages of the report they would be convinced that what the committee has done has covered every branch, every thought, and every idea that anyone ever had on this subject.

In this proposed legislation the Committee on Foreign Affairs has gone a little bit further than we on the Democratic side thought it should at this time. We thought the relief program for the 16 countries of western Europe should be the only thing to be considered in this legislation, and that China and the other parts of the world should be considered in separate legislation, but it was the sense of the majority of the committee that this legislation should all be tied up into one package and presented to the House at one time so as to save time in the consideration of the resolution that was originally introduced. This is now before you. The Democratc members of the committee have gone along with the majority of the committee, and as long as we have it here at this time I do not think there should be any objection to considering it all.

The chairman of the committee mentioned one thing about being alone. People suggest, "Why do not the other nations of the world go it alone and let us alone," I am afraid, Mr. Chairman, that if any course of that kind should be followed at this time we would be very much alone in the future. We are the only nation in the world at the present time that really has anything to lose. We are the greatest Nation in the world at this time, and it is up to us to do what we possibly can to relieve the other countries to whom we have made promises.

I remember that while the war was on we were throwing leaflets over the different countries of Europe and down into Greece, saying, "Wreck your bridges, destroy your factories, do everything to help us win the war, and after we have won the war we will come to your aid and assistance." These countries did these things; they did everything we told them to do to help us win the war. Today they expect us to come to their assistance. Now, are we doing this just from the humanitarian point of view? Are we doing this, as the chairman said, to preserve civilization throughout the world? Are we doing this for our own benefit? In my own opinion, Mr. Chairman, this is for our self-preservation. The few dollars, although it may seem like a lot of money, to bring civilization back to its proper place and try to restore freedom throughout the world, will bring to us the greatest return when compared to anything that we could possibly do at the present moment. I think you will agree with me that when you consider things only from the point of view of the dollar sign, that is one matter. But this $6,200,000,000, the expenditure of which is being authorized by this bill to try to restore the world to its proper foundation of freedam, will bring the greatest return that we could ever have with all of our assets. What is the good of our money? What is the good of everything we have in the world today if we do not have peace and security. That is what we are trying to buy, not only for us but for our allies and other people throughout the world. We are trying to buy peace and security. Yesterday I heard certain questions asked in the Committee on Rules about the United Nations. There is nothing in this legislation that is not done in conformity with the Charter of the United Nations—not one single thing. But if you

should throw this into the United Nations, Mr. Chairman, we would have to furnish the money anyway, because by what piece of legerdemain or magic could you get anywhere near the amount of money that we are authorizing here? How could the United Nations contribute that? What other country can do this? What other country is able to do this, even in part? So it is up to us, Mr. Chairman. We ought to thank God at this time that we are in a position to do everything that the chairman of the committee has outlined, even if it should cripple us a little, which I do not believe it will—we ought to thank God that we are in a position to do all these things, as provided in the Senate bill, and more too, if necessary, to bring the world back, to restore freedom throughout the world, and bring peace and security for all time to this country and to our people. I thank you.

Mr. VORYS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, after the masterly review of the background of this legislation which we have just had from our committee chairman, Dr. EATON, it is my task to review briefly some of the details of the bill.

THE "PACKAGE"

First is the question of: Why the package? By a vote on January 8, this year, your Foreign Affairs Committee determined, by majority vote, to approach this on a world-wide, long-range basis, rather than a piecemeal, stopgap basis, and to attempt, if we could, to present to the House a world-wide foreign policy, and, if we could, to present to the House a full statement of the commitments, financial and otherwise, that would be asked of the House this year.

In this plan which we adopted January 8 our leadership joined, because they realized that we could achieve speed in adopting any program under our parliamentary rules, by putting together these matters that are so closely related in our foreign policy. Thus, the Republicans on the committee and the Republican leadership were of one mind as to having a broad approach, rather than a piecemeal, stopgap approach.

We were also brought toward this "package" viewpoint by the facts of the timetable given us by the administration.

ERP had a deadline of April 1, not only required by the administration but fixed by the Congress itself in the Interim-Aid Act last fall.

The Greek-Turkish bill was sent up here with a deadline of April 1, from Secretary Marshall.

The Chinese aid bill had a deadline of right now, for both military and economic aid, according to officers serving in our armed forces, General Wedemeyer and General MacArthur.

There was another deadly timetable that we foresaw long before public realization of it brought on this present near-hysterical tension; we realized the Communist timetable that was working in Italy, in the Near East, and the Far East. We knew that economic aid and military-type aid were both necessary at the same time this spring in order to make either effective.

So we bring to you this package, which contains a possible expenditure of $6,205,000,000, and I regret to say that it is but two-thirds of the package that will be presented for consideration by this session of Congress. The total will be in the neighborhood of $9,300,000,000 for foreign activities, and you will find the details on page 12 of our report.

THE AMOUNT

As to the amount, I have concocted this chart on the blackboard, which shows you the break-down and the summary.

Title I, ERP, has in it an authorization of $5,300,000,000, of which $1,000,000,000 is exclusively for loans and guaranties.

Title II, the children's fund, has in it a contingent authorization which may reach $60,000,000.

Title III, the Greek-Turkish section, contains $275,000,000 of authorizations for Greece and Turkey, and $150,000,000 for China.

Title IV, which contains the economic-type aid for China of $420,000,000, and, as I say, title III also contains military-type aid for China of $150,000,000; giving us a total of $570,000,000 for China, for 15 months.

The total is $6,205,000,000, of which $1,000,000,000 will be exclusively for loans and guaranties, and not more than $500,000,000 of that $1,000,000,000 is available for guaranties. Those are guaranties of convertibility of currency and not guaranties of the total amount of the transaction. The hearings showed that 20 to 40 percent of European aid will be loans. The Senate bill provided a limit of $265,000,000 for guaranties. The House provision insures that at least one billion of loans and guaranties will be made. Further loans may be made from the amount authorized for appropriations.

So that we face this situation, that the bill now before you, the foreign-assistance aid of 1948, which is our version of the Senate bill, contains $5,205,000,000 of authorizations for appropriations, $95,000,000,000 less than the Senate bill.

Of this $5,205,000,000 only $2,205,000,000 will be included in appropriations for fiscal 1949, and $3,000,000,000 will be included in appropriations for fiscal 1948 under the provisions of the so-called Milliken amendment to the Senate bill which has been retained intact in the House bill. So it is possible that if all of the authorizations for appropriations, loans, and guaranties were used, next fiscal year might end up with $5,205,000,000 of appropriations, $500,000,000 added to the national debt through public debt transactions to finance the loans, and $500,000,000 would stand on the books as contingent liabilities with only a reserve fund of approximately 1 percent premium charged for the guaranties.

ADMINISTRATION: THE CORPORATION

Now, as to the administration: The committee had the studies of the Select Committee, the results of which are reflected in both the Senate bill and the House version. The Select Committee, of which I had the honor to be a member, recommended at the outset a corporation form of administration, and our Committee on Foreign Affairs was inclined at first to the same view. We found, however, as did the Select Committee, that under our Constitution, due to the peculiar responsibility and powers of the President in foreign affairs, it was impossible to set up a corporation wherein the particular policies could not be dictated by the President of the United States, who is the sole representative of our country in the negotiation and execution of foreign policy. Your committee therefore retained the independent administrator recommended by the Brookings Institution study and provided in the Senate bill; but we also provided that the administrator, with the approval of the President, could set up a corporation, and we spell out on page 53 of the bill, if you care to read it, the full provisions and limitations and authorization for this corporation. So we feel we have arrived at an administrative set-up which recognizes the constitutional powers and limitations of the President but which also provides for flexibility and sound business operation by the use of a corporation if it is needed.

We retain the National Advisory Council, which is an existing organization under the Bretton Woods Act, to advise the administrator with reference to foreign loans. We kept, instead of the board of directors of the corporation, the Public Advisory Board provided by the Senate bill; so that we have an administrator with power under the President to set up a corporation for business dealings, but with the policy directed by the chief exponent of our foreign policy, the President; with a public advisory board, and with the National Advisory Council for financial advice; but the administrator is made as independent as he can be made under our Constitution of any other controls.

THE TIME COMMITMENT

Now as to time, how long shall this last? You will find in section 114 (c) page 82, the result of your committee's deliberations on this question of time. This will be described more fully by other Members later; but let me just point this out, the bill as we have drafted it recognizes that this must be a 4-year policy law on the books, with continuity of assistance dependent upon continuity of cooperation, as you will find on page 49; but we also recognize that this Congress cannot bind future Congresses; this Congress cannot bind its committees in later sessions of the same Congress as to authorizations or appropriations. So we spell that out, that funds shall be subject next year to authorization and appropriation by the committee and by the House itself. Providing for periodic authorization of the program insures public hearings before the House Committee on Foreign Affairs, and the Senate Committee on Foreign Relations, in addition to the closed hearings before the Appropriations Committees. Surely such public hearings will do the program more good than harm, if it is going well. Surely there can be no embarrassment in reminding foreign nations, in the text of this law, of the limitations on our power to bind future Congresses. On the other hand, we properly retain the basic law, the policy statement, on the books for 4 years.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. VORYS. Mr. Chairman, I yield myself five additional minutes.

CONDITIONS AND LIMITATIONS

Mr. Chairman, conditions and strings that are tied to the aid are treated in section 115 of the act on page 84 and following. You will find spelled out there the conditions which each country must meet by written bilateral and multilateral agreements in order to be entitled to receive aid.

There are 10 conditions. I merely wish to mention certain ones which were added by our committee. Condition No. 9, a condition with reference to stock piles of strategic materials for the protection of our own economy, is spelled out on page 89. We provide for agreements to restore in the future some of our natural resources now being depleted by this program by an agreed percentage of new production of such strategic resources in the recipient country or its dependencies, as partial repayment for our loans and grants. Condition No. 10 found on page 90 provides that in case of nationalization of industries in any country or any other act of a foreign government whereby our citizens are deprived of any property or rights, the country must agree that that question can be heard by an impartial international tribunal.

Section (e) of section 115 provides for the allocation and absorption of displaced persons in recipient countries in order to meet the manpower needs of these nations.

Section (e) also provides for a review of the reparations question and the whole question of the dismantling of property in Germany when the Administrator requests the Secretary of State so to do.

Section 117 (d) incorporates the so-called Mundt amendment, not to abolish or avoid east and west commerce in Europe between the countries before and behind the iron curtain, because such commerce is absolutely imperative if Europe is to survive. It does not attempt to bar such commerce. It merely attempts to bar from going behind the iron curtain from the countries of western Europe the same commodities and articles which the United States would bar from going directly from these shores.

You will find on page 69 a new provision for the encouragement of private enterprise. Not only have we extended the guaranties from $265,000,000 to a possible $500,000,000 to encourage participation of private enterprise in the recovery of Europe, but you will also find on page 49 a provision for the encouragement of private enterprise in current transactions, the sale of materials and commodities.

That is a summary of some of the important provisions of the bill. Let me say that throughout general debate these various provisions and considerations will be considered and discussed in more detail by members of the committee.

In considering the details of this legislation, each one of us has in his heart of hearts a general statement of his own deepest concern and conviction as to what is involved in all of this. I want to give you mine:

War may or may not be inevitable, but we should not forget that peace is inevitable. It may be the uneasy, turbulent, treacherous kind of peace we have now; it may be the ghastly peace of a world-wide police state. It can be a blessed peace of international law and order, justice and liberty. That is what we are trying for now. Twice we have won world wars and lost the peace. This time we are going to try to win the peace. We must remember that there never will be a perfect peace, and we must plan perpetual warfare against the lawless forces in the world at home and abroad. In this bill, in which we attempt to wage peace now, using economic, military, and moral force, because all three are needed now, all we hope for is to bring about the kind of peace the angels promised: Peace on earth among men of good will.

Mr. BLOOM. Mr. Chairman, I yield 25 minutes to the gentleman from Tennessee [Mr. COURTNEY].

Mr. COURTNEY. Mr. Chairman, in the time allotted me, I shall not undertake to go into all the details and mechanics of this bill, which are many, varied, and complex. Other speakers from the committee will do so, however, and when general debate shall have been completed, there will be no phase or feature of this bill that has not been examined, explored, and explained to the satisfaction of the Members.

I shall content myself with attempting to picture the general background and history of the proposed legislation and in explaining in broad outline the measure that your Committee on Foreign Affairs brings to the floor of the House after 2 months and 10 days of continuous and exhaustive hearings, open and executive.

Before I begin, may I pause to pay my respects to our beloved chairman the gentleman from New Jersey, Dr. CHARLES A. EATON, who has presided through all the tedious days and nights of the hearings. But for his wisdom, patience, impartiality, and rare good humor the committee would never have been able to bring out this unanimous report. If my membership in the House in the years past had brought me nothing save the privilege of associating in committee with this great and good man, this enriching experience would have made my stay here well worth while.

The bill before you is in four titles:

I. European recovery.

II. A continuation of assistance to the International Children's Emergency Fund, an agency of the United Nations.

III. Military aid to Greece, Turkey, and China.

IV. Economic aid to China.

May I say that at the beginning of the hearings and for weeks thereafter, the minority members of the committee insisted that only title I be considered, and that a simple bill dealing only with European aid be reported out to the floor. This was because we realized that time was vitally of the essence of this legislation. With every tick of the clock, with every fleeting moment, the situation of these countries in Europe became more desperate. Had we been successful, had this portion of the bill become the law weeks ago, in my considered judgment Czechoslovakia would not have been swallowed up into the insatiable maw of the Soviet Union, nor would the latter now have her jaws locked upon the writhing form of Finland.

The majority in the committee, however, overruled us every time the vote came, insisting upon a "one-package" bill. Finally, after plodding our weary way, week after week, through the hearings, it became obvious that the inclusion of titles II, III, and IV could cost no further precious time than that that had already been consumed. Then we agreed with the majority to bring out the bill in its present form. All of us agreed, of course, that the aid to China, Turkey, and Greece was justified and absolutely necessary, but thought that it should come under a separate bill, as the matter is now being handled in the Senate.

In this discussion, I will deal first with title I of the bill—European Aid:

On June 5, 1947, Secretary of State Marshall made a speech at Harvard University. At that time, remember, the United States had sacrificed $250,000,000,000, in round figures, in achieving victory in the war, and had devoted sums approximating $20,000,000,000 in postwar efforts to establish peace and prosperity The latter sum had brought some temporary relief, had saved millions of men, women, and children from starvation, but had accomplished little toward recovery and rehabilitation in Europe.

The Secretary said:

> It is already evident that before the United States Government can proceed much further in its effort to alleviate the situation and help the European world on its way to recovery, there must be some agreement among the countries of Europe as to the requirements of the situation and the part these countries themselves will take in order to give proper effect to whatever action might be undertaken by this Government. The initiative, I think, must come from Europe.
>
> The role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program, so far as it may be practical for us to do so. The program should be a joint one, agreed to by a number, if not all, of the European nations.

These sentences will forever echo down the corridors of time, for never did a few words so simply spoken set off such a dramatic chain of human events. French and British authorities summoned a conference of European nations. Twenty-three nations, Russia included, were invited to attend. It may be interesting to record that while Russia was invited, she refused to have any part of the plan, refused to let her satellite countries participate, and actually had the effrontery, through Molotoff, to say:

> The Soviet Government considers it necessary to caution the governments of Great Britain and France against the consequences of such action—

That is, participating in the program.

And yet, may I say parenthetically, we have the sorry spectacle of a man once Vice President, and who has held other

high places in our Government, barnstorming around the country, heading a so-called third-party movement, crying out here and there in the wilderness that we should adopt a so-called Wallace plan, rush aid to the Soviet Union above everything else, and, in general, go to bed with the Soviets. There are two explanations for the actions of Henry A. Wallace: First. He is crazy; or, second, he is an out-and-out Communist. If you ask me, I think he is both.

Sixteen of the European countries accepted the invitation for the conference: Austria, Greece, Norway, Switzerland, Belgium, Iceland, Portugal, Turkey, Denmark, Ireland, Sweden, the United Kingdom, France, Italy, Luxemburg, and the Netherlands.

Within a month after Secretary Marshall's statement, representatives of these nations had met and organized the Committee of European Economic Cooperation, and had set about to find out what they could do to help themselves and each other back to a sound economy, how long the journey back would take, and how much financial help they must have from us to achieve their goal.

Remember, these 16 nations, with western Germany, have a population of 275,000,000. They possess great agricultural and industrial resources. Even in its present depressed state, the production of this area is vastly greater than any aid that this country can provide. Such aid from us must be considered therefore, not as a means of supporting Europe, but as a spark which can fire the engine.

The conference of 16 countries estimated that recovery could be complete in 4 years and pledged themselves to achieve among themselves production and monetary goals that would insure such an end. That committee thought that $22,000,000,000 in outside aid would be necessary.

Thereupon the President of the United States set machinery in motion here: First, to examine, explore, and screen the amount asked, to definitely ascertain whether or not the amount had been exaggerated; and, second, to ascertain to what extent our country could help without too serious an impact upon our own economy.

First. There was the committee headed by Secretary of the Interior Krug, which made exhaustive studies. This was a governmental committee. Then there was appointed the President's Committee on Foreign Aid, under the chairmanship of W. Averell Harriman, Secretary of Commerce, who was the only Government official on the committee, and was made up of the outstanding businessmen, industrialists, and financial experts of the country. Both these committees reported, in effect, that the aggregate productive capacity of the United States appeared ample to support the aid program. In addition, there were other economic reports available, and, on a basis of all of these, the President recommended that aid to the extent of $17,000,000,000 be extended for the period down to and including June 30, 1952, and that $6,800,000,000 be made available for the first 15 months of the program.

This was the background when your committee began consideration of these proposals.

Under the bill, we recognize the fact that we are embarking upon a 4-year program, if future Congresses assent. But, we limit the first authorization of appropriation to $5,300,000,000 for the first 12 months, instead of 15.

We have written into the bill the proviso that no assistance to the participating countries shall be carried to the extent where it may seriously impair the economic status of the United States. And we have further declared it to be the policy of the United States that continuity of assistance provided by us shall at all times be dependent upon the continuity of cooperation among countries participating in the program. In fact, the Administrator is directed to withhold aid from any country that does not come up to its pledges and obligations.

The aid may be used either for grants or loans as the Administrator deems necessary and proper, looking to the financial condition of each participating country, acting in consultation with the National Advisory Council, which I shall hereafter describe.

Where aid is not furnished on terms of payment, local currencies of the countries participating must be deposited by each beneficiary country. The beneficiary country and the United States will agree on the local expenditure of these currency accumulations on behalf of the purpose of this act. These local currency funds wisely administered can become a major force toward reconstruction, expansion, and modernization of the industrial capacity of the participating countries, stabilization of internal general and monetary conditions, and development and expansion of raw material and productive capacity. The funds also will be available to meet the local administrative expenses of the program.

I call your attention further to the fact that the investment of private American capital in approved reconstruction projects in the 16 countries and western Germany, is encouraged by our guarantee of subsequent convertibility of profits or original investment into dollars. This obviates the hazard most likely to prevent private investment.

And now, Mr. Chairman, is the passage of this bill necessary? Had I the time, I could stand here for hours and amplify, point by point, upon the absolute necessity that this help be given. We have seen the Soviet Union absorb Estonia, Latvia, Lithuania, Albania, Bulgaria, Rumania, Hungary, Yugoslavia, and Poland, and more recently Czechoslovakia. And Finland is at the point of following these other countries. The forces of disintegration are on the march in all these 16 countries which are participating in this program, and the fall of one will hasten the further spread of communism to the others. And if we do not act, we will see that foul and degrading doctrine made the governmental concept throughout Europe to the Channel and to the sea. Soon America, with such feeble aid as England may be able to offer, will stand alone against this evil and despicable theory and form of government. Then one day these forces will be upon us.

It is true that this grim necessity is partly of our own making. I would that we had never officially recognized the Soviet Union, and that when Germany and Russia were at each other's throats we had let them bleed each other white, to the point of mutual extermination, and had not gone to the aid of Russia with billions in military supplies. Our judgment in the latter instance was clouded by the fact that we believed that Russia's effort was shortening the war and saving precious lives for us. We see now that in destroying Hitler we only swapped the devil for the witch. But it is too late now to turn our faces and our wishes to the past. It is unnecessary to paint the picture of the alternative which this country will face should the few great critical barriers to the march of communism disappear. Past sacrifice of an economic character would be small indeed compared to the burden which this Nation would have to assume in such a world. The very survival of our country would be more seriously at stake than at any other time in its history. Faced with this prospect, there is no choice but to pass this bill. A "calculated risk" it has been called, but such a risk is no risk compared to the grim certainty of the alternative.

And now, Mr. Chairman, I come to the manner of the administration of the relief as proposed by the bill.

There is set up, with principal office in the District of Columbia, an agency of the Government to be known as the Economic Cooperation Administration. It is to be headed by an Administrator to be appointed by the President, by and with the consent of the Senate, and he will have cabinet status. The Deputy Administrator will be appointed in the same way. The Administrator, with the approval of the President, is authorized and empowered to create a corporation with such powers as the Administrator may deem necessary or appropriate for the accomplishment of the purpose of the bill. The Administrator can call for advice at any time upon an organization already existing under other legislation, the National Advisory Council, consisting of the Secretary of the Treasury, as chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Export-Import Bank, and, during the existence of the Economic Cooperation Administrator, the Administrator thereof.

The bill sets up a new organization: the Public Advisory Board, which is to advise and consult with the Administrator with respect to general or basic policy needs arising in connection with the Administrator's discharge of his responsibilities. This Board will consist of the Administrator, as chairman, and will have not to exceed twelve additional members to be appointed by the President by and with the advice and consent of the Senate, to be selected from among citizens of the United States of broad, and varied experience in business, labor agriculture, the professions, and in matters affecting the public interest.

Then there is to be a United States special representative in Europe, appointed as in the case of the other officials—a kind of roving ambassador—to discharge such duties as may be agreed upon between the Administrator and the Secretary of State.

The countries to participate in the aid are the 16 countries that signed the report of the Committee on European Economic Cooperation at Paris last year, and any other country, including the zone of occupation in Germany and the free territory of Trieste, if and when they come in and agree to the joint program for European recovery and accept their appropriate responsibility.

So much for title I of the bill affecting European recovery, and, as my time is running short, my comments on the remaining titles must necessarily be brief.

Title II contains a conditioned authorization of $60,000,000 for the International Emergency Children's Fund, an organization operating under the United Nations. This agency has done a great and outstanding work, being the only entirely successful agency of that organization so far. It is feeding 4,000,000 children that otherwise would perhaps starve. Of course, all other nations of the United Nations contribute proportionately to this fund, and our payment is conditioned upon the continuation of support of the fund by these other countries.

Title III authorizes the appropriation of $275,000,000 for military aid to Greece and Turkey and $150,000,000 for military aid to China.

As to the necessity for these appropriations, I quote from our committee report, as to Greece and Turkey, from page 50 of the report:

The two countries have been, and continue to be, subject to external pressures by Communist-dominated nations, which pressures pose a constant threat to internal security and economic stability. Without immediate and effective assistance such as is provided in the terms of this title, it is believed that neither Greece nor Turkey can long survive the determined and unrelenting attacks upon their independence.

This title recognizes not only the immediate threat to the countries concerned but also the responsibility of the United States for the maintenance of international peace, the desire for which caused us to take a leading role in, and led us to subscribe to, the deliberations and findings which resulted in the formation of the United Nations.

On February 26 the Secretary of State requested the Congress to extend Public Law 75 (80th Cong.) and to authorize the appropriation of an additional $275,000,000 for assistance to Greece and Turkey. The funds were requested in order to continue military support to the Greek and Turkish Governments in addition to the economic assistance which will be given to those countries under the European recovery program. The need for this additional assistance is occasioned by continued and increasing Communist pressure upon Greece and Turkey which threaten their independence and territorial integrity.

Then, as to the necessity of military aid to China, I quote again from our committee report—page 54:

Aid for European countries has been of two types, distinguished as such in the requests made to Congress by the executive branch. The first type has concerned such situations as those in Greece and Turkey, under direct threat by outside forces. Aid in such situations is characterized by the purposes of the so-called Truman doctrine; military advice and supplies have been recognized as being as important as economic aid designed for relief or recovery in such countries. The other type of aid is that implied in title I of this bill, designed to serve the purpose of economic recovery. In the judgment of the committee, China, like Greece and Turkey, is a case to which each of these two types of aid are properly applicable.

The committee expressed this judgment by separating the proposed aid for China into two parcels, matching in nature the two types of aid to certain European countries provided in title I on the one hand, and in title II on the other.

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The committee was moved to this decision by the known facts of the situation in China, backed up by the evidence presented by several leading witnesses. China, like Greece, is torn by civil war supported by resources outside the country. In China, as in Greece, domestic political reform and economic recovery had become nearly impossible unless a minimum solution of military security could first be found. Much of China, like Greece and Turkey, has the character of a frontier region, covering a more important area whose independence is an interest of the United States. Not all witnesses were in agreement that military aid should be given to China, but nearly all were agreed that without military-type aid, economic aid would be a most dubious venture.

The importance of the independence and territorial integrity of China to the interests of the United States is regarded by the committee as a sound principle of policy, as much so today as when it was first recognized as one of the most fundamental principles of the foreign policy of the United States, half a century ago. To give China no aid, in the committee's opinion, would be tantamount to forsaking this policy or of accepting its defeat.

Title IV provides for the appropriation of $420,000,000 for economic aid to China, and as to the necessity for this aid I quote from our committee report—page 56:

China had continuous foreign war from the time when its war with Japan began, in 1937, at the Marco Polo Bridge in Peiping, until the end of the Pacific war in 1945. It has had civil war ranging from desultory to intensive in scale and character for 40 years.

The efforts made during the war against Japan sapped the strength of the entire economic, fiscal, and administrative system of the country. Large sections of the country, including the richest, were occupied for as long as 8 years, and the government was deprived of all revenue from such areas. Many millions of people were displaced as refugees, much of the industry of the country was destroyed, the few rail lines were torn up, repaired, and torn up again. After Pearl Harbor the nation suffered almost complete blockade for 3 years. The fraction of the national budget devoted to military expenses has been at the war level for more than a decade, and essential civilian functions have suffered seriously. Despite remarkable success in braking inflation during 7 years or more, the debt burden eventually reached the point at which inflation became uncontrollable.

* * * * *

The case of China under these conditions is parallel to that of Greece. Economic recovery requires reforms in the finances which depend upon reforms in the administration, which in turn depend upon some relaxation of military effort, which in turn can come only when secure conditions have been established in areas now torn by guerrilla warfare. The experiment of withholding aid in order to secure reform first has been tried and has had only undesirable effect. In the judgment of the committee there is no question that aid must be given if China is to turn the corner and begin to recuperate, or even to survive as a genuinely independent nation and a friend and ally of the United States.

And now, Mr. Chairman, in conclusion, may I say this: In the long, long ago—in 1644 to be exact—the immortal John Milton sat in England, turned his sightless eyes toward America, and this vision came to him:

Methinks I see in my mind a noble and puissant nation rousing herself like a strong man after sleep, and shaking her invincible locks. Methinks I see her as an eagle mewing her mighty youth, and kindling her undazzled eyes at the full midday beam; purging and unscaling her long-abused sight at the fountain itself of heavenly radiance; while the whole noise of timorous and flocking birds, with those also that love the twilight, flutter about, amazed at what she means.

That vision has been fulfilled. We are the greatest nation on earth, but, as has been so wisely said, the greatest nation on earth either justifies or surrenders its leadership. God brought us to this pinnacle of greatness. He did it, I think, with the divine hope and expectation that we would assume the responsibility commensurate therewith.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. JUDD] who will tell us about titles III and IV of this program as they affect China.

Mr. JUDD. Mr. Chairman, the plainest fact we face in the world today is that we do not have one world, as we had hoped we would have. We have two worlds.

Men and nations are split right down the middle, not only politically and economically but, as the beloved chairman of our committee pointed out so eloquently today, spiritually.

The second plainest fact is that it cannot go on indefinitely or even very long as two worlds. This planet has been too contracted by our modern methods of communication and transportation. We are so interdependent for all sorts of commodities and essential raw materials that it is impossible for us to go on indefinitely or even for a very long period split right down the middle. The two worlds must become one world.

This brings us to a third fact—that there are only two ways by which the two worlds can become one. One way is by conquest and the other way is by voluntary agreement—of all, if possible; if not all, then of as many as possible. Mr. Stalin apparently believes in the first method. He wrote way back in 1925, as I recall:

It is inconceivable that the Soviet Republic can exist for an indefinite period side by side with western imperialistic states.

By "imperialistic" he means, of course, all non-Communist states. He knows that the two worlds cannot coexist indefinitely. He is not deceiving himself in the least. Why should we?

Then he added:

Ultimately one or the other must conquer.

Apparently he thinks they can become one only by conquest. You and I do not believe in or want it that way. We do not want conquest of us by the Soviets, but we are not in the least interested in conquest of them by us. We want, if possible, to get the worlds together by agreement; try to get a set of circumstances where there is more to gain for both sides by coming together in common acceptance of certain mutually agreed-upon rules of behavior than there is by continuing disagreement or by conquest.

The best illustration I can think of is the situation down at the corner where we have red and green lights to guide traffic. Big cars and little cars come up to the lights, Republicans and Democrats drive up to the lights, Catholics, Protestants and Jews, Communists and capitalists, all sorts of persons, rich and poor, educated and uneducated. We do not become alike, surrender our different views or our various goals. But we have decided that traffic on the corner is so congested, or the peoples of the world are so close knit, that it is in everybody's interest to follow a certain pattern of action. All of us go when it is green. All of us stop when it is red.

The greatest task, the first task of our foreign policy, is to get, if possible, a set of circumstances in the world where there is more to gain, for Russia as well as for ourselves and the other nations, by mutually agreeing on the traffic rules by which life and intercourse, exchange of goods, personalities, and ideas are to be carried on on this planet—a set of circumstances where there is nothing but disaster for either side to depart from the pattern of stop when the light is red, go when it is green.

How can we get that agreement? We tried for two and a half years before VJ-day and for about one and a half years after VJ-day to get peace with Russia by the method of appeasement. We sacrificed our principles and other people's rights and territories trying to get agreement with Russia by always yielding to her. I do not know why we imagined that would give us peace or security. It never has in history. But we did.

We had tried to get peace with Japan by sacrificing our principles and giving her supplies to enable her to take over other people's territory. That did not lead to peace with Japan. It led straight to war.

England and France tried to get peace with Hitler at Munich by sacrificing their principles and Czechoslovakia's territory. It did not lead to peace. It led to war.

Stalin himself tried to get peace with Hitler by sacrificing Poland's territory and his principles, if he had any, but it did not lead to peace for Stalin. It led to war.

When my little children wear me out occasionally by their insisting upon this or that, I am inclined to say, "Why not give in this time. It is not a very important matter, and after all they are good little youngsters." Does that lead to peace? No. It leads straight to war every single time.

Surely it is clear that appeasement of aggression never leads to peace. It always leads either to abject surrender or to resistance, by war, if necessary.

Belatedly the United States woke up a year ago this month when the Greek mess was dumped in our lap, and we had to resist further expansion of Russian aggression. If we had not resisted then, Greece, Italy, and Turkey would have gone down last year and the Mediterranean would have become a Soviet lake. We had reached the end of the appeasement rope. There are still some voices in America trying to persuade us that by going to sleep and appeasing further, somehow we will get good relations with Russia. One wonders if we, too, must go down before we wake up to the fact that we will get peace only when there is order. If it is not a voluntarily agreed-upon order, then it will be an imposed order.

Now we are in the process of trying to get order by voluntary association, based on justice and law, with the nations that are still free. That is the essence of this legislation. Since it has proved impossible for the present to get all the nations together on such a basis, we want to get as many as we can, certainly all those who want to stay independent and live in freedom—a world order based on justice, so that Russia would not need to go to war to get satisfaction of any legitimate grievances she might have, and with sufficient pooled and jointly controlled forces so that Russia would know in advance that she could not succeed even if she did go to war. At that point I think she would perhaps decide to go along with the rest of us in a pattern of behavior that would give order, and therefore security, to all. If we can get that for a period perhaps we can resolve our more basic ideological differences, as time and events produce changes in personnel and situations.

It has frequently been said this legislation is a calculated risk. Rather it consists of two sets of calculated risks. First, it is obvious that if we do not promptly carry out some such program of assistance to the nations of Europe, they will go down one by one, as some have during the last year, and as several more are likely to go this year. There is no question about that.

On the other hand, if we do carry out this recovery program, there is a good chance they can be saved, the present area of freedom be preserved, and ideas of freedom begin to penetrate back behind the iron curtain.

If we do not give aid, there is no hope. If we do give aid, there is some hope. Therefore, obviously we should do it.

That is the way we would reason if we considered only the first set of alternatives. But there is another. It grows out of the fact that we may not be able to carry out this program without gravely weakening the economy of the United States. It is not the money that is so important. If we should be left alone without allies, the cost in taxes for our own armaments each year would be greater than the whole contemplated cost of the recovery program.

It is the drain on our already impoverished resources that is most dangerous—the necessity to export materials and commodities, already in short supply; the increase in inflationary pressures that will raise prices and reduce our standard of living, causing unrest and upsetting our whole economy. These are far more serious than just the dollars involved. Let us realize fully that this program will almost certainly mean reduction in our standard of living, even though I believe the alternative would do so even more seriously. Let us not fool ourselves or our people.

When we were in Sweden last fall our congressional committee learned about Sweden's ERP, her equivalent of the Marshall plan. Sweden had come through the war virtually unscathed. Probably they felt a humanitarian impulse, a sense of special gratitude and obligation because they had been spared the ravages of war—as we in America do. Besides, it would be good business to get the economies of their customers functioning again. So they made loans and grants to the Finns, the Norwegians, the Danes and other countries with which they had been in especially close relation. They now find they got in too deep, and they have to come to us to bail them out. Well, if the United States miscalculates and gets in too deep, who will, or can, bail us out? We must not make any mistake about this. In this kind of a world somebody somewhere has to stay free. Somebody has to stay strong. Somebody has to be able at least to hold aloft the torch of freedom to which others can look with hope until such time as they can once more rally to it.

If in doing this thing we succeed in producing a corresponding increase in the strength of the other free countries, it will more than compensate for our temporary weakening of ourselves. It will increase our security, reduce the strain on us for building even greater armaments, and will expand the area with which we can trade in the future. That will save us money in the long run, and makes it a justifiable risk, even a good investment.

But if we weaken ourselves and do not succeed in producing compensating increase in strength there, and in 1952 they are still economically insolvent, then all we will have done is to jeopardize the soundness of our own country and not have done them any long-term good either.

One day in committee a member said that we must do this even if we fail—better try and fail than not to try at all. I cannot agree. Better not try at all than try and then fail. That would do no one any good, and could bring utmost disaster.

There was a wise man who once said that before you start to build a house you should survey your materials to be sure you have enough to finish it. If you do not have, then better not start. His name was Jesus. He is frequently thought of as an idealistic sentimentalist. Actually, He was a hard-headed realist. We do well to remember His counsel.

How can we resolve this second set of calculated risks? In my judgment, it comes down to about this: If we can be reasonably sure of a better than 50–50 chance of success we ought to make the effort, because the risks of allowing Eu-

rope to collapse are unmistakable and very grave, even terrifying.

If there is not at least a 50–50 chance of success, then we ought not to take such a gamble. Rather we should try to keep our country as strong, sound, and solvent as possible, and hope the Soviet-dominated part of the world cracks up before we do.

How can we estimate the chances of success? Thinking out loud, just as I tried to find the right answer in our committee deliberations, I would say there are about five main criteria, probably the minimum conditions for success. I can mention only two today.

The first is that the 16 nations of Europe must be willing to make a genuinely aggressive attack upon their own problems, both individually and collectively. Six months ago when we were in Europe I was very discouraged on this point Each seemed to be hanging on first of all to its own old traditions, trying to carry on a pattern of life and trade that was developed for a world that has ceased to exist. Fortunately events have forced perhaps most of them awake, and the progress that has been made in Europe in the last 6 months toward economic and political cooperation, if not coalition, is almost unbelievable. The nations of western Europe today are right where our 13 colonies were when Ben Franklin said, "You will either hang together or you will hang separately." It is no longer a matter of sentimentality, it is not a matter of brotherhood, it is a matter of stern inescapable necessity if Europe is to survive.

To restore France as she was, Norway as she was, England as she was, Italy as she was is not enough, because they were unsound before. The war merely revealed the unsoundness and aggravated it.

Western Europe's economy was not self-sustaining even when it was able to trade freely with eastern Europe, which is the asset, or surplus, area of Europe. Western Europe, except for the Ruhr, is largely the deficit area of Europe.

Well, if Europe was basically unsound economically even when it was all together, how much more so is it when the eastern half, the surplus area, is cut off by the iron curtain? How can the western European nations recover if each insists on remaining a separate economic unit? There is no way Europe can become solvent unless the nations become increasingly willing to tackle their problems collectively.

When we were talking to the various cabinets in Europe, I frequently used this illustration, which I think is sound: "I am from Minnesota. We have most of the high-grade iron ore in the United States. We could not have become prosperous and built our excellent roads and school systems and all the rest if we had not had the iron ore. But we could not live on iron ore by itself. It is no good unless we can get it with coal, and we have no coal. The nearest good coking coal is a thousand miles away, in West Virginia. Why are we in America in a better position today than you are? Because we are smarter? Of course not. Because we are larger? No. Because we have greater resources? No. Just because we did not suffer physical destruction in the war? No. Those are contributing factors, not the basic factors. The main reason is that our forefathers had the good sense and wisdom to establish a system where we have 48 political units, but only one economic unit. That is the crux of the matter. Iron ore from Minnesota and coal from West Virginia can get together in Toledo, and Gary, Ind., and Pittsburgh, and Detroit without going through three or four customs barriers and currency exchanges, with confusion and waste of time and money at each."

Forty-eight political units, but one economic unit. Europe, to become self-sustaining, must move rapidly in that direction.

If they do not tackle such problems aggressively—as Belgium, the Netherlands, and Luxemburg are doing, and with England and France and perhaps Italy coming along, and the Scandinavian countries giving fresh attention to the problem—then we could put in $30,000,000,000 and it still would not save them. A doctor cannot pull a patient through, no matter how much of the right medicine he gives him or how many transfusions, if the patient does not have the will to do the things that are necessary for physical health. Today I am greatly encouraged. I think the peoples in western Europe are becoming willing to do more and more of the things necessary for their economic health and security. They have seen what happens to nations behind the iron curtain. They have seen the strength and the intentions of their own Communist minorities. They desire freedom today as never before, and are willing to work and fight for it, if they have help, which alone can give hope. They cannot get that help or hope except from the United States of America. On the first criterion, I think this aid program is justified—and urgently necessary.

The second condition necessary to give us a 50–50 chance of success in Europe is that Asia be kept free, too, because if Asia is lost to the Soviets, then in my judgment we will lose ultimately in Europe also. Suppose we adopt ERP, title I, just by itself, and it succeeds even better than we dare hope. What would we have? We would still have the split world. On one side the vast Soviet Union with her 11 satellites; and on the other, the 16 western European nations, the United States, Canada, Australia, New Zealand, and a few others. Probably we would have a little the edge, but not much over the long pull.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. KEE. Mr. Chairman, I yield five additional minutes to the gentleman.

Mr. JUDD. We would still have two worlds, two great armed camps glaring at each other. Who would hold the balance of power? Not we. The billion and a quarter people who live in Asia would hold the balance of power.

In my opinion, the crucial question of the twentieth century will be this: Which way will the people of Asia go?

Their immediate fate, especially China's, is in our hands; but in the long run, our fate is in their hands. They all know it. They wonder why we do not see it.

The Soviets know it, too. Lenin said about 1921: "The ultimate decision will be made by the millions in Asia." He understood clearly, that, of course, is why the Communists have worked so long and hard trying to get control of China. They know that as China goes, so almost certainly will go Asia.

It is almost incredible, after having gotten into one war because we could see only Europe, and, then blundered into it in Asia, that we should be on the verge of making almost the same mistake again within 10 years—one decade—the same generation of people.

I do not see how anyone can say that to save Europe is more important than to save Asia, or vice versa. I fear we must hold both to hold either. It is the same as when a man has gangrene in both feet. It is not enough to take care of one foot. We have to stop the spread of Communist gangrene in the foot in Asia as well as in the foot in Europe. We have to succeed in both places in order to succeed in either. To save Asia, China must be kept free, if possible. General MacArthur stated it cogently in his telegram to the committee in reply to our request for his views.

I can say without the slightest hesitation that a free, independent, peaceful, and friendly China is of profound importance to the peace of the world and to the position of the United States. It is the fundamental keystone to the Pacific arch. Underlying all issues in China is now the military problem. Until it is resolved little progress can be expected toward internal rehabilitation regardless of the extent of outside aid. Once it is resolved, however, there is little doubt but that China's traditional resiliency will provide the basis for rapid recovery to relative stability.

The Chinese problem is part of a global situation which should be considered in its entirety in the orientation of American policy. Fragmentary decisions in disconnected sectors of the world will not bring an integrated solution. The problem insofar as the United States is concerned is an overall one and can only be resolved on the broadest possible global basis. It would be utterly fallacious to underrate either China's needs or her importance. For if we embark upon a general policy to bulwark the frontiers of freedom against the assaults of political despotism, one major frontier is not less important than another, and a decisive breach of any will inevitably threaten to engulf all. Because of deep-rooted racial and cultural and business ties, we are prone to overconcentrate on happenings and events to our east and to underemphasize the importance of those to our west. America's past lies deeply rooted in the areas across the Atlantic but the hope of American generations of the future to keep pace with the progress of those of the past lies no less in the happenings and events across the Pacific.

China is the fundamental keystone to the Pacific arch, first, because of her strategically advantageous central position, the hub of the east Asia wheel—and lying along Siberia's southern flank for 2,000 miles. Second, because China has great natural resources; given peace she is almost self-sufficient. Third, because China has 450,000,000 people of great strength, industry, and vigor. Which way are they to go? The answer to that question is still largely in our hands. The Chinese cannot be browbeaten or

coerced. Surely that ought to be plain by now, even to our State Department. The Chinese are an eminently reasonable people. They can be persuaded. No people was ever more cooperative and faithful to genuine friends.

That brings up the questions frequently asked: Can any aid we give do any real good? Is not the Chinese Government so undemocratic and so inefficient and so corrupt that anything that we do for China will be operation rathole? I have heard those charges so often that they are worth examining for a moment. Judged by our standards, the Chinese Government is not yet democratic. Judged by our standards, the Chinese Government is not yet efficient, not as efficient as it was before the war. Who has a right to expect it to be? Judged by our standards, a good many in the Chinese Government, especially in lower levels, would be called corrupt—although sometimes our own standards seem to wobble a bit in the matter of corruption.

But judged by the standards of thousands of years of Chinese history, the present government, with all its weaknesses after having come through one long war and in the midst of another, is still incomparably the best government that China has ever had. You have to judge China not by where she is at the moment with relation to us, but rather by the direction in which she has been going for 20 years with relation to herself.

Her present state is indeed precarious, as some of us have been warning for years it would be if we continued our negative policy. There are many reasons for her difficulties. First she is still in the midst of a great revolution which began in 1911. A nation does not exist as an absolute monarchy for thousands of years and become a modern republic within a few months or years, or even decades. China is not 40 years old yet as a republic—and she has not been free from foreign meddling and pressure a single year of that time.

China had been 267 years under a foreign dynasty just prior to the revolution. Some of us Republicans think that 16 years is too long to be under one dynasty. China had been 267 years under one dynasty. Yet some people expect her to come up quickly with a nice streamlined democracy. It cannot be done. Especially when before the revolutionary changes were completed, China against her will was plunged into war by Japan. They fought Japan sporadically from 1931 to 1937, and then full scale and single-handedly for 6 years more. They fought on our side for four and a half years before Pearl Harbor, when we did not have sense enough even to know it was our side—we were helping Japan.

Eight long years of Japanese invasion and occupation of the richest and most productive areas of China are not conducive to progress in any line.

Judge Cox, how did Georgia look after Sherman got through with it? It took your people 50 years to recover from 1 or 2 years of invasion and its disruptions. China had 8 years of invasion. What happens during a long occupation? Basic morals break down. It becomes patriotic and therefore honorable to cheat and lie and steal in order to defeat and weaken the invader and wear him out. The children are taught to regard the ordinary vices as virtues. You cannot encourage a people for 8 years to ignore the ancient virtues and take up a whole different set of values, deceit and dishonesty, and then when the war is over, suddenly reverse the newly established habits just like turning off a faucet.

There is a third major cause of the internal troubles—the Chinese Communists. They cooperated with the Chinese Government against Japan just as Communists in the United States did against Hitler as long as Mother Russia was in danger. But just as soon as it became obvious that Hitler was not going to be able to knock Russia out and Russia did not need China so desperately to keep Japan tied up, that Communist line changed all over the world. They then began the moves designed to produce the situation now existing. Chiang Kai-shek ceased to be the George Washington of China, as the Communists had called him. He suddenly became a despot, a lunatic, a Fascist, a dictator.

The Communists had and still have—along with their advocates in the West—a threefold program. First to destroy the Government of China by causing the utmost destruction and suffering possible. You can read in the hearings on page 1545 what General Marshall himself said about their activities:

> Thus far, the principal deterrent to the solution of Chinese economic problems is the civil war which has drained the Chinese Government's internal and foreign exchange resources, continued the destruction of property and the constant disruption of economic life, and has prevented recovery. The Communist forces have brought about terrible destruction to wreck the economy of China. This is their announced purpose—to force an economic collapse.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. BLOOM. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. HUGH D. SCOTT, JR. The gentleman will agree, I am sure, that economic aid to China at this time would do no good whatever unless accompanied by military aid.

Mr. JUDD. I agree with the gentleman 100 percent, and that is what I will be discussing for the next few minutes.

Mr. HUGH D. SCOTT, JR. If that is the case, would the gentleman tell us what kind of military aid he thinks we ought to put into this? The gentleman knows I opposed the other proposal for aid to China. I thought it was unwise at that time and I still think so, but if the gentleman can show me how a combination of economic and military aid can be made workable, I will be glad to support the gentleman's views.

Mr. JUDD. Thank you.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. BLOOM. The gentleman is speaking on a subject that I know he knows more about than anybody else around here. Will 5 minutes be sufficient?

Mr. JUDD. Not to answer all those questions.

Mr. BLOOM. Mr. Chairman, I yield the gentleman 10 additional minutes, and I want him to go right to the subject and give what information he thinks we need.

Mr. JUDD. I thank the gentleman.

In addition to the Communists' plan to destroy Chinese economy by tearing up the railroads, isolating the cities, so that the people in the cities could not get food and raw materials, cotton, coal, and thus be brought to the verge of starvation, unrest and rioting, which they hoped would cause the downfall of the Chinese Government, the second part of their strategy was to discredit the Chinese Government abroad. It began 4 years ago this month, immediately after Japan and Russia signed a 5-year fisheries agreement, and then entered into a nonaggression pact. Russia was then reasonably certain the Japanese would not attack her, because Hitler had already made secret bids for peace which Russia made sure the Japanese knew. Knowing that Hitler was too weakened to help, Japan obviously would not take on Russia in addition to China and the United States. So Russia no longer needed Chiang Kai-shek, and naturally wanted to get him out of the way so she could take over China and Asia as soon as possible after the war. From that month there began this world-wide, organized, systematic, relentless assault on the Chinese Government, ranging from character assassination of the leaders of China, to the most fantastic distortion of the all-over picture. They played endlessly on the weaknesses and defects in China—and they are certainly there. They utterly ignored the great strengths in China—and, believe me, they are there, too—especially the moral strength of China; the strength that perceived the nature of fascism of the Japanese pattern long before we did, and fought it for more than 10 years alone; the strength that saw the nature of communism 20 years before we did, and fought it alone—is still fighting it alone. Especially did they play down the consideration which overshadows every other, from the standpoint of America's interests—not whether China is as democratic, efficient, honest, and socially advanced as we would like, but whether she is to be free and on our side, that is the paramount consideration. When two worlds are in a life-and-death struggle, and we are one of those worlds—no other really counts.

The third part of the leftist program was to portray the Communists as merely agrarian reformers, disillusioned liberals, patriotic peasants struggling for freedom and democracy and not in the least connected with or subservient to the Kremlin. I warned you here 3 years ago that was one of the greatest hoaxes ever perpetrated on a gullible people. But many preferred to believe. Some still do. And one can hardly blame them when so many of our supposedly neutral research agencies like the Institute of Pacific Relations, and many in our OWI, and in UNRRA and some extremely able people

in our own State Department sang the song endlessly year after year.

It was part of the greatest blunder in our history—the blunder which has all but lost a war within 2½ years after it was won. Our top officials gambled all our chips, our Nation's very existence on one utterly unjustifiable assumption, namely, that Communists are not really Communists; that they are just Jeffersonian Democrats; a little warped to be sure, from being brought up on the wrong side of the track, but give them a chance and everything will be all right, they don't really believe their own assertions that they intend to conquer the world and enslave it under a class dictatorship. Russia—the Politburo—is just a peace-loving democracy, and we can get along with her fine.

In addition to attacks from the Japanese and from the Communists within China, China was dealt a cruel blow by Russia, which came into Manchuria—the Ruhr of China, the major place where heavy industry can be developed, and where the Japanese had developed it—blocked the main port, Dairen, so that the Chinese troops could not get in quickly to accept Japanese surrender and occupy Manchuria according to promise and plan. The Russians delayed their withdrawal until the Communists could come in by overland routes and take charge, and they turned over to the Chinese Communists the vast 10-year supply of munitions and military stores which the Japanese armies had built up in Manchuria. Those actions by Russia against the Chinese Government, in violation of treaty, were almost fatal.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentleman yield?

Mr. JUDD. Not right now. Let me proceed a little further.

Mr. HUGH D. SCOTT, JR. I would like the gentleman to answer my question.

Mr. JUDD. I do not yield now. Then, in addition to all that, China was betrayed by the friend she trusted implicitly, the United States. I use that word carefully. There are some things we cannot escape responsibility for. First, during the war, we built the Communists up and gave the Communists an importance they did not have. Some of our own sincere but misguided people in the State Department insisted that the Chinese Government, out of its own meager supplies and the little it received from us, equip the Communist armed rebellion against itself. They apparently knew nothing about the nature of communism themselves, and tried to force their views on Chiang Kai-shek who did understand it, from the same sort of bitter experience which is belatedly teaching us. We refused to learn any other way.

Second, at Yalta we secretly invited the Russians into Manchuria and promised them control of the ports and railroads of Manchuria—which means control of Manchuria—even though we had publicly promised the Chinese at Cairo that Manchuria would be returned to China. This in my judgment was the most indefensible and utterly cynical betrayal of a solemn pledge this country ever committed. It led directly to the loss by China of that for which she fought Japan for 14 years. If she had been willing to give up Manchuria, she could have had peace at any time—and left us holding the line alone against Japan. China kept faith with us. We did not keep faith with her. That is what humiliates me when I hear some Americans talking self-righteously about corruption in China.

Third, we practically forced the Chinese Government to suspend operations against the Communist armies for a year. It was called a truce. At the beginning of the year the Communists controlled 60 of China's approximately 2,000 counties. At the end, the Communists controlled 300. That tells most of the story as to who took advantage of the truce. We sent General Marshall over with a directive which said we would support the Chinese Government only as it moved in the direction of peace and unity. The only way anyone has been able to get unity in any country with armed Communists is by conquering them or by surrendering to them. Since we insisted on peace, obviously the Chinese couldn't fight the Reds. The only other way to get unity was by surrendering.

When the one-sided truce broke down, as it had to, we did not change our peace-and-unity formula to fit the fact that our only choice now was not peace or war, but which side's victory would be in America's interest. We maintained the fiction that peace with armed Communists is possible, and withdrew our support from the Chinese Government. Under the name of nonintervention, we intervened against the Government and for the Communists because not to help our ally, which had weakened itself loyally fighting on our side, was to help our enemy. We suspended written commitments, placed an embargo on arms, stopped shipments of planes, ammunition, parts, dragged our feet on promised merchant shipping, and on and on. America's action was perhaps the cruelest blow of all to China. Instead of producing the change for the better, which we were trying to force, it inevitably produced the opposite.

Is it strange that China is in trouble—divided, discouraged, steadily deteriorating?

Fortunately, the American people, like most people, are better than their Government. Most of them, despite the propaganda, retained their faith in China, and continued support for schools, hospitals, students, friends. And most Chinese despite the vicious anti-American propaganda of the Communists and some disillusioned groups, kept their faith in us. They remembered the century of friendly assistance and honorable relations rather than recent tragic deviations from that pattern.

Ultimately the march of events and Communist behavior everywhere forced most Americans to wake up. Many are seeing at last that while China needs us, we also need her. There is a renewed desire to help China—for our own sake. The question is, How? Is it not too late already? Has not the situation deteriorated until it is irretrievable? Frankly, I cannot be sure. It was to prevent the present crisis that I have been urging help for more than 3 years, while there still was time. I recognize fully that it may be too late now.

There comes a time when a desperately sick patient may sink beyond help, when there is a death rattle in his throat, and nothing can save him. But however costly and dangerous it may be to make the effort now, it will be even more dangerous and costly to let China by default be lost as an independent nation and an ally of the United States.

And knowing the amazing capacity of the Chinese to endure and still to come back, I do not believe it is too late as yet, if we will give the right kind of assistance promptly and in the right way. The first kind of assistance China needs is moral assistance, a forthright statement of our support of the Chinese Government and people in their struggle against the attempts of the Communists to destroy it, just as we proclaimed such support for the Governments of Greece, France, Italy, and others, even though some of them, too, do not meet with our full approval.

You cannot expect Chinese people or soldiers to support their government, to work and fight enthusiastically and effectively for it when its oldest and best friend, the United States, from high officials on down, seems to take every opportunity to criticize and denounce it in one way or another. Nothing would restore morale as much as for someone high in our Government to give some recognition occasionally to what China has accomplished, despite almost insuperable obstacles—the new constitution, the first elections in China's history, the National Assembly to convene next week, the improvements here and there in agricultural methods, the heroic efforts to rebuild railroads even though the Communists tear them up a few weeks later. The Government is at least dedicated to construction, as the Communists to destruction. The Government is committed to democracy, the Communists avowedly to dictatorship. Would it hurt to harp a little less on the defects and failures, and give a little encouragement occasionally to the valiant spirits who fight on, undaunted? China needs moral support.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I do not yield now, because I have come to your question.

The second kind of assistance is military-type assistance—munitions and training and operational advice. No amount of economic aid can save the situation without enough military assistance to enable China gradually to push back the Communist threat, if not to eliminate it. Unless there is military assistance to protect the economic aid, the latter will indeed be "operation rat hole."

To send in supplies to repair a railroad here, reconstruct a power plant there, rebuild or expand textile mills and factories in war areas, only to have them destroyed by Communist raiders is senseless. Such raiders always have the advantage whether in China or Greece or Nicaragua, they cannot be

conquered, or even contained, except by better equipped and better trained troops, trained for that particular type of enemy and operation. The munitions and the training and advice are equally essential. Neither will do without the other. Take munitions first. During the war we had lots of Springfield rifles, obsolete as compared to our Garands, so we gave them to the Chinese units that General Stilwell trained down in Burma to drive out the Japanese there. Later General Wedemeyer and his officers equipped other divisions with our Springfield rifles. But they were dependent upon us for ammunition for those rifles, since their own arsenals could make ammunition only for their old style Chinese rifles. From July 1946 to just recently we would not send them ammunition despite the fact that in the Pacific area we had acres and acres of it piled up and deteriorating so rapidly it will soon be fit for nothing but to dump into the ocean. In effect we disarmed the Chinese, while reciting how many million in aid we had given. To provide our weapons and then refuse to provide ammunition not only makes the weapons useless, it makes the troops far weaker than if they had retained their old worn-out rifles. Two months ago the supplies of some units in the crucial battle for Manchuria, at Mukden, were so low that there were only 30 bullets per rifle. And they have not received any more since, unless in the last few days.

Another crack division, the Fifty-fourth, was pinned against the coast of Shantung a couple of months ago and had to be removed by boat in a minor Dunkirk. Why? They had not a cartridge left. Is it reasonable for us to condemn the Chinese because they cannot fight without supplies?

Finally last summer, after a year of withholding all aid, our Government released 120,000,000 rounds of ammunition for the old type Chinese rifle which were in the lend-lease pipe lines on VJ-day, but which we had held up. We also turned over a dump or two when our marines were withdrawn. But no effective action was taken, despite the increasing peril, until just March 4 when orders finally went out to release the ammunition in our Pacific island dumps, which had been built up for the invasion of Japan.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I cannot yield. Well, I cannot resist my good friend from South Carolina.

Mr. RICHARDS. Is it not a fact that orders have gone down from the Army high command here in Washington and from the President himself, that any of our surplus supplies in the Pacific needed in China, including the items the gentleman has suggested, are going to China now?

Mr. JUDD. Yes, the President or someone on March 4 set things in motion to that end, but only after 18 or 19 months of fateful delay. Now China is weakened to such a degree that we stand in danger of losing an ally who is vital to our own security in the Pacific. And, in my opinion, essential if we hope to win in Europe.

The other kind of military assistance China has to have, a kind that also does not cost us very much in money, is military training and advice in planning and conducting operations. An army can have all kinds of guns, planes, and other equipment, but if they do not have men trained to operate them, the planes and equipment are useless. The best trained soldiers cannot fight without munitions; nor can any soldiers fight effectively unless they are properly trained

You see, during the war we trained the Chinese to fight the Japanese, either for jungle warfare in Burma or positional warfare in east China. We supplied them with heavy machine guns, heavy artillery, tanks, and so forth. Then the Japanese collapsed and the Chinese now have to fight a totally different type of enemy, the guerrillas, on very different terrain. They now need light equipment, mobility rather than heavy power. The Chinese are traditionally not students of warfare. Soldiering was the lowest, not the highest profession. Their basic training is inadequate to give them ability to adapt imaginatively, especially the officers. The training we originally gave them, in a sense, disqualified them for the kind of warfare they must now carry on. But we have been unwilling until recently to allow our own military mission in China to retrain them for their present tasks. It was restricted by ourselves, to such advice as how to reorganize the Ministry of National Defense and set up a better table of organization. One Chinese general told me he wished our officers could go to within 50 miles of the fighting so they would understand the problem and give advice on the ground.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. BLOOM. Mr. Chairman, I yield the gentleman sufficient time to answer questions.

Mr. JUDD. Have I not answered the gentleman's questions as to the type of military aid needed?

Mr. HUGH D. SCOTT, JR. I appreciate the gentleman's courtesy. What I am trying to get at is this: I, along with other Members, am quite anxious to find some justification for supporting that which the gentleman is very much interested in. To what extent does this program constitute the use of military aid and, incidentally, may I say that I am in favor of the use of military aid if it can be established that it is desirable and adequate.

Mr. JUDD. Mr. Chairman, we took $150,000,000 of the total of $570,000,000 requested by the State Department and placed it under title III of the bill, the title which extends the Greek-Turkish Aid Act of last year. We included China in that title in order to carry on in China the same kind of military-type program of aid we are carrying in Greece. We cannot know exactly how much is required. However, actually all of the $420,000,000 authorized in title IV, the China assistance title, can under its language be used for the military type of aid, if the President finds it advisable so to do. And all of the $150,000,000, under title III primarily for military-type aid could be used, under the language of the title, for economic aid if desired. One reason for putting the $150,000,000 under the Greek-Turkey aid title was to make clear to our own people, to our Government, to the Chinese, and to the world, that the United States Congress recognizes that China's freedom and friendship are important to our security, that economic assistance alone will not do the job, that we want to give China, under agreed-upon controls, the sort of military assistance in the form of training, operational advice, and military supplies—mostly surplus property at small cost to the United States—that we have been and are giving to Greece whose general situation is almost identical with China's. It does little good to send over a military mission and then handcuff it ourselves by restrictions, written and verbal, from Washington. It must be able to help with strategy, help with military tactics and operations, precisely as our mission in Greece has been doing since November. If it is wise and beneficial to ourselves to do it in Greece, why is it not equally proper and important to do it in China. Either we ought to take the handcuffs off our men over there who are restless and eager to do the job which they see needs to be done and which the Chinese are asking them to do, or else we ought to bring the mission home. Otherwise we get all the blame for helping, with none of the benefits. Let us be done with this business of appearing to help, without really helping. The Russians openly promised military, as well as moral and material help to the Chinese Government in their 1945 30-year treaty. Why should we hesitate to help the same Government the Russians have promised to help?

At last we are beginning to move, I think, in the right direction. In summary, no economic aid will save the situation until China is able to win the war, establish order, reduce the drain for military purposes, and get transportation restored. In order to win the war and get order, China must have substantial military assistance of the type I have mentioned, although they do not represent great cost in money as compared with the European needs, in fact, only a drop in the bucket compared with Europe. To win the war will take perhaps 3 years, according to expert testimony. It should not require much over a billion and a half dollars if we act promptly before the situation gets still worse. The best estimates we have received do not exceed that.

If they can restore order in 3 years, and get the economy restarted, then the needs in China for grants or loans from America are trivial as compared with Europe, because China at peace has practically adequate supplies of food, fuel, fibers, and other basic materials. If you will look in the committee report, on page 24, you will see the State Department's estimates as to China's needs for economic assistance in the next 15 months; that is the third type of assistance she must have, along with moral and military type. Cereals they estimate at $130,000,-

000. That is for the big cities mostly along the coast, not because there is insufficient food in China to prevent starvation but because the Communists have cut the railways, blocked the waterways and the highways, so that food supplies cannot be distributed, cannot get out to the big concentrations of population in the cities. It would not require a third of that amount if communications can be restored.

Then there is $150,000,000 for cotton. The Communists waited last fall until the cotton crop was harvested, then suddenly struck at almost every line of communication to the larger cities. They knew that if cotton could not get out to the great textile mills in Shanghai, Tientsin, Tsingtao, there would be unemployment of hundreds of thousands of textile workers, riots, disorder, and perhaps collapse of the Government. The strategy is the same in China as everywhere else. So we have to send over cotton along with munitions until they can reestablish order and are in a position to use their own cotton.

The same thing applies to coal. Why should we need to send $3,000,000 worth of coal when China is enormously rich in coal? Because the Communists shrewdly have destroyed or isolated many of the best developed mines and the Japanese wrecked most of the others. Outside of petroleum products, certain metals, machinery and medicines, China will need very little assistance from us. In this emergency she needs financial assistance as France and Italy do, to balance her international payments for essential imports, to steady if not stabilize her currency now fantastically inflated, and she needs loans and capital goods to develop specific sound projects—railways, utilities, mines, cement mills, fertilizer factories in peaceful areas. Given order, China can recover more rapidly than any major nation in Europe.

Our choice is not between helping the present government or something better. I wish it were. Our only choice is between helping the present government or allowing it to go down and having China become a Soviet satellite—which is infinitely worse—perhaps to face us, in 20 years, as a second Russia in the Far East.

If someone brings up the argument that the Communists cannot organize China, the answer is that they already have organized the Chinese, wherever they have gone. That is not speculation. It is demonstrated fact.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Colorado.

Mr. CARROLL. The gentleman from Minnesota will recall that we justified our position with reference to Greece and Turkey on the political situation; that is to say, we were trying to overcome the Communists, and we believe we were really moving in behalf of the democratic forces. Would the gentleman say that the same political situation is true in China?

Mr. JUDD. Almost precisely.

Mr. CARROLL. Would the gentleman say that a majority of the Chinese people are in support of Chiang Kai-shek?

Mr. JUDD. On VJ-day he had greater support than any Chinese probably ever had in their history.

Mr. CARROLL. I am speaking of today.

Mr. JUDD. A lot of his support has been lost, but he still commands far more than any other man or group in China. On VJ-day there was great joy and exultation. Many Chinese, like other peoples, imagined their troubles were now over and they could begin to carry out the long-delayed reforms. But when Government forces moved back to take over Japanese-occupied territories, the Communists threw every possible obstacle in the way; fighting broke out; the Government was in such danger of being defeated that it had to give all its attention to survival rather than reconstruction, so disillusionment and discouragement developed, and a drop in morale such as I have never seen in China. But that support will come back quickly if the Chinese Government is given some assistance and is able to restore order and internal peace.

Mr. CARROLL. I ask these questions in all sincerity, because I realize the gentleman is an authority on it. My information is that the liberal forces, excluding the Communists, or whatever term you use, in China today are opposed to Chiang Kai-shek.

Mr. JUDD. On that point, I wish you would read in yesterday's CONGRESSIONAL RECORD, at page A787, an article by Dean Roscoe Pound, of the Harvard Law School. He is over there now helping China in revising her legal codes and procedures. He is one of the shrewdest and soundest observers in America. No one can ignore his testimony. Read what he says. The situation is bad, but it is not irretrievable. Given peace, all these improvements that you and I want in China can, and will, come. No Chinese could successfully resist them even if he would. Therefore, the only hope of getting the reforms and the progress we want, and the Chinese want, is to help the Chinese remain free. Under the Communists there is no more chance for liberalization in China than in Yugoslavia or Poland or elsewhere behind the curtain. The risks are great if we act, but infinitely greater if we do not act.

Mrs. BOLTON. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Chairman, title III of the bill presently under consideration proposes to furnish military type assistance to aid Greece, Turkey, and China. As has been so ably pointed out by the gentleman from Minnesota [Mr. JUDD], many parallels can be drawn as between the situation in China and the situation with respect to Greece and Turkey. If, in my remarks on title III, I appear to stress Greece and Turkey to the detriment of China, I should point out that it is only because the two problems are almost identical in every respect. We have only to look at the map to see the situation with which Greece and Turkey are confronted today. Greece, Turkey, and China assume strange shapes for powder kegs. Here in this poor land of Greece, 7,500,000 individualists, individualists in the same sense as we Americans know individualism, have struggled for centuries to take from their poor soil—and only 18 percent of the total area of Greece is arable—the means of their livelihood. Today Greece staggers under a sustained, vicious, and brutal attack launched by its neighbors on the north, Yugoslavia, Albania, and Bulgaria. This attack is directed not at the Greek National Army, not at British or American missions, but at the thousands upon thousands of industrious and democratic Greeks who live in the northern areas of the country. The attack is aimed at a definite goal, and that goal is planned confusion and chaos. The attack has as its ultimate object, and there can be no doubt on this score, the establishment of a Red beachhead on the Mediterranean. We need only look at the map to see how well ordered and how efficient such a squeeze play must be under the circumstances.

The areas in red indicate Greece's northern neighbors, and the steady and unremitting pressure of armed aggression seeks to destroy the will of the Greek people to resist invasion.

What is the strategic importance to this country of Greece? Is it that it is so wealthy in natural resources that we indeed seek to further an imperialistic program to bring this nation under our control? I think not. Greece, as indicated on the map, has a considerable and vital strategic importance in the world picture today. Its island possessions cover the approaches to the Dardanelles and the Bosphorus. Crete dominates the trade routes to the Middle East.

When one speaks of Greece falling subject to foreign domination, one should also understand that without a Greece protecting its western flank, Turkey could not long stand, and it is doubtful if without the protection of a Greece on its eastern flank Italy could long survive. Without the great bar of Turkey and Greece to the spread of the Red tide southward to the Mediterranean world, the Middle East, and Africa, our access to materials in which we are in extremely short supply would be denied us. The importance of the retention of Greece as a nation friendly to the other free countries of the world and to this Nation cannot be underestimated.

The provisions of title III in the present act modify and amend the provisions of Public Law 75 passed by the last session of Congress for assistance to Greece and Turkey. I will not attempt in the brief space of time allotted me to outline in any great detail the amendments which effect these changes. There are three principal technical changes with respect to Greece and Turkey. China has been added.

Let there be no mistake about the subject matter of title III. Title III proposes $275,000,000 in military aid to

Greece and Turkey, and another $150,000,000 of military aid to China. This title recognizes the fact that the flailing of economic pillows and the pouring out of dollars is lost motion in the face of open and outright armed aggression. The legislation recognizes that we have a national responsibility for the maintenance of international peace, to the search of which we lent our best efforts at San Francisco at the signing of the Charter of the United Nations. The title provides not only that we send matériel as needed by these countries in the defense of their independence but that we send men with the "know-how" to use this equipment, and to furnish military advice to the men who are going to use it. It recognizes the validity of those who say, "It is not possible to achieve economic stability in the face of organized pressure or military force." It recognizes the validity of the arguments of those who say, "Of what possible use is it to build a bridge if your enemies are going to blow it out the next night?"

The gauntlet is down, Mr. Chairman, in Greece, in Turkey, and in China, and the challenge is clear. The gauntlet has been hurled down in Greece today very much as it was hurled down in Czechoslovakia a year or 18 months ago. The same fate suffered by the Polands and the Czechoslovakias can and will overtake Greece, Turkey, and China unless we take a long-delayed and positive stand with respect to what we intend to do in the Mediterranean world.

The so-called National Army of Liberation, praised by the Communist press and by the fellow-travelers, consists of some 20,000 Andartes, or guerrillas, operating with complete impunity across international frontiers in violation of the charter of the United Nations. They receive from the countries to the north of Greece every possible assistance in the way of arms, ammunition, supplies, and hospitalization. Of this 20,000 men, it is estimated that some 10 percent form a hard core of Moscow-trained leaders. The great majority of them, according to all authoritative information, are men who have been impressed into the bandit gangs in raids on villages in northern Greece, and who serve only because of the brutal reprisals exercised by the guerrilla thugs against the families and homes of men who seek to escape their enforced service in the bands.

Like their counterparts in the Chinese guerrilla movement, here are no Jeffersonian Democrats. Here, indeed, are people who seek the domination of a friendly nation in complete contravention of all the rules of international law and the Charter of the United Nations.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. COUDERT. In connection with what the gentleman has just stated concerning the position in Greece and the provision for continuance of the supply of military equipment, does the gentleman consider that the United States is now committed to maintaining the Greek and Turkish position by force of arms and combat troops if necessary?

Mr. JACKSON of California. So far as I am personally concerned, without reference to the balance of the committee, I sincerely hope so. The campaign in northern Greece, as I have said, is a campaign of brutal aggression and a crime against decency and humanity in which arson, pillage, and murder are no exceptions to the general rule. The gentleman from Texas [Mr. TEAGUE] and I, during our trip through northern Greece last fall, arrived in a village the morning after a family of five had had their throats cut because the father and husband of that family had made a speech in favor of the Greek Government. From northern Greece there have fled southward to towns and villages garrisoned by the Greek National Army, almost a half million terrified refugees—not driven off land which they worked as serfs and which belonged to someone else—as the gentleman from New York would have you believe—but off their own soil and out of their own homes, because the percentage of home ownership in Greece is higher than it is in any other civilized nation in the world. Seventy-two percent of the Greek people live on and work their own land.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. JOHNSON of California. Is it not the fact that the basic principle involved here is whether or not the Soviets are going to comply with the agreement they made with us and the other nations that Greece could select its own government?

Mr. JACKSON of California. Absolutely, the gentleman is quite correct. So far as Russia and its relation to either its pledged word or to the United Nations in the Greek dispute is concerned, some facts should be made clear and separated from pure Communist fiction. This week I received a letter from Greece. I am sorry I am not able to disclose to the Member the name of my correspondent, but I can and do vouch for his honesty, ability, and absolute sincerity. I should like to read two paragraphs from that letter. The groups referred to are UN observation teams assigned by the parent body to investigate border violations by the satellite states.

Last week group No. 3—

This is a United Nations subgroup appointed by the United Nations to investigate the situation in northern Greece—

composed of two Britishers, one French, and one United States observer, were on hand to personally see weapons emplaced on Yuogoslav territory being fired into Greece. Machine guns and mortars were manned by guerrillas, but Yugoslav Army personnel were present and were apparently supervising the fire. There have been several other cases of direct observation by UN personnel lately, and I am sure there would be much more to report if the groups were able to approach the frontier at all points. But, as you know, a great deal of the border is inaccessible to our people. Markos—

This is General Markos, the Moscow-trained leader of the Greek guerrillas—

Markos has warned over his radio that UN observers will be treated as prisoners of war if captured and that under no circumstances are they to be allowed to enter guerrilla-held territory.

What an insurmountable obstacle has been placed in the way of free observation of the Greek situation by such a restriction which must, of necessity, have the full and unqualified approval of Yugoslavia, Albania, and Bulgaria. Yet these countries, under their guide and mentor, the Soviet Union, pay a hypercritical and superficial lip service to peace and the aims of the United Nations.

The problems of seeking out and destroying the Communist-led bands becomes, under present circumstances, almost impossible when it is remembered that the bandits operate with complete impunity throughout all of the mountainous area of Greece.

To go on further: Sabotage, road mining, and local attacks have been stepped up lately, but there has been no big show since the Konitsa affair. The latest move of Markos is to transport Greek children from the ages of 3 to 14 into the countries north of Greece for protection and education.

Mass kidnaping appears to be a small matter in the determined effort to dominate Greece. The influx of almost half a million refugees to the larger towns and villages of Greece has done much to facilitate the Communist plan of chaos and the creation of human suffering. It has also succeeded in tying down substantial numbers of Greek troops in the towns to insure the safety of the refugees.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. JOHNSON of California. Is it also the view of the gentleman who has studied the problem thoroughly, that if Greece collapses then Italy can expect the same medicine?

Mr. JACKSON of California. If Greece collapses—to point out again what I said in the beginning—that is every reason to believe that both Turkey and Italy will collapse, and, as has been said so properly on the floor, the Mediterranean will become a "red lake."

Mr. BELL. Mr. Chairman, will the gentleman yield for a question?

Mr. JACKSON of California. I am happy to yield.

Mr. BELL. Would the gentleman explain why the collapse of Greece would bring about the collapse of Italy? In my own mind there is no question but that the gentleman is right but I would like to know the gentleman's reasoning.

Mr. JACKSON of California. I think one of the greatest factors would be the psychological impact upon Turkey, and the added psychological impact on Italy in these very trying days. I think the nationals of both countries would be inclined to make the best possible deal they could under the circumstances.

Mr. BELL. It would be a proposition of jumping on the bandwagon?

Mr. JACKSON of California. That is right. It must be remembered in connection with the suggestion to close the northern frontier of Greece, that it is

over 500 miles long and winds through some of the most mountainous terrain possible to imagine. It has been asked, Why does not the Greek Army take steps to wipe out the bandits? Well, the bandits live off the soil. The bandits live off of the property of those they drive from their homes. The Greek Army is a civilized, operating army. It has all the obstacles of any operating army in the field. They have recently made several successive offensive moves. There are a great many questions in connection with the Greek affair that will be brought up on this floor. The government will be called a monarcho-Fascist government, and, touching on the point so ably made by the gentleman from Minnesota [Mr. JUDD], I should like to say we are not confronted in Greece with an ideal choice in this connection. Would that we were confronted with the single question as between the present Greek Government and a fine, democratic government, against which no complaint could be made. Unfortunately that is not the situation. Practically, we are faced with the question whether the present Greek Government is to continue, as elected by the Greek people, or whether Greece is to have a Communist-dominated government. That is the question. My time has expired, but I shall await the opportunity to answer other questions with respect to Greece and Turkey, and I hope that I can nail down some of the deliberate misrepresentations which are so commonly heard from our own domestic brand of Communist.

The CHAIRMAN. The time of the gentleman from California [Mr. JACKSON] has expired.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I want to congratulate the Foreign Affairs Committee on the astounding vote of confidence which has occurred this afternoon on the passage of the rule by which this bill on the world-recovery program came to the floor. The Foreign Affairs Committee has had before it many measures and has had measures that cut across this House regardless of party lines. I want to congratulate the members of the Foreign Affairs Committee, regardless of their party, on their diligence and their attention to duty as well as their high devotion to hard work in preparing this legislation under extreme pressures from every side.

I am sure that the committee, when it looks at this bill, feels that it is the composite view of the members of the Foreign Affairs Committee, rather than the view of any one individual. It actually is the composite view of those people who have been studying your foreign relations continuously over the past years. I am very much pleased to find that the House gives this great show of confidence.

For myself, I endorse heartily the European aid program; the aid to China, Greece, and Turkey, as well as the $20,000,000 for Trieste, to take care of our troops who are stationed in the trust division. From my personal observation in Trieste last fall, our troops and their officers are doing a fine job.

It is my intention to explain title II for the House. This title is called the International Emergency Children's Fund of 1948.

This title is for the purpose of authorizing $60,000,000 to be appropriated later for the special care and feeding of children by extending the life of the International Children's Emeregency Fund of the United Nations to July 1, 1949, from June 30, 1948, when the present program will expire.

I would like to explain an explanation as to how the fund is set up. This fund was established by a resolution of the United Nations in December of 1946. The United Nations General Assembly set up an executive board consisting of representatives of 28 member nations of the United Nations to look after the feeding of the children of the world regardless of the country they are in and without discrimination as to their race or creed. The children of the world were the greatest sufferers, both during and after World War II, and unless we give them special attention the new generation will be stunted and underdeveloped.

The Children's Fund is managed by an executive director by the name of Maurice Pate, of Massachusetts, who was one of Hoover's assistants after the last World War in helping to relieve starvation and feed the starving people abroad. So it is actually headed by an American operating from Lake Success, N. Y. It is not run by anybody who has not good solid sound ideas. The ideas are our own and a large part of the funds are our own. In fact, it has been commented that this fund is one of the really outstanding successful operations the American people and the United Nations have engaged in, because everybody in every country except Russia has cooperated with it regardless of whether they were in the Soviet sphere or in the democratic nations, because we have all found a common interest that unites the East and the West. It is an essential element that should be added to the European recovery program as title 2 as it is a vital part of European relief.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. VORYS. Is it not true that in logic and in orderly procedure this is an economic phase of our program for Europe for 1948, and so can very appropriately be in this title?

Mr. FULTON. Yes; the gentleman from Ohio is entirely correct. If we are to look at the relief needs as a whole we must include relief for children, which is under this United Nations organization fund. The Herter committee has recommended that this particular fund, the Children's Emergency Fund of the United Nations, be put in this particular bill in order that we can get a complete coverage of relief and rehabilitation needs. Secondly, it is a real way that we can help these nations help themselves, because both the recipients and other governments, even those which are not members of the United Nations, contribute to this program.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I will be glad to yield.

Mr. BELL. Will any part of this $60,000,000 be permitted to go behind the iron curtain?

Mr. FULTON. Yes; a part of the funds are to go to the needy children behind the iron curtain and even in China. I would like to explain the distribution of the funds in title 2 and also how the funds have been received, but first I would like to give the general organization, if the gentleman will permit.

In this bill and under this title, the funds will be collected and spent as follows: The United States will be called upon to put up not more than 50 percent of the total funds. The total amount of our contribution cannot exceed whichever is the lesser, either $100,000,000 or 50 percent of the total contributions to the fund.

The previous joint resolution, Public Law 84, for the relief assistance to the people of countries devastated by war, was passed on May 31, 1947. That is where we first set up and authorized contributions by the United States to the Children's Fund; $40,000,000 was authorized by that particular joint resolution. Our initial contribution was $15,000,000 to the Fund without the necessity of matching such funds by other countries, but after the $15,000,000 was contributed, no other United States money would be available until other nations had contributed 43 percent of the total. Of the additional $25,000,000 authorized under that act, and appropriated, and earmarked, $21,000,000 is waiting allocation because the nations have not come up with their matching quantity, but have to June 30, 1948, to do so. The United States owes the remaining $4,000,000 due the Fund under the matching formula, but has not yet actually handed over the money.

Mr. BLOOM. The gentleman is correct.

Mr. FULTON. We had a change in the definition of contributions in the Interim Aid Act that was passed on December 17, 1947. There we said we would consider as contributions any amounts contributed by a country even though it was a recipient country. Under Public Law 84 as the situation existed previously, contributions were only considered to be contributions when they were not from recipient countries. Actually, therefore, in the interim aid bill, the Congress broadened the base so that we were encouraging recipient countries to help themselves.

Going back to what this title covers specifically, we have a maximum over-all possible United States contribution of $100,000,000 from the beginning of the program, $40,000,000 of which has been previously authorized and appropriated for the period ending June 30, 1948, by Public Law 84.

Now, under this title we have an additional $60,000,000 necessary to be authorized to carry the children's fund through to July 1, 1949.

The contributions are these, and they are really a three-way split: First, the United States is to put up its share, contributing up to 50 percent of the total as other governments contribute their 50 percent. Second, governments other than the United States shall contribute for the use of children outside their borders 20 percent of the fund. Third, recipient countries which will receive supplies for their children under this act, must contribute the other 30 percent in commodities and services, over and above the established ration in that country. Each of these last two conditions must be met before the United States will be called upon to contribute any amounts at all.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BLOOM. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. FULTON. Mr. Chairman, I appreciate very much the extension of time by the good. hardworking ranking minority member of the Committee on Foreign Affairs.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from North Carolina.

Mr. BONNER. The gentleman from Missouri asked a question if any of the money was spent behind the Iron Curtain and the gentleman answered "Yes."

Mr. FULTON. I was coming to that as soon as I explained the organizational set-up and how the funds are received.

Mr. BONNER. When the gentleman answers it, just what observation is permitted by the Soviet-controlled area of the foods and money and how it is distributed and who gives any report on it?

Mr. FULTON. I believe that is an excellent question and I would like to answer it right now if I may. The way these funds are distributed is this: A written agreement constituting a contract is made with the recipient government by the Executive Board of the International Children's Emergency Fund of the United Nations. No distribution is made in any country unless previously there has been made a specific agreement embodying the complete program with careful stipulation of controls.

The procedure through which the agreements are consummated is this: The nation which is the applicant comes before the Executive Board of the Children's Emergency Fund and makes its request and outlines its program in writing. The Executive Board then refers that request to a subcommittee called the Program Committee of this Executive Board. The Program Committee then goes into the details of the proposed program to see if it is necessary, that it is a fair program, that it will be administered nonpolitically and without discrimination to those children needing it. The Program Committee recommends to the Executive Board what the program shall be. The Executive Board then authorizes its agent, specifically the Director, to enter into an agreement to operate the program within the country, and the country itself signs and agrees to cooperate. The Department of Agriculture of the United States does much of the purchasing for these various programs and the Children's Fund then pays the Department for the amount of money the Department has expended on behalf of the Fund. Dried milk is the primary commodity procured by the Fund and the United States is about the only country which has milk available for exporting. As a result, there is a continuous flow of this product from the United States into these particular programs. Other chief items in the programs are fats, cod-liver oil, vitamins, and horse meat.

The fats consist of margarine and lard, but there has been no butter sent so far. Horse meat is procured chiefly in Canada. These items contain the special protective and nutritional elements necessary to supplement rations, and provide restorative foods that children need to develop their normal growth. The local country, after signing the agreement, permits the supplies to come into the country, and the supplies then move to institutions within the country under the supervision and direction of the Children's Fund staff, which actually consists of 65 percent American personnel. Supplies are not given to individuals as such. The institutions to which these products move are orphanages, schools, institutions for the care of children of various types, and various clinics.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BLOOM. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. FULTON. In essence this is an on-the-spot feeding operation; the children are fed an extra middle-of-the-day meal within the institution.

The United Nations through the Children's Fund has in each country a permanent mission which goes around to the various institutions to determine whether the program is being adequately administered. They check to see that it is carried out without discrimination and only to those who are in real need. The Director of the fund, Mr. Maurice Pate, returned 6 weeks ago from a trip through western Europe, and through what you might call the border countries within the Soviet sphere. He said he could guarantee that the food was actually going to the children who needed it, and that they knew where it came from. Everywhere he went, he said he had seen posters showing the source of the food as coming from Children's Emergency Fund of the United Nations; moreover, all the 30,000 distributing points, according to Mr. Pate, listed the source of financial contributions, with our United States appropriation heading the list.

The Children's Fund retains title of all supplies from the producer to the ultimate consumers, the children. Duplicate accounts are kept of every step in the process, one set of accounts for United Nations, and one in the recipient country. The United Nations auditors check all books and accounts. All distributing centers are required to identify the feeding program as a United Nations project and all supplies are clearly marked. The contracts with recipient countries further provide for the free movement of administrative and accounting personnel, and full opportunity is guaranteed to make public information regarding delivery and distribution of supplies.

Under this fund Poland has sent sugar to the west, even though she has been under Communist domination. Czechoslovakia has likewise sent food commodities to the west. These contributions are a real saving to us in America when we are implementing the European recovery program, because they result in the shipping of food of high calorie content at low transportation cost that we otherwise would have to make up by shipping from Cuba or from the South. This is a contribution not only to the children in the particular countries but to the other nations of western Europe who are getting extra food through the contribution of these countries within the fund.

Under this title, the fund will be able to program aid until July 1, 1949, as follows:

First. Provide supplementary meals for 5,000,000 children through 1949.

Second. In cooperation with the World Health Organization, build a barricade against the spread of tuberculosis by utilizing BCG vaccine in one of the greatest mass-immunization projects in history. Approximately 50,000,000 children will be tubercular-tested in Europe and South America and about 15,000,000 vaccinated.

Third. Stimulate production of children's clothing, particularly shoes and diapers, and by providing raw materials for restrictive processing. The shoes and clothing will all be marked "United Nations Children's Fund."

Fourth. Increase the indigenous supply of milk through the importation of equipment essential to milk processing and the exchange of cattle from one European country to another. The CEEC report states that milk production in the 16 participating nations has decreased fully one-third from 1938 to 1946. Inadequate refrigeration and processing equipment results in the loss of approximately one-third of the present milk supply between the flush and dry periods.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Arkansas.

Mr. HAYS. It was not quite clear to me as to the organizations that administer this fund. Are some of them sponsored by Americans or are they exclusively of the nationality that is receiving aid?

Mr. FULTON. It is any charitable agency within the country that is taking

care of indigent children within the country.

Mr. HAYS. Some of those are our own agencies, are they not?

Mr. FULTON. Yes. Many are our own charitable agencies, because this program is integrated with the voluntary charitable organization programs that originate from the United States.

Mr. HAYS. I should think there would be no question as to the proper use of the supplies administered by such organization as the Friends, that have been rather prominent in that activity, and like religious organizations.

Mr. FULTON. The gentleman is entirely correct. This particular program and title is completely endorsed by the Society of Friends.

Returning to my discussion of the organization, I should like to tell you which nations have contributed to the fund and what has been done in the distribution of supplies. The total so far contributed to the fund by governments has been $29,000,000; $15,000,000 of which has come from the United States. Over $14,000,000 has come from other countries, so that this is a program in which other countries as well as the United States are trying to help the recovery of the world and trying to help the next generation, no matter in which country the children may be.

To break down the $29,000,000 contribution for you, I should like to discuss a few of the countries contributing to it. Australia has put up $3,544,000. Austria, while she could not put up money in itself, has given a large amount of transportation for the hauling of these materials through her country. Canada has paid in $5,200,000. Czechoslovakia has given $600,000; Denmark, $416,740; and the Dominican Republic, $20,000.

France already has contributed $900,000 as an initial installment since the French Government has pledged to contribute 6 percent of the United States total in all. France is to be commended, for as hard up as she has been, with a deficit in her budget, she has, nevertheless, thought of the interest of others and has made this fine effort to cooperate with the United States.

Hungary has given transportation where she could. Little Iceland has given $40,000. Italy, although she could not give money, has cooperated by giving a large amount of transportation. Luxemburg has given $2,000; Newfoundland, $100,000; New Zealand, $810,000; Norway, as an initial contribution in cod liver oil, $69,372. Poland gave a quarter of a million dollars. In this connection we should not forget the terrible war damage inflicted in Poland, and that Poland is 95 percent democratic and only 5 percent Communist, even at the largest estimate, while 3 percent is the estimate of one of her statesmen recently.

Switzerland has given $1,111,500, the United Kingdom has already paid an initial $201,500 and has signified an intention of cooperating fully. The United States has contributed $15,000,000; Uruguay, in South America, $1,000,000; and even Yugoslavia has contributed to the fund 20 tons of DDT to stop a typhus epidemic among children outside her country. In addition to the $29,307,112 contributed by these governments there is $11,100,000 leftover assets from UNRRA and $576,616 contributed by individuals for child relief. The total resources to date are $40,983,728.

May I say that under the original setup, the proportion of the funds was that the United States would put up 57 percent and the other nations were required to contribute 43 percent of the total. By this title it will be changed into three elements: the United States contribution, which cannot exceed 50 percent; contributions from other governments for the use of children outside their borders, which must equal 20 percent; and contributions from other governments whose children will receive the products under this fund, which must equal 30 percent of the total. Therefore, we are helping other nations help themselves, and help their children under this fund.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, S. 2202 is a monstrosity for America. It is legislation that ultimately will ruin and wreck our economy. It is legislation that will sell us short of our needed commodities, raise our prices to new heights, increase our national debt immediately by over $6,000,000,000. There is no sense, rhyme, or reason to it. It is badly assembled legislation, and only a grab bag for Europe and a sad commentary to America and the American taxpayer.

Now to begin the picture I hope to portray to our people—let me insert a record of our spending annually and our receipts since 1912:

A PETITION TO THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES OF AMERICA REGARDING THE FEDERAL BUDGET

We, the undersigned, citizens of the State of Rhode Island, aroused by our Government's disregard of the people's welfare, join in this petition to the President and the Congress.

We are alarmed at the vast increase in Federal expenditures and taxes. The extent of this increase is illustrated by the following figures:

	Receipts	Expenditures
Fiscal year ending June 30—		
1912	$692,609,000	$689,881,000
1916	782,534,548	734,056,202
1918 (war year)	3,664,582,865	12,697,836,706
1919 (war year)	5,152,257,136	18,522,894,705
1920	6,694,565,389	6,482,090,191
1925	3,780,148,685	3,529,643,446
1929	4,033,250,225	3,848,463,190
1930	4,177,941,702	3,994,152,487
1932	2,005,725,437	4,947,777,000
1935	3,800,467,000	7,583,434,000
1939	5,164,824,000	8,765,338,000
1940	5,387,125,000	9,127,374,000
1941	7,607,211,852	12,774,890,324
1945 (war year)	46,456,554,580	100,404,596,685
1946 (part-war year)	43,037,798,808	65,018,631,991
1947	43,258,833,189	42,505,045,529
1948 (estimated)	45,210,386,347	37,727,775,361
1949 (estimated)	44,476,862,051	39,668,993,983

In the current fiscal year, which is the third peace year following World War II, the receipts will amount to $45,210,000,000, and if the President's recommendations are adopted the receipts will, according to his estimate, amount to $44,476,000,000 in the next fiscal year. The proposed amount for 1949 is eleven times the receipts for 1929, nine times those for 1940, and within $2,000,000,000 of the receipts for the war year 1945, in which the receipts were the highest of any year on record.

Despite the fact that we are in the third year of peace following the war, the Federal Government will spend this year $37,727,000,000, and the President proposes to spend $2,000,000,000 more than this ($39,668,000,000) in the next fiscal year. Thus, the proposed expenditures for the next fiscal year (the fourth peace year following the war) will be fifty-four times the expenditures of 1916, over twice the expenditures of 1919, the most costly year of World War I, and over four times the expenditures of 1940, the costliest peacetime year on record prior to 1941 when our defense program was started.

And yet we are told by you, Mr. President, that these proposed expenditures for next year are all necessary and cannot be cut, and that there must be no reduction in taxes.

Your annual message to the Congress was filled with proposals for financial aid to various groups without regard to their cost or their effect on the country's welfare, proposals manifestly designed to secure votes, and this at a time when the country is facing a most serious crisis that calls for the strictest economy in government and the highest quality of statesmanship.

We submit that both expenditures and taxes can and should be drastically reduced.

PROVIDENCE, R. I., *February 26, 1948.*

What is our foreign policy? Who is responsible for our foreign policy? As far as I have been able to determine, we have no foreign policy; we are bewildered and groping in the dark, revealing inefficiency in our State Department, our Foreign Affairs Committee, and our Executive. The United Nations, instead of functioning is being sidetracked. The Bretton Woods Bank, with a capital of $9,100,000,000 and into which we paid $3,175,000,000 is not functioning by all the nations who were to be participants. The stabilization fund, capitalized at $8,800,000,000 and into which we were to subscribe the lion's share or $2,750,000,000 is as dead as a dodo. We recall what they were supposed to accomplish, but as they function today at best they are just plain liabilities to the United States.

Three years after World War II, it is now unmistakable that we need new leadership, new and competent officials of Government if our Nation is to survive. There is no more time to fool away, no more resources or money to squander, no more commodities to give away on a scarce market of high, rising prices if we are to look after our American people and their best interests carefully and conscientiously. Our population is estimated as 140,000,000 people. Our national debt as of March 18, 1948, according to the Treasury statement, is $253,292,813,697.09. I submit herewith a chart of the European nations included in the European recovery program, showing a total population of 325,647,000 and a total national debt of $161,082,000,000. In comparison, our total population is less by 185,000,000 and we have a national debt of $92,000,000,000 more than the total of the combined countries. A sad picture for America.

Selected statistical information concerning nations included in European recovery program

Country	Population 1947	National debt, 1946, internal	National debt, 1946, external	National debt, 1946, total	Industrial production, 1947 (1937=100)
Austria	7,000,000	$1,336,000,000	$90,000,000	$1,426,000,000	Summer, 45.[1]
Belgium (Luxemburg)	8,400,000	5,594,000,000	196,000,000	5,790,000,000	September, 84.
Denmark	4,300,000	1,779,000,000	158,000,000	1,937,000,000	December, 120.
France	40,900,000	16,257,000,000	906,000,000	17,163,000,000	October, 100.[1]
Greece	7,500,000	102,000,000	599,000,000	701,000,000	July, 67.[2]
Iceland	130,000	6,000,000	1,000,000	7,000,000	Note A.
Eire	3,000,000	310,000,000	1,000,000	311,000,000	June 109.
Italy	45,600,000	3,202,000,000	659,000,000	3,861,000,000	September, 72.
Netherlands	9,600,000	5,460,000,000	642,000,000	6,102,000,000	November, 196.[3]
Norway	3,100,000	1,313,000,000	82,000,000	1,395,000,000	October, 122.[4]
Portugal	8,300,000	367,000,000	34,000,000	401,000,000	1945, 102.[5]
Sweden	6,800,000	3,167,000,000	----------	3,167,000,000	October, 108.
Switzerland	4,500,000	2,684,000,000	----------	2,684,000,000	October 1946, 97.
Turkey	18,900,000	391,000,000	268,000,000	659,000,000	Note B.[6]
United Kingdom	49,200,000	100,052,000,000	3,097,000,000	103,149,000,000	Note C.
Prewar Germany	[7] 69,317,000	----------	----------	[8] 12,339,000,000	
Bizone	42,600,000	----------	----------	----------	September, 44.[9]
French zone and Saar	6,500,000	----------	----------	----------	September, 85.[10]
Total	325,647,000	----------	----------	161,082,000,000	

NOTE A.—Index numbers not available. Value of fisheries 1938, $5,170,490; 1945, $21,359,000.

NOTE B.—General index number not available. In 1945 cement production was 106; glass production was 136 using 1939 as 100.

NOTE C.—General index number not available. Representative index numbers as follows: 1937=100; coal (September 1947) 95; steel (October 1947) 110; cotton yarn (August 1947) 49.

[1] 1938=100 October index of France probably slumped later due to labor troubles.
[2] 1939=100.
[3] Manufacturing, mining and public utilities.
[4] Adjusted for numbers of working days.
[5] 1938-39=100. In 1947 the American Embassy reported that "the general industrial situation of the country may be regarded as better than a year ago with prospects of further advancement." United States American Embassy, Lisbon. Annual Economic Review, Portugal, 1946, p. 7.
[6] 1929-39=100.
[7] 1939.
[8] 1939. Debt on April 21, 1945, when Administration of Public Debt closed down was 389,200,000,000 reichsmarks, dollar value unknown.
[9] American zone 50; British zone 37.
[10] Normal output.

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[E. E. Billings, General Research Section, Feb. 25, 1948.]

Besides the Marshall-plan countries, the Foreign Affairs Committee has seen fit to add China to the list of nations, including $150,000,000 for military aid and $420,000,000 for economic aid; and also $275,000,000 for Greece-Turkey military aid, $60,000,000 to destitute children of Europe, and $20,000,000 to the Free Territory of Trieste. It has been called a "package bill." I say it is "bundles" for other nations and a "bust" for America; a glorified WPA in Europe and boondoggling in America. We thought that era was finished in our country, but we are still at it, I see.

It is time for common sense and to recognize the limitations of our ability to assume obligations for others. We can go so far and no further without weakening our own economy, our own safety. And when we go broke we are no good to ourselves or to anybody else. Keep America strong, keep America solvent. I plead with you now to build up our own defense, our Air Force, our military, and look after America.

Since World War II this country has given away over $24,000,000,000. Now the Marshall-plan countries want $17,000,000,000 on a 4-year-period basis. In addition, there is China, as well as a dozen other countries with hand outstretched for American dollars, American materials, American foods. I hope the Congress can be educated to our ability to aid others before we wreck our economy. Let me quote Thomas Jefferson on that point:

I know no safe depository of the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome direction, the remedy is not to take it from them but to inform their discretion through education.

First, let us determine that aid to any country be given only when the country shows a willingness to help herself to the limit of her ability. Also let us take into consideration the limit of our own resources and our own needs and capabilities in granting aid. Again, aid to foreign nations must be on an absolute inventory of their own assets. If they are able to pay us for merchandise and equipment received, they must do so and this "gimme" stuff must cease. There is no greater offender on that score than Great Britain, and they are sucking us in again. Remember in 1945 we gave them $4,400,000,000 to run them 5 years. In nineteen and a half months their country was socialized. Now they pull our leg for the lion's share of the Marshall plan. This is well illustrated in an article by Henry J. Taylor, Will You Buy the Marshall Plan? which appeared in the March 1948 issue of Cosmopolitan magazine:

[From Cosmopolitan magazine of March 1948]

WILL YOU BUY THE MARSHALL PLAN?

(By Henry J. Taylor)

Look in your cupboard, coal bin, or clothes closet. There you will see the future workings of the Marshall plan.

Look at the prices in the grocery store. Ask yourself why it is hard to build a house or get a car. What are you paying for milk? For meat? Ponder tonight the connection between the steel famine and your own job security, the oil shortage and this country on wheels, the machinery scarcity and the problem of new production to whip inflation. Now you and I are ready to think about the Marshall plan.

For the Marshall plan—officially known, since Secretary Marshall disavowed that title, as the European recovery program—does not mean dollars. It means goods, mostly the same goods that America itself needs.

Never before in the history of the world has a relief proposal like this subsidy in goods been assembled.

It means the difference between the products that 16 European nations (chiefly Britain) believe they need and the products they can produce or buy in the next 4 years, with America donating that difference.

We American people are already paying the bill for the Government's postwar relief programs abroad at the annual rate of $376 per United States family. By this proposal the bill would be built up to $862 per American family by 1951.

Accordingly the pocketbook, the personal welfare, and the future of every American citizen are directly involved in the questions. Will you buy the Marshall plan?

Knowing that every farm, every home, every factory, every pay roll, prices, pensions, taxes, individual security, and the basic stability of the United States are all directly affected, it is up to each of us to be honestly informed and to answer. For now is the time the question must be decided in Congress in accord with the will of the people.

What is our will? Given the facts, we can find our own way to this answer for both our own good and also the good of the hard-pressed world. But we need to know the plain, unvarnished truth. And, at the moment, propaganda rules the roost.

It is not enough to say we want to help Europe—the needy, the heartworn, and weary. Everyone agrees about that. In the past 4 years of war unnumbered men have died to give humanity another chance. We who remain cannot say goodbye to their efforts—not when we remember that they said goodbye to life itself. But to humaniity, in the end, it is results—not pronouncements—which count. And in these crtical times we cannot indefinitely postpone getting real results from anything we do for relief and recovery abroad.

The war has been over nearly 3 years. After all, something must be wrong with the way we have aided Europe so far, or the gigantic postwar aid already given would have helped more than it has and possibly won us more friends.

Our world-recovery donations ($22,000,000,000 since the end of the war) have failed to achieve their promised objectives. If they had not failed we would not now be called upon to send so many new billions.

But when earlier expenditures fail to deliver promised results, attention is generally distracted from the failures by making new promises and putting the objectives on an even wider base. New labels are sought, new

slogans concocted, new arguments advanced. Generalities about the future smother the facts and fiascos of the past.

What are the chief arguments usually advanced for our buying the latest plan now that is no longer merely an idea with good objectives but has become a specific piece of proposed legislation, presented on an all-or-nothing basis?

1. We must protect western Europe from the Communist menace.

2. Our own economic self-interest (i. e., avoiding a depression) is involved.

3. We can afford to be generous on this scale on a humanitarian basis.

Before we examine the validity of these arguments, let's see how and where the "plan" really began.

It began in London. I was there when it started. While it was being put together abroad, I journeyed to most countries involved: England, France, Italy, Greece, Switzerland, Belgium, Luxemburg, Holland, and Germany. I went to Paris while it was finally being thrashed out there. I came home and saw it finished in Washington, D. C.

Much of the European story behind the headlines and public speeches has not been told. The facts about the birth of the plan abroad, the inside inter-European commitments and cross-trades, the amazing contradictions in the program itself—all are vital, but smothered. The effect on us in our homes and work places is certainly not clearly understood. So come to London for the real beginning.

In January 1947 British Foreign Secretary Ernest Bevin notified Secretary Marshall that new large-scale American aid for England was necessary or Britain would suffer economic collapse by June.

He made a request that was kept "top secret." He asked for the equivalent of five and a half billion dollars over the next 4 years. The 1945 congressional grant of $3,750,000,000 was being consumed at twice the rate anticipated. It was passing through the British economic system without long-term effect.

Bevin's preliminary appeal for a new loan was not made known to either the American or British public. Even the forthcoming crisis itself, foreseeable from the inside, was played down until it burst full-blown in July. Meanwhile, this is what was happening:

In a series of January dispatches to London, Secretary Marshall told Bevin that in his opinion Congress would not again appropriate a large, new fund for Britain except possibly as part of a general economic program for European recovery. Congress had objected to the original British loan because it did not represent a rounded European solution.

Throughout February, Bevin replied that the British Government understood this objection, in principle, but—as at the time of the original 1945 grant—England could not wait for such a widespread program.

In London you could see that a feeling of being bogged down permeated the British Foreign Office. Bevin needed action. He got it. He implemented his claim for separate aid by suddenly announcing that Britain was so hard-pressed that she would have to withdraw immediately from Greece.

Bevin ruffled tempers in the State Department, for he announced this in Washington and London at the same time, and publicly. But the American agreement to take Britain's place in Greece (with Turkey later included) and to vote $400,000,000 for this purpose, was the answer.

Revealed March 12 as the Truman doctrine, this was, in fact, a stopgap substitute for new, large and direct aid for England, which it was clear Congress would not grant.

Prospective British withdrawal from obligations in western Germany, and the assumption of these occupation costs by America were agreed to at the same time. But this part of the agreement remained "top secret," and announcement was withheld until November.

Nevertheless, British insistence on straight separate aid did not slacken. The pressure was increased throughout the spring, not only on President Truman and Secretary Marshall but also on most members of the United States Cabinet, and especially on Secretary of the Treasury Snyder. That pressure had reached a climax by June 1.

On June 5, Secretary Marshall made his now famous commencement speech at Harvard. He was speaking primarily to England—a fact fully realized by Bevin but lost on the British and American public alike—when he said, in three sentences, that further large-scale American aid could be expected only as a part of a general coordinated European program. With that, Secretary Marshall dropped the subject. But when Mr. Bevin tagged it the Marshall plan the force of a great American name was lent to the subsequent European proposals.

I was in London when the British Ambassador in Washington confirmed the fears of the British Government that England had loss her priority on American assistance. At that point what has since been called the Marshall plan became really the Bevin plan. It became Secretary Bevin's responsibility to construct an outline for American aid to other countries in such a manner that approximately the same amount of aid would go to Britain as if the separate aid, asked for in January, had been judged agreeable to Congress.

This Mr. Bevin accomplished in the Paris meetings of 16 nations during July, August, and September, which I went to Paris to observe.

Mr. Bevin's January appeal to Secretary Marshall for $5,500,000,000 went into the Paris plan from the outset, and stayed there.

France and Italy objected strenuously to the British proportion. But they played along with England's big long-term proportion in exchange for a bird-in-hand understanding that England would support immediate United States stopgap aid for them amounting to $685,000,000.

Mr. Bevin agreed. The British Government went on record with Secretary Marshall as urging $685,000,000 American stopgap aid for France and Italy, $227,000,000 to Italy, $458,000,000 to France. They got $540,000,000 in stopgap aid on December 19.

Now the time has come to act on the long-range presentation—predominantly aid-to-Britain, plus the additional collateral reliefs.

The overshadowing aid-to-Britain feature was kept carefully under wraps, a fact first noted by Washington newspaperman Peter Edson.

Page after page of other statistics are supplied in the official presentation to Congress. But in all the 131 pages the percentage of American aid allocated to each country and the predominate share scheduled for England are not revealed. It required a separate investigation to obtain for this article the official figures showing where our billions would go, country by country.

Here are the facts:

England	$5,348,000,000
France	3,701,000,000
Italy	2,913,000,000
United States-British zone, Germany	2,499,000,000
Holland	2,436,000,000
Belgium-Luxemburg	1,419,000,000
Austria	713,000,000
Denmark	582,000,000
Ireland	497,000,000
Greece	473,000,000
Norway	234,000,000
Portugal	150,000,000
Iceland	38,000,000
Turkey	18,000,000
Total	21,021,000,000

Sweden and Switzerland are in for nothing. Actually they expect a favorable trade balance of about $176,000,000. This means net requests for over $20,000,000,000 from Uncle Sam. The difference between that figure and the announced $17,000,000,000 is to be made up chiefly by the International Bank and Monetary Fund, which is also 80 percent United States taxpayers' money.

England's $5,348,000,000, which is one-third of the $17,000,000,000 in the Marshall plan, is exactly the amount asked for by Bevin in January, 6 months before Marshall attempted to answer England at Harvard University.

That, in brief, is the background of the plan. Now let us consider the arguments advanced for its support.

Is the threat of communism in western Europe a valid argument? If so, Britain's 32-percent share in the funds must be automatically excluded from this claim. No one has even suggested that the British people are on the verge of voting Communist under any circumstances.

This is admittedly and equally true of 9 more among the 15 other countries involved: Ireland, Iceland, Denmark, Portugal, Belgium, Luxemburg, the Netherlands, Sweden, and Switzerland. These represent another $5,000,000,000; a billion dollars to Ireland and Denmark alone.

The Communist problem in two other countries involved, Austria and Greece, is commonly conceded to be military, not economic. This means that anticommunism appeal for us to buy the plan is largely confined to France and Italy, where communism has been consistently losing ground in the grass roots for over 2 years; and western Germany, where the last Communist vote was 7 percent, and Turkey 4 percent.

Once revealed on a country-by-country basis, the anti-Communist angle in the overall "all or nothing" $17,000,000,000 presentation takes on a different aspect. And, in any case, few military men would care to argue that dollars alone would be effective if the Red Army marched.

What about the argument that America's economic self-interest is involved, that we must export to avoid depression?

We are in a fight against inflation. Yet nothing could be more inflationary than vast exports at public expense, not repaid, striking us squarely in our shortages.

Our exports in 1947 totaled $14,500,000,000, chiefly free. Our balancing imports were $5,500,000,000; an over-export gap of $9,000,000,000. We know, or should know, these exports are abnormal.

Our real trouble today is that the home demand—to say nothing of foreign gifts—is far in excess of our ability to produce.

We need not worry about a falling off in demand for things we can't produce. We should not buy that idea. If there is to be a decrease in our exports—and that appears to be the thing the foreign-relief planners and other prophets of our domestic doom seem to fear—this is the best possible time to absorb the reduction. They should either admit this fact or else not claim they are trying to fight inflation. Both contentions cannot be true. If there is really going to be "boom and bust," all we have to do is ship enough goods abroad for which we won't be paid to assure it. We went on that ride once before—after the last war.

And the argument that we can afford to be this generous on a humanitarian basis? This is the major claim on which the issue must be decided and changes in the commitments made or not made in the plan.

It is the direct cost at home and the results abroad which must be considered.

Our civilization is founded on compassion and charity. The deep and honest desire of the American people is to help people abroad as much as we can within good and generous limits. No other nation in the history of the world has ever regarded the

rest of the world in this light. That is another reason why we can be proud we are Americans. But this does not permit continually giving Europe a blank check on our resources or on our lives.

Further, why are we not told clearly a little-known fact about our official charity; namely, that our aid does not, actually reach people abroad as a free gift, as millions of Americans suppose.

By and large, the people abroad buy from their governnments or middlemen what our Government sends free. They do not receive our gifts as charity. Their governments, and others overseas, pocket the difference. Practically none of the official donations of the United States Government end up as charity to the wretched. That is why so much of our vast aid is unknown to individuals in Europe.

In our own Government, who finally constructed the Marshall plan? Who wrote the President's presentation?

Clark Clifford and Charles Murphy, young White House advisers, did the actual writing. A young task force put the program together, directed by Under Secretary of State Lovett.

"We started to figure this thing out on the back of an envelope, and it got slightly out of hand," explains Charles Kindleberger, 37, a State Department adviser on financial policy.

Earlier reports by the Krug, Harriman, and Nourse committees were purely advisory, and the vital administrative features recommended in the Harriman report were ignored. The names of the actual planners hardly carry national prestige. These are the men in the Washington task force who came up with the final answers: Charles Bonesteel, 3d (State), Frank Southard (Treasury), Frederick Northrup (Agriculture), James Boyd (Interior), Philip Kaiser (Labor), Col. Raymond M. Cheseldine (Army Civil Affairs), Thomas Blaisdell (Commerce), Burke Knapp (Federal Reserve), and a special State Department planning group consisting of William Bray, Lincoln Gordon, Ernest Gross, Arthur Kimbell, Charles Kindleberger, Paul Nitze, William Phillips, Harold Spiegel, and Walter Surrey. Nearly all are in their thirties. Theirs was the program which was finally taken to Congress with the request for a 4-year commitment and $17,000,000,000—all or nothing.

Will the plan, if adopted, be ably administered? No one can say, but we will have to do better than we have been doing. Look at the way we have handled our No. 1 problem—Germany.

As working people in America, our dole to Germany is costing us about a billion dollars a year.

The Marshall plan countries surrounding Germany—Switzerland, Holland, Denmark, Sweden, France, Italy—whose economies are interwoven with Germany's productivity, suffer through the German paralysis. So most are among the 16 nations now asking us for aid. With Germany on a dole, they must ask us for a dole too.

Accordingly, in restoring the productivity of Europe, it is only common sense to begin with Germany—the sector most demoralized and over which we have large control—yet with all safeguards against German rearmament of any kind.

Since we say the Marshall plan is dedicated to European recovery, and Secretary Marshall himself speaks of German peace-production recovery as the crux of the problem, our public may suppose that at last we have changed our original "scorched earth" policy in Germany. But fantastic as it may seem, at the same time that one set of hands in one of the 20 separate buildings that house the State Department in Washington was writing the Marshall plan for Congress, another set of hands in another building was writing a new and sweeping directive for further dismantling peace-production machinery in Germany.

In our own western area over 600 nonwar German industrial plants are now to be dismantled, scrapped, or removed as reparations under this new 1948 dismantling policy. Some 30,000 German workers have been withdrawn from production to carry out this new dismantling program.

The paralysis we are maintaining in Germany hits Italy more seriously than any other country in western Europe. Accordingly, Congress was called upon to vote Italy $227,000,000 stopgap aid in December, and the Marshall plan emphasizes, with nearly $3,000,000,000 more, the difficult situation there.

With one hand we choke off German peacetime productivity in the center of Europe and deal out a dole; with the other hand we enlarge the dole to Germany's neighboring countries. It seems one hand doesn't know what the other is doing.

Europe's recovery problem is primarily a production problem. Any program we enact, in order to succeed, must be administered here and abroad by hard-headed, realistic, production-minded Americans especially qualified for the gigantic task and operating as a selected agency for this complex effort.

Instead, nine departments are directly involved in a set-up so confused, conflicting, intertwining, and unworkable that the official organization chart itself is utterly bewildering—even to the men who drew it. Said one of them to me, "It looks like Gracie Field's biggest 'aspidistra in the world'."

If we haven't learned anything administratively from the $22,000,000,000 we've already spent, we had better learn something, and make the necessary administrative changes, before we spend $17,000,000,000 more; an amount equal to practically the entire profits of all American industry here at home last year.

Some farm aid to Europe is doubtless indicated, but is it not reasonable to suggest that any further congressional appropriation be limited to 1 year? We should not be committed for a longer program since we cannot know what our friends abroad may or may not do for their own self-help or what may develop here at home. Further bills can always be passed, when and if needed.

The Marshall plan means $7,000,000,000 of taxes in 1948 from all of us beyond what we would otherwise pay.

Some say that if a billion dollars of the new aid is handled by the International Bank (80 percent United States money), the taxes may be "only" $6,000,000,000 additional this year. But the plan calls for $6,800,000,000 in the first 15 months. This sum is nearly two-fifths of the total sum paid in personal income taxes by everybody in America this year. It almost equals the income taxes paid by all American corporations. It is about 70 percent as large as our entire national defense budget already voted. Yet it excludes new and forthcoming "little Marshall plans" for Latin America, Asia, the Middle East, and Indonesia, the patterns for which it will establish.

It does not seem to take into account the fact that there is a limit to the number of failures Americans can absorb.

At some point our leaders failed, or we would not have suffered as we did in the depression. At another point our leaders failed, or we should have been so strong on land and sea and in the air that there could have been no war, and certainly no Pearl Harbor.

Now they fail again if they do not see that the future peace of the world depends on the internal strength of the United States. And they fail yet again if they squander our strength so we are weak when the chips are down.

After reading that article, do you not feel that you are selling America short? What must the taxpayers think, who have been taxed and taxed and taxed all their lives? Should not we look after America first—our aged, our veterans, our sick, our poor, and our blind?

What is $17,000,000,000 we are giving away in 4 years, $6,205,000,000 in this bill? It will take the following farms in all these States to do the job. How can you afford to do that? You cannot or should not.

Farms and farm property (1945), United States Census of Agriculture

Region, division, and State	Number of farms	Value of farms (land and buildings)
New England States:		
Maine	42,184	$159,680,897
New Hampshire	18,786	80,394,869
Vermont	26,490	134,575,897
Massachusetts	37,007	265,232,462
Rhode Island	3,603	35,609,900
Connecticut	22,241	263,023,415
Middle Atlantic States:		
New York	149,490	1,087,522,090
New Jersey	26,226	292,980,843
Pennsylvania	171,761	1,008,573,540
South Atlantic States:		
Delaware	9,296	72,693,794
Maryland	41,275	354,806,789
District of Columbia	40	4,961,340
Virginia	173,051	868,806,343
West Virginia	97,600	341,008,205
South Carolina	147,745	440,632,183
Florida	61,159	498,399,612
East South Central States:		
Kentucky	238,501	1,015,796,276
Tennessee	234,431	870,947,702
Alabama	223,369	559,742,689
Mississippi	263,528	647,562,141
Mountain States:		
Montana	37,747	517,890,663
Idaho	41,498	493,331,235
Wyoming	13,076	232,012,912
Colorado	47,618	564,503,888
New Mexico	29,695	326,750,718
Arizona	13,142	287,876,225
Utah	26,322	261,817,649
Nevada	3,429	71,955,968
Pacific States:		
Washington	79,887	900,184,222
Oregon	63,125	697,775,183
California	138,917	3,484,548,812
Total (31 States)	2,492,237	16,942,643,462

Mr. Chairman, remember what the Father of our Country said in his Farewell Address. Let me quote George Washington about our foreign entanglements. This advice is good for us today to heed:

Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collusions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we

may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world.

Now since we have had such good advice from George Washington, and since we have striven to keep from trying to run the affairs of the Old World, I say to you, we can give advice to others upon their requests to us, but for the sake of good common sense, for the sake of good government, do not, I beg of you, try to run the affairs of other countries. It will be misunderstood, misinterpreted, and will react against us rather than for our good, and rather than for the good of the American people.

If foreign nations would tell us what to do and how to run our country, how would we like it?

Our State Department has made so many mistakes the past 12 years, I say we need a new State Department. I say again and again and again support the UN, work with them, work through them, and if you cannot work in that manner, then attend to our own business, not the other fellow's.

You have spent billions and billions abroad. What good has it done in America? We can review the harm, with a great debt to ourselves, with many criticisms of other nations for United States meddling.

I have heard many conflicting stories from our own Members of Congress in what the conditions were in Europe. They differ materially, and the recommendations differ. Where is the United Nations? Where is your Bretton Woods Bank, your Stabilization Fund? You set it up, now stick to it. Stop going from pillar to post. A rolling stone gathers no moss. You cannot be changing your mind all the time and do anything constructive.

I have not heard a constructive reason for the bill except to stop Russia. Why not send someone over to Stalin and talk it over? That is the proper way to get action if war is to be averted, and certainly I want to do anything just to stop a third world war. We do not want it. No one wants it. So get together in the UN and band together to stop it. Any nation who does not want to do it, let them get out of the United Nations. Three years after the war is long enough for them to make up their minds to go along with the majority of nations or get out.

Let us get the Christian people of all the world to work for peace.

The national life of any nation cannot rise higher than the home and never fall lower.

I shall fight for what I think is right, and I shall oppose what others propose when I am sure they are wrong.

This legislation is wrong; it will never work satisfactorily to the world or to America.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. VORYS. In view of the gentleman's views on this legislation, I know the House will be interested in having the gentleman's views as to how he thinks we should solve this perplexing military, economic, and moral problem which is facing us in the world.

Mr. RICH. All right, sir. I covered that in my remarks and hope that you will read them carefully tomorrow. After World War II, about 3 years ago, you formed what was supposed to keep this Nation out of all wars. You formed the United Nations. I was in the House for days and days and days listening to Members of Congress tell us what would happen if we did not join the United Nations and telling us why we should set up the Bretton Woods agreement and the stabilization fund. I tried my best to go along hoping that something would ultimately come out of all this. I was for it because I wanted to have something that would stop wars and keep this country from ever getting into another world war. What has happened to all this? It is as dead as a dodo the way it has been running. What are you doing by this bill? You are only setting up an organization bypassing exactly what the United Nations was set up to do, and for which it was intended. You cannot do that. You are rolling around like a lot of stones rubbing the moss off your back. If you want to ever gain anything and accumulate anything, you have to stop rolling around. You have to aim at one particular thing, and then try to hit the mark. I say that we should stick to the United Nations, and if any nation will not abide with the majority of the nations, then kick that nation out. You have had some of these nations that have been fighting the other nations for these 3 years. Those nations are the stumbling blocks, and they are the nations that we are trying to direct our aim at by this bill. You are going out to spend $17,000,000,000 of the American taxpayers' money after you have already spent $24,000,000,000 and it is not going to accomplish anything. When we are through, we are out $17,000,000,000, and we have not accomplished anything. It is time to stop it. Let us go into the United Nations.

Mr. HAYS. Will the gentleman yield?

Mr. RICH. Yes. I yield to my genial colleague from Arkansas.

Mr. HAYS. I thank the gentleman. I think he knows the deep affection I entertain for him. But if I felt as the gentleman does, that this means a lessening of the influence and power of the United Nations, I might join him in his conclusions. However, there are many of us who feel that we can pursue this program and yet turn, in due time, to perfecting what I believe is the great hope of the world, the United Nations.

Mr. RICH. Well, you think that way, but you are wrong. You must stick to the United Nations and get in there and try to help work that up and stop bypassing it. You cannot do it. You know as well as I do that whenever you are trying to work with somebody you have to work with him face to face all of the time. You cannot take any other road except to go to the same place ultimately if he is going to remain your friend. You have got to go in there with him.

Mr. HAYS. I know how sincere and earnest the gentleman is. I simply wanted to present that point of view: that if the world goes to pieces while we wait for this opportunity to perfect the United Nations, then we have lost the hope we had.

Mr. RICH. Well, many of those countries have been fumbling around for years and years, and they are not going to go to pieces. It is the fear of the American people who have been over there during the last year. I have heard many Members who came back from Europe talk about the situation. One tells one story and the other tells something else about what has happened over there. I have heard so many stories about conditions in Europe and they have differed so much that I think what you men have tried to do is to try to think of those countries being in the same position as America and having the same advantages, and then you find out they are not, but they never will be until they get down and operate like Americans. Instead of our helping those people get up to our standard of living, we are going to tear America down, and then you will all be sorry that we have ever taken any part in this affair.

Mr. NICHOLSON. Will the gentleman yield?

Mr. RICH. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Does the gentleman know of any country over there that is really friendly to the United States?

Mr. RICH. Well, they say they are, as long as we keep paying them. They will be friendly until they get the last dollar out of America. Look at Great Britain. We gave her $4,400,000,000 to put her in just the condition you are talking about putting her in now. This is not the Marshall plan. It is the Bevin plan. If the gentleman will read a statement that I put in the RECORD recently from a great writer in this country who understands the situation, he will find this is the Bevin plan. The whole British Government has been pulling our leg all these years, and as long as we are good suckers they will go along with us, but just as soon as we stop feeding them they are our enemies. All these other countries will do likewise.

Mr. HOLIFIELD. Will the gentleman yield?

Mr. RICH. I yield.

Mr. HOLIFIELD. I want to compliment my friend on his advocacy of solving this problem by the United Nations. If we were given an opportunity to extend this aid through a functioning United Nations, then I would say that the gentleman would get a lot of votes for that, and I would be glad to support that

particular plan. However, some changes have to be made to make it function.

Mr. RICH. Then the quicker we get the United Nations functioning the better. If they cannot agree, and if they have a few stickers in there, get rid of stickers.

Mr. HOLIFIELD. Get rid of the stickers.

Mr. RICH. Get rid of the stickers, and the quicker you get rid of them, the better. That is what I say.

I do not want to use any more time, but I will talk to any of you Members about this legislation any time you want to talk. I am against it. It is only going to take us down and down and down, and it is not going to help the other countries up.

Mr. Chairman, I yield back the remainder of my time.

Mr. VORYS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 2202, the Foreign Assistance Act of 1948, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article which I am advised by the Public Printer exceeds the limit established by the Joint Committee on Printing and will cost $301.75. Notwithstanding the excess, I ask unanimous consent that the extension may be made.

The SPEAKER. Notwithstanding the excess, without objection, the extension may be made.

There was no objection.

THE TAX BILL OF 1948

Mr. ALLEN of Illinois (from the Committee on Rules) reported the following privileged resolution (H. Res. 510) providing for concurrence in the Senate amendments to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes (Rept. No. 1602), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, with Senate amendments thereto, be, and the same is hereby, taken from the Speaker's table to the end that all Senate amendments be, and the same are hereby, agreed to.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PALESTINE

Mr. BUCHANAN. Mr. Speaker, the public is entitled to know and I am certain they will soon receive from the White House a clarifying statement of the full purport and meaning in regard to what appears to be a reversal of its policy in Palestine.

I shall hold any personal comment in abeyance until such time. In the meantime, the fight for a Jewish state in Palestine continues unabated.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. RIEHLMAN (at the request of Mr. PLOESER), for the balance of the week, on account of official business.

To Mr. RAINS, indefinitely, on account of official business.

To Mr. HESS, for 3 days, on account of official business.

To Mr. HOEVEN (at the request of Mr. DOLLIVER), for the balance of this week, on account of official business.

To Messrs. DAGUE, POAGE, JOHNSON of Illinois, HILL, GATHINGS, MCMILLAN of South Carolina, WORLEY, GILLIE, GRANGER, GROSS, COTTON, GOFF, HOPE, HOEVEN, HORAN, and ANDERSON of California (at the request of Mr. AUGUST H. ANDRESEN), for the remainder of the week, for the purpose of holding hearings outside of Washington.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 468. An act to amend the act entitled "An act to incorporate the Imperial Palace, Dramatic Order Knights of Khorassan," to increase the amount of property which the corporation may hold from $100,000 to $5,000,000.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, March 24, 1948, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1406. A letter from the Under Secretary of Agriculture, transmitting a draft of a proposed bill to amend the Air Commerce Act of 1926 (44 Stat. 568), as amended, to provide for the application to civil air navigation of laws and regulations related to animal and plant quarantine, and for other purposes; to the Committee on Interstate and Foreign Commerce.

1407. A letter from the Acting Secretary of the Navy, transmitting a record of the investigation between the Government and the Puget Sound Bridge & Dredging Co. and other contractors for the construction of Alaska naval air bases; to the Committee on the Judiciary.

1408. A letter from the Acting Secretary of the Navy, transmitting a record of the investigation between the Government and the Hawaiian Dredging Co., Ltd., and other contractors for the construction of Pacific naval air bases; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LECOMPTE: Committee on House Administration. House Resolution 506. Resolution authorizing the printing of additional copies of House Report No. 1585; without amendment (Rept. No. 1596). Referred to the House Calendar.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 5673. A bill for the better assurance of the protection of citizens of the United States and other persons within the several States from mob violence and lynching, and for other purposes; without amendment (Rept. No. 1597). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 4508. A bill to authorize the Houston Council, Navy League of the United States, to construct a reflecting pool at the United States naval hospital, Houston, Tex.; without amendment (Rept. No. 1598). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLACKNEY: Committee on Armed Services. H. R. 5344. A bill to prevent retroactive checkage of retired pay in the cases of certain enlisted men and warrant officers appointed or advanced to commissioned rank or grade under the act of July 24, 1941 (55 Stat. 603), as amended, and for other purposes; with amendments (Rept. No. 1599). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLACKNEY: Committee on Armed Services. H. R. 5805. A bill to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act; without amendment (Rept. No. 1600). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLACKNEY: Committee on Armed Services. H. R. 5870. A bill to amend the act of May 16, 1946 (Public Law 383, 79th Cong.), as amended, to provide increased allowances for the escorts of repatriated war dead; without amendment (Rept. No. 1601). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 510. Resolution providing for concurrence in the Senate amendments to the bill H. R. 4790, a bill to reduce individual income-tax payments, and for other purposes; without amendment (Rept. No. 1602). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCK:

H. R. 5951. A bill increasing the immigration quotas for Italy; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. R. 5952. A bill to prohibit the importation of foreign wild animals and birds under conditions other than humane, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H. R. 5953. A bill to permit the exportation of arms, ammunition, and implements of war; to the Committee on Foreign Affairs.

By Mr. DURHAM:

H. R. 5954. A bill to amend the act of June 7, 1939 (53 Stat. 811), as amended by Public Law 520, Seventy-ninth Congress, relating to the acquisition of stocks of strategic and critical materials for national defense purposes; to the Committee on Armed Services.

By Mr. FARRINGTON:

H. R. 5955. A bill to amend the act approved December 28, 1945, entitled "An act to expedite the admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces"; to the Committee on the Judiciary.

By Mr. McDOWELL:

H. R. 5956. A bill to permit the President pro tempore of the Senate and the Speaker of the House of Representatives to require the production of certain documents for examination in cases involving the national security; to the Committee on the Judiciary.

By Mr. MACK:

H. R. 5957. A bill to provide for the establishment of the Fort Vancouver National Monument, in the State of Washington, to include the site of the old Hudson's Bay Co. stockade, and for other purposes; to the Committee on Public Lands.

By Mr. MUHLENBERG:

H. R. 5958. A bill to incorporate the Paralyzed Veterans of America; to the Committee on the Judiciary.

By Mr. SIMPSON of Illinois:

H. R. 5959. A bill to provide for emergency flood-control work made necessary by recent floods, and for other purposes; to the Committee on Public Works.

By Mr. WOLVERTON:

H. R. 5960. A bill to amend section 32 (a) (2) of the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. SADLAK:

H. R. 5961. A bill to amend section 3413 of the Internal Revenue Code relating to tax on lubricating oils; to the Committee on Ways and Means.

H. R. 5962. A bill to amend section 8 of the Veterans' Preference Act of 1944, as amended, to provide that the name of a veteran eligible shall not be deemed to have been passed over if another preference eligible is selected from any certification of eligibles by the Civil Service Commission; to the Committee on Post Office and Civil Service.

By Mr. DONDERO:

H. R. 5963. A bill to authorize the construction of a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, and for other purposes; to the Committee on Public Works.

By Mr. GAVIN:

H. R. 5964. A bill to grant time to employees in the executive branch of the Government to participate, without loss of pay or deduction from annual leave, in funerals for deceased members of the armed forces returned to the United States for burial; to the Committee on Post Office and Civil Service.

By Mr. GRANT of Indiana:

H. R. 5965. A bill to amend paragraph 813 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. PHILLIPS of Tennessee (by request):

H. R. 5966. A bill to amend certain provisions of the National Service Life Insurance Act of 1940, as amended; to the Committee on Veterans' Affairs.

By Mr. TEAGUE:

H. R. 5967. A bill to extend the educational and training benefits of the Servicemen's Readjustment Act of 1944, as amended, to certain widows and children of deceased veterans, and to extend the loan benefits of such act to certain widows of deceased veterans; to the Committee on Veterans' Affairs.

By Mr. BUCK:

H. R. 5968. A bill to amend an act of Congress approved February 9, 1881, which granted a right-of-way for railroad purposes through certain lands of the United States in Richmond County, N. Y.; to the Committee on Public Lands.

By Mr. HOLIFIELD:

H. J. Res. 359. Joint resolution to provide for the exportation of arms, munitions, and implements of war from the United States to Palestine; to the Committee on Foreign Affairs.

By Mrs. DOUGLAS:

H. J. Res. 360. Joint resolution to provide for the exportation of arms, munitions, and implements of war from the United States to Palestine; to the Committee on Foreign Affairs.

By Mr. KLEIN:

H. Res. 507. Resolution to authorize the Committee on Foreign Affairs to investigate the National Security Council and the Department of State; to the Committee on Rules.

By Mr. RIZLEY:

H. Res. 508. Resolution authorizing funds to defray expenses incurred by the special committee created by House Resolution 461; to the Committee on House Administration.

By Mr. ISACSON:

H. Res. 509. Resolution for the investigation of Arabian-American Oil Co. influence on the reversal of the United States position on the United Nations plan for the partition of Palestine; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAKEWELL:

H. R. 5969. A bill for the relief of Mrs. Emily Wilhelm; to the Committee on the Judiciary.

By Mr. BLOOM:

H. R. 5970. A bill for the relief of Mrs. Virginia Preston; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 5971. A bill for the relief of Robert Turell, of New York, N. Y.; to the Committee on the Judiciary.

H. R. 5972. A bill for the relief of A. F. Sozio; to the Committee on the Judiciary.

By Mr. DEANE:

H. R. 5973. A bill for the relief of the Lillington Roller Mills, Inc.; to the Committee on the Judiciary.

By Mr. ELSTON:

H. R. 5974. A bill for the relief of O'Connell & Sweeney, Inc., of Cincinnati, Ohio; to the Committee on the Judiciary.

By Mr. ENGLE of California:

H. R. 5975. A bill for the relief of Mrs. Dorothy Vicencio; to the Committee on the Judiciary.

By Mr. FALLON:

H. R. 5976. A bill for the relief of Wilbur E. Shaffer; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 5977. A bill for the relief of Elizabeth and Lawrence Wong; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 5978. A bill for the relief of Hoy C. Wong; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 5979. A bill for the relief of Romulus Oscar Bean, Jr.; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 5980. A bill for the relief of Mexican Fibre & Twine Co., Inc.; to the Committee on the Judiciary.

By Mr. YOUNGBLOOD:

H. R. 5981. A bill for the relief of Miss Jytte Sylvia Kroner Bruselius; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1605. By Mr. BAKEWELL: Petition of the House of Representatives, State of Missouri, objecting to the appropriation of funds for the wholesale destruction of homes and the inundation of valuable farm lands; to the Committee on Public Works.

1606. Also, petition of the Board of Aldermen of the City of St. Louis, Mo., regarding request to withhold Jefferson Barracks or any part of it from public sales and to take such action as may be necessary to create and maintain said Jefferson Barracks as a national park; to the Committee on Public Lands

1607. By Mr. ELSTON: Petition of Mother Olivia Mary and the Sisters of the Transfiguration, Glendale, Ohio, urging immediate passage of H. R. 2910, the Emergency Temporary Displaced Persons Admission Act; to the Committee on the Judiciary.

1608. By Mr. LECOMPTE: Petition of members of Veterans of Foreign Wars, Theodore J. Martens Post, No. 1797, Creston, Iowa, endorsing flight training under the GI bill of rights; to the Committee on Veterans' Affairs.

1609. By Mr. MARTIN of Massachusetts: Petition of David Wyman and sundry citizens of Massachusetts, advocating enactment of universal military training; to the Committee on Armed Services.

1610. Also, petition of sundry citizens of Massachusetts, favoring enactment of the Economic Cooperation Act of 1948; to the Committee on Foreign Affairs.

1611. By the SPEAKER: Petition of T. S. Kinney, Orlando, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1612. Also, petition of the delegates from the Townsend clubs of the Fifth Congressional District of Florida, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1613. By Mr. MARTIN of Massachusetts: Petition of sundry citizens of Massachusetts, favoring enactment of the Economic Cooperation Act of 1948; to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, MARCH 24, 1948

(Legislative day of Monday, March 15, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

God of mercy and compassion, Thou knowest our nature and readest our secret thoughts, and we can hide nothing from Thee.

Help us, then, to lay aside every disguise we wear before the face of man and find rest and peace in being what we are and nothing more. Enable us to put off all sham and pretense, so that from now on we may live a life of freedom and sincerity.

It is not dangerous to be honest, but help each one of us to be true to himself at his best, and make us the best we can be for the sake of Him who died for us all. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 23, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, March 24, 1948, the President had approved and signed the following acts and joint resolution:

S. 148. An act for the relief of Charles G. Meyers;

S. 1733 An act to authorize payment to certain enrolled members of the Seminole Tribe of Indians under act of July 2, 1942 (Public, No. 645, 77th Cong.);

S. 1782. An act to provide for selection of superintendents of national cemeteries from meritorious and trustworthy members of the armed forces who have been disabled in line of duty for active field service; and

S. J. Res. 172. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during 1948.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SHAFER, Mr. SHORT, Mr. COLE of New York, Mr. VINSON, and Mr. JOHNSON of Texas were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 5854) to amend title VI of the National Housing Act, as amended, in which it requested the concurrence of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

REVISED ESTIMATE, DEPARTMENT OF STATE (S. Doc. No. 128)

A communication from the President of the United States, transmitting a revised estimate of appropriation for the fiscal year 1949 involving an increase of $1,504,799 for the Department of State, in the form of an amendment to the budget for said fiscal year (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PUGET SOUND BRIDGE & DREDGING CO. ET AL.

A letter from the Acting Secretary of the Navy, transmitting, pursuant to law, the findings of fact by a board of naval officers in the case of the Puget Sound Bridge & Dredging Co., and other contractors, for the construction of Alaska naval air bases (with accompanying papers); to the Committee on the Judiciary.

HAWAIIAN DREDGING CO., LTD., ET AL.

A letter from the Acting Secretary of the Navy, transmitting, pursuant to law, the findings of fact by a board of naval officers in the case of the Hawaiian Dredging Co., Ltd., and other contractors, for the construction of Pacific naval air bases (with an accompanying paper); to the Committee on the Judiciary.

CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Under Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of February 1948 (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF AIR COMMERCE ACT OF 1926, AS AMENDED, RELATING TO ANIMAL AND PLANT QUARANTINE

A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Air Commerce Act of 1926 (44 Stat. 568), as amended, to provide for the application to civil air navigation of laws and regulations related to animal and plant quarantine, and for other purposes (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Birmingham (Ala.) Junior Chamber of Commerce, favoring the enactment of legislation to abolish the Communist Party in the United States; to the Committee on the Judiciary.

A cablegram in the nature of a petition from the Seventeenth Convention of the Puerto Rico Free Federation of Labor, A. F. of L., signed by Nicolas Nogueras Rivera, secretary-treasurer, San Juan, P. R., requesting that Francisco Collazo be appointed commissioner of education for Puerto Rico; to the Committee on Labor and Public Welfare.

A resolution adopted by the Board of Supervisors of the City and County of Honolulu, T. H., favoring the enactment of the bill (H. R. 3229) to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FLANDERS, from the Committee on Banking and Currency:

S. 2361. A bill to provide for a temporary extension of the National Housing Act, as amended; without amendment (Rept. No. 1024).

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

S. 1322. A bill to provide a Federal charter for the Commodity Credit Corporation; with amendments (Rept. No. 1022).

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

S. 2173. A bill to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders; without amendment (Rept. No. 1021); and

H. R. 3538. A bill to authorize the Department of Agriculture to investigate and report on projects for reclaiming lands by drainage; without amendment (Rept. No. 1023).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AIKEN (for himself, Mr. KEM, Mr. ROBERTSON of Wyoming, Mr. EASTLAND, Mr. STENNIS, Mr. HOEY, Mr. MAYBANK, Mr. MCFARLAND, Mr. STEWART, Mr. RUSSELL, Mr. ELLENDER, Mr. THOMAS of Oklahoma, Mr. MALONE, Mr. THYE, Mr. DOWNEY, Mr. WHERRY, Mr. JOHNSON of Colorado, Mr. WATKINS, Mr. GEORGE, Mr. HATCH, Mr. DWORSHAK, Mr. ECTON, Mr. CONNALLY, Mr. SPARKMAN, Mr. HILL, Mr. UMSTEAD, Mr. JOHNSTON of South Carolina, Mr. FULBRIGHT, Mr. O'DANIEL, Mr. MCCLELLAN, Mr. HOLLAND, Mr. PEPPER, Mr. MCKELLAR, Mr. MURRAY, Mr. THOMAS of Utah, Mr. MCCARRAN, Mr. YOUNG, Mr. LANGER, Mr. BUTLER, Mr. CHAVEZ, and Mr. OVERTON):

S. 2376. A bill to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold; to the Committee on Agriculture and Forestry.

By Mr. DOWNEY:

S. 2377. A bill to authorize the Solano County project, California, for irrigation and reclamation, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 2378. A bill for the relief of Leopold Zollman; to the Committee on the Judiciary.

By Mr. MAYBANK:

S. 2379. A bill for the relief of Fritz Y. Mercer; to the Committee on the Judiciary.

By Mr. KNOWLAND:

S. 2380. A bill to provide benefits for members of the Reserve components of the armed forces who suffer disability or death from injuries incurred while engaged in active-duty training for periods of less than 30 days or while engaged in inactive-duty training; to the Committee on Armed Services.

By Mr. TAFT:

S. 2381. A bill to designate as a depository of Government publications the public library of each city in the United States having a population of 100,000 or more in which there is no such depository; to the Committee on Rules and Administration.

FEDERAL AID TO EDUCATION—AMENDMENTS

Mr. GREEN submitted amendments intended to be proposed by him to the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. GREEN (for himself and Mr. MCGRATH) submitted an amendment in the nature of a substitute intended to be proposed by them, jointly, to Senate bill 472, supra, which was ordered to lie on the table and to be printed.

Mr. HAWKES submitted an amendment intended to be proposed by him to the bill (S. 472), supra, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 5854) to amend title VI of the National Housing Act, as amended, was read twice by its title and

referred to the Committee on Banking and Currency.

MAINTENANCE OF DOMESTIC RUBBER INDUSTRY—CORRECTION OF CLERICAL ERRORS IN ENGROSSMENT OF BILL

Mr. WHERRY. Mr. President, I ask unanimous consent that the Secretary of the Senate, in the engrossment of the amendment of the Senate to the bill (H. R. 5314) to strengthen national security and the common defense by providing for maintenance of an adequate domestic rubber-producing industry, and for other purposes, be authorized to correct certain clerical errors appearing therein.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MAINTENANCE OF DOMESTIC RUBBER INDUSTRY

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BRICKER. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. BRICKER, Mr. CAIN, and Mr. ROBERTSON of Virginia conferees on the part of the Senate.

THE PRESIDENT'S CIVIL-RIGHTS PROGRAM—VIEWS OF SENATORS IN OPPOSITION

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD telegrams between various southern Senators and the Mutual Broadcasting System, as well as addresses broadcast by certain Senators, all relating to the President's civil-rights program, which appear in the Appendix.]

THE PRESIDENT'S CIVIL-RIGHTS PROGRAM—ADDRESS BY SENATOR SPARKMAN

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an address delivered by him opening a debate on the President's civil-rights program, and broadcast from Washington, D. C., over the facilities of the American Broadcasting Co., on March 23, 1948, which appears in the Appendix.]

RECOGNIZING THE GREAT ARCHITECT—ADDRESS BY GEORGE E. STRINGFELLOW

[Mr. HAWKES asked and obtained leave to have printed in the RECORD an address entitled "Recognizing the Great Architect," delivered by George E. Stringfellow, Potentate of Salaam Temple at the Master Masons' night of the Paterson link of the Order of the Golden Chain, February 12, 1948, which appears in the Appendix.]

PALESTINE REVERSAL—EDITORIAL FROM MANCHESTER (N. H.) EVENING LEADER

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "Palestine Reversal," published in the Manchester (N. H.) Evening Leader of March 22, 1948, which appears in the Appendix.]

THE POWER OF THE PURSE AND BLEEDING THE STATES—ARTICLES BY SAMUEL B. PETTENGILL

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article dated March 2, 1948, entitled "The Power of the Purse," and an article dated March 4, 1948, entitled "Bleeding the States," both by Mr. Samuel B. Pettengill, which appear in the Appendix.]

MEETING OF COMMITTEE DURING SESSION OF THE SENATE

Mr. WHERRY asked and obtained consent for the entire membership of the Committee on Appropriations to sit this afternoon during the session of the Senate to consider the matter of supplemental interim aid.

RENT CONTROL—PERMISSION TO FILE CONFERENCE REPORT

Mr. TOBEY. Mr. President, I ask unanimous consent that the conferees on the rent-control bill may have until midnight tonight to file a conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

AID PROGRAM FOR CHINA

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very able editorial published by the New York Herald Tribune relative to the program of aid for China. I hope the Members of the Senate will read the editorial, since we shall have the subject before us within the next week or so.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A PROGRAM FOR CHINA

In the efforts to oppose communism in China almost everything has been tried except doing something for the Chinese people. The people have had so little that is desirable from their Government that they no longer give it their trust. To use an ancient Chinese expression, the Government has "lost the mandate of heaven." As a result the people have no enthusiasm for aiding the Government in fighting the Reds. Under present conditions many billions of dollars in arms and other supplies could be given to the armies of Nanking by the United States without producing a united and completely independent China.

The United States could aid in resisting communism in China with some hope of success only if a means could be found to help the Nanking government acquire again the popular support it once had. The current proposals for large gifts to the Chinese would be far more attractive—no matter whether only economic or both military and economic support is considered—if they included sizable appropriations to help the Chinese people in Government territory actually win some of the benefits in the way of improved living conditions, health, education, and local democracy that the Communists so persistently promise in their propaganda. This idea, on first consideration, may seem utopian. It is not. There is a sound and tested program, devised and tried out by Chinese within China, that could be put to use if the American Congress would finance it and if the Chinese Government would give it the wholehearted support—to the extent of discharging any official who interfered with it—that the program would require for success.

The program is that developed in mass education and rural reconstruction centers in China over a period of 25 years by James Y. C. Yen and his colleagues. It is a program in which mass education is used to reduce illiteracy as the first step in a coordinated plan. The other parts of the plan are designed to produce a greatly increased income from farming (through use of better seeds, cooperative credit organizations, etc.), to rid farming areas of debilitating diseases (through training laymen for preventive work) and to create democratic governments on the village and county level.

Wherever the program has been given a fair trial, with strong Government support, the results have been excellent. In some areas it has nearly doubled the income of peasants—and peasants make up more than three-quarters of the population of China. Before the start of the Sino-Japanese War it seemed possible that the Yen program would remake all of China within a generation or two. Unfortunately, the work was halted during the war in many regions as a result of Japanese interference or the growing power of Chinese reactionaries in the Kuomintang Party.

If the mass education and rural reconstruction program could be started again on a major scale in China the intellectuals of the country, now extremely critical of the National Government, could be given a great cause for which to work. They could be enlisted in large numbers—for this has been demonstrated in the past. China would thus recruit for valuable employment some of the most able men in her population—the liberals to be found in the universities and other centers of intellectual activity—who now do little except sit around condemning the corruption or inefficiency of some of the men who rule China.

The cost would not be great. The total cost of teaching a Chinese to read and write under the system devised by Mr. Yen is only an American dollar. The total cost of economic and social reconstruction in a Chinese county is only $5 per capita. There have been estimates that $180,000,000 would be enough to finance the program for a period of 3 years, during which 30,000,000 young people would be trained. This estimate may be too low—it certainly would be best to err on the side of generosity in financing such a program—but it seems apparent that the cost of economic and social reconstruction in China would be only a fraction of the sums currently suggested for military assistance.

One of the American political leaders interested in opposing communism in China might well introduce in Congress a bill to provide for mass education and economic and social reconstruction in that country. The legislation might provide that control of the project be given to a commission composed of Chinese and Americans, with a Chinese chairman. Such a bill would add an affirmative proposal, well worth support, to the negative and essentially defensive measures now under consideration. Why not do something affirmative about China while a little time remains? Why not attack communism in China by offering full bowls of rice and good health and democratic government instead of attacking it with guns alone?

ELECTION IRREGULARITIES IN NEW MADRID COUNTY, MO.

Mr. KEM. Mr. President, on the night of May 27, 1947, 71 men and women were under indictment in Jackson County, Mo., for one of the basest of all crimes—that of depriving their fellow citizens of their vote by miscounting the votes as cast. The headquarters of the Kansas City police was across the street from the courthouse, where the ballots, constituting the evidence, were stored in a safe. The office of the sheriff was in the same courthouse building. This safe was

blown open and the ballots were stolen. This occurred less than 24 hours before Attorney General Clark was scheduled to appear before a Senate committee to explain his whitewash of the vote-fraud cases.

When word was received in Washington of the theft of the ballots at Kansas City the Attorney General dramatically announced that he ordered the FBI to make a thorough investigation. The American people have been patiently awaiting the announcement of arrests of those suspected of this foul crime. None have been made. The people of Missouri have been asking why.

The following news dispatch has just been received over the United Press ticker in the Senate lounge:

NEW MADRID, MO.—The theft of all records of voting in New Madrid County in the 1946 general election was disclosed today.

County Clerk Van W. Robbs said the theft was discovered last Wednesday when two FBI agents came to his office to look over the records for the second time. The FBI earlier had checked the same records on Friday or Saturday of the previous week.

The FBI at St. Louis declined to comment on the theft.

Robbs said the records had been kept in an unlocked vault in the courthouse. Scratches on the window sill of the clerk's office indicated the thief or thieves had gained entry through a first-floor window.

About 30 poll books, 1 for each of the county's precincts, were taken.

The FBI has been investigating reports of election irregularities in southeast Missouri since last fall.

Mr. President, according to the official returns in the 1946 election in New Madrid County, Mo., the Democratic candidate for United States Senator received 5,909 votes. The Republican candidate received 2,193 votes. All county officials are Democrats.

The people of Missouri will now ask, "Is New Madrid also the scene of a perfect crime?"

Will the Department of Justice and the FBI again be completely baffled?

I indulge the hope that the public demand for effective action in the investigation and prosecution of both these crimes against law, order, and common decency will become so loud that it cannot be ignored.

LEWIS PENWELL

Mr. MURRAY. Mr. President, I have just been advised of the death of Lewis Penwell, former collector of internal revenue for the State of Montana, and a prominent and respected public figure of my State for over 50 years.

I knew Mr. Penwell for over 40 years and had the highest respect for his ability, integrity, and character. Montana has lost an outstanding citizen and one whose entire life was devoted to the public interest.

Mr. Penwell was a native of Montana, having been born and raised in the western part of the State where he was educated and grew to young manhood. He subsequently entered the legal profession and was for many years a member of the Montana Bar Association. He first entered public service in 1897 when he was elected by the people of his community to represent them in the Montana State Legislature. He was a life-long Democrat and rendered outstanding service to his party in several positions of responsibility and importance.

The late Senator Walsh sponsored Mr. Penwell's appointment as collector of internal revenue for Montana, to which high office he was appointed on July 6, 1933. He made an outstanding record of public service until ill health forced him to retire from duty last year.

Mr. President, the people of Montana have lost in the death of Mr. Penwell a devoted and highly respected public servant. I know I speak for the great majority of Montanans when I take this opportunity to extend to Mr. Penwell's widow and children my deep condolences and sincere sympathy for their irreparable loss.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. TAFT obtained the floor.

Mr. WHERRY. Mr. President, will the Senator from Ohio yield for a quorum call?

Mr. TAFT. I yield.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Baldwin	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Byrd	Johnston, S. C.	Robertson, Wyo.
Cain	Kem	Russell
Capehart	Kilgore	Saltonstall
Capper	Knowland	Smith
Chavez	Langer	Sparkman
Connally	Lodge	Stennis
Cooper	Lucas	Stewart
Cordon	McCarran	Taft
Donnell	McCarthy	Thomas, Okla.
Downey	McClellan	Thomas, Utah
Dworshak	McFarland	Thye
Eastland	McGrath	Tobey
Ecton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Ferguson	Magnuson	Wherry
Flanders	Malone	Wiley
Fulbright	Martin	Williams
George	Maybank	Wilson
Green	Millikin	Young
Gurney	Moore	
Hatch	Murray	

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] is necessarily absent.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Idaho [Mr. TAYLOR], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, I send to the desk certain corrective amendments. The dates in the bill were based on last year. I submit the amendments, although I do not ask for a vote at the present moment.

The PRESIDENT pro tempore. The amendments will be received and be considered pending.

The amendments proposed by Mr. TAFT are as follows:

On page 14, line 4, strike out "1947" and insert "1948."

On page 17, line 7, strike out "1952" and insert "1953."

On page 20, line 25, strike out "1947" and insert "1948."

On page 21, line 7, strike out "1947" and insert 1948."

On page 21, line 20, strike out "1951" and insert "1952."

On page 23, line 15, strike out "1947" and insert "1948."

On page 23, line 17, strike out "1947" and insert "1948."

On page 20, line 18, strike out paragraph "(f)" from the semicolon in line 20 to and including the semicolon in line 1, page 21.

On page 21, line 1, strike out "(g)" and insert "(f)."

Mr. TAFT. Mr. President, I introduced this bill, together with the Senator from Utah [Mr. THOMAS], the Senator from Louisiana [Mr. ELLENDER], the Senator from Alabama [Mr. HILL], the Senator from New Jersey [Mr. SMITH], the Senator from Kentucky [Mr. COOPER], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from New Hampshire [Mr. TOBEY] in January of last year. The subcommittee on education of the Committee on Labor and Public Welfare held hearings. There have been numerous hearings in recent years. A similar bill was considered in the last Congress, and in the Congress before the last Congress. My own interest in it arose from the fact that I opposed the bill 4 years ago on various grounds. I would still oppose that bill, because it had none of the safeguards which the present bill contains.

This bill, in effect, is an equalization bill. It is an attempt to do on a national scale what many of the States have found it absolutely necessary to do within the States. I should like first to state exactly what the bill does, and then I shall try to give the reasons for the bill, and state why I believe it is an absolutely essential policy for the United States Government to adopt.

What the bill does is to give Federal financial assistance to the States so that they may provide a minimum of $50 per child per year for those children in average daily attendance in primary and secondary schools in the United States. Fifty dollars per child is not by any means an adequate standard. It is an improvement, however, over present standards of many schools scattered throughout the United States. The average expenditure today throughout the United States is more than $125 per child, and it has been increasing with the increase in teachers' salaries in the various States.

The result which is sought is accomplished by a formula under which the annual income payments of citizens of each State are computed. That is, we determine what the income of the people of the State is, in the same way we determine what the national income is, and we apply it to each State. We find in that calculation the reason for the extreme diversity of educational standard throughout the United States, because the average income of the people of Mississippi, for example, which I think is the lowest, is less than one-third the average income of the people of the State of New York or the State of Connecticut.

We first determine the income of each State on the basis, as I have said, of the national-income process, and then we require that any State, in order to get Federal aid, must itself expend 2 percent of that income on primary and secondary education. Two percent of the income is more than is spent on the average throughout the United States today. So we require, before any State can get assistance, that it spend from its own funds more money than is spent on the average throughout the United States, and more money, in most cases, than is spent in the wealthier States, which receive a much smaller distribution.

The result is accomplished by a formula which is perhaps difficult to follow, but I think it accomplishes the purpose. If half of the money which the State has to raise for itself does not equal $45 for all the children in the State from 5 to 17 years of age, the Federal Government makes up the difference. So with half their income and the Federal contribution they are able to provide, and must provide, a minimum of $50 per child for every child in the State. The other half of their income is taken up in providing a better education, because within every State there is always considerable variation in the expense as between rural districts and city districts, and between wealthier districts and poorer districts.

The bill further provides that if the State does not raise 2½ percent of its income payments, which is higher than most States are raising today, I think, the Federal contribution is proportionately reduced. In other words, an incentive is provided for every State to raise 2½ percent of its income for educational purposes. Today, roughly speaking, the States are raising about $12,000,000,000 altogether, which would be approximately 6 percent of the national income, and about a third of that is spent for education. Roughly speaking, 2 percent of the national income is spent for education in the primary and secondary levels.

The formula is modified, however, by providing that every State is to receive not less than $5 per child from 5 to 17 years of age in the State. A condition of the aid is that the State must so distribute Federal funds that every school district in the State has $50 per child in average daily attendance; and if there are separate white and colored schools, or other separate schools, that each such school must receive $50 per child for expenditure in that school.

The bill is based upon complete State and local autonomy, and complete State operation. Frankly, I would not favor any bill which was not based on the complete power of the State and local governments to determine the kind of education which they wish to receive. I do not believe that we could draw much stronger language than is contained in section 2 of the bill, which I shall read now, because I think it involves the whole question which arises when we consider the problem of Federal aid, and particularly Federal aid to education. Section 2 provides as follows:

SEC. 2. Nothing contained in this act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or to prescribe any requirements with respect to any school, or any State educational institution or agency, with respect to which any funds have been or may be made available or expended pursuant to this act, nor shall any term or condition of any agreement or any other action taken under this act, whether by agreement or otherwise, relating to any contribution made under this act to or on behalf of any school, or any State educational institution or agency, or any limitation or provision in any appropriation made pursuant to this act, seek to control in any manner, or prescribe requirements with respect to, or authorize any department, agency, officer, or employee of the United States to direct, supervise, or control in any manner, or prescribe any requirements with respect to, the administration, the personnel, the curriculum, the instruction, the methods of instruction, or the materials of instruction, nor shall any provision of this act be interpreted or construed to imply or require any change in any State constitution prerequisite to any State sharing the benefits of this act.

That language is as strong as we could write it.

Mr. REVERCOMB. Mr. President, will the Senator yield at this point?

Mr. TAFT. I yield.

Mr. REVERCOMB. The Senator from Ohio has read section 2, which is the first providing section of the bill. Why does the bill begin with the designation "Section 2"? Is there a section 1 dealing with this subject?

Mr. TAFT. That is a rather common form. I suppose section 1 is, "This act may be cited as the Educational Finance Act of 1947."

Mr. REVERCOMB. I wish to have that made very clear, because I wish to know that the whole act and every provision dealing with this subject is contained in the bill.

Mr. TAFT. The Senator is entirely correct. I do not know why that Section 1 is omitted, but I notice that often that is the practice when a bill is presented. But when it is printed as an act, I understand it will be printed with section 1.

Mr. President, I shall deal later with the objection, which has been made, that this measure will in some way give the Federal Government control over State education. That is one of the main objections made. But I should like to begin by describing the reasons why I think enactment of the bill into law is necessary.

Four years ago, I opposed the then pending bill on this subject; but in the course of that debate it became so apparent that many children in the United States were left without education, and then it became apparent, upon further study, that that was not the fault, necessarily, of the States where they lived, but rather, of the financial abilities of the States, that I could see no way to meet the condition which now exists regarding illiteracy in the United States and lack of education in the United States without some Federal assistance, particularly for those States which today are considerably below the average of wealth in the United States.

The actual condition in the United States has been testified to before the committee. According to the United States census estimates for the year 1945, more than 4,000,000 children between the ages of 5 and 17, inclusive, are attending no school whatever. That is partly due to youth; but about 2,000,000 children within the age limits of 6 to 17, which are the ordinary ages for school children, are attending no school. That is partly the fault of the schools; it is partly because of the inability to get them to school or the failure to get them to school because of lack of provision for any kind of transportation—which is largely a question of wealth. Of course, there are other reasons. Nevertheless, the fact is that there are 2,000,000 children who are not attending school. According to the Federal Census reporting in 1940, there were 10,000,000 United States adults who had less than 5 years of schooling, and most of them were from the poorer States. In World War II, 8 percent of the young men who were examined by the Selective Service were rejected for educational deficiences. Eight percent would be in the neighborhood of about 1,200,000 men thus rejected for educational deficiencies.

So in the United States we do have a condition that many children have not gone to school. More than a million of the children who are today in school are in schools with annual expenditures so low that the operation and maintenance of the school building amounts to less than $500 per classroom. We can easily imagine that it is impossible to run much of a classroom on $500 a year, because it is necessary to have a good teacher, and no good teacher can be obtained within that figure. So it is a practical impossibility to say that a proper education is furnished in such a school.

Furthermore, 2,000,000 children are being taught by teachers who have no certificates of any kind and who are not qualified by any standards of education. Notoriously, the salaries of school teachers are low, and they are low because of the constant financial pressure on the States and the fact that they are unable to raise sufficient money, particularly the poorer States, to enable them to maintain an adequate standard and to procure good teachers. I think there can be no question about that. I believe it is generally agreed, and so I shall

not go into the figures which support that statement.

The actual amount of money spent in a good many of the poorer States is well below the figure of $50 per child. Even scattered through many of the wealthier States, where the equalization system has not been worked out properly, there are many school districts which are below the standard of $50 a child. The average attendance in a class is about 23; so on the basis of that standard, the teacher cannot possibly be paid more than $700 or $800 a year.

Mr. President, I do not think I can exaggerate the necessity of education. Primary education lies at the basis of all forms of republican government. A government depending on the making of decisions by the people and depending on their intelligence can exist only if the people have some ability to understand the problems of government which are presented to them. Unless there is a satisfactory educational basis, there cannot possibly be hope for success in any democratic form of government where the people are expected to rule and to decide the questions which are placed before them.

I myself believe very strongly that the lack of education is also a reason for poverty. Several years ago I was in Puerto Rico for some time, and I am convinced that we failed in Puerto Rico largely because of our failure to provide sufficient money for the education of the children of Puerto Rico. Lack of education had much to do with the too rapid increase in population.

The very low standard of living there is largely due to the fact that no adequate standards of education are provided for the children of Puerto Rico. The condition feeds on itself—they cannot receive sufficient education, because they are poor; and they remain poor, because they do not have enough education.

Although conditions may improve, I believe that if we can better the educational systems in the States, we shall find that will be the most important single factor toward improving economic conditions in the poorer States, with the result that gradually the educational standards of the individual States will come closer to the average, so that then there will no longer be a need for educational equalization expenditures in such sum as is provided in this bill.

Fundamentally, Mr. President, I think we have a tremendous obligation to provide equality of opportunity to the children of the United States. When the Declaration of Independence said that all men are created equal, it perhaps made an extreme statement; but I have always felt that what was meant was that all men in the United States are entitled to equality of opportunity. No child can have equality of opportunity, in my opinion, unless to start with he has a basic minimum education. ' There are many children who may have the mental capacity or the mental brilliance to rise above that handicap; there are many who will educate themselves; but I think they comprise a very small proportion of the total. The ordinary child who receives no education is, in effect, condemned to a life of poverty, a life on the basis of a low standard of living, a life of little interest, and a life which is of little value to the people of the United States.

I think we have a fundamental interest in this matter, regardless of whether people move from one State to another. However, today people move all over the United States, so there is a national interest in the basic education which they have received.

The problem confronting us and the real objection to this bill, the point which troubled me and troubled others, is in connection with the question of what educational function the Federal Government has, and why the Federal Government is asked to participate in education. I quite agree that the primary obligation to educate children is in the States and local communities. Under our constitutional form of government, they have the primary obligation. I think the Federal obligation is a secondary one. It is one to back up the States, if I may use that expression, where it is necessary to back up the States. The difficulty with our tax system is that the States have limited powers of taxation, and that, particularly in the poorer States, they have very limited sources of taxation.

Today the States are exercising every power they can exercise. They have sales taxes, they have every form of tax they can think of. They are digging into all kinds of sources of taxation, and still the States today are raising about $12,000,000,000, while the Federal Government is raising $45,000,000,000. That is because, very simply, a State has no access to the principal sources of taxation. The States cannot successfully impose a personal-income tax of any considerable amount. They cannot successfully impose a corporation tax of any considerable amount. I served in the State Legislature of Ohio, and the moment we got our income tax a little higher than the surrounding States, all the wealthy people moved to other States. There is competition for wealth. It is possible for States to get up to somewhere around 5 percent of income perhaps, and that is about as high as it is possible to go if the State is to keep its citizens. In the same field, in relation to corporations, the moment taxes on corporations in Ohio became higher than the taxes in Pennsylvania, every new steel plant was built in Pennsylvania instead of being built in Ohio. I think the actual result shows very clearly that the States do not have access to those particular sources of taxation. That applies to all States, but of course it applies particularly to States which are far below the average level where even if they could tap the sources within the State, they would be very inadequate for the purposes for which it is necessary that the State act.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Illinois.

Mr. LUCAS. Do I correctly understand the Senator from Ohio to say that under the bill the Federal Government will lay down no controls and no standards of any kind, insofar as education is concerned, that all the Federal Government will do is simply to grant the money to the States, and then the States themselves will spend the money according to the systems in the various States?

Mr. TAFT. The only function of the Federal Government would be that of an auditor. The Federal Government will audit the distribution of the money to see that $50 per child is spent in every school. It will have no more to say about the exact method by which education shall be administered.

Mr. LUCAS. In other words, if the audit is made and it is found that the State is not distributing the money according to the State law, then, of course, the Federal Government would step in, would it not?

Mr. TAFT. That is correct. If the State is not distributing the funds on the basis of $50 per child in every school by spending the money for teachers' salaries and otherwise, then the Federal money will be withdrawn from the State.

Mr. LUCAS. I think it is very important to make that point clear, because the Senator from Illinois has received letters along that line, making direct inquiry as to what power the Federal Government is going to have, if any, over the control or administration of the funds, once the Congress appropriates. I am glad to have that cleared up.

Mr. TAFT. I read section 2 of the act.

Mr. LUCAS. Yes, I know.

Mr. TAFT. I think my statement is exactly correct, as I made it.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Louisiana.

Mr. OVERTON. What assurance have we that if the bill is enacted into law, subsequent sessions of Congress will not amend it so as to change materially the chief sections of the bill?

Mr. TAFT. We have no assurance. I shall touch upon that question a little later. That is one of the dangers of any Federal-aid program, I quite agree.

Mr. OVERTON. The only way we could be safeguarded against such action by the Congress would be through a constitutional amendment which would inhibit the Federal Government from interfering with the administration of education in the various States, would it not?

Mr. TAFT. Of course the same objection applies to all Federal-aid programs. I prefer to deal with that in a general way, in a few moments, if the Senator will wait, because I want to answer that general argument.

Mr. OVERTON. Just one other thing. If that should happen, and some States in the Union should forego Federal aid rather than have the Federal Government administer in whole or in part their systems of education, then the result would be that they would remain taxed to pay for Federal aid which would be distributed among the States that were willing to accede to Federal administration, would it not?

Mr. TAFT. The Senator is correct.

Mr. CAPEHART. Mr. President, will the Senator yield? I should like to ask a question or two.

Mr. TAFT. I yield to the Senator from Indiana.

Mr. CAPEHART. Are we to understand that there is nothing in the bill that permits the Federal Government to dictate as to the teachers who might be hired?

Mr. TAFT. Section 2 of the bill expressly prohibits any interference whatever with the State in the method of determining or choosing the personnel or of dealing with the personnel.

Mr. CAPEHART. In other words, the Federal Government could not dictate that a certain subject must be taught, or that a certain textbook should be adopted, or that some particular subject should be included in the curriculum. They would have absolutely nothing to do with that under any and all circumstances. Is that a correct statement?

Mr. TAFT. The Senator is correct.

The Senator from Louisiana has raised a question whether some later amendment to the act might not impose an effort to do that. Of course it might. I should be opposed to any such amendment, but of course that is an objection to any Federal-aid program.

Mr. CAPEHART. Congress would have to pass upon it. Then, so far as the Senator knows, the Federal Government would be allowed to take no part whatever in the operation of the schools, other than to control the allocation of $50 per pupil. Is that correct?

Mr. TAFT. That would be absolutely prohibited by the bill. The question whether another Congress might try to impose some condition on this aid is a question raised by the Senator from Louisiana. That of course is something which might happen.

Mr. CAPEHART. If the Senator will yield further, is it the intention that that shall not happen? Was the bill drawn with that in mind?

Mr. TAFT. Exactly.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Louisiana.

Mr. OVERTON. I think the Senator will recall when similar legislation was before the Senate, an amendment was offered by the Senator from North Dakota which would have deprived the States of their exclusive administration of the legislation within their respective borders, and the Senator will recall that that amendment was agreed to overwhelmingly by the Senate.

Mr. TAFT. No; I do not agree to the Senator's "overwhelmingly." It was agreed to by one vote, if I remember correctly.

Mr. OVERTON. I accept the Senator's statement, in view of his consideration of it, but my recollection was it was a very large vote.

Mr. TAFT. I think it was one vote.

Mr. OVERTON. Very well. But, if such an amendment were offered now, I think it would be agreed to overwhelmingly at the present session of the Senate.

Mr. TAFT. If it is offered and agreed to, I shall vote against the bill, I may say to the Senator.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from New Hampshire.

Mr. TOBEY. I just came into the Chamber, but I caught the last remark, and, as I understood it, the distinguished Senator from Louisiana made the point that this bill might subsequently be amended to change the existing terms of the bill. Of course, it is elementary that any piece of legislation in God's world can be changed by a future Congress, as far as the east is from the west, but we cannot control that. Our task is to meet the day's responsibilities and not be concerned with what may happen to existing legislation in futuro. Does the Senator agree?

Mr. TAFT. I thank the Senator, and I agree.

Mr. President, I should like to point out that Federal aid to education is not new in principle, that the Federal Government has always shown an intense interest in education, throughout the United States. The Land Grant College Act provided an endowment to support at least one agricultural and mechanical college in every State. Furthermore, we have made appropriations for agricultural experiment stations. We have extended Federal aid for programs of cooperation with the States in extension work in agriculture and economics, and also in agricultural and industrial courses in secondary schools. Of course, going back to the beginning, it will be remembered that practically all public lands, I think, were distributed on condition that one section, sometimes two sections, in every township should be set aside, to be sold and used for the purposes of local education. So, the general interest of the Federal Government in education cannot be questioned from a historical standpoint.

The question which presents itself is this: Shall we refuse altogether Federal aid programs because of the danger that they may be abused? I think they have been abused very largely because of the manner in which the laws were drafted. In the past 10 or 12 years Congress has enacted laws giving to a Federal officer discretionary power to use money or not to use it in accordance with whether the State involved did what it was told to do. That has been done in connection with unemployment compensation; it has been done in the Children's Bureau, in the matter of medical care for the wives of service men. It has been done in various cases, but in every case I believe very strongly that Congress was largely to blame for granting that power. It happens that in connection with education it never has been done. The Federal Office of Education has always pursued a policy of keeping its hands off the administration of education in the States.

I feel very strongly that we in this country have an opportunity which no other country has ever had, because of our tremendous productive ability, to see to it that equality of opportunity is afforded to all children born in the United States, or at least to aim in that direction and to achieve that end as closely as possible by administrative methods.

I feel strongly that in the fields of education, health, housing, and relief, the Federal Government has a secondary obligation. When we were confronted by the unemployment crisis of 1932 and 1933 there was no possibility of the States' raising the money necessary to take care of the situation. It was absolutely essential that the Federal Government do that important thing. I think we made a great mistake, not in furnishing the money, but in establishing a direct Federal attempt to work with the problem of relief, which primarily is just as much a local concern as is education. The Federal Government has an auxiliary position. Unless we do it in the proper way I do not believe we shall be able to take advantage of the Nation's productive ability to eliminate or to reduce to a minimum hardship and poverty throughout the United States. In my judgment, the important thing is to avoid direct Federal action. The moment we have direct Federal action power is concentrated in Washington. If we can work out an effective State-aid system which will leave the administration in the States, I believe we can escape the danger of concentration and can remain merely an auxiliary assisting power rather than an actual operating power.

I have drawn always a strong distinction between the Federal Government interfering to regulate the people of the States, to take over the business of State and local governments and extending its power in that way, and the Federal Government assisting the States. It is possible, I think, to provide some way to distribute a lump sum to the States and concentrate all Federal-aid systems in one lump-sum payment. Even then I doubt that we could escape our responsibility. I have not been able to find that the Congress of the United States, when appealed to on a major question, is prepared to refuse to act. If we should have unemployment to the extent that relief were required, and people should come here asking for aid, we could not refuse them. It may be constitutional, but it is not practical, when people say, "Here is a serious health situation beyond the power of our locality," to reply, "That is not in our field. You do it." It might be possible to make a logical argument in that connection. I tried to make such an argument, for a while, when I first came to the Senate. It appealed to no one. The people were not satisfied. They said, "You have the money; you can help. You cannot stand behind the Constitution and say you are not going to do it, when you are the only people who can do it. You must do it." It may be logic, but I, for one, came to the conclusion that it was not even sound logic.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Connecticut.

Mr. McMAHON. The Senator surrendered. Is that it?

Mr. TAFT. I will say that I changed my mind. In matters affecting the necessities of life—and I should like to confine it so far as possible to the necessities of life, namely, to relief, to education, to health, and to housing—I do not believe the Federal Government can say it has no interest, and say to the people,

"Go your way and do the best you can." I do not believe we should do that. Because of the way wealth is distributed in the United States I think we have a responsibility to see if we cannot eliminate hardship, poverty, and inequality of opportunity, to the best of our ability. I do not believe we are able to do it without a Federal-aid system. I have introduced bills with reference to Federal aid in housing, in health, and in education.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Missouri.

Mr. DONNELL. Without stating any position with respect to the instant bill, I should like to ask the senior Senator from Ohio where in the Constitution of the United States he finds any authorization for legislation of this type.

Mr. TAFT. The authorization must be found, of course, in my opinion, under the general welfare clause, namely, the right to tax to provide for the general welfare. I agree with the Senator that if he wants to offer a taxing amendment I should be glad to accept it. The general welfare clause provides, in effect, that Congress shall have power to levy taxes to provide for the general welfare. I think the decisions hold that if taxes shall be so levied the money may be so spent. I do not think the Federal Government has any constitutional power to regulate education or to regulate health in the States. I think that if some such amendment comes up later there may be a good constitutional objection, but I believe there is no doubt about the power of the Federal Government to extend State aid in fields in which there is not adequate power for the Federal Government to take action itself.

Mr. DONNELL. Mr. President, I have no doubt as to the power of the Federal Government to lay and collect taxes, duties, imposts, and excises to provide for the general welfare of the United States. I take it that the Senator from Ohio—and if I am incorrect I know he will check me—agrees that the so-called general welfare clause of the Constitution is not, strictly speaking, and not in substance, a clause authorizing Congress to do anything it may consider to be for the general welfare. The clause, I take it—and I ask the Senator if he does not agree with me—authorizes the laying and collecting of taxes, duties, imposts, and excises, and the reference to the common defense and general welfare is merely a provision stating certain of the purposes for which the power to lay and collect taxes, duties, imports, and excises may be exercised. Am I not correct in that statement?

Mr. TAFT. I think the Senator is correct. I noticed, however, that the Senator voted for the ERP bill; and I know of no authority to loan money to foreign governments except under the general welfare clause of the Constitution.

Mr. DONNELL. I think that is a decidedly different proposition. I voted for the British loan bill also and stated on the floor of the Senate the constitutional basis on which I voted. I do not want to trespass further on the Senator's time, and I shall not do so at this moment, but I should like to say that if the Senator will search the record with respect to the British loan he will find that I addressed a letter to the Secretary of State inquiring as to the particular constitutional basis on which the British loan was predicated. The Secretary of State responded by a letter which, to my mind, did not answer the proposition. The basis on which I voted for the British loan was that it was a portion of the war powers of the United States. I think it is somewhat analogous to the recent decision of the Supreme Court with reference to rent control, in which it is pointed out that the war powers of the United States may not be confined to the time during which a war is in process, but is somewhat, as someone rather curiously stated, similar to the washing of dishes after a meal.

Moreover, Mr. President, I think it is entirely possible that there may be a constitutional power particularly, and perhaps exclusively, with respect to international matters, which arises from the fact that Congress has the power to dispose of property of the United States. I say that somewhat guardedly, somewhat cautiously, that it may be confined exclusively to matters of international import.

Mr. TAFT. I should like to ask the Senator how he could possibly think that the war power would extend to the extension of financial aid to Italy, which was at war with us, or to Germany.

Mr. DONNELL. I think I can answer that question. The war situation was of course an involved one. It involved a vast variety of subjects, controversies, and situations, many of them changing from time to time.

I take it that the whole series of problems under which money has been voted by the Congress to various foreign nations, under which we yesterday authorized an appropriation of funds for certain military purposes, both in Greece and in Turkey, is an outgrowth of and an integral part of the war situation, and it may well be justified in a situation such as that when it may not be justified in a situation such as the one we have before us in regard to the education bill.

I shall not trespass longer, except to say just two things, if the Senator will permit me for a moment. In the first place, I am not at this moment expressing any final opinion with respect to the particular bill now pending, Senate bill 472. In the second place, however, I may offer the amendment with which the Senator is quite familiar, the one relating to the taxing power, and which, by the way, was incorporated in and is part of Senate bill 545, the so-called health bill, which was introduced by the Senator from Ohio. I think, however, I should say, in fairness to the Senator from Ohio, that when he consented to the incorporation of that tax provision, he did so with the express statement to me, in substance, that he was not at all binding himself by that action, and I think he was quite frankly reserving the right to oppose it.

I thank the Senator for permitting me to interrupt him.

Mr. TAFT. Answering the main question, I do not think there is any doubt about the constitutionality of Federal aid to education. I have pointed out already that the Government gave public lands for education, and no one ever questioned it. The Government has given Federal aid to land-grant colleges, it has given Federal aid to any number of educational courses. While technically we should perhaps include a tax provision, as the Senator suggests, I do not think the failure to include a specific tax provision in any way invalidates the pending bill.

Mr. MILLIKIN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Colorado.

Mr. MILLIKIN. I believe the Federal Government should help those States, in the field covered by the bill, which are unable out of their own strength to reach a minimum standard. I am puzzled by the provisions in the bill which put some aid into all of the States, and I would appreciate the Senator's comment on that.

Mr. TAFT. As I introduced the bill, it did not contain that provision; it was purely an equalization bill. It was urged very strongly, however, that under present conditions, when the cost of Government and the cost of education have rapidly increased, and in view of the fact that a large part of the revenue of the States is derived from real estate and other sources the returns from which cannot be increased very rapidly, there was in every State today a tremendous pressure against providing any proper educational standard.

I forget whether or not I voted for the amendment in the committee. At any rate, I agreed to it finally. I think that it will be found that today even the State of New York faces a very serious financial problem. I believe it will be found that every State needs, at least temporarily, some Federal assistance if it is to keep its teachers' salaries up to anything like the cost of living and the increases in such costs which have occurred in recent months.

Mr. MILLIKIN and Mr. IVES addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Ohio yield; and if so, to whom?

Mr. TAFT. I yield again to the Senator from Colorado. I shall yield in a moment to the Senator from New York.

Mr. MILLIKIN. Does the record factually show that the States which have reached and surpassed a minimum standard of education are unable, out of their own funds, through their constitutional authority, to provide proper education for the children in the States?

Mr. TAFT. No; I do not think it does show that.

Mr. MILLIKIN. I suggest that the Senator's argument, which would put money into all these States regardless of their ability to educate their own children, tends toward a very dangerous precedent, for it can be applied in any number of fields, and ultimately it will have the effect of making the States mere administrative agencies of the Federal Government.

Mr. TAFT. I think we have to face the problem of the States being mere administrative agencies of the Federal Government, anyway, and prevent that occurring. I do not think we can take a stand and say the Federal Government shall not have anything to do with education. I think we must work out a sound Federal-aid plan. I think we must so imbue the Congress and the Nation with the doctrine that control is not involved in the movement for the Federal Government to grant aid that there will be no substantial effort to have the Federal Government tell the States what to do.

I think it is easier and sounder, on the whole, to try to stand on that basis, than to abolish all aid. If we followed a similar course in the case of relief, what would we immediately encounter? We would get a Federal WPA, which is what we should not have. If we resisted what is urged, if we should confront a real emergency or crisis and were swept away with Federal action, it would give supreme power to the Federal Government.

In my opinion, those of us who are interested in seeing that the power of the Federal Government does not increase are on sound ground in supporting the granting of Federal aid to enable the States to do what is necessary to resist the demand for Federal action, and then to insist that there be no interference with the power of the States to require their governments to administer their own affairs.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. MILLIKIN. I think the Senator is mixing two things. He is mixing the control which the Federal Government will have over education in the States with the method of distributing funds provided in the bill. I should like to say, first, that the bill is an immense improvement over the one we had before us a number of years ago, and which I was active in attempting to defeat.

I wish to repeat that I favor Federal aid to those States which, out of their own resources, are unable to provide themselves with minimum standards of education. I repeat also that so far as we have gone in the debate, I cannot see any reason for putting Federal aid in the States which have already met their burdens.

Mr. IVES. Mr. President——

Mr. TAFT. I yield to the Senator from New York.

Mr. IVES. Inasmuch as the State of New York has been brought into the discussion, I should like to explain very briefly the position which the junior Senator from New York has taken with regard to the matter of minimum aid.

I regret that I cannot agree with the statements which have been made regarding the capacity of the States, all the States, to finance their educational systems. To be sure, Mr. President, potentially, probably, certain of the States in the Union have a capacity to finance their educational systems on a very sound and satisfactory basis. The fact does remain that States such as New York—and I think New York is not the only State that is affected in this way; I dare say that nearly all the larger and what might be termed well-to-do States are bothered in the same way—are probably now finding themselves in a condition, from the tax standpoint, in which the law of diminishing returns is applying, just as it has been applying and is applying in connection with the Federal tax structure.

Consequently, as over-all costs in these States go up—and they are going up just as they have continued to go up in the Federal Government—these States in turn are hard pressed to find sources of revenue with which they can handle the new and increasing burdens which are placed upon them, and at the same time, continue to keep their educational structures at the level they would desire. That is a condition with which the State of New York is faced.

I want to say here and now that a minimum $5 provision per pupil does not give New York very much. I think we should receive something like $12,000,000 out of it, which is not very much in comparision with our over-all educational cost in the State, which is now in the neighborhood of one-half billion dollars. But it helps. And it is no more than the amount to which we should be entitled as contributors to the extent of probably well over $60,000,000 to this $300,000,000 fund.

I am not bringing this out, however, as the reason why New York should receive $12,000,000. My reason is, first, that we do need that $12,000,000. Second, there is another reason which I think may be forgotten, and that is, to my way of thinking, Mr. President, that it is very unsound governmental policy to have a system of aid established whereby certain States would contribute to it and receive nothing out of it, and other States would contribute little, or almost nothing, and receive everything that is contributed to the fund. That is not good governmental policy.

Years ago the State of New York, in establishing its own State-aid structure, which I dare say, though not perfect, is perhaps as good as any in the Union, adopted the principle that every single school district in the State of New York is entitled to a minimum amount of State aid, no matter what the wealth of that district may be; and it is on that basis, and along those lines, and following that policy, that the State of New York has proceeded over the years.

Then to leave this question perhaps of finance for the moment, I should like to point out another thing in this connection, which has already been referred to by the distinguished Senator from Ohio, and that is the question of Federal control. We do not want Federal control of education. It is the worst thing that could ever happen to our educational structure. But let me say here and now that if we institute a system of Federal aid in which only a certain few of the States will receive that aid—perhaps as many as half of the States—then the influence of the Federal Government in the field of education itself within the States will be thereby increased. If we are going to prevent Federal control of education, it is absolutely indispensable that every State in the Union be included in this plan, not alone from the standpoint of contribution, but from the standpoint of benefits. Then every State in the Union will have a definite and complete interest in it.

Mr. MILLIKIN. Mr. President——

Mr. IVES. Mr. President, I am not quite through, and while on my feet I desire to complete my statement.

Mr. President, there is another thing which I think should be taken up in this consideration, and that is the question of the recipients of the aid themselves. Some may be led to believe that if what might be called the more well-to-do States are to receive a small minimum percentage or amount, then the other States would suffer in the amount that they would then receive. This is not true at all, as the terms of the bill will indicate. No State under the bill will be deprived of any aid in any way, just because all States are to receive aid.

Some will say, then, "Well, why have that much greater burden on the Federal tax structure?" Again, Mr. President, I go back to that point from which I started. If it is a matter of raising funds for education, the so-called more well-to-do States, as well as the State of New York, I am sure, would be fully as glad to have the taxes collected by the Federal Government as to have them imposed by the States themselves.

So, Mr. President, I can see no reason whatever for any attempt being made to eliminate the minimum provision. To my way of thinking, it is absolutely fundamental in any kind of aid program which may be proposed.

Mr. MILLIKIN. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield to the Senator from Colorado.

Mr. MILLIKIN. I should like to ask the distinguished junior Senator from New York how much the bill will cost the State of New York.

Mr. IVES. In excess of $60,000,000.

Mr. MILLIKIN. And what will the benefit be?

Mr. IVES. Approximately $12,000,000.

Mr. MILLIKIN. I suggest, Mr. President, that that answers the argument of the distinguished Senator.

I should like to make the further suggestion——

Mr. IVES. Mr. President, will the Senator from Ohio yield to me for a moment?

Mr. TAFT. I yield to the Senator from New York.

Mr. IVES. I want to point out that it does not at all answer any argument I have made. As a matter of fact, I insisted in my statement that that is exactly what we would receive, and that is exactly what it would cost us. But in my closing remarks I pointed out that if it comes to a matter of paying taxes, with the tax situation in the country and in the States the way it is, we should much prefer to have our taxes for the purpose in question paid to the Federal Government rather than be in a position where we might have to increase our levy in the State itself.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MILLIKIN. I think that what the distinguished Senator from New York

has said simply illustrates what might be called—and I say this with complete respect—a pork-barrel approach to Federal aid. I do not mean to imply for a moment that the Senator is urging it with the bad implications that go with it.

Mr. IVES. Mr. President——

Mr. MILLIKIN. Just permit me to continue a moment. My suggestion is that when we give Federal aid we should give it where it is needed; that it offends common sense to give it where it is not needed.

Mr. IVES. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. IVES. I should like to point out in that connection that I know of no State in the Union at the present time where aid of this kind is not actually needed. I tried to make that clear in my earlier remarks. Because of the present condition of the tax structures in the several States, Federal aid of some kind will be helpful to all. This is not a pork-barrel proposition. As long as this type of system has been in existence in the State of New York that charge has never been leveled against it. I refer again to my remarks regarding what I believe to be sound government, and that is that certain States and, when it comes to the States, certain counties, should never be regarded as objects of charity. Any aid system which is instituted should be instituted for the benefit of all—to be sure, with its cost falling more heavily on some than on others—but for the benefit of all.

Mr. MILLIKIN. Mr. President, will the Senator from Ohio again yield to me?

Mr. TAFT. I yield.

Mr. MILLIKIN. There is no such thing under our Federal laws as equal benefits for all. When we make a rivers and harbors appropriation obviously it is applicable only to States which have rivers and harbors. When we make a flood-control appropriation, obviously it is applicable only to the State which is subject to floods. When we make reclamation appropriations, obviously they are applicable only where there is need for reclamation.

I think that on the face of it, when we are told that a State pays $60,000,000 to receive $12,000,000 back, that there should be most serious soul searching as to whether that is good business.

I want to suggest again that there is a lot of funny business about States' rights. There are many people who talk States' rights who do not mean it. I want to suggest that if we have reached the point where our well-to-do States are going to shift a part of their burden to the Federal Government, States' rights are gone. I think that we are starting a very bad precedent when States short of showing that they can go no further, put a part of their burdens and responsibilities on the Federal Government. At that point States' rights are at an end, and the States become mere administrative units to an all-powerful central government.

Mr. COOPER. Mr. President——

Mr. TAFT. Let me make a statement first, and then I shall yield.

Mr. President, I do not agree with the Senator from Colorado. What has happened is this: The people have become more and more interested in the action of States and localities in various fields; in education, in housing, in health. The demands for State action have constantly increased, until today I believe that even the wealthier States, such as New York, with the $12,000,000,000 which they are able to raise out of total taxes of $57,000,000,000 today are not able to meet the demands the people themselves make upon them in these particular fields which are their primary obligation.

We might meet that situation by having the Federal Government act as a collector and simply collect the money and turn over a lump sum to the States. That is not a very practical suggestion. I do not believe that even the wealthier States are able today to do all the things the people want them to do. They are not able to do it simply because the power of the States to levy taxes is very limited and unsatisfactory. We may approach the problem in some other way; but I do not know of any State-aid program—and there are many—which has undertaken to exclude any State from some participation in the program. I believe that the general principle holds true, that if we are to do it at all, we must include all the States, including the wealthier States.

The same principle holds true in other fields—in the health field, the housing field, WPA, and the relief field. It is perfectly obvious that the State of New York was unable to handle its own relief problem. It had to have aid from the Federal Government. My theory is that if we do not undertake a Federal aid program, we shall have a national program forced upon us, as was true during the emergency. We had CCC camps for education. We had the NYA for education. I believe that many of those behind universal military training want the Federal Government to do some direct educating. They want to educate the boys for greater discipline. I think it would be far better to strengthen the States—the strong States as well as the weak States.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. COOPER. I wish to address myself to the question raised by the junior Senator from Colorado [Mr. MILLIKIN], and I should like to have the opinion of the senior Senator from Ohio on that point.

I believe that the bill itself suggests a partial answer to his question. The bill establishes a formula by which it is determined whether a State as such shall receive any funds; and, but for the provision for a payment of $5 per school child, there would be 15 or 16 States which would not receive any funds. I submit that bill is not intended solely to aid the substandard school of low-income States but to aid substandard schools, wherever they are. Within the States there are school districts, and it is very probable that in every State, even the richer States, there are school districts which cannot meet with local funds the minimum requirements fixed by the bill. It is to help these districts that the $5 appropriation per child is made.

Section 7, subsection 2 of the bill, provides that before June 30, 1951, the State educational authority shall formulate and effectuate some type of equalization system within the State, a system which will use the $5 appropriated for each child in those school districts which are substandard and do not meet the minimum requirements of this bill. It seems to me that this provision for use of funds in the substandard districts of richer States answers the question which has been raised by the Senator from Colorado.

Mr. TAFT. The Senator is correct in this respect: In the first place, even the wealthier States have many poor districts. Most States have now adopted a State equalization fund. Some States have not. Unquestionably this bill would force them to adopt such a fund. I presume that in general the wealthier States would put this money into their equalization fund. That would be the natural place to put it.

Mr. COOPER. The bill requires it, does it not?

Mr. TAFT. It does not require it to be put there. Somehow or other they must get the poor districts up to $50 a child.

Mr. COOPER. If there are districts below standard on June 30, 1951, the $50 about which we are talking must be used in the school districts which are substandard or the appropriation will be lost by the State.

Mr. TAFT. That is correct. No doubt there are some wealthier States which have permitted poor districts to continue to exist, which they should not do. This bill would force them to bring those districts up to a certain standard.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MILLIKIN. The responsibility of the States toward the school districts is probably somewhat analogous to our responsibility toward the States. By the assumption of State responsibility the States themselves should have an aid program for their impoverished school districts. Many States have such programs. I do not believe we should say that because a State has not met its own responsibility we should assume it.

Mr. TAFT. I do not think we assume its responsibility. I think the justification lies in general aid to the States, on the theory that all States are short of money. The country is dissatisfied with the progress which the States have made in health, in education, and in housing, as well as in other fields.

When I was a member of the State legislature, there were many proposals before us which we would have liked to adopt if we had had the money. But it was impossible to get the money. I think it will be found that there is a general shortage. If we are going forward in these particular fields which affect human welfare, I believe very strongly that we must strengthen the financial systems of all the States. For the present, at least, I think the way to do it is through the general policy of State aid. I believe that the general argument applies in New York—perhaps not to so great an extent as in the

poorer States, but according to the same principle.

Mr. LODGE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ECTON in the chair). Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. TAFT. I yield.

Mr. LODGE. I should like to invite the Senator's attention to page 15, lines 21 and 22, where the words "income payments" are used. Also, on page 8 of the report, the words "income per capita" are used. I presume they do not refer to income-tax payments. I presume they refer to estimates of cash income made by some department. Is that true?

Mr. TAFT. Yes. The Senator will find the first reference, I think, on page 15, line 21:

(a) The average of the annual income payments for each State, as determined by the Department of Commerce, for the third, fourth, fifth, sixth, and seventh calendar years next preceding the year in which ends the fiscal year for which the computation is made by (b) 1 percent.

Roughly speaking, it is the sum of all the income of all the individuals in the State.

Mr. LODGE. Is that determined from income-tax figures?

Mr. TAFT. I do not know how it is determined. As I understand, the information is obtained from various sources—from pay rolls as well as income-tax figures. There are different bases of calculation. The figures are published regularly by the Department of Commerce and have been so published for the past 5 or 6 years.

Mr. LODGE. When I was a member of the Finance Committee and we had before us questions of social security, this same formula with regard to income payments was brought up. At that time—and I think it is probably still true today—no allowance whatever was made for the cost of living. It seems to me that if we are to undertake to classify the various States as rich and poor—which I think is highly dubious, because there are rich people and poor people in all the States—if we are to do it simply on a per capita income basis, with no regard to the cost of living, that is not an honest or scientific way to get at it.

Consider the case of a man who works in an office or factory in a place where the winters are cold. He must have a cellar in his house. He must wear heavy clothing in the winter. He must buy coal or oil. He must eat more sustaining food. His income is entirely in cash. It is never augmented by the things which augment the income of a person who lives the agricultural way of life. Certainly the cost of living is reduced in the case of people who live in places where the climate is mild, where they do not require cellars, where they are not obliged to wear heavy clothing, and where they do not have to buy coal or oil or maintain heating installations.

I am somewhat disappointed that there is no thoroughgoing definition of the term "income payments" in the committee report. I should like to ask the Senator why the cost-of-living factor should not be included in arriving at a formula for allocating funds throughout the country.

Mr. TAFT. It seems to me very clear that, in the first place, it would be impossible. I do not believe that any such formula could be developed.

Mr. LODGE. We developed such a formula in the Finance Committee in 1940 or 1941, when Senator Byrnes was a Member of the Senate. Such a formula was developed, and I think I can probably dig it up.

Mr. TAFT. In the second place, Mr. President, we are asking, "What is the tax capacity of a State?" Roughly speaking, it is based on the income of all the individuals in the State. It has nothing to do with the cost of living, so far as I can see. It is possible that if we were to try to raise the standard in the school districts up to approximately $150 per child, some injustice might be developed. But as a matter of fact, all we provide by the pending measure is $50 per child a year, which is the lowest possible minimum standard. We are not thus providing any child in the wealthier States with an education equal to that which is received by the children in the higher-standard school districts of those States; certainly we are not thus providing an educational standard within approximately thirty-three and one-third of the average standard of education for the children of those States today.

So in using this formula, I do not see that we are in any way injuring any particular State, whether wealthy or poor. I cannot see how the bill will effect any injustice to the wealthier States.

Mr. O'DANIEL. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. O'DANIEL. I do not know whether all the States have the same problems that my State of Texas has. Several Senators have spoken about the wealthier States, also the poorer States. We used to consider Texas to be a very wealthy State, until the New Deal came along. Now we do not know that we are such a wealthy State, since the New Deal has put a monumental public debt of around $250,000,000,000 on this Nation. The Texas share of that debt is $10,000,000,000. I am pleased to advise the Senate, Mr. President, that as security for our share of that enormous debt the total rendition value of all the personal and real property in the 254 counties of Texas last year amounted to only $5,000,000,000. So our share, in Texas, of the United States public debt is twice the assessed valuation of all the real and personal property in Texas.

Mr. President, in Texas we believe in education, and we have gone a long way to promote education. But every time we find some source of revenue or some form of taxation that will help us further promote education, we find that this New Deal administration up here tries to promote some plan to prevent us from collecting such revenue.

For instance, Mr. President, consider the poll tax. We have found that the poll tax is a very good way to raise money to promote education, and we have collected millions of dollars by this system of taxation. But now along comes the New Deal administration, with the aid of some very obliging Republicans, to propose an antipoll-tax bill which will take from us that means of providing revenue for education.

In addition to that, Mr. President, we found another means of providing revenue to promote education. We have a great deal of oil and gas in Texas. So we set up a tax on the oil and gas; and with that tax, and from sales of leases on land belonging to our State we raise many more millions of dollars which goes into the educational fund for the children of Texas. That source of revenue has provided vast funds for education, and in the State of Texas we have an exceptionally good educational system. But just as we get that system going good, along comes the New Deal United States Supreme Court, with a ruling which confiscates our submerged oil lands, in Texas, and deprives us of the revenue from that source.

These actions of the New Deal dynasty indicates to me that there might be some sort of plot up here to prevent some of the States from raising money with which to educate the children, in order to force such States into accepting Federal hand-outs as proposed in the pending bill.

We also find that by the process of printing-press money or borrowing on the credit of the States, the administration up here says, "We will just borrow the money or tax it from you, and then give it back to you, minus 40 percent or 50 percent for handling charge, in order that you will think we are fine, generous people, and will vote for us at the next election."

So, Mr. President, I believe it is necessary to take all those things into consideration. We in Texas believe in education. If we believed in the policy of mortgaging the coming generations, as the Federal Government does, we could proceed to give even more education to our children. However, as the situation is today, we have some great educational institutions in both common and higher education, in Texas. We think that if the New Deal would only leave us alone down there, even though we were once wealthy, but poor today, and are mortgaged by a Federal debt for twice the assessed valuation of all our real and personal property, we could provide our children with a good education, without the use of the printing presses that are being run up here by the New Deal.

It may be, Mr. President, that we will be forced to bow our proud heads and send our Texas Board of Education to Washington to take their place in the long line of tin-cup holders sitting in front of "Uncle Sap's" Treasury. We may be forced to do that if there is no other way to provide proper education for our children, because we are determined that the boys and girls of Texas shall have proper education.

Mr. TAFT. Mr. President, as I have said, this bill is based on the principle of independence of decision on the part of the States and local communities as to how they wish their children educated.

The problem which has aroused considerable controversy is in connection with section 6 of this bill, regarding the

possible distribution of funds to parochial and private schools.

Mr. OVERTON. Mr. President, I should like to ask a question with respect to the phase of the bill which has already been under discussion. As I understand the bill, the purpose is not to bring the educational standards of the poorer States up to the educational standards of the richer States.

Mr. TAFT. It would take much more money than the funds proposed to be provided by this bill to do that. Moreover, I think that would be almost too much to ask. I do not think the Federal Government is interested in providing that. What the Federal Government is interested in, as I see it, from my standpoint, is that every child shall have a minimum basic education, regardless of where he is born. That is all.

Mr. OVERTON. That is it exactly.

Mr. TAFT. That is the interest which I think the Federal Government has. It does not have an interest in seeing that there shall be exactly the same kind of schools in one State as in another.

Mr. OVERTON. That point suggests my other question: Namely, whether it is the purpose of the bill to provide a minimum standard of education.

Mr. TAFT. Yes; a minimum standard of education. Fifty dollars per child is very low.

Mr. OVERTON. Yes.

Mr. TAFT. It may be that with the increase of the national income, we can later on make that figure a little higher, perhaps without much greater cost to the Federal Government.

Mr. OVERTON. If New York exceeds that minimum standard of education, through its own revenues, why should the Federal Government undertake to pour more money into the coffers of New York State, instead of undertaking to raise the standard of education in the poorer States?

Mr. TAFT. New York's problem is much less difficult than that of Louisiana, but it is still a problem to get sufficient money to educate properly all the school children and to equalize the standards of education, so that all the school districts in the State, both the poorer ones and the more wealthy ones, will be able to provide a decent education.

Mr. OVERTON. In fact, I should say that all the New England States and practically all the northern States have attained the minimum standard of education that is contemplated by this bill. Why, then, should the Federal Government make a contribution to those States, when they already have attained the minimum standard which is the objective of this bill?

Mr. IVES. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. IVES. The reason for that Mr. President, I think, is simply to provide that the States which are unable to reach a minimum educational standard, by means of their own tax structures, shall be assured a minimum. That is the idea behind the formula.

In the United States there are a number of States—and we know of them—in which the per capita payment for education is several times that in the so-called more-well-to-do States, and yet they still are unable to provide the standard of quality of education which is necessary. That does not necessarily mean that the States which can provide more than $50 per pupil, or which perhaps can provide several times $50 per pupil, as the distinguished Senator from Ohio has pointed out, do not have need for this type of assistance. The educational cost in a State, as we may find it to be in the Nation some day, is only one of the costs in the operation of government. To be sure, it is the largest item in most of the States. At the same time it is only one, and there are other costs that keep going up even more rapidly than the cost of education. It is those other costs and matters of that kind that are causing greatest difficulties in at least a portion of the States at the present time, when tapping additional sources of revenue with which to meet climbing over-all costs.

Mr. OVERTON. Mr. President, will the Senator yield further?

Mr. TAFT. I yield to the Senator from Louisiana.

Mr. OVERTON. Then is it the purpose of the bill to provide a minimum standard of education in the poorer States?

Mr. IVES. That is correct, in any States presumably the poorer States, yes; but in any State.

Mr. OVERTON. No; I do not understand it that way. The Senator from Ohio may correct me if I am wrong. It is to provide a minimum standard of education in those States whose revenues do not permit the State to provide such minimum standard of education, is it not?

Mr. TAFT. Not only the State. There are many poor districts within the States having the over-all revenue, but there are many poor districts. We are as much interested in seeing that every district in the State of New York has a minimum standard of education, as in Louisiana.

Mr. OVERTON. If the poverty of the State and the subdivision does not permit a minimum standard, then the Federal Government steps in and gives sufficient money to provide the minimum standard. That is not the sole purpose. The bill, according to the statement made by the Senator from New York, and further, according to the language of the bill itself, contemplates that, even though a State provides a standard that is five times higher or greater than the minimum standard, yet the Federal Government shall step in and pay money into the treasury of that State solely for purposes of education. Therefore it has a double purpose. One purpose is to provide a minimum standard for the poverty-stricken States; the other is to supply additional funds to the State, regardless of its wealth.

Mr. IVES. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from New York.

Mr. IVES. I seem to be the one that is more involved than the Senator from Ohio in this matter, so I take the liberty of attempting to reply.

Mr. TAFT. I am very glad to have the Senator from New York do that.

Mr. IVES. First, I want to point out, Mr. President, that the amount of money spent on education in itself, as everyone knows, does not necessarily determine the quality of education. I can mention a number of districts in the State of New York in which a large amount of money is being spent at the present time on a per capita basis, where the quality of education itself is perhaps not so high as it is in other districts where the amount of cost per pupil is less. Money alone does not determine the quality of education in any sense of the word; it never has.

My answer to the Senator from Louisiana, who suggests inconsistency in the position I take, is simply that I do not conceive it to be an inconsistency. I view this Nation as a whole. I view the educational problem as a whole. I regard the problems of education which affect the State of Louisiana to be of concern also to the other States in the Union. All Senators desire to have in this country the highest possible quality of education.

On the other hand, if we undertake to provide a system of aid, under which only the States that presumably need it most are to receive aid, then the interest among the other States will not be so great. There will not be a tendency to lift that quality as high as it should be for the sake of education itself. If for no other reason, it seems to be absolutely indispensable that all States not only contribute to this aid, but receive benefit from it. To be sure, those who are better off should perhaps receive only a token benefit, but nevertheless, they should receive that benefit. In this manner there will be a common interest, and we shall be striving to have in this country the standard of education which we all desire. Finally, and most important, we shall all be on the alert to see that the educational structure in this country does not fall under the control of the Federal Government.

Mr. OVERTON. Mr. President, will the Senator from Ohio yield further?

Mr. TAFT. I yield to the Senator from Louisiana.

Mr. OVERTON. The Senator from New York says there are districts in New York which have as much money as other districts, and yet the poorer districts afford a better standard of education.

Mr. IVES. If the Senator will yield at that point, I did not say the poorer districts. I said that money itself and alone does not determine the quality of education.

Mr. OVERTON. Exactly. Then the purpose of the bill is to furnish money, not to provide a system of education by the Federal Government for New York or any other State. Therefore, the Federal Government, under the provisions of the bill, is not to undertake to correct the substandards, or the less-than-high standards of education in different school districts in New York State.

Mr. IVES. Mr. President, will the Senator yield?

Mr. OVERTON. Just a moment.

Mr. IVES. Pardon me.

Mr. OVERTON. I did not interrupt the Senator.

Mr. IVES. I apologize.

Mr. OVERTON. I should like to repeat that statement. The purpose of the bill is mainly, if not exclusively, to supply money to the different States, and, as I said a moment ago, it is like carrying coals to Newcastle to furnish money to a State as rich as New York, or Ohio, or Pennsylvania, when it already has a fund adequate to give the school children at least a minimum standard of education, and much better than that. I thank the Senator.

Mr. IVES. Mr. President, if the Senator from Ohio will yield, I should like to comment on the Senator's statement.

Mr. TAFT. I yield.

Mr. IVES. I still insist that the amount of money involved does not necessarily determine the quality of education. But I should also like to point out, as the Senator from Ohio himself has indicated, that a lack of money definitely determines quality of education, and if money be insufficient, the quality of education is definitely impaired. That is also to be understood from my remarks.

In the over-all situation in a State like New York, I want to say again that we are not seeking money primarily for pork-barrel purposes; that is not our idea at all. All one has to do is to turn to the history of education in the State of New York itself, in which the same policy and the same type of approach, as already indicated in my earlier remarks today, was years ago established in the State. Our purpose, however, is to some extent at least, to be able to benefit from this legislation, and at the same time to have in it, as a result of some benefit received, as well as merely contributing to it, a definite and direct interest in education itself in this whole field where the Federal Government may be concerned.

Mr. ELLENDER. Mr. President——

Mr. OVERTON. Mr. President, I should like to say one word more.

Mr. TAFT. I yield to the senior Senator from Louisiana.

Mr. OVERTON. I think the rich State of New York might gather a lesson from the administration of public education in the comparatively poor State of Louisiana.

Mr. IVES. Mr. President, the State of New York is always glad to profit by a lesson.

Mr. OVERTON. I shall give one to the able Senator from New York State now. We have such a district where there are not sufficient funds to provide even what might be said to be the lower standard of education prevailing in Louisiana; but we have an equalization fund.

Mr. IVES. So have we.

Mr. OVERTON. The richer districts must supply funds to the poorer districts.

Mr. IVES. The same is true in New York. I think we are all in agreement.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the junior Senator from Louisiana.

Mr. ELLENDER. Mr. President, in view of the colloquy which has been going on for the past few minutes between the distinguished Senator from New York and my distinguished colleague, it might be well to call to the attention of the Senate the fact that, as Senate bill 472 was originally drafted, the bulk of the money appropriated was to go to about 17 or 20 of the most needy States.

I believe it was at the suggestion of the distinguished Senator from New York [Mr. IVES] that a more or less token payment of $5 for children from 5 to 17 years of age in each State is to be made.

Mr. IVES. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. IVES. That is correct, sir; but I did not suggest it for pork-barrel purposes. I made the suggestion for the reasons which I have indicated in the discussion today, which I think are very sound and very pertinent.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DONNELL. What was the reason for the amount that the Senator from Louisiana terms a comparatively nominal amount? Why was such a small amount allowed to each State?

Mr. TAFT. Because we did not want the costs to go any higher. One of the great objections was the money cost. My recollection is that it was approximately $70,000,000 out of a total of $300,000,000. It was felt that certain States had a much smaller equalization problem and that their poorer districts were much more limited and the amount referred to would enable them to carry out the equalization program which must be carried out under the bill. It was thought that the amount was sufficient for that purpose. Twelve million dollars looks small nowadays, but it is a great deal of money, even for the State of New York, I imagine.

Mr. DONNELL. The Senator from Louisiana referred to the more or less token payment. I am wondering whether the thought of inducing various Senators who represent States which need Federal aid to vote for this bill entered at all into the insertion in the bill of the so-called token payment.

Mr. IVES. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. IVES. I had no thought in the world of putting it in the bill for the purpose of inducing Senators to vote for the bill. That is in the same category with the "pork barrel" reference. If the statement and the argument which I have made regarding equality of education and the great necessity for having all the States in the Union directly interested in the whole program makes no sense, then my case falls.

Mr. FULBRIGHT. Mr. President, will will the Senator yield?

Mr. TAFT. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I should like to refer to the colloquy which took place a few moments ago, in which the Senator from Colorado implied that the flood-control program, for example, in my State and other States was simply for the benefit of those States. I do not think that is the idea behind such programs at all. Certainly in the case I have in mind, the White and Arkansas Rivers, a national benefit is involved. The same is true regarding the educational program. I think the people of Arkansas have an interest in improving the education of the people of New York, and vice versa. We have an interest for other reasons, one of which is that the people of New York have such great influence upon legislation that we hope the quality of legislation will be improved because of the influence of their representatives. In the case of our public roads program, I do not see how the Senator from Colorado could draw a distinction. I do not recall that our road funds appropriated by the Federal Government have been following the rule which the Senator advanced. Is it not true that that program is not based only on need, but that every State participates in it?

Mr. TAFT. I think it was supported in part by the general theory of interstate commerce and the interest of the Federal Government in interstate transportation.

Mr. FULBRIGHT. It was not on the theory that we are benefiting only the people of a particular State. It is not the local benefit which is the sole reason for the program.

Mr. TAFT. No.

Mr. FULBRIGHT. It is not solely for the benefit of the people of particular States. The basic theory is that it is for the benefit of all the people in all the States.

Mr. TAFT. That is certainly true in the case of education.

Mr. FULBRIGHT. It certainly would be true in the case of education as much or more so than would be a system of Federal roads.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Illinois.

Mr. LUCAS. I was interested in the statement made a moment ago by the Senator from Ohio on the matter of the distribution of the fund when it reaches a State. I recall he made the statement that certain poorer districts would obtain perhaps more money than other districts in a State. If I am correct regarding that, would the superintendent of public instruction, for instance, in the State of Illinois, have the sole control of the distribution of the fund allotted to that State?

Mr. TAFT. The bill requires, on page 21, paragraph (2), as follows:

(2) through its legislature, shall provide that the State educational authority shall formulate and effectuate, for each fiscal year beginning after June 30, 1951, a plan for the apportionment of amounts paid to such State from funds appropriated pursuant to section 3 of this act for such fiscal year under which (a) there will be available from all sources to each local public-school jurisdiction or other State public-education agency, for current expenditures for public elementary-school and public secondary-school education, an amount per pupil in average daily attendance at public elementary and secondary schools within such local public-school jurisdiction, or under the jurisdiction of such State public-education agency, not less than $50.

In other words, the State must, through its legislature, accept the general proposal and must require that the State educational authority formulate a plan for the apportionment of the fund. It must have a plan. It cannot be an arbitrary distribution.

Mr. LUCAS. I appreciate the answer of the Senator, but in following the language of the bill as the Senator has read it, am I correct in my understanding that every school district, regardless of whether it is one which is rich in resources or poor in resources, shall receive the same amount of money?

Mr. TAFT. No. There is no such provision. The method by which the money shall be distributed is entirely up to the legislature and the State educational authorities, the only restriction being that every district must have at least $50.

Mr. LUCAS. That is the minimum of the combination of the two. Is that correct?

Mr. TAFT. That is correct.

Mr. LUCAS. I have a question I want to ask the Senator. I was interested a moment ago in the statement he made with respect to Federal funds going into the States. I agree wholeheartedly with the Senator from Ohio with respect to the funds for education. I think that once the funds leave the Federal Treasury and go into the educational system of a State, those in power in that State should have the right to administer the fund, because I recognize the primary obligation for the education of our children in the counties and the States. If I correctly understood the Senator, however, he took a broad view in saying he thought everything in the way of a Federal grant should go into the States and that the Federal Government should have no authority whatever over the funds which were appropriated for the States.

Mr. TAFT. I do not think we can carry out the principle to which I should like to adhere in health and housing as easily as in education, because, after all, we have a completely organized school system in the United States. I quite agree with the Senator that when it comes to health the whole field is much more indefinite. That is one reason why I pushed the education bill ahead of the health bill, because there we have a condition in which we must establish standards. In my opinion, we can avoid to some extent the danger in connection with Federal power by writing standards into the statute. The chief danger is in giving a Federal officer discretion to give or to withhold money, depending upon his judgment as to whether they are doing the right thing in a particular case.

Mr. LUCAS. I agree with the Senator, and I did not think he wanted to leave that impression. For instance, we have just finished talking about flood control. The Senator certainly would not want the money we use for flood control to go directly to the States.

Mr. TAFT. I entirely distinguish the money appropriated for flood control. Flood control is a direct Federal activity, resulting from the Federal control over navigable streams.

Mr. LUCAS. That is correct.

Mr. TAFT. It is a direct Federal responsibility. I do not think that is analogous. The question of highways is perhaps somewhat analogous, but the Federal Government has jurisdiction over post offices and post roads, and under that jurisdiction has a more or less direct interest in providing means of interstate transportation. So there again I do not think we have the problem which we have in the field we are discussing, although in general I should like to reserve to the State highway departments just as much independent operation as possible.

Mr. LUCAS. I agree with the Senator that as much independence should be reserved to the States with respect to spending Federal money as possible. On the other hand, I cannot go as far as the Senator does with respect to the appropriation of Federal money, returning money to the States, and saying to the States throughout the Nation, "We are going to appropriate the money, and we are going to grant this money to you for different purposes, and after we grant the money we will have nothing to do with it except in auditing the funds to see whether or not you have distributed the funds according to State law."

I agree with the Senator in the point he made as to that. That is one thing with which I will go with him all the way. But I still maintain that when billions and billions of dollars are being appropriated by the Congress for various Federal purposes, the Federal Government has a duty to see to it that certain rules and standards are laid down for the proper distribution and administration of the funds. I do not think we should get too far away from that philosophy.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Vermont.

Mr. AIKEN. When the committee was considering Federal aid to education, it was realized that it was utterly impossible to afford equal opportunity for education to every child in this land, or even every child in one State, that it would be impossible to devise any means by which one school would be just as good as every other school, and the same amount would be spent in one school as was spent in another school. So the bill provides that the State must make plans—the State makes the plans, the Federal Government does not make the plans—whereby there shall be a minimum expenditure of $50 per pupil according to the average daily attendance in every school.

It was also recognized that certain States have special schools for minority races, and that it would be impossible, at least for some time, to get those States to combine the schools and give the same opportunity to all the pupils in the State. So the bill provides that each State must spend a minimum of $50 per pupil in those schools which are established for the education of members of a minority race. That is the absolute minimum, the floor. This requirement would raise the level of opportunity for education for members of minority races in several States.

The plan must be submitted by the State itself—it is not made up by the Federal Government—and it has to be certified to by the educational department of the State, I believe, before the money is made available to the State. If the Federal Government finds that the money is not used as required by law, it merely stops the funds going to the particular State. I think the Federal Government does have a responsibility to see that the money is not spent in violation of the law, but the plan of expenditure itself is laid down by the State, and not by the Federal Government.

Mr. WHERRY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. WHERRY. The point last made by the Senator from Vermont is one in which I am vitally interested. The Senator says he feels that the Federal Government should stop the aid if the State is not carrying out the purposes. What purposes—of the State law, or the purposes of the proposed act?

Mr. AIKEN. The State has to certify it is providing $50 a year minimum for the education of every child in average daily attendance. If the States do not do that, the money stops; and that is the only requirement.

Mr. WHERRY. Is that the only place in the whole bill where it is provided that the Federal Government shall have any control over whether or not funds shall be supplied to the States?

Mr. TAFT. That is correct.

Mr. AIKEN. That is right.

Mr. WHERRY. To me the vital question is as to whether or not the Federal Government can set up a bureau which will in any way dictate to the States what they must do with any part of the money. When the Senator made the statement that the money could be withheld if the State did not comply with the purposes of the law——

Mr. TAFT. Not the purposes.

Mr. WHERRY. With the law.

Mr. TAFT. The provisions of the law.

Mr. WHERRY. The provisions of the law. What provision is it under which the money might be withheld? Certainly if the matter of public roads is an example to be relied on, I would say that the Federal Government would have great authority over the funds.

Mr. AIKEN. The Federal Government would withhold the money in the event any State were spending all the money on only a portion of the schools of the State, and leaving the others with an expenditure of ten or fifteen dollars per pupil.

Mr. TAFT. Mr. President, the bill not only does not give the power to take the money away, but in section 2 the bill expressly prohibits any kind of interference. The only requirement is that the money which is given to a State shall be so distributed that every school district in the State shall get $50 per child. If that requirement is not met, then the whole thing can be canceled. That can be determined by an audit. It does not take any specially skilled man; it can be determined by an audit, and it is the only condition provided in the bill—and certainly I have studied the bill—upon which Federal aid can be withheld. There is no discretion in any Federal officer to say, "I will give it to you if you do

something," or "I will not give it to you if you do not do something." The distribution of the money is as well protected as it possibly could be in any bill. I do not think anyone could suggest a more complete delegation of authority to the States and school districts.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. WHERRY. I wish to say to the distinguished Senator from Ohio that I have read and reread section 2, and I am inclined to agree with the Senator; I do not know what language could be used which would be more forceful or more positive in declaring the intention at least to accomplish what is supposed to be accomplished. But when the distinguished Senator from Vermont made the statement about the Federal Government withholding money if there were a violation of the provisions of the law, immediately there came to my mind the thought which has bothered me from the beginning of the proposal for Federal aid to education; that is, that I do not want the Federal Government to have any right to say how the money shall be spent, or for what purposes.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield?

Mr. WHERRY. I do not feel that I can conscientiously support any legislation which might in any way permit the Federal Government to influence the curriculums which are to be taught in the schools. That is of vital concern to me. What we need in this country is Americans, and we want educational systems which will teach Americanism. We do not want anyone with any of the "isms" we hear so much about going into the school systems and saying that this, that, or the other shall be taught, thus getting our children far away from the fundamentals which we so badly need in our country today. That is a matter which alarms me, and when the Senator from Vermont brought it up, immediately it came to my mind, after I had read section 2, I was inclined to believe that possibly the provisions were sufficiently strong to keep the Federal Government out of the picture, but the statement was then made, and once again I was aroused by the thought which has bothered me for years.

I was a member of the Committee on Education and Labor, and I know the need for education in this country. I know there were 800,000 boys who were not permitted to enter the military service because of lack of educational qualifications. That is serious, but to me the most serious thought in connection with the bill is whether or not we are going to permit any bureau to dictate the subjects to be taught in the schools. That is most serious.

The Senator from New York just made a statement with which I agree, that money does not alone determine the quality of education; that what determines the quality of education is the subjects taught in the schools. After all, education is required for the reason that we want the young people, when they go out from the schools and into their adult activities, to assume all the responsibilities which arise in a political society, and if the education they receive does not make them better American citizens we would be better off if they did not receive any more education than they are now receiving. Believe me, Mr. President, the patriotism that comes from the little old red schoolhouses is not so bad after all. We should be very careful when we pass the bill and make the appropriation for it, that we protect the right to teach the boys and girls Americanism along with their other educational subjects.

Mr. TAFT. Mr. President, I do not think anyone can be stronger than I am for leaving to each State and each community the power to determine how they want their children educated. I would not sponsor the bill unless I felt that that was left entirely to them. There is not a word or a line in the bill which can support the claim that there can be any Federal interference whatever with the right of the communities.

I hope the Senate will be consistent, however, in its action, because there may be amendments offered which provide that this must be taught or the other must be taught, and simply because some Senators may like this or the other they may vote for such amendments. But if we are going to stick to principle we must be opposed—and I am opposed—to putting in the bill anything that will enable the Federal Government to interfere in any way with the school system, or with what is taught in the schools.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. The Senator from Vermont certainly did not intend to give anyone the impression that the Federal Government would have one single thing to say about the curriculums of the schools or the manner in which the money should be expended by the schools. I think that is also made as clear as is possible for words to make it clear in the bill. But if by any chance any State should undertake to use the money in a manner not intended by the act of Congress, then the money would be withheld by order of the Congress itself, as expressed in the bill, and not by any agency of the executive department.

Mr. TAFT. Mr. President, I come to another section which produced much interesting discussion in the committee and no doubt will produce much interesting discussion on the floor. Section 6 attempts to carry out the very principle we have been discussing, of leaving to every State the right to determine what kind of an educational system it shall have. I read section 6, as follows:

SEC. 6. In order more nearly to equalize educational opportunities, the funds paid to a State from the funds appropriated under section 3 of this act shall be available for disbursement by the State educational authority, either directly or through payments to local public-school jurisdictions or other State public-education agencies, for any current expenditure for elementary or secondary school purposes for which educational revenues derived from State or local sources may legally and constitutionally be expended in such State.

That section refers very briefly to private schools, or parochial schools. If a State, as part of its educational system, chooses to distribute money to private schools in the conduct of its educational system, then Federal funds may be used in the same way. If a State refuses to do so, the Federal funds cannot be used in that way. In other words, it is an absolutely home-rule provision.

We have received criticism both from those interested in private schools and from those who think there should be no assistance to private schools of any kind. Let us consider the State of Vermont, where most of the high schools are private schools. The private schools grew up before the State system was established, and to a large extent they are supported by State funds, but they remain private schools. Under the bill Federal funds may be used along with the State funds to continue the support of those schools.

I might say, on the other hand, that if the State permits the use of funds for transportation of pupils of private and parochial schools, then Federal funds may be used for that purpose. If the State refuses to use any funds of its own for that purpose under its laws or constitution, then it cannot use Federal funds for that purpose. That is the principle we came to agree upon. The provision has been criticized from both sides. If we are going to maintain a system of local autonomy, if the Federal Government is not going to use this money to change the educational system which is desired by the people of any State, then it seems to me that we must adopt a provision of this kind. I am quite prepared to defend it against those who want some parochial-school aid and those who do not want any.

I may say that, so far as the parochial schools are concerned, the recent decisions of the Supreme Court make it almost impossible for any State to give aid to any parochial schools except possibly for bus transportation.

Mr. President, at this point I should like to have incorporated in the RECORD the opinion of the Supreme Court, and the dissenting opinions, in the case of Arch R. Everson, appellant, against Board of Education of the Township of Ewing and others, the New Jersey bus-transportation case, decided February 10, 1947, and the opinion of the Supreme Court, and the dissenting opinions, in the case of People of the State of Illinois ex rel. Vashti McCollum, appellant, against Board of Education of School District No. 71, Champaign County, Ill., and others, delivered on March 8, 1948. In the printing of the opinions in both cases I ask that the footnotes be omitted, and that simply the opinions themselves may be printed in the RECORD.

There being no objection, the opinions were ordered to be printed in the RECORD, as follows:

SUPREME COURT OF THE UNITED STATES—No. 52—OCTOBER TERM, 1946—ARCH R. EVERSON, APPELLANT, V. BOARD OF EDUCATION OF THE TOWNSHIP OF EWING, ET AL.—APPEAL FROM THE COURT OF ERRORS AND APPEALS OF THE STATE OF NEW JERSEY—[FEBRUARY 10, 1947]

MR. JUSTICE BLACK DELIVERED THE OPINION OF THE COURT

A New Jersey statute authorizes its local school districts to make rules and contracts for the transportation of children to and from schools. The appellee, a township

board of education, acting pursuant to this statute authorized reimbursement to parents of money expended by them for the bus transportation of their children on regular busses operated by the public transportation system. Part of this money was for the payment of transportation of some children in the community to Catholic parochial schools. These church schools give their students, in addition to secular education, regular religious instruction conforming to the religious tenets and modes of worship of the Catholic faith. The superintendent of these schools is a Catholic priest.

The appellant, in his capacity as a district taxpayer, filed suit in a State court challenging the right of the board to reimburse parents of parochial school students. He contended that the statute and the resolution passed pursuant to it violated both the State and the Federal Constitutions. That court held that the legislature was without power to authorize such payment under the State constitution (132 N. J. L. 98). The New Jersey Court of Errors and Appeals reversed, holding that neither the statute nor the resolution passed pursuant to it was in conflict with the State constitution or the provisions of the Federal Constitution in issue (133 N. J. L. 350). The case is here on appeal under 28 United States Code, section 344 (a).

Since there has been no attack on the statute on the ground that a part of its language excludes children attending private schools operated for profit from enjoying State payment for their transportation, we need not consider this exclusionary language; it has no relevancy to any constitutional questions here presented. Furthermore, if the exclusion clause had been properly challenged, we do not know whether New Jersey's highest court would construe its statutes as precluding payment of the school transportation of any group of pupils, even those of a private school run for profit. Consequently, we put to one side the question as to the validity of the statute against the claim that it does not authorize payment for the transportation generally of school children in New Jersey.

The only contention here is that the State statute and the resolution, insofar as they authorized reimbursement to parents of children attending parochial schools, violate the Federal Constitution in these two respects, which to some extent, overlap. First, they authorize the State to take by taxation the private property of some and bestow it upon others, to be used for their own private purposes. This, it is alleged, violates the due process clause of the fourteenth amendment. Second, the statute and the resolution forced inhabitants to pay taxes to help support and maintain schools which are dedicated to, and which regularly teach, the Catholic faith. This is alleged to be a use of State power to support church schools contrary to the prohibition of the first amendment which the fourteenth amendment made applicable to the States.

First. The due process argument that the State law taxes some people to help others carry out their private purposes is framed in two phases. The first phase is that a State cannot tax A to reimburse B for the cost of transporting his children to church schools. This is said to violate the due process clause because the children are sent to these church schools to satisfy the personal desires of their parents, rather than the public's interest in the general education of all children. This argument, if valid, would apply equally to prohibit State payment for the transportation of children to any nonpublic school, whether operated by a church, or any other non-Government individual or group. But, the New Jersey Legislature has decided that a public purpose will be served by using tax-raised funds to pay the bus fares of all school children, including those who attend parochial schools. The New Jersey Court of Errors and Appeals has reached the same conclusion. The fact that a State law, passed to satisfy a public need, coincides with the personal desires of the individuals most directly affected is certainly an inadequate reason for us to say that a legislature has erroneously appraised the public need.

It is true that this court has, in rare instances, struck down State statutes on the ground that the purpose for which tax-raised funds were to be expended was not a public one (*Loan Association* v. *Topeka* (20 Wall. 655); *Parkersburg* v. *Brown* (106 U. S. 487); *Thompson* v. *Consolidated Gas Utilities Corp.* (300 U. S. 55)). But the court has also pointed out that this far-reaching authority must be exercised with the most extreme caution (*Green* v. *Frazier* (253 U. S. 233, 240)). Otherwise a State's power to legislate for the public welfare might be seriously curtailed, a power which is a primary reason for the existence of States. Changing local conditions create new local problems which may lead a State's people and its local authorities to believe that laws authorizing new types of public services are necessary to promote the general well-being of the people. The fourteenth amendment did not strip the States of their power to meet problems previously left for individual solution (*Davidson* v. *New Orleans* (96 U. S. 97, 103–104); *Barbier* v. *Connolly* (113 U. S. 27, 31–32); *Fallbrook Irrigation District* v. *Bradley* (164 U. S. 112, 157–158)).

It is much too late to argue that legislation intended to facilitate the opportunity of children to get a secular education serves no public purpose (*Cochran* v. *Louisiana State Board of Education* (281 U. S. 370); Holmes, J., in *Interstate Ry.* v. *Massachusetts* (207 U. S. 79, 87)). (See opinion of Cooley, J., in *Stuart* v. *School District No. 1 of Kalamazoo* (30 Mich. 69 (1878)).) The same thing is no less true of legislation to reimburse needy parents, or all parents, for payment of the fares of their children so that they can ride in public busses to and from schools rather than run the risk of traffic and other hazards incident to walking or hitchhiking. (See *Barbier* v. *Connolly*, supra at 31.) (See also cases collected 63 A. L. R. 413; 118 A. L. R. 806.) Nor does it follow that a law has a private rather than a public purpose because it provides that tax-raised funds will be paid to reimburse individuals on account of money spent by them in a way which furthers a public program. (See *Carmichael* v. *Southern Coal & Coke Co.* (301 U. S. 495, 518).) Subsidies and loans to individuals such as farmers and home owners, and to privately owned transportation systems, as well as many other kinds of businesses, have been commonplace practices in our State and national history.

Insofar as the second phase of the due-process argument may differ from the first, it is by suggesting that taxation for transportation of children to church schools constitutes support of a religion by the State. But if the law is invalid for this reason, it is because it violates the first amendment's prohibition against the establishment of religion by law. This is the exact question raised by appellant's second contention, to consideration of which we now turn.

Second. The New Jersey statute is challenged as a "law respecting the establishment of religion." The First Amendment, as made applicable to the States by the Fourteenth (*Murdock* v. *Pennsylvania*) (319 U. S. 105), commands that a State "shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." These words of the First Amendment reflected in the minds of early Americans a vivid mental picture of conditions and practices which they fervently wished to stamp out in order to preserve liberty for themselves and for their posterity. Doubtless their goal has not been entirely reached; but so far has the Nation moved toward it that the expression "law respecting the establishment of religion," probably does not so vividly remind present-day Americans of the evils, fears, and political problems that caused that expression to be written into our Bill of Rights. Whether this New Jersey law is one respecting the establishment of religion requires an understanding of the meaning of that language, particularly with respect to the imposition of taxes. Once again, therefore, it is not inappropriate briefly to review the background and environment of the period in which that constitutional language was fashioned and adopted.

A large proportion of the early settlers of this country came here from Europe to escape the bondage of laws which compelled them to support and attend government-favored churches. The centuries immediately before and contemporaneous with the colonization of America had been filled with turmoil, civil strife, and persecutions, generated in large part by established sects determined to maintain their absolute political and religious supremacy. With the power of government supporting them, at various times and places, Catholics had persecuted Protestants, Protestants had persecuted Catholics, Protestant sects had persecuted other Protestant sects, Catholics of one shade of belief had persecuted Catholics of another shade of belief, and all of these had from time to time persecuted Jews. In efforts to force loyalty to whatever religious group happened to be on top and in league with the government of a particular time and place, men and women had been fined, cast in jail, cruelly tortured, and killed. Among the offenses for which these punishments had been inflicted were such things as speaking disrespectfully of the views of ministers of government-established churches, nonattendance at those churches, expressions of nonbelief in their doctrines, and failure to pay taxes and tithes to support them.

These practices of the Old World were transplanted to and began to thrive in the soil of the new America. The very charters granted by the English Crown to the individuals and companies designated to make the laws which would control the destinies of the colonials authorized these individuals and companies to erect religious establishments which all, whether believers or nonbelievers, would be required to support and attend. An exercise of this authority was accompanied by a repetition of many of the Old World practices and persecutions. Catholics found themselves hounded and proscribed because of their faith; Quakers who followed their conscience went to jail; Baptists were peculiarly obnoxious to certain dominant Protestant sects; men and women of varied faiths who happened to be in a minority in a particular locality were persecuted because they steadfastly persisted in worshipping God only as their own consciences dictated. And all of these dissenters were compelled to pay tithes and taxes to support government-sponsored churches whose ministers preached inflammatory sermons designed to strengthen and consolidate the established faith by generating a burning hatred against dissenters.

These practices became so commonplace as to shock the freedom-loving colonials into a feeling of abhorrence. The imposition of taxes to pay ministers' salaries and to build and maintain churches and church property aroused their indignation. It was these feelings which found expression in the First Amendment. No one locality and no one group throughout the Colonies can rightly be given entire credit for having aroused the sentiment that culminated in adoption of the Bill of Rights provisions embracing religious liberty. But Virginia, where the established church had achieved a dominant influence in political affairs and where many excesses attracted wide public attention, provided a great stimulus and able leadership for the movement. The people there, as elsewhere, reached the convic-

tion that individual religious liberty could be achieved best under a government which was stripped of all power to tax, to support, or otherwise to assist any or all religions, or to interfere with the beliefs of any religious individual or group.

The movement toward this end reached its dramatic climax in Virginia in 1785–86 when the Virginia legislative body was about to renew Virginia's tax levy for the support of the established church. Thomas Jefferson and James Madison led the fight against this tax. Madison wrote his great memorial and remonstrance against the law. In it, he eloquently argued that a true religion did not need the support of law; that no person, either believer or nonbeliever, should be taxed to support a religious institution of any kind; that the best interest of a society required that the minds of men always be wholly free; and that cruel persecutions were the inevitable result of government-established religions. Madison's remonstrance received strong support throughout Virginia, and the assembly postponed consideration of the proposed tax measure until its next session. When the proposal came up for consideration at that session, it not only died in committee, but the assembly enacted the famous Virginia bill for religious liberty, originally written by Thomas Jefferson. The preamble to that bill stated, among other things, that—

"Almighty God hath created the mind free; that all attempts to influence it by temporal punishments, or burthens, or by civil incapacitations, tend only to beget habits of hypocrisy and meanness, and are a departure from the plan of the holy author of our religion who being Lord both of body and mind, yet chose not to propagate it by coercions on either * * *; that to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves, is sinful and tyrannical; that even the forcing him to support this or that teacher of his own religious persuasion, is depriving him of the comfortable liberty of giving his contributions to the particular pastor, whose morals he would make his pattern."

And the statute itself enacted—

"That no man shall be compelled to frequent or support any religious worship, place, or ministry whatsoever, nor shall be enforced, restrained, molested, or burthened, in his body or goods, nor shall otherwise suffer on account of his religious opinions or belief."

This Court has previously recognized that the provisions of the first amendment, in the drafting and adoption of which Madison and Jefferson played such leading roles, had the same objective and were intended to provide the same protection against governmental intrusion on religious liberty as the Virginia statute *Reynolds* v. *United States* (supra at 164); *Watson* v. *Jones* (13 Wall. 679); *Davis* v. *Beason* (133 U. S. 333, 342). Prior to the adoption of the fourteenth amendment, the first amendment did not apply as a restraint against States. Most of them did soon provide similar constitutional protections for religious liberty. But some States persisted for about half a century in imposing restraints upon the free exercise of religion and in discriminating against particular religious groups. In recent years, so far as the provision against the establishment of a religion is concerned, the question has most frequently arisen in connection with proposed State aid to church schools and efforts to carry on religious teachings in the public schools in accordance with the tenets of a particular sect. Some churches have either sought or accepted State financial support for their schools. Here again the efforts to obtain State aid or acceptance of it have not been limited to any one particular faith. The State courts, in the main, have remained faithful to the language of their own constitutional provisions designed to protect religious freedom and to separate religions and governments. Their decisions, however, show the difficulty in drawing the line between tax legislation which provides funds for the welfare of the general public and that which is designed to support institutions which teach religion.

The meaning and scope of the first amendment, preventing establishment of religion or prohibiting the free exercise thereof, in the light of its history and the evils it was designed forever to suppress, have been several times elaborated by the decisions of this Court prior to the application of the first amendment to the States by the fourteenth. The broad meaning given the amendment by these earlier cases has been accepted by this Court in its decisions concerning an individual's religious freedom rendered since the fourteenth amendment was interpreted to make the prohibitions of the first applicable to State action abridging religious freedom. There is every reason to give the same application and broad interpretation to the "establishment of religion" clause. The interrelation of these complementary clauses was well summarized in a statement of the Court of Appeals of South Carolina, quoted with approval by this Court in *Watson* v. *Jones* (13 Wall. 679, 730): "The structure of our Government has, for the preservation of civil liberty, rescued the temporal institutions from religious interference. On the other hand, it has secured religious liberty from the invasions of the civil authority."

The "establishment of religion" clause of the first amendment means at least this: Neither a State nor the Federal Government can set up a church. Neither can pass laws which aid one religion, aid all religions, or prefer one religion over another. Neither can force nor influence a person to go to or to remain away from church against his will or force him to profess a belief or disbelief in any religion. No person can be punished for entertaining or professing religious beliefs or disbeliefs, for church attendance or nonattendance. No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion. Neither a State nor the Federal Government can, openly or secretly, participate in the affairs of any religious organizations or groups and vice versa. In the words of Jefferson, the clause against establishment of religion by law was intended to erect "a wall of separation between church and state" (*Reynolds* v. *United States*, supra at 164).

We must consider the New Jersey statute in accordance with the foregoing limitations imposed by the first amendment. But we must not strike that State statute down if it is within the State's constitutional power even though it approaches the verge of that power. (See *Interstate Ry.* v. *Massachusetts*, Holmes, J., supra at 85, 88). New Jersey cannot consistently with the establishment of religion clause of the first amendment contribute tax-raised funds to the support of an institution which teaches the tenets and faith of any church. On the other hand, other language of the amendment commands that New Jersey cannot hamper its citizens in the free exercise of their own religion. Consequently, it cannot exclude individual Catholics, Lutherans, Mohammedans, Baptists, Jews, Methodists, Nonbelievers, Presbyterians, or the members of any other faith, because of their faith, or lack of it, from receiving the benefits of public welfare legislation. While we do not mean to intimate that a State could not provide transportation only to children attending public schools, we must be careful, in protecting the citizens of New Jersey against State-established churches, to be sure that we do not inadvertently prohibit New Jersey from extending its general State law benefits to all citizens without regard to their religious belief.

Measured by these standards, we cannot say that the first amendment prohibits New Jersey from spending tax-raised funds to pay the bus fares of parochial school pupils as a part of a general program under which it pays the fares of pupils attending public and other schools. It is undoubtedly true that children are helped to get to church schools. There is even a possibility that some of the children might not be sent to the church schools if the parents were compelled to pay their children's bus fares out of their own pockets when transportation to a public school would have been paid for by the State. The same possibility exists where the State requires a local transit company to provide reduced fares to school children including those attending parochial schools, or where a municipally owned transportation system undertakes to carry all school children free of charge. Moreover, State-paid policemen, detailed to protect children going to and from church schools from the very real hazards of traffic, would serve much the same purpose and accomplish much the same result as State provisions intended to guarantee free transportation of a kind which the State deems to be best for the school children's welfare. And parents might refuse to risk their children to the serious danger of traffic accidents going to and from parochial schools, the approaches to which were not protected by policemen. Similarly, parents might be reluctant to permit their children to attend schools which the State had cut off from such general government services as ordinary police and fire protection, connections for sewage disposal, public highways and sidewalks. Of course, cutting off church schools from these services, so separate and so indisputably marked off from the religious function, would make it far more difficult for the schools to operate. But such is obviously not the purpose of the first amendment. That amendment requires the State to be a neutral in its relations with groups of religious believers and nonbelievers; it does not require the State to be their adversary. State power is no more to be used so as to handicap religions than it is to favor them.

This Court has said that parents may, in the discharge of their duty under State compulsory education laws, send their children to a religious rather than a public school if the school meets the secular educational requirements which the State has power to impose. See *Pierce* v. *Society of Sisters* (268 U. S. 510). It appears that these parochial schools meet New Jersey's requirements. The State contributes no money to the schools. It does not support them. Its legislation, as applied, does no more than provide a general program to help parents get their children, regardless of their religion, safely and expeditiously to and from accredited schools.

The first amendment has erected a wall between church and State. That wall must be kept high and impregnable. We could not approve the slightest breach. New Jersey has not breached it here.

Affirmed.

SUPREME COURT OF THE UNITED STATES—No. 52.—OCTOBER TERM, 1946.—ARCH R. EVERSON, APPELLANT, v. BOARD OF EDUCATION OF THE TOWNSHIP OF EWING, ET AL.—APPEAL FROM THE COURT OF ERRORS AND APPEALS OF THE STATE OF NEW JERSEY.—FEBRUARY 10, 1947

Mr. Justice Jackson, dissenting.

I find myself, contrary to first impressions, unable to join in this decision. I have a sympathy, though it is not ideological, with Catholic citizens who are compelled by law to pay taxes for public schools, and also feel constrained by conscience and discipline to support other schools for their own children. Such relief to them as this case involves is not in itself a serious burden to taxpayers and I had assumed it to be as little serious

in principle. Study of this case convinces me otherwise. The Court's opinion marshals every argument in favor of State aid and puts the case in its most favorable light, but much of its reasoning confirms my conclusions that there are no good grounds upon which to support the present legislation. In fact, the undertones of the opinion, advocating complete and uncompromising separation of church from state, seem utterly discordant with its conclusion yielding support to their commingling in educational matters. The case which irresistibly comes to mind as the most fitting precedent is that of Julia who, according to Byron's reports, "whispering 'I will ne'er consent,'—consented."

I

The Court sustains this legislation by assuming two deviations from the facts of this particular case; first, it assumes a state of facts the record does not support, and secondly, it refuses to consider facts which are inescapable on the record.

The Court concludes that this "legislation, as applied, does no more than provide a general program to help parents get their children, regardless of their religion, safely and expeditiously to and from accredited schools," and it draws a comparison between "State provisions intended to guarantee free transportation" for school children with services such as police and fire protection, and implies that we are here dealing with "laws authorizing new types of public services. * * *" This hypothesis permeates the opinion. The facts will not bear that construction.

The township of Ewing is not furnishing transportation to the children in any form; it is not operating school busses itself or contracting for their operation; and it is not performing any public service of any kind with this taxpayer's money. All school children are left to ride as ordinary paying passengers on the regular busses operated by the public transportation system. What the township does, and what the taxpayer complains of, is at stated intervals to reimburse parents for the fares paid, provided the children attend either public schools or Catholic Church schools. This expenditure of tax funds has no possible effect on the child's safety or expedition in transit. As passengers on the public busses they travel as fast and no faster, and are as safe and no safer, since their parents are reimbursed as before.

In addition to thus assuming a type of service that does not exist, the Court also insists that we must close our eyes to a discrimination which does exist. The resolution which authorizes disbursement of this taxpayer's money limits reimbursement to those who attend public schools and Catholic schools. That is the way the act is applied to this taxpayer.

The New Jersey act in question makes the character of the school, not the needs of the children, determine the eligibility of parents to reimbursement. The act permits payment for transportation to parochial schools or public schools but prohibits it to private schools operated in whole or in part for profit. Children often are sent to private schools because their parents feel that they require more individual instruction than public schools can provide, or because they are backward or defective and need special attention. If all children of the State were objects of impartial solicitude, no reason is obvious for denying transportation reimbursement to students of this class, for these often are as needy and as worthy as those who go to public or parochial schools. Refusal to reimburse those who attend such schools is understandable only in the light of a purpose to aid the schools, because the State might well abstain from aiding a profit-making private enterprise. Thus, under the act and resolution brought to us by this case, children are classified according to the schools they attend and are to be aided if they attend the public schools or private Catholic schools, and they are not allowed to be aided if they attend private secular schools or private religious schools of other faiths.

Of course, this case is not one of a Baptist or a Jew or an Episcopalian or a pupil of a private school complaining of discrimination. It is one of a taxpayer urging that he is being taxed for an unconstitutional purpose. I think he is entitled to have us consider the act just as it is written. The statement by the New Jersey court that it holds the legislature may authorize use of local funds "for the transportation of pupils to any school" (133 N. J. L. 350, 354), in view of the other constitutional views expressed, is not a holding that this act authorizes transportation of all pupils to all schools. As applied to this taxpayer by the action he complains of, certainly the act does not authorize reimbursement to those who choose any alternative to the public school except Catholic Church schools.

If we are to decide this case on the facts before us, our question is simply this: Is it constitutional to tax this complainant to pay the cost of carrying pupils to church schools of one specified denomination?

II

Whether the taxpayer constitutionally can be made to contribute aid to parents of students because of their attendance at parochial schools depends upon the nature of those schools and their relation to the church. The Constitution says nothing of education. It lays no obligation on the States to provide schools and does not undertake to regulate State systems of education if they see fit to maintain them. But they cannot, through school policy any more than through other means, invade rights secured to citizens by the Constitution of the United States. *West Virginia State Board of Education* v. *Barnette* (319 U. S. 624). One of our basic rights is to be free of taxation to support a transgression of the constitutional command that the authorities "shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." United States Constitution, amendment I; *Cantwell* v. *Connecticut* (310 U. S. 296).

The function of the church school is a subject on which this record is meager. It shows only that the schools are under superintendence of a priest and that "religion is taught as part of the curriculum." But we know that such schools are parochial only in name—they, in fact, represent a world-wide and age-old policy of the Roman Catholic Church. Under the rubric "Catholic schools," the canon law of the church, by which all Catholics are bound, provides:

"1215. Catholic children are to be educated in schools where not only nothing contrary to Catholic faith and morals is taught, but rather in schools where religious and moral training occupy the first place. * * *" (Canon 1372).

"1216. In every elementary school the children must, according to their age, be instructed in Christian doctrine.

"The young people who attend the higher schools are to receive a deeper religious knowledge, and the bishops shall appoint priests qualified for such work by their learning and piety" (Canon 1373).

"1217. Catholic children shall not attend non-Catholic, indifferent schools that are mixed, that is to say, schools open to Catholics and non-Catholics alike. The bishop of the diocese only has the right, in harmony with the instructions of the Holy See, to decide under what circumstances and with what safeguards to prevent loss of faith, it may be tolerated that Catholic children go to such schools" (Canon 1374).

"1224. The religious teaching of youth in any schools is subject to the authority and inspection of the church.

"The local ordinaries have the right and duty to watch that nothing is taught contrary to faith or good morals, in any of the schools of their territory.

"They, moreover, have the right to approve the books of Christian doctrine and the teachers of religion, and to demand, for the sake of safeguarding religion and morals, the removal of teachers and books" (Canon 1381). (Woywod, Reverend Stanislaus, the New Canon Law, under imprimatur of Most Rev. Francis J. Spellman, Archbishop of New York and others, 1940.)

It is no exaggeration to say that the whole historic conflict in temporal policy between the Catholic Church and non-Catholics comes to a focus in their respective school policies. The Roman Catholic Church, counseled by experience in many ages and many lands and with all sorts and conditions of men, takes what, from the viewpoint of its own progress and the success of its mission, is a wise estimate of the importance of education to religion. It does not leave the individual to pick up religion by chance. It relies on early and indelible indoctrination in the faith and order of the church by the word and example of persons consecrated to the task.

Our public school, if not a product of Protestantism, at least is more consistent with it than with the Catholic culture and scheme of values. It is a relatively recent development dating from about 1840. It is organized on the premise that secular education can be isolated from all religious teaching so that the school can inculcate all needed temporal knowledge and also maintain a strict and lofty neutrality as to religion. The assumption is that after the individual has been instructed in worldly wisdom he will be better fitted to choose his religion. Whether such a disjunction is possible, and if possible whether it is wise, are questions I need not try to answer.

I should be surprised if any Catholic would deny that the parochial school is a vital, if not the most vital, part of the Roman Catholic Church. If put to the choice, that venerable institution, I should expect, would forego its whole service for mature persons before it would give up education of the young, and it would be a wise choice. Its growth and cohesion, discipline and loyalty, spring from its schools. Catholic education is the rock on which the whole structure rests, and to render tax aid to its church school is indistinguishable to me from rendering the same aid to the church itself.

III

It is of no importance in this situation whether the beneficiary of this expenditure of tax-raised funds is primarily the parochial school and incidentally the pupil, or whether the aid is directly bestowed on the pupil with indirect benefits to the schools. The state cannot maintain a church and it can no more tax its citizens to furnish free carriage to those who attend a church. The prohibition against establishment of religion cannot be circumvented by a subsidy, bonus, or reimbursement of expense to individuals for receiving religious instruction and indoctrination.

The Court, however, compares this to other subsidies and loans to individuals and says, "Nor does it follow that a law has a private rather than a public purpose because it provides that tax-raised funds will be paid to reimburse individuals on account of money spent by them in a way which furthers a public program. See *Carmichael* v. *Southern Coal & Coke Co.* (301 U. S. 495, 518)." Of course, the state may pay out tax-raised funds to relieve pauperism, but it may not under our Constitution do so to induce or reward piety. It may spend funds to secure old age against want, but it may not spend funds to secure religion against skepticism. It may compensate individuals

for loss of employment, but it cannot compensate them for adherence to a creed.

It seems to me that the basic fallacy in the Court's reasoning, which accounts for its failure to apply the principles it avows, is in ignoring the essentially religious test by which beneficiaries of this expenditure are selected. A policeman protects a Catholic, of course—but not because he is a Catholic; it is because he is a man and a member of our society. The fireman protects the church school—but not because it is a church school; it is because it is property, part of the assets of our society. Neither the fireman nor the policeman has to ask before he renders aid, "Is this man or building identified with the Catholic Church." But before these school authorities draw a check to reimburse for a student's fare they must ask just that question, and if the school is a Catholic one they may render aid because it is such, while if it is of any other faith, or is run for profit, the help must be withheld. To consider the converse of the Court's reasoning will best disclose its fallacy. That there is no parallel between police and fire protection and this plan of reimbursement is apparent from the incongruity of the limitation of this act if applied to police and fire service. Could we sustain an act that said the police shall protect pupils on the way to or from public schools and Catholic schools but not while going to and coming from other schools, and firemen shall extinguish a blaze in public or Catholic school buildings but shall not put out a blaze in Protestant church schools or private schools operated for profit? That is the true analogy to the case we have before us, and I should think it pretty plain that such a scheme would not be valid.

The Court's holding is that this taxpayer has no grievance because the State has decided to make the reimbursement a public purpose and therefore we are bound to regard it as such. I agree that this Court has left, and always should leave to each State, great latitude in deciding for itself, in the light of its own conditions, what shall be public purposes in its scheme of things. It may socialize utilities and economic enterprises and make taxpayers' business out of what conventionally had been private business. It may make public business of individual welfare, health, education, entertainment, or security. But it cannot make public business of religious worship or instruction, or of attendance at religious institutions of any character. There is no answer to the proposition more fully expounded by Mr. Justice Rutledge that the effect of the religious-freedom amendment to our Constitution was to take every form of propagation of religion out of the realm of things which could directly or indirectly be made public business and thereby be supported in whole or in part at taxpayers' expense. That is a difference which the Constitution sets up between religion and almost every other subject matter of legislation, a difference which goes to the very root of religious freedom and which the Court is overlooking today. This freedom was first in the Bill of Rights because it was first in the forefathers' minds; it was set forth in absolute terms, and its strength is its rigidity. It was intended not only to keep the States' hands out of religion, but to keep religion's hands off the State, and above all, to keep bitter religious controversy out of public life by denying to every denomination any advantage from getting control of public policy or the public purse. Those great ends I cannot but think are immeasurably compromised by today's decision.

This policy of our Federal Constitution has never been wholly pleasing to most religious groups. They all are quick to invoke its protections; they all are irked when they feel its restraints. This Court has gone a long way, if not an unreasonable way, to hold that public business of such paramount importance as maintenance of public order, protection of the privacy of the home, and taxation may not be pursued by a State in a way that even indirectly will interfere with religious proselyting. (See dissent in *Douglas* v. *Jeannette* (319 U. S. 157, 166); *Murdock* v. *Pennsylvania* (319 U. S. 105); *Martin* v. *Struthers* (319 U. S. 141); *Jones* v. *Opelika* (316 U. S. 584, reversed on rehearing, 319 U. S. 103).)

But we cannot have it both ways. Religious teaching cannot be a private affair when the State seeks to impose regulations which infringe on it indirectly, and a public affair when it comes to taxing citizens of one faith to aid another, or those of no faith to aid all. If these principles seem harsh in prohibiting aid to Catholic education, it must not be forgotten that it is the same Constitution that alone assures Catholics the right to maintain these schools at all when predominant local sentiment would forbid them. (*Pierce* v. *Society of Sisters* (268 U. S. 510).) Nor should I think that those who have done so well without this aid would want to see this separation between church and state broken down. If the state may aid these religious schools, it may, therefore, regulate them. Many groups have sought aid from tax funds only to find that it carried political controls with it. Indeed, this court has declared that, "It is hardly lack of due process for the Government to regulate that which it subsidizes." (*Wickard* v. *Filburn* (317 U. S. 111, 131).)

But, in any event, the great purposes of the Constitution do not depend on the approval or convenience of those they restrain. I cannot read the history of the struggle to separate political from ecclesiastical affairs, well summarized in the opinion of Mr. Justice Rutledge, in which I generally concur, without a conviction that the Court today is unconsciously giving the clock's hands a backward turn.

Mr. Justice Frankfurter joins in this opinion.

MR. JUSTICE RUTLEDGE, WITH WHOM MR. JUSTICE FRANKFURTER, MR. JUSTICE JACKSON, AND MR. JUSTICE BURTON AGREE, DISSENTING

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof * * *." United States Constitution, amending article I.

* * * * *

"Well aware that Almighty God hath created the mind free; * * * that to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves, is sinful and tyrannical; * * *

"We, the General Assembly, do enact, That no man shall be compelled to frequent or support any religious worship, place, or ministry whatsoever, nor shall be enforced, restrained, molested, or burthened in his body or goods, nor shall otherwise suffer on account of his religious opinions or belief * * *."

I cannot believe that the great author of those words, or the men who made them law, could have joined in this decision. Neither so high nor so impregnable today as yesterday is the wall raised between church and state by Virginia's great statute of religious freedom and the first amendment, now made applicable to all the States by the fourteenth. New Jersey's statute sustained is the first, if indeed it is not the second breach to be made by this Court's action. That a third, and a fourth, and still others will be attempted, we may be sure. For just as *Cochran* v. *Board of Education* (281 United States 370), has opened the way by oblique ruling for this decision, so will the two make wider the breach for a third. Thus with time the most solid freedom steadily gives way before continuing corrosive decision.

This case forces us to determine squarely for the first time what was "an establishment of religion" in the first amendment's conception, and by that measure to decide whether New Jersey's action violates its command. The facts may be stated shortly, to give setting and color to the constitutional problem.

By statute, New Jersey has authorized local boards of education to provide for the transportation of children "to and from school other than a public school," except one operated for profit wholly or in part, over established public-school routes, or by other means when the child lives "remote from any school." The school board of Ewing township has provided by resolution for "the transportation of pupils of Ewing to the Trenton and Pennington High Schools and Catholic schools by way of public carrier. * * *"

Named parents have paid the cost of public conveyance of their children from their homes in Ewing to three public high schools and four parochial schools outside the district. Semiannually the board has reimbursed the parents from public-school funds raised by general taxation. Religion is taught as part of the curriculum in each of the four private schools, as appears affirmatively by the testimony of the superintendent of parochial schools in the diocese of Trenton.

The Court of Errors and Appeals of New Jersey, reversing the supreme court's decision (132 N. J. L. 98), has held the Ewing board's action not in contravention of the State constitution or statutes or of the Federal Constitution (133 N. J. L. 350). We have to consider only whether this ruling accords with the prohibition of the first amendment implied in the due-process clause of the fourteenth.

I

Not simply an established church, but any law respecting an establishment of religion is forbidden. The amendment was broadly but not loosely phrased. It is the compact and exact summation of its author's views formed during his long struggle for religious freedom. In Madison's own words characterizing Jefferson's bill for establishing religious freedom, the guaranty he put in our national charter, like the bill he piloted through the Virginia Assembly, was "a model of technical precision and perspicuous brevity." Madison could not have confused "church" and "religion," or "an established church' and "an establishment of religion.

The amendment's purpose was not to strike merely at the official establishment of a single sect, creed, or religion, outlawing only a formal relation such as had prevailed in England and some of the colonies. Necessarily it was to uproot all such relationships. But the object was broader than separating church and state in this narrow sense. It was to create a complete and permanent separation of the spheres of religious activity and civil authority by comprehensively forbidding every form of public aid or support for religion. In proof, the amendment's wording and history unite with this Court's consistent utterances whenever attention has been fixed directly upon the question.

"Religion" appears only once in the amendment. But the word governs two prohibitions and governs them alike. It does not have two meanings, one narrow to forbid "an establishment" and another, much broader, for securing "the free exercise thereof." "Thereof" brings down "religion" with its entire and exact content, no more and no less, from the first into the second guaranty, so that Congress and now the States are as broadly restricted concerning the one as they are regarding the other.

No one would claim today that the amendment is constricted, in "prohibiting the free exercise" of religion, to securing the free exercise of some formal or creedal observance, of one sect or of many. It secures all forms of religious expression, creedal, sectarian, or nonsectarian, wherever and however taking place, except conduct which trenches upon the like freedoms of others or clearly and presently endangers the community's good

order and security. For the protective purposes of this phase of the basic freedom, street preaching, oral or by distribution of literature, has been given "the same high estate under the first amendment as * * * worship in the churches and preaching from the pulpits." And on this basis parents have been held entitled to send their children to private, religious schools (*Pierce* v. *Society of Sisters* (268 U. S. 510)). Accordingly, daily religious education commingled with secular is "religion" within the guaranty's comprehensive scope. So are religious training and teaching in whatever form. The word connotes the broadest content, determined not by the form or formality of the teaching or where it occurs, but by its essential nature regardless of those details.

Religion has the same broad significance in the twin prohibition concerning an establishment. The amendment was not duplicitous. Religion and establishment were not used in any formal or technical sense. The prohibition broadly forbids State support, financial or other, of religion in any guise, form, or degree. It outlaws all use of public funds for religious purposes.

II

No provision of the Constitution is more closely tied to or given content by its generating history than the religious clause of the first amendment. It is at once the refined product and the terse summation of that history. The history includes not only Madison's authorship and the proceedings before the First Congress, but also the long and intensive struggle for religious freedom in America, more especially in Virginia, of which the amendment was the direct culmination. In the documents of the times, particularly of Madison, who was leader in the Virginia struggle before he became the amendment's sponsor, but also in the writings of Jefferson and others and in the issues which engendered them is to be found irrefutable confirmation of the amendment's sweeping content.

For Madison, as also for Jefferson, religious freedom was the crux of the struggle for freedom in general. Remonstrance, paragraph 15, appendix hereto. Madison was coauthor with George Mason of the religious clause in Virginia's great Declaration of Rights of 1776. He is credited with changing it from a mere statement of the principle of tolerance to the first official legislative pronouncement that freedom of conscience and religion are inherent rights of the individual. He sought also to have the Declaration expressly condemn the existing Virginia establishment. But the force supporting it were then too strong.

Accordingly Madison yielded on this phase but not for long. At once he resumed the fight, continuing it before succeeding legislative sessions. As a member of the general assembly in 1779 he threw his full weight behind Jefferson's historic bill for establishing religious freedom. That bill was a prime phase of Jefferson's broad program of democratic reform undertaken on his return from the Continental Congress in 1776 and submitted for the general assembly's consideration in 1779 as his proposed revised Virginia code. With Jefferson's departure for Europe in 1784, Madison became the bill's prime sponsor. Enactment failed in successive legislatures from its introduction in June 1779 until its adoption in January 1786. But during all this time the fight for religious freedom moved forward in Virginia on various fronts with growing intensity. Madison led throughout against Patrick Henry's powerful opposing leadership until Henry was elected governor in November 1784.

The climax came in the legislative struggle of 1784–85 over the assessment bill. See supplemental appendix hereto. This was nothing more nor less than a taxing measure for the support of religion, designed to revive the payment of tithes, suspended since 1777. So long as it singled out a particular sect for preference it incurred the active and general hostility of dissentient groups. It was broadened to include them, with the result that some subsided temporarily in their opposition. As altered, the bill gave to each taxpayer the privilege of designating which church should receive his share of the tax. In default of designation the legislature applied it to pious uses. But what is of the utmost significance here, "in its final form the bill left the taxpayer the option of giving his tax to education."

Madison was unyielding at all times, opposing with all his vigor the general and nondiscriminatory as he had the earlier particular and discriminatory assessments proposed. The modified assessment bill passed second reading in December 1784 and was all but enacted. Madison and his followers, however, maneuvered deferment of final consideration until November 1785. And before the assembly reconvened in the fall he issued his historic Memorial and Remonstrance.

This is Madison's complete, though not his only, interpretation of religious liberty. It is a broadside attack upon all forms of "establishment" of religion, both general and particular, nondiscriminatory or selective. Reflecting not only the many legislative conflicts over the assessment bill and the bill for establishing religious freedom but also, for example, the struggles for religious incorporations and the continued maintenance of the glebes, the remonstrance is at once the most concise and the most accurate statement of the views of the first amendment's author concerning what is "an establishment of religion." Because it behooves us in the dimming distance of time not to lose sight of what he and his coworkers had in mind when, by a single sweeping stroke of the pen, they forbade an establishment of religion and secured its free exercise, the text of the remonstrance is appended at the end of this opinion for its wider current reference, together with a copy of the bill against which it was directed.

The remonstrance, stirring up a storm of popular protest, killed the assessment bill. It collapsed in committee shortly before Christmas, 1785. With this, the way was cleared at last for enactment of Jefferson's bill for establishing religious freedom. Madison promptly drove it through in January of 1786, 7 years from the time it was first introduced. This dual victory substantially ended the fight over establishments, settling the issue against them.

The next year Madison became a member of the Constitutional Convention. Its work done, he fought valiantly to secure the ratification of its great product in Virginia, as elsewhere, and nowhere else more effectively. Madison was certain in his own mind that under the Constitution "there is not a shadow of right in the general government to intermeddle with religion" and that "this subject is, for the honor of America, perfectly free and unshackled. The Government has no jurisdiction over it." Nevertheless he pledged that he would work for a Bill of Rights, including a specific guaranty of religious freedom, and Virginia, with other States, ratified the Constitution on this assurance.

Ratification thus accomplished, Madison was sent to the First Congress. There he went at once about performing his pledge to establish freedom for the Nation as he had done in Virginia. Within a little more than 3 years from his legislative victory at home he had proposed and secured the submission and ratification of the first amendment as the first article of our Bill of Rights.

All the great instruments of the Virginia struggle for religious liberty thus became warp and woof of our constitutional tradition, not simply by the course of history, but by the common unifying force of Madison's life, thought, and sponsorship. He epitomized the whole of that tradition in the amendment's compact, but nonetheless comprehensive, phrasing.

As the remonstrance discloses throughout, Madison opposed every form and degree of official relation between religion and civil authority. For him religion was a wholly private matter beyond the scope of civil power either to restrain or to support. Denial or abridgment of religious freedom was a violation of rights both of conscience and of natural equality. State aid was no less obnoxious or destructive to freedom and to religion itself than other forms of state interference. Establishment and free exercise were correlative and coextensive ideas, representing only different facets of the single great and fundamental freedom. The remonstrance, following the Virginia statute's example, referred to the history of religious conflicts and the effects of all sorts of establishments, current and historical, to suppress religion's free exercise. With Jefferson, Madison believed that to tolerate any fragment of establishment would be by so much to perpetuate restraint upon that freedom. Hence he sought to tear out the institution not partially but root and branch, and to bar its return forever.

In no phase was he more unrelentingly absolute than in opposing state support or aid by taxation. Not even "three pence" contribution was thus to be exacted from any citizen for such a purpose. (Remonstrance, par. 3.) Tithes had been the lifeblood of establishment before and after other compulsions disappeared. Madison and his coworkers made no exceptions or abridgments to the complete separation they created. Their objection was not to small tithes. It was to any tithes whatsoever. "If it were lawful to impose a small tax for religion the admission would pave the way for oppressive levies." Not the amount but "the principle of assessment was wrong." And the principle was as much to prevent "the interference of law in religion" as to restrain religious intervention in political matters. In this field the authors of our freedom would not tolerate "the first experiment on our liberties" or "wait till usurped power had strengthened itself by exercise, and entangled the question in precedents" (Remonstrance, par. 3). Nor should we.

In view of this history no further proof is needed that the amendment forbids any appropriation, large or small, from public funds to aid or support any and all religious exercises. But if more were called for, the debates in the First Congress and this Court's consistent expressions, whenever it has touched on the matter directly, supply it.

By contrast with the Virginia history, the congressional debates on consideration of the amendment reveal only sparse discussion, reflecting the fact that the essential issues had been settled. Indeed the matter had become so well understood as to have been taken for granted in all but formal phrasing. Hence, the only enlightening reference shows concern, not to preserve any power to use public funds in aid of religion, but to prevent the amendment from outlawing private gifts inadvertently by virtue of the breadth of its wording. In the margin are noted also the principal decisions in which expressions of this Court confirm the amendment's broad prohibition.

III

Compulsory attendance upon religious exercises went out early in the process of separating church and state, together with forced observance of religious forms and ceremonies. Test oaths and religious qualification for office followed later. These things none devoted to our great tradition of religious liberty would think of bringing back. Hence today, apart from efforts to inject religious training or exercises and sectarian

issues into the public schools, the only serious surviving threat to maintaining that complete and permanent separation of religion and civil power which the first amendment commands is through use of the taxing power to support religion, religious establishments, or establishments having a religious foundation whatever their form or special religious function.

Does New Jersey's action furnish support for religion by use of the taxing power? Certainly it does, if the test remains undiluted as Jefferson and Madison made it, that money taken by taxation from one is not to be used or given to support another's religious training or belief, or indeed one's own. Today as then the furnishing of "contributions of money for the propagation of opinions which he disbelieves" is the forbidden exaction; and the prohibition is absolute for whatever measure brings that consequence and whatever amount may be sought or given to that end.

The funds used here were raised by taxation. The court does not dispute, nor could it, that their use does in fact give aid and encouragement to religious instruction. It only concludes that this aid is not "support" in law. But Madison and Jefferson were concerned with aid and support in fact, not as a legal conclusion "entangled in precedents." Remonstrance, paragraph 3. Here parents pay money to send their children to parochial schools and funds raised by taxation are used to reimburse them. This not only helps the children to get to school and the parents to send them. It aids them in a substantial way to get the very thing which they are sent to the particular school to secure, namely, religious training and teaching.

Believers of all faiths, and others who do not express their feeling toward ultimate issues of existence in any creedal form, pay the New Jersey tax. When the money so raised is used to pay for transportation to religious schools, the Catholic taxpayer to the extent of his proportionate share pays for the transportation of Lutheran, Jewish, and otherwise religiously affiliated children to receive their non-Catholic religious instruction. Their parents likewise pay proportionately for the transportation of Catholic children to receive Catholic instruction. Each thus contributes to "the propagation of opinions which he disbelieves" insofar as their religions differ, as do others who accept no creed without regard to those differences. Each thus pays taxes also to support the teaching of his own religion, an exaction equally forbidden since it denies "the comfortable liberty" of giving one's contribution to the particular agency of instruction he approves.

New Jersey's action therefore exactly fits the type of exaction and the kind of evil at which Madison and Jefferson struck. Under the test they framed it cannot be said that the cost of transportation is no part of the cost of education or of the religious instruction given. That it is a substantial and a necessary element is shown most plainly by the continuing and increasing demand for the State to assume it. Nor is there pretense that it relates only to the secular instruction given in religious schools or that any attempt is or could be made toward allocating proportional shares as between the secular and the religious instruction. It is precisely because the instruction is religious and relates to a particular faith, whether one or another, that parents send their children to religious schools under the Pierce doctrine. And the very purpose of the State's contribution is to defray the cost of conveying the pupil to the place where he will receive not simply secular but also and primarily religious teaching and guidance.

Indeed, the view is sincerely avowed by many of various faiths, that the basic purpose of all education is or should be religious, that the secular cannot be and should not be separated from the religious phase and emphasis. Hence, the inadequacy of public or secular education and the necessity for sending the child to a school where religion is taught. But whatever may be the philosophy or its justification, there is undeniably an admixture of religious with secular teaching in all such institutions. That is the very reason for their being. Certainly for purposes of constitutionality we cannot contradict the whole basis of the ethical and educational convictions of people who believe in religious schooling.

Yet this very admixture is what was disestablished when the first amendment forbade "an establishment of religion." Commingling the religious with the secular teaching does not divest the whole of its religious permeation and emphasis or make them of minor part, if proportion were material. Indeed, on any other view, the constitutional prohibition always could be brought to naught by adding a modicum of the secular.

An appropriation from the Public Treasury to pay the cost of transportation to Sunday school, to weekday special classes at the church or parish house, or to the meetings of various young people's religious societies, such as the YMCA, the YWCA, the YMHA, the Epworth League, could not withstand the constitutional attack. This would be true, whether or not secular activities were mixed with the religious. If such an appropriation could not stand, then it is hard to see how one becomes valid for the same thing upon the more extended scale of daily instruction. Surely constitutionality does not turn on where or how often the mixed teaching occurs.

Finally, transportation, where it is needed, is as essential to education as any other element. Its cost is as much a part of the total expense, except at times in amount, as the cost of textbooks, of school lunches, of athletic equipment, of writing and other materials; indeed of all other items composing the total burden. Now as always the core of the educational process is the teacher-pupil relationship. Without this the richest equipment and facilities would go for naught. (See *Judd* v. *Board of Education* (278 N. Y. 200, 212).) But the proverbial Mark Hopkins conception no longer suffices for the country's requirements. Without buildings, without equipment, without library, textbooks and other materials, and without transportation to bring teacher and pupil together in such an effective teaching environment, there can be not even the skeleton of what our times require. Hardly can it be maintained that transportation is the least essential of these items, or that it does not in fact aid, encourage, sustain and support, just as they do, the very process which is its purpose to accomplish. No less essential is it, or the payment of its cost, than the very teaching in the classroom or payment of the teacher's sustenance. Many types of equipment, now considered essential, better could be done without.

For me, therefore, the feat is impossible to select so indispensable an item from the composite of total costs, and characterize it as not aiding, contributing to, promoting, or sustaining the propagation of beliefs which it is the very end of all to bring about. Unless this can be maintained, and the Court does not maintain it, the aid thus given is outlawed. Payment of transportation is no more, nor is it any the less essential to education, whether religious or secular, than payment for tuitions, for teachers' salaries, for buildings, equipment and necessary materials. Nor is it any the less directly related, in a school giving religious instruction, to the primary religious objective all those essential items of cost are intended to achieve. No rational line can be drawn between payment for such larger, but not more necessary, items and payment for transportation. The only line that can be so drawn is one between more dollars and less. Certainly in this realm such a line can be no valid constitutional measure. (*Murdock* v. *Pennsylvania* (319 U. S. 105); *Thomas* v. *Collins* (323 U. S. 516).) Now, as in Madison's time, not the amount but the principle of assessment is wrong (Remonstrance, par. 3).

IV

But we are told that the New Jersey statute is valid in its present application because the appropriation is for a public, not a private purpose, namely, the promotion of education, and the majority accept this idea in the conclusion that all we have here is public welfare legislation. If that is true and the amendment's force can be thus destroyed, what has been said becomes all the more pertinent. For then there could be no possible objection to more extensive support of religious education by New Jersey.

If the fact alone be determinative that religious schools are engaged in education, thus promoting the general and individual welfare, together with the legislature's decision that the payment of public moneys for their aid makes their work a public function, then I can see no possible basis, except one of dubious legislative policy, for the State's refusal to make full appropriation for support of private, religious schools, just as is done for public instruction. There could not be, on that basis, valid constitutional objection.

Of course paying the cost of transportation promotes the general cause of education and the welfare of the individual. So does paying all other items of educational expense. And obviously, as the majority say, it is much too late to urge that legislation designed to facilitate the opportunities of children to secure a secular education serves no public purpose. Our Nation-wide system of public education rests on the contrary view, as do all grants in aid of education, public or private, which is not religious in character.

These things are beside the real question. They have no possible materiality except to obscure the all-pervading, inescapable issue (*Cf. Cochran* v. *Board of Education*, supra). Stripped of its religious phase, the case presents no substantial Federal question (ibid.). The public function argument, by casting the issue in terms of promoting the general cause of education and the welfare of the individual, ignores the religious factor and its essential connection with the transportation, thereby leaving out the only vital element in the case. So of course do the public welfare and social legislation ideas, for they come to the same thing.

We have here then one substantial issue, not two. To say that New Jersey's appropriation and her use of the power of taxation for raising the funds appropriated are not for public purposes but are for private ends, is to say that they are for the support of religion and religious teaching. Conversely, to say that they are for public purposes is to say that they are not for religious ones.

This is precisely for the reason that education which includes religious training and teaching, and its support, have been made matters of private right and function, not public, by the very terms of the first amendment. That is the effect not only in its guaranty of religion's free exercise, but also in the prohibition of establishments. It was on this basis of the private character of the function of religious education that this Court held parents entitled to send their children to private, religious schools. (*Pierce* v. *Society of Sisters*, supra). Now it declares in effect that the appropriation of public funds to defray part of the cost of attending those schools is for a public purpose. If so, I do not understand why the State cannot go further or why this case approaches the verge of its power.

In truth this view contradicts the whole purpose and effect of the first amendment

as heretofore conceived. The "public function"—"public welfare"—"social legislation" argument seeks, in Madison's words, to "employ religion [that is, here, religious education] as an engine of civil policy." Remonstrance, paragraph 5. It is of one piece with the assessment bill's preamble, although with the vital difference that it wholly ignores what that preamble explicitly states.

Our consitutional policy is exactly the opposite. It does not deny the value or the necessity for religious training, teaching, or observance. Rather it secures their free exercise. But to that end it does deny that the State can undertake or sustain them in any form or degree. For this reason the sphere of religious activity, as distinguished from the secular intellectual liberties, has been given the twofold protection and, as the state cannot forbid, neither can it perform or aid in performing the religious function. The dual prohibition makes that function altogether private. It cannot be made a public one by legislative act. This was the very heart of Madison's remonstrance, as it is of the amendment itself.

It is not because religious teaching does not promote the public or the individual's welfare, but because neither is furthered when the state promotes religious education, that the Constitution forbids it to do so. Both legislatures and courts are bound by that distinction. In failure to observe it lies the fallacy of the "public function"—"social legislation" argument, a fallacy facilitated by easy transference of the argument's basing from due process unrelated to any religious aspect to the first amendment.

By no declaration that a gift of public money to religious uses will promote the general or individual welfare, or the cause of education generally, can legislative bodies overcome the amendment's bar. Nor may the courts sustain their attempts to do so by finding such consequences for appropriations which in fact give aid to or promote religious uses. (Cf. *Norris* v. *Alabama* (294 U. S. 587, 590); *Hooven & Allison Co.* v. *Evatt* (324 U. S. 652, 659); *Akins* v. *Texas* (325 U. S. 398, 402).) Legislatures are free to make, and courts to sustain, appropriations only when it can be found that in fact they do not aid, promote, encourage, or sustain religious teaching or observances, be the amount large or small. No such finding has been or could be made in this case. The amendment has removed this form of promoting the public welfare from legislative and judicial competence to make a public function. It is exclusively a private affair.

The reasons underlying the amendment's policy have not vanished with time or diminished in force. Now, as when it was adopted, the price of religious freedom is double. It is that the church and religion shall live both within and upon that freedom. There cannot be freedom of religion, safeguarded by the state, and intervention by the church or its agencies in the state's domain or dependency on its largesse (Madison's Remonstrance, par. 6, 8). The great condition of religious liberty is that it be maintained free from sustenance, as also from other interferences, by the state. For when it comes to rest upon that secular foundation it vanishes with the resting (Id., par. 7, 8). Public money devoted to payment of religious costs, educational or other, brings the quest for more. It brings, too, the struggle of sect against sect for the larger share or for any. Here one by numbers alone will benefit most, there another. That is precisely the history of societies which have had an established religion and dissident groups (Id., par. 8, 11). It is the very thing Jefferson and Madison experienced and sought to guard against, whether in its blunt or in its more screened forms (Ibid.). The end of such strife cannot be other than to destroy the cherished liberty. The dominating group will achieve the dominant benefit; or all will embroil the state in their dissensions (Id., par. 11).

Exactly such conflicts have centered of late around providing transportation to religious schools from public funds. The issue and the dissension work typically, in Madison's phrase, to "destroy that moderation and harmony which the forebearance of our laws to intermeddle with religion, has produced amongst its several sects" (Id., par. 11). This occurs, as he well knew, over measures at the very threshold of departure from the principle (Id., par. 3, 9, 11).

In these conflicts wherever success has been obtained it has been upon the contention that by providing the transportation the general cause of education, the general welfare, and the welfare of the individual will be forwarded; hence that the matter lies within the realm of public function, for legislative determination. State courts have divided upon the issue, some taking the view that only the individual, others that the institution receives the benefit. A few have recognized that this dichotomy is false, that both in fact are aided.

The majority here does not accept in terms any of those views. But neither does it deny that the individual or the school, or indeed both, are benefited directly and substantially. To do so would cut the ground from under the public function—social legislation thesis. On the contrary, the opinion concedes that the children are aided by being helped to get to the religious schooling. By converse necessary implication as well as by the absence of express denial, it must be taken to concede also that the school is helped to reach the child with its religious teaching. The religious enterprise is common to both, as is the interest in having transportation for its religious purposes provided.

Notwithstanding the recognition that this two-way aid is given and the absence of any denial that religious teaching is thus furthered, the Court concludes that the aid so given is not "support" of religion. It is rather only support of education as such, without reference to its religious content, and thus becomes public welfare legislation. To this elision of the religious element from the case is added gloss in two respects, one that the aid extended partakes of the nature of a safety measure, the other that failure to provide it would make the state unneutral in religious matters, discriminating against or hampering such children concerning public benefits all others receive.

As will be noted, the one gloss is contradicted by the facts of record and the other is of whole cloth with the public function argument's excision of the religious factor. But most important is that this approach, if valid, supplies a ready method for nullifying the amendment's guaranty, not only for this case and others involving small grants-in-aid for religious education, but equally for larger ones. The only thing needed will be for the Court again to transplant the public welfare-public function view from its proper nonreligious due-process bearing to first amendment application, holding that religious education is not supported though it may be aided by the appropriation, and that the cause of education generally is furthered by helping the pupil to secure that type of training.

This is not, therefore, just a little case over bus fares. In paraphrase of Madison, distant as it may be in its present form from a complete establishment of religion, it differs from it only in degree; and is the first step in that direction (Id., par. 9). Today as in his time "the same authority which can force a citizen to contribute three pence only * * * for the support of any one religious establishment, may force him" to pay more; or "to conform to any other establishment in all cases whatsoever." And now, as then, "either * * * we must say, that the will of the Legislature is the only measure of their authority; and that in the plenitude of this authority, they may sweep away all our fundamental rights; or, that they are bound to leave this particular right untouched and sacred" (Remonstrance, par. 15).

The realm of religious training and belief remains, as the amendment made it, the kingdom of the individual man and his God. It should be kept inviolately private, not "entangled * * * in precedents" or confounded with what legislatures legitimately may take over into the public domain.

V

No one conscious of religious values can be unsympathetic toward the burden which our constitutional separation puts on parents who desire religious instruction mixed with secular for their children. They pay taxes for others' children's education, at the same time the added cost of instruction for their own. Nor can one happily see benefits denied to children which others receive, because in conscience they or their parents for them desire a different kind of training others do not demand.

But if those feelings should prevail, there would be an end to our historic constitutional policy and command. No more unjust or discriminatory in fact is it to deny attendants at religious schools the cost of their transportation than it is to deny them tuitions, sustenance for their teachers, or any other educational expense which others receive at public cost. Hardship in fact there is which none can blink. But, for assuring to those who undergo it the greater, the most comprehensive freedom, it is one written by design and firm intent into our basic law.

Of course, discrimination in the legal sense does not exist. The child attending the religious school has the same right as any other to attend the public school. But he foregoes exercising it because the same guaranty which assures this freedom forbids the public school or any agency of the State to give or aid him in securing the religious instruction he seeks.

Were he to accept the common school, he would be the first to protest the teaching there of any creed or faith not his own. And it is precisely for the reason that their atmosphere is wholly secular that children are not sent to public schools under the Pierce doctrine. But that is a constitutional necessity, because we have staked the very existence of our country on the faith that complete separation between the state and religion is best for the state and best for religion. Remonstrance, paragraphs 8, 12.

That policy necessarily entails hardship upon persons who forego the right to educational advantages the State can supply in order to secure others it is precluded from giving. Indeed this may hamper the parent and the child forced by conscience to that choice. But it does not make the State unneutral to withhold what the Constitution forbids it to give. On the contrary it is only by observing the prohibition rigidly that the State can maintain its neutrality and avoid partisanship in the dissensions inevitable when sect opposes sect over demands for public moneys to further religious education, teaching or training in any form or degree, directly or indirectly. Like St. Paul's freedom, religious liberty with a great price must be bought. And for those who exercise it most fully, by insisting upon religious education for their children mixed with secular, by the terms of our Constitution the price is greater than for others.

The problem then cannot be cast in terms of legal discrimination or its absence. This would be true, even though the State in giving aid should treat all religious instruction alike. Thus, if the present statute and its application were shown to apply equally to all religious schools of whatever faith, yet in the light of our tradition it could not stand. For then the adherent of one creed

still would pay for the support of another, the childless taxpayer with others more fortunate. Then too there would seem to be no bar to making appropriations for transportation and other expenses of children attending public or other secular schools, after hours in separate places and classes for their exclusively religious instruction. The person who embraces no creed also would be forced to pay for teaching what he does not believe. Again, it was the furnishing of contributions of money for the propagation of opinions which he disbelieves that the fathers outlawed. That consequence and effect are not removed by multiplying to all-inclusiveness the sects for which support is exacted. The Constitution requires, not comprehensive identification of State with religion, but complete separation.

VI

Short treatment will dispose of what remains. Whatever might be said of some other application of New Jersey's statute, the one made here has no semblance of bearing as a safety measure or, indeed, for securing expeditious conveyance. The transportation supplied is by public conveyance, subject to all the hazards and delays of the highway and the streets incurred by the public generally in going about its multifarious business.

Nor is the case comparable to one of furnishing fire or police protection, or access to public highways. These things are matters of common right, part of the general need for safety. Certainly the fire department must not stand idly by while the church burns. Nor is this reason why the State should pay the expense of transportation or other items of the cost of religious education.

Needless to add, we have no such case as *Green* v. *Frazier*, (253 U. S.), or *Carmichael* v. *Southern Coal Co.* (301 U. S. 495), which dealt with matters wholly unrelated to the first amendment, involving only situations where the "public function" issue was determinative.

I have chosen to place my dissent upon the broad ground I think decisive, though strictly speaking the case might be decided on narrower issues. The New Jersey statute might be held invalid on its face for the exclusion of children who attend private, profit-making schools. I cannot assume, as does the majority, that the New Jersey courts would write off this explicit limitation from the statute. Moreover, the resolution by which the statute was applied expressly limits its benefits to students of public and Catholic schools. There is no showing that there are no other private or religious schools in this populous district. I do not think it can be assumed there were none. But in the view I have taken, it is unnecessary to limit grounding to these matters.

Two great drives are constantly in motion to abridge, in the name of education, the complete division of religion and civil authority which our forefathers made. One is to introduce religious education and observances into the public schools. The other, to obtain public funds for the aid and support of various private religious schools. See Johnson, The Legal Status of Church-State Relationships in the United States (1934); Thayer, Religion in Public Education (1947); Note (1941) 50 Yale L. J. 917. In my opinion both avenues were closed by the Constitution. Neither should be opened by this Court. The matter is not one of quantity, to be measured by the amount of money expended. Now as in Madison's day it is one of principle, to keep separate the separate spheres as the first amendment drew them; to prevent the first experiment upon our liberties; and to keep the question from becoming entangled in corrosive precedents. We should not be less strict to keep strong and untarnished the one side of the shield of religious freedom than we have been of the other.

The judgment should be reversed.

APPENDIX

MEMORIAL AND REMONSTRANCE AGAINST RELIGIOUS ASSESSMENTS

To the Honorable the General Assembly of the Commonwealth of Virginia, a Memorial and Remonstrance:

We, the subscribers, citizens of the said Commonwealth, having taken into serious consideration, a bill printed by order of the last session of General Assembly, entitled "A Bill Establishing a Provision for Teachers of the Christian Religion," and conceiving that the same, if finally armed with the sanctions of a law, will be a dangerous abuse of power, are bound as faithful members of a free State, to remonstrate against it, and to declare the reasons by which we are determined. We remonstrate against the said bill—

1. Because we hold it for a fundamental and undeniable truth, "that religion or the duty which we owe to our Creator and the manner of discharging it, can be directed only by reason and conviction, not by force or violence." The religion then of every man must be left to the conviction and conscience of every man; and it is the right of every man to exercise it as these may dictate. This right is in its nature an unalienable right. It is unalienable because the opinions of men, depending only on the evidence contemplated by their own minds, cannot follow the dictates of other men. It is unalienable also because what is here a right toward men is a duty toward the Creator. It is the duty of every man to render to the Creator such homage, and such only, as he believes to be acceptable to him. This duty is precedent both in order of time and degree of obligation, to the claims of civil society. Before any man can be considered as a member of civil society he must be considered as a subject of the Governor of the Universe; and if a member of civil society, who enters into any subordinate association, must always do it with a reservation of his duty to the general authority, much more must every man who becomes a member of any particular civil society, do it with a saving of his allegiance to the Universal Sovereign. We maintain therefore that in matters of religion no man's right is abridged by the institution of civil society, and that religion is wholly exempt from its cognizance. True it is, that no other rule exists, by which any question which may divide a society, can be ultimately determined, but the will of the majority; but it is also true that the majority may trespass on the rights of the minority.

2. Because if religion be exempt from the authority of the society at large, still less can it be subject to that of the legislative body. The latter are but the creatures and vicegerents of the former. Their jurisdiction is both derivative and limited. It is limited with regard to the coordinate departments, more necessarily is it limited with regard to the constituents. The preservation of a free government requires not merely that the metes and bounds which separate each department of power may be invariably maintained, but more especially that neither of them be suffered to overleap the great barrier which defends the rights of the people. The rulers who are guilty of such an encroachment exceed the commission from which they derive their authority, and are tyrants. The people who submit to it are governed by laws made neither by themselves nor by an authority derived from them, and are slaves.

3. Because, it is proper to take alarm at the first experiment on our liberties. We hold this prudent jealousy to be the first duty of citizens, and one of [the] noblest characteristics of the late revolution. The freemen of America did not wait till usurped power had strengthened itself by exercise and entangled the question in precedents. They saw all the consequences in the principle, and they avoided the consequences by denying the principle. We revere this lesson too much soon to forget it. Who does not see that the same authority which can establish Christianity, in exclusion of all other religions, may establish with the same ease any particular sect of Christians, in exclusion of all other sects? That the same authority which can force a citizen to contribute three pence only of his property for the support of any one establishment, may force him to conform to any other establishment in all cases whatsoever?

4. Because, the bill violates that equality which ought to be the basis of every law, and which is more indispensible, in proportion as the validity or expediency of any law is more liable to be impeached. If all men are by nature equally free and independent, all men are to be considered as entering into society on equal conditions; as relinquishing no more, and therefore retaining no less, one than another, of their natural rights. Above all are they to be considered as retaining an equal title to the free exercise of religion according to the dictates of conscience? Whilst we assert for ourselves a freedom to embrace, to profess, and to observe the religion which we believe to be of divine origin, we cannot deny an equal freedom to those whose minds have not yet yielded to the evidence which has convinced us. If this freedom be abused, it is an offence against God, not against man. To God, therefore, not to men, must an account of it be rendered. As the bill violates equality by subjecting some to peculiar burdens, so it violates the same principle, by granting to others peculiar exemptions. Are the Quakers and Menonists the only sects who think a compulsive support of their religions unnecessary and unwarrantable? Can their piety alone be intrusted with the care of public worship? Ought their religions to be endowed above all others, with extraordinary privileges, by which proselytes may be enticed from all others? We think too favorably of the justice and good sense of these denominations, to believe that they either covet preeminencies over their fellow citizens, or that they will be seduced by them, from the common opposition to the measure.

5. Because the bill implies either that the civil magistrate is a competent judge of religious truth; or that he may employ religion as an engine of civil policy. The first is an arrogant pretension falsified by the contradictory opinions of rulers in all ages, and throughout the world. The second, an unhallowed perversion of the means of salvation.

6. Because the establishment proposed by the bill is not requisite for the support of the Christian religion. To say that it is, is a contradiction to the Christian religion itself; for every page of it disavows a dependence on the powers of this world: it is a contradiction to fact; for it is known that this religion both existed and flourished, not only without the support of human laws, but in spite of every opposition from them; and not only during the period of miraculous aid, but long after it had been left to its own evidence, and the ordinary care of providence: Nay, it is a contradiction in terms; for a religion not invented by human policy must have preexisted and been supported, before it was established by human policy. It is moreover to weaken in those who profess this religion a pious confidence in its innate excellence, and the patronage of its author; and to foster in those who still reject it, a suspicion that its friends are too conscious of its fallacies, to trust it to its own merits.

7. Because experience witnesseth that ecclesiastical establishments, instead of maintaining the purity and efficacy of religion, have had a contrary operation. During almost 15 centuries, has the legal establishment of Christianity been on trial. What have been its fruits? More or less in all places, pride and indolence in the clergy; ignorance and servility in the laity; in both, superstition, bigotry, and persecution. Inquire of the teachers of Christianity for the ages in which it appeared in its greatest luster; those of every sect, point to the ages prior to its incorporation with civil policy. Propose a restoration of this primitive state in which its teachers depended on the voluntary rewards of their flocks; many of them predict its downfall. On which side ought their testimony to have greatest weight, when for or when against their interest?

8. Because the establishment in question is not necessary for the support of civil government. If it be urged as necessary for the support of civil government only as it is a means of supporting religion, and it be not necessary for the latter purpose, it cannot be necessary for the former. If religion be not within [the] cognizance of civil government, how can its legal establishment be said to be necessary to civil government? What influence in fact have ecclesiastical establishments had on civil society? In some instances they have been seen to erect a spiritual tyranny on the ruins of civil authority; in many instances they have been seen upholding the thrones of political tyranny; in no instance have they been seen the guardians of the liberties of the people. Rulers who wished to subvert the public liberties, may have found an established clergy convenient auxiliaries. A just government, instituted to secure and perpetuate it, needs them not. Such a government will be best supported by protecting every citizen in the enjoyment of his religion with the same equal hand which protects his person and his property; by neither invading the equal rights by any sect, nor suffering any sect to invade those of another.

9. Because the proposed establishment is a departure from that generous policy, which, offering an asylum to the persecuted and oppressed of every nation and religion, promised a lustre to our country, and an accession to the number of its citizens. What a melancholy mark is the bill of sudden degeneracy? Instead of holding forth an asylum to the persecuted, it is itself a signal of persecution. It degrades from the equal rank of citizens all those whose opinions in religion do not bend to those of the legislative authority. Distant as it may be, in its present form, from the Inquisition it differs from it only in degree. The one is the first step, the other the last in the career of intolerance. The magnanimous sufferer under this cruel scourge in foreign regions, must view the bill as a beacon on our coast, warning him to seek some other haven, where liberty and philanthrophy in their due extent may offer a more certain repose from his troubles.

10. Because, it will have a like tendency to banish our citizens. The allurements presented by other situations are every day thinning their number. To superadd a fresh motive to emigration, by revoking the liberty which they now enjoy, would be the same species of folly which has dishonored and depopulated flourishing kingdoms.

11. Because, it will destroy that moderation and harmony which the forbearance of our laws to intermeddle with religion, has produced amongst its several sects. Torrents of blood have been split in the Old World, by vain attempts of the secular arm to extinguish religious discord, by proscribing all difference in religious opinions. Time has at length revealed the true remedy. Every relaxation of narrow and rigorous policy, wherever it has been tried, has been found to assuage the disease. The American theater has exhibited proofs, that equal and complete liberty, if it does not wholly eradicate it, sufficiently destroys its malignant influence on the health and prosperity of the state. If with the salutary effects of this system under our own eyes, we begin to contract the bonds of religious freedom, we know no name that will too severely reproach our folly. At least let warning be taken at the first fruit of the threatened innovation. The very appearance of the bill has transformed that Christian forbearance, love, and charity, which of late mutually prevailed, into animosities and jealousies, which may not soon be appeased. What mischiefs may not be dreaded should this enemy to the public quiet be armed with the force of a law?

12. Because, the policy of the bill is adverse to the diffusion of the light of Christianity. The first wish of those who enjoy this precious gift, ought to be that it may be imparted to the whole race of mankind. Compare the number of those who have as yet received it with the number still remaining under the dominion of false religions; and how small is the former. Does the policy of the bill tend to lessen the disproportion? No; it at once discourages those who are strangers to the light of [revelation] from coming into the region of it; and countenances, by example the nations who continue in darkness, in shutting out those who might convey it to them. Instead of levelling as far as possible, every obstacle to the victorious progress of truth, the bill with an ignoble and unchristian timidity would circumscribe it, with a wall of defense, against the encroachments of error.

13. Because attempts to enforce by legal sanctions, acts obnoxious to so great a proportion of citizens, tend to enervate the laws in general, and to slacken the bands of society. If it be difficult to execute any law which is not generally deemed necessary or salutary, what must be the case where it is deemed invalid and dangerous? And what may be the effect of so striking an example of impotency in the Government, on its general authority.

14. Because a measure of such singular magnitude and delicacy ought not to be imposed, without the clearest evidence that it is called for by a majority of citizens: and no satisfactory method is yet proposed by which the voice of the majority in this case may be determined, or its influence secured. The people of the respective counties are, indeed, requested to signify their opinion respecting the adoption of the bill to the next session of assembly. But the representation must be made equal, before the voice either of the representatives or of the counties, will be that of the people. Our hope is that neither of the former will, after due consideration, espouse the dangerous principle of the bill. Should the event disappoint us, it will still leave us in full confidence, that a fair appeal to the latter will reverse the sentence against our liberties.

15. Because, finally, the equal right of every citizen to the free exercise of his religion according to the dictates of conscience is held by the same tenure with all our other rights. If we recur to its origin, it is equally the gift of nature; if we weigh its importance, it cannot be less dear to us; if we consult the declaration of those rights which pertain to the good people of Virginia, as the basis and foundation of government, it is enumerated with equal solemnity, or rather studied emphasis. Either then, we must say, that the will of the legislature is the only measure of their authority; and that in the plentitude of this authority, they may sweep away all our fundamental rights; or, that they are bound to leave this particular right untouched and sacred: Either we must say, that they may control the freedom of the press, may abolish the trial by jury, may swallow up the executive and judiciary powers of the state; nay, that they may despoil us of our very right of suffrange, and erect themselves into an independent and hereditary assembly: or we must say, that they have no authority to enact into law the bill under consideration. We the subscribers say, that the general assembly of this Commonwealth have no such authority: And that no effort may be omitted on our part against so dangerous an usurpation, we oppose to it, this remonstrance; earnestly praying, as we are in duty bound, that the Supreme Lawgiver of the Universe, by illuminating those to whom it is addressed, may on the one hand, turn their councils from every act which would affront His holy prerogative, or violate the trust committed to them: and on the other, guide them into every measure which may be worthy of His blessing, may redound to their own praise, and may establish more firmly the liberties, the prosperity, and the happiness of the Commonwealth. (II Madison, 183–191.)

SUPPLEMENTAL APPENDIX

A BILL ESTABLISHING A PROVISION FOR TEACHERS OF THE CHRISTIAN RELIGION

Whereas the general diffusion of Christian knowledge hath a natural tendency to correct the morals of men, restrain their vices, and preserve the peace of society; which cannot be effected without a competent provision for learned teachers, who may be thereby enabled to devote their time and attention to the duty of instructing such citizens, as from their circumstances and want of education, cannot otherwise attain such knowledge; and it is judged that such provision may be made by the legislature, without counteracting the liberal principle heretofore adopted and intended to be preserved by abolishing all distinctions of preeminence amongst the different societies or communities of Christians;

Be it therefore enacted by the General Assembly, That for the support of Christian teachers, ——— percent on the amount, or ——— in the pound on the sum payable for tax on the property within this Commonwealth, is hereby assessed, and shall be paid by every person chargeable with the said tax at the time the same shall become due; and the sheriffs of the several counties shall have power to levy and collect the same in the same manner and under the like restrictions and limitations, as are or may be prescribed by the laws for raising the revenues of this State.

And be it enacted, That for every sum so paid, the sheriff or collector shall give a receipt, expressing therein to what society of Christians the person from whom he may receive the same shall direct the money to be paid, keeping a distinct account thereof in his books. The sheriff of every county shall, on or before the — day of ——— in every year, return to the court, upon oath, two alphabetical lists of the payments to him made, distinguishing in columns opposite to the names of the persons who shall have paid the same, the society to which the money so paid was by them appropriated; and one column for the names where no appropriation shall be made. One of which lists, after being recorded in a book to be kept for that purpose, shall be filed by the clerk in his office; the other shall by the sheriff be fixed up in the courthouse, there to remain for the inspection of all concerned. And the sheriff, after deducting 5 percent for the collection, shall forthwith pay to such person or persons as shall be appointed to receive the same by the vestry, elders, or directors, however denominated of each such society, the sum so stated to be due to that society; or in default thereof, upon the motion of such person or persons to the next or any succeeding court, execution shall be awarded for the same against the sheriff and his security, his and their executors or administrators; provided that 10 days previous notice be given of such motion.

And upon every such execution, the officer serving the same shall proceed to immediate sale of the estate taken, and shall not accept of security for payment at the end of 3 months, nor to have the goods forthcoming at the day of sale; for his better direction wherein, the clerk shall endorse upon every such execution that no security of any kind shall be taken.

And be it further enacted, That the money to be raised by virtue of this act, shall be by the vestries, elders, or directors of each religious society, appropriated to a provision for a minister or teacher of the gospel of their denomination, or the providing places of divine worship, and to none other use whatsoever; except in the denomination of Quakers and Menonists, who may receive what is collected from their members, and place it in their general fund, to be disposed of in a manner which they shall think best calculated to promote their particular mode of worship.

And be it enacted, That all sums which at the time of payment to the sheriff or collector may not be appropriated by the person paying the same, shall be accounted for with the court in manner as by this act is directed; and after deducting for his collection, the sheriff shall pay the amount thereof (upon account certified by the court to the auditors of public accounts, and by them to the treasurer) into the public treasury, to be disposed of under the direction of the general assembly, for the encouragement of seminaries of learning within the counties whence such sums shall arise, and to no other use or purpose whatsoever.

This act shall commence, and be in force, from and after the ——— day of ———, in the year ———.

A copy from the engrossed bill.

JOHN BECKLEY, C. H. D.

(Washington manuscripts (Papers of George Washington, vol. 231); Library of Congress. This copy of the assessment bill is from one of the handbills which on December 24, 1784, when the third reading of the bill was postponed, were ordered distributed to the Virginia counties by the house of delegates. See Journal of the Virginia House of Delegates, December 24, 1784; Eckenrode, 102–103. The bill is therefore in its final form, for it never again reached the floor of the house. Eckenrode, 113.)

SUPREME COURT OF THE UNITED STATES—NO. 90—OCTOBER TERM, 1947—PEOPLE OF THE STATE OF ILLINOIS EX REL. VASHTI MCCOLLUM, APPELLANT, V. BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 71, CHAMPAIGN COUNTY, ILL., ET AL.—APPEAL FROM THE SUPREME COURT OF THE STATE OF ILLINOIS—[MARCH 8, 1948]

MR. JUSTICE BLACK DELIVERED THE OPINION OF THE COURT

This case relates to the power of a State to utilize its tax-supported public-school system in aid of religious instruction insofar as that power may be restricted by the first and fourteenth amendments to the Federal Constitution.

The appellant, Vashti McCollum, began this action for mandamus against the Champaign Board of Education in the Circuit Court of Champaign County, Ill. Her asserted interest was that of a resident and taxpayer of Champaign and of a parent whose child was then enrolled in the Champaign public schools. Illinois has a compulsory education law which, with exception, requires parents to send their children, aged 7 to 16, to its tax-supported public schools where the children are to remain in attendance during the hours when the schools are regularly in session. Parents who violate this law commit a misdemeanor punishable by fine unless the children attend private or parochial schools which meet educational standards fixed by the State. District boards of education are given general supervisory powers over the use of the public-school buildings within the school districts. Ill. Rev. Stat. ch. 122, §§ 123, 301 (1943).

Appellant's petition for mandamus alleged that religious teachers, employed by private religious groups, were permitted to come weekly into the school buildings during the regular hours set apart for secular teaching, and then and there for a period of 30 minutes substitute their religious teaching for the secular education provided under the compulsory education law. The petitioner charged that this joint public-school religious-group program violated the first and fourteenth amendments to the United States Constitution. The prayer of her petition was that the Board of Education be ordered to "adopt and enforce rules and regulations prohibiting all instruction in and teaching of all religious education in all public schools in Champaign District No. 71, * * * and in all public-school houses and buildings in said district when occupied by public schools."

The board first moved to dismiss the petition on the ground that under Illinois law appellant had no standing to maintain the action. This motion was denied. An answer was then filed, which admitted that regular weekly religious instruction was given during school hours to those pupils whose parents consented, and that those pupils were released temporarily from their regular secular classes for the limited purpose of attending the religious classes. The answer denied that this coordinated program of religious instruction violated the State or Federal Constitution. Much evidence was heard, findings of fact were made, after which the petition for mandamus was denied on the ground that the school's religious instruction program violated neither the Federal nor State Constitutional provisions invoked by the appellant. On appeal the State supreme court affirmed (396 Ill. 14). Appellant appealed to this Court under 28 United States Code section 344 (a), and we noted probable jurisdiction (332 U. S. —).

The appellee presses a motion to dismiss the appeal on several grounds, the first of which is that the judgment of the State supreme court does not draw in question the validity of a statute of any State as required by 28 United States Code section 344 (a). This contention rests on the admitted fact that the challenged program of religious instruction was not expressly authorized by statute. But the State supreme court has sustained the validity of the program on the ground that the Illinois statutes granted the board authority to establish such a program. This holding is sufficient to show that the validity of an Illinois statute was drawn in question within the meaning of 28 United States Code section 344 (a) (*Hamilton* v. *Regents of U. of Cal.* (293 U. S. 245, 258)). A second ground for the motion to dismiss is that the appellant lacks standing to maintain the action, a ground which is also without merit (*Coleman* v. *Miller,* (307 U. S. 433, 443, 445, 464)). A third ground for the motion is that the appellant failed properly to present in the State supreme court her challenge that the State program violated the Federal Constitution. But in view of the express rulings of both State courts on this question, the argument cannot be successfully maintained. The motion to dismiss the appeal is denied.

Although there are disputes between the parties as to various inferences that may or may not properly be drawn from the evidence concerning the religious program, the following facts are shown by the record without dispute. In 1940 interested members of the Jewish, Roman Catholic, and a few of the Protestant faiths formed a voluntary association called the Champaign Council on Religious Education. They obtained permission from the board of education to offer classes in religious instruction to public-school pupils in grades four to nine, inclusive. Classes were made up of pupils whose parents signed printed cards requesting that their children be permitted to attend; they were held weekly, 30 minutes for the lower grades, 45 minutes for the higher. The council employed the religious teachers at no expense to the school authorities, but the instructors were subject to the approval and supervision of the superintendent of schools. The classes were taught in three separate religious groups by Protestant teachers, Catholic priests, and a Jewish rabbi, although for the past several years there have apparently been no classes instructed in the Jewish religion. Classes were conducted in the regular classrooms of the school building. Students who did not choose to take the religious instruction were not released from public-school duties; they were required to leave their classrooms and go to some other place in the school building for pursuit of their secular studies. On the other hand, students who were released from secular study for the religious instructions were required to be present at the religious classes. Reports of their presence or absence were to be made to their secular teachers.

The foregoing facts, without reference to others that appear in the record, show the use of tax-supported property for religious instruction and the close cooperation between the school authorities and the religious council in promoting religious education. The operation of the State's compulsory education system thus assists and is integrated with the program of religious instruction carried on by separate religious sects. Pupils compelled by law to go to school for secular education are released in part from their legal duty upon the condition that they attend the religious classes. This is beyond all question a utilization of the tax-established and tax-supported public-school system to aid religious groups to spread their faith. And it falls squarely under the ban of the first amendment (made applicable to the States by the fourteenth) as we interpreted it in *Everson* v. *Board of Education* (330 U. S. 1). There we said: "Neither a State nor the Federal Government can set up a church. Neither can pass laws which aid one religion, aid all religions, or prefer one religion over another. Neither can force or influence a person to go to or to remain away from church against his will or force him to profess a belief or disbelief in any religion. No person can be punished for entertaining or for professing religious beliefs or disbeliefs, for church attendance or nonattendance. No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion. Neither a State nor the Federal Government can, openly or secretly, participate in the affairs of any religious organizations or groups, and vice versa. In the words of Jefferson, the clause against establishment of religion by law was intended to erect 'a wall of separation between church and state' " (id. at 15–16). The majority in the Everson case, and the minority as shown by quotations from the dissenting views in our notes 6 and 7, agreed that the first amendment's language, properly interpreted, had erected a wall of separation between church and state. They disagreed as to the facts shown by the record and as to the proper application of the first amendment's language to those facts.

Recognizing that the Illinois program is barred by the first and fourteenth amendments if we adhere to the views expressed both by the majority and the minority in the Everson case, counsel for the respondents challenge those views as dicta and urge that we reconsider and repudiate them. They argue that historically the first amendment was intended to forbid only Government

preference of one religion over another, not an impartial governmental assistance of all religions. In addition they ask that we distinguish or overrule our holding in the Everson case that the fourteenth amendment made the establishment-of-religion clause of the first amendment applicable as a prohibition against the States. After giving full consideration to the arguments presented we are unable to accept either of these contentions.

To hold that a State cannot consistently with the first and fourteenth amendments utilize its public-school system to aid any or all religious faiths or sects in the dissemination of their doctrines and ideals does not, as counsel urge, manifest a governmental hostility to religion or religious teachings. A manifestation of such hostility would be at war with our national tradition as embodied in the first amendment's guaranty of the free exercise of religion. For the first amendment rests upon the premise that both religion and government can best work to achieve their lofty aims if each is left free from the other within its respective sphere. Or, as we said in the Everson case, the first amendment has erected a wall between church and state which must be kept high and impregnable.

Here not only are the State's tax-supported public-school buildings used for the dissemination of religious doctrines. The State also affords sectarian groups an invaluable aid in that it helps to provide pupils for their religious classes through use of the State's compulsory public-school machinery. This is not separation of church and state.

The cause is reversed and remanded to the State supreme court for proceedings not inconsistent with this opinion.

Reversed and remanded.

MR. JUSTICE FRANKFURTER DELIVERED THE FOLLOWING OPINION, IN WHICH MR. JUSTICE JACKSON, MR. JUSTICE RUTLEDGE, AND MR. JUSTICE BURTON JOIN—MR. JUSTICE RUTLEDGE AND MR. JUSTICE BURTON ALSO CONCURRED IN THE COURT'S OPINION

We dissented in *Everson* v. *Board of Education* (330 U. S. 1), because in our view the Constitutional principle requiring separation of church and State compelled invalidation of the ordinance sustained by the majority. Illinois has here authorized the commingling of religious with secular instruction in the public schools. The Constitution of the United States forbids this.

This case, in the light of the Everson decision, demonstrates anew that the mere formulation of a relevant Constitutional principle is the beginning of the solution of a problem, not its answer. This is so because the meaning of a spacious conception like that of the separation of church from State is unfolded as appeal is made to the principle from case to case. We are all agreed that the first and fourteenth amendments have a secular reach far more penetrating in the conduct of Government than merely to forbid an "established church." But agreement, in the abstract, that the first amendment was designed to erect a "wall of separation between church and State," does not preclude a clash of views as to what the wall separates. Involved is not only the Constitutional principle but the implications of judicial review in its enforcement. Accommodation of legislative freedom and constitutional limitations upon that freedom cannot be achieved by a mere phrase. We cannot illuminatingly apply the "wall-of-separation" metaphor until we have considered the relevant history of religious education in America, the place of the "released time" movement in that history, and its precise manifestation in the case before us.

To understand the particular program now before us as a conscientious attempt to accommodate the allowable functions of government and the special concerns of the church within the framework of our Constitution and with due regard to the kind of society for which it was designed, we must put this Champaign program of 1940 in its historic setting. Traditionally, organized education in the western world was church education. It could hardly be otherwise when the education of children was primarily study of the Word and the ways of God. Even in the Protestant countries, where there was a less close identification of church and state, the basis of education was largely the Bible, and its chief purpose inculcation of piety. To the extent that the state intervened, it used its authority to further aims of the church.

The emigrants who came to these shores brought this view of education with them. Colonial schools certainly started with a religious orientation. When the common problems of the early settlers of the Massachusetts Bay Colony revealed the need for common schools, the object was the defeat of "one chief project of that old deluder Satan, to keep men from the knowledge of the Scriptures." The Laws and Liberties of Massachusetts, 1648 edition (Cambridge 1929) 47.

The evolution of colonial education, largely in the service of religion, into the public-school system of today is the story of changing conceptions regarding the American democratic society, of the functions of State-maintained education in such a society, and of the role therein of the free exercise of religion by the people. The modern public school derived from a philosophy of freedom reflected in the first amendment. It is appropriate to recall that the Remonstrance of James Madison, an event basic in the history of religious liberty, was called forth by a proposal which involved support to religious education. (See Mr. Justice Rutledge's opinion in the *Everson* case, supra (330 U. S. at 36–37).) As the momentum for popular education increased and in turn evoked strong claims for State support of religious education, contests not unlike that which in Virginia had produced Madison's Remonstrance appeared in various forms in other States. New York and Massachusetts provide famous chapters in the history that established dissociation of religious teaching from State-maintained schools. In New York, the rise of the common schools led, despite fierce sectarian opposition, to the barring of tax funds to church schools, and later to any school in which sectarian doctrine was taught. In Massachusetts, largely through the efforts of Horace Mann, all sectarian teachings were barred from the common school to save it from being rent by denominational conflict. The upshot of these controversies, often long and fierce, is fairly summarized by saying that long before the fourteenth amendment subjected the States to new limitations, the prohibition of furtherance by the State of religious instruction became the guiding principle, in law and feeling, of the American people. In sustaining Stephen Girard's will, this Court referred to the inevitable conflicts engendered by matters "connected with religious polity" and particularly "in a country composed of such a variety of religious sects as our country." (*Vidal et al.* v. *Girard's Executors* (2 How. 127, 198).) That was more than 100 years ago.

Separation in the field of education, then, was not imposed upon unwilling States by force of superior law. In this respect the fourteenth amendment merely reflected a principle then dominant in our national life. To the extent that the Constitution thus made it binding upon the States, the basis of the restriction is the whole experience of our people. Zealous watchfulness against fusion of secular and religious activities by Government itself, through any of its instruments but especially through its educational agencies, was the democratic response of the American community to the particular needs of a young and growing nation, unique in the composition of its people. A totally different situation elsewhere, as illustrated for instance by the English provisions for religious education in State-maintained schools, only serves to illustrate that free societies are not cast in one mold. (See the Education Act of 1944, 7 and 8 Geo. VI, ch. 31.) Different institutions evolve from different historic circumstances.

It is pertinent to remind that the establishment of this principle of separation in the field of education was not due to any decline in the religious beliefs of the people. Horace Mann was a devout Christian, and the deep religious feeling of James Madison is stamped upon the Remonstrance. The secular public school did not imply indifference to the basic role of religion in the life of the people, nor rejection of religious education as a means of fostering it. The claims of religion were not minimized by refusing to make the public schools agencies for their assertion. The nonsectarian or secular public school was the means of reconciling freedom in general with religious freedom. The sharp confinement of the public schools to secular education was a recognition of the need of a democratic society to educate its children, insofar as the State undertook to do so, in an atmosphere free from pressures in a realm in which pressures are most resisted and where conflicts are most easily and most bitterly engendered. Designed to serve as perhaps the most powerful agency for promoting cohesion among a heterogeneous democratic people, the public school must keep scrupulously free from entanglement in the strife of sects. The preservation of the community from divisive conflicts, of Government from irreconcilable pressures by religious groups, of religion from censorship and coercion however subtly exercised, requires strict confinement of the State to instruction other than religious, leaving to the individual's church and home indoctrination in the faith of his choice.

This development of the public school as a symbol of our secular unity was not a sudden achievement nor attained without violent conflict. While in small communities of comparatively homogeneous religious beliefs, the need for absolute separation presented no urgencies, elsewhere the growth of the secular school encountered the resistance of feeling strongly engaged against it. But the inevitability of such attempts is the very reason for constitutional provisions primarily concerned with the protection of minority groups. And such sects are shifting groups, varying from time to time, and place to place, thus representing in their totality the common interest of the Nation.

Enough has been said to indicate that we are dealing not with a full-blown principle, not one having the definiteness of a surveyor's metes and bounds. But by 1875 the separation of public education from church entanglements, of the state from the teaching of religion, was firmly established in the consciousness of the Nation. In that year President Grant made his famous remarks to the convention of the Army of the Tennessee:

"Encourage free schools and resolve that not one dollar appropriated for their support shall be appropriated for the support of any sectarian schools. Resolve that neither the State nor the Nation, nor both combined, shall support institutions of learning other than those sufficient to afford every child growing up in the land the opportunity of a good common school education, unmixed with sectarian, pagan, or atheistical dogmas. Leave the matter of religion to the family altar, the church, and the private school, supported entirely by private contributions. Keep the church and state forever separated." "The President's Speech at Des Moines (22 Catholic World 433, 434–35 (1876)).

So strong was this conviction, that rather than rest on the comprehensive prohibitions of the first and fourteenth amendments, President Grant urged that there be written into the United States Constitution particular elaborations, including a specific prohibition against the use of public funds for sectarian education, such as had been written into many State constitutions. By 1894, in urging the adoption of such a provision in the New York constitution, Elihu Root was able to summarize a century of the Nation's history: "It is not a question of religion, or of creed, or of party; it is a question of declaring and maintaining the great American principle of eternal separation between Church and State" (Root, Addresses on Government and Citizenship, 137, 140). The extent to which this principle was deemed a presupposition of our constitutional system is strikingly illustrated by the fact that every State admitted into the Union since 1876 was compelled by Congress to write into its constitution a requirement that it maintain a school system "free from sectarian control."

Prohibition of the commingling of religious and secular instruction in the public school is of course only half the story. A religious people was naturally concerned about the part of the child's education entrusted "to the family altar, the church, and the private school." The promotion of religious education took many forms. Laboring under financial difficulties and exercising only persuasive authority, various denominations felt handicapped in their task of religious education. Abortive attempts were therefore frequently made to obtain public funds for religious schools. But the major efforts of religious inculcation were a recognition of the principle of separation by the establishment of church schools privately supported. Parochial schools were maintained by various denominations. These, however, were often beset by serious handicaps, financial and otherwise, so that the religious aims which they represented found other directions. There were experiments with vacation schools, with Saturday as well as Sunday schools. They all fell short of their purpose. It was urged that by appearing to make religion a one-day-a-week matter, the Sunday school, which acquired national acceptance, tended to relegate the child's religious education, and thereby his religion, to a minor role, not unlike the enforced piano lesson.

Out of these inadequate efforts evolved the week-day church school, held on one or more afternoons a week after the close of the public school. But children continued to be children; they wanted to play when school was out, particularly when other children were free to do so. Church leaders decided that if the week-day church school was to succeed, a way had to be found to give the child his religious education during what the child conceived to be his business hours.

The initiation of the movement may fairly be attributed to Dr. George U. Wenner. The underlying assumption of his proposal, made at the Interfaith Conference on Federation held in New York City in 1905, was that the public school unduly monopolized the child's time and that the churches were entitled to their share of it. This, the schools should release. Accordingly, the federation, citing the example of the Third Republic of France, urged that upon the request of their parents children be excused from public school on Wednesday afternoon, so that the churches could provide Sunday school on Wednesday. This was to be carried out on church premises under church authority. Those not desiring to attend church schools would continue their normal classes. Lest these public-school classes unfairly compete with the church education, it was requested that the school authorities refrain from scheduling courses or activities of compelling interest or importance.

The proposal aroused considerable opposition and it took another decade for a "released time" scheme to become part of a public school system. Gary, Indiana, inaugurated the movement. At a time when industrial expansion strained the communal facilities of the city, Superintendent of Schools Wirt suggested a fuller use of the school buildings. Building on theories which had become more or less current, he also urged that education was more than instruction in a classroom. The school was only one of several educational agencies. The library, the playground, the home, the church, all have their function in the child's proper unfolding. Accordingly, Wirt's plan sought to rotate the schedules of the children during the school day so that some were in class, others were in the library, still others in the playground. And some, he suggested to the leading ministers of the city, might be released to attend religious classes if the churches of the city cooperated and provided them. They did, in 1914, and thus was "released time" begun. The religious teaching was held on church premises and the public schools had no hand in the conduct of these church schools. They did not supervise the choice of instructors or the subject matter taught. Nor did they assume responsibility for the attendance, conduct, or achievement of the child in a church school; and he received no credit for it. The period of attendance in the religious schools would otherwise have been a play period for the child, with the result that the arrangement did not cut into public school instruction or truly affect the activities or feelings of the children who did not attend the church schools.

From such a beginning "released time" has attained substantial proportions. In 1914–15, under the Gary program, 619 pupils left the public schools for the church schools during one period a week. According to responsible figures almost 2,000,000 in some 2,200 communities participated in "released time" programs during 1947. A movement of such scope indicates the importance of the problem to which the "released time" programs are directed. But to the extent that aspects of these programs are open to constitutional objection, the more extensively the movement operates, the more ominous the breaches in the wall of separation.

Of course, "released time" as a generalized conception, undefined by differentiating particularities, is not an issue for constitutional adjudication. Local programs differ from each other in many and crucial respects. Some "released time" classes are under separate denominational auspices, others are conducted jointly by several denominations, often embracing all the religious affiliations of a community. Some classes in religion teach a limited sectarianism; others emphasize democracy, unity, and spiritual values not anchored in a particular creed. Insofar as these are manifestations merely of the free exercise of religion, they are quite outside the scope of judicial concern, except insofar as the Court may be called upon to protect the right of religious freedom. It is only when challenge is made to the share that the public schools have in the execution of a particular "released time" program that close judicial scrutiny is demanded of the exact relation between the religious instruction and the public educational system in the specific situation before the Court.

The substantial differences among arrangements lumped together as "released time" emphasize the importance of detailed analysis of the facts to which the constitutional test of separation is to be applied. How does "released time" operate in Champaign? Public school teachers distribute to their pupils cards supplied by church groups, so that the parents may indicate whether they desire religious instruction for their children. For those desiring it, religious classes are conducted in the regular classrooms of the public schools by teachers of religion paid by the churches and appointed by them, but, as the State court found, "subject to the approval and supervision of the superintendent." The courses do not profess to give secular instruction in subjects concerning religion. Their candid purpose is sectarian teaching. While a child can go to any of the religious classes offered, a particular sect wishing a teacher for its devotees requires the permission of the school superintendent, who in turn will determine whether or not it is practical for said group to teach in said school system. If no provision is made for religious instruction in the particular faith of a child, or if for other reasons the child is not enrolled in any of the offered classes, he is required to attend a regular school class, or a study period during which he is often left to his own devices. Reports of attendance in the religious classes are submitted by the religious instructor to the school authorities, and the child who fails to attend is presumably deemed a truant.

Religious education so conducted on school time and property is patently woven into the working scheme of the school. The Champaign arrangement thus presents powerful elements of inherent pressure by the school system in the interest of religious sects. The fact that this power has not been used to discriminate is beside the point. Separation is a requirement to abstain from fusing functions of Government and of religious sects, not merely to treat them all equally. That a child is offered an alternative may reduce the constraint; it does not eliminate the operation of influence by the school in matters sacred to conscience and outside the school's domain. The law of imitation operates, and nonconformity is not an outstanding characteristic of children. The result is an obvious pressure upon children to attend. Again, while the Champaign school population represents only a fraction of the more than 250 sects of the Nation, not even all the practicing sects in Champaign are willing or able to provide religious instruction. The children belonging to these nonparticipating sects will thus have inculcated in them a feeling of separatism when the school should be the training ground for habits of community, or they will have religious instruction in a faith which is not that of their parents. As a result, the public school system of Champaign actively furthers inculcation in the religious tenets of some faiths, and in the process sharpens the consciousness of religious differences at least among some of the children committed to its care. These are consequences not amenable to statistics. But they are precisely the consequences against which the Constitution was directed when it prohibited the Government common to all from becoming embroiled, however innocently, in the destructive religious conflicts of which the history of even this country records some dark pages.

Mention should not be omitted that the integration of religious instruction within the school system as practiced in Champaign is supported by arguments drawn from educational theories as diverse as those derived from Catholic conceptions and from the writings of John Dewey. Movements like "released time" are seldom single in origin or aim. Nor can the intrusion of religious instruction into the public-school system of Champaign be minimized by saying that it absorbs less than an hour a week; in fact, that affords evidence of a design constitutionally objectionable. If it were merely a question of enabling a child to obtain religious instruction with a receptive mind the 30 or 45 minutes could readily be found on Saturday or Sunday. If that were all, Champaign might have drawn upon the French system,

known in its American manifestation as "dismissed time," whereby one school day is shortened to allow all children to go where they please, leaving those who so desire to go to a religious school. The momentum of the whole school atmosphere and school planning is presumably put behind religious instruction, as given in Champaign, precisely in order to secure for the religious instruction such momentum and planning. To speak of "released time" as being only half or three-quarters of an hour is to draw a thread from a fabric.

We do not consider, as indeed we could not, school programs not before us which, though colloquially characterized as "released time," present situations differing in aspects that may well be constitutionally crucial. Different forms which "released time" has taken during more than 30 years of growth include programs which, like that before us, could not withstand the test of the Constitution; others may be found unexceptionable. We do not now attempt to weigh in the constitutional scale every separate detail or various combination of factors which may establish a valid "released time" program. We find that the basic constitutional principle of absolute separation was violated when the State of Illinois, speaking through its supreme court, sustained the school authorities of Champaign in sponsoring and effectively furthering religious beliefs by its educational arrangement.

Separation means separation, not something less. Jefferson's metaphor in describing the relation between church and state speaks of a "wall of separation," not of a fine line easily overstepped. The public school is at once the symbol of our democracy and the most pervasive means for promoting our common destiny. In no activity of the State is it more vital to keep out divisive forces than in its schools, to avoid confusing, not to say fusing, what the Constitution sought to keep strictly apart. "The great American principle of eternal separation"—Elihu Root's phrase bears repetition—is one of the vital reliances of our constitutional system for assuring unities among our people stronger than our diversities. It is the Court's duty to enforce this principle in its full integrity.

We renew our conviction that "we have staked the very existence of our country on the faith that complete separation between the state and religion is best for the state and best for religion" (*Everson* v. *Board of Education* (330 U. S. at 59)). If nowhere else, in the relation between church and state, "good fences make good neighbors."

MR. JUSTICE JACKSON, CONCURRING

I join the opinion of Mr. Justice Frankfurter, and concur in the result reached by the Court, but with these reservations: I think it is doubtful whether the facts of this case establish jurisdiction in this Court, but in any event that we should place some bounds on the demands for interference with local schools that we are empowered or willing to entertain. I make these reservations a matter of record in view of the number of litigations likely to be started as a result of this decision.

A Federal court may interfere with local school authorities only when they invade either a personal liberty or a property right protected by the Federal Constitution. Ordinarily this will come about in either of two ways:

First. When a person is required to submit to some religious rite or instruction or is deprived or threatened with deprivation of his freedom for resisting such unconstitutional requirement. We may then set him free or enjoin his prosecution. Typical of such cases was *West Virginia State Board of Education* v. *Barnette* (319 U. S. 624). There penalties were threatened against both parent and child for refusal of the latter to perform a compulsory ritual which offended his convictions. We intervened to shield them against the penalty. But here, complainant's son may join religious classes if he chooses and if his parents so request, or he may stay out of them. The complaint is that when others join and he does not it sets him apart as a dissenter, which is humiliating. Even admitting this to be true, it may be doubted whether the Constitution which, of course, protects the right to dissent, can be construed also to protect one from the embarrassment that always attends nonconformity, whether in religion, politics, behavior or dress. Since no legal compulsion is applied to complainant's son himself and no penalty is imposed or threatened from which we may relieve him, we can hardly base jurisdiction on this ground.

Second. Where a complainant is deprived of property by being taxed for unconstitutional purposes, such as directly or indirectly to support a religious establishment. We can protect a taxpayer against such a levy. This was the Everson case, 330 U. S. 1, as I saw it then and see it now. It was complained in that case that the school treasurer drew a check on public funds to reimburse parents for a child's bus fare if he went to a Catholic parochial school or a public school, but not if he went to any other private or denominational school. Reference to the record in that case will show that the school district was not operating busses, so it was not a question of allowing Catholic children to ride publicly owned busses along with others, in the interests of their safety, health, or morals. The child had to travel to and from parochial school on commercial busses like other paying passengers and all other school children, and he was exposed to the same dangers. If it could, in fairness, have been said that the expenditure was a measure for the protection of the safety, health, or morals of youngsters, it would not merely have been constitutional to grant it; it would have been unconstitutional to refuse it to any child merely because he was a Catholic. But in the Everson case there was a direct, substantial and measurable burden on the complainant as a taxpayer to raise funds that were used to subsidize transportation to parochial schools. Hence, we had jurisdiction to examine the constitutionality of the levy and to protect against it if a majority had agreed that the subsidy for transportation was unconstitutional.

In this case, however, any cost of this plan to the taxpayers is incalculable and negligible. It can be argued, perhaps, that religious classes add some wear and tear on public buildings and that they should be charged with some expense for heat and light even though the sessions devoted to religious instruction do not add to the length of the school day. But the cost is neither substantial nor measurable, and no one seriously can say that the complainant's tax bill has been proved to be increased because of this plan. I think it is doubtful whether the taxpayer in this case has shown any substantial property injury.

If, however, jurisdiction is found to exist, it is important that we circumscribe our decision with some care. What is asked is not a defensive use of judicial power to set aside a tax levy or reverse a conviction, or to enjoin threats of prosecution or taxation. The relief demanded in this case is the extraordinary writ of mandamus to tell the local board of education what it must do. The prayer for relief is that a writ issue against the Board of Education "ordering it to immediately adopt and enforce rules and regulations prohibiting all instruction in and teaching of religious education in all public schools * * * and in all public school houses and buildings in said district when occupied by public schools." The plaintiff, as she has every right to be, is an avowed atheist. What she has asked of the courts is that they not only end the "released time" plan but also ban every form of teaching which suggests or recognizes that there is a God. She would ban all teaching of the Scriptures. She especially mentions as an example of invasion of her rights "having pupils learn and recite such statements as, 'The Lord is my Shepherd. I shall not want.'" And she objects to teaching that the King James version of the Bible "is called the Christian's guide book, the Holy Writ, and the Word of God," and many other similar matters. This Court is directing the Illinois courts generally to sustain plaintiff's complaint without exception of any of these grounds of complaint, without discriminating between them, and without laying down any standards to define the limits of the effect of our decision.

To me, the sweep and detail of these complaints is a danger signal which warns of the kind of local controversy we will be required to arbitrate if we do not place appropriate limitation on our decision and exact strict compliance with jurisdictional requirements. Authorities list 256 separate and substantial religious bodies to exist in continental United States. Each of them, through the suit of some discontented but unpenalized and untaxed representative, has as good a right as this plaintiff to demand that the courts compel the schools to sift out of their teaching everything inconsistent with its doctrines. If we are to eliminate everything that is objectionable to any of these warring sects or inconsistent with any of their doctrines, we will leave public education in shreds. Nothing but educational confusion and a discrediting of the public school system can result from subjecting it to constant law suits.

While we may and should end such formal and explicit instruction as the Champaign plan and can at all times prohibit teaching of creed and catechism and ceremonial and can forbid forthright proselyting in the schools, I think it remains to be demonstrated whether it is possible, even if desirable, to comply with such demands as plaintiff's completely to isolate and cast out of secular education all that some people may reasonably regard as religious instruction. Perhaps subjects such as mathematics, physics, or chemistry are, or can be, completely secularized. But it would not seem practical to teach either practice or appreciation of the arts if we are to forbid exposure of youth to any religious influences. Music without sacred music, architecture minus the cathedral, or painting without the Scriptural themes would be eccentric and incomplete, even from a secular point of view. Yet the inspirational appeal of religion in these guises is often stronger than in forthright sermon. Even such a science as biology raises the issue between evolution and creation as an explanation of our presence on this planet. Certainly a course in English literature that omitted the Bible and other powerful uses of our mother tongue for religious ends would be pretty barren. And I should suppose it is a proper, if not an indispensable, part of preparation for a worldly life to know the roles that religion and religions have played in the tragic story of mankind. The fact is that, for good or for ill, nearly everything in our culture worth transmitting, everything which gives meaning to life, is saturated with religious influences, derived from paganism, Judaism, Christianity—both Catholic and Protestant—and other faiths accepted by a large part of the world's peoples. One can hardly respect a system of education that would leave the student wholly ignorant of the currents of religious thought that move the world society for a part in which he is being prepared.

But how one can teach, with satisfaction or even with justice to all faiths, such subjects as the story of the Reformation, the Inquisition, or even the New England effort to found "a church without a bishop and a state without a king," is more than I know.

It is too much to expect that mortals will teach subjects about which their contemporaries have passionate controversies with the detachment they may summon to teaching about remote subjects such as Confucius or Mahomet. When instruction turns to proselyting and imparting knowledge becomes evangelism is, except in the crudest cases, a subtle inquiry.

The opinions in this case show that public educational authorities have evolved a considerable variety of practices in dealing with the religious problem. Neighborhoods differ in racial, religious, and cultural compositions. It must be expected that they will adopt different customs which will give emphasis to different values and will induce different experiments. And it must be expected that, no matter what practice prevails, there will be many discontented and possibly belligerent minorities. We must leave some flexibility to meet local conditions, some chance to progress by trial and error. While I agree that the religious classes involved here go beyond permissible limits, I also think the complaint demands more than plaintiff is entitled to have granted. So far as I can see this Court does not tell the State court where it may stop, nor does it set up any standards by which the State court may determine that question for itself.

The task of separating the secular from the religious in education is one of magnitude, intricacy, and delicacy. To lay down a sweeping constitutional doctrine as demanded by complainant and apparently approved by the Court, applicable alike to all school boards of the Nation, "to immediately adopt and enforce rules and regulations prohibiting all instruction in and teaching of religious education in all public schools," is to decree a uniform, rigid, and, if we are consistent, an unchanging standard for countless school boards representing and serving highly localized groups which not only differ from each other but which themselves from time to time change attitudes. It seems to me that to do so is to allow zeal for our own ideas of what is good in public instruction to induce us to accept the role of a super board of education for every school district in the Nation.

It is idle to pretend that this task is one for which we can find in the Constitution one word to help us as judges to decide where the secular ends and the sectarian begins in education. Nor can we find guidance in any other legal source. It is a matter on which we can find no law but our own prepossessions. If with no surer legal guidance we are to take up and decide every variation of this controversy, raised by persons not subject to penalty or tax but who are dissatisfied with the way schools are dealing with the problem, we are likely to have much business of the sort. And, more importantly, we are likely to make the legal wall of separation between church and state as winding as the famous serpentine wall designed by Mr. Jefferson for the university he founded.

MR. JUSTICE REED, DISSENTING

The decisions reversing the judgment of the Supreme Court of Illinois interpret the prohibition of the first amendment against the establishment of religion, made effective as to the States by the fourteenth amendment, to forbid pupils of the public schools electing, with the approval of their parents, courses in religious education. The courses are given, under the school laws of Illinois as approved by the supreme court of that State, by lay or clerical teachers supplied and directed by an interdenominational, local council of religious education. The classes are held in the respective school buildings of the pupils at study or released time periods so as to avoid conflict with recitations. The teachers and supplies are paid for by the interdenominational group. As I am convinced that this interpretation of the first amendment is erroneous, I feel impelled to express the reasons for my disagreement. By directing attention to the many instances of close association of church and state in American society and by recalling that many of these relations are so much a part of our tradition and culture that they are accepted without more, this dissent may help in an appraisal of the meaning of the clause of the first amendment concerning the establishment of religion and of the reasons which lead to the approval or disapproval of the judgment below.

The reasons for the reversal of the Illinois judgment, as they appear in the respective opinions, may be summarized by the following excerpts. The opinion of the Court after stating the facts, says: "The foregoing facts, without reference to others that appear in the record, show the use of tax-supported property for religious instruction and the close cooperation between the school authorities and the religious council in promoting religious education. * * * And it falls squarely under the ban of the first amendment (made applicable to the States by the fourteenth) as we interpret it in *Everson* v. *Board of Education*, 330 U. S. 1." Another opinion phrases it thus: "We do not now attempt to weigh in the constitutional scale every separate detail or various combination of factors which may establish a valid 'released time' program. We find that the basic constitutional principle of absolute separation was violated when the State of Illinois, speaking by its supreme court, sustained the school authorities of Champaign in sponsoring and effectively furthering religious beliefs by its educational arrangement." These expressions in the decisions seem to leave open for further litigation variations from the Champaign plan. Actually, however, future cases must run the gantlet not only of the judgment entered but of the accompanying words of the opinions. I find it difficult to extract from the opinions any conclusion as to what it is in the Champaign plan that is unconstitutional. Is it the use of school buildings for religious instruction; the release of pupils by the schools for religious instruction during school hours; the so-called assistance by teachers in handing out the request cards to pupils, in keeping lists of them for release and records of their attendance; or the action of the principals in arranging an opportunity for the classes and the appearance of the council's instructors? None of the reversing opinions say whether the purpose of the Champaign plan for religious instruction during school hours is unconstitutional or whether it is some ingredient used in or omitted from the formula that makes the plan unconstitutional.

From the tenor of the opinions, I conclude that their teachings are that any use of a pupil's schooltime whether that use is on or off the school grounds, with the necessary school regulations to facilitate attendance, falls under the ban. I reach this conclusion notwithstanding one sentence of indefinite meaning in the second opinion: "We do not consider, as indeed we could not, school programs not before us which, though colloquially characterized as 'released time,' present situations differing in aspects that may well be constitutionally crucial." The use of the words "cooperation," "fusion," "complete hands-off," "integrate," and "integrated" to describe the relations between the school and the council in the plan evidences this. So does the interpretation of the word "aid." The criticized "momentum of the whole school atmosphere," "feeling of separatism" engendered in the nonparticipating sects, "obvious pressure * * * to attend," and "divisiveness" lead to the stated conclusion. From the holding and the language of the opinions, I can only deduce that religious instruction of public-school children during school hours is prohibited. The history of American education is against such an interpretation of the first amendment.

The opinions do not say in words that the condemned practice of religious education is a law respecting an establishment of religion contrary to the first amendment. The practice is accepted as a State law by all. I take it that when the opinion of the Court says that "The operation of the State's compulsory education system thus assists and is integrated with the program of religious instruction carried on by separate religious sects" and concludes, "This is beyond all question a utilization of the tax-established and tax-supported public-school system to aid religious groups to spread their faith," the intention of its author is to rule that this practice is a law "respecting an establishment of religion." That was the basis of *Everson* v. *Board of Education* (330 U. S. 1). It seems obvious that the action of the school board in permitting religious education in certain grades of the schools by all faiths did not prohibit the free exercise of religion. Even assuming that certain children who did not elect to take instruction are embarrassed to remain outside of the classes, one can hardly speak of that embarrassment as a prohibition against the free exercise of religion. As no issue of prohibition upon the free exercise of religion is before us, we need only examine the school board's action to see if it constitutes an establishment of religion.

The facts, as stated in the reversing opinions, are adequately set out if we interpret the abstract words used in the light of the concrete incidents of the record. It is correct to say that the parents "consented" to the religious instruction of the children, if we understand consent to mean the signing of a card like the one in the margin. It is correct to say that "instructors were subject to the approval and supervision of the superintendent of schools," if it is understood that there were no definitive written rules and that the practice was as is shown in the excerpts from the findings below. The substance of the religious-education course is determined by the members of the various churches on the council, not by the superintendent. The evidence and findings set out in the two preceding notes convince me that the approval and supervision referred to above are not of the teachers and the course of studies but of the orderly presentation of the courses to those students who may elect the instruction. The teaching largely covered Biblical incidents. The religious teachers and their teachings, in every real sense, were financed and regulated by the Council of Religious Education, not the school board.

The phrase "an establishment of religion" may have been intended by Congress to be aimed only at a state church. When the first amendment was pending in Congress in substantially its present form, "Mr. Madison said, he apprehended the meaning of the words to be, that Congress should not establish a religion, and enforce the legal observation of it by law, nor compel men to worship God in any manner contrary to their conscience." Passing years, however, have brought about acceptance of a broader meaning, although never until today, I believe, has this Court widened its interpretation to any such degree as holding that recognition of the interest of our Nation in religion, through the granting, to qualified representatives of the principal faiths, of opportunity to present religion as an optional, extracurricular subject during released school time in public-school buildings, was equivalent to an establishment of religion. A reading of the general statements of eminent statesmen of former days, referred to in the opinions in this and *Everson* v. *Board of Education*, supra, will show that circumstances such as those in this case were far from the minds of the authors. The words and spirit of

those statements may be wholeheartedly accepted without the least impugning the judgment of the State of Illinois.

Mr. Jefferson, as one of the founders of the University of Virginia, a school which from its establishment in 1819 has been wholly governed, managed and controlled by the State of Virginia, was faced with the same problem that is before this court today: the question of the constitutional limitation upon religious education in public schools. In his annual report as rector, to the president and directors of the literary fund, dated October 7, 1822, approved by the visitors of the university, of whom Mr. Madison was one, Mr. Jefferson set forth his views at some length. These suggestions of Mr. Jefferson were adopted and chapter II, section 1, of the regulations of the university of October 4, 1824, provided that:

"Should the religious sects of this State, or any of them, according to the invitation held out to them, establish within, or adjacent to, the precincts of the university, schools for instruction in the religion of their sect, the students of the university will be free, and expected to attend religious worship at the establishment of their respective sects, in the morning, and in time to meet their school in the university at its stated hour."

Thus, the wall of separation between church and state that Mr. Jefferson built at the university which he founded did not exclude religious education from that school. The difference between the generality of his statements on the separation of church and state and the specificity of his conclusions on education are considerable. A rule of law should not be drawn from a figure of speech.

Mr. Madison's Memorial and Remonstrance Against Religious Assessments, relied upon by the dissenting Justices in Everson, is not applicable here. Mr. Madison was one of the principal opponents in the Virginia General Assembly of a bill establishing a provision for teachers of the Christian religion. The moneys raised by the taxing section of that bill were to be appropriated "by the vestries, elders, or directors of each religious society, * * * to a provision for a minister or teacher of the gospel of their denomination, or the providing places of divine worship, and to none other use whatsoever. * * *" The conclusive legislative struggle over this act took place in the fall of 1785, before the adoption of the Bill of Rights. The remonstrance had been issued before the General Assembly convened and was instrumental in the final defeat of the act which died in committee. Throughout the Remonstrance, Mr. Madison speaks of the "establishment" sought to be effected by the act. It is clear from its historical setting and its language that the Remonstrance was a protest against an effort by Virginia to support Christian sects by taxation. Issues similar to those raised by the instant case were not discussed. Thus, Mr. Madison's approval of Mr. Jefferson's report as rector gives, in my opinion, a clearer indication of his views on the constitutionality of religious education in public schools than his general statements on a different subject.

This Court summarized the amendment's accepted reach into the religious field, as I understand its scope, in *Everson* v. *Board of Education*, supra. The Court's opinion quotes the gist of the Court's reasoning in Everson. I agree as there stated that none of our governmental entities can "set up a church." I agree that they cannot "aid" all or any religions or prefer one "over another." But "aid" must be understood as a purposeful assistance directly to the church itself or to some religious group or organization doing religious work of such a character that it may fairly be said to be performing ecclesiastical functions. "Prefer" must give an advantage to one "over another." I agree that pupils cannot "be released in part from their legal duty" of school attendance upon condition that they attend religious classes. But as Illinois has held that it is within the discretion of the school board to permit absence from school for religious instruction no legal duty of school attendance is violated (396 Ill. 14). If the sentence in the Court's opinion, concerning the pupils' release from legal duty, is intended to mean that the Constitution forbids a school to excuse a pupil from secular control during school hours to attend voluntarily a class in religious education, whether in or out of school buildings, I disagree. Of course, no tax can be levied to support organizations intended "to teach or practice religion." I agree, too, that the State cannot influence one toward religion against his will or punish him for his beliefs. Champaign's religious-education course does none of these things.

It seems clear to me that the aid referred to by the Court in the Everson case could not have been those incidental advantages that religious bodies, with other groups similarly situated, obtain as a by-product of organized society. This explains the well-known fact that all churches receive aid from Government in the form of freedom from taxation. The Everson decision itself justified the transportation of children to church schools by New Jersey for safety reasons. It accords with *Cochran* v. *Louisiana State Board of Education* (281 U. S. 370), where this Court upheld a free textbook statute of Louisiana against a charge that it aided private schools on the ground that the books were for the education of the children, not to aid religious schools. Likewise, the National School Lunch Act aids all school children attending tax-exempt schools. In *Bradfield* v. *Roberts* (175 U. S. 291), this Court held proper the payment of money by the Federal Government to build an addition to a hospital, chartered by individuals who were members of a Roman Catholic sisterhood, and operated under the auspices of the Roman Catholic Church. This was done over the objection that it aided the establishment of religion. While obviously in these instances the respective churches, in a certain sense, were aided, this Court has never held that such aid was in violation of the first or the fourteenth amendments.

Well-recognized and long-established practice support the validity of the Illinois statute here in question. That statute, as construed in this case, is comparable to those in many States. All differ to some extent. New York may be taken as a fair example. In many States the program is under the supervision of a religious council composed of delegates who are themselves communicants of various faiths. As is shown by *Bradfield* v. *Roberts*, supra, the fact that the members of the council have religious affiliations is not significant. In some, instruction is given outside of the school buildings; in others, within these buildings. Metropolitan centers like New York usually would have available quarters convenient to schools. Unless smaller cities and rural communities use the school building at times that do not interfere with recitations, they may be compelled to give up religious education. I understand that pupils not taking religious education usually are given other work of a secular nature within the schools. Since all these States use the facilities of the schools to aid the religious education to some extent, their desire to permit religious education to school children is thwarted by this Court's judgment. Under it, as I understand its language, children cannot be released or dismissed from school to attend classes in religion while other children must remain to pursue secular education. Teachers cannot keep the records as to which pupils are to be dismissed and which retained. To do so is said to be an aid in establishing religion; the use of public money for religion.

Cases running into the scores have been in the State courts of last resort that involved religion and the schools. Except where the exercises with religious significance partook of the ceremonial practice of sects or groups, their constitutionality has been generally upheld. Illinois itself promptly struck down as violative of its own constitution required exercises partaking of a religious ceremony (*People ex rel. Ring* v. *Board of Education* (245 Ill. 334)). In that case compulsory religious exercises—a reading from the King James Bible, the Lord's Prayer, and the singing of hymns—were forbidden as worship services. In this case, the Supreme Court of Illinois pointed out that in the Ring case, the activities in the school were ceremonial and compulsory; in this, voluntary and educational (396 Ill. 14, 20–21).

The practices of the Federal Government offer many examples of this kind of aid by the State to religion. The Congress of the United States has a chaplain for each House who daily invokes divine blessings and guidance for the proceedings. The armed forces have commissioned chaplains from early days. They conduct the public services in accordance with the liturgical requirements of their respective faiths, ashore and afloat, employing for the purpose property belonging to the United States and dedicated to the services of religion. Under the Servicemen's Readjustment Act of 1944, eligible veterans may receive training at Government expense for the ministry in denominational schools. The schools of the District of Columbia have opening exercises which include a reading from the Bible without note or comment, and the Lord's prayer.

In the United States Naval Academy and the United States Military Academy, schools wholly supported and completely controlled by the Federal Government, there are a number of religious activities. Chaplains are attached to both schools. Attendance at church services on Sunday is compulsory at both the Military and Naval Academies. At West Point the Protestant services are held in the cadet chapel, the Catholic in the Catholic chapel, and the Jewish in the old cadet chapel; at Annapolis only Protestant services are held on the reservation, midshipmen of other religious persuasions attend the churches of the city of Annapolis. These facts indicate that both schools since their earliest beginnings have maintained and enforced a pattern of participation in formal worship.

With the general statements in the opinions concerning the constitutional requirement that the Nation and the States, by virtue of the first and fourteenth amendments, may "make no law respecting an establishment of religion," I am in agreement. But, in the light of the meaning given to those words by the precedents, customs, and practices which I have detailed above, I cannot agree with the Court's conclusion that when pupils compelled by law to go to school for secular education are released from school so as to attend the religious classes, churches are unconstitutionally aided. Whatever may be the wisdom of the arrangement as to the use of the school buildings made with the Champaign Council of Religious Education, it is clear to me that past practice shows such cooperation between the schools and a nonecclesiastical body is not forbidden by the first amendment. When actual church services have always been permitted on Government property, the mere use of the school buildings by a nonsectarian group for religious education ought not to be condemned as an establishment of religion. For a nonsectarian organization to give the type of instruction here offered cannot be said to violate our rule as to the establishment of religion by the State. The prohibition of enactments respecting the establishment of religion do not bar every friendly gesture be-

tween church and state. It is not an absolute prohibition against every conceivable situation where the two may work together any more than the other provisions of the first amendment—free speech, free press—are absolutes. If abuses occur such as the use of the instruction hour for sectarian purposes, I have no doubt, in view of the Ring case, that Illinois will promptly correct them. If they are of a kind that tend to the establishment of a church or interfere with the free exercise of religion, this Court is open for a review of any erroneous decision. This Court cannot be too cautious in upsetting practices embedded in our society by many years of experience. A State is entitled to have great leeway in its legislation when dealing with the important social problems of its population. A definite violation of legislative limits must be established. The Constitution should not be stretched to forbid national customs in the way courts act to reach arrangements to avoid Federal taxation. Devotion to the great principle of religious liberty should not lead us into a rigid interpretation of the constitutional guaranty that conflicts with accepted habits of our people. This is an instance where, for me, the history of past practices is determinative of the meaning of a constitutional clause not a decorous introduction to the study of its text. The judgment should be affirmed.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McMAHON. I would not agree with the Senator's interpretation of the Supreme Court decisions in the Everson and the Champaign cases.

Mr. TAFT. I may say that I am not relying particularly on them. I have placed them in the RECORD only in order that the whole situation may appear in the RECORD. My basis for defending section 6 of the bill is that I do not think we can do anything else unless we are prepared to interfere with the educational system desired by the people of each State.

Mr. McMAHON. The point I make to the Senator is that I think he has read into the decision of the Everson case, in which the Court ruled that the transportation of non-public-school children was constitutional, more than what the Court said was prohibited by the injunction that there must be an impregnable wall between church and state. As I see the situation, the Court has prohibited any expenditure for other than welfare services. Certainly if the Senator's proposition was correct that the decision in the Everson case was strictly limited to bus transportation, the furnishing of school lunches would be in derogation of the first amendment if furnished to non-public-school children. I do not think that that is the intent of the decision.

Returning for a moment to the Senator's formula which he has inserted in the bill, namely, that the money shall be disbursed at the election of the State, depending upon its State constitution, I ask the Senator if the money that is allocated to each State is not allocated on the basis of a total census of the children in that State from 5 to 17 years of age. Is not that true?

Mr. TAFT. Yes; that is correct.

Mr. McMAHON. Regardless of whether they go to a public school, non-public school, or whether they do not go to school at all?

Mr. TAFT. That is correct.

Mr. McMAHON. That is correct. Now when the Senator proposes to disburse the funds in those States which do not have an option, he would do so on the basis of public-school children alone, would he not?

Mr. TAFT. That is correct. The disbursement is on the basis of assuring or guaranteeing each school district $50 per child in average daily attendance in that district. Yes; that is correct.

Mr. McMAHON. That is true. In other words, the Senator has counted in 2,500,000 non-public-school children for the sake of computing the amount of money that shall go to the States, and after he has counted them in for the purpose of allocating the money to the States, he really counts out the 2,500,000 children so far as any receipt of any benefit, even to the point that it can come under the Supreme Court's decision?

Mr. TAFT. No, no.

Mr. McMAHON. The Senator says, "No, no." I can anticipate the Senator's response. He will say that it is true in those States whose constitutions permit it. But I call the attention of the Senator to the factual situation, which is this: Only 16 States under their laws permit bus transportation to nonpublic-school children. It is not only a question of whether or not they permit transportation. It is also a question whether, under this bill, they would take any of the funds, even though they had the right constitutionally to do it, and allocate them to nonpublic-school children. Because the cry for increases in teachers' salaries is such, they will probably take it all. The result will be that the 2,500,000 nonpublic-school children, although counted in, as a practical matter will be totally counted out. If that is the policy of the Congress, very well. We shall find that out later. That will be determined by the vote.

Mr. TAFT. Mr. President, I think the Senator's argument is wholly fallacious. In the first place, there is the question of the formula on which the money is distributed to the States. That formula is based on the school population of the States. As between the States, whether there are more parochial-school children in one State or in another, the school population probably averages out fairly well. I do not know what the figures are. But what we want is a definite formula. If we try to base the formula upon the number of pupils in average daily attendance, those figures are collected by the States. They are more or less indefinite. On the other hand, this particular school population figure is determined by the Census Bureau. We have a perfectly definite formula. As between the different States, the money is not given to them for those particular children. That is simply a basis of calculation, according to the formula.

I do not greatly object, if the Senator wishes to offer an amendment, to saying that it shall be the school population of the State less the number of children who have been habitually accustomed to attend private schools. That is perfectly agreeable to me. It makes a little more difficult formula; but if the Senator wishes to offer such an amendment, I certainly shall be glad to accept it.

That is an entirely different question from the question whether we are to force a State which, by its constitution and system, has adopted an educational system which provides that no money shall be devoted to private schools, but that the money shall be spent through public schools, to accept a different system of education through a system of Federal aid. If anything of that kind were proposed, I would be against the bill, because that would be the beginning of a basis for undertaking to dictate from Washington the kind of educational system which the people of a State might have. I think that is a fundamentally different question from the question of the formula. We can change the formula. I am glad to adopt any suggestion which the Senator wishes to make in that connection.

Mr. McMAHON. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. McMAHON. I should like to point out to the Senator that while it is his opinion that my argument is fallacious, I must say that I cannot follow his last point, that the provision of certain welfare services by the Federal Government to children would be the start of a program to dictate from Washington the education of those children, any more than it is interfering in the education of the child to provide him with a hot lunch, whether he be in a public or nonpublic school.

Mr. TAFT. These are not welfare services. These are purely educational services. The bill deals with nothing but educational services. Transportation is merely one feature of the cost of education. It has nothing to do with welfare services. The entire question of providing lunches, and health services is wholly apart from the question of education. Last year I was the author of a hospital bill in which direct Federal aid was given to all kinds of denominational hospitals. I have no objection to that kind of Federal aid. However, the question involved in this bill is purely a question of education, and a question of the educational system in each State. I do not see how we can say to a State, "You must permit this Federal money to do something which you are refusing to do."

Of course, we have objections from the other side. We have the Protestant objection, that the bill would permit Federal funds to be used, possibly indirectly, through furnishing transportation, which seems to be constitutional, for the support of parochial schools. I do not recognize that objection. If the people of the State want to operate their school system that way, we are simply helping them to operate their school system. I think that objection is equally unsound.

Mr. McMAHON. The Senator totally misconceives the point which the Senator from Connecticut is trying to make. Perhaps I have not made it very clear. I shall try again, briefly.

In this grant there is contained a sufficient sum of money not only for increasing the salaries of school teachers,

but also for providing welfare services, such as bus transportation, recreation facilities, and health programs, for every child in the public schools who comes under the age provisions. My point is that if we are to grant money for welfare services, we should see to it that all children in the Nation receive the kind of welfare services which they can constitutionally receive. It is not a question of religion. There is no Catholic viewpoint, no Lutheran viewpoint, and no Protestant viewpoint, so far as my argument is concerned.

My argument is concerned with seeing to it that there is given to each child in the country the kind of welfare services which we can constitutionally furnish. I realize that under the Champaign case we cannot appropriate money to be used to pay teachers' salaries; but we can provide bus transportation, and we can give each child a pint of milk. We can look at their teeth; and I think we can furnish them nonreligious textbooks.

Mr. TAFT. The bill has nothing to do with teeth. It has nothing to do with lunches. It has nothing to do with welfare services. It is purely for education, and education only.

Mr. McMAHON. Does not the Senator realize that when the States get this money, a part of it will be expended for the very purposes which I have suggested?

Mr. TAFT. No; I do not so recognize it. The only other thing it is going for is transportation, and that is a part of the educational cost—in order to get a better education. As the Senator knows, there has been a movement for the consolidation of school districts. Instead of a dozen one-room schools, the tendency is to establish a central school district. If we are to do that, and improve education, we must meet the cost of bus transportation. The total cost of instruction may be reduced, although there may be an increase in the cost of bus transportation. That is not welfare service. That is a part of the educational expense.

Mr. McMAHON. How about fixing the teeth of school children?

Mr. TAFT. Fixing their teeth is purely a health service. It has nothing to do with education.

Mr. McMAHON. It can be paid for with a part of the money provided by this bill, can it not?

Mr. TAFT. No.

Mr. McMAHON. Cannot the State use a part of the money it receives under this bill for health services in the public schools?

Mr. TAFT. I question it. I do not think so.

Mr. McMAHON. I see nothing in the bill to prohibit it.

Mr. TAFT. Except that no school that I know of is willing to provide such services at the expense of the school. That responsibility is always placed on the health department. So far as I know, it is always considered a health service. I have a bill pending permitting physical examination of children in the schools. Under the terms of the bill which I have introduced, for general assistance to health, inspection of the teeth of children, and general physical examination would be permitted. That is an entirely different field from the field of education.

Mr. McMAHON. Mr. President, will the Senator yield for one further observation?

Mr. TAFT. I yield.

Mr. McMAHON. Because of a long-standing engagement I must leave to catch a plane for New York. I hope to continue this discussion tomorrow, to see if we cannot clarify the question of what may be done with the money provided for in the bill. I think the Senator will realize, after he considers the question, that under the terms of the bill the State, when it gets the money can use it for any general education expenses, which include teachers' salaries, janitors' salaries, coal for the furnace, recreational facilities, care of teeth, and transportation to and from school.

Mr. TAFT. Let me say a word to the Senator from Connecticut before he leaves the Chamber. I should be very glad to consider any amendments the Senator wishes to present. Outside of this formula suggestion, which is all right with me, so far as I am concerned, I myself cannot see what the Senator from Connecticut is proposing to do.

In the first place, aid cannot be given to these children, under the Supreme Court decisions, except to a very limited degree.

Mr. McMAHON. I recognize that.

Mr. TAFT. The only degree I can see is one of bus transportation.

What the Senator is asking is that although the State, through its own constitution, prohibits the use of State funds to do these things, nevertheless the Federal Government shall say, "Here is Federal money which you can use for that purpose."

That seems to be the rather narrow field of difference we have gotten down to. I do not see how we can follow the Senator's suggestion without abandoning the whole principle of home rule and State rule in connection with providing educational facilities.

I shall be glad to discuss the matter with the Senator tomorrow.

Mr. McMAHON. I hope I shall be able to enlighten the Senator tomorrow.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HATCH. Unfortunately, I am not too familiar with the bill. I am not on the committee. But from the discussion which has occurred, I have gathered that any grants which will go under this bill to the several States will be expended by them under their own constitutions and laws.

Mr. TAFT. That is correct.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. I should like to say something on the point the Senator from Connecticut was discussing. It was my hope that all matters relating to the health and the welfare of children might come under the provisions of any Federal-aid-to-education bill which might be enacted. I introduced a bill providing for that.

But as the hearings progressed, it became perfectly obvious that it would not be possible to pass at this time a bill requiring all the States to spend their money in a certain way, even for medical inspection in the schools, unless the particular State concerned desired to do so.

So, rather than have no health service at all rendered to the children by private schools, I have been very glad to support wholeheartedly the pending measure, Senate bill 472, because under this bill health and allied services can be provided to the school children of 19 States of the Union. Rather than have the children of all the States of the Union deprived of the use of any of these funds for health purposes, I have been very glad to go along with this bill, which does permit 19 States to use their funds for such purposes.

I think universal medical inspection and dental inspection should be provided for all our school children, no matter where they may go to school. But if we cannot provide it for all of them, let us provide it wherever we can, and that happens to be in 19 States where the school boards can spend money for such purposes.

Mr. TAFT. Mr. President, I now desire to summarize.

This bill is for the purpose of providing a minimum educational opportunity for the school children in the various States of the Union. It is intended to provide equality of education. I think there is nothing more important to the welfare of the people of the United States. Today we have spent and are spending billions of dollars in the world to protect our international position. I voted for those bills. But $7,000,000,000 of the funds appropriated for Europe this year will pay the bill for the particular function and service which is the purpose of the pending measure for 20 years. I do not believe the fact that we have international problems should prevent the consideration of the advance of human welfare in the United States.

It is popular to provide for public works. This year we have a program involving $2,800,000,000 for public works, as recommended by the President. Public works are nice things; we can see them. But when it comes down to the basic necessities of life and the basic elements of human welfare and human progress, there is nothing more important than education. It does not have the glamour that other things have, but it seems to me we must go forward in the field of education for our people, and I know of no way of going forward in that field to any substantial degree without providing some Federal financial assistance.

We have done the best we could with what we have had and with the financial and economic conditions we confront. But I believe very strongly indeed that in this field and in health and other fields dealing directly with human welfare, we must work out a sound system of improvement. I think—and this is where there is a perfectly possible field of difference—that the best form we have today is the form of Federal aid to the States, leaving complete control of the administration of the funds and the administration of the programs, for which they must have the primary responsibility, in the hands of the local

communities. That is the theory on which this bill is drawn. I think it is soundly drawn on that theory.

Therefore, I have to oppose any amendments which would provide for dictation from Washington in some form as to the way the educational systems shall be conducted or as to what shall be taught. Therefore, I believe that if we can establish, by means of the pending measure, a standard form of Federal aid, we shall have afforded a method by which the Federal Government may go forward in other fields.

True, the fund provided under this bill is not large. It is small indeed as compared to a national budget of approximately $40,000,000,000. But to a certain extent it is a marginal sum. Under present educational standards we do a good job for many of the people of the United States, but for the rest we do an inadequate job. Three hundred million dollars, when added to a total expenditure of $3,000,000,000 a year, will enable us to give to children who otherwise would not receive it a fair start in life, a start from which they can go on to make a definite contribution to their communities.

I think that by this bill we have a means of doing a job which no country has yet been able to do, and which will show the people of the world what a free government and what a free economy can ultimately accomplish in the field of human welfare.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 4790. An act to reduce individual income-tax payments, and for other purposes;

H. R. 5052. An act to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code; and

H. R. 5856. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. BRIDGES obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield for the suggestion of the absence of a quorum?

Mr. BRIDGES. I yield.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Brewster	Hickenlooper	O'Daniel
Bricker	Hill	O'Mahoney
Bridges	Hoey	Overton
Brooks	Holland	Pepper
Buck	Ives	Reed
Bushfield	Jenner	Revercomb
Byrd	Johnson, Colo.	Robertson, Va.
Cain	Johnston, S. C.	Robertson, Wyo.
Capehart	Kem	Russell
Capper	Kilgore	Saltonstall
Chavez	Knowland	Smith
Connally	Langer	Sparkman
Cooper	Lodge	Stennis
Cordon	Lucas	Stewart
Donnell	McCarran	Taft
Downey	McCarthy	Thomas, Okla.
Dworshak	McClellan	Thomas, Utah
Eastland	McFarland	Thye
Ecton	McGrath	Tobey
Ellender	McKellar	Vandenberg
Ferguson	Magnuson	Watkins
Flanders	Malone	Wherry
Fulbright	Martin	Wiley
George	Maybank	Williams
Green	Millikin	Wilson
Gurney	Moore	Young

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

TEMPORARY EXTENSION OF NATIONAL HOUSING ACT

Mr. FLANDERS. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield to the Senator from Vermont.

Mr. FLANDERS. Mr. President, I should like to ask for the immediate consideration of the bill (S. 2361) to provide for a temporary extension of the National Housing Act, as amended. The bill relates to title VI. Authority under it will expire March 31, and it is for that reason that I ask immediate consideration.

Mr. WHERRY. Mr. President, this request would require unanimous consent, because we are not to displace the unfinished business. If the distinguished Senator wants to take up the measure to which he refers, I think it ought to be done under a unanimous-consent request with the idea that it shall not displace the pending bill. Of course, in that event, anyone who wants to object would have a right to do so. I suggest to the distinguished Senator that if he wants immediate consideration of this bill, he request unanimous consent for its immediate consideration; also, with a provision that it shall not displace the unfinished business.

Mr. FLANDERS. Mr. President, I make the request for unanimous consent, with the understanding that the unfinished business shall not be affected.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Vermont?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield to the Senator from Ohio.

Mr. TAFT. Am I to understand that the bill provides for a continuation of title VI for 60 days?

Mr. FLANDERS. That is correct.

Mr. TAFT. Does the committee have a House bill continuing title VI?

Mr. FLANDERS. It has a House bill continuing title VI, which, on hasty examination, seems to be a good bill, but there is no possibility of our committee giving it consideration within the deadline.

Mr. TAFT. The deadline is the 31st of March, is it not?

Mr. FLANDERS. The 31st of March.

Mr. TAFT. I have no objection.

Mr. HAWKES. Mr. President, I understand that the House bill, which the Senator says appears to be a good bill, had only 1 day of hearings, and was passed very quickly by a unanimous-consent vote. Is that correct?

Mr. FLANDERS. That is what I have heard.

Mr. HAWKES. If that be so, I am very strongly opposed to taking hasty steps and foregoing consideration the House proposal. I am not at all in favor of extending for 60 days the provisions of the present act. If there be any possibility of having a hearing—and there are some 4 or 5 days within which hearings could be held—it seems to me we owe to the House the courtesy of considering the bill which it has passed. If it be agreeable to the Senate, it will become law and we shall have accomplished something, instead of trying to push the proposed legislation ahead for another 60 days without knowing very much about it.

Mr. FLANDERS. I would say to the distinguished Senator from New Jersey that the calendar of the Banking and Currency Committee is such that it is impossible to give the amount of consideration we should give to the bill in the time remaining before the act expires.

Mr. HAWKES. So far as I am concerned, Mr. President, I shall have to object to the unanimous-consent request to take the bill up at this time, because I want to know more about it and more about the hasty moves which are made of which most of us know very little until they are presented with a request for immediate action.

Mr. FLANDERS. Mr. President, my suggestion is for the purpose of avoiding haste. I wonder if, from that point of view, the Senator from New Jersey will withdraw his objection?

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. WHERRY. Mr. President, a point of order. I understand that objection is made. I think the Senator from Alabama should ask the Senator from New Jersey, first, to withhold his objection.

Mr. SPARKMAN. I shall ask the Senator from New Jersey to withhold his objection for one moment.

Mr. HAWKES. I shall be glad to withhold it until I hear what the Senator has to say.

Mr. SPARKMAN. Mr. President, I am of the opinion that the request which the Senator from Vermont has made meets exactly the objection which has been made. We are simply proposing to extend a provision of the law for 60 days in order that we may be able to go into the matter more thoroughly, rather than to take up the bill which the House has so quickly passed. The power runs out on March 31, and we are simply asking for a 60-day extension in order to

have time to study the whole problem more thoroughly.

Mr. FLANDERS. Mr. President, I would ask, in view of that statement, if the Senator from New Jersey will withdraw his objection, since our purpose is to meet his objection.

Mr. HAWKES. Mr. President, I have talked with some of the Members of the House, who feel that there is no reason in the world why the House bill, H. R. 5854, cannot be acted on in time to meet the date of March 31. I should like to say that there are Members of the House and the Senate who think there is a purpose in asking for an extension of 60 days instead of an extension of 30 days. The very fact that there is a purpose in asking for an extension of 60 days instead of 30 days makes me object to the unanimous-consent request of the Senator from Vermont.

Mr. FLANDERS. I should like to inquire of the Senator from New Jersey, if I may, if he would withdraw his objection if the extension were made 30 days instead of 60 days?

Mr. HAWKES. I think I should prefer not to withdraw my objection.

Mr. FLANDERS. In other words, the Senator objects.

Mr. WHERRY. Mr. President, what is the ruling of the Chair?

The PRESIDING OFFICER. Objection is made to the unanimous-consent request of the Senator from Vermont.

AMERICAN FOREIGN POLICY AND COMMUNISM

Mr. BRIDGES. Mr. President, a week ago today the President of the United States, addressing both Houses of Congress, offered hope for a change in American foreign policy. He indicated the Soviet Union by name as a ruthless aggressor reaching out greedily for yet more victims. His speech was given prominence by the fact that it coincided with the signing in Brussels of a 50-year military alliance by Great Britain, France, and the three Benelux nations. It was given heightened meaning by the fresh memory of the treacherous overthrow of Czechoslovak democracy, dramatized by the death of Jan Masaryk.

I am convinced that the American people, like nearly all of us in this Chamber, welcome the new firmness of the President. Our complaint is that he waited too long to speak out and that he did not go far enough. The aggressor whom he described has no ear for subtleties. He hears and understands only the language of power and the vocabulary of action. We dare not leave any fuzzy margins for doubt and misunderstanding in Moscow about our solemn determination to check the Soviet march of aggression.

Ever since Teheran some of us have been sick at heart as we watched the fruits of the hard-won victory, paid for with American blood and substance, being denied by totalitarian Russia. By this time there are few Americans so blind that they do not see the futility of our long years of appeasement, so callous that they do not share a sense of guilt over the tragic events.

The President attested formally what we already knew so well: That our humiliating road of appeasement has led the human race into another blind alley of military menace. Beginning with Teheran, through Yalta, Potsdam, and many conferences of secrecy, we have tried to bribe the masters of the Kremlin by throwing them chunks of territory and the freedoms of innocent populations.

This was morally shameful and politically unsound. It failed dismally. The power-drugged men of Moscow, like the men of Berlin before them, have refused to stay bribed. Each new appeasement has served them merely as a platform for launching new aggressions, in turn requiring new appeasements, in an endless chain.

The United States was the arsenal of democracy, even before we officially joined in the struggle. It was the Nation which simultaneously perfected an amazing industrial organization and mobilized the greatest fighting machine in all history. The shabby lies trumpeted by the Soviets cannot drown out the truth that the magnificent American contribution was decisive in winning the war. Without America the Soviet regime could not have survived.

It is our own fault that we failed to use the immense strength in our hand to guarantee a decent, equitable, and enduring peace. Let us be manly enough to acknowledge that fault and to recognize that it implies a moral obligation to repair the tragic damage that has already been done.

It seems wise to me to review our mistakes, for the sake of clarity in our thinking at the present critical juncture. At Teheran, against the wishes of our British ally, we made fatal concessions to the Soviet Union. Before the war was over we had sacrificed two of our allies, Poland and Yugoslavia. At Yalta we not only confirmed the Teheran betrayals but assigned half of Europe and the industrial heart of China—Manchuria—to the tender mercies of a government which knows no tenderness and mocks at mercy.

At San Francisco, America joined with Russia on the issue of the veto which I said at the time would make the United Nations impotent. Then, in hammering out the peace compacts with minor enemy nations, we surrendered to Moscow total dominion over Bulgaria, Rumania, and Hungary. America agreed to a reparations scheme for Italy that siphons off economic aid as fast as we can pump it in. We created a focus of war infection in Trieste. We left Italy exposed to the depredations of a Communist fifth column supported by the armed forces of neighboring "Titoslavia." We few who opposed the Italian Treaty of Peace have seen our prophecy become a tragic reality.

Our indecisive and vacillating foreign policy has jeopardized the military and political position of our country. Do we dare forget that it was under slogans of freedom, justice, and democracy that we sent our boys and girls to face death on the battlefields of the world? Can we live with our own conscience as we watch those promises to our glorious dead perverted and violated and despised?

Clear thinking and courageous action now demand that this recent record be again examined. Nothing is gained by glossing over the fact that many of those now honestly eloquent in warning against the Soviet threat to peace are themselves responsible for the situation. They participated in the sell-out of principle which has crowded the world into the present crisis. They connived in hiding immoral commitments and unprincipled dealings from the American people.

On each and every occasion when the late President or the State Department succumbed to Soviet pressure with another installment of appeasement, I put my opposition on record in this Chamber. On January 23, 1944, within a month after Mr. Roosevelt's return from Teheran, I said in a speech on this floor:

> What actually happened in Teheran? Why is it that the plans for a series of European confederations, advanced by our own leaders, have suddenly been forgotten? Is it our policy to sit by and by doing nothing allow the swallowing up of the Balkan nations? Our people want to know whether the rights of smaller and weaker peoples have been traded on the auction block of power politics with the passive consent if not the open connivance of the American Government.

Those questions brought a rejoinder from the distinguished Senator from Texas [Mr. CONNALLY] who was then chairman of the Foreign Relations Committee. This is what he said:

> The Senator from Texas will, at the proper time, when it is pertinent, certainly insist not only on the people knowing about it, but the Senate of the United States knowing about it. But the Senator from Texas is not inclined, in the midst of military operations, to try to anticipate what is going to happen after the war, and go around with a sharp stick punching every ally we have, and mouthing about someone having told something, when the President in explicit language said no commitments had been made. If the Senator wants any more assurances than that, I think he should take a trip across the seas and privately investigate this matter.

Well, now the people of America know what happened at Teheran and what was behind the late President's explicit assurances that no commitments had been made. We have learned the grim truth the hard way. Stalin and Molotov and Vishinsky told us when they grabbed Yugoslavia and Poland. They told us again when they took Bulgaria and Rumania and Hungary. They are still telling us in Czechoslovakia and Finland and Manchuria. They will continue to tell us until we summon the self-respect to tell them.

I believe firmly that if the American people had been taken into confidence by their leaders, 140,000,000 people in eastern Europe and millions more in northern China would not have been delivered into Soviet enslavement. Unhappily, we learned the sad facts slowly, piecemeal, in a series of shocks, when it was too late for our public opinion to undo the mischief.

On May 23, 1944, when it became apparent that our valorous allies Poland and Yugoslavia were being abandoned to a totalitarian fate, I again addressed the Senate and said:

> Certainly the American people have not gone into this struggle for the purpose of turning over Europe to the control of any nation or group of nations, much less to sub-

stitute the terrors of one dictatorship for another. It is not and it has not been our intention to divide, actually or in effect, the war-torn European nations into special spheres of influence or to reduce this or that section of Europe under the control of any nation, no matter how benevolently inclined such a nation might profess to be. We have no desire to be a party to the establishing of any postwar organization which is to be dominated by one, two, three, or four nations.

Those words of nearly 4 years ago sound mild today against the background of events that followed. The reality turned out to be even more horrifying than our most grim predictions.

In fairness it should be pointed out that many Americans in some measure share the blame for these years of appeasement for which the world pays such a heavy price. Some who saw the evil being brewed could not make their voices heard. Some thought it their duty to be silent anyway. Many, wholly in the interest of a united American front before the world, joined in a so-called bipartisan foreign policy, which unfortunately was sometimes operated to conceal mistakes and soft-pedal criticism.

Though men on this side of the aisle shared responsibility for the political phase of the war and the postwar policies, they never had an equal role in making those policies. They never enjoyed the full confidence of the administration. Regrettably, we sometimes surrendered the function of a loyal opposition so important in a democracy, without receiving the benefit of genuine participation in the development of policy.

We Americans are a virile people, nurtured on pioneer traditions. We have the courage to face critical issues. It was a serious blunder—a blunder the results of which are now all too evident—that the President and his associates failed to trust us. Had the whole Nation been allowed to know the facts and debate their implications, had the processes of democratic action not been blocked by headstrong and egocentric leaders, we would have come closer to achieving the purposes for which Americans fought, worked, and sacrificed.

I do not mean to impugn the motives of our wartime leadership. No doubt our leaders meant well. Yet our late President and three Secretaries of State—Hull, Stettinius, and Byrnes—failed to understand that the Soviet Union was busy not only waging a military war against Germany but a diplomatic war against their allies. They refused to heed those who did understand.

There is reason to believe that Mr. Roosevelt just before he died had become aware and alarmed by the course of events he had helped set in motion. Certainly Mr. Byrnes, as his recent pronouncements indicate, no longer has any illusions about the bankruptcy of our policies of appeasement. Two fundamental concepts of life, one geared to human freedom and the other to state despotism, face each other throughout the world. Those concepts are embodied in two great nations, the United States of America and the Soviet Union.

That confrontation was unnecessary. It could have been prevented. It is the direct result of short-sighted American policies. Once again the security of our country and the very survival of western civilization are being menaced. The only way in which we can head off a showdown in war is to act firmly, swiftly, boldly now, before it is too late.

The lateness of the present hour can best be measured by stating the advantage we have lost and the advantage Russia has gained. From the border nations of western Europe the Communists now control the earth eastward to our own Territory of Alaska. Whole nations, almost whole continents, have become engulfed by the Red tide of tyranny with which the sea of Soviet power has swelled since the war's end. The Communist conspiracy now dominates the largest land mass and the greatest number of peoples ever brought under a single control in all mortal history.

We of America, we who have never been conquered in war nor matched in productive power, have much to dread until we can restrain the flow of Soviet expansion. It would be suicidal to ignore this menace or to underestimate it. If allowed to expand unchecked, it may become powerful enough to impose its will not only on the whole Eurasian Continent but on our Western Hemisphere as well. That is why we have no choice but to act now to stop that expansion and then to reduce it.

We must recognize communism for what it is—a vast international conspiracy with tentacles in every country in the world, our own included. Whatever it may be in theory, it is in practice a great engine of power, operated by desperate, ruthless, unscrupulous men, who have no respect for human life; men who will not hesitate to plunge mankind into another blood bath if we leave them any chance of winning world dominion.

We must not tolerate further the infiltration of Communist agents within the institutions and Government of our own or of any other free country. For the sake of our own security, we cannot countenance the loss of freedom in the few remaining independent nations of the world.

For we in America, despite all our seeming wealth and apparent security, are living in peril of our very existence. The community of free and independent nations contracts with every new acquisition of territory by the Communists. If the Red tide continues unabated, this, our own isle of freedom, will become smaller and smaller until it too is washed under. To stop this tide it is my belief that our Nation has no worthy alternative but to marshal adequately its forces for peace.

Even at the cost of great personal sacrifice and hardship, the citizens of free America must exterminate Communist influence within our own Government, oppose Communist hostility along our borders, and undermine Communist tyranny in areas already conquered.

Mr. President, in addition to the provisions which the Senate has made for European recovery and the recommendations contained in the recent address to Congress delivered by the President, I propose that we undertake at once the following steps:

First. Keep the United States fiscally sound and economically strong. It will jeopardize our position at home and in the family of nations if we carelessly waste our substance. The needs of our own people and our own security must be adequately met if we are to be geared for the demands of nations we would help, for economic disaster at home would spell hopelessness abroad, too.

Second. Register all Communists in the United States. The American people have a right to know who among their number are disloyal to their country. The time is past when we can afford to be ignorant of the identity or whereabouts of those who would destroy America from within.

Third. Bar from Federal employment security risks. The Federal Bureau of Investigation should be authorized to investigate independently and thoroughly all Government personnel. Regardless of previous findings of so-called loyalty boards, persons should not be retained in the employ of the Federal Government who are deemed a security risk by the FBI. We cannot afford the luxury of doubt when the safety and security of our country are at stake.

Fourth. Deal with Russian aliens in this country on the same basis as Russia deals with Americans. My reciprocity measure, Senate Joint Resolution 163, which for more than 3 months has been pending before the Senate Foreign Relations Committee, should be enacted at once. It provides reciprocity between Russia and the United States in the matter of the movement of citizens of each country.

Fifth. Protect our scientific advantage. Any exchange of patents and scientific information which benefits Communist aggression should be stopped.

One thing which has disturbed me particularly is that upon our seizure of patents and scientific secrets in Germany we immediately broadcast and made them public to the Russians, while the Russians have never in my recollection made available to us a single patent or secret which they secured from Germany.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. BRIDGES. I should like to complete my statement.

Mr. HAWKES. I realize that. I wish to emphasize the point the Senator has just made, in connection with the Senator's bill, which is now before the Senate Committee on Foreign Relations, because it may not be quite clear. What the Senator is now saying means to me that if Russia will not permit our citizens to go into her country, we should not permit her citizens to come into our country; nor should we permit Russian visitors any more liberties here than our citizens are permitted there.

Mr. BRIDGES. That is correct; and that only to the extent that she permits entry of our citizens should we permit entry of her citizens. Last year 88 Russians came to America for every American that went to Russia. Eighty-eight to one.

Sixth. Prohibit trading which benefits Communist countries. As we seek to bolster freedom our wealth must not be poured into the potential war machines of hostile nations. That makes sense.

Seventh. Encourage the underground behind the "iron curtain." We should attempt in every way possible to maintain contact between free America and those within conquered areas who still have freedom in their hearts.

Eighth. Extend recovery aid only to those who irrevocably and publicly align themselves with the United States.

Ninth. Provide military equipment to those who oppose aggression. No foe of communism should suffer defeat because we have withheld military supplies.

Tenth. Fortify our overseas bases. We must be ready to use effectively any strategic geographical positions available to us.

Eleventh. Increase our military and naval strength. Force must be available to command respect for our diplomacy and to implement our commitments. Military, naval, and submarine strength must be adequate to any need.

Twelfth. Develop and maintain a striking air force. It is acknowledged that this is the first line of offense or defense in this atomic age.

Thirteenth. Mobilize our manpower. The authorized strength of our military, naval, and air forces must be maintained.

Fourteenth. Coordinate plans for industrial mobilization. There must be an adequate plan for full military production in time of need.

Fifteenth. Coordinate a plan of offense and defense. There should be absolutely no delay in the completion of a long-range strategy by our military, naval, and air force leaders.

Sixteenth. Strengthen the United Nations. Every effort should be made to use effectively the machinery of the United Nations in the cause of peace whenever and wherever possible. Immediate efforts should be made to correct obvious defects in the United Nations Charter such as the veto power.

Seventeenth. Proclaim the truth. The time is overripe to meet the Communist propaganda of the lie head-on with a terrific propaganda of the truth. The peoples of the world should know the truth concerning the advantages of living in a democracy as opposed to living in Communist slavery.

Mr. President, lip service will not preserve the blessings of representative government and freedom here at home or anywhere else in the world. Halfway measures will not command respect for our good intentions or our commitments. Halfway measures will not stem the Red tide.

The President of the United States was firm when he spoke to us a week ago. But the gaps he left are obvious to our own people and they are obvious to the tenants of the Kremlin. The steps I have recommended to the Senate today can fill the gaps. We can make of them a message to the directors of aggression in Moscow that there shall be no loopholes in our struggle for honor and decency and justice in the world; that there shall be no loopholes in our determination to keep America secure.

The American people have a right to live from day to day with the feeling that this nightmare of Communist expansion will be stopped. Their sacrifices in two world wars entitle them to real hope for peace and security. They deserve more than soap-bubble diplomacy. They deserve the peace of mind which can be theirs if this Government will take and maintain a firm stand for American principles.

The people are alert to the Communist threat. They are aware that America could not long remain free in a totalitarian world. They are aware that independent nations everywhere are dependent upon each other for survival.

Mr. President, this is a score on which I think the rank and file of our citizens lead their Government. I have offered my program as a vehicle by which the Government of the United States can catch up with the matchless spirit of the American people.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. LODGE. I entered the chamber a little late and did not hear all of the Senator's speech; but I wish to congratulate him on what I did hear. As I understand, he took a stand in favor of a strong America from the standpoint of Army, Navy, and Air Force—strong in equipment and manpower. He took a stand in favor of a vigorous and constructive psychological offensive, and in favor of a program which embraces not only the purely military factors, but factors of raw materials and strategic articles which are essential to our national defense.

Mr. BRIDGES. That is correct.

Mr. LODGE. I congratulate the Senator for having made such a forthright statement. I sympathize very much with his program.

Mr. BRIDGES. I thank the distinguished Senator from Massachusetts, for his kind remarks.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. WHERRY. In the Senator's recommendations, does he give any thought to returning the atomic bomb to the military during this emergency?

Mr. BRIDGES. I did not list it in this speech, but I certainly have given thought to it. Of course, atomic development in this country is one of the most vital, most potent, and pressing matters related to the security of America today.

Mr. WHERRY. In making that suggestion, I did not mean in any way to cast any reflection upon what has been done. A program, with 14 or 15 recommendations, has been advanced by the distinguished Senator. It seems to me that, if we are in the emergency in which the administration apparently thinks we are, the situation is very critical, and the Congress ought to give some attento this weapon, which means so much in the preservation of the security not only of the United States, but of the world.

Mr. BRIDGES. Absolutely.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum-foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. ELLENDER. Mr. President, I rise to speak in support of the pending measure, which I am cosponsoring with the able Senator from Ohio [Mr. TAFT] and several distinguished Members of the Senate.

I have been serving as a Senator from Louisiana for more than 11 years. During that time I do not know of any subject I have had under consideration which is nearer to my heart than that included in the pending bill. In 1937, when I first became a Member of this body, one of my first tasks on the Committee on Education and Labor was to assist in conducting very lengthy hearings on the Harrison-Black-Fletcher bill, which sought to make Federal funds available for public education in the States.

This subject has been before the Congress for almost 30 years. I believe that the pending measure represents the culmination of 30 years' work. Committees of this body have held extended hearings on the subject, and have gathered much information. It is not my purpose or intention to cite too many facts and figures or read from too many of the long tables which have been presented to our committee showing the conditions in various sections of the country, and which demonstrated the necessity for the passage of the bill, but I propose to cite only a few of them by way of illustrating such argument as I propose to make in support of the final passage of the bill now under consideration.

The committee which heretofore considered similar measures was successful in having this body pass two bills dealing with Federal aid to education; but unfortunately our colleagues in the House of Representatives pigeonholed the bills, held no hearings thereon, and let the bills die without any consideration whatever.

Mr. President, as I have just indicated the subject matter under discussion has been before the Senate for almost 30 years. A résumé of all bills introduced in the Senate since that time to the present is contained in a bulletin prepared by Charles A. Quattlebaum under the auspices of the Legislative Service of the Library of Congress. Rather than take up the time of the Senate to read it, I ask unanimous consent that it be incorporated in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPORTANT BILLS INTRODUCED, 1919–46 [1]—A BRIEF HISTORICAL ACCOUNT

It has been pointed out (ch. I) that laws providing for various forms of Federal aid to or participation in education have been enacted by the Congress from time to time. Some of these acts have been noted in the

[1] In part condensed from Federal Aid to Education: A Review of Pertinent Facts (Washington, D. C., the National Education Association, 1942); and Hearings on S. 637, 78th Cong., 1st sess., Educational Finance Act of 1943, October 1943, pp. 60–62. Some of the other sources used are indicated in footnotes.

present study. Since 1919 proposals for annual Federal appropriations to the States for general elementary and secondary education have been introduced in the Congress in growing numbers. These bills have received increasing consideration by the Congress and by the American people. The following is a brief account of some of the more outstanding proposals:

In 1919 a committee of the National Education Association recommended the establishment of a Federal Department of Education with a Secretary in the President's Cabinet, and the appropriation of $100,000,000 each year to the States for the improvement of schools generally. Bills containing these provisions were introduced in 1919 (Smith-Towner), in 1921 (Sterling-Towner), and in 1923 (Sterling-Reed), but none was enacted. A few years later a similar bill without the provision for Federal aid was advocated without success.

In 1931 the National Advisory Committee on Education appointed by President Hoover issued a report presenting the facts, principles, and policies which it believed should determine Federal relations to education in the States.[2] The report recommended that all future grants to the States be made for education in general rather than for specific phases of education.

The Harrison-Black-Fletcher bill of 1936 would have provided for an initial appropriation of $100,000,000 to the States for schools and an increase of $50,000,000 each year until $300,000,000 would have been appropriated. After hearings before committees of both Houses the bill was approved by the Senate Commitee on Education and Labor but got no further.

In 1936 President Roosevelt appointed a committee on vocational education to study the experience of the States under the existing program of Federal aid for vocational education. In 1937 the name of the committee was changed to the "Advisory Committee on Education," and it was asked to consider all aspects of the relationship between the Federal Government and the State and local conduct of education. The committee presented its report in 1938,[3] recommending (1) that general Federal aid to the States for elementary and secondary education should begin with $40,000,000 per year and should be increased annually to $140,000,000 the sixth year, and (2) that special Federal funds should be established to assist the States in certain educational activities.

Following the publication of the report of the Advisory Committee, the National Education Association took the initiative in drafting a new Federal-aid bill based upon the recommendations in that report. This bill, known as the Harrison-Thomas-Fletcher bill, died on the calendar of the Senate and in the House Committee on Education. It was succeeded in 1939 by a new bill (S. 1305) which, although based on the Advisory Committee's report, was designed to meet certain objections to the earlier measure. Like its predecessor, S. 1305 was reported favorably by the Senate Committee on Education and Labor but failed to become a law.

By 1941 changing circumstances had made desirable a reconsideration of the whole question of Federal aid for education in the States. A new bill was drafted under NEA sponsorship to meet specific needs, including provision for school facilities for children recently removed to congested areas of national defense activities and industries. The new measure (S. 1313) differed from its immediate predecessors in important respects. Introduced in April 1941 by Senators THOMAS of Utah and Harrison, of Mississippi, it was given a 3-day hearing by the Senate Committee on Education and Labor but no further action was taken in 1941.

On June 18, 1942, the Committee on Education and Labor in executive session considered the original S. 1313 and two modified committee prints submitted to the Committee on February 11, 1942, and June 13, 1942, respectively, and recommended that the Committee Print No. 2 be reported favorably, with slight amendment.[4]

The committee print of this bill, reported under date of July 16, 1942, contained the following provisions: (1) That the proposed appropriation of $300,000,000 be distributed for the equalization of educational opportunities in elementary and secondary schools without reference to special phases of the problem; (2) that the money be allotted to the United States Commissioner of Education for apportionment; (3) that all but $5,000,000 of the fund be distributed among the States and Territories according to a simple formula specified in the bill; and (4) that the money be used only for educational agencies and institutions under public control. Following the report on this bill (Rept. No. 1548), no action was taken on the measure.

On February 4, 1943, a new bill (S. 637), known as the Educational Finance Act of 1943, was introduced by Senators THOMAS of Utah and HILL, of Alabama. This bill proposed an appropriation of $300,000,000 for 1944 and each fiscal year thereafter, to be apportioned by the United States Commissioner of Education to States, Territories, and possessions qualifying by proper legislative acceptance of the act for use in (1) providing equal educational opportunities through public elementary and secondary schools throughout the United States, and (2) meeting emergencies in financing public elementary and secondary schools. The bill provided for a method of apportionment based upon the financial needs of the States and upon average daily attendance. It required an equitable apportionment for separate public schools maintained by law for minority races, and stipulated that in no case should the apportionment be used to reduce State expenditures for education.[5]

A companion bill (H. R. 2849) was introduced in the House of Representatives by Mr. Robert Ramspeck of Georgia on June 2, 1943, and was referred to the Committee on Education. No action was taken on this bill.

Extensive hearings were held on S. 637 before a subcommittee of the Senate Committee on Education and Labor on April 6, 7, and 8, 1943. On June 18, 1943, the committee favorably reported out the bill (Report No. 323). It was debated on October 12, 14, 15, 18, 19, and 20. On the last day of debate it was recommitted. In the second session of the Seventy-eighth Congress the Senate Committee on Education and Labor again favorably reported out the bill (on September 21, 1944), but no further action was taken on it.

On January 9, 1945, H. R. 1296 was introduced in the House of Representatives with Mr. Robert Ramspeck as sponsor. On the following day an identical bill, S. 181, was introduced in the Senate under the sponsorship of Senators THOMAS of Utah, HILL of Alabama, and ELLENDER of Louisiana.

These companion bills proposed authorization of funds for aid to the States, Territories, and the possessions of the United States in financing their public elementary and secondary school systems as follows: (1) $200,000,000 annually, beginning with the fiscal year 1946, until 1 year after the President by declaration or the Congress by joint resolution shall have declared the emergency due to the war to have ceased, to meet emergencies, and (2) $100,000,000 for the fiscal year 1946 and for each fiscal year thereafter to more nearly equalize school opportunities among and within the States.[6]

Other provisions of these bills were similar to those of S. 637, already described.

Senate hearings were held on S. 181 in late January and early February of 1945. Hearings were held by the House Education Committee on April 24 to 27, inclusive, May 1 to 3, inclusive, and June 27 to 29, inclusive.

Meanwhile the issue of congressional authorization for Federal aid in the support of private schools had been injected into both Senate and House by the introduction of S. 717 on March 8, 1945, and its companion House measure, H. R. 3002 on April 23, 1945. Hearings on S. 717 were held following those on S. 181.

On November 15, 1945 approximately 35 Members of the House, favorable to the enactment of Federal-aid legislation, organized a "Bipartisan Committee for the Support of Federal Aid for Public Schools," to consider how they might best express their interest in and support of the proposal to strengthen public education for greater service in the Nation and in the world. The Committee elected officers on a bipartisan basis. Approximately 100 House Members from both major parties affiliated with this Committee.

H. R. 4929, which largely represented the views of the House Education Committee on what a Federal-aid bill should authorize, was introduced by Representative Ramspeck on December 7, 1945. Partly because Mr. Ramspeck had submitted his resignation from the Congress effective as of December 31, 1945, the Committee moved to early action on this bill. However, on December 12, 1945, the Committee voted, 10 to 9, not to report the bill to the House for favorable action. The closeness of the vote was evidence of the increased interest in the subject on the part of the Committee. Such interest had been earlier shown by the Committee through its action in holding hearings on the issue for the first time in several years.

The President's endorsement of the proposal to strengthen education through Federal-aid-without-Federal-control legislation, included in his message to Congress on January 21, 1946, tended to localize responsibility for action with the House and Senate.

On March 27, 1946, S. 181 was reintroduced in the Senate, in amended form, under the sponsorship of Senators THOMAS of Utah, HILL of Alabama, and ELLENDER of Louisiana, the original sponsors, and Senator TAFT, of Ohio. The subcommittee handling this type of legislation held meetings on April 26 and May 2. At the second meeting the subcommittee voted to report the bill favorably to the full committee. Under date of June 13, 1946, the full committee reported the bill to the Senate with the recommendation that it be passed (Rept. No. 1497). The bill was debated in the Senate on August 1 following, but did not come to a vote.

PROPOSALS IN THE EIGHTIETH CONGRESS, FIRST SESSION, 1947—ANALYSIS AND COMPARISON OF THE 21 BILLS

In his budget message to the Congress dated January 3, 1947, the President of the United States declared that:

Our generous provision for education under the veterans' program should not obscure the fact that the Federal Government has large responsibilities for the general improvement of educational opportunities throughout the country. Although the expenditure estimates for the coming year are limited to present programs, I have long been on record

[2] National Advisory Committee on Education. Op. cit., pt. I, 140 pp.; pt. II, 448 pp.

[3] U. S. Advisory Committee on Education. Op. cit., 243 pp.

[4] 77th Cong., 2d sess. S. Rept. No. 1548. Federal Assistance to the States for the Support of Public Education. July 16, 1942, p. 1.

[5] Library of Congress, Legislative Reference Service. Digest of Public General Bills With Index, 78th Cong., 1st sess., January to June 15, 1943. Washington, D. C., 1943, p. 25.

[6] Library of Congress, Legislative Reference Service. Digest of Public General Bills with Index, 79th Cong., 1st sess., final issue 1945, p. 145.

for basic legislation under which the Federal Government will supplement the resources of the States to assist them to equalize educational opportunities and achieve satisfactory educational standards.[1]

During the first session of the Eightieth Congress, at least 21 bills proposing Federal aid to the States for elementary and secondary schools and teachers' salaries were introduced, 6 in the Senate and 15 in the House. The following are the principal features of these bills:

1. SENATE BILLS

S. 81 (Messrs. GREEN and MCGRATH, January 8, 1947) proposes grants of $15 per pupil in average daily attendance from Federal funds to aid the States in improving salaries of public school teachers. Federal control over schools receiving benefits would be prohibited.

S. 170 (Mr. MCCARRAN, January 13, 1947) proposes $600,000,000 annually for the same purpose as S. 81 but upon a different basis of distribution. Under S. 170, for each $100 or fraction thereof paid by the State or local unit per annum, the Federal contribution would be as follows: Up to $1,000, $25; from $1,001 to $2,000, $15; $2,001 to $3,000, $10; $3,001 to $4,000, $5.

S. 199 (Mr. AIKEN, January 15, 1947) introduced by the Chairman of the Subcommittee on Education, calls for equalization aid to public elementary and secondary schools ranging from $400,000,000 or $20 per pupil in 1948, to $1,200,000,000 or $60 per pupil, whichever is greater, in 1952 and each fiscal year thereafter.

Allotments would be made to the respective States in the ratio that the number of pupils in average daily attendance at all such schools in the State during the second year next preceding the year for which an appropriation would be made, bears to the total number of pupils in average daily attendance at all such schools in all the States during that year. To receive its allotment of funds: (a) For any fiscal year, a State shall have spent for current expenses from State and local revenue sources in the second fiscal year next preceding the fiscal year in which an allotment would be made, an amount per pupil in average daily attendance at public elementary and secondary schools equal to or greater than the amount expended from such sources in the fiscal year 1946, or $100, whichever would be the lesser amount; (b) for the fiscal year 1950 and for any succeeding fiscal year, a State shall have spent for current expenses in each local school administrative unit, from all revenue sources (including funds received under this Act) during the second next preceding fiscal year, a sum per pupil in average daily attendance at the public elementary and secondary schools in such unit, during such second next preceding year, the following minimum amounts for the fiscal years indicated: $50, 1948; $60, 1949; $70, 1950; $80, 1951; $90, 1952; $100, 1953 and thereafter; (c) for the fiscal year 1950 and for each succeeding fiscal year, a State which maintains by law separate schools for separate population groups shall have complied with the requirements of (b) (ante) with respect to the schools for each such separate group in each local administrative unit.

The measure would prohibit Federal control over any school or school system receiving funds under the act. The bill would authorize payments from Federal funds up to 60 percent of the actual expenses incurred by nonpublic, tax-exempt schools of secondary grade or less, for transportation of pupils, health examinations and related services, and for purchase of nonreligious instructional supplies and equipment, including books. For this purpose, for the fiscal year 1948 and annually thereafter, $60,000,000 would be authorized, with allotments to be made to the respective States in the proportion that the number of pupils attending such schools in the State bears to the total number of pupils in all the States.

S. 472 (Mr. TAFT, chairman of the Committee on Labor and Public Welfare, Mr. THOMAS of Utah, Mr. ELLENDER, Mr. HILL, Mr. SMITH, Mr. COOPER, Mr. TOBEY, and Mr. CHAVEZ, January 31, 1947) in its provisions is similar to S. 181, of the Seventy-ninth Congress, which was favorably reported to the Senate by its Committee on Education and Labor on June 13, 1946. To aid the States, Territories, and the possessions of the United States in financing their public elementary and secondary school systems, and to more nearly equalize school opportunities throughout the States, the bill would authorize $150,000,000 for 1948, $200,000,000 for 1949, and $250,000,000 for 1950 and each year thereafter. Apportionment of funds would be based on the number of school children 5 to 17 years old multiplied by $40, the average annual income payments for each State, and State and local expenditures for elementary and secondary education.

In order to be eligible for Federal aid a State must make average national effort (2.5 percent of average annual income for a 5-year period) to provide good schools. Federal funds would be available to nonpublic educational institutions only where State funds are so used and then only in an amount proportionate to the State's expenditure. The bill would require an equitable apportionment where separate public schools are maintained by law for minority races, and would prohibit Federal control over schools or educational institutions or agencies receiving funds under the act. It would not permit use of the apportionment to reduce State expenditures for education.

[1] CONGRESSIONAL RECORD, vol. 93, part 1, p. 245.

Mr. ELLENDER. When I was on my way to the Senate at noon I was accompanied by my good friend the junior Senator from Missouri [Mr. KEM]. I stated to him that I was very much interested in the pending measure, whereupon he said that it would probably cause Thomas Jefferson to turn over in his grave if he were aware of the views entertained in the Senate pertaining to public education. I wish to say to my good friend the Senator from Missouri that as I understand the Jeffersonian philosophy, Thomas Jefferson believed that government is the servant, not the master, of the people, and that government must be responsive to the needs of the people.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. FULBRIGHT. Inasmuch as the Senator from Louisiana has mentioned Thomas Jefferson, I simply wish to say that he was very much interested in education, and he spent a great deal of time on it. He founded the University of Virginia.

Mr. ELLENDER. He is the father of our public-school system.

Mr. FULBRIGHT. And he laid great stress on public education.

Mr. ELLENDER. Mr. President, the Senator from Arkansas is eminently correct.

I propose to show, as I proceed, some of the changes which have occurred in our democracy since the days of Thomas Jefferson.

It is my firm conviction that in order to make democracy work in our Nation, we must make it a breathing, living institution, an institution that will keep pace with and remain abreast of changing conditions. The Federal Government must assist to make available to our people their basic needs. Education is one of those basic needs. I believe the Federal Government should lend assistance in making available to our people a reasonable amount of hospitalization at a price commensurate with ability to pay. Hospitalization is another basic need. I believe the Federal Government should render all assistance possible so as to provide for all the people a decent home in which to live—another basic need. I am convinced that with a fair amount of education, some reasonable degree of hospitalization, and decent housing we can thereby build adequate bulwarks against communism, nazism, or any allied philosophy. I believe we can accomplish such a purpose in no better way than by taking care of the three needs I have just mentioned. There may be other basic needs, but those needs I have just mentioned are vital to our people if we are to remain free.

Three years ago the Congress made a good start in that direction, when it passed the Burton-Hill hospital bill, which I co-sponsored. Under that bill there was made available to the States of the Union a fund of $375,000,000 for a period of 5 years to assist them in erecting hospitals and clinics where needed. I shall not go into the details of the plan or of the good that will result from the program. I have done so on many occasions, before some of the committees of Congress.

I may say in passing that we have had a fine hospitalization program in Louisiana for quite some time. Today Louisiana is one of the few States that can boast of having State-owned hospitals for the care of the poor, those who cannot afford, through lack of means, to obtain adequate hospitalization. It is because of my firm belief that the States, as well as the Federal Government, should lend all assistance possible to the end that the basic needs heretofore mentioned by me are made available to the people, that I have been so much interested in the subject which is now under consideration.

Mr. President, what was the situation of our great country during the days of Jefferson and on up to the middle of the nineteenth century—1850 and on? At that time almost 80 percent of our people were engaged in farming. They more or less lived at home. Transportation was inefficient and difficult. Most of what farmers needed was of their own handiwork or that of their neighbors.

Today the reverse is true. Instead of 80 percent of our population being engaged in farming, about 75 percent are engaged in industry, and only 25 percent are engaged in farming. That development has caused a great change in our mode of living. As a result of the unequalled development of industry in such a short period of time and on a large, more or less, mass production pattern, there has been a concentration of industrial developments in only a few States. The Southern and Western States to a large extent produced the raw materials. The States in the north-central and

northeastern parts of our country, beginning with Wisconsin and extending east to Maine, are highly industrialized. Today the city of New York and its environs produce more than 50 percent of the ready-made clothing required by the Nation. That is the case despite the fact that most of the wool produced in the United States comes from the West, and the greater portion of our cotton production is in the South. The great city of Detroit has developed into the automobile center of the United States and of the world. That development has been a great lure to many workers from all over the Nation. So by virtue of this development, we have had, in effect, migration from States not so happily situated for industrialization, and the populations of the industrial States have enormously increased.

Today, Akron, Ohio, is the rubber-manufacturing capital of the Nation. I should say that more than 75 percent of the automobile and truck tires which are produced for the use of the people of the United States are manufactured in Akron and in a few nearby cities. Eastern Pennsylvania, northern Ohio, and Indiana produce the major portion of our steel requirements.

So I say that because of this industrial development, because of this trend, we have had vast wealth accumulating in certain portions of the country, whereas other sections have remained relatively poor. As I shall show in a few moments, the children most in need of educational facilities and opportunities are in the poorer States, not in States where the wealth is. That is why today I am pleading with the Senate to enact this proposed legislation, so that every child born in the United States may receive a minimum of education, wherever he may live. The bill provides for a minimum expenditure of not less than $50 per pupil in average daily attendance at public elementary and secondary schools within all local public-school jurisdiction of every State in the Union.

Mr. President, because of the fact that all this wealth of which I have been speaking has been accumulating in the northeastern section, the natural resources of the West and South are not controlled by the people who live in those sections, but are completely foreign owned. In other words, this accumulated wealth has been used to develop the natural resources of the South and West.

Let us consider my great State of Louisiana. We are third among the States in the production of oil, almost first in the production of sulfur, first in the production of salt, all of which are necessary ingredients for the development of the chemical industry. Yet almost every particle of those great natural resources is owned, not by the people of Louisiana, but by people living outside the State. Louisiana derives proportionately, but a meager amount of taxes from those natural resources, merely the crumbs, as it were. Large profits are made when these great resources are converted and manufactured into finished products. Those huge profits find their way into the pockets of some of the people of New York, Chicago, Pittsburgh, Boston, Philadelphia, and of many other cities and States located in the northeastern section of the country, where most of the large industrialization has taken place in the past 100 years. Those citizens are out of reach of the tax collectors of my State and they pay tribute from the profits of our natural resources to fill the coffers of those States where they live.

Most of you are acquainted with the fabulous riches of the late John D. Rockefeller and also that of John D. Rockefeller, Jr., his son. Both claimed New York as their home. Both made their millions from the oil fields of the South and West. Their native State does not produce oil. Those gentlemen have paid taxes on their huge incomes to the State of New York.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. ELLENDER. I am glad to yield to the Senator.

Mr. SPARKMAN. I was particularly interested in the remarks the Senator was making, both those that he has just concluded, and those made prior to that time. I want to comment if I may and ask a question with particular reference to the discussion of the question of migration from the South into other areas. Several years ago, as a Member of the House of Representatives, I served on a special committee to study migration among the States. I remember that at that time studies were made on behalf of the committee by the Census Bureau with reference to the movement of people away from certain sections. I recall that, at the time, reference was made to the southeastern section of the United States as the "seedbed of the Nation." It was shown by the census figures that the birth rate in the Southeastern States was 130 percent, whereas in many of the industrial areas it was only about 80 percent.

Mr. ELLENDER. Exactly.

Mr. SPARKMAN. Therefore, they reached the conclusion that it was absolutely necessary to have the migration in order to maintain a balance of population.

Mr. ELLENDER. The northeastern section of the United States would dry up were it not for the fact that the industrialists of that section obtain many workers from the southeastern and other sections of the country. Since the Senator brings up the subject, let me say that in 1938 I held hearings on questions involving the population of our country. Evidence was produced before my committee showing that in all the large cities of the country, having a population in excess of 100,000, the death rate was higher than the birth rate, except in the case of Salt Lake City. What effect Mormonism may have had on that I do not know. The fact is that all the large cities with a population of more than 100,000 would have dried up in the course of time had it not been for the migration of men, women, and children from other parts of the country, particularly the South, where the birth rate indicates they are more prolific in the production of children. Their population was, of course, also maintained by immigrants from across the seas.

Mr. SPARKMAN. And particularly people coming from the "seedbed of the Nation," the southeastern part of the country.

Mr. ELLENDER. That is correct.

Mr. SPARKMAN. If I may say one thing more, I shall not impose further on the Senator's time.

Mr. ELLENDER. The Senator is to some extent anticipating what I am about to say. I shall cover all that; but I yield to the Senator, and I shall go into the matter a little later.

Mr. SPARKMAN. If I may, I should like to say one further word in reference to that matter, at this time. Unfortunately I shall be out of the city tomorrow, at which time there may be further discussions involving this point. I recall that at the hearings in New York City, conducted by the special committee to which I referred a moment ago, I asked a gentleman from one of the New England States this question: "Do you believe that we ought to have Federal aid for education?" His answer was: "Mr. Congressman, if you raise mules and send them out, we buy them from you, and we pay you for raising those mules. But," he added, "instead, you are raising children and paying for bringing them up and educating them, all at your own expense, and sending them to us, to become producers in our economy, and we pay you nothing for that."

Mr. ELLENDER. I thank the Senator. That is a comparison. That is about what happens.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to my friend from Montana.

Mr. MURRAY. Apropos of the present discussion, I wish to point out that my State of Montana is one of the States that has been suffering as a result of the failure to develop a balanced economy. Montana has a raw-material economy, and our population has declined something like 11 or 12 percent. The same is true of many of the other States of the West.

Mr. ELLENDER. I should judge that what is occurring now in Louisiana and in the great empire of Texas is occurring in Montana, namely, that the natural resources are all being developed by people who do not live in Montana, but who take the raw material and ship it into industrial centers where it is made into finished products, with resulting large increase in profits when reduced to use. Is that not true?

Mr. MURRAY. That is absolutely true, but, most unfortunate of all, we are failing to develop industrially in Montana. We are continuing on a raw-material economy entirely. As a result, when the young folks grow up and finish their education, they, as the president of the State University of Montana has said, are compelled to leave the State of Montana in search of opportunities in life.

Mr. ELLENDER. The South has been suffering for some time from the same malady, I may say to the distinguished Senator. We have been producing most of the raw materials, such as cotton, but it was only a few years ago when spindles began to operate in South Carolina and

North Carolina to manufacure the cloth. Before that, all the manufacturing of textiles was done in the New England States. I am not complaining about that, but I am saying that because of that condition we are today more or less begging for aid, in order that we may give to our children a minimum amount of education.

Mr. President, before I was interrupted, I was speaking about the production of raw materials. The distinguished Senator from Montana knows that the amount of labor and the wages and the profits connected with the production of the raw materials is exceedingly small compared with the enormous amount of work necessary, the large number of people who are employed, the big wages they receive, when the raw products are taken and converted into usable commodities. The manufacturing process requires more skill and more workmen, to whom better wages are paid, as I have just indicated.

In the matter of the production of oil, it requires about 3 or 4 weeks to drill an oil well in my State where the oil prospect has already been proven. It sometimes requires perhaps longer than that. In order to bring in such a well and make it capable of producing oil there is required on each shift five or six men to do the work, and there may be three shifts each 24 hours. The well is completed in the course of 3 or 4 weeks, as I have indicated, and after that time a few men can attend to four, five, six, or a dozen wells in the locality, because there remains only the pumping process, and sometimes there is sufficient gas to bring the oil to the surface. The crude oil is brought to a refinery and manufactured into many useful commodities. More persons are engaged in the production for use, and they are more or less skilled and are entitled to higher wages.

The production of sulfur requires very few persons, comparatively speaking; and that statement also holds true with reference to the production of salt.

Mr. President, in connection with what I have been saying I will try to point out that the great State of Texas, which now produces more than 1,600,000 barrels of crude oil a day, is the first State in the Nation in the production of oil, is a great producer of sulfur, salt, lumber, and other God-given natural resources and yet cannot obtain, strange to say, sufficient taxes from all its natural resources to give the children of the State a fair amount of education comparable to that received by children in other States of the Nation, less advantageously situated, such as those located in the northern section of our country. One noted economist recently said that "Texas is the largest foreign colony owned by Manhattan." The greater portion of the oil produced in the great State of Texas is owned and controlled, lock, stock, and barrel, by financiers in other States. What the State of Texas reaps out of that great oil pool is but a pittance as compared with what is earned by those who own and convert the oil into usable products and who are out of reach of Texas tax collectors.

Another economist has estimated that as much as 70 cents out of every dollar produced in some States goes to the people of other States as a result of nonresident ownership of resources.

I should like to have Mr. Thomas Jefferson present today in the Senate, confronted with the conditions which I have just described. My guess is that because of those conditions he would use his great talents to see to it that government should respond to the needs of the people.

I see the distinguished junior Senator from Mississippi [Mr. STENNIS] in his seat. It has been only in the past 4 or 5 years that his State has been fortunate enough to have oil discovered. I should be willing to wager that virtually every drop of oil produced today in Mississippi is owned and controlled by corporations whose stockholders are residents of other States in the northeast corner of the country. I am not objecting to that, but I say to the Senate that I believe it is incumbent on the people in those fortunate States to be willing to help us carry the burden of making available to the children of our land, no matter where they reside, adequate educational advantages.

Mr. President, what will happen to Louisiana when her oil is depleted and gone? What will happen to our State within the next 2 or 3 years if the Congress shall not pass the bill which is now before the Judiciary Committee affecting our rights to tidelands? Much of the money which we use to operate our schools is obtained from oil that is located beneath our tidelands. We are being threatened at this time with the loss of that resource.

Consider our lumber industry. We had a magnificent virgin growth of pine, cypress, and other varieties of hardwoods all over our State. What have we now to show as a heritage? Nothing remains but charred stumps. I remember one parish in my State in which the assessment was as much as $30,000,000 because of the existence of large acreage of virgin pine trees. Today the same parish has an assessment of a little more than $3,500,000. On that assessment, the parish must raise funds with which to educate its children, or to assist in educating them. Fortunately for Louisiana, the legislature in 1926, as I recall the year, passed an equalization bill which made it possible under State law to give to every child in Louisiana equal opportunity to obtain a fair amount of education commensurate with the funds available no matter in what section of the State he lived. The bill which the Senate is now considering has that very objective. It will make it possible that wherever a child may be he is to be allowed whatever amount of education $50 will purchase, as a minimum. That is approximately the sum and substance of what the bill will achieve.

Because of certain decisions made by our courts we cannot impose on these natural resources the taxes necessary to produce funds sufficient to enable us to run our Government and institutions properly, particularly our schools. We were always faced with the fear that large taxpayers who owned the corporate stock, and who were located outside the State, would contend that their properties were being confiscated and therefore entitled to injunctive relief.

Today, although gas is produced in Louisiana in abundance we cannot place a larger tax on that gas than can the State of Alabama, so far as gas coming from Louisiana and passing through in pipe lines is concerned. We have been hampered in every way in our efforts to raise sufficient funds to enable us to provide adequate education to our children.

There is no doubt in my mind that, due to the trend I have been discussing, the cause of education has suffered all over the South. We have remained more or less poor, and for that reason, as I shall show in a few moments, our people, generally speaking, are unable to buy all they need. Of course some of us can. But generally speaking the people of the South as a whole, and the people in some of the Western States, although their States possess great natural resources, have been unable to obtain sufficient taxes to adequately maintain their schools, their governments and other institutions.

I wish now to speak on the subject of the need for education. It is not my purpose to take much time to emphasize that need. All of us know the advantages which flow from an education. But it is my purpose to quote a few paragraphs from a pamphlet prepared by the committee on education of the United States Chamber of Commerce entitled "Education—An Investment in People." The committee made a special study of the need for education. The committee, which is composed of many prominent individuals from all over the United States, made this statement:

On the basis of available facts presented in this booklet, the committee has arrived at the following conclusions:

1. That education is an essential instrument through which commerce, industry, and agriculture can be expanded in rising degree.

2. That since education has been and should continue to be a local function—at least on the State level—every community should ascertain its own educational status and economic condition, and set to work to utilize education as a lever for its own advancement. The local community should join in a State program of similar character.

3. That the cost of adequate education is an investment that local citizens and business can well afford in increased measure, when related step by step to the improvement of local economic conditions.

4. That the quality of education is not the same in all areas. Educational programs must be made to apply more directly to the needs of the people.

5. That mere technical education is not enough. Cultural education must accompany technical training to develop the appetites of the people for a better living than can come from the use of the products of American industry and agriculture.

6. That to maintain a representative republic under the system of private endeavor, initiative, and direction, business must dis-

cover basically sound measures for the expansion of our dynamic economy.

Education, as an essential instrument in that expansion, is a challenge to American business. Business must determine if its sponsorship of expanded education as a means of economic improvement will answer the maximum demands of the people for a fuller participation in the larger life that the American scene promises in the postwar era.

Mr. President, I may say that notwithstanding all these fine words, the Chamber of Commerce of the United States, as I understand, has not taken a position respecting the pending bill. I believe the committee has eloquently expressed the need for education, however, and the benefits resulting to the communities in which education is widespread.

In furtherance of the theme I wish to exhibit to the Members of the Senate several charts and to read into the RECORD certain figures to sustain the argument I have been trying to make respecting the necessity of all our children receiving a fair amount of education. I have in my hand a chart which was submitted to our committee, which shows the percentage of adults 25 years of age and over who have not completed more than 4 years of school. The chart is made on the basis of the 1940 census. Where, Mr. President, do you think the greater percentage of those people are to be found? They are to be found mostly in the South. My own State has the greatest percentage. Thirty-six percent of adults 25 years of age and over in my State have not completed more than 4 years of school. The percentage in Mississippi is 30; in Alabama it is 29; in Georgia it is 30; in South Carolina it is 35; in North Carolina it is 26; and in New Mexico it is 27.

I shall now give the percentages in some of the States of the North and Northeast to which I referred a while ago, which have great industrial development by reason of the utilization of some of our natural resources. In Vermont the percentage of adults 25 years of age and over who have not completed more than 4 years of school is 6; in New Hampshire it is 8; in Maine it is 7; in Indiana it is 8; in Ohio it is 8; in Illinois it is 10, and so on.

I now wish to refer to a table headed "Total Income Payments Per Child From 5 to 17 Years of Age, 1945." It is from the 1945 census. It will be found that the States having the lowest income payments per child in that category are located in the area to which I referred a moment ago in which there is the highest percentage of adults 25 years of age and older who have not completed more than 4 years of school. I hold up the two charts so Senators can see the situation for themselves. The States having the lowest income payments per child are located, as can be seen from the chart, in the South. They are the Southern States wherein education has been neglected by reason of lack of money, although we are rich in natural resources.

What are the States having the lowest total income payments per child from 5 to 17 years of age, based on the 1945 census? The figure for Louisiana is $3,418; for Tennessee, $3,347; for Oklahoma, $3,257; for Georgia, $3,127; for West Virginia, $2,974; for New Mexico, $2,909; for Kentucky, $2,800; for North Carolina, $2,685; for Alabama, $2,649; for South Carolina, $2,400; for Arkansas, $2,384; and for Mississippi, $2,067.

In contrast to those figures consider the figures for the highest 12 States. The total income payments per child from 5 to 17 years of age in California was $9,009, in contrast to Louisiana with $3,418 and Mississippi with $2,067.

In Nevada the amount was $8,400; and in New York $8,307, or two and a half times more than the figure for Louisiana, and more than four times the figure for Mississippi.

The figure for the State of Washington was $7,948; for New Jersey $7,817; for Connecticut $7,616; for Illinois $7,315; for Delaware $7,145; for Rhode Island $7,029; for Massachusetts $6,712; for Oregon $6,657, and for Maryland $6,562.

So it can be seen that a relationship exists between income payments per child and a low degree of education. In California, where the income payments per child from 5 to 17 years of age are $9,009, the percentage of adults 25 years of age and older who have not completed more than 4 years of school is 8.

Mr. President, I have another table which demonstrates the same situation in a different fashion. The table shows child population and per pupil costs in the lowest and highest school-expenditure States. Let us take the current expenses per pupil in average daily attendance in 1944 and 1945, in the lowest expenditure group: Louisiana, $95.31, in contrast to the highest figure of $198.33 for New Jersey; Florida, $94.55, as compared with New York, $194.47. Take Mississippi as another example. There the average expenditure per pupil in daily average attendance for 1944 and 1945 was $44.80, in contrast to the lowest of the high-expenditure group, which is South Dakota, with a figure of $144.62.

Moreover, as I tried to demonstrate a while ago, children are located in greater numbers, in proportion to population—under any system of figuring—in States with the lower expenditure than in States with the higher expenditure.

The percentage which children from 5 to 17 years of age are of adults 25 years and over is as follows: Louisiana, 51.1; New Jersey, 33.1. In New Jersey, as I pointed out, the current expenditure per pupil is $198, as compared with a figure of $95 for Louisiana.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the table to which I have referred, which I believe speaks most eloquently on the subject which I have been discussing. The table shows the contrast between the money spent in the more wealthy States and that spent in the poorer States. The table also shows that where the least money is spent will be found the greatest number of children.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Child population and per pupil costs in lowest and highest school expenditure States

State	Current expenditures per pupil in average daily attendance, 1944–45	Percent children 5–17 years of age are of total population (1946)	Percent children 5–17 years of age are of adults 25 years and over (1940 census)
Lowest expenditure group:			
Louisiana	$95.31	24.3	51.1
Florida	94.55	19.2	39.2
West Virginia	93.18	29.3	56.2
Virginia	83.49	22.3	50.1
Kentucky	80.94	27.0	52.5
Tennessee	69.70	25.9	50.4
North Carolina	68.91	27.8	62.2
South Carolina	65.17	28.4	65.8
Georgia	64.92	25.8	54.6
Arkansas	60.26	27.6	54.8
Alabama	56.93	28.2	59.0
Mississippi	44.80	27.5	59.0
Highest expenditure group:			
New Jersey	198.33	19.4	33.1
New York	194.47	19.1	30.9
Illinois	169.02	19.6	32.2
Massachusetts	166.67	20.1	33.9
Wyoming	164.84	21.7	42.3
Montana	163.42	23.6	39.2
California	163.38	16.7	27.8
Washington	159.78	17.8	30.6
Connecticut	159.50	19.3	33.4
Nevada	155.88	17.0	30.6
Rhode Island	148.96	18.5	35.6
South Dakota	144.62	24.7	46.2

Source: Census Bureau and U. S. Office of Education.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. COOPER. I have listened to the Senator's remarks concerning the amount of money spent in the various States for education. I would not want the Senator to stop there, and perhaps leave the idea that no great effort had been made to provide funds for education. Does the Senator intend to insert in the RECORD any tables which will indicate the percentage of total funds used for education?

Mr. ELLENDER. Yes; I have a great many tables on that subject. I did not procure the information for all the States, for the reason that I did not want to clutter the RECORD; but I am satisfied that before this debate is concluded most of those data will be placed in the RECORD by other Senators. I did not wish to take up all the time of the Senate. I could probably have placed all that information in the RECORD; but I may say to the Senator that the record shows, as I shall indicate in a moment, that the greatest effort is made by the States which are poor in their ability to raise taxes and have the most children.

Mr. COOPER. I wanted that point brought out clearly, because I was afraid the Senator might leave the impression that no great effort had been made. The record shows that the greatest effort in the past 5 or 10 years has been made by the States which the Senator has mentioned.

Mr. ELLENDER. While we are on that subject, I have before me a complete record of the money spent in my own State, as reflected in expenditures beginning in 1924–25 and continuing to 1947–48. The record shows that back in 1924–25 the entire amount of State,

Federal, and special funds expended in Louisiana was $3,616,065.31. In 1947–48, a little more than 20 years later, we spent at the rate of $23,273,385. In other words, at the end of that span of time we were spending almost eight times as much as we spent in 1924–25.

Mr. President, it is not my purpose to read all the various items of expense incurred by my State entirely for school purposes from 1924–25 to 1947–48, but I should like to read the grand totals, to show the extent to which my State has been spending money. In these funds are included items which are spent in connection with our vocational training program and also other miscellaneous funds.

In 1924–25 the grand total was $15,161,644. Last year it amounted to $54,279,869.42. I ask unanimous consent to have the table printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Receipts for current operation of the public schools of Louisiana, 1924–25 to 1947–48

	1924–25	1925–26	1926–27	1927–28	1928–29	1929–30	1930–31	1931–32
I. State, Federal, and special funds:								
A. Per educable	$3,616,065.31	$3,834,224.33	$4,821,214.71	$5,100,924.15	$5,118,230.82	$4,918,053.19	$5,325,105.22	$3,468,373.87
1. Amount per educable	6.01	6.37	8.01	7.85	7.87	7.56	8.19	5.23
B. Equalization basis							360,711.99	965,881.27
C. Employers' contributions to retirement system [2]								
D. Vocational funds:								
(a) Federal	([3])	67,942.18	68,490.39	81,568.69	60,061.16	88,098.93	91,477.07	134,100.77
(b) State [4]								
(c) Special vocational appropriation								
E. Sixteenth section land fund		112,080.96	[5] 153,297.36	[5] 152,022.11	[5] 143,820.07	[5] 204,780.18	[5] 151,384.18	[5] 115,875.84
F. Severance tax, returned to parishes							231,416.27	180,760.86
G. Crippled children's fund								
H. School-lunch fund								
I. Special funds		40,721.91	57,481.57	86,631.16	56,143.84	47,375.68	59,525.52	18,306.12
J. Other State receipts								6,466.59
Total	3,616,065.31	4,054,969.38	5,100,484.03	5,421,146.11	5,378,255.89	5,258,289.98	6,219,620.25	4,890,111.42
State	3,616,065.31	3,946,305.29	4,974,512.07	5,252,946.26	5,262,050.89	5,122,833.37	6,068,617.66	4,737,704.53
Federal	([3])	67,942.18	68,490.39	81,568.69	60,061.16	88,098.93	91,477.07	134,100.77
Special		40,721.91	57,481.57	86,631.16	56,143.84	47,357.68	59,525.52	18,306.12
II. Local funds:								
A. Constitutional tax	6,262,755.88	6,614,771.79	7,065,804.61	6,134,862.61	7,108,175.40	6,403,126.77	6,571,118.59	6,125,806.96
B. Special maintenance tax	3,660,813.01	3,214,824.43	3,341,719.05	3,220,738.10	3,044,222.42	3,374,860.83	3,651,795.76	3,144,922.06
C. Other	1,622,010.56	[3] 1,545,847.44	794,751.33	828,829.04	918,754.70	938,823.90	794,729.34	713,462.99
Total	11,545,579.45	11,375,443.66	11,202,274.99	10,184,429.75	11,071,152.52	10,716,811.50	11,017,643.69	9,984,192.01
Grand total	15,161,644.76	15,430,413.04	16,302,759.02	15,605,575.86	16,449,408.41	15,975,101.48	17,237,263.94	14,874,303.43

	1932–33 [1]	1933–34	1934–35	1935–36	1936–37	1937–38	1938–39	1939–40
I. State, Federal, and special funds:								
A. Per educable	$3,979,014.00	$5,302,362.50	$6,695,798.00	$7,372,581.50	$8,836,042.20	$9,873,010.00	$9,899,978.36	$9,902,375.33
1. Amount per educable	6.00	8.25	10.00	12.00	14.17	16.00	16.00	16.00
B. Equalization basis	592,067.01	939,804.42	1,319,358.52	1,486,176.48	1,791,412.67	2,641,050.31	2,837,106.39	2,950,547.93
C. Employers' contributions to retirement system [2]					[6] 419,948.44	[6] 485,254.67	[6] 589,841.05	[6] 599,767.20
D. Vocational funds:								
(a) Federal	63,457.14	114,876.05	85,021.12	186,301.46	198,043.46	274,831.99	266,624.02	259,303.97
(b) State [4]							100,000.00	100,000.00
(c) Special vocational appropriation								
E. Sixteenth section land fund	115,880.58	115,912.26	115,928.08	114,403.48	115,997.15	117,082.36	121,588.11	113,928.66
F. Severance tax, returned to Parishes	145,703.95	237,159.62	244,556.30	366,249.75	620,994.42	683,458.14	732,081.25	791,519.64
G. Crippled children's fund								297,756.61
H. School-lunch fund								
I. Special funds	15,498.23	17,116.39	8,566.70	5,698.46	11,463.24	20,910.74	18,510.28	14,572.37
J. Other State receipts	2,058.21	110.55	10,647.15	25,166.26	457.53	5,208.29	6,284.94	4,865.40
Total	4,913,679.12	6,727,341.79	8,479,875.87	9,556,577.39	11,994,359.11	14,100,806.50	14,572,014.40	15,034,637.11
State	4,834,723.75	6,595,349.35	8,386,288.05	9,364,577.47	11,784,852.41	13,805,063.77	14,286,880.10	14,760,760.77
Federal	63,457.14	114,876.05	85,021.12	186,301.46	198,043.46	274,831.99	266,624.02	259,303.97
Special	15,498.23	17,116.39	8,566.70	5,698.46	11,463.24	20,910.74	18,510.28	14,572.37
II. Local funds:								
A. Constitutional tax	5,175,807.53	5,587,779.83	5,991,253.09	4,990,538.39	7,732,901.19	5,611,005.17	5,473,177.68	5,101,443.74
B. Special maintenance tax	2,550,309.09	2,644,732.89	2,116,654.03	2,303,173.02	2,256,585.10	2,300,129.89	2,391,863.69	2,376,685.23
C. Other	542,677.19	649,295.07	445,217.93	637,666.40	678,149.70	662,534.49	638,181.33	550,811.18
Total	8,268,793.81	8,881,807.79	8,553,125.05	7,931,377.81	10,667,635.99	8,573,669.55	8,503,222.70	8,028,940.15
Grand total	13,182,472.93	15,609,149.58	17,033,000.92	17,487,955.20	22,661,995.10	22,674,476.05	23,075,237.10	23,255,329.70

	1940–41	1941–42	1942–43	1943–44	1944–45	1945–46	1946–47	1947–48 (estimated)
I. State, Federal, and special funds:								
A. Per educable	$10,847,007.25	$11,489,331.60	$11,736,414.00	$13,898,385.00	$13,898,385.00	$13,898,385.00	$19,520,395.18	$23,273,385.00
1. Amount per educable	17.51	18.60	19.00	22.50	22.50	22.50	31.79	36.13
B. Equalization basis	3,614,895.00	3,829,702.00	3,945,979.00	4,631,377.96	4,638,732.44	4,638,615.89	6,509,516.16	7,758,478.26
C. Employers' contributions to retirement system [2]	([7])	([8])	961,717.31	1,135,105.27	1,272,711.09	1,156,558.74	1,787,307.24	2,231,006.16
D. Vocational funds:								
(a) Federal	27,644.09	320,313.71	235,031.89	134,792.01	181,829.63	167,564.78	228,586.01	300,000.00
(b) State [4]	100,000.00	100,000.00	100,000.00	100,000.00	121,000.00	121,000.00	121,000.00	121,000.00
(c) Special vocational appropriation						500,000.00	400,000.00	400,000.00
E. Sixteenth section land fund	116,750.35	116,750.35	117,549.11	118,467.49	119,227.52	119,427.43	119,461.15	120,000.00
F. Severance tax, returned to Parishes	1,000,452.35	1,232,894.77	1,354,228.91	1,387,326.10	1,522,543.05	1,593,327.75	1,772,563.46	1,900,000.00
G. Crippled children's fund					20,000.00	25,000.00	17,800.00	18,000.00
H. School-lunch fund	250,000.00	240,004.49	[9] 313,006.76	[10] 1,328,198.83	[11] 2,073,733.41	[12] 2,303,249.58	[13] 2,487,434.18	[14] 1,556,000.00
I. Special funds	7,688.46	18,069.80	2,750.00	2,550.00	1,200.00	4,100.00	5,750.00	2,000.00
J. Other State receipts	13,907.37	[15] 124,559.83	[16] 87,367.12	[17] 184,670.47	[18] 90,241.86	[19] 66,278.29	[20] 788,959.82	[21] 1,050,000.00
Total	15,978,344.87	17,471,626.55	18,854,044.10	22,920,873.13	23,939,604.00	24,593,507.46	33,758,773.20	38,729,869.42
State	15,943,012.32	17,038,524.95	18,463,378.82	21,521,901.77	21,873,026.92	22,363,690.24	30,888,453.36	36,121,869.42
Federal	27,644.09	415,031.80	387,915.28	1,396,421.36	2,065,377.08	2,225,717.22	2,864,569.84	2,606,000.00
Special	7,688.46	18,069.80	2,750.00	2,550.00	1,200.00	4,400.00	5,750.00	2,000.00

Footnotes at end of table.

Receipts for current operation of the public schools of Louisiana, 1924–25 to 1947–48—Continued

	1940–41	1941–42	1942–43	1943–44	1944–45	1945–46	1946–47	1947–48 (estimated)
II. Local funds:								
A. Constitutional tax	$5,528,239.10	$6,297,024.75	$6,285,797.65	$5,995,158.66	$6,395,916.36	$7,572,275.70	$8,666,587.88	$9,650,000.00
B. Special maintenance tax	2,468,402.70	2,557,359.43	2,666,254.66	2,779,675.88	3,986,158.35	4,026,265.65	4,183,333.52	4,100,000.00
C. Other	556,418.18	707,779.80	581,262.17	702,761.87	1,176,210.42	993,028.33	1,422,444.36	1,800,000.00
Total	8,553,059.98	9,562,163.98	9,533,314.48	9,477,596.41	11,558,285.13	12,591,569.68	14,272,365.76	15,550,000.00
Grand total	24,531,404.85	27,033,790.53	28,387,358.58	32,398,469.54	35,497,889.13	37,185,077.14	48,031,138.96	54,279,869.42

[1] Schools closed early throughout the State this year.
[2] Teacher retirement system not in operation prior to Aug. 1, 1946.
[3] Federal funds of approximately $38,161.62 (Smith-Hughes) included.
[4] Civilian rehabilitation funds omitted.
[5] Other State funds included.
[6] Paid to teacher retirement system before per educable and equalization amounts determined.
[7] $638,803.28 employers' contributions included in per educable distribution.
[8] $671,908.83 employers' contributions included in per educable distribution.
[9] $69,889.76 FDA and other receipts included.
[10] $1,085,955.83 FDA and other receipts included.
[11] $1,823,733.41 WFA and other funds included.
[12] $2,053,249.58 PMA and other funds included.
[13] $1,937,434.18 PMA and other funds included.
[14] $1,306,000.00 PMA funds included.
[15] $94,718.09 Federal defense grant included.
[16] $82,993.63 Federal defense grant included.
[17] $175,673.52 Federal defense grant included.
[18] $59,814.04 Federal defense grant included.
[19] $4,902.86 veterans' training funds included.
[20] $698,549.65 veterans' training funds included.
[21] $1,000,000.00 veterans' training funds included.

Mr. ELLENDER. To continue the discussion and to show where the greater number of children are in proportion to population, I have before me a table prepared by the National Education Association which speaks very eloquently to that point. The figures again demonstrate that the greater number of children in proportion to population are located in the poorer States. As I stated a while ago, that situation is shown by almost any system of figuring one may choose.

This study shows the number of school-age children in each 1,000 of population throughout the country. Among the 10 highest, we find most of the Southern States well represented: West Virginia has 281; New Mexico 280—in other words 280 children of school age, from 5 to 17, per thousand population. For Alabama the figure is 270. In contrast with New Mexico, which has 280; California has 172.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the table to which I have referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

NUMBER OF SCHOOL-AGE CHILDREN IN EACH 1,000 OF POPULATION, 1943

One of the main reasons why some States provide less adequate educational opportunities than do others is that they have disproportionately large numbers of children of school age. In this bulletin all children 5–17 years old are considered of school age. According to the latest estimates, the United States as a whole had 216 such children in each 1,000 of its population in the year 1943. The figure for each State is given in the column at the right.

Heading the list of States in 1943 was West Virginia with 281 children 5–17 years old in every 1,000 persons of all ages. California, at the foot of the list, had only 172 children of school age in each 1,000 of the population. With such variations in the proportion of school-age children, there would have been substantial differences in the amounts of money available per child even if all States had had the same amount of income per capita and had devoted the same percent of it to education.

The map identifies each State according to whether it stood in the first, second, third, or fourth quarter of the States with respect to the number of school-age children per 1,000 of population in 1943. Of the 12 States standing highest, 10 are located in either the southeast or the southwest. Of the 12 States ranking lowest, only one is in the south while 9 are in the northeastern or the far western region. This distribution reflects in part the fact that farming areas and small towns generally have a higher ratio of children to adults than do cities. In 1940 the farms of the southeastern States had nearly twice as many children for each 1,000 adults as did the cities of the same region.

Number of school-age children per 1,000 population

United States	216
District of Columbia	160
West Virginia	281
New Mexico	280
South Carolina	274
Alabama	270
North Dakota	270
North Carolina	266
Mississippi	263
Arkansas	259
Kentucky	256
Georgia	252
Tennessee	249
Oklahoma	247
Utah	247
Idaho	241
South Dakota	239
Louisiana	239
Maine	231
Virginia	229
Vermont	228
Texas	225
Montana	224
Pennsylvania	222
Michigan	221
Nebraska	221
Wisconsin	220
Wyoming	220
Iowa	217
Minnesota	217
Indiana	215
New Hampshire	214
Arizona	211
Colorado	210
Kansas	210
Ohio	207
Maryland	205
Delaware	202
Missouri	201
Massachusetts	197
Illinois	196
Rhode Island	194
Connecticut	194
New Jersey	192
Florida	192
New York	188
Nevada	185
Oregon	185
Washington	180
California	172

Mr. ELLENDER. Mr. President, I have before me a table prepared by the National Education Association, showing the fertility ratio, taking the figures from 1940. The number of children under 5 years of age for each 1,000 women between the ages of 20 and 44 is as follows: New Mexico, 666; Utah, 583; South Carolina, 586; New York, 289; New Jersey, 294. As I pointed out a while ago, New York and New Jersey lead the Nation in the total income payments per child from 5 to 17 years of age. This table again shows that the States in the South are well represented.

Mr. President, I ask unanimous consent that this table may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FERTILITY RATIO, 1940

Are existing differences in the relative educational responsibilities of the States likely to continue? A sound answer to this question depends upon the net effect of birthrates and rates of mortality in early childhood. Probably the measure which reflects both these factors most satisfactorily is the "fertility ratio"—the number of children under 5 years of age for each 1,000 women between the ages of 20 and 44 years. The most recent figures on these age groups are for the year 1940. The fertility ratio for each State in 1940 is listed herewith.

These ratios ranged from 289 in New York State to 666 in New Mexico, the average being 407 for the United States as a whole. Fourteen States each had more than 500 children under 5 years for each 1,000 women aged 20–44 in 1940, while 7 States had ratios below 350. On the whole, the States having the higher fertility ratios had the larger numbers of school-age children in relation to their total populations, and vice versa. This means that the rank order of the States with respect to their relative educational responsibilities is not likely to change greatly in the near future, at least.

Of the 12 States having the highest fertility ratios, 8 are in the Southeast or the Southwest and all were below the United States average in income payments per capita in 1943. All but 1 of the 12 States having the lowest ratios are in the Northeast or the far West where income generally is higher.

It is unfortunate that the States with the larger proportions of very young children as well as of school-age youngsters have, on the whole, comparatively little tax paying ability and poor educational facilities.

Number of births per thousand women

United States	407
District of Columbia	242
New Mexico	666
Utah	593
South Carolina	586
Arizona	573
Idaho	567
Mississippi	565
West Virginia	565

Number of births per thousand women—Con.

Kentucky	562
North Dakota	560
Arkansas	546
North Carolina	545
Alabama	543
South Dakota	516
Georgia	503
Oklahoma	499
Wyoming	493
Montana	492
Vermont	490
Tennessee	486
Louisiana	485
Virginia	479
Maine	475
Colorado	461
Iowa	451
Texas	445
Nevada	440
Minnesota	438
Wisconsin	437
Nebraska	434
Michigan	423
Kansas	418
Indiana	417
New Hampshire	400
Florida	383
Missouri	381
Ohio	376
Maryland	375
Pennsylvania	374
Washington	374
Oregon	370
Delaware	366
Illinois	336
Massachusetts	329
California	328
Rhode Island	324
Connecticut	312
New Jersey	294
New York	289

Rising birth rates will have very substantial effects upon enrollment figures by 1950. Continuation of almost 4,000,000 births annually, instead of the prewar 2,000,000, would, of course, double the work of the schools. It is not anticipated that the rate will remain so high for any great length of time; but the high rate of the past few years will produce correspondingly high enrollments as the growing children move up through the elementary and secondary schools. Enrollment figures are expected to continue to increase into the 1960's. (The numbers born in recent years are listed in table 1.)

School finance officials and superintendents must plan for funds that will be realistic in terms of the existing price structure and be adequate for the increasing load which is certain to come.

TABLE 1.—*Number of births*

Year	January to June	July to December	Total
1	2	3	4
1941	921,109	1,038,000	1,959,109
1942	1,018,506	1,237,455	2,255,961
1943	1,169,962	1,234,484	2,404,446
1944	1,121,928	1,218,821	2,340,749
1945	1,286,367	1,338,918	2,625,285
1946	1,283,808	1,845,369	3,129,177
1947	1,786,936	[1] 2,131,000	[1] 3,917,936

[1] Estimated by the NEA Research Division.

Data taken from Monthly Vital Statistics Bulletin issued each month by the U. S. Public Health Service.

Mr. ELLENDER. Mr. President, I have before me the results of other studies made by the National Education Association, which is located in Washington, D. C., and has been striving for a long time for the passage of a bill of this nature. As an example, I hold in my hand a table showing the current expenditures per pupil of average daily attendance for public education, for the 1944–45 school year. Again it shows that the worst condition is in the Southeastern and Southern States, to which I have been referring; it shows that the current expenditures for that purpose among the 12 Southeastern and Southern States are lower than such expenditures in any of the other States of the United States. I ask unanimous consent that this table may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Current expenditures per pupil of average daily attendance for public education, 1944–45 school year

United States	$125.41
District of Columbia	161.02
Highest 12 States:	
New Jersey	198.33
New York	194.47
Illinois	169.02
Massachusetts	166.67
Wyoming	164.84
Montana	163.42
California	163.38
Washington	159.78
Connecticut	159.50
Nevada	155.88
Rhode Island	148.96
South Dakota	144.62
Second 12 States:	
Oregon	144.56
Minnesota	144.29
Wisconsin	140.41
Ohio	138.25
Pennsylvania	137.00
Delaware	133.05
North Dakota	132.55
New Hampshire	131.48
Indiana	131.29
Kansas	130.85
Colorado	129.47
Michigan	127.73
Third 12 States:	
Arizona	127.55
Nebraska	127.28
Iowa	124.83
Utah	120.24
New Mexico	119.98
Vermont	117.90
Maryland	113.98
Missouri	113.07
Idaho	112.34
Texas	102.46
Maine	97.75
Oklahoma	96.61
Lowest 12 States:	
Louisiana	95.31
Florida	94.55
West Virginia	93.18
Virginia	83.49
Kentucky	80.94
Tennessee	69.70
North Carolina	68.91
South Carolina	65.17
Georgia	64.92
Arkansas	60.26
Alabama	56.93
Mississippi	44.80

Mr. ELLENDER. Mr. President, at this time I wish to bolster an assertion I made a while ago in answer to a question propounded by the distinguished Senator from Kentucky [Mr. COOPER]. I wish to show that the greatest effort toward providing funds for the education of the people has been made in the poorest States of the Union. In that connection I hold in my hand a compilation made by the Legislative Reference Service of the Library of Congress. The subject is Federal Aid to Elementary and Secondary Education. It is to be found in Public Affairs Bulletin No. 61, at pages 113 to 115. I ask unanimous consent that it may be printed at this point in the RECORD as a part of my remarks.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

[From pp. 113–115 of Library of Congress Legislative Reference Public Affairs Bulletin No. 61]

(VI) IN GENERAL THE POORER STATES ARE MAKING GREATER EFFORTS TO SUPPORT EDUCATION THAN THE WEALTHIER ONES

Recent studies have shown that the richer the State the less is the effort required to support schools, and the less is the effort actually made. On the whole, the poorer States spend larger proportions of their tax revenues for education than the wealthier States.

During the school year 1944–45 the percents of total-income payments expended for education varied considerably among the States, ranging from 1.07 to 2.53. A comparison of the percents of total income payments expended by the States for education in that year shows that (1) some States were making more than twice the effort made in other States to support education, and (2) in general, States of lowest financial abilities were making above-average effort to support schools.

Although the States having higher average incomes expend larger amounts of money for education, the percent of such incomes devoted to education gradually diminishes as income increases. Although not extreme nor continuous, this relationship is evident.

It has been often said that if the States would put their fiscal houses in order, all of them could have acceptable standards of school support. But it remains a fact that the States which, according to the standards of the best fiscal experts, have done the best jobs of modernizing their State tax systems are among the poorest States. If some of the rich States would levy the same taxes at the same rates that some of the poorer States levy, they would raise twice as much revenue as they now raise.

It is a well-known fact that the Southern States are so-called poor States. Let us look at the record of these States to see whether educational support is a matter of effort and of putting houses in order.

In spite of the need for improvement, the best organization of local school administrative units, with but few exceptions, is to be found in the South. In nine of those States the percentage of one-room schools falls below the similar percentage for the Nation as a whole, and about half of all the consolidated schools in the United States are located in the South.

The Southern States lead the Nation in the extent to which they depend upon State support of public schools in contradistinction to local support. As to methods of distributing school funds, the majority of the Southern States compare favorably with any of the other States and far excel most of them.

In spite of the fact that the teachers of the South are in general the lowest paid in the Nation, their qualifications compare favorably with the qualifications of teachers of other States. The minimum college-credit requirements for certification of elementary school teachers average approximately the same for the Southern States as for the rest of the Nation.

A majority of the Southern States can be classed among the States of the Union that have done the most to modernize their systems of taxation. As measured by the diversity of taxes, sources utilized, and by rates levied on those sources the southern States rank above most of the other States. Not only do they levy death taxes, income taxes, luxury taxes, and the like, but they lay the highest tax rates on gasoline, cigarettes, inheritances, and middle-class income. They have far outstripped the rest of the Nation in the proportion of taxes derived from nonproperty sources. In comparison

with the rest of the Nation they have with few exceptions "put their fiscal houses in order" as regards taxation.

Furthermore these States compare favorably with the rest of the Nation in their effort to support public education as measured by the percentage of their potential tax resources spent for education.

The tax load for essential public services requires a lesser tax exertion on the part of the higher income States. The States with above-average per capita income have an average tax severity below that of States with lower per capita income.

Mr. ELLENDER. Mr. President, it may be asked why the States with high incomes should assist in providing minimum educational opportunities for all children in the United States, regardless of the State in which they live. I believe that all the States should be interested in that matter, but especially the States whose populations consist in large degree of persons born in other States. I hold in my hand a tabulation in regard to that matter. I have cited figures to show that in the great State of California the total income payments per child from 5 to 17 years of age is approximately $9,000. Yet when we examine the table, which shows the number of residents in each State as of 1940, who were born in other States, we find that at that time the population of California consisted of 57.1 percent of men, women, and children who were born outside of California. So why is not California interested in the passage of a bill of this character, since, judging from these figures it is apparent that to a large extent California is dependent for the maintenance of its population on men, women, and children who come there from other States, particularly from the South, where many of them are reared. So I should think that California is interested.

Mr. President, let us consider the State of Washington not far away from California. In the State of Washington, 52.5 percent of the population was born outside that State. So only 47.5 percent of the entire population of the State of Washington was born in that State.

Let us consider the State of Oregon, where 54.3 percent of the residents were born outside the State.

In the case of Colorado, 49.9 percent of its residents were born outside of the State. I should like to call that fact to the attention of the distinguished Senator from Colorado [Mr. MILLIKIN], who, I understand, is somewhat opposed to this bill. I said somewhat. I hope he can be persuaded to change his mind.

In the case of Idaho, we learn that 50.7 percent of its population was born in other States.

We also learn that 46.3 percent of the population of Montana was born outside that State.

Now let us consider the comparative situation in the Southern States, the poorer States. Consider the State of North Carolina, for instance. All but 9.7 percent of the population of North Carolina was born and reared in North Carolina.

In the case of Georgia, all but 10.7 percent of the population of that State was born there.

In the case of Alabama, all but 9.4 percent of its population was born there.

In the case of Mississippi, all but 9.1 percent of its population was born there.

Mr. President, I do not wish to read all the figures given in the table and thereby take up much of the time of the Senate, but I ask unanimous consent that the entire table may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

14. NUMBER OF RESIDENTS IN EACH STATE IN 1940 WHO WERE BORN IN OTHER STATES

Why should the people of a wealthy State favor Federal aid for education in the poorer States? The democratic argument is that all children, regardless of the place or circumstances of their birth, are entitled to schooling in accordance with their capacities and needs. This argument alone satisfies many people, but there is an equally strong argument based on the enlightened self-interest of the wealthier States. Each year these States receive thousands of persons who attended school in other States and who inevitably bring with them the results of their schooling, good or poor.

On April 1, 1940, the number of persons living in a given State who had been born in other States ranged from about 60,000 in Vermont to about 3,362,000 in California. Seven States had more than a million; 17 had more than a half million; and 33 had more than a quarter million such persons. When these figures are expressed as percents of the American-born population of the respective States in 1940, they range from 9 percent in South Carolina to 64 percent in Nevada. In each of 19 States the number of residents born in other States was more than one-fourth of all the American-born residents in the given State, and in each of 7 States the number born in other States was more than one-half of the American-born residents.

Of the 12 States having the largest numbers of residents born in other States, only one (Florida) is in the Southeast and two (Texas and Oklahoma) are in the Southwest. The other nine are in the Northeast, the middle region, or the far West.

Number and percent of residents in each State in 1940 who were born in other States

[In thousands]

	Number	Percent
United States	26,916	
District of Columbia	403	64.7
California	3,362	57.1
New York	1,643	15.8
Illinois	1,570	22.7
Ohio	1,348	21.2
Michigan	1,170	25.7
Texas	1,130	18.3
New Jersey	1,049	30.5
Oklahoma	949	41.1
Pennsylvania	941	10.6
Missouri	888	24.3
Florida	870	48.1
Washington	790	52.5
Indiana	712	21.5
Kansas	545	31.2
Oregon	539	54.3
Minnesota	534	21.5
Colorado	522	49.9
Massachusetts	487	14.2
Tennessee	457	15.8
Iowa	452	18.7
Virginia	446	16.8
Maryland	435	25.1
Arkansas	432	22.3
Wisconsin	388	13.7
North Carolina	344	9.7
Connecticut	338	24.6
Georgia	333	10.7
West Virginia	331	17.8
Nebraska	310	25.2
Louisiana	301	12.9
Kentucky	293	10.4
Alabama	266	9.4
Idaho	252	50.7
Arizona	238	52.1
Montana	231	46.3
Mississippi	197	9.1
New Mexico	192	37.4
South Dakota	182	30.6
South Carolina	165	8.7
North Dakota	141	24.9
Wyoming	138	59.4
Rhode Island	123	21.4
New Hampshire	117	27.8
Utah	82	15.8
Delaware	80	31.7
Maine	77	10.1
Nevada	63	64.0
Vermont	60	18.4

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MURRAY. I wish to compliment the Senator from Louisiana on the splendid argument he is making. He is presenting sound economic reasons to justify this measure.

It seems to me the bill could have been justified if it had been confined entirely to the relief of the backward States to which the Senator has referred, which are suffering as a result of not having a balanced economy and lack the means with which to carry on adequate educational facilities.

It also seems to me that in view of the rapidly growing population in the United States as of today we shall have some difficulty in locating and settling people in the big industrial States, where there are many large industries and where the overflow from the other sections of the country has been flooding in. It is impossible for many more persons to live in those sections. So we must find opportunities for people in the sections of the country that heretofore have not been developed in that way. The South and the West offer such opportunities. It seems to me that with proper economic development there we could largely overcome these problems of inadequate educational facilities.

But until that is done, I agree with the Senator from Louisiana that we must have Federal aid for those poorer States. I intend to support that sort of a program. However, I do believe that some amendments could be made to improve the bill, and I intend to support one or two which will be presented during the course of the debate.

The State of Montana is strongly in favor of this program. I hold in my hand a letter from the executive secretary of the Montana Education Association. In his letter he undertakes to justify this program, and he answers the argument that this program would be an opening wedge in getting control of and interfering with educational programs in the States.

I ask to have this letter from the executive secretary of the Montana Education Association, Mr. M. P. Moe, printed in the RECORD in connection with my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MONTANA EDUCATION ASSOCIATION,
Helena, Mont., March 12, 1948.

Senator JAMES E. MURRAY,
Senator ZALES N. ECTON,
Hon. MIKE MANSFIELD,
Hon. WESLEY D'EWART.

DEAR FRIENDS: It is hardly a new subject that I am writing about, but your support is needed now. I have furnished you with many facts, and given reasons why Montana should support S. 472 and H. R. 2953.

Some additional facts that I have not previously advanced came to me as we were preparing a bulletin of taxes levied on Montanans and where the money goes. We have often heard that Montana does not need aid. However, the other States were good to us when we were in need. When we were down in the thirties, the other States did not ask how much we were paying in return for what we were getting. Facts show that we are still faring quite well. It hardly behooves us to refuse to help others.

You will note that for the years 1943–47 inclusive, Montana has paid to the Federal Government a total of $343,655,300, and has received Federal aid in the amount of $630,500,000, a net profit to Montana of $286,844,700. We have received for each $100 of taxes paid, an amount of about $185 in return, plus our share of the cost of operating our Federal Government and payments to date for the war costs.

Here is the record:

Year to June 30—	Total State income (in millions) [1]	Federal income tax (in thousands) [1]	Other Federal taxes (in thousands) [2]	Federal aid received (in millions)
1934	228	691.0	*138.2	31.9
1935	267	1,237.0	*247.4	78.7
1936	294	2,187.9	*437.8	61.2
1937	312	2,693.3	*538.7	67.4
1938	280	2,760.0	*552.0	52.4
1939	300	2,600.8	*520.2	54.3
1940	324	3,155.5	*631.1	51.6
1941	385	4,866.0	*973.2	37.0
1942	475	10,953.5	*2,190.7	[3] 35.0
1943	517	28,039.7	12,374.7	[3] 33.0
1944	528	48,296.6	8,537.9	[3] 32.0
1945	555	52,342.5	9,310.6	[3] 31.0
1946	669	50,192.2	9,136.8	[3] 30.0
1947	764	[4] 68,000.0	[4] 20,000.0	[3] 35.0
	---	278,066.0	65,589.3	630,500,000
Total	---	343,655,300		---

[1] Figures taken from Dr. Roy Ely.
[2] *Estimated at 20 percent of income taxes paid, except for years 1943–46 taken from Internal Revenue Bureau Bulletin. This figure probably should be raised, as some indirect manufacturers' taxes, cigarettes and liquor, may be reported from other States, but be passed on to consumers in Montana. The percentage for all States is 27½ percent. This would raise our taxes paid by about $17,000,000 for the 13 years, and make our total paid $360,655,300, but yet a little more than one-half of what we have received in return.
[3] Estimated. Others as reported by Dr. Roy Ely.
[4] Estimated.

Has Montana been unduly controlled by this fund of over $630,000,000, even though much of this went directly to individuals? Does it seem reasonable therefore, that a sum of only a little more than 1 percent as large going into a State fund where it loses its identity can unduly influence or control our people or Government? It appears to us that fear of Federal control under these bills is based upon some such reason as lack of adequate information or understanding or bias or that opposition in some cases may be opposition to spending money for education.

We cannot see that the issue of "Church and State" enters into this question at all. Two recent United States Supreme Court decisions have ruled that issue out of the picture. The New Jersey case—Decision No. 52, October term 1946, page 13, majority opinion says, "No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion. Neither a State nor the Federal Government can, openly or secretly, participate in the affairs of any religious organizations or groups and vice versa."

The recent decision in the McCollum case from Champaign, Ill., further emphasizes the above Supreme Court stand.

We must confess that we cannot understand how we can defend the policy of financing nationally our various activities such as farming, road building, reclamation, forest reserves, bird reserves, national defense, etc., and yet argue against using Federal funds for the development of citizens of our country upon whom depend all of these other things. Our citizens are more fluid in their movements from State to State than are these material things.

If I were a Member of the Senate or House, in 1948, or 1960, or 1975, it seems to me that I would have to ask myself these questions:

1. Has the action of my predecessors in Congress endangered our country?

2. Do I fear that my action in Congress in 1948 may endanger the future of my country?

3. Do I fear that the Senators and Congressmen of 1975 will be less capable and patriotic than I am?

My answer would be as follows:

Paragraph 1, no; paragraph 2, no; paragraph 3, no; if we give the boys and girls a better chance through education to be trained for their responsibilities, we shall have better qualified men and women to solve our problems than we now have. By educating all under a program of equality of opportunity, many of our present social, civic, economic, racial, and religious problems will be eliminated.

I hope, as do the other 75 percent of our population in favor of Federal aid to education, that you will support this program of opportunity for youth.

Very sincerely,

M. P. MOE,
Executive Secretary.

P. S.—Since this letter was dictated, I have come across these figures in the Bureau of Internal Revenue Bulletin for the year ending June 30, 1946. Montana paid .15 of 1 percent of the total Federal taxes. This means that we would pay $450,000 and receive $545,000 out of the $300,000,000 provided in the Federal aid bills. Probable indirect taxes paid would be about $30,000, or a total of $480,000. This probably would not mean increased taxes, but merely allocation from less needed purposes to education.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. Gladly.

Mr. LUCAS. On page 31 of the hearings there is a table describing the basis of allotment to the States. Under "Current expenditures per pupil," Illinois now provides $158.02. Merely as an example, the expense of Alabama per pupil is $54.17. My query is this: In the distribution of the fund, I presume Alabama will receive more per pupil by reason of its low quota at the present time than Illinois will receive; is that correct?

Mr. ELLENDER. It will of course depend on how the situation in Illinois fits in with the formula written into the bill.

Mr. LUCAS. That is what I am saying. That is what I am trying to ascertain. In other words, the States having low current expenditures per pupil per year are bound to get more under this bill than the States which have higher current expenditures per pupil per year; is that not a fact?

Mr. ELLENDER. It will also depend, I may say to the Senator, on the effort put forth by the States. In other words, the bill contemplates by its formula that in order for any State to become entitled to all the funds it is entitled to, it must spend a specific amount. No State may receive the entire amount unless it can show that it spends 2.5 percent of the total income payments, over an average of 4 years, as provided in the bill. To the extent that that percentage is reduced, the funds to which, under the bill, the State would be entitled are likewise reduced.

Mr. LUCAS. I understand from the hearings that any State must pay into its school administrative unit as much as an average of $40 per year per pupil, in order to continue to receive national funds. But the point about which I am inquiring is whether it is not a fact that Alabama, Mississippi, and other States having low current expenditures per pupil per annum would not get a better distribution of the fund than the larger States having higher current expenditures per pupil per annum.

Mr. ELLENDER. Of course they will. It is to bring them up to the level whereby they will be able to spend a minimum of $50 per pupil in all local school jurisdictions in each State.

Mr. LUCAS. In other words, the real purpose of the bill is to try to bring the system of education in the States that have low expenditures per pupil per annum up to a standard throughout the country, so that one State will be more or less on equality with another; is that not true?

Mr. ELLENDER. No; I may say to the Senator, I do not believe that end could be attained. It is to bring up their expenditures to a minimum of $50 per pupil, as I have just indicated.

Mr. LUCAS. I mean it is the goal.

Mr. ELLENDER. Yes, to the extent that I have indicated.

Mr. LUCAS. It is the objective which is sought, is it not?

Mr. ELLENDER. If the Senator means it is to put them all on equality, I should say "No."

Mr. LUCAS. No, I do not mean that; but with respect to the ultimate education of any child is concerned, the effort is to give the child in Alabama and the child in Illinois the same kind of opportunity, so far as the Federal Government is concerned. Am I correct about that?

Mr. ELLENDER. To the extent of a minimum of $50 per pupil in all schools as I have heretofore indicated on several occasions. The principal purpose of the bill, I again repeat, is to provide minimum educational opportunities for all the children of the Nation, wherever they might reside. The amount of funds that will be allotted to the State of Alabama is to be made available in order to bring up the amount now expended in the State of Alabama, whatever it may be, to at least $50 per pupil in all of the schools of Alabama.

I respectfully refer my friend to the language in the bill appearing at the bottom of page 21 and continuing on page 22, as follows:

(a) there will be available from all sources to each local public-school jurisdiction or other State public-education agency, for

current expenditures for public elementary-school and public secondary-school education, an amount per pupil in average daily attendance at public elementary and secondary schools within such local public-school jurisdiction, or under the jurisdiction of such State public-education agency, not less than $50 or, in any fiscal year for which the amount to be paid to a State is less by reason of the provisions of paragraph (F) of section 4 than the amount of the Federal allotment to such State, an amount which bears the same ratio to $50 as 98 percent of funds appropriated for such fiscal year pursuant to section 3 bears to the sum of all Federal allotments under section 4.

Mr. HILL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HILL. As I understood, the Senator from Illinois referred to the figures on page 31 of the hearings.

Mr. LUCAS. That is correct.

Mr. HILL. Those figures refer to the bill introduced by the distinguished Senator from Vermont [Mr. AIKEN], and they run much higher than the figures will run under the bill now pending before the Senate. Under the Aiken bill, the over-all amount ran to approximately $1,200,000,000 of Federal funds.

Mr. LUCAS. The theory of the bills is identical, I take it.

Mr. HILL. The theory of the bills is the same in many ways, but they differ in certain particulars. The previous bill was not exactly the same as the bill which is now before the Senate.

Mr. LUCAS. Is the Senator from Illinois correct in saying that the real objective of the pending bill is to endeavor ultimately to bring to the children of America, whether they live in Alabama or in Illinois, from a Federal standpoint, an equal opportunity, to obtain the educational benefit provided in this bill?

Mr. HILL. So far as the bill now before the Senate is concerned, it seeks to give to every child in the United States a minimum educational opportunity, not to bring every child up to the same equal opportunity. All this bill would do would be to give them the minimum educational opportunity, which is an opportunity of $50 per year per child.

Mr. LUCAS. But the minimum opportunity is applied equally to every State of the Union, is it not?

Mr. HILL. That is correct. In other words, should this bill become a law and appropriations be made under it, every child in the United States would have the minimum opportunity that can be provided by $50 a year—at least that much opportunity.

Mr. ELLENDER. If I may, I should like to point out to the distinguished Senator from Illinois, since he propounded the question to me a while ago, I note from a table showing how the money will be distributed that although his State is spending much more per pupil than is Alabama, the State of Illinois will, under the bill, receive $5,027,000.

Mr. LUCAS. How much will Alabama receive?

Mr. ELLENDER. The State of Alabama will receive $13,034,000. The State of Louisiana will receive approximately $6,829,000.

Mr. LUCAS. That is the point I made a moment ago. In other words, although Illinois is a large State with much more wealth and much greater resources, yet Illinois would only get $5,000,000 under the bill, whereas the State of Alabama would get $13,000,000. Is that correct?

Mr. ELLENDER. That is correct, and the reason for it is evident. It is that there are more children in Alabama who are not receiving the minimum of $50 than in Illinois.

Mr. LUCAS. I am in perfect accord with the bill. I think that is exactly as it should be. So far as Alabama is concerned, the taxpayers in Illinois stand a greater share of the expense, but as one who is vitally interested in the education of the youth of America, and who believes that it is fundamental and basic that the youth of the country should continue to have the best possible opportunity, even if the Federal Government has to come to their aid, I am going to support this kind of bill, because in the youth are the potentialities of all that is worth while for America tomorrow.

Unless the Federal Government shall come to the aid of the teachers of America, thereby coming to the aid of the youth we shall find a continuation of the deterioration in the teaching facilities which I have experienced in the State of Illinois. I know what our teachers have gone through in my State. At one time the teachers in the city of Chicago were for several months without any pay whatsoever. They were finally compelled to come to the city of Washington to obtain through the Reconstruction Finance Corporation a sufficient amount of money to take care of their salaries for a short time. There was almost a serious situation at that time. Of my own personal knowledge persons who have been marvelous teachers in the public schools have left their positions because of the small amount of salary they were receiving. In other words, in order to support themselves and their families they were compelled to forego the salaries they were receiving as school teachers and engage in some other line of endeavor. We know that similar situations obtain in every State of the Union. Something must be done in order to keep the teachers at work teaching in our public schools if we are to continue the development of America, which is so important from the standpoint of our own defense of tomorrow.

Mr. HILL. I may say to my distinguished friend from Illinois that I remember very well the situation in Chicago of which he has spoken, and I also remember the part which the Senator from Illinois played in helping to obtain funds from the RFC so that the schools of Illinois might be kept open and that the children might be able to continue their education. I want to commend the Senator from Illinois on the very fine statement he has made. The views which he has so eloquently stated here constitute the reasons for this bill. The views which he has stated are the basic reasons which compel the passage of the bill.

Mr. ELLENDER. Mr. President, before I was interrupted I was trying to show the advantages which would flow to the various States by reason of the passage of the bill. I cited the population figures of various States, such as California, Oregon, and Washington, in which the population consists of more than 50 percent of persons who were born outside those States. There would certainly be an advantage to California and other States in seeing to it that the children of poorer communities should receive at least a minimum of education, because children from those communities may sooner or later drift into those States. Necessarily it would be of some advantage to California and other States similarly situated that fairly well educated persons enter rather than ignorant ones.

A moment ago I referred in the course of my remarks to a booklet published by the United States Chamber of Commerce. In that booklet, on page 22, is shown the relation of income to education. It indicates that among wage and salary workers, the higher incomes generally are received by persons of higher education, and says:

Of those who reached the $5,000 income bracket, 50 percent attended college or went beyond; 39 percent reached high school or graduated; 11 percent had 8 years of schooling or less.

Those limited to a grade-school education are found to predominate in the lower income brackets; they decrease in proportion as the higher income brackets are reached.

The percentage of those having some high-school education rises up to the $3,000 income figure and falls off slightly beyond that point.

The rental paid as related to education is interesting. I find this information in the same booklet, at page 26:

Rent paid, or rental value of owned homes, another indicator of economic well-being as related to education.

The higher rents generally are paid by persons with higher education:

Of those who paid $75 or more per month for rent, 47 percent attended college or went beyond; 36 percent reached high school or went beyond; 17 percent had 8 years of schooling or less.

Those with an eighth-grade education or less are found predominantly in the low-rental groups, and the percentage diminishes sharply as we pass beyond the $10-to-$14 group.

The percentage of those having some high-school education rises up to the $50-to-$74 group.

With regard to retail sales, we find this information on page 34 of the same booklet:

In Mississippi the per capita retail sales amounted to $129; in New York, $414; in Vermont, $343, and in New Hampshire, $373. In Arkansas the figures are $153; in Georgia, $200; in North Carolina, $177; in Louisiana, $206, and in California, where all the wealth I spoke of a while ago is found, the per capita retail sales figure is $462. In Oregon it is $406.

In the same booklet, at page 36, appears a statement of the circulation of 18 nationally advertised magazines per 1,000 population, in 1940. It is shown that of every thousand persons in Louisiana 140 bought magazines. In Maine the number was 349; in New York it was 300; in Mississippi it was 104, in contrast with California, in which the number was 431.

It is certainly to the advantage of those who publish magazines in the little corner of the country which we call the Northeast, and possibly on the west coast, that persons all over the country should receive a fair amount of education.

Let us turn to page 37 of the booklet, which indicates the number of telephones per 1,000 population in 1940. I again say to the Senate that the number of telephones is much less in the South, where the children have had fewer educational advantages, than in other States where the advantages have been greater. The number of telephones in Mississippi per 1,000 population is 36; in New York, 209; in California, 253; in Arkansas, 46. Think of it, in the State of Arkansas for every 1,000 of population there are only 46 telephones. Whereas, in Illinois there are 212, in New Jersey 200, and in Massachusetts 197.

In one of the richest States of the South, North Carolina, where the income is fair, a State which has a splendid educational system, commensurate with the amount of money that can be raised for that purpose, the number of telephones per 1,000 of population is 51, in contrast with 253 in California, 176 in Oregon, 212 in Illinois, and 209 in New York.

Mr. President, I could cite many more examples to show the decided advantage which accrues to those engaged in business all over the country, in seeing to it that all children, no matter where located, get a minimum of education, as will be made available to them under the provisions of the bill we are now considering.

I had intended to dwell at length on an explanation of the various sections of the bill, but since the Senator from Ohio [Mr. TAFT] has given such a fine explanation of the measure, I shall not take the time of the Senate to go into too many details.

Before leaving the subject I wish to state that the portion of the bill which gave us the most concern was that dealing with the proposal to make it absolutely certain that control of our public schools would remain at the State level. The Senator from Ohio has invited any Senator to offer additional language than has been incorporated in the bill in order to make it certain that the States shall have full control of their respective public-school systems.

I should like to read the section of the bill dealing with that subject, because it is very important, and because I believe that the question of fear of loss of control by the States is causing quite a number of Senators to feel unkindly toward the bill.

Section 2 of the bill provides:

SEC. 2. Nothing contained in this act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or to prescribe any requirements with respect to any school, or any State educational institution or agency, with respect to which any funds have been or may be made available or expended pursuant to this act, nor shall any term or condition of any agreement or any other action taken under this act, whether by agreement or otherwise, relating to any contribution made under this act to or on behalf of any school, or any State educational institution or agency, or any limitation or provision in any appropriation made pursuant to this act, seek to control in any manner, or prescribe requirements with respect to, or authorize any department, agency, officer, or employee of the United States to direct, supervise, or control in any manner, or prescribe any requirements with respect to, the administration, the personnel, the curriculum, the instruction, the methods of instruction, or the materials of instruction, nor shall any provision of this act be interpreted or construed to imply or require any change in any State constitution prerequisite to any State sharing the benefits of this act.

If any language can be added to this section to make it stronger, I am for it.

Mr. President, another very important section is that relating to apportionment. There is a well-worked-out formula which has been studied by the committee in every detail and which we consider to be workable. Studies by Federal agencies have shown that income payments, as calculated by the United States Department of Commerce, are the best single measure of the ability of the people of a State to support public services such as education.

Mr. President, I should like to incorporate at this point in my remarks a table, with an accompanying statement, to show, as I have just indicated, that the income method of payments is the most equitable and the best that can be devised.

There being no objection, the table and statement were ordered to be printed in the RECORD, as follows:

EXHIBIT 8. WEALTH PER CAPITA, BY STATES

TABLE 19.—*Financial ability and effort of States to support public education*

State	1945 total income payments (millions)	1945 income payments per capita	Income payments per child from 5 to 17	Percent 1944–45 current cost of education is of total income payments	1945 total State tax revenues (thousands)	Percent 1944–45 current cost of education is of total State tax revenues	Percent of 1940 population classified as urban
1	2	3	4	5	6	7	8
United States	$155,201	$1,177	$5,372	1.59	$5,476,459	45.0	56.5
Alabama	2,021	747	2,649	1.49	74,883	40.2	30.2
Arizona	594	1,026	4,368	1.96	25,846	45.1	34.8
Arkansas	1,218	659	2,384	1.56	49,362	38.5	22.2
California	13,649	1,503	9,009	1.35	566,219	32.5	71.0
Colorado	1,271	1,185	5,502	1.74	47,234	46.7	52.6
Connecticut	2,635	1,468	7,616	1.36	83,902	42.6	67.8
Delaware	393	1,429	7,145	1.23	13,819	34.9	52.3
District of Columbia [1]	[2] 1,263	1,377	9,219	.99			100.0
Florida	2,420	1,049	5,463	1.26	75,890	40.2	55.1
Georgia	2,445	813	3,127	1.45	76,141	46.6	34.4
Idaho	525	1,112	4,773	1.99	17,240	60.6	33.7
Illinois	10,695	1,427	7,315	1.51	297,349	54.3	73.6
Indiana	4,102	1,168	5,448	1.71	133,236	52.7	55.1
Iowa	2,375	996	4,481	2.03	78,698	61.2	42.7
Kansas	1,908	1,076	5,088	1.86	58,032	61.3	41.9
Kentucky	1,957	751	2,800	1.72	65,254	51.5	29.8
Louisiana	1,986	832	3,418	1.76	119,857	29.2	41.5
Maine	847	1,048	4,389	1.52	30,176	42.6	40.5
Maryland	[2] 2,664	1,303	6,562	1.07	71,175	40.1	59.3
Massachusetts	5,631	1,340	6,712	1.52	164,634	52.1	89.4
Michigan	6,799	1,218	5,496	1.62	241,717	45.4	65.7
Minnesota	2,614	995	4,468	2.18	110,786	51.5	49.8
Mississippi	1,205	570	2,067	1.67	60,648	33.1	19.8
Missouri	3,776	1,063	5,055	1.49	112,977	49.9	51.8
Montana	555	1,228	5,236	2.32	19,981	64.4	37.8
Nebraska	1,333	1,086	4,847	1.92	27,895	91.6	39.1
Nevada	210	1,511	8,400	1.43	6,260	47.8	39.3
New Hampshire	460	977	4,609	1.65	15,138	50.0	57.6
New Jersey	[2] 5,933	1,516	7,817	1.78	174,763	60.5	81.6
New Mexico	448	850	2,909	2.53	24,167	46.9	33.2
New York	[2] 20,295	1,588	8,307	1.50	839,116	36.3	82.8
North Carolina	2,621	749	2,685	1.88	131,034	37.5	27.3
North Dakota	566	1,097	3,958	2.36	19,457	68.7	20.6
Ohio	9,114	1,329	6,382	1.53	292,567	47.6	66.8
Oklahoma	1,801	849	3,257	2.04	85,282	43.2	37.6
Oregon	1,631	1,231	6,657	1.56	53,997	47.2	48.8
Pennsylvania	11,376	1,220	5,407	1.63	332,826	55.7	66.5
Rhode Island	956	1,333	7,029	1.25	34,819	34.4	91.6
South Carolina	1,303	686	2,400	1.81	53,506	44.1	24.5
South Dakota	598	1,112	4,463	2.36	18,585	75.9	24.6
Tennessee	2,443	866	3,347	1.45	70,255	50.6	35.2
Texas	6,527	975	4,241	1.59	199,571	52.0	45.4
Utah	649	1,073	4,134	2.27	27,495	53.5	55.5
Vermont	331	1,009	4,190	1.75	12,813	45.5	34.3
Virginia	[2] 2,829	971	4,339	1.38	75,483	51.7	35.3
Washington	3,052	1,406	7,948	1.53	153,987	30.4	53.1
West Virginia	1,472	869	2,974	2.30	64,712	52.3	28.1
Wisconsin	3,418	1,159	5,202	1.77	158,852	38.1	53.5
Wyoming	287	1,153	5,315	2.37	8,823	77.0	37.3

[1] District of Columbia: Data for the District have been included in order to present a complete statistical summary of continental United States. However, the District figures should not be ranked or similarly compared with the States.

[2] Adjusted to represent income payments on a "State of residence" basis rather than on a "State of recipients' employment" as given in original report.

Source: Columns 2 and 3 from U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce. Survey of Current Business, August 1947, pp. 22-23.

COMMENT ON EXHIBIT 8

1. Studies by Federal agencies have shown that "income payments," as calculated by the United States Department of Commerce, is the best single measure of the ability of the people of a State to support public services, such as education.

2. Per capita income payments averaged $1,177 in 1945. The range was from $570 in Mississippi to $1,588 in New York.

3. When State income payments are related to the number of children to be educated the national average was $5,372 in 1945. The range was from $2,067 in Mississippi to $9,009 in California.

4. Many of the economically less able States were spending for schools as large or larger proportions of the income of their people as were the economically more able States. Certainly their record of effort is as good as any other section of the country.

Total income payments per child from 5 to 17 years of age, 1945

United States	$5,372
District of Columbia	9,219
Highest 12 States:	
California	9,009
Nevada	8,400
New York	8,307
Washington	7,948
New Jersey	7,817
Connecticut	7,616
Illinois	7,315
Delaware	7,145
Rhode Island	7,029
Massachusetts	6,712
Oregon	6,657
Maryland	6,562
Second 12 States:	
Ohio	6,332
Colorado	5,502
Michigan	5,496
Florida	5,463
Indiana	5,448
Pennsylvania	5,407
Wyoming	5,315
Montana	5,236
Wisconsin	5,202
Kansas	5,088
Missouri	5,055
Nebraska	4,847
Third 12 States:	
Idaho	4,773
New Hampshire	4,600
Iowa	4,481
Minnesota	4,468
South Dakota	4,463
Maine	4,389
Arizona	4,368
Virginia	4,339
Texas	4,241
Vermont	4,190

Total income payments per child from 5 to 17 years of age, 1945—Continued

Third 12 States—Continued	
Utah	$4,134
North Dakota	3,958
Lowest 12 States:	
Louisiana	3,418
Tennessee	3,347
Oklahoma	3,257
Georgia	3,127
West Virginia	2,974
New Mexico	2,909
Kentucky	2,800
North Carolina	2,685
Alabama	2,649
South Carolina	2,400
Arkansas	2,384
Mississippi	2,067

Percent of total income payments expended for public elementary and secondary education, 1945

United States	1.6
District of Columbia	1.0
Highest 12 States:	
New Mexico	2.5
Wyoming	2.4
North Dakota	2.4
South Dakota	2.4
Montana	2.3
West Virginia	2.3
Utah	2.3
Minnesota	2.2
Oklahoma	2.0
Iowa	2.0
Idaho	2.0
Arizona	2.0
Second 12 States:	
Nebraska	1.9
North Carolina	1.9
Kansas	1.9
South Carolina	1.8
New Jersey	1.8
Wisconsin	1.8
Louisiana	1.8
Vermont	1.8
Colorado	1.7
Kentucky	1.7

Percent of total income payments expended for public elementary and secondary education, 1945—Continued

Second 12 States—Continued	
Indiana	1.7
Mississippi	1.7
Third 12 States:	
New Hampshire	1.7
Pennsylvania	1.6
Michigan	1.6
Texas	1.6
Oregon	1.6
Arkansas	1.6
Washington	1.5
Ohio	1.5
Massachusetts	1.5
Maine	1.5
Illinois	1.5
New York	1.5
Lowest 12 States:	
Missouri	1.5
Alabama	1.5
Tennessee	1.5
Georgia	1.5
Nevada	1.4
Virginia	1.4
Connecticut	1.4
California	1.4
Florida	1.3
Rhode Island	1.3
Delaware	1.2
Maryland	1.1

Mr. ELLENDER. In this connection, Mr. President, so as to show how this formula operates, I have worked it out as it would apply to Louisiana, Mississippi, and New York. I have also attached to the three documents to which I have just referred a table showing how each State will fare if and when the Congress shall appropriate as much as $300,000,000, as provided in the pending bill. I ask that the matters be printed in the RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

EXHIBIT 8A

TABLE I.—*Allotments to the States under S. 472 (1945–46 data)*

State	Average total income payments, 1942–46 (millions)	Estimates of children from 5 to 17 years of age, 1946 (thousands)	Average daily attendance, 1945–46 [1]	Estimated total current expenditures for public elementary and secondary education from State and local revenue in 1945–46 (thousands) [1]	Percent current expenditures (column 5) is of average income payments (column 2) (D) [2]	1 percent of average total income payments, 1942–46 (thousands) (B) [2]	Current expenditures if each State spent $45 per estimated child 5 to 17 years of age (thousands) (A) [2]	Amount needed to reach $45 per child level after 1 percent of average income is devoted to education (thousands) (C) [2]	$5 per child 5 to 17 years of age (thousands)	Total amount of allotment (thousands)	Percent column 6 is of 2.5	Total amount each State would receive with penalty applied (thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Continental United States	$146,449	30,639	19,847,597	$2,670,072	1.8	$1,464,490	$1,378,755	$178,680	$153,195	$272,385		$210,399
Alabama	1,849	792	532,797	35,084	1.9	18,490	35,640	17,150	3,960	17,150	76	13,034
Arizona	569	145	95,930	12,994	2.3	5,690	6,525	835	725	835	92	768
Arkansas	1,108	521	322,374	20,156	1.8	11,080	23,445	12,365	2,605	12,365	72	8,903
California	12,723	1,594	1,188,634	207,406	1.6	127,230	71,730		7,970	7,970	64	5,101
Colorado	1,185	244	170,276	24,304	2.1	11,850	10,980		1,220	1,220	84	1,025
Connecticut	2,643	379	221,700	38,471	1.5	26,430	17,055		1,895	1,895	60	1,137
Delaware	383	58	36,008	5,391	1.4	3,830	2,610		290	290	56	162
District of Columbia	1,190	131	78,430	13,458	1.1	11,900	5,895		655	655	44	288
Florida	2,144	444	334,743	37,657	1.8	21,440	19,980		2,220	2,220	72	1,598
Georgia	2,234	806	563,653	33,865	1.5	22,340	36,270	13,930	4,030	13,930	60	8,358
Idaho	507	107	95,775	11,069	2.2	5,070	4,815		535	535	88	471
Illinois	10,087	1,571	955,499	166,410	1.6	100,870	70,695		7,855	7,855	64	5,027
Indiana	3,847	808	535,150	76,870	2.0	38,470	36,360		4,040	4,040	80	3,232
Iowa	2,366	565	387,489	54,819	2.3	23,660	25,425	1,765	2,825	2,825	92	2,599
Kansas	1,831	392	278,843	39,128	2.1	18,310	17,640		1,960	1,960	84	1,646
Kentucky	1,793	740	420,691	36,622	2.0	17,930	33,300	15,370	3,700	15,370	80	12,296
Louisiana	1,851	611	369,261	34,910	1.9	18,510	27,495	8,985	3,055	8,985	76	6,829
Maine	831	209	131,795	14,233	1.7	8,310	9,405	1,095	1,045	1,095	68	745
Maryland	2,588	442	249,114	31,018	1.2	25,880	19,890		2,210	2,210	48	1,061
Massachusetts	5,403	923	511,104	91,516	1.7	54,030	41,535		4,615	4,615	68	3,138
Michigan	6,736	1,345	851,123	122,711	1.8	67,360	60,525		6,725	6,725	72	4,842
Minnesota	2,484	629	395,453	61,923	2.5	24,840	28,305	3,465	3,145	3,465	100	3,465
Mississippi	1,108	577	443,925	19,923	1.8	11,080	25,965	14,885	2,885	14,885	72	10,717

Footnotes at end of table.

TABLE I.—*Allotments to the States under S. 472 (1945–46 data)*—Continued

State	Average total income payments, 1942–46 (millions)	Estimates of children from 5 to 17 years of age, 1946 (thousands)	Average daily attendance, 1945–46 [1]	Estimated total current expenditures for public elementary and secondary education from State and local revenue in 1945–46 (thousands) [1]	Percent current expenditures (column 5) is of average income payments (column 2) (D) [2]	1 percent of average total income payments, 1942–46 (thousands) (B) [2]	Current expenditures if each State spent $45 per estimated child 5 to 17 years of age (thousands) (A) [2]	Amount needed to reach $45 per child level after 1 percent of average income is devoted to education (thousands) (C) [2]	$5 per child 5 to 17 years of age (thousands)	Total amount of allotment (thousands)	Percent column 6 is of 2.5	Total amount each State would receive with penalty applied (thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Missouri	$3,603	795	532,537	$61,420	1.7	$36,030	$35,775	----------	$3,975	$3,975	68	$2,703
Montana	549	113	81,162	17,335	3.2	5,490	5,085	----------	565	565	100	565
Nebraska	1,264	286	198,800	28,105	2.2	12,640	12,870	$230	1,430	1,430	88	1,258
Nevada	214	23	20,083	3,148	1.5	2,140	1,035	----------	115	115	60	69
New Hampshire	430	112	58,309	7,927	1.8	4,300	5,040	740	560	740	72	533
New Jersey	5,732	836	531,483	111,677	1.9	57,320	37,620	----------	4,180	4,180	76	3,177
New Mexico	407	152	98,839	13,179	3.2	4,070	6,840	2,770	760	2,770	100	2,770
New York	18,896	2,628	1,552,891	324,497	1.7	188,960	118,260	----------	13,140	13,140	68	8,935
North Carolina	2,455	1,013	718,944	55,619	2.3	24,550	45,585	21,035	5,065	21,035	92	19,352
North Dakota	538	148	101,285	13,883	2.6	5,380	6,660	1,280	740	1,280	100	1,280
Ohio	8,632	1,569	1,010,277	139,741	1.6	86,320	70,605	----------	7,845	7,845	64	5,021
Oklahoma	1,674	580	391,337	42,725	2.6	16,740	26,100	9,360	2,900	9,360	100	9,360
Oregon	1,552	271	183,571	28,780	1.9	15,520	12,195	----------	1,355	1,355	76	1,030
Pennsylvania	10,803	2,273	1,337,994	192,606	1.8	108,030	102,285	----------	11,365	11,365	72	8,183
Rhode Island	935	138	79,816	12,706	1.4	9,350	6,210	----------	690	690	56	385
South Carolina	1,215	543	359,088	26,324	2.2	12,150	24,435	12,285	2,715	12,285	88	10,811
South Dakota	548	135	97,893	14,917	2.7	5,480	6,075	595	675	675	100	675
Tennessee	2,153	777	502,429	37,721	1.8	21,530	34,965	13,435	3,885	13,435	72	9,673
Texas	6,025	1,603	1,030,114	120,814	2.0	60,250	72,135	11,885	8,015	11,885	80	9,508
Utah	637	165	126,694	15,851	2.5	6,370	7,470	1,100	830	1,100	100	1,100
Vermont	312	86	51,157	6,215	2.0	3,120	3,870	750	430	750	80	600
Virginia	2,672	665	473,182	43,174	1.6	26,720	29,925	3,205	3,325	3,325	64	2,128
Washington	2,896	401	298,680	51,669	1.8	28,960	18,045	----------	2,005	2,005	72	1,444
West Virginia	1,364	529	368,186	37,022	2.7	13,640	23,805	10,165	2,645	10,165	100	10,165
Wisconsin	3,213	707	431,229	66,744	2.1	32,130	31,815	----------	3,535	3,535	84	2,969
Wyoming	270	57	41,850	6,335	2.3	2,700	2,565	----------	285	285	92	262

[1] Columns 4 and 5 are preliminary figures from U. S. Office of Education and are subject to change.
[2] Letters refer to paragraphs (p. 2) of report of Senate committee. These figures for 1945–46; Senate report based on 1944–45 data.
Equalization States, 20; substitute amount States, 4; flat grant States, 25 (including District of Columbia).

Computation of allotment under S. 472 for Louisiana

1. Average total income payments for 1942–46	$1,851,000,000
Times 1 percent	×.01
1 percent of average income payments	$18,510,000
2. Estimated number of children 5–17 years, 1946	611,000
Times $45	×$45
$45 per child 5–17 years	$27,495,000
3. Item 2 ($45 per child 5–17 years)	$27,495,000
Minus item 1 (1 percent of average income payments)	−18,510,000
Allotment under equalization	8,985,000
4. Estimated current expenditures for public elementary and secondary education, 1945–46	$34,910,000
Divided by average total income payments 1942–46	$1,851,000,000
Percent current expenditures is of average income payments (State's effort)	1.9
5. Item 4 (State's effort) (percent)	1.9
Divided by standard effort (percent)	2.5
Relative effort (percent)	76
6. Item 3 (allotment under equalization)	$8,985,000
Times item 5 (relative effort) (percent)	×76
Total amount State would receive with penalty applied	$6,892,000

Computation of allotment under S. 472 for Mississippi

1. Average total income payments for 1942–46	$1,108,000,000
Times 1 percent	×.01
1 percent of average income payments	$11,080,000
2. Estimated number of children 5–17 years, 1946	577,000
Times $45	×$45
$45 per child 5–17 years	$25,965,000
3. Item 2 ($45 per child 5–17 years)	$25,965,000
Minus item 1 (1 percent average income payments)	−11,080,000
Allotment under equalization	14,885,000
4. Estimated current expenditures for public elementary and secondary education, 1945–46	$19,923,000
Divided by average total income payments, 1942–46	$1,108,000,000
Percent current expenditures is of average income payments (State's effort)	1.8
5. Item 4 (State's effort) (percent)	1.8
Divided by standard effort (percent)	2.5
Relative effort (percent)	72
6. Item 3 (allotment under equalization)	$14,885,000
Times item 5 (relative effort) (percent)	×72
Total amount State would receive with penalty applied	$10,717,000

Computation of allotment under S. 472 for New York

1. Average total income payments for 1942–46	$18,896,000,000
Times 1 percent	×.01
1 percent of average income payments	$188,960,000
2. Estimated number of children 5–17 years, 1946	2,628,000
Times $45	×$45
$45 per child, 5–17 years	$118,260,000
3. Item 2 ($45 per child, 5–17 years)	$118,260,000
Minus item 1 (1 percent of average income payments)	−188,960,000
Allotment under equalization	0
4. Estimated number of children 5–17 years, 1946	2,628,000
Times $5 flat grant	×$5
$5 per child, flat grant	$13,140,000
5. Estimated current expenditure for public elementary and secondary education 1945–46	$324,497,000
Divided by average total income payments 1942–46	$18,896,000,000
Percent current expenditures is of average income payments (State's effort)	1.7
6. Item 5 (State's effort) (percent)	1.7
Divided by standard effort (percent)	2.5
Relative effort (percent)	68

7. Allotment under flat grant (item 4)	$13,140,000
Times item 6 (relative effort) (percent)	×.68
Total amount State would receive with penalty applied	$8,935,000

Mr. ELLENDER. Mr. President, there is another section—and this is the last on which I shall comment—which has given us a great deal of concern. It is the section which deals with the subject of an equitable distribution of the funds to public schools maintained in the States which have separate provision for minority races. If Senators will refer to page 21 of the bill, they will find the following language:

In States where separate public schools are maintained for minority races, provide for a just and equitable apportionment of such funds to public schools maintained for minority races, without reduction of the proportion of revenues, derived from State or local sources, expended for educational purposes during the fiscal year ended in 1947 for public elementary-school and public secondary-school education of minority races.

If Senators will refer to page 25, section 9, headed "Definitions," they will find the following definition:

(D) A just and equitable apportionment of the funds provided under this act for the benefit of public schools maintained for minority races in a State which maintains by law separate public schools for minority races, means any plan of distribution which results in the expenditure, for the benefit of such minority race of a proportion of said funds not less than the proportion that such minority race in such State bears to the total population of that State.

Mr. President, I do not know how we could write into the bill language which is fairer than that.

I have been speaking now for almost 2 hours. I have much more material which could be incorporated into the RECORD, but I realize that a number of other Senators desire to be heard on this most important bill. I am quite certain that more data will be presented which will clarify and expand as well as develop the arguments I have made during the course of my remarks; so I am content to leave the bill now in the hands of Senators, in the hope that it will receive a majority vote of the Senate.

Mr. HILL. Mr. President, I ask the attention of the Senator from Ohio [Mr. TAFT]. I should like to address myself to the bill, but not until tomorrow when the Senate reconvenes. I should like to ask that I may now be recognized, with the understanding that I shall have the floor when the Senate convenes tomorrow, and in the meantime I shall be glad to yield to the Senator from Ohio, in order that he may move a recess at this time.

Mr. TAFT. Mr. President, I ask unanimous consent that the Senator from Alabama may have the floor when the Senate convenes tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. TAFT. I now move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 11 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 25, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 24 (legislative day of March 15), 1948:

DIPLOMATIC AND FOREIGN SERVICE

Thomas C. Wasson, of New Jersey, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Raymond P. Ludden, of Massachusetts.

James S. Moose, Jr., of Arkansas.

Nicholas Feld, of Mississippi, now a Foreign Service officer of class 4 and a secretary in the diplomatic service, to be also a consul of the United States of America.

Roger L. Heacock, of California, now a Foreign Service officer of class 5 and a secretary in the diplomatic service, to be also a consul of the United States of America.

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

To be major generals, Medical Corps

Brig. Gen. Edward Allen Noyes, O3919, Medical Corps, United States Army.

Brig. Gen. James Albertus Bethea, O4076, Medical Corps, United States Army.

To be brigadier generals, Medical Corps

Col. Edgar Erskine Hume, O4033, Medical Corps, United States Army.

Col. Frank Lamont Cole, O4114, Medical Corps, United States Army.

Col. Paul Henry Streit, O6254, Medical Corps, United States Army.

Col. Raymond Osborne Dart, O8922, Medical Corps, United States Army.

Brig. Gen. George Ellis Armstrong, O16548, Assistant to The Surgeon General (colonel, Medical Corps, U. S. Army).

To be brigadier generals, Dental Corps

Col. Oscar Peter Snyder, O4008, Dental Corps, United States Army.

Col. George Robert Kennebeck, O8775, Dental Corps, United States Army.

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

To be brigadier generals, Medical Corps

Col. Harry Dumont Offutt, O3759, Medical Corps, United States Army.

Col. Gouverneur Vincent Emerson, O4048, Medical Corps, United States Army.

Col. Dean Flewellyn Winn, O4065, Medical Corps, United States Army.

Col. Frederick Arthur Blesse, O6265, Medical Corps, United States Army.

Col. George William Rice, O8850, Medical Corps, United States Army.

Col. John Morris Hargreaves, O16293, Medical Corps, United States Army.

Col. Leonard Dudley Heaton, O16960, Medical Corps, United States Army.

Col. Silas Beach Hays, O17803, Medical Corps, United States Army.

Col. Crawford Fountain Sams, O18261, Medical Corps, Army of the United States (lieutenant colonel, Medical Corps, U. S. Army).

Col. Harry George Armstrong, O17973, Medical Corps, Army of the United States (lieutenant colonel, Medical Corps, U. S. Army).

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

(Those officers whose names are preceded by the symbol (×) are subject to examination required by law. All others have been examined and found qualified for promotion.)

To be colonels

Col. Hugh Chauncey Johnson, O15345, Army of the United States (lieutenant colonel, U. S. Army).

Col. John Owen Colonna, O15099, Army of the United States (lieutenant colonel, U. S. Army).

Col. Charles Calvin Higgins, O15348, Army of the United States (lieutenant colonel, U. S. Army).

Brig. Gen. George Craig Stewart, O15349, Army of the United States (lieutenant colonel, U. S. Army).

Col. Louis Peter Leone, O15350, Army of the United States (lieutenant colonel, U. S. Army).

Col. Robert Leroy Dulaney, O15351, Army of the United States (lieutenant colonel, U. S. Army).

Col. James Clarke Carter, O15352, Army of the United States (lieutenant colonel, U. S. Army).

Lt. Col. Henry Granville Fisher, O15357, United States Army.

Lt. Col. Ralph Mundon Neal, O15359, United States Army.

Col. Edwin Britian Howard, O15361, Army of the United States (lieutenant colonel, U. S. Army).

Col. John Paul Evans, O15363, Army of the United States (lieutenant colonel, U. S. Army).

Col. William Harold Schaffer, O15364, Army of the United States (lieutenant colonel, U. S. Army).

Lt. Col. Allen Dwight Raymond, Jr., O15366, United States Army.

×Lt. Col. Harold Rathbun Turner, O28752, United States Army.

Lt. Col. Glenn Castle Wilhide, O28753, United States Army.

Col. Wayne Latta Barker, O15379, Army of the United States (lieutenant colonel, U. S. Army).

Lt. Col. Russell Vivian Perry, O15383, United States Army.

Col. Herbert Spencer Jordan, O15389, Army of the United States (lieutenant colonel, U. S. Army).

Lt. Col. Dresden James Cragun, O15390, United States Army.

Col. Thomas Robinson, O15395, Army of the United States (lieutenant colonel, U. S. Army).

Col. William Rush Blakely, O15398, Army of the United States (lieutenant colonel, U. S. Army).

Col. Carl Eugene Anderson, O15399, Army of the United States (lieutenant colonel, U. S. Army).

Col. William Douglass Paschall, O15400, Army of the United States (lieutenant colonel, U. S. Army).

Col. Frederick Mott Thompson, O15401, Army of the United States (lieutenant colonel, U. S. Army).

Col. Voris Hamilton Connor, O15405, Army of the United States (lieutenant colonel, U. S. Army).

Col. Staten Eugene Rall, O15410, Army of the United States (lieutenant colonel, U. S. Army).

Col. Don Emerson Carleton, O15415, Army of the United States (lieutenant colonel, U. S. Army).

Col. Kenneth Lafayette Johnson, O15416, Army of the United States (lieutenant colonel, U. S. Army).

Col. Paul Green Kendall, O15419, Army of the United States (lieutenant colonel, U. S. Army).

Col. Ralph Waldo Russell, O15421, Army of the United States (lieutenant colonel, U. S. Army).

Lt. Col. DeWitt Ballard, O15425, United States Army.

NOTE.—Date of rank for these officers will be the date of appointment.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be first lieutenants

First Lt. James Gyde Owens, O50353, Army of the United States (second lieutenant, U. S. Army), with rank from April 3, 1948.

First Lt. Alfred Karl Ganschow, O50352, Army of the United States (second lieutenant, U. S. Army), with rank from April 3, 1948.

Capt. William Henry Hamilton, O41322, Army of the United States (second lieutenant, U. S. Army), with rank from April 6, 1948.

First Lt. Daniel Vance, Jr., O38441, Army of the United States (second lieutenant, U. S. Army), with rank from April 7, 1948.

Capt. John Walter Patrick, Jr., O38443, Army of the United States (second lieutenant, U. S. Army), with rank from April 14, 1948.

First Lt. George Washington Connell, Jr., O41326, Army of the United States (second lieutenant, U. S. Army), with rank from April 15, 1948.

First Lt. Lawrence Lionel Golston, O50367, Army of the United States (second lieutenant, U. S. Army), with rank from April 17, 1948.

First Lt. Darrell Roland Rumpf, O50368, Army of the United States (second lieutenant, U. S. Army), with rank from April 17, 1948.

First Lt. John Maurice Van Dyke, O38451, Army of the United States (second lieutenant, U. S. Army), with rank from April 18, 1948.

First Lt. Joseph Bordeaux Garrett, O56512, Army of the United States (second lieutenant, U. S. Army), with rank from April 18, 1948.

First Lt. Carl Edgar Glenn, O50369, Army of the United States (second lieutenant, U. S. Army), with rank from April 18, 1948.

First Lt. Walter William Von Tongeln, O38453, Army of the United States (second lieutenant, U. S. Army), with rank from April 24, 1948.

Second Lt. Alexander Serge Mikhalevsky, O38452, United States Army, with rank from April 24, 1948.

Second Lt. Richard Milo Lyman, O56519, United States Army, with rank from April 25, 1948.

First Lt. Douglas Henry Carter, O50371, Army of the United States (second lieutenant, U. S. Army), with rank from April 25, 1948.

First Lt. Albert Ellmore Lockhart, O50374, Army of the United States (second lieutenant, U. S. Army), with rank from April 26, 1948.

Second Lt. Ralph Herschel Alexander, O50373, United States Army, with rank from April 26, 1948.

First Lt. James Wells Startt, O56521, Army of the United States (second lieutenant, U. S. Army), with rank from April 27, 1948.

First Lt. William Haskell Allison, O56525, Army of the United States (second lieutenant, U. S. Army), with rank from April 30, 1948.

First Lt. Michael John Burke, O50375, Army of the United States (second lieutenant, U. S. Army), with rank from April 30, 1948.

To be first lieutenants, Army Nurse Corps

First Lt. Flora Elasibeth Manahan, N803, Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from April 2, 1948.

First Lt. Imogene LaVerne Stites, N1176, Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from April 5, 1948.

First Lt. Iva Rene Miller, N1177, Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from April 5, 1948.

First Lt. Margaret Ann Rowland, N1178, Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from April 6, 1948.

First Lt. Sara Elizabeth Garvin, N965, Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from April 9, 1948.

First Lt. Frances Louise Beauchamp, N1179, Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from April 14, 1948.

First Lt. Mary Elizabeth Rosser, N804, Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from April 18, 1948.

First Lt. Olga Angelina Zanella, N1180, Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from April 22, 1948.

First Lt. Pearl Ruth Jonah, N805, Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from April 27, 1948.

First Lt. Catherine Shanley McBride, N806, Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from April 30, 1948.

To be first lieutenant, Women's Medical Specialist Corps

First Lt. Amelia Dorothy Amizich, M10029, Physical Therapy Aide, Army of the United States (second lieutenant, Physical Therapist Section, Women's Medical Specialist Corps, U. S. Army), with rank from April 16, 1948.

APPOINTMENTS IN THE REGULAR ARMY IN THE ARMY NURSE CORPS AND THE WOMEN'S MEDICAL SPECIALIST CORPS

To be captains

Ruth A. Robinson, WMSC (OT).
Helen R. Sheehan, WMSC (OT).
Eleanor J. Westfall, WMSC (PT), M433.
Beatrice Whitcomb, WMSC (PT), M2526.
Margaret E. Whitehurst, WMSC (PT), M534.

To be first lieutenants

Rubye W. Archer, ANC, N724114.
Erma L. Baldwin, ANC, N788894.
Mary F. Beck, WMSC (OT).
Margaret E. Bellue, ANC, N735053.
Anna B. Berterman, ANC, N773398.
Goldie L. Bodson, ANC, N761282.
Irene C. Bofenkamp, ANC, N732184.
Phyllis A. Boland, ANC, N772328.
Stephanie M. Borgia, ANC, N796547.
Dorothy P. Briggs, ANC, N744326.
Edna M. Browning, ANC, N761389.
Beth Campbell, WMSC (Diet.), R637.
Elizabeth M. A. Campbell, ANC, N790092.
Mercedes A. Castille, ANC, N734154.
Louise P. Cavagnaro, ANC, N783964.
Della F. Caylor, ANC, N727405.
Evelyn M. Churchill, WMSC (Diet.), R1083.
Christine Coletti, ANC, N742800.
Freda M. Cornell, ANC, N769363.
Helen E. Cundiff, ANC, N735135.
Olga Dorosh, ANC, 724074.
Marguerite G. Duggan, ANC, N721367.
Clara M. Duley, ANC, N736153.
Elizabeth M. Dunsmore, ANC, N732477.
Virginia D. Earpe, ANC, N768096.
Dorcas E. Easterling, ANC, N734007.
June Egbert, ANC, N785604.
Marjorie B. Erdmann, ANC, N731819.
Marian Eskeldson, ANC, N776284.
Edith H. Fowler, ANC, N755476.
Elizabeth Fowler, WMSC (PT), M2650.
Clara E. Franks, ANC, N768914.
Genevieve D. Guitrau, ANC, N779279.
Thelma A. Harman, WMSC (Diet.), R957.
Helen J. Hash, ANC, N769344.
Jean M. Hawkins, WMSC (Diet.), R799.
Florence D. Hedrick, ANC, N765065.
Thelma M. Horgen, ANC, N783544.
Maebelle Hosterman, ANC, N762298.
Dorothy J. Huelsman, ANC, N764463.
Beatrice E. Johnson, ANC, N742326.
Elizabeth A. Jones, ANC, N753564.
Nettie B. Jones, WMSC (PT), M2664.
Margaret A. Kabana, ANC, N725078.
Mary P. Kent, ANC, N743081.
Nancy C. Kermott, ANC, N776636.
Julia A. King, ANC, N787630.
Dorothea M. Lawlor, ANC, N756293.
Dorothy M. Lear, ANC, N760804.
Laura B. Little, ANC, N779377.
Anna L. Loftus, WMSC (OT).
Verta R. Long, ANC, N726855.
Inez T. Lott, ANC, N788100.
Ruth S. McBurnie, ANC, N783630.
Elizabeth C. Mahoney, ANC, N774018.
Ellen C. Miller, WMSC (Diet.), R2189.
Elizabeth M. Nachod, WMSC (OT).
Evelyn J. Niles, ANC, N765166.
Mary L. O'Brien, ANC, N736465.
Catherine J. D. O'Connor, ANC, N779981
Elizabeth J. Orr, ANC, N794663.
Marion J. Pace, ANC, N735777.
Margaret E. Pettibone, ANC, N785510.
Carolyn B. Rahm, ANC, N787910.
Virginia H. Ramage, ANC, N779246.
Rosalie M. Requist, ANC, N744241.
Nina M. Romeo, ANC, N721095.
Paula A. Schaefer, ANC, N790228.
Laura B. Schild, ANC, N789215.
Geneva F. Sims, ANC, N729992.
Eleanor M. Slade, ANC, N753147.
Marjorie E. Sodt, ANC, N795537.
Lucile Standley, ANC, N763651.
Dora F. L. Sullivan, ANC, N703917.
Katherine F. Taliercio, ANC, N757533.
Sara A. Tapp, ANC, N764812.
Mary C. Tkacik, ANC, N725799.
Mary L. Todd, ANC, N734185.
Mary E. Vaughan, ANC, N723564.
Sara A. Walb, ANC, N742442.
Wilma L. West, WMSC (OT).
Daisy D. Williams, ANC, N737787.
Dorothy A. Wolfe, ANC, N730872.
Lurline V. Zuerner, ANC, N783276.

To be second lieutenants

Mary K. Berteling, WMSC (OT).
Lottie V. Blanton, WMSC (OT).
Josephine M. Burt, WMSC (PT), M2729.
Virginia D. Coffin, WMSC (OT).
Clara C. Copeland, ANC, N765654.
Elsie L. Deming, WMSC (OT).
Patricia A. Donaldson, ANC, N799398.
Theresa M. Ferrazzoli, WMSC (PT), M2717.
Helen L. Gabler, WMSC (OT).
Lucy J. Kahmann, WMSC (OT).
Mary C. Lachette, ANC, N800010.
Miriam J. Partridge, WMSC (PT), M2805.
Betty L. Reichert, WMSC (PT), M2707.
Susanna Schramm, WMSC (OT).
Mary E. Thelen, ANC, N786940.
Hildegard V. Wenstrom, WMSC (PT), M2752.
Joan M. Wissing, ANC, N802136.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 24, 1948

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy Spirit, faithful guide, have mercy upon this world, for without Thee truth perishes and justice falls at our gates.

Dear Lord, keep in our hearts the ministries of the Master: the cup of cold water, the widow's mite, the devotion of Mary. His holy nature stooped to the lowest tasks while His thoughts were wandering through the eternities. O clothe us with His life, His light, that our thoughts and actions may be unspotted by the sense of guilt. Inspire us to live more by faith and less by sight, more by the power of God and less by the power of the world, and more by those holy conceptions which call us into the emancipation of the spirit. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5052. An act to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5314. An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2358. An act to amend the act approved May 22, 1947, entitled "An act to provide for assistance to Greece and Turkey."

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial appearing in the Times-Herald this morning.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include resolutions.

Mr. LATHAM asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. JONES of Washington (at the request of Mr. MACK) was given permission to extend his remarks in the RECORD and include a statement he made before the Committee on Appropriations.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a radio broadcast.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. PLOESER (at the request of Mr. BAKEWELL) was given permission to extend his remarks in the RECORD and include an article appearing in the Wall Street Journal.

DEFENSE PROGRAM OF THE UNITED STATES

Mr. MATHEWS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point concerning a defense program for the United States.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MATHEWS. Mr. Speaker, we have tried every way to stay out of war except the one method which will actually do it, and that is a working program through which we can be adequately prepared to win any war quickly and economically.

The basis of such a program is a proper education of our citizens to that end. It is just as much a part of a citizen's education to learn why he should and how he can defend his country and all it stands for as to learn English, arithmetic, or history. Continuous, blind, mass, forced military training in peacetime will not do that. There must be a balanced and coordinated program founded upon fundamental American principles and justified by historical experience.

So let us cut down the size of additional hand-outs of vital materials to 17 or more varieties of foreign nations and spend some money for a real defense program for the United States.

That program should include the following:

First. Strengthening of our air power.

Second. Maintenance of the regular services at authorized strength, making them more attractive to young enlisted men, with opportunities to be sent to technical schools while they are serving.

Third. Building up the National Guard and the Reserve as to training, efficiency, and attractiveness.

Fourth. Increase of our stock piles of vital materials.

Fifth. Have selective service at all times oiled and in working condition to be put into use in the least possible time and with the greatest efficiency whenever it becomes necessary to use it.

Sixth. Make a congressional study of a plan of cooperation between Federal and State Governments whereby basic knowledge of defense becomes a small but vital part of education in the high schools of this country, wholly controlled by the States, but with the curriculum of this small part prescribed by the Regular armed services and taught by assigned personnel from them, the National Guard, and the Reserve.

If you do not know what an important part the National Guard and Reserve components, or citizen soldiers, have played in the history of our national defense, study what happened during World Wars I and II. The high military command of this Nation, no matter what it says, is not getting the best out of the National Guard by far.

I am informed that a very large part of appropriations authorized for the National Guard have not been used by the Army for reasons which are yet unexplained to me. This is something which should be investigated and remedied.

Such a program as I have proposed will be effective, American, and economical.

EXTENSION OF REMARKS

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article by Samuel Pettengill.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a telegram.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD and include certain articles.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in two instances, to include in one an article on aid to China and in the other an article relating to German scrap iron.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in five instances and include in each extraneous matter.

Mr. POWELL asked and was given permission to extend his remarks in the RECORD and include articles from newspapers and magazines.

Mr. HAVENNER asked and was given permission to extend his remarks in the RECORD.

Mr. LYLE asked and was given permission to extend his remarks in the RECORD.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include a resolution.

TAX REDUCTION

Mr. COMBS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBS. Mr. Speaker, it is to be regretted that no time is available to permit an adequate discussion of the income tax, and gift and estate tax splitting provisions of this bill.

Briefly, I shall point out a few of the evils inherent in those provisions, and, in doing so, will first explain the community-property system of the 12 States that have it.

COMMUNITY-PROPERTY SYSTEM

The nature of the community-property system has been so misunderstood a brief statement of just what it is would seem to be in order.

First of all it is not a scheme for evading taxes. Eight of the twelve community-property States have had the system from the beginnings of their existence as States. Only four of the States have adopted the system in recent years. Texas, for example, adopted the community-property system of ownership as between husband and wife in its first constitution as a republic in 1836.

Under that system all property owned by the husband or wife at the time of marriage and all property thereafter acquired by each by gift, devise, or descent, remains the separate property of husband or wife as the case may be. Community property is property acquired during marriage, other than as above, and is conceived to be the property of the marital partnership. It includes the wages of husband or wife or both and all accumulations and increases that occur in the community property. Community property is owned equally by husband and wife and each is free to dispose of his or her one-half by will. It is a present outright ownership. In most common-law States the wife owns no interest in the accumulations of the marriage except such as she personally earns plus a dowry interest of a life estate in one-third of the husband's real estate.

SPLITTING INCOME-TAX RETURNS

The perfectly vicious discrimination in the Knutson bill arises from the fact that for the first time in the history of this country an income-tax law has been designed which completely ignores the question of the ownership of the income. In the past the people of Texas and other community-property States have been

permitted to make separate or split income-tax returns only because, and to the extent, that the income itself was separately owned.

For example, where a husband or a wife has separate income, that is not community property, it has never been split but has been returned by the person who owned it.

Now the Knutson bill permits people, both in Texas and in every other State, to split the return regardless of the question of ownership. The husband, for example, may have a $500,000 income owned entirely by him, and yet he will be permitted to split it and thus reduce his income taxes by many thousands of dollars, and yet he continues to own the whole income.

FISCAL EFFECT OF INCOME-TAX SPLITTING

As late as March 16, 1948, the Treasury Department estimated the loss in revenue by reason of this income-tax-return splitting to be $803,500,000, 97½ percent of which will accrue to income-tax payers whose incomes are in excess of $5,000. This loss to the Treasury will be made up by taxes imposed on all of the taxpayers of the Nation. It should be remembered that the vast majority of income-tax payers in the community-property States have never received the slightest benefit.

THE ADVANTAGES OF INCOME-TAX SPLITTING

A few examples will illustrate this:

Net income of married couple:	*Saving by splitting*
$3,000	None
$10,000	$342
$100,000	12,854
$500,000	23,921

ESTATE- AND GIFT-TAX PROVISIONS

The proper rule, of course, for determining estate- and gift-tax liabilities is to apply the rule of ownership as fixed by the laws of the several States. But in 1942 the Congress enacted an estate- and gift-tax law aimed directly at the community-property States. Under that amendment a transfer of community property by gift, will, or inheritance is taxed as though it were all owned by the spouse that dies first. Thus, in the case of a large estate running into the high brackets of taxation, a surviving wife may have to pay more in estate taxes than the amount of the entire one-half interest owned by and inherited from the husband. And this in the face of the fact that she owned an equal one-half of the estate at all times under the laws of her State. Now this vicious amendment has been only partially repealed by the Knutson tax bill. And, what is more, it will now permit these large estates, whether in Texas or in some other State, to be split on a 50–50 basis for the purpose of taxation, regardless of ownership.

The enormous loss to the Treasury by reason of this device will run to more than $200,000,000 per year; all of which will accrue to the benefit of estates in excess of $60,000 and corresponding losses will have to be made up by all of the taxpayers of our Nation.

CONCLUSION

I am informed that experts of the Treasury Department have been working for 4 months with members of the Ways and Means Committee setting up those complicated provisions providing for split taxation. These provisions cover more than 30 pages of the bill and create a bramble thicket of new rules and regulations that can only lead to unimaginable confusion. They violate the Constitution in that they do not provide for equal and uniform taxation. But even if the courts hold them valid then it will be years before these complicated provisions are interpreted and applied with any degree of certainty. They will have the effect of requiring the establishment of a veritable army of income-tax experts to be sent into every State and community to nose into the incomes and private affairs of the people. They will create the opportunity for widespread fraud in income tax and estate and gift tax evasion, the like of which has never been witnessed. And all of this because the Congress passed, if it does, a law which completely ignores ownership of income and property of the citizen as fixed by the laws of his State. With the single exception of the estate and gift tax amendment of 1942, no such disregard of the property laws of the States has ever occurred in a law passed by the Congress.

The rule under which the tax bill was considered in the House did not permit a single amendment to be offered from the floor.

We who oppose this vicious law must oppose the whole bill until those in charge of it take these provisions out of it.

EXTENSION OF REMARKS

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

THE MARSHALL PLAN A WAR MEASURE

Mr. TWYMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. TWYMAN. Mr. Speaker, one has to commend the gentleman from Georgia [Mr. Cox], one of the strongest proponents, for his frank statement yesterday that the European recovery program, the so-called Marshall plan, is actually a war measure. I quote his exact words:

> Mr. Speaker, there no longer exists any reason why the so-called Marshall plan should be camouflaged as a purely relief measure. It cannot be justified upon such ground. Men do not go out, mortgage their homes and borrow money to give away; neither do they tax themselves and their children and their children's children in order to feed the hungry or to clothe the naked.

The American people do not understand this, for if they did my constituents would not be writing me as they do. I quote verbatim from a letter from one of my constituents:

> I ask you to support any means which will expedite a speedy enactment of the European recovery program.
>
> I ask you to oppose any legislation which will revive Selective Service. Also oppose universal military training.
>
> I consider the President's speech an alarming provocation to a war which I see no need for fighting.

This letter comes from a woman, possibly a mother. How sad it is to have deceived the American people who do not understand that some compulsory military program will have to follow the adoption of the European recovery program just as surely as night follows day. In the wake of the Marshall plan follows higher prices, Government regimentation and all of the evils that the American people deplore. If the American people understood, they would oppose this program and ask their Representatives to vote against it.

THE SUN HAS NOT PERISHED OUT OF THE HEAVENS

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, the Austin statement to the United Nations on March 19, 1948, has been viewed by many as a bombshell, at once destroying the UN itself as well as tending to destroy the hopes of the world for the reestablishment of a Jewish homeland in Palestine.

I cannot agree that for them "the sun has perished out of the heavens." I prefer to hope that good rather than evil will come from that action.

This is no time for hysteria. We must be calm and unemotional lest we be detracted from our goal because we blind ourselves and miss the right path ahead.

Possibly, if all the facts were known to us, we might view the President's action differently.

In the absence of such knowledge we have a right to say he should have proceeded otherwise.

It is my firm belief that the President and his State Department should have made known to the world all the facts before Mr. Austin announced the interim-trusteeship plan for Palestine. We have a right to demand them now. I hope a full and frank statement will be forthcoming without delay.

The President can trust the American people with the information, firm in the conviction that every true American, Christian and Jew alike, will always be in the forefront of the fight for democracy.

The world will never forget the statement of Dr. Julius Margolin, a Zionist leader in Poland who was captured when Stalin and Hitler jointly invaded that country, and who spent 5 years in Stalin's slave camps. He said:

> An entire generation of Zionists has died in Soviet prisons, camps, and exile. My most shocking encounters in the Soviet camps were meetings with people who had been sentenced solely for having been Zionists in their youth. Before me were old men and women, broken, without hope or faith.

The facts, as we know them, indicate that the threat to world peace as it relates to Palestine is due to the lack of arms by the Jews, sufficient to defend themselves. The remedy for that is to lift the arms embargo now.

The ray of hope I see is this: No matter what happens the establishment of a sovereign Jewish state is closer to hand.

I repeat what I said in this House on March 10, 1948:

A new state should be proclaimed at once in Palestine. It should be recognized by our Government, and it should be encouraged in every possible way to establish a democracy that will be a bulwark against aggression and against communism.

Let the Palestinians proclaim their sovereignty immediately. There is nothing in the United Nations Charter prohibiting such action. The language of Mr. Austin's statement will then take on a new meaning. Let us read what he said in that light:

The United States fully subscribes to the conclusion reached by the permanent members that the Security Council should make it clear to the parties and governments concerned that the Security Council is determined not to permit the situation in Palestine to threaten international peace and, further, that the Security Council should take further action by all means available to it to bring about the immediate cessation of violence and the restoration of peace and order in Palestine.

No one can object to the recommendations:

(a) That the Security Council should make it clear to the parties and governments concerned that the Security Council is determined not to permit the existence of a threat to international peace in Palestine; and

(b) That the Security Council should take further action by all means available to it to bring about the immediate cessation of violence and the restoration of peace and order in Palestine.

I repeat: Palestinians, if you would be free, make yourselves free. Throughout all history freedom has been won only by the people first proclaiming themselves free and then dedicating themselves to the cause of liberty. Traditionally, America has always supported such action. Do it and do it now.

In the words of Isaiah: "Keep ye justice and do righteousness."

THE POLL-TAX ISSUE

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, in the writings of Cervantes we read about his famous character, Don Quixote. Don Quixote wanted desperately to be a knight in shining armor, to rescue fair maidens in distress, to slay great monsters and dragons. These things did not exist, of course, so the enterprising knight created them in his own mind. And he became so worked up, we are told, that he mounted his horse and rode rapidly in all directions. He splintered his lance against a windmill under the delusion that it was a vicious giant.

Don Quixote lives today in the person of those misguided people who present themselves as knights in shining armor to the colored population of the South. These would-be knights get themselves all worked up about certain conditions in the Southland which, to their blurred vision, appear as great wrongs to be righted. And they react the same way Don Quixote did—they charge rapidly in all directions, seeking to smash with the lance of legislation the innocent windmills of southern tradition.

The situation would be quite ludicrous were it not for the fact that it holds such serious import not for the people of the South alone but for the people of the entire United States. Year after year, with monotonous regularity, anti-poll-tax bills are introduced in Congress. Year after year the advocates of anti-poll-tax legislation, spurred on by the Communists, stage their "knight in shining armor" charge against the voting system of a few States in our Southland. Until recently the Republican Party has enacted the role of Quixote. Today, however, we find Democrats in high places who are trying to get into the act. It is, indeed, deplorable that our Democratic Party, the party that was nurtured and protected by the South, should now take the lead in the attempt to invade the constitutional rights of the Southern States.

Let us examine the poll-tax situation in the South and see just what justification there is for Federal legislation. There are in the South seven States in which the poll tax is a qualification for voting. In my home State of South Carolina we have probably the mildest form of poll tax. It is $1 per year, and it is not cumulative. It does not apply to the Democratic primary, which is the real election. It applies only to the general election. Any citizen of South Carolina who wants to do so can make his vote effective in the primary without paying any poll tax, or he may, by the payment of $1, go through the motions of voting in the general election. By no stretch of the imagination can the poll tax in South Carolina be regarded as a deterrent to voting. Many South Carolinians believe that this mild version of the poll tax should be eliminated. Our State senate has passed legislation abolishing the poll tax, and no doubt the house of representatives will soon take action thereon.

In other States of the South the poll tax is higher, and in a few it is cumulative to the point where it may be a financial burden. But even the opponents of the poll tax admit that the tax itself is not the principal cause of the South's relatively low voting percentage in general elections. Since the results of the primaries determine the elections, many of our citizens simply do not bother to cast a perfunctory vote in the general election.

Progressive leaders in the South are quite anxious to broaden the voting base in the South just as rapidly as the electorate proves itself equal to the privileges and responsibilities of self-government in a democracy. A great deal of progress has already been made in abolishing the poll tax as a qualification for voting. Two years ago the State of Georgia repealed its poll tax. In recent years the States of North Carolina, Florida, and Louisiana have also repealed the poll tax. Only seven States continue to hold on to the poll tax. We are not impressed, as my northern friends seem to believe, by the tradition of the poll tax. It may very well be that the poll tax has outlived its usefulness, that it is no longer justifiable. Like lynching, it is on its way out. It is being eliminated, not by any Federal invasion of the rights of the States, but by the actions of the several States themselves.

I realize that there are many sincere people in Congress and out of Congress who believe that slowness in acting or failure to act on the part of the States justifies the Federal Government in entering a field in which it has no business. For this, and for other less honorable reasons, the anti-poll-tax bill has passed the House on previous occasions. The Federal Government, however, has absolutely no business to legislate on the subject of the qualifications of the voters in the State of South Carolina, the State of Alabama, the State of Mississippi, or any other State, north or south, whose constitution outlines qualifications for voting. Anti-poll-tax legislation is clearly unconstitutional. It is a direct violation of the letter and intent of the United States Constitution, which sets forth in article I, section 2, the provision that—

The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Repeatedly, throughout its history, the United States Supreme Court has upheld the right of the States to establish voting qualifications. In 1937, Justice Butler summed up that right in the following language:

Privilege of voting is not derived from the United States but is conferred by the State, save as restrained by the fifteenth and nineteenth amendments and other provisions of the Federal Constitution, the State may condition suffrage as it deems appropriate.

Clearly, therefore, anti-poll-tax legislation constitutes an invasion of the field of government explicitly reserved to the States. No one today holds to the extreme view that resulted in the War Between the States, namely, that States are sovereign to the extent that they might at will disrupt the Union. But we are not yet ready to subscribe to the doctrine that States are so weak and helpless as to render it necessary to take away their power to handle matters which in their essence belong entirely to State and not to National Government. The necessity of preserving the powers of the States in this respect has been reiterated time and time again by all the great Democratic leaders. The great historian, John Fiske, in his Critical Period of American History, wrote:

If the day should ever arise (which God forbid) when the people of the different parts of our country shall allow their local affairs to be administered by prefects sent out from Washington, and when the self-government of the States shall have been so far lost * * * on that day the progressive political career of the American people will have come to an end, and the hopes

that have been built upon it for the future happiness and prosperity of mankind will be wrecked forever.

That great liberal Democrat, Woodrow Wilson, in his wonderful book on Constitutional Government in the United States, said:

It would be fatal to our political vitality really to strip the States of their powers and transfer them to the Federal Government. It cannot be too often repeated that it has been the privilege of separate development secured to the several regions of the country by the Constitution, and not the privilege of separate development only, but also that other more fundamental privilege that lies back of it, the privilege of independent local opinion and individual conviction, which have given speed, facility, vigor, and certainty to the processes of our economic and political growth. To buy temporary ease and convenience for the performance of a few great tasks of the hour at the expense of that would be to pay too great a price and to cheat all generations for the sake of one.

And another great Democrat, Franklin D. Roosevelt, when Governor of New York, delivered a radio address strongly supporting States' rights. He pointed to the danger signals which would attend any approaching autocracy in America:

Now, to bring about government by oligarchy masquerading as democracy, it is fundamentally essential that practically all authority and control be centralized in our National Government. The individual sovereignty of our States must first be destroyed, except in mere minor matters of legislation. We are safe from the danger of any such departure from the principles on which this country was founded just as long as the individual home rule of the States is scrupulously preserved and fought for whenever it seems in danger.

It is interesting to note that the provisions for the payment of poll tax in South Carolina were written into our constitution of 1868 when the convention was dominated by Negroes, scalawags, and carpetbaggers.

There are many good citizens who contend that a poll tax should be levied and collected especially since the funds received therefrom are allocated to the support of our public schools. Other good citizens take the view that no poll tax should be levied or collected as a prerequisite for the privilege of voting. That question need not be decided here. The question at issue is whether or not the Federal Government has a right to violate the United States Constitution and seek to abolish the poll tax. In my opinion, the Federal Government has no such right. This view has been entertained by outstanding judges and students of the law through many years.

The danger signals that our great leaders warned us against are now flying. The present occupant of the White House has given his sanction to an iniquitous encroachment by the Federal Government upon the rights and prerogatives of the States. His so-called civil-rights program, supported as it is by all the radical and communistic elements in the Nation, constitutes a grave threat to our form of government in which the States have a vital part. Let us not shatter our Constitution by any such proceedings. Let the States do the job, if they will, as it appears wise in the light of their experience. We call upon all sincere Americans—Democrats and Republicans—to help us stop this quixotic assault on the very fundamentals of constitutional self-government. The time to act is now. Tomorrow may be too late. Let us meet this assault with the courage of the Spartans of old. Let us resolve that it shall not pass.

SPECIAL ORDER GRANTED

Mr. LANE. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SUBCOMMITTEE ON RIVERS AND HARBORS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Rivers and Harbors be permitted to sit during general debate for the balance of this week.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

ARMY TRANSPORT SERVICE

Mr. ANDREWS of New York. Mr. Speaker, I present a privileged resolution (H. Res. 498) on behalf of the gentleman from Ohio [Mr. HESS] from the Committee on Armed Services, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Secretary of Defense be requested to furnish the House of Representatives full information concerning all groundings, collisions, fires, and other major disasters which have involved vessels of the United States Army Transport Service during the calendar years 1946, 1947, and 1948 to date; such information to include the records of administrative inquiries or reports of the disasters, the disciplinary or other corrective action taken as a result of such disasters, a statement of the experience, nationality, and qualifications of the masters and other principal or responsible officers of vessels involved in such disasters, and the methods and means by which officers of the United States Army Transport Service are employed, recruited, and trained.

Mr. ANDREWS of New York. Mr. Speaker, in view of the voluminous nature of the adverse report on this resolution, and the fact that the gentleman from Ohio now has a copy of it and the House has a copy of it, I ask unanimous consent that the printing of the report be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDREWS of New York. Mr. Speaker, I move that the resolution be laid on the table.

The motion was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BUTLER asked and was given permission to extend his remarks in the RECORD and include a letter from the chamber of commerce of the city of Lackawanna on taxation.

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. FALLON asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. MACKINNON asked and was given permission to extend his remarks in the RECORD and include a letter.

MODEL AVIATION PROGRAM FOR YOUTH OF UNITED STATES

Mr. ROHRBOUGH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ROHRBOUGH. Mr. Speaker, the Veterans of Foreign Wars of the United States, an organization composed exclusively of overseas veterans of this Nation's armed conflicts, has undertaken a Nation-wide model aviation program for the youth of America.

I commend the attention of my colleagues to this project—not only as an outstanding example of civic-mindedness but as an example also of the same kind of patriotism which earned these veterans their right to membership in the VFW.

For the youngsters who today are winding rubber-band engines on miniature airplanes tomorrow may be winding the propellers of America's military aircraft.

It will be these youngsters who will be occupying the cockpits of the jet-propelled fighter planes, the crew members' seats in our giant bombers.

I take no small amount of pride in the fact that the director of this project is a resident of the Third Congressional District of West Virginia. He is Mr. Carl A. Hopkins, who in addition to directing the VFW's model aviation program is also a member of the rules committee of the Academy of Model Aeronautics, the governing body of model aviation.

A little more than 20 years ago, Mr. Hopkins organized a VFW model aviation club for the youngsters at Clarksburg, W. Va. That club has been in continuous existence since then. It is the oldest model aviation club in America.

Mr. Speaker, I think it is significant that, when during World War II a magazine of national circulation published an article entitled "Carl's Boys," the director of the Clarksburg club received clippings and comments from every theater of military operations. Carl's boys in military service, almost without exception, were in the air forces. They ranged in rank from private to colonel.

Carl's boys served their country well also as civilians. Among them were many who were employed at the aeronautical research laboratories at Langley Field, Va. What they did in the wind tunnels, though perhaps not so spectacular as what their buddies were doing in the skies over Europe, had a telling effect in giving this Nation air supremacy.

But this is the record of only one model aviation club. Now, under the direction of the Veterans of Foreign Wars, there are to be thousands of these clubs across the Nation.

As citizens, I know my colleagues will be interested in this youth activity. A youngster who is building and flying model airplanes has no time for juvenile delinquency.

As Members of Congress in an age when we may have to depend upon air power for our survival as a Nation, I know that my colleagues join me in saluting the overseas veterans who are turning the eyes of our youth toward the skies.

MAINTENANCE OF AN ADEQUATE RUBBER-PRODUCING INDUSTRY

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SHAFER, SHORT, COLE of New York, VINSON, and JOHNSON of Texas.

THE TAX-REDUCTION BILL

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 510 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution the bill (H. R. 4790) to reduce individual income tax payments, and for other purposes, with Senate amendments thereto, be, and the same is hereby, taken from the Speaker's table to the end that all Senate amendments be, and the same are hereby, agreed to.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I am certain that the overwhelming majority of the American people are grateful to the Members of the United States Senate for passing the tax-reduction bill Monday. I have every reason to believe that the Congress of the United States will override the veto of the President of the United States should he continue to insist that the people not have much needed and deserved reduction in taxes.

It is my understanding that the House Republican tax leaders, under the able leadership of the gentleman from Minnesota [Mr. KNUTSON], as well as the House Democratic tax leaders under the able leadership of the gentleman from North Carolina [Mr. DOUGHTON], have agreed to accept the bill as passed by the Senate. In my opinion, there will be few, if any, votes cast against this meritorious measure.

This income-tax-reduction bill, sponsored by a Republican Congress, has been calculated not alone to reduce the tax burden upon all classes, but also to provide sufficient revenue to carry on the functions of government—provided the Congress does not succumb to all the squandering whims of a New Deal bureaucracy supported by the greatest propaganda in the history of the world.

In this unsettled world, Congress must never forget that if United States economy fails, world economy fails; that the greatest national defense we can have is a solvent government and a contented people. This income-tax-reduction bill will go a long way in making our people contented. Only the wisdom of Congress can keep this Nation solvent.

Passage of this bill will mean lower taxes for nearly 50,000,000 taxpayers. It will also release from all Federal taxes approximately 8,000,000 taxpayers in the lower-income group. It also provides for the splitting of income by husband and wife as now being done in community-property States. The effective date of the reductions would be January 1, 1948.

Under other provisions of the bill as passed by the Senate an additional exemption of $600 is provided for taxpayers over 65 years of age. If both husband and wife have attained 65, the $600 exemption would be granted to each spouse.

An additional $600 exemption would be granted to taxpayers who are blind. If both husband and wife are blind, the $600 exemption would apply to each spouse. Likewise, a blind person of 65 or more could claim this exemption in addition to that based on age.

Percentage reductions ranging from 12.6 percent to 5 percent of surtax net income, that is after deductions and exemptions, according to size of income are provided for as follows: First. Persons with incomes of $2,000 or less would receive a 12.6-percent reduction. Second. Persons with incomes of $2,000 to about $136,000 would receive a reduction of 12.6 percent of the tax on the first $2,000 and 7.4 percent of the balance of their tax. Third. Persons with incomes in excess of $136,700 would receive a reduction of 12.6 percent of the tax on the first $2,000, a reduction of 7.4 percent on the next $134,700, and a reduction of 5 percent of the balance of their tax.

Husbands and wives would be permitted to split their income for tax purposes. Those who avail themselves of this opportunity would file joint returns, divide their net income and exemptions by two, compute their tax on this basis, and multiply the result by two. Since in this change the maximum standard deduction for married couples would be increased to $1,000, the maximum standard deduction for single persons also would be increased to $1,000.

The 1942 amendments to the estate and gift taxes which provided special rules in the case of community property would be repealed for persons dying and as to gifts made after the date of the enactment of this bill. Generally, this would restore the rule by which estate- and gift-tax liabilities are dependent upon the ownership of the property under State law. Thus in community-property States, irrespective of which spouse died first, only half the community property would be included in the gross estate. Similarly, a gift made out of community property would be taxable half to the husband and half to the wife, since under State law each owns a half interest in the property. Provision is made for estate and gift tax splitting of noncommunity property. This provision also would apply to persons dying after the date of enactment of this bill, so that community property and noncommunity property could be placed on an equal basis at the same time. Under this provision, property passing in a common-law State from a decedent to the surviving spouse would be deducted from the decedent's gross estate up to a limit of 50 percent of the value of the decedent's gross estate less deductions for funeral expenses, debts, and other claims against the estate. In a similar fashion, husbands and wives, in common-law States, may treat their gifts as being made one-half by each spouse. Residents of community-property States may also take advantage of the estate- and gift-tax-splitting provisions with respect to transfers of their separate property.

Taxpayers in community-property States would get as nearly as possible the same basis for determining gain or loss on capital assets sold after death as is given taxpayers in the common-law States. This means that the basis for calculating capital gain or loss would be the value as of the date of death for the entire community interest, retroactively to 1942.

I trust and hope that this resolution will pass unanimously.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Pennsylvania.

Mr. RICH. If the President is coming in and asking for $10,000,000,000 for national defense, would it not be better for the President to suggest that we save the $6,000,000,000 now that you are talking about giving to ERP, and strengthen our own national defense and keep America safe and sound? I think that is what we should do.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, if I had five times 5 minutes, I would not have the opportunity to reply to all of the misstatements and wild statements made by the gentleman from Illinois, the chairman of the Committee on Rules.

I want to express deep regret that our leadership has been so pressed to take this matter up immediately, when there was at least an inferential understanding that in the House this week we would simply debate the European recovery program, and I told many of the Members on our side of the aisle that they could safely be away from here all of the week. However, I know the pressure under which the Speaker and the majority leader were put in this matter, because we are doing and preparing to do more reckless spending.

I said a while ago from this place that one of the greatest statements that was ever made by anybody was: "Just a minute." Why all this haste about tax reduction? We will be here another month, another 2 months, another 3 months. We do not know how much

money this Congress is going to spend. It is my understanding that with all these departmental bills, and so forth, where cuts could really be made, up to now our net cut in the present budget has been something like 2 percent.

Can you reduce the veterans? You will not.

This year, 1948, we are spending $10,400,000,000 for our depleted national defense. The budget estimate for 1949 is $11,000,000,000 for our depleted stature in national defense. What may happen a week from now, 2 weeks from now, a month from now? In defense of this country and building up a national defense organization we may have to spend billions of dollars. Danger lurks in this world.

I am more distressed about the world situation today than I was in 1938 and 1939. Would it not be wise, would it not be wise to take a minute out and see where we stand, see what our commitments are going to be not only in helping the remainder of the world onto their feet that they may help us some day when we are in dire distress and in great danger, see what we are going to have to have to defend the United States of America? Talk about not reducing taxes. The measure that I offered as a substitute for this so-called wild and reckless Knutson bill—and everybody, even those who said it would reduce taxes six and a half billions acknowledged it would bring about deficit financing, and this $4,800,000,000 tax reduction bill will in all probability bring about deficit financing in the United States. Do you want that in the face of world disorganization and world disorder? Had we not better stay in a position where if need be immediately we will have the money to produce those instruments of warfare with which we may defend the shores of the United States of America?

I deeply regret that this thing is being pushed down the throats of Congress under false pretenses.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana, our distinguished majority leader [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, since I have been privileged to be majority leader of the House of Representatives and have thereby been charged with a primary responsibility in formulating the program and of advising the Members, insofar as possible, as to what might be expected by way of program, I have tried to give Members information on which they could depend. I have sought to arrange the program in such manner so that Members might depend upon it in making their individual plans; and, with whip notices sent out regularly, I have sought to see that Members were fairly informed as to the approaching legislative situation.

With respect to the program for this week, I wish, first of all, to refer to the CONGRESSIONAL RECORD of March 11, at which time I responded to the inquiries I had been receiving as to an Easter recess. At that time I said:

> On this occasion, however, in view of certain matters of extreme importance that might be ready for floor action at about that time, I can say only that at the moment there can be no assurance given as to any so-called Easter recess.

You will note that in my statement as to the lack of prospects for an Easter recess I did not refer to any particular matter. The reference was to "important matters" that might be considered by the House which were then, as everyone knew, in various legislative stages.

Mr. Speaker, on March 18 I referred to the program for this week in a statement on the floor. That statement related to the timetable with respect to action on the foreign-aid bill which we have been endeavoring to expedite.

I am sure it is understood by all of us that conference reports are in order at any time. It has never been my practice to reiterate that on the floor each and every time I announce the program; but, in the whip notices that went out last week to every Member of the House, both on the Democratic and Republican side, it was said "conference reports may be called at any time."

Now, I recognize that technically it might be said that this procedure here today on the tax-reduction bill does not represent action on a conference report; however, it is the exact equivalent of action on a conference report. This bill could have gone to conference, the House conferees recede and agree to the Senate bill, and the vote would be on exactly the same question as it is today. All Members certainly knew that the tax bill was being completed in the other body and might be on for further action here at any time as a result of a conference report, which possibility was covered in the whip notice. The same is true of the rent-control conference report.

In my opinion, it cannot fairly be charged that any of us have engaged in bad faith in bringing this tax reduction bill, which has already passed the House by a substantial majority, for action at this time on the Senate revision.

Now, apart from the matter of the program and procedure, the gentleman from Texas indicates that there should be delay in acting on a tax reduction. I point out to him and to the membership that in the first session we worked on tax relief for our people. We passed two tax bills that were vetoed. The veto was overridden in this body: It was not overridden in the other body. So a tax bill was not enacted.

This bill before us today represents the version of the tax bill passed on Monday of this week by the other body by an overwhelming majority of 78 to 11. The bill before us today is substantially the same bill, except as to the reduction rates, that we passed.

I do not think that we are guilty of any undue haste in proceeding today to act on this measure when we have spent about a year and a half in trying to get such legislation enacted. I also call attention to the fact that the bill dates back to January 1 of this year. For that reason, if for no other, it seems to me highly important that action be taken on this measure at the earliest possible moment, which is today.

Mr. Speaker, reference has been made to our national defense requirements. First of all, I would like to point out that at the first session of Congress we passed a bill for the unification of the armed services, but to this day the Joint Chiefs of Staff and those in direct charge of the military defense of the country have not presented an over-all program for national security and the defense of the country. I understand that some work is being carried on in that direction at the moment, but the least that can be said about it is that it is quite delayed.

There is another thing with respect to national defense needs I would like to point out. The President came up here last Wednesday with a special message. In that message he simply restated views as to the situation in Europe and the only thing he recommended in addition to things that had been previously asked for was selective service. He did not ask for a larger Air Force, or for a larger Army and Navy than originally contemplated in his budget. He did not even intimate he would possibly submit any new defense appropriation requests. His message last week was the latest expression of the Commander in Chief, the President of the United States, and I think it is fair to assume that the enactment of the selective service asked for in that message to bring the strength of the various branches of ou defenses up to authorized limits would involve no increase in the amount of money necessary to be expended as carried in the budget.

This Congress has not denied our Military Establishment a single dollar necessary for our defense. As a matter of fact, it was this Congress that enacted legislation to put our defense machinery on a more efficient basis. We are determined to have a defense second to none. We have already pointed out certain inadequacies in air power.

And let me emphasize this, which is too extensively overlooked: There is more to national defense than men, guns, ships, tanks, and airplanes. We must be strong economically. We must be productively strong to support an efficient Military Establishment. Our economy must be on a sound basis to meet the test of any emergency. This bill is a contribution to that end.

I cannot speculate as to what may be forthcoming regarding additional requests for money to be spent for national defense. I have had no word about it. All I can do is to proceed on what has been presented to the Congress of the United States in the way of authorizations and appropriations. This whole matter of revenue and expenditures has been debated. Reliable evidence has been presented as to the substantial difference between the estimated revenues for the coming year and the estimated expenditures, and on that basis there is plenty of room to give the people of this country much needed tax

relief from the heavy, burdensome wartime taxes, and still have money left over to make payment on the national debt, and, so far as I can see, meet any urgent or additional requests.

So, Mr. Speaker, for these reasons I think that this tax-reduction measure is properly before us today, and I hope that it will be adopted.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain tables prepared by the Treasury Department.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, I would like to reduce taxes as much as anybody here, but with the critical world situation existing today, I am unable to see how we can safely do so. We have the very unusual situation of the House of Representatives suspending consideration of very vital legislation providing for the expenditure of some $5,300,000,000 to help prevent the spread of communism throughout the world, while we pass legislation to reduce taxes about $5,000,000,000, and thereby reduce the revenues of the Government, and a considerable part of that revenue is already in the Federal Treasury.

It was my privilege to address the House at some length while this bill was under consideration in this body, and the statements I made at that time are equally true today. I stated then, as I do now, that it is not sound fiscal policy to borrow money to reduce taxes. That will be the effect of the enactment of this legislation. Under the estimates of the Treasury Department, the agency charged with the responsibility of the fiscal affairs of the Government, the bill as passed by the House would have resulted in a deficit in the Federal Treasury in the fiscal year 1949 of about $2,200,000,000, while the bill now under consideration, as passed by the Senate, will result in a deficit in the coming year of about $700,000,000. This will mean that we will have to borrow money, and thereby increase the national debt, because of the passage of this bill. That only takes into consideration the present Federal budget as presented to the Congress. It does not take into consideration the vast increases of Federal expenditures that every wide-awake and right-thinking person in this country knows will be necessary to provide for the defense for this country of ours, a defense that is now vital and necessary. We realize that many requests undoubtedly will come that will make it necessary for us to expend vast sums of money in excess of the amounts now provided in the Federal budget; yet, in view of that situation, we are today asked to give up revenue that is already in the Federal Treasury and to return to deficit financing—a policy that has been criticized on every hand, especially by our good friends on the majority side of this House.

Mr. Speaker, I am unable to see how we can be proud of that kind of a record.

Mr. Speaker, I include the following tables prepared by the Treasury Department:

TABLE 1.—*Reductions of tentative and actual taxes provided under H. R. 4790, House and Senate Finance Committee bills*

HOUSE BILL

Surtax net income	Tentative tax	Reductions of tentative tax	Reductions of actual tax
$0 to $1,000	$0 to $200	33.5 percent	30 percent.
$1,000 to $1,395.83	$200 to $279.17	$67	30 to 20 percent.
$1,395.83 to $4,000	$279.17 to $840	24 percent	20 percent.
$4,000 and over	$840 and over	$201.60, plus 14.5 percent of excess over $840	$159.60, plus 10 percent of excess over $798.

SENATE FINANCE COMMITTEE BILL

$0 to $2,000	$0 to $400	17 percent	12.6 percent.
$2,000 to $136,719.10	$400 to $100,000	$68, plus 12 percent of excess over $400	$48, plus 7.4 percent of excess over $380.
$136,719.10 and over	$100,000 and over	$12,020, plus 9.75 percent of excess over $100,000	$7,020, plus 5 percent of excess over $95,000.

Treasury Department, Mar. 16, 1948.

TABLE 2.—*Comparison of combined normal tax and surtax rates under present law,[1] and under H. R. 4790, House and Senate Finance Committee bills*

Surtax net income		Combined norma tax and surtax				Percentage-point decrease (−) or increase (+) in rates under H. R. 4790 compared with present law	
			Rates after reductions from tentative tax rates				
			Present law	H. R. 4790		House bill	Senate Finance Committee bill
Exceeding	Not exceeding	Present law tentative rates		House bill	Senate Finance Committee bill		
		Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
0	$1,000			13.300		−5.700	
$1,000 [2]	$1,400 [2]	20	19.00	20.000	16.60	+1.000	−2.40
$1,400	$2,000			15.200		−3.800	
$2,000	$4,000	22	20.90	16.720	19.36	−4.180	−1.54
$4,000	$6,000	26	24.70	22.230	22.88	−2.470	−1.82
$6,000	$8,000	30	28.50	25.650	26.40	−2.850	−2.10
$8,000	$10,000	34	32.30	29.070	29.92	−3.230	−2.38
$10,000	$12,000	38	36.10	32.490	33.44	−3.610	−2.66
$12,000	$14,000	43	40.85	36.765	37.84	−4.085	−3.01
$14,000	$16,000	47	44.65	40.185	41.36	−4.465	−3.29
$16,000	$18,000	50	47.50	42.750	44.00	−4.750	−3.50
$18,000	$20,000	53	50.35	45.315	46.64	−5.035	−3.71
$20,000	$22,000	56	53.20	47.880	49.28	−5.320	−3.92
$22,000	$26,000	59	56.05	50.445	51.92	−5.605	−4.13
$26,000	$32,000	62	58.90	53.010	54.56	−5.890	−4.34
$32,000	$38,000	65	61.75	55.575	57.20	−6.175	−4.55
$38,000	$44,000	69	65.55	58.995	60.72	−6.555	−4.83
$44,000	$50,000	72	68.40	61.560	63.36	−6.840	−5.04
$50,000	$60,000	75	71.25	64.125	66.00	−7.125	−5.25
$60,000	$70,000	78	74.10	66.690	68.64	−7.410	−5.46
$70,000	$80,000	81	76.95	69.255	71.28	−7.695	−5.67
$80,000	$90,000	84	79.80	71.820	73.92	−7.980	−5.88
$90,000	$100,000	87	82.65	74.385	76.56	−8.265	−6.09
$100,000	$136,719 [3]	89	84.55	76.095	78.32	−8.455	−6.23
$136,719	$150,000				80.3225		−4.2275
$150,000	$200,000	90	85.50	76.950	81.2250	−8.550	−4.2750
$200,000 and over	[4]	91	86.45	77.805	82.1275	−8.645	−4.3225

[1] Internal Revenue Code, as amended by the Revenue Act of 1945.
[2] Notch area under the House bill. The exact upper limit of the notch area is $1,395.83.
[3] Point at which 9.75-percent reduction from tentative tax takes effect under the Senate Finance Committee bill. The exact point is $136,719.10.
[4] Tax is subject to the following maximum effective rate limitations: Under present law, 85.5 percent; under H. R. 4790, House and Senate Finance Committee bills, 77 percent.

TABLE 3.—*Estimated effects of H. R. 4790, House and Senate Finance Committee bills, on budget receipts, expenditures, and surplus, fiscal years 1948 and 1949*

[In billions of dollars]

	Fiscal year 1948			Fiscal year 1949		
	Receipts	Expenditures	Surplus	Receipts	Expenditures	Surplus or deficit (−)
Present law [1]	45.2	37.7	7.5	44.5	39.7	4.8
H. R. 4790:						
House bill	44.1	37.7	6.4	37.9	40.1	−2.2
Senate Finance Committee bill	44.6	37.7	6.9	39.5	40.2	−.7
Decreases under H. R. 4790:						
House bill	1.1	----	1.1	6.6	[2].4	7.0
Senate Finance Committee bill	.6	----	.6	5.0	[2].5	5.5

[1] Internal Revenue Code, as amended by the Revenue Act of 1945. Present law estimates are from the Budget of the U. S. Government for the fiscal year ending June 30, 1949.
[2] Represent increases resulting from larger individual income-tax refunds under H. R. 4790.

TABLE 4.—*Estimated number of taxable income recipients and their total individual income tax under present law,[1] and under the House bill, H. R. 4790, distributed by net-income classes, in calendar year 1948 (assuming personal income of $200,000,000,000)*

[Number of income recipients in thousands; money amounts in millions]

Net income class (in thousands of dollars)	Number of income recipients			Total tax [2]			
	Taxable under present law	Taxable under House bill, H. R. 4790	Made non-taxable under House bill, H. R. 4790	Under present law	Under House bill, H. R. 4790	Decrease under House bill, H. R. 4790	
						Amount	Percentage distribution
Under 1	5,832.7	3,936.0	1,896.7	$252.1	$103.2	$148.9	2.4
1 to 2	20,583.1	17,660.4	2,922.7	3,039.6	1,770.1	1,269.5	20.3
2 to 3	15,096.3	13,762.8	1,333.5	4,182.0	2,738.4	1,443.6	23.1
3 to 4	5,750.1	5,635.6	114.5	2,489.4	1,667.8	821.6	13.2
4 to 5	2,512.9	2,495.9	17.0	1,561.6	1,103.0	458.6	7.3
Under 5	49,775.2	43,490.8	6,284.5	11,524.8	7,382.7	4,142.1	66.3
5 to 10	1,463.2	1,463.2	----	1,626.5	1,133.0	493.5	7.9
10 to 25	608.1	608.1	----	2,464.1	1,825.4	638.7	10.2
25 to 50	149.5	149.5	----	2,144.2	1,697.8	446.4	7.1
50 to 100	51.4	51.4	----	1,878.9	1,554.2	324.7	5.2
100 to 250	10.3	10.3	----	980.0	844.3	135.7	2.2
250 to 500	1.3	1.3	----	321.8	286.6	35.2	.6
500 to 1,000	.3	.3	----	177.7	160.3	17.4	.3
1,000 and over	.1	.1	----	124.9	113.6	11.3	.2
5 and over	2,284.1	2,284.1	----	9,718.1	7,615.2	2,102.9	33.7
Grand total	52,059.4	45,774.9	6,284.5	21,242.9	14,997.9	6,245.0	100.0

[1] Internal Revenue Code, as amended by the Revenue Act of 1945.
[2] Includes normal tax, surtax, and alternative tax on net long-term capital gains.

NOTE.—Figures are rounded and will not necessarily add to totals.
Source: Treasury Department, Mar. 16, 1948.

TABLE 5.—*Estimated revenue loss from each individual income-tax provision of the House bill, H. R. 4790, distributed by net-income classes, in calendar year 1948 (assuming personal income of $200,000,000,000)*

[In millions of dollars]

Net-income class (in thousands o dollars)	Total decrease in tax under House bill, H. R. 4790	Tax decrease from each individual income-tax provision of House bill, H. R. 4790 [1]									
		Increase the per capita exemption to $600	Additional exemption for persons over 65	Special provision for the blind	Allow married couples to split their incomes	Increase the standard deduction	Reductions of tentative normal tax and surtax				
							Total from all reductions	33.5 per-cent	$67	24 percent	$201.60 plus 14.5 percent of excess over $840
Under 1	148.9	96.5	8.1	[2]	----	----	44.3	44.3	----	----	----
1 to 2	1,269.5	522.1	70.8	.1	----	----	676.5	349.2	327.1	.2	----
2 to 3	1,443.6	553.9	73.0	.1	.5	----	816.1	289.6	39.6	486.9	----
3 to 4	821.6	264.3	68.4	.1	5.3	----	483.5	118.7	71.5	293.3	----
4 to 5	458.6	131.2	18.0	[2]	14.5	2.1	292.8	32.2	35.2	183.3	42.1
Under 5	4,142.1	1,567.9	238.3	.3	20.3	2.1	2,313.2	834.0	473.4	963.7	42.1
5 to 10	493.5	87.9	19.2	[2]	69.6	68.1	248.7	2.4	4.0	117.5	124.8
10 to 25	638.7	58.3	7.4	[2]	296.1	20.9	256.0	----	----	2.9	253.1
25 to 50	446.4	20.1	2.2	[2]	224.4	2.3	197.4	----	----	----	197.4
50 to 100	324.7	8.4	.9	[2]	142.2	.4	172.8	----	----	----	172.8
100 to 250	135.7	1.8	.3	[2]	44.3	[2]	89.3	----	----	----	89.3
250 to 500	35.2	.2	[2]	[2]	5.6	[2]	29.4	----	----	----	29.4
500 to 1,000	17.4	.1	[2]	----	.9	[2]	16.4	----	----	----	16.4
1,000 and over	11.3	[2]	[2]	----	.1	----	11.2	----	----	----	11.2
5 and over	2,102.9	176.8	30.0	[2]	783.2	91.7	1,021.2	2.4	4.0	120.4	894.4
Grand total	6,245.0	1,744.7	268.3	.3	803.5	93.8	3,334.4	836.4	477.4	1,084.1	936.5

[1] The provisions are estimated consecutively, each individual loss depending on the cumulative effect of the preceding provisions.
[2] Less than $50,000.

NOTE.—Figures are rounded and will not necessarily add to totals.
Source: Treasury Department, Mar. 16, 1948.

TABLE 6.—*Estimated number of taxable-income recipients and their total individual income tax under present law,[1] and under the Senate Finance Committee bill, H. R. 4790, distributed by net-income classes, in calendar year 1948 (assuming personal income of $200,000,000,000)*

[Number of income recipients in thousands; money amounts in millions]

Net-income class (in thousands of dollars)	Number of income recipients			Total tax [2]			
	Taxable under present law	Taxable under Senate Finance Committee bill, H. R. 4790	Made nontaxable under Senate Finance Committee bill, H. R. 4790	Under present law	Under Senate Finance Committee bill, H. R. 4790	Decrease under Senate Finance Committee bill, H. R. 4790	
						Amount	Percentage distribution
Under 1	5,832.7	3,936.0	1,896.7	$252.1	$128.9	$123.2	2.6
1 to 2	20,583.1	17,660.4	2,922.7	3,039.6	2,138.3	901.3	19.0
2 to 3	15,096.3	13,762.8	1,333.5	4,182.0	3,131.5	1,050.5	22.2
3 to 4	5,750.1	5,635.6	114.5	2,489.4	1,897.4	592.0	12.5
4 to 5	2,512.9	2,495.9	17.0	1,561.6	1,239.5	322.1	6.8
Under 5	49,775.2	43,490.8	6,284.5	11,524.8	8,535.8	2,989.0	63.1
5 to 10	1,463.2	1,463.2	----	1,626.5	1,239.9	386.6	8.2
10 to 25	608.1	608.1	----	2,464.1	1,916.6	547.5	11.5
25 to 50	149.5	149.5	----	2,144.2	1,755.7	388.5	8.2
50 to 100	51.4	51.4	----	1,878.9	1,601.7	277.2	5.9
100 to 250	10.3	10.3	----	980.0	870.3	109.7	2.3
250 to 500	1.3	1.3	----	321.8	298.4	23.4	.5
500 to 1,000	.3	.3	----	177.7	167.8	9.9	.2
1,000 and over	.1	.1	----	124.9	119.0	5.9	.1
5 and over	2,284.1	2,284.1	----	9,718.1	7,969.4	1,748.7	36.9
Grand total	52,059.4	45,774.9	6,284.5	21,242.9	16,505.2	4,737.7	100.0

[1] Internal Revenue Code, an amended by the Revenue Act of 1945.
[2] Includes normal tax, surtax, and alternative tax on net long-term capital gains.

NOTE.—Figures are rounded and will not necessarily add to totals.
Source: Treasury Department, Mar. 16, 1948.

TABLE 7.—*Estimated revenue loss from each individual income-tax provision of the Senate Finance Committee bill, H. R. 4790, distributed by net income classes, in calendar year 1948 (assuming personal income of $200,000,000,000)*

[In millions of dollars]

Net income class (thousands of dollars)	Total decrease in tax under Senate Finance Committee bill, H. R. 4790	Tax decrease from each individual income-tax provision of Senate Finance Committee bill, H. R. 4790 [1]								
		Increase the per capita exemption to $600	Additional exemption for persons over 65	Special provision for the blind	Allow married couples to split their incomes	Increase the standard deduction	Reductions of tentative normal tax and surtax			
							Total from all reductions	17 percent	$68 plus 12 percent of excess over $400	$12,020 plus 9.75 percent of excess over $100,000
Under 1	123.2	96.5	8.1	[2]	----	----	18.6	18.6	----	----
1 to 2	901.3	522.1	70.8	0.1	----	----	308.3	308.3	----	----
2 to 3	1,050.5	553.9	73.0	.1	0.5	----	423.0	304.3	118.7	----
3 to 4	592.0	264.3	68.4	.1	5.3	----	253.9	106.5	147.4	----
4 to 5	322.1	131.2	18.0	[2]	14.5	2.1	156.3	66.7	89.6	----
Under 5	2,989.0	1,567.9	238.3	.3	20.3	2.1	1,160.1	804.4	355.7	----
5 to 10	386.6	87.9	19.2	[2]	69.6	68.1	141.8	48.6	93.2	----
10 to 25	547.5	58.3	7.4	[2]	296.1	20.9	164.8	----	164.8	----
25 to 50	388.5	20.1	2.2	[2]	224.4	2.3	139.5	----	139.5	----
50 to 100	277.2	8.4	.9	[2]	142.2	.4	125.3	----	125.3	----
100 to 250	109.7	1.8	.3	[2]	44.3	[2]	63.3	----	43.8	19.5
250 to 500	23.4	.2	[2]	[2]	5.6	[2]	17.6	----	.3	17.3
500 to 1,000	9.9	.1	[2]	----	.9	[2]	8.9	----	----	8.9
1,000 and over	5.9	[2]	[2]	----	.1	----	5.8	----	----	5.8
5 and over	1,748.7	176.8	30.0	[2]	783.2	91.7	667.0	48.6	566.9	51.5
Grand total	4,737.7	1,744.7	268.3	.3	803.5	93.8	1,827.1	853.0	922.6	51.5

[1] The provisions are estimated consecutively, each individual loss depending on the cumulative effect of the preceding provisions.
[2] Less than $50,000.

NOTE.—Figures are rounded and will not necessarily add to totals.
Source: Treasury Department, Mar. 16, 1948.

TABLE 8.—*Comparison of amounts and effective rates of individual income tax under present law,[1] and under H. R. 4790, House and Senate Finance Committee bills*

SINGLE PERSON [2]—NO DEPENDENTS

Net income before personal exemption	Amounts of tax			Effective rates			Decrease in amounts of tax compared with present law		Decrease in effective rates compared with present law		Tax decrease as a percentage of present tax liability		Tax decrease as a percentage of net income after present tax liability	
	Present law	H. R. 4790 [3]		Present law	H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]	
		House bill	Senate Finance Committee bill		House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill
				Percent	*Percent*	*Percent*			*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$600	$19	0	0	3.2	0	0	$19	$19	3.2	3.2	100.0	100.0	3.3	3.3
$800	57	$27	$33	7.1	3.3	4.2	30	24	3.8	3.0	52.6	41.8	4.1	3.2
$1,000	95	53	66	9.5	5.3	6.6	42	29	4.2	2.9	44.0	30.1	4.6	3.2
$1,200	133	80	100	11.1	6.7	8.3	53	33	4.4	2.8	39.8	25.1	5.0	3.1
$1,500	190	120	149	12.7	8.0	10.0	70	41	4.7	2.7	37.0	21.4	5.4	3.1
$2,000	285	213	232	14.3	10.6	11.6	72	53	3.7	2.6	25.3	18.5	4.2	3.1
$2,500	380	289	315	15.2	11.6	12.6	91	65	3.6	2.6	24.0	17.0	4.3	3.0
$3,000	485	371	409	16.2	12.4	13.6	114	75	3.8	2.5	23.5	15.5	4.5	3.0
$4,000	694	538	603	17.3	13.5	15.1	155	90	3.8	2.3	22.4	13.0	4.7	2.7
$5,000	922	727	811	18.4	14.5	16.2	194	111	3.9	2.2	21.1	12.0	4.8	2.7
$6,000	1,169	950	1,040	19.5	15.8	17.3	219	129	3.7	2.1	18.7	11.0	4.6	2.7
$8,000	1,720	1,442	1,546	21.5	18.0	19.3	277	173	3.5	2.2	16.1	10.1	4.4	2.8
$10,000	2,347	2,003	2,124	23.5	20.0	21.2	344	223	3.5	2.2	14.7	9.5	4.5	2.9
$15,000	4,270	3,723	3,894	28.5	24.8	26.0	547	376	3.7	2.5	12.8	8.8	5.1	3.5
$20,000	6,645	5,856	6,089	33.2	29.3	30.4	790	556	3.9	2.8	11.9	8.4	5.9	4.2

Footnotes at end of table.

TABLE 8.—*Comparison of amounts and effective rates of individual income tax under present law,[1] and under H. R. 4790, House and Senate Finance Committee bills*—Continued

SINGLE PERSON [2]—NO DEPENDENTS

Net income before personal exemption	Amounts of tax			Effective rates			Decrease in amounts of tax compared with present law		Decrease in effective rates compared with present law		Tax decrease as a percentage of present tax liability		Tax decrease as a percentage of net income after present tax liability	
	Present law	H. R. 4790 [3]		Present law	H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]	
		House bill	Senate Finance Committee bill		House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill
				Percent	*Percent*	*Percent*			*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$25,000	$9,362	$8,296	$8,600	37.5	33.2	34.4	$1,066	$762	4.2	3.0	11.4	8.1	6.8	4.9
$50,000	25,137	22,482	23,201	50.3	45.0	46.4	2,655	1,936	5.3	3.9	10.6	7.7	10.7	7.8
$75,000	43,477	38,980	40,182	58.0	52.0	53.6	4,497	3,295	6.0	4.4	10.3	7.6	14.3	10.5
$100,000	63,541	57,032	58,762	63.5	57.0	58.8	6,508	4,779	6.5	4.8	10.2	7.5	17.9	13.1
$250,000	191,772	172,437	179,831	76.7	69.0	71.9	19,335	11,941	7.7	4.8	10.1	6.2	33.2	20.5
$500,000	407,897	366,949	[4] 385,000	81.6	73.4	[4] 77.0	40,947	22,897	8.2	4.6	10.0	5.6	44.5	24.9
$750,000	624,022	561,462	[4] 577,500	83.2	74.9	[4] 77.0	62,560	46,522	8.3	6.2	10.0	7.5	49.7	36.9
$1,000,000	840,147	755,974	[4] 770,000	84.0	75.6	[4] 77.0	84,172	70,147	8.4	7.0	10.0	8.3	52.7	43.9

[1] Internal Revenue Code, as amended by the Revenue Act of 1945.
[2] Single persons obtain no benefit under the income-splitting provision of H. R. 4790.
[3] Assumes taxpayer is not entitled to the special exemption for either the aged or the blind.
[4] Taking into account maximum effective rate limitation of 77 percent.

Source: Treasury Department, Mar. 16, 1948

TABLE 8a.—*Comparison of amounts and effective rates of individual-income tax under present law,[1] and under H. R. 4790, House and Senate Finance Committee bills*

MARRIED PERSON [2]—NO DEPENDENTS

Net income before personal exemption	Amounts of tax			Effective rates			Decrease in amounts of tax compared with present law		Decrease in effective rates compared with present law		Tax decrease as a percentage of present tax liability		Tax decrease as a percentage of net income after present tax liability	
	Present law	H. R. 4790 [3]		Present law	H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]	
		House bill	Senate Finance Committee bill		House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill
				Percent	*Percent*	*Percent*			*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$1,200	$38	0	0	3.2	0	0	$38	$38	3.2	3.2	100.0	100.0	3.3	3.3
$1,500	95	$40	$50	6.3	2.7	3.3	55	45	3.6	3.0	58.0	47.6	3.9	3.2
$2,000	190	106	133	9.5	5.3	6.6	84	57	4.2	2.9	44.0	30.1	4.6	3.2
$2,500	285	173	216	11.4	6.9	8.6	112	69	4.5	2.8	39.3	24.3	5.1	3.1
$3,000	380	239	299	12.7	8.0	10.0	141	81	4.7	2.7	37.0	21.4	5.4	3.1
$4,000	589	426	465	14.7	10.6	11.6	163	124	4.1	3.1	27.7	21.1	4.8	3.6
$5,000	798	578	631	16.0	11.6	12.6	220	167	4.4	3.3	27.6	21.0	5.2	4.0
$6,000	1,045	742	819	17.4	12.4	13.6	303	226	5.0	3.8	29.0	21.6	6.1	4.6
$8,000	1,577	1,076	1,206	19.7	13.5	15.1	501	371	6.2	4.6	31.8	23.5	7.8	5.8
$10,000	2,185	1,455	1,621	21.9	14.5	16.2	730	564	7.4	5.6	33.4	25.8	9.3	7.2
$15,000	4,047	2,628	2,829	27.0	17.5	18.9	1,419	1,218	9.5	8.1	35.1	30.1	13.0	11.1
$20,000	6,394	4,006	4,247	32.0	20.0	21.2	2,388	2,146	12.0	10.7	37.3	33.6	17.5	15.8
$25,000	9,082	5,589	5,877	36.3	22.4	23.5	3,493	3,205	13.9	12.8	38.5	35.3	21.9	20.1
$50,000	24,795	16,592	17,201	49.6	33.2	34.4	8,203	7,594	16.4	15.2	33.1	30.6	32.5	30.1
$75,000	43,092	30,013	31,015	57.5	40.0	41.4	13,079	12,077	17.5	16.1	30.4	28.0	41.0	37.8
$100,000	63,128	44,964	46,403	63.1	45.0	46.4	18,164	16,725	18.1	16.7	28.8	26.5	49.3	45.4
$250,000	191,340	152,092	156,663	76.5	60.8	62.7	39,248	34,676	15.7	13.9	20.5	18.1	66.9	59.1
$500,000	407,465	344,874	359,662	81.5	69.0	71.9	62,591	47,803	12.5	9.6	15.4	11.7	67.6	51.7
$750,000	623,590	539,386	564,981	83.2	71.9	75.3	84,203	58,609	11.2	7.8	13.5	9.4	66.6	46.4
$1,000,000	839,715	733,899	[4] 770,000	84.0	73.4	[4] 77.0	105,816	69,715	10.6	7.0	12.6	8.3	66.0	43.5

[1] Internal Revenue Code, as amended by the Revenue Act of 1945.
[2] Assumes only 1 spouse has income.
[3] Assumes taxpayer is not entitled to the special exemption for either the aged or the blind.
[4] Taking into account maximum effective rate limitation of 77 percent.

Source: Treasury Department, Mar. 16, 1948.

TABLE 8b.—*Comparison of amounts and effective rates of individual-income tax under present law,[1] and under H. R. 4790, House and Senate Finance Committee bills*

MARRIED PERSON [2]—TWO DEPENDENTS

Net income before personal exemption	Amounts of tax			Effective rates			Decrease in amounts of tax compared with present law		Decrease in effective rates compared with present law		Tax decrease as a percentage of present tax liability		Tax decrease as a percentage of net income after present tax liability	
	Present law	H. R. 4790 [3]		Present law	H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]		H. R. 4790 [3]	
		House bill	Senate Finance Committee bill		House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill	House bill	Senate Finance Committee bill
				Percent	*Percent*	*Percent*			*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$2,400	$76	0	0	3.2	0	0	$76	$76	3.2	3.2	100.0	100.0	3.3	3.3
$3,000	190	$80	$100	6.3	2.7	3.3	110	90	3.6	3.0	57.9	47.6	3.9	3.2
$4,000	380	213	266	9.5	5.3	6.6	167	114	4.2	2.9	44.0	30.1	4.6	3.2
$5,000	589	386	432	11.8	7.7	8.6	203	157	4.1	3.1	34.5	26.7	4.6	3.6
$6,000	798	547	598	13.3	9.1	10.0	251	200	4.2	3.3	31.4	25.1	4.8	3.9
$8,000	1,292	876	974	16.2	10.9	12.2	416	318	5.3	4.0	32.2	24.6	6.2	4.7
$10,000	1,862	1,210	1,361	18.6	12.1	13.6	652	501	6.5	5.0	35.0	26.9	8.0	6.2
$15,000	3,639	2,320	2,512	24.3	15.5	16.7	1,319	1,127	8.8	7.5	36.2	31.0	11.6	9.9
$20,000	5,890	3,657	3,888	29.5	18.3	19.4	2,233	2,002	11.2	10.0	37.9	34.0	15.8	14.2
$25,000	8,522	5,200	5,476	34.1	20.8	21.9	3,322	3,046	13.3	12.2	39.0	35.7	20.2	18.5
$50,000	24,111	15,986	16,578	48.2	32.0	33.2	8,125	7,533	16.2	15.1	33.7	31.2	31.4	29.1
$75,000	42,323	29,346	30,329	56.4	39.1	40.4	12,976	11,994	17.3	16.0	30.7	28.3	39.7	36.7
$100,000	62,301	44,225	45,643	62.3	44.2	45.6	18,076	16,658	18.1	16.7	29.0	26.7	47.9	44.2
$250,000	190,475	151,179	155,724	76.2	60.5	62.3	39,296	34,751	15.7	13.9	20.6	18.2	66.0	58.4
$500,000	406,600	343,940	358,677	81.3	68.8	71.7	62,660	47,923	12.5	9.6	15.4	11.8	67.1	51.3
$750,000	622,725	538,453	563,995	83.0	71.8	75.2	84,272	58,730	11.2	7.8	13.5	9.4	66.2	46.1
$1,000,000	838,850	732,965	769,314	83.9	73.3	76.9	105,885	69,536	10.6	7.0	12.6	8.3	65.7	43.1

[1] Internal Revenue Code, as amended by the Revenue Act of 1945.
[2] Assumes only 1 spouse has income.
[3] Assumes taxpayer is not entitled to the special exemption for either the aged or the blind.

Source: Treasury Department, Mar. 16, 1948.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. ALLEN of Illinois. Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina.

Mr. DOUGHTON. Mr. Speaker, I opposed H. R. 4790 as it passed the House because in my opinion it lost too much money. I also opposed the President's program for a $40 tax credit and a peacetime excess-profits tax, as well as the motion to recommit, including a $200 increase in personal exemptions, income splitting, and an excess-profits tax, since these proposals would merely result in a shift in the tax burden without any substantial over-all tax reduction.

I shall support House Resolution 510, providing for concurrence in the Senate amendments to H. R. 4790. It will neither strain nor choke me to do so, since the bill as amended in the Senate is substantially what I offered in the Committee on Ways and Means as a substitute for H. R. 4790. On that motion in the committee I was gratified that all the Democrat or minority Members present voted for my substitute.

First, I shall vote for concurrence in the Senate amendments for the reason that I am still of the opinion that the taxpayers are entitled to some relief from the heavy burden of war taxes.

Second, the tax bill, as amended, removes a long-existing discrimination in Federal tax matters in favor of what are known as community-property States and against common-law States. As amended by the Senate, therefore, H. R. 4790 provides tax reduction in an amount that the Treasury can safely afford, as well as tax reform in the elimination of an important discrimination.

My proposal, made in the committee, as I told the House on February 2, was to reduce the percentage reductions of 10, 20, and 30, as contained in the original bill, to 5, 10, and 15, and to combine these percentage reductions with income splitting to solve the community-property discrimination, and also to increase exemptions $100 per capita.

I estimated the loss of revenue in my proposal or substitute would be around $4,500,000,000, as against a loss of $6,500,000,000 under the Knutson bill. The estimated loss under the bill as it has been amended by the other body is approximately $4,800,000,000, which is substantially the same loss in revenue from percentage reductions as I had proposed. Instead of percentage reductions of 5, 10, and 15, however, the bill was modified to make changes in brackets and slightly different percentage reductions to comport with the changes made in brackets. My substitute, however, omitted the additional exemption for persons over 65 years of age in order to avoid too great a loss of revenue. However, a difference in loss of revenue of $300,000,000 in a bill providing for a tax reduction of several billions is not serious.

I am greatly pleased that the other body, after full hearings and considerable debate, has written into H. R. 4790 substantially the recommendation I made to the committee. It is my understanding, and I have followed the proceedings on this bill in the other body rather closely, that neither the President's proposal nor the motion to recommit received any serious consideration, or much support, in the Finance Committee or on the floor of the Senate.

Opponents of any tax reduction now have urged that present high taxes may be necessary to meet international commitments and to maintain th national security. My answer is that, if these contingencies arise, higher taxes can again be more safely imposed upon the foundations of a tax system that treats alike all taxpayers similarly situated, wherever they may reside. I refer, of course, to the elimination of the community-property discrimination, for which I have long worked and for which I introduced a bill in the first session of the present Congress. I also stated that I would never vote for another general tax bill that did not contain a solution of that problem.

Finally, Mr. Speaker, I am much pleased to know that our distinguished chairman of the Committee on Ways and Means has come around to substantially the same point of view that I hold with respect to the bill under consideration. He possesses a compromising spirit and a flexible mind where a matter of principle is not involved. On a matter of conviction, however, no one stands more resolute than our chairman. Had the party to which I belong been in the majority and had we had the responsibility of initiating tax reduction legislation, I should have favored a bill with a broader base—one dealing with all forms of taxes, individual and corporate, and especially one that would have removed or reduced some of the onerous excise taxes, which bear no relation whatever to ability to pay and which now burden the people so greatly. I am hoping the present Congress will give attention to this phase of tax revision, and that, before we adjourn, some substantial relief along this line will be afforded.

The Democrats during the last Congress in 1945 brought in a tax-reduction bill removing 12,000,000 taxpayers from the rolls in the lower-income group and reducing taxes by roughly $6,000,000,000 annually, so neither party has a monopoly on the desire to reduce taxes.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER. I am sure the distinguished gentleman will remember the relief provided in the bill in 1945 was almost equally divided between corporations and individuals. As I remember the figures, the relief afforded corporations was about three and one-tenth billions and that provided individuals was about two and eight-tenths billions.

Mr. DOUGHTON. That is my recollection. I thank the gentleman from Tennessee.

Now, Mr. Speaker, these are serious times. We should keep partisan politics as far in the background as possible. I believe my colleagues on the Committee on Ways and Means, when I was chairman, will agree that I made every possible effort, and I had their cooperation in dealing with tax matters on a nonpartisan basis. Both Democrats and Republicans in this country must pay the taxes and must help support their Government. I have always maintained the position that tax matters should be kept as far as possible from partisan consideration.

So I am hoping, my colleagues, that when this bill goes to the President of the United States it will receive his sanction. If not, that it will be passed over his veto and the American people given some relief from the heavy burdens of war taxes.

In conclusion, Mr. Speaker, I am pleased to congratulate and thank our distinguished chairman, the gentleman from Minnesota [Mr. KNUTSON], for the able and impartial manner in which he at all times has presided over the deliberations of our committee. He has handled the bill now under consideration as an outstanding tax authority, statesman, and diplomat.

The SPEAKER. The time of the gentleman from North Carolina [Mr. DOUGHTON] has expired.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL], who is unavoidably detained because of illness, may have permission to extend his remarks at this point in the RECORD on the pending bill and to include certain newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

Mr. DINGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I take this opportunity to renew my protest against tax reduction at this time. All the arguments I have heretofore made about tax reduction under present conditions being unwise, ill-timed, and eventually more costly to the people because of the additional interest payment on the public debt, are even more valid now. These factors should command the attention of the American people because of the grave threats to the people and security of our Nation. It is imperative to the preservation of liberty here and wherever it may yet exist in the world that the United States remain strong. This country cannot maintain and increase its military and moral strength upon a shaky fiscal foundation.

The fall of the Republic of Czechoslovakia—and the tragic death of the patriot Masaryk—has stirred our calloused consciences. One by one we have seen the small nations of the world abandoned. They who knew the tyrant best and who fought him at the closest range, one by one, have had snuffed out the meager flame of hope.

That we cannot allow this to continue is manifestly clear. President Truman has recommended that Congress act immediately to strengthen the armed forces. If the measures recommended by the President are subsequently found to require further increased expenditures for Army, Navy, and Air Forces, where will we get the money?

H. R. 4790, as amended by the Senate, will reduce the revenue capacity of the Federal tax system by $4,800,000,000. In

fiscal year 1949 the effect will be to reduce collections by $5,100,000,000. Can anyone who is concerned with the national security assure us even that this additional $5,000,000,000 of revenue lost by H. R. 4790 will not be required in the next 3 years, or even in the next 12 months?

In order to justify tax reduction, the other body has subverted all principles of government accounting by a $3,000,000,000 paper shift in funds designed to treat taxes collected in fiscal 1948 as if they were paid in fiscal 1949. In the House debate on the tax bill, the gentleman from Tennessee [Mr. COOPER] said that it should be entitled "A bill to borrow money and to reduce taxes." The accuracy of this observation is substantiated by this plan to borrow from the current year's tax receipts to provide tax reduction next year.

In addition to present world instability, the prospect of further inflation must be weighed. The President has urged:

> One of the most powerful anti-inflationary factors in our economy today is the excess of Government revenues over expenditures. * * * Until inflation has been stopped there should be no cut in taxes that is not offset by additions at another point in our tax structure.

Mr. Speaker, the truth in this recommendation of the President has long been evident to those of us who fought the two Republican tax-grab bills for the wealthy in the last session of Congress and who have attempted to point out the folly of fanning inflation, as H. R. 4790 would do. This awareness of the inflationary effects of the proposed tax reduction now cuts across party lines. A subcommittee of the Joint Committee on the Economic Report has agreed that "outright tax reductions at this time will increase net personal incomes and prolong the period of price increases." As reported in the New York Times of March 14, 1948, this subcommittee also recommends the imposition of an excess-profits tax on corporations. It is gratifying indeed to see the recommendations of the President supported by this bipartisan group.

Mr. Speaker, under the leave previously given, I insert the afore-mentioned article from the New York Times of Sunday, March 14, 1948:

BIPARTISAN BODY OPPOSES TAX CUT—CONGRESS PRICE GROUP CALLS IT INFLATIONARY—PROPOSES A LEVY ON EXCESS PROFITS

WASHINGTON, March 13.—A bipartisan Senate-House price investigating subcommittee clashed with Republican policy today in an unanimous report labeling tax reduction as inflationary and recommending an excess-profits levy on corporations.

"Outright tax reductions at this time will increase net personal incomes and prolong the period of price increases," it was agreed by the group's six members, three from each major party.

They suggested instead that any tax relief now should take the form of Government bonds, redeemable after the danger of further inflation has passed.

An excess-profits levy on corporations, graduated to a maximum rate of 50 percent, was recommended on grounds that extraordinary profits were inevitable in a period of high demand and accumulated shortages.

Removal of excise taxes that directly increase prices of essential cost-of-living items was also proposed.

OBJECTIONS RAISED BY TAFT

Senator ROBERT A. TAFT, Republican, of Ohio, chairman of the Joint Economic Committee, of which the investigating unit is a part, took exception to the first two recommendations.

Mr. TAFT, Senate policy chairman and advocate of a straight income-tax reduction as approved Thursday by the Senate Finance Committee, said:

"The proposal that income-tax reduction be given in United States Government savings bonds is an impractical one. During the war we explored various methods of enforced savings, and we were unable to find one that would work.

"I also dissent from the proposal to restore the excess-profits tax. This tax is always inequitable and, in my opinion, is only justified in time of war. It is a special tax on initiative, efficiency, and hard work, and thereby reduces the incentive for industrial progress toward more and better jobs, which we ought to encourage.

"I am in accord with the subcommittee in believing that as soon as budget requirements permit we should remove those excise taxes directly increasing the prices of essential cost-of-living items."

OTHER PROPOSALS APPROVED

The price-investigating subcommittee, one of three appointed last year to make on-the-scene inquiries in this country, toured far Western States last September and October.

Senator ARTHUR V. WATKINS, Republican, of Utah, is chairman. Other members are Senators ZALES N. ECTON, Republican, of Montana, and JOSEPH C. O'MAHONEY, Democrat, of Wyoming, and Representatives WALT HORAN, Republican, of Washington, and WALTER B. HUBER, of Ohio, and NORRIS POULSON, of California, Democrats.

The report contained other recommendations which Mr. TAFT endorsed.

They included the rapid completion of reclamation and drainage programs now under way, extension of rent control with adequate provision for hardship cases and strict application of export controls on scarce commodities.

Federal, State, and local public works, the subcommittee stated, should be deferred wherever feasible unless they are productive of food and other commodities in short supply.

Further study of President Truman's proposals for controlling prices and the expansion of inflationary credit was recommended.

Calling for greater production of scarce consumer goods, the subcommittee laid down the following program:

"Mutual efforts by management and labor to avoid any curtailment of production through labor disputes.

"Allocation of scarce raw materials to favor most urgent consumer-goods demands.

"Extension of the working week, wherever feasible, without creating unemployment.

"Removal of monopolistic restrictions on production wherever they exist."

Mr. Speaker, this hasty action on the part of the Republicans could well be deferred, at least for the time being, until the world situation becomes more stabilized. In the event that the hoped-for peace for the world should be attained and preserved, certainly I should find it pleasing to vote for a reduction in taxes, though I should always insist that the Knutson plan—based on the erroneous philosophy of the Republican Party favoring the upper-bracket taxpayers—should not be adopted.

Under stabilized conditions, both at home and throughout the world, I should be glad to vote for a just and equitable tax cut that recognizes the ability of the individual taxpayer to pay taxes, and that recognized the plight of the millions of lowest-income-tax people who find it so difficult to make ends meet. I should even be happy to see practicable and equitable adjustments in the higher-income brackets, but I should oppose the windfall for the wealthy granted by the Republican bill.

Mr. Speaker, my views about the catastrophic possibility of premature, ill-considered, and one-sided tax reduction are ably set forth in the following editorial from the Washington Post of Monday, March 15, 1948:

TAX CUTS

By scaling down the income-tax reductions voted by the House, the Senate Finance Committee hopes to win enough votes to insure passage of a tax-reduction program over a possible veto. However, objections to tax reduction at this time are not removed by the simple expedient of reducing the amount of the proposed cut by about $1,700,000,000. The major argument is the matter of timing. The Senate bill as well as the bill passed by the House is open to objection on this score. The timing is bad for two reasons, which we emphasized when commenting on the House bill: (1) We are still in the midst of a fight against inflation, and (2) we do not yet know the cost of ERP and other foreign-aid programs.

Since passage of the House bill nothing has occurred to weaken the cogency of these arguments. On the contrary, the events of recent weeks have underlined the importance of pursuing a cautious policy of wait and see. In our opinion, the recent drop in food prices provides no new arguments in favor of slashing taxes. For there is as yet no evidence that it will be followed by a general and permanent lowering of prices and living costs. Moreover, even if prices in general were to drop substantially, Government revenues would likewise fall and the surpluses available for tax-reduction purposes would accordingly shrink.

But the most cogent argument for deferring any sweeping tax cut is the fact that we do not know how much the Government may be called upon to spend to implement our foreign policy. Every day comes word of new crises, political and economic, that force us to revise estimates of the scope and probable cost of efforts to assist world recovery and arrest the spread of communism.

In the recent state of world affairs, it would be short-sighted to try to adjust our foreign-aid program to allow for tax cuts of the proportions contemplated. Instead, it is essential in the national interest to make liberal allowance for unforeseen emergency demands that might absorb overnight the budgetary surpluses that tax-reduction advocates so confidently anticipate. The least that could be done would be to postpone further consideration of the bill until the latter part of the present session, when the demands upon the Treasury should be somewhat clearer than they are today.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to revise and extend their remarks on the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE TAX-REDUCTION BILL

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I believe everybody will agree that the world situation today is much, much worse than when this bill originally passed the House. In fact, we are tottering on the edge of disaster.

Since this bill passed the House we have seen another free and independent nation disappear. Within 2 or 3 weeks perhaps we may see two or three other nations disappear as free and independent republics or nations. To cut taxes at this time is, to my mind, the height of folly. How can this Nation be strong financially and economically if you are going to give back to the taxpayers of the country the money that they have already paid for the expenses of national defense and for maintaining a strong economy?

I was very much surprised, Mr. Speaker, to hear the majority leader, the gentleman from Indiana [Mr. HALLECK], indicate in effect that this Nation will not spend more money within the next year or two on national defense. He indicated that we are going along under the budget figures and will not increase our expenses for national defense. I think every Member of this House will agree that it is going to be necessary to spend more money within the next year or two for national defense.

Mr. Speaker, we did reduce taxes in 1945, and I just want to tell you it is my personal opinion that we made a mistake when we repealed the excess-profits tax. Today we have profiteering on a greater scale than ever happened during the peak war years. An excess-profits tax would help to reduce that profiteering and would help to keep our Government on a sound financial status, and would make us stronger throughout the world.

There are many things in this bill, Mr. Speaker, that are inequitable. It contains windfalls for the very wealthy which we do not have time to debate, especially insofar as the estate and gift taxes are concerned. Its income-tax provisions give the biggest percentage of relief to those best able to pay taxes. It gives the least relief to those not able to pay taxes. It does nothing to help halt inflation. It does nothing to give tax relief to those who need relief on account of high prices.

Mr. Speaker, time is short, so I must be brief in summarizing again my objection to the Republican brand of tax relief for the greedy, and not for the needy. When H. R. 4790 was debated in the House, I went into detail to point out its inequities. Those inequities all remain and more have been added. The real difference in the consideration of this bill now, as it has been amended in the Senate, is that we have a different setting.

We now have a world without a Republic of Czechoslovakia and a Europe in which the iron curtain threatens from Norway to Italy. The House has paused in the consideration of the European recovery program in order to pass this bill to reduce taxes. Mr. Speaker, can there be greater inconsistency in the democratic process than this? At a time when military requirements and international commitments call for probably even greater expenditures than those contained in the President's budget, this Eightieth Congress races recklessly to reduce taxes. The result, according to the Treasury Department, will be a deficit of $700,000,000 in fiscal year 1949. Even if we could afford tax reduction, this bill, as amended by the Senate, now concentrates even a greater share of tax reduction in the upper-income brackets than would the bill passed by the House.

Mr. Speaker, 55 percent of the $4,700,000,000 of tax reduction is estimated by the Treasury to go to taxpayers having annual incomes above $3,000. Only 45 percent is left for the 41,500,000 of taxpayers having annual incomes below $3,000.

Perhaps the grossest inequity in the entire bill is the windfall for the wealthy provided by the 30-percent reduction in estate and gift taxes. The amendments required to accomplish this tax reduction cover exactly 30 pages in the bill. So, we have approximately one percentage point of reduction for each page of the amendment. Moreover, a supplemental report of 35 pages was required to explain this proposal changing the estate and gift-tax structure. Even so, I challenge any member of the Committee on Ways and Means to take the floor and explain section 361 of the bill relating to the marital reduction.

When the conference report on H. R. 1 was before the House last June, I charged that the Republican plan is to substitute sales taxes to replace the revenue lost by income-tax reduction. Despite the assertion of the chairman of the Committee on Ways and Means that this charge was unfair, I quoted his words as reported in the hearings before the Committee on Tax Revision. Mr. Speaker, it now appears that Chairman KNUTSON has in mind the enactment of a general manufacturers' sales tax. I ask unanimous consent to include at this point in my remarks the following article from the New York Journal of Commerce of March 16, 1948:

UNITED STATES SALES TAX FOR EXCISES TO BE STUDIED

(By M. F. Lam)

WASHINGTON, March 15.—Chairman HAROLD KNUTSON, of the House Ways and Means Committee, today promised to explore the possibility of substituting a general manufacturers' sales tax for present excise taxes during his group's consideration of general tax-law revisions.

The general tax bill, which the committee hopes to complete in time for adoption this year, in addition to the pending income-tax reduction bill, will include many administrative changes in the tax law, Mr. KNUTSON declared.

CALLS EXCISES TOO HIGH

He said something ought to be done about a number of excise taxes which are now much too high, mentioning specifically the tax on communications, transportation, cosmetics, handbags, luggage, and admissions.

Expressing, at the same time, some doubt that Government revenue considerations would permit actual reductions, Mr. KNUTSON said that the committee will explore the possibility of repealing all excises, except those on tobacco, liquor, and beer, and imposing a general manufacturers' sales tax in their stead.

However, he also emphasized that the committee plans to work in close agreement with the Treasury Department on general tax-revision plans, to avoid any possibility of a Presidential veto.

"A veto would mean no legislation at all this year," Mr. KNUTSON commented, since it now appears impossible to get the general tax bill to the House floor before May 1. He emphasized also that general tax revision is a stupendous task which will require several years to complete.

"The country may expect further revisions in each of the two or three next years," Mr. KNUTSON said, "since the initial bill can prove only a starter in tax law overhaul."

Additional public hearings probably will not be held on the general bill, according to present plans. In making this disclosure, Mr. KNUTSON recalled that extensive hearings have already developed a sizable record. It is expected that a series of intensive executive sessions will begin in the coming 2 or 3 weeks.

The committee by that time will be in a position to know better the Government revenue outlook for the year, as tax receipts flow in the following March 15 due-date, Mr. KNUTSON pointed out.

The Treasury has called to Congress' attention 63 specific revisions of the tax law it believes ought to be modified. More suggestions are promised. These are under study by the staff of the legislative tax committees of Congress.

Meanwhile, Mr. KNUTSON appointed a special subcommittee, chairmaned by Representative THOMAS E. MARTIN, Iowa; ROY O. WOODRUFF, Michigan; ROBERT W. KEAN, New Jersey; CARL T. CURTIS, Nebraska; NOAH M. MASON, Illinois, Republicans; JOHN DINGELL, Michigan; WILBUR MILLS, Arkansas, and WALTER A. LYNCH, New York, Democrats.

Mr. Speaker, I wonder what the millions of low-income taxpayers and those people upon whom falls most heavily the burden of the wartime excise taxes are going to say when word gets around that the Republican Party has given priority to such a huge reduction in estate and gift taxes for the benefit only of persons with property in excess of $60,000.

In conclusion, tax relief there must be for those who are most sorely pressed by Republican NAM high prices. Inflation has cut brutally into the standard of living of millions of our people. But we should maintain Federal revenues at their present level, and should offset essential tax relief by imposing new taxes to discourage our peacetime profiteers.

Mr. Speaker, I venture to predict that the House will regret its action in passing this measure, without sufficient debate, at such a critical time. This tax reduction measure is here because of its political effect and I know many Members who may perhaps publicly vote for the bill will admit privately that they are voting for it because of political expediency.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Mr. Speaker, I would like to appeal, for whatever it is worth, to both Republicans and Democrats. I would that I could join with the majority of my colleagues in the enjoyable luxury of voting for tax reduction. I cannot

conscientiously do so. Therefore, I shall not do so.

A foremost concern for each of us, whether Republican or Democrat, is the financial integrity of the Government of the United States. For without that, Mr. Speaker, neither our position in world affairs nor our way of life here at home would long endure.

It seems to me somewhat ironic that we should take time out today from the consideration of a bill authorizing expenditures of over $6,000,000,000 to vote again for a drastic reduction in governmental revenues. Is not that strange?

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Pennsylvania.

Mr. RICH. Would it not be a whole lot better if you stop a lot of this spending that has been going on for the past 12 or 16 years and thus pave the way for tax reduction?

Mr. GORE. I have joined with the gentleman in voting to reduce expenditures wherever I thought it advisable, but, as the able gentleman from Texas said, we have succeeded so far this year under the leadership of the gentleman's party in reducing the budget by about 2 percent; and, mind you, we have already considered more than 40 percent of the budget, yet we have not considered items for national defense, veterans, and tax refunds. In other words, if the Congress were going to make any substantial reductions, they must of necessity have already made them in the appropriation bills which have already been processed through the House. So do not hide behind that. Economy has been practically abandoned by this Congress this year.

I want to answer also another statement and sentiment the gentleman has made in the RECORD and which I have heard others voice, disclaiming responsibility for voting for revenue to carry out the programs of the United States Government on the ground that they are not going to vote for ERP or they did not vote for this or that or some other appropriation, even though such was approved by Congress. That is like refusing to pay your account down at the department store because you do not like or did not approve of the dress your wife bought. A final action of this Congress is our Government's obligation, whether the gentleman personally approves it or not. Mr. Speaker, the Congress should bolster up its patriotism and determination and courage and vote not only to meet the cost of the dangerous and worsening international situation that exists today, which in the interest of security requires us to increase appropriations for national defense, but to pay also something on the debt of the war which has already been won; and let us not forget we owe $257,000,000,000, a debt which is the equivalent of about $7,000 for your family and mine and every other American family in the United States.

This stupendous war debt could become very dangerous if handled irresponsibly. Eighty-five million people hold Government bonds and the vaults of our financial institutions are full. Confidence supports our monetary system. Destroy that confidence and the system is gone. What would better please the Communists than the resulting chaos?

The indications are that the Congress will soon be drafting men for military service to vouchsafe the security of the United States. Dollars as well as men will be required. Shall we do the one without the other? Moreover, indications are that we will increase appropriations for the air force and other preparedness programs to a very large extent. I expect very large additional budget requests for national defense.

There is no opportunity to amend or alter what is before us. We must vote for it or against it. On that basis, I oppose it and vigorously. Were the opportunity afforded me to do so today, I would gladly support the raising of the personal and dependent exemptions and the provision permitting division of income between husband and wife for tax liability purposes, provided the loss in revenue was made up by a reasonable excess-profits tax.

I believe such a drastic tax reduction as this bill provides would sink us further into debt. Such action seems to me to be unwise, unsound, and dangerous.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. SABATH. The Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

TAX REDUCTION NOW?

Mr. BUCHANAN. Mr. Speaker, direct obligations of the United States Government in the hands of the public which will mature within the period beginning tomorrow March 25, 1948 and March 1, 1949 amount to a total of $51,171,721,392.

Since the spring of 1946, the cost of credit and capital has been increasing and interest rates generally have risen from the extremely low levels previously prevailing.

Certificates of indebtedness have increased from a low of three-eighths of 1 percent to a present day rate of 1⅛ percent, an increase of three-fourths of 1 percent in interest rates alone.

If the present trend continues the cost of refunding the more than $50,000,000,000 falling due on or before March 1 of next year, will amount to quite a considerable sum.

One-fourth of 1 percent rate increase on $50,000,000,000 for 1 year would amount to $125,000,000.

The primary cause of this change has been the persistent and strong demand for funds in excess of the supply of savings available for investment.

Another basic factor has been action by fiscal and monetary authorities to reduce the availability of bank reserves and to increase the cost of credit.

After mid-1947 there was a general rise in interest rates. Rates rose above the levels—and away from the relationships—that had prevailed during the 1942–46 period when war financing dominated the money markets.

A special factor contributing to the general rise in interest rates was the action taken by the Federal Reserve System and the Treasury to let rates on short-term Government securities rise above the levels established during the depression and recovery years of the thirties—1930's—and maintained during the period of heavy war financing.

The object of the recent shift in policy was to diminish further the inducement for banks to sell short-term Governments to the Federal Reserve in order to make loans or to purchase longer-term securities in the market.

A factor in the rise in short-term rates was the discontinuance in April and May of 1947 of the preferential discount rate of one-half of 1 percent in advance to member banks secured by Government obligations maturing in 1 year or less.

Continued pressure of investment funds and a resumption of inflationary forces led to further official action.

The Federal Reserve System discontinued the fixed buying rate for Treasury bills issued on or after July 10, 1947, and subsequently rates on bills, which had been held at three-eighths of 1 percent since 1942, increased sharply.

The most recent exchange offering was a 12-month 1⅛-percent issue offered for a 12-month seven-eighths of 1 percent issue maturing on March 1, 1948.

Further Federal Reserve action tending to increase interest rates was taken in January 1948. Discount rates were increased from 1 to 1¼ percent to discourage member-bank borrowing, and an increase in reserve requirements against net demand deposits from 20 to 22 percent at central reserve city banks in New York and Chicago was announced effective on February 27, 1948.

PROSPECTS

If the high levels of demand and production generally prevailing in the past year are maintained and particularly if prices should rise further, it seems probable that the forces underlying the recent rise in money rates will continue.

Especially do I refer you to the Federal Reserve Bulletin for March 1948 an article, The Cost of Credit and Capital.

I cite these facts, Mr. Speaker, in substantiation of the vote I shall cast against this measure.

The wise and prudent course of action would be to add up next year's costs before cutting down on next year's income.

Tax reduction now is an illusion.

1-YEAR MATURITIES OF UNITED STATES

$56,017,662,242

Direct obligations of the United States Government in the hands of the public which will mature within 12 months amount to $56,017,662,242. They consist of Treasury bonds, certificates of indebtedness, bills, and notes, as follows:

Mar. 11: Discount bills	$1,205,048,000
Mar. 15: 2's, 1948–50	1,115,367,900
Mar. 15: 2¾'s, 1948–51	1,223,495,850
Mar. 18: Discount bills	1,302,030,000
Mar. 25: Discount bills	1,102,730,000
Apr. 1: 1.07 percent savings notes C [1]	1,461,702,800
Apr. 1: Series C savings bonds, 1938	463,440,126
Apr. 1: ⅞ percent certificates of indebtedness	1,321,139,000
Apr. 1: Discount bills	1,303,990,000
Apr. 8: Discount bills	1,305,124,000
Apr. 15: Discount bills	1,003,266,000
Apr. 22: Discount bills	1,002,890,000
Apr. 29: Discount bills	1,001,464,000

May 6: Discount bills	$903,224,000
May 18: Discount bills	1,000,348,000
May 20: Discount bills	1,000,528,000
May 27: Discount bills	1,105,989,000
June 1: ⅞ percent certificates of indebtedness	1,777,142,000
June 3: Discount bills	1,101,402,000
June 15: 1¾ percent bonds, 1948	3,061,852,500
July 1: ⅞ percent certificates of indebtedness, series F	2,741,964,000
July 1: ⅞ percent certificates of indebtedness, series G	1,126,672,000
July 1: ⅞ percent certificates of indebtedness, series H	2,209,163,000
Sept. 15: 1½ percent notes	3,747,702,000
Sept. 15: 2½ percent bonds, 1948	450,978,400
Oct. 1: 1 percent notes	4,092,050,000
Oct. 1: 1 percent certificates of indebtedness, series J	1,353,966,000
Oct. 1: 1 percent certificates of indebtedness, series K	1,467,076,000
1949—	
Jan. 1: 1⅛ percent certificates of indebtedness	2,591,911,000
Jan. 1: 1.07 percent savings notes C [1]	1,383,556,300
Jan. 1: Series D savings bonds, 1939	819,342,366
Jan. 1: 1⅛ percent notes	3,534,818,000
Feb. 1: 1⅛ percent certificates of indebtedness	2,189,290,000
Mar. 1: 1⅛ percent certificates of indebtedness	3,547,000,000
Total	56,017,662,242
Week ago	54,712,096,242
Year ago	56,361,808,693

[1] Maturing monthly within a year from this date forward.

Mr. SABATH. Mr. Speaker, I yield myself the balance of the time on this side.

Mr. Speaker, I have been here for many years and served under Speaker Uncle Joe Cannon, one of the real czars of the House. During his day the Members seldom had very much to say. He was actually the czar of the House. It seems to me that under the present leadership his ruthless practices and restrictive policies with respect to Members' rights and privileges are not only being duplicated, but are being surpassed.

Your action today in bringing in this six-line resolution takes away from the House and its Members any and all parliamentary rights because under it the rules and precedents of the House are being disregarded and ignored.

The bill contains 81 pages. In fact, the Senate amendment alone contains 48 pages and the report and bill were not available to the Membership of this House until this morning. I further venture to say that outside of a few of the members of the Ways and Means Committee no one knows what the Senate bill provides or does. In the 1 hour's time that I had to examine the Senate bill I came to the conclusion that the Senate sent to us an even worse bill than the bad one the House originally passed. The Senate bill reduces to a greater degree the taxes of those of high incomes and in many instances increases the taxes of those of small incomes. In fact, the compilation that I was able to obtain shows that 37 percent of the reduction of the tax will go to 4 percent of the taxpayers. The Republican leaders are pointing out how many taxpayers' taxes will be reduced.

Naturally, there will be millions of people whose taxes will be slightly reduced and, as I have stated before several times on the floor, they will be reduced by pennies, but the wealthy, the war profiteers, and the present-day profiteers who are outdoing the black marketeers under the OPA and increasing their prices and thereby their great profits, will be the real beneficiaries under this bill. The people of small incomes who need relief the most are only slightly benefitted, notwithstanding the fact that they are taxed every day on everything they are obliged to buy for their homes in order to exist. Unfortunately, the slow reduction in the high cost of living, as I charged, was short lived and today the prices, if anything, are higher than before. This the people will understand and remember. Also this is a retroactive bill. The taxes of persons of large incomes under this bill will be reduced from January 1 of this year and, therefore, the benefit of reduced taxes will again be derived not by the consumers who have already paid by reason of the continuous increase in the cost of their necessaries of life, but by those who can best afford and who should contribute in just proportion for the maintenance of our Government.

It is to be regretted that the Republican majority willfully and deliberately disregards the rights and interest of approximately 60,000,000 bondholders—the owners of Government bonds that you and I have urged them to invest in as the best and safest investment. Hundreds of thousands of children, old people, small estates, charitable institutions, and churches own most of these bonds. The bonds that are owned by the banks, insurance companies, and the wealthy class are safe, as they know how to take care of themselves. It is the masses that have a right to rely upon Congress to protect them and are entitled to protection, yet you maintain it is necessary to encourage and stimulate business as you claim your tax-reduction bill will serve to do.

O Mr. Speaker, business does not need any stimulation. Continuously increased profits is sufficient stimulation for them and they have shown it and are proving it every day by expanding and increasing their businesses.

The chairman of the Ways and Means Committee, the gentleman from Minnesota [Mr. KNUTSON], states that this reduction, in view of the high taxation, is merely a measly reduction. Yes, it is measly to those in the lower-income brackets, but it is not so measly to those that will be saved thousands and thousands of dollars.

I regret that I was deprived of the opportunity to compile the actual figures that I feel would be appalling to the people of low incomes when they realize how small their reductions will be in comparison to the tremendous reduction and refunds that will inure to the benefit of those of real incomes reaching into the hundreds of thousands of dollars.

My colleague the gentleman from Illinois, the chairman of the Rules Committee [Mr. ALLEN] has stated that 45,000,000 people will be benefited by reduced taxes. I know that is what the Republicans are going to try to feed to the American people, but the gentleman has not stated how little a man earning a small salary will be saved and how much saving will inure to the big profiteers.

I feel that the leadership of the House is responsible for the hasty and unfair procedure under which this bill is being brought up today, and I am sure it will be resented by quite a few Members on your side and by more on our side, because many of them have reason to believe that the tax bill would not be taken up for consideration until after a vote was had on the so-called European recovery plan bill, which was scheduled for next week. Consequently, many of them left the capital to observe holy week in their districts and therefore will not be able to return here in time to vote against the bill.

The conscientious and sincere gentleman from Tennessee [Mr. COOPER], a member of the Committee on Ways and Means, has stated that the enactment of the bill will cause a deficit of at least $700,000,000 during the fiscal year, which will be in addition to the appropriation that will be demanded for the expansion of our war program. I read only in this morning's paper that in a conference in the White House yesterday it was urged and stressed by members of the armed forces that in addition to the $11,000,000,000 originally recommended they will require another $10,000,000,000. That will add to the deficit as well as an increase provided in the so-called European recovery plan bill now before us which, instead of limiting the authorizations to $6,205,000,000, does actualy authorize appropriations of $9,316,000,000.

Mr. Speaker, consequently there is no doubt in my mind that the deficit created by the military gentlemen will bring about a deficit that will go into the billions and which will require the Government to borrow more money. In the face of that deficit the Republican majority will grant tax reductions to the tune of nearly $3,000,000,000 to those taxpayers in the higher brackets who profited through war activities out of the total of $4,600,000,000 tax reduction provided in the bill.

It is for these reasons as well as in having the best interest of our country at heart that my conscience will not permit me to vote for the bill, even though importuned by a few well-to-do and influential friends to vote for it.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I could not refuse to yield to my genial friend, the majority leader, for a question.

Mr. HALLECK. I thank the gentleman. Of course he knows of my high regard for him.

Mr. SABATH. It is mutual.

Mr. HALLECK. The gentleman said a moment ago that we were voting on something today that we did not know anything about. Now, is it not a fact that we all understand that this bill is just about like the bill that passed the House, except that the percentage reductions are decreased in the version that came from the other body. So, if we

send it to conference, instead of the tax relief being less, it might be more.

Mr. SABATH. I just obtained a copy of the bill this morning. The 60-page report became available only a short time ago and I have not had time to even glance it over. I venture to say that there are not 20 Members out of the 435 that know anything about what is in the bill. As I have stated, I succeeded in ascertaining that the big reduction in taxation goes to the big boys, and instead of taking care of the little fellows, who ought to be provided for, the Senate bill is even worse than the House bill. In view of that fact, I do not see how we can possibly vote for this resolution to provide for the consideration of a bill that no one knows anything about.

Mr. Speaker, I hope that the President will veto the bill and that his veto will be sustained.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the balance of my time to the distinguished chairman of the Committee on Ways and Means, the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. I thank my good friend.

Mr. Speaker, the gentleman from Illinois [Mr. SABATH] referred to this bill as a "vicious" measure. He is correct in his terminology, because it reflects the "wishes" of the American people. We have had a lot of chest thumping and flag waving this morning that is reminiscent of old times. We are having held up to us today the dangers that confront the Republic. We have witnessed a studied effort to rekindle the era of government by fear. Thank God, the American people do not fear anyone except it be some of their leaders. If the sovereignty of certain countries in Europe has been destroyed, that destruction was decreed at Tehran and Yalta and ratified at Potsdam.

It is significant that those minority Members who have spoken against tax reduction belong to that group known throughout the country as the spenders. They vote for every appropriation bill and against every tax-reduction bill, like a former colleague who came from the great State of Tennessee and served in this body for a number of years. It was his boast that he had never voted against an appropriation bill or for a tax bill.

Mr. SABATH. If the gentleman will yield, that gentleman was a member of the gentleman's party, was he not?

Mr. KNUTSON. He was.

Mr. SABATH. He used to sit right over there.

Mr. KNUTSON. Yes; we occasionally have a few demagogs on this side.

Mr. SABATH. Occasionally?

Mr. KNUTSON. I will not concede you New Dealers a complete corner on them.

Mr. RAYBURN. If the gentleman is going to refer to demagogs on his side, I hope he will not dig up my old dead friend from east Tennessee but refer to some of his present colleagues.

Mr. KNUTSON. We are not going to hold a post mortem here. We have had enough of such things in the last 15 years.

Let us briefly analyze what the Senate did to H. R. 4790. The House bill carried a reduction of six and six-tenths billions, which the Senate reduced to four and seven-tenths billions. It also removes about eight million from the tax rolls. It has been stated by those who are opposed to tax reduction in any form whatsoever that this is a rich man's bill. I call your attention to the fact that 70 percent of the benefits carried in this measure go to those earning $5,000 a year and less, so if this be a rich man's bill I do not understand the meaning of the word.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to my distinguished friend from Rhode Island.

Mr. FORAND. The chairman of our committee says that 70 percent goes to those in the brackets under $5,000 of income?

Mr. KNUTSON. Right.

Mr. FORAND. That means 96 percent of the taxpayers, so that for the remaining 4 percent of the taxpayers you have 30 percent of the relief.

Mr. KNUTSON. I am not going to weep over those who have incomes over $5,000.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. I think probably the most noteworthy thing here today is that there has not been any charge made that this is not a fair tax bill for everybody. How could such a charge be made when it has lowered the taxes of approximately 47,000,000, it has taken 8,000,000 of the lowest income-tax payers completely off the list, it benefits the blind people, and it benefits all persons over 65 years of age? So I would say to the chairman of the Ways and Means Committee, the gentleman from Minnesota [Mr. KNUTSON], that he, who has always been a champion of the lower-income taxpayers, should feel very complimented.

Mr. KNUTSON. I thank the distinguished chairman of the Rules Committee.

I agree with the statement made by the gentleman from Rhode Island on yesterday that the House bill was more generous to those in the lower brackets than are the Senate provisions. However, the situation being what it is, it was deemed unwise to go to conference and take the time required for a conference, so we decided to accept the Senate amendments.

I want to compliment the gentleman from North Carolina, a great American who can and often does rise above partisanship. It must mean something to you on the minority side when that great patriot and statesman says that the country is entitled to tax reduction. It must mean something to you when he says that even though it becomes necessary to increase taxes later on, nevertheless we will start such increases on a much firmer foundation than the present tax laws provide. That old hero from North Carolina—he will tell you when you get home that your leader will not be at your side explaining to your constituents why you voted against giving the American people a tax reduction in the face of the fact that Canada has already had three tax reductions and is about to get the fourth; that the people of the United Kingdom have had two reductions already; that the people of Australia have also had two tax reductions. But some Members of the House become horrified at the idea of giving a most modest reduction—one reduction to the American people. I want the gentleman from Tennessee [Mr. GORE] to go back home and tell his people that notwithstanding the fact that other countries have had two and three tax reductions, he did not consider the time propitious to give the American people a tax reduction. Then let us see how far he gets. I hope that we can have a roll call on this proposition that every man may show his colors and so that the people back home will know how he stands on this proposition.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. CURTIS. If we wait until the administration is ready to cut taxes, when will we get a cut in taxes?

Mr. KNUTSON. Just as soon as we get a Republican administration.

Now let us briefly review the original House bill (H. R. 4790), and the changes made by the Senate:

The House bill provided reductions of 30 percent on the tax attributable to incomes up to $1,000; reductions ranging from 30 to 20 percent on the tax on incomes from $1,000 to $1,395.83; 20 percent reduction on the tax on incomes from $1,395.83 to $4,000; and 10 percent on the tax attributable to incomes in excess of $4,000.

The Senate amendments retain all of the provisions of the House bill giving relief to the individual income taxpayers. This includes the increase in personal exemptions from $500 to $600 per capita, relief for the old age and the blind, the splitting of income, and other provisions of the House bill. It removes approximately seven and four-tenths million taxpayers from the tax rolls, including those benefiting from the additional exemption allowed to persons over 65 years and blind persons.

The Senate amendments reduce the tax cuts provided under the House bill. These reductions are as follows:

First. Taxpayers with incomes, after deductions and exemptions, of $2,000 or less receive a reduction in tax of 12.6 percent.

Second. Taxpayers with incomes, after deductions and exemptions, in excess of $2,000 but not in excess of approximately $136,700 receive a reduction of 12.6 percent on the tax on the first $2,000 of their income after deductions and exemptions and 7.4 percent on the tax on the balance.

Third. The same reductions apply to the tax on the first $136,700 of income for taxpayers with incomes, after deductions and exemptions in excess of $136,700. The reduction on the tax on the income in excess of $136,700 is limited to 5 percent. In other words, the rates are cumulative.

The amendments of the Senate to the estate- and gift-tax provisions of the bill as passed by the House, consist of the following:

The House bill repealed the 1942 amendments to the estate-tax provisions

relating to community property, the repeal to be effective as of the date of the enactment of the new act. The Senate amendment makes the effective date of the repeal January 1, 1948. Under the House bill, the 1942 amendment to the gift tax—requiring gifts of community property to be considered as made in whole by the husband—was made inapplicable to gifts made after the date of the enactment of the new act. The Senate amendment made no change in this provision.

Under the House bill, the marital deductions granted in the case of both estate and gift taxes were made effective with respect to decedents dying and gifts made after the date of the enactment of the new act. The Senate amendment makes the marital deduction, so far as it relates to estate tax, applicable with respect to decedents dying after December 31, 1947, but makes no change with respect to the effective date of the marital deduction in the case of the gift tax.

The House bill contained no provisions relating to the basis for the purposes of income tax with respect to community property. Under the Senate amendment, the surviving spouse's one-half share of community property is considered to be property acquired by inheritance from the decedent if the death of the decedent was after December 31, 1947, so that the basis will be the fair market value at the date of death. The amendment further provides that, if the value of any part of the surviving spouse's one-half share of community property was included in determining the value of the gross estate of the decedent and estate tax was payable upon the transfer of the net estate of the decedent, then such part of the one-half share of the surviving spouse shall be considered as property acquired by inheritance from the decedent if the death of the decedent was after October 21, 1942, and on or before December 31, 1947, but basis shall not be reduced below that which would exist if the new act had not been passed.

Numerous technical, clarifying, and perfecting provisions were added to the House bill in order more clearly to effectuate the primary purpose of the bill to permit marital deductions in the case of both estate and gift tax, but guarding so far as possible against possible evasion. In some minor respects the provisions of the House bill were slightly liberalized and in a few other instances restricted. The provisions contained in sections 363, 364, and 365 of the Senate amendment did not appear in the House bill because of the lack of time to prepare them before the bill was passed by the House.

The SPEAKER. The time of the gentleman from Minnesota has expired. All time has expired.

Mr. REED of New York. Mr. Speaker, from the point of view of revenue effects, the principal change made by the Senate is the revision of the percentage tax reductions. Those provided by the Senate are compared with the reductions under the House bill in table 2 in the Senate report, a copy of which is attached. Attention is invited to the following differences:

The reductions provided by the Senate are smaller. They range from 12.6 percent to 5 percent of the tax due under existing law, while the reductions in the House bill range from 30 percent to 10 percent.

The revenue loss under this feature of the Senate bill is estimated at $1,800,000,000 as compared with a reduction of $3,600,000,000 under the corresponding feature of the House bill.

There are only three brackets in the reduction provided under the Senate bill as compared with four under the House bill.

Under the Senate bill the percentage reductions are allowed with respect to all income in the bracket. Under the House bill the largest percentage reduction—30 percent—is permitted only if the tentative tax is $200 or less. As a result a "notch" provision is used under the House bill applying in cases where the tentative tax is between $200 and $279.17. This "notch" has the effect of producing a gradual transition from a 30-percent reduction on an income after deductions and exemptions of $1,000 to a 20-percent reduction on an income of about $1,400. No such "notch" is necessary under the type of reduction used in the Senate bill.

The Senate bill does not split the first bracket under existing law. The largest percentage reduction under the Senate bill—12.6 percent of the present law tax—is allowed to all income after deductions and exemptions up to $2,000. On the other hand, the House bill splits the first bracket under present law into three parts.

To conform to the reduction described above, changes were made in the withholding tables, the supplement T tables and the new withholding rates became effective May 1, 1948, instead of April 1, 1948, as under the House bill.

The Senate bill contains an additional provision dealing with the capital gains section of the income tax. The effect of this provision is to give persons with interests in community property the same basis for determining gain or loss on a sale of property after death as is given recipients of property under common law. Under the estate tax amendments contained in H. R. 4790 a decedent may leave up to one-half of his estate to a surviving spouse tax-free. When this takes place under common law, the property received by the survivor takes as its base for capital gains purposes the value as of the date of death or as of the optional valuation date if that is used instead. The effect of the Senate amendment is to give the same base to the survivors' interest in community property. In the absence of the amendment the survivors' base would have been the cost to the community. This amendment was regarded as necessary to geographical equalization.

On the floor of the Senate the effective date of the estate tax equalization portions of the bill was changed from the date of enactment of the bill to January 1, 1948, to apply to decedents dying after December 31, 1947, and the 1942 amendments relating to community property for estate tax purposes were repealed as to decedents dying after December 31, 1947, instead of as to decedents dying after enactment of the act as provided in the House bill.

Another floor amendment extends the rule described in paragraph II above covering the base to be used in calculating gain or loss for capital gains purposes to property acquired by the surviving spouse from a decedent dying after the date of enactment of the Revenue Act of 1942. However, it is stipulated that when the decedent died between the date of enactment of the Revenue Act of 1942 and December 31, 1947, the basis for capital gains purposes is never to be less than that which would have existed if the Revenue Act of 1948 had not been passed.

A considerable number of detailed changes were made in the estate and gift tax sections of the bill. These changes were in the interest of geographical uniformity. They are discussed in the supplementary report on the Senate bill, a copy of which is enclosed.

The Senate bill calls for an annual reduction of tax liabilities of approximately $4,773,000,000 as compared to $6,658,000,000 in the House bill. Both bills relieved approximately 6,000,000 taxpayers from income tax liability. It is estimated that the enactment of the Finance Committee bill will leave a surplus in the fiscal year 1948 of approximately $5,000,000,000 and a surplus in the fiscal year 1949 of $5,200,000,000. If the Congress reduces expenditures by $2,500,000,000 as called for by the joint legislative budget resolution, the surplus in the fiscal year 1949 is estimated at $7,700,000,000.

These expenditures include certain items not in the budget, viz, $311,000,000 for additional foreign aid for 1949 and $34,000,000 for 1948 for China, Turkey, Greece, and other countries.

TABLE II.—*Percentage reductions in individual income taxes provided under your committee's bill and under the bill as passed by the House*

A. REDUCTION UNDER YOUR COMMITTEE'S BILL

Income after deductions and exemptions	Tentative tax [1]	Reductions in tentative tax [1]	Reductions in present-law tax
$0 to $2,000	$0 to $400	17 percent	12.6 percent.
$2,000 to $136,719.10	$400 to $100,000	17 percent of the tentative tax on the first $2,000 of surtax net income plus 12 percent of the tentative tax on the excess.	12.6 percent of the present law tax on the first $2,000 of surtax net income, plus 7.4 percent of the present law tax on the excess.
$136,719.10 and over	$100,000 and over	17 percent of the tentative tax on the first $2,000 of surtax net income, plus 12 percent of the tentative tax on about the next $134,700 plus 9.75 percent of the tentative tax on the excess.	12.6 percent of the present law tax on the first $2,000 of surtax net income, 7.4 percent of the present law tax on about the next $134,700, plus 5 percent of the present law tax on the excess.

[1] More correctly, tentative normal tax and surtax. The term "tentative" refers to tax computation before the 5-percent reduction provided by present law or the percentage reductions provided under this bill.

TABLE II.—*Percentage reductions in individual income taxes provided under your committee's bill and under the bill as passed by the House*—Continued

B. REDUCTIONS UNDER THE HOUSE BILL

Income after deductions and exemptions	Tentative tax [1]	Reductions in tentative tax [1]	Reductions in present-law tax
$0 to $1,000	$0 to $280	33.5 percent	20 percent.
$1,000 to $1,395.83	$200 to $279.17	$67	30 percent to 20 percent.
$1,395.83 to $4,000	$279.17 to $840	24 percent	20 percent.
$4,000 and over	$840 and over	24 percent of the tentative tax on the first $4,000 of surtax net income plus 14.5 percent of the tentative tax on the excess.	20 percent of the present law tax on the first $4,000 of surtax net income plus 10 percent of the present law tax on the excess.

[1] More correctly, tentative normal tax and surtax. The term "tentative" refers to the tax computation before the 5-percent reduction provided by present law or the percentage reductions provided under this bill.

Mr. ANGELL. Mr. Speaker, I am wholeheartedly in favor of this bill, H. R. 4790, which is a bill to reduce individual income-tax payments and to amend the tax structure in certain respects to make it more uniform and equitable. It is needless to point out that the taxpayers of the United States are subjected to the heaviest tax burden in our entire history. Not only that but we have been in the high tax brackets for a long period of time. The heavy war taxes which were imposed as a necessity to help finance the war still continue although the war is almost 3 years behind us. Our neighbor to the north, Canada, has reduced taxes three times and I understand is now considering a fourth reduction. Australia and Great Britain have also reduced their war taxes.

In the first session of the Congress the Congress by a heavy majority passed two bills giving tax relief to the American citizens but President Truman vetoed both of these bills. One was passed in the House over the President's veto but failed in the Senate.

The Joint Committee on Internal Revenue shows that with the enactment of this bill there will be ample revenue in the 1949 fiscal year to take care of all our obligations, including general expenses of the Government, foreign commitments, and a substantial payment on the debt, and still leave a backlog of revenue available for emergencies. We have found in the past that where exceedingly high taxes are reduced the encouragement to business thereby is such that tax revenue collections are greater than before the reduction. The stimulus given to business by this well-merited relief to taxpayers will encourage industry generally to such an extent that we may well hope for no substantial reduction in revenues by reason of these cuts in the taxes.

A long-delayed reform in tax legislation is included in the bill by the incorporation of the provision providing for the splitting of income by husband and wife. Under existing law, residents of community-property States have an advantage over those in the common-law States, as the community-property-tax payers are accorded a considerable reduction over those who live in common-law States. This is remedied in this bill. Furthermore, the bill gives increased exemption to all low-income taxpayers, as well as those over 65 years of age and the blind. This bill, by reason of the Senate amendment, reduces the total cost to $4,800,000,000, which is a substantial cut over the bill as passed by the House.

The tax reduction will be retroactive to January 1, 1948, and its provisions are as follows: An increase in personal and dependency exemption from the present $500 to $600. This would automatically drop 7,400,000 lowest-income taxpayers from the rolls, and reduce the taxes of others. Percentage tax reductions ranging from 12.6 percent in the lower-income levels to 5 percent in the higher. The House had approved a 30- to 10-percent range in cuts by entirely different step-downs. Permission for husbands and wives to split their income for tax purposes, thus qualifying for lower tax brackets. Married couples thus could file joint returns, divide their net income and exemptions by two, compute their tax on this basis, and multiply the result by two. An additional $600 exemption for taxpayers who are 65 or over. Also, an additional $600 exemption for taxpayers who are blind. A blind person who is 65 or over could thus claim two extra $600 exemptions. Application of the splitting principle to estate and gift taxes. Thus property passing to a surviving spouse in effect would be halved for estate-tax purposes. Similarly, husbands and wives may treat their gifts as being made one-half by each spouse.

The main savings go to low-income groups. There are now about 38,260,000 taxpayers with incomes less than $3,000 after deductions for items like charity and interest but before personal exemptions, making up 70.2 percent of all individual taxpayers; and under the bill they will get tax reductions totaling $1,952,800,000 a year, or 42.6 percent of the total cut, the average saving being $51 a year. In the income group of $3,000 to $5,000 there are 13,850,000 taxpayers, or 25.4 percent of the total. Their savings will be $1,272,900,000, or 27.9 percent of the total, the average saving being $92. As a result, in these two groups there are 52,000,000 taxpayers with incomes under $5,000 a year who made up 95.6 percent of the total roll of all taxpayers, and they will get savings of $3,225,700,000 annually, which is 70.5 percent of the total cut. Their average tax had been $229 each, and under the new bill the average will be only $167. These statistics conclusively show that the claim that these tax cuts go to the big taxpayers is false, since over 95 percent of the taxpayers benefited receive less than $5,000 a year, and they get over 70 percent of the total savings.

Mr. Speaker, I trust that every Republican in the House and all of the Democrats who have the best interests of the taxpayers at heart will vote for this bill, and if by any chance the President should again veto this worthy tax-relief bill that it will be passed over his veto by a vote far in excess of the two-thirds required.

Mrs. DOUGLAS. Mr. Speaker, a morally and economically strong America must be a solvent America. It amazes me to see this House suspend its debate on the foreign-recovery program to pass a bill reducing taxes.

What fools these mortals be. Pretending to recognize our responsibilities for international rehabilitation and for the advancement of democracy, we here hand out a grab-bag tax cut that may very well jeopardize our ability to carry out these solemn obligations.

The Congress is only kidding the American people by suggesting that ERP does not cost us anything—that we can without sacrifice establish and maintain a peace in which democratic government can flourish.

The people should not be misled. The recovery program is essential to the welfare of this Nation. But our economic strength for fulfilling this task should not be squandered in political pittances of tax reduction.

There is grave talk among us of another war. Those who are raising loudest the drum's discordant sound are yet the first to lay aside the burden of paying for World War II.

Mr. Speaker, I am fighting for the economic recovery program because I think it provides the greatest chance of avoiding world war III. Success is not assured by any means, and it is certain to be costly. But this calculated risk, any risk that has the remotest chance of forestalling another holocaust, must be taken. That is, every risk that does not endanger the very principles which we have here sworn to protect and defend.

I have been in the forefront in insisting that immediate tax revision is imperative. On December 15, 1947, I introduced H. R. 4726, which would have provided a $100 per person tax credit, or the equivalent roughly of a $500 increase in personal exemptions. The loss in revenue would be financed by reenactment of the wartime excess-profits tax on corporations, which would leave sufficient additional revenue to repeal the discriminatory wartime excise taxes on transportation of persons, on transportation of property, and on telephone and telegraph service.

Mr. Speaker, my program of tax revision, in contrast with the Knutson bill, would have granted an honest across-the-board tax reduction for all without reducing the revenue capacity of the tax system. Those who are now most sorely pressed by the spiral of inflation can safely and wisely be granted tax reduction, provided we maintain present revenue levels by imposing a tax on the excessive peacetime profits of corporations.

H. R. 4790, as passed by the Congress, is a twofold folly. It gives 37 percent of the tax relief to the wealthiest 4 percent of the taxpayers. And it impairs

the soundness of our fiscal structure in one of the most crucial periods in all history.

Mr. MULTER. Mr. Speaker, no one likes to pay taxes. The more one pays the less he likes them.

The income-tax theory that the more one earns the larger percentage he should pay is so firmly entrenched in State and Federal tax structures that we rarely hear a complaint about it.

That is not a "soak the rich" program. It is a program requiring those to bear the burden who can best afford it and who get most out of it.

Taxes should be imposed in order to meet the needs of Government and to reduce Government debt.

The scientific approach is to first determine how much Government must spend and then add a fair sum for reduction of debt. That total sum then is the amount to be raised by taxation.

I opposed the instant tax bill because it is not a scientific bill but a political one.

No legislation should be handled as so-called packages. No President, as far as I can recall, ever said to Congress: "This is what I want. Give me all of it or none of it." Congress has no right to say to the President: "Here is a package. Take it all or you can get none of it."

I believe there is not a person in or out of Congress who is opposed to increasing tax exemptions, or permitting man and wife to report their income on a community-property basis or granting additional exemptions to the old or the blind, or exempting pensions or eliminating double taxation.

Yet no amount of effort could induce the Republican leaders of Congress to submit those matters in separate bills permitting their separate enactment.

I introduced separate bills on those subjects. They will never get out of committee. Instead, the President is told he can have some of those things but only if he accepts the good with the bad.

It was openly said on the floor of the House that if after we pass this tax bill, we find we must spend more money than we will collect, we will then revise the tax bill. What tomfoolery is that?

There is not a man in Congress who does not know that we cannot possibly know now the total sum this Congress will appropriate before it gets through with this session.

We are not due to adjourn until July 31. Action on the tax bill should be the last thing we take. Before this statement can be published we will probably have a request from the President for an additional $4,000,000,000 to $5,000,000,000 appropriation for national security. If he asks for it, we cannot deny it to the country. Under this tax bill, such an appropriation alone will throw the budget out of balance by at least $2,000,000,000 without paying off a single dollar on the national debt.

I am for tax reduction, as evidenced by the bills I introduced as follows and in the order set forth:

First. Increase all tax exemptions so that no single person pays any tax on the first $2,500 of earnings and no married person or head of a family pays any tax on the first $3,500 of earnings. That is fair to all, high and low earner alike.

Second. Increase exemptions to the blind and aged.

Third. Exempt pensions.

Fourth. Give all married couples the same tax benefits enjoyed in the so-called community-property States.

Fifth. Remove all nuisance taxes such as those on oleomargarine, transportation, communications, amusements, and accessories, such as handbags, luggage, and the like.

Sixth. Eliminate double taxation. Profits having been taxed once should not be taxed again when distributed. A member of a partnership, general or limited, escapes this double taxation while a stockholder is penalized with it.

The instant tax bill does not accomplish any of the relief listed above except that under items 2 and 4 and a small part of item 1.

The taxpayer earning only $3,000 a year saves all of $90. The average saving under this bill for the person earning $100,000 a year will be almost $12,000. No one can deny that it requires from $3,000 to $3,500 a year for the average taxpayer to live in what begins to be decent circumstances in our urban communities. That taxpayer should pay no tax at all before we begin to cut the taxes of any in the upper brackets.

I concede that this tax bill cuts taxes for more than 95 percent of the taxpayers. The fault I find with it is that it gives 30 percent of the tax cut to about 5 percent of the taxpayers.

In conclusion let me point out that big business is not suffering under any terrific tax load and high taxes are not discouraging risk capital.

In New York State alone there was an increase in 1947 over 1946 of more than 50,000 new business ventures. Look at the financial pages of your daily newspaper and you will, with few exceptions, see that big business is not only earning more net profits (after taxes) than ever before, but is also paying larger dividends than ever before, ranging from 10 to 100 percent higher than in 1946.

The rejection of this tax bill now should result in giving the country a proper tax bill before Congress adjourns.

Mr. RAYBURN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RAYBURN. As I understand the parliamentary situation, Mr. Speaker, there is to be one vote only; and if the resolution is agreed to, it means that the House concurs in the Senate amendments to the so-called Knutson bill.

The SPEAKER. The gentleman has stated the situation correctly.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. ALLEN of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 289, nays 67, not voting 75, as follows:

[Roll No. 27]

YEAS—289

Abbitt	Allen, Calif.	Allen, La.
Abernethy	Allen, Ill.	Almond
Anderson, Calif.	Hagen	O'Konski
Andresen, August H.	Hale	O'Toole
	Hall, Edwin Arthur	Owens
Andrews, N. Y.		Pace
Angell	Hall, Leonard W.	Passman
Arends		Patterson
Arnold	Halleck	Peterson
Auchincloss	Hand	Pfeifer
Bakewell	Harless, Ariz.	Philbin
Banta	Harris	Phillips, Calif.
Barrett	Hart	Phillips, Tenn.
Bates, Mass.	Harvey	Plumley
Beall	Hays	Potter
Bender	Hébert	Potts
Bennett, Mo.	Hedrick	Poulson
Bishop	Heffernan	Preston
Boggs, Del.	Herter	Ramey
Boggs, La.	Hoffman	Rankin
Bolton	Holmes	Reed, N. Y.
Bonner	Hull	Rees
Bradley	Jackson, Calif.	Reeves
Bramblett	Jackson, Wash.	Regan
Brooks	Javits	Rich
Brophy	Jenison	Richards
Brown, Ga.	Jenkins, Pa.	Riehlman
Bryson	Jennings	Riley
Buck	Jensen	Rivers
Buffett	Johnson, Calif.	Rizley
Burke	Johnson, Ind.	Rockwell
Busbey	Johnson, Okla.	Rogers, Fla.
Butler	Jones, Ala.	Rogers, Mass.
Byrnes, Wis.	Jones, N. C.	Rohrbough
Camp	Jonkman	Ross
Canfield	Judd	Russell
Case, N. J.	Kean	Sadlak
Case, S. Dak.	Kearney	St. George
Chadwick	Kearns	Sanborn
Chenoweth	Keating	Sarbacher
Church	Keefe	Sasscer
Clason	Kelley	Schwabe, Mo.
Clevenger	Kerr	Schwabe, Okla.
Clippinger	Kersten, Wis.	Scoblick
Coffin	Kilburn	Scott, Hardie
Cole, Kans.	Kilday	Scott, Hugh D., Jr.
Cole, Mo.	Knutson	
Cole, N. Y.	Kunkel	Scrivner
Colmer	Landis	Seely-Brown
Corbett	Lane	Shafer
Coudert	Larcade	Sheppard
Cox	Latham	Short
Cravens	Lea	Sikes
Crawford	LeCompte	Simpson, Ill.
Crow	LeFevre	Simpson, Pa.
Cunningham	Lemke	Smith, Kans.
Curtis	Lewis	Smith, Ohio
Davis, Ga.	Lichtenwalter	Smith, Wis.
Davis, Tenn.	Lodge	Snyder
Davis, Wis.	Love	Somers
Dawson, Utah	Lucas	Stefan
Delaney	Lyle	Stevenson
Devitt	McConnell	Stockman
D'Ewart	McCowen	Stratton
Dirksen	McCulloch	Sundstrom
Dolliver	McDonough	Taber
Domengeaux	McDowell	Talle
Donohue	McGarvey	Teague
Dorn	McGregor	Thomas, Tex.
Doughton	McMahon	Thompson
Durham	Mack	Tibbott
Eaton	MacKinnon	Tollefson
Ellis	Macy	Towe
Ellsworth	Maloney	Twyman
Elsaesser	Martin, Iowa	Vail
Elston	Mathews	Van Zandt
Engel, Mich.	Meade, Ky.	Vinson
Engle, Calif.	Meade, Md.	Vorys
Fallon	Merrow	Vursell
Fellows	Meyer	Wadsworth
Fenton	Michener	Walter
Fisher	Miller, Conn.	Weichel
Fletcher	Miller, Md.	Welch
Folger	Miller, Nebr.	Wheeler
Foote	Mills	Whitten
Fulton	Mitchell	Whittington
Gamble	Morris	Wigglesworth
Garmatz	Morrison	Williams
Gary	Muhlenberg	Wilson, Ind.
Gavin	Mundt	Wilson, Tex.
Gearhart	Murray, Tenn.	Winstead
Gillette	Nicholson	Wolcott
Goodwin	Nixon	Wolverton
Gossett	Nodar	Wood
Graham	Norblad	Woodruff
Grant, Ind.	Norrell	Youngblood
Griffiths	O'Brien	Zimmerman
Gwinn, N. Y.	O'Hara	

NAYS—67

Albert	Burleson	Cooper
Beckworth	Byrne, N. Y.	Courtney
Bell	Cannon	Crosser
Bland	Carroll	Deane
Blatnik	Celler	Douglas
Bloom	Chelf	Eberharter
Buchanan	Combs	Evins
Buckley	Cooley	Feighan

Fogarty	Klein	Peden
Forand	Lanham	Pickett
Gore	Lusk	Powell
Hardy	Lynch	Price, Ill.
Harrison	Madden	Priest
Havenner	Mahon	Rayburn
Hobbs	Mansfield	Sabath
Holifield	Marcantonio	Sadowski
Huber	Miller, Calif.	Smathers
Isacson	Monroney	Smith, Va.
Karsten, Mo.	Morgan	Spence
Kee	Morton	Stigler
Kennedy	Multer	Trimble
King	Murdock	
Kirwan	Norton	

NOT VOTING—75

Andersen, H. Carl	Gathings	Keogh
Andrews, Ala.	Gillie	Lesinski
Barden	Goff	Ludlow
Bates, Ky.	Gordon	McCormack
Battle	Gorski	McMillan, S. C.
Bennett, Mich.	Granger	McMillen, Ill.
Blackney	Grant, Ala.	Manasco
Boykin	Gregory	Mason
Brehm	Gross	Murray, Wis.
Brown, Ohio	Gwynne, Iowa	Patman
Bulwinkle	Harness, Ind.	Ploeser
Carson	Hartley	Poage
Chapman	Hendricks	Price, Fla.
Chiperfield	Heselton	Rains
Clark	Hess	Redden
Cotton	Hill	Reed, Ill.
Dague	Hinshaw	Robertson
Dawson, Ill.	Hoeven	Rooney
Dingell	Hope	Smith, Maine
Dondero	Horan	Stanley
Elliott	Jarman	Taylor
Fernandez	Jenkins, Ohio	Thomas, N. J.
Flannagan	Johnson, Ill.	West
Fuller	Johnson, Tex.	Worley
Gallagher	Jones, Wash.	
	Kefauver	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Chapman for, with Mr. Gregory against.

Mr. Brown of Ohio for, with Mr. McCormack against.

Mr. Stanley for, with Mr. Flannagan against.

Mr. Jenkins of Ohio for, with Mr. Dingell against.

Mr. Gordon for, with Mr. Lesinski against.

Mr. Ploeser for, with Mr. Patman against.

General pairs until further notice:

Mr. Harness of Indiana with Mr. Keogh.

Mr. Brehm with Mr. West.

Mr. Heselton with Mr. Rooney.

Mr. Bennett of Michigan with Mr. Ludlow.

Mr. Jones of Washington with Mr. Boykin.

Mr. Cotton with Mr. Kefauver.

Mr. Dague with Mr. Battle.

Mr. Gross with Mr. Rains.

Mr. McMillen of Illinois with Mr. Gorski.

Mr. Mason with Mr. Johnson of Texas.

Mr. Smith of Maine with Mr. Worley.

Mr. Carson with Mr. Jarman.

Mr. Dondero with Mr. Barden.

Mr. Hartley with Mr. Andrews of Alabama.

Mr. Taylor with Mr. Fernandez.

Mr. Hess with Mr. Clark.

Mr. Hinshaw with Mr. Manasco.

Mr. Chiperfield with Mr. Elliott.

Mr. Gillie with Mr. Gathings.

Mr. Thomas of New Jersey with Mr. Bates of Kentucky.

Mr. Reed of Illinois with Mr. Granger.

Mr. Blackney with Mr. Grant of Alabama.

Mr. Gwynne of Iowa with Mr. Price of Florida.

Mr. Fuller with Mr. Dawson of Illinois.

Mr. Goff with Mr. Bulwinkle.

Mr. Gallagher with Mr. McMillan of South Carolina.

Mr. COURTNEY changed his vote from "aye" to "no."

Mr. BLOOM changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4790. An act to reduce individual income tax payments, and for other purposes;

H. R. 5052. An act to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code; and

H. R. 5856. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to announce the program for tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I desire to announce that if the conference report on the rent control bill is agreed to, it is proposed to call it up tomorrow in order that it may be disposed of. As we all know, there is a March 31 deadline on that extension.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. RAYBURN. I congratulate the enrolling department on their efficiency in having this bill enrolled immediately upon the announcement of the vote and the passage of the bill.

The SPEAKER. The Chair appreciates the generous statement of the gentleman from Texas, and might add that, having had 2 days' notice of what was going to happen, the Chair was prepared to take immediate action.

EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to extend the remarks he made earlier in the day and include editorials, articles, and so forth.

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include sundry articles.

COMMITTEE ON PUBLIC LANDS

Mr. WELCH. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. RAMEY. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Ohio [Mr. CARSON], may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CARSON. Mr. Speaker, under permission to extend my remarks in the RECORD, I wish to state that due to illness it was impossible for me to be present when the tax bill, H. R. 4790, was voted upon, and my colleague, Hon. HOMER A. RAMEY, had me excused. Had I been present, I would have voted for the bill.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, how can the American people believe that the administration is sincere in stopping communism or Russian expansionism when we read in the morning papers, "19 ships load goods for Reds"—11 of which are "flying the American flag."

On the one hand, Marshall-plan aid is allegedly provided the so-called anti-Reds of Europe to block Stalin's westward march. On the other hand, Stalin is being supplied from the same larder with the means for prosecuting his sinister designs to destroy western civilization.

There is only one answer to this apparent enigma, namely, the forces controlling the Government are so thoroughly in sympathy with communism that they have lost sight of America's true interests. Except for this fact Stalin and his gang would today be confined within the prewar borders of Russia.

If Stalin is a threat to civilization it is because the men controlling our Government during the last 15 years have had more in common with Russian communism than the things that made the United States of America.

EXTENSION OF REMARKS

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD and include a petition to the Congress from the Committee for the Marshall plan signed by many citizens of the city of La Crosse, Wis.

Mr. MILLER of Maryland asked and was given permission to extend his remarks in the RECORD and include an editorial from the Cumberland News.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. KELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY. Mr. Speaker, I have today voted for the tax reduction. I did it with a great deal of reluctance, and because I felt it was the only chance of getting some relief.

There are a number of reasons why I have consistently opposed a tax reduction, but the principal one was that the bills offered did not give sufficient relief to the lower-income brackets. This conference bill is somewhat better than that before us previously. It is still not a good bill, but it appears to be the best that can be obtained from this Republican-controlled Congress. I feel that the wage

earners will get some relief, even if it is inequitable.

LEAVE OF ABSENCE

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that I be granted 6 days' leave of absence to attend to official business in my district from March 29 through April 3, inclusive.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EXTENSION OF REMARKS

Mr. PASSMAN asked and was given permission to extend his remarks in the RECORD.

Mr. JONES of Alabama asked and was given permission to extend his remarks in the RECORD and include an article by T. B. Hutcheson, dean of agriculture, VPI, appearing in the Progressive Farmer of March 1948.

AMENDING INTERSTATE COMMERCE ACT

Mr. WOLVERTON submitted a conference report and statement on the bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes.

EXTENSION OF REMARKS

Mr. WOLVERTON asked and was granted permission to extend his remarks in the Appendix in three instances dealing with the recovery bill and to include news articles.

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 2202, with Mr. CASE of South Dakota in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from Ohio [Mr. VORYS] had remaining 6 hours and 5 minutes, and the gentleman from New York [Mr. BLOOM] had 6 hours and 24 minutes remaining.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, like most of the other Members of the House and most of the other citizens of America, I regret the necessity which brings this legislation before us. I shall support the legislation on the floor of the House as I supported it in committee, as the least objectionable of the alternative decisions which we have available to make at the present time.

As we face up to the ugly realities of what the world news brings to us, it appears that we have only one of three decisions which we can make. We dare not continue to remain in an attitude of indecision. The most dangerous place, it seems to me, for anyone to sit when his home is on fire, is half asleep in his own study, unwilling to make up his mind whether to go for the fire extinguisher, to call the fire department, to try to put out the fire himself, or to evacuate his home and his loved ones and valuables, or simply to sit there dreamily, unable to act and hoping that the fire goes out of its own accord.

We in America have for too long sat in an attitude of indecision from the standpoint of world affairs. A continuation of that attitude of do nothing, it seems to me, is the most dangerous course we could follow. It would invoke the curse which indecision inevitably incurs. Aside from that we have three alternatives:

We could declare war on Russia at this time. I reject that because of the obvious reason that this country is peace-loving; we do not want war. A third world war might well result in the loss of all our liberties as well as another colossal loss of life, of limb, and of our natural resources. It would represent a complete break-down of world diplomacy. I think we should, and that we can, avert it.

Our whole policy is directed toward peace.

The second alternative would be to withdraw from the European situation entirely; to withdraw our occupation troops from Vienna, Berlin, Tokyo, and turn Asia and Europe over to the Communists, retiring to this country in an effort to make a last ditch all-out stand to defend our precious necks when the Communists decided to attack us directly in war. I reject that as a rather hopeless and futile and altogether dangerous alternative.

The third alternative is to develop a pattern of action, to develop an American foreign policy which is consistent and comprehensive and active in order to meet the changes of the times. As I see it this legislation now before us, the so-called European recovery program, is one aspect of what can become a coherent and consistent, comprehensive foreign policy if it is supported by the collateral steps which are essential.

I think it can succeed in repelling communism without war and in safeguarding our peace if it is reenforced by appropriate steps. If it is not accompanied by collateral action I am afraid it is simply going to be an expensive but a comparatively fruitless effort to try to do with one single device what we must do by concurrent action along many fronts if we are to succeed. I shall vote for this legislation in the hope that the essential collateral steps will be taken before the hour is too late.

I think that in addition to this legislation we should as a second aspect implement with great appropriations and great energy the Voice of America program which Congress wisely enacted into law 2 months ago.

As a third aspect I think the time has come for us publicly to renounce the Morgenthau plan for Germany and to follow instead a new attitude which will utilize the resources of that defeated country for the recovery of western Europe as a whole.

As a fourth part of the program I think we must renew and redouble our efforts, which have so far been partially successful, to eliminate Communists from the Federal pay roll here in Washington. We are making headway on these four aspects of what I consider a seven-factor program essential to meeting the challenge of our times.

The fifth aspect is that we should develop now a program of reciprocity toward Russia in the matter of our diplomatic relationships. Since we have reconsidered our relationships from the standpoint of economic and military problems we should also consider what it is best to do diplomatically, and I shall elaborate on that point in a minute because on that we are not making very much progress. To be successful, however, we must develop a reciprocal relationship with Russia diplomatically on exports.

Sixth, I think we should develop an attitude which is consistent and decide whether or not we in America propose to finance and support the forces opposing communism or whether we propose to support the forces of communism themselves or whether, once again, we propose to support both sides in this ideological conflict; and I shall have much to say about that aspect in a few minutes.

The seventh aspect of the program which I recommend is that I think we should call upon the power of the United Nations under a revision of the Charter through article 51 which will enable us on the side of freedom to have a cohesive cooperative teamwork of the nations who are in opposition to the Communists. The Communists today have the only functioning international organization with representatives in every country of the world, with its concentrated action directed from a central point and which is pushing toward a common goal. To me that is the biggest deficiency in our whole American program.

We must develop some counterorganization if we are to be successful. So on December 16 last, I, with several other Members of the Congress, introduced House Concurrent Resolution 166, calling upon the President to take immediate steps to bring about that revision of the Charter of the United Nations which would enable the decent countries of the world, the peace-loving countries of the world, the freedom-loving countries of the world to have a functioning organization for cooperative action such as the Communists now enjoy. But now let us refer briefly to the two points of the seven-point program where this administration is colossally and dismally failing up to this very hour. I shall have more to say about the United Nations proposal at a later date.

First, let me talk about the matter of reciprocity from the standpoint of our diplomatic relationships with Russia. As I speak to you in the House at this hour, a great American in our Foreign Service overseas by the name of Frederick Rhinehart is in Moscow, Russia, trying to get to Leningrad to open an American consulate there which we have been trying to open for more than 11

months. We have permitted the Russians in America to open their prewar consulates in this country. We continue to permit the Russians to do that, but they deny us the right to open American consulates in Russia.

I cannot understand by what rhyme or reason Secretary Marshall and President Truman come to this Congress and to the committee rooms and talk tough about economic and military programs, and yet continue a pansylike attitude from the standpoint of diplomatic relationships. The time has come to insist that we open the American consulates in Russia, to which we are entitled, or insist that the Russians close up their consulates in America now. That is an attitude the Russians are trained to respect and understand.

Let me talk about something even more significant than that. The Russians, as we all know, are denying American visitors visas in that country. Last year they denied an official committee of the other body of this Congress the right to inspect our own Embassy in Moscow. Notwithstanding that, your State Department and mine, your White House and mine, your Government and mine, have officially granted Communists visas to enter this country to the extent of 3,696 visitors who were permitted to come from Russia to this country at a time when they were denying any American the right to have visas over there or, to be precise, at a time when they denied all American visitors visas to Russia except 250, 210 of whom were Government officials, 40 of whom were members of the press or their families. Only 22 Americans were permitted to visit Russia with official visas compared with 3,696 Russians who entered on the shores of America with the blessing, with the approval, and with official visas, from our Government. The time has come, Mr. Chairman, to get realistic in our attitude and to act with reciprocity toward Russia.

If you have read through these hearings you will note that time after time I discussed with Secretary Marshall every time he appeared before the committee the desirability of developing and announcing such a reciprocal policy. He sidestepped the issue, he tried to dodge the question, but finally, when he was cornered one day, you will find that on page 1561 of the official hearings I did ask him for the "umth" time why we did not adopt an attitude of reciprocity toward Russia and he said:

> Secretary MARSHALL. I think we should have complete reciprocity and that is what we are working for.

I do not know in what manner they are working for it. I can judge only by the results that have been obtained. I submit we are not going to obtain the respect of the Russians and we are not going to obtain the respect and the confidence of the smaller countries of Europe until the greatest of all countries, the United States of America, has the candor to tell Russia that we are going to deal with them on the basis of reciprocity and that we are going to discontinue the attitude of appeasement that we have been so consistently pursuing in the past.

WAR SUPPLIES TO RUSSIA

Mr. Chairman, there is another and more serious aspect I am coming to. That is from the standpoint of exports of war potentials to Russia. Not only are we appeasing the U. S. S. R. from the standpoint of diplomatic relationships but up to this very hour we are continuing to permit American manufacturers of machine tools and other war potentials to ship to Russia the very supplies she needs to become militarily strong enough to threaten the small countries of Europe which we propose to brace up through this pending legislation.

Mr. Chairman, I want to say to you that as I am speaking in the House of Representatives here today there is loading at a New Jersey dock a great Russian ship by the name of the steamship *Chukotka*, a ship that is loading its hold today primarily with war potentials. In other words, we are repeating that same grim story of our experience with Japan, but this time it is not scrap iron, it is not oil; this time it is machine tools of which Russia is so desperately short and this is one of the big factors restraining her from engaging in hostilities today. Yesterday we had an investigator checking on the cargo list of the steamship *Chukotka*, and I want to list to you the material going into that hold as of 3 o'clock yesterday afternoon. I am going to give you 15 of the declarations on the ship and there will be many more today and tomorrow. More are going on by the hour. These are going on with the official approval of this administration, they are going on with official export licenses granted by the Department of Commerce, after the House of Representatives passed House Resolution 366, which I introduced in the special session of Congress, and which was adopted last December 5, calling upon the Department of Commerce to show cause why any more war potentials should be shipped to Russia. These shipments are made, gentlemen, despite the President of the United States has been granted full authority by Congress to stop all such exports. It is a clear case of the right hand of the Truman administration not knowing that its left hand is clasping the palms of Joe Stalin's Communists.

Let me read you some of the supplies which we are sending to Russia this week, the very hour that we are sending billions of dollars to European countries to protect themselves from the kind of attacks made possible by what we are shipping to Russia this very week. They loaded yesterday on this Russian ship, the steamship *Chukotka* an order purchased by the Soviet Government Purchasing Commission, valued at $18,595, according to the ship's declaration, materials supplied to the port by the Erie Railroad Co. and purchased from the Orton Crane & Shovel Co., of Huntington, Ind.

May I say that insofar as I can, I am going to name today the American companies and corporations who, for a short-lived opportunity for a long profit, are selling war supplies to Russia now, because I think American private enterprise, too, has a little responsibility now to the boys that fought the war and for protecting the peace of the world.

While there is no law against trying to increase their private profit by selling war potentials to a potential enemy, at least the public should have a right to know who it is that so traffics in potential blood, and who is trading arms to Russia for profits for American corporations. The big responsibility, I submit, is with the Secretary of Commerce, of course, and with the White House that permits these orders to go abroad and which fails to proclaim a clear-cut, comprehensive policy, but I think the public should be entitled to know who is today trying to profiteer on the possibilities of another war.

The first consignment:

The exporter is the Soviet Government Purchasing Commission, and the material is for its account. The material consists of one bundle, two boxes and three pieces, containing Diesel engine pneumatic-tired aerocrane, with clamshell bucket and spare parts. The value of this material is listed at $18,595. This declaration bears customs file No. 297,386. The consignee is Machinoimport. This material was shipped by the Erie Railroad Co. from the Orton Crane & Shovel Co., at Huntington, Ind., under date of February 24, 1948, to be used by the Russians for whatever purpose they see fit.

The second shipper is the Amtorg Trading Corp. You may remember that a year or so ago I discussed the Amtorg Trading Corp.—CONGRESSIONAL RECORD, January 29, 1947, pages 711 to 713 of the bound volume—and showed you the bombing manual it prepared containing pictures of various installations, factories, cities, and so forth, in this country, the pages for which were paid for by some of the same corporations now selling war potentials to the Russians.

The exporter is the Amtorg Trading Corp. and the material is for its account. The consignee is Stankoimport. The material consists of five boxes containing parts for one pusher type roll drawn furnace, and the value of this material is listed at $25,138. This declaration bears customs file No. 350,665.

The third consignment:

The exporter is the Amtorg Trading Corp., and the material is for its account. The consignee is Machinoimport. The material is listed as being 101 boxes of flotation machine, complete with standard equipment and spare parts. The value is listed as $26,645. There is material listed as drum filters with agitators and standard equipment. The value of this material is listed as $1,404. This declaration bears the custom file No. 350,668.

The fourth consignment, again the Amtorg Trading Corp.:

The exporter is the Amtorg Trading Corp. and the material is for its account. The consignee is Machinoimport. The material is listed as eight boxes containing cooling bed for seamless tube mill with parts—metal rolling mill machinery. The value of this material is listed as $27,487. The declaration bears the customs file No. 350,681.

These are scarce articles needed in this country.

The fifth consignment:

The exporter is the Soviet Government Purchasing Commission and the mate-

rial is for its account. The consignee is Stankoimport way back behind the Urals. The material is listed as three boxes containing specially designed milling machinery, complete with standard and electrical equipment and spare parts. The value of the machinery is listed as $36,958. The declaration bears customs file No. 297,384. The material came from the Ingersoll Milling Machine Co. at Rockford, Ill., and shipped under date of February 23, 1948.

The sixth consignment:

The exporter is the Soviet Government Purchasing Commission, and the material is being shipped for its account. The consignee is Machinoimport. The material is listed as 56 boxes, 38 crates, and 9 pieces, comprising core drills, with 10 sets of operating equipment and spare parts. The value of the material is listed as $98,439. The declaration bears customs file No. 297,383.

The seventh consignment:

The exporter is the Soviet Government Purchasing Commission and the material is for its account. The consignee is Machinoimport. The material is listed as two boxes containing continuous tube brazing furnace, complete with spare parts. Material valued at $32,850. Declaration bears customs file No. 297,382. The material came from Lindberg Engineering Co., Galewood, Ill., and was shipped under date of February 27, 1948.

Eighth. The exporter is the Soviet Government Purchasing Commission. The consignee is Machinoimport—back of the Urals again. The material is listed as 2 boxes, 10 pieces, and 2 bundles, comprising Diesel engine driven pneumatic-tired aerocranes, complete with spares and two buckets. Material is listed as having a value of $34,626. Declaration bears customs file No. 297,379. The material was shipped by the Erie Railroad Co. from the Orton Crane & Shovel Co. at Huntington, Ind., under date of February 27 and 28, 1948.

Ninth. The exporter is the Soviet Government Purchasing Commission—again back of the Urals—and the material is for its account. The consignee is Stankoimport; material listed as three boxes containing straight bevel roughers with standard and electric equipment and spare parts. Value of material listed at $32,160. Declaration bears customs file No. 297,376. Material was shipped from Gleason Works, Rochester, N. Y., under date of February 27, 1948.

May I say here a word of tribute to the employees of the Gleason Works, because had it not been for them you and I might not know what is being loaded in this Russian ship today, scheduled to sail on Saturday of this week. Presumably the administration still could, if it would, but it probably will not, stop that particular consignment from going abroad.

I received first of all an anonymous phone call from a man in Rochester, N. Y., then an anonymous letter, then an anonymous telegram, to all of which I paid no attention, but finally my curiosity was aroused enough to write the Department of Commerce to inquire whether the Gleason Works had any export licenses to ship machine tools to Russia. The Department of Commerce told me they had none, but that they had permitted them, in fact, the words of the Department of Commerce were, "We have encouraged them" to sell these machines to Amtorg, but they said, "Amtorg will not be permitted to ship them out of the country." However, Amtorg is shipping products manufactured by the Gleason Co. out of the country. I am glad to say that these employees told me specifically the truth as it has since been demonstrated by an investigator, that those highly critical machine tools, which are manufactured in just a few places in the world, are today being shipped from the Gleason Co. first of all to Amtorg and in some instances by Amtorg to the U. S. S. R. itself.

Tenth. The exporter is the Soviet Government Purchasing Commission, and the material is for its account. Consignee is Stankoimport. The material is listed as three boxes containing straight bevel roughers, complete with standard and electric equipment and spare parts and four roughing cutters, and two sets of roughing blades. The value of the material listed at $22,915. Declaration bears the customs file No. 297,377. Material shipped from the Gleason Works, Rochester, N. Y., under date of February 25, 1948.

This material is being loaded into this same ship, due to sail on Saturday of this week. In this time when we are trying so desperately to find electrical equipment for rural electrification, when we need electrical equipment so badly in this country, where is it going? From the Gleason Works, of Rochester, N. Y., to the U. S. S. R., as a war potential, with the approval of the Department of Commerce, which is asking us to appropriate money to help make western Europe strong enough to resist the greatly strengthened eastern Europe made possible by exports of this type. What a travesty.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota.

Mr. MUNDT. On the eleventh item, again the exporter is the Soviet Government Purchasing Commission, and the consignee is Machinoimport. The material is listed as eight boxes containing ball-bearing motors. Two of these motors are five horsepower, two are two horsepower, two are one horsepower, and one is seven and one-half horsepower, with two starting switches. Material is listed as having a value of $793; declaration bears customs file No. 350,667.

Twelfth. Exporter is Soviet Government Purchasing Commission, and is for its account. Consignee is Stankoimport. Material is listed as one box containing straight bevel revex rougher, complete with standard and electric equipment. Material is listed as having a value of $11,193. Declaration bears the customs file No. 297,378.

Thirteenth. Exporter is Soviet Government Purchasing Commission and material is for its account. Consignee is Stankoimport. Material listed as two boxes containing bevel revacycle machines with standard and electric equipment with spare parts. Material listed as having a value of $38,979. The declaration bears customs file No. 297,375.

Fourteenth. The exporter is the Amtorg Trading Corp., to which the Department of Commerce says "we have encouraged" the Gleason Works to sell their supplies. The consignee is Machinoimport. The material is listed as six boxes containing the following material: one drum filter with agitator, having a value of $503; two flotation machines complete with equipment, having a value of $1,663; one screen testing sieve, having a value of $80; one poidometer, complete with equipment having a value of $1,055. Spare parts for all the above, having a value of $196; bearing customs file No. 350,666.

Fifteenth. Exporter is Amtorg Trading Corp.; consignee Stankoimport; material is listed as four boxes containing a high speed, solid steel frame forging press—that is a nice, peaceful toy to give to the Communists—with electric and standard equipment bolster dies and spare parts. Material is listed as having value of $127,871. Declaration bears Customs file No. 297,381.

The steamship *Chukotka* is loading at the Claremont Terminal, Jersey City, N. J., and is expected to sail no earlier than Saturday, March 27.

Amtorg has the same export privileges everyone else enjoys.

In addition, following through on this telegram I received from the employees of the Gleason Works, we finally checked through and found out, and the Department of Commerce admitted, that they have authorized the shipment of one hypoid electrical generator valued at $18,000 to a town in Austria called Steyr. I said, "On which side of the iron curtain is that?" They said, "We do not know." So I checked with the State Department and asked, "On which side of the iron curtain is that?" They said that Steyr is a small community, and that the dividing line between the Russian zone and the American zone passes through the city, but that the railroad station is in the Russian zone. I said, "Where is this automobile works that gets the equipment?" They said, "We do not know." So they cabled Vienna yesterday to find out, and the answer has not come back, so I do not know. But certainly they are pushing it off in the direction of that Russian line just as fast as they can, while still there is doubt whether or not it will go to the Russians or Austrians.

What is my purpose in bringing this before you today? Because I propose to offer an amendment to this legislation to correct that kind of self-contradictory policy. I propose to offer an amendment to read as follows: on page 57 of S. 2202, a new subsection (d) to read as follows:

Whenever the Administrator determines that it is in the national interest of the United States to prohibit the exportation of any commodity to any country wholly or partly in Europe which is not a participating country, the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the act of July 2,

1940 (54 Stat. 714), as amended, shall take such action as may be necessary to prohibit the exportation of such commodity to such country.

In spite of what the Washington Post has to say about an amendment like that, I submit to you that east and west trade, if it is going to be beneficial under this act, must be peaceful and not warlike trade. Unless we write in some such amendment as this, we may find ourselves literally financing and supporting the war program of the U. S. S. R.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. ARENDS. What makes the gentleman think the Administrator will possibly stop such a procedure if the administration at the present time does not do so?

Mr. MUNDT. Because this gives the Administrator, who is an independent agent so far as the administration is concerned, complete authority, and we have written into this bill the necessity for bringing back the legislation every 12 months for public hearing and inspection by the House Committee on Foreign Affairs. So the country can learn all the facts about its operation.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. KERSTEN of Wisconsin. How does the gentleman feel about the possibility of, for example, sending steel to Great Britain which in turn might be sent under a contract in the form of machine tools and so on to Russia?

Mr. MUNDT. That has been prohibited in the amendment which I offered to the committee and which the Washington Post severely criticized because they do not understand the amendment. But if the gentleman will look at subsection D on page 94 of the bill, he will see that such shipments are prohibited. The amendment which I offered to prohibit such shipments was adopted in the committee.

Mr. KERSTEN of Wisconsin. I thank the gentleman.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. STEVENSON. I am very glad that the gentleman has brought out these facts. I have been bringing out these facts to my people for months, and I hope the Congress will get behind the gentleman's amendment. His Committee on Foreign Affairs should have brought out something like this months ago.

Mr. MUNDT. I thank the gentleman very much but such a proposal should really come from the Committee on Interstate and Foreign Commerce.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. KEATING. In connection with this amendment which the gentleman so ably had inserted in the bill, I call the attention of the gentleman to the amendment on page 94 and make this inquiry: Whether it would not, as it is now working, still permit Britain to ship to Russia machinery made out of its own steel, while at the same time receiving the equivalent steel from this country.

Mr. MUNDT. That is correct.

Mr. KEATING. May I suggest to the gentleman serious consideration of inserting in the second line of that amendment the words "any class or type of commodities" in place of the commodities themselves?

Mr. MUNDT. I will be very happy to perfect my amendment in any way that it is possible. I think the gentleman has an interesting suggestion.

The CHAIRMAN. The time of the gentleman from South Dakota has again expired.

Mr. JONKMAN. Mr. Chairman, I yield two more minutes to the gentleman.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. O'KONSKI. Will the gentleman name the individual in the Department of Commerce who is responsible for the shipment of these materials to Russia?

Mr. MUNDT. I do not know who is responsible, but I can tell you who one of the fellows is who authorizes these shipments. We have not had a chance to check that completely since yesterday, but I found that one Herbert W. Parisius down there, who is a former preacher from Wisconsin, may I say, has now been charged by the Department of Commerce with the duty of determining what machine tools to ship to Russia. I do not know just what induced a preacher to lay his Bible down and to go down to the Department of Commerce to determine what is considered critical material for Russia, but he at least is the fellow who is doing it. It is an interesting commentary on New Deal inefficiency that this administration selects a former preacher instead of an engineer to pass on what is to be considered a critical war supply to ship to Russia. What are we coming to in this country, anyhow?

Mr. O'KONSKI. I am glad that the gentleman from South Dakota mentioned the name of the person responsible for this outrage. Herbert W. Parisius is a former resident of Wisconsin. I am informed he used to be connected with a church there and then became a public welfare director of Barron County. He was with a promotional project later, and then came to Washington. From FSA he went to Agriculture, under Wallace; from Agriculture to Foreign Economic Administration. From there, Wallace took him to the Department of Commerce and the Office of International Trade, where he now is. Maybe he is following Wallace's instructions. If so, I am disappointed and outraged, because he is a former citizen of my great State. I hold in my hand a photostat copy of the Patriot, a Commie-front publication. It bears his name as recipient and stamped by his office as received there. I am informed that he has been a regular subscriber to that publication for some time. I understand also that he has urged others to read it and subscribe. I do not know if any of these things are true. I do not want to accuse any person in his position unjustly. But because of this development on shipments to Russia I think that he should give reasons for his actions and also if the statements above are true or false. Personally I hope they are false.

Mr. MUNDT. I appreciate the gentleman's contribution. It is not at all surprising because we have discovered that among all men David Lasser, our old friend of Workers Alliance days, is down at the Department of Commerce again, and he has been assigned to a responsible position in the manpower department there. So I say that is another reason why we want to make the Economic Administrator responsible for this act all the way through, including exports to Russia.

The CHAIRMAN. The time of the gentleman from South Dakota has again expired.

Mr. BLOOM. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, it is a happy privilege to rise today and say a word in commendation of the chairman of this great committee that has brought in this bill.

Dr. CHARLES EATON has, since the Sixty-Ninth Congress, laid his life on the altar of service of this Nation and has followed a gleam which led him in the earlier years into the pulpit, where he proclaimed the unsearchable riches of the religion which he so devoutly loves and practices.

You know, the Good Book, from which he used to take his texts in the pulpit, and from which he still takes his texts, allots to mankind three score years and ten; but it says, "If by reason of strength they be four score years, yet is their strength labor and sorrow."

As everything else in Holy Writ, when rightly understood, that is true. It is by reason of strength that he has come to the age of eighty, gloriously. His birthday is next Monday, we hear, and he is still going strong.

He has climbed the hill of real achievement to the pinnacle on which he stands today facing the east. In the leadership of this splendid committee which now brings, as they have brought us so many times, the challenge to do our duty—to do it nobly and well—he has found that which so many of us would love to win—the fulfillment of a dream—a dream of noble service that began for him long before San Francisco, where he was an honored delegate when United Nations was born.

So it is my proud privilege today to drop a posy, while he still lives and leads, upon the pinnacle of legislative success which he has attained by the reporting of this bill on its way to becoming law, and which will be forever one of the finest tributes that can come to a leader in this body, namely, to have a bill bear his name which will do so much to advance the ends of civilization the world round.

Now, just a word about this bill, which to me is such a wonderful achievement of this great committee and of the other great committee which also has such splendid leadership. To me it may be summarily comprehended by saying that it gives our Nation a chance to win three great objectives: World peace, reciprocal prosperity for all, and the practical ap-

plication of the Golden Rule to the awful need of this blood-soaked, sin-sick world.

The work of this committee in extending lively hope of meeting these three challenges to Europe and beyond is worthy of commendation to the uttermost. Thank God for this opportunity to bless China and all other nations—friend and foe.

I congratulate this committee and its chairman, the Honorable CHARLES EATON, of New Jersey, our "John the Baptist."

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, in my district there are approximately 10,000 persons employed in the foreign freight forwarding business. Additional thousands are employed in every port in the United States. Yet despite the large number of people whose livelihood is derived from foreign freight forwarding, little is known of this business or its importance to our economy. Briefly, the functions of the foreign freight forwarders can best be explained by saying that they are the connecting link between our domestic system of transportation and our oceangoing ships. When cargo arrives at a port city for shipment abroad, arrangements must be made for shipping space, necessary documents such as bills of lading and consular invoices must be prepared, insurance must be placed, and the cargo must be physically moved from the railhead to the ship's side at the proper time in order that there may be no delay in the vessel's loading. These are the functions of the foreign freight forwarders. Without the services performed by the freight forwarders our foreign commerce would soon grind to a halt. May I add, parenthetically, that the word "foreign" used to describe these forwarders refers only to the fact that they are in foreign trade—almost without exception they are American citizens.

In 1942 Congress recognized the importance of the foreign freight-forwarding industry to our foreign commerce and our merchant marine and enacted section 217 of the Merchant Marine Act, often referred to as the Bland Freight Forwarding Act. Under that statute, still in existence, the Federal agencies are directed to take the necessary steps for the development and maintenance of the freight-forwarding industry. This legislation was enacted because the shipment of lend-lease and other cargoes directly by our own and foreign government agencies threatened the continued existence of our American foreign freight-forwarding industry. Under that act, lend-lease cargoes were required to be shipped by private freight forwarders. As a result of this action by the Congress and its recognition of the importance of freight forwarders to our foreign commerce, this industry was able to demonstrate again its value to our international commerce. I understand, moreover, that the private freight forwarders gave ample proof, through their activities in handling these cargoes, that they could do the job more efficiently and more cheaply than could the Government agencies.

The legislative history of the interim-aid bill indicated the need to use private forwarders. The State Department and the Maritime Commission are on record to the effect that relief cargoes should be shipped by private-enterprise forwarders. I feel that this approach is equally applicable to cargoes to be shipped under the present bill.

Today the freight forwarders are again threatened by the possibility that the enactment of the European recovery plan may result in their economic strangulation. During the next several years, practically all cargoes to Europe will be shipped under this program. So long as ordinary private-enterprise facilities are used to service these cargoes, they seek no favors. But freight forwarders fear that our Government or the recipient nations may set up government forwarding organizations to do the work and drive private-enterprise facilities out of business. I feel confident that this is not intended by the drafters of this bill or by the committee which reported it. I feel sure that the Congress has no desire to put this industry out of business. For that reason I feel it imperative that I rise today to make it clear that under the European recovery program I feel that it is not intended that our private-enterprise freight-forwarding industry be supplanted by government forwarding agencies, either of our Government or of the recipient nations. It seems to me most important that a plan such as the European recovery program, designed to maintain a private-enterprise system abroad, shall not be permitted to stifle private enterprise, such as the forwarders, here at home.

Mr. BLOOM. Mr. Chairman, I yield 7 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, I cannot support this bill. I certainly would not challenge in any way or impugn the motive of any man or person who might disagree with me in any respect in regard to it, but I shall set out for you in the few minutes I have at my disposal my reasons for not being able to support the bill.

In the first place, by the bill we are undertaking to a large extent to underwrite the economy and the politics and the civil wars of the sixteen European nations involved, or some portion of them as well as China, and it is just too big a job; it is too big an undertaking and it is too dangerous, in my judgment.

No man is more anxious to help the poor than I. Since coming here to Congress I have already voted for somewhere near $1,000,000,000 for help to poor people outside of the United States of America and I would be perfectly willing to vote for any reasonable additional amount to help people who are in dire need of help, but I believe that the money or the goods ought to be administered through the United Nations or through the American Red Cross or through some agency of that kind, but the manner in which they propose to proceed here is not by giving direct aid and assistance to those who need it, but by giving assistance including military assistance to governments. Mr. Chairman, I call your attention to the fact that by this step, when and if we take it, we will bring ourselves that much nearer the status of making of your great country and my great country that we love so much, an empire; and we were not built for empire. The foundations of our government are such that we cannot become an empire and keep our way of life. So I say there is danger ahead of us because of that drifting toward empire.

May I suggest to you, Mr. Chairman, what it means in practice for us to do what we are setting out to do today by this bill. I just cannot be for this ERP bill, this so-called Marshall plan, for a number of reasons.

I want to quote from a United Press dispatch of February 12 this year as follows:

CAPTURED GREEK GUERRILLAS PLACED ON PUBLIC PARADE

SALONIKA, February 12.—The Greek Army returned triumphant today with 121 captured guerrillas who shelled Salonika Tuesday, and in a carnival-like spectacle paraded them before howling Salonikans who jabbed them with sharp sticks and pelted them with unsavory missiles.

About half of this war-swollen city's population of 480,000 turned out and waited for hours for the Greek northern Army's victory parade of captives who lobbed mortar shells into the heart of the city 2 days ago.

The hooting, jeering natives loved it. Along the line of march they jabbed the sullen, bearded, weary captives with sticks and showered them with stale eggs, bottles, and stones.

The jam became so great that the military parade could not pass down Tsimiski Street, as scheduled. It detoured two blocks to the water-front drive, and received an equally enthusiastic reception there.

The spectacle was regarded as the Greek Army's bid to quiet public feeling over the shelling of Salonika, in which one Briton and several townspeople were killed and nearly a score were wounded.

Mr. Chairman, we do not approve of that conduct, of course, and surely no one who supports this plan will approve of it, but that is what we get into. We would not have a thing like that occur in our own country; but when we go to underwriting the economy and politics and civil war of other countries, that is what we get into, and I am afraid we always will. We unwillingly become a part of it. It is not right, it is not just, it is not humane, it is not American, and yet it will be charged against us.

Mr. Chairman, I am as much opposed to communism as anyone who ever lived; I could never subscribe to it; and I know that it is a danger to the world today, as we conceive it to be, yet I think that our people are too alarmed. I believe we should be a little more calm about the matter. Communism is a false doctrine. But are we going to say that a majority of the people of the world are going to accept a false doctrine? I am sure they will not. It is not logical, it is not reasonable, to assume they are going to. So I say, Mr. Chairman, we are doing some things here, in my judgment, in a moment of panic and hysteria that we will be sorry for later on.

Mr. Chairman, we are heavily in debt. All of us are well acquainted with that

fact. Here we propose spending in all for the entire program about $17,000,000,000. For what? To help poor people? It would be far better if it were for that purpose. No. It is to help support the politics of foreign nations, and different kinds of politics at that.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. BLOOM. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. MORRIS. Mr. Chairman, I just cannot believe that the danger of communism is so great as many of you very fine people believe it is. I have seen these waves of passion and hatred come before concerning other issues; then later on the people would find that there was no reason for all the alarm.

Let us get down to the proposition of making democracy work well in this country of ours. The best way in the world for us to defeat communism is for us to show to the world that democracy is the best form of government. When we do that, we definitely will defeat communism. But if we keep on and on with programs like this and others that have been proposed, we ourselves will be in danger of becoming a police state, the very thing that we are fighting.

So, let us not whip ourselves. I think we should be most cautious, my friends, along that line.

Then there is this final thought, and I shall conclude. I know that my time will be up. I love this country, my friends, with a zeal. I offered my life for it once. I do not brag about it, but I came very near giving it in several of the bloodiest battles ever fought in World War I; and if war should come again I will be one of the first of you to go and fight in whatever way I can for Uncle Sam, regardless of the cost. I will stand in the forefront and bare my breast if need be to the bullets for Old Glory, for America, my country. I am not afraid to fight. But we have a war hysteria going on here in this great country of ours, and in my judgment it is not justified. We are unduly scaring the people, I think, and if we are not careful we are liable to scare ourselves into a war.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. JONKMAN].

Mr. JONKMAN. Mr. Chairman, it seems to me that every realist who can to a reasonable degree evaluate the world situation and the security position of the United States therein must be for this bill, S. 2202. It seems to me that every realist who can envision the threat of Soviet aggressive expansionism to the security of nations and to world peace must be for this bill. It seems to me that every realist who comprehends the relative cost of this recovery program as against the cost of the inevitable alternatives of war or a slave economy must be for this legislation without substantial change.

Mr. Chairman, this is not a relief measure. We are not now contemplating a program of humanity and compassion in which we give of our substance to the victims of World War II that they might keep body and soul together. Our present objective is far broader and more comprehensive than that. We must boldly accept the premise that it will call for greater contribution, yes, even a certain degree of sacrifice, than would a program of mere relief. This recovery plan aims at an objective that has never seemed possible in the history of Europe, and which, unless embraced with decision and dispatch, may never come again.

For centuries, and ever since the dawn of history in Europe, its nations have lived in jealousy, hatred, and fear of each other. They have always felt that their interests were adverse. They have never been able to realize that their interests and welfare are mutual. And all through the centuries their imagined adverse interests have ended in devastating clashes on the field of battle, which have kept their economies and standard of living on a low level.

Now, more than 2 years after World War II, there hangs over their heads the Damocletian sword of Soviet dictatorship and tyranny. Almost as in time of war, there is in these 16 and more nations a sense of common danger and a realization of common interest to escape from that danger. Already there has been developed a spirit of give and take through cooperative action and common sacrifice. Extreme nationalism is giving ground to considerations of security and welfare.

Even before this legislation has become law, but through the hope that was inspired by its promise, movements that before the war seemed impossible, are beginning to take form. Belgium, the Netherlands, and Luxemburg a couple of months ago formed a customs union. Conversations to broaden this cooperative union to include France and the United Kingdom are in process; and together these five nations have already formed a pact for mutual protection. Similar conversations are going on with Italy. Norway, Sweden, and Denmark have begun negotiations for cooperative efforts. In other words, the union of western Europe, including German zones, is well under way.

In some of these countries unusual efforts are being made to balance budgets and stabilize currencies. It is an array of events that even after World War I and before World War II could hardly have been dreamed of as a possibility.

The tragic fate of Czechoslovakia, the dire travail of Finland, where freedom is apparently doomed to annihilation, have driven home with terrible conviction the threat which hangs like a pall over Europe and all the world.

The experience of these two countries need not cause the hysteria that some of our people seek to create out of it. The present travail has been apparent and in the making for years. But it does drive home a realization of the consistent and relentless drive of the Soviets for European, and later, world domination.

This situation presents a great challenge to the Congress and to the American people; and right now is the psychological time to nurture and support that desire of the nations of western Europe in that program of helping themselves and mutually helping each other. There should be no hesitation in passing this bill and contributing of our substance, even if we should have to tighten our belts somewhat. It not only may, but in all probability will save the American people untold suffering and privations later.

The measures proposed in this bill are well adapted to reach this very desirable objective.

Its principal feature, the one which should make the greatest appeal, is that it divorces the operational administration of this program from the State Department, and places this function in the hands of an independent administrator.

It is interesting to recall that at the time the first UNRRA bill was being considered in February of 1944, I was for a bill introduced at that time by Congressman Dewey, of Illinois. That bill provided for an independent administration of European reconstruction. Had we followed such a program then, I am sure we could have saved the American people billions of dollars and have done a much better job. However, that is all water over the dam, and this time we are starting out right.

In this respect the House bill follows the Senate provision by placing the operational administration of this program in an administrator to be appointed by the President and confirmed by the Senate, who shall be separate from the State Department. On the other hand, machinery is provided for cooperation to harmonize the foreign-recovery program with the foreign policy as formed by the State Department.

There may be some question as to whether or not we should have provided a Government-owned corporation to carry out this recovery program. I was one of those who, ever since Secretary Marshall pronounced the program in his Harvard speech last June, favored the corporate form of management.

About that time I had something to do with the reincorporation of the Institute of Inter-American Affairs which operates a relief agency in all the South American Republics with great success and diminishing cost to the American people. I had also made some study of the Dawes plan as it operated in Europe in 1926 and 1927, after we had sunk $7,000,000,000 in public and private loans in Germany and other Axis countries. It will be remembered that after the First World War and after we had sunk that $7,000,000,000—which was used for boulevards and apartment houses instead of for consumer goods which would bring exports and exchange—our Treasury sent its representatives into Germany, Poland, and Hungary, and with less than one-half a billion dollars placed those countries on their feet, and in 3 years changed them from importing countries to exporting countries. This, of course, was a noncorporate form of agency under the Treasury Department, independent from the State Department. Of the two I favored the corporate form.

However, the difficulty with the corporate form was found by the committee to be that, as proposed by its proponents, it would be a corporation in name only, inasmuch as the directors as well as the administrator would have to be appointed by the President, and

would have only advisory function. In this respect the needs of the foreign recovery agency presents difficulties not found in domestic government corporations such as the RFC, for instance. The RFC is practically independent except for the President's power of removal from office. To create such complete independence of action in the foreign economy agency would be an invasion of the President's prerogative under the Constitution to control foreign policy. It might, therefore, present insurmountable difficulty and delay.

Now the principal reasons for preferring a corporate form were that in an undertaking of such magnitude as this foreign recovery program, speed of decision and centralization of responsibility are essential, as well as exemptions from the red tape encumbering Government agencies with respect to procurement, personnel, and auditing.

These have all been provided for in the present bill, which enables the administrator to employ all the advantages for effective and independent action which would be enjoyed by a corporation, and at the same time holds him to corresponding responsibility.

It is true, of course, that the choice of administrator and his associates by the President will be of tremendous importance to the success or failure of this undertaking, which will so vitally affect the interest not only of the United States, but the whole world. It is to be hoped that the President will rise to the occasion and choose the highest, ablest, most dynamic and cooperative leadership; for only with such independent administration can we reasonably hope for success of the program.

In other words, Congress has for the first time asserted itself. The administration said the program must be administered by the State Department or it would be an invasion of the President's prerogative under the Constitution to handle foreign policy. But the Congress has had the courage to say no, it shall be an independent agency, appointed by and under the control of the President, but having the necessary degree of independence of action and execution in the administrative end of the program.

A second reassuring feature of the program authorized in this bill is the amount and nature of the authorization. The bill provides $5,300,000,000 for the European recovery program; $275,000,000 for the Greece-Turkey military program; $150,000,000 for the China military program, and $420,000,000 for the China economic program, together with $60,000,000 for the children's fund for the United Nations—a total of $6,205,000,000.

To get a total picture of our foreign-aid program there should be added $1,483,000,000 for the disease and unrest programs in occupied areas, and $908,000,000 for the cost of the United States Military Establishment abroad, which brings the cost of our foreign-aid program pretty close to $9,000,000,000.

There is also a contemplated foreign economic reconstruction program for Japan and Korea in the sum of $220,000,000, as well as increasing the lending capacity of the Export-Import Bank for Latin American loans in the sum of $500,000,000. These latter amounts, totaling $3,111,000,000, of course, come under military appropriations and the lending authority of the Export-Import Bank. But they bring our total world-aid bill to $9,316,000,000.

Of course, at the present time we are concerned only with the $6,205,000,000, I gave the other figures only so that the House may have a complete picture of everything included in our foreign-aid program for the year.

I wish to address myself first to the $5,300,000,000 for European aid. Again for the first time there has been a substantial cut in the authorization. President Truman and General Marshall repeatedly told the Congress that it would be $6,800,000,000 or nothing. Yet, notwithstanding this, the amount has been cut to $5,300,000,000.

Now, it may be said that this is not in reality a reduction, because the time element was reduced accordingly from 15 months to a straight 1 year period. Nevertheless, the Congress is for the first time showing its determination to husband our resources until it finds out from experience what amount is really not only sufficient, but ample.

And there is wisdom in this course. Right now there is not a man or group of men under heaven who can say whether $3,300,000,000, $5,300,000,000, or $7,300,000,000 is nearest the correct amount to carry out the program. This must be admitted when we realize that not a single member of the administration testifying for the program would hazard a guess as to how much of the authorization would be used for loans and how much for outright gifts. The estimate was 20 to 40 percent for loans, but it was admitted that even this might be wrong, and the loans might be substantially larger in proportion to the outright gifts. It was further stated that no answer could be had to this question until the Administrator and his separate missions in individual countries made a survey of what kind of help might be needed.

The principal guide for these estimates is the balance-of-payments theory. This means that it is ascertained what is the amount of a country's imports and what is the amount of its exports. Uniformly in European countries their imports exceed their exports, and, of course, to pay for this excess of imports they must either have reserves, exchange, or credit. Lacking credit, it means that they must restrict their imports and go without. Naturally this basis, while it gives some idea, is only a rough estimate, as it includes many items which the country could do without and would do without in the absence of help or credit.

Now, after having arrived at that amount, the next question is as to what scarce commodities and necessities are included, or constitute this excess of imports over exports. This was difficult enough when we were only considering the relief aid, and has become far more difficult in coming to a satisfactory evaluation in a recovery program. For under the proposed recovery program it is not contemplated that people shall have just the necessary 2,000 or 2,200 calories to keep body and soul together, but which prevents them from doing a day's work. On the contrary, the plan is not only to supply these peoples with sufficient food, say 3,000 calories so they can do a day's work, but also to find out what they need in the way of industrial machinery, equipment, and supplies for the creation of an energetic program which will in a few years make them independent of outside extraordinary support. This must of necessity be largely a matter of estimates in which there may be considerable error.

And yet, in spite of all these considerations and difficulties, it is my belief that the Paris Committee made a fair attempt in stating the needs of various nations, and that the screening of these amounts by Government officers and technicians, as well as the final action taken by committees in arriving at the figure of $5,300,000,000 for the European countries, offers a fair estimate of the requirements for 1 year, at least as a beginning working basis. Then, say by the end of this year Congress can reevaluate the situation for further action.

Roughly, the division among the various countries is as follows:

Austria, $145,000,000, one-half food.

Belgium and Luxemburg, $258,000,000, three-fourths food.

Denmark, $131,000,000, five-eighths food.

France and dependencies, $1,147,000,000, one-fifth food.

Greece, $148,000,000, two-thirds food.

Iceland, $10,000,000, one-half food.

Ireland, $121,000,000, one-half food.

Italy, $695,000,000, one-half food.

Netherlands and dependencies, $564,000,000, one-half food.

Norway, $27,000,000, no food.

Sweden, $26,000,000, no food.

United Kingdom, $1,408,000,000, three-fourths food.

Three zones of Germany, $804,000,000, one-half food.

This total comes to a little higher than $5,300,000,000, but allowances are made for offsets in the nature of change in prices, deficits of the occupied areas in Germany with other nonparticipating nations, and one or two other considerations.

Portugal, Switzerland, and Turkey, while participating nations, will not receive any aid or loans from the United States. So when we take the whole picture, and after all, as I have said before, it is only a matter of judgment, it does seem to me that the amount of $5,300,000,000 is an amount which cannot be questioned from any critical viewpoint. The bill provides, however, that these estimates are not commitments to the various countries, but are subject to change by the Administrator, according to his discretion.

Further, it will be noted that the Committee on Foreign Affairs provides in this bill that $1,000,000,000 shall consist of loans through the Export-Import Bank, which, as the loans accrue, can issue notes therefor through the Secretary of the Treasury. This, of course, will mean that these are not bankable loans, but nevertheless substantial loans in which there is a reasonable expectation of repayment.

This brings the appropriation down to $4,300,000,000, and, of course, from this amount the Administrator can make further loans or use this fund for loans or gifts in his discretion.

Now a word with reference to the authorization for China. Not only have the American people a direct interest in the restoration of economic balance in China, which is impossible as long as the country is in the turbulence of a civil war, but it is also true that the recovery of western Europe depends in a large degree on the economic recovery of the Far East. The program envisaged for the nations of western Europe presupposes that in a year or two they will increase their industrial production to a standard substantially higher than prewar. To do this the western European countries need manpower, capital, and, above all, markets for this production. It is a well-known fact that European countries before the war found much of their markets in the Far East, and unless these markets are restored and trade is resumed, European manpower and capital will be of no avail and will bog down for want of markets. It seems a fair deduction, therefore, that success of the program in Europe depends on success of the program in China and the Far East. The authorization of $420,000,000 for China is, therefore, fully justified.

The $60,000,000 authorization for the children's fund, while it is the only amount not administered directly by the United States and, therefore, may seem a little out of line, I think will nevertheless meet with the approval of the Congress and the American people.

The authorization of $175,000,000 for military type of aid in Greece and Turkey perhaps requires no comment.

However, practically all the military experts were agreed that some military aid to China was necessary, and some even went so far as to say that military aid was essential if economic aid was to become of any real value. Considerable stress was laid on the fact that the Soviets could not attain success in subduing Europe unless they subdued China and vice versa. So I think the committee wisely included $150,000,000 for military type of aid in China.

Mr. Chairman, there are, of course, many other salient, commendable features in the bill S. 2202 as amended, but those, as well as these I have referred to, will be ably commented upon by other Members.

I believe the Committee on Foreign Affairs has done a very commendable job. It is my belief that if the administration will implement the provisions of this bill with the best possible attainable personnel, and a firm, consistent foreign policy, it will greatly enhance the general welfare of the people of the United States, and contribute substantially to world peace and happiness.

With the passage of this bill Congress will have performed its duty. The responsibility for the success of the program then will rest with the administration.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I yield to the gentleman from Georgia.

Mr. COX. I get little comfort out of the thought that the bill sets up an independent Administrator. For under the language of the bill, the Administrator carries on under the direction of the President, and to the extent that the State Department enjoys the confidence of the President the State Department will administer this plan.

Mr. JONKMAN. I do not agree with the gentleman. I do not think that necessarily follows, although a great deal is going to depend upon what man the President appoints as Administrator.

Mr. COX. Let me make this further observation in the interest of being understood. There has been a time when the State Department held, I think, a very small measure of the confidence of the Congress and the people of the country. I am prepared to agree, if not to assert, that a great part of the foreign policy made by the State Department has been bad, and that the State Department has been filled with too many people who have thought too much like the people that now threaten the security of the world. I believe, however, that there has been an improvement, but still I do not have the feeling that the State Department is yet what it ought to be at a time when the peace and welfare of the country and of the world is at stake. I got some comfort from the action of the President on yesterday in which he vacated an order which he issued some time ago to the effect that the administration of our affairs in Germany would be taken from the Army and turned over to the State Department. I happened to be a member of the so-called Herter Committee which visited that part of the world last fall. In Germany the only real Americanism that we found in the activity of what was being done in the name of the United States was to be found in the military set-up rather than in the civilian organization under the control of the Department of State. Our policy in Germany, insofar as the effect that it may have upon the German people, might as well have been dictated by Stalin himself, for it was, and in part still is, pro-Russian.

Mr. JONKMAN. I deeply appreciate the vigilance of the gentleman from Georgia. I quite agree with him that in this instance we should not have a repetition of what we did at the beginning of the war, when, for instance, Sidney Hillman and Bill Knutson were appointed to the War Production Board. We know it bogged down completely, but the moment that intelligence was used in the appointment of the head of that Board, and Donald Nelson was appointed, the thing began to click.

Mr. COX. If the gentleman will yield further, I want to say that this plan will pay handsome dividends if in the building of the administration agency care is exercised in the selection of personnel. The President should exercise great care and wisdom in the naming of a man to this all-important post of Administrator, and this I know he will do and if he will make the Administrator completely and absolutely independent of the Department of State, in the selection of personnel, we will get an administration which will be wholly American and only will satisfy the people of the country who realize that the whole world at the moment is living beneath the muzzle of the Russian guns.

Mr. JONKMAN. Unless the President rises to those heights and appoints such a man, he will sabotage all my hopes for the success of this program.

Mr. COX. I applaud the gentleman in the statement that he has thus far made in support of the pending measure to the effect that a do-nothing policy will prove an act of suicide by this country. The man is blind who does not see and realize that unless we do organize the peoples of the countries not already behind the iron curtain, Russia will impose her will, not only upon broken and stricken Europe, but upon this country as a whole, and will in time have us digging up the gold that we have buried down in Kentucky and turning it over to Russia.

Mr. JONKMAN. I thank the gentleman. I assure him that the time I have yielded to him was well yielded.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I yield.

Mr. VORYS. The gentleman from Georgia [Mr. Cox] and the present Chairman of the Committee of the Whole [Mr. CASE of South Dakota] and I and others present on the floor were members of a German-Austrian subcommittee, the chairman of which was our present Chairman of the Committee of the Whole. In our report, we recommended that the administration in Germany not be turned over to the Department of State. I am very happy to remind our colleagues that within the past few days we have been assured that Army control in Germany is to be continued in accordance with the recommendations in our report.

Mr. COX. Mr. Chairman, will the gentleman yield further?

Mr. JONKMAN. I yield.

Mr. COX. The gentleman has referred to Germany. I want to make this observation, that there can be no strong Europe in the absence of a strong Germany. In the beginning of the effort to reconstruct Europe, to rebuild it into a strong organization, we ought to reverse the insane policy that we are pursuing in Germany at the present time; that is, the killing off of Germans who committed no other crime in the world except that of being loyal to their own country in time of its trial. We now desperately need these people in the common effort to stop the aggressions of Russia.

Mr. ISACSON. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I yield.

Mr. ISACSON. Does the gentleman not know that during all of his too-short life Sidney Hillman was one of our most patriotic citizens, and second to no man in carrying out energetically the war against Fascist forces?

Mr. JONKMAN. Notwithstanding that, the war effort bogged down while those two were in charge of production management.

Mr. ISACSON. I assure you it was not the fault of Sidney Hillman.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. JONKMAN] has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I yield.

Mr. JENSEN. I have listened to the gentleman's remarks with a great deal of interest. I have a high regard for the judgment of the gentleman who is now addressing the House. This bill is designed primarily to stop communism from spreading over the rest of the countries of the world. Is there anything in this bill which will stop communism in America?

I am not trying to be facetious. I am very serious. I know, and the gentleman knows, there are Communists running rampant all over this country, and the administration is full of them, and if we are going to attempt to stop communism from spreading in foreign countries I believe there should be a provision in this bill to stop communism here, as best we can, because the American people insist on it. I think the American people expect it.

This is an authorization bill. The money will not finally become available until the Appropriations Committee decides how much shall be appropriated for this foreign-aid bill. But I am dead earnest when I ask the gentleman if there is any provision in this bill which seeks to stop the spread of communism in America. And if there is not, why should there not be? Should we not have in this bill a provision that states specifically, and clearly, and categorically, that this is what we intend to do with the Communists in America now, or if and when conditions get a little worse?

Mr. JONKMAN. I may say to the gentleman that there are provisions in this bill to that effect, insofar as they are relevant to this legislation. The bill does provide that the personnel to be hired by the Administrator must be investigated by the FBI and reported on before they may be employed.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JONKMAN. Let me say to the gentleman from Iowa that I believe this Congress is doing its duty in that respect with reference to communism in the United States and responsibility for such of it as there is in the Government does not lie in the Congress but in the administration. Congress is doing its duty in that respect, but the Congress has a duty with respect to this bill that it will have to assume responsibility for and if we have performed our duty as Members of this House in this bill, then the responsibility will rest on the administration. If as has been indicated, the program can be sabotaged through maladministration, that will be the responsibility of the administration to the people of the United States and of the world. The Congress has one duty in this situation, the administration has another. We must not shirk in our duty.

Mr. TWYMAN. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I yield to the gentleman from Illinois.

Mr. TWYMAN. Will participating countries be permitted to use any of these funds to pay off shareholders, bondholders, or the owners of equities in industries that are being acquired under the socialization program?

Mr. JONKMAN. I do not think so.

Mr. TWYMAN. None of these funds can be used in the manner that the funds lent to Britain were used, that is, to buy off the shareholders and equity owners of industries being socialized?

Mr. JONKMAN. I get what the gentleman means. Of course not. That money was under the absolute control of the United Kingdom. This is not going to be under the control of any of the countries and must be spent for the purposes indicated by the bill.

Mr. TWYMAN. In other words, the gentleman goes on record as stating that none of this will be used to pick up the equities of any owners in industries in any of these countries—England, France, Belgium—or any of the European countries?

Mr. JONKMAN. Not if it is used in accordance with the provisions of the bill.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. Would the gentleman mind repeating the sum for food to be allocated to Ireland?

Mr. JONKMAN. $121,000,000, with half food.

Mrs. ST. GEORGE. I presume the gentleman is aware that Ireland has been exporting food to England and has been making a good deal of money out of those exports, and that Ireland today is one of the best fed countries in Europe.

Mr. JONKMAN. I am not so informed. I understand there is scarcity of food there.

Mr. WELCH. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I yield to the gentleman from California.

Mr. WELCH. Ireland has had a number of prosperous years. Ireland during recent years has sent millions of dollars' worth of food to the stricken people of Europe; not only food, but blankets, clothing, and other things necessary for their comfort and well-being. But Ireland has experienced one of the wettest winter seasons in the history of that country. Her crops were drowned out. She is in need of food; otherwise Ireland would not be included in this relief program. I hope the money will be sent to Ireland—Eire—and not to Britain.

Mr. JONKMAN. I thank the gentleman from California for his contribution.

Mr. KEE. Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. Mr. Chairman, we have under consideration here today the foreign-aid bill, known as the Marshall plan. I rise as one Member of this House who has not supported in the past but few of the prior aid programs. I have been reluctant to come to the conclusion that it was essential to support this program at this time.

Secretary of State Marshall says that this step is absolutely essential to the security of this Nation. Under the terms of this measure this country will spend in 1 year more than $6,000,000,000, with no assurance of peace, but in the hope that such a program and expenditure will help us to avoid war and to have peace.

Personally, I have watched through the last few years similar programs. UNRRA, the British loan, and others have all been disappointing. The chances are great that this measure will not bring about the results for which its advocates hope. Yet, as a member of the Armed Services Committee, after spending months in hearings before that committee, I recognize the seriousness of our situation. It is critical, and I know that we sit on a powder keg, and while there is probably only one chance in two that the Marshall plan will work, the advocates of the measure feel that of necessity the United States must take that chance.

Mr. Chairman, we know that the measure before us, even if it does what its proponents hope it will do, is insufficient to assure peace, even if it does help toward keeping communism from overrunning the countries of western Europe. We must for ourselves be sure we can put into the air and sustain an adequate air force. We must have peace and such an air force in our present situation will, in my judgment, do more to bring peace than anything we can do. The additional cost of such air force would be small indeed when compared with the amounts now being spent in these aid programs and would surely be a small price to pay for peace.

I have today introduced a bill "To provide for an air force capable of preserving and maintaining peace, the security of the United States, and for other purposes." I strongly urge the immediate passage of this measure.

The recent events in Europe have indicated to the American people the severity of the international situation and have emphasized the requirements for immediate action to insure the most vital factor of our national security—air supremacy. Our first priority must be the implementation of a program which will provide this country with a most powerful air force.

We are extremely fortunate in having available the reports of the President's Air Policy Commission and the Congressional Aviation Policy Board on the present status and future requirements of air power. These distinguished individuals devoted months to extreme effort. They questioned the highest officials, studied secret intelligence data, and inspected first-hand, industries, installations, and facilities. Their reasoned analyses of the situation are so fraught with warning that they cannot be ignored.

Both boards concluded that the future security of this country is based primarily upon the role of air power. Our vulnerability has increased to a point where we are exposed to air attack which could be so intense and destructive that we

must prepare at once the best conceivable defense against it. Our Air Force must be capable of swift offensive action so devastating that it will paralyze any aggressor nation.

This new strategic concept is generally accepted by the people, but the necessary action to establish the Air Force in being has not yet been taken, nor is it provided for in the proposed fiscal year 1949 budget. There is a natural reluctance to disturb the traditional defense concept in order to accept the new revolutionary capabilities of air power.

The advancement curve of air power is truly phenomenal, and it has proved that it cannot be anchored to the past. During World War I, military air in its infancy was capable of merely supporting surface operations. Unfortunately, the military planners assigned the air arm an ancillary role in World War II. However, in spite of this handicap, it demonstrated beyond argument the terrific and overwhelming force of air power. No action, either on land or sea, at any time during the war met with success unless opposing air power was first neutralized and destroyed. The bombing airplane entered the picture on such a scale and with so potent a capability of destruction that it became the decisive weapon of modern warfare. As a German commander said: "Without air supremacy, you can't win; with it, you can't lose."

The Strategic Bombing Survey, a Commission of civilian experts appointed by the President to render an unbiased evaluation on the contribution of air to our military victories, reported that—

> No nation can long survive the free exploitation of air weapons over its homeland. For the future, it is important fully to grasp the fact that enemy planes enjoying control of the sky over one's head can be as disastrous to one's country as its occupation by physical invasion.

The curve has not flattened, and the continued rapid advancement of air power has placed this country in an extremely vulnerable position. Traditionally, we have felt secure through two world conflicts behind the great ocean barrier which gave us time to mobilize the industrial and military strength necessary for ultimate victory. The air age today denies this former immunity. The possibility of our major cities being exposed to a devastating air assault with atomic weapons has produced a national insecurity which we cannot ignore. We must be prepared for a sudden atomic attack and be in a position of readiness to retaliate.

The Russian Air Force has today a heavy bomber, remarkably similar to our B–29, which has sufficient range to bomb the industrial and population concentration of this country via the polar region. Information has been published which credits her with as many as a thousand of these aircraft. Large formations of them have actually been observed together with the most modern types of jet fighters.

Russia's development of the long-range bomber becomes more significant as her possession of the atomic bomb becomes a reality. There is every indication that she will have mastered the production-line technique of atomic bombs within a few years at most.

The initial blow in a future war will be very serious and will be a tremendous advantage. The weapons, whether chemical, biological, or atomic have the power to destroy a thousandfold over the conventional type of the last war. We learned in World War II that a determined air attack cannot be turned back. No matter how strong the defense may be, some aircraft will get through. And today one airplane can carry a weapon capable of destroying a city.

This new strategic situation has placed a major responsibility upon this legislative body for providing and supporting a strong air force and the requisite scientific and industrial resources to maintain it.

In introducing this concurrent resolution, I would like to read the Air Policy Commission's recommendation regarding the size of this force:

> We have concluded that the minimum force necessary at the present time is an air force organized into 70 combat groups. * * * We should build this force as rapidly as possible and once it is achieved, never permit it to drop below this level.
>
> The 70 groups would include the very minimum number of intercepter fighters necessary for home defense. * * *
>
> The 70 groups would provide only 700 very heavy bombers for strategic bombing of enemy targets. This force of bombers seems minute as compared with the 14,000 bombers of the United States Air Force and the Royal Air Force committed to combat in the European theater during the war. Only by using the very best equipment and the latest techniques will so small a force be able to carry an effective war to the enemy.

The present air force is maintained at only 55 groups, and it is alarming to hear that unless the present appropriation is increased the establishment must be reduced approximately to 40 groups in the fall. An air force short of the minimum strength recommended by the civilian and military experts is inviting national disaster.

Time is an essential factor. If the money is appropriated today, the air forces cannot achieve the 70-group program with trained personnel and modern equipment overnight.

In order to refresh our memory about the time required by an unprepared country, I would like to relate some dates. Germany began bombing England in 1940, and it was not until 1943 that the Allies were first able successfully to bomb Germany by daylight. Three years were required to retaliate against the Germans with weight of bombs comparable to that used on England.

Japan bombed Pearl Harbor December 7, 1941. Not until June 15, 1944, was the United States able successfully to bomb Japan. Even under the pressure of war, it was 2½ years before we could strike back at Japan in the manner in which she struck us. We will never be able to enjoy this time interval again.

The 70-group program has been established on a strict austerity basis. Every unit must be fully trained and furnished with the latest equipment. It is the absolute minimum force that will provide: First, instantaneous air defense; second, a long-range striking arm with the power and capacity to destroy the enemy's industrial and war-making potential.

The 70-group air force would be strictly a "one-shot effort" unless it was backed by civilian reserve components which are adequately trained and equipped. The striking action against an enemy will necessitate deep penetration into this homeland. The mission will be extremely hazardous and the losses will be high. The reserves must be capable of stepping from their civilian jobs to the cockpits of modern bombers.

The present reserve picture is discouraging. The Air National Guard and the Air Reserve program are training only a small percentage of the available personnel, and this training is being conducted in obsolete aircraft which should be immediately replaced by modern types.

No one questions the importance of research and development to military aviation. A requisite for the effectiveness of the 70 groups is that their weapons be superior to those of any foreign nation. There is every evidence that foreign nations are aggressively conducting research programs on a wide scale.

The aircraft of tomorrow is just as important as the aircraft of today. A lagging research program means a hopeless position for our Air Force 5 years hence. The implication of modern weapons is so deadly that we must never allow our research and development program to fall behind.

The procurement requirements of the 70-group program are not a secret. They have been amplified frequently by Air Force officials. We need at least 6,869 aircraft for the 70 groups, 3,212 for the National Guard, 2,360 for the Air Reserve—making a total of at least 12,441 airplanes. A strategic reserve of 8,100 brings this over-all total to 20,541 aircraft.

Today we have in active service about 10,000 aircraft and most of them are trainers. We have, roughly, only 500 bombers and 2,000 fighters in operation today, and the majority of these types are obsolescent.

The annual procurement requirement to build this force up to strength and keep it modern is 5,200 aircraft annually. The Congressional Aviation Policy Board represents the annual procurement requirement in air-frame pounds. This board believes that the annual procurement of 63,000,000 air-frame pounds is needed if we eliminate the Air Force Reserve, and 111,000,000 air-frame pounds if we maintain an adequate Air Force Reserve. The Air Force will procure 13,000,000 air-frame pounds in the fiscal year 1948.

The accomplishments of the Air Force procurement requirements would permit the survival of the aircraft industry. This industry, which is a vital factor to the Nation's air power, is in acute distress at the present time. The loss of a sound, expendable aircraft industry with its nucleus of skilled labor, engineering technique and production equipment would be a severe blow to our prospects of air supremacy.

The acts of an aggressor nation, the testimony of experts, and the recommendations of the two fact-finding boards all indicate that immediate ac-

tion must be taken to restore the air supremacy of this Nation. It is an inescapable conclusion that air power will be the decisive factor in any future war. The additional appropriation which is required to establish the 70-group program is the wisest security investment that this Congress can made. The penalty for the failure to maintain our air supremacy may mean not only the waging of a defensive war, but the actual loss of a war. To put it in the more solemn vein, it might mean the end of our western civilization.

The best way to have peace, we now know, is to be prepared for war. That is true at least as long as Russia continues to hold the attitude she now has. Power is the only thing she will recognize.

The President of the United States has found, after conference with Secretary Forrestal and Secretary Marshall, the situation so serious that he has recommended to the Congress that measures be passed providing for:

First. Universal military training.

Second. The establishment of selective service.

Third. European aid through the Marshall plan.

Should Congress do all of that, in the absence of an adequate Air Force we would not be prepared for war should it come; and not being prepared for war, we would have a less chance for peace which is and must be our objective.

Mr. Chairman, we must not be caught short. We owe it to the American people to provide this enlarged air force as the greatest step toward peace. I plead with the Congress to take steps now; we must not provide too little nor be too late.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, in the course of my remarks I shall deal with two subjects which are of particular interest in connection with this legislation. First, the question of ascertaining surely, for the benefit of the House, that the ERP legislation represents a 1-year commitment.

Second, to show the relationship between this legislation and the United Nations, a point of great interest to many Members.

First, a few observations on the program itself: This is a middle-of-the-road program. There is grave fear in the country that we may go overboard in either direction. We can either go overboard on the inevitability of war with the Soviets or a preventive war, or we can go overboard with another school of thought which says there is no danger; that all we need to do is to sit down and talk this over with the Soviets and everything will work out.

Taking the latter school first, it is generally very advisable to sit down and work things out, and certainly negotiations with the Soviets, though they failed at Moscow and London in the past, must be continued. But it is also necessary that the fellow you want to sit down with be willing to do so if you ask him to; and, second, that he be willing to follow through on the commitments undertaken, assuming you can arrive at any commitments. Finally, what do we do in the meantime? What do we do in the meantime—while we talk and negotiate—with practically a whole continent that is broke, that is living at the rate of 2,500 calories a day, which is a diet on which adequate work cannot be sustained? What do we do with a whole continent which sees only two alernatives, either that we support its recovery according to its own program, or that it must adopt a police state in order to distribute scarcity with the bayonet.

Now, the preventive-war school makes practically the same argument. It takes time to prepare for a preventive war or any vast military operation; but far more important is that a preventive war is unthinkable to the people of the United States, to me, or to any American, it is antithetical to the basic principles of any such democracy as ours. The American people would not and should not stand for it. What would we get from it? Not 10,000,000 but 50,000,000 displaced persons, a reconstruction problem many times as great as the one we now have, because it would encompass not only Europe and part of Asia, but the whole world, and would bring on an inflation which would make the present one pale by comparison. No, both the sit-down-and-talk-it-over school and the preventive-war school of thought go overboard in a way the American people will not follow. Therefore we must have a middle ground.

The middle ground we have decided on in this bill, is to try to put the European nations in such shape that they can reconstruct themselves economically, and based upon that reconstruction, in terms of their own security, if they can proceed both internally and externally with their own rehabilitation to the point where they can resist both internal and external aggression, then the United States can play its part and only its part as a leader in the world and as a guarantor that the commitments of world peace will be lived up to.

At another time, and on another occasion, the House will be called upon to deal with the necessary military measures to enable the United States to discharge its international responsibilities. Now, we are called on to take those measures which are essential in order to equip our allies and help them, if we can, defend themselves internally and externally so that they can be strong both internally and from the point of view of their own national security.

By this bill we hope to make progress in straightening out internal disorder which obstructs recovery. We hope to finance reconstruction in return for self-help and mutual cooperation. We assume that people do not wish to destroy themselves if given any hope that they can possibly recover through their own efforts with our aid.

I said at the start that there were two questions in this legislation with which I would deal, and I want to do that now. Much has been made of the issue that this European recovery program represents a 4¼-year program. Now, the Congress obviously has no legal power to bind future Congresses, and so there can be no question of any kind or character about a legal commitment. There is not and there cannot be a legal commitment, but the Committee has to go further than that. The Committee has to recognize that while the Congress is unwilling to undertake any type of commitment, either express or implied, something must be done about making the nations engaged in the European recovery program understand that we know their problem, their plan, and their expectation that they cannot recover in 1 year; that in this legislation we are cognizant of the fact that they are embarking on a 4-year program which is their hope for recovery, and in the event that the policies which we outline in this bill—and I will refer to these policies in a minute—are complied with and these nations do not go Communist and adopt a police state, but go forward with their program for recovery and self-help and mutual cooperation, then we are telling them that they have a reasonable chance to have their program continue. We give them to understand that we are not making a 4-year commitment of any kind or character. We are making that clear. We give them to understand that we envisage here that the 16 European nations have conceived this as a 4-year program, we give recognition to that fact while we make it clear that we are undertaking no obligation or commitment to support the program during that period. We are undertaking, however, only what we say in the bill, to start it off the first year.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. MUNDT. I think the gentleman should emphasize at that point perhaps that the reason we prefer the House version of the bill for an annual reauthorization, as it were, is so that there can be public hearings and the Congress as a whole and the taxpayers have the picture, a full report of the manner in which the program is progressing; whereas, under the Senate version of the bill requiring annual appropriations only, since the Appropriations Committees meet in secret, the public and the House would have no opportunity of knowing how the program was functioning.

Mr. JAVITS. I thank the gentleman for his contribution.

Mr. Chairman, I shall now demonstrate from the CEEC report of the 16 European nations meeting in Paris and from the language of the bill itself, first, what the European nations expect in connection with this program, and what the bill provides.

They say in the report of the Committee on European Economic Cooperation, which is the very foundation for this whole program:

> The effects of the war, which are so clearly illustrated by the lack of balance in the world's trading pattern, cannot be cured in a few months. Nevertheless the participating countries are confident that in 4 years considerable and decisive progress can be made to overcome them. This recovery program can break the back of the problem.

That is what they envisage as the nubbin of their problem. They have to have 4 years to work it out. What do we say about that? We say, and I quote from section 114 (c) of the bill, which is the appropriation section, page 82 of the copy which the Members have:

(c) In order to carry out the provisions of this title with respect to those participating countries which adhere to the purposes of this title, and remain eligible to receive assistance hereunder, such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952, to carry out the provisions and accomplish the purposes of this title: *Provided, however,* That for carrying out the provisions and accomplishing the purposes of this title for the period of 1 year following the date of enactment of this act, there are hereby authorized to be so appropriated not to exceed $4,300,000,000.

It is very clear from that recital that hereafter if there are to be any other funds made available for the European recovery program, and there is no commitment that there will be, but if there are to be, those funds are to be newly authorized and appropriated. This is a very sharp difference from the Senate bill, as my colleague from South Dakota has already pointed out. In the Senate bill it is stated, and I use the exact language of S. 2202:

There are hereby authorized to be appropriated—

That means that the Foreign Relations Committee has already done its work and the only thing that is necessary is for annual appropriations to come in on the basis of a policy and a program already committed for legislatively. Here in the House, however, by our provision the House Foreign Affairs Committee undertakes annually to consider the program anew, and to determine whether American foreign policy and the situation in Europe and the world dictate that there should be authorization for further support of this program. Then and then only is authorization made, and after that in the same way authorization is to be made for each successive year. Then based on each such authorization the whole matter will go before the Appropriations Committee for appropriation each year. That is about as tight as you can make it and at the same time inform the European nations that we understand their program, that we envisage it as a 4-year program as far as they are concerned, and we will do what we can to meet it within our constitutional processes and within the necessity on our part for reviewing the program, not only for amount but for policy every single year separately.

If any further confirmation of that were needed, it is found in the policy section of this bill to which I now refer and which is contained on page 47, section 102. The policy section states clearly why we are going into the European recovery program. The first point is that the Congress, "finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations."

So that we say first there is a dangerous situation existing. Then we say, and this represents a distinct difference from the Senate bill:

It is declared to be the policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity.

The Senate bill used the word "hope," but we use the word "policy."

In other words, we say if we consider the condition of the world to require it, and if the European nations get together as they themselves have stated for self-help and mutual cooperation, then we will encourage them to go along with the program.

We put in two additional very important provisos found on page 49. We say first:

It is further declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe.

Then we add another proviso which states:

It is further declared to be the policy of the United States that continuity of assistance provided by the United States should at all times be dependent upon continuity of cooperation among countries participating in the program.

So that only if all those policies and provisos are met by the cooperating European nations do we envisage a situation where we can go along with them beyond this first year.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Minnesota.

Mr. O'HARA. Regarding what the gentleman just said with reference to the danger to the United States, I wonder if this is a declaration of war or whether we should construe the policies read as a declaration of war, in view of the policies which the gentleman has just read.

Mr. JAVITS. It is not a declaration of war and we should not have a declaration of war. I just stated to the gentleman that the European recovery program is a middle-of-the-road program. It attempts to meet the dangerous situation of the world, in the first instance, not that we are going to neglect our own preparations for national security, but in the first instance by strengthening and building up through recovery the European nations as a bastion of democracy.

Mr. O'HARA. As I understood the language, it said it was endangering the United States. Of course, to me, I suppose, lawfully, we would have to have some sort of language such as that to make it endanger the United States.

Mr. JAVITS. The language reads:

The Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States—

But then it goes on and finds means with which to meet that challenge, or that danger, and a primary way is the European recovery program prescribed in this bill.

Mr. PHILLIPS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Tennessee.

Mr. PHILLIPS of Tennessee. Would the gentleman be willing to vote for an amendment to take a portion of this $5,000,000,000 to strengthen our Air Corps immediately?

Mr. JAVITS. I believe that that is a problem with which we will deal. I am certainly not alone among the supporters of this bill who will support other measures and actions which go to insure the national security of the United States, militarily or in any other way.

If we try to do it in this bill we lose sight of the need to fortify another line of defense. Certainly, I believe the gentleman will agree with me and most Americans will agree that what we want is an alliance of all democratic nations. We do not want to be isolationists, but we also do not want to be isolated.

Mr. KLEIN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. KLEIN. Would the gentleman explain in just a few words, if it is possible, why his committee brought out the bill in its present form; that is, combining aid to Greece and Turkey and China in the ERP?

Mr. JAVITS. I will tell the gentleman that the effort of the committee was to present the House with a complete foreign policy, and the committee, when it first started hearings on the ERP decided that it would hold hearings not on the single issue of the European recovery program, but on the issue of what should Congress do with respect to the over-all foreign policy of the United States.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JAVITS. The committee then found, for example, that internal disorder in China, which is one flank of the United States, prevented recovery in China, and that China aid was essential if there was to be an opportunity to make of China a democratic nation. I am perfectly familiar with all of the problems involved there and all the doubts which prevail among many people, including myself, about the situation in China, as far as the National Government is concerned. There is one thing, however, that the gentleman and every other Member of the House should remember. It is one thing to have a government with which we can do something, with which we can try to make improvements, out of which we can try to bring about a democratic government, and to bring about reforms. It is another thing when the curtain falls and we have no one to deal with in any way, and when democ-

racy is completely shut out forever by police-state methods.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Colorado.

Mr. CARROLL. I have great respect for the gentleman's opinion on these matters, because I know he has given a great deal of study to it. But, what is the moral or legal basis for our intervention in China? I can understand the Greek-Turkish problem. We were invited by that Government. There was military penetration. There was a border incident. But here we have a civil war in China and, as the gentleman from Minnesota said yesterday, the great mass of the Chinese people are against the present Government. I am wondering now, from a moral and a legal basis, what right we have to intervene.

Mr. JAVITS. I think the gentleman is presupposing facts to contrast the difference between the Chinese and the Greek situations, which does not exist, and I will explain why. The gentleman presupposes that the great majority of the Chinese people are opposed to the present Chinese Nationalist Government. That is a presupposition on a decisive fact.

Mr. CARROLL. I am taking the opinion of the gentleman from Minnesota, who is an expert on this, and also the opinion I get from other people.

Mr. JAVITS. The gentleman from Minnesota is here and can confirm if he said that the majority of the Chinese people are opposed to the Chinese Nationalist Government. I have certainly not heard him say it before.

Mr. JUDD. I certainly made no such statement as that.

Mr. CARROLL. I am asking the gentleman this question because I am searching for information. We all know what the Communists are doing in China. Yesterday I understood that a great many of the Chinese were not Communists and that a great mass of the people are not for the present government. Is that right?

Mr. JUDD. Yes, I think that is right. A great many people are not for the present government in China, the same as a great many Americans are not for the present American Government. The Chinese are tired, disillusioned, and wish they had better living conditions. But their choice is not between their present government and something better, it is between their present government and the Communists, and dissatisfaction with their government does not imply disloyalty to it.

Mr. CARROLL. I asked what is the basis, moral and legal, for intervention in China. Has China ever laid its case before the United Nations that another power is seeking to destroy her sovereignty?

Mr. JUDD. Since 1931, the Chinese have had their case before international tribunals; since Japan first went into Manchuria. Our action is not intervention in China. It is belated making good on commitments we made to China during the war. The gentleman has read the Cairo declaration, I am sure. We have also made commitments to China since the war. They are wholly in America's own interest. It is not primarily a matter of our helping the Chinese, the important concern is to keep the Chinese free and on the side of the free peoples of the world. That is the over-all and overriding consideration.

Mr. CARROLL. Then by the same token, I take it that we can move all over the world any place where we think our interest is affected, and we can put in military missions and supplies if we do not agree with the internal affairs of that nation.

Mr. JAVITS. There is one other presupposition which the gentleman makes in this case which is not true. It is a fact that the Chinese Government has asked for this aid. The gentleman does not mean us to understand that the Chinese Government does not want this aid or has repudiated it or will not accept it?

Mr. CARROLL. In connection with the gentleman's remarks about Palestine, where we had a situation where we completely reversed ourselves based upon the principle and the idea of power politics, we have completely reversed our stand and now, again, using power politics, we move into a new area and we say that we will not only give supplies but will send military missions and show them how to use the equipment we send in. We do that in our own national interest, in the interest of our national security. I am asking what legal and moral basis there is for that.

Mr. JAVITS. The gentleman knows my own preoccupation with the Palestine issue and how thoroughly I condemn the shocking about-face in American policy on Palestine, and how hard I am fighting to see justice done there.

The legal and moral basis on China I think has been explained to the gentleman by the gentleman from Minnesota, Dr. JUDD. It can very well be summarized, as I understand it, by stating it is the same in China as it is in Greece and that is the basic postulate upon which the aid is given.

There is one other point I am to discuss, and that is the question of the United Nations. Section 121 of this bill, at page 96, states that the administration and activities under the bill shall be tied in with the agencies of the United Nations. The President is even given authority to utilize some of the money under this bill for the purpose of utilizing these United Nations agencies for usable services and facilities; provided, however, and it is very carefully hedged, that the type or the amount of assistance, or the method of furnishing assistance to any country, under the bill shall at no time be the province of any United Nations agency. Cooperation with United Nations agencies is provided for. Also, under the bill, the United States special representative to administer the program in Europe serves on the European Economic Commission, a United Nations agency, which includes the European Coal Commission, which distributes the coal produced in Europe, and the Inland Transport Organization, which deals with inland transport in Europe.

Just one further point that is very important. By making it a policy of the people of the United States to encourage close economic cooperation between the 16 nations of Europe in the European recovery program, we have the beginnings of a regional arrangement in western Europe which is the kind of an arrangement contemplated under the United Nations Charter, and which is very much the kind of an arrangement we have here in the Pan American Union among the nations of the Western Hemisphere. It is an effort to encourage the European nations to get into that same kind of an arrangement which we have here, and which has been so highly conducive to the cause of peace in this part of the world.

Such a regional arrangement is contemplated by chapter VIII of the United Nations Charter, and, in declaring our policy as we have here, we are endeavoring to encourage the European nations to fit into that context and encourage them, which is the word we use in the bill, to move in that direction.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. SMATHERS. Does the gentleman from New York have any idea how much this program for China will cost us next year and the year after?

Mr. JAVITS. The best answer, sir, is that in China, just as in Europe, we are undertaking strictly and exclusively a 1-year commitment. I would like to read these words to the gentlemen from the bill because they are very important. They occur in connection with the appropriations section on page 82. The bill says as follows:

> Nothing in this title is intended, nor shall it be construed as an express or implied commitment, to provide any specific assistance, whether of funds, commodities, or services to any country or countries.

Then the next sentence put in by the House committee reads as follows:

> The authorization in this title is limited to the period of 12 months in order that subsequent Congresses may pass on any subsequent authorizations.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BLOOM. Mr. Chairman, I yield one additional minute to the gentleman.

Mr. SMATHERS. Is it anticipated that this amount of money for China will in any way level off her economy or stop the civil war that is now going on over there or produce any practical or foreseeable results?

Mr. JAVITS. It is anticipated that the $420,000,000 which is to be devoted exclusively to economic aid will be a material factor in helping the Chinese to stabilize their economy. That is the reason the committee voted to authorize the money. We expect that it will have a material effect on the situation of China, otherwise we would not have voted for it in the first place.

Mr. SMATHERS. Does the gentleman think that $400,000,000 will be sufficient to do that?

Mr. JAVITS. I would not hazard a guess, because one would have to be an

oracle to say whether it would be sufficient or not. We are doing the best we can under the circumstances. The gentleman must remember that with other large commitments and necessities upon us, we have to in some way balance our program all over the world. We have large responsibilities in Europe and Asia and possibly even in other parts of the world.

Mr. SMATHERS. I thank the gentleman.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, I took great pains to read practically every page and every statement of the two voluminous hearings held on this important bill. It reminds me of the incident that occurred when Calvin Coolidge was President of the United States. He looked out of the window one day and was extremely shocked at what he saw. He called all his aides to the window and said, "I want you to see a sight that you have never seen before."

So the aides came over to the window, and they took a look. They asked Calvin Coolidge what was there so important and so unusual about that sight. Calvin Coolidge said, "Well, there is United States Senator Borah riding a horse."

The aides then said, "Well, what is so unusual about that?"

Calvin Coolidge then said, "Well, the horse and Senator Borah are going in the same direction."

I am very much in the same position on this bill. In my 5½ years in Congress, I have voted against every foreign loan, gift, and grant that has been proposed in the Congress. I voted against lend-lease because I thought too much of it was going to Russia. I voted against UNRRA because UNRRA was a Russian baby, pure and simple, and it was even conceived in places where newspapers or Members of Congress were not allowed to go. I voted against every foreign loan, gift, and grant in the past because I felt the Congress and the State Department and the White House were going in different directions. While we are proposing schemes to stop communism on the one hand, our State Department was feeding them with the other. This is the first time, seemingly, that the State Department, the White House, and the Congress are going in the same direction—to stop communism. I propose also to go wholeheartedly in that direction.

In reading the bill and the various hearings that have been held and almost every statement that was made, I was rather disappointed in one or two features. That is, the exclusion of a country which I feel is very important in the recovery of Europe. That country is Spain. I want to compliment especially at this time the distinguished gentleman from Connecticut [Mr. LODGE], the distinguished lady from Ohio [Mrs. BOLTON], and the distinguished gentleman from Pennsylvania [Mr. MALONEY] for asking certain questions pertaining to why Spain was not included in the European recovery bill. I was much elated over their questions, but I was disappointed in the answers furnished by Secretary of State Marshall. Of course, whenever a difficult question is asked the State Department and they cannot answer, they always say, "Well, we do not feel it is psychologically the proper time to discuss that matter now." That was virtually the answer that Secretary of State Marshall gave as to why Spain was not included in this bill.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I gladly yield to the lady from Ohio.

Mrs. BOLTON. Just with regard to the matter of Spain, it was my understanding that Spain was excluded by the countries of Europe, not by us; and until the countries of Europe accept Spain as a part of the 16 countries there may be some question in the matter.

Mr. O'KONSKI. I thank the lady for her contribution. I want to cover that a little later.

Mr. Chairman, when the Marshall plan was first submitted to the people of America and to the people of the world, it contained a very important statement. That statement was, "This plan is directed against no country or doctrine." As a matter of fact, if you will remember correctly, even Soviet Russia was invited to participate in the benefits of the Marshall plan. So were all the satellite countries of Europe asked originally to participate in the Marshall plan. "It is directed against no country or no doctrine." But things have developed since June 5, when Secretary of State Marshall gave that significant speech. Things developed, and the country that was the greatest salesman for the passage of the Marshall plan was the action of Soviet Russia in recent weeks. As a result of these actions on the part of Communist Russia, ERP has become almost completely a stop-communism move.

In this new picture that the Marshall plan has taken on I am very sad to see that the most anti-Communist country in Europe is left out of this bill—that is the country of Spain. So far, the provisions of the bill do not provide for Spain. No country in the world has shown such hatred for communism as have the Spanish people and the Spanish Government. If this is an anti-Communist measure, let us include the country that is the most anti-Communist of any country in Europe at the present time.

Now, because it is businesslike, the Marshall plan includes all the neutral countries of World War II, and even former enemy nations. If you will look at the 16 nations that are participants in this plan and included in this bill, you will find that many of them were neutral countries. Many of them were enemy countries. But the country that was neutral and yet helped us just as much as they possibly could, is left out. As the eminent lady from Ohio [Mrs. BOLTON] pointed out, Spain was responsible for saving the lives of 4,000 American fliers—they did not intern them but immediately set them free so that they could fight again for the cause of the Allies. Spain was neutral, but their hearts and their wishes were with the Allied cause, particularly with the United States of America. Yet Spain is thus far excluded from this bill.

Spain is free to maintain international commercial relations. And here is the peculiar part of it: Spain today is carrying on trade relations, beneficially, not only to Spain, but to the countries who are in need of help, with every one of the 16 countries covered by the so-called Marshall plan. She has a trade agreement with Belgium, which country is in this plan. She has a trade agreement with Denmark, which is in this plan. In 1947 Spain granted a 2-year credit of 10,000,000 pounds sterling to Great Britain. Great Britain is included in the plan. It has a trade agreement with Norway, which is in this plan; with Italy, which is in this plan; with Ireland, which is in this plan; with the Netherlands, which is in this plan; with Portugal, which is in this plan; with Sweden, which is in this plan; with Turkey, which is also in this plan. Spain today is doing business with the 16 nations in the Marshall plan. By what rule of logic should Spain be excluded? Is it because the pinkos still control our State Department? Is it because our State Department fears Russia might not come in if Spain does? To eliminate Spain from this bill is nothing but shameful and stupid appeasement of the pinkos in Moscow and pinkos in our State Department and Department of Commerce.

Gentlemen, you will make Moscow very happy by excluding Spain. Moscow will consider it a moral victory if Spain is excluded.

Now, what is not brought out in the committee, and I am very sad to say that it was not, was the contribution that Spain has already made to the recovery of Europe. I have not sufficient time to read all the contributions Spain has made to these countries of Europe that are so tragically in need of relief. In 1946 Spain sent and exported to the nations in Europe covered by the Marshall plan more than 3,000,000 metric tons of foods and goods.

At the present time all that Spain needs to treble the amount of exports to those countries is a little fertilizer and machinery. Incidentally, the biggest item in the Marshall-plan program is food and things which are in short supply in the United States of America, and in fact we may have to impose rationing on the American people to meet the commitments under the Marshall plan. Yet, here is a country, Spain, that is today exporting and they can export three times the amount of food they did in 1946 if only under some plan such as the Marshall plan they can get a little fertilizer, if they can get a little cotton and machinery. This incidentally should interest the Members from the South. Spain today needs 550,000 bales of cotton in order to make a working economy that they may ship clothing and other articles to the people of Europe who need them. Every ton of food and goods Spain ships to the 16 countries of Europe means 1 ton less the United States will have to ship.

Spain needs coal—1,100,000 tons. They need sugar to meet a deficit of 80,000 tons. They need a little farm machinery and can only get things like that from America. They need a little transport equipment. If they get this, they can ex-

pand their production three times and increase their food exports to the 16 nations in Europe that need food, expand three times over the 3,000,000 tons they shipped to these recipient European countries in the year 1946.

Once these requirements are satisfied in Spain—just think of it—they can treble the shipment of food to the countries that need food. Moreover, most European countries hard hit by the war require food; and, as I said before, here is the most important and biggest item under the Marshall plan, calling for a greater expenditure of money than any other item in the bill. Spain can ship food if we give Spain a little help.

Here is something that ought to be brought to the attention of the membership of this House: Spain is one of those rare European countries which has never cost the American taxpayer a single cent and which has always paid scrupulously all of her debts. Why in the name of common sense should this nation be excluded from the Marshall plan?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BLOOM. Mr. Chairman, I yield the gentleman one additional minute.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield.

Mr. COX. Mr. Chairman, I rise simply to applaud the position the gentleman takes with respect to Spain. Leaving Spain out of the picture was in my mind a shameful and cowardly surrender or concession to the people that are now identified as the Wallaceites in this country. If Congress means what it says in its support of this bill it will include Spain as one of the countries receiving Marshall plan aid.

Mr. O'KONSKI. I am glad to have the gentleman's statement and will say to him that I intend to propose such an amendment when the bill is read under the 5-minute rule.

Mr. ISACSON. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield.

Mr. ISACSON. Does the gentleman forget that the Government of Spain is a Fascist government which was imposed on an unwilling people by mercenary Moors imported from Africa, by Italian Fascists imported from the legions of Mussolini, and by Nazi soldiers brought over from Germany? Does the gentleman forget that there is a Spanish Republic in exile voted by secret ballot, by democratic processes, in the best American traditions? Does he forget that the Spanish Government was born in blood and that it continues to exist at the cost of the blood of the Spanish people? Does he forget all these things?

Mr. O'KONSKI. Does not the gentleman from New York recollect that the Communists of Russia were instrumental in butchering 5,000 priests and 10,000 Catholic nuns in Spain? Does not the gentleman from New York recollect that the Spanish civil war was a Moscow inspired conflict for Moscow to take over Spain?

Does not the gentleman from New York recall that it was Russia and her satellites that tried to take over Spain? Of course the gentleman from New York hates Spain. He hates Spain because it is the only country in Europe which has driven out communism completely.

And an additional reason why we should include Spain in this bill is the statement just made by the gentleman from New York. The source of that statement is an additional reason why we should put Spain in the bill. Communists hate Spain as much as they hate America. The United States needs Spain more than Spain needs us. Are we going to continue to allow the pinkos to determine our policy toward Spain?

Mr. Chairman, under permission secured in the House I insert at this point in my remarks a very interesting résumé of the economic and political factors of Spain's relationship to the Marshall plan:

SPAIN MUST COOPERATE—HOW SPAIN CAN HELP THE AMERICAN TAXPAYER

First. When the Marshall plan was first proposed to the American people they were told that it was economic and nonpolitical.

Secretary of State George C. Marshall told the American people at Harvard on June 5 that his plan was directed against no one country or doctrine, but that it was an operation against hunger, poverty, despair, and chaos. He added that all Europe was invited to cooperate and he let it be understood that his statement included all countries westward of Asia.

Second. The Soviet refusal has given this plan an anti-Communist slant.

"It is now clear that only one power, the Soviet Union, does not, for its own reasons, share this aim—the restoration of the European community," said Secretary Marshall on November 10.

No country has shown more of its anti-Communist ideals than Spain. As Spain's traditional objective has always been the welfare of its people and the liberty and dignity of man, why not agree with Governor Dewey when, on November 5, he said:

"So long as human liberty is maintained as a principal objective of a government, that government is our friend."

Third. Because it is businesslike the Marshall plan includes all the neutral European countries of World War II and even the former enemy nations.

Neutral European countries of World War II—Sweden, Switzerland, Ireland, Portugal, Turkey—several of them not members of the United Nations, are included in the plan. American leaders and the press have stated daily that the inclusion of Germany and Italy, former enemy nations, is essential to the economic success of the plan. This no one can dispute. But what are the reasons for excluding Spain, a nation whose neutrality was so helpful to the allies during the war? Is it because of the narrow-mindedness and petty rancor of certain European politicians who are thus endangering the success of the plan?

Fourth. Spain is free to maintain international commercial relations. Even the United Nations have not barred Spain from this field; Spain has recently signed commercial agreements with all but one European country included in the Marshall plan.

Even the first General Assembly of the United Nations, though fraught with political passion, made no allusion and set no limit to Spain's right to carry on international commercial relations with other countries. The second assembly did not doubt the absolute commercial freedom of Spain. Spain, freely exercising her rights, maintains normal commercial relations with 15 European countries which are included in the Marshall plan and has recently signed or renewed previous agreements with them. Spain has granted some of them important credits. The following are a few of these agreements:

1. Belgium, February 1946, still operative.
2. Denmark, extended annually.
3. Great Britain, March 1947. Spain has granted a 2-year credit of 10,000,000 pounds sterling.
4. Ireland, 1946, recently renewed.
5. Italy, January 1946.
6. Netherlands, November 1947.
7. Norway, operations through compensation.
8. Portugal, agreement revised half-yearly by joint committee.
9. Sweden, September 1947.
10. Switzerland, July 1945, recently renewed.
11. Turkey, operations by compensation.

Fifth. The cooperation of Spain to the Marshall plan would make it more effective, would reduce the number of dollars the United States must supply and, therefore, the burden on the American taxpayer would be lighter.

As day by day we see Europe more clearly divided by Communist intrigue into east, rich in agriculture and raw materials, and west, highly industrialized, it is evident that the economic inclusion of Spain, or at least her cooperation to the success of the plan, is peremptory for the plan's efficiency and lasting effects.

The flow of food and feeding stuffs, timber, and coal from eastern Europe would be of crucial importance to the complete success of the plan. It is obvious that the American people, even counting on extraordinary crops, cannot face this great task without considerable sacrifice. Therefore, why not include or seek the cooperation of a nation which has a lot to give? Even now, while receiving a minimum of fertilizers and raw materials from abroad, and therefore, struggling against limited production and a scarcity of foreign exchange, the contribution of Spain to Europe for the export period 1947-48, is as follows:

Commodities:	*Thousands of metric tons*
Iron ore	1,000
Pyrites	1,000
Lead	10
Wolfram	3
Mercury	Prepondera nt share of western European consumption.
Potash	50
Colophony	15
Turpentine	7
Cork	83
Skins	3
Olive oil	40
Olives	42
Dried apricots	3
Apricot pulp	3,5
Almonds	20
Filberts	7
Onions	27
Anchovies	3
Canned fish	7
Paprika	2,3
Tomatoes	125
Lemons	20
Mandarins	25
Oranges, including bitters	618
Bananas	18
Grapes	8
Brandies—gallons	4,000,000
Wine—do	26,500,000
Cotton fabrics—yards	110,000,000
Wool fabrics—do	11,000,000
Rayon—do	16,300,000

Summing up all the data for the last 3 years, we have the following:

[In thousands of metric tons]

Commodities	1945	1946	1947 [1]
Food	390	365	257
Raw materials and finished goods	1,796	2,678	1,554
Total	2,186	3,043	1,811

[1] First half-year.

A country with a social peace and a producing potential such as Spain's would require the following to increase her exports to other European countries:

(a) Fertilizers: The average amount of fertilizer Spain used during the period 1930 to 1935 was 1,360,000 metric tons.

Apart from the potash fertilizer which is produced in Spain, the most important are superphosphates and nitrates. The capacity of superphosphate production in Spain is 2,000,000 tons per year, but Spain used to import phosphates from Algeria as Spain's production is very small. The interruption of commercial relations with France obliges us to import phosphates from the United States and these imports are small because of a lack of dollars. Nitrogenous: Spain requires at least 100,000 tons of "N." The International Emergency Food Council has allocated 31,632 tons of "N" for the present year. The national production is 3,600 tons of "N." The deficit is, therefore, 74,768 tons of "N" in order to cover Spain's minimum needs.

(b) Cotton: Spain has 1,315 factories working 79,875 looms and 2,039,000 spindles consuming about 15,000 tons of cotton monthly. Spain's requirements (discounting national production) are 110,000 tons or 550,000 bales.

(c) Coal: Spain produces today 10,000,000 tons of bituminous coal. For her heavy industries and transports she needs 12,000,000 tons. Therefore, she must import 1,500,000 to 2,000,000 tons formerly imported from the United Kingdom.

(d) Cellulose for rayon fabrics: Spain needs 50,000 tons.

(e) Tar, coal tar: Spain needs 60,000 tons.

(f) Tin plate: For its canned-goods industries (fish and vegetable industries) Spain needs 30,000 tons annually. Our foreign allocations are very small. National production is very small and does not meet our needs.

(g) Sugar: Spain has a deficit of 80,000 tons.

(h) Machinery: Machines, tools, turbines and other hydroelectrical equipment, public works, machinery required to complete factories at present under construction. These demands would be limited and directed to increase Spain's output. United States is the only world supplier.

(i) Transport equipment: Trucks, busses, cars, railway equipment.

Once these minimum requirements are satisfied, Spain could double, even triple, many of her exports to European countries.

It is more than patent that Spain's cooperation would reduce the required economic help of the United States and would, therefore, appreciably lighten the burden of the American taxpayer.

Moreover, most European countries, hard hit by the war, require food, and America's intense contribution naturally causes an inflationary tendency in the home markets. Primarily, Spain does not need food from the United States; she wants capital goods which the American market can export far more easily without any direct repercussion on the United States price index, and Spain could offer one of the soundest European investments for these imported capital goods.

Sixth. Spain is one of those rare European countries which have never cost the American taxpayer a single cent and which has always paid scrupulously all her debts.

We are living in a time of empty promises and fantastic demands for loans from countries who are attempting to lead a life of luxury on the sweat of their friends' brows. and we must never forget that Spain is that rara avis, the European country which (1) has never cost the American taxpayer a cent, and (2) always pays her debts.

It is, therefore, economically obvious and businesslike that Spain should cooperate in the Marshall plan and that the American taxpayer should not have to bear on his shoulders the burden of the economic mistake of not admitting Spain's contribution.

Mr. BLOOM. Mr. Chairman, I yield 20 minutes to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, before discussing the pending bill, may I say that the argument advanced by the gentleman from Wisconsin in regard to Spain cannot be refuted. I call the attention of the House to the fact that Spain can be invited into this group of nations in Europe yet. Spain can come into this group just as Soviet Russia can come in, just as the satellite nations of Russia can come in, if they agree to the principles enunciated in the Marshall plan. Why, certainly, if Spain wants to cooperate with the other nations of Europe for cooperative economy security she has the right to come into this organization, and I believe before long she will be in this organization.

Now, as to the four titles of this bill. I am sorry I cannot go along with the committee members of the majority who have spoken on the subject in their position that the Committee on Foreign Affairs has done a masterful work in packaging four different phases of foreign assistance in one bill. In my opinion, the Foreign Affairs Committee did a bad job in putting these four titles together. That was the general position taken by the minority members of the Committee on Foreign Affairs.

Mr. Chairman, the first title of the bill is the ERP title, providing $5,300,000,000 for European economic recovery. I am 100 percent for that. It is the wise thing to do, in my opinion, though our resources in the United States are not unlimited. Right now we should have done as the other body did, and just consider title I of the bill, or the ERP section along the line followed by Senator VANDENBERG, then take up the other provisions in separate legislation.

Title II of the bill, I fully agree, should be included in this bill. That has to do with the $60,000,000 fund for children's aid. May I right here take off my hat to the gentleman from New York [Mr. BLOOM], who offered this amendment to the committee bill and who has worked year in and year out for the starving, emaciated children of the nations ravaged by war.

When we come to title III of the bill, which includes military assistance to Turkey, Greece, and China, I ask why that should be included in this bill? It is true that economic assistance and relief aid should be supplemented by military assistance to some countries. But can the Foreign Affairs Committee qualify, can the State Department qualify, to advise this House as to how much and what kind of military aid should be given China, Turkey, and Greece? In my humble opinion, that title should have gone to the Armed Services Committee for its consideration, where the advice of the military men, naval men and the Air Force experts could have been heard and acted upon.

The military-aid title of the bill provides for $275,000,000 for Greece and Turkey. It provides $150,000,000 for China. It is my humble opinion that this title should not be included in this bill, because here is the situation you are going to find yourselves up against in a few days. The Senate Foreign Relations Committee has passed an ERP bill. It is now considering a separate bill for military aid to Turkey and Greece and China and it is also considering a separate bill for economic aid to China.

Now, granting that we pass this bill with all four titles in it, what are we going to be up against when this bill goes to conference? This bill, without adequate testimony, will be written in the free conference committee of the House and the Senate. As a matter of fact, the House Foreign Affairs Committee has had 2½ hours of consideration of military aid for Greece and Turkey; 2½ hours hearing witnesses. We had only about 1 week of half-baked testimony on the subject of economic aid to China while we had 7 or 8 weeks of testimony on the ERP program. Now, my contention is that you cannot intelligently legislate that way, particularly on such a momentous question.

My good friend the distinguished gentleman from Minnesota, Dr. JUDD, I think, is one of the greatest authorities on China. I judge him to be a man who has a keen understanding of world problems, and who is overflowing with sentiment for the downtrodden everywhere. But I am afraid that he cannot see the woods for the trees. My friend says that we have betrayed China. I do not think the record will bear him out in what he says. He has condemned the foreign policy of the United States in regard to China. I admit that our foreign policy has not always traveled along in one straight course in the field of international relations. The foreign policy of no country has done that, and I will admit that we have blown hot and cold some times, as all nations have. Why, it is entirely possible that we made a mistake when, under a Republican administration and under a great Republican Secretary of State, we declined to interfere in the rape of Manchuria by Japan. Maybe we did wrong then. Maybe a little later on we made some mistakes at Yalta, that much condemned conference. But history can only paint the right picture of what happened at Yalta if it fully considers the conditions that faced the world at that time.

If Russia had carried out the promises she made at Yalta, China would be in a favorable position today.

What was the situation at the time of the Yalta agreement, February 1945? At that time we wanted to be assured that Russia would enter the war in the Pacific. We were about to invade Japan, and we wanted Russia to fight the Japanese in China at the same time. We wanted to save the lives of a million American boys if possible, and it was prophesied that we might lose that number in the invasion of Japan. At that time, you remember, General MacArthur was still fighting to conquer the Philippines. At that time Iwo Jima had not been invaded or taken. At that time Okinawa had not been conquered, with all the attendant loss of life. It took us 82 days to conquer Okinawa. Who is there here on either side, the Democratic side or the Republican side of the House, who can truthfully say that had he been at Yalta he would not also have agreed to the terms of the agreement there?

Who knew then that Japan would surrender in the summer of 1945? We knew then and we know now that had Tojo and the Emperor said the word the Japanese would have defended their islands to the death.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Minnesota.

Mr. JUDD. The gentleman says that I condemned our foreign policy with respect to China and said that it had betrayed China. May I ask the gentleman which of the foreign policies he refers to, the one at Cairo or the one at Yalta?

Mr. RICHARDS. The gentleman knows that foreign policy written by the United States at Yalta, or anywhere else, was along lines calculated by those in authority to be for the best interest of our country at the time.

Mr. JUDD. Does the gentleman think it is acting in good faith to promise the head of the Chinese Republic one thing at Cairo and secretly at Yalta promise Russia something in direct conflict? Chiang came to Cairo with his country almost broken and almost forced out of the war. Some Chinese were saying to him, "Why are we pulling English and American chestnuts out of the fire? Let America do the fighting against Japan. She made the money selling the scrap iron and oil to Japan. Why not let her do the fighting. Let us get out of the war and have peace for China." In order to keep China in the war and tie up Japan until we could get fully prepared, we promised that Manchuria would be returned to China. That is what the Chinese had been fighting for for 12 years, since 1931. Why did they resist Japan at all if it was not to retain Manchuria, which, as I said yesterday, is the Ruhr of China, and without which they cannot industrialize and modernize China. We made a public commitment that Manchuria would be returned to China. The President of the United States came home and made a radio speech to the Nation in which he said, "We are merely returning Manchuria to its rightful owners, the Chinese." Those are his words. Chiang went back to China and was able by some miracle to keep his people in the war, because of their faith in our pledge that they would get Manchuria back.

Then the same head of this Nation, your President and my President, went to Yalta and, without the knowledge of a single Chinese, to say nothing of their consent, gave Russia control of the ports and railroads of Manchuria, which means control of Manchuria. . Does the gentleman call that a betrayal?

Mr. RICHARDS. The gentleman is speaking on my time. I did not yield for him to make a speech.

Mr. JUDD. I asked what name the gentleman would apply to that?

Mr. RICHARDS. Some mistakes were made but the gentleman's statement grossly exaggerates them. What was done at Yalta was calculated to be of benefit to both the United States and China, and had Stalin kept his promises would have proved to be.

Mr. JUDD. Would the gentleman call it betrayal?

Mr. RICHARDS. Certainly not.

Mr. JUDD. I am not talking about the Democratic Party, I am talking about the policy of the United States. Would the gentleman call that betrayal, to announce a public policy and then renege privately and in secret?

Mr. RICHARDS. Public policy and foreign are never static during a global war, and the gentleman knows it. We were trying to win a war. Will the gentleman allow me to proceed?

Mr. JUDD. Surely.

Mr. RICHARDS. The gentleman said we have betrayed China, that the United States has betrayed China. He used those words. They are pretty strong words. History will show that during the last 150 years that there has been no greater friend of China anywhere in the world than the United States. The very first foreign policy evolved by the United States was in the Atlantic the Monroe Doctrine, and in the Pacific the open-door policy in China. That is the only foreign policy we had until the First World War. Year in and year out we have consistently striven to see that China gets a fair break among the nations of the earth. History will prove that.

And all through the recent war, by every means at our command, regardless of the cost, we poured out our wealth and the blood of American boys even on the shores of China itself. It is sacrilege for the gentleman to say the United States has betrayed China.

And since the war we have have been constantly trying to help China.

Secretary Marshall himself spent a year in China trying to iron out the difficulties there, and he, too, was overwhelmed by the magnitude of the task and the hopelessness and apparent impossibility of getting those in authority surrounding the generalissimo to adopt his suggestions and advice.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. COX. Does not the gentleman praise God that General Marshall failed in his mission to China?

Mr. RICHARDS. I do not.

Mr. COX. Does the gentleman agree that the purpose of the pending measure is to stop Russia, now frantically prosecuting her campaign to enslave the world?

Mr. RICHARDS. I fully agree, and in stopping Russia we cannot spread our forces thin throughout the earth. We must use some sense.

Mr. COX. Then does not the gentleman likewise agree that it is terribly unfortunate that a responsible Member of this House, a member of the committee sponsoring the measure now pending, should take a dig in the side of poor China, our faithful friend, and that we had better give attention to repairing the bridge of faith that joins the two countries, rather than further undermine it?

Mr. RICHARDS. I think it is very unfortunate that distinguished members of the Committee on Foreign Affairs get up on the floor of the House saying that we betrayed China. And I think it very unfortunate that a responsible member of the Rules Committee allows emotionalism to becloud common sense.

Mr. COX. Does the gentleman take issue with that? Have we kept faith with China? Have we made good our word?

Mr. RICHARDS. In general, and taking into consideration all obstacles, we have kept faith with China. General Marshall said in his testimony before the committee that they accept our advice cheerfully and then proceed to ignore it. The able gentleman from Minnesota [Mr. JUDD], a member of the Committee on Foreign Affairs himself, said a few days ago at a committee hearing that you cannot make the Chinese do anything they did not want to do.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. JUDD. What you have said is perfectly true. Why should it be otherwise? I should like to quote here from an editorial in the Washington Post of a few weeks ago, which was designed to show the impossibility of our working with China.

Mr. RICHARDS. Cannot the gentleman put that in the RECORD?

Mr. JUDD. I quoted from what General Marshall said in one of our hearings:

> I tried to make them do continually and persistently—

That one sentence tells, in his own words, the reason why General Marshall failed. He tried to make the Chinese do this or that—naturally he did not succeed. We should give most weight to the testimony, not of the two men who failed in China, General Stilwell and General Marshall, both magnificent commanders and sincere patriots, but of the many Americans who have succeeded in China, for example, General Wedemeyer, General Chennault, Admiral Cooke, with whom we had lunch this afternoon, and the whole succession of Americans who, by using another method than attempted compulsion, have been able to get the most magnificent cooperation from the Chinese Government and people.

Mr. RICHARDS. Will the gentleman yield me more time?

Mr. VORYS. I will yield the gentleman another minute if I may just make this observation. It seems to me that the committee should rely somewhat upon the six witnesses on China whom the gentleman from South Carolina, who is now speaking, presented to the committee. All those witnesses supported the policy contained in the bill which is now before the committee for consideration.

Mr. RICHARDS. I disagree with the gentleman about that. I asked the Members of the House to get the hearings and read them; not just one part of it; read it all.

Now, I want to go ahead and carry out my idea about this thing.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. Well, I will have to have some more time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman two additional minutes from the spare time we have here.

Mr. BLOOM. Mr. Chairman, I yield the gentleman ten additional minutes.

Mr. MUNDT. Will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. MUNDT. I think the record should show, concerning the willingness of the Chinese to accept advice, that while it is true Secretary of State Marshall said he could not get the Chinese to accept his advice, both General Wedemeyer and General Chennault said that never in their experience had they failed to be successful in having the Chinese accept their advice. So that the gentleman from Minnesota, Dr. JUDD, may quite well be correct when he says it was a difference in approach, a difference in technique. Secretary Marshall tried to make them do it, and General Chennault and General Wedemeyer tried to lead them to an acceptance of the correct policy.

Mr. RICHARDS. No, using different techniques, the results have been the same.

But I do not want anybody to get the impression that I do not want to render assistance to China. I simply want to proceed along sensible lines. We are helping China now with surplus-military supplies. We are helping China with surplus ships. We are helping China with training schools to man those ships. We are helping China with 400 military instructors. We are helping China with 400 scientific instructors. I want to continue aid to China, but I want the Members of this House to understand the conditions there, and how much it will take to carry the thing through as we propose to carry through the proposal for Europe. And what is going to be the road ahead? I think we may well consider that this afternoon and that is what I want to deal with right now.

Figures recently compiled by J. Franklin Ray, Jr., former UNRRA director in China, for the Foreign Policy Research Association, showed that estimated total American funds spent in aid of China since VJ-day amount to $2,000,278,000. The items included $844,721,000 for military aid, $970,107,000 for relief, rehabilitation, and trade development, and $30,450,000 for educational and philanthropic aid and $155,000,000 for fiscal aid.

There may be added to those figures millions of dollar value for which little or nothing was paid on account of bargain price sales of munitions and other goods.

Since the beginning of our aid to China, there has been little or no reform, either military, political, or economic.

No foreign authority has been accepted and no advice followed.

Most every American who has come to grips with this problem will tell you how in China he ran up against a wall of disillusionment and frustration.

Secretary Marshall based his support of this authorization for economic aid to China, amounting to $570,000,000, solely on the ground that it will give the Chinese one more chance to do something for themselves.

I, along with all other friends of China, want to help China to the extent of our ability and to the extent that China will help herself. I have the greatest admiration for the Chinese people, and I particularly admire General Chiang, the Generalissimo, because I believe he is the main hope of China today. Whatever help we give China, in my opinion, should be given in support of the government headed by the Generalissimo.

It is true that his Government does not meet our requirements for a democracy, but it is the only government there to rally around in opposition to the Communists who seek domination. If the present Chinese Government is supported, then I am sure that the people will ultimately liberalize that government through democratic processes. On the other hand, if the Communists win there, liberty and democracy are dead for generations to come. The trouble is many of our people are overcome with emotional conviction that if we give some help, everything will turn out all right in China. I cannot subscribe to that opinion. We should approach a decision in regard to China on sober and collected thinking.

The main two demands coming from China are, first, food; and, second, military aid. One without the other is useless and a little of either would be money going down a rat hole. It would take billions of dollars to give the Chinese the food they need and any military aid we sent them would, in the light of past experience, be squandered unless the United States supplies, trains, and directs the Chinese Army.

The American Congress should know that unless we are going to back China "all out," as we propose to back Europe, and unless we follow up with billions of relief supplies and military support, our efforts will be fruitless.

The passage of title I of this bill, in my opinion, is a moral commitment of the United States to go through with a 4-year program in Europe, costing $17,000,000,000; otherwise the authorization for 1 year will be useless. The same rule applies to China. If we pass the authorization for China, we should follow up with help, both economic and military, for several years to come.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I am sorry, I cannot do so right now.

I think a separate bill should deal with aid to China, that committee hearings should be held on that subject alone. Then we could all have the whole picture, know where we are heading, and what the cost will be.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. Not right now.

A great deal has been said about our general foreign policy.

Mr. MUNDT. If the gentleman will yield for just a second before he leaves the Chinese portion of his speech I wish he would tell the House a little about this so-called Jimmy Yen program.

Mr. RICHARDS. It is the best part of the program. Now let us get to this China military aid proposition. Do you realize we have already appropriated $300,000,000 for aid to Greece? It is proposed to appropriate an additional $275,000,000 for aid to Greece and Turkey, of which Greece will get $200,000,000, making a total of half a billion dollars for Greece in 2 years. The situation is pretty much the same in Greece as it is in China, as the gentleman from Minnesota said yesterday; but do not forget that Greece is a little more than one-fiftieth of the size of China. It has one-sixtieth of the population of China.

My reason for mentioning military aid to Greece in connection with military aid for China is that it is the only place where we have a yardstick to follow when it comes to costs. We are spending in 2 years half a billion dollars on a little country one-fiftieth the size geographically with one-sixtieth of the population of China.

If we authorize $570,000,000 for China in this bill we should follow through next year and the next. Let us not hand this to them as a little stop-gap aid unless we are going to follow it up and spend several billions more. Unless we are prepared to do this we had better watch our step. There is no 4-year commitment in the case of China in this bill, as there is in the case of Europe.

Mr. JUDD. Mr. Chairman, will the gentleman yield now?

Mr. RICHARDS. The gentleman had his time yesterday. I wish to say something further about the objectives of the United States—call it foreign policy if you wish—call it Machiavellian if you choose.

During and since the war the efforts of the United States Government have been directed toward the establishment of a stable, durable, and just peace based on the principle of international cooperation.

Every action of this Government during the war and in the postwar period has been directed to that end, and errors of judgment should not be allowed to obscure the sincerity and basic correctness of this attempt.

Without this record, the free nations of the world would not look to the United States with hope and confidence. Without this attempt the people of the world would have been left in great doubt as to whether or not the cooperation of the Soviet Union could or could not have been obtained, and the responsibility for the present world situation would be regarded as evenly distributed between the Allied nations instead of being clearly placed in the eyes of the whole world, and particularly our own people, where it belongs, that is, on the Soviet Union and the international Communist movement it controls.

It is necessary to admit frankly—and this has been done by the President himself—that these efforts have failed and the hopes entertained during and after the war have not been realized.

It is not accurate, however, in accordance with the record, to place the cause of the present world situation on these earnest efforts to obtain peace by negotiation and agreement. To do so is to disregard the evidence of the record and to indulge in partisanship at the expense of accuracy at a time when a nonpartisan approach is so essential if we are to play our part in the world.

The agreements concluded during the war contain imperfections. Historians

will argue for many years to come as to whether or not the democracies went too far in one direction or the other, but that is really a secondary point. Anyone who will take the trouble to read carefully the agreements concluded, recognizing that as in all international agreements the element of mutual compromise is present, it will emerge that the chief difficulty with agreements was not in the terms as written down or as obtained through negotiation but in the simple fact that they have not been kept. No one would deny that had they been implemented as written, with good faith, that we would be facing a very different world today. Despite the fact that these agreements have been published in their entirety—and I am assured that there were no agreements reached at the wartime conferences with the Soviet Union which have not been published—I think this fact will emerge.

Charges are continuously made that this or that area or country was assigned to the Soviet sphere, although there is nothing in these agreements to justify such assertions. One of the Yalta agreements called the declaration on liberated Europe is the exact antithesis of a sphere of influence agreement. It would be difficult to find an international document that more directly states the contrary provision. Anyone who has troubled to read it will discover that there are no geographic or other limitations in regard to Europe in that document. The three leading victorious Allies agreed to try to work out a common policy not to divide the nations of Europe into spheres, but on the contrary to insure the observance of democratic principles and the emergence of free governments out of this war. That document certainly expresses on paper American principles. Indeed, I understand, it was basically an American draft. The trouble is, it has not been observed in any form, shape, or manner by the Soviet Government.

The same can be said for virtually all of the wartime agreements, including the Charter of the United Nations.

There are absolutely no grounds for believing that agreements of a different form and, more particularly, agreements imposed by a show of force on the Soviet Union would have been any better observed by the Soviet Union. Indeed, as is now sometimes asserted, had agreements been imposed by a show of force or by pressure upon the Soviet Union, it would merely have provided Russia with a justification for their violation which would have only served to confuse the public mind as to where the responsibility lay and the character and the danger we face.

It is of no help to American leadership to distort the record in an attempt, for partisan reasons, to ascribe to this country the responsibility which so clearly belongs elsewhere.

In the unprecedented nature of the situation it is vastly misleading to the proper handling of the problem which confronts us in the world if the belief is spread that it could have been handled with a different clause here or a different clause there during the war or immediately afterward. It tends to engender the belief that the problem is one which can be met by a new type of agreement or document.

It could be said by the same critics that it was a mistake to take the initiative in bringing into being the Charter of the United Nations. Here again, the fault was not in the Charter, although like every great document it must be subject to growth and change, but in the simple fact that one nation has persistently violated its principles and its purposes through abuse of the veto power.

It is a striking fact that in virtually every action that this Government has taken since the close of the war in connection with the policies and practices of the Soviet Government that these practices and actions have been based upon a violation of a wartime agreement. It is difficult for me to understand why, if these arrangements were so feasible to the Russians, they found it necessary in pursuit of their policies of aggression to violate these agreements at virtually every step. This is a fact which should be pondered by those irresponsibly charging that this, that, or another country has sold out to the Soviet Union.

There is no advantage to America today, faced with our responsibilities in the world, however, to go back and argue in partisan fashion over the past. That is not what the present situation requires. We are confronted with a condition and not a theory, and I believe that the Congress can well leave to the historians to wrangle over the details of what has occurred in the past and get on with what the present and future requires—not on a partisan basis, but on a basis of what this country has to do in its own national interest and of the free world.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. BLOOM. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. RICHARDS. Mr. Chairman, it is a strange thing little has been said in this debate about the resources of the United States or the ability of the United States Government to furnish the money required in this bill without damage to our financial and economic structures. Our experts say we can pursue this $17,000,000,000 4-year program without endangering the financial structure of our country.

I have come to the conclusion after a lot of hair tearing about it that we can stand the strain. I have come to the conclusion that it is best for us to spend that money to bring economic stability to Europe.

In western Europe lies potentially 50 percent of the industrial production of the world.

Here in Italy and Greece the crucial cold battle is being waged for domination of the world today. Look at this map. Here is where the Communists are pressing down and down and down. There is their principal point of attack.

General Forrest, the great Confederate cavalry leader, said "Get the mostest there the fustest." But, we haven't enough dollars to attack everywhere at once with preponderant strength. We must choose our points of attack and spend wisely.

During the recent war our forces were scattered all over the world, and General Marshall had a great battle to keep people quiet who were continually "ding-donging" on him to attack on every front in the world at the same time. But, he held fast. He concentrated his strength on Normandy, and the back of our chief enemy in Europe was broken. The battle won there, we turned to the Pacific.

History repeats itself. Again we must concentrate our forces for attack in Europe and the Mediterranean area. We must not spread our lines too thin.

Now, it was said here yesterday that the Chinese front is more important in the fight against communism than is the European front. With that, I cannot agree. In what position would China find herself if the Mediterranean area was overrun by the Communists? Where would China be if Turkey, the Dardanelles, Iraq and Iran fell to the Soviets? China would eventually be encircled.

As a matter of fact, Mr. Chairman, the 275 million proposed in this bill for military aid to Greece and Turkey is more necessary for the security of China than the $520,000,000 proposed for China itself. If the Mediterranean area goes Communist, then we had just as well draw in our horns and retreat to our own shores and spend $50,000,000,000 a year to perfect our own defenses and Military Establishment. What Russia wants most of all is control of the potential industrial output of Europe. It is there that she is centering her main attack. It is there that time is of the essence. And it is there that we must concentrate our defense forces, instead of spreading them thin around the world for sentimental reasons.

Mr. BLOOM. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. ISACSON].

Mr. ISACSON. Mr. Chairman, this country and its institutions are dear to me. Its welfare and security are precious beyond price. Therefore, in this grave crisis I must speak out, not unmindful that the road to peace involves seemingly insurmountable difficulties. For the road to war entails certain and inescapable disaster.

There is great need today for some sober and calm reflections. There is great need today for a halt in the war hysteria deliberately induced to stampede the people into a mass psychosis of despair for peace.

Yes, we are in great danger. Our American traditions and security are under attack.

Not from outside our shores, but from inside our borders.

Not from the hungry peoples of Greece and China, but from the profit-hungry denizens of Wall Street.

Not from the unarmed settlers of Palestine, but from the oil cartelists and monopolists.

There is our real danger; there are America's real subversives.

It is these who are attacking on a world-wide scale the traditions and security of American democracy.

It is these who have warped and subverted the traditional humanitarian

American concept of aiding the needy and downtrodden.

For some time now this ERP program has been presented as a disinterested plan for European construction and relief.

Such a plan would receive my enthusiastic and wholehearted support.

I am for European reconstruction and relief—and for United States participation with all the rest of the United Nations in a genuine plan for world recovery. I have introduced a bill for such a plan in this Congress.

But I am against any attempts to use the needs of the people of Europe to blackmail them into acceptance of domination by ambitious United States monopolists. I am against attempts to dictate to the people of Europe the kind of economy and the kind of political system they shall have by threatening to withhold American aid if they do not conform.

I think the following is a fair analogy: WPA was a splendid and necessary project introduced by President Roosevelt to provide employment for the hungry, jobless people of our country. It fulfilled its purpose and benefited millions of Americans. It brought credit to the Roosevelt Democratic administration, and it brought votes.

But it would have been shocking beyond belief if Americans had been instructed that they could gain work relief only if they pledged to vote the Democratic ticket.

Such a restriction would have been branded inhuman and un-American. Yes, as inhuman and un-American as the restrictions in section 118 and elsewhere in this bill which refuse food to the starving, shrunken-bellied people of Europe unless they vote in accordance with our dictates.

But that is not the worst.

A foreign policy cannot be judged piecemeal; each part must be considered in the context of the policy which it is intended to implement.

The spurious, oppressive nature of this scheme for unilateral economic program was revealed long ago when UNRRA was killed and the United Nations bypassed.

And its clandestine relationship with Truman's military doctrine now stands fully exposed in this hybrid, mongrel political potpourri.

Apprehensive lest the people of Europe and Asia elect freedom of choice and liberty of expression in preference to the kings, reactionaries, and Fascists that are wrapped up in the bundles of food offered in this bill, there is now bared the naked threat of military intervention.

The complete bankruptcy of our warlike foreign policy of war is revealed in this bill.

It is the fruit of the 2-year-old reactionary and militaristic bipartisan foreign policy of the Truman administration and the Republican Party. It is the policy of a coalition of generals and admirals on the one hand with Wall Street bankers and industrial cartelists on the other. It is a policy which is preached daily to the American people by the big-business-controlled press, radio, and slick magazines. It is is a policy which openly rejects the United Nations and the spirit of international cooperation and substitutes for it the idea and practice of brute force.

Under this policy the American Navy already roams the world and seeks to dominate every sea, including the Mediterranean. Under this policy British military forces are joined to American forces in a virtual world-wide military alliance. Under this reactionary bipartisan policy America is creating and holding military bases thousands of miles from its shores.

This bill is a brazen and shameless expression of the policies of military force and support of reactionaries and Fascists which have been embraced by both old parties.

Its sole effect today is more permanently to divide the world into two camps and force western Europe into the military and economic orbit of the United States in preparation for war.

That is precisely why it should be rejected.

Because this bill's warlike aspects are fully revealed, the bipartisan alliance of Republicans and Democrats with generals and cartelists is now trying to pass it in a blaze of war propaganda.

Because the American people are nauseated by the treachery of the Truman administration in Palestine, the administration is trying to distract their attention from this treachery with war talk.

Actually the betrayal of Palestine, like the betrayal of the people of Greece and China, is virtually written into this bill in so many words.

Under section 112:

> The purchase of petroleum and petroleum products under this title shall to the maximum extent practicable be made from petroleum sources outside the United States.

This section takes on added significance when linked to the statement on page 46, chapter 16, of the State Department's The United Kingdom: Country Studies: ERP, which says:

> In the long run the British contribution to an increased world supply of petroleum products, chiefly through an expansion of production, transportation, and refining facilities in connection with British-controlled oil in the Middle East will help to eliminate energy bottlenecks. To this end the United Kingdom is scheduling substantial production of equipment for the petroleum industry, which will need to be supplemented, however, by large imports of some types of equipment from the United States.

Any last vestige of doubt concerning the intent of section 112 is completely removed by a reading of House Report No. 1585, the report of the Committee on Foreign Affairs on the bill.

On page 10 the report virtually confesses responsibility for the United States reversal of the partition plan for Palestine adopted by the United Nations. Here is the confession, quoted directly:

> Petroleum, too, will furnish peculiar difficulties which are not rendered easier by the existing threats of political chaos in the Middle East, centering on Palestine. The whole European recovery program depends in considerable measure on the development of the exportable oil of the Middle East in the next 3 or 4 years, since, without oil, not only its industrial users but transportation will be seriously crippled.

The monstrous oil cartel which sired this bill is rubbing its bloody hands in glee. They are now ready for the last act in this horrible tragedy.

I understand that the President is being urged to explain the United States policy in Palestine. Well, Mr. President, I challenge you to dispute the serious charges I am making.

The Arabian-American oil combine—called Aramco—and its pipe-line construction subsidiary, Trans-Arabian Pipe Line Co.—called Tapline—is a billion-dollar enterprise, the largest private foreign investment in United States history. Its chief stockholders are the Texas Co. and Standard Oil of California, with Standard Oil of New Jersey and Socony-Vacuum of New York completing the ownership.

The Dillon, Read Co., from which our Government has selected Mr. James Forrestal as Secretary of Defense, and Gen. William H. Draper as Under Secretary of the Army, has floated bond issues for these companies and is intricately involved in the affairs of Aramco, the Middle East exploitation combine of these great oil imperialists.

At the time the United Nations partition plan for Palestine was in the making last fall there was great pressure from many sources against it, reflecting ancient Arab opposition to the establishment of the long-pledged Jewish state.

But it was not until we had taken the partition step in the United Nations that Arab pressure was exerted where it hurt the oil combine.

Aramco was planning to build a pipe line from the Dahrahn oil concessions in Saudi Arabia, across Transjordan, Syria, and Lebanon to the Mediterranean.

Unless this pipe line could be completed, the Aramco concession was no particular bargain, since the tanker method of transportation via the Persian Gulf is three times as costly as oil pipelined to the Mediterranean.

Consequently, it was, and still is, all important for Aramco to get its pipe lines laid quickly and gushing oil to peddle to Europe for Marshall-plan dollars.

But last December the crafty Arab Mufti took a hand. While Aramco had apparently made all necessary deals with the heads of the Arab countries through which the pipe line was to pass, the agreement still had to get the approval of parliament in Syria.

Hence the Mufti began his third holy war rampage in 25 years. Arab bands descended on pipe-line crews. Members of Arab parliaments suddenly cooled to approving their leaders' deals with Aramco for pipe-line construction rights-of-way.

So in January, when all seemed serene and hopeful here about the future of Palestine, the worried heads of Aramco went to Beirut and Damascus.

In the party were W. S. S. Rogers, chairman of Tapline, vice chairman of Aramco, and board chairman of the Texas Co.; Burton E. Hull, president of Tapline and builder of our Big Inch and

Little Inch pipe lines; H. H. Hall, Tapline's chief engineer, and former chief engineer for Standard Oil of California; George W. Ray, Jr., general counsel for Tapline and Aramco; and James Terry Duce, Aramco executive and chief lobbyist for the oil combine in Washington.

When this party was photographed in the St. George Hotel in Beirut, surveying a map of the Middle East with a background map of the pipe-line route adorning the wall behind them, Mr. Duce dodged the camera—and well he might.

Duce is the lobbyist who has been selling official Washington on the need for Middle East oil for United States security and inducing the erroneous belief that oil reserves on the United States continent are running low.

Yet it was this same Duce who testified before a congressional committee against a synthetic-fuels program calculated to guard against the draining of United States continental oil reserves.

It is the same Duce, too, whose machinations have led to our exploiting the Middle East for oil when it can be had near at hand both from Canada and Mexico. But the Middle East oil—pipe lines, tanker trips, and all other expense notwithstanding—is the choice of the oil imperialists because oil magnates can no longer exploit peon labor in Mexico, nor of course can they mine Canadian oil on terms even approaching those obtainable from feudal Arab sheiks.

It was Middle East oil, incidentally, which Aramco jacked up in price from 34 cents to $1.05 a barrel for Uncle Sam when our oil needs were desperate during the two-front period of the war.

In any case, these oil cartelists went to Beirut and Damascus to come to terms with the Arab leaders—and with the odious Grand Mufti.

The Grand Mufti's terms have not changed over the years. They were—and still are—annihilation of every Jew in Palestine. The pan-Arabic objective which the Mufti expounds to his fanatical following: "Kill the Jews wherever you find them; this pleases God." Small wonder that this man, listed as a war criminal until the British and French let him escape, is hated and feared even among the people of Araby as the potential "feuhrer of Islam."

The Mufti's terms, then, were: Kill partition of Palestine or no approval of oil pipe lines across Arab nations. Approval of deals for pipe-line routes across Syria and Lebanon now lie tabled in the parliaments of those nations, awaiting Aramco's answer to the Mufti's terms. On the piers of Beirut and on sidings throughout Araby stand millions of dollars' worth of pipe-line equipment awaiting the go-ahead from the Grand Mufti of Jerusalem on his hateful terms.

This is the story the oil cartelist heads of Aramco brought back to the United States. This is the story the Aramco board of directors heard at a closed meeting late in January.

At this very moment there is tabled in the Syrian Parliament Premier Mardam Bey's agreement. It is being held as a club over the heads of Aramco to kill the United Nations partition deal or lose millions in pipe-line equipment and future profits from a Mediterranean outlet for Arabian oil.

By the strangest of strange coincidences, it was just about the time of the Aramco board meeting to consider this troubling problem that Defense Secretary James Forrestal made the statement that partition would jeopardize United States security.

From then on, from the end of January until the infamous turnabout of last Friday—the eventual betrayal of Palestine was a virtual certainty.

Thus is the way paved for ERP.

Thus are the people of Palestine being sacrified to our foreign policy, so that Aramco may pump oil to the shores of Europe to recapture Marshall plan dollars from the luckless recipients of our international bounty.

What a shameful betrayal of the Jewish people; what a shameful betrayal of the United Nations; what a shameful betrayal of American national honor, of our American concepts of ethics and morality.

Yes, in his ambition to be elected President of the United States in 1948, Mr. Truman has found a worthy running mate in the Grand Mufti of Araby.

As for me, I repudiate this program of profits and war contrived by Mr. Truman's Wall Street-West Point Cabinet. I know the American people repudiate this program. They have not been so deafened by the relentless beating of the propaganda drums that they will not recognize the truth.

The American people want a program for peace, not for war. The American people want a program of genuine aid and assistance to the stricken people of the world; not a program of arming the reactionary governments of the world; and above all, not a program of colonizing and terrorizing the world for the benefit and profit of American big business.

Mr. COX. Mr. Chairman, will the gentleman from West Virginia yield me a minute?

Mr. KEE. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman, Henry Wallace, in organizing his third party, has rendered a valuable service to the country, for he has made it easy to identify those who would deliver the people of these United States with all their resources into the keeping of Soviet Russia.

Mr. VORYS. Mr. Chairman, I yield myself such time as may be necessary to read to the Committee a letter from the Honorable Herbert Hoover, former President of the United States, addressed to our Speaker:

WASHINGTON, D. C., *March 24, 1948.*

The Honorable JOSEPH W. MARTIN,
Speaker, House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I have your request that I give to you my views and recommendations upon the Marshall plan bill as reported out of the House Committee on Foreign Affairs.

On January 18, at the request of Senator ARTHUR VANDENBERG, I made an analysis of and recommendations as to the legislation originally presented by the administration. Many Members of the Congress, myself, and others urged its support in principle because of world conditions, but recommended that certain additional safeguards be introduced into the legislation. We believed these would make for more efficient administration, less drain upon the American taxpayer, less strain on our economy, and at the same time deliver the same volume of commodities to the Marshall plan countries.

I have now compared the bill as passed by the Senate and the House Foreign Affairs Committee; have had the advantage of the able reports of the Herter committee and the discussions before the Congress and their committee reports. While claiming no credit for amendments so ably perfected by the Senate and by the House committee, it seems to me that the most clear presentation of my personal views and recommendations as to the legislation would be:

First, to review the suggestions made in my letter to Senator VANDENBERG (likewise made by others) which have been adopted or incorporated in part; and

Second, to suggest some further recommendations which I urge for adoption.

I. PREVIOUS RECOMMENDATIONS ALREADY ADOPTED BY BOTH SENATE AND HOUSE COMMITTEES OR INCORPORATED IN PART

1. We proposed that there be set up a business administration under a separate Administrator, yet coordinated with the State Department. This has been done effectively.

2. We urged that a nonpartisan board of citizens be created to advise and counsel with the Administrator with respect to basic policy matters. This has been done.

3. We suggested that there be an organization coordination of all Government agencies involved in financial relations with the Marshall-plan countries. This has been accomplished, in effect, by enlarging the National Advisory Council on Monetary and Financial Problems to include the Administrator.

4. We recommended that all Government relief organizations for the Marshall-plan countries be consolidated under the Administrator. This has been done by committing to the Administrator any remaining funds in other accounts.

5. We proposed that there must be protection against excessive exports which would injure American economy. The bills are intended to safeguard this.

6. We urged that private channels of trade be utilized to the fullest extent and that partial guarantees be given by the Export-Import Bank to private enterprise. This idea, apparently limited to Americans, was incorporated in the Senate bill and has been strengthened further by the House committee.

7. I suggested that amounts equivalent to any relief to any particular country be deposited in the currency of that country in a trust fund to be administered jointly by the Administrator and the country concerned for the internal benefit of that country. This has been done. And such sums arising out of previous relief activities have also been transferred to the new administration.

8. We urged that increased production and economic cooperation between countries receiving aid, with monetary and budgetary reforms in the receiving country, were vital conditions of success of any plan. That has been made a prominent part of the Administrator's duties and an implied condition of continued support.

9. We recommend that as part payment the countries under aid furnish us, for stock-piling purposes, such commodities as we do not possess sufficiently for future defense. This has been made an implied condition of support in the House bill.

10. We suggested that the petroleum products provided under the original program could not be furnished from the world's present supplies. The act now provides that the world shortage makes undesirable the expansion of petroleum-consuming equipment in the Marshall plan countries (which originally had been contemplated) and where alternate fuel sources

are practicable. This provision is most essential until Persian Gulf oil can flow freely to Europe. Thereafter it should be contemplated for many other sources of energy.

11. I proposed that the Congress define more clearly the areas of grants (gifts) from the areas of loans; that all capital goods provided from the United States be made as loans from the Export-Import Bank or private sources; that all consumption goods from the United States be made as gifts. The reasons were that the former could be repaid out of the increased productivity they create, and that the latter would never be paid because we cannot receive this volume of European goods in return without creating unemployment at home. The House committee has effected this, to some extent, by dividing the aid into $1,000,000,000 of loans through the Export-Import Bank and $4.300,000,000 of unspecified grants and loans. Both bills require consultation with the National Advisory Council in the determination between loans and grants.

12. We urged that no moral commitment be made in the proposed 4-year plan beyond the first period (now 1 year), with a view to giving complete freedom of review by the Congress at the end of that period. The plan still stands as a 4-year program, but the standards of progress and of performance to be made by the Marshall-plan countries have been emphasized more strongly, and these, no doubt, will be taken into account by the Congress in determining the volume and kind of aid beyond the first year.

The House committee has strengthened the congressional control of such extensions by an express statement that no implied commitment has been made to any country and a requirement that further assistance shall be authorized as well as simply appropriated as in the Senate bill.

13. We suggested that the Marshall-plan countries should participate in the cost of the program by using the assets of their private citizens in the United States, reimbursing those citizens in their own currencies. This has not been required, but the Administrator is directed to locate and control such resources and to secure their use, as far as possible.

14. We recommended that definite action be taken to restore German production, particularly steel and machinery, so much needed by the Marshall-plan countries, and to stop removal and demolition of plants. This would relieve the drain upon the American taxpayers, which arises both from shipment of such goods from the United States and by necessary feeding idle German workmen in the meantime at the expense of our taxpayers. The House bill makes partial provision looking to this end.

II. MY PRESENT RECOMMENDATIONS

1. I originally urged that all relief operations, not only to the Marshall plan countries, but to China, Germany, Japan, Korea, Greece, and Turkey, be consolidated under the Administrator. This would prevent overlap in procurement and enable better coordination of policies. The House committee has made such provisions as to Greece, Turkey, and China. Relief to Germany, Korea, and Japan should be incorporated when those appropriations are made later on.

2. I do not recommend a decrease in the authorized total in the House bill for the first year. No doubt the Appropriations Committees will review the effect of decreased prices; the effect of possible savings to be made by guaranteed loans through American citizens, through possible credits of other Western Hemisphere countries; the reduction in such estimated price as Argentine wheat of over $4.50 per bushel; the reduction in amounts of proposed commodity shipments which cannot be provided now because of scarcity; etc.

3. Certain new provisions in the House Foreign Affairs Committee bill seem to me to be most advantageous. Chief among these are: (a) authority to the Administrator to create a corporation to facilitate operations; (b) assistance to Trieste; (c) chartering American vessels to Marshall plan countries when available; (d) equitable access of Americans to the development of strategic materials; (e) the encouragement of better use of manpower and displaced persons; (f) aid to Greece, Turkey, and China; and (g) the appropriation to the International Children's Emergency Fund, which is reconstruction at its very base. I hope these will be adopted by the Congress.

4. It seems to me that section 117 (d) is too strongly drawn. If the Marshall-plan countries are to become independent of relief, they must trade with the satellite countries. A provision against munition shipments would appear to be sufficient.

5. It would seem to me that the provision in the Senate bill for a committee of seven Members each from the Senate and House to work in conjunction with the Administrator is much more effective than merely reports to the chairmen of committees, as in the House bill, and should be restored.

6. I urged from the beginning that the other countries in the Western Hemisphere take part of these burdens. The President is authorized to make such a request in the legislation. To bring this about more effectively, and to reduce the drain on the American taxpayers, I suggested that Western Hemisphere countries extend credits for, say, 10 years to the Marshall-plan countries, and that the United States guarantee such credits up to 70 percent and advance dollars to that amount to the credit-extending Western Hemisphere countries. A permissive authority to the Administrator to make such arrangements was included in the Senate bill. I regret this provision has been deleted from the House committee bill. The provision in the legislation for guaranteed loans is apparently limited to United States citizens.

This plan is all the more feasible by reason of the fact that most American supplies (consumption goods supplied) must be gifts. The dollar exchange arising out of imports by the United States from the Marshall-plan countries would be free for their purchases in other Western Hemisphere states, thus minimizing the extent of such credit.

I am convinced that a number of countries in the Western Hemisphere are in a position to extend such credits. Because their natural trade is exchange of surplus agricultural products for manufactured goods, such credits can be repaid to them in the course of trade without hardship because they can absorb European manufactured goods without creating unemployment. The increased productivity in Europe would render this possible. As an example, under the State Department program of commodities to be shipped over the 4 years from other Western Hemisphere states, at the expense of the American taxpayer, is about one billion dollars worth of coffee. Coffee is a comfort, not a nutrient. It would seem that a country desirous of selling its coffee surplus would be willing to deal on a dollar-credit basis, especially if the United States guaranteed 70 percent of that credit.

I strongly urge the restoration of this guaranty provision, as it could save the American taxpayer a great deal.

IN CONCLUSION

I realize that many approach this gigantic experiment with great apprehension and a realization of the sacrifices it will mean to our people. All legislation must be the result of compromise. However, if it should produce economic, political, and self-defense unity in Western Europe, and thus a major dam against Russian aggression, it would stem the tide now running so strongly against civilization and peace. The plan, if well devised and under a capable Administrator, stands a good chance of success. I believe it is worth taking the chance.

Yours faithfully,

HERBERT HOOVER.

Mr. MARCANTONIO (interrupting the reading of the letter). Mr. Chairman, will the gentleman yield?

Mr. VORYS. No.

Mr. MARCANTONIO. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. Mr. Chairman, in connection with my point of order, I just want to propound a parliamentary inquiry.

Mr. VORYS. I object to his propounding a parliamentary inquiry, Mr. Chairman.

Mr. MARCANTONIO. Then I make a point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. The point of order is that the gentleman cannot read anybody else's material without the consent of the Committee. I asked the gentleman to yield to me, and he would not yield.

The CHAIRMAN. The Chair will present that question to the Committee. The question is, Shall the gentleman be permitted to proceed with the reading of the letter?

The question was taken, and the Chair announced that the motion was agreed to.

Mr. MARCANTONIO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-seven Members are present, not a quorum.

Mr. MARCANTONIO. Mr. Chairman, I withdraw the point of order. I just want to show that courtesy can be extended in this House.

The CHAIRMAN. The Chair has already announced the count.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 28]

Abbitt	Dingell	Hill
Andersen, H. Carl	Dirksen	Hinshaw
	Dondero	Hoeven
Andresen, August H.	Doughton	Hoffman
	Elliott	Hope
Andrews, Ala.	Engle, Calif.	Horan
Andrews, N. Y.	Fellows	Jarman
Auchincloss	Fernandez	Javits
Barden	Flannagan	Jenkins, Ohio
Bates, Ky.	Fogarty	Johnson, Ill.
Battle	Gallagher	Johnson, Okla.
Beckworth	Gathings	Johnson, Tex.
Bell	Gillie	Jones, Wash.
Bennett, Mich.	Goff	Kearns
Blackney	Gordon	Kefauver
Bland	Gorski	Kennedy
Bonner	Graham	Keogh
Boykin	Granger	Kirwan
Brehm	Grant, Ala.	Lesinski
Brown, Ohio	Grant, Ind.	Ludlow
Bulwinkle	Gregory	McConnell
Byrne, N. Y.	Gross	McCormack
Carson	Gwynne, Iowa	McDonough
Celler	Harless, Ariz.	McGarvey
Chapman	Harness, Ind.	McMillan, S. C.
Chiperfield	Hartley	McMillen, Ill
Clark	Havenner	Maloney
Cotton	Heffernan	Manasco
Coudert	Hendricks	Mason
Crosser	Herter	Meade, Md.
Dague	Heselton	Morton
Dawson, Ill.	Hess	Murray, Wis.

Nodar	Rains	Simpson, Pa.
Norrell	Redden	Smith, Maine
Norton	Reed, Ill.	Stanley
Patman	Rich	Taylor
Pickett	Riehlman	Thomas, N. J
Ploeser	Robertson	Thompson
Poage	Rooney	West
Potter	Sarbacher	Wilson, Ind.
Price, Fla.	Sheppard	Worley

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 2202, and finding itself without a quorum, he had directed the roll to be called, when 309 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Mr. VORYS concluded the reading of Mr. Hoover's letter.

Mr. VORYS. Mr. Chairman, after consulting with the leadership I wish to state that it is the purpose to continue with general debate until 6 o'clock. A number of interesting speeches lie ahead this afternoon.

Mr. Chairman, I yield such time as he may desire to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, I shall vote for the pending measure. The price asked of our countrymen is tremendous. But if the objectives sought can be attained, the price we are asked and ask them to pay is cheap, indeed.

We are living in crucial days. Stern measures are required and are essential.

THE PRESIDENT DID NOT PLAY POLITICS

I completely disagree with those who say President Truman was playing politics in his recent message to Congress and to the people. Those of us who are members of the Appropriations Committee, the Armed Services Committee, or the Committee on Foreign Affairs, before whom during these past few months the country's top military and civilian authorities have been appearing to give confidential reports, have been made aware of the dangers now faced by our country. Many of us believe the people generally should be given more detailed information by the President and his advisers concerning the imperative need for immediate, positive action by this country in building up its economic and military defenses.

DIPLOMATIC ERRORS

It is idle to speculate on what might have been our place in the present world situation if our country's diplomatic errors and mistakes at Yalta, Teheran, and Potsdam had not been made. They were made, and we are now reaping some of the fruits of those errors. Undoubtedly we would today be occupying a stronger and less vulnerable position if some type of universal military training had earlier been adopted, as some of us have urged for so many, many months.

ECONOMIC NEEDS MUST BE BACKED BY FORCE IF NECESSARY

Now, however, the absolute need for economic assistance abroad, and for the draft and wider military training, and greatly expanded defense expenditures, both on the military and economic front, is apparent. I shall support those measures designed to reach the necessary objectives.

POLITICAL PARTISANSHIP

Some people treat the existing situation too lightly. They say that this is a political year and everything is tinged with partisanship. I, for one at least, will continue to keep the welfare of my country first, as I have attempted to do throughout my service in Congress. I am sure my colleagues will do likewise.

JAMES FORRESTAL, SECRETARY OF NATIONAL DEFENSE

In this connection, may I say that I have reason to have great confidence in the judgment of James Forrestal, Secretary of National Defense. His opinions are not based on any other premise than that which involves the safety and the duty of this country to maintain that place in the world which its destiny and responsibility demand. If and when Secretary Forrestal, with all of the top-secret information he possesses by virtue of his position, says we need universal military training and selective service, I would hesitate to vote against his recommendations. He has divorced himself from politics. He is no warmonger. His is an unenviable position of tremendous responsibility. I propose to go along with him in the discharge of such responsibility as is mine under the circumstances.

THE DRAFT

The draft and compulsory military training have seldom been popular measures. If they are needed, and I believe they are, I shall vote for them. National defense, both economic and military, should never be allowed to be governed by popularity-contest standards.

ECONOMIC AID PLUS

I believe we must give economic aid to European nations and others, and I shall vote for the European recovery program. But I further believe that if any semblance of world peace is to be preserved and substance given to the all-but-forgotten four freedoms of the Atlantic Charter, our air power particularly and our military might generally must be sufficiently great to impress those world bullies to whom armed strength is the only persuasive diplomatic argument understood.

OUR DESTINY

Our Nation and its people have a tremendous responsibility. The challenge must be met. Unless we assume the burdens of our responsibility and meet the challenge facing us, the dark, dreary road to war is the terrifying prospect which confronts our people who so earnestly desire peace.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. STOCKMAN].

Mr. STOCKMAN. Mr. Chairman, when we think of the Marshall plan, our first thought is that we must not fail western Europe; that we must stand by the people in Europe who still retain a burning and creative desire for freedom. That is the thought which comes to me again and again as I think of the nations of western Europe who are now facing economic crisis, and then when I stop to investigate and analyze the Marshall plan, the facts and figures found in my investigations indicate to me that the Marshall plan in its present form is not likely to accomplish its declared goal.

The aim is, as we know, to see that the 16 nations in the program recover enough economically by 1952 to, first, produce enough exports to pay for their imports, and in the process, second, put their populations back on something approximating their prewar standard of living. If the plan fails, then we are faced not only with inflation in our country and the loss of the money of our taxpayers, but with seeing Russia step in and reap the benefits of our billions of dollars, just as in Czechoslovakia, where we have poured in $262,000,000 since VE-day, and Russia now has taken over the benefits of that money, along with the famous Skoda munitions plant of that country.

I am opposed to the principle of just handing out money, especially when I do not think it will accomplish the purpose for which it is intended, and in this case I think the Marshall-plan expenditures can be justified only if we expect to back up the plan by showing Russia we intend for her to stop her aggressions right now and that we are prepared to back up our stand with military power. It is clear to see that Russia has respect for nothing but military force. She understands nothing else, for force is the basis of her own power, and she is drunk with the idea. As long as she remains so, then it behooves us to maintain sufficient military strength to defend ourselves and our way of life.

If, after examining the Marshall plan and seeing where it is likely to fail in its objectives for recovery, we still want to go on and make that much money available to the 16 nations in western Europe, then I recommend that it be done as far as possible on a businesslike basis through the International Bank for Reconstruction and Development and the Reconstruction Finance Corporation. I shall discuss this later on, as well as the specific reasons that the plan is not likely to do the recovery job it now proposes to do. I shall also show why the plan will not stop communism unless we firmly tell Russia now that she must cease all aggression, and then quickly take all necessary steps to affirm our position by force if need be.

PROPAGANDA

First let us see why there seems to be such an overwhelming conviction among the American people, and among the Members of Congress, that we must have the Marshall plan enacted right now. The answer is first, the sympathy and generosity of the American people, and second that very effective propaganda has been used. There has never been such propaganda in the whole history of our Nation as there has been for the Marshall plan. Naturally the European nations which stand to gain are for it and have sent their most effective spokesmen to America to lead the propagandizing. The new British Ambassador, who was the chairman of the conference of the 16 European nations who would benefit from the Marshall plan, has been sent

over as the number one lobbyist. The leader of the British Maritime Service has come over to make an active plea for the 500 ships included in the plan. Everyone who has an ax to grind has done his share of spreading propaganda, and there are many axes which hope to be sharpened by some share in the $17,000,000,000. Philip Murray of the CIO appeared for the Marshall plan. Why? Because he is president of the Steel Workers Union, and under the plan large quantities of steel will be sent to Europe, thus causing a steel shortage here at home which will cause bidding for our home shortage with resultant high prices. Philip Murray knows that the higher steel prices will give him a chance to demand higher wages for his union.

Practically every group in the country has been drilled on the benefits to be expected for that particular group if the Marshall plan is put into operation. Factory owners have been told that it will provide foreign markets for the products they manufacture. To the farmer is held out the promise that the plan will keep the price of agricultural products high. Laboring people are led to believe that it will assure plenty of jobs and good wages. Religious groups have been appealed to on the grounds of brotherly love and charity.

Many of our people who believe in the American Constitution and our republican form of government and who do not want to see the encroachment of communism in our own country have been assured that the Marshall plan is a sure cure for the spread of communism. They have been led to think that if we pay out this money for the plan, their boys and girls will not be taken from their homes to fight, and perhaps die, in distant lands.

Even the taxpayers are being told, "You can afford to wait a little while longer for reduction of taxes. We have prosperous times now and can afford to pay high taxes while jobs are plentiful."

Everybody is willing to listen to the propaganda and to do something about the unsettled world situation, but it has so many different aspects that it is hard to know what is the wise and the constructive move.

SOCIALISM AND CONTROLS

We know we want to stop the spread of communism, yet socialism is a step in the direction of communism, and some of the countries covered by the Marshall plan have gone quite a distance on the socialistic road. In fact, that is the basic cause of their economic troubles today. The grand vision of the innate importance of the individual and of his inalienable right to work and seek happiness in his own way, so long as it does not interfere with anyone else, has been lost in Europe. Our Constitution was built on that vision. It was the urge that caused our forefathers to face hard and untried conditions in a new land. It was the vitalizing force that inspired the framers of our Constitution to write a document that has enabled America to attain the highest standard of living yet known to mankind; and it is the vision we must now show forth in all its shining glory if we are to help the people of Europe reestablish themselves on sound economic and governmental principles.

There are questions about the Marshall plan which we must consider if we are to analyze it from all angles. The effect of socialism and controls on the economy of the European countries which we desire to help, and how these socialistic governments will use the funds under the Marshall plan, are some of the things we must examine.

One of the first questions that comes to us is, Why should we send our coal to Britain when Britain has unlimited coal underground and before the war was an exporter of coal? But that was also before Britain succumbed to socialism. Now the miners will not dig the coal under the socialistic rationed economy. They have demanded, and attained, shorter working hours, higher wages, and then they practice featherbedding on the job in the belief that in this way they make more jobs. Under the Socialist Labor government the politicians cannot do anything about the miners falling down on the job, because the political officeholders are dependent on the votes of the miners to remain in office, and they cannot chastise the miners for fear of losing their votes. That is the reason socialism is not working in Britain.

When we talk about helping Europe we think first of Britain, for she has our great sympathy. She has been our ally. Her people are our kin. We have for many years admired her wisdom and appreciated the integrity of her word. We recently loaned them, or gave them, $3,750,000,000. Within a few months it was virtually all spent, and little had been accomplished in the way of restoring economic stability in Britain. Our money had only served to allow Britain to carry out governmental experiments in the nationalization and socialization of her industries.

British industry is now in the dumps, but while V-bombs were falling on London, production in Britain was better than it is today with statism. Large industries have since been socialized. Thousands of bureaucrats, instead of aiding production, are busy operating price fixing, rationing, and various other devices that hinder and prevent production and perpetuate poverty, and that prevent these government workers from being producers themselves. The manpower shortage in Europe is one of the reasons the Marshall plan is likely to fail, and yet this controlled form of government continues to absorb manpower in unproductive bureaucratic jobs.

The British Labor Government believes in punishing the successful by taking up to 96 cents out of a dollar of income. As a result, there is no new profit money available for investment, for buying machinery or equipment, although most machinery has been worn out. There is no private money being created for building new plants or starting new industries.

The British Government subsidizes the food supply as much as 70 percent in order to fool the people into believing they are getting food cheap. The labor government must keep wage rates high. All this increased-production expense has caused British goods to be practically priced out of foreign markets. No wonder there is, for the British, a dollar shortage. She needs the restoration of freedom and the opportunity to cut down waste, to restore incentive, and to produce as the British have always done so well over the years.

France is in a similar position. The French are a thrifty people, and France would be on her feet today if it had not been for collectivist control of the French Government. They have failed to balance the budget and have resorted to printing-press money, so that the once 20-cent franc has come down to a value of about one-third of a cent. This naturally encourages imports and discourages exports. The government fixes prices and wages, maintains rationing, and buries business in a mass of red tape. No wonder France is paralyzed.

MARSHALL PLAN GOALS

While socialism is the greatest offender against the success of the economic aims of the Marshall plan, there are other purely material facts which show it is not likely to accomplish its recovery goal. These facts prove, first, that Europe has not the manpower to do the production job; second, that the capital resources available, or to be made available, are inadequate; and, third, that markets for the expected products are not available, unless created in Asia.

These three items have been thoroughly investigated by Business Week magazine, and the facts I am giving you were contained in their report to the Nation. It is well recognized that in order to attain the goal of the Marshall plan, the production of western Europe must expand well beyond prewar levels. This is necessary because there are more people in the area, so more production is needed to support the local population. They must produce more to make up for now having to go overseas for food which they obtained before the war in eastern Europe, and they must produce more to make up for a shrinkage in overseas investments which they have suffered, which investments in the past provided foreign currencies as dividends to pay for part of what was imported.

MANPOWER SHORTAGE

While there are larger populations to feed, there is less employable manpower available now for productive work in the 16 nations of Europe than there was before the war. Total employment in industry, commerce, and agriculture is less than in the late 1930's. This fact received no official mention in the Paris report of the 16 nations. While Europe has a decreased number of workers, with 1 percent fewer in Britain than in 1939, and 4 percent fewer in France, for example, there are more workers in government, which work, as you know, does not go to produce actual goods of any kind.

There is also poor distribution of workers, though Europe is trying to put its limited manpower to the best use. Britain, for example, has succeeded in getting more people to work on farms, but it has fewer miners digging coal, while France has more coal miners, but fewer farm workers. Yet it is a known fact that the British have traditionally been better producers of coal than the

French, and the French have been the better growers of food.

And finally the people of these nations lack the inspiration and the incentive to work under their rationed and controlled economies.

INSUFFICIENT CAPITAL

Now we have the question, Can Europe get the capital to meet its greater-than-prewar production goal? First, it must have enough capital to overcome the manpower deficiency, and then it must rebuild its capital plant, which is in worse shape than before the war, and expand it to produce more than ever before, both in total volume and in output per worker. But Europe is not contemplating imports of capital equipment in the volume required to meet the goals set. She is striving to get out of her current production more than 80 percent of the capital goods required to meet Marshall plan goals, and it cannot be done. In addition to this, she is now sending capital goods abroad to balance her trade deficits. In other words, the capital goods she is making and which she needs for recovery is going overseas to pay for imports.

MARKETS INADEQUATE

Long before the output of the 16 nations begins to reach its goals, Europe may find that it cannot sell the goods it makes for export, yet the goal is to balance exports with imports by 1952. To accomplish this, the export volume must be far larger than prewar. Britain has announced that it must sell 75 percent more goods than prewar to balance its trade books. The Monnet plan for France calls for 87 percent increase in export volume, and all the other countries must also boost their exports. Yet, all these countries plan to export products largely along the line of metals and metal products, and machinery. We, in the United States, are also planning for far larger than prewar exports in the same general lines. We can plainly see that western Europe and the United States cannot exchange all these industrial products between themselves. Then they must look to the rest of the world. Asia, the biggest customer, took 18 percent of prewar exports of manufactures, and eastern Europe 11 percent. We cannot count on normal exports to eastern Europe. That leaves Asia, with its more than a billion population, who could absorb the products if it were not demoralized and torn by war and desperately impoverished, but in order to take all the products, Asia would have to buy three or four times the volume of manufactures it did before the war. We cannot hope for such an economic recovery for Asia.

If the plan has no chance of successfully working as presently constituted, we should certainly face the situation and decide our course on the basis of real facts rather than on the basis of blind hopes. If we see it is not going to accomplish the expected recovery within the time planned and within the limits contemplated, and if we further see that our efforts will not stop communism if Russia decides to use force to promote it, then we may be forced to the conclusion that there is nothing left to do but broaden the scope of the plan. This means we may have to extend the time limit set to reach the goal, that we may have to increase the amount of aid which the United States will give to some of the countries as we go along, and that we may have to aid also other parts of the world which are within our trade orbit.

It also means that if the aid is to mean anything except something for Russia to step in and take over the benefits, then we must back our efforts for economic recovery by telling Russia to immediately stop her aggressions, and by showing that we have the military strength to enforce our stand.

There is every indication that Congress desires to go forward with the Marshall plan, and if that is true then I think it should be placed as much as possible on a businesslike basis and carried out through the International Bank and the Reconstruction Finance Corporation to the extent that these banks can be used. We all know that we appreciate and get out of anything only what we put into it. Only by having the nations of western Europe put all that they can into the plan themselves, can we expect it to achieve its full possibilities. They will not lose by putting in their assets; they will only be the more willing to work hard to protect them.

ASSETS OF 10 NATIONS

To secure loans from the International Bank and from the Reconstruction Finance Corporation, these 16 nations had as of June 30, 1947, long-term investments in the United States of $4,930,000,000, composed of stocks and bonds of United States corporations and bonds of the United States Government. This amount includes $900,000,000 collateral which Britain now has in the RFC. It has been estimated that this collateral could support a loan of as much as $700,000,000, and since England is to get a third of the ERP funds, this would help take care of her needs. It is my thought that the assets of these countries might be used as collateral in obtaining loans from the International Bank and from the RFC. I think these loans, however, should be for a short time only, probably 4 or 5 years, and then let the loans be made by the usual private sources. The money comes originally from private individuals in taxes anyway, so why not plan to ultimately leave the matter of the loans to private banking institutions and to people who have money to lend? They have done a good job in the past and can continue to perform this useful service in a better way than any governmental agency could possibly do.

INTERNATIONAL BANK AND RFC

I recommend for these loans, first the International Bank for Reconstruction and Development, for this agency can do more than any other institution to have the countries straighten out their trade barriers and make the reforms necessary to permit freer trade and stabilize their currencies. This bank has the power to refuse loans unless the borrower is in a position to meet the obligation. It must take credit worthiness into account in making its loans, because of the fact that it must sell its debentures to private investors. Since this is true, and since it can refuse loans, I see no reason why it could not impose needed conditions on foreign governments. While it might cause resentment for one government to tell another government she must make reforms in her internal economy, there is no reason why banks cannot say they would not be interested in making loans unless they can be assured of certain conditions.

The conditions which are so apparently necessary, of course, and which would work to the ultimate advantage of the borrowing country itself, are freer markets and sound money. The European economy is so tied up with trade and custom barriers and artificial and false currency values, that it is badly crippled, and is doing much of its business on an antiquated and retarding system of barter.

The overvalued currencies of these countries serve to attract imports but discourage exports which bring in the much-needed dollars. The free market rate of the French franc was a few months ago about 240 to the dollar, but under exchange-control rates where the franc is overvalued, the Frenchman is able to get the dollar for only 119 francs. Naturally if he wants to buy something, he will import it if possible, since his money has more value when he exchanges it into dollars than when he leaves it in francs and tries to purchase goods in his own country. This, of course, makes a chronic excess of imports over exports for France, so that it is hardly surprising that these countries now buy more than they sell. Allowing the franc to reach its own natural level would tend to correct the excess of imports.

The American Government has agreed to guarantee sales of the securities of this International Bank up to $3,175,000,000. There is now a free and unused guaranty of the United States available of $2,290,000,000.

The administration's program itself estimates that $1,285,000,000 of the $8,727,000,000 to be financed during the first 15 months of ERP can be met from sources other than new United States Government funds. The report of the House Committee on Foreign Affairs issued on March 20, however, on page 19, states:

> The administration's estimate that not more than $1,285,000,000 can be mobilized, without the liquidation of foreign investments seems conservative.

I agree that it seems so conservative as to be unsound. In that amount is included the small sum of $700,000,000 as the share to be borne by other Western Hemisphere countries. They could certainly be looked to for more, especially, in the light of the favorable international position of certain of the Latin-American countries, notably Cuba, Argentina, and Brazil, and in view of the plans to spend $1,700,000,000 of the $6,800,000,000 in offshore procurement in Latin-American countries.

The same report of March 20 of the House Committee on Foreign Affairs also states:

> The inclusion of $200,000,000, as a likely estimate of dollar funds that might be available to the ERP countries by the Export-Import Bank does not seem unreasonable.

The United States Treasury officials report the "excess" gold and dollar balances of Switzerland, Portugal, and Turkey amount to $1,500,000,000. Since this is "free" gold, in the sense that it is not needed as currency reserve, it might well be used in a program of mutual aid among the 16 nations.

Then there is the Reconstruction Finance Corporation. I know of no reason why loans could not be made through this agency on a businesslike basis. It has been done before. In 1941 the United Kingdom pledged collateral presently valued at $900,000,000, to secure a loan made at that time. It has now been amortized from the original $425,000,000 to $176,000,000, but the original amount of collateral in the sum of $900,000,000 still remains with the RFC.

AMOUNTS ASKED

Let us consider the amounts that are supposed to go to these various countries. First there is Britain—she has already received very much which she has allowed to be dissipated in governmental experiments, and has declared that she is worse off than she was before the loan. However, according to figures made public in the Senate hearings on the European recovery program, page 116, at the time when the amount being considered was $6,800,000,000 for a 15-month period, the amount set up for Britain is $1,760,000,000, which is about one-fourth of the total amount for the 15-month period.

Holland, or the Netherlands, is a very small country; $705,000,000 is set up for her, yet it is generally conceded that there is no danger of this country voting Communist. Nor is there danger of Belgium, Luxemburg, Norway, Denmark, Ireland, and Iceland voting Communist, yet all these countries are to get large amounts. Little Iceland is set up for $13,000,000, Norway $34,000,000.

The anti-Communist problem in Austria and Greece is generally recognized as largely need for military assistance rather than economic. Austria is to get $182,000,000 and Greece $186,000,000.

The island of Ireland is listed for $152,000,000. Yet communism is not a threat there. Furthermore, Ireland was not in the war, and she made large profits in trade during the war years. Nor was Sweden in the war, and she naturally made profits in trade during the war. Sweden is down for $33,000,000.

As I understand it, however, the problem is being considered as a current one, and if these countries care to come into the Marshall plan and agree to cooperate in reducing trade barriers and stabilizing currencies and otherwise help in the recovery program, they may be included in the plan whether they were in the war or not.

These figures would now be somewhat changed, since under the bill now before the House we are considering a sum of $5,300,000,000 for a period of 1 year only. The figures I am using, however, are illustrative of how the break-down might be. I am giving below the entire list based on the sum of six billion eight hundred million and on prices as of July 1, 1947, but it must be remembered that in the bill before the House, the money is not specifically allocated but is to be considered as a lump sum and the Administrator is to handle it as the economic circumstances demand and according to the cooperation shown by the individual nations. In other words the whole thing is flexible.

Distribution on basis of $6,800,000,000 for 15 months from Apr. 1, 1948, to June 30, 1949

	Millions
Austria	$182
Belgium-Luxemburg	325
Denmark	164
France	1,434
Greece	186
Iceland	13
Ireland	152
Italy	869
Netherlands	705
Norway	34
Portugal	None
Sweden	33
Switzerland	None
Turkey	None
United Kingdom	1,760
Germany:	
Anglo-American zone	914
French zone	80
Saar	11

AMERICANS WANT TO HELP

Of course it is the deep and honest desire of the American people to help people abroad as much as we can. No other nation in the history of the world has ever had such altruistic instincts, and this is another reason why we can be proud we are Americans. The American people will spontaneously give and give and give, if they are allowed to follow their own inclinations. We have the example of the Friendship Train. First it was just a brief mention by a radio commentator, and then it grew to be three trains full of grain, and countless other gifts, and hundreds of thousands of dollars, to be distributed directly to the people of Italy and France from the people of this country. It was charity given out of pure love of one people for another people, and there would be many repetitions of such gifts if it were left to the American people to do it in their own generous and spontaneous way.

Such gifts would make such a convincing plea for free government and free enterprise that Communist propaganda would not have a chance. But that is not the way the Marshall plan is to be handled. The rank and file of people of these countries will not be told that the aid comes from democratic, free-enterprise America, for the plan is to have this $17,000,000,000 worth of food and goods delivered to the governments of these various countries, and the governments in turn will sell it to their people, not give it but sell it, and nothing will be earmarked as having come from America.

AMERICAN SUPERVISION

I think the food relief should be handled entirely separately from the capital goods we are furnishing for rehabilitation. Let the 16 nations put up security for as much as possible of the capital goods, and if there is anything to be given in aid, let it be food to feed the hungry people. If we do decide upon a food-gift program, I think it should be administered by Americans. If we can afford to send that much food overseas, we can afford to send Americans over there to see that it really gets to the people who are destitute and starving, and we can see that every item is stamped with the American flag, so the people will know what American democracy and free enterprise can do.

The capital goods should also be under American supervision, especially the amounts of it which are unsecured by collateral. Let us send our engineers and our supervisors over to see that the money actually goes into productive channels and not into socialistic experiments and nationalization of industry. If the plan is to be ably administered, we must do better than we have done in Germany, where our dole is now costing the taxpayers of America about a billion dollars a year to sustain Germany.

Regardless of the weaknesses of the Marshall plan which I have pointed out, still I believe America sincerely desires to go forward with the program of helping the nations of western Europe, but a recovery program alone would do more harm than good, for the benefits would ultimately be taken over by Russia. We therefore see that if we go forward with the recovery aims of the Marshall plan, then it is up to us to take the second step and very firmly tell Russia to cease her aggressions. Then, of course, we must support our position by military force. We cannot talk convincingly unless we have military power to support what we say, for Russia understands no other language.

OUR OWN DEFENSES

Let us see what our defense position is. Secretary of the National Defense, James V. Forrestal, in his testimony before the Senate Committee on Foreign Relations, on January 15, 1948, was asked by Senator BARKLEY:

> Is there any way by which we can estimate the possible cost of having to resort to the other alternative of defense, namely, military and naval preparation and building up of our strength?

To this Secretary Forrestal replied that in that case as a guess he would say we would need to increase our total appropriation for national defense by 25 to 50 percent. In terms of this statement, an increase of 25 percent on the amount of the present budget of over $11,000,000,000 would be more than two and three-fourths billion dollars while a 50-percent increase would be over five and one-half billion dollars. That includes all items of national defense, military and naval preparation and building up of our strength. Other figures which I will give you indicate to me that the estimate of Secretary Forrestal is far too conservative.

While it is well known that Russia has at least 100 trained divisions at its command, we have only two and one-third trained divisions at this time which are uncommitted and ready for immediate combat, with seven or eight divisions overseas, of which none is combat-ready. The present ceiling for the Army is 669,000, whereas the actual strength is about 550,000 and the Army is asking for an authorized strength of about 900,000. That seems a very small request to me under the present unsettled world situation.

General Spaatz, our Chief of Staff of our Air Forces, estimates that Russian air power consists of 14,000 first-line combat planes. That is approximately three times the size of our first-line air fleet. The Secretary of the Air Force, W. Stuart Symington, in an article in the February 1948 American magazine, stated that in order to provide our country with an adequate air force which is "able to guarantee the minimum of safety margin of national security, the bill would run as high as $8,000,000,000 annually." He also stated it would be necessary to employ 664,602 military and civilian personnel for the maintenance of an adequate air force.

Secretary of State George C. Marshall, in his recent closed discussion of new developments in the world picture is reported to have told the Senate Armed Services Committee that for the 5-year period of 1953 the estimates for universal military training appear to call for a total of more than $14,500,000,000, with the average cost of the program estimated at nearly $3,000,000,000.

Recently the Chairman of the Atomic Energy Commission recommended that for fissionable materials our capital investment of about $2,000,000,000 be doubled in the next 4 or 5 years to expand our production of these vital materials. This means an annual outlay of $400,000,000 to $500,000,000, and, of course, we all recognize the necessity of giving every dollar needed to this project, not only for defense purposes, but in the hope that constructive uses of atomic power will mean unlimited progress for civilization.

As part of the expense of national defense one might add the cost of construction of the proposed Nicaragua Canal. In 1931 the United States Army engineers reported the estimated cost would be about $722,000,000 dollars, with an annual cost of $10,800,000 for operation and maintenance. This cost at this date would, of course, be much larger, but it is thought that it is a needed defense, since it would afford another canal in the event the Panama Canal should be put out of operation.

Then there is the recommended change of the Panama Canal to a sea-level canal which was made by the Governor of the Canal to the Congress on December 1 as the result of a 2-year study made at the direction of the Congress. The report points out that converting the present Panama Canal to a sea-level canal would afford greater security for it, since this would do away with the necessity for the locks and the lake. The estimated cost of converting the present Panama Canal to a sea-level canal is approximately $2,500,000,000.

Then there are certain strategic or critical materials which are essential to the national defense, the supply of which largely comes from outside the United States. I have taken eight of these materials and have shown the imports in the peak war year, and have estimated the probable cost of stock piles in such quantities as to make us self-sufficing in these materials for a period of 2 years. I am giving tabulated figures following this paragraph, but for summary purposes I will say that the eight materials—chromite, copper, industrial diamond, lead, manganese, nickel, rubber, and tin—would require an amount of $1,273,430,329 for a 2-year stock pile. Certainly it behooves us to get our stock piles built up at this time.

	Peak war year (in tons)	Cost of 2-year stock pile
Chromite	1,115,000 (1941)	$89,000,000
Copper	845,200 (1945)	71,375,200
Industrial diamond	12,614 [1] (1944)	84,514,197
Lead	492,491 (1942)	59,196,632
Manganese	1,714,600 (1941)	24,004,400
Nickel	169,200 (1943)	197,080,000
Rubber	537,000 (1935-39) (average).	429,600,000
Tin	169,500 (1941)	318,660,000
Total		1,273,430,329

[1] Carats.

Then there is one more defense need that seems important to me, and that is to strengthen our Foreign Service. There is need for more good footwork in the State Department offices abroad. Right now, with the elections in Italy scheduled for April 18, much could be done by our diplomatic corps to see that the elections are fairly held, and that there is a secret ballot. There are many services these diplomatic employees could perform. In this connection I wish to call attention to the bill which I introduced in this Congress, H. R. 1770, to establish a United States Foreign Service Academy for the training of these diplomats, just as we have the Military and Naval Academies for the training of officers in the Army and Navy.

Since it is evident that the program for European recovery would be futile and just a matter of building up to the point that Russia could move in and take it all over, unless backed by strong military power in our own country, we can see that the two phases of the program will cost a very large amount of money over a long period of time. However if it takes that to make the program a success, and if otherwise the aims of the Marshall plan will fail, then there is nothing left to do but meet the cost. We would at least be taking affirmative action and doing our best, and that is the American way. If it prevents another war, then the cost is small as compared to the great losses of World War II, which were, as we know, more than a million American lives, and over $330,000,000,000.

If we are to have the money to finance the two phases of this program, it is most important to keep our own economy free of the restrictions and controls which would strangle our production. Our full facilities must be allowed to operate as they have in the past in producing for America and for the world, so that America may stand before the doubting world as positive proof of the superiority of democracy and a free economy over socialistic and communistic systems. When we have done this, then as Henry Clay once said:

We have done more for the cause of liberty in the world than arms could effect. We have shown to other nations the way to greatness and happiness.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin, a member of the Committee on Foreign Affairs [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, I was somewhat surprised to hear the remarks of my distinguished friend and colleague on the committee [Mr. RICHARDS], who apparently would tear this bill apart. To me the aid for China and Turkey and Greece are of the utmost importance in this bill. One of the witnesses who testified, one of the military men, said that this flank in China must be protected and so long as it is Russia will be contained. Put in another way, this military man said that Russia will not move militarily in western Europe so long as that flank is not in the hands of the Communists. It seems to me that is the heart of this whole problem. Mr. RICHARDS has said there has been too little time granted in committee to consider fully just what titles III and IV mean. I call his attention to the fact that as to China, the committee listened to 17 hours and 30 minutes of discussion. This information comes to me from the clerk of the committee. In that connection there were some six or seven witnesses, all of whom appeared in response to a request by the minority members of the committee. We spent 5 hours and 10 minutes listening to the testimony on the Greek and Turkish matter. It seems to me the committee was very generous in hearing testimony on these two titles in the bill. As for me, if these titles are eliminated I cannot support the bill. I hope that the Members of this House will fully consider the importance of titles II and III; as a matter of fact, to all titles in this bill.

I call attention, in connection with the China situation, to the fact that the State Department has been wholly inconsistent in connection with the China problem as it has been in so many other matters. As I listened to the distinguished gentleman from South Dakota [Mr. MUNDT] this afternoon I was amazed to learn that we are today shipping critical materials to Russia. I wonder if we are actually interested in stopping communism.

I have before me today's Washington News, in which appears an article by Maj. Gen. Claire Chenault, who appeared before our committee. He was an outstanding soldier in the last war. I give you what he says in a few paragraphs about the conduct of the State Department's attitude toward China, and especially by Mr. Marshall and his aides and assistants.

General Chenault says:

If American policy had attained its manifest objectives in China during the war with Japan, China would be Communist today.

I don't mean to say this was the conscious aim in China, but I sincerely believe this would have been the result.

American policy as applied during the first 3 years of our wartime military alliance with China consisted principally of increasing demands upon the Chinese Central Government which at their peak in 1944 would have entailed virtual abdication of Generalissimo Chiang Kai-shek.

At the same time, the executors of our war policy had been carrying on a "public love

affair" with China's rebellious and autonomous Communists, hoping to arm them with American weapons and bring them into Nationalist China. They were planning to use the Communists in battle against the Japanese when Chinese Nationalist commanders, never short of manpower, were begging for American arms and ammunition.

This is an almost unbelievable statement.

The testimony before our committee was to the effect that for more than a year the Secretary of State successfully resisted any effort to send matériel to help out the nationalist army.

In western Europe we have the State Department condemning communism. In China we find it embracing communism.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. JOHNSON of California. Is it not a fact also that we spent about 2 years, through an executive committee, trying to compose the differences between the Communists and the Nationalist Government, and after exhausting every possible approach and every effort that we could, the thing finally failed because the Communists would not give one single inch?

Mr. SMITH of Wisconsin. That is the fact, and unfortunately Secretary Marshall apparently took sides with the Communists.

Now, I continue to read:

The strain in American-Chinese relations at the time turned Chungking dinner tables into a strange propaganda front, where Americans extolled Chinese Communists and berated the Chinese Central Government.

It was a common witticism in Chungking that the American headquarters staff was developing "a private foreign policy with John Davies (a State Department aide assigned to General Joe Stilwell) as Secretary of State."

(NOTE.—Mr. Davies is now a member of the State Department's Long Range Planning Committee, a job to which he was assigned by State Secretary George Marshall. He is in charge of China matters.)

So I am wondering where this kind of policy is going to take us. Is this administration against communism or not? The people in this country have a right to know. It is their money that we are asked to spend.

Just a week ago we listened to the President, and as a result of his remarks there is a national hysteria today and a demand is made that we ought to start dropping bombs upon Russian cities. People are confused. So are we, because we do not know where this policy is leading us.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. MACKINNON. This bill actually represents in titles II and III the first movement by this country in advance of movements of Russia. The rest of it has all been after the horse has been stolen, trying to lock the barn door. Is not that right?

Mr. SMITH of Wisconsin. I agree with the gentleman; yes.

We, the members of the committee, at least, and those who have read the hearings, know that so far as title I is concerned it provides for doing business between the east and the west countries in Europe. Mr. Marshall testified that so far as Russia is concerned we would welcome her at any time just so long as she did business with the 16 cooperating countries. Now, I am wondering if we can welcome her with open arms and give her the things that she would want in view of what has happened in Czechoslovakia?

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. MACKINNON. At the close of the day's proceedings I am going to insert a compilation of tables I have had made of trade with Russia during 1947. This bears out the gentleman's statement. We exported $149,000,000 worth of goods last year and imported $77,000,000.

Mr. SMITH of Wisconsin. I thank the gentleman for his timely contribution. Those figures will be interesting.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. HARRIS. I wonder if the gentleman would tell the committee how much of that has been exported to Russia since June 30, 1947?

Mr. MACKINNON. If the gentleman will yield, I may say there has been a substantial fall-off since June 30 in many of these items, but it is still continuing. All that information is contained in the charts which are so broken down that you can gather that. Offhand I would say it looks like $55,000,000 July and September, October, and December.

Mr. SMITH of Wisconsin. These are some of the things that the American people are troubled about. They just do not understand how that kind of policy can prevail in view of the fact that we are so determined to go to war if it is necessary.

Mr. COX. Can the gentleman understand such a policy?

Mr. SMITH of Wisconsin. Not at all.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. BUFFETT. Did the committee get any evidence of our ability to staff these military outposts like Korea, Japan, Germany, Austria, Greece and Turkey with enough troops to repel a Russian attack in force? Did the gentleman have any testimony on that?

Mr. SMITH of Wisconsin. No; I believe there was no testimony on that.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I am glad to yield to the gentleman from Ohio for further information.

Mr. VORYS. The gentleman's question referred to staffing with enough troops. Wherever the expression "military aid" or "military assistance" is used in this legislation or in the discussion or in the report it means military-type aid or assistance, it means advice and military equipment but not American combat personnel.

Mr. SMITH of Wisconsin. I am glad to have that correction. I would like to say also that in the matter of aid for China, General Chennault said very emphatically that it was his opinion that as far as manpower was concerned and as far as ability to whip the Communists was concerned that all they needed was material and technical advisers. I think even as far as economic aid is concerned that is a secondary matter. If we will just give these people something to fight with they will do the fighting.

Mr. BUFFETT. In connection with my original question, if we are following a policy that challenges Russia to war are we not directly endangering the lives of our boys in each of these places of occupation?

Mr. SMITH of Wisconsin. I expect there is that possibility.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that these military missions that we sent to Greece and Turkey, and one was in China before we passed the Greece-Turkey bill, are under the authority of the Congress and the Americans who are over there, in the language of the bill, are in an advisory capacity only?

Mr. SMITH of Wisconsin. That is my impression.

Mr. JUDD. Not for a moment has anybody contemplated sending a single combat soldier in. It is not authorized by the legislation and cannot be done. So it is important to make clear that when we speak of military aid, as the gentleman from Ohio has said, it is supplies, training, and advice—nothing further.

Mr. SMITH of Wisconsin. That is my understanding.

Mr. JUDD. It is to avoid sending any American soldiers ultimately by helping these nations stay on their feet so that they can provide the soldiers that may be necessary.

Mr. SMITH of Wisconsin. Yes.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Minnesota.

Mr. MACKINNON. In answer to the gentleman from Arkansas [Mr. HARRIS] in reference to the statistics since June 30, last year, this chart, which was prepared by the Department of Commerce, shows American exports to Russia in the last 6 months as $57,800,000 and imports as $44,600,000.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Illinois.

Mr. OWENS. Is it not true that we are taking the very same steps that we took prior to World War I and World War II; that is, getting other nations to aid us instead of standing on our own feet, thereby encouraging an attack upon some part of our Nation or some one of our outposts as we did on previous occasions? Now, is that a courageous thing for us to do?

Mr. SMITH of Wisconsin. Does the gentleman want me to answer the question?

Mr. OWENS. Yes; I would like to have an answer.

Mr. SMITH of Wisconsin. It is not a courageous thing to do, as you say.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Ohio.

Mr. VORYS. If there is a threat to our security, I wonder if these gentlemen recommend that we send American troops overseas at this time?

Mr. OWENS. I will answer that. I think that the shoe is on each foot. In other words, we ourselves are attempting to shape the destiny of the world. Question some of these generals and find out if it is not true that they think America is going to rule the world.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from New York.

Mr. REED of New York. I have stated my position in regard to this Marshall plan. Of course, I am opposed to it as un-American, as unconstitutional, and not worthy of this Congress to consider.

May I say one other thing. I do not know how much of this is camouflage, but I am interested in the statistics that my good friend presented. The American people know, if they have not forgotten, that we followed this same course when we armed Japan. It was simply greed. Here was an opportunity to sell all of this armament to Japan. We built her tanks, we built her navy, we built her submarines, everything, with our steel, with our oil. We furnished the supplies to Japan over a period of years. We are doing the same thing now with Russia and we are going to pay for it with blood, because it is going to be hurled into the bodies of our men before we get through if we keep on down this course. We have been pouring goods into the satellite countries of Russia, and it has been getting into her hands. We armed Yugoslavia, then we poured the money of the taxpayers of America into Greece and Turkey to try to head off this debacle. Why do we not come to our senses? Once the people know the truth, they will crucify this crowd here for selling out America.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from South Carolina.

Mr. DORN. May I say that I am very much in accord with the intelligent analysis of the situation that the gentleman is making. I am glad he raised the point about this trading that is going on with Russia. If you will break down those figures that you have you will find out that they not only cover various articles, including also airplane engines, and they were sent there lately. They will be used directly for attack on this country or some other country.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Wyoming.

Mr. BARRETT. I have been very much interested in the statistics that the gentleman from Minnesota has offered to the committee. I would like to ask the gentleman having the floor this question: Is it true that under the provisions of this bill we are advancing funds to England and other European countries to enable them to manufacture and ship to Russia the very materials that we are now complaining about being shipped out of this country to Europe, and on a much larger scale than have been shipped in the last year from this country?

Mr. SMITH of Wisconsin. I take it that that is possible under the program, because if we are going to do business between the eastern and the western countries of Europe, I do not know how you could plug the hole once that trade develops.

Mr. BARRETT. Is there anything in the bill that indicates that we are opposed to the shipment of goods to build up the economy of Russia or build up their war machine from the West to the East.

Mr. SMITH of Wisconsin. All I can tell the gentleman is that the Secretary of State has stated specifically that Russia is welcome, as the satellite countries are, to do business under this program.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Minnesota.

Mr. O'HARA. I wonder if the gentleman's committee has given any consideration to the effect of this program upon our material resources in this country that we are in short supply? Today I introduced a resolution, because we are short of tractor fuel oil up home, and the whole answer is that we do not have the ability to get cars to get that fuel oil up there so that the farmers can use their tractors. On top of that we have the continuing shortage of supplies of steel to the extent that some of our industries have closed down. I wonder if in this program any consideration was given by the gentleman's committee to all these vast amounts of steel and short supply resources that are going out of this country.

Mr. SMITH of Wisconsin. Well, we had rather voluminous reports by Dr. Nourse, by Mr. Harriman, and by Mr. Krug. These reports were all to the effect that we do have the resources. I am in no position to challenge their statements.

Mr. O'HARA. The gentleman has undoubtedly had his own personal experiences and difficulties in getting supplies in his own district, has he not?

Mr. SMITH of Wisconsin. Well, I think we can take notice of the fact that oil has been in short supply. Steel has been in short supply, as well as copper and all these other critical materials, and they will be increasingly so under this program. You cannot avoid it. That is inevitable, in my opinion.

Mr. Chairman, I am also having trouble with title I of this bill. It, too, involves the same kind of inconsistencies that exist in title IV. The people of this country have been told that the European recovery bill now before us will stop communism in western Europe. That is the alleged theory underlying the measure and certainly that was the theme of the President's message just one week ago. It has, therefore, become a symbol of opposition to communism.

Is it not strange, Mr. Chairman, that those 16 countries in the report (CEEC) to this country failed to comment on the dangers of communism? I have carefully examined the report and there is no mention of such a menace. Then, when we examine the bill we find that Russia and her satellites are encouraged to join up with the other 16 countries. The fact is that this plan envisages full trade between eastern and western European nations, as I have previously stated.

I call your attention to the direct testimony of Secretary Marshall on this point at page 57:

Mr. RICHARDS. Mr. Secretary, as I understand, it is your hope that the other nations over there, outside of the 16 nations in Europe, will also join this group.

Secretary MARSHALL. That is the hope. I do not know whether you can regard it as a probability or not, but I think it is a possibility, and I am inclined to think that if this program moves forward in a successful manner, that it is going to work a great change in feelings and in European public reactions.

Again I am somewhat influenced in that expression by my contacts with the officials of satellite countries. They have expressed great concern in relation to trade possibilities, their fear that this proposed legislation involved a western curtain, which it did not at all, and their general concern over what happens to them if this general program moves forward successfully. All of which I think will have a decided influence on their general feeling, though there is no indication whatever of any weakening in their political stand at the present time.

And on page 65 of those same hearings Mr. JARMAN questioned him along the same line. Here is the colloquy:

Mr. JARMAN. Now you were questioned this morning about the fact that the wording of this bill and one paragraph in particular of it was so general that it would permit Russia to benefit under the plan. Later on, you mentioned that other countries might come in. The door is open to Russia; is it not?

Secretary MARSHALL. Yes, sir.

Mr. JARMAN. Russia went to Paris, as I understand, and left in a few days. All countries were invited; were they not?

Secretary MARSHALL. It is wide open, and the more countries that come into this on a truly cooperative basis, the greater ease we would find in composing the economic situation in Europe.

Mr. JARMAN. Therefore, it is no criticism of the legislation that it is sufficiently general to open the door to any country that might want to come in?

Secretary MARSHALL. I would not think so. Of course, any country that comes in has to meet the conditions.

Congressman GORDON also asked the Secretary the same kind of question and he received the same answer. On page 70, he said:

Mr. GORDON. Is the door shut for other nations to participate?

Secretary MARSHALL. What was your question?

Mr. GORDON. Is the door shut for other nations, such as Poland, for example, to participate in this program of European reconstruction, now or in the future?

Secretary MARSHALL. It is not.

Mr. GORDON. What would be the condition for it to participate?

Secretary MARSHALL. They would have to subscribe to the conditions which are laid down in the CEEC, and the later conditions that arise here by virtue of the laws which you gentlemen enact.

Mr. GORDON. Were Poland and Czechoslovakia asked to participate in this program?

Secretary MARSHALL. All countries in Europe were invited, except Spain. That was handled entirely by the nations in Europe.

There can be no doubt, Mr. Chairman, that under the pending bill Russia and her satellites can receive the benefits of our largess. This is a ridiculous situation.

Now, then, Mr. Chairman, I think we should stop and take a look at the consequences that will follow in the wake of passage of this legislation, even though there is an intense desire to support it. At this point our constituents enter. Here is what follows:

First. There will be a considerable boost to the pressures of inflation. The bill provides, however, that assistance contemplated shall not impair the economic stability of the United States. This seems like double talk to me.

Second. There will follow a program of allocations of materials in short-supply.

Third. Rationing and price controls must be imposed if the program is to be effective.

Fourth. Restrictions on the use of oil will be effected.

Fifth. Shortages in durable goods, steel, copper, iron, lead, lumber, will be greatly accentuated. The housing shortage will grow worse.

Sixth. Prices will go higher and so will taxes.

Seventh. Veterans' benefits will be in jeopardy.

Eighth. Then follows: UMT, conscription, and billions more for national defense.

Ninth. Ultimately, as a result of all these programs, there will be imposed a regimented economy under police-state regulations.

This is not a pleasant picture.

Title I of this bill provides a considerable sum of money for outright relief. The history of relief programs in the past indicates that when it is given privately it is much more effective. In this instance, Europeans who are suffering misery and want are to be relieved by grants from the American Government. Naturally the Europeans will assume that America is taking advantage of their desperate situation in order to make certain demands as a condition of receiving relief or in order to give vent to our imperialistic ambitions. I believe that the relief provisions should be separated from economic rehabilitation and should not be covered in this bill. The responsibility for this part of the program should be placed in the hands of reputable and responsible private agencies so that a campaign for assistance from the American people could be undertaken and so that this country could not be charged with ulterior motives. It does not seem so many years ago, after the First World War, that the British were charging us as being Uncle Shylock. Government grants to foreign countries arouse resentment. Private gifts do not. It also appears to me that under title I we are subsidizing socialistic governments in Europe. We make no real provision in this legislation whereby private individuals can do business with private individuals in other countries. It is strictly a governmental operation between this Nation and other nations. Unless we are careful we could easily perpetuate the conditions of economic stagnation which now exist in Europe because of state socialism. And let us not forget that socialism is only one step removed from communism.

OUR YEN FOR YENAN

(By Maj. Gen. Claire L. Chennault, as told to Clyde Farnsworth, Scripps-Howard staff writer)

(NOTE.—General Chennault formerly commanded the United States Army's Fourteenth Air Force in China, before that the Flying Tigers, famous outfit of American volunteer pilots which helped China fight the Jap invaders. He is now head of Civil Air Transport, a private aviation concern in China. A long-time friend of China, he knows that country's strength and weaknesses and is widely regarded as a competent critic of America's policies toward our wartime ally.)

If American policy had attained its manifest objectives in China during the war with Japan, China would be Communist today.

I don't mean to say this was the conscious aim in China, but I sincerely believe this would have been the result.

American policy as applied during the first 3 years of our wartime military alliance with China consisted principally of increasing demands upon the Chinese Central Government which at their peak in 1944 would have entailed virtual abdication of Generalissimo Chiang Kai-shek.

At the same time, the executors of our war policy had been carrying on a "public love affair" with China's rebellious and autonomous Communists, hoping to arm them with American weapons and bring them into Nationalist China. They were planning to use the Communists in battle against the Japanese when Chinese Nationalist commanders, never short of manpower, were begging for American arms and ammunition.

The strain in American-Chinese relations at the time turned Chungking dinner tables into a strange propaganda front, where Americans extolled Chinese Communists and berated the Chinese Central Government.

It was a common witticism in Chungking that the American headquarters staff was developing "a private foreign policy with John Davies (a State Department aide assigned to Gen. Joe Stilwell) as Secretary of State."

(NOTE.—Mr. Davies is now a member of the State Department's long-range planning committee, a job to which he was assigned by State Secretary George Marshall. He is in charge of China matters.)

At the root of our mistakes in China was the refusal of the dinner-table clique to take the Communists' own word for the fact that world revolution was and would continue to be the Communist objective in China.

Social life in China's drab and battered wartime capital consisted mostly of dinner and cocktail parties. American officers and officials turned them into forums of propaganda for the Chinese Reds and unbridled criticism of the central government. Among these groups it became an easy conversational axiom that the Chinese Communists were not really Communists but just agrarian reformers.

My subordinates were told by members of the headquarters staff that this loose talk had Gen. Stilwell's sanction. I believe this was indeed the case. But if it were not, General Stilwell's failure to curb such behavior was a fault of almost equal gravity.

This was the state of affairs in September 1944 before Generalissimo Chiang Kai-shek, refusing the latest and most extreme American demands, forced Stilwell's recall. For nearly 3 years General Stilwell persistently had pressed for full control of Chinese armies under an exclusively American corps of officers down to rank of colonel.

For some time, the Communists had maintained a mission in Chungking as a front for a thin pretense of collaboration with the central government against Japan. Actually, this mission was little more than an espionage post and propaganda center.

The principal function of the Red outpost in Chungking seemed to be press-contact work. It was an ironical though unpublished footnote to journalistic attacks on the dictatorial central government that much material for them originated with the Communist mission in Chungking.

To that bizarre arrangement, the American theater staff eventually added another—an American military mission to Yenan, the capital of Communist China. The justification that was offered for our Yenan mission was that it supplied military intelligence in a theater notably lacking in such facilities.

But the Yenan mission was more than a source of intelligence. It served as a convenient bridgehead to the Reds for our military dealings, and an excuse as well as a means for occasional trips there by American correspondents and such State Department personnel as were partners with our theater staff in promotion of friendship with the Communists.

If the American mission to Yenan was a source of valuable intelligence, there was a sad lack of security on such information. An officer told me he had learned on a visit to the Chungking press hotel that Yenan Communists liked Stilwell well enough to desire his leadership for their armies. If this report was true, the failure of security on such a delicate matter was nearly as surprising as the information itself.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BLOOM. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, since before the beginning of the war, it has been necessary to make many decisions that called for decisive action. Decisions of grave concern and that sometimes literally tore the heartstrings from our very souls.

People everywhere are crying peace, peace, and yet after nearly 3 years since the ending of the most tragic and cruel war in all history, there is no peace.

The greatest of all narratives has been our effort to bring about a just and lasting peace.

Without reviewing again the reign of terror, the unholy aggression that reached the depths of degradation, murder and bloodshed, the chain of events since has reflected the need and the justification for adventures unequaled for the sake of humanity. Prostration in war-torn countries, tragedy and human suffering unfolded and incredible atroci-

ties lined the path of a shameful experience and a distraught world. Mistakes undoubtedly have been made as it is impossible to look into the crystal ball and determine the final result of any undertaking and especially when there is discord, confusion, and a planned design by some to prevent peace.

It matters little now and I would not speculate as to whether or not the policies we have pursued have prolonged the catastrophes or helped to precipitate the present dilemma. For me it is sufficient that tragedies have occurred and that we have full knowledge that they are seriously threatening the peace, stability, and world security.

To the everlasting credit of the United States, we have tried to bring about a just peace. We have shown by our actions and sacrifices that this time we are determined to prevent another world conflict. At times it has appeared to be hopeless through diplomacy but we continue to try with a fervent hope that we will ultimately succeed.

It is not enough apparently that we have gone to the rescue of prostrate Europe; it is not enough apparently that we have provided bill after bill supplying money, food, and the necessities of life; it is not enough apparently to relieve human suffering, though all of these are worthy accomplishments and I shudder to think what would have resulted without them.

In the midst of the dust and ruins of victory, in the wake of our laudable efforts for peace for free men and as we continue to alleviate mass human suffering, there has arisen a new aggression that is circumscribing the disintegrating peoples like the mighty tentacles of a huge octopus.

The Soviet Union has not only deliberately failed and refused to cooperate in establishing a durable and just peace, but has set out upon a conquest that even surpasses, if it is possible, the Nazi aggression that brought on World War II. Totalitarianism produces the same result against humanity whether it is nazism, fascism, or communism. A dictator becomes a detriment to humanity whether it is a Hitler, a Mussolini, or a Stalin.

We have accomplished little by destroying one of these forms and permitting another to extend its vicious methods of enslavement.

We had a right to assume that Russia would live up to her agreement for the basis of peace and world security. We were justified in assuming that Russia meant what she said about cooperation to accomplish this objective after victory. We believed her to the extent that we immediately demobilized, but we have seen her Communist expression and dictatorial policies extended to country after country as consistently as time would permit.

Our hopes have been frustrated. Desired results have not been obtained. From the Atlantic Charter to Casablanca, Teheran, Yalta, and Potsdam, and the many, many other conferences, we have consistently planned to extend freedom and democracy to the peoples of all nations that they may freely choose without interference the type or kind of a government they desire.

It, therefore, becomes only too clear that if we are to reach our objectives something more than granting relief to human suffering is necessary. We must go beyond this immediate relief and bring about something more permanent for peoples to build to. A definite pattern to preserve the freedom of western Europe by bringing about a permanent stable economy and political honesty is essential. It is futile to continue otherwise.

Facing this reality, our Secretary of State, General Marshall, struck a note in his speech at Harvard last June that is destined to bring about the long sought peace and stability for freemen in a free world.

Modestly and quietly he said that it was evident that before the United States Government can proceed much further to alleviate the situation and help the European world on its way to recovery, there must be some agreement among the countries of Europe as to the requirements and the part these countries will take in order to give proper effect to whatever action may be undertaken by this Government. The initiative, he said, must come from them and the role of this country should consist of friendly aid in drafting a program and later supporting it so far as it may be practical for us to do so.

The reaction to this suggestion was spontaneous. Sixteen nations took the initiative and met to coordinate the independent nations of Europe in a self-help effort to become stable and preserve their freedom.

We are now in the process of deciding what our future role will be. We are face to face again with a momentous decision. Everyone recognizes the crisis is greater today than it has been since the ending of the war. We have got to decide between peace and war. This program is to prevent war and stop the aggression that will inevitably bring war.

Here we propose a recovery plan to foreign nations on conditioned participation. As has been said "in the name of peace, stability, and freedom, it deserves prompt passage. In the name of intelligent American self-interest it envisions a mighty undertaking worthy of our faith." This is an economic approach which calls for survival. It is necessary to prevent collapse of these nations into the Communist sphere of influence.

This plan recognizes that "disruption following in the wake of war is not contained by national frontiers."

It announces the sound doctrine that "it is the policy of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation."

This plan authorizes $5,300,000,000 for European recovery to the 16 participating nations. It provides $60,000,000 for the International Children's Emergency fund; $275,000,000 for primary military-type aid to Greece and Turkey, and $150,000,000 for primary military-type aid to China; it also authorizes $420,000,000 for economic aid to China; a total of $6,205,000,000 for the next fiscal year.

The European recovery program is intended, if its provisions are met, to continue until June 30, 1952, with annual review for both authorizations and appropriations by the Congress. This, we feel, is deemed necessary to protect our own self-interest.

It is significant that this plan recognizes that military security and domestic tranquillity are necessary to prerequisites to economic recovery and the maintenance of peace and free institutions. It is for this reason we propose military-type aid to those areas which are most beset, and there are many of them, by the dangers of externally sponsored communism.

In the light of world conditions and our future security are we willing to launch out upon such an adventure? Is it a wise policy and can we afford the sacrifice? This is the question your Congress is deciding now. We must choose between definite course of action or completely surrender our leadership in world affairs.

I cannot overemphasize the incalculable risks. I am frank to say we cannot foresee what the results will be. I am firmly of the opinion that this is the best course of action, with the least calculable risk this country can take, provided we will implement it by our own preparedness, that Russia and her satellites will know we mean business.

If we are willing to take this risk, I believe it will cost us far less in the end. Instead of six, twelve, or sixteen billions of dollars, another tragic war would cost us many hundreds of billions and the loss of countless lives of additional American youth in this unpredictable atomic age.

I have given long and arduous study to the many problems affecting the destiny of our Nation. In view of the serious crisis with which we are faced in world affairs, I do not hesitate to say this is a decision that calls for thoughtful, calm, and cool deliberation. I know and realize there are different viewpoints and I respect the view of those who disagree. I respectfully submit to those who prefer other risks which I believe would be far greater, that they cannot escape "to safety by rejecting or subverting this plan."

Let us not overlook the fact that this means as much to us as it does to those we seek to help.

First. We seek to preserve the victory, against aggression and dictatorship, which we thought we had won in the recent war.

Second. We seek to prevent World War III before it starts. This is designed to bring about peace by firm and decisive action. It is not, as many will have you believe, a war measure.

Third. We hope to prevent economic chaos, which would inevitably result on a world-wide scale.

Fourth. We are determined to sustain Western civilization.

Fifth. We seek to relieve the American taxpayer at the end of the adventure. This is all important too.

Sixth. We recognize the cool fact of American self-preservation which is inseparable to our economy and national security.

In meeting this reality, I ask again, is it worth the risk?

Some honestly think it would be a wise policy to leave those nations to their fate. This should be, in my humble opinion, our last recourse. To do so would, in my opinion, be a blind and dangerous policy. It would, I believe, result in another world war that could very well destroy all freedom and bring a serious decline in our civilization and the Christian world. Reflect, if you will, one moment on Hiroshima and Nagasaki. To leave these people to the fate of Communist aggression and another kind of dictatorship, knowing what their ultimate plan is, would be a policy of appeasement.

This is the policy that Henry Wallace would pursue on a total appeasement of Russia. There is no compromise with the Russian philosophy, it is all their way; and I might inject that it would be encouraging if Mr. Wallace and his kind would decide to speak for our American form of government.

Why, may we ask, are we in greater danger of the inevitable today? We might answer by asking: Why has Russia failed to live up to the agreements reached at many conferences since the end of the war? Why has Russia failed to cooperate in a recovery program? Why has Russia defied the United Nations in efforts to establish a just, honest, and enduring peace?

We have seen a new kind of totalitarian conquest and country after country perverted to the Communist ideology. The most recent and most brazen was the method by which the last semblance of democracy was destroyed in Czechoslovakia. We are watching the threat of this cold war on the little country of Finland. Already, and believe me, this threat is being extended to the Scandinavian countries. The crisis in Italy will be resolved on April 18. The method used there makes outcome very, very uncertain.

We know what would have happened to Greece and to Turkey already had it not been for our decisive action toward those countries a year ago.

Then is it not a threat to our future security and world peace that we become an island of freedom in a world of communism? We know what the result would be without trade, without free international intercourse, friends or allies. This must be clear to those who are willing to face realities.

It was my privilege to visit many of these countries in western Europe a few months ago. I personally observed some of the almost incredible experiences of destruction, desolation, and destitution. I had a deep feeling of sympathy toward the present condition but what impressed me even more was the attitude of the Russian sphere and their obvious zeal to eliminate any obstacle that would interfere with their uninterrupted political and communistic aggression. In talking with our own people who are face to face with this problem, their intention is very plain. Their failure to cooperate on mutual and advantageous problems, their determination to destroy and confuse, should be sufficient proof of their clear design to extend their philosophy to all of Europe and eventually the world. We saw it in the devastated city of Berlin, in the historic and grotesque city of Vienna, we saw it in the ancient port of Trieste and many other places where the fight for liberty continues on and on. It is more acute today than it was then.

Let me give you some additional facts.

On authority which I would risk my legal, professional, and political reputation of 18 years, we learned that from the interrogation of more than 15,000 people behind the iron curtain and within the Soviet Union, in recent years, that the regime has complete control with no hope of change, even with the death of Stalin. Secret police active at all times.

In all parts of the Soviet Union violent hate is preached against the United States.

World domination, premise of Lenin and Stalin, is still the goal of present government.

War industries are in full operation, producing 1,500 planes and 4,500 tanks per month. More than 4,000,000 men under arms.

Major source of labor east of the Urals is slaves. More than 15,000,000 Russians engaged as slaves—sentenced for political reasons.

Economic conditions in Russia are extremely bad. Construction of shelter and domestic industry has low priority, with major effect on expansion of heavy industry.

Nominal freedom of religion exists, but only after the clergy has been purged. Stalin uses the church as a rostrum for his propaganda.

While Communist principles stress class-against-class tactics, yet the gulf between the Communist proletariat and the average Russian is wide.

Summed up, this means that Russia is preparing for a war, if necessary, to continue their aggression. Announced enemy is the United States. Russia's relative present weakness dictates short-term policy of national security, coupled with Communist expansion short of armed conflict. Time is her ally.

To stop this aggression we must not only provide economic aid for these nations, but, as the President of the United States has said, "Extend to them the support which the situation requires. The determination of the free countries of Europe will be matched by an equal determination on our part to help them do so." This means a strong and adequate military force which we must provide. We cannot delay an adequate preparedness program any longer. We cannot let it ever be said again "too little and too late."

We may not be able to feed the world. We may not be able to police the world, but a Christian nation like ours, and blessed as we have been, can, with the help of God, stop the growing menace that is stalking the world toward slavery. We seek our own security, we seek peace and the free will of mankind.

Mr. BLOOM. Mr. Chairman, I yield 10 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, I will be as brief as I can because there are so many that want to talk on this very, very important piece of legislation. But, I would like to add a few remarks at this point in the discussion.

First of all, I would like to say something about the tax bill that passed the House today. I would say that there were ample grounds for serious people to question whether or not at this point Congress did not need a psychiatrist.

We are not through paying for the recent war. Four out of every five dollars of our national budget still reflect that obligation. If we cut taxes we will not be able to balance our budget. The United States will become a deficit economy, which means further devaluation of the dollar and increased inflation. Unless America remains economically sound we cannot do any of the things we are talking about today.

It seemed to me that passage of the Knutson tax-cut bill at this particular time reflects an infantile desire to kid ourselves and the American people.

To pass a tax cut at the same time we pass ERP would certainly indicate that Congress was trying to persuade the American people that ERP was not going to cost anything. The ERP can be a sound economic program—a program that is needed—if we are going to have peace, but it is going to cost us something.

Those who are most vocal in advocating tax cuts today are the very ones who also talk loudest about the possibility of world war III. Those who are raising loudest the drum's discordant sound are yet the first to lay aside the burden of paying for World War II.

Mr. Chairman, we still have a $257,000,000,000 debt to pay off. It is a past war debt. If we do not pay it off we will add to the inflation that is already eating up the housewife's dollar.

If we are going to have peace, we have got to face the cold hard facts of life, and the passage of the tax cut bill was a retreat into the never-never land.

Yes, I think that serious people would agree that Congress was ripe for psychiatric treatment.

We propose to undertake a program that is to extend for 4 years. If it does not extend for 4 years it is just another relief program. We are attempting to get the second most productive area in the world back on its feet as an essential part of building the peace. The best estimates that have been arrived at through consultation in Europe, and through research and consultation in our country, are that it is going to take 4 years to do a sound job of rehabilitation in Europe if everything goes well. If the European countries cooperate, if we do not go hogwild in our cooperation by attaching the kind of strings to our aid which would impair the national integrity of countries in the Committee for European Economic Cooperation, if we keep our eye on the ball and really put our shoulder to this undertaking, economic stability will be achieved in

Europe with benefit to the rest of the world.

If we have the understanding we can make this a joint effort the like of which the world has never seen.

Never has there been a time when a people situated as we are today has extended its hand with the good will that we manifest under this ERP program.

Whether or not we succeed in the 4-year program within the framework of our democratic principles will depend upon the kind of administration this program has. The kind of administration it has will depend upon the caliber, the depth of understanding, and the sincerity of succeeding Congresses.

The bill that passed the Senate had only to do with the European recovery program. The present bill before us is an omnibus bill. Title I covers ERP; title II, the Children's Fund; title III, military aid for Greece, Turkey, and China; title IV, economic aid for China. Each title is a self-contained piece of legislation not affecting the other titles.

I am in complete accord with the remarks made on the floor today by the gentleman from South Carolina [Mr. RICHARDS], namely, that we should never have included title III, military aid to Greece, Turkey, and China, in this bill. An amendment will be offered to strike out this title, and I shall vote for it.

I wish to confine my remarks today to title I, the ERP. There were certain amendments added to the Senate bill which should be eliminated. I will make specific recommendations when the bill is read for amendments.

Under ERP, in order to fulfill our commitments, we are going to send goods and services to Europe, goods that may be in short supply. We are in the midst of inflation, the cause of which does not come from foreign exports. It comes from our own domestic market, where there is a greater demand than supply even today, 3 years after the war. Anything we export abroad, however, adds to that inflation, but it does not create it.

We have to recognize this if we are to succeed abroad and protect our people at home. Some sacrifices will be necessary if we are to keep our commitments. Some controls will be necessary if we are to keep our economy stable; but I feel that sound European recovery is to the long-range interest of the people of this Nation.

The Marshall plan was offered not as a program to divide Europe, but as a program to help all of Europe—including the Soviet Union—recover from the devastation of war. Russia chose not to come in. Czechoslovakia and Poland indicated a desire to join the ERP, but it was rather clearly shown that they were influenced to withdraw.

Nevertheless, the fact remains that the ERP was offered to Russia and to the eastern countries of Europe, and, despite the fact that they have not chosen to participate, the door has not been closed to future cooperation.

We discovered in World War I, under the leadership of Wilson, or at least some of us did, that wars were no longer possible in our world as a means of settling differences between nations if we were going to survive, if our civilization was to remain intact. In World War II the American people, of both parties, came to the same decision that Wilson had come to—the only real protection against future wars is a system of collective security. In that belief in the midst of war, when we did not know what the outcome was going to be, we drew the blueprints and laid the foundations for the United Nations. Through the United Nations we hoped to obtain peace. We hoped the nations of the world would stand together hand in hand, and if any one nation got out of line in the future, the efforts and the forces of all the others would band together to resist that one nation.

The United Nations is still the best hope for lasting peace in the world. Much thought ought to be given by this Congress as to how the UN can best be strengthened. I support the ERP because I believe it will do just that. The ERP, if properly and democratically administered, will go far in that direction.

If we allow economic collapse to overtake Europe, with resultant political chaos, collective security is lost—and so is the United Nations. Make no mistake about that.

Instead, there would be two nations facing each other in the world—Russia and the United States—each surrounded by its satellite nations—and that is not collective security.

I would rather have seen this program administered through the UN, but the undertaking on that basis would not have been agreed to by this Congress—and Europe cannot wait if there is to be any hope of building collective security in the world.

I am convinced that the economic health of Europe will go far in stabilizing international relations.

Mr. Chairman, there has been some discussion today of the question of our sending goods to Russia. This is a fundamental fact that we have to understand. It is a fact that I drew attention to all through the hearings.

This Congress can shut off our country's trade to Russia if it sees fit, as inadvisable as that would be. But it cannot add amendments to this bill to shut off trade between eastern and western Europe if it expects European recovery to succeed.

Europe is interdependent. Eastern Europe is the breadbasket, and western Europe is the industrial center. Eastern Europe exports food to western Europe. Western Europe exports manufactured goods to eastern Europe. Despite the refusal of Russia to enter into the European recovery program, trade is going on today between eastern and western Europe and over 60 trade agreements have recently been concluded.

The goals set for European recovery can only be realized if east-west trade continues.

Are we running the danger, because of economic necessity for east-west trade, of sending materials to Russia which will make her strong so that she will be better able to go to war with us?

This is what we are faced with: War or peace. If we are so scared of Russia and communism that we will not do the things that have to be done to build peace, we are licked before we start.

Another war is unthinkable. This Congress does not even want to pay for the last war. If we have troubles now, what would we have if we went through another world conflict?

In order not to have another world war, we have to allow ourselves enough leeway to make peace possible and we have to take the chances that will promote and permit peace to develop. Europe cannot get back on its feet if we cut trade between eastern and western Europe, between England and Russia, between eastern Europe and England, and so forth, by arbitrary rules and regulations in this program. This program can only succeed if England and western Europe get the grain and coal they need from eastern Europe. It cannot succeed otherwise.

We are not going to give them all the materials they need to realize the goals that they have set for themselves. We are only going to give them a part of their needed imports. The whole program will fail unless we take this gamble. It is a gamble, but it is less of a risk than pursuing a course which must inevitably lead to war. Another war would change our way of life and destroy our economy.

If we are so sure of war that we do not dare take any risks for peace, then, Mr. Chairman, we should not pass this bill.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. BLOOM. Mr. Chairman, I yield five additional minutes to the gentlewoman.

Mr. O'HARA. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield.

Mr. O'HARA. Does the gentlewoman think Russia will consider that which we are doing in giving aid to those who will resist Russia, as a friendly act on our part if we pass this bill? Does the gentlewoman honestly think Russia will consider that this is a friendly act on our part?

Mrs. DOUGLAS. I will come to that in the course of my remarks, because I do think that is a very important question.

Mr. Chairman, I wish for one moment that we could forget Russia. If there were no such thing as communism in the world and no such country as Russia, we still would be faced with the necessity of undertaking this program. Why? Because we have had the most terrible war that the world has ever seen; a war that left over half the world in ashes and millions upon millions of people facing starvation.

I do not see why, when the European recovery program has been so clearly enunciated as one to wipe out poverty and desperation and chaos, a program that is directed to the needs of men and women and children who went through years of war, and who are weary and worn out, we should not undertake that program because Russia does not want us to. You ask, why does Russia not want us to? Now we get into the area of imponderables. One man thinks one thing

and another man thinks another. I do not know. Maybe it is because she is afraid, or perhaps because she would like chaos in Europe so that the governments of Europe would become communistic. Maybe she would like Europe to become communistic so she would have control of the trade of Europe—I do not know. But the fact remains that there is a need which, if not met, will destroy the United Nations. Unless we have a strong United Nations there is no hope of building a permanent and lasting peace. I think that all the efforts, all the thinking, all the imagination, all the genius of this Nation should be directed toward the end of obtaining peace. I do not think we ought to let fear of Russia or anybody else steal the peace away from us.

Mr. O'HARA. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield.

Mr. O'HARA. The lady has not yet answered the question whether in her own mind she thinks that what we are doing in this bill is considered a friendly act by Russia, or whether it is not one of those acts which might inevitably lead us into war.

Mrs. DOUGLAS. No; I do not think so. I do not know what Russia thinks. From some speeches, Russia might well think that bombs are going to be dropped on her tomorrow night. We know we are not going to do any such thing—but she may not be sure of this.

I am perfectly sure that if we can bring back stability to Europe through building up trade, we will promote a steadiness that will make Russia think twice before undertaking another Czechoslovakia.

The CHAIRMAN. The time of the gentlewoman from California has again expired.

Mr. KEE. Mr. Chairman, I yield the gentlewoman two additional minutes.

Mr. OWENS. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield.

Mr. OWENS. If there is real charity in what we are doing, can you understand why we cut $150,000,000, or attempted to do it a year ago, off of the $350,000,000 gift to the war-devastated nations when they were then in much worse condition than they are now?

Mrs. DOUGLAS. Let those who voted for that cut answer the gentleman's question—I did not vote for it.

Let us not forget that western Europe accounted for nearly one-half of the world's trade before the war. They owned nearly two-thirds of the world's shipping. Their industrial production in terms of basic commodities of coal, steel, and chemicals was, before the war, slightly greater than that of the United States.

Six years of war left them devastated and bankrupt and physically exhausted.

It is not easy to repair the damage done during six long years of destruction. Homes, churches, schools, bridges, railroads, factories, and ships are gone. The weary, the maimed, and the orphaned must carry on, struggling with worn-out land, obsolete machines, rubble, and desperation.

We recognized this at the war's end and we came to their aid with the final shipments of lend-lease, UNRRA, the loan to Great Britain—the loans of the Export-Import Bank. We prevented starvation and pestilence, and started the wheels turning on a solid recovery program. We hoped and believed this would be enough.

The recovery of Europe has been miraculous. Without our help it would not have been possible. But it is not yet enough.

Things went very well after the war. Recovery in Europe was more rapid than after World War I. Then things went wrong. Hidden injuries began to slow up Europe's recovery. Bad crops and high prices in America finished her.

Mr. William Clayton, former Under Secretary of State, in describing Europe, said:

> Europe was like a man who has been injured in the bombing of his home, and at first does not know how badly he is hurt. He runs about, pulling others out of the wreckage, binding up his outward wounds, reassuring the children, cleaning up the rubbish. And then, a couple of hours later, he staggers toward collapse from delayed shock.

We could see and understand the physical injury, but, as Mr. Clayton points out, it was more difficult to realize the hidden wounds of the long conflict. Observers underestimated the damage to the nervous and circulatory system of the European economy. The war had stripped her of reserves.

In recent times, because of the density of her population, western Europe and Great Britain have not been self-sustaining in food and clothing. They have had to export manufactured goods in order to import what they need to live.

Europe and Great Britain were so close to the ragged edge, despite their recovery from the war, they could not sustain any further economic shock.

Bad crops resulting from the severity of last winter and the drought of last summer, together with rising prices of food and raw materials in America, were too much.

The desperate attempt to balance the import of food and raw materials with manufacturers' goods was hopelessly lost.

Western Europe and Great Britain find themselves today unable to export and receive enough dollars to buy both the food and the raw materials they need to prevent economic, political, and social collapse.

We propose to come to their aid.

Ours is a historic decision. Can we afford it?

Yes; if we take the necessary steps to control speculation and inflation at home.

The quantity of exports contemplated is less than those of the last 15 months. The Harriman, Krug, and Nourse committees show that American capacity is up to the job.

Will the Marshall plan be successful? Yes; if we meet the four tests outlined by Secretary Marshall:

> Our action must be prompt. It must be adequate in amount. It must be efficient and flexible in operation. It must be cooperative in relation to the other participating countries.

It will cost money—a lot of money. Yes, just about what we pay each year for interest on our war debt.

Four out of every five dollars in the fiscal budget for 1948–49 directly reflect the cost of the war, the effects of the war, or our efforts to prevent another war.

We cannot afford world war III. Civilization will not survive it. We will not fail if we have the understanding and the will.

This is the challenge to us today: To set Europe upon her feet, to keep the United Nations alive and thereby have a real chance of building peace in the world. Let us meet this challenge by putting our genius and our talents to work on programs that will lead us to peace.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Chairman, I pray that the debate now proceeding will resolve questions and doubts which have occupied my mind from the very beginning of the administration's present foreign policy.

We are sailing dangerous waters. Since the only harbor the President offers us is the Marshall plan; since the hopes of so many are fastened to this program, I would like to join the majority of my colleagues in its support. I will, if my conscience and judgment will allow it.

But it is foolish to overlook the risks, the cost, the failures of our previous aid; and I am not to be stampeded by the persistent propaganda of radio, scareheads, or administration axmen.

To repeat a thousand times that this program is our only security does not make it so. A careful study of the evidence of past attempts is discouraging. At best—as Marshall himself has said—it is a calculated risk; and if, at the end, I can vote "aye," it will be with the full knowledge that we are taking a risk, not an insurance policy; a risk that is highly hazardous, incredibly costly, and which offers doubtful success.

THE OLD BALANCE OF POWER IDEA

Mr. Chairman, the same good people who used to dream of one world are now the most vociferous backers of this plan, which is essentially a balance of power scheme—a scheme to strengthen western Europe against eastern Europe—to build up an American bloc to oppose a Russian bloc. It is not a new idea; balance of power idea is as old as nations. It has been conspicuously unsuccessful in maintaining world peace. Will it work this time? I pray that it will.

WILL DOLLARS DO IT?

Henry Hazlett asks, "Will dollars save the world?" Did more than $300,000,000 of our money save Czechoslovakia from communism?

It has been repeated and repeated that communism cannot take over except where there is poverty and distress. It took over the stable and relatively prosperous Czechs.

Since July 1, 1945, the United States has given foreign countries assistance to the sum of $20,000,000,000. More than one and one-half billions went to Russia and its satellites. Total civilian and

military assistance specifically authorized by Congress has exceeded sixteen billions. Can we truthfully say that this lavish outpouring has advanced the cause of world peace?

Three years and $20,000,000,000 after the war, Time—March 8, 1948—summarized the state of the world thus:

This was the situation last week on the various fronts of peace:

Czechoslovakia went under after a struggle much feebler than optimists had hoped for; it was plain that though the Czechs loved freedom, they had no confidence in its defenders.

The Finns, pressured, got ready to bow their once stiff necks.

In Greece, the Communists, with military help from their Slav comrades across the borders, were winning. No matter how much purely economic aid the United States put in, the Reds could probably overrun Greece whenever they decided to try hard.

In Italy, Communists and friends had a good chance to win the April 18 elections. If they lost, they might start a civil war in the north, which would be harder for the West to win than the Greek war, and more essential.

In France, last year's decline of Communist strength had stopped.

In western Germany, the United States, Britain, and France were still thrashing about in a diplomatic and bureaucratic maze.

Britain's heart was stout, but her aim was confused and her economy holding on by the fingernails.

In the Arab world, trust of the United States had gone down from 108 percent to 8 percent as a result of the tragic fiasco of United States policy on the Palestine issue.

Zionists were calling the United States traitor for not helping them more.

Turkey was still menaced by Russia, still unable to demobilize its army.

Persia was the same old political and economic morass—easy picking for Russia.

India was somewhere between chaos and nationhood (probably much nearer the former).

China—all China—might be lost in a year; the north in a few months, the rest at Communist pleasure.

Latin America, generally, was more friendly to the United States than it used to be, but it was economically shaky, and Communist influence had not been eradicated.

In the United States, Communist influence had declined; but it was strong enough to be an important factor (via Henry Wallace) in the Presidential campaign.

Peace, in short, was wonderful.

Can we still have confidence that we are on the right track?

Mr. Chairman, I have supported most of our efforts. I supported the billions for UNRRA, the International Bank, and most certainly every measure offered to establish, strengthen, and support the United Nations. But experience and common sense ultimately call halt. I halted at the British loan, by which three and three-quarter billions were dissipated in 20 months. I opposed the Greek-Turkey gift; four hundred million then, two hundred and seventy-five million more asked now. I have read every word of the President's quarterly reports on this program.

It has been an obvious and colossal failure.

THE TRUMAN DOCTRINE

The Truman doctrine, announced a little over a year ago, was frankly and briefly stated by the President. The President said:

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

I believe that we must assist free peoples to work out their own destinies in their own way.

I am bound to say that I regard this as a first step on the road to imperialism. I do not believe we have the moral right to mold all governments according to our liking, nor do I believe that we can possibly accomplish so vast a project. The problem is not only Greece, but worldwide, as I said in the House on May 7, 1947:

If the President thinks that the United States has the moral duty, or even the moral right, to interfere with all governments that are not democracies, we might have also mentioned most of the rest of the world; not just Iran, but Iraq, Egypt, India, Korea. He might have mentioned the communistic threat of Togliatti in Italy, of Thorez in France. He could have referred to the totalitarian Franco in Spain, and closer to home, Argentina and Chile are not conspicuous adherents to the form of government that we in America prefer.

Moreover, it is sheer nonsense to talk about the Greeks and Turks being free peoples. They are not democracies as we understand the term and it comes to this, that we are supporting with our money and ultimately with our armies, governments which we conceive to be at the moment friendly to us; which far from keeping the peace is a continued invitation to war.

It is a spectacle to see less than 20,000 guerrillas in Greece continue to harass a country with an army of 150,000, partly supported by us; and it is interesting to note that the guerrillas have increased and the troubles of Greece have increased since our ill-fated gift. A careful examination of the President's reports indicates the complete failure of the program. It is stupid and stubborn to keep pushing programs that have failed.

We need a new approach, a new conception.

IS EUROPE COLLAPSING?

The headlines indicate that Europe will die without an additional dollar transfusion. But what are the facts?

The countries participating in the program are Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxemburg, The Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, and the United Kingdom.

Let us look at these for just a moment. The United Kingdom, which has already had and spent a loan of nearly $4,000,000,000, will probably get the lion's share out of this program. Their coal production is almost normal, and they are building 53 percent of the world's ships right now. They would do better if they would stop experimenting with a socialism so broad that it makes an approach to the very communistic system that we are fighting.

What claims or needs that Iceland, Ireland, and Luxemburg have upon us, I do not know.

Portugal, Switzerland, and Sweden were neutral during the war and undamaged.

Turkey was neutral until forced into a late declaration, participating in none of the fighting, and its economy is wholly sound.

Belgium's economy and industry is for the most part better than it was before the war.

It is true that Austria and Greece are in bad shape; Greece always has been. The remaining countries could undoubtedly use a practical measure of assistance, but, in my opinion, that should be done on a reciprocal basis. All have products and services that we could use in exchange for what we propose to send them. It just is not sound to keep repeating that all these countries are in a state of collapse, and will collapse, without our billions.

National income of the participating countries, as a group in 1947, reached 91 percent of the prewar level. I am not just saying this. This is from the official report of the Senate committee. Per capita national income was somewhat reduced, but will be very little increased even by this extensive recovery program. In eight of these countries, 1947 industrial production exceeded 1938 levels. The vital production of coal and steel—except in western Germany—can be said to equal or better production in 1938, and the output of hydroelectric power exceeded prewar output by nearly 40 percent. Britain's farmers are now producing more than one-half of their food requirements, as compared to one-third before the war. France has increased its bread-grain production and is expanding production in France-North Africa. It seems to me that if we take the trouble to read these things, we just cannot accept the continued and terrified cries of collapse.

HOW MUCH WILL THE EXPERIMENT COST?

Mr. Chairman, while this country is strong and rich above all others, it should be remembered that neither the Treasury, nor the assets of the United States is a bottomless barrel. After all, we owe $260,000,000,000, and we are spending, peacetime, forty billions a year, four times as much as we ever spent before. We have become insensible to the meaning of a billion dollars. The cost of this program, this year, is about equal to the total assessed value of the city of New York. Our foreign programs passed and contemplated probably will cost the average American family the equivalent of more than $600, and it has been said that the 4-year cost of the program will be equal to the assessed value of all the farm land in America.

While American industry is crying for steel, we propose to send steel to countries whose production is excellent. When New England and the Middle West have been freezing from the lack of petroleum, we propose to send petroleum. When our farmers, who have been feeding the world, are short of fertilizer and agricultural machinery, we propose to send that. When the scarcity of lumber

and building materials is a national scandal, we propose to export that. Twenty thousand freight cars are involved, although our economy is strongly affected by a present lack of freight cars.

This list is endless. The cost is enormous. It would be worth it all if it were a guaranty of peace, or the only guaranty of peace, but of course it guarantees nothing. It is a hope in which, of course, we all join.

Mr. Chairman, it is very simple to read a mere assertion or a headline, or to listen to a radio commentator tell us that the Marshall plan is the salvation of the world, but it is not so simple to exercise the responsibility of a vote on this plan after a painstaking study of the real facts. Despite its cost and hazards, the Marshall plan, conceived on this broad base, may be the answer. But our Foreign Affairs Committee has not made the problem simpler or more palatable by joining to it additonal gifts for Greece and Turkey, and the new plan to save the 450,000,000 people of China, nor by inserting its shipping provison, which may ruin the American merchant marine.

I have merely tried to indicate that there is, as always, more than one side to this question. It is difficult beyond imagination to come to a correct conclusion. I pray that we may ultimately take the right course.

Mr. GWINN of New York. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from New York.

Mr. GWINN of New York. I agree so wholeheartedly with what the gentleman states that I would like to introduce at this point a substitute bill for the Marshall plan which states very briefly, first, $500,000,000 for relief, to be administered according to the original Hoover plan, of Hoover food instead of State Department food to socialize countries abroad; second, relieve industry in America from taxation so that we may have industrial rehabilitation, the only kind of rehabilitation that is possible; and, third, give the President of the United States a cold billion dollars for him to spend in national defense so he will have enough money in his pocket to meet Joe anywhere and meet him quickly. I thank the gentleman very much.

Mr. HAND. I will say to the gentleman that we may have to support this program, but I do think that the administration in offering only this program is devoid of a proper perspective of foreign affairs.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from South Carolina.

Mr. DORN. Is the gentleman not rather reluctant to support a plan putting $17,000,000,000 into the hands of men who have reversed themselves time and time again in the last few years?

Mr. HAND. I am very reluctant, I will say to the gentleman from South Carolina.

Mr. GWINN of New York. Mr. Chairman, when the so-called Marshall plan or European Recovery Act is read, I will propose a substitute act as follows:

SUBSTITUTE FOR THE MARSHALL PLAN OF THE EUROPEAN RECOVERY ACT

That this act may be cited as the "Foreign Assistance Act of 1948."

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress—

(1) To recognize the intimate economic and other relationships between the United States and the nations of the world and that the disruption following in the wake of war is not contained by national frontiers.

(2) To recognize that the existing situation endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations.

(3) To assist, as is traditional in the American way of life, in relieving suffering and in maintaining the principles of individual liberty, free institutions, and genuine independence.

(4) To effectuate the protection of the general welfare of the United States and the establishment of a healthy economy, based upon self-help and mutual cooperation, in the countries of the world.

(5) To establish a recovery program which will provide: (a) relief to ill-fed and ill-clothed peoples of the world through the generous and unfailing charity of the American peoples; and (b) relief to the disrupted, and stagnant industries of the world through the collaboration and endeavor of American industry.

Title I

SEC. 101. This title may be cited as the "Foreign Relief Act of 1948."

SEC. 102. That there be, and is hereby, created a body corporate with the name "World Relief, Inc." (herein called the corporation). That the principal office of the corporation which shall be a nonprofit corporation, shall be located in the District of Columbia, but there may be established agencies or branch offices in any city of the United States or in any other country under rules and regulations prescribed by the board of directors.

SEC. 103. This corporation shall continue in existence until April 1, 1952, or to such earlier time as the Congress, by concurrent resolution, shall declare that the need for the continuance of said corporation no longer exists.

SEC. 104. That the initial funds necessary to inaugurate the organization and operation of this relief program shall be $500,000,000, which sum is hereby authorized to be appropriated from any funds in the Treasury not otherwise appropriated as a revolving fund.

SEC. 105. That the funds ncessary for the continuous operation of the program and for the reimbursement of the revolving fund shall be obtained from contributions of individuals.

SEC. 106. The corporation shall have power to sue and be sued in the courts of law and equity within the jurisdiction of the United States and in the courts of the countries wherein it is operating if so permitted by the laws of such countries; to adopt a seal; to adopt and establish bylaws and regulations not inconsistent with the laws of the United States; to solicit, on a world-wide basis, contributions for carrying out the purposes of the corporation.

SEC. 107. That the purposes of this corporation are and shall be—

To furnish directly food, clothing, and other urgently needed supplies to the needy individuals of the world. The corporation is hereby specifically prohibited from furnishing food, clothing, or other supplies to the governments of any cooperatfng country or any political subdivision thereof as distinguished from their individual citizens.

SEC. 108. That the governing body of the corporation shall consist of nine members, to be appointed by the President of the United States with the advice and consent of the Senate, one of whom shall be designated by the President to act as chairman.

SEC. 109. Vacancies in the governing body of the corporation shall be filled by the President in the manner herein above provided.

SEC. 110. Voting by proxy shall not be allowed at any meeting of the governing body.

SEC. 111. That World Relief, Inc., shall on the first day of January, April, July, and October of each year, make and transmit to the Secretary of the Treasury a complete and itemized report of receipts and expenditures of whatever kind.

SEC. 112. That Congress shall have the right to repeal, alter, or amend this title at any time.

Title II

SEC. 201. This title may be cited as the "Foreign Industrial Development Act of 1948."

SEC. 202. In order to coordinate the activities and functions of our governmental representatives abroad and to encourage them in undertaking liaison work between the industries of the world and the industries of the United States there is hereby created a National Industry Advisory Council (hereinafter referred to as the Council), consisting of the Secretary of State, as chairman, the Secretary of Commerce, and five members appointed by the President, with the advice and consent of the Senate, from the outstanding industrialists of the United States.

SEC. 203. That the Council, in addition to the duties contained in section 202, shall assist and encourage American industries in working out plans for increasing productivity abroad, raising the standard of living, and making the countries of the world self-sustaining and economically strong enough under a system of free enterprise, to resist the lure of communism.

Title III

SEC. 301. That all income subject to taxation within the United States earned from January 1, 1948, to January 1, 1952, of every kind of any individual, partnership, corporation, or association which shall be invested as capital or loans outside the continental limits of the United States for the purpose of rehabilitating industries in any other country of the world, shall be completely exempt from all taxes of the United States or of any State, Territory, or political subdivision thereof during this period.

SEC. 302. That all income earned between April 1, 1948, and April 1, 1958, by any individual, partnership, corporation, or association from investment made in other countries of the world as capital or loans for the purpose of rehabilitating productive agriculture or manufacturing industries in such countries, shall be completely exempt from all income and excess-profit taxes which may be levied by the United States or any State, Territory or political subdivision thereof during this period.

SEC. 303. That it is hereby authorized to be appropriated the sum of $1,000,000,000 for the purpose of national defense to be expended by the President outside the United States.

Mr. KEE. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. POWELL].

Mr. POWELL. Mr. Chairman, I will not use all of that time, because at this late hour I feel something like a friend of mine in France. He walked into a restaurant, and while he was waiting for his dinner the waiter came across the

floor bearing on a platter a large turkey surrounded with gravy. The waiter slipped and fell; and my friend told me that the "Turkey" had fallen and the "Greece" had been dispersed, and "China" was split, and France was in confusion. After these 7 hours that we have been here, I think we all feel a little punch drunk from this discussion. However, I do want to say one or two words.

In the first place, I am against this bill as it is presently constituted because of the pretenses under which it is being presented to the American people. It has been presented as a bill to stop communism, as a measure which is to dispense charity, and as an expenditure which will be repaid. I disagree with all three of these pretenses.

In the first place we cannot stop communism anywhere unless we are willing to put our own house in order. Victor Hugo once said, "There is no army that can stop an idea when its time has come." There is no army that can stop communism. Only the strength of a real democracy can stop communism, or any ism. Here in America we are duplicating some of the very things that we are condemning Russia for. We are denying citizens the right to vote through terrorism; we are conducting purges; we are fomenting class prejudices; we have evolved a vast intricate network of secret police. Why, just this morning I got a letter from an organization called Audio Techniques, addressed to me, a Congressman, saying that they would be glad to sell me, for $500, an instrument which I could attach to my telephone so I would know whenever my wire was being tapped. Maybe some of you gentlemen are interested. The address is here at the table when I finish.

Look at what has happened in Greece in 1 year of the Truman doctrine, and we will see there how we "stopped" communism. During the summer months a Greek Army of 120,000, the same kind of Greeks who routed Mussolini's mechanized legions in 1940, battled 20,000 guerrillas. What happened? The net result, according to our State Department and the United States military men on the spot, was an increase in the number of guerrillas and an extension of their holdings until now the guerrillas dominate roughly 80 percent of the land area of Greece; not just the frontier that our newspapers would lead us to believe.

We talk about this bill being charity. We know it is not bread; it is bullets. A few church organizations have written me because I am a clergyman telling me they are in favor of the Marshall plan. They believe it is charity. It is not charity and you know it. This is military aid. Why, the countries receiving our $5,000,000,000 do not have to buy one slice of bread. They can spend it all on bullets. In Greece that is what is being done.

Put this money in the hands of a citizens' committee, stripped of military men, a commission on the style of the one Herbert Hoover headed after World War I, and then you will dispense charity, and I will be in favor of it. In fact, I intend to offer amendments to strike out all military aid, and amendments guaranteeing that all the administration of this plan shall be in the hands of civilians only. They will be defeated because you are not interested one bit in feeding Europe.

I believe that as it is presently constituted, the Marshall plan is merely a cover-up of the collapse of our American plan. I believe that we can make the American plan work, and if we can make it work that it will be the strongest thing throughout the world to stop any kind of "ism." The trouble with the United States of America is that you cannot have a bipartisan foreign policy backed up by a bipartisan Jim Crow policy on the home front and succeed.

I was very interested to read in the bill on page 89, section 115, subparagraph (9), that we are going into the business of colonialism. It is unbelievable that in this day and hour, when imperialistic nations like Great Britain have recognized the futility of colonialism, we, the American people, the first great Nation to strike the bonds of colonialism from off our wrists and hearts and minds, are going into colonialism, but there it is, read it in the bill. In that paragraph we say that "recognizing the principle of equity in respect to the drain upon the natural resources of the United States and of the recipient countries, and providing for a future schedule of availabilities to the United States for future purchase and delivery of a fair share of strategic materials at world market prices so as to protect the access of United States industry to an equitable share of such materials either in percentages of production or in absolute quantities from the territories and possessions of the participating countries."

In other words, we are going into the business of colonialism. Do you know what that means? It means we are going into a business that is bankrupt. Do you think we are going to be able to keep the native people of the Sudan, the Congo, Nigeria, the Gold Coast, and all around Africa, working for us as serfs and slaves in this hour when freedom is something that every human being is breathing? Are you going to be willing to back up with American men and guns this plan and strike down the native rebellions that are taking place now? Nigeria is passing through one right now. It is just a question of a few months and Nigeria will join Burma and other nations on the freedom train.

This is part of the duplicity that we have practiced in Palestine. We have already stained the hands of Uncle Sam with the blood of a pogrom in the Holy Land, and now we want to stain those hands again with the slaughter of natives in Africa who are fighting now for freedom, and who are going to get it with or without us, because freedom is God-given, not man-given.

I believe that this bill, as presently constituted, cannot make a sound appeal to any human being, Republican or Democrat, who will look at it with the eyes of faith, with the eyes of a religious individual, whether Christian or Jew. It is unsound, it is militaristic, it is sowing the seeds of war. Unless we can strip it of every bit of militarism, pretense, and hypocrisy we are going to see not our sons but our brothers in this, our lifetime fight, not to make a world safe for democracy but to make a world safe for American imperialism. And that is a preordained lost cause.

Mr. BLOOM. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I first want to congratulate the committee for bringing out this legislation and expediting the consideration of it in the last few days. I would also like to pay my respects to the chairman of the Committee on Foreign Affairs, the gentleman from New Jersey [Mr. EATON]. Humanity will appreciate the part that he has played in this legislation.

Tyranny, today, is on the march and the free outside world needs to do something more about this than just express its indignation. As has been said on the floor of this House by many others, what is happening today differs very little from Hitler's methods. The only difference today is that we have a new person who has adopted this same method. He is attempting to round out under this process a vast empire of political, economic, and military satellites.

It has come about today that freedom is imperiled and liberty is fighting for its life in a modern world. Here in our own country of America the light of freedom has burned more brightly than in any other part of the world. Only our own people and a few others have lived under that blessed philosophy of freedom where the soul of man is sacred. The vast majority of humanity has lived as pawns of the state and sadly the light of freedom has been growing dim where it had been established and in some places it has gone out entirely. The form of police state menaces human freedom. Free men standing alone unshackled is becoming a rarity in some parts of the world today.

Totalitarianism, more ruthless perhaps than any that has preceded it, threatens to overcome us and autocracy today takes the form of dominance of men as Hitler did and has allocated to himself and a small group of men life and death over his subjects. This police state moreover does not limit its political activities to its own national borders but in other nations is boring in in an attempt to destroy free society. Here in America in a century and a half out of fertile soil of freedom we have produced more human happiness than ever achieved by mankind. We are today a Nation that has become the trustee for civilization. As never before we should feel urgently impelled to achieve as much union as possible with those people who desire to keep their freedom.

We should adopt this legislation before us today promptly and we should also add to it military readiness in line with the dangers of the hour. This Red tide can and must be checked.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I have asked for time today because I think that the measure before us, S. 2202, is one which involves fundamental moral issues. Under these circumstances I do not like to remain silent though I am confident that this House needs no urging of mine to give passage to this measure. I wish that the vote for the passage of the bill might be as overwhelming as that for the adoption of the rule. Yesterday I sat here and heard the gentleman from New York [Mr. MARCANTONIO] say that we were not in danger of attack, that we were trying to stop "the forward march of the people of Europe toward the nationalizing and public ownership of their basic industries and toward the breaking up of big landed estates," that this was a measure to establish monopoly capitalism in Europe which does not want monopoly capitalism.

I for one do not know whether or not the people of Czechoslovakia want what the gentleman from New York calls monopoly capitalism. Is there anybody on this floor today who will say that the people of Czechoslovakia can have any kind of capitalism no matter how much they want it. Can they have a labor government on British lines? Can they have anything that the Politburo does not tell them to have? Can they possibly do anything except on sufferance of the Russian armies? Why did Jan Masaryk die? Was it because he wanted capitalism or did not want it. Everyone knows he died because his country was slaughtered. Is there anybody on this floor who seriously thinks that allowing Soviet Russia to overrun Europe is going to mean land for the peasants? On the contrary every peasant with a hectare of land in Europe is going to lose it the day that the Communists arrive. He knows it perfectly well. Everybody on this floor knows it.

Everybody knows that the countries colored pink on the map which was here yesterday would not in a free election cast their votes for a Communist regime. They are governed by Communists because the Communists' bayonets tell them to submit, just as a decade ago Hitler's bayonets told them to submit. Who is there on this floor who will get up and tell the House that there is any difference between the nature and quality of Hitler's aggressions and the nature and quality of Stalin's aggressions?

If anything, Stalin is subtler, smoother, and more effective. We have not today the ranting which used to rend the air at Nuremberg, but the speech of the gentleman from New York yesterday on Wall Street imperialism and Wall Street monopoly capitalism sounds as much like Hitler as it sounds like Moscow. It sounds for that matter like the old Communist Mussolini whose favorite epithet for us was "plutodemocracy." In fact practically all of Hitler's and Mussolini's speeches can be raked up and used against this bill. Hitler's favorite theme was that our Nation was not in danger of attack. And of course it was not until everyone else had been gobbled up by Hitler's armies.

As it happens I went in 1919 on a mission sent by the American Commission to Negotiate Peace to Finland, Estonia, Latvia, and Lithuania. I know those countries and I know the struggle which they made for freedom after the First World War. Our mission reported then that these countries would probably find survival impossible, squeezed as they were between the German drang nach Osten on the west and Bolshevik westward pressure on the east. Nevertheless they did establish their own governments and maintained their freedom for more than a score of years. Those countries made a contribution to European society which more than justified their survival.

We were successful in 1919 in establishing and maintaining a sanitary cordon against Communist aggression. Today the task is infinitely more difficult because Europe is devastated, demoralized, and impoverished, as no one ever dreamed of even in 1919.

I hear people say that conditions in Greece are worse today than they were a year ago. I have not been in Greece and will not say whether conditions there in the last year have changed for the better or for the worse; but I will say that, but for our aid of a year ago, Greece would be a Russian province today, and there is no one on this floor who does not know it.

I hear people say that this relief and rehabilitation job is one which the United Nations should perform. No one can say that without his tongue in his cheek. They all know that the United Nations cannot do this job. It has got to be done with American resources and American materials. The United Nations Organization must be strengthened and I am one of the group which has introduced resolutions to strengthen it, but until the United Nations has a workable police force and an organization capable of resisting tyranny it cannot perform these great tasks. The only hope of saving the United Nations at all is to save the nations which believe in individual liberty. The gentlemen whose hearts bleed for the United Nations are really wailing because the course of Communist aggression may be obstructed.

I am glad myself that China is in this bill. It is nonsense to supose that we can ignore Communist aggression in Asia or appease Communist aggression in Asia while we resist it in Europe. In this part of the bill I am content to follow the leadership of my friend from Minnesota whose logic is as icy as his heart is warm. If Euclid and John Wesley were met in one man, I think he would much resemble WALTER JUDD.

Mr. Chairman, our cause is just. Our Union is perfect. Our internal resources are great. Shall we falter in taking a risk of war when the alternative is so much more hazardous. Some of you may fear operation rat hole, but I am in terror of operation Munich which will lead as it did before to degradation and disaster.

Mr. BLOOM. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I do not know that I need inform you that this matter has disturbed me as it has everyone else. The question whether we can by the show of might and military preparations overcome whatever there may be in the world of communism even in our own country where there are perhaps a hundred thousand people who are foolish enough to join an ideology of that kind, is doubtful. It seems, however, that we have fallen, and I think I use that word advisedly, we have fallen to the point where it becomes a greater task for one to question the present advisability of proceeding with what we call the Marshall plan or the European recovery plan. I call your attention to the fact that on yesterday the United Nations conference convened in Geneva and I read you the appeal of Mr. Benjamin Cohen, Assistant Secretary General of the United Nations, who said that—

> False emphasis in the world press on spectacular clashes between the United States and Russia is partly to blame for world uncertainty and pessimism.
>
> Cohen, a Chilean, who heads the UN Department of Public Information complained "practically no information is given to people about the constructive work which the United Nations and its organizations have been able to achieve.
>
> "Thus, to a large number of people, the United Nations is nothing but a forum where two great nations speak about their differences and conflicts."

And he might have added: "Indulged in unkind, harsh, and vituperative words one against the other"—something that I must acknowledge even as an American citizen.

> It is untrue to say that the world has no other thought but that of war. All the peoples of the world want peace.
>
> "There is no reason why different political philosophies cannot coexist just as different religions and races exist."
>
> The International Conference on Freedom will open at 11 a. m. tomorrow in the League of Nations assembly hall. Nearly 600 representatives from 55 to 60 nations will be present.

What I am trying to suggest to those who are present and any who may chance to read the remarks I make, is that we do not put entirely the matter of force and preparation to compel one way of life and make that a paramount consideration in our thinking, leaving out the possibilities of the accomplishments of the United Nations and their work that may be done.

I have been fearful that Russia has been afraid that we had announced a policy of reconstructing Germany to its status of 1936 and that they felt if that were to be done, Russia had no more chance to exist and there could be nothing except to undertake to gather about her all the nations that she could which we would call satellite nations.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. RAYBURN. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. FOLGER. Mr. Chairman, I want to read a little bit from the words of Mr. Justice Douglas, who said a few days ago, according to the report I have, in a speech at Gainesville, Fla.:

> DOUGLAS GIVES PLAN FOR UNITED STATES—JURIST SAYS MARXIST METHODS INCORRECT
>
> GAINESVILLE, FLA., March 22.—Supreme Court Justice William O. Douglas said tonight that communism cannot be defeated by military might alone.

And this country will "fail miserably," he said, if it fashions its policies "merely in terms of anticommunism."

Asserting that "the prospects for peace appear gloomy," Douglas called, in a speech prepared for delivery at the University of Florida, for "dynamic and vital" democratic leadership.

The jurist mentioned as a possible Democratic candidate for vice president, said we must foster "human rights" at home.

He said a political program like communism "is not destroyed by military might unless the victor, like the Communists, is willing to install a police state."

"If we want hundreds of millions of the peoples of the world in the democratic ranks," Douglas said, "we must show them the way with practical programs of social reconstruction."

The real victory over communism, he said, "will be won in the rice fields rather than on the battlefields."

"At home," Douglas said, "we must put an end to the shameful practice of branding everyone a Communist who espouses a liberal reform or promotes a program for the underprivileged."

Estimating the number of American Communists at 100,000, Douglas said we "need not ape the Communists" in methods of removing them from important posts. The "lawful procedure of our democracy" is enough, he said.

I am extremely fearful that we have been and are lending support and aid to undemocratic and Fascists nations, or governments, while we profess a fight against communism. I have in mind Greece, whose Government is not representative, is undemocratic and tyrannical. I much fear the military supplies and personnel assistance going from us to Greece is used, not against Communists but against patriotic Grecians fighting for liberty.

Mr. Chairman, I am not speaking particularly for or against the enactment of the pending bill as it is now drawn. I am saying that we are probably leaving out of consideration that which is most important in our attempt to establish democratic principles in the world. We must do a little teaching and live like the principles of democracy ourselves.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the distinguished chairman of the Interstate and Foreign Commerce Committee, who was a member of the Select Committee on Foreign Aid which toured Europe this past summer and was chairman of one of the important subcommittees, the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, today the nations of the world stand at the crossroads. One road leads to totalitarianism with loss of individual freedom—the other leads to democracy with assurance of individual freedom. Russia is the advocate of totalitarianism, America is the leader in the cause of democracy. This is the issue today. The lines are drawn. I glory in the knowledge that America stands on the side of liberty, justice, and equality for all men. The bill now before us seeks to give strength to nations who have the desire to follow the way of democracy. The strength of America could not be used in a more worthy cause. Failure to do so would mean that we had deserted the cause of democracy. Without this action at this time, our words for democracy become as "sounding brass and tinkling cymbals." We would forfeit our leadership in the cause of democracy. We would be unfaithful to the cause for which our loyal sons have died. This cannot and must not be. The honor of America is at stake. We must not shirk our responsibility. We must meet the obligation that is ours.

The present bill before the House is a fulfillment of what was merely a suggestion made by Secretary of State Marshall in a speech he made at Harvard University on June 5, 1947. At that time he said that the United States would consider assistance to those nations of Europe which would cooperate individually and collectively in a program to restore European economy.

The suggestion made to the nations of Europe by Secretary of State Marshall resulted from the critical condition in Europe caused by the slow progress of general recovery since the end of the war.

The factors arising directly from the recent war that have held back European recovery are many and varied. They may be generally described as follows: Physical exhaustion and loss of morale of the people, resulting in feelings of uncertainty and insecurity as to the future; widespread destruction and damage to industrial plants and equipment; loss of financial resources, particularly in foreign exchange; serious social and economic dislocation in the several nations, and a general disruption of economic intercourse between the nations of Europe. Innumerable towns and cities destroyed leaving thousands of people without a home or even a roof over their heads, factories and mines destroyed, transportation disrupted, agriculture sharply reduced, and food supplies at a minimum. Thus, Europe was left without resources to rehabilitate itself and with its people discouraged and depressed. This condition presents a most critical situation. Further deterioration could easily result in absolute chaos. If that should occur, then communism could easily take over and the democratic nations of western Europe would cease to exist as governments of free people and become the slaves of a hard and cruel totalitarian state. This would undo the work of centuries. Freedom would become a lost word. Liberty unknown, and equality of man destroyed.

In such a situation as this, the duty, the obligation, and the responsibility of America becomes clear. Our own security, yes, our own selfish interest, if you wish to so describe it, requires that this Nation above all others shall step into the breach and bring its resources and wealth to the assistance of these distressed nations and peoples, and thereby save the cause of democracy. To do otherwise is to permit a situation to become continually worse to the end that we ourselves might become engulfed in a war to maintain our own freedom against the onslaught of communism, made stronger by its successes in taking over the nations of western Europe. If the nations of western Europe should fail, and come under the domination of a Communist regime, the peace of America and of the world would be endangered and we would face another world war.

The assistance provided for in this bill may or may not stop the onrush of communism in Europe. I pray God that it will. It is our first step in an effort to do so. It is an effort to stop communism by means other than war. Of course it will mean some sacrifice upon our part. But, is it not better to make sacrifice of wealth and material rather than the lives of precious American boys? There is only one answer to such a question. This bill makes that answer. If we can encourage and strengthen the democratic nations of Europe by the assistance that this bill provides we have taken a long step toward the maintenance of peace and world security. Without it the future becomes darker and more uncertain.

Whatever may have been the thought of some of us a year or more ago as to advisability or necessity of a program of this character, it is now crystal clear that as a result of the aggressive action of Russia in the last month or so, there is no alternative if we wish to save what remains of democracy in western Europe. The opposition upon the part of Russia to this recovery program is unmistakable evidence that it recognizes the value of such a program as this in thwarting the onward march of communism. Consequently, it is against it and will do everything in its power to prevent it from being a success. We must be realistic and take note of conditions as they now exist and act accordingly.

Already 16 nations of Europe have entered wholeheartedly into the spirit and purpose of the bill. They have individually and collectively expressed the desire and intention of setting their own houses in order, and, utilizing to the fullest extent such resources as they do have in the joint effort with our own country. Many of the necessary programs, such as improved fiscal policies, custom unions, elimination of trade barriers between themselves, exchange of goods and facilities to increase production and other equally important matters have been adopted and are now in effect preliminary to help that is expected from this country. These nations have already shown their good faith. It is our duty now to match our good faith with theirs.

In conclusion, let me say with all the sincerity I possess that I am firmly of the opinion that the economic recovery of Europe is one of the fundamental elements that is necessary in resisting the progress of communism, and, thereby making more certain and sure the maintenance of democracy and the peace and security of the world.

Mr. VORYS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that

that Committee, having had under consideration the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to include in his remarks made in the Committee of the Whole an article by General Chennault.

Mr. MACKINNON and Mr. ANDERSON of California (at the request of Mr. SMITH of Wisconsin) were given permission to extend their remarks in the RECORD.

Mr. JONES of Washington (at the request of Mr. SMITH of Wisconsin) was given permission to extend his remarks in the RECORD in two instances.

Mr. MCCOWEN asked and was given permission to extend his remarks in the RECORD.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article appearing in the Herald Tribune This Week, although the cost is more than the usual amount.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by Archbishop Cushing, of Boston. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $159.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

TAX REDUCTION LEGISLATION

Mr. DONOHUE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Speaker, I do not rise to engage in any long-extended discussion of the present tax-reduction legislation. I well realize that we are pressed for time in our continued consideration of matters and proposals of tremendous significance on the international and domestic scene. However, there is, perhaps, nothing of more import to the maintenance of the spirit and will of the American people to support the position of world leadership that Divine Providence has seen fit to place upon us, than the fundamental idea imbedded in this measure, of not neglecting to afford some relief to our own heavily burdened taxpayers.

I should like to make it plain that I do not believe, by any means, that this bill goes far enough in removing the gross inequities of our tax system. A tax system should never be confiscatory, for such a system would destroy the incentive to work, to save, and to progressively invest incomes. It is my opinion that the present bill does not insure these incentives to any individual and businessmen to the extent that it should, and I wish to emphasize my conviction that, at the earliest possible moment, in fairness to every American—be he the individual wage earner or the businessman—the Congress should eliminate the inequities still existing, in order to keep the American standard of living on a sound basis.

I am going to go along with this tax-relief measure today because I feel that it is at least a step in the right direction, and it is the only proposal now available to give a little measure of relief to the people in the low-income brackets.

The report of the committee shows that over 6,000,000 citizens who are now paying minor amounts of income taxes will be taken off of the income-tax roll by this bill. A further increase in the exemption eliminating several million additional low-income taxpayers from the rolls, who earn less than subsistence incomes, would be more desirable. The bill also includes provision by which the incomes of married couples are split for income-tax purposes, which gives to the married citizens of 36 States equal treatment with those of the 12 States in which the community-property law prevails. The special additional exemption of $600 for the aged and the blind are commendable inclusions.

I do not desire to consume any further time, and I am, without any great enthusiasm, going to support this legislation because, although it fails in most respects to give tax relief where tax relief is most needed, it is at least a gesture of relief, holding out to the citizens of limited means the hope that they will not be entirely forsaken, and that the time-honored principle of allowing personal exemptions to protect the living standards of American homes will not be completely abandoned. It will also, I trust, serve as a reminder to this body that the American people must soon have a tax bill which will be fair to all our citizens as a whole.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

COMMITTEE ON BANKING AND CURRENCY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a conference report on the bill S. 2182, the so-called rent-control bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CARSON (at the request of Mr. RAMEY), on account of illness.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

FOREIGN-AID PROGRAM: A ROAD BLOCK TO STOP REDS

Mr. LANE. Mr. Speaker, not so long ago the European recovery plan was a question of "How much?" and "How administered?"

Now the central issue is, "How soon?"

In the beginning, the Marshall plan was designed to help 16 nations of western Europe to get back on their feet again. As amended, to provide economic assistance to Greece and Turkey and China, the pattern is as clear as a line drawn on a map.

When the plan was first announced, some people considered it from a humanitarian viewpoint. It was necessary to save the prostrate nations of Europe from want. But then the accent shifted. We began to hear more and more about the need for promoting stability and trade in order to save the peace.

Most of us closed our minds to the ominous suggestion that lingered behind these words.

In this House, in the press, and in the forum of public opinion, we heard various criticisms of the plan. The appropriation requested was too much. The American people were not willing to shoulder this extra burden. We were suspicious that our money would be used to finance socialistic experiments. There was lack of faith in the ability of the State Department to supervise the expenditures in a business-like manner. There was cautious talk of calculated risk and warnings that any sum appropriated would be lost down a rat hole. Then the point was raised that this Congress did not have the right or the power to obligate its successors.

While we debated, the shadow of coming events reached us, but it was only a shadow that would soon pass.

The fall of our sister-democracy Czechoslovakia, brought us face to face with an accomplished fact. No small nation, unaided, could resist the pressure and the intrigues of communism. One by one, they were being absorbed, and for every one that was being gathered into the Communist orbit, we were losing a potential ally.

If this continued, encouraged by our Hamlet-like indecision, we would inevitably find ourselves alone in a Communist-dominated and hostile world. Challenged by its superior power and resources, we would be forced to capitulate, or resist by going totalitarian ourselves. In either case, our precious freedoms would be lost beyond recovery.

The recent war, if it taught us anything, showed the folly of complacency and appeasement.

But, incurably optimistic, we did appease Stalin in the hope that he would finally learn to cooperate in establishing the peace. If we made the first concessions, we felt that he would meet us half way.

Instead, he has taken advantage of every conciliatory move that we have made. He does not want to share, but to dictate. Inescapably we are forced to the conclusion that the only language he will understand is that which he employs. We have got to show him that we mean business.

And so, the base of our foreign policy is the Marshall plan, which is a wide-awake program to aid the faltering democracies with that material help which will encourage them to resist the encroachments of communism. It is a realistic step to check Russian expansionism before it is too late. Other steps will be needed, but this is the first one, and it must be translated into action without delay.

April 1 has been set as the "deadline" for its enactment. The need is urgent. On April the 18, all of Italy will go to the polls and there is grave concern that the Communists will gain control of the government, or failing in that, seize control. This would close the Mediterranean and put pressure on France. It might well tip the scales and result in a swift Communist development of all Europe.

We cannot permit that to happen.

There are a few Members of this House who have honest reservations concerning the foreign-aid program. But the precious time during which we might have closely examined all particulars, is running out.

The Communist objective is to liquidate the remaining free nations of this world. Recognizing this, it is imperative that we halt its advance on all fronts. The immediate threat is in Europe. While it is necessary to strengthen this bastion at once, economic supports are also needed elsewhere. By force or stealth, communism is spreading in many different directions, and our chain of security is only as strong as its weakest link. If we concentrate our material help on western Europe alone, Greece, Turkey, Iran, and China may be neglected. It is through these doors that communism may steal and, in the global sense, outflank us.

There is no bargain-basement answer to this threat.

It is clear at last that communism is using every weapon of force, blackmail and cynical propaganda, with the single-minded purpose of ruling the world.

While giving lip-service to the United Nations, she has used the instrument of the veto to prevent the UN from interfering with her aggressive moves.

By setting up the European recovery plan, extended to bolster up other nations as well, we are serving notice on communism that we see through the mask of her deceits, and are determined, in concert with other free nations, to curb her voracious appetite.

It is a realistic effort to save the world from war.

If such a measure will help to save us from a blood-bath, the price is cheap.

The attention of the world is centered on the deliberations of this Congress, anxiously wondering if we are capable of decisive action.

The ERP will pass. As proof of our unity in this crisis, it must pass immediately and by an overwhelming majority, to give help and hope to the imperiled nations who stand between us and the communist terror.

If they fall, we stand alone.

RENT CONTROL—CONFERENCE REPORT AND STATEMENT

Mr. WOLCOTT submitted a conference report and statement on the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

SENATE BILL REFERRED

Bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2358. An act to amend the act approved May 22, 1947, entitled "An act to provide for assistance to Greece and Turkey"; to the Committee on Foreign Affairs.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4790. An act to reduce individual income-tax payments, and for other purposes;

H. R. 5052. An act to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code; and

H. R. 5856. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 26 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Thursday, March 25, 1948, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1409. A letter from the executive secretary, National Munitions Control Board, transmitting copies of a report covering the activities carried on by the Department of State during the year 1947 pursuant to section 12 of the Neutrality Act of 1939 (Public Res. 54, 76th Cong.); to the Committee on Foreign Affairs.

1410. A letter from the Under Secretary of Agriculture, transmitting the report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of February 1948; to the Committee on Agriculture.

1411. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1949 in the amount of $26,335 for the legislative branch, House of Representatives (H. Doc. No. 578); to the Committee on Appropriations and ordered to be printed.

1412. A communication from the President of the United States, transmitting revised estimates of appropriation for the fiscal year 1949 in the net amount of $11,342,500, together with certain proposed provisions, for the Department of the Interior, Bureau of Reclamation (H. Doc. No. 579); to the Committee on Appropriations and ordered to be printed.

1413. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated March 11, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Honga River and Tar Bay, including channel into and harbor in Back Creek, Hooper Island, Md., authorized by the River and Harbor Act approved March 2, 1945 (H. Doc. No. 580); to the Committee on Public Works and ordered to be printed, with one illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TWYMAN: Committee on Post Office and Civil Service. House Joint Resolution 341. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the founding of Fort Kearney in the State of Nebraska; without amendment (Rept. No. 1604). Referred to the Committee of the Whole House on the State of the Union.

Mr. HESS: Committee on Armed Services. H. R. 4490. A bill to authorize the Secretary of the Navy to provide salvage facilities, and for other purposes; without amendment (Rept. No. 1605). Referred to the Committee of the Whole House on the State of the Union.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 1606. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ELSTON: Committee on Armed Services. S. 1581. An act to provide additional time to the city of Newark, N. J., for paying certain installments on the purchase price of the Port Newark Army Base, and for other purposes; without amendment (Rept. No. 1607). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. S. 1799. An act to amend the act of June 3, 1916, as amended, to make it applicable to the Canal Zone, Guam, American Samoa, and the Virgin Islands; without amendment (Rept. No. 1608). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. S. 1794. An act to authorize the Houston Council, Navy League of the United States, to construct a reflecting pool at the United States naval hospital, Houston, Tex.; without amendment (Rept. No. 1609). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ST. GEORGE: Committee on Post Office and Civil Service. House Joint Resolution 339. Joint resolution to provide for the issuance of a special postage stamp series in honor of volunteer firemen; without amendment (Rept. No. 1610). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 5982. A bill to amend the act of March 3, 1901, so as to provide for a divorce from the bond of marriage for permanent and incurable unsoundness of mind; to the Committee on the District of Columbia.

By Mr. ANDREWS of New York:

H. R. 5983. A bill to amend section 202 of title II of the Army-Navy Medical Services Corps Act of 1947, as amended, to remove the present restriction on appointments to the Navy Medical Service Corps; to the Committee on Armed Services.

By Mr. LEFEVRE:

H. R. 5984. A bill to authorize the participation of States, Territories, and insular possessions in revenues from national parks, national monuments, and other areas subject to the primary administrative jurisdiction of the National Park Service; to establish a National Park Land Commission and provide for the acquisition of lands within areas subject to the primary administrative jurisdiction of the National Park Service; and for other purposes; to the Committee on Public Lands.

By Mr. LEWIS:

H. R. 5985. A bill to require the approval of the Senate of the United States of any executive agreement reducing tariff rates on imported products directly competitive with those produced in the United States before the same becomes effective; to the Committee on Ways and Means.

By Mr. POTTS:

H. R. 5986. A bill to amend the Canal Zone Retirement Act of March 2, 1931, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. POTTS (by request):

H. R. 5987. A bill to provide pay adjustment for substitute employees of the postal service who were inducted into the armed forces of the United States during World War II; to the Committee on Post Office and Civil Service.

By Mr. CASE of New Jersey:

H. R. 5988. A bill to provide for the protection of patent rights where enforcement against direct infringers is impracticable, to define "contributory infringement," and for other purposes; to the Committee on the Judiciary.

By Mr. HARVEY:

H. R. 5989. A bill to amend an act entitled "An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

By Mr. TEAGUE:

H. R. 5990. A bill to provide for a service credit for veterans for the purposes of title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. WINSTEAD:

H. R. 5991. A bill to provide for an Air Force capable of preserving and maintaining peace, the security of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. CHADWICK:

H. R. 5992. A bill to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and natural resources within such lands and waters and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

By Mr. CROSSER:

H. R. 5993. A bill to amend the Railroad Retirement Act of 1937, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. FERNÓS-ISERN:

H. R. 5994. A bill to amend section 1101 (a) 1 of the Social Security Act as amended; to the Committee on Ways and Means.

By Mr. MORRISON:

H. R. 5995. A bill to repeal the taxes on telegraph, telephone, radio, and cable services; to the Committee on Ways and Means.

By Mr. CRAWFORD:

H. R. 5996. A bill to amend subchapter B of chapter 28 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. GWINN of New York:

H. R. 5997. A bill to provide relief to the peoples of the world; to develop the industries of the world by granting investors tax exemptions on foreign investments; to grant additional funds for national defense; and for other purposes; to the Committee on Ways and Means.

By Mr. WALTER:

H. J. Res. 361. Joint resolution requesting the President to proclaim April 19 as Paul Revere National Preparedness Day; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H. Res. 511. Resolution requesting the Secretary of Agriculture to report the nature and extent of research activities relating to the price spread between the producer and consumer of agricultural products, the possibility of expediting such activities, and the findings and conclusions of such activities; to the Committee on Agriculture.

By Mr. O'HARA:

H. Res. 512. Resolution to authorize the Committee on Interstate and Foreign Commerce to investigate and study shortages of tractor fuel in farming areas; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 5998. A bill for the relief of Imrich Weiss; to the Committee on the Judiciary.

By Mr. CORBETT:

H. R. 5999. A bill for the relief of Sister Maria Urbana Cihovics (also known as Sister M. Urbana Cihovics); to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 6000. A bill to provide payment of 6 months' pay to Nell R. Swartz, widow of William R. S. Swartz, late field clerk, Quartermaster Corps, United States Army; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 6001. A bill for the relief of the estate of Jose Salgado Santos; to the Committee on the Judiciary.

H. R. 6002. A bill for the relief of Ignacio Colon Cruz; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 6003. A bill to grant increased retired pay to Maj. Gen. Wilson B. Burtt, United States Army, retired; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1614. By Mr. ALBERT: Petition of J. Burr Stout and sundry other citizens of Ardmore, Okla., declaring themselves in favor of a world federal government with limited powers adequate to maintain peace and for the adoption of Senate Concurrent Resolution 24 and House Concurrent Resolution 59 calling for charter amendments to enable the UNO to enact, interpret, and enforce world law to prevent war; to the Committee on Foreign Affairs.

1615. By Mr. FORAND: Petition of Polish-American Citizens' Club, Central Falls, R. I., urging speedy enactment of a law permitting a substantial number of displaced persons to come to the United States as immigrants, in the belief that 1 year's delay will be most detrimental to the displaced persons; to the Committee on the Judiciary.

1616. Also, petition of Polish-Democratic Club, Central Falls, R. I., urging speedy enactment of a law permitting a substantial number of displaced persons to come to the United States as immigrants, in the belief that 1 year's delay will be most detrimental to the displaced persons; to the Committee on the Judiciary.

1617. Also, petition of Ladies' Polish American Citizens' Club, Pawtucket, R. I., urging speedy enactment of a law permitting a substantial number of displaced persons to come to the United States as immigrants, in the belief that 1 year's delay will be most detrimental to the displaced persons; to the Committee on the Judiciary.

1618. By Mr. HOLMES: Petition of a number of residents of Pullman, Sunnyside, and Walla Walla, filed by the Committee for the Marshall plan, urging a sound European recovery program; to the Committee on Foreign Affairs.

1619. By Mr. JENKINS of Pennsylvania: Petition of approximately 1,000 residents of the Eleventh Congressional District (Luzerne County) of Pennsylvania, urging the enactment during this session of Congress of the European recovery program; to the Committee on Foreign Affairs.

1620. By Mr. McCULLOCH: Petition of D. W. Bixler and 20 other persons, of Bluffton, Ohio, urging the enactment of legislation supporting the reduction of Federal expenditures, Federal budget, and aid to Europe; to the Committee on Appropriations.

1621. By Mr. NORBLAD: Petition signed by Miss Ruth P. Whitcomb and seven other citizens of Corvallis, Oreg., protesting against universal military training; to the Committee on Armed Services.

1622. Also, petition signed by Mrs. Frank Foster and three other citizens of Dayton, Oreg., protesting against universal military training; to the Committee on Armed Services.

1623. Also, petition signed by Mrs. Lyle Bryant and 16 other citizens of Sheridan, Oreg., protesting against universal military training; to the Committee on Armed Services.

1624. Also, petition signed by Mrs. John D. Finlay and 18 other citizens of Oswego, Oreg., protesting against universal military training; to the Committee on Armed Services.

1625. Also, petition signed by Upton A. Upton and 18 other citizens of Estacada, Oreg., protesting against universal military training; to the Committee on Armed Services.

1626. Also, petition signed by Ward C. Miles and 49 other citizens of Marion County, Oreg., protesting against universal military training; to the Committee on Armed Services.

1627. By Mr. WADSWORTH: Petition of E. Willoughby Middleton and other citizens of Rochester, N. Y., and that area, in support of the Foreign Assistance Act of 1948; to the Committee on Foreign Affairs.

1628. By Mr. WELCH: Petition of students of the University of San Francisco, San Francisco, Calif., to urge immediate legislative action to implement the principles enunciated by President Truman in his speech to the joint session on Wednesday, March 17, 1948; to the Committee on Foreign Affairs.

1629. By the SPEAKER: Petition of Puerto Rico Free Federation of Labor, petitioning consideration of their resolution with reference to extension of social security for Puerto Rico; to the Committee on Ways and Means.

SENATE

THURSDAY, MARCH 25, 1948

(Legislative day of Monday, March 15, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Lord Jesus, Saviour of the world, in Thy holy name we join our hearts in prayer.

This week, as we remember all Thou didst endure for us, we may be sure Thou hast not forgotten. For we will not let Thee forget.

With every sin of ours, we renew the pain Thy heart did know.

Every time we ignore Thee, forget Thee, and heed not Thy way, we revive for Thee the loneliness Thou didst feel and the spiritual blindness that broke Thy heart.

O Lord, give us Thy grace that we may not crucify Thee afresh, but, loving Thee, keep Thy commandments.

With steady faith that Thy kingdom will yet be established upon the earth, help us to hasten its coming by letting Thee work in us and through us to do Thy will. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of proceedings of Wednesday, March 24, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, March 25, 1948, the President had approved and signed the following acts:

S. 400. An act authorizing the issuance of a patent in fee to Mabel Townsend Pretty on Top;

S. 401. An act authorizing the Secretary of the Interior to issue a patent in fee to Clarence M. Scott;

S. 773. An act authorizing the issuance of a patent in fee to Mrs. Mary E. Leaf;

S. 1407. An act authorizing the issuance of a patent in fee to Robert E. Doyle; and

S. 1517. An act authorizing the issuance to James Perry Doyle of a patent in fee to certain lands in Big Horn County, Mont.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the unanimous-consent agreement entered into yesterday, the Senator from Alabama [Mr. HILL] is entitled to the floor.

Mr. HILL. Mr. President, if I may, I yield for insertions in the RECORD and the transaction of routine business.

CONSIDERATION OF THE CALENDAR ON MONDAY

Mr. WHERRY. Mr. President, I desire to make an announcement for the benefit of Senators who are present and also for the RECORD. I call the attention of the membership of the Senate to the fact that a unanimous-consent agreement has been entered into that when the Senate convenes on Monday following Easter the Legislative Calendar shall be called from the beginning for the consideration of unobjected-to bills. If Senators who are present now or who may be present during the course of the day will see me as the acting majority leader, I shall be glad, if they have objections they wish to interpose to any bills and they cannot be present on Monday, to see that objections will be made on their behalf.

TRIBUTE TO GEN. FERDINAND FOCH

Mr. SALTONSTALL. Mr. President, tomorrow will mark the thirtieth anniversary of the appointment of Gen. Ferdinand Foch as Commander in Chief of the Allied armies on the western front. His command included more than 2,000,000 men of the American Expeditionary Forces. I, and I know many other Members of this body, recall with tremendous pride those days we served under his inspired leadership in France during the First World War.

Today, when all thinking American citizens are urging military preparedness as our best hope for an enduring peace, it seems particularly appropriate that we pay tribute to this great Allied leader. General Foch was an unswerving friend of the United States, a military genius, and a man always ready to protect the rights of freedom-loving peoples. He believed deeply in cooperation for a stable world peace as the best guaranty against attempts at world domination.

A master of tact as well as tactics, Marshal Foch took command at a dark moment when the balance of power was overwhelmingly against us. Our situation on March 26, 1918, was all but desperate; the Allied front on the Somme had been broken, and the German Army was sweeping toward the strategic rail center of Amiens. Eight months later, as supreme commander of thousands of French, British, and American soldiers fighting together to make the world safe for democracy, General Foch was able to dictate the terms of armistice to the Germans.

General Pershing, who so brilliantly served under Foch's command, Secretary George C. Marshall, General Eisenhower, and General MacArthur have repeatedly paid warm tribute to their old friend and commander.

His leadership of the Allied Nations 30 years ago in the common cause of winning back individual freedom and peace fills one of the most crucial chapters of our history.

General Foch was one of the greatest and noblest of France's sons who rose to fame in the twentieth century.

As the peace of the world today hangs in such delicate balance, we may well reflect upon the momentous problems which faced us 30 years ago, and how, under a distinguished leader, we were able to successfully meet that great challenge.

REVERSAL OF PALESTINE POLICY

Mr. MURRAY. Mr. President, the recent American reversal of policy with reference to Palestine is one of the most shocking retreats in the history of our foreign relations. The victors are the Grand Mufti of Jerusalem, the collaborator with Hitler, and the bands of Arab aggressors who defied the United Nations in the war. The Mufti and the Arabs have demonstrated that they can bend to their will one of the greatest powers on earth, the United States of America. In perpetrating this indefensible act, our Department of State has permitted the Arab states to exploit the weak and vacillating policy of our Government. The United States, strong enough to face up to the Soviets, has surrendered to the Arab feudal aggressors and has temporarily frustrated a just settlement of the Palestine question.

The British, with mandatory power, under the leadership of British Foreign Secretary Ernest Bevin, succeeded in their conspiracy with the Arab marauders to scuttle the partition plan and to nullify the expressed will of the United Nations.

Last, but not least, the American oil companies and the oil lobby have committed the United States to a decision to scuttle the partition plan. Identifying their own oil interests with American national interests, they succeeded in persuading the administration to sell the Palestine state short. The American reversal on Palestine is their greatest victory since Teapot Dome.

The greatest loser in this betrayal is America, whose prestige in the world has suffered a great blow, and, if not reversed, it may very well mean the demise of the United Nations.

Mr. President, I intend to try to avert such consequences by doing everything in my power to see to it that this policy of scuttling the partition of Palestine is reversed, to the end that the honor and standing of the United States in the eyes of the world may be reestablished.

DECENTRALIZATION OF UNITED STATES GOVERNMENT

Mr. WILEY. Mr. President, gradually we seem to be penetrating the minds of America's military leaders and impressing upon them the importance of decentralization of the Federal Government, of industry, and of population. Yesterday, Maj. Gen. Lewis B. Hershey, Director of the Office of Selective Service Records,

stated at Boise, Idaho, that if another war should ever come—and we pray that it will never come to pass—this country would just be a number of isolated communities similar to those of Colonial times.

General Hershey stated that "We have to plan on the possibility that Washington—and probably a number of State capitals—will be destroyed in the first hours" of an enemy attack. He further commented, "Communications will be smashed with the first blow struck at us, and our immediate problem will be one of individual survival."

Mr. President, I have been trying to get across that message from the earliest days of my coming to the Senate back in 1939. I have tried to point out the importance from every standpoint—military, political, economic, social—that we halt and reverse the suicidal trend toward centralization of power and authority in Washington, D. C.

At this time, I should like to have excerpts from a few of my previous comments, as carried in the CONGRESSIONAL RECORD, reprinted therein. My purpose in doing so is not to prove any particular prescience on my personal part—not to seek personal recognition for whatever little I have been able to do. As a matter of fact, I cannot claim to have achieved any real degree of success, as yet, along this line. Perhaps, now that we see ourselves in the international crisis, some of my endeavors along this line and, yes, those of many other—military men and civilians—will bear fruit.

(The excerpts appear in the Appendix.)

Mr. WILEY. Mr. President, what we are concerned with is that our Nation shall be adequate in this atomic age against any emergency which may arise. We are not seeking personal recognition. We are not trying to prove that we were right and that everybody else was wrong. We are seeking preparedness by our country.

Mr. President, it seems to me that decentralization of our Government forces from Washington, D. C., is absolutely essential, both from a military and a governmental standpoint. However, this, I repeat, is but one element of an all-out program of atomic defense which we must follow.

I ask that following my comment there be printed at this point in the RECORD a letter which I have just received from the Secretary of the Air Force, Symington.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, March 19, 1948.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: Your interest in the subject of Government decentralization is gratifying. We shall answer your letter by outlining the developments on this problem within the National Military Establishment.

In order that agencies assigned responsibilities by law for the various phases of this subject may make their specific recommendations to the President, the problem of governmental decentralization has been separated into segments by the Joint Chiefs of Staff. Those phases of the problem which fall within the responsibilities of the Joint Chiefs of Staff have been referred to agencies of the Joint Staff for study and recommendations.

The relocation of the joint military command post and the signal communications problems have been assigned as separate studies to the Joint Logistics Plans Committee of the Joint Staff for analysis. A draft study on the location of a joint command post in the United States has been prepared but as yet has not been approved by all the services. A preliminary study has also been made concerning the communications problems which will face the military in the event the seat of government is moved out of the Washington area.

The Munitions Board is preparing a study on industrial mobilization which touches on the problem of decentralization. Also, we are working closely with Mr. Hill, Chairman, National Security Resources Board, on this problem.

We believe that Congress is the proper agency to resolve the problem of dispersion of Government facilities in Washington, based upon recommendations made by the President which should include the establishment of an alternate seat of government in the event of national disaster.

Your continuing support will aid in implementing recommendations made by the Secretary of Defense to the President on this matter.

Sincerely yours,
W. Stuart Symington,
W. STUART SYMINGTON.

FOREIGN AID AND LOCAL TAXES—EDITORIAL FROM THE ROCKFORD (ILL.) REGISTER-REPUBLIC

Mr. BROOKS. Mr. President, I ask unanimous consent to have printed in the RECORD an able editorial entitled "Foreign Aid and Local Taxes," published in the Rockford (Ill.) Register-Republic under date of March 18, 1948. The editorial points out that if the Marshall plan, which provides for aid to Europe in the amount of $17,000,000,000, is adopted, plus the amount we have already appropriated for foreign aid, the pro rata share for the people of Illinois will be just about equal to the entire assessment of our State for local government in the same 7-year period. The editorial further points out that the people should understand how their money is being spent in foreign countries, when there is appropriated for foreign aid an amount equal to the amount spent for their own local administration during the same 7-year period.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOREIGN AID AND LOCAL TAXES

Not as an argument for or against the Marshall plan and other foreign-aid programs but simply as a fact that ought to be well understood, the close parallel between foreign-aid costs and total tax collections for local government purposes is interesting.

The parallel is shown in figures prepared by the Library of Congress at the request of Illinois Senator BROOKS. Applying the estimated national per capita cost of foreign-aid programs, actual and proposed, for the 1945–52 period to Illinois county and city population figures, the Library of Congress reported, for example, that Winnebago County's share of the total will run to $87,824,501 for the period. This is based on a reported $24,000,000,000 already spent for foreign aid and an additional seventeen billions to be spent under the Marshall plan.

Last year's total tax extensions for all local government purposes in Winnebago County were $5,625,000. At this annual rate we would raise for local government purposes in the 6- to 7-year period covered by the aforementioned foreign-aid figures a sum approximately equal to our prorated share of foreign-aid expenditures.

Putting it the other way, we are contributing just as much for the maintenance of foreign peoples as for the servicing and local government of our own.

The principal question raised by this statistical parallel is not, as we see it, whether it is proper or feasible to make this enormous contribution to the welfare of the rest of the world. What we do need to ask ourselves is whether we are paying to foreign-aid programs and administration the attention they deserve.

Are we as interested, for instance, in what is done with a cargo of grain shipped to Italy or a load of machinery supplied to France or Britain as we are in the building of a garbage incinerator or the proper equipping of our fire department? Do we insist upon intelligent and efficient administration of foreign aid with as much vigor as we apply to surveillance and criticism of local government management?

Since its impact upon our purses is the same, foreign aid is a subject upon which we should be just as well-informed as we are in matters of local government. But who among us is bold enough to make that boast?

STATEMENT BY HERBERT HOOVER ON PROGRESS OF COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement issued by Hon. Herbert Hoover describing the progress which is being made by the Commission on Organization of the Executive Branch of the Government.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY HERBERT HOOVER

Mr. Herbert Hoover, Chairman of the Commission on Organization of the Executive Branch of the Government, the members of which are: Dean Acheson, former Under Secretary of State; Arthur S. Flemming, Civil Service Commissioner; James Forrestal, Secretary of Defense; George H. Mead, industrialist; Senator George D. Aiken; former Ambassador Joseph P. Kennedy; Senator John L. McClellan; Dr. James K. Pollock, of the University of Michigan; Congressman Clarence Brown; Congressman Carter Manasco; and James Rowe, Jr., former administrative assistant to the President; made the following statement today as to the progress of the work of the Commission:

"An advisory committee has been set up to work with Mr. Paul Grady, of Price, Waterhouse, in the study which his firm is making of the lending activities of the Federal Government. The members of the advisory committee are: Paul Bestor, former chairman, Farm Loan Board; Donald D. Davis, president, Minnesota & Ontario Paper Co.; Walter J. Cummings, chairman of the board, Continental Illinois National Bank & Trust Co. of Chicago; Walter D. Fuller, president, the Curtis Publishing Co.; George L. Harrison, New York Life Insurance Co.; Arnold B. Keller, senior consultant, International Harvester Co.; Walter Lichtenstein, chairman, Economic Policies Commission, Chicago Association of Commerce; James H. McGraw, Jr., president, McGraw-Hill Publishing Co., Inc.; Sumner H. Slichter, Harvard University; and Allan Sproul, Federal Reserve Bank of New York.

"A similar committee has been organized to serve as advisers to Mr. Russell Forbes, who is in charge of a study of the procurement methods of the Federal Government. The committee consists of: W. Z. Betts, di-

rector, division of purchase and contracts, State of North Carolina; Harry Erlicher, vice president in charge of purchases, General Electric Co.; R. C. Haberkern, vice president in charge of purchases, R. J. Reynolds Tobacco Co.; Carl Ilgenfritz, vice president in charge of purchases, United States Steel Corp. of Delaware; Thomas Jolly, vice president in charge of purchases of engineering, Aluminum Co. of America; George A. Renard, executive secretary-treasurer, National Association of Purchasing Agents; John Sanger, vice president in charge of purchases, United States Gypsum Co.; and Charles Smith, vice president in charge of purchases, New Haven Railroad.

"The organization of studies and reports upon the following executive functions has already been announced:

"Public works: Mr. Robert Moses.

"Veterans' affairs other than hospitals: Col. Franklin D'Olier.

"Revolving funds, other than lending agencies: Maj. Gen. Arthur H. Carter.

"The post office: Robert Heller and associates.

"Transportation: Brookings Institution.

"Public welfare: Brookings Institution.

"Foreign affairs: Messrs. Harvey Bundy and James Grafton Rogers, with Henry L. Stimson as adviser.

"Federal field offices: Klein & Sacks.

"Relations of the presidency to the executive branch: Herbert Hoover with Don K. Price and the Bureau of the Budget.

"Regulatory agencies: Mr. Owen D. Young, ex-Senator Robert M. LaFollette, and Professor Robert Bowie.

"Indian affairs: Mr. Charles J. Rhoads, Dr. John R. Nichols, Rev. Dr. Gilbert Darlington, and Prof. George Graham.

"Natural resources: Leslie A. Miller, Horace M. Albright, John J. Dempsey, Isaiah Bowman, Samuel Trask Danna, Donald H. McLaughlin, Gilbert F. White, and J. R. Mahoney, research assistant.

"Medical services of the Government (except those of the National Military Establishment): Mr. Tracy S. Voorhees, chairman, Dr. O. H. P. Pepper, Dr. Hugh Jackson Morgan, Dr. Allen O. Whipple, Dr. W. C. Menninger, Dr. Ray Lyman Wilbur, Dr. Frank R. Bradley, Dr. R. C. Buerki, Mr. Charles Rowley, Mr. Henry Isham, Dr. Paul R. Hawley, Dr. Michael DeBakey, and Rear Adm. Joel T. Boone, United States Navy, Secretary.

"Personnel and Civil Service Committee: John A. Stevenson, chairman; James P. Mitchell, George D. Stoddard, Rawleigh Warner, Alfred H. Williams, Lawrence Appley, Vannevar Bush, Alvin Dodd, Col. Franklin D'Olier, Alvin Eurich, Earl G. Harrison, Robert L. Johnson, David Lilienthal, Robert Ramspeck, Andrew Robertson, Senator Harry F. Byrd, and Leonard D. White, and Cresap, McCormick & Paget on research.

"Fiscal, budgeting and accounting: John W. Hanes, chairman, with T. Coleman Andrews and A. E. Buck.

"Federal-State relationships: T. J. Coolidge, chairman; William Anderson, John Burton, Senator Harry F. Byrd, Gov. Frank Carlson, William L. Chenery, John W. Davis, ex-Gov. Charles A. Edison, Dean William I. Myers, Sinclair Weeks, and Frank Bane, research assistant.

"Agricultural activities: H. P. Rusk, chairman; D. Howard Doane, John Gaus, W. H. Martin, F. W. Peck, Chester Davis, Rhea Blake, W. A. Schoenfeld, and G. Harris Collingwood, research director."

FEDERAL AID TO EDUCATION—WITH STRINGS—STATEMENT BY NATIONAL ASSOCIATION OF STATE CHAMBERS OF COMMERCE

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD a brief article entitled "Federal Aid to Education—With Strings," which contains some figures which have been developed by the National Association of State Chambers of Commerce.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEDERAL AID TO EDUCATION—WITH STRINGS

Senate bill No. 472, known as the Educational Finance Act of 1947, is one of the more controversial measures now before Congress. For a clear, painstaking analysis of the bill's provisions, we recommend that you procure a copy of the special Governmental Affairs Bulletin of Tuesday, March 9, published by the United States Chamber of Commerce, Washington, D. C.

Here we deal with one aspect of Senate 472 that apears generally to have been overlooked, namely, the fact that so-called Federal-aid programs must be financed by taxes collected from the folks back home. When one compares the amount of taxes the people of a State must pay as their share of the cost of a Federal-subsidy program with what their State is to receive in aid, disillusionment often ensues. And when one also takes into account the strings so often attached to the granting of the subsidy, disillusionment may well give way to grave concern.

THE STATES RECEIVE—BUT THEY ALSO PAY

Senate bill No. 472 (introduced by Senator ROBERT A. TAFT et al.) provides for the distribution of $300,000,000 annually among the 48 States and the Territories of the United States to assist (them) in financing a minimum-education program of public elementary and secondary schools. (From the July 3, 1947, report of the Senate Labor and Welfare Committee. But private sectarian schools may also share in the Federal grants in States whose statutes permit such use of public funds.)

The allocation formula contained in the bill is set up so as to provide grants ranging from a minimum of $5 per child (from 5 to 17 years of age) in the so-called richer States up to about $29 per child in Mississippi.

The funds required to finance this program are to come, of course, from Federal taxation. The table on page 2 shows the amount each State would receive under the proposed bill (see column 1); also the estimated amount the taxpayers of each State would pay toward the cost of the program (see column 2). The difference (see column 3) represents the net gain or loss to each State under the program.

	What each State would receive [1]	What each State's taxpayers would pay toward program [2]	Net gain (+) or loss (−) to each State
Alabama	$19,390,000	$3,660,000	+$15,730,000
Arizona	1,750,000	1,110,000	+640,000
Arkansas	12,399,000	1,560,000	+10,839,000
California	7,260,000	26,340,000	−19,080,000
Colorado	1,225,000	2,430,000	−1,205,000
Connecticut	1,705,000	5,100,000	−3,395,000
Delaware	285,000	750,000	−465,000
Florida	2,260,000	4,200,000	−1,940,000
Georgia	17,745,000	4,560,000	+13,185,000
Idaho	1,010,000	1,050,000	−40,000
Illinois	7,520,000	21,300,000	−13,780,000
Indiana	3,645,000	7,740,000	−4,095,000
Iowa	2,505,000	5,340,000	−2,835,000
Kansas	1,860,000	3,540,000	−1,680,000
Kentucky	16,120,000	3,840,000	+12,280,000
Louisiana	11,075,000	3,510,000	+7,565,000
Maine	1,060,000	1,670,000	−560,000
Maryland	2,135,000	4,800,000	−2,665,000
Massachusetts	4,160,000	11,100,000	−6,940,000
Michigan	5,980,000	13,080,000	−7,100,000
Minnesota	2,820,000	5,460,000	−2,640,000
Mississippi	16,985,000	2,100,000	+14,885,000
Missouri	3,755,000	7,710,000	−3,955,000
Montana	545,000	1,170,000	−625,000
Nebraska	$1,350,000	$2,640,000	−$1,290,000
Nevada	135,000	420,000	−285,000
New Hampshire	640,000	960,000	−320,000
New Jersey	4,025,000	10,920,000	−6,895,000
New Mexico	3,390,000	870,000	+2,520,000
New York	12,010,000	40,560,000	−28,550,000
North Carolina	22,825,000	5,370,000	+17,455,000
North Dakota	1,655,000	1,110,000	+545,000
Ohio	7,090,000	17,370,000	−10,280,000
Oklahoma	9,195,000	3,270,000	+5,925,000
Oregon	1,125,000	3,060,000	−1,935,000
Pennsylvania	10,410,000	22,020,000	−11,610,000
Rhode Island	720,000	1,770,000	−1,050,000
South Carolina	13,855,000	2,490,000	+11,365,000
South Dakota	1,445,000	1,200,000	+245,000
Tennessee	14,785,000	4,500,000	+10,285,000
Texas	18,675,000	11,940,000	+6,735,000
Utah	1,535,000	1,230,000	+305,000
Vermont	615,000	690,000	−75,000
Virginia	8,070,000	4,890,000	+3,180,000
Washington	1,820,000	5,520,000	−3,700,000
West Virginia	10,405,000	2,940,000	+7,465,000
Wisconsin	3,300,000	6,750,000	−3,450,000
Wyoming	280,000	600,000	−320,000

[1] Taken from table 2 of the Senate Labor and Welfare Committee's report of July 3, 1947.

[2] Based on income payments to individuals in each State as reported by the Department of Commerce for 1946, the latest year for which such statistics are available.

REDISTRIBUTION WITH STRINGS ATTACHED

It is apparent that Senate 472 is not in reality an aid bill. Under it the Federal Government collects $300,000,000 of additional taxes from the people in the 48 States and then redistributes those funds according to a prescribed formula. But when the money goes back to the States, strings are attached. Space does not permit more than a mere listing of them here.

EIGHT STRINGS

1. The bill requires that the State treasurer (or corresponding State official) submit to the United States Commissioner of Education each year a detailed statement showing how the aid received by the State has been disbursed. This may be considered as a routine string.

2. There must be an audit by the State education authority of the Federal funds received and apportioned to school districts. This is also routine.

3. The State educational authority must submit to the United States Commissioner of Education annual reports on the progress of education in his State, on forms provided by the Commissioner. The latter shall then submit to Congress his analysis of these reports, together with his recommendations for changes to be made in the act. This provision is written in broadest language and opens the door wide to future dictation of public education policies from Washington.

4. The bill specifies how, in States where separate schools are maintained for minority racial groups, Federal funds are to be apportioned on a just and equitable basis. Oddly enough, while this may be considered by many as a desirable provision, it might well result in freezing Jim Crowism permanently into our Nation's educational system.

5. Aid shall be allotted only to those States which provide from State revenues for educational purposes not less than the total amount actually spent from State funds in fiscal 1947, or the amount so expended in 1947 on a per pupil basis, whichever is the greater. This pegging of State support of schools to 1947 levels (or 1948 or 1949 or 1950 if the act is subsequently so amended) may compel many States to revise their school aid laws to comply with the Federal act.

6. Local school districts, to qualify for aid, must continue to pay average monthly salaries to teachers not less than the average paid as of February 1, 1947 (or 1948 or 1949 or 1950 if the act is subsequently so amended). This apparently innocent pegging of locally fixed teachers' salaries is probably one of the most dangerous provisions in the bill, for under changing economic conditions, it can lead to the transfer of the initiative of fixing

such salaries from school boards to Washington.

This is the only legislation we know of where the Federal Government would presume to fix or peg the salaries of public employees whose jobs are created, administered, and financed by local jurisdictions. The mischief it may ultimately lead to by way of Federal interference with local budget-making powers is something to be carefully considered.

7. States are required to see that a minimum of $50 per pupil per year is made available from all fund sources for current expenditure by all local school districts. This takes effect in the fourth year of the act's operation.

8. To qualify for its full share of Federal aid, a State must have expended for education (from all fund sources within the State) an amount equal to at least 2.5 percent of the total income earned by its people, as measured by income payments computed by the United States Department of Commerce.

CONCLUSION

Of the eight "strings" listed above, at least three may prove to be ropes with nooses by which State and local authority over public schools may be gradually strangled in favor of control from Washington.

Senate 472 contains a disclaimer (section 2) against Federal interference with or control of school systems. It is written in nice high-sounding language. But the eight control devices listed above tend to make this disclaimer meaningless.

Perhaps we shall do well to keep always in mind the less eloquent but more realistic words contained in a recent Supreme Court decision bearing on a Federal aid issue: "It is consistent with due process for the Government to regulate that which it subsidizes."

ALVIN A. BURGER,
Research Director, National Association of State Chambers of Commerce.

NEWARK, N. J., *March 25, 1948.*

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Attorney General, withdrawing the name of Mario Mendonca from a report relating to aliens whose deportation he suspended more than 6 months ago, transmitted by him to the Senate on January 15, 1948; to the Committee on the Judiciary.

REPORT OF NATIONAL MUNITIONS CONTROL BOARD

A letter from the executive secretary, National Munitions Control Board, transmitting, pursuant to law, a report prepared by the Munitions Division, Department of State, entitled "A Report on the Exportation and Importation of Arms, Ammunition, and Implements of War Authorized Under Licenses Issued by the Secretary of State for the Year 1947" (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF THE LIBRARIAN OF CONGRESS

A letter from the Librarian of Congress, transmitting, pursuant to law, his annual report for the fiscal year ending June 30, 1947, as well as a complete set of the Quarterly Journal of Current Acquisitions, the supplements to the annual report (with accompanying papers); to the Committee on Rules and Administration.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A radiogram in the nature of a petition, from the Puerto Rico Chapter of Reserve Officers of the Naval Services (RONS-NROA), signed by Thorn, president, San Juan, P. R., praying for the enactment of legislation providing universal military training, and so forth; to the Committee on Armed Services.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolution of the General Court of the Commonwealth of Massachusetts; to the Committee on Banking and Currency:

"Resolution memorializing Congress to provide for Federal housing projects in the city of Boston

"*Resolved*, That the General Court of Massachusetts hereby memorializes the Congress of the United States to provide for Federal housing projects in the city of Boston, which projects shall be commenced after the termination of the present war; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, the United States Housing Authority, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

THE PRESIDENT'S THREE-POINT PROGRAM—PETITION FROM MISSOURI VETERANS

Mr. DONNELL. Mr. President, I hold in my hand a letter dated March 20, 1948, from Mr. Paul B. Christy, of 206 East Forty-third Street, Kansas City, Mo. The letter is addressed to me, and encloses a petition. The letter is self-explanatory, and I read a portion of it:

The enclosed petition is a spontaneous response by Kansas City veterans and citizens to further what they believe will help to prevent another war.

The petition was circulated by ex-GI's and the response was almost unanimous.

Then this language occurs in the letter, following a sentence which has nothing to do with the petition:

We would appreciate it if you would have the wording in the petition printed in the CONGRESSIONAL RECORD.

Mr. President, at this point I read into the RECORD the petition, which is very short. It reads:

We, the undersigned, would like to be on record as in full agreement with President Truman's three-point program of immediate assistance to European reconstruction, universal military training, and immediate reinstatement of a suitable draft law. We urge you to promote this course of action which we believe is necessary to avoid another war.

Mr. Christy's letter requests that I call attention to the following facts:

1. More than 750 persons signed the petition.

2. Persons who signed the petition were of no one race, religion, or political party.

3. The persons who signed this petition believe that the immensity of the current world situation transcends all political, racial, and religious lines.

4. Above all, they believe that now is the time for speedy action on the proposal stated in the petition.

Mr. President, pursuant to the request, I have read the portion of the letter Mr. Christy asked to have printed in the RECORD, and also the petition. I now ask unanimous consent to present the letter and petition for appropriate reference.

The PRESIDENT pro tempore. Without objection, the letter and petition will be received and referred to the Committee on Armed Services.

PROHIBITION OF LIQUOR ADVERTISING—PETITION

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference a petition signed by about 75 citizens of the community of Tuscola, Ill., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertisements in interstate commerce, introduced by me.

The PRESIDENT pro tempore. Without objection, the petition will be received and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BRIDGES, from the Committee on Appropriations:

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections; without amendment (Rept. No. 1025).

By Mr. MILLIKIN, from the Committee on Finance:

H. R. 4478. A bill to provide basic authority for certain administrative expenditures for the Veterans' Administration, and for other purposes; without amendment (Rept. No. 1027); and

H. R. 4943. A bill to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the territory of the Republic of the Philippines; without amendment (Rept. No. 1028).

AID TO CHINA—PERMISSION TO FILE REPORT

The PRESIDENT pro tempore. The Chair would like to announce that, without objection, the Senate Committee on Foreign Relations will be permitted to file a report on the China-relief bill during the ensuing recess.

Subsequently,

Mr. VANDENBERG, from the Committee on Foreign Relations, reported an original bill (S. 2393) to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China, and submitted a report (No. 1026) thereon, which bill was read twice by its title and ordered to be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah:

S. 2382. A bill for the relief of Claris U. Yeadon; to the Committee on the Judiciary.

(Mr. GREEN introduced Senate bill 2383, to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of fiber content in spun, woven, knitted, felted, or other manufactured fiber products, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. McMAHON:

S. 2384. A bill to extend the educational and training benefits of the Servicemen's Readjustment Act of 1944, as amended, to certain widows and children of deceased veterans, and to extend the loan benefits of such act to certain widows of deceased veterans; to the Committee on Labor and Public Welfare.

By Mr. SMITH (for himself, Mr. CORDON, Mr. REVERCOMB, Mr. SALTONSTALL, Mr. THOMAS of Utah, Mr. KILGORE, Mr. MAGNUSON, and Mr. FULBRIGHT):

S. 2385. A bill to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes; to the Committee on Labor and Public Welfare.

(Mr. BALL introduced Senate bill 2386, to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. MAYBANK:

S. 2387. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Elizabeth R. Pendleton, and for other purposes; to the Committee on the Judiciary.

By Mr. WHERRY:

S. 2388. A bill to transfer the functions of the Atomic Energy Commission to the Department of the Army; to the Joint Committee on Atomic Energy.

By Mr. BALDWIN (for himself, Mr. HILL, and Mr. HOLLAND):

S. 2389. A bill to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes; to the Committee on Armed Services.

By Mr. RUSSELL (for himself and Mr. GEORGE):

S. 2390. A bill to amend section 77 of the Judicial Code, as amended, to create a Swainsboro division in the southern district of Georgia, with terms of court to be held at Swainsboro; to the Committee on the Judiciary.

By Mr. KNOWLAND:

S. 2391. A bill for the relief of Anna Netty Gordzialkowska Konopka and her daughter, Bernadette Marie Konopka; to the Committee on the Judiciary.

By Mr. McFARLAND (for himself and Mr. HAYDEN):

S. 2392. A bill to authorize the furnishing of water to the Yuma auxiliary project, Arizona, through the works of the Gila project, Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

(Mr. VANDENBERG, from the Committee on Foreign Relations, reported an original bill (S. 2393) to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. O'MAHONEY:

S. 2394. A bill to make the Government-owned plant at Laramie, Wyo., available as a demonstration plant for the production of alumina from clay, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TAYLOR:

S. 2395. A bill for the relief of Guillermo Chacartegui; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 2396. A bill for the relief of S. M. Price; to the Committee on the Judiciary.

By Mr. LODGE:

S. J. Res. 200. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; to the Committee on the Judiciary.

LABELING OF MANUFACTURED FIBER PRODUCTS

Mr. GREEN. Mr. President, I ask unanimous consent to introduce a bill to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of fiber content in spun, woven, knitted, felted, or other manufactured fiber products, and for other purposes.

The reason why such a bill should be enacted into law is this: The consumption of manufactured fibers in the United States has grown enormously in recent years. Last year, 1947, it exceeded 1,000,000,000 pounds. This may be compared with the consumption of wool fibers which amounted to 700,000,000 pounds—scoured weight—and with the consumption of cotton fibers which amounted to 4,600,000,000 pounds. So we see that the consumption of manufactured fibers is a little less than one-fifth of the total of natural fibers.

These manufactured fibers commonly known as rayon, nylon, vinyon, fiberglas, and so on, are used largely in apparel. Thus they come into competition with natural fibers such as cotton and wool, making it necessary for the consumer to select between the different sorts of fibers. There is, however, frequently a close resemblance between the end products of the manufactured fibers on the one hand and the natural fibers on the other. It is desirable for the consumer that the fiber content be identified so that it can easily be distinguished. This is really important because the manufactured fibers have different characteristics from the natural fibers with respect to ironing, dyeing, laundering, and so forth. The present failure to identify the manufactured fiber content creates the possibility not only of mistake by, but also of misrepresentation to the purchaser. It also constitutes unfair competition with those establishments which do identify fiber content, thus imposing a burden on interstate commerce.

There is already precedent for action by the Government thus to protect the purchaser. The presence of wool in textile products is now identified in accordance with the Wool Labeling Act of 1939. As I stated, there is a larger amount of manufactured fibers now used than wool fibers. So there is a greater need for their correct labeling. With one very limited exception, manufactured fibers are not subject to similar requirements. This bill is calculated to make them so. It is designed to protect the manufacturers, the trade itself, and the general purchasing public.

There being no objection, the bill (S. 2383) to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of fiber content in spun, woven, knitted, felted, or other manufactured fiber products, and for other purposes, introduced by Mr. GREEN, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938

Mr. BALL. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to amend the Fair Labor Standards Act of 1938, and I request that a statement explaining the main provisions of the bill may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and without objection, the statement presented by the Senator from Minnesota will be printed in the RECORD.

There being no objection, the bill (S. 2386) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, introduced by Mr. BALL, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement presented by Mr. BALL was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BALL EXPLAINING THE CHANGES IN THE FAIR LABOR STANDARDS ACT

MINIMUM WAGE

The bill would raise the minimum wage from 40 to 60 cents an hour. It also makes provision for the reestablishment of industry committees similar to those appointed under the original act, which are given power to alter the rate according to standards prescribed in the act upward to 70 cents an hour or downward to 50 cents an hour. The standards require an industry committee to consider, in fixing a national minimum wage for a particular industry, "regional economic factors," and permit regional classifications within industries if the industry committee finds "that as a result of regional economic differences the establishment of uniform minimum wage rates would create substantial competitive inequalities among different branches of an industry."

In order to encourage the employment of learners, the act would be amended to provide that during the first 160 hours of employment a new employee could be paid a minimum of 50 cents an hour.

OVERTIME

The bill clarifies the act to meet the problem of "overtime on overtime." It defines regular rate of pay in such a way as to prevent the pyramiding of true overtime payments, but requires production bonuses, shift differentials, and similar premiums to be included in the regular rate of pay unless otherwise provided by a collective-bargaining agreement. The bill gives management and labor unions wider power to define the "regular rate of pay" by collective bargaining. In addition, the definition of regular rate of pay removes complications in setting up profit-sharing plans, thereby encouraging their establishment.

Another change in the overtime provisions gives greater flexibility to the exemption for employees who receive a guaranteed annual wage, thereby encouraging the spread of such plans.

COVERAGE

The bill clarifies the scope of the act in two respects. It draws a line beyond which coverage may not be extended on the theory that the work of the employee is "necessary to the production of goods for commerce." It would also prevent the application of the act to a very small number of employees in an establishment in which the very great majority are not covered or are exempt.

EXEMPTIONS

The bill does not change the agricultural and agricultural processing exemptions, except to make it plain that they apply to all the employees employed in an establishment in which their employer is engaged in the exempt operations. The bill also enlarges the exemption of employees in retail establishments by providing that the exemption shall not be lost as a result of wholesale sales unless the latter sales amount to more than 40 percent of the total sales of such establishment.

A new exemption is made for employees who receive salaries amounting to more than $100 a week. This amendment would not change the exemption now applicable to executive, administrative, and professional

employees but would make it unnecessary to consider the close questions often arising under the latter exemptions by providing a fixed standard for high-salaried workers.

POWERS OF THE ADMINISTRATOR

The bill gives the Administrator power to issue interpretative regulations defining the terms used in the act. The amendment will make for greater certainty in the application of the act and will supplement the Portal-to-Portal Act in protecting employers against the threat of unexpected retroactive liabilities. In issuing interpretations, the Administrator is required "to avoid competitive inequalities and take into account the customs, practices, and collective-bargaining arrangements prevailing in the industries affected." In order to insure that the act will be given a more practical interpretation, all attorneys engaged in advising the Administrator concerning its interpretation or in the issuance of regulations are put under the Administrator's exclusive direction and control.

AMENDMENT OF THE WALSH-HEALEY ACT

The bill amends the Walsh-Healey Act to bring its child-labor provisions into conformity with the Fair Labor Standards Act and requires the regular rate of pay to be computed in accordance with the definition of that term in the Fair Labor Standards Act, as amended. A statute of limitations is provided, barring the Administrator from instituting proceedings to recover unpaid minimum wages and overtime under a Government contract completed more than 2 years before the institution of collection proceedings.

PORTAL-TO-PORTAL ACT

Nothing in the bill would in any respect alter or amend any provision of the Portal-to-Portal Act.

Mr. BALL. I make the announcement, Mr. President, that the Labor Subcommittee of the Committee on Labor and Public Welfare plans to start hearings on the bill, and other bills amending the Fair Labor Standards Act, on April 19.

CRITICAL SHORTAGE OF IRON AND STEEL SCRAP—CHANGE OF REFERENCE

Mr. TOBEY. Mr. President, I ask unanimous consent that the Committee on Banking and Currency be discharged from further consideration of Senate bill (S. 2109) to relieve the critical shortage of iron and steel scrap, and for other purposes, and that it be referred to the Committee on Expenditures in the Executive Departments. I should like to mention that this request is made with the concurrence of the chairman of the Committee on Expenditures in the Executive Departments, the distinguished Senator from Vermont [Mr. AIKEN].

The PRESIDENT pro tempore. Without objection, the change of reference will be made.

HEARINGS BEFORE COMMITTEE ON FOREIGN RELATIONS—INCREASE IN LIMIT OF EXPENDITURES

Mr. VANDENBERG submitted the following resolution (S. Res. 215), which was referred to the Committee on Rules and Administration:

Resolved, That the Committee on Foreign Relations hereby is authorized to expend from the contingent fund of the Senate, during the Eightieth Congress, $10,000 in addition to the amount, and for the same purpose, specified in Sec. 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

SUBCOMMITTEE OF COMMITTEE ON ARMED SERVICES

Mr. BYRD submitted the following resolution (S. Res. 216), which was referred to the Committee on Armed Services:

Resolved, That in accordance with section 136 of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, (1) there is hereby established a subcommittee of the Senate Armed Services Committee to be composed of five members to be appointed by the chairman.

(2) It shall be the function of the subcommittee to conform with section 136 of Public Law 601, Seventy-ninth Congress, by exercising a continuous watchfulness over matters within the jurisdiction of the Armed Services Committee through a continuous study of all policies, programs, activities, facilities, requirements, and practices of the armed services and agencies exercising functions related to them, and the administration thereof in all respects.

(3) The purposes of such watchfulness and study shall include the determination of whether such policies, programs, activities, facilities, requirements, and practices are the most effective possible in the interest of national defense, and the determination of whether the administration of such policies, programs, activities, facilities, requirements and practices is characterized by maximum efficiency.

(4) The subcommittee shall report to the full committee from time to time but at least once each 30 days the results of its watchfulness and study together with such recommendations as it may deem desirable.

AID TO CHINA—AMENDMENT

Mr. BRIDGES submitted an amendment intended to be proposed by him to the bill (S. 2393) to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China, which was ordered to lie on the table and to be printed.

FELERAL AID TO EDUCATION—AMENDMENTS

Mr. DONNELL submitted amendments intended to be proposed by him to the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes, which were ordered to lie on the table and to be printed.

AUTHORIZATION FOR COMMITTEE ON FINANCE TO REPORT BILLS

Mr. WHERRY. Mr. President, on behalf of the junior Senator from Colorado [Mr. MILLIKIN] I ask unanimous consent that he may report four bills, H. R. 3229, H. R. 4938, H. R. 4739, and H. R. 5328 from the Committee on Finance, with accompanying reports, during the recess of the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the order is entered.

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. AIKEN. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be permitted to sit very briefly for a few minutes today at 2 o'clock.

The PRESIDENT pro tempore. Without objection, it is so ordered.

GOVERNMENT DECENTRALIZATION—ARTICLE BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article written by him dealing with decentralization of the Government, published in the February 1948 issue of the magazine The Reserve Officer, which appears in the Appendix.]

GOVERNMENT DECENTRALIZATION

[Mr. WILEY asked and obtained leave to have printed in the RECORD excerpts from a statement made by him in the Senate and letters dealing with Government decentralization, which appear in the Appendix.]

GOVERNMENT DECENTRALIZATION—EDITORIAL FROM THE WHEELING (W. VA.) INTELLIGENCER

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial entitled "Decentralize or Perish," published in the Wheeling (W. Va.) Intelligencer of February 4, 1948, dealing with an article by Senator WILEY on the subject of decentralization of the United States Government, which appears in the Appendix.]

THE ARMED FORCES AND THE EUROPEAN SITUATION — ADDRESS BY SENATOR MAYBANK

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address on the subject of the United States armed forces and the European situation, delivered by him at a meeting of postal employees in Spartanburg, S. C., which appears in the Appendix.]

THE POLL TAX—STATEMENT BY REPRESENTATIVE ALMOND, OF VIRGINIA

[Mr. BYRD asked and obtained leave to have printed in the RECORD a statement regarding the proposed repeal by the Federal Government of the poll tax in Federal elections by Representative J. LINDSAY ALMOND, JR., which appears in the Appendix.]

COMMENTS BY HENRY A. WALLACE ON THE PRESIDENT'S ADDRESS

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a radio address delivered by Henry A. Wallace commenting on the President's address of March 17, 1948, which appears in the Appendix.]

RESOLUTIONS ADOPTED BY THE KANSAS LIVESTOCK ASSOCIATION

[Mr. CAPPER asked and obtained leave to have printed in the RECORD resolutions adopted by the Kansas Livestock Association at its annual meeting in Topeka on March 11, 1948, which appear in the Appendix.]

AMERICAN FOREIGN POLICY IN CHINA—ARTICLE BY WILLIAM R. JOHNSON

[Mr. THOMAS of Utah (by request) asked and obtained leave to have printed in the RECORD an article entitled "The United States Sells China Down the Amur," written by William R. Johnson, which appears in the Appendix.]

ILLINOIS VETERAN LAWS

[Mr. BROOKS asked and obtained leave to have printed in the RECORD an outline of various laws enacted by the Legislature of Illinois in behalf of veterans and their dependents, which appears in the Appendix.]

PARTITION OF PALESTINE—ARTICLE BY DR. CLINTON N. HOWARD

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an article entitled "Jerusalem the Golden," by Dr. Clinton N. Howard, editor of Progress magazine, which appears in the Appendix.]

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. WHERRY. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. WHERRY. Does the Senator desire that I suggest the absence of a quorum?

Mr. HILL. No. I thank the Senator.

Mr. President, for the sake of continuity, I should prefer to conclude my remarks without interruption, and then if any Senator desires to ask any questions, I shall be very happy to endeavor to answer them.

Mr. HILL. The people of America know today that the frontiers of peace extend around the world. They know that a threat to peace anywhere in the world is a threat to peace everywhere in the world. And the people of America have decided that our peace-loving Nation cannot stand by while an aggressive and ambitious power—hostile to democracy—overpowers and dominates weaker nations.

Through the Marshall plan we are moving in foreign lands to meet the threat to America and the threat to peace.

The foreign-aid program, the need for increased military preparedness in the tensions of the hour—these will cost the United States billions of dollars. They are costly steps. But they are necessary steps to protect America and safeguard democracy.

But it is foolish to attempt to save democracy abroad if we let democracy break down at home. Yet that is what we are doing in our neglect of the public school system—the foundation stone in the structure of American democracy.

We need a Marshall plan here at home for American education—a program of Federal aid which will encourage the States in their efforts to provide adequate education and place a floor under educational opportunity for every American child.

During the past year the people realized, with shock, what war and steadily rising prices had done to their schools—overcrowded classrooms, short school terms, inadequate equipment, the shortage of good teachers, and the migration of teachers to other jobs at better pay. The States have taken steps to try to remedy these conditions. But today's dollar does not buy as much as the dollar did before the war. School dollars are buying less education today, even though more dollars are being spent.

America has never devoted an adequate percentage of her national income to education. Since 1939 the national income has more than doubled, yet the percentage of that income spent for education has actually declined, in the face of an ever-rising need for more and better education for our children.

During the past 6 or 7 years the American birth rate has been rising steadily. Last year nearly 4,000,000 babies were born in the United States—the greatest number in our history. We know that our school population will rise sharply for years to come. We cannot look to an inadequate past in measuring the needs of education.

The schools of America must meet the demands of tomorrow—not of yesterday.

We must lay out a whole new concept of the function of education in the modern world. To go back to the educational levels of 1940 is dangerous. It sets up a Maginot line for education, with all the dangers of overconfidence and false security inherent in the Maginot line psychology.

Our basic principle must be recognition that education is a national concern and must have national support.

Education faces a twofold responsibility: First, our citizens need a high level of education which will give them the intelligence and training to discharge their responsibilities as citizens of the world's most powerful nation—a nation in which the ultimate authority rests in the hands of the people.

Second, all Americans have a right to an education which will give them the opportunity for good jobs and a decent standard of living and will make them capable defenders of our country in a time of national danger.

We know well the relationship of education to earning power. It has been demonstrated throughout American history. The universal education provided through our public schools has been an important factor in making the United States the leading industrial Nation in the world. It has helped to build our great economic strength.

No better example of the value of education and technical training can be found than the production record of American industry, American workers, and American farmers in the recent war. Despite a 10-year start by the Fascist nations, the United States by midconflict was producing more war materials than the rest of the world combined. Our food and fiber production reached record heights.

Comparisons of various countries have shown again and again that the nations with high income and high standards of living are the nations with a high level of education and great technical skill. A nation that increases the amount and quality of education for its people thereby increases its income. The increase in income, past experience demonstrates, has been far larger than the cost of education.

Increased production in an expanding economy requires more consumers. Educated people are good consumers. Uneducated people are less likely to demand better and more radios, books, magazines, newspapers, automobiles, homes, clothes, food, and telephones. Uneducated people are less likely to travel or demand artistic and cultural activities.

The United States Chamber of Commerce, in a survey, points up graphically the fact that good education means a good standard of living.

Here are some of the facts which the survey revealed:

Half of those persons in America who earn $5,000 a year or more have a college education. But of every 10 persons with only a grade school education, only 1 earns $5,000 a year or more.

Among those Americans who pay $75 or more a month for rent, nearly half are college graduates. Three-fourths of those persons who received a grade school education or less pay only $10 a month in rent.

Purchasing power is clearly related to the level of education. Thirty-one States occupy the same position, among the 48 States, in expenditures for education and in per capita retail sales. The areas of business prosperity over the Nation follow closely the areas of higher educational levels.

Education today is an indispensable part of our national defense. In this day of technological warfare, the illiterate can contribute little to the national security. During the recent war we were forced to reject because of educational deficiencies almost as many men as we deployed in combat divisions in the entire Pacific. Selective Service rejected more than 2,000,000 men for other deficiencies which for the most part would have been prevented through an adequately supported public-school program.

In recent months the Army, forced by the requirements of national security to raise its educational standards, has had to reject three out of every five recruits; and today Congress is confronted with the insistent call by the President of the United States and the leaders of our armed forces for the immediate reenactment of the selective-service law.

The relationship between national security and an educated people was brought out very clearly by Dr. James B. Conant, president of Harvard University, when he testified upon the pending bill.

Referring to the need for developing the scientific abilities of our young people as a part of the national security program, Dr. Conant declared that the number of scientists produced by the various States correlated closely with the amount of money spent per school child. He said:

> I feel quite sure from the facts available at present that we are not developing in many sections of the country all the latent talent that we should. * * * If you place the 48 States in order of the amount of money spent per child in attendance in the schools, and then take the first 12 States in that order, which spend on an average of $171, you find that there are six scientists per million of the population.
>
> If you take the lowest 12 States, which spend about $70, you find there are only a fourth as many scientists (per million population).

Our first line of defense today is in the scientist's laboratory. We must train technicians and scientists and press forward with research of all kinds. But we must start on the ground floor. We need to uncover and encourage and develop the intelligence and talent which might never reach college, by providing adequate educational opportunity in the elementary and high schools.

It is clear that America's leadership for world peace, her national security, and the strength of her economy require an educated and trained people. Education is, of course, no guaranty of peace. But upon the bedrock of an educated and intelligent people, America can build her leadership—political, economic, and moral—for peaceful living among all nations. An educated people know that foreign affairs are no longer foreign. By ending intellectual isolationism, we can do away with geographical, political, and economic isolationism which now partitions the peoples of the earth and sets man in suspicion and fear against his fellow man.

Here in America we cannot guard our democratic system against alien doctrines and draw other nations to our side by witch hunting and speech making. America must demonstrate that a free people working in a free competitive society can provide an abundance of the good things of life. Democracy must demonstrate its superiority over communism through jobs and economic security and a rising standard of living for our people. All of these—peace, security, and jobs—rest upon the foundation of an educated, intelligent, and responsible citizenry.

The States, of course, must continue to bear the primary share of the burden of financing adequate education programs. But even when the States have done all they can, not every child in America can have a free, adequate education. Some of the States simply do not have the income to provide a minimum American education. It has been well expressed: "The children are where the money ain't."

The low-income States as a group are trying harder than the richer States to support their schools. The 10 States ranking lowest in educational opportunity spend more of their available income on education than do the 10 highest-ranking States. New York, for example, according to the latest data, spends some $200 per child, and yet is thirty-sixth among the 48 States in proportion of income devoted to education. Mississippi, spending $44 per child, makes a greater effort than New York to educate her children. The best-financed school systems in 1940 spent $6,000 per classroom, and the poorest-financed systems spent less than $100 per classroom—a variation of 60 to 1. These disparities still exist.

It is shameful, but education in America is a lottery. The accident of birth in a particular city or State determines the quality of education an American child will receive. The appalling differences in educational opportunity, between States and within the States, are due to the differences in economic conditions that lie largely beyond the control of the States. These differences are differences in wealth, in income, in taxpaying ability, in the extent of absentee ownership of natural resources and industry, and differences in the number of children to be educated in proportion to adults.

Let me recall to the Senate some of the reasons why income is low in the South despite its rich natural resources: One hundred years of high tariffs, freight rates deliberately designed to choke its economic development, financial policies at Washington that worked against the South, and ruthless exploitation by greedy men who put their personal power and profit before the human needs and welfare of the people.

In the South, we carry the burden of high tax rates for schools, but we have far less money to spend for education than does any other section of the country. The 1946 per capita income in Mississippi was $555; in New Jersey it was $1,494. The per capita income in Alabama was $733; in New York it was $1,633.

Much of the wealth of the richer States has been drawn from the poorer States. But the low-income States cannot tax this wealth. My own State of Alabama, predominantly an agricultural State, still sends to other States each year millions of hard-earned Alabama dollars for automobiles, farm machinery, clothing, and shoes, and manufactured goods of all kinds—dollars which Alabama cannot tax, and from which her people do not fully benefit. The same is true of other Southern States and of Western States.

Americans are a mobile people, constantly moving from State to State and from farm to city. The future citizens of many of our wealthy cities are now being educated in our poorer States. Ignorance cannot be quarantined. It is to the self-interest of these prosperous cities that they help, through Federal aid, in raising the educational level of their future citizens.

In the face of the reality of one atomic world, in the face of the reality of a Nation bound into a single community by airplanes, highways, railroads, and communications, we must finally set aside the specious and outmoded arguments against Federal aid for education. We must face the fact that adequate educational opportunity not only is democracy's obligation, but it is a necessity if America is to remain strong.

We all know well the threadbare objections to Federal aid for education. But let us remember that in the early days there were arguments against all public education. We are told that the Federal Government, with its public debt and its commitments under the Marshall plan, cannot afford to help the State school systems. This is less than candid. We have swallowed the camel, and gag at the gnat. Money invested in education brings our Nation its richest returns in national security, in a strong economy, and in the happiness and well-being of our people. We simply cannot afford not to educate our people.

We are told that Federal aid will replace State effort to support education. The pending Federal-aid bill requires State effort, and provides incentives by increasing Federal aid as State effort increases.

We are warned in doleful tones that Federal aid means the Federal Government will take over the public schools. This is not true. The bill strictly guards against any Federal interference with State control of the schools. Control of the schools stays where it has always been—in the hands of the States. The administration of the schools, the expenditure of all Federal funds, is left entirely to the States under the laws of the States.

There is nothing new about Federal aid for education. We have had it for years—for vocational education in our trade schools and high schools, for the land-grant colleges of the States, and for many State educational enterprises. The history of Federal aid for education began in America with the Ordinance of 1785 issued under the Articles of Confederation. And since 1802 the Congress has passed more than 150 laws authorizing some form of Federal aid for public education. These programs have always left control entirely with the States.

We come then to a time of decision. Shall we move on the home front to preserve democracy and build the peace of the world as we are moving in foreign lands? On the question of foreign aid, the American people have made their choice. They have accepted the need of sending food and fuel, machine tools, farm equipment, and fertilizer to help restore the destitute nations. They know the material needs of hungry and frustrated people—food for hungry mouths, jobs for idle hands.

But the final battleground lies in the minds of men. The winning of that battle for democracy must begin here in America. We must train and equip the minds of our own people to recognize and resist the temptations of alien doctrines—"to understand what is going on in the world and to keep their part of it going right." The creed of our democracy is that liberty is acquired and kept by men and women who are strong, self-reliant, and possessed of such wisdom as God gives to mankind—men and women who are just and understanding and generous to others—men and women who are capable of disciplining themselves. For they are the rulers and they must rule themselves.

Even Thomas Jefferson, whose faith in the instinctive wisdom of the people was unbounded, felt that to render them safe as the final depositories of power, the people must be educated. Their discipline, their education must start in that great training ground for democracy—the public schools.

Let us not—in the midst of our mighty effort to strengthen democracy in the rest of the world—make the tragic mistake of neglecting democracy at home. At this crucial hour in our history, we cannot leave a leak in the dike. The struggle of today is not altogether for today—it is for a vast future also.

EXTENSION OF HOUSING AND RENT ACT—CONFERENCE REPORT

Mr. KILGORE obtained the floor.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. TOBEY. I rise to call up the conference report on the housing and rent control bill (S. 2182), which has a privileged status.

The PRESIDING OFFICER (Mr. ECTON in the chair). Does the Senator from West Virginia yield to the Senator from New Hampshire?

Mr. KILGORE. Will it take but a short time?

Mr. TOBEY. I do not know how long it will take. It may take only 5 minutes; I do not know as to that; I cannot guarantee it. But time is of the essence. We had a conference last night. The report is ready. The House acted on it this morning, and said to us "put it through."

Mr. CAIN. Mr. President, will the Senator yield?

Mr. KILGORE. I yield to the Senator from New Hampshire.

Mr. TOBEY. I thank the Senator very much. I suggest the absence of a quorum.

Mr. CAIN. Mr. President, would the Senator be kind enough to withhold the suggestion for a moment?

The PRESIDING OFFICER. Does the Senator from New Hampshire withhold his suggestion of the absence of a quorum?

Mr. CAIN. I should like to say to the Senator from New Hampshire, supplementing his reply to the question of the Senator from West Virginia, that the submission of the report in its entirety will take approximately from 25 to 30 minutes, as opposed to the Senator's belief that it might require only 5 minutes.

The PRESIDING OFFICER. Does the Senator from New Hampshire insist on his suggestion of the absence of a quorum?

Mr. TOBEY. I withdraw the suggestion, and I should like to speak very briefly on this matter.

The PRESIDING OFFICER. The Chair suggests that the Senator from New Hampshire submit the report.

Mr. TOBEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Housing and Rent Act of 1948'."

"TITLE I—AMENDMENTS TO TITLE I OF HOUSING AND RENT ACT OF 1947

"SEC. 2. Section 1 (b) of the Housing and Rent Act of 1947, as amended, is hereby repealed.

"SEC. 3. Section 4 of such Act, as amended, is amended by striking out 'April 1, 1948' wherever such date appears therein and inserting in lieu thereof 'April 1, 1949'.

"TITLE II—MAXIMUM RENTS

"SEC. 201. Section 202 (c) of such Act, as amended, is amended by striking out paragraphs (2) and (3) thereof and inserting in lieu of such paragraphs the following:

"'(2) any motor court, or any part thereof; any trailer or trailer space, or any part thereof; or any tourist home serving transient guests exclusively, or any part thereof; or

"'(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947, except that contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect; or (B) which for any successive twenty-four month period during the period February 1, 1945, to the date of enactment of the Housing and Rent Act of 1948, both dates inclusive, were not rented (other than to members of the immediate family of the landlord) as housing accommodations; or (C) the construction of which was completed on or after February 1, 1945, and prior to February 1, 1947, and which between the date of completion and June 30, 1947, both dates inclusive, at no time were rented (other than to members of the immediate family of the landlord) as housing accommodations; or

"'(4) nonhousekeeping, furnished housing accommodations, located within a single dwelling unit not used as a rooming or boarding house, but only if (A) no more than two paying tenants, not members of the landlord's immediate family, live in such dwelling unit, and (B) the remaining portion of such dwelling unit is occupied by the landlord or his immediate family.'

"SEC. 202. (a) Section 204 (a) of such Act, as amended, is amended by striking out 'March 31, 1948' and inserting in lieu thereof 'March 31, 1949'.

"(b) Section 204 (b) of such Act, as amended, is amended to read as follows:

"'(b) (1) Subject to the provisions of paragraphs (2) and (3) of this subsection, during the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no persons shall demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on June 30, 1947: *Provided, however,* That the Housing Expediter shall, by regulation or order, make such individual and general adjustments in such maximum rents in any defense-rental area or any portion thereof, or with respect to any housing accommodations or any class of housing accommodations within any such area or any portion thereof, as may be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title. In the making of adjustments to remove hardships due weight shall be given to the question as to whether or not the landlord is suffering a loss in the operation of the housing accommodations.

"'(2) In any case in which a landlord and tenant, on or before December 31, 1947, in accordance with the provisions of this subsection as then in effect, voluntarily entered into a valid written lease in good faith with respect to any housing accommodations, such housing accommodations shall not be subject to any maximum rent established or maintained under the provisions of this title unless such lease is hereafter terminated or expires before March 31, 1949, in which case the maximum rent for such housing accommodations shall, through March 31, 1949, be not in excess of 15 per centum over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948: *Provided,* That the landlord and a tenant (including any new tenant) may enter into a new voluntary lease subject to the conditions, specified in paragraph (3) of this subsection, applicable with respect to landlords and tenants who have not heretofore entered into voluntary leases, except that no maximum rent need be in effect on the date of execution of such new lease.

"'(3) In any case in which a landlord and tenant (including any new tenant) on or before December 31, 1948, voluntarily enter into a valid written lease in good faith (at any rental agreed upon in the lease, but not in excess of 15 per centum over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948) with respect to any housing accommodations for which a maximum rent is in effect under this section, and such lease takes effect on or after the effective date of the Housing and Rent Act of 1948 and expires on or after December 31, 1949, and if a true and duly executed copy of such lease is filed, within fifteen days after the date of execution of such lease, with the Housing Expediter, such housing accommodations shall not thereafter be subject to any maximum rent established or maintained under the provisions of this title unless such lease is terminated before March 31, 1949. If any such lease is so terminated the maximum rent (unless a subsequent lease entered into under the provisions of this paragraph is in force) shall be not in excess of 15 per centum over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948.

"'(4) A landlord shall file a report with the Housing Expediter of any termination of a lease entered into under this subsection prior to the expiration date of the lease, including leases entered into under this subsection prior to the date of enactment of the Housing and Rent Act of 1948. Such report shall be filed within fifteen days after such termination or fifteen days after the effective date of such Act, whichever is the later date.'

"(c) Section 204 (c) of such Act, as amended, is to read as follows:

"'(c) The Housing Expediter is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect, in any defense-rental area or portion thereof or with respect to any class of housing accommodations in any such area or portion thereof, if in his judgment the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met. The Housing Expediter shall from time to time make surveys with a view to carrying out the purpose of this subsection to decontrol housing accommodations at the earliest practicable time.'

"(d) Section 204 (e) of such Act, as amended, is amended to read as follows:

"'(e) (1) The Housing Expediter is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area, to be appointed by the Housing Expediter, from recommendations made by the respective Governors: *Provided,* That in any case where the Governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within thirty days after request therefor (subsequent to the date of enactment of the Housing and Rent Act of 1948) from the Housing Expediter, the Housing Expediter shall without such recommendations appoint the original members of such boards or such members as may be required to fill vacancies. Nothing in the foregoing provision shall require the reappointment of present members of local advisory boards, but any change in the membership of any local advisory board necessitated by this provision shall be effectuated as promptly as may be practicable. Each such board shall have sufficient members to enable it promptly

to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this title within its area; and before recommending any such adjustment the board shall give notice to the parties and shall hold a hearing at the request of either party. Any local board may make such recommendations to the Housing Expediter as it deems advisable with respect to the following matters:

"'(A) Removal of any or all maximum rents in the area, or any portion thereof, over which the local board has jurisdiction, or with respect to any class of housing accommodations within such area or any portion thereof, if in the judgment of the local board the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met; and

"'(B) Adjustments, other than individual adjustments, in maximum rents in such area or any portion thereof or with respect to any class of housing accommodations within such area or any portion thereof, deemed by the local board to be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title; and

"'(C) Operations generally of the local rent office with particular reference to hardship cases.

"'(2) The Housing Expediter shall furnish the local boards suitable office space and stenographic assistance and shall make available to such boards any records and other information in the possession of the Housing Expediter with respect to the establishment and maintenance of maximum rents and housing accommodations in the respective defense-rental areas which may be requested by such boards.

"'(3) Upon receipt of any recommendation from a local board, the Housing Expediter shall promptly notify the local board, in writing, of the date of his receipt of such recommendation. Except as provided hereinafter in this subsection, within thirty days after receipt of any recommendation of a local board such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in thirty days. Any recommendation of a local board appropriately substantiated and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

"'(4) For the purposes of paragraph (3) any recommendation of a local board as to a matter referred to in paragraph (1) (A) or (B) shall be deemed to be appropriately substantiated and in accordance with applicable law and regulations, and shall be carried into effect as hereinafter provided—

"'(A) if the local board held a public hearing on such matter, at which interested persons (including representatives of the State and of political subdivisions thereof) were given a reasonable opportunity to be heard, by interpleader or otherwise, with right to be represented by counsel;

"'(B) if notice of the date, time, place, and purpose of such hearing was given (i) in writing to the Governor of the State not less than fifteen days prior to such date, and (ii) by publication in a newspaper of general circulation in the area over which the local board has jurisdiction at least fifteen days prior to such date, and a second notice was given by publication in such a newspaper at least five days prior to such date;

"'(C) if a copy of the local board's recommendation was filed with the Governor of the State within five days after such recommendation was mailed to the Housing Expediter;

"'(D) if a record is made of the evidence adduced at the public hearing held by the local board, and the local board certifies and transmits to the Housing Expediter, with such recommendation, a transcript of such record, or of those parts of such record, upon which its recommendation is based and a written statement of its findings made upon the basis of such record; and

"'(E) if the record so certified and transmitted to the Housing Expediter contains adequate and substantial evidence to support the findings and recommendation of the local board.

If the Housing Expediter does not approve such recommendation within thirty days after the date of its receipt by him, he shall, within five days after the expiration of such thirty-day period, file such recommendation in the Emergency Court of Appeals, together with the record and statement of findings of the local board and such statement as the Housing Expediter may desire to make as to his views on the matter. The statement of the Housing Expediter may be accompanied by such supporting information as the Housing Expediter deems appropriate. Thereupon the Emergency Court of Appeals shall have jurisdiction to enter, within thirty days after the date of its receipt of such recommendation from the Housing Expediter (or within such additional period of not more than thirty days as the court may find necessary in exceptional cases), an order approving or disapproving the recommendation of the local board. The recommendation, record, and statement of findings of the local board, together with the statement and supporting information filed by the Housing Expediter, shall constitute the record before the court. If the court determines that the recommendation is not in accordance with law, or that the evidence in the record before the court, including such additional evidence as may be adduced before the court, is not of sufficient weight to justify such recommendation, the court shall enter an order disapproving such recommendation; otherwise it shall enter an order approving such recommendation. The judgment and decree of the court shall be final. The powers heretofore granted by law to the Emergency Court of Appeals are hereby continued for purposes of exercise of the jurisdiction granted by this subsection. The court shall prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this paragraph. The Housing Expediter, the local board, and representatives of the State or States involved, shall be granted, to the extent determined by the court, an opportunity to be heard, by interpleader or otherwise, with right to be represented by counsel.

"'(5) Any recommendation to which paragraph (4) applies, if an order of disapproval thereof has not been entered by the Emergency Court of Appeals within the time prescribed in such paragraph, shall be carried out by the Housing Expediter—

"'(A) if it is with respect to a matter referred to in paragraph (1) (A), so that the decontrol is effected, retroactively if necessary, on the date recommended by the local board, but not before sixty days after the date of the receipt of such recommendation by the Housing Expediter: *Provided*, That during the period of ninety days beginning with the date on which such decontrol is effected, the provisions of section 209 of this title shall be in effect as though such decontrol had not been effected; and

"'(B) if it is with respect to a matter referred to in paragraph (1) (B), so that the adjustment in maximum rents is effected, retroactively if necessary, on the date recommended by the local board, but not before thirty days after the receipt of the recommendation by the Housing Expediter.

"'(6) In addition to employees furnished under paragraph (2), local boards are hereby authorized to employ such attorneys as may be necessary for purposes of hearings and court proceedings under this subsection; and may pay the necessary costs of reporting hearings, but the cost of stenographic services in reporting such hearings shall not be in excess of twenty-five cents per hundred words, with one additional copy at a cost of not exceeding five cents per hundred words. Attorneys shall be paid not to exceed $25 per day when actually employed, and shall be allowed necessary traveling and subsistence expenses.

"'(7) Immediately upon the enactment of the Housing and Rent Act of 1948 the Housing Expediter shall communicate with the Governors of the several States advising them of the provisions of this subsection as amended and of the number and location of defense-rental areas in their respective States and the areas or portions thereof in which boards are to be appointed therein, and requesting the cooperation of the Governors of the several States in carrying out such provisions.'

"(e) Section 204 (f) of such Act, as amended, is amended to read as follows:

"'(f) The provisions of this title shall cease to be in effect at the close of March 31, 1949.'

"(f) Section 204 of such Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"'(g) Nothing in this title shall be interpreted or construed to authorize the Housing Expediter to prohibit, in the case of any rental agreement hereafter entered into, the demand, collection, or retention of a security deposit, if said deposit does not exceed the rent for one month in addition to the otherwise authorized collection of rent in advance, if the demand, collection, or retention of such a security deposit was an accepted rental practice, prior to January 30, 1942, in the area in which the premises are located, or was customarily required before that date by the same landlord in the renting of the particular housing accommodations involved, and if the tenant is allowed, under the terms of the rental agreement, to occupy the premises for the period covered by the security deposit without further payment of rent.'

"SEC. 203. Section 206 of such Act, as amended, is amended to read as follows:

"'SEC. 206. (a) It shall be unlawful for any person to offer, solicit, demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204 or otherwise to do or omit to do any act in violation of any provision of this title.

"'(b) Whenever in the judgment of the Housing Expediter any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of any provision of this title, he may make application to any Federal, State, or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such provision, and upon a showing by the Housing Expediter that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.'

"SEC. 204. (a) Section 209 (a) (2) of such Act, as amended, is amended to read as follows:

"'(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations,

or for the immediate and personal use and occupancy as housing accommodations by a member or members of his immediate family, or, in the case of a landlord which is an organization exempt from taxation under section 101 (6) of the Internal Revenue Code, for the immediate and personal use and occupancy as housing accommodations of members of its staff: *Provided*, That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no action or proceeding under this paragraph or paragraph (3) to recover possession of any such housing accommodations shall be maintained unless stock in the cooperative corporation or association has been purchased by persons who are then stockholder tenants in occupancy of at least 65 per centum of the dwelling units in the structure or premises and are entitled by reason of stock ownership to proprietary leases of dwelling units in the structure or premises; but this proviso shall not apply where such corporation or association acquires or leases such structure or premises after the effective date of the Housing and Rent Act of 1948 pursuant to a contract entered into prior to such date;'.

"(b) Section 209 (a) (4) of such Act, as amended, is amended to read as follows:

"'(4) the landlord seeks in good faith to recover possession of such housing accommodations (A) for the immediate purpose of substantially altering or remodeling the same for continued use as housing accommodations, or for the immediate purpose of conversion into additional housing accommodations, and the altering, remodeling, or conversion cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any conversion planned, or (B) for the immediate purpose of demolishing such housing accommodations;'.

"(c) Section 209 (a) (5) of such Act, as amended, is hereby repealed.

"(d) Section 209 (a) of such Act, as amended, is amended by adding after paragraph (4) thereof two new paragraphs to read as follows:

"'(5) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of withdrawing such housing accommodations from the rental market, and such housing accommodations shall not thereafter be offered for rent as such; or

"'(6) the housing accommodations have been acquired by a State or any political subdivision thereof for the purpose of making a public improvement and are rented temporarily pending the construction of such improvement.'

"(e) Section 209 of such Act, as amended, is amended by adding at the end thereof the following new subsection:

"'(c) No tenant shall be obliged to surrender possession of any housing accommodations pursuant to the provisions of paragraph (2), (3), (4), (5), or (6) of subsection (a) until the expiration of at least sixty days after written notice from the landlord that he desires to recover possession of such housing accommodations for one of the purposes specified in such paragraphs.'

"TITLE III—MISCELLANEOUS

"SEC. 301. Section 2 (a) of the Administrative Procedure Act, as amended, is amended by inserting after 'Housing and Rent Act of 1947' the following: ', as amended'.

"SEC. 302. Nothing in this Act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

"SEC. 303. Nothing in this Act shall be construed to impose or authorize the imposition of maximum rents upon any housing accommodations in any defense-rental area or portion thereof, or upon housing accommodations of a class, in the case of which maximum rents have been removed by administrative action in accordance with the provisions of the Housing and Rent Act of 1947; and nothing in this Act shall be construed to affect any adjustment in maximum rent made in accordance with the Housing and Rent Act of 1947.

"SEC. 304. Section 2 of Public Law 301, Eightieth Congress, approved July 31, 1947 (relating to eviction of tenants from publicly operated housing accommodations), as amended, is hereby amended by striking out 'April 1, 1947' and inserting in lieu thereof 'April 1, 1949'.

"SEC. 305. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 306. This Act shall become effective on the first day of the first calendar month following the month in which it is enacted."

And the House agree to the same.

CHARLES W. TOBEY,
H. P. C.
HARRY P. CAIN,
RALPH E. FLANDERS,
H. P. C.
GLEN H. TAYLOR,
H. P. C.
JOHN J. SPARKMAN,
H. P. C.
Managers on the Part of the Senate.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
BRENT SPENCE,
PAUL BROWN,
MIKE MONRONEY,
Managers on the Part of the House.

Mr. TOBEY. Mr. President, I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. TOBEY. Mr. President, rent control is, as we all realize, one of the most difficult questions upon which to find common agreement which has come before the present Congress. It enters in its application the entire country, and there has been tremendous interest in it from varied standpoints. The Committee on Banking and Currency had reported the bill, and it was passed by the Senate some time ago. Likewise the House passed its draft. Under the legislative procedure there was appointed a conference committee composed of five Members of the Senate and seven Members of the House. The conference committee has met for the past 3 weeks, culminating in an extraordinary session lasting until midnight last night.

I shall not enter upon a discussion of the terms of the compromise which is embodied in the conference report, except to say that when I appointed a subcommittee to handle this very controversial legislation I selected the Senator from Washington [Mr. CAIN] for that arduous and trying task. He undertook it very graciously, and the subcommittee held very earnest sessions for 3 weeks, day after day, conferred night after night, and finally produced the bill which the Senate passed. Likewise in the conference committee the Senator from Washington was put in charge of the deliberations.

I wish to pay tribute to this colleague of ours for what I consider to be a splendid job which he has performed. He has shown marked energy. While his own opinions were contrary to the terms of rent control and the whole philosophy of it, that made no difference. He has taken hold of the matter as a great citizen, and I pay this tribute to his devotion to the job and to the high-minded way in which he has handled the matter.

So, without more ado, Mr. President, I should like to ask that the Senator from Washington be recognized to explain the conference report in his own way. I yield the floor.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. CAIN. Mr. President, it necessarily goes without saying that I am extremely pleased by the comments which have been directed toward me by the chairman of the Senate Committee on Banking and Currency, under whom I am grateful to have had an opportunity to serve.

Mr. President, the junior Senator from Washington has been requested by the Senator from New Hampshire [Mr. TOBEY], the rent-conference chairman, to present and be prepared to discuss the conference report on Senate bill 2182. I am happy to undertake this task.

The rent-control bill for 1948, as passed by the Senate on February 24, 1948, differed from the House version in 22 respects. Some of these differences, Mr. President, were relatively unimportant, but other differences were fundamental in character because of concretely dissimilar approaches which were taken by the House of Representatives and the Senate to the same subject. When the conference committee undertook its work on Monday of this week, there appeared to be no likelihood of reconciling these principal differences or of reaching a reasonable and satisfactory compromise.

Mr. President, in my considered opinion and in that of every other member of the conference committee, save one member on the House side, the conference report, if approved, has surmounted what appeared to be several unsurmountable obstacles and is fully deserving of adoption by the Senate.

I think it wholly proper, Mr. President, to compliment the conferees for their keen desire to reach an agreement and for their determination which resulted in the agreement which is before the Senate. The leadership exercised by the Senator from New Hampshire, who represented the Senate, and by the Representative from Michigan, Mr. WOLCOTT, who represented the House, was of the highest possible quality and standard. Their respective associates made individual and noteworthy contributions and collectively brought constructive credit to the legislative bodies they represented.

Mr. President, the conference report, if adopted, will result in the passage of a bill which is more workable and effective than either of the two separate bills which went to conference. So far as

legislation can result in achieving a reasonable enforcement of rent controls in peacetime, that objective will be achieved by the measure we are now considering.

The major and primary disagreement and problem which confronted the conference revolved around the question as to whether the existing six-hundred-and-sixty-odd local rent-control boards in America should be permitted to make recommendations which would be binding on the Federal Housing Expediter or whether the Housing Expediter should retain the authority, which he has previously had, to approve or disapprove any recommendation for the decontrol of an area or for a general rent increase within an area which was submitted to him by any local rent-control board. The House was strongly in favor of providing local boards with complete and autonomous authority. The Senate disagreed entirely with this point of view because of our feeling that the Federal agency should not be divorced from the responsibility charged to it by the Congress and because we considered that many of the local boards had not been so selected as to qualify them to make administrative determinations and take action.

This seemingly impossible impasse was finally resolved by the adoption of an amendment which preserves the integrity of both points of view and which ought to result in a better rent-control understanding and effectiveness throughout the land. This amendment simply provides that if a recommendation submitted by a local board is denied by the Housing Expediter, the complete record shall be reviewed by the Emergency Court of Appeals. This provision, Mr. President, should have been a part of the law of 1947. Unfortunately, the excellence of the idea and principle involved were overlooked by everyone. The appeal provision in the law of 1948 will assure every local board throughout America that no arbitrary or capricious action will be taken on their recommendations by the Housing Expediter, and will give the Expediter the consideration and support to which he is entitled. If either the Housing Expediter or a local board has been careless, or foolish, or unreasonable, or unfair, the Emergency Court of Appeals will so declare to the satisfaction of every interested party.

A major and continuing criticism of the operation of rent control in this country has been that the general public has had but little confidence in the Office of the Housing Expediter, and the Expediter has often charged the local boards with submitting recommendations which were not based on fact and substance. From now on we can justifiably rely on the determination by a judicial body of what are really the facts and rights in a given case. I hazard a considered prediction that the appeal provision of the proposed new law will minimize, in substantial fashion, the large-scale trouble which has previously been so much in evidence within our national rent-control operations.

This appeal provision, Mr. President, should accomplish something more. It should reenergize and restimulate members of local boards who, because they thought their recommendations suffered from a lack of real consideration by the Housing Expediter, have lost interest in their labor and work.

Some of the boards, Mr. President, have, to my knowledge, in fact and in reality given up. They have not seen fit to resign. They have taken the somewhat easier course of remaining in their positions and doing nothing, to the detriment of the operation which all of us had hoped in 1947 would become successful. They sometimes have become derelict in their attention to their duties because they thought that what they accomplished would get nowhere when it reached a high Federal level. We are extraordinarily hopeful that they will reconsider the need for working on a local level as hard as they can in expectation that the Federal Expediter will give due consideration to and take reasonable action on whatever recommendations they may submit. I would encourage each local board in this country to reanalyze its own situation and recognize the imperative importance of the work which they are delegated and instructed to perform for the good of American communities wherever they may be situated.

I should like at this time very briefly to outline the agreements which were reached in the rent conference by describing the positions and situations from which both the House and Senate conferees receded and finally reached an agreement.

The House conferees receded completely on the following three major provisions:

First. The House would have required that new leases under the new 1948 act could be executed at any time prior to March 31, 1949. The Senate required that such leases be entered into on or before December 31, 1948.

Second. The House had deleted that portion of Senate bill 2182 which would have required the landlord to notify the Housing Expediter of the termination of any statutory lease prior to its expiration date. The Senate required the giving of such a notice.

Third. The House deleted those provisions in the Senate bill which would make unlawful a violation of any of the provisions contained in title II of the act dealing with rent control. The House would have made unlawful only the violation of maximum rent ceilings. The stronger enforcement provision provided in the Senate bill was adopted in the conference. The House would have deleted the Housing Expediter's power to apply for injunctions against violations of any provision of title II of the act, which contains the rent control provisions. The House would have limited such power as at present to applications for injunctions against violation of maximum rent ceilings. The conference adopted the stronger enforcement provision included in the Senate bill.

In the second place, Mr. President, the House conferees receded from certain positions of the House and accepted certain provisions of the Senate bill with amendments which were designed to reconcile the differences between the two Houses in a reasonable way.

The reconcilements were as follows:

First. The House would have deleted the provision of the Senate bill removing from controls rooms in private homes. The House accepted the Senate version with a clarifying amendment making certain that the provision applies only in cases where homes contain not more than two paying tenants.

Second. The House would have decontrolled housing accommodations acquired by any State or its political subdivision for public improvement and temporarily leased until construction of such public improvement. The Senate bill contained no similar provision. The House conferees agreed to amend the provision added by the House in such a manner as to allow maximum rent ceilings to continue while such housing accommodations are rented to tenants, but allow the public body to evict such tenants on at least 60 days' notice.

Third. The House would have made it mandatory upon the Housing Expediter to accept recommendations made by local boards provided procedural requirements had been fulfilled. The Senate bill required such recommendations to be appropriately substantiated in the opinion of the Housing Expediter before they could be accepted. It proved very difficult to arrive at a satisfactory compromise between the respective provisions stoutly defended by the House and the Senate conferees. However, the final compromise represents an acceptance of the Senate view that Federal rent control should be subject to the over-all coordination of a single Federal official in the Washington office, for so long a time as rent controls are considered to be necessary in the United States. His actions, however, will be subject to review in the Emergency Court of Appeals in cases where the Housing Expediter does not feel justified in approving any recommendation of a local board for decontrol of any area or class of housing accommodations within an area or recommendations of local boards for an adjustment in the general rent level of the area. The Expediter is required to accept recommendations of the local boards if certain procedural requirements are met and if the record consisting of hearings before the local boards contains adequate and substantial evidence to support the findings and recommendations of the board. The Expediter must act upon such recommendations within 30 days after receipt of them, and if he does not approve them within that time he must within 5 days after such period file the recommendations in the Emergency Court of Appeals for its decision. In so doing he may introduce in the record for the court's consideration any information he believes proper to refute the evidence relied upon by the local board. The court will make a complete review of the record and will enter an order disapproving the recommendations if it determines the recommendations are not within the law, or if evidence before the court is not of sufficient weight to justify

the recommendations; otherwise it shall enter an order approving such recommendations.

The court must act within 30 days, although in exceptional cases it may obtain an additional 30 days for action. If the court approves a recommendation it takes effect retroactively, if necessary, in such a manner as to comply with the wishes of the local board as to the effective date of the recommendation. In the case of decontrol, the board may fix as the effective date any date after 60 days after receipt of the recommendation by the Expediter. In the case of adjustments in general rent levels the board may fix as the effective date a date not before 30 days after receipt of the recommendation by the Expediter.

Fourth. In connection with provisions designed to check the so-called cooperative housing racket—which does exist—the House would have provided that eviction of tenants could begin whenever the occupants of 65 percent of the dwelling units within the building had purchased stock in the cooperative corporation The Senate had required that tenants—not occupants—of 65 percent of the dwelling units must have purchased such stock before eviction could be processed. The conferees agreed to combine the thought of the two Houses and require that stockholder tenants in occupancy of 65 percent of the units should have purchased such stock before evictions could be processed. The provision was further changed to exempt from its effect buildings which had been contracted to be purchased by a cooperative corporation but to which title had not passed prior to the effective date of the act.

Mr. President, so far the report has covered those situations in which the House conferees thought it reasonable to recede. But it obviously—and customarily, I dare say—goes without relating that one side is not the only side to recede as to matters which both Senate and House thought at the outset it not only wanted but must have.

The Senate conferees thought that, in defense and support of the position taken on the passage of the bill in the Senate, it was fit and reasonable for them likewise to recede from some of the positions which we had strongly taken at the beginning. The Senate conferees receded from the following provisions:

First. The Senate bill would have contained the power of the Housing Expediter to require permits as a condition precedent to construction for recreational and amusement purposes, except facilities constructed by churches or educational institutions and baseball fields and football stadia made available on a part-time basis for the use of juveniles. The House removed from the Expediter the power to require permits for construction of any nature.

I would merely refer the Members of the Senate to the debate on this subject which took place as of the time when the Senate 1948 bill was being considered.

Second. The Senate bill contained an amplified declaration of policy for the 1948 act intended to strengthen the constitutional basis of the act and encouraging decontrol at the earliest practicable moment. The House conferees were of the opinion that this amplified declaration of policy would not be required in view of the recent decision of the Supreme Court of the United States and since the remaining provisions of the declaration are covered elsewhere in the proposed legislation.

Third. The House extended Federal rent controls until March 31, 1949, whereas the Senate bill continued such controls until April 30, 1949. The House conferees maintained—and it was an interesting point of view—that the March 31 date as suggested in the proposal of the House represented in fact a compromise, in that, except for the 30-day extension of Federal rent control recently enacted into law, the House would have required controls to terminate on February 28, 1949.

After somewhat extended consideration of the subject the Senate conferees agreed to accept the House provisions in this respect and corresponding changes were made throughout the proposed legislation in order to coordinate all references as to dates which have a relation to the expiration of Federal rent controls.

Mr. President, in the case of the fourth item the House allowed to remain decontrolled all housing accommodations which are presently decontrolled by virtue of leases entered into under the 1947 act, in cases where such leases have been terminated prior to the enactment of the 1948 act, but not before December 31, 1947. The Senate bill would have reinstated controls over such housing accommodations. The House took the position that the law of 1947 had said to property owners who rented property throughout America on a lease basis that their facilities were to be entirely decontrolled after January 1, 1948. The House therefore maintained, as in fact during the Senate debate a good many Senators maintained, that the property owners of America should not be penalized because a legislative order had decided to continue a law for an added period of time, when it had previously said to the people of America that the rent-control law of 1947 would terminate on its expiration date.

I speak in support of the Senate receding on such a matter of principle, and I hope, and think that on further consideration and study by every individual Senator, that a vast majority of them will agree that the Congress should permit citizens within this land to act in furtherance of a directive which has been given to the people of America through a legislative act.

In the fifth item on which we receded the House deleted the requirement that a statement signed by a tenant in occupancy of housing accommodations accompany a lease entered into under the 1948 act with respect to such accommodations. The Senate bill included such a requirement merely for the purpose of making certain that the tenant would be aware of his rights under the law.

The House maintained, as it had every right to do, that you could only in a sense, Mr. President, attempt to be your brother's keeper so far—a point beyond which you could not go. The House in substance has said to the people of America: "We must take for granted that you will not sign any paper unless first you read the writing which is in that paper. You ought to know and make yourself informed on the fact that you need not sign a voluntary lease unless you want so to do."

The Senate had merely thought that in its bill the provision that a statement must be signed by a tenant was an added protective feature. The House thought the average American was entitled to no such protection. The Senate conferees thought it reasonable in this case to recede from a decision which it had taken through the passage of its own measure.

There was a sixth item, Mr. President, on which the Senate receded. The House retained the present title of the Housing Expediter and the Office of Housing Expediter. The Senate bill proposed to change these titles to that of Rent Administrator and Office of Rent Control. The House maintained that the confusion that would be caused by this change of title outweighed the benefit of having titles which would more clearly express the functions that would be performed by the Federal agency administering the act.

There was a seventh item of recession, Mr. President. The House added to the Senate bill a provision continuing the benefits of legislation designed to prohibit evictions from publicly operated housing in cases where such actions would result in undue hardship. The Senate blil contained no similar provision because of the opinion of the Senate committee that such legislation more properly belonged in a different law. However, in view of the fact that the benefits of such legislation will expire at the end of this month, the Senate conferees agreed to allow this provision to remain in the bill as amended by the House.

I am hopeful, Mr. President, that the proper committees having jurisdiction will reanalyze and study again this problem of what to do with those persons living in public-housing establishments and accommodations who presently by way of income and wages have incomes reasonably and sometimes far in excess of the salary and wage-scale rentals which were laid down by original legislation on the subject.

Mr. President, there is a fourth group of items because of certain matters in which the Senate conferees receded from language contained in the Senate bill, but only after appropriate amendments had been made to the substitute amendments proposed by the House.

First, the House removed from the Senate bill provisions which in the opinion of the Senate committee would have clarified the criteria for determining which hotels are entitled to be decontrolled. The House merely continues the language of the 1947 act in that respect. The Senate would have amended that language to provide that customary hotel services need only be made available to hotel guests in order to entitle the hotel to decontrol its housing accommodations. The 1947 act states that such services must be provided to hotel

guests in order to entitle the hotel to be decontrolled. The Senate receded from its position upon obtaining an agreement from the House conferees to explain in the statement of the managers on the part of the House that the House places the same interpretation upon the words used in the present act as would be connoted by the language substituted in the Senate bill. The 1947 act also contains a list of certain examples of customary hotel services. The Senate bill inserted a definite statement that not necessarily all of these services need be included in order to entitle a hotel to decontrol. The House feared that this provision might be interpreted too broadly. The Senate, therefore, receded from its position upon obtaining an agreement that the statement of the managers on the part of the House would contain an explanation that not necessarily all the types of services named in the act as examples need be provided in all cases as long as enough are provided to constitute customary hotel services usually supplied in establishments commonly known as hotels in the community where they are located.

A second item in disagreement, Mr. President, was harmoniously resolved. The House conferees objected to a provision in the Senate bill which would have required the Housing Expediter to make rental adjustments in individual cases where the landlord could prove that he was operating his premises at a loss. The House conferees were of the opinion that the idea intended to be expressed by the Senate by including this provision ought to be expressed in less detailed language. The Senate conferees agreed to accept the views of the House conferees in this respect. A compromise provision was included in the bill to state that the question as to whether or not the landlord is suffering such a loss in the housing accommodations should be given due weight in making adjustments to remove hardships.

Despite the fact, Mr. President, that the Senate conferees did not have what they thought was their good way in this respect, I consider the compromise to be a vast improvement over any similar provision we have had in any rent-control law since such laws were first established in the United States in 1942. For the first time since 1942 weight shall be given to a property owner's statement as to whether or not he is suffering a loss. It rather frightens one, regardless of what the reasons may have been, to think that for a period approximating 6 years in the United States, little consideration was given to the property owners of the country on a statement basis covering profit and loss. It only meant, in years gone by, that far too many people were required—and it was insisted on—to operate their facilities for the benefit of someone else, at a loss to themselves. We hope that the compromise reached on this item between the House and the Senate will result in consideration being given from now on to the financial realities of a property owner's problems.

A third item in dispute was reconciled. The House added a provision to the Senate bill, allowing any landlord to collect 1 month's rent as a security deposit in addition to the usual advance-rental payment. In many areas in the past this has been known as collecting the first and last month's rent. The Senate conferees obtained an agreement that this provision would be amended to allow such practice to be followed in areas where it was an accepted rental practice prior to January 30, 1942, or by individual landlords in any area who had customarily required such deposits before that date. It was our wish—and I think it has been entirely achieved—that there would be no encouragement to the establishment of a new custom in this field through the land; but both the House and Senate conferees felt that if that had been a customary business practice in certain areas and by given individuals in the past, it certainly was not proper for any piece of Federal legislation to prevent them from doing what they had so reasonably been doing in years gone by.

As to the last item in disagreement, the House amended the Senate bill to provide that any landlord may evict his tenants for the purpose of housing any member or members of his immediate family. The House intended thereby to expand the number of relations to whom the corresponding Senate provision would have applied. The Senate bill limited the relationship to the landlord's parents, children, and grandparents. The Senate conferees agreed to the House amendment with the understanding that the managers on the part of the House would explain in their statement certain additional relations intended to be covered by the phrase "immediate family" for the purposes of this section of the proposed legislation. We recognize that under some interpretations the term "immediate family" excludes in-laws, for example. The suggestion of the House conferees only made more liberal what had been a liberal intention from the beginning on the part of the Senate.

In conclusion, Mr. President, I wish to make a personal observation and declaration. It seems clear to me that no thinking person can afford to hope for the retention of rent controls in a peacetime economy. No student of the subject can possibly deny that rental accommodation shortages will become the more acute for as long a time as rent restrictions are imposed on our economy. Those who want to construct and provide rental accommodations are not inclined to do so because of their fear that restrictions will be continued or imposed on the accommodations they might make available. One of the substantial answers for rental shortages—only one answer, but I think a very substantial answer for the prevailing harmful rental shortages—is to remove rent restrictions. The Congress has decided that the maintenance of low rent levels justifies the retaining of rent controls for another year. I can only trust that builders throughout the land will take a "calculated risk"—to use a phrase often used with reference to other uncertain situations—and construct new facilities at an increased tempo, despite the fact that during the past year there has been considerable building in this country, and renovate and remodel old accommodations in the hope and belief that the Congress will find it wise and convenient to terminate rent controls a year from now. I trust, Mr. President, that the committees of the Congress which have jurisdiction over the problem will continue their studies and research through the year in order that when the question of whether or not rent controls should be continued after the expiration of the 1948 law, the question can be settled on its economic facts and realities, entirely divorced and separated from political considerations which have so obviously and naturally been a prime factor in our present action.

The law of 1948 is more nearly a rent-control bill than any we have had in the past. It recognizes the right of a citizen to benefit from a reasonable return on his investment, and it is hoped that it will preclude citizens being required to manage their operations at a loss. On the whole, America has not known what rent control was. Rents were frozen in 1941, and in too many areas that freeze has been continued to this day. The law of 1948 is designed to give due consideration and justice to the rights and requirements of both the tenants and landlords of America. More than 14,000,000 rental facilities are under rent-control restrictions today. Large numbers of American citizens own these facilities, and larger numbers of Americans live within the accommodations. The problem of private property and rents is both extremely big and tremendously important. We ought to understand that a rent-control law which is either unfair or unworkable pursues the premise that we can make right in practice what is wrong in principle. This can never be done. It has never been done. The sooner we can rid America of rent restrictions and controls the better off the Nation will be. Until the Congress determines that such a time is present the Congress must assume its responsibility for designing fair legislation; and it must insist, as it has never done before, that whatever law we pass is intelligently and honestly and energetically administered by the Housing Expediter.

Mr. President, I move that the Senate agree to the conference report on Senate bill 2182.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. CAIN. Mr. President, I ask unanimous consent that the President pro tempore of the Senate be authorized to sign the rent control bill during the recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDEPENDENT OFFICES APPROPRIATIONS—ADDITIONAL SENATE CONFEREES

Mr. REED. Mr. President, on March 15 the Senate passed House bill 5214, making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes. Five conferees were appointed on behalf of the Senate. I find that it is customary, in connection with that bill, to have 7 conferees on the part of the Senate. I therefore ask unanimous consent that the Senator from Illinois [Mr. BROOKS] and the Senator from Tennessee [Mr. MCKELLAR] be added to the list of Senate conferees.

The PRESIDING OFFICLR (Mr. ECTON in the chair). Without objection, it is so ordered.

TEMPORARY EXTENSION OF NATIONAL HOUSING ACT

Mr. TOBEY. Mr. President, I ask unanimous consent for the present consideration of Senate bill 2361, a bill to provide for a temporary extension of the National Housing Act, as amended. The bill, which was reported favorably by the Senate Committee on Banking and Currency yesterday, provides for a temporary extension of title VI of the National Housing Act, as amended. This title will expire on March 31 of this year, and it is imperative that action be taken at this time.

As reported by the committee, the bill provides for a 60-day extension of title VI with an appropriate increase in authorization for this period. In addition, it makes one amendment to the title VI program, which has already been approved by the House. In an informal discussion with Chairman WOLCOTT, of the House Committee on Banking and Currency, Mr. WOLCOTT showed some hesitancy at supporting the 60-day extension, but indicated that he would lend his support to a 30-day extension, with an authorization of $400,000,000, instead of $600,000,000.

Accordingly, I shall offer an amendment to this bill in accordance with Mr. WOLCOTT's wishes, and I shall ask consent to have printed in the RECORD a statement in regard to this matter.

Mr. President, if consent is given for the present consideration of the bill, I shall offer the amendment at this time.

Mr. WHERRY. Mr. President, as to the unanimous-consent request for the present consideration of the bill, I should like to state to the distinguished Senator, reserving the right to object, that this arrangement has been worked out with the distinguished Senator from New Jersey; has it not? I understood that it was agreed to.

Mr. TOBEY. I do not know anything about the Senator from New Jersey.

I say to the Senator from Ohio that the bill for which I ask unanimous consent for present consideration provides for a temporary extension of title VI of the National Housing Act.

Mr. WHERRY. Mr. President, still reserving the right to object, let me say that I understand the time under the bill is to be reduced from 60 days to 30 days. I think the original 60-day provision was the basis of the objection. So, if the time is reduced to 30 days, I believe there is no objection.

Mr. TOBEY. I thank the Senator.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2361) to provide for a temporary extension of the National Housing Act, as amended, which had been reported from the Committee on Banking and Currency.

Mr. TOBEY. Mr. President, I now offer the amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 1, in line 7, it is proposed to strike out the figures "$5,550,000,000" and insert in lieu thereof "$5,350,000,000."

On page 2, in lines 1 and 2, it is proposed to strike out "May 31, 1948" and insert in lieu thereof "April 30, 1948."

The PRESIDING OFFICER. The question is on agreeing to the amendments submitted by the Senator from New Hampshire.

The amendments were agreed to.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That (a) the first proviso of section 603 (a) of the National Housing Act, as amended, is amended to read as follows: "*Provided*, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed $5,350,000,000."

(b) Section 603 (a) of such act, as amended, is amended by striking out "March 31, 1948" in each place where it appears and inserting in lieu thereof "April 30, 1948."

(c) Section 603 (b) (2) of such act, as amended, is amended by striking out "necessary current cost (including the land and such initial service charges and such appraisal, inspection, and other fees as the Administrator shall approve)" and inserting in lieu thereof "value (as of the date the mortgage is accepted for insurance)."

(d) Section 604 (b) of such act, as amended, is amended by striking out "necessary current cost" and inserting in lieu thereof "value."

Mr. TOBEY. Mr. President, I thank the distinguished Senator for his forbearance.

I have stated that I wish to have printed in the RECORD a statement in regard to the bill. I now send the statement to the desk and ask that it be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Banking and Currency Committee has favorably reported the bill (S. 2361), which provides for a temporary extension of title VI of the National Housing Act. This is the title which was enacted to put FHA mortgage insurance on a basis adapted to the emergency needs, first, of the war, and then of the immediate postwar period. Under the present law this program would expire next week.

Under present conditions, a further extension of this emergency program will probably be needed. At the same time we all realize that it will not be desirable to continue to rely on emergency aids indefinitely. But unless we take action to modify title VI in connection with its extension for a year and make the changes in title II which are necessary to permit it to function reasonably well in the immediate future we cannot hope to assure a transition from emergency title VI aids to the more normal, long-term type of operation provided under FHA's title II program. This requires careful study and analysis of the title VI provisions for the purpose of making necessary changes in that title, and of the title II provisions as well. The Joint Committee on Housing has, in fact, made a number of very basic recommendations in both regards.

It will not be possible for the Senate to consider the necessary changes in the short time available before the March 31 expiration of title VI, particularly in view of the fact that the Senate will not be in session this week beyond today. In order to meet the dilemma thus presented, the bill, as now amended, proposes a 30-day extension of title VI, together with an appropriate increase in authorization, which will give us the time necessary to develop and consider the basic amendments necessary for a year's extension of the title VI program and at the same time not require that operations under the program come to a precipitate halt.

There is one amendment already approved by the House to the title VI program which the bill includes because of its basic importance in this period of strong inflationary pressures. In order to assure that the title will not contribute added pressures of this nature, it provides for a return from the emergency necessary current-cost formula to the long-term value formula in connection with sales housing under section 603 of title VI. Under the title VI program FHA presently insures mortgage loans, not on the basis of long-term value of the housing as under its permanent program, but simply on the basis of the necessary current cost to the builder in putting up such housing, even though this may be an amount higher than the long-term value of the housing. Moreover, under title VI, FHA can insure up to 90 percent of the necessary current cost. While some provision is probably necessary in connection with rental housing also in order to assure that a retention of the necessary current-cost formula will not provide support for further cost rises, the matter is complicated and will require more study.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. KILGORE. Mr. President, today, when our major preoccupation is how to stay strong and free in a confused and war-torn world, it is entirely fitting that we should be discussing action for strengthening our educational system. There is no aspect of national strength

more important than the fitness of individual citizens. In our democracy, we have always striven for fitness in two ways: by preparing useful citizens, and by developing every kind of talent in every kind of individual. Thus, we have always thought of our remarkable system of public education as being a double-barreled gun, aimed first at the goal of self-sufficient, independent citizens, and second, at the goal of rich national development.

We have made great progress toward these goals. Nevertheless we were shocked by the Second World War into the realization that we had overlooked serious inequities in our system. As a result, some 5,000,000 young men were rejected by selective service for educational and mental deficiencies. Of this number, almost 2,000,000 men fell short of even the fourth-grade minimum education standard set by the Army. Thus, on the educational front we lost more men than our combined combat strength in the entire Pacific area during World War II.

It is true that we have developed a huge percentage of our potential strength and our potential talent, thanks to our system of public-schooling financed by State and local taxes. But we simply cannot afford the luxury of congratulating ourselves on the numbers we have educated, and forget the other millions who happen to live in States or in localities where the spirit is willing but the funds are low. There is a limit to local and State taxing power. When that limit is reached, and educational facilities suffer as a result of lack of funds, I believe that Federal aid must be extended. If all of us agree that we are citizens of this country, just as much as we are citizens of our State or community, then we should not object to being educated as citizens of this country. We can only be so educated if Federal assistance is given to those States whose income does not permit the lowest expenditure per child which should be accepted as a national standard. Mr. President, I wish to go at length into the cause of that situation a little later.

WEST VIRGINIA'S EFFORT

In my own State of West Virginia, for example, a tremendous effort is being made to support better schools, but we still cannot come near the high-income States in the level of education we are able to provide. We have to spend a far greater share of State revenues for education, and yet the results cannot compare with those in high-income States which spend a very small percentage of their income for education. In 1944, West Virginia spent approximately 2.5 percent of its income for schools, and the amount is even higher today; yet our expenditures averaged less than $94 per child in average daily attendance. A State like New Jersey spends only 1.6 percent of its income for education, yet it is able to provide $198 per child in average daily attendance.

Mr. Phares Reeder, executive secretary of the West Virginia Educational Association, has prepared a detailed analysis of West Virginia's educational efforts and needs. Mr. Reeder's report states:

> It is estimated that in 1947–48, West Virginia will be spending for education 3.24 percent of our estimated total-income payments. In comparing this percentage with our effort in 1943–44, it seems quite probable that West Virginia in 1947–48 will rank first among the States in effort to support education. Even with this greatly increased effort, it is not likely that West Virginia will exceed the national average in school support. In spite of the strong financial effort that is being exerted, there is much evidence that West Virginia has not provided and, on the basis of her economic ability, cannot provide a thorough and efficient system of free schools. * * * We are convinced that West Virginia cannot do the job without Federal assistance.

EDUCATIONAL EQUALIZATION

Mr. President, I wish to digress at this point. I do not like to call the proposed program Federal assistance or Federal aid; I prefer to call it equalization. One of the reasons why some of the States can pay so much per pupil for education, and still pay so little, percentagewise, of their income, is the fact that while a great proportion of the capital invested in my State of West Virginia and in States in a similar position earns its income into those States, no taxes on that income go to my State, and other States similarly situated. Therefore, the schools of other States to which that income is paid, are benefiting from the taxes on income earned in my State, and my State suffers as a result.

So the proposed program is not simply one of aid or assistance, but is one of equalization. It will result in getting some of that money back to my State and to other States that are confronted with a similar situation. When the amount of income taxes paid in the various States is studied, it is found that if the average income tax on earnings in West Virginia were credited to West Virginia, the amount thus credited to my State would be vastly greater than is actually the case under present circumstances.

I agree with Mr. Reeder that even with its best efforts, our State alone cannot meet the need. One important reason—and other States have this same problem—is, as I have indicated that many of our leading industries are owned by people who live in other States. Thus, income from many sources which normally would be used to support our State government, goes, instead, to support other States.

STATISTICS ARE SHOCKING

There are even more dramatic and shocking figures than those I have quoted in regard to the field of education statistics. These figures have been used by Presidential advisory committees, by congressional committees, by educators, and parent-teacher associations all over this country in their study of how we can meet this problem.

The President's Commission on Higher Education had this to say about the problem:

> The Federal Government assumes responsibility for supplementing State and local efforts in military defense against the Nation's enemies without; surely it may as justifiably assume responsibility for supplementing State and local efforts against educational deficiencies and inequalities that are democracy's enemies within.

Mr. President, I ask you, how can we hope to compete with misleading statements of foreign ideologies when we have a vast number of people who are not adequately educated to understand and who therefore are easily misled. So a lack of education constitutes an enemy within our body politic that must be dealt with.

President Truman, in his recommendations on education to the first session of the Eightieth Congress, said:

> Our educational systems face a financial crisis. It is deplorable that in a nation as rich as ours there are millions of children who do not have adequate schoolhouses or enough teachers for a good elementary or secondary education. If there are educational inadequacies in any State, the whole Nation suffers. The Federal Government has a responsibility for providing financial aid to meet this crisis.

I could quote hundreds of similar statements by leading statesmen and educators on this problem. I have never heard a responsible denial of the existence of the problem and therefore I assume the only question is how to solve it. Since it seems to come down to an appalling inequality in educational opportunities, the solution obviously lies in eliminating the inequality to some degree. Federal aid can do that, at the same time keeping schools under local control where they belong, where their educational standards can be directed to meeting the problem of the locality and the State. We can thus keep our flexible and diverse educational structure just as it is, but at the same time provide the equalizing financial assistance which will make it possible for the boy born in a community of low prosperity to share the opportunities of the boy born in an area of high prosperity. I cannot think of a condition more basic to our democracy than that of equal educational opportunity.

NEED IS GREAT

Mr. President, I may say that every day that is becoming more and more necessary. We find in war the need of education. We find in peace, as our farms are further mechanized—the farms in the State of Mississippi, for example—as mechanization proceeds it will be found that the old-type farmer is being eliminated, and a new type of worker is taking his place. The new type of worker requires some education. The old "stoop jobs" are disappearing, and instead there comes the need of skilled labor. To become a skilled worker, one must have education.

Yet, ever since 1919, the Congress has been considering the fulfillment of that condition without taking any action on it. Ever since that year, bills of varying worth have been introduced proposing Federal aid to education. And ever since that year, the same arguments have been raised against so-called Federal interference, the same cries of economy have been raised against such worthy expenditure, the same fears of regimentation and standardization—such terrible bugaboos.

ELIMINATES BUGABOOS

In the last session of Congress there was finally reported by a committee to the Senate a bill known as S. 472, which represents a thoroughly realistic approach to a long-standing problem. That bill is the result of exhaustive study, and carefully thought out amendments to allay opposition fears—in other words, to get around the bugaboos. I do not say that the bill (S. 472) is the ideal solution to all problems of education; but I do believe it is an ideal solution to the problem of providing Federal aid and at the same time leaving control completely in the hands of organizational units within the States. It presents a solution in which no one who reads the bill can make accusations of Federal interference; its solution provides for expenditure which will be by far the cheapest aspect of our national defense; its solution will silence the cries of those who would undermine democracy by pointing to this glaring deficiency in our democratic educational system; and its solution, fortunately, has many precedents since the founding of our country.

PRECEDENT ALREADY ESTABLISHED

There is no foundation of truth in the statement that this particular bill would set a precedent in the field of Federal assistance to education, since there have been more than a hundred different bills enacted since 1785 dealing with various applications of such assistance. Unfortunately, in the past, Congress has never taken steps to deal with the problem as a whole. We have a good opportunity now to do so promptly, by enacting the bill which is now before us.

The bill S. 472 provides for an expenditure of $300,000,000 a year by the Federal Government to help the States set up a minimum educational program throughout the Nation. Each State will receive a flat sum of $5 per child between the ages of 5 and 17, plus additional amounts granted to the poorer States on the basis of a formula by which each State, with Federal assistance, will spend at least $50 per pupil in every district. The Federal funds are thus distributed to the States in proportion to their needs and to their own efforts to take care of those needs in proportion to the amount of income which would normally come into the State but which has been diverted elsewhere, is a better way to express it. Each State must spend not less than 2½ percent of its average annual income for a 5-year period, and after the fourth year must spend an amount equal to 2 percent of its annual income payments, or $120 per pupil, whichever is less.

EQUITABLE APPORTIONMENT

The bill provides for an equitable apportionment where separate public schools are maintained by law for minority races. Finally, the bill provides that control of all educational policies shall remain in the hands of the States and of their localities. The funds must be spent to help pay teachers' salaries, the salaries of other employees, for instructional supplies, and other current school costs in elementary and high schools only.

Under the provisions of this bill, West Virginia will receive some $10,000,000 during the first fiscal year of operation. This is, of course, more than our citizens would pay into the Federal Treasury for this purpose. But if the whole income derived from the State of West Virginia could be counted, it would be much less than the amount paid in. I want to emphasize again that West Virginia is helping to support the schools of other States, and thus this Federal assistance is a fair apportionment according to our needs, our efforts, and our contribution to other States. I should like to include in my remarks the table showing the estimated allotment of Federal aid to the States under S. 472, and also a table showing estimated income, and Federal allotments under S. 472, per child, 5 to 17 years, by States.

The PRESIDING OFFICER. Is there objection?

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 2.—*Estimated allotment of Federal aid to States under S. 472* [1]

State (1)	$5 per child 5–17 years of age (thousands) (2)	Excess of $45 per child over 1 percent of income payments (thousands) (3)	Total amount of allotment (thousands) (4)
Continental United States	$144,650	$215,855	$295,260
Alabama	3,950	19,390	19,390
Arizona	740	1,750	1,750
Arkansas	2,440	12,390	12,390
California	7,260		7,260
Colorado	1,225	685	1,225
Connecticut	1,705		1,705
Delaware	285		285
District of Columbia	720		720
Florida	1,260	1,780	2,260
Georgia	4,125	17,745	17,745
Idaho	600	1,010	1,010
Illinois	7,520		7,520
Indiana	3,645		3,645
Iowa	2,505	1,275	2,505
Kansas	1,860	540	1,860
Kentucky	3,520	16,120	16,120
Louisiana	3,055	11,075	11,075
Maine	940	1,060	1,060
Maryland	2,135		2,135
Massachusetts	4,160		4,160
Michigan	5,980		5,980
Minnesota	2,780	2,820	2,820
Mississippi	2,975	16,985	16,985
Missouri	3,755	1,665	3,755
Montana	545	55	545
Nebraska	1,350	1,220	1,350
Nevada	135		135
New Hampshire	490	640	640
New Jersey	4,025		4,025
New Mexico	760	3,390	3,390
New York	12,010		12,010
North Carolina	4,885	22,825	22,825
North Dakota	725	1,655	1,655
Ohio	7,090		7,090
Oklahoma	2,675	9,195	9,195
Oregon	1,125		1,125
Pennsylvania	10,410		10,410
Rhode Island	720		720
South Carolina	2,715	13,855	13,855
South Dakota	685	1,445	1,445
Tennessee	3,695	14,785	14,785
Texas	7,875	18,675	18,675
Utah	785	1,535	1,535
Vermont	375	615	615
Virginia	3,540	8,070	8,070
Washington	1,820		1,820
West Virginia	2,495	10,405	10,405
Wisconsin	3,300	1,020	3,300
Wyoming	280	180	280

[1] As computed in sec. 4 (C) without application of reductions provided in sec. 4 (D).

TABLE 3.—*Estimated income, and Federal allotment under S. 472, per child, 5–17 years, by States*

State (1)	Income per child, 5–17 years (2)	Federal allotment per child, 5–17 years (3)
Continental United States	$4,490	
California	7,520	$5.00
District of Columbia	7,510	5.00
Connecticut	7,090	5.00
New York	7,070	5.00
Washington	6,930	5.00
Nevada	6,670	5.00
Delaware	6,190	5.00
Illinois	5,990	5.00
Oregon	5,950	5.00
Rhode Island	5,940	5.00
Massachusetts	5,880	5.00
New Jersey	5,750	5.00
Ohio	5,460	5.00
Maryland	5,420	5.00
Michigan	5,060	5.00
Indiana	4,710	5.00
Pennsylvania	4,640	5.00
Montana	4,450	5.00
Kansas	4,350	5.00
Wisconsin	4,350	5.00
Missouri	4,280	5.00
Iowa	4,250	5.00
Colorado	4,220	5.00
Wyoming	4,180	5.00
Florida	4,110	5.00
Nebraska	4,050	5.00
Minnesota	3,990	5.10
Maine	3,940	5.60
New Hampshire	3,850	6.50
Vermont	3,680	8.20
Idaho	3,660	8.40
Utah	3,520	9.80
South Dakota	3,450	10.50
North Dakota	3,360	11.40
Virginia	3,360	11.40
Arizona	3,320	11.80
Texas	3,310	11.90
Oklahoma	2,780	17.20
Louisiana	2,690	18.10
Tennessee	2,500	20.00
West Virginia	2,410	20.90
Georgia	2,350	21.50
New Mexico	2,270	22.30
Kentucky	2,210	22.90
North Carolina	2,160	23.40
Alabama	2,050	24.50
Arkansas	1,960	25.40
South Carolina	1,950	25.50
Mississippi	1,850	28.50

Mr. KILGORE. Mr. President, it would be impossible for the State of West Virginia to extend itself far enough to reach this sum of additional money for its schools with the present allocation of taxes, and the present—shall we say?—"fugitive income" which goes into other States.

PROMPT ACTION URGENT

The need for prompt enactment of S. 472 is very great. Perhaps if we had not engaged in a Second World War, we would not have realized the need so acutely. Perhaps if the world today were secure and peaceful, we would not now feel the need so strongly. And perhaps, in this atomic age, some may not feel that we can ever educate quickly enough to save civilization from some disastrous final conflict. This is all negative thinking, however.

The Second World War did strike a terrible blow to our schools. School buildings are in bad condition, and the cost of construction and repair, delayed by the war, is now almost prohibitive. The teacher shortage was made acute by the war and is still acute, with one out of every seven teachers on substandard licenses. There is insufficient enrollment in teacher-training institutions. Schoolrooms are impossibly overcrowded

and there are more than 3,000,000 children between the ages of 6 and 17 who are not attending any school, according to the most recent census figures—and that in a civilized, advanced country, the richest in the world.

Today, with international relations far from harmony and peace, with voices in every quarter being raised to strengthen our national security, we feel very urgently the need to make every citizen a constructive, strong, and loyal unit of our democracy. Mere money may not do this for every citizen, but the money proposed in S. 472 is desperately needed for real progress in that direction. We in the Congress spend money for the study and investigations that make possible a reasonable, sound proposition like S. 472. In this case, we spent the money because we felt the need for some legislative solution was very great. Those who talk economy in arguing against the $300,000,000 a year this bill provides must realize that it will be more economical to settle the problem now, than to delay its solution to a later Congress, when the need will still be present and probably much worse, if we do not act favorably today. We must act speedily to establish a plan for the coming school year.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MURRAY. Mr. President, for many years I have favored Federal aid to education as a means for more nearly equalizing educational opportunities among the States. During the Seventy-ninth Congress I supported legislation to provide a general equalization fund for basic educational programs, scholarships, and maintenance grants, aid for capital expenditures on school buildings and equipment, aid for library and community-center, and adult-education programs, aid for camping programs, and aid in program development, administration, and research. Although I recognize the many merits of the bill now under consideration, I still believe that a comprehensive Federal-aid program will be the only complete solution for the inequalities of educational opportunity now prevalent throughout the United States.

Last April I appeared before the Subcommittee on Education of the Committee on Labor and Public Welfare to testify in support of Senate bill 1157, a bill to promote the general welfare by providing funds to assist the several States in paying adequate salaries to teachers in public schools. At that time I urged the committee to report out legislation which would give to the public school teachers of this Nation a cost-of-living increase in salaries. It was the purpose of this legislation to guarantee for every public school teacher with a college degree a minimum salary of $2,400 per year and a minimum of $1,800 a year for a teacher without a college degree. The bill now before us permits States to use funds for all public school current expenditures. I hope that the States will use most of these funds to raise the salaries of their public school teachers. We cannot do enough for these good men and women who have made so many sacrifices in the interest of their profession—loyal men and women who have stayed on the job despite the miserably low salaries which they have been paid. Although the bill before us is far from perfect, far from adequate, and although it needs some perfecting amendments, I think it is a step in the right direction.

Mr. President, the time has come for Federal aid to education. No longer may we tolerate poor schooling in any area of the United States. No longer may we fail the thousands of American school children who, with childlike faith, rightfully expect the Federal Government to assist the States in providing the kind of education which will prepare them to be good American citizens.

I think we must realize that we have been witnessing during the past few years a rapid deterioration of our American public schools. We are faced with a serious crisis in public elementary and secondary education throughout this country; and this crisis comes at a time when education is absolutely indispensable to the Nation's progress and to its very survival.

During the past 8 years the exodus of teachers from the public schools has reached alarming proportions. Between the years 1940–41 and 1944–45, 350,000 public school teachers, in addition to the normal turnover of 10 percent, left the public schools. More than 50 percent of the teachers in the schools in 1941 are no longer there. Every State of the Union has a teacher shortage and every State of the Union has schools staffed by teachers holding emergency, temporary certificates.

Despite the fact that in many areas standards have been lowered, it has been impossible to keep all of the Nation's schools open. It is estimated that approximately 60,000 children are being denied an education because of closed schools and a lack of teachers. According to the United States census estimates for the year 1945, more than 4,000,000 children between the ages of 5 and 17 years attend no school whatsoever.

Without the help of the Federal Government the States cannot meet this educational crisis. They cannot induce young people to go into the teaching profession unless they can assure them of a decent salary for their professional work. They cannot provide adequate educational opportunity for all their children unless they have sufficient funds to spend for their schools.

I repeat, that without the help of the Federal Government the States cannot cope with the educational crisis now confronting them. Some States lack adequate taxable resources for financing good schools; other States have local communities which lack adequate taxable resources to finance their schools. The result is that American children receive an inferior education for no other reason than that they happen to live in a poor State or a poor community.

For many years we have heard people say, "Let the States pay for their own schools." This would be an ideal arrangement if every State in the Union had the same amount of taxable wealth and the same number of children between the ages of 5 and 17 years. But we now know for certain that the States which have the least funds for education have most of the children to be educated. I think, therefore, it is advisable to give proportionately larger shares of Federal funds to the less wealthy States which have these large numbers of children to be educated.

Mr. President, the crisis in American public education is not merely a local or a State problem. It is a national hazard. Unless the Federal Government assists the States to provide more adequate salaries for their teachers and for other educational purposes, disastrous social and educational consequences will be inevitable.

The bill before us has one serious imperfection which, in my opinion, may be corrected rather easily by an amendment. The bill's formula for allocating funds to the States counts as beneficiaries of Federal aid all children between the ages of 5 and 17, throughout the United States and its possessions. For example, the formula would provide for an allocation to the State of Montana of $5 for every one of the 109,000 children between the ages of 5 and 17 within my State. I agree fully with the purpose of this procedure, because I think the Federal Government should be concerned with the educational welfare of every child. Moreover, I think that it is the Federal Government's responsibility to make sure that every child in my State receives some benefit from the funds appropriated in the interest of the general educational welfare of the Nation. Therefore I find it hard to understand why this bill does not require the State of Montana to use some part of its allotment of Federal funds in aid of the eight to nine thousand nonpublic school children within my State. In my opinion, it is manifestly unfair to appropriate $5 for every one of these eight to nine thousand children and then forget about them completely in disbursing the funds. As someone has said, it is not fair to count children in and count them out in one and the same bill.

I am not impressed by the argument that the State of Montana may use Federal funds in aid of nonpublic school children provided State funds may be legally and constitutionally expended for the same purpose. I think that the Federal Government should make certain that the Federal funds actually are used for these children regardless of State practices to the contrary.

Mr. President, I agree that we should be very solicitous about States' rights in education, and I subscribe fully to the bill's prohibition against any Federal interference with the academic or personnel practices of any school assisted by Federal funds. I have the greatest respect for States' prerogatives in education, but I also believe that Federal funds should be administered according to the norms of the Constitution of the United States. For this reason, I am in complete accord with section 7 of the bill, which requires a pro rata distribution of funds for schools maintained for minority races, regardless of State practices to the contrary. This means, therefore, that under the bill the State of Mississippi must spend $28.50 for every Negro

child in the State and $28.50 for every white child in the State, regardless of the fact that in 1943–44, the State of Mississippi spent $71.65 per pupil in average daily attendance in white schools and $11.96 per pupil in Negro schools. I think this section of the bill is a good example of the Federal Government's scrupulous regard for equity in the distribution of its funds.

I understand that there are a good number of States which do not approve furnishing bus rides and textbooks for nonpublic school pupils, and I understand that there are some communities which do not furnish health services for these pupils. That is their business. I do not think that the Federal Government should force any State to use any of its money to furnish services for nonpublic school students. I am convinced, however, that if the Federal Government is to appropriate funds for all the children in the United States, then it must make certain that all the children, including those in nonpublic schools, receive some kind of aid from the Federal Government.

And what kind of aid should we give them? I think that the law is clear on that point. In the Cochran decision, involving the constitutionality of the Louisiana statute authorizing the furnishing of textbooks to non-public-school pupils, the Supreme Court held that this practice was constitutional under the fourteenth amendment. In the recent Everson decision, involving the constitutionalty of a New Jersey transportation statute, the Court held that furnishing bus rides to non-public-school pupils does not violate the first and fourteenth amendments of our Constitution. I think, therefore, that the least we can do for the 2,500,000 non-public-school children in this Nation is to furnish them these essential school services, transportation, nonreligious textbooks, and health services. A very modest appropriation in addition to the $300,000,000 authorized by S. 472 would take care of this need.

Mr. President, it is important that we consider this question of aid for nonpublic-school children in relation to our American theory of education. Here I should like to repeat some very fundamental considerations which I expressed in a separate statement of views accompanying the report on S. 181, Seventy-ninth Congress, second session. It pleases me to note that two of my distinguished colleagues, the Senator from Vermont [Mr. AIKEN] and the Senator from Oregon [Mr. MORSE], joined in this separate statement. In this statement we said:

> Implicit in the concept of democracy are the existence of differences of opinion, philosophy, and culture. It is not democracy's function to destroy these differences, but to provide a healthful and proper environment in which they can flourish and mature, or perhaps to wither and die, and in which the values they develop may be integrated into the culture and thought of all Americans. Thus, as we see it, the Federal Government in providing aid to education must be careful not only not to interfere with local or State systems of education, but not to encourage or discourage one system of education as against the other. Its aim must be the general welfare of all its citizens. Federal aid to education must not operate merely for the benefit of some children, be their number ever so large, but for all children. To do otherwise would, in effect, penalize those who are not eligible to receive the benefits of the act, and inequity would result.
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> This is not the first time that the Congress has been asked to consider the relationship of the Federal Government to nonpublic institutions. In the Civil War period the issue which this bill raises was settled decisively by the Congress when it voted down the Blaine bill prohibiting the appropriation of funds to schools conducted under religious auspices. Before that time and since that time the Federal Government, disregarding the issue of sectarianism, has concentrated its attention upon the task of promoting the general welfare by grants-in-aid to those institutions whether they be public or private which could serve the public interest. The Federal Government need not be concerned with whether or not a welfare institution, a hospital, or a school is publicly or privately controlled; it need inquire only into the ability of the institution to perform or improve the standard of the public service which is to be stimulated and facilitated by a grant of Federal funds.
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> During the depression and the recent war crisis when the resources of every school—public and nonpublic—were mobilized for the general welfare of the Nation, there was no hesitancy in making Federal funds available to any school which was willing to cooperate with the Federal Government. The NYA student-aid program drew no distinction between public and nonpublic schools. The emergency school-lunch legislation invited all schools to participate in a program for agricultural stabilization and child welfare. The war-training program called upon the resources of every technical school. There was no cry of sectarianism when the Army and Navy established their specialized training programs on the campuses of denominational colleges.
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> At the present time the Federal Government is pursuing a policy of equity in its postwar educational legislation. This very day the Federal Government is donating and selling at a discount some of its surplus war property for use in nonpublic schools. The GI bill of rights authorizes the Federal Government to pay tuition fees to nonpublic schools which have been approved by the State approving agency. This famous law reveals the intention of Congress to ask no more of the school receiving Federal funds than it be qualified to give the veteran an education which squares with reasonable standards. Congress only last week passed the school-lunch program which provides aid to all schools alike, public and private. Under the terms of the GI bill our National Government will pay millions of dollars in tuition fees to privately controlled schools. It appears to us that a Congress which has agreed to pay a veteran's tuition to a privately controlled school should not hesitate to grant aid or service to a similar school to which he chooses to send his children.
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> Why should a program of Federal aid for education differ in its treatment of privately controlled institutions from other similar grants-in-aid projects? During the war the Congress passed the Bolton Act to encourage the training of cadet nurses. To make the program effective it became necessary to provide dormitories and classrooms at many hospitals and affiliated schools of nursing education. The Congress made no distinction between public and nonpublic hospitals. Today many church-controlled hospitals and affiliated nursing schools possess permanent facilities which were constructed in part with Federal funds. There is still need for expanded hospital facilities, and the Senate has already passed legislation for this purpose. It would have been inconceivable for Congress to have enacted a bill for hospital construction which would have discriminated against the privately controlled institutions. It has been pointed out to the Congress that private hospitals perform a tremendously helpful service which relieves the taxpayers of the enormous expense involved in the operation of public hospitals. Therefore, the proposal has been made that Federal aid be extended to both public and nonpublic hospitals so that both may continue to prosper together through a joint expansion of their facilities.
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> Otherwise, the private hospital gradually will disappear as the Government gains a monopoly over the care of the sick and thus will be frustrated the charitable and enterprising tendencies of American citizens who seek to give and risk their personal funds for the support of privately controlled hospitals. This would spell disaster to the spirit of independent effort in the care of the sick. We think it would be equally disastrous if the Federal Government were to deny its assistance to nonpublic schools, which, like nonpublic hospitals, contribute to the general welfare of our American communities and also represent an enormous saving to the taxpayers. A governmental monopoly of education inevitably will doom this Nation either to blind nationalism or to stupid totalitarianism.
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> In spite of evidence to the contrary, some people sincerely fear that Federal aid to church-controlled schools would bring about the union of church and state. We have considered this problem very carefully and we have concluded that such a fear is groundless. If it were not, we would be the first to oppose such aid. Another tenet of our democratic belief which we hold to be just as sacred and important as the separation of church and state is that of freedom of religion. Such freedom should not be limited by imposing, in effect, certain penalties on those who faithfully carry out the practice and teachings of their religion. In this connection, also, we must recognize that the Government does not wish to supplant the duty of parents in the instruction and training of their children, but merely wishes to supplement and facilitate it.
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> A functional democracy makes it possible for many people to do the same thing in different ways. Consequently, the Federal Government should not discourage in any way the different activities of several kinds of schools, all of which are devoted in various ways to the common purpose of producing the good citizen. To the degree that the nonpublic school is directly or indirectly suppressed or discouraged in the attainment of its purpose, to that same degree does education become the potential tool of a totalitarian state.

THE CONTROL OF ATOMIC ENERGY

Mr. McMAHON obtained the floor.

Mr. WHERRY. May I inquire of the distinguished Senator from Connecticut if he desires to proceed now with a discussion of his amendment?

Mr. McMAHON. I would say to the Senator from Nebraska that I have a few remarks to make now about a subject not germane to the pending bill, a subject, I might add, in which the Senator from Nebraska undoubtedly is much interested.

After I left the Senate Chamber yesterday, Mr. President, to keep an engagement, the Senator from Nebraska had a colloquy with the Senator from New Hampshire [Mr. BRIDGES], in which, as I read it, they seemed to agree that it might be desirable and appropriate to

turn the control of atomic energy over to the Military Establishment. I believe the Senator from Nebraska has implemented that thought by the introduction of a bill today.

It is not my intention, Mr. President, to discuss the matter at any great length this afternoon. There will be ample time to do so in the Atomic Energy Committee, and also to discuss it if it comes to the floor for action. I think, however, that the nature of the problem is such that it might be well if something were to be said so that the American people might understand the nature of that which is being proposed, and just a few reasons why it would be most unwise to adopt such a proposal as has been made by the Senator from Nebraska.

Mr. President, there are many things wrong in the world, and many things wrong, I suppose, in this country, so I think it would be well that at least one of the things that is right be left alone. To those of us who have been familiar with the situation which existed when the civilian commission which was created by the Atomic Energy Act took over control, and to those who have since that time carefully watched the progress and the work of that commission, there is the ever-growing conviction that one of the wisest things Congress ever did in the interest of the national defense was the organization of the civilian Atomic Energy Commission for the handling of this problem.

The report which has been filed by the Commission within the past few weeks should be required reading for every Member of the Congress and, indeed, for every one of the American public interested in the subject, because that report, without, of course, giving figures which for security reasons cannot be given, details the magnificent progress which has been made by the Commission.

One thing has never been understood. I beg of the Senator from Nebraska and others who think as he has thought in the past, and as he apparently now thinks, to try to understand. There are two types of security. There is the kind of security in which plans are locked up, and only persons who have been cleared are permitted access to them. That is the way the date of D-Day was kept secret. That is one type of security.

The other type of security I may call security by achievement. In this field it means making more, better—if I may use that adjective—more effective, and cheaper instruments of destruction. The way to achieve that kind of security is through the promotion of research, which is done by the men of science. As the able Senator from Michigan [Mr. VANDENBERG] stated on one occasion on this floor, we cannot drive the scientists of America to the laboratories in times of peace at the point of a bayonet. I phrased it somewhat differently when I said that we could not make them work, rouse them with reveille, and send them to bed with taps.

If the Senator will examine the report which has been made by the Commission he will find that there are two great hoped-for scientific achievements on which scientists engaged in the program are working. One is what is called the breeder process. The breeder process is a very convenient and handy name for a scientific process whereby a certain amount of uranium is put into the process and increased in value and energy at the other end of the pipe line, so to speak. As the Senator probably knows, we make use of only seven-tenths of 1 percent of the energy contained in uranium 235. It is hoped that as a result of the highly scientific work which is now being done it will be possible to make use of a greater percentage of the energy.

I say to the Senator from Nebraska, without fear of contradiction from men who know what they are talking about and who can advise the Senator as they have advised me, that to turn this program back to the military at this time would probably—in fact, certainly—spell the slowing down, if not the destruction of those two scientific programs. That is one price, I will say to the Senator from Nebraska, which we would have to pay if the suggestion he has made were to be adopted.

One of the great things we did for all the world was to make the offer which we made for the international control of atomic energy. I believe that one of the things we have not been successful in doing is cashing in on that offer in the public opinion of the world. We have not let the world know the magnificent thing we have done. As the Senate knows, and as some members of the public know—unfortunately not a sufficient number of them, and unfortunately the rest of the world does not know it, because we have not appropriated the necessary money to tell the rest of the world—in return for our magnificent offer we asked only that we should receive effective guaranties that it would not be used to destroy us. The Soviet Union has seen fit, in the words of Mr. Gromyko, to "disagree in whole and in all its parts" with those proposals. At the present writing it certainly does not seem to me that there is likely to be a successful contract, convention, or treaty for the international control of this force.

Mr. President, when we made that offer we made it in good faith. We made it after we had established a civilian commission and had said to the world—the Russians included—"We regard this force as an instrument for peace. We do not regard it primarily as an instrument of war."

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. KNOWLAND. First of all, I wish to say that I subscribe to what the Senator from Connecticut is saying relative to civilian control of atomic power.

Mr. McMAHON. I thank the Senator.

Mr. KNOWLAND. I have felt that way as a member of the Joint Committee on Atomic Energy. The Senator is discussing the international control of atomic energy and the offer which this Government made through the United Nations. Does the Senator believe that in the final analysis satisfactory guaranties can be achieved in the field of international control of atomic energy so long as the veto exists in its present form in the United Nations?

Mr. McMAHON. Of course not. I agree entirely with the Senator. That is why we incorporated, as an absolute prerequisite to our agreement, the proviso that there should be no right of veto in this field. I agree with the Senator 100 percent.

To recur to the question of the efficiency of the operation in which we are engaged, I invite attention to the fact that under the present act there is provision for a military liaison committee. That military liaison committee has been functioning ever since the civilian Commission was first established under the act.

Let me say to the Senator from Nebraska that I wish he had talked with some of the men who have worked with this Commission in the very field of military application for which Congress has provided. Although there is a provision that the military liaison committee may appeal to the President in the event of disagreement with respect to any particular application of military power, there has not been a single appeal to the President of the United States since the Commission has been established.

Mr. President, when we think about changing the policy we ought to give serious consideration to those who are actually working under the present policy. I recommend to the Senator from Nebraska that before he pushes his bill further he make that kind of an investigation.

Mr. President, I had not intended to discuss any phases of the international problem of the control of atomic energy, but rather to give some forthright and plain reasons why the country should be advised that the policy which we have adopted is the correct and fruitful one. Yet since I am on my feet and have started on the subject, I should like to say that until we have solved the questions relating to the control of weapons of mass destruction we shall not have settled the heart question of the peace. Until those questions are solved, there will be no permanent peace. The Soviet Government or any other government which might have aggressive intentions against the peace of the world could not by any stretch of the imagination successfully achieve and bring to realization those ambitions if that nation were deprived of the kind of weapons I am talking about, in addition to being deprived, of course, of the means of waging biological warfare, about which we have been informed.

It seems to me that in appropriating funds under the Marshall plan we shall have bought time. What we do with that plan will demonstrate whether it has been a wise or an unwise investment. There may not be too much time. The Air Policy Board of the Federal Government has estimated that Soviet Russia will achieve the production of atomic weapons in 1952, I believe. There have been other estimates that that will happen in 1951.

Mr. President, we must tell this story to the world, and we must tell it to our

own people, by every means available for the dissemination of information—the newspapers, magazines, and the radio. We must prevent the kind of war that could result from the use of weapons of destruction of these kinds, in the hands of men ruthless and aggressive enough to use them. We must mobilize not only our strength, but the spiritual and moral forces of the whole world, behind a determined effort to see to it that this problem is settled without war.

If I had my way, I would spend a good deal more money than is now being used for projecting the Voice of America. For this purpose, it is the best money for defense that we could possibly spend, because I am convinced that if everyone really understood what war would do and will do if it comes about, there would be a different attitude in certain places about starting it.

Last May, in a speech I made on this subject, I pointed out the seriousness of the problem which confronts us. I was interested in the statement last week by the Senator from Texas [Mr. CONNALLY] to the effect that the world is facing the most important crisis which it has faced since the Thirty Years War. I disagree as to that with the Senator from Texas, because I think at no time in all history has there been a crisis such as the one which confronts the world today. Of course, every generation that is born and flourishes and dies thinks it is given to it to make some contribution to the direction of history; but we know that there are generations that are born and flourish and die, that do not even make a footnote in history. However, despite the tendency to overemphasize the importance of one's own time, I still am convinced that in our times there will be decided the fate not only of ourselves, but of our children and of our children's children—yes, the fate of civilization itself.

Mr. President, I had not expected to speak at such length on the subject today. In fact, I have been intending to speak about it at much greater length a little later in the session. But I thought it worth while to call the attention of my good friend the Senator from Nebraska to exactly what we are dealing with, and at least present the estimate of the Senator from Connecticut of what is the wise and patriotic thing to do for the safety, not only of our own people, but of the people of the whole world.

Mr. WHERRY. Mr. President, I should like to respond to my distinguished and able friend the Senator from Connecticut in regard to the bill which has been introduced and also with reference to the colloquy I had yesterday with the distinguished Senator from New Hampshire relative to the transfer for the emergency of the Atomic Energy Commission to the military.

The very fact that the distinguished Senator from Connecticut, who is an authority on atomic-energy legislation and is the one who gave freely of his efforts to provide the legislation under which the Atomic Energy Commission now is operating, has taken the floor and has discussed the matter to the degree which he has today, indicates that there is at least some merit to the bill which was introduced. I wish to pay my high compliments to the Senator for the work he has done, and I certainly feel that he believes in his own mind and heart that the arrangement we now have in regard to that matter and the work that is being done regarding it are accomplishing what he desired.

I did not introduce the bill for the purpose of in any way casting any reflection on the present legislation on the subject or on the work the Commission is doing in peacetime. I am glad, indeed, to receive the information relative to the report the Senator is about to reveal and other reports which have been made about the work the Atomic Energy Commission has done. That will be of interest to the people of the United States of America. If in the debate and in the hearings on the merits of this bill, the people of the United States are informed in regard to what the Atomic Energy Commission is doing in peacetime, and if they and the Congress are convinced that what is being done is satisfactory and that the work does not need to be transferred, at least that much will have been accomplished, and it will be a credit and a tribute and an honor, I am sure, to the distinguished Senator from Connecticut.

I, too, do not expect to give all the reasons why I introduced the bill.

However, let me say first that the bill has to run the hurdle of the Commission; and, as the distinguished Senator from Connecticut knows, it has to go to the Joint Committee on Atomic Energy, which has to do with the very legislation which has been enacted by the Congress. So, if the bill even comes out of that committee and reaches the floor of the Senate, it will be meritorious indeed. I think the Senator from Connecticut will agree with me as to that.

Mr. McMAHON. Mr. President, will the Senator yield to me at this point?

Mr. WHERRY. I yield.

Mr. McMAHON. That is an event that the Senator from Connecticut will, I assure the Senator from Nebraska, do his very best to prevent.

Mr. WHERRY. I am sure of that, and I appreciate the honesty and the forthrightness of the Senator from Connecticut in making that statement—not because he would not wish to accord me that privilege, but because he feels so strongly about the work the Commission is doing and the legislation authorizing that work to be done.

The distinguished Senator in his opening remarks said that a great deal is wrong in this world today. Mr. President, there is a great deal that is wrong in this world today, and we do not know just where we have been going. We have had a foreign policy that has changed hourly. When we stop to think that in the last 2½ years since VE-day we have spent in excess of $20,000,000,000, and we have had the Morgenthau plan in effect, and now all of us admit that it has been a failure and has not accomplished its purpose, because now we are going to turn a corner and go down a new street in order to protect our own security and the security of the other nations of the world, we realize that there is a great deal that is wrong. I cannot understand why. It seems to me, with the able leadership we have had in this country, and in view of the fact that the lives of more than 300,000 boys were sacrificed and more than a million were wounded, and that we increased our national debt to nearly $259,000,000,000, we should have been able to obtain peace in the world, but it has not been accomplished; in fact, it has been anything but accomplished.

I know my good friend from Connecticut will agree with me that the situation is worse today than it was after the war, and so we must confront the brutal facts. I certainly want peace, just as the distinguished Senator wants it. I agree with him that these new weapons of warfare ought to be outlawed if possible, and yet the distinguished Senator will agree with me that if we have these weapons and know them in a military way, that probably is the quickest way to insure that other nations will not use them against us.

As the distinguished Senator knows, gas and many other things possessed by both sides were not used because of the very fact I have mentioned.

Furthermore, the military developed the atomic bomb and atomic energy. Certainly civilians were employed. Let us give credit to all the scientists in peacetime. Certainly they deserve credit, and no one desires to reflect upon those who work it out scientifically, whether they are within or without the military service. But I submit to you, Mr. President, that if the situation is as bad as the President of the United States says it is, although I agree that up to this moment he has not justified it, if it is so serious that we must initiate the draft and UMT, and if we are to appropriate nearly $5,000,000,000 more, including money to provide the strongest air corps in the world, if we are going to go to a wartime economy, then I think it is just as essential that the military handle atomic energy as it is that they handle the Army, the Navy, and any other agency that has to do with implements of war. It seems to me that is only common sense.

Mr. McMAHON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Connecticut.

Mr. WHERRY. In a moment. In support of my statement, I should like to advise the distinguished Senator that I talked to one of the highest officials in the military, and he agrees with me 100 percent. I now yield to the Senator from Connecticut.

Mr. McMAHON. I do not know to what official reference is made.

Mr. WHERRY. No; that is correct.

Mr. McMAHON. But I will say that there has never been a suggestion that the Congress turn over to the Military Establishment the production of airplanes, on which certainly our national safety depends, nor has there been any suggestion that we turn over to the Army and Navy or the Department of National

Defense the construction of all weapons of warfare.

Mr. WHERRY. I will agree with the Senator as to that. There is no argument about that.

Mr. McMAHON. I may say to the Senator that when he said, as he did, that the atomic bomb was developed by the Army, it is true that during the war, under the Army, because that was the only place where the expenditure of the funds could take place at the time, there was assembled the most magnificent array of industrial genius, scientific achievement, and scientific learning, that has possibly ever been assembled in one place in all history.

Mr. WHERRY. That is correct.

Mr. McMAHON. General Groves, as I have already said, is entitled to high praise and a high place in the Nation's history for his housekeeping duties. The bomb was constructed by industry, by engineers and scientists, not by the Army. I do not say that in derogation of the Army.

Mr. WHERRY. Mr. President——

Mr. McMAHON. I should like to point out, if the Senator will yield to me for one more observation——

Mr. WHERRY. I yield.

Mr. McMAHON. That if the Senator will investigate he will find that in this field there developed after the end of the war a complete state of chaos and disintegration, and, without commenting on production, Mr. President, you may draw your own conclusions as the result of those two statements. The situation was only retrieved for the benefit of the country and its defenses, when we turned it over to the civilian commission. They got the men they had to have back to work. In fact, every noted scientist but one had left the project, and he had given notice of his intention to quit at the time the civilian commission took over.

Mr. President, those facts are inescapable. I am not talking about the civilian commission at this time having control merely for the sake of this work being in the hands of a civilian commission, although I could make a powerful argument I think in that respect. I am talking about production, I am talking about results. I am glad to say to the Senator that in my opinion if we did not have the results which we do have because of the work of that commission, our position in the world would be weaker today than it is.

Mr. WHERRY. Mr. President, I think I could agree in great measure with the facts the Senator has presented. I have no quarrel at all with what the Atomic Energy Commission has done in peacetimes. I am not sure that they have done as much as the distinguished Senator says they have done, because I have not seen a detailed report of the work they have done, and I am not sure that I should be as enthusiastic as the Senator is. That is beside the question.

The Army developed the atomic bomb. They developed it by the aid of the scientists they had. They did it, and I am of the opinion that the Army could continue to do anything that the Atomic Energy Commission can do, either by itself or by getting scientists to help in the event they need to do that. I do not see that there is any difference there. Uncle Sam pays the bill, whether the work is done by civilian forces or whether it is done by the Army.

But now we come to the point which I think is absolutely fundamental, and here we may disagree. Somehow I have a feeling, if the emergency is as bad as the President of the United States has said it is, that my sense of security would be greater with a continuation of atomic development in the hands of the military than it would be if it were in the hands of the civilian commission.

Mr. McMAHON rose.

Mr. WHERRY. Just a moment. The Secretary of National Defense is responsible for coordinating the segments of the military and their implements to accomplish the results which are necessary to be accomplished. That is no reflection upon the Commission at all. As soon as the emergency is ended, I should be just as anxious as the Senator is to develop atomic energy for peacetime uses through a civilian commission. I am speaking of the emergency, and entirely from a military point of view. I agree with the Senator, we should iron out every one of these problems in a peaceful way if we can do it. The sad thing is that we have somehow failed to do it. I am not sure the combined leadership could have done it, yet the sad thing is that it has not been done. But I submit to the distinguished Senator, if there is an emergency, we should not continue attempting to give away to a nation that will use the veto power any more information than we have already given away, if we want to protect our own security and the security of the other nations of the world.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. WHERRY. Those are some of the reasons why I believe in the bill I have introduced. I cannot see that there is a great deal of difference between the Senator from Connecticut and myself, except that in the emergency I think the military ought to be in control of atomic developments. If there is no emergency, then, of course, it is an entirely different thing.

Mr. McMAHON. In the opinion of the Senator from Connecticut, the sharper the emergency becomes the sharper is the necessity for keeping this where we get results, because that is the test.

Mr. WHERRY. That is correct. The Army did a pretty good job.

Mr. McMAHON. When the Senator talks about security, I should like to refer to the fact that the breaches of security that have been disclosed to the country in the past 2 years—and I say this not in any spirit of criticism, but merely as a statement of the facts which have been made available to all—occurred at the time the Manhattan district was operating the project. No doubt the Senator remembers the incident of the two Army sergeants at Los Alamos who walked away with some pictures. They were men in uniform.

Mr. WHERRY. The Senator does not mean to indicate, does he, that because two sergeants walked away with pictures the secrets of atomic energy might be exposed more freely by members of the military forces than by civilians?

Mr. McMAHON. Not at all.

Mr. WHERRY. Then what is the significance of the Senator's statement?

Mr. McMAHON. The point I am making is that simply because men are dressed in uniform it does not make them more careful, more impervious to carelessness. I merely say to the Senator that the breaches of security which have been advertised in the past year and a half have occurred while the Manhattan district was in operation on the project.

Mr. WHERRY. May I suggest to the able Senator that I was a member of the Appropriations Committee during the time scientific research was being conducted, and the members of that committee did not even know for what the money was being spent? I think the Senator will recall that. We were told that a very secret weapon was being developed. Month after month and year after year the work went on, and we did not know what it was. During all that time, under the Army, the secrets were kept. No one knew about atomic energy until we reached the time when the President of the United States had to make up his mind, as Commander in Chief of the armed forces, whether an atomic bomb should be used on Japan. Where is there another agency of Government which has been more careful with secrets which have been developed than was the Army when atomic energy was developed? When the atomic bomb was dropped it was a surprise, not only to Japan, but to the American people and the Congress of the United States. That is the most wonderful record of keeping a secret that I ever heard of; and any plea that such a secret would not be preserved through the military is beyond my conception of the intelligence, the sincerity, and the honesty of my distinguished friend from Connecticut.

Mr. McMAHON. I am sure the Senator from Nebraska does not mean to imply any lack of any of those qualities in the Senator from Connecticut. We are too good friends for that.

Mr. WHERRY. That is correct.

Mr. McMAHON. I should like to call the attention of the Senator from Nebraska to the fact that I did not say that simply because the military had control of the information it was likely to leak out. I think that is an unfair inference.

Mr. WHERRY. I should not want in any way to make an unfair inference with reference to the remarks of the Senator from Connecticut. I asked the Senator if information leaked out because the project was under the control of the Army, and he said, "No." So I take it that the Senator did not mean that, and I am not implying that he did. I paid tribute to the Army because of the fact that during all the formulative months the Army was very strongly identified with the work.

Mr. McMAHON. I have already stated that the General who was in charge of the project did a fine housekeeping job. He had no scientific background; he was an engineer; he built some construction works in a number of places, and he had a creditable background. I do not think

that General Groves or any of his most ardent devotees would claim any Nobel Prize for knowledge with regard to nuclear fission or of the industrial processes which transferred that scientific knowledge into the accomplished bomb.

I should like also to say to the Senator that it is true that the knowledge that we had a bomb of the kind and character, which was used on Hiroshima, broke on the world and on our own people, and, as the Senator has said, on the Congress of the United States, with terrific impact. I call the Senator's attention to the fact that soon thereafter, there was issued a report to the whole wide world known as the Smythe report. There has never been in the whole project, from beginning to end, a greater breach of security than was the issuance of that report. It pointed out to the world four ways we had tried to produce fissionable materials, and we told the world which ones worked and which ones did not work. Many men with whom I have talked, have stated that under no circumstances should that report have been released, until we had effective international control of atomic bombs and atomic energy.

Mr. WHERRY. Mr. President, I do not want to require the Senator from Connecticut to expand physical effort in debating the question in connection with a lot of ifs. I realize that when any bill on the subject is considered by the committee, certainly the committee will have to be convinced before the bill will be placed on the calendar. Neither have I said that General Groves is claiming anything. I am claiming it for him. I did not say he made any assertions regarding his super-deluxe knowledge of atomic energy. I claim that the Army did a good job; I think it did a wonderful job. If there is an emergency involved, simply as a matter of military security, I think the military should have charge of the different segments of our national defense during such emergency, even though all procurement is made through private channels. There is just as much sense in saying that the Army should have charge of atomic energy for the purposes of warfare, as to say that the Navy or any other segment of our military forces should have charge of it. I do not see any difference.

I am dealing with the question of how the Atomic Energy Commission has operated in peacetimes. I am not saying they have not done a good job; I am not even commenting on that. That is beside the point. The point is that I think the military, during the emergency, if there be one, should have charge of the operation of atomic energy. If there be such an emergency in sight, I think the President of the United States should tell the American people the truth about the situation. We should not stumble into another war that is all uncalled for and unnecessary. But if there be an emergency, if we are to prepare as has been indicated by the Commander in Chief, the President of the United States, I believe the time is here when we should coordinate into our great military organization the work of the Atomic Energy Commission.

Regarding international control, I do not mean to reflect upon that. I want to say, once again, that I compliment the distinguished Senator from Connecticut for his work. I know how strongly he feels about his position. There is no reason why many people should not agree with him, and I am myself inclined to agree, insofar as the development of atomic energy in peacetimes is concerned. If we can get the nations of the world to enter into an organization and keep faith and practice complete reciprocity, I should not object. But in the face of what has been going on, in the face of the veto power which has been exercised, I think the time has come when the United States of America should not go further until the emergency is concluded. The United States developed atomic energy, the taxpayers paid for it and gave their sweat and blood to protect their own national security, and we should wait until an international organization has been established which will be as truthful with the United States as we are with them.

I think there is a great psychological effect. It is said there is a desire that the United States give money in order to influence the coming election in Italy. Let me take that as a premise, that we should give money to Italy under the ERP in order to have a psychological effect on the coming election in Italy, so that communism may be driven out.

Perhaps I am wrong, but let me humbly suggest that if we place back in the United States control over atomic-energy development there will be a psychological effect on some of the nations of the world, and I think tremendous good would be accomplished, even though our power resulting therefrom would never need to be exercised. I think, from a psychological standpoint, that would have more effect on some other countries than winning the election in Italy on April 18 might have.

Let me briefly review my remarks. I had not intended to make a speech on the subject today, not knowing that the distinguished Senator from Connecticut was to do me the honor of even recognizing the bill I introduced. I deeply appreciate his reference to it, and if nothing more is accomplished than that the record is made this afternoon, and we have learned the facts stated by the distinguished Senator, then the bill I introduced was worth while.

Let me say, in all candor—and I am pretty aggressive and ablebodied—that I shall do my level best before the committee, which I know will require my utmost efforts, to have the bill reported by the committee to the floor of the Senate. I think it should be discussed, so that the American people may know about it and that Congress may know about it, and so that the effort to place control back in the military, just for the emergency which seems to be upon us, may be successful.

Mr. McMAHON. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield the floor.

Mr. McMAHON. In reply to the Senator's last remark, I may say I will meet him at Philippi.

I wish to say a word more, and then I shall desist. I still have in my heart a very great optimism that we can maintain the peace. Despite what the Senator calls the psychological effect upon the peoples of the world, such action as is proposed would, in my opinion, to sum it up, destroy the best chance for progress in that field.

Furthermore, it would be a notification, it seems to me, that America was abandoning hope that the peace could be maintained, and that we in the Congress of the United States were recognizing the inevitability of war.

Ah, Mr. President, I do not concur in the opinion that war is inevitable. I do not go along with that opinion I believe that we can maintain peace if the United States of America will realize not only her physical power, but also her moral leadership and her spiritual leadership in the forces of decency and honor and righteousness in the world.

I think that if we go before the United Nations with such a program, and lay before the whole world this problem, and other problems which are bedeviling the peace between the Soviets and ourselves, that would be a forum in which there would rally to our side the forces which I have bespoken. I am of the opinion that if that can take place, if there can be that array of power, physical, spiritual, and moral, that and that only will offer a hope of permanent and lasting peace. We must be about that business, and we have no time to lose. I suggest to the Senator that any action we take at this time which gives the people of South America or the people of the continent of Europe the idea that we recognize the inevitability of war will be a blow at America's own moral and spiritual defenses.

I have chosen to address myself to this subject today, and have used the Senator's bill as an occasion, because it is high time that the Congress and the country begin to think more about the problems which present themselves to us, what I choose to call the heart questions of peace.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. TAFT. Mr. President, I wish to ask the Senator from Connecticut whether he is prepared as yet to submit his amendment to the pending bill, or whether he proposes to take it up this afternoon, or will offer it Monday. I do not think there would be a vote on it Monday, but I think we ought at least to pursue a discussion of the amendment so that we can get the pending bill out of the way in time for the China-aid bill.

Mr. McMAHON. Mr. President, in spite of the previous disagreement as to the time when we should conclude the matter, I will say to the Senator from Ohio that a very great question is involved in the amendment, as I think the

Senator will agree. I should very much dislike to make the presentation of the questions embodied in the amendment to less than a fair attendance of the Senate, if I may put it that way. I daresay that on Monday there will probably be no better attendance than there is in the Senate today.

Mr. TAFT. Can the Senator be certain there will be a better attendance Tuesday, Wednesday, or Thursday?

Mr. McMAHON. I think there will be a better attendance, because Senators know that on Tuesday we are likely to get a vote. I should prefer to have 15 or 20 minutes on Tuesday. As the Senator knows, I do not indulge in long-winded talks in the Senate or anywhere else, and I do not intend to address myself to my amendment for any great length of time, but, because of the vital questions involved, I should certainly like to present the matter to the Senate when there is a better attendance than there is at present.

Mr. TAFT. I have looked over some of the drafts the Senator has presented, and I should like to ask him whether his amendment is in shape to be presented and printed so that Senators may consider it; or can it be so presented on Monday?

Mr. McMAHON. Oh, yes.

Mr. TAFT. That is satisfactory.

THE PROBLEM OF PALESTINE

Mr. BREWSTER. Mr. President, during what has seemed a lull in the consideration of the Palestine affair, I had contemplated presenting a record of the dealings in this matter by Britain, as it affords an almost perfect parallel for what would otherwise seem an unparalleled variation in our approach, and constant change. Before I was able to open my discussion, I was presented with a new chapter in this rather regrettable affair, in a statement by the President which was issued to the press this very day. I should like to read it into the RECORD, in order that it may serve as a text for the presentation of the British history which this so briefly illustrates in its utter ineptitude. The President says in his statement:

> It is vital that the American people have a clear understanding of the position of the United States in the United Nations regarding Palestine.

With that statement I am sure every one will agree. The President proceeds:

> This country vigorously supported the plan for partition with economic union recommended by the United Nations Special Committee on Palestine and by the General Assembly. We have explored every possibility consistent with the basic principles of the Charter for giving effect to that solution. Unfortunately, it has become clear that the partition plan cannot be carried out at this time by peaceful means. We could not undertake to impose this solution on the people of Palestine by the use of American troops, both on Charter grounds and as a matter of national policy.
>
> The United Kingdom has announced its firm intention to abandon its mandate in Palestine on May 15. Unless emergency action is taken, there will be no public authority in Palestine on that date capable of preserving law and order. Violence and bloodshed will descend upon the Holy Land. Large-scale fighting among the people of that country will be the inevitable result. Such fighting would infect the entire Middle East and could lead to consequences of the gravest sort involving the peace of this Nation and of the world.
>
> These dangers are imminent. Responsible governments in the United Nations cannot face this prospect without acting promptly to prevent it. The United States has proposed to the Security Council a temporary United Nations trusteeship for Palestine to provide a government to keep the peace. Such trusteeship was proposed only after we had exhausted every effort to find a way to carry out partition by peaceful means. Trusteeship is not proposed as a substitute for the partition plan but as an effort to fill the vacuum soon to be created by the termination of the mandate on May 15. The trusteeship does not prejudice the character of the final political settlement. It would establish the conditions of order which are essential to a peaceful solution.
>
> If we are to avert tragedy in Palestine, an immediate truce must be reached between the Arabs and Jews of that country. I am instructing Ambassador Austin to urge upon the Security Council in the strongest terms that representatives of the Arabs and Jews be called at once to the Council table to arrange such a truce.

That same call has been issued for the last 20 years without avail.

> The United States is prepared to lend every appropriate assistance to the United Nations in preventing bloodshed and in reaching a peaceful settlement. If the United Nations—

And here we come to the significant portion of the statement:

> If the United Nations agrees to a temporary trusteeship, we must take our share of the necessary responsibility. Our regard for the United Nations, for the peace of the world, and for our own self-interest does not permit us to do less.
>
> With such a truce and such a trusteeship, a peaceful settlement is yet possible; without them, open warfare is just over the horizon. American policy in this emergency period is based squarely upon the recognition of this inescapable fact.

That concludes the statement of the President, which adds another chapter to the curious history of this Palestine affair.

Mr. TAFT. Mr. President, will the Senator from Maine yield to me?

Mr. BREWSTER. I shall be happy to yield to the Senator from Ohio.

Mr. TAFT. I have listened with interest to the President's statement, which seems to me a rather extraordinary attempt to explain an extreme reversal of policy. I think it only emphasizes the complete confusion of the administration's policy. The President says, as I read it, that partition had to be abandoned in spite of our previous vigorous support, because it could not be carried through "by the use of American troops." No one ever proposed that it should be. A United Nations force was proposed but our Government refused even to consider it. Now the President says that if his new trusteeship plan is adopted, we must take "our share of the necessary responsibility," which must mean American troops as part of a United Nations force. Why is not a United Nations force to support partition as practicable as a United Nations force to prevent partition? I hope the President's appeal to the Arabs and Jews to arrange a truce will be followed by both. But if war follows it is obviously the result of the administration's failure to back up a just and practical solution of the problem.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. BREWSTER. I am glad to yield to the Senator from Michigan.

Mr. FERGUSON. In order to carry out the trusteeship now proposed would it not be necessary, as indicated by the President, to furnish troops, and would it not be reasonable to assume that more troops would have to be furnished to carry out a trusteeship that was opposed by both sides than a partition which was opposed by only one side?

Mr. BREWSTER. I think the commission appointed to carry out the partition plan has reported that it believed twice as many troops would be required, because there would be twice as much opposition; there would be both sides fighting against it, instead of only one side.

Mr. FERGUSON. That is what I had in mind. It would be a more difficult job to carry out the so-called trusteeship than it would be to carry out the original idea of partition.

Mr. BREWSTER. That is the common belief, I understand.

Mr. FERGUSON. Do I understand correctly now that the President proposes to call the General Assembly into session in order that he may have a trusteeship established, and if so, could it be possible to have the trusteeship established prior to the 15th day of May, when the British are going to withdraw under their mandate? What is the last proposal in that respect?

Mr. BREWSTER. The President states:

> The United States has proposed to the Security Council a temporary United Nations trusteeship for Palestine to provide a government to keep the peace.

It is my understanding that before a trusteeship can come into effect it must not only be formulated, which is a very arduous job, and approved by the Assembly of the United Nations, but it must also receive the approval of the associated mandatory power, which is Great Britain. In other words, the Assembly must agree on a trusteeship that will be acceptable to Great Britain, and from the history of this question for more than 25 years I think that to believe it can be accomplished in the next six tumultuous weeks is certainly a fantasy of the first order.

Mr. FERGUSON. Mr. President, will the Senator further yield?

Mr. BREWSTER. I am happy to yield.

Mr. FERGUSON. As I understand, the idea of a trusteeship as against partition had been explored by the United States as well as the United Nations.

Mr. BREWSTER. Yes.

Mr. FERGUSON. And last November the United Nations, by a two-thirds vote, ruled or decided on a partition. Now there is a proposal by the United States Government, through the State Department, that that be temporarily, at least, set aside?

Mr. BREWSTER. Yes.

Mr. FERGUSON. And that the United Nations revert to the other idea of a so-called trusteeship. Is that about the proposal?

Mr. BREWSTER. That is the proposal at this time.

I think the statement by the President, which is designed to clarify the situation, may still leave many questions to be answered, and lest there should seem to be any partisanship or prejudice in this approach I should like to read an editorial from the New York Herald Tribune, which has not taken a very decided stand hitherto on many phases of this matter, but which was apparently appalled by the proposal of Ambassador Austin on last Friday that the partition plan should, at least for the present, be abandoned. I wish to read a brief portion of the editorial, and shall ask that the complete editorial may be incorporated in the RECORD after I have read certain portions of it. The editorial is entitled "Why?" It was published on Sunday, March 21, after Mr. Austin's statement on Friday. I read:

There are few Americans who will be able to regard the action of their Government in the case of Palestine without a sinking of the heart. Quite apart from the merits of the partition plan, it is painfully obvious that Mr. Austin's statement to the Security Council on Friday represents either a reversal of the earlier policy of the United States or an acknowledgment that the policy ignored facts which were patent to the most casual observer. Neither alternative is to the credit of the administration.

Toward the close of the editorial the following appears:

Now, after an abortive experiment in partition, the UN will have to fight to make itself respected—and fight hard. It will merely inherit Britain's squalid war in the Holy Land, made more squalid by opportunities missed and promises unfulfilled.

The people of the United States demand and deserve an explanation of the palpable blunders of American policy in respect to Palestine. There have been many unofficial excuses, references to a changed world picture, to oil, to military weakness, and the like. But no responsible official has openly discussed the practical aspects of the American course in the Middle East nor offered any reasons why that course need be altered so shortly after it was fixed. If such reasons exist they should be frankly discussed, or the United States must bear the obloquy of seeking covert ends at the expense of justice. And this country cannot so tarnish its leadership.

Mr. President, I ask that the entire editorial may be inserted in the RECORD as a part of my remarks at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHY?

There are few Americans who will be able to regard the action of their Government in the case of Palestine without a sinking of the heart. Quite apart from the merits of the partition plan, it is painfully obvious that Mr. Austin's statement to the Security Council on Friday represents either a reversal of the earlier policy of the United States or an acknowledgment that the policy ignored facts which were patent to the most casual observer. Neither alternative is to the credit of the administration.

Mr. Austin contends that the partition plan, purposed by the General Assembly and supported there by the United States, "cannot now be implemented by peaceful means." Certainly this possibility—or, rather, probability—must have been foreseen by the American delegation and the administration from the outset. If so, the United States should have guarded against the various difficulties which Mr. Austin since has raised in the Security Council—legal, political, and military. Failure to do so created only the ghost of a Jewish state under United Nations guaranty, stimulated explosive tensions in the Middle East and brought death to hundreds, disillusionment to millions. The prestige of UN has received its heaviest blow, and that of the United States has been hard hit. From every standpoint the situation is far worse than when the UN Assembly was originally summoned in special session to deal with the Palestine crisis.

The United States has taken a firm stand in demanding that peace be restored in the Holy Land under a UN trusteeship. This by no means reduces the military responsibilities which the enforcement of partition might have entailed. Indeed, it rather adds to them. The Jews of Palestine have conceded all that was possible toward the achievement of a viable Jewish state; the Arabs have been confirmed in their intransigent opposition to such a state. A UN trusteeship, following immediately upon Great Britain's announcement of its intention to renounce the mandate conceivably might have provided a transition period in which international authority could have been established in Palestine and an international solution worked out. Now, after an abortive experiment in partition, the UN will have to fight to make itself respected—and fight hard. It will merely inherit Britain's "squalid war" in the Holy Land, made more squalid by opportunities missed and promises unfulfilled.

The people of the United States demand and deserve an explanation of the palpable blunders of American policy in respect to Palestine. There have been many unofficial excuses, references to a changed world picture, to oil, to military weakness, and the like. But no responsible official has openly discussed the practical aspects of the American course in the Middle East nor offered any reasons why that course need be altered so shortly after it was fixed. If such reasons exist they should be frankly discussed, or the United States must bear the obloquy of seeking covert ends at the expense of justice. And this country cannot so tarnish its leadership.

Mr. BREWSTER. Mr. President, I should like further to quote from an editorial published in the New York Times, which is certainly not prejudiced toward any particular partisan point of view. The editorial was published in the New York Times of last Sunday following the Austin statement of Friday. It is entitled "The Switch on Palestine," and reads as follows:

THE SWITCH ON PALESTINE

There can be little doubt that the partition of Palestine is being blocked by the struggle between the Soviet Union and the western powers. A land once known for milk and honey now flows with oil, and the homeland of three great religions is having its fate decided by expediency without a sign of the spiritual and ethical considerations which should be determining, at least in that part of the world. Ancient Palestine was once described as "not the land of philosophers but the home of prophets." It would take a prophet sitting on a rapidly spinning turntable to have foreseen the course which our Government has pursued during these last few months.

Three things need to be said, and to be said at once, concerning the present shift of American policy on Palestine. The first is that it comes as a climax to a series of moves which has seldom been matched, for ineptness, in the handling of any international issue by an American administration. The second is that it is a plain and unmistakable surrender to the threat of force. And the third is that it holds little promise of being able to avoid the very hazards which it is intended to circumvent.

So far as the first point is concerned, it may be said that all of the critical considerations now enumerated by Mr. Austin as reasons for our Government's change of policy—namely, the strength of Arab opposition to the partition plan, the necessity of providing a large international armed force to implement that plan, the reluctance of the small nations and all of the large powers, with the sole exception of Soviet Russia, which has its own objectives in the Mediterranean, to provide that force—were inherent in the situation when the original decision in favor of partition was made last November 29. Nevertheless, it was primarily on the initiative, and under the pressure, of our Government that the decision for partition was adopted. Somewhere along the line there has been a shocking lack of liaison and of common purposes between the American State Department and the American delegation in the United Nations, with the White House itself apparently utterly at sea. Inept, uncertain, and confused, the prestige of American foreign policy has suffered a severe blow in the handling of this issue.

As for the second point—the surrender to the threat of force—it is obviously and admittedly Arab intransigeance that has forced the American Government to change its policy and to bow to Arab threats, and to propose that the whole United Nations retreat with us in the face of Arab scorn and fury. Unfortunately, if this is done, it will not be the first time that the United Nations has had to yield to the threat of force. It has been bludgeoned out of northern Korea by Soviet Russia and out of the Balkans by Soviet Russia's satellites, but each surrender of this kind is a blow to the authority of the United Nations. Meantime, we have played a shabby trick on the Jewish community in Palestine, which put its faith in our promises.

Finally, where does this new decision leave us? It leaves us still under the inexorable necessity of helping to furnish that international armed force which we have been so reluctant to provide. For to maintain what Mr. Austin describes as a "temporary trusteeship" over the whole of Palestine will certainly require an armed force.

The correctness of that statement is indicated by the President's statement today.

It may well require an even larger armed force than would be required for partition, for, as Secretary General Lie notes, the United Nations Special Commission on Palestine drew the conclusion that "a trusteeship for Palestine would be fought by two parties instead of one." This is the prospect with which the whole series of moves now culminating in Mr. Austin's announcement leaves us.

Following that, on the next day Secretary Marshall issued a statement, the full text of which is given in the New York Times of March 21. I shall quote a brief passage from that statement:

The United States suggestion is that a temporary trusteeship shall be established in order to maintain the peace and to open up the way to an agreed settlement. This trusteeship could be ended as soon as a peaceful solution can be found.

That apparently contemplates that a peaceful solution will not be immediately found; and the President's statement is clear evidence that the administration is now prepared to resort to the use of the very force which, if it had been used at any time in the past few months, might well have brought an end to this sorry chapter, and with far less sacrifice than would apparently be implied in the statement which the President has issued today.

Mr. President, I ask that the full text of Secretary Marshall's statement be printed in the RECORD at this point as a part of my remarks, together with a newspaper summary of it in a special dispatch to the New York Times.

There being no objection, the article and statement were ordered to be printed in the RECORD, as follows:

MARSHALL UPHOLDS SHIFT ON PALESTINE—SAYS NEW POLICY IS ONLY WAY TO AVERT BLOODSHED AFTER WITHDRAWAL BY BRITAIN

LOS ANGELES, March 20.—Secretary of State Marshall said tonight that the new United States policy on Palestine, enunciated yesterday at Lake Success by Warren R. Austin, American delegate to the United Nations, had been decided upon as the only one in view that would obviate lamentable bloodshed in the Holy Land upon the termination of the mandate in May and the withdrawal of British troops on August 1.

Emphasizing that the United Nations' trusteeship proposal was simply an interim measure to be established without prejudice in any way to any eventual political settlement, the Secretary said:

"The United States has repeatedly stated that we were seeking a solution for Palestine within the framework of the United Nations and that we were not going to act unilaterally."

The course proposed had been adopted, he said, when it "appeared to be after most careful consideration to be the wisest course to follow and after President Truman approved my recommendation."

The Secretary of State issued the statement after a long telephone consultation with the State Department at the home of Dr. Clarence Dykstra, provost of the University of California, Los Angeles campus, where he was the principal speaker at charter-day exercises today.

TEXT OF STATEMENT

WASHINGTON, March 20.—Following is text of the statement by Secretary Marshall at a news conference this afternoon in Los Angeles:

"The position of the United States on Palestine was stated by Ambassador Austin in the Security Council on Friday.

"The course of action with respect to the Palestine question which was proposed yesterday by Ambassador Austin appeared to me, after the most careful consideration, to be the wisest course to follow. I recommended it to the President and he approved my recommendation.

"The primary and overriding consideration in that situation is the need to maintain the peace and to prevent chaos and widespread disorder upon the termination of the mandate on May 15, 1948. We believe that the United Nations should do everything it can to bring the fighting to an end and save the lives of the men, women, and children which would be lost in the bitter fighting which could otherwise be expected to follow the withdrawal of British troops.

"The grave international situation which the President described in his message to the Congress on March 17 further emphasizes the compelling importance of preventing the outbreak of open warfare in Palestine. The interest of the United States in a peaceful settlement in Palestine arises not only out of deep humanitarian considerations but also out of vital elements of our national security.

"The United States supported the partition plan for Palestine in the General Assembly last autumn."

EVERY POSSIBILITY EXPLORED

"Since that time we have explored every possibility of a peaceful implementation of that recommendation. We sought to have the Security Council accept the plan as a basis for its own action in the matter. This it refused to do on March 5, 1948. We then sought to find through consultations among the five principal powers some basis of agreement on which the partition plan might go forward by peaceful means.

"These consultations were unsuccessful in developing any measure of agreement between the Jews and Arabs of Palestine or any substantial agreement among the permanent members as to how the Security Council might proceed.

"Informal consultations with other members of the Council have made it clear that the Security Council would not now pass a resolution to proceed with partition. In addition to efforts within the United Nations, we have attempted by diplomatic means to obtain a wider degree of acceptance of the recommendation of the General Assembly. These efforts did not lead to any substantial result.

"We are faced, therefore, with the prospect that the United Kingdom will abandon the mandate of Palestine on May 15, 1948, and that no successor government will be in position on that date to maintain law and order."

TRUCE TERMED ESSENTIAL

"A truce is essential. A military truce cannot be achieved under existing circumstances without a parallel truce in the political field. A political truce, however, would bring us up to May 15 without elementary arrangements for keeping order in that situation.

"The United States suggestion is that a temporary trusteeship should be established in order to maintain the peace and to open up the way to an agreed settlement. This trusteeship could be ended as soon as a peaceful solution can be found. The trusteeship itself would be established without prejudice in any way to the eventual political settlement which might be reached for Palestine.

"The United States has repeatedly stated that we are seeking a solution for Palestine within the framework of the United Nations and that we are not going to act unilaterally in that matter. The proposal for a temporary United Nations trusteeship, without prejudice to the ultimate solution, made by this Government, is the only suggestion thus far presented which appears to offer any basis for action by the United Nations to meet the existing situation in Palestine."

Mr. BREWSTER. Now we have another chapter in this history, and I fear it will not complete the policy of clarifying the public thought on this question. It is my purpose today to give a little history of this situation, in order that we may, in this interim of consideration, realize the extent to which the experience of the United States in the past few years parallels the history of Great Britain's treatment of this problem in the past quarter of a century. I shall quote from the parliamentary discussions in Great Britain on this question. Point by point, they follow the same weary and unending path that seeks constantly for a peace, a peace for which the people cry, and which has not yet been found.

I hold in my hand a publication of the Congress under the authority of House Resolution 418 and House Resolution 419, a compilation by the Committee on Foreign Affairs of the House of Representatives in the Seventy-eighth Congress, second session, when it was under the control of the Democratic Party. This compilation gives the complete history. It is entitled, "A Jewish National Home in Palestine." I commend to thoughtful students of this problem a study of this document, as it contains the entire history in the modern world, as well as some references to the historical developments in the past 2,000 years, in the evolution of Palestine from the time when the Jews were driven out down through the time of the Turkish domination, the freeing of Palestine and of the rest of the Arab world in the period of the first World War, and then the settlements which were accomplished at that time, the implications of which we are today concerned with. I believe that a study of this document would be most illuminating for those American citizens who are concerned, first, that peace shall be maintained, and also equally concerned that justice shall be done, because only along that path will there ultimately be found the solution of this problem.

I refer first to the joint resolution of the United States Congress favoring the establishment in Palestine of a national home for the Jewish people. The joint resolution was signed as Public Law No. 73, Sixty-seventh Congress, by President Harding, on September 21, 1922. This followed the Balfour Declaration:

Resolved, etc., That the United States of America favors the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of Christian and all other non-Jewish communities in Palestine, and that the holy places and religious buildings and sites in Palestine shall be adequately protected.

That joint resolution represented the considered conclusion of the Congress at that time, immediately following the First World War, and has represented the policy of every President before and since that time, beginning with President Wilson, who earlier had issued a statement not only in favor of a Jewish national home, but also in favor of a Jewish commonwealth. This resolution was the next way-mark, followed by the treaty between the United States and Great Britain in 1924, signed on December 3, 1924, and proclaimed by President Coolidge on December 5, 1924, as in effect being a convention between the United States and Great Britain as to our endorsement of this policy regarding Palestine and the obligation into which we mutually entered, that the Balfour declaration and the mandate of the League of Nations to Great Britain for the handling of Palestine should be carried out.

Among other things was the provision in article 6 of this convention, as carried over from the mandate:

The administration of Palestine—

And this is very significant in the construction of the language—

while insuring that the rights and position of other sections of the population are not prejudiced—

In other words, the Arabs and the Christians were not to be prejudiced—

shall facilitate Jewish immigration under suitable conditions and shall encourage, in cooperation with the Jewish agency referred to in article 4—

That is, the Zionist Agency—

close settlement by Jews on the land, including state lands and wastelands not required for public purposes.

Subsequently, in article 24, it was provided that there should be no change in the terms of this mandate without the approval of the Council of the League of Nations and without the approval of the Government of the United States.

Following that, after a series of terroristic tactics during the period of the thirties, when the Jewish development at Palestine had far exceeded the bounds that anyone had apparently anticipated, as the 75,000 Jews in Palestine in 1920 had grown to the 600,000 that were found there at the end of 1940, and as vast developments had been carried out—the desert had literally been made to blossom as the rose, vineyards and orchards had been established, great irrigation projects had been carried out, and Palestine was well on its way to realize the dream of the disciples of Zion that it should be the homeland—then during the thirties, terroristic tactics by the Arabs, under the leadership of the Grand Mufti of Jerusalem, finally caused the British Government to pause, and finally bend its knee in abject surrender, under the so-called white paper of 1939 which was issued by the Chamberlain government in May 1939, as a statement of policy. That is embodied in full in this document. I shall quote from the last 10 lines which, it seems to me, have a very pertinent bearing, as this was the paper which terminated Jewish immigration, which pronounced that this land would be indefinitely the property of the Arabs, with the Jews left there, as a result, a rather hopeless minority, instead of with the great vision they had had, namely, of having a homeland of their own. The authors of the British white paper said—and I quote from page 29:

In looking to the future, His Majesty's Government are not blind to the fact that some events of the past make the task of creating these relations difficult; but they are encouraged by the knowledge that at many times and in many places in Palestine during recent years the Arab and Jewish inhabitants have lived in friendship together. Each community has much to contribute to the welfare of their common land, and each must earnestly desire peace in which to assist in increasing the well-being of the whole people of the country. The responsibility which falls on them, no less than upon His Majesty's Government, to cooperate together to insure peace is all the more solemn because their country is revered by many millions of Moslems, Jews, and Christians throughout the world, who pray for peace in Palestine and for the happiness of her people.

Mr. President, visiting there a year ago, at the happy Eastertime, with the distinguished minority leader and other Members of this body, I was told by the inhabitants of a Jewish community there, on a farm, when I asked them how they got along with their Arab neighbors across the valley, "When the terrorist raids were on in former years, our Arab neighbors used to warn us when a raid was coming." That supports still further the story that at the local level there had been very satisfactory relationships. In fact, the Arabs and the Jews had gone on strike together; and greater love hath no man than that he go on strike with his friends. The Arabs and the Jews did go on strike together, and thus even more clearly demonstrated their willingness to cooperate and to work together in a common cause.

Then why is it that this strange thing has happened? To one who reads the history as I shall read it in the time available to us this afternoon, the occasion is entirely clear in the escape of the Grand Mufti of Jerusalem, who was perhaps one of the front rank of war criminals, and who should be tried, condemned, and hanged by the courts which are trying war criminals, as he himself throughout the period of World War II was in Berlin, in immediate association with Adolf Hitler, urging him to the racial destruction which was one of the cardinal points in their plans. He was afterward taken as a war prisoner to France, and was held there presumably as a prisoner and war criminal; but suddenly we find him escaping and flying back to Cairo, and finally landing in Palestine, which is under the control and direction of the British Government, which was supposed to be prosecuting the Grand Mufti as a criminal against that land, as well as a war criminal of the first rank. So the Grand Mufti continued his career of crime, in defiance of the constituted authority, both the mandatory authority of Great Britain and the authority of the United Nations, which Great Britain represented.

Now let us go on and see whether we can read in history any sequence in the course of events with which we are being treated at the present moment at Lake Success.

First, let us consider the question of whether the homeland was to be a Jewish commonwealth. There has been much discussion of that point. I simply point out that Lloyd George, as the leader of the British Government, giving evidence before the Royal Commission—this appears on page 32 of the document from which I am reading—stated as his considered opinion as Prime Minister of Great Britain during the period following the issuance of this mandate, that:

The idea was that the Jewish state was not to be set up immediately by the peace treaty without reference to the wishes of the majority of the inhabitants. On the other hand, it was contemplated that when the time arrived for according representative institutions to Palestine, if the Jews had meanwhile responded to the opportunity afforded to them and had become a definite majority of the inhabitants, then Palestine would thus become a Jewish commonwealth.

It was early evident that as a result of the influx of the Jews the day was not far distant when the white paper would be designed to strike down that aspiration and that hope.

I quote now from the Archbishop of Canterbury, the Most Reverend Cosmo Gordon Lang, in discussing this matter on May 23, 1939, in the House of Lords, and in speaking on the white paper:

Then—

He said, in referring to this policy of the Arabs—

I submit, it is still less reasonable that it should be determined by a permanent Arab majority in a single future Palestinian state.

He then makes this very significant statement:

I am well aware of other reasons, of another kind, which lie apparently behind these proposals—

The proposals of the white paper to cut off Jewish migration—

and which have led the Government to be particularly careful lest they should offend Arab susceptibilities. I recognize the force of those reasons. I think they may be exaggerated, but at least I cannot think they are sufficient to justify what seems like very scant injustice to the Jews. I could not myself use the language which comes very bitterly from the lips of that most remarkable man, Dr. Weizmann, that this white paper is a breach of faith. I am quite certain that His Majesty's Government themselves have no kind of consciousness that this is the fact, and I am sure it certainly was not in their minds, but can we be surprised that Dr. Weizmann and his comrades regard it almost as taking back all that had been promised? Certainly they feel it so strongly that it is useless to dismiss from our minds that resistance to these proposals on the part of the Jewish community in Palestine will be obstinate and bitter.

I suggest—

And here it seems to me America may well pause to consider that these remarks of the Archbishop of Canterbury apply to our own situation, as will many of the other quotations I shall read, if we read them simply in the light of the situation which America now faces, according to the reports we have received during the past week from the President and the Secretary of State. The Archbishop says:

I suggest that this of all times is not one in which we in this country can afford even the appearance of treating lightly promises on which we have led others to trust. It is for that reason that even at the last minute I make this appeal, though I know how natural it is for your Lordships to say: "Well, in this long affair the Government has made up their mind, let us stand by it and regard it at last as bringing finality." Admittedly it does not mean finality, and possibly along the lines which I have only roughly suggested a better solution may be found. I close by saying that I share with you all a longing, which no words can express, that at long last we might see this Palestine, with all its hallowed memories, a place of good will, and not of ceaseless strife.

I shall now quote from the Earl of Lytton, speaking in the House of Lords, on the same day, May 23:

This is not merely an expression of opinion. What I say is based upon personal experience. I have had close contact with Palestine for the last 8 years. In the company of which I am chairman we employ 800 Jews and Arabs in almost exactly equal numbers, and there has never been the slightest friction between them. They have worked for a common purpose in perfect harmony and sympathy with each other. And why? Because in the first instance politics was eliminated from the business on which they were engaged, and secondly, because we were able to afford them complete physical protection. And I would ask your Lordships to remember, when we speak about Arab hostility, and this opinion and that opinion of Arabs, that it is not true to say that all the Arabs of Palestine feel in this way.

Mark what he says next—a man who had business contact with hundreds of Jews and Arabs in his employ—mark what he says now as to what has gone on:

In fact, there have been, I think, even more Arab victims of the recent terrorist crimes than Jewish victims.

What does he mean by that? He means that the Grand Mufti of Jerusalem, the religious head, has deliberately and repeatedly assassinated any Arab who dared question the defiance which he seeks; and that same policy of the Grand Mufti has prevailed right down to the present day, in that any Arab in Jerusalem or in Palestine who dares raise his voice to question the policy pursued by the Grand Mufti and his terrorist and gangster tactics is in more danger of death than any Jew, and repeatedly Arabs of liberal opinion have been struck down by this war criminal whom we permitted through our allies to escape to the safe haven of Palestine, where he could carry on his nefarious activities.

I go on with the quotation from the Earl of Lytton:

The relations between our Arab and Jewish workmen were as harmonious during those troubled times as they have always been. I am convinced that if it were possible to afford an equal security to the Arab population in the whole of Palestine against the mere handful of terrorists who are responsible for these outrages and disorders you would find an equal harmony was possible. I am convinced that the attitude of our Arab workers is also the attitude of the majority of the Arab population of Palestine, and that the opinions of a small number of terrorists no more represent the opinions of the Arabs of Palestine than any represent the opinions of Indians in India.

It will be seen that the Earl of Lytton is finding out—and this was only a short time ago—from his long experience, and there is nothing to indicate that those words are not as true today as when they were written, and we see the same forces operating. He goes on to say:

This argument entirely ignores the nature of the promise given. There has been, as usual, much discussion in the debate this afternoon about the meaning of the words a national home in Palestine. Whatever that somewhat novel phrase may mean or may not mean, it quite clearly meant this, that the Jews were promised in Palestine something which was not to be found anywhere else in the world; otherwise what was the meaning of the promise if merely some half million Jews may live in that country? That offers to them no conditions of life different from those which they enjoy today.

As the noble lord who spoke from the front opposition bench reminded us, there are more Jews in Poland—

This was before the war—

in Germany—

This was in 1939—

and in this country than there are in Palestine; but will any of your Lordships contend that because of their numbers they have a national home in Poland, in Germany, or even in Great Britain? If not, what is the difference between the Jews in Palestine and the Jews in any other part of the world?

That is on page 39. I go on now to a discussion by the member of Parliament, the Honorable Tom Williams, on May 22, 1939, again quoting now the words of Lord Balfour, himself, on the national home, at page 42:

As to the meaning of the words "National Home," to which the Zionist attach so much importance, he understood it to mean some form of British, American, or other protectorate, under which full facilities would be given to the Jews to work out their own salvation and to build up, by means of education, agriculture, and industry a real center of national culture and focus of national life. It did not necessarily involve the early establishment of an independent Jewish state which was a matter for gradual development in accordance with the ordinary laws of political evolution.

That was said, of course, in the period of 1920, 25 years ago. Mr. Williams goes on to say:

No government can guarantee that a Jewish state shall be set up in Palestine. Quite obviously, economic development will determine the progress of immigration and the date, should there be a date, when a Jewish state can be set up. But it is clear that Lord Balfour did visualize the possibility of a Jewish state. That seems to me to be very clear. Then the right honorable gentleman the member for Epping, Mr. Churchill, in one of his rare bursts of optimism, when he was Secretary of State for War, said:

"If, as may well happen, there should be created in our lifetime on the banks of the Jordan a Jewish state under the protection of the British Crown which might comprise three or four millions of Jews, an event will have occurred in the history of the world which would from every point of view be beneficial."

The number mentioned is significant. Three or four million Jews was the exact number that the Lowdermilk report believed it was possible properly to maintain in Palestine under the development of irrigation, and eventually that was what Winston Churchill had in mind in his mention of that figure.

Then we go on to Lord Milner, discussing this matter relating to Palestine, the Arab and Jewish question:

If the Arabs go to the length of claiming Palestine, as one of their countries in the same sense as Mesopotamia or Arabia proper is an Arab country, then I think they are flying in the face of all facts, of all history, of all tradition, and all associations of the most important character, I had almost said, the most sacred character. The future of Palestine cannot possibly be left to be determined by the temporary impressions and feelings of the Arab majority in the country at the present day.

Then Mr. Williams goes on to say:

There is one other quotation that I should like to make. It concerns America, and America, after all, is not altogether disinterested in this problem.

So on May 22, 1939, Mr. Williams, in the British Parliament, quoted these words of an American President:

President Woodrow Wilson, stating the case for America, said:

"I am persuaded that the Allied Nations, with the fullest concurrence of our Government and our people, are agreed that in Palestine shall be laid the foundation of a Jewish commonwealth."

That was a considered utterance of President Woodrow Wilson at the conclusion of World War I when the Balfour Declaration was made, when the mandate was given by the League of Nations to the British Government, following which President Coolidge, in carrying out the joint resolution passed under President Harding, made a treaty with Great Britain which should carry this great vision into effect.

Mr. Williams went on to say:

It may be that any one, two, three, four, or five of those statesmen—

And he quoted all of that great galaxy of persons—

were wrong, but surely they could not all have been wrong. If only some were right, two or three things were perfectly clear, but the government admits, on page 3 of the white paper, that a Jewish state "was not precluded by the terms of the declaration."

If it was ever intended by those who produced the Balfour Declaration that the Jews should remain a permanent minority in Palestine, why were those very careful safeguards provided for the non-Jewish population?

That has been one of the unanswered questions in the whole consideration of this matter. I quote further:

It must have been clear to those who produced those safeguards that the possibility of a Jewish majority was there; to that extent a Jewish majority, a Jewish state, or commonwealth were, rightly or wrongly, all visualized at that time.

I proceed now to the conclusion of Mr. Williams' statement of the situation. Here is a most interesting story of a rise and fall, and we see once again the ebb and flow of our ideas:

We have watched the rise and fall of this Palestine problem. In 1917 Jewish hopes were raised in all parts of the world. It was thought that at long last here was the Jewish Magna Carta. By 1931 Transjordan was lopped off; in 1922 free immigration became immigration on the basis of economic absorptive capacity and very properly; in 1933 land sales were restricted—

The implication of that remark is that the British Government obligated itself to facilitate the settlement of the Jews on the land in 1933, and forbade the Arabs to sell land to the Jews in parts of Palestine. The implications of that policy were utterly clear. They would not permit the Arabs to sell land to the Jews, although the Jews wished to buy. The price was clear, and yet the British Government, under a trusteeship of the land, obligated to facilitate the settlement of Jews on the land, forbade the Arabs to sell land to the Jews. It is im-

possible to conceive under what legal theory that could ever have been justified.

I go on:

in 1937 partition was accepted by the Government; in 1938 partition was rejected by the Government—

Is not that a curious analogy? All we need to do is to substitute 1947 and 1948 for 1937 and 1938 to follow the exact course of our own Government to date—

and in 1939 we see the funeral of the mandate. That is not a very proud record either for this, or for any other government that has gone before. I hope that the honorable member for Stretford (Mr. Crossley), when he makes his statement, will not forget the fact that, while we have dealt with the Jewish problem in a very delicate and half-hearted manner, we were not nearly so delicate or half-hearted when dealing with the Arabs. Since the war they have established independent states in Iraq, Saudi Arabia, Yemen, Syria, and Transjordan, an area as big as Great Britain, France, Germany, Italy and Spain combined. Whereas the latter countries have 300,000,000, in the Arab state, they have a mere 12,000,000 or 13,000,000. To talk about these landless Arabs is not only special pleading, but has no relation to the facts at all.

Is not that an astounding thing? The Jews are reduced to 5,000 square miles out of the million square miles given to the Arabs, and yet, with that little morsel of Palestine still remaining, they are under this policy to be denied.

I continue reading:

The right honorable gentleman talks glibly about this vast nationalist movement. I ask him, or the Under Secretary of State for Foreign Affairs, who may be replying tonight, why he thinks in terms of an independent Arab state? Is it any form of government or type of government whose object would be to promote economic prosperity in Palestine, to improve the conditions of the workers, to establish democratic institutions, trade-unions, cooperative societies, and the rest? Can he visualize the possibility of that independent government rising above the Jewish tide of economic prosperity, or is there a possibility that they may descend to the economic swamps of Iraq, Transjordan, and other Arab states? The right honorable gentleman is not only responsible for the rich-landlord Arab or the high-churchman Arab, but for the hundreds of thousands of Arab workers who stand to gain most if economic prosperity is developed in that country. We have had 20 years' experience of Palestine, and I agree that some modification of our original desires and intentions may be necessary. It is a crime always to promise more than one can fulfill, but as far as this scheme is concerned, it seems to have no moral foundation and is wholly inconsistent with the mandate, and sacrifices moderate Arab—I emphasize the word "moderate"—and Jew to administrative expediency. It is a turning back of the wheels of history, and this House ought not to commit itself to these terms until it knows more about Government intentions.

I want to commend these words to every honorable member sitting on the benches opposite, and I am sure that they will not fall loose on honorable members sitting on these benches. A certain speech was made which will be instantly recognized by honorable members in this House. Part of that speech contains these sentences—

These were the words of Mr. Chamberlain, speaking of Munich—

"The terms which I was able to secure at Munich were not those that I myself would have desired, but as I explained then I had to deal with no new problem.

"This was something which had existed ever since the Treaty of Versailles, a problem which ought to have been solved long ago if only the statesmen of the last 20 years had taken broader and more enlightened views of their duties.

"It has become a disease that has been long neglected and a surgical operation was necessary to save the life of the patient."

I proceed with the words of Mr. Williams:

The operation was performed, but the patient died nonetheless. Today the Government are asking us to perform another surgical operation. The patient is not yet dead, but he is lingering in a painful attitude, and if the right honorable gentleman the Prime Minister performs some more operations of this kind he will not only be struck off the surgical register, but he will be struck off the political register too.

In that same speech the right honorable gentleman—

Mr. Chamberlain—

went on to say:

"Every man and woman in this country who remembers the fate of the Jews and political prisoners in Austria must be filled today with distress and forebodings.

"And who can fail to feel his heart go out in sympathy to a proud and brave people who have so suddenly been subjected to these inflictions, whose liberties are curtailed, whose national independence has gone?"

I repeat that question, which was submitted by the Prime Minister in his Birmingham speech. "Who can fail to feel his heart go out in sympathy * * * to those who have so suddenly been subjected to these inflictions, whose liberties are curtailed today, whose national independence has gone?" I plead with this House not only not to accept the right honorable gentleman's reading of Parliament's obligations, but to accept the instruction of the Government, who, after all, appear to be the only persons ready and willing to sell their friends for known and potential enemies, who are failing to redeem honorable pledges and doing this country an ill deed by once more forfeiting the confidence of the people in this country in all parts of the Empire, and in fact, in all parts of the United States, too.

Those words may well be applied to the sorry spectacle which the United States Government itself has presented in recent weeks.

I proceed to a speech on May 22, 1939, by the Honorable Josiah Clement Wedgwood in the House of Commons, speaking again to the white paper:

The most important thing in our public life, in a world where pledges are being broken with enthusiasm right and left, is that we in this country should make the attempt to keep our word to those people who cannot enforce it but who are dependent on the pledges we have given.

We must realize in this House that the white paper proposal which we have had put before us today is a belated example of the policy of appeasement. The country and the Government have dropped the policy of appeasement as regards the Axis, appreciating at last that continual retreat merely invites further kicks.

We might well heed those words, and all we need do is substitute "Soviet" for "Axis." I continue:

But here we have brought forward still another example of the policy of appeasing those people who have been sufficiently violent to make things uncomfortable. This is just another surrender to force. Therefore, it is extremely bad for our general reputation throughout the world. The right honorable gentleman will have noticed that directly we put our foot down in foreign affairs and said, "Thus far and no farther," the danger of war has vanished and our position and the position of all peace-loving nations has become infinitely stronger. The right honorable gentleman and the House must recognize, too, that this surrender will not be the last surrender. It is merely the latest of a long series of surrenders to violence which can be indefinitely continued. The Arabs are not satisfied even with this.

How true those words are in the present day.

The Arabs are not satisfied even with this, and I warn the Jews of the world, that the next step—

And read the prophecy in these words—

the next step will be a demand for the disarmament of the Jews in Palestine so that they may be handed over bound hand and foot to this new Arab state.

I fear that in the words of our President today, poorly as he has been briefed, we may find that just beyond the political horizon lies the very demand which Mr. Wedgwood 8 years ago forecast. I continue:

We have to consider before we permit this crime—for it will be recognized as a crime—the effect it will have on our relations with other powers. We must realize the effect this policy has had upon America. We have certainly destroyed any faith which the Jews in Palestine or elsewhere may have had in the Government, but the effect on America is far more serious. Many honorable members will have had cables from the United States. I have had over a dozen, four of them from Texas—from Galveston, Houston, San Antonio, and Dallas. It will be remembered that 100 years ago the Americans in Texas were faced with almost the same position as that with which the Jews are faced in Palestine today. They were then under Mexican rule. The Mexican Government stopped immigration and attempted to disarm the Americans. The Americans were not "taking any" and in 3 years Texas, the Lone Star State, was one of the States of America, free for all time. That is an illustration, because it is as well that we should realize the past history of America as well as our own history.

This debate is the culmination, I am afraid the final one, of a struggle which has been going on for 20 years between this House and officialdom, as represented principally by the administration in Palestine and by the permanent officials in the Colonial Office.

Here we have somewhat of a parallel, subordinate officials in our own State Department having always bitterly opposed the Palestine partition plan.

The last two Secretaries of State for the Colonies have gone to that office fervent supporters of Zionism and justice in Palestine. The administration has been too strong even for them. It smashed both of them. They both brought forward proposals something like this which meant retreat in obedience to official views. I have taken part in every debate on this subject during the last 20 years, and I am certain that the reason for this struggle is that in this House there has always been a majority in favor of a scheme which has produced wonderful results without injuring anybody. In our history we have colonized all over the world, but this is the first case in which we have colonized without injuring the native population. In America, Australia, Africa, particularly South Africa, and even in Ireland, our colonization has been at the expense of the people who occupied the country that we were colonizing. The record of that

colonization is a black one. It has been black right down to the present time.

We see in the Jewish colonization of Palestine something quite different, something of which everyone in the House can approve. It is the first case in which the native population have not been exploited or exterminated, have not had their lands stolen from them, and have been able to benefit by the civilization which the settlers brought. One has only to go today to the neighboring countries of Syria or Egypt to see the condition of the fellahin—

And that is as true today as when it was said 8 years ago—

to see the condition of the fellahin, of the Arab workers of those two countries, and compare it with their position in Palestine, to see how enormously the natives of Palestine have benefited by the immigration of the Jews. It has been that superb example, something which none of us ever hoped to see, which has all along made this House take what I might call the liberal view that it was right to banish prejudice and to encourage the settlement of Jews in Palestine and to take a certain reflective pride in the success of their colonization.

All along, in every debate, the permanent officials, those in Palestine in particular, have complained that the House did not see the Arab point of view, and that this House, persuaded by the Jews, controlled by Jewish influence, was continually taking a view hostile to the Arabs and causing trouble. It was nothing of the sort. Throughout we have been taking the side of civilization and of the improvement of the native inhabitants of Palestine. Every time the officials have said that debate in the House of Commons has been responsible for insurrection and for all the trouble; our refusal to allow the setting up of a representative responsible government under the Mufti has caused the trouble.

Now a word about free speech uttered by Mr. Wedgwood. These words must come back with compelling force to America, as it is practically the only spot on earth where these rights and privileges survive. As he says on page 51:

So today we seal the defeat of Parliament as well as the eclipse of honor, friendship, humanity, and common sense. So far as we are concerned this is the end—unless by some miracle some members on the other side dare to vote against the whips. But it is not the end so far as the Jewish people are concerned. They can yet secure liberty and gain the respect of all men.

I do not think people realize how much of what we enjoy today is owing to the self-sacrifice of our forerunners. We are speaking here freely in Parliament because people have broken laws, because men have dared even to go to the stake rather than obey the law. Because Prynne's ears were cut off in Parliament Square, because Hampden died in the field and Sydney on the scaffold, because the seven bishops were thrown into the Tower rather than obey the law, because of the martyrs memorial on Carlton Hill, we have achieved a measure of freedom in this country. Because the American Colonies dared to break with England, dared to fight, America, that great Republic, on which we rely so much today, came into being. Everything the Anglo-Saxon race has achieved has been achieved by breaking laws, laws which have had the sanction of man, but against which we have put the sanction of our own conscience. When you place people in the position of having to choose whether to obey man or to obey God, then you will find a determination to obey God first, and man second—and to face prison, if need be. That has always been the only thing that has moved us forward in the past.

Now I come to the conclusion of his statement:

The intelligent civilized and educated people of that country must look after themselves. The constitution is at an end. I inform the right honorable gentleman that, in spite of his policy, men are preparing to sacrifice their lives, as our ancestors did, and in the long run to win that same freedom that we ourselves achieved.

Those words certainly are as true today as when they were uttered by Mr. Wedgwood.

I read a brief quotation from Mr. Amery in the House of Commons similarly on May 27, 1939, regarding the position of the Arabs:

In any event, that demand was admitted, and readily admitted, by the one person most entitled to speak for the Arabs, by King Feisal, and by his Arab colleagues at the Peace Conference.

That bears on the question of whether or not the Arabs had approved.

Now I come to the two concluding statements which speak with a profound force across the 8 years that have elapsed, because one of them is in the words of the Honorable Winston Churchill making his great speech in the House of Commons, and the other, which I shall now quote, is that of the Honorable Stanley Morrison, present leader of the Labor majority in the House of Commons in London. This is what Mr. Morrison had to say regarding this problem, and he may be accepted as an authority. I read from page 68:

I do not wish to be violent in my language toward the right honorable gentleman—

Speaking of Mr. Chamberlain—

but I am bound to say—

I do not know whether this would remind us of the words at Lake Success on last Friday—

I am bound to say that on reading his speech the impression I formed was that the longer he spoke the more he quibbled, the more evasive and inconclusive he became. I should have had more respect for his speech if he had frankly admitted that the Jews were to be sacrificed to the incompetence of the Government in the matter, to be sacrificed to its inability to govern, to be sacrificed to its apparent fear of, if not, indeed, its sympathy with, violence and these methods of murder and assassination—

Remember, those are the words of the one who is the leader of the Labor majority in the House of Commons today. The Jews were to be sacrificed to the Government's—

apparent fear of, if not, indeed, its sympathy with, violence and these methods of murder and assassination—that the Jews must be sacrificed—

And these are sad words at the present time—

to the Government's preoccupation with exclusively imperialist rather than human considerations.

Probably the right honorable gentleman's speech was the best he could do with the case he had to present, but it is not a speech which is going to reflect much to the credit of British honor standing on the printed records of the House of Commons. * * *

This white paper contains a lot of wishful thinking which is in conflict with the hard facts of the situation. It is useless continually wishing and hoping that the Arabs and the Jews will live together in friendly harmony.

Senators heard here today the words of our President who said the very things which have been said for 30 years throughout the ramifications of this problem.

Wishing for things does not make those things happen. Hoping for change does not make the change occur. If change is to be brought about, if improvement is to be achieved, things have to be done, ministers have to act, administrations have to make changes in their administration in order that things may be done. I am weary of listening to the right honorable gentleman, the Secretary of State, and still more weary of listening to the Under Secretary for Foreign Affairs, saying to the Arabs and the Jews, "Be friends, live together in harmony," just as they said it to the Franco people and the republicans in Spain. At least, I would not mind making these moral urgings if they would do something about it and make some contribution to a new situation. It is not enough merely to wish that things may get better. Statesmanship must create social, economic, and political conditions that make that possible. Government must be just, but it must also repress disorder or government must abdicate, and His Majesty's Government faced with this disorder have not constantly faced the implications of the disorder. They have run away, and they had neither repressed disorder effectively and permanently, nor have they abdicated from their functions.

Now listen to these words as to the origin of this trouble:

Knowing that most of the trouble in Palestine has been created, not by the masses of the Arab people at all—

And those words are as true now as then—

but through a minority of certain classes of Arabs, probably mostly by agents of Herr Hitler and Signor Mussolini, knowing that that was so—and it began in the days when the Prime Minister had a particular friendship with Herr Hitler and Signor Mussolini—knowing that this trouble was largely the creation of foreign intervention and the activities of foreign agents, the Government, nevertheless, ran away in the earlier days of these difficulties. They plucked up some courage, and the army was sent out. The disorders were largely stopped, order was largely restored, and now the Government proposes to run away again. Properly handled the Government need not send any material British force to Palestine at all to keep order.

Properly handled, the Government could have had, and can still have, the active cooperation of the Jews and of a large proportion of the Arabs in maintaining order in Palestine; and I do not see why the Government should not, at any rate in part, solve this problem on that line. There are people willing to train themselves to fight for the defense, order, and security of their own country, and I suggest that, subject to proper safeguards and answerable to the High Commissioner, they should be able to cooperate with the British Government in preserving order in their own country.

Anyone who has visited those lands knows that thousands upon thousands of the Arabs are as anxious as are the Jews to live a quiet, ordered life, to cultivate their vineyards in peace and quiet, and to market the fruits of their toil, rather than to be participants and suffer under the terroristic tactics that continue to be employed under the instigation of the Grand Mufti, whose existence is the

greatest peril to the peace of Palestine and possibly of this world.

But instead of taking such a line, the Palestinian Government—

This is Mr. Morrison speaking—

have been weak and uncreative, and so have the home Government, with their consistent inconsistencies of policy and with their constant vacillations, and the unfortunate consequence is that a widespread impression has been created that the way to make the British lion run is to make disorder, to murder, to ambush, and to assassinate.

We need only to substitute the American eagle for the British lion to see a similar retreat.

I venture to say that it is really a most unfortunate state of affairs when the impression has been created that the way to get things out of the British Government, the way to impress them, the way to modify their policy, is not to be reasonable, not to argue, not to persuade, but to resort to force and violence.

Those are the very methods to which the American flag has been hauled down. After having vanquished Hitler and Hirohito, we then are going to quail before the antics of the Grand Mufti and his associated banditti who have been carrying out these acts.

If we do this thing today, we shall have done a thing which is dishonorable to our good name, which is discreditable to our capacity to govern, and which is dangerous to British security, to peace, and to the economic interest of the world in general, and of our own country. Moreover, it will not work. The Jews and the Arabs have both said they will not have this solution. Therefore, illegal disorders will probably go on and the friction will continue. This does not solve the problem.

That, again, I point out, is the opinion fresh from the lips of the commission we constituted under the United Nations to survey this problem, and they say exactly the same thing today, after 10 years have elapsed.

It is not even an effective surrender that brings peace to a country that so badly needs peace. Remember that if the troubles continue, scope will be given to the agents of Herr Hitler and Signor Mussolini, who in various places seem to have the habit of lodging bombs in canvas suitcases; it happened in Jerusalem, and I gather that it is happening in London, and I am apprehensive that if things go on as they are there will be a shortage of canvas suitcases in Germany and Italy in a short time to come.

I come now to the words of Winston Churchill, with which I shall conclude. What I have read is the statement of Mr. Morrison. Mr. Churchill, speaking in the British House of Commons on May 23, 1939, said:

I say quite frankly that I find this a melancholy occasion. Like my right honorable friend the member for Sparkbrook [Mr. Amery], I feel bound to vote against the proposals of His Majesty's Government. As one intimately and responsibly concerned in the earlier stages of our Palestine policy, I could not stand by and see solemn engagements into which Britain has entered before the world set aside for reasons of administrative convenience or—and it will be a vain hope—for the sake of a quiet life. Like my right honorable friend, I should feel personally embarrassed in the most acute manner if I lent myself, by silence or inaction, to what I must regard as an act of repudiation. I can understand that others take a different view. There are many views which may be taken. Some may consider themselves less involved in the declarations of former governments. Some may feel that the burden of keeping faith weighs upon them rather oppressively. Some may be pro-Arab and some may be anti-Semite. None of these motives offers me any means of escape, because I was from the beginning a sincere advocate of the Balfour Declaration, and I have made repeated public statements to that effect.

That, I submit, is the position of this Government, uttered by five Presidents, from Woodrow Wilson down to the present day, repeatedly declared by this Congress by almost unanimous action, by the joint resolution of 1922, by the treaty of 1924, and by the joint resolution adopted by the present Congress less than a year ago, when we once again declared our devotion to this plan.

What do we find as the conclusion? Mr. Churchill says:

It seems to me that the Under Secretary of State had some reason to complain of the manner in which he had been briefed on this subject, because his argument was exactly contrary to the tenor of the dispatch from which the Government have quoted with a strong expression of approval and agreement wherever they have found it possible to assist their case.

I invite attention to the fact that Bartley Crum, appointed by the late President Roosevelt as a member of the President's Commission on Palestine, has stated publicly that after the repeated statements of the President and the Secretary of State regarding Palestine, in the files of the State Department are to be found communications from subordinate officials stating to the Arabs or to the British that no attention needed to be paid to those statements, because they would never be implemented or carried out.

When he was challenged on that statement by the Under Secretary of State, Mr. Acheson, Mr. Crum offered to give the numbers of the messages which would support the correctness of the statements which he made. It seems to me that possibly today both the Secretary of State and the President may, in the language of Mr. Churchill, have reason to complain of the manner in which they have been briefed upon this subject, because I cannot reconcile their reputation for integrity and candor of expression with the records which exist, both in the State Department and in the sad history of the treatment of Palestine. When we consider the statements of Mr. Crum we can fully realize why it may well be that they are not adequately briefed in this matter.

Mr. Churchill further said:

Now I come to the gravamen of the case. I regret very much that the pledge of the Balfour Declaration, endorsed as it has been by successive governments, and the conditions under which we obtained the mandate, have both been violated by the Government's proposals. There is much in this white paper which is alien to the spirit of the Balfour Declaration, but I will not trouble about that. I select the one point upon which there is plainly a breach and repudiation of the Balfour Declaration—the provision that Jewish immigration can be stopped in 5 years' time by the decision of an Arab majority. That is a plain breach of a solemn obligation. I am astonished that my right honorable friend the Prime Minister, of all others, and at this moment above all others, should have lent himself to this new and sudden default.

To whom was the pledge of the Balfour Declaration made? It was not made to the Jews of Palestine, it was not made to those who were actually living in Palestine. It was made to world Jewry and in particular to the Zionist associations. It was in consequence of and on the basis of this pledge that we received important help in the war, and that after the war we received from the Allied and Associated Powers the mandate for Palestine.

I may say that so far as the Arabs were concerned, we gave to them $90,000,000, so I do not feel that we have great obligation unto them.

I read further:

This pledge of a home of refuge, of an asylum, was not made to the Jews in Palestine, but to the Jews outside Palestine, to the vast, unhappy mass of scattered, persecuted, wandering Jews whose intense, unchanging, unconquerable desire has been for a national home. To quote the words to which my Right Honorable friend the Prime Minister subscribed in the memorial which he and others sent to us:

"The Jewish people who have through centuries of dispersion and persecution patiently awaited the hour of its restoration to its ancestral home."

Those are the words. They were the people outside, not the people in. It is not with the Jews in Palestine that we have now or at any future time to deal, but with world Jewry, with Jews all over the world. That is the pledge which was given, and that is the pledge which we are now asked to break, for how can this pledge be kept, I want to know, if in 5 years' time the National Home is to be barred and no more Jews are to be allowed in without the permission of the Arabs?

I entirely accept the distinction between making a Jewish national home in Palestine and making Palestine a Jewish national home. I think I was one of the first to draw that distinction. The Government quote me, and they seem to associate me with them on this subject in their white paper, but what sort of national home is offered to the Jews of the world when we are asked to declare that in 5 years' time the door of that home is to be shut and barred in their faces? The idea of home to wanderers is, surely, a place to which they can resort. When grievous and painful words like "breach of pledge," "repudiation," and "default" are used in respect of the public action of men and Ministers who in private life observe a stainless honor, the country must discuss these matters as they present themselves in their public aspect. It is necessary to be precise, and to do them justice. His Majesty's Government have been brutally precise. On page II of the white paper, in subsection (3) of paragraph 14, there is this provision:

"After the period of 5 years no further Jewish immigration will be permitted unless the Arabs of Palestine are prepared to acquiesce in it."

Now, there is the breach; there is the violation of the pledge; there is the abandonment of the Balfour Declaration; there is the end of the vision, of the hope, of the dream. If you leave out those words this white paper is no more than one of the several experiments and essays in Palestinian constitution making which we have had of recent years, but put in those three lines, and there is the crux, the peccant point, the breach, and we must have an answer to it.

My right honorable friend the Secretary of State for Dominion Affairs may use his great legal ability. He is full of knowledge and power and ingenuity, but unless this can be answered, and repulsed, and repudiated,

a very great slur rests upon British administration. It is said specifically on page 10 of the white paper that Jewish immigration during the next 5 years will be at a rate which, if the economic absorptive capacity allows, will bring the population up to approximately one-third of the total population of the country. After that the Arab majority, twice as numerous as the Jews, will have control, and all further Jewish immigration will be subject to their acquiescence, which is only another way of saying that it will be on sufferance. What is that but the destruction of the Balfour Declaration? What is that but a breach of faith? What is it but a one-sided denunciation—and what is called in the jargon of the present time a unilateral denunciation—of an engagement? * * *

I cannot feel that we have accorded to the Arab race unfair treatment after the support which they gave us in the late war.

This is speaking now of the First World War.

The Palestine Arabs, of course, were for the most part fighting against us, but elsewhere over vast regions inhabited by the Arabs, independent Arab kingdoms and principalities have come into being such as had never been known in Arab history before. Some have been established by Great Britain and others by France. When I wrote this dispatch in 1922, I was advised by, among others, Colonel Lawrence, the truest champion of Arab rights whom modern times have known.

Here, Mr. President, Winston Churchill is quoting Lawrence of Arabia.

He has accorded his opinion that the settlement was fair and just—his definite, settled opinion. Together we placed the Emir Abdullah in Transjordan, where he remains faithful and prosperous to this day. Together, under the responsibility of the Prime Minister of those days, King Feisal was placed upon the throne of Iraq, where his descendants now rule. But we also showed ourselves continually resolved to close no door upon the ultimate development of a Jewish national home, fed by continued Jewish immigration into Palestine. Colonel Lawrence thought this was fair then. Why should it be pretended that it is unfair now? * * *

I cannot understand why this course has been taken. I search around for the answer. The first question one would ask oneself is foreshadowed in a reference made in the speech of my honorable friend, and is this: Is our condition so parlous and our state so poor that we must, in our weakness, make the sacrifice of our declared purpose? Although I have been very anxious that we should strengthen our armaments—

Mr. President, see how true these words are, as applied to our condition today—

and spread our alliances and so increase the force of our position, I must say that I have not taken such a low view of the strength of the British Empire or of the very many powerful countries who desire to walk in association with us; but if the Government, with their superior knowledge of the deficiencies in our armaments which have arisen during their stewardship, really feel that we are too weak to carry out our obligations and wish to file a petition in moral and physical bankruptcy, that is an argument which, however ignominious, should certainly weigh with the House in these dangerous times. But is it true? I do not believe it is true. I cannot believe that the task to which we set our hands 20 years ago in Palestine is beyond our strength, or that faithful perseverance will not, in the end, bring that task through to a glorious success. I am sure of this, that to cast the plan aside and show yourselves infirm of will and unable to pursue a long, clear, and considered purpose, bending and twisting under the crush and pressure of events—I am sure that that is going to do us a most serious and grave injury at a time like this.

Those words certainly may be applied to our present plight.

We must ask ourselves another question which arises out of this: Can we—and this is the question—strengthen ourselves by this repudiation? Shall we relieve ourselves by this repudiation? I should have thought that the plan put forward by the Colonial Secretary in his white paper, with its arid constitutional ideas and safety catches at every point, and with vagueness overlaying it and through all of it, combines, so far as one can understand at present, the disadvantages of all courses without the advantages of any. The triumphant Arabs have rejected it.

And that is true today.

They are not going to put up with it. The despairing Jews will resist it. What will the world think about it? What will our friends say? What will be the opinion of the United States of America? Shall we not lose more—and this is a question to be considered maturely—in the growing support and sympathy of the United States than we shall gain in local administrative convenience, if gain at all indeed we do?

What will our potential enemies think? What will those who have been stirring up these Arab agitators think? Will they not be encouraged by our confession of recoil? Will they not be tempted to say: "They're on the run again. This is another Munich," and be the more stimulated in their aggression by these very unpleasant reflections which they may make? After all, we were asked by the Secretary of State to approach this question in a spirit of realism and to face the real facts, and I ask seriously of the Government: Shall we not undo by this very act of abjection some of the good which we have gained by our guaranties to Poland and to Rumania, by our admirable Turkish alliance and by what we hope and expect will be our Russian alliance?

You must consider these matters. May not this be a contributory factor—and every factor is a contributory factor now—by which our potential enemies may be emboldened to take some irrevocable action and then find out, only after it is all too late, that it is not this Government, with their tired Ministers and flagging purpose, that they have to face, but the might of Britain and all that Britain means?

* * * * *

It is hoped to obtain 5 years of easement in Palestine by this proposal; surely the consequences will be entirely the opposite. A sense of moral weakness in the mandatory power, whose many years of vacillation and uncertainty have, as the right honorable gentleman admitted yesterday, largely provoked the evils from which we suffer, will rouse all the violent elements in Palestine to the utmost degree. In order to avoid the reproach, the bitter reproach, of shutting out refugees during this time of brutal persecution, the quota of immigration may be raised, as we were told by the Secretary of State, and may be continued at an even higher level in the next 5 years. Thus, irritation will continue, and the incentive to resist will be aggravated. What about these 5 years? Who shall say where we are going to be 5 years from now? Europe is more than two-thirds mobilized tonight. The ruinous race of armaments now carries whole populations into the military machine. That cannot possibly continue for 5 years, nor for 4, nor for 3 years. It may be that it will not continue beyond the present year. Long before those 5 years are past, either there will be a Britain which knows how to keep its word on the Balfour Declaration and is not afraid to do so, or, believe me, we shall find ourselves relieved of many oversea responsibilities other than those comprised within the Palestine mandate.

And how true and prophetic those words were, in the 5 years that have since elapsed, and we see India and certain colonies lapsing from parent rule.

Some of us hold that our safety at this juncture resides in being bold and strong. We urge that the reputation for fidelity of execution, a strict execution, of public contracts, is a shield and buckler which the British Empire, however it may arm, cannot dispense with and cannot desire to dispense with. Never was the need for fidelity and firmness more urgent than now. You are not going to found and forge the fabric of a grand alliance to resist aggression, except by showing continued examples of your firmness in carrying out, even under difficulties, and in the teeth of difficulties, the obligations into which you have entered. I warn the Conservative Party—and some of my warnings have not, alas, been ill-founded—that by committing themselves to this lamentable act of default, they will cast our country, and all that it stands for, one more step downward in its fortunes, which step will later on have to be retrieved, as it will be retrieved, by additional hard exertions. That is why I say that upon the large aspect of this matter the policy which you think is a relief and an easement you will find afterwards you will have to retrieve, in suffering and greater exertions than those we are making.

How profoundly true. Those words may be applied to the conditions of the present day, yet they were uttered by Winston Churchill eight long years ago.

I end upon the land of Palestine. It is strange, indeed, that we should turn away from our task in Palestine at the moment when, as the Secretary of State told us yesterday, the local disorders have been largely mastered. It is stranger still that we should turn away when the great experiment and bright dream has proved its power to succeed. Yesterday the Minister responsible descanted eloquently in glowing passages upon the magnificent work which the Jewish colonists have done. They have made the desert bloom. They have started a score of thriving industries, he said. They have founded a great city on the barren shore. They have harnessed the Jordan and spread its electricity throughout the land. So far from being persecuted, the Arabs have crowded into the country and multiplied till their population has increased more than even all world Jewry could lift up the Jewish population. Now we are asked to decree that all this is to stop and all this is to come to an end. We are now asked to submit—and this is what rankles most with me—to an agitation which is fed with foreign money and ceaselessly inflamed by Nazi and by Fascist propaganda.

It is 20 years ago since my right honorable friend used these stirring words:

"A great responsibility will rest upon the Zionists, who, before long, will be proceeding, with joy in their hearts, to the ancient seat of their people. Theirs will be the task to build up a new prosperity and a new civilization in old Palestine, so long neglected and misruled."

Well, they have answered his call. They have fulfilled his hopes. How can he find it in his heart to strike them this mortal blow?

I want to say I appreciate deeply the consideration accorded me by the Senate. I have felt very strongly that the record of the dealings of Britain with Palestine can be most profitably studied by all the Members of Congress who bear this very great responsibility today.

AUTHORIZATION TO RECEIVE MESSAGE FROM HOUSE AND TO SIGN ENROLLED BILL

Mr. CAIN. Mr. President, in the event legislative action is completed by the House on the bill (S. 2361), temporarily extending the National Housing Act, I ask unanimous consent that the Secretary of the Senate be authorized to receive a message from the House thereon, and that the President pro tempore be authorized during the recess following today's session to sign the enrolled bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING REPORT

Mr. BREWSTER. Mr. President, I ask unanimous consent that the War Investigating Committee be granted an additional 30 days within which to file reports of the committee.

Mr. McMAHON. Mr. President, reserving the right to object, is that agreed to by the other members of the committee?

Mr. BREWSTER. It has been repeatedly agreed to. I have not spoken to the Senator from New Mexico [Mr. HATCH] about it, but I am quite sure there is no question about it. It has been delayed by the Senator from New Mexico. We have not been able to reach an agreement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

THE LABOR-MANAGEMENT RELATIONS ACT OF 1947

Mr. MURRAY. Mr. President, the major achievement claimed by the Republican leadership in Congress during the first session of the Eightieth Congress is the Labor-Management Relations Act of 1947, commonly referred to as the Taft-Hartley Act. This act, passed over the President's veto and in the face of the opposition of the Democratic leadership, constituted a drastic change in our national labor policy.

During the debate on this act, we of the minority party repeatedly voiced our opposition to this legislation proposed and vigorously supported by the National Association of Manufacturers. We condemned it because of its generally anti-labor character. We pointed out that, by its express provisions and by all its implications, it was designed and intended to convert the Wagner Act into an instrumentality to harass and weaken labor unions, to upset the Norris-La-Guardia Act, and generally to utilize the Government of the United States and its courts to break down the strength, security, and usefulness of labor unions in America. We voiced the fear that, at a time when the United States should be giving the world an example of unity and of freedom and democracy in action, as an alternative to communism and totalitarianism, this measure proposed by the National Association of Manufacturers and sponsored by the Senator from Ohio [Mr. TAFT] and his colleagues would be used by sinister forces at home and abroad to justify slanderous attacks upon American democratic institutions and our treatment of workers.

We further pointed out that the Taft-Hartley Act would weaken the rights guaranteed by, and effective administration of, the Wagner Act; that its legalisms and ramifications of red tape would frustrate the efforts of the Government to solve serious problems; that the act would create uncertainty in the front office and in the plant; and that it would result in misunderstanding and bitterness between workers and employers.

We stressed the fact that sound labor relations could be effectively brought about only through voluntary cooperation between management and labor.

We warned that increased Government intervention would ultimately not only undermine collective bargaining but affect, as well, the welfare of the entire country—for we were convinced that the weakening of labor's bargaining power could only result eventually in the reduction of the living standards of the American worker with serious consequences to the economy of the entire country. Farmers as well as industrial workers would be affected for it is the wage earners of this country who are the chief consumers of the products of our American farms.

In opposing the Taft-Hartley Act, the Democratic leadership was not unaware of the need for labor legislation. The President in his state of the Union message in January 1947, outlined a complete program to remedy all actual abuses which were found to exist, and I, together with 10 other Democratic Senators, proposed a bill during the last session of Congress which incorporated the program laid down by President Truman. This bill would have prohibited jurisdictional strikes and boycotts, would have equalized legal responsibilities of labor organizations and employers and would have provided additional facilities for the mediation of labor disputes. This bill was designed to remedy all the actual evils found in the field of labor relations without undertaking, as did the Taft-Hartley Act, to emasculate any of the sound labor laws which have been carefully built up in this country over the years.

How has the Taft-Hartley Act operated? Has its operation justified any of the fears we expressed prior to its enactment? The 6 months' period since August 22, the date on which the bulk of the act's provisions became effective, will probably be known as the period of quiescence in the administration of the Taft-Hartley Act; quiescence only in the sense that its provisions are not yet being used by employers for a major attack on the labor movement. This is a period of preliminary skirmishes, a period in which some of the provisions of the act are being tried out. Employers have been exhorted by the National Association of Manufacturers and by other employer interests to use the law as little as possible. Further, the tremendous profits now being earned by corporations have probably deterred employers from taking any action which might disturb existing peaceful labor relations.

Yet even the limited experience with the act, thus far, has already confirmed a number of serious objections made at the time it was being considered by the Congress. During the debate on the Taft-Hartley Act, the charge was repeatedly presented by its sponsors that the Wagner Act had brought about the rise of powerful and irresponsible labor leaders, and that restrictive legislation was therefore necessary. These charges received widespread publicity in the press. The propaganda value of this approach was twofold—it was directed toward arousing public prejudice against labor unions while at the same time creating suspicion of their leaders among the rank-and-file union members.

We who were opposed to the Taft-Hartley Act repeatedly pointed out the lack of basis for this false charge. We pointed out that labor, particularly during the war years, had proved its responsibility and that with few exceptions, labor leadership represented the free choice of the rank and file, and was responsible to their wishes. We pointed out, also, that during the time when unions were supposed to be browbeating the corporations, American industry reported the greatest earnings in its history. At no time has industry been in a stronger financial position than it is now, more than 12 years after the passage of the Wagner Act.

Will the interests of the great mass of our people be promoted if we make it easier by law for employers to resist union demands and break strikes? We argued that the few abuses which had been revealed did not warrant the extensive restrictions imposed by the Taft-Hartley Act. We voiced the fear that these restrictions would be used in attempts to smash labor unions which had established reputations for responsibility. The fear which was expressed has been confirmed by even the limited experience under the Taft-Hartley Act now available.

Since August 22, the main target of attack under the Taft-Hartley Act has been the International Typographical Union, an AFL affiliate. This union, which is over 100 years old, has the longest continuous history of any labor organization in the United States. While the typographical union has exhibited throughout its history a patient and commendable determination to improve the conditions of its members, it has been conservative in its methods and hesitant to precipitate any open break with employers. Its internal administration is run in accordance with democratic principles, and it has had a long history of fulfilling its contracts. William Hard, who certainly cannot be accused of being biased in favor of unions, in a recent article in the Reader's Digest, referred to the typographical union as a model for all unions. He praised its democratic procedures and lauded the union's sound approach in dealing with employers. This union, up to the date of the Taft-Hartley Act, had an admirable record for peaceful industrial relations.

What has been the fate of such a union under the Taft-Hartley Act? Between August 22, when the act became

effective, and February 29, 1948, 18 separate suits against the union were instituted with the National Labor Relations Board. In addition, two damage suits were initiated in the civil courts.

Although the cases before the NLRB presented more or less the same issues, as of February, the general counsel's office had proceeded to hearing in four cases. This, despite the union's offer to be bound in all cases before the Board by the decision in any one case in litigation. This offer has been rejected by the Board's general counsel.

In addition to the unfair labor practice cases now in litigation, the Board's general counsel has recently instituted suit in the Federal district court at Indianapolis seeking a sweeping temporary injunction against the now greatly harassed union. This matter is now pending before the court for decision.

Obviously, the defense of so many suits results in a serious drain in the union's treasury and resources and can only create ill will between the union and employers. It is not surprising that between August 22 and December 31, the typographical union has had eight strikes. This is a graphic illustration of how the Taft-Hartley Act has led to industrial strife and how its provisions are being used in an effort to undermine the strength of a union which even the majority of the Joint Committee on Labor-Management Relations refers to as one which "has long enjoyed public confidence by its record of winning gains for its members while maintaining peaceful relations with employers."

During the debate on the Taft-Hartley Act, I stated on the floor of the Senate that the legalism and red tape contained in the new act would frustrate the efforts of the Government to solve serious problems. I made specific reference to the requirements that labor organizations file detailed reports and non-Communist affidavits as a condition to using the machinery of the National Labor Relations Board. I oppose these provisions because of the great detail required in the various reports and because I thought it harmful and unfair to deprive the rank-and-file workers of America of their rights under the National Labor Relations Act because a single officer refused or failed to file a non-Communist affidavit.

The vice of these provisions was clearly set forth in a statement issued by the Catholic Welfare Conference. This statement reads as follows:

> The provision in the bill which would deny official certification to a union unless all of its officers declare under oath that they are not members of the Communist Party and that they do not favor the forceful or unconstitutional overthrow of the Government is likely to lead to serious confusion. Likewise, it will prove to be very embarrassing to the great majority of sincere anti-Communists in the American labor movement. Simply by refusing to sign the required affidavit, a single Communist officer could prevent an otherwise decent and legitimate union from being legally certified for purposes of collective bargaining. This provision of the bill is calculated, therefore, to play into the hands of the Communists, who thrive on confusion and disorder. Once again the bill reveals an uncritical tendency to try to solve complicated problems of industrial relations by an oversimplified legalistic approach—an approach which, in the present instance, is rejected as worse than useless by the vast majority of those who have had practical experience in combating the influence of the Communist minority in the labor movement.

The accuracy of this appraisal has been confirmed by our experience since the Taft-Hartley Act became law.

At the very outset of the act's operation we were confronted with the spectacle of a virtual cessation of the National Labor Board's operations. This strange state of affairs resulted from the decision of the Board's general counsel that the act required the top officers of the A. F. of L. and CIO to file non-Communist affidavits and the refusal of John L. Lewis and a few other officers to comply. The result was that 13,500,000 members of these two labor unions could not enforce their rights under the act.

On October 7, the National Labor Relations Board reversed its general counsel and ruled that the top officers of the A. F. of L. and the CIO were not required by the act to file non-Communist affidavits. The ruling held that only officers of affiliated unions and locals need sign such affidavits. The effect of the Board's decision, however, was merely to reduce the evil consequences of a fundamentally unsound provision. It did not eliminate the objections; for the action of a single officer of an affiliated union or of a local can still deprive its membership of their rights under the act. This loss of rights results not only when there has been a refusal or failure to file the required report or affidavit, but also when there has been an honest attempt to comply but for some reason the compliance is held inadequate. How serious this problem may be is indicated by the fact that the general counsel in the first 3 months of the operation of the act found approximately 30 percent of the affidavits and reports filed, defective.

The effect of this unsound provision has been that the Board has been required to refuse elections to labor organizations whose officers have failed to file the necessary affidavits; it has refused to put a noncomplying union on the ballot in a case where a rival organization has asked for an election even when the former had a contract with the employer; and has even refused an election where the employer has asked for one when the only union involved was not in compliance.

These provisions of the Taft-Hartley Act can only result in upsetting existing peaceful industrial relations. Evidence of this is already appearing. On December 8 one company with a long antilabor history and the author of the infamous Mohawk Valley formula to break labor unions lost no time in announcing that it would no longer recognize a union which was ineligible for certification as bargaining agent because of the failure of its officers to file the necessary affidavits. This union had been the recognized bargaining agent for the 9,000 employees of the company in seven different plants. This obviously creates a situation which does not contribute to industrial peace.

The comments of my Republican Senate colleagues on the Board's decision are both interesting and revealing. Senator BALL, chairman of the Joint Committee on Labor-Management Relations, said that he thought that the Board's general counsel had been correct, but that the Board's decision also was correct and "probably more in line with what we intended." The Senator pointed out that the question of requiring affidavits from officers of the parent A. F. of L. and CIO bodies as such never was discussed when the bill was under consideration, "so actually there was no departure from intent." Senator TAFT also endorsed the Board's decision and stated that if Congress had intended to require the affidavits it would have been brought up there.

With all due deference to my Republican colleagues, I should like to prod their memories a bit by pointing out that I raised the problem on the floor of the Senate on June 21, 1947. I then stated as follows:

> The bill requires that these affidavits be filed not only by the local officers but by "the officers of any national or international labor organization of which it is an affiliate or constituent unit." The American Federation of Labor has for many years been affiliated with the International Federation of Trade Unions, which includes representatives from many countries throughout the world. I am not at all sure of the political affiliation of each member of the IFTU but I rather surmise a Communist might be found among them and might be found among its officers. Are all American Federation of Labor unions thereby deprived of the right to file petitions with the Board? * * * The Congress of Industrial Organizations has been affiliated for some time with the World Federation of Trade Unions in which the Soviet trade-unions are represented. Does the bill require that as a condition of filing cases with the National Labor Relations Board every CIO affiliate have on file an affidavit by the Russian officials of the WFTU that it is not a Communist Party member?

As I then remarked, while such absurd consequences may not follow, the real point is that the filing of these affidavits has nothing to do with the function which our national labor policy has entrusted to the National Labor Relations Board; namely, the encouragement of collective bargaining.

I should like to make it clear that I have repeatedly expressed my abhorrence of communism and decried its influence in certain quarters of the trade-union movement. I am convinced, however, that the provisions of the Taft-Hartley Act will ultimately strengthen communism within the labor movement for it furnishes Communists with a potent weapon for disruption. At the same time, these provisions punish the many loyal Americans who have been fighting to rid trade-unions of Communist influence by depriving them of access to the peaceful procedures of the Government.

The effect of these registration requirements, like that of any unsound law, is to encourage subterfuge and evasion. It is not surprising, therefore, that the A. F. of L. dropped the title of vice president without removing any of the powers of these officials.

Similarly, the prohibition against the closed shop and the restrictions on the union shop have resulted in so-called

bootleg contracts, a term reminiscent of the prohibition era. These bootleg contracts are contracts between employers and unions preserving existing closed-shop or union-shop provisions without regard to the prohibition or requirements of the Taft-Hartley Act. A bad law can only result in such practices and in a disrespect for authority.

Further evidence of how the red-tape provisions of the act are bogging down its administration is found in the Board's experience with union-shop elections. Recently the Board in 1 election alone, involving the American Woolen Mills, had to poll 20,000 employees in 21 plants located in 14 cities. By the end of December 1947, 1 regional office of the Board had been asked to hold 102 union-shop elections by 1 union, the Textile Workers Union of America. This meant arranging elections for a total of 60,000 employees before February 1, when existing TWUA contracts expired. Experience in other regional offices follows the same pattern.

It is not surprising, therefore, that the expeditious handling of all election proceedings by the Board has become more and more difficult. During the month of November the NLRB nationally ran nearly 500 behind in union-shop elections alone. In December the Board conducted 521 union-shop elections as against 1,345 new petitions filed; in January the number of new petitions totaled 2,119, while the Board was able to conduct 993 elections.

How serious the administrative problem will ultimately become is indicated by the fact that the Labor Board estimates that of a total of 60,000 cases expected to be filed during the fiscal year, July 1948 to June 1949, 30,000, or 50 percent, will be union-shop election cases.

Obviously no agency can carry this tremendous administrative burden. It is inevitable, too, that the Board's ability to handle its other functions, such as the prevention of unfair labor practices and the conduct of representative elections, will be seriously impaired. This result is already evident. Between August 22, 1947, and January 31, 1948, the Board's back-log of cases rose from 3,933 to 7,237, the highest in its entire history. This despite the fact that in January the Labor Board disposed of 1,566 cases, the largest number of cases closed in any month since the effective date of the act.

The abnormally large case load is directly the result of the Taft-Hartley Act. Of the 8,029 cases received between August 22, 1947, and January 31, 1948, more than half were petitions for union-shop elections, and a large portion of the other cases likewise arose under new sections of the law. Not only has the volume of the Board's work increased because of the new types of cases arising under the amendment to the Wagner Act, but the Board is handling more cases than ever before because of its broadened jurisdiction.

This results, in part, from the proviso which has been added to section 10 (a) of the act, governing the yielding of jurisdictions to State boards. Formerly, the Board declined to assert jurisdiction over employers and employees engaged in activities having only a limited effect upon interstate commerce, although technically its statutory jurisdiction may have covered such activities; instead the Board chose not to assert jurisdiction so that the State boards could handle such disputes having only a limited effect upon commerce. Now, however, the Board can cede jurisdiction to a State board only if the State law conforms to the Taft-Hartley Act, and thus far no State appears to have such a law.

Furthermore, the provisions of section 10 (k) and (l), dealing respectively with jurisdictional disputes and mandatory injunctions, apparently make certain Board action mandatory if charges are filed under some circumstances; if the Board has statutory jurisdiction, it is not free to decline to exercise such jurisdictions because of policy considerations. For example, under the Wagner Act, the Board did not assume jurisdiction over the building and construction industry, but under the Taft-Hartley Act it appears that the Board is required to exercise jurisdiction over the building trades.

What of the cost of the administration of the Taft-Hartley Act? The union-shop elections will indicate the tremendous waste of public funds involved. It is estimated that the average cost of each ballot cast in a Board election is 40 cents. The prodigal waste of taxpayers' money involved is demonstrated by the proposed election among 2,500,000 employees in the building-construction industry. The elections in this industry alone will cost the American taxpayers over $1,000,000.

For what useful purpose? The poll among the building-construction workers will be limited to those employees who have traditionally been covered by closed-shop agreements. The outcome of elections will thus, without doubt, be overwhelmingly in favor of the union-shop provision. No election is needed to determine this. No more extravagant waste of public funds could be made. This, when a so-called economy-minded Congress has denied sufficient funds to the Labor Department for the proper performance of its functions.

During the debate on the Taft-Hartley Act, sponsors of the restrictions on union-security provisions argued that the average American worker was opposed to any form of compulsory union membership. In the light of this argument, the experience thus far with union-shop elections under Taft-Hartley is revealing. In November 1947 alone the union shop not only received the support of the employees in every one of the 112 elections held, but over 13,000, or 90 percent of the employees, voted in favor of the provision. This overwhelming endorsement of union-security agreements has continued both in the months of December 1947 and January 1948, the last month for which complete figures are available. In December, 68,000, or 93 percent of the employees, voted in favor of the provision; in January, over 102,000, or 93 percent of the employees, expressed their approval.

In this way the American worker has answered the argument of the sponsors of this restrictive legislation. Through their vote they have demonstrated their willingness to accept the obligation of union membership.

Time does not permit me to mention other developments under the act more than briefly, but I would like to call attention to the quick destruction of foremen unions as a result of foremen being denied the protection given other American workers.

On June 6 I pointed to the dangers in that portion of the Taft-Hartley Act which provided that the Board shall have a general counsel, to be appointed by the President and confirmed by the Senate, who is not only to supervise the legal work of the Board, but all employees in regional offices as well, in addition to supervising all investigations and issuance of complaints. I pointed out the evil of placing unwieldy and dictatorial power in a single individual.

Developments since June 23 have confirmed my appraisal. The Chairman of the Board in a speech given in Minneapolis on December 6, 1947, pointed out that at the present time the functions of the members of the Board are limited primarily to deciding cases and that all other functions are performed by the general counsel.

The danger of vesting such vast powers in a single individual was evidenced by the disastrous consequences of the decision of the general counsel on the non-Communist affidavit issue when as a result the work of the Board was virtually at a standstill. It has been argued that the Board, through its power to decide cases, can limit the authority of its general counsel. However, less than 10 percent of the cases filed under the act normally reach the Board for decision. Actual administration of the bulk of the cases under the act and responsibility therefor rests in the hands of a single individual. During the last session of Congress, I did not think this wise and do not now think it is. Vesting such great power in the hands of a single individual is abhorrent to our concept of democratic government.

I need only refer briefly to the strange situation created by the prohibition against political expenditures contained in the Taft-Hartley Act. This provision was intended to reduce the organized influence of the American wage earners in political elections by prohibiting political expenditures by unions. As Senator TAFT and his Republican colleagues interpreted this section, it would have denied to union newspapers the right to comment on candidates for public office.

In view of the widespread criticism by leading Republicans as well as others, of this attempted deprivation of constitutional rights, it is surprising that the Republican leadership has failed to take steps necessary to correct the situation.

Both Governor Warren, of California, and former Gov. Harold E. Stassen have called for the repeal of this restrictive provision. As early as last July, a little over 2 weeks after Taft-Hartley became law, Senator AIKEN introduced an amendment striking out the prohibitions against political expenditures. Even Senator TAFT has admitted that the provision might need clarification.

We, therefore, view with concern the failure of the majority of the Joint Committee on Labor-Management Relations to recommend immediate remedial legislation. Union officials should not be required to risk fine and imprisonment in order to protect the exercise of their constitutional rights. This is particularly true at this time with a Presidential election coming up this fall.

Only yesterday a Federal court held this provision unconstitutional. This ruling by an intermediate court, however, is not controlling, and the question will remain until it is finally disposed of by the Supreme Court of the United States or by a repeal of the provision.

The situation calls for immediate congressional action. It is my hope that the Republican leadership of this Congress will accept this challenge.

During the brief space of time which has elapsed since the effective date of the Taft-Hartley Act, there have been enough indications to warrant the conclusion that unless that act is repealed and replaced by a sound national labor policy, there is the danger that the strength of organized workingmen in this country will be seriously undermined and the spirit of cooperation and harmony, resulting in high production, will be destroyed. Our country cannot run the risk of this result. Nor is this a just reward for the labor movement which has done more to build up free enterprise, expand production, and create widespread prosperity in the United States than any other group during the past quarter century.

No discussion of the present state of labor-management relations would be complete without some reference to an organization which, because of its huge war chest and lavish expenditures wields tremendous power and influence, and which was largely responsible for the passage of the Taft-Hartley Act. I stated on the floor of the Senate that the Taft-Hartley Act constitutes a declaration that the NAM is going to be the unquestioned spokesman of our economic system; that labor is to be put in its place, stripped of many of its essential rights and so battered and weakened as to be ineffective hereafter at the bargaining table.

The Taft-Hartley Act was not the only victory won by the NAM in the last 2 years. That organization of big business has taken credit for destroying the OPA. One of its spokesmen actually boasted that when the NAM started its campaign against the OPA, a survey showed 85 percent of the people of our country believed OPA was absolutely necessary and that in November 1946, after the campaign spearheaded by the NAM, only 26 percent of the people believed the OPA was vital. We are now suffering the economic consequences of this ill-considered action.

In recent months, the NAM has begun an assault upon the Fair Labor Standards Act, an act which guarantees minimum rights to wage earners.

In view of the record of the NAM, it is no surprise that progressive and intelligent industrial leaders regret the influence which it exercised and that at least one of their leaders has publicly stated that organizations like the NAM should be muzzled. Progressive industrialists realize that in the labor field better relations cannot be achieved through depriving conscientious labor groups of their effectiveness but that healthy industrial relations can be based only upon mutual trust and confidence.

During the past several months we have seen inflation reach the highest point in the history of our country. Corporations have been making vast profits while labor's income trails far behind the rising cost of living, desperately trying to catch up. Since June 1946 food prices have increased 50 percent, clothing prices have risen almost one-third, while rents in the 5 months since amendment of the Rent Control Act have increased five times as much as the increase in the previous 5 years. At the same time profits of American corporations during 1947 will reach $17,500,000,000 after taxes—an all-time high.

What is in store for labor in 1948? What is labor faced with at this critical period in our history? Consider these facts; this is the list:

First. Steadily increasing cost of living.

Second. A reduced standard of living.

Third. Exorbitant corporate profits.

Fourth. Weakened Government protection of the basic right to organize.

Fifth. The use of Government to break down the strength, security, and usefulness of labor unions.

Sixth. The weakening of the collective-bargaining process.

Seventh. The gradual loss of power of labor to participate in the determination of their working conditions.

Eighth. The gradual return to the thoroughly discredited system in which the employer alone dictates the terms and conditions of employment.

Is this a just reward for the millions of wage earners in this country? Is this the way to give the world an example of freedom and democracy in action? Is this the path to full production and economic security?

This country cannot afford the continuation of this state of affairs. This country cannot afford to about-face now, destroying gains made through years of effort in developing a soundly democratic national labor policy. This country cannot afford to turn backward to the outworn method of force and coercion embodied in the viciously un-American Taft-Hartley Act.

It is essential to the welfare of the country that effective steps be taken immediately by the present Congress to halt any further rise in the cost of living, to keep corporate profits within proper bounds, to restore to labor the basic rights destroyed by the Taft-Hartley Act, and to strengthen the collective-bargaining process. In this way only can labor and the country as a whole hope to have some measure of economic security and industrial peace.

PLATFORM OF REPUBLICAN PARTY ADOPTED AT NEBRASKA PREPRIMARY STATE CONVENTION, FEBRUARY 17, 1948

Mr. WHERRY. Mr. President, the Republican Party in convention in Nebraska adopted a platform which I consider so fine an expression of the principles and policies on which a vast majority of the people of Nebraska stand today that I submit it now for the interest and consideration of the Members of the Senate.

Nebraska was one, if not the most Republican State in the Union in the last election. I am proud to say that I believe this remains as true today as when the last elections were held. Therefore, the people of Nebraska, speaking through their Republican Party organization, assume a natural responsibility for leadership in the expression of Republican policy and opinion.

For this reason, I commend to the careful consideration of the Senate the various resolutions which express sound midwestern thinking on the many national and international problems confronting us as a Nation and as a sovereign state in these critical times.

The Republican Party of Nebraska in preprimary delegate convention assembled in Omaha, Nebr., February 17, 1948, makes public this declaration of its principles and policies:

1. The major issue in America today is whether or not we shall preserve and maintain our republican form of government guaranteed under the Constitution of the United States. The socialistic and dictatorial trends which are permeating our political life clearly present the issue.

There is no place in our Nation for those who would overthrow our traditional liberties and impose upon us a police state, or for those who are disloyal to the United States of America.

We reaffirm our faith in our constitutional form of government. Under it our country has maintained its powerful position and influence among the nations of the world. Under it the individual initiative is given recognition and the individual is guaranteed the rewards of honest efforts.

It is our job as Senators to keep opportunity alive, not only for the boys and girls of this generation, but for posterity.

The Constitution is the foundation upon which human liberty rests. We pledge our stanch support to the preservation and maintenance of the rights of the individual citizen guaranteed under its provisions.

We must not have a fifth term of New Dealism in the White House.

2. NATIONAL DEFENSE

We stand for an integrated fully equipped national defense adequate to meet any emergency; research should be continued, and industrial preparedness should be encouraged to the end that the armed forces may be effectively tooled and that the National Guard and Reserve forces developed to a high state of efficiency.

3. FOREIGN AFFAIRS

We stand for continued support of the United Nations as a means of securing peace in the world.

We favor sane humanitarian measures for the relief and the rehabilitation of the peoples in the war-devastated areas of the world within the limits of our capacity, but in no event beyond the point where aid to foreign nations may endanger our own economy or our own economic system.

Whatever European recovery program is adopted we favor its administration by men selected on the basis of their business ability and integrity, functioning under a bipartisan administrative organization, responsible to Congress, who would provide sound business loans at the project level for reconstruction purposes and who would recognize the need for a clear objective and a clear understanding in advance of what it will cost the American people in dollars and

also in personal sacrifice, such as sustained high-living costs.

We oppose the Morgenthau plan.

Our relations with other nations should be conducted on the basis of open diplomacy and our people fully informed with reference to foreign policies pursued. We oppose secret deals and undercover trading in conducting our diplomatic affairs, a policy which has resulted in sacrificing the best interests of the Nation in the past. A definite forthright foreign policy should be adopted in which the United States shall assume its rightful position of leadership among the nations of the world.

We believe that America's place in world affairs calls for a well-trained, intelligent, and loyal diplomatic corps. We favor the creation by Congress of an Academy of Foreign Service, to the end that we may have a sound forward-looking American foreign policy and thus lead the world to peace and stability.

4. THE NATIONAL DEBT

Aware of the high, legal, and moral duty of the Government to pay its just obligations, the Republican Party, through its majority in Congress, already has begun a program for national debt reduction. It was through Republican efforts last year that for the first time in 15 years we had a balanced budget. Today there is approximately $7,000,000,000 of reserves available for application on the debt, and a proven Republican program to continue the National Government on a pay-as-you-go basis. We propose that a definite portion of the national revenue from now on be set aside to reduce the national debt in succeeding years. The debt can be materially reduced by rigid economy in the cost of the operation of the Federal Government. Reduction in the cost of Government is one sure way to reverse inflationary trends. The drastic weeding out of inefficient and power-hungry bureaucrats would result in releasing billions of dollars of national revenue for application to the reduction of the debt.

5. VETERANS

The Republican Party recognizes the obligation of the Nation to all the millions of men and women who served in the armed forces and especially to those who so heroically sacrificed life, limb, and health in bearing the brunt of the war.

The disabilities of those who survived, whether physical, mental, or economic, and their reestablishment as self-sufficient citizens in the useful pursuits of peacetime, create a problem which a grateful Nation must solve promptly, generously, efficiently, and humanely.

The debt we owe to all those of the armed forces, who have returned to civilian status, can best be discharged by reestablishing a free economy where opportunities are not limited and individual initiative is free and unhampered. We stand for financial aid to the veterans in completing their education, including on-the-job training, in obtaining adequate housing facilities, and in procuring profitable employment.

The Republican Party has been the champion of veterans' rights and benefits since first its veteran policy was laid down by Abraham Lincoln when he said: "Let us strive on to finish the work we are in; to bind up the Nation's wounds; to care for his widow and his orphan; to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations."

The Republican Party will not depart from its historic role as the party of the veteran.

6. WARTIME CONTROLS

Wartime controls and restrictions have no place in a free, peacetime economy and should be eliminated. Such temporary measures as may be necessary to relieve temporary emergencies should have definite limits as to duration and extent of their operation.

7. MONOPOLIES

The Republican Party is the defender of the small-business man. We charge the Democratic Party with having fostered trusts, monopolies, and cartels. There has been greater development of such monopolies during the past 15 years of new dealism than during the entire history of the country prior to that time.

The Republican Party favors the strict enforcement of the Sherman Antitrust Act, which was initiated by the Republican Party and to that end favors the appropriation of sufficient funds to make such enforcement effective.

We charge President Truman with giving lip service to the prosecution of monopolies while at the same time denying the Department of Justice sufficient funds in his budget to carry on prosecutions under our anti-compact laws.

8. TAXATION

Economy in governmental spending has been and will continue to be the watchword of the Republican Party.

Government owes to the people the duty of helping them to prosperity by lightening their burden of taxation and debt so that the system of free competitive enterprise can be given a chance to work for the benefit of all. As rapidly as sound economics will permit, we favor Federal tax legislation providing for an equitable distribution of the tax burden in conformity with the tax reduction program of the Republicans in Congress and commend our congressional delegation for the contribution they are making in Congress in furtherance of the program and in their fight to reduce governmental spending.

We recognize that the cost of State government has of necessity increased by reason of existing high price levels for commodities and increased living costs due to inflationary conditions. We recognize the responsibilities of the State administration to adequately finance our State institutions and agencies.

Nebraska's 1947 per capita tax for State purposes was the lowest of all the States in the Nation; while Nebraska ranked twenty-third in per capita income.

We also recognize the necessity of currently providing funds with which to meet the maintenance costs which were deferred during the drought and war period. We commend Governor Peterson in courageously recognizing these needs and supporting measures to meet them.

9. CONSERVATION AND RECLAMATION

The Republican Party is and throughout its history has been the champion of private competitive enterprise. In our area we confidently expect industrial development resulting from a national movement toward decentralization of industry. We recognize the necessity of meeting certain conditions precedent to the accomplishment of these objectives, namely:

(a) A stabilization of our agricultural economy by a well-sustained program for the conservation of our basic resources of soil and water; and

(b) The development of a dependable supply of electric energy at low rates.

Accordingly, we favor and pledge ourselves to support the soil-conservation program. We favor and pledge ourselves to support the program for control and full utilization of our water resources known as the Pick-Sloan plan. We endorse our public power development as an effective means of creating opportunities for the development of private competitive enterprise.

We recognize that the gigantic undertakings involved in the construction of the multiple-purpose projects will not, and in the nature thereof should not, be established except by public agencies. It is not a question of who will undertake their construction. If they are to be constructed, they must be constructed by governmental agencies. The construction thereof should not be regarded as a governmental expenditure but as a governmental investment, which will benefit not exclusively nor even primarily the local area, but which will be of paramount value to our national economy and a substantial contribution to the welfare and peace of the world. We commend our Republican delegation in Washington and our Republican governor in their effective efforts in the procurement of funds necessary to carry on this great work.

10. AGRICULTURE

We pledge ourselves in support of a national program of maintaining agriculture on an equality with industry and labor. Humanity has never had enough food. There has never been an overproduction of food supplies, nor is there any present prospect of such overproduction. Sound public policy requires that we avoid curtailment of food supplies by permitting those engaged in production of food to suffer economic loss by temporary maladjustment of distribution thereof. There is no greater hazard to peace than hunger and no stronger support of peace than an adequate supply of food.

We favor the immediate and effective prevention of the spread of foot-and-mouth disease into this country from Mexico and South America which menaces our national livestock industry.

We favor the development of a modernized, long-range farm program at the earliest possible moment to the end that farmers shall have full assurance that the cost of production of agricultural products will be safeguarded, thereby furnishing an incentive to continue production in abundance and thus help meet both domestic and world food requirements in these crucial times.

Nebraska economy has been, and can be further, improved by the application of sound scientific research. We commend the University of Nebraska for its increased emphasis on research, particularly in the fields of agriculture and the livestock industry. Under the leadership of Chancelor Gustavson, a coordinated and efficient research program is rapidly becoming a reality. We pledge ourselves to the program, included in which is the application of atomic energy to peacetime pursuits, and particularly to our agricultural development.

We further pledge support to a program of coordinating Nebraska research with like undertakings with neighboring States and national agencies.

11. LABOR

Free institutions require for their preservation a full recognition of the right of each individual to seek and to select employment in any lawful undertaking, free from governmental restraint or pressure and to bargain, individually or collectively, with reference to terms and conditions of employment. A contract between labor and management should be scrupulously observed and legally binding on both. Permanent industrial peace will be accomplished when both labor and management are held equally and legally responsible for the performance of their contract obligations. Neither capital nor labor have the right to interrupt public-utility services as a means of forcing compliance with their demands, and governmental services cannot be subjected to interruption to enforce demands of Government employees. We approve Nebraska legislation activating our constitutional provisions for settlement of labor disputes in the utility fields by an industrial court.

We favor the 1947 revisions of the National Labor Relations Act which are benefiting the rank and file of labor by broadening the democratic operation of labor-union organizations. This was achieved without in any way infringing upon or impairing the principles of free collective bargaining or in any way weakening or withdrawing any of the rights

previously enjoyed by the individual members of the labor unions. Workers now know, from the operations of the act as amended, that it protects their right, including the right to organize; the right to bargain collectively; the right to control their unions; the right to an accounting of their union funds; and the right to strike.

12. RELIEF AND OLD-AGE ASSISTANCE

We pledge the party to maintain at all times adequate funds to provide relief and old-age assistance. We favor local control of all funds appropriated by the Federal and State Governments for these purposes. Only under local control can these funds be administered efficiently, sympathetically, and economically.

13. EDUCATION

We hold education to be basic to the National, State, and local welfare.

We believe in equal educational opportunities for every boy and girl in Nebraska.

We believe in Nebraska's school system, which has placed Nebraska second in the Nation in literacy.

We commend our teachers for the splendid job they are doing to maintain this high standard, and we will support any sound and needful movement to strengthen and improve our schools, and our system of education.

14. ROADS

We commend our Republican Governor for initiating and appointing a nonpartisan citizens advisory committee to cooperate with the department of roads and irrigation and with a like legislative committee examining and determining the condition and needs of Nebraska's highway system and in proposing a comprehensive plan for its development. Good roads are vital to Nebraska's economy. We must have them. The approach being made looking toward the solution of this important problem is in keeping with the best Republican traditions.

We commend the last session of the legislature which, with the approval of our Governor, made a real start in a program to take our farmers out of the mud.

We pledge ourselves to continue the traditional policies of the Republican Party of honesty in government, forthright statement of truth in reference to State, National, and international affairs, and the refusing to deceive the people in manufacturing so-called emergencies at politically expedient times.

We shall prove to ourselves and to our posterity that freemen under a constitutional form of government can achieve happiness, security, and peace.

Respectfully submitted.

Bernard Stone, Chris. J. Abbott, Guy L. Cooper, Jr., Mrs. Mary Ernst, Mrs. Frank Haumont, Harold D. LeMar, Mrs. W. E. Vanderkolk, Robert W. Devoe, Chairman.

LEAVE OF ABSENCE

Mr. MURRAY. Mr. President, I ask unanimous consent to be excused from attendance on the sessions of the Senate until April 20.

The PRESIDING OFFICER. Without objection, permission is granted.

THE MEANING OF EASTER

Mr. MURRAY. Mr. President, on the morrow, the Christian world will turn its attention from mundane cares to hallow the epochal tragedy of 1,900 years ago. Men of all nations will then unite in meditating religiously on the crucifixion scene, the agonizing death of the God-Man who was "mighty in work and word before God and all the people." The heaven-born and saving gospel message in support of which Jesus of Nazareth willingly sacrificed His life has ever linked us to Him. His doctrines have become a golden thread, binding the peoples of the world in a brotherly union, ornamenting the tapestry of western civilization and tracing the path of justice and charity that alone can lead man back to his Creator and Father. His life and His death are the supreme examples of His teachings. Whatever His daily tasks, the Saviour sought always to render that loving homage and reverent obedience to the Divine Father in heaven.

Amid His fellow men, Jesus gave salient witness, by His incessant charity and miracles in behalf of the lame, the blind, the sick, and the bereaved, to the exalted and unalterable dignity of man who is God's image. And from that majesty of soul stem man's inalienable rights to life, liberty, and the pursuit of happiness, the key pillars of a true democratic government.

Out of profound gratitude for this rich legacy from Christ, tomorrow my church will signalize with becoming pageantry, expressive music, and meaningful ceremonial the agony and death of the Divine Saviour. The account of these sorrowful events need no retelling here. It is written indelibly in history's pages and constitutes the heritage and mold of western civilization. We well know how the Saviour was betrayed, and how, while tortured with the anguish of an unrequited love for mankind, He was arrested and dragged before the different tribunals. Then He was scourged—far beyond the measure of the Roman law—derisively crowned with thorns, tortured and mocked by the sadistic Roman soldiers. Of the numerous charges lodged against Jesus, the crime of treason aroused the concern of Pilate, the Roman governor. But when in answer to Pilate's queries, Jesus maintained that He was King of a spiritual realm, and His calm and fearless composure in the face of threats and physical pain supported His claim, Pilate, shaken by the thought, looked for a way to release Him.

But the people would have none of it. Some of the very men and women whom Christ had blessed and healed and who welcomed the Saviour to Jerusalem with ringing cries of "Hosanna! * * * the King of Israel," were now turned against Him by their leaders. Yielding to this pressure, Pilate weakly consented to permit the death sentence. Jesus was then led away by the soldiers and given His cross to carry to Calvary. There He was nailed to the Cross and died after 3 hours of indescribable agony of body, which was but little compared to the wretchedness of His heart and soul.

He passed from this world an outcast, a criminal abandoned by His apostles and rejected by the people who were the beneficiaries of His miracles and His peerless teachings on the dignity and destiny of man. Although this consummating episode of His virtuous life was replete with acts of supreme interior and exterior obedience to His Heavenly Father, of supreme worship of the Godhead and supreme love of sin-laden mankind, Christ died an apparent failure. His apostles were disconsolate, stunned.

But with the dawn of Easter morning, ineffable joy flooded the sinking hearts of His followers, for the wondrous resurrection of the Saviour fulfilled His predictions, putting the divine seal on His Mission and Gospel, and moreover, providing a sanguine pledge of which Christian civilization, here and abroad, is a conspicuous effect.

Tomorrow, the world will awaken, if it is presently capable of sleep, to a Good Friday that bears more than a faint resemblance to the original. For a corroding gloom hangs thickly over Europe, the motherland of Christian civilization. In its eastern reaches, entire peoples find themselves in instant danger of falling back into a barbarism worse than that which oppressed the greater part of the world at the time of the Crucifixion. In these countries, the deadly plague of communism has crept into the very fiber of human society, driving it on to the verge of destruction. Behind the iron curtain, the Christian truths that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness, are scornfully denied and brutally violated.

That these sublime rights of the human personality are inherent in Christ's Gospel, makes more dogged the struggle of the Communists to annihilate the guardians of these truths, clergymen, Christian schools, institutions, and churches. Man, God's image, is thus forcibly dehumanized and brutalized. When a courageous citizen dares to speak out in defense of these God-given spiritual values with which the individual and the State can tamper only to the grave peril of true democracy, the minions of the Kremlin swiftly and treacherously carry out their cold-blooded designs against all that is decent, free, democratic, human, and divine.

If the fate of all Europe, yes, even of the whole world, and our common Christian heritage now hang in the balance, momentarily threatening to tip to the left, this state of affairs is not explainable simply in terms of an overdue awakening to the inherent antidemocratic, antisocial, and anti-Christion policies and objectives of communism. Warnings against this perfidious movement and the social abuses which encourage its growth were strongly voiced, often and early. The record of nations falling beneath the heel of communism in the past decade is irrefutable evidence of the soundness of these alarms.

What recent events so forcibly and realistically brought home to us, could have been learned, and in some quarters was learned, over 100 years ago. Before the middle of the last century, Pope Pius IX clearly pointed out the destructive influence of communism. While Karl Marx yet lived, the ever-widening propagation of his economic and political teachings left a wake of confusion and turmoil. These conditions prompted Pope Leo XIII, following the lead of his predecessor, to scrutinize these new doctrines in the clear light of those sublime teachings of the crucified Christ. Marxism, the Pontiff pointed out, was unalterably and violently antagonistic to the

concept of human inalienable rights, the sacred character of the family, the legitimate political power of government, and the sway of God and his moral law over the affairs of men.

Therefore, in 1878, Pope Leo, in the very first of his encyclical letters, entitled "The Evils of Society," keenly decried this anti-Christian movement as "the deadly plague that penetrates into the very marrow of society and leaves it no repose, threatening it ever with fresh revolutions and the most calamitous results." The social unrest that the Holy Father deplored mounted so rapidly that later the same year he issued a second encyclical letter, the Socialists—the then current term for Marxists. This letter makes highly fruitful reading toward understanding the recent events in Europe.

Let me quote briefly what this unflinching indictment of communism revealed concerning its world aims:

> Spread all over the world, and bound together by the closest ties in a wicked confederacy, they (the Socialists, Communists, or Nihilists) no longer seek the shelter of secret meetings but openly and boldly march forth in the light of day, striving to bring to a head what they have been long planning—the overthrow of all civil society whatsoever.

Unfortunately, these clear-cut words of warning failed to evoke the active and suitable opposition to the growing Communist propaganda and infiltration of all levels of society. Nor did the leaders of the world heed the dire predictions of more recent years flowing from the pen of Pope Pius XI. His masterly encyclical, entitled "Atheistic Communism," tore from this evil movement the camouflage of social justice and minutely revealed it in all its repulsive nakedness: a barbarism thriving on restless discontent, terrorism, and mass want and fear.

Compare the transcendent concept of human dignity, which Christ taught, and which our Constitution, through its many guaranties, carefully watches over, as against the debased doctrine of communism. The latter, in the words of Pope Pius XI—

> strips man of his liberty, robs human personality of all its dignity, and removes all the moral restraints that check the eruptions of blind impulse. There is no recognition of any right of the individual in his relations to the collectivity; no natural right is accorded to human personality, which is a mere cogwheel in the Communist system. * * * In the communistic commonwealth morality and law would be nothing but a derivation of the existing economic order, purely earthly in origin and unstable in character. In a word, the Communists claim to inaugurate a new era and a new civilization which is the result of blind evolutionary forces culminating in a humanity without God. (Atheistic Communism.)

And therefore—

> Communism is intrinsically wrong, and no one who would save Christian civilization may collaborate with it in any undertaking whatsoever. Those who permit themselves to be deceived into lending their aid toward the triumph of communism in their own country, will be the first to fall victims of their error. And the greater the antiquity and grandeur of the Christian civilization in the region where communism successfully penetrates, so much more devastating will be the hatred displayed by the godless.

Because these impassioned and prophetic warnings fell on deaf ears or were scorned, tomorrow will be a black Good Friday indeed for the peoples of Europe. Their future lies hidden by a thick pall of gloom; their past, their Christian traditions and civilization with its individual, family, social, and religious rights and freedoms, have been ruthlessly suppressed in nearly a dozen European countries, so that men exist there, deprived of those freedoms and thus rendering life less than human.

As surely as a glorious Resurrection came fast upon the first Good Friday, there will come a glorious resurrection for the Christian peoples of Europe. If they suffer torture now, it is in great part due to their departures, too frequent and too far, from the lofty moral principles which they inherited from the Crucified Saviour. Their resurrection from the slough of communism depends in time and extent upon their whole-hearted return to the doctrines of Christ. They must rededicate themselves to Christian principles in the spheres of individual life, the home, the market place, the schools, government, and society.

And if we are to escape their fate and contribute positively to their resurrection, we too must adhere to Christian principles with greater intensity and in a greater sphere of activity. We cannot afford to shrug off the wise counsels of the spokesman of the archfoe of communism, the Catholic Church; neither can we disdain the advice of our American elder statesman, Cordell Hull, who recently wrote:

> We have a desperate need for more religion and morality as the background for government. The religious and moral foundations for thought and conduct require strengthening here, as well as throughout the world. There is no higher civilizing influence than religious and moral concepts. Corruption and tyranny can be driven out of government only when these concepts give men the faculty to recognize such evils and the strength to eliminate them. (Memoirs of Cordell Hull, New York Times, March 6, 1948.)

The supreme worship and sacrifice which Jesus Christ offered to the Heavenly Father on the cross for the salvation of each and every man ought to inspire us to renew with profoundest sentiments our dedication to God, His moral law, our brothers of all nations and their inalienable rights in the conflict against the enemies of God and humanity. It is fitting, therefore, that I close my remarks with these telling words of Pope Pius XI:

> In the name of the Lord, therefore, we conjure individuals and nations, in the face of such problems and in the throes of a conflict of such vital interest for mankind, to put aside the narrow individualism and base egoism that blinds even the most clear-sighted, that withers up all noble initiative as soon as it is no longer confined to a limited circle of paltry and particular interest. Let them all unite together, even at the cost of heavy sacrifices, to save themselves and mankind. In such a union of minds and forces they ought naturally to be the first who are proud of the Christian name, mindful of the glorious tradition of Apostolic time, when "the multitude of believers had but one heart and soul" (Acts IV, 32). But let all those also loyally and heartily concur who still believe in God and adore Him, in order to ward off from mankind the great danger that threatens all alike, for in truth, belief in God is the unshaken foundation of all social order and of all responsibility on earth, it follows that all those who do not want anarchy and terrorism ought to take energetic steps to prevent the enemies of religion from attaining the goal they have so brazenly proclaimed to the world. (Sacred Heart and World Distress.)

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. STENNIS in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of the Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MILLIKIN, from the Committee on Finance:

Charles Oliphant, of Maryland, to be assistant general counsel for the Bureau of Internal Revenue, in place of John Philip Wenchel, resigned; and

Michael J. Bradley, of Philadelphia, Pa., to be collector of customs for customs collection district No. 11, with headquarters at Philadelphia, Pa., in place of A. Raymond Raff, deceased.

POSTMASTERS

Mr. WHERRY. Mr. President, as in executive session, I ask unanimous consent that the Senate proceed to consider the nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the nominations on the calendar.

The Chief Clerk read the nomination of Otto W. Anderberg to be postmaster at Grove City, Minn.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Frederick W. Just to be postmaster at Mankato, Minn.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That concludes the nominations on the Executive Calendar.

Mr. WHERRY. Mr. President, I ask unanimous consent that the President be immediately notified of the nominations just confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

PROGRAM FOR MONDAY

Mr. WHERRY. Mr. President, I should like to make an announcement for the RECORD. Under the unanimous-consent agreement already entered into, when the Senate reconvenes on Monday next at noon there will be a morning hour, and a call of the calendar for the consideration of unobjected-to bills. If any Senators who may not be able to be present Monday, by reason of being away for the Easter recess, have objection to any bills on the calendar, if they will get in touch with the minority leader, or with me, or some other Senator, it can be arranged that objection

can be made on their behalf to any bill they do not want considered when the calendar is called. I shall be in Washington over the week end, and be available to any Senator who wants to register objection to any bill on the calendar.

ADJOURNMENT TO MONDAY

Mr. WHERRY. I move that the Senate adjourn until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 11 minutes p. m.) the Senate adjourned until Monday, March 29, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 25 (legislative day of March 15), 1948:

IN THE ARMY

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY OF THE UNITED STATES

To be brigadier generals

Col. Frank Frederick Bell, Corps of Engineers Reserve, Army of the United States.

Col. Robert Charles Dean, Field Artillery Reserve, Army of the United States.

Col. Whitfield Jack, Infantry Reserve, Army of the United States.

Col. Ralph Hendricks McKee, Armor Reserve, Army of the United States.

Col. Ralph Albert Palladino, Infantry Reserve, Army of the United States.

Col. Herbert Harold Vreeland, Jr., Field Artillery Reserve, Army of the United States.

Col. Arthur Pope Watson, Infantry Reserve, Army of the United States.

HONORARY RESERVE

To be major general

Maj. Gen. Walter Perry Story, National Guard of the United States, Army of the United States.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 25 (legislative day of March 15), 1948:

POSTMASTERS

MINNESOTA

Otto W. Anderberg, Grove City.
Frederick W. Just, Mankato.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 25, 1948

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O suffering Saviour, Thou who wast despised and rejected of men, have mercy on our unworthiness. As we approach the lonely garden, we would wait at the altar of prayer; help us to break down the barriers, where we shall see Thee no more through a glass darkly. O take us to those Gethsemanes where the world will be behind us; there, beyond the city wall, reveal to us the imponderable things which enrich and sustain. As Calvary will soon wear its robe of darkness, come to us like a holy benediction, walking through the quiet chapels of our souls. Mercifully grant that we, walking in the way of the cross, may find it none other than the way of life and peace. In the name of Him whom we call Lord and Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate insists upon its amendment to the bill (H. R. 5314) entitled "An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BRICKER, Mr. CAIN, and Mr. ROBERTSON of Virginia to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2361. An act to provide for a temporary extension of the National Housing Act, as amended.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2182) entitled "An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes."

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include extraneous matter.

THE SPEECH OF DEMOSTHENES CONCERNING THE CROWN

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, more than 2,000 years ago Demosthenes addressed these words to the men of Athens:

For I gave warnings and solemnly protested at all times, both in your midst and wherever I was sent. But the Greek states were rotten, the men who were engaged in public life and action taking bribes and sacrificing their principles for money, while the majority of private citizens either had no foresight or were caught by the bait of daily ease and leisure, and all alike suffered from some delusion as this, each community fancying that the danger would come against all except themselves, and that at others' risks they might safely secure their own interests when they pleased. In this way, I fancy, it has come about that the masses, in return for their excessive and unseasonable indifference, have lost their liberty; while their leading men, who fancied they were bartering away everything but themselves, discovered they had sold themselves first, for, instead of friends and guest-friends, as they used to be called at the moment when they were taking bribes, they are now saluted as parasites and apostates and by all other well-deserved titles. For no one, men of Athens, spends money in pursuit of the interest of the betrayer, nor when he is master of his purchase continues to consult the traitor about the future: otherwise nothing would be more fortunate than the traitor. But this is not so—how could it be? Very far from it. Rather, when the aspirant for power is established as master of the situation, he is also lord over those who sold him his position, and, knowing their villainy, then—if not before—he hates them and distrusts them and treats them with contumely. Only look at the facts: for if the right time for action has gone by, the right time, at any rate, to learn lessons of this sort is always present to the prudent.

EXTENSION OF REMARKS

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Merchant Marine and Fisheries be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

OLEOMARGARINE

Mr. McGARVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McGARVEY. Mr. Speaker, as you all know, on Tuesday, March 20, the Members of the House Committee on Agriculture shelved 19 bills which had been introduced to either repeal or drastically reduce the Federal taxes on colored margarine. The reasons for the committee's high-handed action in this instance are best known only to themselves.

It is significant that the members of the committee all represent agricultural districts. Not one Member representing an industrial or city district was permitted by vote to voice his approval of the bills. Since the people living in such districts comprise the main body of consumers of margarine, and not the people in farming districts, it can hardly be said that the proposed legislation received the impartial consideration to which it should be entitled in a country which functions under a representative form of government. It might be suggested that several Members from industrial districts replace Members from rural districts on the Agriculture Committee in order that the interests of the consumers of farm products might be properly cared for.

The committee, after shelving the margarine bills, decided to appoint a subcommittee to study the problem further. We are, I presume, supposed to receive this information with a straight face. However, we might as well be frank and admit that the committee's action in the matter means absolutely nothing. If the committee will not report a bill repealing the taxes on margarine now, we have no reason to expect that they will do so at some future date.

However, a discharge petition has been introduced to bring one of the margarine bills to the floor of the House without further consideration by the committee. The discharge petition is No. 12, and the bill is H. R. 2245, introduced by the gentleman from South Carolina [Mr. RIVERS], which repeals the excise tax on margarine, effective after the day of enactment, and the occupational tax on manufacturers, wholesalers, and retailers of the product, effective July 1, 1948. I am, therefore, calling on all the Members of Congress who are truly interested in the welfare of their constituents to sign the petition. The people are overwhelmingly in favor of the repeal of these unjust taxes. It is only fair that the measure be brought to the floor of the House where the vote of Representatives of all sections of the country, and every segment of American life will determine its future course. I believe that I can safely say that if such action is taken, H. R. 2245 will be passed by an overwhelming majority.

SCRAP IRON

Mr. MACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, 10 days ago, over the signatures of the members of our investigating—black markets—committee, letters were sent to Secretary of Defense Forrestal, Secretary of State Marshall, and Vice Adm. W. W. Smith, chairman of the Maritime Commission, in an effort to obtain the speedy return of scrap located in the bizonal area of Germany—mainly in the Ruhr. To date no replies have been received. Therefore, copy of the letter to Secretary Forrestal is being made public because of the serious turn of events so emphatically highlighted by the President in coming before a joint session of both Houses of this Congress. The matter, which the committee initially investigated from the standpoint of its effect on relieving the black-market situation, has now developed to a point where it is felt that the interest of national safety demands immediate action to obtain this scrap and thus eliminate the possibility of its being lost to us forever.

In the deliberation on ERP, it is strongly urged that consideration be given to the advisability of obtaining this all-important scrap on some quid pro quo basis. For the reasons just stated, the immediate urgency becomes more apparent when we consider that our steel production, in the event of a national emergency, would be cut to approximately 50 percent within 5 weeks because of the lack of this vital ingredient.

The letter to Secretary Forrestal follows:

MARCH 16, 1948.

Hon. JAMES FORRESTAL,
Secretary of Defense,
Washington, D. C.

DEAR MR. SECRETARY: Investigations conducted by this committee into the black market in steel, has established that this country's present inadequate steel production is primarily the result of an insufficient supply of scrap. Our potential reserve of this vital steel ingredient was depleted by over 100,000,000 tons during the last war. In the event of a national emergency, this situation would constitute a grave danger to the security of the United States.

The committee has been advised that a substantial supply of scrap is readily available at the present time in the bizonal area of Germany in the form of captured enemy material and rubble. Reliable surveys indicate that there are nearly 10,000,000 tons of such scrap in the aforesaid area, surplus to the requirement for German economic recovery. From the personal observation of many Members of Congress who visited the area last year, it would appear that such an estimate is not excessive. The committee has received testimony to the effect that this scrap could be transported in relief ships which at present are returning from Europe to this country in ballast.

This is a situation demanding positive action to bring about the immediate return of this scrap to the United States. Information coming to the committee indicates that this movement could be under way within only a few weeks. The urgency of this situation lies not only in the needs of our domestic economy, but also in the fact that this vast supply of scrap, located in Germany, represents a valuable war potential should it come into the possession of any aggressor nation. The committee has information to the effect that Czechoslovakia has contracted for the purchase of 50,000 tons of this material, and that an initial delivery of 3,000 tons has been made.

Because the committee considers our domestic economy and national security to be of paramount importance, they feel that a program looking toward the immediate return of the aforesaid scrap should be effectuated without delay, and will appreciate being informed whether such a program would conflict with any present policies or directives of your Department.

Very truly yours,

W. KINGSLAND MACY, *Chairman.*
FRANK W. BOYKIN,
HOWARD A. COFFIN,
FREDERICK A. MUHLENBERG,
WM. M. WHITTINGTON,
Members of Committee.

PUBLIC AID TO AIR TRANSPORTATION

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, I am submitting today a report of the Committee on Interstate and Foreign Commerce on one aspect of national transportation policy, public aid to air transportation. This report is a part of the national transportation inquiry pursuant to House Resolution 318 of the Seventy-ninth Congress, first session, and House Resolution 153 of the Eightieth Congress, first session.

Such a report is particularly timely at the present moment in view of the recent recommendations of the President's Air Policy Commission and the Congressional Aviation Policy Board concerning the importance of a strong commercial air-transport industry as an arm of our national defense.

In the continuation of the national transportation industry the problem of public aid to all forms of transportation will be given further consideration. The data set forth in this report, however, can be of great assistance in studying the problem. It is for this reason that it is offered at this time.

During the past 25 years, development of transportation by road, water, and air has become a tremendous activity of Government for which general taxation has largely provided the funds. The purposes of public aid to transportation have varied. Primarily, highways have been built for the use of the private automobile, but have thus been made available for carriers of property and persons for hire. Waterways have been built because of a belief that they provide inherently cheaper transportation than other forms of transport and because of a need for additional facilities to relieve the strain on our railroads, particularly during a war. Airways and airports have been promoted to encourage air transportation which has proven itself so important to our national defense and for the purpose of developing an air-transportation system properly adapted to the future needs of our foreign and domestic commerce.

Whatever may have been the purpose of previous aid to transportation, the matter deserves periodical reexamination, because there is always the danger of an over-expanded transportation system unless it can be determined what the need of additional aid or facilities may be, as well as the over-all economic justification of public aid.

Insofar as past expenditures are concerned, they have necessarily taken different forms for each type of transportation and it is, therefore, hard to attempt an evaluation of the equities or inequities which may have arisen with respect to various classes of transportation. Each past expenditure must be considered on its own merits and within the framework of the needs to be met at the time it was made and with the realization that all forms of transportation have made noteworthy contributions toward improving our national transportation structure and rendering an indispensable service to the Nation, both in peace and in war.

Whether the amounts spent in public aid or the manner in which they have been applied have been wise or unwise is of no present concern. What the Congress, the public, and the carriers are concerned with at this time is the future development and maintenance of our national transportation system in such a manner that it will always be capable of furnishing all the transportation the Nation needs, of the quality it needs, at

the lowest cost consistent with furnishing such service. This means that an important part of any inquiry as to our future transportation policy must consider public aid to each of the several types of transportation in the light of the needs of our national economy and national security.

MINING LEGISLATION NEEDED

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, today we observe an anniversary which serves as a reminder to the Members of this House that we sometimes do not learn lessons even through tragic experience.

A year ago today 111 coal miners lost their lives in an explosion in the Centralia No. 5 mine at Centralia, Ill.

As an immediate aftermath of that disaster, legislation was offered in this Congress to give the Federal Bureau of Mines the authority it needs to insure safety in our Nation's mines.

Perhaps if our legislative procedure had been such that a vote could have been taken within a few days of the tragedy, teeth would have been placed in the existing Federal mine-inspection law by unanimous vote. But Congress delayed, and on the first anniversary of this terrible tragedy it seems to have completely forgotten that it has some responsibility in the prevention of such disasters.

Because I believe Congress should act, and act soon, in this matter, I have today, in accordance with the rules of the House, laid upon the Speaker's table a petition to discharge the Committee on Education and Labor from further consideration of H. R. 2907, a bill to amend the act of May 7, 1941 (ch. 87, 55 Stat. 177), and to provide for health and safety in coal mines affecting commerce.

I have followed this course in an effort to bring this important legislation to the floor for action; to give Members of this House the opportunity to discharge a duty they have to guarantee to the coal miners of this Nation every degree of protection possible in their hazardous work.

Last year 65,165 coal miners were killed or injured in performance of their work, which is so vital to our national existence, in time of peace and in time of war, that any interruption is quickly felt in every phase of our economic structure. During 1947 in the anthracite fields of Pennsylvania 175 miners gave their lives, while 990 miners of bituminous coal throughout the country were victims in fatal accidents.

These are startling figures, and they are all the more startling when we consider that in the majority of cases this sacrifice of human life was needless.

So that the guilt of future disasters in our coal fields will not fall upon you, I ask each Member of this House to sign this discharge petition and to support the legislation so badly needed to insure mine safety.

A year after the Centralia mine blast aroused the Nation—and for a few fleeting days the Congress as well—nothing has been done by this Congress to improve mine safety.

I grant we have in the statute books a law which permits, and even requires, Federal inspection of mines. But what good is Federal inspection if the power to enforce recommendations does not go with it? Centralia No. 5 answers this question.

The first Federal inspection of Centralia No. 5 was made in September of 1942—almost 5 years prior to the explosion.

Federal inspectors made 106 recommendations, including 33 major ones—those that covered hazards that could result in a disaster. When the report of these findings was passed on to the Illinois Department of Mines and Minerals it did nothing about it. And why should it have been expected that it would? The State enforcement agency had done nothing on an earlier report from its own mine inspector, Mr. Driscoll Scanlon. It did nothing then and it went 5 years ignoring recommendation after recommendation to improve safety conditions at Centralia mine No. 5.

Centralia No. 5 was possibly one of the earliest jobs for Federal Bureau of Mines inspectors after the passage in 1941 of the Federal mine-inspection law. It serves now to show how inadequate is such a law without provisions for enforcement. At the most the inspection law serves only as a warning of danger. It gives no power to ward off the danger.

That it was a mistake for Congress to have enacted the inspection law without enforcement provisions is proven by the Centralia disaster. It will be a much greater mistake for Congress to continue to ignore its responsibility in this matter. Will it take more Centralia No. 5's to bring Congress to the full realization of its responsibility? I hope not.

EXTENSION OF REMARKS

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD and include an address delivered by Hon. R. G. LeTourneau.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an editorial entitled "National Whirligig" from the Charleston Evening Post under date of March 18, with the subheading "Red tape snarls big apple deal."

Mr. RANKIN asked and was given permission to revise and extend the remarks he intends to make in the Committee of the Whole today and include statistics showing the cost of foreign aid to the people of the various counties of his State.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD in regard to H. R. 5759, a bill designed to liberalize the railroad retirement benefits.

ENLISTMENTS IN THE ARMED FORCES

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I will place in the Appendix of the RECORD, Monday, records from the Army, Navy, and Marine Corps, which will show their enlisted strength, the number they have at present, the number who have applied for enlistments, and the number of rejections. It will also show the reasons for the rejections.

The record for the Marine Corps and the Navy will show that more than 50 percent of the men applying for service have been rejected. Rejections for the other services were also unduly high. I have requested information relative to the physical and mental standards as well as other qualifications now required for enlistment in the armed forces. I am of the opinion that this will show that the requirements are much higher now than they were in the early days of selective service. Why this should be so, I do not know. Perhaps someone can supply the answer.

Mr. COLE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. Could that possibly be because they want selective service reinstated and want universal military training?

Mr. MILLER of Nebraska. It is quite possible. I am sure that any standard they use should be such that it would permit the average young man to serve his country on a voluntary basis.

MODIFICATION OF RAILROAD FINANCIAL STRUCTURES

Mr. WOLVERTON. Mr. Speaker, I call up the conference report on the bill H. R. 2298, to amend the Interstate Commerce Act, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

CHAS. A. WOLVERTON,
LEONARD W. HALL,
WILSON D. GILLETTE,
A. L. BULWINKLE,
OREN HARRIS,
Managers on the Part of the House.

CLYDE M. REED,
ALBERT W. HAWKES,
FRANCIS J. MYERS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the House bill, and inserted a substitute text. The recommendation of the committee of conference is that the House recede from its disagreement to the Senate amendment and agree to the same.

The bill as passed by the House amends the Interstate Commerce Act by adding a new section 20b, providing a voluntary procedure whereby railroads not in bankruptcy or receivership may, under certain specified circumstances, with the approval of the Interstate Commerce Commission, alter or modify their obligations (i. e., bonds, debentures, or other evidences of indebtedness), or mortgages, indentures, or other like instruments, under which obligations have been issued or by which obligations are secured. Such modifications may be made only with the assent of the holders of 75 percent of such obligations. The purpose is to aid in assuring the continuity of sound financial condition of railroads by enabling them, so far as possible, to avoid prospective financial difficulties, inability to meet debts as they mature, and insolvency.

The Senate amendment modifies the House bill almost entirely by adding new matter, as explained in more detail below. The proposed section 20b of the Interstate Commerce Act contained in the House bill consists of paragraphs (1) to (11), inclusive. The Senate amendment adds paragraphs (12) and (13) to the proposed section 20b, and also adds a new section 3 to the bill.

Both the House bill and the Senate amendment contain the requirement that all letters, circulars, advertisements, and other communications, among other things, to be used in soliciting the assents or the opposition of holders of securities shall, before being so used, be submitted to the Commission for its approval. While this provision is necessary, and should be applied so as to fully protect the interests of affected parties, it is not intended to operate in such a way as to impose unnecessary censorship of normal or ordinary correspondence between a carrier and a stockholder. It is believed that the Commission will have ample authority, through prescribing regulations, to apply this provision reasonably and at the same time insure that it will afford the intended protection.

The substantive differences between the House bill and the Senate amendment are explained below:

1. Modification of stocks: The House bill would permit, under the voluntary adjustment procedure provided for, the modification of bonds, debentures, or other evidences of indebtedness and of the instruments under which they are issued or by which they are secured. The Senate amendment permits, in addition, modification of stocks and of the instruments under which they are issued. Appropriate textual changes were made by the Senate to carry out this policy.

2. Carriers in receivership or section 77 reorganization: Under the House bill, the voluntary adjustment procedure provided for by the new section 20b would be available only to carriers which are not in equity receivership or in process of reorganization under section 77 of the Bankruptcy Act.

By the Senate amendment, paragraph (13) of the new section 20b will in addition permit, under the conditions outlined below, use of the voluntary adjustment procedure by those carriers in equity receivership proceedings, on the date of the enactment of this legislation, whose properties have not been sold under foreclosure and the order of sale confirmed; or those carriers which, on the date of the enactment of this legislation, are in section 77 bankruptcy proceedings which have not reached final consummation of a plan of reorganization.

In any such case the carrier must first file an application with the court in whose custody its properties are, for permission to take advantage of the voluntary adjustment procedure. The carrier must show that holders of at least 25 percent of the aggregate amount of securities affected by its proposed plan are in accord with the proposed procedure. The court has final authority to grant or withhold permission. If the court grants permission, the proceedings then pending will be suspended until such time as the Commission advises the court that the application filed with it by the carrier has been dismissed or denied by the Commission or withdrawn, or that the Commission has approved the new alteration or modification, or that 12 months have elapsed since the filing of the application and no alteration or modification has been approved by the Commission. The carrier will thus have a maximum of 12 months to work out a voluntary plan. The court will retain custody of the property, but if a plan is approved by the Commission and is satisfactory to the court, the receivership or bankruptcy proceeding will be terminated and custody of the property will be restored to the debtor.

Since the bill does not purport to affect adversely obligations or liens created by the operation for the account of debtors by trustees in other reorganization proceedings or former lessees, it appears unnecessary expressly to state that such obligations must be satisfied.

3. Taxes on issuance or transfer of securities: By the Senate amendment, in paragraph (12) of the new section 20b, it is provided that sections 1801, 1802, 3481, and 3482 of the Internal Revenue Code, unless specifically providing to the contrary, shall not apply to the issuance, transfer, or exchange of securities or the making or delivery of conveyances to make effective any alteration or modification effected pursuant to the new section 20b.

4. New section 3: The Senate amendment contains a section 3 which is not in the House bill.

Paragraph (a) (1) of this section provides, in the case of plans of reorganization hereafter approved by the Commission in section 77 proceedings, that at any time more than 18 months after the Commission has either certified a plan to a court or has disposed of a like petition filed under this paragraph, any party affected may file a petition and as a result it shall be the duty of the Commission to report to the court any changes, facts, or developments which have taken place since the approval of the plan and which make it necessary or expedient for the Commission to examine or revise the plan. Such a petition cannot be entertained, however, in those cases where an order confirming the plan has been entered, unless an appeal from such an order is pending in the circuit court of appeals, or the matter is pending in the Supreme Court on a petition to review any order of a lower court dealing with the order of confirmation, or the time to make such an appeal or file such a petition has not expired. These same safeguards are also contained in subsequent paragraphs of the section to make certain that orderly court procedures cannot be displaced or interfered with.

Paragraph (a) (2) of this section is substantially similar to the paragraph above described, but permits the court, instead of the Commission, to receive a petition and give consideration to whether changes, facts, or developments have occurred which make it necessary or expedient for the Commission to reexamine, revise, or reconsider a plan. If the court so finds, it may return the plan to the Commission for such revision.

Paragraph (a) (3) of this section is a parallel provision to the two preceding paragraphs and merely provides that in certain reorganization cases still pending the Commission must report to the court any changes, facts, or developments which have taken place since December 31, 1939, and which were not provided for in the plan it approved.

Paragraph (a) (4) of this section is a procedural provision to insure that if a plan is returned to the Commission in accordance with the provisions of the section, all of the proceedings will be governed by subsection (d) of section 77 of the Bankruptcy Act, as amended.

Paragraph (a) (5) of this section is also a procedural provision to make certain that petitions alleging new facts or developments must be filed with the court and referred to the Commission. Such action apprises the court of the legal action taken under the new law and suspends further action by the court involving confirmation of the old reorganization plan. The court, of course, retains custody of the property and of the case pending action and report by the Commission.

Subsection (b) of this section provides for a public hearing in the event a plan is returned to the Commission. It spells out the factors that the Commission must evaluate and on which parties will offer evidence in reconsideration of a plan. The Commission, after such hearing and consideration, may modify or refuse to modify the plan. If the former, it certifies the modified plan to the court and proceedings continue on the modified plan under section 77 as they did on the original plan. If the Commission refuses to modify, it also transmits its order and the transcript for court consideration. If the court finds that the Commission's refusal to modify the plan is based on sufficient findings and is supported by the record, the original section 77 proceedings shall continue as if the plan had never been returned to the Commission. If, however, the court does not so find, it shall return the plan to the Commission for further consideration, after which the Commission shall again certify the plan to the court.

CHARLES A. WOLVERTON,
LEONARD W. HALL
WILSON D. GILLETTE,
A. L. BULWINKLE,
OREN HARRIS,
Managers on the Part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, the bill being considered concerns itself with railroad financial reorganization. It amends the Interstate Commerce Act by adding a new procedure whereby railroads may alter or modify their securities with the assent of 75 percent of each class of securities involved. This is accomplished with the approval of the Interstate Commerce Commission rather than through receivership or bankruptcy proceedings in the courts.

The purpose of the legislation is to aid in assuring the continuity of sound financial condition of railroads, by enabling them, so far as possible, to avoid prospective financial difficulties, inability to meet debts as they mature, and insolvency. It will aid in preventing the deterioration of service and the interruption of employment which the threat of financial difficulties inevitably brings. With the expiration of the McLaughlin Act there is no procedure under which this voluntarily may be done. The only alternative is a receivership or section 77 proceedings, with attendant elaborate, expensive, and time-consuming processes.

The bill as it passed the House provided for such voluntary action on the part of railroads, not now in bankruptcy, with regard to their obligations. The bill, as amended by the Senate, expands this coverage to include stocks as well as bonds. This meets the needs of several railroads with complicated preferred and common-stock structures.

The bill as amended by the Senate further makes provision for railroads now in bankruptcy availing themselves of this voluntary reorganization route. A railroad cannot use this procedure if a court order has been entered confirming the sale of its property or a court order confirming the plan has been entered or become final. Otherwise a railroad, with the consent of the court, and with the assent of holders of 25 percent of its securities, may apply to the Interstate Commerce Commission for utilizing this procedure. If a plan is approved by the Commission and satisfactory to the court, it terminates the bankruptcy proceedings. This Senate-added provision would permit some 20 railroads in bankruptcy proceedings to use this voluntary route, though all are not expected to do so.

The bill as amended by the Senate further requires the Interstate Commerce Commission and the courts to consider any changes in facts or conditions which have occurred since a reorganization plan under section 77 was approved by the Commission. Under this requirement, after 18 months any party to the proceeding may petition the court for a report by the Commission on any changes taking place that were not considered in its original report. If these are of sufficient substance, the Commission may modify the original plan. This provision is made, since at the present time there is no way for the Commission to revise its report to the court in the light of subsequent events.

The amendments made to the bill as it passed the House are fully acceptable to your conferees. They broaden the coverage provided by the House to include a permissive procedure for voluntary reorganization of stocks as well as bonds, and use of this procedure by railroads now in bankruptcy proceedings. This use, however, as now proposed in the Senate amendments is permissive and not mandatory, and is not open to carriers whose reorganization plan has been finalized by the courts.

I understand that the gentleman from Connecticut [Mr. MILLER] is interested in a phase of the bill with respect to which Senator MCMAHON also expressed interest when the bill was before the Senate. The gentleman from Connecticut [Mr. MILLER] has asked whether I can confirm his understanding that since the bill is silent on the matter, it is presumed that obligations created by operation for the account of debtors by trustees in other reorganization proceedings must be satisfied in the terminating of section 77 proceedings.

I think that the best way to answer the question of the gentleman from Connecticut would be to direct his attention to the answer made by Senator REED to a similar question propounded on the Senate floor on February 26 by Senator MCMAHON. Their discussion was as follows:

Mr. MCMAHON. I invite the Senator's attention to the following language on page 28 of the bill, beginning with line 2:

"Upon receipt by the court of notification that the Commission has authorized and approved such alteration or modification of the carrier's securities under this section as, in the judgment of the court, makes further receivership or section 77 proceeding unnecessary, the court shall enter an order restoring custody of the property to the debtor, and making such other provision as may be necessary to terminate the equity receivership or section 77 proceeding."

I take it the court would have the power under that language to provide for the discharge of any operating liens or any obligations incurred during the trusteeship. Am I correct in that interpretation?

Mr. REED. My answer to the Senator from Connecticut is, "Yes." I interpret the present language of the bill as making possible such other provisions as may be necessary to terminate the equity receivership or section 77 proceeding.

Mr. MCMAHON. Would that take care of all kinds of operating liens and obligations?

Mr. REED. I am familiar with the situation of the New York, New Haven & Hartford. I was told yesterday about the desire of that railroad to be sure. My answer to the Senator from Connecticut is that what they want is taken care of by the present language of the bill.

I also wish to call the attention of the gentleman from Connecticut [Mr. MILLER] to the fact that the statement of the managers on the part of the House which appears as part of our conference report said:

Since the bill does not purport to affect adversely obligations or liens created by the operation for the account of debtors by trustees in other reorganization proceedings or former lessees, it appears unnecessary expressly to state that such obligations must be satisfied.

This was included in the report to make plain that it was the intention to take care of the situation in which the gentleman is interested. There is no difference of opinion on the part of the conferees that the language of the bill does accomplish what is desired by the gentleman.

I also wish to answer a question that I understand is in the mind of the gentleman from Florida [Mr. ROGERS] and also the gentleman from Georgia [Mr. VINSON] to the effect of how will this bill affect a road that has suffered a principal default but which at the date of the enactment of the bill is not in either equity receivership or proceedings for its reorganization under section 77 of the Bankruptcy Act.

This situation was brought to the attention of the House conferees. On its face, the bill contains no provision for that situation, for a corporation in that situation could file a petition under the new section 20b, but there would be nothing to prevent actions on its obligations being prosecuted, or to prevent it from being thrown into equity receivership or in proceedings for its reorganization under section 77, and amendments to meet that situation were suggested. Objections to the suggested amendments were made by the Senate conferees on the ground that they had refused to consider other suggested amendments, and they could not consistently accept the amendments suggested by the House conferees. The House conferees were confident that if a petition under the new section 20b was filed by a railroad in that situation and subsequently thereto a petition for an equity receivership or for the approval of a petition for reorganization under section 77 of the Bankruptcy Act was filed, the court before which such proceedings were brought would not in the proper exercise of its discretion appoint a receiver or approve a petition under section 77 while there was pending before the Interstate Commerce Commission a petition filed under the new section 20b. I might say, also, that the conferees felt that in the event actions at law to recover judgments upon the obligations or securities were pending at the time a petition was filed under the new section 20b, or if such actions at law were brought subsequently to the enactment of the new section 20b, the court before which such actions were pending would have a like discretion to postpone entry of judgment, or the levy of execution or other proceedings supplementary to judgments already secured, until such time as it could be determined whether or not the obligations of such a railroad could be successfully reorganized under the expeditious procedure provided for by the new section 20b. Consequently, the House conferees did not insist upon the suggested amendments.

I am of the opinion that this bill is of a highly constructive character and will go a long way toward maintaining the financial stability of the railroads which we all so eagerly seek.

Mr. MILLER of Connecticut. Mr. Speaker, may I just take a moment to express my appreciation to the chairman of the House Committee on Interstate and Foreign Commerce, the gentleman from New Jersey [Mr. WOLVERTON], for

the fine explanation he has just made of the section of this bill that is of particular concern to the New York, New Haven & Hartford Railroad. I am sure that his remarks will make the intent of Congress doubly clear.

HOUSING AND RENT-CONTROL BILL OF 1948

Mr. WOLCOTT. Mr. Speaker, I call up the conference report on the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. RANKIN. Reserving the right to object, Mr. Speaker, I want to know who represents our side of the House on that committee. Who is our ranking man?

Mr. FOLGER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from North Carolina.

Mr. FOLGER. I believe I am the only Member on our side of the committee that is on the floor now.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, if we are going to hold these sunrise seances, we ought to have the Members here. I therefore make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 29]

Abbitt	Fernandez	Keogh
Allen, Ill.	Flannagan	Kirwan
Andersen, H. Carl	Fuller	Lea
Andrews, Ala.	Gallagher	LeFevre
Auchincloss	Gathings	Lesinski
Barden	Gillie	Lewis
Bates, Ky.	Goff	Ludlow
Battle	Gordon	McCormack
Bell	Gorski	McDowell
Bennett, Mich	Granger	McMillan, S. C.
Blackney	Grant, Ala.	McMillen, Ill.
Bland	Grant, Ind.	Maloney
Bonner	Gregory	Manasco
Boykin	Griffiths	Mason
Brehm	Gross	Mitchell
Brown, Ohio	Gwinn, N. Y.	Morrison
Buck	Gwynne, Iowa	Morton
Bulwinkle	Harless, Ariz.	Mundt
Byrne, N. Y.	Harness, Ind.	Murray, Wis.
Camp	Harris	Norrell
Carson	Hartley	Passman
Chapman	Hendricks	Patman
Chiperfield	Herter	Pfeifer
Clark	Heselton	Ploeser
Clippinger	Hess	Plumley
Cole, N. Y.	Hill	Poage
Corbett	Hinshaw	Price, Fla.
Cotton	Hoeven	Rains
Coudert	Holifield	Redden
Cox	Hope	Reed, Ill.
Dague	Horan	Richards
Dawson, Ill.	Jarman	Riehlman
Dingell	Jenkins, Ohio	Rizley
Dirksen	Johnson, Ill.	Robertson
Dondero	Johnson, Tex.	Rooney
Douglas	Jones, Wash.	Sarbacher
Durham	Kearns	Scott, Hugh D., Jr.
Elliott	Kefauver	Shafer
Fernandez	Kennedy	Short
Flannagan	Somers	Vail
Fuller	Simpson, Pa.	Stanley	Vinson
Gallagher	Smith, Maine	Taylor	West
Gathings	Smith, Ohio	Thomas, N. J.	Worley

The SPEAKER. On this roll call, 301 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourn today, it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. BEALL asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances.

Mr. KUNKEL asked and was given permission to extend his remarks in the RECORD and include a statement by Mr. Gurden M. Higley.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and to include an article and an editorial.

Mr. RUSSELL asked and was given permission to extend his remarks in the RECORD in two instances and include a letter from the Railroad Retirement Board in one instance, and in the other some remarks by George E. Reedy, veteran news commentator, over Station WOL this morning on taxes.

Mr. ALLEN of California asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an article.

COMMITTEE ON PUBLIC LANDS

Mr. WELCH. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ARMED SERVICES COMMITTEE

Mr. BATES of Massachusets. Mr. Speaker, I ask unanimous consent that the Subcommittee on Posts and Stations of the Armed Services Committee be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. KEATING asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial from the Brighton Pittsford newspaper, and in the other to include a letter to the editor of the Washington Times-Herald.

SPECIAL ORDER GRANTED

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent that on next Thursday, April 1, I may address the House for 45 minutes after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD.

Mr. McGREGOR asked and was given permission to revise and extend the remarks he expects to make in Committee of the Whole today and include certain charts and newspaper articles.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include an editorial from the Pittsburgh Post-Gazette.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include a resolution from a veterans' organization in his district.

Mr. CROSSER asked and was given permission to extend his remarks in the RECORD on the subject of railroad retirement.

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD in two instances and include certain articles.

Mr. O'BRIEN asked and was given permission to extend his remarks in the RECORD and include a letter and a resolution he received from the Joseph Mordecai Brenner Relief Society.

Mr. FISHER asked and was given permission to extend his remarks in the RECORD and include a radio interview between himself and Hon. Claude R. Wickard, Administrator of the National Rural Electrification Administration.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include some extraneous matter.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD in two instances and insert newspaper articles.

Mr. HAGEN asked and was granted permission to extend his remarks in the RECORD on the subject of the Eagles Lodge and its fiftieth anniversary.

Mrs. ROGERS of Massachusetts asked and was granted permission to extend her remarks in the RECORD and include certain information from the Government and certain newspaper information.

Mr. BENDER asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Cleveland Plain Dealer.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that today, after any other special orders heretofore entered, I may address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

HOUSING AND RENT CONTROL BILL OF 1948

Mr. WOLCOTT. Mr. Speaker, I renew my request that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Housing and Rent Act of 1948.'

"TITLE I—AMENDMENTS TO TITLE I OF HOUSING AND RENT ACT OF 1947

"SEC. 2. Section 1 (b) of the Housing and Rent Act of 1947, as amended, is hereby repealed.

"SEC. 3. Section 4 of such Act, as amended, is amended by striking out 'April 1, 1948' wherever such date appears therein and inserting in lieu thereof 'April 1, 1949.'

"TITLE II—MAXIMUM RENTS

"SEC. 201. Section 202 (c) of such Act, as amended, is amended by striking out paragraphs (2) and (3) thereof and inserting in lieu of such paragraphs the following:

"'(2) any motor court, or any part thereof; any trailer or trailer space, or any part thereof; or any tourist home serving transient guests exclusively, or any part thereof; or

"'(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947, except that contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect; or (B) which for any successive twenty-four month period during the period February 1, 1945, to the date of enactment of the Housing and Rent Act of 1948, both dates inclusive, were not rented (other than to members of the immediate family of the landlord) as housing accommodations; or (C) the construction of which was completed on or after February 1, 1945, and prior to February 1, 1947, and which between the date of completion and June 30, 1947, both dates inclusive, at no time were rented (other than to members of the immediate family of the landlord) as housing accommodations; or

"'(4) nonhousekeeping, furnished housing accommodations, located within a single dwelling unit not used as a rooming or boarding house, but only if (A) no more than two paying tenants, not members of the landlord's immediate family, live in such dwelling unit, and (B) the remaining portion of such dwelling unit is occupied by the landlord or his immediate family.'

"SEC. 202. (a) Section 204 (a) of such Act, as amended, is amended by striking out 'March 31, 1948' and inserting in lieu thereof 'March 31, 1949'.

"(b) Section 204 (b) of such Act, as amended, is amended to read as follows:

"'(b) (1) Subject to the provisions of paragraphs (2) and (3) of this subsection, during the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on June 30, 1947: *Provided, however,* That the Housing Expediter shall, by regulation or order, make such individual and general adjustments in such maximum rents in any defense-rental area or any portion thereof, or with respect to any housing accommodations or any class of housing accommodations within any such area or any portion thereof, as may be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title. In the making of adjustments to remove hardships due weight shall be given to the question as to whether or not the landlord is suffering a loss in the operation of the housing accommodations.

"'(2) In any case in which a landlord and tenant, on or before December 31, 1947, in accordance with the provisions of this subsection as then in effect, voluntarily entered into a valid written lease in good faith with respect to any housing accommodations, such housing accommodations shall not be subject to any maximum rent established or maintained under the provisions of this title unless such lease is hereafter terminated or expires before March 31, 1949, in which case the maximum rent for such housing accommodations shall, through March 31, 1949, be not in excess of 15 per centum over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948: *Provided,* That the landlord and a tenant (including any new tenant) may enter into a new voluntary lease subject to the conditions, specified in paragraph (3) of this subsection, applicable with respect to landlords and tenants who have not heretofore entered into voluntary leases, except that no maximum rent need be in effect on the date of execution of such new lease.

"'(3) In any case in which a landlord and tenant (including any new tenant) on or before December 31, 1948, voluntarily enter into a valid written lease in good faith (at any rental agreed upon in the lease, but not in excess of 15 per centum over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948) with respect to any housing accommodations for which a maximum rent is in effect under this section, and such lease takes effect on or after the effective date of the Housing and Rent Act of 1948 and expires on or after December 31, 1949, and if a true and duly executed copy of such lease is filed, within fifteen days after the date of execution of such lease, with the Housing Expediter, such housing accommodations shall not thereafter be subject to any maximum rent established or maintained under the provisions of this title unless such lease is terminated before March 31, 1949. If any such lease is so terminated the maximum rent (unless a subsequent lease entered into under the provisions of this paragraph is in force) shall be not in excess of 15 per centum over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948.

"'(4) A landlord shall file a report with the Housing Expediter of any termination of a lease entered into under this subsection prior to the expiration date of the lease, including leases entered into under this subsection prior to the date of enactment of the Housing and Rent Act of 1948. Such report shall be filed within fifteen days after such termination or fifteen days after the effective date of such Act, whichever is the later date.'

"(c) Section 204 (c) of such Act, as amended, is amended to read as follows:

"'(c) The Housing Expediter is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect, in any defense-rental area or portion thereof or with respect to any class of housing accommodations in any such area or portion thereof, if in his judgment the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met. The Housing Expediter shall from time to time make surveys with a view to carrying out the purpose of this subsection to decontrol housing accommodations at the earliest practicable time.'

"(d) Section 204 (e) of such Act, as amended, is amended to read as follows:

"'(e) (1) The Housing Expediter is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area, to be appointed by the Housing Expediter, from recommendations made by the respective Governors: *Provided,* That in any case where the Governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within thirty days after request therefor (subsequent to the date of enactment of the Housing and Rent Act of 1948) from the Housing Expediter, the Housing Expediter shall without such recommendations appoint the original members of such boards or such members as may be required to fill vacancies. Nothing in the foregoing provision shall require the reappointment of present members of local advisory boards, but any change in the membership of any local advisory board necessitated by this provision shall be effectuated as promptly as may be practicable. Each such board shall have sufficient members to enable it promptly to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this title within its area; and before recommending any such adjustment the board shall give notice to the parties and shall hold a hearing at the request of either party. Any local board may make such recommendations to the Housing Expediter as it deems advisable with respect to the following matters:

"'(A) Removal of any or all maximum rents in the area, or any portion thereof, over which the local board has jurisdiction, or with respect to any class of housing accommodations within such area or any portion thereof, if in the judgment of the local board the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met; and

"'(B) Adjustments, other than individual adjustments, in maximum rents in such area or any portion thereof or with respect to any class of housing accommodations within such area or any portion thereof, deemed by

the local board to be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title; and

"'(C) Operations generally of the local rent office with particular reference to hardship cases.

"'(2) The Housing Expediter shall furnish the local boards suitable office space and stenographic assistance and shall make available to such boards any records and other information in the possession of the Housing Expediter with respect to the establishment and maintenance of maximum rents and housing accommodations in the respective defense-rental areas which may be requested by such boards.

"'(3) Upon receipt of any recommendation from a local board, the Housing Expediter shall promptly notify the local board, in writing, of the date of his receipt of such recommendation. Except as provided hereinafter in this subsection, within thirty days after receipt of any recommendation of a local board such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in thirty days. Any recommendation of a local board appropriately substantiated and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

"'(4) For the purposes of paragraph (3) any recommendation of a local board as to a matter referred to in paragraph (1) (A) or (B) shall be deemed to be appropriately substantiated and in accordance with applicable law and regulations, and shall be carried into effect as hereinafter provided—

"'(A) if the local board held a public hearing on such matter, at which interested persons (including representatives of the State and of political subdivisions thereof) were given a reasonable opportunity to be heard, by interpleader or otherwise, with right to be represented by counsel;

"'(B) if notice of the date, time, place, and purpose of such hearing was given (i) in writing to the Governor of the State not less than fifteen days prior to such date, and (ii) by publication in a newspaper of general circulation in the area over which the local board has jurisdiction at least fifteen days prior to such date, and a second notice was given by publication in such a newspaper at least five days prior to such date;

"'(C) if a copy of the local board's recommendation was filed with the Governor of the State within five days after such recommendation was mailed to the Housing Expediter;

"'(D) if a record is made of the evidence adduced at the public hearing held by the local board, and the local board certifies and transmits to the Housing Expediter, with such recommendation, a transcript of such record, or of those parts of such record, upon which its recommendation is based and a written statement of its findings made upon the basis of such record; and

"'(E) if the record so certified and transmitted to the Housing Expediter contains adequate and substantial evidence to support the findings and recommendation of the local board.

If the Housing Expediter does not approve such recommendation within 30 days after the the date of its receipt by him, he shall, within 5 days after the expiration of such 30 day period, file such recommendation in the Emergency Court of Appeals, together with the record and statement of findings of the local board and such statement as the Housing Expediter may desire to make as to his views on the matter. The statement of the Housing Expediter may be accompanied by such supporting information as the Housing Expediter deems appropriate. Thereupon the Emergency Court of Appeals shall have jurisdiction to enter, within 30 days after the date of its receipt of such recommendation from the Housing Expediter (or within such additional period of not more than 30 days as the court may find necessary in exceptional cases), an order approving or disapproving the recommendation of the local board. The recommendation, record, and statement of findings of the local board, together with the statement and supporting information filed by the Housing Expediter, shall constitute the record before the court. If the court determines that the recommendation is not in accordance with law, or that the evidence in the record before the court, including such additional evidence as may be adduced before the court, is not of sufficient weight to justify such recommendation, the court shall enter an order disapproving such recommendation; otherwise it shall enter an order approving such recommendation. The judgment and decree of the court shall be final. The powers heretofore granted by law to the Emergency Court of Appeals are hereby continued for purposes of exercise of the jurisdiction granted by this subsection. The court shall prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this paragraph. The Housing Expediter, the local board, and representatives of the State or States involved, shall be granted, to the extent determined by the court, an opportunity to be heard, by interpleader or otherwise, with right to be represented by counsel.

"'(5) Any recommendation to which paragraph (4) applies, if an order of disapproval thereof has not been entered by the Emergency Court of Appeals within the time prescribed in such paragraph, shall be carried out by the Housing Expediter—

"'(A) if it is with respect to a matter referred to in paragraph (1) (A), so that the decontrol is effected, retroactively if necessary, on the date recommended by the local board, but not before sixty days after the date of the receipt of such recommendation by the Housing Expediter: *Provided*, That during the period of ninety days beginning with the date on which such decontrol is effected, the provisions of section 209 of this title shall be in effect as though such decontrol had not been effected; and

"'(B) if it is with respect to a matter referred to in paragraph (1) (B), so that the adjustment in maximum rents is effected, retroactively if necessary, on the date recommended by the local board, but not before thirty days after the receipt of the recommendation by the Housing Expediter.

"'(6) In addition to employees furnished under paragraph (2), local boards are hereby authorized to employ such attorneys as may be necessary for purposes of hearings and court proceedings under this subsection; and may pay the necessary costs of reporting hearings, but the cost of stenographic services in reporting such hearings shall not be in excess of twenty-five cents per hundred words, with one additional copy at a cost of not exceeding five cents per hundred words. Attorneys shall be paid not to exceed $25 per day when actually employed, and shall be allowed necessary traveling and subsistence expenses.

"'(7) Immediately upon the enactment of the Housing and Rent Act of 1948 the Housing Expediter shall communicate with the Governors of the several States advising them of the provisions of this subsection as amended and of the number and location of defense-rental areas in their respective States and the areas or portions thereof in which boards are to be appointed therein, and requesting the cooperation of the Governors of the several States in carrying out such provisions.'

"(e) Section 204 (f) of such Act, as amended, is amended to read as follows:

"'(f) The provisions of this title shall cease to be in effect at the close of March 31, 1949.'

"(f) Section 204 of such Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"'(g) Nothing in this title shall be interpreted or construed to authorize the Housing Expediter to prohibit, in the case of any rental agreement hereafter entered into, the demand, collection, or retention of a security deposit, if said deposit does not exceed the rent for one month in addition to the otherwise authorized collection of rent in advance, if the demand, collection, or retention of such a security deposit was an accepted rental practice, prior to January 30, 1942, in the area in which the premises are located, or was customarily required before that date by the same landlord in the renting of the particular housing accommodations involved, and if the tenant is allowed, under the terms of the rental agreement, to occupy the premises for the period covered by the security deposit without further payment of rent.'

"SEC. 203. Section 206 of such Act, as amended, is amended to read as follows:

"'SEC. 206. (a) It shall be unlawful for any person to offer, solicit, demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204 or otherwise to do or omit to do any act in violation of any provision of this title.

"'(b) Whenever in the judgment of the Housing Expediter any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of any provision of this title, he may make application to any Federal, State, or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such provision, and upon a showing by the Housing Expediter that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.'

"SEC. 204. (a) Section 209 (a) (2) of such Act, as amended, is amended to read as follows:

"'(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations, or for the immediate and personal use and occupancy as housing accommodations by a member or members of his immediate family, or, in the case of a landlord which is an organization exempt from taxation under section 101 (6) of the Internal Revenue Code, for the immediate and personal use and occupancy as housing accommodations of members of its staff: *Provided*, That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no action or proceeding under this paragraph or paragraph (3) to recover possession of any such housing accommodations shall be maintained unless stock in the cooperative corporation or association has been purchased by persons who are then stockholder tenants in occupancy of at least 65 per centum of the dwelling units in the structure or premises and are entitled by reason of stock ownership to proprietary leases of dwelling units in the structure or premises; but this proviso shall not apply where such corporation or association acquires or leases such structure or premises after the effective

date of the Housing and Rent Act of 1948 pursuant to a contract entered into prior to such date;'.

"(b) Section 209 (a) (4) of such Act, as amended, is amended to read as follows:

"'(4) the landlord seeks in good faith to recover possession of such housing accommodations (A) for the immediate purpose of substantially altering or remodeling the same for continued use as housing accommodations, or for the immediate purpose of conversion into additional housing accommodations, and the altering, remodeling, or conversion cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any conversion planned, or (B) for the immediate purpose of demolishing such housing accommodations;'.

"(c) Section 209 (a) (5) of such Act, as amended, is hereby repealed.

"(d) Section 209 (a) of such Act, as amended, is amended by adding after paragraph (4) thereof two new paragraphs to read as follows:

"'(5) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of withdrawing such housing accommodations from the rental market, and such housing accommodations shall not thereafter be offered for rent as such; or

"'(6) the housing accommodations have been acquired by a State or any political subdivision thereof for the purpose of making a public improvement and are rented temporarily pending the construction of such improvement.'

"(e) Section 209 of such Act, as amended, is amended by adding at the end thereof the following new subsection:

"'(c) No tenant shall be obliged to surrender possession of any housing accommodations pursuant to the provisions of paragraph (2), (3), (4), (5), or (6) of subsection (a) until the expiration of at least sixty days after written notice from the landlord that he desires to recover possession of such housing accommodations for one of the purposes specified in such paragraphs.'

"TITLE III—MISCELLANEOUS

"SEC. 301. Section 2 (a) of the Administrative Procedure Act, as amended, is amended by inserting after 'Housing and Rent Act of 1947' the following: ', as amended'.

"SEC. 302. Nothing in this Act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

"SEC. 303. Nothing in this Act shall be construed to impose or authorize the imposition of maximum rents upon any housing accommodations in any defense-rental area or portion thereof, or upon housing accommodations of a class, in the case of which maximum rents have been removed by administrative action in accordance with the provisions of the Housing and Rent Act of 1947; and nothing in this Act shall be construed to affect any adjustment in maximum rent made in accordance with the Housing and Rent Act of 1947.

"SEC. 304. Section 2 of Public Law 301, Eightieth Congress, approved July 31, 1947 (relating to eviction of tenants from publicly operated housing accommodations), as amended, is hereby amended by striking out 'April 1, 1948' and inserting in lieu thereof 'April 1, 1949'.

"SEC. 305. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 306. This Act shall become effective on the first day of the first calendar month following the month in which it is enacted."

And the House agree to the same.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
BRENT SPENCE,
PAUL BROWN,
MIKE MONRONEY,
Managers on the Part of the House.

CHARLES W. TOBEY,
HARRY P. CAIN,
RALPH E. FLANDERS,
GLEN H. TAYLOR,
JOHN J. SPARKMAN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. The substitute agreed to substantially follows the House amendment. Except for clarifying, clerical and minor changes, the differences between the House amendment and the substitute agreed to in conference are explained below.

Under paragraph (1) of subsection 202 (c) of the 1947 act, hotels were decontrolled, generally speaking. The administration of the provisions of this paragraph has not been satisfactory and has resulted in a great deal of confusion. One of the difficulties grew out of the issuance by the Housing Expediter of a regulation which substituted the word "including" for the words "such as" used in the act, in referring to the several types of services used for the purpose of determining what constitutes "customary hotel services." The effect of this regulation, of course, was to require that all the services specified in the law must be present before the housing accommodations were decontrolled. That was not the intent of Congress when the 1947 act was passed. Not necessarily all the types of services named in the act as examples need be provided in all cases, as long as enough are provided to constitute customary hotel services usually supplied in establishments commonly known as hotels in the community where they are located. Another difficulty was that some of the regional offices of the Housing Expediter had construed the word "provide" to require that the services must actually be received by the tenant. It would seem to be obvious that when the Congress used the language "which are occupied by persons who are provided customary hotel services, etc." it had in mind that these services must only be made available, whether or not accepted. The Senate bill inserted language seeking to make the intent of Congress clear. The managers on the part of the House were of the opinion that notwithstanding any language in the House report the specific changes in language suggested by the Senate were not necessary to carry out that intent. Accordingly the conference agreement makes no change in the language of the present law.

The Senate bill decontrolled nonhousekeeping furnished housing accommodations located within a single dwelling unit not used as a rooming or boarding house and the remaining portion of which is occupied by the landlord or his immediate family. There was no corresponding provision in the House amendment. The conference substitute retains the Senate provision with clarifying changes.

The Senate bill provided that among others the Housing Expediter should make adjustments necessary to prevent any person from suffering a loss in the operation of any controlled housing accommodations. The conference agreement provides instead that in the making of adjustments to remove hardships due consideration shall be given to the question as to whether or not the landlord is suffering a loss in the operation of the housing accommodations.

The Senate bill provided that the voluntary leases hereafter entered into must be entered into on or before December 31, 1948. Under the House amendment these leases might be entered into at any time prior to the expiration of the law. The conference substitute includes the Senate provision.

The Senate bill contained a provision requiring landlords to file a report with the Housing Expediter of any termination of a lease entered into under the voluntary lease provision prior to the expiration date of the lease. This provision is retained in the conference agreement.

The House amendment decontrolled any housing accommodations leased temporarily by a State or any political subdivision thereof during the period between the acquisition of the same for the purpose of public improvement and the construction of such improvement thereon. In lieu of this provision the conference substitute permits eviction if the housing accommodations have been acquired by a State or any political subdivision thereof for the purpose of making a public improvement and are rented temporarily pending the construction of such improvement.

Section 204 (e) (1) of the 1947 act provided that each local advisory board should consist of not less than five members who are representative citizens of the area. This subsection is amended by the conference substitute (as it was by both the Senate bill and the House amendment) to provide that each such board is to consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area. This change in the character of the composition of a board will require the Housing Expediter to rescreen each board as presently constituted to assure that, in the future, each such board meets the new requirements. Any change in the membership of any local advisory board necessitated by this provision shall be effectuated as promptly as may be practicable.

The House amendment contained amendments to section 204 (e) of the 1947 act, providing that when local boards complied with certain specified procedural requirements the recommendations of such boards with respect to decontrol or general rent adjustments had to be carried out by the Housing Expediter. These provisions have been retained in the conference substitute, but provisions have been added providing for the making of a record by the local board to support its recommendation, and providing for review of the matter by the Emergency Court of Appeals in those cases where, within a specified time, the local board recommendation is not approved by the Housing Expediter.

The House amendment added to section 204 of the 1947 act a new subsection providing that the Housing Expediter should not

be authorized to prohibit the demand, collection, or retention of a security deposit, in connection with rental of property, of not to exceed 1 month's rent in addition to otherwise authorized rent in advance, under certain specified conditions. The corresponding provision in the conference substitute limits this provision to cases where the collection, demand, or retention of such a deposit was an accepted rental practice prior to January 30, 1942, in the area in which the premises are located, or was customarily required before that date by the same landlord in the renting of the particular housing accommodations involved.

The conference substitute contains the provision of the Senate bill enlarging the injunction powers of the Housing Expediter to include any violation of title II of the act.

The Senate bill provided that a landlord could recover possession of housing accommodations for the immediate and personal use of his father, mother, grandfather, grandmother, son, or daughter. The House amendment, instead of listing relatives, used the words "a member or members of his immediate family." The conference substitute retains the House language which, although not definitive, is intended to include as a member or members of the landlord's immediate family, the following: Spouse, father, mother, son, daughter, brother, sister, grandfather, grandmother, great-grandfather, great-grandmother, grand-son, grand-daughter, son-in-law, daughter-in-law, brother-in-law, sister-in-law, father-in-law, mother-in-law.

Both the Senate bill and the House amendment, in rewriting section 209 (a) (2) of the 1947 act, contained a proviso restricting eviction actions in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association. In the conference substitute this proviso is also made applicable to paragraph (3) of section 209 (a) and the proviso is made inapplicable in any case where the corporation or association acquires or leases such structure or premises after the effective date of the Housing and Rent Act of 1948 pursuant to a contract entered into prior to such date.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
BRENT SPENCE,
PAUL BROWN,
MIKE MONRONEY,
Managers on the Part of the House.

Mr. WOLCOTT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, as the statement of the managers on the part of the House points out, the bill as it comes back to the House is substantially the bill which the House passed. The only major difference is in respect to the review by a regularly constituted court of the recommendations made by the local boards in those cases where the Expediter refuses to follow the recommendation of the local board where he holds there is not adequate and substantial evidence to justify the recommendation.

It will be recalled that there was a great deal of talk about the attitude of the Senate and the House in respect to this bill. It was said repeatedly that there was no area in which a compromise might be effected. I might say that the conference was harmonious; everyone acted as they should, as perfect gentlemen; we were conciliatory, we were cooperative, we finally reported out a bill which I think we all agree is a better bill than either the Senate or House bill. Although we thought that the House bill was almost perfect, I think the action of the conference brings the House bill up to perfection. I think we had to recognize that there was one weakness in the House bill; that was that there was little or no check against possible aribitrary action by the local board. It was theoretically possible for a local board to make a recommendation based upon no evidence before it at the hearing. To guard against that, and also arbitrary actions by the rent administrator in refusing to follow the recommendations, we have provided that the local boards make a record of their hearings and the bill provides for stenographic and reporting services to accomplish that. Then if the rent administrator refuses to follow the recommendations because there is not adequate and sufficient evidence on which the local board might have predicated its recommendation, the matter is immediately certified to the Emergency Court of Appeals. The procedure constitutes an automatic review by the Emergency Court of Appeals.

In certifying the record of the local board to the Emergency Court of Appeals, the Expediter may attach to this record any statement which he may make or any evidence which he might think should be adduced before the Emergency Court of Appeals to justify his action in refusing to follow the recommendations. The issue is joined before the Emergency Court of Appeals primarily on that record, but the Emergency Court of Appeals may by rule provide for further hearings, it may provide for arguments, briefs, and so forth. As a matter of fact, the Emergency Court of Appeals is not tied to any particular rule or standard in the review of these matters, the object being primarily to see that justice and equity is done. So we provide that if the court holds that the evidence and record before the court, including such additional evidence as may be adduced by the board, is not of sufficient weight to justify such recommendation, then the court shall not disturb the findings of the rent administrator.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Speaker, I yield myself four additional minutes. The House should recognize the trouble we have always had with this subject. I personally want to pay my compliment and express my appreciation for the very splendid job done by the conferees on the part of the House, both on the Republican and Democratic sides. They approached this matter with the idea that we must have rent control extended through March 31, 1949. I think you will all agree we have done a very, very splendid job in harmonizing these differences which seemed to be almost insolvable when we started.

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Illinois.

Mr. BUSBEY. I wonder if the chairman of the Committee on Banking and Currency will explain to the House where this Emergency Court of Appeals is located. Is it here in Washington?

Mr. WOLCOTT. Yes. The members of the Emergency Court of Appeals were provided for under the old OPA law. The organization of the court was made possible under the OPA Act. The law provides that the members of the Emergency Court of Appeals shall be named by the Chief Justice of the United States and the court may sit anywhere in the United States. They have done so.

They have three very outstanding district judges, men of judicial temperament and with enviable records on the bench behind them. We think the court is a very fine one and has operated splendidly. Frankly, it surprised me when a few days ago we were looking into the situation to find the Emergency Court of Appeals still in existence. However, there are some tail-end cases which have not been disposed of, so we found the Emergency Court of Appeals functioning in all its glory, therefore nothing had to be done to continue it, but as a safeguard we have continued it for this purpose.

Mr. BUSBEY. What I am concerned about, for instance, is if a tenant in Chicago would file a complaint——

Mr. WOLCOTT. I anticipate the gentleman's question and will say that under the OPA law, and under the organization of the Emergency Court of Appeals, they can and do sit anywhere in the United States. And, to save people from coming to Washington, they have gone to the place where the issue arose.

Mr. BUSBEY. That is the point I want to make clear, that they would not have come down here to Washington.

Mr. WOLCOTT. That is why the court has endeared itself so much to us. They have cooperated splendidly to carry out these laws in all respects.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Ohio.

Mr. ELSTON. I would like to ask the gentleman if the law, as finally enacted, imposes any control over property that has heretofore been decontrolled? I refer particularly to buildings constructed since February 1947.

Mr. WOLCOTT. As a matter of fact, we specifically say that they shall not be recontrolled.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. WALTER. What is meant by the term "adequate and substantial"? What does "adequate" mean? Of course, "substantial evidence" has a well-known meaning.

Mr. WOLCOTT. The assumption was, as a matter of compromise—and I speak only for my own interpretation—that in order to be substantial it must be adequate.

Mr. WALTER. In that connection, was it the intention of the conferees to follow the rule laid down in the Consolidated Edison case by the Supreme Court?

Mr. WOLCOTT. I do not know. I think perhaps that was one case that was not before the conferees. I might say to the gentleman that he hit upon the primary controversy in this bill, and I might explain that when we went back into conference last night at 9 o'clock, thinking that we had this thing all ironed out, we debated that provision, and one other which was affiliated with it, for 2½ hours. We left our conference room, I think, a little after 11:30, after satisfying everybody by writing the word "adequate" in there in addition, if it is in addition, to "substantial evidence."

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Illinois.

Mr. OWENS. The question I want to ask is along the same line, whether or not we should use the same words that have always been used in appeal cases; that is, the decision would be sustained unless it was against the manifest weight of the evidence.

Mr. WOLCOTT. Well, we discussed weight of the evidence, we discussed preponderance of the evidence, and we discussed substantial evidence, and came up with this language which we thought more clearly reflected the attitude of the House and the Senate in that respect.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. First I want to express my appreciation for the inclusion of my amendment, the only amendment that was offered and accepted when the bill was before us, "persons who are then stockholder tenants in occupancy" which is found in section 204. I want to ask the gentleman this question: The gentleman has just spoken of these additional hearings, with a lot of evidence to be taken by this agency. Does the gentleman have any idea as to the amount of additional cost that will have to be appropriated because of these expensive hearings?

Mr. WOLCOTT. There will be additional costs, because we authorize, in effect, the Housing Expediter to approve the vouchers of the local board for stenographic and reporting services to make the record which is being reviewed.

Mr. CHURCH. Of course, that cost will be enormous.

Mr. WOLCOTT. It is restricted. If the gentleman will read the language—and we had the gentleman's objection in mind—he will find that it is restricted, and I think the gentleman will be pretty well satisfied with the restriction we put in.

Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, we might as well admit the facts. This is a continuation of the so-called rent-control program, one of the most discouraging movements that has ever been instituted so far as the men and women who really constitute the bedrock of this Nation are concerned. I mean the small property owners.

Up to this last war we advocated thrift. Everywhere we had been taught to admire the man or the woman who saved, who did not spend everything they made in riotous living, but who saved to own a home, or a small piece of property. Now we are subjecting them to just about the same treatment they would get in a Communist country, where they are dragged from one commissar to another.

How much hope does a person who owns a home or small house that he rents out have if he has to go to the court that has been mentioned here? Where are we going? Are we going to destroy the fundamentals upon which this Government is founded?

I call your attention to a button I happen to have with me, a new States' rights Democratic button, with Jefferson's picture on it, issued by the people of Mississippi. We had better get back to States' rights.

Why not turn this proposition back to the States? If the people of New York want to put this control on in New York, that is their business, but why continue a Nation-wide organization to harass the individual, the man or the woman who tries to own a little property?

By the continuation of this law you are discouraging the ownership of property throughout the United States, in practically every State of this Union, and when you do that you deal one of the hardest blows to the American system of government and the American way of life. The best thing we can do is kill this conference report and let this entire measure go dead. Then let the people of the States take it up. If they desire such a measure in their own States, let them adopt it.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Illinois.

Mr. CHURCH. I commend the gentleman on his statement. If we are going to have Federal rent control we must have hearings, and there will be tons and tons and tons of costly appropriations for these hearings. It just shows the absurdity of how far they have to go and how many hearings will have to be held in connection with a Federal activity of this sort.

Mr. RANKIN. Not only that, but every little individual property owner that has a controversy with some tenant will have to employ a lawyer, go to Federal court, and probably go through a long siege of costly litigation. I say it is a menace to the foundation of American institutions, and I take this opportunity to register my protest against it. I believe that if every man in this House voted his honest convictions, it would be defeated.

This is a question of right and wrong. When you come to decide a question of right and wrong, it ought not to be decided on the basis of the political majority in a given community.

This report should be voted down. Let this Federal rent law cease. Then if the States want to put it on, let them adopt it and then control it in their own jurisdictions.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I join with the distinguished chairman of our committee in congratulating the conferees on their agreement in this report. Since I voted against the original bill and intend to vote in favor of the report, I think I should inform the House of the reasons which impelled me to take this course. The original bill vested in 665 local boards scattered throughout the United States the arbitrary power to increase or reduce rents or to decontrol the defense rental areas over which they had jurisdiction. From the local boards there was no substantive appeal. The only question that could be considered on appeal to the Housing Expediter was the question of whether or not the local board followed the forms of procedure and the substantial justice could not be considered. I voted against that bill because of that provision. I am in favor of the conference report because a real and substantial review is provided. I am not going to discuss the technicalities, but if the record and the findings of the local board are certified to the Expediter, and he does not agree with them within a certain time, there is an automatic appeal to the Emergency Court of Appeals. The judges of the Emergency Court of Appeals were appointed from the district and circuit benches. They were appointed by the Chief Justice of the United States who knew more of the industry, capacity, and fidelity to duty of the judges than anyone in the United States. Former Chief Justice Stone appointed these men who are all skilled in the law, familiar with the rules of evidence, and eminently qualified to render just decisions. On appeal the Emergency Court of Appeals has final jurisdiction as to whether or not the findings of a local board are supported by adequate and substantial evidence. "Adequate evidence" means legally sufficient evidence and "substantial evidence" means pertinent and material evidence. No padlock is placed upon the mind of the court to prevent it from exercising its appellate jurisdiction freely and to the fullest extent. I think it is contrary to the spirit of our Constitution and the fundamental principles of our Government to place in a local board for which no qualifications are prescribed or no causes for disqualification are defined, arbitrary power over the essential rights and the happiness of the people without appeal or review of any character.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Arizona.

Mr. MURDOCK. The gentleman says he voted against the original bill, but now is in favor of the conference report. I voted several days ago for the original bill with fear and apprehension on the very ground that the gentleman has indicated as the reason for his opposition to it then. I value highly the judgment of the gentleman from Kentucky now addressing us and am glad to get his favorable view of the present form of it. We want to preserve the right of judicial review and that is done in this instance.

Mr. SPENCE. It is fundamental in our Constitution. This is a matter essential for the protection of the rights of the people, both landlord and tenant. Since this provision for judicial review is in the conference report, and because there is a necessity for the continuation

of rent control as the emergency still exists, I hope the House will approve the conference report.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, I want to join in complimenting the work of the conferees, both of the House and the Senate. I have never seen a conference work so hard to try to bring about substantial justice in compromising the difference between the two Houses.

I think we have brought back to the House a bill that any Member who wants effective rent control can conscientiously support. I believe the bill will work better than either the House or the Senate bill. It works better both for the landlord and the tenant than either of the two bills.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Speaker, I too, want to join with the members of the Committee on Banking and Currency in commending the conferees for the action taken in the past few days.

From the very beginning it looked as though we were going to get a fair rent bill, until the inclusion of the local board option feature. Now that that has been substituted for a provision for review by the Emergency Court of Appeals, and with the additional feature in the proposed bill which strengthens the enforcement powers of the Housing Expediter, which are actually increased over those of last year, I can support the bill. The Housing Expediter may now ask the court for an injunction against any violation of the law, including illegal evictions. On the basis of those two additions, those who have previously refused to go along can now support this bill. It may be said that the proposed bill is, by comparative standards at this stage of rent control, a better bill than the 1947 version.

I want to commend the chairman for his diligence and hard work, and the other members of the conference committee for bringing in this report.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Speaker, of course, ordinarily speaking, this character of legislation does not suit everybody, or anybody perhaps, but we are living yet in an era of emergency. There is no denial, and the evidence has furnished entire proof, that there is yet a serious shortage of housing in the United States. It is a matter that does not address itself preeminently to the local status or the local level. It is, by and large, a national question, and one with which this Congress has to deal. We could not justify any bill at all if it were not for the aftermath of the war, and the inability of thousands and thousands of people to secure homes and places to live.

Personally, I think I am less affected by this than anyone that I know of. I do not know that I have in my district any critical housing shortage as compared with other sections of the country. But this is a national question and one that ought to address itself to everyone as a Member of Congress. While he happens to represent a certain district, he is a Member of the law-making body that affects the economy of the entire Nation. I am pleased with the report of the conferees and I shall support it heartily.

The SPEAKER. The time of the gentleman from North Carolina [Mr. FOLGER] has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, undoubtedly all of us appreciate the difficulty the committee had in attempting to write judicial proceedings into a bill which, with the just compensation mentioned in the Constitution, takes from one group of citizens a portion of their property and transfers it to another.

During and since the war, with the excuse that there was a national emergency, there has grown up a series of laws all designed to destroy a part at least of the liberty of the American citizen, that which prior to the coming of the New Deal, they have heretofore enjoyed.

Now, if it be true, and I assume it is, that landlords have gouged tenants and that on occasion tenants have taken advantage of landlords, and if we propose to benefit the tenants, by preventing unjust rent increases, which is a laudable purpose, then what should be done is to give a Federal subsidy either to the landlords or the tenants so that the landlord at least would have some opportunity of keeping that which he has accumulated through his own industry—so that the proposed special benefit to the tenant should be paid by taxpayers as a whole, not be saddled upon the landlord alone.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, the conferees have presented the House with a very astute solution of the differences between the House and Senate bills on the local area advisory boards. Although the bill in its present form still leaves much to be desired, especially in the way of restricting commercial and recreational construction which competes with housing construction, and in respect to the protection of tenants on evictions, and on maintenance and decoration of housing accommodations, the conference report does, as I expected, make improvements in the House bill; it is some measure of national rent control and it is the best we can get. I shall therefore support the conference report.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALTER.]

Mr. WALTER. Mr. Speaker, so that there can be no mistake as to the rule of evidence to be applied when it is sought to disturb a decision, the conferees very wisely selected the language "adequate and substantial evidence." I am certain from the decisions that these two terms are synonymous. I wish to call to the attention of the House the decision of the Supreme Court in the case of Consolidated Edison Co. against the National Labor Board where the Court held:

> Substantial evidence is more than a scintilla; it means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.

The Court then goes further and says:

> We do not think that the court of appeals intended to apply a different test in saying that the record was not wholly barren of evidence to sustain the findings of discrimination. We think the court referred to substantial evidence.

In all of the decisions cited in this Consolidated Edison case the Court makes it amply clear that the rule with respect to "adequate and substantial" is the same; and I think that the conferees have done a fine job in making perfectly clear what the rule was that Congress intended should be applied in these cases.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Speaker, I am gratified with the solution evolved by the conferees in respect to the discretionary authority vested in the local advisory boards and the Housing Expediter. The bill before us now is, I think, a much better bill than either the House version or the Senate version. It is simultaneously a better bill both for landlords and for tenants.

The original measure as it passed this House, in effect, gave complete authority to the advisory boards without requiring any justification for their findings and recommendations. This would have left both tenants and landlords at the mercy of the advisory boards who might or might not be motivated by a sense of justice. The original measure provided no review or appeal procedure either to the Housing Expediter or to anyone responsible to the people affected.

It will be recalled that I tried unsuccessfully to amend the bill and correct this situation. My proposal would have permitted the governing bodies of the local political subdivisions affected to serve as a check upon the advisory boards.

I am grateful that the conferees have recognized the inequity of those provisions which I sought to amend and have brought the bill back to us with appropriate safeguards. The bill before us provides that stenographic records of the hearings will be kept, and in case of disagreement between the local advisory boards and the Housing Expediter the matter will be resolved by the Emergency Court of Appeals on the basis of the evidence. Both landlords and tenants will now be protected against unsubstantiated and arbitrary decisions which might have been rendered by the local boards.

Last week I voted for S. 2182, as amended, with many misgivings. I can support the conference report with some degree of satisfaction.

THE FORGOTTEN

Mr. RAMEY. Mr. Speaker, who are the forgotten? The rent-control bill now being considered by the House of Representatives has omitted the one deserving group—the real bedrock of our civilization. They are the people who are never defended, who have worked, saved, reared families, gone to church, paid taxes, and provided the real substance for their Government. They are neither landlords nor tenants. They are the middle-aged folks who have worked hard and now have small homes, many of which have been converted into duplexes.

On March 16, on the floor of the House, I voted for rent control by local boards. I am against control by the bureaucrats in Washington.

Local boards are truly institutions instituted of and for freemen. They are composed of citizens of each community who have first-hand knowledge of the facts in every case. They listen to both the landlord and the tenant. At one time in Toledo I sat on one of the local boards. There a tenant and a landlord reached amiable adjustment. Each knew the other and the members of the board knew the neighborhood, the house, and had knowledge of all other facts in the case including some extenuating circumstances.

I believe most landlords and most tenants are fundamentally honest and are firm believers in community good. Unfortunately, there are a few unscrupulous landlords who have taken advantage of the situation to increase prices unreasonably. Also there have been a few unthinking tenants who have taken advantage of the situation.

When Members of the House and Senate met to eliminate differences in versions of the bill passed by each Chamber, this provision for rent control by local boards unfortunately was eliminated.

We have been told that these folks, who are deprived of the advantage of local government, will be able to solve their problem. How? Advocates of the bill say by appealing to the Federal Court of Appeals. Now everyone knows that the average citizen is not in a financial position during these days of high living costs to hire a lawyer to represent him in court. Furthermore, by the time the case could be heard, the injustice that has been done to the small property holder may have ruined him permanently. This appears to me to be injustice of the highest order—not justice.

The rent-control extension bill as it now stands is another step to strengthen Central Government. We derive our strength from the grassroots of this country. Consequently, I believe that we should run it in the same manner—on a local level whenever possible.

I believe that the American people should be respected by their Government, not inspected. This bill does not indicate a respect for the people. I have pledged to my constituents my vigilant support of their rights. While I respect the conference committee which worked out this bill and appreciate the great strain and pressure upon them, I cannot concur in their judgment.

I must keep the faith—my vote must be "no."

Mr. REES. Mr. Speaker, I supported legislation for continuing rent control for a period of 1 year that was recommended by the House Committee on Banking and Currency and considered 2 weeks ago. Under that bill questions of rent adjustments could be referred to a local board who would have authority to deal with the problem and, after fair and complete hearing, could make adjustments as the board deemed reasonable and proper. I feel that, generally speaking, the matter of rent control, although a national problem in scope, could be handled in most cases within the communities involved or at least within the States.

I also believe that all people who are required to rent homes within which to live are entitled to be protected against those owners who might take advantage because of the shortage of living quarters, but the legislation as now proposed, in my judgment, will be unfair to both property owner and tenant. I hope this proposal will work out satisfactorily, but I believe it is likely to involve and create a considerable amount of dissatisfaction as well as litigation. The procedure outlined in this report provides that after a determination is made by the Board, it is referred to the Expediter in Washington, who may approve or disapprove. If he fails to agree then the matter is referred to an appeals court for another and further hearing. This, of course, would mean the expenditure of funds on the part of both parties, including attorneys' fees if they see fit to employ lawyers to represent them. Under these circumstances, disputes over rent could be tied up in the courts for a long period of time and determination of final action might be deferred so much as to make the situation unsatisfactory to all parties concerned.

Mr. Speaker, the procedure under this measure requires more red tape and more uncertainty than we have under the present law.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 220, nays 95, not voting 116, as follows:

[Roll No. 30]

YEAS—220

Allen, Calif.	Boggs, Del.	Case, N. J.
Allen, La.	Boggs, La.	Celler
Almond	Bolton	Chadwick
Andresen, August H.	Bradley	Chelf
	Bramblett	Clason
Andrews, N. Y.	Brooks	Coffin
Angell	Brophy	Combs
Arends	Brown, Ga.	Cooper
Bakewell	Bryson	Courtney
Bates, Mass.	Buchanan	Crosser
Beall	Buckley	Crow
Beckworth	Burke	Davis, Ga.
Bender	Butler	Davis, Tenn.
Bland	Canfield	Davis, Wis.
Blatnik	Cannon	Dawson, Utah
Bloom	Carroll	Deane
Delaney	Kean	Pace
Devitt	Kearney	Patterson
Donohue	Keating	Pfeifer
Doughton	Kee	Philbin
Durham	Keefe	Phillips, Calif.
Eaton	Kelley	Phillips, Tenn.
Eberharter	Kennedy	Potter
Ellis	Kerr	Potts
Elsaesser	Kersten, Wis.	Poulson
Elston	Kilburn	Powell
Engel, Mich.	King	Preston
Engle, Calif.	Klein	Price, Ill.
Fallon	Kunkel	Priest
Feighan	Landis	Reeves
Fellows	Lane	Riley
Fenton	Lanham	Rivers
Fogarty	Larcade	Rogers, Mass.
Folger	Latham	Rohrbough
Foote	Lea	Ross
Forand	Lewis	Russell
Fulton	Lichtenwalter	Sabath
Gamble	Lodge	Sadlak
Garmatz	Love	Sadowski
Gary	Lusk	Sasscer
Gavin	Lynch	Scoblick
Gearhart	McConnell	Scott, Hardie
Gillette	McCulloch	Seely-Brown
Gore	McDonough	Sheppard
Graham	McDowell	Sikes
Hagen	McGarvey	Smathers
Hale	McMahon	Smith, Va
Hall, Edwin Arthur	Mack	Snyder
	MacKinnon	Somers
Hall, Leonard W.	Macy	Spence
	Madden	Stevenson
Halleck	Mansfield	Stratton
Hand	Marcantonio	Sundstrom
Hardy	Mathews	Talle
Hart	Meade, Ky.	Thomas, Tex.
Havenner	Meade, Md.	Tibbott
Hays	Michener	Tollefson
Hébert	Miller, Calif.	Towe
Hedrick	Miller, Conn.	Trimble
Heffernan	Miller, Md.	Twyman
Hobbs	Monroney	Vail
Holifield	Morgan	Van Zandt
Holmes	Morrison	Vinson
Huber	Muhlenberg	Vorys
Hull	Multer	Wadsworth
Isacson	Murdock	Walter
Jackson, Wash.	Murray, Tenn.	Welch
Javits	Nicholson	Wigglesworth
Jenkins, Pa.	Nixon	Williams
Johnson, Calif	Nodar	Winstead
Johnson, Ind.	Norblad	Wolcott
Jones, Ala.	Norton	Wolverton
Jones, N. C.	O'Brien	Zimmerman
Judd	O'Hara	
Karsten, Mo	O'Toole	

NAYS—95

Abernethy	Harrison	Reed, N. Y.
Albert	Harvey	Rees
Anderson, Calif.	Hoffman	Regan
Arnold	Jackson, Calif.	Rich
Banta	Jenison	Rizley
Barrett	Jennings	Rockwell
Bennett, Mo.	Jensen	Rogers, Fla.
Bishop	Johnson, Okla.	St. George
Buffett	Jonkman	Sanborn
Burleson	Kilday	Schwabe, Mo.
Busbey	Knutson	Schwabe, Okla.
Byrnes, Wis.	LeCompte	Scrivner
Camp	Lemke	Shafer
Case, S. Dak.	Lucas	Short
Church	Lyle	Simpson, Ill.
Clevenger	McGregor	Smith, Kans.
Cole, Kans.	Mahon	Smith, Wis.
Cole, Mo.	Martin, Iowa	Stefan
Colmer	Merrow	Stigler
Cooley	Meyer	Stockman
Cravens	Miller, Nebr.	Teague
Crawford	Mills	Thompson
Cunningham	Morris	Vursell
Curtis	O'Konski	Weichel
D'Ewart	Owens	Wheeler
Dolliver	Passman	Whitten
Domengeaux	Peden	Whittington
Ellsworth	Peterson	Wilson, Ind.
Fisher	Pickett	Wilson, Tex.
Fletcher	Ramey	Wood
Goodwin	Rankin	Youngblood
Gossett	Rayburn	

NOT VOTING—116

Abbitt	Blackney	Chiperfield
Allen, Ill.	Bonner	Clark
Andersen, H. Carl	Boykin	Clippinger
	Brehm	Cole, N. Y.
Andrews, Ala.	Brown, Ohio	Corbett
Auchincloss	Buck	Cotton
Barden	Bulwinkle	Coudert
Bates, Ky.	Byrne, N. Y.	Cox
Battle	Carson	Dague
Bell	Chapman	Dawson, Ill.
Bennett, Mich.	Chenoweth	Dingell

Dirksen	Heselton	Murray, Wis.
Dondero	Hess	Norrell
Dorn	Hill	Patman
Douglas	Hinshaw	Ploeser
Elliott	Hoeven	Plumley
Evins	Hope	Poage
Fernandez	Horan	Price, Fla.
Flannagan	Jarman	Rains
Fuller	Jenkins, Ohio	Redden
Gallagher	Johnson, Ill.	Reed, Ill.
Gathings	Johnson, Tex.	Richards
Gillie	Jones, Wash.	Riehlman
Goff	Kearns	Robertson
Gordon	Kefauver	Rooney
Gorski	Keogh	Sarbacher
Granger	Kirwan	Scott,
Grant, Ala.	LeFevre	Hugh D., Jr.
Grant, Ind.	Lesinski	Simpson, Pa.
Gregory	Ludlow	Smith, Maine
Griffiths	McCormack	Smith, Ohio
Gross	McCowen	Stanley
Gwinn, N. Y.	McMillan, S. C.	Taber
Gwynne, Iowa	McMillen, Ill.	Taylor
Harless, Ariz.	Maloney	Thomas, N. J.
Harness, Ind.	Manasco	West
Harris	Mason	Woodruff
Hartley	Mitchell	Worley
Hendricks	Morton	
Herter	Mundt	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Auchincloss for, with Mr. Buck against.

Mr. Keogh for, with Mr. Smith of Ohio against.

Mr. Simpson of Pennsylvania for, with Mr. McCormack against.

Mrs. Smith of Maine for, with Mr. Dingell against.

Mr. Cox for, with Mr. Dondero against.

Mr. Corbett for, with Mr. Clippinger against.

Mr. Gorski for, with Mr. Brehm against.

General pairs until further notice:

Mr. Kearns with Mr. Kefauver.
Mr. Horan with Mr. Boykin.
Mr. Mitchell with Mrs. Douglas.
Mr. Grant of Indiana with Mr. Gordon.
Mr. Gwinn of New York with Mr. Abbitt.
Mr. Blackney with Mr. Richards.
Mr. Griffiths with Mr. Dawson of Illinois.
Mr. Taber with Mr. Chapman.
Mr. Woodruff with Mr. Byrne of New York.
Mr Scott, Hugh D., Jr., with Mr. Patman.
Mr. Sarbacher with Mr. Manasco.
Mr. Dirksen with Mr. Rains.
Mr. Coudert with Mr. Stanley.
Mr. Gillie with Mr. Harris.
Mr. Cole of New York with Mr. Kirwan.
Mr. Chiperfield with Mr. Clark.
Mr. Brown of Ohio with Mr. Bulwinkle.
Mr. Bennett of Michigan with Mr. Bonner.
Mr. Harness of Indiana with Mr. Andrews of Alabama.
Mr. Jones of Washington with Mr. West.
Mr. Carson with Mr. Jarman.
Mr. Dague with Mr. Gregory.
Mr. Maloney with Mr. Worley.
Mr. McMillen of Illinois with Mr. McMillan of South Carolina.
Mr. Riehlman with Mr. Lesinski.
Mr. Ploeser with Mr. Bates.
Mr. Gross with Mr. Price of Florida.
Mr. Gallagher with Mr. Battle.
Mr. Mundt with Mr. Dorn.
Mr. McCowen with Mr. Evins.
Mr. Hartley with Mr. Gathings.
Mr. Taylor with Mr. Fernandez.
Mr. Thomas of New Jersey with Mr. Norrell.
Mr. Reed of Illinois with Mr. Rooney.
Mr. Herter with Mr. Bell.
Mr. Hinshaw with Mr. Hendricks.
Mr. LeFevre with Mr. Johnson of Texas.
Mr. Hess with Mr. Granger.
Mr. Heselton with Mr. Grant of Alabama.
Mr. Fuller with Mr. Harless of Arizona.
Mr. Gwynne of Iowa with Mr. Flannagan.
Mr. Hoeven with Mr. Ludlow.

Mrs. ST. GEORGE and Mr. O'KONSKI changed their vote from "aye" to "no."

Mr. CELLER changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following communication which was read by the Clerk:

MARCH 25, 1948.

The Honorable JOSEPH W. MARTIN, Jr.,
Speaker of the House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I respectfully submit my resignation as a member of the Committee on House Administration and as a member of the Committee on Expenditures in the Executive Departments.

Sincerely,

J. CALEB BOGGS.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

Mr. HALLECK. Mr. Speaker, I offer a privileged resolution (H. Res. 513).

The Clerk read as follows:

Resolved, That J. CALEB BOGGS, of Delaware, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on the Judiciary.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM FOR WEEK OF MARCH 29

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute for the purpose of announcing the program for next week.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have already obtained unanimous consent for adjournment over from today until Monday next at noon. At that time it is expected that we will continue the reading of the foreign-aid bill for amendment, and if consideration of that measure is not concluded on Monday it will remain the order of business until disposed of.

When the foreign-aid bill is disposed of we will take up the deficiency appropriation bill and continue with it until it is concluded.

I also hope that next week we may take up H. R. 5098, which has to do with research work on the foot-and-mouth disease.

It might be well to suggest at this time the possibility that next week there may be another vote on the tax bill. I do this in order that Members may have that in mind.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio.

Mr. VORYS. I understand it is the plan of the leadership that general debate on the foreign-assistance bill shall be concluded today, that the first paragraph of the bill shall be read, and that then we will go over until Monday.

Mr. HALLECK. That is the plan. I also express the hope with respect to the foreign-aid bill that we can conclude it by Tuesday of next week. Whether or not that can be done I do not know, but certainly it should not take any longer than Wednesday of next week.

Mr. KLEIN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from New York.

Mr. KLEIN. If the amendments are agreed to and the bill is at the stage to be voted on, when will we take the vote on the foreign-assistance bill?

Mr. HALLECK. I cannot give the gentleman any assurance on that. If I might hazard a guess it would be that the possible amendments that may be offered will not be concluded and the entire matter completed on Monday, but I cannot give the gentleman any assurance in that regard, because if we have finished reading the bill at a reasonable hour on Monday, we would, under the circumstances, have to proceed to a vote.

EXTENSION OF REMARKS

Mr. JACKSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article on naval power.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include a magazine article appearing in Cosmopolitan magazine by Adela Rogers St. John as an open letter to her Congressman.

GOOD FRIDAY

Mr. SASSCER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SASSCER. Mr. Speaker, on the eve of another Good Friday, I should like to call to the attention of the House membership again a bill which I introduced at the last session, H. R. 1981, which would give Good Friday the same legal status as New Year's Day, Washington's Birthday, Memorial Day, and so forth.

There has been a marked progressive increase in the observance of Good Friday in recent years in this country. Among Christian countries Good Friday is looked upon as a great holy day and one to be observed with appropriate reverence. The United States is the only large Christian country in which Good Friday is not a legal holiday. It has been made a legal holiday in the British Empire, the Baltic countries, Italy, Austria, Norway, Sweden, Denmark, Poland, and practically every other country. And in most of the countries where it is not a legal holiday it is religiously observed.

About 15 States in our Union have, either by legislation or proclamation, established Good Friday as a holiday.

It is my hope and belief that if this bill is enacted into law in order to permit a more free and fuller religious observance of Good Friday it would aid in the advancement of the fundamentals and ideals of Americanism and contribute to the resistance both here and abroad of ideologies foreign to our way of life.

I have been pleased at the general national interest that has followed the introduction of this bill and the support

that it is receiving from the churches, service organizations, women's clubs, fraternal organizations, business and trade organizations, and civic groups.

With the world in its present plight, caused by the overrunning by godless communism, now, more than ever before, must we show the world our cleavage to the precepts of the founding fathers in their faith and trust in the Son of God, who on that first Good Friday made the supreme sacrifice for all mankind.

EXTENSION OF REMARKS

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. COX asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

Mr. MARCANTONIO asked and was given permission to include in the remarks he will make in Committee of the Whole today certain extracts from certain documents.

DEMOCRACIES, FORWARD MARCH

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, merely because the democracies of the world need not and never will foist their ideologies on unwilling peoples is, of course, no excuse for their failure to help themselves, nor for their failure to help other nations attempting to establish, maintain, and protect the democratic way of life whenever the seeds therefor are sown.

The United States policy underlying the European recovery plan is predicated on that concept. So too should our policy in the Middle East be predicated on that same concept.

If the Jews in Palestine are aided by the democracies to establish a democratic nation, a sincere ally, ideologically, economically, and militarily, will be found waiting to aid them in any struggle for the maintenance of our way of life.

Let us realize that oil and other strategic supplies are useless unless available and deliverable when needed. Based on past performances, the Jews can, but the Arabs cannot, be trusted. We must not forget the contribution to the cause of democracy made by the Jews in the recent war when the prospect of statehood to them was still far away and when they were much weaker than they are today with a well trained and organized army. The Jews then delivered vital supplies, and 30,000 loyal fighting troops served the cause of democracy at El Alamein, when Arab treachery threatened that cause. Contrast this record with that of the Arabs who, under the leadership of Hitler's friend, the Grand Mufti, now restored to feudal Arab leadership, aided and abetted the advancing German troops under Rommel.

Let us not forget too the economic benefits which will flow to the democracies, particularly the United States, from the opening of Palestinian markets which will be operated by progressive Jewish pioneers.

For practical as well as moral reasons the democracies of the world, led by the peer of them all, the United States, should march forward and aid the Palestinian Jews in their struggle for freedom, which I have urged them to forthwith proclaim. Democracies, forward march.

MESSAGE OF WALTER WINCHELL

Mr. CAMP. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CAMP. Mr. Speaker, the message of the noted commentator, Walter Winchell, delivered over the radio last Sunday night to his vast audience, I think is quite the best statement of the position of our people in our affairs with Russia that I have either heard or read, and I wish that every American citizen could have heard it. I was delighted that the distinguished Senator from Washington [Mr. MAGNUSON] obtained leave to insert the remarks in the Appendix of the RECORD. I hope that any person who did not hear Mr. Winchell will take the time to turn to pages A1753 and A1754, Appendix of the CONGRESSIONAL RECORD, and carefully read this magnificent statement. I further wish that notice of these remarks will be taken by the State Department and that they be rebroadcast over the Voice of America into every country on the globe.

PERSONAL PRIVILEGE

Mr. HOFFMAN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state his question of personal privilege.

Mr. HOFFMAN. Mr. Speaker, the following statement about the Representative from the Fourth Congressional District of Michigan was contained in the December 15, 1947, issue of In Fact:

> All during the war and since its end, HOFFMAN'S record has been one of constant support for the crackpot fringe of native fascism. A report on his activities by the Friends of Democracy (vol. 3, No. 20) says:
>
> "America's Fascists, pro-Fascists, isolationists, and labor-baiters have long recognized Representative HOFFMAN as one of their most influential spokesmen."

The SPEAKER. The gentleman is recognized on the question of personal privilege.

Mr. HOFFMAN. Mr. Speaker, ever since the so-called Marshall plan was proposed the smear brigade has been back at work. In 1939–40 and subsequent years, every Member of Congress who vigorously opposed any New Deal policy, every Member of Congress who even spoke to an individual who was anti-Semitic, was charged with being seditious and disloyal.

They apply the doctrine of association, and now here we are again with the same old smear brigade on our necks. One of the Members of the House called my attention to the statement by a former Justice, Owen J. Roberts, when he appeared before a committee of the other body with reference to, I think it was, universal military training. The substance of the statement—although I do not think those were the words of the Justice—was that the core of the opposition to universal military training was the Communists.

Now, there are many people opposed to universal military conscription, opposed to the draft, opposed to the bill which is now before this House, who are not Communists. I think it is a safe assumption that an overwhelming majority of the mothers of America, of the wives of America, especially the younger ones, are opposed to universal military training and to a renewal of the draft. They are opposed to their husbands being conscripted and sent to die in foreign lands, and they are opposed, many of them, especially those women who want washers and ironers and refrigerators, and who want a more adequate nutritious diet for their children and their families, to the sending of $17,000,000,000 for foreign aid. They are not Communists. Far from it—they are Americans—and well satisfied with this country of ours and with our institutions.

I have no fault to find with the utterances of Members of Congress.

It has been my experience here that no matter what a man wanted to believe or advocate, no matter what he wanted to say or said, the other Members gave him the credit of being loyal and sincere and possessing, at least, some degree of intelligence. But, these outside folks, those who have never been elected to office of any kind, those who have never been charged by any substantial group of the citizens with any responsibility, but assume or presume to speak with authority—they are the ones who always come along and say that Members of Congress—as one newspaper here charged not long ago—are disloyal, and then, when called before a subcommittee of the House, they state they did not mean anybody in Congress; they just used the words; not even inadvertently, but they just threw them in, maybe gathered a handful of type, threw it in the air and it came down "disloyal Congressmen."

So here again we have now these smear artists that work on all of us who do not happen to go along with the views of those who have the opportunity to express themselves in print or over the radio. For example, here we have in Washington, the Washington Post. Now, the Washington Post is a good newspaper as to news, when they do not color it, or distort the facts or just print a part, but editorially it is getting into a frame of mind much like The Worker, the New Republic, and some communistic rags.

Mr. WOOD. The Daily Worker.

Mr. HOFFMAN. Well, it says on the clipping I hold, The Worker. And the Post assumes the right and it takes the opportunity, though it lacks the right, to, without justification, question the integrity of the Members of Congress.

Now, I have no fault to find when they question the intelligence and the ability of Members of Congress. That is a part of their duty. That is one of their functions as a newspaper, as editorial writers. But when they charge Members of Congress are disloyal, that Members of Congress are knowingly, deliberately opposing a policy which is

concededly for the benefit of the country, then they should be able to substantiate the charge and they should be glad of the opportunity to do so, or to apologize for their mistake.

Editors have a great opportunity to police Congress, to ride herd on Members of Congress, especially those papers which are published here in Washington; all of them. It is a wonderful opportunity to keep us in line, to keep us attentive to our duties, to keep us on the right road for our country. But with that opportunity goes responsibility—and that the Washington Post does not seem to have.

So, when they criticize, I say, "God bless them," and let us have more of it, but let their criticism be intelligent and just. When they question our loyalty, our faithfulness to our constituents, they are in duty bound, I assert, to substantiate those charges or withdraw them.

Why? Because, if they make some charge against an individual Congressman, questioning his loyalty, they should come here and substantiate that charge or swallow it. Why? So that the House, which is the judge of the qualifications of its Members, and within certain well-defined limits, can discipline that Member if he is not worthy of the high honor conferred upon him.

If I do something on a committee which is improper, if on a committee I say something which is restrictive of the rights of the witness, my fellow citizen, then that newspaper, if it really means to aid in this Government of ours, and in giving it a greater degree of freedom and fairness, should come up and say, "Listen, gentlemen of the committee. On such a day Congressman HOFFMAN said this, that, or the other, did this or that," and you gentlemen should call me before the bar of the House and, if the words or acts were improper, read me a lecture, or, if the offense be serious enough, you should expel me from your membership and send me back to my constituents for a vote of confidence.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Of what has the gentleman been accused? I did not understand clearly the basis for his question of personal privilege.

Mr. HOFFMAN. What I am talking about is not necessarily because of an accusation against me. That comes in incidentally, it is the reason which gives me the time. But what I am complaining about is the unfounded, unjust charges made against all the Members of Congress or more accurately the Congress itself, charges made apparently to force Congress into a certain course of action. There are several instances.

Mr. COOLEY. I did not understand the charge to which the gentleman was referring.

Mr. HOFFMAN. For an example, to go back a little, the Washington Star, a very fine paper, and editorially they are usually on the right track, in an editorial that had reference to a hearing we were holding, headed it "Disloyal Congressmen," and then in the first paragraph called attention to the actions of certain "disloyal Members of Congress," but the Star did not name anyone. When called for proof, they quickly said there was no intent to charge anyone with disloyalty. Then why use the words—make the charges?

My thought was this: You remember some time ago, I think it was after the 1942 election, Walter Winchell over the radio, and millions of people, I assume, heard him, asked this question. He said, "What about the saboteurs in Congress?"—indirectly, by insinuation and innuendo, charging that there were saboteurs in Congress. Then he went on to tell how sorry he felt for our constituents who had returned a Republican Congress. My position at that time was that the Congress should have called Mr. Winchell down here and, if there was one saboteur in Congress, we would expel him, and if there were no saboteurs in Congress, then Mr. Winchell should have been asked, when under oath, "If you have no testimony to substantiate your charge, does it not follow, Mr. Winchell, that you are a liar?" See? And Walter had no such evidence—he just reached into his gutter and threw a handful of mud—at the people's Representatives and at the people themselves. Then the public would have known—well, they would not have known, but they would have had Mr. Winchell's testimony to the effect that he was a liar, insofar as I can learn, he was, and so often is. Winchell has talent, but his god is the dollar—has a taste for the nasty and the vicious and is rotten to the core.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Georgia.

Mr. COX. I do not know if as a matter of fact the Washington Post is the counterpart of the Daily Worker, as is so often heard, but I do know that it is seldom trusted and little respected by the reading public. I would feel strengthened in my convictions and I do feel strengthened in my convictions when I am, because of those convictions, attacked by this off-color sheet.

Mr. HOFFMAN. Of course, the gentleman is justified in that because he was here when the Washington Post conceived that vicious conspiracy of linking three or four convicts, people who had been convicted, who are under sentence, or had been sentenced, linking those few individuals with some 15 or 20 other people whose only offense was that perhaps some of them, like some—well, like at least one Member of Congress who is speaking, was, on some subjects, sort of a crackpot; but honest, conscientious people whose real fault, if it was a fault, was that they were anti-Semitic and anti-New Deal.

In those days I remember so well if you were not a New Dealer you just did not belong in America. According to the Post, if you were not a New Dealer, a worshiper of the then President—if you were not actively and vigorously pro-Jewish on all occasions, you were disloyal—an enemy of your country. That is the attitude to which I am objecting.

The Washington Post later sort of half way apologized and said that the trials that they had instigated—and they got those defendants here in Washington by having one of their stooges, Dillard Stokes, alias Jefferson Brooks, alias something else, write letters to people all over the country asking them to send him literature, so that in that way they laid the venue for a trial here in Washington, and they brought those people here from as far as 3,000 miles away and kept some of them here for 2 years or more in connection with that false and malicious charge—that the Washington Post did—and for that wicked, cowardly thing patted itself on the back.

The Post writes about civil rights, about fair treatment, about injustice, but the memory of living man does not go back far enough to give an example of a more unfounded, vicious, and persistent persecution of innocent, helpless individuals than that conceived in the evil brain of the Washington Post and carried on by its disreputable hirelings.

Let me call your attention to one duty of Congress. At least, I think it is the duty of the Congress, respectfully suggested, however. In that trial there was a group of attorneys who were appointed by the court. In my own State if the court appoints me to defend a man charged with an offense the county pays me. The rule has long been that the accused is entitled to an attorney. The courts so hold.

Here in Washington the court appointed attorneys for the indigent defendants. Some of them served for more than 2 years. They never received a nickel, and could not withdraw from the case. They would have been guilty of contempt had they done so. Then at the end, after some 2 years of service on the part of these attorneys, the defendants were finally discharged, and even the Washington Post said editorially that the whole proceeding was a disgrace. They instituted it, and they carried it on; in the end confessed but did not repent and, so far as known, made no effort to right the wrong they had done.

They had, as you remember, as a henchman William Power Maloney, who was later down here arrested. I do not know just what it was for, either being drunk and disorderly or assaulting a Chinaman. He was convicted.

Mr. COX. And they persecuted one poor fellow to death after bringing him 700 miles from home and sent him home naked in a wooden box.

Mr. HOFFMAN. That is right. I remember the record. That was one of the accomplishments of the Washington Post, and I wonder if they are proud of it. The Post should have had the decency to bury its dead.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. RANKIN. The Washington Post has been trying to change fronts. It has only been a short time since it was properly called the American Pravda.

Mr. HOFFMAN. The American what?

Mr. RANKIN. Pravda.

Mr. HOFFMAN. What is that?

Mr. RANKIN. That is the official Communist publication in Moscow.

Mr. HOFFMAN. Oh, yes. Thank you. It still might be called that by name.

Mr. RANKIN. They had an editorial staff that was communistic, practically everyone connected with it was communistic. It started this drive to stir up race trouble here in the District of Columbia.

Mr. HOFFMAN. If the gentleman will yield to me there, are you not referring to that case where the Post had something to do with the prosecution of a police officer because he arrested some colored gentleman?

Mr. RANKIN. That is just one incident. The Washington Post has been behind this stirring up of race trouble here in the District of Columbia. Now they are beginning to get afraid that they might carry it too far. If they should stir up a race riot in Washington, the first outfit stormed would probably be the Washington Post.

Mr. HOFFMAN. In answer to the question raised by the gentleman from North Carolina [Mr. COOLEY] as to any Members of Congress. The Washington Post did, on December 1, 1947, name a Member of Congress, a member of our committee, and stated that he was horning in. That was the gentleman from Ohio [Mr. BENDER]. Well, he was not horning in. He was just uncovering some fraudulent deals engaged in by some who were connected with the last administration. But jumping on Members of Congress has been their policy all the way through. That is one of the indoor sports of the Post.

Inasmuch as the gentleman from Mississippi referred to this racial trouble, this is just what the Washington Post is doing—stirring it up—creating racial trouble—a line followed by the Communist Party. They have been fighting me on one phase of that issue as did a writer for a paper in the Fifth Congressional District. It says here:

CLARE HOFFMAN—

That is referring to me—

the oft-crotchety Congressman—

Now I do not find any fault with that because I do have indigestion sometimes—

suggests if the President and the Washington Post would "get their noses out" of the strike of the cafeteria workers in Government buildings, and "follow the Taft-Hartley law, the picket lines would be gone." This is getting quite a laugh and retorts of "Why don't you practice what you preach?"

In other words, why did not I get my nose out of that strike? Well, I got my nose in it, I did it deliberately, and I would say to the writer of that, Esther Van Wagoner Tufty, sister of a former highway commissioner and Governor of Michigan who, now I understand, has some connection with the Federal Government over in Germany and who is a fine man, I will say to Essie the sister who is terribly angry at me and who one time said to me, "Are you going home—"

This was in the springtime, because we have spring elections up there. She said, "Are you going home and campaign against my brother Pat?"

I said "Sure, Essie, I am going to speak against your brother. He is on the Democratic ticket; and I am a Republican."

She is mad as hops at me—just as mad as only a woman can get—with a few apologies to the ladies of the House, and she just gave me "what for"—I went home and gave Pat—Pat is her brother—"what for." She has been mad at me ever since. And when she can, Essie, who has always been a red hot New Dealer, hits me a dirty little dig—just below the belt. Yes, Essie, even though you take advantage of the fact that you are a lady and stick your beautiful nose in my business, I am going to stick my nose into everything I think is wrong here in Washington and into which I think it is my duty to stick that old long nose of mine. And I do not even suggest that you keep yours out of the business of the people of my district—and let them pick their Congressmen—they have refused so far to follow either you or Walter Winchell.

Essie is at liberty to take a crack at me any time she is ready. I will leave it up to the voters, and some day I will guess wrong and I will not be here any more. But that will be all right.

Now, here is what this GSI strike was about. GSI had contracts with local 471 over a series of years. The contract expired on the 31st day of December 1947. They were operating some 42 cafeterias in Government buildings. The GSI refused to bargain longer with that union because its officers, Mr. Bancroft, Mr. Palmer, and I have forgotten the others, would not sign anti-Communist affidavits, and because the parent union's—UPW—officers, Mr. Flaxer, and others, would not sign either. So the administration stuck its nose in there, closed two of the cafeterias and tried to force GSI to bargain with alleged Communists.

And down came Secretary of Labor Schwellenbach before our committee. He said, and this is correct as a matter of law—they got a legal opinion, or two of them. I do not know why they wasted their time on it for everyone knows that to be the law—to the effect that any employer could bargain with anyone who wants a job, regardless of the Taft-Hartley Act, and without having the affidavits specified in the act. That is true.

If I am the dirtiest, nastiest, and most disreputable individual in the world, if you want to deal with me, that is your privilege. It is just a question of preference. But few people have that sort of taste, and few employers want to bargain with Communists, or more accurately, with those who will not deny that they are Communists.

Do you see the position of the GSI? This is the position GSI took. They wanted to follow the procedure laid down by the Congress—the administration did not—the administration was within its rights but some think it should have advised the use of the Taft-Hartley Act instead of trying to force GSI to deal with a union whose officers will not deny they are Commies. They said, "You comply with the law, you union officials, and we will bargain with you." But, "No," says Mr. Schwellenbach.

But finally later Mr. Schwellenbach did say to the union officers that they should sign these affidavits. Mr. Bancroft, the president of the union, did not want to do it. He resigned. The other officials signed it, and they elected a new president. But Mr. Flaxer, who had been the instigator of many, many strikes—I recall one up in Pittsburgh in 1941, where he backed a strike in a hospital and refused to let union members take care of the sick; shut off supplies from those who were ill in bed. That is the kind of a hairpin Flaxer is—he would not deny that he is a Communist.

So along came the President on the 10th of February 1948, at noon, and he called a meeting in the White House. He called Schwellenbach over there. This is all in the testimony. He called Mr. Steelman. He had Mr. Clark Clifford there. I do not know who he is, a genius of some kind. He had him there. He called in Mr. Fleming, who has charge of the Federal buildings, and he said, "Now, we are going to have somebody settle this strike."

The President had said he would enforce the law which this Congress had adopted over his veto. Here was his opportunity. Did he tell local 471 to use it? Oh, no; he just ignored that method of procedure and appointed a conciliator of his own.

Mind you, all these cafeterias, some 40 of them were operating. They closed two of them, one in the Supreme Court Building, where there is cut in stone over the entrance, "Equal Justice Under Law." The President was giving us his civil rights message, but he took away all the rights of the employees over there to work, because the GSI—and, by the way, all nine trustees are in Government employ—would not deal with 471 until it complied with the law. The trustees do not get 1 cent for their work. The Government gets half the profit, if there is any. The Government prescribes the quality of the food and the prices. The other half of the profit goes to GSI, which expends it in better service, improved facilities, and better food. Nobody is making anything out of it. Yet the President says, "Now, you fellows must bargain with these fellows who will not deny they are affiliated with an organization which advocates the overthrow of our Government by force." So he at that meeting on February 10 selected as mediator Admiral Mills. But the admiral had something else to do, or, anyway, he did not undertake it. So they picked up another fellow, a man by the name of Strong, a professional arbiter, who had been associated with the Government in days gone by. Mr. Strong steps in.

Now, remember this, that in these other cafeterias they had hired new employees who were giving the Federal employees who worked there better service. The administration tried to drag in the racial issue, but the trouble with that attempt was that the people who went out on strike were Negroes and the people who were employed were Negroes.

They were all, old and new employees, colored folks; so they could not work that. There was not anything left but this issue of whether you wished to deal

with people who would not deny that they were Communists. That is what Mr. Truman who, in the pending bill, is asking for a few billions to fight Communists wanted GSI to do. That is what Mr. Strong tried to force GSI to do, and GSI and General Grant just sat tight and just the other day they had a meeting down there again. Mr. Fleming said: "Well, we will have to cancel your contract." When we asked him how he was going to cancel the contract when the contract contains a six-months' notice clause, he said "That is so, but"—well, you know the rest of the story. They did not cancel. The trustees stood pat. Finally the union, the parent organization, UPW, has not filed the affidavits. The local union finally said that they would go on with GSI and GSI said they would give these people who were on the streets jobs as the employees who were at work went out, resigned, or proved inefficient. And so that is the way that was, and so it is today. An administration failing to use the law enacted by the Congress to settle labor disputes, preferring to deal—trying to coerce others to deal—with individuals who do not deny they are Communists.

Here you are advocating a bill carrying $17,000,000,000 before you get through, because I remember a distinguished member of the other body said that he would feel morally bound to go along with it in other and subsequent years; you recall that statement. Ultimately it will mean $20,000,000,000. Here you are using that money of the American taxpayers to, you say, fight communism, and here you have the President of the United States favoring alleged Communists in Washington by going along with UPW headed by Mr. Flaxer, who will not deny that he is a Communist—here you have the President in bed, figuratively speaking, of course, with Mr. Flaxer and the Communists. To me it just does not make sense and I cannot understand it.

Some folks say, "Oh, well, it does not amount to anything, you are an isolationist." Well, that last part of the charge is true and my wish would be—I know it is impossible—my wish would be that at the next election in November we might have two candidates for the Presidency, one who would say: "Now, we have had enough of this, we have had lend-lease, we have had the International Bank, we have had UNRRA"—I cannot name them all—"We have given them materials and armed services, we have given all that." We have fought two wars—I would like to have one Presidential candidate say: "We have had enough of that, now we are coming home, and we will let these fellows fight it out over there, fight it out; then we will go in and we will bind up the wounds of those who sustained casualties, and will even, if necessary, furnish caskets for those who have been killed; we will do whatever is necessary to care for the human wrecks. And we will build strong our national defense and maintain our sovereignty, protect our future." As the other Presidential candidate, I would like to have a man who would say: "Yes, we are going to regulate the whole world, and feed and clothe it. We are going to take these "four freedoms" and we are going to ram them down their necks whether they want them or whether they do not; we are going to give them our way of religion—if we can agree on one, Protestants, Jews, Catholics—we are going to give them one brand of religion, one form of government, and they are going to take it and like it."

Then after the election we would know what the people of America actually wanted. Then if the second candidate won and you continued this program, even I, an isolationist, would go along with you. Then I would say: "All right, majority controls in this country, I will go along." But what I do not like is this idea of trying to keep other nations by paying them, buying their loyalty and friendship—buy, and buy, and buy. It is a failure, I regret to say. This New Deal bipartisan foreign policy has been a rotten failure from the beginning right down to this moment.

I remember when a distinguished Member of the other body said the United Nations was a great adventure; now the Marshall plan is a calculated risk. It sure is and not even its most ardent advocates can offer any assurance that it is a good risk. For us it offers nothing but more work, more sweat, and in the end more bloodshed. I remember when he said that lend-lease was a great speculation. It has been a great adventure, it has been a sad, sad, and disastrous one for the average American taxpayer and the American people. A million died in the great adventure of World War I. The second great adventure of World War II gave us 293,264 dead, 17,120 who lost one or more limbs, 2,700 blind casualties, a total of 3,732,000; figures are from Office of the Secretary of National Defense.

Oh, yes, I almost forgot—because the cost was in dollars—under Public Law 346, Seventy-eighth Congress, GI bill of rights, the Veterans' Administration gives as of January 8, 1948, the following figures:

	Fiscal year 1946, actual	Fiscal year 1947, actual	Fiscal year 1948, estimated
Education and training:			
Tuition, supplies, counseling, etc	$31,765,045	$567,558,316	$856,919,824
Subsistence allowance	310,102,485	1,550,432,792	1,674,934,464
Total, education and training	341,867,530	2,117,991,108	2,531,854,288
Loan guarantee	5,220,180	75,492,597	78,827,000
Readjustment allowances	977,396,632	1,443,257,175	663,625,000
Total	1,324,493,342	3,636,740,880	3,274,306,288

Oh, yes; a great adventure, a calculated risk, for those who are dead; for the blind. But has it been a risk for those of us who remained at home, who profited out of the wars? And yet some want the American people to take some more of the same. And still there is more to follow if comes world war III.

What have we gotten out of it? And it has not been much of a speculation because the cards were stacked against us in the beginning. It has been give, give, give on our part and a holding out of the hands on the part of those abroad, some needy, some just greedy. That is what the New Deal bipartisan foreign policy has been and is. And what has it gotten us? "By their fruits shall ye know them," it has been said. What are the fruits of this bipartisan New Deal foreign policy? What have they given America? I have just given you a part of the picture.

What have we today confronting the American people, concededly the greatest and most powerful Nation in all the world? What does Mr. Truman and his bipartisan foreign-policy advocates now want?

I ask you, who want to give this money away, what have you got for America as a result of all we have given away? Yes, I ask you another question: To what good results can you point anywhere in the world as growing out of the bipartisan foreign policy? Is the danger to America greater or less than it was in the early forties? Is there more or less of so-called democracy in the world today than there was when Hitler was on the march? I ask you who advocate this: What have you obtained for our country by your policy? You offer the parents of America and the young men of America universal military training, the same thing that Hitler, Stalin, and some other people abroad have advocated. You advocate that in spite of the fact that Australia never drafted a single man to fight outside of the homeland. Nor did Canada. I believe in military training if it be given in the schools, in the colleges, in the universities, through the ROTC and the National Guard, but I do not believe in turning over young men to those who happen to be in authority in the military machine. They will make machines out of our youth. They will destroy that independence and that initiative which has won America's wars.

What has become of this atomic bomb that they told us so much about only a few months ago? Do you remember when they came before us with representatives from every department, when they came before our committees at the time we had up for consideration the unification bill? They had the heads of departments over there, the Secretaries, the admirals, and the generals, who said: "The next war is going to be a push-button war." If you do not do something quick about a unification bill, Russia will be over here with a bomb and they will blast us to Hades in 30 minutes." Well, the air is not a one-way road. Inasmuch as we have the

bomb, inasmuch as we have the resources, inasmuch as we created it and have control of it, instead of sending $17,000,000,000 over there why not give them a bomb or two?

I am not in favor of war, but if we must have war, all right, let us have it; but not until our people have been heard. Let us not try to buy peace. Let us go back to what a certain man said years ago: "Millions for defense but not 1 cent for tribute."

Why keep on this way? I believe in direct action.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Georgia.

Mr. COX. I differ with the gentleman in my views on the President's recommendations as recently set forth in his message. I am in favor of the adoption of all recommendations that he made. Yet I feel it fair to say that if the Marshall plan we are now constructing is to be administered in the pro-Russian manner that the relief measures we have heretofore set up have been administered, then we might just as well send these billions direct to Moscow because Moscow will in the end get the benefit of it anyway.

Mr. HOFFMAN. I have always admired the gentleman. I admire the gentleman's ability and his integrity. Instead of sending the $17,000,000,000 to Moscow, and I agree with the gentleman that a large part of it will get there eventually if we follow the present plan, why do we not put it into national defense? I will vote for anything you request for national defense. I will vote for the recommendations of the Army and Navy, even though I know only one dollar out of every five is going to be actually and efficiently used. I will vote to waste the other four dollars because I have no alternative. But I have no sympathy with turning this money loose over there.

Mr. Speaker, let the Members read the hearings of the Rizley subcommittee held on yesterday and the subsequent hearings. This is something you all know, but it is being brought out now more dramatically. In New York ship after ship, flying the Russian flag, is loading with motors, new motors, with material that can be used directly in a war to fight us if we are to have war. It does not make sense now, does it? No, I think not so.

The SPEAKER. The gentleman has consumed thirty minutes.

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Ohio.

Mr. BENDER. There are 87 lend-lease ships we are now considering selling to Russia.

I wish every Member of this body would go over to the Rizley committee which is holding hearings in the office of the Committee on Expenditures on the fifth floor of the New Office Building and hear the testimony of these agents, these buyers, these Americans who are selling this merchandise to Russia and her satellite countries. Go over and hear the testimony at this very moment which is being given in the New House Building.

Mr. HOFFMAN. Let me say in answer to the gentleman from Georgia [Mr. Cox], he has reason to fear the manner in which this program will be administered. To date, the Reds, the near-Reds, and the red sympathizers and fellow-travelers in the administrative agencies of the Federal Government have diverted from its proper purpose a large part of every appropriation ever made by Congress to be used abroad to advance the interests of America, which brings me back to one of the propositions which should be first on our program—a thorough, complete house-cleaning and fumigation right here in Washington—a thoroughgoing operation which will kill every foreign-minded louse in the Federal Government.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Apropos of what we are sending over to Russia, let me again call to the attention of the gentleman and the Members of the House that the State Department is opening up the markets of this country to all the countries behind the iron curtain, particularly Czechoslovakia, which has already nationalized her shoe industry, the largest shoe industry, probably, in the world, and which in the period preceding the war did more damage to the shoe industry in our section of the country than anything that could happen; in fact, 18 out of 28 factories had to close their doors, and now, when the Czechoslovakian industries are nationalized, we find that the State Department is permitting them to come in under the reciprocal trade agreement act, and get the benefits of our markets here. Now, if that makes sense, I do not know what does.

Mr. HOFFMAN. I thank the gentleman. And, I might have gone further and said that we in this bill are giving to England, which has a socialistic government, the money to carry on. They cannot sustain themselves. Their methods and policies have failed, yet we are so feeble-minded that we give them funds to carry on. And, some day I would like to have some Member of Congress put into the RECORD the difference between socialism and communism. I am not just clear where lies the line of demarcation.

Mr. WOOD. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Georgia.

Mr. WOOD. Does the gentleman know of any instance in the history of this world where any nation has ever been able to buy permanent peace?

Mr. HOFFMAN. The gentleman will excuse me. I have never been properly educated. I never had the benefit of education in higher institutions, outside of law school, or something like that. I have not studied abroad, so all I have to guide me is just the experience I have had with my own people to learn about world problems. But I have heard that nature, economic laws are about the same everywhere. In answer to that question about buying something, I recall when I was a young man and pretty hard up, a fellow—and I knew him to be a dead beat—borrowed $10 of me. I loaned it to him because I had a sympathetic heart or a soft head. I thought maybe I would get it back some time. And, when he didn't pay it back, and I ventured after a long time to ask him for it, he said, "Clare, you knew I was a dead beat, didn't you, when I asked you to let me have that money? You were just a damn fool." Now, I did not learn to respect the man and I did not get my $10 back, and it has always grieved me. It is no grudge, but just a reminder that sometimes no one is benefited by being too easy.

Mr. BRADLEY. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from California.

Mr. BRADLEY. I hope the gentleman then will go along with us in our efforts to prevent the turning over of 200 more ships to the European nations.

Mr. HOFFMAN. I am for any proposition which will give them an opportunity to work, and against anything which compels us to do their work for them. Ultimately, I think, that we will settle down in opposition to the Morgenthau policy and we will let the Germans go to work and build up, perhaps, a buffer state against this danger of communism, which we so much fear. These propagandists of this Administration have us frightened to death.

I have more confidence in the integrity and the ability and the patriotism and the courage and the endurance of our American people than to think that with this wonderful atomic bomb, which they told us we had, we just can be knocked off the face of the earth whenever Joe Stalin or anyone else gets ready to do it. And I have no complaint to make about the Members of the Committee on Foreign Affairs. I am getting even with them right this minute for all the things they ever did to me for my views by taking this time. I have all respect for them. They are all patriotic, industrious, and they labor hard. They are distinguished men and women, all of them, and I apologize for venturing to disagree with their conclusions. It is only because of my own ignorance of the situation and my American training that I do not see this thing their way. But, at least I know enough to know that if you have a case against a fellow—and I used to try a lawsuit once in a while—I would never turn over to him my ammunition. I would never let him have the things which I thought would help him to beat me.

If I was to have a fight, just as we were stripped for action and in the ring, I would not hand my opponent a baseball bat or a rock in a sock. I would not do that. This program, to my mind, does not make sense, folks. I am sorry I cannot agree with you. But here you are giving away the things we need in this country, which we need to make us strong, giving away the money and the materials which we need for our

national defense. God only knows how many billions of dollars you are going to transfer to our potential enemies or the friends of our enemies. At the same time you allow the State Department and other departments to do things which smell to high heaven by letting them ship munitions of war by the shipload to a nation you pretend to fear.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I wonder if the gentleman should not perhaps include the Department of Commerce, which is charged with the responsibility under the law of issuing and screening export licenses. The fact of the matter is that the Congress has given the President under the law the right to control the exports of all commodities to foreign governments, and that control is lodged in the Export Control Division of the Department of Commerce.

I may say that the department has recently been before the deficiency subcommittee on appropriations asking for greatly increased appropriations in order to facilitate and expedite and enlarge the export control program. I was very much amazed to read in the justification such clear and frank statements as you will have a chance to read shortly when the deficiency bill is reported, among other things, for example, statements with relation to farm machinery. There the Department of Commerce clearly and succinctly states that the present productive capacity of America is unable to supply, anywhere near supply, the demands for farm machinery of the farm population of America, and if the Marshall plan is passed and becomes effective, one-quarter of the entire farm machinery productive capacity of America will be used to export farm machinery to European nations. That is there in plain English in the justifications of the Commerce Department when they ask for additional funds under this export control program.

It seems inconceivable to me that a country that states on one side of its mouth that it is fighting communism and makes the bold statement to the Italian people, "Unless you vote against communism in your local election you will get no further aid from America"—it seems inconceivable that a country that can announce that sort of policy will permit day after day after day regular trade relations not only with Russia but with every country behind the iron curtain, and do so on the specious plea and statement and argument that we are keeping the door open in hopes that by continuing to ship everything they have the dollars to pay for we will in some manner, pray God, induce them to accept our philosophy.

I say to you that while I shall not perhaps have an opportunity to speak on this Marshall plan, I am tremendously disturbed about the situation. I wonder what the picture will be if the Italian people in the exercise of their prerogatives in a free election to determine the character of the government they shall have, on the 18th of April shall vote that they want the government of the Communist Party. What position will we be in then? I asked those questions in the hearings on this bill. You will have a chance to read some of the answers when the deficiency bill is reported.

I can only say that the deeper you dig into this situation, the more confusing the problem becomes. I do not know what we can do about it, but it seems to me if we are taking the steps that are proposed under the Marshall program, we will be utterly and completely absurd and inconsistent in continuing shipments of machine tools and supplies that are available for war potentials in our peacetime commercial relationships with these countries that have already gone communistic.

Mr. HOFFMAN. I thank the gentleman. Perhaps the gentleman did not get the point on this Italian business. These bipartisan boys are just carrying one of the "four freedoms" to Italy, namely, the right to vote—provided they vote the way we want them to vote. Do you get that? The administration is just telling the Italian people that if they do not vote right, they will not get any of our "dough." That is our kind of democracy—the kind they practice in Kansas City, Mo., the land of Truman and Pendergast.

Now as to the shipment of machinery, I can understand that. The answer to that is that we will ship that farm machinery over there, but we will still continue to feed them, that is our farmers will continue to feed them. All the farmer needs to do is to work 20 hours a day instead of 18. That you will note is an easy solution, at least it is easy for those who are fed. Of course, the farmer may have to develop a few more callouses here and there, but that is his problem. Statesmen cannot worry about that, nor about how he can grow and harvest crops without fertilizer or farm machinery.

As the gentleman says, the program is absurd. It is inconsistent. I am wondering whether we would have this war scare right now if it were not that this is an election year, and if we did not have a candidate for the Presidency at the White House. The greatest danger to this country, as I see it, is not necessarily from communism abroad, but from the tolerating of these Communists down here in these departments. I agree with the gentleman's suspicion about these departments. Their record shows that they are not looking after the interests of America. What this country needs, in my opinion, is a President who will look after America and the interest of Americans.

Mr. KEEFE. Mr. Speaker, will the gentleman yield for a question?

Mr. HOFFMAN. I would like to yield to the gentleman. The Speaker is sort of nodding to me to quit, and the majority leader came down and asked me to be brief, but I will yield to the gentleman for I know his contribution will be of value.

Mr. KEEFE. I have been told on pretty good authority that there are at least 2,500,000 card-carrying Communist Party members in Italy. Suppose we succeeded in utterly and completely blasting Russia off the face of the earth? Would that destroy those 2,500,000 Communists in Italy who believe that the things that are offered to them under that party platform are things that they want in life?

Mr. HOFFMAN. Maybe they will vote the way we want them to and fatten themselves up so that they can fight better for Stalin when he gets ready.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. You have not had a chance to debate the bill?

Mr. GAVIN. I have not.

Mr. HOFFMAN. I yield to the gentleman.

Mr. GAVIN. Earlier in your discussion you mentioned the name of Justice Roberts.

Mr. HOFFMAN. He is the "one-worlder" who wanted to surrender our sovereignty and go into a United States of the World under another flag and not run up the Stars and Stripes over the one world organization.

Mr. GAVIN. I also note that former Ambassador Grew appeared before a Senate Committee on Universal Military Training. I wonder where the former ambassador was back in 1939 and 1940 when we were shipping our coal and oil and iron ore, steel, and other equipment to Japan. Why were we not alerted then?

Mr. HOFFMAN. Maybe he was with General Marshall—who did not remember where he was on the 7th of December, 1941.

Mr. GAVIN. I recall at that time we had a planned economy and planned security. We had WPA jobs and PWA jobs. We had national youth movements and CCC camps. We had flagpole sitters and ballet dancers and goldfish swallowers, but nobody saw fit to tell the American people what was happening. Then, suddenly, without warning, the Japs threw tons of dynamite on our battleships and fortifications and snuffed out the lives of some 3,300 Americans, as well as destroyed 50 percent of our fleet and we woke up in a major war, walking around then with wooden guns and dummy cannons. I just wonder why they are now so aroused. Certainly the gentleman will agree we should have been alerted at that time as well as being alerted and prepared today.

Mr. HOFFMAN. Election year—election year, brother. One President won an election that way, why cannot another win with a war scare and the aid of "me, too" Republicans.

Mr. TWYMAN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. TWYMAN. I want to bring out one point with reference to the shipping out of this farm machinery and the oil that is required to operate it.

Last night, in the city of Washington, I had to go to three filling stations before I could get gasoline for my car.

Of course, I can lay up my car and walk, but if we cannot get gasoline in this country, in the city of Washington,

I am wondering what is going to happen after this program; whether the American people are going to like a return to rationing, a return to controls. We had to vote this morning to extend a program of which most of us do not approve, yet we were compelled to do it by reason of the circumstances. What is going to happen as a result of the passage of this measure?

Mr. HOFFMAN. Let me answer you. I will tell you what is going to happen. The gentleman from Virginia [Mr. SMITH], one time gave a clue what was on its way. He was talking about aid to Europe, I think in answer to my question—I asked him, if we give all this aid to Europe will we ultimately have price fixing and rationing and all of that. I think his answer was to the effect that if we continued to give that aid, we would have price fixing and rationing. What we are doing is that we are trying to give democracy to nations abroad who apparently do not want it, and we are getting as a result of that giving, regimentation and dictatorship and a scarcity and higher prices.

Mr. TWYMAN. I would like to make one more observation, that if this were a secret vote this would not be passed.

Mr. HOFFMAN. Oh, everybody knows that.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. BUFFETT. A few minutes ago the name of Justice Roberts was mentioned, as a speaker in behalf of universal military training. Is this not the same Justice Roberts who carried the first bucket of whitewash on the Pearl Harbor investigation?

Mr. HOFFMAN. Well, I do not know about the bucket or the whitewash, but I know that this is the same gentleman who signed that petition which came to Congress just before the President's birthday—I think it was in December of 1941—it is in the RECORD—asking for a birthday gift to the then President of $100,000,000 to set up a world council. That, what is now this United Nations. By the way, talk about swallowing goldfish, we just voted to appropriate $65,000,000 to build a palace for this dead UN organization. I do not know why we did not erect a mausoleum in some cemetery instead of a palace in which to house the existence of that great adventure. That $65,000,000 would build a lot of homes for veterans. But some folks think it more important that the officials of UN and their servants have a palace in which to parade with their striped pants and party clothes. Oh well, every one to his taste—after all, $65,000,000 is only a small part of $20,000,000,000.

My time is running out. So let me go back to the beginning.

You who believe we should first think of America and her future, of the interests of her people, do not be frightened by the smear brigade; by the clamor of the Washington and New York press. Just remember that our constituents love this country of ours; that they have confidence in the courage, the endurance, the ingenuity, of our people. Remember that they are close to Mother Earth and not easily fooled. Nor are they easily frightened.

They know of the miserable failures which have come as the result of the New Deal bipartisan foreign policy. They know that the picture now painted by the smearers in their efforts to frighten us is but an attempt to intimidate and coerce us into following their policies. They know that lend-lease, UNRRA, the World Bank, and all the billions which we have given or loaned to other nations have failed to give democracy to other peoples; have failed to stop communism here in America.

Today, our home folks are judging the foreign policy of the last 10 or 15 years by conditions as they today exist. We know now that those whose mistakes have gotten us into the situation which now confronts us are offering universal military training, conscription of our young men and a continuation of taxing the American citizen in order to continue giving billions upon billions to other governments—not the people of those governments—in an effort to purchase their friendship and support.

If you want your young men conscripted for universal military training; for those a little older to be conscripted to fight abroad and if you want increased taxation and less of everything to which you have been accustomed, then you will go along with the administration's foreign policy. If you do not like and do not want those things, it is time to make your wishes known.

What this country needs is a President who will at all times put the interests of our country ever first.

(Mr. HOFFMAN asked and was granted permission to extend his remarks and include certain excerpts and papers.)

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 2202, with Mr. CASE of South Dakota in the chair.

The Clerk read the title of the bill.

Mr. VORYS. Mr. Chairman, I yield 20 minutes to my colleague, the gentlewoman from Ohio [Mrs. BOLTON], a member of the Foreign Affairs Committee, and chairman of the Subcommittee on International Movements, the report of which subcommittee on communism has caused Nation-wide interest recently.

Mrs. BOLTON. Mr. Chairman, we are here to consider S. 2202, as amended, an act to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Members of the Committee on Foreign Affairs who have already spoken have told you that your committee started its work in January by passing a resolution which took no little courage. It faced up quite simply to the inescapable fact that whether we like it or not we can no longer blind ourselves to our world responsibilities.

MOTION ADOPTED BY THE COMMITTEE ON FOREIGN AFFAIRS, JANUARY 8, 1948

That the committee proceed with hearings on United States foreign policy for a post-war recovery program, and that the first step be consideration of proposals for a European recovery program, including H. R. 4840 and H. R. 4579 and similar measures.

Acting upon that resolution your committee gave itself to exhaustive studies of world conditions as they are—rather than dreaming about the might-have-been or the hoped-for. I have been as deeply tempted as the next one to long for the days when our riches, our prosperity, our strength was free from responsibility. I grew up in the days when the world was a friendly place where the exciting adventure of travel was a simple matter of course. With many others, I arrived at the point where I resented the intrusion of the changes I felt taking place around me and for a time I fought them. But as little by little I began to assume responsibility here in this great body I could no longer refuse to look out into the world as it had grown to be. I could no longer refuse to accept a share of the responsibility for the waging of war and for the building of peace. I had to take upon myself the knowledge that all men are brothers, that the shrinking world is no longer outside the responsibilities that this, my country, can refuse to accept. And always there rings in my ears this sentence: He who loveth his life overmuch shall lose it.

It happens that I am a woman, with a woman's certainty that war never settled anything, with a mother's conviction that the giving of life is the supreme glory and the preservation of life the supreme responsibility, and that an end must be made to blood and tears. As a woman I do not accept war as a solution, nor am I at all convinced that war is necessary now. I am quite certain that the tragic women of the overrun satellite countries want no more war. I am equally convinced that the women of Russia and of all the States of the Soviet Union do not want more war.

Just as a woman I find myself shocked immeasurably by those who have risen in this House and said: "Let's fight them now! Let's fight! Let's fight! Let's destroy." To what end—more hate, more bitterness, more agony, and almost total destruction of what is now left? And where? On what terrain, with what weapons? Do we want to turn loose the horrors of biologic warfare upon an already anguished world? Do these who cry aloud for more and more destruction know what they are saying? Do they really believe more horror will bring peace?

Perhaps they still resent the inescapable fact that whether we like it or not we have responsibility in the world for we are the greatest potential for peace

the world has ever seen, and the moment has come for us to live for it and set an example for everyone rather than to send our young men and young women out to die. Death in battle, death as a result of war, settles nothing. Only living can change mankind, and how infinitely much more difficult that is.

Mr. Chairman, basically it is this realization that has prompted your committee in its efforts to bring to the floor a bill that in effect says that the United States accepts her responsibility, her destiny to be the hope and the light of the world. She knows that within her there is the strength, the courage, the faith and the determination to hold back the forces of destruction. Like all true mothers she knows that a child has to go through a period when the only thing he understands is force. To control him, to teach him she must use force, if necessary. Certainly she must possess it. But she also knows that the child can be shown that force is not the only way, indeed that it is not any way at all. Therefore we must be strong with the will to restraint and the courage to protect peace.

So, Mr. Chairman, there is a bill before the House that accepts responsibility. It says that the people of this country have had enough words and propose to do. Above all, it says that we have to have faith in our own way of life and believe in its possibilities. To us the individual is important as an individual because he is an infinitesimal part of the divine and must be preserved. We believe all men are important to Him within whose essence all live and move and have being. That belief places upon us in these days of ultimate decision a responsibility we as individuals and we as a Nation have not before had to face.

It has been said on this floor that the threat of Communist world control is just a bugaboo used to pressure the United States into more and more unintelligent giving. Is it?

It happens that I have the honor to be chairman of a subcommittee of the Committee on Foreign Affairs which has as its responsibility the gathering of knowledge of the great national and international movements abroad in the world today. We have recently released a report. The main report is called The Strategy and Tactics of World Communism. There are two supplemental reports already printed and one more is about to go to press.

The report is a history of 100 years of communism. The first 800 copies of this report and these supplements brought such heavy demands upon us from libraries, churches, publications, Government departments, and even from across the water that we are going to need a great many more. Our first real effort to give facts to our people has brought such a demand that at this moment we should be dispersing over two million. In this report you will find the purposes and the goal of communism, and you will find an interesting amount of documentation.

Faced with these facts, faced with the demonstrations being given daily that the Kremlin intends to carry out the Marxist theory, it is so stupid for us even for one moment to suggest that we may bury our heads in the sands of selfishness and fail to recognize events for what they are.

Faced with these facts there can be no question that it is far more difficult to find wisdom, awareness, and intelligence to fight this ruthless cold war through to victory than it would be to reproduce the old pattern and put our war production lines back into action again.

It is like surgery, except in certain phases of physical difficulties surgery is the demonstration of the failure of the curative processes. Do we want to subscribe to failure or are we strong in our determination to use preventive methods successfully?

Communism has set up the state as God—and its followers are fanatically ready to sacrifice their all to set up a world state. We who carry upon our shield the legend, "In God We Trust," show no such zeal. Why not? Have we no longer faith in our own ideals? Are we unwilling to sacrifice that the rights of the individual may prevail, that only the infinite shall reign in the hearts of men?

We are asked, we of the committee: will you guarantee that this program will stop communism? Can you guarantee that, because the cholera epidemic was checked in Egypt last fall by countries that had serum and stripped themselves of their supply and flew it to Cairo, there will be no more cholera? The germ still exists and given the right conditions and climate it may break out again. Conditions and climate are important.

Communism, like cholera, needs a certain climate and certain conditions to prosper. Wherever there is hunger, cold, poverty, dissatisfaction, despair and chaos communism thrives. Changing these conditions is, therefore, of the most vital importance if communism is to be checked and turned back. More food, fuel, clothing, jobs, order will prove to be a deterrent factor in the spread of what is in truth a mental, moral and spiritual disease. The Kremlin through its agents has ordered the creation of chaos in the adjacent countries. Secretary Marshall's suggestion last summer that the United States would consider helping such countries as helped themselves threw the Kremlin into a dither out of which emerged the Cominform and the open declaration of cold war. Anyone who has watched the succession of events with awareness, with a seeing eye, knows well that the Kremlin has recognized the tolling of a bell and that it has speeded up its program knowing that if western Europe pulls itself together and puts its house in order communism will be unable to take over.

Your Committee on Foreign Affairs has faced the whole world situation realistically, refusing sentimentality. Certain that to give only food would merely prolong an intolerable agony, it brings to you a program which proposes help to make it possible once again for these countries to do their own planting and harvesting, to work in their own industries and to live without fear. This is their desire, their intent and their hope; ours is but temporary help.

For myself I have no illusions as to the difficulties involved in such a program. I saw war with my own eyes. I saw the aftermath of war at its close and I have seen the effects of 2 years of the stopping off of every constructive program presented to the world. I have listened to the women of many lands, as well as to the men, and I know their thinking. As I have seen and felt war and its aftermath I have learned that this war—the second that we have fought within a lifetime—has not ended. We are in an armed truce and within that armed truce one nation has strangled one country after another not just because in its ignorance and its folly it believes force and armed power the only way to secure itself, but because those in power are carrying out with grim determination and complete ruthlessness a program of world domination which when it was conceived announced that it would be accomplished even though 75 percent of the people of the earth might have to die.

To those who cry aloud, "Let us fight. Let us kill. Let us consume. Let us destroy," I say, "What will you accomplish? Yes, we must be strong, very strong, then we shall not have to fight." That is wisdom.

What did the First World War accomplish? Only the birth of a Second World War after years of what was really not peace because peace is a quality of heart and mind and soul. And what of the Second World War—this that swept across the world leaving destruction and agony and devastation in its wake? What has it accomplished? Is it not true that communism has increased its strength as a result of the chaos that has been projected? Communism is the ruthless, policed state government not of the people themselves but of a small group marvelously organized and subtly intruded into the life of the nation. Do you think for one moment that there is no communism in this country of ours? Do you imagine that there are no cells in our factories and in our institutions—even in our Government? The method is very simple in one way: 8 or 10 men in a factory—but those 8 or 10 armed. A very few in a group that presents a smiling face to the world but is in reality a front organization. Individuals placed in important positions in local, State and national governments stirring up trouble and facing the intrusion of Communist doctrine into our school books, into our colleges and all our institutions. This has been going on all over the world for many years and the war has increased its effectiveness because wherever there is grumbling there the cell finds food for expansion and there is no more profitable cause of grumbling than is war and the aftermath of war. So what do we gain by it but more war and hideous chaos? Dare you gamble with such a situation? Dare you say that this great country that possesses so much and that more than all else knows what freedom is—dare you say that the only answer to present agony is more of the same? Or dare you say that America will draw in her hands and

close her heart at this moment in the history of our civilization and of mankind? A third world war will destroy the little that is left and will expose the survivors to a condition too terrible to consider and yet a condition that we must face squarely as the possible alternative if we refuse to give assistance to those countries of the world who know the dangers and who are trying to keep free of the ruthless domination that draws closer with every dawn.

This bill presents a possible alternative. I am quite certain that in its wisdom this House will take effective action.

No; no one can guarantee that such help as is represented by this bill will, of itself, stop the so far successful spread of communism. But the reestablishment of hope, courage, and capacity in all these countries with the unions the European countries are establishing may.

We hold in our hands the hope of peace. Dare we gamble with it another time? Dare we withhold help at this point when the Kremlin is speeding up its program in an effort to take over in western Europe before we can get help to these people, before we can inspire them with a new hope? Let us rouse ourselves, and assume the stature that is our spiritual reality and reinvigorate the believing masses of the world to resist the cold, dark power of those who deny the very existence of God. Let us pass this bill, and speedily.

Mr. JACKSON of California. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from California.

Mr. JACKSON of California. With respect to the requests for copies of the report, upon which accomplishment I congratulate the gentlewoman, may I ask if the committee has many requests for copies?

Mrs. BOLTON. Yes; we have requests from schools and colleges alone for well over 2,000,000 copies of the report and half a million of each supplement.

Mr. JACKSON of California. I thank the gentlewoman very much.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to my colleague the gentleman from Ohio [Mr. MCGREGOR].

Mr. MCGREGOR. Mr. Chairman, what is the Marshall plan that is today before us for consideration? Is it a plan to feed the hungry or to create a new balance of power against Russia, and thus stop the spread of communism, or is it for other purposes?

If it is to feed the hungry, why not give our supplies directly to the hungry free of charge? But it is not done that way, nor will it be done that way with the enactment of the Marshall plan as written. The records show that our relief goods have been shipped to foreign governments, who then sell them and keep the proceeds. What happens to those poor, hungry individuals without money? Those are the individuals we want to help get back on their feet.

Mr. Chairman, I have had many inquiries from my people relative to the amount being allocated to England. The Marshall plan will give to England approximately one-third of the entire amount as set forth in the present bill, or approximately $5,348,000,000, which will be in addition to the $3,750,000,000 which we gave to England for relief in 1946. I am told by reliable sources that England will ask for an additional $2,000,000,000 over and above what is granted her under the Marshall plan.

If the Marshall plan is to stop communism, why are we continuing to help communism by shipping materials and giving money to Russia and her satellite nations? Let us look at the record. For the last half of 1945 there was exported to Russia $563,000,000 worth of goods, of which only $26,000,000 was paid for, the remainder of $537,000,000 being gifts. In the year 1946 there was exported to Russia $400,000,000 worth of goods and heavy machinery, of which $64,000,000 was commercial and the remainder of $336,000,000 being gifts. And from January 1947 through September 1947, there was exported to Russia from the United States $114,000,000 worth of goods and machinery, of which $66,000,000 was commercial and the remainder of $48,000,000 being gifts. During January of this year, 1948, there was a total of 25,724,565 pounds of aviation lubricating oils, mining machinery, parts, construction machinery, and aluminum sulfate shipped to Russia. During February 1948, just last month, there were 10,273,637 pounds of construction machinery, mining material, and industrial machinery shipped to Russia.

On this very date ships from America, Russia, and other nations are being loaded on our eastern shores with heavy industrial machinery, tractors, automotive and farm equipment, which certainly are implements of war and industrial production. These ships are headed for Russia, the base of communism.

At this point, Mr. Chairman, I would like to insert a news release by the International News Service, which has not been refuted by the administration or the State Department:

NINETEEN VESSELS LOAD GOODS FOR RUSSIA

NEW YORK, March 24.—The New York Journal-American said today that 19 ships—11 of them flying the American flag—are due to sail from New York within the next week with supplies for Russia or her satellites.

The newspaper article continued: "United States customs records show that since March 1, when the embargo was supposed to have gone into effect, 14 ships have cleared the port for destinations in Russia."

VESSELS LISTED

"These included five American vessels, two owned by satellite countries, five by other European powers and two vessels of actual Russian registry.

"Public indignation, which was reflected in the action of the Catholic War Veterans in picketing three Soviet ships now loading in the port of New York, resulted in a hasty change in loading plans for the Russian freighter *Chukotka*.

"The cargo of the *Chukotka*, being loaded at the Claremont terminal, Jersey City, was increased 100 percent in order to clear the docks of Russian-consigned goods."

ARRIVAL REPORTED

Approaching arrival of the additional Russian freighters was reported by the Moore-McCormack lines, shipping agents for Amtorg Trading Corp., the Russian purchasing agency.

The President and the State Department have been allowing this over the protests of many of us Congressmen for some time.

The President and the State Department have the power and the responsibility to prevent this further exporting to the Soviet Union and her satellites. If the situation is as critical as the President would have us believe, if the situation is such that we should prepare for war, and that we should follow his demands and pass the Marshall plan, why does he not stop this exporting to our potential enemies? Surely we should not furnish any enemy with materials and supplies to fight us.

Mr. Chairman, I feel the people I represent want to know the full facts and what the Marshall plan will mean to them. In my opinion, the Marshall plan means a continuation of high-living costs and less in the pockets of the American people and possibly an eventual increase in taxes.

May I say here, that I firmly believe the Marshall plan now before us for consideration is only a partial program, and additional requests will be made from time to time. I do not believe that the plan is an adequate substitute for national defense, as has been claimed by some of its proponents.

Mr. Chairman, I would like to insert in the RECORD at this point, what the Marshall plan will cost every man, woman, and child in the Seventeenth Ohio District which it is my honor to represent in Congress.

Cost of foreign aid to the Seventeenth Congressional District of Ohio by counties and county seats

	Population, 1940	Foreign aid, July 1, 1945, to June 30, 1947 (population × $183.03), based on $24,099,211,087	Foreign aid proposed by Marshall plan, 1948–52 (population × $129.11), based on $17,000,000,000	Total foreign aid provided and proposed, 1945–47, 1948–52 (column 2 + column 3), based on $41,099,211,087
Ashland County	29,785	$5,451,549	$3,845,541	$9,297,090
Ashland city	12,453	2,279,273	1,607,807	3,887,080
Coshocton County	30,594	5,599,620	3,949,991	9,549,611
Coshocton city	11,509	2,106,492	1,485,927	3,592,419
Delaware County	26,780	4,901,543	3,457,566	8,359,109
Delaware City	8,944	1,637,020	1,154,760	2,791,780
Knox County	31,024	5,678,323	4,005,509	9,683,832
Mount Vernon city	10,122	1,852,630	1,306,851	3,159,481
Licking County	62,279	11,398,925	8,040,842	19,439,767
Newark city	31,487	5,763,066	4,065,287	9,828,353
Richland County	73,853	13,517,315	9,535,161	23,052,476
Mansfield city	37,154	6,800,297	4,796,953	11,597,250
Totals for counties	254,315	46,547,275	32,834,610	79,381,885

NOTE.—The 1940 population figure for the continental United States is used because later figures are not available for every local unit.

Source: Sixteenth Census of the United States, 1940, Population, vol. I, pp. 818–826.

This chart, Mr. Chairman, shows that the six counties that I represent have sent to the foreign countries up to this time $46,547,275 for relief. This means $183.03 for every man, woman, and child in our district, or approximately $732.12 for the average family of four. This also means, Mr. Chairman, that the proposed Marshall plan based on $17,000,000,000, which in my opinion is at least $3,000,000,000 too low, and which covers the period of 1948 to 1952, will cost each and every man, woman, and child in our district $129.11, or approximately $516.44 for the average family of four. This means, Mr. Chairman, that it will cost every man, woman, and child in our district $312.14 to carry the European relief program. In other words, the average family in our district will pay $1,248.56 for the relief of the European nations as now established.

I am certain that my people would be perfectly willing to pay this amount and even more if it would assure peace, and I would be willing to vote to continue this burden upon them if I felt certain the program would definitely stop the spread of communism. The record of our experience since VJ-day has proved that peace cannot be obtained, or communism stopped, solely by the use of money. More depends upon the administration of a loan or the administration of a government than the amount of dollars and cents. Conditions in Czechoslovakia were not brought about by any lack of economic sustenance, or by dire need, or strained economic conditions. The people there had plenty of food. They had plenty of money. We just gave them $300,000,000. If aid is given it should be administered along business lines and not through the executive branch or the State Department. Such loans should be administered by men of proved business experience and integrity.

Mr. Chairman, as long as the President and this administration continues the policy that on this very day exists, namely, the shipping of critical materials, war equipment, and industrial equipment to Russia and her satellite nations, I will oppose and vote against any legislation that continues to place a burden on my people. We are willing to aid, but we cannot continue to weaken ourselves when our sacrifices are doing so little good. It is time to put our own house in order, to make America prosperous and strong to save itself. We must not continue to weaken ourselves with futile efforts.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER. Mr. Chairman, I should like to say a few words in connection with the pending legislation. I have scant hope that anything I shall say will be given any great consideration, or change any minds. Nevertheless, I want to let the record show where I stand on our foreign policy in general and the European recovery program in particular.

Before World War II, I was known as an isolationist. I never did know what was meant by the term, but I do know that the Communists and self-styled interventionists invented it as a smear word to pummel those who did not want America involved in a war that was bound to cost us untold wealth and the lives of our finest men. All of the history of Europe since the conclusion of that war has proved to me that my stand was the most logical, the most consistent, and, if followed, would have been best for this country in the long run. World War II merely replaced one totalitarian regime with another in Europe and brought more troubles and heartaches to the American people.

As a result of World War II, there was evolved what has become known as the bipartisan approach to foreign affairs. It has become almost as popular in Republican circles to refer to our bipartisan foreign policy as it was back in 1943 and 1944 when President Franklin D. Roosevelt craftily maneuvered Thomas E. Dewey into saying, "me, too," on every possible occasion. President Roosevelt was able to do this, but just the other day I noticed a newspaper story in which Governor Dewey claimed all the credit for the bipartisan foreign policy which, he says, he and Mr. Dulles introduced.

As far as I am concerned, it is wiser to attribute the bipartisan foreign policy to the Democrats, for the people of this country are fast awakening to the fact that it is a snare and a delusion. If the Republicans keep prating, "me, too," every time the Democrats bring out a new set of plans to increase plenty abroad and scarcity at home, we shall soon find ourselves so far out on the political limb we will not be able to crawl back when the life of our Republic demands such action.

I am not an economist and I lay no claim to being a seer, but I say that anybody who can add two and two knows that domestic and international policies are so closely interwoven today that it is impossible for Republicans to cooperate with the Democrats in a bipartisan foreign policy and fail to cooperate in a bipartisan domestic policy.

Our foreign policy and our domestic policy are but two sides of the same coin. And, I might add, the coin has been getting more and more valueless for the past 15 years. Yet, in keeping with peculiar kind of reasoning by which so many Republicans legislate these days, we actually are going to try to be bipartisan overseas and partisan as well at home. Many Republicans are going to vote for this ERP and then tell their constituents that the Democrats are to blame for the higher prices and the demands for renewed economic controls at home. That is, to borrow a phrase from the late Roosevelt, talking out of both sides of the mouth at the same time.

Mr. Chairman, for 10 long years I fought the program of the New Deal at home and abroad. Then my party, on a straight program of opposition to the New Deal controls at home and to New Deal bungling in foreign affairs, came into power. Less than a year after we gained power, many Republicans began talking about reversing their stand on issue after issue on which they were elected and on which the people depended upon them to stand. If I had not seen it and heard it myself, I would not have believed it. But it is true, and we now are embarking on the very programs—internationally and nationally—opposition to which won us public approval and a return to legislative power.

Let me ask Republicans supporting this measure a question: Do you think the people are going to go along for decades without alternatives in foreign affairs? If so, you have forgotten the very principles of politics at the grassroots level. You and I know that there never is a proposal in even the smallest town to which there is not some opposition. Two groups are formed. Candidates take their stand on the issues. The campaign is made. An election is held. One side wins—perhaps by a very narrow margin. Then, and only then is there unity and bipartisan action. But notice that such action at the town level takes place only after the issues have been debated and after the people have had a chance to speak their minds. A Gallup pollster is not called into Kalamazoo or Kokomo to decide a political issue. The issue is debated. Candidates take their stand. When the election is held, the actual poll of the eligible voters is taken. The issue is decided.

We have no right, as legislators, to commit the people of the United States to expenditures ranging from $25 to $150 a wage earner or salary earner, depending upon the individual's income, without standing for election on such a momentous issue. In some families, the cost will run to $1,000 a year and more, counting the per capita expense. If we vote this and future proposals that will be brought up, we will vote an annual expenditure that will hang like a millstone about the necks of every wage earner, every salaried man, every businessman in the United States. We have, I repeat, no right to do this without consulting the people and without actually debating this issue in our district and letting the people decide.

Referring again to the so-called bipartisan foreign policy, how can we justify handing over to a few self-authorized spokesmen for our party the settling of issues of such magnitude and consequence to 145,000,000 Americans. I was never more in earnest in my life than when I say that one of the biggest planks in the platform of Henry A. Wallace, crackpot though he may be, is his unalterable opposition to the so-called bipartisan foreign policy. If we Republicans continue to swallow it, we will see good Republicans deserting us in droves merely to register their opposition to our political stupidity.

If the people do not have alternatives, how can they vote intelligently in an election?

If the result is going to be tweedle-dee or tweedle-dum on the most important issues, namely, those in the field of foreign policy, why should not the people become disgusted and disillusioned, as millions of them are today?

If the people are not going to be thwarted forever in expressing clearly what they want done, how can they break through a combined so-called bipartisan foreign policy.

It is elementary to me that the people want and that they are going to demand that the Republicans either present alternatives to the Democratic proposals for national and international action, or they are going to go down to defeat at the polls. And I will add that they will deserve it if they do not quit swallowing hook, line, and sinker, every worm-like suggestion put forward by the striped-pants brigade in the Department of State.

Mr. Chairman, there are many good reasons, in my judgment, why we should not vote this ERP bill at this time. We ought to be suspicious of it if for no other reason than the groups and men who sponsor it. They have piled blunder on top of blunder in foreign affairs in recent years and we have every valid reason to feel that they stand utterly discredited in the view of thoughtful men and women everywhere. Looking back on our recent history, in which the men who suggested this plan originally were the leaders of our destiny, we can find no fact that would lead us to have confidence in any proposal they put forward.

Since 1933, we have witnessed the policy of neutrality and then the policy of muddled intervention. We have seen come into being the International Bank, the United Nations, the Atlantic Charter, lend-lease, UNRRA, the Yalta agreement, the Potsdam agreement, Bretton Woods, Dumbarton Oaks, the Bank for International Settlement, the Truman Doctrine, and now the so-called Marshall plan. Not a single on of them has succeeded in bringing peace, real peace, to the world, although every one of them was put forward as the final, the only, way for us to achieve peace.

This proposal, the ERP, is merely another faltering step—a weak government's idea of how to stop a bully by indirect methods which, in my judgment, have not a chance for success. We have heard the President denounce Russia by name before this body during one week and then the next week defend shipment of war material to Russia by saying that after all, she is a friendly nation.

What inconsistency. What muddled-headedness. Yet, we are going to vote here soon to follow the policies put forward by this man on the specious reasoning that we must hold up the President's hands.

Let us get a new leader—one whose hands we can really hold up and be proud of it—before we obligate ourselves, our children, and our children's children to a policy that will solve no problem but will further impoverish our own Nation. The Marshall plan is an expensive and ineffective attempt to bribe others to do what America knows must be done to Russia, but what our fearful leaders are afraid to tell us we must do.

Since only a few Members have come forward with alternatives to this international WPA scheme, which is three times as expensive as any domestic WPA we have had yet, I venture to offer a tentative program for dealing with the Russians. If I have no alternatives to what the New Deal still offers, then all I can say would be, "Me, too, me, too," like so many others. If I did say that, I know well, I would't be back here in January of next year.

What is my program?

First, it entails a bit of consistency. I know that it is a handicap these days in any governmental foreign program—consistency. By that, I mean that if we are going to be against Communists, we ought to be against them everywhere. If they are dirty, low-down, lying sneaks in Greece and Turkey and in Hollywood and in New York and in Washington, then they are dirty, low-down, lying sneaks in Moscow, Bucharest, Berlin, Mukden, and Chungking. What do you do with such dirty, low-down, lying sneaks? Well, first, you snub them. You do not send in reporters to interview them and to quote them and to allow them to defend rape, pillage, carnage, and mass murder in your newspapers. At least, I would not.

For almost 15 years now, we have recognized formally a regime that has blood not only on its hands but splattered over the clothes of every man who is a part of it. I refer to the Communist rulers of Russia, who are no better, if no worse, than the Czars who lorded it over the same long-suffering people for centuries. If we are going to spend billions to keep Europe out of the clutches of these rascals, we have no moral right to recognize them. In fact, we have no moral right anyway to recognize them, for by so doing we help them to keep millions in subjugation and we actually are a party to preventing dissident groups inside the iron curtain from arising and trying to throw off their schackles.

Secretary of State Marshall, let it be remembered, actually tried to get Chiang Kai-shek only 2 years ago to take Communists into his cabinet, and, because this was refused, all American aid to China stopped. Oh, yes, I am familiar with the fact that Marshall called them liberals but everybody knew what he meant, and if he didn't know what he meant it was because he was stupidly allowing the Communists in the Department of State to make policy for him.

Mr. Chairman, the first plank of my platform as an alternative to this ERP would be to withdraw diplomatic recognition of Russia. It is a simple thing to do. It would not represent an act of war. We went from 1917 until 1933 without recognizing Russia. There is reason to believe that our recognition of Russia did more to build up the totalitarian regime there and to consolidate the rule of the Communists than any other single act of modern history. By such action, our late President snuffed out the possible lights of freedom—little resistance groups here and there in the vast expanse of Russia.

But what about the other parts of my program? Let me say this. It contemplates no war today, tomorrow, or a decade from now, or 100 years from now, against Soviet Russia. A moral, spiritual and economic war against communism need not turn into bloody, actual warfare—unless, of course, the war is precipitated by the other side. We cannot, in that case, do anything but fight. But let the record show clearly, Mr. Chairman, that I am just as opposed to war with Russia as I was to war against Germany. They are both the same in my judgment—the same kind of stifling totalitarianism that grinds down the people.

The second part of my program would contemplate the drawing of some lines across the map of the world and saying to the Russians, very bluntly, "This far, and no farther." So far, I might add, the Russians have not taken a single country that our leaders, in effect, at Yalta and at Potsdam did not invite them to take. We gave Stalin what amounted to a blank check in Poland. When he cashed it, there were some who cried out that the Russians were aggressors. They were doing only what our own leaders had urged them to do, in effect, by creating a vacuum. We gave Stalin a blank check in Yugoslavia. Can we forget that it was Roosevelt and Churchill who turned their backs on Mikhailovitch and virtually invited Tito to take over? Yet, when Stalin cashed that blank check our leaders signed, we blamed Stalin, but forgot to put the final blame where it belonged—on our own leaders. They sold little Finland down the river. Stalin obtained there what amounted to a blank check, with the right to take a base anywhere he pleased. Now that Stalin is cashing his check, there are those who seem to be surprised and are crying "wolf, wolf." What kind of naive fools have we become? Do we seriously think that Stalin is not doing only what we have virtually invited him to do? Then who is to blame? It is obvious that our leaders are to blame.

It is a simple thing to do—to draw a few lines on the globe. It costs us no money. It does not entail the expenditure of billions of dollars in an ERP, or for any other stupid purpose in Europe. It could lead to war. Yes, but so can ERP, or so can all the alternatives the administration has suggested. In fact, we know they are leading us to war. Why not try something simple, something that may be effective, a plan that at least appeals to our basic instincts of being open and fair.

We have no right to tyrannize others and we have no right to let others be tyrannized with our acquiescene or our actual cooperation, as happened in Poland, eastern Germany, Rumania, Bulgaria, Korea, and Manchuria, to mention only a few places.

Drawing such lines need not mean war, unless, of course, the Communists want it to mean war. And if they want war with us, today or tomorrow, let us have the common sense to know that anything we do, say, or think will not prevent war. Any so-called show of force—a phony draft, or things like that—will not scare the realists of the Kremlin. The bomb, yes, that scares them, and so does our industrial potential.

Never fear. If we draw lines and if we withdraw recognition from Russia, they will stop. They know our real power better than many of our own people know it. They will know then that the chips are down. And, I am confident they will ponder a long while before embarking on a war of folly against us. I cannot believe that the Russians—even their blood-bathed rulers—want war with us. I am sure that the tens of

millions of common people in Russia do not want to fight the tens of millions of common people in the United States. We can never discount the possibilities of a war, but we certainly can say on the basis of what we see, read, hear, and know, that war need not become probable with Russia. And the longer we live and practice the program I have suggested, the greater the turmoil inside Russia and the more likely an internal smash up.

As a matter of fact, I believe Stalin is counting on an internal smash up in the United States. And I am not so sure it will not come, if we continue to pursue the same fruitless, useless, depleting program we have followed so long now. Our people are more confused and disillusioned than ever. Farents are sick at the thought of rearing their children in a world of perpetual fears. Millions upon millions of Americans want to know something about tomorrow and the next day and the long tomorrows to come. I say that the program the administration has followed has led to the brink of catastrophe and promises nothing except more emergencies, more deficit financing, more economic tensions, and, perhaps, the break-up that the sly old fox in the Kremlin awaits.

The third part of my program is to make America strong—so strong in heart and spirit and body that the Russian leaders dare not take us on and so strong in morale and in goodness that the Russian people will never want to fight us.

Are we making America stronger by spending enormous sums overseas, thus depleting our natural resources, and now doling out more billions to Europe? The apparent reason we are spending these huge sums is to "contain" Russia, but I would ask behind what line are we trying to contain the rulers of the Kremlin? I am for drawing lines, but so far I have seen no lines drawn.

In the "grand design" our leaders claim they are weaving, we have failed notably to take into account a factor that can be decisive, even if we send all the money and goods requested. That is, the power of Russia, if its rulers wished, to over-run all of western Europe any time it pleases them to do so. If you and I could sit in Stalin's seat, do you think that we would want to take over a disorganized, hungry, ill-fed, ill-housed and ill-clothed western Europe? We could not use such countries to build our own country up, and Stalin cannot use them. If we put western Europe on its feet, he may want it, and, speaking from a purely military point, he could take it. He has the army, and he has the access routes to send his troops flowing over Europe any time he pleases. From the realistic, strategic point of view, the only way we can "contain" Russia—if Russia really wants a fight—is by sheer military force. The machinery and money we ship to Europe will not contain Russia.

By making America strong, I refer to real strength, not apparent strength. Hanson W. Baldwin, the noted military expert of the New York Times, and many other military men, have pointed out that millions of Americans have a mistaken idea of what strength really is. But let us not be deceived. The Russian leaders recognize real strength. They will not consider a few hundred thousand more Americans carrying out-of-date Army rifles around as real strength. They will not consider our sending money and materials to western Europe as strengthening our position. They know that these things really will weaken us. We must make ourselves strong by promoting here at home the greatest possible Air Force, the highest trained technical and scientific citizenry possible, the development of industry and the dispersal of that industry, both by allowing new industries to take hold and by expansion of existing industries. We must make America strong by encouraging the type of men—the chance-takers—who carved out our wildernesses and built our spans of steel from coast-to-coast and developed our present industrial potential. We did not encourage these men by New Deal policies domestically and we cannot encourage them again if we promote New Deal projects internationally.

Mr. KEE. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, there can be no peace in the world unless there is peace in the Middle East. President Truman has just given out another statement concerning Palestine. He asks for a truce, and in the interim asks for a UN trusteeship.

All of the President's statement leads but to one conclusion. The United States has adopted the British policy in toto, that is, only that which is acceptable to both Jews and Arabs will be considered, a completely meaningless policy which can lead only to more and more bloodshed. The pattern is evident. Britain will be asked to remain and with hypocritical hesitancy will accept and then the circle will have been completed. Nothing will have changed and nothing solved by the submission of the Palestine question to the UN. Jewish immigration will be excluded as well as Jewish land purchases. A tragedy is being enacted by power politics as if a broad farce were being played. The indecency of it staggers the imagination.

The President shamefully played for sympathy when he talked about sending American troops into Palestine. Nobody had asked for American troops or any Russian troops. A voluntary international constabulary could have been formed and manned by thousands of young, eager Jewish volunteers from all over the world and other volunteers of varying national origins who wished to serve the ends of justice. When pressed for an answer to a question concerning the use of American troops in Palestine to enforce the trusteeship, the President evaded the answer.

I quote from a correspondent in Jerusalem, Mr. Richard Mowrer, which gives a more accurate picture of British intent. He writes:

> There is still no sign of a truce between the Arabs and the Jews, which the United States apparently envisages following its policy switch on the partition of Palestine.
>
> In point of fact, the Arabs have stepped up their operations. In Jerusalem, the Jewish Yemin Moshe (Montefiore) quarter has come under concentrated Arab attack from three sides. This is not the first time, but, according to officers of Haganah, the unofficial Jewish militia, the new attacks are more determined and inspired than before.
>
> The writer just got hold of a deputy commander of the Haganah forces defending the Yemin Moshe. He had come out for reinforcements and was going in with them immediately, but he first wanted to tell a foreign correspondent something of what is going on, so that the outside world would understand the kind of fighting that the Yemin Moshe battle is. This is what he said to me. "Tuesday night the Arabs opened their attack by coasting a truck of explosives downhill against our northeast perimeter. The explosions made a big gap in our fortifications there, but that is the least of our worries. Our concern is the British Army behind us. They have warned us not to return the Arab fire. If we do so, the British threaten to open up on us. After the explosion Tuesday night and the Arab firing on us, we held our fire. The attackers grew bolder and, at one moment, we were compelled to shoot to keep them back. This brought a heavy fire on us from the British at our backs. I have just communicated with the British. I have invited them to attach an observer to our forces to see that we fire only in self-defense. They have refused this request, and warned us again not to return Arab fire."

This then is the kind of alliance we favor, and this is the kind of alliance that the United States reversal on Palestine has cemented.

This is all bewildering and confusing. He approved what I might call, the sell-out on partition. In my opinion, the President's latest statement only further muddies the waters. He asks for a truce. We have had truces and we have had reconciliations and mediations. Everything has been tried but the Grand Mufti of Jerusalem, who leads the Arab forces, wants no truce. He is an inciter to murder and assassination. He thrives on force and treachery. The British under excuse of treaty obligations have admitted sending vast quantities of military material to the countries surrounding Palesine, which armament is routed into Palestine to be used by the Grand Mufti's henchmen to disturb the peace in Palestine and to incite the Arabs to further intransigence. The President must know that any re-reference to the General Assembly to set up a United Nations trusteeship would require a two-thirds vote of the Assembly. That I think would be quite impossible of achievement. Then there would be more debate and more committees and more recriminations and more backstairs intrigue and more diplomatic mumbo-jumbo. I cannot conceive why the President would want to turn this whole matter back again to the General Assembly. It would be a useless gesture. Furthermore, Ambassador Austin, with the blessing of the President, said it would require force to implement partition. He cannot lay any flattering unction to his soul by saying that he could get an implementive United Nations trusteeship without force. It would take more force to enforce a United Nations trusteeship than it would take to enforce the partition in Palestine particularly in light of encouragement given Arabs by Austin. The President

could show courage, wisdom, and statesmanship if he would order in the first instance lifting the arms embargo to enable the Jews in Palestine fighting valiantly for their homeland to defend the United Nations General Assembly partition decision on Palestine, as well as themselves, and secondly, if he would recognize de jure that which exists de facto—a Jewish state in Palestine as of May 16, the day after the British get out. The time is past for words. Action is essential to implement partition. If there is to be security in the Middle East, it cannot be by appeasement to the Arabs. "Appease a rascal as you will, he was and is a rascal still." We cannot forget what the Grand Mufti did during the last conflict, when he went to Berlin and organized the Arab brigade to shoot down American and British soldiers, and the other Arab intrigue and machinations and blackmail.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. BLOOM. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. CHELF].

Mr. CHELF. Mr. Chairman, it is my considered opinion that the Congress should immediately act favorably on the bill which is now before us. Aside from the humanitarian aspects, it is my sincere belief that the passage of this legislation is vital and necessary for the preservation and protection of Christianity and democracy throughout the entire world. To be sure, the cost is great, but when we compare the expenditure involved in World War II of the nearly $300,000,000,000 in treasure and the 1,000,000 casualties in blood, the cost is relatively small. This legislation alone may not prevent another war, but most certainly it will make a definite contribution toward setting the brakes against any war movement on the part of Russia. The Soviet Union does not want this bill passed. Here in America businessmen are known and respected for their good judgment. There is not a business firm, great or small, located in the United States which does not carry adequate insurance upon its stock of goods. The smart business executive sees to it that sufficient insurance is carried upon its leadership, and by the same token, many private concerns and corporations carry insurance upon their employees and many partnerships have life-insurance policies whose beneficiary is the surviving partner. Why is this done? The answer is very simple indeed. It is for the preservation and the protection of the business so that if and when a fire, flood, death, or other catastrophe should strike at the heart of such business, financial chaos, confusion, despair, and disintegration will not result. Of course, in order to have such protection, premiums on such policies must be paid.

Mr. Chairman, as I see it, the European recovery program which we have under discussion here today is, in truth and in fact, an insurance policy which, to a great degree, helps to guarantee, preserve, sponsor, and protect the liberty of all freedom-loving people. Mr. Chairman, today we are debating whether or not we will pay the first annual premium on an insurance policy of freedom. As every businessman knows, no one can take out a policy on a person or object unless that party has an "insurable interest." Since the citizens of the United States have already contributed $300,000,000,000 of their treasure and almost 1,000,000 casualties of their blood to the cause of freedom, there can be no doubt of their "insurable interest" in a permanent peace. Mr. Chairman, if we here in the House should vote down this measure, it would give great satisfaction to the Communists, who seek to dominate Europe and the world. It is my guess that if this bill were defeated, there would be dancing and joyous celebration in Red Square in Moscow.

The present pattern of Stalin in pushing over the little democracies of Europe has an altogether familiar ring. Although Hitler conquered these small nations, one by one, by force, bombs, guns, and bayonets, Stalin is knocking these little countries over as if playing with dominoes, while not a shot is being fired. The fifth column we heard so much about during World War II, and which was used so advantageously by the Nazis, functioned like little Ned in the primer in comparison with the Red columns now marching in solid phalanx and which are boring insidiously from within, to eat away the last vestige of Christianity and democracy which communism loathes. Was it not Lenin who made the statement:

> We are living not merely in a state, but in a system of states; and it is not conceivable that the Soviet Republic should continue for a long period side by side with imperialist states. Ultimately, one or the other must conquer * * * meanwhile, a number of terrible clashes between the Soviet Republic and the democratic states is inevitable.

As I have stated, Mr. Chairman, the cost is great, but, I repeat, when such expenditure is compared with the recent cost of World War II, it is negligible. The fact of the matter is that the entire Marshall plan for the period of 1 year is approximately what it cost us to finance World War II for a 30-day period of time.

Mr. Chairman, I am not unmindful of the fact that an old adage states that charity begins at home. Most certainly the sum of money involved in the ERP could be spent most advantageously here within the United States. This sum of money would go far in helping the monthly compensation of our aged, blind, and other needy persons. It would be of great value in raising the salaries of our underpaid school teachers. Similarly, it would build many highways and bridges and new post-office buildings which are sorely needed in many sections of this country. There is no argument but that it would prove to be invaluable to the health, prosperity, and happiness of all of our people, but, Mr. Chairman, when we look the issue squarely in the face, we must realize that unless we preserve the foundation and framework of our democracy all domestic legislation, however worthy and lofty in purpose, would become meaningless. We must remain free.

Mr. Chairman, in July of last year I made the statement that it was just as imperative to rehabilitate and remove the scars of World War II from Europe's people as it was to remove the scars from Europe's cities. I also stated that the contemplated expenditure of millions of dollars under the Marshall plan would all be in vain if the displaced-persons problem remained to plague the nations and the peace of the world as a potential, deadly malignancy. Mr. Chairman, since I made this statement I have had an opportunity to personally investigate the displaced-persons problem as it now exists within the camps of the American and British zones in Germany and Austria. Last fall the Fulton Special Subcommittee on Displaced Persons contacted approximately 200 DP camps and more than 3,000 displaced persons were personally interviewed. As a result of this study, I am of the opinion that the 16 participating nations at the Paris Conference on the Marshall plan, and who will be the beneficiaries of this particular piece of legislation, should, by all means, be requested by our State Department to admit a fair share of these homeless displaced persons. It might be well for the newly elected Administrator of this act to suggest to the participating nations that special consideration in the way of economic assistance might be given to those nations who show the most willingness and cooperation in granting refuge and assistance to these thousands of homeless displaced persons. I believed last year, and I believe now, that those nations who expect to accept economic and financial aid from the United States ought to reciprocate by giving succor and homes to these citizens of the world.

It is true that several of the receiving nations have already allowed some of the displaced persons to immigrate, but, unfortunately, the number, up to now, at least, has been so small that there yet remain approximately 850,000 human beings languishing in camps in the various zones of Germany and Austria without a home or a country, and which, incidentally, is costing the taxpayers of this Nation approximately $75,000,000 a year to feed, house, and clothe.

Mr. Chairman, I would suggest that the Administrator designated under this act be requested to contact immediately the Honorable H. W. Tuck, who is that great American serving in Geneva as the chairman of the International Refugee Organization, so that a solution of the full problem, through the cooperation of the IRO, could be reached.

Mr. Chairman, we are not altogether dealing in this bill with war surplus materials, relaying mortar and brick, and reconstructing mines, factories, and bridges. We are dealing directly with the rehabilitation and the reconstruction of the lives and spiritual ideals and values of the millions of Europe, plus the 850,000 displaced persons who, because of fear of persecution and even death, cannot and will not return to their countries which have been literally gobbled up by Russia and which are now securely locked behind the "iron curtain."

At this point, as a member of the Fulton special subcommittee, I feel I would be derelict in my duty if I did not make a statement to the House in contradiction to the stories which have been disseminated throughout the country to the effect that a large portion of the displaced persons are Communists.

In a few isolated instances, we learned that the Russians had managed to spot a few Communists into a few displaced persons camps located in our American Zone of Occupation in Germany and Austria. In my conversations with the DP's about this particular subject, I was advised that when such Communists were discovered among the DP's they were immediately forced by the DP's themselves to flee back to the Russian zone under threat of death.

Upon one occasion the dead body of one Communist who had persisted in attempting to disseminate communistic propaganda among the DP's was found approximately a hundred yards from the camp grounds.

Here at home, two all-important questions have been raised: (a) Are the displaced persons Communists? (b) If not, why are they against communism?

As a result of a very thorough, complete, and painstaking investigation into this particular angle of the problem, I am completely convinced that the displaced persons are no more communistic in their views than any loyal red-blooded American living in the United States today.

It is easy to understand why these displaced persons loathe and despise Russia and communism when one takes into consideration the fact that the Ukrainians, Latvians, Estonians, Lithuanians, Yugoslavs, and Poles were overrun by the Germans in their march through their respective states into Russia toward Stalingrad. When Germany first overran the countries of these people, the Balts, for instance, were taken by the thousands into German slave-labor camps and forced at the point of a bayonet or gun to produce for the German war effort. Practically every displaced person with whom I personally talked told me that he had been subjected to untold hardship, starvation, personal indignities, and other cruelties; his home had been burned, sacked, and destroyed by the Germans and his loved ones had been maimed or killed before his very eyes.

When Russia made her stand at Stalingrad and began her march back over the same territory which had previously been conquered by the Germans, these same miserable, unfortunate people were again caught in the dragnet of war. Immediately upon the Russian occupation of this same territory, these poor Balts were yanked up before the Russian Army authorities and accused of being German sympathizers, quislings, and pro-Nazis. In practically every instance, instead of these people being freed from the hell of the German domination, they were immediately thrown into Russian concentration camps as being traitors to the Russian cause. Many of them escaped while others fled ahead of the Russian advance and thousands of these poor unfortunates have a sanctuary now in our camps throughout Austria and Germany. With my own eyes I have seen the letters and numbers of these horror camps tattooed upon their wrists and arms as a means of identification placed there by both the Germans and the Russians—marks which will be perpetual life-long reminders—wounds which can never be removed from the body and wounds which can never be healed within the heart.

As one member of the Fulton committee, I repeat that I am completely convinced that this particular group of displaced persons who were first enslaved by the Germans and who were later reenslaved by the Russians—after their successful march back through the Baltic states—are sincere when they literally hissed through their teeth their utter contempt for the Germans and their hatred for Russians and everything communism advocates. Is it any wonder, therefore, that the DP's do not want to live in Germany or even in their old home country, which is now under the domination of Russia?

It has been said that the United States should display the necessary leadership by enacting legislation which would permit a reasonable number of DP's to emigrate to this country. Up until now, this lack of action, on the part of the United States, has been used as an argument by many as to the reason why the 16 participating nations under the Marshall plan have failed to provide the necessary immigration into their respective countries, which would liquidate the problem.

For the benefit of the Members of the House, I am pleased to state that the membership of the Subcommittee on Immigration and Naturalization of the Judiciary Committee is now working on the draft of a bill which seeks to admit what we consider to be a reasonable and fair number of DP's as an emergency measure. The chairmen of our subcommittee and our full committee have courage and vision.

The draft of such legislation will be based upon the long weeks of testimony which was presented to our committee on this all-important question by the Secretary of State, the Attorney General, and other Cabinet members in combination with our farm, labor, and religious leadership of this country. I might add that no basic or radical change in our immigration policy is contemplated.

It is my sincere hope and fervent prayer that should this legislation clear the hurdle of the subcommittee and the full committee and be reported to the House, the membership will promptly enact it because I am reasonably sure that, if it does so, the Senate will pass their bill, which has already been reported by their subcommittee. As a result, I believe that a fair and equitable piece of legislation will emerge from the conferees of the two branches which will display to the participating countries under this legislation that same high type of leadership which they have so justifiably expected and which the Congress possesses.

I repeat, Mr. Chairman, when DP legislation has been finally enacted into law, the administrator of this program must cooperate with Secretary Tuck of the IRO in the calling of a conference of the receiving nations under the ERP with the purpose in mind that every country receiving economic and financial aid under this plan should agree to accept a sufficient number of DP's with the avowed determination that, before the conference table is abandoned, the full and complete problem will have been liquidated and solved. Incidentally, I was glad to see the Fulton amendment in this bill. It seeks to do what I pray will come to pass insofar as DP's are concerned. Mr. Chairman, if we expect to help Europe withstand the ever-increasing flood of communism, thereby preserving Christianity, democracy, and freedom in the world, we must do so by solving the whole problem. The two go hand in glove—the rehabilitation of Europe's economy and the rehabilitation of Europe's people. In the rebuilding of their cities, factories, churches, schools, bridges, docks, and other necessary structures of a free and democratic Europe, we must not overlook these poor, unfortunate human beings who, through no fault of their own, have no home to which they can return.

Mr. Chairman, if the Marshall plan is to be a success, with all my heart I submit to you that it is incumbent upon our great Nation to remove not only the scars of Europe's democratic cities but to remove also the scars from the bodies and the hearts of its unfortunate, homeless people. Once this is done, then, in my humble opinion, the real purpose and intent of this European recovery program will, by the help of a merciful God, be truly accomplished.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CHELF. I yield to the gentleman from New York.

Mr. CELLER. The gentleman is too modest to indicate that he has rendered yeoman service in endeavoring to solve this problem.

Mr. CHELF. I appreciate the gentleman's remarks very much.

Mr. BLOOM. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. KLEIN].

OPPOSED TO BILL IN PRESENT FORM

Mr. KLEIN. Mr. Chairman, I am opposed to the bill in its present form. I feel, and many of my colleagues here feel as I do, that we favor the Marshall plan as it was originally proposed by Secretary Marshall, and somewhat in the form that the bill came out of the Senate.

Those funds should be used and can be used for humanitarian purposes, and it is my firm belief that that is the best way to combat communism. It certainly has been well demonstrated throughout the world that you cannot enforce an ideology on other people by force of arms, and you cannot use money for the purpose of imposing it on them. The best way we can act to prevent communism from sweeping the world is to show the people of the world the benefits of democracy. We can do that by helping them help themselves so that they can feed and clothe their families and have decent and adequate housing.

MAKE DEMOCRACY WORK

You cannot reach those objectives by force of arms, nor even by supplying arms. You cannot reach them by hypocritical lectures or petulance or by helping the prostrated countries build up their own armies against a hypothetical foe. Money and thought and human effort put into war machines do not produce the tools of peace. You cannot make farm tractors and tanks out of the same raw materials.

You can prove to the people of the world that American democracy is a vital, dynamic way of life by making democracy work, by making sure that no person willing to work lacks a job, that no one goes hungry, that kids in the slums—whether those slums are in a big city or a lonely farm—get the same chance to have a decent education as the banker's children, that no one is discriminated against by reason of his race, his religion, his color, his national derivation, or his economic status.

It is not consistent for us to deride the one-party elections of totalitarian states until we put our own house in order and get rid of the poll tax which disfranchises 25,000,000 people. We cannot complain with logic of one-sided elections in Europe while here at home American citizens are warned away from the polls by threats of death and violence merely because of the color of their skins.

It comes with ill grace for us to complain of the indoctrination of European children with political propaganda while in this country we waste millions of dollars of our educational funds by maintaining an extravagant double system of segregated schools in many States, including the Nation's capital city, where the superintendent of schools has said it will take an immediate expenditure of $50,000,000 just to keep up the un-American system of separate school systems for white and black.

We cannot complain too loudly about the brutal political discrimination in totalitarian countries when in our own democratic America people are refused employment because of their race, or their religion, or their foreign-sounding names.

NO VIRTUE IN RETALIATION

Do not misunderstand me. I do not for one moment condone the undemocratic tyranny of political commissars abroad; but we do not come into the court of public opinion with clean hands while there are flagrant violations of democratic procedures here at home.

I do not excuse the violent attacks on America and the distortion of facts in foreign lands; but neither do I see any excuse for the same thing in our country. There is no virtue in mere retaliation. There is nothing noble in trading insults while the real and crying needs of hungry people are ignored or are made political footballs.

Again I plead, let us prove our faith in democracy by providing help to the exhausted people of Europe democratically, without reservations and strings tied to our packages.

PEOPLE AT HOME DEMAND PEACE

I know that I have been hearing from the people of the 19th District of New York, whom I have the honor to represent, in forceful and yet thoughtful terms.

Fairly typical is a letter from Mrs. Arthur Stanton from which I quote this paragraph:

> Like many Americans, I am interested in a European recovery plan, but not in a wholesale military occupation of all Europe. Like most of your constituents, I have followed the developments of ERP, and have come to recognize that we are asking Europe to recover with guns instead of food. * * * It is absurd to think we are going to save the world with a new war. * * * Can't we even give the UN a fighting chance?

I find much to object to in the bill here before us. While the Senate bill was not, perhaps, a perfect instrument to carry out the original enunciation of the Marshall plan, it was acceptable.

In the House bill I object particularly to such provisions as that requiring participating countries to deliver agreed percentages of strategic raw materials; the violent interference with the principles of free enterprise and with the natural expectations of self-help through a prohibition on the use of American materials in the manufacture of commodities which might ultimately reach trade channels between eastern and western Europe; the provision for chartering 200 dry-cargo vessels.

I also criticize the political maneuver of increasing the national debt by a billion dollars in order to avoid interference with the ill-timed tax reduction program; the changes in agreements on dismantling of industrial plants; the provision for utilizing DP's and the wasteful provision requiring 25 percent of the wheat shipped to be in the form of flour.

TITLE III MOST OBJECTIONABLE OF ALL

But most of all, Mr. Chairman, I hope that an amendment will be offered and adopted which will eliminate the ill-advised title III, which wraps up in one bulky grab-bag package economic assistance for war-torn Europe and military aid for China, Greece, and Turkey.

This is not the place or the time to consider further military support to maintain reactionary and exploitive regimes in those countries.

This was intended as a measure to help Europe help itself to recovery. Opponents of ERP have called this a global WPA program. It would be more accurate to compare this to the PWA program. The ERP was intended to provide the tools the people of Europe need to bring back their own prosperity, and there are many of us who, while believing that the United Nations was the proper agency to carry out the work, were prepared to support a real European recovery plan.

We find the presence of a program of active military help for China, Greece, and Turkey distasteful. We cannot impress the people of the world with the real benefits of democracy by bayonets and tanks and war planes.

It seems to me that there is something wrong with our foreign policy.

Take the case of Greece and Turkey. I am happy and proud, in retrospect, that last spring I voted against the program now under way there. We were told that we were giving aid to democratic peoples there; but it is ridiculous to think that those were democratic governments which we have braced up against collapse with our weapons.

JUST AS BAD AS THE COMMUNISTS

The type of government they had in Greece and that they have there today is just as bad as the Communist government. One is the extreme of the right and the other is the extreme of the left. There is no real difference between them. We are going to throw our money down a rat hole, as we have done up to now. There are 250,000 more Communists in Greece today than there were at the time we implemented the so-called Truman doctrine. We are throwing our money away by trying to maintain a reactionary government in power. We will do the same thing with regard to China. You will remember that when Secretary Marshall came back from China, before he was appointed as Secretary of State, he was opposed to sending military aid or monetary aid to the Chinese Government, yet that is just what we are doing now.

We have another instance of the so-called foreign policy of this administration with regard to Palestine. The administration came out one day in the United Nations for the partition plan, and a week later imposed an embargo so that the partition does not mean anything. Two or three months later they reverse themselves and come out against the partition.

Now, today, we are assured that this Government still supports partition. What will it be tomorrow?

Revoke the embargo and give the Jews arms such as the Arabs have, and the people of Palestine will carve out their own nation in their own sweat and blood and tears.

Mr. Chairman, I hope I will be given the opportunity to vote for this bill, because I am in favor of it, but without title III. Let us have the original ERP and give us a chance to vote on it.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. LODGE].

Mr. LODGE. Mr. Chairman, the measure which we are now considering is the product of many minds; it is the result of much searching thought. Like all of man's creations, it is not perfect. Like most of the measures which come before us, it does not represent in every respect precisely what each member of the Committee on Foreign Affairs desired. It is the result of compromise. It is an able symbol of the effective and efficient functioning of our constitutional process.

Millions of words of testimony have been written and spoken in connection with this vast project. Hundreds of minds have applied themselves to the gathering of information, to the elaboration of detail, and to the exploration of the many intricate implications of this huge undertaking.

And now it is before us. It is before us at a time when the threat to peace and freedom which many thought had been disposed of at the end of World War II has become more formidable and cumulative than ever. It is before us

at a time when even the wisest are incapable of complete answers. It comes before us at a time when expeditious action is imperative.

Many vital questions are dealt with in that part of this legislation which is concerned with the economic recovery of Europe. The members of your Committee on Foreign Affairs have given a great deal of study and thought to such questions as the vital needs of the American people, the use of the foreign assets in this country, our requirements in strategic materials, an effective export-controls policy, guaranties of the convertibility of foreign currencies, loans, shipping, the protection of American rights abroad, the dismantling of German plants, the use of foreign currencies, reciprocal self-help among the European nations, the paramount problem of administration, and many other matters.

Mindful of the fact that these problems have already received considerable attention and that they will be further discussed when the bill is read for amendments, I should like briefly to discuss the European Recovery Program as a part of our Nation's foreign policy.

There has been a natural preoccupation in the minds of many of us arising from our desire to obtain a composite rather than a piecemeal view of the international dilemma. The European Recovery Program will depend for its success on the early evolution of these other segments of our foreign policy. These must be brought forward on a concurrent front in order that this program shall operate under the most propitious circumstances possible.

In order to create such a favorable economic, social, and political climate, we should, it seems to me, take steps to fill in the many gaps in our peacetime strategy. Peace is achieved through strength. War is usually a derivative of weakness.

Accordingly, I should like to venture a few suggestions which, if acted on, would, in my opinion, serve to buttress the forces of freedom.

First. It may be said that although the United Nations organization has so far failed of its objectives, it can nevertheless provide the framework for the useful purpose of spreading international responsibilities and integrating the efforts of those nations which are seeking to defend their freedom and their independence against the brutal onslaughts of Communist tyranny.

Accordingly, it is my considered view that a meeting of the United Nations should be called under section 109 of the Charter in order that this organization should be strengthened; with Russia if possible, without Russia if necessary.

Second. Instruct our representatives to the International Monetary Fund, to which we make a huge contribution, to recommend that an International Monetary Conference be called for the purpose of effecting a planned devaluation of the currencies of the 16 nations participating in the European Recovery Program, and in order that this may be accomplished with a minimum of economic dislocation and a maximum of benefit for western Europe and for the American taxpayer. The amount involved in the European Recovery Program is based on the estimated balance of payments deficits. Because the dollar has become the basic currency in the world today, the needs of the participating countries are estimated in terms of dollar deficits. Since these foreign currencies are artifically pegged, the Marshall Plan constitutes to a considerable extent an attempt on our part to bridge the gap between the legal and the real values of these currencies. A devaluation of these currencies would make European commodities cheaper to buy. It should be expedited in order (a) that these countries may increase their exports and thereby reduce their dollar deficits; (b) by reducing their dollar deficits, reduce the load on the American taxpayer; and (c) increase American imports and thereby reduce the cost of living in America.

Third. The President should decide on a policy with respect to export controls, and with particular reference to Soviet Russia and her satellites. Here we must recognize that a revival of trade between eastern and western Europe is important to European recovery. It is to be hoped that when we have helped the ERP countries to create a capital-goods surplus the agricultural surpluses of eastern Europe will flow into western Europe, in spite of the iron curtain. On the other hand, it should be our policy and the policy of the nations receiving our aid not to help Russia to defeat ERP. Any other policy is unthinkable. Furthermore, our Government should impose an export-controls ban on shipments to Russia and her satellites of munitions, airplane engines, certain types of electrical equipment and machine tools, and any other articles which can be used directly as war potential.

This aspect of our foreign policy should not be allowed to drift from day to day on an improvised basis. It should be carefully considered, clarified, and synchronized with the European Recovery Program in order that it can help to implement its major intentions.

Fourth. Whether or not western Europe can recover without a revival of trade with eastern Europe, we know that European recovery is impossible unless Germany is enabled to contribute. To isolate Germany from western Europe is to compromise European recovery and add enormously to the burden of the American taxpayer.

Under section 115 (e):

> The Administrator will request the Secretary of State to seek to obtain the agreement of those countries concerned that such capital equipment as is sheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

It is my hope that the Administrator will, as soon as possible after his appointment, look into this vital matter. The question of dismantling has been a source of considerable worry to many of us. It is enormously complex. Suffice it to say that western Germany is now being administered under directives which bear no relation to European recovery but which are based on the vain and futile premise that western Germany should be treated as a viable economic unit. The criteria adopted with respect to reparations and dismantling should be revised and adapted to the European Recovery Program. To the objection that this will strike fear into the hearts of those nations which have suffered from German aggression, I would reply that this fear will be mitigated to the extent that we give evidence of our intention to sustain these nations in their efforts to preserve their freedom and independence. It is caused largely by their apprehension regarding support from the United States.

Fifth. Instruct our representatives to the International Bank for Reconstruction and Development, to which we make a predominant contribution, to call a meeting of the members of the Bank in order that the activities of this organization should be coordinated with the purposes of the European Recovery Program. For instance, I have been informed by Stanislaw Mikolajczyk, former leader of the Polish Peasant Party, that every dollar we spend in Poland goes to Russia. Former Ambassador Lane's arresting book tends to bear this out. Yet it is rumored that the World Bank is about to make a loan of $40,000,000 to the Communist Government in Poland. If Mr. Mikolajczyk is right, and his opinion is certainly entitled to a great deal of weight, we would, in contributing to such a loan, be helping the Russians to defeat the Marshall Plan.

Sixth. Provide for a military establishment adequate to meet the urgent threat to our national security. Our power should be commensurate with our commitments. We must assume a military posture which will discourage external aggression. Since internal aggression is greatly facilitated by fear of external aggression, American armed might can also do much to combat internal force.

Seventh. It is my conviction that the United States and the nations participating in the recovery program, including China, should enter into regional multilateral military agreements pursuant to Article 51 of the United Nations Charter with a view to creating political and economic conditions which will assist the recovery of these nations, for the purpose of protecting their freedom and independence from external and internal aggression, and in order that the military dispositions undertaken by them shall be predicated on European rather than on national considerations, thereby effecting important economies in the military establishments of these nations while achieving greater over-all strategical strength.

Eighth. We must learn to operate in the twilight zone in which Communism makes its greatest gains. We must adopt effective countermeasures to neutralize and roll back the subversive minority elements which by intimidation, bribery, and corruption are thwarting the spontaneous forces which are the lifeblood of freedom. We must have a peacetime OSS. Such an effort on our part would cost but a fraction of the vast program which is contemplated here. It would help to assure its success and, by diminishing riots and strikes, would substantially diminish the cost to the

American taxpayer. We are not reluctant to use flame throwers and atom bombs when we are at war. We are willing to furnish economic aid and to embark upon an information and cultural program in time of peace. We must decide to do what is necessary to fill in this vacuum in our strategy in order to win the cold war. We must learn to operate in this no-man's land in order to block the insidious and treacherous attempts of these purveyors of terror to use freedom for the purpose of destroying freedom. Respect for law does not require us to stand supinely by while these laws are perverted and demolished. Equity looks to the substance. We must intervene in order to protect these nations from Soviet intervention—from Soviet domination. "Intervention for nonintervention" the great Hungarian patriot Louis Kossuth advocated almost 100 years ago. Let us heed his advice. It can be done. It must be done; and the sooner the better. If we do not help the police in these countries they will become police states.

Ninth. The State Department's information and cultural program must be stepped up to the realm of psychological warfare. Newsprint must be provided to those who are resisting the Red Fascists and on-the-spot radio broadcasts inaugurated. We must also make full use of word-of-mouth propagation of information in this battle for men's minds.

There should be a drastic reorientation in the entire program. While Russia is telling lies about us we must tell the truth about Russia. Here it is interesting to note that the percentage of Communists in countries behind the iron curtain is far less than the percentage of Communists in countries cutside the iron curtain. For instance, former Premier Mikolajczyk has informed me that in Poland but 3 percent of the population are Communists. In Czechoslovakia at the last election there were 38 percent. I dare say that now that the Republic of Czechoslovakia has succumbed to the Red infection, the number of Czech Communists is closer to 3 percent than to 38 percent. The vaunted Communist paradise is in fact a red hell. But when people are exposed to the distressing conditions caused by a great war it is perhaps natural that they should think that a change will be an improvement; it is human nature to believe the reckless and deceitful promises, the malicious distortions and lies slyly made by the panderers of the Politburo. We must present the constructive alternative. It is our mission to sell America to foreigners as effectively as Palmolive is sold to Americans. I believe that the many responsible and patriotic leaders in the American labor movement can do a great deal to help toward an understanding of this grave choice. They have already done much and I know that they will do a great deal more.

Tenth. And finally, it is clear to me that our Nation's policy should be to encourage the participating nations to engage in a European economic federation which will serve as the basis for a United States of Europe, thus fulfilling the hope once expressed by George Washington. If they do not voluntarily federate for freedom they will have a Soviet federation imposed upon them.

A chief object of this great effort is to spread freedom by extending the free trade area. A world contracted by science must be united by freedom if peace is to prevail. If the objective of ERP were to restore Europe to its 1938 condition, if its purpose were to put Humpty Dumpty together again, then we would be wasting our time and our treasure.

Our predominant purpose must be related to the relentless realities of the period in which we live. Many historic forces, economic, social, political, and military have wrought irremediable changes in the structure of the European complex of nations.

On our part we must give a vigorous demonstration that we understand the portentous challenge of this precarious peace as fully as we have always understood the grim challenge of war. We must make full use of the felicitous flexibilities of our free system. We can and we must distill out of the confusions, disappointments, and apprehensions of this postwar period, not only the physical means but the spiritual resolve to persevere in this terrible battle until the concept of the brotherhood of man under the fatherhood of God has spread its ineffable blessings among the godless hordes who are seeking to enslave us.

Let us have faith.

The secret of our unequaled standard of living is that the precepts on which America is founded are timeless in their validity; they are never obsolete. The doctrine of freedom is the most modern, the most flexible, the most dynamic, the most truly revolutionary force that the world has ever known. We must understand what are the great motive powers which have propelled America on the successful adventures which she has undertaken. We must translate the American idea into terms so persuasive, so contagious that the freedom-loving peoples of the world will recognize the choice with which they are confronted.

Mr. Chairman, I have attempted in these few remarks to touch on some of the highlights of what, in my opinion, should be done to create a coordinated and effective foreign policy. Had the true challenge been recognized at Yalta, Teheran, or Potsdam we would not be in our present predicament. Had this dread menace been understood 2 years ago we could have done much to redeem our pledges and thereby preserve for millions of people the blessings earned for them in large part by the blood and valor of our fighting men. But it is idle to lament over an irretrievable past. What is done cannot be undone. If the diplomatic blunders of appeasement can spur us on to militant action in the inexorable present they will at least have served some purpose.

If we pass this unprecedented law it will, in the eyes of the world, be a measure of our intentions to support the forces of freedom. We will have provided them with a constructive alternative. In particular, it can have a most salutary effect on the valiant souls in Italy, who, while we deliberate here, are enduring their great Gethsemane, locked in mortal conflict with the evil minions of Communist reaction.

Once more unto the breach, dear friends.

Let it be said by future generations that Italy, the cradle of western civilization, the seat of the Vatican, the source of much of our precious inheritance, was saved for posterity not only by the determination of the Italian people, but also by the understanding and resolve of the people of America.

Let us take action "against a sea of troubles and, by opposing, end them."

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield to the gentleman from California.

Mr. JACKSON of California. Mr. Chairman, I know that the gentleman's modesty forbids him to say so; however, I should like to add that the action taken by the Government the other day with respect to Trieste is the action that the gentleman from Connecticut has been advocating for so long. That fact should be brought to the attention of the Congress.

Mr. LODGE. I thank the gentleman from California.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield to the gentleman from Ohio.

Mr. VORYS. Mr. Chairman, again the gentleman's modesty forbids his mentioning this fact, yet I feel that the gentleman in his masterful address has emphasized a matter which the committee feels very strongly but others do not. That is the great interest in the encouragement of the European people. Would the gentleman in the course of his remarks point out the change in the purpose clause with reference to substituting "hope" for a policy of encouragement which was made by the committee at his suggestion?

Mr. LODGE. I thank the gentleman. That policy is expressed on the second page of title I of this bill. We did substitute the words "policy of the people of the United States to encourage" for the word "hope."

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, the $20,000,000,000 Marshall plan is now before us for consideration. The international bankers and exporters, combined with the administration and the military, have put on the greatest propaganda campaign in the history of this Nation to put this legislation over.

Through the use of the administration's propaganda machine, paid for at the expense of the taxpayers, backed up by the powerful financial leaders of this country, and its use of the press and radio, they have convinced some of the American people and have had a considerable influence on the Members of

Congress. We have reached the time in this country when the forces I have referred to joined together in a combined effort, can pass any legislation they desire. The 4-month campaign to put over this bill is an example of their power.

Mr. Chairman, the foundation of this effort started on the premises of deceiving the American people. Practically all of the first propaganda going out started with insisting that the purpose of this legislation was to prevent women and children and the people of Europe from starving. As late as the last 2 days I received a petition which was sent out by the Stimson committee to women in my district asking that pressure be put upon me as a Member of Congress by them to vote for this measure. Its heading reads in part as follows:

> It is our belief that in this winter of 1947-48, the United States is faced with the responsibility and the pressing necessity to prevent mass starvation and to aid in restoring the normal economic life of the war-ravaged nations of Europe cooperating in the Marshall plan. It is our simple duty as neighbors in helping these great people to help themselves. Urge your Representatives in Congress to cast a favorable vote on this legislation.

Petitions have been mailed throughout the Nation from the Stimson headquarters representing the international bankers carrying this heading. They say nothing of the 4-year plan of billions to be sent to the 16 nations in farm machinery, tractors, steel, and oil. They do not tell the people that this plan will take $990,000,000 of their money with which to buy tobacco in this country and give it away to Europe. Certainly, tobacco is not a food—it is a luxury. They do not tell the people they ask to sign these petitions and mail to their Congressmen that they propose to take the American taxpayers' money and ship $1,565,000,000 worth of steel now needed in housing for the veterans and civilians generally in this country. They do not tell the people that this legislation will require that $2,960,800,000 of the taxpayers' money be spent to ship and give away petroleum products, including oil and gas, to these 16 nations when we have not had enough fuel oil to heat our homes during the past winter, and when we will likely not have enough fuel oil to keep our farm machinery going steadily this spring and summer. These are only a few of the big items making up the $20,000,000,000 Marshall gift. They have not told our people that less than 40 percent is for food.

Mr. Chairman, our taxpayers during the war furnished $50,000,000,000 in lend-lease. Since the war we have relieved Europe by over $20,000,000,000. In addition we recently voted over a billion dollars for Germany and Austria which will take care of their food problem until after their next harvest. A few months ago we voted $500,000,000 in interim aid for food, coal, and other articles to help out France and Italy. We are now called upon to appropriate in this bill $6,205,000,000 for the first year under the Marshall plan. We are also committed to carry this program through for a total of 4 years. I cannot, in good conscience, support this enormous amount of money at the expense of the people of this Nation and I cannot be a party to signing a contract to carry on these donations for a period of 4 years.

Mr. Chairman, we just as well tell the people the whole truth and not lead them into the Third World War step by step. The gentleman from Georgia [Mr. Cox], who is supporting this legislation, rightly said, "This is a war measure."

Now let us see whither we are drifting. In starting this campaign the administration said we must feed the starving people of Europe. Their next step was, we must repair their factories, furnish new railway cars, and generally rehabilitate their country so they can manufacture goods which they can export for food. They argued that unless we rehabilitate western Europe we will have to continue to feed those nations.

The third step they have taken is that the European nations should get together and organize in a group to defend themselves against Russia. The fourth step we are to take, in addition to shipping food and materials of every kind, will be to arm them. The fifth step following will be to join them in a mutual-defense pact extending the Monroe Doctrine to Berlin and Greece. The sixth step, after all we have done, if war comes, will be to send millions of soldiers with full equipment to fight and die to protect them.

The seventh step will be to again open up the floodgates of lend-lease as we did in the last war.

Mr. Chairman, I think the people ought to know what they are being pushed into. They are going to have to furnish the money and the soldiers to do the fighting. I am not convinced that a majority of the American people want to assume this tremendous responsibility. I do not believe that the United States, with less than one-sixth of the people of the world, can supply the material, and finance this gigantic undertaking to feed the rest of the people of the world, and fight for them, without serious danger of bankrupting our Nation financially, which would bring a state of poverty and chaos to our people, causing us to lose our present government of freedom and liberty and its opportunity for our children in the future.

England, France, and Europe have fought two world wars which has brought bankruptcy to them and all of those nations making it necessary for them to call upon us, the only powerful nation left, to feed and protect them. Do we want to follow the same course?

Mr. Chairman, under the Marshall plan, with inflation and the high cost of living upon us as it is today, we will take on the added responsibility of shipping out of this country and giving away in food, oil, steel, lumber, farm implements, tractors, coal, fertilizer, freight cars, tobacco, cotton, and various other articles the amount of 10,000 trainloads each year. The following table shows the cost and names the commodities we will ship during the 4 years. I wish the Members of the Congress would read this table which is broken down into millions and billions for each year so that they may get a better idea of what is to be shipped out of this country:

[In millions of dollars]

Commodity	1948	1949	1950	1951
Steel and steel-making materials	441.0	381.0	375.0	368.0
Petroleum and petroleum products	576.8	623.3	641.1	619.6
Oil equipment requirements	175.0	155.5	124.2	133.5
Agricultural implements	275.0	214.0	147.0	78.0
Tractors	78.0	52.0	48.0	40.0
Coal	369.0	225.0	126.0	54.0
Coal-mining machinery	80.0	54.0	46.0	40.0
Timber and products	95.9	92.6	87.3	75.0
Forest-products machinery	16.4	15.3	13.3	12.3
Electrical equipment	150.0	175.0	125.0	50.0
Fertilizer:				
Nitrogen	58.0	46.0	16.0	-------
Phosphate	40.0	33.0	36.0	28.0
Potash	40.0	49.0	50.0	53.0
Inland transport:				
Freight cars	168.0	147.0	52.0	-------
Passenger cars	28.0	28.0	28.0	28.0
Special equipment	7.0	2.0	1.0	1.0
Food (all categories)	2,100.0	2,000.0	1,800.0	1,700.0
Tobacco, for 4¼ years	911.0	-------	-------	-------
Cotton, for 4¼ years	1,957.0	-------	-------	-------

Grand total for the above 4 years $18,855,100,000

Mr. Chairman, the above figures clearly show that after this plan is passed, in order to prevent inflation that will ruin this country, the next move of the administration must be to demand regimentation of our people by putting back on controls and rationing, more drastic than the people had to bear under the last war.

The President has already called for controls, and for universal military training to implement the Marshall plan which will cost the taxpayers an average of over $2,000,000,000 a year. He has called for the reinstitution of Selective Service and the draft. We must not approach this legislation emotionally, but realistically. Mobilization of our entire resources will be next on the program. They are now whipping up a war hysteria that will becloud the issues in the Presidential campaign.

Mr. Chairman, as a member of the Herter committee, I had an opportunity to help make a study of the European situation last fall. It is my honest opinion that the first great mistake was made when the 16 European nations were invited to sit around the table and determine how much help they wanted from the United States. That, in my judgment, was the first fatal and colossal blunder.

Rather than turn back, as the administration recently turned back in its efforts to partition Palestine, they were so far out on a limb that they apparently felt they could not turn back.

Mr. Chairman, I do not object to giving such aid to a few European nations as would help to prevent hunger, and would help those nations from a psychological standpoint and encourage their people locally in the elections to keep their nations from going Communist. In my opinion, the expenditure of $3,000,000,000 this year, in addition to over $1,500,000,000 we have already supplied for this year, in aid to Greece, Turkey, Italy, France, Austria, Germany, and

England would give them all the aid necessary. This would be a total expenditure of over $4,000,000,000 during 1948. With favorable weather conditions for the growing of crops this amount of aid might well be all that it would ever be necessary to expend in aid to the western European nations.

I believe that we should only give them the necessary aid that will encourage them to make the maximum effort on their own part to rehabilitate their own nations. If they will not do it, we cannot do it for them. My principal objection to this plan is, first, it is entirely too much in money and supplies. Secondly, regardless of what is said, it is a 4-year commitment, and no one can honestly deny this statement. We should not render aid for more than 1 year, and then after noting the progress made, consider what, if any aid, should be given in 1949.

Many Members of this House, including myself, are hoping that an amendment will be offered to cut the amount carried in this bill to $3,000,000,000, and that another amendment will be offered limiting it definitely to 1 year.

As a matter of compromise, I will support the bill if it can be reduced to $3,000,000,000, and limited to only 1 year. Many Members who oppose this bill in its present form, I feel certain, would support it if amended as I have suggested.

Mr. Chairman, proponents of this legislation say that it is to stop and turn back communism in western Europe. No one knows what effect, if any, it will have in that direction. No one has or will oppose communism more earnestly than I have opposed it. For my own part I believe we would come nearer stopping the encroachment of communism on western Europe if we would give these people the $3,000,000,000 I have suggested which is all that is necessary to encourage them to stand up against communism, and take the other $3,000,000,000 or $5,000,000,000, if necessary, and spend it on building the strongest air force in the world, and strengthen our military forces wherever needed. Continue our research and development of instruments of warfare which action would serve notice on the Russian leaders that the United States rather than weakening its financial and military power was conserving its finances and strengthening its military power to be ready for any emergency that may happen.

Stalin knows that if we spend $20,000,000,000 in Europe we are weakening our Nation rather than strengthening it. If he knew we were preparing for war if he starts war, that knowledge, in my judgment, would cause him to stop his encroachment on western Europe for fear he might precipitate a war for which Russia is not now prepared.

Recently he pulled the curtain down over Czechoslovakia as he did over Poland, Rumania, and Hungary. When he pulled down that curtain he pulled it down over $2,000,000,000 of our money and equipment.

The highest intelligence in the Army in a conference with our committee in Vienna admitted that even though we spend billions in rebuilding western Europe that during the next 2 or 3 years Russia could move in and take it over without hardly a struggle. If we put $20,000,000,000 into these western countries we must realize that within 1, 2, 3, or 4 years Russia can move in and take these countries and then have the benefit of turning the power of $20,000,000,000 we have put in against us. I do not believe any military leaders in Washington will say that we can land a force in western Europe sufficient to stop Russia if she decides to make such a move.

Mr. Chairman, the administration and the State Department recommend the Marshall plan. Before we approve their recommendations I think it is fair that we review the steps they have taken during the past 3 years to see how near right they have been in the past. Here is only a part of the record:

At Yalta when the war was drawing to a close the late President Roosevelt and representatives of the State Department met with Russian officials and the other powers to determine what boundary lines would be drawn and the type of settlement to be followed.

They agreed that Russia should move her boundary lines west into Poland; that Poland should move her boundary lines west into Germany; that Germany should be divided into four parts for the purpose of organization; Russia taking the capital, Berlin, to be governed with the other three powers; Russia taking all of the rich agricultural lands back of Berlin and adjoining Poland; that England should have that section of Germany which contains the Ruhr; that France should control the section adjoining her nation; that the United States would take what was left, and it has been said that the American and British forces were to be held back and allow Russia the honor of marching her soldiers into Berlin, the capital. Some dispute this last statement, but most informed people contend this agreement was made and that it was a colossal blunder. As a result we are in a weak position in Germany today.

They agreed that Russia should occupy the rich eastern agricultural section of Austria containing the great oil fields of that nation. These agreements were further carried out at Potsdam with President Truman succeeding the late President Roosevelt at the Potsdam Conference. These agreements put Russia in the driver's seat, and if we have lost the peace of the world it was lost at Yalta and Potsdam by the agreement of our own representatives who now want the Marshall plan.

They agreed that Russia should have $500,000,000 in reparations from bankrupt Italy, that the major part of the Italian fleet should go to Russia, that Russia should have reparations from all of the satellite nations and that she should have $10,000,000,000 in reparations from Germany, that she should have over 45 percent of practically all of the war plants in all of Germany if she saw fit to take them, and she has taken a great many. Our representatives agreed to a mortgage in reparations that could not be paid and the dismantling and destruction of Germany for the future to the great benefit of Russia.

Mr. Chairman, when they made these agreements they put Russia in a position to starve out the rest of Germany because they gave her the agricultural section, as well as sections including industrial and manufacturing plants.

They agreed to and implemented the Morgenthau plan at Potsdam. This agreement to make western Germany a pastoral or agricultural state has cost our Government over a billion dollars in food since the war to keep the people of Germany from starving. The Morgenthau plan for 2 years after the war has absolutely held down and prevented the rehabilitation and reconstruction of Germany, and has proven such a mistake that it has finally been abandoned. They agreed at Yalta to all of the concessions to Russia in Manchuria and Korea that are giving us such great trouble today. They made it possible for Russia, operating through the Communists in Manchuria and Korea, to probably destroy the Chinese and Korean Governments, which, if destroyed, will greatly menace our developing a free nation in Japan. This is the record of only a few of the most colossal blunders that have ever been made by our Nation in the annals of history. Yet, they ask the people of the Nation and this Congress to blindly follow their lead on the Marshall plan. There is nothing during the past 4 years of the leadership of the State Department and the administration that could lead one to have confidence in their judgment now.

Mr. Chairman, it would take hours to fully discuss the great undertaking proposed in this legislation. I am indeed fearful that the passage of this legislation and the legislation that will have to follow to implement it, may destroy the financial solvency of this Nation and so impoverish its people that on the ruins of representative Government which has made this Nation so great, may be established the very government of socialism or communism that we are trying to prevent in western Europe. In this present world crisis it is imperative to me that the first duty of this Congress representing the patient and trusting people of the United States is to keep faith with them, protect their interests and to help keep this Government strong from an industrial standpoint, strong from a moral standpoint and strong financially.

Unless the United States is kept strong morally, industrially, and financially, we have failed in protecting the interest of our own people, and in such failure we will lose our opportunity to make our continued and great contribution through the years to come for eventual world peace.

Mr. BLOOM. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, time and time again when we have had this question before us, I have contended that the plan as embodied in this bill and in other similar bills is a plan to guarantee the establishment and continuance of satellite governments, governments that are or will be satellites of our State Department so that these governments can destroy and defeat the aspirations of

the people of Europe to establish an economy of their own. We must consider this plan in the light of the problems of the people of Europe, in the light of the fact which will become more and more obvious to Americans, and that is that monopoly capitalism, as we know it, big trust capitalism, has failed in Europe. It has given the people of Europe two world wars, and in between them it has given them fascism, famine, suffering, and bankruptcy. The great masses of the people of Europe look upon the rule of the big trusts as decadent and in some countries as dead. In fact, after the last war they began to march toward public ownership of their basic industries, toward taking over tremendous landed estates and dividing them and giving the peasants land. But, the program of bread and land and peace and public ownership was thwarted in Italy by the imposition of a bankers' French and British ERP in 1922 when, with French money and British bankers' money, Mussolini marched on Rome and fascism was established.

I cannot help but comment on the remarks that are being made today and that were made on the floor of this House a moment ago. I remember those same remarks were made in 1922 and 1923 after fascism was imposed on the Italian people by the then French and British version of ERP. Then they told us that the trains were running on time, and fascism did run on time and the Italian people were enslaved for 22 years just as the German people were enslaved in 1933. With the removal of the military power of fascism the people of Europe have once again begun their march towards public ownership of their basic industries, and particularly in Italy towards the breaking up of the landed estates. It is tragic indeed that those who seek to speak for Italy today are really speaking for the owners of the villas. They are speaking for that society group that entertained and supported the Fascists. They are speaking for the former Fascists, who have now once again reared their ugly heads and have come up from the underground of their wine cellars and their palaces and villas to attempt to restore their control over the lives and destinies of the Italian people, and now do it as servants and as tools of the Wall Street trusts.

This bill is a big trust bill. World control by Wall Street trusts is written right in this bill. I call your attention to section 102 (a), on page 48 of this bill. It says the purpose of this bill is what? "The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic and political conditions, stable international economic and political relationships." What does the State Department and the bipartisan coalition behind this bill mean by "sound economic and political conditions"? After I have told you what has happened in Italy, you will agree with me that by "sound economic and political conditions" it is the State Department's intention to foist for all time upon these people the system of so-called free enterprise. In Europe free enterprise, as in this country, does not any longer mean the freedom of the small-business man to operate, it means what it has meant in Europe for years, it means the freedom of big trusts to do what they please with the lives of the people, it means the freedom of the big trusts to monopolize Europe, it means the freedom of the big trusts to crush the peasants and workers of Europe, it means the freedom of the big trusts to exploit, to gather more and more and more profit from the backs of these people who are today striving to continue their march toward a better world.

Again let me call your attention to a part of the bill which I say sustains my contention. I call your attention to section 115 (b), paragraph 2, page 86, of the bill. Here we again find that the purpose of this plan is to carry out the expansion of the big trusts, by controlling the fiscal and economic policy of the recipient nation. The language of that paragraph gives us control over the currency, rate of exchange, and the budget of the recipient nation. On page 87, paragraph 6, the recipient countries must establish a special fund by depositing in that fund amounts equivalent to the grants that we give them. This becomes a big, big fund, and that fund, if you please, is, when realistically considered, controlled by the Administrator under this bill, so that means that the entire fiscal policy, that the entire economy of those countries, must be geared to comply with a Wall Street economy. To make sure that Wall Street trusts can expand in those countries, I call your attention to paragraph 9 of the same section, on page 89. There we insist that these countries must agree "to negotiate a suitable protection for the right of access for United States enterprise in the development of such materials on terms of treatment equivalent to those afforded to the nationals of the countries concerned." In the case of Italy, we recently entered into a treaty with Italy called the treaty of friendship. This section of the bill provides for a guaranty of access to strategic materials, but the treaty which was forced on the Italian people recently, the so-called treaty of friendship, commerce, and navigation of 1948, provides, among other things, that our nationals be given equal treatment with Italy's own nationals. It, like this bill, guarantees freedom of access. What does it all mean? It means these other countries, under the bill, cannot build industries of their own, that Italy, under the treaty, cannot build industries of its own. Why? Because the recipient countries cannot make any provisions to guarantee those industries and protect those industries against Wall Street competition. Thus, do you not see that whatever industries are left in those countries free of Wall Street investments are placed at a complete disadvantage in the field of competition? In the case of Italy, this applies more than in other countries, because under the treaty the unfair advantage given to Wall Street capital is not restricted to strategic materials and commodities but extends to every endeavor.

Then, again, this bill continues its control over the foreign trade of these nations. You take section 117 (d), page 94.

Here we tell these recipient countries that they cannot trade with the other countries that are not in this plan. What does that mean, for instance, with respect to Italy? In Italy they can get coal at a few dollars a ton from Poland. This section prohibits Italy from trading with Poland. Italy will have to buy American coal at $20 a ton or better. So we control these countries. We control them by controls established in this bill. We control their fiscal policies. We control their economic lives. We control their foreign trade. Then we control them politically because—I return you to section 102 (A), which sets forth the aims of "stable political conditions." That means any government that makes an attempt at public ownership or any government that would break up the landed estates will not be considered as a government existing under stable political conditions by our State Department and by this Congress, if I correctly judge the temper of this Congress. Read the President's speeches, the State Department statements, and the report of this committee as well as the speeches of the proponents of this bill. All these will leave no doubt that stable political conditions mean only those political conditions that are consistent with the free enterprise of Wall Street capital.

As far as Italy is concerned, this bill is not needed to make her an economic colony of Wall Street. The provisions of this bill are already in effect. They have been in effect in Italy for quite some time. They have been in effect ever since and prior to the treaty of 1948. They have been in effect ever since May 13, 1947, when the Lombardo Italian financial mission came here. Certain special economic agreements were reached with the Italian Republic through this mission which I shall discuss shortly. The provisions of this bill have been applicable in Italy since we began unilateral action toward Italy. We have spent in Italy $1,700,000,000 since the invasion of Sicily. Of that amount only $375,000,000 was spent through UNRRA. The balance of $1,300,000,000 is in the form of unilateral aid. None of that aid has reached down to the Italian people. It has been given to the Government. The Government has been selling this aid, some through the black market and some through the legitimate market and the only people who have been able to buy in either or both markets have not been the impoverished peasants of Italy nor the impoverished workers of that country, but the Wall Street investment bankers, and big industrialists, the owners of the villas and the big magnates and those who made money with Mussolini and since the time of Mussolini. They are the ones who have been benefited by this so-called aid.

For this alleged aid let us see what price Italy had to pay. Wall Street has taken over in Italy. Let me give you certain startling facts. The New York Herald Tribune of July 12, 1947, reported

with reference to oil, "Here in a most important field of the Italian national production we find for the first time a clear American preponderance." Air transportation was originally under the complete control of an Italian air line, Linea Aerae Italiana. That air control is shared now with TWA. With reference to insurance, there was a large insurance company which was a state insurance company, the Fiumeter of Rome. What has happened to it? Today there are four North Americans on its board of directors as a result of a deal through which a substantial part of the capital and reserves were supplied by private United States banking interests. To those who have been advocating public power, I say do you know what has happened to public power in Italy? It is being taken over. It is being taken over by General Electric in cooperation with certain financial groups in Turin. General Electric is now developing water power in the Osta Valley in Italy.

The Southern Railroad is taking over traffic and passenger elevator business in Italy, and so is the Otis Elevator Co. American interests have acquired holdings in Italian chemicals, such as Montecatini, Italy's largest chemical combine.

Now, as to textiles: This matter may be of interest to some of you gentlemen who have been following our foreign policy so closely.

There is a firm of Anderson & Clayton; Mr. Will Clayton, formerly connected with our State Department, and who had an important hand in the formulation of the Marshall plan is a member of that firm. That firm has acquired the largest holding in the most important cotton companies in Lombardia, Liguria, and in Venezia. Silk is being divided between the British and New York firms.

Automobiles: Two large automobile manufacturers in Italy, the Isotta Fraschini and Fiat, are no longer completely Italian. General Motors and Kaiser-Frazer have moved in, and those two large Italian automobile industries are partially gone. General Motors and Kaiser-Frazer have acquired holdings in these key firms.

Now as to the Lombardia financial mission. When that Italian financial mission came here to negotiate with the State Department for loans, what happened? We told them that they had to negotiate not only with the Government but they had to also negotiate with Standard Oil of New Jersey, with Socony Vacuum, and with the Anglo-Irana Oil Co., and the American Foreign Bondholders Protective Association.

Let me give you the story of the bonds, which gives you an idea of how Italy is becoming an economic colony of Wall Street every day. It is a story that is amazing. It is a story that is revealing. I do hope that the much vaunted freedom of the press we have will permit this story to be carried to the American people.

Back in 1925, Mussolini floated a bond loan. The American apologists for fascism had to help him out. Who floated that loan for him? It was floated by a syndicate headed by J. P. Morgan & Co., by the National City Bank, and by Dillon, Read & Co. It is significant that Dillon, Read & Co. is the same firm from which Secretary Forrestal came to the Government. It is also significant that Secretary Forrestal is now spearheading the war drive in the administration.

What happened? Those firms made big money in floating those bonds, but in 1940 Mussolini decided not to pay any more interest on those loans, because he contended that the holders had already collected their original investment, through the 7 and 8 percent interest rates that were charged. By the time of Pearl Harbor those bonds could be bought at 5 to 10 cents on the dollar.

Then an agreement was forced on the Italian financial mission in August 1947. It provided for the issuance of new bonds, equal in value to the face value of the old bonds, plus the accrued interest since 1940. That is, for bonds with a face value of $93,500,000 and a 1941 market value of less than $10,000,000, the Italian Government had to issue new bonds in the value of $136,400,000. These new bonds were issued in December 1947. By whom? J. P. Morgan & Co., Dillon, Read & Co., the firm of Secretary Forrestal, and the Chase National Bank—Rockefeller. So that these investment bankers made a fresh profit, and the speculators received a totally unexpected bonanza. An American speculator who bought those bonds, Kingdom of Italy 8-percent bonds, for $60, 4 days after Pearl Harbor, could sell them for $260, December 23, 1947, when trading was reopened.

Let us see what happened in oil. This is what Ivan Matteo Lombardo had to say about the oil deals that his mission had to negotiate:

> An agreement has been reached on the partitioning of the markets between the foreign companies on one side and the AGIP (the Italian petroleum monopoly) on the other side. This agreement has involved considerable sacrifice on the part of AGIP.

Although I do not have the full details of the agreement, I can say that the Venice refinery of AGIP will be turned over to a joint-stock company in which Anglo-Iranian has a 49 percent interest. The Italian subsidiary of Standard Oil of New Jersey gets exclusive marketing rights for the Bari and Leghorn refineries of AGIP. No information has been published about the other three refineries of AGIP but I believe that these also are involved. There were negotiations also between the mission and Caltex Syndicate (Standard Oil of California and Texas Co.) for construction in Genoa of a refinery for fuel and Diesel oil for the northern Italy industrial area. Before the war American companies handled two-thirds of petroleum imports into Italy; but only 15 percent of the refining capacity. Today they have a clear financial preponderance.

Mr. Chairman, all this explains all of the frantic effort that we are making in respect to the Italian elections; it exposes the real reasons for our interference. We talk about intervention. Who is intervening in Italy? Why, we have gone so far as to use the Pendergast political-machine technique of bribery. We are trying to influence the Italian election now by offering Trieste to Italy. Our State Department is doing its utmost to prevent a free election. The Italian people know that Trieste is a problem that can be satisfactorily resolved only between Yugoslavia and an Italian Government independent of Wall Street control. They will not be fooled by this latest war provocation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEE. Mr. Chairman, according to previous understanding, I yield the gentleman from New York 10 additional minutes.

Mr. MARCANTONIO. Incidentally, why did not Bidault, the French puppet of our State Department, offer to return the Provinces of Briga and Tenda to Italy. These Provinces were Italian and were taken from Italy and given to France only for reasons of revenge.

Speak about interference and free elections. The State Department informs the Italian people that unless they vote the De Gasperi ticket they are not going to get any aid. That came from Mr. McDermott, of the State Department. It was an official statement. Then our own Department of Justice informs the Italian people that if any of them ever hope to migrate here they can never come to the United States if they voted the Popular Democratic Front ticket. And on top of that we establish a base in Tripoli, and up and down the Mediterranean our fighting vessels are on parade. Yes; that is intervention, it it intervention of the rawest kind. It is intervention that some day Americans will consider a blot on our history.

Ladies and gentlemen, do you not now clearly see the real reasons for our intervention in Italy. The investment bankers, Dillon, Read & Co.; J. P. Morgan; and the Chase National Bank are some of the reasons. The big industrialists are the other reasons. You have heard of the bond deal, you have heard of the taking over of the oil and other Italian industries, you have heard of how every important industry in Italy has become a victim of the expansionist policy of the Wall Street big trusts. And now you write a bill which reaffirms the policy and the agreements that these investment bankers through our State Department have imposed upon the Italian people. Yes; there is a great deal at stake in Italy, there is a tremendous stake in Italy. It is the stake of the Wall Street investment bankers, and it is the stake of those industrialists who are expanding and taking over the industries of the Italian people that you seek to guarantee with this bill. The stake and the peace of freedom-loving Americans who believe in free elections is discarded. The stake of the Italian people to a free election and to an economy of their own is completely hidden by the organs of Wall Street propaganda.

What are these men of Wall Street afraid of? They tell you it is communism, but what are they really afraid of? They are afraid of a people who will take over, win the election, and do what? People who insist that these basic industries must be nationalized, that they must be placed under public ownership. When that happens the big stake that

Wall Street has in this election will be lost. And for that, for that we engage in war plans and launch a war policy. And for that we invest billions of the American taxpayers' dollars. And for that we call for a draft. And for that we call for a UMT. And for that we parade ships in the Mediterranean. And for that we establish an air base in Tripoli. And for that we destroy price controls. And for that Americans must suffer high prices and shortages. And for that American labor is enslaved by a Taft-Hartley law. And for that the peace of Americans is placed in jeopardy. And for that we march with seven-league boots toward war, not in defense of America, if you please—America is not threatened by attack from anyone, and that is a fact that cannot be denied no matter how many newspapers and how many radio commentators may be employed to say the contrary. What do they mean by attack? They mean attack on their entrenched exploitation of the people of Italy—by the activity of the Italian people themselves. You cannot tell me that in Italy that 2,500,000 members of the Communist Party are Russians; they are Italians. You cannot tell me tha. the members of the Socialist Party in Italy are Russians; they are Italians. The workers and peasants of Italy are not Russians; they are Italians and it is they and they alone who want no part of big trust exploitation and domination. It is they and they alone who are menacing not America or Americans, but have declared their intention to take from Wall Street and their Italian exploiters the land and industry and use them for themselves and their posterity. To this by this bill we say "No."

To this we say to them that they will receive no aid unless they supinely continue to suffer and starve under a monopoly capital Wall Street economy. I say help Italy. Help with money and bread and tools, the people of Italy to work out their own destiny even at the cost of depriving Wall Street of its privileges of exploitation in Italy. I repeat, the Italian people want their own industries, and the peasants of Italy whose standard of living is much, much below that of our sharecroppers want land. At long last they have overthrown the tyranny of fascism. They want land, land of the landlords who fought on Mussolini's side, land which they do not own but on which they have given their labor and their blood. They want land and by this bill we will do our utmost to keep the De Gaspari government in power by open and brazen intervention to prevent those peasants from getting land. And what I am saying about Italy can be applied to France, and it can be applied to many, many of the recipient countries under this plan.

Mr. Chairman, whom are we helping in Italy? We are not helping the peasants, we are not helping the small-business men of Italy, we are not helping the workers. Why, the Export-Import Bank authorized loans in an amount of $100,000,000 to Italian industries in August of 1947. So far loans of $22,000,000 have actually been made. To whom? To Pirelli—rubber—in which Wall Street now has investments. Who are the people in this firm? Those who backed Benito Mussolini from 1922 until after our boys fought and died on the Italian Peninsula. Yes; to Montecatini—chemicals—in which Wall Street has moved in and who financed Mussolini from the march on Rome until after Americans shed their blood and rid the world of him. A loan was made to Fiat, the automobile crowd that sustained Mussolini with their money and their influence which also has been partially taken over by our own industrialists. They are the ones who are getting these loans. Yet you stand up here and you tell the American people: "This is a defense of America, this is a crusade against communism." Yes, you now stand here and would make the Italian worker and peasant believe that you are helping them.

With these acts, with this brazen, shameful betrayal, not only of the Italian people but betrayal of the American people, through these various deals, through this bond deal, with those facts before you how can you say this program is a program in defense of America? It is a program in defense of Wall Street. It is a program responsible for the economic crisis we have been facing in America. Wall Street is now dominating America and is seeking to dominate other countries. I say that Wall Street is not America. I say that if there is any treason that treason lies with those who would make America and the exploitation of Wall Street interests one and the same and synonymous.

No, this is not a program for the defense of America. It is a program for expansion, it is a program for the defense of former Fascists, it is a program to keep in power governments that will do the bidding of Wall Street interests. This is a program of exploitation.

As against that program we have offered our own program. We want rehabilitation of Europe, but we want it on a basis that is not political. Fiorello LaGuardia died for that principle. He fought hard and long for it at the United Nations. Only through a United Nations agency can rehabilitation of Europe and the rest of the world take place. Only without considerations of race, creed, or political character or complexion of the people who are to be aided or of the people who are to be rehabilitated can world rehabilitation take place. That is the principle of the United Nations. That, as LaGuardia said, is the way of Christ. I have introduced that principle in the form of a bill together with my colleague, the gentleman from New York [Mr. ISACSON] and the Senator from Idaho [Mr. TAYLOR]. I shall offer that bill as a substitute. Then you will have your chance, if you want to really rehabilitate Europe. You will have your chance of doing it by the only way of doing it, by the only nonimperialistic way, through the United Nations, which is the last hope of the world. Your bill bypasses the United Nations. Your bill destroys the very basis of the United Nations, which is collaboration without political considerations.

Your bill employs a unilateral policy, not of aid, not of rehabilitation, but of guaranteeing the right of imperialistic interests to fasten their hold on the people of Europe, to continue to expand their investments in the industries of Europe, and to control the political destinies of the people of Europe. This is the old fashioned imperialistic way. This is the way that led to World War I. This is the way that led to World War II. The United Nations' way is the way that makes for peace. I do hope, and I pray, in fact, that some day, somewhere, somehow, men will forget their self-interest, men will forget to serve monopoly interest and that men will begin to distinguish American farmers, American workers, American businessmen, American youth, American men and women on one hand and the big industrialists and investment bankers on the other hand. Yes, America is in danger; not from the people of Italy, not from the people of France—no, not from the people anywhere in Europe. No, not from any people of the Soviet Union. America is in danger from these investment bankers, from these big industrialists whom so many prefer to serve and show false patriotism and hypocritically wave the flag when they serve them. America is in danger of them. America is in danger of their masters, a danger to our economy and a danger to our peace. Yes, go ahead and distort our position. Let the enemies of the people call us Reds. Let them call us what they please, but as for me I know that in fighting against this bill, which is the ultimate expression of Wall Street expansionism, I am fighting for the common people of this country. Time and events will demonstrate the correctness of my position. I urge upon the membership of this House to study the role of the investment bankers and the monopolists in Italy. Their role exposes this bill; it unmasks the pretense of humanitarian aid; yes, it unmasks that phony anti-Communist cry behind which the big trusts revel in the shameless exploitation of the people of the world.

I love the simple America, not the America of imperialism, not the America of empire. I love America, the common people who seek security, who seek peace, who seek plenty, not by exploiting others, but by developing our own land, by developing our own resources. Yes; I shall fight with them to restore to them our resources from monopolistic control which is causing so much distress in our land, which is causing shortages, which is causing high prices, which is causing unemployment. And unemployment is beginning to take place again in this country today. Monopolistic enterprise which seeks to hide behind the term free enterprise which is causing so much hardship at home, causing more throughout the world. I have consistently voted against this war program. I shall continue to vote against it, for in so doing I am defending Americans and not Wall Street; I am defending the farmers and the workers and the small businessmen, and not Wall Street. I am defending the youth of America and not Wall Street. In doing so, I believe I am exercising a patriotic duty which is incumbent today more than ever before upon men of courage. Now is the time for men to stand up and fight for peace. Tomorrow will be too

late. Now is the time to stand up and make the fight, for tomorrow, if peace is lost, all will be lost for nobody will win the next war.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I want to ask the gentleman this question. The gentleman talks about his substitute bill, which he wants handled in the manner that Fiorello LaGuardia handled UNRRA, so that we can send this stuff over to Yugoslavia and then let them shoot our boys down, as they did a while back, and it took a week to get them back. I say, handle it this other way. I do not want any more——

Mr. MARCANTONIO. The gentleman can make his speech in his own time. He has asked a question and I will answer the question.

Mr. JOHNSON of Oklahoma. Is that what the gentleman wants?

Mr. MARCANTONIO. I want to handle it through the United Nations without political consideration. That is the way and the only way to peace. The other way, the way of this bill, is the road to war.

Mr. Chairman, under permission granted me in the House I include here the following description of the current situation in Italy. It shows the price the common people of Italy have had to pay for the so-called aid. This price they must continue to pay under this bill. For this bill perpetuates the conditions we have imposed on Italy. It perpetuates what the Wall Street economy I have described in my speech has been doing to the people of Italy.

CURRENT SITUATION IN ITALY

The following description of the current situation in Italy is primarily for background purposes. Much of the data helps to explain the tremendous shift to the left among the Italian people. Sources are the study on Italy prepared for the Congress by the Department of State, Primary Report No. 1 (Italy) of the Herter committee, and other documents indicated below.

POSTWAR SITUATION

Italy has been faced with a steadily increasing population, seriously inadequate food supplies, a severe inflation, and extensive unemployment.

Essentially Italy is a processing country which is dependent upon foreign sources for fuel and raw materials, and the most important factor which limited the revival of Italian industry in 1946 and 1947 was inability to procure adequate quantities of such supplies due to world shortages and lack of dollar currency.

(a) Standard of living:

Before the war Italy had one of the lowest standards of living in western Europe. By the end of the war the standard of living had fallen below subsistence levels in many parts of Italy. At the present time average consumption is about 75 percent of what it was in 1938 under fascism. Moreover, in view of the fact that consumption on the farms is at least at prewar levels, the standard of living of the workers in the cities must be in the neighborhood of 65 to 70 percent of what it was in 1938. There is no doubt that the workers are spending a larger proportion of their income than they did before the war to purchase a reduced quantity of foodstuffs.

It has been estimated by the Department of State that the white-collar workers, the skilled workers, and the fixed-income groups have suffered the sharpest reduction in living standards in the postwar period. The unskilled manual workers whose standard of living was on a subsistence level before the war are just eking out the same kind of an existence. On the other hand, the groups who have been relatively better off in the past have suffered most from the violent inflation, deterioration in qualities of goods, and increased unemployment and part-time employment.

(b) Inflation:

The inflation in Italy has been the most violent in Europe. General prices are 65 times what they were in prewar. A UN study shows the cost of living increased 51 times from 1938 to 1947. Just in the 12 months, September 1946 to September 1947, the official price index rose 100 percent.

(c) Black market:

Because rationing of foodstuffs is limited to cereals, fats, and sugars, Italian people obtained about one-half the calories they consume from nonrationed foods.

The black market has become, in the words of the State Department report:

> A part of the distribution system which is important even in lower income groups * * * The fact that goods are freely available—at a price—in the uncontrolled and black markets has served to provide some incentives, the lack of which is a subject of frequent complaint in the countries characterized by suppressed inflation.

In the words of the State Department's own study, it is clear that the present regime in Italy has permitted, if not actually fostered the growth of the black market, and a runaway inflation, in order to furnish an incentive for more work on the part of the workers.

(d) Unemployment and wages:

Italy, unlike other European countries, has a tremendous problem of unemployment. It was estimated to be between two and one-half and three million in 1947. This combination of inflation and unemployment is due to a shortage of equipment and key materials in relation to available manpower. It can only be solved by long run expansion of agriculture and industry. The Government has sought to freeze wages and break strikes.

(e) Public works:

Because unemployment is so great and politically such a tremendous issue, programs for public works have received first priority from the peoples' parties. The early coalition government spent 330,000,000 lire on public works. The present de Gasperi government reduced this expenditure to 260,000,000. This is the result of United States ideas of budget stability—put the burden on the inflation on the backs of the workers.

The present government, in trying to make itself attractive to United States investors, put through a sweeping program of budgetary reform; its two main points were a reduction in expenditures on public works, and the ending of the bread subsidy. In both instances, the workers and middle classes suffered most.

(f) Clothing:

Clothing prices today substantially higher than before the war—supplies of clothing far below prewar.

(g) Housing:

New construction and repairs insufficient even to replace war damage, much less provide for increases in population. As a result there has been a tremendous reduction in housing standards as compared with 1938.

(h) IRI:

Instituto per la Ricostruzione Industriale set up in 1933 to salvage the three largest banks of Italy and their industrial holdings. At the present time the IRI, a government corporation similar to the United States RFC, controls 90 percent of the merchant marine, 75 percent of pig-iron production, 45 percent of steel capacity and to a lesser degree electrical power, mining, chemical production, shipbuilding, and so forth. The Herter committee estimated that 70 percent of large and medium industry of Italy is controlled by the Government.

Despite this fact the Government has never utilized its holdings for planning purposes, or otherwise controlled the direction of the economy and now United States investment bankers and industrialists are taking over.

ATTEMPTS AT SOLUTION

The early coalition government made various attempts at solving the internal economic situation. Some successes were achieved but the very sharp differences between the programs advocated by the Socialists, Communists, and trade-union movement on the one hand and the right-wing Christian Democratic Parties on the other finally resulted in the former parties being excluded from the Government.

In June of 1947 de Gasperi yielding to our Wall Street and State Department pressure excluded the Socialists and Communists from the government. Between them these two parties had received 29 percent of the popular vote in the first election. The new government, with the approval of the United States, embarked on a whole series of economic reforms, so-called. It is quite clear at this time that the reforms which de Gasperi has put into effect since June of 1947 could never have been adopted so long as representatives of the workers remained in the government. The exclusion of the left from the government paved the way for the present economic program. This, incidentally, has been largely formulated by Professor Einaudi, who is vice premier and finance minister in the present government.

By concentrating on various currency reforms Einaudi has restricted the volume of credit which has been used for speculative purposes by black marketeers and businessmen. The immediate result of this has been to bring about some reduction in prices.

At the same time unemployment has been rising steadily. Combining this program of monetary control with one of wage freezes the government has in

effect a program of deflation, of price reduction, which places the full burden on the backs of the workers.

This entire program was developed and guided by the United States and was built on United States aid.

The United States, which in 1938 supplied about 12 percent of Italy's foreign purchases and took about 8 percent of Italy's exports, supplied almost 60 percent of its 1946 imports and took about 18 percent of its exports. In fact United States financial assistance was responsible for more than two-thirds of total Italian imports in 1945 and 1946 and about one-half of Italy's imports during the first 6 months of 1947. Main Italian imports of foodstuffs and coal come from the United States. It is interesting to see that Italy ranked second to Greece in increased trade with United States over prewar levels.

COMMENTS

(a) Taxes:

A report in the conservative London Economist—May 10, 1947, page 718—says:

It is notorious that the whole fiscal system requires revision and that the wealthier classes habitually evade taxation; it is also widely believed that exporters are leaving a part of their profits abroad.

(b) Confidence of United States:

The same publication—June 7, 1947—said of the new government which excluded representatives of the left:

It has been formed in order to create confidence in America and to secure the further financial help which is a sine qua non for the Italian economy. But this argument overlooks the supreme disadvantage of having the majority of the organized workers in opposition.

(c) Peasants:

The question has been asked about the role of the Italian peasants in the present developments in that country. In the first place, in contrast with France the peasants represent a much larger social group than the industrial workers or any other group. Secondly, Italy's political revolutions have never included an Italian 1789 which gave land to the peasants and made them conservative. Although there are some peasant proprietors in Italy, these are rather rare. The big categories are landless laborers, and proprietors of very small holdings all of whom are usually employed on other people's big estates and all of whom suffer from land hunger.

Mr. BLOOM. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman, how long, I wonder, must Members of this body sit here and hear assaulted from day to day the Government we love, and by people who would rip from the wall that symbol of liberty that hangs above the Speaker's rostrum, and who would run down the flag of the stars and stripes that proudly floats above this Capitol and run up in its stead the flag of the hammer and sickle?

Mr. MARCANTONIO. Mr. Chairman, I ask that that language be taken down. We are fighting to maintain that flag.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. Cox. Mr. Chairman, how long, I wonder, must Members of this body sit here and hear assaulted from day to day the Government we love, and by people who would rip from the wall that symbol of liberty that hangs above the Speaker's rostrum, and who would run down the flag of the stars and stripes that proudly floats above this Capitol and run up in its stead the flag of the hammer and sickle?

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. CASE of South Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. Cox. Mr. Chairman, how long, I wonder, must Members of this body sit here and hear assaulted from day to day the Government we love, and by people who would rip from the wall that symbol of liberty that hangs above the Speaker's rostrum, and who would run down the flag of the Stars and Stripes that proudly floats above this Capitol and run up in its stead the flag of the hammer and sickle?

The SPEAKER. There is nothing in the words uttered by the gentleman from Georgia [Mr. Cox] that reflects on any particular individual Member of the House. In a debate of this kind, of course, more or less latitude must be allowed. Therefore, the Chair rules that there is nothing unparliamentary in the gentleman's remarks.

The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 2202, with Mr. CASE of South Dakota in the chair.

Mr. BLOOM. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, not many members of the House Committee on Foreign Aid have felt impelled to speak on the pending measure. While I am constrained to speak, I assure you that I shall not offend your patience by attempting to recapitulate the many arguments which have been made in behalf of the bill now under consideration. Nor shall I attempt a detailed discussion of its provisions. It is the grand objective to which I shall address my remarks.

Certainly none of us will underrate the importance of the business we are now transacting. Nor should we minimize the gravity of the situation with which we are now dealing. Certainly we must be impressed with the great solemnity of our own responsibility.

It is indeed unfortunate that a matter of such magnitude and of such world-wide importance must be considered in a political environment and on the eve of a great national election. But, as evidence of true statesmanship, most of the Members of this House will be able to lift themselves above the promptings of partisan politics and to give to this important subject the calm and impartial consideration which it commands and deserves. I am sure, however, that there are still some little minds among us—minds of men who cannot divorce themselves from petty politics and cannot divest themselves of purely selfish political considerations.

This bill has been called just about everything that Joe Stalin or Henry Wallace and their fellow travelers could possibly want it to be called. Oh, what nauseating spectacles we tolerate here in this forum.

If this bill is in fact an imperialistic scheme designed to enslave the nations which it purports to aid and to dominate the governments of those nations, of course it should be defeated.

If this bill is the product of international intrigue, inspired and sponsored by evil and wicked men, if this thing is an ignominious fraud and a diabolical fabrication and is saturated with gigantic moral turpitude and is an insidious effort to lead a bewildered world and a bleeding civilization once again to the Golgotha and to the slaughter houses of another war, we should rise up and denounce it.

If we are being hoodwinked by the financial moguls of Wall Street and are being betrayed by public officials in high office, if our President and his Cabinet and our ambassadors and all of our generals and admirals are either traitors or are so woefully ignorant, then "God save the mark!"

Are we about to become the victims of a ruthless and reckless band of thieves and robbers who are trying to steal away our birthrights? If so, who are these predatory pirates who are about to prey upon the helpless people of our great republic? Why have they so long escaped a trial for treason?

Oh, how the intelligence of this House has been insulted. Oh, how the integrity of American statesmanship has been indicted. If all the charges leveled at this bill and its sponsors are true, the Republicans and Democrats of both Houses should resign and bow their heads in shame and turn this government over to the brilliant leadership of the newly discovered brainbusters of the Bronx and Harlem.

It is difficult to understand the workings of a morbid mind which is soaked with sordid ambitions. The American people are not very easily fooled, nor is my faith in the integrity of the membership of this House easily shaken. I am not disturbed by those who suffer from hallucinations of grandeur and I still have faith in the citizenship of my country.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MONRONEY. I agree completely with what the gentleman says. The use since time immemorial of that favorite whipping boy, Wall Street, carries very little weight, I believe, with this House and with the committee when it is realized that the CIO, the A. F. of L., the Farm Bureau Federation, the National Grange, and all of the great national organizations which know and understand the real threat to democracy are joining in this great movement. It carries very little weight with me for a Member of this House to stand on the floor and say that this is a scheme of Wall Street to drag this country into an imperialistic conquest.

Mr. COOLEY. It is an insult to the intelligence of the House and reflects no credit upon those who entertain such thoughts or utter such speeches.

Mr. LODGE. Mr. Chairman, will the gentleman yield ?

Mr. COOLEY. I yield.

Mr. LODGE. I want to congratulate the gentleman on his speech and say that I think there are a great many million veterans of World War II who are in favor of this legislation and who would be surprised to hear themselves referred to as Fascists, since they fought fascism for several years.

Mr. COOLEY. We have just emerged from that tragic yet heroic time when to love one's country meant to lay down one's life—that time when no gift was too great and no sacrifice too severe. Let us for a brief moment hold communion with the maimed and murdered men. Yes, with the distinguished dead who died in freedom's cause. They were only inspired by a great devotion to the grand ideals of our great Republic. They thought that they were writing the high and holy ethics of a new civilization. They died because they knew that the dignity and the destiny of their Nation was imperiled. They died to liberate the people of the world from the fear of oppression and tyranny. Many gallant men went down to grimy graves in crimson seas and others bled and died on the ramparts of freedom throughout the world.

No true American ever doubted for one moment the righteousness of our cause, nor that the majesty of justice would ultimately rise triumphantly above the imperialistic schemes and the predatory passions of the wanton and wicked men who brought that deluge of blood upon the earth. But today countless thousands are wondering whether or not we will win the peace and save the fruits of the victories which were purchased at such precious price.

Today, fear is written upon the hearts of men, and the citadels of freedom still tremble upon their ancient moorings. The dark and dreary days and nights of war were no more frightful than the future we are forced to contemplate if we lose the fruits of our many hard-won victories.

During the dismal and distressing days of war, we dreamed of the happy highlands of peace where men could meet and, while looking down on the fields of death and carnage and on the ashes of ancient cities, write lasting covenants and build monuments of peace which would live until the end of time. But, lift the horizons of your minds and witness the world about you.

Certainly, for a brief space of time we can continue to enjoy the rich luxuries of our great resources. We can turn our backs upon the bleeding hearts of humanity and isolate ourselves from the sufferings of mankind. We can turn our backs upon the little white crosses on the hilltops of the world that mark the last resting place of those who died in freedom's cause. Yes, we can shut out the world and draw around us the cloak of complacency, but let us remember it is a crimson cloak that is dripping with the blood of our heroes.

Let us search our hearts—yes, the deep recesses of our souls—for a reason why we should withhold this gift of comfort, this grant of aid to those whose friendship we have no right to question. Shall they reap only starvation and stones from their lakes of tears and rivers of blood while we follow the allurement of greed, the dictates of the most hideous passion that ever animated the human heart?

Charity, we are told, is the paramount virtue. All else is as sounding brass and a tinkling cymbal. Charity suffereth long and is kind. Forbid it not to come into your deliberations. But, this is not all charity, gentlemen. It is a contribution to the cause of peace. It is an investment in our own national security. It is a manifestation of the soul of our country, a soul that is untainted, a soul that is always touched by sympathy and the tender sensibilities which have always characterized our people and is the most glorious attribute of our race.

Yes, we will wring against the wealth of our people in this further effort to preserve the peace of the world and to the further end that we may avoid another rendezvous with death and the vicious vortex of war.

When I hear the gentleman from New York stand on this floor and speak of Mussolini, I am reminded of the fact that for many long months while Mussolini was marching in blood, the gentleman lifted not his voice in denunciation of that cruel and brutal murderer. Now that he has been slaughtered and torn to pieces by his own men in the distant country of Ialy, the gentleman from New York comes and speaks in behalf of the poor oppressed people of Italy who are about to become the victims of Wall Street.

It seems to me that the gentleman should know that we have all these long months witnessed a spread of communism that has amazed the people of our country. We have seen the red and bloody hands of communism choke out the lives of one nation after the other, running roughshod over the rights and sacred liberties of people who want to be free. I wonder how long we can tolerate an indifference to what is happening in the world about us. Not one day nor one night has communism ceased to march, and it is marching now along the bloody trail that leads to slavery.

We are told now that this great Nation of ours is imperialistic, that we are trying to enslave the people of the world, according to Mr. Stalin and Mr. Stalin's great voice as echoed here in the well of this House. It goes out from here through the CONGRESSIONAL RECORD that a man with prestige and power to become elected to Congress stands here on the floor of this House and in insidious fashion denounces the very Government the blessings of which he enjoys.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. COOLEY. I do not think that the gentlemen should be so sensitive when they are reminded of the full force and import of the language that they speak plainly in the hearing of the membership of this House. We either believe in democracy or we do not believe in it.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Do not the remarks of the gentleman from New York have a strange, familiar ring when he accuses Wall Street and imperialism of causing us to take this step? I am reminded that when Hitler and Mussolini marched on their bloody trails across Europe, those of us who raised our voices against them were accused of following Wall Street for taking this country into an imperialistic world and the gentleman from New York, until the very day that Russia was attacked by Germany, during those dark hours voted against every appropriation bill to make this country militarily strong.

Mr. COOLEY. The record of the gentleman from New York is written. His philosophy is well known, and I do not believe that this country or this House is willing to compromise with him.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kentucky.

Mr. CHELF. I want to say that I think the thing that needs to be done with some of these fellows around here and their associates and compatriots including Wallace, is to send them all to Moscow and let them see first-hand and experience what is actually and truly going on over there. It was my duty in the summer of 1945 to make a trip overseas and to go to Moscow. One of the Members of this House who accompanied our congressional delegation upon this investigation of conditions in Europe just after the unconditional surrender of Germany; mind you, while we were en route via air to Moscow, kept saying, "Joe Stalin, Joe Stalin is one of the smartest and one of the greatest men that ever lived."

Well! After he had been in Russia only a few days he was so fed up with Joe Stalin and communism that he was so glad when he got back on even German soil—that incidentally flew the flag of Old Glory—that when he stepped off of

the plane, he actually knelt and kissed the soil of Germany that we had previously conquered.

He gave as his reason that it was like kissing American soil since our troops were in command there and the Stars and Stripes flew from the pole just above the tower at our airport in the American zone of Berlin. That is what all of the Reds and pinks in this country need to do; yes—Wallace and all the rest. They should be shipped over there for about 30 days and they would all change their tune just as this Member of Congress did. He had had enough—pronto. Some of these Commies ought to be deported for keeps—while 30 days would suffice for those who are misguided and uninformed.

Mr. COOLEY. Maybe the gentleman could arrange to have them appointed on a committee. The gentleman would not suggest giving them a one-way ticket, or anything of that kind, would he? I think it does Congressmen good to visit other countries.

Now, the gentleman from New York spoke with a bleeding heart for the poor oppressed people of Italy. I was in Rome last fall and I saw many signs of starvation and want. I was in 12 European countries. I conferred with our own diplomats and with the representatives of the governments of those 12 countries, and I discussed the situation with members of the press and with people along the streets and on the farms and roads. And I do not believe that the situation has at all been exaggerated. Certainly, the President in his recent message did not magnify or exaggerate the situation existing in the world. We can either turn our backs upon the people of the world and upon the sufferings of mankind, or we can come forward with a little bit of aid. It seems to me that that is a rather small contribution to make to the rehabilitation of a world that has been woefully devastated. We ought to thank our God that our great and powerful Nation is still blessed with all of its beauty, from the lofty regions of Alaska to the sunny shores of Florida, and from one ocean to the other. Still our cities stand as great and magnificent monuments to prosperity. Our fields and our factories have been untouched and unharmed by the cruel arts of war, but when you look down upon the devastation in Europe, certainly you would be a man of stone if the tender considerations of your heart were not moved. But, this, after all, as I say, is not all charity. We have a selfish interest in the welfare of the world and in the restoration of world trade and commerce, and certainly we have a definite investment in sweat and blood and tears and in countless treasure, in the peace and security of the world in which we live. We have but this one world. Whether we like it or not, we must live here, and we will live in peace and prosperity just so long as the rest of the world has at least a hope for peace and prosperity.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, Huey Long once said, "If fascism ever comes to America it will come in the name of antifascism." I make bold enough to predict here and now that if communism ever comes to America, it will come in the name of anticommunism.

I realize that those who stand up and oppose the Marshall plan hand-out, after the barrage of propaganda that has drenched this country and has been funneled into the offices and minds of the Members of this House, are in a very unenviable position.

But I have been alone before on this floor and, while it is unpleasant at the time, I think I have seen my position vindicated with satisfactory regularity.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Has the gentleman ever seen the time when there has been a proposition of such importance before the Congress when they have brought school children down here to put the heat on Congress to pass it, as they have done with the Marshall plan?

Mr. BUFFETT. No.

Mr. KNUTSON. Did the gentleman see the Sunday paper, showing Marshall having his picture taken with a few little tots 3 or 4 years old? It was announced that they were for the Marshall plan. Of course, we can see where the Marshall plan would have strong appeal to adolescents.

Mr. BUFFETT. I thank the gentleman for his contribution. I think it is obvious to all that all the tricks of political terrorism in the book have been used to put this scheme over. I think probably the ultimate was reached when one Member of Congress yesterday had a long-distance call from home. He was warned by a substantial supporter that the radio time given him regularly to report to his constituents would be canceled unless the Member voted for the Marshall plan. That is one sample of the strong-arm tactics.

To answer the smear and mud slinging that the advocates of this bill indulge in, let me review the record.

I was somewhat lonesome on this floor in March of 1944. Then I was opposing UNRRA when this House put through that $2,700,000,000 appeasement program. It was described at that time as an instrument that would stop communism in Europe.

No one would listen to the words of brave Jessie Sumner, of Illinois. She warned the House that the UNRRA program would make Stalin master of Europe. What happened?

UNRRA funneled $400,000,000 worth of goods into the hands of Tito and built up and equipped and supplied his armies. Now those forces are on the borders of Greece and Trieste.

I was still more lonesome later on when I was the only Member who stood on this floor and exposed the stupidity of unconditional surrender, the same unconditional surrender that Cordell Hull and all the rest of our wartime chiefs are now admitting was the great blunder of the war. Certainly I was lonesome then.

Then we came into the spring of 1945. Early in 1945, I offered an amendment to the lend-lease renewal that would have terminated lend-lease hand-outs at the end of the war. That amendment would have prevented about $250,000,000 worth of free war supplies from going to Russia. I was lonesome on that occasion. I was defeated on my own side of the aisle by the same committee leadership that today, 3 years later, has finally awakened to the danger of Russia.

Then I remember the Morgenthau plan. The gentleman from Georgia [Mr. COX] has recently pointed out that it was a terrible mistake. I remember how I was the only person who took the floor of this House in the fall of 1945 and pleaded for the State Department and the Treasury Department and the War Department that were carrying out the Morgenthau vengeance plan to abandon the ruthless barriers that prevented relief supplies from going to central Europe.

It was a lonesome fight then to oppose the policy of vengeance—a policy that played Stalin's game.

Then I remember in the spring of 1946, I stood on the floor of the House and propounded a question of the majority leader.

I asked: "In the past few days he [Mr. MCCORMACK] has professed to be disturbed about Russia's foreign policy. I therefore urge him to tell the House why American tax-and-bond dollars should continue to go to UNRRA where they are in turn largely used to strengthen Russia and Russian-dominated areas." Is not his party again breeding war as it did in the case of Japan?

I said further, "To the end of March 1946 two Russian-controlled countries had received about 200,000 tons of supplies from UNRRA alone. Russian-dominated countries had received a million tons of supplies."

What answer did I get from that inquiry? No answer at all. That was when supplies were being poured into Russia by fleets of ships. Now, 2 years later, some Members stand on the floor of the House and almost blow a fuse about shipments to Russia. The time to have stopped that outpouring was 2 and 3 years ago. But those of us who were trying to stop it then were lonesome then, just as we are lonesome now, when we are trying to stop a measure that plays right into Stalin's hands.

Mr. RAMEY. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. RAMEY. I think you will concede that when we passed UNRRA, we passed it in good faith. The reason that UNRRA, instead of becoming a help as it was initially supposed to, became an unnecessary nuisance rendering ridiculous assistance, was the way it was administered. You do not say that Congress did wrong in passing it. We voted for it in good faith. It is the fault of the administration. Congress, of course, cannot administer a law.

Mr. BUFFETT. I am not questioning the good faith of the Members who voted for UNRRA any more than I question the good faith of the Members who vote for the Marshall plan.

But I say it is about time this House looks the facts in the face.

What more could Stalin want than for this country to continue to pour its resources all over the world? What better assurance could he have that we would bleed ourselves white? What more could Stalin ask for? At a time when we ought to be husbanding our strength as the powerhouse of western civilization, we launch a global WPA for socialist politicians in every land.

If I may continue for the moment, I will be glad to yield to the gentleman again.

Let me ask the Foreign Affairs Committee a question. They ought to be willing to give us the information. The chairman made quite a display of documents here yesterday and the day before and boasted about all the information that was available.

Here is my inquiry. After July 1, 1945, according to Byrd committee report 112, there was authorized for aid to Russia or Russian dominated areas $1,586,000,000. At that time the Department of State had had in its possession for some months documents captured from Germany showing the perfidy of the Communists. Months earlier those documents had been captured.

Yet after July 1, 1945, the State Department of the United States engineered through the Congress $1,586,000,000 worth of aid for Russia. Considering those two factual situations, I am wondering what assurance the committee has that the people responsible for this performance are no longer in key positions in the State Department?

If the committee says they are no longer there, let the committee give the Congress the names of the people who are responsible for the sending of these supplies to Russia. Let the committee give us the names and when they were removed.

About the first principle of a free government is that the people who make errors should be held responsible for them.

If this House does not have the names of the people who made those errors, how does the House know that the same people will not be in key positions on the Marshall plan?

The people of America are entitled to know, by indisputable proof, that the funds in the Marshall plan are not going to be in the hands of those who knowingly or unwittingly supplied Stalin for his present rampage.

No, we do not have that information. I would bet anybody here and now a dollar against the hole in a doughnut that we will not get that information. These Members who are now boasting about their defiance of Stalin and communism, will they supply the names of the people who are responsible for these hand-outs to Russia?

If they are going to put this burden on the American people let them report the names of those who have poured America's strength into Russia, and let them demonstrate that those bunglers or worse have been removed from executive positions in the American Government. Will they do it? What do you think?

Now, I have another very pertinent question for the committee. I do not expect they will answer it now, but they should answer it. Here it is.

What moves could Stalin have made to assure the passage of the Marshall plan that he has not made? Some of us who have opposed appeasement for years find sobering evidence that Russia has done everything it can to bring about the passage of the Marshall plan.

An administration and a Foreign Affairs Committee with such a miserable record of playing into the hands of the Communists should have some creditable evidence to convince the House that the Marshall plan is not another sucker play for Russia.

Mr. Chairman, I hope the question I have raised will be answered fully, fairly, and honestly.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. KEE. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. COLMER], a member of the Foreign Affairs Committee.

Mr. COLMER. Mr. Chairman, I can think of no question or problem which has given me more concern in recent years, than that posed by this bill, and I know from private conversations with many of you, as well as public utterances made from this floor, that many of you are troubled and your souls disturbed at the magnitude of the problem with which we are faced here today.

For many months, in the confines of my own private study, and in the extended hearings which have been conducted by the Foreign Affairs Committee, I have been troubled in arriving at the proper conclusion of what my own position should be in the exercise of my responsibility as an humble Member of this body. Throughout the whole period of study and exhaustive hearings I have endeavored to maintain an open mind, in spite of an early inclination to oppose this particular type of legislation. And I say to you here today, as one who has searched the innermost recesses of his mind and conscience, that I do not like this approach to the world problem of Russian totalitarianism, which threatens to engulf, not only Europe, but the world.

Of one thing, however, I am sure, and that is that there is no difference between the world situation today and the world situation in 1939 when Hitler embarked upon his mad dream of world empire and world domination. It is one and the same, the only difference being in personalities and ideological terms. In 1939 it was Adolf Hitler who attempted to conquer the world, even as Kaiser Wilhelm, Napoleon, and Alexander the Great, had unsuccessfully made their bids to master the world in their day. Hitler embarked upon his mad escapade under the flag of fascism, today Stalin and his cohorts are attempting the same thing under the ideological flag of communism.

In the events leading up to Hitler's march upon his almost helpless neighboring nations, the then powerful British Empire, a France weakened by the inroads of socialism and communism, and a powerful America, constituting the main allies of the war, somewhat timidly and unsuccessfully attempted the Chamberlain umbrella policy of appeasement upon the mad man of Germany. When Hitler announced that the Treaty of Versailles, in a settlement of World War I, was but a scrap of paper, the western Allies had an opportunity, by a firm policy, to deal with the boy, but they preferred to await Munich and the subsequent subjugation of the smaller and weaker European nations, and deal with the giant.

After the crushing defeat of Hitler and fascism, and the complete destruction of Germany and her ability to wage war, the statesmen of a much-weakened England, an impotent France, and a powerful America, met in the inevitable conference with the representatives of a stubborn and uncompromising Russia, which was weakened by war but proud in her newly found glory of world strength. The western Allies had every reason and right to expect the cooperation of Russia. For the world was aware of the fact that Russia was saved from German domination after Hitler repudiated his agreement with Stalin and attacked Russia. All were cognizant of the tremendous contribution made by America in furnishing Russia the materials and weapons so badly needed.

But from the first meeting, after the end of that global strife, it was apparent that Generalissimo Stalin and his communistic advisers of the Politburo, were not in accord with the common aim of a weakened France and Britain and a utopian America to bring about the goal of world peace. But on the contrary, it was apparent to even the ordinary layman, who read the reports of the obstruction policies by the Soviet statesmen of the efforts of the representatives of the other world powers to bring about this coveted goal of world peace, that Russia had different plans. Every constructive effort made by the western powers for the reconstruction of the economy of Europe and the formation of a binding organization which would prevent the repetition of World Wars I and II was obstructed by Russia. How anyone with any knowledge of what was going on in the diplomatic field, and of Russia's repeated successful efforts in the formation of some kind of world league, to prevent expansion and bring about an alleviation of European economy and disorder, could fail to conclude that Russia was bent upon an expansionist policy herself is beyond me to comprehend. And yet the policy of appeasement of Russia has continued, not only from the time she entered the war on the side of the Allies, after Hitler had failed to keep his agreement entered into with her, and himself had attacked her, but it continues even today.

Just after that war I had the privilege of having a rather extended conference with that great British statesman, Winston Churchill. I raised that question then, nearly 2 years ago, about this policy of appeasement of Russia; and that great statesman said: "Yes, President Roosevelt and I had to appease her in order to get her into the European war, to keep her in there after she got into it, and to get her into the Japanese

war, but the time for appeasement has now ceased."

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. BUFFETT. After July 1, 1945, there was $1,600,000,000 of goods that represented appeasement to Russia. Certainly Roosevelt was not responsible for that, was he? Could not the gentleman indicate to this House whether those responsible for it are not now in key positions in this Government?

Mr. COLMER. If the gentleman will bear with me I believe he will find no fault with the criticism that I make of those who are responsible for it.

Now, Mr. Chairman, I do not set myself up as the last word of authority on Russia and the European problems, but it will be recalled that in the summer of 1946, immediately after VJ-day, the Postwar Policy Committee, consisting of 18 members, of which I had the honor to serve as chairman, and which consisted of some of the outstanding Members of this House on both sides of this aisle, was authorized by the Congress to make a first-hand study of European conditions and make appropriate recommendations as the result of that study. A subcommittee, with an appropriate staff of learned men, well versed in world economics and world government, spent some two and a half months in Europe and interviewed the leaders of some 13 countries there, including Churchill, Stalin, Bevin, Attlee, General Eisenhower, General Clay, and many others in charge of the governments as they then existed in that part of the world. Our committee was greatly alarmed at the conditions we found and at the implications to be drawn therefrom.

We spent 10 days in Russia, and in addition to interviewing Generalissimo Stalin himself, we interviewed Vishinsky, Beryia, and other members of the Politburo. We had the definite impression that they were dealing with us from behind masks. Even then, notwithstanding the fact that the sound of the guns and the groans of the American and Russian wounded, comrades-in-arms, had hardly ceased their reverberations and painful echoes, we felt that we were in a hostile country. After all we were representatives of the Congress of the United States, which had made such enormous sacrifice to save Russia from the domination of Hitler, and prevent the Russian people from becoming slaves upon the markets of Berlin. We were not exactly prisoners of the Russian Government, but we found ourselves well chaperoned, and were permitted to see only those things they wanted us to see and to go only where they wanted us to go. We were escorted by representatives of the foreign department of that Government, and these representatives we learned were, in turn, spied upon by other secret agents of the Russian secret police, who, in turn, made reports upon our escorts to be sure that the reports of our chaperons jibed with their own reports.

But it was not until we got into the small countries like Iran, Egypt, Greece, and Italy, that we learned the real significance of Soviet aims. When we attempted to talk with the representatives of the governments of these small countries about the United Nations, about all we got in return was a shrug of the shoulder and an expressed query of when we thought the Russians might move in on them and take over. The incidents since then have justified their fears; with the infiltration of the Communist agents, the overthrow of the sovereignty of these small nations has already occurred in several instances, and preparations are being furiously pursued in Italy, France, Finland, Norway, and other countries to add them to the Russian orbit.

Mr. Chairman, I would like to say for the benefit of the RECORD to the gentleman from New York [Mr. MARCANTONIO], who addressed the House a few moments ago, and Mr. Wallace, both of whom are talking about the imperialism of this country, about liberty for the workers, giving left-hand praise to Russia and to Stalin and his efforts, that they ought to go over there and see first-hand what opportunity the workers in Russia have for freedom and for choice. Yes, we visited one of those factories over there in which were the workers of Russia that we hear so much about and the freedom that they enjoy. It just does not exist.

May I say to the gentleman from New York [Mr. MARCANTONIO], Mr. Wallace, and others who follow that doctrine of appeasement and who talk about the workers of this country, that a worker in a factory in Russia has about as much freedom as an inmate of a prison camp or penitentiary in any State in this Union. They have no choice about where they work or any opportunity to strike or even to bargain.

Yes, the gentleman from New York [Mr. MARCANTONIO] has just completed an indictment of what he is pleased to term the imperialist expansion of this country under the domination of Wall Street. I challenge the gentleman to show one evidence of any imperialism on the part of this country, and at the same time call his attention to the imperialism of Russia, for whom he appears to speak so forcefully. What does the gentleman call the rape of the sovereignty of Czechoslovakia and the many overt acts of the Soviet Republic, which are even now going on, in an attempt to gain control of the governments of his beloved Italy, or Finland, France, Greece, and the Scandinavian countries? And while I am on that subject, need I remind the gentleman that it was I who challenged him during the last months of World War II on the floor of this House and now of record in the CONGRESSIONAL RECORD to show a single instance where he had voted for either a bill or an appropriation to either prepare this country for the impending conflict or for the waging of the war against Fascist Germany and Italy until the day that Hitler attacked Russia? Yes; I recall that after Hitler double-crossed Stalin and attacked him, the gentleman from New York was thereafter wholeheartedly for the prosecution of the war. The gentleman seems to be running true to form.

Upon our return to this country, in the fall of that eventful year, we proceeded to the White House and to the State Department, where we made a frank and forthright verbal report to the President of these United States and those responsible for our foreign policy. We sought no publicity; we preferred to work with those in charge of our foreign policy. We pulled no punches in these verbal reports; we emphasized that it was our considered judgment that we could not deal with Russia upon an utopian basis; that they understood only one language, the language of firmness and force; that Russia, although weakened by the war, was proud of her new position in the world's sun; that she was bent upon aggression. We quoted Winston Churchill, His Holiness the Pope of Rome, and other world leaders, to the effect that there was no difference between Russia under Stalin and Germany under Hitler; that the objectives were the same, and further, that we must deal firmly with them.

Yes, Mr. Chairman, even before we returned to this country, the chief of our staff, Mr. Marion Folsom, a progressive businessman of Rochester, N. Y., and I had a private conversation with Secretary Byrnes in London, where he was attending the first and ill-fated Ministers' Conference. We endeavored to impress upon Mr. Byrnes the same thing that we later endeavored to impress upon the President and other responsible officials of our Government here at home.

Subsequently we filed a written report with the Congress, which was publicized at some length by the press, recommending a firm policy in dealing with Russia, the cessation of lend-lease to Russia, and a revision of the Yalta and Potsdam agreements, which Russia was even then violating.

Following that, Mr. Chairman, shortly after the Eightieth Congress convened, and to be exact, on March 24, 1947, after many conferences with the State Department, members of my own committee, and the President of the United States, I introduced House Concurrent Resolution 36 to largely implement the recommendations of the committee. That resolution, in substance, provided that it was the sense of the Congress that—

First. No settlement of lend-lease accounts should be made with Russia, or any other nation that did not fulfill the conditions of the Lend-Lease Act.

Second. That no aid in any form which the United States had committed herself to should be continued to Russia, or any other nation, that failed to carry out its commitments to the United States.

Third, and most important of all, the resolution provided that the executive branch of the Government should immediately take appropriate administrative action, and make recommendations for legislation where necessary, to prevent the exportation under contracts with other governments by our industrial corporations and others of our industrial production know-how of industrial processes, and to control deliveries of goods to Russia, or any other nation under such contracts in order to protect our national security.

Fourth. The resolution would have required a complete reciprocity of treatment between Russia and other nations in their dealing with this country in the matter of entry into this country of agents of such nations and of their access to our industrial plants. In other words, under this resolution, Russia would only be permitted as many Russians in this country as they permitted Americans in that country.

Yet, we have had and have today, so far as I know, thousands of Russian agents, in reality Russian spies, in our factories, undermining this country and getting our innermost secrets and industrial know-how. Beginning with the White House, the State Department, and the committee, I got nowhere with that resolution, and it still reposes in the Committee on Foreign Affairs of this House. A prominent member of that committee on the majority side stood in the well of this House yesterday and criticized the President of the United States, the State Department, and everybody concerned, because they would do nothing about the exportation of these goods to Russia and to the Russian satellite countries. Yes; I know, and he knows, and everybody else knows, that Russian ships are loading in the ports of America today with the materials that are necessary to build up her war machine, if war she is bent upon. I could get no action upon that resolution. First, I could get none in the State Department, and second, I could get none in the committee, because I belonged to the wrong political party. But, be that as it may, I demand that that policy cease. The same pattern is being followed today that was followed preceding the last war when we were shipping scrap iron and oil to Japan. It continued up to the date the bombs fell on Pearl Harbor.

Fifth. The resolution provided for a revision of the Potsdam agreement, which Russia was even then flagrantly violating, and provided for an economically sound Germany. This would have prevented the useless and senseless destruction of German industrial plants provided under the Morgenthau plan and eagerly grasped by Russia as a means of building up her own industry. Yet, Mr. Chairman, the last information I had, in spite of all the protest that has been raised, was that German factories manufacturing peacetime production were being dismantled and many of them carted off to Russia, while we, the taxpayers of this country, have been shipping those same products manufactured by those factories to Germany in an attempt to reconstruct the German economy and make them self-sustaining and take them off of the backs of the American taxpayers.

Sixth, and finally, Mr. Chairman, the resolution provided that the leaders of other governments of the world be advised that it is and will be the primary objective policy of the United States to maintain a just and lasting peace for a free world.

But, Mr. Chairman, although I exhausted much shoe leather between the Capitol and the State Department, and although I spent many hours in conference here and there, my resolution still rests pigeonholed in the Foreign Affairs Committee of this House. All agreed that it was proper, but between being told repeatedly at the State Department that it was not the proper time, and in the committee that I did not belong to the proper political party, the resolution got no place. Yet, Mr. Chairman, on yesterday, a prominent member of the committee on the majority side spent much time in lambasting the State Department for permitting a continuation of the shipment of the industrial sinews of warfare to Russia. He pointed out dramatically and truthfully that at least one Russian ship is even now being loaded in an American port with electrical generators and other materials so badly needed by Russia, to be shipped to that potential enemy. I agree with the gentleman, of course, that this should be stopped, but some prominent members of the committee on his side are just as responsible for this condition as the State Department or the President of the United States.

But, be that as it may, I join with him, and with all others, now, in the contention that this senseless system of opposing Russia with the expenditure of the taxpayers' money is highly inconsistent with the policy of further appeasing her by permitting her to get the materials which she so badly needs, from this country.

Again the pattern is being followed that was followed immediately preceding World War II. There were some of us then who tried to prevent the shipment of scrap iron and oil to Japan, and, yet, that policy of appeasement to the Nipponese was continued up until the very hour the Jap bombs fell on Pearl Harbor.

Mr. Chairman, I have gone into all of this to emphasize the historical background, with no desire for self-aggrandizement or to appear in the role of "I told you so," but I think it is appropriate again to call these matters to the attention of the executives who mold our foreign policy, with the hope that we may yet correct some of these abuses and inconsistencies in our foreign policy.

Moreover, I have prevailed upon your patience to emphasize my own reluctance in supporting this measure, which our bungling and inconsistent foreign policy has made mandatory that I do.

The idea of foreign loans and foreign gifts of additional billions of dollars of American money is contrary to all of my preconceived thinking. In fact, if you will pardon another personal reference, during this mission to Europe in 1946, at a press conference attended by some hundred or more representatives of the press from all over Europe, as chairman of this group I replied in answer to a question about foreign loans, which were even then being considered, that Europe should recognize that America could not become an international Santa Claus; that there was a limit to the ability of even America to finance the world, and that Europeans should recognize that fact and depend upon their own initiative in their reconstruction plans.

However, since I am not in a position as an humble Member of this body, to dictate the foreign policy of this country, I must meet the issue presented. As repugnant as is this program of embarking upon another large grant and loan proposal is, I must assume my responsibility and weigh the possible benefits as against the ills of such a program. I must decide whether the future security of these United States, and the possible prevention of the further spread of communism, with the implications of the prevention of a third world war, by the enactment of this plan, will outweigh the drain upon our domestic economy and financial resources.

I repeat that this approach to the problem does not appeal to me. There are several provisions in the bill that are particularly obnoxious, and I shall offer amendments to try to eliminate them on the floor at the proper time, even as I tried, unsuccessfully, to eliminate them in the committee.

But, realizing as I do, the gravity of the situation, the inherent danger of permitting a prostrate Europe, already suffering from the virus of an infiltrated communism, from falling into the hands of a ruthless and dictatorial totalitarianism, headed by one would-be dictator, who is just as unconscionable as the one whom we expended so much blood and treasure in destroying, I cannot say, by my vote, that because I cannot have my own way, I will deny the only plan offered.

In analyzing this situation we must understand the Russian, and for that matter the European, philosophy of government, and the reasoning of the average Russian and European. In America we realize, of course, that the President and the Secretary of State are not all-powerful but to the European conception the President and the Secretary of State are just as powerful and speak for America, just as do Stalin and Molotov speak for Russia. Therefore, when we realize the promise of this aid by implication, at least, by President Truman and Secretary Marshall, is the final word so far as Europeans and Russians are concerned, and the aid fails to come through, do we not run the danger that these people, weakened by the devastation of the last war, will become further disheartened, lose courage, and fall easy prey to the aggression of Stalin?

Therefore, Mr. Chairman, I shall go along. I shall vote for this measure reluctantly and, I admit, with much misgivings. I shall take the gamble, realizing that dollars and economic aid will not alone stop the spread of this foreign ideology of communism which is so repugnant to all good Americans. I shall go along with the hope that at last our leadership has realized the gravity of the hour, and that the other necessary steps will be taken to prevent the repetition of another global war.

We must prepare ourselves for any eventuality; we must be prepared for our national defense; we must be strong; we must be prepared to exercise force, if necessary. For I repeat that firmness and strength is the only language understood by any dictator.

I shall go along because I refuse to be a party to the fight that is being made against this legislation by Stalin, Molotov, and Gromyko abroad, and Wallace and his communistic cohorts at home.

Permit me to say to my friends and colleagues here today that in my humble judgment there is only one of two courses to follow: We must either stand with firmness and with strength, strength which comes from a full knowledge of preparedness, on all fronts against this new, cold, impassive, and ruthless dictator; or we must draw into our shell, as it were, leaving Europe and Asia to the inevitable engulfment and domination of this new heathen dictatorship. It is argued under the latter course that we could build our forces to protect our own shores and let the rest of the world go by. That type of reasoning was, no doubt, sound in President Washington's day, but I seriously doubt that the Father of His Country himself would today espouse any such doctrine. Certainly, when we realize that, as a result of scientific advancement in communication and transportation, it takes a modern war plane loaded with atomic bombs about the same time to travel from Moscow to the city of Washington, as it took General Washington, in his day, to travel from Mount Vernon to this Capital City, we are face to face with the fact that, whether we like it or not, we are living in one world. And, as the most powerful Nation in the world, whether we relish it or not, we must assume our proper place in world leadership.

And finally, Mr. Chairman, I shall vote for the expenditure of these billions of dollars in the fervent hope that it will be a means of preventing a third world war. I cannot gamble with the lives of my own three precious sons and the millions of other American sons who fought, and many of whom died, in the cause of world peace. For if we lose the peace, all for which they fought and died will have been in vain. As I address you here today, there is indelibly printed upon my mind a large and freshly made cemetery which I visited just outside of the city of Luxemburg, where the newly made graves marked the last resting place of several thousands of American boys who fell in the great Battle of the Bulge in the closing days of the war. With the living, and for the dead, we must endeavor to keep the faith.

Mr. KEE. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, this legislation known as ERP or the so-called Marshall plan is the most important bill which the Congress has been called upon to consider for a long time. I have given a great deal of study and thought to this stupendous postwar recovery program. I have read and listened to arguments pro and con from experts on European matters and also from persons who analyzed the effects of this program on our own economy. I have learned that, almost without exception, everybody wants to help and provide food, clothing, and shelter for the unfortunate people living in the war-stricken countries of the world. I think it is generally admitted that in order to establish the economy and foreign trade of these countries, it is necessary to provide for them machinery and other necessities which are essential to till their lands and start their wheels of industry toward production. It is also admitted by everyone that if this recovery program is only partly successful, it will be a great aid to the economy of our own country and increase and enhance our foreign trade. This will directly extend our own prosperity and provide employment for millions of people in future years. The question as to whether it is advisable to launch our Nation upon this large recovery program is not so much whether America can afford it as it is the question of can America afford not to do it. There is no doubt that this program is launching a new experiment in international cooperation, and it is our earnest hope that it will lead to peace and freedom for democratic nations who demand self-government and independence, religious and civic freedom. We know that if America does not make a decided effort to aid in the economic rehabilitation, these millions who are victims of a devastating world war will give up in despair and submit to the onrush of totalitarianism and communistic dictatorship which has already taken the individual freedom from millions in satellite countries. Czechoslovakia is the last unfortunate example of this communistic onrush.

I am firmly convinced that the appropriation of money will not curtail the spread of Soviet's sphere unless this aid reaches the millions at the bottom of the ladder who are today suffering from lack of food and materials to reestablish themselves in a productive capacity. This legislation will fail miserably if the provisions and materials for relief are not distributed on an equitable and just control so as to enable the masses to produce the necessities of life. The greatest antidote against communism is a reasonable prosperity and contentment for the unfortunate millions in Europe who as yet are suffering from the effects of the greatest war in all history. The real victory over communism will be won in the grain fields and the factories and not on the battlefields.

A number of Members in speaking on this legislation have also called our attention to communistic influences within our own borders. The same serious thought regarding these domestic influences could be applied as a lesson when we observe that the European expansion of communism comes at a time when the masses are victims of economic discontent. The leaders of our Congress, when they criticize the expansion of communism within our own borders, should make a serious survey of some of the legislative enactments and, more important, legislation which was not enacted during this Eightieth Congress. Let me remind the Members of our body that failure to carry out their party's platform promises regarding social-security expansion, keeping down the cost of living, veterans' housing legislation, and so forth, will contribute more to the expansion of what the so-called Marshall plan is trying to curtail than any other one thing.

From my study of the present legislation which has been submitted by the Foreign Affairs Committee of the House and the legislation which was passed by the Senate, it is my present thought that the Senate legislation is more practical and effective for the carrying out of our immediate program for aid.

After World War I, I devoted a great deal of time in an effort to persuade our country to join Woodrow Wilson's permanent peace program as set out in the League of Nations. This effort failed because of political opposition, with the main emphasis on American isolation. The United States and the world has paid the penalty for our country not participating in the League of Nations 26 years ago. Had we, the greatest Nation in the world, joined with the other nations at that time, there is no doubt in my mind but what it would have been a success and World War II would have been prevented. Let us not allow history to repeat itself and again play the part of the ostrich with its head in the sand. We are not only the No. 1 Nation in the world, but the airplane, radio, and other modern inventions have eliminated the ocean as a barrier of defense. I think it is our bounden duty to now do what we can to aid in the reestablishment of free and democratic governments in the European war-stricken areas. In doing this, we not only help world good will and prosperity, but aid our own future economy and peace.

Mr. LODGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, we of the Foreign Affairs Committee of the House have been fortunate in having the advice and personal consultation with Admiral Charles M. Cooke, United States Navy, who recently returned from command of United States naval forces in the western Pacific, and has been on active duty since he entered the Naval Academy in 1906.

He was commissioned an ensign in 1912 after completing 2 years of sea duty following his graduation from the Academy in 1910. Before and during World War I he saw service in the battleships U. S. S. *Connecticut*, U. S. S. *Maine*, U. S. S. *Alabama*, and in the submarine service.

At the beginning of World War II he was in command of the battleship U. S. S. *Pennsylvania* which was slightly damaged at Pearl Harbor but quickly put into action against the Japanese.

From 1942 until 1945 he saw service on the staff of Commander in Chief, United States Fleet.

His duties were successively assistant chief of staff for plans, from June 1942 to October 1943, Deputy Chief of Staff from October 1943 to October 1944, and Chief of Staff from October 1944 to August 1945. For exceptionally meritorious service while serving in these positions, Admiral Cooke was awarded the Distinguished Service Medal.

On October 10, 1945, Admiral Cooke's title was changed by Executive order to Deputy Chief of Naval Operations (Operations).

Such a man is worth listening to in his evaluation of the strategic situation in China and the western Pacific, as American interests might be affected. Prior to his leaving Washington yesterday Admiral Cooke, at the request of the Foreign Affairs Committee, submitted his

considered views on China which I herewith submit:

NAVY DEPARTMENT,
Washington, D. C., March 24, 1948.

Memorandum for Mr. JAMES FULTON, member of the Committee on Foreign Affairs of the House of Representatives.

At your request, given me this date, on behalf of the Committee on Foreign Affairs of the House of Representatives, I submit a brief summary of my views of the situation in China—as expressed orally in answer to questions asked me by various members of your committee. In this connection I have seen and read pertinent parts of S. 2202, of which you have given me a copy this date.

In February I completed 25 months of duty as commander of our naval and marine forces stationed in China, including a naval advisory group for assisting and training in establishing a Chinese Navy in accordance with Public Law 512, passed in 1946.

Briefly, I consider that the reestablishment of the integrity of China to extend its boundaries to those existing before the Japanese incident of 1931 to be so important to the interests of the United States and to the interests of international peace, as well as to the interests of China itself, as to constitute a compelling objective to be sought by the United States. I feel that the United States should neglect no practicable step to rehabilitate a China ravaged by 10 years of war in order that she can take her proper place as an effective instrumentality in maintaining world peace. An important contribution to this effort is the maintenance of the warm friendship between America and China. The establishment of a strong China, if accomplished, will have the effect of materially complementing our objectives in Europe. If our efforts in China are properly directed and adjusted to the world problem they should assist our efforts in Europe rather than conflict with them.

The immediate, urgent, and primary step to accomplish the objective as set forth above of rehabilitating China, is to give appropriate help to the Chinese in overcoming the Communist effort to disrupt or subjugate China. The Communist attack has now developed into a serious and critical stage. If it is to be successfully combated it is imperative that there be no delay in providing effective assistance.

It is my view that this assistance should take the form of military supplies and operational advice—operational advice on the part of Army, Navy, and Air Force officers. Assistance in the form of American combat units should not be given.

Such help in the immediate future, if properly directed, should prove effective and can, in my opinion, be so controlled as to prevent its mounting into undue proportions.

Assistance in the matter of military supplies and operational advice, while immediately paramount, should be paralleled with economic assistance, which again should be generally supervised or controlled by appropriate advisers.

While recognizing that the integrity and capability of the Government of China has been widely challenged, I feel that there are nevertheless many honest and capable Chinese officials who, with sufficient encouragement and appropriate assistance from the outside, can bring about a restoration of a government capable of meeting China's internal needs and external obligations.

Such an outcome is necessary to forestall the serious, perhaps catastrophic alternative that would be brought about by the loss to China of Manchuria, by the subversion and separation of North China, and by the development of a strategic situation in eastern Asia and western Europe inimical to the interests of the United States.

CHARLES M. COOKE,
Admiral, United States Navy.

Mr. LODGE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, no problem we have faced in this Congress has demanded or received a measure of study equal to that which culminates in the legislation now before us. Perhaps a few approached this great question with predilections either one way or the other. Most of us, however, have listened to or pored over the testimony of the witnesses on both sides and studied the factual data and arguments pro and con, submitted to the committee, in the press, on the radio, in public forums, and in extensive publications, always with an open mind and with but one motive, to reach the conclusion which we could most nearly square with our conception of our Nation's welfare.

That, I believe, is a characterization applying, by and large, without regard to political affiliation, and equally to those who may be in agreement or disagreement. I am sure there are many who will eventually cast their votes on both sides who feel, as I do, the extreme difficulty of their decision and complete modesty in conceding possible error.

Those who see this problem as entirely one-sided I rather envy for their peace of mind than admire for their balanced judgment.

The time of decision is here. We must take our stand according to the dictates of our conscience with the fervent prayer that the right side, whether ours or not, will prevail.

With utmost humility, therefore, I state my conception of the fundamental issue before us. It is: Shall we act with risk or wait with hope?

Justifiable criticism can be directed toward the administration of past foreign-relief programs. Recipient countries have in many instances indicated disheartening ingratitude for help extended. They have frequently failed to do their part in the reconstruction and recovery of their own countries. They have at times misapplied the proceeds of our loans, using them in some instances to bolster the shaky foundations of their socialistic governments, in which I have no more faith than have the bitterest opponents of this measure.

All this and more can be said in justification of a negative vote when the roll is called.

Yet, on the other side, it must be admitted:

First, that the measure before us has embodied many of the suggestions offered to protect our own economy and avoid previous pitfalls, and no doubt will be still further strengthened by amendment.

Second, so far as the bill provides for straight humanitarian relief, our people have never turned a deaf ear to such entreaties, even when voiced by our enemies, which certainly the beneficiaries of this bill could never properly be designated.

Third, insofar as the rehabilitation of the economies of the nations overseas is concerned, which comprises the major part of the legislation, a healthy mind and heart cannot long endure in a sick body of Europe. Without substantial help at this time, collapse, I am convinced, will be the probable lot of at least Britain, France, Italy, Austria, and Greece, submerging with them, no doubt, substantially the remainder of western Europe.

In the present state of world affairs, that is a prospect so hazardous to my own country and her liberty and destiny—yes, and the lives of her citizens—that I cannot hasten it by opposing a measure designed sincerely, though perhaps imperfectly, to lend strength and stability to these sister nations.

It seems to me significant that the Members of the House Select Committee on Foreign Aid, who, as we all know, were drawn from all sections of the Nation and reflect all shades of opinion, returned convinced to a man that the security of this Nation is indisputably bound up with some program of foreign aid, soundly conceived and wisely administered. That this legislation does not voice the precise views of this committee in many details must be admitted. Yet many of their constructive suggestions have been adopted along with others which materially strengthen the measure and remove many of the fundamental and perhaps fatal defects which were found in the original legislation submitted by the Department of State.

Thus, the Economic Cooperation Administration is established, headed by an Administrator of Cabinet status, who, with regard to matters affecting our foreign policy, shall confer with the Secretary of State, but will be entirely independent in the formulation of programs and implementation of the provisions of the law. If he and the Secretary of State find themselves in disagreement, the President shall make the final decision.

A public advisory board is created to advise and consult with the Administrator with reference to policy matters. This board, composed of 12 members selected from business, labor, agriculture, and the professions, is to be of a bipartisan character.

A United States special representative in Europe of ambassadorial rank is to coordinate the activities of the chiefs of the various missions in the participating countries and keep the administration and both Houses of Congress informed regarding his activities.

Detailed provisions are incorporated in the measure to maximize the use of private channels of trade in the true American tradition.

Although we would be false to our trust to portray this program as without effect upon the American people, any protective provisions to cushion the impact on our domestic economy find their place in this legislation. Certainly, if the plan is a feasible method of achieving the salutary objectives which we seek, the relatively light burdens and hardships which it imposes should not for a moment be a deterrent to our affirmative action.

Although the program is envisioned as a 4-year proposition, the authorization for appropriation is properly for 1 year only. Were it otherwise, it might by its terms destroy the fundamental purpose which lies behind the enactment of the bill, which is to encourage and enable

the western European democracies to help themselves. They must make good on the commitments in which they engage in order to assure the continuance of the program. They must speed their own recovery. They cannot sit back, as we have heard opponents of the measure argue, do nothing, and expect that our aid will continue indefinitely.

In fact, definite authority and, indeed, direction is given the Administrator to terminate assistance if he determines, first, that a country is not adhering to its obligations; or second, because of changed political or other conditions the extension of further aid is not in our own best interests.

Before any country becomes eligible to participate, it must enter into a detailed agreement. It must outline, whenever requested, the specific steps which it is taking to restore its own economy with particular emphasis upon increased production of coal, steel, transportation facilities, and food.

It must take the necessary steps to attempt to stabilize its currency, balance its budget, and put its monetary house in order.

It must cooperate with the other participating countries to increase trade and reduce trade barriers.

It must utilize its own resources to the utmost. In this connection, I am happy to observe that the committee has included a provision, which I advocated in the hearings, to require each country to take measures to locate and control the assets of its nationals in this country. I regret that the committee did not make this provision even stronger, since I feel that the nationals of each country should assume the first obligation to help their own native land in the hour of its peril and distress before the already overburdened and harassed taxpayers of this Nation are called upon to drain their pay envelopes for that purpose.

After due regard for its own needs, each participating country must share its strategic materials in short supply here in order to permit us to stock-pile these necessary items—a very important provision in terms of our national security.

Each country, when any goods or services are furnished to it on a grant basis, must set up a special account in the currency of that country commensurate with the amount of such aid. Upon this account the Administrator may draw for stimulation of productive activity or development of new sources of wealth in that country.

Each nation must publish and transmit quarterly to us a full report of the operations under the act, or any other relevant information we request.

Each country must recognize what is called the principle of equity by making available to us a fair share, at world market prices, of the strategic materials produced in that country or its territories and by according American business the same privileges for development as its own nationals.

Each nation agrees to share in the solution of the distressing problem of the displaced persons by a commitment to use this source of manpower on fair and reasonable terms to be negotiated.

Provisions are contained in the bill looking toward the end of the dismantling program in Germany and the continued use of the slave labor of former prisoners of war by our erstwhile allies, which have been the subject of repeated criticism and which are utterly without justification. Here again I regret that these provisions are not written in the stronger language which I advocated in the hearings, but at least the passage of the measure will make crystal clear the attitude of this Congress on these issues.

Another provision which I welcome is the one which permits the use of the funds made available under the act for the purpose of defraying port and ocean freight charges of relief packages sent by individuals to addressees in the participating countries and also permits the use of the currencies accumulated in the foreign countries to meet the charges for carrying these packages from port to their destination.

Feeling that this kind of voluntary assistance is needed by the millions in our land who have family or racial origin ties overseas, I introduced on December 2, 1947, H. R. 4616, a bill to reduce by one-half the postage charges for overseas shipments of such relief supplies as food, clothing, medical supplies, soap, and other necessaries. The provision to which I refer in this bill is an outgrowth of the strong grass-roots sentiment which has developed all over the United States in favor of legislation to facilitate the expansion of individual extension of aid in the true American charitable spirit which has always characterized the voluntary actions of our people. I regret that, through necessity, by incorporation in this legislation, such aid is limited to those countries which participate in this recovery program. There are others, notably Poland, where I feel that much good could come from the enlargement of the area of governmental aid by a similar provision for defraying a part of the cost of carriage of relief parcels.

The inclusion in this measure of $60,000,000 for the International Children's Emergency Fund will relieve suffering and starvation and will mean health, happiness and, in many cases, life to hundreds of thousands of little children in 14 countries on both sides of the iron curtain, yielding dividends to the giver at least equal to those enjoyed by the recipients.

No attempt has been made to cover exhaustively the provisions of the legislation before us, but simply to point out some of the provisions which indicate an effort to frame a sound, fair, business-like program, which will have a maximum likelihood of success in its execution.

In the crisis which faces the world today, we have a situation where one nation has reached out and sunk her claws into as much of Europe and Asia as she can envelop, and has vowed that any program of rehabilitation and recovery will not be allowed to succeed.

At the moment, three courses, and only three, appear to be open. One, to declare war on Russia. Two, to withdraw completely from any interest or activity beyond our own shores, strengthen our own Nation in every possible way, continue to lend our moral support to the United Nations, and wait hopefully for the dawn of a better day. Three, to accept the principle that our first line of defense is manned, not alone by guns and men in khaki or in blues, but as well by food, clothing, and fertilizer carried by messengers of mercy, and is no longer established on the Atlantic or Pacific seaboard, but at any point where free men and women seek to resist encroachment and subjugation by the forces of tyranny and aggression.

We reject utterly the first possible course as alien to our traditions, unsupported by the desires of our citizens, foreign to our national interest—indeed, unthinkable.

As between the remaining choices, it is quite impossible for one who has had one meal in Europe and the next in this country, who has on one day watched the bullock and camel carts being trundled along the streets of Karachi, India, and the second day after that has lined up for a hot dog and a cup of coffee in his own beloved country, with several intervening stops, among ever-changing peoples and surroundings—it is quite impossible, I say, for him to accept the premise that our Nation and our people can remain free, with the rest of the world enchained. Shrunken oceans and contracted plains have created an interdependence, an inter-reliance between the nations of the world, such that, whether we like it or not, the ripples of a pebble dropped in Czechoslovakia, Finland, or Italy necessarily wash our shores.

If we withdraw from any active share in the international scene, what do we face? For one thing, immediate staggering expenditures for our national defense, equaling, very likely, in a single year, the prospective sums authorized in this bill for a 4-year period. Let there be no misapprehension. This measure is not a substitute for military strength, but rather supplementary to it. Certainly, if we are to rely upon ourselves alone, without the help of friends associated with us beyond our own borders, our outlay to protect the integrity of our own Nation will necessarily be incomparably greater.

In the establishment of this armed camp, which is an integral part of the alternative embodied in withdrawal and isolation, we would be faced by the immediate imposition of regulations and controls which would do violence to all of our cherished liberties and traditions in time of peace, and would impose almost unbearable compulsions and restrictions on the everyday life of our citizens.

Finally, such a choice would, in the face of the recent march of world events, be an open invitation to the Kremlin to take over the remainder of the European Continent and as much of Asia as it might choose, leaving this country as virtually the only oasis of freedom in an enslaved world.

Even on the economic side, perhaps the least powerful argument for the adoption of this measure, to pull out of western Europe would mean the abandonment of 270,000,000 people who contributed two-thirds of the prewar shipping tonnage, accounting for one-half of the world's imports, and more than one-third of its

exports—an area with a steel-producing capacity equal to ours, and a shipbuilding capacity greater than ours, with, above all, a vast reservoir of scientific and industrial talent and intelligence.

Seventeen billion dollars, the over-all cost of this projected program—indeed, $6,000,000,000, the projected expenditure for the first year—both of these are huge sums to ask our people to contribute to this venture. We cannot impose this burden upon our wealth and productive capacity and reach thus, either directly or indirectly, into the pocketbooks of every individual in the Nation, without hesitation, without regret that the world situation seems to require it and without the fervent hope that we are not setting a pattern for the indefinite future, but are rather meeting the emergent situation which today confronts free peoples everywhere.

In proper perspective, however, we should balance these sums, large as they are, against $350,000,000,000, the cost of the last war, and observe that this entire program for construction represents a bare 5 percent of the amount expended in our recent necessary campaign of destruction. If there is even a reasonable prospect that by this expenditure we can strike an effective and decisive blow for peace, it is money well spent.

The principal aim of this program in western Europe is to restore stability, protect democracy, and maintain peace. The principal aim of Soviet Russia is to thwart this program and reduce western Europe to misery and chaos.

It is because this legislation represents the most feasible plan on the present horizon for discouraging aggression and achieving peace by other than military methods that it has my support.

I reject completely the argument of those who mouth the protests of the Politburo that this is a war measure. It is the exact opposite. Wars result when an aggressor's rapacity is tempted by weakness. The purpose of this bill is to substitute strength for weakness, hope for despair.

If we are to stand accused of mongering, let it be peace-mongering. Unless we mobilize unitedly for peace, we shall surely mobilize for war.

Now is the hour. The choice is clear. May our decision reflect the guidance of Him in whom this Nation has always put its trust.

Mr. LODGE. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Chairman, before discussing the merits of the Marshall plan, I want to pay a richly deserved tribute to the chairman of the House Foreign Affairs Committee, the distinguished gentleman from New Jersey [Mr. EATON]. I first met him in January 1939, soon after being sworn in as a new Member of the Seventy-sixth Congress. During that year and in subsequent years I have on many occasions benefited by his advice.

One of the things that impressed me most favorably when I first came here as a Member of the House was the willingness of the older Members of the House to be helpful to new Members. No Member of the House has been more helpful to me, and I am sure to other new Members, than the busy gentleman from New Jersey [Mr. EATON].

Service on the Foreign Affairs Committee during the past 10 years has been a difficult task. To serve as either ranking minority member or chairman of this important committee is even more difficult. The words and deeds of the chairman of the Foreign Affairs Committee prove conclusively that he has always placed the welfare of his country first. It seems quite clear to me that whenever he might have been in doubt as to the course to be followed, he has resolved such doubt in support of the President and the Secretary of State who after all under the Constitution are charged with the responsibility of conducting our foreign relations. I could say much more, but I do not wish to embarrass the modest gentleman from New Jersey.

The people of the Fifth District of New Jersey are to be congratulated for sending such an able statesman to the House of Representatives and the House, in my humble opinion, is fortunate to have his services during this difficult and trying period.

Now may I turn my attention to the bill now before us. Actually this bill is a bill to implement the so-called Marshall plan. It is almost a year ago since I read in the newspapers the speech delivered to the graduating class of Harvard University by Secretary of Marshall. It appeared to me then that Secretary Marshall had outlined a sound proposal to bring about the rehabilitation of a sound peacetime economy throughout the world. It is most unfortunate that every nation of the world invited to participate in the conference that was convened in Paris to consider the suggestions made by Secretary Marshall did not see fit to participate. However, representatives of 16 governments did respond to the invitation extended to them.

I made up my mind sometime ago that I would vote for the legislation now before us. I have appeared before the House Foreign Affairs Committee to express my approval of the European recovery plan. Frankly, I am not too confident that it will work out as well as we hope it will.

Among other reasons, I am supporting this legislation is because no one has proposed an alternative plan that has an even equal opportunity of succeeding. No one can take lightly embarking on a program that will ultimately cost seventeen or more billion dollars. It seems to me that the one outstanding justification for support of this legislation is that it may contribute to the maintenance of world peace. It may lead to a sound world economy. It may give many other countries a little more feeling of security than they have today. And it may convince the rulers of Russia that we in the United States will do our full part in bringing about economic recovery.

Several times since President Truman presented his recent message to a joint session of the Congress, I have heard it said that there is considerable hysteria on Capitol Hill. Frankly I am not aware that such hysteria exists. It seems to me that rather than being hysterical, many Members of Congress are depressed and disheartened. I for one am very unhappy about the present world situation.

At times, as I sit on the floor of the House and listen to some of the debate we have had, it seems that we are back in 1939 again. We were not told the whole story in 1939 or in 1946 and I do not believe we have been told the whole story on the world situation at this time. Too many vague rumors are circulating through the corridors of the Capitol and too many rumors are going to the country via the radio. We often hear that general so-and-so or admiral so-and-so or the Ambassador to this country or to that country has said thus and so in an effort to prove that the shooting war is just a few weeks away. These statements are never made to our committees.

I think the time has come when the Congress and the American people should be told the whole truth in regard to the foreign situation. Rather than being simply told that we need universal military training or that we need a return of selective service, we should be told just why these measures are necessary at this time.

I do not believe in appeasement but I do believe that it is still possible to sit down around a conference table with representatives of every government with whom our relations are strained and thereby remove the misunderstandings that exist.

If I did not believe that the passage of the bill we are now considering would strengthen the possibilities for peace, I would not support the legislation. I believe we should pass this legislation as speedily as possible, following which we should join with all good Americans in praying that some way may be found whereby we can maintain peaceful relations with every nation in the world.

I can think of no better way to make my attitude known to my constituents on this bill than to insert in the RECORD at this point the statement I made recently before the House Committee on Foreign Affairs:

STATEMENT OF HON. WILLIAM J. MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT

Mr. MILLER. I am reluctant to ask for much of the time of the committee, particularly since my own State is fortunate to have as a member of this committee my colleague from Fairfield County. I come particularly because of some advice given me by your distinguished chairman. Once he told me, "When you have a good idea, present it to the committee instead of waiting until it gets to the floor."

I have a few things to present to the committee.

When I first read Secretary Marshall's address at Harvard University last June, the whole idea appealed to me. It was the first idea I had seen of any effort to get the nations of the world together, to work out some rehabilitation program.

I was impressed by the Secretary's address. I was encouraged by the Harriman report and I was certainly proud of the Herter reports, the reports filed by the Herter committee, and I have tried to read the various reports that have been submitted to this committee.

I think I can express the sentiment of the people in the district that I have the honor to represent when I say they want to see this

Government make generous appropriations for relief to the war-devastated countries of Europe. I think they are willing to make some sacrifice toward that relief. I think they want to see us give, without any strings on the gift at all, food, clothing, medicine, and I believe they would like to see us contribute fertilizer, seed, breeding stock, and things of that kind to help the individual families of those countries to get back on their feet.

I do, however, find a distinct division in the opinions of people toward just how we should handle the other phase of the program, the rehabilitation of the industries in those countries. I have yet to find an answer that seems convincing to me as to why funds appropriated by this Congress, to implement the Marshall plan, should not be made in some form of a loan either to the governments involved or to the wrecked industries of those countries.

If I understand the plan correctly, we propose to make these appropriations on the theory that by so doing we will bring about the rehabilitation of the industries of the 16 nations involved and in due time we will have normal and we hope prosperous trade relations with those countries and we can look forward to some day living as one happy family. If that is the premise under which we made the appropriations, we must assume that the plan will work or at least has a 50–50 chance of working.

If it works, I have been able to find no reason why we should not look to those countries for repayment in some form, either now or at some distant future time when they can afford to do it. Certainly we are going to be paying off our national debt for a good many years to come, and I think they should consider that they have incurred some indebtedness from the people of the United States on those things used to rehabilitate their industries, bearing in mind I keep separate and apart purely relief matters.

I have not found out why we should not look to certain countries who have materials that we are short in supply or why the British should not give us tin and rubber and why other countries should not give us minerals and things of that kind that we need not only for our own industries, but for stock piling and national defense needs.

That is one phase of the program that I find great difficulty with in satisfying people who are at least doubtful of the wisdom of making such a large appropriation as is necessary to carry out the Marshall plan. If I could give them a satisfactory reason for what I understand to be the program of not considering these things a loan, or not making a definite barter deal out of it, I think I would remove the overwhelming majority of the opposition that now exists in the district I represent.

I have one other thought I would like to leave with the committee. It comes to my mind because of conversations I have had with three different businessmen in the State of Connecticut. The three men I have in mind have all spoken to me along these lines. They pointed out that they are getting along to the point in their business lives where they can take considerable time away from their business. All three that I have in mind have very broad business experience. One of them in particular has had particular experience in Europe and in the export business generally. All three of those men would be very glad and very willing to serve their country or serve this program for a year or two, with or without compensation.

In other words, they are not concerned about salaries. A dollar-a-year basis would suit them just as well as would $20,000 a year. The thought occurs to me that in a program as large as this we might be able and perhaps should make some provision in the bill we report out to make use of the vast business experience that businessmen in this country have had, among the men who are willing to give this program, this Government and the United Nations, the benefit of their business experience.

I do not pretend to know how that should be set up but I would like to leave that thought with the committee, that they try to work out some way that we can utilize the services of people who want to make their services available and who certainly can contribute to the successful working out of a program that will rehabilitate the industries of Europe. They have demonstrated they have the know-how and it seems they have something to contribute to this program equally important to the dollars to be appropriated by the Federal Treasury.

Thank you, Mr. Chairman and members of the committee.

Mr. JONKMAN. Thank you, Mr. MILLER.

Mr. RICHARDS, can you answer some of the the questions the Congressman has brought up, or would you care to ask some questions?

Mr. RICHARDS. I believe the gentleman has made a valuable contribution by his suggestions here. I am sure I appreciate, and I am sure other members do, your taking time, because we know you are a very busy man.

Mr. MILLER. I will assure you I am not trying to find a job for some constituents, but I would like to advise you of some of the people who are willing to donate their services.

Mr. JONKMAN. Mrs. BOLTON.

Mrs. BOLTON. I think it is most constructive to have a statement such as the gentleman has given. We are grateful for your help. A good many of us are thinking along the lines of dollar-a-year men. Perhaps that is the only way we will be able to get the top-flight men who will be needed. No salary that would be paid would intrigue a man of the character we want.

Mr. MILLER. For example, one man spoke to me, who is the active head of the largest unit of the small tool industry in the United States. Of course, he could contribute something to that.

Mr. JONKMAN. Mr. MORGAN.

Mr. MORGAN. Mr. MILLER, do you believe we should have England stock-pile our tin and the Netherlands stock-pile our crude rubber, and so forth, in return for some of this money?

Mr. MILLER. I do. Britain controls the tin supply of the world and we are short of tin. I do not see why they should not make available to us the tin, or allow us to go in and get it ourselves if they do not have the manpower to get it out, and that we should stock pile the tin and other things needed particularly in the making of steel.

Mrs. BOLTON. Will the gentleman yield?

Mr. MORGAN. Yes.

Mrs. BOLTON. When we have discussed that with some of the other witnesses, they have reminded us that they get dollars over there. If they do not get dollars through the selling of tin, we impede the whole program somewhat. Would you comment on that?

Mr. MILLER. They undoubtedly need dollars, but as I understand the program much of this will go to them in the form of material, rather than dollars, but undoubtedly they will have to have some of it developed in dollars, but I thought a substantial part of the program that envisioned the shipping of material, that material could be paid for by other material in kind.

Mrs. BOLTON. Thank you, Mr. MORGAN.

Mr. MORGAN. That is what I was going to say. Of course, they emphasize that they need dollars more than we need tin or crude rubber.

Mr. MILLER. That is why I said I was reluctant to appear before this committee, because I do not know that is the answer. It appeals to me and appeals to a great many of my constituents. I frankly have not been given sufficient information that would lead me to believe I am wrong, and they are wrong in advancing that idea. I may well be wrong. If that is so, I am certainly open-minded as of this moment.

Mr. MORGAN. That is all, Mr. Chairman.

Mr. JONKMAN. Mr. LODGE.

Mr. LODGE. I want to extend a very personal welcome to my colleague from Connecticut and say that I am very pleased that he has come here to contribute his hard thinking to this problem. I think he has made a very able statement.

This question of strategic materials is one already contemplated under the plan to some extent. Mr. Douglas, I believe, gave us a figure of something like $172,000,000. The question that arose was to what extent that could be increased. At that point, it was brought out that we would be depriving them of dollars. In other words, the assumption was—Mr. Acheson put it this way—that we would buy these strategic materials anyway. Otherwise we would not be depriving them of the dollars.

The assumption, that we deprive them of the dollar, must be based on the assumption that we would buy the strategic materials anyway if we did not get them under the Marshall plan.

My idea is this, and I have not had a satisfactory rejoinder to this suggestion, that we can do what the State Department contemplates, under the legislation submitted to us, and then in addition to that, we can provide that when the dollar deficits of these countries have disappeared there is no reason why they should not make a further commitment from the point of view of the long distant future.

There is nothing magical about the figure with respect to the strategic materials as included in the plan. I think you will find that we are anxious to write into this legislation some language which will state that objective as one very much to be desired, and I hope you will be satisfied with it when you see it, bearing in mind that it is very hard to make it too specific a condition as far as the amount is concerned.

Mr. MILLER. I wish you could convince me, or that I could believe, we would accumulate materials for stock-piling purposes. My belief is that because of our own finances we would not do as much as we should do in that direction and this might be a means of getting material over and above what the Congress would provide for in the amount of appropriation bills.

Mr. LODGE. That is right. It would also be within the spirit of the European recovery program, because we are a have-not Nation in certain respects and they are have-not nations in respect to certain things.

Mr. MILLER. It seems my people tend to overlook the very thing you mentioned, then, that that is the spirit of the program, and too few people realize that things should be done for all of us. There has been very little said of what we require of other nations. If we could satisfy the American taxpayer as to that, and satisfy him to the effect that we are trying to do some fancy horse trading where we can, it would be helpful. Those are my only two objections.

Mr. LODGE. You may be sure we will give your suggestions a great deal of thought.

Mr. JONKMAN. Mr. JUDD.

Mr. JUDD. I have no questions. It is nice to have you here, Mr. MILLER.

Mr. JONKMAN. I might say with regard to your questions, at least one member here would feel we might have the best State Department and the best foreign policy department in the world, but that would not necessarily mean it was fitted to handle this tremendous economic program or any other part of the past economic programs.

Comparably, it would be said that if a man were seriously ill, he would not want the best preacher in town, he would want a doctor.

It stands to reason, I think, that with a foreign policy agency which has created good

fellowship and good neighbors, it is difficult to run the gift counter and the loan counter at the same time. Your customers are all going to be at the gift counter and it will be hard for a policy-forming body to resist that.

The same is true with this stock piling. It has been stated that right now they need dollars. If we say, "Instead of letting you export your raw materials in which we are in scarce supply, we will just ask you to give them to us on account." They say, "Why not make a deal 10 years from now, for instance, on oil in the Near East?" A policy-making body would say, "You cannot do that, you cannot hold a mortgage on them until 10 years from now." However, they must be made to go to the loan counter instead of the gift counter when they belong there.

I rather think with the trend away from the handling of the State Department with this great program, we shall involve as much as it used to take to run our Government for a whole year, to an independent agency, a business administrative agency; I do think a lot of the considerations your constituents were worried about will receive better consideration than they would under the policy-making body.

Mr. MILLER. I should agree to that, that the rehabilitation of those industries is the biggest thing ever attempted.

Mr. JONKMAN. We have put our charities on a business basis. We have had to do it. This is a business proposition.

Thank you very much for coming here and we appreciate your suggestion.

Mr. MILLER. Thank you.

I am grateful that this Congress is about to recess over the holy days. I hope the Members of this House and the Members of the other body and responsible officials of our Government will repair, as did our forefathers at the time the Constitution was written, to their respective houses of worship and there find divine guidance, so that we can come back after the Easter holidays and complete the task before us and write legislation which, with God's help, will prevent the outbreak of another terrible war which may well be the end of the civilization that we have all known and enjoyed.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. LODGE. I just want to congratulate the distinguished gentleman from Connecticut on the excellence of his statement.

Mr. MILLER of Connecticut. I thank the gentleman.

Mr. Chairman, I yield back the reminder of my time.

Mr. KEE. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. PRIEST] to propound a unanimous-consent request.

Mr. PRIEST. Mr. Chairman, I ask unanimous consent that the gentleman from Arkansas [Mr. HAYS] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. HAYS. Mr. Chairman, I suppose it is always true that in periods of turbulence the impulses of patriotism are more strongly felt. We turn toward our country to make it stronger and more secure just as we seek refuge in a storm. But there is another pull upon us and that is our international obligation and our place among the peoples of the world. This is not a contrary pull but quite compatible with the feelings of nationalism that sweep over us at such a time. I recall in this connection the words of Mordecai to Queen Esther as he told her she would find in her new position in the king's household a great opportunity for service to her people but if she did not meet it deliverance would come from another source. And then he added "Who knows but that thou art come to the kingdom for such a time as this." We have all been taught that individually there is a destiny that shapes our ends and so it is with nations. I like to think that there is a place for America in the plan of Providence, and that that place is not a narrow, self-sufficient place but a large one of service and world leadership.

To be sure, the most appealing argument for the pending legislation is that it is the first and least disturbing phase of a new and vigorous program of defense against communism. The economic phase is least inconvenient because we are asked to send our goods and perhaps if the program is carried out as anticipated we will never have to send our men. I believe that this program will add to the possibilities of world recovery and will mean much to the stabilization of America's trade in the lengthening years of peace ahead. That is our hope. And yet the proponents have been entirely honest with us. They have not offered guaranties that it will work and it is most assuredly not exclusively an economic program. It is so vitally related to our total defenses, to the preservation of peace, that the long-range material benefits flowing from it are necessarily minimized. To my way of thinking, it is the safest road to peace.

If we cannot offer guaranties that the program will succeed, if we do not know what will happen if we support this all-out effort to stabilize the economy of 16 free nations, we at least know what will happen if we do not take this step. One by one the nations that are still devoted to freedom will be engulfed, the wishes of their people will not be respected, violence and terror will do their work and the iron curtain will be extended to the Atlantic Ocean. There is still time for us to give the help that will provide escape. As the gentleman from Minnesota [Mr. JUDD] has so ably set forth the program will not work unless the will of the people themselves, those who are to be the beneficiaries of this mighty effort is in the resistance and in the great processes of reconstruction. There is every evidence that the people themselves have entered into this great cooperative effort. Nine of the 16 nations have already exceeded 1939 production levels. The Marshall plan is an evolving process. It began with the simple statement of General Marshall at Harvard University, extending an invitation to the free nations of Europe to begin to work together for reconstruction. The speech carried a clear implication that America would come forward with substantial aid to complete the restoration of their industrial and economic life. We can find no fault with their response. The Communists have distorted facts, they have made it appear that in some of these nations America is not wanted but we know that that is not the truth. If the means for registering the independent judgment of the electorate can be preserved, every one of the 16 nations will remain in the democratic list, every one will make full use of the resources which we supply.

I know that often the economic phase of a great social and political issue is overemphasized. It handicapped that portion of the German population which sought to prevent the rise of Hitler, and he confused the issue for millions of people as his armies broke out of their borders. Hitler told his people, and it was believed, that economic injustices enslaved them, although every honest index showed that they were better off than most nations which bordered his country. Even now, there is in places superficial thinking on this subject. Some of Mr. Wallace's alluring lines have to do with eliminating threats of starvation and the fears of want and hunger when history actually reveals that issues of this kind are basically moral and that if the people are truly devoted to the ways of freedom they will not sacrifice them for material things. This is not to deny the obvious truth that economic stability is a great aid in the defense of political ideals but in the final analysis we will save the soil of free Europe for our philosophy in government only by exalting these ideals and spiritual goals, not by the purchase of loyalty through material benefits.

I have made some inquiries regarding the effect of this program upon the economy of my own section of the country, and it is my conviction that we have, as every other section has, a stake in its development. This is due, of course, to the fact that we cannot maintain agricultural prosperity, we cannot enjoy the growth that is essential to our progress without the markets which world trade affords. This trade must be rehabilitated or we will slip back into a lower standard of living and a less satisfactory way of life. I do not mean to argue in this connection that the program should be undertaken for selfish reasons or that without the moral and defensive elements to which I have alluded these extraordinary expenditures would be justified. I doubt if we could chart it on that basis. It must be conceded that the money cost is high and the economic results are uncertain. I present these facts not to argue the wisdom of the program on an economic basis but rather to indicate that there are mitigating factors in the cost—that returns will likely be more than commensurate. The Government is committed to support agricultural prices. We will accomplish this end either by such devices as ERP for promoting trade or by domestic policies limiting production and leading to economic isolation—an unthinkable alternative.

It is, therefore, only against this background of national policy that the Marshall plan, as it affects our section directly, can be considered.

In the first place, the Marshall plan will provide a market for our products without which our agricultural and industrial undertakings will decline. For-

eign trade has long been vital to the South's economy. Without world markets for cotton, tobacco, wood products, naval stores, and other goods, we would see our income—still relatively low in spite of recent gains—sink to a lower level.

The most pertinent statement that has come to my attention in this connection is one by Oscar Johnston, former president of the National Cotton Council. In a letter to Members of Congress setting forth an effective plea for immediate action on the Marshall plan, Mr. Johnston wrote:

In addition to these paramount reasons for supporting the Marshall plan—

The purely defensive—

which are common to all Americans, the people of the Cotton States have an interest in this program that is even more direct and immediate. We are now producing exportable surpluses of both cotton and cotton goods. If the countries of Europe and Asia are not put on their feet so they can continue to take these products, surpluses will again start piling up to plague our industry. Therefore, the speedy adoption of the Marshall plan is a matter of special importance to the future prosperity of the Cotton Belt.

The past is too vivid in our memories for us to take exception to this conclusion. All of us remember all too well the days of the agricultural depression when expanding cotton production in both the United States and abroad built up reserve stocks to a point where trade all but stagnated. The carry-over, at one time, was greater than the annual production. Now this process has been reversed. A sharp decline in world production has been accompanied by an unprecedented world demand with the result that all nations with an available dollar supply have been clamoring for American cotton which is essential to the recovery of Europe.

Without ERP, which will provide the funds for the purchase of the raw cotton needed by the 16 Marshall plan countries, world consumption can be expected to decline to a level where production exceeds consumption and surpluses again start to accumulate.

The 16 Marshall plan countries have indicated they will need 24,000,000 bales of raw cotton in the 4-year period outlined in ERP. Of this amount, 2,952,000 bales would be produced by the countries themselves or by their colonies, 4,680,000 bales by Western Hemisphere nations such as Brazil, 7,080,000 bales by nonparticipating nations, and the remainder—9,324,000 bales—by the United States. This latter represents 39 percent of the total, and when we consider that in the last full year before the war, we supplied 37 percent of the world's cotton and 43 percent during the 5-year period 1934–39, we realize how important this will be to the economy of the cotton States. If this bill becomes law millions of dollars will be available for the purchase of cotton and its proper use by eager buyers.

Tobacco farmers have an even more direct interest in the ERP. The 16 nations have placed their needs at more than 1,000,000 tons and of this amount 860,000 tons will come from the United States. Without Marshall plan help, exports of this size would be entirely out of the question and domestic tobacco producers could expect a disastrous fall in prices.

Another important southern product—rice—has also been included among the food products to be exported even though this commodity has never been a staple in the European diet. The United States will provide 95,000 tons of the 1,400,000 tons contemplated under the Marshall plan for use by the 16 nations.

The requirements for naval stores were not included in the report of the 16 participating nations, but information received from other sources indicates, however, that there are large unfilled demands, particularly for resin and turpentine in all these countries. Only Spain and Portugal are in a position to supply naval stores on a prewar scale so, therefore, these nations will have to look to the United States for these essential products also.

Some European nations can meet their own sugar requirements but, for the most part, they are dependent upon imports for their requirements. Even though the demand is great, only 430,000 tons will be obtained in the United States. This can be done without causing a decrease in the present large per capita domestic consumption.

We have been considering specific items and demonstrating how vitally important the contemplated exports are to southern economy. Secondary and intangible benefits, just as important from the standpoint of continued prosperity for the South, must be taken into consideration too. Europe cannot again become a healthy, functioning society without our help and until she is rehabilitated economically foreign trade will languish. Once Europe is rehabilitated, there will be automatically created a large market for the wide variety of goods produced on the farms and in the factories of the South.

As a section which historically has rejected economic and political isolationism, the South can be expected to enter wholeheartedly into this fight to preserve a democratic Europe. To do otherwise would bring on a continuing crisis that would wipe out any temporary monetary savings, costing, in the long run, an incalculable sum. I know that I will be expressing the will of an overwhelming majority of the people of my section in casting my vote for the ERP.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, I had not intended to make any speech on this bill, preferring to listen mainly to the members of the committee who have given so many days and weeks to the study of the many questions involved in the matter before us.

However, sitting here today listening to the debates, I want to offer a few comments on matters that were brought to my mind by some things that were said.

The gentleman from New York [Mr. MARCANTONIO] earlier today, during an extended speech of some 30 minutes or more, seemed unable to find anything in this free country of America that he could praise, and, for some reason, he echoed the same line of attack upon this Nation and upon our efforts to bring stability in Europe and elsewhere in the world, that continually is upon the radios out of Moscow. Unfortunately, he is not the only one seeking the favors of the American people and having their attention, who it would seem would weaken the resolution of our people to stand for freedom, by belittling the institutions that the people of America have created for their Government, and which through the years have preserved our liberties and provided a standard of living and freedom and prosperity that no other nation past or present has enjoyed. There are others, including Henry Wallace, who accuse this Nation of imperialism and our efforts to support freedom—as war mongering. They use the Moscow line—and their speeches are seized upon by Moscow papers and radio for use against us in other countries.

The gentleman from Nebraska [Mr. BUFFETT] was also critical, and I noted that he expressed the thought that he has on more than one occasion felt himself quite lonely in this Chamber.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield.

Mr. STEFAN. To which gentleman from Nebraska was the gentleman from Texas referring?

Mr. COMBS. I was referring to the gentleman from Nebraska [Mr. BUFFETT] who spoke a while ago, not to the gentleman from Nebraska [Mr. STEFAN]. He, Mr. BUFFETT, was quite critical of much that Congress has been doing in its efforts to support the freedom-loving peoples of the world and help them towards rehabilitation. UNRRA appropriations for the relief of stricken peoples, aid to Greece and Turkey in their efforts to maintain their freedom from Communist aggression, these he said he had opposed and in doing so had often felt quite lonely because the majority of us here in Congress didn't see it his way. Maybe he is not so lonely now. Strange bedfellows do develop in times like these. It is obvious that the gentleman from Nebraska [Mr. BUFFETT] and the gentleman from New York [Mr. MARCANTONIO] who was criticizing this bill in an earlier speech find themselves in exactly the same position—that is in opposition to this measure intended to strengthen financally and morally those nations of the world whose people desire to maintain their own freedom and independence against communistic aggression.

Mr. Chairman, we are facing a grave issue today. The world is passing through the greatest crisis in human history. It would be easy for us to assume an attitude of defeatism because of the very magnitude of the responsibilities that rest upon the people of this great and free Nation because of conditions that exist throughout the world. But for myself I am hopeful for the future and believe that by courageous and united action we can look forward to better times, although we must sacrifice to bring them about. One thing

that is heartening and encouraging during these debates has been the fact that so many Members of Congress from North and South, East and West, and of all political shades and opinions have, as Americans serving Americans, unitedly pledged their support of this measure and thus expressed the united determination of our people to stand for freedom in the world and to implement our stand with our strength and with our might.

Those who would criticize American capitalism—and it has its faults—we have not attained perfection—should remember that the nations that have experimented with other forms of government, and particularly with communism, are looking to this country with its so-called capitalistic system to feed their hungry, clothe their naked, and rehabilitate their prostrate countries.

There have been some criticisms here today of the past mistakes or supposed mistakes of our State Department and others in the Government. I hold no brief for General Marshall, and he needs no defense from me or anyone else. I would remind my colleagues, however, that no Secretary of State at any period in the history of this Nation ever carried upon his shoulders graver responsibilities or faced graver problems than he has been facing. Whether some of the things he has done, some of his policies of the past have been entirely wise, viewed from the present vantage point, does not matter. It might be remembered that our foreign policy cannot be wholly of our own choosing. It must be adjusted from time to time in view of what others do. And if some of the supplies that Congress voted to UNRRA did not go as we intended them, nevertheless it is great to live in a country whose people have a heart and who sought by that means to feed the hungry, to clothe the naked, to bind up the wounds of the stricken world, and to bring order out of chaos. Although our goods may have been misused, the example of the people of America as they went to the relief even of their enemies is an example that must shine throughout this world as representing the thoughts and hearts of a great people. Yes; those who would criticize our Government should remember that in some other countries, Russia included, the citizen has to have a permit to travel from one town to another. He cannot even sit by the fireside of his own home and discuss in confidence with his own family any matter of criticism of his Government lest his own family betray him to the gestapo.

We in this Nation live in a country whose protecting laws and the Bill of Rights are so important and so well enforced that the greatest official of our Government cannot enter the humblest home in its Nation, though it be the cabin of a fisherman on the coast of Maine, or the shack of a trapper in Texas, without permission. This is a country where we have freedom of speech even for those who want to denounce our system, to stand in the well of the House and to go out on the hustings and criticize the highest officials of our Government. But those who do it should remember that should they do that in Russia, if one who did so were high enough in officialdom, he would be buried 6 feet deep for his criticisms. If he were of the common masses maybe he would only be sent to a Siberian work camp. In using our freedom of speech, we have no moral right to use it to undermine the faith of our people in their own Government or to encourage and support the progapanda of a foreign nation which would destroy it.

We have a great and a free country. It seems to me in standing together behind this great program we can all pray, hope, and trust that by the renewal of the faith of others in our willingness to support the freedom-loving people of the world, we can bring new hope to those countries that are about to succumb to the inroads of communism. That threat is a very real one. Those countries still remember that after World War I, though we sent our money plentifully enough over there, we refused the leadership that was ours, left them to their own devices, and to the Hitlers and Mussolinis until in confusion, disappointment, and disillusionment those people who had looked to us to lead the way for freedom, came under the sway of these totalitarian regimes which brought about World War II. Once again we are at the pinnacle of leadership. We are the only great and strong nation left that can lead the march of progress back to an ordered and a decent world.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman is making a very interesting speech and a very illuminating one. He mentioned one of my colleagues. I wonder if he would like to have a quorum?

Mr. COMBS. No. I do not want a quorum call.

Mr. STEFAN. I think my colleague from Nebraska would like to hear what the gentleman has to say because he attacked him in his absence.

Mr. Chairman, I make the point of order that a quorum is not present.

Mr. COMBS. May I make an observation? I hope the gentleman will withdraw that.

Mr. KNUTSON. Mr. Chairman, may I suggest that the gentleman withdraw any remarks in that respect?

Mr. COMBS. If there is any objection on the ground the gentleman was not present I will withdraw them.

Mr. STEFAN. Mr. Chairman, I think it is unfair for any Member of the House to attack another Member in his absence.

Mr. KNUTSON. Mr. Chairman, the gentleman has tentatively withdrawn his point of no quorum.

Mr. STEFAN. Is the gentleman speaking for me?

Mr. COMBS. Mr. Chairman, let me make myself clear.

Mr. STEFAN. Mr. Chairman, I temporarily withdraw the point of order.

Mr. COMBS. Mr. Chairman, I did not know that the gentleman's colleague was not present. What I said in no way violated the rules of the House. I think the RECORD will speak for itself.

Mr. STEFAN. Mr. Chairman, I withdraw the point of no quorum.

I understand the gentleman is going to withdraw the objectionable words.

Mr. COMBS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBS. Mr. Chairman, let me simply say that it is not my habit to attack people anywhere, whether they are present or not present. I was offering an observation in order to point out that we have the freedom in this Nation to stand up and criticize the Government and the highest officials in it; but there rests upon all of us also an obligation to use those privileges as Americans ought to use them. Insofar as any criticism of anyone who has spoken is concerned, it is aimed at the thought that we ought to reflect upon the blessings that we enjoy in this Nation and what its freedom means before we in this House speak words that will be seized upon by Moscow to propagandize other countries as coming from a responsible official of the United States Government.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman understands I meant no discourtesy.

Mr. COMBS. I understand.

Mr. STEFAN. I believe that we should talk the way we want to talk. This is a free country. But, I understood it was not proper for one Member of the House to talk about another Member when he was absent.

Mr. COMBS. I think all Members ought to be here when such important legislation is being discussed.

Mr. STEFAN. I do, too, sir.

Mr. COMBS. The reason I so promptly agreed to withdraw it is this: We have a great spirit of unity on both sides of this aisle behind this measure. I want us to remain that way.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. BRADLEY].

Mr. BRADLEY. Mr. Chairman, I support this European recovery program and I ask that the gentlemen of the Foreign Affairs Committee note that fact. But I am opposed to one part of the proposed legislation. My opposition is to the highly discriminatory sections of the bill relating to American shipping. We Americans are supposed to stand for the same sort of treatment for all categories and for all classes of our citizens other than criminals and the insane, and so I am surprised to see legislation presented to this House, which places the whole shipping industry in an underprivileged class. It may be that the highly esteemed members of the Foreign Affairs Committee think Americans who go down to the sea in ships, or who endeavor to operate a merchant marine under the American flag, are crazy to some extent, for I confess that a study of the ups and downs of American merchant shipping,

during the last half century, might well cast some doubt upon the sanity of a businessman who will risk his capital, and his stability of employment, in such an enterprise. However, thanks be to God, we still have some people who believe in the possibility and in the necessity of an American merchant marine. We still have those who love the sea well enough to put up with its loneliness and its hardships. We still have some ships ready and willing to rally at the call of the United States in the event of an emergency.

When this legislation was before the other body, most careful consideration was given to every aspect of the shipping problem. That body reached the conclusion that all Americans should be placed on an equality of treatment with other groups of citizens. It prepared and passed its bill in that enlightened form.

The American system is to furnish protection to its workers and to its investors. If we are short of steelworkers, we do not bring in a few shiploads of men from the Ruhr to compete with our own citizens and put our taxpayers out of work. If we are short of coal miners we do not just import enough to mine the coal we need. In fact, right now, we are not getting coal out of the ground in needed quantities. We are curtailing many services due to prospective lack of coal. Yet, I have not heard even a peep from Members of Congress in advocacy of sending over to Germany and importing a few thousand unemployed, or displaced persons, to dig coal for us.

No, Mr. Chairman, the American way is to work out our own problems among our own citizens, and not to call in foreigners to do the work to which our people are entitled. This is the American way among all workers except those who go to sea for a living. Possibly these men do not have enough votes to be heard effectively in high places of our Government. Possibly they do not have permanent residences so as to be able to protest to their own Congressman. Possibly we do not think of them as desirable citizens. Who knows? I do not. All I know is that we seem to regard seamen as a distinct class—a class of outlanders—when it comes to shipping problems such as are contained in this ERP bill.

Now, just what are we proposing to do insofar as labor is concerned in this particular legislation?

When it came from the State Department it provided for the sale of 200 additional ships to foreign governments, and for the charter of 300 ships foreign, and it had no specific provisions covering the carrying of Government-purchased goods in American bottoms.

The other body, displaying sound economic wisdom, inserted the Knowland amendment, without objection from the floor, to provide that the Administrator shall take steps to see that "at least 50 percent of the gross tonnage of commodities, procured within the United States out of funds made available under this act and transported abroad on ocean vessels, is so transported on United States vessels to the extent such vessels are available at market rates." This seemed to be a wise provision and is, in general, in accordance with existing law. Now, we find that the language has been modified in the House version so that, in my opinion, it is meaningless. This protection is taken away from the American shipping industry and it is left wholly at the mercy of whatever official is charged with jurisdiction over ocean shipments of ERP goods. The field is left wide open for favoritism of foreign ships, for rate-cutting by foreigners as their cheap-labor fleets increase, for sending American ships back to lay-up and putting American seamen on the rolls of unemployment and relief. Is this the American way of life, as we expound it to our constituents in an election year? I hardly think it is.

The other body struck out all provisions for sales foreign of our ships. It struck out the provision for chartering 300 American ships to foreign governments. These acts were in accordance with the previously expressed will of the Congress.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. I should like to compliment the gentleman on the excellent statement he is making. May I say that he is to be congratulated also on the very fine stand he has been taking now for the past 6 months in behalf of the American Merchant Marine.

Mr. BRADLEY. I thank the gentleman very much.

Even the Ship Sales Act of 1946 prohibited the chartering of ships to foreign governments. The Congress then recognized that such charters would be the worst kind of a move for American shipping and it appreciated that we must have an adequate merchant marine as a part of the national defense. And even as late as February 1948 the Congress passed a law, Public, 423, Eightieth Congress, in which it reaffirmed its stand against foreign charters and stopped all sales foreign as of February 29, 1948.

Mr. Chairman, our legislative procedure is peculiar sometimes. The committee of which I am a member, the Committee on Merchant Marine and Fisheries, the committee which is presumably entrusted with the responsibility of developing and maintaining an adequate merchant marine, the committee whose members are supposed to be the specialists in this particular line insofar as the House is concerned, held extensive hearings on the advisability of further sales or charters foreign. This committee listened attentively to all the evidence presented by representatives of the administration and of the industry, and then decided overwhelmingly against granting such authority. The House supported us and passed the legislation as we recommended. That was only last month. Now we are trying to reverse ourselves. I realize that a big bill like the one now under consideration cannot be broken up into small pieces so that its component parts will be considered by the committee which specializes in those particular subjects. I know that we should never accomplish anything if we used such a foolish system. But I do believe that the views of a specialist committee should be given great weight in matters such as ocean shipping. I do believe that the Members of this House should give great weight to the expressions of opinion which will undoubtedly be made on this floor by members of the Committee on Merchant Marine and Fisheries when amendments are offered to strike this charter authorization out of the House bill.

Mr. Chairman, the ocean shipping situation at present is just this: There are ample bottoms now in service to care for every ton of freight now being offered, or which it is expected will be offered under this legislation—to care for all this cargo at freight rates, at or below those prescribed by the United States Maritime Commission. The shipbuilding programs of foreign governments are at a very high level—the British at the highest in 25 years. New foreign ships are entering the carrying trade with great regularity, and every such ship in the North Atlantic trade puts an American ship off the seas, for it carries cargo cheaper, and probably more expeditiously, than the American. For some time past we have had chartered ships returned to the Maritime Commission at a rate of almost two per day. If we charter 200 more ships foreign it simply means that 200 Americans go into lay-up or are turned over to the foreigners. It means that some 10,000 seamen will be without jobs—on unemployment-insurance rolls, trying to displace some other American worker from his job, or worse. It means that domestic ship-repair yards will lose the upkeep and conversion of these 200 vessels—a terrific blow to our already hard-pressed shipyard industry. It means that American firms will lose the insurance business of both ships and cargoes. It means that American ship chandlers will lose this big chunk of legitimate business. Regardless of the contentions of the State Department, it means, in my opinion, that the over-all cost to the Nation of transporting goods will be increased rather than decreased, if we include all the factors involved. It means the loss of 200 ships ready for service under the American flag, at a time when we are in a national emergency and we may need every seagoing vessel we have to save the Nation from disaster.

Mr. Chairman, there are a great many of us in this House who believe in an American merchant marine. There are a lot of us here who believe in equality of treatment for all Americans, by the Government of the United States, especially in expenditure of the taxpayers money. There are many of us who believe firmly that merchant shipping is an integral part of the national defense. We want to support this legislation wholeheartedly. Let us have a bill that we can justify to our constituents, and to ourselves, so we may feel that we have done the right thing, not only by the 16 ERP nations, but by the people of the United States who do not want to destroy themselves in their efforts to help others maintain self-respect and liberty.

Mr. Chairman, amendments will be submitted covering these particular provisions which I have discussed. At that

time I hope the friends of American shipping and of the industries connected therewith; the friends of the American seamen who are going to lose their jobs; the friends of all those families who are going to be on relief and in distress; as well as all who believe in even justice for everybody in this country, will get up on their hind feet and get behind us in support of these amendments.

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. JACKSON].

Mr. JACKSON of Washington. Mr. Chairman, I shall vote for the European recovery program. However, there is a provision in the pending measure which authorizes the Administrator to charter up to 200 merchant vessels to countries participating in the program which I strongly feel should be eliminated.

Nearly 4 months ago on the floor of the House, I raised, in connection with the interim foreign-aid bill, the need for assuring adequate participation of American-flag vessels and of private freight forwarders in our foreign relief program. My collegaue in the other House, Senator MAGNUSON, had previously raised the same issue in the Senate and had been assured by the esteemed chairman of the Senate Foreign Relations Committee that the problem would be met in connection with the European recovery program.

Since that debate, the Senate has, in its collective wisdom, unanimously, on two separate occasions, demonstrated its opinion that the time has come to call a complete halt to charter and sale of American-flag vessels for operation under foreign flags. The United States Senate apparently felt so strongly about the issue that on February 25, 1948, it passed Senate Joint Resolution 173 which specifically prohibited charter of United States-flag vessels to noncitizens despite the fact that no authority for such chartering had existed prior thereto. Again within more recent days, in connection with S. 2202, the European recovery program, the Senate unanimously rejected a provision to charter 300 vessels to noncitizens and provided that a minimum of 50 percent of the cargoes exported from these shores under the program shall be carried in American bottoms.

Only 1 month ago this body, without disagreement, took exactly the same stand. Has anything happened within recent days to make the twice-considered judgment of the Senate and the once-considered judgment of the House erroneous? I think you will find that all recent events affirm the wisdom of our previous decision.

First. On March 1, the last day on which authority for foreign sales existed, the United States Maritime Commission sold over 450,000 dead-weight tons of shipping for operation under foreign flags. Over 150,000 tons were purchased by ERP countries. Much of the remaining 300,000 tons, purchased by Latin-American, near-eastern, and far-eastern countries will be available for general-cargo carriage under the ERP.

Second. Only last week President Truman signed an executive order returning to Italy twenty-odd ships which were seized by our Government at the beginning of the war. The return of these vessels will mean additional tonnage will be available for Italy's import needs.

Third. Over the same period, European shipyards have week by week launched modern, efficient vessels. The inevitable result has been that over 100 United States flag vessels were sent to the laid-up fleet during January and February and an estimated 60 vessels will be laid up during the coming months. In less than 9 months the bulk-cargo fleet operating in the foreign trades under United States flag has been reduced by 40 percent. At the current rate of lay-ups by the end of this year the American-flag bulk-cargo fleet will be reduced to a size only one-third of its level in mid-1947.

The goal set by the Committee of European Economic Cooperation last June in regard to acquisition of American tonnage has been more than met, yet we have the request for more and more transfers despite the fact that there is no evidence as to who wants these additional vessels and that there is clear evidence that the policy is destroying the American merchant marine.

During debate on the interim-aid bill, I also mentioned the problem of the freight forwarders and the necessity that private forwarding facilities be used to service shipments of relief cargoes. This point is so obvious as not to require discussion. On the Senate floor, Senator VANDENBERG clearly expounded the views of that body that private forwarders should and would be used to handle cargoes shipped under the ERP. For that reason I think it only necessary for me to mention that I clearly understand it to be the intent of Congress that private-enterprise freight-forwarding facilities be used to service these cargoes and that it is not contemplated that Government agencies will be established either by our Government or by the recipient nations to do the required forwarding work. In short, like Senator VANDENBERG, I feel that ordinary private-enterprise forwarding facilities should be utilized to do the forwarding required for these cargoes.

I urge the Members to reaffirm their position taken on February 24 when, with the full facts before them, they decided to call a halt to further transfer of American-flag tonnage to foreign flags. I urge the Members to vote to eliminate the provision of the bill now before them which would permit the trnsfer of an additional 200 vessels. I urge the Members to support an amendment which would require that half of the cargoes exported from this country be carried in American bottoms as long as those bottoms are available at reasonable rates.

Mr. VORYS. Mr. Chairman, I yield 22 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and place in the RECORD certain tables which I have personally prepared.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF. Mr. Chairman, all of our national debt today is a carry-over directly from the two world wars we have financed and fought since 1917. That debt today is costing us roundly $5,500,000,000 a year in interest—which is more than the entire Federal budget averaged in the years between 1921 and 1933.

Under the most favorable circumstances the American people will be saddled with our present great burden of war debt of 256 billions of dollars for more than a century. That means a terrible price to pay for two wars, which were approximately half paid for in cash as they were fought.

Our crusade in 1917 and 1918 to "make the world safe for democracy" left us with a national debt of $26,000,000,000. Since that time democracy has all but disappeared from the world. Then, in 1941, we took up the New Deal crusade for the "four freedoms" and the Atlantic Charter. And when that war was won, the "four freedoms" were forgotten and our national debt stood at $278,000,000,000.

The first crusade established the diabolical power of communism as a national government in Russia. The second crusade nurtured international revolutionary communism into the full stature of a world power—with a veto, if you please, over all the powers in the human family for peace, order, and law.

The American people are indebted to the one-time Postmaster General, James A. Farley, under the New Deal for his frank summary of the diplomatic history behind World War II, as presented on February 16, 1948, in a lecture at Colgate University. Said Mr. Farley:

> I sincerely believe that many of the ills which beset the world today may be traced to the third and fourth (Roosevelt) terms, which brought a great mind, but one worn by the weight of years and cares of state, to the all-important conferences at Tehran and Yalta.

On that occasion, Mr. Farley expressed the conviction that every informed leader of opinion throughout the world concurred in his view regarding the historical significance of Tehran and Yalta. We have since learned that, at Yalta, neither the Secretary of State nor the Chief of Staff of the Army was currently informed of the commitments made by the late President Roosevelt in secret negotiations with Stalin and Churchill, although those secret agreements were sealed with the blood and treasure of this entire Nation. America had been told that the fine phrases of the Atlantic Charter measured and defined the nations' aims and objectives in the war, but at Yalta, we had no voice to support our noble pledges.

As Mr. Farley explained in his Colgate lecture:

> Instead, we had a worn leader dividing the world in a series of concessions embodied in secret agreements, which, having arisen from the Pandora box of secret diplomacy, are plaguing the world's children with blood, death, and fears.

Such, he added, are the costs to the people when entrenched power declines to yield to oncoming leadership—"particularly where the hand is feeble and the mind is tired."

A second major item of cost carried over from the wars in today's budget is that of veteran care. This item now runs a little more than $7,000,000,000 a year—and this cost will increase steadily over the next 20 years.

Well may we pause to inquire whether it is equitable now to call upon the American people to add to their tax burdens a new plan of European relief and assistance which will cost them almost as much over each of the next 3 years as they are paying for the aid and care of our own veterans who won the hard victory.

Is there not any area of demand upon our budget in which the needs and requirements of the American people may be said to merit priority over the pleas and supplications of other peoples the world around?

We are told on every hand that Europe's need for American aid is greater today than at the end of the war. If that be true, then our fumbling, stumbling, and inept diplomacy has lost the peace. If the natural forces of reconstruction cannot be set in motion in 3 years, with the aid of $23,000,000,000 in American loans, gifts, and grants, who will promise that another $20,000,000,000 will make the peace?

Have the American people been informed frankly and honestly that, of all the money spent abroad since the end of hostilities in Europe in 1945, approximately 15 percent has gone in the form of direct aid and loans to Russia and her lawless police-state satellites?

I contend it is the duty of the Congress—a duty which cannot be longer evaded—to inform the American taxpayers why it is necessary in the consideration of this overseas program to now acknowledge that the Department of State is unfitted to handle the job. Instead, it would be administered by a new agency, which ultimately will become known as our international WPA.

The third burdensome continuing cost of blundering diplomacy under three Democratic wartime administrations is in our national defense program. The costs and sacrifices of both crusades were borne by the American people under the firm promise that the elimination of military establishments in the ensuing peace would more than compensate for the terrific war costs. But now our military budget has passed the $11,000,000,000 mark annually, and we are urged to adopt universal military training, which President Truman estimated in his last budget would cost an additional $2,000,000,000 a year.

Somewhere there is a fundamental conflict of policy touching our foreign relations under the Truman doctrine.

On the one hand we are told that, if we continue to spend five to seven billions a year on overseas relief and assistance, we may save an equivalent amount in defense expenditures.

Yet we have the recent report from our own Congressional Aviation Policy Board—Senate Report 949, Eightieth Congress, second session, March 1, 1948—which calls for steadily increased military expenditures through 1953. Two plans are submitted in this very valuable report. One calls for military expenditures increased from about $10,500,000,000 in 1948, to $18,700,000,000 in 1953, the total military outlay to level off at about that point. The second plan would increase total military expenditures to $14,700,000,000 by 1953, and level off there. Whichever plan Congress may take, we would face an increase of 40 to 75 percent in our total military expenditures over the next 5 years.

What becomes then of the argument that all this overseas relief and assistance was to avert the threat of war?

If overseas relief and assistance serve only to make aggression more dangerous and more near to us, then perhaps the wise course would be to divert the relief funds over the next few years to our own Military Establishment.

In any event, it must be obvious to every Member of the House that we cannot work both sides of this spending street forever.

Mr. Chairman, if the solvency of this Nation is to be defended and preserved, the time has come when we must abandon fiction as the basis of our foreign policy and launch upon a program rooted in the sound common-sense and noble human instincts of the American people.

We cannot go on forever doling out billions upon billions for causes and slogans which have no relation to the hard realities of European power politics.

For our unselfish participation in World War I we gained the not too flattering sobriquet of "Uncle Shylock."

Today we are away out front for the new title of "Uncle Sucker."

The American people understand clearly that this Nation spent $31,000,000,000 to win World War I. When the smoke of battle cleared, they discovered that the peacetime Federal budget had advanced from less than $1,000,000,000 a year to an average of almost $5,000,000,000.

Then the Nation was called upon to spend $340,000,000,000 to win World War II. And when that victory was won, we found our annual budget of $5,000,000,000 had advanced to an average of more than $40,000,000,000 for the first three postwar years.

This is the true measure of our cash contribution to the age-old game of European power politics.

Our common sense tells us that we have been following false prophets. We have forgotten our great heritage of freedom. Have we forsaken the Providential guidance which made us, for a time, the one nation in all human history which gave fair promise to develop the techniques of abundance, security, and peace?

Who has betrayed our great heritage?

Who were the authors of the secret diplomacy which delivered this Nation into the bogs of two World Wars within a single generation?

These are the questions which trouble the mind of every American today.

They must be answered.

The era of easy, airy fiction is gone.

The American people now are looking at the raw roots of their $400,000,000,000 folly in two Democratic crusades.

Already on the lips of the cynical demagogs of the third party the new slogan is forming for the political canvass "Vote Democratic and Let's Have Another World War."

Great as has been the economic cost of war and peace under the leadership of the Democratic Party in two world wars, the American people have also carried an immeasurably greater burden in grief, bereavement, and anguish for those killed and wounded in action. From the official reports of the military service, I summarize in table I the personnel losses of the two wars.

TABLE I.—*Killed, wounded, and nonbattle deaths (all military branches)*

World War I:	
Killed in action	39,400
Died of wounds	14,000
Nonbattle deaths	76,800
Wounded in action	204,000
Total World War I	334,200
World War II:	
Killed in action	232,700
Died of wounds	30,371
Nonbattle deaths	137,300
Wounded in action	660,800
Total World War II	1,061,171
Grand total 2 wars	1,395,371

DEFAULTS ON DEBTS FROM WORLD WAR I

Every debtor nation of World War I with the exception of Finland, today is in default on its repayment schedule as accepted in the funding agreements of the 1920's.

The total owing to us on World War I debts as of January 1, 1948, was $15,460,248,348.03.

While the taxpayers of the United States have been paying the interest on an equivalent amount of our own national debt—which includes the above amount—for almost an entire generation, the debtor nations, with the notable exception of little Finland, long ago have repudiated and forgotten these obligations.

Of 17 European nations obligated to the United States for World War I loans, 9 are now under the domination of Communist Russia. The combined World War I obligations of the eight Communist-dominated nations now in default under their funding agreements, amount to approximately $700,000,000.

In addition, Russia and Armenia simply repudiated their World War I obligations. At the time these obligations were $28,000,000 for Armenia and $472,000,000 for Russia.

The following table II itemizes the amounts in default, by nations, as of January 1, 1948:

TABLE II.—*World War I debt owed the United States as of Jan. 1, 1948*

COUNTRY AND TOTAL INDEBTEDNESS	
Funded debts:	
Belgium	$524,369,077.60
Czechoslovakia	186,541,050.65
Estonia	25,923,025.81
Finland	8,129,970.22
France	4,799,249,989.40
Germany (Austrian indebtedness)	26,024,539.59
Great Britain	6,795,414,782.58
Greece	37,963,135.10
Hungary	2,906,863.47
Italy	2,064,667,784.34
Latvia	10,713,025.04
Lithuania	9,603,059.21
Poland	324,411,874.20
Rumania	79,435,017.34
Yugoslavia	64,167,031.28
	14,959,520,225.83
Unfunded debts:	
Armenia	28,685,358.70
Russia	472,042,763.50
Grand total	15,460,248,348.03

LOANS AND GIFTS, WORLD WAR II

During the years 1941–46 we gave away $50,000,000,000 plus under the lend-lease program. The only offset against this vast expenditure was $7,819,322,000 in reverse lend-lease, all of which also was plowed back into the war, either at home or abroad.

The following table III itemizes the principal lend-lease totals by nations, while table IV summarizes the British Empire's account for both wars:

TABLE III.—*Lend-lease grants*

British Empire	$31,392,000,000
Russia	11,058,000,000
France and possessions	$3,323,000,000
China	1,564,000,000
All 35 others	3,205,000,000
Total	50,692,000,000

TABLE IV.—*British Empire's account*

Lend-lease	$31,392,000,000
Defaulted debt, World War I	6,795,000,000
1946 loan	3,750,000,000
Total	41,937,000,000
Reverse lend-lease from British Empire	6,752,073,000
Net total	35,184,927,000
Britain's contemplated portion of the Marshall plan	5,350,000,000
Total, British account	40,534,927,000

POSTWAR GIFTS AND LOANS

Mr. Chairman, with the expiration of the lend-lease program, we began a new policy of separate loans and grants to various nations, plus contributions to launch several international organizations, such as the International Bank for Reconstruction and Development. At the same time, we expanded the capital of the Export-Import Bank to make additional loans available to support international trade.

Most taxpayers in the United States do not realize that between the end of the war in Europe in May 1945, and May 9, 1947—exactly 2 years—the United States made available for foreign relief and assistance the astonishing sum of $21,000,000,000. These special-aid programs overseas are itemized in the following tables:

TABLE V.—*Postwar foreign aid by United States*

Contributed to:	
United Nations	$29,289,349
UNRRA	2,700,000,000
World Bank	3,175,000,000
World Fund	2,750,000,000
Lend-lease	2,163,000,000
Other advances by the United States to foreign nations:	
Surplus property	1,148,000,000
Loans to Great Britain and the Philippines	4,390,000,000
War Department grants	1,771,926,293
Export-Import Bank	2,931,209,176
Total	21,058,422,818

EIGHTIETH CONGRESS APPROPRIATIONS FOR FOREIGN AID

The Eightieth Congress, elected as the first postwar Congress in November 1946, already has approved $2,000,000,000 in overseas aid and assistance, before taking account of the long-term Marshall plan, as now proposed.

Adding this total of the Eightieth Congress to the earlier postwar programs, we arrive at total grants and aids overseas since May 1945,—2½ years—of $23,076,995,818.

These figures mean that in less than 3 years postwar, we have made available almost half as much for overseas assistance as we shipped on lend-lease during the entire war.

Well may we pause to inquire, in the light of the $17,000,000,000 additional proposal, whether there ever will be an end to this outpouring of America's wealth and resources abroad.

Adding the Marshall plan to the amount already made available for such assistance programs since the end of the war, we arrive at the grand total of $40,000,000,000 in postwar relief and assistance abroad, through 1952.

The following table VI tabulates the principal overseas relief appropriations of the Eightieth Congress to January 1, 1948:

TABLE VI.—*Eightieth Congress appropriations for foreign aid*

(As of Jan. 1, 1948, the 80th Cong. had appropriated the following sums for foreign aid:)	
Greek-Turkish loan	$400,000,000
Liquidation of Lend-Lease	500,000
Relief of war-devastated areas	350,000,000
International Relief Organization	71,073,000
Military relief in occupied areas	600,000,000
Interim-aid bill of 1947	597,000,000
Total, Eightieth Congress	2,018,573,000
Total, table V	21,058,422,818
Grand total, postwar (to Jan. 1, 1948)	23,076,995,818

NO COLLECTION POLICY

The State Department acknowledges that it has no fixed policy to demand repayment of any funds spent abroad for assistance. About a year ago, on April 25, 1947, the Committee on Foreign Affairs submitted its report on H. R. 2616, authorizing $400,000,000 for aid to Greece and Turkey—House Report No. 314, Eightieth Congress, first session.

In that report the policy of the State Department is set forth clearly on page 8. That policy provides that any funds spent for military purposes should be advanced as a clear grant. Financial assistance for civilian consumption also should be extended as a clear grant. It is the policy of the State Department to consider repayment arrangements only in the case of capital assets which increase production.

However—

The State Department added—

financial repayment obligations should not be established if there appears to be no reasonable prospect of repayment.

Every single nation receiving aid from us can easily establish the fact no "reasonable prospect of repayment" exists. Hence there will be no repayment and every individual conducting these negotiations knows it. It will remain a charge to our American taxpayers.

That is the sum and substance of the State Department's collection policy. The first two principal categories of overseas expenditures are not even considered as repayment items. The third category—capital tools—will be considered repayment items only when the Department decides that such repayment would be agreeable and convenient to the borrowing nation. This situation will never exist.

Considering the international defaults on United States loans during, and following World War I, the American people can easily calculate how much will be repaid on this new outpouring of American wealth.

OVERSEAS LOANS AND GIFTS

Before we determine to approve further expenditure of American resources in the maelstrom of European power politics, we would do well, I think, to review our efforts in overseas relief and assistance to date.

An honest casting of accounts since 1917—a period of 30 years—raises grave question whether these programs are really helping the nations of Europe toward economic stability, representative government, and world peace.

We have financed and fought two world wars, and already are under great pressure to support an international police force to head off world war III.

Our net gain is a Federal debt of $256,000,000,000, or about $1,830 for each man, woman, and child in these United States.

Since 1917, our gifts and unpaid loans to the nations of the world, exclusive of direct commercial loans by nongovernment agencies, have reached the well nigh incredible sum of $88,632,244,000—an amount which approximately equals the total Federal Budget for 18 years at the pre-New Deal average rate of four and a half billions a year.

The following table—table VI—summarizes our overseas accounts receivable plus all our public grants and gifts abroad since 1917, up to January 1, 1948, and including the proposed Marshall plan.

TABLE VI.—*United States aid to foreign Nations*

World War I debt owed United States, Jan. 1, 1948	$15,460,248,000
Lend-lease aid to Sept. 30, 1946	50,692,000,000
Foreign aid from end of World War II to July 26, 1947	22,479,996,000
	73,171,996,000
Total United States aid	88,632,244,000
Credit: Reverse lend-lease as of Sept. 2, 1945	7,819,322,000
Net United States aid to Jan. 1, 1948	80,812,922,000
Marshall plan	17,000,000,000
Present net total of past and proposed United States aid	97,812,922,000

If we add to this breath-taking total the $5,000,000,000 recommended for special aid and assistance in South and Central America, we arrive at a grand total for overseas relief of $104,000,000,000 since 1917.

That's how much we have given away—after financing and fighting the two wars.

Had we spent that one hundred and four billions at home, we might have provided a $10,000 house for each of 10,400,000 veterans.

The chief difference is that the veterans would have repaid our Treasury in about 20 years. Those for whom we have spent this colossal sum will repay us nothing.

Under present conditions and circumstances, we will receive microscopic payments, if any, in return in all the years to come. In the meantime our people will continue to carry the burden of debt and taxes that now make life a serious problem for all of us.

Mr. Chairman, our civilization is founded on compassion and charity. The deep and honest desire of the American people is to help people abroad as much as we can within generous limits. But this does not permit continually giving Europe a blank check on our resources or on our lives.

I have long believed that the issue at stake in this whole program of giving billions to other countries without hope of repayment is the survival of American institutions. There is something so abnormal, so self-annihilating, about a program that calls upon a single nation to take care of many other nations that I have never believed such a program originated in the United States. The fact is that since the First World War the country has been subjected to an incessant stream of propaganda in behalf of foreign interests. My opinion has been confirmed by Henry J. Taylor, noted commentator and analyst in an article in the current issue of the Cosmopolitan, an excerpt of which follows:

In January 1947 British Foreign Secretary Ernest Bevin notified Secretary Marshall that new large-scale American aid for England was necessary, or Britian would suffer economic collapse by June.

He made a request that was kept top secret. He asked for the equivalent of $5,500,000,000 over the next 4 years. The 1945 congressional grant of $3,750,000,000 was being consumed at twice the rate anticipated. It was passing through the British economic system without long-term effect.

Bevin's preliminary appeal for a new loan was not made known to either the American or British public. Even the forthcoming crisis itself, foreseeable from the inside, was played down until it burst full-blown in July. Meanwhile, this is what was happening:

In a series of January dispatches to London, Secretary Marshall told Bevin that in his opinion Congress would not again appropriate a large, new fund for Britain except possibly as part of a general economic program for European recovery. Congress had objected to the original British loan because it did not represent a rounded European solution.

Throughout February, Bevin replied that the British Government understood this objection, in principle, but—as at the time of the original 1945 grant—England could not wait for such a widespread program.

In London you could see that a feeling of being bogged down permeated the British Foreign Office. Bevin needed action. He got it. He implemented his claim for separate aid by suddenly announcing that Britain was so hard-pressed that she would have to withdraw immediately from Greece.

Bevin ruffled tempers in the State Department, for he announced this in Washington and London at the same time, and publicly. But the American agreement to take Britain's place in Greece (with Turkey later included), and to vote $400,000,000 for this purpose, was the answer.

Revealed March 12 as the Truman doctrine, this was, in fact, a stopgap substitute for new, large and direct aid for England, which it was clear Congress would not grant.

Prospective British withdrawal from obligations in western Germany, and the assumption of these occupation costs by America were agreed to at the same time. But this part of the agreement remained "top secret," and announcement was withheld until November.

Nevertheless, British insistence on straight separate aid did not slacken. The pressure was increased throughout the spring, not only on President Truman and Secretary Marshall, but also on most members of the United States Cabinet, and especially on Secretary of the Treasury Snyder. That pressure had reached a climax by June 1.

On June 5 Secretary Marshall made his now famous commencement speech at Harvard. He was speaking primarily to England—a fact fully realized by Bevin but lost on the British and American public alike—when he said, in three sentences, that further large-scale American aid could be expected only as a part of a general coordinated European program. With that, Secretary Marshall dropped the subject. But when Mr. Bevin tagged it the "Marshall plan," the force of a great American name was lent to the subsequent European proposals.

I was in London when the British Ambassador in Washington confirmed the fears of the British Government that England had lost her priority on American assistance. At that point what has since been called the "Marshall plan" became really the Bevin plan. It became Secretary Bevin's responsibility to construct an outline for American aid to other countries in such a manner that approximately the same amount of aid would go to Britain as if the separate aid, asked for in January, had been judged agreeable to Congress.

This Mr. Bevin accomplished in the Paris meetings of 16 nations during July, August, and September, which I went to Paris to observe.

Mr. Bevin's January appeal to Secretary Marshall for five and a half billion dollars went into the Paris plan from the outset and stayed there.

France and Italy objected strenuously to the British proportion. But they played along with England's big long-term proportion in exchange for a "bird-in-hand" understanding that England would support immediate United States stop-gap aid for them amounting to $685,000,000.

Mr. Bevin agreed. The British Government went on record with Secretary Marshall as urging $685,000,000 American stopgap aid for France and Italy, $227,000,000 to Italy, $458,000,000 to France. They got $540,000,000 in stop-gap aid on December 19.

Now the time has come to act on the long-range presentation—predominantly aid-to-Britain, plus the additional collateral reliefs.

The overshadowing aid-to-Britain feature was kept carefully under wraps, a fact first noted by Washington newspaperman Peter Edson.

Page after page of other statistics are supplied in the official presentation to Congress. But in all the 131 pages, the percentages of American aid allocated to each country and the predominant share scheduled for England are not revealed. It required a separate investigation to obtain for this article the official figures showing where our billions would go country by country.

Here are the facts:

England	$5,348,000,000
France	3,701,000,000
Italy	2,913,000,000
United States-British zone, Germany	*2,499,000,000
Holland	2,436,000,000
Belgium-Luxemburg	1,419,000,000
Austria	713,000,000
Denmark	582,000,000
Ireland	497,000,000
Greece	473,000,000
Norway	234,000,000
Portugal	150,000,000
Iceland	38,000,000
Turkey	18,000,000
Total	21,021,000,000

*This item includes the expense of feeding and caring for the German people in both the British and American zones. Britain shifted this burden to us some time ago.

England's $5,348,000,000, which is one-third of the seventeen billions in the Marshall plan, is exactly the amount asked for by Bevin in January, 6 months before Marshall attempted to answer England at Harvard University.

That, in brief, is the background of the plan.

Mr. Taylor has clearly shown that the Marshall Plan was conceived in the selfish vagaries of British socialist thinking.

It will be a shock to our people when they learn they have been deliberately deluded into believing that our exports of foods and other necessities have been placed in the hands of the starving and wretchedly poor without cost to them. Nothing could be further from the truth. As a matter of fact, little of those commodities ever reach these wretched people. The food we have sent and are sending is placed in the hands of the governments receiving them free of charge, and instead of turning the goods over to charitable organizations for distribution to the poor, these governments place them in the hands of the regular private business distributing agencies (at a regular commercial price) and they are

sold in the same way and at the same price as goods of like character and local production. Consequently the wretched and starving, having little or no money with which to buy these goods, receive little of them. It is no wonder the very poor people in the countries whom we seek to aid have scant knowledge of our contribution to their welfare.

The President of the United States and the Secretary of State know full well that neither the Congress nor the people of the United States would for a minute approve of appropriations of billions upon billions of dollars to the four corners of the world if help to the starving were not involved. To me it is a shocking thing that any administration would use such tactics in order to reach ends far removed from the supposed objectives.

Mr. Chairman, the people back home have not been told the whole story. Those who have all the facts and the authority to speak for this Government have been neither frank nor truthful with the Congress and the people. If they had been they long ago would have told us that seven of the sixteen countries which are to receive aid under the Marshall Plan have reestablished their 1947 production to their pre-war maximum, and that nearly all of the countries of Western Europe are back to at least 90 per cent of their pre-war production levels. However, these countries are to be given industrial and agricultural machinery, tractors, steel, oil, agricultural products, etc., every item of which is needed by the farmers and others in this country. It is interesting to note that, among the agricultural products, there is an item of $911,000,000, especially set aside for tobacco. I believe every one of you will agree with me that the most enthusiastic user of this product will hardly class it among the goods which sustain life. Nine hundred and eleven million dollars of your money and mine is to be spent for a purpose that will not in the slightest degree contribute either to the health or the rehabilitation of those to whom this tobacco is sent.

Mr. Chairman, in view of the fact that, when we have completed the program already on the administrative agenda, we will have contributed the astronomical sum of $104,000,000,000 to other peoples of the world in an attempt to be helpful to them, we can no longer close our eyes to the tragedy which daily faces the millions of our elderly and unfortunate citizens, who must depend upon the generosity of our Federal and State Governments for the bare necessities of life. None of our citizens have been so hard hit as they by the constantly increasing cost of living. Before inflation came upon the country, when the money they received would buy only the bare necessities of life, daily existence was a hazardous thing for them. The amount of their relief has not kept pace with the increase in the price of the things they must have to keep body and soul together. It's about time we remembered and resumed the practice of the injunction of "Charity Begins at Home," and place these old folks on a living standard that will make their closing days comfortable and happy ones. This could be done without increasing our expenditures if we would reduce in small measure the colossal appropriations for foreign relief, and think and act in behalf of these old and unfortunate folks at home.

Mr. Chairman, the wisest man who ever trod this earth — the Man of Nazareth—once said:

"What profiteth a man if he gain the whole world and lose his own soul?"

In all reverence we may well ask ourselves:

What profiteth America if we try to help the whole world and lose our own freedom, our own solvency, our own place of power and good in the world?

We cannot support the rest of the world for all time. We cannot save the rest of the world by going down into confusion, poverty and chaos with the other countries. We cannot progress by partaking of backward movements or by sharing poverty. We can do all possible to help other countries, by our example; to do what Switzerland has done—turn to the way of liberty, work and justice. Progress is not to be carried along by somebody else. It is in the will to forge ahead for one's self. Be it nations or individuals, the will to master adversity is within. We have already done more than our share to help from without. We had better beware of taking on the support of the whole globe, for in that attempt we must fail. We had better gird ourselves to be strong for peace and progress, and make ourselves such a strong and prosperous power no aggressor will try to overrun the world. Progress comes with power, not through poverty. Power comes through prudence, not through spend-thriftlessness—either for individual or for nations.

America had better look to her own future.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. I yield to the gentleman from Minnesota.

Mr. KNUTSON. What the gentleman has stated is absolutely true. Unfortunately the same group is in control today and they are dragging us into world war III.

Mr. WOODRUFF. And their technique also appears to resemble very closely the techniques frequently used heretofore.

Mr. KEE. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Chairman, I hope it has not become a sin for a Democrat to criticize monopolists, cartelists, and international bankers. If it is, then some of us Democrats are in the wrong party, and I am sure that this Democrat, the Congressman from the First District of Michigan, is not one of them.

HOW ERP HELPS THE GERMAN WAR MAKERS

The best of America went into the fight against Hitler's Germany. Young Americans died all the way from the Normandy beaches to the Elbe River so that Hitler's bloody rule could be broken. All of America's vast industrial power was harnessed in the fight.

The fight was won. And now the victory is being thrown away.

Before our eyes, Germany is being rebuilt. It is being rebuilt for the same despicable pack of militarists, cartelists, and Junkers who made Hitler's war machine and who still remain in Germany. The process has been going on for more than 2 years. At first it was done in secret. Now with the ERP the rebuilding of Germany has come out into the open.

A reconstructed, cartel-ridden Germany is the very heart of ERP. Without Germany you would have no ERP. The matter was never stated more bluntly than by one of the men who drafted the Marshall plan, the former Under Secretary of State, Dean Acheson. On June 25, 1947, Acheson said:

> Putting in working order the German production is considered by the American Government as the cornerstone of the plan which the European countries will be able to elaborate within the framework of the Marshall plan.

So the record shows that ERP is the capstone in the building of a new Germany which in every important respect is like the Germany which twice in our lifetime set loose untold destruction upon the world.

A CLEAN BILL OF HEALTH FOR CARTELS

During the war no one dared say a good word for the German cartels. The facts were too painfully clear. The cartels were the huge monopolies which strangled democratic life in Germany and turned a whole nation into a war machine. Hitler himself and the vicious thugs around him owed their jobs to the support of the cartelists.

Today the German cartels have been given a clean bill of health by our own Office of Military Government under Gen. Lucius D. Clay. It took a year and a half of military occupation before a law ordering the dissolution of the cartels was passed in February 1947. Now the law is set aside. All cartels, except those producing consumer goods, are to be let alone.

The branch of military government which was supposed to break up the cartels has been cut in strength from 150 people to about 25. A plan was ready for the breaking up of the Henschel Co. Henschel had a monopoly on railroad locomotives. They also produced tiger tanks and other weapons of war. Now by the new order, Henschel is to be let alone.

The man who is supposed to carry out this order which treats cartels so tenderly is named Richardson Bronson. The facts came out when he told his staff about the order and they could not stomach it.

Over Bronson is Phillips Hawkins. Hawkins is the son-in-law of Brig. Gen. William H. Draper, Under Secretary of the Army, about whom I spoke last July, and I shall have more to say later. The order which saved the cartels originated somewhere between Clay, Hawkins, and Bronson.

All these facts were broadcast to the world by Delbert Clark, reporter for the New York Times. I regret to say that no congressional investigating committee saw fit to delve into these facts. It seems to me such an investigation should precede any serious attempt to render

proper and effective aid to meet the needs of the peoples of Europe.

However, if a newspaperman whose statements have not been denied in any way is not sufficient witness, I have further evidence to offer. I have received, and I submit for the record, a memorandum signed by 19 courageous men and women. These 19 were members of the staff of the decartelization branch of military government. They felt so strongly about the outrage committed against the good job they were trying to do that they jointly signed a memorandum to General Clay setting forth the facts in the situation. It is interesting to note that the orders Bronson gave to his staff, saying they came from General Clay, were entirely oral. Apparently no one had nerve enough to put such orders in writing.

OFFICE OF MILITARY GOVERNMENT
FOR GERMANY, UNITED STATES,
Berlin, Germany, APO 742,
March 13, 1948.

Subject: Decartelization policy.
To: The military governor, office of military government for Germany, United States, APO 742, United States Army.

1. On March 11, 1948, Mr. Bronson called a meeting of all the members of the Decartelization Branch and read excerpts from a memorandum which he said you had approved and had been approved in principle by the State Department. This memorandum announced a new policy for decartelization. In the opinion of the members of the staff it virtually repeals the decartelization law and contravenes the July 15, 1947, directive. We asked Mr. Bronson to furnish us copies of this memorandum and he refused. Therefore, many members of the staff prepared memoranda and we herewith respectfully submit a composite version for whatever clarification you might consider necessary.

2. Mr. Bronson stated that your orders were as follows:

(a) No deconcentration action is to be taken against enterprises in the capital goods or heavy industry field but only against enterprises having monopolies in consumer goods.

(b) No action is to be taken against vertical integrations.

(c) The only standard to guide our future proceedings is a rule of reason.

(d) No action is to be taken against Henschel, although the Bipartite Decartelization Commission had found it to be an excessive concentration within the terms of law No. 56, and no action is to be taken against VKF.

(e) Enterprises against which no action is contemplated are to be officially given a clean bill of health soon.

(f) Violations against trade practices provisions of law No. 56 are to be pursued and eight such cases against now unknown companies are to be submitted by May 2, 1948.

3. It appeared to be the unanimous opinion of the staff of the decartelization branch, or at least no contrary opinions were expressed, that the order given by Mr. Bronson excludes from decartelization action the principal group of monopolistic enterprises which the law says must be eliminated. We do not believe that such amendatory restrictions should be made except by either repeal or drastic revision of the law itself. The law does not draw any distinction between capital goods industries and consumer goods industries. On the other hand, it is our view that monopolies in the capital goods industries are far more frequent and more repugnant to the purposes of the law than are concentrations in consumer goods industries. The effect of such an amendment, we believe, would be to leave the fundamental concentrations of economic power intact while engaging in little more than harassing attacks on the smaller companies. This, of course, aside from being in contravention of the law would tend to make its enforcement unpopular and completely ineffectual.

4. We also think there are very serious objections to giving immunity to "vertical integration" since the law makes no such exceptions; we believe that to give a "clean bill of health" to subjects of investigation is contrary to all established principles of law and law enforcement; and we think that being guided by a "rule of reason" rather than standards in the law offers many obvious dangers.

5. Since it is inevitable that such a new policy, given only by verbal instructions, has produced a state of demoralization throughout the staff we respectfully request that you give us a clarification.

6. It is of importance to add that no solicitation was made in behalf of this memorandum. The following members of the staff are among those who voluntarily asked to join in this expression.

Johnston Avery, Francis W. Laurent, John J. Barron, Charles Rotstein, R. R. Rathbun, David Denson, Charles C. Baldwin, Alexander Sacks, Fred Levy, Irene Ball, George J. Stanger, Samuel L. Kobre, Henry Heymann, Charles A. Dilley, Virginia M. Marino, Kathryn R. Beaty, Clifford A. Russell, Harry Gabermann, Leslie Grant.

Copies to: Hawkins, Bronson.

It is hard to realize that the men who are saving the German cartels once took orders from the wartime Commander in Chief, and the greatest American of our times, Franklin D. Roosevelt. To rescue the firm of Henschel which made Tiger tanks is an insult to the memory of Roosevelt. On September 6, 1944, the late President wrote to Cordell Hull, saying that action against monopolies was part of the best and strongest tradition of American life. He said:

Unfortunately a number of foreign countries, particularly in continental Europe, do not possess such a tradition against cartels. On the contrary, cartels have received encouragement from some of these governments. Especially is this true with respect to Germany. * * * The history of the use of the I. G. Farben trust by the Nazis reads like a detective story. Defeat of the Nazi armies will have to be followed by eradication of these weapons of economic warfare.

So a great man's words go unheeded.

Let no one say that we have only just recently begun to go easy on the German monopolies. All this has not happened recently as part of the break-down of relations with the Russians. From the very beginning there has been opposition, in high places in our military government in Germany; to anything which would hurt German monopoly.

To take only one example from many: We have never touched the strangling grip of six big banks on German life. The six big banks, known as the "great banks," had great control over all industry in Germany. They grabbed off a lion's share of the loot of conquered countries. They had a key part in the operation plunder which so ruined Europe that it is necessary today to talk about European-aid programs.

And what did we do about the Big Six banks? After great effort, military government managed to get out reports of investigations of two of the six, the Dresdner and the Deutsche banks. None of the directors of those banks has been punished for war crimes, though we have had many of them in our hands and used them as advisers.

SAME CARTELS, SAME LEADERS

We are saving the cartel system in Germany. What is worse we are saving the men who built the cartels and made them work. Again, this is not something recent. If the orders of Roosevelt had been carried out, none of the industrialists who committed war crimes would be left in positions of trust in western Germany today. Yet in fact they are as firmly intrenched as ever.

Here are some of the cartelists who made the Nazi war machine run and who are back at the old stand today, ready for business:

Alfred Hugenberg. Hugenberg was a heavy contributor to the Nazi Party war chest. He was a member of the first Hitler cabinet. Since the defeat of Germany he has been very active in the German steel cartel.

Ernst Poensgen. He was chief spokesman for German heavy industry for more than 30 years. In 1943 he was retired on Hitler's orders so that he could be used in case of defeat. He is now the head of United Steel Works, the huge German steel trust.

Heinrich Dinkelbach. He was a notorious Nazi and a director of the steel trust. He is again a leader of the steel industry in Düsseldorf and he used his new authority to obtain the freedom of 27 steel officials who had been arrested because they were important Nazis.

For the record some of the others are:

Robert Pferdmenges. A leading Nazi. Once the richest man in Germany. Now member of the economic council for Bizonia, the combined British and United States zones.

Herman Abs. Head of the Deutsche Bank, one of the big six. Leader in the loot of Europe. Since the war's end, adviser to British officials in Germany.

Wilhelm Zangen. Leader of the Mannesmann combine. Active Nazi. Now trying to revive the international tube cartel in Europe.

Wolf Witzleben. High official in the Siemens electrical trust. High in Nazi circles. Was found guilty of war crimes by a German denazification court, but has been returned to work by Allied authorities to coordinate Siemens operations.

Others with equally bad records, still in positions of great responsibility are—Johan Benkert, Bruno Pohlmann, Harald Rasch, Helmuth Vits, Reinhold Maier, Wilhelm Simfendorrfer, Joseph Baumgartner, Hans von Schlange-Schoeningen, Gustav Kilper, Joseph Beyerle, Walter Widmann, Anton Pfeiffer, President Lahr, Wilhelm Schlieker, Paul Maulick, Friedrich Wesemann, and Herman Kellermann.

It might be said that most of the men I have listed were in the British zone. That is natural enough. The bulk of heavy industry in the west of Germany was in the British zone. But it was our military government which appointed Reinhold Maier head of the state of Würtemberg-Baden. Maier was a member of the German Parliament in 1933 and voted to give Hitler full powers. He said at the time, "We feel ourselves as

one with the views expressed by Hitler here today."

We appointed a man named Joseph Baumgartner as minister of agriculture in Bavaria. He said in a secret meeting: "Today only third- and fourth-rate Americans are here in Germany. It can be observed everywhere that the majority of important Americans here consist of Freemasons and Jews."

Hitler may be dead, but his voice echoes through the hills of Bavaria.

And what of Hitler's generals, the Junkers themselves? A handful have been tried for atrocious crimes. Most of the rest go free and unwatched.

Between the two world wars, the German general staff kept itself alive. It never stopped planning for the new campaign which came in 1939. This time we said we would put an end to their schemes.

I am not one who can easily forget those German people who went along with Hitler on his mad crimes against the world. Yet we cannot turn the blows of punishment mainly against the common people of Germany. The ordinary German can very well say to us today: You came here talking of democracy. You leave us in the hands of the same Ruhr magnates and militarists who led us to dictatorship and ruin. Why don't you give us the democracy you talk about?

EVEN THE NAZIS ARE NOT CLEANED OUT

Through denazification the Nazi party members were to be cleaned out of all important jobs in Germany. The actual story of denazification is one of miserable failure. It is important to note that the place where the greatest opposition to kicking out the Nazis developed was in the Economics Division of Military Government where General Draper's men claimed they needed Nazis to get the wheels of industry rolling again.

Within less than a year after the end of the war, the Office of Military Government confessed to failure. It threw the whole problem of denazification into the hands of the German authorities which had been set up.

Toward the end of last year, military government issued a report on the progress made in cleaning up the Nazi party. Fully three-quarters of all those who were chargeable as Nazis had been amnestied. Less than 3 percent were found guilty of anything worse than thinking bad thoughts. The rest were turned loose.

Much more serious is the failure of the trials against cartelists who committed war crimes. One of the chief designers of Hitler's plan for world conquest, Hjalmar Schacht, was turned loose at Nuremberg. Flick, the steel baron who had a direct hand in atrocities, was given only 4½ years; two of his associates got lighter sentences and three others went scot-free. The trial of the infamous I. G. Farben and its directors is dragging and there are doubts now if punishment will be ever be meted out to the greatest of all the war criminals.

GERMANY AS THE CORNERSTONE OF ERP

Germany as a warmaker is still not cleaned up after two and a half years of occupation. Yet this is the Germany which Dean Acheson called the cornerstone of the plan. Secretary of State Marshall himself said on November 18, 1947:

> Without a revival of German production there can be no revival of Europe's economy.

Why are some Americans so sure that the rest of western Europe wants and needs a rebuilt Germany? Why do not we let them speak for themselves on this question?

Western Europe is anxious for aid. Like all Europe which was crushed under the heel of war, it needs aid. The 16 western European countries seem so anxious for our aid that they will accept German domination as the price for receiving it. But I have scanned the records and I have yet to find a responsible leader in the 16 nations saying that revival of Germany is indispensable.

The truth is that the help they wanted from Germany was in the form of reparations. We said we would give them reparations, in the form of whole factories and equipment. Yet almost nothing was ever taken out of Germany. We talked about dismantling 1,500 plants. Then we cut the figure to around 600. But neither figure means anything because we actually took machinery from only a handful of plants.

When we did dismantle plants, we helped build German monopolies. As for instance when we took equipment for reparations from the independent Kugelfisher ball-bearing works. This left VKF ball-bearing trust without competition. Is it an accident that VKF is linked to SKF in this country?

As the plans for ERP now stand, it is estimated that Germany will receive 28 percent of all aid to Europe. With this share of the program going to the unreformed warmakers, there can be only one result: Germany again will dominate its neighbors.

The Wherry amendment, supported by VANDENBERG, best illustrates the true intentions of ERP; when it will send gift packages postage-free from New York to Germany, but your neighbor who has destitute relatives in Poland, Yugoslavia, Czechoslovakia, Ukraine, and the other countries in eastern and central Europe still has to pay 14 cents a pound postage. So, it has come to pass that the Germans are a preferred class over our own allies.

Before the war there was a European cartel for every major commodity. In almost every case the Germans ran the cartel. Through ERP this situation would be restored.

In some ways, the plans which have been made for ERP indicate Germany will lord it over her neighbors even more completely than before the war. When the 16 nations met in Paris to consider the Marshall plan, they were given figures prepared by our military government. One of the tables showed that it was planned to export 5,500,000 tons of coke from Germany in 1951. Now in 1929, 10,000,000 tons of coke were exported from Germany. In 1938, when the Nazis were feverishly preparing for the war, they still exported 6,000,000 tons. Yet we propose to leave the Ruhr magnates with all but 5,500,000 tons of their coke. This is done in the face of the fact that the greatest need in western Europe is for coal and coke.

The picture which emerges out of all this talk about ERP is a European economic system like that which existed before the war. That was a cartel system with Germany at the center, pulling the strings. Out of that system came World War II. There is the danger that the same system will produce world war III.

WHY ARE WE REBUILDING GERMANY THROUGH ERP?

We owe it to the people of the United States to look closely at the records of some of the men who have been making our policies toward Germany. I believe the record will show that many of them have had close dealings with German interests over a long period of years. The habits of years are hard to shake off.

I have mentioned Gen. William Draper. He headed the Economics Division of MG under General Clay and is now the Under Secretary of the Army. He was formerly with the investment banking firm of Dillon, Read. Our Secretary of Defense, James Forrestal, is the former president of Dillon, Read. Dillon, Read was one of the firms which made the loans to German industry which helped them rebuild after the First World War. Is it mere chance that Draper's policies in Germany encouraged rebuilding the cartels after World War II?

One of the strongest cases for giving Germany back to the German cartelists was made by Louis Brown. He is of the firm of Johns-Manville, which has been linked in official Government reports to the house of Morgan.

John Foster Dulles has taken an active hand in making American foreign policy. He is considered a close adviser of Mr. Dewey and Mr. Hoover. Dulles has had close dealings—never denied—with the London banking firm of J. Henry Schroder. The London Schroders have been intimately linked with the Schroders of Germany. Baron Kurt von Schroder, of Cologne, was called the SS banker. It has also been charged—and never denied—that Dulles worked with American branches of the notorious I. G. Farben.

The exact amount of connection between certain American and German firms has never been revealed. The Kilgore committee revealed that American firms had controlling interests worth $420,000,000 in 278 German corporations. With minority interests, the American business stake in Germany probably was more than a billion. And this leaves out the question of cartel connections.

I do not say that laws were violated when American businessmen entered into dealings with the German cartels. I do say it is not good sense or sound policy to entrust our relations with Germany to those men.

President Roosevelt left a clear message for us and the world. He said: "Break up the German cartels. Clean out the Nazis. Punish the war criminals. Rebuild a peaceful and democratic Germany."

RUSSIA ALSO GUILTY

The United States and Britain are not alone guilty of this courtship of Germany. Even before the war, Russia was

aiding and assisting Germany. Russia preferred the Nazis to the western democracies and was willing to share the prey with the Nazis. And since the war Russia and the United States are both currying Germany's favor. Each is trying to make Germany its agent and to make her an opponent of the other partner. It truly would appear that Germany has divided the Allies into four zones.

Instead of the Big Four being strong enough to decide the fate of Germany, it is the Germans who in the long run will decide the fate of the Allies. It is sickening to see the victors themselves paving the way for the victory of their own defeated enemy.

FRANCE IS OUR REAL FRIEND

If we want a bastion in Europe, if we want to build up a powerful nation to keep the peace, a nation that we can depend upon, a nation that has been our friend throughout the centuries, then I say it is France and the French people and not Germany and the Germans. France has been our friend and ally in every struggle throughout the history of our Nation, whereas we received German hatred and opposition from the time of the Revolutionary War when paid Hessian-German legions came to fight on the side of the British Tories.

In 1926 France was a greater power than Germany, but American and British bankers, monopolists, and cartelists poured their millions into Germany and re-created the Frankenstein which set out to destroy us. At this time the same thing is happening—again the big bankers and monopolists are pouring billions of dollars of our taxpayers' money into Germany. If we were rebuilding a strong and powerful France, the people of America would have no fear, neither would the people of Europe, because France is inherently honest, decent, and democratic. The French people have enjoyed liberty, and freedom, and cherish it just as we do. This is not true of the Germans. Germany will take everything we have at this time, and when they have bled us white they will betray us to the Russians, or to some other power for a return of their expansion and "drang nach osten" program.

DO BUSINESS ON A BUSINESS BASIS

After we passed the $3,750,000,000 British loan, most Members of Congress felt like I did—that this was the end of the free gift money program for Europe; that all future loans and credits would be made on a business basis and go through the International Bank or the Export-Import Bank; and that we would resume peaceful international trade and commerce with all nations on the basis of equity and fairness. But instead, we are placing restrictions and embargoes against half of the nations of Europe, and at the same time we continue to throw away billions of our taxpayers' dollars in order to carry on the psychopathic program that our Wall Street bankers and militarists have pushed us into. For my part I am all through with this business; I do not fear the terrific propaganda that has been unleashed by the press and radio commentators. The truth will out, and the people of America will rise in their wrath and put through such a political house cleaning as we have never witnessed before. I predict that one of the two great parties, now engaged in this bipartisan program of bankrupting the American people, will go to political oblivion after the election of 1948.

REBUILD OUR OWN ECONOMY

It must have been a severe shock to the boys who want war and militarism to learn that this past week Turkey rejected our offer to send her $100,000,000 worth of military supplies and instead requested aid to build up her internal economy. This, of course, is the best way to stop communism. That, by the way, is what we should do for ourselves. We have a shortage of school teachers, because salaries are too low. Thousands of Veterans' Administration employees to be laid off because of insufficient appropriations, school-lunch program curtailed, no money for old-age pensions for our own citizens. Factory workers, Government employees, white-collared workers generally have already cashed in their savings in war bonds because of inflation and the high cost of living. Small merchants and businessmen complaining that business is bad and getting worse because of lack of purchasing power among the people. Yet no attention is paid to these conditions in our domestic economy. Federal appropriations are being cut for projects and programs that would build up our own people and our own domestic economy, yet when it comes to dumping billions of our tax dollars in Europe and Asia, do not say a word, because you will be called a Communist.

Last week it took the House Foreign Affairs Committee only 30 minutes to approve the additional sum of $570,000,000 for China when that committee studied this proposal. It will take years for the American taxpayers to foot the bill for this additional gift. During this same 30-minute period, the committee also approved $275,000,000 more in military aid to Greece and Turkey. This in addition to the $5,300,000,000 for ERP.

Then let us take a look at the shocking contrast when it comes to appropriations of money to take care of our own people here in the United States who are in dire need of assistance. Our war widows and dependent children, for instance.

At the present time, a war widow without a child receives a Government pension of $60 monthly; with one child, $75.60; and with two children, $93.60—$1 a day per person to pay for rent, food, light and gas, medical care, life insurance, clothing, and other necessities.

And yet Congress has failed to take action on proposed legislation to increase the amount to as much as $1.50 a day per person. They say we cannot afford it.

TAXPAYERS BEING BLED TO PAY OFF BANKERS

Look in the Appendix of the CONGRESSIONAL RECORD, page A1447, showing some of the debt claims filed with the Alien Property Custodian by J. P. Morgan & Co., Guaranty Trust of New York, Lee Higginson & Co., Claus Light, Bank of America, Manufacturers Trust Co., National City Bank of New York, National Shawmut Bank of Boston, New York Trust Co., Silesian-American Corp., and others, and then you will understand where this great pressure to put over the Marshall plan is coming from. Then you will see that all these billions are not just to bail out some poor Europeans and Chinese. A big portion of it will go to bail out international bankers and international speculators, and will be squandered by further building up monopoly and cartels. I am not going to bleed the American taxpayer, and cause greater shortages and greater inflation and wreck our economy at home in order to fatten international bankers, monopolists, and cartelists.

Here in the United States we have a shortage of steel. We need scrap iron to mix with the raw ore in order to make steel. We do not have the scrap iron. Our mission to western Germany has reported huge tonnages of surplus scrap iron and steel over there, something around 10,000,000 tons of surplus scrap iron is available. But these powerful German industrial war lords are sitting tight on this heap and will not permit its export to the United States. It will be interesting to find out just who are the powerful and influential friends who are aiding these German moguls. We have sent billions of dollars worth of food, material, and manufactured goods to Germany, but we cannot even get scrap iron in return.

I shall repeat again and again that our foreign policy must be changed so that we give aid and assistance first and foremost to those of our allies who were the most devastated by war. Justice demands it. To gain the confidence and respect of the people of the world we must do it.

MARSHALL PLAN IS NOW VANDENBERG PLAN

When Secretary Marshall announced his plan at Harvard, it was announced as a plan to unite and rebuild all of Europe, east and west. Today Marshall is out of the picture. It is now the Vandenberg ECA—Economic Cooperation Act—and with the Knowland amendment, to which VANDENBERG agreed; it places an embargo against the countries of eastern and central Europe. Now is this the road to peace? You cannot have peace without trade. You cannot have peace in a divided Europe. Since the war, 71 trade agreements have been signed between all the countries of Europe, east and west. Now Senator VANDENBERG's ECA calls for an American embargo against the eastern and central European nations. We can now understand why they did not want the Marshall plan to go through the United Nations. Russia's policy was to keep the nations of eastern and central Europe dependent upon her. Now this ECA is following the same destructive line with the approval of the Senate. Will this work for world unity and give independence to the smaller nations?

I realize that any program must be political, but it is the wrong kind of politics that only breeds further misunderstanding, distrust, hate, and disunity. That is why I shall insist that loans be made through the International Bank in which we have 70 percent of the stock, but the other nations are members. If a nation defaults on its obligations it will lose standing and credit in the whole

family of nations. It cannot just say "Oh, rich old Uncle Sam, he did not suffer during the war and he does not need the money." Also, I insist that we tie our every action around the United Nations Organization so it does not perish as did the League of Nations after the First World War. The UN is the only hope for peace in the world. We will have another war if Russia and the United States continue to play power politics and create world blocs. The United Nations should not be used merely as a spare tire. The UN should not be kicked around by the powerful nations and only used when they want to gain a selfish advantage.

We must remember that the British Labor Government had valiantly fought for nationalization of the German mines and the heavy industry in the Ruhr. The German people themselves demanded nationalization and insisted that the German war baron families like Krupps Von Bohlen und Halbach, Mannesman, Stinnes, Abs, Dinkelbach, and others, be divested of their power over the lives of the German people and the nation. But we insisted that these German war moguls retain private ownership over this vast war potential. But the Marshall plan was dangled before the British and they capitulated.

Certainly it is not the desire of the American people, German people, and especially those people of Europe, who suffered so much from these desperadoes, that they retain their power and might.

We must remember that in the eyes of the Europeans, how we handle the Ruhr and the German war potential is the test of our intentions.

PROFITEERING BROKE THE PEOPLE

One person recently wrote me:

We fought the War of 1776 to free ourselves from British taxation, and we have been taxing the American people ever since to support the British.

Yes, and he says "How about a Marshall plan for our own people?" Last year the big boys squeezed out seventeen billions in profits out of the American people. That is above taxes. This is nearly double the net profits that they should have made. The lemon was squeezed so dry that the people have cashed in most of their war savings bonds in order to live. Last November I asked my branch bank manager, "Why the big rush of business? Why so many people waiting in line?" He answered, "That's a sorry business: Those people are waiting in line to cash their war savings in order to live. Their wages are insufficient to make ends meet under present high prices." I estimate that the public was skinned out of at least $20,000,000,000 last year. That amount includes the excessive profits plus the taxes on these excessive profits that the corporations paid.

All of this money was taken out of the hides of the American consumers by the greedy profiteers. It is time that we drive this rapacious horde of profiteers out of the temple of democracy.

Is it any wonder that the merchants report that Easter business was bad when the purchasing public has no money and they have killed the goose that lays the golden eggs?

Another fellow wrote me:

It's marvelous how our Government works its bookkeeping. You give away six billion to Europe and Asia and then give the taxpayers five billion rebate. It's marvelous and mysterious. I wish I could run my books and business that way. But it's no use—my creditors would force me into bankruptcy.

Our policy reminds me of the fellow who has been out on a bad drunk, gets up the next morning feeling woozy and shaky, so in order to cure himself he drinks another quart of whisky and gets drunk all over again.

TAX DOLLARS GOING FOR WAR ARMAMENTS

Today, we are spending 79 cents out of every tax dollar for war or for war purposes, or for the aftermath of war; only 21 cents out of a dollar goes for education, rural electrification, highways, forests, parks, airports, commerce, industry, health, pensions for the aged and peaceful pursuits. Now, we will be asked to make more appropriations for war, militarism and destruction. I take my positive position against it.

During the campaign of 1938 I came out openly for the draft, military training, all-out armament. I said I could hear the clanking of the swords in Europe, I could feel and smell a war brewing. I was called a militarist, a warmonger. I was defeated. I came back to my people with no apologies for my stand, and was reelected three times since, and in 1944 by the biggest majority of any Congressman in the United States.

DO NOT IMITATE THE HESSIANS

Today I see and smell no war. There is no clanking of swords, except those that we are furnishing. People have suffered too much; they are tired of war; they beg for peace. They beg for trade and commerce, a chance to rehabilitate their war-devastated economy. Just like after a sickness, the fever in the body will throw out pus and corruption, so in Europe the same thing is occurring. Let us not be misled. I can never forget the words of my father, when he retired and I suggested that he visit Europe. He replied, "Europe is still the same. Nothing to see there, except misery, poverty, hunger, and destitution. No black slavery, it is true, but classes and divisions among the people nevertheless." Corrupt governments, militarism, aristocracy, intrigue. There is so much to see that is beautiful in America.

Why do we insist on meddling in the internal politics of Europe, Asia or South America? Why do we send them guns, bullets, tanks, and bombers? These actions will only come to plague our children just as certainly as the sins of a father are visited upon his children. I would never refuse to send bread, clothing, medicine, and plows to help the needy people anywhere. For these gifts we will receive God's blessings, but it is a crime to send guns and bullets to Asiatics and Europeans for them to kill off their own brothers and relatives.

We had our renaissance with the American Revolution. We discarded royalty, classes, and European economic chains.

Europe has not had its renaissance yet. After the First World War they dumped the Hohenzollerns, the Hapsburgs, the Czars, and the Ottoman rulers, but the cleansing was not completed. The inherent rottenness and disease remained. At this time, let us remember how we resented the Hessian Legions horning in on our fight against the British Tories in 1776.

It is disgusting to see kings, queens, decrepit royalty, defunct European militarists, and tories flocking to the United States, and our doors are still closed to the oppressed and homeless DP's who fought and opposed nazism, fascism, and communism. America, the land of freedom and liberty, the refuge for the oppressed and persecuted, has put on a high silk hat, tails and white tie and is now scraping and bowing to the politically degenerate of Europe. The Statue of Liberty must look down with amazement and horror at the new immigrants coming to our shores.

It is now evident that the Marshall plan, Truman plan, Churchill plan, the Hoover plan, the Colmer committee report, together with the recent moves in Palestine and Trieste, are all part of the big plan to scuttle the United Nations, to embark on a big military and armaments program, to rebuild Germany and to play power politics all over again. We are back on the merry-go-round for a bigger and more destructive world war III.

I shall vote against ECA and this whole evil business, although I know that it will be passed overwhelmingly on April 1, 1948. I cannot help but think what a tragic April fool's joke this will be on American people and all peace-loving people throughout the World.

Our policy for peace and prosperity should be to strengthen the United Nations and give our efforts to building up our domestic economy at home to stop inflation and profiteering before it buries us in a panic and depression as we had in 1932.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SADOWSKI. Mr. Chairman, can the gentleman from West Virginia yield me more time?

Mr. KEE. I am sorry, but I have no time unallotted.

Mr. BLOOM. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

MARSHALL PLAN IMPERATIVE—UNITED NATIONS MUST BE STRENGTHENED

Mr. HOLIFIELD. Mr. Chairman, I have pledged the people of my district that I will support the Marshall plan. I had hoped when I made the pledge that I would have the opportunity of voting for a plan for European recovery similar to the resolution passed by the Senate. I regret that the bill before us has been changed and that additional legislative matters have been introduced. I shall vote against certain provisions of this bill, at the proper time. I shall support amendments which will strike out title 3, which provides for military aid to

Greece, Turkey, and China, because I believe that the principle of military aid should be channeled through the United Nations organization.

We should not do as Russia is doing: Namely, furnish to countries which we hope will be friendly to us, military supplies to wage either internal wars or wars against their neighbors.

In my opinion, such unilateral aid as was advanced last year to Greece and Turkey and is now proposed in title 3 of the present House bill is the wrong approach to the problem of securing world peace.

I voted against the so-called Truman doctrine last year, and I shall vote against the section of the bill which seeks to further military aid to Greece, Turkey, and the added country of China. If I am given the opportunity, and I hope that I will be given such opportunity, I intend to vote for a motion to recommit this bill, providing it has instructions to bring back the bill to the floor with section 3 deleted therefrom, I fervently hope that such a recommittal motion will be offered and will be accepted by this House. I do not believe that we are following good legislative procedure in taking two separate issues and combining them in one package, thereby forcing upon the Members of this House the inevitable choice of voting for that which they do not want, in order to get that which they fervently believe is necessary.

Unfortunately, we seldom have the choice in our votes on legislation between an ideal bill and one which we are totally against. Most of the legislation presented is a mixture of many ideas, many purposes, from many sources. We are therefore faced with the problem of evaluating the total contents of the bill and in the last analysis, voting for the bill if we believe its good points overweigh its bad points. We are faced with such a situation in the House version of the European recovery plan.

It is my fervent hope that the objectionable features in this bill, the House bill, if not deleted, by amendments or recommital, will be deleted in conference with the conferees of the Senate. I am sure that some of these objectionable features will be deleted in conference, as we know that both the ranking members of the Senate Foreign Relations Committee, Senator Vandenberg and Senator Connally, are agreed that the Senate version is the wise version for European recovery. We know that they are sustained in this position by the bulk of the testimony which was presented in the Senate hearings, including the testimony of our Secretary of State, Gen. George C. Marshall.

And so, it is with the hope of facilitating this legislation through the House in order that it may be perfected in conference that I shall support this bill even though section 3 to which I am violently opposed, remains in the final form when passed by the House.

There are many reasons why we should support the objectives of the European recovery plan. There is, of course, the humanitarian aspect of 16 western European nations which have been devastated by war, which have had their cities and their transportation systems destroyed on the battlegrounds of World War II. We asked our allies, European allies of World War II, to destroy their power plants, their bridges, their railroad stations, and in fact every facility which would be of advantage to the onrushing Nazis and Fascist army. We promised them that if they would do these acts, which were destined to handicap and slow the march of the Nazi hordes in their attempt to conquer the world, that when the war was over and when the Allied Nations had won the war, we would return and help them restore their shattered factories, bridges, homes, and transportation systems. We have the moral obligation of making good on that promise.

It was only one of the fortunes of fate that caused England, France, Italy, and the other nations of Europe to become the battleground of World War II. This fate, which chose them as the battleground, caused the destruction which we know occurred. Had the battleground been chosen by fate, or strategic necessity to be a location in the Western Hemisphere, in our own United States, then we too would have been in the devastated condition of the western European nations.

Therefore, as allies in World War II, our obligation to continue sharing the sacrifices which made the World War II victory possible, continues. The Marshall plan is a fulfillment of moral obligation to those people who fought by our side on the battleground of Europe.

We could not have won the war against nazism alone. We had to have European help. The mutual help of our allies and ourselves, made victory possible. It is only through further mutual help and cooperation, between the 16 western nations of Europe and the United States, that peace can be accomplished.

As an ardent supporter of the United Nations, I hoped with millions of other people throughout the world, that the United Nations could be used as the vehicle to accomplish the acts necessary to rehabilitate the world and to establish first, economic order, and second, political order, and third, world order and peace.

We thought that in the United Nations a proper mechanism for solving problems between nations by the use of international law, instead of national force, had been created. I still believe that if we had had proper leadership in strengthening the United Nations, that by this time, 3 years after its birth, the United Nations would be capable of handling international problems, but we have not had that leadership nor have we had cooperation among the Big Five in the Security Council. I could devote the rest of my speech to placing the blame on the different leaders of the great nations, and I honestly believe that a failure to strengthen the United Nations cannot be assessed to any one nation.

I believe that all of the leading nations have been responsible for the failure to strengthen the United Nations. I, naturally, do not blame them all equally. I think that the present time is no time to assess the blame. It is a time when we have to recognize the real situation as it exists. And that situation is as follows: The United Nations have been paralyzed by the use of the absolute veto. We know that the use of the absolute veto was advocated by the United States, Russia, Great Britain, France, China, and approved by all the other signatory nations. The record shows that the veto has been used 24 times. The record further shows that the veto was used by the Union of Socialist Soviet Republics 22 times out of the 24. Remember that each time the veto was used it was used against the majority opinion of the other members of the Security Council.

We face then the realistic situation where international problems have been brought to a stalemate 24 times by the use of the single-nation-absolute veto. Another factor which has weakened the United Nations is its lack of ability to enforce a majority decision of the nations comprising the General Assembly.

We have recently seen the result of the lack of enforcement power in the Palestine partition decision, and likewise in the decision to set up a constitutional government in Korea. We have failed to provide the international police force called for in the Charter, and we are in the same position in regard to the enforcement of international decisions that the League of Nations was in when it lacked the power to enforce its sanctions against the international aggressors of its day. I speak of the aggression of Japan in Manchuria and the aggression of Italy in Ethiopia. Because the League of Nations did not have enforcement power it went to pieces and the hopes of collective security were dashed to pieces and the prelude to World War II began.

I say in all seriousness that unless an international police force is formed for the enforcement of majority decisions of the United Nations, and unless the absolute veto is modified so that no one nation can obstruct the will of the majority of the nations of the world, then we shall see the United Nations go on the rocks of distintegration in the same manner in which the League of Nations was destroyed.

In July of 1947 I introduced House Concurrent Resolution 116, which sought to obtain an expression from Congress in favor of amending the Charter of the United Nations so that these basic defects could be removed.

The authorization for my resolution is found in article 109 of the United Nations Charter, which provides the procedure whereby the Charter of the United Nations may be revised and amended. It, in common words, says that it is the sense of the Congress that the President of the United States shall immediately take the initiative in requesting a general conference of the United Nations, for the purpose of making the United Nations capable of enacting, interpreting, and enforcing world law to prevent war.

The General Conference shall, after proper study, recommend to the General Assembly for consideration, amendments to the United Nations Charter. The purpose of such amendments shall be to strengthen the United Nations in order that international peace shall be established and maintained between the nations of the world.

My resolution asks that specific studies and recommendations be made on the following matters:

(a) The establishment of an international legislative body for the purpose of enacting legislation solely on international matters, representatives serving on such a body, shall be elected on a proper proportional basis by the people of the member nations.

(b) The development of an effective and functioning international judicial body whose purpose shall be the adjudication of international claims through the interpretation of international law.

(c) The establishment without further delay of the International Police Force provided for by chapter 1, article 1, and chapter 6, article 43 of the United Nations Charter. It further states that such force shall have adequate power to enforce international law throughout the world. The fourth section—

(d) Requests that the veto provision as now provided for in chapter 5, article 27 of the United Nations Charter, be amended or eliminated. And my last section, asks for the consideration of such other matters as may be deemed necessary by the General Conference for the purpose of preventing atomic war between nations and for the guaranty of the peace of the world.

Mr. Chairman, I believe that sooner or later such a conference will be held, and I want to urge at this time that the proper committee immediately begin consideration of this important resolution. I point out in all seriousness that the passage of the European recovery plan is but a step toward achieving our desired goal of economic stability and world peace.

Unless proper steps are taken to strengthen the United Nations the money which we are appropriating will be lost in another "operation rathole." It will be just as futile as the Truman doctrine was last year in sending military aid to the unhappy land of Greece. We see, after a year's application of the Truman doctrine in Greece, that the constitutional Government of Greece is no more secure than it was before we donated the supplies and money which represented a total of $350,000,000.

We must go further than men, munitions, and dollars. We must go into the realm of ideas. Again and again I have said that you cannot feed, buy, or fight the world with the men, money, and resources of the United States alone. Whether we secure peace for the world or whether we divide into armed camps, we must have other nations who will act in concert with us.

Realizing that no longer could we obtain our own national security alone, we took the lead in forming the United Nations because we knew that the security of peoples could no longer be maintained on the basis of national sovereignty. In the atomic age, national boundaries are of no importance, if we establish security for ourselves, it must be established for all, and it must be maintained on an international plane. In order to eliminate atomic war, and achieve world peace, we must have an effective, functioning international organization.

At this point many will rise and say, "The United Nations has failed in its purpose. The United Nations is too weak to function." And my reply to them is, "It is true that the United Nations is not a perfect mechanism, it has failed to fulfill all the hopes of the millions who yearn for peace." The experience gained through function, however, has pointed the way toward improvements. I believe that my resolution outlines the only way in which we can now proceed.

We cannot allow time to drift ceaselessly by without doing that which is necessary to be done. Every day brings the world closer to the chaos of atomic warfare. We are working against the deadline of atomic discovery in the laboratories of foreign nations. That is why I say that the Marshall plan is only a step. It is in effect the buying of time to establish the economies of devastated nations whose participation is vital for a functioning United Nations.

So, I intend to support the Marshall plan in the hope that the proper committees will give hearings to the resolution, or failing such action by Congress itself, that the President of the United States will, through our delegate, the Honorable Warren Austin, issue a call for another conference such as we had 3 years ago at San Francisco. That conference gave us the framework of an organization. It showed the willingness of the people of the world to participate in an international organization for the establishment of peace through international law, it showed their willingness to desert the old, unilateral, national-sovereignty, military, national-force way of trying to obtain peace.

I believe that that desire on the part of the nations of the world is stronger today than ever before. I believe that they see that they are in more danger today than in the days before the atomic bomb destroyed the two Japanese cities.

We know that the United Nations has never functioned as originally planned and we know that Russia and her satellite nations have not cooperated to help make the United Nations function. I believe that this call for a conference should be to every nation in the world. I believe that we should proceed even though Russia and her satellite nations refuse to come and participate in the conference to make the United Nations a functioning organization.

At this point the plea might be raised that we must have one world, and I will agree that we must have one world, but I point out to you that we do not have one world at the present time. We have a disorganized, divided world, and we see the nations of the world forming themselves into two armed camps, or remaining for the time being neutral. I say that the time is too late for either neutrality or drifting. Either we provide a functioning international organization, through which the majority of the nations can function, or we are faced with a disorganized world that cannot establish universal peace, but can only degenerate further into the chaotic jungle of national sovereignty or power alliances throughout the world. Let us move then during the time which we are purchasing with the Marshall-plan funds to do that which is more important than anything else for world collective security. Let us move with as many nations as will move with us, toward the perfecting of this international organization.

When we have established a functioning organization participated in by the majority nations of the world, let us still keep the door open to Russia and her satellites, even though they have failed to help us form this functioning organization. Let us at that time invite them again to participate in a functioning organization which will be ruled by majority vote and will not be obstructed by a single nation absolute veto. It is my hope that at that time Russia and her satellite nations will see that the majority of the nations of the world want to establish peace and that she will come into the family of nations.

Every peaceful means should be used to persuade her that it is the only course left open to obtain universal peace. If all our efforts fail at that time, then we are faced with another problem. And that problem is the atomic problem. It is a problem which cannot be solved as long as any nation in the world refuses to enter into an agreement whereby they will open their country for international inspection. The world peace depends on constant international inspection within the boundaries of each and every nation in the world where uranium ore can be mined, and where facilities are located which can transform that uranium ore into the finished substance which we call atomic energy. I emphasize that it is only where international inspection can be obtained that assurance can be given to every nation in the world that clandestine operations which endanger the rest of the world can be discovered and stopped.

This is the essence of the Baruch proposal which was made over a year ago to the United Nations through the United Nations Atomic Energy Commission. This is the essence of the plan which Russia has refused to accept. There have been no alternative plans suggested, except the plan which Russia suggested which was that we sign a treaty pledging ourselves to destroy atomic energy and not to try to discover further atomic secrets in the laboratories of the world.

This is so ridiculous that even the Russians are ashamed to try to put such a plan over. Paper treaties and written promises are no longer, if they have ever been, any assurance against war. When the will to war arises, paper treaties are torn to pieces and pledges are broken. The victim of the aggressor would perish in the smoke of an atomic bomb without regard to paper pledges. The advantage of surprise attack has been increased a thousandfold by the multiplication of destructive power in the atomic bomb. Without international inspection, nations can only live in fear, one toward the other, of such a surprise attack. Once the attack is unloosed, the victim may not be able to retaliate, because his basic industries and his most populous cities may be destroyed overnight.

These are not carelessly spoken words. These are facts which the people of the world must believe or die. They are substantiated by every worth-while scientist throughout the world, and every military man that has a reputation for coolness of judgment, admits that there is no tactical defense against the delivery of atomic bombs.

They admit that no nation regardless of how strong its armed forces may be, can defend itself completely against the surprise attack of atomic bombs. Unless complete defense is obtained, the degree of destruction will be so much greater than in previous methods of warfare that it will be impossible to survive the shock. Civilization will perish if we have an atomic war.

Now if these statements which I have made are true, we should waste no time in perfecting an international organization to do the job which nations cannot do, be they ever so strong and be they ever so rich. If I have established a factual base, a logical base in the reasoning which I have given you up to this point, the point of inviting Russia to participate in an international organization, then you are entitled to ask me: "What shall we do if Russia refuses to enter such an international organization which we have brought to a functioning basis?" And my answer to you is this: "Russia must come into a functioning international family of nations or be declared an outlaw among the family of nations. She must be looked upon as a potential aggressor, as a danger to civilization and we must take steps to eliminate that danger in the family of nations, just as we take steps to eliminate and outlaw what is dangerous to our local society." This is the only realistic position to take. After having exhausted all peaceful efforts to obtain Russian cooperation, and if we are faced with continuous refusal to open her boarders for inspection, to lift the iron curtain so that normal intercourse with the rest of the world may be established, we are faced with no alternative in the atomic age. I know that every visionary, every pure idealist, every pacifist, will turn from this realistic proposal with horror and I certainly do not make it as a war monger, and I do not make the recommendations lightly. I make it because, as a Member of the House and Senate Joint Committee on Atomic Energy, I have had access to the realities of atomic-energy production, the preparation for atomic war, and the scientific knowledge of the devastation which faces millions of people throughout the world in case of atomic warfare. I make this statement with a heavy heart, but I make it seriously, and with full regard to my oath of office which I took when I was sworn in as a Representative of the people of the Nineteenth District and my Nation. I swore at that time I would do all in my power to protect the people of the United States from enemies without and within. It is in the light of my oath of office and the realities of the situation that I have made this grave statement.

I shall continue to press for a peaceful world. I shall continue to do everything in my power to establish universal peace, but with the knowledge that only through complete participation of every nation in the world in a functioning international organization, I shall from time to time, while there is yet time left, speak that which, according to my knowledge, is the true facts regarding the establishment of universal peace. It is because I know the futility of unilateral military action in Greece, Turkey, and China that I oppose the "rat-hole operations" that have existed and will continue to exist under the appropriations contained in the European recovery plan in title 3. It is because I know that our only hope is in establishing a functioning United Nations that I shall support the Marshall plan notwithstanding the section which I deplore. I will support the Marshall plan because I believe that it will give us at least one more year to strengthen the 16 European nations who have volunteered to participate in this plan, who have volunteered to cooperate with each other, and with the United States in reestablishing their economic stability. I will support the Marshall plan because I know that if economic chaos takes place in western Europe, that western Europe will go behind the iron curtain, and that there will be no possibility of cooperation in the establishment of a functioning United Nations.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, one of the more unfortunate tendencies of men in public life is to seek to govern by going backward.

In the period between the two world wars, this Nation and the world spent altogether too much time, money, energy, and human life trying in the face of all realities to restore the conditions of 1913.

These attempts met worse than failure; they created the great depression and the war which followed.

Now, there is visible in the world a distressing attempt to restore the conditions of 1938.

Even European recovery aid is being sold to us in some quarters as an attempt to restore the world-trade conditions of 1938.

But who wants to go back to 1938. Who wants to lay the groundwork of world war III?

Fortunately, we need not take this road today, though there are those, apparently, who wish us to take this road to war hardly later than tomorrow, if, for no better reason than the fact that the hysteria of war offers a convenient refuge to thoroughly discredited politicians.

For the European recovery program, together with suitable aid to China, can, if properly administered, lead us to a lasting peace. Properly administered, the $6,000,000,000 Economic Cooperation Act of 1948 grants the world a much-needed choice between the economic stagnation offered by oppressive communism and the economic dynamism guaranteed by a free democracy.

But it can offer this choice only if it is properly administered, both in Washington and abroad. In the light of past history, I think we can safely say that the question of whether the plan will be properly administered abroad can be solved properly by the Economic Cooperation Act of 1948, which quite effectively tags every dollar of aid from source to destination. Whether the money will be wasted, once it goes abroad can best be determined, I think, by pointing out that the sum contemplated for expenditure during the first 12 months under this act—about $5,000,000,000, or an extreme range of between four and six billion dollars—is very nearly the probable difference between our own world exports and imports over the identical period. Much potential waste in the program, I hope and believe, can and will be checked by the actions and vigilance of the democratic peoples who are to receive the aid.

But there is another source of waste which might mar this program, and I have no assurance at present that this source of waste will be barred. The quality of leadership which the Truman administration has displayed in handling economic aid since the war, has been a wretched portent for the success of the Marshall plan. UNRRA aid for Yugoslavia produced Tito's menacing army; the Marshall mission to China wound up by advocating, and, to a certain extent, aiding an abject surrender to the Chinese Communists; Treasury Secretary John W. Snyder wasted a third of the British loan in 2 months while trying to prove the pleasant but highly erroneous fiction that the British pound is worth $4.03 in a free market—see exhibit D.

I am not criticizing overmuch the fact that the British chose to lose $1,500,000,000 in world trade dollar receipts by not decontrolling export prices or devaluing the pound sterling during 1947; what the British do, even with the money we give them, is, to a very large extent, their own business and they have, in fact, spent their money reasonably well during recent years. But I bitterly criticize the apparent conviction of the Truman administration that, what has not worked in this country, is bound to work abroad. At home, the Truman administration has been consistently wrong on the postwar effects of price control, industrial conversion and taxation; yet, it consistently advocates or compels abroad the identical discredited policies; indeed, as in the case of the British loan, it sometimes acts to thwart the better judgment of the aid recipients. Too often, I fear, does the Truman administration yield to and encourage the psychology which counsels, "Let us solve the wheat problem by hiring an expert to fix a maximum price," when it might better choose the prosperity producing alternative of raising more wheat.

So, the weakness of the Marshall plan lies in Washington; and the weakness had better be removed in Washington, or a remedy will have to be sought through the November elections.

But what are the strengths of the Marshall plan?

First and foremost, the plan offers the key to a new orientation in world trade, and with it, the key to a new orientation in world thought. Both objectives should be firmly pursued; and I am inclined to believe that, as of this moment, at least, Europe is much farther towards this goal than the administration here in Washington. Symptomatic of the difference is the fact that Europe has organized "western union," a group of five nations

pledged to a common economic destiny, while the administration still talks of restoring 1938 world trade channels as if that restoration were either possible, necessary or desirable. The role of Germany in 1938, as a world supplier is now filled, to some extent, by Great Britain, and, to a large extent, by the United States; Japan has been replaced by India; the Soviet Union, twenty-first in world trade in 1938, remains as insignificant as ever, if not more so, because its only marked exports—with the exception of management—can now be supplied from other sources until it develops a more cooperative attitude. So far, the seemingly permanent conquests of Soviet communism have been the Balkan empire of Nazi Germany and the gutted industrial remnants of what was once Japan's Manchuria; as of today, the western world has lost scarcely anything which it held securely in 1938.

Mr. Chairman, I have prepared certain exhibits containing information concerning world production, trade and exchange rates, together with an analysis of the distribution of the proceeds of the British loan. I ask unanimous consent that these schedules be printed in the RECORD at the end of this statement.

So, all things considered, I believe the long-range foreign-aid programs point toward peace if we can accept two assumptions; namely, that the funds will be properly administered in Washington, and that what we shall find in due time, even if our present leaders do not seek it, it is a new orientation of trade in a democratic western world. By the latter, I mean, for example, that so long as Moscow maintains an uncooperative and even hostile frame of mind, Alberta and Kansas and the Argentine will have to replace the Ukraine as an emergency source of wheat for Europe. So long as this is true, of course, the United States will have to continue to subsidize world trade from taxes to the extent of from three to five billion dollars annually; and, barring an unprecedented increase in our own imports, this condition will persist, not for 4 years, but probably for many years afterward. But I believe that, given the assumptions I have stated, this will not be too great a price to pay for a peaceful and prosperous world.

EXHIBIT A

Production in two worlds, 1940–1947–1951

(Source: Business Week)

	Steel (millions of tons)	Coal (millions of tons)	Grains (millions of tons)	Electric power (billions of kilowatt-hours)	Textiles (billions of yards)	Population (millions)
United States:						
1940	67	503	121	145	10.5	132
1947	85	616	151	250	11.1	142
1950	90	600	165	285	12.0	145
Marshall-plan Europe:						
1940	60	607	71	140	10.0	261
1947	33	483	54	170	6.3	270
1951	61	642	72	222	10.1	290
Soviet Union:						
1940	20	183	118	48	4.5	193
1947	19	196	100	50	2.8	197
1950	28	275	126	82	4.6	205
Soviet satellites in Europe:						
1940	5	90	75	17	1.8	121
1947 [1]						

[1] Chief difference is doubling of steel production, mainly in Bohemia and western Poland.

Special note should be taken of fact that in obtaining effective control of Manchuria the Soviets have sharply increased their steel potential; only comparable production areas in Asia are Japan and India.

EXHIBIT B

World-trade statistics, 1938–46

25 LEADERS OF WORLD TRADE

[Values in millions of dollars]

Country	1936-38 monthly rate			January to August 1946 monthly rate			
	Total	Exports	Imports	Total	Exports	Imports	Rank
1. United Kingdom	606.5	223.4	383.1	716.8	305.6	411.2	2
2. United States	448.9	243.8	205.1	1,170.7	787.2	383.5	1
3. Germany	344.7	176.7	168.0		[1]	[1]	
4. France	205.3	77.7	127.6	210.1	52.7	157.4	4
5. Japan	190.3	93.4	96.9		[1]	[1]	
6. Canada	134.9	76.9	58.0	313.4	174.4	139.0	3
7. Belgium-Luxemburg	131.0	62.8	68.2	118.4	44.6	73.8	[2] 5
8. Netherlands	110.3	46.8	63.5	85.3	15.7	69.6	
9. British India	104.9	57.7	47.2		[1]	[1]	[3] 6
10. Italy	89.7	41.1	48.6		[1]	[1]	
11. Australia	84.2	45.1	39.1	107.2	58.3	48.9	10
12. Argentina	83.3	47.7	35.6	122.5	79.7	42.8	7
13. Sweden	79.0	37.8	41.2	105.6	47.9	57.7	11
14. British Malaya	62.1	34.0	28.1		[1]	[1]	
15. Czechoslovakia	57.9	30.4	27.5	23.8	13.1	10.7	
16. Denmark	55.7	26.9	28.8	64.9	23.4	41.5	
17. Switzerland	56.0	24.0	32.0	112.4	48.7	63.7	9
18. Netherlands Indies	54.1	34.2	19.9		[1]	[1]	
19. South Africa	50.2	[4] 14.3	[4] 35.9		[1]	[1]	[1]
20. Brazil	49.7	26.6	23.1	120.0	72.8	47.2	8
21. Soviet Union (NB)	44.8	23.2	21.6		[1]	[1]	
22. China	42.0	19.0	23.0		[1]	[1]	
23. Korea	38.6	17.2	21.4		[1]	[1]	
24. New Zealand	36.6	19.5	17.1	46.7	28.7	18.0	
25. Mexico	30.0	18.4	11.6	66.1	27.2	38.9	
Total of 25	3,190.7	1,518.6	1,672.1				
84 other nations	720.3	365.6	354.7				
Total of 109	3,911.0	1,884.2	2,026.8				

[1] Not available.
[2] Benelux.
[3] Probable.
[4] Including gold exports.

Source: Encyclopedia Britannica, 10 Eventful Years.

Proportion of world trade by United States, 25 percent; proportion of world trade by Marshall plan countries, 25 percent; proportion of world trade by commonwealth dominions, 15 percent; proportion of world trade by Latin America, 10 percent; proportion of world trade controlled by Soviet Union, 10 percent. (These estimates, based on 1946 data, exclude former Axis territory. Actual proportion of world trade in Soviet hands may run as low as 3 percent; prewar share (1938) of Soviet Union in world trade was about 2 percent. 10 percent is potential estimate from Manchurian and east European resources now under Soviet control.)

EXHIBIT C

Leading commodities in 1938 world trade

[Values in millions of United States dollars]

"10 EVENTFUL YEARS"

Commodity or group	World export, 1938	Leading exporters (at least 75 percent of total)
1. Machinery	1,595	United States, Germany, Great Britain, Switzerland.
2. Iron- and steel-mill products	1,226	Germany, Britain, United States, Belgium.
3. Textile fabrics	1,008	Britain, Japan, Germany, Italy, France, India.
4. Chemicals and related products	807	Germany, United States, Britain, France.
5. Cotton	600	Egypt, India, United States.
6. Wheat and wheat flour	569	Argentina, Australia, Canada, Hungary, Rumania, U. S. S. R., United States.
7. Coal	530	Germany, Britain, United States.
8. Automobiles including parts and accessories	490	United States, Britain, Germany.
9. Crude petroleum	448	United States, Venezuela, U. S. S. R.
10. Wool	435	Australia, Uruguay, Argentina, South Africa.
11. Gasoline	394	United States, Aruba, Curacao, Iran, Iraq, Netherlands Indies.
12. Tobacco	359	United States, Turkey, Bulgaria, Greece, Cuba, Netherlands Indies.
13. Paper and manufactures	356	Canada, Germany, Britain, United States, Sweden.
14. Sugar	340	Cuba, Philippines, Netherlands Indies, France, Australia, South Africa.
15. Copper	325	Mexico, United States, Chile, Belgium.
16. Butter	304	Denmark, Netherlands, New Zealand, Australia.
17. Natural gas and fuel oil	298	United States, Netherlands Indies.
18. Rubber	287	Netherlands Indies, British Malaya.
19. Yarns and threads	281	Britain, Italy, Belgium, France, Germany, Japan.
20. Coffee	263	Brazil, Colombia, Venezuela.
21. Beef, lamb, mutton	222	Argentina, Australia.
22. Maize (corn)	220	United States, Argentina.
23. Pork and products	216	Canada, Denmark, Hungary, Poland, Netherlands.
24. Tea	202	Ceylon, India, Netherlands Indies.
25. Rice	197	Indo-china, India, Siam.
Total of 25 commodity groups	11,972	
Total world exports	21,824	

Observe that the Soviet Union and its satellite countries supply in significant amounts only wheat, wheat products, and crude petroleum: products which can just as well be supplied by the United States and its middle eastern associates.

Source: Encyclopedia Britannica.

EXHIBIT D

THE DISTRIBUTION OF THE BRITISH LOAN

(Sources: Treasury Bulletin; British Information Services)

The British loan, as made effective by Congress on July 15, 1946, consisted of a credit of $650,000,000 to be applied against lend-lease goods contracted for but not yet delivered, and a credit of $3,750,000,000 intended to finance British dollar purchases for a period of 36 to 60 months, terminating at some point between July 1949 and July 1951. Repayment of this portion of the loan at moderate rates of interest is supposed to begin at the latter date.

At some point during the loan Great Britain was to make pounds fully convertible into dollars.

This was the rock which sank the loan. There was a certain amount of waste in purchases by the British, but major responsibility for expending the loan prematurely must rest within the American Treasury, which wasted one-third of the loan on premature convertibility.

In the first 3 months of the loan the British drew $400,000,000.

In the first 8 months $900,000,000 was drawn.

In the next 4 months—the period of preparation for convertibility—another $1,150,000,000 was drawn.

In 7 weeks from July 1 to August 20—the period of unlimited convertibility—the further sum of $1,300,000,000 from the loan was drawn down to uphold the erroneous thesis that a pound sterling which might well be worth $2.25 ought to bring $4.03 on the open exchange market.

Because it proved impossible to redeem upward of $15,000,000,000 in foreign-held sterling debt balances with the available funds, operation of the loan was suspended from August 20 to December 1. The last $400,000,000 of the loan was drawn between December 1, 1947, and March 5, 1948.

Up to August 20, 1947, $1,350,000,000 of the loan was spent in the United States. About one-fourth of this went for food for Britain, and about one-eighth for food for Germany. Raw materials for Britain accounted for another fourth; one-sixth went for machinery, one-tenth for tobacco, one-fourteenth for ships, and one-twenty-fifth for films.

Of the $960,000,000 spent in the Western Hemisphere during this period, $360,000,000 went for Canadian wheat and timber, $360,000,000 for Central American oil and sugar, and $240,000,000 for South American meat, corn, hides, and linseed oil.

The remaining $1,040,000,000 represents most of the direct "convertibility drain," and includes $620,000,000 paid the "sterling area" countries, $150,000,000 spent outside the Western Hemisphere and the "sterling area," $235,000,000 drawn but not spent by August 20, 1947, and $35,000,000 paid to the International Bank.

Had it not been for the ill-advised convertibility adventure, the British loan would have lasted as long as originally planned.

EXHIBIT E

Marshall-plan aid and foreign-exchange rates

Country	51 month dollar aid (ERP and AMG)	Currency	Exchange rate		Free market
			1939	1948	
1. England	$5,348,000,000	Pound	$4.00	$4.03	$2.25 (black).
2. France	3,701,000,000	Franc	.0227	.0047	$0.0033.
3. Italy	2,913,000,000	Lira	.0514	.0018	
4. Western Germany	2,499,000,000	Mark (free)	[1].23		
5. Netherlands-Belgium-Luxemburg (Benelux).	3,855,000,000	Guilder	.53	.3782	
		Franc	.17	.0229	
6. Austria	713,000,000		[2]	[2]	
7. Denmark	582,000,000	Krone	.19	.2090	
8. Eire	497,000,000		[3]	[3]	
9. Greece	473,000,000	Drachma	.0046	[4]	
10. Norway	234,000,000	Krone	.23	.2020	
11. Portugal	150,000,000	Escudo	.0366	.04	
12. Iceland	38,000,000		[5]	[5]	
13. Turkey	18,000,000	Lira	.77	.3775	
	21,021,000,000				
14. Sweden (no aid asked)		Krona	.24	.2785	
15. Switzerland (no aid asked)		Franc	.23	.2432	
16. China, grant by Congress ($570,000,000 up).		Dollar	.067	.0000041	Nil.

[1] $0.39, not traded.
[2] See quotation for Germany.
[3] See quotation for England.
[4] Practically nil.
[5] See quotation for Denmark.

Sources: March Cosmopolitan (article by Henry J. Taylor), Will You Buy the Marshall Plan; Encyclopedia Britannica (Ten Eventful Years); Wall Street Journal.

Only the British pound and the Netherlands guilder appear to be conspicuously overvalued in terms of world-trade requirements. Suitable devaluation (by about half in the pound, and perhaps a third in the guilder) might trim eventual aid costs in these instances by $3,000,000,000 (first-year savings would be about $500,000,000).

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, the House of Representatives used to be known as the greatest deliberative body in the world, but I am afraid that under the New Deal it has degenerated into a rubber-stamp organization. Here we are considering a measure that is going to cost at least $17,000,000,000, yet there is only a handful of Members present to deliberate. That is a sad commentary.

We now have a Government by bureaus, yes, I may say a Government by hysteria. When Bruce Barton left this

House after an honorable service of some 6 years, he announced that he had kept track of the emergencies that had arisen under the Roosevelt administration. There were 39. When Mr. Barton left, I took up the job and I kept a faithful account of the emergencies that were reported to us by the White House until I became chairman of the Ways and Means Committee. Then the task became too great. At that time the emergencies numbered 78. We have been going from crisis to crisis and from one emergency to another.

Mr. Chairman, you heard the gentleman from Michigan [Mr. WOODRUFF] state that the recent war had cost us $340,000,000,000, how we had advanced in one form or another, aside from our war effort, something like $90,000,000,000, making a total that exceeds the valuation of our whole country—mines, factories, farms, and forests.

Mr. Chairman, I am wondering how much longer we can keep on the trail we are now traveling without bringing on national bankruptcy.

We were a rich country at one time, but we are rapidly becoming a "have not" nation. I can recall not so many years ago when we had the greatest and the richest iron deposits in all the world up in northern Minnesota, in the so-called Mesabi and Vermillion ranges. We thought at that time that our iron reserves in the ground would last for a hundred years but, thanks to the last war, we will be importing ore in about 15 years.

Now let us see how some of that money I just referred to has been spent and what has been accomplished. As I recall, we put something like $300,000,000 into Czechoslovakia on the theory that it would stop the Communists. Did it stop the Communists? No. They went right in and took over the country just as though we had not put a single penny in there. Then we were told that we would have to dump hundreds of millions of dollars into Greece if we were going to hold the Communists at that point. We did so. Only about 2 weeks ago Governor Griswold, our representative in Greece, issued a report stating that conditions over there were infinitely worse than they were a year ago, and were steadily worsening. You know, Phineas T. Barnum, the great showman, discovered that the American people liked to be humbugged, and he made a fortune out of the discovery. He started in as a poor man, but when he found out how gullible we Americans were and how we liked to be fooled and humbugged, he proceeded to capitalize on his knowledge, just like an inventor would capitalize on an invention, and Mr. Barnum became one of the country's rich men. His favorite expression was that the American people loved to be humbugged, and he humbugged them and fooled them every day, day in and day out, year in and year out, until he died, and still the suckers kept coming.

Look what we have done. First we had the Dumbarton Oaks Conference. That was followed by Bretton Woods, both of which were going to bring on a long period of peace. They were just plain nutty ideas. Of course, you would not expect to get anything but nuts from oaks and woods.

Now there is an election coming on over in Italy on the 18th of April. They tell us that we have got to put hundreds of millions of dollars into that country between now and the election. We have already put a lot of money into Italy, and we are going to put in more. I am willing to bet that Italy will vote anticommunist. If there is any Member in the House that would like to bet a new hat for Easter, I will be glad to wager the price of a hat.

What you are going to do here is just set up a glorified world-wide WPA. Unfortunately, you will not have Harry Hopkins here to spend the money, so probably it will last a little longer than it would if he were here to look after the distribution.

Then you remember we gave Britain $3,700,000,000. We did not loan it to her; we gave it to her. Of course, she was short of dollars. Well, at the rate we are going, it will not be long before we will be short of dollars; in fact, they are getting pretty short now. Just precisely what did that $3,700,000,000 accomplish in Britain? Why, it accelerated the socialization of industry. That is what they used it for. In the Senate debate it was stated on several occasions that Senators had talked with Sir Stafford Cripps, who announced that they wanted the money that they are going to get out of this WPA bill to develop Africa. Now, whoever gave us money to develop America?

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Mississippi.

Mr. RANKIN. I just heard that there was going to be a demand for another $5,000,000,000 to be taken from the taxpayers of the United States for certain South American countries.

Mr. KNUTSON. That reminds me. Mr. Marshall does not understand this bill himself. He was at a dinner the other evening and the gentleman from Wisconsin [Mr. BROPHY] sat next to him. He said, "Mr. Secretary, how come that you are going to give Ireland $400,000,000 and Portugal $300,000,000? Neither of them was in the war." Said Mr. Marshall, "I think you are mistaken."

"Oh, no," said Mr. BROPHY. So Mr. Marshall turned to his aide, and he said, "Is that right?" He said, "It is, Mr. Secretary." So we are following a man who does not know what it is all about, the great Secretary of State. He is about as successful as a Secretary of State as he was in composing the differences between the two factions over in China and in bringing Russia to a realization of her responsibilities as a member of the United Nations.

What did Britain do with the money we gave them? They used it to live on, while they were having 30- and 35-hour weeks in effect. Coal miners would mine only so much coal, because they said there was no use working more hours because the Government would take it away from them in the form of taxes. I do not blame the English miners. They refused to be milked. They do not take as kindly to the process as the Americans do.

Mr. RANKIN. Is it true that the British took that money and bought up the coal mines and the railroads and other industries?

Mr. KNUTSON. Yes, they used it for socializing the United Kingdom. They socialized the mines and the railroads and the banks, and now they are going to take over the steel industry and some other industries, just as soon as they get some more money from Uncle Sam.

Mr. RANKIN. I have been told that a good many of the stocks in those concerns were owned in New York, and that that money either did not get out of the country or just came back to New York.

Mr. KNUTSON. I think it is about time the Congress looks into where the money is going. As I recall, we appropriated $11,000,000,000 last year for national defense. If I am wrong, I want to be corrected. Where did that money go? We spent $11,000,000,000, which is 11 times as much as it cost to run the Government when I came here in 1917. Yet they tell us that our Air Force is way down, that our Navy is way down, that our whole defense program is such as to lay us wide open to attacks from any quarter. I think we should find out where that money goes before we appropriate any more money. We ought to find out how Britain spent the $3,700,000,000 we gave her a year ago.

Mr. RANKIN. If we would spend a reasonable amount of this money to build up an air force and turn the atomic bomb back to the military, where it belongs, and let the world know we are prepared to take care of ourselves, we would do a great deal more to maintain peace.

Mr. KNUTSON. That would not be neighborly. We have to be good neighbors, no matter what it costs us.

In closing, let me suggest this to the House: If we have so much money to give away, let us give some of it to the people who are 65 and 70 years and over in this country, who are living on a mere pittance of $25 or $30 a month. It is an outrage the way we are neglecting the aged people of this country, and at the same time are shoveling money out by the scoopfuls to other countries who refuse to help themselves.

Mr. KEE. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, the hopes of a hungry and war-weary world were awakened last June when Secretary of State Marshall proposed his plan for the relief and recovery of Europe. This proposal, as enunciated in his Harvard speech, was based upon the humanitarian principle of extending American financial aid for the reconstruction and rehabilitation of Europe's war-torn economy, and relief for her poverty-stricken people. Such a proposal was the logical answer to a Europe whose industries had been destroyed and whose agriculture had been devastated as the result of war. And just as important, Mr. Marshall seemed to repudiate the ill-advised Truman doctrine in favor of a positive, constructive for-

ward-looking policy of international cooperation when he said:

Our policy is not directed against any country or doctrine but against hunger, poverty, desperation, and chaos.

From the very beginning, I welcomed the Marshall proposal as a major turning point in American foreign policy, and as a partial return to the good neighbor policies of Franklin Roosevelt, and his ideals of international cooperation. Since I had observed first-hand the economic plight of Europe, I was naturally in wholehearted support of this program to feed hungry people and hasten their economic recovery. Such a position is consistent with my past declarations of policy—I favored UNRRA and was opposed to its discontinuance; I supported the European relief bill of 1947, and urged that funds for this program be increased; and I voted for the European emergency recovery program last December. I have always favored American aid to fight hunger and poverty and to assist in the economic rehabilitation of our war devastated Allies, and I know that the generous American people share my views and stand willing today to make additional sacrifices to help needy people everywhere.

The idea of the Marshall plan had no sooner been planted, however, when the shabby and underhand work of the Wall Street and military clique got under way to pervert its humanitarian purposes and transform it into a negative program of political and military intervention and domination. The process began when former President Herbert Hoover was invited to participate in the writing of the Marshall plan. As a result of his shaping hand, the rebuilding of the war potential of Germany became the first requisite of European recovery, and the cornerstone of the plan itself. Then the economy bloc slashed the amount of funds far below the minimum requested by the 16 European nations with this cut falling most heavily upon expenditures for capital equipment needed to restore European industrial production. Finally, on March 11, the House Committee on Foreign Affairs completed the process of transforming the Marshall plan of economic assistance into a Hoover-Wall Street military program by including millions for military aid to the reactionary and corrupt Greek Monarchy, and the equally corrupt and reactionary Chinese Government of Chiang Kai-shek.

In other words, Mr. Chairman, the passage of this so-called Marshall plan means that a colossal hoax has been perpetrated upon the American people. The high ideals and noble sentiments of the original Marshall plan have been grossly distorted—in effect, they have been discarded. This proposal—which has been sold to the public as a peaceful plan for European relief and recovery—is designed to bolster political reaction throughout the world, and to rebuild primarily the war potential of Germany. Instead of aiding European recovery, it gives only lip service to such recovery, and seeks to keep western Europe in a dependent position to the United States by hindering its industrial rehabilitation. It is an unworkable program because it breaks the economic balance of Europe by making East-West trade almost impossible. Furthermore, it does not even give lip service to the United Nations—the world's one hope of peace.

Let me preface my discussion of this House proposal with a brief summary of its contents. This bill has three major features: First, it provides $4,300,000,000 in financial grants, and an additional $1,000,000,000 for loans, to be made available to the 16 Marshall plan countries subject to the drastic terms imposed by the bill and by an American administrator, who will direct the program; second, $275,000,000 in military aid is granted to Greece and Turkey; and third, $570,000,000 in military and economic aid is granted to the Chinese Government. An additional $60,000,000 is authorized for the International Emergency Children's Fund. The total expenditure for the entire program will be $6,205,000,000.

In the final analysis the House proposal—S. 2202 as amended—is a political and economic contradiction—it is neither relief nor a plan for recovery, but a curious mixture of military aid, unrealistic economics devoid of all humanitarianism, and a blueprint for a revived Germany which may again menace world peace.

In my opinion, this measure under consideration is subject to the following five fatal defects: First, it provides for the continuation of our unfortunate and thoroughly discredited policy of military aid to Greece; second, it extends and enlarges the Greek policy by providing military aid to bolster an already-defeated Chinese Government in direct contradiction to the policy previously established for that country; third, it is a blueprint for the revival of Germany's war potential; fourth, it breaks down the economic interdependence of Europe as a whole, and upon which the complete recovery of that continent depends; and, fifth, it completely bypasses the United Nations. I would like to devote the few remaining minutes at my disposal to discuss each of these objectionable features in turn.

REPEATS GREEK MISTAKE

My first major objection to this bill is its military-aid provisions to continue our present policy in Greece—a mistaken policy which has proved to be a complete and utter failure. One year ago the Congress appropriated $300,000,000 for military and financial aid to bolster King Paul's Fascist Greek Government. During the debate, the supporters of this now-bankrupt policy argued that this unilateral action in violation of the United Nations Charter was necessary to stop communism. On the other hand, a handful of other Congressmen and myself opposed this fateful step; we pointed out that this plan to back a reactionary monarch would neither extend democracy nor stop communism, that it would only spread communism and lead to endless civil war and bloodshed in Greece. We urged that the correct approach to the problem of Greece was to grant real economic aid and relief, and to use the United Nations and our own good offices to establish a middle-of-the-road progressive democratic government which would command the support of the majority of Greek citizens.

The record of 1 year of the Truman doctrine in Greece demonstrates the correctness of the later approach, which went unheeded by a majority of the Congress. This record has demonstrated the glaring weakness of our Greek policy and proves beyond doubt that it has been a colossal blunder. The following facts will emphasize this inescapable conclusion:

Our military aid in Greece has not checked communism but has spread it. Last year there were 10,000 guerrillas in the hills; today there are 30,000, and the guerrilla army is steadily growing in numbers and controls more Greek soil than it did a year ago. The Greek Army, which has been expanded from 120,000 to 200,000 men, shows neither interest nor inclination to use the arms we have sent them.

American economic aid has not stabilized the Greek economy; the situation today is worse than a year ago, and the country is in economic chaos. Its people are starving—400,000 workers are unemployed. Inflation is worse than ever before—the value of the drachma has fallen from 500 to 12,500 to the dollar. The average Greek worker is receiving only $50 per month in wages, although the price of necessities is three times as high as prices in the United States.

The effect of the American policy has destroyed all semblance of democracy and only strengthened the dictatorship. The dungeons are overflowing with political prisoners—15,000 political exiles are dying of starvation and mistreatment on barren islands. Over 17,000 Greek soldiers of the Royalist Army and 500 officers have been imprisoned at Macronisi because they are suspected of having democratic leanings. Sixty sailors of the Royal Greek Navy have just been arrested on the same suspicion. Over 1,000 Greeks have been officially executed for political reasons since the United States action, and this does not include those who were unofficially murdered nor the battle casualties.

I have recently learned an interesting sidelight on the nature of the Greek Government which is being supported by American arms and money. There are now some 1,300 Greek resistance fighters who had been captured by the Nazi Army of occupation in Greece some 3 years ago. They have been in prison ever since, and could not possibly have participated in the present civil war. These men have now been sentenced to death and 50 of them have already been executed. The Greek Government justifies this action on the grounds that the Truman doctrine means extermination of all suspected leftists. What a harsh commentary against the Truman doctrine—the patriots who fought Hitler and Mussolini, and who were imprisoned by the Axis now are being executed by Angelos Evert, the Athens chief of police during the Nazi occupation, and today, chief of police under the government of King Paul.

It is also interesting to note that the Greek Government has decreed the death penalty to any worker who participates in a labor strike. The Taft-Hartley law is bad—but repressive as it is—it is a most mild measure compared to the law of the Greek Government.

Mr. Chairman, these are facts, facts which have been documented, and which demonstrate the nature of the present Greek Government. This is the type of Greek Government that we have been supporting for 1 year with arms and money; this is the government which we have chosen to fight communism in Greece, and to represent the cause of democracy. This is the government whose repressive policies are making more Communist converts day by day than it can kill. Now, the Congress is asked to appropriate more money to continue a policy which is spreading communism in Greece, and discrediting the cause of democracy throughout the world.

It is high time for the United States to abandon this criminal policy in Greece, transfer the power of government to a liberal coalition government, and spend our funds for a genuine program of relief and rehabilitation of that country. Unless we reverse our policy in Greece, the economic, political, and military situation will continue to deteriorate, the civil war will continue to spread and become more bloody, and the existing reactionary and corrupt government will become ever more repressive, and continue to perpetrate crimes and atrocities against a defenseless people in the name of democracy but to the shame of decent Americans.

CHINA: OPERATION RAT HOLE

Unfortunately, the makers of American foreign policy have not learned the tragic lessons of Greece, and now propose the same kind of a policy to China by providing $570,000,000 in military and economic aid to the fast-collapsing government of Chiang Kai-shek. This proposal amounts to a tragic turn-about from the China policy of the late Franklin Roosevelt, and a complete reversal of the policies formulated by Secretary of State Marshall himself with respect to that unhappy country.

Describing the proposal for military and financial aid to China, those who drafted the House bill for the European recovery plan have made a frank statement of the relationship between the Truman doctrine and the Marshall plan. I hope that every Member of Congress has had time to read this committee report carefully.

According to the committee report—page 56—the distinction between the Truman doctrine and the Marshall plan is the difference, and I quote, "between the fence and the corn. It is equally valid for China as for Europe." Carrying this illustration still further, I will say to the gentlemen of the Committee on Foreign Affairs that the cows are already in the corn. The fence that they propose to erect in China will not save Chiang Kai-shek's corrupt and feudalistic regime from the rising tides of the peasant revolution. The only alternative to a government of the left in China would be a liberal and democratic government which would seriously tackle the problem of land reform which is the cause of the current revolutionary unrest.

As Secretary of State George Marshall told the House Foreign Affairs Committee on February 20, and I quote:

> The political, economic, and financial conditions in China are so unstable and so uncertain that it is impossible to develop a practical, effective, long-term over-all program of economic recovery.

According to published information in the Foreign Policy Association Bulletin, over $4,000,000,000 in American aid has gone to China since VJ-day—over three billions being military supplies—to little effect. That is $135 out of the pocketbook of every taxpaying family in the United States. But this enormous amount of money has either been eaten up by inflation or has gone into the pockets of corrupt officials. Even huge quantities of American arms have been sold to the Communist armies by corrupt civil servants.

"Operation rat hole" is the name popularly applied to our China-aid program. A former teacher and Protestant missionary in China, the Reverend J. Spencer Kennard, Jr., observes that "operation rat hole" is aptly named, and explains that "1948 is known in the Chinese calendar as the year of the rat. The rat is also the symbol for the hour of midnight; and truly, affairs in China have never been darker than at the present hour. If there is significance in these symbols let us take courage that the rat is followed in Chinese chronology by the faithful, hard-working ox, the herald of the new day."

Reverend Kennard, who has spent many years in China and studied her politics, warns:

> At this juncture neither dollars nor munitions will avail. Only a policy that bypasses the government in Nanking can stabilize the peace, build a prosperous economy, promote friendly commercial relations, and protect the work of Christian missions.

Edgar Snow, writer and associate editor of the Saturday Evening Post who is now in the Far East, also warns of the waste involved in further aid to Chiang Kai-shek. In a statement released to the press March 6, Snow predicted:

> Nothing less than a major American military operation, carried out by American troops and costing billions of dollars, to end in making a colony of China, can save this hopelessly corrupt regime. Even General Marshall knows that. * * * American funds sent to Chiang will line the pockets of Chinese gangsters, profiteers, and black-market operators.

Enactment of this proposal to grant further military aid to the present Chinese Government is to only entangle our Nation still more in the hopeless morass of Chinese politics, and to lose forever the "reservoir of good will" created for us in Asia by our fight against Japan. The war in China, as Madame Sun Yat-sen, widow of "China's George Washington," has observed, is not a war between communism and democracy. It is a conflict in which the Chinese people seek to shake themselves free of feudal oppression and the exploitation of the landlords. The 20-year rule of Chiang has brought no democratic elections, no democratic constitution, and no civil liberties. Even intellectuals of the moderate Democratic League, long a center party, have recently suffered jail and torture in the hands of Chiang's government. In China, as in Greece, our dollars are buying dictatorship, not democracy.

Authorization of these funds for China will not alter the present deteriorating situation in China—even outright military intervention will not do that. The solution in China—as in Greece—is a coalition government based on moderate and democratic elements who will command the respect of the majority. Efforts to bolster the present corrupt and reactionary government will only lead to complete collapse of the Chinese economy, and a major diplomatic defeat to the United States, and the loss of national prestige.

HOOVER PLAN TO REBUILD GERMANY FOR AGGRESSION

Turning now to the so-called economic aid provisions of this measure, let me point out some of the fatal weaknesses inherent in the whole plan. One of the most serious defects in this measure is that it incorporates the Hoover plan to rebuild the heavy industry of western Germany without adequate safeguards, and in this manner restores to Germany a dominant place in the European economy. This bill would provide $1,058,000,000 for Germany, which is nearly 20 percent of all funds authorized under this program, and in striking contrast to the $34,100,000 allocated to Norway—one of the chief victims of Nazi aggression in World War II.

This decision to rebuild the war potential of Germany makes one of the most sordid stories of international intrigue. In February 1947 ex-President Herbert Hoover, the man who once stated that the United States should never have declared war against Hitler, was sent to Germany as a special agent. Upon his return, he presented a report to the President in which he urged that German heavy industry be rebuilt, and that these industries be returned to the ownership of the cartelists—to the very men who engineered Hitler's rise to power and financed his war machine.

Since that time the Hoover recommendations have become the core of the administration's program for Germany. Our denazification of Germany has been sabotaged, and recently abandoned altogether, thus giving these war criminals a green light to prepare for world war III. What consolation will France, the Lowlands, Norway find in this dominance of a feared and hated neighbor? A few months ago plans were approved to allow Germany to raise the level of iron and steel production in the Ruhr from 5,800,000 to 10,700,000 tons per year, which is the peak production level reached by Hitler in 1936 at the height of his "guns instead of butter" military rearmament program. American policy makers also decided that German coal should be retained to rebuild the Reich's heavy industry instead of being furnished to France, Norway, and the Low Countries to rehabilitate their war-devastated economies. Within the last month Gen. Lucius Clay has given secret orders to cease

our policy of breaking up the German cartel system, and thus returning control over German industry to the hands of those who precipitated the war.

Now, I do not question that Germany should have its proper place in the European economy. But the proper place for a nation which has twice overrun its neighbors since 1914 is not a dominant one of complete control over the European industrial heartland which has formed the basis of German imperialism. German heavy industry should be used to rehabilitate Europe and to build the industry of France to at least parity with Germany. German coal and steel should be used, not for the profit and benefit of the German cartelists, but to help the suffering people of Norway, Denmark, Holland, France, and the other victims of German aggression. We should do a job of denazification and break up the German cartels, and adopt effective control over the entire heavy industry of that country as guaranty that another German war machine will never again roll over neighboring countries.

Taken in the light of recent developments in Germany, this feature of the measure under debate to grant 20 percent of all economic aid to Germany becomes cause for real alarm. To rebuild the German Ruhr, without internationalizing it, as the first requisite to European recovery means that we are placing the needs of the German aggressor above the needs of the victims of the Nazis. I cannot go along with this kind of a betrayal—I will never condone this sacrifice of the other nations of Europe, and place them at the mercy of a rebuilt and dominant Germany. I condemn this Hoover scheme to protect the I. G. Farbens, the Krupps, and the Thyssens, and to perpetuate their rule over the common people of Germany who are seeking a return to democratic government.

PLAN IGNORES ECONOMIC REALITIES

Another major weakness of this bill under consideration is that it completely ignores several economic realities which make the program self-defeating. One example is the failure to recognize the fundamental role of trade between western and eastern Europe in any plan for European recovery. In fact, the necessity of such east-west trade is not only ignored, but the bill contains provisions to prevent the development of trade between the two regions, and thus makes the economic division of Europe into an eastern and western bloc a certainty.

Section 117 (d) of title I provides that the American Administrator is directed to refuse delivery to Marshall-plan countries of any commodities or products which go into the production of other commodities for export to those nations who are opposed to our European policy.

What the gentlemen on the House Foreign Affairs Committee obviously do not understand is that Europe is—and always has been—an economic unit which cannot possibly achieve recovery if divided. Western Europe in the past has never been able to live without eastern Europe's natural food surpluses and raw materials. Eastern Europe, on the other hand, can only with difficulty recover without the manufactured goods of western Europe. In other words, the normal pattern of east-west European economic relationships is that the west imports food and raw materials from the east for its finished manufactured goods.

The dependence of western Europe on eastern Europe becomes more obvious when one considers certain specific commodities. Before the war, the east supplied 5,000,000 tons of grain to western Europe each year—an amount equaling over one-third of the United States annual grain crop—and the east can do it again if sufficient fertilizer and farm machinery is made available. But this bill will halt this east-west grain trade, and the United States will be forced to make up the deficit by shipping our own wheat to Europe at $2.54 per bushel.

Coal is another item eastern Europe can supply to the west. Polish coal can be laid down in Italy at $12 per ton, as compared to $22 per ton for American coal—a saving of $10 per ton. If Poland were furnished with some mining machinery, much of western Europe's coal needs could be met with a real saving to the United States.

Of course, the authors of this bill do not want eastern European wheat or coal. They will say that trade across the iron curtain is contrary to United States policy. Permit me to remind them, however, that during the last few months Gen. Lucius Clay, United States military governor for Germany, has concluded trade agreements with Czechoslovakia, Finland, Yugoslavia, Hungary, Bulgaria, and Poland for the exchange of special commodities in mutual demand.

I would also like to point out to the House that one of the major premises underlying the original Marshall plan was that European east-west trade would be revived as a necessary step in European recovery. The Harriman report pointed out that the importation of potash and fertilizer from eastern Europe was necessary. The Krug report said: "Eastern European coal, particularly Polish coal, is essential to the integrated development of a reasonably balanced European economy." The Paris report of the 16 Marshall plan nations assumed that annual imports of Polish coal to western Europe would rise from eight to thirty million tons by 1951, thus reducing dependence on the United States from 41,000,000 tons in 1948 to 6,000,000 tons in 1951.

Now wheat is wheat and coal is coal, and it will allay hunger and cold regardless of the political complexion of the regimes under which it is produced. It would be to our advantage to ignore ideological differences to the extent of furnishing some farm and mining machinery to eastern Europe in return for their surpluses of wheat and coal. Our military Governors in Germany have recognized the necessity of East-West trade, and if they can justify it to feed Germans, such a policy can be justified to feed Frenchmen and Englishmen.

I will also say that the expansion of East-West trade will help the common people of eastern Europe. Why should the common people of Finland—who have suffered greatly during recent years from invading armies—be penalized for the cold war and political prejudices? Why should the people of Yugoslavia and Poland, victims a few years ago of the Nazi invader, now become the victims of a policy that permits no trade between the two regions of Europe?

The authors of this bill, by forgetting the basic economic realities of East-West trade relationships, lay the basis for the bill's complete failure. Unless the trade of the west is integrated with the trade of eastern Europe, the Marshall plan countries will have to import all commodities from the North American continent, and export to our market. Their exports are mostly competitive with those of the United States, and I do not believe that they can meet this competition, or that we will permit them to do so. This will mean, therefore, that western Europe's current dollar deficits will become a permanent feature of the economic life of those countries. In short, it seems that the western economic bloc that we are erecting can live only on a more or less permanent dole from the United States.

In other words, the over-all effect of this provision, and the policy which it establishes, is to create an unstable and unnatural western European combination which will only be held together as long as large-scale American funds are forthcoming. This kind of a policy does not make sense under any circumstances.

This proposal to destroy the essential trade between East and West is only one of the economic defects of this bill. There are plenty of other jokers which distort the original objectives of the Marshall proposal. This bill has been sold as a measure to bring recovery to Europe. To do this western Europe needs machinery and steel to expand its industrial and agricultural production. But this bill only gives lip service to recovery. The plan presented by 16 western European countries provided that 32 percent of all funds should be used to purchase capital goods and steel-making materials. But the State Department has cut this request to 14 percent, and insists that western Europe spend $265,000,000 for tobacco. It is difficult to imagine how the dumping of American tobacco surpluses into Europe will aid recovery.

Furthermore, the allocation of economic resources under the plan contains many glaring inequities. Just to mention one example, Norway, with a population of 3,100,000 and who suffered great devastation from the Nazis, will obtain $36,000,000 from this bill. This amounts to $12 per capita in economic aid. But Iceland, with 125,000 inhabitants and who was not touched by the war, will get $13,000,000, or $104 per capita. And Germany will get $1,016,000,000, or 20 percent of all economic aid. This means that our German enemies in World War II will get over $25 per capita as compared to $12 per capita for the Norwegian victims of Germany.

In my opinion, any fair and just program for economic recovery should distribute funds in accordance with the needs of the countries involved, and priority should be given to those nations who were our allies during the war. But this bill does just the opposite. It ignores the needs of many of our wartime

allies, and gives top priority to the rebuilding of Germany.

UNITED NATIONS BYPASSED AGAIN

Aside from all this—from the fact that this proposal rearms Germany, bolsters reaction in Greece and China, and erects trade barriers between eastern and western Europe, this so-called Marshall plan represents another unilateral act by the United States, and strikes another blow at the United Nations by completely bypassing it. In discussing the Marshall plan in the New York Herald Tribune, Sumner Welles asks the question:

Why should this Government which continues to proclaim its faith in the United Nations have again ignored that organization? Last March the Economic and Social Council of the UN established the Economic Commission for Europe. It was the United States which first proposed its creation. The Soviet Union, after some opposition, voted for its establishment. There is a Russian member on it. All the European states are represented. Since no veto right exists in the Commission, no one power could block approval of a reconstruction program satisfactory to a majority of the European countries. * * * The failure of this Government to approach the problem through the UN has already done much damage. There is no doubt that the division between the West and the East has been accentuated.

The United Nations—the world's hope for peace, and the dream of the immortal Franklin D. Roosevelt—has suffered set-back after set-back during the last year. A year ago the Congress adopted the military-aid-to-Greece program, which was a flagrant violation of the provisions and the spirit of the UN. There have been the Russian vetoes which have rendered the international Organization impotent on so many occasions. During the last few weeks—in rapid succession—our administration has delivered two blows which have further weakened its prestige. One was when we abandoned the Palestine decision, a decision which we ourselves supported last November, and by so doing we sacrificed the Jewish people and our national honor on the altar of oil profits. Last week the decision on Trieste was discarded for the sake of Italian votes. Now we propose again to bypass the United Nations. Step by step, act by act, the United Nations is being reduced to a mere debating society, just as the League of Nations was reduced to impotence 20 years ago.

Proponents of this bill apparently support the European recovery program with mixed emotions. Some call it a peace measure designed to save the world. Others frankly admit that ERP is a war measure and support it as such—as a program to stop communism.

In my opinion, however, this measure will achieve none of these objectives. It is not a program of recovery, because it will prevent the recovery of Europe by destroying the economic unity of that continent—its only recovery feature is that it restores Germany to her former dominant economic position in Europe. It will not contribute to world peace, but just the opposite. The rebuilding of Germany and the weakening of the United Nations can only bring new wars. It will not encourage democracy but bolster political reaction everywhere.

Neither will it prevent the growth of communism. I predict that its effect will be just the opposite, and that it will spread communism, just as our Greek policy has caused the growth of communism in Greece. The only logical way to prevent the growth of communism is to create the conditions for democracy. As Supreme Court Justice William Douglas stated in a recent speech, the way to check the growth of communism is to "adopt practical measures which recognize the human rights of all citizens, and raise the standard of living of all sections of society."

If the Congress were interested in creating the conditions of peace and stopping communism, it would reject this measure and instruct the House Committee on Foreign Affairs to draft a substitute bill eliminating the military-aid provisions and providing a program of genuine relief and rehabilitation to be administered through the European Economic Commission of the United Nations. Only such a program will feed hungry people and aid world recovery. Only such a program will create the economic conditions for peace and the growth of world democracy. Such a program would have my wholehearted support.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. HOLIFIELD. I agree with the gentleman in his statement regarding the so-called Truman doctrine in Greece and Turkey. Does not the gentleman from Minnesota believe that if this distinguished committee wanted to put this particular section of the bill, title 3, on its merits, they would have brought that to the floor in a separate bill and allowed the membership to work its will on that question separately, so as to clearly define the issue of military aid as distinguished from the balance of the Marshall plan.

Mr. BLATNIK. Absolutely. I certainly agree with my friend.

Mr. HOLIFIELD. Does it not betray the weakness of this particular section of the bill and show that they were afraid to subject it to a test on the floor of the House, and so put it all in one package so that those of us who are sincerely in support of the Marshall plan are forced to swallow the section of the bill that we are violently opposed to?

Mr. BLATNIK. I certainly agree with the gentleman. I should like to supplement your statement by calling attention to the title of the bill which refers to necessary economic and financial assistance to foreign countries. This is a gross falsehood. The title should also include the term "military aid" as well as the terms "financial and economic assistance," to correctly identify the bill.

Mr. HOLIFIELD. Is it not true that the bill as it came over from the other body did not have these sections in it and also that the ranking members, both of the majority and minority, on the Committee on Foreign Affairs of the other body have expressly stated that they did not want military aid in this bill? Also is it not true that Secretary of State Marshall has also spoken against military aid in this bill?

Mr. BLATNIK. That is correct.

Mr. HOLIFIELD. And notwithstanding all of the testimony and the judgment on the other side of the House, we are forced to take a section of the bill which should not be in it?

Mr. BLATNIK. That is correct. I agree with the gentleman.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I should like to finish and my time is running out. I have been waiting all afternoon for these few minutes. Even then I will not be able to complete many of the points I should like to present.

Mr. VORYS. Mr. Chairman, I yield myself such time as is necessary to make the following statement and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Chairman, in the first draft of the Foreign Assistance Act of 1948, the so-called package bill which was prepared by the State Department at the request of our committee, there was contained a title V, entitled the "Government, Relief, and Rehabilitation Act of 1948." This title contained legislative authority for the occupation and necessary rehabilitation of Germany, Japan, Korea, and the Ryukus. Hearings were held on this title on March 5, 1948—see page 2125 of the hearings. At that time it was contemplated that the State Department would administer the occupation in Germany instead of the Army, and as it was obvious that this raised a controversial question, I made a motion at a later session of our committee that title V be omitted, and the motion prevailed.

Since that time the announcement has been made that the Army is to continue the administration of the German occupation, a type of administration that has been so successful in Japan. This eliminates much controversy from the question of occupation legislation.

In view of the Communist propaganda line that we are going to withdraw from Germany, it might be helpful to make clear by legislation now that we are staying on.

In view of the fact that the House has promised a complete package of our present necessary foreign-affairs legislation, it might be well to include Japan and Korea in this legislation, as Mr. Herbert Hoover suggested in his letter yesterday.

I therefore intend to propose to the Committee on Foreign Affairs at its meeting Monday morning to review amendment, that title V to be called the Occupied Areas Act of 1948 be offered as a committee amendment. For purposes of information of the House, the text of this proposed new title is as follows:

TITLE V

SEC. 501. This title may be cited as "Occupied Areas Act of 1948."

SEC. 502. (a) Recognizing that the interest of the United States requires that its armed forces continue the occupation of those areas in foreign countries now occupied by such forces until the economies of such areas are rehabilitated sufficiently to enable them to resist internal and external aggression and to prepare their people to carry out successfully the responsibilities of representative government dedicated to peaceful aims, the Congress finds that the successful completion of the missions assigned to the armed forces of the United States in such areas is necessary to the national security. The United States under international law and the laws of humanity is obligated to take appropriate measures for the maintenance of public order and safety in foreign areas which are occupied by its military forces. Although the President as Commander in Chief of the Army and Navy has authority to govern such areas by virtue of the powers conferred upon him by the Constitution of the United States, there is no express legislative authority to appropriate funds for the economic rehabilitation of such areas and for the reorientation and reeducation of the peoples thereof. It is declared to be the policy of the United States to sustain and strengthen principles of individual liberty and free institutions in the areas occupied by the military forces of the United States by assisting their peoples to attain to self-government and security in order to terminate the moral and financial obligations of the United States in such foreign areas.

(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material or financial assistance to the occupied areas in such a manner as to aid them to become independent of extraordinary outside assistance.

SEC. 503. The President is authorized, under such regulations as he may prescribe, and through the exercise of any functions necessary for the accomplishment of the purposes of this title and authorized by this or any other law, to carry out the responsibilities, obligations, and objectives of the United States in connection with the government, control, or occupation of occupied foreign areas, and areas occupied by other powers to the extent necessary to permit carrying out such responsibilities, obligations, and objectives, including such measures as may be deemed necessary for the relief and reeducation of the civilian populations and the rehabilitation and reestablishment of the economy in such areas; payment, subject to such authorizations and limitations as he may prescribe, of tuition, personal allowances (not to exceed $10 per day), traveling expenses (not to exceed those authorized for like United States military or civilian personnel), transportation, fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this act, contingencies, and expenses incident to the operation of schools for children of military and civilian personnel.

SEC. 504. There are hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary and not otherwise provided for, to carry out the provisions and accomplish the purposes of this title: *Provided, however,* That the amount so appropriated for the fiscal year 1949 for economic rehabilitation of occupied areas in Japan, Korea, and the Ryukyu Islands shall not exceed $220,000,000: *Provided further,* That expenditures from appropriations made to carry into effect the provisions of this title may be made when necessary to carry out its purposes without regard to section 14 of the Federal Employees Pay Act of 1946 and to sections 355, 1136, 3648, 3709, and 3734, Revised Statutes, as amended, civil-service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States.

SEC. 505. Funds appropriated pursuant to the authority of this act, and unexpended at the time of termination of the occupation by the United States of any area for which funds are made available under this act, may be expended by the President for the procurement of such commodities and technical services as he shall determine to be necessary to assist in the maintenance of the political and economic stability of such area: *Provided,* That before any such assistance is made available under the provisions of this section, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of the purposes of this section: *And provided further,* That such agreement shall, where applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.).

Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. SMITH].

Mr. SMITH of Kansas. Mr. Chairman, what does the Marshall plan mean to the average American? That would be very difficult to determine.

But for the past 3 months, through the press, radio, magazines and every means of communication, there has been aimed at the American people a withering blast of propaganda to show that this Marshall plan is a relief plan—and relief to the average American means giving something to somebody who is in dire distress from starvation or is naked and cold and needs shelter and clothes. Now the propaganda artists have quit using the Marshall plan terminology and are simply calling it ERP—European relief plan. They do this, in my opinion, to get away from the word "Marshall" which is beginning to have not as heroic a meaning as it once had—but a major reason is to get more sentimentality behind this aid program.

Does the average American know that only 20 percent of all these billions you are asked to give to the world will be used for food? The other 80 percent will be used to buy articles in short supply in this country and these articles will range from locomotives, trucks, tractors, fertilizer, steel products, electric ice boxes, automobiles, and almost every article in your hardware store.

At the close of the World War the Bretton Woods agreement was made. This was a creation of a World Bank with billions as capital and the United States put in most of the dollars. The purpose of this bank was to assist the world in getting back to normal trade and aid in the reconstruction of the world. The proponents of this World Bank said, "If we establish this bank we will not have to make relief loans to the various countries?" Has this come about? No. Because this bank is just like all banks—they are in the business of making money out of their loans. This World Bank now says these European countries are a bad risk and we cannot take the risk of loaning them money. So we are asked to make these countries a direct loan, and I am sure there are not many who believe it should be classed as a loan. Stripped of its high-sounding altruistic language, it is a gift.

This campaign to sell this so-called European relief program takes on all the earmarks of the ballyhoo propaganda of the past few years—with promises for all. The farmers are promised high prices, labor higher wages, manufacturers big profits, and, above all else, a sickly sentimental rainbow-hued peace and the only possible way to keep the peace of the world. Will Russia believe this, when we have loaned enemy countries money to pay Russia reparations. Do we owe anything to Ireland, who did not lift a finger to help in the last war? Yet Ireland is in the program for help.

Where does this doctrine come from that the victors must come to the aid of the defeated in a war? When we all sacrificed a lot as the price of our victory.

I do not remember from history that victors were required to support the vanquished. Which, of course, means imposing taxes upon Americans to support those who would have destroyed us if they could.

I do not suppose there is any country in Europe any more severely damaged than were our own southern States in the War of the States. Did the Northern States tax their people to help reconstruct the terrific damage to the southern economy? The Northern States did not help. These great States and their people by hard work, production, and suffering rebuilt their own war damage. They slowly dug themselves out and their loyalty and patriotism has manifested itself in two world wars, probably more so than any other section of our country, and remember we did not buy this patriotism and loyalty with loans or grants. And today we witness this great section of our country made up of superbly patriotic men and women being maligned and told how to conduct their own private affairs.

We Americans are now asked to destroy ourselves by excessive taxation in order to restore a socialistic Europe. We are simply being blackmailed by a threat of communism.

When I was a small boy I used to go to town on Saturdays. The town boys teased me and I used to walk up the alleys to the stores but I finally came to realize that this was not getting me anywhere because they caught me in the alleys. So I reached a decision and boldly walked up the street and held my ground and after a few fights I could go any place without being molested. Nations are like boys. The only way to defend ourselves is to be adequately prepared and able to fight. The same thing is true of Nations. We are not scaring the international bully if we try to buy our way with dollars.

The most common argument used to put over this European relief program is to keep Europe from going communistic. We cannot sign a peace treaty with Russia in regard to Germany and Austria. Of course we cannot because I submit that the meetings at Yalta and Teheran were where Russia got what she wanted.

These meetings were the only peace treaty Russia wanted.

They say this relief program will keep Europe from going communistic. Since England is to get about $5,000,000,000, is she going Communist? Holland is to get $2,400,000,000—is this thirfty, hard working country going Communist? Little Denmark is to get $500,000,000 with a population about like that of Missouri and Kansas. Is she going Communist?

Is Ireland going Communist that she needs $400,000,000 to keep her from still being Irish?

And then Iceland is to come into the program for $38,000,000 when she does not have as many people as Topeka, Kans. There must be quite a threat of communism in Iceland.

Then there is Norway for $234,000,000 to keep her from being a Communist state.

And in Portugal, where they do not allow Communists, she is to get $150,000,000.

There probably is a valid threat of communism in Italy.

But there is no more threat of communism in England, Ireland, Netherlands, Denmark, Norway, Portugal, and Belgium than there is in Mississippi going Republican.

And do not forget that $6,000,000,000 of this grand give-away plan goes to enemy countries—Germany, Italy, and Austria.

We Americans who remember after the First World War will recollect all about the Dawes plan, the Young plan, and so forth, which plans were to put Europe back on its feet. We gave them our dollars and we did not get our dollars back, but we got a World War II, with all its casualties at home and abroad.

If this is a defense plan for America, why not tell the truth about it. I believe the people should be told by their public officials. I can see no reason for secrecy. The more I listen under the dome to experts on this and that, the more respect I have for the people's judgment back home. If we are as near to another war as some think, it seems to me plain foolish to allocate our tax dollars to international charity. We should be spending these dollars here in America for defense.

If this is operation Europe, why not get something for our dollars we are going to give away? Why not say to France, we want adequate air bases in Algeria along the Mediterranean Sea; why not say to England for this loan, we want islands in the Caribbean Sea to protect the Panama Canal; why not say to Norway we want minerals to build up our stock piles; why not say to the Netherlands, we want your minerals and products from the East Indies for our stock piles. Get something valuable from each of them to strengthen our own economy and build up our own national defense—instead of scraping our own cupboard bare. The great bear in Moscow who walks like a man would understand this sort of a program.

If we believe in our free enterprise profit and loss system of capitalism why do we want to help socialism. All seem to say that our American way is correct; then why do we want to finance socialism?

And do not ever lose sight of the fact that Hitler and Mussolini started out as Socialists.

The President's latest message simply means that he considers Russia a menace. Why would he then recommend wealth-consuming activities to deal with this menace? Would it not be better just to tell Russia quietly, without so many messages on the state of the Union, you must stop where you are, not one step farther.

Everyone knows that a military commander will lose when he spreads his forces too thin. We cannot develop sufficient forces to be effective in Europe, the Near East, Africa, Manchuria, China, Korea, and other widely scattered points. We must adhere to one basic military doctrine, seek out the base of the enemy, and destroy it.

This Marshall plan is the result of a weak and vacillating policy of using indirect methods to do a job that should be done by direct methods. This Marshall plan can almost be called a bribe. Everyone knows what happens when you start paying the blackmailer. We in America enjoy all our high standards of living by a hardier group that preceded us. We are living off capital produced by our forefathers.

It is common saying we now live from one crisis to another. It does not make any difference how these crises are produced—by mere stupidity or from some perceived planned economy—the results of this incompetence are the same.

This same stupid group that has been in control for the past 16 years now tries to bribe Europe to stop Russia with American taxpayers' dollars. I do not believe there is any legal right for Congress to spend tax dollars for a foreign country.

Europe should federate and join together and take in each other's washing and by self-help get back to the production of things they need. We cannot give them our standard of living by our own production.

The Marshall plan is a culmination of views of those intellectual planners of the New Deal who sought to make us over. Someday history may even record them as traitors to their country instead of misguided planners of the more abundant life.

America was built on the freedom of the individual. Those who came over on the *Mayflower* had a lot of hazy notions about everything belonging to the group and there was to be no private property. But even these stalwart individuals soon changed their ideas and they decided those that do not produce for themselves would not share from those who do the work. These pioneers discovered that giving things away to those able to produce was corrosive and to do so softened the individual recipient. This same rule applies to nations.

After listening for months to the barrage of propaganda that has been leveled at the American public for the so-called Marshall plan, I began to wonder where England got its start to expand its Empire. I went to the Congressional Library and I finally got back to year 1601 in the reign of Queen Elizabeth. I got the charter of East India Co. and read it. I found that this great company was built upon private enterprise. Good Queen Bess saw with a clear eye the necessity for granting incentive to private enterprise. And I find these words in this historic charter.

> This charter—granted unto them that they, at their own adventure, costs and charges, as well as the honor of of this realm of England, as for the increase of our navigation and advancement of trade of merchandise. Know ye therefore that we greatly tendering the honor of our nation, the wealth of our people, and the encouragement of them, and others of our loving subjects in their good enterprises—to the benefit of our common wealth.

The charter also provided that on the first four voyages, no duty on exports or imports would be collected and that all goods going out or coming in were to be "free of subsidy, custom, or poundage." As further incentive all goods brought back from India and sold to buyers in England could in turn transport them in English ships free of duty or custom.

So here is the first big trading company that was built on purely private enterprise. The company was given the incentive of four trips to India with six ships to bring back goods and merchandise before any duties or customs would be collected. And from such a beginning, followed by others such as the Hudson's Bay Co., a private-enterprise system grew that later made England the dominant nation of the world. All firmly built on the stable foundation of private enterprise.

It is impossible to buy or bribe people as to their thinking. This is distinctly what the Marshall plan proposes. A much better approach would be to implement projects along the outline of the free-enterprise system as employed in the United States. This would demonstrate the effectiveness of such democratic processes and at the same time prove that such are not imperialistic.

This procedure would tend to sell Europeans on a fundamental that made America great. It should be more effective than the attempt to buy and bribe, and most certainly would not be a drain on our national economy.

And now the chief proponent of this plan is going to stop communism in Ireland and Portugal—by doles and WPA projects. This modern seer, late out of uniform, was present at Yalta and Teheran but could not recognize that it was a peace treaty given to Russia on a silver platter. This treaty enslaved countless millions of Poles and other peoples of Europe. It gave Russia Manchuria and the best part of China and Korea. He now recommends that we extract $17,000,000,000 out of American pocketbooks to stop communism, but a few months ago he recommended to Chiang Kai-shek that he take Communists into his government.

If this is to aid in the defense of our country why do not these proponents of this "give-away plan" look at a map of Europe?

Ask any schoolboy if we were compelled to fight Russia in Europe, whether or not Spain would be advantageous to us. To look at the map one can see at a glance that if Joe Stalin were to occupy Spain such would be a serious menace to our safety.

Why do not these proponents of this "give-away plan" want to help Spain? Because the leftwingers and pinks would say we cannot help Franco; he is a Fascist. So, it is not an honest defense program or they would put Spain into the program. Yet, military experts tell us the Russians can overrun Europe in 6 weeks. A first-class army in Spain could make an invasion most costly.

Other great generals of the past have tried to cross the Pyrenees. Honest military experts will tell you this Pyrenees line is one of the best defensive lines in the world. Yet, our State Department and the proponents of this plan turn up their noses at the best defensive position in Europe. If Franco would tell them he had some Communists he wanted them to help feed with American taxpayers' dollars the ardent disciples of this Marshall plan would probably cut him in on this "give-away plan" for a few billion dollars. And, of course, there is probably another reason Spain is not considered and that is because the Spanish Government is not socialistic. And since Franco is not a Socialist he could not join the Communists at the first sign of trouble.

We should not adopt the Marshall plan. Let us stick to what we have learned from our own experience. Let us not invest America's free-enterprise earnings in socialistic schemes in Europe. We can be sympathetic and generous but let us do it on an out-and-out charity basis—such as Hoover administered relief after World War I with funds donated by the generous people of America.

Now, after 16 long years, the Republican Party gives its support to this misguided leadership of yesteryears and joins in the chorus singing "Bo boo boo—we have got to go along because there ain't no other road we can travel." But there is another road that men of courage can travel. Oh, I grant it is not a four-lane highway with clover-leaf intersections, but it is the open road of free enterprise, opportunity, stretching from Portland on the east to Portland on the West, from Duluth on the north to Galveston on the south. Along this road American people live. They will stand up and cheer for anyone who will travel this American road with a banner which reads:

> We stand first for America, and for those citizens who pay their taxes, support their church, help with Community Chest, pay their bills, fight for their country when need be, ask nobody to protect them from the cradle to the grave, and who want to maintain the American Republic for their children and their children's children, and who want to keep their eyes ever fastened on the light of American liberty—that concept of the sacredness of the individual in the eyes of a sovereign God.

The way to help Europe is to deal with them on a business basis. Restore private capital with incentives so men will produce and work for themselves and their children. We should keep our lights burning brightly in America with a strong internal economy so that all the world may see a country dedicated to free enterprise, freedom of the individual, freedom to produce without restrictions—that we Americans will not tolerate the gigantic apparatus of compulsion and coercion commonly know as the socialistic state.

I believe the people of America have had enough of our top-flight policy makers looking at the far-off horizon of foreign shores. Let us start looking about us and build up the internal economy of our own country by reducing public spending, cutting taxes, and paying off our debt. In short—we have had enough of foreign star gazing.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, the time allotted to me, of course, is not sufficient to discuss such an important bill; however, I would like to make a few observations and discuss one provision of this bill briefly.

Mr. Chairman, since I have been in the Congress I have seen the Congress appropriate billions of dollars for almost every country in the world, without any concern for the economy of our own country and without any consideration for the security and welfare of our own people and taxpayers who pay the bill.

Since the termination of the last World War, I assumed the position that while I fervently hoped and prayed that the United Nations organization would bring peace to the world that history had disclosed that all such organizations, agreements, covenants, and so forth had never been successful, and that this country had permitted itself to be caught unprepared in the past two World Wars, and that it was my opinion that we should profit by that experience and retain all of the bases and islands both in the Pacific and elsewhere for which our men in the armed forces shed their blood to obtain, and to acquire by purchase or otherwise any and all other bases in the Pacific and Atlantic and elsewhere necessary to build an impregnable ring of steel around our country, and to have a strong Air Force, a strong Navy and Army, with a trained reserve, keep the atomic bomb, and that then in that position we would be in a position to defend and protect our own country, as well as be an instrumentality to help keep the peace of the world.

Unfortunately, this was not done and we find ourselves, to our disgrace, totally unprepared and on the verge of another war, caught in the same position as we were for the First and Second World Wars.

Ever since the end of the past World War I have been one of the most severe critics of our Government in its domestic and foreign policy, and have not hesitated to bring to the attention of the Congress on the floor and in the CONGRESSIONAL RECORD my views with respect to mistakes of our Government, and have consistently opposed and voted against the giving away of the resources and substances of our country to foreign nations without regard to the economy of our country and without any consideration to the welfare of our own citizens who have been and are overburdened with taxes, to pay for these appropriations for the billions of dollars appropriated since the termination of hostilities, to say nothing of the tremendous public debt on the shoulders of our people which will take generations to pay.

Since I have been here I have worked to have the Congress provide a military organization which would be adequate for the protection and preservation of our Nation, and have spearheaded that campaign by introducing bills for appropriations for our Army and Naval Air Forces, and have consistently supported universal military training, which I consider the foundation to the success of any program which will furnish an adequate military organization.

Today, we find ourselves without any effective military organization, and notwithstanding that we have scuttled approximately twenty-eight billion of our taxpayers' money to foreign countries, plus millions spent for foreign relief by the Catholics, the Methodists, the Lutherans, and other religious and civic organizations, the package concerns, and private citizens, the Government has herded up most of the cows, horses, mules, sheep, farm machinery, automobiles, trucks, petroleum, grains, fats and oils—all in short supply in this country—and all the critically scarce heavy machinery, and have sent these resources also to foreign countries, all at the deprivation and expense of our own country and its citizens, notwithstanding that the war has been over for almost 3 years.

I am not opposed to helping any country which is starving or in distress within reason or within the capacity of this country, and I think that we should furnish all the surplus food possible to countries in need; however, I believe that we should provide for our own citizens and our own country first, last, and all of the time.

Last year I charged the State Department and the Department of the Army with being responsible for the increased high cost of living to the American people as a result of their short-sighted and intransigent policy of sending to foreign countries in the relief programs only the basic, select, and scarce foods at the deprivation of the American householder who was unable to compete with the Government in the increasing and high price for these commodities, who with their limited incomes were unable to buy these necessary basic foods, and my charges have been fully borne out by private sources and by investigations made by the committees of the Congress.

The State Department and the Department of the Army, notwithstanding the protests of the Members of Congress and of the congressional committees, have continued this policy further, notwithstanding that there were available millions of dollars of surplus foods of high nutritional value which were, and are still, in the hands of the American producers and processors, and without consideration to the fact that these surplus foods had been produced and processed

at the urgent request of governmental agencies who called upon the farmers to produce any and all kinds of food to be used in the foreign-relief programs. The reason given for not utilizing these foods was that they did not contain enough calories.

As a result of this policy there has been, and there are still, millions of dollars of canned and other food available which could have been, and which can still be, utilized in these programs, and many of those who processed these foods and many of the industries will be seriously affected and many citizens will be ruined financially due to the fact that the Government has not made use of these fine nutritious foods.

Nearly every State in the Union has available surplus agricultural canned foods which are yet available, and unless the same are disposed of within the year these precious foods will spoil and be wasted, and millions of dollars will be lost. Of course, this affects only the United States, so the bureaucrats pay no attention to this serious matter.

Nor are they concerned with the continued high cost of living to the American people—the good old taxpayers who "get it in the neck twice." First, the taxpayer puts up the money for the program, and, second, when he makes an attempt to purchase the basic foods, due to the Government competition, the price is doubled and trebled, and, in most cases, he cannot compete with the Government, and has to do without, otherwise the cost is two to three times as much as would be paid if the Government would not be buying up the major portion for relief purposes.

While it is true that some of the Government officials have promised the Members of Congress to purchase most of these surplus agricultural and other canned foods, a reading of the bill now under consideration, S. 2202, discloses that the same old provisions and conditions that the State Department and the Army have used on those who have surplus agricultural products to sell are still contained in the bill, and a further perusal of the hearings would indicate that the same old bureaucratic yardstick of amount of calorie content compared to dollar value will be invoked in regard to the purchase of surplus canned foods, unless the Members of this House approve an amendment to remove these restrictions from the law in order to protect their constituents and countrymen.

I was advised that it was the intent of the Senate, who insisted upon section 112, paragraph (e), (f), (g), and (h) of S. 2202, that this section was intended to make it mandatory that the governmental agencies purchase these surplus agricultural canned foods in distress in the United States to be used in the program. However, I am sorry to say that, upon discussing the provision in the bill with one of the agencies concerned, they advise that they do not interpret this section as making it mandatory that they shall purchase any surplus food products except those which come specifically under the terms of the Steagall amendment.

Mr. Chairman, in view of the fact that the amount authorized under the bill under consideration is $6,205,000,000, to be, in my opinion, wasted like other appropriations, I think it would be a crime, and nearly high treason, if this Congress would vote out this bill without amendment stipulating and spelling out the necessary language to at least provide for, and make it mandatory upon the administrators of this legislation to buy, all of the surplus agricultural products, canned and uncanned, in distress in the United States as intended by the Senate. Otherwise would be unthinkable.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. DORN].

Mr. DORN. Mr. Chairman, one of the greatest sages and philosophers I have ever known, my own father, has said to me on numerous occasions, and I quote, "Son, if the crowd goes this way, you go the other way around and you will be right ninety-nine times out of a hundred."

Mr. Chairman, in my life so far, I have found this to be true. I believe this Congress and this Nation are being propagandized and stampeded today into a plan that they do not understand and that has only a small chance of success. I will admit that it takes some courage to stand alone, to stand in the face of organized propaganda such as is being poured over this country today, but I believe in taking the stand that I do. The only think I consider in this Congress is whether I am right or wrong. I only choose between these two courses. In this instance, I sincerely believe myself to be right.

Lincoln said upon one occasion, "To keep silent when one should protest makes cowards of men." This is true with many Americans today. They are failing to speak out in this hour of crisis. Also, may I say that I discussed some of these problems with the boys in Europe during the war, problems that I knew the world would have to face in this postwar period. Upon one occasion my commanding officer, after overhearing me, said that if I continued to express my opinion I would be imprisoned, but, gentlemen of the committee, now that I have the opportunity to talk to a limited extent on this floor, and as long as I have the opportunity to speak before the country, I am going to express my opinion and do what I think is proper, political expediency notwithstanding.

The world today is crying for leadership, men who can see ahead, men who can lead us out of this wilderness of confusion. As I stand here today, I proudly represent the district in this Congress which was once represented by John C. Calhoun, whose monument is just outside in the Hall of Fame. He was a man who did not equivocate, who did not vacillate and was not burdened by indecision. He was the kind of man who could see ahead. As Secretary of War in 1820, he advocated national defense measures that were adopted a hundred years later. He could always unfold the veil of the future, lead his people, and act accordingly. My prayer today is that God give us such men today, the kind to lead the people and tell the people the truth, and not wait for public opinion to form and then say "me too."

I have been opposed to this European relief program since its inception. I was opposed to the withdrawal of troops from Italy recently. The first step that a governor of a State takes when a city is hit by a tornado or a hurricane is to first declare martial law, call out the National Guard, get the city under military control, and then the doctors and relief immediately follow. This is a sound policy as it prevents stealing, looting, and robbery, and insures that the relief will get to the people who need it. We have consistently poured money into countries where there was practically chaos with no guaranty that the people who needed the relief would get it.

Now as to this so-called Marshall plan, I am against it for many reasons, the first and most important of which is incompetent leadership. I cannot trust $17,000,000,000 of the American taxpayers' money to the disposal of men who have demonstrated their inability to cope with world problems. I cannot conscientiously do so and be fair to myself and to the American people. Let us look at the record, as Al Smith used to say. I admire the Secretary of State as a military man and as a Christian gentleman, but is it not true that he was with the President when the Atlantic Charter was being discussed, and with the President at Quebec, Teheran, Yalta, and Potsdam, conferences at which future historians probably will write was the beginning of the end, where America was unwittingly sold out to communism and socialism, and where Russia received every request in the form of territories and future bases to launch attacks against civilization? Some of the most infamous examples of appeasement, indecision, and feasting in all the history of the world. The world does not yet know the full extent of these secret agreements and commitments which have advanced the case of the enemies of American democracy. The record goes further in the recent history of the Chinese Nationalist government fight with communism. If the policy of the Secretary of State had been adopted in China, there is no doubt in my mind today but that the great Chinese Republic, the key area of the world, would be under the domination of the hammer and sickle, with all its manpower, all its resources and potential possibilities, working hand in glove today with the planners of world domination in the Kremlin.

The Secretary of State and the President reversed themselves on Palestine within a very short while, a policy which when first instituted might easily have involved the world in another war. It was a mistake in the beginning, and only promulgated by those men who wanted certain minority American votes at the risk of endangering the rest of the world and the loss of millions of lives. They have reversed their positions on Trieste, and I think they are right, but why make all these mistakes to begin with which have brought us so close to the brink of war? Also, the Secretary of State, at Harvard University on June 5 of last

year, when this plan was first announced to the world, did not exclude aid to Russia or Russian controlled countries. This record that has been made the last few years is a record of uncertainty, reversal of position, tragic mistakes, and with little insight into the real evolving world situation. Again may I repeat I cannot conscientiously trust so huge an expenditure to such indecision and failure to promulgate a definite foreign policy. In fact, if you would call up these men today, they could not tell you what our foreign policy is. I cannot, you cannot, and we have not known for the last 10 years what objectives we had in the foreign field.

I have no personal differences with the leadership. I only disagree with many of their policies. There are those who say that such criticism of our leadership gives comfort to the enemy. I disagree, because Russia knows this leadership well. They have met them before at many conferences, and know their weaknesses. Also, there are those who say that after the November elections, there will be another leadership to administer this plan anyway. I have not seen anyone on the Republican side who, I think, would measure up to the proper administration of this type of foreign policy with the single exception of Gen. Douglas MacArthur, and I am not sure he would be elected.

My second objection to this Marshall plan is on military grounds. It has been said that this is a war measure, that it would embrace military aid. If it were the right kind of military aid, and truly a military-aid bill, I would support it. I do not believe, and many military experts do not believe, that western Europe can be defended successfully, strategically or tactically, by this Marshall plan. In fact, we are placing the few soldiers that we have in Europe in an unsound position tactically. We have too few troops in Europe and they are facing great combat armies. We are told that Russian troops massed on their western front are combat-trained, and commanded by some of the world's greatest generals, Rokossovsky, Zhukov, Koniev, and Timoshenko, and, incidentally, based largely on territory surrendered to Russia at Yalta. They are in a position to launch a sudden blitzkrieg across Europe. It is estimated that they could reach the Channel in 3 weeks and the Pyrenees in 2 months. They are in a position to call the shots. They know their objectives well and they have a powerful fifth column in western Europe to aid them. Why place American troops in a position for a second Dunkirk? In this connection, there are those who believe that we could build up a big enough land Army in western Europe to defeat and occupy Russia. Let me say that on June 22, 1941, Hitler invaded Russia with the largest and best equipped land army the world has ever known, with its bases and jumping-off points bordering on Russia itself, with its industrial factories close by. The farthest this horde was able to advance was to the gates of Moscow, Leningrad, and Stalingrad, which is a long way from defeating and occupying Russia. I do not believe the world could ever again assemble in western Europe an army as large as that, which was inadequate, to defeat and occupy Russia on land. Also, I would like to point out that Napoleon Bonaparte went into Russia with over 600,000 picked troops, won practically every battle, even captured Moscow, but was forced to retreat in the face of Russian weather, lack of communications, and the vast expanse of territory. I do not believe we can succeed in such a program where those men failed.

The only alternative, in my opinion, is to deal directly with Moscow itself. We cannot bribe Horatio to hold the bridge. We are only postponing the reckoning day and prolonging the agony of Europe and the rest of the world. We cannot deal with Moscow through Rome, Paris, London, Brussels, or even Munich. We must deal directly with Moscow itself. I do not believe that Andrew Jackson, Theodore Roosevelt, Douglas MacArthur, or George Patton would advocate such an indirect, passive, defensive policy of dodging the real issue, of getting a second to stand between you and the bully. I believe they would adopt a better policy—that is, dealing with the Kremlin directly, face to face, in no uncertain terms. In view of the military aspects of the Marshall plan, its inability to stop Russia when they start to move, then I advocate spending this money or a large portion of the money, on a firm policy I have mentioned—that is, air power, the greatest air force in the world, and then tell the Communist masters in no uncertain terms that any further advance will mean war. We are not dealing through third parties but we are talking to you directly. In the face of American industrial capacity along airplane lines, I do not believe Russia will move. We could even pour planes and bombardment squadrons into western Europe at Le Bourget field, at Rome, Munich, and other great air fields, loaded with the atomic bomb, and warn Russia in no uncertain terms. Then if their land army did move, this force could hold up and possibly paralyze their advance, and, if not, they could be evacuated easily and there would be no Dunkirk. Better still, they would be in position to bomb the heart of Russia and then retire to bases in North Africa or England for a second strike. Then, too, there is a psychology connected with having a great air force in western Europe, or flying in great waves over Italy on election day. It would have a tremendous psychological effect on the people of western Europe if they decide to change their form of government.

I can speak from personal knowledge when I say the German people and the children of Europe in general were more impressed and were more afraid of American air power than any other one thing. They had nightmares even after the war was over, dreaming about the horrors of American air power. They lived in constant dread of the great waves of planes which droned constantly over Europe. There were great air parades after the war which impressed the people like they had never been impressed before. I have heard for 24 hours the constant drone of American bombardment squadrons flying toward their objective in Germany, and men in the American lines lost sleep because of this constant roar. It was impossible for German morale to long endure this raining death. I am told that when General Eaker, commanding the Mediterranean air fleets, decided to bomb the German oil fields in the Balkans, he asked on several occasions for Russian cooperation, always with a negative reply. Finally, Eaker informed Russia that he was going to bomb these oil fields and was coming on to land at certain air fields and to be ready when he got there. Russia immediately acquiesced. That is the only language they understand.

I believe today we are missing a golden opportunity in not spending this money on a great air force. The British fleet for generations controlled the seas and put fear into the hearts of dictators and kings. We have that opportunity knocking at our door today. May I again repeat the statement I put in the RECORD last year, made by General Koller, commander of the German Air Force at the end of World War II. He said, "We are decimated, eliminated, and defeated, but it will be interesting to watch the game of power politics from the side lines, to see if the great powers make the same mistake over and over again." He said that the nation that controlled the air over the world would control the lands of the world, would control the seas of the world, and would dominate the world.

My third objection to this plan is that it will not accomplish its humanitarian goal. We know there has been hunger and suffering in Europe but has the $22,000,000,000 we have spent over the world since the end of the war greatly alleviated this condition? The cold fact is that political cliques and socialistic groups control the countries of western Europe. Politics and black markets are still the order of the day. It is only human nature that these political regimes will use this money for their own political advantage and the people who need the relief do not get it. Ration cards must be obtained in many countries. These ration cards are issued by the political henchmen of the government in power. There are those who even advocate sending relief to Russian satellite countries. Anyone should know that one in Russian-dominated countries cannot secure a ration card who does not cooperate with the government in power. That is the way they control the people, through their stomachs. Then, too, America must consider human nature, its inclination toward ingratitude, frustration, and inferior complex. This is a condition which is widespread in western Europe today regarding American relief. I believe in aid to Europe, but along the lines of the Friendship Train, along the lines of this Care organization, the Red Cross, Salvation Army, through church organizations, and so forth. If the American people were told the facts, and told how many bodies could be rehabilitated through their personal contributions, I believe the American people would rise to the occasion valiantly and give this aid directly to the people of Europe who need it, and not turn it over to a government bureaucracy or political clique to administer as it sees fit. Then, too, by voluntary methods, direct from the hearts of

the American people, we could imbibe the people of Europe and China with that love and spirit which comes from such a program, and at the same time we could save Government appropriations for air power, aircraft carriers, and so forth.

My fourth objection to this plan is on economic grounds. The proponents of this bill admit that the key to European recovery is Germany. Then why, in this bill, does France and England receive more money than the so-called key to European recovery? At the same time, I understand factories in Germany are still being dismantled, and some of their military leaders are still being tried for obeying orders, which every military man is trained from the cradle to do. They are still being tried at Nuremberg under an undemocratic, retroactive policy. Some of the leaders of Nazi Germany should have been tried but professional military men and some of the great scions of industry had to go along with the program whether they wanted to or not. We might need the support of the German people in this postwar world, and a policy of vindictiveness will not create that spirit of cooperation. It failed to unify this country after the War Between the States. It has always failed wherever employed.

I do not see how the world economy can be bettered and uplifted by weakening American economy to strengthen an economy in western Europe, which, in my opinion, cannot be done under this Marshall plan. The trouble with England, the greatest recipient of this aid program, is that her civilization has run its course, her resources are exhausted. There are no deposits of oil and other resources that make modern civilization tick. The same is true of some of the other western European countries, particularly Italy. They were great in Roman days but never since that date. The key economic areas of the world are those with vast, undeveloped resources, such as China, India, Africa, South America, and Russia, and we should build our foreign policy accordingly. Then, too, suppose we do build up the industrial power of western Europe. It will then be used to compete with America, and we both might be forced into a depression, which is what the enemies of our philosophy really want.

It is my personal observation that Europe's trouble is moral and spiritual. They do not, on the whole, have today the will to resist, the burning desire for freedom, which is the only thing upon which a civilization can be built. When a nation goes morally and spiritually, then no economic aid or humanitarian ideas can build it up. Those pioneers on the *Mayflower* who left England and came to America had a definite objective. They were coming to worship God as they pleased, they were coming for freedom, and they had the will and moral and spiritual stamina to endure anything to obtain that goal. Half of them died the first year on the bleak shores of Massachusetts but their colony survived. They had the determination to stick it out. How much are the people of western Europe willing to sacrifice today for this same type of freedom?

Mr. Chairman, communism is a religion, the wrong kind of religion but nevertheless a religion. It is a powerful ideology. They go about their work with a song on their lips and zeal in their hearts, with a consuming passion to spread their doctrine throughout the world. They have a definite goal, a definite objective, they have not wavered or hesitated since the inception of communism, they have been moving relentlessly, steadily, as a great torrent forward. The only force that can meet this insidious, mystic ideology on anything like an equal ground is the force of arms and a counter ideology just as powerful. I believe that the answer is Christianity. If all of America and the western world would rededicate themselves to the principles of Christianity, and went about our work with the same missionary spirit that our forefathers had when this country was founded, we could stop communism cold. I believe that every dollar spent by the American people on foreign missionary work, to rehabilitate the hearts, mind, and souls of people, as well as their bodies, would be worth more than $10 spent abroad by the Government for temporary physical relief and political expediency.

I think it is high time today that all Americans rededicate themselves to the Christian religion. We cannot refrain from seeing about us this feeling of helplessness. We must in all our deliberations also rely on a higher power to guide our hand today as our early forefathers asked for His guidance in the early days of the Republic. My friends, peace will not be accomplished so long as there is argument in the United Nations and at meetings of the Big Four over prayer, and no permanent peace will be secured for this world by a meeting of three or four people. The peace of this world will be won in the hearts, minds, and souls of all people everywhere, rising up and demanding peace. My friends, we cannot buy lasting love or lasting friendship with money. All great civilizations and great nations of the past have had crises, and they have fallen, many of them, from the face of the earth to be remembered only in history. I think that America today has reached that point. Either we go forward or we fall as a civilization and pass from the face of this earth. This decision must be made now. The next 5 years is most critical. I must say that defense is a bad policy. It is a policy of those with inferior complexes. Passive resistance will not stop a militant force moving across the face of the world. An indirect policy will not stop the neighborhood bully. He will not be stopped by sending your wife or your children to confer with him. You can only iron out your differences by meeting him face to face in no uncertain terms. This Marshall plan is only postponing the showdown. This situation must be met now, or our civilization will fall. The story is told of George Patton in Normandy that his lead tanks in the great onslaught below St. Lo wired him and asked him the question, "Shall we retreat or stand still? We only have 15 minutes' supply of gasoline left." George Patton's reply was, "Do neither; move forward." The last echelon of German defense was breached with those 15 minutes' remaining gasoline and the German armies crumpled in confusion.

Gentlemen of the Committee, we are in that position today. We have only a few years left, or maybe months or days. We cannot stand still and we cannot fall back. We must move forward and deal with dictatorships in the only language they understand—that is, with the most powerful air force in history, a counter ideology based upon the principles of Christianity, and an end to this wave in America of indifference, complacency, immorality, love of money, and indecision. This decision will have to be made sometime, someday, somewhere. Five years from now it will be too late. This Marshall plan is only delaying the issue. I think this decision can be made today, and made favorably by going straight to the masters of the Kremlin and asking them if they want war or if they want peace, and telling them that we will stand up for western Europe, for all freedom-loving people, and we are going to do it if it means bombing Moscow. We cannot build a bigger land army than Russia but we can build a bigger and larger air force, and we already have the best Navy in the world. To me, there is only one course—decision now. The late Ben Hill, of Georgia, once said:

> He who saves his country, saves all things. All things saved bless him. He who lets his country die, lets all things die, and all things dying curse him.

Mr. Chairman, the distinguished gentlemen of the Committee on Foreign Affairs have done a good job on this bill. I think they are sincere, and I should like to add my word of praise at this point.

Mr. Chairman, I hope at sometime, some day, somewhere, I may have the opportunity to talk before this House for about 15 minutes and give my observations of Europe as I saw it in the cow barns and the homes of the people of Europe for 18 or 19 months.

Mr. Chairman, far be it from me to say anything about the distinguished gentleman from New York [Mr. MARCANTONIO]. I believe he is sincere. He is not here. I will not at this late hour take advantage of his absence. I did hear his speech today, however, and I should like to say this: You can talk about Wall Street all you want to; you can talk about Standard Oil all you want to, and so-called big business, but in spite of that, the American people today have 25-cent-a-gallon gasoline, whereas in Russia gasoline is $2 a gallon, and the poor people cannot buy it at all. In England it is 54 cents a gallon, and the common man cannot buy it at all.

In the United States we have more radios in the homes of the American people, more refrigerators in the homes of the American people, more automobiles in the homes of the American people than the rest of the world combined, and more telephones in New York State than they have in the entire continent of Europe. We have more of these luxuries than all the rest of the world combined. That is an argument that no Communist, no Socialist, no star-gazer has ever answered yet.

In many States of this Union when they have open forums they ask these questions, but they have never answered that one question yet. I leave it to the Chairman and the gentlemen of the Committee today that our American system, even with its faults, if Wall Street is a fault, has given to the American people the highest standard of living and more civil rights, if you please, Mr. Chairman, more of everything, highways and railroads, than practically all the rest of the world combined. I am proud of America as it is under the present Constitution and under the present system of free enterprise. I might say to the star-gazers, like Mr. Wallace and some of the others that have tried to head my party lately along the road toward socialism and state control, that there is no other system in the world that can compare with the American system as it is and as it has existed since 1787.

Mr. Chairman, I am going to oppose the Marshall plan. I am doing it for the reasons I have outlined heretofore. If you would put that money into air power and ask the American people to donate from their hearts, along the Friendship Train line, the CARE line, the Salvation Army line, and the Red Cross line, they would do it, and you could save Europe and also build up the greatest air force in the world, which is the one thing that those in the Kremlin really and honestly fear. Some day within 5 years, Marshall plan or no Marshall plan, you are going to have to face Soviet Russia and the men in the Kremlin. You are going to have to put the cards on the table. The sooner you do it the better. I say let us do it now. If there is a bully in the neighborhood, you would not send your children or your wife to talk to him. That is what the Marshall plan is. It is a diversionary tactic. It is passive. It is defensive. It is not aggressive. Let us go and talk to the bully face to face and tell him now that it will be war or peace.

The CHAIRMAN. If there are no further requests for time, the Clerk will read, and, under the rule, the Clerk will read the committee substitute as an original bill.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Foreign Assistance Act of 1948."

Mr. VORYS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD and include a memorandum in connection with the remarks he made this afternoon.

COMMITTEE ON THE JUDICIARY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight Saturday night to file a report on House Joint Resolution 9.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

AUTHORIZING SPEAKER OF THE HOUSE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. SCOBLICK (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD.

Mr. WOLVERTON (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD and include an article.

CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of the committees on Calendar Wednesday of next week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. FULTON (at the request of Mr. VORYS) was given permission to extend the remarks he made in Committee of the Whole and include the statement of Admiral Cooke.

Mrs. ROGERS of Massachusetts asked and was granted permission to extend her remarks in the RECORD and include a letter received from the Lowell Hebrew Community Center.

REREFERENCE OF A BILL

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of the bill H. R. 5515 for the relief of Mr. and Mrs. Albert Chandler and that the same be re-referred to the Committee on the Judiciary.

The SPEAKER. Has the gentlewoman conferred with the chairman of the Committee on the Judiciary?

Mrs. ROGERS of Massachusetts. I have not, Mr. Speaker.

The SPEAKER. It is customary to consult with the chairman of the committee to whom the bill is to be referred. No harm will come if this matter is delayed until Monday.

Mrs. ROGERS of Massachusetts. I withdraw the request, Mr. Speaker.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

VETERANS' ADMINISTRATION PERSONNEL

Mrs. ROGERS of Massachusetts. Mr. Speaker, it is very late and I rise only to make this very brief statement, that on tomorrow numerous persons employed by the Veterans' Administration will be dismissed from that service, due to the fact that General Gray has said he does not have the money with which to pay them.

I rise to ask the membership to join with me in asking the Committee on Appropriations to report as soon as possible the deficiency bill, which I hope will carry an appropriation in order that these people may be retained, in order to give essential service to the veterans and widows and dependents of veterans, in connection with contacting, processing of claims of all kinds, rating and adjudication appeals, and in connection with medical care of all kinds and other services for the veterans. Many of these persons, themselves disabled, will be dismissed.

I appeared, with the gentleman from Massachusetts [Mr. MCCORMACK] before the Deficiency Appropriation Committee which handles these matters to ask for the passage of a bill which would make payments to the Veterans' Administration of $6,000,000 which would enable General Gray to restore to the Veterans' Administration rolls some 8,600 persons. We were very cordially received, and I am hopeful, and I have the feeling that the Appropriations Committee will do something. But every minute counts.

Mr. CASE of South Dakota. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. CASE of South Dakota. The gentleman from South Dakota is not authorized to speak for the committee, but the gentlewoman started her remarks by saying she hoped Members would join her in asking that the committee report out the deficiency bill at an early date. The majority leader has already announced that immediately upon the completion of the bill which has been occupying the attention of the House—the foreign-aid bill—the deficiency bill will be considered. I may say to the gentlewoman that the Subcommittee on Deficiencies has prepared a bill which will be reported to the full Committee on Appropriations, and it will be ready for consideration as soon as the pending bill has been disposed of. That is just about as rapidly as it is possible to act.

Mrs. ROGERS of Massachusetts. I thank the gentleman very much. The committee gave us a very complete hearing. I only rose at this time because, as I say, every day counts. I know it does in foreign relief, and it does in urgent relief for the veterans of our own country as well.

The following is a resolution passed by the National American Legion Rehabilitation Conference. Every State in the Union was represented at this meeting.

The resolution is as follows:

RECOMMENDATION NO. 32 ADOPTED BY NATIONAL REHABILITATION CONFERENCE OF THE AMERICAN LEGION MARCH 11, 1948

Since it is common knowledge that the VA is being forced to reduce its personnel by approximately 8,500 because of lack of funds to operate, and since this conference is cognizant of the fact that a deficiency appropriation bill of $6,000,000 for the purpose of furnishing sufficent funds to the VA to complete the present fiscal year is being considered by the Congress of the United States, it is recommended that we respectfully urge all Members of Congress to support the deficiency appropriation bill pending for maintenance of an adequate number of personnel to properly render needed services due the veterans and their dependents.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2182. An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly the House (at 5 o'clock and 54 minutes p. m.), pursuant to a special order heretofore entered, adjourned until Monday, March 29, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1414. A letter from the Attorney General, transmitting a request for withdrawal of the case of Mario Mendonca from those 298 cases involving suspension of deportation referred to in letter of January 15, 1948; to the Committee on the Judiciary.

1415. A letter from the adjutant general, Veterans of Foreign Wars of the United States, transmitting the proceedings of the Forty-eighth National Encampment of the Veterans of Foreign Wars of the United States, held in Cleveland, Ohio, September 4–9, 1947 (H. Doc. No. 581); to the Committee on Armed Services, and ordered to be printed, with illustrations.

1416. A letter from the Librarian of Congress, transmitting the annual report as Librarian of Congress for the fiscal year ending June 30, 1947, as well as a complete set of the Quarterly Journal of Current Acquisitions; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. Report relating to public aid to air transportation (Rept. No. 1612). Referred to the Committee of the Whole House on the State of the Union.

Mr. GILLETTE: Committee on Interstate and Foreign Commerce. H. R. 5623. A bill to amend the Interstate Commerce Act, as amended; with amendments (Rept. No. 1613). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNGBLOOD: Committee on Post Office and Civil Service. House Joint Resolution 340. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of the American Turners Society in the United States; without amendment (Rept. No. 1614). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. House Joint Resolution 9. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; without amendment (Rept. No. 1615). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 6004. A bill to provide for a preliminary examination and survey of Jules Creek, Westmoreland County, Va., and of channel connecting said creek with Nomini Creek; to the Committee on Public Works.

By Mr. PRESTON:

H. R. 6005. A bill to amend section 77 of the Judicial Code, as amended, to create a Swainsboro division in the southern district of Georgia, with terms of court to be held at Swainsboro; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 6006. A bill increasing the immigration quotas for Greece; to the Committee on the Judiciary.

By Mr. WOLVERTON:

H. R. 6007. A bill to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CASE of South Dakota:

H. R. 6008. A bill to amend the Internal Revenue Code by providing a synthetic liquid fuel plant amortization deduction and a percentage depletion for certain materials used in the production of synthetic fuels; to the Committee on Ways and Means.

By Mr. MORRISON:

H. R. 6009. A bill for the purpose of erecting in Baton Rouge, La., a post-office and courthouse building; to the Committee on Public Works.

By Mr. WEICHEL:

H. R. 6010. A bill to provide for retired pay for enrollees of the United States Maritime Service on active duty; to the Committee on Merchant Marine and Fisheries.

By Mr. BOGGS of Louisiana:

H. R. 6011. A bill to amend the Railroad Retirement Act of 1937 to make employees eligible for annuities after 30 years of service regardless of age and to make widows eligible for annuities regardless of age; to the Committee on Interstate and Foreign Commerce.

By Mr. CASE of New Jersey:

H. R. 6012. A bill to amend section 77 of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 6013. A bill to amend the Tariff Act of 1930 to provide for exemption from duty of certain metallic impurities in tin ores and concentrates, when such impurities are not recovered; to the Committee on Ways and Means.

By Mr. GEARHART:

H. R. 6014. A bill to terminate the war tax and defense-tax rates on admissions and dues; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 6015. A bill to make the Smaller War Plants Corporation a peacetime agency of the Government with power to make loans to small business concerns and to insure loans made to such concerns by banks; to the Committee on Banking and Currency.

By Mr. LARCADE:

H. R. 6016. A bill to amend section 421 of the Internal Revenue Code, relating to income taxes of members of the armed forces dying in service; to the Committee on Ways and Means.

By Mr. BOGGS of Louisiana:

H. R. 6017. A bill to amend the Social Security Act, as amended, so as to increase the amounts of Federal contributions to the States for old-age assistance, aid to dependent children, and aid to the blind; to the Committee on Ways and Means.

By Mr. BRADLEY:

H. R. 6018. A bill increasing the immigration quotas for Greece; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to provide for Federal housing projects in the city of Boston; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAMP:

H. R. 6019. A bill for the relief of Joe D. Dutton; to the Committee on the Judiciary.

By Mr. CHAPMAN:

H. R. 6020. A bill for the relief of John Haggin Cooper; to the Committee on the Judiciary.

By Mr. JACKSON of Washington:

H. R. 6021. A bill for the relief of Garnet Green Morris III; to the Committee on the Judiciary.

By Mr. MASON:

H. R. 6022. A bill for the relief of certain postal employees; to the Committee on the Judiciary.

By Mr. NORBLAD:

H. R. 6023. A bill for the relief of Urho Patokoski, his wife, and their three children; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 6024. A bill for the relief of Mrs. Ethel Bloom; to the Committee on the Judiciary.

By Mr. STEVENSON:

H. R. 6025. A bill for the relief of Theodora Dovalis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1630. By Mr. FORAND: Petition of Kolko Polek Society, Central Falls, R. I., urging speedy enactment of a law permitting a substantial number of displaced persons to come to the United States as immigrants, in the belief that 1 year's delay will be most detrimental to the displaced persons; to the Committee on the Judiciary.

1631. By Mr. NORBLAD: Petition signed by Mrs. C. H. Lippie and 13 other citizens of Salem, Oreg., protesting against universal military training; to the Committee on Armed Services

1632. Also, petition signed by Mrs. Fred McKinley and 10 other citizens of Rainier, Oreg., protesting against universal military training; to the Committee on Armed Services.

1633. Also, petition signed by C. A. Williams and eight other citizens of Washington County, Oreg., protesting against universal

military training; to the Committee on Armed Services.

1634. Also, petition signed by H. F. Oppenlander and 28 other citizens of Clackamas County, Oreg., protesting against universal military training; to the Committee on Armed Services.

1635. Also, petition signed by Gottlieb Schaad and 15 other citizens of Newberg, Oreg., protesting against universal military training; to the Committee on Armed Services.

1636. Also, petition signed by Joseph P. Maher and 10 other citizens of Lincoln County, Oreg., protesting against universal military training; to the Committee on Armed Services.

1637. By the SPEAKER: Petition of Puerto Rico Chapter, Reserve Officers of the Naval Services, petitioning consideration of their resolution with reference to endorsement of universal military training and the Marshall plan; to the Committee on Armed Services.

1638. Also, petition of the National Baptist Convention, petitioning consideration of their resolution with reference to opposition to universal military training; to the Committee on Armed Services.

1639. Also, petition of Ola E. Winslow, petitioning consideration of her resolution with reference to enactment of the European recovery program; to the Committee on Foreign Affairs.

1640. Also, petition of the committee of the Marshall plan, petitioning consideration of their resolution with reference to enactment of the European recovery plan; to the Committee on Foreign Affairs.

SENATE

MONDAY, MARCH 29, 1948

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our hearts still singing with the beauty and joy of Easter, we pray to Thee, O Christ, to keep us under the spell of immortality.

May we never again think and act as if Thou wert dead. Let us more and more come to know Thee as a living Lord who hath promised to them that believe: "Because I live, ye shall live also."

Help us to remember that we are praying to the Conqueror of Death, that we may no longer be afraid nor be dismayed by the world's problems and threats, since Thou hast overcome the world.

In Thy strong name, we ask for Thy living presence and Thy victorious power. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 25, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that the President had approved and signed the following acts:

On March 25, 1948:

S. 1174. An act to provide for inactive-duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive-duty training pay for all Reserve components of the armed forces, and for other purposes.

On March 27, 1948:

S. 468. An act to amend the act entitled "An act to incorporate the Imperial Palace, Dramatic Order Knights of Khorassan," to increase the amount of property which the corporation may hold from $100,000 to $5,000,000.

On March 29, 1948:

S. 1990. An act to provide a means for the orderly continuation and completion of the Deer Creek and aqueduct divisions of the Provo River project, Utah.

ENROLLED BILL SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of the 25th instant,

The PRESIDENT pro tempore on March 26, 1947, signed the enrolled bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, which had previously been signed by the Speaker of the House of Representatives.

REPORTS OF A COMMITTEE FILED DURING ADJOURNMENT

Under authority of the order of the Senate of the 25th instant,

Mr. MILLIKIN, from the Committee on Finance, to which were referred the following bills, reported them on March 26, 1948, and submitted reports thereon, as indicated:

H. R. 3229. A bill to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory; without amendment (Rept. No. 1029);

H. R. 4739. A bill to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of exposed X-ray film; with amendments (Rept. No. 1031);

H. R. 4938. A bill to amend the Tariff Act of 1930 with reference to platinum foxes, and platinum fox furs, and for other purposes; without amendment (Rept. No. 1030); and

H. R. 5328. A bill to amend paragraph 1803 (2) of the Tariff Act of 1930, relating to firewood and other woods; with amendments (Rept. No. 1032).

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the order of the Senate, the immediate business is the call of the calendar, but, without objection, the Chair will recognize Senators for routine business before the calendar is called.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

JOURNAL OF SENATE OF LEGISLATURE OF TERRITORY OF HAWAII

A letter from the Director of the Department of the Interior, Division of Territories and Island Possessions, Washington, D. C., transmitting, pursuant to law, a copy of the Journal of the Senate of the Legislature of the Territory of Hawaii regular session of 1947 (with an accompanying document); to the Committee on Interior and Insular Affairs.

REPORT OF SECURITIES AND EXCHANGE COMMISSION

A letter from the Acting Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the thirteenth annual report of that Commission for the fiscal year ended June 30, 1947 (with an accompanying report); to the Committee on Banking and Currency.

STREET LIGHTING SERVICE

A letter from the Chairman of the Federal Power Commission, transmitting, for the information of the Senate, a copy of its newly issued publication entitled "Street Lighting Service" (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Utah; ordered to lie on the table:

"Senate Concurrent Memorial 1

"Concurrent memorial urging the President of the United States and the Congress of the United States to eliminate the inequitable tax discriminations between residents of the so-called community-property States and the so-called common-law States

"*Be it resolved by the Legislature of the State of Utah (the Governor concurring therein):*

"Whereas it is our belief that a fundamental American concept of the Government is the establishment and maintenance of equity and freedom from discrimination among citizens in their relation to government; and

"Whereas it is further our belief that such equity and freedom from discrimination does not now exist in the matter of the imposition of Federal income taxes pursuant to article XVI of the Constitution of the United States and its implementing statutes because of the inequality of the income-tax burdens upon the residents of a few States and those of many other States resulting from the so-called community-property laws of the said few States; and

"Whereas it would be tremendously difficult for the so-called common-law States to uproot their rules of property in an effort to remove this discrimination; and

"Whereas it is our belief that the best and most equitable means available for the removal of this tax discrimination lies within the legislative powers of the Congress and the legislative approval powers of the Chief Executive: Be it therefore

"*Resolved*, That the Legislature of the State of Utah respectfully urges the Congress of the United States to speedily correct the Federal income-tax law by eliminating the inequitable tax discrimination between residents of the so-called community-property States and the so-called common-law States, of which this State is one; and be it further

"*Resolved*, That the Legislature of the State of Utah respectfully urges the President of these United States to speedily approve such corrective legislation when, as, and if submitted to him for Executive approval; and be it further

"*Resolved*, That a copy of this memorial be sent to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, to each Member of the Utah delegation of the Congress of the United States."

A joint memorial of the Legislature of the State of Arizona; to the Committee on Foreign Relations:

"Senate Joint Memorial 1

"Joint memorial relating to a boundary fence between the United States and Mexico

"*To the Congress of the United States:*

"Your memorialist respectfully represents:

"Owing to the prevalence throughout a considerable portion of the Republic of Mexico, of the foot-and-mouth disease, and the consequent threat to the livestock industry

of the United States, it is vitally important to the economy of this Nation, and particularly to that of the State of Arizona and other States on the Mexican boundary, that all practicable effective steps be taken to preclude the spread of this infectious disease.

"Other measures pursued having proved inefficacious or for other reasons impracticable, it is generally agreed that the most feasible means of preventing the infiltration of the foot-and-mouth disease is to erect a substantial international boundary fence between the Western States and the Republic of Mexico.

"Wherefore your memorialist, the Legislature of the State of Arizona, prays:

"1. That Congress enact, without delay, Senate Joint Resolution 46, of the Eightieth Congress, first session, authorizing appropriations for construction, operation and maintenance of what is known as the western land boundary fence project, or other measure in substantial conformity therewith.

"Adopted by the house March 3, 1948, by the following vote: 48 ayes, 0 nays, 0 absent, 10 excused.

"Adopted by the senate February 24, 1948, by the following vote: 18 ayes, 0 nays, 1 not voting.

"Approved by the Governor March 4, 1948.

"Filed in the office of the secretary of state, March 4, 1948."

A concurrent resolution of the Legislature of the State of Arizona; ordered to lie on the table:

"House Concurrent Memorial 1

"Concurrent memorial on aid for distressed China

"*To the Congress of the United States:*

"Your memorialist respectfully represents: "Out of the carnage, the blood and the horror of the world-wide war the nation of China has come, with her people impoverished and suffering, her industries wrecked, her economy demoralized. Communism, as communism is wont, seeks to feast on her distress, to fasten its tentacles in her vitals, to subvert her legally constituted government.

"Thus is posed a vital, perhaps a determinative threat not only to the peace and welfare of China, but to the peace, the economy, the way of life of the world.

"In an emergency so fateful, the United States—dedicated to leadership in the cause of world peace, its sentimental concern challenged by the long-established friendship of China, its economic interest invoked by the geographical position, the natural resources and the huge manpower of the great eastern nation—is alone capable of effective succor, and bound by the ties both of friendship and of self-interest to go to the aid of this stricken people.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the Congress take immediate steps in conformity with the Marshall plan, and the recommendations of the President, to render the desperately needed aid to distressed China.

"Passed the House February 26, 1948, by the following vote: 46 ayes, 2 nays, 0 absent, 10 excused.

"Passed the Senate March 3, 1948, by the following vote: 19 ayes, 0 nays, 0 not voting.

"Filed in the office of the secretary of state, March 3, 1948."

A resolution of the Senate of the State of California; to the Committee on Post Office and Civil Service:

"Senate Resolution 30

"Whereas the employees of private concerns, municipalities, and State governments have received increase in their compensation to enable them to meet the current enormously increased cost of living; and

"Whereas the postal employees are efficiently performing their arduous tasks, but have received no increase in their compensation adequate to meet the increased cost of living; and

"Whereas bills to increase the compensation of postal employees are now pending before the Congress of the United States: Now, therefore, be it

"Resolved by the Senate of the State of California, That the Congress and the President of the United States are urged and memorialized to take such steps as may be necessary to increase the compensation of the postal employees sufficient to enable them to meet the enormously increased cost of living; and be it further

"Resolved, That the Secretary of the Senate is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the Senate of the State of California; to the Committee on Public Works:

"Senate Resolution 39

"Relative to Federal action to determine the feasibility of constructing a dam at the northern end of San Francisco Bay.

"Whereas California is faced with a serious water shortage due to the current drought; and

"Whereas the Government arsenal at Benicia is out of water, and the Mare Island Navy Yard, the Fairfield-Suisun Air Force Base, and other military establishments face a critical water shortage; and

"Whereas about 67,700,000 acre-feet of fresh water is running into the San Francisco Bay each year from the Sacramento and San Joaquin Rivers; and

"Whereas the impounding of this water for the use of military establishments in the Bay area and for California's rapidly increasing population would result in great economic benefits: Now, therefore, be it

"Resolved by the Senate of the State of California, That the Congress of the United States is hereby respectfully memorialized to adopt the resolution proposed by Representative WELCH asking that the Army, Navy, and Interior Department engineers study the possibility of building a dam at the northern end of San Francisco Bay to separate the salt water of the Pacific from the fresh water of the two rivers; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, to Representative WELCH, chairman of the House Public Lands Committee, and to each Senator and Representative from California to the Congress of the United States."

A resolution adopted by the Student Christian Association to the New Mexico semiannual district meeting at Portales, N. Mex., endorsing the President's civil-rights program; to the Committee on the Judiciary.

A petition of sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolutions memorializing the Congress of the United States to enact legislation to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources

"Whereas since the date of the Plymouth Colony Charter of 1620 wherein the Crown granted to this Colony 'all the main lands * * * with all the * * * Soiles * * * Waters Fishings * * * Royalties * * * within the islands and seas adjoining'; and

"Whereas since the days of the acts of the General Court of the Plymouth Colony, as early as 1652, this Colony has claimed and exercised overtly rights of ownership, dominion, and jurisdiction in the lands underlying the waters of its marginal sea; and

"Whereas since, in 1774, in a dispute between the Colony of Massachusetts and the State of New Hampshire, King George II, as arbitrator, declared the boundary to be one running across the land to a monument at Salisbury and thence 3 miles out into the Atlantic Ocean; and

"Whereas it has been uniformly recognized that the Plymouth Charter Grant as well as other Colonial Grants, conveyed to the grantees 'both the territory described and the powers of government, including the property and the dominion of lands under tide water' and that 'tidewater' is defined to include all coastal waters; and

"Whereas it has been recognized as a principle of international law since 1598 that 'the adjacent part of a sea belongs to one's dominion'; and

"Whereas it has long been recognized that the Crown of England owned the bed of the 'adjoining sea' and owned the bed of the 'arms of the sea' or inland waters, by reason of his ownership of the bed of the 'sea'; and

"Whereas in separating from England, the Thirteen Original Colonies maintained their character as separate independent States or nations and each acquired the King's former title to all lands within its boundaries, including submerged lands under coastal waters; and

"Whereas by the Declaration of Independence, in July 1776, Massachusetts and the several colonies asserted their character as 'free and independent States'; and

"Whereas the Treaty of Peace with Great Britain in 1783 acknowledged the Commonwealth of Massachusetts and the several States 'to be free, sovereign, and independent States' and relinquished 'all claims to the Government, propriety, and territorial rights of the same, and every part thereof,' and defined the boundary as embracing all islands within 20 leagues of the shore, certainly relinquishing all the King's right in the coastal waters; and

"Whereas by the Constitution of the United States, the several States reserved to the States their sovereignty and ownership to those lands within their boundaries; and

"Whereas since it has been further recognized that 'the title to the shore of the sea and of the arms of the sea, and in the soils under tidewaters, vested in the several States subject to the rights surrendered to the National Government by the Constitution of the United States;' and

"Whereas since the founding of the Republic, the several States have been uniformly recognized as the owners of coastal lands and lands covered by the marginal sea within their respective boundaries; and

"Whereas in its recent opinion in the case of *The United States* v. *California,* the Supreme Court of the United States, on June 23, 1947, declared, without citing a single authority and wholly ignoring the effect of numerous prior decisions and unquestioned claims of the several States, that the Federal Government had a paramount right to all of the resources, under California's marginal sea, without regard to or settling the question of ownership of the lands involved; and

"Whereas the Court based its decision upon the sweeping and dangerous assertion that, because it was the duty of the Federal Government to defend the country against attack and to conduct foreign relations, it had a paramount right to take all of the resources in and under the marginal sea, without compensation; and

"Whereas this doctrine wholly ignores the reserved powers of the several States, would convert the United States Government into a superstate not resting on constitutionally granted powers, and would bring about a revolutionary change in our Constitution by a mere fiat of the Supreme Court; and

"Whereas the doctrine of the case of *The United States* v. *California*, constitutes a direct threat to all ownership of minerals and other resources, public and private, because it is based upon the novel and unfounded premise that the Federal Government has the right to take without compensation all of the resources, under all lands submerged and inland, which it is obliged to defend, thus leading directly to nationalization of all natural resources and wholesale confiscation; and

"Whereas since it has been and was only recently urged before the Congress of the United States by a Member that 'if the Federal Government needed oysters to feed the Navy, it could take them from the inland navigable waters as well as from the coastal waters without payment of compensation therefor'; and

"Whereas since a State may exercise jurisdiction over fishing, and other resources, in its coastal waters only by reason of the principle that 'the jurisdiction of a State is coextensive with its territory;' as held by the Supreme Court of the United States; and

"Whereas since the Supreme Court held in its decision in the California case that 'we cannot say that the Thirteen Original Colonies separately acquired ownership to the 3-mile belt or the soil under it,' removing the foundation for the exercise by the Commonwealth of jurisdiction over fishing and other resources, in the marginal sea; and

"Whereas since the Supreme Court has held that 'neither the English charters granted to this Nation's settlers, nor the Treaty of Peace with England, nor any other document to which we have been referred, showed a purpose to set apart a 3-mile ocean belt for colonial or State ownership'; and

"Whereas the Attorney General of the United States has stated publicly before a joint hearing by a committee of the Congress that he intends to file suit against other littoral States; and

"Whereas the Commonwealth of Massachusetts is a littoral State and title to its shores and soils under the marginal sea is presently in danger of being taken from the Commonwealth; and

"Whereas the Commonwealth of Massachusetts may lose further the power and right to regulate fishing and other matters in its coastal waters; and

"Whereas it has long been held that the Commonwealth of Massachusetts owns the beds underlying its inland navigable waters; and

"Whereas the Federal Government has attacked this rule of State ownership of lands under inland navigable waters as 'unsound,' a 'fallacy,' 'patently unsound'; and

"Whereas for the first time in history the Supreme Court of the United States, in its decision in the California case referred to 'qualified ownership' by the several States of 'lands under inland navigable waters, such as rivers, harbors, and even tidelands, down to low-water marks'; and

"Whereas many valuable and historic sites are now located on these lands, including Massachusetts Institute of Technology, properties of Harvard College, the Boston Public Library, Back Bay residential area, Boston Public Gardens, and numerous other properties, an area in extent of well over 50 percent of Boston; and

"Whereas such ownership by the Commonwealth has been recognized for centuries; and

"Whereas as a result of the decision in the California case, such ownership is now in jeopardy; and

"Whereas there are now pending before the Congress of the United States, S. 1988 and similar bills, the purpose of which is to confirm in the several States title to these lands and resources in and beneath the navigable waters within State boundaries; and

"Whereas such bills have the active support of 46 Governors and 44 attorneys general, representatives of the several States; and

"Whereas since hearings on such bills are shortly to be concluded, and it being in the highest public interest immediately to advise the Congress of the United States of the views of the General Court of the Commonwealth of Massachusetts with regard to the passage of such bill: Now, therefore, be it

"*Resolved*, That the General Court of the Commonwealth of Massachusetts approves the action of its Governor and its attorney general and their official representatives with regard to their support of S. 1988 in the joint hearings by the Senate and House committees of the Congress; and be it further

"*Resolved*, That the General Court of the Commonwealth of Massachusetts petitions the Congress to pass immediately S. 1988 or other suitable legislation to forever quiet the titles of the several States to submerged lands under the marginal sea and inland navigable waters within their respective boundaries and to all resources in and under said lands; and be it further

"*Resolved*, That the General Court of the Commonwealth of Massachusetts petitions its Representatives and Senators in the Congress of the United States to vote for and actively participate in the enactment of S. 1988 or similar legislation; and be it further

"*Resolved*, That copies of these resolutions be forthwith transmitted by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth.

"In senate, adopted, March 18, 1948.

"IRVING N. HAYDEN,
"Clerk.

"In house of representatives, adopted, in concurrence, March 18, 1948.

"LAWRENCE R. GROVE,
"Clerk."

The PRESIDENT pro tempore laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on the Judiciary.

RESOLUTIONS OF THIRTY-EIGHTH ANNUAL CONVENTION OF NATIONAL RIVERS AND HARBORS CONGRESS

Mr. OVERTON. Mr. President, last week the thirty-eighth annual convention of the National Rivers and Harbors Congress was held here in Washington, D. C., and at the conclusion of its sessions that organization adopted sundry resolutions on various matters of interest in the development of our waterways for flood control, navigation, irrigation, and related matters. I present the resolutions for appropriate reference and I ask unanimous consent that they be printed in the RECORD. I commend them to the attention of those interested in the future of our great waterways.

The PRESIDENT pro tempore. The resolutions presented by the Senator from Louisiana will be received and appropriately referred, and, without objection, they will be printed in the RECORD as requested by the Senator from Louisiana:

To the Committee on Appropriations:

"APPROPRIATIONS

"We are cognizant of the benefits of national import to be gained from adequate appropriations for all phases of our national public works programs and we commend to the deliberate consideration of the Congress the program for the protection of the Mississippi River Basin as given to them by the President of the United States in his message to them on July 16 last. We urge that this program be expanded to include the entire United States. In complying with the President's desire the help of Congress, in providing an adequate program of appropriations, is vital to the safety and future prosperity of this great Nation and to remove the threat of floods which produce timidity and hesitancy on the part of the people in promoting the potential wealth of our Nation. To deny funds for this essential flood protection; for adequate improvements to our rivers and harbors in the interest of ever-increasing commerce; or for irrigation of our arid but fertile lands would preclude optimum construction progress and deprive the Nation of the benefits of its natural resources. These great public works projects must continue at a pace consonant with the rapid growth of our Nation thereby giving to a patient and industrious people the aid they need to contribute their full part to the general welfare and progress of the Nation. In the light of these truths we strongly urge that the Senate restore cuts made by the House in the appropriations recommended by the Bureau of the Budget and the President for Rivers and Harbors and Flood Control for fiscal year 1949, and such additional sums as were recommended by the Army engineers to the Bureau of the Budget."

To the Committee on Agriculture and Forestry:

"SOIL CONSERVATION, REFORESTATION, AND DRAINAGE

"We commend the excellent work of the Department of Agriculture in the interest of preventing wasteful soil erosion, in replenishing our forests through reforestation, and in its improvements for retardation of runoff. We believe this work, fully coordinated and integrated as it is with the major drainage and channel improvements under the jurisdiction of the Corps of Engineers, gives a well-rounded flood-control and land-improvement program for all watersheds. Accordingly we advocate the prosecution of these worth-while improvements as rapidly as may be consistent with the fiscal program of the Government under the established and experienced agencies as presently provided by law."

To the Committee on Interstate and Foreign Commerce:

"FEDERAL BARGE LINES

"We believe it would be unwise and inadvisable to liquidate the Federal Barge Line. This agency has performed an excellent service to the Nation in pioneering cheap waterborne transportation, which has resulted in passing on to the people savings far in excess of the cost of establishing and operating the barge line. We recommend that the Congress appropriate funds required for the modernization and operation of the Federal Barge Line."

To the Committee on the Judiciary:

"SUBMERGED LANDS

"We reaffirm our position condemning the assumption by the United States of title to

lands or resources in lands under navigable waters of the United States and are basically in favor of the States' rights and the rights of individuals that we believe to be guaranteed by the Constitution. We are accordingly in favor of legislation such as the pending bill, S. 1988, providing that legislation is amended so as to remove any question whatsoever of it affecting the rights, powers, and authority of the United States and its agents in Federal public works and improvements to navigation that have been or may be duly authorized and constructed under the commerce clause of the Federal Constitution."

To the Committee on Public Works:

"COOPERATION

"We submit that the successful initiation and rapid completion of many of our Federal projects requires complete and continuing cooperation between Federal, State, and local agencies whereby the innumerable problems peculiar to each locality must be considered and solved. Delay in developing the required cooperation retards progress and results in excessive carry-over of appropriated funds, the amounts of which may threaten the future appropriations essential to orderly progress. In the future as heretofore we offer our efforts to aid professional relationships between the agencies involved to the end that costly delays may be avoided.

"FLOOD CONTROL ON TRIBUTARY STREAMS

"The national flood-control program is a continuing and progressive one in which, of necessity and quite properly, the earlier phase consisted of providing flood relief to the lower valley of the Mississippi River, followed by later phases of expanding this program to other major streams.

"In pursuance of this program it has been necessary that many upland regions have suffered the loss of the productivity of large areas dedicated to the creation of impounding reservoirs for the benefit of the lower reaches of such major streams and have received only scant benefit from such reservoirs.

"There is an ever-increasing need for protection along the tributaries and upper reaches of the major streams in order to provide relief from overflow of the bottom lands and from constant loss of soil along the stream banks in the upland regions.

"It is the opinion of the National Rivers and Harbors Congress that the time has arrived when, in furtherance of the national flood-control policy, greater attention should be paid to the needs of the tributary valleys in the prevention of overflow and erosion of banks and the attendant enhancement of land values and productivity.

"The Congress of the United States and the Corps of Engineers are urged to adopt a policy of recognition of this need for flood protection along tributary streams and, wherever possible without detriment to protection along major streams, to site impoundment reservoirs and other protection works in such manner as to provide the greatest protection possible to properties along the tributary streams themselves.

"POWER POLICY

"Since its inception the National Rivers and Harbors Congress has been steadfast in its objective of promoting worthy and orderly development of our water and land resources. In pursuing this policy in connection with the incidental but important benefit of hydroelectric power available at highly desirable and economically justified multiple-purpose projects, it is the consensus of this Congress that further legislative studies are recommended with a view to improving, if necessary, the present national policy for the generation, distribution, transmission, and sale of the power generated at Federal dams.

"STREAM POLLUTION

"The record will show that the National Rivers and Harbors Congress has been concerned for many years with the increasing menace from pollution of our rivers and streams and the imperative necessity for workable legislation and enforceable regulations on this subject. Fully cognizant of the complications involved in the division of State and Federal jurisdiction in this matter and of the difficulties of reaching a solution agreeable to all concerned, we believe the urgency of the situation warrants thorough study and prompt action by the Congress of the United States. We approve the principle of utilizing established and experienced governmental agencies for this purpose and are opposed to the creation of a new and untried agency that would inevitably increase costs and decrease efficiency. We further recommend that wherever needed Federal grants-in-aid be authorized.

"A FALLACIOUS PROPOSAL

"Technicians and planners have been holding meetings with a view to advocating legislation designed to create a superagency similar to the old National Resources Planning Board which was legislated out of existence several years ago. The idea is that this new agency will rank above all existing agencies and pass on all reports and recommendations for Federal public works prior to the submission of these recommendations to Congress.

"This scheme is both useless and inadvisable because it would duplicate and overlap presently existing agencies. The Bureau of the Budget now has a division composed of engineers which performs the identical functions of the proposed superagency.

"We submit that such proposed agencies do not save money but do increase the cost of Government.

"CORPS OF ENGINEERS

"We have always been convinced, and now reaffirm our conviction, that the best interest of the beneficiaries of public improvements for navigation, flood control, and allied purposes and for shore and beach protection are being served by the Corps of Engineers. The considered opinions of this mature agency of the Government warrant the highest respect by the United States Congress, the State and local agencies with whom they cooperate, and by this body. The emergencies of peace and war confronting the Corps for more than a century have been squarely met, and the common good for the greatest number of our people has been accomplished in the most advantageous manner. We believe that the consistent and orderly development of our water resources can best be accomplished through the well-laid plans and consistent efforts of the Corps of Engineers."

REPORT OF COMMITTEE ON BANKING AND CURRENCY

Mr. TOBEY, from the Committee on Banking and Currency, to which was referred the bill (S. 2225) to transfer administration of the Federal Credit Union Act to the Federal Security Agency, reported it without amendment, and submitted a report (No. 1033) thereon.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. LANGER, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on March 26, 1948, he presented to the President of the United States the enrolled bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSHFIELD:

S. 2397. A bill to authorize and direct the Secretary of the Interior to issue to Katherine Allen Bayliss a patent in fee to certain land; to the Committee on Interior and Insular Affairs.

By Mr. McMAHON:

S. 2398. A bill providing for reimbursement of fines, fees, and costs to a person convicted in the Federal courts under an unconstitutional statute; to the Committee on the Judiciary.

By Mr. WHERRY (for himself and Mr. BUTLER):

S. 2399. A bill authorizing the execution of an amendatory repayment contract with the Northport irrigation district, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GURNEY:

S. 2400. A bill to authorize the President, in his discretion, to permit the stoppage of work on certain combatant vessels; and

S. 2401. A bill to provide for the administration of military justice within the United States Air Force, and for other purposes; to the Committee on Armed Services.

By Mr. HILL:

S. 2402. A bill relating to the liability of common carriers subject to the provisions of part I of the Interstate Commerce Act to persons who are issued or given any interstate free ticket, free pass, or free transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON:

S. 2403. A bill to provide that pensions shall be extended to the widows and children of deceased World War II veterans on the same conditions as they are now extended to the widows and children of deceased World War I veterans; to the Committee on Finance.

By Mr. MAGNUSON (for himself and Mr. MORSE):

S. 2404. A bill to provide benefits for veterans suffering injuries as the result of training, hospitalization, or medical treatment or examination administered under authority of any laws granting benefits to World War veterans; to the Committee on Labor and Public Welfare.

By Mr. BREWSTER:

S. 2405. A bill to encourage the development of a safe United States-flag international air-transportation system properly adapted to the present and future needs of foreign commerce of the United States, of the postal service, and of the national defense, and to meet certain of the obligations incumbent upon the United States by virtue of its membership in the International Civil Aviation Organization, by providing for the transfer, establishment, operation, administration, and maintenance of airport and airway property located outside the continental United States, for the training of foreign nationals in aviation activities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN:

S. J. Res. 201. Joint resolution to suspend the operation of section 401 (e) of the Nationality Act of 1940 in certain cases; to the Committee on the Judiciary.

FEDERAL AID TO EDUCATION—AMENDMENTS

Mr. McMAHON submitted amendments intended to be proposed by him to the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. CONNALLY submitted an amendment intended to be proposed by him to Senate bill 472, supra, which was ordered to lie on the table and to be printed.

AMENDMENT OF RECONSTRUCTION FINANCE CORPORATION ACT—AMENDMENT

Mr. CAIN submitted an amendment intended to be proposed by him to the bill (S. 2287) to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF ATOMIC ENERGY ACT OF 1946—AMENDMENT

Mr. KNOWLAND. Mr. President, I submit an amendment in the nature of a substitute intended to be proposed by me to the bill (S. 1004) to amend the Atomic Energy Act of 1946 so as to provide that no person shall be appointed as a member of the Atomic Energy Commission or as general manager of such Commission until an investigation with respect to the character, associations, and loyalty of such person shall have been made by the Federal Bureau of Investigation. I think the amendment will meet all the constitutional objections which have been made to the original bill. I wish to say that I intend to call this legislation up at the earliest possible date.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie upon the table.

BRITISH HALT UNITED STATES HUNT FOR ETHIOPIAN OIL—ARTICLE BY ARTHUR VEYSEY

[Mr. ROBERTSON of Wyoming asked and obtained leave to have printed in the RECORD an article entitled "British Halt United States Hunt for Ethiopian Oil," by Arthur Veysey, from the Chicago Tribune of March 22, 1948, which appears in the Appendix.]

UNIVERSAL MILITARY TRAINING—STATEMENT BY DEANE W. MALOTT

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a statement regarding universal military training made by Deane W. Malott, chancelor of the University of Kansas, on March 24, 1948, which appears in the Appendix.]

MEETING OF COMMITTEES DURING SENATE SESSION

Mr. WHERRY asked and obtained consent for the Subcommittee on Export Licenses of the Small Business Committee to sit during the session of the Senate today.

MEETING OF A SUBCOMMITTEE

Mr. BALL asked and obtained consent for a subcommittee of the Committee on Appropriations to sit during the session of the Senate.

ANTI-POLL-TAX BILL—EDITORIAL FROM THE WASHINGTON POST

Mr. STENNIS. Mr. President, I ask unanimous consent to insert in the body of the RECORD an unusually strong and clear editorial appearing this morning in the Washington Post on the anti-poll-tax bill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANTI-POLL-TAX BILL

It is not necessary to accept all the excited statements made by opponents of the anti-poll-tax bill to see that it is a bad piece of legislation. The bill owes its popularity to the fact that it seeks to bring about an overdue reform. We heartily agree with its sponsors that all taxes as prerequisites to voting should be abolished. The preferable method is action by the States. Since a few States are stubbornly holding out against abolition of this undemocratic requirement upon voters, however, we should be delighted to see Congress propose and the States ratify an anti-poll-tax amendment to the Constitution. At least two resolutions for this purpose are before the House. But these are not the proposals that are being advanced by vote-hungry Members of Congress. The bill accepted by the House and now under study by the Senate Rules Committee is an attempt to amend the constitutional requirements as to the qualifications of voters by act of Congress.

The Constitution says in unmistakable terms that the voters entitled to choose Congressmen "in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature." This does not give the States power to prescribe the qualifications of voters for Members of Congress as such. It simply makes use of the various yardsticks laid down by the States to serve a Federal purpose. Since that requirement of the Constitution no longer meets with public approval, it can be changed, but surely a constitutional amendment is the proper way to effect the change.

The anti-poll-tax bill attempts to effect the desired reform by changing the meaning of words in the Constitution—an underhanded and undemocratic process. It says that the requirement of paying a poll tax before voting "shall not be deemed a qualification of voters or electors voting or registering to vote at primaries or other elections for said officers, within the meaning of the Constitution, but is and shall be deemed an interference with the manner of holding primaries and other elections for said national officers and a tax upon the right or privilege of voting." If this bill were law, citizens in the poll-tax States could vote for Congressmen without payment of a poll tax. But the same citizens could not vote for members of the "most numerous branch of the State legislature." The requirement of the Constitution as to who shall vote for Congressmen would thus be clearly defeated.

We recognize that it is more difficult to pass a constitutional amendment than a simple act of Congress. But expediency has seldom been recognized in the United States as a valid substitute for principle. At a time when we are engaged in a world-wide struggle against short-cuts to power it seems especially deplorable that the Congress should be advancing so devious a scheme to accomplish a desirable reform.

PRESENTATION OF MEDAL OF HONOR TO WILLIAM MITCHELL, JR.

Mr. WILEY. Mr. President, it was my privilege Saturday to be at the Pentagon Building and to watch the formal presentation of the Billy Mitchell Medal of Honor to Billy Mitchell, Jr., the son of William Mitchell, the great bird airman of the First World War. At that time all of us friends of Billy Mitchell who were present were thrilled to see this slight recognition given his memory, but as I viewed the ceremony I was filled with the conviction that we were missing the mark, that the lesson which Billy Mitchell taught, with his prescience, his foresight, and his vision, was not being pressed home to the young men of America today. Therefore when I returned to my office I issued a press statement, and I ask unanimous consent that it be printed in the RECORD following these brief remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BILLY MITCHELL MEDAL CEREMONY AN UNIMPRESSIVE HALF-HEARTED AFFAIR

I have just returned from the Pentagon Building, where I watched the formal presentation of the Billy Mitchell Medal of Honor to Billy's son, William Mitchell, Jr.

I was very glad to attend this gathering, together with Billy Mitchell's many friends, because Billy was not only a Wisconsin son and one of the Badger State's greatest soldiers, and prophets, but because I feel that what we need today is the sort of foresight, aggressive planning, and ingenuity which characterized Billy, but which the brass hats in those times and apparently even in these times do not have.

LACK OF MEANING OF CEREMONY

I regret to say, therefore, that unfortunately, the ceremony of awarding the medal missed the mark so far as I can see. The presentation was a simple, formal, apparently almost half-hearted gesture, which completely lacked the meaning which Congress intended when it voted the medal bill, as proposed by Senator BRIDGES. There was no dynamic statement of convictions as to Billy Mitchell's meaning in our time, the meaning of thinking in terms of our air policy of the present and the future, of thinking in terms of dynamic industrial planning, education, scientific and military planning not for yesterday's warfare but for atomic, bacteriological, and other types of warfare that may come. The brass hats (I make no reference to any specific individual because I have a very high regard for many of our top military chiefs like General Spaatz) were intent apparently on ignoring Billy Mitchell's fight against military, rut-minded ideas which characterized many of the top officials of his day and of ours. It is this same sort of brass-hat, horse-and-buggy approach which has stymied plans for military and Government decentralization against the possibility of atomic attack on the Nation's Capital, which I have long urged on the War Department. The brass hats apparently still despise Billy's memory because he was so right and they were so wrong.

MAJOR GENERAL BILL

I am going to insist that the House Armed Services Committee act upon my bill to confer upon Billy a major general's commission as of the date of his death (in place of the brigadier generalship from which he was court-martialed to a colonelcy). My bill has passed the Senate unanimously three time but in every instance, due to brass-hat

influence, it has been killed in the House Armed Services Committee.

A major general's commission is a distinct military honor, the type which has the most significance to the memory of a great soldier as Billy was and which, most important, will have the greatest significance to the American people.

I think if we can get this bill passed and if we can confer the commission in a dramatic ceremony that will be no mere gesture, no mere salute to the past, but a living demonstration of America's awareness of Billy Mitchell's meaning, then we shall have made an important psychological contribution to national defense in our times.

Certainly the American people would be more assured about the President's request for UMT and draft legislation if the top military officials gave some indication that they intend to use all the money and all the men that have been requested for purposes of advanced modern-type security as Billy urged and for which he gave his life, dying of a broken heart.

PRINTING OF REPORTS ENTITLED "AN ECONOMIC SURVEY OF WISCONSIN" (S. DOC. NO. 130)

Mr. WILEY. Mr. President, on May 29, 1948, the State of Wisconsin will celebrate the one hundredth anniversary of its admission to the Union as a State. Anticipating this great occasion, in the past few months it has been my pleasure to compile reports from a few Government agencies describing the growth of the Badger State. It has been my hope that these reports could be compiled in the form of a Senate document in order that they might be available to my brother Members of the Congress and to the general public in limited quantities, so as to chronicle the achievements of Wisconsin in these brief 100 years.

While these reports are in no way complete, and while all the economic phases of my State's activity are not covered, I believe that such a document could be an important aid in our centennial celebration and in the years to come as a lasting chronicle of the growth of freemen and a free and sovereign State within the Federal Union.

Ordinarily I would be happy to make this request through the Senate Rules and Administration Committee, but because of the extreme brevity of time before the centennial date, and because there are no controversial aspects to this document, I am hoping that my request can be granted immediately.

At this time, therefore, as a courtesy to Wisconsin and its three and a quarter million inhabitants, I ask unanimous consent that there be printed, with illustrations, as a Senate document these reports from Government agencies under the over-all title "An Economic Survey of Wisconsin."

The PRESIDENT pro tempore. Without objection, the rule will be suspended for the purpose of granting the request made by the Senator from Wisconsin.

SERVICE OF J. C. NICHOLS AS MEMBER OF NATIONAL PARK AND PLANNING COMMISSION

Mr. KEM. Mr. President, J. C. Nichols, of Kansas City, Mo., recently resigned as a member of the National Park and Planning Commission after a service of 22 years. During that time Mr. Nichols made about 150 trips to Washington, and, counting travel time, spent about 2½ years in the service of his country. Mr. Nichols' work in developing the world-famous country-club district in Kansas City has placed him in the very front rank of city planners.

When Mr. Nichols became a member of the Commission, his practiced eye told him that Washington was becoming a lopsided city. Development was proceeding in a northwesterly direction, to the neglect of other sections of the city. In the Anacostia section, particularly, immense areas were lying vacant and not carrying the share of the tax load of which they were capable. Mr. Nichols' associates on the Commission give him a large measure of credit for bringing about a new growth on the Anacostia side. But perhaps his most valuable contribution has been in wise counsel against extravagant and impractical plans, and keen foresight in advising the acquisition of land for parks, recreation grounds, boulevards, and driveways before other construction was started upon the ground. In this way a great deal of money has been saved to the Government and the taxpayers, and Washington has acquired a system of parks and boulevards unsurpassed by any capital city in the world. I know that it must be a source of satisfaction to Mr. Nichols to have been able to make an important and lasting contribution to the development of the Nation's Capital, of which we are all so proud. I rise to say that it is also a source of pride and satisfaction to the people of Missouri to have been able to share with the Nation the talents and industry of this gifted and public-spirited man.

THE HECHT CO.'S SALUTE TO THE STATES

Mr. MAGNUSON. Mr. President, the Hecht Co., a large department store located in the city of Washington, D. C., has for a long period of time been running advertisements at their own expense called Salute to the States. All States in the Union have been included. I think it has been a very unusual service and a very laudatory one. Therefore I ask unanimous consent to place in the RECORD a brief statement dealing with the Hecht Co.'s Salute to the States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE HECHT CO.'S SALUTE TO THE STATES

Since April of 1947, a series of unusual newspaper advertisements saluting the 48 States of the Union has appeared each Monday morning on the back page of the Washington Post.

This series of advertisements saluted each State, beginning last year with Alabama and concluded in March of 1948 with Wyoming. They were offered as a public-service contribution by the Hecht Co. department stores in Washington and Silver Spring. These advertisements presented to the million and a quarter residents of greater Washington the cultural heritage, economic contributions, and historical development that each of our States make to the country at large. All of us in this body have received copies of these tributes to our own States, and I believe you will agree that this series of advertisements has done a great deal to acquaint the people of the District of Columbia area with the respective States. It may be of interest to you gentlemen to know that these unique advertisements have received high commendation from outstanding educators, students, and adults of every trade and profession.

All of these people have praised the conception of this public-service advertising which, in effect, has succeeded in giving a short course in American history to over 1,000,000 persons. Reproductions of this advertising series hang in the classrooms of our schools and colleges.

I think you gentlemen will agree that the spirit and philosophy that inspired these advertisements are in the finest traditions of American business which so unselfishly undertook to disseminate this information concerning our great land. I know I speak for all of you and I take this opportunity to commend Charles B. Dulcan, Sr., vice president and general manager of the Hecht Co., for his vision and statesmanlike conception of public-service advertising in making this series possible.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 2361) to provide for a temporary extension of the National Housing Act, as amended, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes, and it was signed by the President pro tempore.

THE CALENDAR

The PRESIDENT pro tempore. Under the order of the Senate, the clerk will call the calendar for the consideration of measures to which there is no objection.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	O'Conor
Baldwin	Gurney	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hill	Reed
Bricker	Ives	Robertson, Wyo.
Brooks	Jenner	Russell
Buck	Johnson, Colo.	Saltonstall
Bushfield	Kem	Smith
Byrd	Kilgore	Sparkman
Cain	Knowland	Stennis
Capper	Lucas	Taft
Chavez	McCarran	Thomas, Okla.
Connally	McClellan	Thomas, Utah
Cooper	McFarland	Thye
Cordon	McKellar	Tobey
Donnell	McMahon	Vandenberg
Downey	Magnuson	Watkins
Dworshak	Malone	Wherry
Ferguson	Martin	Wiley
Flanders	Millikin	Wilson
Fulbright	Moore	Young
George	Morse	

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. HAWKES], the Senator from Massachusetts [Mr. LODGE], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Montana [Mr. ECTON] and the Senator from North Dakota [Mr. LANGER] are absent on official committee business.

The Senator from Wisconsin [Mr. MCCARTHY] is unavoidably detained.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. HATCH], the Senator from North Carolina [Mr. HOEY], the Senators from Florida [Mr. HOLLAND and Mr. PEPPER], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Pennsylvania [Mr. MYERS], the Senator from Virginia [Mr. ROBERTSON], the Senator from Tennessee [Mr. STEWART], and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Sixty-eight Senators having answered to their names, a quorum is present.

Under the order of the Senate, the clerk will call the calendar for the consideration of measures to which there is no objection.

BILLS, ETC., PASSED OVER

The bill (S. 669) to provide for the payment of a bonus of 30 cents per bushel on wheat and corn produced and sold between January 1, 1945, and April 18, 1946, was announced as first in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 25) amending rule XXII relating to cloture, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 354) to incorporate the Federal City Charter Commission was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 866) to establish a national housing objective and the policy to be followed in the attainment thereof, to facilitate sustained progress in the attainment of such objectives and to provide for the coordinated execution of such policy through a National Housing Commission, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 408) to repeal section 13b of the Federal Reserve Act, to amend section 13 of the said act, and for other purposes, was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 299) to extend the reclamation laws to the State of Arkansas was announced as next in order.

Mr. OVERTON. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 309) designating American Indian Day was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 1179) to aid in defraying the expenses of the seventeenth triennial convention of the World's Woman's Christian Temperance Union to be held in this country in June 1947 was announced as next in order.

Mr. LUCAS. Mr. President, I ask that the bill be temporarily passed over.

The PRESIDENT pro tempore. The bill will be temporarily passed over.

Mr. GREEN subsequently said: Mr. President, what disposition was made of Calendar 198, House Lill 1179?

The PRESIDENT pro tempore. The bill was passed over.

Mr. GREEN. I thank the Chair.

The bill (S. 140) to create an executive department of the Government to be known as the Department of Health, Education, and Security was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 829) to provide for control and regulation of bank holding companies and for other purposes was announced as next in order.

Mr. DOWNEY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 18) to establish uniform qualifications of jurors in Federal courts, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 518) to amend the Nationality Act of 1940 to preserve the nationality of citizens who were unable to return to the United States prior to October 14, 1946, was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture was announced as next in order.

Mr. THOMAS of Oklahoma. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1038) to amend the Federal Airport Act was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The concurrent resolution (S. Con. Res. 6) to include all general appropriation bills in one consolidated general appropriation bill was announced as next in order.

Mr. MCCARRAN. Over.

The PRESIDENT pro tempore. The concurrent resolution will be passed over.

The bill (S. 493) to provide for the coordination of agencies disseminating technological and scientific information was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools was announced as next in order.

Mr. WHERRY. Mr. President, this bill is the unfinished business of the Senate.

The PRESIDENT pro tempore. The bill will be passed over.

DAYLIGHT-SAVING TIME FOR THE DISTRICT OF COLUMBIA

The bill (S. 1481) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District was announced as next in order.

Mr. OVERTON. Over.

Mr. WHERRY. Mr. President, relative to Senate bill 1481, Calendar 485, the bill authorizing daylight-saving time in the District of Columbia, there is considerable demand that that bill be brought up for consideration at the end of the week. Since the Senator from Louisiana [Mr. OVERTON] is present, I suggest that he confer with the Senator from Rhode Island [Mr. MCGRATH] and see if it is satisfactory to take it up at that time.

Mr. OVERTON. As I have already stated, I am willing to take it up at any time. Can the Senator from Nebraska tell us what day the bill is to be taken up?

Mr. WHERRY. I shall be glad to obtain any information I can on the subject. I simply suggest that in the event the Federal aid to education bill and the China-aid bill are concluded, that is one of the bills which we might consider at the end of this week, provided it is satisfactory to the Senator from Louisiana and the Senator from Rhode Island.

Mr. OVERTON. That is satisfactory to me.

BILLS, ETC., PASSED OVER

The PRESIDENT pro tempore. The clerk will state the next measure on the calendar.

The bill (H. R. 84) to amend the Nationality Act of 1940, as amended, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 150) to discharge the Committee on the Judiciary from the further consideration of Senate Resolution 116 was announced as next in order.

Mr. TOBEY. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (H. R. 3051) to amend the act of July 19, 1940, and to amend section 2 and repeal the profit-limitation and certain other limiting provisions of the act

of March 27, 1934, was announced as next in order.

Mr. TOBEY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. GREEN subsequently said: Mr. President, I should be inclined to ask a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. GREEN. I was necessarily out of the Chamber temporarily, at the beginning of the calendar call. I should like to ask what disposition was made of Calendar 657, House bill 3051.

The PRESIDENT pro tempore. The bill was passed over.

The bill (S. 1356) providing for the incorporation of the Franco-American War Veterans was announced as next in order.

Mr. OVERTON. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 430) to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of national farm-loan associations and production-credit associations, was announced as next in order.

Mr. TAFT. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1557) to incorporate the Catholic War Veterans of the United States of America was announced as next in order.

Mr. OVERTON. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1375) to incorporate the Jewish War Veterans of the United States of America was announced as next in order.

Mr. OVERTON. Over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. TOBEY. Mr. President, would a motion be in order, in view of the fact that the Senate seems to be in a killing mood, and desires all these bills to go over?

The PRESIDENT pro tempore. Under the unanimous-consent agreement such a motion would not be in order.

The clerk will state the next business on the calendar.

The bill (H. R. 3978) to provide for the temporary advancement in ranks and increase in salary of lieutenants in the Metropolitan Police Force of the District of Columbia, serving as supervisors of certain squads, was announced as next in order.

Mr. TAFT. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1663) to prohibit the payment of retirement annuities to former Members of Congress convicted of offenses involving the improper use of authority, influence, power, or privileges as Members of Congress was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 968) to authorize the Public Utilities Commission of the District of Columbia to limit the number of taxicabs licensed and operated in the District of Columbia was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 4042) to control the export to foreign countries of gasoline and petroleum products from the United States was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1653) to control the export to foreign countries of gasoline and petroleum products from the United States was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1015) to amend section 7 of the act of June 25, 1910, as amended, to reduce the interest rate on postal savings deposits to 1 percent per annum was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 37) requesting the President to proclaim February 1 as National Freedom Day was announced as next in order.

Mr. OVERTON. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (H. R. 2239) to amend section 13 (a) of the Surplus Property Act of 1944, as amended, was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1004) to amend the Atomic Energy Act of 1946, so as to provide that no person shall be appointed as a member of the Atomic Energy Commission or as General Manager of such Commission until an investigation, with respect to character, associations, and loyalty of such person shall have been made by the FBI was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 164) to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make loans to fur farmers and for other purposes was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1807) to provide for the temporary extension of the Export Control Act and title III of the Second War Powers Act was announced as next in order.

Mr. BUSHFIELD. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2142) to make the Government-owned alcohol plant at Muscatine, Iowa, available for processing agricultural commodities in the furtherance of authorized programs of the Department of Agriculture, and for other purposes was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 984) to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry was announced as next in order.

Mr. McCLELLAN. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2242) to authorize for a limited period of time the admissions into the United States of certain European displaced persons for permanent residence and for other purposes was announced as next in order.

Mr. McCLELLAN. Over.

The PRESIDENT pro tempore. The bill will be passed over.

AMENDMENT OF RECONSTRUCTION FINANCE CORPORATION ACT

The bill (S. 2287) to amend the Reconstruction Finance Corporation Act as amended and for other purposes was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. CAIN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CAIN. With reference to Senate bill 2287, Calendar 1017, may I send to the desk an amendment and ask that it be printed and lie on the table?

The PRESIDENT pro tempore. Without objection, the Senator's amendment will be received, printed, and lie on the table.

JOINT RESOLUTION PASSED OVER

The clerk will state the next order of business on the calendar.

The joint resolution (S. J. Res. 154) authorizing the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the poultry business in the United States was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

DAVE HOUGARDY

The bill (H. R. 2214) for the relief of Dave Hougardy was considered, ordered to a third reading, read the third time, and passed.

ENSIGN MERTON H. PETERSON

The Senate proceeded to consider the bill (S. 1806) for the relief of Ensign Merton H. Peterson, United States Naval Reserve, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 1, after the words "while on", to strike out "terminal", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $197.43, to Ensign Merton H. Peterson, United States Naval Reserve, Sioux Falls, S. Dak., in full settlement of all claims against the United States for hospital and medical expenses incurred by him while hospitalized in Sioux Valley Hospital, Sioux Falls, S. Dak., as a result of having been stricken with appendicitis on January 1, 1946, while on leave from the United States naval service: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account

of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLARENCE J. WILSON AND MARGARET J. WILSON

The bill (H. R. 718) for the relief of Clarence J. Wilson and Margaret J. Wilson was considered, ordered to a third reading, read the third time, and passed.

MRS. LESLIE PRICE AND OTHERS

The bill (H. R. 1586) for the relief of Mrs. Leslie Price and others was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF MARION S. GRIGGS

The Senate proceeded to consider the bill (H. R. 1523) for the relief of the estate of Marion S. Griggs, deceased, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 5, after the word "to", to strike out "the estate of Marion S. Griggs", and insert "Edwin H. Griggs, or his estate"; in line 6, after the words "the sum of", to strike out "$5,000" and insert "$1,236.55"; and in line 8, after the word "sustained", to insert "by his wife, the late Marion S. Griggs."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act for the relief of Edwin H. Griggs, or his estate."

LESLIE H. ASHLOCK

The bill (H. R. 986) for the relief of Leslie H. Ashlock was considered, ordered to a third reading, read the third time, and passed.

IRMA M. PIERCE AND CHARLES Z. PIERCE

The bill (S. 1055) for the relief of Irma M. Pierce and Charles Z. Pierce was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to Mrs. Irma M. Pierce, of Naples, Fla., the sum of $2,500, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her and for reimbursement of hospital, medical, and other expenses incurred by her as a result of an accident which occurred when the automobile in which she was riding was struck by a United States Army vehicle in Ellenton, Fla., on March 12, 1944; and (2) to Charles Z. Pierce, of Tampa, Fla., the sum of $400.40, in full satisfaction of his claim against the United States for compensation for property damage sustained by him and for reimbursement of hospital, medical, and other expenses incurred by him as a result of such accident: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MRS. SUSAN W. ROE

The bill (H. R. 3118) for the relief of Mrs. Susan W. Roe was considered, ordered to a third reading, read the third time, and passed.

MILEAGE FOR UNITED STATES MARSHALS

The bill (S. 692) to authorize a mileage allowance of 7 cents per mile for United States marshals and their deputies for travel on official business was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That United States marshals and their deputies shall, under regulations prescribed by the Attorney General and whenever such mode of transportation is authorized or approved as more advantageous to the Government, be paid in lieu of actual expenses of transportation not to exceed 7 cents per mile for use of privately owned automobiles or airplanes when used on official business or when used in necessary travel on official trips. In addition to the mileage allowance prescribed in this act, there shall be allowed to United States marshals and their deputies reimbursement for the actual cost of ferry fares and bridge, road, and tunnel tolls.

GENTARO TAKAHASHI

The bill (S. 329) for the relief of Gentaro Takahashi was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record Gentaro Takahashi as having entered the United States on July 13, 1927, for permanent residence. The said Gentaro Takahashi shall not be subject to deportation by reason of such entry.

SEC. 2. The Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued, and to discontinue any deportation proceedings which may have been commenced, in the case of said Gentaro Takahashi.

MRS. TERUKO MATSUKAWA

The bill (S. 419) for the relief of Mrs. Teruko Matsukawa (nee Teruko Nagai) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General is hereby authorized and directed to dismiss the deportation proceedings now pending against Mrs. Teruko Matsukawa (nee Teruko Nagai), and that she shall hereafter be deemed to have been lawfully admitted to the United States for permanent residence as of the date of entry.

MRS. LUM SHEE JUNG

The Senate proceeded to consider the bill (S. 661) for the relief of Mrs. Lum Shee Jung, which had been reported from the Committee on the Judiciary with an amendment, to insert at the end of the bill "Upon the enactment of this act the Secretary of State shall instruct the proper quota officer to deduct one number from the first available Chinese quota", so as to make the bill read:

Be it enacted, etc., That from and after the date of enactment of this Act, Mrs. Lum Shee Jung, who was admitted into the United States on March 4, 1940, for a temporary stay, and who is the mother of two children, citizens of the United States, shall be held and considered to have been lawfully admitted to the United States for permanent residence.

SEC. 2. The Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued with respect to the said Mrs. Lum Shee Jung. Upon the enactment of this act the Secretary of State shall instruct the proper quota officer to deduct one number from the first available Chinese quota.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TANG SIK PUI AND OTHERS

The bill (S. 642) for the relief of Tang Sik Pui, his wife, and his five minor children, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Tang Sik Pui (known as Paul Tang), and the wife and five minor children of the said Tang Sik Pui, of Gilbert, Ariz., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their last actual entry into the United States, upon the payment by each of them of the visa fee of $10 and the head tax of $8.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct seven numbers from the nonpreference category of the first available Chinese immigration quota.

TORAICHI AMBO

The bill (S. 755) for the relief of Toraichi Ambo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the immigration laws, Toraichi Ambo, of Los Angeles, Calif., father of two children born and residing in the United States, shall be considered to have been lawfull readmitted to the United States for permanent residence in 1936.

SEC. 2. The Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued, and to discontinue any deportation proceedings which may have been commenced, in the case of the said Toraichi Ambo.

MRS. CHIEKO S. KAWAKAMI

The bill (S. 940) for the relief of Mrs. Chieko S. Kawakami was considered, ordered to be angrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, or any other provision of the immigration and naturalization laws, the Attorney General is authorized and directed to permit the entry into the United States for permanent residence of Mrs. Chieko S. Kawakami, the Japanese wife of Clarke H. Kawakami, a citizen

of the United States and an honorably discharged veteran of World War II. Upon her entry, Mrs. Chieko S. Kawakami shall be entitled to all the benefits and privileges conferred by the act entitled "An act to expedite the admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces," approved December 28, 1945.

MRS. LUCIA KIM

The bill (S. 1045) for the relief of Mrs. Lucia Kim was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows.

Be it enacted, etc., That for the purpose of the immigration laws, Mrs. Lucia Kim, of New York City, mother of two children who are American citizens, shall be considered to have been lawfully admitted to the United States for permanent residence in 1925.

SEC. 2. The Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued, and to discontinue any deportation proceedings which may have been commenced, in the case of the said Mrs. Lucia Kim.

PERFECTO M. BIASON AND JOAN BIASON

The bill (S. 1451) for the relief of Perfecto M. Biason and Joan Biason was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Perfecto M. Biason and his daughter, Joan Biason, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their last entry into the United States, upon payment of the required visa fee and head tax. Upon the enactment of this Act the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the Philippine quota of the first year that openings are available in such quota.

SEC. 2. Notwithstanding any other provision of law, the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding warrant of arrest, order of deportation, and bond, which may have been issued, in the case of Perfecto M. Biason and Joan Biason.

KAZUE ODA TAKAHASHI

The bill (H. R. 1215) for the relief of Kazue Oda Takahashi was considered, ordered to a third reading, read the third time, and passed.

MRS. AKIKO TSUKADO MILLER

The bill (H. R. 2347) for the relief of Mrs. Akiko Tsukado Miller was considered, ordered to a third reading, read the third time, and passed.

VICTOR C. KAMINSKI

The bill (H. R. 3061) for the relief of Victor C. Kaminski (also known as Victor Kaminski) was considered, ordered to a third reading, read the third time, and passed.

WILLIAM L. CUNLIFFE

The bill (H. R. 4177) for the relief of William L. Cunliffe was considered, ordered to a third reading, read the third time, and passed.

NAKA MATSUKATA RAWSTHORNE

The Senate proceeded to consider the bill (S. 740) to record the lawful admission to the United States for permanent residence of Naka Matsukata Rawsthorne, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 9, after the word "residence", to strike out ", and the provisions of section 303 of the Nationality Act of 1940 shall have no application in her case", so as to make the bill read:

Be it enacted, etc., That the attorney general be, and is hereby, authorized and directed to record the lawful admission for permanent residence of Naka Matsukata Rawsthorne, who entered the United States at Blaine, Wash., on April 5, 1939, and that she shall, for all purposes under the immigration laws, be deemed to have been lawfully admitted as an immigrant for permanent residence.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THORVALDUR HLIDDAL

The Senate proceeded to consider the bill (S. 1186) for the relief of Thorvaldur Hliddal, which had been reported from the Committee on the Judiciary with amendments, on page 1, in line 3, after the word "section", to strike out "13" and insert "3", and on page 2, in line 7, after the word "amended", to strike out ", and the said provisions of the Immigration Act of 1924, as amended, shall prohibit his naturalization if he is found to be otherwise eligible for citizenship under the alien and nationality laws", so as to make the bill read:

Be it enacted, etc., That notwithstanding the provisions of section 3 (a) of the Selective Training and Service Act of 1940, as amended (54 Stat. 885; U. S. C., title 50, War App., sec. 303 (a)), the provisions of section 13 (c) of the Immigration Act of 1924, as amended (43 Stat. 161, U. S. C., title 8, sec. 224 (c)), Thorvaldur Hliddal, husband of a citizen of the United States, who departed from the United States, in order to render service to the war effort of the Allies and to assist the armed forces of the United States in Iceland during World War II, shall be admitted to the United States for permanent residence under the provisions of the immigration laws, if he is found otherwise admissible under the provisions of the immigration laws, and nothing contained in said provisions of the Selective Training and Service Act of 1940, as amended.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF LANDS TO JAMES S. McDONALD POST

The Senate proceeded to consider the bill (S. 1771) authorizing the Secretary of the Interior to convey certain lands in Powell town site, Wyoming, Shoshone reclamation project, Wyoming, to the James S. McDonald Post, 5054, Veterans of Foreign Wars, Powell, Wyo., which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, in line 5, after the word "deposits", to strike out ", and all fissionable materials", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to cause a patent to issue conveying that portion of the townsite of Powell, Wyo., on the Shoshone reclamation project, particularly described as block one hundred and thirty-three of Powell town site, township 55 north, range 99 west, sixth principal meridian, to the James S. McDonald Post, 5054, Veterans of Foreign Wars, Powell, Wyo., in trust for use as a Veterans of Foreign Wars clubhouse and sports center; but in said patent there shall be reserved to the United States all oil, coal, and other mineral deposits within said lands and the right to prospect for, mine, and remove the same.

SEC. 2. The conveyance herein authorized shall be made upon the express conditions that any use to which the area is put shall comply with all town ordinances and State laws; that within 30 days of the receipt of any request therefor from the Secretary of the Interior, the commander of the James S. McDonald Post 5054, Veterans of Foreign Wars, shall submit a report on the use made of the land herein granted the James S. McDonald Post 5054 during the period named in such request; and that in the event of his failure so to report or in the event of a finding by the Secretary, which finding shall be final and conclusive, that the terms of the grant have not been complied with, the grant shall be forfeited and the title shall revert to the United States. The Secretary of the Interior is hereby authorized and empowered to determine the facts and declare the forfeiture and reversion aforesaid and restore said land to the public domain, and such order of the Secretary shall be final and conclusive.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF BOULDER CANYON PROJECT ADJUSTMENT ACT

The bill (S. 1985) to amend the act entitled "Boulder Canyon Project Adjustment Act, approved July 19, 1940," was announced as next in order.

Mr. KNOWLAND. Mr. President, reserving the right to object, I wonder whether this bill can be passed over temporarily. I have an amendment which I should like to submit to the Senator from Nevada, to see whether it will meet with his approval.

The PRESIDENT pro tempore. The bill will go to the foot of the calendar, for recall at the end of the calendar.

Mr. KNOWLAND subsequently said: Mr. President, reverting to Senate bill 1985, Calendar 1052, to which I reserved the right to object, I wish to say that I withdraw my objection, and at this time I am not going to offer an amendment.

The PRESIDENT pro tempore. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 1985) to amend the act entitled "Boulder Canyon Project Adjustment Act, approved July 19, 1940."

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 1, in line 6, after the word "appropriation", to insert "for the fiscal years 1948, 1949, 1950, and 1951."

The amendment was agreed to.

The PRESIDENT pro tempore. The Senator from South Dakota has amendments pending to this measure. However, if there are no further amendments

to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of July 19, 1940, entitled "Boulder Canyon Project Adjustment Act" (54 Stat. 774), is amended by adding the following new paragraph to section 2:

"SEC. 2. (e) Annual appropriation for the fiscal years 1948, 1949, 1950, and 1951 for payment to the Boulder City School District, as reimbursement for the actual cost of instruction, during each school year, in the schools operated by said district, of pupils who are dependents of any employee or employees of the United States living in or in the immediate vicinity of Boulder City, such reimbursement not to exceed the sum of $65 per semester per pupil and to be payable semiannually, after the term of instruction in each semester has been completed, under regulation to be prescribed by the Secretary."

Mr. GURNEY subsequently said: Mr. President, I ask unanimous consent to return to Calendar 1052, Senate bill 1985. As I understand it, the bill was passed.

The PRESIDENT pro tempore. The Senator is correct; the bill was passed.

Mr. GURNEY. I ask unanimous consent for reconsideration, and that my amendment——

The PRESIDENT pro tempore. The Senator from Nevada is not present. He has been sent for.

Mr. GURNEY. Mr. President, my amendment does not affect the interests of the Senator from Nevada. It includes other territories in the provisions of the act.

Mr. MILLIKIN. Mr. President, if the Senator will permit me to make an explanation, the Senator's amendments were considered in connection with Calendar 1052, Senate bill 1985, but it was thought that they took in so much territory that there ought to be a rather careful study made of the whole scope of the Senator's amendments to determine exactly what would be involved; whereas Senate bill 1985 is limited to something which can be quickly appraised. I can assure the Senator that his amendment will receive very careful and prompt attention by the appropriate subcommittee of the Committee on Interior and Insular Affairs. I make the further suggestion that it might be a little bit unfair to tie up this emergent matter at Boulder City, Nev., with the Senator's very comprehensive amendment.

Mr. GURNEY. Mr. President, with the explanation offered by the Senator from Colorado, I am perfectly willing to let my amendment go for the time being. I merely thought it had been offered in sufficient time to have been added to Senate bill 1985. I am very glad that the committee is considering the contents of my amendment.

The PRESIDENT pro tempore. The Senator from South Dakota withdraws his request for reconsideration. The clerk will state the next bill.

OREGON & CALIFORNIA RAILROAD AND COOS BAY WAGON ROAD GRANT LANDS

The bill (H. R. 5049) to reopen the revested Oregon & California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws, was considered, ordered to a third reading, read the third time, and passed.

LEASING OF STATE LANDS FOR PRODUCTION OF OIL, GAS, AND OTHER HYDROCARBONS

The Senate proceeded to consider the bill (H. R. 4167) to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for the production of oil, gas, and other hydrocarbons for such terms of years and on such conditions as may be from time to time provided by the legislative assembly of the respective States, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 1, in line 6, after the word "amended", to strike out "by inserting before the last semicolon in such paragraph a comma and the following: 'except that leases for exploration for oil, gas, and other hydrocarbons and the extraction thereof may be for such terms of years, and on such conditions, as may be from time to time provided by the legislative assembly of the respective States.'" and insert "to read as follows: 'Except as otherwise provided herein, the said lands may be leased under such regulations as the legislature may prescribe. Leases for the production of minerals, including leases for exploration for oil, gas, and other hydrocarbons and the extraction thereof, shall be for such term of years and on such conditions as may be from time to time provided by the legislatures of the respective States; leases for grazing and agricultural purposes shall be for a term not longer than 10 years; and leases for development of hydroelectric power shall be for a term not longer than 50 years.'"

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for production of minerals, including leases for exploration for oil, gas, and other hydrocarbons and the extraction thereof, for such terms of years and on such conditions as may be from time to time provided by the legislatures of the respective States."

BILL PASSED OVER

The bill (S. 1989) to provide for the payment of certain Government employees for accumulated annual leave in cases involving transfer to other Government agencies under different leave systems was announced as next in order.

Mr. OVERTON. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

SALE OF PUBLIC LANDS IN SAN JUAN COUNTY, UTAH

The bill (S. 2278) to authorize the sale of certain public lands in San Juan County, Utah, to the Southwest Indian Mission, Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Southwest Indian Mission, Inc., is hereby authorized for a period of 1 year from and after the effective date of this act to file with the Secretary of the Interior an application to purchase, and the Secretary of the Interior is hereby authorized and directed to issue a patent to it, for use by St. Christopher's Mission to the Navajo, for the following-described lands in San Juan County, Utah: The east half of the southeast quarter of the southeast quarter of section 20, the west half of the southwest quarter of the southwest quarter of section 21, lot 4 and the northwest quarter of the northwest quarter of section 28 and lots 1, 2, and 5 of section 29, township 40 south, range 22 east, Salt Lake meridian, containing one hundred and sixty-five and five-tenths acres.

SEC. 2. The patent shall not be issued until after payment has been made by the Southwest Indian Mission, Inc., to the Secretary of the Interior for the land at its reasonable appraised price of not less than $1.25 per acre, to be determined by the Secretary in accordance with the provisions of the act of December 22, 1928 (45 Stat. 1069). The patent shall reserve to the United States all of the oil, gas, and all other mineral deposits in the land, together with the right to prospect for, mine, and remove the same under such regulations as the Secretary of the Interior may prescribe.

DECENNIAL CENSUS OF HOUSING

The bill (S. 1950) to provide for a decennial census of housing was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling structures and dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

SEC. 2. All of the provisions, including penalties, of the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in section 1 of this act.

BILLS PASSED OVER

The bill (S. 1322) to provide a Federal charter for the Commodity Credit Corporation was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3538) to authorize the Department of Agriculture to investigate and report on project for reclaiming lands by drainage was announced as next in order.

Mr. McFARLAND. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2173) to amend the provisions of the Agricultural Adjustment

Act relating to marketing agreements and orders was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

APPROPRIATIONS FOR FOREIGN AID, WELFARE OF INDIANS, AND REFUNDING INTERNAL-REVENUE COLLECTIONS

The joint resolution (H. J. Res. 355) making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. TAFT. Mr. President, may we have an explanation?

Mr. BALL. Mr. President, the Senator from New Hampshire [Mr. BRIDGES] is not here at this time.

This is a supplemental appropriation measure. It carries $500,000,000 for the Treasury Department, for tax refunds, which are necessary to be paid and should go through immediately.

There is a $125,000 increase in welfare funds for Indians.

The other appropriation item is one of $55,000,000 as an additional amount for aid under the interim-aid bill to Italy, France, and Austria. The State Department, in justifying it, said they were running out of funds. It did not appear that the European relief-program bill would go through in time, so they made program arrangements for the next few months. This $55,000,000 appropriation will, in effect, apply to the long-range program, and the State Department's representatives said it would be deducted from the appropriations made under the long-range program.

I do not think there is any controversy in regard to this measure. It was unanimously reported by the committee.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 355) was considered, ordered to a third reading, read the third time, and passed.

AID TO CHINA

The bill (S. 2393) to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China was announced as next in order.

The PRESIDENT pro tempore. This bill goes over. In this connection, without objection, the following order will be made: The Senate Committee on Foreign Relations will be permitted to have the report it filed on this bill reprinted, showing certain changes.

The next measure on the calendar will be stated.

ADMINISTRATIVE EXPENDITURES FOR VETERANS' ADMINISTRATION

The bill (H. R. 4478) to provide basic authority for certain administrative expenditures for the Veterans' Administration, and for other purposes, was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Colorado a question. In Massachusetts a great many objections have been raised to some of the acts of the Veterans' Administrator in closing certain so-called contact offices. My question is this: Are there going to be specific bills with relation to the opening of the contact offices, or does this bill apply to something else?

Mr. MILLIKIN. The bill applies to something else, I may say to the Senator. At the present time, by virtue of specific authorities in appropriation bills, the Veterans' Administration buys laundry service and furnishes tobacco. The point has been made that unless basic authority is given for incurring such expense, those items in appropriation bills might be subject to points of order. The purpose of the pending bill is to overcome that.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

VETERANS' ADMINISTRATION OFFICES IN THE PHILIPPINES

The bill (H. R. 4943) to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Territory of the Republic of the Philippines, was considered, ordered to a third reading, read the third time, and passed.

EXEMPTION OF HAWAII AND ALASKA FROM PROCUREMENT OF TRADE STATISTICS

The bill (H. R. 3229) to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous Territory was considered, ordered to a third reading, read the third time, and passed.

FREE IMPORTATION OF X-RAY FILM

The Senate proceeded to consider the bill (H. R. 4739) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of exposed X-ray film which had been reported from the Committee on Finance, with amendments, on page 1, line 3, after the word "That", to insert "(a)", and on line 8, to insert a new paragraph, as follows:

(b) This act shall be effective as to merchandise entered for consumption, or withdrawn from warehouse for consumption, on and after the thirtieth day after the enactment of this act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF TARIFF ACT IN RELATION TO CERTAIN FURS

The bill (H. R. 4938) to amend the Tariff Act of 1930 with reference to platinum foxes, and platinum fox furs, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF TARIFF ACT IN RELATION TO FIREWOOD

The Senate proceeded to consider the bill (H. R. 5328) to amend paragraph 1803 (2) of the Tariff Act of 1930, relating to firewood and other woods, which had been reported from the Committee on Finance, with amendments, on page 1, line 3, after the word "that", to insert "(a)"; on line 6, strike out "bark, sawdust, and other wood waste of the saw and planing mill, ground or crushed, and compressed", and insert "fuel made by compression from bark, sawdust, or other wood waste of the saw or planing mill"; and on page 2, after line 2, to insert a new paragraph, as follows:

(b) This act shall be effective as to merchandise entered for consumption, or withdrawn from warehouse for consumption, on and after the thirtieth day after the enactment of this act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. The call of the calendar is concluded. The unfinished business cannot be laid down until 2 o'clock, but it can be brought up by motion.

Mr. TAFT. I move that the unfinished business be taken up at this time.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Ohio.

The motion was agreed to.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. TAFT. Mr. President, I ask unanimous consent that the privileges of the floor be extended during the debate on the pending measure to Dr. Francis G. Cornell, formerly an expert assistant of the Committee on Labor and Public Welfare, who worked on the pending measure. Dr. Cornell has recently gone with the University of Illinois. He is willing to give his time to the committee.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. DONNELL and Mr. McKELLAR addressed the Chair.

The PRESIDENT pro tempore. The Senator from Missouri is recognized.

Mr. McKELLAR. Mr. President, will the Senator yield to me, that I may speak briefly?

Mr. DONNELL. I yield, certainly.

Mr. McKELLAR. Mr. President, I shall take only 4 or 5 minutes.

I have always been a disciple of Jefferson in politics and a great admirer of his learning and education. I desire to quote two short excerpts from him. In

writing to George Wythe, also of Virginia, Jefferson said:

I think by far the most important bill in our whole code, is that for the diffusion of knowledge among the people. No other sure foundation can be devised, for the preservation of freedom and happiness * * *. Preach, my dear sir, a crusade against ignorance; establish and improve the law for educating the common people * * * the tax which will be paid for this purpose, is not more than the thousandth part of what will be paid to kings * * * and nobles, who will rise up among us if we leave the people in ignorance.

And again, in the same book, quoting Mr. Jefferson:

Every government degenerates when trusted to the rulers of the people alone. The people themselves therefore are its only safe depositories. And to render even them safe, their minds must be improved to a certain degree * * *. And amendment of our Constitution must here come in aid of the public education. The influence over government must be shared among all the people. If every individual * * * participates of the ultimate authority, the Government will be safe.

Jefferson's statement is just as true today as it was then. The Federal Government by all means should take part in the education of the people, and without interference with the rights of the States. I shall vote for this bill with the greatest of pleasure.

Mr. DONNELL. Mr. President, the remarks made by the distinguished Senator from Tennessee call to mind the observations made on many occasions by the great statesman from whom the Senator quoted, Thomas Jefferson. I quote at this time from the language of Mr. Justice Rutledge in speaking for the minority in the case of Everson against Board of Education, when he said:

For Madison, as also for Jefferson, religious freedom was the crux of the struggle for freedom in general.

Mr. President, it is with particular appropriateness that the name of Thomas Jefferson comes before the Senate at this point in the debate upon the education bill. As an alumnus of the University of Missouri, I recall the veneration paid upon the campus of that great educational institution to Thomas Jefferson by the notable monument which I think even yet stands upon the campus of that institution, which has intimate, beautiful historic associations with Jefferson.

Mr. President, I rise today to advocate the adoption of an amendment offered by myself to section 6 of Senate bill 472, which is now before the Senate, which is a bill to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. TAFT. Would the Senator like to make his amendment the pending amendment? I have some formal amendments which I think may be adopted en bloc, and then the Senator can offer his amendment if he wishes to do so.

Mr. DONNELL. That will be quite agreeable to me. I understand we cannot vote upon amendments today, but I shall be very happy to offer my amendment.

Mr. TAFT. Mr. President, I ask unanimous consent that the Senate consider the amendments which I have offered and which are printed and on the desk. They merely change the date to fit the bill to this year instead of to last year, and eliminating paragraph (F) relating to a condition which I think is wholly unnecessary.

The PRESIDING OFFICER (Mr. YOUNG in the chair). Without objection, that procedure will be followed, and without objection, the amendments offered by the Senator from Ohio are agreed to.

Mr. DONNELL. I thank the Senator for his courtesy.

The amendment which I desire to offer to the pending bill relates to section 6. I now offer it for the consideration of the Senate and for action by it. In order to understand it, it is essential that we consider, first, section 3 of the bill, which reads:

SEC. 3. For the purpose of more nearly equalizing public elementary school and public secondary school opportunities among and within the States, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1949, and for each fiscal year thereafter, the sum of $300,000,000 to be distributed among the States as hereinafter provided.

I have by my intonation emphasized the word "public." It is for the purpose of more nearly equalizing public elementary school and public secondary school opportunities among and within the States that the authorization for the appropriation is to be made by this bill if it shall be passed. The very title of the bill refers, as I have already indicated, to public elementary and secondary schools. It twice uses within the title the term "public elementary and secondary schools."

Having mentioned, Mr. President, section 3 of the bill, I pass now to section 6 to which my amendment is offered. Section 6 reads as follows:

SEC. 6. In order more nearly to equalize educational opportunities, the funds paid to a State from the funds appropriated under section 3 of this act shall be available for disbursement by the State educational authority, either directly or through payments to local public-school jurisdictions or other State public-education agencies—

I digress, Mr. President, to say that I have again, by my intonation, emphasized the word "public" and the words "public schools." I continue:

for any current expenditure for elementary- or secondary-school purposes for which educational revenues derived from State or local sources may legally and constitutionally be expended in such State.

Mr. President, the amendment which I have offered is as follows:

To strike on page 19, from which I have last read, lines 12, 13, and 14, the wording of which is:

for which educational revenues derived from State or local sources may legally and constitutionally be expended in such State.

And insert in lieu of the language so to be stricken a colon, and, thereafter, the following:

Provided, That no funds appropriated under this act shall be disbursed in any State for the support or benefit of any sectarian or private school.

So, Mr. President, if the amendment which I have presented and offered shall be adopted, section 6, instead of reading as it now does, will read as follows:

In order more nearly to equalize educational opportunities, the funds paid to a State from the funds appropriated under section 3 of this act shall be available for disbursement by the State educational authority, either directly or through payments to local public-school jurisdictions or other State public-education agencies, for any current expenditure for elementary or secondary school purposes: *Provided*, That no funds appropriated under this act shall be disbursed in any State for the support or benefit of any sectarian or private school.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. McMAHON. Does the Senator by his amendment contemplate depriving the school children of the health services? Would the Senator take away the school-lunch program, which has been taken care of in another act of the Congress?

Mr. DONNELL. I would not, and I do not by this amendment. I understand the pending bill does not provide for school-lunch programs. As has been indicated by the Senator from Connecticut, that is the subject of another act which was passed by the Congress.

Mr. McMAHON. What is the Senator's definition of "current expenditures"?

Mr. DONNELL. Mr. President, a statement of what would constitute current expenditures, of course, involves considerable detail. I take it, however, that the specific point the Senator now has in mind relates to expenditures particularly and peculiarly for the benefit directly of the student himself; that is to say, an expenditure which in effect is routed directly to the student, rather than an expenditure for the operation of a school.

Mr. McMAHON. Will the Senator yield further?

Mr. DONNELL. I yield.

Mr. McMAHON. The definition of "current expenditures contained in the bill at the present time is only limited by the provision that no part of the funds shall be used for reducing debt, paying interest, or for capital outlay. If a school system is using funds for health programs, as 65 percent of the school boards of the United States are doing at the present time, that is a current expenditure and it would be permissible for a State to pay for a health program out of the funds presently contemplated in the bill.

Mr. DONNELL. If that be the correct construction of the bill, my amendment would prohibit the use of any of the funds authorized in the bill for those purposes. But I understand that the school-lunch program is a separate and distinct program, authorized by separate congressional act, and it had not been my intention that the amendment which I propose should in any sense operate as

an amendment to or restriction upon that act. However, if it be true that the expenditures which are to be covered by Senate bill 472 shall be of that nature, I should say that the amendment which I propose would prevent the use for the purpose indicated of any such funds under the proposed act. However, I do not think the amendment I propose would have that effect, because I think the school-lunch program is adequately covered by the other act which Congress passed some months ago.

Mr. McMAHON. I think the Senator misunderstood me; perhaps I did not make myself clear. I was under no misapprehension about the school-lunch program being in any way affected by the pending bill. I was trying to examine into the Senator's philosophical reasoning for advancing the pending amendment.

If the Senator will permit me, this is what I mean: If I understand the Senator correctly, he says that he is not against the school-lunch program for public and nonpublic schools alike. Am I correct in that?

Mr. DONNELL. That is correct—under the existing law as it has been enacted.

Mr. McMAHON. I should like to point out to the Senator that under the pending measure funds can be used to pay current expenditures, and we can examine into what the current expenditures are by looking into the facts. I have looked into some of the facts, and I find, for instance, in the case of health expenditures, that they are current expenditures in about 65 percent of the school boards of the country. Does the Senator feel that that kind of expenditure should not be permitted in nonpublic schools, and if so, how does he reconcile that with his endorsement of the school-lunch program in nonpublic and public schools alike?

Mr. DONNELL. Mr. President, I reconcile those two things in this way: As I see it, anything which Congress desires to do along the line of furnishing either health services to individuals or school-lunch programs to individuals Congress has the power and the right to do. I shall not undertake, in the debate today, to criticize in the slightest or break down any provision Congress has made along that line. But here we have a very different situation, as I see it. We have here a bill to authorize an appropriation of funds to assist the States and Territories—and I quote from the title—"in financing a minimum foundation education program of public elementary and secondary schools." If the funds under the bill are to be used instead of the funds under the act Congress passed some months ago, for school-lunch programs, for illustration, my amendment would prohibit such use. I had assumed—and I think I am correct in my assumption—that there was no intention on the part of the framers of the pending bill to interfere with the school-lunch program, or to cause the pending bill to be the legislative measure under which such a program was to be financed.

I answer the Senator in this way: The amendment which I propose now makes it mandatory that none of the moneys appropriated under the pending bill shall go for any current expenditure for elementary or secondary-school purposes.

Mr. McMAHON. Mr. President, will the Senator yield at that point?

Mr. DONNELL. I yield.

Mr. McMAHON. Of course, the Senator from Connecticut has read the late Supreme Court decision on this subject in the McCollum case, and also the Everson case, in New Jersey, and fully appreciates the limitations on Federal and State Governments in the use of public tax funds for the benefit of nonpublic schools. But what I desire to impress on the Senator from Missouri is that the Supreme Court has left open in its decisions a field in which the State can help non-public-school children.

I wish to point out to the Senator that while he endorses the school-lunch program, by his amendment he would cut off the non-public-school children from that kind of current expenditures which are permissible under the Supreme Court decision, namely, for bus transportation, health services, recreational services, and nonreligious textbooks. Is it the Senator's intention to tell the Senate that while it may be all right to give a child a pint of milk, it will not be all right to fill his teeth?

Mr. DONNELL. Mr. President, I shall discuss at some length both the decisions to which the Senator from Connecticut has referred, namely, the Everson and the McCollum decisions. I may say that there is no intent on my part in offering the amendment to cut off the provision for bus-transportation service, for illustration, to which the Senator referred. Indeed, as I see it, under the New Jersey case, the Everson decision, the provision for that service was distinctly sustained on the ground that it was not an expenditure for elementary- or secondary-school purposes, but was a mere reimbursement to the parents of the children for moneys which the parents had paid out for the transportation of the children to the schools.

Mr. McMAHON. Mr. President——

Mr. DONNELL. If the Senator will permit me, I should like very much to proceed with my presentation. I shall discuss both the McCollum and the Everson cases, and at the conclusion I shall be very happy to answer, if I can, any questions the Senator may ask; but I should like, if he will permit me, to proceed with the orderly presentation of my views.

As I stated, Mr. President, under the amendment which I have offered no fund appropriated under the act can be disbursed in any State for the support or benefit of any sectarian or private school. I urge that the act should clearly and affirmatively, and without any doubt as to its meaning, set forth that no funds appropriated under the act shall be disbursed in any State for the support or benefit of any sectarian or private school. The measure, though, does not prohibit the use of Federal funds by either of said classes of schools. Indeed, the senior Senator from Ohio [Mr. TAFT] in arguing a few days ago in favor of section 6 of the bill said:

> That section refers very briefly to private schools, or parochial schools. If a State, as part of its educational system, chooses to distribute money to private schools in the conduct of its educational system, then Federal funds may be used in the same way. In other words—

Says the Senator from Ohio—

> it is an absolutely home-rule provision.

Although the Senator means only private schools in the excerpt thus quoted from his remarks, he obviously intends that if a State permits any of its own funds to be paid to a sectarian school, the Federal funds which shall be appropriated pursuant to this act may likewise be used in that State for such sectarian schools.

At page 3373 of the RECORD the Senator from Ohio says:

> My basis for defending section 6 of the bill is that I do not think we can do anything else unless we are prepared to interfere with the educational system desired by the people of each State.

That the Senator from Ohio contemplates Federal funds passing under this act to sectarian schools further appears from the following quotation from his remarks appearing at page 3357:

> If we are going to maintain a system of local autonomy, if the Federal Government is not going to use this money to change the educational system which is desired by the people of any State, then it seems to me that we must adopt a provision of this kind. I am quite prepared to defend it against those who want some parochial-school aid and those who do not want any.

The fact that the Senator from Ohio contemplates that in States which may use their own funds for sectarian schools, Federal funds under this act may be used for said schools further appears from the fact that on page 3357 he indicates, not opposition to use of funds for sectarian schools but merely his view that under the decisions of the Supreme Court very little of such aid can be given to sectarian schools. Says the Senator at page 3357:

> I may say that, so far as the parochial schools are concerned, the recent decisions of the Supreme Court make it almost impossible for any State to give aid to any parochial schools except possibly for bus transportation.

So, Mr. President, I submit that not only does the measure in its present form not prohibit the use of Federal funds by either sectarian or private schools, but the proponent of the measure who presents it on the floor of the Senate himself contemplates that Federal funds will pass under the act to sectarian schools, though he considers that under the two recent cases, which obviously are the Everson and the McCollom cases, which he introduced into the RECORD, the amounts which can be given to such sectarian schools will be small in volume.

I shall consider later in my discussion the effect of the two decisions to which the Senator refers.

I submit, Mr. President, that it is of fundamental importance—and I emphasize "fundamental importance"—that public funds be not appropriated for the use or benefit of sectarian schools. I again call to the attention of the Senate the very language which I suggested a little while ago in view of the remarks of the Senator from Tennessee [Mr. MCKELLAR], that both for Jefferson, whom

he quoted, and for Madison, religious freedom was the crux of the struggle for freedom. In so stating, I have quoted from four distinguished Justices of the Supreme Court of the United States.

Mr. President, I have laid down the fundamental proposition that it is of importance, of profound importance, if you please, that public funds be not appropriated for the use or benefit of sectarian schools. Indeed, it is to the interest of both the public and of the religious groups themselves by which the respective sectarian schools are operated that such schools should not be supported either in whole or in part by public funds. From the standpoint of the public, the people, the citizens of our Nation, such support is objectionable on various grounds.

First, such support would permit public funds derived from people of all religious beliefs—yes; and perchance from people of no religious beliefs—to be used for the teaching of religious views held by specific groups of individuals.

Again, Mr. President, the support of sectarian schools by public funds would result in a situation of this kind: If one specific sect should receive and use such public funds, obviously other groups would be entitled to the use of public funds in their schools.

I interrupt the connection of my argument at this moment to say that the argument I am now making is not in any sense whatsoever to be taken or accepted, nor is it in fact designed, to attack any one particular religion or any one particular religious group. I think it is just as harmful for public funds to be used for a Methodist or a Baptist or a Lutheran sectarian school as it is to be used for a Catholic or an Episcopalian or a Presbyterian sectarian school.

Mr. President, the note I just struck, however, is this, that if public funds are to be used by schools of one specific sect, it is obviously true that other groups would be entitled to the use of public funds in their schools. If the Baptists should be entitled to receive public funds, the Presbyterians could with equal right, or the Catholics, or the Methodists, or any other religious sect, could with equal right request the privilege of the use of public funds for their schools.

I quote in this connection a very interesting portion of a sentence from Mrs. Agnes Meyer, of Washington, D. C., whose name is well known in the Capital of our Nation, for both she and her husband have been outstanding citizens of this community for many years. In the current, March 1948, issue of the Reader's Digest, at page 68, Mrs. Meyer says in language better than I could employ:

> Public support of one sectarian school system would bring many others into existence, thus undermining our public educational system and the future development of our Republic.

So, Mr. President, I submit that from the standpoint of the public, from the standpoint of the citizens, from the standpoint of the people of our country, 140,000,000 of them, the support of sectarian schools by public funds is objectionable.

Likewise, Mr. President, it is no less true that from the standpoint of the schools themselves such support by public funds is objectionable. Why is that true? It is true from this standpoint, if no other: That there is the danger—and the very real danger—that the Government which provides the funds will ultimately, even if it does not do so at the outset, attach conditions to the use of such funds. Consequently the Government will thereby interfere in the policies of the schools. So from the standpoint of the sectarian schools themselves, just as it is objectionable to the people of our Nation, it is objectionable likewise to the religious groups that they be dependent in whole or in part upon public funds for the support of such sectarian educational institutions.

From the standpoint of both the public and the religious groups, such use of public moneys is objectionable for the fundamental reason that it tends to strike down what the same Thomas Jefferson, to whom the Senator from Tennessee earlier referred, termed the "wall of separation between church and state." Such striking down of that wall is harmful both to the public and to the religious groups themselves.

In considering whether harmful effects accrue to both the public and the religious group from such use of public funds, it is not out of place to note a portion of the opinion of the minority of the Supreme Court of the United States in Everson against The Board of Education. The minority was not just one man. It was four men out of nine members of the Supreme Court. If one of the men upon the majority had changed over to the minority, what we today call the minority would have been the majority of the Supreme Court. So I say that it is not amiss to note a portion of the opinion of the minority of the Supreme Court of the United States in Everson against Board of Education. The minority called attention to the views of Madison and his coworkers in opposition to the imposition of a tax for religion. Mr. Justice Rutledge, speaking for the minority, said:

> Not the amount but "the principle of assessment was wrong." And the principle was as much to prevent "the interference of law in religion" as to restrain religious intervention in political matters.

In other words, the distinguished Justice of the Supreme Court, speaking for himself and three others, was emphasizing the very point that the imposition of a tax for religion is injurious both to the religious groups and to the State itself.

In this connection, attention is also directed to a statement by a spokesman of the majority in the Everson case, namely, Mr. Justice Black, in which he sets forth appropriately from the decision of the Court of Appeals of South Carolina in the case of *Harmon* v. *Dreher* (2 Speers Equity Reports (S. C. 1843), 87, 120) and cites as having been quoted with approval by the United States Supreme Court in *Watson* v. *Jones* (13 Wall. 679, 730) the following observation:

> The structure of our Government has, for the preservation of civil liberty, rescued the temporal institutions from religious interference. On the other hand, it has secured religious liberty from the invasions of civil authority.

So, Mr. President, the distinguished spokesman for the majority of the Supreme Court in the Everson case points out this quotation which is so apt and so indicative of the fact that the Supreme Court of the United States has realized that the imposition of taxes for religion and the commingling of State and religious organizations is injurious both to the religious group and to the Nation.

That it is advisable either to prohibit or restrict the use of public funds for sectarian school purposes is the expressed opinion of nearly all the States of the Union. In the early history of the Nation the education of the young was a function carried on by the church. Later, however, to quote Professor Cubberley, dean emeritus, School of Education, Leland Stanford University:

> As necessity gradually compelled the State to provide education for its children, sectarian differences made it increasingly evident that the education provided must be nonsectarian in character. As Brown (S. W.) has so well stated it:
>
> "Differences of religious belief and a sound regard on the part of the State for individual freedom in religious matters, coupled with the necessity for centralization and uniformity, rather than hostility to religion as such, lie at the bottom of the movement toward the secular school."

I shall have something more to say on that proposition; namely, that it was not primarily hostility to religion which led to a separation from the public schools from sectarian influences, but these other bases which are so strongly emphasized and stated in what I have read.

Someone may ask, "Who is Professor Cubberley?" His ability and standing may be realized from the further fact that the Supreme Court of the United States itself, in the footnote to the McCollum case, refers to Professor Cubberley's book as one of the authorities for its statement.

In 1842 the Legislature of New York created for the city of New York a board of education, and enacted, to quote Professor Cubberley—

> That no portion of the school funds was in future to be given to any school in which "any religious sectarian doctrine or tenet should be taught, inculcated, or practiced."

Further, Professor Cubberley says, at page 239 of his book entitled "Public Education in the United States," the only edition of which I am able to avail myself being that of 1934:

> To settle the question in a final manner legislatures now began to propose—

He is referring back to an earlier period in our history—

> constitutional amendments to the people of their several States which forbade a division or a diversion of the funds—

That is to say, to sectarian institutions—

> and these were almost uniformly adopted at the first election after being proposed. The States, with the date of adoption of such a constitutional provision, are:

Then follows a tabulation of 38 States, including those amending their constitutions and those which adopted a provision of this kind upon their admission. I ask unanimous consent that the table may be set forth in my remarks at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

States amending constitution

New Jersey	1844
Michigan	1850
Ohio	1851
Indiana	1851
Massachusetts	1855
Iowa	1857
Mississippi	1868
South Carolina	1868
Arkansas	1868
Illinois	1870
Pennsylvania	1872
West Virginia	1872
Alabama	1875
Missouri	1875
North Carolina	1876
Texas	1876
Minnesota	1877
Georgia	1877
California	1879
Louisiana	1879
Florida	1885
Delaware	1897

Adopted when admitted

Wisconsin	1848
Oregon	1857
Kansas	1859
Nevada	1864
Nebraska	1867
Colorado	1876
North Dakota	1889
South Dakota	1889
Montana	1889
Washington	1889
Idaho	1890
Wyoming	1890
Utah	1896
Oklahoma	1907
New Mexico	1912
Arizona	1912

Mr. DONNELL. Thirty-eight of the forty-eight States are listed in the table either as being States which amended their constitutions to forbid a division or diversion of the funds, or adopted such a constitutional provision upon their admission to the Union.

Continuing, Professor Cubberley says, at page 240:

In 1875 President Grant, in his message to Congress, urged the submission of an amendment to the Federal Constitution making it the duty of the States to support free public schools, free from religious teaching, and forbidding the diversion of school funds to church or sectarian purposes. In a later message he renewed the recommendation, but Congress took no action because it considered such action unnecessary. That the people had thoroughly decided that the school funds must be kept intact and the system of free public schools preserved may be inferred from the fact that no State admitted to the Union after 1858—

I call attention particularly to this fact—

that no State admitted to the Union after 1858, excepting West Virginia, failed to insert such a provision in its first constitution.

Continuing, Professor Cubberley says:

Hence the question may be regarded as a settled one in our American States. Our people mean to keep the public-school system united as one State school system, well realizing that any attempt to divide the schools among the different religious denominations (the World Almanac for 1930 lists 79 different denominations and 160 different sects in the United States) could only lead to inefficiency and educational chaos.

So, Mr. President, this is the opinion as expressed by the people of the United States in their various State actions.

Reference has been made to the decision in the McCollum case. At this point I should like to quote something that one of the Justices of the Supreme Court had to say in that very important case, the facts of which I shall refer to somewhat more extensively later in my remarks. Mr. Justice Frankfurter wrote an opinion, and his opinion is concurred in by Mr. Justice Jackson, Mr. Justice Rutledge, and Mr. Justice Burton, our former highly esteemed colleague. Mr. Justice Frankfurter had this to say in referring to the gradual adoption by the States of prohibitions against diversion of public funds into sectarian education:

Separation in the field of education, then, was not imposed upon unwilling States by force of superior law. In this respect the fourteenth amendment merely reflected a principle then dominant in our national life.

Mr. President, I interrupt reading from the opinion to say that as I understand the great Mr. Justice Frankfurter, he is here pointing out that the 38 States which I have mentioned, as listed in the table in Professor Cubberley's book, and doubtless as listed by others, too, have brought about this separation in the field of education, so that it is public education only, to be supported by public funds. I say that in this opinion Mr. Justice Frankfurter is pointing out that that separation was not imposed upon unwilling States by force of superior law, but was imposed by them upon themselves voluntarily, in their own constitutions.

I continue the quotation from the opinion by Mr. Justice Frankfurter:

To the extent that the Constitution thus made it binding upon the States, the basis of the restriction is the whole experience of our people. Zealous watchfulness against fusion of secular and religious activities by Government itself, through any of its instruments but especially through its educational agencies, was the democratic response of the American community to the particular needs of a young and growing nation, unique in the composition of its people. A totally different situation elsewhere, as illustrated for instance by the English provisions for religious education in State-maintained schools, only serves to illustrate that free societies are not cast in one mold. (See the Education Act of 1944, 7 and 8 Geo. VI, ch. 31). Different institutions evolve from different historic circumstances.

In continuing the opinion, Mr. Justice Frankfurter has this to say, and, Mr. President, this observation is particularly important at this point, in view of the mention I made a little while ago of the fact that the action of the States in so generally adopting constitutional provisions designed to prevent the disbursement of public funds to private schools, sectarian schools, was not due to hostility to religion. So I call attention to this further observation by Mr. Justice Frankfurter in his opinion:

It is pertinent to remind that the establishment of this principle of separation in the field of education was not due to any decline in the religious beliefs of the people. Horace Mann was a devout Christian, and the deep religious feeling of James Madison is stamped upon the Remonstrance. The secular public school did not imply indifference to the basic role of religion in the life of the people, nor rejection of religious education as a means of fostering it. The claims of religion were not minimized by refusing to make the public schools agencies for their assertion. The nonsectarian or secular public school was the means of reconciling freedom in general with religious freedom. The sharp confinement of the public schools to secular education was a recognition of the need of a democratic society to educate its children, insofar as the State undertook to do so, in an atmosphere free from pressures in a realm in which pressures are most resisted and where conflicts are most easily and most bitterly engendered. Designed to serve as perhaps the most powerful agency for promoting cohesion among a heterogeneous democratic people, the public school must keep scrupulously free from entanglement in the strife of sects. The preservation of the community from divisive conflicts, of Government from irreconcilable pressures by religious groups, of religion from censorship and coercion however subtly exercised, requires strict confinement of the State to instruction other than religious, leaving to the individual's church and home indoctrination in the faith of his choice.

This development of the public school as a symbol of our secular unity was not a sudden achievement nor attained without violent conflict. While in small communities of comparatively homogeneous religious beliefs, the need for absolute separation presented no urgencies, elsewhere the growth of the secular school encountered the resistance of feeling strongly engaged against it. But the inevitability of such attempts is the very reason for constitutional provisions primarily concerned with the protection of minority groups. And such sects are shifting groups, varying from time to time, and place to place, thus representing in their totality the common interest of the Nation.

Enough has been said to indicate that we are dealing not with a full-blown principle, no one having the definiteness of a surveyor's metes and bounds. But by 1875 the separation of public education from church entanglements, of the state from the teaching of religion, was firmly established in the consciousness of the Nation. In that year President Grant made his famous remarks to the convention of the Army of the Tennessee:

"Encourage free schools and resolve that not one dollar appropriated for their support shall be appropriated for the support of any sectarian schools. Resolve that neither the State nor the Nation, nor both combined, shall support institutions of learning other than those sufficient to afford every child growing up in the land the opportunity of a good common school education, unmixed with sectarian, pagan, or atheistical dogmas. Leave the matter of religion to the family altar, the church, and the private school, supported entirely by private contributions. Keep the church and state forever separated." "The President's Speech at Des Moines" (22 Catholic World 433, 434–35 (1876)).

Continuing, Mr. Justice Frankfurter said:

So strong was this conviction, that rather than rest on the comprehensive prohibitions of the first and fourteenth amendments, President Grant urged that there be written into the United States Constitution particular elaborations, including a specific prohibition against the use of public funds for sectarian education, such as had been written into many State constitutions. By 1894, in urging the adoption of such a provision in

the New York Constitution, Elihu Root was able to summarize a century of the Nation's history: "It is not a question of religion, or of creed, or of party; it is a question of declaring and maintaining the great American principle of eternal separation between church and state." (Root, Addresses on Government and Citizenship, 137, 140.) The extent to which this principle was deemed a presupposition of our constitutional system is strikingly illustrated by the fact that every State admitted into the Union since 1876 was compelled by Congress to write into its constitution a requirement that it maintain a school system "free from sectarian control."

Mr. President, a pamphlet was issued in May 1943 by the Research Division of the National Education Association of the United States. That pamphlet sets forth, under the heading of "Constitutional Prohibitions Against State Aid to Private Schools," one or more excerpts from the constitution of each of 46 of the 48 States. I ask unanimous consent that these excerpts from the constitutions of the 46 States, to which I have referred, be incorporated at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

INTRODUCTION

The present report is an attempt to list constitutional provisions directly or indirectly permitting or prohibiting State aid to private schools and the court decisions which have interpreted these provisions.

Part I lists State by State the constitutional prohibitions against aid to private schools. Following the constitutional provisions are listed in each State the judicial decisions, briefly annotated. These court decisions have interpreted these provisions when situations have arisen which have been challenged as violating the prohibitions. The older cases deal with direct aid by way of paying the salaries of teachers in private schools or using private-school buildings for public-school classes. Seldom do such cases occur in recent years, although there was an Iowa case in 1940. Nowadays the more common issues are transportation and textbooks authorized by statutes which permit the extension of these services to pupils attending private schools.

PART I — CONSTITUTIONAL PROHIBITIONS AGAINST STATE AID TO PRIVATE SCHOOLS

ALABAMA

Constitution of 1901, as amended:

Article XIV, section 263: "No money raised for the support of the public schools shall be appropriated to or used for the support of any sectarian or denominational school."

ARIZONA

Constitution of 1912, as amended:

Article IX, section 10: "No tax shall be laid or appropriation of public money made in aid of any church, or private or sectarian school, or any public service corporation."

ARKANSAS

Constitution of 1874, as amended:

Article XIV, section 2: "No money or property belonging to the public-school fund or to this State for the benefit of schools or universities shall ever be used for any other than for the respective purposes to which it belongs."

Amendment No. 11 (providing for support of common schools by taxation): *"Provided further,* That no such tax shall be appropriated for any other purpose nor to any other district than that for which it is levied."

CALIFORNIA

Constitution of 1879, as amended:

Article IX, section 8: "No public money shall ever be appropriated for the support of any sectarian or denominational school or any school not under the exclusive control of the officers of the public schools. * * *"

Article IV, section 30: "Neither the legislature nor any county, city, * * * shall ever make an appropriation, or pay from any public fund whatever, or grant anything to or in aid of any religious sect, church, creed, or sectarian purpose, or help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination whatever, nor shall any grant or donation of personal property or real estate ever be made by the State, or any city * * * for any religious creed, church, or sectarian purpose whatever: *Provided,* That nothing in this section shall prevent the legislature granting aid pursuant to section 22 of this article."

COLORADO

Constitution of 1876, as amended:

Article IX, section 7: "Neither the general assembly, nor any county, city * * * or other public corporation shall ever make any appropriation, or pay from any public fund or moneys whatever, anything in aid of any church or sectarian society, or for any sectarian purpose, or to help support or sustain any school, academy, seminary, college, university, or other literary or scientific institution controlled by any church or sectarian denomination whatsoever * * *."

CONNECTICUT

Constitution of 1818, as amended:

Article VIII, section 2: "The fund, called the school fund, shall remain a perpetual fund, the interest of which shall be inviolaby appropriated to the support and encouragement of the public, or common schools, throughout the State, and for the equal benefit of all the people thereof."

DELAWARE

Constitution of 1897, as amended:

Article X, section 4: "No part of the principal or income of the public school fund, now or hereafter existing, shall be used for any other purpose than the support of free public schools."

Article X, section 3: "No portion of any fund now existing, or which may hereafter be appropriated, or raised by tax, for educational purposes, shall be appropriated to, or used by, or in aid of any sectarian, church, or denominational school."

Judicial decisions: *State ex rel. Traub et al* v. *Brown et al* (172 A. 835 (1934)). State appropriation for transportation of pupils to sectarian schools was declared unconstitutional.

GEORGIA

Constitution of 1877, as amended:

Article I, section 1, paragraph XIV: "No money shall ever be taken from the public treasury, directly or indirectly, in aid of any church, sect, or denomination of religionists, or of any sectarian institution."

Article VII, section XVI, paragraph 1: "The general assembly shall not by vote, resolution, or order grant any donation or gratuity in favor of any person, corporation, or association."

IDAHO

Constitution of 1890, as amended:

Article IX, section 5: "Neither the legislature nor any county * * * or other public corporation, shall ever make any appropriation or pay from any public fund or moneys whatever, anything in aid of * * * or to help support or sustain any school, academy, seminary, college, university, or other literary or scientific institution, controlled by any church, sectarian, or religious denomination whatsoever."

ILLINOIS

Constitution of 1870, as amended:

Article VII, section 3: "Neither the general assembly nor any county, city * * * or other public corporation shall ever make any appropriation, or pay from any public fund whatever, anything in aid of any church or sectarian purpose, or to help support or sustain any school, academy, seminary, college, university, or other literary or scientific institution controlled by any church or sectarian denomination whatever."

Judicial decisions:

People v. *McAdams* (82 Ill. 356 (1848)). A private charitable school cannot be authorized by the State legislature to levy tax for its support.

Millard v. *Board of Education* (10 N. E. 669 (1887). The rental of a church school for public-school purposes when necessity arises was upheld as valid.

Cook County v. *Chicago Industrial School for Girls* (18 N. E. 183 (1888)). Direct aid to sectarian school was declared unconstitutional.

Cook County v. *Chicago Industrial School for Girls* (117 N. E. 735 (1917)). Payments to sectarian school were sustained as valid.

INDIANA

Constitution of 1851, as amended:

Article I, section 6: "No money shall be drawn from the treasury for the benefit of any religious or theological institution."

Article VIII, section 3: "The principal of the common school fund shall remain a perpetual fund * * * and the income thereof shall be inviolably appropriated to the support of common schools and to no other purpose whatever."

Judicial decisions: *State ex rel. Johnson* v. *Boyd* (28 N. E. (2d) 256 (1940)). Use of parochial school building and equipment for public-school pupils and payment of nuns as public-school teachers was upheld.

IOWA

Constitution of 1857, as amended:

Article I, section 3. "The general assembly shall make no law respecting an establishment of religion; or prohibiting the free exercise thereof; nor shall any person be compelled to attend any place of worship, pay tithes, taxes, or other rates for building or repairing places of worship, or the maintenance of any minister, or ministry."

Judicial decisions:

Scripture v. *Burns* (12 N. W. 760 (1882)). Rental of a church or sectarian school for public-school purposes when necessity arises was upheld.

Knowlton v. *Baumhover,* 166 N. W. 202 (1918). Use of parochial school building and teachers for public-school pupils was declared unconstitutional.

KANSAS

Constitution of 1861, as amended:

Article VI, section 8. "No religious sect or sects shall ever control any part of the common school or university funds of the State."

Judicial decisions:

Atchison Topeka and Santa Fe Railroad Company v. *Atchison* (28 P. 1000 (1892)). Taxes cannot be levied for private and sectarian institutions.

KENTUCKY

Constitution of 1891, as amended:

Section 189. "No portion of any fund or tax now existing, or that may hereafter be raised or levied for educational purposes, shall be appropriated to or used by, or in aid of, any church, sectarian, or denominational school."

Judicial decisions:

Halbert v. *Sparks* (9 Bush. 259 (1872)). Contract of school district with private academy for attendance of public-school pupils was invalid.

Underwood v. *Wood* (19 S. W. 405 (1892)). Legislature may not exempt from taxation

parents of pupils attending private institution, nor divert public funds in aid of such private school.

Williams et al. v. *Board of Trustees, Stanton Common School District* (191 S. W. 507 (1917)). School district may not contract with sectarian school for attendance of public-school pupils even if no funds are paid to the school but merely to the teachers.

Crain et al. v. *Walker et al.* (2 S. W. (2d) 654 (1928)). School district contract with sectarian school for attendance of public-school pupils was upheld and distinguished from the Williams case on details of the circumstances.

LOUISIANA

Constitution of 1921, as amended:

Article XII, section 13: "No public funds shall be used for the support of any private or sectarian school."

Article IV, section 8: "No money shall ever be taken from the public treasury, directly or indirectly, in aid of any church, sect, or denomination of religion, or in aid of any priest, preacher, minister, or teacher thereof, as such, and no preference shall ever be given to, nor any discrimination made against, any church, sect, or creed of religion, or any form of religious faith or worship. No appropriation from the State treasury shall be made for private, charitable, or benevolent purposes to any person or community."

Judicial decisions:

Bordon et al. v. *Louisiana State Board of Education et al.* (123 So. 655 (1929)). Free textbook act was upheld in its provisions for furnishing books to pupils in attendance at the parochial schools.

Cochran v. *Louisiana Board of Education* (123 So. 664; 281 U. S. 370 (1929)). On substantially the same facts as the Bordon case; decided on the same day and affirmed later by the United States Supreme Court.

MAINE

Constitution of 1820, 1876, as amended:

Article VII: "A general diffusion of the advantages of education being essential to the preservation of the rights and liberties of the people; to promote this important object, the legislature is authorized, and it shall be their duty to require the several towns to make suitable provisions, at their own expense, for the support and maintenance of public schools; and it shall further be their duty to encourage and suitably endow, from time to time, as the circumstances of the people may authorize, all academies, colleges, and seminaries of learning within the State; provided, that no donation, grant, or endowment shall at any time be made by the legislature to any literary institution now established, or which may hereafter be established, unless, at the time of making such endowment, the legislature of the State shall have the right to grant any further powers to alter, limit, or restrain any of the powers vested in, any such literary institution, as shall be judged necessary to promote the best interests thereof."

MARYLAND

Constitution of 1867, as amended:

Article VII, section 3: "The school fund of the State shall be kept inviolate, and appropriated only to the purposes of education."

Judicial decisions: *Board of Education of Baltimore County* v. *Wheat* (199 A. 628 (1938)). Transportation for pupils attending sectarian schools was upheld.

MASSACHUSETTS

Constitution of 1790, as amended:

Article XLVI, amendment 2: "And no grant, appropriation or use of public money or property or loan of public credit shall be made or authorized by the Commonwealth or any political division thereof for the purpose of founding, maintaining, or aiding * * * any other school, or any college, infirmary, hospital, institution, or educational, charitable, or religious undertaking which is not publicly owned and under the exclusive control, order, and superintendence of public officers or public grants authorized by the Commonwealth or Federal authority or both."

Judicial decisions:

Barnes v. *Falmouth* (6 Mass. 401 (1810). Massachusetts constitution, until 1833, provided for the choice of a teacher with stated qualifications—a Protestant teacher of piety, religion, and morality, of some incorporated religious society, elected by such society. This case came up because a teacher was appointed from an unincorporated religious society and so was not entitled to any part of the funds raised by the towns for educational purposes.

Jenkins v. *Andover* (103 Mass. 94 (1869)). Statute authorizing a town to levy tax for private school is unconstitutional.

In re Opinion of the Justices (102 N. E. 464 (1913)). Public money may be appropriated for higher educational institutions under sectarian control as the constitutional prohibition refers to sectarian schools teaching the same branches as in the public schools.

MICHIGAN

Constitution of 1909, as amended:

Article II, section 3: "No money shall be appropriated or drawn from the treasury for the benefit of any religious sect or society, theological or religious seminary; nor shall property belonging to the State be appropriated for any such purpose."

MINNESOTA

Constitution of 1857, as amended:

Article VIII, section 3: "But in no case shall the moneys derived as aforesaid, or any portion thereof, or any public moneys or property, be appropriated or used for the support of schools, wherein the distinctive doctrines, creeds, or tenets of any particular Christian or other religious sect are promulgated or taught."

MISSISSIPPI

Constitution of 1890, as amended:

Article VIII, section 208. "No religious or other sect, or sects, shall ever control any part of the school or other educational funds of the State; nor shall any funds be appropriated toward the support of any secretarian school."

Judicial decisions:

Otken v. *Lamkin* (56 Miss. 758 (1879)). State aid on basis of inclusion of pupils attending sectarian schools is unconstitutional.

Chance et al. v. *Mississippi State Textbook Rating and Purchasing Board et al.* (200 So. 706 (1941)). Furnishing free textbooks to pupils in attendance at parochial schools was upheld.

MISSOURI

Constitution of 1875, as amended:

Article XI, section 11. "Neither the general assembly nor any county, city * * * or other municipal corporation, shall ever make an appropriation or pay from any public fund whatever, anything in aid of any religious creed, church, or sectarian purpose, or to help to support or sustain any private or public school, academy, seminary, college, university, or other institution of learning, controlled by any religious creed, church, or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the State, or any county * * * for any religious creed, church, or sectarian purpose whatever."

MONTANA

Constitution of 1889, as amended:

Article XI, section 8. "Neither the legislative assembly, nor any county, city * * * or other public corporation, shall ever make, directly or indirectly, any appropriation, or pay from any public fund or moneys whatever, or make any grant of lands or other property in aid of any church, or for any sectarian purpose, or to aid in the support of any school, academy, seminary, college, university, or other literary, scientific institution, controlled in whole or in part by any church, sect or denomination whatever."

Article V, section 35. "No appropriation shall be made for charitable, industrial, educational, benevolent purposes to any person, corporation or community not under the absolute control of the State, nor to any denominational or sectarian institution or association."

NEBRASKA

Constitution of 1875, as amended:

Article VII, section 11: "Neither the State legislature nor any county, city, or other public corporation, shall ever make any appropriation from any public fund, or grant any public land in aid of any sectarian or denominational school or college, or any educational institution which is not exclusively owned and controlled by the State or a governmental subdivision thereof."

Judicial decisions: *State ex rel. Public School District No. 6 of Cedar County* v. *Taylor* (240 N. W. 573 (1932)). State aid cannot be given to a district in which the only school is sectarian.

NEVADA

Constitution of 1864, as amended:

Article XI, section 10: "No public funds of any kind or character whatever, State, county, or municipal, shall be used for sectarian purposes."

Judicial decisions: *State ex rel. Nevada Orphan Asylum* v. *Hallock* (16 Nev. 373 (1882)). Public funds cannot be used in aid of a school connected with a charitable sectarian orphan asylum.

NEW HAMPSHIRE

Constitution of 1784, as amended:

Part II, article 83, section 83: "Knowledge and learning * * * being essential to the preservation of free government * * * it shall be the duty of the legislators * * * to cherish * * * all seminaries and public schools, to encourage private and public institutions. * * * Provided, nevertheless, that no money raised by taxation shall ever be granted or applied for the use of the schools or institutions of any religious sect or denomination."

Judicial decisions: *Holt* v. *Town of Antrim* (9 A 389 (1887)). Statute authorizing a tax for a school building to be perpetually leased to an academy implies that all conditions necessary to give validity to the statute and lease will be met; mere exaction of tuition will not make the school private.

NEW JERSEY

Constitution of 1844, as amended:

Article IV, section 7: "The fund for the support of free schools * * * shall * * * remain a perpetual fund; and the income thereof shall be annually appropriated to the support of public free schools * * * and it shall not be competent for the legislature to borrow, appropriate, or use the said fund or any part thereof, for any other purpose, under any pretense whatever."

NEW MEXICO

Constitution of 1912, as amended:

Article XII, section 3. "No part of the proceeds arising from the sale or disposal of any lands granted to the State by Congress, or any other funds appropriated, levied, or collected for educational purposes, shall be used for the support of any sectarian, denominational, or private school, or college or university."

Article IV, section 31. "No appropriation shall be made for charitable, educational, or other benevolent purpose to any person, corporation, association, or community not under the absolute control of the State, but the legislature may, in its discretion, make appropriations for the charitable institutions and hospitals for the maintenance of which

annual appropriations were made by the legislative assembly of 1909."

NEW YORK

Constitution of 1938, as amended:

Article XI, section 4. "Neither the State nor any subdivision thereof, shall use its property or credit or any public money, or authorize or permit either to be used, directly or indirectly, in aid or maintenance, other than for examination or inspection of any school or institution of learning wholly or in part under the control or direction of any religious denomination, or in which any denominational tenet or doctrine is taught, but the legislature may provide for the transportation of children to and from any school or institution of learning." (Formerly sec. 4, art. IX, former constitution. Renumbered sec. 4 by constitution of 1938 which added provision relating to transportation of pupils.)

Article VII, section 8. "The money of the State shall not be given or loaned to or in aid of any private corporation or association, or private undertaking; or shall the credit of the State be given or loaned to or in aid of any individual, or public, or private corporation, or association, or private undertaking, but the foregoing provisions shall not apply to any fund or property now held, or which may hereafter be held by the State for educational purposes." (Formerly sec. 4, art. XI, former constitution.)

"Subject to the limitations on indebtedness and taxation, nothing in this Constitution contained shall prevent the legislature from providing for the aid, care, and support of the needy directly or through subdivisions of the State; or for the protection by insurance or otherwise, against the hazards of unemployment, sickness and old age; or for the education and support of the blind, the deaf, the dumb, the physically handicapped, and juvenile delinquents as it may deem proper; or for health and welfare services for all children, either directly or through subdivisions of the State, including school districts; or for the aid, care, and support of neglected and dependent children and of the needy sick through agencies and institutions authorized by the State Board of Social Welfare or other State department having the power of inspection thereof, by payments made on a per capita basis directly or through the subdivisions of the State. The enumeration of legislative powers in this paragraph shall not be taken to diminish any power of the legislature hitherto existing." (Formerly sec. 1, art. VII, former constitution. Renumbered sec. 8 by constitution of 1938 and revised by including provisions of sec. 9, art. VIII or former constitution, relating to State aid for certain public welfare and educational purposes and by adding new provisions in last paragraph.)

Article VIII, section 1: "No county, city * * * shall give or loan any money or property to or in aid of any individual, or private corporation or association, or private undertaking, or become directly or indirectly the owner of stock in, or bonds of, any private corporation or association, nor shall any county * * * give or loan its credit to or in aid of any individual, or public or private corporation or association, or private undertaking, but this provision shall not prevent a county from contracting indebtedness for the purpose of advancing to a town or school district, pursuant to law, the amount of unpaid taxes returned to it.

"Subject to the limitations on indebtedness and taxation applying to any county * * * nothing in this constitution contained shall prevent a county, city, or town from making such provision for the aid, care, and support of the needy as may be authorized by law, nor prevent any such county, city, or town from providing for the care, support, maintenance, and secular education of inmates of orphan asylums, homes for dependent children, or correctional institutions and of children placed in family homes by authorized agencies, whether under public or private control, or from providing health and welfare services for all children. Payments by counties, cities, or towns to charitable, eleemosynary, correctional, and reformatory institutions and agencies, wholly or partly under private control, for care, support, and maintenance, may be authorized, but shall not be required, by the legislature. No such payments shall be made for any person cared for by any such institution or agency, nor for a child placed in a family home, who is not received and retained therein pursuant to rules established by the State board of social welfare or other State department having the power of inspection thereof. (Formerly section 10 in part, article VIII, former constitution. Renumbered section 1 by constitution of 1938, which revised the section generally and added most of the provisions of the second paragraph.)"

Judicial decisions:

People ex rel. Roman Catholic Orphan Asylum Society v. *Board of Education* (13 Barb. 400 (1851)). Catholic orphan asylum is not entitled to part of the common school fund.

Sargent v. *Board of Education* (76 Supreme Court, Appellate Division 588 (1902)). Payment of salaries of teachers in St. Mary's Boys' Orphan Asylum was upheld; wearing of religious garb was held not to be sectarian instruction.

O'Connor v. *Hendrick* (77 N. E. 612 (1906)). Wearing of religious garb by public-school teachers was held to be a sectarian influence and State superintendent's order forbidding same was upheld.

Smith v. *Donahue et al.* (195 N. Y. S. 715 (1922)). Free textbooks law was held not to apply to pupils attending parochial schools.

People ex rel. Lewis v. *Graves* (219 N. Y. S. 189 (1929)). Excusing pupils for 1 hour a week to attend religious instruction is not using public property or money in aid of denominational schools.

Judd v. *Board of Education of Union Free School District No. 2, Town of Hempstead, Nassau County* (15 N. E. (2d) 576 (1938)). Transportation of pupils of sectarian schools was unconstitutional under former constitution.

NORTH CAROLINA

Constitution of 1876, as amended:

Article IX, section 4. "The proceeds of all lands that have been or hereafter may be granted by the United States to this State * * * also all money, stocks, bonds, and other property now belonging to any State fund for purposes of education * * * shall be paid into the State treasury, and, together with so much of the ordinary revenue of the State as may be by law set apart for that purpose, shall be faithfully appropriated for establishing and maintaining in this State a system of free public schools, and for no other uses or purposes whatsoever."

NORTH DAKOTA

Constitution of 1889, as amended:

Article VIII, section 152. "No money raised for the support of the public schools of the State shall be appropriated to or used for the support of any sectarian school."

Judicial decisions: *Gerhardt* v. *Heid* (267 N. W. 127 (1936). Wearing of religious garb by public-school teachers was upheld.

OHIO

Constitution of 1851, as amended:

Article VI, section 2. "* * * No religious or other sect, or sects, shall ever have any exclusive right to, or control of, any part of the school funds of this State."

OKLAHOMA

Constitution of 1907, as amended:

Article II, section 5. "No public money or property shall ever be appropriated, applied, donated, or used, directly or indirectly, for the use, benefit, or support of any sect, church, denomination, or system of religion, or for the use, benefit, or support of any * * * sectarian institution as such."

Article XI, section 5. "* * * And no part of the proceeds arising from the sale or disposal of any lands granted for educational purposes, or the income or rentals thereof, shall be used for the support of any religious or sectarian school, college, or university. * * *"

Judicial decisions:

Oklahoma Railway Company v. *St. Joseph's Parochial School* (127 P. 1087 (1912)). The constitutional prohibition against aid to public schools does not prevent the State from including in the franchise granted a railroad the provision that school tickets be furnished all pupils including those in attendance at parochial schools.

Guerney et al. v. *Ferguson et al.* (122 P. (2d) 1002 (1941)). Statute providing for transportation of pupils attending parochial schools was declared unconstitutional.

OREGON

Constitution of 1859, as amended:

Article 1, section 5: "No money shall be drawn from the treasury for the benefit of any religious or theological institution."

PENNSYLVANIA

Constitution of 1874, as amended:

Article X, section 2: "No money raised for the support of the public schools of the Commonwealth shall be appropriated to or used for the support of any sectarian school."

Article III, section 17: "No appropriation shall be made to any charitable or educational institution not under the absolute control of the Commonwealth, other than normal schools established by law for the professional training of teachers for the public schools of the State, except by a vote of two-thirds of all the members elected to each house."

Article III, section 18: "No appropriation shall be made for charitable, educational, or benevolent purposes to any person or community nor to any denominational or sectarian institution, corporetion, or association. Provided, that appropriations may be made for pensions."

Judicial decisions:

Hysong v. *School District of Gallitzin Borough* (50 A. 482 (1894)). Wearing of religious garb by public-school teachers was declared lawful.

Commonwealth v. *Harr* (78 A. 68 (1910)). The statute (subsequent to previous case) prohibiting the wearing of religious garb or insignia by public-school teachers was upheld as valid.

RHODE ISLAND

Constitution of 1843 as amended:

Article XII, section 2: "The money which now is or which may hereafter be appropriated by law for the establishment of a permanent fund for the support of public schools, shall be securely invested, and remain a perpetual fund for that purpose."

SOUTH CAROLINA

Constitution of 1895 as amended:

Article XI, section 9: "The property or credit of the State of South Carolina, or of any county * * * or any public money, from whatever source derived, shall not, by gift, donation, loan, contract, appropriation, or otherwise, be used directly or indirectly in aid or maintenance of any college, school, hospital, orphan house, or other institution, society or organization, of whatever kind, which is wholly or in part under the direction or control of any church or of any religious or sectarian denomination, society, or organization."

SOUTH DAKOTA

Constitution of 1889, as amended:

Article VIII, section 16: "No appropriation of lands, money, or other property or credits to aid any sectarian school shall ever be made

by the State, or any county or municipality within the State * * * and no sectarian instruction shall be allowed in any school or institution aided or supported by the State."

Judicial decisions:

Synod of Dakota v. *State* (50 N. W. 632 (1891)). Pierre University was unable to collect for expenses in teacher-training program after having been designated as a teacher-training institution by the board of education because it was a sectarian school.

Hlebanja v. *Brown* (236 N. W. 296 (1931)). County superintendent acted illegally in ordering public school closed and directing that costs of sending children to other schools would be borne by the district. Parents who sent children to parochial school could not collect for costs.

TENNESSEE

Constitution of 1870, as amended:

Article XI, section 12: "No law shall be made authorizing said (common school) fund or any part thereof to be diverted to any other use than the support and encouragement of common schools."

Judicial decisions: *Swadley* v. *Haynes* (41 S. W. 1066 (1897)). The rental of a church school for public-school purposes when necessity arises was upheld as valid.

TEXAS

Constitution of 1876, as amended:

Article VIII, section 5: "The available school fund shall be applied annually to the support of the public free school. And no law shall ever be enacted appropriating any part of the permanent or available school fund to any other purpose whatever; nor shall the same or any part thereof ever be appropriated to or used for the support of any sectarian school."

UTAH

Constitution of 1895, as amended:

Article X, section 13: "Neither the legislature nor any county, city * * * or other public corporation, shall make any appropriation to aid in the support of any school, seminary, academy, college, university, or other institution, controlled in whole, or in part, by any church, sect, or denomination whatever.

VIRGINIA

Constitution of 1902, as amended:

Article IX, section 141: "No appropriation of public funds shall be made to any school or institution of learning not owned or exclusively controlled by the State or some political subdivision thereof."

Judicial decisions: *Hall's Free School Trustees* v. *Horne* (80 Va. 470 (1885)). Public funds cannot be given in aid of a school established by a charitable bequest and under the control of the trustees of the corporation.

WASHINGTON

Constitution of 1889, as amended:

Article IX, section 4: "All schools maintained or supported wholly or in part by the public funds shall be forever free from sectarian control or influence."

Judicial decision: *Newman* v. *Schlarb* (50 P. (2d) 36 (1935)). Public schools were defined as those established under the laws, usually regulated in matters of detail by local authorities in various districts, towns, or counties, and maintained at public expense by taxation and open without charge to children of all residents of town or other district. (Quoted from *Litchman* v. *Shannon* (155 P. 783; 1916).)

WEST VIRGINIA

Constitution of 1872, as amended:

Although there is no specific provision in the West Virginia Constitution, it has been reported by the State Department of Education that the provision requiring that the school fund be kept inviolately for public-school support is interpreted by the State as a prohibition against aid to private schools.

WISCONSIN

Constitution of 1848, as amended:

Article I, section 18: "Nor shall any money be drawn from the treasury for the benefit of religious societies, or religious or theological seminaries."

Judicial decisions: *Curtis's Adm'rs.* v. *Whipple* (24 Wis. 350 (1869)). The legislature cannot authorize a town to raise money for a private school.

Dorner v. *School District No. 5* (118 N. W. 353 (1908)). The rental of a church school for public-school purposes when necessity arises was upheld as valid.

State ex rel. Van Straten v. *Milquet* (192 N. W. 392 (1923)). A transportation contract in which only 2 out of 30 pupils were attending the public schools was invalid.

WYOMING

Constitution of 1889, as amended:

Article VII, section 8: "Nor shall any portion of any public-school fund ever be used to support or assist any private school, or any school, academy, seminary, college, or other institution of learning controlled by any church or sectarian organization or religious denomination whatsoever.

Article III, section 36: "No appropriation shall be made for charitable, industrial, educational, or benevolent purposes to any person, corporation, or community and not under the absolute control of the State, nor to any denominational or sectarian institution or association.

Mr. DONNELL. Mr. President, since 1944 each of three of the States of the Union has adopted a new constitution. The provisions of those three new constitutions concerning expenditures of educational funds, with special reference to private schools, is compiled by the Library of Congress, under date of March 25, 1948. I here ask that the three provisions to which I have adverted be set forth in my remarks at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

LIBRARY OF CONGRESS,
March 25, 1948.

To: Mr. Rodgers, Senate Labor and Public Welfare Committee.

From: State Law Section.

With reference to provisions of new constitutions concerning expenditure of educational funds, with special reference to private schools.

GEORGIA

Constitution 1945, article I, section 1, paragraph XIV:

"PAR. XIV: Appropriations to churches, sects, etc., forbidden. No money shall ever be taken from the public treasury, directly or indirectly, in aid of any church, sect, or denomination of religionists, or of any sectarian institution."

Article VII, section 1, paragraph II:

"PAR. II. Taxing power limited: (1) The general assembly shall not by vote, resolution, or order, grant any donation or gratuity in favor of any person, corporation, or association."

MISSOURI

Constitution 1945, article IV, section 8:

"SEC. 8. Prohibition of public aid for religious purposes and institutions: Neither the general assembly, nor any county, city, town, township, school district, or other municipal corporation shall ever make an appropriation or pay from any public fund whatever, anything in aid of any religious creed, church, or sectarian purpose, or to help to support or sustain any private or public school, academy, seminary, college, university, or other institution of learning controlled by any religious creed, church, or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the State, or any county, city, town, or other municipal corporation for any religious creed, church, or sectarian purpose whatever."

NEW JERSEY

Constitution 1947, article VIII, section IV:

"PAR. 2. The fund for the support of free public schools, and all money, stock, and other property which may hereafter be appropriated for that purpose, or received into the treasury under the provision of any law heretofore passed to augment the said fund shall be securely invested and remain a perpetual fund; and the income thereof, except so much as it may be judged expedient to apply to an increase of the capital, shall be annually appropriated to the support of free public schools, for the equal benefit of all the people of the State; and it shall not be competent for the legislature to borrow, appropriate, or use the said fund or any part thereof for any other purpose, under any pretense whatever."

"PAR. 3. The legislature may, within reasonable limitations as to distance to be prescribed, provide for the transportation of children within the ages of 5 to 18 years, inclusive, to and from any school."

Supplementing the information contained in the pamphlet which we submitted to you on March 24, 1948, we wish to inform you that there have been no constitutional amendments pertaining to this subject since 1943.

We are awaiting receipt of another pamphlet published by the research division of the National Education Association of the United States, entitled "The State and Sectarian Education—1946." We will forward same to you immediately upon its arrival.

MOLLIE Z. MARGOLIN,
State Law Section.

Mr. DONNELL. Mr. President, I should like at this point, because of the fact that my own home is in the State of Missouri, to read the portion of the new Constitution of Missouri, which is a comparatively short paragraph, on the subject of public aid for religion, religious purposes, and institutions, the constitution having been adopted in the year 1945. My recollection is that the provisions I am about to read are substantially the same, perhaps exactly the same, as those in the constitution of 1845, though I may be in error in my recollection. The language is as follows:

SEC. 8. Prohibition of public aid for religious purposes and institutions—

And remember, Mr. President, this was adopted only 3 years ago, in my own State.

Neither the general assembly, nor any county, city, town, township, school district or other municipal corporation, shall ever make an appropriation or pay from any public fund whatever, anything in aid of any religious creed, church or sectarian purpose, or to help to support or sustain any public or private school, academy, seminary, college, university, or other institution of learning controlled by any religious creed, church or sectarian denomination whatever, nor shall any grant or donation of personal property or real estate ever be made by the State, or any county, city, town, or other municipal corporation, for any religious creed, church or sectarian purpose whatever.

Mr. President, the National Education Association, which as we realize is a great organization of those who are engaged in the profession of teaching, issued under date of February 1946, a notable research bulletin consisting of

about 44 pages, entitled "The State and Sectarian Education," being volume XXIV, part 1. The foreword to that research bulletin is signed by Mr. Willard E. Givens, executive secretary of the National Education Association. It is so clear, and conveys so succinctly the views therein expressed, that I take the liberty at this moment of reading the foreword into my remarks. Professor Givens says:

Perhaps no public moneys are collected, banked, spent, and audited with greater care than are those allotted to public education. Rarely indeed are charges made, and even more rarely are claims proved, that any school authority has failed to use school funds in accordance with law. This record of scrupulous observance of the law is a praiseworthy one.

One reason why the law has been so carefully observed is that the people in each State have been vigilant. They have agreed that the State and its subdivisions should at public expense provide not less than elementary- and secondary-school opportunities for every child. They have insisted—

And, Mr. President, I emphasize this portion of the foreword—

They have insisted—

That is, the people in each State—

that the money appropriated for public education shall not be spent for private or church schools no matter how socially worthy. Many State legislatures and courts have repeatedly set forth these traditionally American principles.

It would be misleading, however—

Says Professor Givens—

to assume that such American principles sprang into being all at one time. The standard that public funds should not be used to support any religion has been repeated again and again in State constitutions. But it has taken detailed legislation and court decisions to clarify the specific application of the general principle to time, place, and conditions. Furthermore—

And I call attention to this particularly, in view of the suggestion that the two recent decisions of the Supreme Court have settled matters—

Furthermore—

Says Mr. Givens—

widespread as have been the restrictions against diverting public moneys to religious purposes, the principle continues to be challenged from time to time.

In recent years there have been several cases where the courts have appeared to rule that public funds could be used for pupils attending sectarian schools. Usually these cases have involved free textbooks and transportation. In some instances the courts maintained that the State law as written did not forbid such aid. These cases illustrate the need for reexamination of the legal situation in every State, as is done in this bulletin.

In seeking to restrain the use of public-school funds, educators do not oppose the sectarian-school movement. Those who wish to support such schools in our country can do so without restriction. They meet opposition, however, when they maintain that all citizens of a State should be taxed to support any type of sectarian education. Such efforts to direct public funds to sectarian schools weaken the financial support of public education which in many States is not adequate to provide acceptable public educational opportunities. To no small degree the strength of America today has come through a program of public education which has minimized differences and emphasized unity among all citizens of the United States.

This research bulletin summarizes the facts with respect to State assistance to nonpublic education. It reviews the constitutional, statutory, and judicial bases underlying many types of relationship between church and state with respect to education. It provides the basis for further study and discussion in every State.

WILLARD E. GIVENS,
Executive Secretary,
National Education Association.

Mr. President, in this bulletin from the foreword of which I have just read there appears this language, at page 11, under the heading of "Compulsory support of sectarian instruction." After referring to President Grant's recommendation of an amendment to the Federal Constitution, and to the Blaine amendment to achieve these ends, which was passed by the House in 1876 but lost in the Senate, and after referring to the introduction by Representative Blair of another proposal to amend the Federal Constitution by forbidding a State to make or to maintain a law respecting the establishment of religion or prohibiting the free exercise thereof, and, at the same time, authority to establish a free public-school system guaranteed by Federal funds, with the provision that no money, State, local, or Federal, should be given to sectarian schools, which proposal was also lost in Congress, the bulletin of the National Education Association of February 1946, says:

However during this period most of the States were including a constitutional provision prohibiting the use of tax revenues for sectarian purposes.

Continuing, the bulletin says:

All States now so provide, directly or indirectly, except Maine and North Carolina, but in Arkansas, Iowa, and New Jersey provisions are limited.

Mr. President, I digress at this point to observe that someone may suggest, "If there are in practically all the States prohibitions against the use of public funds for sectarian purposes, it follows that in practically all the States Federal funds under Senate bill 472 will not be permitted to be used for sectarian schools."

In answer to that query I call attention to the fact that although there are prohibitions in 46 of the 48 States, the National Education Association, at page 43 of its Bulletin, says that while in most States appropriations of any public-school funds to a sectarian school would be unconstitutional, in some of the States the situation is as the Bulletin points out, that an appropriation can be made from certain funds even though there is a restriction and thus a recognition in the constitution of the State of the desirability of restricting such appropriations. As a matter of fact, in every one of the minority of the States in which appropriations from certain funds can be made, I submit that if this bill shall pass undoubtedly an effort will be made to sustain the validity of the use of Federal funds, and, in the second place, owing to differences in the statutes of the several States, separate litigation would be required to determine whether the Federal funds, under this bill, could be used in each respective State.

I shall have something more to say with respect to that particular situation, and the confusion of the litigation which will result or may reasonably be expected to result if the bill as now written shall become law.

I have referred to the expression of opinion by the various States in their constitutional provisions upon the subject of whether or not public funds should be used for sectarian schools, and I have demonstrated that in a great majority of the States, 46 out of 48, there are either total prohibitions or partial prohibitions against such use of public funds. But the story is not half told when we tell merely of what is written into the constitutions of the States. I should like to tell a little of the remaining portion of the story.

I hold in my hand a certain booklet which is entitled "Higher Education for American Democracy." It is volume V of a report of the President's Commission on Higher Education. The report was submitted in Washington in December 1947, and I should like to read the letter of transmittal at the moment from a very distinguished educator, George F. Zook, known widespread throughout the United States, to the President of the United States. It reads as follows:

WASHINGTON, D. C., *December 11, 1947.*
DEAR MR. PRESIDENT: On July 13, 1946—

Remember, Mr. President, this report did not come as a matter of offhand impression. There had elapsed the period from the 13th of July 1946 until December 11, 1947, during which the report was in process, or was at least ordered to be in process, of preparation. The writer of the letter says:

On July 13, 1946, you established the President's Commission on Higher Education and charged its members with the task of examining the functions of higher education in our democracy and the means by which they can best be performed.

The Commission has completed its task and submits herewith a comprehensive report, Higher Education for American Democracy.

That is the booklet, Mr. President, which I hold in my hands.

The magnitude of the issues involved prompted the Commission to incorporate its findings and recommendations in a series of six volumes, of which this is the fifth.

The Commission members and the staff are grateful for the opportunity which you have given us to explore so fully the future role of higher education which is so closely identified with the welfare of the country and of the world.

Respectfully yours,
GEORGE F. ZOOK, *Chairman.*

THE HONORABLE THE PRESIDENT OF THE UNITED STATES.

Mr. President, the membership of that committee speaks for itself. It consists of 28 members, I believe. Professor Zook is the chairman. I should like to read the names of those men and women:

Sarah G. Blanding, O. C. Carmichael, Arthur H. Compton.

I pause at that point to express particular pride in the inclusion on that Commission of Arthur H. Compton, the

chancelor of Washington University, which is located in the metropolis of the State from which I come.

Henry A. Dixon, Milton S. Eisenhower.

As we all realize, Milton S. Eisenhower, from the neighboring State of Kansas, is one of the great outstanding educators of the Nation. I mean no reflection upon the other members by not commenting individually upon them. I am mentioning merely a few I happen to know or at least know of to some extent.

John R. Emens, Alvin C. Eurich, Douglas S. Freeman, Algo D. Henderson, Msgr. Frederick G. Hochwalt, Lewis W. Jones, Horace M. Kallen, Fred J. Kelly, Murray D. Lincoln, T. R. McConnell, Earl J. McGrath, Martin R. P. McGuire, Agnes Meyer—

From whom I have quoted earlier today—

Harry K. Newburn, Bishop G. Bromley Oxnam—

A great religious educator, and one of the outstanding bishops of the Methodist Church—

F. D. Patterson, Mark Starr, George D. Stoddard, Harold H. Swift, Ordway Tead, Goodrich C. White, Rabbi Stephen S. Wise—

Those of us upon committees who have had the pleasure of listening to Rabbi Wise in his powerful, impressive, and eloquent presentation of his views realize something of the immensity of his intellect, of the profundity of his knowledge, and of the breadth and vision of his mind—

Francis J. Brown, executive secretary; A. B. Bonds, Jr., assistant executive secretary.

Mr. President, this notable Commission was dealing, not with elementary, not with secondary education, but with higher education, and I undertake to suggest, not as an expert upon education, but merely as one individual, that it would seem to me that if there should be any distinction, in the preservation of the separation of church and state, as between elementary and secondary education on the one hand, and higher education on the other, the greater care should be bestowed upon elementary and secondary education. The boys and girls who have attained to the age when they enter colleges and universities have at least to some extent progressed further in their mental development, of course, than have the children who are in the elementary and secondary schools. I say, therefore, Mr. President, that if there be any distinction in the care which should be bestowed to see that there should be no intermingling of church and state in our schools, the greater part of that care should be bestowed upon the secondary and elementary schools.

What does this Commission have to say on the subject of Federal funds for nonpublic higher institutions of learning? I quote from page 57. This is in blackface type:

Federal funds for the general support of current educational activities and for general capital outlay purposes should be appropriated for use only in institutions under public control.

I shall not read the entire section which appears thereunder, I shall read only the concluding sentence, as follows:

Nevertheless, any diversion by government of public funds to the general support of nonpublicly controlled educational institutions tends to deny the acceptance of the fundamental resposibility and to weaken the program of public education.

Mr. President, this was no idle observation. There was a dissent to this opinion. Of the 28 members, 2 dissented. Those two were Msgr. Frederick G. Hochwalt and Martin R. P. McGuire. Monsignor Hochwalt is the director of higher education of the National Catholic Welfare Conference, and Dr. McGuire is dean of the graduate school of the Catholic University of America.

In a very thoughtful and powerful statement of dissent they set forth their views in opposition to those which I have just read. The majority views were concurred in by the others. At least, there is no showing of dissent by any except those two. So it would appear, in the absence of anything further, that 26 of the 28 members supported the report from which I have read.

Mr. President, this was the report of President Truman's Commission on Higher Education. And it is not ancient history. As I have indicated, the report was submitted to the President December 11, 1947, only last December.

What was the reaction among the people of the country with respect to this report? I hold in my hand a sheet from the Churchman, a religious publication, and I read from it as follows:

WASHINGTON, D. C.—Action of President Truman's Commission on Higher Education to limit any Federal appropriations in aid of colleges and universities to public institutions was given warm approval by the recently formed Protestants and Other Americans United for Separation of Church and State.

In a statement directed to Dr. George F. Zook, chairman of the commission and president of the National Education Association, the church-state organization commended the commission's recommendation "to exclude private and church schools."

It said: "We are greatly concerned that religious training shall be widely and effectively disseminated among the people, but we hold with you that provisions for such inculcation must be privately supplied."

"This does not mean," the statement warned, "that tax-supported schools must be hostile or indifferent to religion, lacking in moral values, and pagan or atheistic in character.

"We would deplore the day," it added, "when church schools come to lean on the Government as a financial prop."

Declaring that state-supported church schools "would spell the end of our public-school system," the organization further warned that "to divide state-supported education into sectarian school systems would divide American society itself into hostile sectarian camps, intensify sectarian intolerance, and thrust a religious issue permanently into the political arena from which our Constitution was designed to exclude it.

"Next to the Constitution itself, our public-school system has been our strongest bulwark against the development of religious intolerance in our political life."

Mr. President, the vice president of the organization from which I have just quoted, namely, the Protestants and Other Americans United for Separation of Church and State, is Bishop Oxnam, whose name was mentioned a few moments ago. There has been called to my attention a copy of a letter written by Bishop Oxnam under date of January 28, 1948, to Dr. Givens, of the National Education Association. In view of certain language contained in it, I think it of utmost importance to read both the letter and certain supplemental correspondence in which Bishop Oxnam has engaged, and also a portion of a brief letter from Bishop Oxnam to me.

The bishop's letter of January 28, 1948, reads:

MY DEAR DR. GIVENS: I believe Federal aid to education is necessary to equalize educational opportunity in the United States. I believe that public funds should be used for the support of public educational institutions and therefore that public funds should not be used for the support of private or sectarian institutions. I believe, likewise, in keeping the control of education close to the communities in which the educational institutions are located. As a member of the President's Commission on Higher Education—

Mr. President, that is the body from whose report I read but a few moments ago—

As a member of the President's Commission on Higher Education I supported as strongly as I could the position that public funds should be used for public educational institutions, and I am very happy that the Commission, by a vote of 14 to 1, took that position.

I digress at this point, because I had not observed, or it had not impressed itself on me, that the vote was 14 to 1, although I rather surmised that there was supplemental voting because of the fact that there were two dissenters instead of only one. But let us take it at 14 to 1, if that be correct. The letter continues:

Thus, whether it be at the national level or at the State level, I am opposed to the use of public funds for private and sectarian education. However, after considering the desperate needs I have come to the conclusion that Federal aid is essential. I do not think the bill will pass the Congress unless we recognize the right of the State to determine, under its own law, whether public funds may be used for the support of private or sectarian education. I have therefore supported and do support Senate bill 472. Personally I regret that there is a section in this bill that does give to the State the right to determine whether Federal funds shall be used in accordance with the State constitution which, in some cases, does allow public funds to go to private and sectarian education. I have had to weigh the larger good in this matter. I believe the decision calls for the support of the present Federal Aid to Education bill. The other issue of the use of public funds must be fought out in the individual States and in the court.

Mr. President, I shall have more to say upon that proposition later, because I think Bishop Oxnam has there placed his finger upon something of profound importance with respect of what is going to happen in the future if the bill

shall pass in its present form. Continuing, he says:

It is my judgment that the Supreme Court, in the light of previous decisions, can do no other than to deny to a State the right to use Federal funds for sectarian education. I believe the American people are opposed to the use of public funds for sectarian purposes and that this matter can be settled properly. However, the children born in States which do not have the wealth to give them the education that every American child deserves should be aided, and I therefore am supporting the Senate bill 472.

Very sincerely yours,

G. BROMLEY OXNAM.

Now, Mr. President, in view of the fact that Dr. Oxnam, in this letter, expressed the opinion he holds, that the bill will not pass Congress unless we recognize the right of the State to determine under its own law whether public funds may be used for the support of private or sectarian education, I thought it proper to ascertain something further of the actual belief of Bishop Oxnam as to what ought to be done, what Congress ought to do, what our Nation should do in regard to the matter. I looked back, Mr. President, in my file, and I found an earlier letter—I shall come to some later letters—an earlier letter from Bishop Oxnam to myself dated July 1, 1947, last year, in which he said:

This is a personal word to express my appreciation of your firm stand in the matter of public funds for sectarian education. The Methodist Church, as you may know, has 124 colleges and universities related to it. The moment that we establish the principle that sectarian schools are to be supported by public funds, our Government will be faced with embarrassing claims from all parts of the Nation. Protestants generally—

Says Bishop Oxnam—

are fundamentally opposed to the use of public funds for private schools. We believe that the liberty given us to maintain our own schools is one that should be regarded as very precious, and should not be jeopardized by the selfishness that demands, in addition, the support of private schools. This is to violate our principle of the separation of church and state.

So there Bishop Oxnam, in the letter from which I have read, indicated something of his own personal views.

But I may state something further. Under date of February 27 of this year, only a month and 2 days ago, there came to me under that date a letter from Mr. E. H. DeGroot, Jr., of the organization to which I have referred, Protestants and Other Americans United for Separation of Chuch and State. In the letter, Mr. DeGroot said:

You are no doubt aware of the aroused public opinion resulting from the Nation-wide press comments on the manifesto published January 12, 1948, by the Protestants and Other Americans United for Separation of Church and State. We are sending you this copy of the manifesto—

I hold it in my hand now, Mr. President—

feeling certain you will wish to study it carefully and perhaps comment on it. Your reply will be held confidential, should you prefer.

We cannot overstress the fact we are not motivated by anti-Catholic animus. We propose to do all in our power to preserve religious freedom as guaranteed by the Constitution of the United States.

The protestant majority of this Nation's citizens accept the responsibility of spearheading this drive. Joined with them are all patriotic Americans of other faiths, or of no faith, who believe in the principle of separation of church and state. We shall oppose by all lawful means the expenditure of public funds, whether State or Federal, for the use or support, directly or indirectly, of sectarian educational institutions.

Most sincerely yours,

E. H. DEGROOT, Jr.

Mr. President, this is the organization of which, as I have indicated, Dr. Oxnam is, and was then, the vice president.

The manifesto to which I referred is entitled:

Protestants and Other Americans United for Separation of Church and State. A manifesto.

I shall not at this time read from the manifesto, but I ask unanimous consent that it be set forth in the RECORD at this point in my remarks.

There being no objection, the manifesto was ordered to be printed in the RECORD, as follows:

PROTESTANTS AND OTHER AMERICANS UNITED FOR THE SEPARATION OF CHURCH AND STATE—A MANIFESTO

The officers and the widely representative national advisory council of this organization desire to speak frankly and clearly to the American people concerning the purpose for which this undertaking has been launched. Its single and only purpose is to assure the maintenance of the American principle of separation of church and state upon which the Federal Constitution guarantees religious liberty to all the people and all churches of this Republic. Protestants and Other Americans United has been called into existence because this principle has been and is being violated, and threatened with further violation, in certain areas and by certain acts of both government and church. The plain meaning of the first amendment to the Constitution, which forbids Congress to make any law "respecting an establishment of religion" has been obscured by specious propaganda tending to confuse the public mind as to the clear-cut line of separation which this amendment draws between church and state. We shall endeavor (1) to revive in the public mind a clear understanding of the constitutional basis upon which religious liberty has been guaranteed, (2) to redress the specific violations which have recently come into force, and (3) to resist further encroachments upon this constitutional principle.

Protestants and Other Americans United does not concern itself with the religious teaching, the forms of worship, or the ecclesiastical organization of the many churches in our country. It is no part of our purpose to propagandize the Protestant faith or any other, nor to criticize or oppose the teaching or internal practices of the Roman Catholic Church or any other. We have no connection or sympathy with any movement that is tinged with religious fanaticism. Our motivation arises solely from our patriotic and religious concern for the maintenance of the separation of church and state under the American form of government.

Nevertheless, the existing situation cannot be dealt with save by frankly taking account of the specific sources from which violations of the first amendment originate. But our understanding is not primarily directed toward these sources, but toward those agencies of government—local, State, and Federal—which weakly yield to their demands. Congress and all State legislatures, and all executive and judiciary agencies of government must be warned that they are playing with fire when they play into the hands of any church which seeks, at any point, however marginal, to breach the wall that sharply separates church and state in this country. The principle of their separation is so firmly established in a long tradition as well as in the Constitution that any tampering with it will tend to light the fires of intolerance and fanaticism which our system of government is designed to prevent.

Our operations, therefore, are not inspired by any religious differences, but by a common conviction concerning the religious liberty of all faiths. The internal differences which distinguish one church from another have no place on the political level. Their consideration belongs in the open forum which the Constitution has provided for freedom of conscience and the free exchange of opinion. Here all the churches have liberty to worship as they desire, to propagate their own faith, and to maintain such organizations for this purpose as they deem expedient. In the open forum of religious liberty they may meet one another in cooperation or in controversy.

Protestants and Other Americans United has come into existence to defend this open forum of religious liberty against its vitiation by law or the administration of law. The state is forbidden to invade this area. It may not by law or the administration of law accord to any church a status which gives it a special advantage in the wide domain of religious freedom. This is the plain meaning of the first amendment, which forbids Congress to make any law "respecting an establishment of religion"—that is, pertaining to, or leading toward, such an establishment.

The churches on whose behalf we speak ask nothing for themselves in the exercise of their constitutional freedom which they do not willingly grant to and demand for all other churches. They are content to take their place in the open forum of our free society and to flourish or perish by the inherent strength or weakness of their faith. This is cultural and spiritual democracy. For the state to connive with a church which seeks a position of advantage in the forum of religious liberty by creating any interlocking relation between that church and itself is to deny or to curtail the religious liberty of all other churches and to vitiate democracy.

A powerful church, unaccustomed in its own history and tradition to the American ideal of separation of church and state, but flourishing under the religious liberty provided by our form of government, and emboldened by the wide diffusion of a false conception of tolerance, has committed itself in authoritative declarations and by positive acts to a policy plainly subversive of religious liberty as guaranteed by the Constitution. This church holds and maintains a theory of the relation of church and state which is incompatible with the American ideal. It makes no secret of its intention to secure for itself, if possible, a privileged position in the body politic. In pursuit of this policy, it has already made such gains that the principle of separation of church and state is in peril of nullification by legislatures and courts, and by Federal, State, and local administrations.

One of the long-range purposes of this church is to secure total support for its extensive system of parochial schools from the public treasury. Its strategy in furtherance of this purpose is to fracture the constitutional principle at one point after another where the action can be minimized as trivial

or disguised as falling within some other category than that of its ultimate intent. It has begun by demanding that certain marginal services such as bus transportation, free lunches, free textbooks, and so forth, for its parochial school pupils be financed by public funds raised by taxation for the public schools.

Already the legislatures of certain States, yielding to the political pressure of this church, have enacted legislation empowering local school boards to grant these special privileges. The Federal Supreme Court in two decisions has confirmed State legislation which sanctions the use of public-school funds to provide free textbooks for parochial schools (1930) and to transport pupils to such schools (1947). The four dissenting Justices in the bus-transportation case solemnly warned the Nation that these two breaches in the wall separating church and state are only the beginning. "That a third and a fourth breach, and still others, will be attempted, we may be sure," say the dissenting Justices.

Protestants and Other Americans United is determined to assert its full strength to the end that there shall be no more breaches in this wall, that the breaches already made shall be repaired, and that the complete separation of church and state in an undivided State-supported educational system shall be maintained.

On a bolder and more ambitious scale this same church now demands aid for its schools from the Federal Government. A proposed Federal grant of several hundred million dollars annually in aid of public education, especially in those States whose economic resources are insufficient to provide adequate education for their children, has been before Congress for many years. Action on this proposal has been held up by the pressure of this church, which demands that its parochial schools shall share with the public schools in any such Federal appropriation in an amount proportional to the number of pupils in each school system.

Thus far Congress has withstood this demand. But two bills have been introduced in that body, one of which completely yields to the church's maximum demand, while the other provides that the funds may be distributed by each State in accordance with its own statutes. The latter, the so-called Taft bill (S. 472), is a disguised evasion of the issue. It plays directly into the policy of the church which has already secured legislation in 18 States permitting financial aid to parochial schools in one form or another, and in effect invites the States to violate the mandate of the first amendment. The effect of its passage by Congress would encourage and facilitate the church's campaign in these States to widen the initial legislation already enacted in its favor, and to secure similar and even more advanced legislation in all other States.

Protestants and Other Americans United respectfully demands that Congress shall not by such an evasion abdicate its responsibility to defend the Constitution, regardless of political pressure on the part of any sectarian interests which would thus subvert it. The effect of State-supported church schools would spell the end of our public-school system as it has been established, fostered, and protected for more than a century. To divide State-supported education into sectarian school systems would divide American society itself into hostile sectarian camps, intensify sectarian intolerance, and thrust a religious issue permanently into the political arena from which our Constitution was designed to exclude it. Next to the Constitution itself, our public-school system has been our strongest bulwark against the development of religious intolerance in our political life.

In the area of diplomacy, also, this same church has made ominous progress in its strategy of winning for itself a position of special privilege in relation to the state. An ambassadorship to the papal head of the church, represented at the time it was set up as a temporary measure, has been in existence for 7 years. President Truman in 1946 assured a Protestant delegation that it would be discontinued at an early date. But the powerful political pressure which the hierarchy is able to bring to bear against the fulfillment of this promise plainly makes it necessary that a strong and determined public opinion shall express itself in support of its fulfillment.

We are not deceived by the disguise under which the appointee to this ambassadorship was labeled as the President's personal ambassador. The Pope himself made it perfectly clear in the extraordinary ceremonial by which he received the incumbent that his presence at the Vatican marked a distinct departure from our Government's long-established policy. We hold that this ambassadorship constitutes an interlocking of the functions of church and state, which is contrary to the principle of their complete separation.

Protestants and Other Americans United, speaking on behalf of an aroused body of American citizens, demands that this un-American ambassadorship to the head of a church be abolished. We resent, on behalf of all non-Roman churches, the privileged access to the ear of the state which this relationship creates. As patriotic Americans, we call upon all our fellow citizens who cherish the principle of religious liberty which is implemented by the separation of church and state, to join us in condemning this unconstitutional entanglement of a particular church with the American state and in demanding its prompt abrogation.

Protestants and Other Americans United proposes to carry on a campaign of enlightenment and mobilization of public opinion throughout the Nation until the vital issue which has been raised by these violations and the threat of further violations has been decided by the voice of the people.

The Americanism of the people's representatives in the various branches of Government must be stiffened against the promptings of sentimentalism or the low dictates of political advantage to resist the aggressive activities of those who would subvert the Constitution to their own sectarian interest.

The issue has now become tense in many States and many local communities. In some communities a church-dominated school board has taken parochial schools into the public-school system, with the result that bitter conflict and disorder have ensued, causing shame and disrepute to the whole community. Such spectacles afford a preview of the situation in which the entire Nation will find itself if these encroachments upon the public-school system spread. This is the kind of situation which the founders of the Republic sought to preclude by clear constitutional provision for the separation of church and state.

The free churches of America have been slow in recognizing the gravity of the situation that was developing before their eyes. But they can no longer ignore the fact that their own religious liberty is in peril. Their disposition is such that they desire to have the most friendly and cooperative relations in the areas of social service and personal fellowship with all. They deplore every breach of the democratic amenities that should obtain among churches whose common right to be here is guaranteed by our Constitution. The enlightened leadership of Protestantism has repudiated, and mobilized public opinion to suppress, one after another of the weird manifestations of religious hatred that have emerged during the past two generations.

Protestant churches and all free churches are, therefore, reluctant to engage in any overt movement which can be interpreted by hostile critics as a revial of religious intolerance. To impute any such animus to the organization for which we speak is to falisfy its spirit and purposes. Its aim is absolutely the opposite. Its purpose is to preclude the resurgence of this evil spirit of intolerance in our body politic. It sees clearly that unless the actual violations of the principle of separation of church and state are redressed and the threat of further violations removed, the peaceful and friendly relations between the ecclesiastical beneficiary of these violations and the other churches of the land will be difficult, if not impossible, to maintain.

Our controversy is not with any church, Roman Catholic or any other. Our controversy is with those lawmakers and law administrators who would yield to the demand of any church for a relation to the state which the Constitution forbids. The effect of the first amendment is to invest the makers and administrators of our laws with the ultimate guardianship of religious liberty and religious tolerance. If they maintain unimpaired the principle of separation of church and state, the churches can continue, as they have done since the founding of this Republic, to live together and face their differences with mutual respect and comity in the open forum of freedom, where the rules are tolerance, persuasion, argument, and example. But if the makers and administrators of our laws allow this principle to be nullified or undermined, upon them will rest the responsibility for lighting the fires of shameful religious resentment and conflict that will inevitably ensue.

Protestants and Other Americans United has emerged in recognition of the fact that all non-Roman churches, of all faiths, are profoundly concerned over the present threat to religious liberty. Most, if not all of the free churches, have spoken out in official resolutions in condemnation of the current violations of the principle of separation of church and state. But this common concern has need of implementation through a common agency. Though this agency has not been officially created by the churches, we believe it will receive their moral support from its beginning and that their official support will be forthcoming when their conventions or judicatories are in position to take action. The representative character of those who have been prompted to form this organization will, we believe, commend it to all churches and synagogues as their own instrument for this purpose. Through it the patriotic and religious citizens throughout the Nation, including those not commonly called Protestant, will be able to bring to bear their prompt and concerted resistance to the encroachments which they condemn with strong words in their resolutions.

Protestants and other Americans United by no means limits collaboration in this undertaking to Protestants, nor even to religious bodies. Quite the contrary. It bears the name "Protestant" only because the churches of that faith represent by far the largest body of citizens whose religious liberty is jeopardized by such aggressions as those cited above. Protestantism realistically accepts the responsibility of leadership inherent in its numerical preponderance, and offers itself as only the spearhead of a movement which embraces all Americans, whatever their faith may be. It desires and believes that it will receive the cooperation of churches and citizens of all faiths who cherish the religious liberty of others no less than their own.

We therefore call upon all patriotic citizens who profess the faith of Judaism and who sense the peril to the religious liberty they have uniquely enjoyed under the American Constitution, to join in the announced purposes and activities of this organization, and to accept representation in it. Similarly, all groups known as fraternal orders, and all citizens who, though professing no church

allegiance, believe in the American system of separation of church and state, are invited to join with a united protestantism which is sinking its own differences in a common effort to make sure that legislatures and executives and courts shall defend the constitutional guaranty of religious liberty against all attempts to subvert it. We have no doubt that there are many Roman Catholic citizens whose patriotic loyalty to American ideals is sound, intelligent, and sincere. These also are invited to join with their fellow Americans in maintaining this vital principle of American democracy.

In this endeavor we count especially upon the participation of the great body of educators throughout the Nation, regardless of their religious affiliations, whose noble profession will be stultified by further encroachments upon the public-school system or by the complacent acceptance of those already in force. The teaching profession perceives, perhaps more clearly than others, the evil social consequences in the permanent fissioning of American culture which will result from state support of church-controlled education.

IMMEDIATE OBJECTIVES

The immediate objectives of Protestants and Other Americans United may therefore be summarized as follows:

1. To enlighten and mobilize public opinion in support of religious liberty as this monumental principle of democracy has been embodied and implemented in the Constitution by the separation of church and state.

2. To resist every attempt by law or the administration of law further to widen the breach in the wall of separation of church and state.

3. To demand the immediate discontinuance of the ambassadorship to the papal head of the Roman Catholic Church.

4. To work for the repeal of any law now on the statute books of any State which sanctions the granting of aid to church schools from the public-school treasury.

5. To invoke the aid of the courts in maintaining the integrity of the Constitution with respect to the separation of church and state, wherever and in whatever form the issue arises, and, specifically, to strive by appropriate constitutional means to secure a reconsideration of the two decisions of the Supreme Court upholding the use of tax funds (a) for providing the pupils of parochial schools with free textbooks and (b) for the transportation of pupils to parochial schools.

6. To call out and unite all patriotic citizens in a concerted effort to prevent the passage of any law by Congress which allots to church schools any portion of a Federal appropriation for education, or which explicitly or implicitly permits the States to make such allotment of Federal funds. This purpose in no wise prejudices pro or con the propriety of a Federal grant-in-aid of public education.

7. To give all possible aid to the citizens of any community or State who are seeking to protect their public schools from sectarian domination or resisting any other assault upon the principle of separation of church and state.

8. In seeking these objectives we are determined to pursue a course that cannot be justly characterized as anti-Catholic or as motivated by anti-Catholic animus. As Protestants, we can be called anti-Catholic only in the sense in which every Roman Catholic is anti-Protestant. Profound differences separate us in the area of religious faith, but these differences have no relevancy in the pursuit of our objectives as clearly defined in this manifesto. The issue of separation of church and state has arisen in the political area and we propose to meet it there.

Protestants and Other Americans United for Separation of Church and State proposes to acquaint the representatives of government—all the way up from the local community through the States to Congress, the Supreme Court, and the White House—with the fact that an overwhelmingly body of public opinion, led by the whole of Protestantism, is united in a common purpose to achieve the above objectives and thus to assure the preservation of the cultural and religious democracy bequeathed by the fathers against any act of government "respecting an establishment of religion or prohibiting the free exercise thereof."

On behalf of the officers and national advisory council of Protestants and Other Americans United for Separation of Church and State.

Signed by the committee:

JOHN A. MACKAY,
President, Princeton Theological Seminary.
EDWIN MCNEILL POTEAT,
President, Colgate-Rochester Divinity School.
G. BROMLEY OXNAM,
Bishop of the Methodist Church, New York Area, New York City.
LOUIE D. NEWTON,
President, Southern Baptist Convention.
CHARLES CLAYTON MORRISON,
Former Editor, the Christian Century.

Mr. DONNELL. Mr. President, the letter to which I referred was dated February 27, 1948.

I have two other letters which I ask unanimous consent to have inserted in the RECORD at this point. The first is dated March 16, 1948, to Miss Williams, from Bishop Oxnam, and the second dated March 17, 1948, from Miss Williams to Dr. Oxnam.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., MARCH 16, 1948.

Miss CHARL ORMOND WILLIAMS,
Director of Field Service,
National Education Association,
Washington, D. C.

MY DEAR MISS WILLIAMS: We are doing the best we can to counteract the confusion relative to the Taft bill. It is unfortunate that there was written into it the section that does give to the States the right to use funds in sectarian institutions. If we can get that section amended and thereby eliminated we will get on. I am trying to straighten this out wherever I can.

With kindest regards, believe me,
Ever sincerely yours,
G. BROMLEY OXNAM,
Bishop of the Methodist Church,
New York Area.

MARCH 17, 1948.

Dr. G. BROMLEY OXNAM,
Bishop of the Methodist Church,
The New York Area,
New York, N. Y.

DEAR BISHOP OXNAM: I have just read your letter of March 16, and I am replying immediately because I am leaving tomorrow morning for New York to be gone at least a week. I appreciate very much the information you have sent me. However, I knew that you would do all you could to have the kind of legislation passed for Federal aid that is in harmony with the policy laid down in our Constitution and adhered to by millions of thoughtful people in this country and particularly so by the organization in which you and I are associates.

The recent Supreme Court 8-to-1 decision on released time for religious education in public schools has provoked a storm of controversy. Men and women have gone to extremes in their denunciations. All those outcries have been more than offset by the opinions of wise and thoughtful men like you, Dr. Dawson, Dr. Morrison, and many others. If this action had been taken in the beginning of the movement to secure released time, we should have been spared all of this controversy. We, as a people, have such an established practice of "locking the stable after the horse is gone" that we are constantly getting into needless uproars.

The situation portrayed by the President a few moments ago is another case in point. If the European recovery program was necessary—and I believe it was and is—then it should have been passed months ago by Congress. To have waited until the weak nations in Europe begin to fall one by one seems almost too late to me.

All my life has been conditioned by war, believe it or not, and I just do not feel as if I could endure another one. So many needful things in our democratic Republic that have always seemed so essential to me and to its future have been set aside decade after decade, because of preparation for war and recovery from war. Is there anything that can be done now to stop it?

Yours sincerely,
CHARL ORMOND WILLIAMS,
Director of Field Service.

Mr. DONNELL. Then, Mr. President, I hold in my hand a telegram under date of March 24, from J. M. Dawson, recording secretary of the organization to which I have referred, addressed to myself, which reads as follows:

On motion of Bishop G. Bromley Oxnam, seconded by Editor Charles Clayton Morrison—

I pause in my reading to state that Dr. Morrison is, as doubtless the Presiding Officer now realizes, the former editor of the Christian Century, one of the great figures, I take it, in religious magazine history of our Nation. I shall read the telegram from the beginning.

On motion of Bishop G. Bromley Oxnam, seconded by Editor Charles Clayton Morrison, Protestants and Other Americans United for Separation of Church and State earnestly urge you support some amendment to S. 472 which would provide that no funds shall be appropriated under the act in any State for the support of any sectarian or private schools.

J. M. DAWSON,
Recording Secretary.

Then I have a further telegram, dated March 25, 1948, only last Thursday, I believe it was, from Dr. J. M. Dawson, recording secretary, to myself, as follows:

Protestants and Other Americans United for Separation of Church and State wishes to extend hearty congratulations and profound appreciation of your patriotic services in offering amendment to Senate bill 472, which provides for no disbursing of public funds under this act to private or sectarian schools.

So, Mr. President, by inspection of these various documents, including the letter from Bishop Oxnam to Miss Williams, and the letter from Miss Williams to Bishop Oxnam, any reader can readily see the position which is taken by Dr. Oxnam upon this matter. And merely because he had been of the opinion that the bill could not pass unless there should be some permission of the type granted in section 6, as it now stands, does not by any shadow of a scintilla indicate that Bishop Oxnam does not feel, just as he has indicated, that public funds should not be used for the support of private sectarian schools.

Mr. President, I refer to the manifesto issued by the organization of Protestants and Other Americans United for Separation of Church and State. I call attention to the fact that that document was signed by a committee consisting of the following: John A. Mackay, president, Princeton Theological Seminary; Edwin McNeill Poteat, president, Colgate-Rochester Divinity School; G. Bromley Oxnam, bishop, the Methodist Church, New York area; Dr. Louie D. Newton, president, Southern Baptist Convention; Charles Clayton Morrison, former editor, the Christian Century.

Mr. President, I hold in my hand a letter which was written to me yesterday in response to a request to him by myself, from J. M. Dawson, which reads as follows:

The enclosed marked copy of Report from the Capital, front page, will give you a fair account of the organization, Protestants and Other Americans United for Separation of Church and State. Added to that account should be the statement that the manifesto referred to was signed by the following:

He then gives thes list of names which I have just read, and proceeds:

The organization, within a little more than 2 months, has enlisted the active support of thousands of individuals representing all Protestant groups and other Americans insisting on separation of church and state. It now has a national-advisory council of approximately 100 leading churchmen, educators, and civic leaders. In addition to the executive committee members listed on our official letterhead above, has been selected another member from the Christian Scientists, Dr. Arthur Todd, a prominent educator, and we shall soon announce one from the Jewish community and another from the Lutherans.

I should like to point out what we strive to make plain in the manifesto—that we are not a creedal or partisan organization, set up to oppose the doctrines or internal polity of any church, but established solely to maintain the constitutional doctrine of separation of church and state.

With deepest respect,

Most sincerely,

J. M. DAWSON.

Mr. President, I have indicated the views of this organization, and the views of some of the leading men who are well known in it. I could stand here for a long time giving the views of other segments of our population. I shall give but a few.

I hold in my hand a letter dated July 17, 1947, from the American Unitarian Association, 25 Beacon Street, Boston, Mass., addressed to me. Obviously this letter is one which went to many persons—probably to all Members of the Senate. The letter reads as follows:

AMERICAN UNITARIAN ASSOCIATION,
Boston, Mass., July 17, 1947.

Hon. FORREST C. DONNELL,
Senator from Missouri,
Senate Office Building,
Washington, D. C.

DEAR SENATOR DONNELL: May we remind you, sir, that there is grave danger to the traditional and democratic principle of the separation of church and state in the amended Taft bill for $300,000,000 Federal aid to education. According to a late press release the Senate Labor and Public Welfare Committee has approved the bill on a basis which does not exclude nonpublic schools from financial aid under the bill, but leaves the question of distribution of such funds to private and religious schools to the discretion of the individual States.

Since a far greater number of nonpublic schools in the United States are parochial in nature, this bill, if passed in its present form, would be the beginning of the providing of public funds for church-operated schools.

We are deeply aware of, and sympathetic to, the financial needs of our American public school system, and hope that you will support the granting of aid to these institutions. But to give Federal funds to religious schools, whether Jewish, Catholic, or Protestant, is a direct violation of one of the fundamental tenets of our American democracy—a principle deemed important enough by our founding fathers that it was included in the first amendment to our United States' Constitution.

We call your attention to the following resolution adopted at the one hundred and twenty-second annual meeting of the American Unitarian Association, composed of Unitarian churches in the United States and Canada, which passed without a dissenting vote on May 22, 1947:

"SEPARATION OF CHURCH AND STATE

"Whereas the American Unitarian Association has always stood for the separation of church and state; and

"Whereas the traditional historic position of the United States since Thomas Jefferson articulated the principle of religious freedom for the Commonwealth of Virginia and the enactment of the first amendment to the Constitution has been to establish and maintain the separation of church and state; and

"Whereas there are pending at present certain Federal and State proposals to provide public funds for nonpublic schools; and

"Whereas the Supreme Court of the United States in a 5-to-4 opinion decided in the case of *Arch Everson* v. *The Board of Education in the Township of Ewing* that the legislature in the State of New Jersey was constitutionally within its rights in providing for the use of public funds for the transportation of pupils to other than public schools, but not including schools operating for profit; and

"Whereas this decision may be interpreted as establishing a precedent which places many problems involving the issue of State support of sectarian institutions squarely upon the individual States: Be it therefore

"*Resolved*, That the American Unitarian Association, assembled in its one hundred and twenty-second annual meeting, calls upon all Americans, both within and without the churches, to oppose all encroachment upon the principle of the separation of church and state, including the action of legislatures (at present particularly in Illinois, Indiana, Louisiana, Massachusetts, Michigan, New Jersey, and New York), local school boards, and other policy-making instrumentalities of government; and be it further

"*Resolved*, That we urge those States whose constitutions do not now guarantee the separation of church and state to incorporate such guaranties by constitutional amendments; and be it finally

"*Resolved*, That the executive officers of the American Unitarian Association be instructed to seek active cooperation with other denominations and organizations for the purpose of promoting unity of action to this end."

Because we feel that S. 472, in its present form, is contrary to a functioning, democratic educational system, we ask you to support the Federal aid bill only after it has been amended to exclude public aid to nonpublic schools.

Respectfully,

MERRILL E. BUSH,
Director, Department of Adult Education and Social Relations.

Mr. President, there occurred in Atlantic City, N. J., recently—I think it was in the month of March, this very month—the seventy-fourth annual conference of the American Association of School Administrators. I read into the RECORD at this point the following article from The Churchman of March 15, 1948. It is headed "Public funds—School administrators oppose special aid."

ATLANTIC CITY, N. J.—The use of public funds for "direct or indirect" support of church schools was opposed here by the seventy-fourth annual conference of the American Association of School Administrators.

The resolution, one of 22 introduced by a committee, declared:

"We believe the American tradition of separation of church and state should be vigorously and seriously safeguarded. We reassert the right of special-interest groups, including religious denominations, to maintain their own schools as long as such schools meet the standards defined by the State in which they are located.

"We believe that these separate schools should be financed entirely by their own supporters. We therefore oppose all efforts to devote public funds either to the direct or indirect support of such schools."

Continuing, the article says:

One session of the conference was devoted to a discussion of religious training in the schools, including the released-time plan. However, no resolution on this subject was introduced.

Mr. President, I cannot tell whether the resolution I have read was adopted. The heading reads, as I have indicated, "School Administrators Oppose Special Aid," but I call attention to the fact that the article itself merely states that the use of public funds for the direct or indirect support of church schools was opposed by the seventy-fourth annual conference of the American Association of School Administrators, and that the resolution to which I have referred, being one of 22 resolutions introduced by a committee, declared as I have read. I draw the inference from the language used that the conference approved it, although, of course, it is possible that that was the action of the committee.

Mr. President, in the same issue of the Churchman are two articles, each of which I should like to place in the RECORD. One is in favor of the use of public funds for private institutions, and I wish to place it in the RECORD in order that we may have here some expression from someone who favors such use, subject to our analysis.

The first article is headed "Deterioration public schools suffer if funds are diverted." It reads as follows:

CHICAGO.—The "widespread deterioration of the public schools" will be increased if funds are diverted to sectarian schools out of public funds, a committee reported here to the annual meeting of the Methodist Board of Education. Bishop W. Earl Ledden, of Syracuse, N. Y., headed the committee, which urged resistance "to the never-ending campaign by a powerful religious organization for complete support of sectarian schools." It said collapse of the public-school system and weakening of the foundations of national unity will result from such a campaign.

"We recognize the public schools as the primary agency through which our society attempts to open up its culture to youth and to train them in the ideals and ways of liv-

ing," the report stated. "We, as Protestants, are committed to the public schools as the most effective means of providing common education for all our children."

Religion, the report said, should be given "its rightful place in the public-school program, without violating traditional principles of separation of church and state, by presenting moral and spiritual values."

"The intellectual and spiritual affinity existing between Protestant churches and public schools" must be recognized and a more vital relationship between the two urged.

Mr. President, the second article, the one advocating the use of financial aid from both Federal and State sources for private and parochial schools, reads as follows:

GRAND RAPIDS, MICH.—Federal and State financial aid for private or parochial schools to give equal opportunity to all and special privilege to none was recommended here by Dr. Henry VanZyl, professor of education at Calvin College, in an address before members of the Michigan Christian School Alliance.

"If we want to have a healthy social structure and preserve our democracy, and if private schools are among the best guaranties of liberty and freedom, then we ought to give private schools and private initiative more support," Dr. VanZyl asserted.

Parochial schools of all faiths are as entitled to governmental assistance as are public schools, under the American theory of justice to all and prejudice toward none, in Dr. VanZyl's opinion.

He sees no threat in private-school aid to the American principle of separation of church and state. "Government financial support to all schools, public and private, would be more in keeping with the spirit of democracy upon which this country was founded."

So, Mr. President, we see the views upon the two sides of the question. I take it that those two statements, one by Bishop Ledden and the other by Dr. VanZyl, indicate the divergence of opinion. To my mind there is no answer to the argument presented in the Unitarian letter which I have read and the argument I have indicated as being presented by other sources, namely, that it is destructive of the best interests, not only of the States but of the religious group itself, if governmental funds are to be used for the support of private or sectarian schools.

Mr. President, I hold in my hand an issue of the Christian Century, of March 19, 1947, in which the following article appears:

EDUCATOR SPEAKS OUT ON CATHOLIC SCHOOLS

Roman Catholics are determined to block Federal aid to public schools unless they can get it also for their parochial schools, declared Dr. John L. Childs, of Teachers College, Columbia University, before a large audience of educators assembled in Atlantic City for the convention of the American Association of School Administrators.

Mr. President, I take it that that is the same meeting which was referred to in the article I read a few moments ago from the Churchman. I continue to read from this article:

He—

Dr. Childs—

said: "As one who has been intimately associated with labor and political movements in our country, I can report that many are now convinced that we shall never get a Federal aid bill passed unless it provides that the funds appropriated by the Government be made available to these private, religious schools, as well as to the public schools. Now this is a highly doubtful situation for a minority—even a religious minority—to allow to come to pass. It means, in effect, that unless the demands of a minority are met, that minority will unite with reactionary and financially selfish groups to block Federal support for the public schools." This is, of course, a statement of opinion, not the report of an announced Roman Catholic policy. Its plausibility is supported by the fact that opposition to Federal aid for schools was the Catholic line until, quite recently, the bills proposing Federal aid either became ambiguous on the subject of including private religious schools or specifically included them. From the Roman Catholic standpoint on the school question, it is certainly not bad strategy to say "all or none" with reference to Federal aid for schools. It is well to realize that this is the strategy, if it is, but the battle must be fought out on more fundamenal grounds.

Mr. President, the following are what I primarily insert this article for:

The real questions are: (1) Is it wise and just to divide the public funds available for education between the public schools and other competing systems of private schools? (2) Is it wise and just to distribute Federal funds among the States for elementary and secondary education? These are separate questions which should be considered separately. Probably a majority of the American people, including Dr. Childs and The Christian Century, would answer No to the first, and Yes to the second.

Mr. President, the first question, to which this writer thinks that probably a majority of the American people would answer "No," is "Is it wise and just to divide the public funds available for education between the public schools and other competing systems of private schools?" The second question, to which the writer of this article believes that probably a majority of the American people would answer "Yes," is "Is it wise and just to distribute Federal funds among the States for elementary and secondary education?"

The article continues as follows:

If subsidy for sectarian schools is made the price of Catholic support for the Federal-aid program, it may well be that those who see the public-school system in process of being scuttled by such subsidies will prefer to see Federal aid held up until it can be given to public schools only.

Mr. President, I hold in my hand a photostatic copy of an article appearing in the Christian Science Monitor of March 27, 1947. The article reads in part, as follows:

BOSTON, MARCH 27.—Strong protests against the inclusion in the Federal education bill now before Congress of any clause authorizing or permitting the use of public funds for the benefit of sectarian schools were mailed to all Members of Congress today by the National Committee of the League Opposed to Sectarian Appropriations.

Letters were addressed from the League's headquarters in Cambridge, Mass., calling upon the people's representatives to "maintain the great fundamental American principle of complete separation of church and State" by denying support of sectarian institutions at the expense of the general public.

The letter, bearing the signature of Frank J. Batcheller, chairman of the national committee, follows:

As chairman of the National Committee of the League Opposed to Sectarian Appropriations, an organization whose membership exceeds 8,000,000 citizens, and whose proposed constitutional amendment to prohibit all sectarian appropriations has been unanimously endorsed by other organizations whose total membership is more than 20,000,000, I emphatically protest against the inclusion in the Federal education bill of any clause or provision authorizing or permitting the use for the benefit of sectarian schools of any money appropriated by this bill.

The appropriation of public money for sectarian schools, whether by Federal, State, or municipal governments, is a clear violation of the great basic American principle of the complete separation of church and state. This is equally true whether the schools in question are aided by direct payment of public money or by the furnishing of free transportation, free textbooks, or free supplies of any nature for their pupils. Any attempts to secure such grants or aid should be decisively defeated.

We are just as strongly opposed to any Federal education bill that would aid sectarian schools only in those States that make grants for the benefit of such institutions as we are to any legislative acts that would assist those schools in all States.

Because a number of States, as a result of political manipulation and political pressure, have violated the principle of the separation of church and state by furnishing free transportation for the pupils of parochial schools in no way justifies or excuses the Federal Government doing the same thing.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. DONNELL. I suggest, Mr. President that, if I may finish my argument, I shall then be glad to answer any questions that I can.

Mr. President, I am not at all undertaking to accord myself with a portion of the views there expressed, with regard to transportation. The proposition to which I address myself is, however, that this organization, which describes itself, as I have indicated, as being composed of a membership in excess of 8,000,000 citizens, opposes the granting of any appropriation which by its terms would be allowed to go to private sectarian institutions.

Mr. President, the council of bishops of the Methodist Church, as reported in the Churchman of May 15, 1947, says this:

We rejoice in the liberty this Nation grants churches to maintain schools if they so desire, but we hold that the support from public funds of sectarian education is fraught with danger and must be resisted and ended.

Mr. President, there occurred some months ago in my own city of St. Louis a notable convention of the Southern Baptist Convention, attended by 7,900 persons from 19 States and the District of Columbia. I hold in my hand a photostatic copy of a clipping from the Christian Science Monitor of May 9, 1947, a portion of which I shall read. It is entitled "Baptists Against United States

Aid to Church Institutions," and reads as follows:

ST. LOUIS, Mo., May 9.—The Southern Baptist Convention, protesting what it described as a threat to the future of all public schools, went on record today against the acceptance of Federal aid by church-sponsored schools. The convention, attended by 7,900 persons from 19 States and the District of Columbia, adopted unanimously a resolution warning all Baptist schools and other institutions against accepting grants of money from the Government for any purpose, on the ground it weakened what it termed the traditional wall between the church and State.

So, Mr. President, the action of this great Baptist convention to which I have referred reemphasizes what I have previously mentioned several times in these remarks, namely, recognition of the danger to the great church groups and the church schools themselves of the acceptance of funds from Government sources.

Mr. President, I think I have indicated by the various excerpts which I have given something of the immensity of the number of people who feel upon this proposition along the line of the amendment which I have proposed. I should now like to discuss the bill itself, to see what it does with respect to the use of Federal funds by either sectarian or private schools. What does the bill do? Obviously it does not prohibit the use of the funds by such schools.

Mr. President, you can search the bill from one end to the other, and you will find not one single syllable indicating any prohibition of or opposition to the use of Federal funds by either sectarian or private schools. A very considerable portion of the bill, namely, the whole of section 2, is devoted to an indication of strong opposition to control by the Federal Government of local schools, public schools, or other beneficiaries; but not one sentence indicates even remotely the slightest opposition to the use of Federal funds for sectarian schools.

What does the bill do? Let us examine it and see what it does. Section 6, instead of saying specifically what are the purposes for which the Federal funds may be used, sets forth, not a statement of fact, not a rule from which it can be determined what those purposes are; it sets forth only a legal conclusion, from which one person may draw one opinion and another person may draw another opinion. What is the legal conclusion? After the earlier portion of section 6—

In order more nearly to equalize educational opportunities, the funds paid to a State * * * shall be available for disbursement by the State educational authority, etc.—

It says:

for any current expenditure for elementary or secondary school purposes for which educational revenues derived from State or local sources may legally and constitutionally be expended in such State.

Mr. President, obviously this language leaves it entirely in doubt as to what are the specific purposes for which the money may be used. Yes; the bill contains, as was pointed out by the distinguished Senator from Connecticut earlier this afternoon, a provision that the terms "current expenditures" shall not include expenditures for interest, debt service, and capital outlay; that being set forth in a subsequent section of the bill. But obviously, while it excludes certain things from the definition of "current expenditures," it nowhere indicates even remotely or with any definiteness whatever what are the specific purposes for which the money may be used.

We could take the law digests, the encyclopedias, the textbooks, the legal commentaries, and the law reviews of every kind, and we could find that they contain a very large number of litigated cases upon the very question as to what are the things which may legally and constitutionally be done in the various States with school moneys. I know I can point to decisions in my own State. I can point to a decision which was handed down only a few years ago. I have upon my desk in my office this afternoon a decision in a case which was bitterly contested, which resulted in an adjudication upon the state of facts therein set forth.

Until the Supreme Court of the State of Missouri had passed upon that particular issue there was no living individual within the State of Missouri who could tell whether the funds which were there in controversy could or could not be legally and constitutionally used and expended in that State for the purpose for which they were being used and expended. In order, therefore, to know for what purposes it will be legally and constitutionally possible to use the money in various States and, therefore, to use the Federal funds, litigation will obviously be required.

May I point out, Mr. President, that one such lawsuit is not likely to settle the question? It might. It is possible that the issues might be sufficiently broad so that one case would settle the question; but remember that we have 48 States in the Union, all of which have separate constitutional provisions of one kind or another. There are 46 States which have separate constitutional provisions upon the question of the use of State funds for religious purposes or for religious educational purposes. Some of those particular provisions may be identical. I do not know. But obviously it is true that there will be a vast amount of litigation which can reasonably be expected if a fund of $300,000,000 each year shall be turned over to the States to be used for purposes for which revenues derived from State or local sources may be legally and constitutionally expended.

I submit, Mr. President, that it is not at all unreasonable to expect that if the bill shall pass containing the language now contained in section 6, the language containing the legal conclusion to which I have just referred, Congress will not itself know, after the bill has been passed, what it has done until the Supreme Court of the United States shall have determined that question for us, and then we shall find it out only in installments as the Supreme Court shall determine for each State.

The Senator from Ohio [Mr. TAFT] is of the opinion, and so stated, that—

so far as the parochial schools are concerned, the recent decisions of the Supreme Court make it almost impossible for any State to give aid to any parochial schools except possibly for bus transportation.

Thus, Mr. President, the argument in behalf of section 6 of Senate bill 472 is, in substance, that, regardless of the so-called home-rule language of the bill, which, as I have indicated, is a legal conclusion not susceptible of definition in the absence of a future decision of the Court—I say the argument made in behalf of the section is that recent decisions of the Supreme Court will make it almost impossible for the States and, therefore, under the language of the bill, for the Federal Government, to give aid to sectarian schools except possibly for bus transportation.

I call attention to the fact that with his usual complete frankness, for which I honor him, that being one of the reasons why I regard him as one of the greatest statesmen of our Nation, the Senator from Ohio has not stated to us that the recent Supreme Court decisions make it impossible for any State to give aid to parochial schools; he said that they make it almost impossible, except possibly for bus transportation.

So I see, Mr. President, or I think I see, in the language of the Senator from Ohio, a recognition that there is even in his own mind uncertainty as to the scope of the recent decisions of the Supreme Court and as to how far those decisions may go, making it impossible for a State to give aid to sectarian schools.

I submit two points. First, if it be true that under the Supreme Court decisions nothing substantial can be done for sectarian schools with Federal funds, why is there any possible objection to inserting in the bill itself a specific prohibition against such use of funds? In other words, if it be correct that the two cases to which I have referred establish that nothing substantial for sectarian schools can be done with Federal moneys, why not make it certain in the bill that nothing can be done; and why is there any objection to the insertion in the bill of a specific prohibition against such use of those funds, a prohibition which does not require a lawyer or a court to determine what Congress has done after it has passed the bill?

In the second place, Mr. President, the recent decisions of the Supreme Court in the Everson case and in the McCollum case, each of which the Senator from Ohio has caused to be set out in the RECORD, have not, in my opinion, made it impossible or "almost impossible," to quote the Senator's language, for any State to "give aid to sectarian schools except possibly for bus transportation."

I appreciate that in discussing the opinion of a court there may be, and doubtless is, a difference of opinion among lawyers. Consequently, I approach this subject with, I trust, at least some semblance of modesty in stating my opinion. I concede, Mr. President, that certain of the language used in the Everson case can be used very effectively in support of either an argument or a sub-

sequent court decision to the effect that no State can give aid to sectarian schools except possibly by way of a contribution to the pupil or his parents for transportation. I say I concede that fact. For example, in the Everson case Mr. Justice Black says:

> The State contributes no money to the schools. It does not support them. Its legislation, as applied, does no more than provide a general program to help parents get their children, regardless of their religion, safely and expeditiously to and from accredited schools.

Mr. Justice Black also says, in the same decision, at page 13:

> No tax in any amount, large or small, can be levied to support—

What?

> to support any religious activities or institutions, whatever they may be called or whatever form they may adopt, to teach or practice religion.

Mr. President, it may well be that ultimately the Supreme Court will hear a number of cases before it will render a holding that the States cannot give aid to sectarian schools except as regards items such as transportation and other items given to the pupils themselves, and the Court may cite in support of such a ruling the various observations of Mr. Justice Black which I have quoted. But the fact still remains, Mr. President, that the Supreme Court of the United States did not in the Everson case adjudicate the question whether such other aid could be given to sectarian schools. That the court did not do so follows directly from the simple fact that the question whether such other aid can be given sectarian schools was not before the Court in the Everson case. Anything said in the Everson case with respect to constitutionality, except the constitutionality of reimbursement for bus fares, was not a decision on a proposition before the Court. The only thing the Court had to decide in the Everson case was whether parents who had paid bus fares to schools for their children, were legally and constitutionally entitled, under the statute of New Jersey, to reimbursement for the fares which had been paid to the bus companies. There is nothing directly or indirectly in those facts comparable to a situation in which there arises the question as to whether Federal funds or State funds can be used in the operation of the school itself.

While the reimbursement of bus fares, a majority in the Everson case decided, did not breach the wall between church and state, it happens that the minority of four of the nine justices thought it did constitute a breach in that wall. In other words, five of the nine justices of the Supreme Court said, "This use of money for the payment of bus fares does not break the wall between church and State," but four of them thought that it did break the wall.

Mr. President, at this moment I wish to correct a mistaken impression which I might possibly have left by words I uttered a few minutes ago. I do not mean at all to bind myself as to the correctness of the view that there is no similarity between the use of funds for bus fares and the use of funds for the operation of schools, but the Supreme Court of the United States has held that there is a difference, and that is today the law of the land. I am pointing out now that in determining what was done in the Everson case we find a sharp difference of opinion. Five of the justices thought that the statute which they sustained did not breach the wall between church and State; the other four thought that it did.

The four dissenting justices, after quoting the first amendment of the Constitution and Mr. Jefferson's "Bill for establishing religious freedom," said:

> I—

I take it that meant Justice Rutledge—

> I cannot believe that the great author of those words, or the men who made them law, could have joined in this decision. Neither so high nor so impregnable today as yesterday is the wall raised between church and state by Virginia's great statute of religious freedom and the first amendment, now made applicable to all the States by the fourteenth.

I call particular attention to the next sentence from the minority opinion:

> New Jersey's sustained is the first, if indeed it is not the second breach to be made by this Court's action.

The minority furthermore at page 18 said:

> New Jersey's action therefore exactly fits the type of exaction and the kind of evil at which Madison and Jefferson struck. Under the test they framed it cannot be said that the cost of transportation is no part of the cost of education or of the religious instruction given. That it is a substantial and a necessary element is shown most plainly by the continuing and increasing demand for the State to assume it.

Mr. President, it is entirely conceivable that hereafter some type of aid or some aid under specific circumstances to sectarian schools, which aid the minority would consider a further breach of the wall between church and state, may not be considered by the majority to be such breach at all. Indeed, apprehension to that effect is indicated in the Everson case by the four minority justices, when, after the quotation which I gave a few minutes ago, they said:

> That a third, and a fourth, and still others will be attempted, we may be sure. For just as *Cochran* v. *Board of Education* (281 U. S. 370), has opened the way by oblique ruling for this decision, so will the two make wider the breach for a third. Thus, with time the most solid freedom steadily gives way before continuing corrosive decision.

Mr. President, it will be recalled that in the Cochran case it was held that the furnishing of books to school children, both in public and private schools, the latter either sectarian or nonsectarian, from public funds of Louisiana, did not violate the fourteenth amendment as a taking of private property for a private purpose. It was held by the court that the taxing power of the State is there exerted for a public purpose.

Mr. President, even the observations in the Everson case, which may be hereafter used effectively in either an argument or a subsequent court decision, that no State can give aid to sectarian schools except possibly by way of contribution to the pupil or his parent, may not be applicable to a future method of operation of a sectarian school. For example, such a school may be so operated as not to embrace religious activities or, to quote Justice Black, teach the tenets or faith of any church. The activities of the school could be rearranged so as not to so embrace or teach, for example, by teaching the ordinary school work in one building, thereupon adjourning the pupils to other nearby quarters for religious instruction after the hours of secular school, so that by some such arrangement the activities of the school could be arranged so as not to teach the tenets or faith of any church.

Mr. President, the point I make with respect to the Everson case is that the only fact that was embraced in that case for decision by the Court was whether or not a parent who had paid bus fares was entitled to reimbursement for those fares from the State of New Jersey. There was no fact in the case for decision which called upon the court to determine what the State itself might do, if anything, toward contributing to the upkeep, the building, the operation of the school itself. Obviously the four justices in the minority felt that the majority, by going as far as they had, made it even possible that the majority might later go further, and permit even greater use of State funds in the operation of the schools than the minority felt had been done in connection with the bus transportation. Obviously the Everson decision is not decisive of anything except of the particular case before the court.

I am not alone in the view that the Everson case is not decisive to the effect that the use of public funds for sectarian purposes is barred. The Everson case was decided by the Supreme Court of the United States on the 10th day of February 1947. If it had been decisive to the effect that the use of public funds for sectarian purposes was barred, obviously the action taken on May 2, 1947, several months after the Everson case was decided, was out of place, or at least highly unnecessary. The action to which I refer was that taken on May 2, 1947, 2⅔ months after the rendition of the opinion in the Everson case, after widespread public discussion of the Everson case in newspapers and by word of mouth all over the United States, when Representative JOSEPH R. BRYSON, of South Carolina, whom many of my colleagues know, a man of outstanding ability, introduced in the House of Representatives a joint resolution proposing to amend the Constitution of the United States, specifically prohibiting the use of public funds for sectarian purposes. If it had all been decided by the Everson case, if it was certain that nothing else of a substantial nature could ever be turned over to sectarian schools because of the Everson case decision, the amendment which Mr. BRYSON proposed would be unnecessary and superfluous.

I have in my hand a photostatic copy of a clipping, again from the Christian Science Monitor, of May 3, 1947, with respect to the action taken on May 2 by

Mr. BRYSON. It is headed, "Constitutional amendment would bar public funds for sectarian purposes." I read from the article as follows:

WASHINGTON.—A proposed amendment to the United States Constitution, implementing its original intent of separation between the church and state by specifically prohibiting the use of public funds for sectarian purposes, was introduced in Congress May 2 by Representative JOSEPH R. BRYSON, Democrat, of South Carolina.

Speaking from the floor of the House of Representatives, Mr. BRYSON explained that it was "not directed at or against any particular faith or creed, but applies to all faiths and all creeds alike as was the original intention of the first amendment."

Mr. BRYSON continued:

"Due to increasing tendencies on the part of State governments and the Federal Government to circumvent the article of the Constitution written by our founding fathers, establishing a wall of separation between church and state, it now seems necessary—

Not merely advisable, Mr. President, but necessary, and this was 2⅔ months after the Everson decision—

to give further expression to the meaning of the constitutional barriers against the appropriation of money for and to be used by sectarian educational institutions."

Not only should separation of church and state be maintained, the Representative insisted, but "it must be more definite and distinct."

The proposed amendment reads as follows:

"Neither the National Government nor any State, county, city, town, village, nor other civil division shall use its property or credit or any money raised by taxation or otherwise, or authorize either to be used, for the purpose of founding, maintaining, or aiding by appropriation, payment for services, expenses, or in any other manner, other than by remission of taxation, any church, religious denomination, or religious society, or undertaking which is wholly or in part under sectarian or ecclesiastical control.

"Neither the National Government nor any State, county, city, town, village, nor other civil division shall pay any person or persons any money for services, expenses of any kind or for any other purposes, or furnish free transportation, free textbooks, or free supplies of any kind or nature because of their connection with or attendance at, any school, institution, society, or undertaking which is wholly or in part under sectarian or ecclesiastical control.

"Nothing herein contained shall in any way repeal or curtail the privileges, rights, and benefits of persons who served in the armed forces of the United States of America as set forth in House Document No. 772 of the Seventy-ninth Congress, second session."

Mr. President, I ask unanimous consent that the entire article may be incorporated in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONSTITUTIONAL AMENDMENT WOULD BAR PUBLIC FUNDS FOR SECTARIAN PURPOSES

WASHINGTON.—A proposed amendment to the United States Constitution, implementing its original intent of separation between the church and state by specifically prohibiting the use of public funds for sectarian purposes, was introduced in Congress May 2 by Representative JOSEPH R. BRYSON, Democrat, of South Carolina.

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TENDENCY TO SIDESTEP

Mr. BRYSON continued: "Due to increasing tendencies on the part of State governments and the Federal Government to circumvent the article of the Constitution written by our founding fathers, establishing a wall of separation between church and state, it now seems necessary to give further expression to the meaning of the constitutional barriers against the appropriation of money for and to be used by sectarian educational institutions."

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SPURS CIVIC DRIVES

Primed by the recent United States Supreme Court's 5-to-4 decision upholding the right of the State of New Jersey to pay for the transportation of parochial school children, Mr. Bryson's action spearheads a national movements by civic and church groups to clarify the democratic intent of he highest laws of the land.

Aroused organizations all over the country, who see in the Court's action an opening wedge for broader demands by sectarian groups, are tendering their support to the National League Opposed to Sectarian Appropriation at its headquarters in Cambridge, Mass., according to Frank J. Batcheller, chairman.

NAME IS CHANGED

Founded in 1903 as the American Minute Men, the organization recently adopted the more specific title of National League Opposed to Sectarian Appropriations.

Under that title, the league claims to have gathered a membership of many millions who believe, "since it is the irrefutable intention of the Nation's bylaws to keep the church and state separate, that this intention should be projected into the Constitution in clear and irrefutable language," according to Mr. Batcheller.

Instead of discouraging the league, the Supreme Court's ruling merely has confirmed the original conviction of its members that the Constitution is too open to legal interpretations on the vital issue of the separation of church and state, Mr. Batcheller explained. Hence, he said, the time has now come to act.

The wide division of opinion in the highest court of the land on so vital an issue as "separation of church and state" the league spokesman warned, "indicates an entering wedge that might well cause one to wonder as to where it will stop."

MUCH BIGGER ISSUE

"The issue is much bigger than that of paying from public funds for the costs of transporting school children," Mr. Batcheller continued. "It implies the ultimate breakdown of one of the main bulwarks of democracy, namely, religious liberty, or the freedom from domination of the church by the state, or domination of the state by the church.

"That courts, legislatures, and conferences can show wide divergences of opinion over the separation of church and state implies the dangers of legal ambiguities.

"The minority report of two of the justices of the highest court in the land on the New Jersey issue attest to these dangers. For there is no plainly drawn provision in the Constitution upon which the Court could act positively in preserving the separation of church and state."

TEXT OF AMENDMENT

As introduced by Mr. BRYSON, the amendment specifically stated that "Neither the National Government nor any State, county, city, town, village, nor other civil division shall use its property or credit or any money raised by taxation or otherwise, or authorize either to be used, for the purpose of founding, maintaining, or aiding by appropriation, payment for services, expenses, or in any other manner, other than by remission of taxation, any church, religious denomination, or religious society, or any institution, school, society, or undertaking which is wholly or in part under sectarian or ecclesiastical control."

VET AID EXEMPTED

The proposed amendment continued: "Neither the National Government nor any State, county, city, town, village, nor any civil division shall pay any person or persons any money for services, expenses of any kind or for any other purpose, or furnish them free transportation, free textbooks, or free supplies of any kind or nature because of their connection with, or attendance at, any school, institution, society, or undertaking, which is wholly or in part under sectarian or ecclesiastical control. Nothing herein contained shall in any way repeal or curtail the privileges, rights, or benefits of persons who, served in the armed forces of the United States of America as set forth in House Document No. 772 of the Seventy-ninth Congress, second session."

Clarifying the final sentence of the amendment that would appear to permit appropriations to sectarian colleges and schools, Mr. Batcheller stated: "Congress has passed certain emergency legislation providing for the education of veterans, with which we do not intend to interfere."

As a matter of fact, Mr. Batcheller explained, omission of the last sentence would have had little effect, if any, upon the funds appropriated for veterans' education since passage of the amendment, he said, will require several years, when most war veterans will have completed their educational benefits under existing appropriations.

Mr. Batcheller made it plain that the League Opposed to Sectarian Appropriations was neither anti-Roman Catholic, antisectarian, nor antianything. Rather, it is a pro-American organization, he said, of churchmen and representatives of civic groups throughout the country who believe "that the best way to handle this problem of taxpayers' money being used for the support of nonpublic schools and institutions is by the adoption of a constitutional amendment."

POPULAR TEST SOUGHT

The present legal rifts that permit the legal interpretation of this vital issue already have resulted in the use of public funds for the transportation of parochial school children in 14 States.

Yet, in only two instances, he pointed out, has the question been referred to popular

vote—"once in New York, when the issue was lumped into an omnibus bill covering 24 other issues, and again in Wisconsin where appropriations for sectarian support were defeated by more than 100,000 votes.

"This issue has been strongly political," Mr. Batcheller stated. "In the 14 States mentioned, appropriations for parochial school transportation have been granted by the legislatures. The proposal even got through two sessions of the Wisconsin Legislature before it was slaughtered by a popular referendum.

"Hence, the attempt is being made to keep this issue in the legislatures and away from the voters. Yet I would predict that 75 to 80 percent of the people would vote against it if they had the opportunity."

Mr. DONNELL. Mr. President, I have indicated that the Everson case is not at all decisive, even though it can be used in support of a ruling along the line the senior Senator from Ohio suggests.

A further indication that it will likely be contended that the Everson case does not settle the right of the Federal Government to extend aid to sectarian schools is found in a very interesting and very instructive article by Professor J. M. O'Neill, chairman of the speech department at Brooklyn College and chairman of the committee on academic freedom of the American Civil Liberties Union, in the June 1947 issue of the magazine called Commentary, in which article, although Professor O'Neill refers to and shows familiarity with the Everson case, he includes as the chief of what he considers two principal arguments for extending Federal aid to parochial schools, that which he terms the untenable position that the United States Constitution forbade such aid.

So, Mr. President, although the Senator from Ohio is of the opinion, under the recent decisions, one of which is the Everson case, that it is almost impossible that aid, except in the case of transportation, can be furnished in the case of parochial schools, here is a man, obviously a man of great ability, taking the position months after the decision had been rendered in the Everson case, that it was an untenable position that the United States Constitution forbade the giving of Federal aid to parochial schools.

Mr. President, I take it that it is clear upon the facts that the Everson case goes no further as a matter of law than the decision of the facts before it, regardless of the observations which may have been made therein. In view of the fact that such eminent authorities as those to whom I have referred, Representative BRYSON and Professor O'Neill, have indicated their view, on the one hand in the case of Representative BRYSON that the Everson case should be supplemented by a further constitutional amendment, and in the case of Professor O'Neill that it is untenable to say that the United States Constitution forbids the extension of Federal aid to parochial schools, I submit most respectfully that it cannot be successfully stated and established that the Everson case is decisive to the effect that but little aid can be given to parochial schools from the proposed appropriation of $300,000,000 a year. It may be that the Court will so hold, but it has not yet done so.

Mr. President, not only does the Everson case not adjudicate the question as to how far States may go in the use of public funds for sectarian education, but it is also true that the McCollum case does not adjudicate that question. The McCollum case, the one which came up from Illinois, and was but recently decided, merely holds that in the tax-supported public schools in the State of Illinois religious instruction cannot be given.

Mr. President, the question as to whether the State of Illinois might itself take out of its treasury or whether the Government might take money out of its treasury and donate it to a sectarian school was not involved in the facts in the McCollum case. It is true, Mr. President, that the Court used very broad language. It said this:

> Neither a State nor the Federal Government can, openly or secretly, participate in the affairs of any religious organizations or groups, and vice versa.

But, Mr. President, I call attention to the fact that that is a very different statement from saying that a State may not, itself, donate money to sectarian schools. It may very well be contended by sectarian schools that they themselves are not religious organizations at all, and that they are not groups of a religious nature at all, and consequently are not subject to the prohibition against participation by the Federal or State governments in the affairs of such religious organizations or groups. Or the sectarian schools might by adopting some such plan as the use of certain rooms for strictly school purposes, and other rooms for strictly religious purposes, successfully show that in the school activities, such as the teaching of reading, writing, and arithmetic, they are not acting in the capacity of a religious organization or group, and if they could show that money given for aid to education was used solely in the teaching of reading, writing, and arithmetic departments they might have a perfectly sound basis on which to stand. Yet it would be the use of money by a sectarian school.

Mr. President, the McCollum case was a very interesting one. I shall not trespass longer on the Senate's time to discuss it, save only to say that one of the very important facts in that case was that the school district was using the compulsory process of its public school system to provide pupils for religious classes. In the State of Illinois it is compulsory that children between certain ages shall attend school. We find, Mr. President, that the Court ascertained, among the facts in that case, and I will quote from the Court's decision, as follows:

> Here not only are the State's tax-supported public-school buildings used for the dissemination of religious doctrines. The State also affords sectarian groups an invaluable aid in that it has to provide pupils for their religious classes through use of the State's compulsory public-school machinery.

Mr. Justice Black, in concluding the opinion of the court after those words, says:

> This is not separation of church and state.

Obviously that is true, Mr. President, where it is required, as it is in the State of Illinois, that children shall go to school. I quote from the opinion of the Court:

> Illinois has a compulsory education law which, with exception, requires parents to send their children, aged 7 to 16, to its tax-supported public schools where the children are to remain in attendance during the hours when the schools are regularly in session. Parents who violate this law commit a misdemeanor punishable by fine unless the children attend private or parochial schools which meet educational standards fixed by the State.

In the McCollum case in Illinois, children were brought to school under the compulsory process of the education law of Illinois. After they got there they found that for a certain portion of the day religious instruction was given. As was pointed out in one of the opinions in this case, a child ordinarily does not have too great resistance against being made fun of. Doubtless many of these children were influenced in no small part in going to these religious exercises by the fear that they might be laughed at by their companions. The Court indicates that where moneys are being used in a school under those circumstances, the compulsory school machinery, as Justice Black says, being employed, and when the children get in they have classes placed before them, that violates the law, is against the Constitution and is not separation of church and state. That certainly is an entirely different situation from the State of Illinois writing a check and handing it over to a private sectarian school to do as it pleases with the money. That is an entirely different state of affairs. Obviously the McCollum case does not decide the case at issue here, and does not decide whether or not the use of public funds for sectarian schools would violate the Constitution of the United States.

Among the opinions rendered in the McCollum case was that by Mr. Justice Reed. It was a dissenting opinion, but it is of importance not only because of its intrinsic value generally, but because of the fact that it deals with this very question of aid. What is aid? It is an uncertain question, and it is one upon which reasonable minds may reasonably differ. So when we talk about giving aid to the schools, you and I may not mean the same thing at all. Mr. Justice Reed says:

> Aid must be understood as a purposeful assistance directly to the church itself, or to some religious group or organization doing religious work of such a character that it may fairly be said to be performing ecclesiastical functions.

A study of Justice Reed's opinion will indicate, I think, the difficulty of even defining what is the actual meaning of "Federal aid."

The fact is that both in the Everson case and in the McCollum case there were no facts before the Court which made the decision of the Court in either of those cases decisive as to whether either State or Federal support of sectarian schools violates the Constitution of the United States. It is, of course, entirely possible, as I have previously indicated this afternoon, that the anticipations of the Senator from Ohio [Mr.

TAFT] as to the effect of these recent decisions on future decisions of the Supreme Court may prove to be sound. However, until future specific situations shall have been presented to the Supreme Court and passed upon by it, there can be no certainty as to what will be held in a specific case.

Again I say that if it be true that either the Everson or the McCollum case establishes the fact that only a minimum of aid can be given to sectarian schools, what is the objection to writing that very result into this bill in specific language which no one need misunderstand, which will not require a lawyer, and which will not require a court, either majority or minority, to determine the meaning of? I say that it is perfectly obvious that if we really want to confine the use of these funds to nonsectarian and nonprivate schools, we ought to do so by writing such a provision into the bill rather than by leaving it to future litigation from 48 States up to the Supreme Court of the United States, to determine what we have done after we pass the act.

What is going to happen if this bill should be passed? Of course, until the courts prevent it, the act will be followed as it is written. Every State will doubtless make its respective expenditures which it deems legal, of Federal funds given to it, until the Supreme Court shall have spoken to the contrary, for States are not declared by either of the judicial rulings mentioned by the Senator from Ohio to be incapable of using their funds for sectarian schools, especially if the tenets of the church are not taught in the schools.

So it follows that until a decision by the Supreme Court shall be made to contrary effect, Federal funds coming from the States which deprive themselves of the right to devote tax funds to sectarian schools within their own borders will be used in sectarian schools in other States. What do I mean by that sentence? I mean this: The great majority of the States of the Union, by their own constitutional provisions, deprive themselves of the right to use any of their own tax moneys for the support of sectarian schools within the State. But if this bill is enacted, without the amendment which I propose, or something to that effect, this is what will happen: Federal moneys are collected from all the States. They will come from the 38 or 40 States which do not permit themselves to use a dollar of their own money for sectarian schools. The moneys will come to Washington and then they will be redistributed from Washington. A portion of those moneys will go into States which do permit the use of public funds for sectarian schools. Thus, it will be that States which have in their own constitutions prohibitions against the use in their own State of such funds will see their own money taken over into the neighboring States and used there for purposes for which they could not be used in the State of their origin.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. DONNELL. Mr. President, I previously suggested to two other Senators that I should like to complete my remarks which are very near a conclusion. At that time I shall endeavor to answer any questions Senators may ask.

I have been speaking this afternoon almost entirely about sectarian schools. However, my amendment applies not only to sectarian schools, but as well to private schools. It provides that no funds appropriated under the act shall be disbursed in any State for the support or benefit of any sectarian or private schools. I take it that, regardless of the effect of the recent Court decisions on the right to use funds for sectarian schools, it cannot be contended that either of those decisions of the Court has had the remotest effect, even by implication, to prevent the use of State funds for other private schools. To my mind, it is equally true—though not for so many reasons—that it is unwise to use public funds for the support or operation or benefit of private schools, even though they be nonsectarian. My amendment would prevent the use of any of these funds for either private schools on the one hand or sectarian schools on the other hand.

I wish to conclude my observations by this one suggestion: As I have indicated, the bill contains the provision that the funds may be used for any purposes for which educational revenues derived from State or local sources may legally and constitutionally be expended in such State.

The National Education booklet from which I quoted earlier today points out that an appropriation of any public school funds to a sectarian school would be unconstitutional in most States, and that such an appropriation could not be made from certain funds in any State. I undertake to say that if this bill is enacted in its present form, and there is a State in which such appropriations can be made from certain funds and cannot be made from others, obviously there will arise the question, which only litigation can determine, as to whether or not that State is one in which educational revenues derived from State or local sources may legally and constitutionally be expended.

Mr. President, we have before us a bill proposing to give $300,000,000 a year for what? According to its title, and according to various things in the bill, for public education. The term used is "public schools" as I have indicated, and that term is used several times in the bill. Reference is made to "public elementary schools and public secondary schools."

Then the bill contains section 6, which undertakes to describe the availability of appropriations. It does not provide a definite rule at all as to what the appropriations can be used for, but merely states a legal conclusion the meaning of which cannot be answered or determined without litigation hereafter in the courts.

I undertake to say, first, that under the well-established public policy of the country and, second, under the well-established general opinion of the people of the State—as evidenced by their constitutional provisions, as evidenced by the expressions of great organizations from which I have read this afternoon, and as evidenced, indeed, by the first amendment to the Constitution of the United States, which indicates an antipathy to any commingling of state and church—I say that from all these indications it is obvious that it is unwise public policy that any of these funds shall be used for the support of sectarian schools. I point out that that unwisdom applies not only to the United States and the States but to the schools themselves, and that it is unwise for all concerned for such funds to be used in such a way.

The position taken by the proponents of the bill is that although this bill contains such general conclusions, without anything definite as to how the appropriations shall be used, yet, so they say, under the decisions of the Court, in a case in which the facts were not at all the same, the funds cannot go to parochial schools in any substantial amount. I say, Mr. President, that if that be true, what is the objection to putting into the bill a distinct provision which says, in words that any person can understand, that none of this money shall be used for sectarian schools.

Finally, Mr. President, I submit that certainly there is every reason of public policy that the funds of our Government should not be given to private schools, even those of a non-sectarian nature. Certainly such use should not be made of funds derived from the public moneys of the United States.

Mr. President, I believe the Senator from Illinois wishes to ask a question.

Mr. LUCAS. Mr. President, a statement the Senator made a moment ago intrigued me, because he was discussing the States which have constitutional provisions which prohibit the spending of public funds for private schools. I did not hear all the Senator's address, but I assume he has told the Senate the names of a number of States which do allow the spending of the taxpayers' money for private schools and parochial schools. I was anxious to find out what those States are.

Mr. DONNELL. Mr. President, I have placed in the RECORD a list containing the contents of all pertinent constitutional provisions of the various States. I do not seem to have it at hand; I believe the Official Reporter possibly has borrowed the booklet, issued by the National Education Association, which contains the statement, as I recall, that in 46 out of the 48 States there are prohibitions against the use of public funds for sectarian-school purposes or religious purposes generally. Of course, the various State provisions vary and are in different terms. But in the National Education Association booklet it is also pointed out that in some of the States the prohibition is only a partial one; that is to say, there is a prohibition against the use of moneys out of certain individual funds, whereas money out of certain other funds may be used.

The exact number of States which positively prohibit the use of public moneys for such purposes I cannot state at this time without a careful study of all the pertinent provisions on the part of the 46 States.

Mr. LUCAS. But the study the able Senator from Missouri has made discloses without any question in his own mind, I assume, that there are at least two States which have no constitutional limitation in regard to the spending of public funds for private schools, and that there are other States which have laws which would permit it under certain conditions and circumstances.

Mr. DONNELL. I think that is correct.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. DONNELL. I shall be glad to yield to the Senator, but let me say that the Senator from Kentucky [Mr. COOPER] some time ago wished that I yield. I am willing to yield to either Senator.

The PRESIDING OFFICER (Mr. WILEY in the chair). Does the Senator from Missouri yield; and if so, to whom?

Mr. DONNELL. I yield first to the Senator from Kentucky [Mr. COOPER], if he wishes to have me yield at this time.

Mr. COOPER. I thank the distinguished Senator from Missouri. I may say that I have heard practically all of his speech. I think he knows that I have great respect for his opinion upon any legal question, and certainly when a constitutional question is involved.

In listening to the Senator's argument, the question arose in my mind as to whether the Senator's amendment is advanced as a matter of policy or to support the first amendment of the Constitution, which is made applicable to the States by the fourteenth amendment.

Mr. DONNELL. Mr. President, that is a very proper question, and I am glad the Senator from Kentucky has asked it.

I would say that I am submitting the amendment as a matter of sound public policy. If, as a matter of fact, the first amendment of the Constitution prohibits the use of all Federal funds for any sectarian schools, there will not be need for this amendment, save only as a guidepost to which we can look in determining what the congressional desire was. In other words, if the first amendment itself had said that no Federal money shall be used for sectarian schools, or if that is unquestionably what it means, then I do not see that there would be any special need for any amendment to this bill.

But I pointed out, and perhaps the Senator from Kentucky was in the Chamber when I was discussing that phase of the matter, that in my judgment, although it is entirely possible that the Court will, later on, hold that the first amendment of the Constitution does prohibit such use of public funds, yet neither of the cases upon which reliance has been had by the Senator from Ohio up to this time has so held, because the facts before the Court in those cases were not such as to enable the Court to render a decision on that particular question.

Mr. COOPER. I should like to ask the Senator a few questions to develop the meaning and purpose of his amendment. First, it is true, is it not, that the Federal Constitution does not prohibit the use of public funds for private schools?

Mr. DONNELL. There is no provision of that sort in the Constitution. Is the Senator using the term "private" in the sense of nonsectarian?

Mr. COOPER. Yes; in the sense of nonsectarian.

Mr. DONNELL. There is no prohibition in the Constitution against the use of such funds for private schools, so far as I know.

Mr. COOPER. Without arguing the correctness of the decision in the Everson case, I point out that if the opinion of the dissenting judges as to the basis of the decision is followed, there may be certain expenditures of public funds other than for education which are valid, even in sectarian and parochial schools.

Mr. DONNELL. Of course that question would require rather a lengthy answer, in order to reply to it accurately. The Court itself does not consider that any of that money is going into parochial schools. The Court held that that money goes merely to reimburse the parents who have sent their children to school, and is not a participation in the school.

Mr. COOPER. Certain State courts have held that there are certain purposes of nonpublic schools for which public funds can be used, I believe. Is not that true?

Mr. DONNELL. I am not prepared to answer that question as to State decisions. I know that in my State there is a decision, which was handed down in 1942, and is the one I referred to as having a copy of it in my office, which holds in substance that public funds cannot be used to pay any of the expenses of a parochial school.

Mr. COOPER. Without arguing the merits or demerits of the Senator's amendment, I wish to ask if it is not true that there is no Federal constitutional prohibition against the use of public funds for private schools; and if there is provision for the use of such money for some purposes in sectarian schools, then the Senator's amendment does enter a field which has been reserved to the States in the promotion of education, and to that extent the amendment does regulate and control States in the operation of their school systems.

Mr. DONNELL. I do not so understand, under the theory of this bill.

Mr. President, the theory of this bill, as stated by the Senator from Ohio, is that it is authorized under the general welfare clause of the Constitution. The Senator from Ohio has called to my mind a taxation clause which I had previously suggested in other proposed legislation. In my opinion, it is advisable that such a clause, creating a fund derived from taxes, duties, imposts, and excises, be inserted. I have offered an amendment to that effect. I think it is entirely possible for the Congress to use moneys derived from taxes, imposts, duties, or excises, in the way of education, if it wants to do it. I think it has a perfect right to do that under the law. Does that answer the Senator's question?

Mr. COOPER. If the promotion of education in the States is a State function, is it not true that the Senator's amendment substitutes the judgment of the Congress for the judgment of the State legislatures and the judgment of the courts?

Mr. DONNELL. No; I do not think so. It seems to me that the Federal Government has a perfect right to say to every State, "We are giving you some Federal moneys, and we say to you that these moneys may be used only for purposes A, B, and C, and no others." I do not think that is any substitution at all of the judgment of the Federal Government for the judgment of the State. The State may still go ahead and use its own funds for any purpose it desires, but the Federal Government certainly has the right to say, "We are going to give you Federal funds solely for three, four, or six specific purposes and no other." So I do not see that that is in any sense a substitution of the Federal judgment for the State judgment.

Mr. COOPER. If the Senator's amendment should deny the use of funds in fields where it is now permitted, using as an example the State of Vermont, where I understand public funds are used to assist private schools, would his amendment to that extent regulate and control the administration of State education?

Mr. DONNELL. No; I think not. It would simply do this: The amendment would say to Vermont, "You cannot receive any of these funds except for nonsectarian or nonprivate schools." Congress has a perfect right to say that it is granting money for certain purposes and for no others, and it is not controlling intrastate activities in so doing.

Mr. COOPER. As I have said, I am not discussing the merits of the amendment at the time, and I believe strongly with the Senator from Missouri, in the separation of church and State, but it seems to me that if we adopt his amendment we are taking two positions. The bill states that we will not enter the field of State education. We will not control it. But, if the amendment should be agreed to, Congress would actually be controlling the use of funds within the States and controlling the educational systems of the States.

Mr. DONNELL. I do not think so. I think all we are doing is saying that we are going to tax the people to a certain amount, we are going to collect certain funds, and we are going to distribute those funds back to the States in certain proportions for certain purposes, namely, current needs of elementary and secondary schools, provided that none of those moneys may be used for sectarian or private schools. That is all that is contemplated.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. TAFT. The Senator agrees with me, does he not, that the constitutional restrictions on the use of Federal funds are exactly the same as the Federal constitutional restriction on the use of State funds?

Mr. DONNELL. Will the Senator state the question again, please?

Mr. TAFT. As I understand, the reason the use of State funds has been held illegal in the McCollum case and others is the Supreme Court has said that the States are subject to the first amendment by reason of the provisions of the fourteenth amendment.

Mr. DONNELL. That is correct.

Mr. TAFT. Therefore, anything that the States can legally do, the Federal Government can legally and constitutionally do. Is that not a correct statement?

Mr. DONNELL. I would put it negatively. I had not thought it through with that particular emphasis. I would say that what the Federal Government cannot do, the States cannot do. I would agree with that.

Mr. TAFT. The State may impose additional restrictions in its own constitution, which go even further.

Mr. DONNELL. That is correct.

Mr. TAFT. What troubles me about the Senator's amendment is it undertakes to say that, although a State may, under both its own constitution and the Federal Constitution, perform certain services, as for example, those connected with the public health, though that perhaps is not strictly speaking a school purpose, and even though a State may be doing that now, Federal funds may not be used by the State for doing that same thing, although it is obviously constitutional for Federal funds to be used, since it is constitutional for State funds to be used. The Senator's amendment it seems to me means nothing, or else it intends to impose on the States a stricter constitutional rule than exists today against the use of Federal and State funds.

Mr. DONNELL. I do not think so. I think the amendment simply says that Federal funds are going back to the States, but they cannot be used except for certain specific purposes. We have a perfect right to say that. The State may go ahead and use its own money for any purpose it desires.

Mr. TAFT. However, if we attempted to define all the uses that may be possible in connection with necessary school purposes, we should have a list that would cover 2 pages.

Mr. DONNELL. I do not advocate doing that.

Mr. TAFT. What is proposed by the bill is perfectly simple. It provides that the State educational board may be aided. The money must go through that body. They may use the money for any current expenditure for elementary or secondary school purposes. It must be a current expenditure, not capital, and it must go to elementary or secondary school purposes.

Mr. DONNELL. That is correct.

Mr. TAFT. It says:

> for which educational revenues derived from State or local sources may legally and constitutionally be expended in such State.

What the bill does is simply to leave to the State the use of Federal funds for purposes for which State funds are being used in accordance with the State and Federal Constitutions, and therefore used perfectly legally in every way. If State funds may be used legally for those purposes, I cannot see why we should not permit Federal funds to be used for the same purposes. By hypothesis, it is a constitutional use of money, otherwise State funds could not be used; but the constitutional restriction against the use of money is the same against the State as it is against the Federal Government, and, conversely, it is the same against the Federal Government as it is against the State.

Mr. DONNELL. I think there are two answers to that. One is that we are disposing solely of Federal funds. We have a perfect right to say it shall be the policy of the Federal Government that none of the funds may be used in any State for the support or benefit of a sectarian or private school. Even though a State decides to use its own moneys for the support of sectarian or private schools, we have the right to say that Federal funds shall not be so used.

Mr. TAFT. That is correct.

Mr. DONNELL. That is the first answer.

Mr. TAFT. We may say we are going to impose a stricter rule than the one imposed by the State. We may do that, although I see no reason why we should. The constitutional rule is strict. I cannot see why incidental services to other schools should not be provided. In the field of public health we have provided, or are prepared to provide, health service to all children. That has no relation to education really, but nevertheless in some States the expenditure is required to be for an elementary or secondary school purpose. State funds are being used for health purposes. I do not quite see why Federal funds should not be so used, if the money is available.

My theory is that if the State chooses a particular policy and spends money for what it considers to be a school purpose having an educational value, then Federal money may be used for the same purpose. If the State policy is that money may not be used for certain purposes, then I do not think we ought to force upon it the use of money for such purposes. That is the question that was raised by the Senator from Connecticut. It seems to me we shall be safe if we say we will adopt the policy the State has adopted, that we will let the State conduct its educational program the way it pleases, so long as it is consistent with the Federal Constitution.

Mr. DONNELL. I think the answer to that is clear, and it is this: The moneys which the Federal Government turns back to the States are derived from 48 States, some of which permit the use of those funds for sectarian-school purposes and some of which do not permit the use of them for such purposes. Suppose I lived in one of the States which does not permit the use of those funds for sectarian-school purposes. I am taxed by the Federal Government. My money goes to Washington——

Mr. TAFT. May I suggest to the Senator——

Mr. DONNELL. Let me finish, please. My money goes to Washington. I myself cannot use it in my State, because my State does not believe in the use of that money for sectarian-school purposes. But the money goes to Washington. If the bill shall be passed with the language now proposed, when the money goes back to the 48 States, suppose 40 of them do not permit the use of it for sectarian-school purposes, and 8 of them do. That means that part of the money derived from the 40 States which do not permit the use of the money for sectarian-school purposes goes into States which do permit such use of the funds, and thus the person who lives in a State which does not permit such use of the money is paying, against his own will, money to another State for a purpose for which his own State will not permit his money to be used.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. TAFT. The Senator pays taxes to the Federal Government as a citizen of the United States, not as a citizen of the State of Missouri. If the policy of the United States is to contribute this money for certain purposes, then it seems to me the Senate is subject to the decision of the United States. Furthermore, on the same theory, I do not like to be taxed for reclamation purposes. We do not have reclamation in Ohio. Therefore I do not think I ought to be taxed for reclamation purposes. I think we must look at the bill as being justified only on the theory that the people of the United States as a whole have an interest in education. Certainly question of where the money is derived or what particular State is involved does not affect the question of taxation.

Mr. DONNELL. I do not agree with the Senator on that point. I think a public policy of collecting money for nonsectarian purposes, sending it to Washington, and then redistributing it into States some of which may use the money for sectarian purposes, is not a sound public policy. I think the very fact that the United States Government is a government of 48 States should not mean that it can violate the principle of the policy of a great majority of the States, namely, collect money from those States, and pour a portion of it into certain States which use it for sectarian-school purposes.

Mr. TAFT. I agree with the Senator on that point. I do not think we should make a State do something it does not want to do. But when it comes to the question of Federal funds, it is perfectly clear to me that the raising of such funds cannot possibly be within the policy of 48 different States on any one subject. Each State establishes a different theory of conducting its government. I cannot understand any theory upon which we could collect money and say that because some of it is collected in Missouri we must follow Missouri's policy in distributing it. No State-aid system could be established by following such a theory as that.

Mr. DONNELL. What I advocate is to adopt what we think is the sound policy for the United States as an entirety, namely, that none of the moneys derived from the States, the great majority of which do not believe in the use of public funds for sectarian-school purposes, shall be used for sectarian-school purposes. I think it is a sound policy,

borne out by the opinion of the people as evidenced by a great majority of the constitutional provisions of the States. It is also borne out by the implications of the first amendment to the Constitution. To my mind, we should certainly treat it as a principle of national policy.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. DONNELL. I yield to the Senator from Connecticut.

Mr. McMAHON. As I understand the Senator's argument, it is based on policy. I understood the Senator to say that, under the Everson case and the other cases cited, the Federal Government has a right to do certain things for public-school children. Does the Senator agree?

Mr. DONNELL. It depends on what the Senator is talking about when he refers to "certain things." The Supreme Court held in the Everson case that a State could use State money for bus transportation for school children. Therefore I take it that it is entirely possible and permissible that Federal funds may be used for the same purpose.

Mr. McMAHON. How about use for education?

Mr. DONNELL. If it is a part of the educational system, the current expenditure for elementary- and secondary-school purposes, I do not think Federal funds should be used. To my mind there is very grave reason to believe the funds for such purpose are not for elementary- and secondary-school purposes, any more than is the lunch provision. We have a school-lunch law, not as a part of the educational program, but a provision by the Federal Government for lunches for school children. I do not think this bill will affect that at all. If it does, I should say we should have a separate bill providing for furnishing lunches, but not to put it under the heading of expenditures for elementary- or secondary-school purposes.

Mr. McMAHON. I want to make sure, because I intend to address myself to the question tomorrow, that I understand what the Senator is driving at. In the Senator's use of the term "current expenditures" does he include the possibility that some of the funds derived from the proceeds referred to in the bill could be used in the 48 States in the public-school systems for health work, for recreational work, or for schoolbooks, as well as for the paying of salaries of teachers?

Mr. DONNELL. Yes. I think that is a possible construction of the bill. But I think the bill would be well improved if there were an amendment making it clear whether those things are included. If it is a part of the operation of the schools, I do not favor the inclusion of it in this appropriation authorization. If, on the other hand, it be a separate provision, such as I understand the school-lunch program to be, I should certainly be in favor of it, because it is a provision for the direct benefit of the child, just as the bus-transportation provision would go directly to the parents of the child and not to the schools.

Mr. McMAHON. In other words, if I correctly understand the Senator, he would not object to Federal funds going directly for the benefit of the child so long as they did not impinge on the religious function, as the Court said. Is that the Senator's position?

Mr. DONNELL. My position is that so long as a lunch provision is not a part of the expenditures for school purposes, I would have no objection. But the moment we adopt a provision for lunches as a part of school purposes we immediately relieve the schools of the expense of that particular portion and enable them to have indirectly a benefit in the operation of the schools, for the payment of teachers, the purchase of schoolbooks, and the like. I should be opposed to having any portion of the Federal funds used under that type of bill.

Mr. McMAHON. Of course, the Senator will be forced, if he intends to try to carry out that policy, to submit a further amendment restricting the meaning of current expenditures.

Mr. DONNELL. I do not know that it devolves upon me to do that. I tried to make clear the particular point in the bill which I think should be covered, namely, prohibition against the use of funds for private or sectarian schools. I do not think it is necessary for me to offer particular amendments which may be necessary to perfect the bill.

Mr. McMAHON. I was trying to suggest the inescapable point to which the Senator's logic takes him. If the Senator were so minded as to offer an amendment, if we may be hypothetical for a moment, what definition would he give to current expenditures?

Mr. DONNELL. Mr. President, I do not think we should here state the precise definition of current expenditures, when the Committee on Labor and Public Welfare obviously was unable to do so, or did not do it, at any rate, after months of consideration. As the Senator from Ohio has pointed out, it would possibly require two pages of items, and probably something would be omitted. I think it can be done by a process of exclusion rather than by a process of definition.

Mr. McMAHON. That is correct, and that is why the committee left it as it did, because it did not wish to exclude from the benefits to be derived anything which would be considered current expenditure by any public-school board in the customary course of doing business. That is why there was no provision restricting current expenditures, and that is why it includes, in addition to teachers' salaries, bus transportation, health services, recreational activities, school books, and any one of a dozen other things which the Senator and I could think of if given sufficient time, which are intended by the school boards in many localities in many States for the betterment of the children of America.

Mr. DONNELL. Where does the Senator find in the bill any enumeration of the provisions for schoolbooks, or bus transportation, or school lunches, or any of the other things he has mentioned?

Mr. McMAHON. I mention them merely because the language of the bill provides that the money may be used for current expenditures. I have tried to ascertain what kind of exenditures are called current expenditures in the schools of America, and I find that current expenditures are for music teachers, for art teachers, for hygiene relating to school children, for recreational facilities, baseball grounds, basketball courts, and so forth. I found that by an examination into conditions.

Mr. DONNELL. If the Senator will permit, I should say that I would oppose the use of any of the $300,000,000 provided by the bill for any of those purposes, if they were included as a part of the elementary- or secondary-school purposes. I can see that they are perfectly proper expenditures; I a mnot criticizing the expenditures. I have no objection to expenditures for recreation, or transportation, or for books, or any of the other things, but I do say that Senate bill 472 undertakes to provide funds for the current expenditures for elementary- or secondary-school purposes, and I say that for none of those purposes—whatever may be embraced therein—should any of the money be used in either sectarian schools or private schools.

The Senator speaks of bus transportation. With all due deference, I am not at all certain he would be able to substantiate the position that bus expenditures, such as those in New Jersey, are expenditures for elementary- or secondary-school purposes. Indeed, the United States Supreme Court held they were not. The Supreme Court in the Everson case held that they were expenditures for reimbursement to parents, and not contributions to the schools themselves.

The expenditures covered by Senate bill 472 are obviously of funds that are to be paid for disbursement to local public school jurisdictions, or other State public education agencies, rather than reimbursement to parents for transportation, as was true in the Everson case.

Mr. McMAHON. Mr. President, will the Senator yield further?

Mr. DONNELL. I yield.

Mr. McMAHON. I think the Senator is laying undue emphasis on the proposition that the money was paid to the parents of the children in the Everson case. That really was not the basis of the court's opinion in that case so far as the mechanics by which the action was taken were concerned. The basis of the court's opinion was the finding that transporting children to nonpublic schools was not a violation of the first amendment requiring an impregnable wall between church and state. In other words, the test is, does it impinge on the religious function? It cannot be said that giving a child a glass of milk or fixing its teeth or fitting up a basketball court is going to make him an atheist, a Mohammedan, a Protestant, a Catholic, or anything else, but it may make him an American better prepared physically to carry on for his country in the event of a conflict.

Mr. DONNELL. The Senator says I lay undue emphasis on the fact that these moneys were paid back to the parents. Those were the facts in the case. I quote from the court's decision:

> The appellee, a township board of education, acting pursuant to this statute authorized reimbursement to parents of money expended by them for the bus transportation

of their children on regular busses operated by the public transportation system. Part of this money was for the payment of transportation of some children in the community to Catholic parochial schools.

In next to the concluding paragraph of the opinion the court says:

The State contributes no money to the schools. It does not support them. Its legislation, as applied, does no more than provide a general program to help parents get their children, regardless of their religion, safely and expeditiously to and from accredited schools.

The first amendment has erected a wall between church and State. That wall must be kept high and impregnable. We could not approve the slightest breach. New Jersey has not breached it here.

I insist, Mr. President, that in putting this emphasis on the fact I have indicated, I have emphasized precisely the facts in the case, and have pointed out precisely the importance the court assigned to those facts.

Mr. McMAHON. Mr. President, will the Senator yield for a short comment?

Mr. DONNELL. I yield.

Mr. McMAHON. It would seem to me that the major premise of the Everson case is contained in this language of Mr. Justice Black, when he said:

No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may be adopted to teach or practice religion. Neither a State nor the Federal Government can openly or secretly, participate in the affairs of any religious organizations or groups and vice versa.

On the next page, Justice Black said:

Of course, cutting off church schools from these services, so separate and so indisputably marked off from the religious function, would make it far more difficult for the schools to operate. But such is obviously not the purpose of the first amendment. That amendment requires the State to be a neutral in its relations with groups of religious believers and nonbelievers; it does not require the State to be their adversary. State power is no more to be used so as to handicap religions than it is to favor them.

Mr. President, I submit to the Senator that in this case the court found as a matter of fact that using tax money to transport children to non-public schools was indisputably marked off from the religious function, and in each case that is the test. Hygiene and recreation certainly are indisputably marked off from the religious function, in the same way as is transporting the children to school. If the children can be transported to school, their teeth can be fixed, or basketball courts can be built for them.

Mr. DONNELL. Mr. President, I should like to point out that what the Senator has read makes it very clear, to my mind, that the Court was deciding the Everson case on the basis that no contribution was being made to the school. He read this language:

No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion. Neither a State nor the Federal Government can, openly or secretly, participate in the affairs of any religious organizations or groups and vice versa.

Earlier in the decision, however, the Court had pointed out, just as I have indicated, that the appellee in the case, acting pursuant to a statute which authorized reimbursement to parents of money expended by them for bus transportation, had paid this money to the parents. Then the Court holds, as I have also indicated, that the State contributes no money to the schools. It does not support them.

So, Mr. President, I think we will find, on analysis of that case, that regardless of the language, regardless of the broad generalizations which appear, and which may ultimately result in the Court going much further than it has gone, after all, all that is decided in the case is that a statute which authorizes reimbursement by a school district to parents of moneys used for the transportation of their children by bus, does not violate the rule laid down in the first amendment of the Constitution of the United States.

COORDINATION OF DEFENSE PROGRAM

Mr. KNOWLAND. Mr. President, I wish to discuss for a few moments a question relating to the defense of the United States. The heat is now on in Finland, Norway, Sweden, and Iran. It follows the same pressure technique used by Nazi Germany. At Munich, France and Britain thought they were buying peace in our time. We know now they were doing no such thing. Rather they were making certain that there would be new, greater, and impossible demands made which ultimately led to World War II.

I do not agree with the most recent criticism of Secretary Marshall in his handling of the European situation. No doubt he could have made the Russian bear happy by tossing it the independence of the remaining free nations of Europe—Turkey, Iran, Norway, Sweden, Denmark, Belgium, France, Italy. Could Britain stand if all the rest of Europe should be taken behind the iron curtain? I doubt it. Do the American people want that price to be paid? I believe not.

We are dealing with a group of cold, calculating, ruthless, and practical men in the Kremlin. They will not make an overt attack unless they feel they have a better chance of winning than of losing their gamble. They still, however, may blunder into war as a result of a satellite action or a gross miscalculation on their part.

Mr. President, not long ago I was in Poland and Czechoslovakia and in some of the other nations which border upon Russia. Time after time people there, who believe in the same freedoms in which we believe, said to me, "Senator, it does not do very much good for your Government to continue to send strong notes while our democratic leaders are hanging from the gallows." That was shortly after Petkov had been executed in Bulgaria. The Russians are not going to be deceived, in my opinion, by a mere registration of manpower. We may fool our own people by such a course, but we are not going to fool the Politburo.

We live in a goldfish bowl while they live in an ironclad vault.

There is but one thing that will permeate the Kremlin mind. That is to put this Nation's defense in top-flight order now—not next week, not next year. This requires, in my opinion, an air force in being and not on blueprints. I believe it requires a 70-group Air Force.

I fully appreciate the fact that the National Defense Establishment must be a balanced organization. The Air Force alone cannot open up, maintain, and defend for any extended period of time the bases it requires for a successful operation.

For this reason I have today suggested to the Senator from New Hampshire [Mr. BRIDGES], the chairman of the Committee on Appropriations, that the War Department subcommittee and the Navy Department subcommittee meet together in considering the entire national defense budget.

Mr. President, I ask unanimous consent that at this point in my remarks there may be printed a copy of the letter I wrote to the chairman of the Committee on Appropriations.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 29, 1948.

Hon. STYLES BRIDGES,
Chairman, Appropriations Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Because of the importance of having a well coordinated defense program I respectfully suggest that the War Department subcommittee (handling the appropriation bills for the Army and Air Force) meet jointly with the Navy Department subcommittee for the purpose of listening to the testimony of witnesses from the Departments of the Army, Navy, and Air Force and acting on the requests for funds by those agencies. Only in this way, in my opinion, will we be able to make equitable and necessary allocations of funds to the end that we may best serve the national defense needs of our Nation.

I have taken the liberty of sending a copy of this letter to Senator CHAN GURNEY and Senator LEVERETT SALTONSTALL, the subcommittee chairmen involved.

With the best personal regards, I remain

Sincerely yours,

WILLIAM F. KNOWLAND,
United States Senator.

Mr. KNOWLAND. Mr. President, I believe that the Congress has no more important question facing it at this time. I have already pointed out that I do not believe the mere registration of manpower is going to fool anyone overseas. For this reason I sincerely hope and trust that the Armed Services Committee, which is now considering the matter, will within the next week or 10 days at the latest report to the Senate of the United States a bill which will contain both selective service in order to bring our armed forces up to their required status for the immediate future, and will also report in the same bill a universal military training program for the long-term defense needs.

No man is sufficiently wise, Mr. President, to know how long it may be until the peace-loving nations of the world may feel that they can with safety reduce their defense requirements. I think we all sincerely hope that some day in the not too distant future, perhaps un-

der the United Nations or some similar organization, there will exist sufficient confidence in the world so that armaments may be reduced, but certainly, Mr. President, today is not such a time.

I believe we will be remiss in our duty to the American people, we would not be in a position to discharge our obligations under the United Nations Charter, unless Congress very soon takes all the necessary steps to put our national-defense establishment in top-flight order.

I merely wish in conclusion, Mr. President, to call to the attention of the Members of the Congress some words which are as true today as when they were uttered. I refer to the second annual message of President Lincoln to the Congress of the United States. He was speaking before the age of the airplane and the atom when he said:

> Fellow citizens, * * * we cannot escape history. * * * The fiery trial through which we pass will light us down in honor or dishonor to the latest generation. * * * We, even we here, have the power and bear the responsibility. * * * In giving freedom to the slave we assure freedom to the free. * * * We shall nobly save or we shall meanly lose this last best hope on earth.

I believe that the Congress has a responsibility to see to it that we do not lose this last best hope on earth.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. AIKEN. Mr. President, I do not intend to take time this afternoon to discuss Senate bill 472, but I do wish to register vigorous opposition to the amendment to the bill which has been offered by the senior Senator from Missouri [Mr. DONNELL]. I express this opposition because the amendment offered by the Senator from Missouri is a direct and harmful infringement upon the rights of the State of Vermont, as well as several other States of the Union.

There seems to be a misapprehension in the minds of many people in the country today that private schools are synonymous with parochial schools. That, however, so far as my opposition to the amendment is concerned, is beside the point.

The State of Vermont was the first State to establish a complete system of public education from the primary grades through to the State college. But while we have always been very strong for public schools, public high schools, public colleges, yet the private school has played a very important part in the history of education in my State.

In Vermont the town is the unit of government. We have school directors, usually three in each town. They have a great deal of autonomy. They have very little money to spend. They have to spend that money in such a way as to get the most from it, to get the greatest amount of education for the greatest number of pupils living within a given town. Most of our towns are small. We have only five which have a population of 10,000. The larger towns and cities maintain public high schools. Most of the smaller towns do not. But there are a certain number, perhaps 30 or 35 towns in the State, which have located within their borders what are known in New England as academies, the value of which the State recognizes.

I should like to read into the RECORD at this time the State law of Vermont as it relates to the use of public funds for private schools.

This refers to secondary schools rather than elementary schools. I read title 18, chapter 179, section 4275:

> Each town district shall maintain a high school or furnish higher instruction as hereinafter provided, for its advanced pupils at a high school or academy to be selected by the parents or guardian of the pupil, within or without the State. The board of school directors may both maintain a high school and furnish higher instruction elsewhere. * * * Each town district shall, except as hereinafter provided, pay the tuition of such pupils to an amount not to exceed. * * *

The amount is varied from year to year, depending upon what the legislature may determine it to be, and also the amount which the school directors can afford to pay.

I read section 4278 of the Vermont Public Laws:

> An educational institution legally incorporated and providing instruction equivalent to that of a high school of any class shall be an academy.

Section 4292 reads as follows:

> In a town district not maintaining a high school offering a 4-year course as prescribed by the board of education but having therein an academy offering such a 4-year course, tuition for advanced instruction shall be paid to such academy only, unless * * *. An academy shall not be regarded as the public high school of a town district except upon the approval of the board.

In other words, they must meet certain qualifications.

Finally, section 4294 of the Vermont Statutes provides as follows:

> Each town district maintaining a high school under the provisions of this title, or paying tuition for higher instruction in an approved high school or academy, shall receive from the State a rebate for such higher instruction upon the following basis.

The basis is so much per pupil. The State contributes to the education of our high school children.

These old academies, which are private schools technically and legally speaking, have played an important part in the education of Vermont boys and girls for the past 125 years or so. They are usually located in towns so small that it would be impossible to maintain public high schools there, or towns which are so far from a public high school that many of the boys and girls of the small towns would never get to high schools at all. Let me give a few examples.

Thetford Academy is located in the town of Thetford, Orange County, a town of approximately 1,400 population.

Peacham Academy, where I believe the late George Harvey, one time Ambassador to Great Britain, and other prominent men were educated, is located in a small town of little more than 1,000 population.

Burn and Burton Academy is located in Manchester, a town of approximately 2,500 population.

Leland and Grey Academy is located in the town of Townshend, Vt., where the ancestors of our colleague the Senator from Ohio [Mr. TAFT] went to school. That town has a population of only 700 or 800. The academy serves not only the town of Townshend, but three or four other small towns of about the same size in the vicinity. The nearest high school is 14 miles away in one direction and 17 in another.

There are many other small academies located throughout the State, which furnish high school education to thousands of boys and girls who otherwise would be denied a high school education, if it were not for the combination of public and private funds which are used for their education. It is also a fact that the school directors of a small town in Vermont can, if it is more feasible to do so, send a boy or girl to a school outside the State; or they can send him to a parochial school. This year my own town sent two or three students to parochial high schools. In all probability those children were able to go to the larger towns and live with relatives and attend private school in that way.

Mr. President, I protest against the adoption of the amendment offered by the Senator from Missouri [Mr. DONNELL], because it would prevent our spending any of the money which might be allocated to Vermont under the terms of the bill for any except strictly public school purposes.

We pay tuition to the private schools. There is a private school in my own town.

The nearest high school is between 10 and 14 miles away, depending upon what part of the town one lives in. We pay small tuition fees to these schools—perhaps $125 a year. While we have a few parochial schools in the State, I think most of the old academies were founded by Baptists, Methodists, or Congregationalists. Several of them are nonsectarian.

I believe that the adoption of the amendment offered by the Senator from Missouri would be a direct infringement upon the right of my State to conduct its affairs in education as it is doing, as it is permitted to do under the Constitution of the United States, and as the school authorities are authorized to do under the laws of the State of Vermont.

I think we should decide that now is the time to put aside every vestige of intolerance. There have been signs of intolerance in the discussion of the bill during the past year. Let us use common sense and enact legislation which will provide that every child in the United States shall receive a minimum degree of education, regardless of his creed, color, or source of origin. Let us make sure that we do not in any way infringe upon the rights of any State to educate its children according to its own desires.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. COOPER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing a nomination, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

CONFIRMATION OF EXECUTIVE NOMINATIONS

Mr. WHERRY. Mr. President, I ask unanimous consent, as in executive session, that the nominations on the Executive Calendar be considered at this time.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the nominations on the Executive Calendar.

BUREAU OF INTERNAL REVENUE

The legislative clerk read the nomination of Charles Oliphant to be assistant general counsel for the Bureau of Internal Revenue.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHERRY. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of Michael J. Bradley to be collector of customs for customs collection district No. 11.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHERRY. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

AID TO CHINA

Mr. WHERRY. Mr. President, it appears that it will be impossible to complete consideration of the pending legislation tonight. At the time the motion was made to make the so-called aid to education bill the unfinished business, I stated that because of the parliamentary situation in connection with the aid bills, in view of the fact that the House is bringing out an omnibus bill which has within it provision not only for European relief, but also aid to Greece, aid to China, and other foreign aid, and in view of the fact that the Senate has acted upon such measures individually, as these bills come to the calendar it is necessary that we consider them almost immediately in order to get them ready for conference.

For that reason I now ask unanimous consent that the unfinished business, Senate bill 472, designated as the aid to education bill, be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 2393, calendar 1068, a bill to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China.

Those in charge of the proposed legislation are of the opinion that the aid to China bill will be disposed of within a few hours after it is taken up for consideration tomorrow noon.

I should also make it clear for the RECORD, for the benefit of Senators who are interested, that the unanimous-consent request, if granted, would displace the unfinished business only temporarily, and that when the aid to China bill shall have been disposed of, Senate bill 472 will then be the unfinished business, as it now is.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska?

There being no objection, the Senate proceeded to consider the bill (S. 2393) to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, it is the intention to have the Senate take a recess at this time until tomorrow noon, when the aid-to-China bill will be the pending business immediately when the Senate convenes. As has already been stated, when the Senate concludes its consideration of that bill, the Senate will revert to the consideration of Senate bill 472, the so-called aid-to-education bill.

EXTENSION OF NATIONAL HOUSING ACT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2361) to provide for a temporary extension of the National Housing Act, as amended, which was, on page 2, line 6, after "insurance)", to insert a comma and "except that as to applications received by the Administrator on or before March 31, 1948, the mortgage may involve a principal obligation in an amount not to exceed 90 percent of the Administrator's estimate of the necessary current cost (including the land and such initial service charges and such appraisal, inspection, and other fees as the Administrator shall approve);".

Mr. WHERRY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

RECESS

Mr. WHERRY. Mr. President, it appearing that the work of the Senate for this afternoon has been completed, I now move that the Senate take a recess until tomorrow, Tuesday, at noon.

The motion was agreed to; and (at 4 o'clock and 31 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 30, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 29, 1948:

DIPLOMATIC AND FOREIGN SERVICE

Felix Cole, of the District of Columbia, a Foreign Service officer of the class of career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ceylon.

TREASURY DEPARTMENT

Thomas J. Lynch, of Ohio, to be general counsel for the Department of the Treasury, to fill an existing vacancy.

COLLECTOR OF CUSTOMS

James M. Robertson, of Norfolk, Va., to be collector of customs for collection district No. 14, with headquarters at Norfolk, Va., in place of Alexander H. Bell, resigned.

PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be nurse officer (equivalent to the Army rank of major), effective date of acceptance:

Lydia M. Zetzsche

To be dietitians (equivalent to the Army rank of major), effective dates of acceptance:

Clare B. Baldauf
Majorie J. Wood

IN THE NAVY

The following-named officers for appointment in the Supply Corps of the Navy in the grades hereinafter stated.

TO BE LIEUTENANT COMMANDER

John R. Behr

TO BE LIEUTENANTS

Jack F. Buescher
William D. Reed

TO BE LIEUTENANT (JUNIOR GRADE)

David E. Ward

TO BE ENSIGNS

Joseph J. August
Charles A. Sueur

The following named (civilian college graduates) to be lieutenants (junior grade) in the Medical Corps of the Navy:

James F. Berry	John R. Huston
William H. Cope	Robert C. Kessler
William A. Cull	Vincent E. Lowery
Calvin J. Curts	Andrew M. Margileth
Donald R. Davis	Philip W. Mayo
Donald J. Doohen	Jack W. Millar
Byron T. Eberly	Stephen R. Mills, Jr.
Wayne L. Erdbrink	James E. McClenathan
John W. Flynn	Richmond T. Prehn
Carl N. Haggard	Donald W. Spicer
Robert McA. Hamill	Donald E. Upp
Walter R. Holland	Joseph L. Whatley
Hal T. Hurn	Henry E. Wolfe, Jr.

John W. Eastlack (civilian college graduate) to be a lieutenant (junior grade) in the Chaplain Corps of the Navy.

The following named to be ensigns in the Nurse Corps of the Navy:

Margaret T. Barrow	Vila L. Knuth
Joanna S. Bubp	Andrea Lago
Jane F. Buettner	Veronica A. Lesho
Theresa M. Canjuga	Rita T. Maciag
Beverly A. Coey	Mary M. Murray
Mary M. Deak	Muriel H. Riley
Dorothy M. Frison	Janina J. Rupert
Rita A. Gervais	Shirley E. Sauvage
Betty L. Gregorio	Anna Skaleski
Rosemary L. Gunn	Margaret J. Stewart
Olga Hitchak	Mae B. Stumm
"E" M. Hohmann	Lillian R. Wojnarowski

The following-named officer to the grade indicated in the Medical Corps of the Navy:

TO BE LIEUTENANT

Ralph L. Eslick

The following-named officer to the grade indicated in the Dental Corps of the Navy:

TO BE LIEUTENANT (JUNIOR GRADE)

Theodore R. Hunley

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Virlie M. Sawyer, Frisco City, Ala., in place of A. O. Grissette, resigned.

CALIFORNIA

Horace C. Coe, Lynwood, Calif., in place of E. C. Halverson, resigned.

Haskell E. Strawn, Rancho Santa Fe, Calif., in place of G. W. Megrew, retired.

CONNECTICUT

Charles C. Logan, West Cheshire, Conn., in place of W. M. Logan, retired.

ILLINOIS

Monroe A. Lawson, Clay City, Ill., in place of C. W. Black, resigned.

George A. Frazer, Hamilton, Ill., in place of R. A. Wescott, removed.

James T. Malley, Mounds, Ill., in place of H. E. Young, transferred.

Emmett P. Hayes, Rochelle, Ill., in place of F. J. Tilton, deceased.

INDIANA

Adrian M. Morrison, Cloverdale, Ind., in place of R. S. Stwalley, transferred.

Lowell Odom, Medaryville, Ind., in place of H. A. Rowe, transferred.

Sherman L. Wright, Rushville, Ind., in place of W. L. Newbold, removed.

IOWA

Timon Roetman, Hull, Iowa, in place of Henry Dahl, resigned.

Ralph W. Gardner, Humeston, Iowa, in place of W. C. Eaton, transferred.

Amy E. Allen, Jewell, Iowa, in place of Y. A. Johnson, transferred.

Otto O. Ostby, Kensett, Iowa, in place of F. H. Schulte, transferred.

Alice L. Pool, New Providence, Iowa, in place of Gladys Hadley, deceased.

Ernest J. Heatherington, Prescott, Iowa, in place of C. B. Chapman, resigned.

Marion C. Retter, Van Horne, Iowa, in place of A. O. Reinhardt, retired.

Rex C. Severt, Wellman, Iowa, in place of H. D. MacGugin, deceased.

Wesley B. Neal, Westfield, Iowa, in place of O. M. Sanford, retired.

MASSACHUSETTS

John Franklin Morton, South Duxbury, Mass., in place of A. C. Redlon, deceased.

Edward G. Caron, South Swansea, Mass., in place of C. R. Gardner, retired.

MICHIGAN

James L. Milliron, Benzonia, Mich., in place of M. B. Mills, deceased.

John J. Redmond, Bloomfield Hills, Mich., in place of K. L. Martin, resigned.

Harry T. Dransfield, Channing, Mich., in place of R. J. Tobin, resigned.

Keith Adams, Fountain, Mich., in place of J. H. Boehm, resigned.

MINNESOTA

Edna K. Gerding, Greenwald, Minn., in place of H. A. Behnen, resigned.

Elmer H. Haugland, Hazel Run, Minn. Office became Presidential July 1, 1947.

Grant D. Bergstrom, Pine River, Minn., in place of M. M. Steward, resigned.

Evelyn McGivern, Staples, Minn., in place of T. L. Wolf, resigned.

Thomas Hughes, Strathcona, Minn. Office became Presidential July 1, 1946.

Clarence Wall, Hayward, Minn., in place of R. E. Dewey, deceased.

MISSISSIPPI

Edward M. Commander, Ackerman, Miss., in place of W. F. Irving, resigned.

John H. Henderson, Carthage, Miss., in place of L. F. Henry, retired.

MISSOURI

Dudley W. Peters, Crane, Mo., in place of W. L. Wiley, resigned.

Leanora R. Condit, Hayti, Mo., in place of C. O. Raine, Jr., resigned.

Charles H. Boemler, House Springs, Mo., in place of K. M. Boemler, deceased.

NEBRASKA

James J. Marshall, Merriman, Nebr., in place of F. C. Johnson, removed.

Aura Mae Keckler, Weeping Water, Nebr., in place of R. W. Keckler, transferred.

NEW JERSEY

Henry T. Hopkins, Keyport, N. J., in place of W. H. Hitchcock. Incumbent's commission expired August 23, 1941.

NEW YORK

William J. Trombley, Cohoes, N. Y., in place of Michael O'Donnell. Incumbent's commission expired May 22, 1940.

OREGON

Thomas O. Palmer, Albany, Oreg., in place of G. T. Hockensmith, removed.

PENNSYLVANIA

Woodrow W. S. Lehr, Fogelsville, Pa., in place of J. J. Mohr, retired.

Herbert C. Klinger, Herndon, Pa., in place of J. P. Garrett, transferred.

TENNESSEE

Mae P. Jackson, Bethel, Tenn. Office became Presidential July 1, 1946.

Lewis E. Moore, Sr., Nashville, Tenn., in place of William Gupton. Incumbent's commission expired June 23, 1942.

WISCONSIN

Norman M. DeMuth, Darlington, Wis., in place of Will Riley, deceased.

Joseph Homel, Pulaski, Wis., in place of L. P. Rozanski, resigned.

Robert A. King, Wautoma, Wis., in place of Miles Colligan, transferred.

Eugene E. Farrow, Winnebago, Wis., in place of A. L. Brossard, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 29, 1948:

BUREAU OF INTERNAL REVENUE

Charles Oliphant to be assistant general counsel for the Bureau of Internal Revenue.

COLLECTOR OF CUSTOMS

Michael J. Bradley to be collector of customs for customs collection district No. 11, with headquarters at Philadelphia, Pa.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 29, 1948:

POSTMASTER

The nomination of Herman A. Stowers to be postmaster at Griffithsville, in the State of West Virginia.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 29, 1948

The House met at 12 o'clock noon.

Rev. Alexander Stewart, former pastor, Central Methodist Church, Malden, Mass., offered the following prayer:

Our Heavenly Father, we have begun a new week following the high and glorious inspiration of Holy Week with its glad, joyous reassurance of the Easter hope and its sacred promise of a new and victorious life.

Help us to see clearly what this means in terms of personal devotion and duty. We would be Thine, not in name only, but also in living and devoted service.

Bless the Members of the Congress of this land we love. Help us to remember that in serving America best we will think and act in terms of the welfare of Thy children everywhere. While praying for peace and human welfare at home, help us to pray for peace and human welfare throughout all the earth. Give us, dear Lord, a world mind and a world heart, but even more than that, a willingness to be Thy instruments in the fulfillment of the very prayers we offer.

When we think of the weaknesses and sins of other nations, help us to be more conscious and penitent of our own.

Grant us patience and understanding, but, in addition to these, a knowledge of Thy will and the courage to walk in the way of our Lord: the way of forgiveness, the way of compassion, the way of love, the way of peace.

May Thy will, and Thy will only, be America's destiny.

All this we ask in the name of the Prince of Peace, Jesus Christ our Lord. Amen.

The Journal of the proceedings of Thursday, March 25, 1948, was read and approved.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title:

H. R. 2298. An act to amend the Interstate Commerce Act, as amended, and for other purposes.

AMENDMENT TO INTERSTATE COMMERCE ACT

The SPEAKER. The Chair desires to announce that, pursuant to the authority granted him on Thursday, March 25, 1948, he did on Friday, March 26, 1948, sign the following enrolled bill of the House:

H. R. 2298. An act to amend the Interstate Commerce Act, as amended, and for other purposes.

RESIGNATION AS MEMBER OF THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following communication, which was read:

MARCH 27, 1948.

Hon. JOSEPH W. MARTIN, Jr.,
Speaker of the House of Representatives,
Washington, D. C.

SIR: I beg leave to inform you that I have this day transmitted to the Governor of Virginia my resignation as a Representative in the Congress of the United States from the Sixth District of Virginia, to take effect April 17, 1948.

With great respect, your obedient servant,

J. LINDSAY ALMOND, Jr.

EXTENSION OF REMARKS

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD and include two editorials appearing in the Clarion Republican.

Mr. SMITH of Kansas asked and was given permission to extend his remarks in the Appendix of the RECORD and include two editorials.

Mr. JACKSON of California. Mr. Speaker, I have been informed by the Public Printer that an article entitled "Sea Power and the Balanced Fleet" exceeds two pages of the RECORD and will cost $213. I ask unanimous consent that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

CRAWFORD SHANKS

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WADSWORTH. Mr. Speaker, just a little reminder to some of my colleagues, in fact all of them, that today marks the completion of 30 years of service to the Congress of an exceedingly efficient and faithful servant. His name is Crawford Shanks, disbursing clerk of the House.

I feel somewhat sentimental on this occasion because he started his work in the Congress as one of my secretaries when I was a Member of another body many years ago. Doubtless many of you know him. He has performed faithfully and well.

Mr. Speaker, I am sure that my colleagues will join me in wishing him well for many years to come.

HON. CHARLES A. EATON

Mr. MACKINNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MACKINNON. Mr. Speaker, it is too bad that we cannot pass the foreign-aid bill today and give the distinguished gentleman from New Jersey who heads the Foreign Affairs Committee the birthday present that he deserves. Failing in this, I rise to pay my respects to him and to all that he stands for. The principle of international good will that he espouses and his leadership epitomize the highest type of statesmanship. For the high quality of his service in this House, his country will ever be thankful. He was born and educated in that section of our neighboring Dominion where the practical elementary education descended from the Scotch day schools fused with the tradition of higher education derived from the New England stock of Nova Scotia's early settlers. This sound background has combined to produce many leading statesmen for our sister nation to the north. In Canada, it is a tradition that their finest statesmen come from the Maritime Provinces. We have had them, too. Franklin K. Lane preceded the gentleman from New Jersey. I hope we get more with his fine qualities and ability. "Doc" EATON, we all wish you many happy returns of the day and a long life with us.

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, as a member, and a very junior member, of the Committee on Foreign Affairs, I should like to add a few words to what has been said by the gentleman from Minnesota [Mr. MACKINNON] this morning with respect to our distinguished, able, and honored chairman, the gentleman from New Jersey [Mr. EATON]. As a new member of the Committee on Foreign Affairs, it has been my great privilege and honor to be associated with Dr. EATON over the months I have been a Member of the Congress. I feel that his honesty, his character, and his desire to see a strong America in a sound world have in truth and in fact made him one of America's great living statesmen.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of California. I yield to the distinguished gentleman from Indiana, the majority leader.

Mr. HALLECK. I would just like to take this opportunity to say that one of the greatest satisfactions I have had in my service in the House of Representatives has been that of being here in the time of Dr. EATON. He has always been friendly, helpful, kind, generous, and possessed of all of the other attributes of greatness that might be said about one of the finest Members of the House, such as Dr. EATON.

Mr. JACKSON of California. The distinguished majority leader has put what I have to say better than I possibly could, so I will conclude by saying happy birthday, DOCTOR.

EXTENSION OF REMARKS

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a compilation of the Iowa veterans' laws. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $159.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. HERTER asked and was given permission to extend his remarks in the RECORD and include a statement by the Australian Minister for External Affairs.

Mr. ROBERTSON asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Detroit News.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include tables with reference to the effect of the so-called Aiken amendment to the ERP bill.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD and include two editorials dealing with national defense problems, one appearing in the Indianapolis Star and the other in the Newcastle (Ind.) Courier-Times.

Mr. RAMEY asked and was given permission to extend his remarks in the RECORD and include an article from the pen of Mrs. Wright.

SPECIAL ORDER GRANTED

Mr. ELLIS. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

NATIONAL DEFENSE

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request from the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Speaker, as a Member of Congress, I have received no facts, either officially or informally, that would indicate the danger of military attack on the United States from Europe now or in the years directly ahead.

If congressional leaders or other Members have such information, then it would seem their duty to make such facts fully known.

The judgment of a Member of Congress can be no better than his information.

Before I vote for or against any more emergency measures, I respectfully request that the responsible leaders of the House promptly supply full information on the danger of military attack on America, if any.

It now seems clear that World War II was a ghastly failure. Before we are herded into another such blood bath, the American people are entitled to all the facts.

Unless both parties have accepted the Communist technique of giving the people mostly propaganda and double talk, an outburst of honesty from high places is overdue.

FLOOD DAMAGE

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, allow me to join with my colleague the gentleman from New York [Mr. WADSWORTH] in echoing his sentiments regarding the observance of the thirtieth anniversary of service of the disbursing officer of the House, Mr. Crawford Shanks, whose fine record deserves much commendation, as well as to congratulate our beloved colleague, Dr. EATON, upon the anniversary of his birth.

But I want to speak in a more serious vein at this moment. Due to the overflow of the Susquehanna River, a grave emergency exists in my district, and I am today introducing the following bill:

Whereas the communities of Greater Endicott and Vestal, N. Y., have suffered irreparable damage by the recent floods of the Susquehanna River; and

Whereas the residents of these communities have borne the ravages of similar floods without adequate protection for many years; and

Whereas corrective measures have been taken in the neighboring vicinity of Binghamton which have eliminated that city from recent flood threats; and

Whereas it is the general consensus locally that flood walls erected along the banks of the Susquehanna River in the Greater Endicott-Vestal area will assist considerably in the elimination of future destruction from floods: Therefore be it

Resolved, That Congress pass the following bill immediately:

"*Be it enacted, etc.*, That (1) the sum of $1,000,000 shall be appropriated for starting the construction of flood walls at such points along the banks of the Susquehanna River in the Endicott-Vestal-Johnson City area as shall be considered vulnerable and in need of same.

"(2) The Chief of the United States Army Engineers shall begin work forthwith, with the cooperation and advice of local authorities."

HON. CHARLES A. EATON

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLOOM. Mr. Speaker, I rise at this time to say a few words about our dear colleague, the gentleman from New Jersey [Mr. EATON]. I have had the great privilege of serving with Dr. EATON on the Committee on Foreign Affairs for many years, during the most trying times of this country, especially during World War II. Though he is a Republican and I am a Democrat, we found that we worked in strict harmony for only one purpose, to do everything that is right and fair, with the true American spirit. I compliment Dr. EATON on his service to his country, and hope he lives to enjoy many, many years of happiness and service.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I would be derelict to every sentiment that actuates me, and that I think actuates other people, if I did not ask for this time to say a word on the birthday of my old and beloved friend, Dr. EATON. I have served with more than 2,100 men and women in the House of Representatives since I came here. I have seen good ones come and go and indifferent ones come and go. But I have never served with a man for whom I had a higher respect or a greater personal devotion than Dr. EATON, because he has in him those elements that attract friendship as he gives friendship. On this birthday I pay tribute to a good man, to a great man, to as fine an American as I have ever known.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Georgia.

Mr. COX. May I say that our colleague, Dr. EATON, is an ornament to any group with which he may be associated.

EXTENSION OF REMARKS

Mr. GRAHAM asked and was given permission to extend his remarks in the RECORD and include two short editorials on the late John Marshall Robsion.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD in two instances and include in one an article from the New York Times and in the other an editorial from the Long Beach Press-Telegram.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include an editorial from the Cleveland Press on the United Nations.

HON. CHARLES A. EATON

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, I have the very great privilege of being on the Committee on Foreign Affairs, where I served first under the gentleman from New York [Mr. BLOOM] and now under my very dear friend, the gentleman from New Jersey, Dr. EATON. I think you will all agree with me that this is an unusual day for all of us, in that we begin amending a bill, which is probably the most important one we have ever passed, reaching out, as it does, into the uncharted future, on the birthday of a man to whom life has always been and still is a great adventure. His years sit upon him as a crown. To all of us who are not so very far behind him in years and those who are only at the beginning of their course, he gives joy and understanding and the sense that life, well lived, grows always better and better and better. I thank him from my heart for all he is contributing in the way of hope and joy and strength and courage not only to this House, not only to this country, but to the entire world. Happy birthday, Dr. EATON.

WALTER WINCHELL

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MILLER of Connecticut. Mr. Speaker, I am about to introduce a House resolution requesting the House Committee on Interstate and Foreign Commerce to conduct a full and complete investigation and study of the truth of the statements and accusations made by Walter Winchell during his regular weekly broadcast over the facilities of the American Broadcasting Co. from 9 to 9:15 eastern standard time, Sunday evening, March 28.

The nature and importance of the charges made by Mr. Winchell are of such seriousness that, if proved true, they should lead to criminal prosecutions and possibly to impeachments.

I believe that Mr. Winchell should be given the opportunity to appear before the Interstate and Foreign Commerce Committee to testify under oath.

I ask unanimous consent to insert in the CONGRESSIONAL RECORD, as soon as a transcript is available, the broadcast by Mr. Winchell to which I have referred.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

EXTENSION OF REMARKS

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter in each.

SERVICE IN THE HOUSE OF REPRESENTATIVES

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, there have been some remarks made with reference to flood control. I have worked very hard to see that some of my communities that have been flooded will be taken care of in the bill that is pending. I arranged through the kindness of the chairman and members of the committee to insert an item of $400,000 to start work on flood control in one of my fine American communities. I am proud of the fact that now they are going to get some relief from floods. I wired the local paper, and this morning it launched a beautiful attack on me urging the people to write to me saying that it was about time for action on local flood control. It is a great life here if you do not weaken.

EXTENSION OF REMARKS

Mr. BUCK asked and was given permission to extend his remarks in the RECORD and include a resolution by the council of the city of New York.

TAFT FOR PRESIDENT

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, I want to say for the RECORD that during my absence last week, having been away with the Committee on Agriculture in the West, I missed two important votes, one on the tax bill and the other on the rent-control bill. Had I been here, I would have voted with the majority on both of those important issues. I was very much pleased in the West to find how the witnesses who came before the committee sustained the action of the Committee on Agriculture with reference to the oleomargarine tax. Coming through Wisconsin the other day, I noticed some MacArthur billboards along the railroad and highways. They looked good, but I still think, speaking for myself, that the best-qualified man in the field is TAFT.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an article on the care of the mentally ill in Great Britain.

JOHN BANKHEAD

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McDOWELL. Mr. Speaker, adding to the remarks by the gentleman from New York [Mr. REED], I would like to tell the House that some 6 weeks ago Mr. John Bankhead, the American consul at Windsor, Ontario, testified before the Committee on Un-American Activities. Since his testimony was given in an executive session, three attempts have been made on Mr. Bankhead's life. Last night while putting his car away at his home in Windsor, a man shot at him twice. The police have been unable to apprehend the would-be assassin. The testimony given by Mr. Bankhead is highly important. There has been a great concerted effort to get that testimony from the Committee on Un-American Activities during the last 6 weeks, more so than with reference to any other matter, I think, than has ever occurred here on Capitol Hill. One of these days his testimony will be revealed to the House, and as the gentleman from New York [Mr. REED] has just told you, the House of Representatives is a great place to serve if you don't weaken.

EXTENSION OF REMARKS

Mr. PRESTON asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. DAVIS of Georgia asked and was granted permission to extend his remarks in the RECORD in two instances and include a resolution.

Mr. MADDEN asked and was granted permission to extend his remarks in the RECORD and include a survey made by the American Friends Service Committee of California.

Mr. JACKSON of Washington asked and was granted permission to extend his remarks in the RECORD and include a magazine article by Richard L. Neuberger.

Mr. SPENCE asked and was granted permission to extend his remarks in the RECORD and include an editorial from the New York Times.

Mr. SHEPPARD asked and was granted permission to extend his remarks in the RECORD and include some statements under date of March 24, which are self-explanatory, pertaining to radio public forums.

Mr. BRYSON asked and was granted permission to extend his remarks in the RECORD in three instances, in each case to include a clipping from a newspaper.

Mr. MULTER asked and was granted permission to extend his remarks in the Appendix and include two articles.

THE TEXAS CITY DISASTER

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON. Mr. Speaker, a year ago next month, the world was appalled by the news of a terrific explosion in the thriving industrial community of Texas City. In one split second a force equal to half of an atomic bomb wrecked the waterfront and wharves, destroyed the great plant of the Monsanto Chemical Co., set fire to oil tanks, shattered countless homes, killed close to 600 people, and injured several thousand.

The explosion was caused by a fire on a French vessel, the *Grandcamp*. She was loading a fertilizer known as ammonium nitrate. A fire started in the hold, caused by some careless sailor tossing away a lighted cigarette. Ammonium nitrate burns slowly and can easily be extinguished by a stream of water. Instead of using water, however, the ship's master ordered hatches battened down and live steam injected into the smoldering hold. The steam, instead of extinguishing the fire, merely added to the extreme heat. Ammonium nitrate explodes only under one condition, namely, extreme heat; so the course adopted by the ship's master was, therefore, the only wrong one and the only one which could have caused the explosion.

In an accident of this nature, those who are injured or damaged look to the owners of the vessel and to the employers of the ship's officers and crew for redress. In the Texas City case, the ship *Grandcamp* belonged to the French Government and the officers and crew were government employees.

When a government is liable under these circumstances, they may, if they so desire, claim what is known as sovereign immunity. In the language of the layman, this simply means that they cannot be sued in any court unless they so desire, in which case, they simply waive their immunity. Nations such as our own do not take advantage of this technicality but rather submit themselves to the courts of whatever jurisdiction is involved, be it foreign or domestic, and rely on the justice of their position to provide any legal protection to their cause.

In maritime cases such as this one, there is also under certain circumstances what is known as limited liability. Wherever this applies, it provides that those who sue the owner of a vessel can collect damages only in an amount equal to the present value of the vessel. It does not apply, however, in cases where the accident results from negligence, ignorance, or carelessness.

The United States never stands on any such limitation. Where we have a case of damage in a foreign port, we waive our sovereign immunity together with any limitation to which we might be technically entitled and go into court with the dignity of our position and the facts in the case providing our only defense. At this time, while the Marshall plan is being rushed to its early passage in the House of Representatives, the French Government is waiving its sovereign immunity in the Texas City case but is attempting to limit its liability to the value of the *Grandcamp*. The *Grandcamp* was a total loss. There was simply nothing left of it. So, the French Government in one breath says: Certainly, we submit to suit on the part of the injured and damaged and on the part of the survivors of those who were killed. In the next breath they say: But if you win the suit, you can recover nothing.

I am glad to say that our Justice Department is contesting the French position on the grounds that those in charge of the *Grandcamp* were responsible through their negligence, or ignorance, or lack of judgment for causing the Texas City disaster. Our State Department has interposed no objection to the contest and as a matter of fact those with whom I have discussed it appear anxious for the Department of Justice to proceed.

I have debated in my own mind whether or not this Marshall plan legislation, which we are now considering, should specifically exclude a nation which does not reciprocate the fair and liberal position which the United States takes in its negotiations with foreign nationals. I am very reluctant, however, to inject anything into this debate which might jeopardize the success of the Marshall plan. I do not want to do it, and my people do not want me to, except as a last resort.

In the present case, I am assured by the Department of Justice that they can successfully contest the French position and that my Texas City people will be able to go into the courts and collect on any suit in which the facts sustain their claims. However, should the French escape through some technicality which is beneath the dignity of a first-class sovereign nation from paying their just obligations to my people and yours, then I want to serve notice here and now that I shall protest in every possible manner the inclusion of any such nation in the benefits of the Marshall plan.

SPECIAL ORDER GRANTED

Mr. BARTLETT. Mr. Speaker, I ask unanimous consent that on Wednesday next, following the disposition of the regular business on the Speaker's desk and any other special orders, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

HON. CHARLES A. EATON

Mr. HART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. HART]?

There was no objection.

Mr. HART. Mr. Speaker, although I have the pleasure of occupying the post of Democratic State chairman in my State, I cannot remain silent here today on this happy occasion.

I desire to join with others of my colleagues in their complimentary and congratulatory utterances, and to give expression to my own deep, affectionate regard for the revered colleague from New Jersey, who, by the grace of God, becomes an octogenarian today. He would be a very obtuse man who, knowing the gentleman from New Jersey, Dr. EATON, could withhold his admiration and appreciation for his intellectual abilities, his sterling integrity, and his rare nobility of character.

Dr. EATON is a broad-cultured, high-minded, large-hearted, amiable, and genial gentleman, a gentleman in heart and bearing. Learned without pedantry, close as a brother in his attachments, appreciative, catholic, and generous in his

outlook, he is just in his criticisms, neither betraying nor exciting envy. I am happy indeed to add my sincere congratulations to those that have welled up in the hearts of his colleagues on this floor today.

His multiple merits are as the number of his years. Which of them has he not shown? Is it patriotism—that noble feeling which next to religion itself, seems the purest of human virtues and which founds, defends, and beautifies the state? Mark his course from his prime to this very hour, exalting the souls of men through long productive years in the Christian ministry, and in his later glorious life giving the most zealous, prudent, and unselfish devotion of energy and talent to the public cause through all its troubles and bewilderments. Is it courage—that steadfast quality born of a well-ordered life, which enables one to gaze with unblenched eye upon the king of terrors? Is it private character—that which gives to society its dearest decencies and graces? Here is a citizen without reproach, whose life is a high example of probity and honor.

My dissent from some of Dr. EATON's political principles cannot blind me to the fact that he is a splendid representative of the people. He has sought not to serve himself so much as to serve the trust committed to him, by always doing what he thought was right. He would not know how to be a demagogue.

Long may he live. Long may be his the facile eloquence that gives him easy mastery over almost every sort of audience, the breadth of view and statesmanlike comprehension of the issue, the unflinching courage, the persistent hope, the unfaltering confidence in the triumph of truth, and the infinite patience and power of God.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. HART. I yield.

Mr. CANFIELD. Four years ago today Dr. EATON was 76. Not being on the floor of the House, I telephoned his office and asked him how he felt. This was his expression:

"Gordon, the spirit of 76 is invincible."

Today, Dr. EATON is prepared to establish the fact that the spirit of 80 cannot be subdued.

The SPEAKER. The time of the gentleman from New Jersey [Mr. HART] has expired.

EXTENSION OF REMARKS

Mr. LANE asked and was granted permission to extend his remarks in the RECORD in two instances, in one to include an address by Mr. Barry, superintendent of schools, Northampton, Mass., and in the second instance to include a resolution.

Mr. LYLE asked and was granted permission to extend his remarks in the RECORD and include an address delivered by Hon. LYNDON JOHNSON in Texas last week.

Mr. JOHNSON of California asked and was granted permission to extend his remarks in the RECORD and include an editorial from a Richmond paper.

HON. CHARLES A. EATON

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, I take this brief moment merely to add my respects and my regards and my congratulations to the great young man from New Jersey, Doc EATON, the dean of our delegation, who is, as you all know, a pretty stern taskmaster, but who has won the hearts of everybody and will always be enthroned in our minds and in our activities as one grand young man. We honor him today as a great American, who is fearless in the fight for freedom and the faith of our fathers.

MY COLLEAGUES

Mr. EATON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. EATON. Mr. Speaker, my beloved friends of this great body, I have had a very happy life. Perhaps it can best be expressed in the beautiful words of Wordsworth:

Effort, and expectation, and desire,
And something evermore about to be.

Since 1925 I have been a Member of this body. Through the years I have been associated—you might hardly think it, knowing my character—with fine groups of people in education, in business, and in religion; but I have said a hundred times away from this floor that I have never been associated with any body of men and women of a higher quality of mind and character, and of greater devotion to our American ideals of life than this magnificent body known as the House of Representatives. I still feel that way, and I am not saying this as a return for your kind words to me this morning, which I appreciate with all my heart.

The other day somebody said to me: "You belong to the lower Chamber, don't you?" I said: "Now, you think of the House of Representatives, of course, as a kind of subbasement in the imposing superstructure of our governmental institutions?"

He said, "Yes."

"Well," I said, "I would just change your attitude and say that I am a Member of the higher Chamber, and I am proud of it."

Mr. Speaker, I want to say a word in reference to my beloved friend and colleague, the gentlewoman from Ohio [Mrs. BOLTON]. This is her birthday, and she is the only woman I ever knew who would admit it. Forty years ago, when she was a mere child learning to walk in Cleveland, we became friends. We have been friends ever since; and I rejoice at her service in this House, marked by such strength of mind and character, and such a high level of contribution to our country.

Now, dear friends, I admit I am an octogenarian today, but I will be darned if I am ever going to be a valetudinarian. Thank you, and God bless you every one.

EXTENSION OF REMARKS

Mr. GWINN of New York asked and was given permission to include certain extraneous matter in the remarks he intends to make on pending legislation today.

Mr. JONES of Washington asked and was given permission to extend his remarks in the Appendix of the RECORD and include three editorials.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include therein a concurrent resolution from the Legislature of the State of Mississippi on the two hundred and fiftieth anniversary of the settlement of Biloxi, the first settlement in Mississippi; and permission to extend the remarks he may make in the Committee of the Whole today by including therein certain statistics he developed and a magazine article.

Mr. WHITTINGTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein an address delivered by Lt. Gen. R. A. Wheeler, Chief of Engineers, at the thirty-eighth annual convention of the Rivers and Harbors Congress, held on Friday and Saturday, March 19 and 20, 1948, Washington, D. C.

TEMPORARY EXTENSION OF THE NATIONAL HOUSING ACT, AS AMENDED

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2361) to provide for a temporary extension of the National Housing Act, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) the first proviso of section 603 (a) of the National Housing Act, as amended, is amended to read as follows: "*Provided*, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed $5,350,000,000."

(b) Section 603 (a) of such act, as amended, is amended by striking out "March 31, 1948" in each place where it appears and inserting in lieu thereof "April 30, 1948."

(c) Section 603 (b) (2) of such act, as amended, is amended by striking out "necessary current cost (including the land and such initial service charges and such appraisal, inspection, and other fees as the Administrator shall approve)" and inserting in lieu thereof "value (as of the date the mortgage is accepted for insurance)."

(d) Section 604 (b) of such act, as amended, is amended by striking out "necessary current cost" and inserting in lieu thereof "value."

Mr .WOLCOTT. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WOLCOTT: Page 2, line 6, insert a comma after the parenthesis and add the following: "except that as to applications received by the Administrator on or before March 31, 1948, the mortgage may involve a principal obligation in an amount not to exceed 90

percent of the Administrator's estimate of the necessary current cost (including the land and such initial service charges and such appraisal, inspection, and other fees as the Administrator shall approve)."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BROWN of Georgia. Mr. Speaker, the large volume of residential construction in 1947 has, to some extent, relieved the critical housing situation. There are, however, evidences that there still exist a large unsatisfied and effective demand for housing.

In order to assure continued high-level building operations, it is of vital importance that title VI of the National Housing Act be extended immediately with increased insurance authorization, so that the Federal Housing Administration may continue this phase of its program.

At the present time more than 30 percent of all new permanent residential construction is being financed through the FHA under the facilities of title VI and it has been a major factor in providing vitally needed rental housing. The home-building industry is ready to proceed with spring building plans that exceed those of a year ago. In the production of this housing, title VI represents an important source of credit.

It is especially significant that the facilities of title VI have been used at an increasing rate in meeting the urgent demand for housing. During the first 6 months of 1947, 20 percent of all privately financed, new dwelling starts were made possible through the provisions of the title VI program of the FHA; during the last 6 months of 1947, this ratio approached 30 percent; and during the first 2 months of this year over 35 percent of all privately financed, new dwelling starts have been under title VI.

FHA field offices have several hundred million dollars of applications in process of examination and the extension of title VI will be an important factor in making possible the production of these dwelling units by the private-housing industry.

In my opinion, perhaps the most important factor in the solution of the housing problem is the production of a large and sustained volume of new residential construction for rent and for sale. The extension of title VI program of the FHA should assist materially in producing new residential construction and thus make it possible for veterans and others to secure needed housing accommodations.

I hope before very long we will again have a secondary market for the GI loans. In 1946 when the RFC was extended for another year, I offered an amendment, which was adopted, authorizing the RFC to purchase GI loans. This provision was not carried in the bill last year when the RFC was again extended, although I offered an amendment on the floor of the House to again authorize the Corporation to make these purchases, but this amendment was defeated by a few votes. I was glad to hear the statement of the chairman of our committee a day or two ago to the effect that consideration would be given to this proposal sometime soon.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 31]

Abbitt	Gallagher	Pfeifer
Andresen, August H.	Gathings	Potts
Andrews, Ala.	Gillette	Poulson
Bates, Ky.	Goodwin	Powell
Bates, Mass.	Gore	Price, Ill.
Boykin	Grant, Ala	Price of Illinois
Buchanan	Gregory	Rains
Buckley	Havenner	Reed, Ill.
Bulwinkle	Hendricks	Riehlman
Busbey	Hess	Rooney
Butler	Jarman	Sadlak
Carson	Jenkins, Ohio	Sadowski
Celler	Jones, N. C.	St. George
Chadwick	Kennedy	Scoblick
Chapman	Keogh	Scott, Hugh D., Jr.
Chelf	Klein	Sikes
Clark	Lesinski	Simpson, Pa.
Clason	Ludlow	Smith, Maine
Cole, N. Y.	Lynch	Smith, Ohio
Cooley	McGarvey	Smith, Va.
Dawson, Ill.	Macy	Stanley
Delaney	Manasco	Taylor
Dingell	Mason	Teague
Dorn	Meade, Ky.	Thomas, N. J.
Elliott	Norblad	West
Elston	Norrell	Youngblood
Fernandez	Norton	
Flannagan	O'Toole	
	Passman	

The SPEAKER. Three hundred and forty-four Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. BROWN of Ohio asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. HORAN asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in each to include articles.

Mr. ARNOLD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. O'HARA asked and was given permission to extend his remarks in the Appendix of the RECORD and include two editorials from the Army and Navy Journal.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and to include extraneous matter.

Mr. BENDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include one of the greatest speeches ever delivered in America, the speech by our distinguished Speaker, in Toledo last Saturday night.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BUSBEY (at the request of Mr. VURSELL) was given permission to extend his remarks in the Appendix of the RECORD and include a letter and other material.

Mr. LODGE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD.

Mr. MANSFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. HARLESS of Arizona asked and was given permission to extend his own remarks in the Appendix of the RECORD.

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 2202, the Foreign Assistance Act of 1948, with Mr. CASE of South Dakota in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, March 25, the Clerk had read the first section of the committee substitute. Are there any amendments to the first section?

Mr. ENGEL of Michigan. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

Mr. VORYS. Mr. Chairman, reserving the right to object, the committee has instructed me not to object at the present time to this request but to object to requests to proceed for more than five additional minutes. I shall not object to the gentleman's request.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to proceed for five additional minutes.

Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Michigan is recognized for 10 minutes.

THE ROAD TO A JUST AND LASTING PEACE

Mr. ENGEL of Michigan. Mr. Chairman, some months ago I began taking notes, giving my reasons as to why the United States should or should not give postwar aid to Europe and other nations. I tried to consider it from all points of view but particularly from a selfish standpoint. I asked myself just what is it that the United States can or

will receive back from a war-weary, bankrupt world which would or could compensate us for the billions of dollars we have and will have paid out if a foreign-aid program is extended and carried out.

At first I am frank to confess I was rather hostile to any idea or thought that we, who had poured out billions of tax dollars and depleted our national resources trying to be the arsenal of the world at war, should now continue that same program with the same financial and other sacrifices, trying to be the food and industrial arsenal of a world that is supposed to be at peace. I cast aside all catch phrases which appeal to the ear one day and may be ridiculed the next. I tried to base my conclusion on facts and so-called selfish reasons. I am again frank to ay that I was not trying to find that somewhat hazy ideal road to a true and lasting peace. What I was and am trying to find is a road, even though a hard road, to an immediate peace which will give a war-weary world time to work toward the long-hoped-for, prayed-for road to lasting peace.

I was slowly and somewhat reluctantly forced to the factual conclusion that our only chance for that immediate peace was through a restoration of the prewar economic and military power of those nations of the world who believe, not particularly in our type of a free government, but who believe in a free government by and through the will and consent of the people of that nation. By the restoration of military power I mean the restoration of a military power great enough so that when added to our own it will spell defeat to any nation which dares to threaten the free government of any other nation, large or small, by use of force of any kind.

I did not want to speak on this subject unless I could do so frankly. I was advised by some not to say some of the things I shall say today for fear of complicating still further the international situation. I was advised by others to give my special reasons for supporting a foreign-aid program because it would help them justify their support to their own people. I finally decided to speak, giving my views frankly, hoping that I might make some contribution, however small, toward the solution of these most intricate and difficult problems which confront our Nation. While there are many other reasons which may and have been given to justify a foreign-aid program, I am here basing my support primarily upon the ground of national defense. I am basing my conclusions upon my 12 years' experience as a member of the War Department Subcommittee of the Appropriations Committee, of which I am now the chairman.

I want to discuss the relation of a foreign-aid program to our National Defense and the extent to which our National Defense is dependent upon the restoration in part or as a whole of the prewar military power of those nations of the world and particularly of Europe who believe in free government.

In studying the needs of our National Defense I have arrived at the following conclusions: Bluntly speaking, as we all know, there is only one nation in the world which has the power and is likely to be involved in war with the United States within the next decade and that is Russia. Without discussing the causes and there are many of them, the fact is that diplomatic relations have sunk to a new low between the United States and Russia. Russia fears and distrusts the United States and the United States fears and distrusts Russia. It is a far cry from the day Prime Minister Churchill handed to Joseph Stalin the sword of Stalingrad to the present day. We here in Congress do not write history. We make history. Some historian of the future will write it. He will then place the responsibility for the deterioration of the diplomatic relation from a most friendly status to a new low between these two great nations. Neither side will be found blameless. Treaties between nations like agreements between men must be based upon the faith and confidence that each nation has in the other—faith and confidence that each will carry out the terms of the treaty. If that faith is lacking then the treaty becomes a mere temporary arrangement which may be set aside when one party finds it advantageous to do so. That faith and confidence between the United States and Russia upon which a lasting treaty of peace must be based if of much value seems utterly lacking today. Russia places the blame on the United States. The United States places the blame upon Russia. Some people of the world believe that both are to blame. I am not here to discuss that question. The important thing is that these diplomatic relations have deteriorated to a new low and that there is no alternative for the United States but to make reasonable military preparations, praying to God that war will not come.

THE UNITED STATES CANNOT WIN A WAR WITH RUSSIA, IF ATTACKED BY HER, WITHOUT ALLIES

For America to win a war with Russia without European allies, European bases, and European support approaches the impossible. To fight a nation as large and powerful as Russia from a distance of three to five thousand miles from the heart of Russian production is a handicap we dare not assume. What would have happened if England had failed after Dunkerque? We must depend upon the help of friendly nations who believe as we do and they must depend upon us; nations who want to maintain and are willing to fight for and defend their free government; nations whose interest in maintaining those free governments is greater than any interest we could possibly have in Europe or Asia.

I want it distinctly understood that the extent to which the military power of each individual nation is restored must be determined by the people of that nation in the same manner that all such questions are determined by free governments. What I say here must not be construed as advocating any attempt by our Nation to impose military government upon any other nation. I believe that free nations believe—as I do—that in the face of the world situation today economic wealth and power which cannot be defended by military power cannot be lasting. To contribute our hard-earned tax dollars toward building up the economic power and wealth of European or other nations, without those nations having the opportunity of building up their military power to defend that wealth and economic power, is like a farmer fattening a goose while a selfish, stronger neighbor licks his chops waiting patiently until the goose is fat before he steps in and takes it, with the owner helplessly looking on.

EUROPEAN MILITARY POWER SHOULD BE RESTORED

The European prewar military power of nations friendly to us should be restored during the next 5, 10, or 20 years. It is to our interest that the prewar military and economic power of nations friendly to us be restored. It is to the interest of Russia that the economic and military power of nations friendly to us is not restored and that the military and economic power of nations friendly to her is restored. That is why she opposes American aid to Europe; that is why she opposed the restoration of steel production in the Ruhr. Her entire foreign policy seems to be based upon a policy of making nations who support communism strong while keeping anti-communistic nations weak. The military and economic power of nations friendly to us, who believe in a system of free government, must be restored to a degree so that when that power is added to our own it will be so great that Russia dare not extend her aggression.

WE MUST NOT HAVE ANOTHER MUNICH

When the Greek loan was first asked for and England announced she was withdrawing from Greece, I was inclined to oppose it. However, when the facts developed and I found that it was to be a Greek-Turkish loan, the question became one of much greater importance to our national defense. I then began to fear another Munich. At the time of Munich, Czechoslovakia had a million men under arms. She had a fairly good army, fairly well equipped, and was ready to fight. She depended upon the treaty with Great Britain as her ally for help. Chamberlain repudiated that treaty, sold Czechoslovakia down the river and tried to appease Hitler. I am convinced that Hitler would not have dared to start a war, with a million Czech troops at his back, with France, Belgium, England, and the United States on his western front, and with Russia an unknown quantity. With Czechoslovakia out of the way he won the greatest military victory of the war. He eliminated a million Czech soldiers without a battle and England had to fight a stronger Germany without that help. The reason I supported the Greek-Turkish loan of $600,000,000 was because I felt we were confronted with another Munich. Turkey had a million soldiers, 600,000 of whom were fairly well equipped. With Turkey and Greece eliminated, Russia could have outflanked the Dardanelles, taken them, and been on her way to the Mediterranean Sea. Should Russia attack, that million-man army at this most strategic point constitutes a real force on a battlefield of our own, not of Russia's choosing. Our Army of a million men is costing $6,000,000,000 annually, or about $6,000 per man. Here we had an opportunity of keeping a million-man army in the field at a point where there was the greatest danger of

attack for $600,000,000, or about $600 per man. The million-man Turkish Army was the equivalent of four or five million men from the American point of view, for it takes from four to six men behind the lines for every man on the front when we are fighting a war thousands of miles away. What is true of Turkey is also true of Greece. In addition to the Turkish we had also the Greek troops.

OUR NATIONAL DEFENSE IS NOW INSEPARABLY LINKED WITH THE NATIONAL DEFENSE OF FRIENDLY EUROPEAN NATIONS

Our Nation's national defense is inseparably linked to that of those European nations who are friendly to us and particularly with that of England, France, Belgium, Netherlands, Sweden, Norway, Denmark, Greece, and Turkey. Unless we can depend upon these nations to hold the line, if an attack should come, until we were able to get our forces there in strength, our handicap will be so great that the chances are they would be overrun before we got there and it would be an endless war with a resulting stalemate.

Let use see just what the potential strength of England, Belgium, and France was in 1937, and to which it could in accord with their own desires, be restored.

1937 REGULAR ARMED FORCE OF ENGLAND, FRANCE, AND BELGIUM

Number of men in:

	Army	Navy	Air Force
England	216,000	85,000	112,000
France	640,000	69,000	40,000
Belgium	75,000	None	3,000
Total	931,000	154,000	155,000

Total combined regular armed strength of England, France, and Belgium in 1937:

	Men
Army	931,000
Navy	154,000
Air	155,000
Total combined force	1,240,000

Regular armed force of England, France, and Belgium after first mobilization in 1937

	Army	Navy	Air Force
England	1,656,000	276,000	291,000
France	2,676,000	92,000	50,000
Belgium	650,000	None	7,500
Total	4,982,000	368,000	348,500

Total combined armed strength of England, France, and Belgium in 1937 after first mobilization:

	Men
Army	4,976,000
Navy	368,000
Air	348,500
Total combined force	5,692,500

Regular armed services of England, France, and Belgium as of Jan. 1, 1947

	Army	Navy	Air Force
England	700,000	125,000	350,000
France	575,000	5,000	50,000
Belgium	73,000	500	5,000
Total	1,348,000	130,500	405,000

Summary of total armed services of England, France, and Belgium

1937	1,240,000
After first mobilization	5,692,500
Jan. 1, 1947	1,863,500

Regular armed services of Russia in 1937 after first mobilization and on Jan. 1, 1947

	1937	After initial mobilization in 1937	Jan. 1, 1947[1]
Army	1,300,000	[2] 4,000,000	2,600,000
Navy	60,000	100,000	600,000
Air Force	140,000	200,000	450,000
Total force	1,500,000	4,300,000	3,650,000

[1] These are according to the best estimates available on Jan. 1, 1948. Of course the number of men Russia could expand to and arm is not known.

[2] This was the greatest number it was estimated that Russia could equip in 1941.

WHAT IS IT WORTH IN DOLLARS TO THE UNITED STATES TO HELP RESTORE THE ABOVE ARMED FORCES OF THESE FRIENDLY NATIONS?

Assuming that these nations of their own free will are anxious to restore their military power, it is a fair question to ask, just what is it worth to our joint mutual defense, in terms of dollars and in the face of the present state of relations with Russia, to help restore and make effective this armed force of England, France, and Belgium which on January 1, 1947, consisted of nearly 2,000,000 men? What is it worth in terms of dollars to our mutual defense to have an effective European air force friendly to us of 405,000 men including a British Air Force of 350,000 men? That was what they had on January 1, 1947. What is it worth in terms of dollars to our mutual defense, since that is the only realistic defense today, to bring back British airplane production, research, and development which was so effective during the past war? What is it worth to our mutual defense in terms of dollars to have an effective British, French, and Belgium land force of 1,348,000 men and an effective navy of 130,500 men with ships? In a word what is it worth in terms of dollars to our defense to have an effective armed force including army, navy, and air force of nearly 2,000,000 which could be expanded to much larger numbers in case of emergency on the ground near the scene of possible action with bases from which we could on the first attack on any of these nations including our own send our combined forces against a possible enemy? Being bluntly frank, "What is it worth to Russia to prevent us from having these forces in addition to our own in case of an attack by her upon any of these free nations?" And finally the question, "Would Russia dare to attack or threaten any free nation if we had that joint European strength with power of joint action added to our own?"

Mr. Chairman, I am convinced that this is the only policy under which we can avoid a war with Russia, a policy which we must follow waiting patiently for the day when that faith and confidence are restored between these two great nations upon which a just and lasting peace can be built.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Illinois.

Mr. OWENS. Has the gentleman the slightest assurance that any of these nations can be bought with this money so that they will aid us in the event we are attacked?

Mr. ENGEL of Michigan. I do not think in terms of nations being bought. These are our allies, who have fought and died for us in the past, and I believe they will do so again.

A RANSOM VOTE

Mr. CELLER. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, the European recovery plan—the Marshall plan—is a praiseworthy effort to put the 16 European nations on their feet and make them self-sufficient and in the interim to give them much needed relief to tide them over their present difficulties. I shall vote for it. But unfortunately, the bill has been tied up with military aid to China and military aid to Greece and Turkey under the discarded Truman doctrine which the Marshall plan was to replace.

We are getting, in other words, a tie-in sale. In order to get what we want we must also take what we do not want. In approving ERP, which I most definitely want, I am also called upon to approve of military aid to China, Turkey, and Greece, military aid which I do not approve. But I am told I must take all or nothing. This is shabby politics.

It is difficult to understand the meandering of our State Department. Speaking of the situation in China, a little over a year ago, General Marshall, then personal representative of the President to China, said, among other things:

> It has been stated officially and categorically that the period of political tutelage under the Kuomintang is at an end. If the termination of one-party rule is to be a reality, the Kuomintang should cease to receive financial support from the Government.

The full tenor of his remarks then was the very opposite of an advocacy for military aid to China. He spoke of the complete distrust of the Kuomintang, including Chiang Kai-shek, had earned from the people of China.

Now we have a report from the Senate Foreign Relations Committee which assails the devastating inefficiency, corruption, and bureaucratic maladies now rampant in the Chinese—Chiang Kai-shek—Government. Another passage mentioned a "lack of popular confidence in the Chinese Government."

This report was rather embarrassing to the chairman of the Senate Committee on Foreign Relations, and he withdrew from the report this severe criticism, but he cannot erase the truth of the caustic observations contained in that report.

Now we are asked to right-about-face to give aid to a decadent, reactionary group which is on its way out, a group

which has utterly disregarded the well-being of its people, serving only its own selfish motives and reducing the peasants of China to starvation and misery. Agricultural, financial, and educational reforms have been proposed, but rejected ruthlessly by the Kuomintang. The money we are asked to give to the Kuomintang is money poured down a drain.

Tied in with this unwholesome proposal is another improper provision, military aid to Greece and Turkey. How much of this money will go to pay the salary of the King of Greece, a salary which is $40,000 a month, or $480,000 a year, plus maintenance of his castles and entourage. As far as the United States is concerned, we are far from our goal as we ever were in Greece—in fact, further away than we were last year—despite the millions we have poured into that land ruled by a reactionary oligarchy. Do not think for a moment that our military bayonets are going to keep the people of Greece from turning to communism if they want it. The guerrillas have increased in numbers, and if these guerrillas are Communists, then we can safely say that the number of Communists has increased. Reforms must come from within. They cannot be forced from without. The only antidote to communism is democracy. There is no democracy as we understand it in Greece and our military might has not increased democracy in Greece. It has, on the contrary, tightened the reactionary grip. Remember, you cannot kill an idea with a bullet. If you think you can stem the tide of communism in Greece or anywhere else with a wall of human flesh, known as infantrymen, you are mighty mistaken. A satisfied peasantry and a respected, free, liberty-loving, literate, economically secure working class are the only bulwarks against communism.

Yes; military might will hold back communism for a while, but it will rise to plague us again if we so support reactionary governments as to give liberals, true democratic liberals, politically speaking, no place to go.

The Foreign Affairs Committee has made it very difficult to vote for the European recovery program, which when stripped of these objectionable features, most certainly deserves our support. The honest policy would have given us two or three bills so that we could consider each one on its own merits. But in order to give economic aid to Europe and to support the continuance of the International Children's Fund I must also vote for aid to China, Greece, and Turkey. This is downright dishonest, mean, and contemptible tactics. It holds in ransom my vote and others who see eye to eye with me.

Mr. BUFFETT. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise to propound a question to the gentleman from Ohio [Mr. VORYS], of the Committee on Foreign Affairs, or any other member of that committee who may have the information. Can he or any member of the committee advise the House whether or not the various administration officials responsible for the authorization of $1,586,000,000 worth of American supplies to Russia or Russian satellites after July 1, 1945, are still in Government positions? I wonder if the gentleman from Ohio can tell us.

Mr. VORYS. I think the gentleman is rather familiar with the personnel in the administration and he can answer his own question.

Mr. HOFFMAN. Mr. Chairman, will the gentlmean yield?

Mr. BUFFETT. I yield.

Mr. HOFFMAN. Does the gentleman speaking have anything to do with the personnel of this administration?

Mr. BUFFETT. No, I am trying to find out something about them.

Mr. HOFFMAN. You are trying to find that out from the Committee on Foreign Affairs, are you not?

Mr. BUFFETT. Yes, sir.

Mr. HOFFMAN. What luck are ycu having?

Mr. BUFFETT. Exactly none.

Now, I have a further question. If you do not have this information, how can you assure the House that the people responsible for this postwar appeasement of Russia will not occupy key positions in the Marshall plan set-up?

Mr. VORYS. I think the question is rather ridiculous, to call this a postwar-appeasement-of-Russia plan, in view of the stand that the Comintern and the Cominform have taken. The gentleman's questions are so tied up with statements he makes in them that he makes it rather difficult to answer them categorically.

Mr. BUFFETT. I am sorry I did not make myself clear. The postwar appeasement I am talking about is the $1,586,000,000 of supplies authorized for Russia after July 1, 1945—not this ERP scheme. Does the gentleman think that was other than an appeasement program?

Mr. VORYS. I agree with the gentleman as to past appeasement, and the report of the Foreign Affairs Committee shows that great mistakes have been made in our foreign policy in the past 3 years. The gentleman from Ohio now speaking feels that a very fine about-face has been made, and that at the present time we are not embarking on an appeasement program but are attempting to remedy some of the mistakes that were made during the program of appeasement in the past 2 or 3 years.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. HOFFMAN. The same individuals are in charge of this new program; the same people who made these previous mistakes. When did they repent, and was the repentance sincere?

Mr. BUFFETT. Perhaps I can make my point clear in this fashion: If I were putting trust funds in a bank and one day I discovered there were embezzlers in that bank and they had stolen $100,000, I would be somewhat irresponsible if I went into that bank the next day and deposited more trust funds, without finding out and making certain that the embezzlers had been removed from the bank staff.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. HARRIS. Did not Secretary of State Mr. James F. Byrnes, at the time the war ended and during the time he was in that responsible position, embark on a program of getting tough with Russia, and not a program of appeasement?

Mr. BUFFETT. Senate Document 112 of the Eightieth Congress shows that after July 1, 1945, there were authorized $1,586,000,000 worth of supplies to Russia and Russian satellites. Somebody engineered those deals: Who are those people? Do you know?

Mr. HARRIS. Did not the Congress authorize that? If it was authorized, did the Congress not authorize it?

Mr. BUFFETT. Certainly the Congress authorized it.

Mr. HARRIS. Was not the gentleman a Member of Congress at that time?

Mr. BUFFETT. Yes, sir; and I opposed every single one of those appeasement programs. I come back to my question. Do you know who those people are?

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. Yes; I yield.

Mr. HOFFMAN. Not only did they then send things to Russia, but the testimony taken last week before the Rizley subcommittee shows that they are sending things there right now that Russia can use to carry on war against us. What assurance have we that with all this money, these same people in the same departments, Commerce and State, would not continue to do the same thing—play both ends against the middle, the United States being in the middle?

Mr. BUFFETT. We have no assurance.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. HARNESS of Indiana. It was last Thursday that I called attention to the fact that this crowd in the State Department had negotiated a reciprocal trade agreement with Czechoslovakia, and it was signed only last Saturday.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BUFFETT] has expired.

Mr. BUFFETT. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. I want to ask one question of all Members: Is there any valid excuse for any Member to fail to get the answers I have sought, if he plans to vote for the Marshall plan, the facts about who was responsible for this appeasement, and, further ironclad assurance that these same officials are no longer in responsible positions? I hope somebody will answer that question.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. Yes; I yield.

Mr. VORYS. Could I give the gentleman a general answer? The complexion of the other body in this Capitol is somewhat different this session, and when the names of the new administrative officials are sent up to administer this plan, it is my hope, and it is my confident belief

that the type of individuals to be brought up there and those who are confirmed will not carry on any policy of appeasement of Russia.

Mr. BUFFETT. The gentleman thinks that this House should entrust that responsibility to another body here in the Capitol, after the miserable record to date? Is that correct?

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BUFFETT] has again expired.

Mr. DEANE. Mr. Chairman, I move to strike out the last word.

Never before in history has the world situation been more threatening to our ideals and interests than at the present time.

Those are the words of our Secretary of State.

You will note that General Marshall did not say we are immediately threatened by war; however, every serious-minded American must agree that our most cherished ideals, our fundamental Christian concepts of life, the economic stability of the world are threatened—may be hanging in the balance.

Because of that fact, I fear that the tax vote, which was cast in the House on last Wednesday, may be looked back upon as one of the most reckless votes cast in this Chamber in a long time.

I propose to support the Marshall plan and such appropriations that are necessary to maintain the security of this country, but this Congress must realize that the European recovery program is going to take dollars, lots of dollars.

In the bill before us there is included the Senate provision to use $3,000,000,000 from the 1948 surplus. I submit that this is not sound economy and simply does not encourage debt reduction. In view of this action coupled with the House action of last Wednesday on tax reduction and the implementation of so-called recovery programs, we need not expect any reduction of our national debt of $257,000,000,000.

Neither are we reducing our national budget. The people of this country should not be misled in believing we reduced the 1948 budget. At the present time the Congress has appropriated close to one-half billion dollars over the President's recommendation for 1948.

Nevertheless, the challenge to do our part as a great Nation in trying to bring about some semblance of world security is absolutely necessary. We Americans find ourselves today at one of the most critical points in world history. At stake is the very existence of democracy.

We Americans are prone to take people and things for granted. This is true of our political freedom. Likewise, we take our birthright as a part of the natural order, something having been discovered in the eighteenth century and no longer needs looking after. Surely today as never before we need to recall the words of that great American, Thomas Jefferson, and his early admonition that "The price of liberty is eternal vigilance."

This spirit of Jefferson was no doubt in the mind of Secretary of State George Catlett Marshall, on a day in June in 1947 when from a platform on the campus of Harvard University, he projected not only himself but American ideals a thousand years, when in a bold address he outlined a European recovery program.

Since that day economic planners, educational, social, and religious leaders, businessmen, large and small, the ordinary man on the street, are beginning to realize that a new phenomena has taken hold in America. The entire thinking of this country is being recast in the light of world recovery, liberty, and peace.

THE PROBLEM FACING US

In large measure our problems are economic. When people are hungry and war-weary, when there is nothing around them but despair, they become easy prey to silver tongues, unscrupulous politicians, and dictators. That is true here in the United States as well as abroad. To such people almost anything is preferable to starvation, even death itself.

The war has left most of the world prostrate—victor and vanquished alike. Only one important country emerged from the struggle with little more than scratches—ourselves. All the others are so weakened that it will take generations for them to recover. And, there are abundant signs around us everywhere that in that recovery lies the danger of totalitarianism. Two ways of life are competing for world favor, our way of freedom and the way of dictatorship. The struggle is slow, but it is relentless. Guns and munitions may be used in isolated areas, but we should not allow ourselves to be decoyed by skirmishes. We must become able to detect the real forces that are at work and to combat them with more than mere words. We have little alternative but to learn to play the game of competing political and economic philosophies.

It has been estimated that the United States, having refrained from fighting until the Nazis had captured control of most of Europe and the Japanese war lords had conquered the most important parts of Asia, had to spend over $300,000,000,000 to stop them. The destruction in terms of life and goods and of morale is incalculable.

The economic adjustments that such huge national efforts inevitably entail have not yet occurred. Indeed, they will not occur for a long time to come unless the nontotalitarian countries work together and help each other to get back upon their feet again. They must get their factories and their farms back into production. They must repair their currencies so that mutually profitable and indispensable international trade can be restored. If such economic unification is not achieved via the voluntary action of free peoples, there is every reason for believing that it will be accomplished via the route of dictatorial force. And should there eventuate a totalitarian Europe—either of the left or of the right, or of the two in alliance—the combination of Europe and the Soviet Union might well be stronger than the United States. If we add to this danger the thought of a communized Asia, coupled with those elements and the sympathetic leadership on the part of certain friendly sympathizers and so-called politicians in our own country, the prospects are little short of terrifying.

But how, you might ask, does this involve the United States? Must we be the policeman of Europe as well as the good Santa Claus who keeps Europe fed between wars? Why cannot we just mind our own business and let the Europeans mind theirs?

If only such a policy of isolation could work; if only the world were not interconnected economically, and if only there were no dictators and would-be tyrants in the world; if only we could live unto ourselves alone and let others stew in the broth of their own making, the solution of our problems would be simple. These, however, are the ifs of a dream world that bears no relation to reality.

ONE WORLD OR TWO WORLDS?

European trade has been of vital importance to us in the past, but that is not the sole—or even the most important—reason for helping Europe solve her problems at this time. We have tried sincerely and assiduously to secure one world; we have tried to work together with all countries toward the building of a postwar world in which abundance would replace scarcity, and in which men, women, and children might again look upon each other in dignity as free human beings.

But the door has been slammed in our face by those who have other plans for dealing with the problem. The totalitarian world has demonstrated to us, in both word and deed, that they have no intention of working with the democratic world for the betterment of all. They have chosen the path of ideological conflict and of planned chaos to demonstrate the superiority of their system over ours. They want us to fall into the abyss of economic depression in order that such an example will prove the merit of their way of life over ours.

Our challenge then is not the selfish one of trade advantage. It is not that we want two worlds in preference to one. We have demonstrated upon numerous occasions that we are willing to cooperate with the Soviet Union on a give-and-take basis as equals. But, we are not willing to cooperate if cooperation means that we must always do the giving and they the taking. And, when they go so far as to warn the western nations against working together to pull themselves out of the economic morass, we can but repeat what a famous spokesman for democracy said in reply to the braggadocio of the Nazis and Fascists, "Just what kind of people do they think we are?"

We can no more afford to stand idly by while Europe goes totalitarian than we can afford to stand by and watch a band of kidnapers move into the house next door without telling the police department about it. It is not a question of our economic comfort and prosperity; it is a question of our safety, of our very existence as a free people. If there are to be two worlds rather than one, I for one want to do all that I possibly can to help make my world—the democratic world—as strong as possible.

THE CHOICE BEFORE US

Until the prostrate countries of our world restore their production to levels high enough to yield surpluses for export, the United States has little choice but to follow one of the following three courses:

First, we could allow the matter to drift until the existing dollar resources of foreign countries are exhausted. Even the most optimistic estimates would not place the potential supply of additional dollars under existing programs at much more than 12,000,000,000. Even at the present rate at which the United States is importing and exporting, these dollar funds would last for not much longer than a year.

Liquidation of investments held by foreigners could extend this somewhat, but living on capital in such a manner would be a last resort and before long would result in bankruptcy. As in the business world, no economic unit can continue very long if its outgo is in excess of its income.

What would be the effect of such bankruptcy on the United States? Would it be any different in principle from what happens to a merchant or manufacturer when his customers go broke? I think not. Many of our industries and our agricultural producers, geared as they are into export markets, would find themselves with a mere dribble of customers. Retrenchment on their part would be inevitable, as would the economic depression that would follow.

Meanwhile, it should be superfluous to add, the potential dictators would not be asleep at the switch.

Second, we could merely continue making huge gifts and loans abroad in the hope that eventually they would result in the reconstruction of the economies of the borrowing countries. This they might do but, in all probability, not before we had seriously damaged our own economy.

Such a policy of continuous foreign relief makes as little sense economically as it does politically. The amounts that would have to be poured out would be fantastic. The inflationary forces thereby unleashed would aggravate an already dangerous situation and make a major economic depression just that much more likely. Repayment of such loans would be all but impossible, and trade barriers would go higher and higher. The economic warfare that we witnessed between the First and Second World Wars would be repeated and might well mark the road to a new open conflict.

The third, and only remaining choice, is to follow the method that we used so successfully during the last war, via the combined board approach and the lend-lease principle. This is the mutual-aid approach to the problem, and is the direction in which the Marshall plan is oriented.

Under such a policy the countries would, in effect, draw up balance sheets of their respective needs and resources. After careful study the participants—just as the United States, the United Kingdom, and Canada did on the combined boards during the war—would agree to make the necessary equipment and supplies available to each other with a minimum of strain upon the international financial mechanism.

As in the case of lend-lease, the more ephemeral goods—food and certain raw materials that are urgently needed to keep heads above water—might advantageously be "written off" as contributions to the common pool for immediate relief needs. The longer-lived capital goods could take the form of long-term loans, repayable either in cash or in kind.

Such a program as this would be expensive, of course. No one can yet say just how much it would cost. But it is certain that its cost would not approach the cost of either of the other two alternatives. It would be much, much less than the cost of another world war, and less than the $350,000,000,000 that we spent to defeat the Nazis and the Japanese war lords.

Our Secretary of State, Gen. George Marshall, has seen all of this clearly. He has, in language that should go down in history for its clarity and significance, made it plain that the only sane way out of the economic mess into which the world has been plunged is to extricate itself on the basis of mutual aid and self-help. If it cannot be done on a world-wide basis, then it has to be done on as large a scale as possible among the nations that are still free. But it has to be done.

WHAT IF WE DO NOTHING?

We already have a foretaste of what will happen in the absence of such a joint effort. Exports from the United States are now at the fabulous rate of over $19,000,000,000 a year. In more normal times, when trade is being conducted on a two-way basis, this would be reason for satisfaction. But, as it is, imports are currently paying for slightly less than 40 percent of these shipments. About one-third are being paid for by loans out of the pockets of United States taxpayers and the remainder by gold or foreign balances already accumulated. The rest of the world just isn't producing enough goods to sell to us to pay for the food and productive equipment that it has to have if it is to get on its feet. It is a vicious circle of cause and effect, and until it is broken the solution is not in sight.

Our President summed it up well in his midyear economic report to the Congress on July 21, when he said:

> While the level of exports has important effects on the American economy, it must be clear that we did not and should not embark upon foreign-aid programs as a device for supporting maximum production and employment at home.
>
> To be sure, restoration of world trade, when achieved, will facilitate our own efforts in maintaining a prosperous domestic economy. The immediate and sole objective of our foreign-aid programs should be to restore a vigorous, stable, and peaceful world economy. It is our goal to contirbute to the restoration of conditions under which other countries will be able to pay their way by mutual exchange of goods and services under such economic institutions as they freely determine and adapt to their peculiar circumstances.
>
> For the purposes of our foreign policy it is worth enduring temporary shortages of a few commodities within the United States. This will bring lasting benefits in the long run.
>
> In any case, the costs of effective foreign-aid programs will be only a very small fraction of the cost of winning the war, and they are vital to the winning of the peace.

CONGRESS IS COOPERATING

Congress, I am glad to say, is cooperating with the administration in a way that is highly gratifying. Although for a time it looked as though Congress might balk at huge foreign grants-in-aid, there can be but little doubt that the present temper of Congress is to leave no stone unturned in throwing the economic weight of the United States on the side of the democratic forces throughout the world.

The problem now, as Secretary Marshall made clear in a speech before the governors' convention in Utah some weeks ago is to bring the American public to a general understanding of the conditions involved at home and abroad. A democracy can be expected to function efficiently only when those who have the final say—the people—are well-informed. When a shooting war is raging this is relatively simple, for the issue is the easily understandable one of licking a tangible enemy. Our challenge in the present war of economic and political systems is to recognize the enemy and to act intelligently in setting up counterforces at the proper points. Nothing is of greater consequence these next few months than that the people of the United States and other democratic countries know the facts.

BUT WE MUST ACT INTELLIGENTLY

I emphasize this danger. In granting long-run assistance to our European and Asiatic friends we shall neglect to make sure that when it comes time for them to repay, we shall be willing to collect payment. There is only one way in which they can pay, and that is in terms of goods. In many cases this means that we shall have to be willing to import certain classes of merchandise that compete with certain lines of domestic manufacture. If we do as we have been prone to do in the past, namely, keep out imports on the basis of group and regional political pressures, we shall repeat the very thing that we did after the last war, when, in the fact of our creditor-nation position, we joined the band wagon of heightened trade barriers by increasing our own tariff rates. A creditor nation has to be import-minded to the extent that it expects to receive a return on its foreign investments. If it persists in keeping out imports, it voluntarily transforms itself from a creditor nation to a gift-granting nation.

We should face these facts now and take whatever steps are feasible to assure that we shall not repeat the near-fatal errors of the 1920's. The reciprocal trade-agreements program has been a step in the right direction, as are the current international negotiations being conducted at Geneva looking toward the establishment of an International Trade Organization and the eventual lowering of trade barriers and the restoration of multilateral trading in the place of bilateral discrimination and throttled nationalism.

These are days when economic vision is needed as it was never needed before. We must raise our sights and look down through the decades that lie ahead. If we learn to do that, on the basis of enlightened long-run self-interest, we shall go far to avoid problems 10, 20, or 30 years hence that might easily set the stage for world war III. Our problem is to think and to act on a national basis without losing our democratic heritage and without succumbing to the temptation of easy going, but suicidal, self-containment.

A while ago I pointed out that as we commit ourselves to any recovery program at home or abroad it is going to cost dollars—lots of dollars.

WHY INCLUDE CHINA AT THIS STAGE?

I contend that the House should follow the action of the Senate in limiting the present appropriation to the European recovery program. What is being recommended in this bill for China is not recovery; it is simply relief, and is most unsound. I shall support the amendment to delete this appropriation for China with the feeling that exhaustive hearings and a clear determination of policy should be clearly defined.

COST OF EUROPEAN RECOVERY PROGRAM

The cost of the European recovery program for the Nation under this bill is $5,300,000,000.

For my information and that the people of North Carolina may know the impact of this legislation upon the national economy, I have determined what the cost of European recovery program apportioned on a Nation-wide per capita basis is as applied to the State of North Carolina, my own congressional district, and certain selected counties in North Carolina.

The first year cost is as follows:

State of North Carolina	$139,844,640
Eighth Congressional District:	
Anson	1,085,656
Davie	539,032
Davidson	2,330,744
Hoke	595,972
Montgomery	660,504
Moore	1,279,252
Richmond	1,495,624
Lee	770,588
Scotland	930,020
Union	1,560,156
Wilkes	1,582,932
Yadkin	762,996
Total	13,593,476
Selected counties in North Carolina:	
Pitt	2,456,012
Martin	1,002,144
Wilson	2,008,084
Warren	883,264
Guilford	7,151,664
Orange	937,612
New Hanover	2,425,644
Harnett	1,746,160
Craven	1,488,032
Sampson	1,833,468
Wake	4,680,468
Chatham	945,204
Forsyth	5,333,380
Granville	1,138,800
Rowan	2,528,136
Ashe	804,752
Mecklenburg	6,654,388
Burke	1,514,604
Gaston	3,959,228
McDowell	880,672
Buncombe	4,346,420
Cherokee	709,852

COST OF PACKAGE PLAN

Under the bill before us, the Economic Cooperation Act of 1948, which includes European recovery program, the Children's Welfare Fund through the United Nations, and relief for China, the total national cost is $6,205,000,000.

Figured on a per capita basis, I give these figures to show the impact on the State of North Carolina and selected counties in that State:

State of North Carolina	$163,716,960
Eighth Congressional District:	
Anson	1,270,984
Davie	631,048
Davidson	2,728,616
Hoke	697,708
Montgomery	773,256
Moore	1,497,628
Richmond	1,750,936
Lee	902,132
Scotland	1,088,780
Union	1,826,484
Wilkes	1,853,148
Yadkin	893,244
Total	15,913,964
Selected counties in North Carolina:	
Pitt	2,875,268
Martin	1,173,216
Wilson	2,350,876
Warren	1,039,896
Guilford	8,372,496
Orange	1,097,668
New Hanover	2,839,716
Harnett	2,044,240
Craven	1,742,048
Sampson	2,146,452
Wake	5,479,452
Chatham	1,106,556
Forsythe	6,243,820
Granville	1,133,200
Rowan	2,959,704
Ashe	942,128
Mecklenburg	7,790,332
Burke	1,773,156
Gaston	4,635,092
McDowell	1,031,008
Buncombe	5,088,380
Cherokee	831,028

Mr. COX. Mr. Chairman, I rise in opposition to the pro forma amendment, and ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Chairman, while I heartily approve of the objectives of this bill and propose to support it, I believe that every precaution should be taken to prevent the misuse of these billions of our people's money for possible purposes which will be detrimental not only to our own national interests but also to the future peace and well being of the peoples of the world.

There should be an amendment that will limit the executive personnel in charge of the European recovery program to only those who believe in and support our American system of society and Government. I think this program should be in charge of Americans who believe in our economic and political system and who have always believed in it.

I am moved to make this suggestion for two reasons. First, it has been charged that this European recovery program is largely a scheme through which socialism will be subsidized in Europe. While I make no suggestion that socialist governments be denied participation, I nevertheless believe that no encouragement or support should be extended to socialist factions—or even other factions—in those countries where Socialists are struggling for power. Such a situation could easily develop if American Socialists were placed in charge or held policy-making positions in the administration of the European recovery program. And such a development could only result in furthering internal strife in such countries to the detriment of our whole program.

I am also concerned because of the nature of the personnel who conceived and planned the program we are about to make into law and finance with the taxpayers' money.

There is some evidence that certain of these individuals either are or were Soviet sympathizers, while others were affiliated with Communist front organizations. Some are or were Socialists. Some are or were believers in collectivism and a classless society. The chances are that some, if not all of these people will be in charge of the administration of ERP.

To my way of thinking, to permit pro-Communists, Socialists, or collectivists of any hue to administer this American program, at any level, would be a grave mistake.

On March 11, 1948, Senator WILSON placed in the CONGRESSIONAL RECORD a list of United States Government personnel who participated in the preparation of the European recovery program. Since my time is extremely limited, I select just a few names and offer a bit of background for your consideration.

There is the name of Herbert W. Parisius, a Commerce Department official appointed to his post by Henry Wallace, who just last week was accused on the floor of this House of overriding subordinates in approving shipments of strategic materials to Russia; of being an ex-minister with radical views and of having solicited subscriptions to a Communist publication from employees of the Commerce Department.

There is the name of Arthur E. Goldsmith who in his testimony at an executive hearing of the Special House Committee on Un-American Activities admitted having been a member of the Communists' leading front, the American League Against War and Fascism, a contributor to the International Labor Defense, called the legal arm of the Communist Party by former Attorney General Biddle, a subscriber to the Communist weekly, New Masses, and a reader of the Daily Worker, the Communist newspaper.

There is the name of Kenneth Meiklejohn, who has headed the Socialist Party in the District of Columbia for many years.

There is the name of Ralph Hetzel who was cited three times by the special House Committee on Un-American Activities for his affiliations with Communist fronts and who just before World War II was one of the authors of a pamphlet which vigorously opposed the national defense program.

There is the name of David Lasser who headed the Communist front Workers Alliance, is listed 13 times in the files of the

Committee on Un-American Activities and who was once barred from the Government pay roll by act of Congress.

There is the name of Thomas Blaisdell who was a member of the Washington Committee for Democratic Action, an affiliate of the National Federation for Constitutional Liberties; both organizations having been cited as subversive by Attorney General Biddle as well as the Committee on Un-American Activities.

There is the name of Felix S. Cohen, a leader in the Socialist League for Industrial Democracy and a former instructor at the Socialist-Communist New School for Social Research.

The memorandum submitted by Senator WILSON concludes by saying that other persons and groups also helped to plan the ERP program and adds:

> The membership of these groups would include most of the experts working on international financial and economic problems. It appears neither appropriate nor feasible to list the membership of such groups.

Maybe so. But, I think you will be interested in at least one of these unnamed experts who helped to prepare the Marshall plan and who will quite probably have some voice in its administration. His name on the Government pay roll is Lewis L. Lorwin, but when he was kicked out of the University of Montana in 1919 he went by the name of Louis Levitski Levine.

Russian born, Levine-Lorwin has been a consistent left winger. In 1925 he presided at a Washington conference to consider the socialization of natural resources, transportation, and banking. In 1933 he signed a petition to President Roosevelt urging diplomatic recognition of Soviet Russia.

Dr. Levine-Lorwin made several trips to Russia, the last one just last year when his expenses were paid jointly by the United States and the Russian Government, a rather strange procedure, to say the least. After visiting Russia in 1928–29 he explained that "a miracle had happened;" the Russians had accomplished "marvelous economic progress."

Levine-Lorwin served with Henry Wallace in the Board of Economic Warfare and when Wallace became Secretary of Commerce he brought his friend Lorwin along.

Lorwin was most active in the Institute of Pacific Relations, of which Henry Wallace was a member of the board. This outfit published pro-Soviet propaganda and numbered among its leading executives Frederick V. Field, who led the seditious American Peace Mobilization, which picketed the White House and tried to obstruct our preparations for war, and Edward C. Carter, head of the American-Soviet Institute, a semiofficial Russian agency.

In 1931 Levine-Lorwin attended a conference on world planning at Amsterdam. He called for long-term credits from capital rich to capital poorer countries, and the organization of new international bodies. He proposed a 5-year world plan, which would, first, modify national political sovereignty; second, level up standards of living; third, organization of a world bank to grant international loans; fourth, international agreements for division and control of world markets; and fifth, establishment of a world planning board.

> We can visualize a system of boards and agencies—

He told the conference—

> setting up technical and social standards * * * supervising the price process * * * determining the conditions under which credits would be granted to existing and new industrial enterprises. Such planful control would undoubtedly have to limit the powers of individuals and corporations, and subject the making of profits to social ends.

Mary Van Kleek, chairman of the program committee, wrote that only those would be welcome to the congress who "clearly accept the purpose of complete reorganization of the present system into a planned, socialized economic order, creating a classless community."

That is what Levine-Lorwin is striving for. Generally speaking, that is the goal of all the left wingers who are just itching to get their hands on the billions to be spent for ERP. That is why precautions must be taken to prevent the misuse of these funds and the misdirection of the whole program.

Every person engaged in the administration of the European recovery program should take an oath that he or she is not now and never has been affiliated in any way with any Communist, Socialist, or collectivist movement.

Mr. RICH. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, if the Congress of the United States is going to appropriate the vast amount of money involved in the pending bill, it is exceedingly important for all of us to know who the people are who will handle the funds to be given to these various countries. Are they honest, are they capable, are they efficient, will they look after American interest? If the Congress of the United States passes this bill and permits the power to remain in the hands of the President to make the appointments and he appoints people who have already taken part in the distribution of funds that have been previously appropriated by this Congress, then there is something radically wrong in America, because the men who have been handling these funds on behalf of the United States have done a terribly miserable job. They have wasted the funds of the American taxpayers, and the people of this country have now got to pay for their extreme incompetence with overburdened taxes almost confiscatory.

Let me quote from a statement made by Sterling Morton before the Illinois Manufacturers Association the other day after a visit to England recently. He said, I quote:

> Every Englishman I talked to was anxious to express his opinion that our gift loans had hurt his country, and to urge me to oppose any further advances. They went out of their way to say this—in fact, the desire to get this measure across made them much more approachable than usual. They feel that our aid is keeping the present government in power and so is helping in the socialization and degeneration of Britain.

Now, what does Britain want? We gave them $4,400,000,000 in 1945. That was to put them on their feet and put them in a sound economic condition. In this bill you intend to give to England $5,348,000,000. You have now given Britain almost $10,000,000,000 for socializing that country over there, and the people of that country do not want the money. Who wants it? Why, a lot of the diplomats over there that are outdiplomating our General Marshall and the State Department, and at the same time wrecking our own economy in America. I want to tell you that if we do not reconstruct our own State Department and clean house there, that it will be just too bad for us. I want to tell you that the people of the United States ought to clean house when it comes to electing a Congress next November, because if you are going to do what you have done and continue on with what you are doing in reckless squandering, then I say that I am not fit to be here with a majority, for I oppose it wholeheartedly. But, I am going to tell you right now that you are not going to get me to vote for this legislation, because I think the set-up is bad; I think the policy is poor, and I think that the imposition that we are putting on the American taxpayers is going to be felt for the rest of their lives. They are never going to get out of debt. You will wreck America. Talk about this bill being a bill to eradicate communism in a lot of foreign countries. That is about the biggest piece of bunk that I have ever heard expressed on the floor of this House, when you know that, in trying to militarize Greece, you gave them $300,000,000 to get them straightened out a year ago, and now you want to give them $275,000,000 more. One hundred and fifty million dollars to arm China. What for? You are giving $797,000,000 to Ireland. Jiminy crickets, did you ever think that they would get communism in Ireland? St. Patrick would never allow it. Then there is $38,000,000 to Iceland. What did we do for Iceland? We went over there and built them the greatest airports in the world. We asked them to let us use those airports. They turned us down. They told us to go home. Now you want to go back over there and give them $38,000,000. What for? To gain the good will? Of whom? Let some of these things be explained. What are you giving Portugal $150,000,000 for? What did they do to help in this war. Why do they want $150,000,000, and why are we obligated in any sense or manner to give Portugal that amount of money? Let somebody explain these things. Let the American people know what this money is for. Sweden and Switzerland want $700,000,000. Why, they are more prosperous today than they have ever been in their history, but the American taxpayer is not going to be very prosperous after you pass this bill. They will find out that it will do our country more harm than good.

Secretary Marshall is on his way to South America today. See if he does not come back with requests for more money. Why, the former administration had all

nations' rulers come here asking for help. Now this administration sends our Secretary of State to all nations asking them what do you want? How much money can we give you? Oh, when will we think of the United States of America, her people and their needs. Let us look after the United States. Let us do it now. Vote for the Gwinn amendment.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. LEMKE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I speak with deep conviction on the subject under consideration—the deceptive Marshall plan. It is a wolf in sheep's clothing. It is not a plan to feed the hungry, but rather a plan to bribe and arm part of the world against another part. It is an armament race. An armament race always has, and always will, end in war.

I am not talking to any foreign nation, or to any foreign element, or to any enemy with foreign ideologies in our midst. I am talking in defense of the youth of this Nation—in defense of the fathers, mothers and wives, whose sons and husbands will again have to do the fighting and the dying on foreign battlefields, unless Congress shows more firmness in resisting the multimillionaires and international clique in our State and other executive departments of Government. This Nation cannot stand and survive four more years of our stupid foreign policy.

Our President today is rambling along on a strange highway in an international vehicle. He does not know where he is going. Neither do the people, who are sitting carefree in the rumble seat—in a what-do-I-care attitude. They are the easy victims of false propaganda. The easy victims of the hyphenated, hybrid Americans—an international bureaucracy.

This bill is a betrayal of the Nation. It is selling America down the river. It is unconstitutional. Every Member of this House recently took an oath to uphold the Constitution. I challenge any Member on this floor to point out to me where, in the Constitution, is a provision giving to this Congress or to the President the authority to make gifts to foreign governments with the taxpayers' money. Under our Federal Constitution, Congress has only such power as is given to it in plain language or by necessary implication. Nowhere is there such language or implication in our Constitution.

The false propaganda that this bill will prevent the spread of communism in Europe comes with poor grace from those who recently were more or less closely associated with Joe Stalin. It comes with poor grace from those who went to bed with Stalin and betrayed not only this Nation but the world. Surely no one is so dull as to believe that you can bribe the Reds or that you can buy friendship.

Today I shall criticize erroneous policies. It is rather with pity than with scorn that I shall discuss 15 years of disastrous blunders—15 years of crises, emergencies, and war. I shall discuss the mistakes and blunders of Roosevelt, Marshall, and Truman that have brought us to the verge of world war III.

I am sorry that the President came before a joint session of Congress and virtually proclaimed himself the infallible one—the keeper of the peace. His record on foreign affairs is just the opposite. It is fallible. He told us that henceforth we must prevent not only international strife, but civil strife within any nation. This by force of arms via the stupid and dangerous Marshall plan.

I wonder how much longer the President expects us to blindly follow blind leadership. I wonder how much longer the multimillionaires in his Cabinet will insult our intelligence with their false propaganda and international ignorance. Germany's ambition was to consolidate the Nordics against the rest of the world. Our President goes one step further. He takes on the whole world. The one worlders of the past, Caesar, Alexander the Great, Napoleon, and Hitler all failed. The President might well profit by their failures. No man and no nation is powerful enough, intelligent enough, and resourceful enough to govern the whole world.

I had thought that long ago the one worlders and the internationalists for profit had been deflated. I had thought long ago that Stalin's behavior had driven such internationalists as former Justice Roberts and other misguided souls into the cyclone cellar. Unfortunately, these One Worlders and Anglophiles continue to bob up when you least expect them. They would deplete our Nation by giving it away, and after that destroy our liberty by bungling us into world war III. May "God forgive them, for they know not what they do."

How much longer can we, with less than 6.2 percent of the world's population, with less than 7 percent of the world's area, and with less than 9 percent of its natural resources, continue to be an international Santa Claus to inefficient, and in some cases, grafting foreign politicians and corrupt governments?

I wish to warn my colleagues that what we are about to do here is not with the approval of the American people. I wish to warn the foreign agents and foreign representatives that the American people will repudiate our action on November 2, 1948. I am giving this warning to foreign nations so that they may not say they were taken by surprise. We are not going to continue to be an international WPA.

If the President's program—universal military training, selective service, and the Marshall plan—is adopted, there will be very little liberty left anywhere, not even in America. The "four freedoms" and self-determination—the Atlantic Charter—will have been thrown to the four winds. The truth is that we and the world were betrayed by secret commitments at Teheran, Quebec, Yalta, and Potsdam.

General Marshall, then Chief of Staff, was at Teheran and Yalta to advise our then ailing President. He was also at Potsdam to advise Truman who inherited the secret commitments from the former President. If the general had then done his full duty to the American people, there would be no need for universal military training, selective service, or even the stupid Marshall plan.

The general apparently is subject to lapse of memory. He does not yet know where he was on the evening of December 6, 1941. He does recall that on the morning of December 7, although he knew of the imminence of war with Japan, he was horseback riding while the tragedy of Pearl Harbor was enacted.

Recently the general told us that while he and his staff were present at Yalta, at the taxpayers' expense, he was not informed and did not know what was going on. When he regains his memory, he has yet to tell us what tragedies were enacted by secret commitments at Teheran, Quebec, Yalta, and Potsdam. Whatever price America may have to pay will be the result of the blunders made at Teheran, Quebec, Yalta, and Potsdam.

We would like to have the former Chief of Staff tell us why our armed forces did not enter Europe under its soft belly. This would have prevented Russia from taking over the Balkan States. We would like to know why our Army was halted for weeks so that Russia could take over Rumania, Yugoslavia, Estonia, Latvia, Lithuania, and Bulgaria, and after that enter Berlin first, and take over east Germany and east Austria. We would like to know why General Patton was ordered to withdraw from Czechoslovakia. This in order to please Stalin. Were these all secret commitments made at Teheran and Yalta?

Again, we would like to know why the war with Japan was unnecessarily prolonged, after she had offered to surrender. Was this again in order to permit Stalin to enter Mongolia, Korea, and the Kuril Islands in accordance with secret commitments? It is because of these blunders that communism has spread throughout Europe. If we had dealt with Russia as we should have, she would now still be within her own boundaries, and it would not be necessary for us to attempt to bribe friendship or to buy the Reds.

Let us keep the record straight. We live in an age of international deception. We are influenced by dishonest propaganda over the radio and in the metropolitan press—propaganda paid for by grafting officials of foreign governments—"give me" Jimmies.

It is time that America stop being gullible. We were propagandized into World Wars I and II. We are being propagandized—via the Marshall plan—into world war III. We, and the world, paid dearly for our previous gullibility. One hundred million men, women, and children are no more because we permitted the international clique to propagandize us into two wars. There are hundreds of millions disabled, and hundreds of millions homeless and hungry because we blindly accepted false propaganda.

Let us keep the record straight. In World War I it was, "He kept us out of war," then, "Too proud to fight," "America first," and then "Benevolent belligerency," "A little group of willful men," "Make the world safe for democracy," and last, "War to end all wars." We fumbled the peace and World War II gave the lie to these false slogans.

In World War II we heard the hue and cry of "Raise the arms embargo and save our boys," "Give us the tools and we will do the fighting"—$59,000,000,000 lend-lease. Then came "The four freedoms," and finally, "I say again and again and again, your sons will not be sent to foreign battlefields." Time proved these slogans false. There are no "four freedoms" for any people—not even for our own—and our boys did the fighting and the dying.

Then followed, "Give us UNRRA and we will have everlasting peace." So we passed UNRRA and fed all of the satellites that Russia has since taken over and incorporated into her communistic sphere.

Then came the international fund and the international bank, conceived at Bretton Woods and born at Dumbarton Oaks. These institutions have already fleeced the American taxpayers of billions, and will fleece them of billions more, unless we wake up in time and put a halt to this international flirtation.

Next came the reciprocal trade agreements, by which the farmer and the laborer will again be made the shock absorbers when the next depression comes. This was followed by the British gift of $4,400,000,000, together with other gifts, until we have given or loaned over $27,000,000,000 to European countries since the war. This from the United States Treasury, the RFC, and the Export-Import Bank. Each and every one of these acts was to produce lasting peace.

Yet, in spite of these false assertions, we are in a worse mess than ever before. We are now plagued with the Marshall plan. This plan is simply another gift, mostly to Britain. When we made her the other loan, she promised that it would last 3 years. However, Wall Street, and her own multimillionnaires got away with that $3,750,000,000 in 1 year. So Wall Street and the British hatched the Marshall plan.

In conclusion, may I suggest that you, who have been protesting so loudly about the high cost of living, will find, when this bill is passed, that you will again, for years, have to go without many of the food and other products you could not get during the war. There will again be a shortage of building material for homes, farm equipment, and hundreds of other articles essential for our own welfare.

You will again have to pay higher prices because we cannot give away the products that America needs to foreign nations, and keep prices down. There will again be plenty of black markets.

I repeat, it is time for Congress and the American people to repudiate these actions that verge on treason, not only to America but to the world. The time has come to stop blindly following the blind leadership.

Mr. VORYS. Mr. Chairman, I ask that section 2 be read, and then pro forma amendments could apply to that. After spending an hour on the first section of the bill, we should get on with the reading of the bill.

The CHAIRMAN. Are there amendments to section 1?

Mr. GWINN of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GWINN of New York: Strike out all of the committee substitute and insert in lieu thereof the following:

"DECLARATION OF POLICY

"SEC. 2. It is hereby declared to be the policy of Congress—

"(1) to recognize the intimate economic and other relationships between the United States and the nations of the world and that the disruption following in the wake of war is not contained by national frontiers;

"(2) to recognize that the existing situation endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations;

"(3) to assist, as is traditional in the American way of life, in relieving suffering and in maintaining the principles of individual liberty, free institutions, and genuine independence;

"(4) to effectuate the protection of the general welfare of the United States and the establishment of a healthy economy, based upon self-help and mutual cooperation, in the countries of the world;

"(5) to establish a recovery program which will provide (a) relief to ill-fed and ill-clothed peoples of the world through the generous and unfailing charity of the American people, and (b) relief to the disrupted and stagnant industries of the world through the collaboration and endeavor of American industry.

"TITLE I

"SEC. 101. This title may be cited as the 'Foreign Relief Act of 1948.'

"SEC. 102. That there be, and is hereby, created a body corporate with the name "World Relief, Incorporated" (herein called the Corporation). That the principal office of the Corporation, which shall be a nonprofit corporation, shall be located in the District of Columbia, but there may be established agencies or branch offices in any city of the United States or in any other country under rules and regulations prescribed by the Board of Directors.

"SEC. 103. This Corporation shall continue in existence until April 1, 1952, or to such earlier time as the Congress, by concurrent resolution, shall declare that the need for the continuance of said Corporation no longer exists.

"SEC. 104. That the initial funds necessary to inaugurate the organization and operation of this relief program shall be $500,000,000, which sum is hereby authorized to be appropriated from any funds in the Treasury not otherwise appropriated as a revolving fund.

"SEC. 105. That the funds necessary for the continuous operation of the program and for the reimbursement of the revolving fund shall be obtained from contributions of individuals.

"SEC. 106. The Corporation shall have power to sue and be sued in the courts of law and equity within the jurisdiction of the United States and in the courts of the countries wherein it is operating if so permitted by the laws of such countries; to adopt a seal; to adopt and establish bylaws and regulations not inconsistent with the laws of the United States; and to solicit, on a world-wide basis, contributions for carrying out the purposes of the Corporation.

"SEC. 107. That the purposes of this Corporation are and shall be to furnish, directly, food, clothing, and other urgently needed supplies to the needy individuals of the world. The Corporation is hereby specifically prohibited from furnishing food, clothing, or other supplies to the governments of any cooperating country or any political subdivision thereof as distinguished from their individual citizens.

"SEC. 108. That the governing body of the Corporation shall consist of nine members, to be appointed by the President of the United States with the advice and consent of the Senate, one of whom shall be designated by the President to act as chairman.

"SEC. 109. Vacancies in the governing body of the Corporation shall be filled by the President in the manner hereinabove provided.

"SEC. 110. Voting by proxy shall not be allowed at any meeting of the governing body.

"SEC. 111. That World Relief, Inc., shall on the 1st day of January, April, July, and October of each year make and transmit to the Secretary of the Treasury a complete and itemized report of receipts and expenditures of whatever kind.

"SEC. 112. That Congress shall have the right to repeal, alter, or amend this title at any time.

"TITLE II

"SEC. 201. This title may be cited as the 'Foreign Industrial Development Act of 1948.'

"SEC. 202. In order to coordinate the activities and functions of our governmental representatives abroad and to encourage them in undertaking liaison work between the industries of the world and the industries of the United States there is hereby created a National Industry Advisory Council (hereinafter referred to as the Council), consisting of the Secretary of State, as Chairman; the Secretary of Commerce; and five members appointed by the President, with the advice and consent of the Senate, from the outstanding industrialists of the United States.

"SEC. 203. That the Council, in addition to the duties contained in section 202, shall assist and encourage American industries in working out plans for increasing productivity abroad, raising the standard of living, and making the countries of the world self-sustaining and economically strong enough under a system of free enterprise, to resist the lure of communism.

"TITLE III

"SEC. 301. That all income subject to taxation within the United States earned from January 1, 1948, to January 1, 1952, of every kind of any individual, partnership, corporation, or association which shall be invested as capital or loans outside the continental limits of the United States for the purpose of rehabilitating industries in any other country of the world, shall be completely exempt from all taxes of the United States or of any State, Territory, or political subdivision thereof during this period.

"SEC. 302. That all income earned between April 1, 1948, and April 1, 1958, by any individual, partnership, corporation, or association from investment made in other countries of the world as capital or loans for the purpose of rehabilitating productive agriculture or manufacturing industries in such countries, shall be completely exempt from all income and excess-profit taxes which may be levied by the United States or any State, Territory, or political subdivision thereof during this period.

"SEC. 303. That there is hereby authorized to be appropriated the sum of $1,000,000,000 for the purposes of national defense to be expended by the President outside the United States.

"SEC. 304. That all funds allocated in the 1949 fiscal budget for economic-aid purposes unexpended are hereby transferred to the account of the National Military Establishment for use in building up the national defense forces of this country.

"SEC. 305. The sections of this act are hereby declared to be separable, and in the event any one or more sections of this act be held to be unconstitutional, the same shall not affect the validity of other sections of this act."

Mr. VORYS. Mr. Chairman, I make a point of order against the amendment just proposed.

In addition to other frailties, the amendment provides in title III for a blanket amendment of the internal revenue laws, which are not subject to consideration in this legislation, by providing an exemption from income taxes for all persons, individuals, partnerships, corporations, or associations which participate in the program. Also, in section 304, there is a provision that all funds should be transferred to the account of the National Military Establishment for use in building up the national defense forces of this country.

There is no provision such as this in the pending legislation. For these reasons, it seems to me that this is not germane to the bill now pending.

The CHAIRMAN. Does the gentleman from New York care to be heard on the point of order?

Mr. GWINN of New York. I am ready to hear the ruling of the Chair.

The CHAIRMAN (Mr. CASE of South Dakota). The Chair is ready to rule.

The gentleman from New York [Mr. GWINN] has offered an amendment as a substitute for the committee amendment. The gentleman from Ohio [Mr. VORYS] has made a point of order that the amendment offered is not germane, and particularly calls attention to the tax provision contained in title III.

The rule under which the committee is considering the bill S. 2202 waives points of order as to the Senate bill and the committee substitute amendment, but does not waive points of order as to the germaneness of amendments that may be offered from the floor. Nor does it confer any authority upon the committee to consider legislation involving tax legislation, which, of course, would be beyond the jurisdiction of the Committee on Foreign Affairs to report.

For those reasons, the Chair is constrained to sustain the point of order.

Mr. GWINN of New York. Mr. Chairman, I move to strike out title III of the substitute amendment down to section 303, and after striking out that provision I reoffer the substitute as read.

Mr. VORYS. Mr. Chairman, I make the point of order that such a motion is not in order at this time. The Chair has already ruled on this amendment and there is nothing before the House.

The CHAIRMAN. Section 303 of the bill, of course, has not been read. The Chair is inclined to interpret the statement of the gentleman from New York to mean that he seeks to offer his amendment with the last portion of it eliminated. If that be so, the motion should be so stated.

Mr. GWINN of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GWINN of New York: Strike out all of the committee substitute and insert in lieu thereof the following:

"DECLARATION OF POLICY

"SEC. 2. It is hereby declared to be the policy of Congress—

"(1) to recognize the intimate economic and other relationships between the United States and the nations of the world and that the disruption following in the wake of war is not contained by national frontiers;

"(2) to recognize that the existing situation endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations;

"(3) to assist, as is traditional in the American way of life, in relieving suffering and in maintaining the principles of individual liberty, free institutions, and genuine independence;

"(4) to effectuate the protection of the general welfare of the United States and the establishment of a healthy economy, based upon self-help and mutual cooperation, in the countries of the world;

"(5) to establish a recovery program which will provide (a) relief to ill-fed and ill-clothed peoples of the world through the generous and unfailing charity of the American people, and (b) relief to the disrupted and stagnant industries of the world through the collaboration and endeavor of American industry.

"TITLE I

"SEC. 101. This title may be cited as the 'Foreign Relief Act of 1948.'

"SEC. 102. That there be, and is hereby, created a body corporate with the name 'World Relief, Inc.' (herein called the Corporation). That the principal office of the Corporation, which shall be a nonprofit corporation, shall be located in the District of Columbia, but there may be established agencies or branch offices in any city of the United States or in any other country under rules and regulations prescribed by the Board of Directors.

"SEC. 103. This Corporation shall continue in existence until April 1, 1952, or to such earlier time as the Congress, by concurrent resolution, shall declare that the need for the continuance of said Corporation no longer exists.

"SEC. 104. That the initial funds necessary to inaugurate the organization and operation of this relief program shall be $500,000,000, which sum is hereby authorized to be appropriated from any funds in the Treasury not otherwise appropriated as a revolving fund.

"SEC. 105. That the funds necessary for the continuous operation of the program and for the reimbursement of the revolving fund shall be obtained from contributions of individuals.

"SEC. 106. The Corporation shall have power to sue and be sued in the courts of law and equity within the jurisdiction of the United States and in the courts of the countries wherein it is operating if so permitted by the laws of such countries; to adopt a seal; to adopt and establish bylaws and regulations not inconsistent with the laws of the United States; and to solicit, on a world-wide basis, contributions for carrying out the purposes of the Corporation.

"SEC. 107. That the purposes of this Corporation are and shall be to furnish, directly, food, clothing, and other urgently needed supplies to the needy individuals of the world. The Corporation is hereby specifically prohibited from furnishing food, clothing, or other supplies to the governments of any cooperating country or any political subdivision thereof as distinguished from their individual citizens.

"SEC. 108. That the governing body of the Corporation shall consist of nine members, to be appointed by the President of the United States with the advice and consent of the Senate, one of whom shall be designated by the President to act as Chairman.

"SEC. 109. Vacancies in the governing body of the Corporation shall be filled by the President in the manner hereinabove provided.

"SEC. 110. Voting by proxy shall not be allowed at any meeting of the governing body.

"SEC. 111. That World Relief, Inc., shall on the 1st day of January, April, July, and October of each year make and transmit to the Secretary of the Treasury a complete and itemized report of receipts and expenditures of whatever kind.

"SEC. 112. That Congress shall have the right to repeal, alter, or amend this title at any time.

"TITLE II

"SEC. 201. This title may be cited as the 'Foreign Industrial Development Act of 1948.'

"SEC. 202. In order to coordinate the activities and functions of our governmental representatives abroad and to encourage them in undertaking liaison work between the industries of the world and the industries of the United States there is hereby created a National Industry Advisory Council (hereinafter referred to as the Council), consisting of the Secretary of State, as Chairman; the Secretary of Commerce; and five members appointed by the President, with the advice and consent of the Senate, from the outstanding industrialists of the United States.

"SEC. 203. That the Council, in addition to the duties contained in section 202, shall assist and encourage American industries in working out plans for increasing productivity abroad, raising the standard of living, and making the countries of the world self-sustaining and economically strong enough under a system of free enterprise, to resist the lure of communism."

Mr. HOFFMAN (interrupting the reading of the amendment). Mr. Chairman, inasmuch as this amendment has been read once, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. VORYS. Mr. Chairman, I make the point of order that this amendment is still far outside the scope of the pending bill.

The CHAIRMAN. Will the gentleman state the grounds of his point of order and point out the provisions of the amendment that are outside the scope of the bill?

Mr. VORYS. The amendment primarily is a relief bill, as I read it. The pending committee amendment to S. 2202 is distinctly not a relief measure.

The title of the proposed substitute indicates that it is intended to provide relief to the peoples of the world, and that is carried out in the declaration of policy. It is a relief measure and, therefore, entirely foreign to the entire structure of the bill under consideration.

The CHAIRMAN. Does the gentleman from New York care to be heard?

Mr. GWINN of New York. I am ready for a ruling.

The CHAIRMAN. The Chair is prepared to rule.

The bill pending before the committee is a bill of considerable latitude. The title reads:

An act to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The language which the gentleman from Ohio read may be the title to the bill or language the gentleman from New York proposed to offer as a substitute, but the Chair is confined to an examination of the actual text of the amendment; and the amendment that is offered in its present form does not, in the opinion of the Chair, go beyond the very general purposes outlined in the bill before us.

The Chair, therefore, overrules the point of order.

The gentleman from New York [Mr. GWINN] is recognized for 5 minutes.

Mr. GWINN of New York. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. GWINN of New York. Mr. Chairman, would it be too much to hope that sometime very soon our Government which is still a constitutionally limited Government, might again be confined to its true functions of government? Are you not conscious to the point of distress of the bickerings, the charges, the countercharges of corruption, communism, socialism, politics in every branch of this constitutionally limited Government of ours, when it goes beyond the true functions of government as our Government was conceived, by thinkers who believed that we have certain inalienable rights. We have those rights from the Creator. Life, property, work, the pursuit of happiness, and the free engagement in all of our private affairs, belong to us, the citizens, and the responsibility is ours.

According to our American concepts, there is no function of our Government that can go beyond the function of maintaining, protecting, and enlarging those rights. The alternative is a form of government by which the people are subjected, to the unimaginative, unproductive, authoritarian, communistic, socialistic, or pseudodemocratic pressure, if you please. Either we determine to stick by constitutional government or the activities of government by pressure will lead straight to disastrous policies at home and abroad, with inevitable corruption, incompetence, waste, and ultimately the scattering and destruction of the people.

Mr. Chairman, this substitute bill proposes to restore the first principle of all giving, which is, after all, an American concept, that any true gift issues from the heart of the giver and goes from one individual to another. That never occurs through government. Government cannot be charitable in our country. Government is incapable of giving without subjecting itself again to the politics, to the corruption, to the waste we hear of from the committee itself over and over again, day after day. In fact, the committee itself is filled with such mistrust and such misgivings as to how the so-called European recovery program can be made to function, that the committee finds it necessary to fill 70 pages of a bill in order to try to avoid the worst weaknesses that are inherent in statism.

We cease to be a constitutional government if the plan of the committee is accepted. We become ourselves a form of statism, and I mean devil statism, which is akin to communism, socialism, and democracy functioning out of tune with its own true purpose, attempting to exercise the inalienable rights and responsibilities of a free citizenry.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. GWINN of New York. I yield to the gentleman from Mississippi.

Mr. RANKIN. What will be the cost of the bill if the gentleman's amendment is adopted as compared with the original bill?

Mr. GWINN of New York. The cost has now been estimated to be $500,000,000, which the Government appropriates to World Relief, Inc., which supplements the giving of private individuals in America. At the present time that is the only appropriation. It supplements private giving which we assume would reach at least $500,000,000 or making a total of $1,000,000,000.

Mr. Chairman, the Jews have just undertaken to raise $200,000,000 for relief abroad. Who says that the free American citizen will not voluntarily give the relief which this world needs today? Who says it, I repeat? Why, devil statism in our midst says it.

The burden is too great for you free individuals, you free Americans. You are unable, incapable of voluntarily rising to the world emergency and distributing food and clothing to the hungry and the cold of the world.

The people did not say it. The people are ready to give and to function as free men must function; but the priests and bureaucrats of state worship come forward and say: "You citizens are too selfish, you are too poor, you are too weak to function as free men." So it goes all through this committee bill, instead of saying to the American individual: "Go out and with your own funds help to restore the world, repair factories, repair mines, repair the transports, the motors, and the fertilizing plants, and go forward in the only way that we can get food and shelter to the rest of the world, that is by practicing freedom."

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. GWINN of New York. I yield to the gentleman from New York.

Mr. REED of New York. Right along the line of the gentleman's splendid talk regarding giving, in which I concur, may I say that my home city of Dunkirk has raised several hundred thousand dollars in goods, which are now in the hands of the people who need help. It was not a case of government giving or city giving; it was the individuals of that city who, in response to their impulses to give, raised those funds and the goods that went over to those cities of Dunkirk and Anzio.

Mr. GWINN of New York. Of course, that goes along with all of the effort of Americans to restore and rehabilitate the economy of the rest of the world. The Government cannot do it. Only the individual American, with his genius, his creative capacity, his organization, and his know-how can do this.

Mr. REED of New York. Mr. Chairman, if the gentleman will yield further, right on that question of constitutional limitations, ours is the only government where the people who founded it had the forethought to put in the same law a provision to guard against themselves, guarding against propaganda, and the people are not obeying the limitations in the Constitution.

Mr. GWINN of New York. I thank the gentleman for being so bold as to speak of the constitutional limitations of this Republic. There is nothing more distressing than to see us day after day and month after month fail even to mention the limitations that we contemplated in the beginning and still feel in our soils, lest it cease to remain our free American government and become another kind of government.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. GWINN of New York. I yield to the gentleman from Mississippi.

Mr. RANKIN. As I understand the gentleman's argument, under his bill the relief would go to the individuals who are suffering in Europe, and not to the heads of some governments.

Mr. GWINN of New York. I thank the gentleman. This bill really retains the relief provision of the Hoover Relief Act after the First World War. It took only a paragraph to set in motion the relief that was administered by Mr. Hoover, and which took in both private giving and public appropriations. The people got Hoover food and not food from our statism; or from the Socialists in our State Department to the Socialist cabinets in Europe. By contrast, the Hoover relief was operated along the lines of freedom and free giving. That was Hoover food. That is also what this substitute bill provides for. It is to give to the hungry and not to the political schemers and dreamers of Socialist Europe.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. GWINN of New York. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does the gentleman know of any instances where the American people have failed to rise to an occasion to try to help some foreign country when called upon?

Mr. GWINN of New York. I knew of none until we got into this position of being frustrated and defeated as private citizens by our own statism and reduced to such poverty that we were no longer able to give as we should, or we were denied, through frustration, the rights and privileges of proceeding to give. In

conclusion, I would like to include an exchange of letters between a constituent, Mr. Leonard E. Read, and myself:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 22, 1948.

Mr. LEONARD E. READ,
Bronxville, N. Y.

DEAR MR. READ: As a valued constitutent and one who has helped our thinking greatly in the past, may I implore you to give us the benefit of your thought and information on the European recovery legislation, the so-called Marshall plan, now pending? Is it a necessary part of clearing up World War II and what bearing has it on preventing World War III?

Sincerely yours,

RALPH W. GWINN.

BRONXVILLE, N. Y., *March 23, 1948.*

Hon. RALPH GWINN,
House of Representatives,
Congress of the United States,
Washington, D. C.

DEAR MR. GWINN: I am pleased, as one of your constituents, to respond to your letter of the twenty-second. This gives some point to the work of the past several days in which I have been trying to set forth my personal views on the present war situation.

Because of the nature of my comments I think you should know that I do not come from a line of pacifists. Two sons were fliers in the recent holocaust; I was with the Air Service, AEF, in the former one; my grandfather fought in the Civil War; and a great, great grandfather and a great, great, great grandfather did their turns in the Revolutionary War.

While for some time I have been aware of a growing war sentiment throughout the country I was not, as no doubt you were not, prepared for anything requiring the hurried debates and the immediate Congressional decisions, which the President's message seemed to call for.

In these days when the declaring of wars is no longer a chivalresque prelude to mass murder, one is forced to a game of guessing as to when a state of war exists.

Discerning persons, however, were aware of a state of war between this country and the Axis powers long before the formalizing ceremonies. Indeed, lend-lease was as much of a declaration on our part as Pearl Harbor was on the part of the Japs. The only distinction was that we put food and ammunition in the hands of those who would do our fighting for us while the Japs put bombs in the ships which they believed were destined to fight against them. Pearl Harbor merely served to activate our part in the war, the part itself had already been determined.

War II is generally thought of as over, but I don't know of anything but minor evidence to suggest that it is. True, there is a respite in the fireworks part, and the American posse, in its manhunt, is after a recent ally who is now considered a new enemy of democracy. But—a substantial part of what is referred to as a war economy is still with us; our present annual Federal budget is one-half the amount of the long-range, over-all, $75-billion cost of War I; the commander in chief of our Nation has, in an official message to the Congress, identified the new enemy by name, and has, with the pomp and ceremony of a declaration of war, called for his armed forces. Lend-lease? No. This time it is known as ERP, and, with it, the draft and UMT.

Although what apparently is ahead is nothing more than a renewal of War II it will, officially speaking, be known as War III. We now are in that war, irrevocably, unless we are willing to do a thing quite contrary to the American fighting spirit, namely, say, "Excuse, please; we don't really mean it."

If I had stood up to a demented bully and had "told him off" and had invited him into the alley and, then, had discovered that the fracas would destroy both of us and, plus this, had been informed that he would suffer destruction at his own hands anyway, I am one who would, while continuing my setting-up exercises, turn to other pursuits and let the matter pass.

The general tenor of these remarks to you, sir, is to suggest that we not go to war with Russia; that we call the whole thing off; that we disregard what others with a vested interest in our stupidity think of us; and, finally, that we give some attention to our own needed improvement rather than to a reformation of the world, a project for which we have no demonstrated competency whatsoever.

Did you ever try to squash out, with the slap of the hand, a puddle of mercury? And find that nothing was squashed at all, but that you had splattered the metal all over the place? Well, that is about what happened in War II. We tried to promote freedom by force. In so doing we got rid of several totalitarian items—Hitler and his gang—but splashed totalitarianism all over the globe, a lot of it in the United States of America itself. We succeeded only in changing the label and our concept of totalitarianism from nazism to communism, the stuff itself being more prevalent than ever.

What is there in the record to suggest that we shall do a more intelligent job this time? What, if, instead of getting rid of communism, we should end up with more of it than before? Doesn't the evidence warn us that our gun and bomb techniques of saving the world for freedom have some serious imperfections?

Regardless of the correct answer to these questions, we shall not stop the hostilities now underway unless we are aware of the forces leading us to battle and, thus aware, are ready and willing in sufficient numbers to reverse a decision already made.

These forces divide into two parts. Part one includes numerous despicable items, judged by moral standards. Some of them are:

1. A body of opinion which holds that we are actually enriched by war. This opinion stems from the methods used in financing War II, that is, by monetizing debt, a process that puts more dollars in peoples' pockets while real wealth itself is being destroyed. The term "pent-up purchasing power," used widely by leaders in business and government alike, lent fuel to this foolish fire which still rages.

2. The love of war and all its trappings: the martial spirit; the titles; the medals; the escape from distressing home ties; the camaraderie of the herd for some, and the chance to exercise authority for others; and, above all, the relief that comes to the weak in having the Government or the military take over their cares.

3. The "situation" or the "emergency" which war creates and the resulting tendency to maintain war politicians in office, while at the same time extending the political power.

While many minor items add finally to a major force, it is not true that these hateful sponsors of conflict combined, are responsible for the present war fever. But, it is these, added to the notions of well-disposed persons, that account for what ought to be described as a dangerous hysteria.

Therefore, part two, among the motivating forces leading to war, are the two really pernicious notions held by persons of good intent, notions more responsible than all the others together. They are:

1. Russia becomes stronger and a greater military threat to the Western Hemisphere as she acquires more territory and as she enslaves more people.

2. That the way to rid the world of communism is to kill the persons who are Communists.

Regarding the first notion, the two belligerents in War II with the biggest territories and the most people were China and Russia. In offensive warfare China was a total liability to the Allies and, without arms and supplies from America, I think the same might properly be said of Russia. Her most important role was to serve as another bunch of grapes which the stupid fox, Hitler, tried to grab off and, in so doing, became diverted from his defensive task. Russia served as an absorbent, a blotter, as she did against Napoleon in the Franco-Russian War.

Offensively, whether in the air, on the ground, or at sea, even with our equipment, Russia was impotent. The most that can be said is that she was able to follow the Germans as they hastened homeward to protect themselves against the British and the Americans.

Modern wars are not won by the massing of relatively immobile troops or by the amount of occupied land. Modern wars are won, if any war can be said to be won, by a mastery of industrial production and logistics.

Consider Russia's industrial production. Not once since the Communists took over, some 30 years ago, has she had as much as a button, let alone a typewriter, a truck, or an airplane, that could compete in international trade. What, in any important sense, can she really make beyond what vodka and caviar typify?

Logistically? What difference does it make how many divisions Russia has? She has no efficient ships or planes to move them nor any adequate transportation system to feed and supply them, once removed any distance from home base. Nor has she any industry to produce such equipment.

Can she create an industry? No. The socialistic type of human-effort organization is incapable of any such achievement. There does not exist any evidence of this in all history. Should Russia desert her planned and authoritarian economy for a free market economy, in order to create a great industry, then, that simply means the desertion of communism. That means the end of the police state. That writes finis to statism. That means she would no longer be a threat to us or to others simply because free peoples do not fight. They have no reason to fight any more than you and I have reason to strike each other.

"Oh, but," it is argued, "look at all the natural resources, and the industry of Europe, and the people with the know-how she is taking over." Let's dispose of these three false arguments in their order:

1. Russia, we have reason to suspect, is richer in natural resources than nearly any country on earth. However, Henry Grady Weaver, in his excellent book Mainspring, suggests that nothing is a natural resource until after man has made it useful to human beings. Coal was not a natural resource to Julius Caesar, nor crude oil to Alexander the Great, nor aluminum to Ben Franklin, nor the atom to anyone until 1945. Men may discover uses for any substance. Nobody can know today what may be a natural resource tomorrow. It is not natural resources but the uses man makes of them that really count.

The point is that Russia, under her system of the police state, has not been able to make any significant use of her own resources. Why, then, should we fear that she can make use of the resources of other countries?

2. Now, about industry. How would you like to undertake the organization, today, of an industry on the scale of General Motors or the United States Steel Corporation? Now and then in history there exists a man with these qualities who, when working in a free

market economy with all conditions favorable, can do something of this sort. But, today, with socialism rampant in our own country, with the currency debauched, and with the function of management spread to labor unions and government bureaus, it is doubtful if there is a living person who could perform such a feat.

Now put yourself in Stalin's shoes. What he gets done has to be done by the fear of death rather than by the hope of reward. His monetary and other economic conditions are incomparably worse than ours, bad as ours are. He has been a total bust, industrially speaking, from the day he started. Except in a criminal way, he is not a brilliant person, as indeed a gangster cannot be.

But granting your own or anybody else's organizational brilliance, in these shoes, is there one who dares to say that he could organize all of Europe and a great part of Asia into anything resembling industrial efficiency? If so, he is a genius not yet known to his contemporaries or to history.

The police state does not have, nor is it possible for it to have, any competency for this creative function. It can destroy that which is in it and near it—that is all.

Some may cite the case of Hitler. In that case he drew on a country of great productive enterprise, and skilled entrepreneurs, developed in a condition of freedom much greater than is generally suspected. Hitler merely drained all the reserves from a sprightly people and all they had built, and spent it. Russia, nor any part of Europe today, has nothing like this to draw on.

It is well to remember that industrial rehabilitation is not possible under socialism. As a matter of fact the industrial status quo is even impossible of maintenance, the European recovery program with all of its American billions notwithstanding. See if any evidence to the contrary can be found anywhere, anytime. Actually, socialism ought to be regarded for what it is and called what it is: self-liquidationism.

3. Now about the millions of additional people that Russia is enslaving. Do you imagine that these new slaves to Russian tyranny are going to become cooperators? Isn't it more than likely that they will become tormentors, even saboteurs? Can't we see, just from our own day-to-day relationships with people, in the family and in the office, particularly when we try to make them goose-step in accordance with our own designs, that the more neighbors Stalin gobbles up the nearer he is to the crash of his whole house of cards? He is tieing millstones around his neck and, being power drunk, believes these to constitute new elements of strength, or at least would have us believe it.

From the standpoint of an armed threat to America or to any part of the Western Hemisphere, Stalin and his automatons are nothing more than a blusterous joke.

There are only two remaining things which plague me. One is the atomic bomb which some of my scientist friends claim Russians can produce. Maybe she can and maybe she will use it. Or, maybe she will, if savage enough, do a much easier thing: spread some tubes of virus, that is, engage in bacteriological warfare. Using that process she could hide 10 planes and the crews to man them and, after we had pummelled all the Russian people into submission, she could still exterminate us. Hate, which war breeds, probably would assure this. War, it would seem, is a fruitless way to combat this sort of thing.

The other point that bothers me, as well as most Americans, is the way Russia is "taking over other countries." But she is not doing this with armies. No massed Russian forces marched into Czechoslovakia. Only a set of evil ideas marched in which a minority of Czechoslovakians themselves adopted and put over. Are we, in addition to killing the Russians, to search out and then judge and then kill these minorities? Who among us, in our executive, legislative, judiciary, or military departments, has the effrontery to say he is qualified for this satanic task? I ask again that we remember our last two efforts to make the world safe for democracy by the use of force. I ask that we ask ourselves, How are we doing? Are we so blind that we would kill off more millions of women and children in the name of righteousness and on behalf of justice?

I should now like to examine the second pernicious idea, namely, ridding the world of communism by killing human beings, that is, by war.

First, what is communism? The answer should be given in two parts; that is, communism as it is commonly thought of, and communism as it actually is.

Most persons think of communism only as it manifests itself politically. They reason that Russians are Communists and Stalin is the head man. The system is rotten principally because Stalin and his secret police are ruthless. Those who disagree are sent to the salt mines, the concentration camps or are shot. Phooey to such a system. The world ought to be rid of it. That's easy. Just shoot the Communists.

Few seem to realize that the gangster, Stalin, is a logical and inevitable consequence of the admission of the socialistic premise. If he weren't the head man someone equally as bad would be. He is where he is just as fungus is on a muck heap. And you don't get rid of a muck heap by scraping off the fungus. Nor do you rid the world of communism by brushing off the Stalins. The problem isn't that simple.

The contest that has to be waged is an ideological contest. The things that have to be destroyed are bad ideas, not the persons who are foolish enough to uphold bad ideas. If killing Russians is our answer to this problem then a lot of suicides are in order here at home.

Communism is an idea, a collectivistic idea. It holds that the individual has no rights, that the individual's role is only that of serving the group; that is, the state. Saint Simon put in words what Karl Marx later held to be the ultimate ideal of communism: "From each according to ability, to each according to need."

Such an objective denies, absolutely, the right to private property; that is, the right to the fruits of one's labor. The greater one's ability, the more one acquires, the more one is forced to give up. Obviously, free competitive enterprise would result in no such apportionment of a nation's goods and services as this principle requires. Therefore, the state ownership of the means of production has to form the keystone of this system.

Now, let's see what happens under this ideological system:

(a) The victim; that is, the person with ability, is deprived of what he produces. This removes his incentive to produce.

(b) The beneficiary; that is, the one in need, who receives unearned rewards, is relieved of the necessity to produce, which, likewise, removes his incentive for production.

(c) Hence, as production declines, the incentives to production having been removed all along the line, this procedure of coercive collectivism must inevitably lead to arbitrary and dictatorial punishment. With voluntary production abandoned, and production being an essential requisite to survival, there is always, and has to be, a way found to whip up production among the ever-increasing nonproducers and, also, among those who the authorities think are insufficient producers. Even the original beneficiaries soon become the victims of the thing they helped contrive.

There is another way to explain how socialistic and communistic ideas inevitably lead to the political horror which, when experienced, cause even the proponents of these ideas to wail, "But I didn't mean this!"

Suppose, for instance, that you take over the financial care of a widowed sister. Do you let her incur whatever bills meet her fancy, or do you, with the responsibility for this phase of her life, exercise an authority consistent with the responsibility? You must reserve the right to exercise authority in this respect or you run the risk of ruin.

It is the same when the state becomes the caretaker. In whatever area a responsibility is assumed, in that area authority is exercised. The socialistic program calls for the state to be all-responsible. The essential concomitant of this is all-authority. Practically, however, this process seldom happens in one fell swoop but, rather, as here in America, it goes on item by item. Eventually, the all-authoritarian state emerges, at the head of which there has to be, by reason of the nature of the job to be done, a Stalin, a gangster. If you would inquire into the philosophical reason for this inevitable consequence I commend the chapter entitled "Why the Worst Get on Top," in Friedrich Hayek's "Road to Serfdom."

I have several conclusions:

Communism and socialism are basically one and the same thing: the state ownership and control of the means of production. The reason that so many think kindly of socialism and hatefully of communism is that the advocates of state interventionism are often thought of as Socialists while the biggest body of practitioners of interventionism style themselves Communists. There is, however, no real division on this point among the Russians. While calling themselves Communists they call their country the U. S. S. R., the Union of Soviet Socialist Republics.

Communism or socialism—or the same thing, State interventionism here at home—is a philosophy to be despised and explained away. It is not a military threat to be feared and shot away.

War I, as I have said, will, when paid for, have a cost of about $75,000,000,000. War II, if it can be predicted that it will ever be paid for, will cost not less than $700,000,000,000!

Financially, Mr. GWINN, I have grave doubts of our ability to digest what we have already incurred. A widespread understanding of complex economic problems, an understanding more to be hoped for than seriously expected, will have to maintain if, in the face of the certain yet-to-come shocks of Wars I and II, we are to regain our voluntary society and the free market economy.

War III? It is unthinkable. Nothing the Russians are able to do to us, now or in the future, or to the rest of the world, now or in the future, could possibly equal the damage war III is certain to inflict.

Have you seen, or are you as a Member of Congress able to procure, a copy of what is officially known as "United States Industrial Mobilization Plan—1947," a document of the Munitions Board? From what I know of it there is revealed an inkling of the controls, the regimentation, the political authoritarianism, that war III will install. While I believe these controls will hamper rather than assist in the prosecution of a war and, therefore, ought not to be adopted, I believe, because of the prevailing state of mind, that they are inevitable should we again go to war. As a matter of fact we are even now employing them.

But it is not merely these controls during war and their assured remnants in the "peace" that I fear. It is rather the disorder, the chaos, the destruction of the market, the growing disinclination to voluntary action, the search for a shepherd and a sheep dog as an escape from self-reliance, the total debauchery of the currency, and the loss of morals, which War III will guarantee, that make me shudder for my country.

Read President Wilson's speech following War I. It said in effect, "Back to your plows,

boys, the Government's control over your affairs is finished." Then, read President Truman's speech following War II. It said in effect, "The emergency is still with us. Continued governmental controls are necessary."

Visualize, if you can, who will be speaking following War III. I could write his speech for him right now. It would say in effect: "The people have placed their powers of decision, their social energies, in my hands. Henceforth, we shall all work for and on behalf of the state."

Thus will America, as we have known it, be at its end. The total state will then be ours. We shall use some such euphony as the "cooperative state," but it will be the same old stuff—socialism, or, if you will, communism. For it is out of the muck of war that communism grows, as does alga in a stagnant pool.

Actually, this proposal for War III is an attempt to divide the world into two armed camps. One of these will be supported by American labor, American industry, and American boys in the armed services. It is an open confession that we have lost the peace, and that now, in a world which is prostrate by reason of our attempt to rescue it from one dictator, we are picking up where we left off in 1945 and again bent on saving the world by the intervention of our arms.

This time, however, our enemy takes a different and more difficult form. He does not present us with armies to fight or with cities to bomb. He is scattered all over the world, carrying on his deadly work of disintegrating civilization under the guise of socialism, many forms of labor unionism, of racial and civil-rights battles, and disguised in all sorts of "front" organizations and political movements.

We propose, among other things, to stop him by assisting his principal allies, the Socialist Parties of Europe. We propose to stop him by mobilizing at home and draining further wealth from our country.

We are about to fight an enemy that but few understand, least of all the man trained with guns. We are about to face an opponent whose ways are so devious and who has so many disguises that not only are most of us unable to reach him, but we won't know him when we see him. As a matter of fact, much of the enemy will be in our own ranks. For the essence of the enemy, communism, is a state of the mind.

Nonetheless, in attempting to reach this insidious enemy, we will be furthering the aims of Communist Russia, for we shall be weakening the people of the United States to the point where we will be cut down to Russia's weakness.

I said earlier that Russia could not possibly do anything as harmful to us as would a third world war. War III will assure the state ownership and control of the means of production in America. That is communism.

Here's my point: If we become Communists we will kill each other—kill each other in greater numbers than the Russian Army can kill us. Does that sound fantastic? Well, in this instance, I shall refer only to the record. You will find that the greater the development of authoritarianism in any country the greater is the self-destruction, not merely of productive facilities but of persons. And so it has been in Russia in the 31 years of the Communist regime. It is safe to say that the Russians under communism have killed, starved, and slave-labored to death at least 17,000,000 of each other. That equals the estimated number of soldiers killed in all warring nations during War I and War II.

The reason is simple. Authoritarian arrangements must have a tyrant as head man. Tyrants cannot remain at their posts except as they rid their populations of would-be usurpers and supporters of would-be usurpers. Tyrants kill.

There is no reason, whatever, to believe that such an arrangement would work any differently in America than in Russia. Russian individuals living in Russia aren't any different, by nature, than Russian individuals living in America. As persons they are as good as persons here. The manner in which society is ordered is what accounts for the difference. The issue, really, is between the coercive society with its total state and the voluntary society with its limited government.

Now, my neighbor and friend, I beseech you and your colleagues to be on guard against a sinister influence. It is this. There are several American radicals proclaiming against war with Russia. Men with your noble purposes do not like the idea of getting in bed with them. While I do not necessarily attach any trickery to their own utterances, I totally mistrust the commie slickers who lay down the "party line," which, often, is the basis for radical utterances in our country.

For example, I am certain that Stalin and his henchmen want us to approve the European recovery program. Those clever, designing and sly folk would not speak out against it if they did not want it to become a part of our policy. They keep a more accurate account of our political pulse and temperature than we do ourselves. Thus informed, they know that the best way to get us to approve ERP is for them to appear to be against it.

Similarly, in this "situation." Getting us into war is the quickest way to effect the "world revolution." How better to promote it than to have their fronts here speak against it?

The real threat of communism to Americans is not guns and bombs; it is bad ideas, ideas which would destroy every vestige of individual freedom, every precious personal relationship, every advantage of a voluntary society. Communism's target is our minds. It is there where we must construct our defenses. We must know and understand freedom, so that we may protect it and destroy the insidious notions which are the enemy. No atomic bomb has power to compare with the power of ideas. When we know and practice the ideas of liberty, guns and bombs and virus become but the vestiges of a barbaric past.

I appreciate the privilege you have given me.

Faithfully,

LEONARD E. READ.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HAVENNER. Mr. Chairman, I rise in opposition to the substitute.

Mr. Chairman, during the present debate in the House of Representatives I have heard the bill now under discussion described by some of its opponents as a war measure. I do not subscribe to this belief. Indeed, my controlling reason for supporting the European recovery program is that I am convinced that it offers America's greatest hope for preventing future wars.

Throughout my thinking life I have hated the idea of war. I have feared and distrusted the intrusion of military institutions into the fabric of democratic society, because it seemed to me that the two things were fundamentally incompatible, and that if they were forced to endure side by side, the military influence might destroy the processes of democracy. In my youth I used to imagine fondly that peace on earth could be achieved by resolute application of the doctrines of disarmament and universal friendship to our national and international policies. I was persuaded that the psychology of peace could overwhelm the forces of war in world relationships. The idea that the young manhood of American could or should be transformed into warriors was utterly abhorrent to me.

Mr. Chairman, I have no apology to offer for the idealism of my earlier life, nor do I now intend to abandon any of it save only that part which stark realism in this bloodshot world has convinced me is temporarily untenable. The dearest thing in life to me is the freedom of the American way of life. My forefathers and yours fought and died to create the Magna Carta of individual liberties, which is the Bill of Rights in the American Constitution. In my humble way, I have always struggled to protect civil liberties in America against every threat of impairment or destruction. Sometimes my devotion to the Bill of Rights has made me a target for bitter criticism and denunciation. There have been occasions when the ugly eye of suspicion was directed at me because I would not submit to outbursts of mass hysteria which sought to set aside some of our constitutional guaranties of the rights of individuals. But I shall continue, so long as I live, to fight for civil rights, individual liberty, and for the preservation of the American way of life.

It is precisely because I hold these things so dear that I have determined to support the pending legislation. I regard it not as a war measure, but as a carefully conceived program to win the kind of peace for which a vast number of young Americans have given up their lives.

Twice during my lifetime the soil of Europe has been drenched with American blood. After the First World War, despite the decisive part our armed forces had played in the defeat of Germany, the Congress of the United States refused to join the League of Nations, which had been created by President Wilson. At that time a majority of the American people, including the present speaker, supported our congressional leaders in adhering to the policy of George Washington and refusing to participate in entangling foreign alliances.

The abstention of America rendered the League of Nations internationally impotent. The League degenerated into a mere debating society, whose futile efforts to preserve world peace soon became the object of open scorn by the military dictators who sprang into power in the bankrupt areas of Europe. Emboldened by their belief that America would never interfere with their ambitions, the German and Italian tyrants proceeded with their program of world conquest. They enlisted the support of Japan. Great Britain attempted a policy of appeasement. The result was World War II and finally Pearl Harbor.

Then the die was cast with respect to our foreign policy in the future. The American people determined, with invincible unanimity, that never again would this Nation refuse responsibility for maintaining the peace of the world. We invaded Africa, Europe, and the is-

lands of the Pacific. Italy collapsed, Germany was completely crushed, Japan surrendered.

But for the intervention of our armed forces, the outcome of the war would have been totally different. Russia would inevitably have been subjugated by the Axis attack. England could not long have survived. All of continental Europe would now be under Nazi domination. Japan would have completed her conquest of Asia, Australia, and the islands of the Pacific, including the Philippines. And today this country and the entire Western Hemisphere would be in imminent danger of attack by those militant enemies of democracy if, indeed, the attack were not already under way.

In the brief space of three decades America has twice been compelled to conquer the greatest threats in all history to the democratic way of life, and we are now irrevocably committed to the maintenance of peace throughout the world, by whatever means are necessary. Failure in this commitment is unthinkable. It would be a betrayal of our countless hero dead who gave up their lives on battlefields in all parts of the earth in the sacred belief that they were making peace possible for future generations of mankind everywhere.

Today, although the echoes of the recent world conflict have scarcely subsided, we find ourselves confronted with a new and amazing threat to world peace and the democratic way of life. This threat is amazing because it emanates from one of our principal allies in World War II, whose national existence would have been completely destroyed if we had not gone to her assistance when she was staggering under the assault of the Nazi military machine.

Nowhere in all history can any comparison be found for the base ingratitude which Russia has displayed toward America for saving her from utter destruction by the Axis forces. As soon as her triumphant invaders were overcome by the intervention of America's military might, Russia, in effect, declared war upon her savior. She immediately repudiated her previous pretense that she had been fighting with us to make the world safe for democracy. Instead, she denounced the United States as a warmonger and an imperialist menace to the peace of the world, and proceeded by political intrigue to impose her form of totalitarian government on every neighboring nation where human rights and individual liberty had been recognized. Lithuania, Estonia, Latvia, Poland, Yugoslavia, and Czechoslovakia have already been swallowed into the totalitarian maw of communism, and the same threat is now directed at Italy, Greece, and France. It is unmistakably apparent that Russia's program of cold war conquest is ultimately designed to wipe out all of the remaining democracies on the continent of Europe. In every instance where a cold war has been waged America has been held up as the real enemy of the people about to be conquered.

In this ruthless campaign of conquest Russia asserts that she is merely winning the peace for the future protection of her own people.

The falsity of this pretense is so apparent that America can no longer delay in taking the steps necessary to preserve some measure of safety for the remaining nations of this world whose peoples desire to live in liberty and freedom.

The threat of Russian communism is to destroy liberty and freedom and establish tyranny in every part of the world. The purpose of the Marshall plan is to put a stop to this fanatical campaign and to draw a line across the continent of Europe beyond which the ravages of cold war will not be permitted to extend. This will be accomplished not by force of arms but by peaceful economic and financial assistance to millions of people who were left in poverty and misery by the war and who are unable today to help themselves.

America has a deep moral obligation to aid these people. With our own blood and sweat and tears we freed them from the yoke of Nazi enslavement. They were our allies in the late war, and victory could not have been won without them. We told them that we had entered the war to make the world safe for democracy and freedom, and every American who died in that vast conflict believed that he was making the supreme sacrifice to redeem that sacred pledge. To repudiate such an obligation now would be a betrayal not only of the freedom-loving peoples of Europe but of our own heroic dead as base as the perfidy which the Russian Communists have exhibited since we saved them from national destruction. Such a course by America, the greatest exponent of liberty and freedom in all history, is unthinkable.

Ten years ago the American Nation awoke too late to a realization that the Fascist dictators of Europe had embarked upon a military campaign to crush freedom and democracy wherever they could attack that way of life. Before we could mobilize our national resources, Hitler and Mussolini had almost succeeded in their mad adventure and the lives of countless young Americans had to be expended before they were overcome.

Today we face a political program of communism which has the same objectives as those of Hitler and Mussolini but which has infinitely more finesse than the Nazis and the Fascists were able to perfect. The technique of the communistic "cold war" is diabolically clever because thus far it has avoided any overt violation of the recognized principles of international law. But it is now unmistakably apparent that if the Communists succeed in their program for a political conquest of Europe, we of America and the remaining democratic nations of the rest of the world are marked for extinction.

The time has come when the American people, with a steadfast faith in the theory of democratic government, must throw all of our vast national resources, which the processes of democracy have enabled us to acquire in a brief period of history, into a final test against the tyranny of communism. The pending legislation will pit the political program of democracy and individual liberty against the political program of communism and mass slavery.

Communism is the antithesis of democracy. Under communism one group seizes permanent control of all of the powers of government. Democracy is the product of the age-old struggle of society to prevent the domination of any one class and to provide the greatest opportunity for the individual to work out his own destiny. It is under the democratic system of government that man has achieved the greatest measure of success and happiness in life.

The invariable aftermath of a successful Communist revolution is that a new clique is given the absolute power of exploitation over all of the people. As Supreme Court Justice William O. Douglas said in a recent speech at the University of Florida:

> It is as if a vengeful god chased a devil off a throne and then, with the scepter in his hand, became the new devil.

Effective democratic government is the only political antidote to communism. War cannot crush the Communist ideology. Indeed war always leaves in its wake fertile ground for the seeds of communism, which thrive in human misery and suffering. Democracy can be made effective by practical measures which recognize the human rights of all citizens and raise the standard of living at all levels of society.

At home and abroad America's paramount policy must be to promote liberal, humanitarian programs for the benefit of the masses of the people. We must strengthen our own democratic institutions as an example for the democratic forces which we are supporting in other nations. Inability to demonstrate the superiority of the American way of life to every other form of organized society would inevitably mean failure in our efforts to encourage democracy and freedom elsewhere in the world.

In my opinion the most important thing which this Congress could do here at home would be to raise and extend the standards of our social-security system so that the United States would lead all the nations of the world in caring for its aged and infirm citizens, and in wiping out poverty. Russia's most telling challenge to the American democracy has been its boast that all the people of Russia enjoy complete social security, and her sneering taunt that in America, the land of the rich, poverty is prevalent.

Last year the leadership of the House turned thumbs down on social-security legislation, and nothing was done. Recently, however, a ways and means subcommittee has been appointed to consider amendments to the Social Security Act, and I earnestly hope it will do the kind of a job that ought to be done. If we want the hundreds of millions of people in the world to be in the democratic ranks, we must show them the way with practical programs of social reconstruction.

Mr. Chairman, one of the greatest social crises in all history confronts the world today. Inexorable forces are sweeping over the face of the earth, and the fate of western civilization is at stake. This is the hour of destiny for the American people. Upon their wisdom and their courage depends the survival and extension of democratic government. The pending bill is designed to meet this challenge. I shall vote for it with confidence in its integrity and high purpose.

Mr. GAVIN. Mr. Chairman, I move to strike out the last word, and rise to speak in support of the amendment offered by the gentlemen from New York [Mr. GWINN].

Mr. Chairman, some time ago I noticed in the Washington Post a story stating that 50,000 Communists were gathered in Rome. I wondered with conditions as they are in Italy, particularly as far as transportation is concerned, how 50,000 people could come into Rome unless they had some vehicles to transport them. On the tour of Europe last fall while we were in Rome, we visited the American cemetery at Nettuno near Anzio, which is, I would estimate, 50 or 60 miles from Rome, where we saw the graves of 7,499 American dead, a number of boys from my part of my State of Pennsylvania. On the way to Anzio in the forenoon I noted gatherings of people along the road. I was advised that these were people belonging to farm cooperatives who were assembling to attend a rally in Rome that night. On the way back from Anzio I noted that these groups were in trucks on their way to Rome with the big red flags with the insignia of the hammer and sickle emblazoned thereon flying from the trucks. One truck particularly, a comparatively new Dodge truck, took my eye. So at the briefing with the military and State Department officials the next morning, I inquired as to how they secured these trucks. If my memory serves me correctly, I was informed that they were surplus war material purchased through a corporation which had been formed and which is known as ARAR, which is an abbreviation for the name Azienda Relievo Alienazione Residuati. After considerable discussion at this briefing of the military and State Department representatives we were informed that it was a branch of the Italian Government. Since my return, I have made some inquiries about ARAR, and have been advised that this is an Italian corporation which acts for and on behalf of the Italian Government in the purchase of surplus property, and that all types of surplus materials have been purchased by this corporation, military as well as civilian. At the time this surprised me greatly to know that such a corporation was in existence as a part of the Italian Government and able to buy surplus war material because I was of the opinion that the Italian Government was pretty much broke. So in my inquiries after my return, I ascertained, and this comes from the State Department, and I will quote:

During our conversation, the total number of 76,192 vehicles sold up to April 30, 1947, was discussed. On that date, approximately 77,000 vehicles were left for sale and it is assumed that most, if not all, have been sold by this date. The following table answers in detail your request for types of equipment handled by the ARAR:

	Sold up to Apr. 30, 1947	On hand Apr. 30, 1947 [1]
Jeeps	7,837	4,854
Trucks (up to 1-ton)	8,173	1,050
Trucks (1- to 3-ton)	7,108	11,549
Trucks (3- to 10-ton)	18,008	26,409
Trucks (over 10-ton)	788	818
Ambulances	1,981	4,110
Miscellaneous	2,252	7,534
Trailers	5,976	16,730
Motorcycles	16,632	3,751
Italian vehicles	3,368	209
German vehicles	4,069	828
	76,192	77,842

[1] Sold at rate of 10 to 12 thousand per month.

The larger purchasers of this equipment were transportation companies, trucking firms, Italian state railroads, farm cooperative groups, and the Fiat Motor Co., which bought large quantities, reconditioned the equipment, and sold it in smaller quantities to smaller groups. While it is known that some of the farm cooperative groups have Communist members or may be Communist-controlled, the majority of these farm cooperative organizations are free from Communist domination.

I was also surprised to know that ARAR would be permitting our surplus materials to fall into the hands of Communist sympathizers.

What I would like to know is why our Government would sell our materials to such a corporation and how it was financed.

I would also like to know who determined the policy permitting the sale of surplus materials to this corporation; materials which fell into the hands of Communist groups.

So, it looks as though we are furnishing the money to sharpen the razor to cut our own throats.

Recognizing the fact that conditions in world affairs are desperate and critical, and, if these trucks were surplus war material and fell into the hands of Communist sympathizers through this organization, ARAR, what assurance do we have that this program is to be properly administered and what we supply through the European recovery program will not be handled by this same ARAR group.

This whole program should be disassociated from the State Department and placed in the hands of people who will do the kind of a job we want done, to secure the results anticipated.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GAVIN] has expired.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Now we are going into another colossal program of world spending and it should be handled in a hard-headed, practical manner by sound, clear-thinking, experienced operators and not a lot of world-thinking do-gooders. When I tried to find out who determined the policy that would sell our surplus war material to a corporation that would permit it to fall into the hands of communistic sympathizers, I was unable to get any information.

Now, again, today, we are asking who is going to administer this program of five or six billion dollars. If it is the same old crowd you might as well pour it down the drain. Before we do anything we ought to find out who is going to head up this European relief program. Are you going to have another instance where American trucks, jeeps, trailers, and motorcycles fall into the hands of communistic sympathizers, equipment that may eventually be used against us? As my good friend the gentleman from New York [Mr. GWINN] said, it is about time we woke up and took a stand and demanded to know who is going to do this administrative job and how it is going to be handled and what results we are going to obtain for this several billion dollars we are to spend. The whole program is a gamble, purely speculative, but if the gamble is made—and it is a gamble—we are entitled to know and we should know before we take action on this important measure today as to who is going to handle this job of spending billions of dollars of the American taxpayers' money.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

THE SO-CALLED MARSHALL PLAN

Mr. RANKIN. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Chairman, no man in Congress has fought communism harder than I have. No man in Congress has taken more abuse than I have taken from the Communists and their sympathizers in our midst, from the ones on the Federal pay roll to the ones in our educational institutions, who have been busy trying to undermine and destroy everything for which America stands.

Therefore, when I rise to speak in the interest of my own country, I do so conscious of the condition of the world and of the intrigues being carried on in this country to undermine and destroy our Christian civilization as well as our American institutions and our American way of life.

If every man in this House were to vote his honest, conscientious conviction, this bill would be either defeated or recommitted to the committee by an overwhelming majority; and that is what should happen.

Then we should bring out a bill from the Military Affairs Committee to construct the strongest air force on earth; to return the atomic bomb to our military authorities, and let the world know that America is ready to defend and protect herself. That would do more than all the billions of our taxpayers' money you could possibly pour into the sinkholes of Europe and Asia.

It will take the overburdened taxpayers of this country a hundred years to pay off this $17,000,000,000 of debt called for by the so-called Marshall plan.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. RICH. Is it not a fact that the materials we ship now under this bill will go into the hands of the enemies instead of the ones we intend to help?

Mr. RANKIN. We have practically no assurance that what we ship to Europe or to Asia will not ultimately fall into the hands of the Communists.

When I was at home last year I talked with a young man who was a captain in our Army and was stationed in China for 2 years. He asked me why we proposed to send money to feed the Chinese. He said that they have been starving to death by the tens of thousands in China for thousands of years. He said he saw them die by the roadside, the dogs eating their dead bodies, and the other Chinese filing past and never stopping to pick them up.

Yet you come in here with a proposition to dig down into the pockets of the overburdened taxpayers of America, take $570,000,000 of their money, and send it to China.

The people at home last year asked me how I stood on the Marshall plan. I said that I first wanted to try out the Rankin plan. They asked me what it was. I said that it was for those lazy people in Europe to sober up, get out and go to work; then if they needed more money we should let them extend their own credits, and not ask us to add further to the load of the overburdened taxpayers of America. I never had a single man from one end of the State to the other take issue with me on that subject.

There is not a country in Europe, including Great Britain, that is as deeply in debt as the United States.

I am going to support the amendment offered by the gentleman from New York [Mr. GWINN]. I think it is a sensible one, and I believe it should pass. Its errors can be corrected in conference.

Then let us bring out a bill here to restore or to build up our aviation corps, make this country strong and powerful, and let the world know we are prepared to take care of ourselves.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. COX. Let me say to the gentleman from Mississippi that it is my belief that this bill could be used to wreck this country if it is to be administered by the people who made the program. I support it because of the strength of my hope that the President will exercise care in the naming of an administrator; for, as the committee sponsoring the bill stated in their magnificent report time and time again, the success of the plan depends upon the people who administer it.

Mr. RANKIN. Mr. Chairman, I sympathize with the gentleman in his supreme optimism with reference to the wisdom of the President of the United States, after his miserable fiasco in dealing with the so-called civil-rights program.

I have no such illusions. I saw what went on with UNRRA. You dug down into the pockets of the American people and poured money by the billions into the pockets of a gang of well-dressed strutting individuals in Europe, and it was not worth a tinker's dam to the recovery of devastated Europe. It did not do anything to help the people of Europe to recover. In fact, I think it really hindered recovery.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. REED of New York. While there are hundreds of things about this bill that I fail to understand because I do not know what is going on behind the iron curtain—for instance, I just had a document from one of the most distinguished Members of this House, the gentleman from Virginia [Mr. BLAND], in which it is stated that we are destroying our merchant marine. In 2 years we have given away 1,500 ships, and under the European relief bill it is proposed to give away 200 more in violation of the very act we passed here recently.

Mr. RANKIN. Let me say to the gentleman from New York [Mr. REED] and to every other Member: Do not forget that you are going to have to answer for this measure when you go home.

I know there is a wave of propaganda for it; I know there is a group of international bankers clamoring for it. I know the Steel Trust and the big oil interests are for it.

They tried something like this right after the last war. They brought in a resolution, the gentleman from New York [Mr. REED] I am sure will remember, to cancel the Italian debt or to extend it for 62 years, knowing that no international debt had ever been paid that had been extended beyond the life of one generation. I fought it, and I believe the gentleman from New York [Mr. REED] fought it; but they wanted to cancel that $2,000,000,000 debt in order to increase Mussolini's credit in New York.

How much longer are we going to be led into these blind alleys?

I represent about the hardest-working people in America. I am going to put into this RECORD some statistics showing just what this measure will cost them, this and the other billions of their dollars that have been poured into the sinkholes of Europe—and Asia.

The time has come for Americans, for their Congressmen, to respond to the call of duty and pass laws to protect America, and give the world to understand that we are going to look after our own country and after our own people first.

Then we will be respected, and no nation on earth will dare attack us.

As I said, I represent a district of hard-working people. They pay their share of the Federal taxes. The same thing can be said of the people of the entire State of Mississippi.

I am inserting some tables showing the population of each county, the share of each county in the foreign-aid commitments of this Government from July 1, 1945, to June 30, 1947, and also the share of the foreign aid for the people of each county under the proposed European recovery plan 1948–52, the share of the total foreign aid provided and proposed for the people of each county in the State, and also the county ad valorem and poll taxes paid by each county for the fiscal year 1941.

The matter referred to follows:

Total cost of foreign aid apportioned on a Nation-wide per capita basis as applied to the population of counties of Mississippi

County	Population, 1940	Share of all foreign-aid commitments July 1, 1945, to June 30, 1947 (population × $183.03) based on $24,099,211,087	Share of foreign aid proposed under European recovery plan 1948–52 (population × $129.11) based on $17,000,000,000	Share of total foreign aid provided and proposed 1945–47, 1948–52 (column II plus column III) based on $41,099,211,087	County ad valorem and poll taxes, fiscal 1941
	I	II	III	IV	V
Adams	27,238	$4,985,371	$3,516,698	$8,502,069	$165,336.93
Alcorn	26,969	4,936,136	3,481,968	8,418,104	197,565.65
Amite	21,892	4,006,893	2,826,476	6,833,369	139,539.30
Attala	30,227	5,532,448	3,902,608	9,435,056	202,434.56
Benton	10,429	1,908,820	1,346,488	3,255,308	60,625.19
Bolivar	67,574	12,368,069	8,724,479	21,092,548	601,978.75
Calhoun	20,893	3,824,046	2,697,495	6,521,541	122,474.83
Carroll	20,651	3,779,753	2,666,251	6,446,004	114,733.39
Chickasaw	21,427	3,921,784	2,766,440	6,688,224	135,602.68
Choctaw	13,548	2,479,690	1,749,182	4,228,872	89,993.25
Claiborne	12,810	2,344,614	1,653,899	3,998,513	105,663.52
Clarke	20,596	3,769,686	2,659,150	6,428,836	181,665.80
Clay	19,030	3,483,061	2,456,963	5,940,024	91,190.62
Coahoma	48,333	8,846,389	6,240,274	15,086,663	360,333.86
Copiah	33,974	6,218,261	4,386,383	10,604,644	240,288.50
Covington	17,030	3,117,001	2,198,743	5,315,744	113,280.81
De Soto	26,663	4,880,129	3,442,460	8,322,589	221,867.69
Forrest	34,901	6,387,930	4,506,068	10,893,998	219,327.25

Total cost of foreign aid apportioned on a Nation-wide per capita basis as applied to the population of counties of Mississippi—Continued

County	Population, 1940	Share of all foreign-aid commitments July 1, 1945, to June 30, 1947 (population × $183.03) based on $24,099,211,087	Share of foreign aid proposed under European recovery plan 1948–52 (population × $129.11) based on $17,000,000,000	Share of total foreign aid provided and proposed 1945–47, 1948–52 (column II plus column III) based on $41,099,211,087	County ad valorem and poll taxes, fiscal 1941
	I	II	III	IV	V
Franklin	12,504	$2,288,607	$1,614,391	$3,902,998	$73,914.29
George	8,704	1,593,093	1,123,773	2,716,866	90,402.03
Greene	9,512	1,740,981	1,228,094	2,969,075	74,820.27
Grenada	19,052	3,487,088	2,459,804	5,946,892	153,162.31
Hancock	11,328	2,073,364	1,462,558	3,535,922	148,333.84
Harrison	50,799	9,297,741	6,558,659	15,856,400	675,170.56
Hinds	107,273	19,634,177	13,850,017	33,484,194	765,151.02
Holmes	39,710	7,268,121	5,126,958	12,395,079	327,739.63
Humphreys	26,257	4,805,819	3,390,041	8,195,860	359,688.12
Issaquena	6,433	1,177,432	830,565	2,007,997	96,455.63
Itawamba	19,922	3,646,324	2,572,129	6,218,453	104,284.65
Jackson	20,601	3,770,601	2,659,795	6,430,396	161,057.22
Jasper	19,484	3,566,157	2,515,579	6,081,736	142,483.09
Jefferson	13,969	2,556,746	1,803,538	4,360,284	103,261.38
Jefferson Davis	15,869	2,904,503	2,048,847	4,953,350	118,307.97
Jones	49,227	9,010,018	6,355,698	15,365,716	347,888.85
Kemper	21,867	4,002,317	2,823,248	6,825,565	100,533.65
Lafayette	21,257	3,890,669	2,744,491	6,635,160	88,743.80
Lamar	12,096	2,213,931	1,561,715	3,775,646	100,824.30
Lauderdale	58,247	10,660,948	7,520,270	18,181,218	423,486.86
Lawrence	13,983	2,559,308	1,805,345	4,364,653	95,795.81
Leake	24,570	4,497,047	3,172,233	7,669,280	144,096.15
Lee	38,838	7,108,519	5,014,374	12,122,893	252,893.17
Leflore	53,406	9,774,900	6,895,249	16,670,149	391,482.21
Lincoln	27,506	5,034,423	3,551,300	8,585,723	196,664.31
Lowndes	35,245	6,450,892	4,550,482	11,001,374	133,104.09
Madison	37,504	6,864,357	4,842,141	11,706,498	222,837.01
Marion	24,085	4,408,278	3,109,614	7,517,892	122,009.63
Marshall	25,522	4,671,292	3,295,145	7,966,437	140,397.83
Monroe	37,648	6,890,713	4,860,733	11,751,446	156,663.87
Montgomery	15,703	2,874,120	2,027,414	4,901,534	105,772.85
Neshoba	27,882	5,103,242	3,599,845	8,703,087	113,558.96
Newton	24,249	4,438,294	3,130,788	7,569,082	161,381.79
Noxubee	25,669	4,698,197	3,314,125	8,012,322	136,634.49
Oktibbeha	22,151	4,054,298	2,859,916	6,914,214	102,648.14
Panola	34,421	6,300,076	4,444,095	10,744,171	169,775.03
Pearl River	19,125	3,500,449	2,469,229	5,969,678	215,438.73
Perry	9,292	1,700,715	1,199,690	2,900,405	71,910.97
Pike	35,002	6,406,416	4,519,108	10,925,524	263,401.60
Pontotoc	22,904	4,192,119	2,957,135	7,149,254	142,531.50
Prentiss	20,921	3,829,171	2,701,110	6,530,781	121,222.17
Quitman	27,191	4,976,769	3,510,630	8,487,399	235,661.55
Rankin	27,934	5,112,760	3,606,559	8,719,319	161,154.17
Scott	23,144	4,236,046	2,988,122	7,224,168	130,405.20
Sharkey	15,433	2,824,702	1,992,555	4,817,257	221,561.95
Simpson	22,024	4,031,053	2,843,519	6,874,572	131,259.11
Smith	19,403	3,551,331	2,505,121	6,056,452	122,626.71
Stone	6,155	1,126,550	794,672	1,921,222	66,072.94
Sunflower	61,007	11,166,111	7,876,614	19,042,725	473,809.10
Tallahatchie	34,166	6,253,403	4,411,172	10,664,575	268,621.07
Tate	19,309	3,534,126	2,492,985	6,027,111	129,186.98
Tippah	19,680	3,602,030	2,540,885	6,142,915	92,828.91
Tishomingo	16,974	3,106,751	2,191,513	5,298,264	138,707.30
Tunica	22,610	4,138,308	2,919,177	7,057,485	203,623.23
Union	21,867	4,002,317	2,823,248	6,825,565	185,269.68
Walthall	17,534	3,209,248	2,263,815	5,473,063	71,057.83
Warren	39,595	7,247,073	5,112,110	12,359,183	296,382.75
Washington	67,576	12,368,435	8,724,737	21,093,172	545,457.62
Wayne	16,928	3,098,332	2,185,574	5,283,906	125,389.29
Webster	14,160	2,591,705	1,828,198	4,419,903	117,539.69
Wilkinson	15,955	2,920,244	2,059,950	4,980,194	90,226.04
Winston	22,751	4,164,116	2,937,382	7,101,498	137,883.98
Yalobusha	18,387	3,365,373	2,373,946	5,739,319	130,202.75
Yazoo	40,091	7,337,856	5,176,149	12,514,005	285,442.03
Total for counties	2,183,796	399,700,182	281,949,902	681,650,084	15,640,202.31

These figures were prepared for me by experts in the Library of Congress, and if you will study them carefully, you will see that this total foreign-aid program will cost the people of each county on an average of as much as their ad valorem and poll taxes will amount to in 40 years.

This will show you the staggering burden this program will impose upon the people I represent—as well as the people of the entire State of Mississippi, and every other State.

One of the most enlightening articles I have found on this subject was written by Mr. Henry J. Taylor, and appeared in the March 1948 issue of the Cosmopolitan magazine.

Along with that article is the following statement, which I trust everyone who is interested in this subject will scan carefully:

FORTY-NINE THOUSAND FOUR HUNDRED TRAINS

The Marshall plan, now in debate in Congress, means free to Europe 13,200 trainloads of coal, 11,300 trainloads of grains, 10,200 trainloads of meat, 4,900 trainloads of steel in the equivalent of steel ingots, 4,100 trainloads of fats and oils, 3,700 trainloads of sugar, 1,500 trainloads of cotton, 152,000 trucks, 26,000 freight cars, 200 more merchant ships in addition to the 800 we have already given away.

It means $500,000,000 in free American electrical equipment, everything from powerhouses to punch drills; another $500,000,000 in new American oil refineries and pipe lines; $400,000,000 worth of American steel plants; $2,200,000,000 in oil, gasoline, and grease to be shipped free; $1,200,000,000 in iron and steel. Countless thousands of other items are involved. The shipments would begin at once.

So far only 4 years are included in the plan, and only a part of western Europe. The bill, $17,000,000,000, to be paid by every man and woman who works in America. Other bills that would be set by this pattern: (1) Asia, (2) Latin America, (3) the Middle East, and (4) Indonesia are yet to be heard from.

The article of Mr. Taylor to which I referred is entitled "Will You Buy the Marshall Plan?"

It reads as follows:

Look in your cupboard, coal bin, or clothes closet. There you will see the future workings of the Marshall plan.

Look at the prices in the grocery store. Ask yourself why it is hard to build a house or get a car. What are you paying for milk? For meat? Ponder tonight the connection between the steel famine and your own job security, the oil shortage and this country on wheels, the machinery scarcity and the problem of new production to whip inflation. Now you and I are ready to think about the Marshall plan.

For the Marshall plan—officially known, since Secretary Marshall disavowed that title, as the European recovery program—does not

mean dollars. It means goods—mostly the same goods that America itself needs.

Never before in the history of the world has a relief proposal like this subsidy in goods been assembled.

It means the difference between the products that 16 European nations (chiefly Britain) believe they need and the products they can produce or buy in the next 4 years—with America donating that difference.

We American people are already paying the bill for the Government's postwar relief programs abroad at the annual rate of $376 per United States family. By this proposal the bill would be built up to $862 per American family by 1951.

Accordingly, the pocketbook, the personal welfare and the future of every American citizen are directly involved in the question: Will you buy the Marshall plan?

Knowing that every farm, every home, every factory, every pay roll, prices, pensions, taxes, individual security, and the basic stability of the United States are all directly affected, it is up to each of us to be honestly informed and to answer. For now is the time the question must be decided in Congress in accord with the will of the people.

What is our will? Given the facts, we can find our own way to this answer for both our own good and also the good of the hard-pressed world. But we need to know the plain, unvarnished truth. And, at the moment, propaganda rules the roost.

It is not enough to say we want to help Europe—the needy, the heartworn and weary. Everyone agrees about that. In the past years of war unnumbered men have died to give humanity another chance. We who remain cannot say goodbye to their efforts—not when we remember that they said good-by to life itself. But to humanity, in the end, it is results—not pronouncements—which count. And in these critical times we cannot indefinitely postpone getting real results from anything we do for relief and recovery abroad.

The war has been over nearly 3 years. After all, something must be wrong with the way we have aided Europe so far, or the gigantic postwar aid already given would have helped more than it has and possibly won us more friends.

Our world-recovery donations ($22,000,000,000 since the end of the war) have failed to achieve their promised objectives. If they had not failed we would not now be called upon to send so many new billions.

But when earlier expenditures fail to deliver promised results, attention is generally distracted from the failures by making new promises and putting the objectives on an even wider base. New labels are sought, new slogans concocted, new arguments advanced. Generalities about the future smother the facts and fiascos of the past.

What are the chief arguments usually advanced for our buying the latest plan now that it is no longer merely an idea with good objectives, but has become a specific piece of proposed legislation, presented on an "all or nothing" basis?

1. We must protect western Europe from the Communist menace.

2. Our own economic self-interest (i. e., avoiding a depression) is involved.

3. We can afford to be generous on this scale on a humanitarian basis.

Before we examine the validity of these arguments, let's see how and where the plan really began.

It began in London. I was there when it started. While it was being put together abroad, I journeyed to most countries involved: England, France, Italy, Greece, Switzerland, Belgium, Luxemburg, Holland, and Germany. I went to Paris while it was finally being thrashed out there. I came home and saw it finished in Washington, D. C.

Much of the European story behind the headlines and public speeches has not been told. The facts about the birth of the plan abroad, the inside inter-European commitments and cross-trades, the amazing contradictions in the program itself—all are vital, but smothered. The effect on us in our homes and work places is certainly not clearly understood. So come to London for the real beginning.

In January 1947 British Foreign Secretary Ernest Bevin notified Secretary Marshall that new large-scale American aid for England was necessary, or Britain would suffer economic collapse by June.

He made a request that was kept top secret. He asked for the equivalent of five and a half billion dollars over the next 4 years. The 1945 congressional grant of $3,750,000,000 was being consumed at twice the rate anticipated. It was passing through the British economic system without long-term effect.

Bevin's preliminary appeal for a new loan was not made known to either the American or British public. Even the forthcoming crisis itself, foreseeable from the inside, was played down until it burst full-blown in July. Meanwhile, this is what was happening:

In a series of January dispatches to London, Secretary Marshall told Bevin that in his opinion Congress would not again appropriate a large, new fund for Britain except possibly as part of a general economic program for European recovery. Congress had objected to the original British loan because it did not represent a rounded European solution.

Throughout February, Bevin replied that the British Government understood this objection, in principle, but—as at the time of the original 1945 grant—England could not wait for such a widespread program.

In London you could see that a feeling of being bogged down permeated the British Foreign Office. Bevin needed action. He got it. He implemented his claim for separate aid by suddenly announcing that Britain was so hard-pressed that she would have to withdraw immediately from Greece.

Bevin ruffled tempers in the State Department, for he announced this in Washington and London at the same time, and publicly. But the American agreement to take Britain's place in Greece (with Turkey later included), and to vote $400,000,000 for this purpose was the answer.

Revealed March 12 as the Truman doctrine, this was, in fact, a stopgap substitute for new, large, and direct aid for England, which it was clear Congress would not grant.

Prospective British withdrawal from obligations in western Germany, and the assumption of these occupation costs by America were agreed to at the same time. But this part of the agreement remained top secret, and announcement was withheld until November.

Nevertheless, British insistence on straight separate aid did not slacken. The pressure was increased throughout the spring, not only on President Truman and Secretary Marshall, but also on most members of the United States Cabinet, and especially on Secretary of the Treasury Snyder. That pressure had reached a climax by June 1.

On June 5 Secretary Marshall made his now famous commencement speech at Harvard. He was speaking primarily to England—a fact fully realized by Bevin but lost on the British and American public alike—when he said, in three sentences, that further large-scale American aid could be expected only as a part of a general coordinated European program. With that, Secretary Marshall dropped the subject. But when Mr. Bevin tagged it the Marshall plan, the force of a great American name was lent to the subsequent European proposals.

I was in London when the British Ambassador in Washington confirmed the fears of the British Government that England had lost her priority on American assistance. At that point what has since been called the Marshall plan became really the Bevin plan. It became Secretary Bevin's responsibility to construct an outline for American aid to other countries in such a manner that approximately the same amount of aid would go to Britain as if the separate aid, asked for in January, had been judged agreeable to Congress.

This Mr. Bevin accomplished in the Paris meetings of 16 nations during July, August, and September, which I went to Paris to observe.

Mr. Bevin's January appeal to Secretary Marshall for $5,500,000,000 went into the Paris plan from the outset, and stayed there.

France and Italy objected strenuously to the British proportion. But they played along with England's big, long-term proportion in exchange for a bird-in-hand understanding that England would support immediate United States stopgap aid for them amounting to $685,000,000.

Mr. Bevin agreed. The British Government went on record with Secretary Marshall as urging $685,000,000 American stopgap aid for Frace and Italy—$227,000,000 to Italy, $458,000,000 to France. They got $540,000,000 in stopgap aid on December 19.

Now the time has come to act on the long-range presentation—predominantly aid to Britain, plus the additional collateral reliefs.

The overshadowing aid-to-Britain feature was kept carefully under wraps, a fact first noted by Washington newspaperman Peter Edson.

Page after page of other statistics are supplied in the official presentation to Congress. But in all the 131 pages, the percentage of American aid allocated to each country and the predominant share scheduled for England are not revealed. It required a separate investigation to obtain for this article the official figures showing where our billions would go, country by country.

Here are the facts:

England	$5,348,000,000
France	3,701,000,000
Italy	2,913,000,000
United States-British zone, Germany	2,499,000,000
Holland	2,436,000,000
Belgium-Luxemburg	1,419,000,000
Austria	713,000,000
Denmark	582,000,000
Ireland	497,000,000
Greece	473,000,000
Norway	234,000,000
Portugal	150,000,000
Iceland	38,000,000
Turkey	18,000,000
Total	21,021,000,000

Sweden and Switzerland are in for nothing. Actually they expect a favorable trade balance of about $176,000,000. This means net requests for over $20,000,000,000 from Uncle Sam. The difference between that figure and the announced $17,000,000,000 is to be made up chiefly by the International Bank and Monetary Fund, which is also 80 percent United States taxpayers' money.

England's $5,348,000,000, which is one-third of the $17,000,000,000 in the Marshall plan, is exactly the amount asked for by Bevin in January, 6 months before Marshall attempted to answer England at Harvard University.

That, in brief, is the background of the plan. Now let us consider the arguments advanced for its support.

Is the threat of communism in western Europe a valid argument? If so, Britain's 32 percent share in the funds must be automatically excluded from this claim. No one has even suggested that the British people are on the verge of voting Communist under any circumstances.

This is admittedly and equally true of 9 more among the 15 other countries involved:

Ireland, Iceland, Denmark, Portugal, Belgium, Luxemburg, the Netherlands, Sweden, and Switzerland. These represent another $5,000,000,000; a billion dollars to Ireland and Denmark alone.

The Communist problem in two other countries involved, Austria and Greece, is commonly conceded to be military, not economic. This means that anticommunism appeal for us to buy the plan is largely confined to France and Italy, where communism has been consistently losing ground in the grass roots for over 2 years; and western Germany where the last Communist vote was 7 percent, Turkey, 4 percent.

Once revealed on a country-by-country basis the anti-Communist angle in the overall, all-or-nothing seventeen-billion-dollar presentation takes on a different aspect. And, in any case, few military men would care to argue that dollars alone would be effective if the Red Army marched.

What about the argument that America's economic self-interest is involved, that we must export to avoid depression?

We are in a fight against inflation. Yet nothing could be more inflationary than vast exports at public expense, not repaid, striking us squarely in our shortages.

Our exports in 1947 totaled $14,500,000,000, chiefly free. Our balancing imports were $5,500,000,000; an over-export gap of $9,000,000,000. We know, or should know, these exports are abnormal.

Our real trouble today is that the home demand—to say nothing of foreign gifts—is far in excess of our ability to produce.

We need not worry about a falling off in demand for things we can't produce. We should not buy that idea. If there is to be a decrease in our exports—and that appears to be the thing the foreign-relief planners and other prophets of our domestic doom seem to fear—this is the best possible time to absorb the reduction. They should either admit this fact or else not claim they are trying to fight inflation. Both contentions cannot be true. If there is really going to be boom and bust, all we have to do is ship enough goods abroad for which we won't be paid to assure it. We went on that ride once before—after the last war.

And the argument that we can afford to be this generous on a humanitarian basis? This is the major claim on which the issue must be decided and changes in the commitments made or not made in the plan.

It is the direct cost at home and the results abroad which must be considered.

Our civilization is founded on compassion and charity. The deep and honest desire of the American people is to help people abroad as much as we can within good and generous limits. No other nation in the history of the world has ever regarded the rest of the world in this light. That is another reason why we can be proud we are Americans. But this does not permit continually giving Europe a blank check on our resources or on our lives.

Further, why are we not told clearly a little-known fact about our official charity; namely, that our aid does not actually reach people abroad as a free gift, as millions of Americans suppose?

By and large, the people abroad buy from their governments or middlemen what our Government sends free. They do not receive our gifts as charity. Their governments, and others overseas, pocket the difference. Practically none of the official donations of the United States Government end up as charity to the wretched. That is why so much of our vast aid is unknown to individuals in Europe.

In our own government, who finally constructed the Marshall plan? Who wrote the President's presentation?

Clark Clifford and Charles Murphy, young White House advisers, did the actual writing. A young task force put the program together, directed by Under Secretary of State Lovett.

"We started to figure this thing out on the back of an envelope, and it got slightly out of hand," explains Charles Kindleberger, 37, a State Department adviser on financial policy.

Earlier reports by the Krug, Harriman, and Nourse committees were purely advisory, and the vital administrative features recommended in the Harriman report were ignored. The names of the actual planners hardly carry national prestige. These are the men in the Washington task force who came up with the final answers: Charles Bonesteel, 3d, State; Frank Southard, Treasury; Frederick Northrup, Agriculture; James Boyd, Interior; Philip Kaiser, Labor; Col. Raymond M. Cheseldine, Army Civil Affairs; Thomas Blaisdell, Commerce; Burke Knapp, Federal Reserve; and a special State Department planning group consisting of William Bray, Lincoln Gordon, Ernest Gross, Arthur Kimball, Charles Kindleberger, Paul Nitze, William Phillips, Harold Spiegel, and Walter Surrey. Nearly all are in their thirties. Theirs was the program which was finally taken to Congress with the request for a 4-year commitment and $17,000,000,000; all or nothing.

Will the plan, if adopted, be ably administered? No one can say, but we will have to do better than we have been doing. Look at the way we have handled our No. 1 problem—Germany.

As working people in America, our dole to Germany is costing us about a billion dollars a year.

The Marshall plan countries surrounding Germany—Switzerland, Holland, Denmark, Sweden, France, Italy—whose economies are interwoven with Germany's productivity, suffer through the German paralysis. So most are among the 16 nations now asking us for aid. With Germany on a dole, they must ask us for a dole too.

Accordingly, in restoring the productivity of Europe, it is only common sense to begin with Germany—the sector most demoralized and over which we have large control—yet with all safeguards against German rearmament of any kind.

Since we say the Marshall plan is dedicated to European recovery, and Secretary Marshall himself speaks of German peace-production recovery as the crux of the problem, our public may suppose that at last we have changed our original scorched-earth policy in Germany. But fantastic as it may seem, at the same time that one set of hands in 1 of the 20 separate buildings that house the State Department in Washington was writing the Marshall plan for Congress, another set of hands in another building was writing a new and sweeping directive for further dismantling peace-production machinery in Germany.

In our own Western area over 600 nonwar German industrial plants are now to be dismantled, scrapped, or removed as reparations under this new 1948 dismantling policy. Some thirty-thousand German workers have been withdrawn from production to carry out this new dismantling program.

The paralysis we are maintaining in Germany hits Italy more seriously than any other country in western Europe. Accordingly, Congress was called upon to vote Italy $227,000,000 stopgap aid in December, and the Marshall plan emphasizes, with nearly $3,000,000,000 more, the difficult situation there.

With one hand we choke off German peacetime productivity in the center of Europe and deal out a dole; with the other hand we enlarge the dole to Germany's neighboring countries. It seems one hand doesn't know what the other is doing. * * *

Europe's recovery problem is primarily a production problem. Any program we enact, in order to succeed, must be administered, here and abroad, by hard-headed, realistic, production-minded Americans especially qualified for the gigantic task and operating as a selected agency for this complex effort.

Instead, nine departments are directly involved in a set-up so confused, conflicting, intertwining and unworkable that the official organization chart itself is utterly bewildering—even to the men who drew it. Said one of them to me, "It looks like Gracie Field's 'Biggest Aspidistra in the World.'"

If we haven't learned anything administratively from the twenty-two billions we've already spent, we had better learn something, and make the necessary administrative changes, before we spend seventeen billion more; an amount equal to practically the entire profits of all American industry here at home last year.

Some form of aid to Europe is doubtless indicated, but is it not reasonable to suggest that any further congressional appropriation be limited to 1 year? We should not be committed for a longer program since we cannot know what our friends abroad may or may not do for their own self-help or what may develop here at home. Further bills can always be passed, when and if needed.

The Marshall plan means $7,000,000,000 of taxes in 1948 from all of us beyond what we would otherwise pay.

Some say that if a billion dollars of the new aid is handled by the International Bank (80 percent United States money), the taxes may be only six billion additional this year. But the plan calls for $6,800,000,000 in the first 15 months. This sum is nearly two-fifths of the total sum paid in personal income taxes by everybody in America this year. It almost equals the income taxes paid by all American corporations. It is about 70 percent as large as our entire national defense budget, already voted. Yet it excludes new and forthcoming little Marshall plans for Latin America, Asia, the Middle East, and Indonesia, the patterns for which it will establish.

It does not seem to take into account the fact that there is a limit to the number of failures America can absorb.

At some point our leaders failed, or we would not have suffered as we did in the depression. At another point our leaders failed, or we should have been so strong on land and sea and in the air that there could have been no war, and certainly no Pearl Harbor.

Now they fail again if they do not see that the future peace of the world depends on the internal strength of the United States. And they fail yet again if they squander our strength so we are weak when the chips are down.

Mr. Chairman, if we embark upon this kind of program, we will be turning the ship of state adrift upon an uncharted sea of unpredictable adventure that may end in national disaster.

If we are going to pursue that course we might follow the advice of Oliver Wendell Holmes and—

> Nail to the mast her holy flag,
> Set every threadbare sail,
> And give her to the god of storms,
> The lightning and the gale!

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, experience has shown that the distribution of relief by governments is never very successful. Whenever salaried government employees distribute commodities free there is a danger that more harm than good will be done.

This is why even though the American people have, through their Government, spent $20,000,000,000 in Europe since the

ending of the war, the picture appears worse than it was when hostilities ceased.

Let us consider the hypothetical case of a young man in some American community who is destitute and much in need of funds. If some kind neighbor, a scoutmaster, Sunday-school teacher, or pastor, motivated solely by personal concern, quietly and confidentially helps the young man, a lasting good will come of it. If, on the other hand, that young man marches to the courthouse, fills out Government papers, and receives public relief, more or less as a matter of right, chances are that he has been hurt instead of helped. I believe this principle applies to aid extended to nations.

It is proof of the Biblical words, "And though I bestow all my goods to feed the poor, and have not love, it profiteth me nothing."

The churches of America have gone by the words of the Proverbs, "The righteous considereth the cause of the poor."

Long before the war ended, spiritual forces in America were preparing the way for peace. Recently Dr. S. C. Michelfelder, executive secretary of the Lutheran World Federation in Switzerland, said that he addressed a group of 100 German journalists not long after hostilities in Europe ceased.

At the start of his talk, their attitude was cold and unsympathetic. Then he told them before the war with Germany ended, the Lutherans of America were planning, praying, and raising money for material relief of the German people and reconstruction of Lutheran churches in that country. These journalists, who had almost forgotten that kindness could exist between different peoples, were greatly touched.

When our former enemies can see the Christian people of America following the admonition to "love your enemies, and pray for them that persecute you," all America has gained in world friendship.

Now lest you think American church aid to foreign lands is negligible, a mere drip from the spigot of United States wealth, I want to cite three figures. In the 2½-year period, from January 1945 through the end of the 1947 fiscal year, contributions in cash and goods from American churches were these: The Jewish faith gave $125,076,819; Protestant bodies, $55,864,031; Roman Catholics, $31,925,835.

Thus the grand total for the three leading faiths is $212,866,685. These are official figures from the advisory committee on voluntary foreign aid. We shall review work of denomination groups in a few moments.

But look behind the figures. Replace the picture of Lady Bountiful—the United States Government—strewing billions of tons of food and supplies over the face of the earth, to be snatched by the most agile and traded by the shrewdest. Replace that picture with one of a pastor or rabbi or lay worker of a foreign church. Perhaps he has not as much by bulk to give. But he knows where to distribute his relief supplies and who is receiving them. And they are given within the bond of brotherhood of a church or parish or community.

Such private relief ventures as church foreign aid, the House Committee on Foreign Affairs recently said, demonstrate "an elasticity that is not found in the over-all programs carried on under public authority."

A dollar spent by a church group is equivalent to many, many dollars spent by the Government. It is more effective, it is motivated solely by love for mankind, and it carries a spiritual force that just does not exist in the dispensing of relief by governments.

It is important that we as a Congress take note of the great amount of relief that has been administered in Europe and Asia by these church voluntary organizations.

I am not going to cover at this time the notable accomplishments of nonchurch voluntary groups. The work of the American Red Cross, CARE, CRALOG, Foster Parents' Plan, and the many nationality groups organized for foreign relief are a separate chapter in the voluntary aid picture.

Let us first look at Church World Service, largest agency of the Protestant and Orthodox churches, which administers and channels foreign aid for more than two dozen Protestant denominations. These include the Baptists, Brethren, Congregational - Christian, Disciples, Evangelical, Lutheran, Methodist, Moravian, Presbyterian, Episcopal, Anglican, Reformed, Seventh Day Adventists, United Brethren, Universalists, and other smaller groups.

I shall try to give you a complete picture of all church groups. If any go unmentioned here, it is because their work is channeled through an outside voluntary aid program, or administered through agencies in the various foreign countries.

The preliminary report of Church World Service for 1947 shows more than 28,000,000 pounds of supplies contributed for foreign relief, with a total of more than $14,000,000 in disbursements for relief and reconstruction.

Under this agency more than 5,000 long tons of wheat were contributed by American farmers through the Christian Rural Overseas Program. The pastor, Rev. Bodo Hyne, representing the churches of Germany, said in accepting the wheat:

> May this event exemplify to the entire world that understanding * * * and genuine goodness prepare the way, even in the lives of nations, which alone will bring us all to salvation.

Then there is the Heifer Club, by which a group of these Protestant bodies built up the herds of Europe by shipping young cattle to war-torn countries. These generous people did not understand all of the refinements of modern diplomacy. "They walked by faith and not by sight," but they laid the foundation for trust and confidence and good will upon which a peace might be built.

Another group of Protestants, the Committee on Christian Science Wartime Activities of the Mother Church, began its overseas relief activities in Britain in 1940, and in 1946 and 1947 shipped more than 350,000 parcels at an estimated cost of $1,750,000 to Europe and the Far East.

> As soon as mails were reestablished, the mother church set out to locate its scattered members throughout the world in order to give them quick aid—

the Christian Science committee informed me.

You see, one of the chief assets of these church-relief programs is the emphasis on speed, on efficient, effective action.

So far this year, from January to the 1st of this month (March), the Christian Science churches have expended another $183,323 in foreign aid.

The Church of Jesus Christ of Latter-day Saints—the Mormons—tell me that since the close of hostilities, to date, they have shipped a total of 95 freight-car loads of clothing and food, at a cost of well over $1,000,000, to church members in Europe and Japan.

The Unitarian Service Committee in 1947 alone supplied $112,673 for foreign relief plus $452,643 in overseas shipments. This went almost entirely to continental Europe.

The great work of the American Friends—the Quakers—Service Committee is outstanding in the annals of church accomplishment overseas. Grand total of their expenditures for food, clothing, supplies, and shipping for 1945, 1946, and 1947 was $14,142,725. In 1947 alone, Europe received $3,727,335 in Quaker relief, while Asia was the recipient of $4,465,527.

The War Relief Services of the National Catholic Welfare Conference was established in 1943 as the single administrative agency in the United States for Roman Catholic foreign relief. Eighty percent of its expenditures, which I previously quoted for you, went for child care.

The Jewish foreign-relief contributions, largest of the three leading faiths in America, include food, parcel, and monetary donations from many Jewish subsidiary groups, and include aid to displaced persons, to Jewish inhabitants of Palestine, and to others throughout the world.

No doubt the relief sent abroad by the churches of America has been a good thing for the churches themselves. It has made them stronger, for "faith apart from works is barren." These churches will receive a multiple blessing, for the Bible reminds us to "give and it shall be given unto you."

There is a certain amount of relief work that must be carried on by the Government. However, because some nations use relief for ulterior purposes, the recipient is often skeptical of the motives of the giver. Waste, undue overhead, political and diplomatic intrigue always accompany governmental relief. That administered by a voluntary group is not nearly so subject to these pitfalls.

That is where your church world relief comes in. That is why it should be encouraged, continued, and enlarged.

The church has a tremendous task in bringing about world peace. The church today faces its greatest opportunity and its greatest responsibility of all time. The ideal of brotherhood must be resold

in the world. A world-wide program of evangelism is sorely needed. If we believe that the power of God can heal a broken life, it follows that that same power can heal a community or a nation or the world.

God forbid that the church would ever become so political that it would place all its faith in government and fail in that task which it alone can perform—the regeneration of human hearts.

The Government of the United States and the taxpayers who support that government are indebted to our churches for doing a wonderful job, a job which cannot be equaled by government.

Mr. Chairman, I shall support the amendment offered by the gentleman from New York.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. I take it that the gentleman has noticed in the press that the little town of Coatesville, Ind., was completely destroyed the other day. Homes and business properties were reduced to total ruin; 24 American citizens were killed, and practically every inhabitant in the town injured. I have not heard any bleeding hearts here pleading for aid to them.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Pennsylvania.

Mr. RICH. This morning we heard several Members of Congress asking for flood relief for the stricken people in their own communities. Has the gentleman heard anything about the Members of Congress, with bleeding hearts, going out and trying to help the flood sufferers who have been ruined by floods taking place all over this country, and aiding and assisting them? No. If we would only spend one-fifth of the amount of money we are spending here, we would make these Americans happy.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on the pending substitute and all amendments thereto close in 10 minutes, the last 3 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, the amendment offered by the gentleman from New York is a great relief, in the face of the inconsistencies which apparently surround this bill. I suspect that I am in the same state of mind as the majority of the Members of this House. We most earnestly desire to support the committee if it is possible to do so. We most earnestly desire to support the President or the State Department in anything which may seem to be for the good of the United States in a world crisis, in spite of our previous experiences. But, there is not one Member of this House who has not experienced in his own community, in his own State, and in the Nation, the very definite experience that where aid is given freely by a governmental agency, that aid very often does damage to the recipient, rather than good. The amendment suggested by the gentleman from New York [Mr. GWINN] approaches this problem in a way which would not only be characteristically American, and as we want it to be, but it would be for the benefit of those people to whom we are trying to aid and rehabilitate.

I will say that I am sorry that the section in title III which would have given exemption from taxes to private aid could not be retained. I hope that it will be enacted in some other way.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Ohio.

Mr. VORYS. Does the gentleman think we will solve the entire question covered by the four titles of this bill by merely making $500,000,000 available for private relief under a corporation that has utterly no controls put on it by law?

Mr. PHILLIPS of California. I am very much in favor of the corporation. I was sorry when the gentleman from Massachusetts [Mr. HERTER] did not try to sustain his own suggestion in the committee, which I thought was the strongest part of the bill. I am firmly of the belief that administration is the key to the entire problem.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Chairman, I support the amendment because I understand it eliminates military aid to these countries. I cannot conceive of advocating peace and then handing munitions to the Chinese, for instance, where there is a civil war and where they are shooting each other down. For the life of me, I cannot understand how anybody can go home and say he voted to send arms to start another war so that we have to go in and finish it. That is one reason I rose here, Mr. Chairman, because if we want really to help rehabilitate the people of war-torn countries, it never can be done with guns and ammunition. The idea of our sending arms to the Chinese is beyond my reason. Never mind Turkey and Greece. The Balkans have been fighting as far back in history as we can remember. I am sure the people in this country, every single one of them, want peace. They do not want to send ammunition and guns. If it is our battle, let us fight it, and let us raise the money to do our own fighting. Let us not hire mercenaries as King George III did.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield to the gentleman from Nebraska.

Mr. BUFFETT. If we send weapons to these countries and give them the power to make war, is it not entirely possible that we will give them the power to commit us to war, and that America will no longer be able to decide whether or not it is going to be in war?

Mr. NICHOLSON. We are committing ourselves to war when we send them munitions. Do you think the people that are against the group we help are going to love us because we give them ammunition to go ahead with the fight? I guess not. The military aid included in this bill, as it is now, is almost a declaration of war against Russia.

Mr. BUFFETT. Certainly the American people have not been told that.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. SMITH].

Mr. SMITH of Kansas. Mr. Chairman, I realize I am just a young man around here and I do not have much right to put my thoughts against the distinguished gentleman. We seem to have an idea in this country that we can do everything with dollars. Later on this week we are going to do something about the foot-and-mouth disease in Mexico. We spent $35,000,000 down there. We thought we had the know-how. We took our tractors and our technicians down to Mexico and said to the poor peon that has driven oxen for 500 years, "We are going to kill your oxen and give you mules to work." Anybody that knows anything about mules knows that that is a rather difficult job. But we went down there and spent these millions. We found they could not use the mules. We abandoned our great project. We now propose to build a fence across Mexico to keep out the foot-and-mouth disease. I submit that we are trying to build a weak fence around Europe. On this matter of handling mules, some of you gentlemen on the minority side know something about mules. You have long witnessed a man riding a one-eyed mule. His right eye must be out, because this mule has been going to the left all the time.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I rise on behalf of the Foreign Affairs Committee in opposition to the amendment. The amendment offered by my good friend the gentleman from New York is well thought out and has good reasoning if it went far enough. But it tries to take into the vast problems of rehabilitation we have before us the methods of private charity. Herbert Hoover, when we were discussing Public Law 84 before our committee, said that it was not possible for private charity to take this burden but that we must use the established systems of distribution already set up in these countries to obtain the best results.

In addition to that, if we use the method in the amendment we will have too little and too late, because $500,000,000 is obviously not enough. We must meet the deadline, on April 18, 1948, of the Italian elections, or we will be too late. There is no time to organize the many private charities.

Actually, the gentleman from New York, my good friend, in his amendment has gone much beyond the committee because he will send this relief both to Russia and her satellites. On page 47 of the bill, he says that the purposes of this corporation are and shall be: "to furnish directly food, clothing, and other urgently needed supplies to the needy individuals of the world." Question:

Does this Congress want to supply the needy people in Russia?

In addition to that, we cannot feed the people directly. That will require many organizations to be set up and integrated. As you know, we have a large American voluntary relief program already under way. A subcommittee of the Foreign Affairs Committee of which I was chairman investigated that program at the request of the gentleman from New Jersey, Dr. EATON, and the gentleman from Massachusetts [Mr. HERTER]. We found that relief is moving from the United States at the present time at the rate of $800,000,000 a year, which includes parcel post shipments, voluntary agencies, and private people giving relief. So that we already are contributing through private agencies $800,000,000 per year. If we adopt the method proposed by the gentleman from New York for this new corporation, we will then centralize in one body all the private relief agencies in this country. We now actually have voluntary registration of these agencies with the United States Advisory Committee on Voluntary Foreign Aid.

May I comment briefly on title 2 of the amendment, because we already have similar provisions to title 2 in the committee's bill. On page 57 of the committee's bill amending section 4 (a) of the Bretton Woods Agreements, we have a National Advisory Council, which is a council of fiscal experts consisting of the Secretary of the Treasury as chairman, the Secretary of State, the Secretary of Commerce, the new Administrator and others, to approve the financial elements of the program and the rehabilitation of these countries.

I now yield to the gentleman from New York [Mr. GWINN].

Mr. GWINN of New York. If Italy is the concern of the gentleman from Pennsylvania, we might pass a quickie bill to cover Italy and then proceed with our deliberations to cover other situations, might we not?

Mr. FULTON. The trouble is that the over-all rehabilitation is so urgent in each of the countries, that it will not wait. My view on this bill is that we are aiding the democratic nations to stand on their own feet and get off the breadlines. We want them to rehabilitate themselves and support themselves through their own efforts.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. All time has expired.

The question is on the substitute amendment offered by the gentleman from New York [Mr. GWINN].

The question was taken; and the Chairman being in doubt, the Committee divided; and there were—ayes 60, noes 103.

So the amendment was rejected.

The Clerk read as follows:

TITLE I

SEC. 101. This title may be cited as the "Economic Cooperation Act of 1948."

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when references are made to deadlines and when references are made to specific funds appropriated by Congress for relief, I feel that members of the committee charged with this very responsible and most historic piece of legislation should tell the Members of the Congress the real facts, or at least clarify what appropriations have been or are being made.

Only a few days ago we brought to you a bill making deficiency appropriations of $55,000,000 for interim aid, which must be added to the $522,000,000 which you appropriated not so long ago. That is to help also in Italy.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. KEEFE. As a matter of fact, that $55,000,000 that was included in the deficiency, and a very urgent deficiency, was money that was requested to keep the pipe line open to Italy? That is correct, is it not?

Mr. STEFAN. The gentleman is correct.

Mr. KEEFE. So this talk of an April 18 deadline, as far as this legislation is concerned, is entirely out of place in this debate?

Mr. STEFAN. The gentleman from Wisconsin, who is a member of the Deficiency Committee, knows that when this ERP bill is passed it must come to our committee to implement it with appropriations, and none of this particular food, help, or rehabilitation would be ready on April 18.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. VORYS. In section 104 there is a billion dollars made available to the RFC, which will become immediately available.

Mr. STEFAN. But you must keep your pipe line filled, and I know something about pipe lines. Our committee has worked many months on foreign pipe lines. That $100,000,000 will not fill your pipe line for April 18, but the additional $55,000,000 already appropriated will.

On tomorrow your deficiency committee will report to the full committee a very important deficiency appropriation bill and it will include $143,000,000 additional for the feeding in occupied areas. That will make approximately a billion dollars that we turn over to the Army for feeding in the occupied areas for this 1948 fiscal year. The Army is distributing this relief in an able manner. It will not be handled by the State Department for certain reasons.

There is a request before the Appropriations Committee for an additional $1,250,000,000 for the next fiscal year for feeding in the occupied areas.

Now, I think the members of the committee should take a survey of what we have already and are presently appropriating, and tell you how it is appropriated. Let the public have all the facts.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from South Dakota.

Mr. MUNDT. I simply wanted to point out that the $55,000,000 appropriated last week was the filling up of the remainder of a contract which the legislation in interim aid made available at that time.

Mr. STEFAN. That is right.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a fact that the decision of an election such as the Italian election is a psychological decision, and is it not fair to say that what we are trying to do in this bill is to provide for Europe a program of rehabilitation rather than relief in the expectation that that will determine their psychological decisions? They have had relief before but we are up against the 18th of April.

Mr. STEFAN. There might be something to what the gentleman has said because many of us have been harried for appropriations to continue putting into effect a psychological program in Italy before April 18, before the election occurred. And we did something about it a long time ago.

My purpose in taking the floor at this particular time is to keep the record straight as to appropriations.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. BREHM. A program of psychological propaganda has been put into effect in America too.

Mr. STEFAN. Yes, and it is an effective one.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. CHURCH. I just want to comment on the fact that the gentleman is not only on the Deficiency Subcommittee but also is chairman of the State, Justice, Commerce, and Judiciary Subcommittee. I commend him for his clarifying statement.

Mr. STEFAN. I thank the gentleman.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. CRAWFORD. I wish to ask the gentleman this in all seriousness, there is nothing facetious about this: What psychological battle have we won in any of our international relations since Hiroshima and Nagasaki?

Mr. STEFAN. I could not answer that. You can see for yourself what we and the world are involved in today. Diplomacy seems to have failed.

Mr. MUNDT. I will be glad to answer it.

Mr. STEFAN. I yield to the gentleman from South Dakota.

Mr. MUNDT. We won the psychological battle of northern France and Italy by passing the interim aid bill last December.

Mr. McDOWELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not an expert on foreign affairs and I had not intended to speak on this bill, but the last six or eight speakers have gotten all hot and bothered down here about who is going to administer the money, the $6,000,000,000 contained in this bill.

As must be obvious to every person, how the bill is administered is going to be the important thing. The gentleman

from Georgia [Mr. Cox] read a doleful list of names of men who might be considered for employment in ERP if we give the State Department the money, and among others he named one David Lasser. I am not an expert on foreign affairs, but I am an expert on David Lasser.

David Lasser is from my State, Pennsylvania. David Lasser, during the administration of Gov. George Earle, led a mob of unemployed into the capital of my State. They occupied the beautiful senate chamber of the Legislature of Pennsylvania for several days. They cut up the leather, they beat up the beautiful brass railings of the capital, they threw things down on the heads of folks sitting on the floor below, they spit on them, and did various other things. Mr. Lasser makes no attempt to deny that, he merely says it was a mistake of his youth.

Mr. Lasser was the president of the American Workers' Alliance, an organization which Earl Browder admits to having founded as the organ and an arm of the Communist Party.

Understand, I do not accuse Dave Lasser of being a Communist, because I do not think he is. The trough that he is now feeding in down at the Department of Commerce is too well padded and too sweet for him to remain a Communist down there, but he has been a little careless about his associations in the past several years. Let me tell you this about Dave Lasser, who, I believe, will be on this panel that is going to administer this money if they can get it—and I guess they are going to get it. Dave Lasser was among other things in his past the president of the Interplanetary Travel Association. Now, Mr. Chairman, that is not a suburban trolley line, that is the Interplanetary Association to transfer folks and people and things from here to yonder, from heaven to hades and back again, I presume. The advertising slogan of this organization was: "Overnight to the Moon." If we are going to give $6,000,000,000 to some guy who can get to the moon overnight, I am against it unless we give something of the same kind of transportation to J. Edgar Hoover, because we will not get the $6,000,000,000 back. That is Mr. David Lasser; and I think it would be well if the committee that is advocating this bill, and I expect to support the bill with a great deal of misgiving, and I should think that it would be the duty of the committee to find out between now and tomorrow when we vote on the bill something about David Lasser and see who is going to administer this $6,000,000,000.

Mr. EBERHARTER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am glad I happened to be on the floor when my colleague from Pennsylvania brought up a subject with which I am somewhat familiar. It so happens I was a member of the Pennsylvania Assembly at the time he mentioned, when there was a hunger march on the capitol at Harrisburg.

Mr. Chairman, I do not see any particular reason for drawing this red herring across the trail here in the consideration of this bill. The man he mentions, David Lasser, was involved in an incident that occurred 12 years ago. Since that time Mr. Lasser has been investigated by a committee of this House. I think that was about 6 or 7 years ago. He was investigated and completely exonerated, and that fact appears in the RECORD, in the hearings and in the official reports.

Why the gentleman from Pennsylvania [Mr. MCDOWELL] wants to bring that up this afternoon and draw a red herring across the trail, attacking a man who has rendered an efficient, loyal, patriotic service to the Commerce Department, I do not know. It is, in my opinion, the wrong thing to do. It should not be done. I see no purpose in attempting to crucify the character of a man who has proven himself, who has been investigated, who stands very high in rendering a patriotic service to the Government.

If I had known the gentleman was going to bring this subject up I would have had the records here. I will show them to him or to any other Member of the House who wants to see them within a half hour. I do not think it is right. I do not know whether the gentleman from Pennsylvania [Mr. MCDOWELL] is isolationist or not, I do not know whether he is doing this to get publicity or not, or what his purpose is, but it is the wrong thing to do. He should not keep trying to crucify a man who has been cleared time and time again.

I know that the Members present here this afternoon do not recall the particular instance where this man was investigated years ago. I do not think it is the proper thing to do, as I stated. It is drawing a red herring across the trail here in order to mislead the members of this committee in the consideration of this very important measure.

Why did he not call Mr. Lasser before his Committee on Un-American Activities and investigate him? The gentleman is a member of the Committee on Un-American Activities. Why did he not call Mr. Lasser over there and charge him before his committee? He did not call Mr. Lasser before his committee, and no member of the Committee on Un-American Activities called him before that committee. Yet the gentleman comes on the floor of the House and attacks Mr. Lasser. He is, in fact, attacking the character of a man who is rendering a loyal, patriotic service to our Government.

Mr. MCCORMACK. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Massachusetts.

Mr. MCCORMACK. I may say that I met Mr. Lasser on two occasions some years ago, one time being when he appeared before the Ways and Means Committee as a witness. I remember in 1940 or 1941 when charges were made against him that I investigated them very thoroughly. I found that he was fighting against the communistic control of a certain organization of WPA. He fought the Communists. At that time I took the floor and made a speech.

Mr. EBERHARTER. Mr. Chairman, I want to say one other thing. Mr. Lasser holds a relatively unimportant position in the Commerce Department. He is not an employee of the State Department.

Mr. MCCORMACK. I made a speech in defense of Mr. Lasser when the charge was made that he was a Communist. As a matter of fact, he was fighting the Communists at that time.

I may say that the gentleman from Pennsylvania [Mr. MCDOWELL] does not make the charge that Mr. Lasser is a Communist. I have spoken with him and I refreshed my memory the other day on the remarks I made in 1941. I value my reputation and I respect the other fellow's right to value his reputation. In 1941 I made a very careful investigation and my remarks then were based on the results I found at that time. But, in any event, I made a very thorough investigation.

Mr. EBERHARTER. There was an official investigation made by a committee of this House, the Appropriations Committee, and Mr. Lasser was completely exonerated.

Mr. MCCORMACK. And I found that Mr. Lasser was vigorously fighting the Communist elements in that organization.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. COX. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the remarks of the gentleman from Pennsylvania were pertinent because of the disclosure that has been made that Mr. Lasser participated in the formulation of the program which you are now in the act of implementing. I want to say, Mr. Chairman, that if this program is to be administered by the David Lasser crowd in the Government service at the time, the $17,000,000,000 that we are appropriating may be used to subsidize European socialism.

Mr. Chairman, the committee report, which I have already stated is one of the finest reports that I have ever read, states over and over again that this program will fail or, at least, that the success of the program depends entirely upon the character of administration that we get. While the committee in its bill has sought to provide for an Administrator, disassociated from the State Department, that Administrator according to this bill is under the control and the direction of the President, and to the extent that the State Department enjoys the President's confidence, the State Department will be in control of the show. Now, Mr. Chairman, it has been, I think, demonstrated to the complete satisfaction of the American public that the policies of the State Department heretofore pursued are, in large measure, responsible for the terrible plight in which this country now finds itself. The appeasement of Russia has been criminal. I would be most unhappy if I did not have the hope and indulge the expectation that the President, realizing the sentiment of this country and the fear which it has of an administration of the kind that the State Department has heretofore been carrying on, will meet the challenge and will name somebody as Administrator whom he will support and who will exercise that sound, fine Americanism and businesslike judgment in the administration of this program that will insure to some extent the fulfillment of the hopes that we indulge.

Now, Mr. Chairman, if this program is to be administered as many supporting it hope that it will be administered this

$17,000,000,000 will be used to subsidize European socialism, and it may come back to us somewhat in the same manner as the scrap iron that we sent to Japan prior to the last war.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I was limited in time in my opposition on behalf of the committee to the amendment offered by the distinguished gentleman from New York [Mr. GWINN], I should like to make an explanation so that we can have on the record what has happened on the question of relief appropriations. In a 3-minute period it is hard to make a speech on the merits and also talk about appropriations. I believe when this is explained a little more fully the gentleman from Nebraska the distinguished chairman of the subcommittee on appropriations for the State Department, and I, will not be much in disagreement.

On the question of the deadline of April 18, 1948, of which I spoke, it was implied that I had set the deadline. Actually I had not. The chairman of the Committee on Foreign Affairs as well as the ranking minority member of the Committee on Foreign Affairs had at all times stressed the importance of the psychological impact of this authorization bill on the Italians prior to their election on April 18. They both have urged that we get the authorizing legislation out of the Foreign Affairs Committee as soon as possible so that these people would know that we were aiding them on a long-time basis as distinguished from a short-time program.

In addition, I was called with my colleague before the Speaker of the House of Representatives and also the gentleman from Indiana [Mr. HALLECK], the majority leader, and that deadline was set by them and given to the Foreign Affairs Committee as a deadline before which we should try to advance this bill. Therefore rather than that deadline being my own, it was actually set by the leadership of the Republican Party and the Democratic Party.

As to the appropriations themselves, I was previously speaking of this current bill, which is an authorization bill, and was not speaking of appropriations under the bill. There is no one in this House that feels that this bill we are now passing actually appropriates money other than the $1,000,000,000 which the Reconstruction Finance Corporation is authorized to give immediately. This provision is in effect just as soon as the President signs the bill, so that there are funds that are available immediately, as soon as the President signs the bill, without going through the usual appropriations procedure.

The $55,000,000 spoken of by the gentleman from Nebraska was actually, as the gentleman from South Dakota said, appropriated under the interim-aid program. That was part of the $590,000,000 authorized by this House previously. As you recall, the Committee on Appropriations appropriated only $522,000,000 under that authorization. Then they appropriated the $55,000,000 more, making a total of $577,000,000 under Public Law 389. Then $18,000,000 for China of the last appropriation act that was passed, was actually authorized under Public Law 84, the joint resolution for the relief of countries devastated by war. So that when you see that picture, we are then speaking of the same appropriations, but we on the committee are talking of a different matter when we speak of authorizing bills. In my previous talk here I was speaking of the authorizations, while the distinguished gentleman from Nebraska was speaking of appropriations under the authorization bills.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Illinois.

Mr. VURSELL. Will the gentleman tell us what he means by a long-time program? Does that mean 1 year or 4 years?

Mr. FULTON. That means a program for the long time rehabilitation of capital assets in these countries, as distinguished from bread line or soup kitchen relief. The program itself will be authorized and appropriated each year by Congress. There is no commitment under this bill for either an authorization or an appropriation for longer than the current fiscal year beginning June 30, 1948.

Mr. VURSELL. The gentleman says there is no authority for the long time program, but it would seem to me to hold out to the European people the hope that it would be for more than 1 year, in fact, a continuous performance, because I notice the date 1952 is used throughout the bill. This certainly leads the Members of Congress, the people of America, and the world to think that it is a 4-year commitment on the part of this country.

Mr. FULTON. As the gentleman knows, under the bill passed by the Senate it is distinctly expressed as a hope—that is the exact word used—but not as other than a moral commitment. The current House version of the bill reported out by the Foreign Affairs Committee, now under consideration, requires both an authorization and appropriation each year. We intend to watch the program closely as progress is made under it.

As one of the delegates of this Government to the United Nations Conference on Trade and Employment at Habana, I wish to make a few observations regarding the charter for an International Trade Organization which was adopted at that meeting. The conference began on November 21, 1947, and ended on March 24, 1948, with the signing of a final act which authenticates the text of the charter. Thus, 3 years of study and planning and 2 years of almost constant negotiation have come to a successful conclusion since the United States first issued in December 1945 its proposals for the expansion of world trade and employment which suggested the formation of an International Trade Organization.

The necessity of my presence here in this body prevented my continuous attendance at the Habana Conference but I have followed closely and with deep interest the progress of the negotiations. At Habana, representatives of 53 democratic nations worked out a comprehensive agreement for the mutual benefit of all. The charter for an International Trade Organization—to be called for convenience the Habana Charter—is designed to smooth the road of international commerce not only for the United States but for the world at large. In essence, the charter provides a set of fair rules which the adhering countries will follow in their trade with each other. I consider this charter a declaration of economic peace among the signatory countries.

These countries agree that under its provisions each will seek to promote employment and buying power among its own people without injuring the economies of other member countries. They undertake to cooperate in encouraging and facilitating economic development through foreign investments and otherwise. The members of the Organization commit themselves to negotiate for scaling down their barriers against international trade and the elimination of discriminatory trade practices. Other rules embodied in the charter cover the conduct of trade, on a fair basis, between state and private-trading enterprises, as well as the activities of international cartels and the formulation and operation of intergovernmental agreements to deal with problems of temporary surpluses in basic commodities.

The Habana Charter will provide a foundation which could lead to a long period of world economic peace. We must avoid the pitfalls and errors into which we and most of the rest of the world fell after World War I. Then many countries thought they could help cure their economic ills and maladjustments resulting from the war my hurting their neighbors. They used such devices as cartels, restrictive quotas, and discriminatory trade practices. Generally, defensive and retaliatory moves followed each such act.

A depression set in, caused by many economic and monetary forces and world trade sank to a new low. For example, the total exports of the United States fell from $5,241,000,000 in 1929 to $1,611,000,000 in 1932. Our imports declined, in the same period, from $4,399,000,000 to $1,323,000,000. Exports originating in my own State of Pennsylvania declined from $341,000,000 in 1929 to $100,000,000 in 1932. The exports of iron and steel plates, sheets, and so forth, typical Pennsylvania products, dropped from $33,044,000 to $2,512,000 during the same period, a 92 percent drop for our manufacturers in Pennsylvania.

Belatedly and painfully, we and the rest of the world found out that economic isolation won't work any more than political isolation will. The Habana Charter is evidence that we do not intend to let that part of history repeat itself.

The ITO Charter and the European recovery program are complementary. Each helps the other. The European recovery program which we are now considering in this House will help countries to help themselves get back into production and into trade with each other and with the rest of the world. Unless the emergency aid which we may now provide does achieve this result, it will be wasted. It is not enough merely to keep the peoples from starving to death. Neither we nor they are willing or able

to proceed on a charity basis for an indefinite period. Powerful as it is, this country's economy cannot stand that strain. As soon as possible, the countries we propose to assist must be able to stand on their own feet, to produce more things for their own use, and to exchange for things which they must obtain from other countries.

The vital importance of immediate assistance cannot be too strongly emphasized, but this alone is not enough. The countries of the world must be able to see ahead to a future wherein there is a broadening highway of expansion in international commerce. The ITO Charter is an economic blueprint for such a future.

I am proud to have had a part in the steps which this Government has taken to help rebuild a more stable and prosperous world. I recommend careful and detailed study of the Habana Charter by the people of the United States. I am confident they will find it satisfactory and worthy of approval.

As a part of my remarks, I wish to include a brief summary of the Habana Charter for an International Trade Organization.

SUMMARY

The main objective of the charter is the raising of living standards throughout the world. It proposes to do this by promoting the expansion of international trade on a basis of multilateralism and general nondiscrimination, by fostering the growth of production and employment, and by encouraging the economic development of backward areas. Its substantive chapters set forth a series of international commitments with respect to national policies regarding customs administration, hidden restrictions on trade, import and export quotas, exchange controls, preferences and other forms of discrimination, State trading, subsidies, restrictive business practices in international trade, intergovernmental commodity agreements, the international aspects of domestic employment policies, economic development, and international investments. Other chapters outline the structure, functions, and procedures of the International Trade Organization.

The chapter on employment and economic activity emphasizes the fact that employment, production, and demand for goods and services are not only of domestic concern but are necessary for the well-being of all countries. Members agree to take action designed to achieve and maintain full and productive employment through measures appropriate to their political, economic, and social institutions.

The chapter dealing with economic development and reconstruction was, as it had been in the previous conferences on the charter, one of the most hotly debated sections at the Habana Conference. Under the provisions of this chapter, members agree to cooperate with other countries through the medium of international agencies for the purpose of promoting general economic development as well as the reconstruction of those countries whose economies have been devastated by the war. The chapter specifies the principles which shall apply to the promotion of economic development and reconstruction and the treatment of international investment. It indicates the conditions and specifies the procedures under which particular measures, otherwise inconsistent with the commercial policy provisions of the charter and with trade agreements made pursuant thereto, may be used to promote economic development and reconstruction. Similarly, the chapter delineates the particular conditions and procedures under which preferential agreements for economic development and reconstruction may be employed.

Almost a third of the charter is devoted to provisions on commercial policy. Under the provisions of the chapter dealing with this subject members agree to extend to each other general most-favored-nation treatment and to undertake negotiations directed toward the reduction of tariffs and the elimination of preferences on a reciprocal and mutually advantageous basis. In general, the charter also prohibits the imposition of discriminatory internal taxes and regulations on foreign products. In view of the peculiar features of moving pictures as a commodity in international trade, special provisions were included to deal with cinematograph films.

It was agreed that basically quantitative restrictions would not be allowed. It was recognized, however, that under certain conditions and with regard to certain commodities it might be advisable to allow exceptions. The permitted exceptions are carefully enumerated and circumscribed, with safeguards to prevent their possible abuse. These exceptions include the use of import quotas on agricultural and fisheries products if they are necessary in connection with governmental programs restricting domestic marketing or production. Import quotas are also permitted for the purpose of safeguarding a member's balance of payments.

Safeguards are also included to insure that the interests of other members are not unreasonably prejudiced by the indiscriminate use of subsidies. A modification of considerable interest to the United States was made in the provisions dealing with export subsidies. Such subsidies may now be used without the prior approval of the organization, as had been previously required under the Geneva draft over the objection of the United States. They, however, must not be employed by a member to acquire more than its equitable share of world trade in the particular commodity.

Since state trading has become of growing importance in recent years, the charter has included a section dealing with this aspect of commerce. This section provides that countries carrying on trade through state enterprises should conduct their commerce in accordance with the general principles of nondiscriminatory treatment which are applicable under the charter to private trade. In particular, state-trading enterprises are required to make their purchases and sales solely in accordance with commercial considerations and to give the enterprises of other member countries adequate opportunity to compete for such purchases or sales.

The charter also contains general commercial provisions dealing with freedom of transit, antidumping and countervailing duties, customs valuation, documents and other formalities in connection with importation and exportation, marks of origin and the publication and administration of trade regulations. These provisions are designed to reduce or eliminate the many burdensome restrictions imposed on trade through administrative devices, including the so-called invisible tariffs, which often prove to be more of an impediment to trade than the usual form of tariffs.

A final section of the chapter on commercial policy contains a number of special provisions. Of particular importance are the provisions which permit a member to withdraw tariff concessions in the event that they should lead to such relatively increased imports as to cause or threaten serious injury to domestic producers. This is the so-called escape clause which the United States has included in previous trade agreements, notably the general agreement on tariffs and trade recently concluded at Geneva, to insure that domestic interests are adequately safeguarded. Also of interest in this section are provisions permitting the formation of customs unions and similar arrangements. Finally, the section lists a number of general exceptions to the obligations of the charter so as to permit measures for the protection of public morals, health, safety, and the like and to meet certain temprorary exigencies arising as a result of the war, such as measures for the acquisition or distribution of commodities in short supply.

Closely related to the commercial policy provisions of the charter is the chapter on restrictive business practices. This chapter requires that Members shall take appropriate measures to prevent business practices, whether on the part of private or public enterprises, which restrain competition and foster monopolistic control whenever such practices have harmful effects on the expansion of production or trade. The charter sets up various consultative and investigative procedures to implement this obligation for the prevention of restrictive business practices.

The charter recognizes that primary products, such as agricultural commodities and minerals, are sometimes subject to special difficulties which necessitate special treatment of the international trade in such commodities through intergovernmental agreements. The charter therefore defines the general principles which are to govern intergovernmental commodity agreements, the circumstances under which they are to be used, and the procedures for developing and administering them. These provisions seek to safeguard the interests both of producer and consumer countries and to afford an effective solution to the particular commodity problem involved.

The remaining articles of the charter deal with the structure and functions of the International Trade Organization, procedures for the settlement of differences, and a number of general matters, including relations with nonmembers, general exceptions for national-security

reasons, methods of amending the charter, procedure for withdrawal of a member from the Organization and for termination of the charter, and requirements to be met for entry of the charter into force. The principal organs of the Organization will consist of a conference, an executive board, and a secretariat, including a director general and his staff. Differences may be settled by consultation or arbitration between the members or by reference to the executive board or conference or to the International Court of Justice under certain circumstances. The charter prohibits a member from entering into a preferential arrangement with a nonmember which prevents the latter from according to other members any benefit of such an arrangement. In general, members are prohibited from according to nonmembers treatment which, being more favorable than that accorded to other members, would injure the economic interests of the latter. Members are free under the charter to discriminate against nonmembers if they so wish.

The charter is to enter into force when a majority of the countries which signed the Final Act of the Habana Conference have approved the document. However, if a majority fail to approve at the end of 1 year after the signature of the Final Act, then the charter may come into force whenever 20 countries approve the charter. If the charter has failed to come into force by September 30, 1949, those countries which have approved the charter may consult among themselves as to whether and on what terms to bring the charter into force.

The Clerk read as follows:

FINDINGS AND DECLARATION OF POLICY

SEC. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic and political conditions, stable international economic and political relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

PURPOSES OF TITLE

(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title, by—

(1) promoting industrial and agricultural production in the participating countries;

(2) furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances; and

(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

Mr. BOGGS of Louisiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOGGS of Louisiana: On page 48, line 25, strike out the word "economic" and on page 49, line 1, insert at the beginning of the line the words "and unity."

Mr. VORYS. Mr. Chairman, I ask unanimous consent that debate on this amendment close in 5 minutes after the gentleman has concluded.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. VORYS. Mr. Chairman, reserving the right to object, the gentleman from Louisiana does not intend to preclude the committee from commenting on his amendment, does he?

Mr. BOGGS of Louisiana. Not at all. I shall be very glad to yield to any member of the committee.

Mr. VORYS. Do I understand that debate then would close 15 minutes from now?

The CHAIRMAN. It can be changed to that, but, as the unanimous-consent request now stands, debate is limited to 10 minutes.

Mr. VORYS. In such case, Mr. Chairman, I am constrained to object so that the committee can have 5 minutes.

Mr. BOGGS of Louisiana. It was my understanding that the request of the gentleman from Ohio [Mr. VORYS] was that debate be concluded 5 minutes after I had finished.

Mr. VORYS. In view of the statement of the Chairman, however, there is only one thing to do.

The CHAIRMAN. The gentleman may amend his request. The only time that the gentleman had at the time the other request was made was 5 minutes.

Mr. VORYS. I think the committee has heard from the gentleman, and therefore I object to an extension of his time. He can explain the amendment in 5 minutes and the committee will have 5 minutes to speak on it.

The CHAIRMAN. Objection is heard.

Mr. BOGGS of Louisiana. Mr. Chairman, this amendment does a very simple thing, nevertheless, I believe it is as important and as vital an amendment as any that will be offered here today or tomorrow. The House committee has, in my opinion, improved considerably on the language in the Senate bill. The Senate bill expresses the hope that what we do in this legislation will lead to economic unity in Europe. The House committee amended that language to state that it is the declared policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity.

My amendment does only one thing. It will strike out the word "economic" at the point where the bill reads, "it will speedily achieve that economic cooperation," and make it read "It will speedily achieve that cooperation," and then adds two words "and unity," in Europe which is essential for lasting peace and prosperity.

The entire theory of the Marshall plan, as I understand it, is that we have abandoned the principle of piecemeal aid to Europe. We have faced the fact that unless there is unified action on the continent of Europe by free peoples and free nations of Europe, that one by one they will be overwhelmed by communism, and one by one they will be plucked off. I presume that the argument will be advanced that by writing in the word "unity" we create an additional affront to Soviet Russia, and, second, we create possibly additional problems for the small nations. I submit to the members of this committee that such can never be the case, because the very essence of this legislation is to stop Russian aggression and Russian encroachment throughout the free nations of Europe. And, second, insofar as presenting any further difficulties for the small nations is concerned, on the contrary I maintain that it will send out to the free nations of Europe, large and small alike, a message of hope; a message of encouragement; a message which they have been waiting for, lo, these many months.

All of you have followed the press reports, all of you have followed the debate on this measure and previous measures, all of you have noticed that throughout the continent of Europe the progressive nations which are seeking an answer to this terrific problem have

come forward with the statement that unity is positively essential.

We say in this legislation that we favor economic unity. I favor such economic unity but I submit to you that economic unity alone cannot possibly solve this problem; that this problem is one that greatly transcends economic unity, and that economic unity itself, without political institutions, is almost impossible of perfection. What would be the situation in our own nation? What type of economic unity would you have in America if you did not have the political institutions which are necessary to effectuate and carry out the economic agreements entered into?

In the testimony before this committee and in the Senate, the statement was made time and time again that unity was the objective of the legislation. It has bipartisan support. Governor Dewey, of New York, speaking on Lincoln's Birthday, said:

> The great purpose of European unity should be set forth specifically in the legislation now before the Congress. Our aim should be to give in proportion to European effort to achieve unity. We can, and I believe we must, launch a program which will bring about the greatest force for permanent peace in this world since the adoption of the Constitution of the United States.

Mr. Chairman, in closing, I include a letter that I recently received:

> UNION PARLEMENTAIRE EUROPEENE,
> *New York, N. Y., March 8, 1948.*
> Representative HALE BOGGS,
> *House of Representatives,*
> *Washington, D. C.*
>
> MY DEAR MR. BOGGS: Since the idea of European federation has passed from the state of preparation to that of realization, I wish to thank you most cordially in the name of the European Parliamentary Union for the decisive initiative you have been taking together with Senators ELBERT THOMAS and WILLIAM FULBRIGHT, to assure this tremendous step toward peace.
>
> For no historian will contest the fact that it was your congressional resolution for a United States of Europe that has aroused American opinion in favor of European union. The almost unanimous support given to your initiative by Congress and public opinion throughout the United States has become the springboard for the Marshall plan with all its tremendous consequences for both continents, and for the future of the human race.
>
> You can be sure that we shall never forget your decisive contribution to the cause of European unity and of permanent friendship between our two continents.
>
> With every good wish, I am
> Cordially yours,
> RICHARD COUDENHOVE-KALERGI,
> *Secretary General, European Parliamentary Union.*

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. BOGGS] has expired.

Mr. VORYS. Mr. Chairman, this amendment is characteristic of possibly a string of amendments which will now come along, all of them very laudable in purpose, perhaps, in adding additional statements to the general principles and purposes and declarations of policy in this bill. I believe the committee will be constrained to oppose them all for this reason: Either they are a matter of tweedledee or tweedledum, as I think might be argued for this amendment, or we are fooling with political dynamite. The committee itself proposed rather substantial changes in the policy statements and we were dissuaded from them because while we wish to speak out our own principles, we have to avoid any position of thrusting our political point of view upon these nations. The committee changed the word "hope" to "policy to encourage these countries through a joint organization," as will be found in lines 20 and 21. But the committee felt that it would be unwise to insert any further political demands in this introductory statement because, as I say, of the political dynamite involved; and we urge the Committee of the Whole not to adopt changes which, while appearing to be small may turn out to be substantial, and especially when we have only a brief time to consider them.

Let me say further that if we debate over long on the preliminary portions of this bill we may never get to the end of the bill. I hope therefore that the Committee of the Whole will be disposed to get over into the more substantial parts of this measure soon so that we may perfect them.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. BOGGS of Louisiana. Does the gentleman contend that this is any more than an expression of policy?

Mr. VORYS. I think that insofar as this is an expression of policy it already appears in better form than the gentleman offers it. As the gentleman knows, I am in sympathy with his feeling as to the necessity of union over there and I can express my feelings on the floor, and we have expressed them in the report, and the gentleman can express his feelings; but once we write something into this legislation that may be considered and used by our enemies as political propaganda in that we are tying political strings of a character we did not intend, to what we are doing, I think we get into trouble.

It is not because I oppose the fine purpose the gentleman has in his mind, but because I think it is sufficiently expressed in the language the Committee has brought to the floor that I urge the gentleman's amendment not be adopted.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. BOGGS of Louisiana. By voting down this amendment would we not indirectly be sending out word to the world that we are not in favor of union? And is it not a fact that we will have just that much greater repercussion from the Soviet Union?

Mr. VORYS. That is the unfortunate part of this type of amendment at this place in the bill, that its voting down may be misconstrued because its author may claim more virtue for it than is necessary. But I feel sure that the nations of the world, both our friends and our enemies, when they read this policy and purpose declaration, will know what we mean and will know that it is our policy properly to encourage unity in Europe.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JAVITS. I fought in the committee for these very views expressed by Governor Dewey. I am satisfied the committee has gone a very long way in the changes which the gentleman from Ohio just read, and I have reason to believe that they are satisfactory to the original author of them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. BOGGS of Louisiana) there were—ayes 24, noes 58.

So the amendment was rejected.

Mr. KERSTEN of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. KERSTEN of Wisconsin: On page 48, line 4, strike out the words "largely upon the" and insert the following: "Primarily on the concept that all men are created equal, that they are endowed, not by any State or political system, but by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness and such principles are necessarily supported by."

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 10 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Chairman, when the gentleman from Ohio a few moments ago stated that there would perhaps be a string of amendments that would not improve the title he might have included mine within that designation. But I would like to call the attention of the Committee to the language of the bill as it appears at present commencing with the top of page 48 with the sentence:

> The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic and political conditions, stable international economic and political relationships.

In other words, Mr. Chairman, the philosophy that the bill presently sets forth is a philosophy wherein these great principles of liberty, free institutions, and independence rests upon economics. If we want to talk about imposing political philosophies upon any other country we are here setting forth what is economic determinism, which is Marxism, which is socialism. We are not imposing on any nation a political philosophy if we incorporate in the measure the language of my amendment which states that these great principles rest upon the ideas set forth in our own Declaration of Independence, that these rights are endowed by the Creator, not by any state or political institution. That is the language that our forefathers had the temerity to assert to the world, not just for the United States but for all people. Should we be little men and be afraid to set them forth in the purposes of this bill and to assert them as the foundation of the rights of liberty and independence?

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. KERSTEN of Wisconsin. I yield to the gentleman from California.

Mr. HINSHAW. I desire to compliment the gentleman for offering this amendment because it is quite true that you cannot base the principles of liberty on economic factors. They have to be based on the principles that the gentleman has stated appearing in the Declaration of Independence. They are the same principles that have made the United States what it is during the last 150 years.

Mr. KERSTEN of Wisconsin. I thank the gentleman. If you do not wish to incorporate this language, then I ask that the entire language pertaining to the fundamental principles be deleted. Why should we as Americans state that liberty and independence are based largely on economics and international trade? If we do that we are playing right into the hands of the Socialists. We should not be afraid to reassert what we have stated in our Declaration of Independence that these are basic rights given us by our Creator and they do not come from any state. We are affirmatively thereby attacking the philosophy of communism, Marxism, socialism, and economic determinism, and we are stating what our forefathers were not afraid to state and what the American Nation has not been afraid to state heretofore, but which we here in Congress appear to be afraid to state. Why in God's name should we be afraid to state it?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. MUNDT. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. MUNDT. Mr. Chairman, I may say to the committee that the question the gentleman from Wisconsin has raised by his amendment was discussed at great length in the committee room and if you will compare the bill that is before you with the one which the Senate sent over you will see that we have moved our bill materially in the direction he has indicated. The difficulty with his amendment is that in the first place his argument fails to take into consideration the first three words in line 6, page 48. At no place do we say that the restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests on economic relationships. We say economic and political relationships.

The words "and political relationships" were introduced into this legislation by the House committee. They were not in the Senate version of the bill. The reason we did not try to repeat the phrases of the Constitution of the United States or of the Declaration of Independence is that obviously we do not want to give fuel to the fires of the Communists who could then say we are "trying to mold the whole world into the exact pattern of economic and political behavior of the United States." We are not trying to superimpose by the power of this bill our Declaration of Independence or our Constitution of the United States or our particular American political pattern on these individuals, but we do point out to them that the maintenance of sound economic and political relationships are essential, and those relationships would have to be adapted to the countries and to the backgrounds and to the traditions of Europe.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not a fact that one of the reasons why we did not go further in the direction of the gentleman's amendment in this declaration of policy and principles was the frank recognition that for us to try to compel them to give at least lip service to our views would move them away from those views rather than toward them? It was because we want them to move and hope they will move more and more toward those views that the gentleman from Wisconsin expressed and with which we all agree. It is impractical and impossible to persuade people to a view by legislation.

Mr. MUNDT. That is correct. One of the great lessons of history is that every country has to evolve a system of government and a system of political life that is adapted to its traditions and background, and certainly we in America cannot hope to impose upon all the countries of the world the precise American system. We shall encourage them to move in our direction because we believe our system is best, but we cannot compel them to accept it by a law passed here in Congress.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. Does the gentleman think there is anything objectionable for any nation to assert that these inalienable rights are derived from its Creator?

Mr. MUNDT. I see nothing objectionable to that particular phrase and it is of course one to which all right-thinking Americans fully subscribe, but if we were to incorporate a large part of the language of the Declaration of Independence which would indicate that we expect them to follow the framework and the principles of the American system of government we would be going too far in this legislation. We have made it clear in the legislation that they must have political and economic relationships which are sound and workable in order for independence to be preserved.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Ohio.

Mr. VORYS. While I have a profound belief that my liberty comes from my Creator, yet I wonder whether I should attempt to write my religious beliefs into legislation for 16 nations, and that is a possibility in this amendment.

Mr. KERSTEN of Wisconsin. Mr. Chairman, if the gentleman will yield further, has not the committee written into the bill that these rights of independence and of liberty are derived from economics?

Mr. MUNDT. No. We have not. If you will read the whole sentence, we specifically added to the Senate language which dealt only with economic matters the words "and political relationships." So we have changed it to include both economic and political relationships.

Mr. KERSTEN of Wisconsin. In other words, they are derived from political and economic relationships, according to this bill.

Mr. MUNDT. No; they are implemented by economic and political relationships. We have not said they are "derived from them."

Mr. KERSTEN of Wisconsin. You have said that they are based on them largely, yet we as Americans say they are based on something else. Are we departing from our political philosophy?

Mr. MUNDT. No; we are talking about the restoration and maintenance of European countries principally. The difficulty with the gentleman is that he has interpreted the whole legislation in terms of his amendment. The committee did not do that. We did not have the amendment before us. We say that the restoration or maintenance in European countries of principles of individual liberty, and so forth, rest largely upon the establishment of sound economic and political conditions. That very definitely and precisely brings the political relationship into the picture without trying to prescribe precisely the American system for countries which do not have the background, experience, and training, in order to make it function successfully at the present period of history.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. KERSTEN].

The question was taken; and on a division (demanded by Mr. KERSTEN of Wisconsin) there were—ayes 18, noes 50.

So the amendment was rejected.

Mr. BARDEN. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. Mr. Chairman, on two occasions today the debate has touched on the question of the personnel and the type of men that have been handling our money in foreign countries. It is rather disturbing to me to see that not one single Member of this House would rise to defend the actions of the men that have been handling this money. This country will not support any program without faith in the men handling the program.

There has been read on the floor today a long list of men. I am putting it mildly when I say that most of them have been branded as "pinkos." As far as I am concerned there will be no "pinko" handling my money or my people's money. I want somebody to give us some assurance about the men that are going to handle this money. I am sick, I am nauseated over the reports that are coming to me about the type of men that have been handling this money. It simply does not make sense

to expect a half Communist, a Communist, or one with Communist leanings to be a success in fighting communism. And that is what we are interested in.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. Briefly, for a question.

Mr. MUNDT. I just wanted to give the gentleman some assurance, because I feel exactly as the gentleman does about this matter, that we inserted an amendment——

Mr. BARDEN. Has the gentleman been serving on the Committee on Foreign Affairs?

Mr. MUNDT. Yes.

Mr. BARDEN. Why has he not been doing something about this before?

Mr. MUNDT. We have been endeavoring to get the Democratic administration, of which the gentleman who has the floor is a member, which I am not, to remove these men from the State Department.

Mr. BARDEN. I am not a member of anything that puts the stamp of approval on a man that is not loyal to this Government, especially if he is a Government employee spending Government money.

Mr. MUNDT. To get back to the bill, we have provided an amendment that the FBI has to certify to the loyalty of the people operating this legislation. I think the gentleman shares with me an admiration and respect for the members of the FBI.

Mr. BARDEN. I certainly do. I wish it were four times as large as it is and twice as active.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Georgia.

Mr. PACE. The trouble is, however, that the bill does not require them to certify, it simply requires them to investigate and file a report. One can be the most disloyal person in the United States and they can still employ him. You do not require that these employees be certified as to loyalty at all, and the omission is very significant.

Mr. BARDEN. Let me straighten that out. May I ask the gentleman from South Dakota if that statement is correct?

Mr. MUNDT. That is not within the jurisdiction of our committee, but if the gentleman can convince us that further clarification is necessary we want to correct it.

Mr. BARDEN. The gentleman is a member of the committee that brought in this bill. I want to know if that statement is correct.

Mr. MUNDT. The interpretation by our committee of this amendment is that a favorable report is required of the FBI.

Mr. BARDEN. When the FBI files its report, then what?

Mr. PACE. That is it.

Mr. BARDEN. Then what, when the FBI files its report?

Mr. MUNDT. I did not get the question.

Mr. BARDEN. When the FBI makes its investigation as to the loyalty and so forth of this man who is supposed to be or proposed to be a member of the spending personnel and files its report, then what?

Mr. MUNDT. Then if he is a loyal citizen on the basis of the FBI investigation and the economic administrator desires to appoint his, he can do so.

Mr. BARDEN. Suppose the report says "No," what is there to force the Administrator to keep that man from being appointed anyway?

Mr. MUNDT. The intent of the Congress in this legislation is that anybody not certified favorably as to loyalty by the FBI shall not be appointed.

Mr. BARDEN. Oh, well, that was the intent of Congress back yonder when we were spending the $25,000,000,000 that have already been spent. There are enough men in this country above question to man these positions, and the people, the taxpayers, if you please, have the right to expect 100-percent loyalty to their Government and the American way of life from those selected.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. KEEFE. Assume that the FBI makes an investigation, and assume that the FBI files that report of its investigation with the State Department. Who is going to know, outside of the people in the State Department, what that report is? The Congress can't find out, because we have already been told that those reports are secret. A committee of the Congress cannot find out from the State Department and cannot get the facts from them.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. BARDEN] has expired.

Mr. BARDEN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KEEFE. Is the gentleman aware of those facts?

Mr. BARDEN. I regretfully state that I am aware of them, and that is what I want to clear up. May I ask the gentleman from Ohio [Mr. VORYS] if that is his interpretation?

Mr. VORYS. The gentleman from Ohio knows that the FBI cannot be made the appointing power. The review of appointments in this legislation is two-fold, as to the protection given to personnel. The review is two-fold; one is in the form of confirmation by the Senate, and the other is that I cannot conceive of the Committee on Appropriations of the House of Representatives bringing to the floor of the House appropriations to implement this legislation unless and until they know who are going to run it. Whether they are screened by the FBI or not, I think the Committee on Appropriations will have something to say before they bring an appropriation to the floor of the House.

Mr. BARDEN. May I say to the gentleman that I know most of the members of the Committee on Appropriations. They are very fine gentlemen and would be as cautious as they know how to be. But I am talking about what we have been doing with the $25,000,000,000 practically all of which has already been spent. I saw in the paper the other day where this gentleman had been economic administrator for Italy. The newspaper carried the story under big headlines and carried his picture and named some of the "pink" organizations that he had been a member of. Then the newspaper stated that he had been economic administrator for Italy. He recently resigned and is now managing Mr. Wallace's campaign. Of course that does not make him a little bit to the left, but it is some evidence that he is bearing that way. If he has been economic administrator in Italy, I am not surprised if the election in Italy should be close on the 18th. I am not joking about this. This bill has worried me more than any piece of legislation since the declaration of war. I think there are some very, very serious matters involved. I would like very much to vote for it, and I may vote for it, but I am telling you now that I have some misgivings about it. I am worried about these people who are going out overseas. I know some of them. I have read the records of some of them, and the gentleman from Ohio knows that they are still in the Government and in the other countries of the world scattering this money around. If that is what is going to happen, then they can do a terrific amount of damage with $17,000,000,000.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. BARDEN. I am glad to yield to the gentleman.

Mr. TABER. Under the decisions of the Supreme Court, it is absolutely impossible for us to prevent the employment of any specific person through the appropriation bills. We can only withold funds from the State Department or any other department or agency where we find that they are employing people who should not be employed.

Mr. BARDEN. May I say to the gentleman while he is on his feet, I think one of the men named in this list today was one that the Appropriations Committee refused to appropriate money for. Is that not true?

Mr. TABER. Oh, yes. There is no question about it. He does not have any business in connection with a program of this kind. It is really an indictment of the program that it is built up with such people.

Mr. BARDEN. I say again, it seems to me the committee would require that these reports of the FBI be made available to the Foreign Affairs Committee or to the Appropriations Committee where they can review them and, if necessary, cut them off. But, as it is now, the FBI will make an investigation, it can be filed with the Department, and all the powers between here and hades cannot bring that report here unless they are willing to bring it out. Therefore the FBI report ceases to be of much protection. I gather from the debate today that we have accomplished very little, if anything, with the money already spent in foreign countries, even though we have spent the staggering sum of almost $25,000,000,000. The American taxpayer has the right to expect his tax dollars to be wisely spent—and honestly spent. I think the State Department should do a

little house cleaning and put folks to handling our foreign programs that inspire confidence, not distrust. I hope General Marshall will realize that bad company is dangerous before it is too late—and damage to his good name results.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. BARDEN] has again expired.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from North Carolina [Mr. BARDEN] is not any more worried about this business than are some others. It is not bothering me at all because I do not intend to vote for it, no matter what you do about it. Nothing is to be gained by providing billions of dollars to be spent abroad and then letting a bunch of crooks spend it. You can talk all you want to about writing amendments into this bill, there is no man or woman who has been here 10 years who does not know that the departments do not pay any attention to what the Congress wants or does, when the law runs counter to what they wish to do.

The members of the Appropriations Committee know very well that the departments employ certain people no matter how vigorously the Congress protests. I remember when this Congress said that no money in a certain bill should be paid to three named individuals, but the Supreme Court said we would have to pay them just the same, and I assume we did pay the bill for their services.

Until the administration gets ready to clean house in the Commerce Department and in the State Department, I do not propose to give them another dollar to be spent abroad; not one dollar, and we would do well to deny them every dollar until they fire the last Red on their list.

They spoke about this man Lasser. He is in the Department of Commerce, if I am correctly advised. He is there after the Congress once said he should not have any more United States money while employed by a certain department. I say, he is still there. I do not understand and I cannot understand why the Committee on Foreign Affairs asks us to give these executive departments billions of dollars, when we know that some of the people who are going to spend that money either belong to or are affiliated with organizations which advocate the overthrow of this Government by force and violence. To my way of thinking, it just does not make sense. I think if the Committee on Foreign Affairs would get these departments cleaned out first, then we would have some confidence in some of these departments. You can talk all you wish about these FBI reports, I know, and the Committee on Expenditures in the Executive Departments and its subcommittees know, from bitter experience, that it does not make any difference what the FBI reports show as to the loyalty or disloyalty, or criminality of different individuals; those men still have their jobs with the executive departments and we cannot get the reports. Now, why is it? I ask, why is it that we cannot have those departments cleaned out, and have people who believe in America and American Government administer this program and other programs for which we are asked to appropriate public funds?

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. BUFFETT. In connection with what the gentleman has just said, I read in a responsible paper this sentence:

> In the course of its loyalty check the FBI has determined that today 1 out of 12 Government employees has a police record, and the records, according to FBI Chief Hoover, usually do not list civil misdemeanors.

But the great mass are felons.

Mr. HOFFMAN. Oh, the New Deal has always had a taste for "smelly" people. I remember when Mrs. Roosevelt entertained and supported the Communists. I will give you another illustration, if you want it. This does not have to do with Europe but with those gangsters who were recently paroled. A committee of this House has already presented to the Parole Board evidence which could not be disputed showing that those men deceived, or at least presented false information—and there is a distinction, bless your heart—the parole board when they got their paroles; and they are still out—gangsters, members of the Capone gang. Apparently the same influences which got them out still keep them out.

What this country needs is a house cleaning, starting with the Presidential Office and traveling on down until the last Red sympathizer is kicked out.

Mr. PACE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it just so happens that when the gentleman from North Carolina rose I was trying to draft an amendment to this identical section. I want to congratulate the committee on going halfway on this problem, and I hope they will go the whole way.

The language in the bill, beginning in the last line of page 63, is as follows:

> No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title until such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator.

That assumes, of course, that the personnel director is a man of good judgment and that if the report is not favorable, he will not employ such individual. The difficulty, however, is that that has not always been our experience. I would like, therefore, to know if it might be agreeable to the committee, not in this identical language, for I am sure the committee can draft better language, to accept after the word "Administrator" when we reach this section, language saying as the bill reads, that he shall file this report with the Secretary of State and the Administrator and that they cannot employ such person until he has been investigated and it is certified that he is of unquestioned loyalty to the United States, its Constitution, laws, and form of government, and has never been a member of any organization advancing views to the contrary?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PACE. Just a moment and I will be delighted to yield.

The purpose there is, I think, to carry out the intention of the committee and certainly the desire of many Members of Congress that they not only be investigated by the FBI, but before they can be employed the report must be filed certifying to the fact that they are of unquestioned loyalty.

Mr. JUDD. Mr. Chairman, will the gentleman yield now?

Mr. PACE. I hope some gentleman speaking for the committee can give me the answer. I will be delighted to yield to the gentleman from Minnesota, for I know of no member of the committee more able to speak for it.

Mr. JUDD. I am unworthy of the compliment, but I thank the gentleman.

If the gentleman can devise a formula and language that will deal more effectively with this matter, I will support it and I am sure that the members of the committee, almost or entirely without exception, will support it. We have struggled with this for more than a year. In one of the bills we passed last year we required that the employee be investigated and approved by the FBI before being hired. Then it was made clear to us that the FBI does not certify, it does not approve or disapprove. It is not a Gestapo. It merely investigates and then reports whatever it finds, both good and bad. The FBI does not evaluate. Somebody else has to evaluate its findings. So all we could do was to insist that the employee be investigated and the report be presented to the Administrator. He then must make the evaluation and decide whether or not to employ the individual. If you can find a surer way whereby we can keep improper persons out of this program, I am convinced the committee, almost unanimously and with open arms will accept such an amendment.

As the gentleman knows, I am probably as painfully cognizant as anyone could be of the damage which improper employees in the State Department can do and have done. Despite all efforts to prevent it, a group of people in the Far Eastern office took the victory in Asia, which a hundred thousand young Americans had given their lives to win, and all but gave it away in 2½ years. I can assure the gentleman that we on the committee are as anxious as anyone could possibly be to make sure that all who are placed in these administrative jobs are loyal first and only to the United States.

Mr. PACE. I felt confident that was the desire of the committee and I hope that overnight proper language can be found that will cover this situation. Many of us, may I repeat, would not be satisfied with simply the filing of a report.

Mr. LOVE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in considering the amount of our help toward the rehabilitation of western Europe, we must not forget our domestic economy. Our food prices here at home are unbearable. In 1947 some $2,000,000,000 worth of food products were shipped from our markets to Europe. This was largely the cause of

ridiculous grocery bills in the United States.

The facts are that a small amount of the so-called relief food ever reached the poor people of Europe. This food was sold by the governments of Europe and could be purchased only from black markets and high-priced public markets. The poor people of Europe could not buy our relief food, and very little was given to them.

Under the pending bill, totaling $6,860,000,000, some $3,186,000,000 is to be spent for food again. In other words, half of the Marshall plan funds are to be used for food only. It is my contention that this amount estimated for food is entirely too high and that a larger percentage of our gifts should be used for reconstruction and not for day-by-day temporary aid.

The continuation of such a large food program also is bound to keep our grocery prices high, at the expense of over 2,000,000 aged Americans who get pensions of an average of some $36 per month. The cost of living for office workers, school teachers, wage earners, and all our people in the United States should be considered before we continue to ship excessive exports of food to Europe for the next 15 months.

I also note in the committee report on page 64, that the bill calls for $60,000,000 to be spent for freight cars for European relief in the face of our present domestic-car shortage, and $78,000,000 is allotted for trucks. The report also calls for shipment to Europe of $2,000,000 worth of scrap iron, irrespective of our own scrap-iron shortage. Under the plan we are to export $8,800,000 worth of iron ore and $119,000,000 worth of finished steel products. Two hundred and sixty-four million dollars is to be spent for tobacco as a part of the program.

Most certainly the excessive food program of the pending bill should be drastically curtailed not only for the best interest of our domestic economy but for the actual reconstruction of western Europe as well.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in view of the fact that the acting chairman of the Committee on Foreign Affairs of the House has seen fit to indicate that the language on page 64 of the bill, which has just been referred to, can safely be left in the bill and perhaps leave it to the Appropriations Committee of the House to protect the people of America and Congress, I should say something that has been passing through my mind all these many months.

We get all agitated and stirred up with reference to the fact that some disloyal person may be in the employ of the State Department or some other agency of Government. Let us think for a moment about this bill with all of the protection that you can write into this paragraph on page 64. You pass this authorization legislation. The Appropriations Committee implements it with money. Then the Administrator, whoever he is, with all of his employees who have been screened and approved, go to work. They start this great pipe line of food and supplies to these European countries.

What happens when the boat arrives at Naples with, say, a carload of wheat? What happens when this material gets over there? Who handles it?

Now, there is the issue. You do not hear anybody from the Committee on Foreign Affairs talking about it. They talk as though our job is done when we screen these employees, appropriate these billions of dollars, translate them into thousands of carloads of goods, put them on a ship and send them to Europe. Who handles the distribution over there? Why, you know and I know just as well as we know we are sitting in this room, that it is going to be handled by the civilian government of the nation that is the recipient of our bounty, be that government good, bad, or indifferent; be that government good, corrupt or otherwise. The only inhibition that there is in this law is the inhibition that has been written into it to deny relief in the event they go communistic. Now, they can have in Italy, you know, 35 or 30 percent of their people favoring communism, and they can so vote. As long as the majority of them are not Communists and do not so vote—although 35 to 40 percent of them may be Communists and they may be cardholders and they may so vote—they will still get aid under this bill. And, the same is true of every other country.

Did you ever think of that just a minute? Let me paint a picture to you that I did to General Marshall and a group of the upper crust of the State Department when I asked them a few questions about this thing. There are a few simple things that I can understand, and I know this, my colleagues, that we have been asked to spend millions of dollars for the Voice of America. For what purpose? To tell the people of the world, and especially the people of Italy, that America sends them food, America is going to help them, America sends help. So, we appropriate the money and we buy the wheat, and we put it on a boat, and we send it to Naples to feed the hungry. But, the minute that wheat is unloaded from that boat, title to that wheat is transferred to the civilian government of Italy. We lose all control over it. And, the little fellow that heard the Voice of America and says, "You are going to get wheat, Salvatore" finds that when he goes into a bake shop to get his bread, that he has to pay for it, and pay through the nose, and pay the price not that the people of America put upon that bread, but the price that the civilian government of Italy places upon that bread, be that price high or low, and be that government good, bad, or indifferent.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Now, my friends, I have asked all of those questions of the Secretary of State and of those who appeared before the Committee on Appropriations, and that is the way this program will operate; make no mistake about that. That is the way every relief program operates.

So, what becomes of little Salvatore who listened to the Voice of America, who told his hungry wife and family, "Yes, great, good America sends us bread, they send us clothes" and then walks into the store and the storekeeper, who may be one of the 35 percent that are card-carrying Communists, says, "Salvatore, that is a lot of bunk. You have got to pay for this stuff and pay what the government says you pay." He says, "I have no money. I haven't a job, I have no money. My family must eat. We must have shoes and clothes." The storekeeper says, "Come to the meeting tonight, Salvatore, and we will see that you get a ration book and you get a job and you get money." Who does he think gets him the food, the United States of America or the Communist Party, to whose party meeting he goes that night and is taken care of?

Talk about screening these employees in the name of trying to prevent the influence of communism. Such contention is not in accord with the realities, because the whole program must necessarily operate exactly as I have told you. America loses control of every single one of these items the minute it leaves the ship at the shore line of the nation to which it is consigned. We might as well understand that and know it when we vote on this program. We might just as well know and understand what we are doing and how perhaps inevitable it is that the program will not succeed as contemplated.

I am worried about this whole situation. I have slept over this thing, because we have had all of these programs before the subcommittee of which I have the honor to be a member. It is a pretty difficult thing to understand. The only thing that I could get by way of answer was, "Our hands are tied, we cannot do anything about it, because if we as a Nation seek to intervene and lay down intimate rules and regulations for the handling of this program we will be playing right into the hands of the Soviets, who already contend that we are guilty of meddling in the affairs of sovereign nations and are guilty of imperialism."

Mr. Chairman, it is a terrible problem to know just what the situation is to be. I expect to say something further on this tomorrow. I have a rather carefully prepared statement that I want to make in exposition of my own vote upon this program. If I vote for this program ultimately, it will be with tremendous reluctance, because of the implications that are involved.

Mr. RAYBURN. Mr. Chairman, I move to strike out the section.

Mr. Chairman, I realize that in passing legislation like this there is a risk, a great risk. Some of this money may be wasted. I feel certain that some of it will be wasted. But even with that, viewing this world as I do today, let me repeat what I said here before, I am more disturbed about the world today and what might happen than I was in 1938 and 1939. I am willing to take this risk. Maybe we can help save the world and our civilization. I think there is more

tinder in the world today that may break into a flame than there was even then. As the gentleman from Wisconsin said, I too at a later time in this discussion am going to have something further to say. But I thank God every day of my life that I think 99½ percent of the people of the United States have more good in them than bad. I still think that the President of the United States, conscious of his tremendous responsibilities, will name a good administrator for this law, and that that good administrator will, out of one hundred and forty-odd-million people, find a few thousand good people, honest people, patriotic people in the United States to help him administer it.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in keeping with what the distinguished gentleman from Wisconsin said, I know that many of us are tremendously disturbed in connection with the proper handling of these tremendous funds if the Congress should in the next day or two approve this program. As the distinguished gentleman from Texas said, I, too, have faith in the vast majority of the people in these great United States. Sometimes, however, I think there is more selfishness in this world today than at any other time in the history of the world. I am not as much disturbed about the administration of this fund as I am disturbed as to the extent that our potential enemies whom we are endeavoring to stop by this program may have already too well prepared themselves, and that that preparation has come about by the greed of too many people in this and other countries. And also by the carelessness, neglect, and maybe connivance by some governmental agencies in this country.

When the last war came to an end, we had something in excess of $50,000,000,000 in surplus war assets of every kind and character, including tanks, guns, and everything that was used to make war. Some $20,000,000,000 worth of these goods, wares, and merchandise were overseas in Europe, Asia, and elsewhere. For more than 2 years now, I have been a member of a committee trying to check as best we can what is happening to surplus war goods. We find that in our country traders and speculators have bought millions and millions of dollars worth of these potential war goods, in many instances not directly from the Administrator of War Assets, but from other people to whom they have been sold by WAA. These may be war materials that will be used and can be used to fire back at our American boys just as it happened in the last war, particularly in the Pacific.

In this country we had no program, so to speak, up until March 1, to screen the character of goods that are going out of this country. Last week before my subcommittee we had witnesses testify that airplane engines and other war potential goods of every conceivable kind and character, were being sold and shipped to our potential enemy, Russia. Since the first of January, more than 50 Russian ships have docked in New York. We have not had time to check the others yet. Those ships were loaded with goods, wares, and merchandise, some commercial and some potential war supplies. No one knows for certain what was in those ships.

Do you know that the only country in the world up until March 1 that we were afraid of as a potential military enemy was not Russia or any of the Russian satellite nations, but it was Spain. Spain is the only country in the world, up to March 1 of this year, that required an export license for sending merchandise out of this country, unless the goods were goods that were in short supply or to use the term used by the State and Commerce Departments, were on a positive list. As of March 1, the State Department and the Department of Commerce were directed by Executive order to put all of the countries of Europe including Russia and the satellites in the same category as Spain; as of March 1 if you shipped out of this country to Europe goods to exceed $100 in value, an export license is required.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RIZLEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. RIZLEY. Investigators from our committee are in various sections of this country. Now following up reports that not only war materials, but guns and tanks and things actually used in war, are being sent out of this country now while this debate in going on not with the knowledge and acquiescence of our Government, but in spite of our Government.

I said a while ago that perhaps $20,000,000,000 of these war assets were left in Europe. They were turned over to different countries by the Foreign Liquidating Administrator. We are checking now, as to the amount of war material that may have gone to Russia and the satellite countries from that source. I am told that in the records of the Maritime Commission, as of today, there are letters that can be produced, but have not yet been produced, showing that at the end of the war, or within 30 days of the time the war was over, when everyone knew it was over, over the protest of the Army, the Navy, and the Maritime Commission, someone made the policy that we continue to send to Soviet Russia millions of dollars worth of guns and tanks and war equipment.

What I am trying to say is this: We want to stop communism, but we cannot stop communism if we continue to arm our potential enemies. I do not make policies. I am not prepared to say that we ought to have a complete embargo against those countries, but I am prepared to say that it is not less than treason for this Government to continue to export those war materials to our potential enemies. I do not know how much this great Committee on Foreign Affairs has been looking into this. I do not know how much time they have had to go into the extent to which Russia is today continuing to receive these war materials. I am not talking about potential military supplies or commercial items. I am talking about the things that the boys used to fight with in this last war.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. MUNDT. I am sure the gentleman will be gratified to learn that the committee in session this morning approved an amendment which I introduced which will give the Administrator the right to stop completely the shipment of war supplies to the Soviet Union and its satellite countries.

Mr. RIZLEY. I am glad, of course, if you gentleman have agreed to an amendment in this bill that will stop sending munitions of war and other potential war goods to Russia and her satellites, but why have we had to wait until this legislation came before the House in order to stop these things going over there that will be used against us if we have a war?

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. VORYS. The committee will try to write into law such protection as can be written into a law, but I thoroughly agree with the gentleman that it should be unnecessary for Congress to have to strive to write laws to protect our Government from treasonable activities of those within governmental offices.

Mr. RIZLEY. Unquestionably so. During the war we gave to the President of the United States the right to control our exports. This policy has been continued and he has had that authority all the time, right up to this moment, but somebody in the executive branch of this Government has either through carelessness or negligence, or maybe in some instances both, has done these things. I see the gentleman from Pennsylvania smiling about it. It may be a smiling matter to him but it is not a smiling matter to me. Here we are, taking this $6,300,000,000 of the taxpayers' money to stop communism and then on the other hand santioning shipping of these goods to further it. I saw in the press this morning that when it was indicated that maybe this Congress would try to adopt the Mundt amendment or some other amendment somebody said: "Oh, we cannot afford to make Russia mad by tightening up on our trade relations."

Like the gentleman from Wisconsin, I will have some more to say on this before it is over.

Mr. FULTON. Will not the gentleman allow me to say that I agree with him?

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I do not think we have had a bill which has been before this Congress since I have been a Member that has the Members as disturbed as this one has and I mean Members on both sides of

the aisle. Everyone is searching his heart honestly trying to find what he thinks is the right solution.

I do not know what the rest of you think but I listened to the gentleman from Wisconsin [Mr. KEEFE], a few minutes ago and he made a great speech. With all due respect to everyone who has spoken on this bill up to now, I think he made the greatest contribution to this debate that has been made, because he is the only speaker so far who has gotten away from superficialities and things that do not make any difference and brought us right down to what we are facing in this bill. He put his finger on the heart of the problem.

Back in the cloakrooms and behind the rail the Members of this House are asking each other how they are going to vote and how they feel about it. They are all disturbed. Then somebody will chirp up and say: "Well, it is a chance, a hope and for $6,000,000,000. I am willing to vote that amount even if I do not know whether it will do any good; I am willing to take that calculated risk." But I say to you that just hoping is not enough, that Congress has a responsibility to do something more than just take a calculated risk.

The gentleman from Wisconsin [Mr. KEEFE] pointed out one vital thing in this bill, that we are going to vote for it on the theory that it will stop the mad onrush of communism. There are many, who will tell you it is for its psychological impact, and yet the gentleman from Wisconsin [Mr. KEEFE] pointed out to you what the psychological impact is going to be in Italy. In that country between 35 and 40 percent of the people are Communists—and in France the same way, and in many of the other countries. We send this $6,000,000,000, or whatever the amount is, over there to Europe, but the little man Joe Salvatore, comes in and has to pay the black market price or at least a price his own government establishes to his own government for aid that the American taxpayers are furnishing. It is costing us just as much to have him buy it as it would be if he were getting it free. What will be the psychological impact of this $17,000,000,000 long-range plan when the peasants and the other people who are supposed to be affected by it have to come in and pay for it with money that they do not have?

Why does the Foreign Affairs Committee, why does the President and the Secretary of State, all of them, persist in this most unwise policy? I cannot figure out any reason for it unless it is to be found on page 37 of the report where it says that they will take the local currencies that they will get out of the peasants and make loans to private enterprise. It says that American firms may participate in that. Is that what we are voting in this bill? So some American firms can take $6,000,000,000 in French francs or Italian lira and go into business over there?

Mr. Chairman, we are supposed to be voting for a bill here that will have a psychological impact on those 16 participating countries, which will help them in trying to ward off communism. I think the gentleman from Wisconsin [Mr. KEEFE] all too clearly drew the picture. Mr. Chairman, the gentleman from Wisconsin made the greatest contribution here today if the Members would but listen, that has been made since we started debate on this bill. I hope for once that the Foreign Affairs Committee instead of adhering to its own policy of writing a bill and then resisting efforts to improve it will give consideration to this point. Let us strike out the local currency provision and let us write this bill in a proper manner. I do not know whether I will vote for it or not. I went over this same thing when we voted previous millions of dollars to France and Italy. We do not want to forget that it is still going to the 35 or 40 percent Communists over there as well as the non-Communists. What kind of psychological impact do you think it will have on little Salvatore who may be an Italian who hates communism when he sees the Communists coming in there and taking largess from the United States in the same manner that he is able to?

I implore the committee to give some consideration to this. Let us write a bill that if it passes and if we do spend billions of dollars will have the desired psychological impact.

Mr. BREHM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just returned from home where I have been for 2 weeks. I met with many, many groups and talked with many individuals. They are confused. Finally I asked them all this question: "What should I do in regard to the foreign-aid bill?" Now, they are as much in favor of foreign aid as I am so far as furnishing food, clothing, medical supplies, and things of that kind to the needy are concerned, providing the needy get them. They finally wound up and gave me an almost unanimous vote that if aid were extended for 1 year, with a separate agency administering it, they then felt that I should support it.

That brings me right down to the present moment.

Mr. Chairman, the gentleman from New York [Mr. JAVITS], a member of the committee, stated, and I quote from the March 24 RECORD:

> We give them to understand that we are not making a 4-year commitment of any kind or character.

Then he goes on to say:

> This is a very sharp difference from the Senate bill, as my colleague from South Dakota has already pointed out. In the Senate bill it is stated, and I use the exact language of S. 2202: "There is hereby authorized to be appropriated."
>
> That means that the Foreign Relations Committee has already done its work and the only thing that is necessary is for annual appropriations to come in on the basis of a policy and a program already committed for legislatively.

I would like to ask this question of the committee. We do set up, as I understand it, for 1 year the commitment so far as appropriations are concerned. This bill will go to conference. Does the Committee on Foreign Affairs intend to insist on a 1 year program, or are they going to yield to the Senate conferees and bring it back containing a longer period? The point is this: Some of us have decided that on a 1 year basis, with an independent agency, we may go along and give it a trial. On the other hand, are we going to yield to some of our doubts and uncertainties and then find you have yielded to the Senate conferees for a 4-year period?

Mr. MUNDT. Mr. Chairman, if the gentleman will yield, before answering that question, I welcome the gentleman into the fold of those supporting this legislation and I will say that it is definitely an appropriation for 1 year, and it is an independent agency. Speaking as one who hopes that he will not be one of the conferees, but is afraid he will be, I will say that if I am a conferee we are going to hold out to the bitter end for this 1 year authorization and appropriation because that was virtually the unanimous attitude of the committee.

Mr. BREHM. If I support it on the 1 year basis and it comes back for a longer period, I most definitely will reverse my vote even though I am not reversing my opinion on a 1 year commitment trial basis.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield to the gentleman from Georgia.

Mr. COX. The foreign countries who will be the beneficiaries under this bill understand, as we know, that we are undertaking to set up a 4-year program. While Congress seeks to withhold a commitment for appropriations for only a year, I know, you know, and every Member of this body knows that it is a 4-year program we are setting up, and we might just as well be honest with ourselves, with the country, and with the world, and admit it as such.

Mr. BREHM. Does the gentleman from the Committee on Foreign Affairs care to answer that statement?

Mr. MUNDT. I will answer by the language of the bill itself, and no Member of Congress can change the language by his individual interpretations to bind any future Congress. I read from page 82, line 15:

> The authorization in this title is limited to the period of 12 months in order that subsequent Congresses may pass on any subsequent authorizations.

Mr. BREHM. We cannot commit a future Congress, can we, as to appropriations of money?

Mr. MUNDT. We could not do it if we desired to do it, and we have no desire to attempt to do it.

Mr. COX. Mr. Chairman, if the gentleman will yield further, that is a 4-year program, and by the committee sponsoring it understood to be so. I submit to you the language just quoted. In other words, for more than 1 year they will have to come back and ask for new authorizations and new appropriations.

Mr. BREHM. But future Congresses could reject it. They are not bound to appropriate beyond 1 year.

Mr. COX. The gentlemen are not dealing frankly with the American public, because while there is no attempt to commit the Congress to an appropriation for more than 1 year, it is contem-

plated that the program will be a 4-year program, and that authorizations will be asked for in the years to come, and the Committee on Appropriations of this House will be requested to make appropriations.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BREHM. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield to the gentleman from Wisconsin.

Mr. KEEFE. In line with what the gentleman has just been discussing, have we so soon forgotten that when the Greek-Turkish aid program was before the Congress it was stated with definiteness and certainty that that was a 1-year program?

Mr. VORYS. Mr. Chairman——

Mr. KEEFE. Just a moment please. I do not have to have you all shaking your heads. I will show you the record made by the Administrator, Mr. Griswold, when he came before the Committee on Appropriations and testified without any equivocation that this was a 1-year program, and he stated in that record that he wanted it definitely understood that he would not permit himself to be stuck away over there for any longer than a period of 1 year. They are back here now asking for more money, and we will vote it, and the year following they will be back for more money and the committee will be here urging it, and we will go on forever and ever, and no man from this committee or the State Department or anyone else can set any time in the foreseeable future when this program may be expected to come to an end.

Mr. BREHM. The gentleman feels that this is a 4-year commitment?

Mr. KEEFE. I do not believe there is any question about it. The people over there have stated so.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield to the gentleman from Ohio.

Mr. VORYS. May I say first that the text of the Greek-Turkish Act does not contain any 1-year limitation or commitment whatsoever. What witnesses say in closed hearings before the Appropriations Committee does not necessarily bind this Congress.

Mr. KEEFE. They are in the printed record.

Mr. VORYS. On the matter of how long this program should last, may I point out to the gentleman and the House and to foreign nations that this continuity is not necessarily for 1 year. Let me read from page 49, lines 10 to 14, this language:

It is further declared to be the policy of United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

So that at this point and other points in the bill it is pointed out that continuity is at all times dependent upon action abroad. The only commitment as to time is that the law stays on the books for 4 years, but authorizations and appropriations are reserved to future Congresses and to future sessions.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Notwithstanding all that the gentleman says, the fact remains and the RECORD shows that when the debate was on in the other body the principal sponsor of the legislation said that he would feel morally bound to follow through for the full term.

Mr. VORYS. If what?

Mr. HOFFMAN. Oh, if, if; if they ask for it.

Mr. VORYS. If the foregn nations comply with all the provisions in this proposed bill.

Mr. HOFFMAN. And if we were suckers enough to go along.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield to the gentleman from California.

Mr. PHILLIPS of California. I ask the gentleman to read these words on page 82:

Such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952.

May I ask the gentleman if he thinks that is a 1-year bill?

Mr. BREHM. Does anybody wonder that the folks back home are confused?

Mr. CHURCH. May I ask the gentleman from Ohio if he said a while ago, "Depending on the asking abroad"?

Mr. VORYS. No. Read the bill.

Mr. CHURCH. The gentleman said "asking abroad" or "action abroad"?

Mr. MUNDT. If the gentleman will yield, I should like to speak to the question raised by the gentleman from California, because this clearly sets forth the intent of Congress. I quote from page 82, lines 4 and 5. I happen to be the author of that amendment, so I think I can explain it.

Such funds shall be available as are hereafter—

We all understand the meaning of the word "hereafter"—

as are hereafter authorized and appropriated—

"As are hereafter authorized and hereafter appropriated," that is all. There is no commitment beyond that, no promise, no pledge, no commitment. We simply declare that "as are hereafter authorized" future Congresses shall authorize and appropriate or not authorize and appropriate funds for this program as they in their own good judgment and at that future date deem wise and prudent and productive. We enter this program with the expectancy that it will continue until 1952 if all goes well and peace-preserving productive results are being achieved but there is no legal commitment in this legislation to go beyond the next fiscal year.

Mr. BREHM. Well, Mr. Chairman, if there were any assurance that this program would stop communism, I would be willing to commit this country indefinitely to such a program. I do not want to put one stumbling block in the way of stopping this ideology, but neither do I want to commit my people to increased hardships only to find that the program has failed as other similar programs have, because of poor or stupid administration. This proposed bill does attempt to safeguard our interests more than any of the other relief bills did, and if I should vote for it I want it distinctly understood that I am not committing myself or my people to a period longer than 1 year. At the end of that time I could take a look as to results and if still in Congress I could govern myself accordingly.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me that this is a very important point. I take this time to continue the discussion, because no one can read this bill and by any stretch of the imagination think that as it is now written it is a 1-year bill. This is going to be read by the people in foreign countries, this is going to be read by the governments of foreign countries, and it is going to say to those governments, on page 82, "such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952," which makes it a 4-year bill.

No matter what the committee intended it to be, the language stating that authorization in this title is limited to a period of 12 months refers specifically to the authorization of $4,300,000,000 and nothing else. If that was not what the committee intended it to refer to, then decidedly the committee should correct the language in its own bill.

It was my intention, as I know it was of others in the Chamber, to try at the proper time to clarify the language at the top of page 82, and the language on page 97. There is language which is very confusing on three pages of this bill, on page 82, again on page 97, and on page 49, all on this same point. I believe the committee intended to make it a 1-year bill, but I am firmly convinced if the committee members will read the language, they will know that in the eyes of every nation in the world this is a commitment for 4 years. I do not believe the Congress wishes to commit itself for 4 years. If this were a 1-year bill it would say that the authorization expires except by positive action for a renewal. However, it actually says that if it is not carried out properly, it can be stopped by positive action to stop it. That is exactly the opposite. I have an amendment which I intend to offer, suggesting a clarification of this language. I yield to the gentleman from New York.

Mr. JAVITS. There is no law against asking—and the gentleman will agree with me on that. There is no commitment because someone can ask. The gentleman, I think, will agree with that.

Let me call the attention of the gentleman to the Senate language and to the House language. Let us see if we are not creating confusion or if there is confusion. The Senate language is found in the draft which is before us all on page 31.

Mr. PHILLIPS of California. Let us not talk about the Senate bill. Let us talk about the bill that is before us. Mr. Chairman, I yield only to talk about the bill because my time is limited. Please read page 97.

Mr. JAVITS. The House bill at page 82, which the gentleman himself referred to, says unless the funds shall be appropriated as hereafter authorized and appropriated. There is no uncertainty about that.

Mr. PHILLIPS of California. That is, through June 30, 1952.

Mr. JAVITS. That is not appropriated. Then there is the language to be found on page 97.

Mr. PHILLIPS of California. I refuse to yield, Mr. Chairman, unless the full language is read, may I say respectfully to the gentleman from New York, as it is in the bill.

Mr. JAVITS. I am reading.

Mr. PHILLIPS of California. Let me read page 97. On page 97 it says "after June 30, 1952," or after the date of the passage of a resolution which declares the powers are no longer necessary. In other words, you have to take positive action to stop it short of June 30, 1952. Now there could be a very simple amendment to the bill. It would carry out what the committee says over and over again it wants to do, namely, to say that it would take positive action to continue aid beyond June 30, 1949. The bill should contain a positive statement that Congress does not commit itself to anything beyond June 30, 1949, unless the nations help themselves and unless further aid can be justified. I am not arguing with the committee. I am attempting to say what the committee itself says. I am saying that the bill does not say what the committee says it does on the floor.

I yield to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. I am happy that the gentleman has called attention to the language in section 122 on page 97 of the bill under the general heading "Termination of Program." The program terminates after June 30, 1952, unless sooner terminated by the passage of a concurrent resolution.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is certainly no confusion in my mind in relation to the matter that is being discussed and in which there is naturally a very deep interest. Preceding this legislation there was a meeting of 16 nations and out of that meeting has come certain arrangements, and a resultant program covering a period of 4 years has been entered into. When I vote for the passage of this bill which I shall do because I believe the powers of our country should be exercised affirmatively and effectively for peace, and to meet the threat of communism, there is no doubt in my mind as to what I am doing. I am voting for a 4-year program. There is not going to be any deception or misunderstanding in my mind as to what I intend to do. I think we might just as well be frank and meet the issue so that the people of the world will know of our intent. Let the Members vote one way or the other. If the bill passes, I think the people of the world, those outside the so-called iron curtain and many millions behind it who hate communism, will know just what the American Congress and what the American Government intend to do.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. VORYS. The gentleman is emphasizing a possible moral commitment in his mind. Does the gentleman think that in voting that way he can legally commit a future Congress to authorize or appropriate a thin dime for this program?

Mr. McCORMACK. I was going to come to that. In this bill there is language which clearly shows that the authorization and appropriation must be enacted each year. But I am stating what I am voting for. I am stating what is in my mind. I am stating what the world construes we are doing—a 4-year commitment, until June 30, 1952. If next year we fail to enact or to authorize and make the necessary appropriation for the next fiscal year, then those countries will be justified in feeling that the United States broke its promise and, so to speak, reneged upon its agreement. I think we ought to face the issue clearly. It is true, as the gentleman says, that this particular authorization is for 1 year; that the next Congress will have to pass another authorization and another appropriation. But there is not only the moral obligation, but as I see it there is more than a moral obligation, as far as those countries are concerned who cooperate, and those countries who do not adopt a Communist government are concerned, they could expect the United States Government to carry through their obligation in relation to them until June 30, 1952, if the conditions of relief and rehabilitation extend during the 4-year period.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. MATHEWS. Why a 4-year program and not a 3-year or 5-year program?

Mr. McCORMACK. I am stating what I am voting for.

Mr. MATHEWS. Why? Why a 4-year program?

Mr. McCORMACK. Four?

Mr. MATHEWS. What is there magic in 4 years?

Mr. McCORMACK. There has been a controversy and discussion as to whether it is 1 year or 4 years. I am not rising at this time to discuss whether it should be 4 years or 3 years. I am stating that under the language contained on page 82, when I vote for the passage of this bill——

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. I ask unanimous consent, Mr. Chairman, to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. I am going to vote to maintain the word of America as far as those nations are concerned who are cooperating, who have not adopted communistic forms of government, either through the ballot box or where it has been imposed upon those people.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. VORYS. The question has been asked, Why is this 4 years instead of 3 years or 5 years? It is 4 years because the 16 nations at Paris said themselves it would be a 4-year program within which they expected to become independent. That is the only reason why there is any mention of a 4-year period.

Mr. McCORMACK. I understood that, but my friend from New Jersey asked the question for a different purpose than I had in rising. I rose not to discuss that. I could have answered that, but I rose to frankly convey to the members of the committee that when I vote for this bill I know I am voting for an anthorization and appropriation for 1 year. I am voting also for a 4- year program, and I intend to continue, if I am a Member of Congress next year, to have America keep her word with those nations who cooperate, with those nations who have not adopted either voluntarily, or have had imposed upon them a communistic form of government.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. KNUTSON. I wish to compliment the gentleman. He is one of the few who has had the courage to state the fact that we are committing ourselves to a 4-year program. If I am a Member of the next House—although I shall vote against this bill—I will feel morally obligated to the second and the third and the fourth years.

Mr. McCORMACK. I appreciate the gentleman's observation. I simply rose, after sitting here and listening to the debate, to at least express my own personal views that when I vote for the passage of this bill I realize I am voting for a 4-year program, and I intend during all those 4 years if I am a Member or any part of this House, as far as the cooperating nations are concerned, to carry through the pledge and the promise of the United States of America.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the distinguished dean of the House, the gentleman from North Carolina.

Mr. DOUGHTON. Does not the gentleman interpret the language of this bill to unequivocally commit us to a 4-year program if the other nations carry out their part?

Mr. McCORMACK. That is absolutely so, and I think we ought to be frank and honest with ourselves, and we ought to be frank and honest with the other countries of the world so they

will know that America's promise is good.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Does not the gentleman feel that it is a little unusual to find on page 82 of the bill language which requires in order to implement this program for another year a new authorization as well as a new appropriation?

Is not one authorization sufficient?

Mr. McCORMACK. May I say to the gentleman from Wisconsin that I think the committee has done an unusually good job. They have had a hard task. I did not rise to criticize the committee. I shall support the committee, but in supporting the committee I want to make my position clear.

I rose simply for one purpose, informing the Committee of the Whole of my own personal views, that when I vote for the passage of this bill, I am voting for a 4-year program, and I shall vote to carry out the promises and the pledge of the United States of America.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. SADOWSKI. Can we hope then for any tax reduction for the people of America before that period? Why are we talking about tax reduction when we are going to have to pay for all these things?

Mr. McCORMACK. Did my friend ask me to yield for a question or a speech? I voted against tax reduction. I do not know whether my friend voted for or against it. I may say to the gentleman that I did not rise to discuss tax reduction, I rose simply to make my position clear so there could be no misunderstanding on the part of anybody now or hereafter as to my position.

I say to the membership that we should vote for or against the bill upon the merits realizing that we are voting for a 4-year promise.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, Sidney Smith said about 200 years ago that "it is fitting that a man should give a reason for the faith that is in him."

I am going to stop kidding myself. We cannot afford to kid ourselves. This program may take 4 years, it make take 3, it may take 10; but the program is for the purpose of establishing as firmly as is within our power the bastions of the free way of life we fought to preserve, and that is what I am for and that is what I stand for. It is the result and not the length of time it takes which is the important thing.

There was a man named Churchill back in 1750—he might be related to the Churchill of the present day, I do not know; but he said, and this might well have referred to the Russians in their present mood:

They spin their webs of more than common size,
And half-starved spiders feed on half-starved flies.

It is my conviction that we are going to try to bring some sustenance to the half-starved flies of the world until the time shall arrive when the half-starved spider, left without its nourishment, may turn upon itself and die from the poisons which infest its system. I have great misgivings as to whether the money will be spent wisely or well. We shall have to set up the wisest devices possible to assure that. I remember in 1941 many measures which came before this House were, in my opinion, a prelude to war. It was my belief then that those measures would lead to war, and in my belief they contributed to that result before we were prepared to follow through, to protect ourselves from the consequences of our commitments.

It is my opinion also that this bill, together with other measures which will follow it, are our last best hope of peace in the world. These measures contemplate that we prepare in advance to be strong enough to back up what we undertake to do. I might be wrong this time, as I have been wrong on other occasions, but that is my conviction.

I am going to support this bill. I am going to hope that we will make ourselves as strong as we can in its administration, in its distribution, and in the avoidance of waste and folly and misuse. I hope we will not put it in the hands of those who have wasted the substance of this country heretofore.

I am going to close with another quotation which I think expresses pretty well the belief of a great many Members in this House. This was said by Elizabeth Barrett Browning, and it is a good star to steer by in this difficult time:

Happy are all free peoples,
Too strong to be dispossessed,
But blessed are they among nations,
Who dare to be strong for the rest.

I hope we will have the strength, the wisdom, and the judgment to work this thing out, to try to find the right, as God gives us the ability to see the right.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first I want to compliment the gentleman from Massachusetts for his forthright statement that this is a commitment up to June 30, 1952, the mealy expressions of committee members to the contrary notwithstanding.

Let us be fair; let us be honest. There is too much confusion, and all that is being said by committee members but adds to the confusion.

Less than a week ago the Secretary of State, who is also confused upon this thing, was at a dinner party and a gentleman next to him said, "I do not think that Ireland should have $400,000,000 and Portugal $300,000,000 out of the Marshall plan, because they were not belligerents in the war." The great Secretary of State said, "I do not think they will."

We know they are. He was confused, which is not surprising.

I take exactly the same position as the gentleman from Massachusetts but with this difference: He is going to vote for the measure. I am going to vote against it. But if the Congress of the United States adopts this legislation and I am a Member of the next House of Representatives, I shall certainly vote for the necessary authorization in both sessions of the Eighty-first Congress, as we will then be morally bound. Anyone who votes for this bill and does not do that will convict himself of intellectual dishonesty.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on the pending section do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. KERSTEN of Wisconsin. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. KERSTEN of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KERSTEN of Wisconsin: On page 50, line 9, after subsection (3) add a new subsection, as follows:

"(4) by encouraging the free passage of people from one participating country to another."

Mr. KERSTEN of Wisconsin. Mr. Chairman, this section sets out the broad purposes of the title of this bill. In other words, the entire program seeks to accomplish certain definite purposes. The first one seeks to promote industrial and agricultural production; the second one the creation of a sound currency, and the third the reduction of barriers which may hamper trade between the participating nations. All of these are good and laudable objectives. It seems to me that perhaps the most important objective, and one that has been mentioned by many students of this European problem, is the free passage of peoples of one participating country to another. If there is anything that will further the economic union, the economic integration of these nations, which we all hope for, it is that. It is not merely free trade. We are advocating free trade and the lowering of barriers between these countries. As we are doing that, why do we not also seek to encourage the free passage of peoples? If we are seeking, gentlemen of the Committee, as you all have stated, economic and political integration, ultimately, why do we not set forth as one of the purposes of this legislation the free passage of peoples between these participating countries. I cannot see what possible objection you would have to that.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. KERSTEN of Wisconsin. I yield to the gentleman from South Dakota.

Mr. MUNDT. Does the gentleman's amendment refer to the free passage of people for the purpose of visiting or from the standpoint of immigration?

Mr. KERSTEN of Wisconsin. The free passage of people from one of the participating countries to the other to visit, and the granting of visas.

Mr. MUNDT. Not for the purpose of immigration and change of residence, but simply from the standpoint of visiting?

Mr. KERSTEN of Wisconsin. I do not think we should tie it down to that, but the general proposition of free passage of peoples, just as we advocate the lowering of trade barriers.

Mr. MUNDT. Then the gentleman advocates the repeal of the immigration laws.

Mr. KERSTEN of Wisconsin. This does not pertain to the United States at all. We are talking here about the objectives that we seek so far as the participating countries are concerned, that is, the 16 countries. In No. 3 we advocate that trade barriers between them be lowered. Now, I ask that in addition to the lowering of the trade barriers for the passage of goods, that we advocate and encourage the lowering of the barrier to allow the free passage of peoples in those countries. If you lower the barriers for trade, why is it not even more important to lower the barriers for the passage of the people?

Mr. MUNDT. If the gentleman would confine his amendment for the purpose of visiting, I would favor it, but if you attack the immigration statutes of the various countries, I am afraid our committee would have to oppose it.

Mr. KERSTEN of Wisconsin. I do not think we should tie ourselves down to any particular thing. If we state that the free passage of these people should be encouraged, we are then advocating what has been advocated by students of this problem from the beginning.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. KERSTEN of Wisconsin. I yield to the gentleman from Minnesota.

Mr. JUDD. Why does not the gentleman add to his amendment "for commerce and travel of people."

Mr. KERSTEN of Wisconsin. I would accept that amendment to my amendment.

Mr. DEVITT. Mr. Chairman, will the gentleman yield?

Mr. KERSTEN of Wisconsin. I yield to the gentleman from Minnesota.

Mr. DEVITT. The gentleman does not seek to change the immigration laws of the several countries, but merely to allow the free passage of peoples.

Mr. KERSTEN of Wisconsin. That is correct; merely to encourage them. I would be willing to accept Dr. JUDD's amendment.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. KERSTEN of Wisconsin. I yield to the gentleman from California.

Mr. HINSHAW. The gentleman knows, and everybody on the committee knows, that what they are trying to do is to establish a United States of Europe ultimately, and for that purpose there should be free travel between the several countries, not only for commerce and trade, but for settlement as well, just as there is in the United States.

Mr. KERSTEN of Wisconsin. I believe there should be at least a start of the lowering of the barriers between the peoples of these participating countries, and we should encourage it.

Mr. Chairman, I ask unanimous consent to amend my amendment in accordance with the suggestion offered by the gentleman from Minnesota [Mr. JUDD].

Mr. VORYS. I object, Mr. Chairman.

Mr. KERSTEN of Wisconsin. Then I prefer to have my amendment stand as it is.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Chairman, this amendment is dealing with one of the purposes which the CEEC countries proposed for themselves at Paris, but it is not properly drafted. I shall be constrained to object throughout the proceedings to amendments at the Clerk's desk, because we do not then know what is or is not in the amendments. It seems to me that this could well have been brought to the attention of the committee. All Members were invited to bring amendments to the attention of the committee. We spent a long session this morning attempting to review all amendments of which we had heard. We never heard of this one until now, and it is not properly drafted. Therefore, it is my hope that this amendment in its present form will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. KERSTEN].

The question was taken; and on a division (demanded by Mr. KERSTEN of Wisconsin) there were—ayes 10, noes 33.

So the amendment was rejected.

The Clerk read as follows:

PARTICIPATING COUNTRIES

SEC. 103. (a) As used in this title, the term "participating country" means—

(1) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

(2) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

(b) Until such time as the Free Territory of Trieste or either of its zones becomes eligible for assistance under this title as a participating country, assistance to the Free Territory of Trieste, or either of its zones, is hereby authorized under the Foreign Aid Act of 1947 until June 30, 1949, and the said Foreign Aid Act of 1947 is hereby amended accordingly, and not to exceed $20,000,000 out of funds authorized to be advanced by the Reconstruction Finance Corporation under subsection (a) of section 114 of this title may be utilized for the purposes of this subsection: *Provided*, That section 11 (b) of the Foreign Aid Act of 1947 shall not apply in respect of the Free Territory of Trieste or either of its zones: *And provided further*, That the provisions of section 115 (b) (6) of this title shall apply to local currency deposited pursuant to section 5 (b) of that act.

Mr. O'KONSKI. Mr. Chairman, I have an amendment to offer to this section. I ask unanimous consent that tomorrow, when the House convenes and we get into the Committee of the Whole, I be given permission to present my amendment at that time, when more Members are present; otherwise I shall be forced to make the point of order that a quorum is not present.

Mr. CRAWFORD. Mr. Chairman, I think the gentleman's tactics are entirely out of order, and I shall have to object.

Mr. O'KONSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'KONSKI: On page 50, line 16, after "including", insert "Spain" and a comma.

Mr. O'KONSKI. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'KONSKI. Mr. Chairman, in the report of the committee there appears a very interesting map that I wish to call to the attention of the Members. We find there shown the countries under the influence of communism, the countries in blue that are in danger of being overtaken by communism, and then a blank spot. The blank spot is Spain, the second largest country in Europe, that is omitted under the present bill from this plan.

Let us be realists for a change and ask ourselves this question: If war were to break out between the United States and Russia, say tomorrow, next week, or next month, how much resistance do you think there would be from Italy, where they are going to hold an election soon and almost 40 percent are going to vote Communist? How much resistance will there be from Norway, where the Russians have already imported 40,000 troops into Spitsbergen disguised as coal miners? How much resistance do you think there would be from France, which has approximately 30 percent Communists voting in her elections? In other words, if war were to break out, which is an eventuality that we are preparing for in this bill—if war were to break out within a week, you would find that the fighting front would be Spain, the only country which would offer effective resistance. Yet that country is the only country in Europe which is omitted from this bill.

There is something very interesting that ought to be told about Spain. We are being bothered by international gangsters all over Europe, who make it necessary for us to pass this kind of bill. Let me ask you how many of you gentlemen recall the name of Dimitrov, the present dictator of Bulgaria? How many of you remember the name of Gottwald,

the man who recently butchered democracy in Czechoslovakia? How many of you remember the name of Tito, the dictator of Yugoslavia? How many of you remember the names of Francois Victor, the great leader of the French Communists, and Francisco Scotti, Rudolph Picciardi, the individuals who are causing all this trouble in Italy at the present time? Every one of those names and scores of others are the names of men who tested their mettle and got their experience by fighting in the civil war in Spain in 1936. The individuals who were defeated in Spain by the Spanish people are the individuals who are today the leaders of Communism in Czechoslovakia, in Bulgaria, in Yugoslavia and all over Europe. The point I want to make is that here we are talking about stopping communism, and the only country in Europe that has shown any effort or has had any success in stopping communism is Spain, yet that is the only country of all the European countries that is left out of this plan to stop communism.

Let me ask you this question: Why is Spain not in this bill? Spain is not in this bill because Spain was not invited originally by the 16 participating countries to come to the Paris Conference. Now, why was not Spain invited to the Paris Conference? Spain was not invited to the Paris Conference because appeasement was still in the air.

In other words, Great Britain, France, and Italy, who extended the invitations to the nations extended an invitation to Russia and to the Russian satellite nations, but did not extend an invitation to Spain. The only reason why they did not extend an invitation to Spain is that France, England, and Italy preferred the company of Stalin and his satellites to that of Spain, knowing full well that if Spain were represented at the Paris conference there would be no chance whatever of having Russia and her satellites there. That is the same reason why we did not allow Spain to participate in the United Nations, because we thought if we let Spain participate Russia would walk out. It is the same reason that we have appeased Stalin all the way through. It is simply a step in the process of appeasement. Of course, there are those who say that Spain is Fascist. Well, that thing has been worn out pretty thin because, according to those people, I am a Fascist. According to those people, you Congressmen are all Fascists. According to those people, anybody who opposes communism is a Fascist. Because Spain is the only nation that has completely routed the Commies, of course, they are the biggest Fascists.

The present government of Spain, while it is not the sort of government I would like to see, and while I would like to see it improved, nevertheless you cannot get away from the fact that it is a free government, voted for in an election less than a year ago. I made the effort to find out about it through the efforts of the Research Department of the Congressional Library. I found that Spain had an election in July 1947. At this election the people were asked to vote on a certain succession act that was passed by the Spanish Assembly and the Senate. In the July 6, 1947, election, 83 percent of the people approved the present government in an entirely free election. If you will look up the record of that election held less than a year ago, you will find that all the truly American newspapers verified the fact that it was a free election. The Government of Spain is the voice of the Spanish people. What right have we to interfere in her internal affairs?

I would like to see improvements in that government myself. I would like to see improvements here in our own Government. Likewise many improvements are needed in the governments of France, Italy, China, and Britain.

But here is the point I want to drive home. The 16 nations that called this conference asked Russia to participate in the Marshall plan. They did not ask Stalin to change the inside of his country or change his government in order to come over to Paris and participate in the conference. They did not ask any of Russia's satellites to make any changes in their government to participate in the conference. Then, under what rule or by what logical standards do they say, "We did not invite Spain because we feel they ought to make some changes in their government"?

Now, there is no real objection to including Spain in this plan other than the continuation of appeasement. Leaving Spain out of this plan is nothing more than a moral victory for Stalin, Tito, Dimitrov, and Gottwald, and the others. They will be happy because they will consider it a moral victory to the extent that the only country in Europe omitted from the Marshall plan is their greatest enemy—Spain. Incidentally, according to the Communist catalog and according to the Communist plan, Spain was supposed to be the first Soviet nation outside of Russia. That was in their plan. They got set back in the Spanish Revolution of 1936 and 1937. Consequently, there is bitter hatred among the Communists all over the world toward Spain. If you want to give a body blow to the cause of communism in Europe, the place where you can give your body blow is to put Spain into this plan and adopt them into the family of nations.

Now, the committee has no real objection to it, because I will read from page 11 what the committee says about Spain. This is it:

> Recognition of this fact and the possible desirability of readmitting Spain to the family of western European nations seems to be growing among the countries of western Europe and is certainly manifesting itself in opinion in the United States.

In other words, the committee realizes there is sentiment in this country, and all over the world, to adopt Spain and take then into this plan, because Spain is the greatest bulwark against communism in Europe.

Incidentally, Spain is the only agricultural exporting country in Europe. They are the only country in Europe today that has any food to export to help in the Marshall plan. Last year they exported over 3,000,000 metric tons of food. To whom? To the 16 nations participating in this plan. Yet the European nations refuse to invite Spain to get a little of our money we are giving them.

Everybody here who has any common sense about this proposition knows that the only reason why Spain was left out was because Spain was not invited. The only reason Spain was not invited was because the 16 nations continue to carry out their program of appeasing the Communists and appeasing Russia, knowing full well that Russia would not like it if Spain were invited.

Now, here we are going to spend $6,000,000,000 of the people's money to stop communism. If we are going to spend that much money why continue our program of appeasement?

Lets be realists. If you will look at the map of Europe and look at what Spain has done to communism in the past, there is where you will find your greatest bulwark against communism in Europe. I say to you, knowing the danger of communism as I do, we need Spain more than Spain needs us, and it is time that the people of the United States and the nations of the world woke up to that fact, instead of continuing their program and policy of appeasement.

Mr. Chairman, does the name Giorgi Dimitrov, present Communist dictator of Bulgaria, mean anything to you?

Does the name Klement Gottwald, present Communist dictator of Czechoslovakia, mean anything to you?

Does the name of Joseph Broz Tito, present Communist dictator of Yugoslavia, mean anything to you?

Does the name of Andre-Marty, founder of the French Communist Party, mean anything to you?

Do the names of Luigi Longo, Francois Vittori, Nenni, Francesco Scotti, and Vittatio, present leaders of the Communist campaign in Italy, mean anything to you?

If these names do not mean anything to you, think back to the year 1936. Think of Spain in 1936. Think of the civil war in Spain in 1936.

All of the names mentioned above are names of Communist leaders who led the Communist fighters in Spain in 1936. All of these men—every one of them—earned the reward they now have—by leading the Communist civil war in Spain in 1936.

The Spanish people drove these men out of Spain and defeated the Communists after a bloody and deadly civil war. Yes, Stalin, Gottwald, Tito, Dimitrov, and others have every reason to hate Spain.

If these men had their way, Spain today would be a Communist state and we could just as well forget about the Mediterranean Sea, which we are now so concerned about.

By way of stopping communism no country has done more than Spain. Yet, the present ERP bill leaves Spain out. The passage of ERP without Spain is a moral victory for Stalin, Tito, Dimitrov, and Gottwald.

Let us write Spain into the ERP bill and give the international gangster Communists the body blow they have been asking for.

FACTS ABOUT SPAIN AND ERP PROGRAM

First. Was Spain invited to participate in the ERP Conference at Paris? Answer: No.

Second. Was Russia and her satellites invited to this conference at Paris? Answer: Yes.

Third. Is the door still open and invitation still open for Russia and her satellites to come under ERP? Answer: Yes.

Fourth. Even up to this date has any invitation been extended to Spain to come under ERP? Answer: No.

ERP is supposed to be a plan to stop communism in Europe. Yet, the only country in Europe that has completely defeated communism—Spain—is the only country left out of the ERP program. Does this make common sense? Does not it make sense to invite Communist Russian and her satellites, yet refuse to invite Spain—the only country in Europe that has defeated communism?

MORE FACTS ABOUT SPAIN AND THE ERP PROGRAM

First. Why was Spain not invited to the Paris Conference?

Answer: Because Bevin and Bidault do not want to hurt Stalin's feelings. Because France and England still prefer to do business with Communist Russia and her satellites, rather than with Spain. Because France and England are still appeasing Russia. In trying to appease Stalin they are using Spain as a scapegoat because there is nothing Stalin hates more than Spain.

Second. Why is Spain considered Russia's greatest enemy and why does Stalin refuse to go anywhere Spain might be represented?

Answer: Because Spain is the only nation in the world that has given the Communists a complete defeat and set-back. And also because Moscows' timetable was to make Spain the first Soviet country outside of Russia, but he was defeated and driven out of Spain instead.

To leave Spain out of ERP is to continue appeasement of Stalin. To leave Spain out of ERP is to continue our shameful appeasement of Stalin at Yalta, Tehran, Potsdam, San Francisco, and the United Nations. All the ills of the world today are the result of our appeasement of Stalin. To omit Spain from ERP is continuing to appease Stalin.

MORE FACTS ABOUT SPAIN AND THE ERP PROGRAM

Spain is the second largest country in Europe and the only country in Europe that today is a food-exporting nation. In 1946 Spain sent more than 3,000,000 tons of food to needy European nations. If Spain can get credit for some fertilizer and farm machinery, they can export 9,000,000 tons of food to needy European countries. Food is the crux of the Marshall plan. Spain right in the area can provide 9,000,000 tons of food. That means the United States of America will have 9,000,000 tons less burden.

HOW ABOUT THE GOVERNMENT OF SPAIN—IS IT FASCIST?

In the same sense that Moscow calls President Truman and Secretary Marshall a Fascist. According to Moscow I am a Fascist and you are a Fascist. According to Moscow anyone is a Fascist who opposes communism. Since Spain is the only nation that completely defeated the Communists, of course, they are the greatest Fascists. Do not let the term Fascist mislead us.

BUT HOW ABOUT FRANCO?

The present regime in Spain has much room for improvement. I, like you, wish it were better. But who are we to tell other nations how to run their government? The ERP program is not aimed against any country or doctrine. Russia was invited to participate. In extending the invitation to Russia and her satellites did we ask them to improve their Red Fascist dictator's government? Then why not be consistent?

LET US BE HONEST ABOUT FRANCO

If you are compelled tomorrow to move to Europe with your family and compelled to live in Europe for the rest of your life, examine your heart and conscience and answer these questions honestly—who would you prefer to live under, Stalin or Franco? Then why not let your conscience be your guide?

Would you want to live in Poland today under their Communist leaders? Would you want to live in Yugoslavia today under Tito? Would you want to live in Bulgaria today under Dimitrov? Yes, Franco is not satisfactory—but there are many who are worse. Yet, we submit ERP and the worst are invited to participate but the next worst is not. We submit a plan in which the worst are not asked to change their insides—but omit the next worst because he refuses to change the inside. Do not neglect the fact that to stop communism there is only one effective method—that is the strong-arm method. That is why Communists hate Franco above all else in the world.

BUT WHAT ABOUT ELECTIONS IN SPAIN?

As recently as Sunday, July 6, 1947, they had a nation-wide election. The ballot read:

Do you ratify by your vote the bill on the succession in the office of chief of state, passed upon by the Cortes on June 7, 1947?

The results:

Total eligible to vote	17,178,812
Those who voted	15,219,564
Voted "yes"	14,160,222
Voted "no"	722,750
Defective votes (rigged both yes and no, fraudulent, etc.)	336,592

The "yes" votes were 82.34 percent of the total eligible voters. The percentage of eligible voters who actually voted was greater than any election within our own country where sometimes more than 75 percent of our own eligible voters do not vote.

BUT WAS IT A FREE ELECTION?

The Baltimore Sun of July 7, Associated Press, states:

The balloting was secret and freely exercised.

The New York Post, July 7, Associated Press, states:

The voting was secret and free. Many of those who voted against the succession law openly stated they voted that way and openly urged others to do so.

Señor F. Larcegui, an opponent of Franco and an open opponent of the Succession Act, wrote August 16, 1947:

I have personally assisted at five presidential elections in America; one in Argentina, one in Uruguay, and three in the United States. In the honor of truth I can say that there never was in any of them a greater freedom of voting.

As recently as July 6, 1947, a free and full election was held in Spain. So reject the Communist smear that Franco never holds elections.

WHAT ABOUT THE SPANISH PRISONERS?

Communist propaganda would have us believe that half the Spanish people are in jail at Franco's request. How about this?

Yes, there are thousands of Communists in jail—but that is where they should be. Too bad the United States of America does not put a few more Communists in jail. The only Communists we have in jail here in the United States of America are those cited for contempt of Congress.

Suppose Franco released all of these Communists. He did release scores. Where did they go? Where would all of the others go if released? They would run to Tito, Dimitrov, Nemni, and Gottwald. They would again join the International Brigade and would wind up in Greece, Italy, and France to foment civil wars.

Would you rather see these agitators in jail in Spain or on the fighting front where our own boys will be facing them? Examine your conscience on this point too.

HOW ABOUT SPAIN'S FINANCES?—DOES SPAIN PAY HER BILLS?

Today Spain is the only nation in Europe that does not owe the United States any money. Even after suffering a Communist-financed civil war, Spain has always paid in full and on time, all of her obligations to the United States of America.

Spain will not ask for a grant or a gift, either in goods or money. All Spain will ask is for some credit to get fertilizer, farm machinery, transportation equipment, and most of all, cotton. For these goods, Spain will pay in full and on time. Spain has never defaulted on a financial obligation to another nation. Of all of the countries under ERP, Spain would be the first and only nation that we know for certain would pay us back. Of all the nations in Europe, Spain is the only nation not seeking a hand-out—all Spain seeks is a little credit to get materials for increased production of food so that Spain can help Europe and the world recover.

BUT DIDN'T SPAIN HELP HITLER DURING THE WAR?

Not any more than Sweden, Ireland, Norway, or others. Spain was a friendly neutral. Spain's sympathies were with the U. S. A. Certainly not 1 percent as much as Russia helped Hitler from 1937 to 1941.

The ratio of war materials sold by Spain during the war was 3 to 2 in favor of the Allies.

On every occasion Spain rebuffed Hitler when he tried to take over Gibraltar.

Had Hitler taken over Spain the war would have been prolonged indefinitely.

President Roosevelt informed the Spanish Government months in advance of our landing in Africa. Spain kept this secret, which was indicative of her sympathies. Had Spain informed Hitler of this move, the U. S. A. would have suffered many casualties.

Spain released at once every American flyer who bailed out over Spain. Not once did Spain detain or intern any flyer.

Spain allowed unlimited numbers of U. S. A. secret service and espionage agents in Spain during the war.

There are hundreds of friendly acts committed by Spain during the war to indicate her friendship for the U. S. A. and that of all the neutral countries in Europe Spain was the most friendly neutral.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. O'KONSKI] has expired.

Mr. VORYS. Mr. Chairman, at the request of the leadership we were to rise at 5:30. I therefore move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 2202, the Foreign Assistance Act of 1948, had come to no resolution thereon.

DEFICIENCY APPROPRIATION BILL MADE IN ORDER

Mr. TABER. Mr. Speaker, it is the intention of the Committee on Appropriations to report out a deficiency bill tomorrow.

I ask unanimous consent that it may be in order to consider the bill in the Committee of the Whole House on the State of the Union on Wednesday or as soon thereafter as it may be reached.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ELECTION TO COMMITTEES

Mr. HALLECK. Mr. Speaker, I offer a privileged resolution, House Resolution 516, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committees of the House of Representatives, as follows:

Expenditures in the Executive Departments: LEO ISACSON, New York.

House Administration: VITO MARCANTONIO, New York.

The resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BUCHANAN (at the request of Mr. EBERHARTER), for today, on account of death in family.

To Mr. AUGUST H. ANDRESEN (at the request of Mr. H. CARL ANDERSEN), indefinitely, on account of illness.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD on the subject of rural electrification.

Mr. LATHAM (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD.

Mr. COUDERT asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. SOMERS asked and was given permission to extend his remarks in the RECORD.

Mr. HAYS asked and was given permission to extend his remarks in the RECORD in two separate instances and in one to include a short editorial.

Mr. GRANGER asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in two separate instances.

The SPEAKER. Under the previous order of the House, the gentleman from West Virginia [Mr. ELLIS] is recognized for 30 minutes.

THE MARSHALL PLAN

Mr. ELLIS. Mr. Speaker, beginning with lend-lease and following through near the end of the war we had UNRRA, followed by the World Bank and the British loan, then the Greek-Turkish loan and other billions through other channels of outlet. We have had a never-ending flow of American dollars overseas. You can go back through the record, and there screaming from its pages you will hear the same voices, painting the same dismal picture of Europe and making the same claims, for the panacea, they were offering at the time. You will hear the same voices that are resounding through this Chamber this week, and you will find a strange similarity in their statements. It is the same old story—each spending venture ending in failure. Nothing came out of any of them except another crisis.

Now they tell us they have the answer. Time and time again this old story has echoed through this Chamber, and just as often something has happened; everything was all right except it just did not work out.

The economic crisis in Europe is brought about by its social, political, and spiritual crises and will not be corrected by economic aid.

It is morally wrong to give our American dollars to support communism's twin brother—socialism—throughout Europe.

The Marshall plan is not a spontaneous proposal to meet an unexpected crisis, but only a link in the chain of spending that has not faltered for one moment since the beginning of lend-lease.

In the days of Roosevelt it was almost a sacrilege to criticize him or even to intimate that he may be wrong. It remained for those of his own party and supporters, namely, James A. Farley, Cordell Hull, Ambassador Lane, and others to give the country the shocking facts—facts that many of us knew through the years.

These revelations are devastating and reveal the Rooseveltian era as one of economic crackpots who used public office and power to advocate their own ambitions. They reveal it as an era of petty politicians, full of grudges and economic prejudices, unfaithful to the friends who served them, and masters of political chicanery. This is the background of the men who laid the foundation for our present dilemma. Failure has succeeded failure. The fact is, our foreign policy is crumbling to bits. The Palestine fiasco is a case in point.

We did not lose the peace. If all chances for peace are gone it can only be said that peace was thrown away.

The administration failed to maintain the world leadership that was in our hands when the course of the war was determined by American production. In fact, we surrendered that leadership at Yalta when we surrendered eastern Europe to Russia; we surrendered that leadership when we gave away our substance by the tens of billions without securing anything in exchange. We surrendered our power to direct the course that would secure the peace of the world. We have everything and the world knows it. There is not a nation on the earth that does not want something we have. Here was our power to dominate any situation and here was our power to force the peace, but it was dissipated by a vacillating, stumble-bum foreign policy.

The Marshall plan is sugar-coated for the American people. It is, in effect, an ultimatum from Europe—to pay, or else.

We have been maneuvered into the position of having our debtor nations dictate our course. Our foreign policy is directed by Bevin and Harold Laski, the mastermind of socialism in England. It is time to get down to earth about American billions.

Since the war in Europe ended we have already given to the 16 countries in the Marshall plan $21,724,000,000. Now another $17,000,000,000. That is $38,000,000,000 since the war.

If communism has grown by leaps and bounds under a $22,000,000,000 expenditure, how do you proposed to stop it by a $6,000,000,000 expenditure?

Last March, $400,000,000 for Greece and Turkey. Now you say we must add $275,000,000 to that. And $570,000,000 to China.

Where will it stop?

How much longer can we go on in this drunken profligate fashion?

Secretary of Commerce Harriman has informed us that "Russia is a greater menace than Hitler was." He was a long time waking up. He was there as

our Ambassador for 3½ years during the war.

The committee just issued a report that the Communist has one goal—world revolution. The Dies committee told us the same thing 10 years ago. But the administration laughed it off.

Despite the Red flag of danger, we have given Russia $11,260,000,000 in lend-lease. Even since the war ended, we gave $168,000,000. And since the war, $301,000,000 to Yugoslavia; $174,000,000 to Czechoslovakia; $349,000,000 to Poland; and lesser sums to Hungary, Bulgaria, and Albania. Billions thrown away—swallowed up by the communistic bear.

Yes, communism would die and rot if it were not fed out of the United States Treasury.

The Marshall plan means goods—mostly goods that America itself needs.

Never before in all history has a relief proposal like this subsidy-in-goods been assembled.

We Americans are already paying the bill for the postwar relief program abroad at the annual rate of $376 per United States family. By this proposal the bill would be built up to $862 per American family by 1951.

When given the facts, we can find our way, both for our own good and the good of the hard-pressed world. But we must know the plain unvarnished truth. At the moment the Administration's propaganda machine is in mass production on ten thousand assembly lines and propaganda rules the day. It is not enough to say we want to help Europe—the weary, the needy, the heart-worn.

We are all agreed on that.

During the war hundreds of thousands of our men died to give humanity another chance. We who remain cannot say good-by to their efforts—not when they said good-by to life itself. But to humanity, in the end it is results—not pronouncements—that count. And in these critical times we cannot indefinitely postpone real results for anything we do for relief and recovery abroad.

The war has been over nearly 3 years. Something must be radically wrong with the way we have been aiding Europe, otherwise they would have shown some marked degree of recovery and we should have made friends. Our world-recovery donations, totaling $22,000,000,000, have utterly failed to achieve their pronounced objectives.

I fail to see the wisdom in continuing with the same leadership that has expended billions and failed so miserably. A country's actions cannot rise higher than the level of the intelligence of those who determine its policies.

When spending ventures have failed in their objective, our attention is usually distracted by new and larger proposals; by new and larger crises; new labels sought, new slogans concocted.

Let us see how and where the plan began. It began in London. Careful investigation and facts from reliable sources disclosed these facts.

Much of the European story behind the headlines and public speeches has not been told. The facts about the birth of a plan abroad, the inside inter-European commitments and cross-trades, the amazing contradictions in the program itself—all are vital, but smothered. So we go to England for the real beginning.

This is what I mean when I say Earnest Bevin and Harold Laski dictate the foreign policy of the United States.

In January 1947 British Foreign Secretary Bevin told Secretary Marshall that another multibillion-dollar loan was necessary or England would suffer economic collapse by midsummer. This request was not made public. The sum of $5,500,000,000 over a period of 4 years was suggested. The previous grant of $3,750,000,000 was being consumed at twice the expected rate and without any long-term effect. They were using the money to socialize British industry and wipe out every vestige of private enterprise. The request for new money was all on the quiet until it exploded in July.

In a series of communications in January, it is reported Marshall had told Bevin that, in his opinion, the Congress would not approve another big loan for England unless it was a part of a general European plan. England was hard-pressed and sought an answer. She found it. The notice of her withdrawal from Greece did the trick. This was the instrumentality used to force our hand and resulted in the $400,000,000 loan to Greece and Turkey.

This is what I am talking about when I say we have permitted ourselves to be maneuvered into a position where our debtor nations dictate our foreign policy.

The withdrawal of England from Germany and the assumption of the entire cost by us was agreed upon at this time but was not made public until November. The objective is still a huge loan for England, but it was evident the Congress would not grant it.

The ready acceptance of the thumbnail swivel-chair reports of the so-called Harriman and Krug committees as the preachment of the American people by European spokesmen indicated coordination of plans.

Pressure from England continued increasingly on the President and his Cabinet until midsummer, when Marshall made his now famous speech. Marshall had said in three sentences that further large-scale aid could not be expected unless its scope was a general coordinated European program. That was the end of his comment, but Bevin tagged it the Marshall plan, and that, gentlemen, was the birth of the Marshall plan. It has been jokingly called "BERP"—it is truly the Bevin European recovery plan.

By this time the term "Marshall plan" was being treated by foreign spokesmen, the State Department spokesmen, and the administration press and radio in general as an accepted reality. It became Bevin's responsibility to lay the plans for American aid to other countries, never losing sight of the fact that he was to secure for himself the $5,500,000,000, the sum he demanded originally.

At the meeting of the 16 nations in Paris during July, August, and September, is revealed the unbelievable power our debtor nations held over this administration, particularly the State Department. It was here that Bevin threw his $5,500,000,000 claim on the table and there it stayed.

France and Italy objected strenuously to England getting one-third of the proposed $17,000,000,000, a sum which had been arbitrarily set up as the amount we would stand for.

Here is where a conspiracy became effective. England agreed to support an immediate claim for aid for France and Italy; $227,000,000 for Italy, and $458,000,000 for France, in exchange for England receiving her $5,500,000,000, or one-third of the total, and believe it or not, Mr. Speaker, a special session of this Congress was called and the interim-aid bill of $540,000,000 was voted in December. Any Member of this House who chooses to lend his support to this sort of fraud and deceit of the American people is welcome. This Member wants no part of it.

Let us see how valid is the communistic threat argument.

The supporters of the Marshall plan in the Congress have stated publicly that restoration of prewar Soviet trade with western Europe is a "basic assumption" for the success of the plan.

The morning paper last week carried the story that sixty-odd ships of heavy cargo have gone to Russia in recent months. At that moment there was a ship loaded in Jersey City ready to sail Friday with a cargo of durable goods. The fact that current news informs us the administration has stopped the shipment of war supplies to Russia on the eve of voting on the Marshall plan only serves to emphasize the hypocrisy of the managers. They succumbed only after an avalanche of public indignation. The Interior Department recently permitted the Russian Embassy to use their auditorium here to exhibit films showing "How Russia won the war."

Former President Hoover recommended that trade barriers between eastern and western Europe must be eliminated if any program for recovery in Europe is to succeed.

This administration has harbored left-wingers who have permeated every structure of our Government. Marshall invited Russia to participate, saying the program is not directed at any nation. The President says the door is still open for cooperation. We have expended some $50,000,000,000 in England in 30 years. Surely if communism has thrived under that program, what hope is held for further expenditures?

We are informed by the press that England has entered into a 5-year trade pact whereby England sends Russia durable goods and in return receives agricultural commodities.

So far as communism is concerned, you can mark off England's 32 percent, and the same holds true of Iceland, Ireland, Denmark, Portugal, Belgium and Luxemburg. All are very prosperous indeed and represent another $5,000,000,000; a billion for Ireland and Denmark alone—places communism has never threatened.

Could their interest in Ireland and the Scandinavian countries, who are prosperous, be the Irish vote in New York and Massachusetts; the Scandinavian vote in the Middle West?

We are in a fight against inflation. Yet nothing could be more inflationary

than vast exports at public expense, not repaid, and striking us squarely in our shortages. It could produce economy-wrecking inflation and no doubt will make wartime controls necessary, which, in turn, will stifle production. Then follows greater scarcity for our domestic needs and greater difficulty in meeting our foreign commitments.

They will fail our own people as well as the world if they fail to see that the future peace of the world depends on the internal strength of the United States. And they fail again if they squander our strength so we are weak when the chips are down.

A bankrupt and demoralized America means economic chaos for the world. We should note and ponder that Czechoslovakia was taken over by Russia, although it was not destroyed by war or impoverished. It had all of those things which it is claimed would stop Communism under the Marshall plan in European countries.

Take a look at the way we have handled our No. 1 problem—Germany. Our dole to Germany is costing about $1,000,000,000 a year. The Marshall plan countries surrounding Germany—Switzerland, Holland, Denmark, Sweden, France, Italy—whose economies are interwoven with Germany's production, suffered through German paralysis; consequently, they also must ask for a dole.

While Marshall, himself, speaks of German recovery as the crux of the problem, another section of the State Department, which invoked the "scorched earth" policy in Germany, are planning the dismantling of hundreds of peacetime factories for removal as reparation. Some 30,000 German workers have been withdrawn from production to carry out the destruction. It just does not make sense. The conclusion then must be reached either that the war scare is indigenously political and can be discounted, or that the Administration does not have the courage to act or state the facts.

Parenthetically, I might observe that it might be a good thing for this country, if instead of supporting workmen who will not work to the utmost in England, we let the socialistic experiment, which is now going on there, demonstrate its utter incapacity to succeed.

Russia, after 30 years of Communism, is an economic and social bust. It lives by stealth, murder, and the enslavement of its people. The system has given nothing but misery and despair to its people. Most thinking Americans knew this when the administration went to bed with them in 1934 and infiltration into this country went forth unobstructed.

Our military leaders are figuring on a minimum boost of $4,000,000,000 in the coming fiscal year and $10,000,000,000 more each year after that. This would raise defense costs to $15,000,000,000 in the fiscal year beginning July 1, and from $20,000,000,000 to $25,000,000,000 annually thereafter. With the cost of civilian government officially projected at $25,000,000,000 a year, with foreign aid adding another $4,000,000,000 a year, the country is headed for annual budgets of at least $45,000,000,000, with a strong likelihood that they will exceed $50,000,000,000 if all spending proposals go through.

If such budgets become standardized, the national debt will be doubled, with $10,000,000,000 a year in taxes necessary to service the crippling burden. When that condition is even approximated, the predictable outcome is national collapse. No other conclusion can be reached within the margins of logic. There is nothing in this picture that would displease the Communists.

Time alone can record the cost of clearing the decks for war as a political expedient and making political capital out of America's inherent hatred for communism.

There is an abundance of evidence to support the belief that the alien-minded Socialists who infiltrated into our Government during the past 15 years are seriously and objectively aiding and abetting their brothers under the skin in Europe to establish, firmly, socialism there and, in turn, bring about socialism here through national collapse and bankruptcy, thereby creating a socialistic world which, apparently, has been their objective since the beginning.

It is generally recognized that the Marshall plan will necessitate wartime controls.

As we talk of the draft and national defense we hear that England is reducing her army strength, stopping armament construction; France has no army worthy of the name; and Australia decided against conscription which was recommended by a board of 13 generals. Why is it the nations whose lives are threatened are not excited?

Our Government should at all times be in a position to meet any emergency for the national defense.

Extraordinary expenditures for an extraordinary military establishment may be the price we have to pay for the mistakes of our rulers.

The main obstacles to European recovery are the present economic policies followed by their governments. Help from outside to any country goes eventually to relieve its least urgent needs. Aid from the United States will be futile unless the country aided discontinues restrictionist policies.

The United States Government cannot consider recommending sound policies to foreign governments as a condition for loans when it is not following such policies itself. We can preach effectively only by example.

Intergovernmental loans increase and prolong governmental restrictions on the economy, both in the borrowing and in the lending countries, and delay the return to a free economy.

While international trade is highly desirable and our modern industrial machine is geared to many necessary imports, it is not true that full production and full employment at home depends on foreign loans and gifts.

Our excess of exports of goods and services has already caused a dangerous domestic price rise that cannot be maintained at the present unparalleled rate.

We recognize to the fullest the power and prerogative of any President and his Cabinet to create a war condition most any time, anywhere, when they make up their minds that is the course they want to take. It has been done.

Certainly, the solution offers a very complex problem, but I will venture a suggestion of some main points which I believe ought to be a part of any positive program:

First. Make our own constitutional system free and strong. Remove all wartime controls that hamper production and free-markets.

Second. Make aid to Europe strictly on a relief basis. Place the goods in the hands of the people who use them and not distribute through crooked politicians for sale in the black markets.

Third. Stop imposing socialism on Germany and Japan and permit them to restore their own economies.

Fourth. Return to a real, instead of a merely technical gold basis for our currency.

Fifth. Remove all control of exchange rates by the International Monetary Fund and permit honest valuation of foreign currencies, thus making trade possible between European countries.

Sixth. Let the rehabilitation loan business go to private financial markets.

Seventh. Defend our capitalism and free enterprise system without apology. Attack the entire foundation of the Russian slave system.

Eighth. Expose the fallacies of European statism and socialism by our own example. Do not try to impose free enterprise on Europe either by coercion or bribes. Emphasize the fallacy of bankrupted Europe trying to preach socialism to us.

Ninth. Respond generously as individuals to every justified European appeal for help.

At this hour, our need for American statesmen, competent and courageous, is much greater than our need for additional armament.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, March 30, 1948, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1417. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1949 in the amount of $1,500,000 for the Department of the Army (H. Doc. No. 582); to the Committee on Appropriations and ordered to be printed.

1418. A letter from the secretary of Hawaii, transmitting a copy of the Journal of the Senate of the Legislature of the Territory of Hawaii, regular session, 1947; to the Committee on Public Lands.

1419. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to authorize the President, in his discretion, to permit the stoppage of work on certain combatant vessels; to the Committee on Armed Services.

1420. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of a proposed bill to amend section 259 of the Judicial Code so as to increase to $15 per day the limit on subsistence expenses allowed to judges traveling pursuant to assignment to duty outside the circuits of their residence; to the Committee on the Judiciary.

1421. A letter from the Chairman, Federal Power Commission, transmitting a copy of its newly issued publication entitled "Street Lighting Service;" to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SHAFER: Committee on Armed Services. S. 1641. An act to establish the Women's Army Corps in the Regular Army, to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and the Naval and Marine Corps Reserve, and for other purposes; with amendments (Rept. No. 1616). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 5963. A bill to authorize the construction of a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, and for other purposes; without amendment (Rept. No. 1617). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 6026. A bill to amend the Social Security Act, as amended, so as to increase the amounts of Federal contributions to the States for old-age assistance, aid to dependent children, and aid to the blind; to the Committee on Ways and Means.

By Mr. CURTIS:

H. R. 6027. A bill to provide for the granting of honorable discharges to certain persons who served in the armed forces during World War I; to the Committee on Armed Services.

H. R. 6028. A bill to authorize appropriations for the Bureau of Reclamation for payments to school districts on certain projects during their construction status; to the Committee on Public Lands.

By Mr. FORAND:

H. R. 6029. A bill to repeal the tax on gasoline; to the Committee on Ways and Means.

By Mr. JACKSON of Washington:

H. R. 6030. A bill to authorize the exchange of wildlife refuge lands within the State of Washington; to the Committee on Merchant Marine and Fisheries.

By Mr. McDONOUGH:

H. R. 6031. A bill to strengthen national security and the common defense by authorizing the construction and operation of demonstration plants to produce potable water from sea water, or other liquids, elements, or substances, in order to promote the general welfare of the Nation and to conserve and increase the national water resources, and for other purposes; to the Committee on Armed Services.

By Mr. VAN ZANDT:

H. R. 6032. A bill to amend section 215 of the Budget and Accounting Act, 1921, to provide for submission of departmental estimates to Congress; to the Committee on Expenditures in the Executive Departments.

By Mr. CELLER:

H. R. 6033. A bill to aid in the naturalization of persons with wartime service in the merchant marine, and for other purposes; to the Committee on the Judiciary.

By Mr. O'HARA (by request):

H. R. 6034. A bill to amend section 12 of the act of July 2, 1940, to increase the fee for the recording of liens, and of assignments and releases of liens, on motor vehicles and trailers, and for other purposes; to the Committee on the District of Columbia.

By Mr. GRANT of Indiana:

H. R. 6035. A bill to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory; to the Committee on Ways and Means.

By Mr. LYNCH:

H. R. 6036. A bill to amend section 22 (b) (2) (B) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. MILLER of Connecticut:

H. Res. 514. Resolution authorizing and directing the Committee on Interstate and Foreign Commerce to conduct a full and complete investigation and study of the truth of the statements and accusations made by Walter Winchell during his regular weekly broadcast over the facilities of the American Broadcasting Co. from 9 to 9:15, eastern standard time, Sunday evening, March 28; to the Committee on Rules.

By Mr. ANDERSON of California:

H. Res. 515. Resolution for a survey of the San Francisco Bay; to the Committee on Public Works.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States on aid for distressed China; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States relating to a boundary fence between the United States and Mexico; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to eliminate the inequitable tax discriminations between residents of the so-called community-property States and the so-called common-law States; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to enact legislation to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the construction of a dam in San Francisco Bay, and a resolution relative to compensation of postal employees; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Georgia:

H. R. 6037. A bill for the relief of Jack Getty Pinkerson; to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 6038. A bill for the relief of Al W. Hosinski; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1641. By Mr. BRADLEY: Petition of Mrs. Jane Storm and 50 other members of the Long Beach, Calif., Young Republicans and Republican Assembly, urging that Congress enact legislation to discontinue the shipping of produce and materials of all kinds and every nature to Russia and to satellite nations of Russia; to the Committee on Foreign Affairs.

1642. Also, petition of F. E. P. Harris and 55 other residents of Lynwood, Calif., urging the abolition of the tax on yellow margarine; to the Committee on Agriculture.

1643. By Mr. FORAND: Petition of John Carnevale, East Providence, R. I., and 81 others, urging enactment of the European recovery program; to the Committee on Foreign Affairs.

1644. Also, petition of Mario T. Perrotti, Newport, R. I., and 21 others, urging enactment of the European recovery program; to the Committee on Foreign Affairs.

1645. Also, petition of Anthony J. Ferrara, Bristol, R. I., and 40 others, urging enactment of the European recovery program; to the Committee on Foreign Affairs.

1646. Also, petition of Mrs. Ulrich H. Shortley, Providence, R. I., and 230 other citizens of Rhode Island, asking Congress to remove all restrictions on the manufacture and sale of oleomargarine; to the Committee on Agriculture.

1647. Also, petition of Benjamin R. Sugarman, Providence, R. I., and 13 others, urging enactment of the European recovery program; to the Committee on Foreign Affairs.

1648. Also, petition of Mrs. Elsie D. Shanahan, Newport, R. I., and 84 others, urging enactment of the European recovery program; to the Committee on Foreign Affairs.

1649. Also, petition of Nicola Agostinelli, Providence, R. I., and 101 others, urging enactment of the European recovery program; to the Committee on Foreign Affairs.

1650. By Mr. GAMBLE (by request): Petition signed by residents of Westchester County, N. Y., in favor of the European recovery plan; to the Committee on Foreign Affairs.

1651. By Mr. HALE: Petition of the people of Freeport, Maine, in town meeting assembled on March 13, 1948, resolving that they call upon their representatives in Congress, in the executive department of the United States, and in the United Nations, to take such steps as may be necessary to have our delegates to the United Nations present or support amendment of the Charter for the purpose of making the United Nations into a world government capable of enacting, interpreting, and enforcing world law to prevent war, and further resolving that this shall not be construed in such a way as to favor disarmament by the United States to the point where this country is second to any other, under the present lack of world order; to the Committee on Foreign Affairs.

1652. By Mr. HART: Petition of the Plattdeutsche Verein, of Hoboken, N. J., urging a reduction in the postal rates on parcels and packages to the needy in Europe; to the Committee on Post Office and Civil Service.

1653. Also, petition of the Plattdeutsche Verein, of Hoboken, N. J., urging a reduction in postal rates on parcels and packages sent to the needy in Europe; to the Committee on Post Office and Civil Service.

1654. By Mr. LEWIS: Petition of 19 residents of Salem, Ohio, and vicinity, favoring universal military training; to the Committee on Armed Services.

1655. Also, petition of 19 residents of Salem, Ohio, and vicinity, favoring the appropriation for the radio program, the Voice of America; to the Committee on Appropriations.

1656. Also, petition of 27 citizens of Steubenville, Ohio, favoring legislation designed, in the light of Secretary of State Marshall's proposal, to fulfill the needs of a sound European recovery program; to the Committee on Foreign Affairs.

1657. By Mr. SMITH of Wisconsin: Petition of a group of residents of Racine, Wis., urging passage of S. 265 in its original form and hearings on H. R. 4983; to the Committee on Interstate and Foreign Commerce.

1658. By the SPEAKER: Petition of Mrs. Arthur Bowen, Cassadaga, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1659. Also petition of Mrs. Ismay Belle Dame, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1660. Also, petition of D. E. Zimmerman, Tallahassee, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1661. Also, petition of E. C. Vest, Lake Worth, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1662. Also, petition of the Brotherhood of Railway and Steamship Clerks, petitioning consideration of their resolution with reference to enactment of the European recovery program; to the Committee on Foreign Affairs.

1663. Also, petition of L. L. Purcell and others, petitioning consideration of their resolution with reference to enactment of H. R. 16 and H. R. 2476; to the Committee on Ways and Means.

1664. Also, petition of the National Guard Association of Massachusetts, petitioning consideration of their resolution with reference to the terms of nondisability retirement bill for the civilian components, H. R. 2744, and urging its enactment; to the Committee on Armed Services.

1665. Also, petition of the Daughters of the American Revolution of Maryland, petitioning consideration of their resolution with reference to bringing the issue of military training to the floor of the House; to the Committee on Rules.

1666. Also, petition of Edwin Rebrig and others, petitioning consideration of their resolution with reference to salary increases to all postal employees; to the Committee on Post Office and Civil Service.

1667. Also, petition of the Committee for Constitutional Government, petitioning consideration of their resolution with reference to reduction in taxes and expenditures; to the Committee on Ways and Means.

SENATE

TUESDAY, MARCH 30, 1948

(Legislative day of Monday, March 29, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou gracious Benefactor, we rejoice that day by day we are the recipients of Thy bountiful providence.

Grant that Thy blessings may also become contributions in our hands with which we shall seek to minister to humanity's deep and bitter needs.

Humbly and confidently we would continue to pray and labor for peace and good will among men.

May we never feel that these ideals and principles are merely illusions or that they lie beyond the sphere of practical realization. Deliver us from all cynical tempers of mind, and may nothing eclipse our faith in the Lord God Omnipotent.

Hear us in Christ's name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 29, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

POSITION OF AMERICAN TARIFF LEAGUE ON EUROPEAN RECOVERY PROGRAM—CORRECTION

Mr. SPARKMAN. Mr. President, on March 13, 1948, while the European recovery program was under discussion in the Senate, I made a few remarks on it and inserted a speech which I had previously delivered. In connection with the speech, I included an appendix which listed various organizations and groups supporting the European recovery program and also a few that were opposed to it. Among those listed as being opposed to it was the American Tariff League.

Following the printing of the list in the RECORD, I had a telegram from Mr. Richard H. Anthony, secretary of the American Tariff League, calling my attention to that inclusion and saying that it was not properly made. I therefore telegraphed him that my information had been received from a statement put out by the American Tariff League's official publication entitled "Topics," dated October 2, 1947, and asked him if his organization was not opposed to the European recovery program to let me know and I should be glad to correct the RECORD. On March 24, 1948, Mr. Anthony wrote me a letter explaining the position of the American Tariff League and requesting that the permanent RECORD be corrected by having the name of his organization withdrawn from that list.

So, Mr. President, I ask unanimous consent that in the permanent RECORD the name of the American Tariff League be deleted from the list of organizations opposed to the European recovery program. I further ask that there be printed at this point in the RECORD the correspondence which I have had with Mr. Anthony relating to this matter, and also a statement contained in the American Tariff League's Topics of October 2, 1947, upon which I based my opinion that the tariff league was opposed to the European recovery program.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The correspondence and the bulletin, Topics, are as follows:

NEW YORK, N. Y., *March 22, 1948.*

Senator JOHN SPARKMAN,
United States Senate:

On page 2788, CONGRESSIONAL RECORD, March 13, in appendix to insertion of your Civitan Club speech, our organization is listed as opposed to ERP. Please advise by wire collect by what authority our name is used, inasmuch as we are unaware of any statement made by any officer of the league or any action taken by the league itself relating to ERP.

RICHARD H. ANTHONY,
Secretary, the American Tariff League.

WASHINGTON, D. C., *March 22, 1948.*

Mr. RICHARD H. ANTHONY,
Secretary, the American Tariff League,
New York, N. Y.:

Reurtel. Was informed October 2, 1947, issue of American Tariff League's official publication, Topics, stated: "Even if a new program involving the expenditure of about $25,000,000,000 during the coming 4 years were submitted to the Congress in January, there does not seem to be the slightest prospect that it would be adopted or that it would restore prosperity and independence to the countries of western Europe or assure the ideals of peace usually associated with the outline." If your organization is not opposed to ERP, I shall be glad to correct the RECORD.

JOHN SPARKMAN,
United States Senator.

THE AMERICAN TARIFF LEAGUE,
New York, N. Y., March 24, 1948.

Hon. JOHN SPARKMAN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR SPARKMAN: I very much appreciate your prompt telegraphic reply to my wire yesterday inquiring as to the authority for including the league's name among those organizations listed as opposed to ERP.

I note that your authority is a statement taken from American Tariff League Topics of October 2. You will note that that statement is part of the Washington report of Dr. John Lee Coulter. Dr. Coulter is not an official of the league, and the statements made in his column are personal statements of his of an informational nature sent to members to acquaint them with the latest developments in Washington. His statement made in the October 2 issue, furthermore, relates to the then current proposal for an expenditure of $25,000,000,000 and, of course, antedates by 2 months the presentation of the ERP proposal by the President.

In view of the fact that no official of the league, to our knowledge, has made any public statement regarding ERP that would place the league on record, and since the league has not by any vote or discussion taken a position on ERP, we respectfully request that you remove the league's name from the list of organizations in the appendix to your remarks of March 13, so that the permanent RECORD will not carry the league's name.

This matter has been brought to our attention from various sources, and it would be helpful if some statement could be made in the RECORD that the league's name was included in the list through a misunderstanding. We shall appreciate anything you can do to rectify this error.

Sincerely yours,

RICHARD H. ANTHONY, *Secretary.*

[From the American Tariff League Topics of October 2, 1947]

WASHINGTON REPORT

(By Dr. John Lee Coulter)

EUROPEAN DISTRESS TAKES SPOTLIGHT

* * * * *

The Marshall plan

Unquestionably the most formidable series of international economic problems have finally been crystallized in what has come to be known as the Marshall plan for relief, rehabilitation, and reconstruction of the countries of western Europe.

Details of the Marshall plan are now available for those who would attempt to really comprehend what is involved. Even if a new program involving the expenditure of about $25,000,000,000 during the coming 4 years were submitted to the Congress in January, there does not seem to be the slightest prospect that it would be adopted or that it would restore prosperity and independence to the countries of western Europe or assure the ideals of peace usually associated with the outline. The details of this vast program must gradually be unfolded.

During the past 4 months the Labor government of the United Kingdom has been weighing the relative merits of discarding Empire preference systems in favor of a possible increase in American markets resulting from general reductions in tariff rates by this country.

It appears that spokesmen for our State Department were prepared to make maximum concessions to the United Kingdom and all segments of the British Empire in return for a willingness on the part of the British to reduce and gradually eliminate the complex system of Empire preferences. But the British realized that these concessions to the United States must be extended to France, Belgium, Netherlands, Sweden, Switzerland, and other European countries, and eventually to Germany, Austria, and Italy. Furthermore, concessions by the United States would not go to the British Empire alone, but would be extended to all of these other countries.

SUSPENSION OF HENRY J. ZETZER

Mr. CAIN. Mr. President, on Saturday, March 13, Mr. Henry J. Zetzer, regional rent administrator of region III, with headquarters in Cleveland, Ohio, was removed from his official duties and position by the Acting Housing Expediter, Mr. Tighe Woods. Mr. Zetzer was suspended because, in the opinion of Mr. Woods, the regional director had been guilty of endeavoring to influence legislation, and had been unreasonably critical of the Congress. These charges resulted from a confidential memorandum which Mr. Zetzer, under date of February 24, issued to members of his staff who were located throughout the five States which are included within region III. These States are Ohio, Indiana, Kentucky, Michigan, and West Virginia. Excerpts from this confidential memorandum and other comments and papers relating to the dismissal of Mr. Zetzer will be found in recent issues of the CONGRESSIONAL RECORD.

Mr. President, I received a letter yesterday from Mr. Zetzer which he wrote on March 26. He offered an explanation for the conduct which led to his having been suspended by the Acting Housing Expediter. I considered this explanation to be a weird misinterpretation of how a responsible Government official should carry out his assignment.

I hope that every Senator will examine Mr. Zetzer's letter, which I ask unanimous consent to have printed at this point in my remarks, together with my reply.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CLEVELAND HEIGHTS, OHIO,
March 26, 1948.

Hon. HARRY P. CAIN,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: On February 24 I sent a confidential letter to my rent directors which has received unfortunate notoriety. I realize that an impersonal reading of such a letter creates a different impression than that given to the recipients, who understand the purpose and know the personal traits of the writer. It is for this reason and out of a sense of Christian duty that I am impelled to offer this explanation. Perhaps this can be best achieved by quoting from a previous letter to the same persons, dated September 9, 1946:

"Again let me make it clear that these letters are intended not to be official statements, literary gems, or an effort to be funny. They are written in odd places during spare moments and necessarily contain all the literary deficiencies, the fallacious ideas, and the human weaknesses of the writer. The only claim I make for them is that they are sincere reflections of my personal thoughts on the present status of the program. I don't particularly care whether you read them, and certainly do not expect you to agree with everything I say, but for heaven's sake don't label them as propaganda."

While some of the statements in my letter of February 24 are undeniably critical of Federal legislative procedures, I want to assure you that they were made without malice and without any thought of giving personal offense. There was no intent on my part to criticize any Senator for questioning or opposing continued rent control. I sincerely believed that I had the right to point out what I regarded as a weakness in our congressional committee organization, namely, placing the burden of drafting legislation on legislators who are not in sympathy with a proposal. If my casual remarks have left any other impression, may I assure you that this was unintentional and that I meant no disrespect to you personally, nor to any other Member of the Senate.

Respectfully,

HENRY J. ZETZER.

MARCH 30, 1948.

Mr. HENRY J. ZETZER,
Cleveland Heights, Ohio.

MY DEAR MR. ZETZER: I have your letter of March 26. It was good of you to write. Because we have never seen or met each other I have absolutely no interest in you in a personal sense. When your confidential memorandum of February 24 came to my attention I referred its contents to the Senate Subcommittee on Rents and Housing and I requested the Acting Housing Expediter to study the memorandum and to state the nature of the action he thought it proper to take. You were advised of that action during the afternoon of the day when the memorandum was first submitted to Mr. Woods. I have considered the action taken by Mr. Woods to be both reasonable and fair.

It would serve no purpose for us to discuss the reasons which caused you to write the memorandum in question. In my considered opinion the position taken in your letter of March 26 is completely untenable. It simply isn't possible for you as an individual to disassociate yourself from your official position. Any confidential memorandum which is written to subordinates within an executive agency must be construed to represent the writer's official position and point of view. That any other understanding could be maintained by a responsible Government official is something I would never be able to understand.

I don't know what future action is intended in your case but I shall be extremely interested in any coming development. The record which covers your case is comprehensive and positive. It will remain available for any who are entitled to see it.

Very sincerely yours,

HARRY P. CAIN.

Mr. CAIN. Mr. President, I would urge the reader to bear in mind (a) that the confidential memorandum which caused the Acting Housing Expediter to suspend Mr. Zetzer was written on the official letterhead of region III.

(b) That there was not the slightest indication in the memorandum that the views expressed were the personal, rather than the official, opinions of Mr. Zetzer.

(c) That Mr. Zetzer considers the memorandum to have been a mere expression of his personal feelings. If this unwarranted assumption were accepted, how could Mr. Zetzer justify circulating his personal philosophy and observations at Government expense?

We have probably not heard the last of the charges which are pending presently against Mr. Zetzer. The facts in his case will probably be reviewed by competent authority. We ought to take a positive interest in whatever final action is considered and taken, because the Zetzer case will help to determine the conduct to be expected from an executive agent, and it will help to further define and establish a healthy and reasonable relationship between the Congress and executive agencies.

DECORATIONS, ETC., HELD BY RETIRED OFFICERS OR EMPLOYEES (H. DOC. NO. 583)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read by the Chief Clerk, and, with accompanying papers, referred to the Committee on Foreign Relations.

(For text of President's message, see proceedings of the House of Representatives on p. 3767.)

TRANSPORTATION OF PERSONNEL AND CARGO BY MILITARY AND NAVAL AIRCRAFT

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of Defense, transmitting an order issued by him on November 18, 1947, setting forth the policies governing transportation of personnel and cargo by military and naval aircraft, which, with an accompanying paper, was referred to the Committee on Armed Services.

JEFFERSON BARRACKS, MO.—RESOLUTION OF MISSOURI HOUSE OF REPRESENTATIVES

Mr. DONNELL. Mr. President, on behalf of the junior Senator from Missouri [Mr. KEM] and for myself, I ask unanimous consent to present for the RECORD a notable resolution adopted by the House of Representatives of the Missouri Legislature. The resolution, House Resolution 187, reads:

House Resolution 187

Whereas Jefferson Barracks was established as a military outpost in 1826 and has ever

since been one of the greatest historical landmarks in North America; and

Whereas the Jefferson Barracks site was for 120 years a part of the life of the citizens of Missouri, Illinois, and the Central West, thousands of citizens of said States and others have trained there and thousands more lie buried there; and

Whereas it is deemed proper and fitting that this hallowed ground be monumented to such an extent that it remain forever as a national shrine; and

Whereas Jefferson Barracks National Cemetery is now bounded by the Jefferson Barracks Military Reservation; and

Whereas we believe that it is both fitting and proper that the national cemetery be encompassed about by a national park, with its wooded grounds, to protect said cemetery from the encroachment of urban development; and

Whereas we deplore the proposed plan to sell off large portions of the site of Jefferson Barracks to private investors for private exploitation: Now, therefore, be it

Resolved by the House of Representatives of the State of Missouri, That it petition the Congress of the United States and the appropriate governmental agencies to withhold said Jefferson Barracks or any part of it from public sales and to take such action as may be necessary to create and maintain said Jefferson Barracks as a national park; and be it further

Resolved, That the present use of part of said reservation as a veterans' housing project be retained for said use until the housing emergency in this area is definitely past; and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, Secretary of the Interior, United States Senators of Illinois and Missouri, Congressmen of the State of Illinois and State of Missouri; the War Assets Administration, Secretary of Defense and Veterans' Administration.

(Bohrer, Cord, Sendlein, Witte, Boederker, Underwood, and Lehmuth.)

MURRAY E. THOMPSON,
Speaker of the House.

I hereby certify that House Resolution No. 187 was adopted by the house of representatives on March 24, 1948.

[SEAL] CURTIS J. TINDEL,
Chief Clerk of the House.

Mr. President, I request that the resolution be referred to the appropriate committee.

The PRESIDENT pro tempore. Without objection, the resolution will be received, and referred to the Committee on Interior and Insular Affairs.

FEDERAL AID TO EDUCATION—TELEGRAMS FROM ARCHBISHOP RITTER AND BISHOP O'HARA

Mr. DONNELL. Mr. President, I ask unanimous consent that there be set forth in the body of the RECORD at this point two telegraphic messages, one of which is from the Most Reverend Joseph C. Ritter, archbishop of St. Louis, addressed to myself, received in Washington, March 23, 1948; the other from the Most Reverend Edwin V. O'Hara, bishop of Kansas City, addressed to myself, and received in Washington on March 24, 1948. Both telegraphic messages relate to Senate bill 472.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ST. LOUIS, MO., *March 22, 1948.*

Senator FORREST C. DONNELL,
United States Office Building,
Washington, D. C.:

In the public-spirited interest of 14,000 high-school pupils and the 55,000 elementary school children and their parents I respectfully call your attention to the discrimination of the Senate education bill No. 472 denying effective health to parochial-school children. Such an attitude is not in keeping with our best democratic principles educating our people regardless of religion. Our Catholic parochial schools as evidenced from numbers of children cited above warrant the interest of our legislators who represent us. Respectfully request your considered judgment on this bill.

ARCHBISHOP JOSEPH C. RITTER,
Archbishop of St. Louis.

KANSAS CITY, MO., *March 23, 1948.*

Hon. FORREST C. DONNELL,
Senate Office Building,
Washington, D. C.:

With national defense program calling for retrenchment I oppose expenditure on behalf of self-sufficient States proposed in S. 472. Taft educational aid bill considered ineffective as measure to equalize educational opportunities and flagrantly discriminatory against 100,000 private pupils in Missouri. Respectfully request you to oppose measure.

EDWIN V. O'HARA,
Bishop of Kansas City.

Mr. DONNELL. I should like to add that a telegraphic message of like content from each of these two gentlemen has been received by my colleague the junior Senator from Missouri [Mr. KEM].

LIMITATION OF POWER OF RADIO STATIONS

Mr. ECTON. Mr. President, I am very much interested in a bill which has been introduced by the distinguished Senator from Colorado [Mr. JOHNSON]. I refer to Senate bill 2231, to limit the power of radio stations to 50,000 watts so as to provide more equitable radio service to the various communities in the United States and to prevent monopoly.

The radio broadcasters in Montana are deeply interested in this bill, and I am very happy to note that the Committee on Interstate and Foreign Commerce has scheduled hearings in the near future.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter received by me from P. B. McAdam, secretary of the Montana Association of Broadcasters, together with a resolution unanimously adopted by that association.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

KPRK,
Livingston, Mont., March 26, 1948.

Senator ZALES ECTON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: As secretary of the Montana Association of Broadcasters, which includes every radio station in Montana as well as four other stations that are in construction, I have been instructed to forward to your office the resolution which was unanimously adopted by the entire group of broadcasters at a meeting held in Helena on March 8. This resolution recommends and requests your most ardent support of the Johnson bill, recently introduced in the Senate, which would limit the power of radio broadcasting stations to a maximum of 50,000 watts.

Never in the history of communications has such a giant monopoly of facilities been proposed as that of a few large organizations who are attempting to establish superpower stations that would reach every radio listener in the United States with the end result that there would be no chance for a Congressman or individual to reach the particular people in a local community as the time would not be available on a superpower station and very possibly the small stations in Montana would be out of business. Your most urgent action in obtaining support for this Johnson bill, introduced in the Senate, S. 2231, is requested. When the full import of this situation reaches the grass roots of the country there will certainly be mass support for this bill.

In the meantime we are doing everything possible to inform the people here in Montana, and broadcasters in other States, of the hazards to American citizens if this bill should fail to receive favorable action from Congress.

Thanking you in advance for your action and support of this Senate bill and awaiting your rely that may be passed on to the associate members, I am,

Sincerely,

P. B. MCADAM,
Secretary, Montana Association of Broadcasters.

MONTANA ASSOCIATION OF BROADCASTERS UNANIMOUS RESOLUTION, MARCH 7, 1948

Whereas Senator EDWIN C. JOHNSON, of Colorado, introduced, in the United States Senate on February 26, 1948, a bill (S. 2231) to limit the power of radio stations to 50,000 watts so as to provide more equitable radio service to the various communities of the United States and to prevent monopoly; and

Whereas there are not enough frequencies for every community or even every State to have a superpower station; and

Whereas the granting of superpower to any station or stations in the United States is a policy matter to be determined by Congress and not an engineering matter; and

Whereas the granting of superpower would be detrimental to many independent community stations, placing many stations in jeopardy of bankruptcy by depriving them of programs, thus depriving listeners of community radio service; and

Whereas placing superpower stations in only a few communities of the country would concentrate in a limited number of individuals a monopoly of greater economic, political and social power than should be entrusted in any individual or group in a free nation; Be it therefore

Resolved, That the members of the Montana congressional delegation are hereby asked by the independent broadcasters of Montana through their association, the Montana Association of Broadcasters, to individually or collectively call upon the Senate Interstate and Foreign Commerce Committee and upon its individual members and urge upon these men and this committee the speedy expedition of the hearings on this bill; that they urge on this committee the use of the countless volumes of testimony and briefs already taken in this matter by the Federal Communications Commission over the last 10 years; that they individually support this bill S. 2231 in its present form and urge its support and vote for its enactment on the floor of Congress.

PHYSICALLY HANDICAPPED CITIZENS

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to insert in the body of the RECORD Senate bill 2319, which is a short bill to provide for a survey of physically handicapped citizens. I also wish to insert a brief explanation of the purposes of the bill.

There being no objection, the bill and explanation were ordered to be printed in the RECORD, as follows:

S. 2319

A bill to provide for a survey of physically handicapped citizens

Be it enacted, etc., That the Director of the Census is authorized and directed (1) to make a survey of the population of the

United States to determine, insofar as possible, the number, age, and location of physically handicapped citizens; (2) to prepare and submit to the President and to the Congress a preliminary statement outlining plans for classifying citizens found to be physically disabled; and (3) to report to the Congress, within 18 months after the date of enactment of this act, the results of such survey.

SEC. 2. For the purpose of this survey, a physically handicapped citizen shall mean any citizen who, because of (1) congenital deformity, (2) injury, or (3) disease, is substantially handicapped in obtaining employment or in self-employment.

SEC. 3. To assist in carrying out the provisions of this act, the Secretary of Commerce, on the request of the Director of the Census, shall request the cooperation of the Federal Security Agency, the United States Employment Service, the United States Civil Service Commission, and other Federal, State, and local government agencies. The Director may consult with nongovernmental associations and experts in planning the survey and preparing the required report.

SEC. 4. In carrying out the provisions of this act, sections 3, 5, 7, 8, 9, 10, 11, 12, 14, and 15 of the act of June 18, 1929 (46 Stat. 21), shall be applicable.

SEC. 5. Section 4 of the act of June 18, 1929 (46 Stat. 22, U. S. C., title 13, sec. 204), is hereby amended to read as follows:

"SEC. 4. The seventeenth and subsequent censuses shall be restricted to inquiries relating to population, to agriculture, to irrigation, to drainage, to distribution, to unemployment, and to mines. The number, form, and subdivision of the inquiries in the schedules used to take the census shall be determined by the Director of the Census, with the approval of the Secretary of Commerce: *Provided*, That the schedules shall include inquiries concerning the number, age, classification, and location of physically handicapped citizens."

SEC. 6. There are authorized to be appropriated such sums, not exceeding in the aggregate $5,000,000, as may be necessary to carry out the provisions of this act.

STATEMENT BY MR. JOHNSON OF COLORADO

Mr. President, I recently introduced S. 2319, a bill to provide for a survey of physically handicapped citizens. The purpose of the bill is to ascertain, insofar as may be possible, through a census, the number, age, location, and type of our physically handicapped citizens, so that we may have definite knowledge and facts upon which to base legislative and other programs in their interest.

My own concern for the welfare of our physically and mentally handicapped people impels me to say that I believe present programs must be greatly improved and expanded if we are to meet the needs. Unquestionably, when we consider that the 1947 report of the Office of Vocational Rehabilitation shows that, for that year, 51,575 disabled men and women were prepared for and placed in employment through rehabilitation processes, while, at the same time, the Bureau of Labor Statistics estimates that more than 2,000,000 Americans were injured in industry and agriculture—many of them very seriously—makes it apparent that there is a wide gap between the number of injuries and diseases, incapacitating our people, and effective remedies to restore them to working condition, if that be possible. We must deal vigorously with this situation, but, as said, as a practical proposition we must first ascertain the facts upon which to predicate remedial programs.

Senate bill 2319 has the approval of the American Federation of the Physically Handicapped, an organization well known to Members of Congress, which has national headquarters in the National Press Building, Washington, D. C., and the officers of which are, Paul A. Strachan, president; Miss Mildred Scott, secretary; Ralph A. Collins, treasurer; and the vice presidents, composing the AFPH national council.

As a part of my remarks, I am including an explanatory statement by Mr. Strachan, as follows:

"For many years, we have striven to ascertain an accurate estimate of the number of handicapped people in the United States. Public and private agencies vary so greatly in their estimates as to make it almost impossible to strike a mean, as instanced by the fact that, some 12 years ago, medical sources estimated that out of the then 130,000,000 population, some 55,000,000 were, in some degree, handicapped. In 1935–36, the National Health Survey, made by the United States Public Health Service, estimated there were, then, 23,600,000 handicapped, of whom approximately 16,000,000 were in the social-security nonbenefit ages of 16 and 60. During the recent war, Selective Service rejected approximately one out of three of the 12,000,000 examined for physical or mental defects, and it should be borne in mind that these were individuals presumably in the best years of life, from 18 to 45.

"In 1945–46, the House Labor Subcommittee To Investigate Aid to the Physically Handicapped, as well as the Senate Committee on Wartime Health and Education held extended hearings, before which experts representing various public and private agencies and organizations testified, and a summary of their estimates shows an approximate of 38,000,000 handicapped. Still more recently, the late Retraining and Reemployment Administration, of which Maj. Gen. Graves B. Erskine, USMC, was Administrator, after much study of the question, set a figure of 28,000,000 handicapped. Estimates of other agencies and organizations today vary still more widely, and such condition makes it necessary to go down to the grass roots and get the facts. The only feasible way that can be done is by a census of handicapped, and S. 2319 provides the simplest means to that end.

"Legislation now pending in Congress, dealing with many phases of the handicapped problem, calls for expenditures which total more than a billion dollars. We are not opposed to these measures, but, precedent to their enactment we believe the Congress, the Chief Executive, and the general public should have all pertinent facts as to the handicapped in our population, so that we can deal intelligently and comprehensively with this matter, and stop groping in the dark for lack of real evidence on which to base a case.

"We consider S. 2319 a vital factor in the health program of the United States and for that reason, we sincerely hope that Congress will speedily enact it, so that this highly essential work may get under way without delay."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ECTON, from the Committee on Post Office and Civil Service:

S. 2325. A bill to enable certain former officers or employees of the United States separated from the service subsequent to January 23, 1942, to elect to forfeit their rights to civil-service-retirement annuities and to obtain in lieu thereof returns of their contributions with interest; without amendment (Rept. No. 1034); and

S. 2326. A bill to repeal the Alaska Railroad Retirement Act of June 29, 1936, as amended, and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such act of June 29, 1936, is applicable; without amendment (Rept. No. 1035).

By Mr. CONNALLY, from the Committee on Foreign Relations:

S. J. Res. 177. Joint resolution providing for participation by the Government of the United States in the Pan American Railway Congress, and authorizing an appropriation therefor; with an amendment (Rept. No. 1036).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUCK:

S. 2406. A bill to amend the act entitled "An act to provide for the recording and releasing of liens by entries on certificates of title for motor vehicles and trailers, and for other purposes," approved July 2, 1940, as amended; to the Committee on the District of Columbia.

By Mr. GURNEY:

S. 2407. A bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States; to the Committee on Armed Services.

By Mr. McCARRAN:

S. 2408. A bill for the relief of Arthur O. Fisher; to the Committee on the Judiciary.

By Mr. CAIN:

S. 2409. A bill to amend an act entitled "An act to provide revenue for the District of Columbia, and for other purposes," approved July 16, 1947; to the Committee on the District of Columbia.

By Mr. LANGER:

S. 2410. A bill for the relief of Rosina Reda; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 2411. A bill for the relief of Gabel Construction Co.; to the Committee on the Judiciary.

By Mr. WHERRY:

S. 2412. A bill to protect the people of the United States against infiltration by Communists and Communist-front organizations; to the Committee on the Judiciary.

THE PLACE OF COOPERATIVES IN AMERICAN AGRICULTURE—ADDRESS BY SENATOR AIKEN

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an address on the subject the Place of Cooperatives in American Agriculture, delivered by him during Farm and Home Week at Ohio State University, Columbus, Ohio, March 23, 1948, which appears in the Appendix.]

OLD-AGE INSURANCE—ADDRESS BY SENATOR MURRAY

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an address on the subject of old-age insurance delivered by Senator MURRAY on March 26, 1948, which appears in the Appendix.]

PALESTINE REVERSAL—EDITORIAL FROM DENVER POST

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an editorial entitled "Reversal on Palestine Declared Betrayal," written by David R. Uchill, and published in the Denver Post, which appears in the Appendix.]

SIX-YEAR PROGRAM FOR MISSOURI RIVER BASIN

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a 6-year program for the Missouri River Basin, as pre-

pared by the Missouri Basin Interagency Committee, which appears in the Appendix.]

AN AMERICAN PLAN FOR WORLD PEACE—INTERVIEW WITH SENATOR PEPPER

[Mr. HOLLAND asked and obtained leave to have printed in the RECORD a radio interview of Senator PEPPER, by Charles Parmer, on the subject An American Plan for World Peace, which appears in the Appendix.]

MEETING OF SUBCOMMITTEE OF JUDICIARY COMMITTEE

Mr. KNOWLAND asked and obtained consent that the subcommittee of the Judiciary Committee considering Senate bill 826 be permitted to meet during the session of the Senate today.

AID TO CHINA

The Senate resumed the consideration of the bill (S. 2393) to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China.

The PRESIDENT pro tempore. The question before the Senate is the China relief bill.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Baldwin	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Bricker	Hoey	Overton
Brooks	Holland	Pepper
Buck	Ives	Reed
Bushfield	Jenner	Robertson, Va.
Byrd	Johnson, Colo.	Robertson, Wyo.
Cain	Johnston, S. C.	Russell
Capehart	Kem	Saltonstall
Capper	Knowland	Smith
Chavez	Langer	Sparkman
Connally	Lodge	Stennis
Cooper	Lucas	Stewart
Cordon	McCarran	Taft
Donnell	McClellan	Thomas, Okla.
Downey	McFarland	Thomas, Utah
Dworshak	McGrath	Thye
Eastland	McKellar	Tobey
Ecton	McMahon	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Malone	Watkins
Flanders	Martin	Wherry
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. MCCARTHY] is unavoidably detained.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. HATCH] and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from West Virginia [Mr. KILGORE] is absent because of serious illness in his family.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER (Mr. CAIN in the chair). Eighty-four Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, I present S. 2393, a bill to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China. It is recommended by a unanimous vote of the Committee on Foreign Relations. It is supported by every American instinct to sustain independent governments against aggression, and free peoples against conquest. It is sustained by the rich, historic tradition of American friendship for the Chinese people. Its advisability, at this critical moment in the story of human rights and fundamental freedoms, is so unavoidable that I believe it unnecessary to do more than report the basic facts, and then to take the Senate's decision.

If the Senate shall find it possible, Mr. President, to vote promptly, we shall meet the parliamentary situation created by the omnibus relief bill in the other House. We can then anticipate the adoption of a final and total conference report this week end in both Chambers. Congress will have thus demonstrated to an anxious country and a distraught world how democracy can function, when time is of the essence, in behalf of the hopes by which free men live. I am sure that even those of my colleagues who oppose these relief programs will readily agree that if the programs are to be launched at all, they should be launched in time to serve their maximum advantage and enjoy their maximum chance.

Therefore, Mr. President, I come directly to the point.

China was one of the heaviest sufferers from the bludgeon blows of World War II in which she was our ever-faithful ally against the Axis—bearing the cruel brunt of Japanese attack and ruthless occupation, yet always refusing all appeasing opportunities for a separate and expedient peace. The victory against the Axis, however, did not end her grueling jeopardy. The fruits of victory turned to ashes on her lips. She has since been riven by civil war in which her Government has been under constant and powerful attack by armed Chinese Communists—a major victim of that conspiracy of aggression which undermines the peace of this unhappy earth.

The accumulation of these strains—first, 8 years of war; second, long Japanese occupation; third, Communist rebellion—would have long since broken a people less devoted to their ideals, and a chief of state less grimly tenacious than Generalissimo Chiang Kai-shek. I pay my humble but deepest respect to the tremendous patriotic labors and to the seasoned integrity of this great and courageous leader, who has sustained his responsibility for democratic ideals, through thick and thin, against overwhelming odds. Come what may, I give him my hopes and prayers for his success in behalf of a liberated China and the progressive freedoms of a liberated Chinese people.

Mr. President, the wonder is not that all these pyramiding burdens and all these accumulated hazards should have driven hard-pressed China to the brink. The wonder is that prior crises have not been able to break her intrepid spirit to carry on. We would be inexcusably less than frank if we did not admit that, as of the moment, the situation is touch and go. But, in my view, we would be inexcusably less than loyal to our own objectives if, at such a moment, we did not do what lies within our power, taking account of our other responsibilities, to help sustain and to encourage the Chinese Government and the Chinese people to reject aggression and to sustain their independence.

The Chinese Nationalist Government has long been recognized by the United States. It has been recognized by every member of the United Nations where China sits as a permanent member of the Security Council. And this is important—it was specifically recognized by Soviet Russia in 1945 when the Kremlin agreed "to render to China moral support and aid in military supplies and other material resources, such support and aid to be given to the National Government as the Central Government of China."

This pledge has been honored only in its breach. Instead, Soviet Russia, for example, has stripped Manchuria of vast industrial equipment estimated at a value as high as $2,000,000,000. It has rendered none of the moral support or material aid it promised. On the contrary, although its direct connection with the Communist civil war is debated in some quarters, it is difficult for realists to make this discrimination—in the light of known infiltration and known subversion, among other things. While the National Government has taken initial steps toward practical democracy through the promulgation of the constitution and the election of a National Assembly, the Chinese Communist rebels aim at totalitarianism; and the Chinese Communist propaganda has been bitterly anti-American and directly follows the Moscow party line regarding all American policies. Not all rebels are Communists. There is the familiar coalition with other antigovernment reformers. I underscore the word "familiar." But all Communists are rebels; and there can be no doubt as to the overriding character of this civil war. In any event it is aimed at that Government in China which has shed its blood, sweat, and tears against aggression and dictatorship for more than a decade. It is aimed at that Government in China which is recognized by every other power on earth, and which asks our help in its extremity. It is to this Government and this people that the pending bill again proposes to extend American succor in response to prayers for aid.

If and when we respond, Mr. President, to this plea, we are serving more than the humanities—great though these be amid a people with whom we have had long and vast cultural, educational, and religious ties. We are serving more than our traditional foreign policy which

never has failed to speak up for the integrity and the independence of China ever since our first treaty in 1844—particularly remembering Secretary of State Hay in 1900 and Secretary Stimson in 1932. We are also serving, Mr. President, our own unavoidable self-interest in international peace and security in an enormous far-eastern area which peculiarly involves the welfare and the future of the United States. Certainly no bill of particulars is necessary upon that score. Congress itself has been too obviously tender and receptive to this theme in recent months to require any further argument.

This bill is our latest answer to these specifications and these demands. It puts the China program on the same timetable as the European program, taking the relative figure for 12 instead of 15 months, so that all these programs may confront simultaneous review next January. It thus authorizes an appropriation of $463,000,000. This sum is divided two ways. First, it makes $363,000,000 available for carefully screened relief and rehabilitation under the applicable provisions of the Economic Cooperation Act of 1948, including the usual bilateral agreement with China, and under the general direction of the Administrator of that act. Second, it makes an additional $100,000,000 available as a grant on such terms as the President may determine. This can be used at China's option for military purposes and in the purchase of urgently needed military supplies. It is believed that this can greatly facilitate the delivery of our own surplus military supplies, at China's option, in the far-eastern area.

The Committee on Foreign Relations wishes to make it unmistakably clear, in this, as in all other relief bills, that there is no implication that American aid involves any continuity of obligation beyond specific, current commitments which Congress may see fit to make. This understanding is necessary in all foreign-aid legislation, not only in elementary prudence as respects our own resources, but also in justice to those whom we assist. We do not—we cannot—underwrite the future. Events are unpredictable in this tragically fluxing age. It is a duty to underscore this reservation in the case of China because we find here many imponderables as a result of the military, economic, and social pressures which have understandably undermined her stabilities, and prevented or postponed the internal reforms which even her surest friends readily concede to be not only desirable but essential for the Chinese people and for the Nationalist government. But reforms without survival would be a disillusioning mirage.

Gen. Chang Chun, President of the Executive Yuan of the Nationalist government, frankly and courageously spoke of these necessities in a sturdy statement last January, from which I quote:

> The Chinese Government fully recognizes that, in order to secure the maximum benefit from external aid, an adequate and practicable program of domestic measures of self-help is needed. This program should at the beginning lay stress on financial and economic measures of immediate importance which will be followed or accompanied by certain other reforms in the fields of general administration and military reorganization.

General Chun then listed 10 of these vital necessities, and they are in the report which is on the desks of all Senators. They are more than ordinarily difficult of achievement in a country the size of China, comprising one-fifth of the world's population. By the same token, the greater will be the glory of such efforts. The recognition of these necessities by the Nationalist Government itself is one of the stimulating and hopeful factors in this equation. The best friends of China will urge the relentless pursuit of these healing objectives. It is simple candor for us to take account of these facts as we turn again to China's assistance. But it would be a cruel distortion of paramount facts to subordinate the central purpose of this legislation to an overemphasis upon the difficulties and the handicaps which the Nationalist Government must overcome in these respects. The preservation of China's independence is prerequisite to the preservation or attainment of everything else. Liberty is prerequisite to progress.

Now I return briefly to the bill itself.

We cannot deal with the Chinese economy on an over-all basis, as we have done in the European recovery program. China is too big. The problem is too complicated. But we can serve some key needs with great effectiveness; and, in the unanimous opinion of the Foreign Relations Committee, we should and we do, under this proposed legislation. For example, we propose to help in respect to a probable food deficit of 2,000,000 tons for the coming year, having constantly in mind that China has so drained her foreign exchange that she will be hard pressed to procure essential imports needed for the continuation of her basic civilian economy. The tentative breakdown of relief commodities is also shown in the revised committee report which is on the desks of all Senators. Limited appropriation, perhaps $60,000,000, is contemplated for key reconstruction projects. All commodities will be distributed, and all projects will proceed under the strict supervision of the Administrator of the Economic Recovery Act, and all applicable requirements of that act will be invoked; although, of course, it is clear that China cannot be tied in with the 16 European nations in this connection.

I turn now to the question of military aid. By way of background, I report the current military status in China. Because of shifting controls in disputed areas, it is impossible to be accurate. These are general estimates. The Chinese Communists control perhaps 25 percent of the total area of China and perhaps 33 percent of the population. The strength of the Communist armed forces is estimated at 1,150,000 regulars and 2,000,000 local militia. The Nationalist government announced 6 months ago that its armed forces numbered 3,800,000 men.

As in the case of Greece and Turkey, your Committee on Foreign Relations recognizes that military aid is necessary in order to make economic aid effective. It proposes to make military supplies available, at China's option. For this or any other purpose, at China's option, a grant of $100,000,000 is included in the bill. This implements a heavy program of transfers of military surplus, at nominal prices, already under way, and to be extended. Your committee believes, as a matter of elementary prudence, that this process must be completely clear of any implication that we are underwriting the military campaign of the Nationalist Government. No matter what our heart's desire might be, any such implication would be impossible over so vast an area. Therefore, for the sake of clarity, we prefer to leave the initiative, in respect to these particular funds, in the hands of the Nationalist Government. The current net result is no less effective. We want it to be no less effective. But we also want no mistake about the nature of our obligations. Congress must retain freedom of decision as events may recommend.

Under another law, the United States will continue to furnish military advisers to the Government of China at her request. At the present time this group consists of 572 officers and 921 enlisted men. This includes military police and weather and air transport personnel. None of this personnel commands Chinese troops nor engages in combat. Their capacity is advisory only. Combat units of American troops definitely are not involved. Nothing in the pending bill alters these limitations on these plans in any aspect.

I believe, Mr. President, this covers the essence of this legislation. I conclude, therefore, as I began. For many years the United States has been deeply concerned with the maintenance of the integrity and the independence of China, factors unmistakably essential to peace in the Far East. That integrity and that independence have been threatened for a tragic decade, but never more so than in this apprehensive hour which sees aggressive communism on the march all round the globe. We must providently choose our ground in this over-all contest lest our zeals shall overreach our resources. But we would deny our traditions, our history, and our objectives if we failed this present response to the current needs of China.

I renew the hope, Mr. President, that the Senate will find it wise and profitable to pass this bill with least possible delay so that a final conference report on this entire peace program may light another torch of liberty before this week end wanes.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Oregon.

Mr. MORSE. I want to say, before I ask the Senator certain questions, I am happy again to assure him that I find it possible to follow his leadership on foreign policies in the Senate.

Mr. VANDENBERG. I thank the Senator.

Mr. MORSE. I accept as sound the major premises which the Senator has

laid down in his speech. However, I think it of importance that, as we proceed to discuss the bill the Senator is offering the Senate, we seek to find the answers to certain questions which I am sure are perplexing millions of American citizens in regard to our relations with China.

I represent a west coast State. We on the west coast are very much concerned about Pacific problems. We are very close to China, and because of our closeness to China I think we are more aware in certain particulars of some of our Pacific problems than are many people in other sections of the country. I think the American people, certainly those who live in the West, want answers to certain questions which involve great doubt in their minds as to what the factual situation is concerning relief we have already given to China. So, I want to repeat a question I asked the Senator from Michigan some months ago—I think it was during the special session of the Congress last November—whether or not the Foreign Relations Committee of the Senate is at this time fully familiar with the contents of the Wedemeyer report made to the President of the United States.

Mr. VANDENBERG. I do not think the committee has had the full report submitted to it. We have had an analysis of the report submitted to us.

Mr. MORSE. On the basis of the analysis of the Wedemeyer report, would the distinguished Senator from Michigan say at this time that he believes the relief supplied by the United States to China, even since VJ-day, has in large measure gone to the aid of the common people of China?

Mr. VANDENBERG. An answer to the Senator's question requires a bill of particulars in respect to the question. The interest of the common people of China, in the judgment of the Senator from Michigan and, I am sure, in the judgment of the Senator from Oregon, rests first and fundamentally upon the maintenance of China's independence and the right of autonomy and self-determination. To whatever extent the aid furnished since VJ-day has therefore either encouraged or helped sustain the Nationalist Government, I would say the answer is "yes," that it has been to the advantage of the people of China. Insofar as a break-down which would pursue the aid to specific objectives is concerned, I am afraid I cannot answer the Senator's question.

Mr. MORSE. On page 11 of the committee's report, section 15, at the bottom of the page, I read this paragraph:

> Ambassador Stuart, on February 19, 1948, stated that the China-aid program "was designed to benefit the common people." The committee repeats that the Administrator is under obligation to see that this actually takes place—in the rural districts as well as in the relatively few urban sections. The end use of American dollars in China is a primary obligation on the Administrator and the Chinese Government.

During the course of the Senator's excellent speech this afternoon he particularly emphasized the obligation resting upon the Administrator or the administration of the aid program, to see to it that the aid we now propose to give China goes to the common people of China. I think the Senator can put me right if I am wrong, but I assume that not only the paragraph in the report which I have read but the emphasis with which the Senator discussed this particular problem in his speech is probably based upon the fact that he, too, as chairman of the Foreign Relations Committee, has heard testimony, as I have heard representations made to me, that too much of our funds and too many of our supplies which have gone to China in months past have not accrued to the benefit of the common people. Does the Senator think I am wrong in that observation?

Mr. VANDENBERG. I have no doubt in the world of the almost imponderable difficulties involved in the type of relief distribution in China which the Senator from Oregon and I both desire to see exist. Neither have I any doubt that there has been a progressive disintegration, as a result of the accumulated pressures in the last 8 years, in the adequacy of the system under which relief has been distributed. But my belief is that the clear and specific controls which are contemplated under the Economic Cooperation Act and which are contemplated to be extended to the distribution and control of supplies under this bill, will reduce to a minimum whatever hazard of the nature to which the Senator refers may exist.

Mr. MORSE. Were any representations made to the Committee on Foreign Relations by any witnesses as to the effect of black markets, corruption, bribery, pilferage, and tremendous waste which have characterized much of the distribution of relief supplies in China?

Mr. VANDENBERG. We had available to us the entire record taken by the Foreign Affairs Committee of the House of Representatives, and there can be no doubt about the complete, or almost complete, disintegration of the Chinese fiscal system. I think that perhaps as of today the American dollar is measured in the equivalent of 500,000 Chinese dollars. Under such circumstances black markets are inevitable. It would be a unique situation if China were free of black markets, when we know that the entire European area, which is struggling back to its feet, is similarly cursed with black markets. I should think that the black-market curse in China is greater than that in any other place in the world, in view of the fiscal-exchange relationships to which I have referred.

Mr. MORSE. If the Senator will permit me to make a brief comment on which I wish to base my next question, I should like to say that I have yet to interview the first American who has returned from China after extended observations in China who has not told me that in almost every part of China in which he or she traveled he or she found persons actually starving, and yet sometimes within the block, or around the corner, or two or three blocks away, there would be on the street for sale at black-market stands a good cross section of the various supplies we have been sending to China for the aid of the common people. Such reports have been so consistent and so uniform that I think they have added much to the query which I think is being asked all over America today, namely, what assurance have the taxpayers of America that by spending more and more millions of dollars for food and supplies for relief in China they are doing anything more than again filling the pockets of the group which is today in charge of the Nationalist Government of China?

I may say to the Senator from Michigan that I am not at all fearful of successful contradiction of those reports, because I think the evidence is overwhelming that the distribution of American relief supplies to China in months past has practically broken down, so far as aid to the common people of China is concerned.

On the basis of those reports I am convinced that something must be done this time to make clear to the National Government of China that it must do everything possible to cooperate with us in ending the type of waste, graft, and corruption which these reports uniformly indicate prevail at the present time in China. We must have assurance that there shall be an improvement in the distribution of our supplies. So I ask the Senator from Michigan if I am correct in assuming that his committee's answer to the problem is to be found in the language on page 11 of the report, where it is pointed out, starting with the last word on that page, and then going to the top of page 12—

> The committee repeats that the Administrator is under obligation to see that this actually takes place—

Meaning, I assume, that this time we are saying to the National Government of China: "We shall insist that this relief go to the aid of the common people of China."

Am I correct in that assumption?

Mr. VANDENBERG. I think the Senator is totally correct in the very earnest dedication of the committee to that objective. I should like to comment a little further on the Senator's question, if he will permit me. I call his attention to the language of the committee report, on page 5, which frankly indicates that China's economy has deteriorated steadily since the defeat of Japan. Then I call attention particularly to the next sentence:

> The destruction of communications has isolated the resources from the centers of consumption and the ports.

I think that our committee was greatly impressed by the fact that among the other major difficulties confronted in achieving the precise result to which the Senator appropriately dedicates his hopes is the very general break-down in communications which makes it difficult to operate the most well-meaning plan that could be devised. It is for that reason, I say to the Senator from Oregon, that among other contemplations in the pending plan is the restoration of one major railroad line of communication which will greatly, it is hoped, reduce this particular handicap.

I think that in speaking of the necessity that this relief shall accrue to the advantage of the common people of China

we cannot, as realists, ignore the utter size of the problem, the almost unbelievable area involved, and, above everything else, the break-down of all the instruments of communication, so that the worthiest purpose in the world confronts high difficulty in achieving these aspirations.

The Senator will find on page 17 of the report the full text of the agreement covering interim aid to China, and I think he will find in the requirements of that agreement, set down in black and white, the answers to many of the things which the Senator wants to see done. I can give him no assurances as to net results, because I can give the Senator no assurance, to begin with, as to what the plans of the Politburo may be for the next 20 minutes.

I can give the Senator no assurances as to net results respecting the vicissitudes of climate, and the like, in respect to native crops. I can give the Senator no assurances that the habits of a thousand years in this area are to be made over as a result of the legislation we are proposing. But I can give the Senator assurance, born of what I consider to be the very brave statement and action of General Chang Chun, president of the Executive Yuan of the Republic of China, which the Senator will find set out in some detail on pages 12 and 13 of the report. I am sure that statement of itself will give the Senator substantial reassurance regarding the attitudes of the beneficiaries of the plan. I can certainly give the Senator every assurance in the world that the administrators of the program will find themselves under an irresistibly compelling obligation to undertake to the maximum degree the objective which the Senator very rightly underscores.

Mr. MORSE. I think it is the last assurance that is of most importance in this discussion.

Mr. VANDENBERG. I think it is, too.

Mr. MORSE. The other assurances about which the Senator spoke I could not expect him to give to me, but in the course of his major remarks this afternoon—and I think this bears on one of the last observations he made—he did make the point, and I paraphrase him, that we have to look, of course, to our own economic resources to see how far we can go in our national relief program for China and other countries.

Mr. VANDENBERG. At all times.

Mr. MORSE. The Senator now points out that when we take into account the vastness of China, both from the standpoint of territory and from the standpoint of population, we cannot hope, of course, to bring to the common people of China all the aid that is going to be needed by them to eliminate the terrible economic and social conditions which exist in China.

Let me make a statement to the Senator, which I make only because I think reemphasis of the point is important in this debate in view of the perplexity which confronts the American people today with regard to the situation in China. After VJ-day we gave many millions of dollars' worth of war supplies, much of it consisting of food, clothing, and equipment, which could be used to sustain large numbers of the common men and women of China against the vicissitudes of the elements. Such supplies covered many acres of land in the various islands of the Pacific. And what happened? I think the American people should know some of the facts as to what happened in regard to those supplies. Many of them deteriorated and rotted, and were never moved off the islands.

A national corporation of the Chinese National Government was formed, and many of those supplies, particularly heavy machinery and machinery that could be used in logging, road construction, and the like, have been sold back to American taxpayers at prices considerably higher than the prices which were charged for similar machinery by our own Surplus Property Administration. At least I have received such information and representations from several American sources. However I want the facts about this matter, because if that is true, it needs to be looked into.

I wish to say for the record that I have asked the State Department to give me a full report, and what evidence they have, as to the operations of this Chinese corporation in selling back to American taxpayers millions of dollars worth of property which we gave to China after VJ-day. The dollars obtained by the Chinese National Government from those sales of supplies should be taken into account, it seems to me, when we compute and sum up our financial relief to China. I think we have to take into account the administrative policies which have been followed by this Chinese corporation in the disposal of American surplus property. I do not think it is fair or proper that certain political cliques or favored Chinese business groups should be allowed to make profits out of American relief supplies or American gifts to the Chinese people.

I am sure the Senator from Michigan will agree when I say there is great danger that what I say may be looked upon as an unfriendly act on my part toward the National Government of China. No one in this body, including the Senator from Michigan, has greater appreciation of and respect for the fight for freedom which the Chinese National Government waged during the Second World War than I have. However, I cannot condone what I understand have become totalitarian policies of the Chinese National Government in recent months.

In his remarks, the Senator from Michigan suggested that not all the rebels against the National Government are Communists, but that all the Communists are rebels. I agree with that observation in view of the reports I have received from China. I think it is proper to point out at this time that, at least from such reports as I am able to obtain, from people who I am satisfied are reliable, loyal Americans who have been living in China, some of whom have returned to this country, some of whom are still writing from China—there is growing resentment in China, on the part of people who are not Communists, against the practices of the National Government in China. The result of growing opposition to the National Government on the part of people who are not Communists is that a great many Americans are raising the question today as to whether, from the standpoint of totalitarianism, from the standpoint of governmental regimentation and dictation over and of the rights of the people, there is much difference between the policies of the generalissimo and the policies of other totalitarians.

I do not think we can run away from this rising doubt as to what the governmental policies of the Generalissimo are with respect to the principles of freedom which we are defending the globe around. I think there is a responsibility resting on our Government to make perfectly clear to leaders of governments who seek our aid that there are certain basic principles of freedom which they must support if they hope to have our aid, and there is none greater than the guaranty of freedom of choice to the rank and file of the people of a given country. I would ask the question, not of the Senator from Michigan, but a rhetorical question, How much freedom of choice is there in China today, even under the Chinese National Government?

The principles I have mentioned are precious. I for one say that I think it is incumbent upon the State Department of the United States to make very clear that in this fight for freedom and the dignity of the individual, including all the civil rights that go along with that dignity, we are not going to support Fascist governments or Communist governments.

Mr. PEPPER. Mr. President——

Mr. VANDENBERG. Mr. President, before I yield, I should like to make one comment upon what has been said by the able Senator from Oregon. I do not think we find ourselves in any fundamental disagreement.

Mr. MORSE. I am sure we do not.

Mr. VANDENBERG. The Senator from Oregon supports the pending proposal, I am sure, for substantially the same reasons that actuate me in my support of it.

No member of the Committee on Foreign Relations, I am sure, would undertake to say that the situation in China is comparable, in respect to the terms of democracy as we understand the word, with democracy as it is understood in those areas where it has been a reality for a much longer time.

It seems to me, I suggest to the Senator, that our judgments have to be relative in connection with the question of practical democracy. The Senator chose a phrase, which I particularly liked, to symbolize his entire objective. His phrase was, "the preservation of the freedom of choice."

Mr. President, I think that is an excellent trade-mark for this entire discussion—freedom of choice. I would say to my friend from Oregon that since, in my opinion, the Nationalist Government has created the first constitution in the history of China, since it has created a constitution which is written in terms of

complete democratic aspirations, since this has been done for the first time in the life of a nation that I suppose has lived for five or ten thousand years, here is proof, relatively speaking, that there is a dedication to freedom of choice for the common people of China to a degree at least which has never heretofore been apparent.

I doubt whether that freedom of choice could possibly exist, in the terms that we in America would attach to the words, in any of the nations which are just coming into their first realization of the fruits of organized democracy. I agree that every emphasis upon freedom of choice must be made in our dealings with any government which we are undertaking to assist.

But we must—and at this point the Senator from Oregon would not for an instant disagree with me; I know him much too well—look at the other alternative in respect to freedom of choice, and in the opinion of the Senator from Michigan there will be no freedom of choice left to the 400,000,000 people of China if it falls behind the iron curtain of communism.

It seems to me at the moment, since there is a Nationalist Government, doubtful as some of its characteristics may be in terms of western morality—since there is a Nationalist Government which for 20 years has carried on the inspiration of Dr. Sun Yat-sen in seeking to bring the Chinese people to a better day; since there is a Nationalist Government that has written a democratic constitution; since there is a Nationalist Government that has called free elections, and since the alternative at the moment is the total loss of any freedom of choice for any except those Communist autocrats who would control the conquest of China, I respectfully suggest that even on the basis submitted by my able friend from Oregon, those of us who are devoted to freedom of choice, those of us who are devoted to human rights and fundamental freedoms, find ourselves completely justified in supporting this effort for whatever it may be worth to encourage, under appropriate auspices, those who are struggling to preserve and promote freedom of choice for the Chinese people.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I am glad to yield to the Senator from Oregon.

Mr. MORSE. The Senator has been very kind to the Senator from Oregon in yielding so graciously. If the comments just made by the Senator from Michigan were put in the form of a motion the junior Senator from Oregon would be pleased to say, "I second the motion."

Mr. VANDENBERG. I am sure the Senator would.

Mr. MORSE. And it is because of that fact, that I find it possible to vote for the legislation the Senator from Michigan recommends here this afternoon.

Of course, there is no question about the fact that the present paper writing, the present paper constitution of the National Government of China is one of the benefits that the Chinese have reaped from the great idealism and the great life and service to the Chinese people of Dr. Sun Yat-sen. But the Senator from Michigan, I know, is well aware of the difference between a paper constitution and putting the principles of that constitution into practice. We have yet to learn that coalescent here in America. So we cannot be too critical of the shortcomings of putting some of the ideals of Dr. Sun Yat-sen into practice in China.

The only caution I sought to indicate here today was a caution to my Government—and I think it is a warranted caution—that we must make very clear to the National Government of China that there is much evidence to bear out the allegation that freedom of choice for which we are fighting and for which we are standing in the world today is not being granted to the degree that an ally of ours in a fight for liberty the world around should grant. That is the only major point I am trying to make.

I agree with the Senator from Michigan that once China falls behind the iron curtain of communism there is no liberty at all. But if she becomes a completely Fascist state—and I am satisfied she is more Fascist today than democratic—there will be no personal liberty for the people of China. It will be lost to the same degree under fascism as it would be lost under communism.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Florida.

Mr. PEPPER. In view of the enlightening discussion between the able Senator from Michigan and the able Senator from Oregon, and in order that it may be made clear that we are defending principles to which our people subscribe, I wonder whether the able chairman would accept an amendment to the bill: that its provisions and benefits shall not become available until the Secretary of State shall have found that at least the essential basic elements of democracy shall exist in the Nationalist Chinese Government?

Mr. VANDENBERG. Mr. President, the Senator knows the answer to his question before he asks it. He is laying down a rule of generalities which it would be totally impossible either to identify or to enforce.

Furthermore, the situation which we confront at the moment, in the judgment of the Senator from Michigan, is something of an emergency situation involving the far more fundamental question as to whether or not the masses of the Chinese people shall have a further chance to pursue the things which the Senator wants the Secretary of State to underwrite as having already occurred.

Before I forget it, may I say something personal to the Senator from Florida?

Mr. PEPPER. The Senator will be very glad to have it.

Mr. VANDENBERG. The Senator from Florida and I have fundamentally disagreed upon a good many phases of this problem, and I have been greatly disturbed sometimes in listening to him that his observations would afford perhaps unintended encouragement to some of the enemies of this country. I want to compliment the Senator from Florida upon the statement which he made last week end, because he made the record immutably clear that he is not an apologist for aggression by Soviet Russia, and that his pleas for approaches to peace, which my heart completely reflects and underscores, are not uttered in terms of any sort of appeasement of Communist aggression. I am grateful to the Senator from Florida for having made that statement.

Mr. PEPPER. Mr. President, the able Senator from Michigan, knowing that there is no one in this Chamber or in this country for whose opinion, especially for whose approval, I am more solicitous and grateful, knows that he has my utmost thanks for the generous words he has just uttered.

Mr. President, I asked the question I asked a moment ago because I think it is very vital that we make it clear that we stand for two things. First, we stand at some Armageddon and say, "Beyond this point we will not retreat." We say that to all aggressors everywhere. I think that might be a statement of one side of our policy, but we must be unmistakably clear and put equal emphasis upon our declaration that we also have certain regard for principles. We must be very sure that we do not identify ourselves with any questionable motive, or any questionable group, or any questionable attitude. So long as we are certain in our consciousness that we are right, and that we are associated with those who desire only to protect and defend the right, then I have no qualms about our course. That is the reason I think it is important that we make it clear, as the Senator from Oregon [Mr. MORSE] did a moment ago, that while we do not stand with Communists, we do not stand with Fascists, either, and that we do not stand with elements which are corrupt, or with those who have denied democracy to their own people. Let us associate ourselves with the democratic element, and say, "Yes; we will stand behind you against any kind of aggression or encroachment." But when we defend people who are not easily defensible, and governments whose defense has brought embarrassment even to this distinguished committee, if the record may be taken into account of what it said in its first report, and the modification of its report in the second instance, would we not a thousand times over strengthen our position if we were to lay down conditions which even our friends must meet if they are to receive our aid?

I distinguish the case of China from other cases. Even in Greece, where I believe the situation has not been altogether up to our standards, before we undertook to render aid we were able to point to an election which had been held, an election which had been examined by American observers as well as the observers of other countries. I have heard the able chairman declare upon this floor that that gave a degree of integrity to the Greek Government, even

if it were monarchical in character, that it would not otherwise have possessed. We could say to the world that there was an election, that the people had an opportunity to vote. Our representatives scrutinized the vote, and they stated that it met moderate standards of adequacy. Consequently, we said, "Until there is a change, we will support this government."

But no sooner had we started our aid program in Greece than—I dare say due to our pressure—there was a so-called liberal government in power. It was a coalition government, but there was a displacement of the reactionary government, and there was the installation of the government of Sophoulis, who was the leader of the so-called liberal party. Today our aid is being given under this allegedly liberal government. I dare say our representatives are there to observe that there is some decent respect, at least, for the basic, fundamental principles of democracy.

We did not have to lay down those conditions in western Europe. The people there have been democratic in character and sentiment for a long time. They have been accustomed to free elections. So we are not embarrassed in aiding governments which have the essential, basic elements of democracy, as the governments in western Europe have. In the so-called Marshall-plan group, we have the satisfaction of knowing that the people of the countries affected have for a long time stood for and observed and loved the basic elements of democracy.

Can we conscientiously say that that same condition exists in China? Is Chiang Kai-shek's government the one to which we wish to attach our flag and say it is ours as well as his? I thought we had been told time after time that if we were giving the money we could impose conditions. If we are to make it impossible for Communists to participate in our aid, as we do, then can we not eliminate those who are on the other side, on the extreme right, the Fascist-like side, especially when before mankind there is so much question as to their integrity, let alone their philosophic acceptability?

So it seems to me that the moral background of our whole aid program would be immeasurably strengthened if we were to lay down the condition that, while we are not going to yield to the aggression of communism, we are not going to embrace as brothers the Fascists or those who have philosophies of government which are not basically and essentially democratic in character.

Therefore I ask the question not to be capricious or captious, but in the utmost seriousness, whether the Senator might think it possible that we could lay down some condition of basic essentials of democracy which had to be met before the Government of China could get the benefit of this aid.

I thank the Senator for his kindness and indulgence.

[Manifestations of applause in the galleries.]

Mr. VANDENBERG. Mr. President, I think I have answered the Senator's question.

The PRESIDING OFFICER. The Chair reminds the occupants of the galleries that demonstrations of any kind are not permitted, for the very obvious reason that they impede and obstruct the seriousness of the debate which is presently taking place on the floor. Cooperation from each of you as individuals will be very much appreciated.

Mr. WHERRY. Mr. President, I should like to submit a question to the distinguished Senator from Michigan.

The bill provides, does it not, for $100,000,000 which might be used for military assistance to China?

Mr. VANDENBERG. At China's option.

Mr. WHERRY. Has anything happened since Secretary Royall testified before the committee which would further justify the $100,000,000 appropriation, at the option of the Chinese Government, for the purposes now set forth in the bill?

Mr. VANDENBERG. I do not think I catch the purpose of the Senator's question. What is the relationship of Secretary Royall to this question? If I can understand that, then I can better understand what the Senator is getting at.

Mr. WHERRY. I should like to lay a foundation, if the Senator does not mind.

Mr. VANDENBERG. Certainly.

Mr. WHERRY. We were told time and time again on the floor of the Senate that the passage of the ERP program was the economic approach; that if we passed the European recovery program without in any way reducing the appfopriations we had a right to believe, upon the facts which had been presented up to that time, that we could stop communism with dollars, and that it would not be necessary to implement European relief by any other means.

Mr. VANDENBERG. May I interrupt the Senator to say that the Senator from Michigan never said at any time or at any place that we could stop communism with dollars.

Mr. WHERRY. The distinguished Senator from Michigan did say time and time again that he would not guarantee that it could be stopped with dollars; but I submit to the distinguished Senator that the approach which was made in the ERP program was the economic approach, rather than implementation by force, military alliances, and so forth. Is not that correct?

Mr. VANDENBERG. That is correct; and the Senator is also correct in saying that it was repeatedly urged that the economic program, if given a fair chance, might very well avoid the necessity for moving on into the other category to which the Senator refers..

Mr. WHERRY. I did not mean to argue about the foundation or the premise. I am in this position: It was my feeling, at the time the European recovery program was discussed and considered on the floor, that appropriating the money would simply represent a continuation of appropriations in the attempt to stop communism, which plan had failed in prior years. I think the Senator heard me make that statement.

Mr. VANDENBERG. Mr. President, I think I now sense the Senator's question, and I think I can answer it. The Senator asks whether anything has happened since Secretary Royall testified to change the situation.

Mr. WHERRY. First, I should like to know about China. It was my understanding then, and up until the time the ERP program was passed in the Senate, that the economic approach was all that was necessary in the opinion of those who testified up to that time. I am not speaking of what has happened since. The question which I finally wish to get to is this: Has the situation changed? Shortly we shall be called upon, if the reports we receive from the Armed Services Committee hearings and from the press are true, to proceed in other ways. We know that not only shall we proceed by means of the economic approach, but that apparently it is becoming necessary to implement the economic approach with other measures, including rearmament provisions here and possibly the draft and universal military training, and so forth. So I ask the distinguished Senator from Michigan this question: What, if anything, has happened, since the presentation of the European relief program and since the testimony of Secretary Royall, which would justify any approach other than the economic approach, either to China or to any of the participating countries in Europe that are to be the recipients of the European relief program?

Mr. VANDENBERG. I fully understand the Senator's question; and when I answer it, I am sure he will just as fully agree with the facts I submit in response to his question. His question is, Has anything happened to change the situation? Yes, very definitely, very ominously, and in most sinister fashion.

The first thing that has happened, in the interim to which the Senator from Nebraska refers, is the fall of Czechoslovakia.

Mr. WHERRY. Mr. President, will the Senator yield to me for a moment at this point?

Mr. VANDENBERG. No; I ask the Senator from Nebraska to wait for a moment. He has asked me quite a long question, and I should like to have a little time in which to answer it.

Mr. WHERRY. I hope the Senator will permit me to make a brief observation at this point.

Mr. VANDENBERG. Very well.

Mr. WHERRY. At the time when the European relief program legislation was being considered and when we used the economic approach, Czechoslovakia and Finland had already been high-pressured by Russia.

Mr. VANDENBERG. Oh, they had been high-pressured out of the western European coalition.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. But since that has happened, as I am sure the Senator will agree with me without any argument whatever, the subsequent fate of Czechoslovakia is of a totally different and far more significant character.

Mr. WHERRY. Very well; that is what I wish to know.

Mr. VANDENBERG. I am sure the Senator from Nebraska will agree that what has happened is clearly the result of a subversive conspiracy to overthrow

the most democratic and most forward-looking of all the central European states. When we consider that overthrow and the fashion in which it was brought about, and the tragic symbol we have in the result—the suicide of Jan Masaryk—I am sure the Senator will agree that what has happened to Czechoslovakia in the interim to which he has referred has put an infinitely greater challenge behind the question which confronts us, along with the other free countries that are left in this world—in short, the question as to what happens next, and where we go.

Mr. WHERRY. Well——

Mr. VANDENBERG. Mr. President, I have not finished yet. In addition to the Czechoslovakian exhibit—and the whole world has been shocked by the Czechoslovakian exhibit; it makes as much difference between the two situations as the difference between day and night—in addition to that, we know very well that the very precious and very brave little country of Finland has been called—we know not what for in detail, but imagination supplies the details—has been called to an accounting which may put it in chains in respect to our ideas of independence and autonomy. We know that for the first time the Scandinavian countries of Norway, Sweden, and Denmark are in the grip of a tragic anxiety as to what their future is to be, as a result of this conspiracy of aggression which seems to be on the march at a tempo infinitely greater than it was at the time to which the Senator originally referred.

So my answer to the Senator from Nebraska is that I know he will be among the first to agree that the situation which we confront today is infinitely more challenging than it ever has been before.

Mr. WHERRY. Mr. President, I hope the Senator from Michigan will bear with me, because I have a feeling that the American people want to know what has happened since the passage of the European recovery program legislation which now would warrant the implementation of other methods, to the extent that is being requested by those who appear before the Armed Services Committees and by others, to stop the threat of communism. I think the American people are entitled to know, and I think the Members of the Senate are entitled to know.

Mr. VANDENBERG. Well——

Mr. WHERRY. I ask the Senator from Michigan to wait for a moment, please.

Mr. VANDENBERG. Yes; but I do not think the Senator should ask me to engage in a debate with respect to selective service or universal military training in connection with this matter.

Mr. WHERRY. I certainly do not. All I am asking the Senator is this: Has something happened since the debate on the European recovery program legislation?

Mr. VANDENBERG. Yes; and I just told the Senator from Nebraska what it was.

Mr. WHERRY. Is that all that has happened?

Mr. VANDENBERG. That is enough.

Mr. WHERRY. Very well.

Mr. VANDENBERG. I mean it is enough for me, and I think it is enough for the Senator from Nebraska, too.

Mr. WHERRY. Very well. I was one of those who voted against the European recovery program measure because at the time I felt, and I think the Senator from Michigan will recall, and I am sure the distinguished Senator from Massachusetts will recall——

Mr. VANDENBERG. Mr. President, I shall never forget the Senator from Nebraska in that connection.

Mr. WHERRY. Very well. I thank the Senator.

So something has happened. In voting on the request made by the administration, I wish to justify my vote on the basis of what is going to happen. I am pleading today with the distinguished chairman of the Foreign Relations Committee to tell the Senate everything he knows about why this change has come about and what the change is; and I am asking the President of the United States to tell the people. All we have heard from him, at the joint session, is that the situation is critical. Well, Mr. President, just what has happened?

I do not wish to go back. I agree with the distinguished Senator from Michigan that the situation has been changed hourly, apparently. Yet we have to justify the proposed rearmament program. I shall be one of the first to see to it that we prepare from the standpoint of national security. But we have to justify it. There must be a need. There must be something that has happened. That is why I asked the question of the distinguished Senator.

What has happened in China? Is the situation very different from what it was when the other legislation was proposed? Is the situation today in Europe different from what it was when the Congress passed the European recovery program legislation? All I have to do is remind the distinguished Senator from Michigan of the testimony of Secretary Royall and of the colloquy the distinguished Senator from Michigan had with him——

Mr. VANDENBERG. There is no doubt about that.

Mr. WHERRY. To make it unmistakably clear that at that time it was the economic approach, and that was all, and at that time we were given to understand that if we could provide the appropriations for the economic approach, we would not have to have the draft or we would not have to implement the program by taking steps along military lines.

Let us consider one or two of the colloquies. Let us consider first the colloquy appearing on page 469 of the hearings:

The CHAIRMAN. I want to make one other point in your testimony inescapably clear. You said in your opening statement yesterday, and I quote:

"I firmly believe that enlightened cooperative economic endeavor as visualized in the European recovery program can go a long way toward reducing the necessity for large-scale national armaments, and that without some such effort the Army and its budget should be immediately and measurably increased."

As I understand you, what you were saying is that if it were not for the prospect of organized economic stabilization as a source of security you envision an alternative situation which would require immediate and measurable appropriations for larger-scale national armaments than have been thus far requested?

Secretary ROYALL. That is correct, sir.

Then the distinguished Senator from Michigan put the matter still more bluntly; and, Mr. President, the word "bluntly" sounds very familiar to me:

The CHAIRMAN. Put still more bluntly, is it fair to say that your judgment offers us the choice, in part, between appropriations for economic cooperation on the one hand, or greater appropriations for military purposes in the interests of our ultimate national security?

Secretary ROYALL. That is my judgment.

I shall not read the remainder of the colloquy; but I should like to have inserted in the RECORD at this point two of the last paragraphs on page 470, where Secretary Royall said the following:

The CHAIRMAN. I want to add that it is obvious that the Secretary has not engaged in a militaristic proposal in his testimony because his testimony is all in favor of following the course which will minimize the necessity of militarism.

Secretary ROYALL. That is my firm conviction as to the best course.

Again, on page 472, the chairman wanted to be absolutely clear about this, and he asked:

You are not saying to us that we have to take this bill or else—

That is, the ERP, or else—

You are saying to us that there are two routes which we can follow in the pursuit of national security, one route is economic and the other is military, and that if we abandon the one we have no alternative except to recur to the other one.

With that I am in total agreement. There are other colloquies and statements which could also be cited, to the effect that there was this approach, the economic approach.

That was in January. In the discussions on ERP it was again stated repeatedly on the floor that the entire approach apparently would be the one course that, if followed, would prevent large rearmament, and that a national program of rearmament would be the alternative. And so we went into the debate. I took the position that to continue to appropriate in making the economic approach would be a waste of money, and that if it were desired to stop communism, it would have to be done by something other than dollars.

Within 48 hours after the passage of ERP, we had notice of a joint session of the Congress of the United States. The next day the President came before the joint session, advocating all the things that had been previously discussed here relative to the military approach.

I believe the people of the country are in a state of confusion. At one moment we are told the economic approach will suffice, and within 4 days thereafter we are told it must be supplemented, and that if communism is to be stopped there must be the implementation suggested by the President of the United States. That would go so far, I think, as to put this country on a wartime economy.

If that be the only alternative, I am asking the distinguished Senator from Michigan, following the passage of ERP

by the Senate, after discussions of the situation of Czechoslovakia, which situation was expounded at great length, and at which time Finland and the pressure that was being brought upon it was definitely stated and accepted and debated upon the floor, what has happened? It seems to me that something more has happened. Has the same pressure been placed on Sweden, on Norway, on Denmark, or any of the other countries? Has it been definitely exerted against any one of them? It has been rumored that it has, but is there anything in the testimony on which we may put our finger showing that that is true? If it be true that aggression is to extend across Europe it would make it so much easier for some of us, I think, to vote for appropriations to implement the United Nations organization as we thought it ought to have been in the first place.

I think the American people are entitled to know. I think that if we are going to get into a war the people of the United States should be told the truth. I am not saying that the distinguished Senator or anyone else has been untruthful. I am simply saying that to me it is necessary in order to justify the ends that are sought to know what has actually happened.

So, in all sincerity, with a feeling that it possibly will take, as I said before, more than the economic approach, I again ask the distinguished Senator from Michigan if he can give us any further light than what he has already given about the emergency that confronts us at this moment.

Mr. VANDENBERG. Mr. President, if the Senator has finished his question, I shall be glad to rise again.

Mr. WHERRY. It is a long question, certainly; but a change——

Mr. VANDENBERG. I thought the Senator was ready to have me answer it.

Mr. WHERRY. A change has come over the foreign policy hourly; I agree that it has, and I think the facts should be told to the American people. I think if told to the people, there will be no question at all about the rearmament program or about any of the aid that is being asked. That is my feeling, but I have no evidence that is different from what is in the committee's report, except what the President said in his message to the joint session of Congress, that things were at a critical stage. They have been critical since the war ended. The distinguished Senator has stated that the situation has changed greatly in Czechoslovakia—and I think it has—but does it justify the means we are asking by way of implementation not only of ERP, but does it justify the means which are being asked in connection with aid to China?

If I properly interpret what it is proposed to do, we are appropriating $100,000,000 which we know will probably be used by the Chinese Government for military purposes.

I trust the Senator from Michigan has had a rest and will answer the question.

Mr. VANDENBERG. Mr. President, it is now a quarter of two. I think I answered the Senator's question about a quarter after one, and I think I answered it at that time completely.

Mr. WHERRY. The Senator said he was satisfied.

Mr. VANDENBERG. I gave the Senator the facts of life that have occurred in the interim since the time about which he originally spoke. Now, if those are not impressive to the Senator——

Mr. WHERRY. They are.

Mr. VANDENBERG. No, just a moment. I have the greatest respect for the Senator's opinion in connection with all these questions, despite what seems to be a fundamental disagreement between us.

Mr. WHERRY. I do not believe that we disagree fundamentally.

Mr. VANDENBERG. I do not know what the Senator calls a fundamental agreement. I cannot recall when we have seemed to strike a note of harmony in connection with any phase of the matter. But that is beside the point.

The Senator, in the first place, is now seeking to inject into the debate a subject which I think is unrelated to the China relief bill, unless it be in a purely incidental fashion and is involved in the far more fundamental question of military preparation in our own country, through the selective service or universal military training. I do not propose to undertake to discuss that question today. I have no secret information regarding the situations abroad. From my point of view I need no further information than I can read on the front page of every afternoon newspaper, to know that the situation is constantly worsening in respect to the aggressive forward march of communism which apparently intends to be utterly ruthless in seeking to overcome the independent governments of Europe. I think the United States has a tremendous interest at that point and I am prepared at all times to undertake to serve what I consider to be America's self-interest.

So far as the China-aid bill is concerned, it is the same bill which was before Congress at the original time of which the Senator speaks. If there is added military emphasis in this bill it is very largely the result of the demands of Members of the other House——

Mr. WHERRY. That is correct.

Mr. VANDENBERG. And of the Senate.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. It certainly has not been at the demand of the State Department; and that ought to be a part of the record, so there can be no misunderstanding about it.

We have undertaken to write this new provision into the law in a fashion which least commits us to any military cooperation on our own responsibility. We have wanted to preserve such a situation that Congress would be completely free to make its own decisions in respect to any military commitments. I see nothing that has happened in the record which for an instant dilutes the necessity for the passage of the pending bill as it was originally presented. On the contrary, I think that the other things which have happened and which I have outlined in detail to the Senator, in central Europe and in Scandinavia, simply further underscore the fact that we must take deep account of stock in respect to our own self-interest and our national security. In the opinion of the Senator from Michigan, it is still highly advisable to pursue to the maximum the possibility of emancipation through economic means.

I would not withdraw any economic program simply because it might require a supplement of a different character. The situation changes from day to day. The necessity for the emphasis in our answer changes from day to day. But I think the record stands clear that it is highly desirable in the present instance, narrowing the issue to the particular issue now pending before the Senate, that this bill should pass for the sake of its contribution not only to the physical resources of our great Chinese friends, but also to their psychology in connection with a global challenge to the hopes by which freemen live and the dedications for which we have fought.

Mr. WHERRY. Mr. President, will the Senator be patient enough for me to ask one more question?

Mr. VANDENBERG. I am glad to yield to the Senator.

Mr. WHERRY. I think that the China loan is related to ERP if, for no other reason, that in the parliamentary situation which will come about through the passage of these bills in the Senate, which are included in the omnibus bill which will come from the House.

Mr. VANDENBERG. I am sorry, but I did everything I could to prevent that situation.

Mr. WHERRY. I understand that. For that reason, when it is considered by the conferees, I think it will be found that it is not an unrelated matter. That is one of the reasons I think the question is a proper one, not only with regard to China, but with regard to ERP.

Mr. VANDENBERG. Any question which the Senator asks is a proper question, so far as I am concerned.

Mr. WHERRY. I thank the Senator. Would the Senator consider that he has made up his mind that the alternative course of supplemental aid, besides economic aid, is now warranted? Does the Senator see what I mean?

Mr. VANDENBERG. No; I do not see what the Senator means. Does the Senator mean, do I favor selective service and universal military training? Is that the question?

Mr. WHERRY. The distinguished Senator used the words "an alternative which requires supplemental aid in addition to economic aid," whatever that may be, in the China aid bill.

Mr. VANDENBERG. The Senator is quite correct. That refers to the $100,000,000 which at the option of China can be used by her to purchase military supplies.

Mr. WHERRY. Has the Senator come into possession of any facts, or have witnesses testified before his committee as to any serious facts, which justify the distinguished Senator's feeling that not only the economic approach, but the alternative approach should be used in handling the situation in Europe?

Mr. VANDENBERG. In China.

Mr. WHERRY. The Senator has already explained the situation with respect to China. I am asking with reference to Europe.

Mr. VANDENBERG. I shall not undertake this afternoon to pass judgment on the question of our supplemental obligations in Europe in our own self-interest. It is beyond the wit of man to anticipate what the situation may ultimately require. I do not know the answer. It is in the lap of the gods and is dependent upon events. I shall cross that bridge when I come to it.

Mr. WHERRY. It will have to be crossed, will it not, in the conference committee? In the omnibus bill is there not aid other than economic aid?

Mr. VANDENBERG. Only in the case of Greece and Turkey, which is a continuation of the original program.

Mr. WHERRY. I wish to thank the Senator for the information he has given. I am still groping for more evidence to justify the demands of the administration relative to the end results which are to be obtained.

Mr. VANDENBERG. I am sure that is entirely the fault of the Senator from Michigan, in being unable to meet the desire of the Senator for information, but in self-defense the Senator from Michigan will say that he never before collided with quite such an appetite.

Mr. KEM. Mr. President, approximately a year ago, on April 22, 1947, to be exact, the Senate passed the bill authorizing a $400,000,000 "loan" to Greece and Turkey. This marked the initial phase of the so-called Truman doctrine to quarantine communism. The measure was opposed in this body by a number of its Members. The opposition was based generally on four grounds:

First. The plan bypassed the United Nations.

Second. The plan was in its essence a military program, although presented on a humanitarian basis.

Third. It is impossible to buy the good will of peoples with dollars.

Fourth. Our first concern should be to build a strong economy at home.

So far as the junior Senator from Missouri is concerned, each of these points is as valid today as when originally made. Nothing has occurred in the interval to cause him to think otherwise. These reasoned arguments apply equally to the second installment of $275,000,000 of the Greek-Turkish program approved by the Senate last week, and also to the gift to China now under consideration.

THE CHINA PLAN WOULD BYPASS THE UNITED NATIONS

The President, in appealing to Congress on March 12, 1947, for the first Greek-Turkish installment, casually bypassed the United Nations, which the United States had taken the lead in establishing.

His address to Congress was delivered at the very time an 11-nation commission from the United Nations Council was in Greece trying to get the facts of the situation. The failure of the President to consult the United Nations was a fatal error, which was not corrected by an amendment, an afterthought of the proponents of the plan, providing that if the United Nations should ask us to cease and desist, we should do so. The meaning of this is plain and cannot be camouflaged. In the very infancy of the United Nations this country establishes a precedent of policing another country without consultation with the United Nations and in utter disregard of provisions of the United Nations Charter. President Truman, in taking this action, either forgot or decided to ignore the advice of his late predecessor who in his report of March 1, 1945, on the Yalta Conference stated "Vaguely defined spheres of influence are incompatible with the basic principle of international collaboration."

The United States was not the only Nation that would have been and will be affected by the confusion and disorder which might result from Greece going communistic. This Nation, however, took the bull by the horns. Instead of submitting the problem to the United Nations, which had just been created for this purpose, the United States not only laid itself open to a misinterpretation of its own motives and aims, but did irreparable harm to the authority of the United Nations, to which it had at San Francisco pledged its support. Without the assistance and support of the United States the United Nations would never been brought into existence.

Last Tuesday the Senate gave its approval to the second installment of the Greek-Turkish program, again making it known to the world in no uncertain terms that this country feels that the United Nations is still powerless to carry out the responsibilities for which it was created.

The United States continues to adhere to the position that we are the sole hope of peace in this troubled world. The other members of the United Nations are in effect told that they shall have no voice in establishing peace in the Mediterranean. We shall carry on alone.

Mr. President, we are asked to direct our go-it-alone peacemaking efforts to another area in this troubled world; to vast, turbulent China, struggling in the throes of civil war. In his message to Congress on February 19, 1948, the President stated:

> The United States has long recognized the importance of a stable Chinese nation to lasting peace in the Pacific and the entire world. The primary objective of the United States is to bring about throughout the world the conditions of a just and lasting peace.

Mr. President, if that be the situation, and if that be our purpose, is it not a situation in which it is logical to utilize the facilities of the United Nations in an effort to secure a solution? If the peace of the world is threatened by the China problem, as the words of the President indicate, why should we not appeal to the United Nations before attempting to effect a solution of our own? The United States, in proceeding in this fashion in an effort to solve all the problems of the world, is steadily destroying the original and fundamental concept of the United Nations, upon which the hopes and aspirations of millions of our fellow citizens are centered.

Insofar as I am aware, there has been no action on our part to utilize the policing function of the United Nations in seeking a solution of the China problem. Did we not accept the United Nations as a means of world peace and security? Why, then, should the United States take unto itself the full responsibility of deciding how world peace should be maintained, when the problem had been and has been specifically assigned to the United Nations from the outset?

If the United Nations is not sufficiently strong for the task, then let us use our resources and our energy to make it strong. If the fundamental Charter of the United Nations is inadequate or ineffective, let us direct our attention to the amendment of that Charter.

The senior Senator from Michigan [Mr. VANDENBERG], in a speech on February 5, 1945, delivered before the Varsity Club of Detroit, stated:

> The nearer we come to vanquishing our enemies the more we become inevitably conscious of differences among the victors. How do these differences disclose themselves? Usually by unilateral decisions in which one or another among the United Nations makes its own announcement, pronounces its own interpretation upon its own rights regardless of the fact that their rights, for all of us, flow from common effort. I assert that all vital decisions should also flow from the same sort of common effort.

Mr. President, we have been told about these chain reactions in foreign affairs. Should not a decision which, by a familiar chain reaction, may lead to establishing an American frontier in upper Mongolia, "flow from the same sort of common effort," or should we proceed to admit further that our hopes and aspirations in creating the United Nations have been in vain? Are we willing to relegate the United Nations to the status of a mere debating society?

THE CHINA PLAN IS A MILITARY PROGRAM, ALTHOUGH PRESENTED ON A HUMANITARIAN BASIS

In the second place, Mr. President, I think it has been fully developed by the very frank and candid admissions of the senior Senator from Michigan, and by his colloquy with the able Senator from Nebraska that the China plan is in its essence a military program, although presented, as before, as a humanitarian effort.

Some of those pressing at the last session of the Congress for the enactment of the $400,000,000 Greek-Turkish so-called loan, made efforts to camouflage its definite military character by presenting it primarily as a measure for economic assistance to those countries. They rang the changes on the humanitarian argument.

President Truman, in his address before a joint session of the Congress on March 12, 1947, urging passage of the measure, stated:

> Greece is today without funds to finance the importation of those goods which are essential to bare subsistence.

The President said further:

> Greece is in desperate need of financial and economic assistance to enable it to resume purchases of food, clothing, fuel, and seeds. These are indispensable for the subsistence of its people.

Great emphasis was laid on the lack of the necessities of life in Greece, although

little was said about those circumstances in Turkey. Last April 8 the senior Senator from Michigan, referring to the plans for Greece, stated on the floor of the Senate:

> Lest there be an overemphasis in the wrong place, I hasten to add that our contemplated military mission involves only 10 to 40 officers and no combat troops.

However, in the report of the Committee on Foreign Relations on the recent bill, proposing a second installment to Greece, which was quoted by the senior Senator from Michigan on the floor of the Senate, it was stated that—

> There are at present 242 United States military and 41 United States naval personnel, or a total of 283 attached to the military sections of the American Mission for Aid to Greece.

That, Mr. President, referred to the American mission to Greece. In other words, Congress was asked to authorize a military mission to Greece of 10 to 40 persons. We find that, under the bill that was passed, there are 283 officers and men now present in that country.

The original purpose of assistance to Greece and Turkey called for the expenditure of $300,000,000 to Greece, $150,000,000 to be for military purposes, $150,000,000 to be for economic purposes. We now find that $14,000,000 has been diverted from the economic to the military program, making a total of $172,000,000, instead of the originally planned $150,000,000. Of course that mere $14,000,000 in these days of grants of billions of dollars is of no significance, but the principle involved, the fact that the administration would, without apology, transfer from one purpose authorized by Congress to another, is significant. We are tempted to ask, "After all, was this original break-down merely given us for the purpose of making the measure appetizing to the Congress and to the American people, or is it being made palatable by being fed to us in small doses?"

Now we are asked to provide aid to China, in the amount of $463,000,000. The committee bill states:

> It is the purpose of this act to provide immediate aid to China to relieve human suffering—

The same language again, Mr. President—

> to assist in retarding economic deterioration, and to afford the people of China an opportunity to initiate measures of self-help necessary to rebuilding the bases for more stable economic conditions.

So far as I have been able to determine the bill does not mention military aid. However, the bill provides for an additional $100,000,000 to be authorized to China through grants on such terms as the President may determine, and the report states that it may be assumed, and I think the Senator from Michigan has said that it may be assumed, that this $100,000,000 will be used for military purposes.

Mr. President, there is a maxim in the law: "Facit per alium facit per se"—He that acts through another acts himself.

I do not think we need delude ourselves or continue in any false paradise to believe that when we grant money to a country those against whom our money is used will not consider us their military enemies. So we are asked to quarantine communism again—this time in China.

The initial phase of the program is presented to us on a humanitarian basis, but, Mr. President, I suppose none of us will be gullible again. Indeed, in the President's recent message on aid to China we find this significant remark:

> The financing of these essential commodity imports by the United States would permit the Chinese Government to devote its limited dollar resources to the most urgent of its other needs.

Of course it need not be pointed out that the most urgent of its other needs is of a military character. In other words, Mr. President, this project is war, and it is not conceived for purposes in anywise pacific.

We find the well-worn humanitarian appeal is resorted to once again in urging us, or enticing us, to commit ourselves to a new area in the world. Just as the original Greek and Turkish loan was mere window dressing for the expansion of our military frontier on the Dardanelles, so this proposed gift to China is mere camouflage for the establishment of a military beachhead somewhere in the vast reaches of China, to be held by the blood of American young men, if necessary. As Theodore Roosevelt once said, "You cannot shake your fist and then shake your finger." Once we are committed, it is only a question of time till the American soldier will be called upon to follow the American dollar. We shall hear again, as we heard last week from the distinguished senior Senator from Texas [Mr. CONNALLY], "We cannot turn back. We have got to see it through. The prestige of the American Nation is involved."

Mr. HAWKES. Mr. President——

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Does the Senator from Missouri yield to the Senator from New Jersey?

Mr. KEM. I yield to the Senator from New Jersey.

Mr. HAWKES. The Senator realizes, does he not, that no Senator and no Member of the other House, representing the people in the Congress, can possibly predict that we cannot turn back? The people are going to decide whether we are going to turn back, and sooner or later they are going to decide whether we should have been doing the things we are doing.

Mr. KEM. I think the Senator from New Jersey is quite correct. He usually is. I submit to the Senator from New Jersey that we are laying ourselves open to one of those chain reactions which are so eloquently referred to by the senior Senator from Michigan.

Mr. HAWKES. Mr. President, will the Senator yield further for a moment?

Mr. KEM. I am glad to yield.

Mr. HAWKES. Does the Senator know of any nation in the United Nations today, outside the United States of America, which is in that organization for the purpose of doing what it ought to be doing for others to bring about peace, or is it in that organization for what it can get out of it?

Mr. KEM. Mr. President, so far as I have been able to follow the proceedings of the United Nations the spirit of altruism has not characterized them.

Mr. HAWKES. Now for the sake of argument, let us admit that many of the nations, or most of them, are unable to do what they ought to do by way of contribution to the United Nations. Does not the Senator think that instead of our circumventing the United Nations in everything we are doing today, even though we are the contributors of everything that is being contributed, the contribution ought to be made through the United Nations, and not by circumvention of the United Nations?

Mr. KEM. I agree with the Senator from New Jersey, and I thank him for his contribution.

Mr. President, my point is that the locale may differ but the pattern is the same. In the case of Greece the proposal at first was primarily for economic aid presented on a humanitarian basis. Now we see in Greece it is more for military aid, and increasing numbers of military personnel. In western Europe economic aid was asked through ERP, but, judging from the President's recent message a request for military aid may soon be forthcoming. And now it is economic aid for China. Aid to Greece, aid to Turkey, aid to China have this in common. They are toll houses on the road to war.

Mr. President, in order to keep the record straight, let us look at some recent American history. In a speech at Boston, Mass., on October 30, 1940, President Roosevelt, in his campaign for reelection had this to say:

> And while I am talking to you mothers and fathers, I give you one more assurance. I have said this before, but I say it again and again and again: your boys are not going to be sent into any foreign wars.

At the same time the Right Honorable Winston Churchill, Prime Minister of Great Britain, was talking in the same vein. In a speech to the House of Commons at the opening of a new session on November 21, 1940, the Prime Minister said:

> I look to a time when the arsenals and training grounds and science of the New World and of the British Empire will give us that added material superiority which, added to the loyalty of constant hearts, will bring victory and deliverance to mankind.

So, Mr. President, in 1940, neither the President of the United States nor the Prime Minister of England apparently had the slightest contemplation that any American boys would be called upon to give up their lives on the battlefields of Europe.

Again, in his message to the Congress on January 6, 1941, President Roosevelt stated:

> Our most useful and immediate role is to act as an arsenal for them—

Referring to the embattled allies in Europe—

> Our most useful and immediate role is to act as an arsenal for them as well as for ourselves. They do not need manpower. They need billions of dollars worth of weapons of defense.

We are told now that in China, as well as in Greece and Turkey, they do not need manpower; what they need are weapons of defense.

In 1941, at the same time President Roosevelt was addressing the American people in that vein, Mr. Churchill, still Prime Minister of Great Britain, was talking in the same vein to the people of his own country. On January 17, 1941, in an impromptu speech at Glasgow, Mr. Churchill said:

> We do not require in 1941 large armies from overseas. What we do require are weapons, ships, and airplanes.

Again, in a memorable address on February 9, 1941, Mr. Churchill said:

> We shall not fail or falter. We shall not weaken or tire. Neither the sudden shock of battle nor the long-drawn trials of vigilance and exertion will wear us down. Give us the tools and we will finish the job.

Mr. President, I think it is interesting to see the great similarity between the course of events then and the course of events now. I think that before passing this bill we may well call to mind the eloquent words of a former Senator from Missouri who, although he sat on the other side of the aisle, will always be honored in my State. I refer to the late fiery, eloquent, gifted, and talented James A. Reed. Mr. Reed, on an occasion not unlike this, used this language:

> It is one thing for a man to volunteer his own service and imperil his own life voluntarily. It is quite another for a legislature to vote a contract that may compel the death of millions of people who have nothing to say about making the contract.

For my part, Mr. President, I have utterly lost faith in war as an instrument of peace.

IT IS IMPOSSIBLE TO BUY THE GOOD WILL OF PEOPLES WITH DOLLARS

The third proposition to which I wish to invite the attention of the Senate is that it is impossible to buy the good will of people with dollars. We have learned that in other parts of the world. We have learned that vast sums of lend-lease and UNRRA aid extended to the Soviet Union, to Yugoslavia, and to Czechoslovakia have created something less than cordial relations between those countries and the United States. So far as I have been able to find out, we have never been able to convert any Communists to democratic concepts by the use of dollars.

We were told by the senior Senator from Michigan when he was presenting the bill for the second installment of the Greek gift that in Greece there were only 14,000 guerrillas in the field in May 1947. But despite our liberal aid, granted in the amounts requested, that number has now been increased to 26,000—nearly double the number of guerrillas a year ago. It has been said in this body that we have been supplying the sinews of war to both sides of the battle line in Greece. But wherever they have come from, the guerrilla forces seem to have waxed and grown stronger day by day.

In Czechoslovakia $300,000,000 of post-war American aid did not prevent the Communists from adding that brave little country to their fold.

One of the most important factors operating to nullify our efforts to buy good will and converts to democracy is the earnest desire of each country to preserve its sovereignty. We have learned from bitter experience that intergovernmental loans only create friction and an ill will on the part of both the borrower and the lender. The United States has learned the hard way that no matter how high-minded our intentions may be in our efforts to aid other nations, it is almost impossible to dispel doubts as to our underlying motives. We still have not convinced many Europeans that Uncle Sam is not going on a wild spree of dollar imperialism with the Truman-Marshall plan.

We are told that in ancient China the concept of national sovereignty reigns supreme. Not only have we found that nearly $3,000,000,000 in aid which the United States has disbursed since the end of the war has failed to create any improvement in a desperate economic situation, but there has been engendered a feeling of actual hostility toward the people of the United States for interfering in Chinese internal affairs. If additional economic grants to China are to serve any useful purpose whatever, the United States should be able to prescribe conditions as to how the money is to be spent.

On March 12, 1948, Dr. Sun Fo, Vice President of China, expressed the apprehension of members of the Chinese Central Government over the extent of outside control that might be associated with the China-aid program. "China," said Dr. Sun Fo, "was eager to preserve her national sovereignty and self respect, and would insist upon the right to reject advice if it is not acceptable." I continue to quote from Dr. Sun Fo:

> Among our people there is apprehension about too much intereference in running the country.

A number of foreign observers have conceived that lifting the ban on foreign inland shipping would help solve the transportation shortage, but Dr. Sun Fo said:

> We would object if we were asked to open our inland transportation system to foreign shipping.

Thus this sovereignty consciousness, creating a complication in terms of Nanking's dependence on foreign assistance, in the opinion of competent observers is sure to prove a barrier in the way of an American effort to assist China out of its economic morass. In passing it may be said that it is almost certain to furnish a similar stumbling block in 16 countries of western Europe to which we have just voted aid.

The United States has poured out billions upon billions of dollars and sent them down the European rat hole without appreciable results. But in our efforts to assist China we have been confronted, and are now confronted, by no mere rat hole. It is rather a bottomless pit, or an abysmal morass. In spite of all the money the United States has poured out, conditions in China have grown more and more desperate. The inflation of the currency is completely out of hand. Perhaps Senators noticed that one of the witnesses before the House committee testified that a $100 bill which he held in his hand was not actually worth the cost of the paper upon which it was printed. Anarchy threatens to engulf the land. First-hand observers return with stories of corruption, waste, and incompetence from the top to the bottom of the Nationalist government. The military situation there is equally deplorable. It has been stated that for every Communist killed by the Central Government, four more are created by the unfair tax policies of the Central Government, its cruel police-state methods, and its failure to check inflation.

Our support of a regime that has grown more and more unpopular in the last year or so will reap for the United States only a lasting harvest of hatred.

Secretary Marshall in his testimony before the House committee on February 24, 1948, stated:

> For the main part, the solution of China's problems is largely one for the Chinese themselves. Local governments are often so corrupt that they are undependable for assistance in the administration of relief methods. The political control by long-entrenched groups is a great difficulty to be overcome in the restoration of China to economic stability.

Mr. President, if I correctly interpret the address of the President of the United States on this subject and the testimony of his Secretary of State in regard to it, the only thing expected from this measure is a breathing spell to help retard the present rapid rate of deterioration. No effective results are even hoped for. Yet, as in Greece and Turkey, once we have shaken our fist at the Communists in China, we shall find that we cannot then shake our finger, for economic aid admittedly will serve no useful purpose.

General Chennault has testified that substantial portions of the military equipment we have furnished to China have already fallen into the hands of the Communists. It is only a question of time when we shall receive requests to send American boys to do the job that our economic and military aid has not succeeded in doing. Shall we then be told by able and distinguished members of the Foreign Relations Committee that we cannot turn back, but that we have placed our hand at the plowshare and our prestige is at stake?

American military missions, Mr. President, already are accompanying American dollars into the far reaches of the earth. They are asked to accompany them in this connection. Are we ready to follow those missions with the cream of American manhood to defend putative frontiers on the Yangtze, the Dardanelles, the Oder, and the Hellespont?

Mr. President, let us turn again before we are told once more that our prestige has been involved and that we are committed.

Mr. HAWKES. Mr. President, will the Senator yield to me?

Mr. KEM. I yield.

Mr. HAWKES. I am very much interested in what the Senator has said about defending those frontiers. They were established by certain rulers in agreement with one another. We thought we fought a war for a given purpose, but when we got all through

with it we discovered we had not fought it for that purpose at all, did we not?

Mr. KEM. Exactly.

Mr. HAWKES. Is there any reason to assume that if we sacrifice a large part of our manhood in defending almost all the rest of the world and in undertaking more than we can possibly live up to, after we establish those frontiers, they will be the frontiers we want, and they will remain intact?

Mr. KEM. Mr. President, I see none. We fought the First World War to destroy the Kaiser. We were told then that we were fighting that war to make the world safe for democracy. Subsequently we raised up Hitler. Then we destroyed Hitler, and we were told that we were doing that to preserve the "four freedoms." Then we raised up Stalin.

In the First World War we were told that the American frontiers had gone to the Rhine. Now we are being told, in effect, that the American frontiers have gone to the Oder, the Dardanelles, the Hellespont, and the outer reaches of Upper Mongolia.

Mr. HAWKES. Mr. President, will the Senator further yield?

Mr. KEM. I yield.

Mr. HAWKES. I wonder how many Americans realize that when the war in Europe was ended the United States had 3,400,000 of the finest-trained, finest-equipped soldiers that ever were put into an Army on the Continent of Europe. It is estimated that it cost from $150,000,000,000 to $200,000,000,000 to get them there.

The British Government had there from 750,000 to 780,000 of the best-equipped and best-trained British soldiers they ever had. So there we sat, in a wonderful position. We at home thought we had fought that war for a certain objective. That objective could have been definitely defined at that time. Yet the rulers of Great Britain and the chiefs of this country failed to take advantage of that wonderful opportunity and that situation—a psychological situation, if you please—and have Mr. Stalin sit down and agree that we had fought that war for a certain objective, and then define it. Instead of doing that, we brought back to our own country most of those 3,400,000 soldiers, and the British Government took most of their soldiers out of continental Europe.

So, after we had gotten into that wonderful position, which impressed the whole world, we began to talk about what we fought the war for and what we wished to agree upon. Of course we have reached no agreement, because Mr. Stalin is not worried about our ever getting 3,000,000 soldiers back into continental Europe. The only thing he fears in all this world is air power. If this Nation does not make itself supreme in the air, then I say God help the intelligence of the American people.

Mr. KEM. Mr. President, I thank the Senator from New Jersey, and I expect to say something on that point before I conclude.

Mr. HAWKES. I thank the Senator very much for yielding to me.

Mr. KEM. I have been glad to yield.

Mr. President, I think what the Senator from New Jersey has said amounts perhaps to this: That the statesman who sent our doughboys to fight those two wars were able to state their objectives in very eloquent terms; but after those wars were over, they found greater difficulty in specifically stating their accomplishments. Is that what the Senator from New Jersey has in mind?

Mr. HAWKES. Yes; that is what I meant. I also meant that the statesmen, if they may be called such, or the diplomats or the executives of these great governments failed to take advantage of a situation which, if properly taken advantage of, might have led to the peace of the world. But, instead, they lost their powerful position before they began to talk about what we fought the war for and whether we were in agreement along lines which lead to peace.

Mr. KEM. Mr. President, I should like to ask the Senator from New Jersey whether he is in accord with me in the view that I have lately expressed; namely, that I have utterly lost confidence in war as an instrument of peace.

Mr. HAWKES. Mr. President, I cannot be more in agreement with the Senator on anything else in all the world. I say to him now what I have said publicly for several years, namely, that unless we help rebuild the world, morally and spiritually, all these difficult problems will continue to arise, just as they have for thousands and thousands of years in the past.

Mr. KEM. It seems to me that we have added to the cycle a rather interesting refinement, namely, the idea that it is the duty of the victors to rebuild the country of the vanquished. So far as I know, that concept has never before appeared in the history of mankind. So, Mr. President, if we go to war with Russia and destroy Stalin, I suppose in a few years we shall have presented to us a program for Russian recovery.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield to the Senator from New Jersey.

Mr. HAWKES. I think the Senator is quite right, but that concept of the duty of the victor, the one we are following, has never been even dreamed of in the history of the world, and in my opinion when we are through with that concept and with following it out the way we are attempting to do, and overreaching ourselves, in the words of Mark Twain, "Once upon a time, there was a man who tried to do too much, and he did it"—I think the world will say, "Once upon a time, there was a nation which tried to do too much, and it did it." I do not believe any people of intelligence, or even with slight intelligence, will ever attempt again to do what we are trying to do today, namely, take on and try to reform most of the world almost single-handed. Let us reform ourselves first.

Mr. KEM. The Senator agrees with me that if that is the purpose of the leaders of American public opinion, they are asking John Q. Public to bite off more than he can chew.

Mr. HAWKES. Mr. President, will the Senator yield again?

Mr. KEM. I am glad to yield further to the Senator from New Jersey.

Mr. HAWKES. I may be wrong, but I said to the Senator from Missouri a few moments ago that in the last analysis I think the people of the United States are going to decide, and before too long, whether they approve of this useless giving away of the United States. My contacts with people—and I am not talking about contacts with rich people, I am not talking about contacts with big business men; I am talking about contacts with the down-to-earth American citizen—lead me to believe that when the situation is explained to them, and the vastness of this project is understood in the slightest degree, three or four out of every five are opposed to the course their representatives are following.

Mr. KEM. I thank the Senator.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Indiana.

Mr. JENNER. I should like to ask the Senator from Missouri whether it has not always been the policy of our Government to help China in an hour of need?

Mr. KEM. So far as I know we have never aided and abetted the Chinese Government in any military project, in the entire history of the United States.

Mr. JENNER. Then does the Senator mean to say that this is a bill to provide military aid coupled with relief?

Mr. KEM. I mean to say it is to provide military aid to a large extent, and that the essential conception is military.

Mr. JENNER. What percentage of the appropriation for China would be applied to relief?

Mr. KEM. I think there is approximately $350,000,000 for relief, and $100,000,000 for military purposes. But it is stated in the report, perhaps very naively, that the economic aid given to the Government will enable it to turn to its more pressing necessities. So in effect, since the Chinese Government is at war, all her aid is of a military character.

Mr. JENNER. Assuming that the $450,000,000 were truly applied directly to relieve the suffering and famishing Chinese, does the Senator have any statistical or other basis of fact that would enable him to inform the Senate what the appropriation would represent by way of aid per person in China?

Mr. KEM. I think, roughly, it would be $1 a person.

Mr. JENNER. One dollar a person a year?

Mr. KEM. Yes, on this grant; and of course this is merely a start. They will be back. The Greek-Turkish program lasted a little less than a year. There is no reason, I suppose, to expect this will last longer than that.

Mr. JENNER. Then would the Senator say that the granting of $100,000,000 for military aid is committing us to a military program in China that in substance means that we must finance the present Chinese Government until either it is successful or drives communism from its borders?

Mr. KEM. Mr. President, I can only say to the Senator from Indiana, I think we may be guided by the lamp of experience. When we sent lend-lease aid to the embattled Allies of Europe we were

told that it in no sense involved us in war. Yet, within only a few months, American boys were found fighting all over the world. I do not happen to recall a case of any power that aided and abetted another with money that did not sooner or later become involved with the wars of that power. It would seem to me to be an essential "chain reaction," to use the striking phrase of the Senator from Michigan.

Mr. JENNER. I thank the Senator.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from California.

Mr. KNOWLAND. Perhaps the Senator is going to touch on it later in his remarks, but I was wondering if he does not recognize what the signficance might be if 450,000,000 Chinese came under the complete domination of the Communists, either Russia herself or a Communist satellite establishment of Russia in China, and if that 450,000,000 of manpower was made available to the two-hundred-and-some-odd million within the boundaries of the Soviet Union itself, plus the additional millions that have been forcibly taken behind the iron curtain. I am wondering if the Senator does not realize that that would have tremendous significance upon the ultimate security of the United States, and that while it might not present a problem for this generation in the next year or two, for our children it might present a problem that would be far greater than the problem of the civilized world at the time of Genghis Khan.

Mr. KEM. I agree entirely with the Senator from California. I doubt, Mr. President, if there is a Member of this body who has not given that very possibility hours, and I may say nights, of sleepless thought and consideration. I doubt if there is a Member of this body—and I say it reverently—who has not approached it with prayerful consideration. Yet, Mr. President, I have no reason to believe from anything I have ever been able to read in recorded history that the puny efforts now proposed will prevent that result taking place if it is in the womb of time.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from New Jersey.

Mr. HAWKES. The Senator referred to the puny efforts. That was only speaking relatively, because I know the Senator does not think of $21,000,000,000 plus $24,000,000,000 that has been given and loaned on unsound loans since the end of the war.

Mr. KEM. I was referring to the present sum of $1 per person provided in the bill.

Mr. HAWKES. I realize what the Senator was referring to, but what I wanted to emphasize was that that need which to the world may seem puny from our national standpoint may be very enormous to us as an individual nation. Does the Senator realize that?

Mr. KEM. Yes.

Mr. HAWKES. Then I want to say to my very dear friend, the Senator from California, that I am just as deeply interested in the future of the youth of America as is any other Member of the Senate, or I should not be standing here today, and I am not standing here for myself. We can do the youth of America, and I believe the youth of the world, incalculable harm, if we destroy this, the greatest Nation on the face of the earth, which is the only place where the lamp of liberty is burning, and the only place, in my opinion, where there is at present real hope for the development of true individual freedom and Christianity. If this great Nation should go down because of the foolish use of the national wealth and the destruction of its economic and industrial body, then I can only say to the Senator, catastrophe and ruin will face the youth of America. That is what I am interested in avoiding.

The Senator from Missouri knows that no one understands and can prove that he is right in his viewpoint on this great question. I do not impeach the integrity or the honesty of purpose of anyone else. All I can do, under my God, is to use the intelligence and the experience I have had in life in dealing with humanity and the knowledge which I have gained of the people of different nations, because I have been throughout the world and have seen them.

Mr. KEM. I take it that the Senator from New Jersey is guided by the lamp of experience, to use Patrick Henry's striking phrase.

Mr. HAWKES. I have never given up believing that is the best lamp to guide us in the present and in our hope for the future.

Mr. KEM. It is that lamp which I am imploring the Senate to use at the present juncture in its consideration of the bill.

Mr. President, time will not permit any extensive discussion of the vacillating policies we have already pursued in China. Our inept, vacillating policy toward the Central Government in China has succeeded in completely confusing both the Chinese and the American people, together with their representatives in Congress.

At one time, in the period after Pearl Harbor, the United States extended aid to both the Chinese Communists and the Chinese Nationalists in their fight against the Japanese. In October 1944, with the recall of Gen. "Vinegar Joe" Stilwell at Gen. Chiang Kai-shek's request, United States support was thrown behind the Nationalist Government. At approximately the same time Mr. Patrick Hurley was appointed Ambassador to China, but a year later, on November 27, 1945, he resigned his post with fiery blasts at the State Department for sabotaging his efforts to prevent the collapse of the Nationalist Government.

In a State Department bulletin issued on November 18, 1945, we find this statement:

> It is neither our purpose nor desire to become involved in the internal affairs of China.

By this time full-scale civil war had begun between the Nationalists and Communists. President Truman then sent General Marshall as a special envoy to China with the personal rank of ambassador. His task was to bring about peace and unity——

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Connecticut.

Mr. McMAHON. I notice that the Senator did not spend much time discussing General Hurley's mission.

Mr. KEM. I referred to it only as showing the utter confusion, the vacillation, and the ineptitude of the American policy through the years in question.

Mr. McMAHON. I agree with the Senator. I would give that "the once over lightly." I would not pay much attention to that, because General Hurley came home and attended a session of the Foreign Relations Committee. As I recollect, there was a good deal of publicity which evaporated into thin air. So the less we say regarding the General's expedition the better it will be.

Mr. KEM. The Senator will perhaps agree with me that the less we say regarding the American policy in China in the past 4 years, the better.

Mr. McMAHON. I do not think that follows at all.

Mr. KEM. If the Senator will permit me——

Mr. McMAHON. I might find myself in agreement with the Senator on one phase, but certainly not on all phases. I cannot refrain from pointing out, however, that the Senator did not dwell too long on General Hurley's ambassadorial career.

Mr. KEM. I think perhaps the comment is in order, and I am glad to have that contribution.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. LANGER. I cannot sit here and listen to what the distinguished Senator has said regarding General Hurley without making the comment that, in my judgment, the man is honest and fearless. He was one man who gave up a job and defied the President rather than be a miserable tool. Is it not significant, Mr. President, that approximately 10 days ago we asked to see the agreements made by the late President Roosevelt during the past 10 years and by the present President, and the request was refused? Is it not significant that the distinguished Senator from Indiana [Mr. CAPEHART], with 22 other Senators, requested of the Committee on Foreign Relations, of which the distinguished Senator from California [Mr. KNOWLAND] is a member, that they be allowed to see the same agreements which the distinguished chairman of that committee [Mr. VANDENBERG] said he had not seen in toto?

Mr. KNOWLAND. Mr. President, will the Senator yield in order that I may correct the RECORD.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. ECTON in the chair). The Senator will state it.

Mr. LUCAS. Who has the floor?

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. KNOWLAND. Mr. President, will the Senator from Missouri yield in order that I may correct the RECORD?

Mr. KEM. I yield to the Senator from California.

Mr. KNOWLAND. In order to correct the RECORD, let me say that the junior Senator from California is not a member of the Senate Foreign Relations Committee to which the able Senator has referred.

Mr. LANGER. The distinguished Senator from California is on so many important committees and on many subcommittees, and he takes such a prominent part in the Republican leadership, that I naturally assumed he was on the Foreign Relations Committee. I wish he were on that committee, because if he were a member of it I would be satisfied that the Senate would have the benefit of his magnificent experience in the last war, and my judgment is that he could throw much light on what took place at that time.

I want to thank the distinguished Senator from Missouri for yielding to me. I simply wanted to make it plain that I think, of all the men who occupied responsible positions in the last war, among the leaders was Gen. Patrick Hurley. I do not propose to sit in the Senate and hear anyone say, even by innuendo, that he was not one of the best, without making answer.

Mr. KEM. I appreciate the contribution of the Senator from North Dakota.

Mr. President, I was quoting from a statement issued by the State Department on November 18, 1945, in which we find this language:

> It is neither our purpose nor desire to become involved in the internal affairs of China.

By this time full-scale civil war had begun between the Nationalists and the Communists. President Truman then sent General Marshall as a special envoy to China, with the personal rank of ambassador. His task was to bring about peace and unity by broadening the Central Government to include the representatives of the large and well-organized group who were then without any voice in the Government of China.

President Truman, on December 16, 1945, stated:

> The United States is cognizant that the present National Government in China is a one-party government.

He went on to say in general that peace, unity, and democratic reform in China would be furthered if the basis of the Government were broadened to include other political elements in the country. He further stated:

> In line with its often-expressed views regarding self-determination, the United States Government considers that the detailed steps necessary to the achievement of political unity in China must be worked out by the Chinese themselves and that intervention by any foreign government in these matters would be inappropriate.

Special Envoy Marshall, however, was unsuccessful in effecting a reconciliation between the ruling party and the Communists, and on January 6, 1947, he returned to Washington to stay, being highly critical of the political and military reactionaries in the ruling party and also of the dyed-in-the-wool Communists. President Truman, in a policy statement on December 16, 1946, had acknowledged the failure of American efforts to secure peace in China.

After what has been described as General Marshall's first failure, the tempo of American withdrawal from China was accelerated. Perhaps one of the factors that may have hastened the United States decision to quit China was the obvious and unabated hostility of the Chinese people to the American forces then in China. Thus our vacillating policy at the beginning of 1947 reflected a hands-off attitude toward the Chinese situation, and the administration directed our attention to the Greek-Turkish problem, leaving the Chinese primarily to look after themselves.

Then, in July 1947, the President sent General Wedemeyer to China as his personal representative to survey the situation. The general completed his mission in September, and returned to this country. He submitted a confidential report of his findings to the President and the Secretary of State. That report has never been released to the public or to the Congress. It has been described as too hot to handle from the State Department point of view. At any rate, it was suppressed.

It would seem, Mr. President, that before the Congress embarks on such a dangerous program as is called for by the China plan, the least we can do is to place ourselves in possession of all the available facts. We ought to have all the available facts before we reach a decision. Clearly our judgment can be no better than our information.

OUR FIRST CONCERN SHOULD BE TO BUILD A STRONG ECONOMY AT HOME

Mr. President, the fourth and last point to which I wish to address myself is a point that was ably presented on the floor of the Senate by the senior Senator from Colorado [Mr. JOHNSON], whom I see now sitting across the aisle, at the time of the debate on the Greek and Turkish problem. Perhaps I cannot state the point as well as the senior Senator from Colorado stated it, but in my language it is this: Our first concern should be to build a strong economy at home.

While the sum of $463,000,000 is of course a relatively small sum compared with other gifts and grants we have made all over the earth, we must remember that it is in addition to nearly $25,000,000,000 of American taxpayers' money we have invested in gifts to governments overseas since VJ-day. We are not permitted to forget that there are further vast and extensive contributions to foreign governments already in the offing.

Our economy has already been strained to the breaking point by our unprecedented generosity abroad. We hear on every hand complaints about high prices and high taxes. We have come to face the stark fact that the cost of these gifts to foreign governments must be paid for by the head of every American family in taxes and by every American housewife in high prices. The principal reason for high prices is the fact that goods and commodities have been purchased in such large quantities by our Government and sent abroad. Undoubtedly foreign trade is fast drawing upon and dwindling our natural resources. Our traditional free-enterprise system is threatened by the lack of savings available for the accumulation of capital.

As has been frequently said, our country is only strong in comparison with the weakness of the rest of the world. The greatest contribution the United States can make to the world is to rebuild her own strength so that she can remain, as she is today, the bulwark of free government.

We have more pressing matters at home than many of the problems abroad. It is perhaps proper for the Members of this body to concern themselves with conditions of fertility in the valley of the Yangtse, but for my part I am more concerned about the loss of fertility in the valleys of the Mississippi and the Missouri. It is perhaps proper for Members of this body to concern themselves with underprivileged children in Shanghai, Hong Kong, and Canton, but for my part, Mr. President, I am more concerned with underprivileged children in St. Louis and Kansas City, in New York and Chicago. It would be far better for us first to look after our own people, develop our own resources, and stabilize our own economy, instead of bankrupting the Nation, impoverishing our people, and inviting disaster.

Of course, this is not the last foreign aid bill; this is only one of a long series which have preceded it and will succeed it, unless the American people, through their representatives in Congress, call a halt.

Since the beginning of this session Congress has been subjected to such a variety and number of requests for foreign aid similar to the gift to China that there is danger that we shall become inured to such injustices to the American taxpayer as to give our approval without careful consideration of the consequences of our action. There is danger that, having passed so many of these bills, we will not give any of them further and careful consideration. It seems to me I already sense a lack of the same careful, exhaustive, painstaking consideration of the China-aid bill that was given to the Greek-Turkish bill. There was certainly far less consideration given to the second installment of the Greek-Turkish bill than there was to the original grant for military and economic purposes in those countries.

I think it is safe to say that there are far too many fertile brains on the pay roll of the Department of State for there to be any let up in these save-the-world fantasies. If further proof is needed of that statement, I need only invite attention to a report—it may be merely a rumor—that the United States is now planning an aid-to-Japan program calling for the expenditure of some $580,000,000 the first of the year. Under Secretary of the Army William Draper, head of an economic mission to Japan, told a press conference on March 26 that such a plan had been formulated by the Army and State Departments. The program was again characterized as purely economic, and not designed to influence

the Japanese in their political attitude. The Members of Congress may take solace in the fact that the first year's appropriation, we are told, would be the largest, the succeeding grants gradually to taper off.

Mr. President, I now enter upon a subject which perhaps should not be talked about. I know that many Americans are inclined to look askance at the opinions of the Father of His Country in matters of neutrality and national defense. I sometimes think that his memory and teachings are fading from the minds of modern statesmen. When his opinions are quoted or cited in a matter of this kind we are told that he was merely a simple country gentleman; that he never went to Europe; that the only language he was ever able to speak was the native English of his family and his Virginia neighbors. We are told that although he was undoubtedly a remarkable man, judged by the standards of his time, he can hardly be compared with the master minds now available in the State Department. Finally, to clinch the argument, as a sort of a reductio ad absurdum we are told that Washington never saw an airplane, a telephone, or a radio set, and from this conclusion we are led to believe that there is no harm in the pious gesture of reading annually in this body Washington's Farewell Address once a year, so long as its teachings are wholly disregarded.

I suppose the proposition amounts to this, that in this particular field there is nothing to be learned from the past; that in the field of foreign relations this is a new day; that we should disregard entirely what has gone before.

Mr. President, I do not think even a casual examination of the facts of history will serve to bear out that proposition. For example, American scientists take great pride in their knowledge of the inner workings of the atom, but long ago Lucretius in his great poem advanced the atomic theory which he derived from the Greeks of a much earlier period. Of course, scientists working in the mysteries of nuclear energy make full use of the accumulated knowledge of all the generations that have gone before. If this is the situation in the physical sciences, is it not even more true in sciences dealing with government and society where the chief element to be reckoned with is human nature itself?

I take it it is our duty here always to be receptive to ideas which would regenerate the world, but it is also our duty carefully to examine an idea to see if in the light of experience it is sound and good. Particularly should we exercise close scrutiny to discover if the idea is not new at all, or if in fact there is a record of a history of failure behind it. We are on notice that this is likely to be the case when the idea involves human nature and the capacity of human beings for self-control and self-government. Here indeed there is little new under the sun. Where such questions as these are involved we may well expect to be able to gain valuable knowledge by studying the experiences and the testimony of great men of the past who bore the responsibility for making decisions in their day and their generation.

Mr. President, does the fact that Washington never witnessed a jet plane in flight reduce to a minimum the value of his judgment in international relations? Does the fact that Jefferson never saw the marvels of radar justify us consigning all his writings to the ashcan so far as our problems of international relations are concerned? In their role as the leaders of this infant Government it fell to them to determine what policies should be followed at the start of its career. For my part I reckon Washington as the greatest man ever born on this continent. I say that, Mr. President, with full knowledge of the present geniuses now in the Department of State.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. LUCAS. The Senator from Missouri seems to take particular delight in castigating those in the State Department.

Mr. KEM. I merely refer to their record, I will say to the Senator from Illinois. If he considers that to be castigation, then the word will stand.

Mr. LUCAS. Will the Senator permit me to finish my question?

Mr. KEM. Yes.

Mr. LUCAS. I thank the Senator. The Senator from Missouri seems to take particular delight in castigating those in the State Department. I lay that premise to ask the Senator a question. Do I understand correctly that it is the opinion of the Senator from Missouri that the State Department is responsible for the passage of the European recovery program measure, and will possibly be responsible for the passage of the measure now pending before the Senate?

Mr. KEM. I think the State Department had a large measure to do with its origin. I think the State Department acted as midwife at its birth.

Mr. LUCAS. The Senator evades the question completely.

Mr. KEM. What is the question? I shall be glad to answer it.

Mr. LUCAS. The Senator from Missouri has been constantly discussing the employees in the State Department and telling what bad fellows there are in that Department. What I am asking the Senator is whether or not he believes that the State Department is responsible for the passage of the European recovery program measure in the United States Senate?

Mr. KEM. I just said to the Senator from Illinois that members of the State Department, in my judgment, officiated at the birth of the whole idea; that they are largely responsible for its origin and its conclusion.

Mr. LUCAS. I regret to find my able friend from Missouri casting that kind of reflection upon the intelligence and the judgment of Members of the United States Senate, because, so far as the Senator from Illinois is concerned, he would much prefer to follow the able Senator from Michigan [Mr. VANDENBERG], who championed the European recovery program through the United States Senate, than the able Senator from Missouri; and I am not following anybody in the State Department when I make that statement.

Mr. KEM. Mr. President, in my short stay in the Senate I have been able to observe in action both the able Senator from Michigan and the able Senator from Illinois. I, too, would prefer to follow the able Senator from Michigan rather than the Senator from Illinois.

Mr. LUCAS. But in this case the Senator is not following either one of us. It so happens that the Senator from Michigan and the Senator from Illinois are on the same side so far as the European recovery program is concerned. The Senator from Missouri is not following either. The only thing I have found the Senator doing in his discussion so far is castigating those in the State Department.

May I ask the Senator one other question while I am on my feet?

Mr. KEM. I am glad to yield to the Senator from Illinois. It is always a pleasure to answer the Senator from Illinois.

Mr. LUCAS. I thank the Senator. As I understand, the Senator is against the measure now pending before the Senate?

Mr. KEM. The perspicacity of the Senator from Illinois is quite remarkable.

Mr. LUCAS. Of course, I did not think the Senator from Missouri would go into the question of the perspicacity of the Senator from Illinois, but if he wants to debate that subject, we will go into it later.

Mr. KEM. I shall be glad to discuss it with the Senator later.

Mr. LUCAS. Yes; we can do that.

Assuming to be true what the Senator from Missouri has said about our foreign policy in China, what does the Senator suggest we do, if anything, with respect to China?

Mr. KEM. If the Senator from Illinois will bear with me, I shall reach that point in the remarks I have to make, and I think the Senator, with the perspicacity he has demonstrated, will have no difficulty in determining exactly what I think we ought to do.

Mr. LUCAS. The only reason I propound the inquiry now is that I am afraid perhaps the Senator will not finish this afternoon. I am not going to be here tomorrow, and I wanted to find out exactly what the Senator had in mind with respect to what we ought to do, if anything, in regard to China. It is a perfectly proper question, and I am really interested, because I agree, to a certain extent, with some of the things the Senator has said. I know that our policy in China has not been a total success; but I should like to find out from the brilliant Senator from Missouri exactly what we can do, if anything, with respect to China. That is the point.

Mr. KEM. In case my remarks carry over until tomorrow, and in case the able and brilliant Senator from Illinois is not present in the Chamber, I shall obtain his address from the Secretary to the minority and send him a copy of the CONGRESSIONAL RECORD by air mail.

Mr. LUCAS. That is exactly the way many Senators do when they are asked a real question which gets to the meat of the situation, and when they are asked what they would do. They tell us that

they will send us a copy of the speech the following day. Now is the time for the Senator from Missouri to tell the country what he would do with respect to our foreign policy in China, and not wait until tomorrow.

Mr. KEM. Mr. President, I prefer to develop my argument in my own way. I am unable to accept the well-meant suggestions of the able Senator from Illinois.

Mr. LUCAS. It is always easy, Mr. President, to tear down a house. Many men who can tear down a house cannot build one. I should like to have the Senator tell us about a policy for China.

Mr. KEM. I have already told the Senator that I expect to suggest a policy which will be so definite and clear-cut that even the Senator from Illinois will have no difficulty in understanding it.

Mr. LUCAS. I doubt it.

Mr. KEM. I think I was saying that we may well expect to gain some knowledge by studying the experiences and the testimony of the great men of the past who have borne the brunt of making decisions in their day and generation. Therefore, simply because Washington never saw a jet plane and Jefferson never saw radar, I do not think we ought to discard to the limbo of uncertainty their testimony and their experience.

Let me reiterate, when we are called upon to deal with questions with respect to which the underlying conditions are in their essence constant, such as those in the field of international relations, we shall not go far wrong if we consider their advice today.

I am surprised, Mr. President, that I have not already been interrupted by some Senator saying, "Of course, you overlook the fact that with modern means of transportation we have one world, and that with technological advances in means of transportation and communication, as well as the development of powerful new weapons of destruction, the peoples of the world are constantly being drawn closer together in social, economic, and political relationships." We are told that because of this situation it is no longer possible for one nation long to remain aloof from the swirl of events in an ever-narrowing world. As I understand, advocates of the One World concept maintain that it is to the ultimate advantage of the United States to take the initiative in the field of power politics and mold world opinion to conform to our democratic concepts; that if necessary we should establish well-defined spheres of influence, to be held at all costs; that we should do this initially by dollar gifts, and then if our gold wall crumbles, I suppose it follows as a necessary corollary that American troops should be thrown into the breach.

Mr. President, a necessary corollary on the One World concept is this: It involves the deployment of American troops to all corners of the globe to protect our declared interests and dollar investments. We have already seen how the process works. We send out the money; then we send out the military mission; then we are told, "We cannot turn back; our prestige is involved; American interests are concerned."

At the present time we find ourselves committed in Greece and Turkey. We have, in effect, established a frontier on the Dardanelles and on the Hellespont. Increasing numbers of American troops—in an advisory capacity, to be sure—are being sent out to back up American dollars. Already we have hints that the blood and the advice of these and many others will be needed if we are to retain our foothold in that part of the world.

The One World concept, when carried to its logical conclusion, involves the presence and participation of our soldiers, not in one isolated sector of the globe, but in all potentially troublesome areas. Thus, today we find ourselves practically committed to defend the whole of western Europe, and are now asked to take the first step leading to a commitment to defend the frontiers of China.

It is my opinion, Mr. President—and I defer to the opinion of men in this body many years my senior in experience and service here—that the American people are not now, and in the near future will not be, willing to have their sons slaughtered in the implementation of this foolish concept. It is my opinion that it is a concept alien to the feelings and sensibilities of every honest-to-goodness American.

Mr. President, I have had something to say about the policies of the founding fathers. I know that they are familiar to every Senator, but I want to refer to them briefly for the RECORD. What were the policies of Washington which seem to have particular reference to these times? In the first place, he repeatedly warned us to steer clear of entangling alliances with any portion of the foreign world, and not to interfere in the internal affairs of other countries. Even before he was chosen President, Washington wrote to Sir Edward Newenham as follows:

> I hope the United States will be able to keep disengaged from the labyrinth of European politics and wars.

Later he said:

> I have always given it as my decided opinion that no nation had a right to intermeddle in the internal concerns of another; that everyone had a right to forward and adopt whatever government they liked best to live under themselves; and that if this country could, consistently with its engagements, maintain a strict neutrality and thereby preserve peace, it was bound to do so by motives of policy, interest, and every other consideration that ought to actuate a people so situated as we are—

Mr. President, attend these words—

> already deeply in debt, and in a convalescent state from the struggle we have engaged in ourselves.

Mr. President, I wish that those phrases could be written on the heart of every Member of this body.

In July 1791 Washington stated:

> I trust we shall never so far lose sight of our own interest and happiness as to become unnecessarily a party to their political disputes.

Again, in 1793, Washington said:

> All our late accounts from Europe hold up the expectation of a general war in that quarter. For the sake of humanity I hope such an event will not take place. But if it should, I trust that we shall have too just a sense of our own interest to reject any cause that may involve us in it.

In a letter to Patrick Henry on October 9, 1795, Washington said:

> My ardent desire is, and my aim has been—as far as depended upon the Executive department—to comply strictly with all our engagements, foreign, and domestic, but to keep the United States free from political connections with every other country, to seem independent of all, and under the influence of none. In a word, I want an American character, that the powers of Europe may be convinced that we act for ourselves and not for others. This, in my judgment, is the only way to be respected abroad and happy at home.

That was Washington speaking.

The other great policy of Washington which seems to have most immediate connection with our own times, was set forth at the very beginning of his administration, and was by him regarded as essential to the safety, the success, and the future of the United States. In his address to the Congress on the 8th of January 1790, he said:

> Among the many interesting subjects which will engage your attention, that of providing for the common defense will merit particular regard. To be prepared for war is one of the most effectual means of preserving peace.

Again, on December 3, 1793, he said to the Congress:

> If we desire to avoid insult, we must be able to repel it; if we desire to secure peace, one of the powerful instruments of our rising prosperity, it must be known that we are at all times ready for war.

I seem to sense that some of the Members of this body are somewhat amused at quotations from Washington. They seem to consider him a simple country gentleman. But, Mr. President, his accomplishments speak for themselves.

One other important point to be remembered is that when Washington announced a particular policy, he did it with a full realization of its dangers and difficulties, and with a complete intention of carrying it out. He was emphatically a man of action; and he never came to a momentous decision, either in peace or war, without being prepared to act as the circumstances demanded.

What a contrast we find today. So confused, inept, and bungled is our foreign policy, so crowded with reversals and contradictions, that it seems evident that the present occupant of the White House not only is unaware of the dangers and difficulties involved when he announces a particular policy; but, once having reached a decision, he is not prepared in any sense to carry it out.

Perhaps some Senators will say that the Senator from Missouri does not appreciate the significance of this One World in which we live. Perhaps it will be said that the Senator from Missouri is lacking in appreciation of the atomic age. Perhaps I shall be reminded by Senators that modern means of communication have brought Europe and America and the rest of the world close together. But it seems to me that the new American policy, developed and im-

plemented and put into action in the light of these developments in the world of the physical sciences, has had a rather thorough test. We have fought two world wars. We have spilled a tremendous amount of American blood. As a minor matter, we have spilled a great deal of money and natural resources. We destroyed the Kaiser, only to raise up Hitler. We destroyed Hitler, only to raise up Stalin.

Mr. President, war has been the business of Europe ever since the dawn of recorded history. There is absolutely nothing in the present picture to indicate that it will not continue to be the business of Europe beyond the day of any man now living.

The China-aid plan now under consideration is diametrically and utterly opposed to the teachings of the Father of His Country. I hope we shall not lightly disregard those teachings. I hope we shall apply them without fear or favor.

Now I come to the plan which I have to suggest. There is nothing new or novel about it. The fact of the matter is that I have previously presented it on the floor of the Senate. I regret greatly that the able and distinguished Senator from Illinois, who pressed me for my plan just a few moments ago, is not now present, but I hope he will read in the CONGRESSIONAL RECORD what I have to say at this time, and I hope he will consider it for what it may be worth.

I have three proposals, and I urge them again for the careful consideration of the Senate and our fellow Americans:

First, let us stop meddling in the internal, governmental affairs of Europe, Asia, and Africa.

Second, let us drive the Communists and fellow travelers from employment under the Government of the United States and make it as difficult as possible for them to return.

Third, while we still have strong resources, let us spend as much as may be needed to build a national defense so strong that neither Russia nor any other aggressor nation will dare attack us.

Mr. President, for those reasons I shall vote against the pending bill.

Mr. LANGER. Mr. President, I am very much interested in Senate bill 2393, which has been under consideration today and has been presented to us by the Foreign Relations Committee. A reading of the bill informs us that the purpose is—

> To promote the general welfare, national interest, and foreign policy of the United States by providing aid to China.

I wonder when the Senate will get around to providing aid to the people of these United States. Yesterday I was in New York City. I was there with other Members of the Senate in connection with an investigation of a pneumatic-tube installation which has been in use there ever since 1905. Mr. President, what pay do you suppose those laboring men who for years and years and years have worked for our Government, are receiving from the Government of the United States which is so much interested in heading off communism. One would expect that they would receive at least as much as the United States Department of Labor has said it takes to enable a father and mother and one child to live decently. Our Department of Labor sent its experts to New York City, and for 7 months they labored there long and hard. They discovered that a governmental worker should not have a new hat every year, and that a man having two union suits should make them last 2 or 3 years. The testimony before our committee showed that some of those people have not had butter for months. Wives testified that their little children get meat once a week—a kind of goulash. Good hamburger, Mr. President, sticks together. They get hamburger, but it is so poorly made that, no matter how much it is fried or boiled it simply does not stick but makes a soggy mass.

We discovered yesterday in New York that of the people who have worked for our Government, some of them for more than 20 years, one of them for 32 years, a part of them receive the great sum of $2,500. The majority of the Government workers in New York get $2,000 a year. But we are so busy heading off communism, and so busy in foreign lands, that I doubt that very few Senators know that a GI who has returned home, with a wife and child, and who has obtained a job as a mail handler for the United States Government, gets the munificent sum of $1,900 a year. That, Mr. President, is what he fought for—the right to come home and to starve at the hands of his Government.

When I was in Philadelphia a short time ago more than 98 GI's telephoned me. They were men without influence, who had tried to enter the taxicab business. The 98 GI's had organized a corporation. The corporation was refused a license. The 98 men decided to apply for individual licenses which would permit them merely to drive a taxicab in the United States of America and to charge a fare for doing it. Licenses were refused.

In all the city of Philadelphia there are only 1,500 taxicabs. With a population of almost 2,000,000, and with an area of 135 square miles, there were but 1,500 taxicabs. In the city of Washington there are more than 10,000 taxicabs. Testimony was introduced showing overwhelmingly that on a rainy day a man or a woman has to wait 2 hours to get a taxicab.

The 98 veterans of World War II who applied for taxicab licenses, which were refused, finally decided that certainly, under the great Constitution, the United States Government would protect them in earning a living, so they decided to haul people for nothing and to take their chances on tips. What happened? The regular taxicab companies sued out an injunction which kept the 98 GI's, a majority of whom were married, from making a decent living. Those GI's have been in court now week after week, month after month, in an effort to obtain the opportunity of earning an honest living in the city of Philadelphia. To date they have been unsuccessful.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Washington.

Mr. MAGNUSON. I was interested in what the Senator had to say regarding the pay of Government workers. I was wondering if the Senator, as chairman of the Committee on Post Office and Civil Service, could inform the Senate as to when the committee might report a bill on the cost-of-living raise for postal employees, and what the plans of the committee are.

Mr. LANGER. I may say to my distinguished friend, the Senator from Washington, that owing to the fact that the distinguished Senator from Montana and myself were in New York on the pneumatic-tube investigation, the meeting scheduled for this morning was not held, but it has been reset for tomorrow morning, at which time it is expected the pay-raise bill, not only for postal workers but for other Government employees will be reported. It has not yet been determined whether all employees will be included within one bill, or whether the postal workers will be placed in a separate bill. In either event, the committee will, tomorrow, we hope, report one bill or both bills simultaneously.

Mr. MAGNUSON. I thank the Senator.

Mr. LANGER. I may add that the subcommittee, consisting of the Senator from Vermont [Mr. FLANDERS], the Senator from New Mexico [Mr. CHAVEZ], and myself, submitted its report about 5 weeks ago. After the bill had been reported unanimously, the Senator from Vermont decided to take additional testimony, and he has been conducting hearings for the last 5 weeks. That testimony is being taken, I may add, because the President of the United States instructed the Committee on Post Office and Civil Service to see if we could not revamp the entire classification system.

Mr. President, I have in my hand the testimony of the representative of the Labor Department, Mrs. Hoover, who is in charge of an investigation in New York and other places, stating exactly what it costs in the various places to support a family. The cost in the cities of Washington, New York, and Los Angeles is roughly $3,300 a year. It varies, but it averages about $3,300. In New Orleans and one or two other places it is slightly less, but in any event it is approximately $3,300. As I said, the GI's are getting $1,900 as mail handlers. If they work hard they receive a promotion at the end of a year, with an increase in pay of $100, making $2,000. Then if they work harder for another year, they get another $100 raise, making $2,100. If they work still harder, they get another $100 raise at the end of the year, making $2,200, and at the end of another year, $2,300. If they work real hard, they get another raise of $100, making $2,400, and if they work extremely hard, they get another $100 raise, until finally, at the end of 7 years, they receive $2,500. After that, no matter how hard they work, they are through—$2,500 a year is all that this great Government of ours, that wants to give $463,000,000 to China, will pay the

GI mail handlers—$2,500, and not one thin dime more.

We investigated to see how these people could live on $1,900 a year. In some cases the wife works. In other instances, after the GI has worked good and hard all day, he gets a job at night. He works until 1, 2, or 3 o'clock in the morning. We can imagine how that affects his health.

Some of these GI's go to school and live in trailer camps. It was suddenly found that money was needed so badly at some of the little trailer camps that the rent was raised from $20 to $25. They still did not have enough money, so it was raised to $30 and, in some instances, to $35. So the GI who came back, after fighting for his country, is paying, in some instances, on the campuses of some of our schools, $35 a month rent.

A letter regarding the subject was placed in the RECORD, and I have more letters from home, but there was no particular interest manifested on the part of anyone. No one was willing to give them $463,000,000. That sum was going to the Chinese.

In my State we have many farms, and, under the law, up to the time of the war, a farmer had 160 acres. A board told him how much of that acreage he could seed. One poor, unfortunate farmer in my State, living near Ashley, N. Dak., seeded a piece of land which followed a creek. It is located in one of the few counties of my State in which stone is found. In following the creek the farmer could not figure out exactly the acreage. He overseeded approximately a half acre, and this great Government of ours would not pay him his soil-conservation money. He lost it entirely because, in following the creek, he had overseeded a half acre of land.

I noticed the other day a news item to the effect that a farmer had taken a similar case to the Supreme Court of the United States. The Chicago Tribune contained a very fine editorial on the subject, showing how this Federal bureaucracy operates. The farmer could not get anywhere in the Supreme Court of the United States.

We have crop insurance. Up to 4 or 5 years ago, if a farmer wanted to insure his crop, he would go to a private company; but now there is Government crop insurance. He figured that if anything happened to his crop he would be paid. Ninety-nine farmers out of a hundred believed that. They believed they were insured against everything but insects. Last year in my State a couple of farmers stored their grain, one of them in a galvanized tank and the other in a wooden granary. A flood occurred which spoiled many bushels of grain. Did the Government pay the farmers for their loss? I should say not. They were not insured against water, although they thought they were. The Government, under its insurance program, has to save every single penny, because the Nation has a debt of $259,000,000,000, and every tiny bit of money possible must be saved. So, of course, the Government could not pay those farmers insurance, and their grain lies there, spoiled by water. I looked at it myself. Three or four insurance representatives have been there to look it over, but they could not pay the farmers.

I have not time to go into details, but I am sure Senators are familiar with what happened to the farmers of North Dakota, South Dakota, Montana, and other States on April 19, 3 years ago. The farmers in that area had a crop after nine long years of drought. The price of wheat was approximately $1.50 a bushel. Before they could receive any money the farmers at threshing time wrote to their great Government in Washington. I mention this great Government, and I shall mention it further, because the President of the United States, on Saturday night, said that if Mr. Wallace did not like this country he could get out and go to the country he does like. I submit, Mr. President, that such a statement by any President of the United States is unwarranted. I submit that Mr. Wallace has a right, as has Harry Truman, to stay in this country as long as he pleases.

I want to make this further statement, that Mr. Wallace presided over this body for four long years, and whether we agree or disagree with his political beliefs, in my judgment, at least, Mr. Henry Wallace is as patriotic, as honest, and as good a citizen as is Harry Truman, the President of the United States. I am proud to have had the friendship of Mr. Wallace, whom I have not seen for approximately a year. He used to sit on the dais. I am proud of the fact that I was in the Senate and heard and saw him preside over this body.

Certainly, Mr. President, it does not do the unity of this country any good, and does not help to make our people united, for the President of the United States to give that kind of a talk regarding a man who has held the office of Vice President of the United States of America. The President knows, when he invites Mr. Wallace to go to some other country, that he is not hurting Mr. Wallace. Rather he is hurting himself and is lowering the dignity of the great office of the Presidency of this country.

Mr. President, I come back again to the farmers in the Northwest, and I return to the date of April 19, 3 years ago. It will be remembered that out of a clear sky the farmers who had received loans from the Government were advised that such loans were not due until April 1, 1945. The loans had been made in the fall of 1944. They were secured by the grain in the granaries of the farmers all over America. In the month of January 1945, they received letters saying, "Bring in your wheat. We are calling the loans. We are asking you to pay your notes now." The notes were not due until the following April. The Department of Agriculture knew that the farmers could not pay their notes unless they sold their grain. That was another instance of helping out the hungry in Europe. The farmers who were patriotic and who wanted to help Europe brought in their wheat.

On April 19, Mr. President, with a committee headed by the late Mayor LaGuardia, of New York, I went to the Secretary of Agriculture, Mr. Anderson, and it was decided to go to Climax, Minn., and to Fargo, N. Dak., and pay a premium of 30 cents a bushel to those farmers who had been unpatriotic or, for some reason, had not brought in their wheat. They were told, "If you bring in your wheat we will pay you a premium of 30 cents a bushel." Yet, when we introduced a bill to pay the farmers a premium we were unable to have the bill passed. We were unable to get the Secretary of the Treasury to endorse it. For that matter, we could not get the President or any member of the Cabinet to endorse it. They said the Nation could not afford to pay the extra 30 cents to the farmers, that it did not have the money. It had $463,000,000 for the farmers of China, but no money for the farmers of the United States.

I remember one day when we were debating a tax bill, a year ago, the distinguished senior Senator from Florida [Mr. PEPPER] rose to offer a minor amendment. He said, substantially, that when a banker or a businessman goes to a convention he can deduct the expenses of his trip from his gross income. He said, "The president of the National Education Association appeared before us and said to our committee that school teachers in most of the States have to go to summer school, and it costs $200 to go to summer school."

Mr. President, sitting beside me here is the Senator from Nebraska [Mr. WHERRY], the acting majority leader. I always like to visit with him, he is so kind and courteous. I assure him I am not going to talk all afternoon. He can go to his office, if he cares to do so, and work for a while, and return, and I shall be delighted to see his face when he comes in.

Mr. WHERRY. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. WHERRY. I thank the Senator very much for his kind words. It is always a pleasure to work with him. I assure him that I shall not be gone very long, because I want to hear what he has to say. But I did wish to know how long he would address the Senate, in order to prepare the program for the remainder of the afternoon.

Mr. LANGER. I say to my distinguished friend, the Senator from Nebraska, that I will do anything in the world to cooperate with him. I will take a long time, or take a short time, as he may wish.

Mr. WHERRY. I thank the Senator.

Mr. LANGER. As I was saying, Mr. President, the distinguished senior Senator from Florida offered an amendment providing that school teachers should be allowed to deduct the $200 it cost them to go to summer school; and, mind you, they have to go in some States or they lose their certificates. The Senator did not ask in his amendment that the whole $200 be deducted from the tax. He said, "We will take the expense off the gross income. It will amount to only $5 or $6 to the average school teacher." But this great body, giving $463,000,000 to China, would not give the school teachers of the United States five or six dollars in the way of deduction from their income tax.

That is a fact, Mr. President. That is the record.

I may say to the present Presiding Officer that although he was not a Member of the Senate at the time, if he will read the record of the debate when the pay of the Members of this very body was increased, he will find that some of us offered an amendment. We said the aged of America were getting only $40 in the way of assistance—at that time the Government matched $20 with the States—and we wanted to raise that. My amendment provided for $100 a month for aged persons. After a great deal of argument and debate, it was finally decided to appoint a committee to investigate how much the old people needed. In the meantime, to help them along, they were given the great sum of $5 a month additional—$5 a month. The investigation started 2 years ago, and the committee is still investigating. There has been no report from that committee, and the old people are still dying. We have not $463,000,000 for those old people—we have $5 a month.

That is not all, Mr. President. If one of those aged people has a little home, in the vast majority of the States, a little, tiny home, or an insurance policy, or a horse, or a cow, he has to sign it over to the welfare board of the State, and the welfare board sells it and gives the Government of the United States 50 percent of the proceeds. The Government is so hard up for money that it treats an old pioneer or his widow as one woman was treated in my State. In a little town in North Dakota I knew a woman who had a small, gold wedding ring. The welfare board sold that ring, and the United States Government got one-half the proceeds. That is how hard up the Government is. But it has $463,000,000 for China. Last week it had $375,000,000 additional, if I remember correctly, for the people of Turkey and Greece. A few days before that the Government had $4,600,000,000 for the Marshall plan.

Mr. President, what is proposed to be given by the bill now pending is not the only money China will have received. I have here the record. Communism has been fought in China very hard, if the amount of money China has been given is any criterion. I have the information from two sources. First is the World Almanac, and I have it again in the official document, "European recovery program," which states the amounts of money which have been given to various countries, not including the money to be given China under the pending bill.

How much would any Senator suppose has been given to the Chinese—not to our veterans, not to our farmers, not to our teachers, not to our aged, but to the Chinese in China? Aside from the amount they will receive under the bill now being considered, under United States postwar foreign assistance there has been given since the war $1,099,000,000, not counting what is proposed to be given to China today.

Mr. President, how much is $1,000,000,000? I live in a State which is one of the largest in area in the United States. If we were to include every single acre of land, every single village, and town lot, every building on the farms and in the towns, all the bank deposits, all the horses, sheep, cows, goats, and, I will also throw in the dogs in order to make the picture full and complete, what would the total assessment be? When I was Governor of North Dakota the total assessment of the State was $931,000,000; not even $1,000,000,000.

Several days ago the Senate adopted the Marshall plan. I did not vote for it. It provided for $4,600,000,000. The distinguished Senator from Missouri [Mr. KEM] in his address made in connection with that plan said—although I did not verify the figures myself—that the amount involved equaled the assessed valuation of the 17 smallest States in the Union.

As I stated the other day, the elephant ought no longer to be used as a political emblem nor should the donkey be used as a political emblem by those engaged in such a bipartisan policy. The emblem used by them should be the scoop shovel. Such an emblem should be worn on their lapels. A scoop shovel as an emblem is something which the average farmer would understand when he saw it.

Mr. President, the other day I picked up a newspaper and read an article which said that Maj. Gen. Philip Fleming, the head of the Federal Works Administration, wanted $75,000,000,000 for his 15-year program for roads and new buildings which he has outlined and filed with the President. Where is that money coming from?

When one of the first postwar loans was made I asked that the committee proposing the loan have a survey made to find out how much we in America needed, and then if we had anything left we could give some of it away. Such a survey has not yet been made. But Mr. Fleming says he needs $75,000,000,000 for his 15-year program.

In the House there is a Committee on Health, headed by a very distinguished Representative named KEEFE from Wisconsin. The other day he made a report in which he said that $8,000,000,000 was needed for the next 5 years for health purposes alone; $75,000,000,000 and $8,000,000,000 are $83,000,000,000. I do not know how much more our veterans are going to need as the years go by, but the amount will certainly constantly increase. Every time we give away some more money we must pay interest on it, because we do not have the money; we must borrow it. So in a short time we will be paying $6,000,000,000 a year in interest.

Then, of course, we still have our Indians who are starving to death. No one is worrying about the poor Indians. Oh, the President sent Congress a message one day and said we should give the Navajo Indians $2,000,000, but, after all, he said, most of it could be used for buildings and education. Those Indians have been starving. I placed in the RECORD a few days ago a statement showing that some of them do not eat for a period of 2 or 3 days at a time. Last summer I visited the Torres-Martinez Tribe in California. Hunger, want, and suffering were evident on every side. The tribe is composed of only 300 members. No money is provided for them.

Let us consider another angle. I would gladly follow the Foreign Relations Committee and I would gladly follow the State Department, but the trouble is that they are wrong practically all the time. One event following another event proves them to be wrong. Only yesterday the head of the Flying Tigers, General Chennault, said that the entire Chinese situation could have been cleaned up several years ago.

Let us now consider Germany. A great deal has been said about Germany. Yesterday the New York Times carried an article, from which I wish to read, which completely refutes statements which have been made by those who say we were treating Germany all right. I went to the law authorities one day and asked when in heaven's name they were going to stop denazification. I was told, "That does not amount to anything over there any more. There are only some 30,000 or 35,000 persons involved." On the front page of yesterday's New York Times appeared an article relating to that matter. I read as follows:

> The facilities of the United States military government denazification branches will be made available to the German agencies to help complete the denazification job.

It is now 2½ years after the war, Mr. President, and there has been denazification and more denazification and still more denazification. American lawyers from almost every State in the Union have been engaged in such work, and so have many judges taken from our American benches.

The article continues:

> As of March 1, there were about 450,000 persons awaiting trial, mostly in the "follower" category. It is expected under the new semiamnesty virtually all will be released quickly with a small penalty or none.
>
> Since the law became effective—

And at last we have the figures, and it is just as difficult for me to get those figures now as it has ever been. We have never succeeded in obtaining the figures. We did not secure the figures in the Subcommittee on Displaced Persons of the Committee on the Judiciary. It was as impossible for us to obtain the figures as it would be for any Senator to obtain the agreements entered into during the last 10 years by the heads of the various governments.

This is what the Americans did in Germany:

> Since the law became effective 12,278,000 were registered, 3,243,000 were found chargeable, and 2,000,000 received direct amnesty.

So, Mr. President, there were found chargeable 3,243,000 men and women who are professors, doctors, scientists, individuals, who could work.

A year ago I read an editorial from Collier's magazine which showed how badly denazification had worked. After individuals had once been denazified it did not mean anything, because if they were charged again with being Nazis they would have to be denazified a second time. Then, if someone charged them again, they were denazified the third time. So all this time those men and

women who wanted to work could not work.

Now we come along with another great law, a law which is going to take care of 50,000 displaced persons, or 100,000 over a 2-year period. How do we treat the Germans in that connection, Mr. President? There are only 1,323,000 displaced persons in Europe. When the Russians came down, the Sudetenland went into the American and British occupied zones. That area had a population of between 14,000,000 and 15,000,000. We took such good care of them that between 4,000,000 and 5,000,000 of them died. No one knows what became of them. There are 10,000,000 left.

A while ago we drew up the charter of the International Refugee Organization. The United States was a party to that organization. In the United Nations Charter, the very first paragraph in section 3 states that the purpose is to wipe out all social and cultural distinctions based upon race, color, creed, language, or sex. What do we find? The same people who were going to reform the world, and bring about a condition under which the white man would march down the street with his arm around the black man, all over the world, through the International Refugee Organization barred any person of German ethnic origin, even though he was against Hitler, even though he was the greatest scientist in Germany, even though he entered the United States Army and fought. Unless he was admitted under the provisions of some other legislation, he could not get in under the International Refugee Organization.

Mr. President, I am opposed to any discrimination based upon race, color, or creed. I think my votes upon the floor of the Senate have shown that. The United States Senate ratified the charter of the International Refugee Organization, which barred any person of German ethnic origin. The other day in the Judiciary Committee when I tried to have that provision amended the amendment was defeated 5 to 4.

Mr. President, the man who votes that way does not realize that the dome of this very Capitol was designed and built by a man of German ethnic origin. The Library of Congress was designed and built by a man of German ethnic origin. The Post Office, within sight of the Senate Office Building, was designed and built by a man of German ethnic origin. The famous painting of Washington Crossing the Delaware was painted by a man of German ethnic origin. The painting entitled "Westward the Course of Empire Takes Its Way," was painted by a man of German ethnic origin. The father of the civil service, Carl Schurz, who was once a Member of this very body, was also a man of German ethnic origin. Not so many years ago a majority of the members of the Cabinet were men of German ethnic origin.

In this country we have nearly 30,000,000 people of German ethnic origin. They are scattered all over the country. And yet we ratified the International Refugee Organization charter, which bars the relatives of any of those 30,000,000 people, whether they live in California, in Minnesota, in Missouri, or any other State. The father, mother, sister, or brother of a citizen of this country cannot be brought to the United States if he is of German ethnic origin.

Mr. President, I shall do everything possible to defeat the so-called displaced-persons bill. How significant it is that those who are trying to have that bill passed have upon their pay roll—and I placed the figures in the RECORD the other day—registered lobbyists drawing $152,000 a year. Some of them receive as much as $15,000 a year. I am sure that if American citizens of German ethnic origin, some of them 300, 400, or 500 years removed, could understand that situation, they would be here with petitions asking that these people be not discriminated against. We have people of German ethnic origin in Indiana, Illinois, Wisconsin, and many other States.

Mr. President, that has been a part of the foreign policy of our Government. I was interested when the distinguished senior Senator from Illinois [Mr. LUCAS] asked the distinguished Senator from Missouri [Mr. KEM] this afternoon who formulated the foreign policy, whether it was the Department of State or this body. I was interested in the reply, because I have always been convinced, and I am now convinced, that the policy is formulated by the Secretary of State and by the State Department. The department submits its recommendations to various committees. Not many changes are made as between what is recommended and what is reported by the committee.

I wish to make clear to the American people how much foreign aid we have handed out. First of all, I wish to refer to previous aid to China. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks that section of the committee's report beginning on page 6, headed "Previous aid to China."

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

PREVIOUS AID TO CHINA

The Department of State has submitted to the committee the following estimates of previous American aid to China:

United States Government economic, financial, and military aid to China since 1937

[In millions of United States dollars]

Pre-VJ-day:	
Export-Import Bank credits	120.0
1942 congressional credit	500.0
Lend-lease	849.4
Subtotal	1,469.4
Post-VJ-day:	
Lend-lease:	
Military	728.0
Civilian pipe-line credit	49.6
Naval aid	17.7
Surplus and excess property credits:	
Office of Foreign Liquidation Commissioner dockyard credit	4.0
West China credit	20.0
Maritime Commission credit authorization	16.5
	40.5
Post-VJ-day—Continued	
Export-Import Bank credits	82.8
UNRRA:	
United States 72-percent contribution applied to China program (FAS plus 25 percent for shipping and insurance)	465.8
Contribution to Board of Trustees for UNRRA equipment and funds	4.7
United States foreign relief program	45.7
United Nations International Children's Emergency Fund	2.1
Subtotal	1,436.9
Total	2,905.8

Since figures for certain surplus-property sales were not included in the above total, the State Department subsequently furnished the committee with the following supplemental figures in a letter to the chairman, dated Mar. 19:

Type of surplus	Procurement cost	Sales price or value realized
Civilian-type surplus property in China, India, and 17 Pacific islands	$824,000,000	$175,000,000
Rifle ammunition	6,566,589	656,658
TNT	275,000	99,000
Air Force equipment	9,449,850	935,312
Naval vessels	70,589,298	(gift)
Transport aircraft	34,800,000	750,000
Ammunition	4,441,337	44,413
Air Force equipment	25,292,365	4,426,163
Total	975,414,439	181,911,546

The State Department emphasizes that it is impossible to draw up a total for the surplus-property transactions since in some cases the surplus stocks are still in the process of being transferred and the full value of the property will not be known until the transfers have been completed. The above figures, therefore, are only estimates in some cases.

The committee agreed that the extent of such aid underscores once more the fundamental and traditional interest of the United States in the welfare of China.

Mr. LANGER. The total shows that to date we have given to China $2,905,800,000, or five times the assessed value of every acre of land and every piece of property in five States the size of North Dakota. I make the prediction that a year from now they will be back asking for a billion dollars more.

How much have we given to other countries, Mr. President? Referring again to the United States postwar foreign assistance, as listed in the World Almanac, we find that between July 1, 1945, and June 30, 1947, we gave to the 16 countries that participated in the tariff conference, $1,943,000,000. We gave to Austria $184,000,000; to Belgium and Luxemburg, $61,000,000; to France, $21,000,000—that was just during those 2 years; to Greece, $624,000,000; and to Italy, $595,000,000. We helped the Netherlands, Norway, Sweden, Switzerland, Turkey, and the United Kingdom. During that time the United Kingdom received from us $334,000,000. We also helped Czechoslovakia. By the way, Mr. President, I understand that Joe Stalin now has something to say about running that country. During the period I have mentioned, we turned over to Czechoslovakia $174,000,000. I wonder how much of that money Joe Stalin has his fingers on now. We gave to Ko-

rea, to the Philippines, and to all the other countries listed in the statement.

I have before me at this time the Twenty-fifth Report to Congress on Lend-Lease Operations, as prepared for the Department of State by John W. Snyder, Secretary of the Treasury, on November 12, 1947. I ask unanimous consent to have placed in the RECORD at this point statement No. 1, covering pages 2 and 3; and statement No. 2, covering pages 5 to 9.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT I

DEFENSE AID PROVIDED

Total defense aid provided includes goods and services (1) covered by expenditures and (2) covered by accounts payable which represent goods and services received by the procuring agencies, but not yet covered by expenditures.

SOURCE OF DEFENSE AID PROVIDED

Appropriations are made to the President for the procurement of defense articles and services, and appropriations to the War and Navy Departments, the Maritime Commission, and Coast Guard contain the authority to finance transfers made under the terms of the Lend-Lease Act. Funds are also received in advance from foreign governments for the procurement of defense articles and services not eligible for transfer as straight lend-lease. The Munitions Assignment Board, established in January 1942, assigns military equipment on the basis of production and the needs of the foreign government concerned regardless of the funds used in procuring the articles. This resulted in the pooling of all finished munitions and the War and Navy Departments could no longer determine whether a particular defense article transferred to a foreign government was procured from funds appropriated to the President for lend-lease purposes or from their own appropriations. (For a more complete discussion see pp. 57, 61, and 62, of the March 11, 1944, Report of the Interdepartmental Committee to Study Recording and Reporting of Lend-Lease Transactions and Government Expenditures Abroad.)

The DDA Reports of lend-lease obligations and expenditures made to the Lend-Lease Fiscal Operations, Treasury Department, by other Federal agencies cover only funds appropriated to the President and foreign government funds. These DDA Reports, however, do show the total defense aid provided regardless of funds. The amounts shown as the source of funds used for "Defense Aid Provided" by other agencies are computed from the certified DDA Reports received quarterly from these agencies. While it is not possible to relate individual articles or services rendered with the appropriations from which financed, it is, however, evident that on an over-all basis by deducting the expenditures and accounts payable reported as applicable to Lend-Lease Administration funds and foreign government's funds from the total defense aid reported, the difference (other than the exceptions noted in the next paragraph) had to be financed from appropriations made directly to these agencies.

Defense articles returned by foreign governments and those transferred from other Federal agencies to the War and Navy Departments are commingled in the common inventory of the respective departments and the identity of these articles as to source is lost. It may be that some of these articles have subsequently been transferred to a foreign government. This analysis of the method of financing total defense aid provided does not reflect any such transfers.

Statement of operations under the Lend-Lease Act, cumulative through June 30, 1947

Type of defense aid	Charged to foreign governments	Not distributed by foreign governments	Total
Transfers to foreign governments	$44,228,324,404.90		$44,228,324,404.90
Services and other expenses	3,534,903,377.68		3,534,903,377.68
Consignments to commanding generals	632,007,595.95		632,007,595.95
Transfers to Federal agencies		$725,589,141.95	725,589,141.95
Losses on inventories and facilities		31,072,272.57	31,072,272.57
Production facilities		720,641,686.66	720,641,686.66
Miscellaneous charges		332,200,098.31	332,200,098.31
Administrative expenses		39,257,580.77	39,257,580.77
Total defense aid provided	48,395,235,378.53	1,848,760,780.26	50,243,996,158.79

Source of funds

From funds appropriated to—	
Lend-Lease Administration	$25,231,776,585.66
War Department	19,488,377,685.32
Navy Department	4,745,554,742.96
Maritime War Shipping Administration)	620,647,410.38
Coast Guard (Treasury)	12,965,897.56
From foreign government funds	[1] 143,631,442.20
From reissues of returned lend-lease articles	1,042,394.71
Total	50,243,996,158.79

[1] In addition, the foreign governments have paid approximately $900,000,000 to the United States for lend-lease items purchased out of U. S. Government funds. This money has or will be reappropriated or deposited to the general fund of the Treasury.

STATEMENT II

This statement summarizes by appropriation title (category) and country total defense aid provided from funds appropriated by the Congress to the President for lend-lease purposes, authorization by the Congress to the War and Navy Departments, the Maritime Commission, and the Coast Guard to use their own appropriations for lend-lease aid and funds deposited by foreign governments for the procurement of articles and services on a cash reimbursement basis.

The statement is prepared in two divisions, (1) lend-lease aid charged to foreign governments and (2) lend-lease aid not distributed by foreign governments. The column headings (appropriation title) are in accordance with the subdivisions of the Lend-Lease Appropriation Act.

The statistical data necessary for the preparation of this statement are taken from the quarterly reports submitted by the agencies participating in the defense aid program.

Statement of defense aid provided by country and by appropriation category, cumulative through June 30, 1947

	Total	Ordnance and ordnance stores	Aircraft and aeronautical matériel	Tanks and other vehicles	Vessels and other watercraft
Charged to foreign governments:					
American Republics:					
Bolivia	$5,523,113.77	$144,489.07	$4,325,346.20	$78,376.66	$17.19
Brazil	372,018,982.63	41,331,636.61	87,716,852.89	55,011,224.00	82,374,153.10
Chile	21,603,647.88	6,731,093.89	8,930,123.98	2,575,359.84	1,505,363.41
Colombia	8,264,954.63	594,045.08	4,041,170.72	817,732.43	632,928.31
Costa Rica	156,330.15	34,422.34		51,540.84	
Cuba	6,550,610.38	376,834.22	1,998,579.67	522,722.89	2,057,391.57
Dominican Republic	1,617,315.60	138,958.46	400,742.53	150,951.63	531,126.91
Ecuador	7,794,178.09	416,815.02	1,936,263.27	2,263,822.68	889,762.73
Guatemala	2,598,045.84	635,495.50	1,400,030.99	372,894.72	
Haiti	1,423,658.75	70,991.16	350,634.97	146,346.97	174,999.05
Honduras	368,364.24	46,784.72	257,371.39	24,626.26	
Mexico	39,238,971.45	7,991,507.83	16,071,044.18	3,033,711.17	3,270,743.26
Nicaragua	887,199.28	90,622.49	469,528.91	133,038.89	13,846.75
Panama	667.33				
Paraguay	1,956,128.55	130,758.36	947,455.84	209,892.67	486,307.85
Peru	18,925,731.36	2,615,328.20	6,822,095.06	1,656,016.26	4,156,747.70
Salvador	878,275.90	146,114.69	423,369.02	259,495.04	
Uruguay	7,129,488.01	1,180,297.44	1,715,315.87	1,940,606.15	1,549,861.06
Venezuela	4,523,680.08	668,855.74	1,564,210.67	777,341.82	785,051.70
Total, American Republics	501,459,343.92	63,345,050.82	139,370,136.16	70,025,700.92	98,423,300.59
Other Governments:					
Belgium	159,464,430.26	564,683.22	765,815.99	15,796,818.06	18,407,339.95
British Empire	31,384,810,121.25	3,066,937,679.75	6,423,295,641.98	3,804,625,353.97	5,278,557,374.13
China	1,626,998,524.86	271,086,933.84	230,894,424.13	190,188,218.05	85,815,272.52
Czechoslovakia	641,839.17			289.68	
Egypt	2,319,691.15	5,447.50		1,480,977.78	
Ethiopia	5,251,480.09	354,204.68	121,299.73	265,180.60	
France and possessions	3,223,891,229.32	284,754,508.06	292,702,527.14	429,495,949.06	202,362,126.56
Greece	81,521,726.17	4,427,926.25		435,721.33	37,558,338.88

Statement of defense aid provided by country and by appropriation category, cumulative through June 30, 1947—Continued

	Total	Ordnance and ordnance stores	Aircraft and aeronautical matériel	Tanks and other vehicles	Vessels and other watercraft
Charged to foreign governments—Continued					
Other governments—Continued					
Iceland	$4,371,496.03		$184,111.95	$296,968.89	$19,723.66
Iran	5,303,624.18	$42,786.42		2,362,117.89	
Iraq	891,469.57				
Liberia	11,554,901.20	153,711.90		7,557.46	
Netherlands and possessions	251,137,540.95	15,959,402.97	78,743,380.32	15,863,605.65	20,269,296.86
Norway	47,000,522.22	1,457,689.99	4,149,626.99	200,695.42	10,849,138.00
Poland	12,475,376.00	117,326.79	40,921.25	64,963.84	1,098,430.58
U. S. S. R.	10,982,088,888.95	782,768,434.44	1,539,180,009.89	1,767,377,292.62	1,173,691,948.28
Saudi Arabia	18,984,227.45	710,867.95		953,438.62	
Turkey	42,876,877.88	24,127,531.43	1,041,870.02	12,834,031.58	4,251.10
Yugoslavia	32,192,067.91	1,690,534.41	1,103,184.45	3,174,310.67	5,324,449.25
Total, other governments	47,893,776,034.61	4,455,159,669.60	8,572,222,813.84	6,245,423,491.17	6,933,957,689.77
Total, charged to foreign governments	48,395,235,378.53	4,518,504,720.42	8,711,592,950.00	6,315,449,192.09	7,032,385,990.36
Not distributed by foreign governments:					
Transfers to Federal agencies	725,589,141.95		29,556.46	1,437,620.30	421,671,410.69
Losses on inventories and facilities	31,072,272.57				
Production facilities	720,641,686.66				
Miscellaneous charges	332,200,098.31	9,054,847.39	346,734.26	7,488,720.39	74,168,292.30
Administrative expenses	39,257,580.77				
Total, not distributed by foreign governments	1,848,760,780.26	9,054,847.39	376,290.72	8,926,340.69	495,839,702.99
Grand total	50,243,996,158.79	4,527,559,567.81	8,711,969,240.72	6,324,375,532.78	7,528,225,693.35

	Miscellaneous military equipment	Facilities and equipment	Agricultural, industrial, and other commodities	Testing, reconditioning, etc., of defense articles	Services and expenses	Administrative expenses
Charged to foreign governments:						
American Republics:						
Bolivia	$620,373.57	$262,498.18	$70,986.37		$21,026.53	
Brazil	38,757,196.69	7,729,947.84	28,429,126.59	$3,604,873.28	27,063,971.63	
Chile	553,641.79	886,388.46	339,017.45		82,659.06	
Colombia	666,712.74		38,478.56	985,935.55	487,951.24	
Costa Rica	68,117.00		571.55		1,678.42	
Cuba	649,504.69	5,235.88	25,093.03	887,555.03	27,693.40	
Dominican Republic	382,632.59		7,064.40	969.36	4,869.72	
Ecuador	1,982,055.91		10,721.62	250,380.59	44,356.27	
Guatemala	148,068.04				41,556.59	
Haiti	664,669.86	3,281.50	10,724.54		2,010.70	
Honduras	35,328.29			2,325.37	1,928.21	
Mexico	2,613,842.32	555,039.36	1,456,541.67	2,674,500.60	1,572,041.06	
Nicaragua	45,699.07			122,939.84	11,523.33	
Panama		500.32			167.01	
Paraguay	158,481.32				23,232.51	
Peru	1,708,060.51	1,326,369.22	460,602.22	82,141.57	98,370.62	
Salvador	19,928.18	18,969.62	1,851.90		8,547.45	
Uruguay	689,666.77	10,456.55	6,945.36	15,894.20	20,444.61	
Venezuela	517,293.04		861.15	183,114.47	26,951.49	
Total, American Republics	50,281,272.38	10,798,686.93	30,858,586.41	8,810,629.86	29,540,979.85	
Other governments:						
Belgium	17,871,419.77	18,315.36	105,626,409.94	43.82	413,584.15	
British Empire	2,164,200,898.41	367,837,055.13	9,428,075,123.74	426,475,910.61	424,805,083.53	
China	146,888,424.60	9,965,002.07	84,558,364.38	206,732.51	607,395,152.76	
Czechoslovakia	131,149.13		492,957.74		17,442.62	
Egypt	24,086.56		619,756.80		189,422.51	
Ethiopia	69,303.94		4,336,316.45		105,174.69	
France and possessions	644,995,385.23	2,348,159.75	1,109,189,649.23	61,061,053.76	96,981,870.53	
Greece	38,557.43		38,654,389.72	143,242.17	263,550.39	
Iceland	248,416.55	26,775.28	3,529,510.06	57,555.89	8,433.75	
Iran	2,357,686.01	13,197.07	408,335.57		119,501.22	
Iraq			887,264.43		4,205.14	
Liberia	83,182.90		2,476.45		11,307,972.49	
Netherlands and possessions	11,701,942.97		100,609,051.34	5,173,831.60	2,817,029.24	
Norway	2,021,904.45		5,140,296.47	23,055,507.93	125,662.97	
Poland	1,666,831.39		8,878,291.93	418,952.42	189,657.80	
U. S. S. R.	794,587,585.44	543,462,475.51	4,186,365,171.54	115,069,268.28	79,586,702.95	
Saudi Arabia	690,109.64		16,628,119.34		1,691.90	
Turkey	776,553.15	30,171.03	3,753,991.95		308,477.62	
Yugoslavia	5,998,044.58		14,543,189.11		358,355.44	
Total, other governments	3,794,351,482.15	923,701,151.20	15,112,298,666.19	631,662,098.99	1,224,998,971.70	
Total, charged to foreign governments	3,844,632,754.53	934,499,838.13	15,143,157,252.60	640,472,728.85	1,254,539,951.55	
Not distributed by foreign governments:						
Transfers to Federal agencies	7,280,226.65		294,307,444.63		862,883.22	
Losses on inventories and facilities			31,072,272.57			
Production facilities		713,560,054.95			7,081,631.71	
Miscellaneous charges	779,283.79	5,251,877.27	145,130,398.70	28,196,505.47	61,783,438.74	
Administrative expenses						$39,257,580.77
Total, not distributed by foreign governments	8,059,510.44	718,811,932.22	470,510,115.90	28,196,505.47	69,727,953.67	39,257,580.77
Grand total	3,852,692,264.97	1,653,311,770.35	15,613,667,368.50	668,669,234.32	1,324,267,905.22	39,257,580.77

Mr. LANGER. Mr. President, I should like to mention how much Russia received in that connection. That is shown on page 8 of the report on lend-lease operations. Is it any wonder that I cannot follow the Foreign Relations Committee and the Department of State when, under lend-lease, Russia received from this country, up until June 30, 1947, $10,982,088,888.95—11 times the assessed valuation of everything in the State of North Dakota, including every acre of

land, every house, every horse and cow, all machinery, and everything else within the borders of my State.

I also ask unanimous consent to have printed at this point in the RECORD statement II–A, which was prepared in exactly the same manner as the foregoing statements. It appears on pages 12 to 15 of the report on lend-lease operations.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT II-A

This statement has been prepared in exactly the same manner as the foregoing statement II. However, this statement shows only that portion of aid rendered subsequent to VJ-day and all figures reflected here are also included in statement II.

Statement of defense aid provided by country and by appropriation category, period Sept. 2, 1945, through June 30, 1947

	Total	Ordnance and ordnance stores	Aircraft and aeronautical material	Tanks and other vehicles	Vessels and other watercraft	Miscellaneous military equipment	Facilities and equipment	Agricultural, industrial, and other commodities	Testing, reconditioning, etc., of defense articles	Services and expenses
CHARGED TO FOREIGN GOVERNMENTS										
American Republics:										
Bolivia	$441,849.41		$441,680.41							$169.00
Brazil	6,809,485.63	$891,594.06	742,175.27	$81,158.35	$3,485,042.15	$147,559.91	$6,800.00	$1,227,746.66		227,409.23
Chile	410,504.26	90,750.00	29,804.74	181,581.29	70,713.72	18,699.92	5,299.80	13,463.29		191.50
Colombia	7,382.00			7,255.00						127.00
Cuba	19,451.29	204.34	6,308.00		2,799.50	14.45		10,100.00		25.00
Dominican Republic	27,135.56		10,224.15		10,322.41	6,589.00				
Ecuador	561,747.03	13,446.51		510,553.41	3,763.24	33,294.48		34.39		655.00
Guatemala	859,423.84		858,748.22			.62				675.00
Haiti	5,960.38		3,547.58			2,412.80				
Mexico	599,520.82	1,492.19	73,435.79	541.46	55,377.80	13,430.95		436,407.12		18,835.51
Nicaragua	144.00									144.00
Paraguay	2,370.00									2,370.00
Peru	235,276.24	4,905.91	36,238.59	30,059.72	124,877.65	2,618.87	18,482.39	15,624.98		2,468.13
Salvador	30.00									30.00
Uruguay	11,061.06		3,394.90			5,896.16		1,661.00		109.00
Venezuela	11,569.76				2,806.45	8,624.31				139.00
Total, American Republics	10,002,911.28	1,002,393.01	2,205,557.65	811,149.23	3,755,702.92	239,141.47	30,582.19	1,705,037.44		253,347.37
Other governments:										
Belgium	80,944,394.38			2,799,841.08	12,917,692.12	8,184,279.68		57,036,451.52		6,129.98
British Empire	441,604,712.70	806,150.66	5,053,564.19	4,625,871.49	76,522,319.80	18,666,342.25	11,723.74	326,395,833.31	$190,143.61	9,332,763.65
China	777,638,292.55	117,831,842.34	42,934,330.77	55,986,129.38	46,454,008.40	99,920,749.30	36,198.74	36,735,399.57	2,338.88	337,737,295.17
Czechoslovakia	208,332.10			263.66		80,324.52		126,611.73		1,132.19
Egypt	60,226.95					2,900.70		82.67		57,243.58
France and possessions	412,243,246.24	937,950.75	3,705,372.02	13,833,467.76	61,037,637.88	21,958,099.62	1,290.42	310,507,002.28		262,425.51
Greece	5,968,001.78				5,879,170.00	127.60		81,025.59		7,678.59
Iceland	27,521.76							27,521.76		
Iran	279.50									279.50
Liberia	7,970,866.04									7,970,866.04
Netherlands and possessions	75,332,937.88	4,730,943.45	351,927.96	7,127,570.24	13,192,735.68	3,688,816.59		45,843,370.33	49,875.00	347,698.63
Norway	6,514,385.53	261.14	231,368.56		70,481.76	28,091.64		5,946,831.08	231,210.00	6,141.35
Poland	157,219.06			18.13				145,138.43		12,062.50
U. S. S. R.	254,091,893.09	250,612.25	15,781.62	2,807,961.92	20,853,974.62	8,948,140.39	7,480,257.48	206,873,404.10		6,861,760.71
Saudi Arabia	2,542,285.23							2,542,202.43		82.80
Turkey	73,544.60			18.52			9,442.96	48,570.05		15,513.07
Yugoslavia	78,829.59			139.93				76,188.46		2,501.20
Total, other governments	2,065,456,968.98	124,557,760.59	52,292,345.12	127,181,282.11	236,928,020.26	161,477,872.29	7,538,913.34	992,385,633.31	473,567.49	362,621,574.47
Total, charged to foreign governments	2,075,459,880.26	125,560,153.60	54,497,902.77	127,992,431.34	240,683,723.18	161,717,013.76	7,569,495.53	994,090,670.75	473,567.49	362,874,921.84
NOT DISTRIBUTED BY FOREIGN GOVERNMENTS										
Transfers to Federal agencies	204,216,495.19			49,208.58	109,201,928.11	1,330,569.11		93,488,388.99		146,400.40
Losses on inventories and facilities	21,852,598.50							21,852,598.50		
Miscellaneous charges	3,786,575.03	315.50		200,627.80		18,002.63		3,549,940.94		17,688.16
Total, not distributed by foreign governments	229,855,668.72	315.50		249,836.38	109,201,928.11	1,348,571.74		118,890,928.43		164,088.56
Grand total	2,305,315,548.98	125,560,469.10	54,497,902.77	128,242,267.72	349,885,651.29	163,065,585.50	7,569,495.53	1,112,981,599.18	473,567.49	363,039,010.40

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. KNOWLAND. Some time ago, I believe, the Senator from North Dakota, in the course of his remarks, stated that he had not yet been able to obtain information regarding certain agreements which have been entered into by this country.

Mr. LANGER. Yes.

Mr. KNOWLAND. Did the Senator from North Dakota have reference to the Potsdam agreement or the Yalta agreement?

Mr. LANGER. No. I got hold of the Potsdam agreement. But the Senator from California will remember that I submitted a resolution asking that the Foreign Relations Committee be given all the agreements made during the past 10 years between all other countries and our Government. I sent a letter to that effect to Secretary Forrestal, who in turn advised me that he did not have them, but said he would refer the letter to the President of the United States, and he thought that in due time perhaps the President would send them to the Foreign Relations Committee.

Mr. KNOWLAND. Perhaps I misunderstood the Senator from North Dakota. I was going to say that I have on my desk at this time a copy of the Potsdam agreement and a copy of the Yalta agreement.

Mr. LANGER. Let me tell the distinguished Senator from California that I myself put into the CONGRESSIONAL RECORD some 3 weeks ago the Potsdam agreement. I obtained a copy of it, and had it printed in the CONGRESSIONAL RECORD at that time.

Mr. KEM. Mr. President, will the Senator from North Dakota yield to me, to permit me to address an inquiry to the Senator from California?

Mr. LANGER. I yield.

Mr. KEM. Let me ask the Senator from California whether he has reason to believe that the printed copy which he has of the so-called Yalta agreement is the complete agreement containing all the understandings between Mr. Roosevelt and Marshal Stalin?

Mr. KNOWLAND. I may say to the able Senator from Missouri that I would not wish to underwrite that the copy I have contains everything that might have been understood. I have what

purports to be the protocol of the agreement at the Crimean Conference at Yalta, and I also have what purports to be the Potsdam agreement.

Mr. KEM. The Senator understands, does he not, that in that connection there are no commitments, moral or otherwise, which are binding on the American people, except those incorporated in that document?

Mr. KNOWLAND. I would certainly think the American people would not be bound by any purely personal understandings which might have been entered into and were not reduced to writing at any particular one of those conferences.

Mr. KEM. I should like to ask one more question: The President of the United States in his last address to a joint session of Congress referred to certain violations of contract of which the Russian people had been guilty. Do the Senator's examination of these documents and his knowledge of the facts enable him to tell what violations have occurred?

Mr. KNOWLAND. Offhand, I should say that in the Potsdam agreement, as an example, it was understood that Germany would be treated as an economic unit. I do not know whether the able Senator from Missouri had a chance to go to Germany; but any of us who have been there know that Germany is not being treated as an economic unit, and I think the able Senator from Missouri knows from general information that that is true. Certainly that is a violation.

Moreover, I think we know that the agreements were entered into with the understanding that the Polish Government then existing would be reorganized, and that there would be free and unfettered elections in that country. But I believe it is common knowledge that the elections which took place in Poland were not free and unfettered.

So I think we could cite any number of cases where there have been very direct violations of the understandings which were entered into in those various agreements.

Mr. KEM. Does the Senator from California feel that those violations have been of such a nature or of such a character as to relieve us from any responsibility on our part in connection with those contracts?

Mr. KNOWLAND. I can only say, if the Senator from North Dakota will yield further, so as to permit me to answer the question——

Mr. LANGER. Yes; I am glad to yield.

Mr. KNOWLAND. I would say it is the personal opinion of the junior Senator from California, for whatever it may be worth, that when two or more parties to a contract enter into an agreement, under which presumably there is a give-and-take arrangement that certain things will be agreed to, provided certain other things are agreed to, in such case the Russians have no right to expect that they may violate with impunity the sections of the agreement that they do not care to abide by, and still expect the other powers or parties to the agreement to abide to the letter to all the rest of the sections of the agreement.

In other words, it is the viewpoint of the junior Senator from California that at the very first instance of a violation of those agreements, our Government should have served notice upon the Kremlin and the Politburo in Moscow that a violation of any section of the agreement throws out the whole agreement.

Mr. KEM. I thank the Senator from California, and I thank the Senator from North Dakota for his courtesy.

Mr. LANGER. Finally, Mr. President, I ask unanimous consent to have printed as a part of my remarks, from the report on the European-recovery program by the Committee on Foreign Relations, section 7, entitled "United States Assistance to Europe Since the War," on pages 8 and 9, together with the tables on pages 10, 11, and 12 of the report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

7. UNITED STATES ASSISTANCE TO EUROPE SINCE THE WAR

Since the end of the Second World War, the United States has extended assistance to Europe in the form of (1) repayable loans and credits, and (2) relief supplies and grants not requiring specific repayment. Most American assistance belongs to the first category:

Credits and loans: Interest-bearing credits and loans include (1) the loan to the United Kingdom of $3,750,000,000, authorized by Congress in July 1946; (2) two Export-Import Bank reconstruction loans to France, one of $550,000,000 in September 1945, the second of $650,000,000 in June 1946; (3) sale of United States surplus property abroad and surplus merchant vessels on long-term credit, to France at a credit of $300,000,000, and to Italy at a credit of $160,000,000 for purchase of surplus property in Europe, and $42,000,000 to each for the purchase of merchant vessels; (4) lend-lease settlements and pipe-line credits. In the period from July 1, 1945, to June 30, 1947, the United States Government authorized repayable loans and credits to the Paris Conference countries of $7,353,000,000 in all.

Grants and relief: Grants and relief include (1) UNRRA, toward which the United States contributed $2,700,000,000; (2) United States foreign-relief program, including an authorization of $332,000,000 in July 1947, and a donation of $15,000,000 to the International Children's Emergency Fund; (3) interim aid to Austria, France, and Italy, in the amount of $522,000,000, enacted in December 1947; (4) Greek-Turkish aid, to the amount of $400,000,000; (5) relief of occupied areas; (6) lend-lease aid not repayable. In the period from July 1, 1945, to June 30, 1947, the United States Government authorized assistance under the programs listed above of some $1,943,000,000, allocable to certain of the Paris Conference countries. A further $767,000,000 allocable to German relief, and $481,000,000 not allocable to specific countries in Europe but intended almost entirely for the Paris Conference countries, were authorized, making a total of $3,191,000,000, to which interim aid should be added, making the total as of December 31, 1947, $3,788,000,000.

Thus loans, credits, grants, and relief to the Paris Conference countries and Germany authorized in the period July 1, 1945, to December 31, 1947, totaled a little over $11,000,000,000.

These figures do not take into account remittances from private individuals and voluntary agencies in the United States, which in the year 1946 ran slightly more than half a billion dollars, a sum which it is estimated was equaled in 1947.

A break-down of United States loans, credits, grants, and relief contributions for the two fiscal years July 1, 1945, to June 30, 1947, is as follows:

TABLE A.—*U. S. Government loans, property credits, and grants—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country*

[Millions of dollars]

Country	Amount available, July 1, 1945–June 30, 1947			Amount utilized, July 1, 1945–June 30, 1947			Unutilized balance, June 30, 1947		
	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief
Total	16,302	9,128	7,174	12,575	7,309	5,266	3,727	1,819	1,908
Europe	12,160	7,977	4,183	9,902	6,752	3,150	2,258	1,225	1,033
Paris Conference countries	9,331	7,388	1,943	7,828	6,414	1,414	1,503	974	529
Austria	195	11	184	140	1	139	54	9	45
Belgium and Luxemburg	210	149	61	210	149	61			
Denmark	30	30		15	15		15	15	
France	1,928	1,907	21	1,719	1,698	21	209	209	

TABLE A.—*U. S. Government loans, property credits, and grants—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country*—Continued

[Millions of dollars]

Country	Amount available, July 1, 1945–June 30, 1947			Amount utilized, July 1, 1945–June 30, 1947			Unutilized balance, June 30, 1947		
	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief
Europe—Continued									
Paris Conference countries—Continued									
Greece	745	121	624	329	55	274	417	67	350
Italy	926	331	595	784	223	561	142	108	34
Netherlands	303	283	20	276	256	20	27	27	
Norway	81	80	1	11	10	1	70	70	
Sweden	1		1	1		1			
Switzerland	2		2	2		2			
Turkey	141	41	100	6	6		134	34	100
United Kingdom	4,769	4,435	334	4,334	4,000	334	435	435	
Countries not at Paris Conference	2,305	546	1,759	1,866	337	1,529	439	209	230
Czechoslovakia	247	73	174	204	30	174	42	42	
Finland	106	106		71	71		35	35	
Germany	767		767	537		537	230		230
Hungary	37	37		10	10		27	27	
Poland	439	90	349	379	30	349	60	60	
U. S. S. R.	410	242	168	364	196	168	45	45	
Yugoslavia	301		301	301		301			
Europe unallocable	522	41	481	207		207	315	41	274
Canada	−6	−6		−12	−12		6	6	
Latin-American countries	495	473	22	206	184	22	289	289	
China	1,328	229	1,099	1,262	163	1,099	66	66	
Japan	606	15	591	398	7	391	208	8	200
Korea	170	25	145	48	3	45	122	22	100
Philippines	769	76	693	194	76	118	575		575
All other countries	367	332	35	169	134	35	198	198	
Unallocable	411	6	405	405		405	6	6	

TABLE B.—*United States Government loans and property credits—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country*

[Millions of dollars]

Country	Amount available, July 1, 1945–June 30, 1947			Amount utilized, July 1, 1945–June 30, 1947			Unutilized balance, June 30, 1947		
	Total	Export-Import Bank and other loans	Property credits	Total	Export-Import Bank and other loans	Property credits	Total	Export-Import Bank and other loans	Property credits
Total	9,128	6,426	2,703	7,309	5,052	2,258	1,819	1,374	445
Europe	7,977	5,734	2,242	6,752	4,776	1,976	1,225	958	267
Paris Conference countries	7,388	5,544	1,845	6,414	4,689	1,725	974	855	120
Austria	11	1	10	1		1	9	1	9
Belgium and Luxemburg	149	100	49	149	100	49			
Denmark	30	20	10	15	15		15	5	10
France	1,907	1,200	707	1,698	998	700	209	202	7
Greece	121	25	96	55	5	50	67	20	46
Italy	331	130	202	223	24	199	108	106	2
Netherlands	283	205	78	256	197	59	27	8	19
Norway	80	50	30	10		10	70	50	20
Turkey	41	28	13	6		6	34	28	6
United Kingdom	4,435	3,785	650	4,000	3,350	650	435	435	
Countries not at Paris Conference	546	149	397	337	87	250	209	62	147
Czechoslovakia	73	23	50	30	22	8	42		42
Finland	106	81	26	71	58	13	35	23	13
Hungary	37	7	30	10		10	27	7	20
Poland	90	40	50	30	7	23	60	33	27
U. S. S. R.	242		242	196		196	45		45
Europe, unallocable	41	41					41	41	
Canada	−6	−6		−12	−12		6	6	
Latin-American countries	473	394	79	184	149	35	289	245	44
China	229	98	131	163	60	103	66	38	28
Japan	15		15	7		7	8		8
Korea	25		25	3		3	22		22
Philippines	76	70	6	76	70	6			
All other countries	332	128	206	134	7	127	198	121	78
Unallocable	6	6					6	6	

TABLE C.—*U. S. Government grants under other relief—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country*

[Millions of dollars]

Country	Amount available, July 1, 1945-June 30, 1947					Amount utilized, July 1, 1945-June 30, 1947					Unutilized balance, as of June 30, 1947			
	Total	UNRRA and post-UNRRA	Occupation program	Lend-lease	Other	Total	UNRRA and post-UNRRA	Occupation program	Lend-lease	Other	Total	UNRRA and post-UNRRA	Occupation program	Other
Total	7,174	2,642	2,014	1,151	1,365	5,266	2,310	1,484	1,151	319	1,908	332	530	1,046
Europe	4,183	1,973	1,219	420	570	3,150	1,641	989	420	99	1,033	332	230	471
Paris Conference countries	1,943	802	285	420	436	1,414	673	285	420	35	529	129	----	400
Austria	184	104	79	----	----	139	59	79	----	----	45	45	----	----
Belgium and Luxemburg	61	1	----	60	----	61	1	----	60	----	----	----	----	----
France	21	3	----	16	2	21	3	----	16	2	----	----	----	----
Greece	624	321	----	----	303	274	271	----	----	3	350	50	----	300
Italy	595	359	206	----	30	561	325	206	----	30	34	34	----	----
Netherlands	20	1	----	19	----	20	1	----	19	----	----	----	----	----
Norway	1	1	----	----	----	1	1	----	----	----	----	----	----	----
Sweden	1	1	----	----	----	1	1	----	----	----	----	----	----	----
Switzerland	2	2	----	----	----	2	2	----	----	----	----	----	----	----
Turkey	100	----	----	----	100	----	----	----	----	----	100	----	----	100
United Kingdom	334	9	----	325	----	334	9	----	325	----	----	----	----	----
Countries not at Paris Conference	1,759	969	771	----	61	1,529	945	524	----	61	230	----	230	----
Czechoslovakia	174	168	----	----	6	174	168	----	----	6	----	----	----	----
Germany	767	13	754	----	----	537	13	524	----	----	230	----	230	----
Poland	349	304	----	----	45	349	304	----	----	45	----	----	----	----
U. S. S. R.	168	166	----	----	2	168	166	----	----	2	----	----	----	----
Yugoslavia	301	293	----	----	8	301	293	----	----	8	----	----	----	----
Europe unallocable	481	227	180	----	74	207	24	180	----	3	274	203	----	71
Latin-American countries	22	----	----	5	17	22	----	----	5	17	----	----	----	----
China	1,099	334	----	644	121	1,099	334	----	644	121	----	----	----	----
Japan	591	----	591	----	----	391	----	391	----	----	200	----	200	----
Korea	145	1	144	----	----	45	1	44	----	----	100	----	100	----
Philippines	693	10	28	----	655	118	10	28	----	80	575	----	----	575
All other countries	35	1	31	2	----	35	1	31	2	----	----	----	----	----
Unallocable	405	324	----	79	2	405	324	----	79	2	----	----	----	----

Mr. LANGER. Mr. President, no survey has been made of conditions within our own country to determine the needs of our own citizens. Veterans, farmers, school teachers, Indians, and the underprivileged of various classes have been suffering for a long time from the want of necessary food and clothing. There are in this country literally millions of people who today are not obtaining sufficient wages to keep body and soul together. Nothing has been done about the request of Gen. Philip Fleming for $75,000,000, either to allow it in whole or in part, or to disallow it entirely. Our people are in need of public clinics and health centers. In view of all these things, and further, in view of the fact that in my judgment our first duty is to provide for our own people, I announce that I shall vote against the pending bill.

Mr. MAGNUSON. Mr. President, I shall be very brief. I am going to support the bill. I may say, so long as we are embarking on a program of international aid, I think that aid to China has been long overdue. I had originally intended to offer one or two amendments to the bill, as I did to the bill for European economic recovery, dealing with certain phases of the administration of this aid. However, after some discussion of the matter, and because, though it is sometimes unwise legislatively to issue directives to an administrator, it is often wise to let the administrator know how some of us feel about what he may do, if and when the bill is passed, I have refrained from offering an amendment; but I should like briefly to put into the RECORD some of the ideas on administration that I have in regard to one phase of this bill for aid to China, which will seriously affect a very vital interest in my State and in the Pacific Northwest, if the administrative program is not carried out in the manner I am about to suggest.

In the committee report on Senate bill 2393 there appears on page 8 a probable list of commodities which will be shipped to China under this program. A somewhat similar list appears on page 31 of the committee print, published by the Foreign Affairs Committee of the House, giving background information on economic assistance to China. Both indicate that approximately 225,000 tons of wheat equivalent will be made available to China under the program we are now discussing, and which the House has discussed.

In the House document there appears on page 31 a footnote which refers to the 225,000 tons of wheat equivalent. This footnote states:

> Provisionally about 40 percent from the United States, 40 percent from Australia, and 20 percent from Canada, and to be about three-quarters flour.

About three-fourths of the whole amount is to be flour rather than wheat. This is the item that particularly interests me and a number of people in my section, because of a great historical economic reliance on the export of flour and other milled products which go to the Orient, particularly China. If the administration of this program is not carried out properly it could very well injure financially and economically the milling and feed industry in the Pacific Northwest, extending down to California, and jeopardize its existence.

I am particularly interested in this item because shipments of wheat equivalent from the United States have a definite bearing on the welfare of the milling and feed industry in the Pacific Northwest. I am informed that approximately 65 percent of the wheat now being shipped from the Pacific Northwest to Japan and other relief and claimant countries is shipped in the form of wheat, not flour. This has the effect of making mill feed, the byproduct of wheat produced in grinding flour, scarce and high in price. This in turn has the effect of increasing the cost of feed and curtailing the production of poultry and dairy products.

It has resulted in the flour mills in the Pacific Northwest operating on a very short schedule. Fisher Flouring Mills for example, during some weeks in March, have operated only 3 days. It has been estimated that 60 percent of the milling capacity of the Pacific Northwest is not operating. Under these circumstances, labor employed in those mills suffers as well as management which operates them and those industries which utilize the byproducts of the mills. During the last 2 weeks I have had numerous letters and telegrams from flour mills in the State of Washington, urging that there be a provision in the China aid bill requiring that a minimum of 75 percent of the wheat allotted for shipment to China be in the form of flour. That is the historical reliance these mill have had on the export of mill products to the Orient.

Obviously, it would be unwise to tie the Administrator's hands by stipulating that 75 percent of the 225,000 tons of wheat equivalent provided under this program be shipped in the form of flour. Circumstances beyond the Administrator's control might dictate that only 70, 72, or 73 percent would be practical. I

am informed that during the 8 months preceding February 15, 25,000 tons of wheat were shipped to China and 57,000 tons of flour. The ratio of wheat to flour during the last 8 months approximates a 30–70 ratio. Even this ratio, however, of shipments of wheat equivalent emanating from the United States was not sufficiently high to prevent serious hardship to the milling industry in the Northwest. Proof of this fact is contained in the statement I made earlier, namely, that only about 65 percent of the wheat being shipped from the Northwest at the present time is moving in the form of flour.

I sincerely hope the Administrator of this bill will give serious attention to the plight of the milling industry in the Northwest and will make every effort consistent with China's own need to insure that approximately 75 percent of shipments of wheat equivalent from the United States move in the form of flour. At this point, Mr. President, I should like to have inserted in the RECORD following my remarks, a number of communications I have received from Northwest industry in regard to this problem.

There being no objection, the communications were ordered to be printed in the RECORD.

(See exhibit A.)

Mr. MAGNUSON. Mr. President, I hope, in view of the fact that I have refrained from attempting to offer an amendment to the bill on a matter vital to my section, that when the bill becomes a law I shall have support from those who have sponsored it in the Senate to the end that the Administrator may keep in mind this historical reliance that means so much to a great industry on the Pacific Northwest.

EXHIBIT A

SEATTLE, WASH., *March 12, 1948.*

Hon. WARREN G. MAGNUSON,
United States Senate,
Washington, D. C.:

Proposed economic assistance program for China covers quantity of wheat and/or flour 40 percent of which is to be furnished from United States and provides about three-fourths to be in form of flour. We strongly urge in considering this matter language be made affirmative that minimum quantity flour must be 75 percent of total wheat equivalent from this country. Flour mills this district badly in need of milling and every effort should be made to keep these mills running and labor employed.

CENTENNIAL FLOUR MILLS CO.

SEATTLE, WASH., *March 18, 1948.*

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

We urge you use influence to insure in proposed China economic assistance program that minimum of 75 percent of wheat allotted be shipped in form of flour; essential Pacific coast mills have this business to maintain normal operations and to assure byproducts for feed which in short supply.

NOVELTY MILL CO.

WALLA WALLA, WASH., *March 11, 1948*

Hon. WARREN G. MAGNUSON,
Senate Office Building:

Reference economic assistance program China. In commodity program justification we note flour requirements about 75 percent. We respectfully urge this be made specific at no less than 75 percent. Flour mills in Oregon and Washington are seeing large quantities grain going offshore with mills running at 40 percent capacity, placing labor in dire need of work, causing severe millfeed shortage in dairy and poultry industry. If this aid to China is needed we feel that Pacific coast flour to extent available should be forwarded in preference to that of Australia and Canada.

PRESTON SHAFER MILLING CO.

WAITSBURG, WASH., *March 13, 1948.*

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.

DEAR SIR: I wish to bring to your attention a very serious condition in our State and the Pacific Northwest.

In our small town is a plant of the Preston Shaffer Milling Co., which has operated a flour mill here since 1865 continuously, even through the last depression. Yet, in what are supposed to be good times, we have been shut down now for 2 months, and nothing in prospect at present. This is indeed a blow to the company and to the employees, of whom I am one.

Perhaps you would think that this in no way concerns you in our Government, but it really does, as there are several actions of the Government which have helped to bring about this situation.

The Pacific Northwest has been drained of wheat for export, mostly in the form of wheat, which has resulted in our getting no export flour business, and also in raising the price of our wheat so high in comparison with the East and Midwest that we are also crowded out of that domestic market. Surely, something should be done to get the United States Department of Agriculture to ship more of this grain in form of flour so that our mills and men would have employment and also have millfeed here for our stock.

Also, there is a market for more flour in the Philippine Islands and Cuba if certain controls were lifted to give freedom of export. One other thing that has hurt us a great deal is the continued percentage freight increases that have resulted in our being almost completely priced out of our eastern markets by the Midwest and East, who have had lower raises, as they had lower rates in the beginning.

Our mill is not large, but this affects many others, as well, and the total is quite large. You may rest assured that anything you can do to help this situation will certainly be appreciated and will be a great service to the State of Washington.

Thank you very much.

Very truly yours,

J. M. GRAHAM.

Mr. CONNALLY. Mr. President, as a member of the Committee on Foreign Relations I heartily support the pending bill. The able chairman of the committee has already fully explained to the Senate its terms and provisions. The debate has been rather full. I do not regard it as at all necessary to enter into a detailed discussion of the measure, except to say that, of course, its purpose is to extend aid to China in the hour of her need.

Conditions in China have been, as is well known, greatly disturbed. For 8 years she was at war with Japan, invaded and subjugated, and she is now involved in an internecine civil war which has brought great suffering to her people and has placed upon the central Government of China great burdens and difficulties which it is hardly able to bear.

The sum which is involved is not, I grant, sufficient to solve all the problems of China. It will be only an incentive, a rather substantial one, in a way, and an encouragement to China to know that the great Republic across the seas is her friend and wants to see her rehabilitated and reinstated in her ancient power.

Mr. President, China is a peculiar country. Reaching back for thousands of years into antiquity, she has traditions and historic connections which are perhaps different from those of any other nation on the face of the earth. She has for centuries withstood invasions, and, in a way, has always survived them, though nominally subjugated. Even Genghis Khan, when he made his world sweep of invasion, did not succeed very well in China. He invaded her and conquered a portion of her territory, but finally he had to withdraw, and such remnants of his armies as remained in China were absorbed, taken into the Chinese economy, and completely obliterated, so far as exerting any substantial influence upon China was concerned.

Most of the sum of money to be authorized is for the actual necessities of life for the teeming millions of China. There is an item of $100,000,000 which is not earmarked, for good and substantial reasons. We cannot, in a program of this nature, anticipate every need or necessity which may arise. We cannot tie the hands of the Administrator by requiring that he must furnish this, that, and the other, and nothing else. It is in the nature of an outright grant to China for her use, under her own responsibility, for whatever great and critical need may arise.

There is not a word in the bill regarding military supplies or military aid. It is, of course, entirely probable that the $100,000,000 grant may, if the exigency should arise, be utilized by the Central Government in China for the purchase of munitions, equipment, and arms. It is as important to protect China against invasion and subjugation as it is to protect the bodies of her people by providing the food which is to be sent to her under other provisions of the bill.

The committee unanimously reported the bill. There is wide sentiment throughout the country in favor of furnishing aid to China. This measure is the best plan or device we could bring about in the committee to extend aid to China, without making hard and fast commitments which we did not feel it was wise to make.

I am sure we all read in the newspapers recently that Chiang Kai-shek issued a public statement appealing for the aid of the peoples of the world, stating that China was at the very door of destruction, on the brink of disaster. We have heard his appeal and are responding to it. We are extending aid, not in the proportions that many persons would desire, but aid of a very substantial character which, in an hour of crisis, of danger, and of need may be of great assistance to China, because in every issue there is always a point at which an inconsiderable force is sufficient to balance the scale in favor of one side or the other.

So, Mr. President, I hope the Senate will, by a resounding vote, support this measure and give Government sanction to trying to aid a great people of a great

nation which has been our traditional friend, and to which we have extended generous aid in the past. We hope this aid will be of substantial assistance in furthering the ambitions of China for democracy and free government, and in rehabilitating her economy, so that she may be put in such a position that she may, through her own resources and by her own devices, regain the place in the economy and the civilization of the world to which her history entitles her.

Mr. PEPPER. Mr. President, I have only a few observations to make regarding the measure. It presents rather a dilemma to many of us to know how to vote with respect to it. As I said this morning, some of us are extremely solicitous that our purpose in aiding other people be not misunderstood and that it be not in such manner or form as to make ourselves vulnerable to the propaganda that we have anything other than honest aid in mind. I have felt that the China case presented a rather illuminating situation in which it would be possible to discriminate in such a way in the furnishing of aid that our motive could not possibly be under attack or legitimately misunderstood. I know that the people of this country have no other purpose in mind than the honorable service of democracy among men and honest aid to those seeking to preserve their own security and independence.

What has troubled me regarding this particular case more than has any other thing is the matter of those with whom we are required to be associated in the assistance we give, and whether the very fact that the people we are expected to assist are themselves vulnerable subjects us to a criticism which we do not and should not deserve. I feel with all my heart that the only solution of the problems of China ultimately is an effective working democracy in that country.

I feel that the effective answer to communism is an effective democracy, and I know of no place in the world where that is more true than in China.

I am not going to dispute the allegation that, in some parts of the world there appears to be, by the overwhelming weight of the evidence, an element of force behind the persuasion of communism. Wherever force appears there can be no question, of course, about the necessity of interposing a counterforce of equal power to prevent aggression, and "to preserve the freedom of choice," words used this morning in the debate, for the people under assault.

I think we must in fairness say that the evidence has not been such with respect to China as it has been with respect to Greece. There has been a constant assertion that in Greece aid was given across the border by a neighboring country. That fact has been supported by the testimony of a duly accredited mission of the United Nations. So far as I know, there has been no similar United Nations commission which has made a study of the situation in north China and made a comparable report. I do not know of a United Nations recommendation which today demands the kind of support which we are asked to give to the Nationalist Government in China.

If the aid from across the border, which we are told exists in Greece, is not being given today in China, I would not of course wish to interpose military force, and I am glad that the committee has made it clear that we are not, legislatively, at least, adding military to the economic aid we provide in the measure before us.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Texas.

Mr. CONNALLY. Anything which supports human beings in the way of food and the like in a measure is military aid, if the people are in the field fighting.

Mr. PEPPER. I was distinguishing military from economic assistance.

Mr. CONNALLY. Very well.

Mr. PEPPER. What I want to say is that I have noted particularly in the pending measure the authority provided for American administrators to see to it that the aid given is properly distributed. I was very much gratified to observe that. In fact, I notice in the recommendation of the committee that the Administrator, who has the same authority with respect to the other Marshall plan countries, shall have the power, and I presume the final say-so, as to the distribution of the aid. I feel very much better about it after observing that recommendation of the committee, and the interpretation of the bill, that it will finally be up to an American Administrator to see to it that what we give by way of aid is properly distributed to the Chinese people, and is not subject to exploitation by those who would even be willing to accentuate the grief of their fellow countrymen to assuage their own appetites for greed and avarice. I am concerned about our going further than that.

I have here the report of the China-United States Agricultural Mission, and that mission has made definite recommendations as to improving the lot of the Chinese people. Here they are:

1. That increased emphasis be placed on the construction of chemical-fertilizer plants; on the development of irrigation; on the improvement of plants and animals and their protection from insects and diseases; on forestry to provide timber for construction and fuel; and on the production of fruits, vegetables, and livestock to improve diets and nutrition.

2. That action be taken to adjust the currency-exchange rate, to lower costs of transportation and credit, or to take other steps which will encourage the production and export of important agricultural commodities, such as tung oil, silk, tea, and carpet wool, and which will revive the present depressed domestic industries related to them.

3. That means be found to provide adequate farm credit at low cost; to assist farmers in marketing their products; to improve the conditions of tenancy where serious tenancy problems exist; to advance as rapidly as possible land surveys, registration, and appraisal; and to enforce the provisions of the land law of 1946 with respect to the taxation of land.

4. That provision be made for standardization, grading, inspection, quarantine, and market regulations for agricultural products moving in foreign trade and in trade within the country.

5. That programs relating to general education, public health, sanitation, transportation, river conservancy, and flood control be advanced as rapidly as possible.

6. That an integrated system of regional agricultural colleges and experiment stations be developed by the Ministry of Education and the Ministry of Agriculture and Forestry, working together; and that the present Agricultural Extension Commission be reorganized into a National Agricultural Extension Administration under the Ministry of Agriculture and Forestry, with appropriate regional, provincial, and hsien offices.

7. That nine strong centers of agricultural instruction, research, and extension be established at points from which they can serve all sections of the country, at which there should be a regional college of agriculture, a regional agricultural experiment station, a regional agricultural extension office, and a regional agricultural library. The centers proposed are Nanking, Peiping, Changchun, Lanchow, Wukung, Chengtu, Wuchang, Canton, and Paipeh.

8. That there be established in the Ministry of Agriculture and Forestry a National Agricultural Regulatory Administration with 16 regional offices.

9. That there be established a single Government-sponsored bank to serve agricultural needs, to be known as the Agricultural Bank, by bringing into a single organization the present Farmers' Bank of China and the Central Cooperative Bank.

10. That the Ministry of Social Affairs consider action which might suitably be taken by the Government to guard against a rapid increase in the growth of population.

Mr. President, those were the 10 recommendations of the China-United States Agricultural Mission.

Now, just three other paragraphs from this report.

The great importance of a well-balanced and progressive agricultural program to the well-being of the Nation is evident. The people of China depend on agriculture for materials from which come, in whole or in part, the nation's food, clothing, fuel, and shelter. Whatever affects directly the welfare of agriculture and the 75 percent of China's population engaged therein, affects the welfare of every citizen of the country. The mission believes that a sound and comprehensive program in agriculture, which will bring substantial improvement in the living conditions of rural people, will contribute materially to a fundamental solution of present internal problems.

And last:

The development of industry is contingent upon a simultaneous development of agriculture. In fact, both must progress together. The greatest potential market for China's manufactured goods is its own large rural population, which can buy these goods only after it possesses a larger purchasing power. An industrial development also will require the acquisition of machines and tools from abroad, which must be purchased with foreign exchange. Around 70 percent of the value of China's total exports before the war came from agricultural commodities. Therefore, agriculture is the most important source for obtaining the necessary foreign exchange to develop China's industry. Anything which can be done to promote the production, processing, and marketing of agri-

cultural products for export will aid in the further development of industry and serve the general public welfare.

This mission is agreed that much can be done to accomplish these things. From observation made during its travels in the 14 Provinces, it is fully convinced that agricultural production in China can be greatly increased by the application of modern scientific knowledge to the improvement of soils, crops, livestock, and farm equipment. It also believes that the income of farmers can be greatly enhanced and the present poverty of many rural communities reduced by improvements in land tenancy, farm credit, and agricultural marketing.

Mr. President, I ask unanimous consent to incorporate at this point in my remarks A Note on Aspects of Reconstruction in China, in connection with the report of an Economic Commission for Asia and the Far East, and a Survey of Reconstruction Problems and Needs, made by an economic commission of the United Nations organization.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

I. A NOTE ON ASPECTS OF RECONSTRUCTION

This report is concerned with immediate reconstruction requirements and problems in the region coming within the scope of ECAFE. Reconstruction is regarded as the process whereby per capita productive capacity and living standards are restored to the level which existed in the best years prior to World War II, as such reconstruction is a preliminary step in the long-term process of economic development and progress.

Since fundamental changes have occurred in the structure of the world economy, reconstruction is not interpreted as necessarily requiring the restoration, unmodified, of the prewar patterns of production or consumption in each separate country. Indeed, to overlook such changes may, in some cases, hamper recovery by directing effort into channels less productive than would otherwise be possible. For example, having regard to the development of synthetic rubber during the war, it is a matter for investigation how far it is economically desirable to go, in what areas, and by what methods, in the restoration of the prewar capacity to produce natural rubber. On the other hand, certain changes, for example, those affecting the economy of Japan, may provide new opportunities which it may be desirable to explore rather than restore other less promising types of production.

There is a further consideration. In some aspects of production in certain countries, the urgent problem is not so much to restore prewar productive capacity as to prevent deterioration even from the present low level, or to utilize existing productive potential to the full. For example, there has been a considerable reduction in the number of spindles in China. Shortages of power, difficulties in transport, difficulties in obtaining supplies of raw cotton, and the disturbance of cost-price relationships as the result of inflation and other circumstances, make it very difficult to keep even the reduced number of spindles in operation despite the shortage of textiles. Hence, in the opinion of some Chinese authorities, priority should be given (for example, in the allocation of foreign exchange) to the removal of impediments to the full utilization of existing spindles rather than to increasing the number of spindles.

This illustration also raises other questions. The full use of increased plant and machinery may yet be possible unless the parallel development of other productive resources occurs; for example, of transport and supplies of labor and technical personnel, raw materials, and power. Equally, it may be of little use simply to provide implements, draft animals, fertilizers, or fungicides in order to increase agricultural production, because disturbed political conditions, the shortage of incentive goods, or disrupted transport prevent the distribution of agricultural commodities. Such considerations are germane to both domestic investment and foreign borrowing. They raise the question of the absorptive capacity of an economy for new material investment.

The attempt, by means of questionnaires, to obtain information on the shortages which must be made good to restore production to its prewar level, is a necessary first step in providing the basic information for reconstruction programs. But the considerations to which attention has been drawn above, and others which might be adduced, suggest the desirability of obtaining other types of information, not always expressible in quantitative terms, to bring out the difficulties to be overcome, both at the national and international levels, and enable priorities to be determined; to select the problems most amenable to attack in short time, and to enable the separate countries to relate their policies and programs to those of others within the region.

* * * * *

Since incomes are already low, the margin available for saving and therefore for investment in more or improved kinds of capital is very small. Where income distribution accentuated by inflationary conditions is uneven the wealthier groups may be able to save and invest; but it is still true that the ratio of new capital formation to needs is insufficient for the requirements of economic progress. This is the main justification for the argument that economic development in the Far East demands borrowing from abroad.

* * * * *

Except in Japan and parts of Indonesia and India, the inadequacy of the transport systems is a reflection as well as a cause of low per capita productivity.

In 1935 China, with a population of some 400,000,000 had 52,000 registered motor vehicles. The United States, with about one-third the population had 30,615,000 and New Zealand, with a population of 1,600,000, had 209,463 motor vehicles registered.[1] The two latter countries had the highest ratio of motor vehicles to population and were at the top of the list in Colin Clark's international comparisons of real income. The coincidence is not accidental. The ratio is both a consequence and a cause of higher living standards; a consequence because, with affluence comes the ability to make improvements in transport, both for business and pleasure; a cause because improved transport permits the exchange of goods and through it regional specialization and the division of labor. Despite qualification necessitated by topography and population density, the generalization holds, and is of primary importance.

The relationship also holds broadly for railway and road development. Fong[2] quotes the following figures most for prewar for railway mileage per million people.[3]

	Kilometers
China	25
British India	262
Japan	349
U. S. S. R.	511
United Kingdom	734
Germany	884
France	1,004
United States	3,200

* * * * *

CHINA[4]

Supplies of agricultural products were reduced because of the diminution in area under production from military operations and the diversion of the Yellow River. The neglect of flood-control work, irrigation, and drainage, the slaughter of draft animals, and the loss of plows and other farm implements also operated to reduce production. Floods alone wrought considerable damage, but the area affected being estimated at 21,700,000 acres, or 9 percent of the total cultivated area, of which 7,100,000 was along the Yellow River. In the 15 provinces of free China, the number of domestic animals declined by 48 percent and of poultry by 17 percent. Cotton production in 1945 was only about 30 percent of the prewar volume. Forests were heavily depleted. The wanton destruction of mulberry trees by Japan caused considerable damage to the silk industry.

The fishing industry suffered a loss of 400 out of 771 trawlers, between 50,000 and 60,000 junks out of a total of about 101,000 and nearly 50 percent of the equipment. Deliveries from UNRRA have substantially improved the position.

Out of a total of 13,820 kilometers of railways outside the northeastern provinces and Taiwan at the end of the war, 2,399 kilometers or 17 percent were totally destroyed or dismantled and 1,871 kilometers, or 15 percent, partially destroyed. In March 1946 there were 2,612 locomotives, 26,133 freight cars, and 2,709 passenger cars, but one-half of the locomotives, 40 percent of the passenger cars, and one-third of the freight cars were reported damaged. At least 10 percent of the rails and 25 percent of the sleepers needed replacement, while many railway shops had been damaged or dismantled.

Some improvement in the situation has been made possible by the receipt of UNRRA supplies. This is summarized in the following table:

UNRRA railway supplies for China

	Programed	Procured	Received
Locomotives	262	242	192
Freight cars	3,445	3,445	3,445
Bridging, long tons	43,300	43,300	17,500
Rails, rail accessories, long tons	84,000	----------	[1] 80,000

[1] Including rails for 600 miles of track.

"In many places in occupied areas," states an UNRRA report, "entire roads were obliterated and the fields restored to the condition before the road was built." Over the whole occupied area, it was estimated that 20 percent of the roadbed and 80 percent of the bridges were destroyed. Some 64,000 kilometers of highways were considered to require rebuilding. On the assumption of the considerable use of manpower, the estimated cost of rebuilding at 1937 prices was CN$77,126,000.

As a means of facilitating reconstruction, supplies of tools, materials, and equipment

[1] Katrine H. C. Greene, An Economic Survey of the Pacific Area, pt. II, Transportation, I. P. R. New York, 1941.

[2] H. D. Fong, The Post War Industrialization of China, National Planning Association, Planning Pamphlets No. 12–13, 1942.

[3] For a more detailed tabulation c. f. Katrine C. Greene, An Economic Survey of the Pacific Area, pt. II, Transportation, Institute of Pacific Relations, New York, 1941, p. 12.

[4] Comparison between the prewar and the postwar statistical data is, in many cases, difficult, as the former do not include Formosa or Manchuria.

were procured by UNRRA. By September 1947 the position was as follows:

	Procured tonnage (long tons)	In China, tonnage (long tons)
Highway hand tools	521	521
General construction equipment	17,917	16,958
Highway repair material (including steel bridging)	36,288	27,518
Total	54,726	44,997

The loss of fishing craft already mentioned was paralleled by heavy losses in other vessels. The total tonnage of inland and coastal shipping was nearly 1,070,000 tons in June 1936. By December 1945 it had declined by nearly 71 percent to 313,144 tons. The loss was greater for steam than for sailing vessels; 82 percent and just under 50 percent, respectively. Losses in wharves, cranes, lights, buoys, berthing facilities and impediments to the use of facilities by silting were due to neglect rather than to destruction. In some places the Japanese preserved or improved facilities to meet military requirements.

After the termination of the Sino-Japanese war, tonnage was augmented by repairs to old ships, taking over Japanese and puppet ships and the purchase of new ships. According to an unofficial estimate, this increased the tonnage to 500,000 tons. In addition 40 old surplus ships were purchased from the United States and Canada.

As in other forms of transport, UNRRA made important contributions to rehabilitation. Timber and technical help have been made available for the rehabilitation of harbor facilities. Two hundred pontoon cells were assembled into pontoons to replace destroyed pontoons in various parts of the country, and 30 steel barges were allocated for floating piers and wharves. In addition, 748 barges were imported for the waterways program. Navigational aids costing United States $332,000 were made available; these included light buoys, coastal lights, lanterns, and stationary light towers and minor accessories.

Complete losses to telecommunications systems have not been ascertained, but the following partial table affords some indication:

Telecommunication losses

	Installations before occupation	Estimated losses	Estimated minimum requirements for restoration
Copper wires, loop kilometers	110,799	33,900	152,900
Iron wires, wire kilometers	153,835	117,500	----------
Submarine cables, wire kilometers	2,200	2,200	----------
Local telephones, sets	[1] 139,445	66,050	122,700
Radio transmitters, sets	451	178	479
Carrier telephone equipment:			
3 channel, sets	3	2	----------
1 channel, sets	55	24	83
12 channel, sets	----------	----------	
2 channel, sets	----------	----------	110

[1] Lines.

It would appear from the table that in some cases rehabilitation is rightly taken to mean something more than simply making losses good.

Some judgment of the loss in productive power as the result of war can be made on the basis of production figures. These are given in greater detail in a later section of the report. Only illustrative figures will be given here. The best prewar output of coal was 41,000,000 metric tons as against 15,000,000 metric tons in 1946. For other minerals the comparable figures are given in the section dealing with industry, mining, and power.

The decline in production is attributable not simply to the dislocation of the current production by war conditions, but also to damage. Tungsten, antimony, and tin mines were closed down, and subsequently flooded and caved in because of lack of maintenance. The remainder suffered capital depreciation because equipment and operating supplies could not be imported.

As a result of the reoccupation of territory and of acquisitions from UNRRA, the electric power capacity under the control of the Government is higher than before the World War, but for the whole area of China, including Manchuria and Taiwan, the power has declined appreciably.

The main causes of the decline were: In Formosa, intensive Allied bombings; in Manchuria, removal of plants by the Soviet Army, and later (as well as in north China) interference with operations and destruction during the civil war; in China proper, poor maintenance, shortage of equipment and spare parts, and reduced supplies of coal.

The industrial picture generally must take account, not simply of the damage, depreciation, and interruption to current production during a prolonged period of war, but also of the virtual stoppage of the industrial revolution which was in its early stages on the outbreak of hostilities. The acceleration of industrial development by the Japanese, especially in the northeastern provinces, did not compensate for either the interference with development or the damage incurred during the war. There was great damage to physical assets, lack of maintenance, a shortage of replacements, and heavy depreciation and obsolescence.

Present capacity in pig-iron production is about 36 percent of prewar, though for steel ingots the capacity is about 11 percent greater than before the war. Sugar production capacity is about 50 percent of prewar, cement slightly higher than prewar, and textiles 40 percent of prewar. These figures do not tell the whole story, for actual output as distinct from capacity has declined even further below the prewar maximum output.

Conditions during the aftermath of war have been conducive neither to the rebuilding of devastated or depreciated plant nor to the maintenance of full capacity output with existing plant; these conditions are discussed in connection with the postwar situation.

* * * * *

In India and China, the requirements of war and a recognition of the necessity for competent personnel in the postwar period of reconstruction led to the establishment of schemes of training.

During the war under lend-lease agreements about 1,200 men and women were sent to the United States for training from China. With the ending of lend-lease, responsibilities for the 966 men who had already arrived in the United States were assumed by the Chinese Government. The Ministry of Economic Affairs has stated that between 1941 and 1947 it had arranged for the training of 4,383 workers in various industries and 6,677 workers in different ministries. The Ministry has now taken steps to outline plans for further vocational and industrial training.

* * * * *

With the destruction of capital are associated other losses and impediments to economic activity. Manpower is diverted from production. Materials, productive power, and transport are used which would otherwise be available for restoring the economy. In China, for example, railways and shipping have been used for the movements of troops and supplies. The transfer of population, either compulsorily or in the attempt to escape to more stable and safer areas, disturbs productive processes. It becomes difficult even to keep existing productive resources fully employed. The disruption of transport and its diversion to military purposes are of especial importance in their effects in hampering the movement between areas of coal, food, raw materials, and finished products.

These conditions not only reduce the ability to produce but also the incentive. Economic insecurity in the enjoyment of the fruits of labor, threats of reprisals, and the lack of incentive goods discourages effort. In China, land has been abandoned.

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The costs and confusion resulting from such conditions in several countries inevitably add to the problem of balancing the public finances and therefore increase inflationary pressure.

A particularly serious effect on the Chinese economy is the virtual blocking of economic exchange between the areas under the control of the Nationalist and Communist governments. As has been mentioned, the resources of Manchuria are vital to reconstruction in China—to an integrated development policy advantageous to the whole country. By the end of 1946 the Communists still held nearly 25 percent of the total area of China and Manchuria, which was occupied by 27 percent of the population.

Manchuria is of great importance as a reserve of mineral and agricultural wealth and a source of power. Of total mineral reserves Manchuria is estimated to possess the following percentages:

	Percent
Coal	1.5
Oil shale	41.6
Iron ore	65.4
Lead	52.7
Zinc	86.6
Aluminum clay	82.7
Magnesite	98.4
Pyrites	94.8

In addition, four-fifths of the timber resources are in Manchuria.

Manchuria's relative importance to the Chinese economy is equally demonstrated by figures of production. The following show the percentage of total production provided by Manchuria in a number of important products in 1936:

	Percent
Coal	31.9
Crude oil	100.0
Iron ore	45.2
Pig iron	82.6
Iron and steel	85.7
Lead	31.4
Salt	23.3

Over 65 percent of power capacity was in Manchuria, and 8.8 percent of cotton spindles. Manchuria predominated in the production of soybeans.

Railway mileage as of August 1947 was estimated as follows:

	Kilometers	
	Total length	Length in operation
China proper	14,578	8,572
Manchuria	11,336	1,667
Total	25,914	10,239

The depletion of coal supplies, especially to industrial cities such as Shanghai, is a major handicap in the present situation. The cutting off of supplies from areas now held by the Communists or from damaged

mines is an important cause of the present difficulties.

* * * * *

The World Food Survey of 1946 estimates the prewar per capita food consumption per day at 2,201 calories, but this average would cover considerable differences in different places, largely owing to difficulties in transport.

The prewar production of food crops amounting to 2,757,000 shih tan (1 shih tan being equivalent to one-half quintal or one-twentieth metric ton), increased by 3.1 percent to 2,844,000,000 shih tan in 1946, the first postwar crop year, and by 8.2 percent to 2,984,300,000 shih tan in 1947. Wartime food crop production, however, decreased by 20.6 percent, from 2,077,500,000 shih tan in 1937 to 1,649,000,000 shih tan in 1945.

The percentage increase of production during 1946–47 is 2.3 percent for cereals and 22.1 percent for root crops. The production of kaoliang has declined while that of pulses has shown no increase. Among the cereal crops the percentage increase is lower for the two staple crops of rice (4.7 percent) and wheat (1.1 percent), but higher for other crops (3.3 percent to 14.4 percent).

Changes in the production of the major food crops are given below:

China's production of food crops, 1936, 1946, and 1947 (for 22 Provinces, in million metric tons [1])

	1936	1946	1947 estimate	Increase of 1947 over 1946 (percent)
CEREALS				
Rice	48.0	47.4	49.4	4.7
Wheat	23.1	23.4	23.7	1.1
Barley	8.1	6.3	6.9	9.7
Oats	.9	.7	.8	11.7
Kaoliang	7.7	5.5	4.9	10.0
Millet	6.8	7.8	[2] 7.8	----
Proso-millet	1.6	1.4	[2] 1.4	----
Corn	6.1	7.8	7.5	4.0
ROOT CROP				
Sweetpotatoes	17.1	15.7	25.9	16.5
PULSES				
Peas	3.5	3.1	3.4	8.1
Bread beans	3.1	2.9	3.0	4.9
Soyabeans	5.9	4.5	5.6	22.6
SEEDS				
Peanut	2.6	2.2	[2] 2.2	----
Sesame seed	.9	.2	[2] .7	----
Rapeseed	2.5	3.8	3.8	----

[1] The 22 provinces include: Anhwei, Chahar, Chekiang, Chinghai, Fukien, Honan, Hopei, Hunan, Hupeh, Kansu, Kiangsi, Kiangsu, Kwangsi, Kwangtung, Kweichow, Ninghsia, Shansi, Shantung, Shensi, Szechwan, Suiyuan, and Yunnan.
[2] Assumed to be the same as in 1946.

On the average of the years 1933–37, rice imports totaled 974,000 metric tons, wheat 585,000 metric tons and wheat flour 99,000 metric tons, the main suppliers of rice being Indochina, Siam, and Burma. The corresponding imports for 1946 were 123,000 metric tons, 359 metric tons and 178 metric tons respectively. Imports of rice from January to May 1947 were 148,000 metric tons, of wheat 35,000 tons and of flour 132,000 metric tons.

The total supply position appears to be approximately the same in 1947 as in 1936, increases in domestic production having been offset by smaller imports. Unfortunately, however, the disparities between different parts of the country are even more marked than in prewar years as the result of the effects of the Civil War and of the dislocation of transport. Populations handy to services of supply may have surpluses above prewar consumption, but it is difficult to shift these to deficit areas. The loss through poor storage facilities and destruction of grain by rats is serious; considerable saving could be effected if attention is given to these factors.

The average production of meats and fish for the years 1934–47 is given at 6,470,000 metric tons. In 1946 it was lower by nearly 10 percent at 5,786,000 metric tons. Figures for the same years for egg production are 734,000 metric tons and 685,000 metric tons respectively, and for lard 997,000 metric tons and 833,000 metric tons respectively.

Comparative data for tea, sugar, vegetables and fruits are too scanty and incomplete to be of much value.

Tobacco production declined in 15 provinces from 475,900 metric tons in 1936 to 378,020 metric tons in 1942, but by 1946 had recovered to 448,000 metric tons. In 22 provinces including the above 15, production was 633,900 metric tons in 1936 and 618,700 metric tons in 1946.

Reliable data on the prewar production of tung oil is not available, but is considered to have varied around about 120,000 metric tons. Production for 1946, 1947, and 1948 is estimated at about 60,000 metric tons, or about half the prewar production.

Of great importance to the economy is the heavy decline in cotton production. There was some recovery of production in 1942 in the attempt to make good the loss of cotton imports on the outbreak of the Pacific war, but the decline in production continued thereafter until 1945. In that year production in free China was 33.2 percent of the prewar level, and occupied China 28.2 percent.

The supply position is indicated by domestic production and external trade in cotton as follows:

Cotton supply in China

[In metric tons]

Year	Production	Imports	Exports	Total supply
1936	848,800	36,800	40,700	844,900
1945	258,100	(1)	(1)	(1)
1946	376,500	[2] 344,600	----	721,100
1947	550,000	[3] 59,200	----	[3] 609,200

[1] Not available.
[2] Including UNRRA supplies.
[3] January to June.

Estimates for domestic farm animals (buffaloes, oxen, horses, donkeys, goats, sheep, and hogs) and for poultry are difficult to compare because the figures relate to different total areas in different years. In 1946 there were stated to be 139,423,000 domestic farm animals and 254,717,000 head of poultry in 22 provinces (also Sikang, Sinkiang, Formosa, Jehol, and Manchuria) as against 145,647,000 domestic animals and 311,095,000 head of poultry in 1936 in 22 provinces (without Sinkiang, Jehol, Manchuria, and Formosa). Hence the decline in the aggregate appears important.

Figures are given in more detail as follows:

Livestock on farms, 1936 and 1946

[In thousands]

	1936	1946
Domestic animals:		
Buffaloes	11,056	9,203
Oxen	22,299	22,885
Horses	3,418	4,967
Mules	3,913	2,828
Donkeys	10,041	6,847
Goats	17,868	17,859
Sheep	14,025	19,227
Hogs	63,027	55,605
Poultry:		
Chickens	254,148	191,652
Geese	56,889	56,187

In discussing war damage, shortages of livestock, fertilizers, and farm implements, losses in area or fertility due to evacuation, floods, and the deterioration of drainage and irrigation works were mentioned as among the causes of the decline in production. These give some indication of requirements.

In 1937, imports of fertilizer into China amounted to 167,621 tons of which 97 percent was ammonium sulphate. Taiwan, which relied heavily on chemical fertilizers for both sugar and rice, produced 30,000 tons and imported 410,000 tons as well as 167,000 tons of beancake from Manchuria.

Taiwan's requirements are placed at 500,000 tons of chemical fertilizer annually, while China requires about 180,000 tons annually. Taiwan and China together are in a position to produce some 84,000 tons. Current import requirements are therefore about 600,000 tons annually, unless local domestic production can be increased. In view of the world shortage of fertilizer, projects are under consideration for the expansion of domestic productive capacity. These are estimated to require imported equipment to the value of United States $50,000,000 and an equivalent amount in Chinese national currency for the purchase of materials locally and erecting the plants. The full completion of these projects is estimated to raise domestic production to 855,000 tons, remove the need for imports, and indeed permit of some expansion in the use of fertilizers.

There is a similar need for supplies of insecticides and fungicides. With the aid of UNRRA supplies, there has been much progress in insect and disease control. Further supplies are needed, the provision of which, from plants in Shanghai, Peiping, and Mukden, is handicapped by lack of materials, machinery and accessories.

In addition, imports are needed which include 720 tons of stomach poisons, 280 tons of contact insecticides, 40 tons of fumigants and 350 tons of fungicides.

Veterinary requirements are reported to include:

Br. abortus strain 19;

B. anthracis (avirulent) strain Nos. 2 and 4;

Avianized rinderpest virus seed culture;

Cl. chauvoei;

Penicillin (crystal) 10,000 bottles of 100,000 units;

B. T. V. 500,000 cubic centimeters.

Crystal violet vaccine (swine) first year, 500,000 cubic centimeters; second year, 200,000 cubic centimeters; third year, 50,000 cubic centimeters.

In addition, about 600 kinds of drugs, 500 items of equipment, and 200 titles of reference books and periodicals are listed as immediate needs for China's veterinary program.

Such requirements are of especial importance in view of the losses in domestic animals. So also is an increase in the number of technical personnel and the extension of facilities for technical training. Apart from the war, annual losses from contagious diseases are high. They are normally about 60 percent for chickens, 20 percent for hogs, and 5 percent for cattle and buffaloes.

In addition to reducing losses from disease, the Chinese Government plans to improve the native breeds by importing livestock and poultry.

Seeds are also required to improve the varieties of plants. Improved varieties of rice, wheat, cotton, millet, sweetpotatoes, sugarcane, oranges, and apples are available. Many improvements have been made by Chinese agriculturists and have increased yields of from 10 percent to 20 percent, but imported seeds are also needed, especially for cereals, cotton, and vegetables. Among import requirements are 1,500 metric tons of cottonseeds of Delfos 531 and the same amount of Stoneville 4, both being obtainable from the United States. In order to promote the extended use of such improved strains, more trained agriculturalists for extension work are needed.

Shortages of farm implements still have to be made good. The agricultural-implements program of UNRRA and the National Agricultural Engineering Corporation (organized on a nonprofit basis by the Ministry of Agriculture and the Farmer's Bank) provides for the manufacture of a wide range of farm implements and the development of improved models. The full program is estimated to require 3,000 tons of equipment, 7,000 tons of material, and over 5,000 technical personnel, including engineers and mechanics.

The necessity for the prevention of floods and for developments in irrigation and drainage has been referred to in relation to war damage. Large areas could be reclaimed or improved by these means, thereby both increasing average animal production and reducing the danger of famine. Irrigation needs include digging wells in the northwest and repairing canals and waterways and digging wells and installing pumps in the southeast:

Short-term needs for irrigation include:

Kind of equipment	Unit	Specifications
Power-driven centrifugal pumps, low lift, low head, with engine, suction and discharge pipes:		
6-inch	8,000	16 horsepower.
8-inch	6,000	25 horsepower.
10-inch	3,000	45 horsepower.
12-inch	1,000	60 horsepower.
Well-drilling rigs	880	4-inch pipe.
Deep-well pumps	13,200	4-inch suction pump, 16 horsepower.

In addition, equipment for manufacturing well-drilling rigs and pumps should be supplied so that China can establish plants to meet her own needs. Technical assistance in operating and manufacturing irrigation equipment is necessary.

Short-term irrigation projects over a 3-year period could cover 4,037,300 shih mow [5] at an estimated cost of US$20,000,000. These are expected to increase crop production by 200,000 tons a year.

Large-scale flood-control and drainage projects are also proposed.

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Information on fisheries does not permit of a detailed statistical analysis. A considerable amount of fishing is for subsistence and statistics on this are difficult to obtain. In the discussion on war damage reference is made where possible to losses of fishing vessels. This is useful to the general picture, but it is not reliable as a guide to reconstruction needs because of the difficulty in allowing for differences in the efficiency of craft, for the contribution of different types to the food supply, and especially for the degree to which acquisitions since the end of the war have made war losses good. For the above reasons the reconstruction problem as it applies to fisheries is stated in general terms.

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It is impossible to give any reliable statistics of the fishing gear in use before the war. There are some statistics indicating the number of vessels of certain categories, but these are patently incomplete and moreover cannot be reduced to terms indicative of the amount of fishing effort available in the area. In those territories affected directly by the war there has certainly been considerable reduction in the amount of gear and the number of vessels. There was direct destruction and also loss caused by the inability to effect repairs and replacements. These losses have been estimated as being in the order of 50 to 60 percent in China, the Philippines, French Indo-China, and the Indies. Since the end of the war there has been rehabilitation of varying degree in these countries and also in those countries which were subjected to war effects of lesser intensity. In the case of traps and native gear which are built of native materials and are customarily replaced fairly frequently, rehabilitation has been effected so far as economic or political disturbances did not interfere. Moreover, UNRRA operations in China and the availability of surplus Army equipment in the Philippines and elsewhere have meant the introduction of a body of powered equipment in excess of prewar holdings. In the Philippines there has been an appreciable development of the fish-carrier business, by vessels obtained from surplus war stocks.

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Only a relatively small proportion of the fish catch was eaten fresh, the bulk of it being processed by methods which would appear very primitive to western eyes. The chief methods were drying or salting, conversion to fish paste and conversion to fish sauce. There was some smoking, but, except for the Japanese operations, very little canning. The fresh fish consumed was eaten immediately after capture, except for the supply to certain cities, and it was only in relation to this exceptional supply that any ice or cold-storage facilities were required. Moreover, frozen or ice-protected supply was only a very small proportion of the total catch, but with the trend toward mechanization of the fishing operations processing and storage equipment are being developed. Ice-making plants are on the increase as a result of the surplus equipment left by the armies (in India, the Philippines, and elsewhere) and of extensive programs of development. For example, UNRRA is bringing 75 ice-making plants to China. Canneries, production plants, and the like have been brought into the region or are being planned, and it is obvious that there will be considerable development of secondary handling equipment.

A notable development is in the initiation of oil production for medicinal purposes. Oil production for other purposes has been practiced for some time, but vitamin-oil production is new.

The installation of secondary equipment for food processing will compel the revision of marketing and handling practices and changes in food habits. These should be accompanied by an appropriate educational program. The fish-eating habits of most of the people are fairly well established and do not include the consumption of frozen fish.

It should be noted that in the war-affected countries, many of the plants for native processing were destroyed or neglected.

Two tasks must be undertaken: first, the restoration of the equipment destroyed, lost, or neglected because of the war, must be completed, and second, mechanization of the equipment must be proceeded with, this being in some cases an alternative to renewing old-type equipment. Fortunately, there is a general quickening of interest in fisheries. Almost all territories have plans for the extension, or even the creation of governmental organizations to include extension, development, and research.

In China some of the productive potential of the UNRRA equipment is being earmarked for a governmentally run or sponsored, integrated project. The Government of China also has other plans for the development of its fishing industry and in addition has established its National Fisheries Research Institute.

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The following table summarizes the position in respect of major groups of industries:

Commodity	Prewar capacity	Prewar maximum output	Present capacity	Present output	Unit
Coal	55,000,000	41,000,000	30%	1946, 15,010,000; 1947, 8,577,000 (half year); 1948, 25,000,000 (planned).	MT
Pig iron	1,536,000	3,522,650	549,450	Nil	MT
Steel ingots	710,400	1,592,860	800,000	1947, first half, 5,676	MT
Steel products				1948, first half, 7,512	MT
Sugar	44,000	[1] 1,004,252,095	22,500	30,883,000 [1]	
Cement	2,240,000	1,463,376	2,650,000	1946–47, 725,000	MT
Textiles	[2] 5,082,000	5,900,000	[2] 3,000,000	([3])	

[1] Kilograms.
[2] Spindles.
[3] 1947 estimate, 2,475,000 MT's of yarn.

The textile situation is given in greater detail as follows:

Textile industry in China

	1936	1937	1947
Number of spindles, excluding doubling (March)		5,102,796	4,500,000
Spindles working (March)		5,052,792	3,800,000
Production of yarn (pounds)	879,150,720		[1] 323,095,000
Production of cloth:			
Pounds	365,746,000		[1] 251,400,000
Yards	1,219,150,000		[1] 838,000,000

[1] First 6 months.

Destruction, damage, and depreciation of equipment and inability to procure replacements have been mentioned as among the major causes of the decline in capacity. Decline in production is due not only to these factors but also to dislocation of transport, reduced supplies of power and raw materials and the general economic dislocation occasioned by war.

Among other factors which militate against the fullest utilization of the existing industrial assets are the dislocation of transport and supply of coal and electric power. Inflationary conditions, which have gathered momentum, have disturbed the relation between cost and market price to such an extent that production has suffered significantly. It has resulted in the diversion of capital to speculation, rather than to production, unprecedented decreases in interests, wages, and salaries, flight of capital and the neglect of capital equipment.

As regards mining, the best prewar output of coal was 41,000,000 metric tons as against 15,000,000 metric tons in 1946.

[5] 1 shih mow equals 0.67 hectares.

For other minerals the comparable figures are as follows:

Mining

Mineral	Best prewar production	1946	1947 [1]
Tungsten ore	14,541	2,331	5,500
Antimony (regulus)	15,185	971	2,700
Tin	12,954	1,963	1,750
Copper	483	100	1,000
Lead	7,820	400	100
Zinc ore	14,567	100	80

[1] Estimated.

Apart from coal, electricity is a very important source of power in China, particularly in Shanghai where more than 50 percent of factories are run by electricity. Sixty-seven percent of the electric supply in China is derived from coal, and only 31.5 percent from water power.

The following figures give changes in capacity to produce electric power:

	Prewar capacity, installed kilowatts	Prewar energy output (maximum), millions of kilowatts	Before VJ-day 1945, capacity, kilowatts	June 1947, capacity
China proper, excluding Formosa or Manchuria	631,165	1,724.0	660,815	736,441
Formosa:				
1932	68,992	83.6	----------	----------
1938	225,345	384.8	----------	321,000
1941	302,754	[1] 510.7	320,000	----------
1944	320,000	----------	----------	----------
Manchuria:				
1937	412,000	----------	----------	----------
1941	1,108,300	[2]	1,768,920	267,000
Total:				
1936–37	1,265,498	----------	2,749,735	1,324,440
1941	2,042,219	----------	(1945)	(1947)

[1] 1939. [2] Not available.

The output of current is given as follows:

Output of current:	*Chinese-owned plants*
1946	3,624,053,661
1947 (January to March)	1,009,039,133

The above figures are incomplete, but they afford support to the view that the decline in power production is important. Reasons for this decline are given in the discussion of war damage.

The requirements for the restoration of production in the best prewar years are considerable, and it is not possible to list them fully. The following are among the main requirements:

Industry	Value of requirements	Details
Coal	US$51,827,000	57,000 tons of new equipment to yield prewar output of 41,000,000 tons. Power plants, mine hoists, cars, railroad cars with locomotives, and all necessary mining equipment and accessories, spares, and repair or maintenance materials.
Iron and steel	US$50,000,000 (plus Japanese reparations materials).	To provide for initial capacity as under: (i) 1,178,000 tons per year of coke; (ii) 1,497,000 tons per year of pig iron; (iii) 1,680,000 tons per year of steel ingots; and (iv) 1,305,000 tons per year of rolled products.
Cement	US$4,600,000	To restore prewar level of output: 4 turbogenerators, of 4,000 kilowatts each; 8 electric shovels; 16 air compressors; 6 sawmills; 6 cement mills; 4 rotary kilns; and other equipment and instruments.
Sugar	US$25,000,000 (orders placed in 1947 spring, US$5,000,000).	To reach prewar level of output: Machines, spares, construction materials, plantation railroad materials, fertilizers, etc.
Shipbuilding	US$7,000,000	Machinery, installations, equipment, etc., and spare parts.
Mining	Not given	For tungsten, antimony, and tin mines: Diesel-oil power plants, 4 sets 150 kilowatts each, mining equipment, such as portable air compressors, drill-steel sharpeners, drill cutters, and shank drivers, hand shanking tools, hoists, oil furnace and mechanical leaders, as well as tungsten gravity mills, diamond drills, wagon drills, and machine-shop equipment.
Electric plants	US$30,000,000	160 kilowatts of equipment: 130,000 kilowatts generating plants of 2,000- to 10,000-kilowatts capacity, hydro generating plants of total 30,000-kilowatts capacity, power transformers of 1,000- to 10,000-kilowatt-amperes voltage, totaling 150,000 kilowatt-amperes, 300 tons of conductors, 50,000 pieces of insulators, 30,000 pieces of disk insulators, 100,000 pieces of watch-hour meters, 100 pieces of switches, 5,000 tons structural steel, etc.

For all mills standard spare parts are needed and (except in tin mills) timber.

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CHINA

Length of railways north of the great wall is given as 11,342 kilometers, of which only 1,667 kilometers are now in operation. South of the great wall (including Taiwan), the corresponding figures are 14,586 kilometers and 8,600 kilometers respectively. Some 5,660 kilometers of line south of the wall were destroyed or dismantled and of these 2,296 kilometers have been restored.

Even if the necessary materials were to be obtained and alloted, the rehabilitation of the Chinese railways north of the great wall does not seem to be a possibility owing to the events in Manchuria. This means that the quantity of material and equipment needed for the railways is greatly decreased as against the original estimate. The immediate problem, therefore, concerns the Chinese lines south of the great wall. Here the railway system has improved somewhat as the result of UNRRA acquisitions.

In order to maintain the existing railways, the Chinese Government states that 100 locomotives, 150 passenger cars and 1,600 freight wagons, approximately 4 percent of the existing rolling stock are required annually. Only about 10 percent of these requirements can be supplied from within the country itself.

The official estimates of requirements for rehabilitation and reconstruction are as follows:

Rails and accessories, 500,000 tons (C); turnouts, 3,000 sets (C); bridge and culvert steel, 60,000 tons (C); signalling and communication apparatus, 4,500 tons. (C); cement in 1,000,000 pounds, 6.9, (A) 6.2, (B) 0.7; cross ties in 1,000,000 pieces, 14, (A) 4.2, (B) 1.4, (C) 8.4; switch ties in 1,,000,000 FBM, 21, (A) 8.3; bridge ties in 1,000,000 FBM, 6, (B) 2.8; bridge timber in 1,000,000 FBM, 0.8, (C) 16.7.

For maintenance: Annual replacement: Rail and accessories in 1,000 tons, 60, (C); ties in 1,000,000 pieces, 5, (A) 3.5, (B) 0.5, (C) 1.0.

NOTE.—(A) Those that can be provided within China; (B) Those that can be provided from far eastern region; (C) Those that can be provided only from other sources than (A) and (B).

A five-year program of railway construction was contemplated involving additions as below:

	Existing number	5-year plan
Locomotives	2,141	2,300
Passenger cars	3,253	3,000
Freight wagons	39,178	27,000

But it now seems clear that this must be considered as a long-range project, and that until the existing lines have been rehabilitated priorities for its fulfillment are out of the question.

UNRRA railway supplies to China are given in the section as war damage.

The length of the existing national highways in 1947 is 74,853 kilometers. At present in southwest and northwest China only maintenance work and minor improvements are being carried out. In southern China there has been some minor improvement of arterial highways. In north China road maintenance is coordinated with military needs.

Lack of bituminous materials for the surfacing of highways, and lack of technical personnel have interfered with road improvements, so that even existing road-building equipment is not fully used.

Between 1937 and 1947 lorries increased in number from 17,655 to 37,287, but passenger motorcars decreased from 36,143 to 16,071 and buses from 10,837 to 4,323.

Estimated supply requirements in China, both for road construction and motor transport, material and equipment for road construction

Description	Unit	Quantity	Unit price	Total sum
Structural steel	Ton	60,000	$100	$6,000,000
I-beam	do	67,500	80	5,400,000
Reinforcement	do	45,000	80	3,600,000
Lumber	M.b.m.	60,000	150	9,000,000
Cement	Ton	125,000	24	3,000,000
Corrugated steel	----------	----------	----------	----------
Pipe and multiplate arch	Ton	50,000	100	5,000,000
Bituminous materials	do	300,000	60	18,000,000
Construction equipment and spare parts	do	----------	----------	2,000,000
Total	----------	----------	----------	52,000,000

NOTE.—The materials in the above table cannot be provided from within the country.

The estimated amount of motor supplies needed for 1947 is: Trucks, 4,000; gasoline, 13,500,000 gallons; lubricating oil, 1,350,000 gallons; tires and tubes, 54,000 sets; spare parts for 30,000 vehicles.

The supplies above cannot be provided from within the country. In 1946 the motor supplies used in China were: Gasoline, 48,300 metric tons; lubricating oil, 5,900 metric tons; tires, 34,700 metric tons; spare parts, 70 metric tons.

(The above items excepting 109,257 rupees' worth of tires from India, were purchased from the United States.)

As on July 1, 1947, the number of ships in China, both seagoing and inland vessels, was 2,518 with a total gross tonnage of 808,815. Of these there was not a sufficient number

of passenger or mixed passenger-cargo ships, namely, 50,000 and 152,000 tons, respectively, out of a.total tonnage of 809,000. As regards fishing vessels, there were only 61 with a tonnage of 4,000 sufficient to meet only a fraction of the requirements.

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IV. SUMMARY OF PROPOSALS AND RECOMMENDATIONS

A. Recapitulation of reconstruction needs

The preceding summary, incomplete and inadequate as it may be, serves to bring into sharp focus the immediate problems of this vast region where live nearly one-half of the world's population. Several parts of the region are in different stages of their transition from colonial status. Their fortunes had been linked with those of the more advanced countries through their trade relations which were complementary to those economies. They were producers and exporters of raw materials in return for imports of manufactured goods and capital, and their prosperity fluctuated with fluctuations in the demand for their goods. Very often the terms of trade were against them and this particularly in periods of depression when their incomes declined rapidly and seriously.

There has been a general lack of balance in the economic development of this region which is shown by preponderance of primary production and by the low degree of industrialization. Paradoxically, in spite of their dependence on agriculture, the region as a whole was unable to provide the essential foodstuffs for the vast population. The region was, however, making efforts to redress the balance and improve the situation when the war came. The war meant dislocation, damage, and in certain respects utter destruction of the precarious economy of this region. In the war zones large numbers of people suffered from injury, starvation, malnutrition, and death. Thus there has been a general decline in the already low standard of living which has resulted in undernourishment and disease.

The abandonment of land in fighting zones and the neglect of irrigation, drainage, and flood-prevention works threw out of cultivation large areas and caused a considerable diminution in fertility. After the war implements were worn out, livestock was depleted and there was a shortage of fertilizers, fungicides, and insecticides. Plantations suffered from neglect and shortage of fertilizers; timber resources were heavily depleted. The loss and destruction of fishing vessels and equipment reduced the supply of fish.

All forms of land transport were special objects of attack and in addition suffered from lack of maintenance. Rolling stock and road vehicles were heavily reduced in number and quality of operation. Heavy losses in shipping and damage to ports and installations have greatly impaired both inland and seagoing water transport.

Industries, mines, power plants, and commercial and residential buildings suffered likewise from damage and looting and from depreciation through overworking, neglect of maintenance, and the inability to import constructional materials, plant, machinery, and spare parts.

To these effects must be added the dislocation of economic organization and of governments and public administration. The additional strain on government and administrative personnel, the lack of training and recruitment during the war, and casualties have depleted the ranks of officials and raised a serious problem of recruitment and training for the future. The same applies to administrative and technical personnel in business.

The war also seriously dislocated international economic relations and has brought about important changes in the pattern of trade and investment. The changed position of Japan and of European countries has affected their ability to contribute to reconstruction within the region as markets, source of supply, and sources of foreign investment. On the other hand, the United States had gained in financial strength and productive power, while Canada and Australia have increased their productive potential. Of great importance in the postwar situation are changes in political status in the direction of greater independence. All of these conditions will have marked consequences in international economic relations both within the region and between the regions and other parts of the world.

The continuance of political unrest within the region has resulted in further damage and losses and hampered reconstruction activities. It has intensified these inflationary pressures engendered by the war itself and by the general conditions of economic dislocation.

While there has been some recovery this has been uneven both as between countries and different types of production.

The needs are so large and urgent. It is difficult to determine the order of priorities, but in view of the immensity of the needs it may be useful to indicate broadly the most urgent ones.

Food is obviously priority No. 1. The provision of food to areas facing starvation is all-important, for without it no productive activity can be resumed or increased. The areas which had normally a surplus of food production and which used to export the surplus should be enabled to reattain their prewar production. Other areas which have clear possibilities of attaining some degree of increased output, if not self-sufficient, should be encouraged and assisted through supply of manures, fertilizers, farm implements, insecticides, farm cattle, and transport. Until that is attained such areas will need food imports for which purpose it is necessary that they should increase output of commercial and exportable goods. The expansion of production of such goods also requires assistance of the kind indicated elsewhere.

Scarcely less urgent is the rehabilitation of transport and the improvement of transport facilities. The damage to transport caused by the war is universal in this region. Every country has suffered heavily on account of the destruction of all forms of transport. Apart from the mere restoration and rehabilitation of transport, the expansion of transport facilities is basic to the production and movement of goods. In several countries even available food supplies cannot be properly distributed owing to lack of transport facilities. Coal production and distribution have also been held up on account of transport. For these and other reasons, urgent attention has to be given to the methods of rehabilitating and expanding transport.

The increased production and supply of manufactured goods, and in particular certain incentive goods like textiles, is not only essential in itself as part of a reconstruction program but is necessary to induce the cultivators to part with their food grains. In nearly all the countries of this region it has been found that the supply of consumer goods to the farmers is one of the means of procuring efficiently the available food supplies. Further increased production of manufactured goods is an essential condition for the restoration of living standards. In regard to this, textiles naturally assume an important role. The textile industry in this region was, before the war, the most important and the decline in its capacity has been one of the serious factors which has contributed to the decline in living standards. The requirements in this respect vary between countries. In India the problem is one of replacement and repairs of the overworked textile machinery. In China the main need would appear to be the supply of raw cotton and restoration of its spindlage.

Another important reconstruction need is the availability of coal and other sources of power. The destruction of coal mines apart, the restoration of coal mines requires some capital equipment and replacement of machinery and parts. Coal has been an important lack in several countries in the region. Certain countries have plans for increasing hydroelectric and other forms of power, but all these require capital equipment which cannot be secured without either increased supplies of foreign exchange or foreign loans.

Thus the serious shortage of foreign exchange not only impairs the ability to reconstruct but also raises difficulties in the importation of necessary raw materials and consumers' goods. Rehabilitation of export industries will, of course, greatly ease the situation but for most countries the need for foreign loans is urgent.

The survey has in several parts brought out the importance of developing technical personnel. Although this has been dealt with separately, this is the basic requirement which requires to be thoroughly examined.

Finally, there has been so little knowledge among the individual countries within the region of each other's needs and programs of reconstruction. The pooling of such knowledge and expedients is not only desirable in itself but will also enable the countries within the region to know more precisely how far their needs can be met from among themselves. There is undoubtedly scope for regional cooperation in various fields, including, perhaps, even an interchange of some quantity of capital goods.

B. Summary of proposals and recommendations

The preceding paragraphs very briefly describe the general situation as it now exists. The account of conditions in the separate countries made in the body of the report is sufficient to bring home the gravity of the problems with which they separately and collectively have to cope and to draw attention to variations from the general picture as they occur from area to area. For Ceylon, China, India, Malaya, and Singapore, Indonesia, and the Philippine Republic, separate country studies have been prepared and appear as annexes to this report. In these the problems of reconstruction are considered in greater detail.

This paper, and the above country studies, endeavor to describe and analyse the situation as it now exists. But it is a situation subject to continuous change. It is of great importance to be informed on the changes which occur and on the steps taken to meet them. Hence it is recommended in the report on functions and methods of ECAFE (doc. E/CN., November 1938) that the executive secretary publish an annual economic survey of ECAFE countries, which will deal with economic conditions within the region, together with brief reports on the activities of ECAFE, on the results of investigations, and on significant reconstruction programs and policies.

Certain proposals and recommendations have been made in the report. For convenience of reference these are now recapitulated.

The proposals are concerned with activities which may be undertaken by the Secretariat. They include the following:

(i) An examination of the economic effects likely to result from the changes in the relationship between Japan and Korea, Formosa and Manchuria.

(ii) Reports, from time to time, on economic developments in Japan, in their bearing on the welfare of the whole region.

(iii) A study of the economic significance for the region of the development of substitutes.

(iv) The study of those activities of UNRRA which are of special importance to the problem of agricultural reconstruction.

(v) A study, in consultation with the International Monetary Fund, of the extent of shortages of foreign exchange, the causes of such shortages, and the means which might be taken to remedy the situation.

The following recommendations are made:

I. That a working party be established at an early date to consider the problems of supplies of fertilizers, insecticides, fungicides, poisons, and veterinary requirements; and that its terms of reference should include the following:

1. Consideration of—

(a) The requirements of the region.

(b) The extent to which these may be met within the region.

(c) The best means of augmenting supplies from within the region.

(d) The possibility of obtaining supplies from areas other than those within the region.

2. Consideration of the extent to which, in view of the requirements of the region and of the supply situation, it is desirable to establish a commodity board in respect of the above requisites, to augment supplies and assist in their allocation.

3. Consideration of the manner in which ECAFE may best cooperate with FAO in fulfillment of the above purposes.

II. That the attention of FAO be drawn to the desirability of examining the methods followed in countries throughout the region to increase the supply and improve the quality of agricultural tools and implements and machinery and equipment for irrigation, drainage, and river conservancy works.

III. That the executive secretary confer with the director-general of FAO with a view to arranging cooperation in the collection and dissemination of information relating to food production and supplies as they affect the region.

IV. That members be invited to report on reconstruction plans and programs in relation to food and agriculture and that the executive secretary be empowered, at his discretion, to call a conference of officials engaged in the task of reconstruction within the region, with a view to reporting on methods by which the production of food and other agricultural products may be most readily increased.

V. That ECAFE record its support of proposals to establish a regional fisheries council, and that the executive Secretary consult with the director-general of FAO as to the best means by which ECAFE can cooperate in the furtherance of the objectives of such a council.

VI. That working parties be established at an early date in respect of each of: (1) Transport, (2) fuel and power, (3) industry and materials, and that their terms of reference include the following:

Consideration of:

(a) The requirements of the countries within the region.

(b) The extent to which these may be met from within the region.

(c) The best means of augmenting production and supplies within the region.

(d) Possibilities of obtaining supplies of capital goods or necessary materials from areas other than within the region.

VII. That, in respect of the working party on industry and materials, prior attention be given to the position in relation to cotton and cotton textiles, and that the desirability of establishing a commodity board for cotton and cotton textiles be considered with a view to augmenting production and facilitating the distribution of supplies.

Mr. PEPPER. Mr. President, I have only this to add. What we propose to give China in the bill will be only temporary aid. This is what it is: 225,000 tons of wheat equivalent, 451,300 tons of rice, 750,000 bales of cotton, 25,198,000 barrels of petroleum and petroleum products, 40,000 short tons of soluble phosphatic fertilizer, 42,100 short tons of nitrogenous fertilizer, 84,500,000 pounds of United States tobacco, 17,588 metric tons of lead, zinc, aluminum, brass, and copper, 115,373 metric tons of iron and steel.

Mr. President, in our European recovery program we are trying to get away from simple relief by getting Europe back on its economic feet. In other words, the ERP is a bill to help western Europe to help itself. We wanted to get away from the continual drain of more relief appropriations. Well, Mr. President, why is not the principle equally applicable to China? The China measure is good so far as it goes, if it is intended for the Chinese people and not a small government clique, but the tobacco provided in it will be smoked up. The cotton goods will pretty soon be used up. The fertilizer will be put into the ground and will be gone. The other things we propose to give under the measure will be exhausted in the next few months. But, Mr. President, China will still be an impoverished nation. Therefore I do not know of a nation in the world where democracy properly applied, where better fertilizer for the farmers, where better seed for agriculture, where more adequate farm equipment, where modern agricultural techniques, where marketing arrangements, and the other recommendations of the China-United States Mission and the Reconstruction Commission for Asia and the Far East, would bear more fruitful results than in China.

So I only wanted to say, Mr. President, that until we put into force an effective program of democracy in China, until we bring about land reform, until we give the peasant a chance to know what democracy is, until we give him better health than he has ever had, until we give him education that will give him the power to contribute real strength to his economy and his work, until we make him a democratic unit in the world and give him something to say about his own government and make his government respect his will, we will never be able to lift the Chinese people out of their internal strife, which is endangering their security, and perhaps ours today.

So, Mr. President, I give credit to the economic aspects of this program as far as it goes. But I should much prefer to see us take this as a bare beginning, and expand it until we will really help the Chinese people to help themselves out of their present poverty, and make them one of the great economic powers of the earth, as they are one of the great civilizations of the world.

I earnestly hope, therefore, that we are not going to try to rely upon military aid, to rescue China but that we intend to plant the seeds of democracy, and nourish them and cultivate them until there shall be in China in due course a great harvest of prosperity and democracy for that great and historic people.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

The bill S. 2393 was passed.

FEDERAL AID TO EDUCATION

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. What is the business now pending before the Senate?

The PRESIDENT pro tempore. The Senate reverts to consideration of Senate bill 472.

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

RECESS

Mr. WHERRY. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 31, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 30 (legislative day of March 29), 1948:

IN THE NAVY

Vice Adm. John L. Hall, Jr., United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Commandant of the Armed Forces Staff College, Norfolk, Va.

Admiral Charles M. Cooke, Jr., United States Navy, when retired, to be placed on the retired list of the Navy with the rank of admiral.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 30, 1948

The House met at 10 o'clock a. m.

Rt. Rev. Msgr. Fulton J. Sheen, professor of philosophy at the Catholic University of America, offered the following prayer:

One may pray to God that Congress may hear or one may speak to Congress that Congress may pray. We shall break the tradition and choose the latter.

Gentlemen of the Congress, you ought to pray to God now as never before:

First. Because, as Lincoln told us: "We have forgotten God; we have imagined in the deceitfulness of our hearts that all our blessings were produced by some superior power and wisdom of our own. It behooves us, then, to humble ourselves before the offended Power, to confess our national sins, and to pray for clemency and forgiveness."

Second. You ought to pray that God, the sovereign King of nations, who once

used Assyria as the rod and staff of His anger, will not now use Russia as the instrument of His justice for the liquidation of a Western World that has forgotten God and banished His name from our schools, but not from the Congress of these United States.

Third. You ought to pray to God that our beloved country, through its generous relief to the vanquished and the hungry: "I was hungry, and You gave me to eat"; and through its dedication to her of whom the Saviour said: "Behold thy mother" may one day fulfill its glorious and certain vocation of being the secondary cause by which God will give freedom to the people of Russia and peace and order to all the world.

Instead, then, of perfunctorily praying to God and then tabling the prayer as "finished business," we say to you: Gentlemen, this is the unfinished business—your prayers. May each of you pledge God to spend at least 30 minutes a day in prayer; then watch our beloved country grow in peace, victory, justice, and happiness.

God love you.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 24, 1948:

H. R. 4838. An act to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States.

On March 25, 1948:

H. R. 2453. An act to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace;

H. R. 3506. An act to provide for the acquisition of a site for a new Federal building in Huntington, W. Va., adjoining existing Federal buildings there, as an economy measure, before land values have increased as a result of improvements;

H. R. 4836. An act to authorize the purchase of a new post-office site at Omaha, Nebr.;

H. R. 4967. An act to provide for the acquisition of a site and preparation of plans and specifications for a new postal building and for remodeling of the existing main post-office building in Portland, Oreg., and for other purposes;

H. R. 5315. An act to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases, and for related purposes; and

H. J. Res. 320. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the creation of the Territory of Minnesota.

On March 29, 1948:

H. R. 2502. An act to provide for the general welfare and advancement of the Klamath Indians in Oregon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 718. An act for the relief of Clarence J. Wilson and Margaret J. Wilson;

H. R. 986. An act for the relief of Leslie H. Ashlock;

H. R. 1215. An act for the relief of Kazue Oda Takahashi;

H. R. 1586. An act for the relief of Mrs. Leslie Price, Philip C. Price, Mrs. Louise Keyton, Annie Curry, and James Curry;

H. R. 2214. An act for the relief of Dave Hougardy;

H. R. 2347. An act for the relief of Mrs. Akiko Tsukado Miller;

H. R. 3061. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 3118. An act for the relief of Mrs. Susan W. Roe;

H. R. 3229. An act to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory;

H. R. 4177. An act for the relief of William L. Cunliffe;

H. R. 4478. An act to provide basic authority for certain administrative expenditures for the Veterans' Administration, and for other purposes;

H. R. 4938. An act to amend the Tariff Act of 1930 with reference to platinum foxes and platinum fox furs, and for other purposes;

H. R. 4943. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the territory of the Republic of the Philippines;

H. R. 5049. An act to reopen the revested Oregon & California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws; and

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1523. An act for the relief of the estate of Marion S. Griggs, deceased;

H. R. 4167. An act to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for the production of oil, gas, and other hydrocarbons for such terms of years and on such conditions as may be from time to time provided by the legislative assembly of the respective States;

H. R. 4739. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of exposed X-ray film; and

H. R. 5328. An act to amend paragraph 1803 (2) of the Tariff Act of 1930, relating to firewood and other woods.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 329. An act for the relief of Gentaro Takahashi;

S. 419. An act for the relief of Mrs. Teruko Matsukawa (nee Teruko Nagai);

S. 642. An act for the relief of Tang SikPui, his wife, and his five minor children;

S. 661. An act for the relief of Mrs. Lum Shee Jung;

S. 692. An act to authorize a mileage allowance of 7 cents per mile for United States marshals and their deputies for travel on official business;

S. 740. An act to record the lawful admission to the United States for permanent residence of Naka Matsukata Rawsthorne;

S. 755. An act for the relief of Toraichi Ambo;

S. 940. An act for relief of Mrs. Chieko S. Kawakami;

S. 1045. An act for the relief of Mrs. Lucia Kim;

S. 1055. An act for the relief of Mrs. Irma M. Pierce and Charles Z. Pierce;

S. 1186. An act for the relief of Thorvaldur Hliddal;

S. 1451. An act for the relief of Perfecto M. Biason and Joan Biason;

S. 1771. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Wyoming, Shoshone reclamation project, Wyoming, to the James S. McDonald Post 5054, Veterans of Foreign Wars, Powell, Wyo.;

S. 1806. An act for the relief of Ensign Merton H. Peterson, United States Naval Reserve;

S. 1950. An act to provide for a decennial census of housing;

S. 1985. An act to amend the act entitled "Boulder Canyon Project Adjustment Act," approved July 19, 1940; and

S. 2278. An act to authorize the sale of certain public lands in San Juan County, Utah, to the Southwest Indian Mission, Inc.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2361. An act to provide for a temporary extension of the National Housing Act, as amended.

EXTENSION OF REMARKS

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD in three instances, in each to include a radio broadcast by Jack Beall.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article by Charles Wesley Flint, resident bishop of the Methodist Church, Washington area.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and include in each addresses delivered by his colleague the gentleman from Massachusetts [Mr. McCORMACK] at a testimonial banquet held in Boston on Saturday in honor of Eamon de Valera.

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD and include an address by Cardinal Spellman.

Mr. PICKETT asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Houston (Tex.) Post, March 21, 1948.

Mr. HARDY asked and was given permission to extend his remarks in the RECORD and include a statement by Donald E. Reece.

ITALY BELONGS IN THE UN

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, Italy needs food, which we have sent to her in large quantities. She needs material help. She needs arms to resist communism. These are urgent, desperate requirements, and they will be met.

If we stopped here, however, we would crassly ignore the pride and dignity of a great people. There is not time or space to review their accomplishments, and the gifts they have brought to the life of our world.

Suffice to say that, as the birthplace of western culture and as the spiritual center of Christianity, this land and its people are inseparable from the civilization we are trying to save.

Yet, as of today, she is denied her rightful place in the world assembly.

I propose, therefore, that the United States shall sponsor the admission of Italy to the United Nations.

I suggest to the Congress that our delegates to the UN should be instructed to work unremittingly for this goal. Here, if ever, is the opportunity to revise the Charter of the UN. The wanton and unrestricted abuse of the veto power must be corrected, if we are to save the family of nations from disaster.

The plight of Italy brings this problem to a focus.

What nation has a greater right to sit at the council table than the one which has mothered so much of our progress?

World opinion, by an overwhelming majority, recognizes Italy's claim. One country, however, stands in the way of that which is right and just. With cynical indifference to all moral values, she would cut the life line of civilization and divorce Italy from that world of which she is so indispensably a part.

That saboteur is Soviet Russia.

Even at this moment, while communism is attempting to deceive the Italian voters with false promises, communism is blocking Italy's right to be admitted to the United Nations.

Russia did not lift a finger in the struggle to liberate Italy. But Russia demands ships and punitive reparations from the liberated people. Russia encourages aggression against the northern borders of Italy. The Soviets are trying to undermine the Christian faith which is the very heart of Italy's life.

We in the United States, aware of her need for a place in the sun and remembering that the people of Italy, once given the freedom of choice, joined with us in the fight against fascism, rallying to her support.

The United Nations is incomplete without the presence of a free Italy.

As she sponsored us through the discovery of America, we shall reciprocate by working for her rehabilitation, for the development of her democratic institutions, and for her welcome into the UN.

If Russia insists on using the veto to bar Italy, then that use of the veto must be eliminated.

Impossible?

Call on Russia now to answer this question, "Do you by your vote deny Italy's legitimate right to membership in the UN?"

If Russia continues her humiliation of Italy, there is but one recourse. Under article 51 of the Chapter, we will ask Italy and other democratic nations to join with the United States in a pact of mutual self-defense in which all members will be considered as equals.

JOHN L. LEWIS

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GOSSETT. Mr. Speaker, Mr. John L. Lewis and his type may be more dangerous to our peace and security than is Mr. Joseph Stalin. Now, when we are trying to reduce taxes, restrain inflation, and bolster tottering democracies abroad we find Mr. John L. Lewis throwing a handful of monkey wrenches into the machinery. His letter of yesterday to the President's Board was that of an arrogant, egotistical, power-mad tyrant. Mr. Lewis is demonstrating what I have always contended, that the Taft-Hartley bill was not strong enough.

Mr. Speaker, ever-increasing inflation is a one-way street to destruction. Industrial and labor abuses during the war added $100,000,000,000 on to our national debt. Since the war, as during the war, we have permitted gigantic industrial monopoly and gigantic labor monopoly to chase each other around in a vicious circle of ever-spiraling price increases. United Steel workers increased wages, then the United Steel monopoly increased prices. The union again increased wages, the industry again increased prices. Railway labor organizations up wages, then the ICC increases rates. This is followed by another increase in wages, and still another increase in rates. The ICC, on January 1, increased freight rates in this country 25 percent and added $1,300,000,000 on to the cost of consumer goods during this year alone. Now, railroad labor is seeking further hikes in wages. Mr. John L. Lewis rides herd on all miners. He has a propensity for calling strikes in times of emergency, and has increased the wages of miners time and time again, resulting in ever-increasing costs of coal until this procedure has become an old story.

Mr. Speaker, will these abuses end in a national graveyard? While trying to fight evils abroad, are we to be destroyed by evils we have neglected to fight at home? Perhaps we would be wise to suspend action on the Marshall plan for a few days and give our attentions to Mr. Lewis.

EXTENSION OF REMARKS

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD and include several clippings from the Baltimore News-Post.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD in two instances and include in each extraneous matter.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include an editorial.

UNITED STATES COAST GUARD

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, we all admire the work of the United States Coast Guard. Every day we either read in the newspapers or hear over the radio the story of some brave rescue. I would like to report to my colleagues in Congress on some of the most recent and outstanding cases, which indicate the service that the Coast Guard renders to virtually every part of the United States and also to Alaska.

I will mention only in passing briefly the gallant rescue of the passengers and plane crew members of the flying boat *Bermuda Sky Queen* by the Coast Guard cutter *Bibb* in mid-Atlantic. On patrol day in and day out, Coast Guard cutters perform the arduous duties of ocean station patrol, assisting the Weather Bureau to gather weather information used by transoceanic aircraft and ships in both the Atlantic and Pacific. For those cutters, rescue is an important auxiliary duty.

Shortly after the *Bermuda Sky Queen* rescue, the *Bibb* was lending assistance to the coast of Maine during the forest fire of last fall. Rescue work done during the time that these weather ships are not on station is typical of them all.

The New England coast is an area of much shipping activity, and is well served by the Coast Guard. A recent case of assistance is the rescue of all the crew of the fishing vessel *Cape Ann*, grounded on Nausett Beach, Mass. With the Coast Guard cutter *General Greene* standing by to help offshore, the crew of the Nausett Life Boat Station brought the *Cape Ann's* crew ashore by breeches buoy, thus adding another rescue to the long list of Coast Guard rescues along the rugged New England coast.

At Morehead City, N. C., Coast Guard men also completed recently the rescue of all the crew of the grounded tanker steamship *Norfolk*.

In this record-breaking cold winter of 1947 and 1948 the northeast portion of the United States relied on the Coast Guard for the continuance of navigation in its ice-bound harbors. Coast Guard ice breakers along the New England coast, on the Connecticut River, on the Hudson, the Delaware, and on Chesapeake Bay, including the Potomac, opened channels to shipping, thus insuring delivery of oil and other heavy goods.

The Coast Guard is active also in the Mississippi River Valley and on the Gulf coast. When the transport *William H. Thomas* went aground in the lower passes of the Mississippi, all passengers were evacuated by the Coast Guard from the grounded ship and were brought safely into Venice, La.

When another steamer, the steamship *Virginia*, grounded also in the lower reaches of the Mississippi the Coast Guard stood by for potential assistance, but in keeping with its policy did not interfere with commercial salvage operations.

Coast Guard headquarters in St. Louis at the present moment is alerted for flood relief. In cooperation with the Army engineers and other organizations active along the Mississippi, the Coast Guard has its plan ready for activation in the event of floods.

On the west coast the Coast Guard provides daily service to the numerous fishing craft and pleasure boats, rescuing stranded fishermen and towing disabled vessels into port. Generally the Pacific is calmer than the Atlantic, and the larger vessels need assistance less frequently than on the east coast. When an American tanker, the steamship *Sparrows Point*, collided with the Canadian steamship *Manx Fisher* last fall the Coast Guard cutter *Minnetonka* and the Monterey Lifeboat Station cooperated in picking up 22 of the 38-man crew of the burning tanker. The Coast Guard helped also in extinguishing the blaze.

Thirty-four icebound vessels in Buffalo Harbor on Lake Erie are being freed from the ice by the Coast Guard's mammoth ice breaker, the *Mackinaw*. It is of interest that the value of ships and cargo assisted by the Coast Guard in similar operations on the Great Lakes last year amounted to approximately $700,000,000.

In Alaska the Coast Guard tender *Clover* sent a boat ashore through raging surf to save all passengers and crew of the shipwrecked *Spencer*, a cannery vessel. At the same time the Coast Guard cooperated with the Navy, who sent a rescue tug to the scene.

Thus far, I have mentioned particular instances. I would like to point out that these particular instances could have been brought out only by continuing daily readiness on the part of the Coast Guard.

In the North Atlantic the international ice patrol has commenced again for the 1948 season. During all the years since 1914, interrupted only in wartime, the Coast Guard has conducted this annual patrol, and in that time there has been no loss of life through iceberg collision.

The more than 36,000 aids to navigation that the Coast Guard maintains in inland waters and on the Great Lakes, in addition to our coastal navigable waters, are in operation throughout the year and are doubtless responsible for preventing many accidents.

Present-day search and rescue facilities, coordinated by the Coast Guard, cover our inland waters and both oceans. These facilities are well handled by the Coast Guard.

Merchant-marine inspection functions are another daily service that provide for the safe operation of our merchant fleet.

I submit that the Coast Guard provides great service to the majority of the 48 States and that the above instances are good evidence of that fact.

THE MARSHALL PLAN

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, in the Appendix of the RECORD, at page A1224, appears a very illuminating article on the Marshall plan written by Henry Taylor. I think if you will take the time to read that it will be a little more difficult for you to vote for the plan.

I notice a map has been placed here in the well of the House, probably by members of the committee. If you will look at that map, you will notice that at Potsdam and Yalta most of Germany was given away, and that Russia has been put in the driver's seat by the mistakes of the past administration and mistakes of the State Department, which now asks us to go for this $20,000,000,000 Marshall plan. The horse has already been stolen from the barn. This Congress, in my judgment, Democrats and Republicans alike, but particularly Republicans, has missed the opportunity of its lifetime to protect the American people by putting the brakes on passing this bill calling for the expenditure of an enormous amount of money at the expense of the taxpayers.

I am willing to vote for a reasonable amount of aid to certain countries who need it, but I am opposed to taking in several nations who did not enter the war and who benefited by the war. The amount is for too much and it should be limited to 1 year and then assess the results.

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present. If the House took a secret vote on this measure, they would kill it as dead as heck, and you all know it. This is one of the most dangerous steps Congress has ever taken, and the Members should be here to hear the arguments on it.

The SPEAKER. The Chair will count. [After counting.] Sixty-eight Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 32]

Andresen, August H.	Buckley	Clark
Andrews, Ala.	Busbey	Cravens
Bates, Ky.	Camp	Dawson, Ill.
Bell	Carroll	Delaney
Boykin	Celler	Dingell
	Chelf	Douglas
Gathings	Ludlow	Sadowski
Grant, Ala.	Manasco	St. George
Hall, Leonard W.	Mason	Sikes
Harless, Ariz.	Mitchell	Simpson, Pa.
Hart	Morrison	Smith, Maine
Hendricks	Nixon	Smith, Ohio
Jarman	Norrell	Somers
Jenkins, Ohio	Passman	Stanley
Jones, Wash.	Patterson	Taylor
Kennedy	Rains	Thomas, N. J.
Klein	Reed, Ill.	Wadsworth
Lesinski	Rockwell	Worley
	Rooney	Zimmerman

The SPEAKER. On this roll call 373 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to include in the remarks he expects to make in the Committee of the Whole certain excerpts.

Mr. COX asked and was given permission to extend his remarks in the RECORD and include an article recently appearing in Plain Talk.

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include an article by Mrs. Roosevelt.

Mr. WALTER asked and was given permission to extend his remarks in the RECORD and include a statement on the preparedness day program of the AMVETS.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include an article by Mr. Taylor and two editorials.

Mr. PRICE of Florida asked and was given permission to extend his remarks in the RECORD.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD in two instances and to include in one an editorial.

Mr. SMITH of Wisconsin asked and was given permission to include in the remarks he expects to make in the Committee of the Whole today certain extraneous material.

Mr. TOLLEFSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. VAN ZANDT asked and was given permission to extend his remarks on the subject, Punitive Excise Tax on Furs Should Be Repealed.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include an article from the New York Times on multiple sclerosis, a disease which is twice as prevalent as infantile paralysis.

SPAIN

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the O'Konski amendment.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, the glaring weakness of this bill is the exclusion of Spain and every honest mind in this body knows that that is so, and that leaving her out is a further concession to the people most responsible for the terrible trouble in which we find ourselves.

I can understand that the committee sponsoring this bill, guided to some degree by the State Department, might have questioned the advisability of putting Spain in the bill since she was not a party to the Paris Conference, but this is the money of the people of the United States that we are giving away or investing in national security. If the stopping of Russia is the objective of the bill, as all advocates of the measure so vehemently declare, then to leave out Spain is to impeach our good faith.

This is no time for the appeasement of our domestic Marxists, but a time of world crisis when our country needs honest and courageous treatment on the part of their National Congress of all public measures. Spain wants nothing of us but our friendship. She begs to play her role as a friendly nation in the endeavor to win a universal peace. Why not take her hand which she extends in friendship and labor with her upon a basis of mutual confidence and respect in the endeavor to bring to pass the objectives we seek.

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I renew my motion that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 2202, with Mr. CASE of South Dakota in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, March 29, there was pending the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI].

Without objection, the Clerk will again report the amendment offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. O'KONSKI: On page 50, line 16, after "including", insert "Spain" and a comma.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that debate on the pending amendment and all amendments thereto close in 5 minutes, the last 2 minutes to be reserved for the committee.

Mr. VURSELL. Mr. Chairman, I object.

Mr. VORYS. Mr. Chairman, I move that debate on the pending amendment and all amendments thereto close in 5 minutes, the last 2 minutes to be reserved for the committee.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, it seems to me that the membership of the House in agreeing to limit debate on this particular point to 5 minutes is taking a position which is a momentous one and which we will regret in the days to come. I understand that the membership of the committee, at least a majority of the membership of the committee, have agreed to accept the inclusion of Spain with the 16 nations to be helped under this plan. It might be well to recall the part which Spain played in the starting of fascistic aggression throughout the world. We know that a constitutional government was elected in Spain in 1936 by a coalition of 85 Socialists, 75 Republicans, 32 Republican Union, 22 Catalonian Esquirra, 14 Communists, making a total of 226 delegates. The center group had 55 and the group to the extreme right had 143 delegates. Notwithstanding the fact that a clear majority government was established—a constitutional government—by the coalition of the nonrightist groups, we saw the overturn of the Spanish Government by an armed minority group led by General Franco. In July of 1936 a rebellion occurred, and after the fighting the Fascist government of General Franco was established. During the time preceeding the 1936 rebellion and subsequent thereto General Franco and his aides conspired continuously with Mussolini and Hitler. It was over the Spanish territory that the dive bombers of Count Ciano of Italy and the Wermacht of Germany had their training for the war against the democracies. It was in Spain that the espionage agents of the Axis had their clearing house for security information which caused the death of many American boys.

The United Nations has refused to accept Spain into the family of nations and has recommended that all member nations break off diplomatic relations with Spain. Our own State Department has refused to send an ambassador to Spain.

Why have these actions been taken? Primarily, because the fascistic leaders of Spain have refused to institute democratic principles of government for the people of Spain. The people of Spain are held in iron control by as ruthless a group of leaders as those who were in charge of Germany, Italy, and Russia. Civil liberties and political rights are withheld from the people of Spain. They will continue to be withheld until the Franco government falls.

I realize the great pressure which is being used to whitewash the present Spanish Government. The record has been written, however, and whitewash will not cover either fascistic or communistic sins.

I realize that the present amendment is permissive only, and that Spain must clear some hurdles before she can participate in the European recovery program funds:

First. The 16 nations must accept her into the western European group on the basis of their article of mutual economic and political assistance.

Second. Spain must establish her internal need for aid, with the United States Administrator, and her willingness to comply with the 16-nation economic program. Spain cannot do this under present conditions—nondiplomatic recognition.

If our State Department remains firm, it is possible that good may come of this, but I am afraid that our move is unwise and premature. I am afraid that Spanish democratic concessions will not be demanded as a "quid pro quo" for such assistance as may be granted.

For the present, I must oppose and vote against this amendment as a matter of principle. I submit herewith nine arguments against the inclusion of the present Franco government of Spain into the European recovery program. My opposition is not against the people of Spain, nor against a democratically established Government of Spain. My reasons for opposing this amendment are as follows:

First. Spain was a partner of the Axis all through the Second World War, although she did not engage in the fighting.

Second. The present Government of Spain is hostile to democracy and does not recognize our political principle of government with the consent of the governed.

Third. The Franco regime stands for retention of old privileges and the status quo of the army, the large industrialists, and the aristocracy.

Fourth. The United Nations has on a number of occasions expressed its opposition to the Spanish Government and has adopted a resolution recommending the breaking off of diplomatic relations between members of the United Nations and Spain.

Fifth. The present Government of Spain is a threat to peace in that it is a major stronghold of fascism.

Sixth. Spain is a potential threat to peace. Her aims and objectives have been clearly defined by her past actions, particularly her close cooperation with Mussolini and Hitler.

Seventh. The expansionist program of Hispanidad follows the familiar fascist pattern and can only lead to conflict and strife.

Eighth. The European recovery program is designed to rebuild Europe which was destroyed or seriously damaged by the Second World War. Spain did not participate in the Second World War and suffered no essential damage from that conflict. She therefore cannot claim any advantages under this program.

Ninth. Spain did not participate in the deliberations of the committee on European Economic Cooperation, and the plans as drawn up by the 16 nations did not visualize Spanish participation.

In conclusion, I cannot forget the fascistic speeches made upon many occasions by General Franco. I cannot forget the enoblement of war, which is a basic tenet of nazism and fascism. I cannot forget the million lives sacrificed in Spain to establish the present totalitarian regime, nor can I forget that Franco once said:

Life means fighting; nations reach their historic climax in fighting; if they rest on their laurels they are overrun.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. VORYS. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I rise in respect to this amendment much more in sadness than in the heat of contention. I think we are making a grave mistake. The committee proposes to accept this amendment, though it is a gratuitous mention of Spain. For by the section of the bill under consideration, section 103 (a), "any other country * * * wholly or partly in Europe" provided it adheres to and so long as it adheres to the European recovery program, may be a participating country.

I think the adoption of this amendment is a grave mistake, for three reasons:

First. We have no ambassador in Spain. We have there only a chargé d'affaires. We have no ambassador in Madrid, as we are complying with a resolution of the UN General Assembly, adopted February 9, 1946, recommending to the members of the UN the withdrawal of their ambassadors from Spain.

Second. The 16 European nations whom we are seeking to aid in this program did not invite Spain to participate in their deliberations. Hence, we are making a mockery of self-help and mutual cooperation by inviting a nation they did not invite.

Finally, we show a very deep lack of understanding of the friends of democracy in France and Italy, who will have hurled against them now by every Communist agitator, the charge that we are allying ourselves with a dictatorship in Spain. For Europeans have long memories, they remember that Spain was considered a nonfighting partner of the Axis throughout the war, and that blitzkrieg was first tried out by Hitler and Mussolini in Spain in aid of the present government.

Hence, I say it is much more in sadness than in controversy that I speak against this amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. VORYS. Mr. Chairman, the committee has decided not to object to this amendment. It may not be the happiest way to handle the matter, but on page 11 of the committee report we mention, "the possible desirability of readmitting Spain to the family of western nations"; and we say that "that possibility seems to be growing among the countries of western Europe and is certainly manifesting itself in opinion in the United States."

Furthermore, the amendment as proposed leaves in this qualifying language, found on page 50, line 22 "provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title."

Therefore, the insertion of this language still leaves it to the joint action of the European nations to provide for the adherence of Spain.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. Will the gentleman yield?

Mr. VORYS. I yield to the gentleman from New York.

Mr. BLOOM. Does the gentleman think this is the right way and the fair way and the just way to do this, to limit debate on this important question to 5 minutes? I do not.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JENNINGS. I just want to say that the position which the gentleman from Ohio has just taken is one of the wisest statements I have heard in this entire debate. We ought to go with him.

The CHAIRMAN. The time of the gentleman from Ohio has expired. All time has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI].

The question was taken; and on a division (demanded by Mr. MARCANTONIO), there were—ayes 149, noes 52.

Mr. MARCANTONIO. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was agreed to.

Mr. HAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAND: On page 50, line 16, strike out subsection (2) beginning at line 16 on page 50, and ending at line 15 on page 51.

Mr. HAND. Mr. Chairman——

Mr. VORYS. Mr. Chairman, will the gentleman yield for a consent request?

Mr. HAND. I yield.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAND. Mr. Chairman, I feel very strongly that instead of adding countries to this already overburdened plan, countries, for example, which are now in the plan like Portugal, Iceland, Sweden, and Switzerland, which I think have very little place in it; instead of adding adidtional countries, we ought to make sure that no more countries are in this plan than those which have already signed the participating agreement. The purpose of this amendment therefore is to strike out all of subsection (2).

As the bill now reads this plan not only covers those countries which have already signed the report of the Committee on European Economic Cooperation, but also includes this very broad language:

And any other country including any of the zones of occupation, and so forth, provided such country adheres to and for so long as it remains an adherent to a joint program.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield.

Mr. JAVITS. Is it not a fact, then, that Spain could be included under that language even without any amendment?

Mr. HAND. That is the fact.

Mr. JAVITS. This amendment then is unnecessary.

Mr. HAND. That, of course, is the fact; and it is a fact that any other country in the world, including Russia, could likewise be included under the language of this bill, provided, of course, they adhered to the general scheme which is set out in paragraph 2. That is not a mistake, that is a deliberate design of this legislation. The President came before us the other day and said, and emphasized it very carefully (and perhaps this is the right view, but it is not my view) that he desired to leave the door open. I think he repeated that for emphasis, to leave the door open to any country. My desire, Mr. Chairman, is to close that door.

I have very great doubt that the exporting of goods or money will prevent any country from going Communist. We tried that experiment by pouring $300,000,000 into Czechoslovakia and in 48 hours Czechoslovakia was taken over by some native Communists. I know, and I think we all know, that there is not 1 person in 10 in this country and there is not 1 person in 10 in this House who would think of voting for this very drastic piece of legislation, except it is called an anticommunistic measure. Therefore I think this door ought to be closed, that this plan, drastic and generous and expensive as it is, ought to certainly be limited by the Congress to those countries which are already in this participating agreement, the non-Communist countries, and not leave the door wide open to any other country that the Administrator may later see fit to admit.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from Minnesota.

Mr. O'HARA. I agree with the gentleman and I am going to vote against this bill because I think in the ordinary course of trade these things we send over there are going into the satellite countries and eventually into Russia.

Mr. HAND. That has happened before and I agree it will happen again in all probability, but, at least, it seems to me reasonable to strike out all of subsection (2) of this section so that we are sure we are not dealing with any more countries than those that have already signed the agreement. I think the amendment is a rather serious one. If you strike out subsection (2) it will somewhat improve this bill, which is a dangerous experiment in any event.

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from West Virginia.

Mr. KEE. Has the gentleman considered the fact his amendment will cut out the amendment which has just been adopted to bring Spain in?

Mr. HAND. I am not sure that is so. In any event, I voted against that amendment and I would be very glad to have Spain cut out. I despise fascism as much as I hate communism. I am certainly opposed to helping either.

Mr. KEE. I would, too.

Mr. VORYS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the gentleman from New Jersey is absolutely correct in saying this is a very serious amendment. It would make a permanently exclusive club of the 16 nations that signed the

report at Paris. It would eliminate western Germany, although our policy is to attempt to reincorporate western Germany into the economy and policies of western Europe. It would cut out the possibility of bringing back some of the satellite countries, if they finally became in a position to adhere to a joint program for European recovery. It would cut out Trieste, although the latter part of the language stricken out makes provision that Trieste may continue to exist during the next year. It is most important that the offer that has been made of returning Trieste to Italy be implemented by the language in the latter part of the section which is stricken out.

Mr. Chairman, since this is a very serious amendment which would strike out the heart of the original Marshall proposal that recovery shall not be an exclusive matter for a favored group but that our purpose is to stimulate recovery of western Europe and world recovery, for these reasons I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. HAND].

The amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, no thoughtful person can be blind to the dangers and gravities of the international situation today. Some time ago I came across a communication addressed to the New York Herald, now the New York Herald Tribune, 100 years ago by Karl Marx, the founder of communism. I quote:

> The conflict between Russian despotism and western democracy seems to be everlasting in the Balkans. Those who are working for the survival of democracy in Europe must introduce European arts, sciences, justice, liberty, and the spirit of independence into the Balkans.

A little later he wrote:

> From time to time Russia pretends that it has no evil intentions against this or that nation, but merely wishes to protect it. Humanity should be on its guard against claims of protection on the part of Russia. Did they not claim to be protectors of Poland at one time?

There is irony in the fact that today those who condemned the militarism of Czarist Russia 100 years ago, while advocating the very communism that the Czar opposed, are now supporting the Czarist militarism. Whatever else may be said, the conflict today, as history repeats itself, is a conflict of the struggle 100 years ago when Czarist Russia was exercising despotism under the guise of protection.

The bill under consideration is fundamentally for the security of the United States and for the promotion of world peace.

No people or no nation is ever the same after a great war. The price of peace is high, but the price of war is higher.

Some Members have spoken of the elections shortly to be held in Italy. Those elections, in my humble judgment, will be materially determined by conditions in Italy. Aid by the United States will greatly help. I wish that the United States would unselfishly plan for the rehabilitation of the downtrodden of Europe and China in order that the peoples of the countries that we propose to help, in response to their requests, might more readily and effectively aid in rehabilitating their own countries. I wish that the selfish idle rich, whether in Italy or in Greece, would cooperate unselfishly with the suffering peoples in those countries, without homes or farms, whom we propose to aid.

In my thought what we need in the world today is not only a Marshall plan for recovery in Europe and China, but a spiritual plan. What we need today is to demonstrate to the nations of the world that the best aid we can render them is to demonstrate anew that democracy is functioning in this country of ours, with freedom to work, with freedom to speak, and with freedom to worship. There is nothing new in the despotism of Russia, for the despotism of Stalin is the despotism of the Czar.

Karl Marx charged Czarist Russia with the absorption of the Balkan States to promote imperialism. Today the democracies of western Europe charge the Russia of Stalin with infiltration under the guise of protection to promote the reign and rule of communism. Soviet Russia is today practicing the same despotism that was practiced by Russia a hundred years ago. While the contest between the statism of Russia and the freedom of America is a struggle for the control of the minds and bodies of men, while the contest should be confined to the appeals to the mind, nevertheless resorting to force will follow inevitably without world peace, for dictators are never satisfied short of war.

Russia knows no language but force. The United States has done its best to get along with Russia. We are not forcing a program upon Europe or China. General Marshall, in his Harvard speech, properly stated that if the European countries demonstrated that they were willing to help themselves and rehabilitate their own countries as far as they could, upon their request the United States would aid as far as our resources would permit. In opposing rehabilitation in Europe and in China, Russia is running true to form. Communism thrives on suffering and hunger. Behind the cloak of her opposition, under the guise of protecting, Russia stands revealed as she is, with the policy to rule or ruin. Ungrateful and double-crossing, the Soviet policy of imperialism is crystal clear.

The best way to promote peace is for the United States to be prepared for war, and the best insurance against attack is for the western democracies of Europe to be rehabilitated. For selfish reasons the United States is interested in a peaceful Europe and a peaceful China.

Criticism has been made of the Department of State. The program of the State Department and its administration by the Army in occupied Germany should certainly be reexamined and improved. Only those who work should be fed.

In the administration of the program, none but Americans should be in charge. We must practice in the program the freedom that we enjoy at home. We must be zealous and militant in promoting the American ideal.

Wars bring problems to the victor and to the vanquished. We must rehabilitate America as we rehabilitate Europe and China. Only a strong America can promote world peace.

There are those who criticize the enormous costs of the program. They point to domestic needs and domestic problems. It is time to think things through. Many who advocate unsound authorizations and appropriations, regardless of their merits, illogically state that we are discriminating between those in need abroad and our own citizens. I am for building America. I am for all proposals standing on their merits. But I am always critical of those who resort to the false argument that we are helping others while denying ourselves as we make provision for European and Chinese recovery. Substantially every dollar to be appropriated under the proposals will be expended in the United States. Outlets for our surplus crops and products will be provided. Agriculture, manufacturing, business, commerce, and the general welfare of the United States will be promoted.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. VORYS. Reserving the right to object, Mr. Chairman, and I shall not object in this instance, we have already heard from 97 Members in the past week, and the committee has asked me to object from now on to any extensions beyond the 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. There is nothing new in the Soviet doctrine of statism. It is as old as the pyramids. Joseph fed the Egyptians in the days of the famine, but the peoples of the Pharaoh lost their land. The state could only feed if it owned the land.

This bill represents the consensus of bipartisan opinion in the United States. I know it involves risk. It involves calculated risks. I should like to see the bill before us in the form it was considered by the other body. It is well enough for us to keep in mind that on foreign policy our partisan differences stop at the water's edge. It is now time for unity and for cooperation.

If this proposed program is rejected, it will be misunderstood throughout the world. We are either for this program with its calculated risks, with the possibility that it may not succeed, or we are against it. Nothing as good or better has been proposed.

For my part, Mr. Chairman, I am ready to stand up and be counted. In the contest between Russia and America, I am for America. I believe that the State Department, that the armed forces in Germany, China, and Japan, that Americans in the diplomatic service, that the true and tried Americans who are to administer the program should be zealous and militant; champions of the American way of life, and always be prepared to

maintain and to demonstrate that the free-enterprise system of the United States is the best form of government ever devised for the benefit and welfare of the common man everywhere.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this section do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, I have listened carefully to the remarks of the gentleman from Mississippi [Mr. WHITTINGTON] and find myself agreeing very generally with him. It seems to me that during the dozen years that I have been a Member of Congress, this body has been required to act on the most momentous measures and has had to make the most critical decisions confronting the American Congress during the entire period of its existence. What is so terribly distressing to me about many of these decisions is my utter inability to see clearly their far-reaching effects and my great difficulty to distinguish right from wrong in regard to the best steps to be taken. Now I regard each vote today, especially the final vote on this measure, as meaningful as any of a half dozen of the most significant and momentous of my legislative career.

What is most distressing in this case, as so frequently happens, is that my mind is made up as to what is theoretically best and wisest for America to do in general in this great relief work, but that decision is modified by many if's, and's, and conditions. Now, any one of these conditions may, and probably ought to, reverse my stand on the general proposition. My mind is clear that America ought to act her age, and play her part, and give aid to this war-torn world, both as a basis for peace and in our own self-interest. This is a fateful hour for America in world history. Reasoning thus, it would appear to be simple that I should vote in favor of this European recovery plan, but it is far from simple when all the conditions are considered. My approval of the theoretical proposition of recovery aid is based on these historic facts—that America has a rendezvous with destiny, and also that by all the characteristics of our Nation and the policies of our Government, we earnestly desire to work for peace, and we want to join therein with other nations of like-minded peoples. Furthermore, we have been conditioned as a people to be effective as a leader of nations in that direction of peaceful cooperation. I am harassed with fears and doubts as I cast my vote on this proposition. What are those doubts?

I do not doubt that America is really financially able to give all necessary aid in the Marshall plan, which is, after all, a plan of rehabilitation which will enable worthy nations to help themselves. I believe America can do it and that we have the economic strength to do it effectively, but I have my doubt whether we are at this moment pursuing a financial plan and a fiscal policy that will enable America to do for other nations what she ought to do. By that I mean that having reduced our Government's revenues by a tax-reduction bill which will soon become law, we shall not have the wherewithal to defend ourselves adequately and at the same time carry out this recovery program. In that case we must borrow the funds and we must resort again to red-ink bookkeeping and deficit spending.

Of course, I approve of a parent who has no money in a bank borrowing money to have a necessary surgical operation which will save the life of a member of that family. I do know that for the family to have to borrow the money works against the chances of a successful recovery. For our Government to have to borrow money and further strain the credit of the Nation in this program, is going about relief work the hard way with the chances against the highest degree of success.

Now, there are even greater fears disturbing me. I know how some of my colleagues have expressed the feeling amounting to a fear that if we pour all these billions into Europe, we will waste it, or worse than waste it, in feeding the devouring flame of communism against which we fight. Yes, I recognize that possibility and have that fear, too. On the other hand, I have a fear that those who administer this relief program, if not pro-Communist, may lean toward fascism, and may rehabilitate the economies of certain nations of Europe in such a way as deliberately to increase America's business interest and the profit of America's business, and without gaining the coveted good will of the European peoples. Both of these extremes are possibilities.

Mutual trade is good, but we can as easily gain European ill will as we could lose our wealth to Communists. I cannot forget that when my family was growing up in poverty during the twenties, after the First World War, that America at that time poured hundreds of millions into Europe, much of it as a business venture and investment. That wealth was worse than wasted, for it helped to rearm our earlier foe. We have paid a terrible price in blood for such management. Are we going to repeat that performance?

Therefore, I have thought we ought to vote this relief program and administer it as a great-hearted nation wants it administered, with a minimum of selfishness, and not as a rich prize to be grasped by communism, nor as a business investment for selfish exploitation of Europeans for American profits. Either of these extremes would thwart the American wish and make our generosity worse than a waste of our economic strength. I believe it is physically possible for America to do this greatest act in a thousand years. I doubt whether America has the political and spiritual leadership in sight to carry it through. This measure in its beginning was a magnificent conception. It may by amendments be made worse than useless.

The Clerk read as follows:

ESTABLISHMENT OF ECONOMIC COOPERATION ADMINISTRATION

SEC. 104. (a) There is hereby established, with its principal office in the District of Columbia, an agency of the Government which shall be known as the Economic Cooperation Administration, hereinafter referred to as the Administration. The Administration shall be headed by an Administrator for Economic Cooperation, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $20,000 per annum. The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department. Except as otherwise provided in this title, the administration of the provisions of this title is hereby vested in the Administrator and his functions shall be performed under the control of the President.

(b) There shall be in the Administration a Deputy Administrator for Economic Cooperation who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $17,500 per annum. The Deputy Administrator for Economic Cooperation shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for Economic Cooperation during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

(c) The President is authorized, pending the appointment and qualification of the first Administrator or Deputy Administrator for Economic Cooperation appointed hereunder, to provide, for a period of not to exceed 30 days after the date of enactment of this Act, for the performance of the functions of the Administrator under this title through such departments, agencies, or establishments of the United States Government as he may direct. In the event the President nominates an Administrator or Deputy Administrator prior to the expiration of such 30-day period, the authority conferred upon the President by this subsection shall be extended beyond such 30-day period but only until an Administrator or Deputy Administrator qualifies and takes office.

(d) (1) The Administrator, with the approval of the President, is hereby authorized and empowered to create a corporation with such powers as the Administrator may deem necessary or appropriate for the accomplishment of the purposes of this title.

(2) If a corporation is created under this section—

(i) it shall have the power to sue and be sued, to acquire, hold, and dispose of property, to use its revenues, to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid, and to exercise such other powers as may be necessary or appropriate to carry out the purposes of the corporation;

(ii) its powers shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charter shall be valid only when similarly filed and published;

(iii) it shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to act of Congress; and

(iv) it shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of such act.

(3) All capital stock of the corporation shall be of one class, be issued for cash only, and be subscribed for by the Administrator. Payment for such capital stock shall be made from funds available for the purposes of this title.

(e) Any department, agency, or establishment of the Government (including, whenever used in this title, any corporation which is an instrumentality of the United States) performing functions under this title is authorized to employ, for duty within the continental limits of the United States, such personnel as may be necessary to carry out the provisions and purposes of this title, and funds available pursuant to section 114 of this title shall be available for personal services in the District of Columbia and elsewhere without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219). Of such personnel employed by the Administration, not to exceed 60, may be compensated without regard to the provisions of the Classification Act of 1923, as amended, of whom not more than 10 may be compensated at a rate in excess of $10,000 per annum, but not in excess of $15,000 per annum. Experts and consultants or organizations thereof, as authorized by section 15 of the act of August 2, 1946 (U. S. C., title 5, sec. 55a), may be employed by the Administration, and individuals so employed may be compensated at rates not in excess of $50 per diem and while away from their homes or regular places of business, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses while so employed.

(f) The Administrator may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out his functions under this title, and he may delegate authority to perform any of such functions to his subordinates, acting under his direction and under rules and regulations promulgated by him.

Mr. COUDERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, one would vote with greater assurance for this measure if one's confidence had not been so completely shaken by the devious and tortuous methods of an administration which seems to be congenitally incapable of either clear thinking or telling the truth. Let me recall a little recent history. When this program was originally proposed and while still before the other body, it was represented as a bulwark against the onrushing tide of communism, an instrument of peace and an alternative to substantial increases in the armed forces. On January 15, this headline appeared in the New York Times, "Choice Is Aid Plan or Larger Army, Testifies Royall." Just listen to this for a moment and I will tell you from whom it comes:

It seems to me a simple statement of reality in discussing whether or not there is to be another war, that the success of this plan very effectively retards the probability of world war III because it builds into effective reality that element which is so essential, namely the resurgent stability of those nations which with us represent western civilization. I think that does discount the prospect of war if the plan is successful.

That is why I, among others, made up my mind to support this bill. Now let us go on in this same quote:

When the Secretary of National Defense and the Secretary of the Army come before our committee and frankly say that in the absence of some such plan as this, they would feel it necessary immediately to seek heavily increased appropriations for the national defense—

And so forth. That same gentleman made a further comment of the same sort. He said that—

This plan is equivalent literally to armies in its value by way of national security.

The speaker of those words, Mr. Chairman, was none other than the distinguished Senator from Michigan who is one of the principal architects of this bill. So can we be surprised that the people back home as well as we view with amazement the sudden change of position of this administration, demonstrated before the appropriate committees of Congress before the ink was dry on the Senate version of this bill by demands for those very military preparations envisaging early war for which this bill was represented to be the alternative? Universal draft, UMT, substantial increase in armed personnel to nearly 2,000,000 regular soldiers, sailors, and airmen, $4,000,000,000 for other defense proposals and probably also a lease-lend for military aid to the beneficiaries of this bill.

What has happened in the interval? Why this sudden change? Has the administration determined upon waging a preventive war at the earliest possible moment? Or has it just blundered again or has it simply followed its usual course of misrepresentation, deceit, and concealment? I do not believe for a moment that our Committee on Foreign Affairs and the Foreign Relations Committee of the other body were advised of these proposals for immediate mobilization of the armed forces, for turning America into an armed camp. I do not say that these may not be necessary, but I do say that the tactics of the administration have deprived this Congress and the American people of any freedom of choice, because it has not told them the whole truth and nothing but the truth. It has not told them the whole story, and in concealing that other side of the picture which is now being exposed in the other body they have made a mockery of the representative system. They have given us no opportunity to view the whole picture globally. We are compelled to vote on one measure at a time, without being able to consider its relationship to the entire situation. While I expect to vote for the bill in the rather slender hope that the administration's original representations are more nearly true than its present attitude, I cannot do so without protesting the tactics of the administration in its approach to these grave questions. If all the facts had been put before the Foreign Affairs Committee, a very different bill might now be before the House.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield to the gentleman from Ohio.

Mr. VORYS. The House Committee on Foreign Affairs attempted to embark upon a global approach to this whole matter when they met on January 8. In attempting to arrive at some sort of world-wide, long-range policy we have constantly had trouble with the proposed piecemeal stopgap approach of the administration, and that trouble has continued right up to the present. Remember this so-called package bill is an attempt to put together and integrate the piecemeal policies we are pursuing. In that objective we have been unable to obtain cooperation from the administration.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, my colleague the gentleman from Georgia [Mr. COX] yesterday rendered signal service to this body by calling attention to a number of people who are likely to be employees of the organization to administer or distribute this aid which we now have under consideration, among them being one David Lasser. My colleague the gentleman from Georgia [Mr. PACE] also rendered service to this body by preparing an amendment to correct a loophole in this legislation now under consideration, to prevent people of that kind from having a part in the administration of this fund.

It is a remarkable thing that as fast as subversives, pinks, and those who slant toward socialistic experiments, are removed from the pay roll in one department of the Government, they turn up a week or so later in some other department on the pay roll.

There was a Mr. William Benton who was making a laughingstock of this country all over the world by sending out pictures of circus women and various other monstrosities, on the theory that that represented the culture and voice of America. These people in the Voice of America Division seem to have a circus complex. The gentleman from Pennsylvania [Mr. RICH] introduced into the RECORD several days ago another circustent monstrosity. Although Mr. William Benton was turned out of that department, yet through the sympathetic tenderness of those who are in power, he has now been kicked upstairs to a place on another pay roll. David Lasser was removed from the pay roll several years ago. We find him on again in the Department of Commerce.

Now, if you have read the hearings for the Department of State before the Subcommittee on Appropriations, which held hearings on that bill on January 28, you know that beginning on page 173 and extending for some 10 or 15 pages there is set out, one after another, a number of people now on the pay roll of the State Department who are not, under any view of the situation, entitled to be on the pay roll of the United States. I want to call your attention to just one of them. Of course, in the 5 minutes to which Members are limited to gallop along in this debate you cannot deal with much, but on page 174 of those hearings there is one of them. These are people upon whom reports have been made by the FBI, and it shows how futile and hopeless it is to depend on the mere report of the FBI to keep these people off the pay roll.

On page 174, one of those people is reported in this FBI report in these words:

A coworker at the War Foods Administration in a report dated September 3, 1947, expressed reservations concerning his loyalty. The report reads, "He further stated that the applicant admitted his loyalty to the Government had been questioned on two occasions when he was asked about articles on Russia and the Communist activities of his father. It was alleged by the applicant that he was mistaken for his father who has the same name, and who is known to have attended some Communist meetings." The applicant traveled to Russia in 1936.

Now, there are some 14 people dealt with in those hearings whose loyalty was questioned by the FBI. That questioning of their loyalty did not have any effect whatever in keeping them off the pay roll. The State Department will be a great factor in determining who will be the employees to administer this program, and as we proceed we ought to protest against those kinds of people having anything to do with the administration of this fund.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. DAVIS] has expired.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall support this measure because I believe that its objectives, as stated in its caption, are good and sufficient reasons for my doing so.

The cost of the undertaking is urged as a reason for being against it. When the last world war closed it was costing this Nation half a billion dollars per day to fight that war. The money proposed to be expended during the first year of this plan would pay for another world war at that rate for only 13 days.

Then it is said that we first ought to deal with the Communists here at home before we undertake to deal with them abroad. The Communists here at home are raucous and we are plagued and disgusted day after day by their shrill, discordant, and disloyal cries and subversive activities. Precautions are taken against them by providing that all employees of the Administrator shall be investigated by the FBI. We will deal with them in due time. The Communists here at home, however, do not have the power to overthrow, subjugate, and enslave nations. They do not have the power to wage global war. They do not have power to bring enemy submarines within gunshot of our great cities.

And then it is said we ought to get out of Europe. Mr. Chairman, we are in Europe and there is no way to get out except by turning tail, running, and by scuttling all that we have accomplished there and give Russia an absolutely free hand from now on. So that is impossible. Such an abject, senseless retreat and surrender would invite and make certain a world-wide attack by Russia on all fronts.

It is said that this money will be squandered. We have set up a separate agency to carry out the program that in my opinion will prevent the squandering of this money.

What is the evidence we have before us upon which to act? More than a hundred able Members of this House with Members of the Senate visited and closely examined conditions in all these foreign countries that are now banded together in support of liberty and Christian civilization and in oppositon to a ruthless power that would enslave and communize the world. We have the testimony of those Members of Congress. We also have the testimony of the men charged with national defense. They each and all testify that the adoption of this plan and the strengthening of our armed forces are absolutely required to safeguard our national security.

We have the attitude of each and every Republican candidate for the nomination of our party for the Presidency. Each and every one of them has taken his stand in favor of this measure. I believe the majority of the people are coming to see that it is absolutely necessary to preserve the peace, and to stop Russian aggression. Herbert Hoover, the only living ex-President, supports it. The Republican leadership of the House and Senate are supporting the measure.

Then we have the logic of events, the unanswerable evidence of accomplished facts. We have seen Poland fall, and everybody knows that country and her people desire to be free. We have seen Russia extend her sway over all the Balkans, into Hungary, into Austria, and Russian might is now in Berlin in possession of the German submarine pens. We have seen Russia reach out across Asia and take over Outer Mongolia, Manchuria, Port Arthur, Dairen, and the strategic islands that dominate Japan.

Shortly before he died, I asked Admiral Mitscher, in my opinion one of the ablest fighting men who participated in the late war, this question: "Admiral, assume that Russia has set out to dominate and communize the world, what would it mean to our country if Russia would extend her military control over the continents of Europe, Asia, and Africa, and became the master of the 2,000,000,000 people of those three continents and the islands of the sea with all of the strategic, indispensable, war-making materials of those continents; what would it mean to our people?"

He replied: "That would present a situation too horrible to contemplate. They do not care for human life, they are ruthless, fanatical, and determined on world domination and world-wide communism."

Russia's persistent aggression since the surrender of Germany and Japan is a threat to the territorial integrity, the sovereign existence, the liberty and the religious freedom of our country and every other free nation on earth. Her ruthless advance has blacked out freedom in every country behind the iron curtain and casts an ever-darkening shadow over western Europe, Asia, and the Western Hemisphere. Her continued subjugation of free peoples may bring back the dark ages. If she succeeds in subjugating all of Europe, Asia, and Africa, and ultimately Japan, Australia, and the islands of the sea, mankind for centuries would bow beneath the hammer, the sickle, and the sword.

Once the iron, the manganese, the chrome, the oil, the copper, the lead, the tin, and the rubber and other strategic materials without which modern warfare cannot be waged, are made inaccessible to our country, a time may well come when we will be powerless to defend ourselves against the despotism that controls these 2,000,000,000 people and all these natural resources.

The free nations of Europe who are being threatened by Russia have united in a common purpose to remain free. This is the most heartening news that has come out of Europe since the surrender of Germany. I believe that we are now witnessing one of those crucial periods in human affairs when it is absolutely necessary that this Nation take a stand in the strife of truth with falsehood for liberty, for peace and for righteousness. There are times when, as it were, freedom, civilization, and Christianity descend from the skies and marshal nations as their champions.

The central thought in our Declaration of Independence is that we are a people whose God is the Lord. And our institutions stem from our belief in the dignity of man, the inviolability and sanctity of the human personality. Freedom is our most precious possession.

Any act of aggression against, any subjugation of any free people anywhere in the world that dims or blows out the moral and spiritual lights around us, is a direct attack upon the happiness and lives and the liberties of our people.

To understand the danger that threatens freedom in the world we must know and understand not only the physical strength made possible by the vast territory, the teeming millions, and the government of the Soviet Republics, but we must also know and understand the Communist organization which controls the Russian Nation. With the men who control Russia communism is the creed to which they are fanatically devoted. With them the state is an instrument for the spread of their hateful ideology.

They do not believe in the dignity of man. They are godless. They scoff at the Bible account of man's creation. The Christian belief that man is created in the image of his Maker and endowed with an immortal soul has no place in their thinking. Their organization and the form of government they impose upon people they enslave are with them supreme.

On the contrary, ours is a Christian nation. It stems from our profound belief in and respect for the inviolability of the human personality.

Mr. Chairman, in adopting this measure and in implementing it, this Congress will send an electrifying message of hope and courage to every free people in the world and to those who sit in the darkness of Russian enslavement, and at the same time we join hands with peoples all over the world who desire to live in ordered liberty under governments of their choice. We open the door of peace to the Russian people themselves.

Mr. ISACSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the House of Representatives today in 10 very short minutes has taken an action which will shock the conscience of the entire world. It has taken an action which not only consti-

tutes the second betrayal of the Spanish people but an action which will depress all the freedom-loving people who aspire to democracy in the nations of Europe.

We in this House today have embraced to our bosom the Fascist government of Franco Spain.

For many weeks now there have been rumors that this Nation was joining with France and Britain in a three-power combination to foment a military alliance with the Franco government of Spain. Toward that end last month, at the instigation and the prodding of our State Department, France reopened its Spanish border, despite a hostile public opinion in that nation. In England it is contemplated that an announcement will be made shortly which will loosen the British attitude of stiffness toward Spain. Here in our own country there have been three specific acts:

First. On February 11, Secretary of State Marshall announced that the United States has no objection to including Spain in the list of countries to receive aid under the Marshall plan.

Second. On March 1 the State Department press secretary, Michael McDermott, admitted that the Government has no objection to the efforts of Spanish bankers here to obtain a $200,000,000 commercial loan from Wall Street banks.

Third. To avoid public indignation over aid to Franco, the State Department is still maintaining the myth of Spanish neutrality during the recent war by suppressing about 8,000 documents seized by the Army and Navy intelligence officers which show that Franco aided not only Hitler but also helped Hirohito in the Pacific war.

The existence of these 8,000 documents linking Franco to both Hitler and Hirohito and their suppression by the State Department was charged by Quentin Reynolds, liberal Catholic writer, who asserted that if they were ever published, no one could again affirm that Franco Spain was ever technically a neutral nation.

The suppressed documents go far beyond the white paper published on Franco several years ago and the 15 documents it contained. The suppressed evidence shows that:

First. German scientists developed and tested the V–1 and V–2 bombs in Spain itself with the full knowledge and cooperation of Franco.

Second. Cartels like I. G. Farben are now operating under various names—all listed in the documents—and are sharing full control of Spanish industry with Franco.

Third. Atomic research is being conducted in Spain by German scientists and the Franco government controls and owns the results of their research.

Fourth. Throughout the war, Spanish merchant shipping served as the eyes and ears of German submarines operating in the Caribbean and the South Atlantic and that Gestapo agents were transported to North and South America aboard Spanish vessels.

Fifth. The Spanish island of Minorca was used as a base for German planes.

Sixth. Spanish diplomats acted as liaison officers between Nazi and Fascist politicians and agents in Argentina, Bolivia, and Brazil.

Seventh. At least 40,000 known Nazi agents hold Spanish passports and can visit the United States and other countries at will.

The inclusion of Spain within the provision of this bill will make the second time within 12 years that the Spanish people have been betrayed by the democracies.

As a result of the 1936 betrayal under the slogan "stop communism," Hitler and Mussolini established Franco in power and thus made World War II inevitable.

Now in 1948 under the same spurious slogan our State Department is prodding Britain and France to join with Franco in another betrayal which will make world war III a horrible reality.

I predict that the inclusion of Fascist Spain within the purposes of this bill will arouse the indignation and resentment of the whole American people.

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER:

On page 55, line 1, strike out the word "sixty" and insert the words "one hundred."

On page 55, line 4, strike out the word "ten" and insert the words "twenty-five."

Mr. HERTER. Mr. Chairman, I ask unanimous consent that what in effect are two amendments may be considered as one.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HERTER. Mr. Chairman, the purpose of this amendment is, in my opinion, to strengthen the administrative provisions of this act. During the debate that has taken place yesterday and today speaker after speaker has conceded the fact that the success or the failure of the very great program that we are undertaking in this bill depends on the kind of administration that is given. That matter was a matter of very grave concern to the select committee which studied this over-all problem, a committee which had no legislative function whatever, but was merely asked to report to the Congress its findings with respect to the global picture requiring American assistance at this time.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In order to see if I understand the gentleman's amendment correctly, this is to increase the personnel from 60 to 100 and increase the rate of compensation for 10 of them in an amount not exceeding $25,000?

Mr. HERTER. No; 25 individuals between $10,000 and $15,000. Let me clarify the point that the gentleman has raised. What this amendment does is to allow the Administrator to appoint not 60 as provided in the bill, but 100 individuals outside of civil-service restrictions, and would allow of that number not to exceed 25 to be recompensed at a rate between $10,000 and $15,000.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Under the provisions of the bill, which the gentleman's amendment attempts to change, it would require a good deal more time than 30 days to set up such an organization, would it not?

Mr. HERTER. That is correct.

Mr. HARNESS of Indiana. And in the meantime, before the organization has been appointed and can function, the President could designate the State Department to carry out the provisions under the terms of this bill.

Mr. HERTER. He can designate any agency he sees fit.

Mr. HARNESS of Indiana. Well, obviously, he would appoint the State Department. Is that not the gentleman's view of it?

Mr. HERTER. I should imagine that would be the case.

Mr. HARNESS of Indiana. Since the special organization to handle this program cannot possibly be set up at once, the State Department will be operating this program and administering this act.

Mr. HERTER. It is my impression that what the State Department will be doing in that interim period is to exercise the powers of the Administrator only to the extent of keeping the pipe lines filled with foodstuffs, with raw materials, and with fuel.

Mr. HARNESS of Indiana. But it is not limited to that.

Mr. HERTER. It is not limited to that.

Mr. HARNESS of Indiana. So the State Department could carry out the entire terms and provisions of this bill. They could permit the entire amount to be spent during the first 30 days, could they not?

Mr. HERTER. That is correct.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Would not the increase on line 4 suggested by the gentleman from $10,000 to $25,000 be inconsistent with the $15,000 in the succeeding line?

Mr. HERTER. I have not changed the $10,000 to $25,000. I have changed the number of individuals who could receive between $10,000 and $15,000 to twenty-five. The very point raised by the gentleman from Indiana gives further strength to the necessity for this amendment. This particular provision of the bill appeared in the original State Department draft. It was left as is in the Senate version, and it is left as is in this bill. On the other hand, this bill contemplates giving the Administrator a considerably larger job than did the Senate bill. In addition, I am hopeful that before long the Administrator of this measure, assuming that he is the type of individual that we all hope he is, will have charge not alone of the program but of the economic program in all occupied areas.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HERTER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Georgia.

Mr. COX. On the question as to who will be the Administrator, the President could relieve the fears of the country if he would announce now that in the event of the adoption of this legislation he will name Herbert Hoover, Bernard Baruch, Lewis Douglas, Lou Brown, or Everett Dirksen, our colleague. In other words, the importance is in getting an Administrator in whom the people of this country have confidence.

Mr. HERTER. I fully agree with the gentleman.

As the gentleman pointed out, the administration is the all-important matter in this bill. The Administrator is going to have a difficult enough time in building an administration. Obviously we have recognized in this House the difficulties that our Government departments have in getting superior types of individuals to serve with the Government today, in a bill that we passed here less than 2 weeks ago, the agricultural appropriation bill, in which the Committee on Appropriations allowed the Secretary of Agriculture to appoint 10 individuals with salaries running up to $15,000 a year, for that one Department alone. They did that in recognition of the fact that today the Government cannot compete for first-rate individuals with industry unless that kind of leeway is given.

In this bill you limit the Administrator to the same number we gave the Department of Agriculture. That, it seems to me, is entirely out of proportion. He is going to have to build a new staff, he is going to have to build a temporary staff, he is going to have to draw, if he is going to administer this thing right, from industry and from the professions, and draw the very best individuals that he can find. It is for that reason, it seems to me, that we ought not to hamstring him at the beginning. The Committee on Appropriations can cut down this number if it sees fit, when it has had time to study the matter, but this is an authorization, and if we make the authorization so small, I think we are curtailing the Administrator's power to set up an effective administration.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Ohio.

Mr. VORYS. The committee reviewed this amendment yesterday morning, and felt that it might come more appropriately later in the bill, when determination had been made as to the new duties that would be put on the Administrator. However, I can see no objection to having the Committee of the Whole consider this matter at this time, in view of the fact, as the gentleman has so ably pointed out, that the duties of this Administrator are largely increased by the House version of the bill.

Mr. HERTER. I thank the gentleman.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Minnesota.

Mr. O'HARA. In connection with the question of the gentleman from Indiana [Mr. HARNESS] with reference to control by the State Department of where this money should go in the first 30 days, would it not be true that the State Department would have the power to fix the amount which goes to the various countries? For example, if they determine that 50 percent of this should go to the United Kingdom, it will go there; is not that true?

Mr. HERTER. They can fix that, but the Administrator could overrule it as soon as he took over.

Mr. O'HARA. They could make a commitment in that time?

Mr. HERTER. I doubt very much whether they would do that for the simple reason they would run into very serious trouble.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. HARNESS of Indiana. If our fears are well grounded that the President will designate the State Department to administer this as soon as it becomes a law, what will there be for an Administrator to do if they commit all the money and carry out the terms of the bill?

Mr. HERTER. It is obviously impossible to commit all the money. Even if you take the matter of foodstuffs alone, there is no living human being who can today predict what the harvests in Europe or the harvests in this country or anywhere else in the northern half of the world are going to be. Nobody will know that until next July or even later.

Mr. HARNESS of Indiana. But the gentleman from Georgia yesterday pointed out that there are a number of individuals in the State Department who had a great deal to do with the preparation of the original bill. I believe he even termed some of them as subversive. Those people would have a free rein during the first 30 days, would they not?

Mr. HERTER. In reply to the gentleman, may I say that I hope there are responsible Members of the Congress who will keep their eyes very carefully on what is being done in the interim period.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HARNESS of Indiana. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended for 5 minutes. This is an important amendment.

Mr. BLOOM. Mr. Chairman, it was stated here by the gentleman from Ohio [Mr. VORYS] that he was going to object to the extension of time of any speaker. Has he withdrawn that objection, or is he going to object? It does not make any difference to me, but if he is going to allow the time to be extended for the the present speaker, he ought to allow it for other Members.

Mr. BENDER. Mr. Chairman, a point of order. Obviously the gentleman from Ohio is not going to object or he would be on his feet.

The CHAIRMAN. The gentleman does not state a point of order.

Mr. HARNESS of Indiana. Mr. Chairman, I renew my unanimous-consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. GAVIN. We have heard a great deal about the proposed Herter bill for a separate administration of this entire ERP program. That seems to have vanished. While the gentleman is on his feet, would he mind telling us just what has happened to that proposal which he made and which we thought was an excellent one? I believe the gentleman might discuss that situation.

Mr. HERTER. The select committee made the initial recommendations as to how any program of foreign aid should be administered and recommended that a corporate entity was the best instrument in the opinion of that committee for the administration of this measure. During the various courses that this legislation has taken, first in the other body and then here, practically every feature or desirable feature, rather, of corporate administration has been brought into the bill. In fact, the House committee in this bill now makes the corporate set-up a permissive feature of the bill. The bipartisan advisory committee appointed by the President and confirmed by the Senate has taken the place of the corporate directors. The question of the freedom of selection of personnel, the very subject matter of the amendment now before you, is to take care of that freedom in the selection of personnel. In other words, practically every advantage that a corporate set-up would bring to the administration has been incorporated either by the Senate or by the House. It is for that reason that to change the entire administrative set-up as would be required in some twenty sections of this bill by an amendment would not gain sufficient point, particularly if it were thrown out in conference between the two bodies, to bring the matter up as a separate amendment. I am trying now to strengthen what there is in the bill and to carry out the initial advices made by that committee.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. BLOOM. I would like to ask about this 30-day interim period. Any contracts or obligations made during the first 30 days would be just as binding as if they were made by the Administrator. Is that not right?

Mr. HERTER. That is right.

Mr. BLOOM. So then, in the first 30 days the people appointed by the State Department could do anything they wanted to, and bind the Administration,

and whether it is right or wrong the Administrator would not have one word to say about it.

Mr. HERTER. That depends on the length of the contract.

Mr. BLOOM. I know, but during the first 30 days' interim, any appointee of the State Department could obligate the Administrator for anything he wanted to. That is, during the first year. Then the Administrator could not rescind any of the obligations that were encumbered during this 30-day period.

Mr. HERTER. The way the bill is written now that is possible. I cannot conceive that it will be done.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mrs. DOUGLAS. That is not correct. We went to great pains to write in the bill a provision that prevents the State Department in this interim period, before the Administrator is appointed, from signing any basic agreements. All the interim Administration can do is to sign temporary agreements, but no basic agreement can be signed until the permanent Administrator has been appointed—not because we did not trust the State Department as has been regrettably suggested on this floor, but because we wanted the Administrator, when he came in, to be responsible for the entire program, and not be able to say that if it had not started in a certain way the program might have been more successful.

Mr. HERTER. I agree with the lady except for one point. The Administrator can make all the domestic contracts that he sees fit during that period. It is only in the negotiation of permanent agreements with foreign countries that he is prohibited.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. KUNKEL. Was not the expectation and recommendation by the Select Committee on Foreign Aid that the organization should be set up in the special session, even though it would not have been able to carry through the interim-aid program? If that had been done, then the organization would now be functioning, and this particular question would not have arisen.

Mr. HERTER. That is quite correct. It was urged very strongly that that be done as the first step in a long-range program.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WALTER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, in considering the amendment offered by the gentleman from Massachusetts [Mr. HERTER] it is important to bear in mind the fact that many of the public-spirited citizens who rendered service during the war period have left the Government and have returned to private industry. They have already made great sacrifices. Those of us who have been concerned with this legislation have been impressed with the importance of getting the type of people in whom we have confidence.

I call your attention to the report of the committee on page 43. The report says:

> The Administrator's qualities and abilities will largely determine the success of the undertaking as here envisaged. He must combine tact and source—

And so on. All through this report it has pointed out the need for outstanding people to administer this program. It seems to me that the only way we can get the type of people who can do the kind of a job that must be done is by minimizing the sacrifices that must be made in government service. We have often heard these complaints about the loyalty of people in the various departments. I attribute that largely to the fact that we are bound by Civil Service rules, which makes it impossible to prevent people from getting on the pay roll who should not be on the pay roll. But if this amendment is adopted, we can be assured that at the top of the administration there will be sufficient men of outstanding ability to get the program off to a successful start.

I urge that the amendment be adopted.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The amendment was agreed to.

Mr. COTTON. Mr. Chairman, we are all aware of the urgency of this hour. No question that has faced the American Congress for many years has been of more solemn import than the Foreign Assistance Act of 1948.

It is a heavy burden that is laid upon us today for we are being asked to further mortgage the future of our country and to take a step which entails sacrifices and hardships on the part of all the people of our land.

I am quite sure that most Members are as bitterly disappointed as I am that this step has become necessary. We came to the Eightieth Congress with high hopes of accomplishing much for the benefit of our people. They had borne the suffering and sorrows of war with magnificent fortitude and won a mighty victory. We believed that the sun was rising upon a new and splendid era for America.

The shackles of Government controls and regimentation made necessary by the war were already loosening and we planned to tear the last of them away and permit American initiative and free enterprise to forge ahead.

We expected to reduce the costs of government and relieve the people of the heavy burden of war taxes. We hoped to broaden social security and provide more adequate protection for the aged. We hoped to provide for the returned soldier even greater opportunity for self-development and advancement than we have yet been able to do, and to build homes that he might at least be assured of a roof over his head. We hoped by Federal aid to education to extend and perfect the school systems of every backward State in order that we might conserve and develop our most precious natural resource—the oncoming generations. We hoped to conserve and restore our depleted soil, replant and protect our forests, dam our streams, develop our power, reclaim our barren wastes, and thus lay the foundations for the America of the future. We hoped that we could improve our labor relations, provide a higher minimum wage, raise the income of the worker both in the mill and on the farm and especially those who teach in our schools, and thus guarantee a higher standard of living for our people.

All these things were crying to be done and we were eager to do them. Some of these objectives have been partially accomplished and some others will be accomplished before we adjourn, but the full fruition of this program is now impossible.

Why? Because we are still at war.

This Nation cannot recover unless other nations recover and that recovery has been retarded and made impossible by those who still desire to rule the world by force. We have therefore no alternative or choice. There are two things we must do, build up our own defenses and maintain the beachheads of freedom abroad.

We must all face the grim reality that the cost of national defense and of foreign assistance will deprive our people of many things, including some of the services they have been expecting from their Government, but the cost is small compared with that of another war. For that reason I am ready to go the whole way in supporting a strong national defense, including a powerful air force, the return of the draft, and universal military training, if all of these are necessary.

I shall also support the bill now before us.

Every Member of this body has grave doubts concerning the ultimate success of this plan. General Marshall himself has expressed such doubts but there can be no doubt but that we must make the attempt. Delay and indecision have contributed to this emergency. Our present action must be definite and decisive. There must not be another case of "too little and too late."

We are legislating today with a shadow of another world conflict already upon us. I am deeply convinced that in passing this bill we are grasping at the only hope for future peace and security. This is not a time to quibble over details or yield to petty political or personal prejudice, for every day and every hour count.

I therefore take this opportunity to state that I shall oppose every amendment that delays or materially alters the effect of this act and shall vote for the bill as reported by the committee. It is called for by the President of the United States, demanded by the vast majority of our people, and hoped for by all men everywhere who love liberty and desire peace.

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. POWELL: Page 55, line 19, after the period insert a new paragraph as follows:
>
> "(g) The Administrator must promulgate such rules and regulations as may be necessary to guarantee that all goods, articles,

commodities, and materials be processed, manufactured, distributed, and transported only by persons, firms, and corporations that do not refuse employment because of race and color."

Mr. POWELL. Mr. Chairman, this amendment is very simply stated.

I should like to begin a brief discussion of it by quoting from a speech made by one of our distinguished colleagues a few minutes ago, an eminent Representative, the gentleman from Mississippi [Mr. WHITTINGTON], who in his speech said that the spiritual emphasis of the Marshall plan is more important than the material. One of the quotations from his speech is as follows:

We must demonstrate that democracy is functioning here, and that means freedom to work, freedom to speak, and freedom to worship.

That is just what this amendment means. This amendment means that we are going to have success with the Marshall plan only if we back it up with the American plan; and the American plan is just what our colleague from Mississippi said, to demonstrate that democracy is working here and that means, first, freedom to work.

I know there are some who do not believe in this, and I am not talking to those who are against it. I respect their views but do not agree with them. I am talking to the Members of the Republican majority in particular and to the northern Democrats.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. MARCANTONIO. I would just like to know what this Foreign Affairs Committee, or the majority of it that was so anxious to accept the amendment for Fascist Spain, are going to do about this amendment which provides for democracy in employment at home.

Mr. POWELL. I thank the gentleman. I will continue.

It is not a question of those who are against this amendment, but a question of those who are for it. There are 15,000,000 people in this Nation of ours who comprise the most loyal element in our democracy. These 15,000,000 people are looking to the Republican-dominated Congress to give that which they have been looking for during the years before and had been told it was impossible because previous Congresses were dominated by a group that believed in States' rights, and who were against anything aimed at the abolition of segregation and discrimination. But the Republicans are in charge now. There are 15,000,000 people looking to you Republicans. They are looking at you askance, because in the past year and a half of the Eightieth Congress every provision to guarantee democracy here at home has been defeated on this floor or in committee, except the anti-poll-tax bill of our colleague the gentleman from Ohio [Mr. BENDER].

On this floor a year ago you wiped out my amendment which would have allowed Negro women to serve as nurses in our armed services. Today there are 20,000 Negro men in the United States Navy and only 1 Negro nurse. Before the Armed Services Committee there is a bill to guarantee the admittance of women in the Army and Navy as Wacs and Waves. I appeared before that committee. I urged a provision that would guarantee that Negro women could serve. The committee turned down my amendment which was offered by one of their members.

UMT is coming before us. In the UMT bill, as presently drawn, there is no provision which will guarantee that American citizens can serve their country at their best. UMT will permanently segregate all Negroes in peacetime and war. We are going into Europe and the rest of the world not practicing what we preach. The Marshall plan nor any other plan is going to succeed without the American plan genuinely and honestly being brought forward first. That is the only way the peoples of the earth will know that we are not hiding behind a dual way of life—one way for white and one way for colored. We can stop any "ism" in the world with the power of American democracy, which is the Constitution and the Bill of Rights, not the Marshall plan. But we cannot stop any "ism" with all the billions of the world if we are not honest at home.

I demand, therefore, that we do not do less now in our drive for peace than we did during the war period. During the war Negro citizens served in the armed forces and in the industries at their fullest capacity. I leave this amendment with you and urge you to vote honestly. Fifteen million Negroes and their friends are looking at you, the Republican-dominated Congress, to guarantee freedom for all. Can it be that the same Republican leaders who demanded Fascist Spain get our help care less for 15,000,000 Americans citizens? If you defeat this amendment I have offered, Negroes and whites will think that the Republican Party is based on hypocrisy.

Mr. OWENS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from New York speaks on the theory that we are here in the interest of the people of America. I doubt that very, very much. After hearing the gentleman from Tennessee rant and rave a little while ago, I began to wonder whether we eat the same kind of Welsh rarebit when he spoke about the domination of the world by the Soviet Union. If we were to believe what he says then we should declare war immediately. He seemed to forget the language of our late President who spoke about America's rendezvous with destiny, and also of the fact that our generals seem to have the same theory that has been possessed by the military of our country for a long time—that it is America's destiny to rule the world.

I congratulate the gentleman from Massachusetts who has maneuvered this bill through the House and the able way in which he handled the situation, including the various methods whereby he has approached the question. Of course, he has influenced the result a great deal and has undoubtedly swayed the Members on the Republican side who otherwise would not vote for the bill. That is unfortunate, because it is obvious that he, himself, is in doubt.

Mr. Chairman, when the Republican Congress came in last year a calm settled over the House. We passed the labor bill, which was and is the finest thing to stop communism, because provisions were put in there that moved the Communists out of the vital part of our economy—labor—and checked their progress. They realized that immediately and began to proceed from a political standpoint. That is what they are doing now. Of course, the best way you can aid them is to give them something to talk about. The Un-American Activities Committee, along with the Committee on Labor, has been working diligently to clear these people out of high places in government and out of various sections of our country. When you get them out on a political platform and give them something to talk about, that is when danger really arises.

We speak about Stalin and the Soviet Union moving into these various countries of Europe. If we were in their place, and we wished to adopt a program that would succeed, according to their theory of government, the best way to do that would be for us to move into these countries as they have moved in, then have our country get excited about it, and spend billions of dollars sending over our machinery and other equipment where they could take it over; then render ourselves short of the goods and materials that are needed at home, as well as to make ourselves short of labor so they can once more get into our labor organizations throughout the country and cause chaos. That is the easiest way for them to take over.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Does the gentleman know of any move that Stalin and the Communists could have made to assure the passage of this plan that they have not made?

Mr. OWENS. The gentleman is absolutely correct. I feel that they have used great shrewdness. You know, a French nobleman, about 100 years ago, Alexis de Tocqueville, called attention to the fact that a century from then, which is now, America and Russia would be each ruling half of the world. He said that the other nations of Europe were decadent then, that their growth was stopped. About that time, the liberty loving people of those nations were emigrating to America. They have been doing it ever since, leaving the nations more decadent now than they were then.

It might be well for us to permit the balance of those people who are still worth while into our Nation instead of trying to help those countries rebuild. But, let the Soviet Union take them. What will they do with them? I do not know that, but I am sure that they will then have real trouble. Let us build up our own military strength. Let us strengthen our Air Force, our Army, our Navy, and our research department. Let us build up our National Guard and the State militias, our ROTC in our schools, and proceed with technical improvements. Let us prepare ourselves on the home front so that we can meet them in

combat should it ever become necessary. It is not courageous for us to depend upon some other nations to aid us, as we did in World War I and before World War II. It is time we stand on our own feet and fight like men. If we think the Soviet Union is doing wrong, let us tell them so, and let us take appropriate action.

I am not one who is in the habit of saying, "I told you so." However, I must take this occasion to call your attention to the fact that at the time of the argument upon the Greek-Turkish relief, almost a year ago, I said:

I believe that we should be very generous with the starving and needy people of the countries that have been devastated by war, but we should cease to expend the lives of our people and our money in a vain effort to perpetuate foreign empires and the property of oil barons and other financial geniuses of this Nation and other nations.

I also called attention to the testimony of Mr. Inman, guest professor of international law at Ohio Wesleyan University, who told the Foreign Affairs Committee that:

Every man who travels outside the United States today knows that people everywhere, even in Canada, the Scandinavian countries, Holland and England talk of fear of American dominance. The other great fear is of communism. The way to throw the weight of the public opinion of the world on the side of Russia is to follow the President's plan to start arranging the affairs of other nations for them.

Last evening I heard the Chief of Near Eastern Affairs of our Department of State say that the aid to Greece last year prepared the way for the present program. That is exactly what I thought at that time, and it constituted the reason for my stand against the military aid to Greece. When there is a military job to be done, let the armed forces of our country do it. The duty of Congress is to furnish the means for the military arm.

We seem to forget entirely the history of the past. We act as though the march of economic or military force in Europe were something new, when we know that it is not. Well over 2,000 years ago the forces of Xerxes, of Persia, moved upon Greece, as did Philip II, of Macedon, followed in turn by his son, Alexander, of Greece, called the Great, who set out to conquer the then-known world. Out of Rome came Julius Caesar, and then the campaign of Charlemagne, Emperor of the West. Then there was Charles I, of Sweden, Philip II, of Spain, Catherine the Great, of Russia, and the Little Corporal, Napoleon, all of whom would rule the world, or at least what they thought was the world. But, nevertheless, with all of the shifting back and forth, the various nations remained in more or less the same status, with the exception of Great Britain and France, who alone seemed to be able to expand their empires and the servitude of hundreds of millions of people, which followed as a result of their so-called benevolent dictatorships. But even their empires began to topple when the new conquerors, Hitler, Mussolini, and Tojo began to march. We had expended our resources, our energy, and the lives of many of our fine young men in World War I to aid the nations of Europe, despite the warnings of the Father of His Country, and whose words I quoted on this floor on May 7 of last year. While the Farewell Address is read on Washington's Birthday each year, all too little attention is paid to the text. So we adopted the same course which was pursued prior to World War I, and we became engaged in World War II, with the loss immediately of thousands of lives which could have been saved, except for the extreme recklessness of those who would be classed as leaders of our Nation. We would now aid the declining empires of Great Britain and France in their wars against Indonesians, the Indo-Chinese, and other peoples of Asia who crave their freedom as we once craved ours. We should not give them a bit of aid while they practice slavery, including enslaving former soldiers of Germany.

A year ago I asked a question of one of the proponents of military aid to Greece and Turkey. I said, "If the Soviet Union has offended us, why should we not sever diplomatic relations instead of taking the same pusillanimous course which has side-stepped us into two previous wars?" Naturally, I received no adequate answer. At that time I quoted the words of Monsignor Sheen, well known for his radio addresses on the Catholic Hour, and who offered the prayer at the opening of our session this morning. He said:

War is not the answer to communism. We must not hope for the extinction of Communists, but must pray for their conversion.

I am wondering if we have not forgotten how to pray, and if we can only think of military conflict. Last year, on June 10, when the Voice of America program was before the House, the gentleman from Ohio [Mr. BREHM] asked me the following question:

How does the gentleman reconcile the position of our State Department and some of our leaders in this country, who are advocating military conscription, going into an armament race with Russia now, with the position they are now taking of cooperation? If we are going into an armament race, as we certainly are, then why in the name of common sense do we need a program of this kind? They are absolutely at sword's points. Is that not correct?

My answer to the gentleman from Ohio was as follows:

I agree with the gentleman. I do not believe there has been any thought whatsoever given to the matter. I believe it is just a question of going on and on, in an attempt to stop the economy program of the Republican Party. They are going to stop it any way they can. They will get us into war to stop it, just so that they do stop our program to balance the budget and establish real economy in our governmental operations.

It is my opinion that legislation such as that which is being proposed by the bill under discussion constitutes an apparently innocent, but nevertheless subtle and dangerous way to extend control and absolute control of our Federal Government. One of our noble founders, Thomas Jefferson, repeatedly warned us against such sinister methods of ending our great constitutional form of government.

Two weeks later, while the same subject was up for discussion, I again quoted from another portion of the Farewell Address, where George Washington said:

Against the insidious wiles of foreign influence (I conjure you to believe me, fellow citizens), the jealousy of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike of another cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots who may resist the intrigues of the favorite are liable to become suspected and odious, while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

I still feel the same way about our present Administration. I do not trust it.

Let us pause before it is too late. We have been intervening entirely too much in the affairs of other nations and, while we are trying to help them, we are becoming hateful to them. We should permit them to stand on their own feet and protect their honor. We should not further weaken their morale by useless gifts, as we recently did with England, and as we did during the thirties with our people here in America. Strength comes only with effort. Give them the opportunity to use that effort in their own behalf. In the meantime, let us gird our loins, from both a spiritual and physical standpoint, so that we may be prepared for any eventuality which might arise.

Mr. MARCANTONIO. Mr. Chairman, I rise in support of the amendment.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Ohio.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MARCANTONIO. Mr. Chairman, I rise in support of this amendment. The amendment is very simple. The amendment provides, in effect, that the portion of the $6,700,000,000 that is to be spent under this bill which is to be paid to manufacturers, processors, firms, and to transportation and distribution firms and corporations shall be spent in accordance with the principles of fair employment practices; that is, that no firm or corporation or individual who denies employment to any person because of race, color, or creed shall receive any of the benefits of the funds that are to be used under the provisions of this bill.

Now, this money comes from everybody. This money comes from all the American taxpayers. It comes from Negroes, whites, Jews, and gentiles. Therefore, why provide for the further enrichment of those firms and persons that practice discrimination in employment because of race, color, or creed? Here you have the proposition that you Republicans and Truman Democrats have been preaching so much all over the

country. Here the question is whether you mean what you say. I address my remarks now directly to the Committee on Foreign Affairs. You met this morning and you accepted an amendment to include Fascist Spain under this bill. Now I am asking you, Will you accept this amendment to make certain that Negroes will not be discriminated against in employment, by those firms, individuals, and corporations that will be benefited by this bill? That is the proposition that is before the Committee on Foreign Affairs. You can ignore it if you want to, but this record stands. The American people are bound to learn of this record, and they will want to know why the committee that reported out this bill, was so ready and so anxious to accept Fascist Spain and the butcher, Franco, as a beneficiary under this bill, and now refuses to accept an amendment that guarantees employment against discrimination.

Why does this committee refuse to accept this amendment? It is because this bill is not based on a policy for freedom of people. It is because this bill furthers an imperialist policy and imperialism rejects democracy at home and abroad. This matter is now in your laps. You either take it or you leave it.

Your refusal to accept it demonstrates conclusively just what this bill is about. Although it is heralded by you as a bill for freedom, it is a bill in the interest of Wall Street exploitation. This is a test. I again call on the Committee on Foreign Affairs to accept this amendment. You were more than anxious to accept the Fascist Spain amendment. How about this amendment to protect the 14,000,000 Negro people in the United States?

Mr. CASE of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from New Jersey.

Mr. CASE of New Jersey. I expect to support the amendment. May I ask the gentleman, if it is adopted, will he support the bill?

Mr. MARCANTONIO. I am opposed to the bill, because it is basically legislation for big-trust control of the world. I never double talk. However, I am a realist, and I know that this bill is going to pass. Therefore, I shall support every effort to guarantee employment to 14,000,000 Negro people. I shall support every amendment to protect 14,000,000 Negro people against discrimination which this bill permits. That is my answer to the gentleman. I should like to know if the gentleman is going to go to his committee and his leadership and ask them to support this amendment, just as he has asked me to support this bill?

Mr. CASE of New Jersey. I intend to support the amendment. The gentleman has given me his answer. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 38, noes 91.

Mr. POWELL. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

GENERAL FUNCTIONS OF ADMINISTRATOR

SEC. 105. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this title—

(1) review and appraise the requirements of participating countries for assistance under the terms of this title;

(2) formulate programs of United States assistance under this title, including approval of specific projects which have been submitted to him by the participating countries;

(3) provide for the efficient execution of any such programs as may be placed in operation; and

(4) terminate provision of assistance or take other remedial action as provided in section 118 of this title.

(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision;

(3) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State is inconsistent with the purposes and provisions of this title, he shall consult with the Secretary of State and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer is inconsistent with the purposes and provisions of this title, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

Mr. VORYS. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. VORYS, of Ohio: On page 57, line 16, after the word "officer", insert the following: "in performing functions under this title."

The committee amendment was agreed to.

Mr. BUFFETT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask for some information from the committee, or from whoever can give it to the House. On January 15, Secretary Royall, of the Army, appeared in behalf of this scheme. He declared then that the choice is between the foreign-aid plan or a larger Army. Those are not his exact words, but that is approximately what he said. He said the choice before us was the aid plan or a larger Army. Now the demands of the armed services indicate that they believe we are on the verge of war, and they are asking for a much larger Army. I would like to find out from the chairman of the committee, or from any member of the Committee on Foreign Affairs, whether they received any explanation from either Secretary Royall or from any other high official in this administration why the Secretary made one statement on January 15 and now a few weeks later the War Department asks for a very much larger Army. Did they know that fact when he made the statement on January 15 or have there been developments that explain this shift in position? I wonder if any member of the committee can explain this strange performance?

Mr. VORYS. During the last few weeks the committee has been kept in rather close touch, I believe, with the military situation through the members of the armed forces and through the Department of State.

Mr. BUFFETT. Did the committee get information that explains to it the need for a much larger Army after Mr. Royall declared on January 15 that the aid plan was the alternative to a larger army?

Mr. VORYS. If the gentleman interprets Mr. Royall's view as stating what he says, I do not believe that that was the general proposition which was put before the committee. We were told that we would of necessity have to keep our armed forces intact even though this plan might remove or lessen the danger of war.

Mr. BLOOM. Mr. Chairman, will the gentleman yield? The question the gentleman is asking the Committee on Foreign Affairs ought to be asked of the Committee on Military Affairs. The Committee on Foreign Affairs would not have anything at all to do with that.

Mr. BUFFETT. The point of the question is that the Secretary of War appeared in behalf of the foreign-aid program and said that this plan was the alternative to a larger Army. He said either we have the aid plan or we have a much larger Army. Now they are asking for both. Certainly the Committee on Foreign Affairs should have an explanation of that performance.

Mr. VORYS. I think everybody in Congress understands it possibly except the gentleman because it has been proposed in our hearings by Mr. Douglas and by Secretary Forrestal that if this entire aid plan should fail there would of necessity need to be gigantic increases in our armed forces very soon in order to resist a possibly unfriendly power that would possess all the rest of the world in a few years except the Western Hemisphere.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PRICE of Florida. Mr. Chairman, I suppose that everything both for and against this bill has been advanced in the last few days on this House floor. The pros and cons have made their arguments in every conceivable manner and no one in this House will deny that Members have earnestly presented their views. Therefore it would be a waste of time for me to attempt to bring any new argument for the program or even to say

something that has already been said in different words. I will simply say that I am for the bill even though no one would be foolish enough to say that they could guarantee that the program or the spending of these billions or even billions of dollars in addition to the amount included, would solve the problems of the world today or bring peace. I, as a Representative of the people, am willing to take the chance. I had rather send our dollars, even though it may be necessary later to send our boys, because this, in my opinion, is an honest effort to avoid war and the necessity of sending our boys. On November 1, 1947, I wrote President Truman of a plan that I thought would help bring peace to the world and although the President did not consider the plan worthy of even an answer I still am of the opinion that my plan would have at least been a step in the right direction. I am, therefore, inserting my letter to the President in the RECORD:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington D. C., November 1, 1947.

The PRESIDENT,
The White House,
Washington, D. C.

MY DEAR MR. PRESIDENT: Thousands of our citizens are sending packages containing food to relatives in Europe. Millions of our citizens would send packages if they had someone to send them to or knew positively that hungry people would receive the packages.

I suggest that our ambassadors or ministers in countries where the people are starving organize native citizens to distribute these packages to those really in need.

Our people could be advised where to send the food, the kind of food most needed, and those in each State could send to a particular country or, if the need of any one country was particularly great, two or more States could send to the same country.

The distribution within each country could be handled from one or two central locations in the foreign country. I believe these details could be worked out with but little cost to our Government.

Our citizens could be advised on a standard size and weight package and all could be exactly the same in size. The people in each State could be advised as to the most desirable food needed in the country to be supplied by that particular State. They could also be advised as to the amount of postage required for the weight of the package.

An appeal could be made to the housewives of America to save at least a dollar or two on their food bill each week. They could supply the needs of their own families but cut down enough to buy $2 worth of the particular food that they would want to send abroad. By encouraging them to actually save on their food budget, thus there would not be a drain on our own food supply.

If our people could be guaranteed that they could send food that would be given directly to those starving, there would be millions of our citizens willing to save $2 each week on their food bills, and that is not asking too much from any family.

As a further suggestion, each family could include a letter and a small snapshot of the family group in each package sent. The picture, I believe, would work wonders. The starving people could see that here in America we are well clothed, well fed, healthy, and happy.

This would do more to create good will among the people of the starving countries than all the Voices of America millions could buy.

The letter bearing the name of the sender and a word of sympathy and comfort would work wonders.

I honestly believe churches by the thousands would endorse and push this program, to say nothing of millions of families who never attend any church. I believe our radios and newspapers would gladly assist.

I hope you will look with favor on this suggestion. I believe this plan would actually begin to relieve the starving long before any action can be taken by Congress. I have attempted to be as brief as possible but I am sure the details could be worked out in a short time.

Yours respectfully,

EMORY H. PRICE,
Member of Congress.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not surprised that the committee is very much confused with reference to this ERP proposal. I wish to state that in 1945 I took this floor and called the attention of the House to a statement by David Lawrence. This is what he said at that time, referring to the Crimea Conference:

What did Stalin get?

Acquiescence in his grab of the Baltic states of Estonia, Latvia, and Lithuania. Annexation of territory that previously belonged to Poland. Acquiescence in the sphere of influence set up which will mean Stalin-controlled governments in Poland, Hungary, Czechoslovakia, Yugoslavia, Bulgaria, Rumania, and in the Baltic areas. Reparations from Germany that could include forced labor. More lend-lease dollars and goods from America.

That was back in 1945. That statement up to this time has never been challenged by anyone. There was a map here this morning but it has been removed. On that map it showed the very countries that Russia has taken over.

Now, we did not hear anything about the expanded army. Apparently here was an agreement made at that conference of which we were a party. What I am wondering and what the people are wondering is how many more of these secret agreements have been made that we know nothing about. We are certainly getting very excited about war. Our industrial plants are being regimented ready for war. The people are told that they will have to be regimented for the coming war. Yet, as I say, this statement by David Lawrence has never been challenged by any person at any time anywhere. So up to this time we are creating a hysteria to pour more billions into these foreign lands.

Let me call your attention to a few more statements that are rather important. I remember when we had the Atlantic Charter. That was to preserve peace in this world. First, we had the neutrality declarations of 1914 and 1917. That was to keep us out of war. Then we had Wilson's 14 points. That was to keep us out of war. Then there was a covenant of the League of Nations. That was to keep us out of war. Then the Washington treaties of disarmament. That was to keep us out of war. The Kellogg Pact to outlaw war. That was to keep us out of war. The Dawes plan and the Young plan to keep us out of war. The Stimson doctrine to prevent aggression. That was to keep us out of war. The London Conference. That was to keep us out of war. The Roosevelt Neutrality Act. That was to keep us out of war. The "four freedoms." That was to keep us out of war. Hull's 17 points. That was to keep us out of war. Then came the Atlantic Charter. That was to keep us out of war. Then the Yalta declaration, to keep us out of war. Then there was lend-lease to keep us out of war. Then UNRRA to keep us out of war. And the Potsdam Agreement to keep us out of war. And Bretton Woods to keep us out of war. And Dumbarton Oaks to keep us out of war. And Bank for International Settlement to keep us out of war. And Export-Import Bank to keep us out of war. And the United Nations to keep us out of war. What has it done? It has collapsed. It is nothing but a shell today. Then there is the Truman doctrine that was going to prevent war, and now we have the Marshall plan pouring billions into those countries. Now, let us review the situation a little.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. KNUTSON. How about the reciprocal trade law that was to prevent war?

Mr. REED of New York. Yes. I am glad the gentleman brought that up. That was very interesting. They were going to increase our exports. When they could not increase them any other way, they started to ship scrap iron and steel ingots and engines for airplanes and oil to run them, and the result was that we armed Japan so that she could strike, and the price we paid for that perfidy on the part of the State Department and the propaganda at that time was the murder of 3,000 boys at Pearl Harbor and the destruction of most of our Navy.

Mr. KNUTSON. Will the gentleman yield further?

Mr. REED of New York. I yield.

Mr. KNUTSON. Does the gentleman recall that Secretary Hull came before our committee and said that the passage of that legislation would insure peace for 50 or 100 years?

Mr. REED of New York. Oh, yes.

Mr. KNUTSON. And then within 4 years we were in the midst of the bloodiest war of all history.

Mr. REED of New York. I remember that Le Bon, the great French psychologist, in 1910 said we were entering an era of crowds.

That is what we are doing, along with the crowd hysteria. The warmongers are working upon the crowd mind, and unless we stop this propaganda and come to our senses and protect this country we will not have a Republic.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LANDIS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I never rose to address the House with a greater sense of responsibility than at this moment. It is not that I flatter myself for 1 minute that anything that I may say, or possibly anything that anyone else may say, will influence a single vote, and that remark

is in no respect an imputation upon the sincerity, the candor, or the patriotism of any Member of the House. However, it does seem to me important to make a record of what is a very critical hour in the history of the Republic, so that future generations, if they turn back to the CONGRESSIONAL RECORD, may know that there were some Members of Congress who at least protested against the several steps proposed by the President which will eventually lead to war.

For more than 8 years the people of the United States have been denied the right to express themselves on the means and manner of their relations with other peoples of the world. The device which has throttled their expression has become generally known to them as the bipartisan foreign policy. This policy was born while I was a freshman Congressman. Its first expression came swiftly on the heels of the utterly indefensible and certainly misnamed Neutrality Act passed by the Congress in 1939. I need not retrace the long series of enactments which grew from that miscalled legislation nor do I challenge the rights or the wrongs of an act which has passed into history. Right or wrong, it was an act of the Congress taken without the approval of the people. Right or wrong, it became law with the support of both parties. Right or wrong, the principle upon which it was based was never permitted to become an issue at the polls.

Most of you will remember that the Neutrality Act controverted a long-time accepted policy of the United States of America which held that the goods of America could go anywhere in the world where there were buyers. That policy was freedom of the seas. The Neutrality Act denied that policy. The American people opposed the Neutrality Act if my observation was good. The Members of Congress decided that an emergency existed and that it was expedient for them to ignore the wishes of their people and to voice their own great, all-pervasive, ponderous, and generally accepted wisdom.

Year after year from then until now, Congress has performed prodigies of legislation respecting our relations with the peoples of other lands. I have but to call the roll of the international legislation which Congress has enacted during those years, in that same spirit of self-recognized greatness for you to know that the foreign policy of the United States—the so-called bipartisan policy—has never had the support of the majority of the American people. For your thinking, I recall for you the revision of the Neutrality Act, the lend-lease program, the destroyer deal, the legislation which set up the United Nations, the Bretton Woods agreement, the British loan, the Greek-Turkish loan, and the many other acts of Congress passed under the bipartisan foreign policy and all passed against the will of the American people as it has been expressed in my district and elsewhere.

May I say to you now that the people of the Seventh Congressional District of Indiana, in their mass wisdom, foresaw and criticized in advance the failures of the bipartisan foreign policy. May I also say to you that they now foresee and criticize in advance the failure which they know will follow the enactment of this European relief program. Calmly, without heat and in no spirit of attack upon those who have so honestly, so diligently, so seriously devised and presented the European recovery program, I tell you now that the people of the Seventh District of Indiana have forecast its failure. They believe it is wrong. They believe it is the seed of war—not a preventive. They believe it leads us only into a mire of future emergencies which will entangle the feet of American generations yet unborn in power politics, imperialism and destruction of the dignity of little people all over the world.

At this point, however, I do not seek to attack the Marshall plan as such. I shall reserve that for a few moments because I want to direct your thinking to the pomposity of the bipartisan foreign policy. During my years in Congress of the United States, I have sought conscientiously and with personal determination to follow, insofar as I could, the national platform of my party and the policies which my party leadership had furthered and espoused. Some of the leaders of my party in both Houses of Congress have endorsed the bipartisan foreign policy. Acceptance of the bipartisan foreign policy has become a principle to which these gentlemen have adhered in such numbers as to commit my party to its support.

Regretfully, insofar as my position brings me to a division with my party leadership in this matter, I must again protest against the dangerous course they ask us to take.

Again and again during these years that have passed while this policy has been accepted, I have heard Members of Congress say, "this is an issue upon which we should give leadership to the people." Of course these Members knew that it was the people who must pay the bill and do the fighting. Nevertheless, these Members come to the floor of this House and the Senate to cast their ballots for legislation which they know in their hearts is being stuffed down the throats of their constituents.

I say to you now, and I shall continue to say that for Members of Congress to say the people err is crass and pompous ignorance. It is the calm assumption of God-like powers. It is blatant arrogation to themselves of authority beyond the concept of the duties imposed upon Congressmen by the electorate.

Thank God this is still a representative republic. It is founded upon the solid logic that the people would choose spokesmen to perform their will. It is based upon the principle that when the representatives of the people do those acts which the people command, the Republic will be safe against the encroachments of others and against decay within itself.

The concept of our Government is that it is the tool of the people, not as these blandly egotistic, self-nominated molders of the public will would make it, the master.

The logic upon which the bipartisan policy is founded is that we here in this room are supermen—that there has been conferred upon us by some occult power, the gigantic intellect and foresight which makes us right in our judgment and conversely the people wrong.

The bipartisan foreign policy assumes that we must not refer to the people for their approval and for their expression, the compromising, niggling, halting, vexatious and confused results of our thinking.

Who are we thus to set ourselves above those from whose rights our powers arise?

Who are we to cloak our petty ambitions, our personal aims, our greeds, the wickedness, the virtues, the decencies, and the sincerities which we have as little men in the robes of self-determined greatness, to deny the people the right of self-expression?

Yes; this is the effect of the bipartisan foreign policy. In its basic concept it lifts the American foreign policy above the level of the election booth. It says to the American people:

"We will not let you express yourselves as to our acts. We will not let you tell us we have erred. We will not let you outline for us the steps which we should take."

In all of its fumblings, in all of its failures, and in all of its procreated emergencies the bipartisan foreign policy has never yet embarked upon a venture more sweeping in its possible effects than the European recovery program which is now before us. The people of my district are opposed to the Marshall plan. They are opposed to the bipartisan foreign policy. They believe that they have the right to pass upon it. I shall do their bidding.

If the constituencies of my colleagues in this Chamber have likewise expressed themselves upon the bipartisan foreign policy and upon this ambitious program before us, and if my colleagues are to vote the will of the people, then the European recovery program as it is now before us will fail of passage. For the people do not want the Marshall plan. I have but to call upon scores of individuals among you who have conducted polls in your districts to verify the statement. In my own State several of my colleagues have conducted polls. Without a solitary exception, these have resulted in overwhelming majorities against the Marshall plan.

Tell me my people are not informed? Tell me they are not intelligent? Tell me that they do not understand the Marshall plan? Tell me that you, in your statesmanlike greatness, know more than the people you represent?

Your answers to these questions are less consequential in their bearing upon the action of this Congress with respect to the European recovery program than they are with respect to the basic question I raise. The bipartisan foreign policy is wrong because it denies the people the right to express themselves at the ballot box on the issues of United States foreign policy. The powers of the Congress must spring from the people. The people must have the right to veto the acts of their representatives. The bipartisan policy seeks to deny them this right. Therefore, it is wrong and immoral. It is a denial of an American

principle that I cannot support. I cannot contribute to the development of a theory that a group of Congressmen entrusted with the responsibility for devising legislation are rulers of the people rather than their servants. I cannot subscribe to the development of a theory that election to the Congress of the United States confers superiority of any kind upon any of us above those whom we are chosen to represent.

My reasons for opposing the Marshall plan are many: First, because my constituents oppose it; second, because it is the weapon of the bipartisan program which seeks to deny to them the right to approve or veto a matter of foreign policy; and third, because in my own judgment its effect upon the American of tomorrow has not been thoroughly explored, neither has it been discussed with a full understanding of the great responsibilities it will impose on us.

Specifically, with regard to the Marshall plan, I would point but briefly to a set of facts:

The Marshall plan presupposes that we shall devote to the laudable purpose of European recovery our wealth and our substance on the theory that failure to do so will lead us inevitably into war.

I shall not challenge this statement, although I deny that it has been proven. It remains an open and debatable conclusion to which I cannot adhere, though I will listen to the proof if it be adduced.

The very proposal begs a question, What will happen if we do, not if we do not, pass the European recovery program? I shall in a measure seek to answer that question.

We shall establish in the aided nations of Europe all-powerful authoritarian governments, shored up with our wealth, and given strength to impress the people, when and if they shall fall into the hands of wicked men.

While we fight the totalitarianism of the Communists, we create authoritarian government which will be its counterpart in all save name. I know and I hate the performance of communism in government, and I know and hate the type of government which grows out of communism. Let me tell you that there is no vast difference between the hammer and sickle, and the crooked cross of fascism, even in appearance. I say to you that authoritarianism is wrong, no matter what its name.

Let me also say that when we shall, by the European recovery program establish in Europe all-powerful governments, totalitarian concepts will be the inevitable result.

There is in the Marshall plan for European rehabilitation not the slightest seed from which there might sprout representative government for any nation we would aid.

I ask you, how under its provisions, may a Frenchman buy goods from a Briton—for to do so he must deal with the British Government? There exists, and can exist no economic machinery by which he as an individual may engage in the simple act of buying a minor necessity, unless he does so through the channels of government. He must buy his goods through an agency created by his own government, which alone can engage in trade upon that plane of equality which must be established if commerce is to follow. It follows, thus, that his Government must regulate his life in every phase, for a nation cannot exist half regulated and half free.

As we who sat in this Congress through the years of the shooting war now ended, must know well, each regulation you devise must in turn demand yet another until regimentation is complete. We set out to devise a minimum of wartime regulation. We came to VJ-day, a totalitarian state, the chains of which we have not even yet fully freed.

These are things you know. Criticize it as you will—the fact remains that we are proposing to fight communism with what must inevitably be a form of totalitarianism for those whom we seek the guaranties of freedom. This is not the way to liberty. Nor is the way to liberty opened the wider here by those among us who have devised this juggernaut of fear and apprehension—the bipartisan foreign policy— with its wicked and evil effect of refusing to the people their right to veto it at the polls.

Although the people in my district are against the Marshall plan, they want me to do what is in my power to create and maintain an Air Force, second to none, and by the same token, we must strengthen our Army and Navy. They feel that only by keeping strong can the United States stay at peace. A powerful Air Force is the only immediate weapon available for retaliatory action in case we are attacked.

We must emphasize more and more scientific training among our youth from high school through college. Where we have had 1 scientist before we must have 10 in the future. We must create immediately the long delayed stock pile of critical war materials. And we must do everything possible to make every citizen feel more keenly that he is getting a square deal in America and that the land in which he lives is worth fighting and dying for. Aid to Europe should be limited to food, fuel, and relief supplies. We should not try to underwrite the fortunes of other nations for years to come. We cannot feed and supply the world without eventually bankrupting ourselves. Should that happen who will there be to help us?

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on the pending section close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. RICH. Mr. Chairman, I object.

Mrs. DOUGLAS. Mr. Chairman, I move to strike out the required number of words.

Mr. Chairman, I rise at this time to discuss the amendment that was agreed to this morning by the Committee including Spain under this act. I recommend to the Members that they read the Complacent Dictator, a book by Sir Samuel Hoare, who was the British Ambassador to Spain during the late war. It contains perhaps the sharpest attack ever made on the decency and good faith of the present government of Spain.

The amendment which the majority of the Committee agreed to including Spain under this act, does not bring Spain any closer to participation in the ERP. Spain must still enter the fellowship of the CEEC. It still must establish itself on the basis of comity and cooperation with the democratic nations of Europe. It still must qualify for aid in an agreement negotiated under the authority of this act by the Secretary of State in consultation with the Administrator. This act cannot force the President or the Secretary of State to act with respect to Spain until they are ready to act.

The President's power to send and receive Ambassadors is a constitutional power that belongs to him and it is still paramount regardless of what you write into this act.

This act cannot force the democratic nations of Europe to take Spain to their hearts any sooner than the day that Spain by self-action shows that it deserves their confidence. In other words, the amendment does nothing for Spain except to give her an unearned pat on the shoulder. Spain will have to go through all of the steps to qualify as a member of the ERP that she would have had to go through if this amendment had not been agreed to.

The amendment including Spain does nothing for the democratic forces of Europe but rather gives them an unearned rebuke. It does nothing to control the forces of communism, but does, quite the contrary, provide them with a new and effective weapon to use on the political battlefield of Europe. That is what you are doing here.

We are waging a political battle. The Committee of the Whole has just handed a very powerful weapon to the Communist forces of Europe in passing this amendment. The Committee's vote has given the Communists in Italy a new talking point in their campaign to lead the people of Italy back into totalitarianism.

Mr. COLMER. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from Mississippi.

Mr. COLMER. I want to make an observation that seems to me appropriate, which is raised by implication at least of the action taken this morning. Suppose now, the House having placed Spain in this program, the Senate should not go along with us and the amendment is taken out. Certainly the repercussions in Spain and those sympathetic with the cause of Spain would certainly be very, very bad. Personally I am inclined to think it is all right to have Spain in here, although I do not know about that. It may be the proper thing. But I think it was very unfortunate that this matter was not fully considered here this morning but rather was cut off with a few minutes' debate, because I can see where you would have some very bad reaction.

Mrs. DOUGLAS. I thank the gentleman for his contribution, and I agree with him that it is very unfortunate that this critical issue was voted on without debate.

Mr. BLOOM. Mr. Chairman, if the gentlewoman will yield, the Republican Party voted almost unanimously to put Spain in this bill, so I do not see how we

can change it very well since they are the majority party.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. SHORT. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes, and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Chairman, twice in our generation we have fought two World Wars. We won the first one at a cost of $31,000,000,000 and 334,000 casualties, with a debt of $26,000,000,000 heaped upon our backs. Following the armistice in November 1918, we fed and clothed not only our Allies in that war, the Belgians and others, but even our defeated enemies, the Germans and the Austrians. More than $15,000,000,000 we loaned foreign nations following World War I, have never been paid. Little Finland is the only country ever to pay a dime. We have won this recent global conflict at an enormous price. In fact, it was two wars, one in Asia and one in Europe; one in the Atlantic and the other in the Pacific, at the tremendous cost of $340,000,000,000 and with a staggering, stupendous, astronomical, incomprehensible debt of $258,000,000,000 at this very hour. We suffered over 1,061,000 casualties. During the conflict we fed, clothed, and equipped not only the 12,000,000 men and women in our own armed services, but we gave over $31,000,000,000 to our British ally, more than $11,000,000,000 to Soviet Russia, three and one-third billions to France, one and one-half billions to Italy, and more than three and one-third billions to others, or a total of $50,000,000,000.

We gave in lend-lease during the conflict and since May 1945, since VE-day, we have extended in credits, loans, and gifts more than $23,000,000,000 to foreign countries. I ask you, in the name of God, when are we going to call a halt? We have depleted many of our natural resources. We have exhausted some. Many of our oil wells are dry. We suffer acute shortages of steel, lead, zinc, copper, and other strategic minerals. Since the middle of January, I have been chairman of a special committee to study oil and petroleum for our armed services. We have about enough supply to conduct a major war for 2 weeks. You pass this Marshall plan and soon you will not be buying gasoline, and your mama will find she cannot get nylons, too. Clothing will be scarce and everything more expensive. Today you can take $10 and go to a grocery store and carry all you buy in your hat, even if you wear a six and seven-eighths. You pass this bill and watch the economic repercussions upon the American people. It will all but wreck our domestic economy. Exports abroad raise prices at home.

I know that we have been whipped up into this frenzy by senseless and ceaseless propaganda. God knows, they have appealed to every instinct of humanity in order to cram this program down our throats. They started out first by appealing to our philanthropic impulses and humanitarian instincts—the big-hearted, soft-headed Americans, who do not want anyone to suffer, who always, in time of peace or war, send relief to the poor and distressed all over the world, whether caused by an earthquake in Chile or a typhoon in Japan; our American Red Cross taking medicine, food, and clothing to those who have suffered any disaster; the Rockefeller Foundation spending millions upon millions of dollars building hospitals, asylums, orphanages, and schools all over the world; CARE, friendship trains, our Christian churches of every denomination carrying out missions of mercy in many lands.

The United States has been the most considerate, helpful, and generous nation on earth, and if we have a single friend left I do not know where it is. We are wooed only for our dollars. Last time we were called "Uncle Shylock," now we are "Uncle Sap." If we really want to stop communism we should spend half the funds for the Marshall plan in building up our armed forces until the United Nations becomes firmly established with an international police force strong enough to carry out its decisions under law and order. We could then work for universal disarmament, establish a just and lasting peace, and win for ourselves the respect of mankind.

Mr. Chairman, I repeat what I said months ago in discussing this measure. Friendship that has to be purchased is not worth having. It cannot be trusted. You do not make people your friends by lending them money. The more you give them the more they want, and they will rise to curse you for not giving them more.

We have only about 6 percent of the world's population, 7 percent of the world's area, and we produce 12 percent of the world's food, yet every nation on the face of God's earth looks to America to feed, clothe, and help take care of them. What silly idiots we are. I know, of course, that the backers of this bill first appealed to our humanity because we are all possessed of that. No one wants to see his neighbor or even persons in distant lands suffer or starve. But there is a limit to our capacity to help others.

We know that appeal failed, the arguments from a philanthropic and humanitarian point of view. When it was admitted that this was not a relief bill but a war measure, then what did you appeal to? You appealed to that powerful human instinct of fear. Scare the people to death, picture Boston, New York, Philadelphia, and Washington being shelled and bombed by the Greek Navy, the Bulgarian hordes ranging over the plains of Texas, Russian submarines off the coast of California, Japan and Germany, prostrate, not even able to stand up on their own feet, attacking Detroit and Chicago the next day. Russia, with an economy that is unsound and that is very bad, with a low standard of living, in spite of all her potential power and possibilities, is having difficulty in keeping her own people held together. It is only her foreign conquests that divert their attention from their own misery.

After appealing to humanitarianism and employing the psychology of fear the sponsors of this movement to give America away brought in the third argument, and they are getting it from some fat Republicans, I am sorry to say. I mean selfish greed, and profit motive. Dollars come before human life. More munitions millionaires must be made. We have to have the Marshall plan in order to have exports and enjoy prosperity artificially created by giving away to other peoples and creating a scarcity at home in order to keep our own people employed. I do not think we need to listen to that argument long. Last year, in 1947, we exported $14,500,000,000 worth of goods and commodities and imported $5,500,000,000 worth. We had a $9,000,000,000 balance against us. Everyone knows we are not producing enough at home today to meet our domestic demands.

You want to fight inflation. Well, you pass this bill and you absolutely set inflation on fire that will consume this country, bankrupt it, and I think will lead to the loss of our liberties, because the President was at least forthright and frank and honest in January. Harry Truman stood there and told you and me that if we passed the Marshall plan we would have to restore rationing and controls and his wartime powers. Do you want it? Maybe it is not popular to oppose this measure, but the truth has not been told. A lot of you have been scared and frightened. I am almost ashamed of my own party. I pray to God that whoever is elected President this coming November, regardless of what ticket he is on, will love the United States of America as much as Joe Stalin loves Soviet Russia or Winston Churchill loves the British Empire.

The gentleman from Nebraska [Mr. BUFFETT] lamented a few days ago that often he had to stand alone. I served in this House when we had only 89 Republicans. I used to walk around the Capitol and pinch myself to get up courage to stand in this well and denounce communism, 15 years ago, when it was unpopular to do so.

I do not respect these recent converts, these Johnny-come-lately's who finally have decided that communism is bad. I fought it, but I do not think war with any people is inevitable. I think we ought to turn our attention to the paths of peace.

Ralph Waldo Emerson, one of the greatest philosophers and profoundest thinkers that this country ever had, once said, "To be great is to be alone." So do not worry, Howard, if you are alone. Martin Luther was alone, when he nailed the 95 theses on the cathedral door and said, "Here I stand; I can do no other; God help me." Savonarola and Huss were very much alone when they were burned at the stake. The Father of our country, George Washington, was alone when he fell on his knees in the snow at Valley Forge and implored the help of Divine Providence to take care of his half-starved, half-naked Army. Abraham Lincoln in the darkest hour of the Civil War, when this Nation was threatened with disruption and division, through that fratricidal strife, said, "Often I have been driven to my knees

because I had nowhere else to go, my own wisdom and that of all those around me proving insufficient for the day." Lincoln was alone. And the Son of God, the God-Man whose crucifixion only a few days ago we commemorated—He was alone. The week before His death He had entered Jerusalem triumphantly with children strewing palms in His path. I have seen that pageant on two occasions myself, once last year and once 25 years ago. But when they nailed Him to the cross between two thieves at Golgotha on Calvary, He cried out in His mortal anguish: "My God, my God, why hast Thou forsaken Me?" That carpenter from Nazareth was very much alone. "To be great is to be alone."

The CHAIRMAN. The time of the gentleman from Missouri has expired.

THE IRONY OF SPAIN'S INCLUSION

Mr. CELLER. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, the inclusion of Franco's Spain in this bill is indeed a strange procedure. Limiting the discussion on the amendment, to my mind, was shabby. Even the 16 nations in ERP never asked for the inclusion of Fascist Spain. We easily forget, or at least those who voted for Spain's inclusion in this amendment easily forget, that Spain was a listening post for the Axis during the war. Franco and his cohorts were responsible for the death of thousands of our sailors and merchantmen during the war. Axis agents in Spain watched the approach of our ships and other Allied ships passing Gibraltar and made known the movements of those ships to commanders of German submarines. Vast tons of shipping went down to the depths of the sea because of the aid that Franco gave to Hitler and to Mussolini. Are we to forget that now and give all this aid to our enemy? And Franco was our enemy, and still is our enemy.

Mr. MITCHELL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. MITCHELL. Does the gentleman from New York agree that Italy should be in this bill?

Mr. CELLER. Italy is in an entirely different category. Italy is a conquered province, as it were. Italy, after Mussolini's downfall, entered the war on our side. Its government is no longer Fascist. Franco's government was and still is Fascist. For that reason, I would include Italy in this bill.

Mr. MITCHELL. And Germany, too?

Mr. CELLER. That is entirely different, and I am not discussing that. Italy and Germany are utterly and woefully different. We are endeavoring to rehabilitate the 16 nations mentioned in this bill.

Mr. MITCHELL. But they were actively engaged as our enemies.

Mr. CELLER. Just a moment. Germany is not included in ERP. It is included only in the Army Military Establishment budget. That is quite different. Germany is treated as occupied territory. I do not yield further.

The inclusion of Spain is the reward for treachery and infamy. It is an encouragement to the avowed enemies of democracy. Spain has been repudiated by the United Nations. It has been refused entrance into the United Nations.

The effect upon the Italian elections will be catastrophic. It is a body blow to Socialists and Liberals in Italy. You frighten them. Whither shall they go? It will be a tonic to the Communists. They will rightfully say in Italy, "See how the great America gives aid and comfort to the Fascists. See how the United States deserts us Liberals." To me, communism anywhere and everywhere; to me, fascism in Italy, fascism in Argentina, and fascism in Spain are all alike, an anathema. I want no truck with either communism or fascism.

Fascist Spain rendered and continues to render disservice to democracy. You make it mighty difficult for me to vote for ERP when you include aid to Fascist Spain. I hope better counsels will prevail before we will have concluded the consideration of this bill, to the end that a separate vote will be asked in the House on the Spain amendment and it is hoped the provision will be deleted from the bill.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. O'KONSKI. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, there will be a lot said about the inclusion of Spain in ERP. There will be a lot said because there is no country and there are no people that the international Communists hate more than the people and the country of Spain. They have every reason to hate and despise the people of Spain. The reason is simply that according to the Communist blueprint, Spain was destined to be the second Soviet nation of the world. But the Spanish people instead drove the Communists out.

Look at all the international gangsters that are causing us trouble today. Clement Gottwald, of Czechoslovakia; Marshal Tito, of Yugoslavia; Dimitrov, the dictator and butcher of Bulgaria. Day before yesterday, Luigi Lango made a statement in Italy that if the Communists did not win the election in Italy, "We will take Italy by force." Who are these international gangsters? They are the men who, in 1936 and 1937, were the leaders of the Communists in Spain, and who were responsible for the civil war that cost the Spanish people 500,000 dead.

The Spanish people drove out Dimitroff, they drove out Tito, they drove out Longo. Can you understand, therefore, why there is such bitter hatred against Spain on the part of the Communists?

Oh, yes. The statement was made here that it is a rebuke to the 16 nations of Europe because they did not invite Spain. Examine your conscience, ladies and gentlemen. Do you think it was right for the 16 nations of Europe to invite Stalin to participate in taking some of this Marshall plan money? Do you think it was right for the 16 nations of Europe to invite the Butcher of Yugoslavia, Tito, to help himself to this Marshall plan money. They invited every one of the countries behind the iron curtain, every one of the satellite countries. Did they ask Russia and her satellites to change their government before they could participate in this plan? They did not. They did not meddle in their internal affairs.

Then, why, in the name of God, should the 16 nations which responded to the invitation, demand different requirements of Spain? Why not treat Spain as an equal? A lot has been said about the cooperation that Spain gave the enemy. I am going to quote you from Wartime Mission in Spain, written by whom? Written by an American who ought to know; written by Ambassador Hayes, who was in Spain at the time and knew what was going on in Spain. I am going to read you from his book. Here is what he said:

> Spain showed a friendly attitude toward and support of Portugal during the conversations regarding Allied bases in the Azores, at the risk of German reprisals against Portugal involving Spain.

When we took over the Azores for the purpose of landing our troops in Africa, when the President of the United States decided that we were going to land troops in Africa by way of the Azores, he corresponded with General Franco about the plan and ultimately gave him notice before we were starting landing our troops in Africa. Franco knew about it, but Hitler did not. Is this not evidence enough to prove Spain's friendly neutrality?

Let me point out something else for the RECORD in the matter of alleged help given by Spain to the enemy. I quote from his book:

> Friendly attitude toward and support of Portugal during the conversations regarding Allied bases in the Azores at the risk of German reprisals against Portugal involving Spain.
>
> Spain's unwillingness to allow Japan to raise the status of its legation in Madrid to that of an embassy. (Note 30.443, Archives of the Ministry of Foreign Affairs.)
>
> De facto recognition of the French Provisional Government in Algiers. (See Carlton J. H. Hayes, Wartime Mission in Spain.)
>
> Allowed French combatants to cross Spanish territory to join Free-French forces in north Africa despite German protests. (Notes Nos. 2626 of November 10, 1943, 2689 of November 16, 1943, and 2759 of November 30, 1943, Archives of the Foreign Ministry, Madrid.)
>
> Refusal to recognize Mussolini's republican government in northern Italy.
>
> Refusal to name a minister accredited to the Hungarian Government of Szalazy. (Notes of Diechoff-Jordana Conversations, 1943–44.)
>
> Facilities offered by Spain for the relief of refugees, particularly that of Sephardite Jews. (See Hayes, Wartime Mission in Spain.)
>
> Allowed several hundred American fliers to return to their bases after crashing or forced-landings in Spain. (See Hayes, Wartime Mission in Spain.)
>
> Allowed the Air Transport Command to use Spanish airfields. (See International Air Transport Agreement, December 2, 1944, and Protocol of February 19, 1945.)
>
> Allowed Allied claim to Italian ships interned in Spanish ports and purchased from the Italian Government by Spain, also allowed Allied protests concerning German ships in peninsular ports.
>
> Broke off diplomatic relations with Japan, April 12, 1945, that is, before Soviet Russia.
>
> The facilities given the Allies for their information and espionage services. (See Hayes, Wartime Mission in Spain.)

Allowed Allied missions to organize propaganda services.

Spain's commercial relations with and exports to the Allied nations were by far greater than with the Axis. The figures are as follows, in thousands of gold pesetas, for years 1939–45:

	Axis	United Nations
Class I. Mineral ores	84.890	401.511
Class II. Wood and other vegetable matter for manufacture	43.764	46.956
Class III. Animals and leavings	49.137	58.857
Class IV. Metals and metal manufactures	62.770	1.602
Class V. Machinery, vehicles	522	1.029
Class VI. Chemical products	70.874	96.821
Class VII. Paper and paper products	44	249
Class VIII. Cotton and manufactures	749	11.663
Class IX. Flax, jute, and other textiles	119	272
Class X. Wool and woolen goods	44.076	25.909
Class XI. Silk, etc	51	3.654
Class XII. Food	450.456	596.815
Class XIII. Various	1.137	604
Total	808.589	1.246.002

Balance in favor of United Nations, 437.413.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. O'KONSKI. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. KEE. Mr. Chairman, I object.

THE BEVIN PLAN?

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just wanted to call attention to the fact that there is still a United States of America to be considered.

It seems to me that for the last hour or two Members have been rambling all over Europe fighting Europe's battles.

Members are disturbed over this measure as I have never seen them disturbed before.

I have never seen such suffering in the spirit as Members of this House are going through today, because of the uncertainty and the magnitude of the danger to this country which this measure contains.

If you could take a secret ballot in this House, this measure would not get 50 votes.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Ohio.

Mr. VORYS. Where does the gentleman get that stuff, if this were on a secret ballot? Where does he get that idea?

Mr. RANKIN. I would expect the gentleman from Ohio to ask such a question——

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I know where the gentleman gets it. He gets it from talking to the Members.

Mr. RANKIN. Yes, I get it from the Members. We have so many wild-eyed internationalists and ex-missionaries on this Foreign Affairs Committee that it is a hard matter for them to understand the sentiment of those of us who really go back to the grass roots and represent the American people.

I say again, if you were to take a secret vote on this measure, it would not get 50 votes in the House.

I will tell you where your propaganda came from.

One of the main objects of this drive is to keep open the commercial life line of the decadent British Empire. Read that article which I inserted in the RECORD on yesterday, taken from Cosmopolitan magazine, on the so-called Bevin plan, which you call the Marshall plan. It is the Bevin plan.

The danger is that this measure may bankrupt the United States or finish bankrupting the United States.

We are in debt now to the extent of $260,000,000,000. The gentleman from Missouri [Mr. SHORT] spoke of all the casualties of the recent war. You have not seen the casualties of that war yet. They are breaking down every day, and will be for the next 25 years. I know from actual experience, because I was chairman of the World War Veterans Committee for 16 years and I know what happened after the last war.

Here you are supporting a measure that threatens to bankrupt the United States of America. For what? Why, to start an experiment on the Marshall plan, or the Truman plan as it was first called. Then it became the Marshall plan. Somebody raised the Pearl Harbor question and they changed it then to the European aid plan. It really started as the Bevin plan.

Now, all we hear is talk about Spain. Members have spent hours talking about Spain, Portugal, and Italy. It would be far more to the point for them to talk about the overburdened taxpayers of America, the people whose Government you may sacrifice by passing this legislation.

If you bankrupt this Government financially you are sure to have a dictatorship.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. REED of New York. Is it not a fact that we are pouring our billions into Great Britain to support a form of government which we are supposed to be fighting and that we are keeping the decent people of England down?

Mr. RANKIN. Why, you talk about a Socialist government, they have a Socialist government in Great Britain now. We had better look out for our own Government. We have done enough for the rest of the world, so we had better begin to look out for the American people.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from South Carolina.

Mr. DORN. Is it not a fact that Karl Marx said that the first step in communism is socialism, that socialism is incomplete communism?

Mr. RANKIN. Yes. The effort has been going on for years to drag America down economically and to bankrupt her. That is why I say that I am afraid of this step you are taking here today.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. They keep telling us that this will keep us out of war and all that sort of thing; however, we have sent military aid to China, to Turkey and Greece. Is that going to keep us out of war, or has it?

Mr. RANKIN. Certainly not. It is not keeping us out of war; it is likely to drag us into war.

If America wants to be great, let her turn back and assume her moral leadership among the nations of the world by following the policies laid down by Washington and Jefferson of "Peace, commerce, and honest friendship with all nations; entangling alliances with none."

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. VORYS. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 48, noes 61.

So the motion was rejected.

Mr. RICH. Mr. Chairman, I move to strike out the required number of words.

Mr. Chairman, I have been seeking recognition for 25 minutes to speak on this topic, and I feel like this quotation:

> Lord, forgive them, for they know not what they do.

I think that in the discussion of the legislation those are probably the most applicable words that I could express.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. RICH. I decline to yield to anybody on the Foreign Affairs Committee now, because the committee tried to rule us out who are against the bill, and I am going to get my 5 minutes or bust.

Mr. VORYS. The gentleman has talked every day since we have started.

Mr. RICH. And we are going to talk a whole lot more on this legislation if we could stop its passage, because the committee that brought it in here does not know what the legislation is about. As the gentleman from Mississippi said a moment ago, this bill is going to wreck America. I am going to defend America, and I am going to stand up and convince the people in this audience that this bill is against our national interest if it takes the last ounce of blood in my veins. America first, last, and all the time for me.

I would note vote for this Bevin-plan legislation or the plan of the Committee on Foreign Affairs, for it is not for the good of America or for American interests or for the people of our beloved country. It is only going to wreck America.

Now, let us see what we are doing. We are talking about getting things for the people of America. Yesterday we heard some men complaining about flood control for their districts and mine. They wanted money to help the people back in their districts who have suffered from floods, and then we talked about the catastrophe that happened in In-

diana due to the windstorm, where some of the people of America needed help. We talk about the old people in this country that are in need of some attention. Many other people need assistance, and yet we stand here debating a bill that is going to give everything to the foreign countries of the world. Why not help our own people and our own country? You are only going to be the wreckers, not only of the world, but you are going to be the wreckers of America, and when America is gone, you will have nothing left. You are communizing America instead of hindering it in Europe.

Let me quote to you now the words of Henry J. Taylor as to what will be necessary to send to these foreign countries, an article which appeared in the March Cosmopolitan magazine, if you pass this legislation. We talk about getting things for the American people and keeping down the high cost of living. How are you going to do it when you are going to send all these things to feed Europe.

FORTY-NINE THOUSAND FOUR HUNDRED TRAINS

The Marshall plan now in debate in Congress means—free to Europe—13,200 trainloads of coal, 11,800 trainloads of grains, 10,200 trainloads of meat, 4,900 trainloads of steel in the equivalent of steel ingots, 4,100 trainloads of fats and oils, 3,700 trainloads of sugar, 1,500 trainloads of cotton, 152,000 trucks, 26,000 freight cars, 200 more merchant ships in addition to the 800 we have already given away.

By the way, the President of the United States handed over these ships to these countries, and I should like to know where he got the authority.

Mr. REED of New York. That is 1,500 ships.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. The gentleman mentions so many trainloads of coal. Our people were freezing during this past winter because they could not get coal, it was so scarce. If they are going to ship coal abroad, what will become of our people?

Mr. RICH. That is the trouble. The Congress is now looking after everybody but America. The first thing you know we will have America wrecked, and then we will not have any country worth living in if we go socialistic or communistic.

Mr. DOUGHTON. We are starting in that direction pretty rapidly.

Mr. RICH. It will be a sad day for America when this bill is passed.

Continuing with this statement:

It means $500,000,000 in free American electrical equipment, everything from powerhouses to punch drills; another $500,000,000 in new American oil refineries and pipe lines; $400,000,000 worth of American steel plants; $2,200,000,000 in oil, gasoline, and grease to be shipped free; $1,200,000,000 in iron and steel. Countless thousands of other items are involved. The shipments would begin at once.

So far only 4 years are included in the plan, and only a part of western Europe. The bill, $17,000,000,000, to be paid by every man and woman who works in America. Other bills that would be set by this pattern: (1) Asia, (2) Latin America, (3) the Middle East, and (4) Indonesia are yet to be heard from.

The shipments will begin at once, and then up go the prices of commodities in this country. Then you talk about why are the people hollering for higher wages. Higher prices are going to come. It is time to stop it. Let the Committee on Foreign Affairs take this bill back into their council and give it a decent burial and save America.

This bill will harm our people, it will do no good to other nations in the long run, and it should not be enacted into law. May God give us wisdom to do the right thing, the honorable means to a peaceful world.

Mr. SEELY-BROWN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe a confused America and possibly a confused Congress are wondering what is the real attitude of the present administration toward those who do not believe in our way of life. This thought is certainly always present in my mind.

This morning on my way to work I listened with much interest to a broadcast of George Reedy over Station WOL at 8 o'clock. I quote one brief paragraph from that broadcast:

Madame Irene Joliot Curie in a public appearance in Boston last night told an audience that the only threat to world peace comes from the United States. Lt. Gov. Arthur Coolidge of Massachusetts denounced her appearance in Boston and charged that her talk was sponsored by subversive organizations and that she is being used by Communists. Well, if I recall correctly the Attorney General, Tom Clark, issued an order permitting her entry at Ellis Island recently after she was being held—apparently on suspicion of this very thing. So if they are going to continue to let these people in and permit them to attack our Government in this manner what can you expect? Tom Clark would do well were he to hurry back from Miami and do something about sending this "friend" back where she finds things more to her liking. We can do without her.

Again I ask, What is the real attitude of the present administration?

Mr. MUHLENBERG. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am not going to take the 5 minutes allotted me. Inspired by the gentleman from Pennsylvania who preceded me, who gave us a quotation to ponder, there is one other that I believe ought to be put into the discussion. In 1787, when there was as much discussion about the proper way in which the United States should carry on under a constitutional government as there is today on the pending bill, Benjamin Franklin said something that should be considered today in a parallel discussion. He said, in reference to the pending Constitution:

The opinion that I have had of its errors, I sacrifice to the public good. I cannot help expressing the wish that every member of this Convention who may still have objections to it would with me on this occasion doubt a little of his own infallibility.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the whole subject of this European aid program is made easy for me by a few simple answers to a few simple questions:

Do we want to save the American form of government?

The answer is "Yes."

Do we want to prevent world war III and keep peace?

The answer by all means is "Yes."

Do we want to strengthen the friends of America throughout the world?

The answer again is "Yes."

If this bill will accomplish even some of these objectives, it is worth while. I am willing to gamble that it will go a long way toward such a goal.

Mr. Chairman, I have listened for 3 or 4 days now to the various angles that have been expressed in the speeches that have been made on this subject. My position is not going to be tied up with some of the mental knots that are apparently breaking the minds of some individuals. To me the issue is crystal clear. I can well recall back in 1939 and 1940 when everybody in the House was worried about the violence which Adolf Hitler and his gangsters were causing all over Europe when government after government was falling, and when all the satellite nations that were next to Nazi Germany were gradually being taken over by force. Members of the House at that time were even more divided than they are today. Today I submit that there is a much more effective effort being made in Europe to change the form of government which the American Nation has always espoused and followed; the form of government that our fathers brought forth upon this continent to establish the Constitution which guaranteed freedom for all men and women who were citizens of this country, regardless of their race, creed, or color; the form of government which establishes this Congress as a sounding board and a place where the duly elected representatives of the people may have an opportunity to speak their minds and reflect the opinions and wishes of the people of the United States. Today the issue, for me at least is, Are we going to continue the American form of government in this country or are we going to put in its place that type of ideology which is today strangling everything behind the iron curtain and is threatening the liberties of millions upon millions of people and threatening their freedom and respectability throughout the world? I say to you that as far as I am concerned, I am going to direct my every action, and I believe the people of my district expect me to direct every action toward the preservation of the greatest Government under the sun. You can count on me going right down the line for America, for the Constitution, and for every other principle that we hold dear in this country. Some have said that the passage of this bill will mean the end of America. Let me tell you that if some of the individuals who get into the Congress are of the same type as the ones who are trying to get into official Italian life and the ones who have taken over Czechoslovakia and other countries, there will not be a Member of this Congress representing his district because he will not be able to be elected. The foreign ideology that will step in will not let the people vote for him. Moreover, there is not a sitting Member that would be allowed to seek

reelection, if Joe Stalin takes over. We will all be detained in some concentration camp. So I say to you if you want direct representation, if you want representatives who are elected by the people to stay in Congress, if you want the American form of government maintained, if you want the three divisions of this Government which Washington and Jefferson and the others of our forefathers who framed the Constitution intended us to have, then our duty is to preserve America and to see that the friends of America are backed up with all the aid that we can possibly give them. By following that policy, I cannot see how we can take any other position but to support every possible effort being made in the world today to preserve freedom and liberty throughout the world.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Does the gentleman from New York [Mr. EDWIN ARTHUR HALL] expect to vote for this bill? I thought the gentleman was going to vote for the bill. Anyway, I am going to assume that he is going to vote for it. I am for all these things that he announced he was for, and I am going in exactly the opposite direction. We may meet sometime. I do not know. Maybe the Members of this House have exposed the workings of their minds and felt sorry for themselves, beyond any doubt, as to the advisability of voting for this bill. Many Members have had a terrible time with their conscience, or whatever it is that passes for that. I have had an awfully hard time myself. I made up my mind I was going to vote against it. What bothers me is, you see so many folks talking against it and then saying they are going to vote for it. That is what bothers me. I am trying to figure it out.

I recall my boyhood days when a man used to come around sometimes with a team, sometimes with one horse, and a Democratic wagon—I am nonpartisan in this thing—with a gasoline torch on the back end of it and a banjo under his arm. He used to have a row of bottles with tapeworms in them, and he had some other things inside that I do not know what they were or where he got them. But he sold some medicine—wahoo or swamp root or something. It was guaranteed to cure everything. If he were alive today he could give you a remedy right off the back of his wagon to end war and to preserve democracy throughout the world. But that man had one argument or one point that the advocates of this bill do not have. He guaranteed a cure. The most that the gentlemen on the other side of the Capitol Building have been able to tell us about this is that they hope it may do something to preserve democracy, and they hope that perhaps it may prevent war, while all the time they are furnishing these things which are necessary to carry on war, to those people who like to have war.

When we had the United Nations, they said over there this was a great adventure. You remember that, and the San Francisco Conference and lend-lease. They said it was a great speculation. I have great admiration—no, perhaps I had better not say that—but, anyway, this fellow who sold patent medicines had a little more courage. If he did not have faith, he was a little stronger in his expressions about his remedies than the people who are for this bill. All they say is that it is a calculated risk. I will say it is a calculated risk to the American people, and do not forget it.

What does the bill do for America? Well, it gives to the housewives less food to feed their families. That is one thing it will do. It will give to the housewives an opportunity to pay higher prices for everything they have to buy to feed the husband and children; everything they have to buy to clothe the husband and the children. So the housewives of America should rejoice that our friends on this side are doing so much for them. That is not all. It is giving to the wage earners what? They must have, and we will have throughout the country, increases of wages. What does that mean? It does not mean anything except that the price of everything that is made and sold and used will go up and up. Wages never in the history of the world have caught up with the rising prices that the wage earner has to pay. What is it going to do for the postal employees who are besieging us now for an increase in pay? It is going to make everything they have higher. If we give them the increase they want, they still will not get as much as they are getting today after this thing goes through. What are we going to give the veterans? This is not going to keep us out of war. You remember Churchill said, "Give us the tools and we will do the job." Well, here we are again on the toboggan. "Give us more and more money and we will go to war." Without our money and without our tools, they cannot go to war.

This may sound facetious, but you say—because America always believed in fair play—that we would have to build up Russia in order to have an evenly balanced war on each side. Do you see the point?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Illinois is recognized for 10 minutes.

Mr. DIRKSEN. Mr. Chairman, it is 10 years ago this week that Hitler annexed Austria. It is 10 years ago this week that Great Britain recognized and approved that annexation. It is 10 years ago this week that the Sudeten Germans insisted on some degree of autonomy and planted the seeds of World War II—10 years this week, and part of it 10 years ago today. It has been a pretty disturbing decade since 1938, and we have dislocated the world. It has been a fantastic 10 years since 1938.

In the light of hindsight I believe that World War II might have been avoided. Others may disagree but there was some failure on our part. It is so well-known that in those early days when the forces of Hitler were on the march there was friction and cleavage here. At that time I believe it is safe to say that we were not united for common action and manifestly those who were charged with conducting the foreign policy of this country could not be certain to what extent they might marshal the country behind policies which were firm and calculated enough to convince the dictators that we would not stand idly by and see the rights of innocent people trampled in the dust. I am willing to share whatever responsibility I must bear for that failure. I opposed some things 10 and 11 years ago that I would certainly vote for today. Open confession is good for the soul and I freely confess that I may have been lacking in that degree of courage and vision and conviction on some of those occasions when firm and decisive action might have altered the destiny of the world and of our own country. The inevitable and inexorable result was a costly conflagration that history will measure in terms of blood and treasure. That conflict began 10 years ago this week when World War II was really set into motion and as we commemorate the tenth anniversary of those grave and disastrous events, there is before us a program which in my humble judgment will be a firm venture in the direction of avoiding world war III.

In the light of hindsight I believe that World War II could have been avoided. There was failure, and there was failure on our part, and we must share our guilt. I must share my personal guilt and responsibility because I failed. I voted against many things here 10 and 11 years ago that I would not vote against today. Open confession is good for the soul, and I freely confess to my country and to you that in courage, vision, and in conviction I failed on occasion, and others failed with me; and the inevitable and inexorable result was a costly conflagration that must be measured in terms of blood and treasure. That was 10 years ago this week when World War II was really set into motion, and here we are commemorating the tenth anniversary of those events by consideration of a program which in my humble judgment and in my prayerful hope will be a gesture at least in the direction of seeking to avoid world war III.

If we fail, if we lack the vision, if we lack the courage, the responsibility must be upon our shoulders as well as upon the prime movers who may be abroad; and so I adjure you, Mr. Chairman, let us approach this with a prayerful kind of sense of responsibility because this is epochal and we are making history here.

I hope that another conflict can be avoided. We may call this proposal before us a calculated risk, or a gamble; I care not about the rhetoric involved, if there is an outside hope that we can still avoid another baptism of blood, I will take it, because the next decade is going to be pretty dangerous, what with a storehouse full of atom bombs, what with our most inventive minds dealing

with jet planes and velocities and speeds and greater powers of destruction than ever known before—what an interesting and chimerical decade we are approaching. And that ought to add to our sense of responsibility today.

What have we here? Here is a program that is designed first to bring some relief to people who need relief; second, to bring about economic rehabilitation; and, third, to encompass if we can that evil moving Red shadow, that strange ideology that in the space of 30 years has covered 20 percent of the habitable globe.

Yes. Lenin did his work well and probably 450,000,000 people in all parts of the earth pay testimony to that embalmed body in the Red Square, which is the very symbol of hate. He said that "We must hate," and he was the one that took hate and turned it against the white collar, against human dignity and the divinity of human personality, against everything that is hymbolized and represented by He who came out of the tomb generations ago. Lenin, author of tyrannic hate, and those who share that same evil concept would destroy all this.

Yes, that is what we are fighting and that is what we must accomplish. Call it the three-R program if you want to—relief, rehabilitation, Russia. Through relief, rehabilitation, and the containment of the Soviet Union it is hoped that hope abroad can be re-created, that the will to recover can be stiffened and that a full opportunity to accomplish this will be provided.

As I think of Russia I go back further than Lenin, Stalin, and their associates. I go back to Peter the Great who lived 200 years ago. Send over to the library and get the memoirs of Kuropatkin, the Russian general who was the commander in chief in the Jap-Russo War. There you will find it recorded. You will see there the words of Peter the Great who stated that he who controls the commerce of India will control the destiny of Europe and of the world. Then in the same breath Peter the Great said that we must provoke the people of ancient Persia until finally we move to the Persian Gulf and take over. Who said that? Stalin? Lenin? Peter the Great said it 200 years ago. What a strangely familiar sound that policy of Peter the Great has as we think of Iran today and the ruthless, relentless effort on the part of the Soviet Union to annex another country and liquidate a little more freedom.

There has been no essential modification in the Russian attitude for more than 200 years. Their program has followed a well-determined course and has never been erratic. The only modification has been that the program of today is more expansive, more ambitious, and more menacing than ever before. The only thing is that the flanks have gotten larger. Today the left flank is in the Pacific, the right flank is the Baltic littoral including Finland, Norway, Sweden, Denmark and ultimately Iceland, because Iceland is a possession of Denmark.

There are 10 Communist members in the Icelandic parliament today out of a total membership of 52. So strong were they in their own trade unions that when their government signed a treaty with us for an air base in 1942 the government fell. That is what is involved here. Russia is involved here.

In addition to the containment of the Soviet Union and its concept of tyranny and repression, there must be food, shelter, and clothing for people abroad in whom so much of hope has been destroyed. There must be these vital things to nurture and sustain human energy. These are what Thoreau called the substance of vital heat and vital heat is but another name for human energy.

It was asked on this floor yesterday "Why do they not go to work?" I can give you some hint on this point. I saw a man try to lift an ordinary automobile tire from a machine and I saw him stumble in the effort because he did not have the energy to lift even so small a weight. That is one reason why so many thousands cannot and could not go to work. There is hard work to be done in order to bring about recovery and rehabilitation of their economic structure and to do it properly there must be energy-building foods to sustain physical strength if this work is to be done.

The other phase of this program is rehabilitation. We cannot forever carry the load of economic recovery upon our own backs. It is imperative that we set their productive enterprises in motion and thereby get rid of the burden although it will take a long time. The task will be here not only today and tomorrow but next year and the year thereafter and for a good many years to come. For aught I know we may be embarking upon a 10-year program, but if so, I for one am willing because I believe that freedom—our freedom—is involved.

Reduced to essentials, just what is the problem before us today? Academic as it may sound, the real problem facing mankind is to eliminate war. How fondly we hope that someday we shall reach that state of human perfection where war, the shame of mankind, has been abolished from the earth. I know it is much to hope for but to hope for less would be a confession that there is no such thing as spiritual evolution in the world.

But how can war be avoided and, perhaps, abolished when there is no freedom for so many millions of people who have been deprived of freedom. Physically it can be taken away, but the hope for freedom cannot be stifled, the yearning for freedom cannot be stilled, and so long as there are unfree people and so long as the yearning persists, so long will they endeavor to find escape from those who oppress them and so long there will be conflict and destruction.

The central core of the proposal before us, then, if you agree that war and freedom are still the great issues before mankind, is to preserve freedom where it is still alight even though feeble and, secondly, to retrieve it where it has been liquidated.

The reason for our interest in Italy and Austria, our interest in Spain and Portugal, our interest in Holland and Belgium, our interest in France and Norway, our interest in the Scandinavian countries is to preserve what remains of freedom, and work from that point as a base in retrieving it in those countries where by deceit and brutality and infiltration it has been snuffed as one snuffs out a candle.

That to me seems basic and elementary. If that premise falls, then there would be no purpose for the proposal which is before us. But the premise is basic as every one of you so well knows, and you know also that freedom being an indivisible thing, it is but a question of time until its complete liquidation would be attempted in our own country if the buffer between us and this evil concept of Communist tyranny should fall.

How then shall we go about the achievement of this basic objective in a practical way? Certainly not by running out upon our grave responsibilities here today or tomorrow. Certainly not by sending a despairing message to the Old World that out of the richness and the fullness of a beautiful America we have nothing to spare except a kind word. To you who in good faith will oppose the measure before us let me ask whether it would be keeping freedom alive wherever it still exists and would it be in the interest of retrieving freedom where it has been liquidated by pursuing a smug and selfish course? I am afraid that such a course would be like writing our own epitaph and building our own monument. As surely as we permit freedom with all its implications to die where it yet lives so we invite its destruction in the one remaining citidel where the flame still burns brightly, and that is here in our own blessed country.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Yes; it will cost money. Is there anything good in the world that does not cost something? Not even a precious pink little baby can be born into this world without travail and suffering and pain. What delightful little creatures they are and what an amazing amount of joy and happiness they bring to the household, but they came only because someone was willing to go through pain and sacrifice.

This task cannot be achieved without sacrifice on our part. What would history's estimate of Abraham Lincoln be if, instead of keeping his eye singled to the purpose of freedom, he had been diverted by the truculent editorials of Horace Greeley, by the desertions, the death, the sacrifices, and the debt which was incurred for this Nation. Suppose he had said in the midst of his pursuit of this great idea, "It takes too much sacrifice and costs too much. I cannot pay that price." Suppose he had followed this view and relented in the struggle. History would have remembered him not

as one enshrined in glory but in shame and dishonor.

They say it will bring inflation. It could be, but will we permit the threat of inflation to deflect us from the greatest challenge with which this generation will ever be confronted. Reverting to Lincoln for the moment, the dollar was worth 55 or 58 cents in the Civil War days, prices were high. There were critical shortages. There was inflation then, but thanks be to Providence that none of these things diverted men with stout hearts and rugged minds from their course.

There may be waste. I have no doubt that under this program there will be waste and that we shall lift our voices here in this very well and criticize freely. But can you envision a program devoted to such great objectives and which will assume such proportions that can avoid waste entirely? If it is held to a minimum I shall be satisfied. But here you will be dealing with diverse personalities, with millions of tons of supplies and with billions of dollars, and we can assume at the outset there will be waste, but how much more wasteful is war.

It was said here on yesterday that perhaps some Communists will be fed with the food which is sent under this program. That is entirely possible. It should be remembered that in some of the countries a rationing program is still in effect and it is fair to assume that Communists like others are holders of a ration card. As a matter of fact, under our own rationing system during the war members of the Communist Party in this country were also holders of ration books.

For example, Communist organizers were busily at work among the steel workers and coal-mining areas in the Ruhr area of Germany. Communists were extremely active in the local elections in that area, but the fact is that these men went down into the mines to dig coal and to perform hard work at a time when all emphasis was on the production of coal, and without doubt some of the food which we transported to Germany for distribution among the workers went to Communists and non-Communists alike. The hope is that those who because of economic pressure and hunger and need look in desperation to the promises of the Kremlin for a bit of hope might well be persuaded to look toward this country and its generosity in tangible form and will serve as a weapon in the struggle for freedom and against tyranny.

It was said on yesterday that perhaps we ought to take the money authorized in the pending proposal and use it for the purpose of enlarging and strengthening our Air Corps. I favor strengthening our Air Corps as a part of our security establishment, but let me remind you that no atomic bomb was ever devised which is large enough and powerful enough to bomb out the pangs of hunger and a feeling of desperation. It takes more than a bomb and an airplane to destroy an idea. It would be impossible to build a wall big enough and high enough and thick enough around this hemisphere or around the United States of America to keep out this idea unless we work on all fronts and check the menace which is abroad in the world before it engulfs freedom everywhere and then looks upon this country as the final target in the program to communize the world. We are wrestling with an evil thing which is implemented by hunger, by despair, by blasted hopes and economic devastation, and it is imperative if we are to be successful that the program herein set out for relief and rehabilitation and the containment of the Soviet Union be passed. I hope that we may reverently and prayerfully discharge the responsibility before us and that there can develop such a unity of purpose in this cause that it will succeed in averting and avoiding another conflict. We may fail, but if we do, let our consciences not be charged with the failure of not having tried to retrieve and maintain freedom and thereby yet achieve a stable peace.

The Clerk read as follows:

NATIONAL ADVISORY COUNCIL

SEC. 106. Section 4 (a) of the Bretton Woods Agreements Act (59 Stat. 512, 513) is hereby amended to read as follows:

"SEC. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange, or monetary transactions, there is hereby established the National Advisory Council on International and Financial Problems (hereinafter referred to as the 'Council'), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Export-Import Bank of Washington, and during such period as the Economic Cooperation Administration shall continue to exist, the Administrator for Economic Cooperation."

PUBLIC ADVISORY BOARD

SEC. 107. (a) There is hereby created a Public Advisory Board, hereinafter referred to as the Board, which shall advise and consult with the Administrator with respect to general or basic policy matters arising in connection with the Administrator's discharge of his responsibilities. The Board shall consist of the Administrator, who shall be Chairman, and not to exceed 12 additional members to be appointed by the President, by and with the advice and consent of the Senate, and who shall be selected from among citizens of the United States of broad and varied experience in business, labor, agriculture, the professions, and in matters affecting the public interest, other than officers and employees of the United States (including any agency or instrumentality of the United States) who, as such, regularly receive compensation for current services. The Board shall meet at least once a month and at other times upon the call of the Administrator or when three or more members of the Board request the Administrator to call a meeting. Not more than a majority of two of the members shall be appointed to the Board from the same political party. Members of the Board, other than the Administrator, shall receive, out of funds made available for the purposes of this title, a per diem allowance of $50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the Board, or at conferences held upon the call of the Administrator, and in necessary travel, and while so engaged, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses.

(b) The Administrator may appoint such other advisory committees as he may determine to be necessary or desirable to effectuate the purposes of this title.

UNITED STATES SPECIAL REPRESENTATIVE ABROAD

SEC. 108. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government to any organization of participating countries which may be established by such countries to further a joint program for European recovery, and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this title. He may also be designated as the United States representative on the Economic Commission for Europe. He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 105 of this title. He shall coordinate the activities of the chiefs of special missions provided for in section 109 of this title. He shall keep the Administrator, the Secretary of State, the chiefs of the United States diplomatic missions, the chairmen of the Senate Foreign Relations Committee, the House Foreign Affairs Committee, the Senate Appropriations Committee, and the House Appropriations Committee, and the chiefs of the special missions provided for in section 109 of this title currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this title.

SPECIAL ECA MISSIONS ABROAD

SEC. 109. (a) There shall be established for each participating country, except as provided in subsection (d) of this section, a special mission for economic cooperation under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this title. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country.

(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States special representative in Europe. If differences of view are not adjusted by consultation, the matter shall be

referred to the Secretary of State and the Administrator for decision.

(c) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States special representative in Europe and his staff, and for the special mission in each participating country, as may be agreed between the Secretary of State and the Administrator.

(d) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purposes of this title.

PERSONNEL OUTSIDE UNITED STATES

SEC. 110. (a) For the purpose of performing functions under this title outside the continental limits of the United States, the Administrator may—

(1) employ persons who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), together with allowances and benefits established thereunder; and

(2) recommend the appointment or assignment of persons, and the Secretary of State may appoint or assign such persons, to any class in the Foreign Service Reserve or Staff for the duration of operations under this title, and the Secretary of State may assign, transfer, or promote such persons upon the recommendation of the Administrator. Persons so appointed to the Foreign Service Staff shall be entitled to the benefits of section 528 of the Foreign Service Act of 1946.

(b) For the purpose of performing functions under this title outside the continental limits of the United States, the Secretary of State may, at the request of the Administrator, appoint, for the duration of operations under this title, alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946 (60 Stat. 999).

(c) No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title until such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator: *Provided, however*, That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be temporarily assigned to duties under this title for the period of 6 months from the date of its enactment. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: Amend section 110 (c) by adding a comma after the word "Administrator" in line 6, page 64, and the following: "or, until the Secretary of State or the Administrator has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, on the basis of such report, he believes such individual is of unquestioned loyalty to the United States, its Constitution, laws, and form of government, and is not now and has never been a member of any organization advocating contrary views."

Mr. JUDD. Mr. Chairman, I think most of the Members were here yesterday when the subject with which this amendment deals was discussed by the gentleman from Georgia [Mr. PACE], the gentleman from South Dakota [Mr. MUNDT], myself, and others. Since then we have worked out and agreed on a formula and on language which I believe will resolve most of the difficulties that have been encountered and the fears that have been widely expressed. I now yield to the gentleman from Georgia to explain the amendment because he originally brought the question up. He was not on the floor when this section of the bill was being read, and I offered it on his behalf before the section had been passed. I might say that this is not a committee amendment, but it has been worked out by a few of us to achieve what I believe is the objective of the overwhelming majority of the Members of the House.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 15 minutes.

Mr. RAYBURN. Mr. Chairman, it may be true that some few Members know what this amendment contains, but I certainly cannot agree to any limitation of time on an amendment if we do not know what it contains. Therefore, Mr. Chairman, I must object.

Mr. PACE. Mr. Chairman, this question arose yesterday afternoon during the course of debate. If you will look at the last line on page 63 through line 6 of the next page, you will observe that the bill now provides that before any person can be employed under this program, he must be investigated by the Federal Bureau of Investigation and a report thereon must be made to the Secretary of State and the Administrator. The question arose in the minds of many of us, of course, that that did not grant the protection that the Congress wanted. Merely the investigation and filing of the report did not mean that the findings as disclosed by the report would have any influence upon the appointing authorities. Overnight and during the morning I have worked with the committee, and I believe that we have corrected that situation to the satisfaction of all. The distinguished gentleman from Minnesota made the point yesterday that the reason they did not go further in the bill was that they were disturbed over the situation, not wanting the Federal Bureau of Investigation to be in substance the employing agency or to act as a gestapo. You can readily see that if the bill should provide that in all cases where the FBI should indicate anything unfavorable, and if that barred a person from employment, in effect that would make the FBI an employing agency. Therefore, the amendment which is before us, and which the distinguished gentleman from Minnesota offered for me provides that, following the investigation and report the person cannot be employed "until the Secretary of State or the Administrator has certified in writing that, on the basis of such report he believes such individual is of unquestioned loyalty to the United States, its Constitution, laws, and form of government, and is not now and has never been a member of any organization advocating contrary views."

This means the party may not be employed after having been investigated, until the Secretary of State or the Administrator—because they are both authorized under this bill to employ persons, one for the interim period and the other permanently—until the Secretary of State or the Administrator has so certified in writing.

I might stop here to say that in the light of an Executive order making the FBI reports confidential and not available even to committees of Congress, this parenthetical language is added in the amendment "and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs."

So the simple purpose of the amendment, as expressed on the floor yesterday by two members of the committee, reflecting the views of the entire committee, is to make effective the facts disclosed by the FBI investigation.

No member of the committee, I assume on both sides of the aisle, and certainly few, if any, Members of the Congress, want persons employed in this program who are guilty of subversive conduct, who are not loyal, or who are not a safe security risk for our Government. Consequently, you might say that the amendment is no more than to complete the proposal now in the bill, and to carry out the intent, as expressed to me by members of the committee.

That would leave the section providing as follows:

That no person can be employed until he has been investigated, the investigation has been reported, and the employing agency has certified to the fact of his loyalty.

I hope the amendment may have your approval.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire to read a letter from a thoughtful, patriotic father to his daughter. The father is Willard D. Archie, a veteran of both World Wars I and II, and now the editor and publisher of the Shenandoah Sentinel, Shenandoah, Iowa. His daughter is a college student. She has written her dad for advice and counsel. I now read dad's reply, which I feel is worthy of serious and deep thought by every American at this very moment:

ALONG THE BANKS OF THE NISHNA

(By W. D. Archie)

DEAR LOUISE: You wrote and asked me what I thought about our country going to war, and as others seem as interested as you and the girls in your room, will answer it here.

There is now and always will be danger of war. This is a truth so evident that it might be considered trite to repeat it. We have never as yet attained the moral status in this world where we could do without policemen, armies, or having wars to settle differences between individuals and nations.

But you want to know if we are going to have war soon—with Russia. I tell you honestly, frankly, and sincerely, as I have always been with you, that I do not believe we are close to war with Russia or any other nation. Without wiser leadership than we have had for a number of years, our differences with

Russia could arrive at the shooting stage, but it is not in the foreseeable future.

Our country and our citizens, you and I and our friends, must stop thinking about settling present difficulties by war. No one has attacked us. No one has attacked any country. Many nations in history have been subjected to governments unwanted by the people of these countries, but it did not lead to war. Eventually wrongs are righted. When the citizens of a nation are sufficiently oppressed they rise in revolution against the oppressors. We should not engage in wars to insist on any nation choosing any one form of government, whether it be called democracy or dictatorship.

Our President discussed the fall of Czechoslovakia like it was another Pearl Harbor, but it is not such a case. One of our former Presidents made an agreement with Russia allowing them to control the countries adjoining them. They wanted friendly neighbors. This country, Russia, has overstepped the bounds of decency in carrying out their desires, but it was no more than we might have expected. It is certainly not a cause of war. It is more a cause for tears over the fate of a fine nation.

Leaders in Washington ask for universal military training. What they want is a nation strong in arms. As you know I have spent 25 years of my life, nearly half of it, either in the Army, in the Reserves, or National Guard. I, too, favor a strong Army, Navy, and Air Corps. But I have yet to see that universal military training can give it to us. John Henry Martin, former consultant to the joint chiefs of staff, in this issue of Look magazine takes my viewpoint. Universal military training might make us weaker, not stronger. It might help us in a game of bluff with Russia, but this is no time for bluffing.

It is unfortunate we have an Army man as Secretary of State. He will be thinking in terms of arms and armies in carrying out the diplomatic missions, but wiser heads will eventually rule our thinking. We are not heading for war.

Wars seldom come when we are looking for them. They suddenly creep up when one is thought to be unprepared. If Russia is thinking of war they will wait until we have let down our guard and then attack. They will not try a war today, or a year from today, or 2 years.

This is an election year and a crisis is needed to keep the present party in power. I do not accuse them of making wives, mothers, and sweethearts sad and worried just to gain a victory in November. I do know that we have not had a general Presidential election in the past 16 years in which there has not been a crisis of one kind or another. It is a fact one must remember.

Then, too, one must watch for other moves. We have not stopped the selling of war surplus plants or materials. The liquidation of our enormous war machine goes merrily on. Surely some one of the higher-ups in Washington is not worried. There are other such signs one will notice by careful watching.

No, Louise, your dad does not think there is to be a war. Don't worry over it, and reassure your friends. Trouble there has always been, and always will be. "Wars and rumors of wars" will always be with us. We must always be prepared for any eventuality, but I cannot envision us engaged in a war within the next few years.

DAD.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 12 minutes, the last four to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. EBERHARTER] is recognized for 4 minutes.

Mr. EBERHARTER. Mr. Chairman, as has been explained, the members of the Committee on Foreign Affairs and the gentleman from Georgia [Mr. PACE] have given a good deal of consideration to this amendment which is now before the committee. I notice, however, the very last clause of the amendment reads: "and have never been a member of any organization advocating contrary views."

I am wondering if the members of the committee that gave consideration to this with the gentleman from Georgia have considered the question of what are now known as Communist-front organizations?

The reason I bring that question up, Mr. Chairman, is that we know the Attorney General in recent months has named a number of organizations as Communist-front organizations. As soon as that list became known I think there were many thousands of persons who immediately resigned their membership in those organizations because previous to the time these organizations were named as Communist-front organizations they had no idea whatsoever that the real and secret purposes of the organizations were contrary to our American principles of government.

It seems to me that the language in the amendment goes a little bit too far. There are many liberal-minded people in this country who belonged to such organizations which had very patriotic-sounding names. Those members had the very finest patriotic motives for joining the organization. But later on after investigation those organizations were declared Communist fronts. The way this amendment reads you are just simply closing many of those people out from any possibility of employment. I just want to call that to the attention of the membership. I wonder if they gave consideration to that point?

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Georgia.

Mr. PACE. Of course, the gentleman understands I can claim no credit for perfection of the language in the amendment. However, there is no comparable provision in the Senate bill and the entire section must be written in conference.

Mr. EBERHARTER. I was thinking if it provided "has never knowingly been a member of any organization" or something of that kind it would be improved. I hope the committee of conference will give consideration to my thoughts on the subject. We should not forever close the door for the employment of many truly able, loyal, and patriotic Americans who most innocently became members of highly patriotic-sounding organizations which were later found to be fronts for communistically inclined groups.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, those who are friendly to this bill, of course, want it to be practical of administration. There is one part of this language which concerned me very much and that is that no person shall be employed until this has been accomplished. I think that is entirely impractical.

Mr. PACE. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. PACE. If the gentleman proceeds a little further he will find a saving clause at the end of the paragraph.

Mr. CRAWFORD. There is the provision "Provided, however, That any present employee of the Government." I would like to see some new blood put into this organization. I am not so much interested in preserving those who are now on the pay roll as I am in getting some new blood in this organization.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. VORYS. Another amendment to take care of the point the gentleman brings up will be proposed immediately after this amendment is disposed of.

Mr. CRAWFORD. I think that would be constructive.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. DONDERO. Would the pending amendment call for an examination of those now in the employ of the Government that might have this bill under their administration?

Mr. CRAWFORD. I do not think this amendment now being considered calls for that.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. PACE. I think definitely the section as amended would do it, but there is provided a 6-months saving clause during which such an investigation might be carried on.

Mr. DONDERO. It certainly should, after we have listened to the list of names that the gentleman from Georgia [Mr. Cox] cited to the House on yesterday.

Mr. PACE. If the gentleman will read that proviso I think that will cover it.

Mr. CRAWFORD. The provision States:

Provided, however, That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be temporarily assigned to duties under this title for the period of 6 months from the date of its enactment. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

If language is to be offered following disposition of this amendment which will take care of the situation and make the whole procedure of administration practical, I do not see any reason why I should take further time of the House to discuss it.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, first of all I should like to congratulate the gentleman from Georgia [Mr. PACE] on having provided what appears to be a very definite improvement in the security aspects of this amendment.

This section of the bill has a very interesting history because it was first written into legislation at the time we passed the so-called post-UNRRA residual aid bill. If I recall correctly, the gentleman from Mississippi [Mr. COLMER] and I were at that time associated in writing that amendment on the floor of the House and having it adopted. Since then it has been incorporated in one form or another in each of the foreign-aid bills passed by this body and in each instance it has been my responsibility and privilege to offer the security screening amendment in committee, defend it in the House, and protect it in the conference committee sessions.

There has been constant controversy over the problem raised by the gentleman from Michigan [Mr. CRAWFORD] as to how to take care of this interim period while men are being first appointed, and the problem raised by the gentleman from Georgia [Mr. PACE] as to how to make sure that the wrong kind of people are not appointed. I think this is the right formula, and I think it will gradually make for greater efficiency and applicability and workability, and certainly I am very eager to support the amendment proposed by the gentleman from Georgia just as he has written it in its present form after consultation with Congressman JUDD and me. I also think that the amendment which the gentleman from Massachusetts [Mr. HERTER] is about to propose will take care of this interim period which is of concern to all of us.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from New York.

Mr. BLOOM. I would like to ask the gentleman this question: According to the proposed amendment under consideration now, if the FBI should give an adverse report, the Secretary of State or the Administrator could ignore that report and keep that individual in employment now.

Mr. MUNDT. No.

Mr. BLOOM. Well, read the amendment and you will see it is absolutely that way in the proposed amendment.

Mr. MUNDT. The amendment says that the Secretary of State or the Administrator must certify in writing on the basis of such report as to the loyalty of these appointees. Now, unless the President is going to appoint Ananias as Secretary of State and the twin brother of Ananias as the Economic Administrator without signing his name to a lie, he cannot so report.

Mr. BLOOM. I did not say that, but notwithstanding the report of the FBI, the Administrator or the Secretary of State can retain that person in employment. There is no question about it.

Mr. MUNDT. No question about it if he wants to lie about it, of course, but that is the only way he can do it. He has to do it on the basis of the report itself.

Mr. PACE. Mr. Chairman, if the gentleman will yield, unless that language is in there, on the contrary there would be no discretion and the FBI would be the first, last, and final voice, which the committee does not want to happen.

Mr. MUNDT. That is right. I am shocked at the fact that the ranking minority member of the Committee on Foreign Affairs would have so little confidence in the Administrator to be appointed by the President of his own party that he thinks he is going to certify his name to such an infamous falsehood.

Mr. BLOOM. I have all the confidence in the Secretary of State and the Administrator, but I have no confidence in this proposed amendment.

Mr. MUNDT. This proposed amendment will give us all more confidence in the Economic Administrator, whoever he is and also in our Secretary of State.

Mr. Chairman, I ask that the amendment be voted on favorably.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The amendment was agreed to.

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER: On page 64, line 3, strike out the word "until" and substitute therefor the words "for a period to exceed 3 months unless."

Mr. VORYS. Mr. Chairman, if the gentleman will yield, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HERTER. Mr. Chairman, the amendment that I have offered is only a perfecting amendment. Under the paragraph as it now reads you have this ridiculous situation: The Administrator or the Secretary of State cannot appoint any new human being, even his own private secretary, to operate here until and unless the report of the FBI has been made. However, if they do take somebody out of the Government who is serving in the Government today, who has never been investigated, and appoint him they can keep him on the pay roll for 6 months until an investigation is made. The only purpose of this amendment is to make the paragraph administratively workable so that the new Administrator can appoint a staff. He cannot, however, under this amendment retain anybody for a period to exceed 3 months unless these reports have been made by the FBI.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Will the gentleman refer to subparagraph (c) at the bottom of page 63 and read it with his amendment included?

Mr. HERTER. With the amendment it would read as follows:

No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title for a period to exceed 3 months unless such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator.

Then would follow the amendment that was adopted a moment ago.

Mr. CRAWFORD. I think that would make it entirely practical of administration and save the day all the way around.

Mr. HERTER. As it stands now it is entirely impractical of administration.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not true that this is a matter to which former President Hoover called attention in his letter to the Speaker that was read the other day?

Mr. HERTER. I believe it was one of the matters covered.

Mr. VORYS. This amendment would facilitate the obtaining from private business of the type of men we hope will be in this administration.

Mr. HERTER. That is correct. Unless this amendment is adopted, the Administrator cannot possibly hire anybody outside the Government, not even a private secretary.

Mr. VORYS. I hope the amendment is adopted.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Michigan.

Mr. DONDERO. What it does is really reduce it to 90 days, and their employment cannot extend beyond that period until a report on them has been filed and approved.

Mr. HERTER. That is correct.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Does not the gentleman think that the 6 months mentioned in line 10 on page 64 should be changed to 3 months for these old employees?

Mr. HERTER. It would be my impression that it should.

Mr. JOHNSON of Oklahoma. After the gentleman from Georgia presented that list of names here yesterday, I certainly think those fellows should not be given 3 months more than these new employees.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from New Jersey.

Mr. MATHEWS. Does the gentleman's amendment take care of the situation where during that period the FBI cannot or has not completed its investigation, so that the man will not automatically be dropped solely by reason of the failure of the investigation to be made?

Mr. HERTER. I am assuming that the period of 3 months will be sufficient for the investigation to be made. If the FBI cannot make it in that period of time there must be something in the individual's background which would make it worth while to hold him off the pay roll for the time being.

Mr. MATHEWS. The FBI is a very busy organization. There may be some instances in which particular investigations will be held up. I understand that

if that took place, the man would have to go off the pay roll regardless.

Mr. HERTER. I think it would be perfectly possible that the FBI could give a preliminary clearance with the right reserved for further investigation at a later date.

Mr. MATHEWS. In any event, the gentleman's amendment assumes that.

Mr. HERTER. I think so.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The amendment was agreed to.

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: On page 64, line 10, strike out "six" and insert "three."

Mr. DAVIS of Georgia. Mr. Chairman, this amendment would bring the period of temporary employment under which employees of the Government might be brought into this new organization into the same category as the new appointees, that are taken care of by the amendment of the gentleman from Massachusetts [Mr. HERTER].

With reference to the 6 months' temporary appointment period, I feel that if there should be any disposition on the part of the Administrator, or those who will fill these positions, to place in them such people as those named yesterday by the gentleman from Georgia [Mr. COX], among them being Mr. David Lasser, during a 6 months' period irrevocable and incalculable damage could be done to the people of this country and the economy of this country by what they might do.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. VORYS. A quick canvass of the committee indicates that there is no objection at the majority table to the gentleman's amendment which puts the period in line with the 3 months' period just adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DAVIS].

The amendment was agreed to.

The Clerk read as follows:

NATURE AND METHOD OF ASSISTANCE

SEC. 111. (a) The Administrator may, from time to time, furnish assistance to any participating country by providing for the performance of any of the functions set forth in paragraphs (1) through (6) of this subsection when he deems it to be in furtherance of the purposes of this title, and upon the terms and conditions set forth in this title and such additional terms and conditions consistent with the provisions of this title as he may determine to be necessary and proper.

(1) Procurement from any source, including Government stocks on the same basis as procurement by Government agencies under Public Law 375 (79th Cong.) for their own use, of any commodity which he determines to be required for the furtherance of the purposes of this title. As used in this title, the term "commodity" means any commodity, material, article, merchant vessel authorized to be chartered under paragraph (4) of this subsection, supply, or goods necessary for the purposes of this title.

(2) Processing, storing, transporting, and repairing any commodities, or performing any other services with respect to a participating country which he determines to be required for accomplishing the purposes of this title. The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that a substantial portion of the gross tonnage of commodities, procured within United States out of funds made available under this title and transported abroad on dry-cargo ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

(3) Procurement of and furnishing technical information and assistance.

(4) With the approval of the President, placing in operating condition, and, for periods not extending beyond December 31, 1952, chartering to participating countries, not more than 200 dry-cargo merchant vessels owned by the United States and not in operation at the time of charter. If a vessel of the United States is so chartered, its documents as a vessel of the United States shall be surrendered and it shall, during the charter period, be considered as a foreign vessel for the purposes of the navigation- and vessel-inspection laws of the United States. Each charter under this paragraph shall be terminable whenever (i) the President determines that such termination is necessary in the interest of national security or (ii) the Administrator, pursuant to section 118, terminates the provision of assistance to the country to which the vessel is chartered. Any vessel chartered under this paragraph shall engage primarily in the transportation of commodities supplied under this title to the participating countries, and shall not otherwise compete with vessels of the United States on ship routes served by them unless the charter certifies such service to be necessary to maintain adequate service on such routes.

(5) Transfer of any commodity or service, which transfer shall be signified by delivery of the custody and right of possession and use of such commodity, or otherwise making available any such commodity, or by rendering a service to a participating country or to any agency or organization representing a participating country.

(6) The allocation of commodities or services to specific projects designed to carry out the purposes of this title, which have been submitted to the Administrator by participating countries and have been approved by him.

(b) In order to facilitate and maximize the use of private channels of trade, subject to adequate safeguards to assure that all expenditures in connection with such procurement are within approved programs in accordance with terms and conditions established by the Administrator, he may provide for the performance of any of the functions described in subsection (a) of this section—

(1) by establishing accounts against which, under regulations prescribed by the Administrator—

(i) letters of commitment may be issued in connection with supply programs approved by the Administrator (and such letters of commitment, when issued, shall constitute obligations of applicable appropriations);

(ii) withdrawals may be made by participating countries, or agencies or organizations representing participating countries, upon presentation of contracts, invoices, or other documentation specified by the Administrator under arrangements prescribed by the Administrator to assure the use of such withdrawals for purposes approved by the Administrator. Such accounts may be established on the books of the Administration, or any other department, agency, or establishment of the Government specified by the Administrator, or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States under authority of this section may be accounted for exclusively on such certification as the Administrator may prescribe to assure expenditure in furtherance of the purposes of this title, and such certification shall be binding on the accounting officers of the Government.

(2) by utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment, or, in the President's discretion by acting in cooperation with the United Nations or with other international organizations or with agencies of the participating countries, and funds allocated pursuant to this section to any department, agency, or establishment of the Government shall be established in separate appropriation accounts on the books of the Treasury.

(3) by making, under rules and regulations to be prescribed by the Administrator, guaranties to any person of investments in connection with projects approved by the Administrator and the participating country concerned as furthering the purposes of this title (including guaranties of investments in enterprises producing or distributing informational media: *Provided*, That the amount of such guaranties in the first year after the date of the enactment of this act does not exceed $15,000,000), which guaranties shall terminate not later than 14 years from the date of enactment of this act: *Provided*, That—

(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator and shall be limited to the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as income from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof: *Provided*, That, when any payment is made to any person under authority of this paragraph, such currencies, or credits in such currencies, shall become the property of the United States Government;

(ii) the Administrator may charge a fee in an amount determined by him not exceeding 1 percent per annum of the amount of each guaranty, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this paragraph until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this paragraph.

(iii) as used in this paragraph, the term "person" means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States.

The total amount of the guaranties made under this paragraph (3) shall not exceed $500,000,000, and as such guaranties are made the authority to realize funds from the sale of notes for the purpose of allocating funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section shall be accordingly reduced. Any payments made to discharge liabilities under guaranties issued under paragraph (3) of this subsection shall be paid out of fees collected

under subparagraph (ii) of paragraph (3) of this subsection as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes issued under authority of paragraph (2) of subsection (c) of this section, which funds shall be obligated for this purpose at the time each such guaranty is made.

(c) (1) The Administrator may provide assistance for any participating country, in the form and under the procedures authorized in subsections (a) and (b), respectively, of this section, through grants or upon payment in cash, or on credit terms, or on such other terms of payment as he may find appropriate, including payment by the transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the participating country) of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources. In determining whether such assistance shall be through grants or upon terms of payment, and in determining the terms of payment, he shall act in consultation with the National Advisory Council on International Monetary and Financial Problems, and the determination whether or not a participating country should be required to make payment for any assistance furnished to such country in furtherance of the purposes of this title, and the terms of such payment, if required, shall depend upon the character and purpose of the assistance and upon whether there is reasonable assurance of repayment considering the capacity of such country to make such payments without jeopardizing the accomplishment of the purposes of this title.

(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. For the purpose of carrying out the provisions of this paragraph during the period of 1 year following the date of enactment of this act, and for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section the Administrator is authorized to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate $1,000,000,000. Such notes shall bear such rate of interest as may be determined by the Administrator with the approval of the Secretary of the Treasury. The Secretary of the Treasury is hereby authorized and directed to purchase any notes issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are hereby extended to include such purpose. Payment under this paragraph of the purchase price of such notes shall be treated as public-debt transactions of the United States. In allocating funds to the Export-Import Bank of Washington under this paragraph, the Administrator shall first utilize such funds realized from the sale of notes authorized by this paragraph as he determines to be available for this purpose, and when such funds are exhausted, or after the end of 1 year from the date of enactment of this act, whichever is earlier, he shall utilize any funds appropriated under this title. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any credits made under this paragraph shall be deposited into miscellaneous receipts of the Treasury: *Provided*, That, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes authorized under this paragraph shall be deposited into the Treasury for the purpose of the retirement of such notes.

Mr. VORYS. Mr. Chairman, I offer a committee amendment, which is at the Clerk's desk.

Mr. MORRIS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixty Members are present, a quorum.

Mr. VORYS. Mr. Chairman, I offer a committee amendment, which is at the desk.

The Clerk read as follows:

On page 67, lines 20, 21, and 22, delete the words within the parenthesis and insert the following: "*Provided*, That such letters of commitment, when issued, shall constitute contracts of the United States and shall immediately give rise to obligations of applicable appropriations; claims for payment under such letters of commitment shall be assignable; and an amount equivalent to such letters of commitment shall be established in a separate account on the books of the Treasury Department, Division of Disbursement, to be available solely for the payment of such obligations."

Mr. VORYS. Mr. Chairman, I ask unanimous consent that another amendment on the same subject may be considered at the same time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 67, line 25, following the word "countries", insert "or by other persons or organizations."

Mr. VORYS. Mr. Chairman, these two amendments should be considered together. They simply make it clear that the letters of commitment issued under this plan may be available just as Government contracts are, to facilitate private banking, and the participation by private enterprise in this entire undertaking.

Language along this line was in our report and a number of economists and bankers said, "Why don't you express clearly in the language of the bill the intent you have in the report?" This language merely carries that out and is a thoroughly agreed purpose to make possible further participation by private enterprise in the whole plan.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. WHITTEN. In these letters of commitment does the bill provide that they could be canceled in the event a participating country did not carry out its agreements?

Mr. VORYS. Yes. That is not the purpose of the letters of commitment, but the cancellation and termination provision which applies to everything in the bill is in another section.

Mr. WHITTEN. We carried on lend-lease agreements with Russia after the war was over on the basis that we made the contracts and therefore we were stuck.

Mr. VORYS. These are not commitments to any other countries at all. These are procurement commitments, to make available the use of private individuals and private enterprise in the procurement of supplies for this program.

Mr. WHITTEN. That is all true, but it is all tied together, to the end that if you cease shipment to countries abroad you would be bound to carry out the purchase agreements, though you did not plan to send it abroad.

Mr. VORYS. This is not the place in the bill where the termination procedure is set out. That is in section 118, I think.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. VORYS. Will the gentleman yield for me to propound a unanimous-consent request?

Mr. HOFFMAN. I yield.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. GOFF. Mr. Chairman, I object.

Mr. HOFFMAN. Mr. Chairman, I do not know too much about this amendment and I do not know too much about this bill, but I do have very definite views about what it will do to our country. I oppose this amendment because it will give us unneeded red tape and unnecessary expense.

The Comptroller General objects to this amendment. The reasons he gives are persuasive. Permit me to give you his views and I most respectfully ask that you pay some attention to his opinion. He writes:

The attention of the Comptroller General has been called to efforts on the part of certain banking interests to have adopted certain amendments to section 111 (b) of the Economic Cooperation Act of 1948, S. 2202, as reported in the House of Representatives. It cannot be too strongly urged that the effort be rejected. It is expected to be directed at either line 22, page 67, or line 10, page 68, of the House reported print of the bill. The purpose of such amendments is understood to be to require the setting aside in the Treasury in individual accounts of funds represented by letters of commitment issued to suppliers doing business under the program.

Paragraph (1) provides for the establishing of accounts against which letters of commitment may be issued in connection with supply programs approved by the Administrator and such letters of commitment, when

issued, are to constitute obligations of applicable appropriations. The proposal that cash accounts be established to which shall be credited the amounts of letters of commitment, when issued, appears to be based on a lack of understanding of, or lack of confidence in established governmental accounting and financial procedures and appears to have for its purpose the singling out of one select group of creditors to be preferred over all other creditors under the economic cooperation program. Such preferred treatment not only appears unnecessary in view of the fact the bill already requires that letters of commitment shall constitute obligations of applicable appropriations, but is extremely objectionable for at least the following reasons:

Now, these are the reasons of the Comptroller General:

1. The proposed amendment would set a most undesirable precedent and might be subject to the interpretation that it required actual funding of individual liabilities of the Government—in effect, a separate little appropriation for every little transaction in which the Government engages. But it should be noted that there would be no more guarantee against the Administrator issuing letters of commitment in excess of available funds under the procedure proposed than under that already provided by the bill. For example, the sponsors of this amendment apparently are fearful that the Administrator will, in some way, use his funds in such a manner that it will be impossible to honor the letters of commitment. However, if the Administrator could not be relied upon and if the accounting system to be established and usually used by the Government should fail to prevent diversion of funds already obligated by the letters of commitment, neither would the proposed language prevent such an eventuality.

2. The adoption of the proposed amendment would give rise to highly objectionable degree of inflexibility in the operation of the program. "Red tape" would be increased, not diminished. No businessman sets up a separate bank account for each bill he owes. If the Government is to do it here in this case, where will we stop?

3. The whole system of fiscal administration under the program would be cluttered up by unnecessary accounts and documents which would add to the burdens and costs of the administration as well as those of Treasury and GAO.

There you have it, there is your Comptroller General.

Now I ask the attention of the gentlemen of the Committee. Instead of going along with these bankers and compelling the Government to set up a separate account for every item why not safeguard expenditures under the general regulations that the Comptroller General and the accounting departments approve.

This came to our committee. I was asked to present it. It seems to be a good amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 47, noes 71.

So the amendment was rejected.

Mr. JOHNSON of California. Mr. Chairman, depending upon the assumption that the various Members may make will be their decisions as to what to do with this bill, I assume that the world today is closely knit together; is very explosive, has made tremendous scientific advances in rapid transit, in the making of new weapons, and so forth. Therefore, I also assume that in any war which may break out the United States will become involved. To me, such a thing might be a catastrophe beyond description.

It is for that reason that my obsession is that we must find a way to have peace or the civilized people of the world may destroy themselves. The vehicle which will bring that about, in my opinion, is some type of collective security. The progress since the end of the war has been practically nil, largely through the obstruction of one of the major Allies, and also perhaps through the ineptness of our own program.

Sometimes events of the past, even though minor ones, give an indication of what method may be used to solve a current problem. About 100 years ago, following the gold rush to California, there was a break-down of law and order in San Francisco. Adventurers and criminals had migrated to the city. There was a semblance of law and order as there was a constituted government. However, it was so weak and in places so corrupt that the decent law-abiding citizen was given scant consideration. The result was that the law broke down, anarchy and crime became prevalent. It became so bad that the decent law-abiding people of the community who believed in law and order and decency finally organized. To accomplish their results which were the stability of the government and the maintenance of law and order, they organized a Vigilante Committee and did a few rather rash and arbitrary things. However, they organized thoroughly, they swept out of office the weak or crooked public officials. They made it understood beyond any question of a doubt that they were going to have law and order if they had to fight for it. The result was that the criminals, the crooks, the grafters hunted cover; law and order were restored, and peace reigned in fitful San Francisco. That incident, to me, has significance today.

In my humble opinion international law has broken down. International ethics, morals, and decency have deteriorated. Agreements which we and our allies made, having for their purpose the rebirth and the rehabilitation of devastated countries have been disregarded and specifically violated. The very legal basis on which we hope to rebuild the world on a peaceful basis has collapsed. Therefore, I look upon this bill as an effort to organize the International Vigilantes of 1948 to restore law and order in accordance with the pattern laid down by the United Nations of which we were the dominant nation, in writing its basic charter. It was thoroughly understood that the smaller nations of Europe who had been overrun, whose property had been destroyed, whose people had been pushed out of their homeland were to be allowed to select a government of their own choice. This provision was entirely disregarded by one of the belligerents which helped win the war. My prediction is that if we are able to unite 16 nations of Europe with us in a determination that the rules of the game to which we agreed and to which our major allies subscribed shall be obeyed then the Soviets will stop their course of infiltration and penetration. We have the strength, we have the ability, we have the resources, we have the economic capacity, I believe we have the military potential, to meet any antagonist on the field of battle and come out the victor, even though in doing so we might permanently injure ourselves. This is the vehicle which we must use to bring those who are now flaunting the agreements they made, who are violating international law, to bring them to their senses. I predict and I believe that when these nations plus our Nation plus the Western Hemisphere show a determination that they will have law and order that justice will prevail, that the small nations shall have the right to select their own governments, and the determination that if necessary we will fight for these principles that that will bring about the agreements and compromises that will start the making of the peace. That is the issue as I see it. While this bill awes one and frightens one because of its magnitude in wealth and sacrifice that our people must make, it seems to me it is a gamble that we must take in the name of peace. And a firm and just stand will in my opinion reduce the situation to one of negotiation and agreement and compromise that will help lay the groundwork for a peace which we all hope will be lasting.

There is another collateral matter that I would like to briefly discuss here this morning.

It seems to me that there has been entirely too much talk about communism. We are becoming hysterical over the subject. We are getting our people into such a state of frenzy that we are likely to generate a war hysteria that might lead to something that we are not looking for. The issue as I see it before the country is not communism, although that is a collateral issue. The issue as I see it is the question of whether or not those who joined with us to create the United Nations and bring us collective security are willing to abide by the agreement that they made. I was frankly sorry to hear the President discuss this matter and dwell so much upon communism and what one particular nation was doing. Under the law of self-determination, which has been a policy among the nations of the world for a long time, a nation may have any type of political structure that it wishes, including communism. We cannot fathom why anyone should select such a system, but so long as a nation does not interfere with the rights of its neighbors it is entitled to any type of political organization that it wishes. What we must make plain is that we are not driving at the ideology of any country. We must also make it more emphatic that what we are trying to bring about is the sanctity and the enforcement and the recognition of the agreements that were made by the Allies, including Russia. It is obvious to any casual reader of the daily newspapers that the agreement which was made permitting the devastated countries to have a free choice of the type of government that they wished to have has been com-

pletely violated. We apparently stood on the sidelines in the early stages of this penetration and did very little about it. Up to the present time, up to a dozen countries have had governments selected for them. They have not had free elections in any sense of the term. It seems clear in the case of some that they do not and did not want the government that they finally got. However, by penetration, by coercion, by underhanded political methods, not condoned in our country or any representative country in the world, one large power has dictated to these small countries the government they should have.

Furthermore, the agreement that we made regarding self-determination and the selection of the type of government that a country wishes to have has been violated in another direction. It is that after a would-be election had been held the one who produced the mechanism which brought about the so-called "selected government" for the particular nation continues to dominate that country through its political mechanism. You know that the officers of Poland and Czechoslovakia, to mention merely two of these countries, are not the free agents and the independent representatives and officials of the countries involved. They are dominated and domineered from a distance by a larger and more powerful nation. To me, that is the thing that should be emphasized to our people and to the world. That is the very basis on which any international organization which will give us collective security must be based. If the country which violates that principle does so, as it has done already, and continues to do so, we must look forward to the inability of the United Nations to be anything more than a debating society. When that becomes obvious I think that our Nation should take the leadership in organizing another type of international organization. Let us unite the countries in the Western Hemisphere, let us join with those in Asia who wish to work with us, let us take those in Europe who wish to join with us, and make an organization strong enough to maintain the peace of the world by means of collective security and collective agreements.

It is not primarily communism we are after, it is primarily the rule and the reign of law that we wish to reinstate, strengthen, and make binding upon the nations of the world. That is the road to peace; that is why I believe that this bill should be passed. Of course, it has uncertainties; of course, there will be doubts about what can happen; it may even fail, but I think it points the way in the right direction. Our own Government started with a very gloomy outlook. We created one system of government, we discarded it and created another one, and even it, after 70 years of trial and error, finally found it necessary to fight a Civil War before we became a united and inseparable Nation. There are no easy ways to peace, but we certainly cannot drift into peace. We must take positive, affirmative, aggressive action to bring it about. It is just as essential to take positive action to bring peace as it was to take positive action to win the war. This bill, in my humble judgment, offers us the chance to do exactly that.

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: On pages 65 and 66 strike out all of subsection (4).

Mr. COLMER. Mr. Chairman, this is a very important amendment and I hope that those of us who are sponsoring it may have your attention during its consideration. This matter of turning these ships over to foreign flags, historically, I may say, was provided in the original bill that was sent up here to the Hill by the State Department, at which time it was provided that 500 of our merchant ships be turned over. In the other body the 500-ship provision was stricken when that body considered this measure.

As the bill comes to you from the House committee it provides for 200 of these ships to be turned over to foreign flags ostensibly for the purpose of carrying this produce over to participating countries. In the committee some of us attempted unsuccessfully to keep this provision out of the bill. We did not succeed there. So you and the Committee of the Whole have the opportunity and the responsibility of passing upon this question as to whether or not in addition to your $6,000,000,000 initial provision here you are going to turn over 200 of your merchant ships to foreign flags in which to transport these products over there.

The argument is going to be made here as it has been made elsewhere, that it is economical to turn these ships over to the foreign flags because they can operate more economically than we can operate them under the American flag.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Indiana.

Mr. HALLECK. I have just looked at the language in the bill and the language used there has reference to the chartering of vessels. Does the gentleman understand that that is the equivalent of turning them over?

Mr. COLMER. Certainly I do. There is provision made for the recalling of them, but once you turn them over to them you will never get them back. We have had experience in this field before. Now, they say they can operate them more economically. Let us see what is going to happen. In this country today we are building practically no ships for our merchant marine. As a matter of fact, I make the statement here now that more than 60 percent of all the commercial ships that are being constructed in the United States are being constructed in my little home town of Pascagoula, Miss. Those ships are not being constructed for the American flag; they are being constructed for the South American flags. What do you propose to do? Turn over these ships. For what purpose? So that they may be chartered and sailed under foreign flags. What happens? The argument is made that these ships are idle, that they are tied up, that they are rusting, and that it does not amount to anything anyway. My friends, when you turn these ships over to the foreign trade, it gives these foreign countries an additional advantage, in addition to the one that they already have in the way of substandard living conditions on these ships and the manning of these ships, because they are going to take your trade away from you. And then when you do get your merchant fleet back, if you ever do, when this thing is all over, they will have the trade, and this country and our merchant marine will suffer. Immediately after the war, when the Postwar Policy Committee was in Europe, a committee consisting of the gentleman from New Jersey [Mr. WOLVERTON], the gentleman from Michigan [Mr. WOLCOTT], and other Members—I do not have the time to mention them all—when we were there we talked with these foreign powers about taking over these ships.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

Mr. HALLECK. Mr. Chairman, reserving the right to object, I am not going to object to this particular request, but I made this reservation in order to make this suggestion. There is asserted much reason for the expeditious consideration of this matter. Certainly no one wants to cut off proper debate, but I think that we should hereafter proceed on the proposition that 5 minutes will be granted to anyone who offers an amendment, and that extensions beyond that time shall not be granted.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Chairman, I was observing that when this representative group from this House was over there after the cessation of hostilities, we talked with a number of the leaders in these countries about buying some of these ships from us, and they said they were not interested in buying these ships because they were not economical to operate. But, now they will take them over. They will take them over and operate them now if we give them to them. Remember, you are turning them over to them in addition to this $6,000,000,000. The ways of Great Britain, Sweden, and these other countries are virtually bustling beehives today building ships, and yet we are turning our ships over to them, to the injury of our merchant marine. The distinguished gentlemen who head the committees on merchant marine on both sides of this House have given consideration to this matter, and they are opposed to it. The distinguished gentleman from Virginia [Mr. BLAND], the father of the modern merchant marine, is opposed to this provision of the bill. The chairman of the subcommittee, the gentleman from California [Mr. BRADLEY], is opposed to it. The Maritime Commission is opposed to it. Your shipping circles are opposed to it, and everybody who understands this situation is opposed to this provision of the bill.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Will the gentleman state for the benefit of the House the number of ships that have already been transferred to foreign flags?

Mr. COLMER. I have an idea that it is in the neighborhood of 1,200; but I yield to the distinguished gentleman from Louisiana, who has always exhibited such a keen interest in our merchant marine and who rendered such a splendid and patriotic service with it in the recent war, to answer his own question.

Mr. BOGGS of Louisiana. Fifteen hundred.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

Mr. WELCH and Mr. BOGGS of Louisiana objected.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 45 minutes.

Mr. MILLER of Connecticut. I object, Mr. Chairman.

Mr. VORYS. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 45 minutes.

The CHAIRMAN. The question is on the motion.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 94, noes 75.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. MALONEY].

Mr. MALONEY. Mr. Chairman, Congress has already acted upon the proposal to charter American merchant ships to foreign nations. Therefore, it is incongruous to me that we should wish to belabor the matter further, in effect holding up speedy action on the entire foreign-assistance program.

I, personally, have examined the arguments pro and con with respect to the proposal to charter 200 American merchant vessels to the foreign nations who are to participate in the foreign-assistance program. Any thorough-going examination of the facts should convince Members of Congress that no more American ships should be transferred in any manner to foreign nations.

The United States Maritime Commission, in an exhaustive study of the matter, declares that the merchant fleets of the 16 nations are already completely rehabilitated.

Many are already forgetting the important and vital role played by our American merchant marine in the recent war. We are not yet at peace, and every day the international situation grows more serious. Throughout the last war our military leaders continually reminded us of the urgent need for merchant ships, and more merchant ships. There is no evidence that I know about which indicates that we would not need these very 200 vessels in a future emergency which it is now proposed we turn over to other nations.

A House Foreign Affairs Committee report, No. 1585, tells us that one of the reasons for proposing that these vessels be transferred is that it would assist in providing more dollars to the participating nations since they would not have to pay American freight rates, assuming, of course, that foreign-ship rates are lower than those of United States merchant vessels.

Nothing could be further from the truth. What the theorists do not seem to understand is that cargo is carried at world rates. It is admitted that the operating costs of the American ships are higher. But at the same level of revenue, this only results in the foreign ship making a proportionally greater profit while the American ship makes less.

Therefore, it is perfectly conceivable that by chartering 200 of our merchant ships to foreign nations and, in effect, driving our ships out, freight rates might be higher than they are at present.

I think it is well to understand that American ships engaged in the carriage of coal and grain, the principal commodities which would be carried by the 200 ships proposed for charter, have their freight rates controlled by the United States Maritime Commission so that no exorbitant, unreasonable, or unjustifiable rate could, under any circumstance, be charged.

From my examination of the issue, I can find no desire on the part of the shipping industry to be against any phase of the foreign-assistance program, except the transfer of ships. They are not alone in this opposition. I have heard repeated opposition to any proposal to transfer our ships from the American Legion, the United States Maritime Commission, the Chamber of Commerce of the United States, the two great national labor organizations, CIO and A. F. of L., and from many other national organizations. In addition, this Congress, as I said before, has already taken action specially designed to prevent any more American cargo ships from being transferred.

Any provision that the 200 vessels would be returned when deemed in the interests of our national security sounds weak and ineffectual to me. We already have the experience of having had returned only one-half of the American merchant ships turned over to Britain under lend-lease, and have received only 7 of the 95 turned over to Russia during the last war.

Again I would like to ask, "What guaranty have we that if the 200 vessels are chartered to foreign nations, who may subsequently fall under Communist domination, such as Czechoslovakia, that they would be returned when we requested them? Supposing they were not returned upon request? Would we go to war to get them back?

It seems to me that the President's Committee on Foreign Aid, in making its report last November 10, 1947, with respect to selling and chartering American ships to foreign nations, must have had these very questions in mind when it declared:

> The limited financial savings are not sufficient to justify the drain on United States resources for national defense which such transfers would involve.

To return to alleged financial savings which would benefit the American taxpayer by virtue of transferring 200 merchant ships, I wonder why nothing has been said about the United States Maritime Commission's communication to a member of the Foreign Affairs Committee. I will not quote from their communication, except to state that in their considered opinion—and the Commission is supposed to be the governmental authority in maritime matters—the charter of these vessels would actually save the American taxpayer nothing at all, but through loss of taxes and charter hire would actually increase the cost of the aid program and subsequently the burden to the taxpayer.

I am reliably informed that some $45,000,000 would be paid by United States operators as charter hire on these 200 vessels operated under the American flag, plus income-tax revenue from both ship operators and their employees. I am certain that the foreign operators of the vessels would not pay that amount.

There are many more arguments and valid reasons for not chartering these American vessels to the foreign nations. My feeling is that in view of the fact that the United States Senate specifically amended its foreign-assistance-program bill to delete the section dealing with the charters of 200 ships and that Congress itself only a month ago specifically denied the United States Maritime Commission permission to charter vessels to any noncitizen, we must be consistent and delete the proposed charter in our bill.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, I shall vote for the amendment offered by the gentleman from Mississippi [Mr. COLMER] intended to eliminate from the bill those provisions which would authorize the chartering to foreign countries participating in the recovery plan of up to 200 dry cargo merchant vessels owned by the United States.

I have made clear heretofore that I am for the bill and I think the members of the Foreign Affairs Committee have brought forth the best plan for aiding world recovery and rehabilitation and to stop the encroachment of world communism possible under the circumstances. And because the committee has done such a fine job on the whole I regret the necessity of voting to amend the bill in this respect. However, I can see absolutely no justification, in this time of peril, to charter 200 merchant vessels or any number of American vessels built and owned by our people to any foreign government however friendly it may be. I would call attention to the following language in the bill, beginning on page 66, line 4:

> If a vessel of the United States is so chartered, its documents as a vessel of the United

States shall be surrendered and it shall, during the charter period, be considered as a foreign vessel for the purposes of the navigation and vessel inspection laws of the United States.

This wording would seem to make it clear that vessels so chartered would be under the exclusive control and, of course, under the flag of the country to which chartered. It is our hope, that all such countries will remain friendly with us but in this time of turmoil and change it is not beyond possibility that the governments of some countries to which vessels were chartered would be overthrown. And there may be a possibility that vessels so chartered would not be returned to this country when demanded.

I recall that in the area where I live, in the shipyards of Beaumont, Port Arthur, and Orange, many thousands of workers worked feverishly during all the war years to turn out the ships that made victory possible. We had none too many ships at the close of the war to do the job that was necessary. It would be shortsighted indeed for us to forget these simple facts and, in these times, continue to turn over to foreign countries our merchant vessels. We had better keep them. Me may need them.

Furthermore, I believe in the maintenance of a strong merchant marine by this country and it would be most unwise, even if considerations of national defense were not what they are, to charter these vessels to foreign operators and thus put them in position to more strongly compete with our own merchant marine. If we have idle ships that are needed, let us man them with Americans and sail them under the American flag.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, I rise in support of this amendment which will take out of the bill that provision authorizing the transfer of 200 American ships to foreign nations that will operate in direct competition to our own American operated ships.

The transfer of American ships to European countries, as contained in the foreign aid bill, is unwise and should not be permitted. The manifest unfairness and folly of creating a foreign merchant fleet that could "undersell" us in our own ports is unthinkable and I unalterably oppose this procedure.

While I heartily favor the Marshall plan of assisting the nations of western Europe in their postwar recovery programs, I urge most emphatically that it not be done at the expense of a vital part of our national economy, the merchant marine. It requires little imagination to understand the effect of taking 200 vessels from current United States flag operations, and turning them over to European nations to operate under foreign flags, manned with foreign crews and used in the same services in which they are now employed by American operators with American crews. Although we would be paying for this with our dollars, our American seamen and suppliers will be idle.

There is no justification for turning over 200 of these vessels to the foreign nations and it is not necessary in order to obtain the objectives of the foreign aid bill. On the other hand, it will do great damage to our merchant marine and not only would it pave the way for driving the American flag from the world's trade routes, but would have a far-reaching and adverse affect on our national defense and security.

I am gratified that my views are completely in accord with the Maritime Commission, which is the Government agency charged with the responsibilities of shipping matters, as I know their knowledge and opinion is superior to that of any other Government agency on this particular subject. Mr. Chairman, I urge the adoption of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, I am somewhat surprised when my colleague on the committee, Mr. COLMER, states that the bill provides these ships will be given away. The language of the bill is very clear. It provides that for periods not extending beyond 1952, they may be chartered to participating countries. That term is used throughout this section. I do not see how you can construe it to mean that when these ships are chartered, they are actually given away. In the same section on line 10 there is a way in which these charters can be rescinded. I yield to no man in my desire to have a strong merchant marine. It was my privilege to have served on the Committee on the Merchant Marine and Fisheries of this House for 4 years. I share the desire, as do the members of the committee, that we will continue to have a strong merchant marine. That is not the question, however. The question is, are we going to save the taxpayers of this country some $100,000,000 or more, or are we going to subsidize out of the European recovery program the shipping industry of this country. There you have it. There is testimony before our committee that the amount to be saved to the taxpayers is between $60,000,000 and $100,000,000. The amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. JACKSON].

Mr. JACKSON of Washington. Mr. Chairman, it has been my pleasure to have served on the Committee on Merchant Marine and Fisheries of the House for some 7 years. I can appreciate fully the real value of having an adequate merchant marine. May I say at the outset it is true that we are not giving these ships away, but we are turning these ships over to these foreign countries for the duration, so to speak, of the Marshall plan. I would like to ask my distinguished friend, the gentleman from Wisconsin, what sort of condition he thinks these ships will be in after they have been used by these countries for some 4 or 5 years? We all know by experience that these ships will be practically worthless. While some members of the commitee may be of the opinion that they will save money by turning these ships over to the countries participating in the Marshall plan, I cannot share that view. A substantial part of the operating costs under a charter arrangement such as ship stores, fuel oil, and so forth, would of necessity be purchased in the the United States with our dollars. The saving, if any would be negligible.

I am sure the House will approve the amendment offered by the gentleman from Mississippi.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BRADLEY].

Mr. BRADLEY. Mr. Chairman, in the introduction of this amendment, I yielded to the gentleman from Mississippi solely because he is a member of the Foreign Affairs Committee. Had he not offered the amendment I would have done so.

Mr. Chairman, the purpose of this amendment is very simple—it is to save 200 good ships for the United States—it is to save jobs at sea for 10,000 American seamen—it is to keep the work of overhaul and repair on these ships for our starving shipyards—it is to keep the business of insurance, of ship chandlering, and of ocean transport in American hands—it is to keep our present shipping organizations together so we may be ready for an emergency—it is to keep these 200 ships under the American flag for our own use in the event of war—it is to keep these 200 ships out of the hands of the enemy if war comes upon us. It is to do all these things, and a few more, for it will satisfy the American people that this Congress has at last asserted its authority to overcome the baleful influence of the State Department in all things pertaining to our merchant marine.

You may be told that this program will cost more than if we let the foreigners have the ships and carry our goods. Frankly and honestly, if we take all things into consideration, I do not believe it will cost more to use American-flag vessels. There are a hundred ramifications in this business and every one costs money. The figures you may have presented represent only the direct costs and neglect the indirect, such as widespread unemployment in shipyards and related activities. But what if it does cost a little more? Is it not a fundamental concept that the Americans who pay the bills deserve consideration in the expenditure of their own money? It seems to me that some public officials work on the false theory that it is their own money they are spending and that they can spend it as they please without regard to the common people. The King of France had that idea when he built the vast palace at Versailles. The Kings of France are gone. The Empress of China had that idea when she spent the people's money to build the Summer Palace and the Marble Boat. The Empress of China and her line are gone. We shout that we are trying to stop communism abroad. Why struggle to stop communism abroad and, at the same time, build it up in our own country through discontent that will follow such a raw deal as this legislation

proposes for the American shipping fraternity? The amendment offered is intended to stop communism at home by proving that this free Government looks out for its own people.

The truth is that there are ample ships on the high seas to handle every ton of freight now offered, or that will be offered under this program. New foreign ships are being added so steadily that American vessels are now being forced out of business because of lack of cargoes. Every additional ship we charter foreign knocks one more American vessel off the seas.

You may be told that market rates will go up sharply if we adopt this amendment. I do not believe this for several reasons.

First, the anticipated surplusage of tonnage will keep rates down through competition.

Second, the Maritime Commission can control both maximum and minimum rates on Government-owned vessels.

Third, overseas rates are controlled by international conference agreements.

Fourth, men want jobs, not relief or unemployment.

Fifth, this is expected to be a long-range program and Congress can easily modify existing law whenever it sees fit to do so.

Mr. Chairman, it is a foolish workman who gives away the tools with which he earns his wages. Ships are the tools of ocean transportation—they are the tools of every maritime nation—they are essential to the people for their daily bread and to the state for its security. I earnestly hope that this chartering provision will be knocked out cold.

Mr. BOGGS of Louisiana. Mr. Chairman, I am supporting the legislation now being considered by the committee. I do so, not because of the humanitarian considerations, as commanding as they are, but because I firmly believe that this legislation is essential to the security of our Nation.

For the same reason that I support the legislation—that is for the security of America—I am opposing the provision authorizing the transfer of American ships to foreign charterers because that provision strikes at the very heart of the security of our Nation.

In the light of the history of this provision, and of its far-reaching effects, it is indeed difficult to understand why the committee should have incorporated it into the legislation. The necessity for maintaining a strong, virile merchant marine as an essential part of our national security establishment seems too elementary to argue. Nevertheless, the members of this committee apparently do not appreciate the importance of the American merchant marine.

The argument that the proposed provision will not affect the American merchant marine and that it will merely remove from the reserve fleet 200 ships that are not now being used, thus saving dollars for freight charges and saving steel to be used in the construction of new vessels abroad, is utterly ridiculous in light of the actual facts.

In the first place the ships in reality will be removed, not from the reserve fleet, but from the operating fleet. Already the operating fleet of American vessels has been reduced to such a point that our vessels are now carrying less than 50 percent of our foreign commerce. Fifty percent has been established as a safe minimum by every organization which has investigated this problem. If 200 additional ships are transferred to foreign flags that will mean that 200 ships now carrying cargoes will have to be retired to the reserve fleet and it will mean further a competitive freight rate war which may very well reduce our fleet to relative unimportance in the very near future.

We have already transferred to foreign flags 1,500 American vessels. The foreign fleets have been restored to prewar strength. Right now they are as large as they were prior to the Second World War, and when the present foreign building program is concluded they will be much larger.

The argument that money will be saved for the American taxpayers is likewise ridiculous. In the first place, the authorization of this bill is for a lump sum, and not for specific items, so that even in the event freight charges were saved the funds would still go to the European nations. Insofar as the American taxpayers are concerned, actually such a transfer will cost them more, not less. Under the charter contracts 90 percent of all earnings by the charter vessels are recaptured and the other 10 percent is subject to normal income taxation. Aside from losing this tax revenue, thousands upon thousands of American seamen would be thrown out of employment and forced upon unemployment-compensation rolls.

The argument has been advanced that the transfer of these vessels will save steel. This, too, is silly. If you will take the trouble to study the shipbuilding programs under way in Europe, you will find that the ships under construction are of different types than the ones to be transferred, and the transfer of these vessels would have no perceptible effect upon this building program. It would go right ahead and not 1 ounce of steel would be saved.

What must we do to convince the American people of the essential character of the American merchant marine? We entered the First World War with barely enough tonnage to carry 10 percent of our cargoes. As a result our commerce stagnated and our ports were practically out of commission. The American people spent over $3,000,000,000 in tax funds to build a merchant marine to fight the First World War.

In 1936 when the war clouds gathered in Europe, this Congress passed the Merchant Marine Act and proclaimed a strong merchant marine as essential to the security of this Nation. That act was being administered when we entered World War II, and we were somewhat better off than when we entered World War I, but despite the Merchant Marine Act of 1936, we had to undertake a tremendous program costing billions upon billions.

Every President, every military leader, every security agency has stated without equivocation that we must maintain a strong merchant marine.

The provision of this bill will destroy the American merchant marine and will bring us to the deplorable situation in which we found ourselves prior to two world wars. Are we, as Members of this body charged with the responsibility for the safety of this Nation, going to sacrifice one of the vital arms of our defense by the adoption of a provision which is unwise, which will not do what its authors say it will do, which will not save steel, which will not save money, and which will greatly weaken and probably fatally cripple the great American merchant marine.

Mr. LATHAM. Mr. Chairman, I rise in support of this amendment.

I was very much surprised and disappointed when I saw that the House Foreign Affairs Committee had written back into this bill a provision for chartering foreign these American merchant ships. This provision had been stricken from the bill in the Senate.

That provision had been condemned not only by the other body but by the Secretary of Commerce in his report on this bill. It was also condemned by the House and Senate less than a month ago when we passed the Weichel bill, which specifically prohibited the foreign charter or sale of American merchant ships. This provision two weeks ago was condemned unanimously by every member of the House Committee on Merchant Marine, both Republicans and Democrats.

I do not believe the members of the Foreign Affairs Committee—and I mean no offense by this—know more about this highly technical subject than these specialists, some of whom have devoted a lifetime to the study of this subject.

This is done in the name of economy, but why is it that they have to pick this particular spot in the bill to economize? There are plenty of other places in this bill, if they wanted to save money, where they could economize. They could cut down on some of the appropriations to Ireland or Portugal, where there is no Communist menace. But no. They had to pick this spot where they could deal a death blow to the American merchant marine.

Instead of this provision which we are now contesting, this legislation should now have written into it provisions which would protect the United States Merchant Marine instead of harming it. The merchant navies of the 16 participating countries have already recovered their prewar position in world trade. Our own Merchant Marine is disintegrating fast. An average of two merchant ships are being turned back to the Government every day because there is not enough trade to profitably operate them.

I must remind you that this country has spent much time and much money to maintain a stable and strong merchant marine, so necessary to the country in time of war. The Congress has set up a special committee, the House Committee on Merchant Marine and Fisheries, to keep fully informed on this vital section of American industry. This special care is necessary because of the fact that foreign countries can operate their vessels

with low-paid crews and lower safety standards at about one-third of the cost of American operation.

Actually, of course, the plea of economy as a basis for inserting this provision is a specious one. The Maritime Committee has estimated that the country will lose more in charter hire, taxes, and unemployment benefits paid out, than it will save.

I feel, also, that we should not turn our backs on the 8,000 merchant seamen who would be thrown out of work if this becomes law. How can we possibly justify favoring low-paid foreign citizens as against our own? If it is sound to use foreign cheap labor to sail ships, it is also sound to import foreign cheap labor to mine the coal and sow the wheat which will be delivered under this program.

Mr. Chairman, this provision is thoroughly unsound, and I hope the amendment prevails.

Mr. PRESTON. Mr. Chairman, the preponderance of the evidence and argument, in my opinion, lies in favor of the amendment to strike from the bill under consideration the authority to transfer 200 surplus United States vessels to certain foreign nations.

It should be remembered that when the Marshall plan was first given serious consideration by the President he had numerous surveys and reports made to determine what impact the plan would have on our economy. The Secretary of Commerce made a survey and report and his committee stated:

> The limited financial savings are not sufficient to justify the drain on United States resources for national defense which such transfers would involve.

The Secretary of Commerce is well known for his sympathetic interest in the welfare of our European neighbors whom we seek to help but he, as zealous as he is, warns that we will run a risk to transfer the vessels under discussion.

The proponents of the transfer base much of their argument on the statement and approval of the Secretary of Defense, Mr. Forrestal. In this connection I wish to point out what he said in a letter to the Honorable ARTHUR H. VANDENBERG, and printed in the hearings, dated February 11, 1948. The Secretary said, "It is not my aim to give you the impression that the charter or transfer of title of 500 vessels, or any lesser number, will be completely without impact on our own military strength. There will undoubtedly be some effect—but it is my opinion that we stand to gain more by such transfer or charter, from an over-all national security standpoint, than we stand to lose."

But the Secretary fails to point out how we will gain. And it should be noted that the above statement was made before recent events occurred, and even then he admitted impact on our security. In the light of present conditions the impact will be even greater.

Why take a chance? It is burden enough to carry the financial load we are undertaking, but it is folly to weaken our national security. Should war be declared the United States will be chartering these same vessels at enormous prices from the recipient countries who are getting them free.

One of our weakest security links when World War II began was our shortage of cargo and passenger vessels. We paid the British several times what the *Queens Mary* and *Elizabeth* cost in charter fees. In fact we were dependent on the British fleet for much of our war activity, but we all know what happened to their fleet during the war.

It is a fact, and I shall not burden the record with figures pertaining to each receipient country, that the merchant marine strength of nearly all of these nations is up to pre-war levels.

What will this mean if we add to their strength by 200 additional vessels? The inescapable answer is that the American merchant marine will be facing disaster. The industry is today fighting bitter competition from foreign bottoms using cheap labor. Holland is chartering some of her vessels to other nations currently. The transfer of United States vessels to her would enable her to charter more of her own to other nations.

Let us not jeopardize our national security and merchant marine. Is it not enough to make this record breaking altruistic gift? And it is a gift just as all of our war loans turned out to be.

I am supporting the bill, and with some misgivings, but I wholeheartedly refuse to willingly agree to this transfer of vessels which was unanimously rejected by the other body and which is so manifestly unfair to the American merchant marine.

I represent the port city of Savannah and I have first-hand knowledge of the struggle the South Atlantic ports have been having in the post war period. There has been act after act of discrimination on the part of various government shipping agencies. As a result of those acts these ports have become relatively inactive. We want a fair share of government shipping and we want our merchant marine to get a decent break out of the European recovery program. This is no more than other industry will get.

I respectfully ask that you support your committee on merchant marine in their unanimous decision to oppose the transfer of American surplus ships.

The CHAIRMAN. The gentleman from Maryland [Mr. MEADE] is recognized for 1½ minutes.

Mr. MEADE of Maryland. Mr. Chairman, I rise in opposition to the transfer of the 200 ships proposed in this bill to the 16 participating nations under the European recovery plan.

I feel sure that most of the Members of the House know that shortly after Secretary Marshall made his memorable speech at Harvard University last summer, the participating nations formed a committee known as the Committee on Maritime Transport. They very naively suggested that in order to build up their fleets and to reduce American trade with them, that we should transfer 3,000,000 deadweight tons of shipping to them. At the same time, they flatly refused to reduce their own shipbuilding programs during the 4½-year period covered by the Marshall plan. They plan to build some 15,500,000 tons of new shipping, which would require 5 percent of the entire steel requirements embodied in the Paris proposals—and all of this, of course, on our money while at the same time they want to reduce our American merchant marine by 200 ships and throw 20,000 to 30,000 American seamen out of work.

The Harriman committee appointed by the President to make a thorough study of our merchant marine, said:

> It is pointless for Europe to be building up a world surplus of vessels at this juncture. It would be equally pointless for us to transfer large numbers of dry cargo vessels during the period of European surplus build-up.

But our State Department paid no attention to the Harriman report, which was prepared by outstanding businessmen, and went ahead and incorporated the transfer of 300 ships in the Marshall plan. Fortunately, the committee has at least reduced the number to 200 ships. The result of such transfer would be to remove 200 ships from our European trade and although the present bill provides for the return of these ships "in an emergency," I am sure each one of you has as little faith in that statement as I have.

I am in favor of the European recovery plan and intend to vote for its passage but I am not in favor of giving any nations any of our ships.

The Harriman report went on to say:

> The United States needs an active merchant marine for national defense and we must not create conditions in which that merchant marine cannot survive.

Again, in the report of the President's Advisory Committee on the Merchant Marine we find this statement:

> Security requirements can be met only through the existence of an efficiently operated merchant marine of such size as to meet the initial military and naval demands. Unless the shipping and shipbuilding industries are maintained above some minimum level, the country will lose that vital nucleus of know-how which is essential to enable rapid expansion to meet emergency or wartime needs.

It seems utterly ridiculous that the House Committee on Merchant Marine and Fisheries is now holding hearings on the present status of the American merchant marine—that those of us who believe it imperative that we have a merchant marine second to none, are continually advocating money, money, and more money for a comprehensive shipbuilding program on one hand, and that the Congress is giving away 200 ships on the other. We pay subsidies to put our own shipbuilding program on a fair competitive basis with foreign shipbuilding where their cost of construction is so much less than ours. We pay operating subsidies to put our ship operators on a fair competitive basis with foreign flag ships—and now, when we had hoped to be able to formulate a construction program to bring our merchant marine to the top of the list—this bill would go a long way toward taking our cargo ships out of competition for foreign trade.

Think twice, ladies and gentlemen, before you vote on this section of the bill. If we can spend five billion three hundred million for relief supplies, let us spend a few more million and transfer

our own supplies in our own ships, manned by our own American seamen and then the recipients will know where they come from. Furthermore, if we transfer these ships to foreign nations, it will be our money which is used to operate them—our money which will put 20,000 or more American seamen out of jobs. I hope you will defeat this section of the bill.

The CHAIRMAN. The gentleman from Maine [Mr. HALE] is recognized for 1½ minutes.

Mr. HALE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I question very much whether there is a single Member of this House representating a maritime State who is in favor of the bill as drawn, or who will oppose this amendment.

Only last February—on February 25, to be exact—we passed a law which forbade the chartering of vessels foreign. Is there any earthly sense in reversing that policy not much over 30 days from the time we inaugurated it?

This winter in the Committee on Interstate and Foreign Commerce we have spent an enormous amount of time on the question of distribution of petroleum and petroleum products in this country. We found that last June the State Department recommended that we sell 100 tankers to foreign governments; and a very large part of our oil difficulties this winter stems from the fact that we did dispose of most of those tankers.

The judgment of the State Department on questions of this sort is nowhere nearly as good as the judgment of the shipping interests or the judgment of the Maritime Commission. We have here a principle of national security involved.

Let me remind the Committee that these charters as authorized in the bill are bare-boat charters.

Under bare-boat charters the delivery and redelivery are actual, in contrast with the symbolic delivery and redelivery in the case of time charters, where the shipowner remains in actual possession and operates the vessel with his own officers and crew for an agreed price paid by the charterer, who also pays various expenses of fuel and other items, which vary sometimes according to particular trades; and the same is substantially true as concerns voyage charters, where the owner remains in possession and operates the vessel. It is a a broad characteristic of time and voyage charters that the shipowner is himself rendering a service with his ship on agreed terms.

The bare-boat charter is entirely different, being a demise under which the ship herself is turned over to the actual possession of the charterer, who pays the owner an agreed sum, and in addition himself hires the crew and pays all expenses incidental to the use of the vessel by him. He becomes an owner pro hac vice and has substantially the same rights of limiting liability under our statutes as does the actual owner. The time charterer does not have this limited-liability right, seeing that he has only purchased service from the owner and does not have the operating responsibilities that attach to the ownership.

The obligation of the bare-boat charterer on redelivery of the vessel, that is, to repair and restore, is not infrequently an onerous one, according to the vicissitudes encountered and the measure of the responsibility and care exercised during the charter period. Voyage repairs and maintenance on any considerable operation are always fairly important. Some of these items are covered by insurance, others not, but either way they involve cost.

I believe that the money saved under the bill as drawn would prove to be insignificant, and that every genuine consideration of national interest would be served by the adoption of the amendment.

The CHAIRMAN. The time of the gentleman from Maine has expired.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, there is a moral obligation why every Member of this House should support the pending amendment. We wrote the ship sales bill which was passed by the House after being unanimously reported out of the Merchant Marine Committee. We told the industry at that time it was the last word in the disposition of war vessels.

Mr. Chairman, that alone motivates me to support the amendment and that alone should motivate all Members of the House to support the amendment. In addition to that, we are trying to build up safety at sea and we have provisions that apply to American-flag ships that do not apply to foreign-flag ships which handicap our American ships in competition with foreign-flag ships. These ships will operate under foreign flags to the detriment of the industry we are trying to maintain and build up here in America for our national defense.

There is another provision in the act as it is written. These vessels as they engage in foreign trade will only engage in foreign trade so long as the provisions of this act go on, because foreign countries are building their own vessels to take care of transportation at sea and in turn wipe out the effort of our American merchant marine. Therefore we should not by this bill break faith with the American operator, the American seaman, and those who build and repair ships in American yards, by leaving in this bill the provision for chartering or selling war-built vessels in competition to our struggling merchant marine.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Chairman, I rise in support of the pending amendment to prevent the chartering of 200 of our merchant vessels to foreign operators. The committee should bear in mind this is not a case of supporting the judgment of members of the Committee on Foreign Affairs of the House as much as it is a case of supporting a vital arm of our national defense. If the world situation is so critical that we must seriously consider going back to selective service, instead of chartering these vessels and sending them to sea under a foreign flag, we better give them a few trial runs with American crews and keep control of those vessels here in the United States.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I appreciate the gentleman's statement. If we are being asked to vote realistically for our Army, Navy, and Air Force we better start voting realistically about our merchant marine.

Mr. MILLER of Connecticut. I thank the gentleman. We should bear in mind that every responsible official of this Government charged with the responsibility of maintaining and developing the American merchant marine is opposed to the provision now written in the bill and favors striking this provision out. The only opinion expressed here in opposition to the view of those responsible officials of our Government is the opinion of men in the State Department and the opinion of a majority of our own Committee on Foreign Affairs.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. DOMENGEAUX].

Mr. DOMENGEAUX. Mr. Chairman, while I am in sympathy with the general principles and purposes of the Marshall plan or European recovery program, I certainly cannot subscribe to the provision inserted in the House bill by which this country could charter up to 200 merchant ships to participating nations. With all due respect to the Foreign Affairs Committee which I know has labored diligently and earnestly to report out a practical and deserving measure, I am puzzled over the committee taking issue on a subject which has been so recently settled. United opposition, including that of the American Legion, United States Chamber of Commerce, Mississippi Valley Association, shipowners and maritime labor organizations, has been directed against the transfer of such ships. In Congress, both the Senate and House adopted bills prohibiting the chartering of any United States merchant vessels to noncitizens, and the President signed this legislation February 27 of this year. And furthermore, in connection with this same bill we are now considering, the Senate very wisely eliminated a chartering provision.

There is no good argument in favor of either chartering or selling these ships. The United States Maritime Commission has termed claims of large savings in this connection as unrealistic promises which tend to overshadow in the minds of the taxpayers the real damage that would be done to the American merchant marine. Moreover, the Commission has pointed out, any dollar savings on transportation, while permitting larger purchases of American goods, would save the taxpayers nothing at all and would not reduce the cost of the relief program to our people, while on the other hand it would actually increase the cost through loss of taxes and charter help. In brief the limited financial savings would not be sufficient to justify the

drain on United States resources for national defense that the transfer of our ships would involve.

Referring to the matter of national defense, Secretary Forrestal has stated:

> We had the bulwark of the British Fleet at the beginning of the last war. We won't have that protection next time. * * * If we need X number of merchant ships to support operations 2,500 miles from the American coast line, we will require not twice as many but four times as many ships to support operations 5,000 miles away.

We must keep in mind that relief cargo is carried at world rates and that our own ships, now constituting less than one-half of those engaged in this trade, must meet the competition of the foreign fleet which is fast increasing. Admitting that the operating costs of an American ship are higher, at the same level of revenue this only results in the foreign ship making a proportionally greater profit. If American ships are forced out and foreign ships get a monopoly, with the American taxpayers footing the bill, we could easily have higher rather than lower rates.

It is also argued that this country should agree to transfer certain of its dry-cargo ships to the Marshall plan nations with an agreement that the latter curtail their shipbuilding program. They have definitely turned down such a proposal on the grounds that their shortage is in small and special-type ships that we cannot supply, according to the report of the President's Committee on Foreign Aid, known as the Harriman committee.

There are also those who contend that we should not hesitate in turning the ships over to the foreign nations since these vessels would be returned to us at the end of the charter period or in any event we could build even better ships to replace them. I have not been able to find anybody in the industry who thinks these vessels would ever be returned to us and certainly our experience with Russia would support this view. It is virtually certain that some excuse would be found by the countries overseas—either the age, condition, or some other factor—to retain the ships for a minor consideration. It is true we can undoubtedly build superior vessels. But even the most optimistic viewpoint of design and economics would not permit such new vessels to compete against the present dry-cargo ships in the hands of foreign competitors with relatively no capital costs and with cheap foreign crews. The question is not how many ships one has as a merchant fleet, but how much business there is available to keep such a merchant fleet in operation on a level of economics which may be met.

The bill would authorize the Administrator to charter ships to the participating nations on any terms which he may decide. It is apparent that this amounts in substance to a grant-in-aid and that no charter hire would be paid by the foreigner. The present American charterers are required by law and are paying approximately $90,000 a year for each Liberty-type vessel. Thus, we contend, the legislative provision for chartering the ships to foreign nations would be a rank discrimination against the American in favor of the foreigner when we compare the cost of such transportation by the two methods. Even if the foreigner were required to pay charter hire, it would be necessary for this Government to supply American funds for such a purpose.

Further discrimination would be the substitution of foreign for American crews. The theory has been advanced that through the utilization of cheap foreign labor the transportation costs might be reduced. There are other factors which minimize this claim, but at any rate this is an un-American approach. It would be every bit as justifiable to import cheap foreign labor to produce the commodities to be shipped overseas. Assistance to the European nations should be the generous act of the whole American people without any undue burden being placed on the shipping industry and American seamen.

We should not be influenced by reports that the prewar fleets of the countries involved in the Marshall-aid program have not been restored and that we should therefore assist their recovery by contributing ship tonnage. The National Federation of American Shipping has shown on numerous occasions that the prewar fleets of these nations have been restored, and furthermore that the greatest shipbuilding activity in their history is in progress.

There is all the evidence necessary to prove that the transfer of dry-cargo ships to the nations participating in ERP is not essential to the successful operation and minimum cost of this program. There is already a surplus of such vessels to handle the flow of relief cargoes of the character contemplated which are already at peak movement. Approximately three such ships are being returned daily to the Maritime Commission by United States charterers due to the constantly increasing size of the foreign fleets. If we charter 200 ships as proposed in this bill we immediately diminish American participation by this amount. We must contemplate the damage that would quickly result to American shipping and the loss of jobs by many American seamen. But aside from the short-range problem there is the main problem to be considered—how our ships could compete in the future against such ships in foreign hands with no capital costs and low-wage crews.

The requirement in the House bill that vessels so chartered shall be "not in operation at the time of charter" contributes much to a misunderstanding of the subject. With sufficient ships in service to handle all of the business two alternatives are available, either to transfer from United States-flag management and manning to foreign-flag management and manning a ship already in operation, or to take from lay-up an idle vessel, man her with a foreign crew, give her foreign management and foreign flag, and force a corresponding American vessel from operation and into lay-up; this to be successively practiced until 200 ships have been commissioned and 200 decommissioned with a loss of employment by 8,000 or 9,000 American seamen.

Transfer of a ship from American to foreign charter would cost from $25,000 to $114,000. Surely no sleight-of-hand operation such as the second alternative would occur. It seems obvious that the only purpose of such a provision is a political one, in order to furnish a basis for claiming that American ships would not be deprived of business nor American seamen of their jobs. Even those knowing very little of the details of the shipping industry know that it is not a question of the number of ships, but of the volume of business available to employ a number of ships.

The brief prepared by the Maritime Commission, entitled "The American Merchant Marine Under the Marshall Plan," and submitted in connection with hearings on this legislation before the Committee on Foreign Affairs, very concretely and decisively stresses the necessity of protecting and developing our fleet. I wish to call particular attention to these statements contained in the brief, and I quote:

> The United States has done its share as far as shipping is concerned. Over fifteen hundred American ships have been transferred to foreign nations within less than 2 years, most of them by the United States Government at prices substantially below what their construction cost the United States and far below present construction costs abroad. Today it is the American merchant marine, not the shipping of the 16 nations, which needs help and protection if it is to survive. Instead of any further vessel transfers abroad, whether permanent or temporary, it is therefore vital that the American merchant marine be assured at least of continuation of its present participation in trans-Atlantic aid shipments, when the European recovery plan begins to operate. The United States Maritime Commission, duty-bound to warn against a plan under which, in the effort to help 16 nations, a vital arm of our national defense and an essential national industry would be sacrificed, strongly opposes the ship-transfer provisions of the 16-nation plan.

Certainly there is nothing to be gained, but much to be lost, by the transfer of any of our ships, and I trust that this provision will be eliminated.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I think we are making a very grave move in the wrong direction if we turn over these merchant ships to foreign countries. After the First World War we found ourselves almost completely without a merchant marine. We spent literally billions to build up our merchant marine. The merchant marine is an important adjunct to our national defense. We now have tied up in this country very many of our merchant ships, and we are rapidly taking others of them off the ocean. Our flag is disappearing from the high seas. Furthermore, if we turn these ships over to foreign countries, it means that the crews to man these ships, our seamen who are hard to get, will be dissipated, and we will not have them, and they will not be available when we need them in case of war. It seems to me certainly that it is false economy

when we are putting up the money to pay for operating these ships to legislate against our own nationals. We are putting up $17,000,000 from which the payments are made by these foreign countries, to pay for the men who operate the ships, and to pay for the material and for the supplies that go into the operation of the ships, and we are throwing our own employees, our seamen on the bread line. My district is one of the big ports in the country. On the west coast we built many of these ships during the war. I do hope that everyone in this House will vote for this amendment. The port of Portland in my district built hundreds of them. Most of them are now in moth balls. I will not only vote for the amendment but also for the equally important amendment to require 50 percent of the Marshall plan tonnage cargo to be carried from America in American ships.

Mr. Chairman, pursuant to leave granted in the House I include as a part of my remarks the following correspondence and arguments showing that this amendment should be passed:

SHIPOWNERS' ASSOCIATION
OF THE PACIFIC COAST,
San Francisco, Calif., March 8, 1948.

HON. HOMER D. ANGELL,
House of Representatives,
Washington, D.C.

DEAR SIR: This association is in full accord with the objectives of the European recovery program. However, we request your attention to, and assistance with, one phase of this program. We are certain that you do not favor the Marshall plan at the expense of economic disaster to an industry directly connected with the national security of the United States, and which will include the unemployment of a sizable segment of American maritime labor.

The European recovery program, as proposed by the State Department, calls for the transfer by sale and charter of 500 American-flag vessels to the 16 participating nations. These 500 vessels represent approximately 5,000,000 dead-weight tons of shipping, an amount equal to one-half of our entire merchant marine before the war, twice the tonnage employed exclusively in our foreign trade prior to the war, and approximately one-half of our present privately owned shipping fleet. Section 11 (a) of Senate bill 2202, to implement the Marshall plan, would allow chartering of 300 vessels. If either of these proposals is allowed to be included in the final passage of the Marshall plan, it will be the most damaging legislation to the American merchant marine since Congress, in 1858, granted mail-contract subsidies to a British-flag line.

Economy is the most important reason suggested in the European recovery program proposals for the turning over of these ships to foreign control; viz, that the cost of transporting relief and rehabilitation cargoes would thereby be reduced. Numerous loose estimates of savings have been offered, completely unsupported by their authors. Regardless of actual figures, we are unequivocally opposed to the theory of sacrificing such a vital asset of the United States merely to accomplish a temporary expedient—which would result in an approximate saving of only 1 percent of the total estimated cost of the European recovery program.

In this connection, we would like to direct your attention to excerpts from the November 1947 Report of the Commitee on Foreign Aid under the chairmanship of the Secretary of Commerce (the so-called Harriman Committee):

"The United States needs an active merchant marine for national defense and we must not create conditions in which that merchant marine cannot survive" (p. H-6).

"The limited financial savings are not sufficient to justify the drain on United States resources for national defense which such transfers would involve" (p. H-8).

Furthermore, we quote the following from House Report No. 1417 to accompany Joint Resolution 332 (Feb. 23, 1943) extending certain authorities of the Maritime Commission:

"In this connection, the committee is also of the opinion that the transfer of ships to foreign nations, as has been suggested in connection with the proposed European recovery program is wholly inadvisable. The committee feels that neither the Maritime Commission nor any other agency should attempt to charter, sell, or transfer title to any person who is not a citizen of this country, nor to any foreign government. To do so would not be in the interest of the United States, nor of the shipping industry, nor of the thousands of seamen and workers who are engaged in maritime employment."

We earnestly request your consideration of the fact that the shipping phases of the European recovery program, as proposed by the State Department, are diametrically opposed to the policies of the Congress relative to the American merchant marine, as set forth in the preamble of the Merchant Marine Act of 1936 (as well as in previous and subsequent merchant marine legislation). The policy of this Nation, as determined by the Congress, has been to develop and promote an American merchant marine adequate to serve the Nation in time of peace, and in time of war as a military auxiliary. However, the State Department proposals, would not only return the American merchant marine to its pre-1936 status, but would create out of the existing American-flag tonnage the low-cost foreign-flag tonnage which would in the future either push the American flag off the seas or necessitate increased subsidies paid to American lines to maintain a minimum of national defense shipping.

It would be much more in line with existing congressional policy for American shipping to be given every possible opportunity to establish its operations on a permanent postwar basis. There has been too little consideration given to the potentialities of American shipping in light of the United States' present world leadership. History has shown that decades of a strong British merchant marine coincided with, and were a part of British world leadership. It has also shown that the power and prestige of nations are directly dependent upon the size, scope, and condition of their merchant fleets. It is quite clear to us that this Nation, in view of its new international role, needs a strong merchant marine with all of its attendant benefits in peace and in war. The United States cannot allow American-flag shipping in world trade routes to be smothered by foreign competition, with that competition made possible by the very ships which were the miracle of wartime production in the United States.

This association, along with other members of the industry, and hand in hand with American labor, cannot stand idly by and see this splendid American-flag merchant fleet disbanded, resulting in unemployment of thousands of trained personnel needed to man the ships, operate them, repair them, and build them. These American citizens will need an economic recovery plan of their own if unemployment is forced upon them.

Very truly yours,
SHIPOWNERS ASSOCIATION OF THE
PACIFIC COAST,
R. W. MYERS, *President.*

PORTLAND, OREG., *March 26, 1948.*

HOMER D. ANGELL,
House Office Building,
Washington, D. C.:

Propeller Club, Port of Portland, Oreg., much concerned over action of House Committee on Foreign Affairs in its position on ERP which provides for chartering or otherwise transferring 200 American vessels to foreign flag and fails to include provision that at least 50 percent of cargoes provided under ERP move on American-flag vessels. We earnestly endorse ERP, but do not agree necessary to attain objective by committing long-range injury to our merchant marine to effect uncertain savings in Marshall plan. We respectfully recommend bill passed by House committee be amended as amended by Senate with respect to transfer of American vessels to foreign flag and carriage of ERP cargoes on American vessels. We do not believe American vessels should be taken away from American operators to operate under foreign flags nor do we believe thousands of American seamen should be deprived of opportunity to earn living on American-flag vessels. It seems inconsistent to increase unemployment of American seamen and shore labor who would not participate in manning, repairing, and supplying foreign ships. Present unsettled world conditions require we continue in operation large fleet of American vessels under American flag manned by trained officers and men. We urgently request your support in our position.

D. J. MCGARITY, *President.*

[From the New York Sun of March 15, 1948]

SHIPPING UNDER THE MARSHALL PLAN

Appearing before the advisory group of the committee on international relations of the National Association of Manufacturers, George W. Morgan, president of the Association of American Ship Owners, painted a gloomy picture of what lies ahead for the merchant marine and American merchant seamen if the present proposal to charter American ships under the European recovery program is carried out. With hundreds of American vessels lying idle it is theoretically attractive to turn 300 of them over to foreign operators, saving their nations the dollars that might have to be spent in transporting ERP supplies in American bottoms. What actually would happen, Morgan argues, is that the 300 ships taken out of storage would quickly be replaced by 300 American ships that would be driven there by competition so keen that even now vessels are being retired at the rate of about two each day.

The withdrawal certainly would be speeded if the contemplated transfer without payment of charter hire under ERP is carried through. Foreign competitors would have this saving in hire added to their lower operating costs to place American rivals at a disadvantage. Freight rates now have so declined that the maximum saving in ERP costs, provided all 300 ships were needed during the entire period of the plan, would not exceed $200,000,000. The participating nations, however, do not believe they will need more than 150 ships during 1949; and after 1950, because of declining import requirements and the increase of their own merchant marine, there will be no further need for American vessels. This would reduce the savings under the whole program to $88,000,000, little more than a third of the sum the Government will be paying out in the same period to the one-sixth of American shipping which draws subsidies. For the sake of this potential saving, the other five-sixths which operates on the basis of private enterprise without governmental largess will be taking a terrific beating. Little will be gained if the money saved now has to be spent later

to undo the damage wrought in an excess of generosity.

MEMORANDUM FROM NATIONAL FEDERATION OF AMERICAN SHIPPING REGARDING THE SHIPPING ASPECTS OF THE MARSHALL PLAN PROGRAM, AND MORE PARTICULARLY THE PROPOSAL TO TRANSFER 200 SHIPS BY CHARTER TO THE PARTICIPATING NATIONS, AS CONTAINED IN THE HOUSE VERSION OF BILL S. 2202

WASHINGTON, D. C., *March 24, 1948.*

There follow statements and arguments which have been advanced, followed by a brief statement of the facts and the authority in each instance.

1. On February 25, 1948, both the Senate and the House passed the Tobey and Weichel bills specifically prohibiting the charter of any United States merchant ships to noncitizens. The President signed the legislation on February 27, 1948. Further, the Senate on March 10, 1948, by unanimous action eliminated the chartering provision from the Marshall plan bill.

It is indeed surprising to find the House Foreign Aid Committee immediately taking issue on a subject so lately and so conclusively settled. It should be noted that this action of the House committee was notwithstanding the active opposition of the American Legion, the United States Chamber of Commerce, the Mississippi Valley Association, shipowners, shipbuilders, maritime and shipbuilding labor both CIO and A. F. of L., the Maritime Commission, and many other national business and civic organizations.

2. That savings in cost of Marshall plan of $100,000,000 per year would result. (House Foreign Aid Committee Report.)

Statements of saving in the dollar cost of the Marshall plan which would result from transferring United States dry-cargo ships to the participating nations by either sale or charter have been vastly exaggerated. These claims have emanated largely from the State Department without any supporting data or authority and without any details as to how arrived at.

In a letter addressed to the Honorable JOHN DAVIS LODGE, dated March 4, 1948, the Maritime Commission made the following statements:

"Misconceptions widely held on the subject of American surplus ships, the shipping needs of foreign nations, and the effects of further ship transfers, have led to unrealistic promises of savings to the taxpayer while hiding from him, or even from those who speak out on the subject, the harmful consequences to the American merchant marine.

"* * * Moreover, that we find that any dollar savings on transportation, while permitting larger purchases of American goods, will save the American taxpayer nothing at all and will not reduce the cost of the aid program to the American people but, through loss of taxes and charter hire, will actually increase it."

In further substantiation, the President's Committee on Foreign Aid, known as the Harriman committee, reported to the President of the United States on November 10, 1947, as follows:

"The limited financial savings are not sufficient to justify the drain on United States resources for national defense which such transfers would involve."

The federation has carefully computed all such costs based upon the ERP commodity schedules, existing freight rates, experience in vessel turn-around, and other technical factors with which it is customary to determine ship operating costs. Resolving every questionable factor adversely, the industry finds that the maximum possible saving in dollar costs to the Marshall plan program to be $52,700,000,000 spread over the entire period during which these ships could be utilized. A detailed estimate of how this figure is arrived at is attached hereto.

We submit that the industry itself and the Government agency charged with shipping matters are the best authorities on the subject.

3. "On the point of national security, the committee was assured by the statement of Secretary of Defense Forrestal that even the original provision for transfer and charter was no threat to American defense interests." (Report of Committee on Foreign Affairs, No. 1585.)

This statement is inaccurate. Secretary Forrestal stated in a letter of February 11, 1948, to Senator VANDENBERG that he said it was not his aim to give the impression that the charter or transfer of title of 500 vessels, or of any lesser number, will be completely without impact on our own military strength. He said there would undoubtedly be some effect.

Secretary Forrestal has also stated on other occasions:

"The dissipation of our military and naval defenses after every war has, historically, been a typically American characteristic. Only this time we cannot afford such an expensive national habit. * * *

"We had the bulwark of the British Fleet at the beginning of the last war. We won't have that protection next time. * * *"

"If we need X number of merchant ships to support operations 2,500 miles from the American coast line, we will require not twice as many but four times as many ships to support operations 5,000 miles away." (American Legion, March 1948.)

4. That the participation of American ships in the transportation of relief supplies would increase the dollar cost of the Marshall plan through higher freight rates.

What is not understood is that the cargo is carried at world rates and that American ships, which now constitute less than one-half of those engaged in this trade, must meet the competition of the foreign fleet which is fast increasing. It is admitted that the operating costs of the American ship are higher, but at the same level of revenue this only results in the foreign ship making a proportionally greater profit. This in contrast with the highly technical suggestion that the inclusion of American higher-operating-costs ships would maintain freight rates at a higher level. It is perfectly conceivable that if the American ships are forced out and the foreign ships have a monopoly, with the United States taxpayer paying the bill, we could easily have higher rather than lower rates. American ships engaged in the trade have their freight rates on bulk coal and grain controlled by the Maritime Commission, under the charter parties between the United States Government and the United States citizen charterer, so that no exorbitant or unreasonable rate could under any circumstances be charged.

5. That the United States should agree to transfer certain of its dry-cargo ships to the Marshall-plan nations in consideration of a curtailment of the shipbuilding program of these European nations.

The suggestion has already been made by the American Government to the Marshall-plan nations and definitely refused, their reason being that their shortage is in small and special-type ships of a character we cannot supply. Our authority for this statement is the report of the Harriman committee.

6. That we should not be reluctant to see these dry-cargo ships transferred to foreign flag and control, as they would (a) be returned to us at the end of the charter period, or (b) we could in any event build superior ships to replace them.

We have been able to find no one in the industry who believes these ships would ever be returned. Our experience with Russia would support this view.

The industry anticipates that at the end of any charter period some excuse will be found based on the age, condition, or some other factor, to retain the ships in foreign control for a very minor consideration. As far as the building of superior ships is concerned, this we can undoubtedly do. However, even the most optimistic viewpoint of design and economics would not permit such new vessel to compete against the present dry-cargo ships in the hands of foreign competitors with relatively no capital costs and with cheap foreign crews. Again the question is not how many ships one has as a merchant fleet but how much business there is available to keep such a merchant fleet in operation on a level of economics which may be met.

We call attention to the press reports from The Hague recently confirmed by the burgomaster of Rotterdam that the Netherlands is bartering ships to Finland, Poland, and Yugoslavia for timber, coal, and grain. While not criticizing the Netherlands for meeting their difficult economic crisis in whatever manner is available, it must be recognized that the availability of these United States ships for the carriage of cargoes to Holland would facilitate the availability of other Dutch vessels for such purpose.

7. The proposed bill authorizes the Administrator to charter such vessels to the participating nations on any terms which the Administrator may decide.

All informed persons will agree that this amounts in substance to a grant-in-aid and that no charter hire would be paid by the foreigner. On the other hand, the present United States charterers are required by law and are paying approximately $90,000 per year for each Liberty-type vessel. This, we submit, is a rank discrimination against the American in favor of the foreigner when we are comparing the cost of such transportation by the two methods. Even if the foreigner were required to pay charter hire, it would be necessary for us to supply the United States funds for such purpose.

Another instance of discrimination is removal of the American crew and the substitution of a foreign crew. The contention has been made that through the utilization of cheap foreign labor the transportation costs may be reduced. There are other offset factors which minimize this result. In any event, this is an un-American approach, and there would be equal justification to import cheap foreign labor to produce the coal, wheat, and other commodities to be shipped abroad. Aid to the European nations should be the generous act of the whole American people. It should not be visited upon the shipping industry or American seamen disproportionately and inequitably.

8. It has been argued that the prewar fleets of the Marshall-plan nations have not been restored. Therefore, in our efforts to aid their recovery we would be justified under certain conditions in contributing ship tonnage.

The federation has shown in numerous instances that the prewar fleets of these nations have been restored; that the greatest shipbuilding activity in their history is now under way; that by 1951 they will possess approximately 8,000,000 tons more shipping than prewar and a larger percentage of the estimated active world merchant fleets.

Perhaps, however, the best authority on this subject is the document forwarded to Congressman LODGE by the United States Maritime Commission on March 4, 1948, which states, "The merchant fleets of the 16 nations are already fully rehabilitated" and which is followed by four pages of detail substantiating evidence.

9. There has been a contention that the transfer of dry-cargo ships to the participating nations is essential to the successful

operation and the minimum cost of the Marshall plan.

The facts are that there is already surplus of such ships in operation to handle the flow of relief cargoes of the character contemplated which are already at peak movement. This is evidenced by the fact that approximately three such ships per day are being returned to the Maritime Commission by United States charterers due to the constantly increasing size of the foreign fleets. To charter the 200 ships now proposed would only result in immediately diminishing American participation by this amount. It is small consolation to the shipping industry and to the seamen to be told that inasmuch as the American participation is diminishing this should be accelerated. It is a small solace to the American seaman who finds himself out of a job. This, however, is the short-range problem. The main problem is how United States ships may compete in the future against such ships in foreign hands with no capital costs and low-wage crews. As to the real need of these vessels under the improved conditions of coal production and anticipated harvest, we quote from the Norwegian Journal of Commerce and Shipping, dated January 17, 1948:

"As a consequence, there should be no plausible reason for large-scale transfers of American Government-owned tonnage to European flags at this early stage. There is ample reason to await developments in this respect. This so much the more as developments during the 6 months which have elapsed since the Paris conference have shown a decided increase in the European coal output. It would appear that this tendency will prevail to an increasing degree."

10. The act as drafted by the House contains the statement that the vessels so chartered shall be "not in operation at the time of charter."

The requirement only emphasizes the misunderstanding of the subject. With sufficient vessels in service to handle all of the business the alternatives are: (a) To transfer from United States-flag management and manning to foreign-flag management and manning a ship already in operation; or (b) to take from lay-up an idle vessel, man her with a foreign crew, give her foreign management and foreign flag, and force a corresponding United States vessel from operation and into lay-up. This to be successively practiced until 200 ships have been commissioned and 200 ships have been decommissioned with a loss of employment to eight or nine thousand American seamen.

The transfer of a vessel from United States to foreign charter, with change of flag, crew, etc., would cost anywhere from twenty-five to one hundred and fourteen thousand dollars per ship, depending upon whether from active or recent operation, or from lay-up reserve. It is perfectly obvious that no sleight-of-hand operation such as the second alternative would occur. The only purpose of such a provision is the political one to furnish a basis to claim that American ships were not being deprived of employment nor American seamen of their jobs. A person with the most elementary knowledge of shipping knows that it is not a question of the number of ships but of the volume of business available to employ a number of ships.

Estimate of proposed saving in Marshall plan cost by chartering 200 merchant ships, as provided in S. 2202, sec. 111 (a) (4)

The Paris report, dated September 1947, states the need of United States flag bulk dry-cargo ships as follows:

1948	$6,300,000
1949	3,200,000
1950	1,700,000

All of the proposed charter vessels will probably not be in service before September or later; but, assuming July 1, 1948, the 200 ships could possibly under the most favorable circumstances render the following services:

	Ship-years
1948	100
1949	200
1950	170
A total of	470

The present freight rates over the range of ports from the German ports to Greece average about $8.25 per ton, including coal and grain, which are the bulk commodities. For conservative estimating, let us say that the rate is $8.50.

It is known that each ship can carry 9,000 tons of cargo per voyage, and the experience rating shows over this range of ports that five round trips per year is a liberal figure.

On the foregoing factors, our computation then reads:

Gross freight moneys paid: 470 ship-years times 5 trips times 9,000 tons at $8.50	$179,800,000
Less:	
Nontransferable cost such as United States port charges, fuel, and other expenses which must be paid for in dollars (Harriman report estimates at $3 per ton)	63,500,000
Basic charter hire at 15 percent of statutory sales price, using Liberty ships, which are the cheapest	45,000,000
Breaking-out and laying-up expense. This will vary from a minimum of $25,000 per ship if active or recently active ships are transferred, to $114,000 per ship if laid-up-fleet vessels are used. Taking the average at $50,000	10,000,000
Lost income taxes from seamen and officers	2,000,000
Unemployment compensation for 8,000 seamen for 13 weeks at $25 per week	2,600,000
Cost of bringing 8,000 foreign seamen to United States ports, wages, subsistence, and housing while commissioning vessels under charter, at $500 per man	4,000,000
Total deductions	127,100,000
Maximum saving	52,700,000

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAVENNER].

Mr. HAVENNER. Mr. Chairman, I shall support this amendment to the pending bill, striking out the authorization to charter 200 American vessels to foreign countries. I believe that the House committee made a very serious mistake by inserting this dangerous provision in the bill, particularly in view of the fact that the other body, after lengthy discussion and very thorough consideration of the subject, decided to omit it.

If the solemn warnings to Congress by the President and the Secretary of State that the American people are in the shadow of a national emergency are to be accepted at face value, then it would be the most destructive kind of folly to permit these ships to be taken away from us at this time. Through bitter experience in the past we have learned that the American merchant marine is a prime factor in our national defense. When we were plunged into World War II, our merchant marine was a hollow shell, and it was immediately necessary for us to mobilize the vast industrial resources of the Nation in a great shipbuilding program in order that munitions and supplies could be transported with our armed forces to the remote places of the earth where that war had to be waged. This was a tremendous undertaking, costing many billions of dollars, and the ultimate outcome of the war was delayed and endangered by our initial unpreparedness for adequate maritime transportation.

Since the shooting war ended our Government has again permitted the merchant marine to dwindle to a dangerous low level of strength. This proposal to reduce it still further by giving away 200 cargo ships can only be characterized as sheer madness.

The Maritime Commission and the American shipping industry have presented most convincing evidence to this Congress that sufficient aid in ships has already been given to the nations which would be the recipients of this additional benefit. The transfer of more ships would be gravely detrimental, not only to our national defense, but to our Nation's shipping industry, including labor as well as the ship operators.

No other economic segment of our Nation is being asked at its own expense to place the competitive industries of other nations in a better position than they enjoyed prior to the recent war. Any further transfer of ship charters at this time would constitute a threat to the security of the American people, as well as to the welfare of an industry which is one of our first lines of defense. Such a procedure would actually interfere with the maximum execution of the recovery program by delaying and disrupting the flow of relief supplies to Europe. The proposed transfer of these ships to foreign nations would enable those nations to release their own vessels for use in what they consider more lucrative activities. A study of the comparative prewar and present postwar tonnage of the nations involved shows that the majority of these nations at the present time have more merchant ships than they had prior to World War II. The claim that savings will be accomplished by putting these American ships under foreign charters has been refuted over and over again but no one has gainsayed the destructive effect upon our American merchant marine.

Those of us in Congress who represent districts bordering upon the Pacific coast are keenly aware of the hazards to which our constituents would be subjected if this proposal were carried into effect. We have bitter memories of the deplorable state of unpreparedness in which we found ourselves when the attack on Pearl Harbor occurred. This black lesson of national history must not be permitted to be repeated.

The people of my district in the great western port of San Francisco are deeply alarmed by this dangerous section of the House bill. Beyond its menacing effects upon the national defense, it would have disastrous economic results in this country. The employment of thousands of men engaged in the ship-building

trades and in the maritime industry would be jeopardized. This is a time, Mr. Chairman, when our Nation should be engaged in building a stronger merchant marine and the pending proposal to give away a large number of our few remaining ships is utterly preposterous. I earnestly hope that this crippling provision of the bill will be stricken out.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. BLAND].

Mr. HAND. Mr. Chairman, if it is in order, I should like to yield my time to the distinguished ranking minority member of the Committee on Merchant Marine and Fisheries.

Mr. THOMPSON. Mr. Chairman, I should also like to yield my time to the distinguished gentleman from Virginia.

Mr. BLAND. I thank the gentlemen for their kindness.

Mr. Chairman, I could not improve the debate on this amendment if I would try to. I have been a member of the Committee on Merchant Marine and Fisheries since 1921. I came here in 1918 when we were in the midst of a war. I have said frequently that if we had had a merchant marine when World War I was threatened we would never have gone into that war. If between World War I and World War II we had provided an adequate merchant marine, I do not believe we would have engaged in the last war. Now we are guarding against a third world war.

Someone asked a question as to these being charters. Charters? Do you know that today we are trying to get back from Russia 89 ships that were allotted to her under lend-lease? We have moved heaven and earth, and the chairman of the Committee on Merchant Marine and Fisheries, the gentleman from Ohio [Mr. WEICHEL] has been trying in every way he could to get those ships back, but we have not got them back. We are still told that these ships will be given back because they are chartered, but when they are chartered, and it is said over there that they are given away, we are not going to war to get them back, and they will be lost.

Let us preserve our independence, our manhood, and our people by keeping our ships here, ready. If war comes and we have to go abroad, we want those ships. Whatever the condition is, we want the ships to protect America. I have been fighting for that since 1921 and I am willing to continue my fight.

Mr. THOMPSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON. Mr. Chairman, a few weeks ago the Committee on Merchant Marine and Fisheries thoroughly thrashed out the question of advisability of extending the Ship Sales Act. In the course of our deliberations we concluded that it was wholly unwise and unwarranted to make further transfers by sale or charter or any other manner of any more of our surplus ships to foreign flags.

We heard testimony from the State Department, from ship operators, from our own Maritime Commission, and from others who were qualified to speak as experts. The State Department did not give us one single reason why we should dispose of any more of our ships except to say that they thought it was economically wise to rebuild the foreign merchant marine to its prewar level. Since this has already been accomplished and the foreign merchant fleets have already been restored, we did not regard this as a valid reason. It is apparently a little known fact that we have already rebuilt the foreign fleets. Nevertheless. it is true, and some foreign nations are already so far above their own requirements that they are chartering some of their surplus ships to still other foreign flags.

We Americans do peculiar things sometimes, and we do not always use the best judgment in making our decisions. For one thing, we are extremely generous and a "soft touch" for less fortunate nations—which they all are. We bend far over backward to demonstrate our national generosity, just as we are now proposing to do. We have another peculiar trait which prompts us to take the advice of almost anyone except those qualified to speak. We ask the man on the street how to doctor ourselves when we are under the weather. We ask the druggist for legal advice, and let the Ladies' Aid Society tell us how to defend the Nation from attack. We drive our doctor nuts when we call on him finally to undo the error we may have made when we find ourselves really sick. The lawyer all too often has to get us out of a legal jam, and by following the inexpert advice of the pacifistic idealists we have twice in recent years had to call upon the military experts to get us out of devastating war.

Now, when we are proposing to tamper with the merchant marine and to seriously impair the economics of that extremely important business, it is significant that not one single member of the Committee on Merchant Marine and Fisheries has been consulted, nor, so far as I know, have any members of the Maritime Commission, the Navy, nor any others who might qualify as experts.

We hear only vague statements to the effect that it will be more economical for us to ship by foreign vessels. I have no inclination to get you all tangled up in a mass of figures, but I do think you will be interested in a general analysis of the fallacy of this idea and in the factors which make it a fallacy.

The committee in its report says that it would be uneconomical and contrary to the best interests of the American people to prohibit the transfer of laid-up American merchant-marine ships for a limited period. Now let us see whether it would be uneconomical to make the transfer.

You will note if you read the bill that the ships in question are now laid up. They have been stripped and are not ready to go to sea. Many of them are in need of extensive overhaul and replacement of a great deal of essential equipment. All of this overhaul, all of the repair work, all of the expenses of every kind are to be paid for by the United States. The cost is variously estimated, depending upon the condition of each individual ship, at from $25,000 to considerably over $100,000. If the average is $50,000, which is extremely conservative, then the cost to the United States for this one item alone will be $10,000,000. The United States has sufficient ships under its own flag to carry the commodities provided under the Marshall plan. It follows, therefore, that if we put foreign ships in competition with our own, then our own ships will have to be laid up. Their crews will be on the beach, and they will be subject to unemployment insurance. The operators will lose the income to which they are entitled, the Government will lose the taxes; the ships which are laid up will begin deteriorating far more rapidly than they would if they were kept in operation.

In the case of the foreign ships, the United States would pay in dollars for port charges, fuel supplies, and loading. This group of items alone will run over $60,000,000, based on the expected tonnage to be handled by the ships in question.

Then there is an interesting little item of transportation, wages, subsistence, and lodging for 8,000 foreign seamen who would come to the United States ports and stand by while the vessels are being made ready for delivery. The best advice I can get on the subject indicates that this little item will cost our Government $4,000,000.

It all totals up to an outlay on our part of some $128,000,000, none of which would have to be spent if we used our own ships. I invite your attention to just one other item and it is of grave and critical importance at this moment.

There is a fleet of submarines in this world composed of the best and most modern types. There are supposed to be 200 of them and some have been reported prowling around off our Pacific coast in recent days. If we should be suddenly attacked it is very likely that these submarines would sink every vessel they could find and we would, therefore, be faced with an immediate shortage of ships with which to support the Navy and to move troops and supplies to strategic points around the world. We would then be forced to immediately start building more ships. During the last war, they cost us $1,800,000 apiece. Today they would cost a good deal more.

These particular 200 ships, scattered around among the nations of Europe, would fall an easy prey to the attacker and would very likely be sunk or taken over in large numbers. If you fritter away these 200 ships, you ought to set aside immediately the funds with which to replace them, because you are certainly going to have to do that very thing.

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Chairman, I am in favor of this amendment. We need a strong merchant marine now and we may need a stronger one in the years ahead. We are building a strong merchant marine in this country and it certainly does not make sense to give away ships we may be sorely in need of in the not too distant

future. Let us do nothing to weaken this very important arm of our national defense.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, I hold in my hand a copy of the Merchant Marine Act of 1936 referred to as the Magna Carta of the American merchant marine. I served 20 years on the Committee on Merchant Marine and took an active part in making this legislation possible.

The opening line of section I, of that act reads as follows:

It is necessary for the national defense and the development of its foreign and domestic commerce.

It further states that—

It must be capable of serving as a naval and military auxiliary in time of war or national emergency.

Mr. Chairman, the four main links in our national defense are Army, Navy, Air Service, and merchant marine. They are all interdependent upon each other and, like any chain, it is no stronger than its weakest link.

It cost this Government $15,000,000,000 to build a merchant marine necessary to win the Second World War. We were building ships until V-day in Europe. Every ship built in this country was in actual use by this country until that time. Mr. Chairman, Britain was building ships for her postwar trade before V-day in Europe. Not only was she building ships for her own postwar trade, but she was building ships before V-day in Europe for neutral Portugal. Britain today has a greater tonnage of better ships than she had before the outbreak of the Second World War. Sweden took advantage of her neutrality to build over a million tons of splendid ships for her postwar trade.

The proposal to transfer 200 dry cargo ships to participating nations was stricken from the bill on the floor of the other body by a unanimous vote. It may be true that we have more ships of the Liberty type than we actually need in time of peace, but in time of war we need every vessel in our merchant fleet right here in this country as our auxiliary Navy and as an integral part of our national defense. Anything may happen with world conditions as they are today. Give to participating nations money, or our products, or our wares, but in the name of common sense and national security let us keep our ships and strike from the bill the provision turning over our ships and thereby weakening our national defense.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., March 24, 1948.
The Honorable RICHARD J. WELCH,
The House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: Being fully aware of the keen interest you take in the American merchant marine, I wish to direct your attention to paragraph (4) of section 111 of the bill S. 2202, the so-called European Recovery Act. The paragraph to which I direct your attention is found on pages 65 and 66 of the Senate act as reported to the House of Representatives.

When the Senate bill was reported it also contained a paragraph providing for the chartering, to participating countries, of a number of merchant vessels owned by the United States. We supported an amendment proposed by Senator BREWSTER which struck the provision from the bill.

The American Federation of Labor strongly urges the Members of the United States House of Representatives to drop the House provision above mentioned, which permits the chartering of 200 American cargo vessels to foreign nations, as the leasing of these vessels to foreign countries certainly will not build up the American merchant marine, and, in addition, will cause disemployment of 200 American crews.

Needless to say, the maintenance of the American merchant marine is of primary importance to our national defense and, as one of the earliest and strongest supporters of the Marshall plan, the American Federation of Labor calls for the elimination of the proposal for the leasing of American ships to foreign nations, with only the best interests of the European recovery program at heart.

Sincerely,

W. C. HUSHING,
Chairman, National Legislative Committee, American Federation of Labor.

SAN FRANCISCO, CALIF., *March 22, 1948.*
Hon. RICHARD J. WELCH,
House of Representatives,
Washington, D. C.:

Alarmed by revival in House ERP bill of plan to charter American vessels to foreign nations. Believe charter plan as recommended by House Foreign Affairs Committee dangerous to national defense as well as to security of maritime workers and industry. Long debate on plan would serve only to obstruct ERP. Charter of vessels to foreign nations, all of whom have returned to prewar maritime strength, would weaken United States competitive position. Believe that Senate, House, and President acted in best interest of Nation when passed and approved extension of Merchant Ship Sales Act last month. This act prohibits foreign sales or charters. Since charters would not accomplish savings nor expedite ERP, we request your support of ERP as set out in S. 2202 eliminating foreign charters.

HUGH GALLAGHER,
Vice President and Operating Manager, Matson Navigation Co.

SAN FRANCISCO, CALIF., *March 22, 1948.*
Hon. RICHARD J. WELCH,
House of Representatives:

As a citizen of San Francisco, in our second most important maritime State, I feel there is no valid argument in favor of chartering 200 American ships to foreign nations under ERP as recommended by the House Foreign Affairs Committee. Such charters are unnecessary to the success of the Marshall plan. No additional ships are needed for relief haulage in the Atlantic; on the contrary, ships are in need of cargoes today and will be when the plan goes into effect since no more cargoes are planned under its first year of operation than moved last year. These nations are not in need of more ships to reestablish their prewar position. With over 1,000 American war-built ships already sold to foreign nations and with the ships being built abroad, their merchant fleets are already over prewar level. Already the five ERP nations have more vessels operating in the Pacific than prewar, in purely commercial trade, having nothing to do with the haulage of relief. The change-over of such ships now would only disrupt the even flow of relief goods. The loss of immediate control over so much shipping by the American people at this time would be perilous. All of these arguments have been heard over and over by the House and Senate. Congress made its decision when it passed the Extended Merchant Ship Sales Act not 30 days ago, prohibiting any foreign sales or charters. The Senate more recently reaffirmed this prohibition in its version of the Marshall plan. You are strongly urged to support the immediate adoption of S. 2202, as it affects American shipping.

H. F. CLIFFORD,
Luckenbach Steamship Co.

SAN FRANCISCO, CALIF., *March 22, 1948.*
Hon. RICHARD J. WELCH,
House of Representatives:

We are unable to understand reported action by the House Foreign Affairs Committee recommending the charter of 200 American ships to foreign nations under ERP. It is plain that this committee has acted on last-minute pressure from the State Department, which has rightly urged prompt passage of the Marshall plan. We are in accord with the view that a reasonable aid plan for Europe should be passed without delay. However, we point out that both Senate and House have had endless hearings in which they have heard all segments of American labor, all segments of American shipping, the United States Chamber of Commerce, many local chambers, and numerous other interested and informed bodies including the United States Maritime Commission itself. Not one of these groups has failed to vigorously oppose charters or sales. Yet each of them recognizes immediate need for European aid.

The Senate and House have heard every argument from every quarter and have made their decisions. They passed an extension of the Merchant Ship Sales Act not 30 days ago. The President signed this bill. It is now law and prohibits any charters or sales. The Senate more recently went on record against any such charters or sales when it passed the Vandenberg-Connally bill. Your efforts to prevent any such charters will simply be confirmation of present law and the present Senate version of the Marshall plan and we urge you vigorously to oppose this last-minute effort to scuttle the merchant marine which would release a substantial portion of our first line of defense from the immediate control of the American people.

VINCENT P. MCMURDO,
West Coast Manager,
Luckenbach Steamship Co.

SAN FRANCISCO, CALIF., *March 20, 1948.*
Hon. RICHARD J. WELCH,
House Office Building, Washington, D. C.:

We are frankly amazed at the statement accredited by the press to a member of the House Foreign Affairs Committee that a failure to provide for charters of American ships to foreign nations under ERP amounts to a subsidy for American shipping. Apparently this statement is based on a conviction that a substantial saving can be made to the United States as a result of such transfers. Our industry, through the National Federation of American Shipping, has repeatedly pointed out to interested committees that little, if any, real saving would result when proposed transfers are considered in the light of all the circumstances. Further, any real savings accomplished would be discriminatory against American shipping, both labor and operators. No other segment of our Nation is being asked at its own expense to place the competitive industry of another nation in a position better than it enjoyed prewar. We strongly urge that you act to prevent any such charters in accord with the Merchant Ship Sales Act and the

already expressed feeling of the Senate in its passage of the Vandenberg-Connally bill. In addition to the foregoing, there of course is always the dangerous possibility of tonnage operating under a foreign flag falling into hands disadvantageous to our national security.

W. T. SEXTON,
President, Coastwise Line
(Coastwise Pacific Lines).

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS of Texas. Mr. Chairman, there are three good reasons why this section of the bill giving away 200 of our merchant ships should be stricken.

First. Instead of weakening our merchant marine fleet, we should be strengthening it because an army and air force overseas is helpless without a strong merchant marine fleet to supply it. In fact, our merchant marine fleet has been neglected to the point where it is now becoming serious. The President's Advisory Committee on Merchant Marine, in its report about 2 months ago, pointed out the danger signal.

Second. The paragraph clearly is discriminatory against the shipping industry and its employees. We all know that ERP will greatly benefit many types of industry, many producers of agricultural commodities, many forms of transportation, as well as other segments of our economy. Under normal course of business the shipping industry would benefit. So why penalize it and our merchant seamen.

Third. It does not make sense, in the light of world conditions, to give away a badly needed weapon of national defense, particularly in view of the fact that a ship cannot be ordered from a Sears Roebuck catalog. It takes time to build one, and time, if this country gets in trouble, is what we will need most. Recall during the dark days of 1941 that it was our old laid-up ships that really saved the day.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, a few minutes ago when a member of the committee said that this provision in the bill originated in the State Department, the cat was let out of the bag. It has been typical of the State Department in recent years to attempt to destroy the American merchant marine. In substantiation of that statement, I remind you of the astounding fact that when the ships sales bill was under consideration in the Committee on Merchant Marine and Fisheries, the State Department proposed a provision which would permit the sale of American ships to foreigners on more advantageous terms than to Americans. This charter provision is equally outrageous. These 200 ships, if chartered to foreigners, would drive an equivalent American tonnage off the seas, to say nothing of bringing unemployment to their crews.

Furthermore, the bill, as you will notice, makes no mention of the terms of the charters. There is nothing in the bill to prevent chartering these ships to foreigners at the rate of a dollar a day. If that is the sort of measure the House proposes to enact after we have spent billions of our dollars during World War II to build up an American merchant marine, then I suggest that the House is not legislating with intelligence.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, I have only been in Congress for 7 years. During that period of time I have never known the State Department to represent the United States. It would be very revealing if they would turn their eyes toward the people of this Nation. They are like the well-known chameleons who, when they leave these shores, assume the colors of the country to which they are going instead of the country from whence they came. It took 800 ships, according to my friend the distinguished gentleman from Pennsylvania [Mr. VAN ZANDT], to accomplish the Leyte invasion, and 1,200 ships from the merchant marine at Lingayen Gulf, and 2,500 ships were to be used against the Japanese mainland. You can forget about your Air Force, you can forget about your Navy, you can forget about your Army, if today you forget about your merchant ships. It just does not make sense. It is like a dog trying to run on three legs. This country cannot run on three legs as long as the State Department lampoons the people and immobilizes the merchant marine. The merchant marine is the only thing that can carry our auxiliaries and mechanisms of war wherever we may have to fight a war. You can vote today on this proposition, but remember we will have an unbalanced defense force in the event of another war. The State Department does not represent my district on the proposition in which they recommend the destruction of our merchant marine.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Chairman, it is quite a commentary on the way this legislation is being pressured through that on this amendment, so vital to the American merchant marine, a gag rule of 45 minutes has been applied, and the many Members who are resolved to fight for the merchant marine have a minute and a half apiece in which to do it. Obviously no argument can be made in that time. I can only point out, as a member of the Committee on Merchant Marine, and as such, charged with a special study and special responsibility in maritime matters, that if this amendment is not adopted, it will be a knockout blow to the merchant marine of this country and will put thousands of American seamen on the unemployment rolls.

The only argument in favor of chartering the ships is economy. It is a fine time for the proponents of this bill to start talking about economy. Every move except this one has been to add a few hundred millions to the cost. But this will not save money, Mr. Chairman, not one cent. The money appropriated in this bill will be spent. It might get some more goods shipped to Europe, but it will not save the American taxpayers. On the contrary, they will lose, at least to the extent of the revenues from chartering American ships to American operators, and from taxes derived from these operations.

The merchant marine is an integral and important part of our defenses, and as such we must guard it.

The other body had the good sense to knock out this provision, and we must do likewise.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WOLVERTON].

IN FAVOR OF AMENDMENT TO STRIKE OUT OF EUROPEAN RECOVERY BILL SECTION RELATING TO TRANSFER OF 200 SHIPS

Mr. WOLVERTON. Mr. Chairman, as one of those who desire to support the foreign assistance bill, now under consideration, I am distressed to find that the bill provides for an additional transfer of 200 ships. This, in my opinion, is a great mistake. It ignores entirely the basic facts with respect to the need of any such transfer in a program of recovery for European shipping. I was a member of the Colmer committee and the Herter committee. I visited Europe. I think I know what these countries need. They do not need these 200 additional ships.

It is difficult to understand upon what theory of need the Foreign Affairs Committee decided in favor of this additional transfer. The Senate could see no necessity and accordingly voted it down. The House committee has overlooked the fact that the American merchant marine fleet has already been depleted by a transfer to European nations of 1,054 large ocean going vessels. Of course, no one would charge that the committee has intentionally sought to sabotage the American merchant marine, but, that nevertheless will be the practical effect of its latest action in further depleting our fleet.

European shipping has already had all the recovery it should have as a result of American contribution. The 1,054 ships already transferred is a very generous help toward foreign shipping. Why should there be any further help given in this regard? We should not become so zealous in our desire to help as to seriously hinder and handicap our own shipping. It has been a long hard struggle to build an American merchant marine and now when we begin to realize it we start to throw it away. It just does not make sense to anyone who thinks in terms of our own interests. European shipping has already had its recovery program. This program of further transferring ships makes us look ridiculous and it is ridiculous. All of the advantages which the sponsors of this further gift portray can be accomplished by European nations utilizing 200 of the 1,054 ships we have already given. There is a time to be generous and a time to be sensible in displaying a charitable purpose. We have been more than generous by the transfer of 1,054 ships already given. It is time now to be

sensible and withhold this additional transfer of ships.

Every Member of the House before voting to sustain the transfer of 200 ships as provided for in this bill should determine:

First. Will the charter of 200 vessels from the laid-up fleet to foreign nations affect the American merchant marine?

As an answer to this question, I submit that the charter of 200 vessels to foreign nations from the laid-up fleet will result in the immediate lay-up of at least 200 vessels presently flying the United States flag. During the last 6 months of 1947, over 370 vessels flying the United States flag were laid up in our reserve fleet. During January 1948, 58 vessels flying the United States flag were sent to the laid-up fleet. During the first few weeks of February, American ship owners informed the Maritime Commission that they are returning an additional 58 vessels for lay-up. Hardly a day passes when one or two vessels are not turned back to the United States Maritime Commission. The lay-up of American-flag vessels is a direct result of the large-scale construction of vessels abroad and the numerous transfers of American tonnage to foreign flags. There is at present an excess of large tonnage over the demand, and the American fleet being the highest-cost operator suffers all of the contraction. It is folly to suggest that vessels transferred to foreign flags from our laid-up fleet do not affect the active American fleet. Actually, if transfers are to be made, it would be wiser to haul down the American flag on an active ship and turn it over to foreign flag, since the cost of removing a vessel from lay-up for charter to a foreign government and of returning an American-flag vessel to lay-up is approximately $25,000. The cost of removing 200 vessels from lay-up for foreign charter, and of returning 200 American vessels to lay-up would be approximately $4,500,000–$5,000,000.

Second. Will the refusal of the United States Government to transfer additional vessels to foreign countries increase the cost of the European recovery program?

As an answer to this question, I submit an unqualified "no." The Congress is going to appropriate a specified amount of money for the European recovery program. Whether the goods secured under the program are to be carried in American vessels or in foreign vessels will not alter the sum appropriated by the Congress. Hence, the cost to the American taxpayer will not be increased if provisions are made for the transportation of a certain portion of the ERP commodities in American vessels. It has been argued, however, that, insofar as dollars must be used for the purchase of American shipping services, they will not be available for the purchase of other commodities. This argument is truthful, but it does not tell the full story. There is no doubt that there will be some savings in dollars if the 16 European nations were able to transport all of the ERP goods in their own bottoms. However, the savings has been greatly overestimated. Despite the fact that the State Department's original estimates ran between five hundred and six hundred million dollars, the Herter committee in its report entitled "Transportation as It Affects the European Recovery Program," comes to the same conclusion as the National Federation of American Shipping, namely, that the saving at most will run between two hundred and three hundred million dollars. As the National Federation has pointed out, the estimated saving is about 2 percent of the amount of funds to be made available under the ERP. These savings must be counterbalanced by a number of other factors. Our Nation spent over $225,000,000 training the maritime labor force we now have. Dissipation of this maritime labor force by the transfer of additional vessels to foreign countries will be a real loss to our Nation which must be counter-balanced against the alleged savings. Similarly, seamen will be thrown out of work and their families will suffer hardships. There will be the cost of unemployment-insurance benefits and the loss of the taxes paid by seamen and the business that their earnings generate. Hence, the question really before the Congress is one of balancing a small diversion on the part of the European nations from certain commodities purchases to shipping-service purchases against the great loss to our Nation. Moreover, we may well question why the American fleet must be driven off the seas while these European nations pay dollar freight for tonnage flying the Panamanian and Honduran flags which is owned by citizens of Greece, of Great Britain, of Sweden, and possibly of other European countries. If the 16 European nations are really interested in saving dollar freight, let them show their good intention by requiring their citizens to register their tonnage under their own flags.

It seems to me that European shipping has already had its ERP. Our Nation has met its moral obligation to aid in the rebuilding of the merchant fleets of our wartime allies by the transfer up to March 1 of over 1,054 large ocean vessels aggregating in excess of 8,000,000 dead-weight tons. As a result of these transfers and of expanded shipbuilding programs, the ERP nations today have considerably more large oceangoing vessels than they had before the war. If other industries in western Europe had similar recoveries there would be no need for any European recovery program today.

American shipping and shipbuilding in contrast has suffered a serious decline. Because of these transfers and European launchings, the American bulk-cargo fleet in foreign trade has declined from 1,500 vessels last July to less than 900 today. This has meant large-scale unemployment amongst seamen, ship-repair workers, and has affected a host of industries related to shipping and shipbuilding.

It is important to point out that the exceptional revival of the European merchant fleets in regard to large vessels has been obscured by the tendency of our State Department and the sponsors of this bill to emphasize over-all tonnage figures. It is true that the European fleets are deficient in certain types of vessels, largely small vessels for short trades and passenger vessels. We have no vessels of this type available for sale to these nations. Nor will the transfer of additional vessels of the 10,000-ton category compensate for the lack of these particular types of vessels.

Further transfers of large vessels will, however, result in the immediate lay-up of at least an equal number of vessels operating under the American flag injuring the long-range prospects of the American merchant marine, reducing the revenue to the United States Treasury from charter, hire, taxes, and so forth, and causing additional wide-scale unemployment in the maritime industry.

Answering Secretary of State Marshall's letter of February 17 to the chairman of the Committee on Merchant Marine and Fisheries, I am at a loss to understand the logic of the State Department in this matter. The State Department says that there is 14,000,000 dead-weight tons of vessels idle in our laid-up fleet, and urges, since the American operators have no demand for these vessels, that we transfer some to foreign flags. The precise reason that American operators cannot utilize these vessels is the numerous transfers that have already been made. Further transfers will proportionally reduce the number of vessels now active that American operators can economically employ. The logic of the State Department followed to its conclusion will lead to the complete destruction of the American merchant marine.

There is no subject to which the Congress could more properly devote its attention than that of keeping alive the American shipbuilding industry and the building up of a merchant marine, commensurate with the size and importance of our Nation, adequate to meet the demands of peace and capable of being quickly expanded in time of war.

Just recently the Joint Congressional Air Policy Board, of which I had the honor and privilege of being a member, rendered to the Congress its report on the condition of our aircraft-manufacturing industry, the necessity of keeping it alive and ready to go at a moment's notice. The necessity of maintaining at all times a strong and up-to-date commercial air-carrier industry as well as fighting air force. The Air Policy Board was created by Congress because it was apparent that the aircraft-manufacturing industry was on its last legs, ready to die, unless help came in the form of an expanded program of construction.

The shipbuilding industry and our merchant marine are in identically the same condition as our aircraft industry. It is gasping. It is dying for lack of work. No one will deny that it is important to the economy of our Nation as well as our national security. In peace or war it is an absolute necessity and must be preserved with the same care and interest as we have displayed toward the aircraft industry. Both industries are in the same category of importance to our national welfare. Both should have the same consideration.

The report of the President's Advisory Committee on Shipping recognizes the importance of the shipping industry and

the necessity to give it new life. It recommends a program of ship construction, all too small, it is true, but, nevertheless, leaves no doubt as to the necessity for such a program.

Other countries, even the very ones that are seeking financial and other relief from us, are engaged in shipbuilding programs. As an illustration, Great Britain and Ireland, as reported by Lloyd's Shipping Register, were building more than half of the 3,846,656-ton total of new merchant shipping under construction throughout the world on June 30, last. British shipyards at that time had under construction merchant ships totaling 2,062,949 gross tons—53.6 percent of the world total. This figure marked the greatest activity in British shipbuilding since 1922.

At the same time as the British yards were showing this shipbuilding activity the United States was constructing only 183,236 tons, about 9 percent of the British construction program.

The figures of ship production in other European countries when compared with our own are likewise disturbing—Sweden, France, Holland, Italy, likewise exceed our total tonnage of construction. Merchant tonnage under construction in British Dominion likewise exceed our own. Our construction exceeded only that of Denmark and Spain. This presents a sorry picture.

The Secretary of State says that the sale of our surplus vessels will produce revenue to the United States Government and reduce the cost of the foreign assistance program. Since most of the sales to date have been on credit, and since the chartered terms in regard to the 200 vessels whose charter the House Foreign Affairs Committee has authorized is uncertain, I find that the net result will be a loss rather than a gain in revenue. At the present time, American operators of these vessels are returning to the Treasury in the form of charter, hire, and taxes, millions of dollars each month. In regard to the increased cost of foreign-assistance programs should the Congress refuse to transfer further vessels, I have watched the extravagant estimates of certain agencies which originally totaled as high as $600,000,000 reduced as more and more facts were brought to light until we are told today that the alleged saving would be in the neighborhood of $100,000,000. I seriously doubt whether there would be any savings to this Nation.

The estimates in regard to savings flowing from the charter of 200 vessels fail to take into account the revenue now derived from the operation of a like number of ships under the American flag, the charter hire, the taxes, the earnings of seamen, and the general beneficial economic results that flow to a large number of industries and areas of our country. The estimates fail to take into account the increased cost of unemployment insurance for our maritime workers and the wasteful dissipation of a skilled maritime labor force built up during the war at a cost of over $225,000,000 which would result from further transfers.

The Senate has on two different occasions voted unanimously to bar further transfer of American vessels. Less than 2 months ago this House, by a unanimous vote, took a like position. The action of the Senate and our prior action was based on sound reasoning. The proposals of the State Department, as embodied in the bill brought forth by the House Foreign Affairs Committee, on the other hand will seriously overtonnage the world merchant fleet with large vessels permanently impairing the opportunities for the development of the American merchant marine and the American shipbuilding industry.

I urge the Members of the House to reaffirm their previous decision and to eliminate the proposal contained in the bill to charter 200 vessels to foreign flags. I further urge the Members of the House to join with the Senate in providing that a reasonable proportion, a minimum of 50 percent, of the commodities to be exported under the European recovery program from the country be carried on American bottoms.

Mr. JUDD. Mr. Chairman, I rise in opposition to this amendment.

There are three basic reasons why it should be defeated. First, to save money; second, critical raw materials; and, third, national defense.

The American merchant marine must have a subsidy. There is not a man or woman in this House who disagrees with that. I will vote for whatever subsidy is necessary to give us the strongest merchant marine in the world. On the same basis that we vote direct subsidies to farmers to carry out price-support programs, the merchant marine ought to have a direct subsidy to the operators so that they can pay the wages that the American merchant seamen ought to have. But we should do it in a direct manner and not in disguise in the European recovery program. We should not go before the American people and ask them to give several billion dollars to put European countries on their feet, and then use several hundred millions of it as a subsidy for our own merchant marine. Furthermore, a sensible subsidy should be for the long-term world trade and not for this temporary program. When it ends we will be right where we are now, or still further behind.

A second way in which this amendment will increase the costs of shipping is that if the Administrator does not have this cushion to permit him to charter to the participating countries up to 200 vessels if needed, you know very well what will happen to the market rates for shipping. When UNRRA was enacted, the market rates went from $8 to $12 per ton in a few weeks. Every private American shipper as well as the Government had to pay 50 percent more for everything he shipped anywhere, because there was not a cushion of expanded carrying capacity to give the Administrator a chance to hold down the rates.

We ought to have high wages for American seamen, but we should do it outright and not in this bill for European relief and recovery.

It is because those countries cannot get our old ships that they are building new and better ships, while we hang onto our obsolete ones and do not build new ones. They build new ships with critical raw materials, that we need here at home. With market rates set to take care of Uncle Sam, the highest cost operator in the world, the other countries can more than compete with us. They can make a killing with their lower costs when rates are even $8 a ton, as at present, not to mention the $10 or $12 a ton to which they will probably go if this amendment is adopted. They are already making such a killing, at the expense of our taxpayers. Again, if you are worried about the argument that this provision in the bill will weaken our national defense, look at the statement of Secretary Forrestal on February 11. Surely no one can accuse him of being less interested in our security than any person here, yet he said that in his opinion by the charter or transfer of title of up to 500 vessels we stand "to gain more from an over-all national security standpoint than we stand to lose." Our bill as it is, authorizes only the charter and of not to exceed 200 ships. That will strengthen our national defense and not weaken it. The vessels are better off and more readily available if in operation by our allies than they are rotting away in the James River, or elsewhere, as are some 1,200 other vessels.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JUDD] has expired.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that the 1½ minutes allowed to me may be assigned to the gentleman from Maryland [Mr. SASSCER].

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SASSCER. Mr. Chairman, our merchant marine has traveled a tortuous and difficult path through the years. It is a vital part of our secondary defense. We have been loaning money to other countries to subsidize their merchant marine. That merchant marine is in competition with ours, which is but partially subsidized. It is my honest conviction that if we turn over these 200 ships we do not help European recovery. We will hinder European recovery, because by our so doing we weaken an important part of the fabric of our own economy, which naturally reflects itself throughout the world.

I think it is important and vital for us to keep these ships, and I hope this amendment will prevail.

The CHAIRMAN. The gentleman from South Dakota [Mr. MUNDT] is recognized.

Mr. MUNDT. Mr. Chairman, this issue has been greatly confused during the debate this afternoon. It is not a question of dismantling the merchant marine at all. Nobody proposes to scuttle or even reduce our merchant marine. It is a question of taking 200 ships which are not now being used and loaning them to countries which can use them at a considerable saving to the American taxpayer, in order to have this legislation do what it was designed to do—that is, to strengthen the friends we have in Europe.

At no time is it contemplated scuttling the American merchant marine. It is utilizing ships that are not being used. Eighty percent of the present cargoes of

our American merchant marine is comprised of foreign relief, paid for by American taxpayers. Those who want to see the taxpayer get his money's worth in this program will vote to continue the legislation as it now is.

I agree with the gentleman from Minnesota [Mr. JUDD]. I want a strong merchant marine and I will vote to subsidize it to any extent necessary to keep the merchant marine strong, but I do not think we should raid a bill of this kind simply because special interests want to get the last pound of flesh which is available to them through refusing to loan idle merchant ships to friendly neighbors so as to reduce by some $600,000,000 the burdens of our American taxpayers.

These 200 ships are being taken from a pool of ships not now being used, to loan them over to friendly countries, where they can use local currency, local sailors to ply the oceans without charge to us. It saves the American taxpayer most of the cost of transporting our supplies to the countries requiring and meriting our assistance.

The CHAIRMAN. The time of the gentleman from South Dakota [Mr. MUNDT] has expired.

The gentleman from Ohio [Mr. VORYS] is recognized for 1½ minutes to close the debate.

Mr. VORYS. Mr. Chairman, the committee's provision on shipping is based on this simple proposition, that people who get relief ought to haul it away at their own expense. On the other hand, this amendment proposes that the shipping interests, owners, and seamen, want to profit by relief at the expense of the American taxpayers.

We need a merchant marine but we ought not to subsidize it by loading hundreds of millions of extra dollars of relief costs for the merchant marine on to ERP.

The State Department says this proposed amendment might cost as much as $600,000,000. The shipping interests appearing before the committee said that it can only cost our taxpayers $200,000,000 more.

As for defense, Secretary Forrestal has shown that the chartering of these ships would add to the strength of our defense. It is inconceivable that with a privately owned fleet of nearly 11,000,000 tons we would need for defense these 200 ships that are not now being used. While the special interest flag-waving plea is very strong here, let me assure you that if you vote down this amendment you will not be striking at national defense, because line 11 of the committee bill provides that the President may terminate any charter when it is necessary in the interest of national security.

Defeating this amendment will save the taxpayers upward of $200,000,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 165, noes 32.

So the amendment was agreed to.

Mr. COLMER. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: On page 65, lines 5 and 6, strike out the comma and the words "merchant vessels authorized to be chartered under paragraph 4 of this subsection."

Mr. COLMER. Mr. Chairman, I think the reading of the amendment is sufficient. Since the amendment striking out subsection (4) was adopted a moment ago, these words in the bill are surplusage.

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

Mr. BRADLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BRADLEY:

On page 65, line 15, strike out the words "a substantial portion" and substitute in lieu thereof the words "at least fifty per centum."

Page 65, line 18, strike out the words "dry cargo."

Mr. VORYS. Mr. Chairman, in view of the fact that this traverses much the same matter that has already been debated I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BRADLEY. Mr. Chairman, the purpose of this amendment is to accomplish exactly what most of us think the language of the bill means, but what the Administrator of ERP may not understand it to mean. I have little doubt but that our Committee on Foreign Affairs wants American shipping given a fair share of these American cargoes, but I submit that the words "a substantial portion" are meaningless if interpreted by an unsympathetic administrator. They may call for 75 percent, or for 10 percent, insofar as official compliance with the law is concerned.

It has been the consistent policy of the Congress to protect American industries from cheap foreign competition. When the Congress considered a matter somewhat similar to this in 1934, it passed Public Law 17, which declared:

It is the sense of Congress that cargoes purchased with American Government loans will move 100 percent on American vessels.

I appreciate that the "sense of Congress" is not a hard and fast requirement but, nevertheless, I invite your attention to the fact that this declaration is still on the statute books—it is still the law of the land—and, furthermore, that it was passed by a New Deal Congress—a Congress supposed to be much less sympathetic in industry than this Republican-dominated House.

When ERP legislation was under consideration in the other body, a 50-percent requirement was written into the bill on the floor without opposition. The amendment which I now offer brings the language of this House version into conformity with the bill as passed by the other body insofar as this provision is concerned.

If there is any one just criticism of this amendment, it is that the 50-percent requirement is too small. Just consider what it will accomplish. It does not require that American vessels carry one-half of all cargoes shipped out of the United States, although that would seem to be a fair request. It does not suggest that American vessels be given one-half of cargoes purchased with our money for European relief, wherever they may be obtained, although that also might be regarded as a fair request considering that American taxpayers foot the bills. Not at all. Not those things that would make common sense to the common man, but rather it assures Americans of only a few crumbs from the big loaf we are now baking to send abroad.

Please note carefully. This amendment requires only that American vessels shall carry one-half of the gross tonnage of commodities procured within the United States, out of funds made available under this title, and transported abroad on ocean vessels, and please note carefully once more—to the extent such vessels are available at market rates. Is this asking too much for our own people? Is this simple requirement going to make the law difficult to administer? Why, a good, competent, American moron could administer this simple provision of law, and I trust that the Administrator will have assistants above that level of intelligence. You may be told that this amendment will boost the cost of shipments. Just how? The language is plain—at market rates—and it is just plain horse sense that if we do not pay market rates to our own shipping, and to our own seamen, we will pay the same rates to foreigners.

No, Mr. Chairman. There are no real technical difficulties and no real additional expense features in this amendment. The objections boil right down to a steadfast determination on the part of the State Department to give American dollars—your dollars and my dollars—to foreigners to bolster their dollar exchange. I have heard this matter thrashed out with representatives of the State Department in the Merchant Marine and Fisheries Committee, and that is the only logical conclusion I could reach. It is the State Department's thoroughly un-American approach to the thoroughly American problem of maintaining an adequate merchant marine under the Stars and Stripes. It would hand the very livelihood of thousands of Americans to foreigners of many lands.

Mr. Chairman, I hope those who believe in the American way of life will rise here in support of this amendment.

Let us keep at least a thin slice of bread for the American seaman and his family. Let us remember that we are Americans.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment presents an administratively impossible monstrosity to the Administrator. He would have to be more than a moron. He would have to be an Einstein to figure out this business of 50 percent of ton-

nage on American ships. Of course, it will mean that in order to be on the safe side he will have to put more than 50 percent of the tonnage in American bottoms, thus carrying on what the House has apparently decided should be done, a relief program, a WPA program for American shipping interests, at the expense of the taxpayers. I am not speaking for the State Department. I am speaking for parts of the country that do not have shipowners and seamen but like to see their dollars used in the most efficient manner rather than as an indirect subsidy to a special interest.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from South Dakota.

Mr. MUNDT. I would like to point out to the House that there is a joker in the amendment offered by the gentlemen from California which will come back to plague some of these gentlemen representing the eastern seaboard, and who so enthusiastically voted for the Colmer amendment. He has stricken out the words "dry cargo" which means that those tankers which you will need so badly to bring fuel oil to New England and the eastern seaboard areas next winter will not be available if you vote for the amendment, because he says that at least half of the tankers have to be used to export supplies to Europe. I caution you gentlemen from New England, who will be pleading next fall for oil, that if you vote for this amendment you will have nobody but yourselves to blame for it, for you are thereby saying that at least half of the tankers to be used in this program to carry fuel and supplies to those European countries must be our American tankers so badly needed here at home. In addition to that, let me point out that what the gentleman from Ohio has said is completely true. This simply makes it more of a WPA project for the shipowners and the ship unions, because it says that not only can we not lease any of these vessels to foreign countries, but at least half of the shipments have to be made in American ships.

Your committee has conscientiously tried to weed out all of the special selfish-interest aspects of this measure. We have attempted to make it what it purports to be, a measure protecting the security of this country and not relief or subsidy for any special interest or any selfish group. But I want to emphasize the importance of at least keeping the tankers available to supply fuel oil for New England, and you people who pleaded so energetically to defeat the committee on the earlier amendment and now support this one will have an explanation to make to your constituents when they are cold next winter. Those of you from communities receiving your gasoline or fuel supplies in tankers better speak up now or forever hold your peace.

Mr. VORYS. Mr. Chairman, I want to make a sporting proposition to the House. Here is a 50-percent proposition in this amendment. You voted in one amendment on behalf of the shipowners and the unions. Now vote down one in favor of the taxpayers. Vote this one down. There is a 50–50 proposition.

Mr. MEYER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MEYER. Mr. Chairman, I shall vote for this European recovery program. That blunt statement is not to be construed as indicating that this has been an easy decision for me to make. It has been anything but that. I can think of no question or problem which has given me more concern than that posed by this measure. It is the most momentous and soul-wracking issue ever presented to me, in Congress or out. I know that I do not stand alone in this feeling, that many of you are perturbed by the magnitude of the problem with which we are confronted today.

Let me say here, Mr. Chairman, that the mass of unbridled and ofttimes wantonly raw propaganda that has drenched the country in behalf of this program has served much to becloud the issue and has made more difficult the making of a fair appraisal of such merits as the program may have.

Throughout the long period I have devoted in discussions and in following the hearings and the debate on this proposed foreign policy for a postwar recovery program, I have endeavored to maintain an open mind despite the resentment aroused by the propaganda for it and in spite of my feeling of skepticism for this approach to the world problem of Russian aggression which threatens to enshroud not only Europe but the world.

This skepticism has not been assuaged by the realization that we are now harvesting the bitter fruit of appeasement sown in secret agreements at Yalta, Tehran, and Potsdam. Neither has it been dissipated by our senseless policy of opposing Russia with the expenditure of billions of dollars of the taxpayers' money and at the same time permitting a continuance of the shipment of the sinews of war to this potential enemy.

The idea of foreign loans and gifts of additional billions of dollars from American taxpayers is repugnant to all my preconceived thinking. I am one of those who feel that Europe should realize that America canot become an international Santa Claus; that there is a bottom to our barrel of resources; and that the people of Europe should face up to that fact and rely upon their own initiative and will to do in their reconstruction plans.

But, Mr. Chairman, because of the abuses and inconsistencies of our foreign policy here we are, sitting on a powder keg with the world aflame and we must act. I can, therefore, see no alternative for us now at this late hour but to accept this program as a calculated risk which we must take. I am especially persuaded toward this conclusion by the fact that the measure before us specifically spells out a provision that the program shall be effectuated by an Administrator separate and apart from the State Department.

I am one of those, too, Mr. Chairman, who believes that a Representative in Congress should be just that—that he should represent as much as possible the majority view of a cross section of the thinking of the people of his district. To that end, following the President's message on March 17, when he gave dire warning that we are on the verge of war and urged early enactment of this European recovery program, I polled some 2,000 people in my district in all walks of life. Their interest in this vital question is indicated by the flood of prompt responses which I received. Throughout these returns there runs this common theme—that they are perturbed and have many misgivings as to the course we should pursue. Many wrote letters amplifying their views. A preponderant number joined in the feeling that we cannot now afford not to try this program in the face of world conditions as they confront us. One businessman and civic leader put it in a nutshell and voiced this preponderant opinion when he said:

> In the light of what has been published and with a feeling of hope rather than conviction, it seems to me that the Marshall plan probably is worth the risk involved. As to the amounts that should be allowed, I am willing to accept the judgment of the Congress. In general terms, it seems to me that a rather liberal maximum should be set with the idea that we can afford to be generous if the plan works but that there should be safeguards so that we can call a halt if the plan does not work or the recipient countries do not play their part.

And so, Mr. Chairman, fortified with this poll of opinion from my home folks I must, as a Member of Congress, meet the issue presented. Repugnant as is this program of embarking upon another large grant of billions for foreign aid, I must assume my responsibility and weigh the possible benefits as against the ills of such a program. After prayerful consideration, and with due regard for the thinking of my people, I have come to the decision that the future security of these United States and the possible prevention of the further spread of communism, with the implications of the prevention of a third world war, by the enactment of this so-called Marshall plan, will outweigh the drain upon our domestic economy and financial resources.

I have come to this decision with a feeling of hope rather than conviction. This feeling of hope is bolstered by the opinion of a great American, Herbert Hoover, who in his recent letter to the Speaker, gave his views and recommendations on the Marshall plan and came to this expressed conclusion:

> I realize that many approach this gigantic experiment with great apprehension and a realization of the sacrifices it will mean to our people. All legislation must be the result of compromise. However, if it should produce economic, political, and self-defense unity in western Europe, and thus a major dam against Russian aggression, it would stem the tide now running so strongly against civilization and peace. The plan, if well devised and under a capable administrator, stands a good chance of success. I believe it is worth taking the chance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BRADLEY].

The amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 68, line 18, after "prescribe", insert "in regulations promulgated by him with the approval of the Comptroller General of the United States"; and on page 68, lines 19 and 20, delete everything after the word "title."

Mr. JUDD. Mr. Chairman, the committee has no objection to this amendment. It was worked out by the General Accounting Office.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. ISACSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ISACSON:

On page 74, line 13, insert the following new subsection of section 111:

"(d) No portion of the funds or any other assistance authorized under this act shall be available for the procurement of petroleum or petroleum products from Middle East sources or for financing or in any other way assisting the exploitation and development of Middle East sources of petroleum or petroleum products. For the purposes of this title the Middle East shall include Saudi Arabia, Yemen, Iraq, Iran, Kuwait, and Bahreen."

On page 74, line 25, after "United States", insert "and the Middle East."

The CHAIRMAN. The Chair will advise the gentleman from New York that the last part of the amendment just reported, applying to line 25 on page 74, is part of section 112. That section has not yet been read, so that part of his amendment cannot be considered at this time.

Mr. ISACSON. Mr. Chairman, I ask unanimous consent that both be considered together.

Mr. VORYS. I object, Mr. Chairman.

Mr. ISACSON. I will speak on the first part of the amendment.

The CHAIRMAN. The gentleman will have to ask unanimous consent to modify his amendment so as to consider only the first part.

Mr. ISACSON. Mr. Chairman, I ask unanimous consent that my amendment be so modified.

Mr. VORYS. I object, Mr. Chairman.

Mr. BLOOM. I hope the gentleman will not object.

Mr. ISACSON. Mr. Chairman, I offer my amendment again.

The CHAIRMAN. With the latter part deleted?

Mr. ISACSON. With the last part omitted.

The CHAIRMAN. The Clerk will report the amendment as now offered.

The Clerk read as follows:

Amendment offered by Mr. ISACSON: On page 74, line 13, insert the following new subsection of section 111:

"(d) No portion of the funds or any other assistance authorized under this act shall be available for the procurement of petroleum or petroleum products from Middle East sources or for financing or in any other way assisting the exploitation and development of Middle East sources of petroleum or petroleum products. For the purposes of this title, the Middle East shall include Saudi Arabia, Yemen, Iraq, Iran, Kuwait, and Bahreen."

Mr. ISACSON. Mr. Chairman, my amendment would forbid the use of Marshall-plan dollars to buy Arab oil.

On Monday, March 22, in addressing this body, I charged that the administration's betrayal of the Palestine partition plan was compelled by the powerful oil lobby. I presented a factual indictment of the dealings of the Arabian-American Oil Co. with the Grand Mufti of Araby, which I challenged President Truman to deny. There has been no denial.

On Wednesday, March 25, in addressing this House further on this subject, I made an even more serious charge. I stated that the administration has abandoned the United Nations partition plan for Palestine as a direct corollary of this foreign-assistance bill under consideration. Again there has been no denial.

To support my contention, I cited section 112 (b) of the bill which directs the procurement of oil from sources outside the United States. In answer to the question "What sources outside the United States?" I cited the report of the Committee on Foreign Affairs, page 10, which reads as follows:

Petroleum, too, will furnish peculiar difficulties which are not rendered easier by the existing threats of political chaos in the Middle East, centering on Palestine. The whole European-recovery program depends in considerable measure on the development of the exportable oil of the Middle East in the next 3 or 4 years, since, without oil, not only its industrial users but transportation will be seriously crippled.

This language clearly established why the Jewish state was being betrayed.

This language clearly established why the United Nations was being destroyed.

This language clearly established why the plighted word of the United States was being broken.

The deal is simplicity itself. Aramco, with its new pipe line through the Arab nations, will produce oil cheaply. The Marshall-plan nations armed with 4,000,000,000 Marshall-plan dollars—out of a total $17,000,000,000 program—specifically allocated for the purchase of oil outside of the United States of America under section 112 (b), will buy the oil at tremendously high prices. Result: Millions of dollars' profit for the oil interests.

Thus the Truman administration not only betrays the Jewish people, the American people, and peace itself, but asks that the American people spend billions of dollars so as to make possible this betrayal which is so highly profitable to a few oil corporations.

Nor is this a minor aspect of the Foreign Assistance Act of 1948. All the studies behind the Marshall plan and the ERP have studiously avoided giving full information on anticipated expenditures for petroleum products and facilities. But the basic truth cannot be concealed: that more than one-fifth of the ERP outlay is intended to return to the coffers of American oil interests.

Five large American oil corporations are principally involved in the lavish expenditures of billions of dollars for oil procurement primarily from the Middle East and the Caribbean.

These include first of all the Standard Oil Co. of California and the Texas Corp., who jointly hold the huge concessions in Saudi Arabia and the Bahreen Islands. Two additional oil companies, Socony—short for Standard Oil Co. of New York—and the Standard Oil Co. of New Jersey have recently arranged to buy into the huge Saudi Arabian oil concession. These two companies also share in the huge Iraq oil concessions.

The Gulf Oil Co. and the Shell Co., a private British-Dutch oil monopoly, hold the remaining shares.

These five American oil companies will be the principal beneficiaries of the billion dollar oil expenditure under the Marshall plan.

"The public be damned" was the old motto of the trusts. "The peace be damned" is their new motto.

How lucrative the Middle East oil profits will be is apparent by the startling revelations which the National Defense Investigating Committee made last year in testimony which showed they were charging the American Government $1.05 a barrel for oil which cost them about 40 cents.

When one considers how successful these companies have been in making huge profits on direct Government purchases it is clear that there will be even greater possibilities for profits under the indirect purchases and loose methods of ERP.

The purpose of my amendment today is to put a stop now to this whole deadly game by prohibiting the use of any ERP funds for financing Middle East oil imperialism.

It is my conviction that if this amendment is accepted, we shall see an early end to the current outburst of war hysterics and a resumption of our Nation's now-abandoned humane solution of Palestine.

If this amendment is accepted, the "peace be damned" imperialists will have lost their major objective—profits!

Yes, take the profits out of betrayal and we may yet witness a restoration of the partition plan for Palestine.

Take the profits out of betrayal and we may yet return to the security of a strong United Nations.

Take the profits out of betrayal and we may yet—yes, even yet—avoid the horrors and destruction of total war and once more tread the narrow path of peace.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JACKSON of California. Mr. Chairman, I rise in opposition to the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Chairman, I rise in opposition to the amendment just offered by the gentleman from New York. The amendment, as he says, does simply one thing, and that is, that it denies to this country the right to purchase oil in the Middle East with ERP funds. I say it does one thing more. It cuts the throat of the United States of America. It does that immediately his amendment is adopted. The amendment deprives the United States of the ability to maintain itself as a strong Nation and as the only hope of the world today. It renders it impossible for us to obtain from the Middle East any oil under this program. Which means that all of the oil to be provided ERP countries would of necessity have to be diverted from our own critically short supplies.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I would prefer to continue.

Mr. BLOOM. It does not prevent us from buying oil over there. It prevents us from using this money to buy the oil. That is the way I understand it.

Mr. JACKSON of California. That is one interpretation.

Mr. BLOOM. I do not want the impression to go out that we could not buy any oil at all, but the money appropriated under the Marshall plan cannot be used.

Mr. JACKSON of California. The purpose of the amendment, whether expressed or not, is to prohibit purchase by this country of Middle East oil.

The Secretary of Defense has stated before the Committee on Foreign Affairs that denied access to the oil of the Middle East we would be unable to run our peacetime economy today, let alone any possible wartime economy. Industrial production in this country is so high at the present time that it is essential that we obtain every drop of oil and petroleum products possible from every available source.

Mr. ISACSON. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I prefer to finish first.

We are talking about a 70-group air force and talking about the enlargement of the Military Establishment, if it becomes necessary in the light of present circumstances. Failing access to the oil, what will we put in the gas tanks of the planes, the tanks and the ships—Coca Cola? It is going to take gas and petroleum products and oil from every source in the world to run in high gear today in the face of Red aggression. We cannot place manacles upon our hands as we approach the realities of a world in turmoil, where conquest and force run rampant.

If for no other reason, this amendment should be defeated, because it is an attack upon not only this program but upon this country as well. It is part of the pattern of planned chaos that we have seen in the past and that we shall continue to hear on the floor of this House. Here is an opportunity for this House to stamp its condemnation on words which might have appeared in the Daily Worker or which might have been spoken through the propaganda pipe lines from Moscow.

Mr. ISACSON. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. Yes, I yield.

Mr. ISACSON. Are you trying to tell this body that any resolution aimed against the Grand Mufti, against the Arabs, against the utilization of oil for the slaughter of innocent Jewish settlers is a resolution against the interest of this Nation? Is that what you are telling us?

Mr. JACKSON of California. I am telling the gentleman only that the national interest of the United States of America and the national defense of our country is of prime and total importance to me. I see in the gentleman's amendment a direct attack against those things. Therefore, I ask for a unanimous vote against the amendment.

The CHAIRMAN. The time of the gentleman from California [Mr. JACKSON] has expired.

The question is on the amendment offered by the gentleman from New York [Mr. ISACSON].

The amendment was rejected.

Mr. MATHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman—

> The moving finger writes, and having writ,
> Moves on: Nor all your piety nor wit
> Shall lure it back to cancel half a line,
> Nor all your tears wash out a word of it.

Upon the pages of history for three long years the "moving finger" of events has written the garbled, contradictory and incomprehensible record of waste, error, and futility known as the bipartisan foreign policy, spearheaded by the Democratic New Deal and tail-feathered by Republican internationalists. With it has gone $20,000,000,000 worth of our Nation's resources and the industry of the Americans who have likewise paid for it.

The continually repeated objectives of this policy were to stop communism and prevent another war, objectives with which no good citizen could quarrrel. Yet, now, after 3 years, we are further from the attainment of these ends than ever.

Do not take my word for it. Examine the sad admissions of the two men who have led the parade—President Truman and his Secretary of State Marshall.

The speech of the President to the joint session of this Congress on March 17 of this year was the nearest acknowledgment that this country is in imminent danger of war that could be made in high diplomatic language.

As for stopping communism, 2 days later, March 19, at Berkeley, Calif., Secretary Marshall said:

> Never before in history has the world situation been more threatening to our ideals than at the present time.

Have there ever been, in human experience, greater acknowledgments of failure, or more unqualified indictments of their own policies, than the statements of these two men?

That is the record. Neither the piety of starry-eyed global operators nor all the wit of New Deal speech and propaganda writers shall lure the finger back to cancel half a line of that record nor all your tears and all mine wash out a word of it.

Who keeps telling us democracy can be saved only by preventing another war? The same people and their prototypes who twice previously, with an interval of a quarter of a century, told us the only way to save it was by fighting two wars.

What did these people tell us we would get out of the last of these wars? A brave new world. This is it. What do you think of it? The Atlantic Charter. Does it even exist? The four freedoms, including freedom from want and freedom from fear. Was there ever a time when want and fear were so rampant in the world as today? American world leadership. How do you like the kind you have had so far?

It is these same people who for 3 years have been skipping happily along behind the bipartisan foreign policy to stop communism and prevent war, strewing roses of hope, violets of faith and lillies of optimism.

Since World War II, from a constantly deteriorating position of military, diplomatic, moral, and economic strength, we have spent carelessly, unwisely, and lavishly of our precious material resources; we have scattered our little forces abroad to so many places, in so many directions and for such devious purposes that we are dangerously extended and weak; we have bungled our diplomacy inside and outside the United Nations organization; we have insisted upon following commitments made secretly, ratified treaties, and dispensed still more of our precious resources to strengthen the one powerful nation fostering the very communism we said we were trying to stop; we have neither obtained nor tried to obtain military concessions or advantages to protect our own people in return for the billions of their money we have spent; we have poured materials into outposts on the doorstep of a potential enemy for that enemy to take over whenever it wills, with nothing to support those outposts nearer than the Western Hemisphere.

We have done those things which other nations wanted us to do and we have left undone those things which we ought to have done for our own. There has been no health in this bipartisan foreign policy.

Time and again, in public utterances, statements to the press and on the floor of this House, I have pointed out the inefficiencies, inconsistencies, failures, wastefulness and double talk of this bipartisan foreign policy. I detailed instances, figures, and facts. So have many other Members of this House. It would serve no purpose to set forth a lengthy review of these here.

If the record of our bipartisan policy is not one of outright treason, it at least is one of astounding duplicity. If it is not one of unconscionable deliberate dissipation of our national wealth, it is at least one of amazing incompetent waste. If it is not one of actual puerile nonsense, it is at least one of impracticability scarcely worthy of adult minds. If it is not one of deliberate evil doing,

it is at least one of misguided and erroneous intention, the latter having the same result as the former. When somebody stabs you in the back by mistake it makes just as big a hole as if he did it out of pure malice.

Why, then, should I vote for this bill, as I intend to do.

Because we are so deeply involved now that to try to suddenly and violently tear ourselves loose appears to me as disastrous a course as that which has gotten us into the mess. I must look at the situation as it is, not as it might have been had some of us prevailed in our previous efforts to keep it from getting that way. This is no time to say "I told you so" and wash my hands of the whole matter. The provisions of this bill, although complex, are highly superior to the awful Marshall plan which would put us in the bag for $17,000,000,000 more to be wasted by the State Department without the slightest regard for the safety, interests, and economy of our own Nation nor for the only thing that is certain—change; change in conditions here, in the participating countries and throughout the world. While I certainly do not like more Truman doctrine, and while I would like to detach some of the provisions of the bill so that child welfare, economic aid and military meddling are not all tied up in one inseparable bundle, nevertheless, I am forced to take it all or leave it all.

My record will show that I am not opposed to reasonable help to the suffering in other parts of the world nor to friendly nations. But it will show that I have opposed the purposeless prodigality of measures which have heretofore been adopted and much concerned about that characteristic in the administration of the rest.

Whether this 4-year program regardless of the provisions of the bill, as stated by the gentleman from Massachusetts [Mr. McCORMACK] or a 1-year program regardless of the provisions of the bill, as contended by the committee, will make little difference in the long run. If we elect a Republican President and Congress this fall, I am confident the program will be only what will be really helpful to the participating countries and at the same time reasonably safe for our own. If we do not, and the same gang goes back, or Henry Wallace gets in, the lid is off again, so what difference will it make then what we do now?

Let me congratulate the Foreign Affairs Committee for the comprehensive and candid report rendered on this bill as a substitute for S. 2202. Anybody who reads that report must be aware of the dangers in voting for the bill, as the committee wants us to do and which I am going to do for the reasons I give. I concede to those who vote against it many sound and convincing reasons for so doing. I cannot agree with many who will vote the same way I do who still believe that if only we keep putting an endless number of quarters in this slot-machine we will eventually hit the jackpot of no communism and no war.

Mr. Chairman, stopping communism is not a matter of a particular amount of money spent or a particular length of time over which you spend it. Communism may be used as a stick to stir up hysteria to get you to spend it. That is great propaganda for those so morally bankrupt they believe money can procure or prevent anything; that you can buy any friend or blackmail any enemy. Nothing but a complete regeneration in the peoples of the world of the courage to accept the great responsibility of liberty will stop communism. And that, right here in our country, is going to require a rebirth of old-fashioned Americanism. If that be reactionary, make the most of it.

With all the showmanship and horseplay about stopping communism outside of the United States, the President calls it a mere bugaboo here. Yet in the letter of the National Economic Council of February 15, 1948, after a careful review of the situation, there appear these words:

> As compared to total populations, the percentage of acknowledged Communists in the United States today is nearly as great as, if not greater than, the percentage that took over Russia in October 1917.

Granting that general conditions here are not as propitious to communism as in Russia in 1917, nevertheless, should, God forbid, hostilities start, think what that means in terms of possible sabotage, in the light of modern scientific developments. What could that number not do as leaders of or agitators in our labor organizations. Or in our armed forces. And in the important positions in our own Government which, in spite of the work of the Un-American Activities Committee, other committees and individual Members of this House in exposing them and bringing them to the attention of the Executive and the heads of his departments, they still seem to maintain.

Internationalists and liberals of both parties ought to know more about communism and its vicious attributes than some of the rest of us, because for years they have supported, fought for, consorted with, befriended, and defended communism and the Communists. Only after the American people became really aroused to this insidious ideology did they desert their erstwhile companions like rats leaving a ship sinking at the dock.

Ah, but Henry Wallace and his kind of liberals did not follow this bipartisan foreign policy. Why not? Simply and solely because, bad as it was, it was still not favorable enough to Russia and too favorable to the United States to suit them.

And, Mr. Chairman, you cannot prevent war by throwing around dollar bills.

The possibility of war is inherent in internal conditions in Russia, the maintenance of a vast overburdening Army and the political desperation of a dictator who knows no other way of trying to unify his people against a common enemy. It is inherent in the same political desperation of demagogs in this country who see no other way of remaining in power. It is inherent in further diplomatic stumbling on the part of our administration or an untoward incident somewhere in the world setting off a chain of events of which dictators and demagogs may take advantage.

If we are fortunate enough to avoid war, it will not be because of the policy we have heretofore pursued, but in spite of it. It will be because the grace of God is merciful to the stupidity of man.

In voting for this Economic Cooperation Act of 1948 I am not deceiving myself into believing that its passage will be received by the participating countries as something for which they hoped but to which they have no real right until the Congress passes the act. The passage will be nothing but formal confirmation of what they have been led to believe is already coming to them by the President, the Secretary of State, the internationalists, most of the newspaper editors, magazine-article writers, and radio announcers in the United States, by the most intense propaganda campaign it has been my misery to see.

It has been this technique of administrative propaganda built up with every important proposition before it comes before Congress which has prevented calm and impartial consideration of these measures, and has embarrassed this Congress in even attempting to give them such consideration. Under this technique the Congress cannot work freely in the use of its best calm, considered, and studied judgment. It works under pressure from masses of people who have been propagandized, pushed around, and worked into hysteria, with special effort on keeping them from learning all the facts and the truth before final action is forced upon the Congress. That is not our constitutional Republic in action. That is maneuvered democracy.

Should the act not be passed, these participating nations will not be merely disappointed. They will feel they have been robbed of something which already was theirs. I venture to say some of them will grumble because we have cut down the super boxcar figures of the Marshall plan and hedged the thing around with safeguards for our own economy. Uncle Shylock, some of them will say, is showing his true stinginess, meanness, and selfishness again. For have we not told them it is all for our own benefit, anyhow?

When I cast my vote for this bill, I wish I could do so with the great glow of smug self-righteousness of those who regard themselves as world statesmen and have gone along with everything that was labeled "bipartisan," and who have gotten us into this mess. I cannot do so. I have no conviction that what I am doing is absolutely right; only the conviction that I am choosing what appears to me the right horn of the dilemma which confronts us under the circumstances which exist because of what has gone before—that quagmire in which we find ourselves because of these very bungling, opinionated midgets fired with "Vaulting ambition, which o'er-leaps itself, and falls on the other" side.

The moving finger has writ. It is my duty to read and try to interpret that writing; I cannot just pretend it is not there.

Mr. ROBERTSON. Mr. Chairman, each succeeding minute brings us closer to the vote on this momentous bill which we have before us on the floor for consideration, the bill known as the Marshall plan.

It has been well sold to the people of the Nation, yet most of them know too little about it. Most of us will probably

vote for this bill because if by some circumstance war should follow, we would be held responsible for not having done our bit. Yet, there is a great question in my mind whether or not money can stop war.

If this bill becomes a law, and I think it will, it is regrettable that the people of the United States have not a better conception of the sacrifices they will be called upon to make. True it is that it is the plan for some of this money to be spent in other countries to buy raw materials, but to a very large extent it will come from the United States.

It may be argued that it will have a contributing value to the price structure of America, especially foods. Many have argued that it is better than the Steagall amendment for farm commodities. Let us not forget that we are further depleting our natural resources by the passage of this bill. If we could be assured that it would stop the march of communism, it would be worth it all. I still find myself concerned on this principle.

I should gladly, Mr. Chairman, vote relief for suffering countries of Europe, and I should, with equal enthusiasm, vote supplies if I felt we would stop definitely and conclusively the march of communism. It is not enough for me to say that we must take this calculated risk. It is not so long ago that this Congress passed a bill authorizing the sum of $3,750,000,000 to England. This has been turned over to a Socialist government who totally wasted it, as all Socialist governments will do with everything. No good has come to the rehabilitation of Europe and no good has come to the United States.

Let us not overlook the fact that again in this particular legislation England is the great beneficiary, greater than any other country, and there is no concern, apparently, about the march of communism in England. Still, we are led to believe that this is the salvation of our country against communism.

Perchance it may do its small part, but we must be prepared to take the risk and to make the sacrifice, and it is the duty of this administration to advise the people of the Nation just exactly what faces them. Page after page of statistics are supplied in the official presentation to Congress, but in all of the pages the percentages of American aid allocated to each country and the predominant share scheduled for England are not revealed. It has required a special investigation to obtain this official figure, to show where our billions would go country by country. These are the facts:

England	$5,348,000,000
France	3,701,000,000
Italy	2,913,000,000
United States and British zones in Germany	2,499,000,000
Holland	2,436,000,000
Belgium-Luxemburg	1,419,000,000
Austria	713,000,000
Denmark	582,000,000
Ireland	497,000,000
Greece	473,000,000
Norway	234,000,000
Portugal	150,000,000
Iceland	38,000,000
Turkey	18,000,000
Total	21,021,000,000

Sweden and Switzerland are in for nothing. Actually they expect a favorable trade balance of about $176,000,000. This means net requests for over $20,000,000,000 from Uncle Sam. The difference between that figure and the announced $17,000,000,000 is to be made up chiefly by the International Bank and Monetary Fund, which is about 80 percent United States taxpayers' money.

England's $5,348,000,000, which is one-third of the $17,000,000,000 in the Marshall plan, is exactly the amount asked for by Bevin in January, 6 months before Marshall attempted to answer England at Harvard University.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: On page 69, after the word "title" in line 11, strike out all language in the parentheses in lines 12 to 16, inclusive.

Mr. CRAWFORD. Mr. Chairman, I address myself to the gentleman from Ohio [Mr. VORYS].

As I understand the language on page 69, lines 12 to 16, inclusive in parenthesis, we proposed to guarantee against loss investors who might proceed to establish publishing houses or propaganda organizations in these areas, provided they did so under the Administrator's approval; and that up to $15,000,000 may be used for that purpose.

Mr. VORYS. The gentleman is in error.

Mr. CRAWFORD. What is it?

Mr. VORYS. The guaranty does not guarantee against loss itself, it is merely a guaranty against inconvertibility. Throughout the guaranty section the gentleman will find that the guaranty provides only for conversion into dollars of income or profits made abroad.

The purpose of this section the gentleman is striking out is to make it possible, on a private enterprise basis, for Time, Life, Newsweek, and certain other publications which are carrying the American story in the American way throughout Europe but at a continual loss through freeze-up in accounts because they cannot convert the subscriptions into dollars, to take care of that situation. My colleague, the gentleman from South Dakota [Mr. MUNDT] is particularly familiar with this proposition.

Mr. CRAWFORD. Let us read the language in line 12, page 69:

Including guarantees of investments in enterprises producing or distributing informational media.

If I understand American financial language that means to guarantee my investment in that proposition.

Mr. VORYS. If the gentleman will look at subsection (i), lines 19 to 25, he will see that the guaranty, for instance, in line 22 shall be limited to the transfer into United States dollars of other currencies or credits any such currencies received by such persons. So it is not a risk guaranty, it is limited specifically to convertibility.

Mr. CRAWFORD. Suppose I sell a bunch of hogs to some friends and take his note for it and the Government of the United States comes along and guarantees me that I can convert that note into dollars. Is not that a guaranty of my investment?

Mr. VORYS. That is a guaranty of a risk investment. If you sell hogs in Europe and get lira, or francs, or other currency, you have gotten your return in the coin of the realm where you made the sale.

This guaranty is limited to the amount of currency for changing that into dollars up to the amount of your original investment. It is not a risk guaranty, as the gentleman will see if he will read the language.

Mr. CRAWFORD. I shall have to disagree with the gentleman; that is my amendment.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. Mr. Chairman, I want to take these 2 minutes to explain to the House the true purpose of the language of the bill.

Precisely as stated by the gentleman from Ohio, this language was written in the bill, and I may say it was included at my request, to give American privately owned information media encouragement in their fine work such as the Paris edition of the New York Herald Tribune, such as the Reader's Digest, Time magazine, Look, Newsweek, the Saturday Evening Post, and other established American publishing houses, book publishers as well, who are able to sell their merchandise abroad and receive for it the coin of the local realm—this provides them a convertibility guaranty up to the extent stated in the language of the bill provided they have approval by the Department of State, the Economic Administrator, for their activities.

It seems very logical that every Member of this body would want to have the American story told abroad. We have voted wisely in setting up the Voice of America program which enables the Government to enter into the information field abroad. In that legislation, now known as the Mundt bill, I specifically provided for the utilization of American private industry, newspapers, magazines, the cinema, book publishers and the like in expanding and extending the Information Service created in the State Department by passage of the Mundt bill. This guaranty as to the convertibility of currency is designed to encourage such participation. This language to which the gentleman from Michigan [Mr. CRAWFORD] objects now gives private business, a private publisher, for instance, the opportunity to participate in this information program abroad. It applies also to American motion pictures. I think this is one of the most essential features of the bill; that is, that we continue to keep the world informed about the American purpose and the American pattern of life and more especially what we propose to do by this program to be of assistance to our associates in Europe in helping them to help themselves become strong enough and well enough organized to resist and repel communism.

Mr. Chairman, I ask that the amendment offered by the gentleman from Michigan be overwhelmingly defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD].

The amendment was rejected.

The Clerk read as follows:

PROTECTION OF DOMESTIC ECONOMY

SEC. 112. (a) The Administrator shall provide for the procurement in the United States of commodities under this title in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the fulfillment of vital needs of the people of the United States.

(b) The procurement of petroleum and petroleum products under this title shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this title, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of alternate fuels or other sources of power is practicable.

(c) In order to assure the conservation of domestic grain supplies and the retention in the United States of byproduct feeds necessary to the maintenance of the agricultural economy of the United States, the amounts of wheat and wheat flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States wheat used to produce the wheat flour procured in the United States for transfer by grant to such countries under this title shall not be less than 25 percent of the aggregate of the unprocessed wheat and wheat in the form of flour procured in the United States for transfer by grant to such countries under this title.

(d) The term "surplus agricultural commodity" as used in this section is defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In providing for the procurement of any such surplus agricultural commodity for transfer by grant to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this title, give effect to the following:

(1) The Administrator shall authorize the procurement of any such surplus agricultural commodity only within the United States: *Provided*, That this restriction shall not be applicable (i) to any agricultural commodity, or product thereof, located in one participating country, and intended for transfer to another participating country, if the Administrator, in consultation with the Secretary of Agriculture, determines that such procurement and transfer is in furtherance of the purposes of this title, and would not create a burdensome surplus in the United States or seriously prejudice the position of domestic producers of such surplus agricultural commodities, or (ii) if, and to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the participating countries under this title.

(2) In providing for the procurement of any such surplus agricultural commodity, the Administrator shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, provide for the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements.

(e) Whenever the Secretary of Agriculture determines that any quantity of any surplus agricultural commodity, heretofore or hereafter acquired by Commodity Credit Corporation in the administration of its price-support programs, is available for use in furnishing assistance to foreign countries, he shall so advise all departments, agencies, and establishments of the Government administering laws providing for the furnishing of assistance or relief to foreign countries (including occupied or liberated countries or areas of such countries). Thereafter the department, agency, or establishment administering any such law shall, to the maximum extent practicable, consistent with the provisions and in furtherance of the purposes of such law, and where for transfer by grant and in accordance with the requirements of such foreign country, procure or provide for the procurement of such quantity of such surplus agricultural commodity. The sales price paid as reimbursement to Commodity Credit Corporation for any such surplus agricultural commodity shall be in such amount as Commodity Credit Corporation determines will fully reimburse it for the cost to it of such surplus agricultural commodity at the time and place such surplus agricultural commodity is delivered by it, but in no event shall the sales price be higher than the domestic market price at such time and place of delivery as determined by the Secretary of Agriculture, and the Secretary of Agriculture may pay not to exceed 50 percent of such sales price as authorized by subsection (f) of this section.

(f) Subject to the provisions of this section, but notwithstanding any other provision of law, in order to encourage utilization of surplus agricultural commodities pursuant to this or any other act providing for assistance or relief to foreign countries, the Secretary of Agriculture, in carrying out the purposes of clause (1), section 32, Public Law 320, Seventy-fourth Congress, as amended, may make payments, including payments to any Government agency procuring or selling such surplus agricultural commodities, in an amount not to exceed 50 percent of the sales price (basis free along ship or free on board vessel, United States ports), as determined by the Secretary of Agriculture, of such surplus agricultural commodities. The rescission of the remainder of section 32 funds by the act of July 30, 1947 (Public Law 266, Eightieth Congress), is hereby canceled and such funds are hereby made available for the purposes of section 32 for the fiscal year ending June 30, 1948.

(g) No export shall be authorized pursuant to authority conferred by section 6 of the act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the Secretary of Commerce determines that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this title as determined by the Administrator: *Provided, however*, That such export may be authorized if the Secretary of Commerce determines that such export is otherwise in the national interest of the United States.

(h) In providing for the performance of any of the functions described in subsection (a) of section 111, the Administrator shall, to the maximum extent consistent with the accomplishment of the purposes of this title, utilize private channels of trade.

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: On page 79, line 11, strike out the period, and insert the following: "*Provided further*, That no exports shall be authorized pursuant to authority conferred by section 6 of such act of July 2, 1940, of any commodities or technical data from the United States to any country which has announced its intention to attempt to prevent the success of the European recovery program."

Mr. COLMER. Mr. Chairman, this is a very simple amendment, and if you will bear with me a few minutes I will explain it.

In 1940 this Congress gave the President the authority to do certain things. Let me just read this section:

When the President determines that it is necessary in the interest of the national defense to prohibit or curtail the exportation of any military equipment or munitions or component parts thereof, or machinery, tools, or materials, or supplies necessary for the manufacture, servicing, or operation thereof, he may by proclamation prohibit or curtail such exportation except under such rules and regulations as he may prescribe.

Now, if I may have your attention. The Congress gives the President the authority to curtail the shipment of munitions, materials, and implements of warfare to certain countries where it was not in the interest of this country to ship them. For 30 days or more Members have been rising on this floor complaining about shipments being made to Russia and her satellites. It became so strong that a few days ago the President limitedly exercised the right that this Congress gave him by issuing a proclamation stopping the shipment of certain airplane parts to Russia. You will recall that some of the Members rose here the other day and talked about a ship up here at Newark, N. J., being loaded with materials for Russia. This amendment goes further than the statute you passed before and makes it mandatory; in other words, there is no discretion so far as the President is concerned, but this amendment says that none of these goods shall be shipped to any country that is not collaborating under this Marshall plan.

Frankly, I wish that I could have made this amendment stronger. I offered a stronger amendment in the committee, but under the rules of procedure here this is as strong as I can make the amendment and make it germane. This amendment provides that none of these goods enumerated in this statute which you passed shall be shipped to any of these countries that are not cooperating under this plan; in other words, that means that none of these munitions, none of these planes, none of these goods, machines, and so forth, that could be used for that purpose can be shipped to Russia or its satellite nations. That is all there is to the amendment.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from New York.

Mr. BLOOM. I am in sympathy with the gentleman's amendment, but what I am afraid of is that this will destroy what we are trying to do in the future;

in other words, the gentleman's amendment says that any country which has done anything to oppose or to hinder the Marshall plan at no time can come in. Now, the door is open, and we have said so right along. The gentleman's amendment would destroy what we are trying to do in the future.

Mr. COLMER. Mr. Chairman, the gentleman from New York evidently is not familiar with the amendment or what it would do. Listen. For 2 years I have been trotting down to the White House, the State Department and other places trying to get the shipments of these goods to Russia and her satellites stopped, and every time I went I was told I was right, but the timing was wrong. It is the same proposition that the gentleman from New York raises now, that the timing is wrong. You shipped scrap iron and oil to Japan up until the very hour that the bombs fell on Pearl Harbor. This amendment would stop the shipment of those goods over there. It is simply making mandatory what you already gave the President authority to do.

In this connection, Mr. Chairman, on March 24, 1947, I introduced a resolution that would provide, among other things, for the setting up of machinery in this Government to screen the shipment of goods to certain foreign nations, particularly Russia and her satellites. That is the resolution that I referred to a moment ago when I said I had made many trips to the State Department, the White House, and other Departments of our Government where our foreign policy is made. The American people are against shipment of these goods to our potential enemies and it ought to be stopped, and it ought to be stopped now. I, for one, am tired of expending billions of dollars of American money and American resources to stop Russia, while at the same time permitting Russia to obtain the goods, equipment, and the assistance necessary for her own economy, the building up of her arms, and generally assisting her in her program of aggression. In other words, deterring her with one hand and helping her with the other.

Earlier in the debate I made myself very clear when I said that I was inclined to support this bill, but very reluctantly. But if I cannot have some assurance that this conflicting policy will cease I am not so sure that I yet will vote for the measure. As I said, this amendment does not go as far as I should like it to go. But it is as far as I can go without making the amendment subject to a point of order.

In conclusion, may I say that I hope I never hear another Member of this House come on the floor and talk about the shipment of goods to Russia and its satellites if that Member is not willing to stand up today and vote for this amendment, which would merely stop the shipment of munitions and materials to Russia and her satellites. I ask that you support this amendment or forever hold your peace on this subject.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to support this amendment. Yesterday I suggested to the House that the investigation of my own committee disclosed that since January 1 of this year a large number of Russian ships had sailed to Russia carrying goods, wares, and merchandise of every kind and character to that country. We immediately started an investigation to determine from the shipping lines and other sources how much of this material had gone out and what it was. I am today in receipt of a letter from one of the big shipping lines which ships direct to Russia, the Moore-McCormack Lines, in New York. I think this letter would be interesting to the Members of the House. It is directed to an investigator of my committee who has been in New York. This, mind you, is the record of only one shipping company and from one port. The letter is as follows:

MOORE-MCCORMACK LINES, INC.,
New York, N. Y., March 29, 1948.

Mr. EDWARD E. FINE, Jr.,
Surplus Property Subcommittee,
House of Representatives,
Washington, D. C.

DEAR MR. FINE: In accordance with your request we wish to advise you that during the period January 1947 up to and including February 1948 we loaded a total of 39 vessels from the port of New York to the U. S. S. R. These vessels carried a total of 163,430 tons.

Break-down: January 1947 to December 1947, 35 ships, 148,997 tons.

January 1948 to February 1948, 4 ships, 14,433 tons.

The manifests of these vessels were prepared so as to indicate various types of cargo, i. e., cash orders, pipe-line cargo, UNRRA cargo, and private shipments.

The consignors on the bills of lading covering the cash orders were either Amtorg Trading Corporation or the Soviet Government Purchasing Commission, depending upon the organization making the purchase.

The consignor on the pipe-line cargo was in each case the Soviet Government Purchasing Commission, for according to the agreement, this cargo was assigned to a foreign government and the Soviet Government Purchasing Commission represented the U. S. S. R.

The consignor on the UNRRA cargo was the United Nations Relief and Rehabilitation Administration.

With regard to the private shipments, same appear on each manifest, however, the volume of tonnage involved varies. In other words, some of the vessels may have 2 or 3 tons of private shipments, and in other cases the total may run from 35 to 50 tons, it is always insignificant in volume. The consignors on these private shipments are the parties making the shipments, and cover principally household and personal effects, books, printed matter, and foodstuffs shipped to private individuals and the foreign embassies. In addition, it also includes shipments for account of United States Government agencies to their representatives.

The manifests of all vessels fully describe all cargo, showing commodity, shipper, consignee, weights, value, and manifest tons. Each shipment is also covered by a shipper's export declaration which is stamped by the collector of customs "invoice produced." Both manifests and export declarations are filed with the collector of customs as soon as vessel sails.

The manifests include such commodities as: Metalworking machinery, including lathes, cutters, planers, grinders, and heavy industrial presses. Electrical machinery, including hydroelectric power equipment, transformers, motors, and internal combustion engines. Agricultural machinery. Excavating machinery, including road graders, scrapers, cranes, and power shovels. Oil refinery equipment, including oil well tools, drill collars, oil well drilling equipment, steel pipe for oil lines and steel storage tanks. Steam locomotives, Diesel electric locomotives, trolley locomotives, and railway dump cars. Steel piling, steel railway car wheels, wire rope. Autotrucks, auto parts and accessories, sisal rope, woolen rags, graphite electrodes, various types abrasive grains and products. Scientific and measuring instruments, radio receivers and equipment, foodstuffs, petroleum products.

We have noted no significant change in the character of cargo moving to the U. S. S. R. Today's manifests, to the best of our recollection, are similar in every respect to manifests of a year ago, or 10 years ago. Of course, the war period was a different matter entirely. We believe no useful information would be found by requiring either the collector of customs or ourselves to engage in any extensive and expensive searching of dead files.

Yours faithfully,
MOORE-MCCORMACK LINES, INC.,
ROBERT C. LEE,
Executive Vice President.

In view of this situation, in view of the character of the goods shipped, in view of what is happening now, and in view of the fact that this shipper, one of the big shippers to Russia, says there is no difference in the character of cargo they are sending now and what they sent 1 year ago or 10 years ago, we need to do everything we can to see to it that these shipments are stopped or at least carefully screened so that our economy is protected and our boys safeguarded against the folly of those who continue their policy of appeasement. The same policy we pursued with Japan, the same policy that resulted in our own sons dying from American scrap and other war goods in the hands of our enemies.

The amendment offered by the gentleman from Mississippi should be adopted.

Mr. MUNDT. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. MUNDT as a substitute for the Colmer amendment: Page 79, line 11, strike out the period and insert the following: *"Provided further,* That the Administrator is directed to refuse delivery insofar as practicable to participating countries of commodities or products which go into the production of any commodity for delivery to any nonparticipating European country which commodities or products would be refused export licenses to those countries by the United States in the interest of its national security. Whenever the Administrator determines that it is in the national interest of the United States to prohibit the exportation of any commodity to any country wholly or partly in Europe which is not a participating country, the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, shall take such action as may be necessary to prohibit the exportation of such commodity to such country."

Mr. MUNDT. Mr. Chairman, I hope I can have the close attention of the Committee on this amendment, because, in my opinion, it deals with one of the most important aspects of our whole security program.

I am entirely sympathetic with the objectives of the gentleman from Mississippi [Mr. COLMER] but his amendment illustrates the difficulty one gets into by bringing amendments in quickly, without having the benefit of committee analysis and screening, because, while he closes the door very abruptly and bars

any kind of American export whatsoever to Russia, he leaves the other half of the door entirely open. For that reason I have offered my amendment at this point as a substitute, whereas it should more properly come later in the bill on page 94, where I had previously announced my intention to offer it.

My amendment has been approved by the committee, and I am offering it to you now as a committee amendment, to achieve the valid objectives of Mr. COLMER'S amendment, and to do something extra, which I think is highly important.

In the first place, my substitute amendment, which has just been read, provides that the Economic Administrator shall refuse to permit the export to participating countries of all commodities and supplies which they in turn utilize to manufacture war potentials, which we deny ourselves the right to ship, for sending to the satellite countries or nonparticipating countries. The Colmer amendment does not touch that aspect of reshipment whatsoever. So it leaves that part of the door completely open, because it would still permit us to ship participating countries materials which they fabricate into war materials and ship on to Russia. My amendment stops that completely.

As to the other aspects of the gentleman's amendment, where he would stop shipment of everything to Russia, our committee amendment simply stops shipment to Russia of implements of war and war potentials, things which would make Russia strong militarily. As for me, I would like to see the manufacturers of table radios flood the market in Russia with radios. I would like to see the publishers of books and magazines flood the markets in Russia with those books and magazines. I would like to see the shipment of fine rugs, musical instruments, and pictures to Russia. I see no point in denying shipments to Russia of so-called soft goods, peaceful material, material which will make the Russians happier at home, which will tend to make them realize the advantages of our system of life, which will tend to broaden their whole view and their whole picture of life.

I simply contend that we should deny shipment to the Russians of materials of war. My substitute amendment does that, while leaving open the normal peaceful channels of trade. But the most important advantage of my substitute amendment is that it closes the door which the Colmer amendment leaves open. It closes the door through which, under the Colmer amendment, the participating countries could still fabricate supplies, furnished them under this bill, and reship them to Russia for warlike purposes. My substitute amendment as approved by our committee stops that also.

I yield to the gentleman from Mississippi.

Mr. COLMER. If the gentleman will yield, the gentleman does not understand my amendment at all. I said I wish it went as far as the gentleman says it goes, but I could not so word it and make it germane.

My amendment simply would make it mandatory where it is now discretionary to stop the very things the gentleman's amendment seeks to stop as provided in the section of the act of July 2, 1940.

Mr. MUNDT. Assuming the validity of your position as now expressed, the position of our committee substitute is still stronger because it closes the other door which you leave dangerously open. If we accept the gentleman's argument, his proposal would stop the shipment of war materials but the Committee amendment in addition to doing that would prohibit shipment to participating countries of materials which they in turn can fabricate and ship in terms of war supplies to Russia and the satellite countries. My amendment closes tight the door to the reshipment of war potentials to the Soviet sphere and it is that door the Colmer amendment leaves open. I think that the committee position is stronger and better protects the security of this country even if we accept the gentleman's contention that both proposals are the same up to that point.

Mr. COLMER. If the gentleman will yield further I want to call the gentleman's attention to the fact that his amendment leaves the matter in the hands of the Administrator. If it has to be someone I would as soon it be in the hands of the President. The Administrator will not be able to handle it.

Mr. MUNDT. My amendment gives it directly to the Administrator and spells out what he must do. If he can handle ERP at all he can handle this restrictive directive. It writes in the intent of Congress as clear as the light from the midday sun. It spells it out where all who run can read. It places the administrative authority and the final responsibility for carrying out this policy of not either shipping or permitting the reshipment of war supplies and potentials to Russia and her satellites directly upon the Economic Administrator of this act. This Administrator must come back to Congress for a new authorization and a new appropriation if this program is to continue beyond the next fiscal year. This Administrator must counsel and advise with a public advisory board made up of distinguished Americans from both major political parties. This Administrator must make a written report to Congress and the country as to his custody of these responsibilities.

My amendment takes from the President of the United States and the Department of Commerce final authority over exports to the nonparticipating countries in Europe for the very reason that up to this very hour the President and the Department of Commerce have sure as the night follows the day that guard our national security in this respect. They have failed to deny export licenses to American concerns desirous of shipping war potentials, machine tools, et cetera to Russia and the captive countries caught within her greedy, godless clutch. It is our hope and our expectation the Economic Administrator will succeed where the President and his Department of Commerce have so conspicuously failed. If he does not, it is as sure as the night follows the day that this European recovery program will fail and that Congress next year will refuse to appropriate any further funds for a program which persists in contradicting itself through the type of collision policies this administration has been following up to this very day and hour. I urge the adoption of my amendment.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. FOLGER. Mr. Chairman, I move to strike out the last word.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. O'HARA. Mr. Chairman, I object.

Mr. VORYS. Mr. Chairman, will the gentleman yield further?

Mr. FOLGER. I yield.

Mr. VORYS. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 23 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. The question is on the motion of the gentleman from Ohio.

The question was taken, and on a division (demanded by Mr. O'HARA) there were—ayes 93, noes 20.

So the motion was agreed to.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. FOLGER. Mr. Chairman, in view of the shortness of the time I ask to be notified when I have consumed 3 minutes.

The CHAIRMAN. The Chair will notify the gentleman.

Mr. FOLGER. Mr. Chairman, I did not intend to make any observation about the bill. I had a hard enough time to bring myself to the point where I would support the legislation. I have reached that point, however, notwithstanding the fact that I have been largely of opinion and definitely committed to the idea that we were in the premature rehabilitation of Germany which has made war against us on two occasions. I hope we have not forgotten this. I recognize that already 16 nations have met and indicated by the signing of an agreement that they welcome the help of the United States in reestablishing among other things peace in the world. I think that ultimately in the minds of most of us this is designed to be a peace measure. Any legislation that is of the import that this amendment carries with it comes next to a declaration of war against Russia, a thing that is premature, is not helpful, and would put us in a bad light in our protestations that we are trying to bring about a peaceful status among all the nations of the world, to which the President no doubt referred when he said: "Let me yet leave the door open to everybody."

We open it to Germany, we open it to Russia, we open it to Czechoslovakia or

any other country in the world that will come in and join us in this great effort to bring about peace. We certainly can risk our State Department, the President, and the War Department in discussion and understanding in the months that are to come, maybe years so far as that goes, as to what may be shipped to one country or another. I do beg you not to adopt this amendment, which is next to a declaration of war and a separation of ourselves from every part of the world except those 16 nations. It is almost a declaration of war against those that have not signed.

Mr. Chairman, I doubt whether I can vote for this bill if the amendment is agreed to. It is a most dangerous thing, it is unavailing, it is not necessary, and it is going too far in the effort of our people in our quest for a peaceful world in which we as well as other nations of the world want to live.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Chairman, the acting chairman of the Committee on Foreign Affairs should be congratulated on shutting off debate, permitting the members of the Foreign Affairs Committee who have taken up most of the time on a very important amendment to speak, then when the other Members get around to wanting to speak, shutting off debate. I hope that will not happen again.

Mr. Chairman, I would like to refer to the matter of steel. I wonder how much consideration has been given to the shortage of steel. You are worrying how you are going to control munitions and other things that are shipped over there. You are attempting to control them here. But what are you doing about the all-important subject of steel?

May I say to you people who have been short of petroleum up on the east coast and out in the Middle West during the last winter that you are going to have another shortage this next winter. We are already experiencing a shortage of tractor fuel oil. We cannot get the necessary tank cars to haul the tractor fuel oil from Texas up to our part of the country.

We are now going into this program in which the Government and the other nations of the world will be buying up material in short supply. You are going to have more to worry about than munitions. You are going to have to worry about the shortage of other critical material. Then, also, you better have the OPA ready, too, because it will move in along with selective service and all of the other regimentations and prewar controls just before you get into the shooting war which is just over the horizon.

But if you want it that way, then vote for this bill. I do not intend to do so because the illustration of the debate on the sale of 200 ships is pointed. Most of those who passionately supported that amendment are voting for this bill. The most critical item you could have, which is not controlled in any way, shape, or form, and I see that some Members are smiling over that remark, is the matter of steel. You have given no consideration to it whatsoever. When war comes and our armed services and our own people need what is being given to nations all over the world, I prefer to think first of the needs and requirements of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Chairman, I expect to vote for the bill before the House, but as I look back over the last few months and the last few years, I am beginning to get pretty badly disgusted with the things I have observed when discretionary powers have been given. I remember a few months ago in this hall when we were debating the question of UNRRA. We were told that this money, these vast sums, that we were voting would go to the peoples of western Europe, but when the smoke blew away we found that practically all of it went to those countries behind the iron curtain. Some time ago we voted a large sum to maintain a radio service in Europe. Just a few days ago a gentleman whom I have known for many years, and in whom I have every confidence, and who has spent most of the last year in Germany, told me that our American-controlled radio allots regular daily time to the Communists to broadcast their infamous doctrines to the people of Germany. Day after day, as I have seen accounts in our daily papers of munitions of war, things that can be used to mangle the bodies of our sons, going to Russia, my blood has boiled.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Mississippi.

Mr. RANKIN. I call the attention of the gentleman from Missouri to the fact that Gerhart Eisler, this chief Communist whom we captured in the United States, went up to this Tower of Babel called the United Nations and used its radio to broadcast to Europe and to spread his Communist doctrine.

Mr. BELL. I do think that when we allow discretionary powers, and do not know who will exercise those powers, then it is up to the Congress to protect the people of the United States. This thing of appropriating $6,000,000,000 with one hand to protect this country against communism and with the other hand sending to Russia and her satellites munitions and arms and everything else on earth to kill the people of this country, is just sheer, utter nonsense and folly.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, great decisions are always very simple. A vote for peace or war just means saying aye or nay. The amendment which is before the Committee, proposed by the gentleman from Mississippi, is a declaration of economic war. It says that hereafter we shall sever international economic relationships with the Soviet or her satellites. Now, that does not cover what happens between the 16 nations whom we are going to aid under this bill and the U. S. S. R. and her satellites. According to this amendment, trade between the 16 western European nations and the Soviet and her satellites can be perfectly free. The committee amendment, though, seeks to protect both aspects—any shipments from the United States and any shipments from the 16 nations, insofar as any supplies may be proposed for shipment to the U. S. S. R. and the satellite countries, which jeopardize or affect the national security of the United States.

Furthermore, the committee's amendment says that the Administrator is "directed" to refuse delivery. It is very precise on that point. What the committee amendment does is to seek to carry out what should be the intent that no war-making materials and no materials of any kind can be shipped which jeopardize our national security. In the language which I worked out myself to try to deal with this difficult subject, it says that any supplies, contrary to the interest of the national security of the United States, may not be shipped; not only directly from the United States, as the gentleman from Mississippi provides, but according to the committee amendment, directly or indirectly from the United States, and the 16 western European nations as well. The committee amendment is designed exactly to serve the purposes which are sought to be served, and the committee amendment should, therefore, pass.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, I rise in support of the amendment offered by the gentleman from South Dakota [Mr. MUNDT] to prohibit the reshipment of any of the products or articles to any of the nonparticipating nations. At the present time we observe that some of the countries stipulated in the provisions of this bill have already entered into trade relations with the Soviet Union. Such trade agreements no doubt run for quite a few years.

I hold in my hand a letter from the counselor of the State Department that may interest the Members, particularly in relation to the obligations the British trade commission has assumed in connection with the British-Soviet trade agreement. The letter states in part:

> With respect to your inquiry concerning the inclusion of locomotives in the British-Soviet trade agreement, it is possible to state that the agreement provides for 1,100 narrow-gage locomotives to be delivered within 2¾ years from the commencement of delivery.

The letter is signed by Charles E. Bohlen, counselor of the State Department.

Mr. Chairman, it seems to me rather absurd and ridiculous for us to pass a bill permitting cooperation between this country and the other nations of the world who are fighting to retain their democratic government, to permit them on the one hand to get the raw materials in the form of steel from this country and manufacture them into locomotives or airplanes or any other finished articles and then ship them under a trade agreement to Russia or any satellite powers. It seems to me that when spending a tremendous sum of money on the one hand to stop the spread of communism, we ought to make sure this kind of a matter should be stopped.

The CHAIRMAN. The Chair recognizes the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, this debate seems to have been excited largely by lists that have been read of items which are presently being exported to Russia. I think it would be wise for use to remember that this Congress, the Eightieth Congress, relaxed the export controls. It was only recently that we restored partial controls on exports under the Taft Act. The items listed by the gentleman from Oklahoma, I imagine were contracted for legally and were consistent with the commercial policy of this country as laid down by Congress in the period of relaxed export controls. That is the first point I have to make.

The second point I want to make is that what we are actually doing here in this amendment as amended is to call for an economic blockade. You cannot enforce an economic blockade unless you also provide for all the necessary measures to enforce it.

The third point is that an economic blockade is the first step to war, and I do not think such a step should be taken with 20 minutes debate at a quarter to 5 in the afternoon when the Members of the House are too weary for the full deliberation this question demands.

The fourth point is that you cannot enforce this amendment. Let's not kid ourselves about the effectiveness of this provision. It assumes that every item of equipment furnished under this act can be earmarked for life and that every article produced by such equipment in the indefinite future can be earmarked for life.

The equipment furnished under this plan will not be distinguishable from machinery procured and financed in ordinary commercial fashion out of the dollar resources of the recipients. It is the essence of this plan that its operations will be carried out through private trade channels wherever possible. ERP machinery is not to be walled off from all the other trade machinery to the recipient countries. The products of such machinery cannot be segregated from all the other production of recipient countries.

Yet you would have to wall off the machines and segregate the products if you were to try to give reality to the purpose of this amendment.

Suppose one of the 16 countries that will be importing from us buys a turret lathe. Under the Marshall plan, we are not going to sell them all the turret lathes they will need. How are we going to earmark each turret lathe exported under ERP to see that it is not used in the manufacture of some goods which eventually will go to Yugoslavia?

My fifth point is that this amendment will make it impossible to achieve the goals set by the 16 participating countries to assure their sound rehabilitation. This whole program will fail unless there is trade between eastern and western Europe. Western Europe needs the food of eastern Europe, and eastern Europe needs the manufactured goods of western Europe. When you come right down to it grain sent from eastern Europe and Russia to western Europe can also be processed into a war material.

The purpose of the Mundt amendment is to tie every participating country to this country's export-control policy. It will do this regardless of whether the control in question applies to an exclusively strategic material or to a material which happens to have strategic uses among others.

Such a material or product might be placed under export control by the United States only because it happend to be in short supply in the United States. It might not be in short supply in the participating country concerned. Nevertheless, this amendment would compel the participating country to go along with our export-control policy—regardless of the effect on its own economy.

This amendment is simply unworkable. I lay aside the question whether it is prudent or justifiable to launch now upon economic warfare. I have definite ideas on that. I simply insist that the worst danger of the Mundt amendment is that it sends us off on economic warfare armed with wooden guns.

Gentlemen, let us not fool ourselves. Almost any machine that we send to Europe can be used for war, but machinery is also necessary if Europe is to get back on her feet. There are certain risks we must take as we work for peace but they are nothing in comparison to the certain disaster we will reap if we have another world war.

I do not believe that war is inevitable. I believe that the ERP will contribute greatly to the economic stability which is essential if we are to have peace. The seemingly endless problems that confront us today are the direct result of World War II. I firmly believe that world war III, aside from the terrible destruction it would inflict, would also destroy our political and economic way of life. But if there are those who are sure world war III is inevitable, then certainly they should not vote for this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, the debate during the last few minutes shows us how impractical and impossible it will be for us to govern the trading instincts of the other peoples of the earth. You are going to fall down on this job, make no mistake about it. Secondly, we recognize Russia as a friendly nation. Russia has vast reserves of gold in the ground. She mines that gold and ships it to the United States, and we buy all the gold that Russia offers us and pay her dollars in exchange. As a friendly nation supplied with dollars for a product that we do not need and which we are afraid to use in our monetary system by making our currency redeemable in gold, we are put in a position where we have to let Russia buy goods. The people in my district are concerned about our shipping goods to Russia. I write them every day and tell them why we sell goods to Russia.

Russia can buy anything in the open market and bid against you, on which an export license can be obtained. Do not mislead yourselves about the State Department going to discontinue goods being shipped to Russia, because the State Department is friendly to Russia from that standpoint, and those goods will continue to move. From time to time the State Department will mislead the people of the United States by telling them they have cut off exports of certain items to Russia, but Russia will continue to buy as long as she is recognized as a friendly nation and as long as we pay our dollars for Russian gold.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BATES of Massachusetts: The Department of Commerce has charge of the export controls. That is not administered by the State Department.

Mr. CRAWFORD. But the State Department substantially wrote this bill. The State Department has run this Government for the last several years, and there is no use to misinform ourselves about that. Diplomacy, world-power politics, peace treaties, international trade, are all the makings of the State Department.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The gentleman from Michigan [Mr. SADOWSKI] is recognized.

Mr. SADOWSKI. Mr. Chairman, let us quit kidding the American taxpayer. There will be no tax reduction and we will have to restore the excess-profits tax in order to raise more revenue to meet all of these added expenditures.

This plan is not the Marshall plan. Marshall is now out of the picture. It is a Republican baby. It is the Vandenberg plan, and it means more inflation, more profiteering, more shortages, demand for war controls over our domestic economy, unlimited expenditures for militarism and armaments, an unbearable tax load on our citizens, and an economic bust worse than the one we had under Hoover in 1930.

With the Knowland amendment adopted in the Senate and approved by VANDENBERG, and with the adoption of the Mundt amendment in the House, we would restrict our trade and commerce to only one-half of the countries of Europe—to those who will do business with American-gift dollars. Dollars that we will gouge out of our taxpayers. What a business.

Shortly after the Revolutionary War we fought a war against Tripoli and the Barbary States because we refused to pay tribute.

Now, we shall collect tribute from our own taxpayers to do business with the world.

Not only that, but to do business with one-half of the world, that is Asia and eastern and central Europe, we will pay tribute to English, German, Argentine, French, and Italian brokers to act as our business agents to carry on an export and import business with the other nations. Satan must be roosting in our brains to so confuse our thinking. I will tell you what ECA stands for—it stands for an exhausted and controlled America, and if you want to know, I will tell you what ERP stands for—ERP stands for exit Republican Party, in 1948. Like Bergen says to Mortimer Snerd, "How can we be so stupid?"

Why do you not inquire what happened to a billion dollars in gold that was looted by the Nazis from the countries of Europe and deposited in Swiss banks? We have not heard any more about it, have we? What combination of bankers are sitting tight on this yellow pile?

Why is the reparations program halted and instead we are going to pay off German war damages with American tax dollars under this Vandenberg plan?

We are short of scrap iron and steel. There are 10,000,000 tons of it in Germany. We have dumped several billions of dollars into Germany already and now under ERP and Army appropriations, we will dump another couple of billion. Yet, we cannot even get scrap iron in return. Who is holding it back? Certainly it is not the defeated Germans.

France, England, Belgium, and Holland, together with the German people themselves, had insisted that the monopolists and cartelists in Germany be busted up. Now we are raiding the United States Treasury to pay them off so that they would shut up, and the private monopolistic controls over I. G. Farben, Krupps, the coal mines, and the rest of the heavy industry remains in the hands of the Junkers and the German war moguls.

Through ERP, the American taxpayer guarantees that a cartelist- and monopolist-ridden Germany shall be revived and continued on the same basis as before the war.

I think it would be far cheaper in blood and money, and we could have peace, if our international banking houses and our international investors filed their claims for foreign investments with the United States Treasury and, we, the American taxpayers, paid them off in full, and told them that in the future they should keep their nose out of other people's business and develop our industries and resources at home. If the people of Europe want public ownership or national ownership of their industry and resources, they should have it, and it is none of our darn business. We will still be able to do business with the world and we do not have to kill off half of the world's population in order to stuff down their throats a program of private monopoly and cartelists that nobody wants. And the sooner we get rid of the internationally minded bankers like Forrestal, Harriman, and General Draper, the better. I do not question their patriotism or loyalty, but as a Democrat, I object to these people being our policy makers.

The bankers have never elected a Democratic President, and they do not belong in our tent.

I fear to give these banker militarists, that have a spoon in everybody else's soup, all of this power and might. I am not a pacifist, and in 1938 when it was most unpopular, I advocated full military armament, the draft, universal military training, the whole works, because I had faith and confidence in our leadership that such military power would be used in defense. I would not hesitate a minute to give this power to Eisenhower. I do not trust international bankers. I am a Democrat. Jefferson, Jackson, Wilson, and Franklin D. Roosevelt would not have these fellows sitting in the White House.

The CHAIRMAN. Under the agreement, the gentleman from Connecticut [Mr. LODGE] is recognized for 5 minutes, to close debate.

Mr. LODGE. Mr. Chairman, the Mundt amendment is an attempt to cope with one of the most difficult dilemmas in this entire legislation. I believe that it is a most intelligent response to that problem. The problem can be stated in this fashion:

A revival of trade between eastern and western Europe is important to the recovery of Europe, and it is important in relieving the American taxpayer of at least part of the burden of supporting this program. On the other hand, it would be obviously insane to assist countries which have dedicated themselves to the destruction of this program, in that mission of destruction.

The result is that we must have a formula with a certain amount of latitude and we must have confidence in the Administrator. If we do not, we might as well give up the whole program. We must realize that the whole success of this program depends upon the quality of the Administrator. So we direct the Administrator to refuse delivery, insofar as practicable, when the national interest is involved; and we also give him authority, in the second part of the Mundt amendment, where the national interest is involved, to prohibit the exportation of any commodity to any nonparticipating European countries.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I had rather not just now.

That is obviously intended to ban the export of munitions, airplane engines, and certain types of machine tools, and any other articles which the Administrator in his discretion shall decide would militate against the national interest of the United States. As I interpret it, it applies particularly to war potentials.

The Colmer amendment has two weaknesses: First, it is too strong in that it prohibits the export of any commodity, and this might defeat the program; and second, it is not strong enough in that it does not control those commodities which go into the making of commodities in the recipient countries.

Mr. COLMER. Mr. Chairman, will the gentleman yield? I think the gentleman should yield to me there.

Mr. LODGE. I shall be delighted to yield to the gentleman.

Mr. COLMER. If the gentleman will read my amendment he will find that it does not prohibit the exportation of any commodity, but only those particular things that are referred to in the statute that this Congress passed.

Mr. LODGE. The copy before me reads:

> That any commodities or technical data of the United States to any country which has announced its intention to attempt to prevent the success of the European recovery program.

This does mean any commodity under section 6 of the Export Controls Act of 1940, but that act includes a great number of commodities. It is very broad.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. LODGE. Not at the moment.

I would like to say just this: There are many materials which we are going to export which can well be used by these countries to diminish the economic strain upon us. Great Britain has made an agreement with Soviet Russia whereby Great Britain will get a load of wheat and Soviet Russia will get British capital goods. That will diminish the strain on American wheat. This is an enormously difficult problem with which our committee wrestled for a long time. It is not susceptible of an easy answer.

I consider that the Mundt amendment is a most flexible and intelligent response to this extremely difficult problem.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield.

Mr. VORYS. Would it not be a lot better to adopt an amendment which has been considered by the full committee and its counsel rather than one which no one has had a chance to read?

Mr. LODGE. I think the implications of the Colmer amendment are extremely dangerous.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield.

Mr. JUDD. I would like to emphasize that the Mundt amendment does not merely authorize the administrator to stop certain exports, it directs him. It states that he shall take such action to interrupt any trade through the participating countries to behind the curtain if it is not in the interest of our national security.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield.

Mr. O'HARA. As a matter of fact, under either amendment that has been offered, when the Administrator gets to the point of shutting off the spigot, that is war. The gentleman knows it, and I know it because it means we have broken off relationships.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield.

Mr. HINSHAW. As I understand the Mundt amendment, it would enable the United States to control the export of products that might have to do with atomic energy; whereas the Colmer amendment would not.

Mr. LODGE. I think that is correct, and I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Connecticut has expired, all time has expired.

Mr. COLMER. Mr. Chairman, I ask unanimous consent that my amendment may again be read by the Clerk.

The CHAIRMAN. Without objection, the Colmer amendment may be again read.

There was no objection.

Mr. MUNDT. Mr. Chairman, so that we can have the whole picture, I ask unanimous consent that after the reading of the Colmer amendment my substitute amendment may be read again.

Mr. COLMER. I have no objection to that.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The Clerk again read the Colmer amendment and the Mundt substitute.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from South Dakota [Mr. MUNDT].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER] as amended by the Mundt substitute.

The amendment as amended was agreed to.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 76, beginning at line 18, strike out subparagraph (2) through line 4 on page 77.

Mr. VORYS. Mr. Chairman, through a mix-up the committee which approved this amendment has offered it, although it was suggested to the committee by the gentleman from Massachusetts [Mr. HERTER]. I think it is a very good amendment.

Mr. PACE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio.

Mr. Chairman, I should like to have the attention of the membership of the committee and the distinguished gentleman from Massachusetts [Mr. HERTER]. I want the House to be informed as to the action it is about to take. This section has to do with the using of agricultural surpluses when they are needed. In the case of wheat it protects the millers by saying that 25 percent of all the wheat shall be ground in this country. It provides how wheat shall be handled. It provides how petroleum shall be handled; that it shall be gotten from other countries. It provides specially for a number of commodities. It is anticipated that there will be some tobacco used as an incentive in some of the countries. I had nothing to do with drawing this language. I have very little interest in tobacco. Then the question arose that when you go to exporting tobacco there is tobacco in Maryland of a certain type, there is tobacco in Pennsylvania of a certain type, and there is tobacco in Virginia of a certain type. There is burley and there is flue-cured. The question arose as to whether you would take all burley or whether you would take all Maryland, or what type.

If the members of the committee will look to the debates in the Senate where this amendment was handled by Senator AIKEN of Vermont and Senator BARKLEY of Kentucky, they will observe the very frank statement there that this was put in here to be sure that if any tobacco is shipped it shall be shipped in the same proportion it has always been shipped for the last 50 years. There is no question of trying to apply it to fish, because if you will read line 20 on page 76, it specifically says where practicable and applicable. It is not applicable to anything but tobacco. There is no difficulty in administering it. It cannot be applicable to any other commodity. It is not applicable to cotton, because you have no such identification and class and type. It cannot be applicable to wheat, because you do not have that classification. But it was put in here, and I think frankly with some wisdom, and was worked out, if you will look at the Senate debates, by Senator AIKEN, the chairman of the Committee on Agriculture, with the State Department and the Department of Agriculture. I am confident that the members of the State Department who collaborated with Senator AIKEN have a full understanding of how it is to be administered, and it was put in there in order to take care of a peculiar situation. If you want to legislate here that none of certain commodities shall be used, well and good, but as long as that commodity is in the bill, then you cannot get proper administration, you cannot stop a fight between Maryland and Pennsylvania and Ohio and Virginia and South Carolina. I see the distinguished gentleman from Virginia [Mr. FLANNAGAN] here. He knows 10 times more about it than I do, and I am sure he will corroborate what I have said and I hope he will contribute to this discussion.

Mr. KEFAUVER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. KEFAUVER. Mr. Chairman, it is obvious to all of us that time is running out in Europe. While there may be some imperfections in the European recovery program as it is now presented, I am satisfied that it is the best that can be done at the moment. It must be put into effect as rapidly as possible. To the millions now living at the edge of the iron curtain the passage of ERP will bring the only hope with which to revitalize the strength to help themselves.

There are inevitable risks in assuming the grave responsibilities which ERP entails and it will mean material sacrifice for the American people. I am convinced however that this course gives us the greatest opportunity to continue to work for peace. The ERP in action is tangible proof of democracy's inherent strength. It is clear, unmistakable notice to communism that we are joined more closely than ever with free countries of the world in proving by action that Democracy is the way to freedom and peace.

It is clear and unmistakable notice that to free men peace without freedom is not peace. It must be clear to the Comintern by now that failing all else this Nation has no alternative but to sustain freedom with crushing force.

While we must continue to work unceasingly for peace through the United Nations our words and our efforts must have a strong backbone of military strength. Strength and force are language which Russia understands. If there be war aims in the Russian plan I know of no better way to dissuade and discourage them than to expand our Army, Navy, and Air Force to whatever proportions are necessary to leave no doubt in the Kremlin mind that we are an intrinsically stronger opponent.

The Russian record thus far points clearly to an insatiable desire for aggrandizement in every direction. Domination of Czechoslovakia and Rumania are accomplished facts and the strangling tyrannies of communism continue unchecked. It is always the moral responsibility of freemen to hold wide the doorway to peaceful negotiation. We must at the same time be alert and prepared to stop a mad dog at the threshold.

Once passed, it is vital that ERP be effectively administered. There is no time for the delay and confusion of organizational experiments. It is obvious that no agency now exists which is qualified to undertake the administration of a program of such size and complexity.

I believe that the European recovery program can be most effectively and economically administered through an independent agency set up for this express purpose. This agency must be headed by an Administrator appointed by and responsible to the President. It must be staffed with highly competent and experienced personnel. In my opinion, the Administrator should be a man of wide experience in business and industry. He should be a man of unquestionable integrity and loyalty to this country with a proven record of achievement in organization and administration.

While it is my belief that the Administrator should be responsible to the President, the very nature of his work will, of course, bring him into the forefront of our Nation's foreign relations. He will inevitably help to shoulder some of the burdens of our Secretary of State. For this reason he must be a man who works well in double harness. The Administrator's deputies assigned to foreign countries should be men of similar qualifications, for while they cannot be responsible to our ambassadors, they must work effectively and in full cooperation with them. It seems to me that this general type of organization with clear delegation of responsibilities makes for streamlined channels of communication and authority. It leaves it in the hands of the President to resolve such major issues as the Administrator and the Secretary of State cannot resolve themselves.

In setting up this new agency care must be taken not to duplicate functions already being handled efficiently by other agencies. In this connection I am thinking specifically of the allocation of materials and export control which is now and always has been handled efficiently by the Department of Commerce and the Department of Agriculture. Similarly the fiscal aspects of this program should be handled by the National Advisory Council established by Congress itself in the Bretton Woods legislation. I see no necessity in trying to set up an additional group to consider these questions when such an expert group has been working in this field for some time.

I believe it important that the Administrator appoint a roving deputy or so-called roving Ambassador, whose primary duty is to work with the countries participating in the program in develop-

ing a closer economic and, perhaps in due course, a closer political union.

Effective economic and political union of the countries of Europe is, I believe, a cornerstone in the era of peace we are all striving to build. The importance of such a roving deputy cannot be overemphasized. His efforts can make a vital contribution toward peace.

While the passage of ERP makes our position clear and inflexible, it is my deepest hope that time and unceasing effort will discover the common ground on which our differences with other nations can be settled peaceably rather than in catastrophic war.

I shall continue to cling tenaciously to the belief that lasting peace is somehow attainable. I will not cease in my efforts to help reach this goal.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

Mr. PHILLIPS of California. I object, Mr. Chairman.

Mr. VORYS. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 18 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Chairman, I should like to have the attention of the gentleman from Massachusetts, who offered the amendment, so that I may try to clarify in my own mind his purpose in submitting this amendment striking, as I understand, paragraph (2) starting in line 18 on page 76 and ending in line 4 on page 77. I admit that the language is a little confusing to me, too. It states:

> In providing for the procurement of any such surplus agricultural commodity, the Administrator shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, and so forth.

It seems to me that if the gentleman's amendment is adopted and that section of the bill is stricken out, we are not going to give any consideration whatever to the historic reliance of the producers of agricultural commodities in this country on markets which they formerly had in Europe. I admit that I am just as puzzled as the gentleman from Massachusetts, but I do not want to see us take any action here that might be a mistake.

Mr. HERTER. The history of this amendment indicates very clearly that its intent was to cover only tobacco. This amendment had nothing to do with the Aiken amendment whatsoever. The amendment was adopted in committee before the Aiken amendment was ever offered on the floor of the Senate. The Aiken amendment was to take care of surplus agricultural products, and then this amendment was amended to fit in with the Aiken amendment as it came out of the committee. The only reason I raised the question at all is that it seems to me that for an Administrator to have to fight his way through the obscurity of this language without knowing what is intended is very difficult. If it is intended to take care of tobacco, it seems to me it ought to say so, and the language of the amendment ought to say why and how they want tobacco taken care of, instead of putting it in this very general language, which applies to all surplus agricultural commodities and is likely to lead to endless difficulties for the Administrator.

Mr. ANDERSON of California. The reason I raised the question is that the paragraph begins by stating:

> In providing for the procurement of any such surplus agricultural commodity—

So I should like to know how the gentleman figures, in view of the fact that it says any, that it applies only to tobacco.

Mr. HERTER. Because this was the amendment as it came out of the Senate Foreign Affairs Committee. It came to the floor of the Senate and the Senate then inserted the general Aiken amendment to take care of surplus agricultural commodities.

Mr. ANDERSON of California. I understand that.

Mr. HERTER. The language of this was then adjusted so that it would follow the Aiken amendment, but the history of it, I think, is just as I have described it. If there are valid reasons for taking care of this tobacco feud as between different types of tobacco, I have no objection, but it seems to me the language would make it apply to all surplus agricultural commodities and be a very difficult thing for any Administrator to try to follow.

Mr. ANDERSON of California. I presume there is a difference of opinion then, and if this provision is stricken from the bill, it can be very amicably settled in conference between the two bodies.

Mr. HERTER. I think so. I have no objection to this whatsoever, but it strikes me that it is difficult when it is applied to all agricultural commodities and is only intended to apply to one commodity.

Mr. ANDERSON of California. I thank the gentleman for his comments, but I shall have to oppose the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, I hope that the gentleman from Massachusetts will see fit to withdraw the amendment. While the amendment may apply to other agricultural commodities, such as dried fruit, it was, in my opinion, drafted primarily to take care of the different types of tobacco. I know of no other agricultural commodity which goes upon the market according to type. This amendment was agreed to by the State Department, by the Department of Agriculture, by the tobacco growers, dealers, and warehousemen. I have never seen such accord among the tobacco people. Just last week all of the people interested in tobacco met and discussed this amendment at length. They expressed themselves as being in entire accord. It does seem to me that in view of the fact that the growers, dealers, and warehousemen are in agreement with the language in the bill and think the language necessary to protect their interest that it would be a foolish act on our part to strike the language out of the bill. Surely no one desires to cripple a commodity that pays annually into the Treasury over $1,000,000,000 and surely this House will respect the unanimous opinion of those interested in tobacco.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. REES. About how much money do you expect to spend out of this fund for tobacco?

Mr. FLANNAGAN. I do not know. We have no control over that. That is out of our hands. But we say that if you are going to use any of this money for tobacco, here is the way it should be divided among the different types of tobacco.

Mr. REES. But why spend the taxpayers' money for tobacco instead of spending it for food?

Mr. FLANNAGAN. I am not arguing about that, but we are going to spend some of it for tobacco and if it is spent for tobacco, here is the ticket that we want to see written into the law. I hope the amendment is voted down.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. ELLIS. I would like to associate myself with the remarks of the gentleman from Virginia [Mr. FLANNAGAN] on this subject.

Mr. CHAPMAN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. CHAPMAN. Unfortunately, I could not get time, but in answer to the question asked by the gentleman from Kansas [Mr. REES] I would like to say that spending the taxpayers' money for tobacco is not such a terrible thing when tobacco pays $1,200,000,000 in taxes each year.

Mr. PHILLIPS of California. Now, Mr. Chairman, I cannot let a discussion of the merits of tobacco come out of my very limited time.

This is what I am afraid of, that the paragraph having been put in and having been so worded in providing for the procurement of any such surpluses would, by that inclusion, refer it back to the various commodities which are much desired for nutritional purposes abroad. That is the only thing I am afraid of. Will the gentleman answer that?

Mr. HERTER. It means that the Administrator, wherever practical and possible, has got to apply this formula to every surplus agricultural commodity.

Mr. PHILLIPS of California. What would be the parliamentary situation if this were stricken out in the House? Could it be then discussed and put back or reworded in the conference?

Mr. HERTER. It could.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. VORYS. Does the gentleman feel that in this relief and feeding program there is any occasion for putting in the test of historical use in this country?

Mr. PHILLIPS of California. Yes; I do. I will give you an illustration.

Mr. VORYS. The important thing we have got throughout this bill and in other parts of the Aiken amendment is the test of feeding people over there, not unloading surpluses here.

Mr. PHILLIPS of California. All right. Now, dried fruits are very much desired abroad. Dried fruits were historically a commodity exported from this country. In another part of Europe citrus fruits were exported prior to the war. It would be desirable if the Administrator would give some thought to the fact that they had been historically exported.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman——

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. McCORMACK. It seems to me this whole thing can be cleared up if they struck out the words "any agricultural," and put in "surplus tobacco." Then you will be protected.

Mr. RICHARDS. I wanted to request the gentleman from Massachusetts [Mr. HERTER] to withdraw his amendment. I think the reason there is some confusion about his amendment is that we do not understand the purpose of this provision. The purpose of the provision is to give equal justice to growers of all types of tobacco in the United States, and the same thing applies to other agricultural surpluses.

The gentleman from California [Mr. ANDERSON] would like to see fruit in different areas given equal consideration. That is all it is. I believe it would be helpful all around for the gentleman from Massachusetts [Mr. HERTER] to agree to withdraw his amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. COOLEY. I would like to ask the author of the amendment why it would not clarify the situation if he followed the suggestion made by the gentleman from Massachusetts [Mr. McCORMACK] just to insert the word "tobacco" in place of "commodity." If they do not want to agree to that, I certainly hope the gentleman will not insist upon his amendment, because this amendment in the bill was considered at great length in the Senate.

Mr. RICHARDS. I do not think that would clarify it. I think the bill should be left just as it is.

Mr. COOLEY. I am inclined to agree with the gentleman, but I thought it would satisfy the author of the pending amendment.

Mr. HERTER. I would have no objection at all if the gentleman wanted to confine it to tobacco.

Mr. COOLEY. I thought that might clear it up as far as the gentleman is concerned.

Mr. RICHARDS. I do not believe that would clear it up as far as the gentleman is concerned. We have other surplus commodities such as fruits.

I think it would be best to leave the provision just as it is.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. COOLEY. I do not see how it would increase the difficulties of administration in view of the plain language of this provision.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

The gentleman from North Carolina [Mr. BONNER] is recognized.

Mr. BONNER. Mr. Chairman, I am convinced of the sincerity of the gentleman from Massachusetts in moving to strike out this provision, but the provision does not apply entirely to tobacco. As the gentleman from California stated, there is an application of this provision to dried fruits, there is an application of this provision to other agricultural commodities. I think it can be said and I admit, that it does apply primarily to tobacco because there are about five different types of tobacco grown in different parts of the country, used for different purposes. They have an historical basis of export to foreign countries, and the language in the bill is for the purpose of following as near as possible the past desire of each country to receive tobacco in accordance with the historical past. The language does not say that they shall be used in this bill, but if they are used and certainly tobacco has been asked for by those we have already in authority on the scene of activity in Europe for incentive purposes. There the language as now contained in the bill serves a most necessary purpose. We know our soldiers desire tobacco in all forms and we supply it generously, we know the workmen in Europe desire tobacco for incentive purposes. Our soldiers have been missionaries of the consumption of tobacco throughout Europe; and, as the gentleman from Kentucky has stated, tobacco is one of the largest revenue-producing crops in America. Certainly we are all convinced, whether we come from the West or the North or wherever it may be, we should encourage foreign consumption for revenue-producing purposes if we did not keep up this sale in Europe we would lose great revenue here in America.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. HOLMES. It must be remembered also that there are certain types of fresh fruits that have historical dependence upon their type of market and those markets have been built up over the years.

Mr. BONNER. The gentleman is correct.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Kentucky.

Mr. CHELF. Does not the gentleman feel that the best interests of everybody concerned would be served by the present language of the bill? Why change it?

Mr. BONNER. I can see no reason why the administrator of this bill after reading the debate cannot understand just what is intended by this language or where the language will have any damaging effect whatsoever on the administration of the act, and I earnestly request the membership of the House to vote down this amendment.

Mr. SASSCER. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to my fine friend from Maryland who I know is greatly interested in the tobacco farmer.

Mr. SASSCER. The purpose of incentive goods is to reduce the amount of goods and supplies that we may be called upon to furnish under this program. Tobacco is included as an incentive item and should be retained in the bill. I hope the amendment is voted down.

Mr. BONNER. I thank the gentleman from Maryland for his fine contribution, and again I urge all friends of agriculture to vote down this amendment.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman. I had prepared an amendment to write the word "tobacco" into the bill, but if this relates to other commodities I do not think that would be a fair approach to a correction of what is about to be done and which would be almost disastrous to the tobacco-growing industry of many of the States.

In my own State of North Carolina the difference between a low price and a high price of tobacco is the ability to transport. There is not the ability to consume the tobacco that is grown by the markets in this country. It is a fact and we need not discuss that, that tobacco is considered an incentive and has been very desirable in war areas and in areas of destitution.

In the States of Ohio, West Virginia, Virginia, Maryland, Pennsylvania, and coming on down to North Carolina, South Carolina, and Georgia, a great part of the money derived from agricultural production comes from the growth and sale of tobacco. Our market would be very seriously crippled and our revenue as well; and the revenue which is paid to the Federal Government would be severely hurt. If this motion to strike out should carry I will offer an amendment to the amendment to save tobacco, but I did not want to do that if there were other commodities in any part of the United States that ought to come within it.

I really do not see what harm it would do to leave this section in the bill as it has come to us. I believe it ought to be here.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield.

Mr. REES. I just want to understand why we should use relief money to relieve the tobacco situation. I understand the gentleman to say that the tobacco growers will be in a terrible fix if we do not take this surplus tobacco off their hands. Perhaps so. But we should not

use this relief money for Europe for that purpose.

Mr. FOLGER. If we can take care of the people here economically, we will do that.

Mr. CHELF. They are not only getting the tobacco, but by having the tobacco themselves, they can tax it and help themselves.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The question was taken; and on a division (demanded by Mr. RICHARDS) there were—ayes 62, noes 68.

So the amendment was rejected.

Mr. TOLLEFSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TOLLEFSON: Page 75, line 22, after the period, insert "For the purposes of this act such term shall include any domestically produced fishery product (whether fish, shell fish, mollusk, or crustaceous) which is determined by the Secretary of Agriculture to be in excess of domestic requirements."

Mr. TOLLEFSON. Mr. Chairman, there are only two sources of food products, the land and the sea, and there is no good reason, as I see it, why fishery products should be excluded from the food-production and procurement program of this act.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Ohio.

Mr. VORYS. The committee is happy to accept the gentleman's amendment, and although it is hard to call fish an agricultural product, the gentleman, no doubt, can show why, under historic legislation, it can be considered in it.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TOLLEFSON. Mr. Chairman, in response to the statement of the chairman of the committee, I might say that this is not the first time it has been necessary to expand the meaning of the words "agricultural commodities." In legislation before this House on previous occasions in food-procurement and relief programs, it has been necessary to expand the meaning of the words "agricultural commodities" to include fishery products. I am sure that it was not the intent of this committee to eliminate fishery products from the food-procurement program of the Administrator. Fishery products were perhaps not mentioned through oversight. This same situation has arisen in previous food-procurement and relief programs and it has been necessary for the House to approve legislation including fish. In 1939 the Secretary of Agriculture was authorized to transfer funds to the Surplus Commodities Corporation to be used for the purpose of diverting surplus fishery products from normal trade channels and distributing them to Federal, State, and private relief channels. The Agricultural Marketing Act of 1946 provides that the term "agricultural products" shall include fish and shellfish products. In the Agriculture appropriation bill passed by this House a few days ago the Secretary of Agriculture was authorized to expend funds for the development of foreign markets for fishery products. There have been other similar enactments so that there is, as the chairman of the committee suggests, a historical background for my proposed amendment. I am happy that the chairman and his committee will accept the amendment, and with that assurance I shall not dwell further upon the matter.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts, [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, I hope that this amendment will be adopted. I am pleased to know that the committee has already approved it, because that follows the action of the House a week ago in amending the Agricultural appropriation bill approving fishery products in all its phases to be considered agricultural products. It seems to me that when we are providing food in its many phases to the people of Europe, that we may well and with profit also consider the fishery products. We have in mind, of course, that in this country we produce every year well over four and one-half billion pounds of fish, and there comes a time, perhaps seasonally, when we have a great surplus. I believe that fish, being the fine food that it is, should not be considered unavailable for distribution throughout the European countries, where it will serve a very useful purpose. I am grateful to the committee for accepting the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, this amendment and the next are important to large groups of our citizens—farmers, fishermen, and the workers who process their crops.

I suppose there will not be a Member of this body who votes for this foreign-aid bill who will not do so with misgivings and regret because of the sacrifices it will impose on the American people.

High though our purpose is from the humanitarian angle, and important as it is from the standpoint of enlightened self-interest, in our efforts to stem the tide of communism and protect human freedom without another world war—the cost will be great.

Our people and our economy will stagger under a grievous load no matter how well the plan works. The production of our farms and factories will be called upon to meet increased demands. If every effort is not made to keep our industrial machinery running smoothly, our resources, great as they are, will be insufficient to fill the requirements. Therefore it is imperative that every impetus and encouragement be given to our domestic production. We must eliminate bottlenecks wherever we find them.

I believe this amendment is of vital importance in this connection. There is not enough food in the world to feed the teeming population. During the war years our farmers and our fishermen were urged to produce more and ever more, yet too often good food is destroyed or permitted to go to waste and crops are permitted to rot in the fields. Food must not only be produced, but it must be preserved and distributed. Today many segments of the canning industry are impeded by abnormal surpluses of accumulated stocks. As of last March, for example, there were over 7,000,000 cases of tomatoes, nearly 11,000,000 cases of tomato juice, and over 13,000,000 cases of green peas clogging the shelves of warehouses and the storerooms of the packers. The 1946 pack of sweet potatoes is largely unsold. These are only a few of the fine canned and processed foods that are now in abundant supply. A new crop year is fast approaching. If these accumulated stocks are not moved, our canneries cannot work at full capacity. If the canneries cannot absorb the potential production, farmers will suffer. Either their crops will have to be curtailed or they may rot in the fields. This will result not only in loss of food which the world needs, but will cause serious and unnecessary losses to our farmers and their families, the canners and workers, the people who pay the taxes and make the sacrifices here at home.

As was so well pointed out last Thursday by the distinguished gentleman from Louisiana [Mr. LARCADE], there is much more to this feeding problem than caloric values. We might as well face the fact that unless the maximum use of surplus foods is specifically directed, the often-expressed will of Congress in this regard will continue to be nullified by the formula that demands the most calories for a dollar. The maze of departments and the bureaucrats that pass on these matters will end up by making further heavy demands on grain and thereby add to scarcities and to the cost of living at home. Our domestic economy will be hampered and production of food decreased. If our people are to make these sacrifices—if they are to send these billions abroad—if they must continue to wait for road, post office, school, harbor, and other improvements long due in so many parts of our land, at least we should make it as simple as possible for them to produce the food and earn the wherewithall to pay the taxes required.

Mr. Chairman, I urge the passage of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. TOLLEFSON].

The amendment was agreed to.

Mr. LARCADE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LARCADE: On page 75, subsection (d), line 20, after the comma insert "canned and other food commodities."

Mr. LARCADE. Mr. Chairman, this is similar to the amendments just adopted. In order to save time, may I ask if the committee will accept the amendment?

Mr. VORYS. What does the amendment include?

Mr. LARCADE. It provides for the inclusion in the bill of the purchase of surplus canned foods.

Mr. VORYS. "And other food commodities" includes anything on earth, does it not?

Mr. LARCADE. I would not say it covers everything on earth, but it does include canned foods.

Mr. VORYS. Can the gentleman tell me anything that is not included under "other commodities"? If the gentleman will strike out those words so that we will now what his amendment means, we might be able to agree to it.

Mr. LARCADE. I will be glad to do so.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Georgia.

Mr. PACE. The truth is that the "other foods commodities" was put in there for the sole purpose of including fish. Inasmuch as the amendment on fish has already been adopted, the gentleman can easily modify his amendment.

Mr. LARCADE. I will be glad to do so if the committee will accept the amendment.

Mr. Chairman, I ask unanimous consent that my amendment may be modified so as to provide that on page 75, line 20, after the comma, the words "canned foods" be inserted.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Does that include canned fish?

Mr. LARCADE. Yes.

Mr. HOFFMAN. Or just agricultural products?

The CHAIRMAN. The Clerk will report the amendment as proposed to be modified.

The Clerk read as follows:

Modified amendment offered by Mr. LARCADE: On page 75, line 20, after the comma insert "canned foods."

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana, as modified.

The amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 75 at the end of line 17, strike out the period and insert the following: "The amounts of corn and derivatives of corn produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States corn used to produce the derivatives procured in the United States for transfer by grant to such countries under this title shall not be less than 50 percent of the aggregate of the unprocessed corn and corn derivatives procured in the United States for transfer by grant to such countries under this title."

Mr. HOFFMAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN to the amendment offered by Mr. DIRKSEN: After the word "derivatives" as it appears in three places in the amendment, add the words "except intoxicating liquor."

Mr. HOFFMAN. Mr. Chairman, as long as you have all the agricultural products in there except corn, it is all right with me if you want to add corn and the corn-food products. You have tobacco in there. So the folks on relief can smoke and they can chew, and about that I am not complaining. You may need the million to buy tobacco in order to get the votes from the South. But I surely object to paying for any corn that is going to be used to make whisky, or whatever intoxicating liquor they make out of corn.

Now, this money is to be spent in other countries to feed hungry people, so we are told. We send it over there to stop communism. You do not need to get them drunk to stop communism. And some of our own folk do not wish tax money spent for liquor. The more sober they are the sooner they will find out they are wrong in thinking communism, which is a sort of mental drunkenness, is a good thing.

I have great sympathy, of course, for the corn growers—not so much as I had last year, because we had to pay $2.70 a bushel for corn not so long ago, when a man who was farming for me did not have enough. Paying that price reduced my love for the corn grower somewhat. Even I try to grow corn. Two dollars and seventy cents a bushel for corn is a pretty high price. So, if we take care of the corn growers and buy their corn to ship abroad, that may be all right. I will go along with that. I will go along with some of "the derivatives" of corn. I do not know just what that means. My friend, the gentleman from Illinois [Mr. DIRKSEN] has a wonderfully fine vocabulary, but I have a sneaking idea that "derivatives" as used in his amendment, means corn liquor. Hence this amendment to his amendment. I do not believe we ought to put that "derivatives" in there without this little qualification. What are the folks going to think about it? They are going to be short of food here at home—short of corn-meal mush, corn pone, corncob pipes. Prices are going to be high. They cannot get this, that, or the other item of food in the months to come. They are going to be mad about that. Hot under the collar when prices keep shooting up and up. No matter even if it is good liquor. When the housewife sees hungry children and remembers that she is short on breakfast foods made from corn—that there is no corn-meal mush—she will be asking you: Did you use that corn to make liquor to send to the starving people in Europe? Your answer?

Everything that comes from the gentleman's district is fine, but we should not spend the money of the WCTU ladies to buy corn to make whisky to send abroad under the guise that we are stopping communism and feeding the hungry. That idea is just too much to swallow—even with a slug of liquor back of it.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Michigan to the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN] as amended.

The amendment as amended was agreed to.

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time in order to try to obtain some information which I think would be very helpful, with reference to steel and petroleum. Something has been mentioned about steel this afternoon. I would like to ask two or three pertinent questions about this program as it relates to steel and petroleum products.

Mr. Chairman, this program, according to the report, anticipates the expenditure of some three and one-half billions of dollars for petroleum requirements to the participating countries over the period of 4 years. As I understand, the first year there will be something like three-quarters of a billion that will go into the purchase of petroleum products for the participating countries. In the CEEC report it is said that the total estimate of dollar expenditures for petroleum requirements, petroleum equipment, and tanker shipping for over a 4-year period amounts to three and a half billion dollars.

I assume, Mr. Chairman, that that means more than the purchase of crude and petroleum products. I should like to ask the gentleman if it is any intention of using any of this money for the development of oil production in areas where the participating countries operate and are developing such products? Referring specifically to the British development in the Middle East.

Mr. VORYS. I do not know where the gentleman gets the figure that there is going to be $3,500,000,000 used for building petroleum machinery.

Mr. HARRIS. I get it out of the Commodity Report, European Recovery Program, chapter G, which is petroleum, and filed with the gentleman's committee and which the committee used, no doubt in the consideration of this legislation. On page 5 of that report appears the statement:

The total estimate of dollar expenditures for petroleum requirements, petroleum equipment, and tanker shipping over the 4-year period amounts to $3,500,000,000.

Does that mean this money is going to be used by the British to develop the British oil fields in the Persian Gulf area? That it will take steel for tubular and other oil-country goods, line pipe and such requirements and equipment for the development of those fields in order to supply the requirements of the participating countries? I know the plan is to increase the refinery capacity in the participating countries to some 800,000 barrels refining capacity per day. I under-

stand that all right, but it seems to me it is all-important in view of the shortages of steel for all types of uses in this country, that this should be clarified. We should give very careful consideration as to how much of the tubular goods, casing, and line pipe, and so forth, is going to be taken from domestic uses and shipped to the Middle East to develop oil fields there in order that the participating countries' requirements be met.

Mind you, the program is that during the first year, 1948, some 76.7 percent of the petroleum requirements will come from the Western Hemisphere and also 17.9 percent from the Middle East, but at the end of this adventure the sources of supply will be that 82.1 percent, according to the estimate, will come from the Middle East, and only a small percentage will come from the Western Hemisphere.

I ask again, Mr. Chairman—

First. Will any of the money be used for the development of the oil fields of the Middle East, Persian Gulf area?

Second. If so, how much will be used to develop the British-controlled fields.

Third. How much steel, if any, will be given for this purpose?

Fourth. How much steel, if any, will be purchased for the British pipe line from the oil field to the Mediterranean with these funds?

Fifth. Will any steel be purchased for the development of the British refineries in the Persian Gulf fields or on the Mediterranean coast in Palestine with these funds?

Sixth. And how much steel will be used to develop the refinery capacity in participating countries?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

The Clerk read as follows:

REIMBURSEMENT TO GOVERNMENT AGENCIES

SEC. 113. (a) The Administrator shall make reimbursement or payment, out of funds available for the purposes of this title, for any commodity, service, or facility procured under section 111 of this title from any department, agency, or establishment of the Government. Such reimbursement or payment shall be made to the owning or disposal agency, as the case may be, at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to between the Administrator and such agency. The amount of any reimbursement or payment to an owning agency for commodities, services, or facilities so procured shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities or such services or facilities: *Provided*, That such commodities, services, or facilities may be procured from an owning agency only with the consent of such agency: *And provided further*, That where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that replacement of any commodity procured under authority of this section is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

(b) The Administrator, whenever in his judgment the interests of the United States will best be served thereby, may dispose of any commodity procured out of funds made available for the purposes of this title, in lieu of transferring such commodity to a participating country, (1) by transfer of such commodity, upon reimbursement, to any department, agency, or establishment of the Government for use or disposal by such department, agency, or establishment as authorized by law, or (2) without regard to provisions of law relating to the disposal of Government-owned property, when necessary to prevent spoilage or wastage of such commodity or to conserve the usefulness thereof. Funds realized from such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such commodity.

Mr. HESELTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want to detain the committee at this late hour but I do feel compelled to ask certain questions of the committee in terms of subsection (b) of section 112, which provides:

(b) The procurement of petroleum and petroleum products under this title shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this title, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of alternate fuels or other sources of power is practicable.

My object is twofold. First I want to emphasize the soundness of what was stated here a moment ago by the gentleman from Arkansas in terms of any undertaking to build up competitive industry in some of these other countries at the expense of our own domestic industries and to inquire what precautions the committee has in mind that should be unquestionably taken by the Administrator to prevent that result.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I am happy to yield to the gentleman from Arkansas.

Mr. HARRIS. I would like very much for the gentleman who is handling this matter for the committee to answer the question, which apparently he did not wish to answer a moment ago.

Mr. HESELTON. I think it is a very important question and I, too, would like to get an answer.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Ohio.

Mr. VORYS. The Acting Chairman for the moment confesses with great humility his lack of expert knowledge in the field of petroleum when being interrogated by two such experts as both the gentlemen. I do not even have the skill to follow through the rather long involved questions the gentlemen asked me.

If the gentlemen would get their questions to me I will seek to secure categorical answers by tomorrow to the questions that they raise.

I may say that the statement of purpose in section 112 (b), and that language was not changed since it came from the other body, shows the view of the Senate and of the House Foreign Affairs Committee as to the way in which the petroleum-producing machinery should be used. I know that a part of the plan is to secure petroleum-producing equipment and pipe lines from Germany and other places to relieve the drain on our country, both so far as petroleum and steel are concerned. That is an ultimate objective of the plan.

The gentlemen are so expert in the field I would rather have their questions written. If their purpose is to show my lack of knowledge of the entire field of the petroleum problem, I immediately confess my weakness. If their purpose is to secure categorical answers, I will obtain them by morning.

Mr. HESELTON. I assure the gentleman that was not my purpose in any sense of the word. If it is agreeable to the Acting Chairman and if he will read the questions that have been asked by both of us and see that we will have the answers in the RECORD tomorrow in terms of interpretation of this act I think it will be extremely useful.

Secondly, I want to call the acting chairman's attention to a report I am sure has come to the attention of his committee. I refer to the progress report of the Committee on Interstate and Foreign Commerce on the fuel investigation, dated February 27, 1948, in which this very problem of the European recovery program was dealt with extensively. May I ask your consideration of one paragraph in that report which is of vital importance to the people in this country in terms of shortages we have had and the shortages we undoubtedly will continue to have unless this program is wisely administered.

That is this:

It appears that the largest increase in prospective demand of nearly all the European countries is in gas, Diesel, and fuel oil. This European demand results in part from the greatly increased use of Diesel engines in road and railroad transportation, agriculture, shipping, and industry, but mainly caused by the conversion from coal to oil in industry and shipping between 1945 and 1947.

In the total energy balance of these countries, oil has always played a much less prominent role than it has in the United States. In view of the uncertainties as to supply, it appears that this may not be the time for encouragement of any large-scale conversion in European countries from coal to oil. This would appear true, for example, in France, in the conversion of railway power from coal to oil; in Greece, in the allocations of gas, oil, and fuel oil to industrial use; in Portugal, in the conversion of the fishing fleet to motorboats and oil-burning trawlers; in Holland, in conversion to motorboats and tugs on the inland waterways; in Italy, in expansion of motorships; and in various countries in the expansion of highway transportation.

I wish the Committee would indicate whether they intend that such conversions are not to be included in this program. What base period will be used by the Administrator—1938 or 1947 or what period? What does it mean by an "undesirable expansion of petroleum-consuming equipment"?

Surely some understandable standard can be provided. Are we to underwrite the conversion of railway power from coal to oil, the conversions of fishing fleets, of motorboats and tugs, the expansion of motorships and of highway transportation beyond the 1938 level or the 1947 level? If so, what justifications are offered?

Certainly, this Congress is responsible to the American people. It must weigh the probabilities involved so far as their

comfort, their health, and their security are concerned. Is it not obvious that we cannot hope to accomplish what this program seeks to accomplish if we ignore the necessity of answers to these legitimate questions? We must not cripple our own productive capacity, which is the key to the success of this effort.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HESELTON. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

Mr. VORYS. I am constrained to object, Mr. Chairman. If the gentleman will extend his remarks, we will get the answers for him.

The Clerk read as follows:

AUTHORIZATION OF APPROPRIATIONS

SEC. 114. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (c) of this section, to make advances not to exceed in the aggregate $1,000,000,000 to carry out the provisions of this title, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest from appropriations authorized under this title for advances made by it hereunder.

(b) Such part as the President may determine of the unobligated and unexpended balances of appropriations or other funds available for the purposes of the Foreign Aid Act of 1947 shall be available for the purpose of carrying out the purposes of this title.

(c) In order to carry out the provisions of this title with respect to those participating countries which adhere to the purposes of this title, and remain eligible to receive assistance hereunder, such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952, to carry out the provisions and accomplish the purposes of this title: *Provided, however,* That for carrying out the provisions and accomplishing the purposes of this title for the period of 1 year following the date of enactment of this act, there are hereby authorized to be so appropriated not to exceed $4,300,000,000. Nothing in this title is intended nor shall it be construed as an express or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries. The authorization in this title is limited to the period of 12 months in order that subsequent Congresses may pass on any subsequent authorizations.

(d) Funds made available for the purposes of this title shall be available for incurring and defraying all necessary expenses incident to carrying out the provisions of this title, including administrative expenses and expenses for compensation, allowances and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this title, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds, as the Administrator shall specify in the interest of the accomplishment of the purposes of this title.

(e) The unexpended portions of any deposits which may have been made by any participating country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, 80th Cong.) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.) may be merged with the deposits to be made by such participating country in accordance with section 115 (b) (6) of this title, and shall be held or used under the same terms and conditions as are provided in section 115 (b) (6) of this title.

(f) In order to reserve some part of the surplus of the fiscal year 1948 for payments thereafter to be made under this title, there is hereby created on the books of the Treasury of the United States a trust fund to be known as the Foreign Economic Cooperation Trust Fund. Notwithstanding any other provision of law, an amount of $3,000,000,000, out of sums appropriated pursuant to the authorization contained in this title shall, when appropriated, be transferred immediately to the trust fund, and shall thereupon be considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures. The Secretary of the Treasury shall be the sole trustee of the trust fund and is authorized and directed to pay out of the fund such amounts as the Administrator shall duly requisition. The first expenditures made out of the appropriations authorized under this title in the fiscal year 1949 shall be made with funds requisitioned by the Administrator out of the trust fund until the fund is exhausted, at which time such fund shall cease to exist. The provisions of this subsection shall not be construed as affecting the application of any provisions of law which would otherwise govern the obligation of funds so appropriated or the auditing or submission of accounts of transactions with respect to such funds.

Mr. VORYS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 2202, the Foreign Assistance Act of 1948, had come to no resolution thereon.

FIRST DEFICIENCY APPROPRIATION BILL, 1948

Mr. TABER, from the Committee on Appropriations, reported the bill (H. R. 6055) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes (Rept. No. 1618), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. GORE reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. RIZLEY asked and was given permission to revise and extend the remarks he made in Committee and include a letter.

Mr. MUNDT asked and was given permission to revise and extend the remarks he made in Committee and include extraneous material.

Mr. KIRWAN (at the request of Mr. BUCHANAN) was given permission to extend his remarks in the RECORD and to include an article.

Mr. ROONEY (at the request of Mr. MCCORMACK) was given permission to extend his remarks in the RECORD.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. HOFFMAN. Mr. Speaker, when the minority report on House Joint Resolution 342 came in it came in so late it was impossible to make any answer to it or to include the views of the majority. I ask unanimous consent that the supplemental report I have written may be filed and printed in a sufficient number to equal the number of the original report.

The SPEAKER. Is there objection to the request of the gentlemen from Michigan?

There was no objection.

COMMEMORATIVE STAMPS—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 584)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith without my approval House Joint Resolution 251, to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the coming of the Swedish pioneers to the Middle West.

Under existing law the Postmaster General has general authority to issue commemorative postage stamps, and such stamps are issued from time to time for the purpose of honoring significant events in American history. However, the commemorative stamps that can be approved each year must be restricted to a comparatively few issues because of the limited production facilities of the Bureau of Engraving and Printing. The issuance of the stamp provided for by this joint resolution might make necessary the cancellation of one or more of the special stamps which the Postmaster General has already announced will be issued during 1948 for the purpose of commemorating other historic events.

I am proud, as other Americans are, of the contributions which have been made to our democracy by Americans of Swedish origin, and I believe that these contributions should be recognized by all appropriate means. However, a special stamp in commemoration of the establishment of the first colony of Swedish and Finnish settlers in America was issued in 1938. Thus, the event to be honored by the present measure is similar to one which has already been honored by the issuance of a special postage stamp within recent years. Equitable use of the practice of recognizing the historic importance of events by the issuance of special stamps requires that this recognition be accorded

at this time to other elements in our national life.

For these reasons, I am unable to approve this joint resolution.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 30, 1948.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and message will be referred to the Committee on Post Office and Civil Service and ordered to be printed.

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

RUBBER ACT OF 1948

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the conferees on the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DECORATIONS TENDERED RETIRED OFFICERS AND EMPLOYEES OF THE UNITED STATES BY FOREIGN GOVERNMENTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 583)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am forwarding, for the consideration of the Congress, a communication from the Secretary of State transmitting a list of those retired officers or employees of the United States for whom the Department of State under the provisions of the act of January 31, 1881 (U. S. C., title 5, sec. 115), is holding decorations, orders, medals, or presents tendered them by foreign governments.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 30, 1948.*

(Enclosures: 1. From the Secretary of State. 2. List.)

TRANSPORTATION OF PERSONNEL AND CARGO BY MILITARY AND NAVAL AIRCRAFT

The SPEAKER laid before the House the following communication from the Secretary of Defense:

MARCH 23, 1948.

Hon. JOSEPH W. MARTIN, Jr.
Speaker of the House.

MY DEAR SPEAKER MARTIN: In order to insure uniformity and promote economy, I issued an order on November 18, 1947, setting forth the policies governing transportation of personnel and cargo by military and naval aircraft. This order, copy of which is attached hereto, authorized the provision of air transportation when:

a. The traffic is of official concern to the National Military Establishment.

b. The traffic is of official concern to other Government departments or agencies, or the legislative or judicial branches of the Government subject to subparagraph d below.

c. The traffic, although nongovernmental in character, is in the national interest, subject to subparagraph d below.

d. Under b and c above, the Civil Aeronautics Board certifies that there are no adequate United States civil air carriers available to handle such traffic. As a general policy the aviation organization of the armed forces shall not be placed in a position of competing with United States commercial air transportation.

The three military departments are encountering considerable difficulty in applying this policy because of varying interpretation of the phrases "national interest" and "official concern." I have recently reaffirmed the policy of November 18, 1947, and have directed all elements of the National Military Establishment to exercise great caution and self-restraint in the use of military and naval air transportation. As a further means of insuring appropriate use of limited resources, I would appreciate such measures as you consider desirable to inform Members of the House of the prevailing policy, and to encourage uniform interpretation thereof.

Sincerely yours,

JAMES FORRESTAL.

FUEL SHORTAGES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I wish to announce to the House that the resolution which I introduced, and which was passed by the House, asking the Secretary of the Interior to describe the amount of oil and coal on hand now and the solution for the shortages of those commodities, went to him on the 17th of February, but nothing has been done about it thus far. This inaction is strange, and indicates an intention not to give the information.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 329. An act for the relief of Gentaro Takahashi; to the Committee on the Judiciary.

S. 419. An act for the relief of Mrs. Teruko Matsukawa (nee Teruko Nagai); to the Committee on the Judiciary.

S. 642. An act for the relief of Tang Sik Pui, his wife, and his five minor children; to the Committee on the Judiciary.

S. 661. An act for the relief of Mrs. Lum Shee Jung; to the Committee on the Judiciary.

S. 692. An act to authorize a mileage allowance of 7 cents per mile for United States marshals and their deputies for travel on official business; to the Committee on the Judiciary.

S. 740. An act to record the lawful admission to the United States for permanent residence of Naka Matsukata Rawsthorne; to the Committee on the Judiciary.

S. 755. An act for the relief of Toraichi Ambo; to the Committee on the Judiciary.

S. 940. An act for the relief of Mrs. Chieko S. Kawakami; to the Committee on the Judiciary.

S. 1045. An act for the relief of Mrs. Lucia Kim; to the Committee on the Judiciary.

S. 1055. An act for the relief of Mrs. Irma M. Pierce and Charles Z. Pierce; to the Committee on the Judiciary.

S. 1186. An act for the relief of Thorvaldur Hliddal; to the Committee on the Judiciary.

S. 1451. An act for the relief of Perfecto M. Biason and Joan Biason; to the Committee on the Judiciary.

S. 1771. An act authorizing the Secretary of the Interior to convey certain lands in Powell townsite, Wyoming, Shoshone reclamation project, Wyoming, to the James S. McDonald Post, No. 5054, Veterans of Foreign Wars, Powell, Wyo.; to the Committee on Public Lands.

S. 1806. An act for the relief of Ensign Merton H. Peterson, United States Naval Reserve; to the Committee on the Judiciary.

S. 1950. An act to provide for a decennial census of housing; to the Committee on Post Office and Civil Service.

S. 1985. An act to amend the act entitled "Boulder Canyon Project Adjustment Act," approved July 19, 1940; to the Committee on Public Lands.

S. 2278. An act to authorize the sale of certain public lands in San Juan County, Utah, to the Southwest Indian Mission, Inc.; to the Committee on Public Lands.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 718. An act for the relief of Clarence J. Wilson and Margaret J. Wilson;

H. R. 986. An act for the relief of Leslie H. Ashlock;

H. R. 1215. An act for the relief of Kazue Oda Takahashi;

H. R. 1586. An act for the relief of Mrs. Leslie Price, Philip C. Price, Mrs. Louise Keyton, Annie Curry, and James Curry;

H. R. 2214. An act for relief of Dave Hougardy;

H. R. 2347. An act for the relief of Mrs. Akiko Tsukado Miller;

H. R. 3061. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 3118. An act for the relief of Mrs. Susan W. Roe;

H. R. 3229. An act to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontinguous territory;

H. R. 4177. An act for the relief of William L. Cunliffe;

H. R. 4478. An act to provide basic authority for certain administrative expenditures for the Veterans' Administration and for other purposes;

H. R. 4938. An act to amend the Tariff Act of 1930 with reference to platinum foxes, and platinum fox furs, and for other purposes;

H. R. 4943. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the territory of the Republic of the Philippines;

H. R. 5049. An act to reopen the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws; and

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2361. An act to provide for a temporary extension of the National Housing Act, as amended.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on March 29, 1948, present to the President, for his approval, a bill of the House of the following title:

H. R. 2298. An act to amend the Interstate Commerce Act, as amended, and for other purposes.

ADJOURNMENT

Mr. LODGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 31, 1948, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1422. A letter from the Acting Chairman, Securities and Exchange Commission, transmitting the Thirteenth Annual Report of the Securities and Exchange Commission, for the fiscal year ended June 30, 1947; to the Committee on Interstate and Foreign Commerce.

1423. A letter from the assistant to the Attorney General, transmitting a draft of a proposed bill to amend the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

1424. A letter from the Acting Secretary of the Navy, transmitting a report of proposed transfer of a landing ship, tank, or vessel of similar type, to the Cape May County Ferry Commission; to the Committee on Armed Services.

1425. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States; to the Committee on Armed Services.

1426. A letter from the executive secretary, American Chemical Society, transmitting the Annual Report of the American Chemical Society, for the calendar year 1947; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TABER: Committee on Appropriations. H. R. 6055. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 1618). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 1468. A bill to provide for the review of certain orders of the Interstate Commerce Commission and the United States Maritime Commission and giving the United States courts of appeals jurisdiction on review to enjoin, set aside, or suspend such orders; with amendments (Rept. No. 1619). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 1470. A bill to provide for the review of orders of the Federal Communications Commission under the Communications Act of 1934, as amended, and of certain orders of the Secretary of Agriculture made under the Packers and Stockyards Act, 1921, as amended, and the Perishable Agricultural Commodities Act, 1930, as amended; with amendments (Rept. No. 1620). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 2271. A bill to incorporate into the Judicial Code the provisions of certain statutes relating to three-judge district courts, and for other purposes; with amendments (Rept. No. 1621). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 6039. A bill to authorize the permanent appointment in the Regular Army of one officer in the grade of general and to authorize the permanent appointment in the Regular Air Force of one officer in the grade of general, and for other purposes; to the Committee on Armed Services.

By Mr. HAGEN:

H. R. 6040. A bill to exempt from income tax retired pay of enlisted members of the armed forces; to the Committee on Ways and Means.

By Mr. GEARHART:

H. R. 6041. A bill to provide survivors insurance protection under the Social Security Act for certain civilians employed during the war outside the United States in the construction and maintenance of military or naval bases of the United States; to the Committee on Ways and Means.

By Mr. NODAR:

H. R. 6042. A bill to amend the National Service Life Insurance Act of 1940, as amended, paragraph (t) of section 602, to provide lump-sum payment of national service life insurance claims which matured prior to August 1, 1946, in any case where the beneficiary, now receiving monthly payments, so elects; and to afford to the beneficiary an election of the optional modes of settlement of claims maturing on or after August 1, 1946; to the Committee on Veterans' Affairs.

H. R. 6043. A bill increasing the immigration quotas for Italy; to the Committee on the Judiciary.

By Mr. HALE:

H. R. 6044. A bill to remove certain restrictions on the acquisition and holding, or transportation, of gold coin, bullion, currency, certificates, or securities, and for other purposes; to the Committee on Banking and Currency.

By Mr. KELLEY:

H. R. 6045. A bill amending the act approved December 2, 1942, which provides compensation for injury, death, or detention of employees of contractors with the United States and certain other persons or reimbursement therefor; to the Committee on Education and Labor.

By Mr. BLAND:

H. R. 6046. A bill to authorize the Postmaster General to assign space in the United States Post Office, Courthouse, and Customhouse Building at Newport News, Va., for use by the Corporation Court of Newport News and by the Circuit Court of the Eleventh Circuit of the Commonwealth of Virginia; to the Committee on Post Office and Civil Service.

By Mr. HARRISON:

H. R. 6047. A bill to revive and continue certain provisions of the War Labor Disputes Act; to the Committee on Education and Labor.

By Mr. HARDIE SCOTT:

H. R. 6048. A bill to increase certain benefits payable under the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on Education and Labor.

By Mr. ANDREWS of New York:

H. R. 6049. A bill to authorize the President, in his discretion, to permit the stoppage of work on certain combatant vessels; to the Committee on Armed Services.

By Mr. BEALL:

H. R. 6050. A bill to amend an act approved July 16, 1947, entitled "An act to provide revenue for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. POULSON:

H. R. 6051. A bill to provide for the relief and welfare of the Agua Caliente Band of Mission Indians, of Palm Springs, Calif.; for the withdrawal of Federal supervision; for the control of its property by its tribal council, for a corporation of its members to manage and improve its lands; for certain allotments, patents, and leases; and for other purposes; to the Committee on Public Lands.

By Mr. TRIMBLE:

H. R. 6052. A bill to amend section 10 of the Flood Control Act of 1944; to the Committee on Public Works.

By Mr. MUNDT:

H. R. 6053. A bill for expenditure of funds for cooperating with the public-school board at Sisseton, S. Dak., for the extension of public-school facilities to be available to all Indian children in the district; to the Committee on Public Lands.

By Mr. HOPE:

H. R. 6054. A bill to establish conservation and orderly development of the Nation's agricultural land and water resources as a basic policy of the United States, to provide for a national agricultural land- and water-conservation program, and for other purposes; to the Committee on Agriculture.

By Mr. TABER:

H. R. 6055. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. BUCK:

H. R. 6056. A bill to amend an act of Congress approved February 9, 1881, which granted a right-of-way for railroad purposes through certain lands of the United States in Richmond County, N. Y.; to the Committee on Public Lands.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the acquisition of Angel Island in San Francisco Bay as a State park; to the Committee on Expenditures in the Executive Departments.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to enact a universal military training law; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States requesting a critical investigation of the Drefkoff plan for industrialization of the Navajo Indian Reservation; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to repeal the Federal transportation tax; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 6057. A bill for the relief of Anacortes Shipways, Inc. (Pacific Shipways Division), and for other purposes; to the Committee on the Judiciary.

By Mr. HERTER:

H. R. 6058. A bill for the relief of S. L. Ayres & Co., Inc.; to the Committee on the Judiciary.

H. R. 6059. A bill for the relief of Mrs. Zumrut Zelveian, Haig Zelveian, and Mary Zelveian; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 6060. A bill to confer jurisdiction on the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the Hawaiian Airlines, Ltd.; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 6061. A bill for the relief of Mrs. Ethel N. Plunkett; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 6062. A bill to authorize the President of the United States to present the Congressional Medal of Honor to Thomas W. Doyle; to the Committee on Armed Services.

By Mr. MULTER:

H. R. 6063. A bill for the relief of Cosmo Casati; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 6064. A bill for the relief of Hanna Mussbach; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1668. By Mr. ELSTON: Petition of Frank Rohe and 54 other residents of Cincinnati, Ohio, and vicinity, urging support of legislation to reduce postage for relief packages mailed to certain European countries; to the Committee on Post Office and Civil Service.

1669. By Mr. LARCADE: Petition of Mrs. N. J. Amy and other members of the Woman's Christian Temperance Union of Eunice, La., in regard to S. 265; to the Committee on Interstate and Foreign Commerce.

1670. By Mr. NORBLAD: Petition signed by Dorothy D. Dunmire and 27 other citizens of Clackamas County, Oreg., in support of the Marshall plan; to the Committee on Foreign Affairs.

1671. Also, petition signed by Mildred L. Anderson and 22 other citizens of Dallas, Oreg., in support of the Marshall plan; to the Committee on Foreign Affairs.

1672. Also, petition of Mrs. Lois C. Upjohn, of Salem, Oreg., and 34 other citizens of the State of Oregon, in support of the Marshall plan; to the Committee on Foreign Affairs.

1673. By the SPEAKER: Petition of Slovak Action Committee petitioning consideration of their resolution with reference to Slovak national independence; to the Committee on Foreign Affairs.

1674. Also, petition of Naval Reserve Officers Association of Tokyo, Yokohama Chapter, No. 159, petitioning consideration of their resolution with reference to mobilization of the Reserve and enactment of the European recovery program; to the Committee on Armed Services.

1675. Also, petition of J. Jasper Spurling and others, petitioning consideration of their resolution with reference to opposition to a peacetime draft; to the Committee on Armed Services.

1676. Also, petition of Jean Eaton and others, petitioning consideration of their resolution with reference to opposition to the Towe bill (H. R. 4278); to the Committee on Armed Services.

SENATE

WEDNESDAY, MARCH 31, 1948

(Legislative day of Monday, March 29, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, inspire us to carry on during this day with confidence and a clear vision of the glorious triumph of justice and righteousness.

May all who are serving our generation in these times of unparalleled problems be guided by Thy spirit to find practical and promising ways of mediating to struggling humanity the Master's way of the more abundant life.

Fortify us against those specters of fear which haunt us in our hours of perplexity. May we never surrender to defeatism. Help us to bear testimony that we are the intrepid pilgrims of a greater faith and a larger hope.

In Christ's name we pray. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 30, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 30, 1948, the President had approved and signed the following act:

S. 2182. An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 2361. An act to provide for a temporary extension of the National Housing Act, as amended;

H. R. 718. An act for the relief of Clarence J. Wilson and Margaret J. Wilson;

H. R. 986. An act for the relief of Leslie H. Ashlock;

H. R. 1215. An act for the relief of Kazue Oda Takahashi;

H. R. 1586. An act for the relief of Mrs. Leslie Price, Philip C. Price, Mrs. Louise Keyton, Annie Curry, and James Curry;

H. R. 2214. An act for relief of Dave Hougardy;

H. R. 2347. An act for the relief of Mrs. Akiko Tsukado Miller;

H. R. 3061. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 3118. An act for the relief of Mrs. Susan W. Roe;

H. R. 3229. An act to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory;

H. R. 4177. An act for the relief of William L. Cunliffe;

H. R. 4478. An act to provide basic authority for certain administrative expenditures for the Veterans' Administration, and for other purposes;

H. R. 4938. An act to amend the Tariff Act of 1930 with reference to platinum foxes and platinum-fox furs, and for other purposes;

H. R. 4943. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the territory of the Republic of the Philippines;

H. R. 5049. An act to reopen the revested Oregon & California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws; and

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

ARTHUR H. VANDENBERG

Mr. WHERRY. Mr. President, on March 31, 1928, a young man came to Washington from Michigan to take his place in the Senate by appointment. During his years of service since that time, he has distinguished himself, not only as a citizen of Michigan, not only as a great statesman of the United States of America, but as a leader in world affairs. I pay my compliment today, in this brief comment, to the distinguished senior Senator from Michigan, ARTHUR H. VANDENBERG, the President pro tempore of the Senate, who has blazed a notable trail in these 20 years and has set before us an enviable pattern of faithful and high-minded public service. I suggest that when the history of our times is written ARTHUR H. VANDENBERG will occupy a glorious place as a great statesman and a great American. [Applause.]

Mr. DONNELL. Mr. President, the distinguished Senator from Nebraska has, I am sure, stated the sentiments not only of the minds but of the hearts of the Members of the Senate, for not only has our distinguished President pro tempore—who has at times commented with some question mark in regard to the pro tempore portion of his title—given to us a magnificent example of leadership and statesmanship, but by his fine personal qualities he has endeared himself to the Members of this great body. As one of the newer Members of the Senate, and one who has long been an admirer of the Senator from Michigan, I take pleasure in joining the Senator from Nebraska in his eloquent expressions of appreciation.

MAINTENANCE OF DOMESTIC RUBBER INDUSTRY—CONFERENCE REPORT

Mr. BRICKER. Mr. President, I submit a conference report on House bill 5314, to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The conference report will be read.

The Chief Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Rubber Act of 1948'.

"DECLARATION OF POLICY

"SEC. 2. It is the policy of the United States that there shall be maintained at all times in the interest of the national security and common defense, in addition to stock piles of natural rubber which are to be acquired, rotated, and retained pursuant to the Strategic and Critical Materials Stock Piling Act (Public Law 520, Seventy-ninth Congress, approved July 23, 1946), a technologically advanced and rapidly expandible rubber-producing industry in the United States of sufficient productive capacity to assure the availability in times of national emergency of adequate supplies of synthetic rubber to meet the essential civilian, military, and naval needs of the country. It is further declared to be the policy of the Congress that the security interests of the United States can and will best be served by the development within the United States of a free, competitive synthetic-rubber industry. In order to strengthen national security through a sound industry it is essential that Government ownership of production facilities, Government production of synthetic rubber, regulations requiring mandatory use of synthetic rubber, and patent pooling be ended and terminated whenever consistent with national security, as provided in this Act.

"AUTHORITY TO EXERCISE CERTAIN CONTROLS OVER NATURAL RUBBER AND SYNTHETIC RUBBER AND PRODUCTS CONTAINING NATURAL AND SYNTHETIC RUBBER

"SEC. 3. To effectuate the policies set forth in section 2 of this Act, the President is authorized to exercise allocation, specification, and inventory controls of natural rubber and synthetic rubber, and specification controls of products containing natural rubber and synthetic rubber, notwithstanding any changes in the supply or estimated supply of natural rubber or synthetic rubber; and he shall exercise such controls by issuing such regulations as are required to insure (a) the consumption in the United States of general-purpose synthetic rubber in a specified percentage of the combined total estimated annual consumption of natural rubber and general-purpose synthetic rubber consumed within the United States, and (b) the consumption in the United States of any or all types of special-purpose synthetic rubber in specified percentages of the combined total estimated annual consumption of natural rubber, general-purpose synthetic rubber, and special-purpose synthetic rubber consumed within the United States. Such percentages shall be established so as to assure the production and consumption of general-purpose synthetic rubber and special-purpose synthetic rubber in quantities determined by the President to be necessary to carry out the policy of section 2 of this Act, and the provisions of Public Law 520, Seventy-ninth Congress, approved July 23, 1946: *Provided*, That the minimum percentages established by the President shall result in a total annual tonnage consumption of synthetic rubber of at least the amounts specified in section 5 (d) of this Act, and that any mandatory consumption in excess of the quantities specified in section 5 (d) of this Act shall not be more than is deemed by the President to be necessary in the interest of national security and the common defense.

"IMPORTATION AND EXPORTATION

"SEC. 4. (a) The President may impose such import restrictions on finished and semifinished rubber products as he deems necessary to assure equality with like or similar products produced within the United States in accordance with regulations issued under this Act.

"(b) The President may exempt from the regulations issued under this Act finished and semifinished rubber products manufactured in the United States exclusively for export outside the United States.

"DOMESTIC RUBBER-PRODUCING CAPACITY

"SEC. 5. (a) There shall be maintained at all times within the United States rubber-producing facilities having a rated production capacity of not less than six hundred thousand long tons per annum of general-purpose synthetic rubber and not less than sixty-five thousand long tons per annum of special-purpose synthetic rubber.

"(b) Of the sixty-five-thousand-long-ton rated production capacity for special-purpose synthetic rubber, specified in section 5 (a) of this Act, at least forty-five thousand long tons shall be of a type suitable for use in pneumatic inner tubes.

"(c) The synthetic rubber used to satisfy the mandatory consumption provided in section 3 of this Act shall be produced by the Government or for the Government account, or purchased from others for resale by the Government or for the Government account.

"(d) Facilities in operation by the Government or private persons shall produce annually not less than one-third of the rated production capacities specified in section 5 (a) and (b) of this Act.

"(e) The facilities to be maintained in operation by the Government and those to be maintained in adequate stand-by condition shall be determined from time to time by the President.

"(f) At least one facility for making butadiene from alcohol shall be maintained in operation or in adequate stand-by condition.

"RESEARCH AND DEVELOPMENT

"SEC. 6. (a) To effectuate further the policies set forth in section 2 of this Act with respect to a technologically advanced domestic rubber-producing industry, continuous and extensive research by private parties and the Government is essential. The Government is hereby authorized to undertake research in rubber and allied fields and the powers, functions, duties, and authority of the Government to undertake research and development in rubber and allied fields shall be exercised and performed by such departments, agencies, officers, Government corporations, or instrumentalities of the United States as the President may designate, whether or not existing at the date of enactment of this Act.

"(b) The cost of undertaking and maintaining the research and development authorized in section 6 (a) of this Act may be paid from such sums as the Congress, from time to time, may appropriate to carry out the provisions of this Act.

"OPERATION OF RUBBER-PRODUCING FACILITIES BY THE UNITED STATES GOVERNMENT

"SEC. 7. (a) The powers, functions, duties, and authority to produce and sell synthetic rubber conferred in section 7 (b) of this Act shall be exercised and performed by such department, agency, officer, Government corporation, or instrumentality of the United States as the President may designate, whether or not existing at the date of enactment of this Act.

"(b) The department, agency, officer, Government corporation, or instrumentality of the United States designated by the President pursuant to section 7 (a) of this Act shall have the powers, functions, duties, and authority to produce and sell synthetic rubber, including the component materials thereof, in amounts sufficient to assure the production of synthetic rubber as required by the President in section 3 of this Act: *Provided*, That so far as practicable the President shall authorize such production of synthetic rubber, including the component materials thereof, as may be necessary to satisfy voluntary usage of synthetic rubber, including the component materials thereof.

"(c) The aforesaid powers, functions, duties, and authority to produce and sell include all power and authority in such department, agency, officer, Government corporation, or instrumentality of the United States to do all things necessary and proper in connection with and related to such production and sale, including but not limited to the power and authority to make repairs, replacements, alterations, improvements, or betterments, to the rubber-producing facilities owned by the Government or in connection with the operation thereof and to make capital expenditures as may be necessary for the efficient and proper operation and maintenance of the rubber-producing facilities owned by the Government and performance of said powers, functions, duties, and authority.

"(d) Notwithstanding the provisions of this or any other Act, the aforesaid powers, functions, duties, and authority to produce and sell include the power and authority in such department, agency, officer, Government corporation, or instrumentality of the United States to (1) lease for operation for Government account all or any part of the Government-owned rubber-producing facilities in connection with the performance of said powers, functions, duties, and authority to produce and sell; (2) lease, for a period not extending beyond the termination date of this Act, Government-owned rubber-producing facilities for private purposes if such lease contains adequate provisions for the recapture thereof for the purposes set forth in section 7 (b) of this Act and if such lease provides that any synthetic rubber or component material as may be produced by the leased facilities shall not be used to satisfy mandatory requirements established by section 3; (3) grant permanent easements or licenses for private purposes in, on, or over land comprising part of the Government-owned rubber-producing facilities if such grant provides that such easement or license shall not interfere with the use at any time of the rubber-producing facilities involved; and (4) sell or otherwise dispose of obsolete or other property not necessary for the production of the rated capacity of the particular plant to which such property is charged.

"STAND-BY FACILITIES

"SEC. 8. (a) To effectuate further the policies set forth in section 2 of this Act, the President is authorized to place in adequate stand-by condition such rubber-producing facilities as he shall determine necessary to maintain the continued existence of rubber-producing facilities capable of producing the

tonnage of synthetic rubber required by section 5 (a) of this Act.

"(b) Rubber-producing facilities placed in stand-by condition by the President pursuant to section 8 (a) of this Act may be maintained by such department, agency, officer, Government corporation, or instrumentality of the United States, whether or not existing on the date of enactment of this Act, as the President may designate: *Provided*, That nothing contained in section 8 (b) of this Act shall preclude such department, agency, officer, Government corporation, or instrumentality of the United States from entering into contracts with private persons for the maintenance of stand-by facilities: *Provided further*, That the cost of placing facilities in stand-by condition, maintaining such facilities in adequate stand-by condition, and, when necessary, reactivating such facilities, may be paid from such sums as the Congress, from time to time, may appropriate to carry out the provisions of this Act.

"DISPOSAL OF GOVERNMENT-OWNED RUBBER-PRODUCING FACILITIES

"SEC. 9. (a) The department, agency, officer, Government corporation, or instrumentality of the United States designated by the President pursuant to section 7 (a) of this Act shall undertake immediate study, conducting such hearings as may be necessary, in order to determine and formulate a program for disposal to private industry by sale or lease of the Government-owned rubber-producing facilities other than those authorized to be disposed of pursuant to section 9 (b) of this Act. A report with respect to the development of such a disposal program shall be made to the President and to Congress not later than April 1, 1949. On or before January 15, 1950, the President, after consultation with the National Security Resources Board, shall recommend to the Congress legislation with respect to the disposal of the Government-owned rubber-producing facilities other than those authorized to be sold, leased, or otherwise disposed of under the provisions of section 9 (b) of this Act, together with such other recommendations as he deems desirable and appropriate: *Provided*, That the Government shall maintain the ownership of a rated rubber-producing capacity of 600,000 long tons of general-purpose rubber and a rated rubber-producing capacity of 65,000 long tons of special-purpose rubber until a program is formulated and adopted for the sale or lease of such facilities as provided in this section.

"(b) Notwithstanding the provisions of this or any other Act, the department, agency, officer, Government corporation, or instrumentality of the United States designated by the President pursuant to section 7 (a) of this Act may, after consultation with the National Security Resources Board, sell, lease, or otherwise dispose of to private persons any rubber-producing facility, including such facilities as have been declared surplus pursuant to the Surplus Property Act of 1944, as amended, not required to fulfill the capacity set forth in section 5 (a) of this Act upon such terms and conditions as it may determine providing that such sale or lease shall be on the condition that any synthetic rubber or component materials produced in such facility shall not be used to satisfy the mandatory requirements established by section 3 of this Act.

"ADMINISTRATION

"SEC. 10. (a) The President may issue such rules and regulations as he deems necessary and appropriate to carry out the provisions of this Act.

"(b) The President may exercise any or all of the powers, authority, and discretion conferred upon him by this Act, including but not limited to the powers and authority conferred in section 12 of this Act, through such departments, agencies, officers, Government corporations, or instrumentalities of the United States, whether or not existing at the date of the enactment of this Act, as he may direct.

"(c) The President, insofar as practical, shall consolidate all of the powers, functions, and authority contained in this Act in one department, agency, officer, Government corporation, or instrumentality of the United States, whether or not existing at the date of enactment of this Act. The President is authorized to cause a corporation to be organized for the purpose of producing and selling synthetic rubber. Any such corporation so organized shall be authorized, subject to the Government Corporation Control Act and to pertinent provisions of law affecting Government corporations, to sue and be sued, to acquire, hold, and dispose of property, to use its revenues, to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid, and to exercise such other powers as may be necessary or appropriate to carry out the purposes of the corporation. The Secretary of the Treasury is authorized, out of appropriations made for that purpose, to subscribe to the capital stock of such corporation.

"(d) The President may transfer to the departments, agencies, officers, Government corporations, or instrumentalities of the United States, or to any of them, which he directs to exercise the powers, authority, and discretion conferred upon him by this Act, such rubber-producing facilities, personnel, property, and records relating to such powers, authority, and discretion, as he deems necessary; and he may so transfer all appropriations or other funds available for carrying out such powers, authority, and discretion.

"(e) In addition to the reports required by section 9 (a) of this Act, each department, agency, officer, Government corporation, or instrumentality of the United States to whom the President may delegate any powers, authority, and discretion conferred by this Act shall make an annual report to the President and to the Congress of operations under this Act.

"PATENT POOLING AND USE OF TECHNICAL INFORMATION

"SEC. 11. (a) To effectuate further the policies of this Act, the President is authorized and directed to take such action as may be appropriate with respect to patent pooling, patent licensing and exchange of information agreements entered into with the Government as a part of the wartime synthetic rubber program and, insofar as practicable and consistent with the purposes of this Act, to effectuate immediate cessation of further accumulation of technical information or rights to patents under the agreement dated December 19, 1941, as supplemented June 12, 1942, between the Government and others.

"(b) Any department, agency, officer, Government corporation, or instrumentality of the United States as the President may designate to perform the powers, functions, duties, and authority referred to in section 7 (b) of this Act shall be entitled to the benefits of the Act of June 25, 1910 (36 Stat. 851), as amended July 1, 1918 (40 Stat. 705), or any similar Act.

"INFORMATION, REPORTS, SUBPENAS, WITNESSES, AND TESTIMONY

"SEC. 12. (a) The President shall be entitled to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, any person and make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this Act.

"(b) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to section 12 (a) of this Act, the President may administer oaths and affirmations, and may require by subpena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other documentary or physical evidence which may be relevant to the inquiry. Such attendance and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides, or transacts business, if, prior to the return date specified in the subpena issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary evidence or certified copies thereof, or physical evidence, in obedience to any such subpena, or in any action or proceeding which may be instituted under this Act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment, or to any penalty or forfeiture, for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The President shall not publish or disclose any information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the President determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and, upon conviction thereof, shall be fined not exceeding $1,000 or be imprisoned not exceeding two years, or both.

"PENALTIES

"SEC. 13. Any person who willfully performs any act prohibited, or willfully fails to perform any act required by any provision of this Act or any rule, regulation, or order thereunder, shall upon conviction be fined not more than $10,000 or imprisoned for not more than two years, or both.

"JURISDICTION OF THE UNITED STATES COURTS

"SEC. 14. (a) The district courts of the United States, and the United States courts of any Territory or other place subject to the jurisdiction of the United States, shall have jurisdiction of violations of this Act or any rule, regulation, or order or subpena thereunder, and of all civil actions under this Act to enforce any liability or duty created by, or to enjoin any violation of this Act or any rule, regulation, order, or subpena thereunder.

"(b) Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the alleged violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or

transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpenas for witnesses who are required to attend a court in any district in any such cases may run into any other district. No costs shall be assessed against the United States in any proceeding under this Act.

"EXCULPATORY CLAUSE

"SEC. 15. No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from compliance with this Act or any rule, regulation, or order issued thereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.

"EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

"SEC. 16. Functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act except as to the requirements of sections 3 and 10 thereof.

"SEPARABILITY

"SEC. 17. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

"DEFINITIONS

"SEC. 18. For the purposes of this Act—

"(a) The term 'natural rubber' means all forms and types of tree, vine, or shrub rubber, including guayule and natural rubber latex, but excluding reclaimed natural rubber;

"(b) The term 'synthetic rubber' means any product of chemical synthesis similar in general properties and applications to natural rubber, and specifically capable of vulcanization, produced in the United States, not including reclaimed synthetic rubber;

"(c) The term 'general-purpose synthetic rubber' means a synthetic rubber of the butadiene-styrene type generally suitable for use in the manufacture of transportation items such as tires or camel-back, as well as any other type of synthetic rubber equally or better suited for use in the manufacture of transportation items such as tires or camel-back as determined from time to time by the President;

"(d) The term 'special-purpose synthetic rubber' means a synthetic rubber of the types now known as butyl, neoprene, or N-types (butadiene-acrylonitrile types) as well as any synthetic rubber of similar or improved quality applicable to similar uses, as determined from time to time by the President;

"(e) The term 'rubber-producing facilities' means facilities, in whole or in part, for the manufacture of synthetic rubber, and the component materials thereof, including, but not limited to, buildings and land in which or on which such facilities may be located and all machinery and utilities associated therewith;

"(f) The term 'rated production capacity' means the actual productive capacity assigned to any rubber-producing facilities at time of authorization of construction or as thereafter amended in authorizations of additional construction or alterations thereto and used in published reports and in the records of the Office of Rubber Reserve, Reconstruction Finance Corporation, or successor agency, or privately owned plants, determined by the President based upon operating experience and records as determined from time to time by the President;

"(g) The term 'component materials' means the material, raw, semifinished, and finished, necessary for the manufacture of synthetic rubber;

"(h) The term 'stand-by condition' means the condition in which rubber-producing facilities, in whole or in part, are placed when determined to be not needed for current operations, but are maintained so as to be readily available for the production of synthetic rubber or component materials;

"(i) The term 'person' means any individual, firm, copartnership, business trust, corporation, or any organized group of persons whether incorporated or not, and except for the provisions of section 13 any Government department, agency, officer, corporation, or instrumentality of the United States; and

"(j) the term 'United States' includes the several States, the District of Columbia, the Territories of Alaska and Hawaii, and Puerto Rico.

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 19. (a) There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act.

"(b) Until such time as appropriations herein authorized are made, any department, agency, officer, Government corporation, or instrumentality of the United States may, in order to carry out its functions, powers, and duties under this Act, continue to incur obligations and make expenditures in accordance with laws in effect on March 31, 1948.

"EFFECTIVE DATE

"SEC. 20. This Act shall become effective on April 1, 1948, and shall remain in effect until June 30, 1950."

And the Senate agree to the same.

JOHN W. BRICKER,
HARRY CAIN,
A. WILLIS ROBERTSON,
Managers on the Part of the Senate.

PAUL W. SHAFER,
DEWEY SHORT,
W. STERLING COLE,
CARL VINSON,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

REVISION OF UNITED STATES CODE—NOTICE OF HEARING ON H. R. 3214

Mr. DONNELL. Mr. President, notice is hereby given that on Thursday, April 22, 1948, at 10 a. m., a public hearing will begin in room 424, Senate Office Building, Washington, D. C., with respect to the bill, H. R. 3214, to revise, codify, and enact into law title 28 of the United States Code entitled "Judicial Code and Judiciary," before a subcommittee of the Senate Committee on the Judiciary, which subcommittee is composed of Senator MOORE, of Oklahoma; Senator MCGRATH, of Rhode Island; and Senator DONNELL, of Missouri.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE—DEPARTMENT OF THE INTERIOR (S. Doc. No. 134)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, amounting to $4,000,000, for the fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE—DEPARTMENT OF JUSTICE (S. Doc. No. 135)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Justice, amounting to $75,000, fiscal year 1949, in the form of an amendment to the Budget for said fiscal year (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES—FEDERAL SECURITY AGENCY AND DEPARTMENT OF LABOR (S. Doc. No. 131)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Federal Security Agency and the Department of Labor, amounting to $4,410,000, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

SUPPLEMENTAL ESTIMATE—NATIONAL CAPITAL SESQUICENTENNIAL COMMISSION (S. Doc. No. 136)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Sesquicentennial Commission, amounting to $25,000, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE—LEGISLATIVE BRANCH (S. Doc. No. 133)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative branch, amounting to $2,500, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES—CLAIMS FOR DAMAGES AND JUDGMENTS AGAINST UNITED STATES (S. Doc. No. 132)

A communication from the President of the United States, transmitting estimates of appropriation submitted by the several executive departments and independent offices to pay claims for damages, judgments rendered against the United States, and audited claims, as provided by various laws, in the amount of $1,826,586.51, together with an indefinite amount as may be necessary to pay interest, in the form of amendments to House Document 544, Eightieth Congress, second session (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

RELIEF OF CERTAIN POSTAL EMPLOYEES

A letter from the Postmaster General, transmitting a draft of proposed legislation for the relief of certain postal employees (with an accompanying paper); to the Committee on Post Office and Civil Service.

CACHUMA UNIT, SANTA BARBARA COUNTY PROJECT, CALIFORNIA

A letter from the Secretary of the Interior, transmitting, pursuant to law, his report and findings on the Cachuma unit of the Santa Barbara County project, California (with accompanying papers); to the Committee on Interior and Insular Affairs.

AUDIT REPORT OF UNITED STATES MARITIME COMMISSION AND WAR SHIPPING ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the United States Maritime Commission and the War Shipping Administration for the fiscal years ended June 30, 1946, and June 30, 1947 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list

of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. LANGER and Mr. CHAVEZ members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"Assembly Joint Resolution 2

"Joint resolution relative to the acquisition of Angel Island in San Francisco Bay as a State park

"Whereas Angel Island in San Francisco Bay is magnificently situated for use as a State park, being centered in a metropolitan population; and

"Whereas Angel Island is 1 square mile in area, and has upon it docks, wharves, barracks, housing and hospital facilities, paved roads, and utilities placed there by the Federal Government; and

"Whereas the island, currently managed by the War Assets Administration, has been declared surplus, and is now available to the State of California at an immense discount; and

"Whereas by previous appropriation, the department of natural resources has ample funds to acquire this island: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the State Park Commission be requested to investigate the suitability of Angel Island, relative to cost, development, cost and mode of transportation, water facilities, and suitability as a State park or recreational area and if, after such investigation, the State Park Commission concludes that it would be desirable for inclusion in the State park system, it would proceed with acquisition; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate in the Congress of the United States, to the Speaker of the House of Representatives in the Congress of the United States, to each Senator and Representative from California in the Congress of the United States, to the War Assets Administration, to the director of the department of natural resources and the California State Park Commission."

A concurrent resolution of the General Assembly of the Commonwealth of Kentucky; to the Committee on Finance:

"Concurrent resolution memorializing the Congress of the United States with respect to a change in the Federal internal revenue laws relating to traffic in alcoholic beverages

"Whereas under the existing Federal laws, licenses to traffic in alcoholic beverages, and tax stamps upon containers of alcoholic beverages, may be issued to persons who are not licensed under State laws to traffic in alcoholic beverages, and who may not lawfully possess alcoholic beverages under State laws; and

"Whereas by reason thereof illicit traffic in alcoholic beverages is encouraged and enforcement of State alcoholic beverage control laws is impeded: Now, therefore, be it

"Resolved by the General Assembly of the Commonwealth of Kentucky, That the Congress of the United States is memorialized to amend the Federal statutes so as to provide that only those persons who are licensed to traffic in and possess alcoholic beverages under the laws of the State may be issued a Federal license, or Federal tax stamps, for traffic in or possession of alcoholic beverages in such State.

"That the clerk of the house of representatives of the general assembly forthwith forward an authenticated copy of this resolution to the clerks of the respective Houses of the Congress, and to each Senator and Representative in Congress from Kentucky.

"Attest:

"BYRON ROYSTER,
"Chief Clerk, House of Representatives."

A joint resolution of the General Assembly of the Commonwealth of Kentucky; ordered to lie on the table:

"Senate Resolution No. 67

"Joint resolution memorializing Congress to pass a law providing Federal aid for equalizing education opportunities among the several States

"Whereas there exists gross inequalities between the poorer States and the richer States in their abilities to support a desirable educational program; and

"Whereas the poorer States are not in position to provide desirable educational programs when they increase State and local taxation to the maximum of their ability; and

"Whereas ignorance and low educational standards of the poorer States affect the economic conditions of the richer States because migration from one State to another makes the problems of one State the problems of all States: Now, therefore, be it

"Resolved by the General Assembly of the Commonwealth of Kentucky:

"(1) That the General Assembly of the Commonwealth of Kentucky memorializes the Congress of the United States that it, at the earliest possible date, pass the bills providing Federal aid as now waiting action of the Congress in order that the poorer States, and specifically Kentucky, be enabled to provide the present needs for a minimum educational program.

"(2) Copies of this resolution shall be sent to the President and Chief Clerk of the Senate of the United States, the United States Senator from Kentucky, the Speaker and Chief Clerk of the House of Representatives of the United States, and the Representatives in Congress from Kentucky.

"Attest:

"MARY LOU HUBBARD,
"Assistant Clerk of the Senate."
"MARCH 19, 1948."

A memorial of the Legislature of the State of Arizona; to the Committee on Interior and Insular Affairs:

"House Concurrent Memorial 1

"Concurrent memorial requesting a critical investigation of the Drefkoff plan for industrialization of the Navajo Indian Reservation

"To the Congress of the United States:

"Your memorialist respectfully represents:

"The attention of the people of Arizona has been drawn to a plan or proposal, prepared at the instance of the Bureau of Indian Affairs, by one Max Drefkoff, industrial and business consultant, for the socialization and industrialization of the Navajo Indian Reservation.

"This plan contemplates the establishment of numerous industrial plants at various points on the Navajo Reservation, to employ Indian labor. Its objective is a worthy one, and its motive is not questioned.

"However, on the whole the plan is subject to serious criticism. It accords little or no consideration to the Navajo way of life—a way of life which may not be revolutionized either by fiat or by miracle. It ignores physical, geographic, and economic conditions material to its practicality. While featuring industries to which neither the reservation nor its inhabitants are adapted, and some of which have already been tried unsuccessfully, it overlooks great natural resources which could and should be exploited. It contemplates an important expenditure of Government funds which in great measure would inevitably be wasted. It is spiced with injustices alike to the Navajo and those who serve them.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the Congress authorize a thorough investigation of the so-called Drefkoff plan, with a view to determining its feasibility or otherwise.

"2. That the investigation be extended to include a study of such vital factors as the Navajo himself, and his way of life; the Indian Service, by which the affairs of these tribal wards of the Government, are administered, and the Indian trader, an institution of 80 years standing, and that consideration be given to such material phases of the Navajo problem, ignored by the Drefkoff plan, as the establishment of an adequate educational system, including basic principles of health and sanitation; the possibilities of water development for industrial and agricultural pursuits, and, by no means least, the development of a system of improved roads.

"Passed the house March 17, 1948.

"Passed the senate March 18, 1948.

"Filed in the office of the secretary of state March 18, 1948."

A memorial of the Senate of the State of Arizona; to the Committee on Finance:

"Senate Memorial 1

"Memorial requesting Congress to repeal the Federal transportation tax

"To the Congress of the United States:

"Your memorialist respectfully represents:

"There is pending in the Congress of the United States proposed legislation to repeal the 15 percent Federal transportation tax.

"The Federal tax on passenger transportation was enacted as an emergency war measure, its purpose being to curtail pleasure travel and reserve equipment for necessary wartime shipment of men and material.

"The economy of the State of Arizona rests, to a considerable extent, on the revenue derived from tourist travel. The effect of the tax, therefore, is not only to deprive the State of a material source of revenue, but to discourage travel at a time when the expansion of national transportation facilities is vital to the defense of the United States.

"Wherefore your memorialist, the Senate of the State of Arizona, requests:

"1. That the Congress speedily pass the McCarran bill repealing the Federal transportation tax.

"Unanimously adopted by the senate March 19, 1948.

"Filed in the office of the secretary of state March 20, 1948."

A memorial of the House of Representatives of the State of Arizona; to the Committee on Armed Services.

"House Memorial 1

"Memorial requesting the Congress to enact a universal military training law

"To the Congress of the United States:

"Your memorialist respectfully represents:

"It is the fervent hope and the determination of the people of this Nation that the liberty and peace, so hard fought for and

won, shall not give way to the horror of a greater and more devastating world conflict.

"It is the belief of this body that the best guaranty of the efficacy of any plan for a lasting peace and the safeguarding of liberty lies in well-considered preparedness for any emergency that may arise.

"Foremost as a feature of preparedness and as a safeguard to the peace and liberty of this Nation and of the world, stands universal military training for the youth of this Nation.

"A policy of universal military training will impart a knowledge of the essentials of military service to a limitless reserve of citizens upon which this Nation may draw in the event of an emergency, and among the nations of the world will command respect and serve to warn aggressor nations that our country stands ready to protect the liberty and peace-loving peoples of the world.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, requests:

"1. That the Congress of the United States enact legislation providing for universal military training of the youth of this Nation, of such ages and for such periods as to the Congress may seem wise.

"Adopted by the house this 18th day of March 1948.

"Filed in the office of the secretary of state, March 19, 1948."

A letter from H. Franklin Hamilton, president of the Laymen's League of the First Unitarian Church, Cleveland, Ohio, embodying a resolution adopted by that league favoring House Concurrent Resolution 59, to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Relations.

By Mr. KNOWLAND:

A joint resolution of the Legislature of the State of California; to the Committee on the Judiciary:

"Senate Joint Resolution 12

"Joint resolution relative to the tide and submerged lands off the coast of California

"Whereas on the adoption of the Declaration of Independence, the original States, as successors to the English Crown, became the owners of the tide and submerged lands within their respective borders, and such ownership was retained by them on the adoption of the Constitution and never has been relinquished to the Federal Government since; and

"Whereas the State of California was admitted to the Union on a basis of equality with the original States, possessing and enjoying all the attributes of sovereignty residing in the original States, including the ownership of the tide and submerged lands within its borders; and

"Whereas the decision of the United States Supreme Court in the case of the *United States* v. *California* has held that 'The United States of America is now, and has been at all times pertinent hereto, possessed of paramount rights in, and full dominion and power over, the lands, minerals, and other things underlying the Pacific Ocean lying seaward of the ordinary low-water mark on the coast of California, and outside of inland waters, extending seaward three nautical miles and bounded on the north and south, respectively, by the northern and southern boundaries of the State of California. The State of California has no title thereto or property interest therein'; and

"Whereas this decision casts a cloud upon the title of the State of California and all of its subdivisions or persons acting pursuant to its permission, to the tide and submerged lands off the coast of the State of California extending seaward 3 miles; and

"Whereas the Supreme Court has declared that the power to determine the question of ownership resides in the Congress; and

"Whereas the State of California, its subdivisions, and persons acting pursuant to its permission have spent enormous sums of money improving and developing the tide and submerged lands along the coast of California, which improvements and developments are in jeopardy unless the Congress enacts legislation to remove the cloud on the title to said lands created by the Supreme Court decision; and

"Whereas the State of California has developed and made available for public use a system of beaches and parks at great cost and expense to the people of California, and these State-owned and operated beaches and parks have been developed to the point where they are now used and enjoyed by approximately 22,000,000 people per year; and

"Whereas the State of California, its cities, counties, and other political subdivisions have made improvements to tide and submerged lands for many purposes, including but not limited to harbor developments, piers, docks, wharves, jetties, recreational facilities, and industrial sites; and

"Whereas the State of California has had for many years a full and complete set of laws designed for the conservation, regulation, and management of its natural resources in such fields as mining, forestry, beaches and parks, oil and gas, public lands, soil conservation, fish and game, and harbors and navigation, and the State has provided for adequately staffed and financed administrative agencies to carry out these laws; and

"Whereas the State of California, its subdivisions, and persons acting pursuant to its permission have made the investments, improvements, and developments herein set forth in good faith upon the assumption that the State of California was the owner of, and had dominion and jurisdiction over the tide and submerged lands lying off the coast of California; and

"Whereas for many years prior to the Supreme Court decision many agencies of the Federal Government have recognized the ownership, dominion, and jurisdiction of the State of California over these tide and submerged lands; and

"Whereas the cloud created by the decision of the Supreme Court not only affects the investment, development, and improvement already made on and to the tide and submerged lands off the coast of California, but it will prevent further investments in and development to and improvement of these tide and submerged lands off the coast of California, to the detriment of the people of the State of California and of the United States: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Congress of the United States be respectfully requested to enact legislation now pending before the Congress, to remove the cloud created by the Supreme Court decision by quitclaiming to the State of California and the other respective States of the United States, and to their subdivisions and to persons acting under and pursuant to their permission, ownership of, title to, and dominion over the lands beneath the tidewaters and navigable waters of the United States a distance seaward 3 miles; so that the State of California, together with the several States, may continue without interruption the title to and dominion and jurisdiction over said lands, thereby perpetuating what has been considered for more than 160 years in good faith to be a proper sphere of State jurisdiction, dominion, and ownership; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the Senators and Representatives of the State of California and to the Committee on Judiciary of the United States Senate and to the Committee on Judiciary of the House of Representatives and to the President of the United States; and be it further

"Resolved, That the secretary of the senate is directed to send copies of this resolution to the mayors of all California cities and the chairmen of all boards of supervisors of California counties and urge that they, in their local areas, continue unabated their valiant battle for the reaffirmation, by the Congress and the President, of California's unquestioned title to its tide and submerged lands."

By Mr. BARKLEY:

A concurrent resolution of the Legislature of the Commonwealth of Kentucky; to the Committee on Public Works:

"Concurrent resolution memorializing the Congress of the United States concerning the acquisition and maintenance, as a national shrine, of the Albert Sidney Johnston home, the old courthouse and old post office, located in the town of Washington, in Mason County, Ky.

"Whereas Albert Sidney Johnston has properly and justly been recognized by historians as one of the great generals of the Confederate forces during the War Between the States, and it is fitting and proper that his home be maintained and perpetuated as a symbol, to the people of our Nation, of the spirit and leadership which played so great a part in the development of our Nation; and

"Whereas the old courthouse in the town of Washington, in Mason County, Ky., and the old post office, which was the first post office established west of the Allegheny Mountains, are representative of the traditions of our Nation, and of the vision and courage of those men who expanded our frontier westward: Now, therefore, be it

"Resolved by the House of Representatives of the Commonwealth of Kentucky (the Senate concurring therein), That the Congress of the United States be and it hereby is memorialized to enact such legislation as may be required to provide for the acquisition and maintenance, as national shrines, of the Albert Sidney Johnston home and the old courthouse and old post office located in the town of Washington, in Mason County, Ky."

PENSIONS TO VETERANS OF WORLD WAR I

Mr. WHERRY. Mr. President, for the consideration of the Senate, I ask unanimous consent to submit for appropriate reference a resolution adopted by the General Squires Post 3113, Veterans of Foreign Wars, of Fairbury, Nebr., urging that inasmuch as the United States has seen fit to spend vast sums in various foreign-assistance programs, action now be taken to provide a general program of pensions for qualified veterans of World War I. The resolution reads:

Whereas the Government of the United States has money to give in money or material to foreign governments for all sorts of purposes, a great many of which are of doubtful value, we, the members of General Squires Post, No. 3113, Veterans of Foreign Wars, have passed, by unanimous vote, the following resolution:

"Resolved, That by right of service rendered our Government in times of war in foreign countries, and on account of age and infirmity, we feel that veterans of World War I should be paid a pension to aid them in their few remaining years similar to that awarded veterans of the Spanish-American War, and we ask your support of any measures to this end."

ARLO HOWELL,
Commander, General Squires Post, No. 3113, Veterans of Foreign Wars.
FAIRBURY, NEBR.

The PRESIDENT pro tempore. Without objection, the resolution will be received and referred to the Committee on Finance.

PROTEST AGAINST UNIVERSAL MILITARY TRAINING

Mr. CAPPER. Mr. President, I have received a memorial containing the

names of about 385 residents of the community of Newton, Kans., expressing their vigorous opposition to universal military training. It is, in my opinion, such an effective memorial on the subject that I ask unanimous consent to present it for appropriate reference and printing in the RECORD.

There being no objection, the memorial was received, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

NEWTON, KANS., *March 20, 1948.*

To our Representatives in Congress.

GENTLEMEN: We beg to be heard.

We are citizens of Newton, Kans., and vicinity.

We want America strong. We are willing to live, even to die, to make America strong.

There are other things we can do to make America strong. Universal military training, taking our youth from home, school, and church, and putting them in military camps and training, is not the way to make America strong. That is the one step we can take to guarantee that we in America will go as Europe has gone.

No nation has ever adopted military training without going militaristic. Nor has it ever kept a nation from being the attacker or attacked; or made it invincible in war.

We, the masses of Americans who pay in money and sons for what you men plan and vote—we entreat you to save America from militarism.

We will help you make America strong, if you will give us the opportunity.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MCGRATH, from the Committee on the District of Columbia:

H. R. 3433. A bill to amend the act entitled "An act to classify the officers and members of the Fire Department of the District of Columbia, and for other purposes," approved June 20, 1906, and for other purposes; with an amendment (Rept. No. 1037).

By Mr. BUCK, from the Committee on the District of Columbia:

H. R. 3998. A bill to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes; with amendments (Rept. No. 1038);

H. R. 4572. A bill to amend section 7 of the District of Columbia Traffic Act, 1925, as amended, to provide for learners' permits, and for other purposes; without amendment (Rept. No. 1039);

H. R. 4636. A bill to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, as amended; without amendment (Rept. No. 1040); and

H. R. 4649. A bill to provide that compensation of members of the Alcoholic Beverage Control Board of the District of Columbia shall be fixed in accordance with the Classification Act of 1923, as amended; without amendment (Rept. No. 1041).

By Mr. CAIN, from the Committee on the District of Columbia:

S. 2409. A bill to amend an act entitled "An act to provide revenue for the District of Columbia, and for other purposes," approved July 16, 1947; without amendment (Rept. No. 1042).

By Mr. BREWSTER, from the Committee on Interstate and Foreign Commerce:

S. 1853. A bill to authorize the Coast Guard to establish, maintain, and operate aids to navigation; without amendment (Rept. No. 1043);

S. 2122. A bill to authorize the Coast Guard to operate and maintain ocean stations; with amendments (Rept. No. 1044); and

H. R. 1036. A bill to provide for the licensing of marine radio-telegraph operators as ship radio officers, and for other purposes; without amendment (Rept. No. 1045).

EXTENSION OF TIME FOR INVESTIGATION OF CERTAIN POSTMASTERS

Mr. LANGER. Mr. President, from the Committee on Post Office and Civil Service, I ask unanimous consent to report Senate Resolution 214, submitted by me on the 22d instant, and I request its present consideration.

There being no objection, the resolution (S. Res. 214) was considered and agreed to, as follows:

Resolved, That the last paragraph of Senate Resolution 81, Eightieth Congress, agreed to June 17, 1947 (authorizing an investigation of the appointment of postmasters), is hereby further amended by striking out the date "March 31, 1948" and inserting in lieu thereof the date "June 30, 1948."

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 31, 1948, he presented to the President of the United States the enrolled bill (S. 2361) to provide for a temporary extension of the National Housing Act, as amended.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing two nominations, which nominating message was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WHITE, from the Committee on Interstate and Foreign Commerce:

Joseph J. O'Connell, Jr., of New York, to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1953;

Elliott B. Roberts, to the rank of commander in the Coast and Geodetic Survey;

Roswell C. Bolstad, to the rank of lieutenant commander in the Coast and Geodetic Survey; and

Harley D. Nygren, to the rank of ensign in the Coast and Geodetic Survey.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. BROOKS:

S. 2413. A bill for the relief of Elal Commercial; to the Committee on the Judiciary.

By Mr. BALDWIN:

S. 2414. A bill for the relief of Fremont Rider; to the Committee on the Judiciary.

By Mr. TOBEY (for himself, Mr. BRICKER, and Mr. MCGRATH):

S. 2415. A bill to amend section 5 of the Home Owners' Loan Act of 1933, and for other purposes;

S. 2416. A bill to amend section 19 of the Federal Home Loan Bank Act and subsection (c) of section 402 of the National Housing Act; and

S. 2417. A bill to adjust the premium charge of the Federal Savings and Loan Insurance Corporation; to the Committee on Banking and Currency.

By Mr. MORSE:

S. 2418. A bill to amend the act of July 8, 1943 (57 Stat. 388) entitled "An act to authorize the Secretary of Agriculture to adjust titles to lands acquired by the United States which are subject to his administration, custody, or control"; to the Committee on Agriculture and Forestry.

COORDINATED AGRICULTURAL PROGRAM—AMENDMENTS

Mr. MAGNUSON submitted amendments intended to be proposed by him to the bill (S. 2318) to provide for a coordinated agricultural program, which were referred to the Committee on Agriculture and Forestry and ordered to be printed.

INLAND WATERWAYS CORPORATION—AMENDMENT

Mr. HILL submitted an amendment intended to be proposed by him to the bill (S. 2296) to amend the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the Transportation Act, and for other purposes," approved June 3, 1924, as amended, which was referred to the Committee on Interstate and Foreign Commerce and ordered to be printed.

PRINTING OF REPORT ON CONDITIONS IN BITUMINOUS-COAL AND LIGNITE MINES (S. DOC. NO. 137)

Mr. DWORSHAK. Mr. President, I ask unanimous consent to have printed as a Senate document the second report of the Secretary of the Interior, submitted pursuant to Public Law 328, chapter 450, Eightieth Congress, first session, covering conditions in all underground bituminous-coal and lignite mines inspected by Federal coal-mine inspectors during the 6-month period July 1, 1947, to December 31, 1947, inclusive.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE MARSHALL PLAN FOR CHINA—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address on the subject, The Marshall Plan for China, broadcast by him over the facilities of Station KSL, of Salt Lake City, Utah, on March 30, 1948, which appears in the Appendix.]

LABOR MUST HAVE A POSITIVE NATIONAL POLICY—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "Labor Must Have a Positive National Policy," written by him and published in the magazine North American Labor, for March 14, 1948, which appears in the Appendix.]

PREPAREDNESS FOR DEFENSE—STATEMENT BY SENATOR O'CONOR

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD a statement prepared by him dealing with preparedness for defense, which appears in the Appendix.]

LEAVE OF ABSENCE

Mr. O'MAHONEY asked and obtained consent to be absent from further attendance upon the sessions of the Senate until Monday, April 5, 1948.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. YOUNG asked and obtained consent for the subcommittee of the Committee on Agriculture and Forestry considering Senate bill 2376 to sit this afternoon during the session of the Senate.

Mr. TOBEY asked and obtained consent for the Committee on Interstate and Foreign Commerce to sit for the remainder of today.

Mr. WHERRY. Mr. President, I ask unanimous consent that the Small Business Committee, and also the Senate Investigating Committee, a subcommittee of the Committee on Expenditures in the Executive Departments, be permitted to continue for the remainder of today and tomorrow, if need be, the hearings that were begun this morning.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TRIAL OF THE ORTHODOX BISHOP OF BOSNIA—EDITORIAL FROM THE WASHINGTON POST

Mr. O'CONOR. Mr. President, a further illustration of the ruthless and brutal tactics of the foreign dictators in their attempt to suppress all liberty and freedom is afforded through the account of the so-called trial of the Orthodox bishop of Bosnia, recently conducted in Yugoslavia.

It is proof positive that the Russian satellite countries are following similar tactics to those employed by the Communists of the Kremlin in banishing all who disagree with their godless and undemocratic ideologies.

The Washington Post recently published an editorial, clearly portraying this additional travesty on justice, and, in order that the fullest information may be available to the American people on this present-day menace, I ask unanimous consent to insert a copy of this editorial as a part of my remarks at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SARAJEVO INCIDENT

Through a leak in the iron curtain comes the news of another propaganda trial in "Titoslavia." The victim in this case was the Right Reverend Varnava Nastich, the Orthodox Bishop of Bosnia. The general pattern of his trial at Sarajevo followed that of the trials of the Croatian Roman Catholic Archbishop Stepinats and of the Chetnik leader Mihailovich. That is to say, Bishop Nastich was accused of treason against the regime.

What made the case different was that the bishop in the courtroom boldly admitted the specific charges against him. He acknowledged that he had preached against Communist tyranny, that he had denounced the Communists for having kept the UNRRA supplies for themselves, and that he had expressed the hope that an American Army would come to liberate Yugoslavia. In this, said the bishop, "I spoke what all the people are speaking, feeling and desiring." He went on:

"I believe with people here and everywhere that war between America and the Soviets is inevitable. But rest assured the Soviets will lose that war. I know that our people will meet the American Army with cheers."

The bishop also refused to deny that he had been in communication with the remnant of the Chetniks, which is still holding out in the mountains of Pracha and Rogatzia, and which according to some accounts, has been greatly strengthened by deserters from Tito's conscript armies. When the bishop referred to them as "brave men ready to lay down their lives for their people," there was a demonstration, and the presiding judge, the Montenegrin, Masan Radonich, angrily ordered the spectators cleared from the courtroom. Bishop Nastich was denied the right to make any further speech in his own defense. He was sentenced to 11 years at hard labor, which under the conditions existing in the slave camps, is probably equivalent to a sentence of death.

That he was permitted to go as far as he did is probably to be explained by the ignorance and ineptitude of his judges. Reports of the bishop's defiance are said to have spread rapidly from mouth to mouth. Thus, as propaganda, the trial recoiled on its authors. Incidentally, Bishop Nastich is an American by birth, a native of Gary, Ind. About a year ago he was elected to the episcopate of the Serbian Orthodox Church, and afterward sent to Sarajevo as successor to the Metropolitan Simonich, who was slain by the Croatian Ustachi under the German occupation. It was apparently the purpose of the regime to represent him as an agent of the American imperialists, but the effect was apparently opposite to the intention.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

The PRESIDENT pro tempore. The question is on the amendment submitted by the senior Senator from Missouri [Mr. DONNELL].

Mr. MARTIN obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. MARTIN. I yield.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Barkley	Hill	Overton
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Johnston, S. C	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stennis
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Thomas, Okla.
Cordon	McCarthy	Thomas, Utah
Donnell	McClellan	Thye
Downey	McFarland	Tobey
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	
Hatch	Myers	

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Idaho [Mr. TAYLOR] is absent on public business.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Ninety-one Senators having answered to their names, a quorum is present.

Mr. MARTIN. Mr. President, just a few days ago while this Chamber was debating the European recovery plan I spoke on behalf of the ERP; for a strong national defense and for a solvent America.

I voted for the foreign-aid program because I felt that, if properly administered, it would be an investment that could prevent world conflict and could make it unnecessary to send our boys to war.

In the course of my remarks, I said:

A little while ago I mentioned my hope that the cost of our international program would rest as lightly as possible upon the American people, with provision of a sound margin for safety. The United States is a rich and powerful nation but there is a limit to our resources. As our national defense and foreign obligations rise, frugality should be the watchword on the home front. Congress has now before it all the appropriation legislation of our Government for the fiscal year. We must eliminate every frill, every proposal for new Federal services which cost the taxpayers money. Every project not immediately necessary should be either postponed or wiped out. The cost of Government functions must be stripped to the bone, and the lobbyists and pressure groups and their pet projects should be booted out the door.

We must remain solvent. We must be strong physically and spiritually if we are to meet the challenge that America must meet today.

To build up the military front will require great expenditures of money that can come only from the work, sweat, and sacrifice of our people. The people who pay the bills must know the value of their freedom and must be prepared to pay the price.

They must insist upon the elimination of new Government services and projects that eat up the money they pay in taxes. The people must know that we cannot spend the same money twice. If we spend it for preparedness we cannot afford an ever-increasing bureaucracy, swollen pay rolls and expanded Federal functions on the home front. The people must choose between liberty and independence and expensive governmental embroidery. If we love freedom we must be willing to forego the high-priced frills that have become part of our Federal system.

Only by the strictest economy can we provide the necessary funds to insure ourselves against tyranny and aggression. The Communists would like to see us in financial collapse—debt-ridden and bankrupt. That is the soil in which the seed of communism thrives.

Yet in the face of an uncertain future and the necessity for huge expenditures for peace and preparedness the administration has come forward with the most expensive proposals. They would add billions of dollars to the cost of Government here in America.

Whether we like it or not, this is the time for Spartan courage and sacrifice. We must keep America dynamic and solvent.

Mr. President, I think those words make my position clear today in opposition to S. 472. If we are to meet our international commitments and build up our armed forces we must forego additional services and additional grants-in-aid to the lower levels of government.

Now, I find the Senate—in the face of ERP, in the face of tax reduction, in the face of additional appropriations for national defense which may reach heaven only knows what cost, considering opening up new avenues of Federal expenditures.

We are asked to pioneer a new program at a cost of $300,000,000 for the first year and more and more in succeeding years.

What we have here—let us face it frankly—is the beginning of something which will grow and grow through the years. This is something which, if started, probably no Congress will ever succeed in bringing to a halt. No future Congress will be able to resist the pressure to increase the three hundred millions to more and more.

Some months ago a group of educators came into my office urging my support of this measure. When they were questioned whether $300,000,000 could do the job they had in mind, they admitted that it was only a start.

They explained that the $300,000,000 for the first year and perhaps the second year was merely to get the precedent established. After that—they said frankly—they would go after increased appropriations. They would press for more—for $500,000,000 a year—for seven hundred and fifty millions a year. Perhaps they would need $1,000,000,000 a year to widen and expand their program.

Mr. President, the proponents of this bill are actuated by worthy and noble purposes. I join them in devotion to the cause of education and equal opportunity for every boy and girl in America to obtain a basic education.

In my own State of Pennsylvania in the past 5 years, including my term of office as Governor, our entire educational system has been reorganized. Teachers' salaries were greatly increased, the finances of school districts were placed on a more substantial basis, and educational opportunities were equalized so that the boys and girls in the poorer districts are given instruction equal to that provided in the districts more favorably situated. I am proud that I had a part in that splendid achievement.

But let me point out that unless America remains solvent—if we are not strong enough to turn back the rising tide of communism and its ruinous philosophy—even the educational opportunities which we enjoy today will go down to destruction.

Let us, therefore, make doubly sure that we can preserve what we now possess before we undertake a spending program such as is proposed in this bill.

Mr. President, there is another phase of the pending legislation that gives me great concern. It is the tendency toward centralized Federal control of education which cannot be avoided if this bill is enacted.

One of the bulwarks of our country's greatness has been the free educational system directed and controlled by local authorities in the States and civil subdivisions. I am not unmindful that the advocates of this bill assure us that provision has been made for the States and communities to retain control of their educational systems, subject only to audit by the Federal authorities. But experience has demonstrated that whenever funds are provided from the Federal Treasury control from Washington is inevitable and grows stronger from year to year.

One of the strongest arguments I can present may be found in a minority report on a measure considered in 1943 which was similar in many respects to S. 472. That report was joined in by three of our distinguished, able, and sincere colleagues, the Senator from Ohio [Mr. TAFT], the Senator from Minnesota [Mr. BALL], and the Senator from Nebraska [Mr. WHERRY]. In that report they said:

> We do not subscribe to the doctrine that because our public schools and our educational facilities are a vital element in our national welfare they thereby become the proper concern and implied responsibility of the National Government.
>
> Our schools are one of the few remaining bulwarks of local self-government and community enterprise. They should so remain.

In the same minority report it was stated:

> The bill, therefore, does not do the very thing which it is supposed to do.
>
> Equalization, as a matter of fact, cannot be secured except by complete Federal control and direction. Everyone agrees that complete Federal control and direction are worse than the inequality which now exists—Congress ought not to give away Federal funds to the States, with no Federal control over the spending of the funds. If, on the other hand, the Federal Government is to retain control over the expenditures and to dictate them, then it means Federal control of education—an alternative equally obnoxious. There is no middle ground.

Mr. President, unquestionably some States need help to finance education within their borders. I would suggest not a plan to subsidize their educational systems from the Federal Treasury, but rather than they be given an opportunity to help themselves. Let Congress withdraw to some extent from the field of taxation so that the States can move into the field relinquished by the Federal Government.

A more equitable allocation of tax sources among the three levels of government would aid States and local communities to meet this problem. At the same time it would prevent the creation of another center of bureaucracy at Washington.

For these basic reasons I am opposed to S. 472 and shall vote against it.

Mr. President, I now ask unanimous consent to have printed in the RECORD at this point in my remarks an article entitled "Arguments For and Against Federal Aid to Education," written by Hon. M. Vashti Burr, deputy attorney general of Pennsylvania, and published in the December 1947 issue of State Government, the official publication of the Council of State Governments.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARGUMENTS FOR AND AGAINST FEDERAL AID TO EDUCATION

(By M. Vashti Burr, deputy attorney general of Pennsylvania)

It is a fundamental concept of government in the United States that certain of the powers of government are of such intimate concern to the individual and to the community that they belong solely, and must remain solely, in the several States and their political subdivisions. Any control by the Federal Government over the exercise of those powers, to say nothing of the centralization of such powers in the Federal Government, must inevitably threaten or destroy local self-government or home rule.

In the absence of a responsibility directly imposed upon the Federal Government by the Constitution, the Congress should not appropriate enormous sums for recurrent subsidies to the States, on a continuing and ever-increasing basis, for purposes which are the direct concern and prerogative of the State and local governments. It is urged, and rightly so, that the States should finance their own needs with respect to functions of government that are primarily State and local. The national debt is nearly $300,000,000,000, whereas the total indebtedness of the States does not greatly exceed $2,000,000,000. The Congress of the United States has sufficiently heavy responsibilities in finding ways and means of reducing the national debt and paying the billions required for interest on that debt, of balancing the Federal budget, of adopting measures for the adjustment of Federal-State tax relations, of aiding in postwar adjustments in fields definitely within the scope of Federal responsibility, and of meeting the world-wide emergency which requires that we give such aid as we can toward relief and rehabilitation in other lands.

If State and local governments are to finance their own needs, they must not be deprived of sources of revenue which will enable them to help themselves. Recent and continuing studies concerning the possible ways of coordinating Federal and State taxation are evidence of the realization that one of the most important keys to the preservation of home rule is an equitable division of tax sources. By assuring that the States shall have adequate tax sources, the State can enlarge the taxing powers of local units of government. As stated by Gov. James H. Duff, of Pennsylvania: "By enlarging the tax base, local communities can more fairly distribute the cost of government and be enabled thereby to solve their local problems in the way that people want them solved at home."

The comments above apply generally to proposals which would have the effect of pyramiding Federal subsidies or grants-in-aid. Here let us consider one of the most far-reaching of the pending proposals, popularly referred to as Federal aid to education. This proposal, in one guise or another, has long been a source of controversy.

Among the more important of the numerous bills on the subject introduced in the Eightieth Congress are S. 199, introduced by GEORGE D. AIKEN, and S. 472, introduced by ROBERT A. TAFT, for himself and others, both bills referred to the Senate Committee on Labor and Public Welfare. The companion to S. 472 in the House is H. R. 1871, introduced by LAURIE C. BATTLE. However, the more active House bill on the subject during the first session was H. R. 2953, introduced by EDWARD O. MCCOWEN, which differed from the original S. 472 principally in that it set a different minimum allotment per child. The House Committee on Education and Labor deferred action on H. R. 2953 until

further inquiries could be made regarding the need for and desirability of such legislation. The avowed purposes of the proposed legislation, and its broad scope, are indicated in the titles of the Senate bills:

S. 199. To authorize the appropriation of funds to assist the States in more nearly equalizing educational opportunities among and within the States by establishing a national floor under current educational expenditures per pupil in average daily attendance at public elementary and secondary schools and by assistance to nonpublic tax-exempt schools of secondary grade or less for necessary transportation of pupils, school health examinations and related school health services, and purchase of nonreligious instructional supplies and equipment, including books.

S. 472. To authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

The comments in this review are directed primarily to S. 472, introduced on January 31, 1947. After extensive hearings, the Senate Committee on Labor and Public Welfare, on July 3, reported favorably on the bill, with various modifications.[1]

The modified S. 472 would authorize the granting of $300,000,000 to the States for the fiscal year ending June 30, 1949, and a like amount for each fiscal year thereafter. Apportionment among the States would be based on a somewhat complex formula whereby, as explained in the Senate committee's report, the States would be required "to develop plans for guaranteeing a floor of $50 per pupil in average daily attendance under expenditures in all local school jurisdictions within the State."[2] The United States Office of Education, a supporter of the proposal, has pointed out with respect to the bill: "Aid would be given primarily to public schools, but any State which contributed part of its own revenues to nonpublic schools could allocate a proportionate amount of Federal funds to such schools." The United States Commissioner of Education would administer the program.

The adoption of S. 472 would embark the Federal Government upon a permanent program of subsidies to the States, involving large expenditures of Federal funds, for the purpose of aiding, if not directing, the States in the exercise of functions which heretofore have been conceded to be the constitutional responsibility of State and local governments. Although the Senate committee, in its report, repeated many of the well-known arguments in favor of S. 472, it took the precaution to state: "The question of whether or not the Federal Government should establish a policy of financial assistance to the States for public elementary and secondary education was not at issue before the committee." In short, the committee washed its hands of the policy question.

Proponents and opponents of the proposed legislation both agree that educational opportunity in the United States today is unequal; that it is desirable for every child to have, so far as may be possible within the framework of our constitutional system, an equal opportunity to obtain a basic elementary and secondary education in adequately equipped classrooms; that there is an urgent need for improving the educational opportunities of children, the equipment of schools, and the occupational conditions of teachers in many areas of this country.

They also agree (and it is particularly important to bear this in mind) that the Federal Government has no constitutional power to control or supervise elementary or secondary education in this country. Local responsibility for, and control of, education is part of the bedrock of our American form of government. Proponents of the legislation are extremely careful to reiterate the assurance that Federal aid under S. 472 would not infringe in any way upon the prerogatives of State and local governments in the administration of their educational systems, and some have stated that any thought of Federal supervision or control is merely baseless emotionalism. Indeed, the bill itself purports to prohibit any department, agency, officer, or employee of the Federal Government from exercising any direction, supervision, or control over any school or any State educational institution or agency with respect to which any funds under the legislation are made available.

Proponents of the bill usually argue that "the States are not able to meet the financial load, help is needed, and the Federal Government must come to the rescue, having a responsibility for preserving the general welfare, education being naturally a vital factor in the general welfare"—or words to that effect. They argue that educational opportunity in America must be equalized and that the only way to accomplish this end is by the granting of Federal aid in such a way that disparities among the various parts of the country will be wiped out.

The United States Commissioner of Education, testifying in favor of S. 472, cautioned against Federal control of education, while at the same time insisting that only Federal aid would wipe out the educational disparities. He admitted that there is a possibility that "a system of education centrally controlled might be prostituted to propagandistic purposes of a political party in control of the Government."

Those who oppose the bill have called attention, on the other hand, to certain factors which cannot be ignored. Federal aid in the field of education is a particularly dangerous device. There is just cause for anxiety lest the proposal, if adopted, undermine the responsibility of State and local governments. It is inevitable, no matter how pious may be the declaration of principle in the bill and however well-intentioned in the inception, that Federal aid on a permanent, recurring basis as proposed would lead to some form of Federal administration, supervision, or control in the field of elementary and secondary education. This is clear from S. 472 itself. While the bill purports to throw safeguards around the constitutional prerogatives of the State and local governments, it would impose definite and essential obligations on the States receiving aid under the legislation, with the United States Commissioner of Education quite clearly having broad administrative powers.[3]

Legislation of the kind envisaged by S. 472 could not, in the absence of centralized control, genuinely equalize educational opportunity and hence would not achieve its avowed object. It is conceded that such control is not desired.

No stronger arguments against the proposal in S. 472 have been pronounced than by Senator Taft, himself, together with Senators Walsh, Ball, and Wherry, in the minority report concerning S. 637, similar in many respects to the present proposal and considered in a previous session.[4] For example:

"We do not subscribe to the doctrine that because our public schools and our educational facilities are a vital element in our national welfare, they thereby become the proper concern and implied responsibility of the National Government.

"Our schools are one of the few remaining bulwarks of local self-government and community enterprise. They should so remain."

In that same minority report it is stated:

"The bill, therefore, does not do the very thing which it is supposed to do. Equalization, as a matter of fact, cannot be secured except by complete Federal control and direction. Everyone agrees that complete Federal control and direction are worse than the inequality which now exists. * * * Congress ought not to give away Federal funds to the States, with no Federal control over the spending of the funds. If on the other hand the Federal Government is to retain control over the expenditures and to dictate them, then it means Federal control of education * * * an alternative equally obnoxious. There is no middle ground."

To contend that Federal authorities would continue indefinitely to administer a general program of Federal grants-in-aid for equalizing educational opportunities and facilities without participating more and more in the supervision of educational systems is wholly unrealistic. The history of governments refutes any such contention.

In any event, as pointed out in the abovementioned minority report by Senator TAFT and others, "Federal subsidies to the States for matters which are clearly not within the jurisdiction of the Federal Government are certainly not justified on the ground that the States are unable to finance adequately the activities which are constitutionally assigned to them."

Another factor that must be clearly understood, though not as important as the fundamental responsibility of local government, is that Federal aid of the kind which S. 472 would provide is not needed. That is not to deny that there are some areas in the country where there is great need for improvement in the school systems. However, there is no real evidence that the States, with the exceptions of those few areas, are unable to finance adequately their own educational programs. This proposal for Federal aid has not been initiated by the States themselves; that is, their duly constituted legislative and executive authorities. Moreover, in comparison with the National Government's Treasury, the State treasuries are in good condition. In nearly every State, education is given a prior consideration in allocating the funds which are available.

It is true that local government in certain regions of the country have found it difficult or have been unable to meet entirely the financial requirements of a high-standard educational system, the difficulties having been accentuated by the strains of war. However, that does not prove the need for a Federal dole. On the contrary, there has been a notable increase of activity on the part of the States within the past 3 years to mend their educational fences. For example, during the past year the legislatures in some 40 States have authorized increases amounting to about $500,000,000 in State funds for schools. County, city, and town appropriations have been increased by about $250,000,000 for the 1947–48 biennium. In addition, several State legislatures have appro-

[1] S. Rept. No. 425, 80th Cong., 1st sess.

[2] Under S. 472 as originally proposed, 23 of the 48 States would not have been entitled to any aid. The raising of the minimum from $40 to $50 per child 5 to 17 years of age in average daily school attendance, with a modified formula, has the apparent effect of making all of the States eligible. According to the figures set forth in the report of the Senate committee (No. 425, 80th Cong., 1st sess.) showing the grants-in-aid which States would be eligible to receive upon compliance with the conditions and obligations set forth in S. 472, the allotment of Federal aid would range from a low of $135,000 in the case of Nevada to a high of $22,825,000 in the case of North Carolina. The States which would be eligible to receive the major share (each approximately $10,000,000 or more) would be North Carolina, Alabama, Texas, Georgia, Mississippi, Kentucky, Tennessee, South Carolina, Arkansas, New York, Louisiana, West Virginia, Pennsylvania, and Oklahoma, in that order.

[3] See particularly secs. 7 and 8 of S. 472.

[4] CONGRESSIONAL RECORD, October 14, 1943, p. 8392.

priated funds for commissions to study their State school needs. Some of the States have revised and strengthened their departments of education. In some instances the tax bases within the States have been broadened and governors have recommended study and revision of their over-all tax system to bring about, among other things, more adequate support of the schools. In a recent survey by the United States Department of Commerce it was shown that, on the basis of State budgets examined, there had been an average increase of over 28 percent in the budgeted expenditures by the States for schools.[5]

The States are profiting by past experience and are assuming their responsibility to an increasing degree. Certainly it has not been demonstrated that the States themselves have urged the Federal subsidization which S. 472 would provide. Even as to the comparatively few States, mainly in the South, which could receive the major part of the aid under S. 472, it cannot be shown that they are impotent to meet their educational problems when, during the past year alone, they have increased their State expenditures for education by well over $100,000,000. The solution is not in subsidizing the States but in making it possible for the States to help themselves.

The formula provided by S. 472 for the allocation of grants-in-aid gives no assurance whatever that equalization can be accomplished in those States which are reputed to have the greatest need. In some of those States, in fact, equalization is contrary to their existing constitutions or traditional practices. Some of them have educational systems which are not well adapted to equalization of educational opportunity. An obvious example is that of segregation, with consequent duplications in the system. Perhaps it is not for the rest of us to tell the States having such a system to change it. At least, it is difficult to perceive how equalization could really be accomplished in such areas without virtual centralized dictatorship in education. Federal funds alone cannot correct errors in certain of the State school systems.

The aid contemplated by S. 472 is not genuinely needed. Through an adequate program of cooperation by the Federal and State Governments in adjusting their tax systems upon an equitable basis, and through other means, the States would be far better able to fulfill their responsibilities.[6] Then the Congress would not be harassed with proposals for ever-increasing Federal subsidies, and one of the principal threats to the preservation of local self-government in America would be removed.

[5] State budgets submitted in 1947, U. S. Department of Commerce.

[6] As an example of the greater potential advantages to be gained through an equitable adjustment of Federal-State tax relations, without subsidization of the kind proposed in S. 472, it may be pointed out that, although Pennsylvania taxpayers would pay at least $30,000,000 to the Federal Government toward the administration of aid under S. 472, the return to Pennsylvania in the form of aid to elementary and secondary education would be only approximately one-third of that amount. On the other hand, the amount which Pennsylvania might obtain from its own tax sources if the 80 percent credit were allowed on the Federal additional estate tax, to say nothing of additional revenue which might accrue to Pennsylvania through a more equitable coordination of Federal and State taxation, would be expected to exceed three times the amount which Pennsylvania would be eligible to obtain under S. 472. Other States would stand to gain similarly, in varying degrees. In short, the States may gain more, in both tangible and intangible benefits, from a proper allocation of tax sources than from any allocation of grants-in-aid under S. 472.

It is entirely reasonable to point out that one of the best means by which the Congress could encourage the State and local government to finance their educational programs would be by reducing the nonessential Federal taxes for nonessential Federal expenditures.

It is a matter of great importance that the Congress consider what tax levies should be left to the States or should be divided with the States. The Congress has under consideration proposals relating to coordination of Federal and State taxation.

Meanwhile, there are several immediate objectives which could be accomplished. One of these is the proposal in H. R. 3653, introduced in the House by RICHARD M. SIMPSON, of Pennsylvania, during the first session of the Eightieth Congress, whereby the 80-percent credit now allowed against the Federal basic estate tax would be allowed also against the Federal additional estate tax. If such a proposal were adopted, the States would derive a considerable advantage, and one, moreover, to which they are eminently entitled. The field of inheritance and estate taxation is one which has always been recognized as of principal concern to the State governments. The increase in income to the States if the additional 80-percent credit were allowed would be considerable from their viewpoint. The slight effort upon Federal revenue from estate taxes would be more than offset by the increased ability of the State and local governments to finance their local needs.

The States, if given a chance, can finance those activities which are distinctly and constitutionally their responsibility. This can be accomplished without any semblance of undermining home rule in the field of education. "In any event," as stated by Governor Duff, "the people back home know better than anybody else what their problems are and how able and willing they are to pay to solve them."

Up to this point, there has been no comment regarding private and parochial schools. The constitutions and laws of nearly all of the States provide expressly against the use of public funds for any but public schools.

Federal legislation for educational grants-in-aid, particularly in the elementary and secondary fields, which would have the effect of bypassing State educational authorities for the purpose of giving Federal aid to private and parochial schools, could lead only to troublesome controversy. One hestitates, as a rule, to cite a dissenting opinion in support of a proposition; but truth is truth, wherever one may find it. Associate Justice Rutledge, in his dissenting opinion in the case before the United States Supreme Court involving transportation of parochial-school children in public-school busses in a New Jersey township,[7] made the following remark which is well worth our serious attention:

"Hence today, apart from efforts to inject religious training or exercises and sectarian issues into the public schools, the only serious surviving threat to maintaining that complete and permanent separation of religion and civil power which the first amendment commands is through use of the taxing power to support religion, religious establishments, or establishments having a religious foundation whatever their form or special religious function."

Any proposal that would open the door, however slightly, to centralized supervision of basic education, to say nothing of making Federal funds available as a favor to religious educational institutions, even on a modest scale, is a proposal calculated to inspire strong mental reservations, especially among those who are genuinely concerned with the general welfare of the American people. Potential advantages to be gained in some areas by a guaranty of $40 or $50 per child of school age are hardly a sufficient excuse for surrendering the heritage of unquestioned local control over elementary and secondary education.

Next to the right to worship as one sees fit—to have entire freedom of religion, free from any taint of political sponsorship, favor, subsidy, or coercion—there has been nothing closer to the hearts of the people of America than education and the determination to keep the educational system under vigilant local supervision, or under the watchful eye of "the people back home."

There seems to have been a tendency on the part of some proponents of S. 472, or of similar proposals, to refer to activities of the Federal Government in the field of education—especially aid for vocational education and rehabilitation, agricultural extension work, Indian schools, military and naval schools, school aid under land-grant legislation, aid to hospital training, veteran rehabilitation, etc.—and to compare these with the proposed aid under S. 472. There is no real comparison. Attempts to compare the proposal in S. 472 for so-called equalization in elementary and secondary education with such other types of aid are merely begging the issue.

However, we can derive a useful lesson from the experience with Federal aid under vocational education acts. They may offer a hint of ultimate experience under legislation such as that proposed in S. 472. We may cite, in this connection, the comprehensive article entitled "The Administration of Federal Grants-in-Aid to Education," written by the commissioner of the Connecticut Department of Education, a supporter of the Federal aid-to-education proposal.[8] Those who are interested may read the article. We shall quote only two excerpts:

"Of course, it is true that in any one of these items the Federal Government is in a position to deny the States funds if the concept of vocational education does not agree with that of the Federal Government. It is probable that each must embrace the concept of vocational education concurred in by representatives of the Office of Education. * * *

"Again, it may be said that frequently the administrative rules and regulations devised by a bureau may extend farther than the congressional act intended. In other words, usually the congressional act allows considerably more leeway in the administration of federally allocated funds than the rules and regulations otherwise permit. Naturally, the Federal Government is concerned over the proper use of the funds allocated and, unfortunately, in many of our localities money emanating from an outside source is expended sometimes less wisely than the funds raised locally."

So we see that cooperation with the Federal Government in the administration of Federal grants-in-aid usually develops, and logically so, into a situation where the State's concept of education must agree with that of the Federal authorities.

CONCLUSION

The administration in any degree of elementary and secondary education in this country is not within the competence of the Federal Government and is not a proper subject for a permanent program of grants-in-aid on the basis envisaged in S. 472. Even while recognizing the Nation-wide concern in the improvement of educational opportunity in America, the potential byproduct of Federal intervention through a program such as that proposed in S. 472 are so much a threat to local self-government and home rule that not even the so-called national interest or general welfare is adequate justification for the adoption of such a proposal.

[7] *Everson* v. *Board of Education* (330 U. S. 1) (rehearing denied, 330 U. S. 855).

[8] State Government, August 1944, pp. 380 et seq.

There are other and better ways, in the long run, to accomplish the ends desired, one of the most evident being the equitable division of tax sources in order that State and local governments may be better able to help themselves.

Mr. SMITH obtained the floor.

Mr. CHAVEZ. Mr. President, will the Senator from New Jersey yield to me so that I may ask the Senator from Pennsylvania a question?

Mr. SMITH. I am glad to yield.

Mr. CHAVEZ. Can the Senator from Pennsylvania distinguish between the philosophy of Federal aid to highways and Federal aid to education? What is the difference?

Mr. MARTIN. Federal highway aid is pointed out as the best example of a proper arrangement between the Federal level and the State level; but regardless of the fact that it has always been stated that the States have full control, yet not a single road can be built without the approval of the road-engineering department of the Federal Government. In my own State, in the case of an access military road, the State of Pennsylvania paid a part of the expense. The Federal requirements, so far as grades and curves were concerned, made it cost the State of Pennsylvania almost as much as if we had built the road ourselves.

Mr. CHAVEZ. Will the Senator permit me to interrupt him once more, if the Senator from New Jersey will permit.

Mr. MARTIN. Certainly.

Mr. CHAVEZ. It may be even political treason, but please believe me when I say that I have the greatest faith in the integrity of the Senator from Ohio [Mr. TAFT], who is one of the sponsors of this particular bill. I believe that in his judgment he feels exactly the way the Senator from Pennsylvania does about local State government control, and I believe the same way. So when the Senator from Ohio and those who worked with him on the bill wrote the following language:

Nothing contained in this act shall be construed—

The bill does not use the word "may," but it says "nothing contained in this act shall be construed"—

to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or to prescribe any requirements with respect to any school, or any State educational institution or agency, with respect to which any funds have been or may be made available or expended pursuant to this act—

I trust the Senator from Ohio, because, as I have said, I believe in his integrity and sincerity of purpose and his intellectual honesty.

So I do not think the Federal Government will have any more to do with these funds, except to say that they shall be expended for the purposes for which they are appropriated.

Mr. MARTIN. Mr. President, I, too, have very great faith in the distinguished Senator from Ohio, and I sincerely hope that if this measure is enacted into law it will be interpreted in such a way that it will not interfere with local control.

But I am giving the example of roads, and I could give the example of health and welfare and airports and many other matters with respect to which, when the Federal Government steps in, it does interfere with local control, because it makes certain restrictions before the funds it appropriates can be applied.

Mr. TAFT. Mr. President, if the Senator from New Jersey will yield to me, I should like to point out that the bills to which the Senator from Pennsylvania has referred were written, in my opinion, by persons who wanted Federal control, and they provided a wide discretion to Federal officers to give money or refuse to give money. They were written by persons who believed in Federal control.

This is the first State-aid bill—of recent years, at least—which deliberately prohibits Federal interference. The bill itself is completely affected.

The only danger, which I am quite willing to admit, is that in future years someone will try to use these appropriations as a means of imposing Federal control. That is a possibility.

My feeling has been that it is easier for me, at least, to stand on the ground that we will resist such control, than it is for me to stand on the ground that constitutionally the Federal Government has nothing to do with the welfare of a great many children who are not getting an education, and so absolutely refuse any Federal aid for that purpose.

I admit the danger; but it seems to me that if we establish, as we should establish, the principle that in State-aid matters the Federal Government is not going to control, we can stand on that line. That is the line I hope to stand on so long as I remain in the Senate.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SMITH. I yield to the Senator from Vermont, if he wishes to comment on this point.

Mr. AIKEN. Let me point out the very distinct difference between the Federal Airport Act, the Federal Highway Act, and the proposed Federal Education Act. In the case of the Federal Highway Act and the Federal Airport Act and other acts of that nature, the Federal authority is expressly provided for and permitted. In the pending bill, Federal jurisdiction is expressly prohibited. Therein lies a very great difference.

The Senator from Ohio has pointed out a possible danger at some time in the future. I should like to say that that danger will exist anyway; and there is no more danger that a future Congress will permit Federal control to be exercised, through amendment, or interpretation of this proposed act, than there is that some future Congress will enact legislation giving Federal control over education. The danger is there in any case, and it is no greater if we enact this proposed legislation than it is if we do not enact it.

Mr. SMITH. Mr. President, as one of the sponsors of this bill, I desire to make a brief statement in support of it. As introductory to my statement, I wish to say that every point which has been raised by the distinguished Senator from Pennsylvania [Mr. MARTIN] has been very much on my mind all through the hearings and from the time when we started this proposed legislation in the committee.

I am greatly troubled by the financial aspects; and it is conceivable that in a time of stress, such as the one we are in now, we may have to postpone the immediate application of the principle of this bill. That is a matter for the Appropriations Committee to consider this year in connection with the other expenses which confront the Federal Treasury because of the war situation and because of the imminence of the relief and rehabilitation program abroad.

Mr. DONNELL. Mr. President, will the Senator yield, to permit me to make an inquiry?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from New Jersey yield to the Senator from Missouri?

Mr. SMITH. I yield.

Mr. DONNELL. I call attention to page 5 of the report of the Committee on Labor and Public Welfare, the second full paragraph in larger type. I ask the Senator from New Jersey whether he agrees with the thought of this sentence which appears in that paragraph:

The question of whether or not the Federal Government should establish a policy of financial assistance to the States for public elementary and secondary education was not at issue before the committee.

Does the Senator agree with that statement in the majority report?

Mr. SMITH. I cannot agree with it just as it appears there, because I felt that we did very much consider that aspect. While that was not a primary issue before the committee, certainly, so far as I am concerned, the question as to the extent, if any, to which the Federal Government should participate in a project of this kind has always been an issue with me.

So from my personal standpoint, that particular sentence would not apply to my own thinking. To me, the question whether we should extend Federal aid, and if so, how, was an issue all the way through. That is why I wish to expound a little on that point, preliminary to the more carefully prepared remarks I am about to make on this bill.

Mr. DONNELL. Mr. President, does the Senator from New Jersey agree with me that the Committee on Labor and Public Welfare at no time excluded from its consideration the question of whether or not the Federal Government should establish a policy of financial assistance to the States for public elementary and secondary education? Does the Senator agree with me that at no time did we exclude that question from consideration in the committee?

Mr. SMITH. Yes; I agree as to that.

Mr. DONNELL. In other words, the Senator from New Jersey does not agree with that sentence in the report of the committee; does he?

Mr. SMITH. From a personal viewpoint, I do not, because that question has always been in my mind in connection with this proposed legislation. I think the Senator from Missouri feels the same way.

Mr. DONNELL. I certainly do.

Mr. AIKEN. Mr. President, will the Senator yield to me at this point?

Mr. SMITH. I yield, although I desire to proceed with my remarks.

Mr. AIKEN. Is it not a fact that the witnesses who appeared in opposition to the bill in the course of the hearings did not appear in opposition to Federal financial assistance to the States for the public schools at all, but practically all the argument, indeed, I believe all of it, was directed to other aspects of the proposed legislation which we had before us in the committee, with particular reference to the possible use by some States, at least, of Federal funds for assistance to pupils attending private schools.

The witnesses, as I recall—and I sat in the hearings for 2 weeks—practically raised no objection to assistance for public schools.

So in my opinion that sentence of the majority report is correct.

Mr. SMITH. Mr. President, there may be a difference of opinion in respect to that matter. Both the Senator from Missouri and I feel that we had in mind the issue of the extent, if any, to which Federal assistance should be given to the school systems.

Mr. AIKEN. Let me qualify my statement, if I may. There may have been one or two witnesses who objected to any assistance to any schools whatsoever. I do not recall that there were, but that was not the controversial matter which came before the committee. Practically every witness favored assistance to public schools, but there was a difference of opinion as to whether any assistance should be extended to pupils of private or semiprivate schools.

Mr. SMITH. I should like to make it clear at this point in the RECORD that so far as my own position is concerned, all the way through I have had great difficulty with the conception of any Federal aid at all to the school system of America. I am supporting this bill for reasons which I shall state, but that issue was always in my own mind, and I feel it ought to be made clear.

Mr. DONNELL. Mr. President, will the Senator permit me to make, not an extended statement, but a statement which I feel in justice to the Senator from Oklahoma, should be made at this point, very briefly? Will the Senator yield for that purpose?

Mr. SMITH. I am glad to yield.

Mr. DONNELL. Mr. President, I may say that the Senator from Oklahoma [Mr. MOORE] called to my attention only a few moments ago the contents of the sentence reading as follows:

> The question of whether or not the Federal Government should establish a policy of financial assistance to the States for public elementary and secondary education was not at issue before the committee.

I think it should be noted in the RECORD that the Senator from Oklahoma, through his watchfulness and discernment, observed that sentence and called it to the attention of at least one Member of the Senate.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SMITH. I yield to the Senator from Ohio.

Mr. TAFT. I think that is an incorrect statement.

Mr. DONNELL. Mr. President, if the Senator will yield, does he mean that the statement I made is incorrect?

Mr. TAFT. No; I mean the statement in the report that has been read. I think probably what was meant was that the question whether it was constitutional to establish financial assistance was not at issue. But certainly the policy of financial assistance was at issue before the committee.

Mr. DONNELL. Mr. President, with the consent of the Senator from New Jersey, I should like to say that, so far as one member of the committee was concerned, every question was open from the beginning of the hearings until the end of the hearings and until the final argument. Each member of the committee, of course, had his own particular points in mind, but I know of nothing at any time that was done by the committee to foreclose any member from bringing up any point, whether material or immaterial, in the consideration of the bill. I believe the Senator from New Jersey, the Senator from Ohio and the Senator from Vermont will corroborate that statement.

Mr. SMITH. I certainly will, Mr. President. I agree with what the Senator from Missouri says, because in my own mind it has been difficult for me to come to a decision on this broad matter of policy. I shall try presently to state my reason for coming to the decision which I have reached.

Mr. AIKEN. Mr. President, will the Senator from New Jersey yield for one moment more?

Mr. SMITH. I yield.

Mr. AIKEN. Mr. President, I wish to insist that the statement is correct. I refer to the following statement:

> The question of whether or not the Federal Government should establish a policy of financial assistance to the States for public elementary and secondary education was not at issue before the committee.

I think that statement is correct. It was certain aspects of the bill which were at issue before the committee. The question of the policy of public assistance to public school institutions was established in this country more than a hundred years ago, and it has been recognized since that time. It was not the policy of Federal assistance to public schools about which the debate in the committee centered; it was the question of whether we should permit the expenditure of Federal funds to any extent to aid the pupils in attendance on private and semi-private schools. I do not recall anyone having appeared before the committee to object to Federal assistance to public education.

Mr. DONNELL. Mr. President, if I may ask a question of the Senator from Vermont, by permission of the Senator from New Jersey, I should like to inquire whether at any time the committee ever adopted any resolution or took any action foreclosing any member of the committee from considering any question with respect to the proposed legislation.

Mr. AIKEN. Absolutely not. Any member of the committee was free to question any portion of the bill or the entire bill itself at any time. As I recall, the Senator from Missouri questioned section 6 of the bill and centered his objection around that section. I do not recall that the Senator from Missouri, although he will correct me if I am wrong, raised objection to the policy of Federal aid to public educational institutions.

Mr. DONNELL. Mr. President, I may say in that connection, by permission of the Senator from New Jersey, that the point on which I refused to join the majority in advocating Senate bill 472 was—

Mr. AIKEN. Section 6.

Mr. DONNELL. It was the fact that section 6, as I see it, permits the use of Federal funds for sectarian and private schools. I may say likewise that as I proceeded through the hearings I think the questioning of the witnesses will show that I personally, at any rate, was taking a rather active part in considering not only that question but numerous other questions from time to time, although I am free to say that when we arrived at the final point, in my present judgment I should have voted for the bill had section 6 covered what I considered was the fatal point of aiding sectarian and private schools. I do not by that statement mean to foreclose myself now from voting against the bill on any point which I may think would make it obligatory or needful or proper that I should vote against it.

Mr. AIKEN. Mr. President, I wanted to say that the Senator from Missouri took a very active and helpful part in the discussions and hearings which took place for 2 weeks before the subcommittee on education of the Committee on Labor and Public Welfare. But I should think the explanation which he has just given, the reasons for his opposition to the bill, based upon section 6, indicates that the sentence as written in the report is correct and that the question was not raised concerning the policy of financial assistance to the States for public elementary and secondary education. That was not the issue. Practically all the controversy centered around section 6. There were other parts of the bill, of course, as to which there were differences of opinion, but I do not recall that the question of Federal assistance to public schools entered into the discussion to any extent.

Mr. DONNELL. Mr. President, the Senator may quite agree as to what the discussions centered upon, and to the point that was primarily at issue, but the point I am making is that just as in the case of a lawsuit, when a petition is filed and a general denial is filed to the petition, every question, unless some rule applies which provides otherwise, generally speaking, is open.

As I see it, before the committee, when the bill was presented, there was not the slightest action by the committee which would remove from consideration any question whatever directly or indirectly; so that every question was before the committee at all times and never has been removed from the issues in the case, and is not now removed from the issues in the case in the present debate on the floor of the Senate.

Mr. AIKEN. The Senator is completely correct in his statement, but as I

said, the discussion centered around certain aspects of the bill itself.

Mr. DONNELL. I think that is correct.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. SMITH. I am glad to yield to the Senator from Oklahoma.

Mr. MOORE. I raised the question the Senator from Missouri brought up only with respect to the statement contained in the report, because I thought that was the fundamental question, of whether we should engage upon a policy of Federal aid to public schools. The report further states, in conformity with the view the Senator from Vermont seems to entertain, that we have always been engaged in furnishing aid to the schools. The report says:

> From the beginning, the Federal Government has encouraged education through various types of grants-in-aid.

I only want to inquire now what that consists of.

Mr. AIKEN. It refers to State agricultural colleges, and to what else?

Mr. MOORE. I do not know of anything except——

Mr. SMITH. I assume the Senator has in mind the land-grant policy and aid of that kind.

Mr. MOORE. The State of Oklahoma, for instance, grants a certain area of land for school purposes in lieu of taxes which could not be levied upon the restricted lands in the Indian territory. They are public lands. Further than that I do not know.

Mr. AIKEN. Public money has been given for the education of boys and girls for a long time.

Mr. MOORE. For a hundred years?

Mr. AIKEN. It goes back to the land-grant colleges. I do not know whether it has been for a hundred years. I used that time very roughly.

Mr. MOORE. From the beginning the Federal Government has aided schools by various aids and grants. I wanted to know what they were.

Mr. AIKEN. The Senator from Vermont is not quite sure as to the beginning of that policy.

Mr. MOORE. The Senator from Vermont does agree that the Federal Government has adopted a policy of aid to public schools, does he not?

Mr. AIKEN. Yes; to public-school institutions.

Mr. MOORE. I do not know when that policy was adopted.

Mr. AIKEN. That policy did not enter into the discussion before the committee to any extent; or, if it did, it was to a negligible extent.

Mr. MOORE. I assume, from the way the report reads, that the question of policy had already been settled, and it was only the means of granting the aid that was discussed.

Mr. AIKEN. I have been informed that the policy of Federal aid to public schools goes back to the eighteenth century. I hope the Senator from Oklahoma will not ask me to explain at this time in detail what that aid was.

Mr. MOORE. I should like to know.

Mr. DONNELL. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH. I yield to the Senator from Missouri.

Mr. DONNELL. I think, if Senators desire to know the history surrounding the Ohio Co. they will find in the records of the Committee on Labor and Public Welfare a very extensive 50- or 52-page small-type report on the subject, which will be very enlightening, though probably somewhat dull, to read.

Mr. AIKEN. Mr. President, I suggest that the Senator from Oklahoma obtain that report, read it, and digest it.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. WHERRY. Mr. President, while it is our hope that amendments will be brought up today and voted upon, there are several Senators who would like to speak on the bill. May I humbly suggest to Senators who have amendments that they get them ready and present them to the Senate this afternoon so that we can at least gain ground by that type of procedure? When the amendments are out of the way, Senators who desire to speak on the bill can do so. Of course, they can speak any time they so desire. I suggest to all Members of the Senate, with that idea in mind, that there possibly will be this afternoon some votes on amendments to the bill.

Mr. SMITH. Mr. President, as I stated previously, after the Senator from Pennsylvania [Mr. MARTIN] had completed his remarks, I was in entire sympathy with the points he made. The first of those points has to do with the danger of increasing Federal expenditures. As we say, if the camel gets his nose under the tent, he finally pushes in his whole body. That is a danger which we have to watch carefully. It was very difficult for me to approve this type of legislation, but I had to contrast that danger with what I felt was a more paramount issue, namely, a greater floor of education for every child in America. I realized that there was a certain area in this country which had not been able to give such education to every child, so I came to the conclusion that I should support this proposed legislation as an evidence of the insistence of the Federal Government on a minimum of education for every child born in the United States or educated in the United States.

On the second point, Federal control, I should like to ask unanimous consent to insert in the RECORD at this point, to emphasize another reason for supporting the bill, the full text of section 2 of the bill. The Senator from New Mexico [Mr. CHAVEZ] read a portion of the section, and I should like to put the full text in, because the committee has taken great care to see that the whole subject of education is a matter of local control and direction by the States and that the Federal Government has no part in the expenditure of the funds except the one condition that the level of education shall be raised to at least $50 per child—which is low enough, God knows—for every child in the country.

There being no objection, the text of section 2 of the bill was ordered to be printed in the RECORD, as follows:

> SEC. 2. Nothing contained in this act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or to prescribe any requirements with respect to any school, or any State educational institution or agency, with respect to which any funds have been or may be made available or expended pursuant to this act, nor shall any term or condition of any agreement or any other action taken under this act, whether by agreement or otherwise, relating to any contribution made under this act to or on behalf of any school, or any State educational institution or agency, or any limitation or provision in any appropriation made pursuant to this act, seek to control in any manner, or prescribe requirements with respect to, or authorize any department, agency, officer, or employee of the United States to direct, supervise, or control in any manner, or prescribe any requirements with respect to, the administration, the personnel, the curriculum, the instruction, the methods of instruction, or the materials of instruction, nor shall any provision of this act be interpreted or construed to imply or require any change in any State constitution prerequisite to any State sharing the benefits of this act.

Mr. SMITH. With that preliminary statement, I should like to present to the Senate my reasons for supporting the bill and what I feel is the basic issue.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. SMITH. I yield to the Senator from Louisiana.

Mr. OVERTON. The Senator has just inserted in the RECORD section 2 of the bill, has he not?

Mr. SMITH. Yes; to emphasize my insistence on control by the States.

Mr. OVERTON. That is the section is it not, which denies to the Federal Government any interference with the administration of the school systems in the various States?

Mr. SMITH. That is correct.

Mr. OVERTON. If this bill should pass and $300,000,000 should be distributed among the various States, and at the next session or at a later session of the Congress the law should be amended so as to withhold any aid from any particular State which should discriminate in the administration of its funds on account of race, color, or nationality, we would be confronted with the situation that $300,000,000 would be raised by taxes on the people throughout the United States. Some of the States might say, "With that provision in the law we do not wish any Federal aid." The Senator will agree with me that that is not an unreasonable supposition. The people of those States would be taxed for Federal aid, and would derive no benefit.

Of course, the answer can be made that they can derive benefit by subscribing to the new exaction. But, by subscribing to the new terms, they would violate their own conceived and fixed notions with respect to mixed schools, and they would violate the traditions of the people of those States, which they would be unwilling to do. Then they

would be left, would they not, in rather an unhappy situation? They would be taxed without any benefits. That is the danger of the whole system. The bill itself is all right, and I would gladly support it if there were a constitutional provision which would make section 2 the law of the land which could not be changed without another constitutional amendment. But as it now stands, it lies within the power of any Congress to change it at any time.

I think the Senator will agree with me that, considering the influence which certain minority groups have in this country today, an influence which extends into the Congress of the United States, it is not at all improbable that at the next session of the National Legislature there may be an amendment such as I have described proposed and adopted by a very substantial majority.

Mr. SMITH. If I may interrupt the Senator there, as the Senator from Ohio [Mr. TAFT] said, that is the reasoning back of any legislation of any kind. Of course, without any legislation opportunity is always presented to the next Congress to pass legislation to do the very thing to which the Senator objects.

Mr. OVERTON. That is a grave danger which absolutely confronts States which will not subscribe to such a rule of administration of their schools. They are caught in a trap and cannot escape. Congress has passed a law taxing them to make them pay their portion of the $300,000,000 per annum, and yet they cannot receive any benefit from the proceeds of the taxes thus derived.

Mr. SMITH. That might be a reason in the Senator's mind for opposing the bill.

Mr. OVERTON. It is a reason.

Mr. SMITH. I may say to the Senator that I supported a principle of the bill that what Congress is proposing to do is to aid those areas which cannot afford to give educational opportunities to children at least meeting the floor provided by the bill. I knew that when I supported that theory of the bill my State would not profit one cent. I took the matter up with the educational authorities of New Jersey, and they indicated that they were perfectly willing that I should support a bill under which New Jersey citizens would pay, even though the State would not receive a cent of benefit. I think that is a sound approach, an endeavor to help in the areas where the poorest children cannot get the equality of opportunity to which they are entitled. I shall support a provision like that until I am instructed by my constituents to do otherwise. They have told me that they believe in that principle, if we can raise the standard of education in other sections of the country, even though our own State at the moment does not need assistance along that line. I mention that to show the Senator that it is not necessary for every State to be benefited to justify the State's representatives in supporting the proposal.

Mr. OVERTON. But the idea was to give assistance to those States which were less able financially than the average State to supply proper instruction to the children of the State. If such an amendment as I have indicated should be adopted, the poor States would be made poorer, because they would have to continue to pay from insufficient revenues to keep the program going, when they could not accept the conditions which were newly attached to their taking advantage of it.

Mr. SMITH. As I told the Senator previously, I am opposed to the Federal Government attaching conditions, except that the Federal funds shall be used without discrimination. That is the only condition I think would be justified, and that is a perfectly proper condition.

Mr. OVERTON. I understand the Senator's position, and I compliment him on it. The bill would be a magnificent measure if we could be assured that that would be the position of a majority of the Congress for years to come. Unfortunately, however, I look with apprehension to the future, because pressure will be brought to bear in an effort to provide that whites and Negroes shall be educated together in the schools. Certain States—and they are the poorer States unfortunately—are not going to submit to that. They are going to forego the aid, and they will forego the benefits of a program for the maintenance of which in the remaining States they are being heavily taxed. That is in brief my objection; and I cannot support the bill.

Mr. SMITH. The Senator would not say, would he, that a provision like that is contained in the pending bill?

Mr. OVERTON. No; the bill itself would be magnificent, if we could be assured that it would not be amended.

Mr. SMITH. Mr. President, I am supporting the bill as it is, because I think it is sound, and I think it meets the objection the Senator has raised.

UNIVERSAL EDUCATION IS NECESSARY TO SOUND DEMOCRACY

The great need for public education as an instrument of national and international policy today cannot be exaggerated; for first of all the integrity—perhaps the very existence—of our democratic government depends on the enlightened participation of its citizens. In turn, the friendly and freedom-loving nations of the world are looking to us for some promise of escape from the grim oppression which has overtaken some of their less fortunate neighbors.

Never during a time of peace has our democratic society been faced with graver decisions. It has now become obvious that communism is a menacing threat to our survival. The years which lie in the immediate future will determine how we maintain our place in the world as a leading independent national state. If we do so with any credit, the very first requisite will be to demonstrate conclusively to the world that we are determined to resist every possible threat to our freedom and security, and that, God being our helper, we have the strength to do it, the kind of strength which can derive from only one source—a healthy, vigorous, growing democracy, full of all the power and vitality which it inherits from our magnificent American tradition, and the giants of wisdom who gave it shape and substance.

The essential quality of this tradition, and that which breathes into it the very life and energy by which this Government of, by, and for the people persists and grows great, is the active informed participation of the people themselves. Shall we not, then, make sure that every potential citizen has within his reach those opportunities which will fit him for such participation? That, in a word, is the intent and purpose of the pending bill.

The tradition of which I speak is not matched by that of any other country in the world, and its unique character bespeaks a special role for public education in the growth of our national life.

To make a simple analogy, our democracy may be likened to a three-sided pyramid. It is founded on the broadest principles of the rights of States and peoples, pointed up by a Federal Government at the top which caps but does not control their several functions. The whole is encompassed with three sides, which may be thought of as corresponding to our political institutions, our economic system, and the social ideals which are peculiar to our people.

This democracy of ours is thus a solid structure. It is essentially simple in design and compact in form. It is massive and it is built for all time.

But it will be observed that this noble pile requires an immensely broad and solid foundation to achieve such ideal permanence. Such a solid base we have in the voice and spirit of the people, our citizens; and it is with the quality, character, and strength of this foundation, the people, that the enactment of the pending bill is concerned. Can there be any doubt of its necessity?

If there were any such doubt, only consider the intimate relationship which public education bears to the democratic structure as a whole.

EQUALITY OF OPPORTUNITY IS FUNDAMENTAL

The most sacred right of the people is equality of opportunity, which may be regarded as a property belonging to the fixed and intimate relationship of our three components of democracy—political institutions, social ideals, and an economic system of free enterprise. For what would be the meaning of opportunity in a society without competition and free enterprise to furnish incentive; or in a government where the rights of free citizens were not protected by political democracy? Equality of opportunity is absolutely inherent in the pattern of our whole life, and it is the prime mover behind the rise, the growth, and the expansion of our Nation. And the life spirit of equality of opportunity has been from the beginning, and is now, the system of public schools—the basis of learning, available to all, by which they may realize these opportunities.

Parallel with equality of opportunity are the rights and responsibilities of the individual. Public education for a strong democracy is therefore twofold: training for the individual so that he may make the proper personal adjustment in his society, and training for sound citizenship, which fits the individual for honest and intelligent participation in Government and public affairs.

This dual nature of education in our system envisions at once the opportunities which democracy provides, and the responsibilities which it entails.

Thus, at the basis of our whole democratic structure lies public education. It is inherent in our system and has been fundamental in the evolution of our free society built on mutual respect of all groups one for another, with a minimum of class distinction. It has served us well in the past and it is equally essential to the future growth of democracy and the well-being of our Nation.

THE SHORTCOMINGS OF PUBLIC EDUCATION TODAY

When we consider what a vital role education plays in our democracy, and the special significance it takes on in the highly volatile world of today, and then consider the appalling state to which public education has declined, we are frankly alarmed. Throughout the Nation, moneys allotted for educational facilities and for teaching talent are critically low. Rising costs of living have made the plight even more desperate. World War II has dislocated a tremendous number of well-qualified teachers, who simply cannot go back into their own profession because of inadequate salaries. At the same time, a great influx of students under the GI bill of rights has put an impossible strain on the teaching profession as a whole. Primary and secondary schools have felt the impact of all these factors, and without some immediate remedy the outlook is dark indeed.

For numerous reasons, the States individually are not able to provide a minimum education on the desired basis of equalization. There are wide variations, which result in unhealthy discrimination. Many States have a much larger population of children per capita than others. Mr. President, I am now summing up, as it were, the testimony which was given to the committee in connection with this very important subject. Wartime industrial mobilization has dislocated vast numbers of people, who remain concentrated in centers far from their origin. The more wealthy States are meeting a comparatively high standard, on the average, with a relatively small percentage of their income. Still, there are districts in every State where the educational facilities leave much to be desired.

I may say in passing that in my own State of New Jersey we have a very high standard of education, but there are many areas in our State which need equalization of facilities, and that is one of the problems we are facing today. On the other hand, it is a paradox that the less wealthy States are spending a much higher percentage of their income for education, and have the poorest schools in the country. They are making the greatest effort of all, but in spite of that, they are unable to provide a decent minimum of education. Nothing but Federal aid—and I have become convinced that this is a fact—furnished on a sliding scale such as that provided in the pending bill, will establish a solid floor for such a minimum.

To underline this conclusion, we have only to recall that the variations in dollars spent on each student in different school systems has the astonishing range of 60 to 1; great variation occurs not only from State to State, but from district to district, within States. The reasons for this inequity are to be found largely in local taxation. All States have limited tax resources, compared to those of the Federal Government. It is imperative that Federal aid be provided to insure a decent minimum, where that minimum cannot be maintained otherwise.

I may say in passing that the suggestion made by the distinguished Senator from Pennsylvania [Mr. MARTIN] that less money should be drained from the States into the Federal Treasury, and thus leave more money in the States to take care of their needs, would have my hearty accord. I would be in entire sympathy with such a policy. At the present time the Federal Government has the largest call on the greatest sources of taxation, and therefore it seems to me that the States must receive Federal aid in order to maintain a decent level of education until we find a more effective solution. We cannot wait for the adjustment of our tax picture to educate our children. The children must be considered now.

Another matter of grave concern to our Government is that, in this modern age with a highly mobile populace, ignorance and illiteracy are very contagious. They spread rapidly from the area of their origin to infect the whole Nation, and nothing but a general curative can remedy this ailment. Every State is dependent on every other State for protection against the infection of ignorance, as surely as they are for the efficiency of interstate commerce. We are bound together intellectually as well as economically—spiritually as well as materially.

There is superabundant evidence and testimony, in short, to show that the necessity for Federal aid is a foregone conclusion. It is now only a matter of how to furnish such aid in a way which is incompatible with the ideal relationship between the State and Federal Governments in our Republic.

EDUCATION FOR DEMOCRACY A FEDERAL RESPONSIBILITY

If, as we have seen, universal education is the very basis of democracy; and if, as we have also seen, our own country is conspicuously inadequate in that respect, then it is obvious that the Federal Government is responsible for bringing the general level of education up to the average national level, at the very least. Our youth are not only citizens of States, they are citizens of America. If some States are unable to furnish every one of its children an education which is deemed to be an adequate minimum based on national standards, then the Federal Government must grant sufficient aid to raise those States to the national level. In the bill we are speaking, as I said before, of a $50 minimum for each child. Not to do so is to belie our allegiance to the democratic principles of government. Equality of opportunity must be guaranteed; our national defense must be maintained; the social ills attendant upon vast shifts of people from impoverished areas must be guarded against. These are all issues of national significance, and the Federal Government is the only agency capable of solving them.

A very specific instance of Federal responsibility in this matter comes to mind in connection with minority groups. For example, we have a large Negro population scattered throughout all the States. Now, when the Federal Government bestowed citizenship on the Negro, it accepted a corresponding responsibility. Not the least of these is education for democracy; and the present bill has provided for carrying out this responsibility to the Negro as to all minority groups.

AUTONOMY OF STATES GUARANTEED

Granted that the Federal Government must provide aid to the States for primary and secondary education, the question arises as to what part the Government should have in the administration of such money, and what specifically can be done with it. We have already discussed this point before my main address began, but I want to stress it again.

In my opinion, the answer to that should be left for the States to decide, so long as it is spent for education. This is in strict accordance with the unassailable principle upon which the bill is founded: the autonomy of State and local control. Adherence to this principle not only recognizes the traditional sanctity of home rule but takes into account the fact that the whole character of education and its administration differs widely from State to State and from region to region. The bill contains a positive prohibition against the impairment of State's rights, and of local or State control over public elementary and secondary education. That is in section 2, which previously I asked to have inserted in the RECORD as a part of my remarks. At the same time, its provisions are so carefully wrought that all the variations in systems—in administration, in methodology, and the relation of private to public schools—are carefully respected.

It is proposed that funds be turned over to the State on a fair and objective formula, designed to supplement State revenues as needed; and the expenditure of this money is left entirely to the legal requirements and established school administration of the State. The only restriction on the method of distribution is, briefly, that the State must establish, in each district, a minimum floor of $50 per annum for each child in attendance. That is the great, over-all objective of the bill—a minimum floor. There is no further provision in the bill determining how the money is to be spent. It is not within the discretion of any Federal agency or official to pay or withhold money on a discretionary basis. The only responsibility of the Federal Government is to see that the money is not spent in violation of the law. This is guaranteed by means of an audit, by which the State must certify that each child is being provided the $50 minimum.

There is nothing in the bill by which the Federal Government could possibly exert any control or influence over curricula, personnel, or methods. All we seek to do is to help the States operate their own school system.

I emphasize this point of States' rights, and the undesirability of Federal control in this program, because this principle is the very core of the whole subject of Federal aid to education, and must be maintained against any encroachments whatsoever. That is the danger in any legislation of this kind, and I cannot overemphasize now, as we are discussing the bill, the importance of that principle.

I do not say that the bill is perfect. No doubt, certain abuses will arise. That remains to be seen and is to be expected in any undertaking such as this. But we are on sound ground when extending aid for education, without control, rather than not to give it at all.

To sum up: The need for Federal aid to education is no longer in doubt. The prevailing inequality of opportunity must be corrected. It is a threat to our economy, our national security, and to our position as a world leader. This condition cannot be corrected by the States independently, because of economic factors beyond their control. Danger to the national welfare is heightened by the migratory tendencies of our people. It is therefore evident that if the Federal Government is to carry out its responsibilities to the States and to the people it is imperative to enact legislation for Federal aid to education now.

Education must not be left at haphazards. As thing now stand, there is a better-than-average chance that many children born in America will be underprivileged in their education, if they receive any schooling at all. We must wipe out these educational slum areas throughout our country. Education is everybody's business. We cannot gamble on the future of our Nation by leaving our children to chance. With a decent minimum education they will build a sound America. Without it, they will not only fail in their own responsibilities as citizens; they will be high-potential recruits for subversive agitators who will foster in them the belief that the world has cheated them out of their birthright, and that the only remedy is violence and anarchy.

Certainly the money involved in this program could not be better invested. What happens to America depends on the intelligence of its people. In the immediate years ahead we will be faced with grim problems, domestic and foreign, of such great moment that we shall survive or perish on their outcome. It is inconceivable that these problems should be inherited by children whom we have left to chance. If we, of the present generation, about to turn over control to future generations, have respect for ourselves, or a sense of responsibility for our children, we must certainly give them the opportunity to learn those things which they must know if they are to escape calamity, and to build soundly for the future of free men and women.

Mr. COOPER. Mr. President, I speak in support of the pending measure, entitled "The Education Finance Act of 1948" in whose sponsorship I joined last year with other Members of this body.

At the outset I should like to say that great credit should be given to the distinguished chairman of the Committee on Labor and Public Welfare, the senior Senator from Ohio [Mr. TAFT], for the leadership and constant support that he has given to the development of this measure, and to the members of the Committee on Labor and Public Welfare, who, under the able leadership of the distinguished senior Senator from Vermont [Mr. AIKEN], spent weeks in its consideration and preparation.

The passage of S. 472 will give immediate and needed support to the schools of my State, Kentucky. I am happy that the schools of Kentucky will receive aid; but I would support this measure even if Kentucky did not share largely in its benefits. I support it because it gives meaning and effect to a fundamental principle of our governmental and economic system, the principle of opportunity.

In recent years the Government of the United States has placed great emphasis upon the concept of security. The shift from an agricultural to an industrial economy has raised complex questions concerning the economic life and opportunity of many people. One of the difficult tasks of our society is to find the means to promote and protect the economic well-being of the people without imposing governmental controls which would destroy incentive and responsibility, and which would ultimately limit and constrict the political and spiritual freedom of the individual.

I recognize and give support to the concept of security in our society, but I believe strongly that it should be supplementary to and not prior to the concept of opportunity.

It is encouraging to note that, after these years in which security and the power of the State have been overemphasized, we are today considering a measure which gives emphasis to opportunity and to the capabilities and infinite possibilities of the individual.

The evidence heard by the Committee on Labor and Public Welfare makes it clear that the inequalities of educational opportunity existing in this country are limiting the full equality and freedom of opportunity which is one of the ideals of our political system.

We take great pride in the public, private, and sectarian schools, the colleges and universities, the buildings and equipment which mark our interest in education. This year we shall spend approximately $4,244,000,000 for public education, a sum larger than any other nation will spend. These physical evidences of our educational system are not too reassuring when we remember that 1,200,000 men, representing 8 percent of all those examined for selective service during the war, were rejected because of educational deficiencies.

This shocking proof of the inadequacy of American education is further confirmed by facts which have been developed from census records, and from careful and objective studies made by the Senate Committee on Labor and Public Welfare, the National Education Association, and other organizations, private and public.

Many of these facts have been ably presented by other Members of the Senate, and I shall not repeat all of them. They do not require interpretation. They speak for themselves.

The Federal census of 1940 disclosed that 10,000,000 adult Americans had less than 5 years of schooling. The census of 1945 disclosed that 4,000,000 children between the ages of 5 to 17, inclusive, and 2,000,000 children in the usual school brackets of 6 to 17, inclusive, did not attend any school.

In proportion to population, the largest number of adults and children of school age in the three groups which I have mentioned reside in low-income States.

The defects in our educational system give reasons for the fact that 10,000,000 adults in the Nation have less than 5 years' schooling; that 1,200,000 young men were rejected for military service because of educational deficiencies; and that millions of children are not attending any school today. They are not temporary in their nature. They exist today. They are found in substandard equipment and facilities and in substandard teaching.

It is estimated that 1,000,000 children of the total attending school today are in schools whose expenditures for teaching services, supplies, transportation, and health are wholly inadequate, and that 2,000,000 are instructed by teachers who are inadequately prepared.

The most striking proof of the defective and precarious structure of our educational system is dramatically demonstrated by the fact that thousands of teachers are leaving the teaching profession because we cannot or will not pay them decent salaries.

In the school year 1946–47, when the cost of living was beginning its advance, 54 percent of the teachers in public schools were paid less than $2,000, and 16 percent were paid less than $1,200 a year.

There are 120 counties in my State. In the year 1946–47, when Kentucky was spending a greater percentage of its total revenues on education than many of the wealthier States, the average salary for teachers in 31 counties was less than $1,000 a year. In 50 counties it was greater than $1,000 but less than $1,200 a year. Only 39 counties were able to pay their teachers more than $1,200 a year.

The places of teachers who are being forced to leave their profession because of disgracefully inadequate pay are being filled by teachers with substandard preparation.

One of the findings obtained by the New York Times in a recent educational survey was that 109,625 of the 878,145 teachers of the Nation are serving on emergency or substandard certificates. In the school year 1946–47, 5,229 teachers, representing 39 percent of Kentucky's 18,164 public-school teachers, were not regularly qualified, but taught under emergency certificates. Two hundred and twenty-five thousand of the five hundred and sixty-nine thousand school children of the State were in their classes.

Great credit must be given to emergency teachers who have kept open schools that might otherwise have closed, but their unselfish service does not excuse the failure to pay salaries that will hold qualified teachers, give incentive

to emergency teachers to qualify themselves, and advance the standards of teaching.

There is something wrong with an economic and social system which makes better provision for men and women in labor, industry, or other professions, than for those who have made great sacrifice in time and money to prepare themselves to teach the youth of the Nation.

Carlyle said, "A university is a collection of books." The statement might be paraphrased to read "A school is a collection of books and a teacher." There can be no schools without teachers who are prepared, whose work is honored, and who are sufficiently secure to devote their interest and their lives to their profession.

These deficiencies of teacher training, equipment, and facilities are not general and uniform among the States, or even within the States.

They exist in the low-income States of the Union, States whose economy is based upon agriculture and the production of raw materials, and whose total wealth and tax structure cannot provide the revenue required for the adequate support of education. The task of many of the low-income States is made more difficult because they have more school children per thousand of population than do the richer States.

On last Wednesday my good friend the distinguished junior Senator from Louisiana [Mr. ELLENDER] made a very able speech in support of the pending measure. In his speech he discussed exhaustively the inequalities of educational opportunity existing between the States, and the local factors of population and wealth which contribute to those inequalities. With his permission, I desire to introduce into the RECORD several tables of statistical information which support the fine argument made by him.

At this point, I ask unanimous consent to have printed in the RECORD as a part of my remarks, three tables.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—*Number of school-age children per 1,000 population*

United States	216
District of Columbia	160
West Virginia	281
New Mexico	280
South Carolina	274
Alabama	270
North Dakota	270
North Carolina	266
Mississippi	263
Arkansas	259
Kentucky	256
Georgia	252
Tennessee	249
Oklahoma	247
Utah	247
Idaho	241
South Dakota	239
Louisiana	239
Maine	231
Virginia	229
Vermont	228
Texas	225
Montana	224
Pennsylvania	222
Michigan	221
Nebraska	221
Wisconsin	220
Wyoming	220
Iowa	217
Minnesota	217
Indiana	215
New Hampshire	214
Arizona	211
Colorado	210
Kansas	210
Ohio	207
Maryland	205
Delaware	202
Missouri	201
Massachusetts	197
Illinois	196
Rhode Island	194
Connecticut	194
New Jersey	192
Florida	192
New York	188
Nevada	185
Oregon	185
Washington	180
California	172

TABLE II.—*Total income subject to taxation, by States*

[1945 total income payments (millions)]

United States	$155,201
Alabama	2,021
Arizona	594
Arkansas	1,218
California	13,649
Colorado	1,271
Connecticut	2,635
Delaware	393
District of Columbia [1]	[2] 1,263
Florida	2,420
Georgia	2,445
Idaho	525
Illinois	10,695
Indiana	4,102
Iowa	2,375
Kansas	1,908
Kentucky	1,957
Louisiana	1,986
Maine	847
Maryland	[2] 2,664
Massachusetts	5,631
Michigan	6,799
Minnesota	2,614
Mississippi	1,205
Missouri	3,776
Montana	555
Nebraska	1,333
Nevada	210
New Hampshire	460
New Jersey	[2] 5,933
New Mexico	448
New York	[2] 20,295
North Carolina	2,621
North Dakota	566
Ohio	9,114
Oklahoma	1,801
Oregon	1,631
Pennsylvania	11,376
Rhode Island	956
South Carolina	1,303
South Dakota	598
Tennessee	2,443
Texas	6,527
Utah	649
Vermont	331
Virginia	[2] 2,829
Washington	3,052
West Virginia	1,472
Wisconsin	3,418
Wyoming	287

[1] District of Columbia: Data for the District have been included in order to present a complete statistical summary of continental United States. However, the District figures should not be ranked or similarly compared with the States.

[2] Adjusted to represent income payments on a "State of residence" basis rather than on a "State of recipients' employment" as given in original report.

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce, Survey of Current Business, August 1947, pp. 22–23.

TABLE III.—*Current expenditures per pupil of average daily attendance for public education, 1944–45 school year*

United States	$125.41
District of Columbia	161.02
Highest 12 States:	
New Jersey	198.33
New York	194.47
Illinois	169.02
Massachusetts	166.67
Wyoming	164.84
Montana	163.42
California	163.38
Washington	159.78
Connecticut	159.50
Nevada	155.88
Rhode Island	148.96
South Dakota	144.62
Second 12 States:	
Oregon	144.56
Minnesota	144.29
Wisconsin	140.41
Ohio	138.25
Pennsylvania	137.00
Delaware	133.05
North Dakota	132.55
New Hampshire	131.48
Indiana	131.29
Kansas	130.85
Colorado	129.47
Michigan	127.73
Third 12 States:	
Arizona	127.55
Nebraska	127.28
Iowa	124.83
Utah	120.24
New Mexico	119.98
Vermont	117.90
Maryland	113.98
Missouri	113.07
Idaho	112.34
Texas	102.46
Maine	97.75
Oklahoma	96.61
Lowest 12 States:	
Louisiana	95.31
Florida	94.55
West Virginia	93.18
Virginia	83.49
Kentucky	80.94
Tennessee	69.70
North Carolina	68.91
South Carolina	65.17
Georgia	64.92
Arkansas	60.26
Alabama	56.93
Mississippi	44,80

Mr. COOPER. Mr. President, the first table gives the number of school-age children per 1,000 of population in each of the States.

The second table shows the total income of the States in 1945 susceptible to taxation for education and other purposes. These two tables indicate clearly that the largest school populations are in those States which are least able to support public education.

The third table states the expenditures for public education made by the States and local taxing units within the States for each pupil in average daily attendance during the 1944–45 school year. A study of these figures gives proof of the relationship between taxable wealth and education.

Mr. President, today it is admitted that the States have reached, or are approaching, the limit of their abilities to provide funds for education. Many of the States which are in greatest need of funds have been applying larger percentages of their total revenue to education than have the more fortunate States.

Six of the twelve States, designated in table III as providing the lowest number of dollars for each pupil, are using

more than 2 percent of their total revenue, and 8 in the group are using more than 1.90 percent of their total revenue for education, while only 4 of the 12 States designated in table III as providing the largest amount of dollars for each pupil are spending more than 1.90 percent of their total income for education.

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Kentucky yield to the Senator from Missouri?

Mr. COOPER. I yield.

Mr. KEM. I should like to ask the Senator whether he has any figures indicating the relationship between the debt of the Federal Government and the debt of the various States constituting the Union.

Mr. COOPER. No; I do not have figures on that subject. I anticipate that the Senator from Missouri will point out that the indebtedness of the States, in comparison to the debt of the Federal Government, is much lower and that they are in better financial position to provide for education.

Mr. KEM. Yes. The Federal Government debt is approximately $258,000,000,000, is it not?

Mr. COOPER. That is correct.

Mr. KEM. And the debt of the States in the aggregate is approximately $2,500,000,000, is it not?

Mr. COOPER. I have no reason to doubt the accuracy of the Senator's figures.

Mr. KEM. Moreover, the States have cash on hand which would reduce the total liabilities of the States to approximately $1,000,000,000.

Mr. COOPER. I should like to point out that the cash on hand could not be used for the recurring expenditures of a State. It might be used for capital outlays in a State, but it cannot be assumed that there will be a surplus each year.

Mr. KEM. But I think it gives a fair picture of the financial condition of the States.

I should like to ask the Senator this question: Admitting that there are great deficiencies in our public-school system, which have been so ably pointed out, does the Senator feel that all those problems should be brought to Washington for solution, and that intervention by the Federal Government is the answer to the problems of American education?

Mr. COOPER. I do not so believe, but if the Senator from Missouri is directing his question to the problem now before the Senate, namely, the problem of education in elementary and secondary schools, I shall answer "Yes."

Mr. KEM. Then, does the Senator feel that the ultimate result of such a program will be to have Washington bureaucrats fix what is to be taught, how it is to be taught, and who is to teach it?

Mr. COOPER. I do not accept the conclusion that such a situation will occur.

Mr. KEM. How is it possible to correct these deficiencies unless such control does occur from Washington?

Mr. COOPER. As has been so often stated in the course of this debate, the bill now contains a provision that the Federal Government shall in no way regulate or supervise the educational systems of the States.

Mr. KEM. Yes. However, I find on my desk an amendment, for instance, intended to be proposed by the able Senator from New Jersey [Mr. HAWKES], to—

> Provide for the teaching in the public elementary and public secondary schools within such State, and in all other schools within such State to or for the benefit of which funds appropriated pursuant to this act are disbursed, of regular courses of instruction in the text and interpretation of the Constitution of the United States, consisting of not less than 2 hours of classroom instruction during each 4-week period within the school year, in each grade or year above the fifth (excluding kindergarten).

Does not the Senator from Kentucky feel that what we are doing now is merely permitting the camel to put his nose under the tent?

Mr. COOPER. The distinguished Senator from Ohio [Mr. TAFT] has stated very frankly several times during the course of this debate that such a danger exists But he has also said, that it is a question of weighing a possible but unlikely danger against meeting the immediate needs of this country with respect to education.

Mr. KEM. I have read the very able statement of the senior Senator from Ohio which appears in the committee hearings. As I read it, it was very difficult for me to tell in certain places which result he would finally reach—whether he would favor the bill or would oppose it.

Mr. COOPER. I assume that the distinguished Senator from Ohio can take care of himself, without any help from me.

Mr. KEM. I shall be glad to invite the attention of the Senator from Ohio to the passages of his statement which I have in mind, if he is in any doubt about it.

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. COOPER. I yield.

Mr. AIKEN. I should like to refer to the suggestion of the Senator from Missouri that we should take into consideration the public debt of the States and should compare it with the public debt of the Federal Government. I wish to say that if we tabulated the public debt of all the States, the result would not have a great deal of meaning, for the simple reason that so many States have constitutional prohibitions against the creation of a public debt, and in those States the debt is carried by the counties and municipalities.

So a table showing the public debt of the States, in comparison to the national debt, would not have too much meaning. If it would have any meaning at all, we should include the public debt of the municipalities and counties, as well as the debt of the States themselves. I wish to make that contribution at this time.

Mr. KEM. Mr. President, will the Senator yield to me?

Mr. COOPER. I yield.

Mr. KEM. Did I correctly understand the Senator from Vermont to say that in his judgment the public debt of the States is of little importance in connection with a discussion of this problem?

Mr. AIKEN. No; I said a table showing the State debts would not have full meaning because some States have constitutional prohibitions against the incurrence of a debt on the part of the State; and in those States some of which are in the Midwest—I do not know whether Missouri is one, but I think Nebraska is one—it would be necessary to have a tabulation of the debts of the municipalities and counties, as well as the debts of the States, in order to have the complete picture.

Mr. KEM. Yes; but the Senator will agree, I am sure, that the aggregate of all the debts of the local subdivisions and of the States is comparatively small, as compared to the gigantic Federal debt.

Mr. AIKEN. I do not know what it is, but it is less. However, the means of the States to pay off debt is sometimes difficult to prove.

Mr. KEM. After all, all taxes must come from the people.

Mr. AIKEN. That is correct.

Mr. KEM. And if there are presently insufficient means of raising revenue, that can always be corrected.

Mr. AIKEN. The Senator is correct.

Mr. KEM. It is not necessary to break down our constitutional form of a union of States in order to accomplish that.

Mr. AIKEN. It is unfortunate that a large share of the wealth created in this country gravitates from the sources of its origin to a few financial centers which are located in the more wealthy States. The only way in which a share of that wealth, which may be desperately needed, can be restored to the States where it is created is by means of Federal taxation and the reallocation of the tax receipts to all the States, based on certain formulas. There are different formulas for different Federal programs.

Mr. COOPER. I agree. The Senator from Vermont has touched the great cause of this inequality. It does not come from the comparative debts; it does not arise from the tax structures of the States——

Mr. AIKEN. That is correct.

Mr. COOPER. It arises from the differences in taxable wealth in the States.

Mr. AIKEN. I may point out that certain of the wealthiest corporations in the country are controlled by people who live in a few Eastern States, although the production takes place and their wealth is created in some of the more sparsely settled States of the West.

Mr. KEM. Mr. President, will the Senator yield?

Mr. COOPER. I am happy to yield.

Mr. KEM. Does the Senator present this measure to us as a method or means for the redistribution of wealth in this country?

Mr. COOPER. Is the Senator addressing his question to me?

Mr. KEM. Yes.

Mr. COOPER. That certainly is not the purpose or intention of the bill. I would not support the bill if it had such a purpose.

Mr. AIKEN. No.

Mr. COOPER. The remark made by the Senator could be made with respect

to almost any system of Federal aid to the States. I think it could just as well apply to any other function of the Federal Government. It certainly could apply to loan programs, and to agriculture, and for roads. I do not believe they were initiated to redistribute wealth.

Mr. KEM. We have seen bills introduced and passed in Congresses preceding the present one, that had that objective and purpose, beyond any question. What I am asking the Senator is whether his bill belongs in that classification.

Mr. COOPER. I may say to the Senator that if the purpose of this bill were merely to provide a means of redistributing the wealth of the country as such, I certainly would not approve that purpose. But that is not the purpose of this bill. The objection the Senator raises could be raised against any program of the Federal Government in which funds are distributed to States in aid of certain programs.

Mr. President, Senate bill 472 will not eliminate all inequalities and bring exact educational opportunity to all the children of the States. It will provide the minimum requirements in teaching and facilities needed by school children for a fair educational start in life.

A consequence of this measure which holds great interest to me is the support that will be given to the education of the Negro citizenship of the Nation, particularly of the South. The bill does not attempt to prescribe how funds shall be used by the States, but it insures, to the extent of the funds available, equality of educational opportunity for our Negro citizenship.

I shall not discuss in detail the formula by which allocations to the States are determined. It proposes to advance to each State from an annual appropriation of $300,000,000 that sum of money which added to one-half of the money now being spent by the State will provide a base average annual expenditure of not less than $50 for every pupil in average daily attendance in the public primary and secondary schools. If one-half of the money now being spent by the States per pupil is equal to or more than $50, $5 per child will be advanced to raise standards in the poorer districts of each State.

It is designed to encourage and promote continuous effort by the States to increase local expenditures for education. To this end, allocations to the States are reduced proportionately to the extent that local expenditures fail to reach 2.5 percent of the total incomes of the States, and if any State is not expending as much as 2 percent of its income on education at the end of 4 years, aid to such State will be withdrawn. These requirements are important because they encourage local interest and responsibility.

I ask unanimous assent to have inserted in the RECORD at this point, as a part of my remarks, a table which I shall designate as table IV, which is copied from Report No. 439 of the Committee on Labor and Public Welfare accompanying the bill, and which states the estimated allotment of Federal aid to the States if S. 472 is enacted into law. It must be remembered that the amounts stated will be lowered proportionately, to the extent that the percentage of the total income of a State expended for education fails to reach 2.5 percent. For example, the estimated allocation to Kentucky per annum shown in the table is $16,120,000 or $22.30 per child. Because Kentucky's expenditures on education do not reach 2.5 percent of its total revenues, and are estimated to be 2.13 percent of the total, its allotment would be reduced to approximately $12,962,000 a year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE IV.—*Estimated allotment of Federal aid to States under S. 472* [1]

State	$5 per child 5–17 years of age (thousands)	Excess of $45 per child over 1 percent of income payments (thousands)	Total amount of allotment (thousands)
Continental United States	$144,650	$215,855	$295,260
Alabama	3,950	19,390	19,390
Arizona	740	1,750	1,750
Arkansas	2,440	12,390	12,390
California	7,260	----------	7,260
Colorado	1,225	685	1,225
Connecticut	1,705	----------	1,705
Delaware	285	----------	285
District of Columbia	720	----------	720
Florida	1,260	1,780	2,260
Georgia	4,125	17,745	17,745
Idaho	600	1,010	1,010
Illinois	7,520	----------	7,520
Indiana	3,645	----------	3,645
Iowa	2,505	1,275	2,505
Kansas	1,860	540	1,860
Kentucky	3,520	16,120	16,120
Louisiana	3,055	11,075	11,075
Maine	940	1,060	1,060
Maryland	2,135	----------	2,135
Massachusetts	4,160	----------	4,160
Michigan	5,980	----------	5,980
Minnesota	2,780	2,820	2,820
Mississippi	2,975	16,985	16,985
Missouri	3,755	1,665	3,755
Montana	545	55	545
Nebraska	1,350	1,220	1,350
Nevada	135	----------	135
New Hampshire	490	640	640
New Jersey	4,025	----------	4,025
New Mexico	760	3,390	3,390
New York	12,010	----------	12,010
North Carolina	4,885	22,825	22,825
North Dakota	725	1,655	1,655
Ohio	7,090	----------	7,090
Oklahoma	2,675	9,195	9,195
Oregon	1,125	----------	1,125
Pennsylvania	10,410	----------	10,410
Rhode Island	720	----------	720
South Carolina	2,715	13,855	13,855
South Dakota	685	1,445	1,445
Tennessee	3,695	14,785	14,785
Texas	7,875	18,675	18,675
Utah	785	1,535	1,535
Vermont	375	615	615
Virginia	3,540	8,070	8,070
Washington	1,820	----------	1,820
West Virginia	2,495	10,405	10,405
Wisconsin	3,300	1,020	3,300
Wyoming	280	180	280

[1] As computed in sec. 4 (C) without application of reductions provided in sec. 4 (D).

Mr. COOPER. The Committee on Labor and Public Welfare has stated clearly in its able and comprehensive report that the pending measure is based upon three basic principles. I have discussed briefly two of these principles, the principle of equalization and the principle of maintenance of State and local effort. A third principle, equally as important, is secured by section 2, which provides that the Federal Government shall not directly or indirectly regulate, control, or interfere with State educational systems. This provision is so important that I ask that it be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 2. Nothing contained in this act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or to prescribe any requirements with respect to any school, or any State educational institution or agency, with respect to which any funds have been or may be made available or expended pursuant to this act, nor shall any term or condition of any agreement or any other action taken under this act, whether by agreement or otherwise, relating to any contribution made under this act to or on behalf of any school, or any State educational institution or agency, or any limitation or provision in any appropriation made pursuant to this act, seek to control in any manner, or prescribe requirements with respect to, or authorize any department, agency, officer, or employee of the United States to direct, supervise, or control in any manner, or prescribe any requirements with respect to, the administration, the personnel, the curriculum, the instruction, the methods of instruction, or the materials of instruction, nor shall any provision of this act be interpreted or construed to imply or require any change in any State constitution prerequisite to any State sharing the benefits of this act.

Mr. COOPER. Mr. President, the only hope for educational equality in this country is Federal aid to education. The decision is now with us, as to whether Federal aid shall be made available or refused upon grounds which are based on untenable fears.

The chief objections which have been made to S. 472 revolve around the first and fourteenth amendments to the Constitution of the United States.

The first amendment provides that—

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof.

The fourteenth amendment makes the first amendment applicable to the States, and thus prohibits the States from making any law respecting an establishment of religion, or prohibiting the free exercise thereof. It has been said that these amendments were intended to erect a wall of separation between church and state. I agree with and support strongly that purpose. The amendments prohibit the use of public funds in the public schools or any denominational or sectarian schools of the country for the establishment or support of any religion or faith. At the same time they guarantee the free exercise of religion in denominational and parochial schools, without control or regulation by the State.

Some of those who oppose this bill are fearful that the funds which it provides will be used by the State to support or establish religion in public or private schools, or to support religion in sectarian schools in violation of the constitutional tradition of the separation of church and state. I assert that such action could not be taken constitutionally by any State, even if so desired. I

point to section 6 of S. 472, which provides that the funds shall be disbursed by the State educational authority for any current expenditures for elementary or secondary school purposes for which educational revenues derived from State or local sources may legally and constitutionally be expended in such States. I emphasize the words, "legally and constitutionally."

Others who are interested in sectarian schools desire that the bill name certain uses, not primarily educational in nature, for which the funds may be used in sectarian schools. If we do this it is entirely possible that we will designate uses which would be held to violate the first and fourteenth amendments. There are other compelling objections.

Education is the primary concern of the States, and, subject to constitutional restriction, it is wise that the people of a State acting through their legislatures establish systems which are in harmony with their peculiar needs, customs, and beliefs.

One of the fundamental characteristics of the bill, expressed in section 2, is that the Federal Government shall not control or regulate the educational system of a State. Believing that provision to be sound, I shall vote against amendments which seek to substitute the opinion and judgment of the Congress for that of the people of the States.

Mr. President, I have not attempted to emphasize the material benefit which will flow to the school children of the Nation and to the community if this bill shall pass.

I emphasize, rather, its value in maintaining and giving life to representative government. It is inherent in our system that the action taken by the Government, legislative or otherwise, shall express the will and opinion of the people. Unless the people are informed, there exists always the danger that the judgment of the Executive will be substituted in increasing measure for the will of the people or that progress and improvement will be stifled.

Education can give that information to the people which is needed for effective self-government. It can strike out the prejudice and intolerance that grow from lack of understanding. It can give new value to the individual in opening the doors of opportunity. It will strengthen representative government.

I earnestly hope that the Senate will pass this bill and that it will become law.

Mr. DONNELL. Mr. President——

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. TAFT. I hope we may have a vote on the amendment offered by the Senator from Missouri. I understand he wishes to say something regarding his amendment, and I should like to say a few words in reply. If there is no other Senator who wishes to speak on the amendment at this time, I think we might have a quorum call and then proceed.

Mr. THYE. That is what I was about to suggest.

Mr. DONNELL. May I amend the suggestion to this extent: We have on the floor now a comparatively small proportion of the membership, and therefore we are not able to tell at this moment whether other Senators desire to speak. My suggestion is that we have a quorum call and that then an opportunity be afforded for all those who desire to speak to proceed to do so. I should like, as the proponent of the amendment, to have the privilege of closing the debate, if there is no objection on the part of the Senate to that procedure being followed. But I think it would be well to have a quorum call and then ascertain whether other Senators desire to be heard. If the Senator from Ohio desires to be heard, either in advance of my remarks or following their conclusion, with permission to me to close the debate, I am perfectly willing to follow that course.

Mr. TAFT. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. LUCAS. Mr. President, it is proposed to vote this afternoon on only the one amendment?

Mr. TAFT. I would hope to proceed to vote on as many amendments as possible.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Barkley	Hill	Overton
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Johnston, S. C	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stennis
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Thomas, Okla.
Cordon	McCarthy	Thomas, Utah
Donnell	McClellan	Thye
Downey	McFarland	Tobey
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	
Hatch	Myers	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

Mr. DONNELL. Mr. President, as was stated before the quorum call, and in the absence of a number of the Members who are now present, it is hoped to vote upon the amendment which I have had the honor to present to the Senate, bill 472, and to argue upon at considerable length some days ago. As the proponent of the amendment, and, I may say, as the only proponent of it—I hope not the only one who will vote for it—I should like to have the privilege of concluding the argument on it.

I pause in my statement at this time to state, however, that I shall certainly welcome anyone who desires to speak in opposition to what I am about to say, and at any time that such speaker himself desires to take the floor, I shall be glad to permit him so to do, with the understanding that I may thereafter resume. Likewise, Mr. President, I hope that if any Members of the Senate shall during the course of my remarks desire to speak in behalf of the amendment, they will not feel in the slightest embarrassed at making known their desires so to do, whereupon I shall take pleasure in following the same course of procedure with respect to such Members of the Senate.

I shall discuss the amendment briefly in a moment. Before so doing I should like to comment in a very few words, not upon the amendment itself, but upon the views of the minority of the Committee on Education and Labor presented on October 14, 1943. The gentlemen who presented that report were the distinguished senior Senator from Ohio [Mr. TAFT] for himself and for the late Senator Walsh of Massachusetts, the Senator from Minnesota [Mr. BALL], and the Senator from Nebraska [Mr. WHERRY].

I take it that at one time a man may look upon a proposition from a different viewpoint than at a later time; but I do think it would be instructive and proper that our record of the debate should contain within it a complete copy of the minority views. If I am in error in thinking that the minority views have not been introduced into the RECORD I shall not present them, but with the understanding that if they have been introduced into the RECORD they need not be again placed in the RECORD, I now ask unanimous consent that the entire minority views expressed in Report No. 323, part 2, with respect to Senate bill 637, on October 14, 1943, may be set forth in the RECORD at the conclusion of remarks on the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. DONNELL. I should like also to read three observations from the minority views of less than 5 years ago. On page 2 appears this language:

> Taking both parts of this bill together, it is a proposal to establish a Federal subsidy for common-school and high-school education, a function of the State governments and local governments for the last 150 years. There can be no doubt that common-school and high-school education is the obligation of the States and their local subdivisions under our constitutional system and that it is not an obligation of the Federal Government. There is nothing whatever in the Constitution which delegates to the Federal Government power to deal with questions of education. All authority for a Federal subsidy of education must be based upon the spending power, which is sufficiently broad to give a legal basis for the current bill, as for other subsidies to local government.

Then, Mr. President, I read from page 5 of the same minority views, as follows:

> There is an even more important question. Can Federal subsidies to the public-school system be maintained without ultimately bringing about a nationalization of our educational facilities and federalized bureaucratic control? This is an eventuality which the proponents of the present bill insist is not intended and which they maintain can be avoided. They contend that by the provisions of section 1 the danger is removed.

I may stop, Mr. President, at that point to say that likewise the proponents of Senate bill 472 contend that by a portion of that bill, section 2, likewise the danger is again removed.

I pass further into the minority views of 1943. After the sentence which I have read:

They contend that by the provisions of section 1 the danger is removed.

The minority views continue:

We seriously question this conclusion. We believe that in the complexity of reports, of plans, of State legislation to conform to Federal policies, of counsel and advice and joint participation of the Federal Government and the States, and all of the other manifold details of the operation of the contemplated program of Federal subsidies, our public-school systems would be gradually, but no less inevitably, drawn more and more under the thumb of a Federal bureaucracy.

Mr. President, in the conclusion of the minority views we find the following language:

We do not subscribe to the doctrine that because our public schools and our educational facilities are a vital element in our national welfare, they thereby become the proper concern and implied responsibility of the National Government.

Our schools are one of the few remaining bulwarks of local self-government and community enterprise. They should so remain. They have on the whole been well managed and generously supported. We have today too much centralization of control over the affairs of our citizens in a Federal bureaucracy. We should not add to it by this new excursion into the field of education.

Mr. President, this was the language used in 1943 by the proponent, the senior Senator from Ohio, and by another member of the present Committee on Labor and Public Welfare, the Senator from Minnesota [Mr. BALL], both of whom now, as I understand, advocate the passage of Senate bill 472. I have not heard the Senator from Minnesota speak upon the floor, but certainly he did not oppose the bill in the report of the committee as it was presented to the Senate. I may say, Mr. President, as I said earlier today, that when Senate bill 472 was voted out of the Committee on Labor and Public Welfare to the floor of the Senate, if the provision of section 6 which I now propose had been in substance, inserted, I myself should have voted for a favorable report on Senate bill 472. But, Mr. President, as I have heard this argument progress I have become the more doubtful—indeed, as I read the eloquent remarks made by the distinguished senior Senator from Ohio and the Senator from Minnesota less than 5 years ago, I am even more in doubt—as to whether, regardless of what amendments may be attached to this bill, it should receive our support.

The amendment which I propose has been printed and placed upon the desks of Senators. I apologize for repeating, and I trust that I shall not consume by any means as much time as I did on Monday of this week in extensively setting forth documentation and other statements upon my position. But I do find it necessary, in justice to the cause for which I plead, to take some time to present, at least in outline, my general views.

I remember that an old friend of mine who was a member of the bar in the city of New York several years ago, in referring to a friend of his, stated that this friend occasionally would remark that, "It is very difficult to discuss a matter without alluding to it." I find somewhat the same difficulty here in adequately discussing this proposition without to a very considerable extent repeating at least the outline—with some amplification as I go along—of the argument which I presented on Monday, when it was understood, as will be recalled, that there was to be no vote upon any controversial matter, and when—as I have no doubt was true—it was stated that many Senators were out of the city because of the Easter holiday.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. REVERCOMB. I am very much interested in the amendment of the Senator from Missouri. As I understand, the effect of the Senator's amendment would be to provide a limitation on how the money shall be spent. Would it not be better to give the money to the States, if it is to be given, without any conditions or limitations whatsoever? If we start establishing conditions and limitations with respect to how the States shall spend the money, are we not at once entering into the realm of placing Federal conditions upon the use of the money which may be appropriated, the one thing which many of us are watching with great care? Let me sum it up in this way: Would it not be better to have the several States declare their own policies, and use the money within the States as they feel it should be used? I should like to hear the Senator on that point.

Mr. DONNELL. Mr. President, that was substantially the whole tenor of the point which was involved in the discussion on Monday last, which occupied more than 3 hours. I shall be very happy to address myself to the question which the Senator from West Virginia has submitted.

The proposition which he presents would obviously, in his own mind, be subject to certain limitations, for certainly he would not advocate an appropriation to the States to use as they should see fit. Certainly he would concede that it is proper to say that the money shall be used only for educational purposes. At least there should be some broad general outline or statement of the purposes for which it may be used. I undertake to say that the Senator would certainly not advocate that we enact a statute which, in substance, would say, "There is hereby authorized to be appropriated to each and every State of the Union $7,500,000, to be used as each State shall decide."

Mr. REVERCOMB. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. REVERCOMB. We can put that general proposition immediately at rest, because the sole purpose of the bill is to provide funds for educational purposes. But once it is declared that the funds are to be used for educational purposes, to be allocated to the States, and received by them, would it not be the better course to leave it to the policies of the States to determine how they should spend the money for education? Once we take the step of saying definitely and in particular how they shall use the money, or place limitations upon the use of it, has not the Federal Government then stepped into the States' educational system?

Mr. DONNELL. I do not think so. In my judgment the Federal Government, and we as guardians of the funds of the Nation, have the right and the responsibility of stating in the legislation which we enact whatever limitations we deem proper. I do not mean by that to say that the Federal Government should undertake to manage the educational systems of the States. I am in thorough accord with the idea which I have no doubt the Senator from West Virginia entertains, that the Federal Government should not undertake to supervise, direct, or control the details of the educational system of any State in the Union. But I do say that the Federal Government has the right and duty, and we as Members of Congress, in my judgment, have the right and duty likewise, to state in the bill the purposes for which the appropriation is to be used, and if need be, the purposes for which the appropriation is not to be used. As I proceed I shall develop—I trust adequately—my views upon the question submitted by my distinguished friend the Senator from West Virginia.

The amendment which I offer is to be attached to and in substitution of a part of section 6 of the bill. It will be recalled that section 3 provides as follows:

SEC. 3. For the purpose of more nearly equalizing public elementary-school and public secondary-school opportunities among and within the States, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1949, and for each fiscal year thereafter, the sum of $300,000,000 to be distributed among the States as hereinafter provided.

Section 6 provides as follows:

SEC. 6. In order more nearly to equalize educational opportunities, the funds paid to a State from the funds appropriated under section 3 of this act shall be available for disbursement by the State educational authority, either directly or through payments to local public-school jurisdictions or other State public-education agencies, for any current expenditure for elementary or secondary school purposes—

I call attention to the remaining portion, which my amendment would strike out, and for which my amendment would provide a substitute—

for which educational revenues derived from State or local sources may legally and constitutionally be expended in such State.

The amendment which I offer is to strike out lines 12, 13, and 14, which contain the words "for which educational revenues derived from State or local sources may legally and constitutionally be expended in such State" and substitute therefor, after the punctuation of a colon, the words *"Provided,* That no funds appropriated under this act shall be disbursed in any State for the support or benefit of any sectarian or private school."

Mr. President, this amendment is based upon the proposition that the act

should, itself, clearly and affirmatively set forth that no funds appropriated under the act shall be disbursed in any State for support or benefit of any sectarian or private school.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. REVERCOMB. Let me make it clear to the Senator that I believe his thought is entirely sound. I believe that it is right for the proper policymakers to lay down the policy that private schools be not supported with public funds. At the same time, the point which I have addressed to the Senator, and upon which he has given his views, is that the Federal Government, including the Congress, is not the one to declare the conditions, the limitations, or the policies of the schools within the States. I want the Senator to understand that so far as the policy itself may go, it may be indeed a very good policy.

Mr. DONNELL. Mr. President, if the policy itself may be indeed a very good policy, the only place that the policy can be successfully enunciated and crystallized into law is in an act of the Congress of the United States. We have a great diversity of provisions in the constitutions and statutes of the various States.

Mr. REVERCOMB. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. REVERCOMB. I disagree with the Senator when he states that the Federal Government is the only government that can declare the policy. That is the very point, and the main issue in the idea of Federal aid. The policymakers should be the several States themselves; and unless that rule be adhered to throughout the course of legislation upon this subject, we shall find that the free schools of the States will have their policies made and directed by the Federal Government—something about which we are all quite apprehensive.

Mr. DONNELL. Mr. President, with all due deference to my distinguished friend, I think he is entirely confusing two very different things. He says, as I understand him, that the question of what the school should do should be left to the States themselves. I agree that that is true. But my amendment proposes to have the Federal Government say what schools shall not receive the Federal funds. After the funds have passed to the States, to my mind, the control should be within the States themselves. But I certainly think that if it be found that the private schools and the sectarian schools should not receive the aid of governmental funds, the place at which to apply the restriction is in the Federal Congress, so that not one dollar shall go from Washington into the various 48 States, there to be acted upon severally and independently by the States.

I fully appreciate the fact, of course, that after this money goes to the various States, each and every State may, within the limitations of its own constitution and the Federal constitutional requirements, itself determine the use to which the funds may be put in their respective educational systems. But I say that in order to determine what schools shall receive the aid—not in determining what is the policy after the money goes to the schools, not in determining what they shall teach, not in determining what they shall not teach, but in determining what school shall receive Federal funds—the duty devolves upon the Congress of the United States to say, in language so clear that no one can misunderstand it, that certain specific, designated types of schools shall not receive the funds appropriated by the Congress. That is the theory upon which this amendment proceeds; and, Mr. President, I think it proceeds upon a sound public policy—sound from the standpoint of the interests of the United States Government and its people, and sound, likewise, from the standpoint of the religious organizations by which the various sectarian schools are managed, and sound from the standpoint of the private schools which may or may not be sectarian in their nature.

Mr. President, as I proceed I shall endeavor to expound my views as best I can. I trust that the Senator from West Virginia will find, as I proceed, that, regardless of whether he may agree with my views, at any rate I shall have given my answer to the question he has propounded.

Before the Senator from West Virginia asked his question, Mr. President, I stated that the amendment I propose is based on the proposition that the act itself should clearly and affirmatively set forth that no funds appropriated under this act shall be disbursed in any State for the support or benefit of any sectarian or private school.

Mr. President, what does the bill do in that respect? I take it that it is perfectly clear that the bill does not prohibit the disbursement of Federal funds in any State for the support or benefit of any sectarian or private school. I challenge anyone to take this bill, beginning with its opening word and going to and including its concluding word, and find in it anything which amounts to a prohibition of the disbursement of Federal funds in any State for the support or benefit of any sectarian or private school.

Indeed, Mr. President, as I pointed out in my presentation on Monday of this week, the senior Senator from Ohio [Mr. TAFT], himself, in speaking on March 24, 1948, in favor of section 6 of this bill, said:

> That section refers very briefly to private schools, or parochial schools. If a State, as part of its educational system, chooses to distribute money to private schools in the conduct of its educational system, then Federal funds may be used in the same way. If a State refuses to do so, the Federal funds cannot be used in that way. In other words, it is an absolutely home-rule provision.

Indeed, Mr. President, the Senator from Ohio clearly contemplates, I suppose, that certain of these Federal funds will pass, under the act, to sectarian schools. That he so contemplates appears in the following quotation from his remarks at page 3357 of the CONGRESSIONAL RECORD:

> If we are going to maintain a system of local autonomy, if the Federal Government is not going to use this money to change the educational system which is desired by the people of any State, then it seems to me that we must adopt a provision of this kind. I am quite prepared to defend it against those who want some parochial-school aid and those who do not want any.

Mr. President, the fact that the Senator from Ohio contemplates that in the case of any States which may use their own funds for sectarian purposes, the Federal funds appropriated under this act may be used for such schools, further appears from the fact that at page 3357 of the CONGRESSIONAL RECORD the Senator from Ohio indicates, not an opposition to the use of funds for sectarian schools, but merely his view that under the decisions of the Supreme Court of the United States, very little of such aid can be given to sectarian schools. The Senator from Ohio said, as shown at page 3357 of the CONGRESSIONAL RECORD:

> I may say that, so far as the parochial schools are concerned, the recent decisions of the Supreme Court make it almost—

I call to the attention of the Chair and of the other Members of the Senate the word "almost"—

> almost impossible for any State to give aid to any parochial schools except possibly for bus transportation.

Mr. President, in this morning's mail, I received a clipping from the St. Louis Globe-Democrat, which is published in the State from which I come. The opening paragraph of the editorial contained in the clipping, which editorial is entitled "Pitfalls in School Aid," clearly shows what interpretation is placed by this well-known and outstanding newspaper upon the meaning of the bill as regards the right of private and church schools to share in the distribution thereunder. Let me read these few sentences from the opening paragraph of the editorial:

> Senator TAFT has announced he will press for a vote in the Senate this week on the controversial "educational finance act." This bill, which proposes to distribute $300,000,000 annually in Federal aid to schools, has the support of educational organizations, including the National Education Association. It is intended to equalize educational opportunities, particularly in the States where public schools are substandard.

Then, Mr. President, comes the concluding, crucial sentence, from the standpoint now under discussion, in the opening paragraph:

> Where State laws permit, private and church schools would be permitted to share in the distribution.

Mr. President, that clearly is the idea of the Senator from Ohio, although in his own judgment, as he indicated in what I have read, he thinks that the recent decisions of the United States Supreme Court make it "almost"—and I emphasize that word by intonation—and I trust that in the RECORD the word will be italicized, "almost" impossible for any State to give aid to any parochial

schools, except possibly for bus transportation.

Mr. President, at this point I ask unanimous consent that the editorial from the St. Louis Globe-Democrat, published on yesterday, March 30, 1948, be printed in full, as a part of my remarks.

The PRESIDING OFFICER (Mr. HOEY in the chair). Without objection, it is so ordered.

The editorial is as follows:

PITFALLS IN SCHOOL AID

Senator TAFT has announced he will press for a vote in the Senate this week on the controversial "educational finance act." This bill, which proposes to distribute $300,000,000 annually in Federal aid to schools, has the support of educational organizations, including the National Education Association. It is intended to equalize educational opportunities, particularly in the States where public schools are substandard. Where State laws permit, private and church schools would be permitted to share in the distribution.

There are valid objections to the principle of Federal aid to schools which suggest that it is not in the public interest. The term "aid" is misleading. What this "aid" amounts to is additional taxation for the wealthy and more populous States for the benefit of the backward States. Missouri, for example, under the distribution formula proposed in the bill, would receive $3,755,000 in Federal aid. Missouri taxpayers, however, would contribute to the program in Federal taxes $7,710,000. The difference, nearly $4,000,000, would go to States like Alabama, Mississippi, and North Carolina. Alabama, under the formula, would receive in Federal aid $19,390,000 and pay in Federal taxes but $3,660,000. Mississippi would receive $16,985,000 and pay $2,100,00. North Carolina would receive $22,825,000 and pay in taxes $5,470,000.

Missouri's per capita expenditure per pupil is now $67 annually, and it ranks close to the bottom of the list of States in per capita expenditures. Yet this State would pay in Federal aid over what it receives, enough to raise the per capita expenditure to the national average.

The most serious objection to the bill is that it would be the opening wedge to Federal supervision and control of public school education. Proponents of the measure insist that this is not the intent. Section 2 of the bill, in fact, contains a disclaimer against Federal interference or control of school systems. But so long as the bill includes regulation of minimum teacher salaries, Federal control over minimum State expenditures for schools, and compliance with other Federal standards and regulations, the disclaimer is meaningless.

Less eloquent, but more realistic than the disclaimer provision, is the recent Supreme Court decision on a Federal aid issue, which declares that "it is consistent with due process for the Government to regulate that which it subsidizes."

Mr. DONNELL. Mr. President, as I have indicated, in my judgment it is of fundamental importance—not of trivial or immaterial importance or semi-importance, but of fundamental importance—that public funds be not appropriated for the use or benefit of sectarian schools. In my judgment not $1 of the funds from the Federal Government should, from the standpoint of public welfare, if the Chair please, be so appropriated for the use or benefit of sectarian schools.

I say it is fundamental. Yes, it is fundamental from a standpoint both of the people themselves and of the religious organizations themselves. From the standpoint of the public, such support is objectionable certainly for at least three distinct reasons. First, because the support of sectarian schools by public funds permits such funds which are derived from people of all religious affiliations, or as I mentioned a few days ago, from people of no religious belief, to be used for the teaching of the religious views held by specific groups of individuals.

From the standpoint of the public, the support of sectarian schools in whole or in part by public funds is objectionable, because if public funds are to be used by schools of one specific sect, whether Methodist, Congregationalists, Presbyterians, Jews, Catholics, or any other sect, other groups and other sects would be entitled to the use of public funds in their schools.

I quoted the other day, Mr. President, a very distinguished lady who lives in Washington, who wrote in the current issue of the Reader's Digest a sentence, part of which reads as follows:

For public support of one sectarian school system would bring many others into existence, thus undermining our public educational system and the future development of our Republic.

So, Mr. President, I submit, in addition to the standpoints which I have mentioned, there is objection from the standpoint of the public.

From the standpoint of the schools themselves there is the danger to which reference has been made by more than one Senator upon this floor, not confined in the remarks of other Senators solely to sectarian schools, but the danger which the Senator from Ohio has in this very debate conceded exists with respect to public schools, namely, the danger that the Federal Government, which provides the funds, may ultimately attach conditions to the use of the funds, even if it does not do so at the outset; and consequently that the Government will thereby interfere in the policies of the schools. Certainly this danger exists to the sectarian schools, which may receive their support in whole or in part from the Government, just as would be true in the case of public schools supported by the States and receiving in whole or in part their moneys from the State governments.

I said that from the standpoint of the public there are at least three grounds upon which the support of sectarian schools by governmental funds is objectionable. I mentioned but two. The third ground applies both to the public and to the religious groups, namely, that such use of public moneys is objectionable because it tends, and strongly tends, to strike down what Thomas Jefferson termed the "wall of separation between church and state."

Mr. President, in considering whether harmful effects accrue to both the public and the religious groups from such use of public funds for the support of sectarian schools, it is not amiss to note a portion of the opinion of the minority, four members out of nine of the Supreme Court of the United States, in Everson against the Board of Education. The minority called attention to the views of Madison and his coworkers in opposition to the imposition of a tax for religion. Mr. Justice Rutledge, speaking for the minority of four out of nine Justices, said:

Not the amount but "the principle of assessment was wrong." And the principle was as much—

Said he—

to prevent "the interference of law in religion" as to restrain religious intervention in political matters.

In other words, Mr. President, the distinguished Justice, speaking for himself and three other members of the Supreme Court, was pointing out the danger of interposition by the Government in religious affairs, a danger which inheres on the one hand to the Government and on the other hand to the religious institutions themselves.

I recalled a day or two ago the further observation quoted in at least two decisions by the Supreme Court of the United States. In one of those decisions the majority of the Court, in the Everson case, spoke and set forth with approval, as I construe the language of the decision, an observation of a South Carolina court, as follows:

The structure of our Government has, for the preservation of civil liberty, rescued the temporal institutions from religious interference. On the other hand, it has secured religious liberty from the invasions of civil authority.

I pointed out on Monday in much greater detail than I shall this afternoon, the fact that the people of our Nation, generally speaking, have recognized indisputably the importance of prohibiting or at least restricting the use of public funds for sectarian-school purposes. I set forth in some detail the various constitutional provisions, which as I recall are contained in the constitutions of 46 of the 48 States of the Union, and which refer to prohibitions either in whole or in part in these various States of the use of public funds for sectarian schools.

I referred a little while ago to the National Education Association which, as I understand, is supporting Senate bill 472. I dare say, Mr. President, from a reading of the research bulletin issued by that organization in February 1946, that organization, unless it has changed its mind completely in the intervening 2 years, would not be at all disappointed if there should be a prohibition in this Federal act against the use of Federal funds for sectarian schools. In this particular bulletin which I hold in my hand, issued by that organization, it is pointed out that—

An appropriation of any—

The word "any" is italicized—

public-school funds to a sectarian school would be unconstitutional in most States and such an appropriation could not be made from certain—

The word "certain" is italicized—

funds in any State.

So, Mr. President, obviously the people of our country, by their various constitutional provisions, three of which have been adopted by the people of three sep-

arate States, of which my own State is one—within the years since 1944 my own State, I think, has substantially readopted the language which had prevailed in Missouri since 1875—have recognized the importance of prohibiting, or restricting, at any rate, the use of public funds for sectarian-school purposes.

It will be recalled, Mr. President, that I quoted rather extensively from a book by Professor Cubberley, who is professor and dean emeritus of the School of Education, Leland Stanford University. He pointed out, as will doubtless be recalled, the following significant facts, saying:

In 1875 President Grant, in his message to Congress, urged the submission of an amendment to the Federal Constitution making it the duty of the States to support free public schools, free from religious teaching, and forbidding the diversion of school funds to church or sectarian purposes.

Continuing, said Professor Cubberley:

In the latter message he—

That is to say, President Grant—

renewed the recommendation, but Congress took no action because it considered such action unnecessary.

Then Professor Cubberley proceeds with these significant facts:

That the people had thoroughly decided that the school funds must be kept intact and the system of free public schools preserved may be inferred from the fact that no State admitted to the Union after 1858, excepting West Virginia, failed to insert such a provision in its first State constitution.

I pause, Mr. President, to state that Professor Cubberley's book from which I quote was issued in 1934. Then he proceeds as follows:

Hence the question may be regarded as a settled one in our American States. Our people mean to keep the public-school system united as one State school system, while ralizing that any attempt to divide the schools among the different religious denominations (the World Almanac for 1930 lists 79 different denominations and 160 different sects in the United States) could only lead to inefficiency and educational chaos.

So, Mr. President, we find existing the situation which I have described.

I presented a few days ago for the record the entire foreword from the National Education Association's booklet of February 1946. I shall not quote from it, by any means, in extenso, but there are a few words in the foreword which I should like to quote. It it signed by Dr. Willard E. Givens, who was then and still is, I think, the executive secretary of the National Education Association, and I know he is high in the ranks of the association. He said:

They—

He is referring to the people in each State—

have insisted that the money appropriated for public education shall not be spent for private or church schools, no matter how socially worthy. Many State legislatures and courts have repeatedly set forth these traditional American principles.

Then he says:

It would be misleading, however, to assume that such American principles sprang into being all at one time. The standard that public funds should not be used to support any religion has been repeated again and again in State constitutions. But it has taken detailed legislation and court decisions to clarify the specific application of the general principle to time, place, and conditions. Furthermore, widespread as have been the restrictions against diverting public moneys to religious purposes, the principle continues—

And I call attention to this—

continues to be challenged from time to time.

Later in the foreword Dr. Givens said:

In seeking to restrain the use of public-school funds, educators do not oppose the sectarian-school movement. Those who wish to support such schools in our country can do so without restriction. They meet opposition, however, when they maintain that all citizens of a State should be taxed to support any type of sectarian education. Such efforts to direct public funds to sectarian schools weaken the financial support of public education which in many States is not adequate to provide acceptable public educational opportunities.

Mr. President, I think that by reference to my remarks of last Monday those of the Senators who have had the opportunity and time to examine them and have done so have learned far more than it is necessary for me now to put into the RECORD with respect to the expressions by public officials and Government officials of their views upon this fundamental question of the support of sectarian schools by public funds. I shall trespass but a very few moments more in this phase of my presentation.

I hold in my hand a document which I also had on Monday, which is issued by the President's Commission on Higher Education for American Democracy. As I mentioned on Monday, it would seem to me that if any safeguards should be thrown around legislation to prevent the use of Federal funds for sectarian education, there is more reason that they should be thrown around secondary and elementary education, such as is covered by this bill, than in the case of higher education. What do we find? We find this holding in the report issued by a distinguished group of men and one lady, I believe. There were 28 distinguished citizens of our Nation with but two dissenting. There is some question in my mind from some of the evidence as to whether all 26 voted, or whether only 14 or 15 voted, but certainly only two of the 28 members expressed a dissent. What did they hold? They held, in language so plain that it needs no emphasis and no addition to make its meaning crystal clear, as follows, and it is printed in heavy, black type:

Federal funds for the general support of current educational activities and for general capital outlay purposes should be appropriated for use only in institutions under public control.

The report, Mr. President, was handed down in December of last year, approximately 3 or 4 months ago.

In the course of the discussion on Monday the name of a very distinguished citizen of our country was referred to by me. I speak of Bishop Oxnam, of the Methodist Church. He was one of the 28 members of the President's Commission to which I have referred. I introduced into the RECORD a letter dated January 28, 1948, to Dr. Givens, of the National Education Association, from Dr. Oxnam. I was unable to find, or did not find, at any rate, a letter dated February 17 from Dr. Oxnam to Dr. Givens. I have subsequently been furnished, at my request, with a copy of the letter of February 17.

Now, Mr. President, I present for the RECORD a copy of a letter from Bishop Oxnam addressed to Dr. Willard E. Givens, executive secretary, National Education Association, 1201 Sixteenth Street NW., Washington, D. C.

I wish to be entirely frank with respect to this letter. I have called Dr. Givens on the telephone, and he tells me that he did not receive the letter. He made search for it, or caused search to be made, and I called him back again this morning to ascertain whether he had been successful in the search, but he had not. He is of opinion that the letter did not arrive at his office. Indeed, I may say he would make that as a positive statement of fact. I telephoned this morning, however, to Bishop Oxnam himself, in New York City, and I was assured by Bishop Oxnam that there is no question about the letter having been written and sent. He turned from the telephone, and I could hear him talk to some individual in his office, and when he returned again to the transmitter he assured me, in substance, that there was no question with respect to the letter having been sent. Regardless of whether the letter arrived or not at Dr. Givens' office, Dr. Oxnam this morning assured me that it expresses his views, and that I have liberty to insert the letter in the proceedings of the Senate.

With the permission of the Senate, Mr. President, I shall read the body of this letter addressed to Dr. Givens by Bishop Oxnam. It reads:

At a meeting of the executive committee of Protestants and Other Americans United for the Separation of Church and State, Miss Williams, representing the NEA—

I digress to express the presumption that "NEA" means National Education Association—

Miss Williams, representing the NEA, stated, if I understood her correctly, that you and the others of the NEA were really opposed to that section of the Federal-aid bill which grants to the States the right to distribute these funds among sectarian and private institutions if their constitutions so allow. The consensus of our group was that we should take steps to secure an amendment to the Taft bill by striking out this provision. Such an effort is strictly in accord with the position taken in my letter of January 28. In the light of Miss Williams' statement and my own desire that such sections of the bill be stricken out, I made a motion that our organization seek to secure this amendment. I am sending you this word so that there may be no misunderstanding and no conflict in this matter. As I stated in my letter, I have been supporting the Taft bill. I see nothing out of the way in seeking an amendment to

that bill to bring it into harmony with the principle which I have stated in my letter and to many others. I had been led to believe that the NEA thought the bill could not pass unless this section were in it, and therefore supported the bill. Upon learning that the judgment of the NEA was that this section should not have been in it, I felt free to put our organization on record as calling for the necessary amendment.

Ever sincerely yours,

G. BROMLEY OXNAM.

Mr. President, I have in my hand a booklet issued by the Federal Council of the Churches of Christ in America. I might quote quite freely from the booklet, but I shall quote very briefly. At the top of page 3, after an earlier portion of the sentence which urges such appropriations, that is to say, appropriations of sufficient Federal funds in subsidy to prevent a lowering of standards in the teaching profession, and so forth, the writer of this article says:

> We urge such appropriations on condition * * * (c) that Federal funds shall be used only for such schools as the constitutions or statutes of the several States make eligible for State support.

I take it that that statement is in harmony with the views of the proponents of the pending bill.

I call attention to this language in the same booklet, at page 21:

> But in connection with the current proposal to grant Federal aid, it is now insisted in some quarters that a general policy be established of including aid to parochial schools. If this were to be done, we should not only depart from the traditional American policy that public funds should not be given for sectarian purposes but we should also impair our public schools and our democratic community life. To provide Federal funds for parochial schools would be to encourage segregated educational systems and thereby threaten our democracy by fragmentizing our culture.

Again, Mr. President, in the same booklet is set forth a quotation from Bishop Oxnam, which reads as follows:

> Public support for parochial schools would divide the community into sectarian educational systems and destroy the unity essential as democracy faces the totalitarian threat of freedom.
>
> If parents have the natural right to determine the education of their children, a privilege this Nation gladly gives, it follows that parents who refuse the benefits of these splendid educational opportunities * * * should pay for such private education as they insist upon.
>
> Otherwise, the Communist father and mother who may demand a Marxian education for their children may also call for private schools and logically ask for public support. Public funds should be used for public education.

Mr. President, I shall not trespass upon the time of the Senate to present again the various documents which set forth very fully the views of numerous organizations of a religious nature—the American Unitarian Association; the Baptist Association, meeting, as it did, in St. Louis; the expression in the Christian Century; the expression of the National Committee of the League Opposed to Sectarian Appropriations, which, as I recall, expressed itself as containing a membership in excess of 8,000,000 citizens, and whose proposed constitutional amendment to prohibit all sectarian appropriations has been unanimously endorsed by other organizations whose total membership is more than 20,000,000. As I have said, I shall not take the time of the Senate to repeat these various documentations which appear in the RECORD of the 29th of this month.

Mr. President, I have pointed out already that Senate bill 472, the bill now before the Senate, does not prohibit the use of Federal funds by either sectarian or private schools. I have pointed out already that what it does is to set forth what the lawyers would call nothing more nor less than a legal conclusion, a conclusion from which one reader may derive one inference and from which another reader may derive another inference. By that statement I do not mean that there has been any conscious or unconscious attempt to mislead readers, but when we are told in section 6, as it is now written, that these moneys may be used "for elementary or secondary school purposes for which educational revenues derived from State or local sources may legally and constitutionally be expended in such State," I undertake to say, and do say, that in order to determine what expenditures are legally and constitutionally permitted in the various States litigation may be necessary in State after State. I undertake to say that there is no small probability of that very result occurring.

Mr. President, I have indicated already that the distinguished Senator from Ohio is of the opinion, and has so stated, and I quote him again:

> That so far as the parochial schools are concerned, the recent decisions of the Supreme Court make it almost impossible for any State to give aid to any parochial schools except possibly for bus transportation.

Thus the argument in behalf of Senate bill 472 is in substance that, regardless of the so-called home-rule provisions of the bill, from which we would naturally understand that each State would have the right to determine for itself, recent decisions of the Supreme Court will make it almost impossible for the States, and therefore, under the language of the bill, for the Federal Government, to give aid to the sectarian schools except possibly for bus transportation.

Mr. President, if it be true that under the Supreme Court's recent decisions nothing substantial can be done for sectarian schools with Federal funds, how can there be any possible objection to inserting in the bill itself a specific, definite, clear, nonmisunderstandable provision prohibiting such use of those funds? If the proponents of the bill think that the decisions of the Supreme Court make it impossible, or almost impossible, that nothing except some minor matters can be done for sectarian schools with Federal funds, why not so state in the bill, so that there can be no possible misunderstanding as to what Congress is doing?

Mr. President, I pointed out on Monday of this week that the recent decisions of the Supreme Court, the Everson case, and the McCollum case, which the Senator from Ohio caused to be printed in the RECORD, have not, in my opinion, made it either impossible, or "almost" impossible, for any State to give aid to sectarian schools, except possibly for bus transportation. To my mind, while it is true that certainly the language in each of those decisions may be used in support of the argument that nothing can be done for the various sectarian institutions, and it is possible, of course, that the court may later on use those statements in support of a decision to that effect, the fact is that neither of those decisions establishes the proposition that funds cannot be given by the States or by the Federal Government to sectarian schools. The reason why that follows, why it is not being so held, is that in neither of those cases was there presented to the court facts which involved the question as to whether funds coming from State or Federal Government may be used for sectarian schools. I shall not go into detail with respect to the facts of those two cases, but obviously the statement which I have made is correct.

Mr. President, I pointed out the other day that I am not alone in the opinion that the decisions of the Supreme Court fail to conclude this matter. I am not alone in that opinion at all. I pointed out that about 2⅔ months after the decision of the Supreme Court in the Everson case Representative JOSEPH BRYSON, of South Carolina, in the House of Representatives, introduced a proposed constitutional amendment to make certain the fact that these funds could not be used in this manner, and certainly no such amendment would have been necessary had the decision in the Everson case decided the legal proposition.

I pointed out in some further detail the fact that the McCollum case, which is based upon a situation in which public schools were being used with their compulsory-attendance provisions to have children brought under the influence of religious teaching, obviously is not an authority remotely upon the proposition as to whether the State itself or the Federal Government itself may take money out of its pocket and give to some sectarian school. It is not remotely within the realm of the question which is presented here today as to whether or not the use of such funds for sectarian schools would be valid.

Mr. President, I expressed the view, and I repeat it, that if Senate bill 472 shall be enacted with the provisions of section 6 contained therein, as presently written, every one of the 48 States will follow the bill as written, and in those States in which State moneys may be used for sectarian schools, we shall find that the Federal funds will likewise be used for the sectarian schools until the Supreme Court of the United States in some other new case hereafter originated perhaps from the specific State in which the situation arises, shall have held to the contrary.

So, Mr. President, I reiterate the proposition that if it be true, as has been asserted by the distinguished Senator from Ohio it is his view, that but little substantial assistance can be given by these funds to parochial schools, why not say so in the bill, instead of leaving the matter to future litigation from the respective 48 States of the Union?

The illustration was used the other day by the distinguished Senator from Ohio of reclamation appropriations. He said in substance that the State in which he lives does not need reclamation, and that my argument, as I have again outlined it here this afternoon, would be answered by the fact that it would not be permissible for the State of Ohio to say to the Federal Government, "You shall not have taxes for reclamation purposes because Ohio does not need money for reclamation."

The situation is this: The State in which I live, for illustration, does not prohibit, any more than Ohio does money going to reclamation as a matter of constitutional principle. I dare say neither the constitution of the State of Ohio nor that of the State of Missouri contains any prohibition against money going to reclamation. There is no need in Ohio, and no need in Missouri, perhaps, for reclamation, and therefore in using money which may be derived from Ohio or Missouri for reclamation in other States, the Federal Government is not doing something which is contrary to a constitutional principle of my State. I take it that the example of the reclamation law is entirely beside the point, and has no applicability whatsoever to the situation now confronting us.

Mr. President, I shall not go further into the arguments which have been presented in opposition to the amendment. I submit, first, that from a standpoint of wise public policy it is important that we, as the guardians of the Federal funds, should not permit such funds to be used for sectarian school purposes; purposes for which the great majority of the States of our Union have determined that their own specific tax-raised moneys shall not be used.

Let us look at the matter of home-rule for an instant. I may choose, perhaps, to live in a State in which no State taxes are permitted to go to sectarian schools. If Senate bill 472 shall pass as it is now written, the Federal Government will collect money from me, send it to Washington, and then when it gets to Washington distribute it in all the States, some of which may use it for sectarian schools. Therefore, Mr. President, although I have chosen to live in a State in which no State taxes go to sectarian schools, and none of my money can go by operation of taxation to sectarian schools, yet through the process of the passage of Senate bill 472 some of my money, after going to Washington, will be distributed to other States and used for sectarian schools. I submit that it is a unique type of home rule which deprives me, a resident of the State of Missouri, in which State I cannot be compelled to permit any of my money by taxation to go to sectarian schools, of such protection so far as the Federal Government is concerned when, through the Federal process, some of that money will go to other States than that in which I live, to support sectarian schools.

Mr. President, I have pointed out the fact that from the standpoint of public policy it is wise and proper that there should be such a prohibition as is incorporated in my amendment. The other day the junior Senator from Kentucky [Mr. COOPER] made an inquiry of me, to which I made a response. I should like, near the conclusion of my remarks today, to refer back to that particular portion of the colloquy between him and myself. He said:

> In listening to the Senator's argument, the question arose in my mind as to whether the Senator's amendment is advanced as a matter of policy or to support the first amendment of the Constitution, which is made applicable to the States by the fourteenth amendment.

In response, I made this statement:

> Mr. DONNELL. Mr. President, that is a very proper question, and I am glad the Senator from Kentucky has asked it.
>
> I would say that I am submitting the amendment as a matter of sound public policy. If, as a matter of fact, the first amendment of the Constitution prohibits the use of all Federal funds for any sectarian schools, there will not be need for this amendment, save only as a guidepost to which we can look in determining what the congressional desire was. In other words, if the first amendment itself had said that no Federal money shall be used for sectarian schools, or if that is unquestionably what it means, then I do not see that there would be any special need for any amendment to this bill.

I should like to supplement that statement to this effect: In my judgment it is entirely possible—yes, I should say it is more than possible; it is probable, though by no means certain—that ultimately it will be determined by the Supreme Court of the United States, as the result of protracted litigation coming from some of the States of the Union, that the use of Federal funds for sectarian schools is violative of the Constitution. However, that point has not yet been determined, and there is no way of any Member of the Senate knowing, until the Supreme Court shall have passed upon a state of facts before it, whether or not that will be the decision.

On further consideration of the question propounded by the junior Senator from Kentucky, I should like to say this: Even if we were today, this very minute, certain that under previous decisions of the Supreme Court none of these funds could be constitutionally used for sectarian or private schools, I would say today, after the consideration of the past 2 days, that it would still be advisable to adopt this amendment. Why do I say so? I say so for the following reasons:

First, because the language in lines 12, 13, and 14 of section 6 is susceptible of the construction that the term "legally and constitutionally" as therein used means legally and constitutionally under the Constitution and statutes of such State. Persuasive in favor of this construction would be the language of the senior Senator from Ohio himself, at page 3357 of the CONGRESSIONAL RECORD, where he said:

> That section refers very briefly to private schools, or parochial schools. If a State, as part of its educational system, chooses to distribute money to private schools in the conduct of its educational system, then Federal funds may be used in the same way. If a State refuses to do so, the Federal funds cannot be used in that way. In other words, it is an absolutely home-rule provision.

So I say that in my opinion the language which I move to strike, in those three lines of the bill, is susceptible, particularly in view of the statement of the proponent of the bill, of the construction that the term "legally and constitutionally" as therein used means "legally and constitutionally under the constitution and statutes of such State."

In the second place, I submit that it would be advisable to adopt this amendment even if it were certain that under previous decisions of the Supreme Court none of these funds could be constitutionally used for sectarian or private schools, for a second reason. The second reason is that, whether the word "constitutionally" refers to State or Federal Constitution, or both, the language in those three lines of section 6 is only a legal conclusion, from which one person may draw one conclusion and another may draw another.

Furthermore, it would be advisable to place in the bill the amendment which I propose because the present language of the bill leaves us in doubt as to what is meant. It is wise to make a definite statement, so that all may understand what is meant. Finally, it is sound public policy, regardless of whether the constitutional provision may ultimately be determined to prohibit such use for Congress to declare itself affirmatively, clearly, convincingly, and unmistakably opposed to the use of public funds for sectarian and private schools.

EXHIBIT A

FEDERAL ASSISTANCE TO THE STATES IN MORE ADEQUATELY FINANCING PUBLIC EDUCATION

Mr. Taft (for himself, Mr. Walsh, Mr. Ball, and Mr. Wherry), from the Committee on Education and Labor, submitted the following minority views (to accompany S. 637):

"We cannot give our support to the bill (S. 637) 'to authorize the appropriation of funds to assist the States and Territories in more adequately financing their systems of public education during emergency, and in reducing the inequalities of educational opportunities through public elementary and secondary schools,' which has been reported by the Committee on Education and Labor, and we are submitting this statement of our views as to this legislation and of the reasons why, in our judgment, it is both unwise and inexpedient for it to pass.

"ANALYSIS OF THE BILL

"The current bill differs in some important respects from the bills which have been presented in previous sessions of the Senate, but which have never been given consideration by the Senate. It contains two parts, based on fundamentally different grounds.

"First, it proposes an annual appropriation of $200,000,000 to be divided between all of the States in proportion to the average daily attendance of pupils in the elementary and secondary schools in each State. This money is to be used only for the payment of teachers' salaries. It is provided that the sum so used must be additional to any sum spent by the State for such purposes in 1942, and that the State must continue to pay out of its own funds the average annual salaries which it paid on February 1, 1943. This appropriation has no relation to equalization of educational opportunities, nor to the special conditions which may exist in any of the poorer States. While apparently only a relief measure, and stated to be for emergency purposes, there is no time limit on the authorization.

"The other portion of the bill appropriates $100,000,000 to be used for equalizing the amounts spent for education in the various States. This means, of course, a distribution to those States which have the lowest

per capita income according to a certain formula established in the bill. It results in $58,000,000 of the $100,000,000 being paid to 13 States. The justification for this appropriation is based on the fact that, taking the country as a whole, existing educational opportunities and facilities are variable and unequal, and deficient in many particulars, due to a variety of causes, one of which without doubt is an insufficiency of funds; in other cases, indifference or neglect or poor economic conditions, or refusal by local communities to increase the tax burdens to the levy paid by other communities. No one who is open-minded and acquainted with the facts will dispute these premises. No one will deny that even though educational opportunities in the United States today are greater, and educational facilities are better, and our entire system of education more democratic, than anywhere else in the world, nevertheless there is much room for further improvement. There is some doubt, however, whether money alone will accomplish the betterment that is needed, or whether equalization is in any way accomplished by the provisions of the bill which is offered to the Senate.

"EDUCATION IS NOT A FEDERAL FUNCTION

"Taking both parts of this bill together, it is a proposal to establish a Federal subsidy for common-school and high-school education, a function of the State governments and local governments for the last 150 years. There can be no doubt that common-school and high-school education is the obligation of the States and their local subdivisions under our constitutional system and that it is not an obligation of the Federal Government. There is nothing whatever in the Constitution which delegates to the Federal Government power to deal with questions of education. All authority for a Federal subsidy of education must be based upon the spending power, which is sufficiently broad to give a legal basis for the current bill, as for other subsidies to local government.

"However, Federal subsidies to the States for matters which are clearly not within the jurisdiction of the Federal Government are certainly only justified on the ground that the States are unable to finance adequately the activities which are constitutionally assigned to them. It is undoubtedly true that the taxing power of the States are somewhat limited, and that under some conditions the Federal Government may be in a better position to raise money where it should be raised than the States themselves. It was on this ground that the Federal Government went so extensively into the financing of relief in the great emergency of 1932. Here was a tremendous new expenditure for which no provision was made in the State systems of finance, calling for a very large sum which the States were wholly unable to raise. But as the emergency declined, the Federal Government has gradually withdrawn its aid, and relief today is again administered by the States.

"The same conditions do not at all apply to education. The States have always financed education. In nearly every State it has been given a prior consideration in dividing the funds which are available. One-third of all State and local taxes are spent for education. If the States and localities can't finance education, they can't finance any State or local activities. In many other States, school boards are independent of cities, towns, and counties, and answerable directly to the people. In Ohio and elsewhere the people of each community are authorized to vote additional tax levies on themselves for schools if they feel that more money is needed for good educational facilities. There is complete home rule in the field of education, and that is what the people want. A curious result of this bill would be to grant additional money to many public schools in such a State as Ohio, when often the people of the community have decided that the schools don't need any more money and have refused to vote extra levies for that purpose.

"STATES ARE IN BETTER CONDITION THAN FEDERAL GOVERNMENT

"There is no real evidence today that the States are unable to finance their own educational system, certainly the many large States in industrial areas which are to receive money out of the $200,000,000 relief fund. We quote from the report made by the senior Senator from Wyoming on Tuesday, October 12, to the George postwar planning committee:

" 'While the national credit has been under great strain, the fiscal position of the States seems to be improving. The total debt of all of the several States of the Union as of June 30, 1943, was $2,989,000,000. Against this may be charged the growing budget surplus in the States. At the beginning of this year this amounted to $700,000,000, and it is now estimated by officials of the Census Bureau at about $1,000,000,000. The sinking funds of the States on general obligations total $430,000,000 as of June 1943, so that making allowances for the surplus and the sinking funds, the debts of the States amount to a little over $1,000,000,000 as compared with the national debt of $146,000,000,000. * * * I have not had an opportunity to examine the fiscal position of cities and other local subdivisions, but it appears that all of the cities in the United States with a population of 100,000 or more at this moment have an unused debt capacity amounting to $750,000,000. These figures immediately suggest the advisability of an inquiry into the ability of the States and of the cities to carry part of the burden of public responsibility in the postwar world.'

"The Senator goes on to point out that many States are setting up postwar funds out of their surplus. The Senator's figures are fully supported by the bulletins of the Bureau of the Census issued from time to time dealing with State finances.

"It hardly seems that the States are in a position to demand relief from the Federal Government. As a matter of fact, they are not demanding relief. No State has come before us affirming its inability to deal with the educational problem. No legislature has passed any resolutions requesting assistance. The entire proposal is placed before us by representatives of the teachers and other educational interests, who may or may not have exhausted their remedies within the States. How ridiculous it would be for these States, operating with surpluses, to ask for relief from a government which is running a deficit of $60,000,000,000 a year. As far as we can see, there is not the slightest justification for treating the present condition as an emergency which requires Federal financial assistance.

"THIS SUBSIDY WOULD BE A NONWAR ACTIVITY

"This Congress has taken the position that all expenditures for nonwar purposes should be eliminated unless they are absolutely necessary, and that our whole attention should be devoted to the prosecution of the war. On that policy we have eliminated the Civilian Conservation Corps, the Work Projects Administration, the National Youth Administration, and many other nonwar activities. It is hard to see how any slight improvement in the educational system could be accomplished in time to have any noticeable effect in the present war. Of course every activity of the Government, if it is of any value at all, has some remote relation to the morale of the people and to the prosecution of the war, but certainly the education of minor children is as far from the war as any other civilian department of the Government.

"THIS IS THE START OF A REVOLUTIONARY POLICY WHICH MAY COST $4,000,000,000

"Apart from the nonexistent emergency feature, the Federal subsidy project has been before Congress for a number of years, promoted by the National Education Association and the Federal Office of Education, but not by the States themselves. Previous bills have been based entirely on the principle of equalization, and have all been based on the argument that because some States spend much less money per pupil than others, the way to improve education is to subsidize those States.

"The whole project is based on the assumption that the more money is spent on education, the better the education is. This conclusion is perhaps open to question. Startling ignorance regarding American history, which was discussed in the Senate last spring, certainly could not arise from lack of financial resources. It appeared among students from all over the United States, and in many instances from students who came from those States which spend the most money on education. Undoubtedly education in some States is handicapped by lack of funds, but there are other ways in which American education can be improved besides granting Federal subsidies.

"The adoption of the present bill would undoubtedly embark the Federal Government in a gradually increasing expenditure from which it would never be relieved. If we once pay from two hundred to three hundred dollars of the salary of every school teacher in the country, how can we possibly ever withdraw that support? Even if the States become richer, they will never be willing to take over this burden. Having yielded once to a very strong pressure, there will be no way in which to prevent a further yielding.

"The desires of the educators are almost without limit. The whole question of Federal aid to education is discussed in the report of the National Resources Planning Board for 1943, on page 68. That report takes the position that 'the Nation is now spending less than 50 percent of the amount needed to provide a justifiable minimum educational program.' Current expenditures and capital outlay for education in the United States are shown to be approximately $3,200,000,000. The 'justifiable minimum annual expenditures in the postwar period' are said to be $7,385,000,000. The report then says:

" 'During the years immediately following the war it does not appear probable that the total revenue available for education from State and local systems combined can be greatly increased. * * * It is therefore evident that most of the increase in expenditures for education in the postwar period must be financed almost, if not entirely, by Federal funds. * * * The only agency that can remedy the inequality among the States in the tax burden for education is the Federal Government. It should accept this role.'

"This report was written by Dr. Floyd W. Reeves, who is also chairman of the Advisory Committee on Education, closely allied with the National Education Association and the original promoter of subsidy legislation. We see, therefore, that the real program of which this is the beginning calls for the Federal Government to finance the greater part of $4,000,000,000 a year.

"This proposal is, in fact, the beginning of a revolutionary change in one of our most fundamental Government activities. It should not be considered except in relation to the entire postwar activities of the Federal Government.

"WE SHOULD NOT NOW COMMIT THE FEDERAL GOVERNMENT TO ANY NEW TYPE OF EXPENSE

"The Federal Government faces after the war a tremendously serious financial problem.

The annual charge for interest alone will amount to $5,000,000,000. At least $5,000,000,000 will be necessary for the armed forces. At least $5,000,000,000 will be required for existing services, with some moderate increase in expenditures for social-security purposes. Many other new items of expense will be clamoring for consideration. We do not know where the point is, but there is a point at which the burden of government will become so great that it will choke all incentive, initiative, and enterprise. At some point we can kill the goose that lays the golden egg, and force the entire country into a socialistic strait-jacket. It seems most unwise to commit ourselves now to any policy which will increase the difficulty of the post-war problem. If expenditures for education are to be undertaken, they should be undertaken when we have the whole problem before us, and can consider the relative merits of each proposal in relation to the over-all expense.

"FEDERAL SUBSIDY WOULD DESTROY LOCAL SELF-GOVERNMENT IN EDUCATION

"There is an even more important question. Can Federal subsidies to the public-school system be maintained without ultimately bringing about a nationalization of our educational facilities and federalized bureaucratic control? This is an eventuality which the proponents of the present bill insist is not intended and which they maintain can be avoided. They contend that by the provisions of section 1 the danger is removed. We seriously question this conclusion. We believe that in the complexity of reports, of plans, of State legislation to conform to Federal policies, of counsel and advice and joint participation of the Federal Government and the States, and all of the other manifold details of the operation of the contemplated program of Federal subsidies, our public-school systems would be gradually, but no less inevitably, drawn more and more under the thumb of a Federal bureaucracy.

"We have pointed out that the ultimate plans call for the Federal Government assuming perhaps half the cost of education. Our experience with the social-security laws and many others lead to the definite conclusion that Federal subsidy in the end means Federal control. Those who put up the money and have the power to refuse it dictate the policies of the local officials. Federal bureaucrats travel the country, checking upon the expenditures and the policies of every school board and other local officials. Of course, the very provisions of the act itself contradict in some respects the pious declaration of section 1 against any Federal officer controlling the administration of State schools. Under the provisions of this bill, schools would be unable to decrease their teachers' salaries or their current expenditures for schools, whether those expenditures had been extravagant in the past or not. Under the provisions of this bill, every cent of the $200,000,000 must be spent for teachers' salaries, and not for any other necessary school purposes. Under the provisions of this bill, a new system of reports must be set up from all local schools to a State educational authority. These provisions may not require substantial changes in school administration, but they illustrate the principle that it is impossible to give Federal money without controlling to some extent the expenditure of that money and the administration of the schools which spend it. If the amount is increased, it is inevitable that Congress and the Federal authorities will insist upon the natural right to state the conditions of administration on which Federal funds are provided.

"Of course, the same thing is true of all Federal-aid programs, but the effect is much worse in the case of education. It is unnecessary to expand on the tremendous danger of centralized control of education, because the authors of the bill agreed to those dangers when they wrote section 1. Centralized control of education gives a power to the central government far beyond that of any other control, as Hitler has illustrated in Germany. It places the whole character and knowledge of the people in the hands of a Federal bureau. That bureau is more than likely to be guided by some small group of men who believe in this method of education or that method of education. It transfers the control from the people of each district to a man or men wholly beyond the control of public opinion.

"The people don't want it. There is no matter upon which they are more insistent than local control of education. There has been difficulty in centralizing schools even on a township basis, because the people of each district want to run their own schools. We feel that the bill before us would be the beginning of the end of local self-government in education.

"THIS BILL DOES NOT EQUALIZE

"The strongest argument for the bill is that we must equalize educational opportunity throughout the United States by providing substantially the same amount of money for the education of each child. We have pointed out that money is only one of the factors in education. A $40 education in some places may be much better than a $60 education in another. But beyond that, this bill does not equalize. Some of the greatest discrepancies occur within a particular State. Some school districts may be very wealthy, where others may be very poor. State equalization does not exist in many States, and there is nothing in this bill to compel it. Within single States there may be wide differences in the money expended on children of different races.

"Thus on page 19 of the hearings before the Committee on Education and Labor, we find that in Louisiana the cost per white pupil is $61.21, whereas the cost per Negro pupil is $12.62. Nothing in this act requires any equalization between white and Negro pupils. It is true that the bill requires the Federal funds to be distributed on an equitable basis between white schools and Negro schools, but it does not change the distribution of Louisiana funds. The result, as shown in the hearings under this bill, would be that white students would be educated at an expense of $76.40 apiece as compared to $23.61 per Negro student. The difference would be $52.79 after the passage of the bill, as compared to $48.59 today.

"The bill, therefore, does not do the very thing which it is supposed to do. Equalization, as a matter of fact, cannot be secured except by complete Federal control and direction. Everyone agrees that complete Federal control and direction are worse than the inequality which now exists. It may be fairly argued that if the States and local communities are to be left alone to run their schools as they see fit, and to spend Federal moneys for school subsidies as they see fit, such an arrangement is indefensible from the standpoint of the Federal Government and the taxpayers generally. Congress ought not to give away Federal funds to the States, with no Federal control over the spending of the funds. If on the other hand, the Federal Government is to retain control over the expenditures and to dictate them, then it means Federal control of education—an alternative equally obnoxious. There is no middle ground.

"Since the bill proposed does not in fact equalize, it is nothing except a subsidy for the increase of teachers' salaries. Such a subsidy is wholly unjustified when the States are better off financially than the Federal Government. We may admit that many teachers are underpaid, but there may be many who are not underpaid. This bill proposes to increase the salary of every teacher. Certainly Congress is not in a position to judge of the correctness of such a policy.

"CONCLUSION

"We do not subscribe to the doctrine that because our public schools and our educational facilities are a vital element in our national welfare, they thereby become the proper concern and implied responsibility of the National Government.

"Our schools are one of the few remaining bulwarks of local self-government and community enterprise. They should so remain. They have on the whole been well managed and generously supported. We have today too much centralization of control over the affairs of our citizens in a Federal bureaucracy. We should not add to it by this new excursion into the field of education."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. DONNELL].

Mr. DONNELL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, before a vote is taken on this amendment I wish again to protest as vigorously as possible against the adoption of the amendment offered by the Senator from Missouri. The committee has done the very best that I think any human minds can do to safeguard the rights of the States against Federal domination or Federal dictation in the field of education. If there is any better wording to accomplish this purpose than that which is contained in section 2, I do not know what it is. But I do not want to see this section nullified in any way by the adoption of any amendment which undertakes to tell the States how they shall spend any money which may be allocable to them under the provisions of the proposed legislation.

The amendment offered by the Senator from Missouri infringes very much upon the rights of my own State and at least 21 other States of the Union which provide in greater or lesser degree for public assistance to pupils attending private schools. This assistance is provided in the form of transportation to the school, payments of tuition to private schools, or furnishing textbooks to the children in private schools. Each State decides for itself what it shall do in that respect; but I maintain that each State must keep within the constitution of the State and the Constitution of the United States in so doing.

In my own State every town—and the town is the unit of government—is required to furnish a high-school education to all children who desire to attend high school; and most of them do these days. We have only 5 towns in the State of 10,000 population or more. Most of our towns are small. Most of them are poor. They must make every dollar count, whether it is for education or for any other purpose. But so far as education is concerned, we are an old State.

We have scattered throughout our State, in the small towns, numerous small high schools or academies, as they are called. They are financed partly by private funds, by endowment. Some of them are 100 years or more old. The towns in which they are located utilize them as the local high school. They serve the purpose of a high school. The town is required by State law to pay tuition to these academies, which are

located within their boundaries. Thousands of boys and girls have received a high-school education by attending these technically private, but actually public, schools. If it were not for the privilege of attending these schools, many of our children would never get to high school at all. Some of the towns where they are located are many miles from the nearest public high schools.

So, Mr. President, I ask the Senate not to adopt the amendment of the Senator from Missouri, which would have the effect of making it difficult for thousands of our boys and girls to obtain a high-school education. We ask only that we have the right to educate our children in our own way, without any interference or dictation on the part of the Federal Government. When any funds are provided by the Federal Government and are paid to the State, we certainly do not want to have to set up two separate bookkeeping accounts, to keep the expenditures made from the Federal Government funds separate from those made from the State funds.

I believe the amendment is a bad one. As I have said, 22 States already provide some degree of assistance to the children in the private schools. Let us keep our States' rights inviolate. In section 2 of this bill we have done so. I am satisfied that we have done that insofar as it is humanly possible to do so. We have strictly prohibited Federal dictation or domination. So let us continue to do so.

Mr. President, I hope the amendment will be decisively defeated.

Mr. DONNELL. Mr. President, I should like to make it perfectly clear that I am not in opposition at all to the school-lunch bill or anything of that sort. I would be in opposition to inserting any provision of that kind into this bill, because this bill is an educational bill. Its title reads as follows:

To authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. President, I voted for the so-called school-lunch bill. Although I think no such provision has any place whatsoever in this bill, which is an educational bill, I wish it distinctly understood that by this amendment I am not in the slightest degree taking a position adverse to an appropriate, proper bill providing for the various services of a health nature or of a lunch nature to the children themselves. Such a situation is entirely different from one in which the Federal Government or the State governments would, by means of the administration of either State or Federal funds, control the educational policies of the schools. I wish to make that clear.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Barkley	Bridges
Baldwin	Brewster	Brooks
Ball	Bricker	Buck
Byrd	Holland	Overton
Cain	Ives	Pepper
Capehart	Jenner	Revercomb
Capper	Johnson, Colo.	Robertson, Va.
Chavez	Johnston, S. C	Robertson, Wyo.
Connally	Kem	Russell
Cooper	Kilgore	Saltonstall
Cordon	Knowland	Smith
Donnell	Langer	Sparkman
Downey	Lodge	Stennis
Dworshak	McCarran	Stewart
Eastland	McCarthy	Taft
Ecton	McClellan	Thomas, Okla.
Ellender	McFarland	Thomas, Utah
Ferguson	McGrath	Thye
Flanders	McKellar	Tobey
Fulbright	McMahon	Umstead
George	Magnuson	Vandenberg
Green	Malone	Watkins
Gurney	Millikin	Wherry
Hatch	Moore	White
Hawkes	Morse	Wiley
Hayden	Myers	Williams
Hickenlooper	O'Conor	Young
Hill	O'Daniel	
Hoey	O'Mahoney	

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. DONNELL].

Mr. DONNELL's amendment is as follows:

On page 19, strike out lines 12, 13, and 14 and insert in lieu thereof a colon and thereafter the following: "*Provided*, That no funds appropriated under this act shall be disbursed in any State for the support or benefit of any sectarian or private school."

The PRESIDENT pro tempore. The yeas and nays having been ordered previously, the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

The Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Kansas [Mr. REED] is detained on official committee business.

Mr. HILL. I announce that the Senator from Montana [Mr. MURRAY] is absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Illinois [Mr. LUCAS] and the Senator from South Carolina [Mr. MAYBANK] are absent on official business.

I announce further that, if present and voting, the Senator from Montana [Mr. MURRAY] and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 5, nays 80, as follows:

YEAS—5

Donnell	McClellan	Umstead
Johnston, S. C.	O'Daniel	

NAYS—80

Aiken	Chavez	Green
Baldwin	Connally	Gurney
Ball	Cooper	Hatch
Barkley	Cordon	Hawkes
Brewster	Downey	Hayden
Bricker	Dworshak	Hickenlooper
Bridges	Eastland	Hill
Brooks	Ecton	Hoey
Buck	Ellender	Holland
Byrd	Ferguson	Ives
Cain	Flanders	Jenner
Capehart	Fulbright	Johnson, Colo.
Capper	George	Kem
Kilgore	Morse	Stewart
Knowland	Myers	Taft
Langer	O'Conor	Thomas, Okla.
Lodge	O'Mahoney	Thomas, Utah
McCarran	Overton	Thye
McCarthy	Pepper	Tobey
McFarland	Revercomb	Vandenberg
McGrath	Robertson, Va.	Watkins
McKellar	Robertson, Wyo.	Wherry
McMahon	Russell	White
Magnuson	Saltonstall	Wiley
Malone	Smith	Williams
Millikin	Sparkman	Young
Moore	Stennis	

NOT VOTING—11

Bushfield	Maybank	Tydings
Butler	Murray	Wagner
Lucas	Reed	Wilson
Martin	Taylor	

So Mr. DONNELL's amendment was rejected.

Mr. DONNELL. Mr. President, I send to the desk an amendment which has been lying upon the table. I offer it at this time.

The PRESIDING OFFICER. The clerk will read for the information of the Senate the amendment offered by the Senator from Missouri.

The CHIEF CLERK. It is proposed on page 25, immediately following line 21, to insert the following:

SEC. 10. The Secretary of the Treasury is authorized and directed, beginning with the fiscal year ending June 30, 1949, to deposit for each year in a special fund in the Treasury of the United States proceeds of taxes, duties, imposts, or excises in an amount equal to the aggregate of the amounts authorized to be appropriated for such year under this act. Amounts deposited in such fund shall be available for expenditure only pursuant to appropriations made under authority of this act, and no moneys shall be payable on any of said appropriations except from said fund. Any amounts remaining in the fund after the expiration of the period for which such amounts are available for expenditure shall be covered into the general fund of the Treasury.

On page 25, line 23, change the numeral "10" to the numeral "11."

Mr. TAFT. Mr. President, the amendment is acceptable to me. The distinguished Senator from Missouri has presented amendments of this kind in connection with other State-aid bills. It emphasizes the fact that our action is based solely on the general welfare clause, and it therefore arises only out of our power to tax in order to provide for the general welfare. It simply means that the money for this purpose must be taken out of taxes and cannot be taken out of deficits. I am quite willing to accept the amendment. I have already accepted such an amendment to the health bill which was considered in the committee. While I think the amendment is unnecessary, I recognize the argument of the Senator from Missouri, and I can see no possible danger in the provision.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator knows that out of certain revenues derived from duties, imposts, and so forth, we have set apart a certain amount for agricultural purposes. I think it is 30 percent. What effect would this proposed provision have on that?

Mr. TAFT. It would have no effect. The Secretary of the Treasury could take

the money out of income taxes or excise taxes. It does not have any effect, so long as the Government has a surplus.

Mr. BARKLEY. It is not identical with the fund to which I have referred, is it?

Mr. TAFT. No.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from West Virginia.

Mr. KILGORE. Is it based upon the amount credited to a particular State in income-tax payments?

Mr. TAFT. The Secretary of the Treasury is directed to take out of tax receipts the amount appropriated, to be distributed to the States.

Mr. PEPPER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. PEPPER. Will the Senator state again the technical significance of the amendment?

Mr. TAFT. There is no right on the part of the Federal Government to regulate education set out in the Constitution. That right is left to the States. The State aid contemplated in the pending bill, as in many other cases, rests upon the general-welfare clause of the Constitution, which authorizes the Government to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States.

It has been held by the courts that that power is subordinate to the power to tax. There is no general power to provide for the general welfare. The power is to levy taxes to provide for the general welfare. Consequently, the Senator from Missouri wishes to make it clear that if we are to provide for the general welfare, under that clause, we must take the money out of the taxes which are levied, connect it up with taxes as provided in the Constitution. The Government cannot simply borrow the money and spend it. I think the point is technically sound. However, I have no doubt of the constitutionality of the bill even if that language be omitted.

Mr. PEPPER. Mr. President, I wish to protest, at least as one Member of the Senate, against the passage of the pending bill upon any such narrow constitutional theory as that. I think it sets a dangerous and bad precedent. If that principle is to be applied to the legislation now proposed, logically, I would assume, an effort would be made to apply it to other legislation, and the first thing we know we will find the power of the Congress to provide for the discharge of its functions constantly curtailed and hemmed in by precedent after precedent.

It seems to me that there is ample authority in more than one section, at least, of the Constitution for the enactment of this legislation, and I see no reason for limiting the authority to any one section or one provision of the Constitution.

Mr. TAFT. Can the Senator cite any other provision of the Constitution?

Mr. PEPPER. Not only might it come under the general-welfare clause, but it could certainly come under what we might call the catch-all provisions of the Constitution.

Mr. TAFT. I do not know of any catch-all provision of the Constitution.

Mr. PEPPER. I refer to the provision in the Constitution which gives Congress the power to do whatever is necessary to carry out the explicit powers conferred upon the Congress by the Constitution.

The Government has many specific obligations, one of which is to provide for the common defense, and certainly I can see nothing more nearly related to the common defense than the strength and intelligence of the citizenry of the country. I do not dissociate the pending proposed legislation from the power of the Congress to aid in supporting public health. I do not see anything in the Constitution which specifically gives Congress power to provide for the public health, but if we had a nation of disabled people, if we had a nation of citizens smitten by disease, we certainly would not have a strong republic. If we had to base the legislation upon the power of the Congress to provide for the common defense as well as for the general welfare, I think we would have the authority under the Constitution to aid the States in providing for a healthy, strong, skilled, and intelligent citizenry.

There are other provisions of the Constitution which I think could properly be called upon to support the authority of the action which is contemplated today. It has been the precedent in the past to appropriate money out of funds in the Treasury not otherwise appropriated, and I see no reason why that principle should not be applicable in the instant case. So far as I can see, it makes no difference whether the funds in the Treasury are derived from an excise tax or from an income tax, or whether they are the proceeds of securities issued by the Treasury to meet the appropriations of the Congress. We appropriate money out of funds in the Treasury not otherwise appropriated, and now especially, it seems to me, since Congress has a new authority, under the Reorganization Act, which it never generally had before, to consider the revenues which may be required in connection with appropriations which may be made, we are still the masters of the purse and of the Public Treasury.

Why do Senators wish to establish the precedent of limiting the funds out of which the expenditures to support this legislation may be made, going through the fiction of having the Secretary of the Treasury assign money to meet such appropriations which theoretically came from current taxes, and not funds otherwise obtained, saying that those funds alone are available for the appropriations to meet the cost of this bill?

Mr. President, it seems to me that, first, we would unduly limit the power of the Congress to act; secondly, we would establish a precedent which would be likely to be embarrassing, if not burdensome to the Congress, in the days ahead of us.

I would much prefer a vote on the amendment, but for myself, at least, I wish to have it distinctly understood that I do not accept this amendment, thinking it contrary to the Constitution and to sound public policy.

Mr. DONNELL. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Missouri.

Mr. DONNELL. I think the Senator from Ohio is exactly correct in his theory of the bill. The Senate will doubtless recall that on Wednesday of last week I asked the distinguished Senator from Ohio this question.

Mr. DONNELL. Without stating any position with respect to the instant bill, I should like to ask the senior Senator from Ohio where in the Constitution of the United States he finds any authorization for legislation of this type.

Mr. TAFT. The authorization must be found, of course, in my opinion, under the general welfare clause, namely, the right to tax to provide for the general welfare. I agree with the Senator that if he wants to offer a taxing amendment I should be glad to accept it. The general welfare clause provides, in effect, that Congress shall have power to levy taxes to provide for the general welfare. I think the decisions hold that if taxes shall be so levied the money may be so spent. I do not think the Federal Government has any constitutional power to regulate education or to regulate health in the States. I think that if some such amendment comes up later there may be a good constitutional objection, but I believe there is no doubt about the power of the Federal Government to extend State aid in fields in which there is not adequate power for the States themselves to take action.

Mr. President, the Constitution of the United States, to my mind, will be searched in vain for any authority other than the general welfare clause which would authorize and justify the proposed legislation. Section 8, article I of the Constitution, subdivision I, reads:

The Congress shall have power to lay and collect taxes, duties, imposts and excises to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the United States.

The Senator from Florida referred to what he called the catch-all clause. I have never before heard of a catch-all clause in the Constitution. There is this clause, which possibly is the one to which he refers. The concluding clause of section 8 reads:

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. DONNELL. Let me first complete this. It has been distinctly held by the Supreme Court of the United States, in the case of *United States* v. *Butler* (297 U. S.), quoting from page 64, as follows:

The view that the clause—

Referring to the so-called general welfare clause—

The view that the clause grants power to provide for the general welfare, independently of the taxing power, has never been authoritatively accepted.

Mr. Justice Story points out that if it were adopted "it is obvious that under color of

the generality of the words, to 'provide for the common defense and general welfare"—

I interpolate that that is the very language to which the Senator from Florida is referring, "the common defense and general welfare"—

Mr. Justice Story points out that if it were adopted "it is obvious that under color of the generality of the words 'to provide for the common defense and general welfare,' the Government of the United States is, in reality, a Government of general and unlimited powers, notwithstanding the subsequent enumeration of specific powers."

Concluding this paragraph, the opinion in the Butler case says:

The true construction undoubtedly is that the only thing granted is the power to tax for the purpose of providing funds for payment of the Nation's debts and making provision for the general welfare.

Mr. President, we are here discussing something not merely technical, but something fundamental. We are undertaking to say in the particular language which I have suggested by way of amendment, that we shall abide by the so-called general welfare clause; not that we shall, without any limitations whatsoever, relying perhaps upon deficit financing, legislate under color of the general defense clause and general welfare clause, to which the Senator from Florida refers. We are here taking our position under the "general welfare" clause, so-called. I think the very proper recognition with which the distinguished Senator from Ohio instantly responded the other day, that the authorization, and I quote him again—

Must be found, of course—

In his opinion—

under the general welfare clause—

Namely, the right to tax and provide for the general welfare, is indicative of the fact that he is right upon the proposition which he so clearly and without qualification asserted.

I insist, Mr. President, that this is important, both because of the fact that it complies with the Constitution, but also because of the very fundamental fact that it at least sets a precedent against the use of deficit financing, against the use of taxes other than duties, imposts, and excises for payment of expenses incurred under the general-welfare clause.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I should like to address an inquiry to the Senator from Missouri. Accepting the basis of his argument that we must interpret the general-welfare provision in connection with the power to tax, is it not true that we must do the same in regard to the common defense, because both of those phrases seem to me to have equal validity and equal force?

Mr. TAFT. I may answer that question by saying that later, in paragraphs 12, 13, 14, and 15, the Constitution gives specific power to Congress "to raise and support armies * * *; to provide and maintain a Navy; to make rules for the government and regulation of the land and naval forces, and to provide for calling forth the militia."

So we not only have the power to tax for the common defense, but we also have power to tax for the general welfare.

Mr. BARKLEY. Mr. President, I had not finished my interrogatory. Assuming the words "common defense" and "general welfare" have equal validity in that portion of the Constitution, we all know that we have frequently borrowed money in order to provide for the common defense, and that we owe a very considerable sum now in the way of a public debt because we have borrowed money to provide for the common defense. Therefore, if we assume that the Constitution limits the power of taxation to the general welfare, and does the same with respect to the common defense, is it the argument of the Senator from Missouri that if it were necessary to borrow money in order to provide for the general welfare just as it may be for the common defense, that would be an illegal exercise of the power to borrow money under the provisions of the Constitution of the United States referred to by the Senator from Ohio?

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DONNELL. I suggest to the Senator from Kentucky that, as pointed out by the Senator from Ohio, there is a distinct and specific power—

to raise and support armies * * *; to provide and maintain a Navy; to make rules for the Government and regulation of the land and naval forces; to provide for calling forth the militia to execute the laws of the Union—

And so forth. Obviously these are specific clauses which go to the point of provision for the common defense. There is a particular clause in section 8, which the Senator from Kentucky will recall, of course, namely:

To borrow money on the credit of the United States.

Inasmuch as we have specific power to raise and support armies, provide and maintain a navy, and perform these other acts for common defense, I think that obviously we may borrow money on the credit of the United States for this purpose, but I maintain equally, that there is no provision other than the so-called general-welfare clause that even remotely grants any power to Congress to deal with subjects relating to the general-welfare other than the subjects which are specifically subjoined below the general-welfare clause.

I should like to present one further fact, that the only other mention, from the beginning to the end of the Constitution, as the Senator from Kentucky will recall, of the general welfare, is that which appears in the preamble to the Constitution, which has been distinctly held by the Supreme Court of the United States not to confer legislative power.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I understand that. There has long been a controversy, and notwithstanding the decision of the Supreme Court, there is yet a controversy in the minds of many people that the punctuation of article 8 referred to by the Senator from Missouri and by the Senator from Ohio might equally well have been interpreted to mean that not only could the Congress levy taxes, not only could it provide for the common defense, not only could it provide for the general welfare, but it could go on and do all these other things. Now the Constitution does specifically mention the raising of armies, but it is conceivable that the common defense of the United States may go further than the mere raising of armies and providing for a navy. We have exercised wide legislative jurisdiction over many subjects in time of war or in emergency that did not involve specifically the raising of armies or the equipping of a navy, on the basis that it was necessary to the common defense of the United States. My contention is that the words "common defense" have no more power, no more validity, than the words "general welfare," and that whatever we can do under section 8 in the interest of our common defense we can do in the interest of the general welfare.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DONNELL. As to the point made by the Senator from Kentucky concerning the dispute and controversy which has raged for many years, or did rage with respect to the punctuation of this particular portion of section 8 of the Constitution, I submit that that controversy was long since resolved. I quote at this point from a book written by the distinguished former Assistant Attorney General of the United States, author of the Supreme Court in United States History, Mr. Charles Warren, where, after referring to Mr. Justice Storey, he said:

[Judge Storey] after disposing of the theory that the general-welfare clause vested an independent and distinct power in Congress, adopted, himself, the following interpretation: That the power to levy taxes was granted for the purpose of paying the public debts, and providing for the common defense and general welfare; that Congress may lay a tax in order to pay for anything which it can reasonably deem to be for the common defense and general welfare.

I call further to the attention of the Senator from Kentucky that in the Butler case it is distinctly stated at page 64:

The Government concedes that the phrase "to provide for the general welfare" qualifies the power "to lay and collect taxes."

Mr. BARKLEY. Mr. President, will the Senator from Ohio again yield?

Mr. TAFT. I yield.

Mr. BARKLEY. Does the Senator from Missouri contend that the provision referred to by the Senator from Ohio, that Congress shall have power to borrow money on the credit of the United States, has no limitation whatsoever as to its purpose?

Mr. DONNELL. I think it does. I do not think we can borrow money to pay the expenses of those items of legislation covered by the term "general welfare" except insofar as those particular items are contained in the specific subjoined items which appear below the so-called general-welfare clause.

Mr. BARKLEY. I do not want to prolong the argument, but I wish merely to make this observation, that I think the

general power conferred upon Congress to borrow money on the credit of the United States is coextensive with the power of Congress to act under that article of the Constitution, whether it is in the interest of the common defense, in the interest of the general welfare, or for the purpose of raising an Army or equipping a Navy, or doing all the other things set forth in that section of the Constitution.

Mr. TAFT. Mr. President, it is really very pleasant to hear the Constitution discussed here as it has not been discussed for many years, while I have been in the Senate. I want only to add one word. The reason I sympathize with the view of the Senator from Missouri rather than the view suggested by the Senator from Kentucky is this: If the Senator from Kentucky is correct, there is no limit whatever to the power of the Federal Government, because anything may be for the general welfare of the United States, or so alleged to be, and if we have general power to legislate for the general welfare there is no restriction whatever on what the Federal Government may do. The independence of the States then disappears entirely from the whole constitutional picture.

Mr. BARKLEY. Mr. President, I would not agree with that interpretation. That is not the interpretation which ought to be placed upon my observation. My observation is this, and I repeat it, that the Constitution confers upon Congress power to borrow money for any purpose the Constitution authorizes the Congress to take action upon, whether it be the common defense or anything else. The common defense might relate to the Army and the Navy, and the founders might well have left out any specific reference to armies and navies, because the "common defense" obviously includes provisions for an army or a navy, or any other agency that would provide for the common defense.

I do not believe that to interpret the power to borrow money as I have indicated gives the Federal Government unlimited power to wipe out the States, or to do anything except what the Constitution itself authorizes Congress to do in carrying on the Government of the United States.

Mr. TAFT. The Senator would interpret the words to read, "Congress shall have the power to provide for the general welfare." If there is any such general grant of power in the Constitution, there is no limit on what Congress may do, so far as I can see. I think that interpretation has been repudiated by the courts, and I think we should adhere to the decisions of the courts.

Mr. BARKLEY. I am not questioning the validity of the Supreme Court decisions. What I am saying is that Congress can borrow money under the Constitution for any purpose with regard to which it is authorized to take action. It can provide for the common defense. The Constitution says that the Congress shall have power to lay and collect taxes, duties, imposts, and excises, and to provide for the common defense; but there is no prohibition against borrowing money for the common defense if the amount of money raised by taxes is not sufficient. We have done that.

Mr. TAFT. The point is that the only reference to the general welfare, and the only authority given, is to levy taxes for the general welfare. That is all. There is no power to borrow money for the general welfare. There is only power to tax for the general welfare. Therefore it seems perfectly obvious to me that under the general welfare clause we have what is called the spending power. The courts have held, in effect, that there is no limit to that spending power; but it is a spending power derived from taxation. The money is derived from taxation, under the first clause of section 8.

Mr. BARKLEY. Under that limitation we could not provide for the common defense by borrowing money. We would have to limit expenditures for the common defense to taxes.

Mr. TAFT. No; because there is specific power to raise armies and navies, and do all the things which are interpreted, in a broad way, as covering every feature required in war. That is a part of the common defense of the country.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. GEORGE. This is a most interesting discussion, and it would have been pertinent during the first 25 years of the Republic, because it was insisted by most of the interpreters of the Constitution in the beginning that the language with respect to providing for the general welfare did not grant any power, but that it was in fact a limitation upon powers subsequently granted, as well as the power to tax. But we have long since departed from that interpretation. The liberal constructionists won in that long and interesting fight, but not until a great many very eminent men in this country had expressed the view that these general words following the power to levy taxes were not an express grant of power, but a limitation upon what we could do with taxes, and what we could do with other specific powers which were granted thereafter. So we are here debating an entirely moot question, one which was settled long ago, not only in practice, but by the decisions of the courts.

My objection to the Senator's amendment is simply this: He places upon the Secretary of the Treasury a perfectly needless job of separating out of the tax moneys a certain sum of money to be set aside and kept—I presume inviolate—for the purpose of taking care of this particular appropriation. If that can be done with respect to this money, it can be done with respect to many other funds. I submit that it would place upon the Secretary of the Treasury a wholly unnecessary burden. I do not believe that at this late day anyone can argue that the words in this particular section of the Constitution to which reference is made can longer be construed merely as a limitation upon the powers granted, because certainly this Government has departed from that theory since time out of mind.

Many textbooks were written upon the subject. As a matter of fact, the question is entirely moot. It is not even a modern question. Therefore I cannot see why it is necessary to require the Secretary of the Treasury to set up a special fund, which he must take entirely out of taxes, and pay no attention to other receipts coming into the Treasury.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DONNELL. I agree with the Senator from Georgia that the question is moot, but I agree with him only to that extent. I think it is moot in exactly the opposite sense from that to which he refers.

It was not merely 20 or 30 years after the beginning of the Republic that the decision in the Butler case was rendered. The Butler case was decided in the October term, 1935. After referring to the general welfare clause, the opinion stated:

> The view that the clause grants power to provide for the general welfare independently of the taxing power has never been authoritatively accepted.

I have before me—I shall not burden the Senate with them—various observations from Justices and authorities pointing out the controversy which arose early in the history of this country, as to whether or not this clause, because of the punctuation, or for any other reason, gave an independent general welfare power. I think it has been settled decisively by the Supreme Court that it does not.

With respect to the question of inconvenience to the Secretary of the Treasury, I cannot see any very great difficulty in the Secretary of the Treasury setting up a fund of $300,000,000 out of $40,000,000,000 derived from taxes, duties, imposts, and excises.

I conclude with one or two sentences. I believe that the term "general welfare" is one which, under the decisions of the Court, Congress has a right to determine for itself. Congress has a right to determine what is for the general welfare; but it still remains true that there is no independent power in Congress to provide for the general welfare, except insofar as that general welfare is embraced within the specific subjoined sections, and except as Congress derives power under the taxing clause.

Mr. TAFT. Mr. President, while the discussion is very interesting, the particular amendment does not seem to me to make any very great difference. I am willing to accept it or not, as the Senate wishes to decide. I think we might vote on it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I am perfectly willing to vote on it; but inasmuch as I have injected an argument which has been described as moot, I should like to say just a word.

Accepting the decision of the Supreme Court in the Butler case that we cannot consider the general welfare independent of the taxing power, I still contend that there is no decision of the Supreme Court, so far as I know, that says that Congress may not borrow money on the credit of the United States for any purpose for which it may levy taxes. That

is the only question I raise. I do not know that it is important whether this amendment is adopted or is rejected; but if we have the power to tax the people for the common defense, we can borrow money for the common defense. If we have the power to tax the people to pay the debts of the United States, we have the power to borrow money from one source in order to pay debts we owe in another direction. Therefore, if we have the power to levy taxes for the general welfare of the United States, we have the power to borrow money to be expended for the general welfare of the United States. That is not inconsistent with the decision in the Butler case.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HOLLAND. If I may comment briefly, it seems to me that the question is not a constitutional question, because I think there is not the slightest doubt that this measure comes under the general welfare clause. Second, there is not the slightest doubt that the Congress could, if it wished to do so, earmark funds for this purpose and many other purposes. As a matter of fact, if it should embark upon earmarking and special fund allocation, it could very easily create hundreds of special funds, because so few of the purposes for which revenue can be expended are specifically set out in the Constitution. Almost all the money we appropriate here could, if the Congress saw fit to do so, be made the basis of special funds, by which certain portions of the revenue would be earmarked and would require segregation; and, as the distinguished Senator from Georgia has said, this would entail a vast amount of additional book work and bookkeeping.

So far as I am concerned, it seems to me that the real objection to this amendment is that it would embark the Congress on a course of earmarking funds and setting up special funds.

The distinguished Senator from Missouri will recall that in the various conferences between the Governors of the several States which he attended, one of the subjects which caused most discussion and the utmost of trouble related to the fact that so many of the States had gotten into the very bad practice of earmarking the sources of revenue and then setting up special funds dedicated to special objectives. The distinguished Senator will remember that the Governors made special efforts in their own States to do away with that practice. I know that in my own State only recently have we gotten away from a practice by which several hundred special funds were set up, with the result that money for such special objectives was paid out from the treasury of the State from those special funds.

I think we shall embark on a practice which is not only dangerous but hurtful in the extreme, instead of helpful, if we earmark money as special funds. I do not think such a plan would help the bill. To the contrary, I think it would hurt it. I think it would embark the Congress of the United States upon a very doubtful program which would be found to be hurtful to the Nation and would entail a vast amount of additional bookkeeping. We might find ourselves in the situation in which several States which I could mention have found themselves in recent years, when they had a great deal of money, but had it locked up in various special funds, so that they could not reach it for the special purposes then needing attention. So they found themselves in real difficulty.

This is the first approach since I have been a Member of this body to a system which I think is a bad one, and which I hope the Senate will refuse to approve. So I hope the Senate will reject the amendment. I think it is bad fiscal practice to set up special funds out of which special objectives have to be subserved.

For that reason I strongly oppose adoption of the amendment.

Mr. TAFT. Mr. President, let me say that the objection raised to such funds nearly always relates to the tagging of particular tax sources for particular spending purposes, whereas the procedure under this amendment is largely a bookkeeping procedure, so far as any limitation in regard to a tax fund is concerned.

Mr. HOLLAND. Mr. President, the Senator from Ohio is correct in stating that the objection as to the State funds arises partly out of the earmarking of sources of revenue. But it arises equally, as various Senators who have served as governors have discovered, out of making special funds and special deposits and confining them to special objectives. As a matter of fact, the only distinction between the earmarking mentioned by the Senator from Ohio and that which is involved in this amendment is that under the amendment a definite sum is proposed to be earmarked. It has been proved, I assure the distinguished Senator, to be very bad fiscal policy which has gotten numerous States into difficulties and has involved endless detail and expense, and might, of course, in a fiscal matter as large as the annual budget of the United States Government, become a vastly more vicious practice; because if this field of aid to education is a proper subject for the making of a special deposit and the creation of a special fund, then every other appropriation and every other authorization of an appropriation made by the Congress relating to an objective which is not among the very few objectives specifically stated in section 8 of article I of the Constitution would be equally the subject of the creation of a special fund. There could be literally hundreds of them. I certainly hope the Congress will not embark upon such a questionable practice.

Mr. McMAHON. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. McMAHON. I should like to ask either the Senator from Ohio or the Senator from Missouri whether he knows of any other case in which the Senate has done what the Senator from Missouri wishes to have the Senate do in this connection. I know of none. I know that the Senator from Missouri has tried to impose an amendment based on this theory on a number of bills, since he has become a member of this body.

I agree with the Senator from Florida that it would be a very dangerous precedent. I wish to raise my voice against it, because I am not sure that there will be a yea-and-nay vote.

I should like further to ask the Senator from Ohio whether in accordance with the theory of the amendment of the Senator from Missouri, the Senator from Ohio intends to have the same kind of an amendment added to his housing bill.

Mr. TAFT. Mr. President, such an amendment has not as yet been proposed to that bill. The Senator from Missouri is not a member of the Banking and Currency Committee. I suppose he will perhaps offer such an amendment from the floor, although I do not know that he will.

Mr. McMAHON. I gather that the Senator from Ohio will resist such an amendment to that bill.

Mr. TAFT. The Senator from Missouri proposed it to a health bill which is still under consideration by the Committee on Labor and Public Welfare. I said I would not object. I say today that I would not object. But I do not think it is as important as the Senator thinks it is.

Mr. McMAHON. I should like to point out to the Senator that when he made his opening statement in behalf of this bill, he very properly stated that one of the things which had caused him to change his mind in regard to Federal aid for education was the fact that approximately 1,000,000 men were rejected for service during the last war because of illiteracy.

Let me say that a push-button war is not yet possible. We shall still need men, and we shall need literate men more than ever before, as the Senator fully agrees.

So under the clause of the Constitution providing for the common defense, to say nothing of the general welfare clause, which of course is also involved, I think the amendment of the Senator from Missouri is entirely unnecessary.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. HILL. I should like to call attention to the fact that when the school-lunch bill was before the Senate, and when an amendment similar to this amendment was offered, the Senate took the position which has been urged this afternoon, and the amendment was overwhelmingly voted down.

A similar amendment was offered to the bill to provide Federal aid for the construction of hospitals and health centers. The views expressed here this afternoon with reference to this amendment were expressed with reference to that amendment, and that amendment was overwhelmingly rejected.

I hope we shall reach a vote on this amendment promptly; and I hope we shall not change our position, but shall exhibit the wisdom we have exhibited in the past in connection with similar

amendments, and shall reject this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. DONNELL].

The amendment was rejected.

Mr. CONNALLY. Mr. President, I call up the amendment which I have had printed and which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 15, line 7, after the word "appropriated", it is proposed to insert the following: "without any limitation of such appropriation or condition inconsistent with or contrary to the terms or purposes of this act."

Mr. CONNALLY. Mr. President, I shall state the purpose of this amendment, and the motive I have in offering it. In section 2 of the bill it is sought to be provided that in the future there shall be no change in the methods and the systems under this bill. All of us know how there has grown up in the Senate, and also in the House of Representatives, for that matter, the practice of tying limitations to appropriations. That was the case when the bill on this subject was last considered by the Senate. At that time there was offered an amendment providing a limitation as to how the funds should be used and how they should not be used. But the bill was defeated; so that provision did not become effective.

My view is that the vise and the weakness lie in the authorization clause, rather than in these general words. Section 2 can be changed at any time by limitation or by statute or by repeal. So my amendment is proposed to section 3, which is the authorization section.

Under our practice, whenever an appropriation is proposed, it is subject to a point of order unless it is possible to find, somewhere in the law, an authorization for that particular purpose. My amendment provides that the authorization under this bill and the authorization in future years under this bill shall be submitted "without any limitation of such appropriation or condition inconsistent with or contrary to the terms or purposes of this act."

In other words, if the Committee on Appropriations should report an appropriation to which was attached a limitation or a condition inconsistent with the purposes of the act, as to the expenditure of the appropriated funds, it would be subject to a point of order and it would go out of the bill.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the distinguished Senator from Virginia.

Mr. BYRD. Is it not true that if an appropriation bill should be passed tomorrow with a limitation placed in it, this amendment would have no effect? I am so informed by the Parliamentarian.

Mr. CONNALLY. My purpose is to prevent the adoption of such a limitation by making it possible to raise a point of order against it.

Mr. BYRD. I am informed by the Parliamentarian that a point of order could not be made against it, because it would be in an appropriation bill, and in an appropriation bill any appropriation may be limited regardless of previous legislation.

Mr. CONNALLY. Yes, that is true, but in order to get an appropriation at all there must be an authorization. An appropriation bill could not go beyond the terms of the authorization. If it did, a point of order could be made, and it would go out of the bill.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Virginia.

Mr. ROBERTSON of Virginia. I could understand the proposition clearer if I could reduce it to a concrete case. Might this be a situation that could arise under the Senator's question? After the Congress passes this authorization, the House, the next year, might appropriate $300,000,000. The House Appropriations Committee might write into the bill, "No part of this money shall be spent in any State that practices segregation." Would the Senator's amendment reach that situation? If so, would it prevent Congress from putting a limitation of that kind in an appropriation bill?

Mr. CONNALLY. I may say to the Senator, that is one of the purposes actuating the Senator from Texas in offering the amendment.

Mr. ROBERTSON of Virginia. I merely wanted to be clear in my own mind.

Mr. CONNALLY. In a situation of that kind, when the bill came to the Senate, it would go to the Committee on Appropriations. If the committee reported it, then under my amendment the limitation would be subject to a point of order as being not within the terms of the authorization.

Mr. ROBERTSON of Virginia. Is that the Senator's intention?

Mr. CONNALLY. That is my intention.

Mr. ROBERTSON of Virginia. The next question is, has the Senator from Texas assured himself that his intention will be effectuated?

Mr. CONNALLY. Nobody can assure himself about anything in this body. [Laughter.] I mean by that that nobody can speak with exactitude as to what may happen in the future. The law might be amended, through the addition of limitations and conditions which would change its whole scope. I am seeking to prevent that. I am seeking to hold it to the purposes and the terms of this particular bill.

Mr. ROBERTSON of Virginia. I assume the senior Senator from Texas will agree with me that as the bill now stands there would be nothing to prevent an appropriation committee, especially in the House, under the Ramseyer rule, from attaching a limitation of that kind.

Mr. CONNALLY. Of course not. It could attach any limitation. It could be provided that none of the money should be spent on the education of boys who have red hair.

Mr. McCLELLAN. Mr. President——

Mr. CONNALLY. I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I want to call attention to the provision which is already in the bill and which, in my judgment, goes as far as it is possible to go to prevent a limitation being placed on an appropriation bill.

I am in accord with the objectives of the Senator's amendment. Insofar as it can be done, I want to see it done. But I call attention to lines 16, 17, and 18, on page 14 of the bill as already written, which read:

or any limitation or provision in any appropriation made pursuant to this act, seek to control in any manner, or prescribe requirements with respect to, or authorize any department, agency, officer, or employee of the United States—

And so forth. In other words, the provision which has already been written into the bill is about as strong as it is possible to make it. If the Senator's amendment makes it stronger——

Mr. CONNALLY. The Senator's amendment makes it stronger, for this reason: The language which the Senator quotes is all very well, but it does not touch the question of limitation.

Mr. McCLELLAN. It uses the word "limitation." It says, "or any limitation."

Mr. CONNALLY. I know it does.

Mr. McCLELLAN. It is bound to touch it a little.

Mr. CONNALLY. I know it is mentioned, but under the rules of the Senate, if an appropriation bill were reported under this authorization, it would be subject to any kind of limitation that the Senate wanted to put on it, and the language to which the Senator refers would not control it at all.

Mr. McCLELLAN. I want to say to the Senator from Texas that I am wholly in accord with his objective, if there is any way in the world of reaching it.

Mr. CONNALLY. I thank the Senator.

Mr. McCLELLAN. I call the Senator's attention to the fact that the bill as now written undertakes to prohibit any limitation being placed on an appropriation by the Appropriations Committee.

Mr. CONNALLY. That is true. But we then come to the next section, which authorizes an appropriation of $300,000,000, with no strings attached.

Mr. McCLELLAN. It might be well to strengthen the bill again at that point. I am not objecting.

Mr. CONNALLY. That is what I am trying to do. I have endeavored to find the best way of doing it. I cannot guarantee it will be 100-percent perfect. When the appropriation comes before the Senate, there will be a fight on it. But we know that if we pass the pending measure, there will be limitations of some kind offered on the floor at every session of the Congress.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Ohio.

Mr. TAFT. I have every sympathy with the purpose the Senator seeks to accomplish through the amendment. We endeavored to write everything into the bill we could. However, it seems to me the Senator has perhaps suggested another provision which may make it

still stronger and which may possibly—though I do not venture to predict—make a limiting amendment subject to a point of order, at least in the House. It is more difficult, under our rules, to do that in the Senate if a bill has actually been reported. Certainly, so far as I am concerned, and subject to approval by the Senate, I should be willing to accept the Senator's amendment. It is absolutely in line with what we tried to do in section 2, and is certainly in accord with the general purpose which influenced me very strongly in sponsoring the bill.

Mr. CONNALLY. I thank the Senator.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Virginia.

Mr. BYRD. I may say to the Senator from Texas that I am in accord with the amendment, but let me call attention to the fact that what we must do is to amend the rules of the Senate.

Mr. CONNALLY. The Senator is on the Rules Committee. I hope he will see that that is done.

Mr. BYRD. I am not on the Rules Committee now. This would have no effect so far as the Senate rules are concerned, because the Senate rules provide that an appropriation may be limited. It would be necessary to amend the Senate rules in order to make this effective.

Mr. BARKLEY. Mr. President, if the Senator will yield, that raises the question of whether the rules of the Senate can take priority over a law enacted by Congress, which otherwise might have the effect of nullifying the rules.

Mr. CONNALLY. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McMAHON. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The Chief Clerk read the amendment, as follows:

1. On page 15, amend section 4 (A) to read as follows:

"Multiply (a) the number of pupils in average daily attendance at public elementary and public secondary schools, as determined on the basis of reports submitted by the State for such purpose, for the third calendar year next preceding the year in which ends the fiscal year for which the computation is made by (b) $45."

2. On page 16, amend section 4 (C) to read as follows:

"Subject to the succeeding provisions of this section, the amount of the Federal allotment for any State shall be (a) the amount, if any, by which the amount calculated under paragraph (A) exceeds the amount calculated under paragraph (B) with respect to such State, or (b) $5 multiplied by the number of pupils in average daily attendance at public elementary and public secondary schools in such State, as determined under paragraph (A), whichever is greater."

3. On page 19, amend section 6 to read:

"In order more nearly to equalize educational opportunities, the funds paid to a State from the funds appropriated under section 3 of this act shall be available for disbursement by the State educational authority, either directly or through payments to local public-school jurisdictions or other State public-education agencies, for any current expenditure for elementary or secondary public-school purposes."

4. On page 25, after line 21, add two definitions to section 9:

"(G) The term 'number of pupils in average daily attendance at public elementary and public secondary schools' means the aggregate days of attendance by pupils regularly enrolled in such schools during the school year divided by 175.

"(H) The term 'public elementary and public secondary schools' means tax-supported elementary schools and high schools at least 90 percent of whose pupils are in full-time attendance, and, in the case of secondary schools, at least 50 percent of whose graduates are under 18 years of age at the time of graduation, and which are under the control and direction of the State or a local subdivision thereof."

At the end of the bill, add title II, to read as follows:

"TITLE II—ASSISTANCE TO NONPUBLIC TAX-EXEMPT SCHOOLS OF SECONDARY GRADE OR LESS FOR NECESSARY TRANSPORTATION OF PUPILS, SCHOOL HEALTH EXAMINATIONS AND RELATED SCHOOL HEALTH SERVICES, AND PURCHASE OF NONRELIGIOUS INSTRUCTIONAL SUPPLIES AND EQUIPMENT, INCLUDING BOOKS

"APPROPRIATIONS AUTHORIZED

"SEC. 201. For the purpose of reimbursing nonpublic tax-exempt schools and school systems of secondary grade or less for not to exceed 60 percent of their actual expenses incurred in providing (a) necessary transportation of pupils, (b) school health examinations and related school health services, and (c) purchase of nonreligious instructional supplies and equipment, including books, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1949, and annually thereafter, the sum of $5,000,000, to be apportioned to the States in the proportion that the number of pupils in average daily attendance at nonpublic tax-exempt schools of secondary grade or less bears to the total number of such pupils in all the States.

"CERTIFICATION AND PAYMENT

"SEC. 202. At the beginning of each fiscal year the Commissioner shall certify to the Secretary of the Treasury the amounts apportioned under this title to each State which has agreed to accept the provisions of this title and to disburse the funds received for the purposes set forth in section 201 to nonpublic tax-exempt schools of secondary grade or less. The Secretary shall, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the treasurer or corresponding official of such State the amount so certified as soon after the 1st day of September as may be feasible beginning with the fiscal year for which appropriations made under the authorization of this title become available. Each such treasurer shall account for the moneys received as trustee and shall pay out such funds only on the request of the State educational authority: *Provided, however,* That if in any State the State educational authority is not permitted by law to disburse the funds paid to it under this title to nonpublic tax-exempt schools in the State, the Secretary shall withhold the funds apportioned to any such State, said funds to be disbursed by the Secretary directly to such nonpublic tax-exempt schools and school systems of secondary grade or less as have been certified by the Commissioner to be entitled to receive the same in such States.

"AVAILABILITY OF APPROPRIATIONS

"SEC. 203. In order to qualify for receiving funds appropriated under section 201 hereof a nonpublic tax-exempt school or school system shall annually submit to the State educational authority, or in the case of States not permitted by law to administer the provisions of this title, to the Commissioner, (a) an application for funds in reimbursement for not to exceed 60 percent of the actual expenditures incurred during the next preceding fiscal year for the purposes specified in section 201; (b) a report of the number of pupils in average daily attendance during the fiscal year for which the reimbursement is claimed; (c) an agreement to permit an inspection or audit of its accounts of expenditures made for the purposes specified in section 201 either by the State educational authority or by the Commissioner, as the case may be.

"DEFINITIONS

"SEC. 204. As used in this title—

"(a) The term 'State' means the several States, the District of Columbia, Alaska, Hawaii, and Puerto Rico.

"(b) The term 'number of pupils in average daily attendance' means the aggregate days of attendance by pupils regularly enrolled in nonpublic tax-exempt schools of secondary grade or less during the school year divided by 175.

"(c) The term 'schools of secondary grade or less' means elementary schools and high schools at least 90 percent of whose pupils are in full-time attendance and, in the case of high schools, at least 50 percent of whose graduates are under 18 years of age at the time of graduation.

"(d) The term 'nonpublic tax-exempt schools' means any private school exempt from taxation under section 101 (6) of the Internal Revenue Code, as amended.

"(e) The term 'State educational authority' means, as the State legislature may determine, (1) the chief State school officer (such as the State superintendent of public instruction, commissioner of education, or similar officer), or (2) a board of education controlling the State department of education; except that in the District of Columbia it shall mean the Board of Education.

"(f) The term 'related school health services' means services of physicians, dental hygienists, nurses, nutritionists, and similar health-service personnel employed by the school authorities to provide preventative and diagnostic health services, other than actual medical, surgical, or reparative dental treatment."

Mr. TAFT. Mr. President, I should like to say a brief word, with the consent of the author of the amendment, as to what the situation is regarding private and parochial schools. The issue is really a very narrow one. The Supreme Court has, in effect, said that we cannot appropriate any money for education in sectarian schools. The court has not ruled so clearly, however, on certain incidental services. There are 19 States which provide bus transportation for students attending parochial schools. That does not involve any considerable expense. Practically the regular busses are used to pick up the Catholic children as they go along the road. There are five States which give aid toward furnishing free school books, which, to some extent, reach those children. There are some health services. Personally, I think health services belong in a health bill, and not in the bill which is under consideration. It might be said that in some States they are considered school services. What the bill provides is that in cases where States provide such services they may use Federal funds to supplement their own money in connection

with the services. The Senator from Missouri [Mr. DONNELL] attempted to prevent the 19 States to which I have referred from using Federal funds for such purposes.

The amendment just offered has, in effect, the opposite result. It provides that in the other 29 States we must give Federal money for those services, although the people in those States have not approved such a course as a matter of State policy.

It seems to me we can be safe only if we hew to the middle line proposed by the bill, namely, that we reject the amendment offered by the Senator from Missouri [Mr. DONNELL] and also reject the amendment offered by the Senator from Connecticut [Mr. MCMAHON], because in that case we shall leave it to each State to decide what its educational policies shall be in the very narrow field of certain supplemental services.

That seems to me to be fair and in accordance with the idea of the bill. We should not interfere with States which do not want to give these services and which have disapproved of them in many cases. We should no more force States to give them than we should prevent the States that want to give them from so doing. That is what we decided in the case of the Donnell amendment.

So, Mr. President, I oppose this amendment as I opposed the other amendment. I wanted to state my position today. I understand the Senator from Connecticut [Mr. MCMAHON] wishes to present the case more fully tomorrow. I only wanted to analyze the situation as I see it as to why the position taken by the committee would simply leave to each State the decision of the question.

Mr. WHERRY. Mr. President, as indicated by the distinguished Senator from Ohio, the arrangements are that the pending question shall be the so-called McMahon amendment when we take a recess until tomorrow. That amendment will be the pending business when the Senate reconvenes.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, I want to call the attention of the Senate to two statements which appear in the CONGRESSIONAL RECORD for last week. One appears in the RECORD for Tuesday, March 23, beginning on page 3319, and the other appears in the Appendix of the RECORD, beginning on page A1758.

Both of these statements refer to the firm of Dillon, Read & Co., and one refers specifically to the Secretary of Defense, James Forrestal. In addition, a Member of this body, the Senator from Idaho [Mr. TAYLOR], recently wrote a letter to President Truman on the same subject.

While, as the Senate well knows, I have at times been critical of the Military Establishment, nevertheless I think that there is an issue of fair play involved here—and I also feel that this body, and the country at large, deserves to have accurate facts on any association the Secretary of Defense may have, or may have had, with the firm of Dillon, Read & Co.

Accordingly, I wish to read into the RECORD the following statements, which were made by the Senator from Maine [Mr. BREWSTER], and Secretary of Defense Forrestal in the course of a recent hearing on Saudi Arabian oil, which the Senate War Investigating Committee conducted on January 29 and in which I participated. The statements to which I refer read as follows:

Senator BREWSTER. I think I should ask you this, Mr. Secretary, probably for yourself as well as for the record, because there has been some intimation as to your association with the oil business, and I would be glad to have your statement regarding that, so that there need be no question as to precisely the situation.

Secretary FORRESTAL. I would be very glad to furnish your committee with a list of my investments.

Senator BREWSTER. No; I did not have reference to that.

Secretary FORRESTAL. My associations otherwise?

Senator BREWSTER. Have you not seen any suggestion regarding that; it was as to your activities in private business and former connections with some of these companies here concerned?

Secretary FORRESTAL. I was employed by the firm of Dillon, Read & Co., from 1915 to 1923, and became a partner in 1923. During that period, and from then on, I think that my firm financed, either through the sale of bonds or stock, the securities of the Standard Oil of California, of the Union Oil of California, the Amerada Corp., and Royal Dutch at one time, and the Texas Co. That, I think, is all. I will check my records and let you have any additional ones.

Senator BREWSTER. I thought it would be well to have that.

Secretary FORRESTAL. I should add to that, although it may be gratuitous, that my association with the firm of Dillon, Read & Co. ceased as of the year 1940, at which time I withdrew the capital I had in that enterprise, and obviously withdrew from any sharing in its earnings.

Senator BREWSTER. So that we have the benefit of your knowledge regarding petroleum acquired in your earlier experience but without any impairment of your interest in the public welfare, as the result of any private connections.

Secretary FORRESTAL. I hope that is true, Mr. Chairman.

Senator BREWSTER. I gather that it is.

Mr. PEPPER. I simply wanted those facts, which I thought were pertinent to discussions which have been had in the public press, to be made of public record.

MONOPOLY AT ALASKA'S THROAT—ARTICLE BY RICHARD L. NEUBERGER

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD an article which appeared in the latest issue of the Nation, entitled "Monopoly at Alaska's Throat," by Richard L. Neuberger. I offer the article with the recommendation to the Senate Committee on Interstate and Foreign Commerce that that committee proceed without delay to make inquiry into allegations set forth in the article, because if such an inquiry supports the allegations, no time should be lost in taking the necessary steps to correct the situation which Mr. Neuberger points out in his article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MONOPOLY AT ALASKA'S THROAT

(By Richard L. Neuberger)

SEATTLE, March 2.—Monopolies are now an announced target of the administration. One of the worst should be easy to hit in a fatal spot. This is the Alaskan shipping monopoly, which drains the Territory's pioneer economy by levying the highest ocean freight rates charged by any ships under the American flag. Of all monopolies it is the most vulnerable to administration attack because it operates under the approval and protection of the Federal Maritime Commission. Indeed, the Commission could end it tomorrow—and a majority on the Commission are President Truman's appointees. If the administration wants to do something about monopoly, the tight little monopoly which dominates Alaskan shipping to the detriment of Alaska is the place to begin.

Living costs in Alaska are from 38 to 116 percent higher than in the United States, according to the distance from Seattle. Freight rates are behind these sky-high inflationary prices. It costs $26 to ship a ton of fresh vegetables the 1,400 miles from Seattle to the Alaskan port of Cordova; the rate from San Juan to New York City, an equal distance, is $10.80.

The benefits from these exorbitant Alaskan rates are confined virtually to one Seattle family. In 1946 Congress authorized a lavish North Pacific shipping subsidy: Government vessels could be rented for $1 a year, with free hull insurance included. The Maritime Commission then decided that Gilbert W. Skinner was to be the principal beneficiary of this Federal largess. Three companies were chosen to receive the subsidy—Alaska Steamship Co., Northland Transportation Co., and Alaska Transportation Co., all based in Seattle. Skinner, Seattle's leading salmon broker, is president of Alaska Steam, and he and his son control two-thirds of Northland Transportation. Alaska Steam and Northland were to operate 21 boats, Alaska Transportation 4. Only Alaska Steam was authorized to call at the main Alaskan ports of Seward and Whittier, where all freight for the vast interior is discharged.

Many generations of Americans have dreamed of the development of Alaska. In the last speech he ever delivered standing on his feet Franklin D. Roosevelt, from the bridge of a destroyer, prophesied the opening of a new land of opportunity in the north. Instead, Alaska has been garroted in a collar of high freight rates fitted by this one-family shipping monopoly—a monopoly established with the connivance of the United States Government.

Only Alaska Steam can put in at Kodiak Island. Residents of Kodiak pay $27 a ton to get washing machines, radios, and fresh meat transported from Seattle, though Mr. Skinner's friends in the salmon industry can send their product to Seattle for only $12. "High transportation rates are responsible, more than any other one factor," declares George Sundborg, manager of the Alaskan Development Board, "for the economic backwardness of Alaska and for a cost-of-living level so high as to discourage settlement and make colonization impossible."

A 33-year-old veteran of Grenfell's Labrador expeditions named Phil Briggs thought he had the answer. He would take cargo out of the British Columbia seaport of Prince Rupert, 700 miles north of Seattle. During the war, when Japanese troops crouched in the Aleutians, the American Army developed Prince Rupert as its chief Alaskan supply base. Briggs would haul an automobile from

Prince Rupert to Petersburg for approximately half the toll from Seattle.

Clearly this was a threat to Skinner's supremacy in Alaskan waters, and the Maritime Commission sprang to his aid. Although Congress had made the North Pacific subsidy available to any American-flag line, and Briggs was operating under the Stars and Stripes, the Maritime Commission barely acknowledged his letter requesting participation in the subsidy. This meant that Briggs would have to buy his own boats and carry his own hull insurance—and compete against companies getting both items out of the United States Treasury. Small wonder that since the Briggs episode the President's professions of sympathy for small business are greeted somewhat cynically in Alaska.

Canadian vessels operating out of Prince Rupert might crack the Skinner monopoly except for one fact. A clause in the Maritime Act denies Alaskans the right to use Canadian ships for freight or passenger service between Prince Rupert and Alaska. Since American ports on the Great Lakes and the Atlantic are free to use Canadian shipping, this is direct discrimination against Alaska, and Senator BUTLER, of Nebraska, and Delegate BARTLETT, of Alaska, have introduced legislation to end it. The Maritime Commission has advised against passage of the Butler-Bartlett bill. This advice was done up in the familiar patriotic wrappings: The American merchant marine must not be imperiled. Although Canadian boats seem to constitute a threat to American interests, the Maritime Commission says nothing about Gilbert W. Skinner's operation of the yacht *Corsair* under the flag of Panama as a luxury cruise vessel.

The United States Supreme Court has ruled that if Alaska were a State, the law denying its people the use of Canadian ships would be unconstitutional. Only a territory may be thus discriminated against. This may explain why Seattle business interests favor statehood for Hawaii but not for Alaska. Even the State of Washington's leading Democrats, Senator MAGNUSON and Governor Wallgren, oppose statehood, unwilling to help Alaska wrest itself loose from the clutch of Seattle shipping companies.

With the collaboration of the Maritime Commission, Skinner and his associates juggle rates to fit their own convenience. Not long ago Alaska Steam reduced by 75 percent the freight on insulating cork. The Alaska Development Board contends this was done primarily because Skinner and his partners are constructing a cold-storage plant on the Alaskan peninsula. On the same day that it lowered the rate on cork, Alaska Steam hoisted the freight on flour to Fairbanks from $2.33 a hundredweight to $3.81. Fairbanks housewives, when they buy bread, are subsidizing Skinner's cold-storage plant.

During the war Alaskans noted that the many congressional committees which visited the Territory, if they came by sea, almost invariably traveled on Canadian boats because they furnished better service, food, and accommodations than the American boats. Congress and the Maritime Commission have teamed up to deny these amenities to the people of Alaska. "Federal law keeps out Canadian competition," says Gov. Ernest Gruening. "By restricting the subsidy, the Maritime Commission keeps out United States competition. Alaska is left to the mercy of the Seattle companies, which really means Gilbert W. Skinner and his enterprises."

American voters should know how an agency of their Government helps to keep Alaska wilderness. A cannery at Kodiak pays $10 a ton in freight tolls on wire to repair its salmon traps. A homesteader on the same island pays $17 freight on a ton of wire to string a fence. The average Alaskan family must spend approximately $450 a year in ocean freight on its food alone.

A group of ex-GI's hopefully founded a cooperative colony at Chilkoot Barracks, Alaska's oldest military post. They were acclaimed in many periodicals as twentieth-century pioneers. They planned to establish a shipping service between Juneau, the Alaskan capital, and Haines, a port leading to the famous Alcan Highway. Today the colony is falling apart. Its 30-year-old founder, Steve Larsson Homer, is night clerk in a dingy hotel in Portland, Oreg. "We had a natural transportation route to the Alaskan interior," he said. "But the lumber companies wouldn't give us a contract to transport their products. They said they were afraid Alaska Steam would learn of it and refuse to serve them. They said they were at the mercy of Alaska Steam."

Alaska Steam fares well with the generous Federal subsidy. During a 4-month period its revenues was $5,400,000 and its operating expenses $3,700,000. As long as the Maritime Commission refuses to honor subsidy requests from American companies based at Portland or Prince Rupert, Seattle steamship corporations can deal with Alaska as cavalierly as they wish. Rates are hiked summarily; boat schedules altered overnight.

In 1946 a strike of A. F. of L. checkers shut down the port of Seattle for more than 70 days. Alaskan hospitals ran out of drugs and had no fuel oil on days when it was 50 degrees below zero. Alaskan children had no Christmas toys. The Maritime Commission was quick to hoist antilabor pennants, forgetting that it was responsible for the lack of alternative shipping routes through Portland and Prince Rupert.

Many devices are employed to keep Alaska in the grip of one of the tightest existing monopolies. Statehood would give Alaska two Senators acting in Alaska's interests. Recently a prominent Alaskan, heading the Alaska delegation to a Pacific Northwest chamber of commerce conference on Alaskan problems, said the people of the Territory did not really want statehood, in spite of a decisive referendum favoring statehood more than a year ago. The prominent Alaskan turned out to be a resident of a fashionable Seattle suburb.

To break the grip of the shipping monopoly on Alaska, only two steps are required: (1) Make Canadian ships available for the Alaskan trade; and (2) extend the Federal subsidy to companies operating out of Portland and Prince Rupert. The Maritime Commission can recommend the first step to Congress. It can undertake the second step itself. It can also give permission to some operator besides Gilbert W. Skinner to serve the ports on the Gulf of Alaska. So long as the commission supports the shipping oligarchy to which it has delivered over the people of Alaska, it is hard to take at face value the many strictures against monopoly contained in the President's message on the state of the Union.

AMERICAN TRUSTEESHIP SUGGESTION FOR PALESTINE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as part of my remarks a statement by the Australian Minister for External Affairs on American trusteeship suggestion for Palestine, and I recommend that it be carefully considered, not only by Members of Congress but by the State Department and by the delegation of our country at the United Nations itself, because I think there can be no question that we need more facts than those which have been given to us to date in regard to our Government's position on the Palestine issue. As I said a few weeks ago, if we made a mistake on the merits of partition we should reconsider our position. But thus far I have been able to reach no other conclusion on the basis of such information as has been supplied to me to date, than that the position of our Government is not one on the merits or demerits of partition, but only on the question as to whether enforcement of partition might endanger peace.

I submit that the United Nations can never survive as an instrumentality for maintaining peace if it ever proceeds to function on the basis of the proposition that when any country or any group of countries threatens the peace by a refusal to comply with a decision of the United Nations, we shall then reverse our position on that decision. I repeat the same position I took 2 weeks ago, that if on the merits of partition the United Nations should reconsider I am willing it should reconsider, but if all our State Department and our delegation in the United Nations offers us is a suggestion for trusteeship on the basis that to insist that partition may endanger the peace, then I think if we are to have international government by law we are going to have to meet that issue of enforcement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE AUSTRALIAN MINISTER FOR EXTERNAL AFFAIRS, DR. H. V. EVATT, ON AMERICAN TRUSTEESHIP SUGGESTIONS FOR PALESTINE

The following is the text of a statement made at 11 p. m. Monday, March 22, 1948, by the Australian Minister for External Affairs and Deputy Prime Minister, the Right Honorable Dr. Herbert V. Evatt:

"Decisions of a competent international conference should be accepted after there has been full inquiry and fair debate and a just settlement has been reached. Accordingly any setting aside of the United Nations Assembly decision on Palestine must be closely scrutinized. It is impossible to examine the new plan in detail because nothing definite is known about it. It is said the 'trusteeship' will be the new solution. But the word itself is ambiguous. What does it mean? It certainly seems to imply that the peoples to be placed under trusteeship are not sufficiently advanced for self-government. Such a suggestion would seem to be untenable in relation either to the Palestinian Arabs or to the Palestinian Jews. If however what is now proposed is a temporary United Nations trusteeship merely for the purpose of carrying out the Assembly's decision it would be a very different matter. But is that intended? The final decision was reached in December last after two General Assemblies had dealt most carefully and exhaustively with the matter after all parties were heard and after a special commission involving very heavy United Nations expenditure had visited Palestine and reported in favor of the principles of the plan ultimately adopted in the Assembly. The plan adopted is inappropriately labeled 'partition' because it involves four separate points: First, economic union of the whole of Palestine under the control of an authority with a majority of United Nations membership; second, political division of Palestine into two new states, Jewish and Arab; third, United Nations trusteeship over Jeru-

salem and Bethlehem; and fourth, full safeguards for the holy places and especially for the Christian churches throughout the whole of Palestine. The only alternative plan suggested to the Assembly was to establish a unitary state under Arab domination with no adequate safeguards for the protection either of the Jewish people or of the Christian churches. This alternative was plainly inadmissible and was rejected by an overwhelming majority. The United Nations decision was reached by more than a two-thirds majority, the only dissentients being the Arab States and certain nations very closely associated with them. The decision was a just and impartial one and must not be lightly set aside.

"The United Nations did not intermeddle in the Palestine matter. It intervened only after the United Kingdom Government had especially requested the United Nations Assembly to handle the matter as all previous efforts at reconciliation between the Arabs and Jews had entirely failed. At the United Nations the British Government did not itself propose any solution and announced it would accept the United Nations decision. In these circumstances Canada, Australia, South Africa, and New Zealand all supported the proposal finally adopted. After all that had occurred to throw the solution into the melting pot again may be very damaging to the authority of the United Nations. It has been contended that the enforcement of the Assembly's decision is not possible. Had the great powers who supported the proposal at Lake Success, N. Y., adhered firmly to it there probably would have been little difficulty. In any event under the Assembly's decision the new Jewish State and the new Arab State was each to be entitled to establish its own militia forces for the defense of the new territory and this decision clearly carried with it the right of Jews as well as Arabs to import arms and equipment for the purposes of defense. It is impossible to pass final judgment on the new proposal because no one has explained it as yet. I was chairman of the committee which worked assiduously to obtain a just solution. The committee repeatedly modified its proposals at the suggestion of the mandatory power in order that the United Kingdom should be able to withdraw its forces after its long, its thankless, but on the whole, successful development of the Palestine area since it was captured from the Turks by the British and Australian forces in 1918.

"In my opinion, the United Nations decision has been gradually undermined by intrigues directed against the Jewish people. It would be little short of a tragedy if the fundamental rights of self-government were to be denied to both the Jews and Arabs as it is guaranteed to them under the Assembly decision just as religious freedom is also guaranteed to the Christian churches throughout Palestine. The only considerations that influenced the United Nations Assembly were those of justice and fair dealing to all concerned. It would be most disturbing if mere considerations of power politics or expediency were allowed to destroy the decision. However, if a special United Nations Assembly is called it is hardly likely to accept any plan which involves the annihilation of the previous decision unless new facts of overwhelming cogency are proved to exist.

"I need hardly add that under the United Nations Charter the Security Council has no power whatever to overrule the recommendation of the Assembly."

AUTHORIZATION FOR SIGNING, ETC., OF RUBBER ACT OF 1948

Mr. WHERRY. Mr. President, I ask unanimous consent that the Secretary of the Senate may receive a message from the House of Representatives on the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, as the law will expire tonight. I further ask that the President pro tempore may sign the enrolled bill during the recess following the session today.

The PRESIDING OFFICER. Without objection, the order is entered.

RECESS

Mr. WHERRY. Mr. President, before moving a recess I should like to announce for the record that it is the intention to attempt to conclude the consideration of the pending bill, the Federal aid to education bill, by tomorrow night. There is still to be considered one amendment, possibly there are two or three, and it is the hope to get them out of the way first, because there will be Senators who would like to speak on the bill as it shall have been amended, if it shall be amended. I wish to state for the record, and bring to the attention of Senators, that it is possible there will be record votes on one or two or three of the amendments tomorrow afternoon.

I now move that the Senate take a recess until tomorrow at noon.

The motion was agreed to; and (at 5 o'clock and 4 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 1, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 31 (legislative day of March 29), 1948:

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY IN THE ARMY NURSE CORPS AND THE WOMEN'S MEDICAL SPECIALIST CORPS

To be captains

Inez I. Baum, WMSC (PT), M443.
Olga S. Heard, WMSC (Diet.), R75.

To be first lieutenants

Phyllis D. Barsh, ANC, N773722.
Roberta Broyles, ANC, N790616.
Catharine A. Burgmeier, ANC, N779920.
Kathleen R. Creech, WMSC (Diet.), R648.
Evelyn C. Ekstrom, ANC, N754110.
Virginia M. Elder, ANC, N723862.
Ruth M. Engel, ANC, N778098.
Juanita E. Fannin, ANC, N768913.
Lu Gomez, ANC, N788919.
Lulu J. Hartman, ANC, N768377.
Mona O. Hetland, ANC, N777355.
Elizabeth A. Hughes, ANC, N745171.
Esther M. Knoedler, ANC, N732206.
Jean M. Lang, ANC, N721159.
Edna H. Livaudais, WMSC (PT), M1232.
Helen Logan, ANC, N787308.
Frances A. Lusas, ANC, N751622.
Rose M. MacKellar, WMSC (Diet.), R190.
Ethel S. Madden, ANC, N785083.
Ann Markey, ANC, N731072.
Alice M. McDowell, ANC, N768192.
Agnes L. Miller, ANC, N727259.
Alyce G. Milne, WMSC (OT).
Nadine A. Neisig, ANC, N772760.
Rita M. Pfeiffer, ANC, N773595.
Edna L. Phariss, ANC, N732558.
Mary E. Pierce, ANC, N728765.
Olie B. Reed, ANC, N724951.
Margaret J. Rice, ANC, N759617.
Helen A. Rydzewski, ANC, N755886.
Edythe B. Sanborn, ANC, N752594.
Catherine E. Sanford, ANC, N723466.
Dorothy F. Shaw, ANC, N783003.
Barbara M. Short, ANC, N775527.
Carol V. Smith, ANC, N775342.
Virginia L. Smith, ANC, N773897.
Betty J. Snyder, WMSC (PT), M2496.
Doris M. Vance, ANC, N732635.
Tannie E. Westmoreland, ANC, N764987.
Mary W. Wilborne, ANC, N759122.

To be second lieutenants

Gloria F. Coradi, ANC, N754740.
Frances A. Foley, ANC, N792054.
Marjorie A. Mell, WMSC (OT).
Miriam A. Schulz, ANC, N796722.
Gisela M. Zernick, ANC, N800184.

WITHDRAWALS

Executive nominations withdrawn from the Senate March 31 (legislative day of March 29), 1948:

POSTMASTERS

Mrs. Wilberta G. Silveira to be postmaster at Searchlight, in the State of Nevada.

Clarence K. Kratz to be postmaster at Silverdale, in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 31, 1948

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal and ever-loving Father, we praise Thee, we magnify Thee, we give thanks unto Thee for Thy great glory. It comforts us to know that when wicked men seek to destroy the blessings that are dear to the human heart Thou dost ever uphold the order of this world.

O give us minds to understand that by our endeavors and generosity the welfare and peace of all men are advanced. Stay Thou the injustice that binds heavy burdens upon the weak and cruel wrongs upon the innocent. For hesitation, give us insight; for prejudice, give us open minds; from spiritual bondage, give us a blessed relief.

Therefore, my beloved brethren, be ye steadfast, unmovable, always abounding in the work of the Lord, forasmuch as ye know that your labor is not in vain in the Lord. Through Jesus Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2393. An act to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5314) entitled "An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes."

EXTENSION OF REMARKS

Mr. DAGUE asked and was given permission to extend his remarks in the

RECORD and include a radio address recently delivered by Hon. ABE MCGREGOR GOFF.

DISMANTLING OF GERMAN INDUSTRY

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, although there has been widespread speculation in this country as to why the German dismantling program would continue in spite of the widespread outcry against it, it does continue. The 500 plants which are still left on the list to be dismantled can yet be saved. And European recovery cannot occur without them.

Most branches of American public opinion, and foreign opinion as well, have gone on record in favor of a more sensible treatment with regard to our former enemies. There will be no peace if we continue to maintain a persecution complex. Fortunately such widely divergent groups as the NAM, the United States Chamber of Commerce, the CIO, and the A. F. of L. are in agreement. They are all in concert because they are proud of, and solicitous for, the international good name and economic welfare of the United States, and they know that it is neither good publicity nor good business for us to run the Reich as a combination penal colony and economic slum.

From the economic point of view, the A. F. of L., in the words of President William Green, states the case:

If we consider the problem of steel shortage on a western European basis, the first obstacle to increasing output quickly is the program for dismantling plants earmarked for reparations. But, put into operation in their present place, they would get European economy under way more economically and expeditiously. Time is a vital factor for the success of this undertaking.

EXTENSION OF REMARKS

Mr. OWENS asked and was given permission to extend his remarks in the RECORD and include an article from the Chicago Daily Tribune dated March 19, 1948.

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. O'HARA asked and was granted permission to extend his remarks in the RECORD.

THE LATE KNUTE ROCKNE

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'HARA. Mr. Speaker, 17 years ago today, near the little village of Flint, Kans., a plane crashed to earth. A newsboy in Atlanta, Ga., that late afternoon gathered his armful of papers and flung them conveniently on the pavement and sat down to select a suitable scarehead to attract purchasers. He read the mass of letters of the headline: "Rockne dies in plane crash." He read no more. Half blind with tears, forgetting his supply of papers, his precious wealth of the day, he staggered away. His idol was dead. The bottom had dropped out of the world for him. So had it for millions of others.

It is an amazing tribute to Rockne the man and Rockne the football coach that, though it is 17 years since that fateful crash, he not only still lives in the heart of Notre Dame and football's hall of fame, but likewise as an inspiration to the youth of this country. Unquestionably football lost its greatest leader and personality.

"Rock," as he was known to his boys, was not just a teacher of football and the physical side of athletics. He instilled the intellectual and moral values into athletics. He taught his players that sports were something clean and elevating and that clean living and straight thinking were the important parts of victory.

In my lifetime I have seen and heard speak many of the great world personalities, but to me the outstanding one was the immigrant Norwegian boy named Rockne.

The great tragedy of Rockne's death has been suffered by the youth of America for the tremendous influence for good which he exerted upon them. Rockne was, above everything else, a builder of men.

SPECIAL ORDER GRANTED

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent that after the business of the day and any other special orders heretofore entered I may address the House today for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION TO EXTEND REMARKS AT THIS TIME

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, the subcommittee of the House Committee on Public Works are presently holding hearings on the disposal of temporary housing constructed under the Lanham Act of 1940, H. R. 5710.

Paul V. Betters, executive director of the conference, informs me that at the recent annual conference of the United States Conference of Mayors held in New York City on February 18, 1948, this conference went on record by resolution to the effect that—

RESOLUTION PASSED BY UNITED STATES CONFERENCE OF MAYORS, FEBRUARY 18, 1948

TEMPORARY HOUSING

Whereas the Director of the Public Housing Administration is proceeding to dispose of war housing, both that classified by them as temporary and permanent, in cities throughout the country; by sale of such housing for off-site removal and sale on site for occupancy; and

Whereas the Public Housing Administration feel they have a mandate from Congress to dispose of such housing as expeditiously as possible, based upon the Lanham Act as last amended in July 1943; and

Whereas these housing units were originally contemplated as temporary shelter, required in certain areas, to further the national defense during the war period and for the duration of the emergency, and not as a permanent subdivision development; and, as such, should be considered as an expendable byproduct of the war; and

Whereas the imperative need of all cities is for low rental housing, and it is the belief of this conference that the community's interest and well being should receive precedence over recovery value to the Federal Government; and

Whereas, international developments presage the continuation of an implied emergency period; and

Whereas these housing projects are operated on a low-rental basis that still results in a high rate of return to the Federal Government; and

Whereas most of this housing was built without regard to local building codes, and in its present status does not conform, precluding the advisability of annexing or leaving it as a permanent dwelling in the various cities; and

Whereas in the Congress much legislation has been introduced to authorize Government participation in low-rental housing construction, and on the other hand the Public Housing Administration is currently proceeding to sell, thereby eliminating all housing under its jurisdiction from the rental market, which is inconsistent with the current needs of the people represented by their officials at this conference: Now, therefore, be it

Resolved by the United States Conference of Mayors, That legislation should be passed by the Congress stopping the sale or disposal of emergency housing built under the Lanham Act, and as amended, by an agency of the Government, until such time as the supply of rental units more nearly equals demand, with such eventual disposal or a plan for such disposal being mutually agreed upon between an agency of the Government and the local governing body of the cities.

EXTENSION OF REMARKS

Mr. SIMPSON of Pennsylvania asked and was granted permission to extend his remarks in the RECORD and include a list prepared by the United States Tariff Commission comparing old and new rates of duty on various tariff classifications.

Mr. MACKINNON asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. RICH asked and was granted permission to extend his remarks in the RECORD and include a letter he received from a constituent in Lockhaven, Pa., on international affairs.

Mr. SHORT asked and was granted permission to extend his remarks in the RECORD and include certain newspaper articles.

Mr. ANGELL asked and was granted permission to extend the remarks which he expects to make in Committee of the Whole and include certain extraneous matter.

Mr. LANE asked and was granted permission to extend his remarks in the RECORD in two instances, in one to include a radio address he intends to deliver over Station WMEX tomorrow and in the other to include a newspaper article.

Mr. WHEELER asked and was granted permission to extend his remarks in the RECORD and include certain excerpts from

the Rehabilitation Service Bulletin published by VFW.

Mr. BUCHANAN asked and was granted permission to extend his remarks in the RECORD in two instances, in one to include an editorial from the New York Times.

Mr. HOPE asked and was granted permission to extend his remarks in the RECORD in three separate instances, in two of them to include newspaper articles.

CALL OF THE HOUSE

Mr. CANFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 33]

Abbitt	Gore	Powell
Andresen, August H.	Grant, Ala.	Rains
	Hendricks	Reed, Ill.
Andrews, Ala.	Jarman	Richards
Bell	Jenkins, Ohio	Rooney
Blatnik	Kennedy	Sadowski
Boykin	Lesinski	Sikes
Busbey	Lewis	Somers
Carson	Lichtenwalter	Stratton
Celler	Lucas	Taylor
Clark	Ludlow	Thomas, N. J.
Coffin	Manasco	Vail
Cravens	Mason	West
Dawson, Ill.	Mitchell	Wilson, Tex.
Dingell	Norrell	Wood
Dirksen	Passman	Zimmerman

The SPEAKER. On this roll call, 377 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

TAFT-HARTLEY LAW

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and to include some radio comments by Mr. George Reedy.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. HARTLEY]?

There was no objection.

Mr. HARTLEY. Mr. Speaker, John L. Lewis, persuaded by a court order, finally put in an appearance before the President's fact-finding board.

This cantankerous gentleman is trying to prove that the Taft-Hartley law is too drastic. On the contrary, he is proving that it is not drastic enough.

The irony of this situation is that this law which Mr. Lewis condemns can provide relief for his United Mine Workers if he is right in his contentions.

Under the Taft-Hartley law, first of all, he could obtain an interpretation of this contract through the courts; and secondly, if, as he alleges, the mine operators have broken this contract, he can take them to court and sue for damages. There is some question in my mind as to whether or not the Taft-Hartley law will prove adequate in dealing with Mr. Lewis or any other person of such arrogance. Therefore, I have just reintroduced language from the original House bill which twice passed this House by an overwhelming majority which would apply the Sherman and Clayton Acts, the antitrust laws, to a labor monopoly in restraint of trade in the same manner as we apply it to a business monopoly.

This strike of the United Mine Workers, and there is no doubt that it is a strike, if continued much longer may have a disastrous effect on our entire economy and even threaten our national safety and security.

I want to show the people of this Nation that its representatives in the Congress are ready to meet this challenge.

RADIO COMMENTARY BY MR. GEORGE REEDY

Last July the always amazing John L. Lewis presented the southern coal operators with one of the most fantastic choices in American history. Either they must break a law clearly spelled out by Congress, or they must close down their mines.

He was allowing no ifs, ands, or buts. Halfway measures were not enough for the shaggy-browed boss of the United Mine Workers. Either they would capitulate or they could go under. He indicated he did not particularly care which course they chose to follow. The law he was asking them to violate was the Taft-Hartley labor law. That law specifically stated that State laws banning closed or union shops would take precedence over any Federal statute.

Lewis was insisting that all operators sign an agreement including a closed-shop arrangement. The law worried him then not in the slightest. As one of his lieutenants put it, the quicker we get that law into the courts and get it tossed out the better.

Just 3 weeks ago today, March 2, to be exact, I called attention to the fact over this microphone that Lewis had never let a year go by without creating at least one crisis. I also pointed out that 1948 promised to be no exception.

I observed also that most of the operators had resigned themselves to a major strike, complete with Shakespearean quotations. And that they were ready for the eyebrow waggling and table thumping that always accompanied a Lewis campaign.

Never let it be said that John L. Lewis is one to disappoint anyone in that regard. A work stoppage in the coal mines is now in its third week. Mr. Lewis, John L., that is, says that no action of his or the United Mine Workers is responsible for it.

Apparently there is no evidence available that he—or the United Mine Workers have. But there is no coal being mined, and your Government, and mine, and John L.'s too, would like his cooperation in getting the matter ironed out.

So, President Truman appointed a fact-finding board to get at the cause of it all. This was in accord with the Taft-Hartley law provisions. Mr. Lewis does not like the Taft-Hartley law, and he has said so. In fact, he called it a slave labor law.

When the Board requested his voluntary appearance before them to acquaint the Board with his story to help them in making their report to the President, Lewis' cooperation was contained in a letter to the Board outlining his disinclination to appear as requested. A subpena was then issued by the Board, requiring his attendance yesterday afternoon at 2 p. m. But evidently that was Mr. Lewis' day to get a haircut or something, for he paid no heed to the subpena either.

So the Board obtained a court order directing Lewis to appear in Federal court at 11 a. m. this morning to explain his stand to a judge. If Lewis fails to show up this morning, however, he may be held in contempt. And the judge can slap on any penalty he sees fit.

If Lewis or his lawyers do appear, a ruling on the fact-finding board's subpena will be made. If it is held binding Lewis will be given a second chance to testify. The second time, however, will be under penalty of contempt.

This is not to comment on the merits of the mine workers' dispute with the operators, if dispute it is. The important thing would seem to be the apparently callous disregard of the processes of the laws of this Nation in times of at least near crisis, by citizens who deem themselves a law unto their own.

It is a strange situation. One that could well make the founding fathers of our Republic rub their eyes with amazement and ask themselves how well they had wrought.

EXTENSION OF REMARKS

Mr. VAN ZANDT asked and was granted permission to extend his remarks in the RECORD in regard to an amendment to the Bureau Budget Act.

Mr. MILLER of Nebraska asked and was granted permission to extend his remarks in the RECORD and include a letter.

Mr. MUHLENBERG asked and was granted permission to extend his remarks in the RECORD and include extraneous matter.

Mr. SCHWABE of Oklahoma asked and was granted permission to extend his remarks in the RECORD in two instances, in each to include a letter from a constituent.

Mr. JAVITS asked and was granted permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. HOFFMAN asked and was granted permission to extend his remarks in the RECORD on three subjects and to include two newspaper articles.

Mr. KEOGH asked and was granted permission to extend his remarks in the RECORD.

Mr. MADDEN asked and was granted permission to extend his remarks in the RECORD and include a newspaper article and a letter.

Mr. CHURCH asked and was granted permission to extend the remarks he expects to make in Committee of the Whole and include certain newspaper items.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that today, after the legislative business and any other special orders heretofore entered, I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to revise and extend the remarks he intends to make in the Committee of the Whole today and include extraneous material.

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance

of economic conditions essential to a peaceful and prosperous world.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 2202, the Foreign Assistance Act of 1948, with Mr. CASE of South Dakota in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday the Clerk had read through section 114 of the committee amendment. Are there any amendments to this section?

Mr. VORYS. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. VORYS: On page 81, line 17, strike out the words beginning with "from" through and including line 19, and insert "for advances made by it hereunder from funds made available for the purposes of this title."

Mr. VORYS. This amendment is a technical amendment made necessary by the fact that the bill provides for financing by both loans and appropriations.

The CHAIRMAN. Without objection, the committee amendment will be agreed to.

There was no objection.

Mr. VURSELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VURSELL: On page 82, line 11, strike out "$4,300,000,000" and insert "$3,000,000,000."

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. VURSELL. Mr. Chairman——

Mr. BENDER. Mr. Chairman, will the gentleman yield to me?

Mr. VURSELL. I yield.

Mr. BENDER. I appreciate the gentleman's yielding to me at this time. We have had ERP for a week, now I would like to announce a little "Burp" after the ERP, for the Cleveland Heights High School Band from my own city will be here at 11 o'clock tomorrow morning on the Capitol steps; and from 11 until 12 tomorrow you will have the finest band concert you ever heard in your life. We have a fine tuba player who will be burping for you for an hour, and you will enjoy it. I hope the wind instruments will be in better tune than they are on the floor today.

Mr. VURSELL. Mr. Chairman, this amendment striking $1,300,000,000 out of the bill will reduce the aid proposed in the bill from $5,300,000,000 for the European recovery plan to $4,000,000,000. It remains at this high level, after the reduction, by reason that $1,000,000,000 has been provided for to be handled through the Import-Export Bank for grants and loans. If we reduce the amount proposed by this amendment the bill will still carry for the children's fund, $60,000,000, for Greece and Turkey $275,000,000, and $570,000,000 for China. With this reduction the bill will still carry an appropriation of $4,905,000,000 in all.

Nearly all of the Members of Congress want to give such support as is necessary to the western European nations and to China as will help those countries from a psychological standpoint and in a material way to encourage them to fight off the rise of communism in such countries. We want to give them such aid as will prevent undue hardship for lack of food and clothing and will help them to rehabilitate their countries. Many of us feel that we cannot vote for the bill in its present form. I believe it would be a wise move on the part of the committee to accept this amendment to reduce the amount by $1,300,000,000.

Mr. Chairman, the best the members of the committee supporting this bill can say for it is, it is a calculated risk. It is my opinion that this bill is not a calculated risk but is the greatest financial gamble ever taken by any government in the world. From my limited study of Europe with the Herter committee, I feel confident that if we reduce the bill by $1,300,000,000 it still will provide $1,000,000,000 more than is necessary for this Nation to make its greatest contribution against the encroachment of communism in western Europe and for the rehabilitation of the countries that really need aid.

There is little question in my mind but that the launching of the Marshall plan asking 16 nations to gather in conference and determine how much aid they needed from the United States was a colossal blunder in the very beginning. Now that the mistake has been made and that the international bankers, exporters, this administration, and the State Department, through the greatest propaganda drive in the history of the Nation have this measure before the House, I think it is incumbent upon the Members of this Congress who are the only representatives the people have, that they try to reduce the amounts, limit the program to 1 year, and set up the best possible management for the program. It will be less disastrous to this country if the Members of this Congress will now take over and have the courage to try to salvage what we can in the interest of our Government and the people.

Mr. Chairman, in the most reckless days of the New Deal through the past 15 years, even such advanced thinkers, liberals, and spenders as Tugwell and Harry Hopkins never dreamed up such a fantastic world-wide WPA as this Marshall plan.

So that the Congress and the American people, if they could have had the truth which they have not had, can better understand the obligations we assume under this plan, let me try to explain it in a few words.

This plan proposes to finance with supplies and materials 16 European nations in a manner to take care of what some of our congressional experts term "European balance of payments." That means, in short, that we propose to furnish to Holland or any other country enough money or supplies to put that country in position to maintain a standard of living equal to or better than they had prior to the war. Those are the deficits or balance-of-payment phrases which have been so glibly used by some Members of Congress. In other words, we pay the deficit for the nation and all of its people and for all of the 16 nations. Only we do not wait till the end of the year. We send thousands of trainloads of food at the expense of the American taxpayers to the various countries as fast as it can be assembled and be shipped out of the country.

The balance of payments have been arrived at in advance by a group of young men, little men, in the State Department averaging between 30 and 40 years of age. Young men, liberal in their thoughts and liberal in contracting for the expenditure of $20,000,000,000 which must come from the toil and sweat and taxes of the American people. Young men who have not had experience in business, none of whom have probably ever had to meet a pay roll. The State Department, or should I say, Bevin and the British politicians, have set the amounts this country should pay and the young men referred to have sought to justify those figures. The Foreign Affairs Committee has only had the menial task of trying to write legislation to provide these amounts and they have done a very good job with the task before them.

Mr. Chairman, all the United States Government has to do is to balance the books to determine at the end of the year whether for those European countries which have not been able to produce, manufacture, and export sufficient amount of goods, in volume and in value, to pay their own way. If they have not, we pay the balance or the deficit. That is what members of the Committee refer to when they talk about deficits or balance of payments. No balance of payment is made to the United States in this entire scheme. All balance of payments is made by the United States to other countries. It is a one-way street.

Mr. Chairman, the United States, when the tornadoes recently wiped out little villages in Indiana and Illinois, does not move in with a balance payment. Whatever the Red Cross does is the only aid our people receive when such disaster hits them. When 111 men were killed in the mine disaster a year ago at Centralia, Ill., and widows and children were left without support, the United States Government did nothing to help. When a man enters business, small or large in the United States, and loses at the end of the year, the Government does not step in and pay the balance.

If this country runs into a depression and we find ourselves with a deficit in the years to come, no government will be kind enough to send in their auditors to determine our deficit or balance and then send us a check or goods to take care of it.

Why not reduce this bill by $1,300,000,000? Why not give some thought today and some encouragement to the people who have trusted us to represent them? Why not make this reduction and probably we can do something in aid for education throughout the Nation. Maybe we can give a little help to the older people who are begging the Congress for relief; maybe we can give the postal and Federal workers who are urging this Congress for an increase in wages to help them meet the high cost of living; maybe, if we can reduce this bill, the thousands of veterans who are writing the Members of this Congress employed in the postal department and trying to maintain a family on $2,100 a year can be given a proper raise in salary.

Mr. Chairman, no Member of Congress, in my judgment, can escape his duty and give a satisfactory explanation to his people if he fails to vote for this reduction. The propagandists have not given the people the truth about this Marshall plan. You can vote to reduce this and when you explain your vote to the people at home they will praise you for taking such action. If we can reduce this to $4,000,000,000 we will at least have saved the people the waste of $1,300,000,000, which can be used in the interest of our own people. I urge the Members to have the courage to stand up and do the thing they know in their own hearts is right.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. VURSELL. Mr. Chairman, I ask unanimous consent to proceed for an additional 3 minutes.

Mr. VORYS. Mr. Chairman, I object.

Mr. VURSELL. Mr. Chairman, I hope the gentleman will not object. This is the first time I have asked for time. It is an important amendment and I hope the gentleman will not object.

Mr. VORYS. Mr. Chairman, I am sorry, I object.

The CHAIRMAN. Objection is heard.

Mr. JONKMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment to reduce the amount, and I shall address myself particularly to the $5,300,000,000 for the European program.

It will perhaps be remembered that on previous occasions I fought very strongly to reduce the amounts that were authorized for foreign aid. In each of those instances I could give a reason for the faith that was in me. It not only proved wastes but requests for authorization which could not be justified and constituted, in fact, operation "rat hole" requests. I offered to reduce the residual-aid bill last spring by $150,000,000, and the argument I made at that time still stands. Last fall, when we had the interim-aid bill before us, I offered an amendment to reduce it by $300,000,000. Every argument I made at that time still stands. However, I feel that in this particular case there are no good grounds for reducing the amount. In this bill I did just as on previous occasions, I asked the State Department to give me a balance sheet showing not only how it arrived at the total, but giving the dollar value of each commodity proposed for each country. This would be altogether too voluminous to analyze before the House. But I want to say that unlike on the three previous occasions I found no items of which I could say that on their face they looked "phoney.'

In the first place, I want to call the attention of the Members of the House to the fact that the amount has already been reduced from $6,800,000,000 to $5,300,000,000, this notwithstanding the fact that word came down from President Truman himself, and also from Secretary of State Marshall, that it should be $6,800,000,000 or nothing.

Now, some of the Members may say that we have correspondingly reduced the duration of this program. Those were the very things that I argued for in the other cases. I said then, "Why not cut off $150,000,000 or $300,000,000, and if they need any more, Congress will be here and can appropriate more." That is the thing that we are doing at the present time. We have said that we will cut it down to $5,300,000,000.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I would like to use my 5 minutes. The gentleman has had his 5 minutes. I think the very fact that the time element has been reduced to a period of 1 year is something that we must not overlook and we can, if more is needed, review what has been done.

Mr. Chairman, I quite agree with those who say that you cannot see at this time what is somewhere near the correct amount that is needed for this program. As has been said so often on the floor, the main method of arriving at the amount is the balance of payments basis. That, of course, gives the Members very little to go by because that takes into consideration just the difference between, or the excess, of imports over exports, and imports may include a lot of luxuries and many things which give no real reasoning as to what is needed. I quite agree that you cannot say at this time whether $3,300,000,000, $5,300,000,000 or $7,300,000,000 is more nearly the correct amount that we should appropriate or authorize in this bill. That is something that cannot be done with any reasonable degree of certainty until the Administrator is appointed and his representatives go into each country and make up their minds as to what is needed to carry out this program. And I want to reiterate that the success of the program will depend almost entirely on the character and capability of the man appointed as Administrator. He should have ample funds; but he should inspire trust that they will not be wasted.

We must remember that this is not a relief program; it is not just a plan to keep people from starving with 1,500 calories a day. This program is far more ambitious. This time we propose to see that people get 3,000 calories a day so they can do a day's work. We propose to get them more raw materials and machinery to increase their production. I do not wish to detract a particle of the credit of our military forces for winning World War II. But all of us have said at some time or other that our production won the war. So to the extent that we get western Europe in production can we count on her as a bulwark against war and a protagonist of peace. In fact, Mr. Chairman, this program is an option on world peace. Already the 16 nations under the impetus of this legislation have shown a cooperative spirit, that since the dawn of history was considered an impossibility. As was said here yesterday, if we do not have the cooperation of these 16 nations in western Europe, and war does come, those who fail to take the precautions that we take at this time will have a great deal to answer for. The purpose of this bill is to perfect cooperation instead of discord between European nations.

Mr. Chairman, I still think that $5,000,000,000 is a terribly large sum of money. But it is true that sums of money are relative. Five billion is less than 2 percent of what it cost us to fight the war. It is 2½ percent of our annual national income. It constitutes 5 percent of the national production of the 16 nations. They themselves will produce the other 95 percent.

If the President appoints a competent Administrator we must accord him sufficient funds to carry out the objectives. Even though this has been called a calculated risk, a gamble, we should bear in mind that as above stated we are taking odds of 1 to 40 or 50 and even more. The amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

REPUBLICAN LEADERSHIP THROWS AWAY THE OPPORTUNITY OF A CENTURY

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have just witnessed the march of the Republican elephant, when it stepped on the gentleman from Illinois [Mr. VURSELL] in its parade down the international avenue toward the economic ruin of the United States.

In fostering this legislation the Republican leadership has thrown away the oportunity of a century.

It makes me think of a crowd down at home watching for a street parade. When it turned the corner it was led by the elephant. A drunken Irishman looked at the elephant and said, "Here comes the whole kaboodle, but backwards."

Your party has reversed its position, and is now going down the road to international ruin for the American people.

The gentleman from Illinois [Mr. DIRKSEN] let the cat out of the wallet on yesterday when he said this fight was started by Peter the Great 200 years ago. This is the Bevin plan. Do not misunderstand it. You would have the same battle if the Czar was reigning over Russia today, you would have the same battle to expend American billions, and American lives, to keep open that commercial line of the old decadent British Empire to the Orient and to keep Russia out of "warm water" in the Persian Gulf.

No man on this floor has fought communism harder than I have; but I would certainly rather see Russia in warm water in that area for the time being than see the American people in hot water for the next generation or two. That is what you are getting us into.

This measure means regimentation. This is the greatest step toward socialism, which is the first long step toward communism, that we have ever taken.

You have just passed the bill extending rent control, that is causing the housing shortage all over the United States.

When you pass this bill, prices are going to spiral as they never have before. That is one reason the big oil companies are so much interested. They want to get as much for oil as possible. The Steel Trust is keeping its steel off the markets today. You cannot get steel for a rural power line because they expect to unload it abroad at your expense. When

this bill passes, you are going to have another price-fixing program. Then you are going to have rationing of purchases. That will mean regimentation for years to come.

In other words, this is the beginning, the first long step toward the economic bankruptcy of America, dragging us down to the socialistic level and the economic level of the poorest nations in the world.

That is what the enemies of American freedom have always sought and always clamored for.

I shall certainly vote for the amendment offered by the gentleman from Illinois [Mr. VURSELL]. I only regret that it is not an amendment to strike out the enacting clause and let this bill go dead.

The distinguished gentleman from Ohio [Mr. BENDER] arose a while ago and paraded the fact that a band from Ohio is going to come down here and visit the Capitol. He had better thank his God it is not the voters of Ohio coming down here and looking in and finding out just what is going on.

We have gone through two world wars and I have seen the fathers and mothers and their sons in the great sorrow and sacrifice that they made. Those boys are buried all over the world today. The internationalists have clamored for years and years and years to drag us into this very situation.

I told President Roosevelt in 1939, and I say to you now, that with the proper statesmanship we could have kept England, France, and the United States out of this last war, and let Germany and Russia fight it out or frown at each other for the next two or three generations.

But our superinternationalists chose a different course, which left us with an enormous casualty list, and with a national debt that it will take us a hundred years to pay.

Now these same internationalists propose to add this burden to the load of the already overburdened taxpayers of this country, together with all its promises of poverty, bankruptcy, and regimentation that may last for generations to come, and from which this Nation may never recover.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. CHADWICK. Mr. Chairman, I move to strike out the last word. I rise in opposition to the amendment.

Mr. Chairman, I had not thought to speak on this bill. I have addressed the House on but few occasions, but that is not because of a lack of understanding of the responsibilities which are upon us, or an understanding of the grievous nature of our problems; but rather because I thought if I could manage my own individual vote correctly, I would have made what contribution I might to this great deliberative body, which has so much more experience than I have.

This amendment, however, raises a question which gives me an opportunity to express one thought that I have not heretofore heard expressed. I have lived a long time. I have had some opportunity to observe the people of America and the people of the world. It is my conclusion that people are pretty much the same, wherever you find them. It is my observation, for instance, that the Czechs of Bohemia are more like Americans, more like Yankees, than any of the peoples of Europe. It is my confirmed belief that if we could know the Russian people, we would find that the Russian people are more like ourselves than we have any way now of knowing; but tragically, that does not make any difference. We are not going to be allowed to know what the Russian people are like, and they are not going to be allowed to know what we are like.

But we are endeavoring, it seems to me, in the measure which is now before us, to uphold the hands of the responsible people of western Europe. I want you to feel with me, if you will, that there are over there, as most of you know, just as there are here, a great group of responsible people who have to bear the burdens of civilization, and who have to carry the weight of civilization's faults. People who are responsible not only for their own conduct but for the conduct of peoples less able to think, and with less stability of character, and less know-how, less easily persuaded to bear the burdens as well as the benefits of democracy.

Some time ago when we were discussing the interim-aid bill, we were told it was a relief bill. It did not seem like that to me. I saw in that bill as you all saw, or at least most of you saw, this relationship between imports and exports to which reference has been made this morning. What does this mean? It means nothing less than this: There are in Europe, as there are in America, men and women who can be trusted in these troublesome times, who are laboring under greater difficulties than we, because they have suffered the wounds and destruction of war, as well as the economic burdens with which we ourselves are contending. Those are the people whose hands we must sustain. True enough, the emphasis of that bill was for relief, because if the responsible people of the world cannot find ways to see to it that the irresponsible people are fed and clothed, then government fails.

It does not seem to me that we owe any apology to anyone when we direct and channel our aid in sufficient and adequate amount to support the efforts of people like that, so that they in turn may carry with us this tremendous burden of democratic civilization, which without the integrity of that kind of people in Europe and that kind of people in the United States is bound to fail.

Therefore I must oppose this amendment, although I honestly think I know as much about the value of money, and the difficulty of bothering about the standard of living of other peoples, as most of you do. The democratic regimes are bound to fail unless we make adequate provision to help them. I think we should err, if we err at all, on the side of generosity, in view of the fact that no matter what we say here about this being for a 4-year period, we know that we must in the future face this question again next year.

I urge you, in the name of people like yourselves in all of the countries of western Europe—and I assume China, too, although I know nothing about that—I urge you that we do the adequate and the sufficient thing at this time. The eyes of the world are upon us. If there was ever a bill before the House in the two short years of my service here with which I have no difficulty, it is this bill. On this bill I am truly relaxed. I have been in favor of this plan ever since it has been projected; it is the only plan that is offered short of a shooting war. I figure that it has about a 50–50 chance to succeed, but that sounds like a sound speculation to me when the safety and security, even the very lives, of the people of the world are at stake.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. VORYS. Mr. Chairman, I wonder if we can agree on a limitation of debate on this amendment to 30 minutes, with 5 minutes for the committee.

Mr. ELLIS. Mr. Chairman, I object.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. RICH. Mr. Chairman, I object to that, unless we can get 5 minutes each.

The CHAIRMAN. Objection is heard.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the remarks that we have just heard, by the gentleman from Pennsylvania [Mr. CHADWICK], in my opinion, constitute one of the most powerful speeches I have ever heard during my years as a Member of this body, for logic and clear thinking. The remarks just made by our friend from Pennsylvania [Mr. CHADWICK] seem to me to be convincing. Let us pause for a moment and look over the world. In 1939, 1940, and 1941, we were fighting in this very Chamber to do the things that would meet Hitler and nazism, the first devil. We have got to be frank with ourselves and with each other. We had to lick the first devil first, for our own protection and for our own existence and for our own national interest. We have got to think clearly, based upon conditions that exist. We cannot let what we would like to see existing govern our reasoning or what we would hope for. We are faced with a very practical situation. We have got to view the practical situation that confronts us from a realistic angle. It is not what we would like to see or what we would hope and pray for. If we are going to do some praying, we might follow what the Right Reverend Monsignor Fulton J. Sheen said yesterday, that we do some praying ourselves, and pray that the good Lord will put into our minds thoughts to do the right thing, and that we will take the right course, not only for our own country but for a future decent world.

Now, what has happened? Where is Lithuania? Where is Estonia? Where is Latvia? Does that mean anything to any of us? Where is Poland? Where is Rumania? Where is Bulgaria? Where is Yugoslavia? Where is Albania?

Where is Hungary? What is the situation in Austria? What attempt is being made against Greece and Turkey? Who is doing it? Is it the United States of America? No. It is the Soviet Union that has done all these things. What about Finland? Does that mean anything to us from our own national interest in 1948, with the rapidity of travel, and the fact that 3,000 miles of Atlantic Ocean is no longer a first line of defense; and at a time in our world's history when we cannot afford to let the smallest speck of an island in the Atlantic get into the hands of a future potential enemy of ours; with a course that is necessary in our own national defense and our own national interest. What do you suppose will happen to Finland? What is the next step? Norway and Sweden? What about Denmark? As a matter of fact, I have no knowledge, but I would not be surprised if already the Soviet Union has not made demands upon Norway. If Norway comes within the direct sphere of the Soviet orbit, what effect does that have upon our national interest, not in 1848 but in 1948?

What about Greenland and the effects of pressure there, if successful? Yes; Iceland! What about the Lowlands of Europe? Then what about the attempt being made in Italy? If Italy goes, the chances are that all Europe goes. If Italy goes, there will be a pincers, one blade into the Mediterranean, the other into the Baltic and the Atlantic. What do those things mean to us, not from the angle of hope but from the realistic angle to make a future decent world, as well as for our own national interest? And our existence is linked up with an existence in a future decent world somewhere of other free nations, but from our own direct national interest what does it mean to us? So I like to examine it from the standpoint of the national interest of our own country. It is of vital importance that we act affirmatively and effectively, not only affirmatively but effectively.

Only a few days ago the great head of the Catholic Church, His Holiness, Pope Pius XII, was speaking to 400,000 people in Rome, and nobody knows more about world conditions than he. He said, in the words of the Redeemer, "He who is not with Me is against Me," paraphrasing the words of the Redeemer. I say, "He who is not with America—the Communist—is against America." This observation also applies to any other subversive person or group.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. REED of New York. Mr. Chairman, I rise in opposition to the pro forma amendment.

Well, here we are again in the attitude of a psychological crowd, the same old story, trying to play upon the emotions of the people and dethrone their reason. But you are not going to fool the people back home this time; they have heard this before, they have seen it played for political purposes; this is once, though, they do not propose to be catapulted into a war, and they are not going to divest themselves of their own resources that are needed to defend themselves if it becomes necessary.

I remember being over in France at the time our first group of soldiers were marching up to the front. It was a wonderful and a glorious sight to see them and to hear the music. That was all fine. I saw them afterward, too. I saw them in the hospitals. So I know something about what war means or did mean then.

But just think of this—we were sending the flower of our young manhood to France to protect France, yet I have the documented evidence that when France was short of materials she simply sent word over to Germany as to what she needed in order to fight; and when Germany was short she told France what she needed in the way of war materials, and they were constantly exchanging war materials across the line while our men were fighting. Do not misunderstand me. I have documentary evidence to show that. That shows the rottenness of the whole world military set-up.

Now, what are we doing in this bill? During this last war we were shipping the material necessary for Germany which she got from European countries. I have the records of how much we sent. We sent war materials to Mussolini, and I have the record to show how much we were sending. We shipped war materials to Japan. I have the authentic record.

Do you think this ERP shipment of goods is going to stay in the 16 countries we are talking about? Do you think the goods are going to stay with them? You had better stop and do a little thinking on this subject. What is going to happen is this—the very goods that you are sending over there to the 16 nations will be seeping right into the satellite countries of Russia. Our allies are going to help her get our ERP goods.

Yesterday the question of the 1,100 locomotives that we gave to Great Britain under lend-lease was mentioned. Well, remember, she has a socialistic government and they are very sympathetic with Russia. Right now the engineers are here to find out if it is possible to narrow the gage of those 1,100 locomotives. Why? Because England proposes to sell them to Russia. Why?

As I told you yesterday, this whole thing is a gigantic fraud.

We should make our own Nation strong. We should show that we can make our Government work and the whole world will take notice. There will be revolutions in other countries to better conditions and bring about representative governments.

We can make this country strong. When the people gave us their mandate 2 years ago they did not think this Republican Congress was going to lead them into the greatest international boondoggling program that this country has ever seen. But they see it now, and you will hear from it when you go home; and do not make any mistake about it.

Mr. ELLIS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, in view of the discussion yesterday on the way our relief goods are being distributed in Europe, I believe a letter received a few weeks ago from an American officer serving in Greece will be interesting as it contains some very pertinent information, particularly in view of the remarks just made by the gentleman from Pennsylvania.

After the salutation, the letter reads:

> From reports from home, evidently the stories out of Greece indicate that there is a general civil war. But such is not the case. There is a small area in the north, some 300 miles from Athens, where guerrillas come down from the mountains and attack villages, burn houses, steal food, kill certain people, and conscript young men to go with them. It is estimated there are only a small group of bandits—possibly 20,000.
>
> I wish I could sit down and talk with you about the situation here. I am not impressed with the reaction of the Greek Government to our aid. As a matter of fact, they have taken this time to criticize all Americans instead of cooperating with them. The Greek politicians seem to think that Americans must, whether they like it or not, give millions of dollars to them to spend as they see fit.
>
> I do not believe the American taxpayers know that when consumer goods are bought with our money and sent to Greece that the Government of this country takes those goods and sells them to merchants. In many instances the merchant marks up his goods by at least 500 percent before he sells them. You may pass this information on to your associates.

This discloses the thinking of the people we are aiding and their attitude toward America and our people. It does not seem possible that we would vote to continue aid under these conditions.

Mr. RICH. Mr. Chairman, I rise in favor of the pending amendment.

Mr. Chairman, I am in favor of the pending amendment, and then I am against the bill, because we have to consider more carefully than we are just what we are doing by passing such legislation as this. Unless this bill is amended materially I could not be for it.

Mr. Chairman, on March 25 our country was $253,000,000,000 in the red, whereas all of the other countries included in the Marshall plan and this bill, except China, Japan, and Spain, are in the red to the extent of $181,000,000,000. We have a debt of over $70,000,000,000 more than the combined debt of those other countries. Then how can we finance the world? Why should you think we can?

Mr. Chairman, statements have been made by Members on the floor of this House that this legislation is at best but a chance. We do not know. We are hoping that it will do some good. We think so. We believe it is a 50–50 proposition. Mr. Chairman, if I were spending $17,000,000,000 of the taxpayers' money I would want to know that it is definitely going to do some good. I would not have any doubt in my own mind that it is a chance. If we take from the people of this country through this legislation this tremendous sum of money, it should be something that is going to be permanently sound and permanently sensible. We should be sound enough to know it was money wisely and soundly spent for the benefit of our people.

It is stated that the people of the country want this legislation, but that is just

because of the large amount of propaganda that has been sent out. The people do not know what is involved. What is going to happen when the bill is passed, if we pass it today? The first thing will be that all merchandise in this country is going to advance 5 or 10 percent. Everybody knows you are going to buy the greater amount of merchandise here in this country away from our own people who are hollering now about high prices. Then we will have the unions after more money, because they cannot buy that merchandise. Why do you as Congressmen not give consideration to our own people, their welfare, their comfort, their needs? This money will most all be wasted, squandered, and do very little good to our own country, but will mean higher taxes and higher prices, also scarce commodities to our own people.

Now, what are you going to do? Are you going to take care of the American people or are you going to sink America by passing this kind of legislation? I want to say that it is about time that we woke up and looked after the people of this country. We have just got to think about some of the founders who established this country of ours. Just think of Thomas Jefferson. He said:

> I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared.

I tell you men that with the debt we have now anything can happen to us if we do not look after our own country and our own people. You cannot take in all the nations of the world and expect to do everything that they want, and expect to keep this country in good financial condition. It just cannot happen. As a manufacturer, if I start to manufacture 100 articles and my salesmen want me to make everything they want to sell, I will have to make too many items, and I cannot manufacture them in proper quantity or economically, but if I take 10 items and manufacture them in a good, sound, business way, and market them properly I will make a success of my business. The same thing applies here now. Congress is now sticking its nose into everybody's business in every country in the world too much, too many, and Marshall is down in South America, and when he comes back he will have another program to consider no doubt. I have never seen in all my life such extravagance and such waste, why you do not have the proper consideration of our people, our country's welfare, or our ability to assume all this obligation. It has proven already these gifts are wrong. Look at England, $4,100,000,000 wasted, Greece and Turkey, $300,000,000 gone, 7,000,000 Czechs now in Russian hands. Lend-lease now building up Russia. Stop this bill; do it now, is my prayer.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. COX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are confronted with the greatest question that has come up in a long while. We ought to be able to get our heads out of the sand, take a look at things and realize that if that part of the world not already behind the iron curtain is not organized to the point where it can successfully repel the aggressions of Russia, all is lost. The pending amendment should be voted down.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, before I ask the questions of the Committee, which I rise to ask, I want to express my personal feeling, and I say this with respect to the Committee, that no more unfortunate thing could be done today than to limit debate. This debate precedes one of the crises in the history of the United States. We are today deciding the extent to which we will jeopardize the freedom and the liberty of the United States in the belief that that effort will, in turn, protect the liberties of people abroad when, in the minds of many people here, we should be strengthening our liberties and strengthening our country in order that we may protect the liberties of people both here and abroad.

My questions are these: The gentleman from Illinois [Mr. VURSELL] offered an amendment to reduce the amount of money appropriated in this bill. There have been several altruistic speeches made on the basis that we should do something for the good of the people of the world. So I rise to ask a very practical question, and I hope the gentleman from New York [Mr. GWINN] will give me his attention as well as the gentleman from Ohio [Mr. VORYS].

When the 16 ministers met in Paris, upon whose studies and upon whose report this so-called Marshall plan is based, the details of which are very obviously not known to Mr. Marshall himself, when this plan came to Washington it did not contain a request for the amount of money embodied in the bill when the committee brought it to the floor. In other words, the foreign ministers, in the original conference in Paris, as shown in the report—and the page numbers have been recited in the CONGRESSIONAL RECORD—when those foreign ministers met they did not expect the United States of America to put up $6,800,000,000, as the committee brings the bill to the floor. To say that it is $5,300,000,000 is, to my mind, meaningless. That is merely a translation of 15 months into 12 months, so we are talking about the same thing. The foreign ministers did not ask the United States to put up $5,300,000,000. They expected, boiled down, that the United States would probably be called upon for about $2,600,000,000. Their intent was to bring out in these countries their own currencies which were in hiding. Their intent, specified in their report, furnished every Member of this Congress and placed upon hi or her desk, was to use their own assets which are in other countries. They expected that where material or food came from South American countries or from Canada those countries should extend credit or take some of the load, and not that the United States should carry the entire load.

I will yield to the gentleman from New York for an answer to this question: Am I not right in the statements I am making, and has not the gentleman as well as myself placed those figures in the CONGRESSIONAL RECORD?

Mr. GWINN of New York. The figures are in the report itself; the Paris report of the 16 nations confirms what you say.

Mr. PHILLIPS of California. The foreign ministers did not expect the United States to put up $5,300,000,000. In the face of that, and without other information from the committee which would deny these facts, which are printed in the report upon which the so-called Marshall plan is based, I ask the committee, why should not this Congress vote for the amendment offered by the gentleman from Illinois [Mr. VURSELL], which attempts to reduce the amount to a figure more nearly like that requested by the foreign ministers, upon whose studies and report the original request was based? That is my question.

Mr. VORYS. That is a long question, and I shall try to give a short answer. The amount which is in the committee bill was arrived at after screening by our own experts, by the Krug committee and by the Harriman committee, and represents a proportionate reduction in what the 16 CEEC countries hoped they would get. As the gentleman knows, they first wanted $29,000,000,000, then $22,000,000,000, and then we reduced their ideas to $17,000,000,000. This $5,300,000,000 would be the first part, merely the part for the first year. It is of course impossible in 5 minutes or 5 days to review the mass of material we have gone through that makes us feel the amount is justified.

Mr. PHILLIPS of California. The gentleman admits, then, that Congress does not have the information.

Mr. GWYNNE of Iowa. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, for some time I have been trying to get myself in a frame of mind where I can support this bill. I intend to support this amendment. I may say that it is becoming for me more difficult every minute to support this bill at all.

I have had the privilege recently of being out in the Midwest. I find a rather amazing situation not only among the people but right here in this Congress, at least right in this House. Never, probably, in the history of America has any legislative proposal had the benefit of as great propaganda as this bill has had. The activities of P. T. Barnum would be nothing compared with the words that have gone out over the radio and in the press to sell this thing to the people for something that it obviously is not.

Incidentally, if this were a bill to aid hungry people, people made hungry and homeless because of war, you would pass it here with probably not a dissenting vote. I find here in the House, in spite of the fact that the leadership of two great parties are promoting this legislation, that there is a great lack of confidence in it, right here among the people who are going to vote for it. Now how do you explain that? While I was at

home and had the privilege of meeting many people, they asked me many questions about this bill which I could not answer and I am relaying them to you in the hope that perhaps you may be able to furnish the answer to me.

The people are pointing out that certain countries are included in the bill, which countries did not take any part in the war, for example Ireland, Portugal, and Iceland. My grandfather and grandmother came from Ireland. I have a great affection for the Old Sod. But why do we include Ireland, which was not in the war and which so far as we know did not suffer from the war. Then I told them that I had heard it had something to do with the balance of trade, which really means the balance of production. If the balance of trade is against Ireland or any other country, it means that the balance of production is against Ireland. If we are going to adopt that philosophy, where are we going to stop? Are you going to go to every country which spends more than it makes and make up the difference? Of course, we have done that in our own country, I admit. That is the philosophy upon which the New Deal has always operated. But I suspect that when you undertake to spread that doctrine all over the world, you are going to run into a bankrupt nation before you get the job done.

The next thing, it is said that this will prevent war. Let me tell you that the people do not believe that. Do not disillusion them any more. They are not in a mood to be disillusioned. They are very disturbed now, and the debate and the facts here show that we do not believe in this bill ourselves. While we are arguing about this bill which you claim will prevent war, in other places here in Washington they are urging large appropriations for national defense. I am in favor of that incidentally. I would like to see a big Air Force built up. It seems to me if the danger of war is so imminent, why not rely upon the only thing that has brought us safely to victory through two World Wars, and that is our own strong right arm? Of course, the people do not believe that this bill will prevent war. You do not believe it and the administration does not believe it.

Now I want to go to another point. They say that this will prevent communism. Many of you seem to assume that. You take it for granted. I have heard no explanation of how this bill will do that, but apparently you accept the philosophy that communism comes from hunger, and that if you are poor and are lacking in worldly goods, then you will be a Communist. If that had been true, Mr. Chairman, the people who built my State would have been Communists, because they had very little to start with. It is not lack of wealth which makes communism but lack of opportunity, and let us not forget that.

For years in this country we have been going down the road toward socialism. Through monopoly in business and labor unions and bureaucracy in Government we have destroyed opportunity for our young people. The lavish spending of Government money in this or any other country will not prevent the spread of communism, socialism, or any other form of statism, unless opportunity is once again afforded to our people.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto with respect to the amount in this title close in 30 minutes.

Mr. CHURCH. Mr. Chairman, I object.

Mr. VORYS. Mr. Chairman, I move that debate on this amendment and all amendments thereto with respect to amount close in 35 minutes with the last 5 minutes reserved to the committee.

Mr. RAYBURN. Mr. Chairman, I would like to have some time on this amendment, and taking into consideration the number of Members who are on their feet who apparently want to speak on this amendment, that limitation of time would certainly cut them off.

Mr. VORYS. Mr. Chairman, I withdraw the motion.

The CHAIRMAN. The gentleman from Oklahoma [Mr. RIZLEY] is recognized for 5 minutes.

Mr. RIZLEY. Mr. Chairman, in this Chamber we have no peers. Some of us are better suited to serve in one capacity, while others are better fitted to serve in another capacity. I, personally, believe with all my heart the statement that this is the greatest deliberative body in the world. I may at times be disappointed in the way some of my friends vote. No doubt my friends are disappointed many times in the way I cast my vote; but I am never critical of them—that is a matter that each Member must decide for himself.

I have heard it said in the past few days around here, that if we were to have a secret ballot here on this bill, there would not be 50 votes for it. That, I don't believe, unless the roll call shall finally determine that to be true. If the statement is true that a huge portion of the membership of this body would cast a different secret vote than they would a public vote—which I again repeat, I do not believe—then God save the country.

It has now been a little over 2 years since the end of World War II, which cost us a million casualties and left us with a staggering debt of nearly $300,000,000,000. We annihilated Hitler, Mussolini, and Tojo, and stopped them as the aggressors of their days; but in so doing, we were compelled to exhaust many of our resources, natural and otherwise. The whole thing has caused a terrific impact on our economy. Only an inflated and unparalleled continuance of an abnormal national income can prevent, in my humble opinion, national and personal bankruptcy. Certainly everyone I am sure will agree that in order to finance requested budgets, domestic and foreign, that it can only be done in the event our national income continues at substantially the present level.

We are now threatened—if we are to believe those who know in the executive branch of our Government—with another world war. Another ruthless dictator, one of our partners in World War II, is on the march. We are told, and from every indication, his intentions are to make the world safe for communism and to supplant with it every republican form of government and every representative democracy now in existence.

Every loyal American hates and despises communism. It acknowledges no God except the state, and it respects and recognizes neither freedom nor liberty for the individual citizen.

I am sure that every loyal American wants to do everything he can, regardless of cost, to stop the onward march of those who would destroy liberty and freedom and enshrine in their place slavery and despotism.

We were told and the country has been led to believe that this bill is designed to and would thwart and retard the march of communism by lending and giving economic aid and assistance to 16 countries in Europe who would band themselves together to fight the march of communism. Having been led to believe that this proposed legislation was to afford economic aid and security, and to assist this group of friendly nations in Europe to halt the march of communism, I had purposed in my heart to vote for the bill; but, Mr. Chairman, who do we now find?

This is not a bill to assist the so-called 16 friendly countries of Europe in the fight to stop the spread of communism. This is not a bill to make friends of hungry and naked people by feeding and clothing them. This is not a bill to support private enterprise in the countries of Europe and to assist them in rebuilding their factories.

On the other hand, in its increased and enlarged form this seems to be a bill to subsidize, indirectly at least, some segments of American business, industry, and to some extent American agriculture. You have millions in this bill to subsidize the American tobacco industry. Yesterday we subsidized the corn growers of America. Oh, yes, it is true that we limited it by saying that they could not use the corn to make whisky, but that seems to be the extent of the limitation. Are we going to feed the hungry people in Europe tobacco and clothe the naked with corn husks?

Yes, we are going to bail out in this bill bad and unwise investments of many groups and individuals here and abroad. We are committing ourselves not only to economic aid in Europe, but to military aid in Europe and Asia. There are no limitations in this bill as to the time, except a minimum of 4 years that we shall continue to donate, nor as to the ultimate amount that we will give away. We are starting on a program which I suspect if we can make it work at all, will ultimately cost us in China alone, $25,000,000,000.

Now I would not particularly be opposed to that, if the American people could afford it. I do not believe our economy can stand the drain that this bill now contemplates in its enlarged form, without wrecking our own Government and bankrupting our own people.

This bill as now contemplated, will leave us nothing with which to strengthen our own national defenses. If we are to be safe, in my judgment we need to augment substantially our Army, our Navy,

our Air Corps, and the entire over-all preparedness program necessary for our own national security and our national defense.

This bill as now written and enlarged, will, in my humble judgment, of necessity require a return to wartime controls, rationing, and the OPA. If this is done, we will not be able to reconstruct our own defense plants and take care of the absolute needs of our people to carry on the industrial pursuits and agricultural pursuits necessary to maintain our economy and give us a national income of sufficient portion and size to pay our bills.

If I should vote for this bill as now written and enlarged, I should certainly oppose tax reduction at this time and should vote to sustain the President's veto of the pending tax bill.

We just cannot have our cake and eat it too.

Mr. CLASON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I intend to vote for this bill, but I shall have to admit that the last hour of debate on yesterday and what has gone on thus far this morning would cause almost any Member of the House to worry about the purposes of the expenditures under this bill. It seems to me that a lot of work will have to be done by the conferees when the bill goes to conference ultimately to have a law that will satisfy the American people; and then we are placing a tremendous burden upon our Appropriations Committee to see to it that only so much money is appropriated for the various purposes as is truly justified. I would like at this time if I could, in view of the serious shortages of fuel oil in Massachusetts last winter, to find out from some member of the committee, the gentleman from Ohio [Mr. VORYS] because he spoke yesterday about it, just what the intention is under this bill with reference to petroleum products.

According to the RECORD, page 3764, it is agreed that $3,500,000,000 is to be spent on petroleum requirements, petroleum equipment, and tanker shipping in the next 4 years. That would indicate that a billion dollars of this appropriation this year is going into petroleum.

The further statement appears that about 76.7 percent of the petroleum requirements will come from the Western Hemisphere.

I would like to have the chairman tell us whether or not in the determination of the amount of money for this year any thought was given as to how much would be spent next year for petroleum requirements?

Mr. VORYS. If the gentleman was here yesterday, he will remember that the members of the great Interstate and Foreign Commerce Committee submitted a list of questions along this line and I agreed that I would have full answers for them later in the day. That will answer their questions and the gentleman's questions.

Mr. CLASON. In other words, the gentleman does not have the answer for them right now. Is that the gentleman's statement?

Mr. VORYS. I do not propose to take up time while we are debating the amount of this bill in going over, over, and over again the same thing when we are going to clear it up a little later in the day.

Mr. CLASON. Then it looks to me as far as the gentleman's committee is concerned that it is not in a position to tell the Members of this Congress at this time whether the people of western Massachusetts, the people who suffered during this past winter because of failure to receive petroleum products that they needed, whether or not they are going to have it next year and to what extent the future is going to be badly affected by the passage of this bill.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. VURSELL. As I understand from the official figures of the committee, this bill provides for $3,500,000,000 in the 4 years for petroleum and petroleum products, steel and equipment. If we can cut out of this bill $1,300,000,000 we will have more oil left for the United States of America.

Mr. CLASON. Mr. Chairman, on the point of cutting the bill $1,300,000,000, may I say that I am going to vote for the full amount of the bill. I shall hope that the conferees will come out with legislation under which the money can be spent in a manner that will safeguard the interests of our people. I am very frankly disappointed that during the hour of debate yesterday on tobacco, on liquor, and on everything else, no one seemed to be able to give to the House proper answers to questions which were raised here, as I see it, by persons who are anxious to support the bill. I am worried that one-fifth of the money to be spent on this program is to go into petroleum. It seems to me that we ought to have due regard for the interests of our own people. I certainly wish that the committee had reported a bill with the Herter proposal or set-up in it. I believe then we would be assured of a businesslike operation of this act. I am not so certain under this bill that we will have such operation.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from Massachusetts.

Mr. HERTER. There are two points. One is the question of our own domestic economy. As the bill is now written the Administrator is instructed to protect our own domestic economy.

On the question of how much oil is to go out of the country, it is my recollection that the estimates of requirements, not what would necessarily be exported from this country, are roughly 100,000,000 barrels. However, there is specific provision in the bill that there is not a single commitment to ship out any commodity.

Mr. CLASON. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I move to strike out the required number of words.

Mr. Chairman, I am going to vote against this bill and I do that for one reason only and that is it will not achieve its announced objective of stopping the mad onrush of communism across western Europe. If I thought it would do that I would support the bill.

Mr. Chairman, may I say at this time that I am going to vote for all measures which I think will put this country in the state of preparedness that it should be, whether it be the revival of selective service or building up a 70-group air force. If you will remember, when Secretary Marshall made his Harvard speech, on the basis of that speech this bill was not designed at that time and it was not stated to the American people then that its purpose was to stop communism throughout the world. In fact Russia and her satellite countries were asked to participate in it and they can do that under this bill. But it was found that the bill would not go through on any such basis. So they have now given us this sugar-coat.

All of us, if we thought it would actually result in stopping communism, would vote for it. I listened to the gentleman from Illinois [Mr. DIRKSEN] yesterday, who told us about a laborer over there in Germany, Italy, or France who could not even lift a railroad tie because he was so weak. But how is that railroad worker going to feel when he has to pay black market prices to get this food we are supposed to be sending over there, and which the poor believe will be free? What is the psychological impact going to be on him? You know what it is going to be. In most cases those fellows do not have money to buy food. We cannot get the Foreign Affairs Committee to tell us why they make those people pay for those goods in local currency. They are as silent as a tomb on that. And it costs the American taxpayer just as much as if it were free to those people.

Mr. Chairman, as I have stated before, I spent 2 years in France. I know those people. I paid out millions and millions of dollars of your money over there in foreign claims. I know the psychological impact of the people of France, Italy, Luxemburg, and Germany when they get American money.

You must always remember this: that you cannot bribe "Horatius to hold the bridge." If you think you can, I say to you that it is a foolish thought. Horatius wanted to hold the bridge. He didn't have to be paid. Let me ask you this: When we were sitting here as we did yesterday, when we were trying to write in the Colmer amendment and had the debate on the Mundt amendment, what did we find? We found the gentleman from New York [Mr. BLOOM] resisting it with all the vigor at his disposal. "Oh, no; we cannot make Russia mad. Russia is a friendly nation." And yet we find that here Thursday, a week ago, the President of the United States came in here and asked us for these three proposals, and telling us what a threat Russia is, and then we find him again last week saying that we have to keep on shipping more materials such as airplane engines to Russia, because she is a "friendly" nation. I ask you, how can we accept blindly such leadership? We have left such shipments to the discretion of the Administrator under this bill. If he is appointed by the President of

the United States, is he going to exercise any more discretion than Harriman, than Marshall, than President Truman in allowing war material to be shipped to Russia? Oh, no; they keep on shipping war materials over to Russia, and will likely continue to do so. How many of you listened to the speech of the gentleman from Oklahoma [Mr. RIZLEY] yesterday, and the letter he received from the shipping people in New York showing the war material we are shipping to Russia? I say to you it is wishful thinking that the Administrator under this program is going to exercise any more discretion than Marshall, Harriman, and President Truman have exercised the last 3 months. I say to you that this bill is not designed to stop communism and it will not stop it in western Europe.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Illinois.

Mr. VURSELL. I think the statement ought to be cleared up. The gentleman comes from an oil State. This bill carries something like $3,500,000,000 for oil, to which we are committed, but if we only furnish $250,000,000 we must buy it from other countries and send it to western European countries at the expense of the taxpayers of this country.

Mr. JOHNSON of Oklahoma. The gentleman is right. But how can you clear it up if the gentleman from Ohio, [Mr. VORYS], who is in charge of the bill, cannot or will not clear it up? They either do not know what is in the bill, or they will not tell us. I will tell you that the housewives, the farmers, the motorists, and the oil companies in this country that are short of steel and who are trying to produce domestic oil, are going to be vitally interested in this bill. The farmers are going to be interested in it when this bill goes through tonight, and they can't get farm machinery. Everybody is going to be interested in it also about 3 months from now when prices go up and when the OPA controls and rationing are restored. I think, even despite all of the dislocations and hardships that this bill will cause, I would be for it if it would do what it is supposed to do. But it will not. So I shall vote against it. The eighteen billions outlined under the Marshall plan should be used instead to build for us the greatest air force in the world.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. O'HARA. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I hope that there are no delusions regarding where 60 to 70 percent of this money is going. Of this year's appropriations, about the first 60 or 70 percent is going to England, and that has all been agreed upon. If that is not true, will someone on the Committee on Foreign Affairs say so? Hearing no answer, I presume that that is true.

Mr. BLOOM. Mr. Chairman, if the gentleman will yield, I will answer it.

Mr. O'HARA. Very well.

Mr. BLOOM. Does the gentleman mean to say that this bill provides that that amount of money will go to England?

Mr. O'HARA. No; I understand that that is the agreement.

Mr. BLOOM. Well, there is no agreement.

Mr. O'HARA. There is nothing in the bill; no.

Mr. BLOOM. Not anything of the kind.

Mr. O'HARA. There is nothing in the bill, but does the gentleman deny that that is not the agreement?

Mr. BLOOM. That is not the agreement. There is no agreement specifically made for any amount of money allocated any place.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Illinois.

Mr. VURSELL. From the specialists in the Committee on Foreign Affairs, I got the figures that something like the figures that the gentleman gave are supposed to go to England; about 40 or 50 percent of the whole amount, I think.

Mr. O'HARA. Yes.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from New York.

Mr. REED of New York. In view of the fact the gentleman from New York [Mr. BLOOM] knows what has been committed and what has not, I wish he would tell us some of the commitments made in the Yalta and Tehran agreements.

Mr. O'HARA. Yes; I would like to find out that information also.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from South Carolina.

Mr. DORN. According to the answer that the gentleman from New York [Mr. BLOOM] gave, he does not know what is in the bill.

Mr. O'HARA. I understand they told the Committee on Rules that when they were before that committee.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Nebraska.

Mr. BUFFETT. There is a substantial amount of this money for China. Does the gentleman know whether or not the Committee on Foreign Affairs ever saw the Wedemeyer report?

Mr. O'HARA. I do not know, I am sure. I wonder if the Committee on Foreign Affairs happened to look up the fuel-oil-investigation report by the Committee on Interstate and Foreign Commerce which spent many months last year and this year upon the fuel-oil problem. I wonder, if in connection with fuel oil and steel whether they know, if this bill goes through, that everything that the oil industry has planned for our own domestic oil and transportation of oil is knocked in the head, and at a time when our own citizens have been severely affected this last winter.

When the gentleman from Massachusetts is worrying about freezing to death next winter, I want to tell him that probably the people of Minnesota and North and South Dakota and a few other places will be freezing to death, too, but is any consideration given to our own conditions? No. We are thinking about all the world and forgetting our own people and our own economy, and the desperate shortage of critical materials.

For something over 6 months I tried to get a farm tractor for a farmer up home who needed it very badly, and I finally got it. We are trying to get fuel oil up there for our tractors now, so the farmers can plow, and we cannot get 120 tank cars. What is going to happen when you take out of this economy of ours all of these things, all of the tractors, trucks, and the other things our own people need? Are we supposed to have a complete destruction of our own economy? Is that the theory upon which we operate as legislators of the United States?

Mr. RFED of New York. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from New York.

Mr. REED of New York. In a warehouse in Athens there is $10,000,000 worth of tools shipped over there to UNRRA. They are still there. They were not anything they could use, and they had no facilities to use them. That is one instance and there are many more. Under this bill that sort of thing will go on, and the taxpayers will pay the bill for things that cannot be used over there.

Mr. O'HARA. Then we will have OPA. OPA will tell you when and what you can have. We will have that in this country following this bill. That is as assured as the passage of this bill. The President spoke awhile ago about being opposed to those things which lead up to a police state. When you have OPA and you have the draft and you have UMT and you have the Marshall plan, where have we to go from there? What is there left?

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from North Carolina.

Mr. REDDEN. An Associated Press article appearing in the papers recently stated that Poland was shipping to England 400,000 pounds of pork and a million dozen eggs. I just wonder how Poland could be so well off and all the rest of Europe in a desperate condition?

Mr. O'HARA. I do not question the statement the gentleman made.

We are supposed to hurry this bill through so that it will pertain to the election in Italy. Is it expected that we are to influence or buy elections all over Europe? The implications of such a program is amazing.

Mr. RAYBURN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I never desire to and I always seek not to give offense, but I have heard some very familiar talk here today. I heard it in 1938, in 1939, in 1940, and even in 1941. We were trying in an appropriation in the late 30's to build 3,500 trainer ships. Some of the men who have spoken here today said, "Why so many airplanes? Whom do you expect to fight with 3,500 airplanes?"

The following year an appropriation was up for 5,500 airplanes.

And those who voted against all of our preparations for war before Pearl Harbor asked that question again. They asked "Whom do you expect to fight? Why 5,500 planes? Why all these trainer planes?" One after another we heard such questions resisting everything that we were trying to do to prepare this country to defend itself. It is a remarkable thing that in the debate on this amendment, I have heard only one Member who has spoken in favor of it even indicate that he was going to vote for any part of this bill.

Mr. Chairman, I was impressed by the statement of the gentleman from Illinois [Mr. DIRKSEN] on yesterday. He said he made mistakes in the late thirties. I think you are making mistakes today. And with reference to all this rot that if you had a secret ballot here this bill would not get 50 votes, in my opinion, and I have watched the House of Representatives for a long, long time—in my humble opinion this bill would get more votes on a secret ballot than on an open ballot. England? You say that some of this money will go to England? Who held the line until we could get ready to defend ourselves? You thought 3,500 airplanes were too much? You thought that 5,500 airplanes were too much? If we had had 25,000 airplanes fully equipped with men to fly them and bombs to fight with, we probably would not have been attacked at Pearl Harbor. Germany and Italy would not have declared war upon us the very next day.

Strip this measure of its humanitarian features. Strip it of the defense feature which to me is the main thing. I am casting a vote today that I believe is in the defense of the United States of America and in defense of our civilization. Strip it of such things as the defense of our country and humanity. Get down to the economy of the thing—the dollars and cents. It is as important to the cotton farmers of the Fourth Congressional District of the State of Texas that western Europe be rehabilitated as it is for western Europe itself.

The CHAIRMAN. The time of the gentleman from Texas [Mr. RAYBURN] has expired.

Mr. SMITH of Kansas. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, I do not think I have my head in the sand, and I do not think my vision is obscured by any European fog. I came back to Congress to represent America and my district.

I have heard a lot of statements that this bill was written by Bevin in England; that it was written by the State Department. I have heard a lot of talk about the fact that we were all confused. But this committee is not confused. They tell you in plain English that anyone who reads can understand what the purpose of this bill is. I want to read it to you. You will find it on page 35 of the Committee on Foreign Affairs report:

> The aim of the program is to restore Europe, not to save American interests from the impacts of peace.

I will read it again:

> The aim of the program is to restore Europe, not to save American interests from the impacts of peace.

That is not obscure. You understand that. In other times and at other places this would be questionable language for an American to utter. That is the unconcealed purpose. It is for the interest of Europe, and not for the benefit of America.

I yield back the remainder of my time.

Mr. DORN. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to speak for five additional minutes.

Mr. VORYS. I object.

Mr. DORN. Mr. Chairman, I hope the gentleman will withdraw his objection.

Mr. VORYS. I object.

Mr. DORN. Mr. Chairman, I was told last week in general debate on this bill that I would have time to talk about it this week. I think some of the rest of us know something about foreign affairs. Some of us served all the way from the coast of France to Berlin. I only wish I had an opportunity to tell you members of this committee some of those observations.

I listened with interest to the distinguished former Speaker of this House, the gentleman from Texas [Mr. RAYBURN]. I also listened with a great deal of interest to the gentleman from Missouri [Mr. SHORT]. He made a wonderful presentation. I find that one trouble with this Congress is that so few of us have the courage to stand alone. I believe that World War I could have been prevented. I believe that World War II could have been prevented. This Marshall plan will not prevent world war III. I say that for this reason: Even the proponents of this bill admit that the bill is a military measure. Do you think for a moment that Theodore Roosevelt, George Patton, or Andrew Jackson would support such a diversionary, defensive, such a passive bill? They would have sent word straight to Moscow and asked Joe Stalin to meet them in Paris, or somewhere, and told him in no uncertain terms, "We will prevent you from moving another foot in Europe or anywhere else." This bill is sending your wife out to confer with the neighborhood bully and tell him to please go away.

Mr. Chairman, sometime, some day, somewhere, you are going to have to face the masters of the Kremlin on the field of battle or else in a conference right now and tell them in no uncertain terms.

If you place the national security of this country under the Marshall plan, or the Bevin plan, or whatever you want to call it, it is only stalling for time. Who benefits by this time gained? Does the United States benefit? I rather think it is Soviet Russia, with their undeveloped resources. They are gaining militarily every day. If you pass this plan, in 5 years or 10 years they will be the strongest nation in the world. Today your Nation is the strongest nation. So I say, let us have a show-down now and not throw away this $17,000,000,000, which I personally believe, from my observation of Europe, Russia is in favor of.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DORN. I am delighted to yield to the distinguished gentleman from Missouri.

Mr. SHORT. Practically everyone admits that Russian could take all of Europe within a few weeks' time.

Mr. DORN. Yes; certainly.

Mr. SHORT. Why pour $17,000,000,000 over there, building up a prize for them to get, and sharpening the knife to cut our own throat?

Mr. DORN. The gentleman is exactly right, to gobble up, just as they gobbled up $300,000,000 of your money in Czechoslovakia.

Mr. Chairman, I talked to Gen. Ira C. Eaker last year, a very great general. He said that Russia could overrun Europe in a few weeks.

This Marshall plan will not stop them. The only thing that will stop them is for America to have the greatest air force in the world.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. DORN. I yield.

Mr. FULTON. The gentleman has said that we should send somebody over to talk with Stalin. The gentleman referred to General Jackson and a few others. Would he send Harry Truman to talk with him?

Mr. DORN. I certainly would not as he met Stalin before at Potsdam and was in agreement with him. That is one of the reasons why I am voting against this bill, incompetent leadership. They have reversed themselves, and that includes the Secretary of State. They have reversed themselves on nearly every foreign policy they have promulgated.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DORN. I shall be delighted to.

Mr. SHORT. We adopted the Morgenthau plan. It was asinine, stupid, one that every person today repudiates. We walked uphill and we walked down again. We walked up the hill one day and walked down the next on Trieste, on the partitioning of Palestine, and on practically every other thing.

Mr. DORN. Practically every foreign policy they have started they later reversed their positions. And I would like to say this, you cannot create the peace of the world by a vindictive policy such as the Morgenthau plan. They are still destroying factories in Germany and in the same breath say that Germany is the key to European recovery. The leadership advocates this money to fight communism and the same leadership O. K.'s airplane engines for Russia. I wish they would tell us what their foreign policy really is.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. DORN. I still ask unanimous consent to proceed for three additional minutes.

Mr. VORYS. Mr. Chairman, I object.

Mr. DORN. Mr. Chairman, I move that the Committee do now rise, a preferential motion.

The CHAIRMAN. The question is on the motion that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. DORN) there were—ayes 19, noes 173.

So the motion was rejected.

Mr. LODGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman——

Mr. HALLECK. Mr. Chairman, will the gentleman yield to permit me to make an announcement?

Mr. LODGE. I shall be delighted to.

Mr. HALLECK. Many Members have asked me about the possibility of another vote on the tax bill. I take this opportunity to advise the membership that until further notice I think they should hold themselves in readiness to vote on it this week.

Mr. LODGE. Mr. Chairman, I was extremely interested in the remarks of my friend the gentleman from South Carolina [Mr. DORN].

This, Mr Chairman, is not a simple challenge, it is a complex challenge. We are involved in a subversive war now. This bill is an attempt to respond to one aspect of this challenge. The strategy that we have to resort to now cannot be confined to one measure. So I think it is something of an oversimplification to say that we should forget about this and go ahead wholly on the military tack. We must consider all these elements together. These several segments of our Nation's foreign policy must be advanced on a concurrent front.

Mr. Chairman, it has been suggested by the gentleman from California [Mr. PHILLIPS] that the only attempts to defend this bill have been on an altruistic basis. Curiously enough the attempt of the gentleman from Illinois to diminish the amount in the bill will result in its being nothing but a relief bill because it is that amount over and above the amount for relief, which will enable Europe to recover and take the load of relief off our backs. Accordingly, if we want to do this in the most expensive possible way we should adopt the Vursell amendment, but if we want to enable these countries to recover and rehabilitate themselves, we should adopt the full amount provided in this bill. Of course, the full amount is subject to a great many variables. There is no accurate way that any one can foresee the future. It is based on the balance of payments, it is based on dollar deficits and it is my hope that substantial savings can be effected by the Administrator. On the other hand, there may be a deficiency. The amount expended will depend on prices, it will depend on the extent to which foreign currencies are devalued, it will depend on other things. There are many imponderable, unpredictable factors which enter into this matter. However, there is no question about this fact: If we cut this amount it will be a signal to many people in the world that we were not really behind them. It would be far better for us to pass the full amount now. We should give the desirable psychological impetus at this critical time, especially to those people who are hard up against the gun right now in Italy and who are attempting to withstand the onslaught of Communist tyranny between now and April 18. It is advisable, therefore, that we pass the full amount which, be it said, falls far short of the dollar needs of these people, and will provide at best an austerity diet. If we cut it more we are taking more of a gamble.

The thought has been advanced here that this is a terrible gamble. It is a gamble, of course, but life itself is a gamble. We are taking far more of a gamble if we do not do this. There is no security in that choice. Just consider what will happen if we do not do this. Unquestionably Italy will go under on April 18 if we do not do this. The campaign now on in Italy is being fought mainly around this program; it is focussed on this proposal. What will be the consequences of that? Do we believe for a moment that we can go safely on our way friendless and alone in a world which is subjugated and oppressed by Communist tyranny? Why do we believe that we are so blessed, so favored by the Lord that we are going to be allowed to enjoy our own prosperity undisturbed? Do we think that our particular civilization here is so sacred that all we have to do is to pull in our horns and attend to our own knitting and other people will leave us alone? I am sure that is not the meaning of America, I am sure that is not the challenge of America, I am sure that is not the objective that our forefathers had in mind when they met the great challenge of their day.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a fact that what we are doing here is only supporting recovery to the extent of 5 percent or less of the whole European economy, which is on a $100,000,000,000 basis right now, that we are not by any means supporting the Europeans? There has been so much said about figures that I think they should be clear.

Mr. LODGE. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. DORN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. DORN moves that the committee do now rise and report the bill S. 2202 to the House with the recommendation that the enacting clause be stricken from the bill.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. DORN. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. May I say to the gentleman from South Carolina that I am grateful, and I think the American people will be, that he has used this parliamentary device to get this time to show the Foreign Affairs Committee that the American people in reference to this bill want it thoroughly debated, that there are some Members of this House who might perchance know as much about it as the members of the Foreign Affairs Committee.

Mr. DORN. I thank the gentleman very much. In that connection I will say this, that there is no deadline on passage of the Air Force measures; there is no deadline on other measures and issues before this Congress, which are more important than this bill. You can pass this Marshall bill and you can still lose the national integrity and independence of this country.

I would like to say this: Far be it from me to take up the time of this House frivolously. I regret very much to have to resort to measures like this to get the floor, but I was promised time last week on this bill, and was not allowed to speak in general debate. I was given a few minutes and told to extend my remarks in the RECORD and that I could have time under the 5-minute rule. I regret to have to do this. I respect this House. I enjoy serving here. But, I do say this, that Europe's trouble is largely moral and spiritual. You cannot save Europe with relief and you cannot buy lasting love with money, and you cannot buy lasting friendship with money. You are trying to buy off the people of Europe to stand between you and the bully that some day you will have to meet some time somewhere.

Now in regard to the military aspects of this bill: You listened to the distinguished gentleman from Texas [Mr. RAYBURN], intimating that you again will have to send your boys overseas. Let me say this, that if you ever send your sons to Europe you will never build as large an army to invade Russia as Germany had on June 22, 1941. She invaded Russia with the largest army and the best equipped army that the world has ever known or will probably ever see again. Where did she get? She reached the gates of Moscow, Leningrad and Stalingrad, which is nowhere. She would have had to advance 2,000 miles further to get beyond the Urals. So when you talk about sending an army to Europe bigger than that, with all of the incidental transportation and equipment, it is too ridiculous to even think about.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. DORN. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Let me ask the gentleman from South Carolina this, in response to the question discussed by the gentleman from Texas a while ago. If the President of the United States would present a program calling for $6,400,000,000 for an air force, I do not think he would find the gentleman from Oklahoma or the gentleman from South Carolina opposing it as we are opposing this bill.

Mr. DORN. We would fight right here for that bill until it was passed, and I believe it would pass. You may remember that Napoleon invaded Russia, too, with the largest and best-equipped army the world had ever known, up to that time and had to retreat in the face of weather and expansive territory. Let us talk about military tactics and military strategy. Your men in Europe today, the 100,000 men, are tactically and strategically in an impossible situation if Russia

started to move on land with her great combat armies. So, I say the only sane argument to use with Russia is to tell her that we are not going to permit the world to be swallowed up by them. We could dispatch our airplanes to LeBourget Field at Paris, to Munich and to Rome and evacuate them in a hurry if necessary, but you cannot evacuate troops overnight. But, an air force could bomb Russia from bases in western Europe, then retire to northern Africa or to England, and strike again. So, gentlemen of the committee, let us look at this thing from a scientific military and tactical standpoint. This bill will not stop communism. This bill will not stop Russia. And, I want this House to know that I am going on record here today as saying that and remember that when you do go into world war III. Yes; I will be enthusiastic again. I will probably volunteer, as I did before resigning from the South Carolina Senate. So did a lot of the boys from South Carolina in 1942. But, let me tell you this. You told us then, that is, the leaders of this country at that time, that the world would be a Utopia if we just got rid of Hitler, Mussolini, and Tojo. But, look at the world today. During the war in France, in Normandy, General Patton's lead tanks wired back saying that they only had 15 minutes of gasoline left and "shall we stand still or fall back?" George Patton said, "Don't do either; you go forward." With that remaining gas they broke through the last German echelons of defense, and the German Army fell back in retreat.

Mark my words, you have a few days left, a few months. If you do not take a stand now it will be too late. You cannot stand still and wait, you cannot fall back. You have only a short time left so let us go forward with an aggressive policy that Russia will understand. This Marshall plan gives Russia the precious time that she needs to get ready then she could take over all Europe, including these billions of dollars.

Mr. FULTON. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I am against the preferential motion and the amendment as well. May I say to my good friend the gentleman from South Carolina [Mr. DORN] that as a member of the Foreign Affairs Committee I had asked for recognition in order to yield 5 minutes of my time to him, because I like to hear him speak. I think he has taken a fine position on having a strong air force so that we in America will be adequately protected.

I disagree with the gentleman on this bill because I feel that the rehabilitation program is necessary. I feel that we have to have the full amount of the bill because we cannot send a boy to do a man's job. We American people are risking only 3 percent of our total income as insurance in a measure short of war. The American Congress must distinguish between war measures and measures short of war. It is often confusing that war measures are both military and economic, and measures short of war are also military and economic. We are here trying to use economic means as far as Europe is concerned, to build Europe up, so that the countries of Europe may take their place with the democratic countries in the system of free nations of the world.

Poverty, disease, and underfed children cause people to turn to alternatives they would not otherwise use. We know these conditions cause totalitarian governments and communistic methods. So that if we build them up above this limit of starvation and above this limit they want to be democratic citizens of the world and we feel that they will again stand beside us.

The thing that worries me as a Member of the Congress is that we are running at the rate of a seven to nine billion dollar deficit in our foreign exchange balance per year. Unless the American people have goods coming back to replace that tremendous deficit, we are going to have a greater inflation than by passing this plan. We intend to spend only about $6,000,000,000 on this plan, while we are cashing a blank check with nothing behind it for foreign countries at the possible rate of $9,000,000,000 a year, and we are getting nothing back for it.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Michigan.

Mr. SADOWSKI. Is it not true that the only country that sort of balanced exports against imports last year was Russia? I looked over those figures just for my own satisfaction, and the only country that came anywhere near balancing by giving us something in return for the goods she took away from us was Russia. That has not been brought out on the floor up until now, but that is the truth.

Mr. FULTON. May I say to the gentleman that I am not particularly pleased about the balance of payments in respect to Russian trade because, as it turned out, the United States was very foolishly the largest buyer from Russia in the August fur market. We sent them industrial materials that add to their war potential and took in return furs for garments. If that is a fair balance of Russian trade, I think somebody in the administration should have his head examined.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I listened to the remarks of my friend from South Carolina. He says he would call a meeting and tell Stalin where he got off. We would have to have something to show if Stalin told us where he did not get off. As a matter of fact, the passage of this bill is very important in that connection. It shows that America intends to use its power affirmatively. It seems to me that the passage of this bill would be consistent with the reasoning of my friend from South Carolina, rather than defeating the bill and then having a conference in our present predicament, because if Stalin refused to cooperate we would have nothing to back up our position.

Mr. FULTON. I agree with the gentleman from South Carolina that we should also have the air force, so that if he did disagree we would be protected.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Florida.

Mr. SMATHERS. The gentleman of course recognizes that Eisenhower, Marshall, and "Tooey" Spaatz are great militarists.

Mr. FULTON. Correct.

Mr. SMATHERS. They are in favor of the Marshall plan not only for the reason that it has an economic benefit but because it has some military benefit.

Mr. FULTON. That is an excellent point, that you have both the economic and the military benefits, because building up the economic potential also strengthens you militarily.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from South Carolina.

Mr. DORN. Did building up the economic potential of Czechoslovakia help stop Russia? They have got every bit of it now. That applies to Tito, too.

Mr. FULTON. I was in Czechoslovakia 4 or 5 months ago, and I have never seen a finer people in the world. The country is much smaller than Russia and the analogy is not appropriate to a program of this size.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from South Carolina.

Mr. DORN. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 20 minutes, the last 5 minutes to be reserved to the Committee.

Mr. CHURCH. Mr. Chairman, I object.

Mr. GAVIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I listened with a great deal of interest to our former Speaker, the distinguished gentleman from Texas [Mr. RAYBURN], whom we greatly admire and respect. He was recalling those days back in 1935 and 1936. I too recall those days very vividly because at that time the Congress was controlled by the Democratic Party, and they had a very large majority so that they could put across any legislation that they wanted regardless of what it was. We recall also hearing "rubber-stamp" Congress. So it is ridiculous to charge anybody on my side of the aisle with the responsibility for the events of those days. I also recall those days when we were converting young hogs into fertilizer and distributing the fertilizer to the farmers to increase their yield and production, which was then plowed under. I remind my very good and able friend the gentleman from Texas [Mr. RAYBURN] that in those days with a war around the corner we had the WPA, the PWA, and planned economy, and planned scarcities, and we had various economic

movements. We had the flagpole sitters, the goldfish swallowers, and the ballet dancers. So I cannot feel that my side of the House is responsible for anything that happened then. The other side of the aisle was in complete charge. The difficulty today with this ERP legislation is that we have lost confidence in the administration. We do not have the confidence that the people who are going to be entrusted with this program will do the kind of job that we want done to get desired results. Why do we feel the way we do? Well, when we were in Italy last fall, I was down at Nettuno where I saw the graves of 7,499 American dead. Many of them were boys from my part of the country. As I looked over that great sea of crosses, I thought of those kids fighting their way in at the Anzio beachhead at a terrific cost and tremendous price of American lives. I also observed while there that communism was rampant everywhere in Italy. Then somebody decided evidently, to appease, that we should pull our military out of Italy and we did last December. Later we decided to put in two or three hundred million dollars into Italy regardless of the conditions and regardless of the fact that we had settled nothing. The country was rampant with communism. There was no stability anywhere in Italy then or now. So what happened, we released the foothold which we gained at such terrific cost, and at the same time we were sending our troops into Greece and leaving our other flank open. You say why do we take the position we do? It is because of the bungling of the administration in handling these problems. Certainly it is time for good, sound, clear thinking. Certainly we ought to know who is going to handle this program. Certainly it is time to clean out this element who are responsible for the conditions and the chaos that we now find ourselves in. What we should have is clear, sound thinking, practical, realistic Americans, and not appeasers or world thinkers or do-gooders.

We should have sound, loyal, patriotic, dependable Americans who will look after our interests, keen minds to decide policies and programs, if we ever expect to return the world back to stability and peace. So the whole problem has us much confused. We are sympathetic to the whole program. We want to do something to help, but, nevertheless, we do not have the confidence that this legislation will assure us the kind of administration that will give us the results that we anticipate and hope for. Therefore, Mr. Chairman, we are concerned, and rightfully so.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. REED of New York. The former speaker, the gentleman from Texas [Mr. RAYBURN] referred to conditions in 1938 and 1939, but of course there was an election coming, and when somebody—and I happened to be one of them, and there were others—suggested a two-ocean Navy, what did the President of the United States say? "Why, that is just sheer foolishness." But 6 months later it was necessary to start a two-ocean Navy. At that time we were trying to stop arming Japan, but would they stop it? No.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GAVIN] has expired.

Mr. CHURCH. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, this bill is a Truman world WPA plan, which will further subsidize socialism in England, communism and other isms other than Americanism.

We are now discussing the Vursell amendment, to reduce the amount by $1,300,000,000. I hope the committee will accept the amendment and thereby reduce the ERP to which thousands of Federal pay-rollers hope to shift from other New Deal bureaus that are being reduced.

Mr. Chairman, I have these pay-rollers in my district waiting anxiously. I know them. They are waiting to shift to ERP. They are hoping that this measure will pass.

Mr. Chairman, you are tying the hands of our Appropriations Committee to reduce ruinous and costly bureaucracy.

Mr. Chairman, the bill before us, which authorizes an appropriation of $6,205,000,000 for the so-called Foreign Assistance Program, presents one of the most far-reaching and one of the most momentous questions to be considered by this Congress. During my many years service in this body, which includes the hectic days of the New Deal, the anxious days of the defense program, and the trying days of the war, I do not believe any issue has given me greater concern than that presented by this pending bill.

I have devoted many weeks of careful study and thought to this bill. There are volumes and volumes of official documents, congressional, and departmental, dealing with various phases of the program. There is the Krug report, the Harriman report, the report of the Council of Economic Advisers. There are the various reports issued by the Committee on Foreign Affairs and those issued by the Select Committee on Foreign Aid, under the able gentleman from Massachusetts [Mr. HERTER], as well as the extensive hearings held by the Senate Committee on Foreign Relations and our own Committee on Foreign Affairs, not to mention the informative debate covering many days both in the other body and here in the House.

As the committee itself stated in its report accompanying this bill:

> The sheer bulk of this material reached proportions probably never before achieved in a congressional study of pending legislation and its brief analysis into simple components has presented great difficulties.

Believing, as I do, that the destiny of our beloved country and perhaps the world may be determined by the action taken on this legislation, I have given much time to a study of all this material, even to the neglect of other duties, in an earnest and sincere desire to reach a sound decision. I have reluctantly concluded that I cannot in good conscience vote for this bill unless the amount is reduced, whatever may be the views of my party leaders and whatever may be the political consequences to myself for the position I thus take. While I do not vainly hope that by what I say here today will persuade someone to my view, I believe I owe it to myself and to the fine people I am privileged to represent to set forth briefly the reasons for my position.

Surely we all recognize that this proposed expenditure of a little over $6,000,000,000 as provided in the pending bill is merely the beginning of what is intended to be a long-range program involving many billions of dollars. It has been said that the total expenditures envisaged by the Marshall plan are around $17,000,000,000, constituting a downward revision from the $22,440,000,000 requested by 16 nations that participated in the Paris Conference. A total authorization of $17,000,000,000 for the program for the period April 1, 1948, to June 30, 1952, was the amount requested by the President in his special messages to Congress in December of last year.

But, in truth, no one really knows exactly what this program, once undertaken, will ultimately cost. No one knows where and when it will end, nor what the results will be. I venture the ominous prediction that this program, if carried through to its logical conclusion, will cost the American people considerably more than presently contemplated and will involve more than the 4-year period now proposed. As is invariably the case in such spending programs, there will be the unanticipated needs and new demands, and in their support there will be offered the usual and somewhat compelling argument that, having invested so much money in the program, it would be folly not to continue further.

Take, for example, the loan we made to Great Britain of $3,750,000,000 to assist her in postwar reconstruction. In the first 12 months she used up $2,450,000,000 of that loan, and we shortly heard the appeal for the pressing need for additional financial assistance. It was understood, however, that when the loan was made that it would last for a period of 5 years.

There is no doubt but that the American taxpayers were indirectly underwriting the socialistic schemes of the administration in power in Great Britain. Instead of pursuing policies that would lead to increased production, the British Government pursued policies which represented an additional burden on their national economy and, by their very nature, retarded economic recovery.

I do not intend here to enter into a discussion of the British loan and British domestic policies. My point is that when we made the loan of almost $4,000,000,000 it was expected that it would be used in a 5-year period and would serve to put her back on the road to economic recovery and stability. But, as it has developed, in a little over a year the loan was exhausted, and now there comes these requests for additional assistance and now there comes the forceful arguments about the need to keep Britain strong in our own self-interest.

To be sure, it is proposed by the pending bill that each year the Congress can

take a look at the program as it makes the annual appropriations, and the authorization provided by this bill is intended only for the first year. To be sure, section 122 of title 1 of the bill provides for a termination of the European assistance program on June 30, 1952.

That is the clear and unmistakable language of the bill. But we have had experience with such programs as this, if not internationally at least domestically. Let us be realistic. Such programs of spending always create vested interests, and in time there develops supplements and additions to it. As the expiration date approaches there develops a campaign to extend it for another year and then another.

In other words, Mr. Chairman, while we are today talking about a $17,000,000,000 program for a 4-year period, if we have learned the lessons of experience, we may well be talking about a program involving many billions more for many years to come. And we are asking the American people to make the sacrifices involved in such a program with absolutely no guarantee of its success.

In considering the vastness of this proposed program, for which the American people will be called upon to pay both in taxes and in high prices of things in short supply, I must take into account the aid which the American people have already extended to other countries and the burden it has represented. During the war itself we extended $50,000,000,000 of supplies to our friends and allies. And since the cessation of hostilities we have extended foreign assistance, directly and indirectly, to around $20,000,000,000.

And where are we? What has been accomplished? Indeed, the countries who have received this aid appear to be in worse condition than when the expenditures began. How long can this go on? Our people now carry a public debt the interest charges on which are $5,250,000,000 in the next fiscal year. Our people now pay the highest income taxes in history, and we have the largest peacetime budget in history, independent of the foreign-aid item.

The major argument made in behalf of this program is that it is necessary to stop the spread of communism and to prevent another war. If I thought for a single moment that this bill would serve that end I would certainly cast my vote for it. But, in this, as in practically everything else that has been undertaken in the field of foreign relations, we are being theoretical rather than practical.

Russia does not fear our economic aid to other countries. Her propaganda machine has been working day and night against the program. It has furnished her with the opportunity to attack us for imperialistic designs, which all of us know is far from the truth. No matter what we did, even if we did nothing, we can expect such propaganda attacks against the United States. Whatever we did, whatever policy we pursued, Russia would endeavor to attack it to try to discredit the United States in the eyes of other people. That is part of her strategy.

All that Russia fears is military might. And it seems to me that instead of wasting our resources on some such program as this, which may amount to no more than a world WPA project, the expenditures could be put to much better use in strengthening our own national defense. We have recently received recommendations for an increase in the appropriations for military purposes, in addition to the $11,000,000,000 proposed in the original budget. And the Joint Aviation Policy Board, established by this Congress, pointed out in its report a number of weeks ago the existing inadequacies in our air power.

It seems to me, Mr. Chairman, that we might well heed the words of former Secretary of State James F. Byrnes, in an address he delivered in November of last year at Winston-Salem, N. C. He said:

> America must be strong if Americans are to remain free. If a choice ever has to be made between providing long-term economic aid to Europe and providing funds for the national defense, there must be no question that our duty is to provide our armed services. Freedom-loving people throughout the world are just as much interested as are the American people in our maintaining military strength.

And that, Mr. Chairman, is precisely the choice we have to make. We cannot afford to enter upon such a program as this and, at the same time, meet our defense requirements. We cannot do both and remain solvent. If there is anything that would further the cause of communism in the world, it would be for the United States to become economically weak.

I repeat what I have contended many times, both here on the floor and in the public forums, that national defense also involves a strong, productive economy. The last war is conclusive proof of the fact that the power to produce goods to support an adequate Military Establishment is as important as the Military Establishment itself. The size of the standing Army or the Air Force or the number of available ships is not the sole measure of one's military power. A nation's productive facilities and productive power is an important factor.

By entering upon fantastic, experimental programs such as envisaged by this legislation we are draining off much of our economic strength, and we are straining our whole economic structure. We are making ourselves weaker, with absolutely no guarantee, not even a hope as I see it, that our aid will really serve to make our allies stronger.

None of the countries in Europe are strong enough to resist direct aggression from Russia. It seems to be generally admitted that if Russia should decide upon a course of military aggression, in lieu of the indirect methods of taking over control of countries she presently employs, that none of the countries has the military and economic strength to prevent being overrun. And even assuming that our aid will enable them to become stronger, it will certainly be a matter of several years before they will be able to restore their productive power and attain economic stability.

Indeed, if the objective of the Russian Government is to bring the world under her control, as evidently it is, it would be in keeping with that policy if Russia were to wait until the United States has sent extensive supplies to a country and then proceed to take the country. She would thus obtain the benefit of the goods and machinery from the United States in furthering her objective.

It is an unfortunate fact, Mr. Chairman, that the international situation which confronts us today is the direct result of failures and incompetence and vacillations on the part of those who have been charged with the conduct of our foreign affairs in the executive branch of the Government. We are paying a high price today for these follies of yesterday. When we were extending lease-lend aid and when we had the finest Army, Navy and Air Force in the world, this great and powerful country was in a position to insist upon the adoption of principles that would make for a lasting peace. Instead, secret deals were made, probably because they were expedient at the moment, of which the people knew nothing, that are today producing this period of great anxiety, confusion and uncertainty.

The philosophy of the New Deal has always been that whenever any problem presents itself the solution is an expenditure of money for experimental purposes And that is exactly what is proposed here. Even the proponents of this program admit that it is an experiment. We know that it will involve many billions of dollars, that the people will have to pay for it in taxes and that they will have to pay for it in the prices they pay for goods in short supply because of shipments abroad. I cannot give my support to such a program.

It seems to me, Mr. Chairman, that the best way to combat communism is to make certain that we have an adequate national defense, that we have the finest and most efficient military machine in the world, in the air, on land and at sea, and that we have a sound national economy to support that machine. That is the first requisite. And that is the way to peace, security, and prosperity which, I pray, the American people will ever enjoy.

Mr. KERSTEN of Wisconsin. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as a freshman Member and as one from the Middle Western State of Wisconsin, it might be assumed that I would tend to be as much isolationist as anyone, and certainly as a freshman Member, one whose voice is not as persuasive as the majority of the members of the committee; but I should like to give you my reasons for believing this amendment should be defeated.

I agree with the gentleman from South Carolina that we need a strong Air Force, a strong military arm, but I believe that that in and of itself would not

stop the thing that is happening in this world and has been happening since the end of the war. A strong military arm alone right now, possessed by the United States, would not necessarily put us in a position to tell Joe Stalin that the Italian elections, for example, should go a certain way. The Communists do not work in the open, they work by penetration, they work upon the stomachs of the people, they use soap boxes, deceit, and infiltration and other means which the Army cannot reach.

In the program which we have set before us we must implement not merely the military arm but we must implement the economic arm and also the spiritual arm.

I contend that those Members who here today argue in favor of cutting down the program to the point where it will be ineffective, are persuaded primarily by, and are obsessed of the idea that we can lock ourselves up and pay no attention to world affairs. They are the members who within a very short period of time would bring down upon this country expenditures and appropriations far in excess of what we are considering here. They are the apostles of huge appropriations for the future. They are not the advocates of economy, they are the men who fail to see that we would then have to adopt a policy which would be far more expensive than what we contemplate now.

Suppose we did what they want, suppose we adopt a course of historical fatalism and permit Russia to take over the rest of Europe, northern Africa, China, and other portions of the world. Suppose they should reach that position, following the tactics she has already followed—and she moves very cleverly—what kind of appropriations would these gentlemen who now oppose this, be willing to vote for—if Russia stood astride the world and we were then isolated from the world? Mr. Chairman, the kind of appropriations we would then be faced with would be 5 or 10 times what we are now faced with.

Does the gentleman believe that Russia will not in a few years have developed the atomic bomb? Do these gentlemen believe they will not have developed biological warfare? When they shall have done these things—and they are now in the process of trying to do them—what kind of appropriations would these gentlemen support, when Mr. Stalin, or Mr. Molotoff, or Mr. Zhdanov at the time of a future American election said: "We direct that Henry Wallace be the President of the United States" and be able to implement their desire with sufficient force that even the threat of using it would effect Soviet policy for the United States. We would see repeated here what we have seen in Europe, only worse. Oh, yes; we would then have to have appropriations to move our cities underground. These gentlemen are the apostles of expenditures far beyond the wildest dreams of men now living, many times greater than this appropriation.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, if there ever was a false economy move, this effort to cut the authorization for this year below the necessary level for success of the entire plan, is certainly it.

I really think that the figure of $5,300,000,000 is even short of the amount necessary to do the job. If you want to insure failure of this plan—to lose the goal we are seeking in helping to contribute to world peace, and to strengthen western European democracies, then vote for the Vursell amendment and defeat the good effects that can come from enactment of this plan.

No one knows exactly what this plan is going to cost, what is going to be necessary to pull Europe out even on the mere basis of existence. It is only if there is enough money in the fund to rehabilitate industry, to furnish the raw materials so they can become self-respecting and self-sustaining nations, can the idea of the Marshall plan work.

By adopting this drastic 33⅓-percent cut, this reduction, will force the Marshall plan to become only an international WPA because there would not be money enough left to do any general rehabilitation work and only a mere dole of sustaining food can be extended.

Europe needs the tools to do the job of becoming self sustaining, and the Vursell amendment would take the money for tools out of the plan.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, there are some of the items in this bill that can be reduced without any injury to the legislation. For instance, it is estimated that $900,000,000 under this program will be spent for tobacco alone. Two hundred and sixty-five million dollars has already been earmarked to be spent for tobacco during the next year. As I have said before, why not spend the $165,000,000 for food. It will do a whole lot more good to help save the lives of starving people rather than help take care of a surplus of tobacco in this country. Why should we send $7,000,000 worth of tobacco to Denmark in the next year; $23,000,000 to the Netherlands; $10,000,000 worth to France. We are even sending $2,000,00 worth to Ireland and $160,000,000 in tobacco to the British Isles. All in the name of European recovery.

I should call your attention to another item. Two hundred and eighteen million dollars is to be spent for tractors to farm lands of the European countries under this bill. In the first place, the European farmers are not accustomed to using tractors. The whole thing is impractical because the farms average only from 7 to 20 acres. Why should a farmer who does not know how to run it, have a tractor to operate a farm of 10 on 20 acres which any farmer knows is impractical. Instead of doing this you can use 10 or 15 percent of these funds and buy horses and mules and small implements. In other words, in place of spending $218,000,000, spend $20,000,000 for horses, mules and ordinary farm implements and save the other $200,000,000 for our own farmers.

There is a surplus of horses and mules in this country. They can be bought very cheap. Implements to be used with them are not expensive. As a matter of fact farmers in European countries have quite a supply of implements on hand. As far as feed for these horses is concerned, they will need little grain because horses in those countries live on forage which is in supply. If you will spend $20,000,000 in this way you can take care of more than a hundred thousand farm units, which is just as much as you will do by spending ten times that amount for tractors. And do not forget, these tractors will use a great supply of gas which is scarce and very expensive in Europe.

Farm tractors are scarce in this country now. Our farmers need them very badly. Why not be realistic about this whole matter. Here is something else. Just as soon as this bill is passed the Department of Commerce is going to issue a statement that commitments under this proposal will take 25 percent of the output of farm tractors and farm machinery during the next year.

The Administrator of this legislation does not have to follow that commitment. I hope he will use a little common sense and be realistic in dealing with this problem.

This legislation calls for $450,000,000 worth of nitrogen, potash, and phosphate for fertilizer. I am not going to object to some fair division of fertilizer. I would like to call attention to the fact that a considerable amount of nitrogen is going to countries abroad right now. I think you know that with very little processing it can be converted into explosives. In view of conditions it will be well to give this matter particular attention.

Having said what I have with regard to this matter, I am not unmindful that this program has the endorsement of the strong farm organizations of this country.

I hope these farm organizations will use their influence in seeing that their interests are protected by urging the things to which I have directed the attention of the membership of this House.

Mr. Chairman, the expense of this program can be reduced by several million dollars without injury to anyone. Of course, we want European recovery. In our attempt to render assistance to others we must be extremely careful that we do not weaken America in our attempt to reach this objective.

Mr. Chairman, because this program has the endorsement of many of the

great leaders of this country, who have given it a great deal of study and consideration, and because it has the approval of so many of our people who feel it may help prevent another world crisis, and for the reason it carries the hope it may help bring about a better understanding among the nations of the world and prevent the suffering of so many people, I shall support this legislation. I do it with the further hope that it may be administered wisely and that those in charge of its administration will spend the funds on the basis of real need, and with the realization that the funds expended come from the taxpayers of this great country of ours. I regret that I cannot be more enthusiastic with respect to this legislation. Again, I hope the adoption of this legislation will do the things its sponsors believe it will accomplish.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan.

There was no objection.

OUR FOREIGN POLICY AND THE MARSHALL PLAN

Mr. HOFFMAN. Mr. Chairman, as a boy I was allergic to poison ivy or poison oak or, as the State Department would put it, Toxicodendron radicans. Frequently, after a hunting or fishing trip, I had a very unpleasant time caring for an itching, painful skin. Some folks told me if, after being exposed to poison ivy, I would wash thoroughly and carefully with soft soap, with yellow soap, with tar soap, or rub myself with alcohol, I could expose myself to poison ivy, but it would not take. Those remedies and several others were tried, but I learned that if I did not want to be poisoned, I had better stay away from where the poison oak grew. The lesson finally was learned through repeated, painful experiences. Now I watch my step and avoid contact with the dangerous vine.

The Balkans, sometimes called the cockpit of Europe, and other European nations are, if it may be put that way, the natural habitat of war. For reasons which it is unnecessary to give, the nations of Europe are ever at war.

Our people do not like war. This is especially true of those who have to fight the wars and pay the cost.

There are, of course, a few with ideas of grandeur who like to strut the world's stage; others who are not averse to taking a profit even though it comes from the suffering and the sacrifice of lives of their fellowmen. There are others, kindly, sincere, generous folk unaware of the facts of life, who follow a program which leads to war. But the mothers and the wives—yes, and an overwhelming majority of the young men who have no voice in the question as to whether they shall fight, suffer, and die—are opposed to war.

As a people we know, too, that war seldom settles anything. History teaches that the issue which was supposed to be settled by war lives on and, the disputants being willing, breeds another war. The world knows, too, that hunger, sickness, epidemics, famine, sometimes starvation, always follow war—that it takes years for the nations which engage in war to be rehabilitated, and that to lessen the havoc wrought by war, hard work, thrift, and courage are necessary. This bill asks the American people to assume the burden which should be borne by the nations responsible for the war.

Nevertheless, knowing all these things and disregarding the sound advice of the Father of our Country to avoid entanglement in foreign affairs, we have during the last few years made it our business to, in one way or another, get into two world wars and to set the stage for a third one.

This Nation, if it would, could follow the sane, sensible course I followed as a boy, when I avoided pain and suffering as well as inconvenience by staying away from the poisonous vine, by watching my step, by looking where I was going, and attending strictly to my own business of hunting and fishing. If we would, as a Nation try to avoid settling the quarrels of other nations, we might avoid war. If we send our dollars and our armed forces into areas where there is war, we will be in it.

QUACK REMEDIES

In recent years we have had a foreign policy which is no policy at all, for a policy implies a continuity of consistent action. The present and the preceding administrations have written many prescriptions.

Among them are the following:

We had the neutrality declarations of 1914 and 1917. That was to keep us out of war. Then we had Wilson's 14 points. That was to keep us out of war. Then there was a covenant of the League of Nations. That was to keep us out of war. Then the Washington treaties of disarmament. That was to keep us out of war. The Kellogg pact to outlaw war. That was to keep us out of war. The Dawes plan and the Young plan to keep us out of war. The Stimson doctrine to prevent aggression. That was to keep us out of war. The London Conference. That was to keep us out of war. The Roosevelt Neutrality Act. That was to keep us out of war. The four freedoms. That was to keep us out of war. Hull's 17 points. That was to keep us out of war. Then came the Atlantic Charter. That was to keep us out of war. Then the Yalta declaration, to keep us out of war. Then there was lend-lease to keep us out of war. Then UNRRA to keep us out of war. And the Potsdam agreement to keep us out of war. And Bretton Woods to keep us out of war. And Dumbarton Oaks to keep us out of war. And Bank for International Settlement to keep us out of war. And Export-Import Bank to keep us out of war. And the United Nations to keep us out of war.

United Nations was given us with a great fanfare of publicity. It was the front page of the papers for weeks, and finally we took it. It was given us with the assurance that it would police the world—prevent war—need I say "Palestine." UN appears to be dead.

Recently, the Congress appropriated $65,000,000 to build a palace here in America on a bit of what might now be termed—international soil, for the outfit which will administer UN and which we, at great cost, will support—with a few dollars thrown in by other nations. United Nations was hailed as a great adventure. It has been a joy ride for a few, but there has been no profit, either material or spiritual, out of it for our people. It is doubtful, too, whether we have learned anything from this great adventure.

Lend-lease and the other money giving measures were characterized as great speculations. If there was anything speculative about them—and that I doubt—we have on every occasion been on the loser's side of the deal.

A NEW DOCTOR, A NEW PRESCRIPTION

Our past advisers and their prescriptions, having failed to keep us out of war, having failed to establish freedom anywhere in the world, having failed to give us peace, prosperity, or happiness, it would seem that another physician and new remedies would be welcome. As proof that the New Deal Administration—I will not call it Democratic, for that it has not been—is an utter failure, permit me to quote the former Speaker of the House, the gentleman from Texas [Mr. RAYBURN], now the minority leader, who, on March 24, last, just last Wednesday, from the floor of the House said: "I am more distressed about the world situation today than I was in 1938 and 1939." A frank confession that the New Deal policies, which we have followed since the beginning of the Roosevelt reign, have brought us nothing worth while—on the contrary, have been a positive destructive force—have left us in worse condition than when the first emergency arose.

Notwithstanding the complete worthlessness, the excessive cost, the suffering and the burden laid upon the taxpayer by our present bipartisan foreign policy, we seem determined to insist upon swallowing another dose.

How many are aware that from July 1, 1945, to June 30, 1947, we gave aid to foreign nations amounting to $24,099,211,087; that the bill, now pending before the House and which today we will vote upon, is the opening wedge for a program under which we will give to foreign nations, before it is finished, at least $17,000,000,000, and no one knows how much more—who will predict for how long the program is to run?

Just to show the taxpayers of the Fourth Congressional District of Michigan what it will cost each individual if each paid his equitable share—which, of course, he will not—let me read the following figures prepared by the Legislative Reference Service of the Library of Congress:

Share in cost of foreign-aid commitments and Marshall-plan proposals—Total aid apportioned on Nation-wide per capita basis

	Population, 1940	Share of foreign aid commitments fiscal 1946, 1947 population times $183	Share of foreign aid proposed 1948-52 population times $129	Total share in commitments and proposed aid	Taxes, 1945, at county, township, and village levels
Allegan County	41,839	$7,656,537	$5,397,231	$13,053,768	$678,779
Allegan City	4,526	828,258	583,854	1,412,112	155,084
Barry County	22,613	4,138,179	2,917,077	7,055,256	399,836
Hastings City	5,175	947,025	667,575	1,614,600	162,923
Berrien County	89,117	16,308,411	11,496,093	27,804,504	2,436,270
St. Joseph City	8,963	1,640,229	1,156,227	2,785,456	472,809
Cass County	21,910	4,009,530	2,826,390	6,835,920	376,129
Cassopolis City	1,488	272,304	191,952	464,256	14,772
St. Joseph County	31,749	5,810,067	4,095,621	9,905,688	647,757
Centerville City	812	148,596	104,748	253,344	7,512
Van Buren County	35,111	6,425,313	4,529,319	10,954,632	658,352
Paw Paw City	1,910	349,530	246,390	595,920	11,982

Sources: County populations from 1940 Census, Population, vol. 1; population of county seats from Rand-McNally Atlas; tax data from Michigan State Tax Commission, twenty-fourth report, 1945-46.

The aid which we have extended to foreign nations has laid upon each citizen of the United States a tax burden of $183.03. But some of us are going to pay more than that. On an evening when you have leisure time, will you sit down with pencil and pad, figure the total number of people who live in your block? From that total, exclude first the children, the sick, then those who cannot or will not pay $183.03. In short, determine in your own way and to your own satisfaction the number of people in your block in your home town, upon whom this tax burden will fall, and I think you will discover that each will pay from two to three times $183.03.

Then, if your pencil has not worn down, instead of amusing yourself with a crossword puzzle, figure what the proposed Marshall plan, assuming that it will cost no more than the $17,000,000,000, will cost you. If each citizen of the United States pays his equal share, your share would be $129. You know, however, that it will be much more than that. But let us assume, for a moment, that each child, patient in the hospital, inmate of any institution, paid his share. Add your $183.03 and your $129, and you will learn that this plan of aiding others has or will cost each of us $312.03.

Nor is that all the cost.

OUR RESOURCES ARE LIMITED

Even the most optimistic supporter of our present foreign policy will confess that no accurate estimate of our national resources, of our ability to pay and do, is at hand. Yet we give billions without a thought as to our ability to give.

A few things we do know. Even the dumbest recognizes the fact that we cannot use the same thing at the same time in two different places.

The housewife knows that if we send food, and money to buy food, abroad, she will find that her present difficulty in feeding the husband who must work and the children who must be fed, if they are to retain their health and grow, has been drastically intensified. Every time the housewife goes to buy an article of clothing, she will find that the price is going up. She will learn that there is difficulty in obtaining what she needs. That is one thing the Marshall plan will give the housewife.

The farmer who is asked to grow food for Europe will learn that the cost of his farm machinery and the labor cost are skyrocketing. He will learn, through bitter experience, that as his farm machinery wears out, he will have more and more trouble in replacing it. He will learn, too, that the price is almost doubled. That, the farmer will get out of the Marshall plan.

The veteran who finds, as time goes on, that his needs have increased, that because of the increased living costs, the allowance which, to him in the beginning, may have seemed adequate or generous, is now insufficient. But when he asks for an increase he will learn that the money which might have been paid to him has been sent to other nations who have used it to purchase and hike the price of the things he needs. He will learn that the things he needs are being given to some of those, and the dependents of those, who, in days gone by, confronted him on the battlefield. Less and less in purchasing power the Marshall plan will give to the veterans.

FEDERAL WORKERS

Yes, wage earners throughout the country, confronted by the increased cost in various items, will learn—and it should not be a surprise to them—that they will pay not only through the tax collector, but every time they go to a store or market in higher prices for the gifts which are being made to other governments who, in turn, sell at a profit to the very people we are supposed to be aiding.

And so the story might run on indefinitely, but the foregoing is sufficient to show what will happen, what we will get out of the Marshall plan.

Do we get peace, security, out of this bill and do these other plans, which have been made for us, give us peace and security? Oh, no. During the debate on this bill not one proponent of the bill has given it unquestioned support.

It has been described as a calculated risk, as an experiment, as something we must have. It is a remedy which may, it is said, give us peace.

The proponents of this plan are the same individuals, belong to the same groups, which heretofore have written prescriptions. We have taken their prescriptions, and none has kept us out of war. None has given or will give peace. Now they tell us that, in addition to this gift of anywhere from $17,000,000,000 to $20,000,000,000, we should also accept at their hands compulsory universal military training, a renewal of the conscription law which will take the men of this land to fight again on foreign soil.

Yes; those things they advocate, knowing, as they must that every nation which has tried them has been the loser in every war where they have met our so-called untrained soldiers. They still urge these upon us.

There is no necessity for war. Russia is not now able to carry on a war, and she will not for years to come be capable of successfully making war if we will end our policy of building her up. We aided Russia in destroying Hitler, and in the process we created—so we are told—an enemy as strong or stronger than was Hitler.

CONSTRUCTIVE POLICY

And so you ask what policy do I advocate?

As the first constructive step, I would get rid of, lock, stock, and barrel, the present administration and those whose advice we have followed to our sorrow. And with them the Reds, the Pinks—those who seek to circumvent the laws and the Constitution.

Second, I would continue to give aid to the unfortunate in other lands, who need food, clothing, and shelter, but I would give it direct to the people through American administrators and, in return, I would exact work from those receiving aid directed toward rehabilitating themselves and their nation. Under no circumstances would the giving of this aid be permitted to impair our own welfare, and under no circumstances would I give aid to those who insist upon recreating a military machine.

Third, and perhaps most important of all, I would build up here, through every scientific method, our national armament. If there is anything to the talk which we were getting from our Armed Services a year or 2 ago as to the efficacy of the atomic bomb, then we have in our hands and under our control the secret which will enable us to hold all nations at arm's length. Instead of giving money to other nations to arm themselves and to carry on policies of aggrandizement, I would limit aid to that which can be used only to assist them economically.

Then, finally, I would quit trying by force, to compel other people and other nations to adopt our ways, our policies, do as we wish them to do.

If a program of that kind is followed, we need fear no one.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BRADLEY].

Mr. BRADLEY. Mr. Chairman, I have spoken against certain parts of this bill,

but I want to say now that I support the committee on the measure as it now stands, and I oppose the reduction as suggested in this proposed amendment.

It is generally recognized throughout military establishments that any dictatorial power which controls all Europe endangers all peace-loving democratic nations of the world, and it seems to me that we must do the best we can to preserve the few friends we may still have in Europe. Predictions regarding military operations and regarding future wars are dangerous, indeed. Even the best professionals make lots of mistakes, and today, with submarines, and aircraft, and the atomic bomb, war would be terrible indeed. I think we should do everything honorable within our power to keep the peace. A cold war is a lot better than a fighting war in which hundreds of thousands of people are going to be killed and in which general destruction will be accomplished. I do not want to contemplate the death of those hundreds of thousands, even though they are chiefly the men, women, and the children of the enemy.

I support the measure as it stands.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Chairman, the long debate on this bill has disclosed the lack of wholehearted support of the so-called Marshall plan. Many of us who are voting for it do so with misgivings. However, those of us who want to take positive action before the Eightieth Congress adjourns, on a program that will help to bring peace and stability to the world and give some hope to the devastated, war-torn countries of the Old World that they may be able to rehabilitate themselves and assume normal activities are forced to vote for the Marshall plan or do nothing. We have no other recourse. I am sure the American people want to do their full share in helping to restore the shattered, war-devastated countries of the Old World and to bring about a stable and enduring peace. I pray God that may be accomplished. My mail is heavy with requests to support such an objective. America has always had a sympathetic approach to distress throughout the world. We should provide a springboard for self-help, not a wheel chair for permanent doles. We must, however, bear in mind that our own financial resources are not inexhaustible, and that we now have a debt of approximately $257,000,000,000, a peacetime budget of forty billions, with additional billions now being requested by the President. We have the highest tax burden in all our history, and the American people have been pressed to the limit to finance this immense burden thrust upon them. There must be a limit sometime to this exorbitant spending of American tax dollars around the world.

The administration, which has played fast and loose with our foreign affairs, has supported no forthright, effective foreign policy which would result in a solution of the critical world problems facing us. It has been vacillating and has engaged in double talk and appeasement, as a result of which confusion has been added to confusion and a chaotic situation exists in the whole field of international relations. The personnel in the State Department charged with the responsibility of maintaining our foreign affairs, are inefficient, inept, and vacillating and they have failed miserably to effect any solution of these many problems. We were sold down the river at Potsdam and Yalta. The Palestine question has been bungled from the outset, and as a result the administration has not only sacrificed the Jewish people of Palestine, but has gained the enmity of all factions. It adopted the undefensible Morgenthau plan in Germany and forestalled recovery there.

In the Balkan countries, the administration has permitted the iron curtain to be drawn around one nation after another, and has been impotent to protect American interests after having poured literally billions of dollars into these satellite countries which are now under Russian domination. These American funds have gone to build up Russian war power.

Since the war in Europe ended we have sent overseas over $20,000,000,000 in an endeavor to give relief and help to rehabilitate those countries ravaged by that titanic struggle. During the war, we poured seventeen billions into Europe and Asia. We gave Russia $11,260,343,603 during the war under lend-lease. Since the war we have given Russia approximately $168,000,000. We have also contributed $301,000,000 to Yugoslavia, $174,000,000 to Czechoslovakia, and $349,000,000 to Poland, with lesser sums to other Russian satellite countries, thereby swelling the power and military strength of Russia itself.

No one can say that we have not fulfilled our full duty on foreign aid in the past. We have expended overseas, since the war ended, over $24,000,000,000 for civilian aid. Reports that come to us here in the Congress from our committees and representatives who have canvassed postwar conditions in foreign countries, are to the effect that many of our American tax dollars have been flagrantly dissipated, and poured down "rat holes" with little or no actual aid or relief to the stricken peoples on the lower-income levels who are in dire need of immediate help to prevent starvation. Our foreign-aid program has been shamefully administered and much of the money provided for this program has gone to corrupt politicians, designing civilians and military officials, and others who want to profit from the largess of America without themselves making any contribution by their own self-help to the welfare of their fellow citizens. Whatever we do in the way of relief and aid for the war-stricken nations should be to help them to help themselves, and must be hedged about by administrative controls that will make certain that every dollar expended will bring a full dollar's worth of value in relief and rehabilitation to the needy recipients of the gifts from our own people. In giving aid, we must not undermine our own financial structure.

Under the Marshall plan we are now embarking on another program of world-wide spending which, according to the planners, will involve an outlay of $17,000,000,000 at least in a 4-year period. I do not approve a 4-year program, but 1 year only. This stupendous sum is more than the assessed value of the 11 Western States of the United States. Our children and our children's children will be paying on this debt as long as they live. It will be added to an already huge national debt of $257,000,000,000. If we were assured that the administration would clean house, particularly in the State Department and the Department of Commerce, and would place a conscientious, public-spirited, and efficient American in charge of the expenditures under the administration of this program, we could vote for the plan with more confidence. Judging from past experiences in the spending of the huge sums to which I have called attention, there is little encouragement given that the funds will be conscientiously and honestly expended.

While we are considering this enormous burden to be placed on the American taxpayer, we must not overlook the fact that in the critical world situation now existing and with the threat of war again hanging over our Nation, we must keep our own house in order and maintain our military defenses to full 100-percent strength in the air, on the land, and on the sea. This involves large expenditures and should be one of the first calls upon our resources. We should be strong militarily, not for war, but for peace and the defense of our own country in the event of any emergency. We should not allow our own country to be weakened and its financial resources dissipated, without first providing full, 100-percent national defense.

Mr. Chairman, while I am forced by circumstances to vote for this bill since no other program is offered, I am doing so with the distinct understanding that we are committing ourselves only to 1 year and that at the expiration thereof, or sooner if circumstances warrant, a complete reexamination of the whole problem will be made and a new determination as to what further action, if any, should be taken by the United States to solve these international problems. I am voting for it in the belief we will have a new administration in the White House in January 1949. I am firmly of the belief that we cannot hope for honest, effective, and efficient administration of this program until there is a complete change in the administration from the top levels to the bottom, so that there may be a thorough housecleaning in all departments, resulting in the plugging of the leaks which have resulted in profligate spending of American relief funds by irresponsible persons in high places and low.

Mr. Chairman, I am voting for this bill reluctantly only as a last resort.

WHY NOT A MARSHALL PLAN FOR THE AGED OF AMERICA?

Mr. Chairman, when we had under consideration the tax bill, I posed the question "Why not a Marshall plan for the aged of America?" I repeat here some of my remarks I made then. There seems to be no valid reason, while we are planning to spend $17,000,000,000 more overseas for the relief and rehabilitation of citizens of foreign countries, we should not also at the same time make adequate provision for our own old folks here in America who are in want and without the necessities to keep body and soul together. I refer to the inexcusable failure of the Congress to make adequate provision for the aged of America. I again pose the question, "Why not a Marshall plan for the aged of America?" While we are considering the Marshall plan for Europe, is it not time to adopt some plan for the old folks of this Nation? The proposal of the administration is to spend some $17,000,000,000 in aid to European countries under the Marshall plan, with an expenditure of $6,205,000,000 for the first year. This is in addition to the twenty-four billions that have already been expended for European aid since the war ended. I call attention to the fact that some of this huge expenditure will be made available for the needy of the European countries, including the aged. Is it not a decent thing to do, while we are expending such huge sums for foreign aid, to have a Marshall plan for our own old folks in America and give them some help in their distress? You can fulfill this obligation to our old folks by signing petition No. 7 and bring on the floor for consideration H. R. 16 which will give them enough aid to sustain them in their old age.

The Congress, for years, has been considering legislation for its elderly citizens. Throughout my legislative service here, covering almost 10 years, I have urged that the Congress adopt a Federal old-age program which will do justice to the old folks of America.

On the opening day of the Eightieth Congress, I introduced H. R. 16, which is a bill providing benefits to the aged and the totally disabled. This bill does not provide any fixed monthly annuity for the recipients, but it does provide for a tax and the total amount raised thereby will be prorated monthly among those entitled to take under the bill. The experts of the Congress on fiscal affairs should determine the tax necessary so that the bill, when enacted, may provide an adequate annuity to maintain these old folks in decency and health. It would lie within the province of the Congress to change the tax from time to time as conditions warranted. This bill has been gathering dust in the pigeonholes of the Ways and Means Committee. Before we adjourned at the special session, I urged that every Member of the House interested in the welfare of our old folks sign a discharge petition which I placed on the Clerk's desk. The Christmas season was then approaching and it seemed appropriate as an evidence of good will and sincere interest in the welfare of these old folks that we sign this petition and bring this bill on the floor for consideration. One hundred and sixty-five Members have signed the petition. When 218 Members sign, the bill will come to the floor under an open rule and will be subject to any germane amendment, and the House will be able to work its will and to adopt any amendments it desires in order to make the bill acceptable to the majority of our Members. The exact terminology and provisions of this bill are not the important consideration, but it is important to enact some legislation making adequate provision for our old folks, with an assurance that they will have an ample monthly income during their old age to permit them to secure the necessary medical care, food, clothing, and shelter to protect them from want, hunger, and cold.

The existing social-security law for the aged is an ineffective gesture. Under it, as shown by the reports from the Social Security Agency, the payments the aged are receiving for old-age assistance through the States of the Union, average from $16.92 a month in the lowest State to $64.93 in the highest, as shown for the month of November 1947, with a national average of $36.91. Truly, such allowances to cover food, clothing, medical care, and shelter represent a starvation program. As was recently pointed out by the Administrator, in some areas "contributions by the State and Federal Government are not enough to enable people to maintain an adequate diet, and they are literally suffering slow starvation."

The United States Public Health Service recently reported the results of a long-range survey which shows that about 35 persons per thousand have some chronic illness or major physical disability. A gradual increase takes place to a rate of about 100 cases per thousand at 45. From this point on the curve goes up very rapidly. There are nearly 250 chronically ill per thousand at 60. In the next 10 years the rate goes up to 400 per thousand. At 80 more than half of the group needs the regular care of a physician and at 90 the rate is more than 900 per thousand.

The critical problem facing our old folks in their endeavor to maintain a bare existence is tragically intensified by the high cost of food and other necessities of life in this inflationary period in which we find ourselves. The Bureau of Agricultural Economics has recently announced that the cost of food bought by the average American family increased 25 percent in 1947 over 1946. Dorothy Bovee, Red Cross nutritionist, reports that the cost of a minimum adequate diet for a family of two in the Washington area at this time is at least $11.60 weekly.

We all know old-age annuitants, with their meager income, could not be able to buy this diet, but would be limited to the essential staples only, eliminating the fresh fruit, canned goods, and fancy items. For them it would be a luxury diet.

In contrast to the foregoing minimum fare which old-age annuitants are unable to buy with their limited allotments, is the menu of a dinner recently given in the Statler Hotel here in Washington to 100 guests by Mr. Charles Luckman who headed the President's meatless-eggless days' program. Here is the menu: Shrimp cocktail, fried oysters, crabs, shrimp and lobster gumbo, curried chicken, roast turkey, baked ham, roast beef, string beans au gratin, fried apple rings, pickled walnuts, celery, olives, rye rolls, assorted finger rolls, ice cream, and coffee. Mr. Luckman's job was to conserve food for hungry Americans.

Mr. Chairman, how can an old person, who must maintain himself on old-age assistance according to the plan provided in the present social-security setup, meet his expenses, not only for food but for all other necessities, on an average monthly payment of $36.91? Is there any valid reason why this Eightieth Congress should not give the right-of-way and green light to legislation for old-age assistance while we are opening the Treasury doors wide for European relief?

We have been concerned in the Congress about the rising cost of living, the inflation spiral, and the added burden placed upon the millions of our workers and the low-income groups who must pay these increased prices for food, clothing, and shelter. Cognizant of these difficulties, the Congress has increased substantially the income of some groups of our citizens, but it has given the old people no consideration. Their meager monthly average of $36.91 remains the same, while the simple fare they must provide to keep body and soul together has risen in price by leaps and bounds. Many annuitants receive much less than the average of $36.91. The miserable pittance they were receiving was wholly insufficient to care for their modest needs even before the advent of high living costs.

According to statistics I received some time before the war with respect to the annuitants under the insurance provision of the Social Security Act, 252,000 past 65 years of age received an average of $23 a month; 74,000 wives of these pensioners 65 or over received an average of $12,25 a month; widows over 65, totaling 25,000, received only $20.16 a month; 28,000 parents received $13 a month; widows under 65, of whom there were 55,000, received $19.50 a month, and 159,000 children under 18 received $12.21. Of all persons 60 years of age or over, four-fifths received less than a minimum for decency and health. Before our entry into the war, it was estimated that of the persons 60 years of age and over in the United States, 54.9 percent were supported wholly or partially by public or private social agencies or were dependent on children, relatives, or friends for their subsistence and care. A considerable proportion of the remainder received part or all of their support from various pension systems—Federal, State, and municipal, industrial or private.

At the beginning of the year 1946, nearly half of all civilian jobs were excluded from coverage under the social-security program, and nearly two in five of all persons employed were neither

fully nor currently insured. At best the social-security law we now have is a haphazard program which, in effect, is largely financed by the public generally, but the benefits of which are shared in by only a few selected groups. It encourages inflation by collecting a huge fund currently used for deficit spending. These difficulties would be overcome by the adoption of H. R. 16, which would cover all citizens falling within its provisions, and the obligations and benefits of the program would likewise be shared by all. It would be all-inclusive in its provisions and therefore would obviate the necessity of continuing many social security laws now in existence and would, for the first time, set up in our country an old-age-security program which would insure all of our elderly citizens 60 years of age or over against the hazards of old age. It would build up no reservoir for deficit spending, but the moneys collected would go back into the channels of trade each month, providing local markets for American production and buying power for aged citizens.

On December 31, 1947, there had been paid into the social security fund approximately $10,524,681,961.55, and $1,772,431,249.69 paid out to beneficiaries; the balance was spent by the Government for other purposes.

Mr. Chairman, we in the Congress are engaged in a great adventure in human welfare. We are charged with the responsibility of planning and building for 140,000,000 Americans a social, economic, and cultural structure which will assure their welfare. If we omit from our plans the care and protection of the millions of aged citizens who are in want, we will build in vain. We will build a tower of Babel. We must not reject the guiding hand of Providence in our plans; we need spiritual understanding as well as political wisdom. As Benjamin Franklin said to the Constitutional Convention when the great charter of our liberties was drafted:

> We have been assured sir, in the sacred writings, that "except the Lord build the house, they labor in vain that build it." I firmly believe this; and I also believe that without His concurring aid we shall succeed in this political building no better than the builders of Babel; we shall be divided by our little, partial, local interests, our project will be confounded, and we ourselves shall become a reproach and a byword down to future ages. And what is worse, mankind may hereafter, from this unfortunate instance, despair of establishing government by human wisdom and leave it to chance, war, conquest.

Daniel Webster, one of our eminent predecessors, said:

> Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered.

We should not be unmindful of the fact that these senior citizens were the workers of yesterday. They helped build our cities, our roads, our industries, and helped to clear our lands. They were the trail blazers, the pioneers. They built for us. Now that they are old, we cannot pass them by. They do not seek our charity. They only ask simple justice—a modest share in the fruits of American industry, to the production of which their labors in the past have contributed.

Let us prove to the whole world that these aged American citizens are entitled to, and shall have vouchsafed to them by their country, "life, liberty, and the pursuit of happiness." Let us prove that humanity is still on the march here in America by enacting an old-age annuity plan that will provide for our old people an annuity sufficient to maintain them in decency and health.

I most sincerely urge you, my colleagues, to join us in the petition to bring the old-age security legislation on the floor of this House at an early date, so that it may be enacted into law before this Congress ends, thereby putting America on record as willing to provide reasonable old-age security for our own elderly citizens while we are spending billions overseas for similar purposes. When you have voted for the Marshall plan sign petition No. 7 and bring H. R. 16 on the floor for passage and give our own old folks their Marshall plan to permit them to keep body and soul together.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. JUDD. Mr. Chairman, I ask unanimous consent that the time I had be allotted to the gentleman from Illinois [Mr. DIRKSEN].

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, the amendment that is pending, offered by my gracious friend and colleague, the gentleman from Illinois [Mr. VURSELL], would reduce the direct appropriations to be authorized by this bill by $1,300,000,000. Stated in another way, my friend from Illinois wants to reduce the bill by one-third. He has in mind then that this becomes not a Marshall plan but a partial plan. Now, if we are going to carry the gospel abroad, let us not carry a thimbleful. Let us not accept the program up to 66 percent and then call it quits. If we are going to do the job, then let us do it right. I said long ago before the Committee on Foreign Affairs, "Let us do it now and let us do it right, and if it is going to be done militantly and aggressively, then let us make sure that there are ample funds for that purpose." Now, I have heard it said this morning that this will lead to bankruptcy. Well, I have made a few statements of my own on that subject over the years, but I say to you in all candor, if it is $1,300,000,000 that stands between salvation and bankruptcy of the United States, that $1,300,000,000 will probably not save us, with the debt we have and the national income we have at the present time.

I listened to my friend from North Carolina this morning as he sought to make it appear that this was a measure to prevent war and that it would fail in that objective. It is a hope that we can prevent war. It takes two parties to prevent war. If the Soviet Union and the United States could reach some kind of accord, you may be sure that war would be prevented, but in the absence of that kind of formal accord anything can happen in this world today, and this represents the hope—the prayerful hope—that war may be averted.

Now, is it not strange that men will come into the well of this House and talk about billions for aircraft in preparation for the next war and yet resolutely take a stand against this proposal which might spare the world another bloody struggle. I am willing to spend, if necessary, a lot more than this in order to discourage and avoid a repetition of those dark shadows that we have come through since 1941. Let us not be so niggardly. It is said that this will not prevent communism. Perhaps it will not prevent it in Russia, but as I sought to say yesterday, first we have got to bring some hope to people where there is a chance and where the spark of freedom is still alive, and, secondly, seek to retrieve freedom where it has already been liquidated by this very evil force. Let us not be niggardly. Let us go the full way and travel a second mile and give them the money they need for a decent job. To you on my side let me say to you that we have our responsibility, because we are in charge of this body at the present time. If the program fails because we were too niggardly, it will be our failure.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired.

The question is on the amendment offered by the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and forty Members are present, a quorum.

Mr. VURSELL. Mr. Chairman, I ask unanimous consent that the amendment be read for the information of the Members.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

> Amendment offered by Mr. VURSELL: On page 82, line 11, strike out "$4,300,000,000" and insert "$3,000,000,000."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. VURSELL) there were—ayes 61, noes 112.

So the amendment was rejected.

Mr. SMITH of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SMITH of Wisconsin: On page 82, line 6, strike out "1952" and insert "1949"; and in line 15, strike out the sentence after the period and substitute therefor the following: "Nothing in this act shall be construed as placing either a legal or a moral obligation upon any succeeding Congress to continue the present aid program beyond the 12 months herein provided for."

Mr. SMITH of Wisconsin. Mr. Chairman, there has been a good deal of talk on

the floor of the House, and I believe a great deal of discussion throughout the country on the question as to how long this program should run. The Members have observed that throughout the bill the date 1952 is used. We ought to be honest with the people of this country and I am giving this body an opportunity to vote for a 1-year program. You can do it by supporting this amendment on line 6 by striking out 1952 and inserting 1949. That will make it a 1-year program. In my opinion the committee itself ought not to object to that amendment. I call your attention to the language in the bill on that same page starting at line 15:

The authorization in this title is limited to the period of 12 months in order that subsequent Congresses may pass on any subsequent authorization.

In view of the language contained in the bill, this amendment ought to be adopted unanimously. If you believe that this should be a 4-year program, of course you will not vote for the amendment. Likewise in my amendment I changed the last sentence to read as follows:

Nothing in this act shall be construed as placing either a legal or a moral obligation upon any succeeding Congress to continue the present aid program beyond the 12-month period herein provided for.

I believe that language is stronger and leaves no doubt as to what we are doing here today. We are up against a buzzsaw. Do you want a 4-year program or do you want a 1-year program? I take it that if this program is a success and if it is doing the job that we think it should do we will be in session a year from now and there will be no doubt about it at that time that the Congress will appropriate funds for an additional period if it is necessary. It seems to me that is just common horse sense.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. Does the gentleman think his amendment will clear up the confusion that exists in the minds of the people of the countries who are the recipients of this aid?

Mr. SMITH of Wisconsin. I do not think there is any doubt about it. The gentleman is right. I feel there would be a very favorable reaction if we adopt this amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. TABER. This amendment will make the bill what it is supposed to be. It says that this is a 1-year bill, and it will make it a 1-year bill.

Mr. SMITH of Wisconsin. That would seem to be the case to me.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 30 minutes, the last 5 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. GRIFFITHS].

Mr. GRIFFITHS. Mr. Chairman, I rise in favor of this amendment.

I think it is about time we found out where we are going, because, wherever it is, we are sure traveling at a very fast rate.

Some time ago I asked members of the committee to tell me the amount of tractors that these people wanted, the amount that had been requested by the different nations. I got my information in conversations down at the Department of Commerce. Greece wants 1,000. France wants 1,100 or more. I find the States of Wisconsin, Minnesota, Michigan, Illinois, Indiana, and Ohio did not have a hundred altogether. So that is one reason why I think we could cut down considerably on this amount. They are only to supply them when a demonstration shows they can be put to effective use. If that is so, I know that a lot of this can be cut down.

Then, of course, last fall, during the interim-aid discussion, we asked how about these war plants; plants for reparations. Two members of this present committee told me that had been stopped. That was last fall. Well, gentlemen, right here I have the figures, and I will show them to any of you. Here is a whole list of plants where this year they are asking now for bids. The last date is March 3. The gentleman from Illinois said, "Let us not be niggardly." I do not want to be niggardly, but I do not want to waste money. I want them to come in here and justify the amount they are asking.

Some few years ago I was just a kid and I was in the Navy. I was in England, and the lord mayor gave us a dinner in Guild Hall. The man in charge was Commander Simms; afterward, during the First World War, he was Admiral Simms. I will never forget what he said. "Oh," he said, "whenever England is attacked, she can depend upon every ship, every man, and every drop of blood of the American people." It seems to me they are surely coming back all the time trying to get that last drop of blood.

I imagine some of you saw last night's paper.

Britain finds action to include Spain very awkward. High British sources express surprise at the vote of the American House of Representatives to invite Franco Spain into the foreign-aid program.

I do not have any objection to that paragraph.

British Foreign Office refused official comment, but one authority termed the American move "very awkward."

I do not have any objection to that, but I do object to the last paragraph, which says:

Whitehall sources take the position that it was up to the 16 Marshall plan nations to invite whatever other countries were to participate.

In other words, you have got your orders. They will tell you who you can give the money to and how much and where you are going to give it. It is about time we started legislating for America.

I agree with the gentleman from South Carolina [Mr. DORN]. I do not care that the former Speaker of this House says, if you vote against this you are voting against the arming of the country. No, we are not. You bring in a bill for a hundred billion dollars for the Army and the Navy and the Marine Corps and I will vote for it, but I am not going to vote for any more of this stuff down a rat hole. You have got the ERP now, all right. Wait for a week or so and you will get SAP—that is South American Program.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. GRIFFITHS] has expired.

Mr. PHILLIPS of California. Mr. Chairman, it seems to me, as one Member of the House, that this is a most important amendment to the bill. It is necessary to read this bill in several parts of the bill at once to understand its intent.

In colloquies yesterday and the day before, representatives of the Committee on Foreign Affairs repeatedly said that this was a bill limiting aid to Europe and other countries to 1 year; that under no circumstances were we committed beyond a year. The bill does not confirm that statement. The bill denies that statement. The bill states on page 82 that such funds under this bill shall be available "as are hereafter authorized and appropriated to the President from time to time through June 30, 1952"; and on page 97 of the language it again states: "After June 30, 1952"—which is 4 years.

It is true that a very weak attempt is made on page 82 to say that this title is limited to a period of 12 months, but by a strict interpretation that applies only to the authorization of $4,300,000,000; and, finally, on page 97, instead of saying that this is continued year after year only if positive action is taken, it states that only positive action will stop it. In other words, the bill is exactly the reverse of the committee's statement. So I am very glad indeed that a member of the committee, the gentleman from Wisconsin [Mr. SMITH] has offered this amendment. I have at the desk four amendments which would attempt to clarify the bill, to say what the committee says it says, that is all. Consequently if this is adopted and an amendment were adopted on page 98 changing the figure "1952" to "1949" then the bill would be clear and unequivocal; and the leaders of the socialistic movements in the countries of Europe would not be able to say to their people: "Look at what the United States has said they are going to give us—support for 4 years. Continue to keep me in power and I will continue to get you support, I will get you support for 4 years." We want a clean-cut bill, one which commits the United States for 1 year and 1 year only.

I ask that the amendment be given an overwhelming vote under the circumstances.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BENNETT of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is apparent that Congress will approve the administration's European recovery plan committing our taxpayers to provide at least $17,000,000,000 to Europe over the next 4 years. Funds authorized in the pending bill are to be added to twenty-four billions already provided for similar purposes since the war ended. Let us all hope that it brings the results for which it was advertised. Its cost will be high in prices, scarcities, and inflation at home. But if it helps secure the peace and stop communism it will be worth every cent.

Some of us, I hope, can be pardoned if we reserve our doubts about this program. Put over with great fanfare and hysteria, unidentified submarines seen off the coast, and all that, it brings to mind UNRRA, Bretton Woods, the Export-Import Bank, United Nations, the International Bank, lend-lease, reciprocal-trade agreements, the Atlantic Charter, and all the other panaceas formerly advanced in so-called great emergencies, and which, though they have cost us dearly, have failed, thus requiring ERP. What will follow ERP? Well, most certainly there will next be similar programs for South America and Asia. They put the needle in the taxpayer just a little bit at a time. Further, the administration has already frankly told you that Congress will have to reimpose economic controls to combat inflationary effects of this stimulus to inflation given by these vast appropriations. Also, that Congress must now back up ERP with guns, planes, peacetime military conscription, and a revival of selective service. Thus goes the peace and freedom for which a war was fought. I was around Congress when they were getting us into World War II. The path we follow now is just the same. First it is money. Then it is guns. Then it is blood. I have supported all legislation presented here designed to establish peace and security for the world by international cooperation. But we are now far beyond that abandoned effort. Today you talk of cold war. Too few here are of the opinion that a strong and prosperous America well defended is the world's greatest guaranty of peace and freedom. I wonder if we do not play the Communist game by bleeding ourselves white and weakening ourselves at home, leading ourselves to boom, bust, and war? I discussed this matter in some detail in an address I made and which can be found in the CONGRESSIONAL RECORD, January 29. I do not wish to be repetitious here.

That all good Americans favor adequate national defense cannot be denied. Congress is going to provide it. A long series of failures in foreign policy have put us in a position where we have little choice. Who is responsible for these failures? That is too long a story for this brief opportunity of discussion. However, not the least of those responsible is the American State Department. Hull, Stettinius, Byrnes and Marshall have the greatest records of failure of any secretaries of State in our history. Marshall's failures have been as great as his monumental successes as chief of staff, where at least his failures are hidden by military secrecy and censorship. One of his greatest troubles seems to be a lapse of memory, frequently suffered. For instance, he cannot remember where he was the night of Pearl Harbor. He has admitted that while he attended the Tehran and Yalta Conferences to advise our ailing President, and was at Potsdam to advise Truman who inherited the secret commitments from the former President, he didn't know what those commitments were. The other night, at a dinner attended by 48 Members of Congress, he admitted that he didn't know the Truman-Marshall European recovery plan included $797,000,000 for Ireland, a country neutral in the war and not damaged by it. Of course, one thing is not generally understood. Marshall, with his great military reputation, is only the front man for the real kings in the State Department. It is these boys behind the scenes who stay and stay while secretaries come and go. They write the program. Sometimes the secretaries read them and sometimes they apparently do not. The ERP plan includes money not only for Ireland, the threat of communism there is hard to imagine, but for other countries which were neutral in the war. For instance, $38,000,000 to Iceland, where we spent millions on airports they now won't let us use. Portugal, $150,000,000, a country run by a Fascist dictator. $700,000,000 to Sweden and Switzerland which sold to both sides in the war and got rich. In those countries the dollar is at a discount in exchange. It is true, however, that most of the money, $5,348,000,000 will go to Great Britain, which has spent the gift we gave here in 1945, of $4,400,000,000 to subsidize her experiment in Socialism, reduce taxes and increase old-age pensions and sccial benefits.

But, to get back to the powers behind the throne in the State Department. Here we have an extraordinary situation. While we are fighting a cold war with Soviet communism, the State Department approves trade treaties with her satellites, and in 1947 alone approved shipment from this country to Russia and the 10 countries in the Soviet bloc $431,483,000 worth of United States goods, including war supplies. We have given Russia and her friends not only hundreds of millions of dollars since the war, but over eleven billion during the war. Our inconsistent policy toward communism abroad, our coddling of it at home, can only be explained by the large number of Communist sympathizers in the State Department. Congress has, time and again, demanded that they be fired. Only the President can fire them. They are his appointees. The Supreme Court has ruled Congress cannot single them out and cut off their salaries. All we can do is expose them. It should now be apparent that they are so firmly entrenched they will not be fired by the present administration.

Who are some of these gentry? On March 11, Senator WILSON, of Iowa, put in the CONGRESSIONAL RECORD the names of several hundred people furnished by the Department itself as having had a hand in development of ERP, either as regular Government employees or as consultants. Not all of these people are Reds. Some are just incompetent political hacks and society boys. Our colleague from Georgia [Mr. Cox] has performed a service by identifying some of them. He called our attention to Herbert W. Parisius, a Government employee, appointed to his post by Henry Wallace and still there, spending much of his time soliciting subscriptions to "commie" publications from other Government workers. Then there is Arthur E. Goldsmith, who testified to a House committee that he was a member of two Communist-front groups, denounced by the Attorney General. Kenneth Meiklejohn, head of the Socialist Party of the District of Columbia; Ralph Hetzel, cited three times by the House Committee on Un-American Activities; David Lasser, who headed the Communist Workers Alliance and is listed 13 times in the files of the Committee on Un-American Activities; Thomas Blaisdell, admitted member of two organizations cited as subversive by the Attorney General and the House Committee on Un-American Activities; Felis S. Cohen, leader in the Socialist League for Industrial Democracy and a former instructor at the Socialist-Communist New School for Social Research. And last but not least, Lewis L. Lorwin, who, when kicked out of the University of Montana in 1919, went by the name of Louis Levitski Levine. Russian born, Levine-Lorwin has been a consistent left-winger, friend of Henry Wallace, delegate to Socialist conventions, and visitor to Russia at expense of Moscow. These are the kind of people who have administered foreign relief programs for us in the past and who as long as the New Deal is in power will continue to do it. Why waste the money? We had better spend it on plenty of powder and keep it dry. That is language the Communists can understand. Handouts such as here proposed will fatten up their intended prey but not save them any better than it did poor Czechoslovakia.

Yes, I want to help the poor and suffering, not only abroad but in my own country. I am for getting the Government of the United States out of the red and the Reds out of our Government. This bill for an international WPA is not helpful to that end. I have heard no one in Congress argue that it is. The argument seems to be that a vote for this bill is a vote against communism. Well, my record on that is clear so I do not have to cast a political vote on this measure. I was pointing out the dangers of communism when some of those who speak most loudly against it today were appeasing it. I also am proud of the distinction of having been singled out by the official Soviet Government Communist newspaper, Izvestia, in Moscow, November 28, 1947, for abuse which indicates the name of MARION T. BENNETT is high on the Kremlin's purge list, comes the revolution.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. CHENOWETH] for 5 minutes.

Mr. CHENOWETH. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin.

There is considerable sentiment in this country for a measure which will provide relief and assistance to Europe for a

period of 1 year, and 1 year only. It is very obvious in reading the bill now before us that this is a 4-year program. If you will read the debate on this bill as contained in the RECORD of last Monday, March 29, and particularly the colloquy which took place on the floor of the House between the gentleman from Ohio [Mr. BREHM], and the distinguished minority whip the gentleman from Massachusetts [Mr. MCCORMACK], I am sure there will be no doubt in your mind as to the period covered by this legislation. It is proposed to establish a 4-year program. Frankly, I am surprised that the committee would recommend such a long-term project, in view of the world situation today. The bill contains the date of June 30, 1952, in several sections, although the general impression seems to exist that this is a 1-year program. This amendment is necessary to clearly and definitely fix the period for 1 year only. There are those who would support a 1-year program who are not in favor of a longer commitment at this time. I personally feel that it would be a serious mistake to become involved in a 4-year plan.

The world situation is critical. There is a great deal of hysteria in our own country; I do not know how much of this war scare is justified. The administration has been following a secret foreign policy and the American people have not been given the facts. Congress is an independent branch of the Government. We have the authority, the jurisdiction, and the responsibility to implement our foreign policy. We should act absolutely free and independent of the executive. We must exercise our own discretion and judgment as to what is for the best interests of the United States. No one can predict what the world picture will be a year from now. In my opinion, we should limit this program to 1 year. Then there will be no doubt as to our legal or moral commitments. Otherwise, we may find ourselves under moral obligation to continue a program that we would like to abandon. I cannot understand why there should be any objection to this amendment.

Mr. Chairman, it has been argued that this is a bill for peace, and we are buying peace with American dollars. I am reminded that this same argument was made for the lend-lease bill back in 1941. That bill was presented as a measure that would keep us out of war, but had the opposite effect. Since the war we have tried numerous schemes to establish a just and lasting peace. All have failed, so we should exercise caution in setting up another world organization.

The most important task is to keep our own economy strong. Let us be careful to do nothing which would impair the strength and stability of our country. This is our first obligation. No one can predict what is ahead, and certainly we should not commit ourselves for 4 years.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. Does not the gentleman think this thing could be given a much more fair-minded analysis a year from now and that we can be absolved of any possibility of breach of faith if we make it a 1-year program?

Mr. CHENOWETH. Absolutely; and I do not see how that statement can be disputed, even by members of the Committee on Foreign Affairs. Surely no Member of this House will deny the fact that a year from now the present confused situation in world affairs will either have cleared, or will have become so grave that a program like this would be absolutely futile. I submit we are taking a dangerous step if we commit ourselves to the 4-year program contained in this bill.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Missouri.

Mr. SHORT. The gentleman is a very able lawyer. He was a distinguished judge in Colorado. Does he think there is any legal or constitutional authority for one Congress to bind another Congress?

Mr. CHENOWETH. No; I do not.

Mr. SHORT. Does he think it is legal for us to vote for a 4-year plan, pledging a Congress that has not yet been elected?

Mr. CHENOWETH. I agree with the distinguished gentleman from Missouri. We have no such authority. I submit that the amendment offered by the able gentleman from Wisconsin, a member of the Committee on Foreign Affairs, should be adopted. At best, this proposal is nothing more than a calculated risk, which should not be assumed for more than 1 year.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. JAVITS. May I point out to the Committee that I was very much engaged in the effort to draft this part of the bill. I was overruled because I wanted a much stronger statement than is now contained in here of our realization that the European recovery was a 4-year program. What the bill contains now is a statement that we envisage this program; we understand this program to be a 4-year program. There is certainly no future commitment expressed in our recognition of the facts about the program.

Mr. Chairman, perhaps it would help the members of the committee if I read a few lines of the report of the 16 nations in the European recovery program as follows:

> The effects of the war, which are so clearly illustrated by the lack of balance in the world's trading pattern, cannot be cured in a few months. Nevertheless the participating countries are confident that in 4 years considerable and decisive progress can be made to overcome them. This recovery program can break the back of the problem.

We can do no less if we want the 16 European nations to have any hope for the future. May I ask whether we want a recovery program to help the peoples of the 16 European nations to get off their backs, or just another relief program?

Mr. DIRKSEN. I thank the gentleman. May I say to the membership of the House that the destruction wrought in Europe was not wrought in a day. The bombers and the howitzers and the long-range rifles were at it a long time. In proportion that the destruction was not wrought in a day it will not be repaired in a day or a year.

The net effect of the amendment offered by the gentleman from Wisconsin, of course, is to make this essentially a relief program instead of giving it the continuity that is necessary for a rehabilitation program, to undo the damage which was wrought. When all is said and done there must be well-being in Europe if we are going to do something effective in the field of combatting the onrush of communism. And well-being comes from productivity. Their own economic systems have to be wound up and started all over again. Obviously it cannot be done in a year. I shall never delude anybody about that. On yesterday, when I stood in the well of this House, I envisioned a program that might go even further than 1952. But, the corpse is on the back of Europe, and unless the corpse is removed, unless economic machinery is set in motion once more, how long will these supplications for relief come to this country? So, it is essential not only that there be continuity, but that there be ample time to spell out a rehabilitation program because that is the vitals of the bill before us at the present time. Relief comes first but rehabilitation is the core of this effort, and finally by this and other devices the stemming of the march of Red fascism.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Colorado.

Mr. CHENOWETH. Are we not in a rather awkard position if this program should result in the disastrous failures that many of its predecessors have, and are we not then in the situation of having a moral commitment for 4 years?

Mr. DIRKSEN. There is at least this about it. There is technically peace in the world that we did not have, for instance, at the time UNRRA was set up. It would go on further under rather turbulent and difficult circumstances, and I hope that this will succeed and succeed abundantly. But, this is a worthwhile chance. Let us not destroy the effectiveness of the program by interfering with its continuity where the stabilization of currency is involved and the machinery for the whole interdependent economic mechanism. We have been in Germany for 3 years and we have not stabilized the currency over there yet. It is not because we have not wanted to, and it is not that Britain has not wanted to or France, but the difficulties in obtaining cooperation have been almost insurmountable, and it may take a while longer. Similarly in other countries, to establish a stabilized currency and reestablish a sound economy may take infinitely longer than

a year. So there must be continuity to the program if it is to be effective.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Minnesota.

Mr. JUDD. The Members of this House are greatly saddened by the physical affliction from which the gentleman from Illinois is suffering. We are confident he will have rapid and complete recovery. But would the gentleman, or any of us, like to have a physician who would say to him, "I will treat you for 6 weeks or 6 months, but if you are not cured at the end of that period, then I will not do anything more for you at all"? Similarly a program of recovery like this of necessity progresses slowly. To make sure that we do not waste the money we put in, we must lay out a long-term plan that gives greatest chance of success. We must give the recipient countries the expectation that to the extent they make progress under this program, to the extent they work together cooperatively, the United States also expects to play its part. We make no commitments beyond 1 year. We specifically limit the promise to 1 year. But we seek to give them the maximum incentive to do their utmost as the way to justify us in authorizing and appropriating more each year for a 4-year period. It is to save money, to put it to the most effective use in bringing healing to the sick, sore spots in Europe that we have written the language so as to give hope but without commitment.

Mr. DIRKSEN. Precisely so. I hope the amendment offered by the gentleman from Wisconsin will certainly not prevail.

Mrs. DOUGLAS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD in opposition to this disastrous amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Chairman, the amendment of the gentleman from Wisconsin would turn this bill into just another provision for an interval of relief.

Aid for 1 year will not be long enough to assure recovery and is not even long enough to justify the term "program."

The amendment by the gentleman from Wisconsin, in other words, takes the European recovery program and strips it of program and recovery and leaves us only with the word European.

Another year of relief is not worth $5,300,000,000. If Europe can be rehabilitated, however, the investment our taxpayers are making in this bill will be returned manyfold in productive and sound world trade.

It is the essence of a program that it involves a schedule of work looking toward the accomplishment of a predefined end. There is a moral commitment in this bill—to do our part for the next 4 years if the European nations in CEEC do theirs. Curtailment of this moral undertaking to 1 year means that there simply will not be a program. Remember, we can stop our aid at any time. Congress must authorize money for this program every year. If sound, economic rehabilitation is being achieved as a result of mutual cooperation between the countries of Europe and ourselves, we will want to continue our aid. It is sound business to do so. We are committed to this program only if it is a success. We are not committed to a failure.

The objective of the European recovery program as originally envisaged was to be the recovery of Europe. If we cut this to 1 year we have tied ourselves down so that we cannot adequately plan or act to insure the supposed objective—the recovery of Europe. We simply have one more phase in the hodgepodge of relief.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, I beg the Members to read what is already in the committee bill in lines 11, 12, and 13, on page 82:

> Nothing in this title is intended nor shall it be construed as an express or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries.

My esteemed colleague from Wisconsin, however, has in his amendment provided that this bill shall constitute neither a legal nor a moral obligation. I question very much whether the Congress has any right to attempt to legislate moral obligations or absence of moral obligations on the people of the United States or Members of Congress. We are going far afield when we attempt to legislate morals for ourselves or our citizens.

The gentleman's amendment also cuts the whole period of the thing to 1 year.

I want to speak to my Republican colleagues. Brethren, this is it. For years we have thundered against the piecemeal, stopgap foreign policy of the New Deal. We have demanded a long-range, world-wide policy, and we have got it, here, now formally set down, carefully framed and limited, and largely written by Republicans; and what happens? We find Republicans on this floor who want to go back to the New Deal emergency stopgap year-to-year relief plan.

Of course, I had expected a certain amount of opposition to our policy statement. We are suffering from congressional foot and mouth trouble here, Members who drag their feet and foam at the mouth day after day against anything we are trying to do here, while we try to get ahead with this gigantic and pressing task. They are willing to line up with the New Deal or with Wallace or anyone to oppose what we are trying to do now.

But I am concerned that others, men of good sense and good will whose friendship I value so highly, such as the author of this amendment, hesitate and shudder because they realize this fact: Any long-range policy involves our saying now what we intend to do in the future, whether or not we reserve the right to change our minds later. We want other nations to hold out indefinitely against powerful and terrifying external and internal forces. In order to hold out indefinitely, they must know now definitely what our plans are if they do hold out and do as we suggest.

In the strategy of waging peace, and that is what we are trying to do, a poor plan is better than no plan at all; but this is a good plan. We may find mistakes in it. They will be corrected in the future if we adopt a policy of having a plan. Let us not go back to organized planlessness. Let us not go back to the policy we have criticized for years. Remember, we are deciding on a policy now whichever way we may vote. We will vote either for a definite, written plan and policy, or for a policy of annual emergencies, the policy we have followed so disastrously in recent years.

The committee plan shows that first, we tell the world that we reserve the right to future Congresses to authorize and appropriate each year; second, the world knows we may make other changes in the plan each year as we review the working of the plan in public hearings on authorizations; third, we reserve the right to terminate the plan at any time for any country for failure to comply with our requirements; fourth, we state plainly that at all times continuity of assistance depends upon continuity of cooperation, but, fifth, we state now that our present intention is to leave the plan on the books, subject to amendments, for 4 years, while they work out their 4-year plan which they have said will remove them from any further dependence on us.

Mr. Chairman, we are not used to taking a long look ahead all over the world. We had better start. We made a start in the first 40 pages of this bill. Let us not spoil it now. Let us vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Wisconsin) there were—ayes 63, noes 91.

Mr. SMITH of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. VORYS and Mr. SMITH of Wisconsin.

The Committee again divided; and the tellers reported there were—ayes 117, noes 127.

So the amendment was rejected.

Mr. PHILLIPS of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PHILLIPS of California. Mr. Chairman, did the vote just cast include a proposed amendment to lines 15, 16, and 17, or was that offered as a separate amendment?

Mr. SMITH of Wisconsin. They were both considered as one amendment.

The CHAIRMAN. The Chair will advise the gentleman from California that the amendment just voted upon did include language substituted for that in lines 15 to 17, inclusive.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: On page 82, strike out lines 15, 16, and 17, and substitute for them "or countries. No authorization in this bill shall be construed to imply any commitment, legal or moral, to advance further aid after June 30, 1949. Although the bill recites later dates, it is the sense of this Congress that such aid will be extended only if the recipient countries are doing all they can to aid themselves, and if such further aid is justified by the then economic and financial condition in the United States."

Mr. VORYS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. As I understand, the amendment is substantially the amendment that has just been passed upon.

The CHAIRMAN. The Chair is prepared to rule. The amendment submitted goes much further and suggests other conditions, is stated differently, and involves substantially different propositions than the amendment heretofore voted upon.

The Chair overrules the point of order.

Mr. VORYS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. The Committee of the Whole, having limited debate on this amendment and all amendments thereto, does that limitation apply to this amendment?

The CHAIRMAN. This is not an amendment to the amendment which has been disposed of; it is an independent amendment.

The gentleman from California is recognized for 5 minutes in support of his amendment.

Mr. PHILLIPS of California. Mr. Chairman, as all Members of the House realize who heard the amendment read, this does not make any material change in the bill submitted by the committee. It strikes out the last sentence on lines 15, 16, and 17, on page 82, and inserts what the committee says this sentence intends to say. It does so, however, in simple, understandable language, which I can understand, which you could understand, Mr. Chairman, which anybody in any European nation could understand: That although this bill does contain, in several times the date 1952, which the committee has just decided to leave in, that it is the sense of this Congress that such aid will be extended beyond 1949 only to recipient countries who are doing all they can to aid themselves, and if further aid is justified, not by what now is, but by what may then be, the economic and financial condition of the United States.

Mr. Chairman, I simply call the attention of this committee, to the fact that by the last vote, this teller vote just taken, we committed the United States irrevocably for 4 years. We permitted the leaders of Socialist groups in Europe to say that the United States was going to support their governments for 4 years. You know exactly what would happen in this country under similar conditions; and so I am trying to say here, as I hope to say again on page 97, something that could be understood by anybody who reads the bill, that it is the sense of this Congress that aid will not be extended under any circumstances beyond 1 year unless certain conditions have been complied with in Europe. That being the case I see no reason why anybody could object to that, if the statements previously made have been true, that this is only a bill for 1 year.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. ROGERS of Florida. Will the gentleman explain who is going to determine whether the conditions have been fulfilled or not?

Mr. PHILLIPS of California. Just the same as before. I am not changing that part of the bill. Whoever was going to determine it before, the Administrator or the Congress, would have to determine it under my amendment, if adopted.

Mr. MUHLENBERG. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. MUHLENBERG. Will the gentleman from California please advise us who is to be the judge?

Mr. PHILLIPS of California. That question was just asked by the gentleman from Florida, and my answer is that I am not trying to change that at all, that whoever would make the determination under the language of the bill would also make the determination under the language of my amendment, only I am making it a little easier for our people to understand, and very much more clear to the Socialistic leaders in Europe.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. MUNDT. It seems to me, if I understand the gentleman's amendment that he is delegating to this Economic Administrator, whoever he may be, the power which should be retained in the hands of Congress as to whether or not this program is to run one, two, three, or four years.

Mr. PHILLIPS of California. Only if the committee so delegated it. If the committee delegated it, I did.

Mr. MUNDT. Under our version the Economic Administrator has nothing to say whatsoever as to how long the program runs. That decision is kept entirely in the hands of Congress where it rightfully belongs.

Mr. PHILLIPS of California. The gentleman is displaying the confusion which I have previously pointed out which exists in the committee version between pages 82 and 97. I have been arguing just what the gentleman from South Dakota now says, but I was voted down. Now I am giving the committee a chance to say in understandable language what the committee says it means.

When we come to page 97 I will have another amendment. This is a helpful amendment, which I think ought to be adopted.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in two respects this amendment merely brings up points that have already been disposed of. It makes the time June 30, 1949. It also puts in these words: "That nothing shall be construed to imply any moral obligation."

I seriously question whether this Congress has the right to legislate the morals of its Members or the people of the United States as to moral obligations. Then comes this strange language, which will be something new under the sun if we have that sort of language in any bill. Let me read it:

Although the bill recites later dates, it is the sense of this Congress that such aid will be extended only if the recipient countries are doing all they can to aid themselves, and if such further aid is justified by the then economic and financial condition in the United States.

That thought is already written in precise and forceful language in the bill. Let me read from page 49, lines 7 to 14:

Provided, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

Let me read also from page 82:

Nothing in this title is intended nor shall it be construed as an express or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries.

Let me read further:

The authorization in this title is limited to the period of 12 months in order that subsequent Congresses may pass on any subsequent authorization.

It is thus made crystal clear we are reviewing this year by year, that we are not legally committed to authorize or appropriate a thin dime to any country. But we certainly do not want to attempt to write into law an express prohibition of a moral obligation that a United States citizen or a Member of Congress might feel compelled to follow.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from South Dakota.

Mr. MUNDT. We also make it crystal clear that the continued authorizations and appropriations must be made by Congress. The gentleman from California, not intentionally but by the language he uses, delegates that authority to the Economic Administrator. Certainly I do not want to take such a step toward one-man government in this body today.

Mr. VORYS. Mr. Chairman, because of the fact that two of the points in here have already been debated and passed upon and the third point is provided for more appropriately and effectively in the bill, I urge that the amendment be voted down.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from New York.

Mr. JAVITS. The amendment states: "Such aid will be extended." The gentleman from California is trying to put words in the mouth of the committee. The committee said no such thing. In

his zeal to interpret words of the committee the gentleman is saying what the committee would not say in promising to extend aid. For that reason alone the amendment ought to be defeated.

Mr. VORYS. The gentleman is extremely fair in bringing this up because the gentleman proposed a somewhat similar phrase to the committee. He did it, having the purpose in mind that the bill should provide that "aid shall be extended." The committee struck that down and the House has agreed with the committee's position. The gentleman is very fair in pointing that out. We should not do by mistake what we refused to do deliberately. One thing we will have, if this amendment is adopted and anybody can understand this language at all, is a statement in here that "aid will be extended."

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Kentucky.

Mr. CHELF. I want to say that at first blush I thought the gentleman's amendment was the proper thing to do and I was thinking probably I would support it. But the gentleman has explained it and has stated that the language is quite sufficient in the bill as it is, therefore I am against the amendment.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

Mr. GOFF. Mr. Chairman, I object.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McCORMACK. Mr. Chairman, it seems to me that the gentleman from South Dakota [Mr. MUNDT] has very clearly called to the attention of the Committee of the Whole the main objections to the amendment offered by the gentleman from California. There are other objections which have been referred to but certainly we would not want to take the chance of placing in the Economic Administrator such broad powers as this amendment undoubtedly would give him. It seems to me that the Committee has very carefully considered this question. The language in paragraph (c) page 82 of the bill is very clear and specific. The one thing that it does do, which I think is very important, is that when the next fiscal year comes around, if it is necessary to extend the provisions of this bill through the medium of additional appropriations, that authorization has to be obtained, and that means it will come before the Committee on Foreign Affairs. In that way a regular standing committee of the House will have original jurisdiction, whereas if that language that the Committee has carefully worked out is not in the bill, only the Committee on Appropriations of the House would have original jurisdiction. I think on such a tremendous undertaking of this kind, all of us want to have the powers of our country used effectively, whether one is for the bill or against it. Nobody's patriotism in this body can be impugned. We may have an honest disagreement as to judgment, but whatever bill goes through, all of us want to see the results of the bill used effectively in order to bring about peace and to meet the challenge that atheistic communism is giving to the rest of the world, and in the first instance to those countries who are a part of the western civilization.

It seems to me that the Committee on Foreign Affairs has considered this particular question well. The one important thing that addresses itself to me, looking into the future, into the next fiscal year, is that when additional appropriations are sought, that first there has to be an authorization. That means that the Committee on Foreign Affairs, in addition to the Committee on Appropriations, will retain original jurisdiction over the hearings, the consideration, and the reporting of necessary legislation to the House.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from South Dakota.

Mr. MUNDT. That was done deliberately, because under the provisions of the bill the Foreign Affairs Committee would hold public hearings and the country as a whole would have an opportunity to view the efficacy of this program the next time authorization is up for consideration. On the other hand, our Appropriations Committee has the habit of holding its deliberations in secret sessions.

Mr. McCORMACK. I assumed that, and therefore the language of the committee, I think, is best. It goes to the question of administration. I want to stress to the executive branch of the Government that, when this bill is enacted into law, it be administered right. Congress intends that it be administered in a dynamic manner; that there is to be no appeasement in carrying out the purposes of this bill. As a matter of fact, if I had my way about it, I would have as few career men in connection with the administration of this law as possible; to bring in fresh minds; to bring in men who realize what the purpose of the bill is, men not tied up with diplomatic relationships that they have been associated with for years. That is why I think the language of the committee bill is all-important. It is an additional check on the administration and by the Committee on Foreign Affairs that considers authorization legislation.

For those reasons, I think the recommendations of the committee ought to be approved and adhered to, and the amendment offered by our good friend from California it would be very unwise to adopt.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The amendment was rejected.

The Clerk read as follows:

BILATERAL AND MULTILATERAL UNDERTAKINGS

SEC. 115. (a) The Secretary of State, after consultation with the Administrator, is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this title. The Secretary of State, before an Administrator or Deputy Administrator shall have qualified and taken office, is authorized to negotiate and conclude such temporary agreements in implementation of subsection (b) of this section as he may deem necessary in furtherance of the purposes of this title: *Provided,* That when an Administrator or Deputy Administrator shall have qualified and taken office, the Secretary of State shall conclude the basic agreements required by subsection (b) of this section only after consultation with the Administrator or Deputy Administrator, as the case may be.

(b) The provision of assistance under this title results from the multilateral pledges of the participating countries to use all their efforts to accomplish a joint-recovery program based upon self-help and mutual cooperation as embodied in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, and is contingent upon continuous effort of the participating countries to accomplish a joint-recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose. In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others, for—

(1) promoting industrial and agricultural production in order to enable the participating country to become independent of extraordinary outside economic assistance; and submitting for the approval of the Administrator, upon his request and whenever he deems it in furtherance of the purposes of this title, specific projects proposed by such country to be undertaken in substantial part with assistance furnished under this title, which projects, whenever practicable, shall include projects for increased production of coal, steel, transportation facilities, and food;

(2) taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system;

(3) cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade among themselves and with other countries;

(4) making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country, including any commodities, facilities, or services furnished under this title, which use shall include, to the extent practicable, taking measures to locate and control, in furtherance of such program, assets, and earnings therefrom, which belong to the citizens of such country and which are situated within the United States, its Territories and possessions;

(5) facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling purposes, for such period of time as may be agreed to and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country;

(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis. Such special account, together with the unexpended portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, 80th Cong.) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.), shall be held or used within such country for such purposes as may be agreed to between such country and the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems, and the Public Advisory Board provided for in section 107 (a) for purposes of internal monetary and financial stabilization, for the stimulation of productive activity and the exploration for and development of new sources of wealth, or for such other expenditures as may be consistent with the purposes of this title, including local currency administrative expenditures of the United States incident to operations under this title, and under agreement that any unencumbered balance remaining in such account on June 30, 1952, shall be disposed of within such country for such purposes as may, subject to approval by act or joint resolution of the Congress, be agreed to between such country and the Government of the United States;

(7) publishing in such country and transmitting to the United States, not less frequently than every calendar quarter after the date of the agreement, full statements of operations under the agreement, including a report of the use of funds, commodities, and services received under this title;

(8) furnishing promptly, upon request of the United States, any relevant information which would be of assistance to the United States in determining the nature and scope of operations and the use of assistance provided under this title;

(9) recognizing the principle of equity in respect to the drain upon the natural resources of the United States and of the recipient countries, and (a) providing for a future schedule of availabilities to the United States for future purchase and delivery of a fair share of strategic materials at world-market prices so as to protect the access of United States industry to an equitable share of such materials either in percentages of production or in absolute quantities from the territories and possessions of the participating countries, and (b) agreeing to negotiate suitable protection for the right of access for United States enterprise in the development of such materials on terms of treatment equivalent to those afforded to the nationals of the country concerned, and (c) providing an agreed schedule of increased production of such materials where practicable in the territories or possessions of such participating countries and for delivery of an agreed percentage of such increased production in repayment on a long-term basis of grants or loans made by the Administrator to such countries.

(10) submitting for the decision of the International Court of Justice or of any arbitral tribunal mutually agreed upon any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights, including contracts with or concessions from such country.

(c) Notwithstanding the provisions of subsection (b) of this section, the Administrator, during the 3 months after the date of enactment of this act, may perform with respect to any participating country any of the functions authorized under this title which he may determine to be essential in furtherance of the purposes of this title, if (1) such country has signified its adherence to the purposes of this title and its intention to conclude an agreement pursuant to subsection (b) of this section, and (2) he finds that such country is complying with the applicable provisions of subsection (b) of this section: *Provided*, That, notwithstanding the provisions of this subsection, the Administrator may, through June 30, 1948, provide for the transfer of food, medical supplies, fibers, fuel, petroleum and petroleum products, fertilizer, pesticides, and seed to any country of Europe which participated in the Committee of European Economic Cooperation and which undertook pledges to the other participants therein, when the Administrator determines that the transfer of any such supplies to any such country is essential in order to make it possible to carry out the purposes of this title by alleviating conditions of hunger and cold and by preventing serious economic retrogression.

(d) The Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to insure that each participating country makes efficient use of the resources of such country, including any commodities, facilities, or services furnished under this title, by observing and reviewing such use through an effective follow-up system approved by the joint organization.

(e) The Administrator shall encourage arrangements among the participating countries looking toward the largest practicable utilization of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this title. Such utilization of manpower shall include integration into the various recovery programs of the participating countries of a fair share of displaced persons who are the responsibility of the International Refugee Organization, under reasonable terms to be established in cooperation with that organization, in number and under conditions negotiated by the Administrator with the respective participating countries. The Administrator will request the Secretary of State to seek to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

(f) It is the understanding of the Congress that, in accordance with agreements now in effect, prisoners of war remaining in participating countries shall, if they so freely elect, be repatriated prior to January 1, 1949.

Mr. VORYS. Mr. Chairman, I ask unanimous consent to return to page 67, line 21, for the purpose of offering a quite technical amendment which has been redrafted and is now agreeable to all parties.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS:

On page 67, line 21, after "when issued" insert the following: "shall constitute obligations of the United States and moneys due or to become due under the contracts to which they relate shall be assignable under the Assignment of Claims Act of 1940, and."

Page 67, line 25, following "countries" insert "or by other persons or organizations."

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. HOFFMAN. Mr. Chairman, yesterday a certain amendment was offered and was defeated. I understand now that this amendment is being offered in lieu of the one that was defeated yesterday.

Mr. VORYS. That is correct.

Mr. HOFFMAN. The language has been corrected, and it is now what the General Accounting Office and the other agencies want, is that correct?

Mr. VORYS. That is correct.

Mr. HOFFMAN. This amendment having the support of the administration and of the committee, I want to approve the amendment if I may.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The amendment was agreed to.

Mr. COUDERT. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COUDERT: On page 87, line 2, insert after "country" the following: "other than alien residents of the United States who either have made declarations of intention to become citizens of the United States or have been lawfully admitted for permanent residence."

Mr. COUDERT. Mr. Chairman, this is something of an anticlimactic amendment in view of the wider importance of the two amendments that we have just considered and acted upon, but nothing could be of greater importance to the people involved. No amendment could be more important to the few hundreds or few thousands of individuals whose very livelihood and whose stake in life and existence in the United States may depend almost entirely upon the acceptance of this amendment.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. MUNDT. I think it is quite clear what the gentleman has in mind concerning these people insofar as the first part of his amendment is concerned.

Mr. COUDERT. Mr. Chairman, I cannot yield further, except for a question.

Mr. MUNDT. I am trying to clarify the gentleman's amendment to see if the Committee can accept it.

Mr. COUDERT. I appreciate that, but of course the gentleman will realize the time is very short.

Mr. MUNDT. I am sorry, but of course it will take a few words for me to do that. I think we understand what the gentleman has in mind when he says he would make this exemption available for foreigners in this country who have qualified or have started the process of taking out citizenship papers. But you have another conjunctive clause there which is not clear to the Committee. What do you mean by residents who are legally in this country but who are not in process of attaining citizenship?

Mr. COUDERT. I mean those foreigners who, taking legal and proper advantage of our immigration laws, have come here under a quota with a legal

visa entitling them to permanent residence and who are entitled to make application for citizenship.

Mr. MUNDT. But they have not yet started the process, is that correct?

Mr. COUDERT. May I say to the gentleman that as I understand the immigration law, it is not necessary for a legally admitted alien to file a declaration of intention on the date of his arrival. He need not file for 3 years, and 2 years thereafter he can apply for his final papers.

Mr. MUNDT. The gentleman's amendment is then establishing an escape clause and a cyclone cellar for foreigners who do not think enough of this country to even apply for citizenship, and I shall oppose that part of the gentleman's amendment.

Mr. COUDERT. Mr. Chairman, there are involved in this amendment thousands upon thousands of foreigners who are in this country legally, who have come here permanently to stay and who have cut all their ties with the country of their origin. They may be married to American citizens. They may have businesses in the United States and yet their earnings or their assets could be confiscated under this bill. They may have property in the United States which would be confiscated under this bill. These people pay precisely the same taxes that you and I pay and every other American pays to provide the money for relief programs and other things.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. JOHNSON of California. Does your amendment exclude those who are here temporarily? For instance, like teachers in the Army?

Mr. COUDERT. It does. This does not protect any alien who is not here under a permanent quota visa, so as to be legally entitled to permanent residence in the United States.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. JAVITS. I was disquieted by the same thing in the committee, but I do not believe administratively it will work out as seriously as the gentleman believes. I think the gentleman should consider very seriously the suggestion made that he eliminate the residence factor and rely upon the citizenship factor, as the committee in that case is likely to accept the amendment.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. BROOKS. Is this an immigration amendment? Is this to bring these people in, or what is it?

Mr. COUDERT. These are people who are presently living in the United States, who are entitled to become citizens, whose property would be confiscated by the United States or their home country, under the operation of this law.

Mr. BROOKS. How is it germane to a foreign-aid bill?

Mr. COUDERT. Because there is a provision here that the property of aliens in the United States shall be used for the purposes of this program, which means it shall be taken away from them by confiscation.

Mr. JOHNSON of California. And they are all quota immigrants?

Mr. COUDERT. They are all quota immigrants, so far as this amendment is concerned.

Mr. JOHNSON of California. That is the important thing. They are under the quota, so that they are entitled to stay here.

Mr. COUDERT. Precisely.

The CHAIRMAN. The time of the gentleman from New York [Mr. COUDERT] has expired.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 15 minutes, the last 5 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

Mr. TABER. Well, I hope the gentleman will not try to do that. I think this amendment should be explained.

The CHAIRMAN. Is there objection?

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have sat here for the duration of this debate. I more or less find myself in the position of Rabbi Ben Ezra, that poem written by Browning, and I am sure the body politic who has heard this discussion or who has read it in the papers is in that same condition.

I desire to quote to you this stanza from this poem:

> Now, who shall arbitrate?
> Ten men love what I hate,
> Shun what I follow,
> Slight what I receive;
> Ten, who in ears and eyes
> Match mine: we all surmise,
> They this thing, and I that:
> Whom shall my soul believe?

It is a tragedy that we cannot have unity and harmony at this time, in this critical period in the history of this country and of the world. If there ever was a time when we needed harmony and unity and cooperation it is now. Yet the leaders of this Nation in the lawmaking body of this Nation cannot agree on a program dealing with the situation as we find it now.

It is my thought this plan is in the general welfare and the general national interest of this country. I say that because of the fact that we have as proponents of this measure the leaders from the military, the leaders from the State, the economic leaders, and the political leaders, and the labor leaders; and practically every one who went before the Foreign Relations Committee favored this bill.

If we do not pass it, what is going to be the condition of this country? I think that it means nearer to war. Just consider the action of Russia. She has taken Czechoslovakia, she is in the process of taking Finland, and I see in the paper this morning she is dealing with the Netherlands. The only thing that is holding her back, I believe, is her belief that America is going to get behind Western Europe, economically at least. When I was over in Europe this summer, the talk among the people in Germany was that the Russians were sending out propaganda and saying to the German people: "You might as well come on and be with us. You watch the Americans. Just give them a little time. They will desert you. They will build you up to a certain point, but if it costs them anything in dollars and cents they will desert you. They may send boys over here to sacrifice their lives, but they are more interested in the shekels than they are in the manhood of their country."

And I say to the Membership of this House that if this sum of $5,300,000,000 could be substituted in lieu of the men we would have to send over there in case of war, and we are going to have to send them unless we can get the cooperation of the nations that have gotten together and say: "We are going to cooperate with you. We need financial aid, we need economic assistance. If you will give us that, we will go down the line for you, and we will kill communism and we will help you build up democracy, and liberty, and the freedom that you Americans love."

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have not had time since this amendment was offered to make a detailed and thorough study of this language and the amendment, but what I am afraid of is this: When I was across the water last year I found this situation existing in Greece, and France, and other places, that enormous numbers of the rich in those places had gotten their assets out of their own country and were not using those assets for the rehabilitation of those countries. I would hate to see any effort that might properly and legitimately be made by this country to crack that situation or give them a chance to really be pressured into helping rehabilitate their own countries out of which they really made their own money. I should like to ask the committee what effect this amendment might have along those lines?

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. MUNDT. I expect to follow the gentleman on the floor to discuss that in detail. This would open one additional cyclone cellar into which foreign capital might go in hiding to attempt to escape taxes at home and abroad. They could come over here and continue to escape from taxation. That is why I opposed the amendment and suggested to the author of it that it might be revised so as to protect certain individuals by limiting its exemption to those who have expressed the intention of becoming American citizens and who have actually made application for citizenship in this country.

Mr. TABER. Mr. Chairman, if the amendment is adopted I hope it will be so modified that it will not create a situation such as I am fearful will result from the situation that I found while I was over there last year. As we get into it I hope that action may be taken that will correct it, if the amendment is adopted.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. I call the attention of the gentleman to the fact that regardless of this amendment, I have an amendment at the desk to this same section which tightens it up along the lines that the gentleman has mentioned by including among the controls which are to be exercised over the assets of these foreign nationals in this country the establishment of conditions for guaranteeing that those assets be held by the United States as security against governmental credits by this country.

Mr. TABER. I have found the situation in several places where their rehabilitation could be promoted very decidedly if the folks who really were citizens of the country were making a contribution in investments in those countries' merchant marine and trading operations that you would naturally expect them to make. I hope nothing will be done which will prevent an effort to make those people pay something to carry their own burden.

Mr. KEATING. I agree with the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, this is a very technical phase of the bill with which our committee struggled day after day and hour after hour. We are not sure now we have a satisfactory answer. On the other hand, I am quite positive that the suggestion made by the gentleman from New York is not a satisfactory answer because we discussed that in committee. He is trying to do one thing with which I have considerable sympathy. He is trying to find some way to protect those foreigners who have come to this country under the quota system legitimately, intending eventually to become American citizens, from having their resources in any way recaptured or utilized by the government which they have left. If it is his desire to do that, then he has gone too far by saying that anybody who is in this country legally can have that opportunity. When you go that second step, of course, you provide a great haven over here for rich Greeks, Chinese, Italians, Germans, British, or anybody else to come here with their swag and hide it from our tax collector and from their own as well. I shall resist such efforts.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from New York.

Mr. COUDERT. Will the committee accept the amendment if I confine this to those who have within a reasonable time filed a declaration of intention to become a citizen?

Mr. MUNDT. As far as I am concerned, I would be willing to accept it if the gentleman restricted it to those who have already made application for citizenship. By saying "a reasonable time" that would merely create another Cherokee strip and would in effect provide an incentive so that it would be cheaper to become an American citizen than to remain a Greek, a Frenchman, or an English lord. I want to help the fellow who is over here legitimately, who in good faith came over here and who has declared his intention to become an American citizen.

Mr. COUDERT. Will the gentleman accept 3 months to give those who have bona fide intentions to become citizens but heretofore have neglected to make application?

Mr. MUNDT. It seems to me that you should include in your amendment only those who have made a declaration of intention to become a citizen, those only who have actually applied for citizenship in the United States.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. The difficulty is, if I may suggest it, that up until very recently immigrants coming from certain countries could not even file their first papers under regulations. That has just recently been lifted. During the war they could not apply.

Mr. MUNDT. Yes.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from California.

Mr. JOHNSON of California. My recommendation is that you put in a specific date when they must apply, and that should be now and not in the future. Put in some date like March 31 or June 30 or April 1, some date like that.

Mr. MUNDT. May I say to the gentleman that he should address his question to the gentleman from New York, because personally I am inclined to be against the whole idea. I feel that the fellow who has been a Greek or an Italian all his life owes a little something to his kinfolk back there or to his country, even though it has been demolished by war. I am not willing to agree to make it possible for him to come over here with his wealth, but I have agreed to compromise to say to those who have declared their application for American citizenship, we will make this concession. That is as far as I want to go and I am a bit reluctant to go even as far as that. I do, however, see merit in giving special consideration to these cases.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from New York.

Mr. JAVITS. I would just like to say that I join with the gentleman in agreeing to this amendment if the gentleman will change it as requested.

Mr. COUDERT. Mr. Chairman, if the gentleman will yield, I ask unanimous consent to alter the amendment by limiting it to alien residents who have made their declaration of intention to become citizens, and I offer the amendment as so amended.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Modified amendment offered by Mr. COUDERT: Page 87, line 2, insert after the word "country" the following: "other than alien residents of the United States who either have made declarations of intention to become citizens of the United States."

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from New York.

Mr. BLOOM. In talking about declarations, that means nothing in this country. An immigrant can come here, and the next day, if he came in legally, he is a declarant, but he is not a citizen. So, I do not think that this means anything at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COUDERT].

The amendment was rejected.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: Page 86, line 25, delete the word "control" and substitute the word "identify."

Mr. VORYS. Mr. Chairman, this is an agreed committee amendment to make it clear that we do not insist on other countries controlling the assets of their citizens, but that they identify them so that they may proceed along the principles set forth in other parts of this section.

Mr. KEATING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEATING. I have an amendment to this section which I desire to offer as a substitute for the committee amendment. Is it proper to offer it at this time?

The CHAIRMAN. If the gentleman has an amendment, he may offer it as a substitute when the gentleman from Ohio has concluded.

If the amendment of the gentleman from New York is a substitute for the amendment which the gentleman from Ohio has offered, it should be offered before the first amendment is disposed of.

Mr. KEATING. My purpose in offering it as a substitute for the committee amendment is that my amendment tends to strengthen rather than weaken section 4. My analysis of what the gentleman from Ohio seeks to do in changing the word "control" to "identify" is that that is rather to weaken it. Therefore, it seems to me it is appropriate to offer this amendment as a substitute for the committee amendment.

Mr. VORYS. Mr. Chairman, I of course cannot discuss the gentleman's amendment until I know what it is, but may I state to the Committee of the Whole that our committee has worried and fretted over this section and we are all somewhat dissatisfied with it, as to whether it should be a strengthened or weakened, and how much, but one thing that we could agree upon was that we did not want to authorize control. We thought that identification of the assets in this country was a sound principle. Therefore, all I am in a position to do now is to urge the adoption of the committee amendment.

Mr. KEATING. Mr. Chairman, I offer my amendment as a substitute for the Vorys amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING as a substitute for the Vorys amendment: On page 87, line 4, strike out the semicolon, insert a comma, and add the following: "including but not limited to the establishment of satisfactory conditions for guaranteeing that identifiable assets of nationals of such country located in the United States, its Territories and possessions, may be held by the United States as security against any governmental credits from the United States to such country."

The CHAIRMAN. The Chair will advise the gentleman from New York that the amendment as read obviously is not a substitute for the amendment offered by the gentleman from Ohio, which is on page 86. The gentleman's amendment is on page 87. The gentleman may offer his amendment later as an independent amendment.

The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The amendment was agreed to.

Mr. VORYS. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 87, line 6, after "stock-piling", insert "or other."

Mr. VORYS. Mr. Chairman, the purpose of this amendment is to make it clear that scrap iron, which is a strategic material, does not necessarily have to be stock piled when it is brought back to this country under agreements with other nations. It will be needed for use immediately in our own economy. By merely putting in the words "or other" we make it clear that scrap iron is considered a strategic material and that it does not necessarily have to be stockpiled when returned to this country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. VORYS. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 89, line 10, after the comma, strike out the word "and" and insert the word "by" and on line 11, after the word "of", insert the word "minimum." On line 19 after the word "enterprise", insert the following words "as defined in paragraph (iii) of subparagraph (3) of section 111 (b)."

Mr. MUNDT. Mr. Chairman, these are amendments to perfect the language in the provision for acquisition of strategic materials.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. MUNDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MUNDT: On page 86, line 25, after the word "control", insert "and put into active use."

Mr. MUNDT. Mr. Chairman, I am particularly glad to offer this amendment, because this is one of those times which are becoming increasingly rare, I regret to say, when I am in complete agreement with the Department of State which looks with favor upon my amendment.

If you will look on page 86 of the bill, you will note the handicraft that we have worked upon this important part of the bill. I call your attention to subsection 4 as it now reads. We have been talking about these hidden assets in this country, and the great hoards of money which it is alleged certain French people and certain Spaniards and certain Greeks and Chinese have in America. We changed the language, you will recall, on the bottom of page 86. It no longer says that we shall take measures to locate and control these assets in furtherance of the program. I share with the members of the Committee the feeling we should not set an example in this democratic country of controlling the assets of private citizens. So we backed up, and as usual, we backed away too far. Look at what we have done. We took out the word "control" and put in the word "identify." So now with all the majesty of this great power of Congress, we insist that the foreign governments locate and identify the assets. But that is all. They do not have to use them. They do not have to tax them. Nothing needs to be done about them, but simply to locate them and identify them.

We have taken away entirely the sum and substance of what the Senate wrote in in its legitimate desire to make sure that the hidden wealth of foreigners in this country be utilized in furtherance of this program to avoid the very thing that the gentleman from New York [Mr. TABER], was talking about a few minutes ago. So with the approval of the Department of State and with my own full support and at my own suggestion, I have offered the amendment which would make this language read as follows at the bottom of the page: "To the extent practicable taking measures to locate, control, and put into active use" the earnings from the assets of these nationals. Therefore, these assets which are now hidden away under this legislation, if they are identified as I propose by this amendment, will be put to use helping to finance the recovery of the country to which such national might belong.

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. KEE. The gentleman was reading section 4. That section starts out with the words "making efficient and practical use within the framework of the program." Therefore the language of the gentleman's amendment is unnecessary because the words "making efficient and practical use" are already in the bill.

Mr. MUNDT. May I point out that those words refer to commodities, services, and facilities provided under the title and that the use which I have now injected into the bill at this point refers specifically to money, resources, and wealth which is located and identified.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. JOHNSON of California. If a man has money and has a stake in an industrial corporation, would that be using the money in accordance with your amendment? Would that be such a use as you would contemplate when you use the word "use"?

Mr. MUNDT. That would depend entirely upon the law of the land to which that citizen belongs. If they have a law which taxes incomes, he would have to pay his pro rata share as a taxpayer to France, for example, to help finance the recovery of France. In other words, this compels in brief the nationals of other countries who are living in the United States to share with the citizens of the United States the cost of bringing about the recovery of their own country. It is as simple and as logical and as persuasive as that.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. KEATING. I share entirely the viewpoint of the gentleman and the objective that I am sure he has in mind. I shall support the gentleman's amendment as I hope he will support mine when I seek to add at the end, a statement of exactly what we mean by this, namely, that if conditions can be established, they shall pledge those assets to this country as security for the obligations which this country incurs under this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRAWFORD. Mr. Chairman, I take this time to inquire of the gentleman from South Dakota [Mr. MUNDT] as to the meaning of this language in lines 20 and 21:

Within the framework of the joint program for European recovery.

Suppose the gentleman's amendment is agreed to, what can the United States do with respect to these resources, unless it has the cooperation of the country of which the person involved is a citizen?

Mr. MUNDT. Nothing, of course. But may I advise the gentleman, we will have complete cooperation of the country involved, because no supplies, no commodities, no finances from the United States flow to any country under this legislation until an actual contract is written and signed. In that contract we can spell out precisely the type of conditions we desire to follow in utilizing these foreign assets.

Mr. CRAWFORD. Is the gentleman in a position to go so far as to emphatically state to this body that in this agreement which is to be effected between the United States and the affected country, that that country will agree to reach out and take over the dollar resources of their citizens in this country, under that language?

Mr. MUNDT. Many of the countries are very eager to utilize these assets of their nationals, but they need some assistance from us to help locate and identify them before liberating them so that they can have access to them.

Mr. CRAWFORD. Do you mean to say the international situation has disintegrated to the point where England, for instance, cannot locate assets in this country which belong to British subjects?

Mr. MUNDT. Some she can; some she cannot—many foreign nationals have become very adroit at concealing the assets they hold in the United States.

Mr. CRAWFORD. They rely upon this Congress, then, to do the dirty work?

Mr. MUNDT. Great Britain is not one of the biggest offenders in this category.

Mr. CRAWFORD. I would not absolve them from all blame.

Mr. MUNDT. Neither would I, they offend but not as much as nationals from some of the rest of these participating countries.

Mr. CRAWFORD. But you take the position that this language, "within the framework of the joint program for European recovery" is sufficiently broad to put us in a position to substantially force those other countries to join with us first in locating these hidden assets, and second, in putting them to use?

Mr. MUNDT. It is not a question of our authority. Certainly the authority is spelled out definitely in the bill.

Mr. CRAWFORD. Why would it be a matter of discussion and debate when the people of this country are being called upon to finance a program of this kind, and leave the citizens of other countries, who are to be the recipients of this aid, to pass us by, leaving the burden on the people of the United States?

Mr. MUNDT. Which is precisely why I offered my amendment. The gentleman should be in support of my amendment.

Mr. CRAWFORD. The gentleman causes me to doubt the efficacy of his amendment when he says these other things will be done if it is proper to do so.

Mr. MUNDT. That is why I put the amendment in, to make it possible for them to be done in a proper manner.

Mr. CRAWFORD. But your words of reservation make me doubt the efficacy of the amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MANSFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from South Dakota [Mr. MUNDT] be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There being no objection, the Clerk again reported the amendment offered by Mr. MUNDT.

Mr. MANSFIELD. Mr. Chairman, I have opposed this amendment under a misapprehension. I was told that the word "control" had been stricken out. I find that in the amendment just read the word "control" is left in and that the section itself is further tightened by the use of the word "identify."

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. MUNDT. The word "control" was knocked out by an amendment and another substituted for it by action of the committee.

Mr. MANSFIELD. How long ago was that accomplished?

Mr. MUNDT. About 5 minutes ago.

Mr. MANSFIELD. I did not happen to be on the floor at that time; I was called out.

Mr. MUNDT. It was adopted by the committee.

Mr. MANSFIELD. I rose because of the elimination of the word "control." The gentleman from South Dakota will recall that in the Committee the use of the word "control" was discussed and that the committee by a majority vote decided to retain the word "control," because it would give us some means of being able to get hold of the assets held in this country by foreign nationals, so that those assets could be used in rehabilitating the countries from which the nationals came.

The gentleman will further recall that we had information in the committee that European nationals had in this country between two and three billions of dollars in money, that the Greeks themselves had some hundreds of millions of dollars, and that the Chinese likewise had similar amounts.

It is my belief, my very strong belief, that we should do everything we possibly could to make these foreign nationals who have these assets hidden away here bring them out into the open and use them for the rehabilitation of their own countries. I do not think all the money should come from the people of this country when the nationals of other countries have funds at their disposal.

Mr. MUNDT. That is precisely what my amendment proposes. That is why I was shocked when the Chair said the gentleman from Montana rose in opposition to my amendment, because I am sure it carries out precisely the intention expressed by him in the committee and that I knew he held. It requires them to put this money to use in behalf of their countries.

Mr. MANSFIELD. May I say to the distinguished gentleman from South Dakota that I appreciate his statement. I believe, however, that the word "identify" is not strong enough. I would prefer to retain the words "control and identify."

Mr. MUNDT. I also voted against the word "identify." The committee overruled us. That is why I am trying to put the other language in the bill to strengthen it more than the words "locate and identify" now define its scope.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the distinguished gentleman from Michigan.

Mr. CRAWFORD. The gentleman has just informed us that information was submitted to the Committee that there was $3,000,000,000 in one case and several hundred millions in other cases. Where did that information come from, if these countries cannot find out what their nationals have in the United States?

Mr. MANSFIELD. That was not definite information, I may say to the gentleman from Michigan, but it was estimates which were placed before our committee when this matter was under discussion.

Mr. CRAWFORD. By whom?

Mr. MANSFIELD. Offhand, I cannot recall exactly, but I believe it was furnished us by officials of the Treasury.

Mr. CRAWFORD. Yes; but by responsible officials certainly of this Government—the Federal Reserve, and the Treasury. They know and these governments know who has the assets here. They do not use them, however, but come here and ask the people of America to foot the bill.

Mr. MANSFIELD. The Secretary of the Treasury said they were trying to find means by which they could pry loose all these assets for use in some such program such as this.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the distinguished gentleman from New York.

Mr. KEATING. Those powers, if the gentleman will refer to page 77 of the hearings, were the National Advisory Council whose head is the Secretary of the Treasury.

Mr. CRAWFORD. And the Administrator of which is to go on the Advisory Council.

Mr. MANSFIELD. That is right.

Mr. FULTON. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. FULTON. Mr. Chairman, I rise in opposition to the amendment because it strikes basically at the roots of private property in this country. Suppose you lived in a foreign country and had a bank account in which you had placed your life's savings. Now, suppose you are a nonresident of that country, you are a United States citizen. If you went to the bank after you had paid your taxes, and asked to withdraw your money and were told that you would not be allowed to because your government had taken it over and blocked it, that would be the totalitarian method used by totalitarian states. Those methods have been used by certain European countries.

If you use totalitarian methods by calling the resources of such participating countries in the United States the equivalent of the private property of its citizens, which this section does, you are then using just the same methods. You are then saying that you are a citizen of a country and your assets, your private property, are the assets of that country. Then if the country so wishes, you are saying in effect: "We will not proceed by the ordinary methods of taxation, but we will encourage by this section that outside country to take over the assets of their citizens which are private property for purposes that they could not be taken over in this country.

Under our Constitution private citizens are protected in their property rights without discrimination, and they should be protected whether aliens or citizens. Why in the name of heaven is the United States Government going to say to foreign governments: "Come in here and take over the private assets of your citizens by your own methods."

We should be able to let the participating countries identify and help them identify those assets, but we should not have the word "control" in the provision and allow foreign governments to come

into the United States and control the assets of anybody.

We want the rights of private property in this country, no matter who the private property belongs to, to be inviolate and under due process of United States laws. If you permit any minority to have its property taken by outside governments without due process of law in this country, the action must be done by the law of that country, not our country, and it is wrong. The outside country by the nature of things must come in and expropriate here in this country.

Believe you me, I am a Republican, and proud of it, and I hope neither my party nor the Democratic Party in this Congress will permit outside countries and governments to come in here under any pretext and expropriate a private citizen's property, whether he is a resident, an American citizen, or a foreign-born citizen living here.

Mr. JOHNSON of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I agree with what the last speaker said in part, but I think some of the foreigners are coming here with assets and sequestering them from taxation so far as their own country is concerned and also perhaps sequestering some property that should be taxable here. What I would like to know from the gentleman from South Dakota is this: What does he mean by putting the assets into use?

I want to give you a concrete case that came under my observation in 1944. I made a visit to the Westchester Country Club in New York during the war. To my surprise, in a big apartment, owned by that club, I learned that most of the people living there were foreigners. They were paying as high as $1,000 a month for apartments, and, judging by the luxurious manner in which they lived, they must have had vast assets in banks. They had run away from their own country when the invading armies ran over them. Now, I do not want to mention the country or the particular racial strain. But if that money had been placed in American stocks or bonds would the gentleman from South Dakota [Mr. MUNDT] consider those assets as being put to use?

Mr. MUNDT. Obviously not, because it says "put them to use in furtherance of this program." Since the gentleman has asked the question may I say that it certainly does not mean confiscation. The strong argument put up by the gentleman from Pennsylvania does not apply to this legislation at all. It says "put into active use," not confiscate or commandeer.

Mr. JOHNSON of California. May I ask another question?

Mr. MUNDT. This puts into use the assets of those people.

Mr. JOHNSON of California. If we furnish that information to the foreign country and it had an income tax law, of course they would be allowed to levy a tax on that property or income. Is that correct?

Mr. MUNDT. That is correct.

Mr. JOHNSON of California. With that explanation, I think the amendment is a good one. In other words, you want to take that property, that income, or those assets and subject it to the same obligation that our own people have to accept or that the individual in his own country would have to accept.

Mr. MUNDT. I could not have said it better. That is exactly right.

Mr. JOHNSON of California. And there would be no confiscation?

Mr. MUNDT. No confiscation whatsoever.

Mr. JOHNSON of California. The foreigner is subject to the ordinary government tax and other obligations?

Mr. MUNDT. The reason I did not feel satisfied with the word "control" is that I wanted some other word in there, because I was afraid that control might denote confiscation. That is why I proposed to use this language which says "identify and put into active use." That is the same as if they had their assets in Paris or Athens or somewhere else.

Mr. JOHNSON of California. In other words, the gentleman wants them to share the burden with us.

Mr. MUNDT. That is correct, and the payment of taxes, too.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Supposing Mr. A, a citizen of Paris, has $100,000 in currency in a lockbox in the National City Bank of New York, known to the officials of this country and known to the officials of the Government of France. What are you going to do with that $100,000?

Mr. JOHNSON of California. That is what I would like to know. Will the gentleman listen to this, please? The gentleman from Michigan posed this question which I would like to have answered. Assuming that a Parisian over here had $100,000 in a bank in New York, in currency, which might be subject to tax, say, in New York, or subject to some tax over in France, and we find that out and turn the information over to appropriate French or American officials, what would happen, in the gentleman's opinion, under that situation?

Mr. MUNDT. He being a citizen of a foreign country would have to pay the tax that any foreigner would pay his own government.

Mr. JOHNSON of California. Suppose he refuses. What do we do to implement that obligation to his own country? Would we open the lockbox and take the amount of the tax out?

Mr. MUNDT. It would go through a regular procedure. It could be worked out in various ways. It would not be confiscation or taking it away. We agree to cooperate with these foreign nations and help them to tax their nationals who have fled to this country with vast amounts of wealth in order to dodge their local tax responsibility. We agree to aid foreign governments "to put into active use" the assets their nationals have in this country.

Mr. JOHNSON of California. You recognize his right to the $100,000 and just permit the taking of the amount that he owes to his own country for taxes, or to our country, if this created an obligation to our Government.

Mr. MUNDT. He would pay exactly the same amount as if he kept his money at home in his own country.

Mr. JOHNSON of California. And that would be under contract between France and this country.

Mr. MUNDT. That is right.

Mr. GILLIE. Mr. Chairman, I move to strike out the last word.

Mr. MUNDT. Mr. Chairman, if the gentleman will yield, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. GILLIE. Mr. Chairman, I take the floor at this time to make inquiry concerning one of the important aspects of this program, and that is farm machinery. I am particularly interested in this, because we have been holding hearings in the Agriculture Committee for several months on the long-range agricultural program—that includes farm machinery. When our committee was out West holding hearings last week, several witnesses, farmers and big ranchers, spoke to the committee asking about farm machinery. They talked about their wire-bound machinery and wondered whether they were going to get new machinery this year so that they could speed up their farm operations.

I would like to ask the gentleman from Nebraska [Mr. STEFAN], a member of the Appropriations Committee, how much farm machinery is going to be shipped under this ERP program. I understand there is quite a bit of it that is going to be shipped; can we afford to do that?

Mr. STEFAN. According to the testimony before the Deficiency Committee by the Export Control Division of the Department of Commerce, the first-year operation of ERP will require one-fourth of all the production of farm machinery for exportable purposes. If I was a farmer today, I would start saving up my baling wire and save every piece of machinery in existence on the farm. This information comes directly from the Export Control Division of the Department of Commerce, and the testimony will be in the hearings that are available today on the first deficiency bill, which will follow this bill. If the gentleman from Indiana wants the official information from the Export Control Division of the Department of Commerce, I will read you briefly:

> Farm machinery: Requirements for farm machinery at home are currently in excess of the industry's ability to supply. Shortage of materials and components such as sheet steel, power transmission chain, bearings, wheels, radiators, and Diesel engines are causing considerable loss in production. Domestic shortages will be intensified by demands for farm machinery under the European recovery program. In its first year of operation the European recovery program will demand nearly one-fourth of our production annually. Demand for Diesel-powered crawler tractors will be especially heavy, and it is greater than the industry can meet unless production can be greatly increased or the supply of United States farmers drastically curtailed.

They also state in their official justification that unless the producer in Amer-

ica can produce more farm machinery or unless the American farmer voluntarily decides not to use any more machinery, he will just not have enough to produce the food he is expected to produce during the next year.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from Ohio.

Mr. BREHM. That statement being true, why have the Farm Bureau and the Grange in the congressional district which I represent requested me to support this program?

Mr. GILLIE. I am sure I cannot answer the gentleman's question.

This morning you heard the gentleman [Mr. O'HARA] make reference about tractors that his people in Minnesota wanted to get. He has been trying for 6 months to get a tractor. If we are going to have the same trouble getting machinery we had during the war our farmers are in for a lot of trouble before we can produce enough for our people at home and for the people abroad.

Mr. BREHM. Evidently the farm interests believe the American know-how can solve that problem and produce enough machinery for the American farmer as well as provide for the farmers abroad to help themselves. I think if that were not true the farm organizations in my district would not be in favor of this program.

Mr. GILLIE. We have the know-how, but we do not have the steel to manufacture the implements. This ERP assignment for farm implements will be another severe problem on our farm economy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. MUNDT].

The amendment was agreed to.

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: On page 87, line 4, strike out the semicolon, insert a comma, and add the following: "including but not limited to the establishment of satisfactory conditions for guaranteeing that identifiable assets of nationals of such country located in the United States, its Territories and possessions, may be held by the United States as security against any governmental credits from the United States to such country."

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KEATING. Mr. Chairman, we have been struggling with this section 4, and I do appreciate the fact that it is a troublesome problem. I am happy over the extent to which the committee has gone toward adopting the viewpoint I expressed in the hearings. The Committee of the Whole has further tightened up this section. But it seems to me that we ought to do what at least many of us I am sure have in mind, and that is provide that these assets of foreign nationals which have been brought to this country, as referred to by the gentleman from New York [Mr. TABER], in many cases in order to escape taxation or other subjection to control in their own countries, shall be pledged to this country in partial security for our advances.

The amendment I now suggest merely provides that satisfactory conditions shall be established for guaranteeing that these assets may be held as security, in order that they may be the first source of income to which each participating country will look before it and we ask our own hard-pressed taxpayers to dig down in their pockets and suffer deductions from their take-home pay to help in meeting the crisis facing that country. The fact that it is also a world crisis, impinging directly upon the lives, liberties, and destinies of every man, woman, and child in America, in no wise lessens our obligation to ensure that every reasonable and legitimate step be taken to minimize the burden on our own people.

On page 77 is set forth a table prepared by the National Advisory Council headed by the Secretary of the Treasury showing the assets in this country of the nationals of those countries who participate in this program. They are $4,930,000,000. It is true that some $900,000,000 of that money is already up for a loan, but that loan is about $150,000,000.

My point is that if satisfactory conditions may be established—and perhaps to that extent my amendment does not go far enough, but it was so worded in the hope that it might have some support by at least some of the members of the Foreign Affairs Committee—then the assets of, let us say, French nationals in this country shall be pledged to the French loan or assets of British nationals to the British loan. Certainly, it is possible to work out a plan whereby this can be done in some fair and legal manner.

It seems to me that by simply saying, as we have now, that we will locate and identify and put into active use these assets, we have not been sufficiently definite in designating the steps which we should take.

At least, I feel we should pass upon this question and determine here and now whether we are going to insist that the Frenchmen who have taken their assets out of France and brought them here shall bear the primary weight in meeting their nation's obligations in order to restore and rehabilitate the Republic of France or whether our own people shall have that primary responsibility. If it is the sense of this Committee that our own people should bear it, then let us say so. But we ought to solve this problem now and say one way or the other what our intention is.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. DONDERO. How can we differentiate between a Frenchman who has been living in this country for 10 years and who has not become a citizen who may have accumulated $10,000 and has it in the bank and a Frenchman who has recently come here and who has $10,000 which he puts in the bank? Are you going to take it from one and not from the other?

Mr. KEATING. I believe I would answer the gentleman in this way, that anyone who has been in this country and enjoyed the priceless benefits of life here and has taken no steps to become a citizen, certainly has an obligation to some country. If he has not seen fit to accept the responsibilities along with the inestimable privileges of United States citizenship, then he assuredly has an obligation to France or whatever the country of his origin may be.

Mr. DONDERO. I agree with the gentleman on that point.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, when I first heard the gentleman from New York read his amendment, in the heat of debate, I thought I could go along with his line of reasoning, but upon studying it, and I have it now in my hand, I find myself compelled to oppose the amendment. I want to read it to you and then explain why in my opinion it goes further than we, as a free enterprise country, can afford to go legislatively, even with the temptation which he places before us to capture for ourselves some of the wealth of foreigners. He says:

Including, but not limited to, the establishment of satisfactory conditions for guaranteeing that identifiable assets of nationals of such country located in the United States, its Territories and possessions, may be held by the United States as security against any governmental credits from the United States to such country.

In other words, it seems to me there are at least two things wrong with the amendment. First, it utterly confuses private wealth and public wealth. It holds that any foreigner who brings to this country his money, his jewels, his diamonds, his furs, anything of value that he brings to this country, are not his, but once he gets here we are going to hold them until the country of which he is a national repays us the money which it owes. I think that is an unfortunate confusion of private and public wealth. It would make each foreign national in this country individually responsible and liable for his country's entire debt to the United States.

The other difficulty is the one brought out by the gentleman from Michigan [Mr. DONDERO]. This would make it impossible for any foreigner coming here on a business trip to bring with him any assets with which to buy South Dakota wheat or Detroit automobiles or radios or silks or shoes or anything that he may legitimately want to buy as the purchasing agent for himself or his company. If he brought any wealth along we would be compelled, under the terms of this legislation, to freeze on to it and hold it until we were sure those countries which owe us will pay those debts, which may run for 10 years. So, for 10 years any foreigner coming to this country would be unable to purchase goods from us. It would dry up completely our legitimate commercial export trade with all of these participating countries.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. MONRONEY. As I understand it, there is no limitation on the amount of time that these investments have been in this country.

Mr. MUNDT. That is correct.

Mr. MONRONEY. Everyone knows that part of the wealth of Europe helped build the transcontinental railroad lines of this country, and our telegraph lines, and they had faith in the industry of America and made those investments. This amendment would allow you to seize those private investments that are still in the hands of foreigners.

Mr. MUNDT. It would require it; yes.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I agree with the statement of the gentleman from South Dakota. Would it not also apply to the residence of a foreign family that might have been here for 20 years and may have earned the money here and put it into real estate?

Mr. MUNDT. It seems to me it is very broad language, which might apply to that situation as well.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. KEATING. I appreciate all the eloquence that has been shown in favor of these foreign nationals who have brought their assets here, but I call the attention of the gentleman and the Committee to the wording which says: "The establishment of satisfactory conditions."

Now, that is one of the matters for the Administrator to handle, and if we can get the kind of Administrator that we want and expect, or at least that we hope for, he is not going to do any of the things that the gentleman from South Dakota has referred to, nor is he compelled to do so under the wording of this amendment.

Mr. MUNDT. I am sorry I cannot yield any further. It is true it says, "The establishment of satisfactory conditions," but read on. Satisfactory conditions for what? Satisfactory conditions "for guaranteeing the identifiable assets of such nationals located in the United States." In other words, we give the Administrator a mandate to establish conditions as satisfactory as possible for guaranteeing that these assets shall be frozen. It does not apply only to those assets that have been hoarded here for years. It applies equally to a foreign purchasing agent who may be here only on a 2 weeks' buying trip. An agent cannot come here and buy our goods. You freeze trade. Under my amendment, I provide that you put into active use the assets, but I do not go so far as to say that you could confiscate them or freeze them for 10 or 15 or 20 years, so that they could never be used by the foreign national again.

I think we should defeat the amendment.

The CHAIRMAN. The time of the gentleman from South Dakota [Mr. MUNDT] has expired.

All time has expired.

The question on the amendment offered by the gentleman from New York [Mr. KEATING].

The question was taken; and a division (demanded by Mr. KEATING) there were—ayes 18, noes 39.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 87, line 2, after the word "country", insert a parenthesis and add: "Under suitable rules and regulations to protect such citizens as have been admitted to the United States for permanent residence and have in the judgment of the Administrator a bona fide intention to become citizens of the United States and not to conceal their assets from the Government of the country of which they are citizens."

The CHAIRMAN. The gentleman from New York [Mr. JAVITS] is recognized for 5 minutes.

Mr. JAVITS. Mr. Chairman——

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 6 minutes, three to be allotted to the gentleman from New York and three to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

The was no objection.

The CHAIRMAN. The gentleman from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. Chairman, the committee has heard this question debated in connection with the amendment offered by the gentleman from New York [Mr. COUDERT]. I had no intention of submitting an amendment on the same general question, but in view of the fact that there is grave disquiet that this word "citizens" in section 115 (b) (4) of the bill, will catch in a net, which it was never intended, the small-business man in this country as a permanent resident, who is very anxious to live and make his living here—as so many millions of our people have—I felt constrained to offer this amendment. We certainly do not want to disturb that kind of foreign citizen resident here, and my amendment is designed to avoid the pitfalls which were pointed out in the amendment offered by the gentleman from New York a short time ago, that an alien could easily declare his intention to be a citizen without any real purpose of finally becoming one. My amendment leaves it to the Administrator to determine whether the particular citizen of a foreign country really intends to become a citizen, and is not concealing his assets from his own government, of which technically he still remains a citizen. It must be remembered, Mr. Chairman, that those individuals who come to the United States as quota immigrants with every intention of remaining in the United States and becoming citizens, technically still remain citizens of the country of their nationality—one of the 16 European countries covered by this bill—until they are naturalized.

If the committee adopts this amendment it will take care of the cases there is no intention of reaching, and get rid of the fear that a net has just been spread to draw in the assets of a lot of people the committee never had any thought of disturbing.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from South Dakota [Mr. MUNDT] is recognized for 3 minutes to close the debate.

Mr. MUNDT. Mr. Chairman, we have discussed this problem very fully in the Coudert amendment. However, the amendment offered by the gentleman from New York [Mr. JAVITS] is infinitely worse than the Coudert amendment. This new amendment leaves the door wide open. Mr. JAVITS simply strikes down language that we have just adopted to put into active use the assets and the earnings of these nationals. To whom does his amendment apply? It applies to any national of any country which national has the remotest, subconscious intention some day of becoming an American citizen. All he has to do is to convince the Economic Administrator that in the dim recesses of his mind he has that intention. Now, if you want to have a loophole in this thing large enough to drive a six-team South Dakota load of hay through, vote for it. Otherwise, vote it down. I suggesct that it be voted down.

The CHAIRMAN. The time of the gentleman from South Dakota has expired; all time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

Mr. KERSTEN of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KERSTEN of Wisconsin: On page 86, line 19, strike out the semicolon after the word "country" in line 19, and insert a comma, and add the following: "and in removing progressively the obstacles to the free movement of persons within Europe among the participating countries."

Mr. KERSTEN of Wisconsin. Mr. Chairman, I am here seeking to include in subsection (3), page 86, in addition to lowering the trade barriers also the lowering of barriers so far as the passage of people from one participating country to another is concerned. In volume 1 of the CEEC reports there are set forth the seven objectives of the participating countries. These objectives were formulated by the countries themselves. One of these objectives is the lowering of trade barriers, another is making sounder financial assistance, and objective 6 reads as follows "to remove progressively obstacles to the free movement of persons within Europe."

In other words, I am simply incorporating in the bill the very language which these countries themselves state as an objective. If we fail to put that in, in my humble opinion, we will be failing in a very important ultimate objective.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. KERSTEN of Wisconsin. I yield to the gentleman from Ohio.

Mr. VORYS. May I say to the gentleman that the committee has gone over this amendment, feels it is in proper form and inserted at the proper place. It does carry out one of the objectives of these countries which they themselves set. I therefore hope the gentleman's amendment will be adopted.

Mr. KERSTEN of Wisconsin. I thank the gentleman. It would be a great mistake to fail to include this amendment.

Mr. Chairman, the most important ultimate objective of ERP is the political integration of the people of Europe.

The bill as it now stands contains the objective of lowering trade barriers for articles of commerce, but we have as yet failed to require the removal of obstacles to the free passage of peoples.

Do you not agree that the lack of obstacles to the free passage of people among the States of the United States is perhaps the greatest factor in effecting a mutual understanding of the people of all the separate States with one another? The fact that a citizen of Wisconsin can readily travel to the State of California, or vice versa, is the greatest reason why the citizens of these two States would never be brought to the point of war upon one another. If the people of France could readily travel into Germany, and the German people could readily travel into France, would that not be a great means of mutual understanding between two countries that have been involved in conflict for ages?

Mr. Chairman, if this amendment is adopted it will be the greatest step forward to the realization of political unity in Europe. It may be too optimistic to hope for a United States of Europe immediately. But this amendment will help to pave the way in the not distant future.

Unless the aid that the American people are asked to give now at great sacrifice can produce great constructive reforms such as this amendment provides we are then missing a historic opportunity. Now is the time to secure these fundamental improvements in Europe. When was there a better time? When did people more earnestly desire the conditions of peace? When was there a greater necessity for mutual understanding and knowledge of one another by the people of Europe?

In addition to this amendment I would also like to state that I shall support the amendment of the gentleman from Minnesota [Mr. DEVITT] which will be offered later this afternoon. The amendment of the gentleman from Minnesota will assist in the increase of private aid to the stricken countries of Europe, including Germany. It is in the same spirit of increasing understanding among peoples—a major factor in maintaining enduring peace.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. KERSTEN].

The amendment was agreed to.

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: On page 92, lines 9 to 12, inclusive, strike out subparagraph (f) and insert:

"(f) The Administrator shall request the Secretary of State to obtain an agreement from any participating country which is still holding prisoners of war that said prisoners of war shall be repatriated prior to January 1, 1949, unless they shall freely elect otherwise, provided such agreement has not heretofore been obtained."

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 7 minutes, the last 2 minutes to be reserved to the committee.

Mr. OWENS. Mr. Chairman, I object.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate close in 10 minutes, 2 minutes for the gentleman from Illinois and 3 minutes for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KEATING. Mr. Chairman, again I desire to express my appreciation of the extent to which the committee has gone in incorporating some provision in this bill relating to the released prisoners of war who are being held by some of our erstwhile allies. As the committee knows, on both humanitarian and economic grounds, I have been advocating this principle for months. However, the attention of the committee is called to the wording of subsection (f), as it stands now, reading:

It is the understanding of the Congress that, in accordance with agreements now in effect, prisoners of war remaining in participating countries shall, if they so freely elect, be repatriated prior to January 1, 1949.

What if our understanding is incorrect? There is nothing in the bill to indicate what happens then. Of course, nothing would happen.

The purpose of my amendment is to provide in so many words just as we have done with regard to other commitments which the participating governments must enter into, namely, that they must agree such prisoners of war will be repatriated prior to January 1, 1949, unless they have already entered into such an agreement.

I have some difficulty in understanding the unwillingness on the part of those handling this measure to accept this language.

Western Germany is included in this program. We all know that the notorious Morgenthau plan is now out the window, and that western Europe will never be completely rehabilitated until the economy of Germany is reestablished, always under proper safeguards of course, to insure that its war potential is in no way encouraged.

We also know that any man is going to do more effective work to contribute his bit toward the over-all rehabilitation of western Europe if he is working in his own country than he is if he is wearing the dungarees of a prisoner of war in some other former enemy country. Self-help, not serf help will save Europe. I am told that there are some seven-hundred-thousand-odd prisoners of war still held by the European countries participating in this program.

In order for all of these countries to get back on their feet, which is what we are seeking here, one of the important factors is to make the best possible use of the existing manpower which we can devise. It strikes me that will not be accomplished unless those individuals, those nationals who want to go to work and who must go to work if this program is to succeed, are working in their own native land.

Now, there is one other difference between this provision and the committee wording. If the Members will note, under the bill as worded, it says that these prisoners of war shall be repatriated if they so freely elect. In other words they must all make an election in order to be repatriated. Now, I do understand that there are a few who do not wish to be repatriated, and in that event, they should probably not be forced to return to their own country, if the country where they now are still wants them.

But, this amendment, as worded, provides that they shall be repatriated unless they shall freely elect otherwise. In other words, the burden should be upon the Government which holds them to see that they are repatriated, unless they do not wish to be, instead of putting the burden on each prisoner affirmatively to make the election to be repatriated.

I should like to express my appreciation for the great help I have received from the gentleman from Illinois [Mr. OWENS] in my efforts to get this amendment perfected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. OWENS].

Mr. OWENS. Mr. Chairman, a year ago this month I stood on the floor of this House and called attention to the fact that there were hundreds of thousands of prisoners being held as slave laborers in England and France. I informed you that I had carried on correspondence with the Department of State and with the War Department and promises were made to repatriate these prisoners. They promised that by October 1 they would be repatriated. Now, Belgium and Luxemburg kept their promises. France, however, made an arrangement whereby the prisoners could work for a year or 2 years in that country at a stipulated wage, and they would be released immediately from bondage. So many of the prisoners immediately asked for that privilege that France began to cut down the number so that at the present time they still have hundreds of thousands of prisoners in France who are doing slave labor. The labor leaders of the United States, particularly Matthew Woll, have been complaining about the fact that goods are being shipped over to this country and that we are being undersold because of the slave labor, so

that we have that condition, in addition to the fact that it is inhumane and it certainly is un-American. The only real change that is being made here by the amendment is that, where they, the prisoners, have to elect to be repatriated, they are going to be repatriated unless they elect to do otherwise.

I earnestly ask your support for this very fine amendment. If it is not adopted, you will find that on next January 1 that such inhumanity is still being carried on throughout certain nations of Europe, particularly England and France. We now have the opportunity to effectively end such savagery. Should the members of the Committee on Foreign Affairs choose to oppose it, then they have the sin on their heads.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, the gentleman proposes to have done in the future something that has been done already. We already have the agreement, which General Clay says should be maintained, to have orderly repatriation of these prisoners. Part of the pressure for that action came from the Congress. But we have got it, and we do not need to write it in in any better form than it is here. Certainly if these prisoners want to stay in the countries where they have made their homes we do not want to force them to go back home.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentlewoman from California.

Mrs. DOUGLAS. The agreements already in force provide that all prisoners of war are to be repatriated by the end of this year. Great Britain and France are the only nations in the ERP who have prisoners of war.

General Clay testified before our committee that because of shortages of transportation and other facilities in Germany they cannot accept war prisoners at an appreciably faster rate of repatriation than they are now receiving them. For instance, France is repatriating war prisoners at a rate of 25,000 a month.

The amendment repudiates agreements to which we are a party. It will accomplish nothing. At the best it can only speed up the return of war prisoners by 2 or 3 months, and the result would be more expensive for the American taxpayer, because added confusion in Germany means added costs for the American taxpayer. Remember we are carrying the burden of the administration in Germany. At the worst, it will force the Schuman government in France to agree to a condition under the ERP agreements which will be highly distasteful to the French people.

Mr. VORYS. The gentleman from New York was a leader in this fight in which we all joined, to secure repatriation of prisoners and the end of slave labor, but he has won his fight and has got his provision in the bill. The agreements are being implemented. We, therefore, do not need to adopt this amendment, which looks forward to something which has already been accomplished.

Mrs. DOUGLAS. Exactly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEATING].

The amendment was rejected.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, many Members have asked me about the prospects and intentions with respect to concluding the consideration of the pending measure. Quite some time ago we announced that we hoped to be able to conclude it this evening. I feel quite sure that we can do that, and I am inclined to believe we should remain in session this evening until the measure is concluded. Not only is this matter important in itself, it is important to have its consideration concluded in accordance with the timetable we have set up. Moreover, we have other important matters that should be disposed of this week, and I am very hopeful that we dispose of them as soon as possible. In order that we may expedite our deliberations as much as possible, I make this statement at this time to solicit the cooperation of the Members. There is no desire or intention to shut off unduly or unreasonably any debate in respect to any matter that is properly presented for consideration. I wish solely to advise the Members of the situation to the end that we all may cooperate in accomplishing what, I am sure, would represent the desire of all the Members for concluding consideration of this measure this evening.

Mr. SMITH of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Wisconsin: On page 92, line 3, strike out "to seek."

Mr. SMITH of Wisconsin. Mr. Chairman, my amendment aims to correct an abuse which exists in connection with the dismantling of industrial plants in Germany. The people are aroused and insist that this Congress write into this law a provision which will permit a fair measure of recovery for the occupied zone in Germany.

At this time, Mr. Chairman, I shall offer a circular issued by the Department of Commerce, under date of March 11, 1948, which is entitled "Reparations News." I shall also offer a table which indicates that some of the items which are now for sale are also being exported from this country to the bizonal area.

This particular circular describes what is available in reparations in one of the big Krupp plants in Essen. It offers these plants, presumably, for distribution in any of 20 countries, including Russia and Poland, and three other countries, Yugoslavia, Czechoslovakia, and Albania, which are also behind the so-called iron curtain. I say "Russia and Poland" because, although the State Department promised it would suggest the stopping of shipments from the British zone of Germany to Russia, the answer to their suggestion has never been reported. And the continued shipment of plants to Russia from the British zone still goes on. At least as far as this body goes, it has never been denied.

But that is not the most interesting part of this official circular. It lists the serial number of the plant, which is 1009, and then it describes the various shops in the plant which are available for reparations.

1009/11. Shop 48: Forging plant—production of railway axles and similar products of tool steel bars.

1009/13. Shop 74: Spring shop—spiral and leaf springs.

1009/13. Shop 76: Fire brick mill—refractories.

1009/16. Shop 54: Gear shop—gear production.

1009/20. Shop 34: Private railway shop—production and repair of rolling stock for private and colliery railways.

1009/25. Shop 22: Car repair shop and apparatus shop No. 3, repairs to vehicles and machinery.

Now, that is a sample of the railway manufacturing equipment which is being torn down in Germany and scattered all over the world.

The second document is the State Department's estimate of what it intends to ship to western Germany under the Marshall plan.

One item is $60,000,000 worth of freight cars.

Now, lest it seem too absurd to be true that this economic folly would be seriously proposed for the approval of this Congress, I submit the actual document. It is table 17 in the State Department's Illustrative Composition of Imports of Commodities and Services.

In addition to offering it here for the RECORD, I will also refer those who want double confirmation of this incredible stupidity to volume I of the Senate testimony on the European recovery program, where it is printed on page 128.

I could go on and cite the whole gallery of economic fallacies involved in our program or lack of program for Germany. But this is enough. It is, as the State Department would say, "illustrative." Here, in the same city of Washington, we have one department of Government giving our conquered plants in Germany away to any and all comers and another department asking for $60,000,000 to replace their output for a few months.

It is imperative that we stop dismantling in Germany at once. The State Department should obey the intent of the Congress.

DEPARTMENT OF COMMERCE,
OFFICE OF INTERNATIONAL TRADE,
Washington, D. C., March 11, 1948.

REPARATIONS NEWS

I. GERMAN PLANTS DECLARED AVAILABLE FOR REPARATION

The official inventories, listing and describing the general-purpose equipment adaptable for peacetime production in the following two war and industrial plants declared available for reparation from Germany, have been received by the Office of International Trade, Department of Commerce:

Serial No.: 1009.

Plant name: Gusstahl Fabrik Fr. Krupp A. G.

Location: Essen.

Description: Parts plant, for production of armaments and steel products, comprising the following units:

1009/6. Shop 56 (b): Machine shop No. 9. Only general engineering machinery stored but not yet erected is included in this unit.

1009/11. Shop 47: Open hearth plant No. 3 and electric steel plant north—production of Siemens Martin and Electric Steel.

Shop 48: Forging plant—production of railway axles and similar products of tool steel bars.

Shop 49 (a): Forging plant—production of light forgings.

Shop 49 (b): Forging plant—production of medium forgings.

1009/12. Shop 77: Armour plate mill—production of armour and bullet-proof plate.

Shop 77 (a): Armour plate mill—production of armour and bullet-proof plate.

Shop 78: Pressing and drawing plant—production of bombs and pressure bottles for submarines.

1009/13. Shop 70: Testing shop—testing of forgings.

Shop 73: Civil Engineering Department—civil engineering work.

Shop 74: Spring shop—spiral and leaf springs.

Shop 75: Research Department—research.

Shop 76: Fire brick mill—refractories.

1009/14. Shop 79: Agricultural machine shop—production of agricultural machinery.

Shop 81: Fuse shop—detonators.

Shop 82: Foundries 5 to 7—castings.

Shop 83: Printing office—printing.

1009/15. Shop 32: Heat treatment shop—heat treatment of war material.

1009/16. Shop 53: Machine shop No. 6—iron structures for dredgers.

Shop 54: Gear shop—gear production.

Shop 55: Screw plant and machine shop No. 15—instruments and gun parts.

1009/17. Shop 57: Drop forging plant—production of light and medium die-hammered forgings.

1009/18. Shop 41: Machine shop No. 2—Forkard chuck, surgical instruments, and aircraft fittings.

Shop 44: Welding shop—welding.

Shop 46: Machine shop No. 11—electric repairs.

1009/19. Shop 72: Crankshaft shop—crankshafts for high speed, aero, and water-craft engines.

1009/20. Shop 34: Private railway shop—production and repair of rolling stock for private and colliery railways.

1009/23. Shop 24: Union workshops—storeroom for machine parts.

1009/25. Shop 22: Car repair shop and apparatus shop No. 3—repairs to vehicles and machinery.

1009/28. Sheet pressing plant No. 5—pressed steel components.

1009/30. Machine shop—general light engineering work.

1009/31. Iron store—various stores.

1009/32. Border plant for supply of steam to works.

Serial No. 1074, B/S/413.

Plant name: Atlas Werke A. G.

Location: Elmshorn.

Description: Plant for production of sound detection apparatus.

The inventories for these plants are available for public examination in the office of the Chief Reparations Officer, Office of International Trade, Department of Commerce, Washington 25, D. C.

Expressions of interest invited

This announcement does not constitute an offer of sale. These plants have been declared available for reparation but have not yet been allocated by the Allied Control Authority. American business firms and citizens are invited to express any interest which they may have in the purchase of these plants in the event that they might be allocated to this Government. Such expressions of interest should be forwarded to the Chief Reparations Officer, Office of International Trade, Department of Commerce, Washington 25, D. C., and must be received by April 9, 1948.

For further information concerning expressions of interest, disposal procedure, or inspection of plants, refer to previous reparations news circulars or communicate with Chief Reparations Officer, OIT, Department of Commerce, Washington, D. C.

TABLE 17.—*Western Germany—Bizone—Illustrative composition of imports of commodities and services from Western Hemisphere and possible sources and distribution of financing, Apr. 1, 1948, to June 30, 1949, at July 1, 1947, prices*

[In millions of dollars]

Import	Total imports	Possible sources and distribution of financing		
		Bizonal dollar earnings	Sources other than new United States funds	New United States funds
Bread grains	284.6			284.6
Coarse grains	54.1			54.1
Fats and oils	24.5			24.5
Oil cake				
Sugar	27.5			27.5
Meat	6.2			6.2
Dairy products	9.9			9.9
Eggs				
Dried fruit	5.5			5.5
Rice				
Coffee	2.2			2.2
Other foods	23.9			23.9
Subtotal	438.4			438.4
Tobacco	16.1			16.1
Cotton	66.5			66.5
Nitrogen	12.0			12.0
Phosphates	1.1			1.1
Potash				
Agricultural machinery	8.4			8.4
Coal				
Mining machinery	28.0			28.0
Petroleum products	22.5			22.5
Timber				
Iron and steel:				
Finished				
Crude and semi-finished				
Pig iron				
Scrap iron				
Iron ore				
Trucks	9.4			9.4
Freight cars	60.0			60.0
Steel equipment				
Timber equipment	.3			.3
Electrical equipment	5.0			5.0
Other imports [1]	212.4	99.6		112.8
Total commodity imports	880.1	99.6		780.5
Net freight	134.0			134.0
Other dollar payments				
Total [2]	1,014.1	99.6		914.5

[1] Includes copper, lead, and zinc, $18,000,000; hides and skins, $9,000,000; seeds, $22,000,000.

[2] In addition to its dollar requirements for imports from the Western Hemisphere, bizonal Germany will have an uncovered dollar deficit of $200,000,000 with nonparticipating countries outside the Western Hemisphere. This deficit is made up of the following items: Wool, $71,000,000; hemp, $6,500,000; lead, $10,000,000; coarse grains, $28,500,000; cotton, $16,600,000; other raw materials, $26,600,000; freight, $26,800,000.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. FULTON. Actually were not the agreements for reparations between the countries made at Potsdam and therefore are we not now committed under the agreements that have already been made at Potsdam and if that is the case, how does your amendment change the amounts already in the committee's bill?

Mr. SMITH of Wisconsin. It seems to me that we take a rather defensive position in that connection. Those agreements at Potsdam have been broken a dozen times. We are not bound to recognize them at this time.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. KEATING. I am very happy to support the gentleman's amendment, which is identical with one which I have at the Clerk's desk, except that mine, in addition to striking out the words "to seek" in line 3, also inserts the words "in the opinion of the Administrator" after the word "will" in line 7. I commend to the Senate-House conferees consideration of the inclusion of these additional words for the purpose of clarification, but will not press my amendment. My information is that we have been pursuing a policy of dismantling plants in western Germany at the very time we have been shipping to western Germany the same products as those made in those very plants.

Mr. SMITH of Wisconsin. There is no doubt about that.

Mr. KEATING. Such a policy seems to me inexcusable. All that the gentleman is seeking to do is to make it very clear that the Secretary of State is to obtain these agreements and not just to seek to make agreements.

Mr. SMITH of Wisconsin. That is exactly right.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Chairman, I am in no position to resist the gentleman's amendment. I commend him for calling the attention of the House to this situation. As I say, so far as I am concerned, I am not in a position to oppose the amendment since I am in favor of it. I yield to any member of the committee who wishes to oppose it.

Mr. LODGE. Mr. Chairman, I think it would be a mistake if the words "to seek" were deleted from this subsection. I am in substantial agreement with the gentleman from Wisconsin [Mr. SMITH], as to the advisability of revising the agreements made with respect to reparations and dismantling. I have so advocated in numerous speeches. We gave a great deal of attention to this whole question in committee. This language was worked out by the gentleman from Connecticut and some of the committee's assistants. The fact is that dismantling is being carried on at the moment under agreements made in August 1946 in Paris. I believe that we should seek to obtain a revision of those agreements in order to bring them in line with the major intentions of ERP. We can even tell these nations that we feel that since we are extending this aid to them, the whole question of German reparations and dismantling should be revised in the light of these new circumstances. It seems to me that that is the most that we can do. To

do any more than that would be regarded as a breach of faith with respect to these agreements. To do any less than that would be entirely unrealistic. I cannot see what more is accomplished by taking out the words "to seek," except to embarrass the Secretary of State and the participating countries which are members of the Interallied Reparations Agency. All the Secretary of State can do is to seek to obtain revision of agreements already made. He should, in my opinion, seek to obtain those revisions.

Mr. VORYS. I yield to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, I wish to oppose the amendment, and I support what the gentleman from Connecticut [Mr. LODGE] has just said. I go even further, to say that I object to the bill as it is now written in this respect. We say, "The Administrator will request the Secretary of State to seek to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program."

Evidence before our committee and the Senate committee showed that the dismantling of German nonwar plants is consistent with the European recovery program. Those plants cannot be put into operation in Germany within the next 3 or 4 years because of shortage of materials, transport, and manpower and other factors. On the other hand as rapidly as this industrial capacity is being transferred to claimant countries it is being put into immediate production, thus aiding the rehabilitation of these countries. Never forget that these countries which are claimant for German reparations are today devastated because of the war which Germany forced upon the world.

The expenditure of the billions authorized by this bill is necessary as the direct result of the actions of Germany whose habit it has been to overrun Europe every generation. We may easily forget that all-important fact, since we have escaped direct injury in two world wars. But the victims of Germany in Europe cannot forget so easily. They are the beneficiary parties to the Paris reparations agreement. We cannot overthrow that agreement by a unilateral act. It ill becomes us to attempt to try to do so.

One more point. So much of the discussion on this floor links reparations to the Morgenthau plan. The reparations program is unrelated to the Morgenthau plan. It seems to be forgotten that reparations out of German capital plants were undertaken only as an alternative to the plan as attempted after World War I of collecting reparations out of current production.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. VORYS] has expired. All time has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 69, noes 53.

Mrs. DOUGLAS. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. SMITH of Wisconsin and Mrs. DOUGLAS to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 88, noes 55.

So the amendment was agreed to.

Mr. HESELTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at this time I want to refer to a series of questions I asked the acting chairman yesterday afternoon with reference to the construction of subsection (b) of section 112 which we have passed, of course, but which has to do particularly with the uses of petroleum and petroleum products in the 16 countries.

At that time I also called attention to the report of the Interstate and Foreign Commerce Committee on the fuel investigation dated February 27, 1948, House Report No. 1438, which indicated a tremendously large increase in the prospective demand for gas, Diesel and fuel oils in these countries, and set forth certain specific examples of conversions.

The acting chairman was good enough to suggest that I place those questions in the RECORD and indicated that he would be glad to give the answers at the proper time today. He has indicated to me that he would be glad to have me repeat the request at this time.

I now yield to the acting chairman of the committee.

Mr. VORYS. Mr. Chairman, I will say frankly that I am not very well satisfied with the information we have been able to obtain and am inclined myself to concur in the criticisms which were contained in the Herter report on petroleum and in the report from the gentleman's committee dated February 27, 1948.

As the gentleman knows, the amount for petroleum in the ERP figures is $651,000,000 for the next 15 months, and I assume a similar amount will come the next year. As the report of the Committee on Interstate and Foreign Commerce shows more brilliantly than I can point out, we produce and consume about two-thirds of the world's petroleum.

It is to our interest not only to have Europe consume petroleum from the Near East but to save our own supplies and to secure some from the Near East also.

There are two specific protections in the measure in addition to the one the gentleman has mentioned, which may give the administrator not only discretion but strong advice to protect the economy of this country, which would protect domestic consumers.

As to the delicate balance between when it is wise to furnish machinery over there to increase their production and what we might best use here, I have puzzled over a way to draft a provision to take care of that, but have been unable to do so. I feel that with the provisions in the bill it is a matter that we must leave to the discretion of the administrator. He is enjoined, however, by law to protect the economy of the United States.

Mr. HESELTON. I appreciate the difficulty of the problem. I want to reemphasize my own deep conviction that the key to the success of this plan lies in our own productivity, and unless we are willing to assure the American people and American industry that they can expect the full extent of their needs will be met, we cannot hope to succeed. With this bill now keyed to the report of the Herter committee and the report of the House Committee on Interstate and Foreign Commerce to which we have both referred, I think the best possible safeguards have been taken and that our domestic consumers, and our domestic industry, can feel a great degree of assurance that they are going to be protected in large measure as to their vital requirements of petroleum and petroleum products.

Mr. VORYS. It is my hope that the Administrator, when he is appointed, will read this colloquy and be reminded of the sections of the law, and the various reports to which we have referred.

Mr. HESELTON. I thank the gentleman. I have every confidence that the Administrator will accept that advice and will be guided by the constructive suggestions contained in those two reports in making decisions as to the matter we have discussed.

Mr. SADOWSKI. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the matter of fuel oil and steel pipe was brought up yesterday afternoon just before the committee rose by the gentleman from Arkansas [Mr. HARRIS] and the gentleman from Massachusetts [Mr. HESELTON]. All of us on the Committee on Interstate and Foreign Commerce have been very deeply disturbed about the fuel oil situation. In the city of Detroit last winter our plants were closed down for a period of over 3 weeks because of the shortage of fuel oil and natural gas. Our people were cold. They shuddered with cold. Today you are making them shudder with fear, so that they shall continue to shudder from cold next winter.

I want to have some assurance from the committee now that this fuel shortage is not going to happen again this winter. I may say to the gentleman from Ohio that we do not want some pretty words spoken here or a general sort of a statement to preserve our oil and gasoline supplies for our own people. The language should be mighty strong to give full assurance to our people that they will not go through the fuel shortage they went through last winter.

The gentleman has stated that he hopes this act will be expedited dynamically. That is the whole trouble. I am sure that this program will be expedited dynamically. They expedite these things so dynamically because of the profits that are involved in the goods that are shipped to Europe that they just take everything away from our own people, and then we have these shortages. That is why we have shortages of steel. I have plants closing down in Detroit because they cannot get 18- and 20-gage steel to make cabinets and to make deep freezers. I just got a letter from one of our big manufacturers last week saying that he cut down his deep-freeze production to one-half because he cannot get 20-gage steel, and he is asking

me to find some for him. Well, I cannot find any. I am sure you have the same experience.

Now, if language is not put in this act right now to guarantee to our own people that these shortages will not occur, then watch out what those people are going to do to you in November, because they are not going to be bothered with your explanation of how you voted for this plan in order to save the world, because they will say, "How about us back home." Another thing, what assurance have they that we are not going to take away their gasoline this summer. It was brought out before the Committee on Interstate and Foreign Commerce that we will have a shortage of gasoline this summer and this fall. Now, if they are going to raid the gasoline market and take our gasoline away, as they certainly will do, you will be held responsible. Of all of the gasoline going to Europe, 75 percent is going to come from United States resources. What situation are we going to face domestically here? Are we going to have gasoline rationing before November? As far as I am concerned, I warn you gentlemen that this bill should not go through unless there is positive protection given to our people that domestically we will not face a gasoline or fuel-oil shortage this fall. Do not go home and say, "We did not know about it," or "I did not anticipate this." but make sure that we will protect our people and that they will not suffer these shortages.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: Page 95, line 13, after the period, add the following: "Whenever the Administrator finds that any country receiving aid under this act transacts any business or has any relations with the Union of Socialist Soviet Republics, Yugoslavia, Rumania, Czechoslovakia, Bulgaria, or any other Russian satellites, they shall forthwith be denied all further such aid."

Mr. VORYS. Mr. Chairman, a point of order. That part of the bill has not yet been read for amendment.

The CHAIRMAN. The point of order is well taken. The point of order is sustained.

Mr. JENKINS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this proposed legislation has been greatly improved over what the State Department and the administration proposed originally. The amount has been reduced from the tremendous amount of something over twenty-five billion. The bill has been changed so that the State Department has been practically eliminated from the active control of the administration of the functions to be performed under this legislation.

Likewise, the bill as it now stands provides for a one-man administration with advisory assistants. In other words this bill as it now stands contains several recommendations made by the Herter committee. In fact the important provisions of this bill are largely based on recommendations made by the Herter committee. I am naturally favorable toward the recommendations coming from the Herter committee because I am a member of that committee and I know the diligence with which the committee worked and I know its fidelity to the best interests of the country.

I shall support this legislation because I feel that it will be a relief measure and more than that it should be able to assist these foreign countries to help themselves. It will strengthen the weak governments and will stabilize the currencies of these several countries whose financial structures are so weak that it is impossible for them to engage in trade and commerce with other countries.

If we are to have any trouble with any foreign country from a military standpoint it may be to our advantage if we are engaged in activities that will further our military advantages. For instance, Greece now has an army of 125,000 men who have been provided with all their clothing and shoes and with their arms and ammunition by money furnished to Greece under the loan made by the United States to Greece less than 2 years ago. Why not keep this army on a fighting basis rather than permit them to disband and then send our own men to do military duty in Greece to hold back the bandits that harass the inhabitants of Greece.

If we are to have trouble with the Communist countries we had better have as many countries on our side as we can have.

I am moved to support this measure because I think it will be for the best interest of our country.

I voted to amend this measure by reducing the total amount provided herein by more than a billion dollars. I am sorry this amendment failed. I have also voted today to reduce the time during which this law shall operate from 4 years to 1 year. I felt that we could try this plan for a year and then if it proved satisfactory we can extend it further. I am sorry that this amendment failed.

I feel that since we have taken this matter out from the control of the State Department and have placed its administration under a single administrative head with proper assistants, and since we reduced the time and the amount to be spent that this bill that we are about to vote on is a bill that the people will quite generally approve. At any rate the Congress will have the whole matter under its control and we can amend it as future events may suggest.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that the balance of title I be considered as read and open for amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

WESTERN HEMISPHERE COUNTRIES

SEC. 116. The President shall take appropriate steps to encourage all countries in the Western Hemisphere to make available to participating countries such assistance as they may be able to furnish.

OTHER DUTIES OF THE ADMINISTRATOR

SEC. 117. (a) The Administrator, in furtherance of the purposes of section 115 (b) (5), and in agreement with a participating country, shall, whenever practicable, promote, by means of funds made available for the purposes of this title, and increase in the production in such participating country of materials which are required by the United States as a result of deficiencies or potential deficiencies in the resources within the United States.

(b) The Administrator, in cooperation with the Secretary of Commerce, shall facilitate and encourage, through private and public travel, transport, and other agencies, the promotion and development of travel by citizens of the United States to and within participating countries.

(c) In order to further the efficient use of United States voluntary contributions for relief in participating countries receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones, funds made available for the purposes of this title may be used, in the discretion of the Administrator, and under rules and regulations prescribed by him, to pay port charges in the United States and ocean freight charges from a United States port to a designated foreign port of entry (1) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid for operations in Europe; or (2) of relief packages conforming to such specified size, weight, and contents, as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones. The Administrator may make an agreement with such country for the use of a portion of the deposit of local currency placed in a special account pursuant to paragraph (6) of subsection (b) of section 115 of this title, for the purpose of defraying the transportation cost of such supplies and relief packages from the port of entry of such country to the designated shipping point of consignee.

(d) The Administrator is directed to refuse delivery to participating countries of commodities or products which go into the production of commodities or products for delivery to any country which has announced its intention to attempt to prevent the success of the European recovery program, which commodities or products would be refused export licenses to those countries by the United States.

TERMINATION OF ASSISTANCE

SEC. 118. The Administrator, in determining the form and measure of assistance provided under this title to any participating country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 115. The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 115, or is diverting from he purposes of this title assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this title or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States. Termination of assistance to any country under this section shall include the termination of deliveries of all supplies scheduled under the aid program for such country and not yet delivered.

EXEMPTION FROM CONTRACT AND ACCOUNTING LAWS

SEC. 119. When the President determines it to be in furtherance of the purposes of this title, the functions authorized under this title may be performed without regard to such provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

EXEMPTION FROM CERTAIN FEDERAL LAWS RELATING TO EMPLOYMENT

SEC. 120. Service of an individual as a member of the Public Advisory Board (other than the Administrator) created by section 107 (a), as a member of an advisory committee appointed pursuant to section 107 (b), as an expert or consultant under section 104 (e), shall not be considered as service or employment bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203), of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

UNITED NATIONS

SEC. 121. (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this title, and may make payments, by advancements or reimbursements, for such purpose, out of funds made available for the purposes of this title, as may be necessary therefor, to the extent that special compensation is usually required for such services and facilities. Nothing in this title shall be construed to authorize the Administrator to delegate to or otherwise confer upon any international or foreign organization or agency any of his authority to decide the method of furnishing assistance under this title to any participating country or the amount thereof.

(b) The President shall cause to be transmitted to the Secretary General of the United Nations copies of reports to Congress on the operations conducted under this title.

(c) Any agreements concluded between the United States and participating countries, or groups of such countries, in implementation of the purposes of this title, shall be registered with the United Nations if such registration is required by the Charter of the United Nations.

TERMINATION OF PROGRAM

SEC. 122. (a) After June 30, 1952, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, which declares that the powers conferred on the Administrator by or pursuant to subsection (a) of section 111 of this title are no longer necessary for the accomplishment of the purposes of this title, whichever shall first occur, none of the functions authorized under such provisions may be exercised; except that during the 12 months following such date commodities and services with respect to which the Administrator had, prior to such date, authorized procurement for, shipment to, or delivery in a participating country, may be transferred to such country, and funds appropriated under authority of this title may be obligated during such 12-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer, and shall remain available during such period for the necessary expenses of liquidating operations under this title.

(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the 12 months following such date, the powers, duties, and authority of the Administrator under this title may be transferred to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, and personnel of the Administration may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

REPORTS TO CONGRESS

SEC. 123. The President from time to time, but not less frequently than once every calendar quarter through June 30, 1952, and once every year thereafter until all operations under this title have been completed, shall transmit to the Congress a report of operations under this title, including the text of bilateral and multilateral agreements entered into in carrying out the provisions of this title. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

SEPARABILITY CLAUSE

SEC. 124. If any provision of this act or application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

Mr. VORYS. Mr. Chairman, I understand there are nine amendments at the desk. I ask unanimous consent that all debate on title I and all amendments thereto close in 54 minutes, with 3 minutes allotted to the proponent of each amendment and 3 minutes for the committee.

Mr. GOFF. I object, Mr. Chairman.

Mr. HERTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall not take the entire 5 minutes, but I take this time in order to ask a question. There appears in the section that we are just finishing up now a provision dealing with the local currencies which are deposited as a counterpart for the grants-in-aid that are made to these various nations. I have always felt, and the Select Committee has always felt, that the constructive use of these local currencies could, perhaps, be one of the most important functions performed in the entire bill looking toward the recovery of the various nations.

I want to compliment the committee on the very good wording with which they have handled this matter; very much better than in the bill as it came from the other body. But, I do want to ask the chairman of the committee this one question: In view of the fact that the final disposition of these currencies as provided for in this section must come by concurrent action of the two branches of the Congress, does not the chairman of the committee assume that the United States Government either has title to those currencies or joint title to those currencies, in order that the Congress may have a say in the final disposition thereof?

Mr. VORYS. Answering the gentleman's question specifically, may I say somewhat with regret that the provision as drafted does not vest legal title to these funds and control of their use solely in the United States, but does provide for the establishment of a special account in each country subject to joint control of its disposition.

May I say without telling tales after school that I as one of the members of the Herter committee felt exactly as the gentleman did as to the use of these currencies. Language was proposed which would carry out more fully that viewpoint, but that language was not adopted. However, there was compromise language adopted which I feel is an improvement on the Senate language but which does not provide clearly that title is in the United States. As a technical legal matter, I would say it does leave title in the other country subject to joint control and veto by the United States.

Mr. HERTER. Nevertheless, the gentleman would agree that there is an implied joint title, or else the Congress cannot assist in making the final disposition.

Mr. VORYS. I agree to that.

Mr. HERTER. Mr. Chairman, I do not want to delay the proceedings any longer, but I feel that I ought to say a word or two in regard to the select committee. When this bill has been disposed of, the purpose for which the select committee was appointed will have been accomplished. I think it is only right before we finish our consideration of this bill to pay a word of tribute to the hard work, the diligence, and to my mind the very able and effective way in which the members of that committee contributed in their reports to the knowledge of the Members of the House of the over-all subject we have been discussing. A very large number of the recommendations, not in legislative form but in general form, that were made by that committee are contained in this bill. In view of the fact that that was a committee selected for one purpose only, and is now shortly going out of existence, I wanted to utilize this occasion to express my appreciation as the acting chairman of that committee overseas of the very fine service the members of that committee, in my opinion, rendered to the House as a whole.

Mr. DEVITT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DEVITT:

Page 93, line 14, strike out "may" and insert "shall."

Page 93, line 14, strike out the comma after "used", and strike out "in the discretion of" and substitute therefor "by."

Page 93, line 15, strike out the first "and."

Page 94, line 4, after the period add "Where practicable" and strike out "may" and substitute therefor "is authorized and directed to."

Page 94, line 11, after the period add the following: "The Secretary of State, after consultation with the Administrator, shall make agreements where practicable with the participating countries for the free entry of such supplies and relief packages. The execution of such agreements by the participating countries shall be a condition precedent to the receipt of assistance under this title."

Mr. VORYS. Mr. Chairman, I ask unanimous consent that debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Chairman, may I say to the gentleman from Minnesota [Mr. DEVITT] that I understand from members of the committee who have studied his amendment that there is no objection to it.

Mr. DEVITT. Mr. Chairman, this amendment is intended for two purposes. First, to make it mandatory for the Administrator of the Economic Cooperation Act of 1948 to provide ocean-free transportation and to defray port charges on relief supplies furnished by voluntary nonprofit relief agencies and on individual relief packages from the United States to Europe, and to make mandatory the execution of agreements between the Administrator and the recipient countries by the terms of which moneys in the so-called revolving fund shall be used to pay the transportation charges for such supplies and relief packages from the point of arrival in Europe to the place of residence of the addressee. The objective is accomplished by substituting the word "shall" for the word "may" and the expression "is authorized and directed" for the word "may" in the pertinent places.

The second objective of the amendment is to require the Secretary of State and the Administrator to make agreements with the participating countries for the free entry of such supplies and packages, and to make the execution of such agreements a condition precedent to the receipt of relief by the participating countries.

In support of the first purpose, it is urged that the principle of encouraging the giving of individual relief through private relief agencies and through the sending of gift packages is a sound and meritorious one and will contribute much to international good will. At the same time it will lighten the relief burden of the Government of the United States by shifting a part thereof to the shoulders of the people of this country. This carries out my concept of the humane obligation of the peoples of the United States to help their brethren in need in the devastated countries of the world.

Many Members of the Congress have introduced bills to provide proposals such as this. If the principle is a sound one, the Congress should not leave it to the discretion of the Administrator as to whether or not the principle should be made effective. Under the terms of the bill as drafted, the Administrator is vested with discretion. Hence the use of the word "may." I believe the Congress should express itself as being unequivocally in favor of the injection of this principle into the relief bill.

The second purpose sought to be served, that of making it mandatory to make the entry-free agreements, is prompted by the action of many of the 16 ERP countries in recently raising their barriers against the free entry of articles normally shipped by private relief organizations and usually contained in gift packages. It is appalling to note the extremely high import duties imposed even on the necessaries of life, such as food, clothing, and medicines. By way of example, it should be pointed out that Great Britain imposes a 20-percent ad valorem tax plus a 33-percent purchase tax on all used cotton, wool, linen, and articles of clothing. Even used silk and rayon is taxed the sum of 20 percent. One carton of cigarettes is taxed at the rate of $6.50 a carton. Ordinary kitchen soaps are taxed from 15 to 25 percent. Why should the recipients of relief packages be obliged to pay such onerous taxes as a condition to receiving them from their American benefactor?

In the Benelux countries many recent changes in their laws and regulations will have the effect of making it prohibitive for people in need in those countries to receive gift packages because of the huge taxes that must be paid. On January 1 of this year the Benelux tariff act went into effect. An import tax of 6 percent is charged on the landed-cost value of the packages sent, increased by the amount of the import taxes. The import taxes vary with the articles contained in the packages. The governments of these countries are generous enough to waive the import tax in the case of a gift package of the value of $1.90 or less.

A tremendous number of relief packages are being sent to Sweden and Norway, but still those two Scandinavian countries do not have any specific law or decree permitting the free import of gift packages. In the case of Norway, the only duty-free articles are "natural curios, globes, planetariums, books, and picture books not printed in Norwegian." What good would these items be to persons in need in Norway? Rayon stockings are taxed $1.08. Roasted coffee is taxed 9 cents a pound. Printed cotton fabrics are taxed 15 percent. Wool stockings, scarves, and sweaters are taxed 30 percent. In addition to these taxes, excise taxes and surtaxes are applied in many cases. Approximately, the same is true in Sweden. It should be remembered that thousands of pounds of parcel post gift packages are sent into these countries every month. For instance, in October of 1947, 4,826,684 pounds of parcel post were dispatched to civilians in Great Britain. During the same period Norway received 336,302 pounds and Swedish citizens received 255,055 pounds from generous benefactors in the United States.

It is suggested that some of the European countries have recently raised their import duties and taxes for the selfish purpose of protecting their own markets. One of the very purposes of the ERP bill is to tear down the tariff barriers between countries; we have urged the formation of customs unions between the European countries. For us to acquiesce in this conduct to the detriment of our own citizens who are generous enough to send relief packages and supplies would be inconsistent and in derogation of the principles of the whole international relief effort.

For the United States to provide some $6,000,000,000 of relief to these European countries and then at the same time to permit the governments of these countries to charge such burdensome taxes on the sending of essentials to life in gift packages to those countries, is an anomalous situation. I propose by this amendment to require that the recipient countries, as a condition precedent to the receipt of relief, execute agreements with the Secretary of State providing for the free entry for such supplies and gift packages of such size, weight, and contents as the Administrator shall prescribe. Mind you, this is not a provision for a blanket entry of goods into these countries, but rather the granting of an authority to the Administrator to execute agreements for the free entry of necessaries and essentials of life so that the pauperized recipients will not be burdened with the payment of taxes on their gift parcels.

I urge that the amendment be adopted.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. FULTON. In order to clarify this, you are by your amendment on line 14 saying that the funds made available for the purposes of this title shall be used by the Administrator under rules and regulations prescribed by him to pay for port charges and ocean freight transportation on these packages that will be sent abroad.

Mr. DEVITT. The gentleman is correct.

Mr. FULTON. Those of us on the committee who have studied the gentleman's amendment agree with it. But I would like to ask if you would add a definition of what those port charges are in the United States by inserting on page 93, line 16, after the words "United States" "including handling costs from the post office at the port terminal to ship's side."

Mr. DEVITT. I have no objection. I will agree to the definition of port charges.

Mr. FULTON. The committee, then, has no objection to the gentleman's amendment.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. KEATING. I commend my able colleague for having introduced this amendment which I know will go far toward helping those who are seeking to assist their friends and relatives overseas. I had a similar amendment at the Clerk's desk which I am very happy to withdraw in order to lend my support wholeheartedly to the effective effort which my good friend from Minnesota is making by his amendment toward achieving an objective for which he has labored with such zeal.

Mr. DEVITT. I appreciate the gentleman's remarks.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. REES. This same subject matter has been before our Committee on Post Office and Civil Service. I hope the amendment that has been offered will take care of that particular problem. I, too, had an amendment at the Clerk's desk, but in view of the fact that this amendment has been agreed to by the committee, I shall withdraw mine in favor of the amendment offered by the gentleman from Minnesota.

Mr. DEVITT. I thank the gentleman. I should probably say to the gentleman

from Kansas that in addition to the ocean-freight transportation, this amendment also provides that as a condition precedent to receiving relief, these foreign countries shall agree with the Administrator and the Secretary of State to waive all charges and import fees which are usually charged.

Mr. REES. Will this permit individuals as well as groups to send these packages?

Mr. DEVITT. That is correct.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. SADOWSKI. This means that there will be two classes of citizens in the United States, those who will send free packages to their relatives in Germany and those of our citizens who will not be able to send gift packages postage free to their relatives in Warsaw, Czechoslovakia, and Yugoslavia, is that right?

Mr. DEVITT. That is a situation over which I have no control, I might say to the gentleman.

Mr. SADOWSKI. Do you think that is good American legislation, making class distinctions among your constituents and saying to the needy recipients or rather to the constituents who would send these packages to these needy recipients, "You can send gift packages," and then to another group of your constituency saying, "You cannot send packages"?

Mr. DEVITT. Mr. Chairman, I cannot yield further to the gentleman. I understand the gentleman's question. I am sure it would not be germane to this subject if I were to include in this bill provisions for countries which are not included under the Marshall plan. These provisions are limited only to the 16 countries coming under that plan. As the gentleman from Kansas, the chairman of the Committee on Post Office and Civil Service, has advised there is in his committee a bill which would cover the other countries. This bill only covers the 16 European countries.

Mr. SADOWSKI. Those benefits should be extended alike and equally to all destitute people. There should be no question of class distinction.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. FULTON. The committee has prepared an amendment to take care of just such a situation. It will be offered by the gentleman from Ohio [Mr. VORYS] so that under it CARE packages can be sent to all countries and so we do help them. So the gentleman's comments are not quite accurate. There is no distinction between any classes of citizens who might send relief under the CARE amendment which is to be submitted by the committee.

Mr. DEVITT. May I say I read the gentleman's amendment, and I wonder if it only pertains to the participating countries.

Mr. FULTON. Not the CARE packages. They can be sent any place, even outside of the participating countries.

Mr. Chairman, in view of my previous remarks, I ask unanimous consent that the gentleman's amendment may be amended to include inserting a comma and the words "including handling costs from the post office at the port terminal to ship's side."

With that amendment, the committee has no objection.

The CHAIRMAN. Does the Chair understand the gentleman's statement to be a unanimous-consent request to modify the amendment?

Mr. FULTON. That is correct.

Mr. DEVITT. I agree to the modification, Mr. Chairman.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

On page 93, line 16, after the words "United States", insert a comma and the words "including handling costs from the post office at the port terminal to ship's side."

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The question recurs on the amendment as modified.

The amendment, as modified, was agreed to.

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Chairman, it was my distinct privilege last fall during the recess of Congress to go to Europe in company with five of my distinguished colleagues on the Agriculture Committee. We were privileged to travel widely and, in the course of our committee work, we talked to many, many people and made countless first-hand observations.

On the basis of what I saw, heard and felt, I returned home believing that this country was under a great misapprehension as to actual conditions in Europe. A blanket of sentiment, which was inspired either by propaganda or by the simple generous impulses of the people of this Nation, has descended on this country and we were weeping national tears for the plight of the "starving Europeans."

On the basis of my observations on the continent of Europe, I could not follow this sentiment. Europe, as I saw it, was not starving, or naked, or cold—not to any degree which could rationalize the mass hysteria of tears which was being stimulated. It is true, conditions in the occupied zones were still far from happy and in some instances they could be classified as critical.

Given a good crop year, a mild winter and other conditions of agriculture normalcy, the countries of Europe, I felt, could repossess themselves of their national vitality and struggle to their feet, without any coddling from our own country.

I reported these conditions as I saw them to the people of my district. I took the case directly to them and gave them the situation as I saw it realistically. I told them that I was opposed to any costly relief program and thought that it was not needed and that the interests of this country could best be served by rigorous attention by the Government to shortages which have been hampering our farm production for many months.

I told the people of my district frankly that I did not believe that this country could buy the friendship of other nations. I still believe that and I shall oppose any attempt on the part of this Nation to woo with dollars the affections of a foreign nation. Dollars will not purchase friendship.

At the time of its inception, the plan proposed by the distinguished Secretary of State, General Marshall, had the color and odor of a financial romance. We were proposing to buy the affections of distressed—but recovering—Europe with an outlay of dollars never before dreamed of in peacetime. We were told that $18,000,000,000 to $20,000,000,000, over a period of approximately 5 years would be the price of sealing this friendship.

Every observation which I made in Europe has turned out to be accurate. Europe's food, health, and food problems—to quote the most recent press dispatches—are in better over-all shape than at any time since hostilities. And that is before one penny of permanent Marshall-plan funds are expended. This condition, of course, has been aided by a mild winter, but there is no denial of the fact that conditions generally improving in a gratifying manner.

Since my return from that trip, however, a great and terrible force has begun to spread over the continent of Europe, crushing nation after helpless nation and thrusting into despair others that, so far, have been spared the iron hand of the aggressor.

I now feel that this country can no longer take the risk of a slow, if normal, recovery of the remaining free nations of Europe. The process of recovery must be speeded up so that it can keep pace with, or, under better circumstances, surpass the rapidly spreading menace of Red Russia.

It seems to me, therefore, that it is incumbent upon this Nation, in the name of salvation, to assist the free nations of Europe to combat the Soviet disease. It must be recognized, in the light of the swiftly moving events now going on in Europe, that such is the only course of enlightened self-interest.

We have observed with what deadly accuracy, and ease, the Soviet aggressor swallowed up the free nation of Czechoslovakia in recent weeks. Already its bloodless conquests of Poland, Bulgaria, Jugoslavia, and Rumania have become almost forgotten incidents. Now we see the Russian bear poised to move into little Finland when the moment suits its purposes. We are fearful of the situation in Communist-ridden Italy.

Sweden, Denmark, and Norway, already heavily under trade pacts with the Soviet Union, may yet find that you can no more do business with Stalin than you you could do business with Hitler. Little Austria teeter-totters to keep its head up against the communistic flood. Part of it is already lost.

Yes; the events of the past months and the dreadful promise of even more of these terrible events makes decisive action by this country imperative. The Marshall plan, I have sincerely concluded, is our one major hope of salva-

tion for what is left of free Europe and for our own country.

There are two reasons which prompt my support of this plan. First, I believe it has now become necessary to stem the tide of communism in Europe. Second, I believe that the economic welfare of the farmer of this country is dependent on the export market which we hope can be kept alive by constructive economic assistance to the nations that would share the bounty of the Marshall plan.

Farmers of this country have already been hit by the scarcity of dollars abroad. This cannot continue. To him, the farmer, the loss of his European markets for cotton, tobacco, wheat, flour, corn, hogs, and fruit would be a catastrophe. To lose the market still to be had in Europe would greatly depress prices for those major commodities.

Under normal conditions, Europe is responsible for half of the world's trade. Out of that percentage, directly and indirectly, the farmers of the United States prosper. Thirty-five to forty percent of the goods we sold abroad in 1938—the last normal year—went to the 16 countries that will share in the Marshall plan.

The National Cotton Council recently pointed out that—

> The people of the Cotton States have an interest in this program that is * * * direct and immediate. We are now producing exportable surpluses of both cotton and cotton goods. If the countries of Europe and Asia are not put on their feet so they can continue to take these products, surpluses again will start quickly piling up to plague our industry.

I believe that this plan, properly administered, has the possibility of spelling the difference between peace and democracy and war and communism in Europe. If it is carried out as it should be, it holds the promise of bringing about a world stability without which our own country stands first to lose its own economic prosperity and, second, our peace.

If we couple this program with a strong air force, a system of universal training to give us a strong reserve of manpower, and if we once and for all serve notice on the Soviet Union that her aggression must cease, then, I believe, in years to come it will be called the creator of peace and prosperity—at least in our time.

I should like to repeat the words of the distinguished senior Senator from Michigan, the Honorable ARTHUR VANDENBERG, whose efforts have made the writing of a sane and sensible bill possible. Senator VANDENBERG has declared of this measure:

> It is a plan for peace and stability and freedom. As such it involves the clear self-interest of the United States. It can be the turning point in history for 100 years to come. If it fails, we have done our final best. If it succeeds, our children and our children's children will call us blessed.

Mr. GOFF. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. GOFF: On page 99, between lines 1 and 2, insert the following:

"JOINT CONGRESSIONAL COMMITTEE

"SEC. 124. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Foreign Economic Cooperation (hereinafter referred to as the committee), and to be composed of seven Members of the Senate to be appointed by the President of the Senate, and seven Members of the House of Representatives to be appointed by the Speaker of the House. In each instance, not more than four members shall be members of the same political party. A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The President of the Senate and the Speaker of the House, acting jointly, shall appoint a chairman and a vice chairman from among the members of the committee.

"(b) It shall be the function of the committee to make a continuous study of the programs of United States economic assistance to foreign countries, and to review the progress achieved in the execution and administration of such programs. Upon request, the committee shall aid the several standing committees of the Congress having legislative jurisdiction over any part of the programs of United States economic assistance to foreign countries; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. The Administrator, at the request of the committee, shall consult with the committee from time to time with respect to his activities under this act.

"(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such time and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditure as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this subsection.

"(d) The committee is authorized to appoint and, without regard to the Classification Act of 1923, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and, clerical and stenographic assistants as it deems necessary and advisable.

"(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman."

On page 99, line 4, strike out the number "124" and insert the number "125."

Mr. VORYS (interrupting the reading of the amendment). Mr. Chairman, I think this is the same text as is set forth in a similar section in the Senate bill, and I therefore ask unanimous consent that it be considered as read and printed in the RECORD at this place.

Mr. GOFF. That is true. These are the identical words found on page 45 of the Senate bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(The Clerk concluded the reading of the amendment.)

Mr. GOFF. Mr. Chairman, the entire Senate bill was stricken out. You will notice at the bottom of page 44 of the printed bill, section 23 of the Senate bill provides for reports to Congress and that section 24 provides for a special joint congressional committee.

Before I proceed further let me state that I am in favor of the bill that has already been read, and I expect to vote for it. I feel there is a good chance we can insure the formation of a military and an economic front in western Europe against communism. I want to congratulate the members of our Foreign Affairs Committee on the excellent job they have done under very difficult circumstances. I do not agree with everything in the bill, but I expect to vote for it. You will note that the House committee left out the Senate provision for a special joint committee while adopting the other provisions of the Senate bill at the end of title I.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. GOFF. I yield.

Mr. MACKINNON. The gentleman's amendment in effect sets up a watchdog committee, does it not?

Mr. GOFF. That is right; this is the watchdog committee referred to in the Senate bill, and I think that all of us here see the value of the excellent services rendered by the Herter committee. The gentleman from Massachusetts stated this afternoon that his committee was in effect discharged. I think the House, on a matter as important as this, could well keep some substantial special group in addition to our regular committee looking over the shoulder of this new executive agency that we are setting up.

It seems to me that this House has profited by the work of this committee outside of the regular Foreign Affairs Committee and that the doubts in the minds of many in voting for this measure are due to the fact that many of us are worried about the administration.

This is the identical provision found in the Senate bill. Although I hesitate to do so, I would suggest that the Speaker might well appoint the gentleman from Massachusetts [Mr. HERTER] on this committee, and might select the gentleman from Georgia [Mr. COX], who has some doubts about the communistic tendencies of those who might serve under the Administrator. I feel that this House has profited from the general dissemination of knowledge that this House has received from the select committee that has studied our foreign-aid program and could well adopt the Senate proposal.

Mr. Chairman, I yield back the balance of my time.

Mr. EATON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, under the Reorganization Act under which we are now operating, it is provided that each committee of this House which is a constitutionally recognized agent of the House shall follow up its legislation and shall see that it is properly administered. I object with all my strength to the appointment of a watchdog committee to take from the various committees of this House their constitutional functions and their rights.

This legislation when it is passed will be followed up by the Committee on Foreign Affairs, as our foreign program has been; and that is the only observation that is required.

We do not need a watchdog committee composed of folks from the other end of the Capitol as well as here. We are responsible people. Let me read the provision of the Reorganization Act under which we are operating:

Legislative oversight by standing committees (sec. 136 of Reorganization Act):

To assist the Congress in appraising the administration of the laws and in developing such amendments or related legislation as it may deem necessary, each standing committee of the Senate and the House of Representatives shall exercise continuous watchfulness of the execution by the administrative agencies concerned of any laws the subject matter of which is within the jurisdiction of such committee; and for that purpose shall study all pertinent reports and data submitted to the Congress by the agency in the general executive branch of the Government.

We are operating under the Reorganization Act, and to appoint a watchdog committee is uncalled for. I do not like the name to start with. It is a reflection upon our integrity and our intelligence. I am strongly opposed to the adoption of this amendment and I hope it will be defeated. I would like to call attention to the fact that in all legislation I have endeavored to protect the dignity and constitutional functions of the Appropriations Committee, of the Foreign Affairs Committee, and of the entire House of Representatives, I, therefore, hope that the amendment will be defeated.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it seems to me that the able argument of our distinguished friend from New Jersey [Mr. EATON] is very convincing. Let me read one part of this amendment. How generous it is on the part of the Special Joint Committee on Economic Cooperation:

Upon request, the committee shall aid the several standing committees of the Congress.

Mark you how generous they are. Look at what it does to every standing committee. It puts this special committee over and above every standing committee of the House. That includes not only the Committee on Foreign Affairs and the Committee on Appropriations, but it might include the Committee on Ways and Means, it might include other committees.

In other words, this is a supercommittee over every other standing committee of this body that might have anything to do with the administration or consideration of this law. It seems to me that is very, very far reaching.

We have provided in this bill that each year there shall be appropriations. There would have to be an authorization in order that the Foreign Affairs Committee in addition to the Appropriations Committee retain original jurisdiction as a matter of right, not as a matter of sufferance. Under the legislative reorganization bill all that is to be done is for the Committee on House Administration upon request of the Committee on Foreign Affairs to appropriate money for the Committee on Foreign Affairs to continue a check, and I think that should be done, operating as a full committee or through subcommittees. So this divests the Committee on Foreign Affairs of its rightful jurisdiction.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not also true that this special committee would have no power to bring in legislation and all of the work would have to be done twice?

Mr. McCORMACK. Exactly.

Mr. JUDD. Then it would be turned over to the standing committee to deal with the matter.

Mr. McCORMACK. Yes.

Mr. GOFF. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Idaho.

Mr. GOFF. It seems to me there are some people here whose feelings are too easily hurt. Certainly there was no intention on my part to reflect upon the committee. It does seem to me that in a matter as important as this the House is entitled to advice when there are agricultural matters and when there are so many other phases to this great recovery program. We are entitled to this information and the committee should welcome the advice and service of this special committee provided for in the Senate bill.

Mr. McCORMACK. I agree that the gentleman did not intend to offend, but we are considering results. I had not even thought about the Committee on Agriculture being involved, but I find it is. So this committee will have more far-reaching jurisdiction than I thought.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Is it not a fact that a vote for this amendment would be as a matter of fact a vote of no confidence in the standing committees of the House? There are certain overlapping duties of committees, but we are meeting that confusion and overlapping. There is the Committee on Full Employment that is taking jurisdiction of matters over which the Banking and Currency Committee has jurisdiction.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. VORYS. On this question of thinking we can improve things and venting our feelings and voting our lack of confidence in standing committees by creating new committees, is just like the statement "Officer, call a policeman."

Mr. McCORMACK. I can imagine this supercommittee going to my friend the gentleman from New York [Mr. TABER] and saying: "We will aid you." I can imagine JOHN TABER looking them in the eye and saying: "You will not. We will do our work ourselves."

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, can you imagine a joint committee of 14? I have served on joint committees more or less for the last 20 years. Frankly, except for the bringing out of certain information of a general character that the Byrd committee brings out, I have never known joint committees to accomplish any effective results. The more committees you have involved in doing a job of this kind, the more opportunity there is for the Committee on Foreign Affairs to feel that it has no responsibility and that it does not pay any attention to its job, and the more you have of other committees butting in, the more you make the Committee on Appropriations feel that it has no responsibility and does not have a job to do.

Let me say to you that when this thing comes to me after this bill is passed, I intend to go into the need of every nation before recommending funds to the House. I intend to go into the capacity of the United States to provide for this program, and I am going to give you an illustration of how that might work. There is no individual today who can tell what we can possibly provide for the countries across the water on a wheat basis. It is probable that the budget will not be up here on this proposition before the middle of April and that we cannot conclude our operations on the budget estimate and have the bill in here much before the 10th of May, no matter how hard we work. Around that time we will be able to learn something about what the wheat crop is going to be, and make an intelligent recommendation as to what this country might be able to provide. Today we cannot. I hope that the membership realizes the importance of that statement and how necessary it is that these things be kept in mind when the final appropriations are provided. It is very important. If we are going to do that, we will have to take the responsibility for it, and whether we do it right or not, is up to us. We cannot do it and have some other committee running around trying to follow it up.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New Jersey.

Mr. EATON. It would be impossible for any sane man to imagine a better watch dog than JOHN TABER. He would have to be a thoroughbred, and he has not been bred yet anywhere in the world.

Mr. TABER. I thank the gentleman. I do not claim any greatness. I do not claim anything except a willingness to try to do the best I know how and work just as hard as I can to protect the people, and the Treasury of the United States, and that I intend to do if this responsibility comes to me as the result of the passage of this bill.

I intend to do what is the job of the Appropriations Committee, and I am sure that the Foreign Affairs Committee and the Members of this House expect us to do it. I hope the thing will not be mussed up by putting in a super-joint committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. GOFF].

The amendment was rejected.

Mr. VORYS. Mr. Chairman, I understand there are six amendments to this title on the Clerk's desk. I ask unanimous consent that the debate on this title be limited to 6 minutes on each of those amendments, 3 minutes for the

proponent of the amendment and 3 minutes for the committee. May I say that we have other legislation to complete this evening in addition to this, and we must proceed with the greatest of speed.

Mr. PHILLIPS of California. I object, Mr. Chairman.

Mr. VORYS. Mr. Chairman, I so move.

The CHAIRMAN. The question is on the motion offered by the gentleman from Ohio.

The motion was agreed to.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California:

Page 97, strike out lines 12 to 24, inclusive, and on page 98 strike out line 1, and insert in lieu thereof "SEC. 122 (a) The powers conferred upon the Administrator by or pursuant to (a) of section 111 of this title expire June 30, 1952, and must be renewed by concurrent resolution of the two Houses of Congress before June 30, 1949, and annually thereafter, unless the two Houses of Congress, by the passage of a concurrent resolution, declare that the powers conferred upon the Administrator by subsection (a) of section 111 are no longer necessary for the accomplishment of the purposes of this title; except that during the 6 months following such date, commodities and services with respect to which the Administrator had, prior to June 30, 1949, authorized procurement for, shipment to, or delivery in a participating country, may be transferred or delivered to such country and funds appropriated under authority of this title may be obligated during such 6-month period for."

Page 98, line 8, strike out "12 months" and insert in lieu thereof "6 months."

Mr. PHILLIPS of California. Mr. Chairman, I am still trying to prevent the very unfortunate situation which would exist 1 year from today unless, in my belief, and I think the belief of other Members here, some change is made in the wording of the bill. There are two parts in this suggested amendment. Let me say, in order to save my time and the time of the committee, that this bill goes from this House into conference, and any changes in the language would unquestionably be supported by this House and by the Senate. What I want to talk about is the intent of the amendment. I am not attempting to reargue the question of whether it should be 1949 or 1952. The House has decided that. I am trying to put into the bill now these two changes so that a year from now, if the situation internationally is not satisfactory, this House will not have to take affirmative action to stop aid, but will just let the bill die out without action. In other words, I am saying in this amendment that in order to continue the aid under this bill beyond June 30, 1949, and up to June 30, 1952, an affirmative resolution of the Congress is necessary. You know very well that if this is not adopted and if a year from now, we should desire to stop aid to any country or to all countries, those countries would simply look at the action today and say "You promised us aid until June 1952, and you are reneging on the firm promise of the United States." I am trying to prevent that. That is the first part of the amendment.

The second part of the amendment is one which I consider of very minor importance. I think it is desirable, but if there is any argument over it, I would simply strike it out of the amendment. The second part of the amendment says that instead of having a year after the expiration of the time under the bill to continue to send things abroad which we had agreed to send abroad or started to send abroad, that 6 months is adequate time. If this bill operates for 1 year and then stops, it seems to me that we could get all of the commodities abroad that we had agreed to send abroad, in the following 6 months instead of a year. Remember, the only time we would want to exercise that provision would be if we were not satisfied with the conditions in those countries.

Mr. Chairman, I think this is an important amendment in view of the conditions that exist today, and the conditions that may exist a year from today.

We should make the continuance of this aid depend on affirmative action.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment, but also in admiration for the gentleman's persistence. This is the third time this afternoon that we have passed on this one. It is another 1949 amendment except with some new trimmings and attachments which would cause a will-we, will-we-not state of utter confusion if it should be adopted. If the next Congress wants to repeal this law, they can do so. But let us not try to put in a half-and-half repealer or extender such as is proposed here. We voted on this twice before. I urge that the amendment for the third time be voted down, and I hope for the last time this afternoon.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 47, noes 78.

So the amendment was rejected.

Mr. MUNDT. Mr. Chairman, I offer a committee amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MUNDT: On page 94, line 12, strike out subsection d.

Mr. MUNDT. Mr. Chairman, the reason I am striking this out is because we wrote this language in earlier in a slightly revised form as you will recall, yesterday, as a substitute for the Colmer amendment, and this will simply clean up the bill so that the same amendment does not appear in different language in different parts of the bill, although it has the same intent. So I ask that this perfecting amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. MUNDT].

The amendment was agreed to.

Mr. HARRIS. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. HARRIS: On page 94, line 12, add a new section:

"SEC. (d). The Administrator is directed to refuse delivery from the United States to participating countries any materials or money therefor, for the development of petroleum resources unless and until the Secretary of Defense shall have certified to the Administrator in writing that such delivery is necessary and desirable in the interest of national security."

Mr. HARRIS. Mr. Chairman, this amendment grew out of a colloquy on the floor yesterday between myself and the acting chairman of the committee and others who participated in the issue raised as to the utilization of this fund for the development of the petroleum resources in the Middle East particularly. This is a question of steel being made available for development and if we are going to give it to British companies. I have endeavored to get answers to my questions. The gentleman from Ohio [Mr. VORYS] has sought to obtain information. I think he has some information, the best he was able to obtain, and I now yield to him for the purpose of giving whatever information he has.

Mr. VORYS. Mr. Chairman, my information is that the total petroleum equipment askings or requirements from the European countries is $2,120,000,000, of which $1,260,000,000 is to be available from the said countries, and the balance, $860,000,000, is to be supplied from the United States.

No list of this equipment has as yet been received by our officials, and no amount has yet been approved to go for such equipment. I am further informed of the fact, that has been brought out so well in the report of the Interstate and Foreign Commerce Committee, dated February 27, that the United States is now producing and consuming, roughly, two-thirds of the world's total petroleum supply, and that under these conditions the primary problem for the United States is to shift European consumption, as far as possible, from the rapidly draining resources of the United States and the Western Hemisphere, to the Middle East.

Mr. HARRIS. That is the objective and in order to meet that situation with reference to the allotment of the available steel for the development of petroleum resources, this amendment was offered. After discussing it with the gentleman from Ohio [Mr. VORYS] I understand he has no objection to it.

Mr. VORYS. I hope this has come out of the gentleman's time, because I find myself in this position: I myself have no objection to the gentleman's amendment. I do not think it is necessary. I understand there may be others on the committee who do object to it, and I would not want, in the confusion, to foreclose them of an opportunity for presenting their views.

Mr. HARRIS. I appreciate that.

Mr. VORYS. But I have no objection.

Mr. HARRIS. The only thing I am trying to do is to clarify the controversy as to availability of goods to develop petroleum resources in order that petroleum, through the regularly established industry procedure, may be developed in order to save the European countries in this recovery program.

I hope the amendment will be accepted.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. MONRONEY. Mr. Chairman, I rise in opposition to the amendment.

We are about to do something in the closing minutes of this debate on the bill, 3 minutes' debate, which I think will seriously jeopardize the success of the entire Marshall plan.

I come from an oil-producing district. I know that we have oiled two world wars with Western Hemisphere oil, and we are running out. We have to go down to 12,000 and 14,000 feet now to get a decent oil production.

This effort in the Marshall plan, this $800,000,000 earmarked for oil-production machinery, is to help Europe produce some of its own oil, and stop draining the Western Hemisphere oil. Now, let us be reasonable and honest. This is an embargo, actually, against all oil machinery.

Mr. HARRIS. This is not an embargo on oil equipment for the development of petroleum resources, this is merely an amendment which says that these funds cannot be spent for equipment to be sent to the British concessions in the Near East for British development at American expense.

Mr. MONRONEY. All right, I will take the gentleman's word that none of these funds can be expended, which means you cannot make an Export-Import Bank loan, you cannot have any money under the Marshall plan.

We are talking about a plan to make up the deficiency of the balance of payment. Yes; the British oil companies are rich in pounds sterling. The Dutch Shell is rich in guilders, but they are all poor in American dollars. They cannot buy this equipment without help under the Marshall plan or under the Export-Import Bank.

The United States is the only country that makes oil-well equipment, drilling equipment. It is sold only for dollars—not pounds, francs, or guilders.

We can either export our own oil over a long sea lane and further reduce our own supply or we can let them have a little of this oil equipment and develop some of their own resources. In Holland they have same small oil wells which could be developed.

These countries need to be able to buy with their own Dutch guilders of French francs or British pounds sterling their own oil and to develop their own indigenous products.

We should make it possible for them to do this and save the drain on our own natural resources, our own dwindling supply of oil. And also to save the drain on their very scarce supply of American dollars.

Let us be reasonable and look at this thing a while longer so that we may know exactly where we are going.

I ask that the amendment be voted down.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired, all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Arkansas.

The question was taken; and on a division (demanded by Mr. HARRIS) there were—ayes 14, noes 59.

So the amendment was rejected.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: Page 94, line 11, after the period insert the following: "The Administrator is authorized in his discretion to reimburse United States voluntary nonprofit relief agencies which are registered with and recommended by the Advisory Committee on Voluntary Foreign Aid for operations in Europe and which deliver relief packages from stock piles abroad, in the amount, or any portion of the amount, of the expense of furnishing the delivery service for such packages to stock piles abroad, and the Administrator may make an agreement with any participating country in which the voluntary relief agencies above described function for the use of a portion of the local currency deposit above described, for the purpose of defraying the cost of furnishing the delivery service for such relief packages from the port of entry in such country to the place of storage therein, and to the designated shipping point of the consignee therein."

The CHAIRMAN. The gentleman from Ohio is recognized for 3 minutes in support of his amendment.

Mr. VORYS. Mr. Chairman, we have a Subcommittee on Voluntary Relief of the Foreign Affairs Committee.

I will ask the gentleman from New York [Mr. JAVITS], who is a member of this subcommittee and who has conferred with CARE and with the State Department officials and is very well prepared, to explain this amendment.

Mr. JAVITS. Mr. Chairman, the purpose of the amendment is simply to clarify the situation with respect to a magnificent American agency called CARE which efficiently stockpiles packages for the relief of individuals overseas at an economy to those who purchase those packages in this country, and then delivers them out of stock piles overseas.

The committee will notice that by the section which is now sought to be further amended it is already provided that the Administrator will take care of some of the charges of individual shippers who are shipping relief packages abroad, and we have also provided for United States voluntary, nonprofit relief agencies, which make the same kind of shipments.

CARE operates in a unique way in the sense that it does not ship each individual package from the United States but ships the packages in bulk for stock piling; hence it is essential to give them some consideration because they do not fit into the pattern which is laid out in this section of the bill for other voluntary agencies and individuals. The Administrator is to work out with CARE how much of the cost of the delivery service is to be borne from the United States to the place of stock piling, then where the stock piling takes place in such countries as are participating in the ERP, to work out the amount of local currency deposits to be used to cover the cost of the delivery service. It helps CARE to do the same job which we want the other American voluntary agencies and American individuals who are shipping packages today, to do, and tries to work out some basis of accommodation with these other agencies by the terms of the amendment.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. As chairman of the Subcommittee on Voluntary Aid of the Foreign Affairs Committee I also believe that in this legislation we should take care of that good, efficient agency, CARE. CARE has done a magnificent job and has been able because of its policies, to ship at lower cost than ordinary individuals sending packages over there. Also this amendment will broaden the scope of assistance for shipments abroad as shipments may go to wherever CARE is operating.

Mr. VORYS. With this amendment added to the language in the bill it will facilitate as far as is possible the sending of private packages over there, either individually or through reputable agencies?

Mr. FULTON. Yes. It will give them every help.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HAYS. Mr. Chairman, I move to strike out the last word. If it were not for this amendment CARE would be required to make a revolutionary change in its shipping arrangements. For this reason I am very happy that the amendment has been offered and hope it will be adopted.

Mr. JAVITS. The gentleman is quite right.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. DONDERO. I desire to ask what amount CARE has taken care of by way of packages sent to foreign people that will aid them, either in tons or number. Can the gentleman give us that information?

Mr. JAVITS. I am advised by CARE that the business that is being done by it is approximately $30,000,000 a year; and in the 2 years they have been in business they have delivered over 4,000,000 packages. It is doing a magnificent job.

Mr. HAYS. The amount of private contributions to Europe over a period of time has been almost 2 billion dollars, a magnificent record.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from New York.

Mr. BUCK. Is this restricted to participating countries or does it also apply to countries behind the iron curtain?

Mr. JAVITS. It covers everywhere that CARE operates, except as to the local currency-deposits provision, where it only applies to participating countries.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The amendment was agreed to.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 95, line 13, after the period add the following: "Whenever the Administrator finds that any country receiving aid under this act transacts any business, or has any relations with the Union of Soviet Socialist

Republics, Yugoslavia, Rumania, Czechoslovakia, Bulgaria or any of the Russian satellites shall forthwith be denied all further such aid."

Mr. SMITH of Ohio. Mr. Chairman, the question is whether this Congress means business or whether it does not; whether or not we are going to have a foreign policy that makes sense and is really in the interest of this country. Unless a restriction is placed in the bill limiting the aid provided under it to countries that have severed all relations with Russia and her satellites, much of the goods we supply them will find its way into those areas; or what amounts to the same thing, goods produced in the recipient countries will go there.

There is no question about it. Has not the United States already done enough to strengthen Communist Russia? It was a fatal mistake to provide her with lend-lease without attaching to it those conditions that a sovereign nation demands, and we are paying the price for that folly now. Shall we run the risk of further enhancing the power of Communist Russia? Let the RECORD show that not all Members are blind to this grave danger. My amendment would protect the United States against making the same colossal blunder this body made in providing Russia with lend-lease without attaching thereto conditions vital to our preservation.

I ask: Are we in earnest? Are we opposed to communism, really, or are we not? If we are, let us take a stand on the side of those countries that show a willingness to cut loose from Russia and communism and socialism and refrain from helping any political authority based on collectivism.

Mr. DONOHUE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Massachusetts.

Mr. DONOHUE. Can the gentleman advise the House if Russia at the present time is exacting reparations from any one of the 16 countries which will participate under this program?

Mr. SMITH of Ohio. Is she exacting reparations?

Mr. DONOHUE. Yes; war reparations.

Mr. SMITH of Ohio. I think she is exacting some war reparations.

I believe if every Member of this House would inform the citizens of his district of the cost to them of this $17,000,000,000 Marshall plan it would not pass.

The scheme will cost the taxpayers of my district, the Eighth Ohio, $28,210,798. Mine is a typical district, mixed urban and agricultural. It consists of Crawford, Hancock, Hardin, Marion, Morrow, and Wyandot Counties. The cost of the Marshall plan to each of these counties will be as follows:

Marion County	$6,914,292
Hancock County	6,282,122
Crawford County	5,477,934
Hardin County	4,167,394
Wyandot County	2,959,572
Morrow County	2,409,484

And this is just a starter for another foreign give-away scheme.

When UNRRA was first being considered it called for an appropriation of $1,350,000,000. We were told that would rehabilitate the European countries. I told the committee that had the bill under consideration no one should be surprised if the cost to us for rehabilitating Europe would reach 5, 10, or even 20 billion dollars. Already roundly $25,000,000,000 has been provided for that purpose.

So the $17,000,000,000 Marshall plan should be considered as just another shot in the arm to be followed by more and bigger United States taxpayer dollar injections as time goes on. If the cost to the Eighth Ohio Congressional District ultimately reaches $40,000,000, or $70,000,000, or $100,000,000, no one should be surprised.

My conscience would not possibly let me vote to fasten this additional tax burden on the backs of the people that I represent, especially when you stop and think the Eighth Ohio Congressional District's share of the $255,000,000,000 national debt amounts to $448,000,000, or $2,450 for every person in my district.

This scheme will not only fail to halt communism in Europe or anywhere else but will definitely have the effect of promoting it abroad and at home as well.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts.

There was no objection.

Mr. BATES of Massachusetts. Mr. Chairman, as we near the close of this momentous and dramatic debate, on the European-recovery provisions of this bill, the eyes of free and democratic peoples the world over look longingly to Washington, and await with confidence our decision to take definite action for the American people in the name of peace, stability, and freedom.

There can be no doubt as to the realization by the Congress of the monumental problem ahead, of its responsibility in the world economy, the burdens that will be placed upon our peoples. These and many other phases of the task facing us have been clearly brought forth during the past few days and weeks, during which the world pattern has seen striking changes, new frontiers, and further clashes in ideologies, that have brought us close to the path of a new and terrible conflict.

In my opinion, the paramount need for the European recovery plan is that it be a cooperative effort to deal with the basic causes of tyranny and war, in a Europe which is still submerged in a state of disruption and where wars have smashed the vast and delicate mechanism by which its countries made their living.

While the Kremlin strives to spread its iron curtain and tyrannical tentacles the world over, we seek through the European recovery plan to maintain our own welfare and security by assisting nations to feed themselves and aiding them to reestablish their economic health and thereby save themselves from the yoke of communism.

Sixteen European nations have already taken steps to help themselves, and the record of the western allies, in earnestly attempting to find a secure foundation for such common action, is convincing testimony to their good faith and their sincerity of purpose. The European recovery program is the lift that we feel will help put across the drive to reestablish Europe and pave the way to permanent peace and prosperity.

In the light of the magnitude of the program of European assistance and its cost to the American taxpayers, we must assure Americans that the plan is not being used to aid any governments whose economic theories and practices do not conform to our ideal of free enterprise; we must insist on a continuing check to make certain that nations being helped are meeting their pledges of self-help; that funds are not corruptly or improperly used; and that goods do not flow into the black market. Further, that efficient and businesslike methods of operation are pursued by those governments. I firmly believe that the plan should be administered by an independent agency of the government and composed of top grade businessmen, the best that can be found available for the job.

The United States has already spent billions to fight totalitarianism. The job is still unfinished, and we must decide whether to stop or carry on. In my opinion, the grave decision behind the European recovery plan is whether the United States is prepared to help western Europe attain an economic stability which will enable it to resist Communistic pressure and violence, or whether to leave these nations to division and conquest.

There can be no doubt whatsoever that if we fail to make possible the return of western Europe to self-support, then the free peoples of western Europe will be forced to turn in large part to the east for survival. Do nothing, and you will encourage hunger, poverty, desperation, and chaos, upon which communism feeds.

Communism seeks world domination. It knows no boundary lines. It cares not for our principles, ideals, and American way of life. The threat to Europe today may be the threat to America tomorrow, unless we have the vision and foresight to act now. It is in the interest of our own security as we look ahead over a period of years, that this bill should be enacted into law.

Mr. MUNDT. Mr. Chairman, unfortunately the gentleman from Ohio who just spoke was not in the chamber yesterday when we had our long debate on this very issue, and after which action was taken which goes about as far as we can now go to correct what has been a bad situation.

I do not believe anybody is going to accuse me of being pro-Russian. I do not think that my record of service on the House Committee on Un-American Activities would indicate that I have been in favor of communism. Many will recall that just a week ago today I took the floor for more than 30 minutes and exposed the shipments they were loading on a Russian freighter at Jersey City,

N. J., for Russia, which I ardently opposed, because they were war potentials and machine tools. But this amendment offered by the good doctor from Ohio does not deal with war potentials.

Here is what this amendment says. It says that the Administrator will have to deny aid to any of the participating countries which transact any business or have any relations with the Soviet Union. In other words, if some citizen of Paris should by accident write a letter to a citizen of Moscow and, perchance, get a reply, or even without a reply, he would invalidate the whole French community from partaking in the program. It is an effort to do something which we did, I think, in a rather intelligent manner yesterday, Doctor. We passed an amendment here which prohibits the reshipment of any of these supplies from participating countries to Russia if they are of such a nature that we in turn deny them to Russia from here. In addition, we give to the Administrator veto power to carry out the intent of Congress that from this country there shall not go to Russia anything of a war potential. I see no reason to discourage peaceful trade with Russia in supplies which are definitely not adaptable to military uses.

Mr. SMITH of Ohio. The gentleman used the word "legerdemain." What does the gentleman mean by that?

Mr. MUNDT. If the gentleman has violent opposition to the term "legerdemain" I will be happy to withdraw it and just refer to legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH].

The amendment was rejected.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Mr. Chairman, I look upon the European recovery program, not as an insurance premium against communism or war in Europe, but as the payment of loss for the grievious errors of our foreign policy management. To this loss we have become morally committed. Regardless of the wording of this bill I accept that commitment for 1 year and here and now state my reservation beyond that period. I accept such commitment for 1 year and with reasonable amount feasible within our economic ability until a change in administration can bring sound thinking and more noble action. If the payment can in a measure prevent further deterioration of our foreign relations in Europe, I hope to find full justification for my vote. All in all it is the bitter cost of incompetency in high places in our Government. But then we have been forewarned for years by the blunders of one President compounded by his successor.

Mr. DONOHUE. Mr. Chairman, the principal reason, as I see it, why we must advance aid for an economically stable Europe is that it is a prerequisite condition to the maintenance of the civilization in which the American way of life is rooted. This reason is the controlling one and the one which must determine whether or not the United States is to embark on a program of aid of sufficient magnitude to enable the attainment of a real European recovery.

I do not believe any voice here will dispute the truth of Gordon Sewell's statement that:

> Europe is a spiritual conception. In the rich pattern of this culture there are many strands—the Hebrew belief in God; the Christian message of compassion and redemption; the Greek love of truth, beauty, and goodness; the Roman genius for law.

After our hairbreadth rescue of the soul of Europe from the menace of Hitler's deadly attack, we cannot now allow her collective Christian consciousness and personality to disintegrate and in desperation yield to the aggressor from the east.

The economic illness of Europe, and the prolonged inability of the peoples of Europe to see clearly in the future a time when economic health and hope will be restored, have served to intensify a political struggle between those who wish to remain free men living under the rule of law and those who presume that tolerable living conditions can only be regained by ruthless subjection of the individual to the omnipotent state. There is no doubt that the 16 countries which participated in the Paris Conference on European Economic Cooperation want to preserve their heritage of free political institutions and the rule of law. To do so they must recover from the economic and social effects of the war.

The next few years can determine whether the countries of Europe will, in fact, be able to hold to their heritage. Economic collapse, spreading through Europe, may persuade the peoples of these countries to accept the counsel of despair that their basic wants of food and work can be met only by the subjection of their rights under law to totalitarian control. The countries of Europe are not yet in a position to fill for themselves their essential needs for food and fuel and the materials to enable their industries to function adequately. They cannot produce all these needs in Europe. Their exports cannot yet pay for them. They cannot purchase them from their depleted or exhausted capital reserves. A large part of the basic requirements for the western European countries can at this time only be met by United States aid. This presents to us a responsibility and a challenge. Western Europe looks to the United States for the extraordinary yet temporary support needed during these critical years to permit it to regain economic vitality and an environment in which free institutions can persist.

It must be observed that our adoption of this proposed recovery program can do no more than provide the promise of recovery; it cannot assure recovery. The assurance of success rests primarily on the determination of Europe to work out its salvation with such help as we give. There can be no success without whole-hearted effort on the part of the western European peoples themselves.

The program admittedly faces many risks. Those who believe that they stand to gain politically from unrest and chaos in Europe have openly declared their intention to use all means at their disposal to cause the failure of any program of European recovery based on American assistance. Such a design, were it to succeed, would result in the demoralization of a continent. It would postpone and endanger peace. It would destroy the present hope of an ultimate world rule of law under the Charter of the United Nations.

The United States has taken a leading part in the creation and evolution of the United Nations. The goals of the United Nations Charter are, in fact, the goals of United States foreign policy. It is the firm intention of our Government to conduct its foreign policy in accord with the Charter of the United Nations.

In no respect is this more true than in proposing support to a cooperative endeavor for European economic recovery—an endeavor which was open at the start, and remains open, to all European nations prepared to work fully toward the common goal. Meanwhile, the United States has been and is supporting fully the efforts going forward in the United Nations and its related agencies to assist the economic recovery of Europe.

The very structure of the United Nations requires the economic well-being of the countries which participated in drawing up a program for European recovery. These 16 nations number among them two of the five great powers with special responsibilities under the Charter for the maintenance of the peace, and smaller powers which have contributed most vitally over the centuries to the very concept of peace under a universally accepted rule of law.

The stake of the American people in the success of the European recovery program is great. A small fraction of the vast quantities of the resources of the United States which were expended in the conduct of two successive world wars, ventured now in a cooperative endeavor of free and vigorous peoples, offers the high hope of achieving through European recovery that climate of world peace and stability with justice which was not achieved by the material and human sacrifices which brought military victory in those two wars.

While the risks are real, they must be faced with courage and boldness. Without an essential margin of American assistance, western Europe cannot be expected to achieve economic and social recovery, the foundation for the maintenance of the institutions of freemen. The rise of totalitarianism would not be stemmed; it would be fostered by economic want and desperation. If totalitarianism were to sweep Europe, its repercussions throughout the world would operate slowly but inexorably to compel adoption by the United States, in its own defense, of measures inconsistent with American traditions and the opposite of American hopes. With the persistent slow progress of freemen thus brought to a pause, there could in the future be little justice, no stability, hazardous and transient peace, and the ultimate degradation of the subordination of men to state.

Because of the reasons I have just outlined, Mr. Chairman, and with the sin-

cere conviction that this European recovery program is a measure to prevent war and preserve peace, I am going to vote in favor of this legislation.

At the same time I wish to emphasize to my colleagues that while we are proposing to meet the challenge abroad, we must not neglect our duty and responsibility to our own people here at home. Our aid to afflicted Europe will only be effective in accordance with the measure of the good spirit and sacrifice of the American people behind it.

If we can afford to entertain such a large-scale program for European relief, we surely can and must work out the solution for our many domestic problems. The veteran in whose ears the turmoil of war is not yet dimmed, and who is again facing the possibility of recall, is still without a home for himself and his family. What can we ask or expect from them, and the rest of our people, if we do not provide them with adequate housing? What enthusiasm can we look for from the average working man and woman unless we raise their minimum wage to a reasonable cost-of-living level? With what enticement shall we exhort the great army of labor, that performed so magnificently during the recent war, to rally to this cause if we continue to surround them with legislative restrictions inciting difficulty and discord? There is crying need for extending through our social-security system enlargement, such help as will enable our handicapped and aged citizens to face their lives with hope and confidence. The tax measure we recently voted on is in substance only a reminder that our whole tax structure is in desperate need of study and revision to correct existing inequities. The cost on too many of our basic products is exaggerated and unjust.

Mr. Chairman, I do not desire to take up any more time at this period, but I would have felt remiss in my responsibility if I did not dwell for a moment on the vital needs of our own people in the midst of this debate on the proposal to extend substantial recovery aid to Europe.

I wish to reemphasize with all the energy I can command that unless we devote ourselves, without delay, to a full program of relief from the burdens now resting heavily upon our own citizens, our saving gestures toward Europe shall be made in vain.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks at appropriate places in the record of this great debate, provided their insertions do not impinge upon the remarks already made.

The CHAIRMAN. That permission will have to be given in the House.

Mr. VORYS. May I say to the Committee that I shall obtain that permission in the House. The question about extensions of remarks has been asked me a number of times.

Mr. Chairman, I ask unanimous consent that the reading of the remainder of the bill, titles II, III, and IV, be dispensed with, that these titles be printed in the RECORD, and that they be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Titles II, III, and IV are as follows:

TITLE II

SEC. 201. This title may be cited as the "International Children's Emergency Fund Assistance Act of 1948."

SEC. 202. It is the purpose of this title to provide for the special care and feeding of children by authorizing additional moneys for the International Children's Emergency Fund of the United Nations.

SEC. 203. The President is hereby authorized and directed any time after the date of the enactment of this act and before July 1, 1949, to make contributions (a) from sums appropriated to carry out the purposes of this title, and (b) from funds made available pursuant to the proviso in the first paragraph of the first section of the joint resolution of May 31, 1947 (Public Law 84, 80th Cong.), as amended, to the International Children's Emergency Fund of the United Nations for the special care and feeding of children.

SEC. 204. No contribution shall be made pursuant to this title or such joint resolution of May 31, 1947, which would cause the sum of (a) the aggregate amount contributed pursuant to this title and (b) the aggregate amount contributed by the United States pursuant to such joint resolution of May 31, 1947, to exceed whichever of the following sums is the lesser:

(1) 50 percent of the total resources contributed after May 31, 1947, by all governments for programs carried out under the supervision of such fund; or

(2) $100,000,000.

SEC. 205. No contribution shall be made pursuant to this title or such joint resolution of May 31, 1947, unless, at the time of such contribution, governments other than the United States Government have provided for use in the world program for the special care and feeding of children under the supervision of the fund at least 20 percent of the total resources contributed by governments for such use after May 31, 1947.

SEC. 206. Funds made available pursuant to such joint resolution of May 31, 1947, shall remain available through June 30, 1949.

SEC. 207. There is hereby authorized to be appropriated to carry out the purposes of this title for the fiscal year ending June 30, 1949, the sum of $60,000,000.

TITLE III

SEC. 301. This title may be cited as the "Greek-Turkish-Chinese Assistance Act of 1948."

SEC. 302. Paragraph (2) of section 1 of the act entitled "An Act to provide assistance to Greece and Turkey" (61 Stat. 103), is hereby amended to read as follows:

"(2) by detailing to the United States Missions to Greece or Turkey or China under this Act, or to the governments of those countries in implementation of the purposes of this act, any persons in the employ of the Government of the United States; and while so detailed, any such persons shall be considered, for the purpose of preserving his rights and privileges as such, as an officer or employee of the Government of the United States and of the department or agency from which detailed. Traveling expenses of such personnel to and from the place of detail shall be paid by the Government of the United States. Such personnel, and personnel detailed pursuant to paragraph (3) of this section, may receive such station allowances or additional allowances as the President may prescribe; and payments of such allowances heretofore made are hereby validated. No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State under this act until such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State: Provided, however, That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be temporarily assigned to duties under this act for the period of 6 months from the date of the enactment of the Greek-Turkish-Chinese Assistance Act of 1948. The preceding sentence shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate;".

SEC. 303. Paragraph (3) of section 1 of the act entitled "An Act to provide assistance to Greece and Turkey" (61 Stat. 103), is hereby amended to read as follows:

"(3) by detailing to the United States Missions to Greece or Turkey or China under this act, or to the governments of those countries in implementation of the purposes of this act, a limited number of members of the military services of the United States to assist those countries, in an advisory capacity only; and the provisions of the act of May 19, 1926 (44 Stat. 565), as amended, applicable to personnel detailed pursuant to such act, as amended, shall, except as otherwise provided herein, be applicable to personnel detailed pursuant to this paragraph;".

SEC. 304. (a) Subsection (a) of section 4 of the act entitled "An act to provide assistance to Greece and Turkey" (61 Stat. 103), is hereby amended by adding at the end thereof the following: "The Reconstruction Finance Corporation is authorized and directed to make additional advances, not to exceed in the aggregate $50,000,000 to carry out the provisions of this act in such manner and in such amounts as the President shall determine. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose."

(b) Subsection (b) of section 4 of the act entitled "An act to provide assistance to Greece and Turkey" (61 Stat. 103), is hereby amended by deleting "$400,000,000" and inserting in lieu thereof "$675,000,000" and by inserting after the word "repaid" the following: "without interest."

(c) There is hereby authorized to be appropriated to the President not to exceed $150,000,000 to carry out the provisions of the act of May 22, 1947 (Public Law 75, 80th Cong.), as amended, in relation to China.

SEC. 305. The act entitled "An act to provide assistance to Greece and Turkey" (61 Stat. 103), including the title thereof, is amended by inserting before the word "Greece", wherever appearing therein, the following: "China,": *Provided, however,* That this section shall apply neither to the preamble of such act nor to the amendments to such act made by sections 302 and 303 of this title.

TITLE IV

SEC. 401. This title may be cited as the "China Aid Act of 1948."

SEC. 402. Recognizing the intimate economic and other relationships between the United States and China, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in China endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. It is the sense of the Congress that the further evolution in China of principles of individual liberty, free institutions, and genuine independence rests largely upon the continuing development of a strong and democratic national government as the basis for the establishment of sound economic and political conditions and for stable international economic and political relationships. Mindful

of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to China, it is declared to be the policy of the people of the United States to encourage the Republic of China and its people to exert sustained common efforts which will speedily achieve the internal peace and economic stability in China which are essential for lasting peace and prosperity in the world. It is further declared to be the policy of the people of the United States to encourage the Republic of China in its efforts to maintain the genuine independence and the administrative integrity of China, and to sustain and strengthen principles of individual liberty and free institutions in China through a program of assistance based on self-help and cooperation: *Provided,* That no assistance to China herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that assistance provided by the United States under this title should at all times be dependent upon cooperation by the Republic of China and its people in furthering the program: *Provided further,* That assistance furnished under this title shall not be construed as an express or implied assumption by the United States of any responsibility for policies, acts, or undertakings of the Republic of China or for conditions which may prevail in China.

SEC. 403. In addition to the amount authorized by section 11 (a) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.), appropriations in the amount of $420,000,000 are hereby authorized for assistance to China under such act until June 30, 1949, and such act is hereby amended accordingly: *Provided,* That—

(a) paragraphs (1), (2), and (3) of section 4, section 10, and section 11 (b) of the Foreign Aid Act of 1947 shall not apply with respect to China;

(b) the agreement provided for by section 5 of the Foreign Aid Act of 1947 (1) shall, to the extent practicable, make appropriate provision for the matters covered by paragraphs (1), (2), (4), (5), (7), (8), (9), and (10) of subsection (b) of section 115 of title I; and (2) may contain such other undertakings by China as are necessary to improve commercial relations between China and the United States, consistent with the purposes of this title: *Provided,* That the provision for the disposal of any unencumbered balance of local currency deposits provided for in section 5 (b) of the Foreign Aid Act of 1947 shall not be effective with respect to China until September 30, 1949;

(c) the authority to procure or provide for the procurement of commodities for China shall include authority to procure or provide for the procurement of such other commodities and services in addition to those specified in section 3 (a) of the Foreign Aid Act of 1947 and for the furnishing of technical assistance as the President deems necessary for the accomplishment of the purposes of this title;

(d) without regard to the provisions of section 5 of the Foreign Aid Act of 1947, assistance under such act may be provided for China during the 3 months following the date of enactment of this act when the President determines it to be essential in furtherance of the purposes of this title;

(e) the provisions of sections 104, 105, 107, 110, 111 (c) (1), 112, 113, 117, 119, and 121 of the Economic Cooperation Act of 1948 shall be applicable to the furnishing of assistance for China under the Foreign Aid Act of 1947 in the same manner and to the same extent as such provisions are applicable to the furnishing of assistance to participating countries under the Economic Cooperation Act of 1948;

(f) when it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator for Economic Cooperation shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. The bank shall deposit into the Treasury of the United States, as miscellaneous receipts, amounts received by the bank in repayment of principal and interest on any such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended;

(g) notwithstanding the appropriation made by the Third Supplemental Appropriation Act, 1948, for foreign aid, the provisions of section 11 (d) of the Foreign Aid Act of 1947 shall be applicable for carrying out the provisions of this act;

(h) not less than 5 percent nor more than 10 percent of the funds made available for the purposes of this title shall be used to carry out the purposes of section 404.

SEC. 404. The Secretary of State, after consultation with the Administrator, is hereby authorized to conclude an agreement with China establishing a Joint Commission on Rural Reconstruction in China, to be composed of two citizens of the United States appointed by the President of the United States and three citizens of China appointed by the President of China. Such Commission shall, subject to the direction and control of the Administrator, formulate and carry out a program for reconstruction in rural areas of China, which shall include such research and training activities as may be necessary or appropriate for such reconstruction. *Provided,* That assistance furnished under this section shall not be construed as an express or implied assumption by the United States of any responsibility for making any further contributions to carry out the purposes of this section.

SEC. 405. There shall be established in China a special mission under the direction of a chief who shall be responsible for assuring the performance within China of operations under this title, and who shall take rank immediately after the chief of the United States diplomatic mission in China. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. He shall keep the chief of the United States diplomatic mission in China fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission; and the chief of the diplomatic mission in China shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the special mission shall also keep the Administrator, the Secretary of State, the chairmen of the Senate Foreign Relations Committee, the House Foreign Affairs Committee, the Senate Appropriations Committee, and the House Appropriations Committee currently informed concerning his activities. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign policy objectives of the United States in China and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign policy objectives, he shall so advise the chief of the special mission. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

Mr. MANSFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MANSFIELD: On page 101, line 3, to page 104, line 5, strike out all of title III.

Mr. MANSFIELD. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. VORYS. I object, Mr. Chairman.

Mr. MANSFIELD. Mr. Chairman, I rise at this time in support of the amendment striking title III from the measure now before us.

After reviewing the European situation very carefully—both in person and as a result of committee hearings—I have come to the conclusion that the Marshall proposals offer a possible solution to the difficulties of western Europe. I have based my decision, in this respect, on three factors: one, it is a humanitarian measure which will provide relief to peoples who are subsisting on a near or semistarvation basis and are not in a position to help themselves; two, it will provide for the economic rehabilitation of Europe, allow those nations to take their rightful place in the world's economy and give employment, hope, and security to their populations; and three, it is necessary in the interests of our own national security to take this "calculated risk" so that these countries will not, on the basis of insecurity, hunger, and chaos move into the satellite area through pressure and intimidation from minority groups whose real loyalties lay not wtih their respective countries but with the U. S. S. R.

This program, as it applies to western Europe, does not offer an assured success. It is, I repeat, a calculated risk and we stand to appropriate a sum of between fifteen and twenty billion dollars over a 4¼-year period in the hope that it will succeed. The alternative to this proposal is the loss, by default, of all of western Europe and the isolation of our country.

What will this alternative, this isolation, mean to us? It will mean that we shall have to spend much more than contemplated under the Marshall proposal in strengthening our own defenses; it will mean that our natural friends in western Europe will be lost to us, perhaps irretrievably; and it will mean depression at home, the possible rise of a state-controlled economy, and the loss of many of the privileges which we, as Americans, have always felt were rightfully ours.

On the basis of these arguments and because the 16 nations of western Europe have made a real effort to evaluate their needs on a cooperative basis and because I feel this program offers a road to a real peace, I support the proposals of Secre-

tary Marshall and the recommendations of the American committees which have considered and approved this program.

For 7 weeks we held intensive hearings on the program for western Europe. Then, after we had finished with ERP—the European recovery program—we held hurried hearings on military assistance to Greece and Turkey, economic assistance to China, and additional assistance to the occupied countries. On at least three occasions the Democratic minority tried to report out the European recovery program, but on every attempt we were voted down on a straight party basis. It was the contention of the Democrats that we had spent enough time on the European hearings and that, because of the urgent necessity for immediate action, we should report this measure out, get it passed, and then begin considered hearings on Greece, Turkey, China, and the occupied areas. The Republican majority, however, was determined to bring out a package bill, and, after deliberating 5 minutes on the children's fund, 35 minutes on military assistance to Greece and Turkey, and 2 hours and 10 minutes on economic and military assistance to China, the present bill was reported out.

It is my belief that the committee has reported out a bill about which too many of us know too little. It is my belief, also, that title III, dealing with military assistance to Greece, Turkey, and China, should be stricken from this measure and separate hearings held thereon. The Democratic members of the committee were opposed to a package bill and were also against combining military-aid proposals with legislation for European economic assistance.

This measure is a perplexing combination of economic and military assistance to countries scattered all over the world, and I predict that it can, and will, be used as a precedent to extend our aid to countries, such as Iran and others, not now receiving it.

We are now faced with a dilemma, and we will have to decide the relative importance of Europe and the Far East in our diplomacy. We will have to recognize the fact that our resources are limited and that we will have to decide—as we did during the war—where to place our emphasis and greatest effort. Secretary Marshall has faced up to the same decision he encountered during the war, and has stated that in his opinion western Europe is the most important, and, that while economic assistance should be sent to China, military assistance should not. Just as in the war, the Secretary has had to put up with special pleaders for special areas, and just as his judgment was sound then, so do I think it is now. First things must be met first, and China in the present instance is not first.

In my earlier remarks I stated that ERP was a calculated risk with no assurance of success but only a reasonable possibility. Do we want to include the rest of the world and thus make way for the stretching of our lines on an extremely thin basis with the possibility of failure on all fronts rather than our possible success in Europe? Do we have the resources to carry on a world-wide program as contemplated in this measure?

Proponents of the China program have merit on their side when they cite the fact that the Communist leaders of China—Mao-Tse-tung, Chou En-lai, Chu Teh, and all the rest, are out and out Marxian Socialists and intend eventually to create a Soviet state. They do not, I believe, have as much merit on their side when they compare China with Greece and say that because we have gone into the latter country we should, for the same reasons, go into China. In Greece we have a small country and a small population; in China we have a country one-third again as large as the United States and a population of 475,000,000. Our policy in Greece is costly and far from successful; our policy in China will, if enacted into law, be far more costly and will have much less chance of success. I do not agree with those who always find fault with our State Department or with Secretary Marshall in their China policy because they are interested in their country's welfare and are doing the best job they can in behalf of the United States. They are fully aware of the possible costs of a China adventure; they have no illusions about what may happen if we embark on this policy; and they know, that once started, the drain on us will be terrific and will have a snowball effect as the years go on. We should be under no illusion that we are supporting a democratic regime and we should realize that many of the Chinese in Kuomintang China will not look upon us as deliverers nor will they welcome our participation in their affairs.

Our study of China should not be on a partisan basis. I should be more than happy to consider a China policy based on the Marshall program which would have a reasonable chance of success and which would give to the Chinese people hope in their national future and security in their daily lives.

In my opinion, too many of those who stand for all-out aid to China are motivated by emotion and not by facts. Too many of these people think the solution to China's problems is a matter of money. Too many of them think the China problem is simple of solution.

The Chinese National Government itself has not come forward with an answer to its problems but has, in effect, adopted a fatalistic point of view. Pei Tsu-yee, a Chinese banker sent to Washington to explain China's needs to the United States Government, stated, "Whatever is given, it will not be enough." Truer words were never spoken.

Recently J. Franklin Ray, Jr., former UNRRA Director for China, compiled some figures for the Foreign Policy Association showing the total American funds spent in China since VJ-day. The total amounted to $2,000,278,000 and was itemized as follows: $844,721,000 for military aid, $907,107,000 for relief, rehabilitation, and trade development, $155,000,000 for fiscal aid, and $30,450,000 for educational and philanthropic aid. These figures must include, in addition, large quantities of surplus properties and a nucleus of 271 small ships for the Chinese Navy.

The Chinese Government is operating under the double handicap of a civil war and a badly shaken, deteriorating economy. These difficulties cannot be overcome by help from the outside alone but must be met and conquered largely by the Chinese themselves. Any American aid should be conditioned by adequate reforms instituted in fact, and not on paper, for the benefit of the Chinese people. This, in turn, will strengthen the Nationalist Government, give the support needed to win the civil war, and thereby bring about the creation of a strong and united China.

Much has been made of the statement that you cannot make the Chinese do anything, and criticism has been leveled at General Marshall because he tried to make the Nationalist Government do certain things. Certainly we should have the right to lay down conditions in China, Greece, and elsewhere if we want to see the greatest good come from our contributions.

Secretary Marshall and every student of China knows that the present Kuomintang government has become conditioned to a constant expectation of continued American aid. This conditioning breaks down the initiative of any government and makes it more dependent than ever on outside assistance for survival. Furthermore, it all too often holds back the reforms in behalf of the people which should be expected of any good government.

Many Americans have recognized the bad psychology of this type of dependence. Nevertheless, and in spite of the record, the Republican Party in this Congress has shown a great inclination to break up any effort which might cause the Kuomintang any anxiety. This inclination extends even to the Republican candidates for the Presidency, all of whom are for aid to China with no questions asked and no obligations expected. Even if conditions were attached to this aid the real political and economic reform will ultimatedy have to come from the Chinese themselves. To date little has been done along these lines.

American businessmen in China are in an unhappy situation. They have to contend with state-controlled or powerful family-controlled businesses, and they have to depend on a commercial treaty which offers them no protection nor guarantees security.

It has been stated that with additional American help the Kuomintang could win the civil war. This, I believe, is open to question. American-trained Chinese divisions have been wasted; political incompetents have been placed in charge of Chinese armies, and good military commanders have been deprived of their divisions. Furthermore, much American material has found its way into the hands of the Communists; and, perhaps in the last analysis, we will find that indirectly we have supplied a large portion of the war material they have used. The questions in my mind are: How much of our munitions and planes supplies to the Kuomintang have been put to good use, and how much more can we afford to waste?

The situation in China is not a pleasant one. We can argue here in this Congress from now until doomsday about the merits and demerits of the Chinese problem but we will have to admit eventually that the solution of China's ills will have to come from the Chinese themselves. When that day comes the United States then can embark on a program of aid and assistance which will have some hope of success. Then, on a mutually cooperative basis, the Governments and the people of both countries will be able to respect and assist each other in the maintenance of peace in the Pacific and throughout the world.

In conclusion, I want to say that the European recovery program is based on the carefully worked out plans of free nations for their own economic revival and is not, as is the case in China, a hit-or-miss proposition with little assurance of success. The time has come to decide whether the policy contemplated in this Congress is to be applied on a world-wide scale with little possibility of victory or if it is to be applied to western Europe where we have a reasonable chance for success. The choice is ours.

Mr. Chairman, under unanimous consent granted to me earlier in the day, I am inserting at this point in my remarks a copy of a speech made by me before the Academy of Political Science in New York City on November 12, 1947. The title of this speech is "The Chinese Policy of the United States."

THE CHINESE POLICY OF THE UNITED STATES

Misunderstanding of our policy in China arises largely from a failure to understand the nature of American foreign policy itself. Therefore, I think it essential, at the outset, to consider briefly the substance of policy in terms of three components: objective, pattern, and technique. Without a clear comprehension of these distinctions and their respective characteristics, it is difficult to grasp the implications of our China policy or to relate that policy to our activity in other parts of the world.

Let us bear in mind that the objective of American foreign policy is indivisible and constant. Our Government seeeks the same ultimate ends whether its policy is operating in Europe, in South America, in Asia, or in the United Nations. Furthermore, the objective has remained unchanged since the dawn of the Republic. It is, in the words of the late President Roosevelt, "to defend the honor, the freedom, the rights, the interests, and the well-being of the American people." An essential corollary to our objective, however, is that, again in the words of Mr. Roosevelt, "We seek no gain at the expense of others. We threaten no one, nor do we tolerate threats from others."

In contrast with the fixity and the universality of the objective, the pattern of American policy, which finds its most vivid expression in our great state papers, is gradually evolving. It is the broad blueprint for action which represents the accumulated wisdom of countless American minds. It is the product of the interests, the hopes, and even the fears, of our whole people.

The slow evolution of the pattern of policy is everywhere in evidence. In Latin America a hemispheric solidarity emerges from the earlier foundations of the Monroe Doctrine. In Europe we move from a concept of isolation to a deep concern in the political and economic fortunes of that Continent. And in Asia, too, there is the same gradual flux of the pattern in the interest of the objective.

The third component of policy—technique—concerns the instruments we use within the pattern to achieve the objective. It consists of all the measures—diplomatic, political, cultural, and economic—that are employed in meeting the exigencies of international relations. In the last analysis, it includes, too, military measures—whether force, threat of force, or the acquisition of strategic bases. In contrast to the fixed objective and the evolving pattern, the technique of foreign policy must remain flexible, and responsive to changing conditions. Any other course, in a complex and unstable world, would be an invitation to disaster.

With these three distinctions—objective, patterns, and technique—in mind let us examine the historical development of the Chinese policy of the United States. The objective of our policy in China does not differ from the over-all objective of American policy. We are concerned as much with "the honor, the freedom, the rights and interests, and the well-being of the American people" in our relations with China as we are in our relations with Britain, with France, or with Russia.

However, as our interests have broadened and our world responsibilities have increased, the pattern of Chinese policy has undergone a slow evolution. During the early period of our relationships with the Manchu Empire, China was still too remote, too unknown a factor, to loom largely in the thinking of the American people. The initial pattern of government policy reflects largely concern for our shipping interests and the safety of our missionaries. We wanted equal commercial opportunity with European merchants for our traders. When the British opened Chinese ports to their citizens, ours also gained entrance. And when they established extraterritoriality, we did the same. In this early period we avoided annexation of alien territory, resorting primarily to a technique of diplomacy to secure our objective.

By the turn of the century, however, there were indications that equal commercial opportunity was inadequate in the face of mounting imperialistic pressures on China. It was at this point that John Hay circulated his now famous open-door notes among the great powers. And when it became evident that even this step was unlikely to stem the predatory tendencies of other powers, especially Japan and Russia, we expanded the open door to embrace the principle of maintaining the independence and integrity of China. But we soon discovered that diplomacy could operate as a technique for fulfilling this pattern only if there existed a balance of power in the Far East. This balance was upset by the First World War. From that conflict, Japan emerged as a dominant force in eastern Asia.

Nevertheless, at the Washington Conferences of 1922, an attempt was made to maintain the open door and China's independence and territorial integrity through normal diplomatic methods. We sacrificed a part of our military potential in the Pacific, in return for Japan's pledges to forego further expansion. Under the pressure of its military leaders, Japan in 1931 turned from the ways of peace.

For fully another decade, however, we sought to preserve the pattern of the "Open Door" and of China's territorial integrity without resort to military techniques. We wrote notes. We engaged in conversations. We spoke angrily. We spoke softly. But the Japanese military machine rolled onward into Mongolia, North China, the Yangtze Valley, and South China.

By 1940, with Japanese armies straddling the coastline of east Asia from Korea and Manchuria to Indochina—and spearheaded deeply into the body of the continent—and with Europe set aflame by Germany, it had ceased to be a question of maintaining the pattern of our policy. The American people were faced with the inexorable reality of a free America standing alone in a hostile, totalitarian world.

American public opinion began to shift rapidly. So, too, did our technique of policy. To the exhausted diplomatic measures we had taken against Japan, we added economic measures in the form of aid to China and restrictions on trade with Japan. We extended lend-lease to the hard-pressed Chinese and with the Flying Tigers, spread an air cover over their defenseless cities. Finally we reached that point in the tide of history when a reassertion of the pattern of our policy in China and the Far East, coupled with our activities elsewhere in the world, offered the last hope of defending beyond our shores the honor, the freedom, the rights, the interests, and the well-being of the American people.

The complexities of the war involved the United States in the affairs of China to an unprecedented degree. Economic and military problems of the joint struggle against Japan forced our Government to take an increasing concern in the internal problems of China—a course which we would normally have avoided. The United States dealt officially only with the National Government of Chiang Kai-shek to which, theoretically at any rate, the Chinese Communists adhered. Vital considerations connected with the war, however, made it essential for us to try to forestall a rupture in even the theoretical unity of Chinese resistance—a rupture which conceivably could have lengthened the war. There is nothing contestable in this approach. It was essentially the same technique that was employed in France, in Italy, and in Poland. It was predicated on a recognition of the hard reality of the cost of the war in terms of American lives and resources.

While aiding China internally to maintain its unity and to remain in the field against Japan, we were seeking also to build up China's international position in order to prepare the Chinese for a possible expansion of their role in the postwar world. First of all, we recognized China as one of the Big Four of the war against the Axis. In 1943 we abandoned extraterritoriality and wiped out the stigma of Chinese exclusion. At the Cairo Conference, in December 1943 we endorsed the principle of the return of all Chinese territory seized by Japan. Still later we acknowledged China as one of the five great powers in the United Nations. Throughout the war our assistance went exclusively to the central government and we interfered as little as circumstances would permit in internal Chinese affairs. In line with the traditional pattern of American policy, we desired an independent China at the end of hostilities, not an administrative and military appendage of the United States.

But peace found us, notwithstanding our desire to the contrary, deeply enmeshed in Chinese affairs. It was impossible to extricate ourselves immediately with the firing of the last shot. We faced a drastically altered situation in the Far East. The shattering of the Japanese Empire had left a huge vacuum. Into it had rushed new power from Soviet Asia, through Manchuria to Dairen and Port Arthur, and over the border into Korea to the thirty-eighth parallel. On the other hand, American forces occupied Japan, the Ryukyus, and southern Korea. Between these new frontiers of power lay the seething uncertainty of China; a China on the verge of economic collapse and already in the first throes of renewed civil war.

In this chaotic situation, the need for redefining the pattern of our Chinese policy became imperative. It was forthcoming in President Truman's policy statement of December 16, 1945. Linking the Chinese situation to our faith in the future of the United Nations, the President declared that, "it is the firm belief of this Government that a strong, united and democratic China is of the utmost importance to the sucess of this United Nations Organization and for world peace." Let us consider, for a moment, the

implications of this statement. Is it in accord with the fundamental objective of our foreign policy? It is. The defense of the well-being of the American people is inextricably bound up with the question of the maintenance of peace. Peace, in turn, will be influenced profoundly by the international position and the internal conditions of China. Is it a natural extension of the historical pattern of our policy in China? It is. We have come a long way from the "equal commercial opportunity" through the "open door" and the "maintenance of China's independence and territorial integrity," to the present "strong, united, and democratic China." But this logical and inevitable evolution has developed through the interrelation of our expanded interests, our world position, and our power and the great political changes the world has undergone.

The President's December 16 statement contains two factors that warrant careful examination. There is, first of all, the frank acknowledgment of our obligations to the National Government of China. And secondly there is the whole body of measures and methods with which we hope to realize the pattern of our present policy. It was absolutely essential to aid the Central Government in the transportation of its troops to disarm and to evacuate the Japanese, if for no other reason than that we had committed ourselves to do so. We extended this help in spite of strong counterpressures at home and in the face of violent opposition from the Chinese Communists. We extended it even at the cost of American lives. We would have preferred to help an internally unified China. But in the absence of unity we aided the Central Government exclusively—the Government we had dealt with throughout the war; the Government we recognized as the legal authority of the Chinese nation.

Let us now consider the methods and measures through which we hope to see realized the pattern of a strong, united, and democratic China. I must stress that these measures and methods concern the technique of foreign policy and, consequently, there is no virtue per se in their consistency. Rather, within the limits of our moral and ethical concepts, these measures and methods must remain flexible and adaptable, to meet everchanging problems. I emphasize this because those who delight in pointing out the inconsistencies of our foreign policy usually are thinking in terms of its technique.

Paramount among our methods in China is continued recognition of the National Government and cooperation, internationally, with that government. One need not have access to secret State Department documents to recognize that this procedure is still being followed. In the international field, our support of China's National Government has been imposingly steady. We have backed Nanking officially on the reparations issue in Manchuria, and we have sought by diplomatic pressure to assist in the restoration of Chinese administration to Dairen and Port Arthur. Still another evidence of our support for the National Government was given by Secretary Marshall at Moscow in the spring of 1947. He refused to permit the discussion of the China question without the consent of the Chinese. The effectiveness of this measure was attested to by the approving demonstrations which greeted it in Nanking, Peiping, and Shanghai.

Our technique with regard to the internal situation in China is also clearly indicated in President Truman's statement. He has placed primary responsibility for the establishment of peace and unity on the Chinese themselves, and asserted that we will not intervene to influence the course of any civil strife. At the same time he has pointed out that our interest in the peace of the world gives us a concomitant interest in a peaceful China. Therefore, he suggested that the Chinese take certain steps to promote internal stability. Among these were the cessation of hostilities, the convening of a national political conference to solve the problem of internal unity through a modification of the one-party dictatorship, and finally the integrating of all Chinese armed forces into a national army. To help bring about these changes, the President dispatched General Marshall to China. Further, he held out to a unified China the offer of reasonable aid in economic rehabilitation and assistance in the reconstruction of its military organization.

How adequate is this technique? At first, it seemed on the verge of success. A delicate settlement covering all the major problems of unity was put together with infinite care. Bitterness and hatreds and suspicions of 20 or more years' duration were reconciled at least temporarily. Success was never a certainty. That it had ever become a hope was a remarkable tribute to the pertinacity and wisdom of General Marshall. The shattering of that great hope as you will remember, came in the spring of 1946—at the very moment of fruition. General Marshall had returned to America to report to President Truman. Within a week of his departure from China the Communists were accusing the Nationalists of failing to relinquish one-party control of the Government. And the Nationalists were charging the Communists with attempting to set up a puppet regime in Manchuria.

Actually it matters little now who fired the first shot. General Marshall later blamed the extremists of both parties for the failure of mediation. What is significant is that the most determined efforts of one of our ablest officials had been insufficient to halt the recrudescence of strife. In effect, the break-down of peace condemned the Chinese people to an indefinite continuation of the miseries of the previous 8 years. The vision of peace, which had flared so brightly in the spring of 1946, dimmed steadily during the late summer and autumn. Occasional contacts of opposing forces gave way to skirmishes. Skirmishes grew into pitched battles. Chinese again killed Chinese, and in ever-increasing numbers. We had little to show for our efforts except mounting hostility from large sections of the Chinese people. They vented the bitterness of their frustrated hopes on the peacemakers.

Almost a year to the day after his first pronouncement on China policy, President Truman acknowledged the failure of our efforts to quell the civil war. On December 18, 1946, he issued a second statement indicating that while the basic pattern of our policy still remained, some of the instrumentalities with which we sought to operate would have to be held in abeyance. Since the return of General Marshall, and following the rapid withdrawal of American military forces during the early months of this year, there has been no significant change in our methods of dealing with the Chinese situation. The pattern remains the same: a strong, united, and democratic China. We still actively support, internationally, the sovereignty of China and the government of Chiang Kai-shek. But with regard to the internal situation we have, in effect, retired almost completely to the side lines to wait further developments. If there is a clear indication that out of the chaos there is emerging a hope for the development of peace, unity, and democracy, we are pledged to move in actively with any economic or other aid necessary to support that hope. To date, that hope has not emerged. Civil war now rages throughout North China and Manchuria. Other areas are in a state of incipient separatism. The Communists are resorting to their old extremist tactics of brutal terrorism. And the administrative machinery of the national government, as General Wedemeyer has recently pointed out, is bogged down in a mire of unparalleled corruption.

That we regret this situation, that we sympathize with the Chinese people goes without saying. But it is equally true that there is little we can do, as our experience has shown, to alleviate their difficulties. Nevertheless, powerful and capable voices are heard in the United States urging us to project ourselves into the middle of this problem of China. Let us, for a moment, consider the views of those who object to the abayant state of our policy in China. Many Americans have a deep and sincere affection for the Chinese. Among them there are those who point out that it is ignoble of us to forsake our wartime allies in their hour of need. Therefore, they insist, let us do something for China, and let us do it through the living symbol of China's resistance, Chiang Kai-shek.

Let me, first of all, make clear the extent of aid already made available to the National Government. I have alluded to the postwar military and international assistance which we have tendered to President Chiang. Mention should also be made of the American Army and Navy missions still in China to help establish a truly national military organization. Since 1941 total aid in the form of loans and grants is in the neighborhood of $2,500,000,000. In addition, we have transferred extensive quantities of surplus property at a fraction of original cost. We have also turned over 271 naval vessels. This year the United States foreign-relief program probably will allot $30,000,000 in medical supplies and food to China.

Furthermore the United States stands committed to provide additional assistance for noncivil war purposes as the circumstances permit. When there is some assurance that instead of adding to the wreckage of civil war and to the private fortunes of corrupt officials, our aid will assist in the restoration of the well-being of the Chinese people, its flow should increase. Those who are sincerely distressed over the plight of China, need have no fear. The United States Government will do all in its power to lessen the sufferings of the Chinese people, but will resist firmly all ill-considered efforts to have it add to their distress. The great shortcoming of many who insist, vaguely, that we "do something" for China is that they fail to realize the limitations as to what we can do. We can stand beside the Chinese as sympathetic friends. We can help them through our private charities, our Christian missions, our educational and cultural endowments, and through governmental grants or loans to meet their most pressing needs. All these measures we have taken and will continue to take. But we cannot supply the spiritual spark which will release the capacities of the Chinese people and channel them into a reconstruction of their noble civilization. That spark can—and will someday—come only from the heart of China itself.

Before concluding, I should like to discuss briefly another line of thought in opposition to the present relative abeyance of our Chinese policy. I am fully aware that there is a growing advocacy in the United States for action to halt the spread of communism in China. Briefly, it consists of several fundamental assumptions; that we cannot permit any foreign power to dominate China; that it is futile to halt communism in Greece and not to halt it in China; that unless aid, both economic and military, is extended immediately, the Central Government of China will collapse; and finally that such aid will be much cheaper than grandiose Marshall plans for Europe. One of the most disturbing factors in the views of those who insist on positive action is their assumption that the United States Government is unaware that China and Russia have a common border of several thousand miles. I wish to reassure these people.

The Government is not only aware of the existence of this boundary but has been considering it in terms of the ultimate objective of American foreign policy for more than half a century. Let us, then, at least concede a measure of validity to the decisions which grow out of this experience and the day-to-day reports of trained observers in the field.

I shall avoid a detailed discussion of the problems, both military and economic, which would be involved in positive action in China. Suffice to say, despite specious arguments to the contrary, that they would be monumental. As an instance, let me recall the widespread hostility demonstrated just a year ago by the most politically-conscious elements in China—the students—against the continued presence of American troops in China. And those troops were there with the peaceful intent of attempting to maintain the Nationalist-Communist truce. What would be the reaction if they were in China for the express purpose of assisting one section of the Chinese people against another? Those who advocate a return of American forces to Chinese soil in large numbers—and a program of positive action would ultimately involve precisely that—show an abysmal or arrogant indifference to one of the most powerful forces in Chinese life today—nationalism. They would take on for America the same heritage of hatred that the Russians are now busy constructing for themselves in Dairen and Port Arthur.

Finally, let me point out the fallacy of assuming that since we are taking positive steps to aid Greece and western Europe, we must take similar action in China. The pattern of our Chinese policy is concerned with the establishment of a "strong, united, and democratic China." Obviously such a pattern cannot prevail if China is dominated by an outside power. I think it legitimate to assume that our Government is capable of making this simple deduction and therefore may be counted upon to apply measures necessary to support China's sovereignty. But the United States, in selecting the methods for implementing its policy in China, must weigh all the factors in the world situation against the resources it has available. In the pursuit of our objective in Asia we must not permit ourselves to be hastened into any action which would result in a partial fulfillment of our objective elsewhere or even in China itself. We must bear in mind what we desire is a strong, united, and democratic China. Omission of the third adjective could have tragic consequences in terms of the ultimate, over-all objective of American foreign policy.

No one is more aware than I of the inherent threat of communism to the liberties which we hold dear. But we cannot oppose that threat with precipitous action, with impatient sentimentality, or with hysterial fear. We can oppose it successfully only insofar as we act with calm intelligence, with unremitting patience, and with a bold and dignified faith in the institutions which uphold America's greatness.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 7 minutes.

Mr. KLEIN. Mr. Chairman, I object.

Mr. VORYS. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved to the committee.

Mr. HOLIFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOLIFIELD. Does that mean that the whole of title III and all amendments thereto will now be limited to only 5 minutes' debate?

The CHAIRMAN. That is not the way the Chair understood it. The Chair understood the request was on this amendment and all amendments thereto, but not necessarily amendments to the title.

The question is on the motion offered by the gentleman from Ohio [Mr. VORYS]

The question was taken; and on a division (demanded by Mr. KLEIN) there were—ayes 78, noes 35.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. COX] for 1 minute.

Mr. COX. Mr. Chairman, this is the first intimation that I have heard that this is a partisan bill. I do not believe it is so. Of all the countries made beneficiaries of this program, the assistance given China will pay highest dividends. With the exception of the faithful and laborious efforts of certain Members of the House and a few military men, China has had little official assistance in the making out of her case. Her diplomatic representatives must not be very active. Certainly top-flight people have done little or nothing to help. Mr. Chairman, China is our devoted friend. She has been faithful and is most deserving of all the help that we can render. To help her is to help ourselves. While China needs relief, her greatest need is munitions of war. I would like to see the full amount provided for her in the bill made available for arms and ammunition. This ought to be done. Certainly no one fully cognizant of conditions would want to eliminate any part of the amount made available for uses of war.

The CHAIRMAN. The Chair recognizes the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, for many years I have been personally interested in the foreign policy of the United States. When one has a continuing interest over a long period of time, it is possible to observe certain trends, developments, movements and accomplishments. Now and then, throughout these recent years, all of you have read statements saying the United States has no foreign policy. Writers of books, editorial and feature writers, authors of articles in public-opinion magazines have criticized not only the State Department but those responsible for our Government for not having a precise objective foreign policy. We have been told we proceed on a day-to-day basis without any specific objective in view and with very little direction. Our Nation has been criticized for not developing a long-range point of view.

I do not wish to discuss the details of American foreign policy during all of these years I have had the honor of being associated with Congress, but I do want to emphasize a very certain and a very strong observation. It is this. In spite of all of the criticism that has been directed against the United States foreign policy—and in passing I might add that I have been one of those who has contributed some of the criticism—there is one outstanding objective of our country in its relation to the nations of the world. It stands out like the sun on a clear day in summer. It burns in the hearts of men and women throughout this Nation. It is the one thing that every man and woman would willingly lay down their lives to protect. The one great controlling feature of American foreign policy throughout the years has been and is today the protection, the establishment of free life, free living and freedom not only in this country, in the Western Hemisphere, but in every country in the world that has shown any desire to possess this kind of life. Freedom. Freedom. To be free. To make your own decisions—to be free to choose your own government—to be free to worship God—freedom, the cause for which this great Nation was founded, is the over-all long objective and short objective foreign policy of the United States.

During these recent months and particularly these hours of the last few days a very unusual procedure, a very unusual event, has been unfolding before the eyes of the world. This event has been taking place right here—has been taking place here on the floor of the House of this Congress. Here we stand. Here we have witnessed this great Nation of ours considering the best possible method of helping the people of other nations to hold fast to their freedom. Never before in the history of the world has any people been so generous, has any people been so unselfish, has any country been so great. I say to you, my colleagues and fellow Members, this—this is America's finest hour. The example we set today—the principle we establish in human relations—will shine on throughout centuries as one of the noblest deeds in human history.

Although we are motivated by high principle and unselfish objectives we must be constantly mindful of the advantages and disadvantages, the gains to be achieved and the losses to be borne if we proceed with this program. In this case the decision is not difficult for the gains far outweigh the costs. Our acceptance today of this economic European recovery program will create in western Europe a great dam, holding back the westward sweep and flow of the Communist tide. If this dam holds and becomes more solid with time, I confidently believe that the recovery of the free nations of western Europe will begin to flourish and that the dreaded communistic flood will not only fail to advance but will begin to recede over the long road back to the country from whence it came. The forcing back of communism from the free people of western Europe will widen the frontiers of freedom and once again entrench free institutions in these war-swept lands more securely than ever before.

Now, just what does this mean to the United States of America? To once again establish western Europe and, for that matter, the whole of Europe, on an independent, cooperative, operational basis will constitute a decisive factor in the world balance of international relations. Such an achievement is essential for international security and peace, as well as the security of the United States,

for a strong free western Europe will create counterbalances to the powerful Communist army now clouding the sky of freedom. The great shadow of Soviet aggression must be reduced in size.

In my opinion, based upon years of experience, I believe the support of this legislation to assist free nations to again sit in dignity in the councils of world progress and in the deliberations of the United Nations is indeed a positive act toward the guaranty of world peace.

There is much to consider. There is much involved. There is much at stake. If the Communist tide is not held back, if it is allowed to sweep on, then we must face the fact that the United States, Great Britain, and France will be forced out of Germany with the probability that Germany would become a strong Communist nation. If the Communist tide is to be permitted to flow on, Italy, Greece, Turkey, Iran, north Africa will completely fall under its control and domination. Control of the Mediterranean would be lost. Spain, proud France, glorious Belgium and Holland, and heroic Britain will come within the shadow. This is most serious. This is an eventuality which we cannot sanction.

But there is more that we must consider. The western nations of Europe possess colonies and territories in the Caribbean, in Africa, and in the Pacific. The fall of France, Belgium, Holland and Spain, as well as Denmark and the Scandanavian nations into the orbit of the influence of communism means that these far-flung territories, strategically located, would come also within the orbit of Communist domination. As the most powerful free nation in the world, can we permit this to happen? If freedom is to be protected, is it not our responsibility and duty to bring to bear all the forces within our control in order to insure its survival? I need not tell you, my distinguished colleagues, but I do wish to emphasize in this great forum of freedom, that we must not allow this Communist tide to flow over and engulf the free nations of the world.

The whole northwestern part of Africa, reaching to within 1,800 miles of Brazil, flies the tricolor of France. During the war we knew how dangerous German control of this region would be to the Americas and took steps to prevent it. Communist control of this region would project Soviet power into the South Atlantic, flank our communications with Brazil and Argentina, with bases for planes, submarines and the long-range guided missles of the future, and increase immeasurably Communist influence in South America.

Well to the south lies the Belgian Congo, containing some of the richest uranium deposits in the world. This uranium has been available to the United States, and has played an important part in our atomic energy program. If the Belgian Congo fell under Communist control, its uranium could be denied to us and supplied to Russia.

On the east coast of Africa, French Madagascar and Reunion could provide Communist bases on the Indian Ocean. French Somaliland looks out upon the entrance to the Red Sea at the Gulf of Aden.

On the Pacific, French Indochina could be converted into a Soviet pressure center and springboard on the southern border of China. This territory, together with French New Caledonia and the strategically and economically important Dutch East Indies, could interpose potentially hostile territories between Australia and the Philippines. Communist control of the Dutch East Indies could cut us off from their rubber, tin, and oil. Far to the east, in the Southern Pacific, the French Society, Tuamotu and Marquesas Islands could furnish Communist bases and pressure centers opposite the weak and vulnerable west coast of South America.

Within our own hemisphere, French St. Pierre and Miquelon are situated in the Gulf of St. Lawrence. French Martinique and Guadeloupe and Dutch Aruba and Curacao are in the Caribbean. French and Dutch Guiana lie along the northern frontier of Brazil and flank our communications with the east coast of South America.

All these colonies listed would fall rapidly under Communist control and serve the purposes of the Kremlin unless the United States intervened forcefully enough to prevent such an outcome. From a military point of view, we should probably have the power to do so in most of them, since all except parts of French Africa can be reached by sea more effectively than by land.

It seems clear, however, that any adequate intervention would require the threat if not the use of force. It would amount, in practical terms, to denying France, Belgium, and Holland during peace the right to govern their own colonies because we did not like their governments. What to do would be one of the most critical decisions our country has ever faced. If we proceeded to instigate and assist revolts in the colonies against the new governments the threat or use of force would seem necessary to prevent those governments from dispatching troops to the colonies to maintain their rule. Even effective economic pressure on the colonies would require a naval blockade. If we proceeded to land American marines and troops in the colonies of most vital concern clashes in so many parts of the world could easily set off war with the Soviet bloc. In fact, it seems likely that any form of intervention adequate to succeed could lead to war.

If we make the grave mistake of rejecting this legislation today serious consequences would occur. Without our assistance I firmly believe there would be an economic collapse of the nations in western Europe unparalleled in the history of the western world. Naturally, this collapse would cause communism to flow unchecked throughout Europe. France and Italy would be immediately engulfed. The fall of these nations would soon lead not only to the communistic control of the whole of Europe but to Great Britain as well. If the government of one important nation of Euorpe goes communistic, certainly it would influence directly the fate of other governments. Communism thrives on economic collapse. Communism, by intrigue and other devious methods, strives to cause economic collapse. In countries where starvation and want are everywhere prevalent communism has a fertile field of operations. When communism once establishes itself in a nation and takes over the control and use of the machinery of government, possessing not only the police power by fear and terror to maintain its grasp, nothing short of war can break its hold.

If we fail today to support this legislation, the free people of freedom-loving nations in Europe are going to feel that we have turned away from them and let them down. Bitter disillusion will take the place of hope and confidence. The Kremlin would cheer and the torrent of communism would flood the whole of western Europe resulting in grave and serious consequences to the security of the United States. This we cannot allow to happen.

In considering the question before us today from the viewpoint of industrial power and the development of atomic energy, there are certain bold facts which stare us in the face if the great communistic tide flows over all of Europe. It is generally known that in all probability, within 8 to 15 years, many other countries will not only possess significant quantities of atomic bombs, but also the use of atomic power. Without a doubt, Russia today is making the most significant strides toward this accomplishment. If Russia is able to have at its command the control and use of the industrial resources and technical know-how of France, Italy, and Belgium, it might succeed in producing atomic energy of all kinds at a very early date. These nations could also fill in the chinks of Russia's deficiencies in precision industry, skilled labor, and technicians.

As the atomic scientists have tirelessly pointed out, the United States is exceedingly vulnerable to atomic attack. Our industries are heavily concentrated within a relatively small section of the country. One-third of our people live in large cities. The very fact that we have progressed so far in industrialization, makes us more exposed to crippling damage than are more industrially backward nations.

Our institutions, moreover, render us particularly vulnerable to surprise attack. Arbitrary police and security measures, which some nations could carry out overnight, would require debate in Congress. Our freedom to travel without any police control opens the way to atomic sabotage, which could be effected by smuggling in plutonium to insert in bombs secretly assembled in cities or by dropping delayed-action atomic mines from merchant ships into harbors.

Because of this high vulnerability, our best defense against a potential enemy who possessed atomic bombs would be an overwhelming superiority for offensive atomic warfare. This might prevent war by forcing the potential enemy to realize that, however devastating a blow he struck at us, he could not escape defeat as well as still greater destruction. Vital elements of this superiority would be industrial capacity, stockpiles

of bombs, ability to produce bombs, and the means of delivering them—planes today and eventually guided missiles—and dispersion of offensive bases.

It is here that the consequences of Communist control of western Europe would be particularly ominous. With her rapidly growing population, huge resources, and control of French, Italian, Belgian, and eventually German industry, Russia would have a good prospect in the long run of rivaling us, and possibly even of surpassing us, in industrial capacity. This could mean an ability to produce atomic bombs as quickly as we could, progressively diminishing the advantage of our head start. It would mean provision of adequate means for delivering bombs to our cities and industries. In seeking to assess such capabilities, it must be remembered that dictatorships have been able, during peacetime, to put a greater proportion of resources into war preparations than have democracies.

Russia, moreover, could expand tremendously her offensive capabilities through dispersion of bases with control of the French colonies. Her offensive bases would then stretch from the South Atlantic through the North Atlantic and the Arctic far into the Pacific.

We cannot easily close our eyes to the consequences of failing to support this legislation of the hour. We cannot consider this important crisis lightly. We must consider the precise questions involved from the viewpoint of how the present situation affects the future of our country. This free and happy Nation cannot continue free and happy if we allow the great shadow of communism to so grow and increase in size that it begins to form a significant cloud over America and the Western Hemisphere. There is no valid ground for believing that communistic Russia would let America alone except for the few years required to consolidate their grip on western Europe and its colonies. Instead, there is solid ground for believing their basic aim, the zealous objective of Communist leaders, is to eventually create a Communist world with all people held in the bonds and chains of slavery, controlled and managed and dominated by uncontrolled and unresponsible power in Russia.

In conclusion, I should like to point out the grave consequences which would result just as surely as night follows day if we here during this significant hour reject this European recovery legislation. They are as follows:

First. Communist control of France and Italy, subsequently Belgium and Holland, and eventually Germany;

Second. Establishment of Soviet bases in Atlantic, Pacific, and Caribbean areas of vital importance to American security, unless prevented by force;

Third. Partial encirclement of North America and partial isolation of the United States, unless prevented by force;

Fourth. Danger of imminent war if we intervene to prevent these developments;

Fifth. Paralysis of all major organs of the United Nations through increase of Soviet controlled votes;

Sixth. A vast increase in the industrial capacity, manpower, and atomic warfare potential of the Soviet bloc;

Seventh. Creation of a new balance of power with the Soviet bloc likely to grow progressively more unfavorable to the United States;

Eighth. Militarization of American life and curtailment of our freedoms;

Ninth. Pyramiding costs and taxes, certain to lower living standard and likely to stifle free enterprise;

Tenth. The growth of fear and movements away from cities after the Soviet bloc produced atomic bombs;

Eleventh. A constant threat to the security of the United States; and

Twelfth. An eventual atomic war with the Soviet bloc, unless we succeeded in keeping the Soviet leaders convinced that they could not win.

A careful examination of these consequences show very clearly how extremely important it is that we support this legislation. This bill in a very real sense constitutes an insurance of our future peace and security—our future freedom—our future economic and social welfare. It is at the same time an insurance of our cities and of our children, their lives and progress, their play and happiness. It is an insurance of the continuing existence of all that free America means to mankind.

Throughout these many years of my interest in American foreign policy, and long before that, another objective of this Nation has been to oppose oppression and slavery. We fought the Hun in the First World War to stamp out oppression and aggression. We fought the Nazi and the Jap in the Second World War to eliminate slavery in order that freedom and the free way of life might continue. And, if it is necessary, we will fight the Communist in a third world war to protect the freedom that is so necessary and so much a part of life not only in America but elsewhere in the Western Hemisphere and other parts of the world. Today, just as in days past and in many days to come, there sits the great lifelike figure of Abraham Lincoln, at the Potomac end of the Mall. He is facing the Capitol of the United States, where you and I have the privilege and the honor of being today. He looks toward us as if in times of crisis he desired to extend his advice and counsel. On one great occasion President Lincoln said, I quote:

> This Nation cannot exist half slave and half free.

I say to you, my fellow countrymen, that this world cannot exist half slave and half free.

For almost a quarter of a century I have been privileged to be a Member of this House. I have had the honor to represent the congressional district where freedom was born. With nothing but a musket, ramrod, ball and powder, the courageous men of Concord and Lexington fired the shot heard around the world. From every Middlesex village and farm men came with their muskets—not machine guns, not tanks, not air power—just themselves and their muskets and stood on the Common and fought the first battle for freedom. The principle that was established there at that time is going to live in this world forever; is going to live in this world as long as civilization survives. No power on earth, no communism, no nation that believes in oppression, aggression, and slavery can defeat freedom. The strongest men in the world today are free men and free men will hold fast to this precious way of life.

The issue facing this Congress at this hour is really not an issue at all. Whether or not we vote for European relief, or the so-called Marshall plan, is not the issue facing us at this moment. The question we are to decide today is whether or not this great freedom-loving Nation is going to take the first great positive step toward the defeat of communism and slavery. I believe with deep sincerity that no Member of this Congress can afford at this hour not to support the bill before us. We cannot afford to take the chance of leaving free men in other parts of the world to be swallowed up by the ruthless and bloodthirsty monster known as communism. This is a fight of freedom versus slavery. I choose the path of freedom and I urge you with all of the conviction and power at my command to join this distinguished crusade, vital to the lives of millions of friends, in free nations throughout the world and vital to the survival of a free America.

The CHAIRMAN. The gentleman from California [Mr. HOLIFIELD] is recognized for 1 minute.

Mr. HOLIFIELD. Mr. Chairman, military aid could be extended on a multilateral basis or a regional basis such as provided for in the Chapultepec agreement, but we find ourselves here resorting to a unilateral method such as we resorted to in the Greek and Turkish aid programs. We are doing the same thing now that Russia has done in Czechoslovakia and that Yugoslavia is doing in northern Greece—we are intervening with military personnel and military matériel. We are doing the thing that we condemn on their part.

We are not going about this thing as we should go about it through the United Nations. There is a way of doing this thing right, but instead of that we are going at it in the old national sovereignty unilateral, balance of power method which has led to countless wars in the past and will lead to countless wars in the future; we are practicing the Soviet-Marxist ethics that "the end justifies the means."

I am supporting the amendment to strike out title III of the European recovery-plan bill. A year ago we had under consideration the Greek-Turkish loan, which included the principle of military aid. By military aid, we mean the furnishing of weapons of war and advisory military personnel. At that time I opposed the military features of the Greek-Turkish loan. My reasons for my opposition was then as it is today, as follows:

First. Unilateral action in providing military aid to any nation is in violation of the United Nation's Charter, in that it ignores and bypasses the multi-

lateral consideration by the signatory nations of disputes between nations.

Second. Unilateral action on our part in extending military aid, weakens the United Nations. It is only through actual performance of duties that it will be possible for the United Nations to strengthen itself to the point of insuring world peace.

Third. In deserting the United Nations, we are turning back again to the discredited methods of trying to produce world peace by the strength of the limited arms and money of a single nation. We do not have the strength in manpower, wealth, or gunpowder to fight or feed the world by ourselves. Whether the world has peace or war, we must act in concert with the majority of nations, or we must lose.

Fourth. We lose our moral and spiritual position in the world when we engage in the practice of unilateral military aid to nations or national groups. This is exactly the practice which we condemn when Russia gives aid to the Communist parties in the satellite nations and when we condemn Yugoslavia for aiding the Communist guerrillas in Greece.

We are faced in this bill with a legislative dilemma. We must accept provisions, unless deleted by amendment, recommittal, or eliminated by conference agreement, which violate deep convictions. The House Foreign Affairs Committee would have presented a fairer bill to the Members if they had separated the economic rehabilitation proposal and the military aid into two separate legislative proposals. Many of us in that instance could have voted our convictions. But we are not given the choice in this bill between aid for peace and aid for war. Of the total aid fund of $6,300,000,000, approximately $425,000,000 has been earmarked for military aid. In other words, fourteen-fifteenths of the appropriation is for peaceful purposes, economic rehabilitation, and humanitarian relief to suffering millions. One-fifteenth is for military aid. From a financial point of view, therefore, the military aid is small in relation to the total fund. We cannot afford to deny the rehabilitation by means of food, medicine, and machinery, which constitutes 93 percent of the fund, because we do not approve of the 7 percent set aside for military materiél.

When we turn to the principles involved, we cannot relegate the importance of the military aid to such a small percentage. We fear the effect of the violation of the principles of the United Nations which calls for multilateral solution of economic and security problems. The most important issue in the world is the strengthening of the United Nations. We cannot appraise the effect of continued unilateral military procedure on the fate of the United Nations. Certainly we cannot shut our eyes to the fact that Russia and the United States have both practiced this procedure. The factor of unilateral action must be considered in relation to other factors which are weakening the United Nations. I refer to the use and misuse of the absolute veto—22 times by Russia, twice by France; the lack of an international police force and the failure to establish the proper parliamentary and judicial powers originally envisioned by the framers of the Charter.

The only hope of the people of our Nation and the world for obtaining universal peace is through a functioning United Nations. Every step we take away from multilateral cooperation is a step away from collective security. Every step that weakens the United Nations is a step toward war. Let us strengthen the United Nations and solve our problems through its organizational procedures, in the open light of debate and by the majority decisions of the signatory nations of the world.

The CHAIRMAN. The time of the gentleman from California has expired.

The gentleman from New Jersey [Mr. HAND] is recognized for 1 minute.

Mr. HAND. Mr. Chairman, I suppose it must be recognized that this is no longer the Marshall plan, but the Marshall plan with a lot of other things added; and it must further be said that this debate has degenerated into a comedy.

We have just commenced to consider title 3 of this bill. This title not only involves $275,000,000 more for Greece, but likewise involves the broad and dangerous implications of the Truman doctrine. It is not believable that our discussion of this vitally important question is limited to 10 minutes debate. That is not debate at all; that is a high-handed suppression of the opposition.

The bill about to be passed by the House is not the Marshall plan. This statement may seem startling but it is clearly true.

Attached to the bill by the Foreign Affairs Committee, and incorporated with the bill during the debate in the House, are features not envisioned by General Marshall in his Harvard speech last June.

For example, it is well known that Marshall has been wholly out of sympathy with military aid to China. You will remember his mission to China in which he attempted to get the National Government and the Communists together. His mission utterly failed, and he returned to the United States with some bitter statements concerning the corruption and inefficiency of the Chiang kai-Shek regime, and thereafter fought until quite recently against any attempt at Chinese aid. I do not believe the Secretary yet favors aid to China. He thinks that the field of our efforts should be confined to Europe; and there are many others who believe that while aid to China might be desirable, that $500,000,000 in an attempt to bolster up a nation of 450,000,000 people is the proverbial drop in a bucket, and can be no more than a first installment in a program which will make continuing and vast demands.

Secondly, the bill contains an additional appropriation of $275,000,000 for military aid to Greece—military aid, not economic assistance. This, of course, was never contemplated in the Marshall plan, and was not in the bill that passed the Senate.

Military aid to Greece is an implementation of the Truman doctrine—that broad conception which assumes it to be the duty of the United States to aid any government in the world whose regime is thought to be presently friendly to us, and which is being harassed by internal or external threats.

Under this doctrine, as I ponited out in the House some time ago, it must be the program of the United States to lend both economic and military assistance to every trouble spot in the world, and that, unfortunately includes most of the world at present. It is Greece and Turkey now—and China which is a half-world in itself—and it will be the Mid-East, Iran, Irak, India, and many others.

I am unalterably opposed to the Truman doctrine, which in its essence requires the United States—and who knows at what cost in blood and treasure—to become a sort of modern Roman empire insisting that our way of life and our form of government be conformed to throughout the world.

In just the one small spot to which this doctrine has been applied so far—Greece—$300,000,000 was appropriated last year on the assumption that that would do the job. Seven hundred million was spent before that. Greece is worse off than ever; the guerrilla bands harassing it have increased rather than decreased, and despite our lavish expenditure and assistance, 20,000 irregular troops are running circles around the Greek Army of 150,000 men armed with our equipment. The billion did not do the job, so this bill provides two hundred and seventy-five million more, and it will be an annual and useless expense as long as we can foresee. This Greek plan is truly "operation rat hole." It is not a part of the Marshall plan and was included in the bill only to be sure of its passage.

If all of this was not bad enough, the House on Tuesday included Spain, a Fascist country, whose dictator attained control through brutality and bloodshed, and whose regime is so completely hateful that it has not been invited to participate in the program by other European nations. When this was done, I offered an amendment to confine the plan to the 16 participating countries of Europe. The amendment was defeated, which means that not only will Spain remain in, but there is nothing in the bill to prevent the future participation of Russia or of any of her satellite nations.

The inclusion of Spain was the last straw. Have we so soon forgotten the war in which we fought the very fascism in Germany, Italy, and Japan that now exists in Spain? I hate fascism as I hate communism. Both are equally totalitarian and equally undemocratic, and yet the bill leaves the door wide open for assistance both to Fascists and Communists.

This is not the Marshall plan. This is a foreign policy so confused and so vacillating that I cannot subscribe to it.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. FULTON] is recognized for 1 minute.

Mr. FULTON. Mr. Chairman, the amendment offered by the gentleman from Montana would strike title 3. It would strike out not only aid to China but also aid to Greece and Turkey and we certainly should extend our assistance to all three countries.

The gentleman from Montana said that General Marshall as Secretary of State had made good policies in China during the war and they were just as good now, yet the gentleman by his own amendment would strike out the amount that the General himself recommended for China, Greece, and Turkey.

But may I say that as far as cooperation with Congress is concerned, the Secretary of State has refused to give Congress either in executive or open session the Wedemeyer report. This action has forced this side of the Congress to come in here and act on the China policy without the full facts. The Secretary of State still refuses to let the American people know what is in the report of the man who was specifically sent by the President to find out the real facts on China.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The gentleman from New York [Mr. KLEIN] is recognized for 1 minute.

NO TIME FOR OPPOSITION

Mr. KLEIN. Mr. Chairman, I simply want to concur in the statement made by the gentleman from New Jersey [Mr. HAND] that there is not very much that can be said in 1 minute. It is shocking that this matter of aid to China should be taken up without it having been given adequate time in the Committee on Foreign Affairs, nor here on the floor.

There are many Members who feel as I do about this. We would like to vote for the Marshall plan as it was originally proposed, or even as the bill came over from the Senate; but you have added so many amendments and even one which includes Franco Spain, and the aid to Greece, Turkey, and China, known as title 3.

Why do you not separate them? Why do you not bring them to us in separate bills so we can consider each on its own merits and vote?

EITHER THIS BILL OR CHAOS

Mr. Chairman, I repeat that there are many of us here who would have voted with confidence, at least, if not with enthusiasm, for even the Senate bill, in spite of the fact that we have maintained from the beginning that this kind of economic rehabilitation should operate through the United Nations.

But the committee views were cut and dried. Minds were made up in advance. This unparliamentary jumble which included military aid for Turkey, Greece, and China along with rehabilitation plans for devastated Europe was sent to the floor in one big catch-all package, which we have to take or turn down en masse. We can exercise no discretion; we cannot make a choice. We cannot, by separate votes on the separate provisions, even voice an effective protest.

This is not the democratic way.

But if we were shocked by the inclusion of title III in this bill, then we were outraged by the adoption of the amendment which extends the benefits of this act to Franco Spain—to a Falangist Spain where the Fascist war of aggression against the democracies was first launched; to a Spain where jail awaits the dissident, where no creed but one may be propagated with safety, where Americans are treated as if they were an inferior race; to a totalitarian Spain which was allied to our enemies by every bond except armed forces.

VOTES FOR PASSAGE WITH RELUCTANCE

Mr. Chairman, I am going to vote for final passage of this bill, but only with the utmost reluctance, because the alternative to adoption of the bill as it is means hunger, misery, and continued chaos.

I know that you have the votes to pass the bill without my vote.

But I can still hear in my ears the shrieks of the Nazi victims. The Nazi beast was nourished on fear and hunger and unemployment. I cannot close my ears to the cries of 6,000,000 murdered Jews, nor to the importunities of those who survived the scourge of Hitler.

Perhaps nothing contained in this bill will directly redound to the relief of the survivors of the Hitler blood bath. Perhaps not one crumb will go to the aid of the wandering homeless victims of oppression.

Yet I cannot for that reason say that I vote against bread and gainful employment and the tools of production for the other survivors of the carnage of war.

We do not want, in Europe or anywhere else, another rise of fascism. We do not want more murders, more beatings, more destruction because the great masses of the population are hungry, cold and afraid. This bill is an imperfect instrument for the rehabilitation of the civilized world; but it is the only instrument we have at hand.

Therefore, Mr. Speaker, I find it is not in my power to throw away this weak tool. At the same time, I serve notice that unless the conferees eliminate Franco Spain from the bill I will certainly vote against the conference report.

The CHAIRMAN. The time of the gentleman from New York has expired.

The gentleman from Ohio is recognized for 5 minutes to close for the committee.

Mr. VORYS. Mr. Chairman, just remember on this Greek-Turkish title, Secretary Marshall set the April 1 dead line. The President of the United States has said that this was needed by April 1. We spent 5 hours and 10 minutes in the Committee on Foreign Affairs in hearings upon Greek-Turkish aid and I am amazed to find this partisan line being drawn by Democrats here on the floor in our bipartisan attempt to carry out the foreign policy of this country.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, with respect to the debate on this measure, I should like to point out that beginning last week we had three full days of general debate. All phases of the matters here under discussion were taken up at that time, and full opportunity was given for all Members to express their views. Today is the third day we have been in the process of reading the bill for amendment, and both yesterday and today we came in at 10 o'clock in the morning. Certainly there has been full and ample consideration given to every aspect of the bill. As a matter of fact, many proponents of this legislation have complained that we have not proceeded with sufficient speed.

Now, as to this title, as the gentleman from Ohio has pointed out, we are working against deadlines in certain of these matters. When it was decided to have the one-package bill, as the bill reported on this side of the Congress has come to be called, there was some complaint about such procedure, not because it was not desirable to dispose of these things all at once, if we could, but it was said such procedure would result in delay in final disposition of the matter because of what might happen in the other body. Since the determination as to method of procedure was adopted by the House the other body has adjusted its program and procedure to conform to the program thus laid out by the House.

What is the situation today? In the other body provision for aid to China has been passed, and likewise provision for aid to Greece and Turkey has been passed. As soon as action is taken here, the whole matter of foreign aid will be ready for conference.

What a shame it would be at this late hour when we have made this progress, when the whole thing has been extensively debated and is well understood by everyone, that we should turn around and march back down the hill, deserting and abandoning the course set out by us as the one best calculated to meet our responsibility. Why, I ask, render valueless the fine effort that has been made by the other body to cooperate with this body in the efficient accomplishment of the things that have to be done?

Before us are proposals that have come from the executive branch of the Government, being acted upon by a Congress controlled by a majority of the opposite party. In this measure, as in all other similar matters, we have sought to do that which we believe to be in the best interests of the country, without regard to narrow partisan politics. I think we have so demonstrated that our country comes first in the manner in which we have considered this measure. There is, to be sure, not unanimity of opinion about this bill either on the Democratic side of the aisle or the Republican side of the aisle. It would be too much to expect that there be any such unanimity of opinion, particularly on a matter of so far-reaching importance, now and in the future; but, by and large, everyone has had the opportunity to express his views and offer his ideas, and we have proceeded expeditiously. I for one wish the impression to go out to the country that we are so considering this matter and that we are meeting our responsibility the best way we know how, each Member of the Congress according to his own judgment and best conscience, for such has been the manner in which we have thoroughly debated this bill. When this

measure is passed this evening it will go to conference where differences will be ironed out and in the end the bill will represent the very best judgment of the Congress of the United States as a whole. This is representative government of a free people in action. It is, in itself, an example to the world.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Montana [Mr. MANSFIELD].

The question was taken; and on a division (demanded by Mr. MANSFIELD) there were—ayes 18, noes 152.

So the amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 101, lines 3, 4, and 5, strike out lines 3, 4, and 5.

Mr. KERSTEN of Wisconsin. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THE NEED FOR A NEW AMERICAN FOREIGN POLICY

Mr. KERSTEN of Wisconsin. Mr. Chairman, last November 10 I attended the meeting of the four-power allied control authority in the appellate courthouse amid the ruins of Berlin. The session was held in the large courtroom wherein the last Nazi trials were those in which the German generals who plotted against Hitler were condemned.

At this particular meeting the Soviet commander, Marshall Sokolosky was in the chair. Hundreds of soldiers were standing around the building and in the spacious grounds outside, at attention and with bayonets fixed—they were all the young red-coated Mongolian soldiers of the Soviet honor guard. The hammer and sickle flew over the courthouse indicating the Russians were in charge. Sokolosky conducted the meeting in the manner of one issuing orders to the commanders of the other zones. Of course the American, French, and British commanders parried the charges against them made by Sokolosky. But one could see in the Russian attitude the feeling that they were about to become the masters of Europe, and thereafter of the world. It is the settled and long-time Russian plan that these same red-coated, bayoneted sons of the Soviet will be stationed all over the continent.

Are there those who doubt the world ambitions of Russia?

Consider Stalin's report to the Tenth Russian Congress of Soviets:

The Soviet power is so constructed that, being international by its intrinsic nature, it systematically fosters the idea of unity among the masses and impels them toward amalgamation. * * *

I say, there, in the west, where capitalist democracy prevails and where the states rest on private property, the very basis of the state fosters national enmity, conflicts, and struggle; here, in the realm of the Soviets, where the power is built not on capital, but on labor, where the power is built not on private property, but on collective property, where the power is built not on the exploitation of man, but on hostility to such exploitation; here on the contrary, the very nature of the government power fosters a natural striving on the part of the toiling masses toward unity into a single Socialist family. * * *

Let us hope that by forming our confederate republic we shall be creating a reliable bulwark against international capitalism and that the new confederate state will be another decisive step toward the amalgamation of the toilers of the whole world into a single world socialist soviet republic.

On February 12, 1938, Stalin wrote to Ivanov in part as follows:

In the event of any success the invaders will try to destroy the Soviet system and restore the bourgeois system in the occupied regions.

We would be in a position to say that the victory (of socialism in the Soviet Union) is complete, if our country were situated on an island and if it had not many other (capitalist) countries around it. But since we live not on an island but in a system of states, a considerable number of which are hostile to the land of socialism, thus creating the danger of intervention and restoration, we say openly and honestly that the victory of socialism in our country is not yet complete.

This problem remains to be solved. * * * It can be solved only by uniting the serious efforts of the international proletariat with the still more serious efforts of the entire Soviet people.

In the letter to Ivanov, Stalin quotes Lenin with approval as follows:

We live not only in a state, but in a system of states, and the existence of the Soviet Republic next to a number of imperialist states for a long time is unthinkable. In the end either the one or the other will have the better of it. Until that end comes, a series of most terrible conflicts between the Soviet Republic and the bourgeois states is inevitable. This means that the ruling class, the proletariat, if it wants to and will rule, must prove this also by its military organization.

Stalin's ambition to take over Europe has not remained theoretical. During the final months of the war the Soviets, we now know, had definite plans for postwar expansion into what were meant to be independent countries. In the Soviet participation in the war, their object was not merely to defeat the enemy but to put themselves in a position to implement their postwar policy of expansion. We Americans had no worked-out postwar policy. Russia did.

For example, while the Charter of the United Nations and the Atlantic Charter piously speak of right of self-determination of all peoples, Stalin's philosophy has never been in accord with that. The following is an excerpt of Stalin's report to the twelfth congress of the Communist Party:

It should be borne in mind that besides the right of nations to self-determination there is also the right of the working class to consolidate its power, and to this latter right the right of self-determination is subordinate. There are occasions when the right of self-determination conflicts with the other, the higher right—the right of a working class that has assumed power to consolidate its power. In such cases—this must be said bluntly—the right to self-determination cannot and must not serve as an obstacle to the exercise by the working class of its right to dictatorship. The former must give way to the latter.

Further, Stalin wrote Ivanov as to his views on self-determination:

There are two kinds of autonomy, national or cultural autonomy, and regional autonomy. National autonomy is contrary to the whole development of nations. * * * National cultural autonomy is unsuitable. Firstly, it is artificial and impracticable, for it proposes artificially to draw into a single nation people whom the very march of events, of real events, is disuniting and dispersing to every corner of the country.

Secondly, it stimulates nationalism, because it tends to the view which advocates the demarcation of people according to national curiae, the organization of nations, the preservation and cultivation of national peculiarities—a thing that is entirely incompatible with social-democracy. * * * Thus, national autonomy does not solve the problem.

What is the way out?

The only real solution is regional autonomy, autonomy for such crystallized units as Poland, Lithuania, the Ukraine, the Caucasus, etc.

The advantage of regional autonomy consists firstly in the fact that it does not deal with a fiction deprived of territory, but with a definite population inhabiting a definite territory.

Secondly, it does not divide the people according to nation, it does not strengthen national partitions; on the contrary, it only serves to break down these partitions and unites the population in such a manner as to open the way for division of a different kind, division according to class.

The aim must be to unite the workers of all nationalities in Russia into united and integral collective bodies in the various localities and to unite these collective bodies into a single party.

Thus the principle of international solidarity of the workers is an essential element in the solution of the national problem.

So, with her worked-out plan of postwar expansion, Russia has actually acted upon that plan. She has effectively penetrated and paralyzed the formerly free nations of eastern Europe and is well on her way to the establishment of a Soviet Europe.

Typical of the loss of freedom in the Soviet satellite states is the case of Czechoslovakia. Last July when Bidault and Bevin invited the European nations to Paris to discuss European reconstruction, Czechoslovakia openly expressed its desire to participate. But Gottwald and Masaryk were called to Moscow and advised by Molotov that the Czechs would not be permitted to go to Paris. So Gottwald got on the long-distance phone and informed the ministers of Czechoslovakia of the will of the Politburo.

In three short years a whole group of individual nations have thus succumbed to Russia.

It is true that they maintain the fiction of undependent governments in the satellite states but it is merely a fiction. These satellite governments still maintain embassies in Washington.

Several weeks ago the gentleman from California [Mr. NIXON], Mr. Douglas Cornell, an Associated Press reporter, and myself visited most of these satellite embassies in Washington and spent an hour with each of the Ambassadors. We took a stenographic report of the questions and answers. Typical of the attitude of the Moscow-trained ambassadors was the Yugoslav, Sava Kosanovich. He

said that to him Russia represented progress and reform and that United States represented reaction. The Polish Ambassador, Josef Winiewicz, had much to criticize the United States for and had only praise for Russia. Poor Poland crucified between the two thieves of her national independence—the Nazis and the Communists. Poor Poland that lost a quarter of a million of her Warsaw citizens while the Soviet Army rested just outside the city so that the extermination could be completed. And again, the massacre of 10,000 imprisoned officers of her army. And again the carving up of her nation by Russian fiat. And Ambassador Winiewicz has an attitude of nothing other than sweetness and light toward Russia and severe criticism for the United States.

One significant thing about all of these satellite countries is that in every one of them the Communist party has complete control of the police department. That is the way to keep the populace under control.

What is Europe facing in the Communist threat? It is not necessary to refer to the fifteen to twenty million people in slave labor camps. It is not necessary to recall the liquidation of all political opposition. It is not necessary to remind ourselves of the fate of Mihailovich Petkov, Nagy, Masaryk, and others. It is not necessary to refer to actions of men like the Czech Ambassador Slavik who recently resigned. It is not necessary to remember that in that workers' paradise the people are required to work under the guard of machine guns. It is not necessary to refer to all of these activities of the Soviet type of democracy.

It is necessary to point to the fundamental philosophy that motivates the Soviets in their ambition to be masters of Europe.

For example, Marx states that "communism begins where atheism begins." Marx further argued that man has been alienated from himself in two ways: by religion and private property. "Religion," stated Marx, "alienates man from himself by subordinating him to God. Private property alienates man from himself by subordinating him to an employer."

Lenin wrote in 1905:

> Our progress rests in its entirety on a scientific philosophy * * * our propaganda therefore necessarily embraces atheism.

When Molotov made his pact with Nazi Ribbentrop he stated:

> Fascism is only a matter of taste and our friendship has been sealed in blood.

In Novo Sibirsk in Soviet Siberia, there was published the 10 communist commandments for Polish youths, as follows:

1. Never forget that the clergy is a declared enemy of the state and of communism.
2. Try to convert your friends to communism. Do not forget that Stalin, who gave to the Russian people its new constitution is the leader of the anti-Gods, not only in the Soviet Union but throughout the World.
3. Try to persuade, but do not force, your friends to stop going to church.
4. Watch out for spies; denounce sabotage.
5. Spread atheistic literature among the people.
6. Every good Komosol is also a militant atheist. He must know how to shoot and be expert in military discipline.
7. Work eagerly to prevent any religious element you may notice from influencing your neighbors.
8. Every atheist must be a good Communist. Watching the security of the state is the duty of every anti-God.
9. Support the atheist movement by financial gifts that will especially aid the propaganda of foreign organizations, obliged through circumstances to work in secret.
10. If you are not a convinced atheist you will not be a good Communist and a faithful citizen to the Soviet state. Atheism is permanently linked with communism and the two ideals are the basis of Soviet power in Communist Russia.

The Communists use the word "democracy." Stalin in reporting to the Fifteenth Communist Party Congress defines democracy as follows:

> Democracy is of two kinds. It is clear, therefore, that democracy in the draft of the new constitution is not the ordinary and universally recognized democracy in general, but socialist democracy.
>
> All this talk about democracy! What is democracy within the party? Democracy for whom? If democracy is understood to mean the right of a few intellectuals, severed from the actual revolution, to twaddle without limit and to have their own press organs, we need no such democracy, for that is the democracy of a tiny minority opposing the will of the tremendous majority.

These are the fundamental concepts with which Russia would cover the world. It is not a mere political philosophy. It is a total faith. It is a religion. It is the religion of scientific dialectical materialism. It is the religion of atheism. It is a philosophy that would exterminate the spiritual equalities of mankind.

On March 24 there came over the Moscow radio excerpts from what was called the greatest speech made by Zhdanov, in which he says:

> The U. S. S. R. is at present that real guardian of universal human culture in the same way as, in all other respects, it is the bastion of human civilization and culture against bourgeois disintegration and the decay of culture.

Thus, Europe and the world are faced with the spread of the religion of materialism implemented by the Soviet military machine and implanted and secured by the clever machinations of an international Soviet secret police—the NKVD.

In the face of this force free nations are falling.

And yet, Mr. Chairman, there is a strange paradox about this new threat to civilization. Its origin is not really Russian. Communism is a compound. It is a compound of the materialistic philosophies of the historical liberalism of nineteenth-century Europe—the western world. Marx was born in the city of Treves, Germany. He studied in universities of western Europe. He was a disciple of the philosopher, Hegel, who gave him the dialectical technique. Marx got his materialism from Ludwig Feuerbach. His philosophy was further rounded out in its sociological aspects by Proudhon. So Marx developed his ideological materialism from three European philosophers, Hegel, Feuerbach, and Proudhon, and therefrom developed his theory of economic determinism and historical materialism.

Thus, the philosophers of Europe who forgot that European culture was grounded in Christianity, gave birth to a political philosophy that finally found its way into Russia. And now that same philosophy is finding its way back into Europe.

How do we propose to meet this force?

The ERP program? Yes, we must do all we can to assist the recovery of Europe so that it will not be the chaos that Communists delight in to accelerate their ideas.

Must we do more than afford economic help? Yes; we must regain military strength so that we can defend ourselves against this new aggression if the need arises. Is the ERP and a return of our military strength sufficient to stop communism? No; not even these two together are in themselves sufficient to stop the spread of communism throughout the world. The philosophy of communism can still seep through economic and military lines. It can seep through into the minds of scientists, of educators, or statesmen.

Communism must be met by an ideology that is stronger than communism.

Obviously, if the battle cries of Marx, Engels, Lenin, Stalin, and Molotov ring with the challenge of destruction of the spirit of man and would engulf the world with materialism, it is the spirit of man that must be defended.

Our forefathers did not disdain to state that our fundamental rights were given to us by our Creator. They so stated in our most basic document, our Declaration of Independence. Unless we defend the concept of the existence of God, the whole structure may fall. We will then be like the Soviet Government, where all human rights are gifts from the state.

How tragic, therefore, is the recent decision of our Supreme Court in the McCollum case wherein our highest court states that all the millions of our public-school children may have no connection in their school system with the study of religion—which is the study of the relationship between man and God. And, across the Atlantic in an English court, an English jurist denied a legacy to a religious order on the grounds that it was not a charitable institution because it did nothing to benefit mankind, because its members did nothing but pray.

The present tension between the United States and Russia is not a contest between communism and monopolistic capitalism. It is not a contest between communism and free enterprise. It is a contest of conflicting definitions as to the nature of man.

I make a distinction between monopolistic capitalism and capitalism. I am against monopolistic capitalism. I am for capitalism and I am against socialism and communism. But if capitalism would be preserved, it must be widely spread. Monopolistic capitalism breeds socialism and communism.

One of the most effective means of combating the spread of communism in Europe among the working class, will be to have sound American trade unionists,

industrial engineers, and businessmen aiding in European recovery. If the European worker is to be kept from going Communist, his European employer should assist him to become a capitalist by giving him a living wage, enabling him properly to care for himself and his family. The dynamism of communism are the injustices of the capitalist system. The west cannot be sustained on a foundation of secular monopolistic capitalism. The roots of western culture will live in a soil with a spiritual strata as well as material. And in that soil only is the dignity of the human personality made to grow. If real justice is encouraged for European workers, the idea of a class struggle—which is essential to communism—will become irrelevant. Labor will become interested in capital when labor has capital to defend. Property is the economic guaranty of human liberty.

The Western World has been living on the fruits of Christianity for many years now. The roots have been severely severed. The Western World must cultivate the soil of the spirit.

We cannot effectively oppose the new driving materialistic faith that comes from Russia with a mere change in newspaper policy. There must be a rebirth of the things of the spirit. Nor can the issue be solved by any mere political tinkering.

So, Mr. Chairman, the United States is facing one of the fiercest forces in human history. It is the objective of the Communist Party of Russia ultimately to overcome the Government of the United States. In view of modern weapons, that objective could be accomplished if we permitted Russia to continue its advance and to put itself in a position where it can deliver a lethal blow to civilization.

It is the solemn duty of every Member of this House to vote in favor of this bill. It is our further duty to make ourselves sufficiently strong so that we can defend ourselves if the necessity arises. And, finally, we must regain spiritual strength because we are opposing a materialistic philosophy which is now not merely an abstract idea, but a materialistic philosophy that has embodiment in the Red army; embodiment in machine guns; embodiment in the hammer and sickle.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I do not intend to take the 5 minutes allotted to me on this amendment. I realize the temper of this House and I realize the parliamentary situation. I intend to vote for the Marshall plan. I intend to vote for it notwithstanding the fact that there are sections in it which I deplore and which I wish I could have the opportunity of voting on separately. I refer tc the inclusion of Spain, the Fascist nation, in the 16 nations; the nation that proved to be the proving ground for the Wehrmacht and the Italian dive bombers, that started the history of aggression in Europe; a country that we do not even yet recognize diplomatically. I refer also to the extending of military aid to Greece, Turkey and China as contained in this bill.

Now, I am not against the principle of extending military aid to constitutional governments to maintain their constitutional integrity, but, Mr. Chairman, I want to do it the square way, the fair way, the open way. I want to do it on the basis of regional alliances which are recognized under the United Nations' Charter. I want to do it through interregional alliances and agreements between those regional alliances. I do not want to do it in the unilateral way in which we are doing it. I do not want to wage an undeclared war through the back door of an economic rehabilitation act. I want to do it honestly, and I think there are other Members in this House who are not extreme isolationists and who do not follow the Russian policy and who are not pro-Russian, who feel the same way. I think there are Members in this House who are true Americans, who want to go at this thing in the open way and do it in the way it should be done. It is for that reason that I rise and take the time at this time to say that I intend to vote for the Marshall plan, notwithstanding these parts of the Marshall plan which I do not approve, because I believe that it will give us just 1 year—I do not hope for any more—to bring these 16 nations into a functioning United Nations organization. A year ago I introduced a resolution which asks the President to call a conference of the United Nations. The gentleman from Minnesota [Mr. JUDD] has more recently introduced a similar resolution. Many other resolutions from Members of the House are before the Committee on Foreign Affairs asking that the United Nations be strengthened; that we try to solve the problem of universal peace through the multilateral solution which was envisaged in the Charter some 2 years ago and which we have deserted.

I say again, in all seriousness, that there are not enough men, there is not enough money, there is not enough food in the United States to fight or to buy or to feed the world, and when we spread our resources thin throughout all the danger spots that exist at the present time and will exist in the future, I say to you in all seriousness we are not big enough and rich enough to do the job.

No one nation can rule the world, whether it be Russia or the United States. Our only safety lies in collective security, in working through the United Nations Organization, and in solving problems between nations through majority decisions of the United Nations members, and then enforcing those majority decisions. Let us turn back to the principles of the United Nations before it is too late. It is true that we are moving toward war in every step we take in a unilateral manner, especially when we are extending military aid, the same as Russia is extending it to her satellite nations. Let us turn back to the principles of the United Nations before it is too late, before we have to send millions of our boys overseas to try to police and fight the world. We do not have enough boys to do it. Their lives are too precious. Let me plead with you before it is too late that the members of the Committee on Foreign Affairs take up these resolutions that lie before you and give them some consideration. Let us try to strengthen the United Nations and go at this thing in the only way that will eventually work. I say this with my knowledge of atomic energy as a member of the Atomic Energy Committee. I know what I am talking about. We cannot win unless we do it the United Nations way. We cannot conquer the world, even though we have the atomic bomb. We can only destroy the cities of the world and kill millions of people. The chaos of atomic warfare will not bring peace to the world. The Galilean said 2,000 years ago, "He that taketh the sword shall perish by the sword." The sword of the next war will be the atomic bomb. If we use it, we will bring upon ourselves the hatred of millions throughout the world. Their hatred will be as great as the destruction caused by our use of atomic bombs. Again I say let us turn to the United Nations. It is the only way to avoid a third world war.

Mrs. DOUGLAS. Mr. Chairman, I shall vote to support the amendment offered by the gentleman from Montana [Mr. MANSFIELD] to strike out title III, which would provide military aid to Greece, Turkey, and China.

We cannot beat an idea with a gun. I was opposed to the Greek-Turkish program when it was first presented because I believed it would fail in obtaining its objective.

I oppose the program today and for the same reason. We have sent guns to Greece but that has not stopped communism or civil war. There are twice as many guerrillas in Greece today as there were a year ago. The President, the Secretary of State, and the Secretary of Defense so stated.

We have spent our good dollars to train, equip, and advise Greek troops to fight Greek Communists. The Greek Army has now been expanded to 132,000 men—but this army is a bust. Testimony before our committee showed that these Greek troops armed by American hard-earned dollars have not had much enthusiasm to fight guerrillas.

A United Press dispatch from Athens a few days ago reported:

> The American-aid mission said in a blunt and critical report tonight that the Greek Army had failed to take the offensive against the Communist-led guerrillas despite its great superiority in size and weapons. As a result the detailed report said rebel forces were enabled not only to increase their marauding activities but also to increase their strength through forcible recruitment.

As Harold Ickes pointed out in his column:

> One hundred and seventy-two million dollars spent by American taxpayers to help the Greek Government to kill or crush 20,000 Greek guerrillas works out to $8,600 per guerrilla.

He goes on to say that—

> Even so, this might be regarded as a good investment to prevent the spread of communism—if the guerrillas had been overcome. Now the Government is talking about an additional $275,000,000 which would make

a total of $450,000,000 to dispose of 20,000 guerrillas. This would mean $22,500 per guerrilla, which seems to be a pretty high price, especially since we would be expected to keep pouring in more money.

There is no evidence to convince me that our dollars this next year will accomplish what they failed to accomplish last year.

I think it is fair to assume that communism in the next year will increase in Greece. I think it is fair to assume that Congress will again be asked to appropriate money to support the Greek army which does not want to fight.

Why? Because people cannot eat bullets; because guns cannot sell a corrupt government to a disillusioned people—weary and poverty ridden. The only way to stop communism in Greece is to promote and support democracy in Greece.

Mr. Chairman, the Members may remember I pointed out this all important fact last year.

Oh, yes; we appropriated money last year for economic rehabilitation. It was earmarked for food, clothes, machines, houses, fertilizer and the many other desperately needed items for the people of Greece. But a great part of this money was not spent for these purposes. No; it was instead transferred to the military budget.

Bullets, not bread, was our answer to the people in Greece.

We sought to solve the Greek dilemma solely with guns—well, we have had our answer. Communism has doubled.

What madness.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The amendment was rejected.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on title III and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. RICHARDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDS: On page 104, line 6, strike out title IV.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on title IV and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved to the committee.

Mr. CELLER, Mr. CARROLL, and Mr. POWELL objected.

Mr. RICHARDS. Mr. Chairman, in offering this amendment to strike the provision for aid to China from this bill, I do not wish to give the impression that I am unsympathetic to China's plight nor that I am against all aid to China. I am offering the amendment because I do not believe that title IV has any place in this bill.

The charge that the United States has betrayed China is a gross libel. The total American funds spent in aid of China since VJ-day amount to $2,000,278,000. The items included $844,721,000 for military aid, $970,107,000 for relief, rehabilitation, and trade development, $30,450,000 for educational and philanthropic aid, and $155,000,000 for fiscal aid. There may be added to these figures millions of dollar values for which little or nothing was paid on account of bargain price sales of munitions and other goods. In addition, China now has the pick of our surplus military supplies and equipment in the Pacific area.

There are now in China 400 American Army officers and 400 technicians who are helping the Chinese military establishment in the fight against the Communists. In title III of this bill, this House has already provided $150,000,000 additional military aid for China.

However, any proposal for further relief to China should be carefully considered and should be considered by this House in a bill entirely separate from the ERP bill.

The Senate considered civilian relief for China in an entirely different bill. Yesterday that bill passed the Senate, and, during debate, Senator VANDENBERG, chairman of the Foreign Relations Committee, said:

We cannot deal with the Chinese economy on an over-all basis as we have done in the European Recovery Program. China is too big. The problem is too complicated.

This bill started out as a European recovery program, and that is the way it passed the other body. The bill originally proposed the authorization of funds for the economic recovery and rehabilitation of 16 nations who had banded together to help themselves. I would not support title I of this bill if its provisions were not predicated on the condition that these nations give and take among themselves and help themselves.

Regardless of what has been said to the contrary, this bill is the first step in a 4-year program to help Europe. The termination date of the program, 1952, is written all through the bill. It is true that the bill requires that next year another authorization and another appropriation will have to be provided by the Congress before the program can be continued. That language is mostly surplusage, as everyone knows that this Congress cannot bind a succeeding Congress. The fact remains that we are here embarking on a 4-year program.

If title IV remains in this bill, although no long-range program has been worked out for China, you can count on it that next year China will be back for additional millions, yea billions, on the ground that we are committed to a long-range program in China as we are committing ourselves to such a program in Europe.

Any plan for relief in China must be studied carefully in the light of conditions in the Pacific. It should be studied in the light of the needs of the Philippine Islands, Korea, and Japan, and it should be based on what those countries are willing and can do for themselves.

It is true that communism is bearing down on China, too, and that it is to our interest to combat communism on all the fronts of the world. However, our wealth is not unlimited and it would be extremely unwise to spread our help lines too thin and in a way that would benefit no one in the long run. Such a procedure would be pouring money into a rat hole.

The focal point of the world cold battle against communism is in Europe and the Mediterranean area. There you will find potentially forty-odd percent of the industrial output of the world. That is the area communism covets most because they need control of industrial output most. The hammer and sickle already waves over plenty of land, raw materials, and manpower. Let that flag fly over the 16 nations of Europe with their mechanical genius and industrial know-how and Russia will be a long way on the road to world conquest indeed.

While I deeply sympathize with China and admire her steadfastness in her battle against foreign domination, I am afraid that the money allowed here for China will not accomplish any worthwhile purpose—that is, unless we follow up with a 4-year program such as has been proposed for Europe and spend billions of dollars to carry through. I simply do not believe that the United States can afford such expenditures with no logical expectation of a return on the investment.

As a matter of fact, the money here proposed for economic support and military aid to Italy, Greece, and Turkey will in the long run prove to be of more benefit to China than the money provided in title IV of the bill. If Italy, Greece, and Turkey fall to communism, and the Dardanelles come under Russian domination, then the road to China is open to the Soviet from the south and the west, as she will be encircled by the forces of communism.

As was said by Peter the Great, "He who controls the commerce of India will control the destiny of Europe and of the world." He might well have added that he who controls the Mediterranean and the Dardanelles will eventually control the commerce of India and China as well.

Mr. Chairman, I have come to the conclusion that over a 4-year period the United States must make this $17,000,000,000 investment to rehabilitate and restore the economy of Europe.

During the recent war, General Marshall chose France as the focal point of his attack and he amassed a preponderant strength there, and we won. Had he divided his forces to attack all over the world at the same time, we would have lost the war. Now, in attempting to build a bulwark against Communist aggression, we must use such resources as we can spare in the area it will do the most good, and that area is Europe.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. RICHARDS] has expired.

Mr. VORYS. Mr. Chairman, I move that debate on this amendment and all

amendments to title 4 close in 15 minutes, the last 5 minutes tc be reserved to the Committee.

The motion was agreed to.

The CHAIRMAN. The gentleman from Colorado [Mr. CARROLL] will be recognized for 2 minutes.

Mr. CARROLL. I believe this amendment is a reasonable one, because we have not fully considered the effect of the aid that is going to be given to China.

It has been reliably reported that our military intervention in China today, if continued to a successful conclusion, might very well commit this Nation to an expenditure of an additional thirty to forty billions of dollars. I want the record clearly to show that the funds authorized for China in this bill are not to be construed in any manner as committing me to a program of future support to the extent of this enormous sum of money. In my opinion aid to China should be considered separate and should be further explored before this Nation is committed to a course of action either legal or moral. Every legislator knows that sound and constructive legislation cannot be written upon the floor of this House. Yet during the consideration of this bill, in many instances, wisdom and caution have been thrown to the winds.

Only yesterday this body, by passage of amendment to bring Spain into the provisions of this bill, dealt the forces of democracy a staggering blow.

This intemperate action has had serious repercussions all over the world and particularly in Europe. The action of this body with reference to Spain has caused bitterness and despair among the democratic forces of Italy according to wire reports from Rome. Press reports from Rome indicate that all of the good that came from the recent Trieste proposal has been wiped away by the action of this body. From London and other parts of the world anger follows amazement and despair. It is incredible to them that this body could have been so inconsiderate and unwise in its action. Fourteen of the 16 nations of Europe have said they will not include Spain within ERP. It ought to be clear to every Member of this body that whether or not Spain is to be included within the group of the nations of western Europe is a matter for the determination of those nations, and is not subject to political dictation by this Congress.

Not only has your action jeopardized the success of the coming election in Italy—you have given fuel to the flame of propaganda that is designed to blacken the spirit, the intent and the purpose of this legislation. You have done a great injustice not only to the American people but to the spirit of this program which has been labeled a recovery program, a program designed to achieve peace in the world.

This ought to be a lesson to you. Minds and tongues should be curbed, for the well of this House has become a sounding board for much of the propaganda that is being used against us in Europe and other parts of the world. Let us devote our thoughts and speech to our faith and hopes for peace and for real democracy, and never permit ourselves to be placed in the position of embracing or sponsoring any totalitarian force in any part of the world.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. CARROLL] has expired.

The Chair understands there are some further amendments pending, and will ask that those names which have been read who desire to speak on the Richards amendment will please indicate it, and they will be recognized first.

The Chair recognizes the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, to my mind, the inclusion of title IV, Chinese aid, is a sort of a stand-and-deliver attitude taken by the Foreign Affairs Committee. I want to vote for the bill, but title IV, Chinese aid, like military aid to Turkey and Greece, is holding my vote in ransom. To my mind, that is mean, shabby politics.

Let us read what General Stilwell said about China only in 1944, as appears in a recent publication:

> Under Chiang Kai-shek they may expect greed, corruption, favoritism, more taxes, a ruined currency, terrible waste of life, callous disregard for all the rights of men.

The Senate Foreign Relations Committee only day before yesterday issued a public statement highly condemnatory of China. The chairman of that committee turned right about and withdrew the statement, but the statement is still true. It in part follows:

> The unfavorable factors (in China) presently outweigh the favorable.
>
> Inefficiency, corruption, and bureaucratic maladies became even more devastating in a period of dislocation and inflation. Ineptitude in military leadership and corruption among army commanders has contributed largely to the lowered morale of the Chinese Government troops.
>
> The country never developed a favorable balance of trade and the unfavorable balance obviously grew worse in the past few years. An important psychological factor is the lack of popular confidence in the Chinese Government.
>
> Under the present circumstances, it is not possible to develop a practical, effective, long-term over-all program for China's economic recovery predicated upon outside assistance from the United States. We cannot underwrite the destiny of China.

That is the government we are seeking to aid by this title. Note the conclusion of the Senate Foreign Relations Committee that under the present regime no economic recovery is possible. Thus our goods and money and material would be wasted.

It will not be any aid to the Chinese peasant who is desperately in need. Those who are entitled to aid will not get it. Instead, we will be bolstering up a decadent and bureaucratic government that is not entitled to the slightest vestige of support.

I have done all I can to eliminate the vexatious provisions of the bill. I have fought to cut out aid to Franco and Fascist Spain. I have struggled to drop aid of military character, especially to Greece and Turkey. I battled against aid to China. I believe in ERP. It is sound doctrine. It is temporary aid to war-torn Europe and permanent economic rehabilitation. It envisages that the 16 European countries to be aided will do all and sundry to reestablish themselves, especially with the aid of United States capital and consumer goods.

Several evil provisions have been added. I opposed them. For the sake of the basic structure of the bill, I will have to swallow the provisions I dislike. That is unfortunate. I fervently hope the bill will be perfected in conference. Particularly I pray that the Senate will refuse aid to Franco and China and that the conferees will return a bill to us clean and wholesome.

The CHAIRMAN. The time of the gentleman from New York has expired.

The gentleman from Pennsylvania [Mr. FULTON] is recognized for 2 minutes.

Mr. FULTON. Mr. Chairman, I rise in opposition to the Richards amendment to strike out title 4 to cut out the economic aid to China. The gentleman from South Carolina said, "We are appropriating money we know not for what." The gentleman from Colorado, another Democrat, said, "We have not considered the effect of the aid given to China."

May I point out that Secretary Marshall himself, Secretary of State, said before the Foreign Affairs Committee on February 20, 1948:

> The Chinese Government is in dire need of assistance in its present serious economic difficulties. However, the political, economic, and financial conditions in China are so unstable and so uncertain that it is impossible to develop a practical, effective, long-term, over-all program for economic recovery. Nevertheless, it is desirable that the United States Government render assistance to China in her present critical situation in order to help retard the present rapid rate of economic deterioration and thus provide a breathing space in which the Chinese Government could initiate important steps toward more stable economic conditions.

Also the Secretary at that time said specifically:

> The proposed program of aid for China would provide economic assistance in the amount of $570,000,000 for the period ending June 30, 1949. Of this amount $510,000,000 would cover minimum imports of essential civilian type of commodities, chiefly foodstuffs and raw materials, and $60,000,000 would be for key construction projects. The program concentrates on those commodities believed to be of maximum aid to Chinese civilian economy and those which will insure the greatest aid per dollar spent.

That is the Secretary of State speaking, and here you find the Democratic Party in Congress trying to cut out the program specifically sent up by the Secretary of State to the Foreign Affairs Committee of this Congress. I do not understand it.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The gentleman from Ohio [Mr. VORYS] is recognized to close the debate.

Mr. VORYS. Mr. Chairman, the gentleman from Minnesota [Mr. JUDD] will close debate on this side.

Mr. JUDD. First, Mr. Chairman, I offer a committee amendment that is at the desk. It is in the nature of a perfecting amendment.

The Clerk read as follows:

Committee amendment: On page 105, line 23, strike out the period and insert the following: "at any time."

Mr. JUDD. Mr. Chairman, this is just to correct a typographical omission in the bill.

The CHAIRMAN. The amendment being in the nature of a perfecting amendment will be voted upon now.

The question is on the committee amendment.

The committee amendment was agreed to.

Mr. JUDD. Mr. Chairman, no one, I think, can rightly justify this bill, or title 4 or any other part of it, on a basis primarily of humanitarianism or charity. The Committee has heard me say on other occasions beginning early last year that such measures as this could be justified in this present world situation and in the present straitened state of America's finances and supplies only if they are essential from the standpoint of the security of the Nation. This is primarily a national defense bill.

We had hoped it would be an alternative to a military policy. Six months ago it perhaps could have been. But world events and Communist aggression have advanced so rapidly that now it probably is more in support of a military policy than an alternative to one.

It was not to divert attention or assistance from Europe to Asia that the aid-to-China sections were put into this bill. Rather, it was to strengthen and support the program in Europe. We do not believe that Asia is more important to our security than Europe, but we do not believe it is less important. As General MacArthur put it in his cabled reply to the committee's request for his view—

It would be utterly fallacious to underrate China's needs or her importance. For if we embark upon a general policy to bulwark the frontiers of freedom against the assaults of political despotism, one major frontier is no less important than another, and a decisive breach of any will inevitably threaten to engulf all.

How much more will it cost us, in money and resources and men, to keep western Europe free—or even ourselves—if China and Asia go down and Russia is able to concentrate all her attention and strength on the west?

I doubt that ERP can succeed in Europe if Russia gets control of China—which means of Asia—as Russia will if we do not help effectively and at once. To contemplate spending $17,000,000,000 on one flank during a period of 4 years and nothing on the other is hardly good sense.

An intelligent and immediate program of aid to China consisting of moral support, munitions, American personnel for military training and advice at all levels, dollars to balance China's international payments for necessary imports, to steady her currency, and loans for specific development projects—the sort of program these two titles authorize—should not cost more than about $500,000,000 a year for 3 years. If that billion and a half for China should make the difference between success and failure of the proposed seventeen billion for Europe, it would seem to me a good investment—and a necessary one.

It is not a scattering of our shots, a diversion from Europe; it is in order to win in Europe that we must try to win also in China.

Suppose we concentrate on Europe alone and succeed there even better than we expect, all we will have is two great armed camps glaring at each other—on one hand Russia and her satellites, strong because essentially one economic and political unit; on the other hand the 16 nations of western Europe, the United States, Canada, Australia, and a few other nations. The success of ERP is necessary merely to restore an uneasy balance with the Soviet-controlled system. But it does not give us preponderance. Which side will have preponderance depends upon which way China goes. The billion people in Asia control the balance of power. China's immediate fate is in our hands. But our ultimate fate is in no small degree in her hands. The people of Asia understand that. They wonder why so many of us fail to see it.

So I repeat, it is not because we care more about Asia and China than we do about Europe. On the other hand, we do not think they are less important. In order to save either, in my judgment, we have to make an honest effort to save both. In both cases our primary concern is and must be the security of our own Nation.

The deadline for China does not come on April 18, as it does for Italy. The deadline for China came a year and a half ago. Any less courageous and tenacious people would have broken long ago under the terrific blows they have suffered and the strains they have endured. They may yet crack up before we can get going. But I have great confidence in the Chinese, based on their record. If we adopt this program and it is carried out in good faith and vigorously, there is good reason to believe that with the amazing resilience and recuperative capacities the Chinese people have, it will succeed in enabling them to retain their independence and their territorial and administrative integrity and to resume the march toward freedom and democracy and better government which they made under their present leadership from 1927 to 1937 in one of the most amazing renaissances of all history. That was interrupted by the Japanese war. They stood alone against Japan for 4½ years while we were daydreaming. They are still resisting valiantly, all attempts to enslave them.

Two months after Pearl Harbor the Congress unanimously passed a bill to grant $500,000,000 to China. Why? Because it had a good government? No. Because it was an honest or efficient or democratic government by our standard? No. It was still struggling to emerge from an ancient medieval feudalism. We appropriated that money without a single dissenting vote because we desperately needed China on our side. Well, is an independent and friendly China less vital to our security now than then? I think not.

If it had not been so humiliating it would have been a little ludicrous in February 1942 to see the great United States which had been supplying Japan against China, now on its knees pleading, "Please, China, please hang on with your bare hands and hold the Japanese three long years until we can rebuild our sunken Navy, capture the islands one by one, and eventually bring our superior power to bear upon Japan."

China made good then when we were threatened. We must do no less now.

Mr. Chairman, it is to help the United States of America and to advance our hope for security and peace that we must do the best we can on both flanks. It is to save money, not waste it, that I believe we must make a real effort to keep China independent and on our side.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from South Carolina [Mr. RICHARDS].

The question was taken; and on a division (demanded by Mr. RICHARDS) there were—ayes 31, noes 113.

So the amendment was rejected.

Mr. MARCANTONIO. Mr. Chairman, I offer a substitute, which is at the Clerk's desk.

The Clerk read as follows:

Substitute amendment offered by Mr. MARCANTONIO: Strike out all after the enacting clause and insert the following:

"That this act may be cited as the 'Peace and Reconstruction Act of 1948.'

"SEC. 2. The Congress finds that after the horror and devastation of World War II, the victorious coalition, responding to the highest and noblest hopes of mankind everywhere, established the United Nations for the promotion and maintenance of peace. It is the declared purpose of the United Nations to maintain international peace and security; to take effective collective measures for the prevention and removal of threats to the peace; to develop friendly relations among nations based on respect for the principle of equal rights and the self-determination of peoples; to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character; to employ international machinery for the promotion of the economic and social advancement of all peoples; and to be a center for harmonizing the actions of nations in the attainment of these ends. Realization of these principles through the United Nations remains the world's last best hope for peace. The United States as initiator of the United Nations and a signatory to its Charter has the high responsibility of strengthening its organization and, through it, building the foundations of an enduring peace.

"Yet the foreign policy of the United States as embodied in the Truman doctrine and as practical continuously since the announcement of that doctrine has seriously weakened the United Nations as an instrument for world peace and collaboration, and negated the high purpose of its Charter. Instead of taking collective measures, through the United Nations, for the prevention and removal of threats to the peace, unilateral action under the Truman doctrine has divided the world into hostile blocs. Instead of employing international machinery for the promotion of the economic and social advancement of all peoples, the Truman doctrine has employed the economic might of the United States unilaterally for political ends. Instead of respecting the principle of equal rights and the self-determination of peoples, the Truman doctrine has intervened in the internal affairs of other nations. Instead of making use of the United

Nations as a center for harmonizing the actions of nations, the Truman doctrine has bypassed the United Nations and provoked international suspicion and tension which, if unchecked, can lead only to war.

"It is therefore declared to be the policy of the Congress that the United States take immediate steps to repudiate the Truman doctrine and reassert leadership in the great task of establishing and maintaining peace through the United Nations. It is the further policy of the Congress to respond to the desperate need of the European victims of Axis aggression for the reconstruction and economic development of their war-devastated lands by providing aid through the instrumentality of the United Nations and in accordance with the purpose of its Charter to employ international machinery for the promotion of the economic and social advancement of all peoples, while guaranteeing their right to determine for themselves the forms of their social, political, and economic institutions, without intervention or interference.

"UNITED NATIONS EUROPEAN RECONSTRUCTION AND ECONOMIC DEVELOPMENT ADMINISTRATION

"SEC. 3. (a) The Congress calls upon the President to request the Secretary General of the United Nations to convene a special session of the General Assembly of the United Nations at the earliest possible date.

"(b) The Congress calls upon the President to instruct the representatives of the United States in the General Assembly, upon the convening of that body, to submit a proposal for the establishment of a European Reconstruction and Economic Development Administration (herein referred to as the 'Administration') within the United Nations, based upon the following principles:

"(1) The Administration shall include representatives of the United States and of all European members of the United Nations.

"(2) The Administration shall be charged with the administration and distribution of a European reconstruction and economic development fund (herein referred to as the 'fund').

"(3) The fund shall be made up by voluntary contributions from members of the United Nations, or by quotas determined by the Administration on the basis of ability to pay and shall be in the aggregate amount of at least $25,000,000,000 over a period of 5 years.

"(4) The fund shall be available to provide loans or grants to individual European nations for the purposes of rehabilitation, reconstruction, and economic development, to the end that the immediate human suffering of their people may be alleviated and their industry and agriculture restored and placed on a self-sustaining basis at the earliest practicable time. In addition, loans and grants may be made available for industrial development, with special emphasis on the industrially backward nations, to raise the living standards of their people, provide for the full utilization of their natural resources and promote economic cooperation and world trade.

"(5) Priority in the allocation of funds shall be given to those nations which suffered most severely from Axis aggression. All allocations of funds shall be based solely on this consideration and on the basis of need, without regard to the character of the political and social institutions of the recipient nation and without the imposition of any political conditions or any economic conditions other than those necessary to insure that the allocated funds will be expended for the purpose for which the allocation was made, without waste or inefficiency.

"(6) The entire fund shall be used exclusively for peaceful purposes, and no allocation shall be made to finance the purchase, manufacture, or maintenance of any military establishment, armaments, munitions, military supplies, or equipment of any kind or character whatsoever.

"(7) Special attention shall be given to raising the levels of food production, providing an ever-normal world food granary and raising the minimum nutrition and shelter standards of all recipient nations.

"SEC. 4. There is hereby authorized to be appropriated the sum of $5,000,000,000 for the fiscal year commencing July 1, 1948, and a like sum for each of the four fiscal years next following, which shall be available for payment by the United States to the European Reconstruction and Economic Development Administration from and after the date it is established.

"EMERGENCY AID

"SEC. 5. In order to provide immediate emergency relief to the peoples of the war-devastated European nations pending the establishment of the United Nations' European Reconstruction and Economic Development Administration, the President, acting through such departments, agencies, or independent establishments of the Government as he shall direct, may make grants to the governments of European nations to finance the procurement, from any source determined by the recipient of food or fuel or any commodity, machinery, or equipment required for the production of food or fuel. In determining the nations to which grants shall be made under this section, and the amounts of such grants, the President shall be bound by the provisions of subdivision (5) of section 3 of this act and no economic, political, or other conditions shall be attached to such grants except for the united purpose expressly provided in subdivision (5) of section 3 of this act.

"SEC. 6. There is hereby authorized to be appropriated not to exceed $500,000,000 to carry out the provisions of section 5 of this act: *Provided*, That no funds shall be obligated under such appropriation subsequent to January 1, 1949, or the date of the organization of the United Nations' Reconstruction and Economic Development Administration, whichever is earlier.

"REDUCTION OF ARMAMENTS

"SEC. 7. From and after the effective date of this act, and notwithstanding any other provision of law, the United States shall not in time of peace, unless the Security Council of the United Nations shall otherwise determine, give, or sell to any other nation any military or naval equipment, munitions, arms, armament, or supplies, or finance the purchase of the same by any other nation, and any moneys heretofore appropriated by the Congress for any such purpose shall not be obligated therefor.

"SEC. 8. It shall be the declared policy of the United States to promote universal disarmament as a means of preventing war and removing the crushing burden of mounting armament appropriations from the people of all lands, including our own. To that end, the Congress calls upon the representatives of the United States in the United Nations to propose to the Commission for Conventional Armaments the immediate reduction by all nations in their armament and military expenditures for all types of armaments to an amount not in excess of 10 percent of the current rate."

Mr. DONOHUE. Mr. Chairman, I ask unanimous consent to extend my remarks at that point in the RECORD where the debate on title I of the bill was concluded.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARCANTONIO. Mr. Chairman, I realize the effort we are now making is a futile one here. I know that nothing I can say or anyone else can say here this evening will change the course of events in this House. However, in the final analysis, our efforts are not futile because we believe that judgment on this matter will not be finally rendered here today. Final judgment on this far-reaching issue will be given by time and events and the American people. So as to have the record complete, and so that the record will demonstrate that efforts have been made by some of us to preserve the peace of the world, I have offered this substitute. In making the fight that we are making in these last minutes of the debate, I assure you we are not going to be deterred by smears, threats, and lies from carrying this fight back to the people.

We have been told to go back to the country that we love. We take that advice. We are going back to the country we love—we are going back to the election precincts of our cherished United States, and we are going to take this fight to the American people. Let me say right here and now we are not going to be deterred by any vituperation that may come from any tobacco patriot or from any cotton king or from any corn and corny orator or from any arrogant Jim Crow flag-waver who brazenly talks of democracy here, but personally refuses to apply it in the communities that he represents. In making the fight against this bill, we have charged it to be a bill for imperialism and monopoly capitalists, and what has happened during the last 3 days demonstrates the correctness of our position. You started out with a bill which was intended to write into law agreements and policies that extend the control of monopoly capital over these nations—yes, Wall Street monopoly capital, and when we attack Wall Street monopoly capital from the floor of the House, we are not attacking America—we are defending America because the enemy of America today, the enemy of the world today, is Wall Street monopoly capital. Now let us see what has happened to this bill, this monopoly capital bill conceived in fascism. You have the proof of it before you. As a logical sequence and as an integral part of this big trust, Wall Street Marshall plan, let me say to my so-called liberal friends, you had nothing else to expect but aid to the Chinese Hitler, Chiang Kai-shek. You had nothing else to expect but aid to the Fascist governments of Greece and Turkey. You had nothing else to expect but the betrayal of Palestine. Yes; and you could not expect anything else but the insertion of aid to the Butcher of Spain, Franco. All this had to be expected because all this is an integral part of the living flesh and blood of imperialism in which this bill was conceived. Let me say further that in consequence of the alleged anti-Communist policy with which some of you so-called liberals seek to justify your vote for this measure, there would have been included aid to Mussolini and Hitler if they had been alive and if they were still ruling their respective countries. This so-called anti-Communist policy is driving this Nation not only to war but also into

fascism. In sharp contrast to the bill you support our substitute is the way of the United Nations; and as Fiorello LaGuardia described it, the way of Christ, toward peace and security and freedom.

The CHAIRMAN. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. VORYS. Mr. Chairman, I move that all debate on the pending amendment, on the committee substitute, and all amendments thereto, do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. MARCANTONIO].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 6, noes 270.

So the amendment was rejected.

The CHAIRMAN. The question recurs on the committee substitute for the Senate bill, as amended by amendments that have been adopted in Committee of the Whole.

The committee substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee now rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, pursuant to House Resolution 505, he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

Mr. MARCANTONIO. Mr. Speaker, a point of order. I make the point of order, that the House has not been given an opportunity to request a separate vote on any amendment that was adopted. The rule under which the bill was considered, as I understand it, provided that it should be read for amendment, and any amendment agreed to by the Committee of the Whole would be subject to a request for a separate vote.

The SPEAKER. The Chair will state there was no effort being made to deprive Members of that opportunity.

Mr. MARCANTONIO. I do not imply that at all, Mr. Speaker. I want to publicly state that I think the present Speaker has at all times been eminently fair to the minority.

The SPEAKER. The Chair will state that he did not ask if a separate vote on any amendment was demanded.

Is a separate vote on any amendment demanded?

Mrs. DOUGLAS. Mr. Speaker, I request a separate vote on the so-called O'Konski amendment.

Mr. CELLER. Mr. Speaker, I demand a separate vote on title III and title IV.

The SPEAKER. Those amendments were not agreed to in Committee of the Whole.

The Clerk will report the amendment upon which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. O'KONSKI: On page 50, line 16, after the word "including" add "Spain" and a comma.

Mrs. DOUGLAS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the adoption of the amendment.

Mr. MARCANTONIO. Mr. Speaker, on that I ask for tellers.

Tellers were refused.

Mr. MARCANTONIO. Mr. Speaker, I ask for a division.

The question was taken; and on a division there were—ayes 188, noes 104.

So the amendment was agreed to.

The SPEAKER. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. JOHNSON of Oklahoma. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that S. 2202 be recommitted to the Committee on Foreign Affairs.

Mr. VORYS. Mr. Chairman, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. VORYS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 329, nays 74, answered "present" 2, not voting 26, as follows:

[Roll No. 84]

YEAS—329

Abernethy	Beckworth	Buchanan
Albert	Bell	Buck
Allen, Calif.	Bender	Buckley
Allen, La.	Blackney	Bulwinkle
Almond	Bland	Burke
Andersen, H. Carl	Blatnik	Burleson
Anderson, Calif.	Bloom	Butler
Andrews, N. Y.	Boggs, Del.	Byrne, N. Y.
Angell	Boggs, La.	Byrnes, Wis.
Arends	Bolton	Camp
Auchincloss	Bonner	Canfield
Bakewell	Bradley	Cannon
Barrett	Bramblett	Carroll
Bates, Ky.	Brehm	Carson
Bates, Mass.	Brooks	Case, N. J.
Battle	Brophy	Celler
Beall	Brown, Ga.	Chadwick
	Bryson	Chapman
Chelf	Herter	Nicholson
Clark	Heselton	Nixon
Clason	Hess	Nodar
Cole, Kans.	Hill	Norblad
Cole, N. Y.	Hinshaw	Norton
Colmer	Hobbs	O'Brien
Combs	Hoeven	O'Toole
Cooley	Holifield	Pace
Cooper	Holmes	Patman
Corbett	Hope	Patterson
Cotton	Horan	Peden
Coudert	Huber	Peterson
Courtney	Jackson, Calif.	Pfeifer
Cox	Jackson, Wash.	Philbin
Cravens	Javits	Phillips, Tenn.
Crosser	Jenkins, Ohio	Pickett
Crow	Jenkins, Pa.	Ploeser
Cunningham	Jennings	Plumley
Dague	Jensen	Poage
Davis, Ga.	Johnson, Calif.	Potter
Davis, Tenn.	Johnson, Tex.	Potts
Davis, Wis.	Jones, Ala.	Poulson
Dawson, Ill.	Jones, N. C.	Preston
Dawson, Utah	Jones, Wash.	Price, Fla.
Deane	Jonkman	Price, Ill.
Delaney	Judd	Priest
Devitt	Karsten, Mo.	Ramey
D'Ewart	Kean	Rayburn
Dirksen	Kearney	Redden
Dolliver	Kearns	Rees
Domengeaux	Keating	Reeves
Donohue	Kee	Regan
Douglas	Keefe	Richards
Durham	Kefauver	Riehlman
Eaton	Kelley	Riley
Eberharter	Kennedy	Robertson
Elliott	Keogh	Rockwell
Ellsworth	Kerr	Rogers, Fla.
Elsaesser	Kersten, Wis.	Rogers, Mass.
Elston	Kilburn	Rohrbough
Engel, Mich.	Kilday	Ross
Engle, Calif.	King	Russell
Evins	Kirwan	Sabath
Fallon	Klein	Sadlak
Feighan	Kunkel	St. George
Fellows	Lane	Sarbacher
Fenton	Lanham	Sasscer
Fernandez	Latham	Scoblick
Fisher	Lea	Scott, Hardie
Flannagan	LeCompte	Scott, Hugh D., Jr.
Fletcher	LeFevre	Seely-Brown
Fogarty	Lichtenwalter	Sheppard
Folger	Lodge	Simpson, Ill.
Foote	Lucas	Simpson, Pa.
Forand	Ludlow	Smathers
Fuller	Lusk	Smith, Maine
Fulton	Lyle	Smith, Va.
Gallagher	Lynch	Snyder
Gamble	McConnell	Somers
Garmatz	McCormack	Spence
Gary	McCulloch	Stanley
Gathings	McDonough	Stevenson
Gavin	McDowell	Stigler
Gearhart	McGarvey	Stockman
Gillette	McMahon	Stratton
Goff	McMillan, S. C.	Sundstrom
Goodwin	McMillen, Ill.	Taber
Gordon	Mack	Talle
Gore	MacKinnon	Teague
Gorski	Madden	Thomas, Tex.
Gossett	Mahon	Thompson
Graham	Maloney	Tibbott
Granger	Mansfield	Tollefson
Grant, Ind.	Mathews	Towe
Gregory	Meade, Ky.	Trimble
Gross	Meade, Md.	Van Zandt
Hale	Merrow	Vinson
Hall, Edwin Arthur	Meyer	Vorys
Hall, Leonard W.	Michener	Wadsworth
Halleck	Miller, Calif.	Weichel
Hardy	Miller, Conn.	Welch
Harless, Ariz.	Miller, Md.	Wheeler
Harris	Mills	Whitten
Hart	Monroney	Whittington
Hartley	Morgan	Wigglesworth
Harvey	Morrison	Williams
Havenner	Morton	Wilson, Tex.
Hays	Muhlenberg	Winstead
Hébert	Multer	Wolcott
Hedrick	Mundt	Wolverton
Heffernan	Murdock	Worley
	Murray, Tenn.	Zimmerman
	Murray, Wis.	

NAYS—74

Allen, Ill.	Chenoweth	Dorn
Arnold	Chiperfield	Doughton
Banta	Church	Ellis
Barden	Clevenger	Gillie
Bennett, Mich.	Clippinger	Griffiths
Bennett, Mo.	Cole, Mo.	Gwinn, N. Y.
Bishop	Crawford	Gwynne, Iowa
Buffett	Curtis	Hagen
Case, S. Dak.	Dondero	Hand

Harness, Ind.	McGregor	Schwabe, Okla.
Harrison	Marcantonio	Scrivner
Hoffman	Martin, Iowa	Shafer
Hull	Miller, Nebr.	Short
Isacson	Morris	Smith, Kans.
Jenison	O'Hara	Smith, Ohio
Johnson, Ill.	Owens	Smith, Wis.
Johnson, Ind.	Phillips, Calif.	Stefan
Johnson, Okla.	Powell	Twyman
Knutson	Rankin	Vail
Landis	Reed, Ill.	Vursell
Larcade	Reed, N. Y.	Wilson, Ind.
Lemke	Rich	Wood
Lewis	Sadowski	Woodruff
Love	Sanborn	Youngblood
McCowen	Schwabe, Mo.	

ANSWERED "PRESENT"—2

Brown, Ohio Macy

NOT VOTING—26

Abbitt	Hendricks	Rains
Andresen, August H.	Jarman	Rivers
	Lesinski	Rizley
Andrews, Ala.	Manasco	Rooney
Boykin	Mason	Sikes
Busbey	Mitchell	Taylor
Coffin	Norrell	Thomas, N. J.
Dingell	O'Konski	Walter
Grant, Ala.	Passman	West

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rooney for, with Mr. Mason against.
Mr. Coffin for, with Mr. Busbey against.
Mr. Rains for, with Mr. Passman against.
Mr. Brown of Ohio for, with Mr. Rizley against.

General pairs until further notice:

Mr. Thomas of New Jersey with Mr. Walter.
Mr. Mitchell with Mr. Rivers.
Mr. Taylor with Mr. Abbitt.

Mr. BROWN of Ohio. Mr. Speaker, on this roll call I voted "yea." I have a live pair with my colleague the gentleman from Oklahoma [Mr. RIZLEY] who, if present, would have voted "nay." I therefore withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

The title was amended so as to read: "An act to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States.

A motion to reconsider was laid on the table.

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the House insist on its amendment ask for a conference, and that the Speaker be authorized to appoint conferees.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Messrs. EATON, VORYS, MUNDT, BLOOM, and KEEFE.

GENERAL LEAVE TO EXTEND

Mr. VORYS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SPECIAL ORDER GRANTED

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 45 minutes on Monday next, following the business of the day and any special orders heretofore entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RUBBER ACT OF 1948

Mr. SHAFER. Mr. Speaker, I call up the conference report on the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Rubber Act of 1948'.

"DECLARATION OF POLICY

"SEC. 2. It is the policy of the United States that there shall be maintained at all times in the interest of the national security and common defense, in addition to stock piles of natural rubber which are to be acquired, rotated, and retained pursuant to the Strategic and Critical Materials Stock Piling Act (Public Law 520, Seventy-ninth Congress, approved July 23, 1946), a technologically advanced and rapidly expandible rubber-producing industry in the United States of sufficient productive capacity to assure the availability in times of national emergency of adequate supplies of synthetic rubber to meet the essential civilian, military, and naval needs of the country. It is further declared to be the policy of the Congress that the security interests of the United States can and will best be served by the development within the United States of a free, competitive synthetic-rubber industry. In order to strengthen national security through a sound industry it is essential that Government ownership of production facilities, Government production of synthetic rubber, regulations requiring mandatory use of synthetic rubber, and patent pooling be ended and terminated whenever consistent with national security, as provided in this Act.

"AUTHORITY TO EXERCISE CERTAIN CONTROLS OVER NATURAL RUBBER AND SYNTHETIC RUBBER AND PRODUCTS CONTAINING NATURAL AND SYNTHETIC RUBBER

"SEC. 3. To effectuate the policies set forth in section 2 of this Act, the President is authorized to exercise allocation, specification, and inventory controls of natural rubber and synthetic rubber, and specification controls of products containing natural rubber and synthetic rubber, notwithstanding any changes in the supply or estimated supply of natural rubber or synthetic rubber; and he shall exercise such controls by issuing such regulations as are required to insure (a) the consumption in the United States of general-purpose synthetic rubber in a specified percentage of the combined total estimated annual consumption of natural rubber and general-purpose synthetic rubber consumed within the United States, and (b) the consumption in the United States of any or all types of special-purpose synthetic rubber in specified percentages of the combined total estimated annual consumption of natural rubber, general-purpose synthetic rubber, and special-purpose synthetic rubber consumed within the United States. Such percentages shall be established so as to assure the production and consumption of general-purpose synthetic rubber and special-purpose synthetic rubber in quantities determined by the President to be necessary to carry out the policy of section 2 of this Act, and the provisions of Public Law 520, Seventy-ninth Congress, approved July 23, 1946: *Provided*, That the minimum percentages established by the President shall result in a total annual tonnage consumption of synthetic rubber of at least the amounts specified in section 5 (d) of this Act, and that any mandatory consumption in excess of the quantities specified in section 5 (d) of this Act shall not be more than is deemed by the President to be necessary in the interest of national security and the common defense.

"IMPORTATION AND EXPORTATION

"SEC. 4. (a) The President may impose such import restrictions on finished and semifinished rubber products as he deems necessary to assure equality with like or similar products produced within the United States in accordance with regulations issued under this Act.

"(b) The President may exempt from the regulations issued under this Act finished and semifinished rubber products manufactured in the United States exclusively for export outside the United States.

"DOMESTIC RUBBER-PRODUCING CAPACITY

"SEC. 5. (a) There shall be maintained at all times within the United States rubber-producing facilities having a rated production capacity of not less than six hundred thousand long tons per annum of general-purpose synthetic rubber and not less than sixty-five thousand long tons per annum of special-purpose synthetic rubber.

"(b) Of the sixty-five-thousand-long-ton rated production capacity for special-purpose synthetic rubber, specified in section 5 (a) of this Act, at least forty-five thousand long tons shall be of a type suitable for use in pneumatic inner tubes.

"(c) The synthetic rubber used to satisfy the mandatory consumption provided in section 3 of this Act shall be produced by the Government or for the Government account, or purchased from others for resale by the Government or for the Government account.

"(d) Facilities in operation by the Government or private persons shall produce annually not less than one-third of the rated production capacities specified in section 5 (a) and (b) of this Act.

"(e) The facilities to be maintained in operation by the Government and those to be maintained in adequate stand-by condition shall be determined from time to time by the President.

"(f) At least one facility for making butadiene from alcohol shall be maintained in operation or in adequate stand-by condition.

"RESEARCH AND DEVELOPMENT

"SEC. 6. (a) To effectuate further the policies set forth in section 2 of this Act with respect to a technologically advanced domestic rubber-producing industry, continuous and extensive research by private parties and the Government is essential. The Government is hereby authorized to undertake research in rubber and allied fields and the powers, functions, duties, and authority of the Government to undertake research and development in rubber and allied fields shall be exercised and performed by such departments, agencies, officers, Government corporations, or instrumentalities of the United States as the President may designate, whether or not existing at the date of enactment of this Act.

"(b) The cost of undertaking and maintaining the research and development authorized in section 6 (a) of this Act may be paid from such sums as the Congress, from time to time, may appropriate to carry out the provisions of this Act.

"OPERATION OF RUBBER-PRODUCING FACILITIES BY THE UNITED STATES GOVERNMENT

"SEC. 7. (a) The powers, functions, duties, and authority to produce and sell synthetic rubber conferred in section 7 (b) of this Act shall be exercised and performed by such department, agency, officer, Government corporation, or instrumentality of the United States as the President may designate, whether or not existing at the date of enactment of this Act.

"(b) The department, agency, officer, Government corporation, or instrumentality of the United States designated by the President pursuant to section 7 (a) of this Act shall have the powers, functions, duties, and authority to produce and sell synthetic rubber, including the component materials thereof, in amounts sufficient to assure the production of synthetic rubber as required by the President in section 3 of this Act: *Provided*, That so far as practicable the President shall authorize such production of synthetic rubber, including the component materials thereof, as may be necessary to satisfy voluntary usage of synthetic rubber including the component materials thereof.

"(c) The aforesaid powers, functions, duties, and authority to produce and sell include all power and authority in such department, agency, officer, Government corporation, or instrumentality of the United States to do all things necessary and proper in connection with and related to such production and sale, including but not limited to the power and authority to make repairs, replacements, alterations, improvements, or betterments to the rubber-producing facilities owned by the Government or in connection with the operation thereof and to make capital expenditures as may be necessary for the efficient and proper operation and maintenance of the rubber-producing facilities owned by the Government and performance of said powers, functions, duties, and authority.

"(d) Notwithstanding the provisions of this or any other Act, the aforesaid powers, functions, duties, and authority to produce and sell include the power and authority in such department, agency, officer, Government corporation, or instrumentality of the United States to (1) lease for operation for Government account all or any part of the Government-owned rubber-producing facilities in connection with the performance of said powers, functions, duties, and authority to produce and sell; (2) lease, for a period not extending beyond the termination date of this Act, Government-owned, rubber-producing facilities for private purposes if such lease contains adequate provisions for the recapture thereof for the purposes set forth in section 7 (b) of this Act and if such lease provides that any synthetic rubber or component material as may be produced by the leased facilities shall not be used to satisfy mandatory requirements established by section 3; (3) grant permanent easements or licenses for private purposes in, on, or over land comprising part of the Government-owned rubber-producing facilities if such grant provides that such easement or license shall not interfere with the use at any time of the rubber-producing facilities involved; and (4) sell or otherwise dispose of obsolete or other property not necessary for the production of the rated capacity of the particular plant to which such property is charged.

"STAND-BY FACILITIES

"SEC. 8. (a) To effectuate further the policies set forth in section 2 of this Act, the President is authorized to place in adequate stand-by condition such rubber-producing facilities as he shall determine necessary to maintain the continued existence of rubber-producing facilities capable of producing the tonnage of synthetic rubber required by section 5 (a) of this Act.

"(b) Rubber-producing facilities placed in stand-by condition by the President pursuant to section 8 (a) of this Act may be maintained by such department, agency, officer, Government corporation, or instrumentality of the United States, whether or not existing on the date of enactment of this Act, as the President may designate: *Provided*, That nothing contained in section 8 (b) of this Act shall preclude such department, agency, officer, Government corporation, or instrumentality of the United States from entering into contracts with private persons for the maintenance of stand-by facilities: *Provided further*, That the cost of placing facilities in stand-by condition, maintaining such facilities in adequate stand-by condition, and, when necessary, reactivating such facilities, may be paid from such sums as the Congress, from time to time, may appropriate to carry out the provisions of this Act.

"DISPOSAL OF GOVERNMENT-OWNED RUBBER-PRODUCING FACILITIES

"SEC. 9. (a) The department, agency, officer, Government corporation, or instrumentality of the United States designated by the President pursuant to section 7 (a) of this Act shall undertake immediate study, conducting such hearings as may be necessary, in order to determine and formulate a program for disposal to private industry by sale or lease of the Government-owned rubber-producing facilities other than those authorized to be disposed of pursuant to section 9 (b) of this Act. A report with respect to the development of such a disposal program shall be made to the President and to Congress not later than April 1, 1949. On or before January 15, 1950, the President, after consultation with the National Security Resources Board, shall recommend to the Congress legislation with respect to the disposal of the Government-owned rubber-producing facilities other than those authorized to be sold, leased, or otherwise disposed of under the provisions of section 9 (b) of this Act, together with such other recommendations as he deems desirable and appropriate: *Provided*, That the Government shall maintain the ownership of a rated rubber-producing capacity of 600,000 long tons of general-purpose rubber and a rated rubber-producing capacity of 65,000 long tons of special-purpose rubber until a program is formulated and adopted for the sale or lease of such facilities as provided in this section.

"(b) Notwithstanding the provisions of this or any other Act, the department, agency, officer, Government corporation, or instrumentality of the United States designated by the President pursuant to section 7 (a) of this Act may, after consultation with the National Security Resources Board, sell, lease, or otherwise dispose of to private persons any rubber-producing facility, including such facilities as have been declared surplus pursuant to the Surplus Property Act of 1944, as amended, not required to fulfill the capacity set forth in section 5 (a) of this Act upon such terms and conditions as it may determine providing that such sale or lease shall be on the condition that any synthetic rubber or component materials produced in such facility shall not be used to satisfy the mandatory requirements established by section 3 of this Act.

"ADMINISTRATION

"SEC. 10. (a) The President may issue such rules and regulations as he deems necessary and appropriate to carry out the provisions of this Act.

"(b) The President may exercise any or all of the powers, authority, and discretion conferred upon him by this Act, including but not limited to the powers and authority conferred in section 12 of this Act, through such departments, agencies, officers, Government corporations, or instrumentalities of the United States, whether or not existing at the date of the enactment of this Act, as he may direct.

"(c) The President, insofar as practical, shall consolidate all of the powers, functions, and authority contained in this Act in one department, agency, officer, Government corporation, or instrumentality of the United States, whether or not existing at the date of enactment of this Act. The President is authorized to cause a corporation to be organized for the purpose of producing and selling synthetic rubber. Any such corporation so organized shall be authorized, subject to the Government Corporation Control Act and to pertinent provisions of law affecting Government corporations, to sue and be sued, to acquire, hold, and dispose of property, to use its revenues, to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid, and to exercise such other powers as may be necessary or appropriate to carry out the purposes of the corporation. The Secretary of the Treasury is authorized, out of appropriations made for that purpose, to subscribe to the capital stock of such corporation.

"(d) The President may transfer to the departments, agencies, officers, Government corporations, or instrumentalities of the United States, or to any of them, which he directs to exercise the powers, authority, and discretion conferred upon him by this Act, such rubber-producing facilities, personnel, property, and records relating to such powers, authority, and discretion, as he deems necessary; and he may so transfer all appropriations or other funds available for carrying out such powers, authority, and discretion.

"(e) In addition to the reports required by section 9 (a) of this Act each department, agency, officer, Government corporation, or instrumentality of the United States to whom the President may delegate any powers, authority, and discretion conferred by this Act shall make an annual report to the President and to the Congress of operations under this Act.

"PATENT POOLING AND USE OF TECHNICAL INFORMATION

"SEC. 11. (a) To effectuate further the policies of this Act, the President is authorized and directed to take such action as may be appropriate with respect to patent pooling, patent licensing and exchange of information agreements entered into with the Government as a part of the wartime synthetic rubber program and, insofar as practicable and consistent with the purposes of this Act, to effectuate immediate cessation of further accumulation of technical information or rights to patents under the agreement dated December 19, 1941, as supplemented June 12, 1942, between the Government and others.

"(b) Any department, agency, officer, Government corporation, or instrumentality of the United States as the President may designate to perform the powers, functions, duties, and authority referred to in section 7 (b) of this Act shall be entitled to the

benefits of the Act of June 25, 1910 (36 Stat. 851), as amended July 1, 1918 (40 Stat. 705), or any similar Act.

"INFORMATION, REPORTS, SUBPENAS, WITNESSES, AND TESTIMONY

"SEC. 12. (a) The President shall be entitled to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, any person and make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this Act.

"(b) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to section 12 (a) of this Act, the President may administer oaths and affirmations, and may require by subpena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other documentary or physical evidence which may be relevant to the inquiry. Such attendance and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides or transacts business, if, prior to the return date specified in the subpena issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary evidence or certified copies thereof, or physical evidence, in obedience to any such subpena, or in any action or proceeding which may be instituted under this Act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment, or to any penalty or forfeiture, for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The President shall not publish or disclose any information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the President determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and, upon conviction thereof, shall be fined not exceeding $1,000 or be imprisoned not exceeding 2 years, or both.

"PENALTIES

"SEC. 13. Any person who willfully performs any act prohibited, or willfully fails to perform any act required by any provision of this Act or any rule, regulation, or order thereunder, shall upon conviction be fined not more than $10,000 or imprisoned for not more than two years, or both.

"JURISDICTION OF THE UNITED STATES COURTS

"SEC. 14. (a) The district courts of the United States, and the United States courts of any Territory or other place subject to the jurisdiction of the United States, shall have jurisdiction of violations of this Act or any rule, regulation, or order or subpena thereunder, and of all civil actions under this Act to enforce any liability or duty created by, or to enjoin any violation of this Act or any rule, regulation, order, or subpena thereunder.

"(b) Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the alleged violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpenas for witnesses who are required to attend a court in any district in any such cases may run into any other district. No costs shall be assessed against the United States in any proceeding under this Act.

"EXCULPATORY CLAUSE

"SEC. 15. No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from compliance with this Act or any rule, regulation, or order issued thereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.

"EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

"SEC. 16. Functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act except as to the requirements of sections 3 and 10 thereof.

"SEPARABILITY

"SEC. 17. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

"DEFINITIONS

"SEC. 18. For the purposes of this Act—

"(a) The term 'natural rubber' means all forms and types of tree, vine, or shrub rubber, including guayule and natural-rubber latex, but excluding reclaimed natural rubber;

"(b) The term 'synthetic rubber' means any product of chemical synthesis similar in general properties and applications to natural rubber, and specifically capable of vulcanization, produced in the United States, not including reclaimed synthetic rubber;

"(c) The term 'general-purpose synthetic rubber' means a synthetic rubber of the butadiene-styrene type generally suitable for use in the manufacture of transportation items such as tires or camel-back, as well as any other type of synthetic rubber equally or better suited for use in the manufacture of transportation items such as tires or camel-back as determined from time to time by the President;

"(d) The term 'special-purpose synthetic rubber' means a synthetic rubber of the types now known as butyl, neoprene, or N-types (butadiene-acrylonitrile types) as well as any synthetic rubber of similar or improved quality applicable to similar uses, as determined from time to time by the President;

"(e) The term 'rubber-producing facilities' means facilities, in whole or in part, for the manufacture of synthetic rubber, and the component materials thereof, including, but not limited to, buildings and land in which or on which such facilities may be located and all machinery and utilities associated therewith;

"(f) The term 'rated production capacity' means the actual productive capacity assigned to any rubber-producing facilities at time of authorization of construction or as thereafter amended in authorizations of additional construction or alterations thereto and used in published reports and in the records of the Office of Rubber Reserve, Reconstruction Finance Corporation, or successor agency, or privately owned plants, determined by the President based upon operating experience and records as determined from time to time by the President;

"(g) The term 'component materials' means the material, raw, semifinished, and finished, necessary for the manufacture of synthetic rubber;

"(h) The term 'stand-by condition' means the condition in which rubber-producing facilities, in whole or in part, are placed when determined to be not needed for current operations, but are maintained so as to be readily available for the production of synthetic rubber or component materials;

"(i) The term 'person' means any individual, firm, copartnership, business trust, corporation, or any organized group of persons whether incorporated or not, and except for the provisions of section 13 any Government department, agency, officer, corporation, or instrumentality of the United States; and

"(j) The term 'United States' includes the several States, the District of Columbia, the Territories of Alaska and Hawaii, and Puerto Rico.

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 19. (a) There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act.

"(b) Until such time as appropriations herein authorized are made, any department, agency, officer, Government corporation, or instrumentality of the United States may, in order to carry out its functions, powers, and duties under this Act, continue to incur obligations and make expenditures in accordance with laws in effect on March 31, 1948.

"EFFECTIVE DATE

"SEC. 20. This Act shall become effective on April 1, 1948, and shall remain in effect until June 30, 1950."

And the Senate agree to the same.

PAUL W. SHAFER,
DEWEY SHORT,
W. STERLING COLE,
CARL VINSON,
Managers on the Part of the House.

JOHN W. BRICKER,
HARRY CAIN,
A. WILLIS ROBERTSON.
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

Except for the differences noted in the following statement, the conference substitute is substantially the same as the House bill.

The House accepted the Senate language of section 2 with an amendment. In effect the new section adopts the principle that the security interests of the United States

will best be served by the development of a free, competitive synthetic-rubber-producing industry, and that Government ownership of synthetic-rubber-producing facilities, regulations requiring mandatory use of synthetic rubber, Government production of synthetic rubber and patent-pooling should be ended whenever consistent with national security. The House bill, as passed, provided that the Government retain its synthetic-rubber-producing facilities. The Senate amendment provided for the termination of Government ownership, production, and control of synthetic-rubber-producing facilities "at the earliest practical date" consistent with national security. The conferees agreed to strike out the language "at the earliest practical date."

Section 3 remains as passed by the House, except that controls over rubber products are limited to specification control.

Section 4 remains as passed by the House except for a minor clarification of the language in subsection (b).

The conferees rewrote section 5 to provide that there shall be maintained in the United States rubber-producing facilities having a rated production capacity of not less than 600,000 long tons per annum of general purpose rubber and 65,000 long tons of special purpose rubber. The rubber required for mandatory consumption is to be produced by the Government, for Government account, or purchased from others for resale by the Government. The House subsection (d) prevailed in requiring the annual production of not less than one-third of the above-mentioned 665,000 long tons of synthetic rubber.

In all other respects section 5 remains as originally passed by the House.

In effect the new section 5 differs from the original House version in the following respects:

(a) The amount of special-purpose rubber capacity required to be maintained is reduced from 75,000 long tons to 65,000 long tons.

(b) Synthetic rubber is required to be consumed or to be manufactured by the Government or for Government account. However, to provide for the stimulation of private production and technological progress, the Government may purchase and resell synthetic rubber produced by private persons.

Section 6 of the conference amendment is identical with the House version except that the conference amendment specifically authorizes Government research in rubber and allied fields, as well as encourages continuous and extensive research by private persons. This places emphasis on the necessity for research and development to improve the qualities of synthetic rubber, and strengthens the original House language.

The conferees accepted the House version of section 7 with the following changes:

(a) The House conferees accepted a Senate amendment to the effect that the President "shall" rather than "may" authorize production of synthetic rubber for voluntary consumption.

(b) The Government may lease for the duration of this act rubber producing facilities, provided any such lease contains adequate recapture provisions. Such leased facilities may produce synthetic rubber for voluntary consumption.

The original House version allowed leasing for 1 year and prohibited the production of synthetic rubber in any facilities leased under this section.

There were no differences in section 8, which deals with stand-by facilities.

The House accepted the Senate version of section 9, with amendments. Under section 9 (a), as agreed to by the conferees, a study shall be undertaken immediately to formulate a program for the disposal, by sale or lease, of the facilities required to be maintained in the United States under section 5 of the act. A report is required to be presented to the President and to the Congress prior to April 1, 1949, with respect to the development of such a disposal program, and the President is required to present to the Congress, not later than January 15, 1950, his recommendations for legislation on this subject. However, the new section requires that the President shall consult with the National Security Resources Board before presenting his recommendations to the Congress. A proviso was added to section 9 (a) requiring the Government to retain the ownership of 665,000 long tons of rated synthetic-rubber-producing capacity until the program for disposal has been formulated and adopted. This strengthens the provisions of the bill prohibiting the disposal of any facilities required for the rated production capacity to be maintained in the United States.

Section 9 (b) permits the disposal, by the proper agency, as designated by the President, of all facilities in excess of those required to be in existence in the United States over and above the 665,000 long ton rated production capacity. However, the new section 9 (b) as agreed to by the conferees requires the designated disposal agency to first consult with the National Security Resources Board before approving any disposal under this subsection.

Section 9 (b) also provides for the disposal of all facilities not required to maintain the 665,000 long ton rated production capacity, under such conditions as the disposal agency may prescribe, provided that such facilities may not be used to produce synthetic rubber for mandatory consumption.

Section 10 as passed by the House remains substantially the same except the conferees accepted the language in the Senate amendment that authorizes the President to organize a Government corporation for the purpose of producing and selling synthetic rubber.

Section 10 (d) of the House and Senate bills are identical except that the House bill provided an exemption from civil-service laws for personnel that might be transferred within the Government in the administration of the Act. The House conferees agreed with the Senate in the omission of this language.

A Senate amendment to section 10 provided that industry advisory committees should be appointed. The Senate receded on this point. The conferees agreed that by this action there was no intent or inference that the Government should not continue to seek the advice of industry and consult with industry through advisory committees.

The House conferees accepted the Senate language in section 11 which authorizes and directs the President, insofar as practical and consistent with the purposes of the act, to effectuate immediate cessation of further accumulation of technical information or rights to patents under the agreement dated December 19, 1941.

Sections 12 and 13 of the House bill and the Senate amendment were identical, and were not changed by the conferees.

The Senate conferees accepted the House language of section 14.

Sections 15, 16, and 17 of the House bill and the Senate amendment were identical, and were not changed by the conferees.

The Senate accepted substantially all of the definitions contained in section 18, except the conferees combined the definitions of "rated production capacity" in such a way as to permit the rated production capacity assigned to each facility to be changed in the future as determined from time to time by the President.

The House conferees accepted a minor change, for purposes of clarification, in section 19.

The Senate accepted the House language on section 20.

The conferees agreed to the term "synthetic rubber" throughout the act, in lieu of the original House language which referred to this product as "chemical" rubber.

PAUL W. SHAFER,
DEWEY SHORT,
W. STERLING COLE,
CARL VINSON,
Managers on the Part of the House.

Mr. SHAFER. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. JOHNSON] and yield myself such time as I may use.

The SPEAKER. The gentleman from Michigan is recognized.

Mr. SHAFER. Mr. Speaker, the House managers for the Rubber Act of 1948 met with the Senate conferees yesterday and agreed upon a rubber bill which I believe to be a happy compromise of the two bills. All the House conferees who signed the statement are in accord.

As you know, the present law with respect to controls over synthetic rubber expires at midnight tonight. Therefore speed is essential in order that the production of synthetic rubber can continue without interruption.

The policy of the act recognizes the fact that the security interests of the country can best be served by the development within the United States of a free competitive synthetic rubber industry. It also recognizes the fact that all Government controls and Government ownership should terminate whenever consistent with national security. In effect, it recognizes what the history of two world wars has proved to this country, that private industry plays a vital role in our national security.

However, it is not our intention, nor does this bill permit, our vast synthetic rubber industry to be turned over to private industry at this time. The bill requires that there be maintained in the United States rubber-producing facilities capable of producing a rated production capacity of 600,000 long tons of general purpose rubber and 65,000 long tons of special purpose rubber. Everyone agrees that this capacity is ample to protect the United States in the event of an emergency.

Of this amount, the bill requires that one-third be produced and consumed in the United States. This will assure the development of the synthetic industry, and progress in the method of manufacturing this product. The remaining capacity, which includes fringe plants and those not specifically required for national defense, may be sold or leased under certain conditions after the disposal agency has consulted with the National Security Resources Board.

The bill before you authorizes the President to exercise allocation, specification, and inventory controls over natural rubber and synthetic rubber and authorizes specification controls over natural rubber and synthetic rubber products. This applies to all rubber products and permits the President, if necessary, to require the use of synthetic rubber in all rubber products. In addtion, as I have indicated before, the bill requires that there be manufactured and consumed in the United States a minimum of 222,000 tons of synthetic rubber per year.

The bill encourages private enterprise by permitting the Government to purchase rubber from private producers for resale by the Government, to satisfy mandatory consumption. This, then, will permit a private producer, who has developed a new and better synthetic rubber, to sell his product to the Government, but since we are requiring the consumption of synthetic rubber, the Government, in turn, will assure equal distribution by selling it to those who are required to use this rubber. In addition, the bill stimulates private enterprise by permitting the leasing of plants for the duration of the act for private purposes, which will allow the production of synthetic rubber for voluntary usage.

An important item of the bill pertains to the disposal of the facilities now owned by the Government. The bill now before you requires that a study be undertaken immediately to formulate a program for disposal by sale or lease of the Government-owned rubber-producing facilities required to maintain the 665,000 long tons that must be maintained in the United States. A report with respect to the development of this program must be made to the President and to the Congress not later than April 1, 1949. Then, on or before January 15, 1950, the President, after consultation with the National Security Resources Board, must recommend to the Congress legislation with respect to the disposal of these facilities. Note that this will allow the Congress to approve, amend, or disapprove any legislation with respect to the disposal of the 665,000-ton rated production capacity that is to be maintained in the United States. And none of this 665,000-ton capacity can be sold except by congressional action. Other plants beyond this capacity may be sold by the disposal agency only after consultation with the National Security Resources Board.

We believe this to be a workable, efficient bill that will be acceptable to the Government and industry and, at the same time, will protect the American consumer, and above all, our national security. We have provided adequate safeguards for the disposal of these facilities. We have provided for technological progress and we have assured the maintenance of our synthetic-rubber industry. This is the culmination of a year's hard work by a subcommittee of the Armed Services Committee. I am convinced the bill in the form now before you is sound, just, and practical.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Texas.

Mr. JOHNSON of Texas. Did I understand the gentlemen to say that under the provisions of the conference report as the House conferees brought it back here, none of the 665,000 tons of rated-production capacity may be sold unless and until the Congress authorizes that sale?

Mr. SHAFER. The gentleman is correct. The Congress must act on that and fix it by statute before any of it can be sold.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from New York.

Mr. COLE of New York. The gentleman has indicated that this bill authorizes the sale of our rubber plants in excess of production capacity of 665,000 tons. Is it not the gentleman's opinion that those plants, for which authority is given in this act for the current sale, should be the plants which are the least efficient; that is, the high-cost plants should be sold first?

Mr. SHAFER. The so-called fringe plants; yes.

Mr. COLE of New York. I want it definitely understood that the excess-production-capacity plants which the bill authorizes for sale are to be those which are the high-cost plants, and not the low-cost or efficient plants.

Mr. SHAFER. That is right.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Kansas.

Mr. CURTIS. In referring to this provision that regulations requiring the mandatory use of synthetic rubber should be ended whenever consistent with the national security, who shall determine whenever it is consistent with the national security to end them?

Mr. SHAFER. Why, the President is to determine that, after consultation with the National Security Resources Board.

Mr. CURTIS. Is his determination final, or is that up to the Congress?

Mr. SHAFER. No. The Congress decides that after the President recommends.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. What tonnage is left in the bill as mandatory use?

Mr. SHAFER. Six hundred and sixty-five thousand tons.

Mr. CRAWFORD. I do not think the gentleman understood me. What would be the productive capacity?

Mr. SHAFER. Two hundred and twenty-five thousand mandatory use.

Mr. CRAWFORD. On GRS?

Mr. SHAFER. Yes.

Mr. CRAWFORD. How much on special purpose?

Mr. SHAFER. Altogether 225,000.

Mr. CRAWFORD. In other words, you preserve one-third of the 665,000 and 75,000 or 65,000 special?

Mr. SHAFER. I think that is very plain. It is not quite that amount, but around 200,000 general and 65,000 special.

Mr. MORTON. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Kentucky.

Mr. MORTON. These special-purpose plants, similar to the neoprene plant in Louisville, can be sold under this bill without action of Congress?

Mr. SHAFER. They can be sold? We take care of that in the bill.

Mr. JOHNSON of Texas. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, last night at about 7 o'clock, after a 5-hour session, the House and Senate conferees agreed on a final version of the Rubber Act of 1948. For reasons that I will make abundantly clear, I did not join my colleagues in signing the conference report. The final version of the conference report is considerably different in its most important aspects from that which the House has heretofore unanimously approved.

Mr. Speaker, I want to say at the outset that, in my opinion, the House bill represented the product of real statesmanship. The House unanimously passed a bill, under the able leadership of the gentleman from Michigan [Mr. SHAFER], which recognized the security interests of the United States as paramount. I want to say also that the House conferees, Messrs. SHAFER, SHORT, COLE, and VINSON, carried on a strong and vigorous fight at the conference for the bill which the House had approved. All that the House could have done has been done, and all that the House conferees could have accomplished has, in my opinion, been accomplished.

However, I do not feel that I can associate myself with this piece of legislation which, in essence, is an order to the President of the United States requiring him to speed disposal of the Government's rubber properties which I think, and which the House bill declared, to be essential to the national security of the United States.

The conference report is a tribute to the efforts of those who believe we should speed the sale of our rubber plants. They think the bill a good bill. The rubber companies think the bill a good bill. We are told certain people in the administration think the bill a good bill.

I do not think the bill a good bill.

I was unable to support the conference report because I cannot agree with the congressional policy enunciated in it and the provisions regarding disposal of the people's synthetic rubber plants.

The House bill declared that the security interests of the United States represented the paramount consideration in dealing with the rubber plants, and that the rubber plants must not be disposed of unless those interests are facilitated and advanced. It is almost superfluous to say that unless the defense of the United States is securely maintained, private enterprise, along with all of our other democratic institutions, will be destroyed by alien philosophies and the force of alien arms.

The policy section adopted by the conferees largely reflects the philosophy expressed in the Senate bill. The policy section of the Senate bill declared that, in effect, the security interests of the United States can best be served by turning the Government rubber plants over to the giant rubber companies. It declares, in so many words, that, and I quote, "It is essential that Government ownership of productive facilities, Government production of synthetic rubber, regulations requiring mandatory use of synthetic rubber, and patent pooling be ended and terminated whenever consistent with the national security as provided in this act." I emphasize the words "as provided in this act." The act provides that the security interests of the United States will best be served

by sale of the plants. Therefore, sale of the plants will be consistent with national security, as that language is used in the act. In short, they say sale of the plants is security—and security is sale of the plants.

Use of the seductive words "consistent with national security" is thus seen to be a cynical use of appealing language in an effort to make palatable and defensible a course of action I believe to be inimical to that security.

At a time when we are mobilizing the blood and flesh of our boys, I am profoundly shocked that the Congress should declare a policy which sets the stage to demobilize a vital part of our physical defense—yes; cancellation of what Harvey Firestone, Jr., stated to be the best paid-up insurance policy this country ever had.

If the philosophy underlying the Senate bill and this report were to be carried out on a consistent basis and to a logical conclusion, would it not result in the Congress selling atomic-energy plants, our naval-petroleum reserves, our shipyards, and all of our public lands?

If the Congress declares it essential that Government ownership of rubber-production facilities must end and terminate, why not end and terminate the ownership of Government oil facilities, Government ship facilities, Government atomic-energy facilities, Government ordnance facilities?

By what I have said I do not mean that the Senate conferees have not made concessions. They did. For example, one important concession was the elimination from the conference report of the provision of the Senate bill which insured that zeal for the sale of the rubber plants on the part of the Government employees administering the bill would never flag. Failure of a Government employee to perform any act required by any provision of the Senate bill would have subjected him to a $10,000 fine or 2 years in jail, or both.

Under section 9 (b) of the bill certain plants can be disposed of forthwith. There is located at Louisville, Ky., a neoprene plant operated by the Du Pont Co. having a rated capacity of 60,000 tons and which cost the Government about $38,000,000. There is a Du Pont offer of 29 cents on the dollar waiting for an answer in a department downtown.

This bill is the bill of sale.

Section 9 (b) makes possible the sale of the Louisville plant to Du Pont, the present operator, the present holder of the know-how, the company on the ground and on the inside all ready to grab it at a fraction of the cost to the people of the United States.

But the conference report does have a saving grace. It is a public announcement of coming events. It is a warning to the Congress, to small-business men everywhere, to the Small Business Committee of both Houses, to the Attorney General, and to all the people, that eternal vigilance will be required if the resources of the United States owned by all of the people are to be saved for them and for their defense,

Again I say that the agreement embodied in this conference report is a victory for those who want to sell quickly. The rubber companies are in agreement too. This is not the first time the companies have agreed. Even as we consider this bill the rubber companies, eagerly waiting to gobble up the Government's rubber plants, stand charged with violations of the antitrust laws on the basis of having entered into other agreements during the war.

Unless the President and the Department of Justice, which is charged with the enforcement of the antitrust laws, are ever alert, the giant companies now charged will peel off the Government's rubber plants and dominate to an even greater extent (the big five and their three coconspirators now produce more than 90 percent of the tires and tubes manufactured in the United States) the entire rubber industry in this country.

I happen to believe in free enterprise, but to me free enterprise does not mean that the big five companies in the United States are free to gobble up all the enterprise in the United States and hold the smaller companies, the armed services, and the public at their mercy.

This conference report is bad, but I believe it is better than the Senate bill might have been. It is the best agreement that earnest and reasonable men could produce.

In that connection, House conferees were able to obtain a proviso to section 9 (a) under which the Government must continue to maintain a rated rubber production capacity of 665,000 long tons until a disposal program is formulated and the President recommends legislation and the Congress passes it. The present law expires tonight. This legislation is better than no legislation. The stage is set, but it postpones the time when the people are divested from their plants. Government eviction is plotted, but execution is stayed.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SECTION 112 (D) (2) PROCUREMENT OF SURPLUS AGRICULTURAL COMMODITIES WITH SPECIAL REFERENCE TO TOBACCO

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, I have asked for this time in order to discuss section 112 (d) (2). On yesterday the question was raised that this subsection presented administrative difficulties.

Section 112 (d) (2) implements subsection (1). It provides for "the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements." In the administration of this subsection, the Administrator will be guided by four considerations as follows:

First. Is procurement for a participating country on this basis practicable and applicable? If not, the section would not apply to procurements for such country.

Second. Is such commodity in excess of domestic requirements? This information is readily available from the Department of Agriculture.

Third. Have producers of any such surplus agricultural commodity relied in the past upon markets for such commodity in participating countries? This information is readily available from the Department of Agriculture.

Fourth. Can the approximate proportion that each class or type bears to the total surplus of such commodity be readily determined? Yes, the Department of Agriculture can supply this information.

The administration of subsection (2) should therefore cause no great difficulty as the basic information required would be readily available to the Administrator.

This subsection, in its relation to other provisions of section 112, has the approval of the State Department and the Department of Agriculture. Mr. Charles E. Gage, director of Tobacco Branch, P. M. A., Department of Agriculture, stated on March 19, 1948, that he thought the section "provides a guiding principle that can be applied effectively with respect to the utilization of private trade channels and the procurement of surplus agricultural commodities."

This subsection applies to the procurement of any surplus agricultural commodity for supply to participating countries. There are however few such commodities. Tobacco and certain dried fruits are in surplus supply.

In the case of tobacco, the major portion of surplus stocks are held by Commodity Credit Corporation for farmers under nonrecourse loans, under its price-support program. The surplus stocks of tobacco include flue-cured, fire-cured, burley, dark air-cured, and Wisconsin.

Since funds for the supply of commodities to participating countries will come from taxes, the burden of aid to European countries will fall on all taxpayers. The supply of commodities to European countries will be neither on a historical basis or as a commercial transaction. There is no historic basis for such aid and it is not intended to be commercial. This being so, all producers of agricultural commodities should share proportionately to their surplus in the supply of products to participating countries.

The language of this subsection is intended to give effect to this condition. It would enable the Administrator, insofar as the different types of tobacco are suitable for the requirements of participating countries, to liquidate surplus stocks of each type and class of tobacco in the supply of this product to participating countries. This would give each producing area equal consideration and at the same time probably save loss to the Commodity Credit Corporation in its price-support program, as applied to tobacco. This subsection was incorporated in the bill at the request of tobacco growers, tobacco warehousemen, and tobacco dealers.

As there are those who question the wisdom of including tobacco in the program, I desire to call attention to the following facts:

TOBACCO AND THE EUROPEAN RECOVERY PROGRAM IN GENERAL

It is generally agreed that increased production of food products and industrial goods is the primary requirement for the recovery of western and southern European countries. Increased food production is necessary to supplement imports and thereby decrease the dependence of European countries on other parts of the world, particularly the United States. Unless the people of Europe have adequate food they cannot do the work required in rebuilding the war-torn countries. Industrial goods are necessary for bodily comfort and to increase exports by which European countries can obtain exchange to pay for imports and thereby become self-supporting.

Long years of war in Europe have not only wrecked much of its industrial potentials but the hardships and privations suffered by its population have sapped their vigor and left many of them not only almost helpless but almost hopeless. Under these circumstances, incentives, as well as basic food and shelter, are necessary to improve the morale of the population and to stimulate their energy for the needed increase in production of farm commodities and industrial products.

Previous aid to Europe has been on an austerity basis and the results obtained were not commensurate with the cost. We should now make proper allowance to human nature and give the people of Europe some of the things they want most as well as the basic necessities of life.

(B) INCENTIVE VALUE OF TOBACCO

Money is regarded as the universal incentive and under normal conditions an offer of money, in sufficient sum, usually produces the desired stimulus to action. However, money will obtain the desired action only when it can be exchanged for basic necessities and for the things which make life worth the living. Consumer goods in many countries of Europe are so scarce and expensive that money has slight appeal to the population as they cannot exchange it for the things they desire most. Money, therefore, has slight incentive value. Under these circumstances other incentives are necessary, and tobacco is unexcelled for this purpose.

In his address at Atlanta, Ga., on January 22, 1948, the Secretary of State said:

> Tobacco comes within the category of incentive goods. As a practical matter, it has been found that the availability of tobacco is an effective stimulus to morale and productivity.

Testimony before the Senate Appropriations Committee showed that the Department of the Army recognizes the incentive value of tobacco as a spur to industrial production and in building and sustaining morale. The people of all nations want and need something more than bare necessities; something which adds a sense of home comfort and well being. Tobacco products, cigarettes, pipe and chewing tobacco, and cigars, supply this need. Mr. Edmund Cody Burnett, in the July issue of Agricultural History, makes this observation:

> I have mentioned coffee as one of the prime contributors to the more abundant life, but its yokemate in furtherance of the pursuit of happiness is tobacco. These two, I maintain, have done more to promote human fellowship and contentment than all the mechanical inventions of our age.

(C) REVENUE VALUE OF TOBACCO

Tobacco is a ready source of revenue to governments. Some countries derive most of their revenue from tobacco through customs duties, some from excise taxes, and others through government monopolies whose profits, from the manufacture and distribution of products, accrue largely to the treasuries of these countries.

For the period ended June 30, 1947, the Government of the United States obtained $1,264,157,478 from tobacco. This was distributed as follows:

Internal revenue (excise)	$1,237,768,000
Customs duties	26,389,478
Total	1,264,157,478

It should be noted that the total scheduled expenditure for the supply of tobacco from the United States to all countries for the 4 years and 3 months under the proposed European recovery program is less, by $350,000,000, than the revenue obtained from tobacco by our Government during the last fiscal year. The above revenue does not include income taxes from individuals and corporations engaged in the several phases of the tobacco industry. So far as I can find, there is no other commodity, raw or manufactured, from which this Government derives sufficient direct revenue to pay for the amount to be supplied under the European recovery program.

The countries to receive aid under the program are in need of increased governmental revenue. Their revenues can be increased greatly through receiving adequate supplies of tobacco. For the fiscal year 1947–48, it is estimated the Government of the United Kingdom derived from all duties on tobacco the sum of 525 million pounds sterling or more than $2,000,000,000 at the present rate of exchange. In 1946, the French Government's net profit from the tobacco monopoly was approximately 30,369,000,000 francs, equal to about $255,000,000 at the legal rate of exchange. The Government of Austria derived from tobacco about 34 percent of its total revenue in 1946 and during the same period tobacco supplied about 30 percent of the total revenue which accrued to the Government of Italy. Aside from its incentive value, an adequate supply of tobacco is important as a source of revenue to the countries which will receive aid under the European recovery program.

(D) EUROPEAN BLACK MARKET IN TOBACCO

The black market in many products flourishes in several European countries. The most widespread is the black market in cigarettes. This is so because of their shortage in many countries, and their barter value as well as their desirability for consumption.

A recent report from the Netherlands states that "the black market is doing a roaring trade in English and American cigarettes which are selling at about four guilders ($1.24) for 20 and are stocked by the hall porters of most big hotels. Cigarettes still seem to be the only item for which the Dutch are prepared to pay any price." The black market in cigarettes in Germany is notorious. Cherished household goods and other valuables are exchanged for cigarettes and the Germans are in that way being deprived of their assets by unscrupulous persons, some of whom are Americans.

The operation of black markets leads to misdemeanors and sometimes to actual crime. The Associated Press reported in the Washington Star of December 9, 1947, as follows:

> Two attempts to transport a total of 589 cartons of cigarettes from Massachusetts to Germany were thwarted by customs officials last week, United States Attorney William T. McCarthy reported last night.
>
> Mr. McCarthy said customs officials prevented an Army officer from transporting 110 cartons from Westover Field. The cigarettes, he added, would have brought $9,000 in the German black market.
>
> He said that 479 cartons were found in the possession of crew members of the American freighter *F. Marion Crawford*, loading wheat for the Army in Germany.

Life magazine, November 3, 1947, reported that children smugglers of coffee and cigarettes for the German black market were numerous. When caught "they are brought before a British-operated juvenile court which may sentence them to a special 'children's prison' for 28 days or to a detention school for 2 or 3 years."

The black market and illegal trade in cigarettes can be stamped out by an adequate supply of tobacco to several European countries.

(E) CURRENCY STABILIZATION VALUE OF TOBACCO

Currency stabilization is one of the pressing problems of many European countries. The shortage of consumer goods has caused prices to soar to levels out of line with the incomes of the population in many countries. This inflationary situation causes great hardships to the urban population with fixed wages and salaries but makes black market operations profitable to those engaged in this illegal trade.

It is well known that in many European countries cigarettes are more valuable than their currencies. Not because their currencies are worthless but because an individual can acquire food and other desirable articles more readily with cigarettes than with money. Travelers from Europe tell of services obtained and goods purchased with cigarettes where money could not obtain either the services or the goods. The Economist, London, of April 12, 1947, published an article on the "Tobacco standard" as a medium of exchange and as a basis for currency valuation. The article indicates that the cigarette was, at the end of the war, the most valuable medium of exchange in many European countries. This condition still exists in some countries.

The fantastic prices paid for cigarettes in many European countries, especially in the black market, indicates the need for adequate supplies of tobacco. Adequate supplies of tobacco products would drain off surplus cash from the population and this would tend to decrease the pressure on prices of other consumer goods and act as a brake on inflation.

So long as tobacco products, particularly cigarettes, have a trading value greater than their currencies, it will be difficult to stabilize the currency of any of these countries. An adequate supply of tobacco would remedy this particular difficulty.

POLITICAL VALUE OF TOBACCO

In Europe, the ideology of totalitarianism made great headway before the war and in fact was the cause of World War II. In some countries this ideology still exists, and is spreading in certain countries which have a democratic form of government.

The European recovery program is designed and intended not only to rebuild the economy of western Europe but to combat the extension of any ideology intended to enslave people through false propaganda. Aid to European countries on a purely subsistence basis will not frustrate the designs of those who would destroy all democracies. To achieve any marked political results, aid must supply some of the things people desire, as well as their basic needs. It is probably difficult for the people of any country to be truly thankful for aid supplied on the basis of austerity and to understand the value of democratic government when the democracies supply them with only the bare necessities which they might as easily obtain if they subscribed to any form of autocracy.

It appears desirable from the political viewpoint to include some of the things that will give the people of Europe what they most desire, as well as what they must have, to sustain life. Something that will give a sense of satisfaction, that will add comfort, and will soothe strained nerves and tired bodies. Tobacco products will provide one item of consumer goods that will give the people of Europe these things. Tobacco is something they want, and it will instill a desire to strive for the better things of life which can be obtained under freedom of initiative provided by democratic governments.

SUMMARY

To summarize, adequate supplies of tobacco to participating countries under the European recovery program will:

First. Provide an incentive for greater production on farms, in factories, and in mines.

Second. Improve the morale of the population.

Third. Provide revenue badly needed for internal purposes.

Fourth. Stamp out the black market in cigarettes and decrease crime. Inadequate supplies will perpetuate the black market.

Fifth. Assist in stabilizing the currencies of European countries and aid in reducing inflation.

Sixth. Aid in eliminating or retarding the spread of ideologies antagonistic to democracy and to world peace.

EXTENSION OF REMARKS

Mr. EBERHARTER (at the request of Mr. BUCHANAN) was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. GWINN of New York (at the request of Mr. JUDD) was given permission to extend his remarks in the RECORD.

EQUALIZATION OF OUR NATURALIZATION LAWS

Mr. JUDD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. Mr. Speaker, the following editorial, carried by the Milwaukee Journal for March 29, provides additional evidence of the need to equalize the application of American naturalization law. Such equalization, long overdue, will be provided by passage of the bill H. R. 5004 which I introduced some weeks ago. Hearings on this measure are to be held shortly.

END THIS DISQUALIFICATION

There is in this country a mother who had five sons in service. Every one volunteered. Every one was in combat. Every one was wounded and one was killed. The other four veterans have more than 30 individual decorations and medals among them.

Yet the mother of these five sons is not allowed to become an American citizen. In another instance, the mother of a soldier who won the Congressional Medal of Honor is not allowed to become a citizen.

Why? Because these mothers were born in Japan. If they had been born in China or India or the Philippines they could be naturalized, provided, of course, they qualified as all other applicants for citizenship must qualify.

About 33,000 Americans of Japanese descent fought side by side with other Americans. They stormed the heights of Cassino. They rescued the lost "Texas" battalion in the Vosges Mountains. As the late Gen. Joseph Stilwell said: "They bought an awful big hunk of America with their blood."

But their mothers and fathers, unless born in the United States, cannot become full Americans.

All of these persons have lived in this country at least 24 years, because the Japanese Exclusion Act was passed in 1924. Most have lived here longer. All told, there are about 88,000 Americans of oriental descent who are still not allowed to become citizens, no matter what they have contributed to the country or how loyal their lives have been.

American citizenship has been extended many times. In 1790, eligibility included only free white persons; in 1870, it was extended to persons of African nativity or descent; in 1900, to inhabitants of Hawaii; in 1917, to inhabitants of Puerto Rico; in 1924, to American Indians (big hearted of us, wasn't it?); in 1927, to inhabitants of the Virgin Islands; in 1940, to races indigenous to North or South America; in 1943, to Chinese; in 1946, to Filipinos and natives of India.

Let's finish the job in 1948. Immigration controls are one thing. Citizenship is another. All qualified permanent residents of the United States should be eligible for citizenship. It is the only consistent democratic policy.

EXTENSION OF REMARKS

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include a communication and enclosure received from four postal employees from Waterbury, Conn.

SPECIAL ORDER GRANTED

Mr. MERROW. Mr. Speaker, I ask unanimous consent that on tomorrow, Thursday, April 1, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

EXTENSION OF REMARKS

Mr. OWENS asked and was given permission to extend his remarks in the RECORD and include a letter received from a constituent.

SPECIAL ORDER GRANTED

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent that on tomorrow after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. PRICE of Florida asked and was given permission to extend his remarks in the RECORD.

The SPEAKER. Under previous order of the House, the Delegate from Alaska [Mr. BARTLETT] is recognized for 15 minutes.

ALASKA COMMUNICATIONS SYSTEM

Mr. BARTLETT. Mr. Speaker, the Signal Corps of the United States Army observed its eighty-fifth anniversary this month. It was in the year 1860 that Albert J. Myer, an assistant Army surgeon, developed a system of signaling with flags which became known as wig-wag. In that same year he was made first Chief Signal Officer of the Army and 3 years later by act of Congress the Signal Corps was established as a separate branch of the Army. At that time this branch of the service consisted of less than 100 officers and men. The present Weather Bureau evolved from the weather reporting system established by the Signal Corps in 1870.

Since 1900 the Signal Corps has been part and parcel of the Alaska scene. First known as the Washington-Alaska Military Cable and Telegraph System, and more familiarly as the WAMCATS, the agency is now designated as the Alaska Communication System. But whatever name it bears, it ranks high in the esteem of Alaskans and has played an important part in the development of the Territory. There civilian as well as military communication service is furnished by the Signal Corps. Nowhere, I venture to say, is there a closer community of interest than between the per-

sonnel of the ACS and the civilian residents of Alaska. There the military and civilian have lived in perfect harmony. It is interesting to note that at Point Barrow, Alaska, the Signal Corps established, in days long since passed, one of the first outlying stations of the weather reporting system. It is interesting also to recollect that Gen. Billy Mitchell, great Air Force general, served as a first lieutenant in the WAMCATS. Alaskans—and this description includes those of the ACS—are proud to note that the training received on the system stood the Nation in good stead in World War I and World War II. Experienced men from the system provided the foundation upon which the expanded signal organization of the wartime armies was built.

The Signal Corps actively participated in the construction of thousands of miles of new land lines in Alaska and Canada.

MILITARY GARRISONS

During the days of the gold rush in the Klondike, 1897 to 1900, and the resultant influx of people into Alaska, the United States Government found it necessary to establish military garrisons at various points to maintain law and order in the Territory. In order to furnish telegraphic communications between these garrisons and the military department of Alaska, with headquarters at St. Michael, Congress authorized in 1900 the construction of the necessary telegraph lines and cables for the purpose. It was stipulated in the basic act that this communication system would be available to handle commercial communications and communications for the general public. Construction of these lines was started in the summer of 1900 and completed in 1903 by the Signal Corps, United States Army.

A cable was laid in 1900 between St. Michael and Nome. In 1903 a cable was also laid between Juneau and Skagway which connected with Canadian telegraph lines at that point. The cable between St. Michael and Nome was not satisfactory, mainly because of frequent interruptions caused by heavy icing which severed the cable and carried it out to sea. The cable was therefore replaced by radio in 1903. This was the first point-to-point radio channel put into service on the American continent for commercial use.

In 1903 and 1904, Congress appropriated approximately $800,000 for the purchase and laying of cables, and in those same years cables were laid from Seattle to Sitka and Sitka to Valdez, with a connecting lag Sitka to Juneau.

During the next 20-year period, 1904 to 1924, all of the original cables wore out and in 1924 Congress appropriated $1,500,000 for new cable to replace the old. During the next few years, with the rapid development of radio, several of the old telegraph lines were replaced by radio. In 1930 high-power radio stations were established at Seattle, Ketchikan, and Anchorage, being finally placed into operation on November 1, 1931.

CABLE REPAIRED

In 1932 the Ketchikan-Seward cable was converted to simplex operation and continued to operate in such a manner until 1934 when it was abandoned. However, in 1941 when war was imminent, the cables were repaired and put back into use. In 1942 the Ketchikan and Seward cables were converted to duplex operation, which allowed messages to be sent both ways simultaneously on a single conductor cable. During the same year the Seattle-Ketchikan cable was also converted to duplex operation. On July 16, 1942, a two-channel multiplex installation between Seattle, Ketchikan and Anchorage was completed and put into operation. This installation permitted four messages to be sent simultaneously over a single conductor cable. In February 1943, multiplex machines were installed at Fort Richardson, headquarters of the Alaska Defense Command, which made possible direct transmission from Fort Richardson to Seattle.

During the early years of World War II, radiotelephone circuits to Alaska were reserved for military use. However, on July 17, 1944, the Seattle-Juneau, Seattle-Ketchikan and Juneau-Ketchikan circuits were opened to the public and commercial business was resumed. The Seattle-Anchorage radiotelephone circuit was opened to the public on October 15, 1944, extended to Whittier and Seward on November 25, 1944, and on to Fort Richardson on December 15, 1944. On May 14, 1945, the circuit was extended to Fairbanks and radiotelephone circuits were opened from Seattle to Adak on July 13, 1945, Seattle to Nome on July 24, 1945, and Seattle to Kodiak on May 9, 1946.

In March 1946 an improved service was made available at the major ACS stations in Alaska whereby local circuits could be provided to commercial customers on a lease basis, either in their entirety or to connect with the ACS commercial network facilities. Such special and fast service has been particularly helpful to the commercial air lines in their development of Alaska.

SHIP-TO-SHORE SERVICE

In 1946 coastal harbor radiotelephone service to ships at sea was initiated at Craig, Nome, Seward, Sitka, and Valdez. This was intended to provide for the demands for such service from fishing vessels operating in Alaskan waters, and will later provide a modern ship-to-shore telephone service to passenger vessels operating in the area.

In April of 1946, the Alaska Communications System was given the responsibility for the operation and maintenance of that portion of the Alcan Highway telephone line between the Canadian border and Fairbanks, Alaska, a distance of approximately 300 miles.

It should be observed that, with rising prices all around us and with demands from many communication agencies for increases in rates, the Alaska public was treated to the unusual situation of having their telephone and telegraph rates generally reduced approximately 20 percent a few months ago. It should be observed also that this particular organization, the Alaska Communications System, is one of the very few Government agencies that very definitely pays its own way. Money appropriated by Congress in support of this agency either comes back to the United States Treasury in actual cash or in direct savings to Federal Government agencies whose communications are carried free over the system. In addition, it provides the only field today where a highly technical branch of the military service is able to train on live communications. This one feature has a very high value which cannot easily be measured in dollars, but it paid off in a remarkable manner during the war just concluded, when ACS trained personnel furnished on short notice many highly trained signalmen to meet urgent military demands before the civilian communication specialists could be made available at remote locations in our worldwide effort.

ACS, like all other military organizations, has been seriously handicapped, due to the sudden demobilization of the military. ACS personnel dropped from 2,200 in 1943 to 650 in 1945—many of the latter practically untrained recruits. Nevertheless, communication men are returning to the system from all over the world, reenlistments are increasing, and the organization is gradually getting back on its feet. Prior to the war, ACS had the highest reenlistment rate of any organization in the United States Army. This is a sure sign of an outstanding military organization. It appears that ACS is fast resuming its position in this matter.

STATIONS OPERATED

The Alaska Communications System presently operates a total of 35 stations. One of these is in Seattle and the other 34 are located in the major towns and villages in Alaska. The headquarters of the system, together with the engineering and construction division, the detachment headquarters, which handles the flow of military personnel north and south through Seattle, as well as a sizable supply and maintenance set-up, all operate from Seattle. New projects and major rehabilitation projects for existing plant are planned, equipment obtained, tested and modified to meet the rigors of Alaska climatic conditions in Seattle, with installation teams then moving into the Alaska area during the workable summer months to carry out such projects. Since the ending of the war, it has been noted that ACS has been aggressively relocating and improving its installations, which will be of immediate benefit to the general Alaska public and of definite value to the military in the event of any emergency in the future.

One of the outstanding characteristics of the system is the intense pride and proven loyalty of the personnel belonging to the system. Many of the officers and men have been with the system for over 20 years. They know Alaska and the Alaskans, and the Alaskans know these men and women of ACS. This unique military organization is definitely considered a part of Alaska. It has been Alaska's means of communicating with the world in moments of disaster as well as moments of triumph. It was the ACS who in 1903 provided the first commercial radio service on the American Continent; it was an ACS man at the lonely Point Barrow station, well

within the Arctic Circle, who on August 15, 1935, found the bodies of Will Rogers and Wiley Post and brought that sad news to the world; the ACS provided the ground communication to the early day Russian and American pioneering air flights over the North Pole regions; this is the organization which on short notice provided a reliable and dependable communication system over a stretch of approximately 2,000 miles through the Aleutian Island chain in the tense days of 1941 and 1942 when it appeared that the Japs might use those islands as stepping stones to our west coast. Recently, and since the war, the ACS was the agency that kept contact with the *Dreamboat* flight all the way from Honolulu to Cairo; it was an ACS operator at Valdez who performed heroic service in connection with the fire which burned the hospital there during a wintry night and who then opened his radio station and sent for aid to the community; it was the ACS who rendered such valuable service to the Alaskan Air Command recently as to win a commendation from General Atkinson of that command for valuable assistance in the search and rescue efforts connected with the recent loss of one of our new B–29's in the wilds of the Alaska Peninsula. It is no wonder then that the Alaskans are proud of this particular Government agency, and that the men and women belonging to ACS are proud of their organization.

EFFICIENT DIRECTION

Under Maj. Gen. Spencer B. Akin, chief signal officer of the United States Army, the Alaska communication system is now, thanks to appropriations being made by this Congress, preparing to expand and extend its facilities to meet civilian as well as military needs.

Col. T. J. Tully, commanding officer of the Alaska communication system, has in my judgment done an outstanding job in a most difficult assignment. He is the fourteenth Army officer to command the system. Like his predecessors, Colonel Tully has won a firm place for himself in the esteem of Alaskans.

We in Alaska are proud of the Alaska communication system and its accomplishments. As a training ground for the Signal Corps and as the communication agency for all of the Territory, the ACS has discharged its responsibilities in a manner which reflects credit upon the entire Army.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the hour is late and the House has had a busy day, so the gentlewoman from Massachusetts will not take the time allotted to her.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. JACKSON of California, indefinitely, on account of attendance at Pan-American Conference at Bogota, Colombia, South America.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2393. An act to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China; to the Committee on Foreign Affairs.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5314. An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 718. An act for the relief of Clarence J. Wilson and Margaret J. Wilson;

H. R. 986. An act for the relief of Leslie H. Ashlock;

H. R. 1215. An act for relief of Kazue Oda Takahashi;

H. R. 1586. An act for relief of Mrs. Leslie Price, and others;

H. R. 2214. An act for relief of Dave Hougardy;

H. R. 2347. An act for relief on Mrs. Akiko Tsukado Miller;

H. R. 3061. An act for relief of Victor C. Kaminski;

H. R. 3118. An act for relief of Mrs. Susan W. Roe;

H. R. 3229. An act to exempt Hawaii and Alaska from trade statistics Act of 1902;

H. R. 4177. An act for relief of William L. Cunliffe;

H. R. 4478. An act to provide basic authority for certain administrative expenditures for the Veterans' Administration, and for other purposes;

H. R. 4938. An act to amend the Tariff Act of 1930 with reference to platinum foxes;

H. R. 4943. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the territory of the Republic of the Philippines;

H. R. 5049. An act to reopen the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws; and

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 10 minutes p. m.) the House adjourned until tomorrow, Thursday, April 1, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1427. A letter from the Postmaster General, transmitting a draft of a proposed bill for the relief of certain postal employees; to the Committee on the Judiciary.

1428. A letter from the Comptroller General of the United States, transmitting a report on the audit of the United States Maritime Commission and the War Shipping Administration for the fiscal years ended June 30, 1946, and June 30, 1947 (H. Doc. No. 585); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1429. A letter from the Attorney General, transmitting copies of the voluntary allocation plan for conservation of grain by the brewing industry; to the Committee on Banking and Currency.

1430. A letter from the Acting Archivist of the United States, transmitting lists or schedules covering records proposed for disposal by various Government agencies; to the Committee on House Administration.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCHANAN:

H. R. 6065. A bill to prescribe the procedures of investigating committees of the Congress and to protect the rights of parties under investigation by such committees; to the Committee on Rules.

By Mr. KILBURN:

H. R. 6066. A bill to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the founding of the city of Ogdensburg, N. Y.; to the Committee on Banking and Currency.

By Mr. MILLER of Nebraska:

H. R. 6067. A bill authorizing the execution of an amendatory repayment contract with the Northport irrigation district, and for other purposes; to the Committee on Public Lands.

By Mr. SIMPSON of Pennsylvania:

H. R. 6068. A bill to amend section 131 (c) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. COX:

H. R. 6069. A bill to provide a cost-of-living adjustment in the rates of compensation payable to veterans of World Wars I and II for service-connected total disability and to the widows and children of veterans of World War II for service-connected death; to the Committee on Veterans' Affairs.

By Mr. LODGE:

H. R. 6070. A bill increasing the immigration quotas for Italy; to the Committee on the Judiciary.

By Mr. MILLER of Nebraska:

H. R. 6071. A bill to provide for the treatment of sexual psychopaths in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. ANDREWS of New York:

H. R. 6072. A bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States; to the Committee on Armed Services.

By Mr. BARRETT:

H. R. 6073. A bill to provide for the acquisition of lands for grazing and related purposes; to the Committee on Public Lands.

By Mr. HARTLEY:

H. R. 6074. A bill to amend the Labor-Management Relations Act of 1947, being an act entitled "An act to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes"; to the Committee on Education and Labor.

By Mr. BEALL:

H. R. 6075. A bill to define the status of retired firemen; to the Committee on the District of Columbia.

By Mr. PRICE of Florida:

H. R. 6076. A bill to authorize a preliminary examination and survey of the Callahan area, Nassau County, Fla., for flood control, drainage, and related purposes; to the Committee on Public Works.

H. R. 6077. A bill to authorize a preliminary examination and survey to be made of Rice Creek and its tributaries in Putnam and adjacent counties, Florida, for flood control, drainage, and related purposes; to the Committee on Public Works.

By Mr. LEONARD W. HALL:

H. R. 6078. A bill to amend section 303 (e) of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. RAMEY:

H. R. 6079. A bill establishing a procedure by which the Administrator may assure veterans full educational and training opportunities commensurate with the tuition charges by educational and training institutions, and for other purposes; to the Committee on Veterans' Affairs.

By Mrs. BOLTON:

H. R. 6080. A bill to amend the Federal Food, Drug, and Cosmetic Act so as to prohibit the movement in interstate commerce of salt, in certain containers and of certain crystal sizes, not having a prescribed content of iodides; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCHANAN:

H. J. Res. 362. Joint resolution to provide for the exportation of arms, munitions, and implements of war from the United States to Palestine; to the Committee on Foreign Affairs.

By Mr. WELCH:

H. J. Res. 363. Joint resolution providing for the ratification by Congress of a contract for the purchase of certain lands and mineral deposits by the United States from the Choctaw and Chickasaw Nations of Indians; to the Committee on Public Lands.

By Mr. JACKSON of California:

H. Con. Res. 180. Concurrent resolution relating to the immediate establishment of armed forces under the Security Council of the United Nations for the maintenance of international peace and security; to the Committee on Foreign Affairs.

By Mr. HARNESS of Indiana:

H. Res. 517. Resolution providing for expenses of conducting studies and investigations authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Kentucky, memorializing the President and the Congress of the United States to pass a law providing Federal aid for equalizing educational opportunities among the several States; to the Committee on Education and Labor.

Also, memorial of the Legislature of the Commonwealth of Kentucky, memorializing the President and the Congress of the United States relative to Federal aid for an educational program; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLATNIK:

H. R. 6081. A bill for the relief of Alton Bramer; to the Committee on the Judiciary.

By Mr. DAWSON of Illinois:

H. R. 6082. A bill for the relief of Sadako Takagi; to the Committee on the Judiciary.

By Mr. EVINS:

H. R. 6083. A bill for the relief of Elizabeth Rowland; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 6084. A bill for the relief of Julia E. Vail; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1677. By Mr. BARTLETT: Petition of American Legion Post No. 2, of Valdez, Alaska, in support of legislation for universal military training; to the Committee on Armed Services.

1678. By Mr. BRADLEY: Petition of 61 residents of Long Beach, Calif., urging the abolition of the tax on yellow margarine; to the Committee on Agriculture.

1679. Also, petition of David A. McKillop and 60 other residents of Long Beach, Calif., urging the abolition of the tax on yellow margarine; to the Committee on Agriculture.

1680. Also, petition of T. D. Bonney and 120 other residents of Long Beach, Calif., urging the abolition of the tax on yellow margarine; to the Committee on Agriculture.

1681. Also, petition of 60 residents of Long Beach, Calif., urging the abolition of the tax on yellow margarine; to the Committee on Agriculture.

1682. Also, petition of Mrs. Maude H. Nelson and 60 other residents of Long Beach, Calif., urging the abolition of the tax on yellow margarine; to the Committee on Agriculture.

1683. By Mr. ELSTON: Petition of Hubert Ahaus and 18 other residents of Cincinnati, Ohio, and vicinity, urging passage of legislation to reduce postage for relief packages mailed to European countries; to the Committee on Post Office and Civil Service.

1684. Also, petition of James T. Lannon and 35 other residents of Norwood, Ohio, and vicinity, urging passage of legislation to reduce postage for relief packages mailed to European countries; to the Committee on Post Office and Civil Service.

1685. Also, petition of the Reverend Severin Lamping, O. F. M., and 18 others, of Cincinnati, Ohio, and vicinity, urging passage of legislation to reduce postage for relief packages mailed to European countries; to the Committee on Post Office and Civil Service.

1686. By Mr. FORAND: Petition of the Rhode Island Committee on European Recovery Program, signed by some 3,000 Rhode Island people, urging the Congress of the United States of America to cast a favorable vote on legislation designed, in the light of Secretary of State Marshall's proposal, to fulfill the needs of a sound European recovery program; to the Committee on Foreign Affairs.

1687. By Mr. HARLESS of Arizona: Memorial of the Arizona State Legislature, relative to an international boundary fence; to the Committee on Agriculture.

1688. Also, memorial of the Arizona State Legislature, relative to repealing the Federal transportation tax; to the Committee on Ways and Means.

1689. Also, memorial of the Arizona State Legislature, relative to universal military training; to the Committee on Armed Services.

1690. Also, memorial of the Arizona State Legislature, relative to investigation of the Drefkoff plan to rehabilitate the Navajo Indians; to the Committee on Public Lands.

1691. Also, memorial of the Arizona State Legislature, relative to the Marshall plan; to the Committee on Foreign Affairs.

1692. By Mr. KEARNEY: Petition containing 29 signatures, from James T. Bergen Post, No. 39, American Legion Auxiliary, Amsterdam, N. Y., advocating legislation establishing a system of universal military training; to the Committee on Armed Services.

1693. By Mr. MARTIN of Massachusetts: Petition of sundry citizens of Massachusetts, favoring enactment of the Economic Cooperation Act of 1948; to the Committee on Foreign Affairs.

1694. By Mr. MURDOCK: Memorial of the Senate of the Arizona State Legislature, requesting Congress to repeal the Federal transportation tax; to the Committee on Ways and Means.

1695. Also, house memorial of the State Legislature of Arizona, requesting the Congress to enact a universal military training law; to the Committee on Armed Services.

1696. Also, house concurrent memorial of the Legislature of Arizona, requesting critical investigation of the Drefkoff plan for industrialization of the Navajo Indian Reservation; to the Committee on Public Lands.

1697. By the SPEAKER: Petition of the Northern Baptist Convention, petitioning consideration of their resolution opposing universal military training; to the Committee on Armed Services.

1698. Also, petition of Ernes W. Cox and others, petitioning consideration of their resolution with reference to enactment of universal military training; to the Committee on Armed Services.

1699. Also, petition of Mrs. Maggie Goldsmith, Orlo Vista, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1700. Also, petition of Mrs. G. E. Knapp, Orlo Vista, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1701. Also, petition of R. E. Young, Miami, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1702. Also, petition of T. S. Kinney, Orlando, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1703. Also, petition of Mrs. Lizzie E. Beers, Cassadaga, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1704. Also, petition of Mrs. Jennie R. Morris, Winter Park, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1705. Also, petition of Hughes R. Hilliard (through acting warden's office, Atlanta, Ga.), petitioning consideration of his resolution with reference to a petition and a motion for a change of venue; to the Committee on the Judiciary.

1706. Also, petition of Central New England Council of B'nai B'rith, petitioning consideration of their resolution with reference to reversal of the United States with respect to the Palestine policy; to the Committee on Foreign Affairs.

1707. Also, petition of Helen L. Curtis and one other person, petitioning consideration of their resolution with reference to enactment of the Marshall plan; to the Committee on Foreign Affairs.

SENATE

THURSDAY, APRIL 1, 1948

(Legislative day of Monday, March 29, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Hear, O God, our Father, the earnest supplications of the Senators gathered for this sacred moment of prayer and deepen our feelings of unity and fellowship as we pray with them and for them.

Give us wisdom to see that no good life comes without right discipline.

Give us the grace to impose it upon ourselves, lest others do it for us.

Help us to discipline our speech, that we may seek clarity rather than cleverness and sincerity instead of sarcasm.

Help us to discipline our thinking and our actions, that in this place the world may see democracy at its best and us at our best for democracy and for Thee to use us.

In the name of Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 31, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE RECEIVED DURING RECESS

Under authority of the order of March 31, 1948,

The Secretary of the Senate received on March 31, 1948, the following message from the House of Representatives:

That the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes.

ENROLLED BILL SIGNED

That the Speaker had affixed his signature to the enrolled bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, and it was signed by the President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, with amendments in which it requested the concurrence of the Senate; that the House insisted upon its amendments to the bill, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. EATON, Mr. VORYS, Mr. MUNDT, Mr. BLOOM, and Mr. KEE were appointed managers on the part of the House at the conference.

EUROPEAN RECOVERY PROGRAM

The PRESIDING OFFICER (Mr. IVES in the chair) laid before the Senate the following amendments of the House of Representatives to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, together with a message from the House insisting upon its amendments and requesting a conference with the Senate thereon:

AMENDMENTS OF HOUSE

Strike out all after the enacting clause and insert "That this act may be cited as the 'Foreign Assistance Act of 1948.'

"TITLE I

"SEC. 101. This title may be cited as the 'Economic Cooperation Act of 1948.'

"FINDINGS AND DECLARATION OF POLICY

"SEC. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic and political conditions, stable international economic and political relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

"PURPOSES OF TITLE

"(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title, by—

"(1) promoting industrial and agricultural production in the participating countries;

"(2) furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances; and

"(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

"PARTICIPATING COUNTRIES

"SEC. 103. (a) As used in this title, the term 'participating country' means—

"(1) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

"(2) any other country (including Spain, any of the zones of occupation of Germany, any area under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

"provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

"(b) Until such time as the Free Territory of Trieste or either of its zones becomes eligible for assistance under this title as a participating country, assistance to the Free Territory of Trieste, or either of its zones, is hereby authorized under the Foreign Aid Act of 1947 until June 30, 1949, and the said Foreign Aid Act of 1947 is hereby amended accordingly, and not to exceed $20,000,000 out of funds authorized to be advanced by the Reconstruction Finance Corporation under subsection (a) of section 114 of this title may be utilized for the purposes of this subsection: *Provided*, That section 11 (b) of the Foreign Aid Act of 1947 shall not apply in respect of the Free Territory of Trieste or either of its zones: *And provided further*, That the provisions of section 115 (b) (6) of this title shall apply to local currency deposited pursuant to section 5 (b) of that act.

"ESTABLISHMENT OF ECONOMIC COOPERATION ADMINISTRATION

"SEC. 104. (a) There is hereby established, with its principal office in the District of Columbia, an agency of the Government which shall be known as the Economic Cooperation Administration, hereinafter referred to as the Administration. The Administration shall be headed by an Administrator for Economic Cooperation, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $20,000 per annum. The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department. Except as otherwise provided in this title, the administration of the provisions of this title is hereby vested in the Administrator and his functions shall be performed under the control of the President.

"(b) There shall be in the Administration a Deputy Administrator for Economic Cooperation who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $17,500 per annum. The Deputy Administrator for Economic Cooperation shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for Economic Cooperation during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

"(c) The President is authorized, pending the appointment and qualification of the first Administrator or Deputy Administrator for Economic Cooperation appointed hereunder, to provide, for a period of not to exceed 30 days after the date of enactment of this act, for the performance of the functions of the Administrator under this title through such departments, agencies, or establishments of the United States Government as he may direct. In the event the President nominates an Administrator or Deputy Administrator prior to the expiration of such 30-day period, the authority conferred upon the President by this subsection shall be extended beyond such 30-day period but only until an Administrator or Deputy Administrator qualifies and takes office.

"(d) (1) The Administrator, with the approval of the President, is hereby authorized and empowered to create a corporation with such powers as the Administrator may deem necessary or appropriate for the accomplishment of the purposes of this title.

"(2) If a corporation is created under this section—

"(i) it shall have the power to sue and be sued, to acquire, hold, and dispose of property, to use its revenues, to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid, and to exercise such other powers as may be necessary or appropriate to carry out the purposes of the corporation;

"(ii) its powers shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charter shall be valid only when similarly filed and published;

"(iii) it shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to act of Congress; and

"(iv) it shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of such act.

"(3) All capital stock of the corporation shall be of one class, be issued for cash only, and be subscribed for by the Administrator. Payment for such capital stock shall be made from funds available for the purposes of this title.

"(e) Any department, agency, or establishment of the Government (including, whenever used in this title, any corporation which is an instrumentality of the United States) performing functions under this title is authorized to employ, for duty within the continental limits of the United States, such personnel as may be necessary to carry out the provisions and purposes of this title, and funds available pursuant to section 114 of this title shall be available for personal services in the District of Columbia and elsewhere without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219). Of such personnel employed by the Administration, not to exceed 100 may be compensated without regard to the provisions of the Classification Act of 1923, as amended, of whom not more than 25 may be compensated at a rate in excess of $10,000 per annum, but not in excess of $15,000 per annum. Experts and consultants or organizations thereof, as authorized by section 15 of the act of August 2, 1946 (U. S. C., title 5, sec. 55a), may be employed by the Administration, and individuals so employed may be compensated at rates not in excess of $50 per diem and while away from their homes or regular places of business, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses while so employed.

"(f) The Administrator may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out his functions under this title, and he may delegate authority to perform any of such functions to his subordinates, acting under his direction and under rules and regulations promulgated by him.

"GENERAL FUNCTIONS OF ADMINISTRATOR

"SEC. 105. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this title—

"(1) review and appraise the requirements of participating countries for assistance under the terms of this title;

"(2) formulate programs of United States assistance under this title, including approval of specific projects which have been submitted to him by the participating countries;

"(3) provide for the efficient execution of any such programs as may be placed in operation; and

"(4) terminate provision of assistance or take other remedial action as provided in section 118 of this title.

"(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

"(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

"(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of review are not adjusted by consultation, the matter shall be referred to the President for final decision;

"(3) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State is inconsistent with the purposes and provisions of this title, he shall consult with the Secretary of State and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"NATIONAL ADVISORY COUNCIL

"SEC. 106. Section 4 (a) of the Bretton Woods Agreements Act (59 Stat. 512, 513) is hereby amended to read as follows:

"'SEC. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions, there is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the "Council"), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Export-Import Bank of Washington, and during such period as the Economic Cooperation Administration shall continue to exist, the Administrator for Economic Cooperation.'

"PUBLIC ADVISORY BOARD

"SEC. 107. (a) There is hereby created a Public Advisory Board, hereinafter referred to as the Board, which shall advise and consult with the Administrator with respect to general or basic policy matters arising in connection with the Administrator's discharge of his responsibilities. The Board shall consist of the Administrator, who shall be Chairman, and not to exceed 12 additional members to be appointed by the President, by and with the advice and consent of the Senate, and who shall be selected from among citizens of the United States of broad and varied experience in business, labor, agriculture, the professions, and in matters affecting the public interest, other than officers and employees of the United States (including any agency or instrumentality of the United States) who, as such, regularly receive compensation for current services. The Board shall meet at least one a month and at other times upon the call of the Administrator or when three or more members of the Board request the Administrator to call a meeting. Not more than a majority of two of the members shall be appointed to the Board from the same political party. Members of the Board, other than the Administrator, shall receive, out of funds made available for the purposes of this title, a per diem allowance of $50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the Board, or at conferences held upon the call of the Administrator, and in necessary travel, and while so engaged, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses.

"(b) The Administrator may appoint such other advisory committees as he may determine to be necessary or desirable to effectuate the purposes of this title.

"UNITED STATES SPECIAL REPRESENTATIVE ABROAD

"SEC. 108. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government to any organization of participating countries which may be established by such countries to further a joint program for European recovery, and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this title. He may also be designated as the United States representative on the Economic Commission for Europe. He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed

to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 105 of this title. He shall coordinate the activities of the chiefs of special missions provided for in section 109 of this title. He shall keep the Administrator, the Secretary of State, the chiefs of the United States diplomatic missions, the chairmen of the Senate Foreign Relations Committee, the House Foreign Affairs Committee, the Senate Appropriations Committee, and the House Appropriations Committee, and the chiefs of the special missions provided for in section 109 of this title currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this title.

"SPECIAL ECA MISSIONS ABROAD

"SEC. 109. (a) There shall be established for each participating country, except as provided in subsection (d) of this section, a special mission for economic cooperation under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this title. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country.

"(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States Special Representative in Europe. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

"(c) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Special Representative in Europe and his staff, and for the special mission in each participating country, as may be agreed between the Secretary of State and the Administrator.

"(d) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purposes of this title.

"PERSONNEL OUTSIDE UNITED STATES

"SEC. 110. (a) For the purpose of performing functions under this title outside the continental limits of the United States, the Administrator may—

"(1) employ persons who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), together with allowances and benefits established thereunder; and

"(2) recommend the appointment or assignment of persons, and the Secretary of State may appoint or assign such persons, to any class in the Foreign Service Reserve or Staff for the duration of operations under this title, and the Secretary of State may assign, transfer, or promote such persons upon the recommendation of the Administrator. Persons so appointed to the Foreign Service Staff shall be entitled to the benefits of section 528 of the Foreign Service Act of 1946.

"(b) For the purpose of performing functions under this title outside the continental limits of the United States, the Secretary of State may, at the request of the Administrator, appoint, for the duration of operations under this title, alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946 (60 Stat. 999).

"(c) No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title for a period to exceed 3 months unless such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator, or until the Secretary of State or the Administrator has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, on the basis of such report, he believes such individual is of unquestioned loyalty to the United States, its Constitution, laws, and form of government, and is not now and has never been a member of any organization advocating contrary views: *Provided, however*, That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be temporarily assigned to duties under this title for the period of 3 months from the date of its enactment. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

"NATURE AND METHOD OF ASSISTANCE

"SEC. 111. (a) The Administrator may, from time to time, furnish assistance to any participating country by providing for the performance of any of the functions set forth in paragraphs (1) through (6) of this subsection when he deems it to be in furtherance of the purposes of this title, and upon the terms and conditions set forth in this title and such additional terms and conditions consistent with the provisions of this title as he may determine to be necessary and proper.

"(1) Procurement from any source, including Government stocks on the same basis as procurement by Government agencies under Public Law 375 (79th Cong.) for their own use, of any commodity which he determines to be required for the furtherance of the purposes of this title. As used in this title, the term 'commodity' means any commodity, material, article, supply, or goods necessary for the purposes of this title.

"(2) Processing, storing, transporting, and repairing any commodities, or performing any other services with respect to a participating country which he determines to be required for accomplishing the purposes of this title. The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that at least 50 percent of the gross tonnage of commodities, procured within United States out of funds made available under this title and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

"(3) Procurement of and furnishing technical information and assistance.

"(4) Transfer of any commodity or service, which transfer shall be signified by delivery of the custody and right of possession and use of such commodity, or otherwise making available any such commodity, or by rendering a service to a participating country or to any agency or organization representing a participating country.

"(5) The allocation of commodities or services to specific projects designed to carry out the purposes of this title, which have been submitted to the Administrator by participating countries and have been approved by him.

"(b) In order to facilitate and maximize the use of private channels of trade, subject to adequate safeguards to assure that all expenditures in connection with such procurement are within approved programs in accordance with terms and conditions established by the Administrator, he may provide for the performance of any of the functions described in subsection (a) of this section—

"(1) by establishing accounts against which, under regulations prescribed by the Administrator—

"(i) letters of commitment may be issued in connection with supply programs approved by the Administrator (and such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due under the contracts to which they relate shall be assignable under the Assignment of Claims Act of 1940, and shall constitute obligations of applicable appropriations);

"(ii) withdrawals may be made by participating countries, or agencies or organizations representing participating countries, or by other persons or organizations, upon presentation of contracts, invoices, or other documentation specified by the Administrator under arrangements prescribed by the Administrator to assure the use of such withdrawals for purposes approved by the Administrator.

Such accounts may be established on the books of the Administration, or any other department, agency, or establishment of the Government specified by the Administrator, or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States under authority of this section may be accounted for exclusively on such certification as the Administrator may prescribe in regulations promulgated by him with the approval of the Comptroller General of the United States to assure expenditure in furtherance of the purposes of this title.

"(2) by utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment, or, in the President's discretion by acting in cooperation with the United Nations or with other international organizations or with agencies of the participating countries, and funds allocated pursuant to this section to any department, agency, or establishment of the Government shall be established in separate appropriation accounts on the books of the Treasury.

"(3) by making, under rules and regulations to be prescribed by the Administrator, guaranties to any person of investments in connection with projects approved by the Administrator and the participating country concerned as furthering the purposes of this title (including guaranties of investments in enterprises producing or distributing informational media: *Provided*, That the

amount of such guaranties in the first year after the date of the enactment of this act does not exceed $15,000,000), which guaranties shall terminate not later than 14 years from the date of enactment of this act: *Provided*, That—

"(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator and shall be limited to the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as income from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof: *Provided*, That, when any payment is made to any person under authority of this paragraph, such currencies, or credits in such currencies, shall become the property of the United States Government;

"(ii) the Administrator may charge a fee in an amount determined by him not exceeding 1 percent per annum of the amount of each guaranty, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this paragraph until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this paragraph.

"(iii) as used in this paragraph, the term 'person' means a citizen of the United States or any corporation, partnership, or other association created under the laws of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States.

The total amount of the guaranties made under this paragraph (3) shall not exceed $500,000,000, and as such guaranties are made the authority to realize funds from the sale of notes for the purpose of allocating funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section shall be accordingly reduced. Any payments made to discharge liabilities under guaranties issued under paragraph (3) of this subsection shall be paid out of fees collected under subparagraph (ii) of paragraph (3) of this subsection as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes issued under authority of paragraph (2) of subsection (c) of this section, which funds shall be obligated for this purpose at the time each such guaranty is made.

"(c) (1) The Administrator may provide assistance for any participating country, in the form and under the procedures authorized in subsections (a) and (b), respectively, of this section, through grants or upon payment in cash, or on credit terms, or on such other terms of payment as he may find appropriate, including payment by the transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the participating country) of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources. In determining whether such assistance shall be through grants or upon terms of payment, and in determining the terms of payment, he shall act in consultation with the National Advisory Council on International Monetary and Financial Problems, and the determination whether or not a participating country should be required to make payment for any assistance furnished to such country in furtherance of the purposes of this title, and the terms of such payment, if required, shall depend upon the character and purpose of the assistance and upon whether there is reasonable assurance of repayment considering the capacity of such country to make such payments without jeopardizing the accomplishment of the purposes of this title.

"(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. For the purpose of carrying out the provisions of this paragraph during the period of 1 year following the date of enactment of this act, and for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section the Administrator is authorized to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate $1,000,000,000. Such notes shall bear such rate of interest as may be determined by the Administrator with the approval of the Secretary of the Treasury. The Secretary of the Treasury is hereby authorized and directed to purchase any notes issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are hereby extended to include such purpose. Payment under this paragraph of the purchase price of such notes shall be treated as public-debt transactions of the United States. In allocating funds to the Export-Import Bank of Washington under this paragraph, the Administrator shall first utilize such funds realized from the sale of notes authorized by this paragraph as he determines to be available for this purpose, and when such funds are exhausted, or after the end of 1 year from the date of enactment of this act, whichever is earlier, he shall utilize any funds appropriated under this title. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any credits made under this paragraph shall be deposited into miscellaneous receipts of the Treasury: *Provided*, That, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes authorized under this paragraph shall be deposited into the Treasury for the purpose of the retirement of such notes.

"PROTECTION OF DOMESTEC ECONOMY

"SEC. 112. (a) The Administrator shall provide for the procurement in the United States of commodities under this title in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the fulfillment of vital needs of the people of the United States.

"(b) The procurement of petroleum and petroleum products under this title shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this title, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of alternate fuels or other sources of power is practicable.

"(c) In order to assure the conservation of domestic grain supplies and the retention in the United States of byproduct feeds necessary to the maintenance of the agricultural economy of the United States, the amounts of wheat and wheat flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States wheat used to produce the wheat flour procured in the United States for transfer by grant to such countries under this title shall not be less than 25 percent of the aggregate of the unprocessed wheat and wheat in the form of flour procured in the United States for transfer by grant to such countries under this title. The amounts of corn and derivatives except intoxicating liquors of corn produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States corn used to produce the derivatives except intoxicating liquors procured in the United States for transfer by grant to such countries under this title shall not be less than 50 percent of the aggregate of the unprocessed corn and corn derivatives except intoxicating liquors procured in the United States for transfer by grant to such countries under this title.

"(d) The term 'surplus agricultural commodity' as used in this section is defined as any agricultural commodity, or product thereof, canned foods produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. For the purposes of this act such term shall include any domestically produced fishery product (whether fish, shellfish, mollusk, or crustaceous) which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In providing for the procurement of any such surplus agricultural commodity for transfer by grant to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this title, give effect to the following:

"(1) The Administrator shall authorize the procurement of any such surplus agricultural commodity only within the United States: *Provided*, That this restriction shall not be applicable (i) to any agricultural commodity, or product thereof, located in one participating country, and intended for transfer to another participating country, if the Administrator, in consultation with the Secretary of Agriculture, determines that such procurement and transfer is in furtherance of the purposes of this title, and would not create a burdensome surplus in the United States or seriously prejudice the position of domestic producers of such surplus agricultural commodities, or (ii) if, and to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the participating countries under this title.

"(2) In providing for the procurement of any such surplus agricultural commodity, the Administrator shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, provide for the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements.

"(e) Whenever the Secretary of Agriculture determines that any quantity of any surplus agricultural commodity, heretofore or hereafter acquired by Commodity Credit Corporation in the administration of its price-support programs, is available for use

in furnishing assistance to foreign countries, he shall so advise all departments, agencies, and establishments of the Government administering laws providing for the furnishing of assistance or relief to foreign countries (including occupied or liberated countries or areas of such countries). Thereafter the department, agency, or establishment administering any such law shall, to the maximum extent practicable, consistent with the provisions and in furtherance of the purposes of such law, and where for transfer by grant and in accordance with the requirements of such foreign country, procure or provide for the procurement of such quantity of such surplus agricultural commodity. The sales price paid as reimbursement to Commodity Credit Corporation for any such surplus agricultural commodity shall be in such amount as Commodity Credit Corporation determines will fully reimburse it for the cost to it of such surplus agricultural commodity at the time and place such surplus agricultural commodity is delivered by it, but in no event shall the sales price be higher than the domestic market price at such time and place of delivery as determined by the Secretary of Agriculture, and the Secretary of Agriculture may pay not to exceed 50 percent of such sales price as authorized by subsection (f) of this section."

"(f) Subject to the provisions of this section, but notwithstanding any other provision of law, in order to encourage utilization of surplus agricultural commodities pursuant to this or any other act providing for assistance or relief to foreign countries, the Secretary of Agriculture, in carrying out the purposes of clause (1), section 32, Public Law 320, Seventy-fourth Congress, as amended, may make payments, including payments to any Government agency procuring or selling such surplus agricultural commodities, in an amount not to exceed 50 percent of the sales price (basis free along ship or free on board vessel, United States ports), as determined by the Secretary of Agriculture, of such surplus agricultural commodities. The rescission of the remainder of section 32 funds by the act of July 30, 1947 (Public Law 266, 80th Cong.), is hereby canceled and such funds are hereby made available for the purposes of section 32 for the fiscal year ending June 30, 1948.

"(g) No export shall be authorized pursuant to authority conferred by section 6 of the act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the Secretary of Commerce determines that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this title as determined by the Administrator: *Provided, however,* That such export may be authorized if the Secretary of Commerce determines that such export is otherwise in the national interest of the United States: *Provided further,* That the Administrator is directed to refuse delivery insofar as practicable to participating countries of commodities or products which go into the production of any commodity for delivery to any nonparticipating European country which commodities or products would be refused export licenses to those countries by the United States in the interest of its national security. Whenever the Administrator determines that it is in the national interest of the United States to prohibit the exporation of any commodity to any country wholly or partly in Europe which is not a participating country, the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, shall take such action as may be necessary to prohibit the exportation of such commodity to such country.

"(h) In providing for the performance of any of the functions described in subsection (a) of section 111, the Administrator shall, to the maximum extent consistent with the accomplishment of the purposes of this title, utilize private channels of trade.

"REIMBURSEMENT TO GOVERNMENT AGENCIES

"SEC. 113. (a) The Administrator shall make reimbursement or payment, out of funds available for the purposes of this title, for any commodity, service, or facility procured under section 111 of this title from any department, agency, or establishment of the Government. Such reimbursement or payment shall be made to the owning or disposal agency, as the case may be, at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to between the Administrator and such agency. The amount of any reimbursement or payment to an owning agency for commodities, services, or facilities so procured shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities or such services or facilities: *Provided,* That such commodities, services, or facilities may be procured from an owning agency only with the consent of such agency: *And provided further,* That where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that replacement of any commodity procured under authority of this section is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

"(b) The Administrator, whenever in his judgment the interests of the United States will best be served thereby, may dispose of any commodity procured out of funds made available for the purposes of this title, in lieu of transferring such commodity to a participating country, (1) by transfer of such commodity, upon reimbursement, to any department, agency, or establishment of the Government for use or disposal by such department, agency, or establishment as authorized by law, or (2) without regard to provisions of law relating to the disposal of Government-owned property, when necessary to prevent spoilage or wastage of such commodity or to conserve the usefulness thereof. Funds realized from such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such commodity.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 114. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (c) of this section, to make advances not to exceed in the aggregate $1,000,000,000 to carry out the provisions of this title, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest, for advances made by it hereunder, from funds made available for the purposes of this title.

"(b) Such part as the President may determine of the unobligated and unexpended balances of appropriations or other funds available for the purposes of the Foreign Aid Act of 1947 shall be available for the purpose of carrying out the purposes of this title.

"(c) In order to carry out the provisions of this title with respect to those participating countries which adhere to the purposes of this title, and remain eligible to receive assistance hereunder, such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952, to carry out the provisions and accomplish the purposes of this title: *Provided, however,* That for carrying out the provisions and accomplishing the purposes of this title for the period of 1 year following the date of enactment of this act, there are hereby authorized to be so appropriated not to exceed $4,300,000,000. Nothing in this title is intended nor shall it be construed as an express or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries. The authorization in this title is limited to the period of 12 months in order that subsequent Congresses may pass on any subsequent authorizations.

"(d) Funds made available for the purposes of this title shall be available for incurring and defraying all necessary expenses incident to carrying out the provisions of this title, including administrative expenses and expenses for compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this title, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds, as the Administrator shall specify in the interest of the accomplishment of the purposes of this title.

"(e) The unexpended portions of any deposits which may have been made by any participating country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, 80th Cong.) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.) may be merged with the deposits to be made by such participating country in accordance with section 115 (b) (6) of this title, and shall be held or used under the same terms and conditions as are provided in section 115 (b) (6) of this title.

"(f) In order to reserve some part of the surplus of the fiscal year 1948 for payments thereafter to be made under this title, there is hereby created on the books of the Treasury of the United States a trust fund to be known as the Foreign Economic Cooperation Trust Fund. Notwithstanding any other provision of law, an amount of $3,000,000,000, out of sums appropriated pursuant to the authorization contained in this title shall, when appropriated, be transferred immediately to the trust fund, and shall thereupon be considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures. The Secretary of the Treasury shall be the sole trustee of the trust fund and is authorized and directed to pay out of the fund such amounts as the Administrator shall duly requisition. The first expenditures made out of the appropriations authorized under this title in the fiscal year 1949 shall be made with funds requisitioned by the Administrator out of the trust fund until the fund is exhausted, at which time such fund shall cease to exist. The provisions of this subsection shall not be construed as affecting the application of any provisions of law which would otherwise govern the obligation of funds so appropriated or the auditing or submission of accounts of transactions with respect to such funds.

"BILATERAL AND MULTILATERAL UNDERTAKINGS

"SEC. 115. (a) The Secretary of State, after consultation with the Administrator, is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this title. The Secretary of State, before an Administrator

or Deputy Administrator shall have qualified and taken office, is authorized to negotiate and conclude such temporary agreements in implementation of subsection (b) of this section as he may deem necessary in furtherance of the purposes of this title: *Provided*, That when an Administrator or Deputy Administrator shall have qualified and taken office, the Secretary of State shall conclude the basic agreements required by subsection (b) of this section only after consultation with the Administrator or Deputy Administrator, as the case may be.

"(b) The provision of assistance under this title results from the multilateral pledges of the participating countries to use all their efforts to accomplish a joint recovery program based upon self-help and mutual cooperation as embodied in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, and is contingent upon continuous effort of the participating countries to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose. In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others, for—

"(1) promoting industrial and agricultural production in order to enable the participating country to become independent of extraordinary outside economic assistance; and submitting for the approval of the Administrator, upon his request and whenever he deems it in furtherance of the purposes of this title, specific projects proposed by such country to be undertaken in substantial part with assistance furnished under this title, which projects, whenever practicable, shall include projects for increased production of coal, steel, transportation facilities, and food;

"(2) taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system;

"(3) cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade among themselves and with other countries, and in removing progressively the obstacles to the free movement of persons within Europe among the participating countries;

"(4) making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country, including any commodities, facilities, or services furnished under this title, which use shall include, to the extent practicable, taking measures to locate and identify and put into active use, in furtherance of such program, assets, and earnings therefrom, which belong to the citizens of such country and which are situated within the United States, its Territories and possessions;

"(5) facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling or other purposes, for such period of time as may be agreed to and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country;

"(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis. Such special account, together with the unexpended portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, 80th Cong.) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.), shall be held as used within such country for such purposes as may be agreed to between such country and the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems, and the Public Advisory Board provided for in section 107 (a) for purposes of internal monetary and financial stabilization, for the stimulation of productive activity and the exploration for and development of new sources of wealth, or for such other expenditures as may be consistent with the purposes of this title, including local currency administrative expenditures of the United States incident to operations under this title, and under agreement that any unencumbered balance remaining in such account on June 30, 1952, shall be disposed of within such country for such purposes as may, subject to approval by act or joint resolution of the Congress, be agreed to between such country and the Government of the United States;

"(7) publishing in such country and transmitting to the United States, not less frequently than every calendar quarter after the date of the agreement, full statements of operations under the agreement, including a report of the use of funds, commodities, and services received under this title;

"(8) furnishing promptly, upon request of the United States, any relevant information which would be of assistance to the United States in determining the nature and scope of operations and the use of assistance provided under this title;

"(9) recognizing the principle of equity in respect to the drain upon the natural resources of the United States and of the recipient countries, by (a) providing for a future schedule of minimum availabilities to the United States for future purchase and delivery of a fair share of strategic materials at world market prices so as to protect the access of United States industry to an equitable share of such materials either in percentages of production or in absolute quantities from the territories and possessions of the participating countries, and (b) agreeing to negotiate suitable protection for the right of access for United States enterprise as defined in paragraph (iii) of subparagraph (3) of section 111 (b) in the development of such materials on terms of treatment equivalent to those afforded to the nationals of the country concerned, and (c) providing an agreed schedule of increased production of such materials where practicable in the territories or possessions of such participating countries and for delivery of an agreed percentage of such increased production in repayment on a long-term basis of grants or loans made by the Administrator to such countries;

"(10) submitting for the decision of the International Court of Justice or of any arbitral tribunal mutually agreed upon any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights, including contracts with or concessions from such country.

"(c) Nothwithstanding the provisions of subsection (b) of this section, the Administrator, during the 3 months after the date of enactment of this act, may perform with respect to any participating country any of the functions authorized under this title which he may determine to be essential in furtherance of the purposes of this title, if (1) such country has signified its adherence to the purposes of this title and its intention to conclude an agreement pursuant to subsection (b) of this section, and (2) he finds that such country is complying with the applicable provisions of subsection (b) of this section: *Provided*, That, notwithstanding the provisions of this subsection, the Administrator may, through June 30, 1948, provide for the transfer of food, medical supplies, fibers, fuel, petroleum, and petroleum products, fertilizer, pesticides, and seed to any country of Europe which participated in the Committee of European Economic Cooperation and which undertook pledges to the other participants therein, when the Administrator determines that the transfer of any such supplies to any such country is essential in order to make it possible to carry out the purposes of this title by alleviating conditions of hunger and cold and by preventing serious economic retrogression.

"(d) The Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to insure that each participating country makes efficient use of the resources of such country, including any commodities, facilities, or services furnished under this title, by observing and reviewing such use through an effective follow-up system approved by the joint organization.

"(e) The Administrator shall encourage arrangements among the participating countries looking toward the largest practicable utilization of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this title. Such utilization of manpower shall include integration into the various recovery programs of the participating countries of a fair share of displaced persons who are the responsibility of the International Refugee Organization, under reasonable terms to be established in cooperation with that organization, in number and under conditions negotiated by the Administrator with the respective participating countries. The Administrator will request the Secretary of State to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

"(f) It is the understanding of the Congress that, in accordance with agreements now in effect, prisoners of war remaining in participating countries shall, if they so freely elect, be repatriated prior to January 1, 1949.

"WESTERN HEMISPHERE COUNTRIES

"SEC. 116. The President shall take appropriate steps to encourage all countries in the Western Hemisphere to make available to participating countries such assistance as they may be able to furnish.

"OTHER DUTIES OF THE ADMINISTRATOR

"SEC. 117. (a) The Administrator, in furtherance of the purposes of section 115 (b) (5), and in agreement with a participating country, shall, whenever practicable, promote, by means of funds made available for the purposes of this title, an increase in the production in such participating country of materials which are required by the United States as a result of deficiencies or potential deficiencies in the resources within the United States.

"(b) The Administrator, in cooperation with the Secretary of Commerce, shall facilitate and encourage, through private and

public travel, transport, and other agencies, the promotion and development of travel by citizens of the United States to and within participating countries.

"(c) In order to further the efficient use of United States voluntary contributions for relief in participating countries receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones, funds made available for the purposes of this title shall be used by the Administrator, under rules and regulations prescribed by him, to pay port charges in the United States, including handling costs from the post office at the port terminal to ship side and ocean freight charges from a United States port to a designated foreign port of entry (1) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid for operations in Europe, or (2) of relief packages conforming to such specified size, weight, and contents, as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones where practicable. The Administrator is authorized and directed to make an agreement with such country for the use of a portion of the deposit of local currency placed in a special account pursuant to paragraph (6) of subsection (b) of section 115 of this title, for the purpose of defraying the transportation cost of such supplies and relief packages from the port of entry of such country to the designated shipping point of consignee. The Secretary of State, after consultation with the Administrator, shall make agreements where practicable with the participating countries for the free entry of such supplies and relief packages. The execution of such agreements by the participating countries shall be a condition precedent to the receipt of assistance under this title. The Administrator is authorized in his discretion to reimburse United States voluntary nonprofit relief agencies which are registered with and recommended by the Advisory Committee on Voluntary Foreign Aid for operations in Europe and which deliver relief packages from stock piles abroad, in the amount, or any portion of the amount, of the expense of furnishing the delivery service for such packages to stock piles abroad, and the Administrator may make an agreement with any participating country in which the voluntary relief agencies above described function for the use of a portion of the local currency deposit above described, for the purpose of defraying the cost of furnishing the delivery service for such relief packages from the port of entry in such country to the place of storage therein, and to the designated shipping point of the consignee therein.

"TERMINATION OF ASSISTANCE

"SEC. 118. The Administrator, in determining the form and measure of assistance provided under this title to any participating country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 115. The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 115, or is diverting from the purposes of this title assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this title or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States. Termination of assistance to any country under this section shall include the termination of deliveries of all supplies scheduled under the aid program for such country and not yet delivered.

"EXEMPTION FROM CONTRACT AND ACCOUNTING LAWS

"SEC. 119. When the President determines it to be in furtherance of the purposes of this title, the functions authorized under this title may be performed without regard to such provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

"EXEMPTION FROM CERTAIN FEDERAL LAWS RELATING TO EMPLOYMENT

"SEC. 120. Service of an individual as a member of the Public Advisory Board (other than the Administrator) created by section 107 (a), as a member of an advisory committee appointed pursuant to section 107 (b), as an expert or consultant under section 104 (e), shall not be considered as service or employment bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203), of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"UNITED NATIONS

"SEC. 121. (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this title, and may make payments, by advancements or reimbursements, for such purpose, out of funds made available for the purposes of this title, as may be necessary therefor, to the extent that special compensation is usually required for such services and facilities. Nothing in this title shall be construed to authorize the Administrator to delegate to or otherwise confer upon any international or foreign organization or agency any of his authority to decide the method of furnishing assistance under this title to any participating country or the amount thereof.

"(b) The President shall cause to be transmitted to the Secretary General of the United Nations copies of reports to Congress on the operations conducted under this title.

"(c) Any agreements concluded between the United States and participating countries, or groups of such countries, in implementation of the purposes of this title, shall be registered with the United Nations if such registration is required by the Charter of the United Nations.

"TERMINATION OF PROGRAM

"SEC. 122. (a) After June 30, 1952, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, which declares that the powers conferred on the Administrator by or pursuant to subsection (a) of section 111 of this title are no longer necessary for the accomplishment of the purposes of this title, whichever shall first occur, none of the functions authorized under such provisions may be exercised; except that during the twelve months following such date commodities and services with respect to which the Administrator had, prior to such date, authorized procurement for, shipment to, or delivery in a participating country, may be transferred to such country, and funds appropriated under authority of this title may be obligated during such twelve-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer, and shall remain available during such period for the necessary expenses of liquidating operations under this title.

"(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the twelve months following such date, the powers, duties, and authority of the Administrator under this title may be transferred to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, and personnel of the Administration may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

"REPORTS TO CONGRESS

"SEC. 123. The President from time to time, but not less frequently than once every calendar quarter through June 30, 1952, and once every year thereafter until all operations under this title have been completed, shall transmit to the Congress a report of operations under this title, including the text of bilateral and multilateral agreements entered into in carrying out the provisions of this title. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

"SEPARABILITY CLAUSE

"SEC. 124. If any provision of this act or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

"TITLE II

"SEC. 201. This title may be cited as the 'International Children's Emergency Fund Assistance Act of 1948.'

"SEC. 202. It is the purpose of this title to provide for the special care and feeding of children by authorizing additional moneys for the International Children's Emergency Fund of the United Nations.

"SEC. 203. The President is hereby authorized and directed any time after the date of the enactment of this act and before July 1, 1949, to make contributions (a) from sums appropriated to carry out the purposes of this title and (b) from funds made available pursuant to the proviso in the first paragraph of the first section of the joint resolution of May 31, 1947 (Public Law 84, 80th Cong.), as amended, to the International Children's Emergency Fund of the United Nations for the special care and feeding of children.

"SEC. 204. No contribution shall be made pursuant to this title or such joint resolution of May 31, 1947, which would cause the sum of (a) the aggregate amount contributed pursuant to this title and (b) the aggregate amount contributed by the United States pursuant to such joint resolution of May 31, 1947, to exceed whichever of the following sums is the lesser:

"(1) 50 percent of the total resources contributed after May 31, 1947, by all governments for programs carried out under the supervision of such fund; or

"(2) One hundred million dollars.

"SEC. 205. No contribution shall be made pursuant to this title or such joint resolution of May 31, 1947, unless, at the time of such contribution, governments other than the United States Government have provided for use in the world program for the special care and feeding of children under the supervision of the fund at least 20 per-

cent of the total resources contributed by governments for such use after May 31, 1947.

"SEC. 206. Funds made available pursuant to such joint resolution of May 31, 1947, shall remain available through June 30, 1949.

"SEC. 207. There is hereby authorized to be appropriated to carry out the purposes of this title for the fiscal year ending June 30, 1949, the sum of $60,000,000.

"TITLE III

"SEC. 301. This title may be cited as the 'Greek-Turkish-Chinese Assistance Act of 1948.'

"SEC. 302. Paragraph (2) of section 1 of the act entitled 'An act to provide assistance to Greece and Turkey' (61 Stat. 103), is hereby amended to read as follows:

"'(2) by detailing to the United States missions to Greece or Turkey or China under this act, or to the Governments of those countries in implementation of the purposes of this act, any persons in the employ of the Government of the United States; and while so detailed, any such persons shall be considered, for the purpose of preserving his rights and privileges as such, as an officer or employee of the Government of the United States and of the department or agency from which detailed. Traveling expenses of such personnel to and from the place of detail shall be paid by the Government of the United States. Such personnel, and personnel detailed pursuant to paragraph (3) of this section, may receive such station allowances or additional allowances as the President may prescribe; and payments of such allowances heretofore made are hereby validated. No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State under this act until such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State: *Provided, however,* That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be temporarily assigned to duties under this act for the period of 6 months from the date of the enactment of the Greek-Turkish-Chinese Assistance Act of 1948. The preceding sentence shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate;'.

"SEC. 303. Paragraph (3) of section 1 of the act entitled 'An act to provide assistance to Greece and Turkey' (61 Stat. 103) is hereby amended to read as follows:

"'(3) by detailing to the United States missions to Greece or Turkey or China under this act, or to the governments of those countries in implementation of the purposes of this act, a limited number of members of the military services of the United States to assist those countries, in an advisory capacity only; and the provisions of the act of May 19, 1926 (44 Stat. 565), as amended, applicable to personnel detailed pursuant to such act, as amended, shall, except as otherwise provided herein, be applicable to personnel detailed pursuant to this paragraph;'.

"SEC. 304. (a) Subsection (a) of section 4 of the act entitled 'An act to provide assistance to Greece and Turkey' (61 Stat. 103), is hereby amended by adding at the end thereof the following: 'The Reconstruction Finance Corporation is authorized and directed to make additional advances, not to exceed in the aggregate $50,000,000 to carry out the provisions of this act in such manner and in such amounts as the President shall determine. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose.'

"(b) Subsection (b) of section 4 of the act entitled 'An act to provide assistance to Greece and Turkey' (61 Stat. 103), is hereby amended by deleting '$400,000,000' and inserting in lieu thereof '$675,000,000' and by inserting after the word 'repaid' the following: 'without interest.'

"(c) There is hereby authorized to be appropriated to the President not to exceed $150,000,000 to carry out the provisions of the Act of May 22, 1947 (Public Law 75, Eightieth Congress), as amended, in relation to China.

"SEC. 305. The act entitled 'An act to provide assistance to Greece and Turkey' (61 Stat. 103), including the title thereof, is amended by inserting before the word 'Greece,' wherever appearing therein, the following: 'China,': *Provided, however,* That this section shall apply neither to the preamble of such act nor to the amendments to such act made by sections 302 and 303 of this title.

"TITLE IV

"SEC. 401. This title may be cited as the 'China Aid Act of 1948.'

"SEC. 402. Recognizing the intimate economic and other relationships between the United States and China, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in China endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. It is the sense of the Congress that the further evolution in China of principles of individual liberty, free institutions, and genuine independence rests largely upon the continuing development of a strong and democratic national government as the basis for the establishment of sound economic and political conditions and for stable international economic and political relationships. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to China, it is declared to be the policy of the people of the United States to encourage the Republic of China and its people to exert sustained common efforts which will speedily achieve the internal peace and economic stability in China which are essential for lasting peace and prosperity in the world. It is further declared to be the policy of the people of the United States to encourage the Republic of China in its efforts to maintain the genuine independence and the administrative integrity of China, and to sustain and strengthen principles of individual liberty and free institutions in China through a program of assistance based on self-help and cooperation: *Provided,* That no assistance to China herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that assistance provided by the United States under this title should at all times be dependent upon cooperation by the Republic of China and its people in furthering the program: *Provided further,* That assistance furnished under this title shall not be construed as an express or implied assumption by the United States of any responsibility for policies, acts, or undertakings of the Republic of China or for conditions which may prevail in China at any time.

"SEC. 403. In addition to the amount authorized by section 11 (a) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.), appropriations in the amount of $420,000,000 are hereby authorized for assistance to China under such act until June 30, 1949, and such act is hereby amended accordingly: *Provided,* That—

"(a) paragraphs (1), (2), and (3) of section 4, section 10, and section 11 (b) of the Foreign Aid Act of 1947 shall not apply with respect to China;

"(b) the agreement provided for by section 5 of the Foreign Aid Act of 1947 (1) shall, to the extent practicable, make appropriate provision for the matters covered by paragraphs (1), (2), (4), (5), (7), (8), (9), and (10) of subsection (b) of section 115 of title I; and (2) may contain such other undertakings by China as are necessary to improve commercial relations between China and the United States, consistent with the purposes of this title: *Provided,* That the provision for the disposal of any unencumbered balance of local currency deposits provided for in section 5 (b) of the Foreign Aid Act of 1947 shall not be effective with respect to China until September 30, 1949;

"(c) the authority to procure or provide for the procurement of commodities for China shall include authority to procure or provide for the procurement of such other commodities and services in addition to those specified in section 3 (a) of the Foreign Aid Act of 1947 and for the furnishing of technical assistance as the President deems necessary for the accomplishment of the purposes of this title;

"(d) without regard to the provisions of section 5 of the Foreign Aid Act of 1947, assistance under such act may be provided for China during the 3 months following the date of enactment of this act when the President determines it to be essential in furtherance of the purposes of this title;

"(e) the provisions of sections 104, 105, 107, 110, 111 (c) (1), 112, 113, 117, 119, and 121 of the Economic Cooperation Act of 1948 shall be applicable to the furnishing of assistance for China under the Foreign Aid Act of 1947 in the same manner and to the same extent as such provisions are applicable to the furnishing of assistance to participating countries under the Economic Cooperation Act of 1948;

"(f) when it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator for Economic Cooperation shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. The bank shall deposit into the Treasury of the United States as miscellaneous receipts, amounts received by the bank in repayment of principal and interest on any such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended;

"(g) notwithstanding the appropriation made by the Third Supplemental Appropriation Act, 1948, for foreign aid, the provisions of section 11 (d) of the Foreign Aid Act of 1947 shall be applicable for carrying out the provisions of this act;

"(h) not less than 5 percent nor more than 10 percent of the funds made available for the purposes of this title shall be used to carry out the purposes of section 404.

"SEC. 404. The Secretary of State, after consultation with the Administrator, is hereby authorized to conclude an agreement with China establishing a Joint Commission on Rural Reconstruction in China, to be composed of two citizens of the United States appointed by the President of the United States and three citizens of China appointed by the President of China. Such Commission shall, subject to the direction and control of the Administrator, formulate and carry out a program for reconstruction in rural areas of China, which shall include

such research and training activities as may be necessary or appropriate for such reconstruction: *Provided*, That assistance furnished under this section shall not be construed as an express or implied assumption by the United States of any responsibility for making any further contributions to carry out the purposes of this section.

"SEC. 405. There shall be established in China a special mission under the direction of a chief who shall be responsible for assuring the performance within China of operations under this title, and who shall take rank immediately after the chief of the United States diplomatic mission in China.

"The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. He shall keep the chief of the United States diplomatic mission in China fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission; and the chief of the diplomatic mission in China shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the special mission shall also keep the Administrator, the Secretary of State, the chairmen of the Senate Foreign Relations Committee, the House Foreign Affairs Committee, the Senate Appropriations Committee, and the House Appropriations Committee currently informed concerning his activities. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign policy objectives of the United States in China and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign policy objectives, he shall so advise the chief of the special mission. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision."

Amend the title so as to read: "An act to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States."

Mr. VANDENBERG. Mr. President, I move that the Senate agree to the amendment of the House to the text of the bill with an amendment in the nature of a substitute; that it disagree to the amendment of the House to the title; that it agrees to the conference asked by the House; that it insist upon its amendment, ask a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. VANDENBERG, Mr. CAPPER, Mr. WILEY, Mr. CONNALLY, and Mr. GEORGE conferees on the part of the Senate.

The amendment proposed by Mr. VANDENBERG in the nature of a substitute is as follows:

In lieu of the matter inserted by the House amendment, insert the following:

"TITLE I

"SEC. 101. That this title may be cited as 'The Economic Cooperation Act of 1948.'

"FINDINGS AND DECLARATION OF POLICY

"SEC. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is the hope of the people of the United States that these countries through a joint organization will exert sustained common efforts which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity. Accordingly, it is declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times be dependent upon continuity of cooperation among countries participating in the program.

"PURPOSES OF TITLE

"(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title, by—

"(1) promoting industrial and agricultural production in the participating countries;

"(2) furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances; and

"(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

"PARTICIPATING COUNTRIES

"SEC. 103. As used in this title, the term 'participating country' means—

"(a) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

"(b) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purpose of this title.

"ESTABLISHMENT OF ECONOMIC COOPERATION ADMINISTRATION

"SEC. 104. (a) There is hereby established, with its principal office in the District of Columbia, an agency of the Government which shall be known as the Economic Cooperation Administration, hereinafter referred to as the Administration. The Administration shall be headed by an Administrator for Economic Cooperation, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $20,000 per annum. The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department. Except as otherwise provided in this act, the administration of the provisions of this title is hereby vested in the Administrator and his functions shall be performed under the control of the President.

"(b) There shall be in the Administration a Deputy Administrator for Economic Cooperation who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $17,500 per annum. The Deputy Administrator for Economic Cooperation shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for Economic Cooperation during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

"(c) The President is authorized, pending the appointment and qualification of the first Administrator or Deputy Administrator for Economic Cooperation appointed hereunder, to provide, for a period of not to exceed 30 days after the date of enactment of this title, for the performance of the functions of the Administrator under this title through such departments, agencies, or establishments of the United States Government as he may direct. In the event the President nominates an Administrator or Deputy Administrator prior to the expiration of such 30-day period, the authority conferred upon the President by this subsection shall be extended beyond such 30-day period but only until an Administrator or Deputy Administrator qualifies and takes office.

"(d) Any department, agency, or establishment of the Government (including, whenever used in this title, any corporation which is an instrumentality of the United States) performing functions under this title is authorized to employ, for duty within the continental limits of the United States, such personnel as may be necessary to carry out the provisions and purposes of this title, and funds available pursuant to section 14 of this title shall be available for personal services in the District of Columbia and elsewhere without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219). Of such personnel employed by the Administration, not to exceed 60 may be compensated without regard to the provisions of the Classification Act of 1923, as amended, of whom not more than 10 may be compensated at a rate in excess of $10,000 per annum, but not in excess of $15,000 per annum. Experts and consultants or organizations thereof, as authorized by section 15 of the act of August 2, 1946 (U. S. C., title 5, sec. 55a), may be employed by the Administration, and individuals so employed may be compensated at rates not in excess of $50 per diem and while away from their homes or regular places of business, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of sub-

sistence and other expenses while so employed.

"(e) The head of any department, agency, or establishment of the Government performing functions under this title may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out his functions under this title, and he may delegate authority to perform any of such functions to his subordinates, acting under his direction and under rules and regulations promulgated by him.

"GENERAL FUNCTIONS OF ADMINISTRATOR

"SEC. 105. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this title—

"(1) review and appraise the requirements of participating countries for assistance under the terms of this title;

"(2) formulate programs of United States assistance under this title, including approval of specific projects which have been submitted to him by the participating countries;

"(3) provide for the efficient execution of any such programs as may be placed in operation; and

"(4) terminate provision of assistance or take other remedial action as provided in section 17 of this title.

"(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

"(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

"(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer is inconsistent with the purposes and provisions of this title, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"NATIONAL ADVISORY COUNCIL

"SEC. 106. Section 4 (a) of the Bretton Woods Agreement Act (59 Stat. 512, 513) is hereby amended to read as follows:

"'SEC. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial exchange or monetary transactions, there is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the "Council"), consisting of the Secretary of Treasury as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Trustees of the Export-Import Bank of Washington, and during such period as the Economic Cooperation Administration shall continue to exist, the Administrator for Economic Cooperation.'

"PUBLIC ADVISORY BOARD

"SEC. 107. (a) There is hereby created a Public Advisory Board, hereinafter referred to as the Board, which shall advise and consult with the Administrator with respect to general or basic policy matters arising in connection with the Administrator's discharge of his responsibilities. The Board shall consist of the Administrator, who shall be Chairman, and not to exceed 12 additional members to be appointed by the President, by and with the advice and consent of the Senate, and who shall be selected from among citizens of the United States of broad and varied experience in matters affecting the public interest, other than officers and employees of the United States (including any agency or instrumentality of the United States) who, as such, regularly receive compensation for current services. The Board shall meet at least once a month and at other times upon the call of the Administrator or when three or more members of the Board request the Administrator to call a meeting. Not more than a majority of two of the members shall be appointed to the Board from the same political party. Members of the Board, other than the Administrator, shall receive, out of funds made available for the purposes of this act, a per diem allowance of $50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the Board, or at conferences held upon the call of the Administrator, and in necessary travel, and while so engaged, they may be paid actual traveling expenses and not to exceed $10 per diem in lieu of subsistence and other expenses.

"(b) The Administrator may appoint such other advisory committees as he may determine to be necessary or desirable to effectuate the purposes of this title.

"UNITED STATES SPECIAL REPRESENTATIVE ABROAD

"SEC. 108. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government to any organization of participating countries which may be established by such countries to further a joint program for European recovery, and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this act. He may also be designated as the United States representative on the Economic Commission for Europe. He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 105 of this title. He shall coordinate the activities of the Chiefs of Special Missions provided for in section 109 of this title. He shall keep the Administrator, the Secretary of State, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for in section 109 of this title currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this act.

"SPECIAL ECA MISSIONS ABROAD

"SEC. 109. (a) There shall be established in each participating country, except as provided in subsection (d) of this section, a special mission for economic cooperation under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this title. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country.

"(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States special representative in Europe. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

"(c) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Special Representative in Europe and his staff, and for the special mission in each participating country, as may be agreed between the Secretary of State and the Administrator.

"(d) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purposes of this title.

"PERSONNEL OUTSIDE UNITED STATES

"SEC. 110. (a) For the purpose of performing functions under this title outside the continental limits of the United States the Administrator may—

"(1) employ persons who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), together with allowances and benefits established thereunder; and

"(2) recommend the appointment or assignment of persons, and the Secretary of State may appoint or assign such persons, to any class in the Foreign Service Reserve or Staff for the duration of operations under this act, and the Secretary of State may thereafter assign, transfer, or promote such persons upon the recommendation of the Administrator. Persons so appointed to the Foreign Service Staff shall be entitled to the benefits of section 528 of the Foreign Service Act of 1946.

"(b) For the purpose of performing functions under this act outside the continental limits of the United States, the Secretary of State may, at the request of the Administrator, appoint, for the duration of operations under this title, alien clerks and employees in accordance with applicable provisions of

the Foreign Service Act of 1946 (60 Stat. 999).

"(c) Civilian personnel who are citizens or residents of the United States employed or appointed pursuant to this section to perform functions under this title shall be investigated by the Federal Bureau of Investigation which shall make a report thereof to the appointing authority as soon as possible. *Provided, however,* That they may temporarily assume their posts and perform their functions after preliminary investigation and clearance by the Administrator or the Secretary of State, as the case may be, but such employment may be terminated after the receipt of the report of the Federal Bureau of Investigation.

"NATURE AND METHOD OF ASSISTANCE

"SEC. 111. (a) The Administrator may, from time to time, furnish assistance to any participating country by providing for the performance of any of the functions set forth in paragraphs (1) through (6) of this subsection when he deems it to be in furtherance of the purposes of this title, and upon the terms and conditions set forth in this title and such additional terms and conditions consistent with the provisions of this title as he may determine to be necessary and proper.

"(1) Procurement from any source, including Government stocks, of any commodity which he determines to be required for the furtherance of the purposes of this title. As used in this title, the term 'commodity' means any commodity, material, article, supply, or goods necessary for the purposes of this title.

"(2) Processing, storing, transporting, and repairing any commodities, or performing any other services with respect to a participating country which he determines to be required for accomplishing the purposes of this title.

"The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that at least 50 percent of the gross tonnage of commodities, procured within the United States out of funds made available under this act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

"(3) Procurement of and furnishing technical information and assistance.

"(4) Transfer of any commodity or service, which transfer shall be signified by delivery of the custody and right of possession and use of such commodity, or otherwise making available any such commodity, or by rendering a service to a participating country or to any agency or organization representing a participating country.

"(5) The allocation of commodities or services to specific projects designed to carry out the purposes of this title, which have been submitted to the Administrator by participating countries and have been approved by him.

"(b) The Administrator may provide for the performance of any of the functions described in subsection (a) of this section—

"(1) by establishing accounts against which, under regulations prescribed by the Administrator—

"(i) letters of commitment may be issued in connection with supply programs approved by the Administrator (and such letters of commitment, when issued, shall constitute obligations of applicable appropriations); and

"(ii) withdrawals may be made by participating countries, or agencies or organizations representing participating countries, upon presentation of contracts, invoices, or other documentation specified by the Administrator.

Such accounts may be established on the books of the Administration, or any other department, agency, or establishment of the Government specified by the Administrator, or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds: *Provided,* That such expenditures for commodities or services procured outside the continental limits of the United States under authority of this section may be accounted for exclusively on such certification as the Administrator may prescribe to assure expenditure in furtherance of the purposes of this title, and such certification shall be binding on the accounting officers of the Government.

"(2) by utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment, or, in the President's discretion, by acting in cooperation with the United Nations or with other international organizations or with agencies of the participating countries, and funds allocated pursuant to this section to any department, agency, or establishment of the Government shall be established in separate appropriation accounts on the books of the Treasury.

"(3) by making, under rules and regulations to be prescribed by the Administrator, guaranties to any person of investments in connection with projects approved by the Administrator and the participating country concerned as furthering the purposes of this title, which guaranties shall terminate not later than 14 years from the date of enactment of this title: *Provided,* That—

"(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator and shall be limited to the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as income from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

"(ii) the total liabilities assumed under such guaranties shall not exceed 5 percent of the total funds appropriated for the purposes of this title and any liabilities accruing under such guaranties shall be defrayed within the limits of funds so appropriated; and

"(iii) as used in this paragraph, the term 'person' means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States.

"(4) (i) By making, under rules and regulations prescribed by the Administrator, guaranties to any person or government in the Western Hemisphere with respect to credits any such person or government may grant for commodities and services to be transferred, with the approval of the Administrator, to a participating country: *Provided,* That guaranties to governments in the Western Hemisphere shall not exceed 70 percent of the credits so extended by any such government: *And provided further,* That the Administrator determines that the use of this method of guaranteeing credits, as opposed to this method of direct procurement and delivery to participating countries, will not substantially prejudice the extension or validity of credits or loans by other governments, by the International Bank for Reconstruction and Development, or by private persons, where such credits or loans have been, or in the future might be, prudently made without such guaranty, considering the capacity of the several participating countries to repay. In determining whether to provide for the procurement of commodities and services outside the continental limits of the United States, the Administrator shall take into account whether the government of the country in which commodities or services are available for transfer fails to extend such credits or to arrange such prices, terms, and conditions as the Administrator considers equitable and prudent in connection with such transfers. In connection with such guaranties, the Administrator, on terms and conditions prescribed by him, may agree to advance dollars on account of such guaranties at the time such exports are made, or at any time not more than 10 years after the making of such agreement.

"(ii) As used in this paragraph, the term 'person' means a citizen of any Western Hemisphere country, or any corporation, partnership, or other association created under the law of any such country or under any political subdivision thereof, and substantially owned by citizens of Western Hemisphere countries.

"(c) (1) The Administrator may provide assistance for any participating country, in the form and under the procedures authorized in subsections (a) and (b), respectively, of this section, through grants or upon payment in cash, or on credit terms, or on such other terms of payment as he may find appropriate, including payment by the transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the participating country) of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources. In determining whether such assistance shall be through grants or upon terms of payment, and in determining the terms of payment, he shall act in consultation with the National Advisory Council on International Monetary and Financial Problems, and the determination whether or not a participating country should be required to make payment for any assistance furnished to such country in furtherance of the purposes of this title, and the terms of such payment, if required, shall depend upon the character and purpose of the assistance and upon the capacity of such country to make such payments without jeopardizing the accomplishment of the purposes of this title.

"(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit as directed, and on terms specified, by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. The bank shall deposit into the Treasury of the United States, as miscellaneous receipts, amounts received by the bank in repayment of principal and interest on any such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended.

"PROTECTION OF DOMESTIC ECONOMY

"SEC. 112. (a) The Administrator shall provide for the procurement in the United States of commodities under this title in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing

the fulfillment of vital needs of the people of the United States.

"(b) The procurement of petroleum and petroleum products under this title shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this act, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of alternate fuels or other sources of power is practicable.

"(c) In order to assure the conservation of domestic grain supplies and the retention in the United States of byproduct feeds necessary to the maintenance of the agricultural economy of the United States, the amounts of wheat and wheat flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of wheat used to produce the wheat flour transferred to such countries under this title shall not be less than 25 percent of the aggregate of the unprocessed wheat and wheat in the form of flour transferred to such countries under this title.

"(d) The term 'surplus agricultural commodity' as used in this section is defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In providing for the procurement of any such surplus agricultural commodity for transfer by grant to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this title, give effect to the following:

"(1) The Administrator shall authorize the procurement of any such surplus agricultural commodity only within the United States: *Provided,* That this restriction shall not be applicable (i) to any agricultural commodity, or product thereof, located in one participating country, and intended for transfer to another participating country, if the Administrator, in consultation with the Secretary of Agriculture, determines that such procurement and transfer is in furtherance of the purposes of this title, and would not create a burdensome surplus in the United States or seriously prejudice the position of domestic producers of such surplus agricultural commodities, or (ii) if, and to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the participating countries under this title.

"(2) In providing for the procurement of any such surplus agricultural commodity, the Administrator shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, provide for the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements.

"(e) Whenever the Secretary of Agriculture determines that any quantity of any surplus agricultural commodity, heretofore or hereafter acquired by Commodity Credit Corporation in the administration of its price-support programs, is available for use in furnishing assistance to foreign countries, he shall so advise all departments, agencies, and establishments of the Government administering laws providing for the furnishing of assistance or relief to foreign countries (including occupied or liberated countries or areas of such countries). Thereafter the department, agency, or establishment administering any such law shall, to the maximum extent practicable, consistent with the provisions and in furtherance of the purposes of such law, and where for transfer by grant and in accordance with the requirements of such foreign country, procure or provide for the procurement of such quantity of such surplus agricultural commodity. The sales price paid as reimbursement to Commodity Credit Corporation for any such surplus agricultural commodity shall be in such amount as Commodity Credit Corporation determines will fully reimburse it for the cost to it of such surplus agricultural commodity at the time and place such surplus agricultural commodity is delivered by it, but in no event shall the sales price be higher than the domestic market price at such time and place of delivery as determined by the Secretary of Agriculture, and the Secretary of Agriculture may pay not to exceed 50 percent of such sales price as authorized by subsection (e) of this section.

"(f) Subject to the provisions of this section, but notwithstanding any other provision of law, in order to encourage utilization of surplus agricultural commodities pursuant to this or any other act providing for assistance or relief to foreign countries, the Secretary of Agriculture, in carrying out the purposes of clause (1), section 32, Public Law 320, Seventy-fourth Congress, as amended, may make payments, including payments to any government agency procuring or selling such surplus agricultural commodities, in an amount not to exceed 50 percent of the sales price (basis free along ship or free on board vessel, United States ports), as determined by the Secretary of Agriculture, of such surplus agricultural commodities. The recission of the remainder of section 32 funds by the act of July 30, 1947 (Public Law 266, 80th Cong.), is hereby canceled and such funds are hereby made available for the purposes of section 32 for the fiscal year ending June 30, 1948.

"(g) No export shall be authorized pursuant to authority conferred by section 6 of the act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the Secretary of Commerce determined that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this title as determined by the Administrator: *Provided, however,* That such export may be authorized if the Secretary of Commerce determines that such export is otherwise in the national interest of the United States.

"(h) In providing for the performance of any of the functions described in subsection (a) of section 111, the Administrator shall, to the maximum extent consistent with the accomplishment of the purposes of this title, utilize private channels of trade.

"REIMBURSEMENT TO GOVERNMENT AGENCIES

"SEC. 113. (a) The Administrator shall make reimbursement or payment, out of funds available for the purposes of this title, for any commodity, service, or facility procured under section 111 of this title from any department, agency, or establishment of the Government. Such reimbursement or payment shall be made to the owning or disposal agency, as the case may be, at replacement cost, or, if required by law at actual cost, or at any other price authorized by law and agreed to between the Administrator and such agency. The amount of any reimbursement or payment to an owning agency for commodities, services, or facilities so procured shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities or such services or facilities: *Provided,* That such commodities, services, or facilities may be procured from an owning agency only with the consent of such agency: *And provided further,* That where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that replacement of any commodity procured under authority of this section is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

"(b) The Administrator, whenever in his judgment the interests of the United States will best be served thereby, may dispose of any commodity procured out of funds made available for the purposes of this title, in lieu of transferring such commodity to a participating country, (1) by transfer of such commodity, upon reimbursement, to any department, agency, or establishment of the Government for use or disposal by such department, agency, or establishment as authorized by law, or (2) without regard to provisions of law relating to the disposal of Government-owned property, when necessary to prevent spoilage or wastage of such commodity or to conserve the usefulness thereof. Funds realized from such disposal or transfer shall revert to the respective appropriation or appropriations out of which the funds were expended for the procurement of such commodity.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 114. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (c) of this section, to make advances not to exceed in the aggregate $1,000,000,000 to carry out the provisions of this title, in such manner, at such time and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest from appropriations authorized under this title for advances made by it hereunder.

"(b) Such part as the President may determine of the unobligated and unexpended balances of appropriations or other funds available for the purposes of the Foreign Aid Act of 1947 shall be available for the purpose of carrying out the purposes of this title.

"(c) In order to carry out the provisions of this title with respect to those participating countries which adhere to the purposes of this title, and remain eligible to receive assistance hereunder, there are hereby authorized to be appropriated to the President, from time to time through June 30, 1952, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions and accomplish the purposes of this title: *Provided, however,* That for carrying out the provisions and accomplishing the purposes of this title for the period of 1 year following the date of enactment of this title, there are hereby authorized to be so appropriated not to exceed $5,300,000,000.

"(d) Funds made available for the purposes of this title shall be available for incurring and defraying all necessary expenses incident to carrying out the provisions of this act, including administrative expenses and expenses for compensation, allowances and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this title, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such

laws and regulations governing the obligation and expenditure of government funds, as the Administrator shall specify in the interest of the accomplishment of the purposes of this title.

"(e) The unexpended portions of any deposits which may have been made by any participating country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, 80th Cong.) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.) may be merged with the deposits to be made by such participating country in accordance with section 115 (b) (6) of this title, and shall be held or used under the same terms and conditions as are provided in section 115 (b) (6) of this title.

"(f) In order to reserve some part of the surplus of the fiscal year 1948 for payments thereafter to be made under this title, there is hereby created on the books of the Treasury of the United States a trust fund to be known as the Foreign Economic Cooperation Trust Fund. Notwithstanding any other provision of law, an amount of $3,000,000,000, out of sums appropriated pursuant to the authorization contained in this title, shall, when appropriated, be transferred immediately to the trust fund, and shall thereupon be considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures. The Secretary of the Treasury shall be the sole trustee of the trust fund and is authorized and directed to pay out of the fund such amounts as the Administrator shall duly requisition. The first expenditures made out of the appropriations authorized under this title in the fiscal year 1949 shall be made with funds requisitioned by the Administrator out of the trust fund until the fund is exhausted, at which time such fund shall cease to exist. The provisions of this subsection shall not be construed as affecting the application of any provision of law which would otherwise govern the obligation of funds so appropriated or the auditing or submission of accounts of transactions with respect to such funds.

"BILATERAL AND MULTILATERAL UNDERTAKINGS

"SEC. 115. (a) The Secretary of State, after consultation with the Administrator, is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this title.

"(b) The provision of assistance under this title results from the multilateral pledges of the participating countries to use all their efforts to accomplish a joint recovery program based upon self-help and mutual cooperation as embodied in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, and is contingent upon continuous effort of the participating countries to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose. In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others, for—

"(1) promoting industrial and agricultural production in order to enable the participating country to become independent of extraordinary outside economic assistance; and submitting for the approval of the Administrator, upon his request and whenever he deems it in furtherance of the purposes of this title, specific projects proposed by such country to be undertaken in substantial part with assistance furnished under this title, which projects, whenever practicable, shall include projects for increased production of coal, steel, transportation facilities, and food;

"(2) taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system;

"(3) cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade among themselves and with other countries;

"(4) making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country, including any commodities, facilities, or services furnished under this title, which use shall include, to the extent practicable, taking measures to locate and control, in furtherance of such program, assets, and earnings therefrom, which belong to the citizens of such country and which are situated within the United States, its Territories and possessions;

"(5) facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling purposes, for such period of time as may be agreed to and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country;

"(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is not furnished to the participating country on terms of payment. Such special account, together with the unexpended portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, 80th Cong.) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.), shall be held or used only for such purposes as may be agreed to between such country and the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems, and under agreement that any unencumbered balance remaining in such account on June 30, 1952, will be disposed of within such country for such purposes as may, subject to approval by act or joint resolution of the Congress, be agreed to between such country and the Government of the United States;

"(7) publishing in such country and transmitting to the United States, not less frequently than every calendar quarter after the date of the agreement, full statements of operations under the agreement, including a report of the use of funds, commodities, and services received under this title; and

"(8) furnishing promptly, upon request of the United States, any relevant information which would be of assistance to the United States in determining the nature and scope of operations and the use of assistance provided under this title.

"(c) Notwithstanding the provisions of subsection (b) of this section, the Administrator, during the three months after the date of enactment of this title, may perform with respect to any participating country any of the functions authorized under this title which he may determine to be essential in furtherance of the purposes of this title, if such country (1) has signified its adherence to the purposes of this title and its intention to conclude an agreement pursuant to subsection (b) of this section, and (2) he finds that such country is complying with the applicable provisions of subsection (b) of this section: *Provided*, that, notwithstanding the provisions of this subsection, the Administrator may, through June 30, 1948, provide for the transfer of food, medical supplies, fibers, fuel, petroleum and petroleum products, fertilizer, pesticides, and seed to any country of Europe which participated in the Committee of European Economic Cooperation and which undertook pledges to the other participants therein, when the Administrator determines that the transfer of any such supplies to any such country is essential in order to make it possible to carry out the purposes of this title by alleviating conditions of hunger and cold and by preventing serious economic retrogression.

"(d) The Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to ensure that each participating country makes efficient use of the resources of such country, including any commodities, facilities, or services furnished under this title, by observing and reviewing such use through an effective follow-up system approved by the joint organization.

"(e) It is the understanding of the Congress that, in accordance with agreements now in effect, prisoners of war remaining in participating countries shall if they so freely elect be repatriated prior to January 1, 1949.

"WESTERN HEMISPHERE COUNTRIES

"SEC. 116. The President shall take appropriate steps to encourage all countries in the Western Hemisphere to make available to participating countries such assistance as they may be able to furnish.

"OTHER DUTIES OF THE ADMINISTRATOR

"SEC. 117. (a) The Administrator, in furtherance of the purposes of section 15 (b) (5), and in agreement with a participating country, may promote, by means of funds made available for the purposes of this title, an increase in the production in such participating country of materials which are required by the United States as a result of deficiencies or potential deficiencies in the resources within the United States.

"(b) The Administrator, in cooperation with the Secretary of Commerce, shall facilitate and encourage, through private and public travel, transport, and other agencies, the promotion and development of travel by citizens of the United States to and within participating countries.

"(c) In order to further the efficient use of United States voluntary contributions for relief in participating countries receiving assistance under this title in the form of grants, funds made available for the purposes of this title may be used, in the discretion of the Administrator, and under rules and regulations prescribed by him, to pay ocean freight charges from a United States port to a designated foreign port of entry (1) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies licensed for operations in Europe, or (2) of relief packages conforming to such specified size, weight, and contents, as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this title in the form of grants.

"The Administrator may make an agreement with such country for the use of a portion of the deposit of local currency placed

in a special account pursuant to paragraph 6 of subsection (b) of section 115 of this title, for the purpose of defraying the transportation cost of such supplies and relief packages from the port of entry of such country to the designated shipping point of consignee.

"TERMINATION OF ASSISTANCE

"SEC. 118. The Administrator, in determining the form and measure of assistance provided under this title to any participating country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 115. The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 115, or is diverting from the purposes of this title assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this title or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States.

"EXEMPTION FROM CONTRACT AND ACCOUNTING LAWS

"SEC. 119. When the President determines it to be in furtherance of the purposes of this title, the functions authorized under this title may be performed without regard to such provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

"EXEMPTION FROM CERTAIN FEDERAL LAWS RELATING TO EMPLOYMENT

"SEC. 120. Service of an individual as a member of the Public Advisory Board (other than the Administrator) created by section 117 (a), as a member of an advisory committee appointed pursuant to section 117 (b), as an expert or consultant under section 114 (d), or as an expert, consultant, or technician under section 124 (d), shall not be considered as service or employment bringing such individual within the provisions of sections 109 or 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203), of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"UNITED NATIONS

"SEC. 121. (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organization, in carrying out the purposes of this title, and may make payments, by advancements or reimbursements, for such purpose, out of funds made available for the purposes of this title, as may be necessary therefor, to the extent that special compensation is usually required for such services and facilities.

"(b) The President shall cause to be transmitted to the Secretary General of the United Nations copies of reports to Congress on the operation conducted under this title.

"(c) Any agreements concluded between the United States and participating countries, or groups of such countries, in implementation of the purposes of this title, shall be registered with the United Nations if such registration is required by the Charter of the United Nations.

"TERMINATION OF PROGRAM

"SEC. 122. (a) After June 30, 1952, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, which declares that the powers conferred on the Administrator by or pursuant to subsection (a) of section 111 of this title are no longer necessary for the accomplishment of the purposes of this title, whichever shall first occur, none of the functions authorized under such provisions may be exercised; except that during the 12 months following such date, commodities and services with respect to which the Administrator had, prior to such date, authorized procurement for, shipment to, or delivery in a participating country, may be transferred to such country, and funds appropriated under authority of this title may be obligated during such 12-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer, and shall remain available during such period for the necessary expenses of liquidating operations under this title.

"(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the 12 months following such date, the powers, duties, and authority of the Administrator under this title may be transferred to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, and personnel of the Administration may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

"REPORTS TO CONGRESS

"SEC. 123. The President from time to time, but not less frequently than once every calendar quarter through June 30, 1952, and once every year thereafter until all operations under this title have been completed, shall transmit to the Congress a report of operations under this title. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

"JOINT CONGRESSIONAL COMMITTEE

"SEC. 124. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Foreign Economic Cooperation (hereinafter referred to as the committee), and to be composed of seven Members of the Senate to be appointed by the President of the Senate, and seven Members of the House of Representatives to be appointed by the Speaker of the House. In each instance, not more than four members shall be members of the same political party. A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The President of the Senate and the Speaker of the House, acting jointly, shall appoint a chairman and a vice chairman from among the members of the committee.

"(b) It shall be the function of the committee to make a continuous study of the programs of United States economic assistance to foreign countries, and to review the progress achieved in the execution and administration of such programs. Upon request, the committee shall aid the several standing committees of the Congress having legislative jurisdiction over any part of the programs of United States economic assistance to foreign countries; and it shall make a report to the Senate and the House of Representatives from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. The Administrator, at the request of the committee, shall consult with the committee from time to time with respect to his activities under this title.

"(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this subsection.

"(d) The committee is authorized to appoint and, without regard to the Classification Act of 1923, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

"(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman.

"SEPARABILITY CLAUSE

"SEC. 125. If any provision of this title or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the title and the applicability of such provision to other circumstances or persons shall not be affected thereby.

"TITLE II

"ASSISTANCE TO GREECE AND TURKEY

"SEC. 201. That in addition to the amounts authorized to be appropriated under subsection (b) of section 4 of the act of May 22, 1947 (61 Stat. 103), there are hereby authorized to be appropriated not to exceed $275,000,000 to carry out the provisions of such act, as amended.

"SEC. 202. (a) Subsection (a) of section 4 of such act of May 22, 1947, is hereby amended by adding at the end thereof the following: "The Reconstruction Finance Corporation is authorized and directed to make additional advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of this act, as amended, in such manner and in such amounts as the President shall determine. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose."

"(b) Subsection (b) of section 4 of the said act is hereby amended by inserting after the word 'repaid' the following: 'without interest'.

"SEC. 203. Subsections (2) and (3) of section 1 of such act of May 22, 1947, are hereby amended to permit detailing of persons referred to in such subsections to the United States missions to Greece and Turkey, as well as to the Governments of those countries. Section 302 of the act of January 27, 1948 (Public Law 402, 80th Cong.), and section 10 (c) of the Economic Cooperation Act of 1948 (relating to investigations of personnel by the Federal Bureau of Investigation) shall be applicable to any person so detailed pursuant to such subsection (2) of such act of 1947: *Provided*, That any military or civilian personnel detailed under section 1 of such act of 1947 may receive such station allowances or additional allowances as the President may prescribe (and payments of such allowances heretofore made are hereby validated).

"TITLE III

"AID TO CHINA

"SEC. 301. That this title may be cited as the 'China Aid Act of 1948.'

"SEC. 302. It is the purpose of this title to provide immediate aid to China to relieve human suffering to assist in retarding economic deterioration, and to afford the people of China an opportunity to initiate measures of self-help necessary to rebuilding the bases

for more stable economic conditions, such aid to be provided under the applicable provisions of the Economic Cooperation Act of 1948 which are consistent with the purposes of this title. It is not the purpose of this title that China, in order to receive aid hereunder, shall adhere to a joint program for European recovery.

"SEC. 303. (a) In order to carry out the purposes of this title, there is hereby authorized to be appropriated to the President for aid to China a sum not to exceed $363,000,000 to remain available for obligation for the period of 1 year following the date of enactment of this title.

"(b) There is also hereby authorized to be appropriated to the President a sum not to exceed $100,000,000 for additional aid to China through grants, on such terms as the President may determine and without regard to the provisions of the Economic Cooperation Act of 1948, to remain available for obligation for the period of 1 year following the date of enactment of this act.

"SEC. 304. An agreement shall be entered into between China and the United States containing those undertakings by China which the Secretary of State, after consultation with the Administrator for Economic Cooperation, may deem necessary to carry out the purposes of this title and to improve commercial relations with China.

"SEC. 305. Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation is made pursuant to section 303, to make advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of this title in such manner and in such amounts as the President shall determine. From appropriations authorized under section 303, there shall be repaid without interest to the Reconstruction Finance Corporation the advances made by it under the authority contained herein. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation in implementation of this subsection."

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 31, 1948, the President had approved and signed the following acts:

S. 203. An act to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 2 years, and for other purposes; and

S. 2361. An act to provide for a temporary extension of the National Housing Act, as amended.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letter, which were referred as indicated:

SUPPLEMENTAL ESTIMATE—NATIONAL MEDIATION BOARD (S. DOC. NO. 138)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the National Mediation Board, amounting to $48,800, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE—FEDERAL WORKS AGENCY (S. DOC. NO. 139)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Works Agency, amounting to $50,000, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

CONSERVATION OF GRAIN BY BREWING INDUSTRY

A letter from the Attorney General, transmitting, pursuant to law, copies of the voluntary allocation plan for conservation of grain by the brewing industry (with accompanying papers); to the Committee on Banking and Currency.

PETITIONS

Petitions, etc., were laid before the Senate by the President pro tempore and referred as indicated:

A resolution adopted by the Richmond Hill Post, No. 212, the American Legion, Richmond Hill, N. Y., favoring the enactment of legislation providing selective service; to the Committee on Armed Services.

A resolution adopted by the Toledo (Ohio) Chapter of RONS-NROA, favoring the enactment of legislation providing universal military training, and so forth; to the Committee on Armed Services.

A resolution adopted by the Yeshivah of Bensonhurst, Inc., of the Borough of Brooklyn, N. Y., relating to the partition of Palestine; to the Committee on Foreign Relations.

A resolution adopted by the board of directors of the Keokuk (Iowa) Chamber of Commerce, favoring repeal of the sixteenth amendment to the Constitution providing for income taxes, and the adoption of a substitute therefor, placing a limitation on the taxation of income; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TOBEY, from the Committee on Interstate and Foreign Commerce:

H. R. 3569. A bill to authorize the construction of a chapel and a library at the United States Merchant Marine Academy at Kings Point, N. Y., and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof; without amendment (Rept. No. 1047); and

S. Res. 210. Resolution to investigate the shortage of petroleum products and natural gas, with amendments, and, under the rules, referred to the Committee on Rules and Administration (Rept. No. 1046).

SHORTAGE OF RAILROAD CARS—INTERIM REPORT OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE (REPT. NO. 1048)

Mr. REED, from the Committee on Interstate and Foreign Commerce, submitted, pursuant to Senate Resolutions 47 and 44, an interim report relating to the shortage of railroad cars, which was ordered to be printed.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. TOBEY (by request) introduced Senate bill 2419, to amend the Air Commerce Act of 1926 (44 Stat. 568), as amended, to provide for the application to civil air navigation of laws and regulations related to animal and plant quarantine, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. WILSON:

S. 2420. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for judicial review of orders of the Civil Aeronautics Board affecting the rights of domestic air carriers to engage in overseas or foreign air transportation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON:

S. 2421. A bill to authorize the Secretary of the Interior to provide school facilities for dependents of persons engaged on the construction, operation, and maintenance of certain projects; to the Committee on Interior and Insular Affairs.

(Mr. McGRATH (for himself, Mr. WAGNER, and Mr. MURRAY) introduced Senate bill 2422, to provide for a national program of old-age retirement, survivors, and permanent disability insurance, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. THOMAS of Utah (by request):

S. 2423. A bill to amend section 3 (a) (c) and (e), section 5 (a) (i) i and ii, and section 6 (a) of the Railroad Retirement Act approved August 29, 1935, as amended; to the Committee on Labor and Public Welfare.

By Mr. LANGER:

S. 2424. A bill to authorize the Archivist of the United States to furnish copies of materials in his custody on a reimbursement of appropriations basis; to the Committee on Post Office and Civil Service.

By Mr. McCARRAN:

S. 2425. A bill for the relief of Adam Styka and Wanda Engeman Styka; to the Committee on the Judiciary.

By Mr. REED:

S. 2426. A bill to amend the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. WILSON:

S. 2427. A bill to confer jurisdiction over the Fort Des Moines Veterans' Village upon the State of Iowa; to the Committee on Banking and Currency.

(Mr. MAGNUSON introduced Senate Joint Resolution 202, to change the name of Potholes Dam in the Columbia Basin project to O'Sullivan Dam, which was referred to the Committee on Interior and Insular Affairs, and appears under a separate heading.)

AMENDMENT OF AIR COMMERCE ACT RELATING TO LAWS AND REGULATIONS OF ANIMAL AND PLANT QUARANTINE

Mr. TOBEY. Mr. President, at the request of the Department of Agriculture, I ask unanimous consent to introduce for appropriate reference a bill to amend the Air Commerce Act of 1926 (44 Stat. 568), as amended, to provide for the application to civil air navigation of laws and regulations related to animal and plant quarantine, and for other purposes, and I request that a letter from the Under Secretary of Agriculture explaining the purpose of the bill may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and without objection, the letter presented by the Senator from New Hampshire will be printed in the RECORD.

There being no objection, the bill (S. 2419) to amend the Air Commerce Act of 1926 (44 Stat. 568), as amended, to provide for the application to civil air navigation of laws and regulations related to animal and plant quarantine, and for other purposes, introduced by Mr. TOBEY (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. TOBEY was ordered to be printed in the RECORD, as follows:

MARCH 22, 1948.

Hon. ARTHUR H. VANDENBERG,
President pro tempore,
United States Senate,

DEAR SENATOR VANDENBERG: In carrying out the responsibility to protect the agriculture of our country from the introduction, establishment, and spread of pests and diseases injurious to animals, plants, and their products, the Department of Agriculture is without authority to follow practices authorized by the Air Commerce Act to inform operators of civil aircraft concerning requirements and safeguards imposed by agricultural quarantines and regulations. The need for and importance of safeguards to prevent the entry or spread of injurious agricultural pests and diseases has long been recognized and provided for by the enactment of legislation and making of appropriations to carry out the purposes of the various laws. The following laws illustrate the type and character of authority under which the Department operates in carrying out responsibilities placed on it:

The following so-called animal quarantine acts:

Acts of May 29, 1884, February 2, 1903, and March 3, 1905, as amended (21 U. S. C. 111–130, 7 U. S. C. 391, and 18 U. S. C. 118).

Act of August 30, 1890 (21 U. S. C. 101–105).

Act of March 3, 1891, as amended (46 U. S. C. 466 a and b).

Section 306 (a) and (c) of the Tariff Act of June 17, 1930, as amended (19 U. S. C. 1306 (a) and (c)).

Act of March 3, 1905 (7 U. S. C. 141–144), the so-called Insect Pest Act.

Act of March 4, 1907, as amended (21 U. S. C. 71–95), the so-called Meat Inspection Act.

Act of August 20, 1912, as amended (7 U. S. C. 151–167), the so-called Plant Quarantine Act.

Act of March 4, 1913, 21 U. S. C. 151–158, the so-called Virus, Serum, and Toxin Act.

Act of July 24, 1919, 21 U. S. C. 96, the so-called Horse Meat Act.

Section 306 (b) and (c) of the Tariff Act of June 17, 1930, as amended, 19 U. S. C. 1306 (b) and (c), the so-called Imported Meat Act.

Act of January 31, 1942, 7 U. S. C. supp. V 149, the so-called Mexican Border Act.

These laws, and the regulations associated with them, provide for safeguarding the importation, exportation, transportation, and quarantine of animals, plants, certain of their products, insects, bacterial and fungus cultures, viruses, and serums, which may be injurious to our agriculture.

To enable the Department to follow practices which have been used and found effective by other agencies of the Government in carrying out responsibilities placed on them, it is recommended that the Air Commerce Act of 1926 be amended. Such amendment should authorize the Secretary of Agriculture to issue regulations which would make laws and regulations relating to animal and plant quarantines, including the importation, exportation, transportation, and quarantine of animals, plants, their products, insects, bacterial and fungus cultures, viruses, and serums applicable to civil air navigation. A draft of a bill which would provide such authority is attached.

The Air Commerce Act now authorizes the Secretary of the Treasury, the Attorney General, and the Secretary of Commerce to provide by regulation for the application to civil air navigation of the laws and regulations pertaining to customs, immigration, and entry and clearance of vessels. The Public Health Service Act of 1944 contains comparable authority for the Surgeon General with respect to the public health laws and regulations. The proposed amendment would provide similar authority to this Department and thus permit including in the instructions to operators of civil aircraft arriving from abroad information concerning requirements of agricultural quarantines and regulations promulgated to safeguard our country from agricultural pests and diseases. The provisions of the proposed amendment would not in themselves require appropriations in addition to those needed to carry out responsibilities assigned the Department under existing legislation.

The idea of requesting authority such as would be provided by the proposed legislation has been discussed informally with representatives of interested governmental agencies. It has also been considered within the structure of the Air Coordinating Committee created by Executive Order 9781, September 19, 1946 (11 F. R. 10645). It is understood that those consulted consider the proposal desirable and the Air Coordinating Committee has advised the Department that it would support this request.

The Bureau of the Budget advises that it has no objection to submission of this proposed legislation and explanatory letter to the Congress for its consideration.

Bills before the Eightieth Congress, especially S. 1, H. R. 1699, and H. R. 2337 contemplate repeal of the Air Commerce Act of 1926 but provide for the reenactment of sections 7 and 11 of that act. The legislation here proposed could be accomplished by amending sections 7 and 11 in connection with their reenactment should the Congress deem it advisable to repeal the Air Commerce Act.

Sincerely yours,

N. E. DODD,
Under Secretary.

OLD-AGE RETIREMENT, SURVIVORS, AND PERMANENT DISABILITY INSURANCE

Mr. McGRATH. Mr. President, on behalf of the Senator from New York [Mr. WAGNER], the Senator from Montana [Mr. MURRAY], and myself, I ask unanimous consent to introduce for appropriate reference a bill providing for a national program of old-age retirement, survivors, and permanent-disability insurance, and I request that a statement I had intended to make in reference to the bill may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the statement will be printed in the RECORD.

There being no objection, the bill (S. 2422) to provide for a national program of old-age retirement, survivors, and permanent-disability insurance, introduced by Mr. McGRATH (for himself, Mr. WAGNER, and Mr. MURRAY), was received, read twice by its title, and referred to the Committee on Finance.

STATEMENT BY SENATOR M'GRATH

Mr. President, on behalf of Senator WAGNER, Senator MURRAY, Representative DINGELL, and myself, I am introducing a comprehensive bill to extend and liberalize the old-age and survivors insurance provisions of the Social Security Act.

The bill we are introducing today brings up-to-date a similar bill we four Democratic sponsors introduced in July 1947 as S. 1679 and H. R. 4303. The Republican leadership has not called hearings on these bills or on any other bills improving social security although the cost of living makes it impossible for persons receiving insurance benefits under the present law to live decently.

The bill we have introduced today is intended to adjust the benefits in accordance with the increased cost of living which has occurred since the Eightieth Congress first convened.

I understand from what the chairman of the Finance Committee said recently on the floor that the advisory council on social security appointed by his committee will make its report public very shortly.

I merely want to say that President Truman in his budget message of January 6 of this year has endorsed amendments to liberalize and extend the social-security program. Bills to carry out this end have been introduced. If the Republican leadership will agree to put social-security legislation on the calendar this session, I am sure we can do something that will help materially to improve the lot of the aged, widows and orphans and the disabled.

For those Senators who are interested, the bill I have introduced today may be briefly summarized as providing for:

1. Extension of insurance coverage to about 20,000,000 jobs now excluded from the insurance program. The newly covered employment includes self-employment (farmers, small-business men, and professional persons), agricultural labor, domestic service, employment by nonprofit institutions (such as hospitals, churches, and foundations), military service, and employment for State and local governments not covered under a pension plan. State and local employees will be covered only where the State enters into a voluntary compact with the Federal Security Administrator for such coverage.

2. Payment of insurance benefits in case of extended disability arising prior to age 65. This provision amounts to a flexible retirement provision for persons who become disabled for a period longer than 6 months.

3. Reduction of the retirement age from 65 to 60 for women employees, widows, wives, and mothers.

4. Increasing the amount of earnings which a beneficiary may receive without loss of his insurance benefit from $14.99 (as in the present law) to $40 per month.

5. Liberalization of the amount of the monthly insurance benefit depending upon the earnings of the insured individual and the number of his dependents, increasing the minimum monthly insurance benefit to $30 for a man and wife, and increasing the maximum monthly insurance benefit to $150 instead of the present $85 making it possible to pay more adequate insurance benefits, particularly where there are several children of a deceased or a disabled insured person.

6. Payment of a lump-sum burial benefit equal to 6 months insurance benefits in all cases where a deceased person dies insured. The present law provides for such a payment only in case no monthly insurance benefit is payable.

7. Payment of supplementary insurance benefits for a disabled aged husband or widower of a retired insured woman, and continuation of payment to a child of a retired or deceased person, after such child reaches 18, if such child is permanently disabled.

PROPOSED CHANGE IN NAME OF POTHOLES DAM TO O'SULLIVAN DAM

Mr. MAGNUSON. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution to change the name of Potholes Dam in the Columbia Basin project to O'Sullivan Dam, and I request that a statement by me, together with a resolution adopted by the Chamber of Commerce of Moses Lake, Wash., may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the joint resolution will be received and appropriately referred, and, without objection, the statement and resolution presented by the Senator from

Washington will be printed in the RECORD.

There being no objection, the joint resolution (S. J. Res. 202) to change the name of Potholes Dam in the Columbia Basin project to O'Sullivan Dam, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

STATEMENT BY SENATOR MAGNUSON ON INTRODUCING PROPOSED BILL TO CHANGE NAME OF POTHOLES DAM TO O'SULLIVAN DAM, COLUMBIA BASIN PROJECT

Mr. President, today I am introducing a joint resolution to change the name of one of the key units in the great Columbia Basin project, from Potholes Dam to O'Sullivan Dam. I am doing this on behalf of the many residents of the Columbia Basin who know James O'Sullivan and who are deeply appreciative of his devotion, over half a lifetime, to this great project.

James O'Sullivan is now 72 years old. Since 1918 he has devoted most of his energy and effort to the development of the Grand Coulee Dam, and irrigation of Columbia Basin land. He has thrown every resource at his command into the battle. On numerous occasions in his fight for this project, his efforts were financed by the contributions of his neighbors, many of whom were able to pledge less than $5 per month to the enterprise. Jim mobilized the small resources of innumerable financially small people to carry on a fight, which at times, found these resources pitted against opposition financed by certain well-to-do foes of the project.

O'Sullivan, and those who shared his faith in the feasibility of a high dam at Grand Coulee, carried the project through crisis after crisis, until today the "right" for which they stood has been recognized by all who are acquainted with developments in the Columbia Basin.

In 1931, the Wenatchee Daily World said: "Two years ago when Mr. O'Sullivan returned to the State of Washington, the Grand Coulee Dam was literally dead and buried. In 2 years' time, with very little money, he has brought the dam within 2 years of construction." In 1935, Life magazine carried an article giving credit for the Columbia Basin project to others, without mentioning the name of James O'Sullivan. Hon. Charles H. Leavy, then Congressman from the State of Washington, rose in the House of Representatives and stated that while much credit was due these other men, James O'Sullivan deserved greatest recognition.

In commenting on this statement by Congressman Leavy, the Seattle Times said: "It does not diminish the credit due others to state that for many years everyone believed that the Pend Oreille gravity system was the only means of irrigating the basin lands—James O'Sullivan thought differently. He led and won the fight for Grand Coulee Dam."

Many men have contributed vision and effort to the promotion and development of Grand Coulee Dam and the Columbia Basin. Outstanding among them, for perseverance in the face of adversity, for faith in his cause is James O'Sullivan. As a tribute to him and for the people who know the saga of the Columbia Basin, I introduce this resolution to designate this structure O'Sullivan Dam.

RESOLUTION OF MOSES LAKE CHAMBER OF COMMERCE

"Whereas the name 'Potholes Dam' is sometimes misunderstood outside of the Columbia Basin area; and

"Whereas James O'Sullivan has dedicated his life and worked with untiring energy for the Columbia Basin; and

"Whereas his sacrifices and services should be recognized: Now, therefore, be it

"*Resolved*, That the name 'Potholes Dam' be changed to 'O'Sullivan Dam.'"

The above being approved unanimously at the regular meeting, February 3, 1948, of the Chamber of Commerce of Moses Lake, Wash.

We hereunto set our hand and seal this 3d day of February 1948.

C. BEDFORD,
President.
G. E. DOUGHERTY,
Secretary.

SERVICE CREDIT FOR VETERANS—AMENDMENT

Mr. McGRATH submitted an amendment in the nature of a substitute, intended to be proposed by him to the bill (S. 1975) to provide for a service credit for veterans for the purposes of title II of the Social Security Act, which was referred to the Committee on Finance, and ordered to be printed.

ADMISSION OF CERTAIN EUROPEAN DISPLACED PERSONS FOR PERMANENT RESIDENCE—AMENDMENTS

Mr. McGRATH submitted eight amendments intended to be proposed by him to the bill (S. 2242) to authorize for a limited period of time the admission into the United States of certain European displaced persons for permanent residence, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. FERGUSON (for himself, Mr. SMITH, Mr. COOPER, Mr. McGRATH, Mr. SALTONSTALL, and Mr. MORSE) submitted six amendments intended to be proposed by them, jointly, to the bill (S. 2242), supra, which were severally ordered to lie on the table and to be printed.

MESSAGE FROM THE PRESIDENT TO NATIONAL RIVERS AND HARBORS CONGRESS

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD a message dated March 15, 1948, from President Truman to the National Rivers and Harbors Congress in its thirty-eighth annual convention at Washington, D. C., which appears in the Appendix.]

ADDRESS BY SENATOR McCLELLAN BEFORE CONVENTION OF NATIONAL RIVERS AND HARBORS CONGRESS

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an address delivered by him on March 20, 1948, at the thirty-eighth annual convention of the National Rivers and Harbors Congress at Washington, D. C., which appears in the Appendix.]

THE PRESIDENT'S CIVIL-RIGHTS PROGRAM—ADDRESSES BY DONALD R. RICHBERG AND RAYMOND MOLEY

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD two addresses broadcast on March 30, 1948, in a series of programs opposing the President's civil-rights program, the first by Donald R. Richberg, the second by Raymond Moley, which appear in the Appendix.]

CONTRIBUTIONS OF THE LEGAL PROFESSION TO CONSTITUTIONAL GOVERNMENT—ADDRESS BY JAMES A. FARLEY

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an address delivered by Hon. James A. Farley at a meeting of the Loyola College Alumni Association on March 30, 1948, which appears in the Appendix.]

CONGRESS BOARDS THE TAX-CUT BAND WAGON—EDITORIAL FROM LOUISVILLE (KY.) COURIER-JOURNAL

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Congress Boards the Tax-Cut Band Wagon," published in the Louisville (Ky.) Courier-Journal of March 24, 1948, which appears in the Appendix.]

DISPLACED PERSONS IN AMERICA—ARTICLE FROM NEW YORK TIMES MAGAZINE

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "DP's in America; We Have Become Alive," written by Gertrude Samuels and published in the New York Times Magazine of March 28, 1948, which appears in the Appendix.]

THE PALESTINE ISSUE—STATEMENT BY DR. CHAIM WEIZMANN

[Mr. KILGORE asked and obtained leave to have printed in the RECORD a statement on the Palestine issue, released by Dr. Chaim Weizmann, former president of the World Zionist Organization and of the Jewish Agency for Palestine, which appears in the Appendix.]

PROHIBITION OF LIQUOR ADVERTISING

Mr. CAPPER. Mr. President, the other day I received a letter from Charles L. Culp, of Elkhart, Ind., which began as follows:

I'm so favorably impressed with your editorial in the Capper's Farmer dated March 1948 pertaining to liquor, wine, and beer advertising that I desire to commend you for it in this limited and humble way.

Therefore, I ask unanimous consent to have printed in the RECORD the editorial referred to which takes a stand against the advertising of intoxicating liquor in newspapers and magazines.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LIQUOR ADVERTISING SHOULD BE STOPPED

The people of the United States spent $8,700,000,000 in 1946 for whisky, beer, and wine, according to figures issued by the United States Department of Commerce. That is $89 each for every citizen over 18 years of age. The report further says: "This total was $920,000,000 more than the previous record set in 1945."

Add to that the huge sum of money spent on things that go with drinking; add the cost to the governments of policing the drunks and the crimes, to say nothing of the human wastage and misery, and it is evident the women and children of this country pay a heavy price for the drink habit.

I might add that when I see these billions and billions of dollars going for drink, it seems to me that the billions we are expending for relief of starving people abroad, and the high prices for food, and even the high taxes we are paying—these other billions of expenses don't seem quite so big.

The consumption of alcoholic beverages is increasing steadily. This increase has been accompanied, naturally and logically, by an increase in crime. The liquor industry has been spending between $100,000,000 and $150,000,000 a year in advertising whisky, beer, and wines. This advertising has been a potent factor in stimulating liquor sales and liquor drinking. It has been a serious obstacle to enforcement of the prohibitionary laws in dry territory, because the advertisements can be sent into such territory even though it is illegal to ship in liquor.

In an effort to meet this situation, I have a bill in the Senate that would prohibit the transportation in interstate commerce of advertisements of alcoholic beverages.

My bill makes it unlawful for makers or sellers of alcoholic beverages to cause to be transported in the mail or otherwise, from State to State, newspapers, periodicals, news reels, photographic film, or phonograph records, which advertise alcoholic beverages or solicit an order for them. It carries the same prohibitions against publishers, common carriers, and broadcasting stations.

Here is what Roger W. Babson, famous economist, says about this matter:

"I am thoroughly convinced that the tremendous volume of liquor advertising has increased the amount of intemperance, and the vice, crime, accidents, injuries, damage to industry and property, as well as moral degradation, attributable to drinking of alcoholics. In these perilous times, the need for a sober, morally sound America is paramount to the profits of those who derive revenue from liquor advertising. I heartily endorse the Capper bill and ask that it be enacted."

Glenn Cunningham, a great Kansas athlete, who has a great deal of contact with young people, says that "during the last 15 years I have noticed an alarming increase in the number who use alcoholic beverages. Every person conscious of the startling increase in delinquency among youths, in deaths and injuries from accidents, in murder and rape, in impoverished and broken homes and in the number of mental diseases, realizes the urgent need for the passage by Congress of Senator CAPPER's bill."

There is no way of determining positively the extent to which advertising has contributed toward the alarming increase in liquor drinking and drunkenness. But I cannot believe it is just a coincidence that lineage of liquor advertising and beer and liquor consumption have increased proportionately during the last few years.

I have always been opposed to booze and I always will be. I am proud that my native State, Kansas, is dry. The legislation I propose, in addition to deglamorizing liquor drinking, will help dry States enforce their laws. States cannot regulate this particular kind of advertising effectively. I am convinced that congressional action is needed if anything is to be done about it.

ARTHUR CAPPER.

WASHINGTON, D. C.

PROPOSED CONSTRUCTION OF FEDERAL BUILDINGS IN WASHINGTON STATE

Mr. MAGNUSON, Mr. President, for the past month I have been introducing several bills for the authorization of needed post offices in my State. There has been some disagreement between the junior Senator from my State [Mr. CAIN] and myself on the method of approach to this needed construction. The junior Senator from Washington is chairman of the subcommittee in charge of these projects.

In order to clarify my position in this matter, and to avoid any misunderstanding regarding the purpose of the introduction of these bills, I ask unanimous consent to have printed in the RECORD a letter which I have sent to the chairman of the Senate Committee on Public Works.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 26, 1948.

The Honorable CHAPMAN REVERCOMB,
Chairman, United States Senate Committee on Public Works,
Washington, D. C.

MY DEAR SENATOR REVERCOMB: This is to acknowledge with thanks receipt of the communication from the clerk of the Committee on Public Works regarding the hearing pending on bills relating to public buildings, including those which I have introduced for certain cities in the State of Washington.

Please consider this letter my response to your gracious invitation to submit a statement before the Subcommittee on Public Buildings.

I also desire to acknowledge receipt of the copies of the adverse reports of the Post Office Department, the Federal Works Agency, and the Bureau of the Budget on my bills.

The essence of the reports is to the effect that the Post Office Department and the Federal Works Agency already have the authority to authorize construction, acquire sites, and erect Federal buildings or enlarge, remodel and extend existing public buildings, including post-office buildings, without procuring consent from Congress (just as long as Congress appropriates a lump sum for such a program and does not tie any strings to the appropriation).

It is also their contention that they have a list of all of the building projects covered by the proposed legislation and the projects will be eligible for funds when money is made available by Congress.

Although chapter 380 of the Sixty-ninth Congress, first session, as amended under the Reorganization Act of 1939, gives the Post Office Department and the Federal Works Agency power to make a selection of desirable sites for post offices after investigation of relative urgency, postal receipts, population, and degree of inadequacy, it modifies this authority to an extent in that the departments must submit a list of projects to Congress and of course must consult Congress on subsequent appropriations for the construction. As a result authorizations are not in fact considered as such until after formal action in Congress and they have been printed in a House document according to information I have from the Federal Works Agency and other sources.

The only other manner then to secure an authorization is through a specific bill naming a certain location as in the case of those in question—which would be considered as directives on the governmental agencies (FWA and Post Office Department) as most-needed projects and would thus have consideration assured when a lump-sum appropriation is given the Federal Works Agency.

I have inspected the deficiency appropriation bill for 1934, House Document No. 788, of Seventy-first Congress, third session, and House Document No. 177, Seventy-sixth Congress, first session (1939, the latest document to be officially published by the House of Representatives authorizing projects in the amounts therein stated) and I have not found authorizations for the following post offices at all: Bellingham, Burlington, Ephrata, Gig Harbor, Moses Lake, Olympia, Poulsbo, Sequim, Silverdale, Vancouver, Vashon.

I have failed to find any authorizations in the amounts proposed in the bills I have introduced, which in my opinion more truly represent the amount of construction necessary to adequately house the facilities needed in each instance than the last figures as adopted in 1939. Inasmuch as there are no statutes to increase the present authorizations on those projects which may have outdated references in laws of 10 years ago, and in most cases limited to specific appropriations long since exhausted, now authority is desirable. Such legislation is not in opposition to the authority of FWA now but runs parallel directing this agency to spend part of the funds that may become available in the future for certain jobs.

The House of Representatives has recognized the advisability of Congress' directing FWA and the Post Office Department to consider specific projects when the next lump-sum appropriation is forthcoming as has the United States Senate. This has resulted in passage of H. R. 4967 and H. R. 4836 concerning Portland and Omaha post office facilities which your committee favorably considered. Representatives of the Federal Works Agency and the Post Office Department personally appeared in the Public Works Committees of Congress in behalf of these two bills. If the legislation is unnecessary in the instance of my bills, it is likewise unnecessary for the House bills just mentioned. Yet, House Reports 1247 and 1249 of the Eightieth Congress, second session, testify to the personal interest of J. E. Betterley, Superintendent of Post Office Quarters, Fourth Assistant Postmaster General Walter Myers, and Commissioner W. E. Reynolds of the Public Buildings Administration, Federal Works Agency, before the House committee. If the authorization is granted already by law, there is no need for further consideration even thought the case is one of emergency. However, if further authorization is necessary, I would bring to your attention two of my bills which are of the most critical nature—S. 1878 for a Terminal Annex at Seattle, Wash., and S. 1880 for a Federal building at Tacoma, Wash., where the departments have given them the routine unfavorable reports handed out to all of the others. Needless to say, passage of the two House bills H. R. 4967 and H. R. 4836 indicates further legislation is necessary.

The procedure of legislation for a specific job is further accented by introduction of an omnibus authorization bill introduced by the chairman of the Public Works Committee of the Senate under S. 1955 and followed by S. 1956, a specific construction job at South Charleston, W. Va., for not to exceed $175,000 which is identical to legislation I have introduced.

If the unnecessary contention is true in the instance of my bills for the reasons stated, it is also true for the two omnibus authorization bills for planning that have been introduced in the House of Representatives and the Senate under S. 1955 and H. R. 5276 as well as these individual bills. The question then appears as to who considers the bills unnecessary—the departments or Members of Congress, and to what degree.

The 1926 Public Buildings Act also contains the further restriction that unless specifically provided for in the act making appropriations for public buildings, no contract for the construction, enlarging, remodeling, or extension of any building or for the purchase of land authorized by that act shall be entered into until moneys in the Treasury shall be made available for the payment of all obligations arising out of such contract.

It might well be that circumstances make it possible to get appropriations for planning at an earlier date than for the actual construction of a job. In such a case, it would first be necessary to get either a special authorization for planning along with the necessity of getting the authorization for further work at a later date through inclusion in a new House document or still another authorization bill for construction.

On the other hand, if one of my bills is picked by your committee to be of sufficient urgency to warrant attention, its passage would permit an appropriation for planning now and another appropriation later for actual construction without further authorization legislation—if it should be apparent that dividing the appropriations into two requests is the most feasible method. The language of the bills is for simple authorizations. There are no qualifying amendments to unduly extend the legislative process.

During the last few years, it has been the policy of the House of Representatives not to appropriate funds for any item that does not have a specific authorization of recent date, not just Federal office buildings, but on all appropriations. One of the rules of the House of Representatives gives one Member

the power to stop legislation which does not have the necessary background.

May I also point out in passing that construction controls on everything except for amusement purposes have been eliminated for some time now. This type of construction could not be construed by any stretch of the imagination as being for amusement purposes and is getting more critical daily. Even controls on amusement construction are being abandoned under the new rent-control legislation.

It should also be brought to your attention that this situation is similar to the authorization for a Federal court building for the District of Columbia which was enacted into law at the first session of this Congress in that it is basic authorization legislation against the day when the Federal building in question can be constructed on a date to be determined by Congress itself in the future.

To the subcommittee, I wish to state that the bills I have introduced are needed projects in the State of Washington and are earnestly desired by their communities. I have introduced the bills because the people of those specific areas desired me to so do. I believe they made their requests without any political consideration prompting them. I do not impugn their motives, their desires, or the needs involved.

It will be your job to decide which of these bills are of sufficient need to receive the same special attention as those which have already passed this Congress. You can give those items you believe most urgent their chance to become actualities.

I am positive there are bills for Washington State included here that should receive your favorable consideration now. There is mute but forceful testimony contained in the many communications I have presented to this committee from those who desire the construction. It is up to the subcommittee to decide whether any of these appeals are to be recognized or not—and to what extent.

Sincerely,

WARREN G. MAGNUSON,
United States Senator.

LEAVES OF ABSENCE

Mr. THOMAS of Oklahoma asked and obtained consent to be absent from the session of the Senate tomorrow.

Mr. MAGNUSON asked and obtained consent to be absent from the Senate for approximately 10 days, beginning tomorrow, on official business.

Mr. McGRATH asked and obtained consent to be absent from the sessions of the Senate from today until the 15th of April.

COMMITTEE MEETING DURING SESSION OF THE SENATE

Mr. WHERRY asked and obtained consent that the Committee on Finance be permitted to sit during the session of the Senate today.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation-education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. WHERRY. Mr. President, I call attention to the announcement made at the conclusion of the session yesterday, that it is the hope that we may conclude today the consideration of the unfinished business, Senate bill 472. It is expected that two or three amendments will be offered, and it is the hope that the amendments will be presented first, then Senators who desire to speak on the bill may follow after the amendments shall have been disposed of one way or the other.

I ask at this time that Senators please remember this announcement. It is the purpose to endeavor to conclude the consideration of the bill today, even if it shall be necessary to remain in session somewhat late this evening.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. MCMAHON].

Mr. McMAHON obtained the floor.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Myers
Baldwin	Hawkes	O'Conor
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	Overton
Bricker	Hill	Pepper
Bridges	Hoey	Reed
Brooks	Holland	Revercomb
Buck	Ives	Robertson, Va.
Bushfield	Jenner	Robertson, Wyo.
Byrd	Johnson, Colo.	Russell
Cain	Johnston, S. C.	Saltonstall
Capehart	Kem	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stennis
Connally	Lodge	Stewart
Cooper	Lucas	Taft
Cordon	McCarran	Thomas, Okla.
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tobey
Eastland	McGrath	Umstead
Ecton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Ferguson	Magnuson	Wherry
Flanders	Malone	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER] and the Senator from Pennsylvania [Mr. MARTIN] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from West Virginia [Mr. KILGORE] is absent because of serious illness in his family.

The Senator from Montana [Mr. MURRAY] and the Senator from Wyoming [Mr. O'MAHONEY] are absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

Mr. SMITH. Mr. President, will the Senator yield to me for a few moments?

Mr. McMAHON. I yield.

Mr. SMITH. Mr. President, yesterday on the floor of the Senate I made a statement supporting the pending Federal-aid-to-education bill, S. 472. So far as my own State of New Jersey is concerned, this is a very controversial subject, and for the RECORD I should like to state that the Governor of my State, Gov. Alfred E. Driscoll, is opposed to the bill. I have had called to my attention a telegram which he sent on March 23 to Mr. Alvin A. Burger, director of research of the National Association of State Chambers of Commerce in Washington, advising Mr. Burger of his attitude on this subject.

In order to make the RECORD complete, so far as my State is concerned, I should like to say that there has been opposition to the bill from various groups, as well as strong support for the bill from other groups. Yesterday I stated the reasons for my own conclusions in the matter, which were fundamentally that the education of our children is a Federal as well as a State responsibility.

To make clear the position of Governor Driscoll, I should like to insert in the RECORD at this point in my remarks his telegram to Mr. Burger, previously referred to, which reads as follows:

MARCH 23, 1948.

MR. ALVIN A. BURGER,
Director of Research, National Association of State Chambers of Commerce, Washington, D. C.

Reurtel advising me that United States Senate 472 would provide approximately $4,000,000 for Federal aid to New Jersey schools. This program would cost New Jersey taxpayers approximately $11,000,000. New Jersey has consistently taken the position that it wants to do more and more for itself while asking the Federal Government to do less and less for it. We can develop a working federalism with real home rule if the same amount of time and energy that is presently being devoted to the development of increased grants-in-aid with their inevitable bureaucracy were devoted to untangling competing and overlapping Federal-State taxes and returning to the States some of the taxes that have heretofore been taken away, thus permitting the States to handle their own affairs. As you know I have opposed increased grants-in-aid for States. I know of no reason why I should change my position. In my annual message I recommended an additional $10,000,000 in State aid for our local school districts. Our problem now is to find the income to meet this obligation. We had hoped by this time that the Federal Government would have withdrawn from some of its wartime excise taxes and returned a greater portion of the death taxes, permitting us to meet our local obligations without new taxes. If Federal grants-in-aid must be considered, they should be solely upon the basis of proven need.

ALFRED E. DRISCOLL,
Governor, State of New Jersey.
STATE HOUSE, *Trenton, N. J.*

I may say, as I stated yesterday, that I am not in accord with the Governor of my State on this question, because I feel that the over-all picture is such that the Federal Government has a responsibility; so I am supporting Senate bill 472.

However, I wish to add that I am in entire accord with the Governor's statement that we should consider a reallocation of sources of tax revenue as between the States and the Federal Gov-

ernment, to the end that our States may assume more and more of their responsibilities.

The PRESIDING OFFICER. Before the Senator from Connecticut begins his address, the Chair requests that there be order in the Senate. That applies also to our guests in the galleries. The Chair realizes that these are busy days in Washington, and that the galleries are packed. We are very glad to have all the spectators who are present; but the Chair asks the occupants of the galleries kindly to bear in mind that the Senate has very important business to transact. If the occupants of the galleries will act accordingly, it will be of great help to the Senate.

Mr. McMAHON. Mr. President, I think perhaps it would be wise for me to make a few observations on some fundamental convictions which I hold with respect to the pending bill and with respect to the amendment which I have suggested.

I want it clearly understood, in order to clear away some of the underbrush—and although it might not be necessary to state it, I will state it for the RECORD—that there is no one in the Senate or in the United States who subscribes more fully and completely than does the Senator from Connecticut to the constitutional provision for the separation of church and state. When I say that I also, of course, say by implication that I accept and give full faith, credit, and authority to the decisions of the Supreme Court which have so lately been handed down on the subject.

I recognize that in the Everson case, the New Jersey case, the Supreme Court, speaking through Mr. Justice Black, stated that tax funds could not be used, no matter how small the amount, in order to promote the religious function. It will be recalled that in the Everson case the question was raised as to whether or not payment by the State of New Jersey for bus transportation to nonpublic schools was within the prohibition of the first amendment, as construed in the light of the provision of the fourteenth amendment. In that case the Court said in unmistakable terms that such an incidental furnishing of services not impinging on the religious function was not in violation of the Constitution. In the Champaign case, the McCollum case, so-called, handed down a few weeks ago, the Court decided that religious instruction in public-school buildings could not be permitted, in view of the first amendment.

There are three contentions which have been made with regard to providing in the pending legislation for the nonpublic schools. The first was voted down overwhelmingly yesterday when the amendment presented by the Senator from Missouri [Mr. DONNELL] came to a test. As will be recalled, the amendment of the Senator from Missouri provided that in this legislation we should say that, regardless of the intention, regardless of the desire, regardless of the question of constitutionality under constitutions of the States, no money should be paid under this bill to any State, regardless of its desire in the matter.

The second position is the one which is upheld by the sponsor of the bill, the Senator from Ohio [Mr. TAFT]. His position is that we should leave this matter to the States. The Senator from Ohio points out that under the Supreme Court's decisions, the field in which the Federal Government can help nonpublic schools is a limited one.

As I read the decisions, I believe that field is confined to bus transportation, to health, and recreational services, and, finally, to nonreligious schoolbooks.

The position of the Senator from Ohio is that the States should be allowed to determine whether they should accept money from the Federal Treasury for those purposes for dispensation to the nonpublic school children. The position I advance in the amendment I have filed is briefly this: I have suggested that the 2,500,000 nonpublic school children shall, as a matter of Federal policy, share to the extent of $5,000,000 on the basis of the nonpublic school population in the respective States.

Those are the three positions, Mr. President. There is no use in discussing the first position, the one taken by the Senator from Missouri, for we have disposed of that.

I contend that the position taken by the Senator from Ohio is not correct. First, the Senator from Ohio provides in his bill that each State shall receive from the Federal Treasury on the basis of a census of all children between the ages of 5 and 17 within the State, for the purposes of computing the amount which will go to the State.

The bill as now written includes all nonpublic school children. But when it comes time to dispense the money which is computed on that basis, the proposal of the Senator from Ohio is that we should leave it up to the State to determine whether the money which has been received on a basis of the population of all the children should be dispensed solely to the public-school children, if that is the State's desire.

I was very much interested the other day when the Senator from Ohio had an exchange with the Senator from Missouri, which I should like to call to the attention of the Senate because I think it very well illustrates the error into which my friend, the Senator from Ohio, has fallen. The Senator from Missouri was making the point that his people in Missouri do not permit tax funds, under their State constitution to go to nonpublic schools. He said that he did not concede the right of the Federal Government to take money out of the State of Missouri and hand it to States for dispensation to nonpublic schools, if his people in the State of Missouri refused to do so.

The Senator from Ohio answered that, and I thought very cogently, when he said:

> The Senator pays taxes to the Federal Government as a citizen of the United States, not as a citizen of the State of Missouri. If the policy of the United States is to contribute this money for certain purposes, then it seems to me the Senate is subject to the decision of the United States. Furthermore, on the same theory, I do not like to be taxed for reclamation purposes. We do not have reclamation in Ohio. Therefore I do not think I ought to be taxed for reclamation purposes. I think we must look at the bill as being justified only on the theory that the people of the United States as a whole have an interest in education. Certainly question of where the money is derived or what particular State is involved does not affect the question of taxation.

Mr. President, this proposal has come before the Senate, and undoubtedly will become the law because the Congress of the United States will realize that the general good of the country requires, in fact demands, that we shall not permit ignorance to prevail in broad areas of the Nation.

Our experience in the last draft, in which I believe a million men were rejected because of illiteracy, was a tremendous shock, and it was realized there could be no more valuable asset than the children of the Nation. The Senator from Ohio—and I think it is to his credit—abandoned the position he had theretofore taken and said, "In view of the facts which are now disclosed, I believe it is necessary and imperative that the Federal Government do something about the situation."

Mr. President, there is in this bill great danger, as I see it. We all know that "he who pays the piper can call the tune." I do not think there is a Member of the Senate who wants to see any Federal bureaucracy reaching down and writing the curriculums of the schools, but on the other hand, it must be realized that we cannot permit millions of our children to live out their lives in total ignorance. There are some of us who have come to the conclusion that the only way that can be prevented is for the Federal Government to render assistance to the States in order to raise educational standards and qualifications.

Mr. President, I should like to call attention to the fact that what made the Senator from Ohio change his mind about this legislation was that he wanted to help the children of the Nation. He did not want to help the States; he wanted to see to it that the children became more literate, and certainly when the committee agreed with him and wrote the statement of the purposes for which the money could be used, namely, for contributions or payments toward current expenditures, the Senator from Ohio and the Committee on Labor and Public Welfare provided for the development not only of the minds but of the bodies of the school children of America.

Under the formula set forth in the bill, provision is made for a contribution toward the payment of current expenditures. What are current expenditures? The only limitation on the phrase "current expenditures" is carried in the bill, and the only prohibition is against paying for new construction, for debt reduction, or for interest on the debt. In other words, current expenditures cover everything commonly used in the school systems of the United States.

Mr. President, the school systems are taking care of two things: They are forming the minds of the boys and girls of the Nation, and they are trying to improve their intellectual processes and give them information which will enable

them to become good citizens. But, fortunately for our educational standards, there has been a growing realization that there are many other things which the school systems can do, and are doing, which contribute to the making of good, sound citizens. What are those things? Assistance is given toward improving the health of the children. Examinations are made of the teeth and eyes of the children. If a defect exists, the parents are notified, and if the parents are unable to pay for treatment, the State board of health sees to it that the children receive proper attention. In 65 percent of the schools, I am informed, such attention is given to the children. Moreover, in practically every State bus transportation is furnished, so that the child may go from his home to school and return safely.

There is another thing which has been espoused in the educational system, I think properly. Juvenal's maxim, "mens sana in corpore sano," "A sound mind in a sound body," is as pertinent today as when he uttered it. We have accepted the need of recreational facilities—basketball courts, baseball lots, physical education—all with the idea of rearing children to possess sound minds in sound bodies. As I see it, the Federal policy we are adopting, and which underlies the pending legislation, is the promotion of sound minds in sound bodies for our children. It is a great investment, and it can become a greater investment for the glory of America.

Under the Constitution and under the decisions of the Supreme Court, Congress could not, if it would, devote a single penny of tax money for the purpose of promoting the religious training of the child; but under the same decisions of the Supreme Court it is entirely permissible, as I read them, to cover what I have covered in my amendment, namely, bus transportation, nonreligious school books, as decided in the Cochran case in an opinion written by Chief Justice Hughes in 1930, recreational facilities, and health services.

My amendment proposes that the States, if they so desire, may receive money proportionately for nonpublic schools, to the extent of their proportion of the total of $5,000,000, and that, if the State shall refuse to do so, then the Commissioner of Education shall be certified to by the State having a nonpublic school, for its proportion of the money.

That is an interesting formula, for two reasons. First, it is the formula adopted by Congress in connection with the school-lunch program. In other words, if the State, out of Federal funds, will not pay for the lunches of children in the nonpublic schools, it is provided that the failure may be certified to the Secretary of Agriculture and the money obtained. That became the pattern for the mechanics of the amendment. But I want to call your attention, Mr. President, to the parallel situation that exists, in that the Congress has already recognized—and I contend, rightfully recognized—that no American child should be deprived of a hot lunch merely because he happens to attend a nonpublic school. Nor should we, as a matter of Federal policy, deprive the children of America of recreational facilities, health education, or bus transportation, any more than we deprive them now of the free lunches under the school-lunch program.

I said in an exchange during the debate a few days ago that when and if there shall be another draft and these children are called as they become of age, they will not be asked where they went to school. The examiners will look at their eyes, their teeth, and their bodies, and will take them or reject them, depending upon their physical fitness.

The authority for the expenditures on which the bill rests, as was argued yesterday, certainly can be well laid on the provision of the Constitution which provides that the Congress can expend money for the common defense. We should be neglecting an opportunity to fulfill our duty to make a contribution to the common defense if we should cut off the benefits which constitutionally can be given to 2,500,000 children in this Nation. I believe that the people of America, if they really and truly understood the problem, would not approve of depriving them of such benefits. We must remember that in the case of Pierce against Oregon, decided by the Supreme Court many years ago, it was held by that court that attendance at a nonpublic school, an approved school, was a full and complete compliance with the provision of the State statute of Oregon requiring every child to attend a school—a "public school," the statute was worded. The Supreme Court rightfully said that while the State had rights, they were subject to the rights of the parents when it came to choosing a place at which their children should be educated.

The little ones who are in the nonpublic schools are not there of their own choice. In 99 cases out of 100 they are there because their parents have sent them there, and, under the law, they are entitled to attend those schools. Not on the basis of doing any favor to the State—that entity which has no soul—but on the basis of taking care of the little ones of this country, I say that Congress should not refuse to appropriate at least a small amount of money to discharge its duty to those of two and a half million children.

A few days ago, Mr. President, I had occasion to ascertain what it was costing the parents of two and a half million children to maintain their separate school systems. There are included Seventh-Day Adventists, Lutherans, and Roman Catholics. I found this astounding fact, that the educational bill, based upon the average of $125 for each child in the common-school system of America, amounts to $312,000,000 a year. I also found that the physical plant of the nonpublic schools is appraised at more than $1,000,000,000. So certainly the taxpayers of America cannot cavil, find fault, and be distressed about bearing their proportion of the cost of the public-school system, which I cannot reiterate too strongly I support with all my heart.

I graduated from the public schools of my home town. I have two sisters teaching in the high schools there at this time. I would resist, with every bit of strength I have, any effort to impair the school system which has contributed so largely to making America great; but I also say that we should not, because there are persons in this country who hold the conviction that knowledge of the word of God is of first and primary importance in the education of a child, penalize the parents and penalize the children.

So, Mr. President, for the good of the children of the United States who fall within this classification, for the good of the common defense, because we should fulfill our duty, as I see it, to the limit which the Constitution and the decisions of the Supreme Court have allowed us to do, I say that my amendment providing for $5,000,000 should be voted into the bill.

The PRESIDING OFFICER (Mr. LODGE in the chair). The question is on agreeing to the amendment offered by the Senator from Connecticut. [Putting the question.] The "noes" appear to have it.

Mr. McMAHON. Mr. President, I ask for a division.

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Morse
Baldwin	Hayden	Myers
Ball	Hickenlooper	O'Conor
Barkley	Hill	Overton
Bricker	Hoey	Pepper
Buck	Holland	Reed
Byrd	Ives	Revercomb
Cain	Jenner	Robertson, Va.
Capehart	Johnson, Colo.	Robertson, Wyo.
Capper	Johnston, S. C.	Russell
Chavez	Kem	Saltonstall
Connally	Knowland	Smith
Cooper	Langer	Sparkman
Cordon	Lodge	Stennis
Donnell	Lucas	Stewart
Downey	McCarran	Taft
Dworshak	McCarthy	Thomas, Okla.
Eastland	McClellan	Thomas, Utah
Ecton	McFarland	Thye
Ellender	McGrath	Tobey
Ferguson	McKellar	Umstead
Flanders	McMahon	Vandenberg
Fulbright	Magnuson	Watkins
George	Malone	Wherry
Green	Maybank	Williams
Gurney	Millikin	Wilson
Hatch	Moore	Young

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the request of the Senator from Connecticut [Mr. McMAHON] for a division on the amendment offered by him.

Mr. CHAVEZ. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAVEZ. After a request for a division, is it in order to ask for the yeas and nays?

The PRESIDING OFFICER. It is in order to ask for the yeas and nays before the division, but not after the result of the division is announced.

Mr. CHAVEZ. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I spoke briefly on this amendment last night. I pointed out that just as I opposed the

amendment of the Senator from Missouri [Mr. DONNELL], which sought to provide that even in a State where these rather minor services were furnished to parochial-school children there should be no Federal money given, so I also oppose the pending amendment, which provides that even in a State which is opposed to the policy, where its constitution may forbid it, where its laws forbid it, nevertheless, these services must be given by the State through use of Federal money. I think in this case also we should oppose the amendment.

It seems to me the only safe view for us to take in a case where the Federal interest is purely secondary, where the primary obligation of education rests upon the State, and where the Federal Government only affords secondary aid because of the lack of finances of the State, is that we must, if we are going to maintain our system, leave the control of the educational system in the hands of each State. That is the principle of section 2 of the bill. I do not think we should in any way attempt in granting Federal money to force upon a State an educational system or any detail of an educational system or any incidentals to an educational system which are opposed to the policy of the State as shown by its own laws and its own constitution. On that ground I believe very strongly that if we intend to adhere to the sound principle of aid to States, the principle upon which I think Federal aid to States can be justified, the pending amendment should be rejected, as the amendment offered by the Senator from Missouri was rejected.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Louisiana.

Mr. OVERTON. Is there anything in the amendment that makes it compulsory on the States to utilize the funds appropriated for the purposes suggested in the amendment?

Mr. TAFT. It is provided that the money must be distributed——

Mr. McMAHON. Mr. President, will the Senator permit me to answer that question?

Mr. TAFT. Yes.

Mr. McMAHON. I will say to the Senator from Louisiana that the amendment was modeled, as I stated in my previous remarks, on the school-lunch program. In other words, if the State wants to take the money for the limited purposes for which the amendment provides it is free to do so. For the limited purposes of my amendment, if the State does not want to disburse the money through its own machinery, then the school can apply to the State educational commissioner, as the nonpublic school applies to the Secretary of Agriculture in the school-lunch program, and receive up to 60 percent of the amount it has spent for these certain limited objectives.

Mr. TAFT. I wish to read the provision of the amendment:

> If in any State the State educational authority is not permitted by law to disburse the funds paid to it under this title to nonpublic tax-exempt schools in the State, the Secretary shall withhold the funds apportioned to any such State, said funds to be disbursed by the Secretary directly to such nonpublic tax-exempt schools.

So it is a direct interference with the whole theory of leaving to the States the determination of their own educational system.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. OVERTON. I had voted on the voice vote in favor of the amendment because I understood it in no sense imposed any regulations upon the conduct of the schools in the different States; but I have come to a contrary view after listening to the Senator from Ohio and to the author of the amendment. Therefore, Mr. President, I expect to vote against the amendment. I am opposed to any regulation imposed directly or indirectly by the Federal Government upon the administration of the public-school system or education in the various States.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McMAHON. I wish to ask the Senator from Ohio a question, if he will permit me. Does he take the same view of the school-lunch program for nonpublic-school children as he has taken on this amendment?

Mr. TAFT. No; I have no objection whatever in all health matters for the State to deal directly with children, with no relation in any way to where they are. This is a proposal to aid the States in their educational system, and as we know, the Constitution practically forbids any aid to parochial schools in their educational system. Incidental services in some cases are permitted.

Where the States permit State aid to be given sectarian schools, that is where it is part of their educational system, I think the Federal money ought to be used for that purpose. That is why I voted against the Donnell amendment. But where the State policy forbids aid, where the State has chosen to say, "No, we think that if a child wants to take advantage of the educational system he must go to the public school, and we offer him free the equal education in the public school," then I do not think the Federal Government ought to step in and say, "We disapprove of that policy, and insist on Federal funds going where a State does not permit its funds to go.

Mr. McMAHON. Does not the Senator realize that the argument he has just made would destroy the school-lunch program for non-public-school children?

Mr. TAFT. No; it would do nothing of the kind. In the first place, there is a complete educational system which is built up in every State. Every State offers an education free to every child in the State. That is the basis of our public-school system.

In the case of health, more than half of the public-health services are private, and always have been so. When we passed the so-called hospital bill we found there was no general public-health service offered in the States. The system was built up on the basis of all kinds of private hospitals. We offered direct health service to all kinds of private hospitals.

In the first place, the religious question, the constitutional question, is in no way involved in health matters. And in the second place, the fact is that all health systems throughout the country have been built up largely on a private basis, and no State has ever undertaken, up to this time, so far as I know, to offer any universal health service to anybody.

We have a health bill under consideration in the committee. In that bill it is provided that where Federal aid is given to the States to provide for the inspection of the health of school children, their teeth, and so forth, it may be a general inspection. It may be held in the child's home, it may be held in the public school, it may be held in the parochial school, it may be held anywhere. It is merely a part of a general health system. The State may, if it wants to, say, "We will not have it done in the schools. The children must go to some particular hospital where the inspection can be made." The place where it is done is not important. It has nothing to do with education. Personally I think that with respect to health inspection it should be in no way limited. I do not see how the health question is affected by the whole public-school question.

Mr. McMAHON. Mr. President, I wish to make a very brief comment on the argument made by the Senator from Ohio. We are appropriating money under this bill for the payment of current expenditures, and current expenditures, under the bill, mean payment for all children in public schools, payment in aid of teachers' salaries, in aid of health programs, in aid of education, and bus transportation. The Senator from Ohio may think that he can distinguish between giving a bottle of milk at 12 o'clock noon to a child, and looking at his teeth and his eyes at 3 o'clock, but he cannot make that distinction clear to me.

Mr. TAFT. Mr. President——

Mr. McMAHON. I have the floor. I shall yield in a minute. I reiterate that the Federal policy behind this whole proposal is to help the children of this country. It is not to help the States. It is not to help the school systems per se. It is to help the children. It is to help the children who are in private nonparochial schools and nonsectarian schools in Vermont. That is what we ought to be doing, and that is what the Constitution and the Supreme Court decisions permit us to do.

As I pointed out before, when young men are called up for the draft they are not going to be asked where they went to school or what their religion is. The authorities are going to examine their teeth, and their eyes, and their bodies. That is the kind of thing we are doing for the public-school systems, and rightfully so. That is what we ought to do, as I have provided in this amendment.

Let me say to the Senator from Louisiana [Mr. OVERTON] that in order to remove the objection which he has advanced to the amendment as I have drawn it, I will insert in the amendment

on page 5, line 3, after the word "law" the words "nor does it elect", so as to read:

Provided, however, That if in any State the State educational authority is not permitted by law nor does it elect to disburse the funds paid to it under this title to nonpublic tax-exempt schools in the States, the Secretary shall withhold—

And so forth.

The PRESIDING OFFICER. Without objection, the Senator's amendment will be so modified.

Mr. AIKEN. Mr. President, I wish to express sympathy with the purposes of the amendment offered by the Senator from Connecticut. I have always believed, and I now believe, that there are certain services which should be given to every child, regardless of where he or she may attend school. During the weeks when the bill was under consideration by the committee I did the best I could to see that provision for such services was included in the bill.

There was the argument that no money should be permitted to be expended for services for children attending private schools, either parochial or other private schools. The committee finally decided upon the provisions of Senate bill 472, which leaves the matter up to each State. The bill does not go as far as I would have gone, but I am satisfied that in the bill we have obtained the maximum possible values, with the end in view of providing a minimum education for all children in this country.

I have the feeling that the adoption even of meritorious amendments might jeopardize the enactment of this legislation. If we cannot get these services for all the children in all the States, I would rather get what benefits we can for as many children as possible, and in as many States as will permit such benefits to be extended. Therefore I do not believe we should adopt any amendments which would jeopardize final enactment of the bill.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Connecticut [Mr. McMAHON].

Mr. HILL. Mr. President, I do not wish to delay a vote on the amendment. However, I feel that I should call attention to the fact that 38 of the 48 States of the Union have provisions in their constitutions which expressly prohibit the State governments from granting any aid or any diversion or division of State funds in any way or manner to any school other than a free public school. I shall not delay the vote, but I should like to have unanimous consent to have printed in the RECORD at this point as a part of my remarks a list of the 38 States to which I refer, showing the dates when the constitutional provisions were placed in the constitutions of the respective States.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

STATES AMENDING CONSTITUTION

New Jersey, 1844; Michigan, 1850; Ohio, 1851; Indiana, 1851; Massachusetts, 1855; Iowa, 1857; Mississippi, 1868; South Carolina, 1868; Arkansas, 1868; Illinois, 1870; Pennsylvania, 1872; West Virginia, 1872; Alabama, 1875; Missouri, 1875; North Carolina, 1876; Texas, 1876; Minnesota, 1877; Georgia, 1877; California, 1879; Louisiana, 1879; Florida, 1885; Delaware, 1897.

ADOPTED WHEN ADMITTED

Wisconsin, 1848; Oregon, 1857; Kansas, 1859; Nevada, 1864; Nebraska, 1867; Colorado, 1876; North Dakota, 1889; South Dakota, 1889; Montana, 1889; Washington, 1889; Idaho, 1890; Wyoming, 1890; Utah, 1896; Oklahoma, 1907; New Mexico, 1912; Arizona, 1912.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Connecticut [Mr. McMAHON]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER] and the Senator from Pennsylvania [Mr. MARTIN] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from South Dakota [Mr. BUSHFIELD], and the Senator from Wisconsin [Mr. WILEY] are detained on committee business. If present and voting, the Senator from New Hampshire [Mr. BRIDGES] would vote "yea."

Mr. LUCAS. I announce that the Senators from Texas [Mr. CONNALLY and Mr. O'DANIEL] are unavoidably detained.

The Senator from West Virginia [Mr. KILGORE] is absent because of serious illness in his family.

The Senator from Montana [Mr. MURRAY] and the Senator from Wyoming [Mr. O'MAHONEY] are absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

If present and voting, the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] would vote "yea."

The result was announced—yeas 14, nays 66, as follows:

YEAS—14

Baldwin	Lodge	Magnuson
Chavez	McCarran	Myers
Downey	McCarthy	O'Conor
Ives	McGrath	Thomas, Okla.
Johnson, Colo.	McMahon	

NAYS—66

Aiken	George	Malone
Ball	Green	Maybank
Barkley	Gurney	Millikin
Bricker	Hatch	Moore
Buck	Hawkes	Morse
Byrd	Hayden	Overton
Cain	Hickenlooper	Pepper
Capehart	Hill	Reed
Capper	Hoey	Revercomb
Cooper	Holland	Robertson, Va.
Cordon	Jenner	Robertson, Wyo.
Donnell	Johnston, S. C.	Russell
Dworshak	Kem	Saltonstall
Eastland	Knowland	Smith
Ecton	Langer	Sparkman
Ellender	Lucas	Stennis
Ferguson	McClellan	Stewart
Flanders	McFarland	Taft
Fulbright	McKellar	Thomas, Utah
Thye	Vandenberg	Williams
Tobey	Watkins	Wilson
Umstead	Wherry	Young

NOT VOTING—16

Brewster	Kilgore	Tydings
Bridges	Martin	Wagner
Brooks	Murray	White
Bushfield	O'Daniel	Wiley
Butler	O'Mahoney	
Connally	Taylor	

So Mr. McMAHON'S amendment, as modified, was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the amendment of the House to the text of the bill and further insists on its amendment to the title of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. EATON, Mr. VORYS, Mr. MUNDT, Mr. BLOOM, and Mr. KEE were appointed managers on the part of the House at the conference.

ARE OUR COLLEGES BEING SOCIALIZED?

Mr. WILSON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an address delivered by R. D. Cole, president of Cornell College, Mount Vernon, Iowa. Being one of those interested in educational institutions, I may say that I have gained much from reading this address. As is usual when he discusses a subject, President Cole has struck right at the heart of Federal aid to education.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In my opinion, the present proposals for Federal aid to higher education contain two recommendations which should not be enacted into law. These proposals are: first, to appropriate Federal funds for current educational expense and, second, to use Federal money for building and plant expansion in publically controlled institutions of higher education.

The enactment of such recommendations into law would, in my opinion, be unfortunate and certainly detrimental to higher education in this country. The bill of rights debars private and church-related schools, even though they render a public service, from accepting Government support. That is as it should be. Even if all institutions could be included, I would be of the same mind.

Our American culture is unique in that we seek to keep close to the people the determination of goals, of decisions, and of action. The American people have always assumed, generously and wholeheartedly, their responsibilities for higher education. We have provided unexcelled educational opportunities for our youth—but always on the sound principle of local and State or private control and support.

When this concept has been challenged, it has been with a luring program of grants of public moneys from the Federal Treasury which would entail Federal regulations, Federal inspection, Federal reports, and Federal uniformities. In short, the Federal Gov-

ernment soon would begin to interfere with and then to run our colleges. Such proposals always have been and always should be emphatically rejected.

I have no disagreement with much which is recommended by the President's Commission on Higher Education. The program of Federal scholarships and fellowships for youth of ability and of special talent will win hearty approval everywhere. Likewise, all will agree that contracts for specific purposes should carry direction and supervision. Furthermore, I recognize that the unevenness of higher education, the predicted larger enrollments in the years ahead, and the shortage of teaching personnel constitute major problems. It is a different matter, however, when it is proposed to solve these problems by Federal subsidy of budgets and of plant.

Why do I say this? In the first place, it is inescapable that eventually the sources of support become the sources of control. The Commission recognizes this fact. It acknowledges that the acceptance of public funds by any institution, public or private, carries with it the acceptance of the right of the people to exercise review and control of the educational policies and procedures. It plainly states that the Federal Government has an interest in "those outcomes of education vital to national interests." It recommends that adequate safeguards must be established "to assure full realization of the purposes for which the aid is granted." The only conclusion one can draw is that decisions soon would be made at the Federal level. Certainly the experience of the past few years has demonstrated that Federal grants carry Federal control and Federal uniformities. So, when it is asserted that an exception will be made in the case of higher education, I am little impressed with the assertion. We need keep clearly in mind that all of our freedoms depend on the freedom of education. We can, in my opinion, best maintain that freedom when both the support and the control of education is left the function of the several States. True this may leave some unevenness, but it serves the larger good.

Furthermore, the Commission states that privately controlled institutions should not accept public funds because such acceptance "would tend to destroy the competitive advantage and free inquiry which they have established and which are so important in providing certain safeguards to freedom." I fail to see why this warning does not apply as well to public institutions, and if there is a disposition of funds at the Federal level, the effect on free inquiry then would be national in scope.

The financing of the proposed subsidies, totaling millions of dollars, can only be done by increasing Federal taxes. This will tend to further dry up the sources of support for private institutions, thus making higher education more than ever dependent on the Federal Government. It is only in light of this that I can understand the Commission's position that the enrollment of private colleges will be frozen at present numbers and there will be no further growth. The result, of course, will be that proportionally a less and less number of our youth will enjoy the higher good of free inquiry which is conceded by the President's Commission to be of value as a safeguard to freedom itself.

As I see it, what we do not need in higher education is just what the Commission recommends and acknowledges, namely—Federal support and domination. I believe the best interests of this country are served when there is a strong system of both private and public education in such balances that neither will dominate and both will be strong, with the support and the control always close to the people, that is, vested in the several States.

In light of these facts, it is my opinion that the enactment of these two recommendations of the proposed program of Federal aid will give us less freedom and more control, less free inquiry and more direction, and a system of higher education less expressive of the American genius.

FEDERAL AID TO EDUCATION

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HAWKES. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated, for the information of the Senate.

The CHIEF CLERK. On page 21, in line 17, after the semicolon, it is proposed to insert the following:

(h) provide for the teaching in the public elementary and public secondary schools within such State, and in all other schools within such State to or for the benefit of which funds appropriated pursuant to this act are disbursed, of regular courses of instruction in the text and interpretation of the Constitution of the United States, consisting of not less than 2 hours of classroom instruction during each 4-week period within the school year, in each grade or year above the fifth (excluding kindergarten).

Mr. HAWKES. Mr. President, there are many reasons why this amendment should be adopted and made a part of the bill dealing with Federal aid to education.

Before I start to talk directly to the amendment, I wish to acquaint my colleagues with an experience that came to me a year or so ago when I contacted a fine American citizen by the name of Carl Gubisch. I may say, Mr. President, that I am still sufficiently interested in the Constitution of the United States to wish to hear what is said about it.

Mr. Gubisch is a veteran of World War I. He not only wore a uniform, but carried it into battle at the front, and was seriously wounded in the battle of the Argonne in France, while serving in the Three Hundred and Sixteenth Infantry, Seventy-ninth Division. Notwithstanding the fact that he was injured in that battle and carries with him an 80-percent disability through life, he has as fine a conception of why he fought and what he fought for as does any man I have ever met.

In talking with Mr. Gubisch, I learned that he has what might almost be called an obsession, a keen regard, for the importance of the Constitution of the United States and the vital necessity for every American citizen to know how it came into existence, its meaning, and the tremendous importance of preserving it in spirit as well as in letter.

I asked Mr. Gubisch how long his family had lived in the United States, and he informed me that he had been born in the United States. He then went on to explain to me why he has such reverence and respect for the Constitution of the United States. He told me a story that every citizen of the United States should know and understand. He said that his mother came to this country alone, at the age of 17 years, having left relatives, friends, and associates in what now is known as Czechoslovakia, in order that she might come to the United States—even though it was a land where she knew no one. Even though she was without finances to depend upon for her existence, she came to start life anew under the American flag. She arrived in the United States in the year 1888. She is still living, and still loves the American flag and reveres the Constitution of the United States, the freedom and liberty and the opportunity which the United States gives to all citizens who will pay the price of success.

Carl Gubisch told me that when he grew to manhood, he continued to talk with his mother about why she took that bold step and left her native land, her relatives, friends, and associates, to come to a new country—to almost a new world, for her—to make a living and get along under the new system. She told her son that there was only one answer, and that answer is the word "freedom"—freedom which was not enjoyed by her or any of her people in Czechoslovakia, the country of her birth, which formerly was known as Bohemia. Carl and his mother talked about what gave people here this freedom, while a large part of the world seems to be without it. They decided that it is the Constitution of the United States, which guarantees to all of our citizens the four freedoms, and under which justice is supposed to be administered on the same basis to high and low, rich and poor, alike.

Mr. Gubisch, notwithstanding his disability from the war, is working every day as one of Washington's prominent businessmen. He has the kind of courage and stamina which our forefathers possessed when they created this country.

He recognizes that no document can be any greater in its effectiveness than the morals and character of the people living under it, make and keep it. He realizes that the people cannot be expected to do the things necessary to preserve and enforce our great Constitution of the United States unless they know the story of its birth and the meaning of its words.

To him the Constitution is almost as sacred as the Ten Commandments, because each defines a way of life. Somehow or other, our forefathers implanted in the Constitution the essence of the Ten Commandments, because they were God-fearing men and they recognized the frailties of the human being, as well as the necessity for guidance from Almighty God.

Mr. Gubisch has spent almost 15 years preparing a book in simple form, in the hope that some day it might tell to the people of the United States the things he has learned about the Constitution and its importance in every act of our daily life. His work on this is a nonprofit work.

Carl Gubisch's mother—a foreign-born individual who came to this country to get away from oppression, and to find a land of liberty—still loves and reveres the Constitution and the rights and privileges and liberties which our great country has given her.

This story that Carl Gubisch and his mother have given to me is as much responsible as any other one thing for my offering this amendment.

I doubt that most of us who have been born here in the United States, and take liberty and freedom so much for granted, could possibly appreciate the importance of the Constitution of the United States as much as do those who came here after having lived under oppression, and then were granted the privilege of freedom as established and practiced in the United States of America.

Mr. Gubisch joins me in the hope that some day the Constitution of the United States will be taught in simple, understandable language to all our children, from the time they are 10 years or 12 years of age up to and through manhood and womanhood.

It is my hope that our beloved country will have many millions of Americans who before long will develop the same understanding and conviction as to the value of our Constitution and the necessity for preserving it as has my friend Carl Gubisch.

First, Mr. President, I believe if the Constitution of the United States and its value in preserving our American way of life were understood by all our young men and women, and the older ones, there would be much more chance of preserving the American system of free men than there is in the way we are drifting.

Second, I am advised that 43 States have made some kind of an effort to require the teaching of the Constitution but under varying conditions, and starting at different times in the life of their students.

The purpose of this amendment is to establish the fact that the Constitution must be taught, in whatever way the State itself deems advisable, for a period of 2 hours every 4 weeks during the school year.

If we want to save America, our citizens must know more about our Constitution, the cause of its coming into being; its effect on the freedom of our people and the great development which has taken place in this Nation.

Third, the churches, to which I call attention, all teach the youth their creeds and doctrines which are the foundation of their religious belief. They teach the children almost from infancy. "Just as the twig is bent the tree's inclined."

Fourth, while we are failing to teach our youth and grown-ups, to a large extent, the fundamental things which are of great importance to our country, the Communists are running rampant throughout our Nation, holding meetings in all our larger cities, night after night, for the purpose of undermining our form of government and our way of life.

I might say, Mr. President, that this great body, the Senate of the United States, has been debating for a long time the spending of billions of dollars. We have just voted those billions of dollars in an effort to stop communism from forcing its will upon the free peoples of the world, and it seems very odd to me that in doing so we do not pay a little more attention to what is going on within our own borders. I say to you, Mr. President, that unless we do, in my opinion, we will someday wake up to find ourselves just as impotent to stop the destruction of our system of government and life as other free peoples throughout the world have found themselves because of their neglect.

As I have said, we are appropriating billions of dollars to stop the advance of communism all over the world, while at the same time we are overlooking a most important right and duty to fight it in the United States, namely, to instill in our youth a greater understanding of our Constitution and its guaranties.

I desire to give an illustration of the freedom which we in this country allow Communists and their fellow travelers. I refer to the case of Langston Hughes. His name will be found in congressional reports by the Un-American Activities Committee. I shall read a few things to show what is going on in the United States.

I want here to record the fact that I went to a church—not my own church, to be sure, but another—in my home town of Montclair. I was amazed to see a Communist stand up in the pulpit and to hear him, without ever making a reference to the life of Christ or to the fact that we have a Bible, berate the United States, tear it down for 55 minutes, and eulogize Russia. I do not believe many of us know very much about what is going on here at home. I shall read two poems written by the Communist of whom I speak, Langston Hughes, who is reported to have gone to Russia and taken a 2 years' training in communism, following which he returned to this country, where he is preaching in the pulpits, talking to students in our high schools, and speaking to college groups at high rates of pay for any speaker. Unless he was stopped, he made a speech at a great college in California last night, March 31, undoubtedly berating the American way and preaching the same doctrine of the destruction of our system that I heard him preach when he was in Montclair. I want to read two poems written by Hughes. The first poem is as follows:

ONE MORE S IN THE U. S. A.

(Written by Langston Hughes, member of the CIO Political Action Committee, for the eighth convention of the Communist Party, U. S. A.)

Put one more S in the U. S. A.
To make it Soviet.
One more S in the U. S. A.
Oh, we'll live to see it yet.
When the land belongs to the farmers
And the factories belong to the workingmen—
The U. S. A. when we take control
Will be the U. S. S. A. then.

Now across the water in Russia
They have a big U. S. S. R.
The Fatherland of the Soviets,
But that is mighty far
From New York or Texas or California, too,
So listen fellow workers,
This is what we have to do.

Put one more S in the U. S. A.
(Repeat chorus.)

But we can't win out by just talking,
So let us take things in our hand.
Then down and 'way with the bosses' sway—
Hail Communist land!
So stand up in battle and wave our flag on high,
And shout out, fellow workers,
Our new slogan to the sky.

(Repeat chorus.)

But we can't join hands strong together
So long as whites are lynching black,
So black and white in one union fight
And get on the right track.
By Texas, or Georgia, or Alabama led,
Come together, fellow workers,
Black and white can all be Red!

(Repeat chorus.)

The poem is reported to have been published in the New York Sunday Mirror, October 8, 1944, at page 22.

I shall now read another poem, which shows what is going on in the United States, while we are busy in Congress trying to equalize all things in justice to all our people. This poem is by the same gentleman, Mr. Langston Hughes. It reads as follows:

Listen, Christ,
You did all right in your day, I reckon—
But that day's gone now.
They ghosted you up a swell story, too,
Called it Bible—
But it's dead now.
The popes and the preachers, too,
Made too much money from it.
They've sold you to too many.

Kings, generals, robbers, and killers—
Even to the Czar and the cossacks,
Even to Rockefeller's church,
Even to the Saturday Evening Post.
You ain't no good no more;
They've pawned you
Till you've done wore out.

Good-by,
Christ Jesus, Lord, God Jehovah,
Beat it on away from here now.
Make way for a new guy with no religion at all—
A real guy named
Marx Communist, Lenin Peasant, Stalin Worker, Me—
I said, Me!

Go ahead on now,
You're getting in the way of things, Lord.
And please take St. Ghandi with you when you go.
And St. Pope Pius,
And St. Aimee McPherson,
And big black St. Becton of the consecrated dime.
And step on the gas, Christ!
Move!
Don't be so slow about movin'!
The world is mine from now on—
And nobody's gonna sell me
To a king, or a general,
Or a millionaire.

—*Langston Hughes.*

Mr. President, before I proceed, I ask permission to have inserted at this point in my remarks, without taking the time of the Senate to read it, the list of the communistic and fellow-traveler organizations and magazines with which Mr. Langston Hughes is reported to be connected. I wish to have the list published at this point, following my remarks.

The PRESIDING OFFICER (Mr. IVES in the chair). Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LANGSTON HUGHES

American League Against War and Fascism; member, national executive committee; letterhead, August 22, 1935.

American Peace Mobilization; member, national council; Daily Worker, September 8, 1940, page 4.

Champion; contributor; Champion, May 1938, page 14.

Committee of Professional Groups for Browder and Ford; member; letterhead, September 22, 1936.

Communist Party; signer of call for support of Communist Party national elections and its candidates; Daily Worker, September 14, 1932, page 1.

Conference on Pan-American Democracy; signer of call; news release, November 15, 1938, page 3.

Congress of American Revolutionary Writers; signer of call; Daily Worker, January 18, 1935, page 5.

Coordinating Committee to Lift the Embargo; representative individual; booklet, These Americans Say, page 9.

Friends of the Abraham Lincoln Brigade; sponsor; letterhead, September 10, 1938.

Friends of the Soviet Union; member, editorial council; Soviet Russia Today, August 1937, page 1.

International Workers Order; contributor, new order; New Order, June 1936, page 8.

International Workers Order; speaker; Daily Worker, March 1, 1938, page 2.

Labor; contributing editor; Labor Defender, October 1936, page 3.

League of American Writers, vice president; letterhead, December 29, 1938.

League of Professional Groups for Foster and Ford; member; booklet, Culture and the Crises, page 32.

League of Workers, Theatres; contributing editor, New Theatre, New Theatre, September 1934, page 4.

Medical Bureau and North American Committee to Aid Spanish Democracy; member, writers and artists committee; letterhead, July 6, 1938; speaker; Daily Worker, March 15, 1938, page 10.

Midwest Daily Record; sent congratulations; Daily Worker, February 15, 1938, page 5.

National Committee to Aid Victims of German Fascism; supporter; letterhead, July 3, 1934.

National Committee for the Defense of Political Prisoners; member; letterhead, October 31, 1935.

National Committee for People's Rights; member; letterhead, July 13, 1938.

National Council of American-Soviet Friendship, Inc.; sponsor; pamphlet, Call to the Congress, November 6–8, 1943, page 4.

National Emergency Conference for Democratic Rights; signer of open letter; Daily Worker, May 13, 1940, page 1.

National Federation for Constitutional Liberties; signer of message to the House of Representatives; undated leaflet.

Negro Cultural Committee; member; Daily Worker, April 13, 1938, page 7.

Negro Playwrights Co., Inc.; member and associate; Sunday Worker, September 15, 1940, page 7.

New Masses; frequent contributor from 1928 to 1944.

New Pioneer; contributor; New Pioneer, February 1937, page 9.

New Theatre League; guest, author of play; Daily Worker, June 10, 1938, page 7.

Nonpartisan Committee for the reelection of Congressman VITO MARCANTONIO; member; letterhead, October 3, 1936.

Non-Sectarian Committee for Political Refugees, International Labor Defense; sent greetings to ILD; Equal Justice, June 1939, page 3.

Philadelphia Peoples Forum; speaker; pamphlet, Philadelphia Workers School, winter term 1940, page 3.

Reichstag Fire Trial Anniversary Committee; signer, declaration honoring Dimitrov; New York Times, December 22, 1943, page 40.

Soviet Russia Today; contributor; December 1935, page 9.

Statement by American Progressives on the Moscow Trials; signer; Daily Worker, April 28, 1938, page 4.

Sunday Worker; contributor; Daily Worker, December 21, 1935, page 3.

Third American Writers' Congress; speaker; Program of the Congress.

Workers Cultural Federation; member of honorary presidium; New Masses, July 1931, page 13.

Workers Library Publishers; author listed in catalcg; 1938 catalog, page 46.

Workers Monthly; contributor; Workers Monthly, March 1925, page 234.

School for Democracy; guest lecturer; catalog.

American Student Union; member, sponsoring committee; leaflet, 1937.

All-American Anti-Imperialist League; signer of statement; news release, 1932.

American Youth for Democracy (formerly the Young Communist League); national sponsor; Spotlight, April 1944, page 19.

There appeared a write-up about Langston Hughes in the Daily Worker, December 6, 1938, page 7.

The following are citations from the Dies committee hearings: Pages 252, 375, 379, 518, 539f, 547, 561, 569, 579, 624ff, 1366, 1585, 1594, 2177, 3008, 4928, 7729; App. vol. 10, page XXVII; 1939 House Report, page 45; Appendix I, page 809; appendix V, page 1680ff.

Mr. HAWKES. Mr. President, while I realize that there are those who claim this amendment, if adopted, will be the first step in the control of education in the States by the Federal Government, nevertheless I ask each Senator to consider the teaching of the Constitution to the youth of our Nation as one subject for which an exception most properly should be made.

Surely all who oppose Federal direction of education within the States can well afford to consider carefully the purpose of this amendment.

If we wish to preserve the Constitution of the United States, it stands to reason that the citizens must know its importance and the value of preserving it.

If this bill shall pass, and the Federal Government shall embark upon the financing of education in the States, then I ask those in the States and their representatives in the Senate if it is not well to have the citizens understand the Constitution. An understanding of the Constitution is surely a basic purpose of the sponsors of this bill.

I for one would far rather relinquish certain taxing areas to the States and have the States accept their own responsibility to provide educational facilities for their own citizens. However, if the majority in the Congress favors a bill such as is proposed here, then they should favor the teaching of the Constitution in the schools of States which receive benefits from the funds provided by the Federal Government under this bill.

If the citizens of the States do not understand the Constitution and preserve it, the Federal Government may lose the taxing power which it has to gather funds into the Federal Treasury from one State and distribute some of those funds in another State for the welfare of the Nation.

It is only because of this power to tax and distribute for the welfare of the Nation that the funds are available; and if the Constitution falls because of ignorance and failure to understand it the power to provide these funds may cease with it.

Mr. President, when I say "if the Constitution falls," I mean that the Constitution can fall in more than one way. It can be totally destroyed, or, as Mr. Charles Evans Hughes once said, the Constitution is what the Supreme Court says it is. If we have the kind of a Supreme Court which destroys the meaning and effect of the Constitution, the Constitution will have fallen without our knowing it.

To me it seems incredible that the Congress, in providing a bill for Federal aid to education, should hesitate to make it a prerequisite for the States receiving the funds to agree to teach the Constitution in the schools benefiting from such funds to the extent of 2 hours in every 4 weeks during the school year.

Mr. President, I hope my amendment will be agreed to, and I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. HAWKES], on which the yeas and nays have been requested. Is there a sufficient second? Apparently there is not.

The yeas and nays were not ordered.

Mr. HAWKES. Does the Chair say that there is not a sufficient number?

The PRESIDING OFFICER. Sixteen are required, based on the last roll call.

Mr. TAFT. Mr. President, I have every sympathy with the purpose of the amendment offered by the Senator from New Jersey, which would require that in regular courses of instruction in schools the Constitution shall be studied in every classroom. Certainly I hope very much that every school will do that. I think they should go further. I think there should be taught in the schools of the United States a much more extensive course in American history, because it is impossible to understand the Constitution without a complete study of American history. But, Mr. President, the amendment violates every principle of the bill which I have tried to state. It violates the principle of section 2 of the bill, which provides that there shall be no Federal interference in any way in courses of instruction. If we instruct the States to have the Constitution taught in their schools, there is no reason why we should not go further and say they shall teach history, specify the kind of history, and how it shall be taught. There is no possible stopping point, so far as I can see, of the interference which might then be imposed, through Federal action, on the educational systems of the States.

The entire bill is based, as I have said before, on the theory that we are assuming a secondary obligation to see to it that every State is able to give every child a minimum of education. We are trying to reconcile the necessity for each child to secure such an education with the principle of home rule of schools and noninterference. If Congress should attempt to interfere in the actual courses taught in the schools, I should be opposed to the whole bill, because it seems to me it then would be inevitably opening the door to the control by the Federal Government of all education. Consequently, Mr. President, I very much hope that the amendment will be defeated.

Mr. HAWKES. Mr. President, I dislike very much to differ with my distinguished friend the Senator from Ohio, whom I consider one of the ablest men in the United States, but it seems to me that there is something fundamental in this proposal which would well justify an exception to the rule. If the Constitution of the United States, the underlying document of our whole Nation, the foundation upon which our school system and all our other liberties are laid——

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. HAWKES. I yield to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, I rise to support the position which the Senator from New Jersey is taking, because it seems to me that the Constitution of the United States guarantees to every State a republican form of government, in the broad sense of that term. Therefore it seems to me it is perfectly appropriate to attach to a grant of Federal funds a provision that the schools to which the funds shall go shall teach the Constitution of the United States which guarantees a republican form of government. I believe the Senator from New Jersey is absolutely right, and I see nothing inconsistent in his amendment or anything which impinges upon local control of schools. It seems to me it is a perfectly proper and natural requirement to put into the proposed legislation.

Mr. HAWKES. I thank the Senator from Connecticut. I might say it was well worth while having him interrupt me to say what he has said. I appreciate it very much. The Senator from Connecticut was not present, I believe, when I presented the subject in the beginning.

Mr. BALDWIN. Yes; I was present when the Senator read the poems.

Mr. HAWKES. Before I read the poems I had said things along the same line as the thought which the Senator has just expressed. I say again that we ought to be able to make an exception in connection with the underlying document of the Government of the United States, the thing which has made our country what it is. It is just too bad if we have reached the point where the Federal Government is giving hundreds of millions of dollars to the States and using the taxing power of the Constitution to collect the money, and yet we cannot have the Constitution definitely taught in all public and private schools in the States which participate in the funds granted by the Federal Government for educational purposes.

Mr. President, I am sorry there are so few Members of the Senate present—not more than 25. Some are eating lunch and others are attending committee meetings. I think if they would give as much thought to this important subject as I have given to it they would find they could make an exception without opening the floodgates to all other amendments offered.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Baldwin	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Bricker	Hill	Overton
Bridges	Hoey	Pepper
Brooks	Holland	Reed
Buck	Ives	Revercomb
Byrd	Jenner	Robertson, Va.
Cain	Johnson, Colo.	Robertson, Wyo.
Capehart	Johnston, S. C.	Russell
Capper	Kem	Saltonstall
Chavez	Knowland	Smith
Cooper	Langer	Sparkman
Cordon	Lodge	Stennis
Donnell	Lucas	Stewart
Downey	McCarran	Taft
Dworshak	McClellan	Thomas, Utah
Eastland	McFarland	Thye
Ecton	McGrath	Umstead
Ellender	McKellar	Watkins
Ferguson	McMahon	Wherry
Flanders	Magnuson	Williams
Fulbright	Maybank	Wilson
Green	Millikin	Young
Gurney	Moore	
Hatch	Morse	

The PRESIDING OFFICER (Mr. LODGE in the chair). Seventy-six Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. HAWKES].

Mr. HAWKES. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from Minnesota [Mr. BALL], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are detained on official committee business.

The Senator from Nevada [Mr. MALONE] and the Senator from Wisconsin [Mr. MCCARTHY] are unavoidably detained. If present and voting, the Senator from Wisconsin [Mr. MCCARTHY] would vote "yea," and the Senator from Nevada [Mr. MALONE] would vote "nay."

Mr. LUCAS. I announce that the Senator from Texas [Mr. CONNALLY] and the Senator from Georgia [Mr. GEORGE] are detained on official business in the Committee on Foreign Relations.

The Senator from West Virginia [Mr. KILGORE] is absent because of serious illness in his family.

The Senator from Montana [Mr. MURRAY] and the Senator from Wyoming [Mr. O'MAHONEY] are absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is absent on public business.

The Senator from Oklahoma [Mr. THOMAS] is absent on official business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

If present and voting, the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 14, nays 62, as follows:

YEAS—14

Baldwin	Byrd	McCarran
Bricker	Capehart	O'Daniel
Bridges	Hawkes	Wherry
Brooks	Hickenlooper	Williams
Buck	Langer	

NAYS—62

Aiken	Hoey	O'Conor
Barkley	Holland	Overton
Cain	Ives	Pepper
Capper	Jenner	Reed
Chavez	Johnson, Colo.	Revercomb
Cooper	Johnston, S. C.	Robertson, Va.
Cordon	Kem	Robertson, Wyo.
Donnell	Knowland	Russell
Downey	Lodge	Saltonstall
Dworshak	Lucas	Smith
Eastland	McClellan	Sparkman
Ecton	McFarland	Stennis
Ellender	McGrath	Stewart
Ferguson	McKellar	Taft
Flanders	McMahon	Thomas, Utah
Fulbright	Magnuson	Thye
Green	Maybank	Umstead
Gurney	Millikin	Watkins
Hatch	Moore	Wilson
Hayden	Morse	Young
Hill	Myers	

NOT VOTING—20

Ball	McCarthy	Tobey
Brewster	Malone	Tydings
Bushfield	Martin	Vandenberg
Butler	Murray	Wagner
Connally	O'Mahoney	White
George	Taylor	Wiley
Kilgore	Thomas, Okla.	

So Mr. HAWKES' amendment was rejected.

CONFIRMATION OF NOMINATIONS IN THE ARMED SERVICES

Mr. WHERRY. Mr. President, I ask that, as in executive session, the Senate may proceed to consider nominations in the armed services which will be presented by the distinguished Senator from South Dakota [Mr. GURNEY], if the Chair will recognize him for that purpose.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and the Chair recognizes the Senator from South Dakota.

Mr. GURNEY. Mr. President, for several months the Armed Services Committee has had before it a considerable number of nominations in the armed services. Included in the number are 590 colonels in the Air Force. There are also nominations in other branches of the armed services. They are routine nominations, with the exception of a few major generals and 6 brigadier generals in the Regular Army.

Mr. President, I ask unanimous consent for the present consideration of the nominations, and I ask that they be considered en bloc, and that the President be notified.

The PRESIDING OFFICER. Is there objection?

Mr. LANGER. Mr. President, reserving the right to object, may I inquire if the name of Colonel Sebree appears on the list?

Mr. GURNEY. I believe it does.

Mr. LANGER. Mr. President, I want the RECORD to show that I vote against confirming the nomination of Colonel Sebree. I have no objection to the consideration of the nominations.

The PRESIDING OFFICER. Is there objection to the present consideration of the nominations? The Chair hears none. Without objection, the nominations are confirmed en bloc; and, without objection, the President will be notified forthwith.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. IVES. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 16, line 21, it is proposed to strike out "reduced." and insert in lieu thereof "reduced; except that in no case shall the amount of the Federal allotment for any State be less than $5 multiplied by the number of children in such State from 5 to 17 years of age, inclusive, as determined under paragraph (A)."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New York [Mr. IVES].

Mr. IVES. Mr. President, the purpose of this amendment is obvious. It is to provide that none of the so-called well-to-do States shall receive less than $5 per child for children between the ages of 5 and 17. My reason for offering the amendment was fairly well explained the other afternoon when I spoke in general about the need for a minimum dollar provision in the bill. On checking the effect of the bill as it now stands, I find that, so far as the more well-to-do States are concerned, the minimum is substantially below the $5 figure which ostensibly has been set in the bill.

As will be noted, this amendment affects the language in paragraph (D) of section 4, in line 21 on page 16 of the bill. As the language now stands, it provides that in order to obtain the full amount of Federal aid which would be allotted under the formula provided in the bill, at least 2.5 percent of a State's income must be devoted to public educational purposes in the State, through the medium of local and State taxes.

It so happened that in a substantial majority of the States this is not the case. I readily agree that such an objective is desirable as an ultimate objective. At the same time, I feel equally positive that there should be a definite minimum of which every State should be sure at all times. That is why I am offering this amendment. It simply provides that, regardless of any other provision in the paragraph, every State shall receive a minimum of at least $5 per child within the age limits previously mentioned.

To indicate what I mean in connection with the more well-to-do States, I point out that by the latest figures, Maryland is raising only 1.2 percent of its tax income for public educational purposes; Delaware and Rhode Island, 1.4 percent; Connecticut and Nevada, 1.5 percent; California, Illinois, and Ohio, 1.6 percent; Massachusetts and New York, 1.7 percent; Michigan, New Hampshire, Pennsylvania, and Washington, 1.8 percent; New Jersey and Oregon, 1.9 percent; and Indiana, 2 percent. I point out in connection with Indiana that of the 17 States which cannot possibly get anything back in the way of a balance of aid in their favor out of the proposal now before us, Indiana would receive the highest allowance, which would be $4 instead of $5 per pupil. Maryland would receive slightly more than $2 per pupil.

This seems to me to be altogether wrong. A minimum of $5 is not out of order. As I stated the other day, the more well-to-do States are entitled to a reasonable return. They are entitled to be assured that they will have a minimum return, and that is why I am offering the amendment which is now before the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. IVES].

Mr. TAFT. Mr. President, this is a question which was not considered in the committee. On the whole, I am inclined to agree with the Senator from New York. If we admit the principle that every State should receive some aid, every State is having difficulty in increasing its taxes. I quite agree that probably it is right that the $5 allowance should be without deduction for penalty for failure to levy a certain amount of tax.

The figures cited by the Senator from New York, which are found on page 3391 of the RECORD, relate, I think, to the year 1946. The truth is that all those States are now raising a considerably larger percentage. So I think the Senator's fear that they will be docked, so to speak, as much as appears in this table, is somewhat overstated.

Mr. IVES. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. IVES. I appreciate very much the Senator's bringing that matter to the attention of the Senate. I meant to do so myself. I think it should be pointed out that the year 1946 was a year of high revenue, and that naturally the tax ratio would be comparatively low.

In this connection, however, I think it should be quite obvious that very few of the 17 States which I have named would receive the full $5 if the formula were left as it now is in the bill.

Mr. TAFT. The Senator is quite correct. I am willing to accept the amendment unless there is objection on the part of other members of the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. IVES].

The amendment was agreed to.

Mr. GREEN obtained the floor.

IMPAIRMENT OF NATIONAL SECURITY BY DISOBEDIENCE TO LAW

Mr. EASTLAND. Mr. President, will the Senator from Rhode Island yield to me?

Mr. GREEN. I yield.

Mr. EASTLAND. I send to the desk a resolution, and I ask unanimous consent that it may be received out of order and read.

The PRESIDING OFFICER. Without objection, the resolution will be received and read.

Mr. WHERRY. Mr. President, the reading of the resolution does not mean there is no objection to its present consideration, of course.

The PRESIDING OFFICER. Yes; the reading of the resolution does not mean that it is to be considered at this time.

Mr. EASTLAND. After it is read, Mr. President, I shall request its present consideration.

Mr. WHERRY. Very well.

The PRESIDING OFFICER. Without objection, the resolution will be received and read.

The resolution (S. Res. 217) was read, as follows:

Whereas the civilian and military officials of the United States who are primarily responsible for its military security have advised the Congress and committees thereof that to insure the safety of the Nation it is imperative to increase the personnel of the armed forces on active duty and to take necessary steps to develop an adequately trained Reserve available for call to active duty in the event of a national emergency; and

Whereas the Committee on Armed Services of the United States Senate has been engaged for several days in conducting hearings on the recommendations of such officials and, in the interest of developing a program under which the obligations and privileges of military service and of training for the national security would be shared by our citizens in the fairest possible manner, has afforded an opportunity to all interested persons to present their views to the committee; and

Whereas there appeared before the committee on March 31, 1948, for the purpose of presenting their views certain spokesmen for the Committee Against Jimcrow in Military Service and Training; and

Whereas a certain A. Philip Randolph, one of such spokesmen, testified that unless Army policies and laws are so changed as to remove alleged racial segregation and discrimination in the armed forces, his committee would lead a drive to cause Negro citizens to refuse to assume their obligations under any laws which may be enacted by the Congress imposing obligations upon citizens to serve in the armed forces or to take training to fit them for call to active duty in such forces in the event of emergency; and

Whereas a certain Grant Reynolds, another spokesman for the Committee Against Jimcrow in Military Service and Training, who is commissioner of correction of the State of New York, in the course of his testimony before the Committee on Armed Services endorsed the testimony of A. Philip Randolph and stated that he would follow any program proposed by the said Randolph "including civil disobedience"; and

Whereas the Congress and the people of the entire Nation have been startled and bitterly disappointed that a high official of a State government, holding a key position of public trust under that government which should be held only by a person who favors scrupulous obedience to Federal and State laws, should advocate a program which would impair the national security of the United States; and

Whereas the United States Senate is of the opinion that the Governor of the State of New York should be fully apprised of the testimony of the said Grant Reynolds before

the Committee on Armed Services in order that the Governor may take such action as he may deem appropriate to mitigate the unfortunate effects of such testimony: Therefore be it

Resolved, That the Secretary of the Senate is authorized and directed to obtain from the clerk of the Committee on Armed Services of the Senate a duly certified copy of the testimony given before such committee on March 31, 1948, and to forward such testimony, together with a copy of this resolution, to the Honorable Thomas E. Dewey, Governor of the State of New York, for such action as he may deem appropriate.

Mr. EASTLAND. Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection?

Mr. IVES. Mr. President, reserving the right to object, I should like to point out at least one error in the resolution: Mr. Grant Reynolds is not the Commissioner of Correction of the State of New York. He is a member of the Commission of Correction of the State of New York, a body of nine members, which serves in a purely advisory capacity, and without any authority whatever. That point should be very definitely understood.

Furthermore, I should like to point out that I see no need for advising the Governor of the State of New York regarding this matter. The Governor of the State of New York is undoubtedly cognizant of it, without any action by the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. WHERRY. I object to the immediate consideration of the resolution.

The PRESIDING OFFICER. Objection is heard. The resolution will go over, under the rule.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

Mr. GREEN. Mr. President, I call up amendment B, which I offer on behalf of myself and my colleague, the junior Senator from Rhode Island [Mr. McGRATH].

The PRESIDING OFFICER. Does the Senator from Rhode Island desire to have the amendment read in full at this time?

Mr. GREEN. No; I do not.

The PRESIDING OFFICER. Then the amendment will be printed at this point in the RECORD.

The amendment proposed by Mr. GREEN (for himself and Mr. McGRATH) in the nature of a substitute for the bill is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That for the purpose of assisting the several States in improving and maintaining their systems of free public education by supplementing the salaries of teachers in free public elementary and secondary schools there is hereby authorized to be appropriated for the fiscal year ending June 30, 1949, and for each fiscal year thereafter, such sums as may be necessary to carry out the provisions of this act.

"SEC. 2. From the sums appropriated pursuant to the first section of this act, the United States Commissioner of Education (hereinafter referred to as the "Commissioner") is authorized to make grants to the States which have accepted the provisions of this act as hereinafter provided. The proceeds of such grants shall be available for expenditure by such States exclusively for the purpose of supplementing the salaries of teachers in free public elementary and secondary schools within their respective jurisdictions.

"SEC. 3. The amounts of grants authorized to be made under this act to any State during any fiscal year shall be determined by multiplying the number of pupils in average daily attendance in the free public elementary and secondary schools within such State by $15. Such grants shall be paid in quarterly installments computed on the basis of attendance during the preceding quarter.

"SEC. 4. (a) In order to qualify for receiving funds appropriated under this act a State—

"(1) through its legislature, shall (A) accept the provisions of this act and provide for the administration of funds to be received; (B) provide that the State treasurer, or corresponding official in the State, shall receive the funds paid to the State under this act and shall submit annually a detailed statement of the amount so received and of its disbursement; (C) provide that its State educational authority shall represent the State in the administration of funds received; (D) provide for an audit by the State educational authority of the expenditure of funds received and allocated to local school jurisdictions, and for a system of reports from local school jurisdictions to such authority; (E) provide that the State educational authority shall make quarterly reports, in such form as the Commissioner shall prescribe, showing the number of pupils in daily attendance in free public elementary and secondary schools within such State during the preceding quarter, and such other reports as the Commissioner may deem necessary to enable him to carry out his functions under this act; (F) provide that there will be expended in such State from State or local sources, during any fiscal year for which a grant is made under this act, an amount for payment of teachers' salaries which is not less than the amount expended from such sources for such purposes during the last preceding fiscal year; and (G) provide that from the grants received under this act for a fiscal year there shall be paid quarterly to each free public elementary and secondary school within such State an amount equal to $15 for each pupil in average daily attendance in such school during the preceding quarter;

"(2) shall transmit through its State educational authority to the United States Commissioner of Education official notice of acceptance and certified copies of the legislative enactments and the official regulations that may be issued by the State educational authority in connection with such funds. Any amendment of such enactments and revisions of official regulations shall, in like manner, be transmitted to the Commissioner.

"SEC. 5. The Commissioner shall, prior to the beginning of each quarter, estimate the amount to be paid for such quarter to a State which has accepted the provisions of this act, and shall certify the amount so estimated, reduced or increased, as the case may be, by any sum by which he finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to such State for such quarter, to the Secretary of the Treasury who shall, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the treasurer or corresponding official of such State, as soon as possible after the beginning of each quarter, the amount certified by the Commissioner with respect to such quarter. Each such treasurer shall account for the moneys received, and shall pay out such funds only on the requisition of the State educational authority.

"SEC. 6. Whenever the Commissioner, after reasonable notice and opportunity for hearing to a State which has accepted the provisions of this act, finds that any funds paid to such State under section 5 have been expended for any purpose not authorized by this act, he may withhold further certifications until the funds so expended shall have been repaid.

"SEC. 7. As used in this act—

"(a) The term 'State' includes the several States, the District of Columbia, Alaska, Hawaii, Puerto Rico, Guam, and the Virgin Islands.

"(b) The term 'State educational authority' means, as the State legislature may determine, (1) the chief State school officer (such as the State superintendent of public instruction, commissioner of education, or similar officer), or (2) a board of education controlling the State department of education; except that in the District of Columbia it shall mean the Board of Education.

"(c) The term 'teacher' includes persons engaged in instruction, but does not include persons engaged solely in the supervision or administration of instruction.

"SEC. 8. No department, agency, or officer of the United States shall exercise any supervision or control over any school with respect to which any funds are expended pursuant to this act, nor shall any term or condition of any agreement under this act relating to any grant made under this act authorize any agency or officer of the United States to control the administration, personnel, curriculum, instruction, methods of instruction, or materials of instruction with respect to any such school."

Amend the title so as to read: "A bill to assist the States in improving and maintaining their systems of free public education by providing funds to be used for supplementing teachers' salaries."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. GREEN].

Mr. GREEN. Mr. President, this amendment to Senate bill 472, which in effect is a substitute bill, was introduced in the Senate for myself and my colleague, Senator McGRATH. It aims to provide Federal funds to be used to supplement the present inadequate salaries of public-school teachers. It was originally introduced as Senate bill 81 and later was amended. We now present it as an amendment to Senate bill 472, the measure now under consideration.

I am advised by John W. Studebaker, Commissioner of the United States Office of Education, that the only Federal funds furnished to the States for teachers' salaries are, first, those supplied to land-grant colleges, something less than $6,000,000 a year, through the United States Office of Education; and, second, approximately $21,000,000 a year for certain aspects of vocational education of secondary school grade in the fields of agriculture, trades and industries, home economics, and to a very limited extent in business education. These two amounts are utilized in providing some of the money which certain school teachers are paid.

This amendment has the merit of being direct, brief, and unambiguous. It authorizes an annual appropriation of $15 per pupil to be used to supplement teachers' salaries in secondary and elementary public schools. My colleague and I arrived at this figure of $15 per pupil after conferring with several noted educators, all interested in the teachers' present plight of underpayment. At $15 per pupil, the appropriation authorized would amount to some $259,000,000, based on the reported daily attendance in such schools in 1945. Assuming an average pupil-teacher ratio of 30 pupils per teacher, the measure would authorize an appropriation sufficient to provide an increase amounting to about $450 a year for each elementary and secondary school teacher in the United States and its Territories.

The Committee on Labor and Public Welfare in their report submitted by the Senator from Vermont [Mr. AIKEN] recognized the shortage of teachers and the necessity for providing additional funds for the salaries of secondary and elementary school teachers. I quote from their report:

School systems are unable to compete with other occupations for competent and trained personnel because of a lack of funds.—During the war period teachers in unusually large numbers left the profession for better-paying opportunities in nonteaching employment. At least 350,000 qualified teachers left during the years from 1941 to 1945, many never to return. This exodus, largely caused by low pay, was in turn due to insufficient funds for educational purposes.

Under the pressure of higher living costs and the turn-over in the employment, school systems have raised salaries. The States have increased their financial aid. Yet in spite of this only two States have been able to enact a $2,400-minimum-salary law for new teachers. Most States still have legal minimums below $2,000 annually even for teachers with 4 years of college preparation; one-third have prescribed no official minimum salary.

At the beginning of the school year 1946–47 careful estimates indicated that nearly 54 percent of the teachers in public schools were to be paid less than $2,000 for the year; 16 percent had been promised salaries of less than $1,200.

Salaries in teaching are so unattractive that an unprecedentedly small number of college students are preparing for teaching. Although enrollments in all colleges have been swelled by GI's and those whose education was delayed by the war, teachers' colleges have not grown in size comparable to other types of institutions. Of those enrolled in teachers' colleges in 1941 nearly 90 percent took courses leading to employment in teaching; in 1946–47 only 67 percent of teacher-college enrollments were in teacher-preparatory courses.

This amendment is designed to be exclusively a teachers' salary-improvement measure. Insofar as the present critical teacher shortage stems from the inability of the States and communities to provide more adequate salaries for elementary- and secondary-school teachers, Federal assistance is definitely needed and desirable.

As originally introduced, payments would be made directly to the school districts. However, we have been advised that in order to comply with this provision of the bill, the United States Office of Education would need a very large staff. I sent copies of the bill to all State directors or commissioners of education in the country and requested their comments and suggestions. Practically all of them, while approving of the other provisions of the bill, suggested that the bill be amended so that the funds would be channeled through the State director or commissioner of education, instead of directly to the officials of a given school district. We believe this suggestion is a good one, and, consequently, the amendment now under discussion provides that the payments be made, not to school districts, but to State education officials.

The replies I have received from the State directors and commissioners of education have been gratifying. In order not to take the time of the Senate, I ask permission to insert the replies in the RECORD as a part of my remarks. I may state, however, that these replies have come from Federal officials and from the heads of the educational departments in the District of Columbia, Alaska, Arizona, California, the Canal Zone, Hawaii, Illinois, Kansas, Louisiana, Michigan, Mississippi, Missouri, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Oregon, Puerto Rico, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Virgin Islands, Virginia, and West Virginia. One letter is from Hon. J. W. Studebaker, Commissioner of the United States Office of Education. In it he comments on the original bill, S. 81, and the suggestions made by him, together with practically all the suggestions made by the various directors and commissioners of education, are incorporated in the amendment now offered, and on which the Senate is to vote.

There being no objection, the letters were ordered to be printed in the RECORD.

(See exhibit A.)

Mr. GREEN. There are no stringent Federal controls provided for in this bill, and no attempt is made in behalf of the Federal Government to dominate education in the States or local communities. The only requirement is that certified reports must be made as to average daily attendance. The amendment is designed to meet a specific need; it is to render direct assistance to the elementary and secondary public school teachers in the country in their struggle to maintain a decent standard of living. Thus, it goes to the heart of our present educational problem.

The United States now spends only 1.5 percent of its national income for its schools as compared with 3 percent, or twice our percentage, spent by Great Britain and 7.5 percent, or 5 times our percentage, by the Soviet Union. The cost of the program proposed for direct Federal aid for teachers would raise our present ratio from 1.5 percent to 1.8 percent. This three-tenths of 1 percent increase is certainly not large in proportion to the wealth of our great Nation, nor in proportion to the need for good schools and good teachers, nor in proportion to what we as a Nation will get in return. No function of government is more important than public education. In a democracy like ours it is a fundamental necessity, and nowhere else in our Government are false economies so costly in the end.

Today, in a world of swiftly changing standards and events when the future peace and security of the world hang in the balance and freemen everywhere are looking to America for leadership and guidance, the kind of education we provide for our young people is more important than ever before. As a nation, our responsibility to these young people has increased. The future greatness of America, as a great nation and a world power, will depend in large measure upon the character, intelligence, and degree of enlightenment of these millions of young Americans who are now in our schools. They need and are entitled to the very best in education that we as a nation can possibly give them. We must send them forth equipped to meet and solve the great problems of the future. Their future and ours demand that we do this.

The job of educating young America for its great responsibilities in the years ahead is not and cannot any longer be entirely a local or State matter. Federal assistance is not only desirable, it is essential.

We are faced with a critical teacher shortage and in several States and municipalities emergency measures have been formulated to keep our schools open. Substitute teachers are doing a good and loyal service. However, in many cases these substitutes have only a little more schooling than their pupils. Adequate compensation should be provided for the teachers for the services they render, and it is only through Federal assistance that this compensation can be provided.

Conditions in many of our municipalities are alarming, and the reason lies in the fact that our teachers as a group are shamefully underpaid. This amendment provides additional funds for salaries only for those teachers in the elementary and secondary schools. The amendment does not appropriate funds for executive salaries or for teaching supplies or transportation or other such purposes. I believe that higher teacher salaries will be an inducement for students in our colleges to pursue a teacher's career and at a wage more nearly commensurate with their training and education.

In conclusion it may be helpful for me to compare the amending bill with the pending bill, Senate bill 472.

They both require action by the legislatures of the different States and certification to the United States Commissioner of education by the State educational director or commissioner.

They both provide for payments to the State to be made in quarterly installments.

They both specifically prohibit Federal control of education in the States.

Now, let me point out the principal differences between them.

(a) The amending bill is, to use the language of Mr. Studebaker, "direct, brief, and unambiguous," and provides $15.00 per pupil based on an average daily attendance in the free public elementary and secondary schools. Senate

bill 472 is long and complicated and provides $5.00 as a basis for all children between the ages of five and seventeen whether in public schools or not.

(b) It deals with the fundamental question of teachers' salaries which everyone agrees are too low throughout the whole country, but it avoids all the controversial questions arising under S. 472 such as provisions for private schools, the segregation of pupils, and so forth.

(c) It goes directly to the principal deficiency in the present situation, namely, lack of good teachers and cuts out less important matters such as executive salaries, administrative expenses, equipment, supplies, transportation, etc. arising under Senate bill 472.

(d) It treats all the States alike, yet teachers in the poorer States get a proportional increase greater than those in the richer States. For example, assuming that this year in a State like Indiana, the average teacher will get $3,000, he would under this amendment get $3,450, or an increase of 15 percent. However, assuming that in a State like Mississippi the teacher will get $1,200, he would get $1,650, or an increase of 37½ percent.

(e) Under the amendment the initial appropriation is less, $259,000,000 instead of $300,000,000, a saving of some $41,000,000.

So, it seems to me that this amendment should appeal to the greater number of my colleagues here in the Senate, and, furthermore, that, if adopted, it will be to the greater advantage of the schools of our country.

EXHIBIT A

FEDERAL SECURITY AGENCY,
UNITED STATES OFFICE OF EDUCATION,
Washington, D. C., February 17, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR GREEN: I appreciate your thoughtfulness in sending me on February 1, 1947, a copy of S. 81 and your courtesy in inviting my comments and any suggestions with regard to proposed amendments.

This bill has the great virtue of being direct, brief, and unambiguous. It would authorize an annual appropriation of funds of $15 per pupil in average daily attendance in public elementary and secondary schools in the United States, including the District of Columbia, Hawaii, Alaska, and Puerto Rico, to be used by local public school districts to supplement teachers' salaries. At $15 per pupil the appropriation authorized would amount to some $295,070,970, if based on a reported daily attendance in such schools in the continental United States of 19,671,398 pupils for 1945.

The appropriation would be distributed by the Commissioner as grants to local school districts to be used exclusively to supplement the salaries of public elementary and secondary school teachers. The bill is designed to be exclusively a teachers' salary improvement measure. Insofar as the present critical teacher shortage stems from the inability of States and their local communities to provide more adequate salaries for public elementary and secondary school teachers, Federal assistance would appear to be eminently desirable.

Assuming an average pupil-teacher ratio of 30 pupils per teacher, the bill would authorize appropriations sufficient to provide an increase averaging $450 for each public elementary and secondary school teacher in the United States and its Territories. Just how the Federal grants would be distributed as teachers' salary supplements within any local public school jurisdiction would be left to the discretion of the school authorities thereof.

This bill apparently does not undertake to reduce the competitive disadvantage under which poorer school districts in poorer States now labor in recruiting and holding well-qualified teachers. A school district, regardless of its wealth or present teachers' salary schedule, might apply for and receive a grant to be used to supplement teachers' salaries.

Serious question might be raised concerning the method of administration proposed in S. 81. The administrative relationship appears to be almost exclusively between the Federal Government and the local school district, except that the local school district seeking the benefits of the act must file an application for a Federal grant through its State educational authority. This arrangement would seem to involve the United States Office of Education in the detailed task of approving applications from most of the 111,273 public elementary and secondary school districts in the United States. Moreover, there would be the duty of receiving and processing required quarterly attendance reports from all of the school districts which had applied for grants, computing the amounts of the grants, and certifying these to the Treasurer of the United States. This whole operation would require the employment of a very large staff in the United States Office of Education.

Again, under section 6, there is the clear implication that the Commissioner of Education must undertake to determine or find whether any assurance required by the provisions of section 4 to be given in such application is not being carried out and in case of such finding the Commissioner shall withhold any further certification of funds. This again would appear to require a large staff of Federal auditors or inspectors to make such determinations or findings with respect to thousands of local public school districts.

All of this administrative difficulty and the building up of a large Federal staff to administer S. 81 might be avoided if the bill were amended in such fashion that the several State educational agencies were made responsible for administration of the act within the respective States. Administrative relationships with the Federal Government should, it seems to me, be with and through the State educational agencies, acting as trustees for Federal grants made to them on the basis of an objective apportionment formula written into the act.

Cordially yours,

J. W. STUDEBAKER,
Commissioner.

NATIONAL EDUCATION ASSOCIATION
OF THE UNITED STATES,
Washington, D. C., April 7, 1947.

Memorandum to Mr. Giddings.

I have your note requesting an unofficial comment on Senator GREEN'S Federal-aid bill (S. 81) and am glad to give my personal opinion. I cannot, of course, express an official opinion for the National Education Association.

First let me mention several good points of Senator GREEN'S proposal:

1. He is to be congratulated for his interest in the welfare of teachers and his desire to improve their status by this rather direct proposal to increase salaries. We in the National Education Association appreciate the fact that the quality of education is determined by the quality of the teachers in the classrooms. The first requisite for obtaining and maintaining high quality in the supply of teachers is the provision of salaries which permit teachers to live at the economic and cultural levels required for their tasks.

2. The Senator is wise in providing that the administration of the funds shall be through the United States Office of Education. He seeks to provide the Commissioner with authority necessary to carry out his assignment (see item No. 7 below).

3. He provides that school systems shall not reduce their expenditures below those of the year preceding that in which they begin to receive Federal aid.

4. His proposal forbids Federal officials from exercising any control over administration and instruction in local school systems.

5. By his definition of the term "public-school district" I think the Senator's bill is less ambiguous than some of the bills that have been introduced into Congress.

In making criticisms of Senator GREEN'S bill I shall attempt to keep to fundamental points and principles:

1. I have not taken time to compute accurately the amount of money that the Senator's bill would require but I estimate that, if all school districts asked for funds, it would require from $300,000,000 to $350,000,000. While I agree that the public schools eventually should have from one-half to one billion dollars from Federal sources, I think it is better to approach through steps such as $200,000,000, $250,000,000, $300,000,000, and so on for the first few years. This gradual approach will permit wise adjustment to the increased revenues.

2. The proposal provides only for a fixed sum of $15 per child in average daily attendance to be given to all types of school districts—rich and poor. On the basis of State experience we now know that uniform allotment on the basis of attendance is not usually the best basis. If a choice must be made then the equalization idea should be used first or used in combination with the uniform grant. Flat grants, without equalization, tend to increase the differences between rich and poor school districts.

3. The plan provides that the United States Commissioner shall deal somewhat directly with each local school district. I recognize that the Senator provides that each district shall apply "through the educational authority in the State" but he does not specify what the authority of the State officials shall be. Hence, if the school district's application is not complete or is of doubtful accuracy presumably the Commissioner would have to negotiate directly with the local authorities. The experience of the ODT during the war was that responsibility had to be placed on State authorities since the United States Commissioner could not possibly have the staff or facilities to pass on the requests of individual school districts. Counting the one-teacher school districts the United States Office of Education would have to have contacts with about 100,000 school districts.

4. The bill requires that the Federal funds must be used to supplement teachers' salaries. While this is a worthy purpose Congress should have recognized this primary need about 4 years ago when the condition was universal. In the next few years, the salary situation will be very uneven throughout the Nation because some States and localities recently have made significant steps forward while other areas have not or cannot pay adequate salaries. The three critical needs today are: Adequate salaries, new equipment, and new buildings. Many local districts have already poured such large sums into salaries that a crisis exists in instructional supplies and school housing. Since 75 to 80 percent of most school budgets are now going for salaries I would rather see the Senator's bill provide that 25 percent of the allotment could be used for purposes other than salaries.

5. The bill uses average daily attendance as a basis for allotting funds. While there is much to be said for using ADA, since it

encourages districts to improve attendance, ADA is not uniformly computed in all of the States. The Commissioner would have to specify how ADA was to be computed for the purpose of the Federal law and this method might not agree with the definition used for State purposes under State law.

6. It seems to me that computing ADA on a quarterly basis is unnecessarily complicated. It would force local districts to employ additional personnel to fill out a number of new forms. For practical purposes each district could certify as to ADA for the preceding school year and then avoid extra work, since this report is made annually to the State, and the district would also be in a better position to estimate what it could expect from the Federal Government in planning its budget.

7. I find nothing in the bill that provides for any kind of appeal from the Commissioner's decisions. Presumably he can reduce or withhold the sums due to a school district and no one can do anything about it. I doubt that any Federal Commissioner should have such absolute powers.

8. The proposal does not provide for Guam, the Virgin Islands, the Canal Zone, and possibly other outlying areas under the American flag.

FRANK W. HUBBARD,
Director, Research Division.

WASHINGTON, D. C., *March 18, 1947.*
Hon. THEODORE FRANCIS GREEN,
Committee on Foreign Relations,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: I regret that there has been such a long delay in replying to your communication, addressed to this office several weeks ago, accompanied by a copy of S. 81, "A bill to assist the States in improving and maintaining their systems of free public education by providing funds to be used for supplementing teachers' salaries," which was introduced by you and Senator J. HOWARD MCGRATH.

Due to the pressure of so much important school business, including pending legislation, it has not been possible to give proper attention at an earlier date to the bill which you introduced providing money for grants to be made to the States and the District of Columbia, based upon the average daily attendance in the public elementary and secondary schools. Since the average daily attendance in the public schools on December 12, 1946, was 84,067 pupils, this would entitle the Board of Education to receive a Federal grant of $1,261,005.

The provision of this bill that the grants be made by the United States Commissioner of Education to be used for supplementing the salaries of the teachers in the public school systems is indeed a worthy undertaking. It is my opinion that this is a very desirable piece of legislation, particularly needed at this time of great crisis in education. This proposed bill should have the support of school districts throughout the country.

Yours very sincerely,
HOBART M. CORNING,
Superintendent of Schools.

TERRITORY OF ALASKA,
Juneau, Alaska, January 28, 1947.
THEODORE FRANCIS GREEN,
Senator, United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: Thank you very much for your letter of January 9 and for the attached copy of S. 81. Of course it is not necessary for me to remind you that teachers' salaries throughout the Nation are a disgrace, for I am sure that is the very thing you have in mind in introducing your bill.

I have read the bill rather carefully and, while it will not mean a great deal to Alaska, I wholeheartedly endorse the measure. Any measure which will help the poor States to improve educational standards will aid Alaska. Who knows what child who is now in the public schools of Mississippi may someday be in a position of authority in Alaska.

I feel confident that all school people everywhere are endorsing S. 81.

Sincerely,
JAMES C. RYAN,
Commissioner of Education.

STATE OF ARIZONA,
DEPARTMENT OF PUBLIC INSTRUCTION,
Phoenix, January 16, 1947.
Hon. THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: This will acknowledge receipt of your letter of January 9 in which you enclosed a copy of S. 81 which was introduced in the Senate on January 8 by Senator J. HOWARD MCGRATH and yourself. I should like to say at the outset that I am heartily in agreement with the proposal and I sincerely believe that its adoption would be helpful in averting the existing teacher crisis. We are experiencing in Arizona a situation similar to that faced by all of our States with reference to the supply of teachers.

In this State we are at the present time obliged to fill approximately 12 percent of our teaching positions with teachers having less than standard qualifications.

I have but two suggestions to make concerning this proposal:

1. I suggest that section 3 be amended to limit the number of pupils in average daily attendance per teacher, or in other words, per classroom, upon which any district may draw Federal aid. I would suggest that this limitation be not in excess of an average of 35 or 40 pupils per certified teacher employed in each school district. This limitation would prevent encouragement of overcrowding classrooms which, I believe, would be the inevitable result of apportioning such funds without this limitation.

2. I would further suggest that in order that the provisions of this act be consistent with established practice in payment and administration of Federal funds appropriated for educational use by the various States. Section 5 be amended to provide for payment by the commissioners to the State Educational Agency for distribution to the several districts of each State such sums as are warranted by required reports on average daily attendance.

Yours sincerely,
NOLAN D. PULLIAM,
Superintendent of Public Instruction.

STATE OF CALIFORNIA,
DEPARTMENT OF EDUCATION,
Sacramento, January 30, 1947.
Hon. THEODORE F. GREEN,
United States Senate,
Committee on Foreign Relations,
Washington, D. C.

MY DEAR SENATOR GREEN: Thank you for sending the copy of S. 81 which you introduced in the Senate January 8, 1947. Superintendent Simpson and I have discussed this measure, and he is deeply interested, and has asked that you be commended in this letter for sponsoring its introduction.

We are happy to see section 8 included, as there is always the fear of Federal dictation of policy should Federal financial aid be accepted. We have no suggestions as to additions to this bill; it is satisfactory as is.

The people of California, at the election held last November, voted a State constitutional amendment to provide a minimum salary of $2,400 for public-school teachers. This was done to make the profession more attractive to those who may be encouraged to train as teachers, and to provide at least that minimum salary be guaranteed to those teachers in service.

There is a tremendous shortage of teachers in California as well as in other States in the Union, and it is our feeling that one important way to provide more teachers is through more adequate salaries. At the present time in California, there are approximately 45,000 teachers employed by the public schools. There are 12,358 teachers holding emergency credentials; therefore, California has a shortage of regularly qualified teachers of 12,358.

Since we believe so firmly in the need for more adequate salaries for teachers, we join with you in supporting S. 81.

Yours very truly,
GEO. E. HOGAN.

THE PANAMA CANAL,
DIVISION OF SCHOOLS,
Balboa Heights, C. Z., January 25, 1947.
The Honorable THEODORE F. GREEN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR GREEN: In response to your letter of January 10, 1947, with reference to bill S. 81, you are advised that the Canal Zone schools are operated under direct appropriations of funds by Congress and teachers' salaries are fixed on the basis of salaries paid in the District of Columbia. S. 81 in its present form would not apply to the Canal Zone (section 7 (a)), and this office feels that there is no apparent reason for recommending that the Canal Zone be included. This office does not feel qualified to comment on the effect of the bill in the United States.

Sincerely yours,
BEN M. WILLIAMS,
Superintendent of Schools.

TERRITORY OF HAWAII,
DEPARTMENT OF PUBLIC INSTRUCTION,
Honolulu, January 27, 1947.
Hon. THEODORE FRANCIS GREEN,
Member, Committee on Foreign Relations, United States Senate,
Washington, D. C.

SIR: Thank you very much for your letter of January 10, 1947, transmitting a copy of your Senate bill 81, providing for augmentation of teachers' salaries throughout the country and in Hawaii. This bill, to my mind, represents a forward-looking viewpoint and if realized, would be a positive and notable contribution to the welfare of the country through the improvement of education.

There is just one point which I would raise as a subject for possible amendment. Section 4, paragraph (b) states that the district shall expend "an amount for payment of teachers' salaries which is not less than the amount expended from such sources for such purposes during the next preceding fiscal year." Hawaii, like many of the States now pays to each of its teachers a monthly "cost-of-living" bonus. When such a bonus might be removed, would the benefit to be gained under the bill be lost since the amount paid for teachers' salaries would be less?

We shall look forward hopefully to favorable action by the Congress. With sincere thanks for your thoughtfulness and good efforts, I am,

Very sincerely yours,
RICHARD E. MEYER,
Assistant Superintendent.

STATE OF ILLINOIS,
Springfield, February 4, 1947.
Hon. THEODORE FRANCIS GREEN,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR GREEN: Recently you sent to me a copy of S. 81 which you introduced in the Senate on January 8, 1947 together with your colleague, Senator J. HOWARD MCGRATH. I have asked various members of

my department and secured their reaction on certain sections of the bill.

On page 2, section 3, lines 10 to 17, we feel that required quarterly reports are rather difficult for the reason that it is impossible for us to secure sufficient data upon which to make such report. All data which we use for school purposes in Illinois are from the annual report. It occurs to us that an annual estimate prepared upon our annual reports should be sufficient to serve throughout the year, then any difference at the end of the year could be adjusted at that time.

In section 4 (c) we are of the opinion that one application filed not later than September 15 should be sufficient. In this section we also object to the quarterly report requirements. If the above suggestions are accepted then section 5 becomes unnecessary.

In section 6 we are definitely of the opinion that the problems referred to there should be handled in the State office in the respective States and the State office should have the contacts with the United States Commissioner of Education.

The question was asked regarding paragraph (c), section 7—"Why discriminate against supervisors and administrators"? Some of these people in smaller States fall in the same category with respect to salary that teachers do.

I trust that you will find these suggestions constructive and helpful to you in regard to this bill.

Sincerely yours,

VERNON L. NICKELL,
Superintendent of Public Instruction.

STATE OF KANSAS,
DEPARTMENT OF PUBLIC INSTRUCTION,
Topeka, Kans., January 21, 1947.

Senator THEODORE FRANCIS GREEN,
United States Senate,
Committee on Foreign Relations,
Washington, L. C.

DEAR SENATOR GREEN: Thank you for the copy of the bill on appropriation of Federal funds for the improvement of teachers' salaries. I believe that such legislation is much needed in order to keep our schools going.

I appreciate your courtesy.

Very truly yours,

L. W. BROOKS,
State Superintendent of Public Instruction.

STATE OF LOUISIANA,
DEPARTMENT OF EDUCATION,
Baton Rouge, February 17, 1947.

Hon. THEODORE FRANCIS GREEN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR GREEN: On February 8 I wrote you in reference to S. 81, which you introduced in the Senate for yourself and your colleague, Senator MCGRATH. In my letter to you I stated that I very much preferred S. 472 as a general aid-to-education bill, but I stated that if this bill were not acceptable to the Senate and House, I should be glad to see the particular measure which you have introduced become law. I further stated that "personally I have no objections whatever to any of the provisions of your S. 81."

In making this statement, I am assuming that the term "public school district" as used in section 7 (b), line 21, page 4, would be so interpreted as to make possible the distribution of the funds in accordance with the laws of those States which operate under a county-unit system, as in Louisiana and in many Southern States. If this expression should be interpreted in such a way as to give the Federal Treasury authority to bypass the State departments of education and the parish (county) school boards in the distribution of these funds to the schools of the several parishes of the State, then I should be opposed to the measure. In Louisiana, as you perhaps know, all Federal and State funds are distributed to the parish school boards and the parish boards in turn reallocate the funds to the several schools within the parish. However, as I have indicated in my statement to you, I am assuming that the language of your bill would be so interpreted as to use the funds in our State as our State funds are used. If this is your interpretation of the bill, I suggest that you modify section 7 (B) to read as follows: "The term 'public-school district' means a county, a district, a town, or other local governmental subdivision having the supervision of public schools within its jurisdiction." I think this clarification of your measure would make it more acceptable.

Yours sincerely,

JOHN E. COXE,
State Superintendent.

STATE OF LOUISIANA,
DEPARTMENT OF EDUCATION,
Baton Rouge, February 8, 1947.

Hon. THEODORE FRANCIS GREEN,
Committee on Foreign Relations,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: I regret my delay in answering your letter of January 10, relative to S. 81, which you introduced in the Senate for yourself and your colleague, Senator J. HOWARD MCGRATH. However, I have purposely awaited the receipt of the various measures introduced in Congress for giving aid to the elementary and secondary schools of the country. I desire to see them all before endorsing any particular measure.

After thoroughly considering all of the Senate and House bills dealing with this subject, it seems to me that the most comprehensive measure and the one from which most good would flow is S. 472, by Senators TAFT, HILL, THOMAS, and others. It strikes me that this measure, being strictly an equalization proposal, is what is desired in the country at large. I wish, however, to say that, should it develop that S. 472 is not acceptable to the Senate and House, I should certainly be glad to see the particular measure which you have introduced become law. Personally, I have no objections whatever to any of the provisions of your S. 81. I simply feel that S. 472 is more comprehensive and is calculated to provide more general relief. I shall keep in touch with you and give you from time to time my impressions of the various measures introduced for the relief of our public elementary and secondary school systems.

Thanking you for your letter, and with best wishes, I am,

Yours sincerely,

JOHN E. COXE,
State Superintendent.

STATE DEPARTMENT OF EDUCATION,
Baltimore, Md., January 23, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: I wish to thank you for your letter of January 10, enclosing copy of a bill you introduced in the Senate on January 8, providing for the appropriation of funds for teachers' salaries.

Our board has taken no official position on matters involving Federal legislation, but, in my opinion, we are not going to have teachers for our children unless additional salaries are made possible by some governmental agency.

Sincerely yours,

T. G. PULLEN, Jr.,
State Superintendent of Schools.

DEPARTMENT OF PUBLIC INSTRUCTION,
Lansing, Mich., January 28, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: With your letter of January 10 you enclosed copy of Senate bill 81.

We have made some analysis of the bill and find that we would have several objections. In section 2, we believe that the grants should be made to the States for school districts rather than to school districts direct.

Section 3 provides that money shall be distributed on average daily attendance. It has been our experience that the distribution of funds on the basis of average daily attendance tends to force children into school when they should be home, to say nothing of the fact that teachers and administrators are continually confronted with finding ways to forget absences, thereby increasing the average attendance. We believe that average daily membership figures rather than average day attendance figures are much more honest and do not force children into school when they should be home because of illness.

Section 4 (b) requires that State and local governments spend as much each year as they spent the year before. It is obvious that during depression periods that both State and local governments will have to curtail expenditures and would thereby fail to receive funds from the Federal Government at a time when they would be most needed.

Section 5 provides for the distribution of funds to each school district. It appears to us that this would be almost an impossible task for the Federal Government to deal directly with 127,000 school districts, many of which are not on regular mail routes. We have found in the distribution of our own State funds that with 5,000 districts it is necessary for us to route funds to the respective counties and hence to school districts.

We are most happy to have this opportunity to review the legislation proposed and hope, along with other school people in our State, that Federal funds will be provided to assist in the education of the children.

Yours sincerely,

EUGENE B. ELLIOTT,
Superintendent.

STATE OF MISSISSIPPI,
DEPARTMENT OF EDUCATION,
Jackson, January 17, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: I appreciate your letter of January 10 enclosing a copy of S. 81 which you have introduced in the United States Senate to assist the States in improving and maintaining their systems of free public education by providing funds to be used for supplementing teachers' salaries.

I shall examine and study this bill at my first opportunity and assure you that it is gratifying to see this interest on your part in the great need for providing greater support for the teachers of our Nation.

Sincerely yours,

J. M. TUBB,
State Superintendent of Education.

STATE OF MISSOURI,
DEPARTMENT OF EDUCATION,
Jefferson, February 5, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate,
Committee on Foreign Relations,
Washington, D. C.

DEAR SIR: For a number of years there has been a feeling on the part of many people that there is a need for equalization of educational opportunities for the United States as a whole. Children in many States are able to receive a fine education while those of other States have educational advantages of a very poor quality.

We in Missouri are interested in education for all children. For that reason, we wish to commend you for Senate bill No. 81, and we would be pleased to hear from you further in regard to this bill.

Very truly yours,

HUBERT WHEELER,
Commissioner of Education.

STATE OF NEVADA,
DEPARTMENT OF EDUCATION,
Las Vegas, Nev., February 21, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate,
Committee on Appropriations,
Washington, D. C.

MY DEAR SENATOR GREEN: I approve of your bill, S. 81. This is of interest to me and I feel it is a move in the right direction.

I do not see that the schools of this Nation will be able to accomplish what they should for the youth unless we are able to secure some Federal aid.

Sincerely,

ROXIE COPENHAVER,
Deputy Superintendent, Fifth Supervision District.

SPARKS CITY SCHOOLS,
Sparks, Nev., February 19, 1947.

Senator THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: Thank you for your letter and a copy of the bill, S. 81. I think the intention of the bill to supplement teachers' salaries and thereby equalize, to some extent education throughout the States is good. The bill is not complicated and I further like it for that reason.

However, I think much of the objection to Federal aid comes from the fact, that along with the aid comes so much red tape in the form of reports, that extra employees have to be hired to take care of them. On lines 13, 14, and 15, on page 3, I see a wonderful opportunity for the United States Office of Education to run us ragged. Why not cut out those three lines?

Sincerely yours,

PROCTOR R. HUG,
Superintendent.

STATE OF NEVADA,
DEPARTMENT OF EDUCATION,
Carson City, January 20, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senator,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR GREEN: Thank you for your letter of January 10 with which you enclosed a copy of S. 81 of the first session of the Eightieth Congress.

I propose to give your bill careful consideration and to study how its application would affect the schools of this State. Our gravest problem, in my opinion, is the small rural school district in areas of small assessed valuation, where school funds are not sufficient to pay a teacher an adequate salary. Because of our great distances and small population, we must provide public schools in areas having as few as three resident children of school age. This naturally increases our school costs yet, due to distance and winter weather conditions, consolidation of many of these schools is utterly impossible.

You will be interested in knowing that at the session of the Nevada State Legislature which convenes today, we propose to introduce two bills seeking increased State support of our public schools, so that a minimum teacher's salary of $2,400 annually may be established in this State.

As one of the authors of S. 81, you obviously believe that support of public education is a Federal responsibility. I am glad to know your attitude on this, for I certainly realize that education is not entirely the duty of a State or a locality and that we must have a better quality of educational opportunity available for every child in these United States.

I should appreciate it very much if you would be so kind as to send a copy of your bill to Mr. Procter R. Hug, superintendent of the Sparks city schools, Sparks, Nev., and to each of my deputy superintendents: Mrs. Kate St. Clair, Elko Nev.; Mr. Donald K. Perry, Ely, Nev.; Mrs. Kathryn L. Sterling, Lovelock, Nev.; Mr. Byron F. Stetler, post-office box 680, Reno, Nev.; Miss Roxie Copenhaver, post-office box 390, Las Vegas, Nev.; and Mr. George E. McCracken, Carson City, Nev. Mr. Hug is the president of the Nevada State Educational Association.

Very truly yours,

MILDRED BRAY,
State Superintendent of Public Instruction.

FEBRUARY 12, 1947.

Miss MILDRED BRAY,
State Superintendent of
Public Instruction,
Department of Education,
Carson City, Nev.

MY DEAR MISS BRAY: Thank you for your letter of January 20 letting me have your comments on S. 81, the bill I introduced in the Senate for myself and my colleague, Senator J. HOWARD MCGRATH.

I certainly am glad to have your comments regarding this measure and today I am complying with your request and sending copies to the persons listed in your letter.

If you have any suggestions as to amendments, I trust you will not hesitate to write me accordingly.

Yours very truly,

THEODORE FRANCIS GREEN.

FEBRUARY 12, 1947.

Mr. PROCTER R. HUG,
Superintendent of the
Sparks City Schools,
Sparks, Nev.

MY DEAR MR. HUG: At the request of Miss Mildred Bray, State Superintendent of Public Instruction of Nevada, I am forwarding you a copy of S. 81, a bill I introduced in the Senate for myself and my colleague, Senator J. HOWARD MCGRATH.

I believe this measure will be of interest to you and trust you will not hesitate to let me have your comments on it.

Yours very truly,

THEODORE FRANCIS GREEN.

FEBRUARY 12, 1947.

Mr. GEORGE E. MCCRACKEN,
Deputy Superintendent
Department of Education,
Carson City, Nev.

MY DEAR MR. MCCRACKEN: At the request of Miss Mildred Bray, State Superintendent of public instruction of Nevada, I am forwarding you a copy of S. 81, a bill I introduced in the Senate for myself and my colleague, Senator J. HOWARD MCGRATH.

I believe this measure will be of interest to you and trust you will not hesitate to let me have your comments on it.

Yours very truly,

THEODORE FRANCIS GREEN.

FEBRUARY 12, 1947.

Mrs. KATE ST. CLAIR,
Deputy Superintendent, Department of Education, Elko, Nev.

MY DEAR MRS. ST. CLAIR: At the request of Miss Mildred Bray, State Superintendent of Public Instruction of Nevada, I am forwarding you a copy of S. 81, a bill I introduced in the Senate for myself and my colleague, Senator J. HOWARD MCGRATH.

I believe this measure will be of interest to you and trust you will not hesitate to let me have your comments on it.

Yours very truly,

THEODORE FRANCIS GREEN.

FEBRUARY 12, 1947.

Miss ROXIE COPENHAVER,
Deputy Superintendent, Department of Education, Las Vegas, Nev.

MY DEAR MISS COPENHAVER: At the request of Miss Mildred Bray, State Superintendent of Public Instruction of Nevada, I am forwarding you a copy of S. 81, a bill I introduced in the Senate for myself and my colleague, Senator J. HOWARD MCGRATH.

I believe this measure will be of interest to you and trust you will not hesitate to let me have your comments on it.

Yours very truly,

THEODORE FRANCIS GREEN.

FEBRUARY 12, 1947.

Mr. BYRON F. STETLER,
Deputy Superintendent, Department of Education, Reno, Nev.

MY DEAR MR. STETLER: At the request of Miss Mildred Bray, State Superintendent of Public Instruction of Nevada, I am forwarding you a copy of S. 81, a bill I introduced in the Senate for myself and my colleague, Senator J. HOWARD MCGRATH.

I believe this measure will be of interest to you and trust you will not hesitate to let me have your comments on it.

Yours very truly,

THEODORE FRANCIS GREEN.

FEBRUARY 12, 1947.

Mrs. KATHRYN L. STERLING,
Deputy Superintendent, Department of Education, Carson City, Nev.

MY DEAR MRS. STERLING: At the request of Miss Mildred Bray, State superintendent of public instruction of Nevada, I am forwarding you a copy of S. 81, a bill I introduced in the Senate for myself and my colleague, Senator J. HOWARD MCGRATH.

I believe this measure will be of interest to you and trust you will not hesitate to let me have your comments on it.

Your very truly,

THEODORE FRANCIS GREEN.

FEBRUARY 12, 1947.

Mr. DONALD K. PERRY,
Deputy Superintendent, Department of Education, Ely, Nev.

MY DEAR MR. PERRY: At the request of Miss Mildred Bray, State superintendent of public instruction of Nevada, I am forwarding you a copy of S. 81, a bill I introduced in the Senate for myself and my colleague, Senator J. HOWARD MCGRATH.

I believe this measure will be of interest to you and trust you will not hesitate to let me have your comments on it.

Yours very truly,

THEODORE FRANCIS GREEN.

STATE OF NEW HAMPSHIRE,
STATE HOUSE,
Concord, February 17, 1947.

Senator THEODORE F. GREEN,
The United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: This is to express to you our feeling that a Federal-aid bill recently introduced by you and your colleague, Senator MCGRATH, fails to meet either the substantive or administrative requirements of a good Federal-aid law for education.

For many decades educators throughout the United States have resisted the infiltration of Federal agents into local schools. Not only the chief State school officers, who are unanimous on the subject, but educators generally throughout the United States, believe that every educational program emanating from the Federal Government should stop at the State level. The violation of this principle was the main reason why the National Youth Administration was opposed so bitterly by educators.

We hope you will consider these objections, and move to amend your bill or to withdraw it so that the basic principles which educators have tried to achieve for many years may not be violated further.

Respectfully yours,

EDGAR FULLER,
Commissioner of Education.

DEPARTMENT OF EDUCATION,
Santa Fe, February 20, 1947.

Senator GREEN,
Washington, D. C.

DEAR SENATOR GREEN: I have information to the effect that the above-numbered Senate bill provides for appropriation of Federal funds for the purpose of aiding public-school education in the various States, and that the procedure of distribution is such that the funds will be sent direct from the Federal Government to the local school districts.

We will certainly appreciate any Federal aid that can be sent to New Mexico for public-school education but feel that in order to obtain full cooperation it is absolutely necessary that the present bill be amended so that the distribution of Federal funds be made through the United States Office of Education and the proper State educational channels.

Sincerely yours,

CHARLES L. ROSE,
Superintendent of Public Instruction.

STATE OF NEW MEXICO,
DEPARTMENT OF EDUCATION,
Santa Fe, January 18, 1947.

Hon. THEODORE FRANCIS GREFN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: Please accept my thanks for the copy of S. 81, proposed jointly by you and Senator J. HOWARD MCGRATH.

I was greatly impressed with the full provision of the bill.

You and your colleague are to be congratulated and highly commended for presenting a measure which would aid education by supplementing the salaries of teachers in free public elementary and secondary school.

The teaching professior has suffered a great loss on account of inadequate salaries for teachers. New Mexico particularly would benefit by Senate bill 81, and if the New Mexico office of education can serve you in the best interest of education, command us.

Very truly yours,

CHARLES L. ROSE,
Superintendent of Public Instruction.

UNIVERSITY OF THE STATE
OF NEW YORK,
STATE EDUCATION DEPARTMENT,
Albany, February 13, 1947.

The Honorable THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: I am sorry not to have been able to reply more promptly to your letter of January 10, in which you asked me to comment on S. 81, "To assist the States in improving and maintaining their systems of free public education by providing funds to be used for supplementing teachers' salaries."

I would say, first, that the purpose of the bill is thoroughly sound. The teacher situation is so bad as to call for drastic and long-range measures as a means of attracting and holding in the teaching profession the kind of teachers this country needs. I believe that Federal support for public education is essential if adequate educational opportunity is to be made available to all the Nation's youth.

Despite my approval of its purposes, however, I do have certain reservations concerning the measure which you have proposed. The fact that it makes no distinction in aid between the very wealthy and the very poor community, or between the relative financial resources of the several States, seems to me a serious defect. A further defect appears in the provision by which aid is granted directly to local school districts, thus offering little or no incentive or opportunity for coordinated planning by State departments of education on a State-wide basis. Furthermore, while emergency legislation limited to one or two years may be justified by the seriousness of the present situation, it would seem desirable that the Federal Government avoid special or earmarked grants which tend to control the pattern of education.

In brief, I hope it may be possible for the Federal Congress to recognize the current crisis in public education by the enactment of legislation which will provide an adequate minimum foundation program for all children, which will encourage constructive planning by State education departments without earmarking funds for restricted purposes, and which will recognize the need for equalization of educational opportunity among the several States and the local communities.

Thank you for bringing the bill to my attention.

Sincerely yours,

FRANCIS T. SPAULDING.

STATE OF NORTH CAROLINA,
Raleigh, February 7, 1947.

Senator THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: I have read with a great deal of care a copy of S. 81 which you so kindly forwarded to my office. I think the purpose of your bill is a most commendable one and I think that Federal aid is certainly essential in meeting the crisis in public education which exists at this time. I would suggest, however, that some mention be made in the bill of the administrative responsibility of State departments of education in order that the funds may be cleared in the State in a legal and effective manner.

I would also suggest a conference with Dr. Studebaker, United States Commissioner of Education, with reference to the features having to do with administration at the national level. I think each one of the State superintendents is keenly aware of the need for funds from some source with which to meet the great crisis in education which we now face. I think all of us would be grateful if, through the instrumentality of Federal legislation, we could secure substantial funds with which to undergird our State school systems.

With best wishes, I am,

Very truly yours,

CLYDE A. ERWIN,
State Superintendent,
Public Instruction.

DEPARTMENT OF PUBLIC INSTRUCTION,
Bismarck, N. Dak., January 20, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senator,
Washington, D. C.

DEAR SENATOR GREEN: Many thanks for your thoughtfulness in sending me a copy of S. 81. This bill appears to be sound and from my brief reading of the bill it appears to be the best of its kind that has been sent out to date. Should you be successful in passing this bill, it will be a great aid to the school districts of the Nation, and I assure you that it would be very beneficial and helpful to the school districts of North Dakota as well as a great boon and aid to the teachers of North Dakota.

We shall be very happy to hear of the progress of this bill.

Sincerely yours,

G. B. NORDRUM,
Superintendent.

STATE OF OHIO,
DEPARTMENT OF EDUCATION,
Columbus, January 16, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: This note is to express appreciation to you for sending me a copy of Senate bill 81.

I shall discuss the bill with some of the superintendents in Ohio who may stop at this office, and if they have any suggestions for improvement in the bill you may expect to hear from us.

Yours very truly,

CLYDE HISSONG.

STATE DEPARTMENT OF EDUCATION,
Salem, Oreg., January 21, 1947.

Hon. THEODORE FRANCIS GREEN,
Senate Chamber,
Washington, D. C.

MY DEAR SENATOR GREEN: This is to acknowledge receipt of your letter of January 13 with which you inclosed a copy of S. 81.

Certainly something drastic must be done quickly in the way of increasing teachers' salaries in order to keep our public education program from suffering irreparable losses, if not completely collapsing, and S. 81 seems to be a step in the right direction.

I note that the various State departments of education are not mentioned in the measure, and thus I assume they have no function in the administration of the program. If this is the case, it would be my position that it should be amended to meet this possible objection. Further, it is my own personal opinion that State departments of education should not be given responsibilities by an act of the Congress unless sufficient funds are made available from the Federal level to meet those responsibilities.

It would be my suggestion that you confer with Dr. J. W. Studebaker, United States Commissioner of Education, about the matter.

Please accept my thanks for this opportunity to see and comment upon the measure.

Sincerely yours,

REX PUTNAM,
Superintendent, Public Instruction.

GOVERNMENT OF PUERTO RICO,
DEPARTMENT OF EDUCATION,
San Juan, January 24, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: I have read with deep interest the copy of S. 81 introduced by you and Senator MCGRATH in the Senate, which I received with your communication of January 13.

My reaction is decidedly in favor of this measure which provides liberally for assisting the several States, the District of Columbia, Alaska, Hawaii, and Puerto Rico in improving and maintaining their systems of free public education. There is no doubt in my mind that the same reaction will be true all over the Nation, especially in the educational field.

Particularly as to Puerto Rico, with its overcrowded school system and with nearly 50 percent of its population of school age out of school, this piece of legislation when enacted would amount to a blessing. The estimated school population of the Island is at present a little over 600,000, of which only 350,000 are enrolled in elementary and secondary schools. Worse than that, approximately 72 percent of the number enrolled are receiving education practically on a ration plan. This is due to the fact that the same proportion of our schools are being run on a double enrollment or interlocking organization, for lack of financial resources to provide full educational facilities for all school children.

The bill as written will effectively meet our problem and will result in substantial aid to Puerto Rico. I have but commendatory words for your magnificent gesture in bringing this national problem before Congress for consideration.

Sincerely yours,

MARIANO VILLARONGA,
Commissioner of Education.

DEPARTMENT OF EDUCATION,
STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS,
Providence, R. I., January 17, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senator from Rhode Island, Senate Office Building, Washington, D. C.

DEAR SENATOR GREEN: I have received your kind letter of January 13, together with a copy of S. 81. May I take advantage of this opportunity to congratulate you upon such a proposal. I believe it is the only kind of legislation which will solve an immediate problem throughout the country; and if such legislation is passed, as director of Education in Rhode Island I would be certainly pleased, in behalf of the teachers of the State.

I do not know whether there is anything worth while in the following thought, or not; but I am at least going to pass it on. There is one difficulty, however, and that is the formulation of proper legislation to care for the matter.

One of our greatest difficulties, outside of the low salaries that all teachers receive, is the big differentiation that exists, between the beginning teacher, and the one of experience. Giving the same amount of money to each teacher, although perfectly splendid, nevertheless does nothing to help eliminate this great existing difference. If in some way this money, when received back in the various cities and towns, could be first used to bring the minimum salary of all teachers up to $1,800, and then allow the remainder to be added to the present salary of each teacher, I think that we would be placing the money where there is the greatest need. Undoubtedly a teacher in the higher brackets would not agree with me. Such a proposal as this would supply the funds to every teacher of the State of California where the present minimum is $2,400. In those States wherein the maximum is probably not even $1,800, such a proposal would benefit every teacher. But in those States, especially where the minimum today is even less than the present minimum of twelve hundred in Rhode Island, it would certainly help where I think there is the greatest need, for undoubtedly not the greatest noise.

If you think there is anything in the thought, and would care to develop it further, I should be very glad to confer with you again with regard to it.

Again, hearty congratulations and best wishes to both you and Senator MCGRATH, with regard to all you are doing to help the teacher's plight, not only in Rhode Island, but throughout the country.

Sincerely yours,
JAMES F. ROCKETT,
Director of Education.

STATE OF SOUTH DAKOTA,
DEPARTMENT OF PUBLIC INSTRUCTION,
Pierre, January 18, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senator, United States Senate, Washington, D. C.

DEAR MR. GREEN: My first impression of S. 81 is highly favorable. I am inclined to feel it is the best of the numerous aid bills I have read.

Very sincerely yours,
J. F. HINES,
State Superintendent.

STATE OF TENNESSEE,
DEPARTMENT OF EDUCATION,
Nashville, Tenn., March 22, 1947.

Hon. THEODORE F. GREEN,
Senate Office Building, Washington, D. C.

DEAR SENATOR GREEN: Under date of January 13 I received a letter from you and a copy of S. 81. In your letter you requested comments, additions, omissions, or changes that might be desired in S. 81. I replied to your letter under date of January 24, and stated that our great need for Federal aid in Tennessee was toward the construction of public-school buildings. I further stated that our legislature, which was in session at that time, would give us an increased appropriation for teachers' salaries that would give our public-school teachers at least a reasonable salary. The legislature increased the salaries of public-school teachers in Tennessee from $300 to $800 per year, depending on the training and experience of the teacher.

Since writing you on January 24 I have again looked over S. 81, and I note that the grants authorized under this act for teachers' salaries are to be direct payments from the Federal Treasury to local school units or districts in the State. This plan completely bypasses the chief school officer of the State and the State department of education. It is my opinion that school funds from any source going to local school units should be handled through regular channels.

The bill further proposes $15 per pupil in average daily attendance in free public elementary and secondary schools within the jurisdiction of a district, and this amount to be used exclusively for teachers' salaries without regard to relative need. In Tennessee the need is much greater in some sections of the State than it is in others.

This letter is to call your attention to two things: First, that the bill bypasses school authorities on the State level, and, second, that it proposes a flat grant per pupil to be used exclusively for teachers' salaries without regard to relative need.

Yours truly,
BURGIN E. DOSSETT,
Commissioner.

STATE OF TENNESSEE,
DEPARTMENT OF EDUCATION,
Nashville, January 24, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate, Washington, D. C.

DEAR MR. GREEN: I have your letter of January 13; also a copy of Senate bill 81. In substance this bill allows $15 per capita in average daily attendance to the local school unit for supplementing the salaries of classroom teachers.

In Tennessee we are in favor of legislation to increase the salaries of teachers. Our greatest efforts at the present time are along lines of increasing teachers salaries, and it is my opinion that we will pass State legislation during this term of the legislature, which is now in session, that will give our public school teachers at least a reasonable salary.

We are in need of Federal aid in this State toward public-school buildings. It would be a great help to us if the Federal Government would work out a plan of aid along this line.

Very truly yours,
BURGIN E. DOSSETT,
Commissioner.

STATE DEPARTMENT OF EDUCATION,
Austin, Tex., January 23, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate, Washington, D. C.

DEAR SENATOR GREEN: I have read S. 81 with a great deal of interest. Since this bill has been placed in the hopper, I can see no particular reason why I should oppose it.

The thing that the States always dread is the strings which are placed upon such Federal assistance either in the act itself or through the Bureau which administers it.

Sincerely yours,
L. A. WOODS,
State Superintendent.

STATE OF VERMONT,
STATE DEPARTMENT OF EDUCATION,
Statehouse, Montpelier, January 15, 1947.

Senator THEODORE FRANCIS GREEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR GREEN: Thank you for your letter of January 13 and S. 81, which I shall consider in connection with our teacher-salary problem. If there is a subsequent recommendation from the State board of education, I would appreciate the privilege of communicating with you, as you suggest.

Very sincerely yours,
RALPH E. NOBLE,
Commissioner of Education.

DEPARTMENT OF EDUCATION,
VIRGIN ISLANDS OF THE UNITED STATES,
St. Thomas, February 25, 1947.

Hon. THEODORE F. GREEN,
Committee on Foreign Relations, United States Senate, Washington, D. C.

DEAR MR. GREEN: Thank you for your letter of January 15, 1947, and the copy of S. 81, which I have read with interest. It is noted that the term "State" is defined to include the District of Columbia, Alaska, Hawaii, and Puerto Rico, but fails to include the Virgin Islands. It is presumed that this omission may not have been intentional and hoped that this measure if enacted would specifically provide for inclusion of the Virgin Islands in its benefits.

One of the principal difficulties encountered in our efforts to improve our school system is due to our inability to provide better salaries for teachers. Few of our young people completing high school in the Virgin Islands choose to enter the teaching profession, because of the low pay, and recently we have lost many of our abler teachers, who have left our service to take more lucrative positions in other fields. It will be found, also, that the average salary of teachers in the Virgin Islands is decidedly below the average for the United States, and below the average in other United States possessions, despite the relatively high cost of living here.

Sincerely yours,
C. FREDERICK DIXON,
Superintendent of Education.

COMMONWEALTH OF VIRGINIA,
STATE BOARD OF EDUCATION,
Richmond, February 18, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate, Washington, D. C.

DEAR SENATOR GREEN: Several weeks ago you sent me a copy of S. 81, which you introduced in the Senate on January 8 for your self and Senator J. HOWARD MCGRATH.

I note that this bill provides for an appropriation of Federal funds for teachers' salaries direct to the school districts. The term "public-school district" is defined as "a district, town, or other local governmental subdivision having the supervision of public schools within its jurisdiction." It seems to me that this definition should be clarified by including the words "city" and "county," since in Virginia and in many of the other Southern States the county is the unit for school administration and finances. In Virginia, in only rare instances, there are separate school districts for administering and financing the public-school system.

My frank reaction to the proposal in the bill is that it is a serious mistake to provide funds direct from the Federal Government to a school district. It does not appear to me to be logical or sound to bypass the State Department of Education which is responsible for the administration and supervision of all of the schools of the State. Therefore,

I object seriously to the bill on the grounds that the funds should be appropriated directly to the United States Office of Education and distributed by it to the State departments of education, which could then distribute it to the counties, cities, or separate school districts within each State.

With best wishes, I am,

Very sincerely yours,

G. TYLER MILLER,
Superintendent of Public Instruction.

STATE OF WEST VIRGINIA,
DEPARTMENT OF EDUCATION,
Charleston, January 21, 1947.

Hon. THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR GREEN: I have just read Senate bill 81, which was introduced in the Senate Wednesday, January 8, sponsored by you and Senator J. HOWARD MCGRATH. I think it is well worded and that it merits favorable action by the Senate. I shall write the Senators from West Virginia in behalf of the bill.

I have but one suggestion. I would delete from line 2, page 5, the three words "the supervision or." Lines 1 and 2 would then read "instruction, but does not include persons engaged solely in the administration of instruction."

If I can be of further assistance please call upon me.

Sincerely yours,

W. W. TRENT,
State Superintendent of Free Schools.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. GREEN].

Mr. GREEN. In connection with the vote, Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. GREEN's amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. SALTONSTALL obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. WHERRY. Mr. President, will the distinguished Senator from Massachusetts permit the third reading of the bill?

Mr. SALTONSTALL. Yes.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. FLANDERS. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Vermont.

Mr. FLANDERS. Mr. President, I have had an interesting experience in connection with this bill in the number and kind of letters and telegrams I have received. It leaves me apparently perfectly free to use my own judgment. The religious groups have been uniformly against the educational bill, and other groups have been uniformly in favor of it, leaving me in a balanced state of mind. However, in coming to my own conclusions, there is a question which I should like to ask. I have been for many years convinced that raising the general level of education is a Federal responsibility, particularly for States whose resources and available State funds are below the amount which would enable them to provide a better standard. I am disturbed, however, as I read the bill, because of the manner in which the funds are to be allocated, if I correctly understand the allocation.

I wish to inquire of the sponsors whether it is true that when a State has met the minimum requirements and the allocation, the condition exists that from that point on there is no particular incentive for the State to take up a larger share of the total burden. Does it not from that point on rest securely, serenely, and presently in the arms of the Federal Government?

Mr. TAFT. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Ohio.

Mr. TAFT. In general the States which need the money most, apart from the $5 question, are required to put up 2 percent of the income of their people for education, which is more than the average throughout the United States. They are not required to do it all at once; they are given approximately 4 years in which to reach that point. They have not reached it, but they have that incentive to reach it. After that, if they have not reached 2½ percent, the Federal contribution is proportionately reduced, so that in order to get their full share of the Federal contribution they have the incentive to raise their own tax revenues to a point where they amount to approximately 2½ percent of the income, which is about as high as any State goes today and very much above the general average.

Mr. FLANDERS. Does the Senator from Ohio feel assured that there is nothing in the bill which tends to relax the support of education by the States in view of the Federal support?

Mr. TAFT. No; I think there is absolutely nothing. The States are forced up to 2 percent, and there is a substantial incentive to make it 2½ percent, which point none of them has yet reached. If they ever shall reach it, it is probably as much as the States could ever be expected to reach, because under our present tax system it is very difficult for a State to raise from the total income of the State more than approximately 6 percent in taxes. That is approximately where it is today. It can be pushed a little bit higher, but not much higher. Under those circumstances a State can hardly hope to spend more than 2½ percent, which would be a good deal more than one-third of its total revenues, simply for elementary and secondary school purposes.

So I think I can answer the Senator, with full confidence, that there is nothing in the bill which would in any way relax the efforts of the States to do their job toward a full education.

Mr. FLANDERS. I thank the Senator from Ohio.

Mr. DONNELL. Mr. President, will the Senator from Massachusetts yield for a moment in order that I may ask a question of the Senator from Ohio?

Mr. SALTONSTALL. I yield.

Mr. DONNELL. The Senator from Ohio may have explained this matter when I was not on the floor, but will he be kind enough to state whether or not on page 15 of the bill, in lines 21 and 22, the term "annual income payments for each State as determined by the Department of Commerce" has been defined. What is the exact meaning of the expression?

Mr. TAFT. It is defined by the Department of Commerce. If the Senator would like me to put something into the RECORD on that subject, I have here a Survey of Current Business, which, as the Senator knows, is issued by the Department of Commerce and is based largely on statistics gathered by that Department. On page 14 of the August 1947 issue, there is set forth a detailed explanation of what the total income payments for each State amount to and how they are derived. I should be glad to insert it in the RECORD at this point, if that is agreeable to the Senator.

Mr. DONNELL. I should be glad if the Senator would do that.

May I ask a further question? Is there any definition in the statutes or in any regulations as to what the term "annual income payments for each State as determined by the Department of Commerce" means, or is that a term which the Department might itself change so that we would have an uncertain measure in this bill?

Mr. TAFT. I think the Department of Commerce might change it. The Department has recently changed the general concept of gross profit, gross income, and total income payments of individuals, but they have now defined it in a very clear way for the Nation as a whole, and the State definition conforms to it. So, while it might be possible for the Department to change it, it could only do so for very definite statistical reasons, and it would be only for the purpose of making the concept a clearer one. I think the concept is perfectly clear. It is the sum of the income of all individuals in a particular State.

Mr. DONNELL. I thank the Senator.

Mr. TAFT. Mr. President, I ask unanimous consent that the statement to which I have referred, from the Survey of Current Business, issued by the Department of Commerce, be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Estimates of total income payments to individuals for each State are derived as the summation of a very large number of separately estimated components. The following statement, which necessarily omits considerable detail, affords a brief description of the principal sources of data used in the derivation of State estimates for each of the four broad types of income payments defined above. Uniform sources and methods are utilized for all States.

Wages and salaries, which for the Nation are more than three-fifths of all income, are among the types of income for which data are most complete and reliable. They are estimated by States in considerable industrial detail. For most industries they are derived from reports of the Bureau of the Census and of the Social Security Administration. In the preparation of estimates for

1939 and subsequent years, heavy reliance was placed on wage data compiled by the Social Security Administration from tabulations by the State unemployment compensation agencies of reports received from all covered employers. For each State these tabulations include a summary of the total amount of wages, classified by detailed industry groups, actually paid out by establishments located in the State. The unemployment compensation wage data were supplemented by special tabulations of the Social Security Administration furnishing data on wages in the very small-sized firms excluded from unemployment insurance coverage by the varying size-of-firm provisions of the State laws. These tabulations were compiled from wage data filed by employers under the old-age and survivors insurance program, which includes all-sized establishments within covered employment. Supplementation of the unemployment compensation wage data by the old-age and survivors insurance wage data yields a complete measure of wages and salaries paid out by all establishments in covered industries. On a Nation-wide basis, wages and salaries in covered industries in 1946 constituted three-fourths of all civilian wages and salaries and nearly one-half of all income payments to individuals.

State estimates of wages and salaries are prepared for each of the several industries, or types of employment, not covered by social security laws. These include agriculture, Federal, State, and local government agencies; railroads; domestic service; maritime industries; and nonprofit religious, charitable, scientific, and educational agencies. Data used in the formulation of estimates for these categories are obtained, for the most part, from Federal agencies. For example, estimates of wages paid to hired farm laborers are secured from the Bureau of Agricultural Economics of the Department of Agriculture. Wage-and-salary payments by governmental agencies are based on data supplied by the Civil Service Commission, Bureau of Labor Statistics of the Department of Labor, Bureau of the Census, Office of Education of the Federal Security Agency, and the War and Navy Departments.

Estimates of Government wages and salaries are made separately for the executive, judicial, legislative, and military branches of the Federal Government, and for the school and nonschool groups of employees of State and local governments. Pay of the armed forces, net of their contributions to allowances and allotments going to their dependents, is allocated by States in terms of their State of duty. This allocation is made separately for each of the four military services and is based on monthly or quarterly data by States on numbers of officers and of enlisted personnel stationed in each State and on average rates of pay for the two groups of personnel.

Proprietors' income may be divided for purposes of this discussion into net income of farm operators and net income of nonfarm proprietors. State estimates of the net income of farm operators are derived by deducting from farmers' gross income during the calendar year their total expenses of production. Gross income includes cash income from marketing of crops and livestock, Government payments, the value of products consumed on the farm, and the value (positive or negative) of the change in inventories of crops and livestock. The total of production expenses is a summation of 34 separately estimated items. Data on which the income and expenditures data are based are those of the Bureau of Agricultural Economics. It should be noted that products consumed on farms are valued at farm prices. For some purposes, particularly those related to "welfare" comparisons, valuation at retail prices might be preferable.

The total net income of proprietors in nonagricultural industries is prepared by States for each major industry division. The geographic distribution of these components of total income payments is based mainly on reports of the Bureau of the Census, including reports of both the industrial and population censuses. Pending the availability of more complete information from Census enumerations, year-to-year alterations of the State distributions derived for the census year 1939 were based for each industry on a relevant measure such as volume of sales or wage-and-salary payments.

National estimates of dividends, interest, and net rents and royalties are distributed by States primarily on the basis of tabulations by the Bureau of Internal Revenue of the amounts of those items reported by individuals on Federal income-tax returns. Exceptions to this general procedure are the separate estimation of net rents received by farmer landlords (from data of the Bureau of Agricultural Economics) and, for 1942–46, of Federal interest payments to individuals.

For most of the numerous individual components of the category of "other" income payments, State and National data represent actual disbursements, as reported by Federal agencies. Types of income for which data on disbursement by States are available from official reports include public assistance and other relief, retirement and unemployment insurance benefits under the social security and railroad retirement and railroad unemployment insurance programs, and veterans' pensions and benefits. For two other items of this category—workmen's compensation and retirement payments by State and local governments—estimates are supplied by the Social Security Administration as a product of its studies of social insurance and related payments. Data on State bonus payments to veterans of World War II were furnished by the individual State governments.

The War and Navy Departments report disbursements for the country as a whole for mustering-out payments, military allowances, and enlisted men's cash terminal-leave payments. Additionally, they supply requisite data for estimating the amounts of these disbursements received by residents of the various States. Such data include a tabulation by the War Department of the actual amount of family-allowance payments received in each State during June 1944, annual data on military separations by State of residence, and annual data on the number of military personnel according to State of residence.

Mr. SALTONSTALL. Mr. President, I wish to speak very briefly in favor of the pending bill concerning Federal aid to education. I do so because my opinion on Federal assistance to State school systems has changed materially during the past 5 years. As Governor of Massachusetts I believed sincerely in the concept of complete State responsibility for our public schools. I still believe—even more firmly than ever before—in this State responsibility. I believe in absolute freedom of education, and would be the first to oppose this bill if I thought for one moment that it would jeopardize this freedom. But I do want to help to improve the opportunity for education of our young people. I believe this bill will help to do this, particularly in certain sections of our country where more education of boys and girls can help us all.

The global picture has drastically changed during the past 5 years. New methods of transportation and communications have brought closer together nations thousands of miles apart. Peace and war hang in delicate balance. We must thoroughly exploit every road to peace.

I believe the ultimate hope for lasting peace rests upon our people's understanding of their personal responsibilities for winning and keeping this peace and security. I believe that the ultimate hope for sustaining and improving our system of government, which we know is the best man has yet devised, is that broad understanding which comes through sound, unshackled education. So the best possible training of our young people, like their health, is of primary importance to all of us today and a deep concern of Government.

The proper education of our youth always has been the key to keeping America free. President Conant of my own University of Harvard put it another way recently when he said, "Bear in mind the importance of first-class men with sound training. There is only one thing that can outmatch young men with good ideas and that is still younger men with better ideas."

Our Federal Government may well help our local authorities to provide more and better education by making available funds to "put a floor" under our school system, especially in areas where it is now substandard. But it must never attempt to control education. If there is to be aid, it should be brought only to the State boundaries. This bill does stop at the State boundaries. All administrative control should be left to the State authorities so that they will exercise their own initiative and feel direct responsbilities for the success of their own schools. This bill does insist upon local initiative and responsibility for the success of the schools. No law that does not guarantee this local responsibility should be considered by us. If freedom of education is lost, our foundation of freedom disappears overnight.

Our successful future, and confidence in our system of government, depends upon every boy and girl having a fair chance to develop to the maximum his or her potentialities. We give them this opportunity through our school system. Our school system is democratic in its nature and expresses our ideals in a practical way. It provides a ladder of opportunity for all. Through our school system we seek to educate all varieties of talent in each new generation. We are proud of the fact that we are doing this to a degree unrealized by any other nation. To the extent that our schools are inadequate, we fail to develop our greatest source of wealth—the youth of our country. If we are succesful in our school system, we enrich our Nation every year with men and women of trained intelligence and well-formed characters and thus make more secure the way of life in which we believe.

Today there is another compelling reason why the Federal Government may well give a helping hand to the education of our youth. We are a mobile people. The future citizens of some of the more wealthy communities are now being educated in the relatively poorer rural districts of our country.

In fact, the most recent census figure shows that 22½ percent, or over 30 millions, of our citizens were not born in States in which they are now living. In self-interest alone, therefore, it is to the

advantage of my Commonwealth of Massachusetts to participate in a program which will give a better education to an underprivileged farm boy in a district where the school facilities are inadequate.

I think the cartoon in the Washington Post of March 29 entitled "School Days" provides the best summarization of the problem that I have recently seen. Congress is pictured as sitting at a desk studying the aid-to-education bill. A small boy with a pointer is standing by a blackboard on which is written, "Two million children of school age attending no school, plus two million taught by unqualified teachers equals * * *".

I stated that I frankly have changed my mind in relation to the principle which underlies this legislation. I was supported in my earlier position by the former Massachusetts commissioner of education, Mr. Walter Downey, whom I appointed. I am glad to say that in consulting with him recently, I find that he feels as I do, that conditions in this country and in the world today have changed to such a degree that some Federal aid to education is now wise. I should like to quote from Mr. Downey's letter to me in this regard, because he is one of our most distinguished teachers and educators in Massachusetts. He said:

> I wish to say that I, for one, have now changed my attitude. By applying an analysis similar to that applied before, the world situation is so far changed that we must take every means of strengthening what we can properly recognize is one of our basic defenses in this country. * * * My opinion now is that we cannot spend any too much money in training the brains of America, and in seeing that all sections of the country are properly educated, regardless of either race or previous condition. I have changed my viewpoint as the times have made it necessary.

I may say that this also is the present view of Mr. Downey's successor as commissioner of education, who now holds a position of responsibility in the school system of Missouri.

This bill is before us because many States, with greatly limited sources of revenue, are finding it virtually impossible to maintain adequate standards in their school systems, as well as carry on other essential services demanded by their people. I am in hearty sympathy with the move to study tax sources for the Federal and State Governments. It is much needed. Today the Federal Government, partly because of the recent war, is tapping the most profitable sources of revenue on the local level. This has put the squeeze on the States. S. 472 attempts to meet this dilemma, and, in my opinion, it represents the best endeavor yet worked out to pass down financial assistance without strings attached. It resolves the various conflicting viewpoints by preserving States rights and local independence of education. This principle of States rights, in my opinion, must overshadow all other considerations if we want to maintain our system of government as we know it.

If we do not do something to help, we are going to leave many of our potential leaders uneducated and without the opportunity of giving us the benefit of their intelligent judgment. If we do take positive action we will be developing a greater understanding in this country of what our system of life means and thus show the other peoples in the world the real vitality of democracy in action."

We are not yet at peace. A battle for the minds of men is raging throughout the world. Our trump card in this insidious struggle is an educated and understanding American public. More and better education for our youth is the way to win that battle. That is the principal reason why I believe we should support this bill, in spite of all the apprehensions we may have and the additional expense that may be involved.

Mr. MAGNUSON. Mr. President, inasmuch as I must be absent from the Senate for the remainder of the day, and there probably will be a vote, I wish to announce my position on the bill. If I were present I would vote for the bill, and I ask unanimous consent that my reasons for supporting it may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON ON S. 472

Mr. President, in the schoolhouses of America today are the scientists, the businessmen, the farmers, the statesmen—the citizens of tomorrow. How well each is equipped to assume the full responsibilities of citizenship—and all that word implies—will depend in no small measure upon the educational opportunity his particular community is able to provide.

The disparity between educational opportunity extended to youth in various communities of the Nation can be measured partially by the expenditures of each for public elementary and secondary education. Let me illustrate the existing disparity with an example. In 1944, Mississippi expended $48.04 per pupil in average daily attendance; Washington, $171.23. The State of Washington expended almost four times as much per pupil as Mississippi. It is true that learning cannot be purchased with dollars like wheat in the market place, but it is equally true that public education cannot be achieved without adequate financial support.

Generally speaking, those States least able to finance public education are making a satisfactory effort. In 1944, the State of Mississippi spent 1.99 percent of total income payments in support of elementary and secondary schools; the State of Washington, 1.78 percent. Mississippi expended over 33 percent of her tax revenues for this purpose; Washington 30 percent.

To me this brief comparison cuts to the heart of the problem. Some States of the Union simply do not have access to sufficient taxable wealth to finance public education on an American standard. These States must have Federal assistance. To achieve a degree of equalization, wealth must be taxed where it is and the revenues used where needed.

The principle of equalization of educational opportunity is not new. For many years individual States have recognized the urgent necessity of assisting those counties and school districts which, through circumstances beyond their control, are unable to finance an educational program of acceptable proportions. The State of Washington was among the first to recognize this responsibility. The progress we have made is evidenced by the fact that in 1944, 63 percent of the total financial support of public elementary and secondary education was provided from tax revenues collected by the State. Nationally only 33 percent of school support came from State sources. I believe passage of this bill will stimulate other States to greater effort in equalizing educational opportunity within their borders.

Numerous people have expressed the fear that Federal aid to education will bring in its wake Federal control. Personally, I do not share that fear. The bill now before us prohibits infringement by any Federal agency or official, upon the rights of the States to design and administer their own educational systems. Even if the language of the bill were less specific on this point, I would still have confidence in the stamina of the States to resist usurpation by the Federal Government of their proper prerogatives.

Some Members of the Senate have been critical of the fact that this bill provides for all States a minimum allocation of $5 per child, between the ages of 5 and 17. They argue that since the fundamental justification for the legislation is inability of some States to provide a minimum standard of education, only those States so situated should receive Federal aid. I recognize the partial validity of this reasoning. Such a conclusion, however, fails to note the tax limitations which many so-called wealthy States confront. In adidtion it implies satisfaction with the present level of educational opportunity afforded by those States which will receive the $5 minimum. The facts do not support this position. In practically every school in my State—and the State of Washington ranks high in funds expended for public education—there is overcrowding, lack of classroom equipment, inadequate library facilities, and too many pupils per teacher. The $1,800,000 allocation, provided under this bill, while not large in comparison to the total school budget, will assist in alleviating these conditions. Much more important, of course, is the $28.50 per pupil which will be allocated to the State of Mississippi.

BAREFOOT SCHOOLBOY LAW—OVER-ALL EDUCATION

I want to close with this thought. Democratic government in the final analysis rests upon the mental and physical strength of its people. Present day economic, political, and social problems cannot be solved by leadership alone. Under representative government, informed, intelligent followership is an indispensable part of the teamwork through which acceptable solutions are achieved.

Only by liberating and perfecting the intrinsic powers of every citizen can the central purpose of democracy be achieved. To the extent that this bill equalizes educational opportunity for every school child in America, it contributes to this fundamental objective.

Mr. MAGNUSON. Mr. President, I should also like to have printed in the RECORD a letter from the superintendent of public instruction of the State of Washington.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF WASHINGTON,
SUPERINTENDENT OF
PUBLIC INSTRUCTION,
Olympia, March 25, 1948.

Hon. WARREN G. MAGNUSON,
United States Senate, Washington, D. C.

DEAR SENATOR MAGNUSON: Our State equalization program is very similar to the apportionment formula contained in S. 472. A guaranteed minimum of $36 per child in average daily attendance is provided. If a 10-mill school district property tax will not produce this amount, the State supplements the proceeds of the local tax with sufficient funds to provide $36 per child in average daily attendance. This is similar to the proposed Federal apportionment plan. A guaranteed minimum of $45 per census child

is established. If 1 percent of the State's total income will not produce the $45 per child, then a supplementary payment is made by the Federal Government.

In addition to our State equalization program, the State apportions money to all school districts amounting to approximately $130 per child in average daily attendance. This means that every child in the State is guaranteed a school program costing at least $166 annually for current expenses. It is only by such an equalization program that we have been able to guarantee a good education to children living in the less wealthy areas of the State.

Our new equalization law was enacted in 1937. The wealthy school districts receive no State equalization funds, although they do receive some general aid apportioned to all school districts. The poorest districts receive equalization funds amounting to over $30 per child in average daily attendance. Seattle and Spokane receive no equalization funds, since they have a relatively large amount of taxable industrial property. Other cities, such as Bremerton, which has a large amount of Federal tax-exempt property (navy yard), receive relatively large amounts of State equalization funds.

The enclosed table shows the distribution of State school funds during the current year. Three counties—Adams, Garfield, and Lincoln—receive no equalization funds.

If you wish to go into the distribution of school funds in this State more completely, Dr. Frank W. Hubbard of the National Education Association has a brief statement of our school-support plan.

With kindest personal regards.

Sincerely.

PEARL A. WANAMAKER,
State Superintendent of Public Instruction.

Table showing appropriations for the operation of the common schools in Washington

Biennium	Current school	County equalization	Special appropriation	Building	Total
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*
1933-35	20,000,000				20,000,000
1935-37	30,560,475				30,560,475
1937-39	32,500,000	2,500,000			35,000,000
1939-41	34,500,000	2,500,000			37,000,000
1941-43	36,250,000	2,700,000	700,000	3,000,000	42,650,000
1943-45	45,600,000	3,600,000			49,200,000
1945-47	65,000,000	3,600,000	970,000	1,675,000	71,245,000
1947-49	95,555,962	4,800,000	800,000	8,500,000	109,655,962

NOTE.—Actual apportionments from the current school fund were as follows:

1933-35	$10,894,000.00
1935-37	25,378,401.82
1937-39	25,906,966.28
1939-41	33,782,799.00
1941-43	36,250,000.00
1943-45	45,600,000.00
1945-47	65,000,000.00

Source: Session laws for indicated years.

Allotment of State current school funds for school year 1947–48

County	Column 18, equalization	Column 19, transportation	Column 20, attendance	Column 25, educational unit	Column 27, levy deduction	Column 28, total allotment
Adams		$42,075.65	$61,882.50	$96,600.00		$200,558.15
Asotin	$42,121.35	13,398.16	102,165.30	109,200.00		266,884.81
Benton	152,917.97	42,907.26	364,190.40	364,896.00		924,911.63
Chelan	159,390.14	43,303.49	465,896.40	436,912.00		1,105,502.03
Clallam	72,992.03	36,877.71	247,256.70	246,092.00		603,218.44
Clark	389,286.46	91,314.03	896,864.10	893,942.00		2,271,406.59
Columbia	484.48	8,859.12	48,061.20	63,448.00		120,852.80
Cowlitz	200,889.39	60,452.40	561,294.00	515,144.00		1,337,779.79
Douglas	24,184.07	26,636.29	72,857.40	103,544.00		227,221.76
Ferry	32,747.94	23,052.94	39,821.70	53,816.00		149,438.58
Franklin	15,955.24	19,849.06	96,504.90	101,360.00		233,669.20
Garfield		20,523.31	28,658.70	36,400.00		85,582.01
Grant	49,141.15	41,991.17	152,385.30	182,560.00		426,077.62
Grays Harbor	214,903.27	65,675.42	534,249.00	533,960.00		1,348,787.69
Island	32,314.67	14,328.44	63,138.90	70,420.00		180,202.01
Jefferson	35,779.94	21,276.26	92,407.80	100,800.00		250,264.00
King	528,237.10	220,240.19	5,154,591.00	4,768,918.00		10,671,986.29
Kitsap	372,381.97	109,491.16	923,568.60	870,870.00		2,276,311.73
Kittitas	19,167.80	37,926.82	208,413.30	228,312.00		493,819.92
Klickitat	28,522.29	33,398.96	114,627.60	142,800.00	−$642.33	318,706.52
Lewis	112,729.09	86,786.41	473,532.00	458,794.00		1,131,841.50
Lincoln		67,302.93	112,988.40	168,322.00		348,613.33
Mason	78,724.11	44,650.03	145,907.10	148,540.00		417,821.24
Okanogan	173,386.21	78,076.45	320,378.40	344,960.00		916,801.06
Pacific	55,046.18	36,293.95	163,840.20	183,204.00		438,384.33
Pend Oreille	32,223.82	22,352.21	74,840.70	86,996.00		216,412.73
Pierce	494,660.63	93,976.55	1,984,297.20	1,846,040.00		4,418,974.38
San Juan	20,944.63	7,362.62	27,111.60	42,546.00	−154.75	97,810.10
Skagit	122,016.77	60,053.80	427,414.20	415,310.00		1,024,794.77
Skamania	13,075.48	10,410.78	37,753.20	45,108.00		106,347.46
Snohomish	374,812.56	112,271.14	1,112,755.20	1,055,460.00		2,655,298.90
Spokane	131,623.57	103,429.06	1,751,437.20	1,630,286.00		3,616,775.83
Stevens	113,138.18	68,827.70	193,193.70	238,420.00		613,579.58
Thurston	109,137.92	58,765.91	389,997.00	371,210.00		929,110.83
Wahkiakum	11,630.42	8,814.06	29,797.20	33,600.00		83,841.68
Walla Walla	4,610.73	33,264.60	262,014.30	295,358.00	−16,302.82	578,944.81
Whatcom	146,526.45	79,061.56	619,181.70	598,066.00		1,442,835.71
Whitman	2,341.30	109,014.69	257,799.00	344,400.00		713,554.99
Yakima	614,162.35	107,881.11	1,324,864.20	1,155,126.00		3,202,033.66
Total	4,982,207.66	2,162,173.40	19,937,937.30	19,381,740.00	−17,099.90	46,446,958.46

Mr. BYRD. Mr. President, the pending bill, if enacted, will start a new Federal subsidy to the States. It begins with an annual appropriation of Federal funds of $300,000,000 for public education, but it opens up a Pandora's box of Federal spending which will increase as the years go on and will, I predict, be greater in time than the grand total of all the present Federal subsidies to the States.

Never in our history has there been a more unpropitious time for the Federal Government to enter into a long-range proposition such as is proposed in the pending legislation. Today the Federal Government is confronted with the greatest expenditures in time of peace ever contemplated in our history, and these vast expenditures will be certain to continue for many, many years. World War II ended not quite 3 years ago, but today this Nation is rearming at a cost which may stagger the financial solvency of America. I predict that within a space of 2 years the Federal budget will reach a total of at least $50,000,000,000 annually, and perhaps more. The recommendations of the President for military costs, for expenditure in the next fiscal year, are now $15,000,000,000, with more to come. This includes only $400,000,000 for universal military training and the companion expenditure for the National Guard. The total of these expenditures when this program, if enacted by the Congress, is in full operation will be $4,000,000,000, so that within 2 years the military expenditures will reach a minimum of $20,000,000,000.

We have entered into a program of foreign aid which will take from the Federal Treasury from $8,000,000,000 to $9,000,000,000 annually. The interest on the public debt is $5,000,000,000, the cost of caring for the veterans is now $7,000,000,000, and not likely to be reduced, so that the total of these expenses, which can be considered as fixed for many years to come, will approximate $39,000,000,000 to $40,000,000,000. To this must be added $12,000,000,000 of ordinary expenses of government, which makes a total of approximately $50,000,000,000. It is, of course, possible, by rigid and drastic economy, to reduce the ordinary expenses of government, but even then the total will not be very far from $50,000,000,000.

This will place the severest strain upon the business economy of America that we have ever experienced, because no longer can we depend upon deficit financing. With a debt of $255,000,000,000, as we now have, continuing deficits for current expenditures will shake our financial structure to its very foundation. This money—this $50,000,000,000, which I predict will be the budget within 2 years—must be raised by annual taxation and will place a burden upon the private-enterprise system of America such as we have never experienced before in time of peace.

Let us never forget that the strength of America is in a strong and virile system of free enterprise, which is not possible if the taxes are so burdensome as to destroy the initiative and the prospect of profit of those from whose business operations the Government must obtain its funds to pay its costs. These colossal expenditures may require a regimentation of our economy equal to that which now exists in England and which has virtually destroyed the freedom of the individual in that country. The most sacred responsibility we have is to preserve here at home the principles of free democratic government and a solvent nation, because once the democracy of America falls, then it is not likely that anywhere in the world free government will be established for centuries to come.

This is certainly not a time to expand Federal expenditures in a new field, but it is a time to conserve all of our resources to meet the financial strain of the days to come.

On October 14, 1943, the very able and distinguished Senator from Ohio—and I am sorry he is not now on the floor—who is the patron of the pending legislation to establish this Federal subsidy, filed with the Senate a minority report for himself, the late Senator Walsh, of Massachusetts; the Senator from Minnesota [Mr. BALL], and the Senator from

Nebraska [Mr. WHERRY], in opposition to the then pending Senate bill 637, which likewise provided for a Federal subsidy for schools. Some of the provisions of that bill and the pending bill are different, yet the subsidy principle is the same. In fact, Senate bill 637, proposed in 1943, at least had the merit of giving assistance only to those States presumed to be in need, while the pending bill gives assistance to all States. This report by the very able Senator from Ohio is so forceful, as are all of his utterances, that I am going to take the liberty to read to the Senate some of its sections as relating to the general principle of Federal subsidies to local education.

I shall begin with that part of the report relating to the ultimate cost of this policy. The report, as I have said, Mr. President, was filed by the Senator from Ohio [Mr. TAFT] on October 14, 1943, on behalf of himself, the late Senator Walsh from Massachusetts, the Senator from Minnesota [Mr. BALL], and the Senator from Nebraska [Mr. WHERRY].

The subsection which relates to the cost is headed:

This—

Speaking of the Federal subsidy—

is the start of a revolutionary policy which may cost $4,000,000,000.

I am now reading from the report prepared by the Senator from Ohio.

Apart from the nonexistent emergency feature, the Federal subsidy project has been before Congress for a number of years, promoted by the National Education Association and the Federal Office of Education, but not by the States themselves. Previous bills have been based entirely on the principle of equalization, and have all been based on the argument that because some States spend much less money per pupil than others, the way to improve education is to subsidize those States.

The whole project—

Said the Senator from Ohio—

is based on the assumption that the more money is spent on education, the better the education is. This conclusion is perhaps open to question. Startling ignorance regarding American history, which was discussed in the Senate last spring, certainly could not arise from lack of financial resources. It appeared among students from all over the United States, and in many instances from students who came from those States which spend the most money on education. Undoubtedly education in some States is handicapped by lack of funds, but there are other ways in which American education can be improved besides granting Federal subsidies.

The adoption of the present bill would undoubtedly embark the Federal Government in a gradually increasing expenditure from which it would never be relieved. If we once pay from two hundred to three hundred dollars of the salary of every school teacher in the country, how can we possibly ever withdraw that support? Even if the States become richer, they will never be willing to take over this burden. Having yielded once to a very strong pressure, there will be no way in which to prevent a further yielding.

The desires of the educators—

Said the Senator from Ohio in 1943—

are almost without limit. The whole question of Federal aid to education is discussed in the report of the National Resources Planning Board for 1943, on page 68. That report takes the position that "the Nation is now spending less than 50 percent of the amount needed to provide a justifiable minimum educational program." Current expenditures and capital outlay for education in the United States are shown to be approximately $3,200,000,000. The "justifiable minimum annual expenditures in the postwar period" are said (by the report) to be $7,385,000,000."

* * * * *

This report was written by Dr. Floyd W. Reeves, who is also chairman of the Advisory Committee on Education, closely allied with the National Education Association and the original promoter of subsidy legislation. We see, therefore—

Said the Senator from Ohio in 1943—

that the real program of which this is the beginning calls for the Federal Government to finance the greater part of the $4,000,000,000 a year.

This proposal is in fact the beginning of a revolutionary change in one of our most fundamental Government activities. It should not be considered except in relation to the entire postwar activities of the Federal Government.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. ROBERTSON of Virginia. The Senator has just reminded us that in 1943 the senior Senator from Ohio predicted that if we started with an initial appropriation of $300,000,000, we would see the time when it would be increased 10 times. Does not the Senator think that is a conservative estimate, in the light of the fact that in 1917 we started with an initial appropriation of $5,000,000 for public roads, and increased it a hundred times? We are now appropriating $500,000,000 for grants-in-aid to public roads.

Mr. BYRD. I agree with my colleague that this opens a Pandora's box, as I have said, for public spending.

As I have said, in 1943 the Senator from Ohio predicted that the Federal Government would be called upon to finance the greater part of the additional $4,000,000,000 required by the report of the Resources Planning Board in 1943, page 68.

I wish to read another section of this report, because the report, prepared by the Senator from Ohio, is the most forceful argument that has been made against a Federal subsidy for schools that I have ever read. I should like to read from that portion of the report under the heading "We should not now commit the Federal Government to any new type of expense." Let us recall that when the Senator from Ohio prepared the report the Federal debt was $165,000,000,000. It is now $255,000,000,000. The report says:

We should not now commit the Federal Government to any new type of expense. The Federal Government faces after the war—

The war was then in progress—

a tremendously serious financial problem. The annual charge for interest alone will amount to $5,000,000,000. At least $5,000,000,000 will be necessary for the armed forces.

We are now asked by the President to spend in this year $15,000,000,000 for the armed services, and four or five billion dollars more will be necessary if universal military training is approved.

The report continued:

At least $5,000,000,000 will be required for existing services.

We are spending $12,000,000,000 for what the Senator from Ohio calls "existing services."

Many other new items of expense will be clamoring for consideration. We do not know where the point is, but there is a point at which the burden of government will become so great that it will choke all incentive, initiative, and enterprise. At some point we can kill the goose that lays the golden egg and force the entire country into a socialistic strait-jacket.

That was what the Senator from Ohio said in 1943 with respect to the same principle which is proposed in this bill, a Federal subsidy for schools.

It seems most unwise to commit ourselves now to any policy which will increase the difficulty of the postwar problem. If expenditures for education are to be undertaken, they should be undertaken when we have the whole problem before us, and can consider the relative merits of each proposal in relation to the over-all expense.

There is an even more important question. Can Federal subsidies to the public-school system be maintained without ultimately bringing about the nationalization of our educational facilities and federalized bureaucratic control? This is an eventuality which the proponents of the present bill insist is not intended and which they maintain can be avoided.

Mr. WHERRY. Mr. President, will the Senator yield at that point?

Mr. BYRD. I yield.

Mr. WHERRY. That is the vital point in this legislation, which I cannot escape. I keep turning it over in my mind. I should like to ask the able Senator from Virginia a question. I wish to compliment him for the very studious reports and statistics he gives us, because we know that they are authentic. We know that his statistics present the facts to us in a way which is inescapable.

Regardless of the restrictions written into section 2 of the bill, which I think probably are written with as much force and effect as restrictions could be written, so far as concerns keeping the processes within the States themselves, I ask the able Senator this question: Should the Congress of the United States appropriate money to the States or any other agencies, unless it has control? Control should be maintained, should it not?

Mr. BYRD. I do not believe that the guaranties in the bill, to the effect that it will be a home-rule bill, are worth the paper on which they are written. There is no way by which one Congress can guarantee that future Congresses will not change what has been done. All that would be required would be a majority vote on the part of the House and the Senate, and every provision of the law could be changed at any time. So there is no assurance, no guaranty.

There is the further fact that there is not a single Federal subsidy today which is not controlled by the Federal Government so far as the manner and method of its expenditure are concerned.

Mr. WHERRY. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Does the Senator from Virginia yield to the Senator from Nebraska?

Mr. BYRD. I yield.

Mr. WHERRY. Then it is the Senator's feeling, is it not, that no matter what the bill provides, even though we may, for the sake of argument, agree that it meets the point which I have raised, yet we cannot bind a succeeding Congress on the question of subsidies and contributions? In future years there is danger of the nationalization of the school system by the Federal Government.

Mr. BYRD. I think there is a certainty that sooner or later, if this bill is enacted, the Congress of the United States will direct how this money is to be spent. Of course, the localities or the States could refuse the money. That is true; but Senators who have been governors of their States know, as the former Governor of Maryland, Mr. O'CONOR, knows, that once the money has been integrated into the finances of a State, the denial to the State of such large sums of money would create a very dangerous and difficult situation.

Mr. WHERRY. Then it is my understanding that, regardless of the guaranties in the bill itself, there can be no assurance that there will be no attempt by the Federal Government to nationalize the school system, or to control or dictate the expenditure of the money. Is it the feeling of the Senator that regardless of what the provisions of this bill might be, the administration of the fund would depend upon succeeding Congresses so far as future provisions are concerned? As I understand, it is the Senator's feeling that there is implicit in every subsidy the idea that there should be some control, and that the Federal Government can step into the picture.

Mr. BYRD. I certainly think so.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. ROBERTSON of Virginia. I wish to invite the attention of the senior Senator from Virginia to one phase of the question of the Senator from Nebraska which escaped his attention. Does the Senator from Virginia know of any Federal aid to the States in the past or in the present which has been granted free of all Federal control?

Mr. BYRD. To my knowledge there is not a single example of Federal aid which is not accompanied by a direction from the Federal Government as to the manner in which the fund shall be expended. I have a list of them, in eight separate categories.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. WHERRY. I have listened very patiently to the argument made by the distinguished Senator from Ohio to the effect that section 2 provides the guarantees which place this aid in an entirely different category from other examples of Federal aid which has already been granted. In order to get the point of the distinguished Senator absolutely clear in my mind, I propounded this question to him: Regardless of the fact that we might agree that section 2 does exactly what is claimed for it, nevertheless, does the distinguished Senator feel that in years to come, under the theory that in every type of Federal aid there is an implied control, it will be our duty to see to it that the money of the Federal Government is used for the purposes for which it is allocated?

Mr. BYRD. I think there is a great deal in that argument; but what I wish to make clear is that section 2 gives no guaranty. It purports to give a guaranty, but gives no guaranty, and can be changed by a majority vote of the House and Senate tomorrow, the next day, or at any time Congress chooses to act. There is no way by which a guaranty can be given for future years.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. CHAVEZ. Of course, any legislation which is enacted by one Congress is subject to revision, modification, or repeal by a succeeding Congress. Let me ask the Senator from Virginia this question: I understand the ideal which the Senator has in mind with respect to State control of the schools and of the funds which are provided by this bill; but does the Senator know of any other piece of legislation which contains prohibitions similar to those included in this bill?

Mr. BYRD. I think there have been quite a number of bills which have provided, in their original text, that the sole control of the funds should rest with the States and localities; but in each and every case, sooner or later the Federal Government has exercised control over its own funds. No one can blame the Federal Government for doing so. Those funds represent money which comes out of the Federal Treasury. It is questionable whether we ought to turn over to the treasuries of the States such large sums without any strings whatever attached to them.

Mr. CHAVEZ. Mr. President, the directions which are tied to this particular bill are that the funds shall be expended for the purposes of the proposed legislation.

Mr. BYRD. I understand that. That would be the case today, if the bill should be passed; but that is not binding on the Congress which will convene next January.

Mr. CHAVEZ. But that can be said about any piece of legislation.

Mr. BYRD. Yes, it can be. It is impossible to give any guaranty to the States that the expenditure of these funds will not be controlled by the Federal Government. When such a guaranty is given, it is not worth the paper it is written on. No such guaranty can be given. The Senator knows that to be so.

Mr. CHAVEZ. I know it. But we are dealing with this proposed legislation, and certainly it contains a provision in understandable English that it shall not be used except for the purposes provided.

Mr. BYRD. But the Senator knows that such a provision would not be even morally binding on the Congress which convenes next January, which would not have enacted this legislation.

Mr. BALDWIN. Mr. President, will the Senator yield to me?

Mr. BYRD. I yield.

Mr. BALDWIN. Who is to determine whether the money granted to the States under this bill for education is being used for the purposes for which it was granted?

Mr. CHAVEZ. We are passing it over to the States. It seems to be the contention of the Senator that the Federal Government, aside from contributing Federal funds, shall have nothing to say as to how the money shall be spent in the State, so long as the money is used for the purposes of education.

Mr. BALDWIN. Suppose a State were to put the money into its highway fund. Could the Federal Government stop that, under this bill?

Mr. CHAVEZ. I think so.

Mr. BALDWIN. It seems to me absolutely necessary that it must be able to stop it. Right there we have Federal control, do we not?

Mr. CHAVEZ. We have Federal control, because we are here proposing to enact legislation to help public-school education. That means that the money cannot be used for public highways or anything else except the purposes for which it was authorized.

Mr. BALDWIN. Suppose a State using these Federal funds had the most impossible, inefficient, ineffective, profligate system of education. Is the Federal Government going to tax the other States that have good systems of education, in order to maintain that kind of an educational system in one of the States whose income is low?

Mr. CHAVEZ. No; I agree with the Senator from Connecticut that if we are appropriating public funds for a specific purpose, it will be up to the Federal Government to see to it that the money is used for that specific purpose.

Mr. BALDWIN. If my distinguished friend will concede that, then he concedes the argument that the distinguished Senator from Virginia makes, namely, that the Federal Government of necessity must have control. And once the camel gets his head under the tent, there will be Federal control of education.

Mr. CHAVEZ. No; there will not be Federal control of education, because the business of the Federal Government will end when it sees that the money is spent for the particular purpose for which it was authorized.

Mr. BALDWIN. My point is that the very act of the Federal Government in seeing that the money is spent for the particular purpose for which it was appropriated is in itself Federal control. That must be so, and it cannot be avoided.

Mr. CHAVEZ. I fully agree with the Senator from Connecticut, and I think it is a sound proposition. When the Congress appropriates $300,000,000 a year to help the State of Connecticut, the State of New Mexico, the State of Maryland, the State of Illinois, the State of Virginia, and the other States in respect to their educational systems, I still think it is up to the Federal Government to see to it that that money is spent for the purposes for which it was appropriated.

Mr. BALDWIN. If that is so, the provision about no Federal control, as contained in section 2, is an empty provision and means nothing.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. LUCAS. Let me say to the Senator from Connecticut that I raised the same question several days ago in debate with the Senator from Ohio; and in response to the inquiry then propounded, the Senator from Ohio read two or three sections of the bill which gave me to understand that the funds will be spent only in line with what the legislatures of the respective States provide insofar as education is concerned. In other words, no funds can be spent other than for educational purposes, if this bill is enacted into law, and the expenditures under it must be in line with what the State legislature provides. I asked the Senator whether, for instance, in Illinois the superintendent of public instruction, who is a powerful political figure in our State, would have the power to disburse these funds in the way he saw fit. The reply was, "No"—that the legislature would lay down the code, by appropriate and proper legislation for educational purposes, and that code would specify how the money would be spent in the State.

Mr. BALDWIN. My answer is this: Suppose the legislature did not do so.

Mr. LUCAS. If the legislature did not lay down any law as to how these moneys should be distributed, then, as I understand the situation, the State would not be eligible to receive any moneys under this bill from the Federal Treasury. I think I am correct as to that.

Mr. BALDWIN. I do not understand that that is so.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. BYRD. I yield.

Mr. HILL. Let me say that the Senator from Illinois is absolutely correct. The bill contains a provision that these funds may be accepted by the Governor until the legislature meets, which might be as long as 12 months later. But the legislature must accept the funds, and they will go right into the school system, exactly as the State funds do, and will be expended exactly as the State funds are expended, without any Federal interference or attempt to control them at all.

Mr. BYRD. Mr. President, the Senator from Alabama does not mean to say, does he, that there cannot be some interference. In appropriation bills we could specifically provide that the money should not be used in a State which practiced segregation. That could be done legally.

Mr. HILL. I say there is a question whether that could be done.

Mr. BYRD. There is no question about that in the mind of the Parliamentarian of the Senate, whom I have consulted as to this matter.

Mr. HILL. There is a question, in view of the language of the bill, and also in view of the Connally amendment which was adopted yesterday.

Mr. BYRD. But the Senator from Alabama knows as well as I do that a future Congress can change the provisions of this bill at any time, and can amend an appropriation bill in such a way as to change the effect of this bill. Such things have been done frequently, time and time again in the past.

So there is no guaranty as to this matter. Let us not fool ourselves, Mr. President.

I wish to say to the southern Senators that there is no guaranty that a provision will not be adopted, sooner or later, to the effect that no part of this money will be available to States which practice segregation in the schools—a provision similar to the Langer amendment to a previous bill. The Langer amendment was adopted by the Senate. The Senator from Ohio [Mr. TAFT] voted for it. I predict today that if a Senator were to offer the Langer amendment to this bill, it would be adopted.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. TAFT. I assure the Senator that the Langer amendment would not be adopted today.

Mr. BYRD. I do not understand how the Senator from Ohio can assure us as to that. He does not control the votes in the Senate.

Mr. TAFT. I wish to say that I have made careful inquiry.

Mr. HILL. Mr. President, will the Senator yield at this point?

Mr. BYRD. I must decline to yield just now, if the Senator from Alabama will wait I shall yield to him later.

Mr. President, I wish to make a point at this time about the so-called home-rule provision of the pending bill, a provision about which we have heard so much. Let me point out that there is no element of home rule about it. There is no way by which home rule can be guaranteed. From time to time in the debate it has been stated, and the point has been emphasized, that the bill is a home-rule bill. Yet every Senator knows that such a guaranty is not worth the paper it is written on. At any time a majority of the Senate and a majority of the House can change any of the provisions of this bill or of any other bill. There is no such thing as giving a guaranty of any value to the States that at some future time the Federal Government will not insist upon control in regard to these matters, just as it has in the case of every other Federal subsidy. I ask any Senator to point to a single Federal subsidy which has no Federal control attached to it.

Mr. TAFT. Mr. President, if the Senator will yield to me, let me say that I know of no such control in the case of the land-grant colleges or in any educational case. The Federal Office of Education has proceeded from the beginning on the theory that it operates solely through the State educational departments; and in that field I think there has been no inference whatever with the operation of the States.

Mr. BYRD. There are rules and regulations established by the Federal Government and the Federal Office of Education with respect to every expenditure that is made.

Mr. PEPPER. Mr. President, will the Senator yield to me?

Mr. BYRD. I yield.

Mr. PEPPER. I was going to ask the Senator whether he has examined the situation in the vocational schools, for instance. I do not say I have carefully examined as to that matter, but I have not heard of any Federal Government requirement with respect to discrimination in vocational schools.

Mr. BYRD. The Senator may not have heard of them, but there are Federal requirements.

Mr. KEM. Mr. President, will the Senator yield to me?

Mr. BYRD. I yield.

Mr. KEM. The Senator from Ohio said he knew of no Federal regulation in the field of education. I should like to ask about the regulation of teachers of economics, by which certain standards are laid down for them, and those standards must be observed and maintained before Federal money can be devoted to the payment of their salaries.

Mr. TAFT. There is no aid for economics so far as I know in any Federal law.

Mr. KEM. Oh, yes; there is—for example, home economics.

Mr. BYRD. Yes.

Mr. KEM. Of course, there is.

Mr. TAFT. No.

Mr. KEM. The Senator is quite wrong, I am sorry.

Mr. BYRD. That goes to agricultural schools, and rules and regulations are laid down, and I shall be glad to submit to the Senate——

Mr. TAFT. But they have in no way attempted to regulate. I have never heard a complaint of any Federal attempt to regulate the States in regard to such matters.

Mr. BYRD. I would say to the Senator from Ohio that there are regulations. I say there is a regulation on every single dollar that comes out of Washington.

Mr. KEM. This matter is in the field of education, and there is a regulation in the field of education under the Smith-Hughes Act.

Mr. TAFT. Of course there would be regulations under this act. They would provide, for instance, "You must distribute $50 to every school." There will be regulations, of course, but they are regulations which are outlined in the law, and in which there is no discrimination of any kind or any purpose to deprive a State of any money. The State simply complies with the actuarial requirements. It receives the money regardless of anybody's discretion.

Mr. BALDWIN. Mr. President, will the Senator yield for a moment?

Mr. TAFT. I yield to the Senator from Connecticut.

Mr. BALDWIN. There is no requirement in the pending bill, as I understand, as to the standard or type or kind of education that must be maintained.

Mr. TAFT. That is correct.

Mr. BALDWIN. In other words, if a State wanted to take the money and

spend every nickel of it and all the rest of its appropriations for education on home economics courses, it could do it.

Mr. TAFT. It could do it. I mean the possibility is so remote that I think we may discount it. Every State has attempted, and in its constitution is usually required, to provide a free education for every child in the State who desires such an education—and sometimes, whether he desires it or not.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BYRD. I should like to ask that I be permitted to finish this one point, after which I shall be glad to yield for any question. I merely want to finish on this one point. I have a complete statement on it, I think.

It is obviously true that control follows the purse. Everybody knows that to be so. Federal bureaus may not control it the first year or the second year; they may not control certain other appropriations to such a point that one would hear complaint about it, but regulations are established by these bureaus, they are legal, and if not obeyed the intended recipients do not get the money.

The effort of the Senator from Texas [Mr. CONNALLY], in offering an amendment, which was adopted yesterday, is very laudable in its purpose, but it will not prevent the future exercise of the power of control by the Federal Government. At any time, as I have stated, a majority in the House and Senate can change the provisions of this bill or of any other bill, and, under the rules of the Senate as well as the other House, appropriation bills can be amended by prescribing limitations on every appropriation granted by the Federal Government.

This appropriation will come up annually in appropriation bills, and limitations can be prescribed in an appropriation bill at any time respecting this expenditure.

Let me warn Senators who would vote for this bill on the theory that they are getting a direct gift from the Federal Government with no strings tied to it, that they are adopting a very dangerous procedure. That applies to my friends in the South.

It is well to recall what happened to Senate bill 637 when it was before the Senate on October 20, 1943. An amendment was offered by the Senator from North Dakota [Mr. LANGER] which provided that "there shall be no discrimination in the administration of the benefits and appropriations made under the respective provisions of this act, or in State funds supplemented thereby, on account of race, creed, or color."

That not only took control of the particular expenditure but it also took control of expenditures which the State supplemented by its own funds. Adoption of that amendment was vigorously protested by the Senator from Alabama [Mr. HILL], who was one of the patrons of Senate bill 637.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BYRD. I should prefer to finish this statement; then I shall yield.

It was, however, adopted by the Senate by a vote of 40 to 37, and it is interesting to note that the Senator from Ohio [Mr. TAFT], who now favors the pending bill as a home-rule bill, voted in favor of that amendment. The effect of the amendment would have been to compel the operation of mixed schools in all States that have separated schools, or such States were to be denied any benefits from the bill. That is an instance in which an appropriation of $200,000,000 would have been used to coerce the States, in certain sections, into changing their entire public-school system, although the Federal contribution was only an inconsequential part of the total.

I say now that should such an amendment be placed before the Senate today, it is my opinion that if submitted to a yea-and-nay vote it would be adopted.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. BYRD. Let me finish my statement, please.

After the amendment to Senate bill 637 was adopted, the bill was recommitted to the committee with the aid of its own proponents. This experience should be a warning to those who are seeking to obtain a Federal grant to be used entirely as the States might desire.

Mr. President, in considering this phase of the question, which is so vital to the Southern States, it is well, too, to bear in mind that the President of the United States has endorsed a proposal whereby all Federal grants-in-aid and other forms of Federal assistance shall be denied to States which practice any form of discrimination and segregation based upon race, color, creed, or national origin. I quote from the report of the President's Committee—and the President has endorsed this in toto—as follows:

> We believe that Federal funds, supplied by taxpayers all over the Nation, must not be used to support or perpetuate the pattern of segregation in education, public housing, public-health services, or other public services and facilities generally. We recognize that these services are indispensable to individuals in modern society and to further social progress. It would be regrettable if Federal aid, conditioned on nonsegregated services, should be rejected by sections most in need of such aid * * * it believes that segregation—

This is the President's committee, endorsed by the President—

> is wrong morally and practically and must not receive financial support by the whole people.

No part of the program known as civil rights, endorsed by the President, created the resentment that this particular section did throughout the Southern States. This was because it proposed to coerce and to use a sanction against the Southern States by denying to them their share of public funds which, in part were paid to the Federal Government by these same States. The money would be withheld unless the States changed their local laws, changed their manner of living, in order to conform to the Federal pattern. I want to say that I for one am not willing to sell the constitutional rights of my State for a mess of Federal pottage. It is true of course that if this sanction is operated against the States as recommended by the President of the United States, these Federal grants could be rejected by the States. But let me remind Senators that once large Federal funds are integrated in the system of State finances—and as I said previously, those who have been Governors know this well—the withdrawal of such funds will create very difficult and serious conditions. We are told that this is a home-rule bill and that it is guaranteed in the language of the bill that it will remain a home-rule bill, yet we have before us the fact that such a bill was once amended by the Senate so as to impose restrictions of an impossible nature upon certain segments of our population, and we have before us further the fact that a Democratic President has without reservation endorsed a proposal to go to the ultimate extreme—the ultimate extreme—of denying Federal funds of all kinds to States that do not conform with Federal views as to the manner in which they operate their own affairs.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MAYBANK. Mr. President, no one has greater respect for the Senator from Virginia than I. I recall the time in 1943 when, with the aid of the Senator from Alabama and other Senators, we recommitted a bill containing an amendment which had been offered by the Senator from North Dakota. I wish to ask the Senator a question. How can the Appropriations Committee, under the Reorganization Act, and without suspending the rules of the Senate, earmark any of the money appropriated?

Mr. BYRD. The rules of the Senate provide that there can be a limitation placed on an appropriation. The Connally amendment did not amend the rules of the Senate. The Parliamentarian will certify to that. It was simply a joint action which does not relate to the Senate rules.

Mr. MAYBANK. Would it not be legislation attached to an appropriation bill?

Mr. BYRD. It can be done by restriction. The Senator knows that.

Mr. MAYBANK. But not by new legislation.

Mr. BYRD. No. But to provide that no part of the fund can be used in any State which practices segregation is not legislation but a limitation. This is done time and time again and is not subject to a point of order.

Mr. MAYBANK. The Senator from Virginia knows the great respect I have for him, but I cannot see how such an amendment could be placed on an appropriation bill.

Mr. BYRD. Under the Senate rules, limitation of an appropriation has not been regarded as legislation.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. McCLELLAN. What the Senator from South Carolina is suggesting is that after this bill, with the authorization as specifically outlined in it, shall be enacted into law, a limitation can be placed on an appropriation bill with regard to

it. I submit that such a limitation would be legislation, because there is no authority under the basic law for such a limitation.

Mr. BYRD. Is the Senator willing to leave it to the Parliamentarian of the Senate?

Mr. McCLELLAN. Certainly. In my judgment, it would be new legislation on an appropriation bill.

Mr. BYRD. Mr. President, I should like to ask the Parliamentarian to communicate to the Senate, through the Chair, whether it is possible that a limitation can be placed upon an appropriation bill, even though it be contrary to the so-called Connally amendment.

Mr. TAFT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. The Chair cannot be required to rule on such a question.

Mr. BYRD. Mr. President, I did not ask the Chair to rule upon it. I asked the Parliamentarian to give the information, through the Chair, for the benefit of the Senate, because I have great respect for the Parliamentarian. I have never known him to be incorrect on a question of parliamentary procedure.

Mr. TAFT. The Senator has cited a number of instances in which he says there is danger that such action as he has indicated might be taken. Of course there is danger of anything being done. If such an amendment can be attached to an appropriation made for the purpose of education it can be put on a TVA appropriation, or on a Bankhead Act appropriation, or on any other appropriation, if the Senator is correct. The Southern States have become dependent in many respects upon such appropriations. What happened when the amendment regarding segregation was adopted? The Senate rejected the bill.

Mr. BYRD. I beg the Senator's pardon. The bill was recommitted to the committee.

Mr. TAFT. But that was a defeat of the bill, and it was so recognized. There have been several amendments offered proposing to interfere with State administration, and they have been overwhelmingly rejected by the Senate. I agree that the President of the United States, in his civil-rights message, suggested that there be some such general control, but I do not think we can find a Senator who would agree that that is a proper legislative procedure.

I do not think we shall ever find a Congress which will undertake to legislate in any such indirect manner as the Senator fears may happen under this amendment on a matter so important as is this bill. We sometimes attach a small proviso here and there, but I do not think it will ever be found that the House and Senate will go along with a proviso of the kind suggested. If it can be done in connection with this bill, there are many appropriation bills, as to which it can also be done.

Mr. KEM. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator from Ohio if we are not putting ourselves in a position of danger in this matter?

Mr. TAFT. No; I do not think so; not in any more danger than we are in now. That kind of legislation has been attempted over and over again. It has sometimes succeeded in connection with an unimportant measure, but I have never seen it succeed in connection with an important policy question.

Mr. BYRD. But the Senator will agree that it can be done.

Mr. TAFT. That depends on a particular bill and on the rules of the House and Senate.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MAYBANK. If we can so legislate in connection with an education bill, we can do likewise in connection with an Army, Navy, or any other appropriation bill.

Mr. TAFT. Yes; but it would have to be one from which the South would receive a particular advantage. That is the theory of the Senator, that they would be so anxious to receive the money that they would agree to that kind of a proviso. I do not think that is true. There are many other State-aid proposals as to which the position would be exactly the same.

Mr. MAYBANK. There have never been any such amendments attached to appropriations for land-grant colleges, or for highways, or anything of that kind.

Mr. BYRD. Mr. President, I am addressing myself to the fact that it has been said in the Senate that there is a permanent guaranty in the bill against any control of the use of the funds. They can be controlled not only by direct legislation, but by limitations placed upon the appropriation.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. ROBERTSON of Virginia. Yesterday I discussed the Connally amendment with the Senate Parliamentarian. I hope I am correctly quoting him. It is certainly the way I understood him. He told me that the Connally amendment did not change the Senate rules, that the Senate had the power in the future, as in the past, to make its own rules, and that the rules of the Senate as to limiting appropriations had been of a "thou shalt not" character; that restrictions could be put on appropriations without violating the rule against legislation attached to an appropriation bill.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. I am interested in the rules of the Senate, and I should like to know if it is in order to ask the Parliamentarian, through the present occupant of the chair, to rule on the question proposed by the Senator from Virginia.

Mr. PEPPER. Mr. President, is the Senator asking whether it is in order?

Mr. WHERRY. I am interested in the rule itself.

Mr. PEPPER. Before the Chair rules, will the Chair receive an observation?

The PRESIDING OFFICER. The Chair understood that the request had been withdrawn.

Mr. WHERRY. Regardless of whether the request has been withdrawn, I should like to ask the parliamentary question whether it is in order to ask the present occupant of the chair the question asked by the distinguished Senator from Virginia.

The PRESIDING OFFICER. In the opinion of the Chair, it is in order.

Mr. BYRD. Mr. President, I make the request.

Mr. WHERRY. I ask the same question that was asked by the distinguished Senator from Virginia.

Mr. PEPPER. Mr. President, before the Chair rules on that request and responds to it, I should like to make the observation that it certainly seems to me to be a dangerous precedent and practice to start with an advisory opinion. That is what it amounts to. The question is not arising in due course, such as when a parliamentary question has to be decided by the Chair. The Senator from Virginia is imagining a determination which may arise in the future.

As the Senator from Ohio has said, law points are always decided against a background of the facts of the particular case, and whatever the Chair might say here today might represent only the opinion of the Presiding Officer at the time. The opinion of the incumbent of the chair has reference only to pending conditions, and always an appeal can be taken, and the Senate can overrule the Chair. But I think we should not take an opinion which might be given as advisory and as decisive, and perhaps be intended to influence the votes of Senators here today or tomorrow upon something which may happen in the indefinite future.

Mr. CHAVEZ. Mr. President, I should like to make an observation, with the permission of the Senator from Virginia.

Mr. BYRD. I yield.

Mr. CHAVEZ. The rules of the Senate apply to what we are doing at the moment, but they do not apply to the law of the land. When the Congress of the United States passes a law, it certainly cannot be superseded by an opinion by the Parliamentarian of the Senate or of the House of Representatives. Hence I cannot see how a rule of the Senate at the particular moment would in any way interfere with what Congress does as a matter of enactment, in passing a law that is signed by the President of the United States according to the provisions of the Constitution. Therefore, the opinion of the Parliamentarian would apply only to what we are doing at the moment, whether we can do this or do that in an orderly way. But that has nothing to do with the law of the land. Only Congress can pass laws, and no Parliamentarian, construing the rules of the Senate or the House, can interfere with them.

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). In reply to the request for a ruling by the Chair, the Chair refers to the RECORD of January 19, 1923, where the Presiding Officer made this

statement of the rule regarding limitations:

In the face of a point of order Congress can only appropriate in an appropriation bill for purposes already authorized by law. The Congress can appropriate for all purposes authorized by law or appropriate for none of the purposes authorized by law. Within those limits Congress can limit an appropriation. Congress can say that no part of an appropriation shall be expended for a part of the purposes which the law authorizes. But a limitation must be absolutely negative. It must be in the nature simply of a veto. It cannot direct an executive officer in the discharge of his duties under existing law. Whenever it does, it ceases to be a limitation and becomes legislation in violation of the rule.

Mr. BYRD. Mr. President, that confirms what I have stated.

The Senator from North Dakota [Mr. LANGER] calls my attention to the fact that only last year he had placed on an appropriation bill a limitation in a dispute as to the height of the Garrison Dam, as he has reminded me. The dam was limited to a certain number of feet, and that settled the controversy between two distinguished Senators. Such action has been a well-established custom of the Senate and the House of Representatives.

While the Senator from Ohio was absent from the Chamber, I was reading certain portions of the report he submitted for himself, Mr. Walsh, Mr. Ball, and Mr. Wherry, on October 12, 1943. I wish to pay tribute to the Senator from Ohio, and to say that nothing in this debate is comparable to the power and the logic of the condemnation he expressed in this report on the question of Federal subsidies for schools. I refer to just one section of the report. The title is, "Education Is Not a Federal Function." I feel certain this was written by the hand of the able Senator from Ohio. It was very ably written. I read:

Taking both parts of this bill together, it is a proposal to establish a Federal subsidy for common-school and high-school education, a function of the State governments and local governments for the last 150 years. There can be no doubt that common-school and high-school education is the obligation of the States and their local subdivisions under our constitutional system and that it is not an obligation of the Federal Government. There is nothing whatever in the Constitution which delegates to the Federal Government power to deal with questions of education. All authority for a Federal subsidy of education must be based upon the spending power, which is sufficiently broad to give a legal basis for the current bill—

Speaking of the subsidy bill in 1943—

as for other subsidies to local government. However, Federal subsidies to the States for matters which are clearly not within the jurisdiction of the Federal Government are certainly only justified on the ground that the States are unable to finance adequately the activities which are constitutionally assigned to them.

I shall take a little time later to show that the States are in much better condition today to finance these educational expenditures than is the Federal Government. The Taft report continues:

It is undoubtedly true that the taxing powers of the States are somewhat limited, and that under some conditions the Federal Government may be in a better position to raise money where it should be raised than the States themselves. It was on this ground that the Federal Government went so extensively into the financing of relief in the great emergency of 1932. Here was a tremendous new expenditure for which no provision was made in the State systems of finance, calling for a very large sum which the States were wholly unable to raise. But as the emergency declined, the Federal Government has gradually withdrawn its aid, and relief today is again administered by the States.

The same conditions do not at all apply to education. The States have always financed education. In nearly every State it has been given a prior consideration in dividing the funds which are available. One-third of all State and local taxes are spent for education. If the States and localities can't finance education, they can't finance any State or local activities.

Mr. TAFT. Mr. President, it was the figures produced in opposition to that argument in the debate which really changed my mind, because it was perfectly clear, when we finally got down to the figures, that I was wrong in that statement. There are many States where the amount of money provided, even though the amount allocated to education was very large, over one-third of the total revenue of the State, resulted in a completely inadequate education. I think I would entirely stick by the rest of what the Senator has read, but it was the figures produced and the conditions described in the debate which changed my mind as to what necessitated Federal aid in order to give the States enough money.

Mr. BYRD. The pending bill does not do what the Senator has suggested. The bill gives money to all the States, to the rich States as well as the poorer States. It is entirely different from giving aid where there is some great emergency, where it is impossible for a State to finance its own education.

Mr. KEM. Mr. President, will the Senator from Virginia yield to me to make an inquiry of the Senator from Ohio?

Mr. BYRD. I yield.

Mr. KEM. I gather from what the Senator from Ohio has said that he has changed his mind since he wrote the statement the Senator from Virginia has just read. I should like to ask him if he has changed his mind since he wrote the statement which accompanies Senate bill 472, which appears in the proceedings before the Committee on Labor and Public Welfare, held in April and May last year.

Mr. TAFT. I do not know what it is.

Mr. KEM. I find on page 41 this statement:

I have already pointed out that regardless of safeguards, too much reliance on Federal money would inevitably come to mean Federal control.

I also invite the Senator's attention to the whole statement headed "Statement of Hon. ROBERT A. TAFT to accompany S. 472," which appears on page 38 of the proceedings before the subcommittee. I invite the Senator's attention to the section headed "Education primarily a community responsibility," and particularly to the sentence appearing on page 41 reading as follows:

I have already pointed out that regardless of safeguards, too much reliance on Federal money would inevitably come to mean Federal control.

Mr. TAFT. Mr. President, I have not changed my mind. That is the statement I made. We have to guard constantly, as I said when I made that statement, against Federal control.

Mr. CHAVEZ. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I cannot yield at the moment.

Mr. TAFT. The balance of power is involved. I simply decided that the danger of Federal control can be guarded against. We can stand on the principle of not permitting Federal control. We have already established throughout the United States many avenues of Federal aid to States, and there is no possibility of getting away from it in many fields. If we want to defend against Federal control the thing to do is to refuse Federal control, to draft our law so there is no Federal control, as the pending bill is drafted. I would rather stand on that ground than stand on the ground suggested by the Senator that the Federal Government has no concern with education, has no concern with housing, has no concern with health; that those are matters solely for the States to take care of, and if there are poor States which are unable to give its citizens what they need, why that is too bad; those people cannot have equal opportunity. I do not think that is a defensible position. I think it is much easier and sounder to stand on the ground that we should provide Federal aid, that we are interested in the people of the States, but that we will stand against any effort to extend Federal control. That seems to me the proper position we should take respecting this bill and every other aid bill that comes before us.

Other bills have usually been so drafted that Federal control could be easily exercised. We have here drafted a bill under which Federal control cannot be exercised, and the only argument of the Senator from Virginia is that some future Congress may try to exercise Federal control. Of course, some future Congress may try to exercise Federal control. Future Congresses can do anything they want to do. They can refuse to stand on the ground on which we now propose to stand. But I think it would be a more defensible position for those opposed to Federal control if they were to advocate the granting of aid without imposing Federal control. If we do not grant aid to the States, and if the States therefore are weak, if they are unable to perform the functions they should perform, the time will come when we will have a complete Federal operation in the various fields, as we did in the whole field of relief. I think we should now have a Federal aid system for relief, for if we do not have it, and we have another unemployment crisis, I believe we will have another WPA overnight. I think we should make the States strong,

and then we will resist the impulse to impose Federal control. I think the Senate in this bill has shown its willingness, contrary to many things it would like to do, to resist the movement toward Federal control.

Mr. BALDWIN. Mr. President, will the Senator from Virginia yield to me so I may ask a question of the Senator from Ohio?

Mr. BYRD. I yield.

Mr. BALDWIN. What puzzles me about the matter is this. Suppose we grant the money to the States under the bill, and suppose the commission of education in a State is utterly wasteful, utterly useless, and profligate to the utmost degree. Must the Federal Government then proceed and continue to give money to that State without attempting to exert any control over it whatsoever?

Mr. TAFT. The answer is "Yes."

Mr. BALDWIN. Then my next question is: Under such a program as that, have we a right to vote away the money of a State that is collected from the citizens of the State?

Mr. TAFT. Yes; I think we have. I think we will have the right to say, for example, that we are collecting $45,000,000 while the States are only able to collect $12,000,000, and we are going to give the States a lump-sum payment out of our taxes with which they can do anything they please. That is a possible alternative to Federal aid. In that case it would simply mean that in order to run their governments they need more money than they can themselves secure. I see nothing wrong in that theory. This is a Nation of 48 States. They are independent States. If we make such a grant to the States we should let the people of the States decide how to use it; and let them raise objections to any maladministration by their own State officials. If we want to, we can send a committee of Congress to investigate, and show the people of the States if any bad conditions exist. Then we will find that the people themselves will right such conditions.

Mr. BALDWIN, Mr. CHAVEZ, Mr. PEPPER, and Mr. LUCAS addressed the Chair.

Mr. BYRD. Mr. President, I am going to yield to the Senators who are now on their feet; thereafter I desire to conclude what I have to say.

I yield first to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, my point was this: There is no question that the Congress has the legal right to do what the Senator suggests, but I question the wisdom of doing such a thing. Take our own particular case in the State of Connecticut. We will receive, under the terms of the bill, by virtue of the Ives amendment, $1,075,000, but we will collect from the people of the State of Connecticut $4,006,000. Do we have a right to do such a thing to the people of Connecticut and to the people of 32 other States in the Union? Do we have the right to say to them, "We are going to take your money and distribute it in other States, and we shall not do a thing respecting control of the expenditure to see whether the money shall be spent wisely, effectively, and properly"?

Mr. TAFT. Mr. President, the Senator from Connecticut has recently voted for bills carrying some $6,000,000,000 for foreign nations, and it is perfectly obvious that the control over how that money shall be spent will be very remote. Yet that money comes out of the State of Connecticut, among other States. Instead of the State of Connecticut putting up $4,000,000, as the Senator just said, for education, Connecticut is probably going to put up a couple of hundred million dollars for foreign aid, and that money is much more likely to be wasted, I will say to the Senator, than the money he is now going to vote under the pending bill to the States of the Union that are not so rich as is Connecticut.

Mr. BALDWIN. That, Mr. President, is a perfectly pertinent reply and a good one, and I will say to my distinguished friend from Ohio that that is a thing which has puzzled me for a long time. When the question comes up in the Senate as to who is to administer the foreign-aid fund, I think we will have to exercise the closest scrutiny. Then we will have our opportunity to deal with that particular problem. We have yet to deal with it.

Mr. PEPPER. Mr. President, will the Senator from Virginia yield to me for a question?

Mr. BYRD. I yield.

Mr. PEPPER. I should like the Senator from Connecticut to recognize the fact that the big insurance companies in his good State of Connecticut which contribute to the State's wealth, which he has told us about this afternoon, making it one of the wealthiest States of the Union, is derived in very large proportion from other States, and the Southern States are large contributors to that wealth.

Mr. BALDWIN. Mr. President, will the Senator from Virginia yield so that I may answer the Senator from Florida?

Mr. BYRD. I yield once more to the Senator from Connecticut.

Mr. BALDWIN. I may say to the Senator from Florida that the State of Connecticut, throughout her long history, has never raised any objection to the amount of money she should pay into the Federal Treasury compared to what she has gotten. The only thing she has insisted upon all the time is that that money be wisely and usefully spent, and it is the duty of the Congress to see to it that it is wisely and well spent. We do not have a right to take money from a wealthy State or from one that is not so wealthy, and throw it about in useless fashion. It seems to me that in order to prevent that in this particular situation we have got to have some form of Federal control, and that is what I am against in this particular field.

Mr. PEPPER. Mr. President, will the Senator yield to me again?

Mr. BYRD. I yield.

Mr. PEPPER. The children of America present to us the wisest possible subject for expenditure of the money proposed to be spent under the bill.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. BYRD. I yield to the Senator from Alabama.

Mr. HILL. The Senator from Virginia has expressed doubts and fears. Since the beginning of our Government, Congress has passed more than 150 bills granting aid of some kind, in some form, to education. In the beginning of our Government, as Senators will recall, thousands of acres of public land were given to the States for educational purposes. Senators recall the Morrill Act of 1863 under which land-grant colleges were established in the several States of the Nation. Senators will remember the Smith-Hughes Act for vocational education. Many measures have been passed granting Federal aid for education. There is hardly a single fear or doubt which has been expressed by the Senator from Virginia this afternoon with reference to the pending bill, that might not have been expressed with reference to all these many other Federal-aid-to-education measures.

Mr. BYRD. Mr. President, I did not yield to the Senator from Alabama to make a speech.

Mr. HILL. Let me finish my statement, please.

Mr. BYRD. I will yield to the Senator when I conclude my statement.

Mr. HILL. While I speak in the time of the Senator——

Mr. BYRD. That time is limited to 30 seconds.

Mr. HILL. May I recall the words of that other great Virginian, that we have no better light for the guidance of our feet than the light of experience. These fears, these doubts, proved ungrounded, without justification, with respect to all the 150 other acts passed in aid of education. They will likewise prove ungrounded and unjustified in reference to the pending bill.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator from New Mexico and then I shall have to ask Senators not to interrupt me again.

Mr. CHAVEZ. I shall not interrupt the Senator except for one purpose. I want to thank the Senator from Virginia for his kindness and his indulgence. Through the kindness of the Senator from Virginia I shall take up the side of the Senator from Ohio [Mr. TAFT]. There is no particular reason politically why I should agree with the Senator from Ohio, but I do love sincerity of purpose and intellectual integrity. He has stated over and over again that, like the Senator from Virginia, he wants the States to control their school systems. There is only one way to bring that about through legislation, and that is to try to put it in simple English language, and then to reason with other Senators and see what they have in mind.

The Senator from Ohio has stated that there is no reason why another Congress cannot change this law; but we are dealing with this particular piece of legislation. I ask the Senator from Virginia to read carefully section 2, and I ask him if that does not disclose completely the philosophy and the idea which he has in mind, namely, that the Senator does not want the Federal Government to interfere with our school systems, except to the extent of seeing that Federal

funds are used for the purpose of carrying out the legislation which we are now authorizing.

Mr. KEM. Mr. President, will the Senator yield.

Mr. BYRD. I yield.

Mr. KEM. I should like to ask the Senator from Virginia for some light on a question which puzzles me very much, and that is the attitude of his colleagues from the great section of the Nation from which he comes on legislation of this kind. The Morrill Act has been referred to several times in the debate. My recollection is that the Morrill Act was originally vetoed by President Buchanan at the instance of Members of Congress from Southern States, and was placed on the statute books only after the secession of the Southern States. It became law during the period in which they were not represented in this body. Is that correct?

Mr. BYRD. Yes.

Mr. KEM. Then I should like to ask the Senator this question, which puzzles me very much: I have heard arguments from Senators coming from the section represented by the Senator, and from other members of the great party to which he belongs—for example, the able argument of the junior Senator from Louisiana [Mr. ELLENDER] and the argument of the distinguished Senator from Alabama [Mr. HILL]—which run along this line: Education is an important function of the State; there are deficiencies in our present system; therefore the Federal Government should intervene. My question to the Senator from Virginia is this: What is the position of his colleagues on the question of keeping peace? Is keeping peace an important function? If deficiencies exist in that field, are Senators who are urging the passage of this bill willing to vote for an appropriation of Federal money for that purpose in their States?

Mr. BYRD. I cannot speak for my colleagues on a question of that kind.

Mr. President, I shall conclude as quickly as possible. I do not wish to submit to further interruptions.

I should like to read the conclusion in the very able report made by the Senator from Ohio in 1943:

> We do not subscribe to the doctrine that because our public schools and our educational facilities are a vital element in our national welfare, they thereby become the proper concern and implied responsibility of the National Government.
>
> Our schools are one of the few remaining bulwarks of local self-government and community enterprise. They should so remain. They have on the whole been well managed and generously supported. We have today too much centralization of control over the affairs of our citizens in a Federal bureaucracy. We should not add to it by this excursion into the field of education.

Mr. President, this report is so able and so forceful in opposition to any subsidy for education that I ask that it be printed in its entirety following my remarks.

The PRESIDING OFFICER. Without objection, the report will be printed as requested.

(See exhibit A.)

Mr. BYRD. Mr. President, I wish to discuss the ability of the States to operate their own school systems, because, after all, the proponents of this legislation get down to the fact that the States are not able to operate their school systems. Let me read the balances in the treasuries of the various States, exclusive of highway and veterans' funds.

In the fiscal year 1946 the great State of Alabama had $23,900,000 in its treasury. It is the largest recipient of aid of any State under this plan.

The State of California had $417,000,000, yet it would receive $5 per pupil under this plan.

Colorado had $14,000,000; Connecticut $20,000,000; Delaware $13,000,000.

I shall read the names of only the so-called submarginal States. They are the ones which would receive not only $5 per pupil, but an extra amount, calculated according to a very complicated formula.

Florida had $17,000,000 in its treasuary; Georgia $15,000,000—more than it would receive under the terms of this bill in any one year.

Idaho, which would receive aid as a submarginal State, had $7,600,000.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. ELLENDER. I ask the Senator if he has a break-down of the various balances, to determine whether or not many of such balances were used to retire bonds, or used in some kind of a revolving fund.

Mr. BYRD. They are balances in the general fund, exclusive of highway and veterans' funds.

Mr. ELLENDER. The Senator knows very well that many States have bond issues, and that certain moneys in the general fund are used to retire bonds.

Mr. BYRD. If they were for the purpose of retiring bonds they would not be in the general fund.

The great State of Iowa is listed as a submarginal State. It had $28,000,000 in its treasury; Kansas, $13,000,000; Kentucky, $17,000,000; Louisiana, $20,000,000. Maine, a submarginal State, had $5,000,000. I am reading only the names of States which are supposed to receive the extra stipend, in addition to the $5 per pupil.

Minnesota had $15,00,000; Mississippi, $15,000,000; the great State of Missouri, a submarginal State, had $40,000,000. Montana had $6,000,000; Nebraska about $4,000,000; New Hampshire $2,000,000; New Mexico $5,000,000——

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BYRD. I am sorry, but I cannot yield to the Senator. I have yielded to him quite a number of times.

Mr. CHAVEZ. Inasmuch as the Senator has mentioned New Mexico, I should like to ask him a question.

Mr. BYRD. That is very considerate of the Senator, but I cannot yield to him. I have already yielded to him a number of times.

North Carolina had $48,000,000 in its treasury. It is one of the submarginal States. Oklahoma had $10,000,000. It would receive a special stipend. South Carolina had $11,000,000; South Dakota, $12,000,000; Tennessee, $14,000,000; Texas $13,000,000; Utah, $3,000,000; and Vermont, $4,000,000.

Virginia had $53,000,000 in its treasury. Under the terms of this bill we would receive $8,000,000 out of the Federal Treasury.

West Virginia had $21,000,000 in its treasury; Wisconsin, which would receive an extra stipend, had $53,000,000 in the general treasury; Wyoming, $4,000,000.

Mr. HAWKES. Mr. President, will the Senator yield for a question? I have not previously asked the Senator to yield, because I did not want to interrupt him.

Mr. BYRD. I yield.

Mr. HAWKES. The Senator must realize that every human being, every State, and every authority of Government, regardless of what it may have, if it can get something for nothing, or some easy money, will be around to get it. The Senator must realize that in regard to the great loan or gift of $6,000,000,000 we have just made to foreign countries, some of the nations to whom we have given it have billions of dollars of their own. Yet we gave the money to them. We cannot blame them for taking it if we force it on them.

Mr. BYRD. I thank the Senator.

Mr. President, I wish to call attention to the fact that one of the greatest objections to this bill, in my judgment, is this: When local education is assumed by the Federal Government as a Federal responsibility, then the States, which have been doing so much to improve their school systems, will say, "Let the Federal Government do it." When they need extra money, they will bring pressure to bear on the Members of Congress in order to get their Federal appropriations increased, instead of making the appropriations themselves.

I wish to call attention to what the State of Virginia has done. In 1913, Virginia spent $13,102,543 on its educational system. In 1950, the State of Virginia will spend $70,490,000.

Since 1945 the State of Virginia has increased its appropriations for its educational system from $41,832,000 to $58,925,000, in 1947, and in 1950 the figure will be $70,490,000.

Mr. President, I ask unanimous consent that a letter giving a tabulation of those figures may be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF VIRGINIA,
GOVERNOR'S OFFICE,
Richmond, March 24, 1948.

HON. HARRY FLOOD BYRD,
Senate Office Building, Washington, D. C.

DEAR SENATOR BYRD: The following figures are furnished in reply to your telegram of today, concerning State and local funds for schools.

After talking to the statistician of the State board of education, it was considered advisable to take the total expenditures from State and local funds combined for school purposes for the period up to 1947. For the years 1948, 1949, and 1950 the figures are estimates made by this office.

1920	$13,102,543
1925	22,760,706
1930	25,313,507
1935	22,777,328
1940	31,466,399
1942	32,194,915
1943	32,921,617
1944	36,867,535
1945	41,832,471
1946	46,984,665
1947	58,925,257
1948	64,225,000
1949	68,500,000
1950	70,490,000

If you wish further information which I can furnish, please call on me.

Sincerely yours,

J. H. BRADFORD,
Director of the Budget.

Mr. BYRD. Mr. President, I wish to call particular attention to the percentages of increase for the 5-year period 1940 to 1945, because this is very important. It strikes at the very crux of the matter, and is definite proof that the States are doing a great deal to improve their educational systems.

I shall refer first to the southern States, because they seem to be the ones that will get most of the proposed Federal appropriations. The figures I shall give now are correct, and cover the period from 1940 to 1945. I am sorry that I cannot give entirely up-to-date figures, because they would show that the percentage of increase was much greater.

For instance, the State of Alabama increased its appropriations from 1940 to 1945 by 57 percent. It has increased the amount spent on each pupil by $20 in that 5-year period.

The State of Arkansas—and I am sorry the Senator from Arkansas [Mr. MCCLELLAN] is not now in the Chamber—has increased its appropriations for educational purposes 92 percent in that 5-year period, and has increased the amount spent on each pupil by $28.

The State of Florida has increased its appropriations by 62 percent in that 5-year period; the State of Georgia by almost 54 percent; the State of Kentucky by 73 percent—all in a period of 5 years ending in 1945; and since 1945 there have been still further large increases, although I do not have the figures before me.

In that 5-year period the State of Louisiana has increased its appropriations for educational purposes by 68 percent; Mississippi by 45 percent; North Carolina, 68 percent; Oklahoma, 53 percent; South Carolina, 64 percent; Texas, 55 percent; Virginia, 74 percent; and West Virginia, 46 percent.

Mr. President, I think that is a notable and laudable record on the part of those States. Many of them are regarded as poor States. The State of Arkansas, if it is a poor State, has increased its appropriations for educational purposes by 92 percent. The States are doing all in their power to improve their educational systems. I say that if we assume that education is a responsibility of the Federal Government, then when the States need additional money they will write to you and to me and to other Senators to try to get the money from the Federal Treasury, instead of trying to get it from local taxes, where it should come from.

Let me say just a word about the extravagance and efficiency of these aids to the States. Mr. President, what is a grant to a State? How can the Federal Government grant anything to a State? The Federal Government does not own any property. It has no property of its own. It only has the revenue which it collects from the citizens of the 48 States. We cannot get a gift from the Federal Government, because we are the Federal Government. When the money comes to Washington, where there are 1,154 bureaus, the bureaus take their toll from it, their 15 percent, before they pay any money back to us. I ask any Senator to name any property that the Federal Government has, that produces any revenue. The Federal Government has only the revenue which comes from the 48 States of the Union.

My distinguished friend, the Senator from Ohio, and other leading Republicans talk about the great bureaucracy that has been built in Washington, the greatest bureaucracy the world has ever known. Nothing has ever equaled it. There are 1,154 separate and distinct bureaus in Washington. There are 2,000,000 Government employees in those bureaus, and they are trying to find ways and means to manage the affairs of the States. Every single dollar that we give to be handled through the Federal Government adds to the bureaucracy in Washington. I think in the next campaign that will be a great issue. I think the Republicans will say there is in the Federal Government the greatest bureaucracy ever known, with 2,000,000 employees, who are being paid in excess of $6,000,000,000 in salaries, and now it is proposed to add to that bureaucracy in order to do something the States are doing and can do themselves.

If the States were doing nothing for education, and had not made the great increases in their appropriations for education which I have cited, the situation would be different. Let me point out that if we had the figures for the increases in appropriations for education that the States themselves have made between 1945 and 1948, those figures would be much greater than the ones I have stated today. There is not one southern State that has not increased its appropriations and expenditures for schools by approximately 50 percent in a period of 5 years. That is not a bad record. In the South we are making progress with this problem.

So I am unable to see how anyone can justify voting to federalize our public-school system—and I think it means that in the end—or voting to give the Federal Government influence, at least, in the control of our public-school system, when we are doing so much for ourselves.

Let me say a word in regard to the grants that now are being made to the States by the Federal Government. The Federal Government is granting to the States at this time $2,363,000,000 annually in 8 different categories. I shall not take time to read all of them; but we already are giving the States more than $2,000,000,000 a year in various types of aid. Let me say once more—I said it in the first part of my address—that we are going to be faced, Mr. President, within the next 2 years with the most critical financial situation the United States has ever been confronted with. I make the confident prediction that within a 2-year period we shall have a Federal budget of $50,000,000,000. I ask any Senator on this floor to tell me where Federal taxes will come from with which to pay a Federal budget of $50,000,000,000. Then why should we undertake a new costly expenditure now?

We must rearm. All of us are in favor of that; I am strongly in favor of it. Instead of spending $1,000,000,000, as we did on armaments before World War II, we shall have to spend $20,000,000,000 or perhaps $25,000,000,000 on rearmament. We are rearming just as if we were going to war again. I pray to God that we are not.

Then we have the interest on the public debt, which is $5,000,000,000—far more than we had before the war.

We are permanently embarked upon a foreign-aid program. I say that advisedly. I say the foreign-aid program will continue as long as Russia is a menace, and Russia will be a menace either until she disarms or until she changes her form of government. I challenge any Senator to deny that. If Russia has the same form of government 5 years from now and if Russia has the same military preparedness 5 years from now, we shall have to increase the amount of foreign aid, rather than reduce it.

Mr. HAWKES. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from Virginia yield to the Senator from New Jersey?

Mr. BYRD. I yield, although I would prefer to continue.

Mr. HAWKES. I wish to emphasize what the Senator from Virginia has said; namely, that foreign aid will continue so long as Russia is a menace, or until we are broke and have nothing to give the other nations.

Mr. BYRD. Yes; that statement can well be added.

Mr. President, we shall have fixed charges of approximately $20,000,000,000 a year for the military. We shall not be able to reduce that if we once start in on it.

We shall have $8,000,000,000 a year for foreign aid, $5,000,000,000 a year interest on the public debt, and $7,000,000,000 a year for the veterans. Those four classes or categories are fixed charges. I care not how much one may desire to have economy; there will be no reductions in those expenditures, in my judgment, for many, many years to come.

Then we have our ordinary expenses of Government, which now are $12,000,000,000 a year. They may be reduced somewhat; they must be reduced some. But the best prospect we have today is a budget of $50,000,000,000, which will mean a controlled economy in this country. It will mean the conditions similar to those that now exist in England, whereby a farmer cannot kill a pig for his

own use unless he gets a permit from his own government, whereby labor is conscripted and taken from one plant to another, because we cannot spend $50,000,000,000 and maintain our private enterprise system, except under the most dramatic governmental controls.

The money has got to come through taxation. It cannot come through deficit financing. We have a debt of $255,000,000,000. I say if this country goes on a permanent deficit basis, it will shake the foundation of the credit of America so that our bonds will go down to such a point and such a condition will be created that every bank and every insurance company will be destroyed. If Government bonds should go down 5 to 10 points, there would be hardly a solvent bank in America, there would not be a solvent insurance company in America. And if we have continued deficits, unless we exact from the people the necessary money with which to pay the $50,000,000,000, then we shall destroy the confidence of the people in the financial stability of the United States. Let me say, as one who is a member of the Senate Finance Committee—I claim no credit for being an expert; I am not one; but let me say that when an attempt is made to collect from the people of this country under their private enterprise system $50,000,000,000, that is something that will strain the credit of America right down to the lowest depths. There has not been a situation so perilous as the one which confronts us now with respect to the financial security of America.

Mr. President, it is for that reason and for other reasons that I am so unalterably opposed to the pending legislation, opening up a vast new field of expenditures, by giving to the States a mere item of the cost of their educational systems.

The Senator from Ohio says he is convinced that the States cannot maintain their educational systems. If that be true, the $300,000,000 will be merely a drop in the bucket, nothing more. It will have to be increased and increased, and that on top of other enormous expenditures which must be made. I say the time has come to restrain it, instead of looking for new avenues to spend, let us try to restrict our expenditures and prepare ourselves for the storm that is coming in the future.

Mr. President, I ask that there be inserted in the RECORD following my remarks two tables in connection with this subject.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

(See exhibits B and C.)

EXHIBIT A

FEDERAL ASSISTANCE TO THE STATES IN MORE ADEQUATE FINANCING PUBLIC EDUCATION

Mr. Taft (for himself, Mr. Walsh, Mr. Ball, and Mr. Wherry), from the Committee on Education and Labor, submitted the following minority views to accompany S. 637:

"We cannot give our support to the bill (S. 637) 'to authorize the appropriation of funds to assist the States and Territories in more adequately financing their systems of public education during emergency, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, which has been reported by the Committee on Education and Labor, and we are submitting this statement of our views as to this legislation and of the reasons why, in our judgment, it is both unwise and inexpedient for it to pass.

"ANALYSIS OF THE BILL

"The current bill differs in some important respects from the bills which have been presented in previous sessions of the Senate, but which have never been given consideration by the Senate. It contains two parts, based on fundamentally different grounds.

"First, it proposes an annual appropriation of $200,000,000 to be divided among all of the States in proportion to the average daily attendance of pupils in the elementary and secondary schools in each State. This money is to be used only for the payment of teachers' salaries. It is provided that the sums so used must be additional to any sum spent by the State for such purposes in 1942, and that the State must continue to pay out of its own funds the average annual salaries which it paid on February 1, 1943. This appropriation has no relation to equalization of educational opportunities, nor to the special conditions which may exist in any of the poorer States. While apparently only a relief measure, and stated to be for emergency purposes, there is no time limit on the authorization.

"The other portion of the bill appropriates $100,000,000 to be used for equalizing the amounts spent for education in the various States. This means, of course, a distribution to those States which have the lowest per capita income according to a certain formula established in the bill. It results in $58,000,000 of the $100,000,000 being paid to 13 States. The justification for this appropriation is based on the fact that, taking the country as a whole, existing educational opportunities and facilities are variable and unequal, and deficient in many particulars, due to a variety of causes, one of which without doubt is an insufficiency of funds; in other cases, indifference or neglect or poor economic conditions, or refusal by local communities to increase the tax burdens to the levy paid by other communities. No one who is open-minded and acquainted with the facts will dispute these premises. No one will deny that even though educational opportunities in the United States today are greater, and educational facilities are better, and our entire system of education more democratic, than anywhere else in the world, nevertheless there is much room for further improvement. There is some doubt, however, whether the money alone will accomplish the betterment that is needed, or whether equalization is in any way accomplished by the provisions of the bill which is offered to the Senate.

"EDUCATION IS NOT A FEDERAL FUNCTION

"Taking both parts of this bill together, it is a proposal to establish a Federal subsidy for common-school and high-school education, a function of the State governments and local governments for the last 150 years. There can be no doubt that common-school and high-school education is the obligation of the States and their local subdivisions under our constitutional system and that it is not an obligation of the Federal Government. There is nothing whatever in the Constitution which delegates to the Federal Government power to deal with questions of education. All authority for a Federal subsidy of education must be based upon the spending power, which is sufficiently broad to give a legal basis for the current bill, as for other subsidies to local government.

"However, Federal subsidies to the States for matters which are clearly not within the jurisdiction of the Federal Government are certainly only justified on the ground that the States are unable to finance adequately the activities which are constitutionally assigned to them. It is undoubtedly true that the taxing powers of the States are somewhat limited, and that under some conditions the Federal Government may be in a better position to raise money where it should be raised than the States themselves. It was on this ground that the Federal Government went so extensively into the financing of relief in the great emergency of 1932. Here was a tremendous new expenditure for which no provision was made in the State systems of finance, calling for a very large sum which the States were wholly unable to raise. But as the emergency declined, the Federal Government has gradually withdrawn its aid, and relief today is again administered by the States.

"The same conditions do not at all apply to education. The States have always financed education. In nearly every State it has been given a prior consideration in dividing the funds which are available. One-third of all State and local taxes are spent for education. If the States and localities can't finance education, they can't finance any State or local activities. In many other States, school boards are independent of cities, towns, and counties, and answerable directly to the people. In Ohio and elsewhere the people of each community are authorized to vote additional tax levies on themselves for schools if they feel that more money is needed for good educational facilities. There is complete home rule in the field of education, and that is what the people want. A curious result of this bill would be to grant additional money to many public schools in such a State as Ohio, when often the people of the community have decided that the schools don't need any more money and have refused to vote extra levies for that purpose.

"STATES ARE IN BETTER CONDITION THAN FEDERAL GOVERNMENT

"There is no real evidence today that the States are unable to finance their own educational system, certainly the many large States in industrial areas which are to receive money out of the $200,000,000 relief fund. We quote from the report made by the senior Senator from Wyoming on Tuesday, October 12, to the George Postwar Planning Committee:

" 'While the national credit has been under great strain, the fiscal position of the States seems to be improving. The total debt of all of the several States of the Union as of June 30, 1943, was $2,989,000,000. Against this may be charged the growing budget surplus in the States. At the beginning of this year this amounted to $700,000,000, and it is now estimated by officials of the Census Bureau at about $1,000,000,000. The sinking funds of the States on general obligations total $430,000,000 as of June 1943, so that making allowances for the surplus and the sinking funds the debts of the States amount to a little over $1,000,000,000, as compared with the national debt of $146,000,000,000. * * * I have not had an opportunity to examine the fiscal position of cities and other local subdivisions, but it appears that all of the cities in the United States with a population of 100,000 or more at this moment have an unused debt capacity amounting to $750,000,000. These figures immediately suggest the advisability of an inquiry into the ability of the States and of the cities to carry part of the burden of public responsibility in the postwar world.'

"The Senator goes on to point out that many States are setting up postwar funds out of their surplus. The Senator's figures are fully supported by the bulletins of the Bureau of the Census issued from time to time dealing with State finances.

"It hardly seems that the States are in a position to demand relief from the Federal Government. As a matter of fact, they are not demanding relief. No State has come before us affirming its inability to deal with the educational problem. No legislature has

passed any resolutions requesting assistance. The entire proposal is placed before us by representatives of the teachers and other educational interests, who may or may not have exhausted their remedies within the States. How ridiculous it would be for these States, operating with surpluses, to ask for relief from a government which is running a deficit of $60,000,000,000 a year. As far as we can see, there is not the slightest justification for treating the present condition as an emergency which requires Federal financial assistance.

"THIS SUBSIDY WOULD BE A NONWAR ACTIVITY

"This Congress has taken the position that all expenditures for nonwar purposes should be eliminated unless they are absolutely necessary, and that our whole attention should be devoted to the prosecution of the war. On that policy we have eliminated the Civilian Conservation Corps, the Work Projects Administration, the National Youth Administration, and many other nonwar activities. It is hard to see how any slight improvement in the educational system could be accomplished in time to have any noticeable effect in the present war. Of course every activity of the Government, if it is of any value at all, has some remote relation to the morale of the people and to the prosecution of the war, but certainly the education of minor children is as far from the war as any other civilian department of the Government.

"THIS IS THE START OF A REVOLUTIONARY POLICY WHICH MAY COST $4,000,000,000

"Apart from the nonexistent emergency feature, the Federal subsidy project has been before Congress for a number of years, promoted by the National Education Association and the Federal Office of Education, but not by the States themselves. Previous bills have been based entirely on the principle of equalization, and have all been based on the argument that because some States spend much less money per pupil than others, the way to improve education is to subsidize those States.

"The whole project is based on the assumption that the more money spent on education, the better the education is. This conclusion is perhaps open to question. Startling ignorance regarding American history, which was discussed in the Senate last spring certainly could not arise from lack of financial resources. It appeared among students from all over the United States, and in many instances from students who came from those States which spend the most money on education. Undoubtedly education in some States is handicapped by lack of funds, but there are other ways in which American education can be improved besides granting Federal subsidies.

"The adoption of the present bill would undoubtedly embark the Federal Government in a gradually increasing expenditure from which it would never be relieved. If we once pay from $200 to $300 of the salary of every school teacher in the country, how can we possibly ever withdraw that support? Even if the States become richer, they will never be willing to take over this burden. Having yielded once to a very strong pressure, there will be no way in which to prevent a further yielding.

"The desires of the educators are almost without limit. The whole question of Federal aid to education is discussed in the report of the National Resources Planning Board for 1943, on page 68. That report takes the position that "the Nation is now spending less than 50 percent of the amount needed to provide a justifiable minimum educational program." Current expenditures and capital outlay for education in the United States are shown to be approximately $3,200,000,000. The "justifiable minimum annual expenditures in the postwar period" are said to be $7,385,000,000. The report then says:

"'During the years immediately following the war it does not appear probable that the total revenue available for education from State and local systems combined can be greatly increased. * * * It is therefore evident that most of the increase in expenditures for education in the postwar period must be financed almost, if not entirely, by Federal funds. * * * The only agency that can remedy the inequality among the States in the tax burden for education is the Federal Government. It should accept this role.'

"This report was written by Dr. Floyd W. Reeves, who is also Chairman of the Advisory Committee on Education, closely allied with the National Education Association and the original promoter of subsidy legislation. We see, therefore, that the real program of which this is the beginning calls for the Federal Government to finance the greater part of $4,000,000,000 a year.

"This proposal is in fact the beginning of a revolutionary change in one of our most fundamental Government activities. It should not be considered except in relation to the entire postwar activities of the Federal Government.

"WE SHOULD NOT NOW COMMIT THE FEDERAL GOVERNMENT TO ANY NEW TYPE OF EXPENSE

"The Federal Government faces after the war a tremendously serious financial problem. The annual charge for interest alone will amount to $5,000,000,000. At least $5,000,000,000 will be necessary for the armed forces. At least $5,000,000,000 will be required for existing services, with some moderate increase in expenditures for social-security purposes. Many other new items of expense will be clamoring for consideration. We do not know where the point is, but there is a point at which the burden of Government will become so great that it will choke all incentive, initiative, and enterprise. At some point we can kill the goose that lays the golden egg, and force the entire country into a socialistic strait-jacket. It seems most unwise to commit ourselves now to any policy which will increase the difficulty of the postwar problem. If expenditures for education are to be undertaken, they should be undertaken when we have the whole problem before us, and can consider the relative merits of each proposal in relation to the over-all expense.

"FEDERAL SUBSIDY WOULD DESTROY LOCAL SELF-GOVERNMENT IN EDUCATION

"There is an even more important question. Can Federal subsidies to the public-school system be maintained without ultimately bringing about a nationalization of our educational facilities and federalized bureaucratic control? This is an eventuality which the proponents of the present bill insist is not intended and which they maintain can be avoided. They contend that by the provisions of section 1 the danger is removed. We seriously question this conclusion. We believe that in the complexity of reports, of plans, of State legislation to conform to Federal policies, of counsel and advice and joint participation of the Federal Government and the States, and all of the other manifold details of the operation of the contemplated program of Federal subsidies, our public-school systems would be gradually, but no less inevitably, drawn more and more under the thumb of a Federal bureaucracy.

"We have pointed out that the ultimate plans call for the Federal Government assuming perhaps half the cost of education. Our experience with the social-security laws and many others lead to the definite conclusion that Federal subsidy in the end means Federal control. Those who put up the money and have the power to refuse it dictate the policies of the local officials. Federal bureaucrats travel the country, checking up on the expenditures and the policies of every school board and other local officials. Of course, the very provisions of the act itself contradict in some respects the pious declaration of section 1 against any Federal officer controlling the administration of State schools. Under the provisions of this bill, schools would be unable to decrease their teachers' salaries or their current expenditures for schools, whether those expenditures had been extravagant in the past or not. Under the provisions of this bill, every cent of the $200,000,000 must be spent for teachers' salaries, and not for any other necessary school purposes. Under the provisions of this bill a new system of reports must be set up from all local schools to a State educational authority. These provisions may not require substantial changes in school administration, but they illustrate the principle that it is impossible to give Federal money without controlling to some extent the expenditure of that money and the administration of the schools which spend it. If the amount is increased it is inevitable that Congress and the Federal authorities will insist upon the natural right to state the conditions of administration on which Federal funds are provided.

"Of course, the same thing is true of all Federal-aid programs, but the effect is much worse in the case of education. It is unnecessary to expand on the tremendous dangers of centralized control of education, because the authors of the bill agreed to those dangers when they wrote section 1. Centralized control of education gives a power to the central government far beyond that of any other control, as Hitler has illustrated in Germany. It places the whole character and knowledge of the people in the hands of a Federal bureau. That bureau is more than likely to be guided by some small group of men who believe in this method of education or that method of education. It transfers the control from the people of each district to a man or men wholly beyond the control of public opinion.

"The people don't want it. There is no matter upon which they are more insistent than local control of education. There has been difficulty in centralizing schools even on a township basis, because the people of each district want to run their own schools. We feel that the bill before us would be the beginning of the end of local self-government in education.

"THIS BILL DOES NOT EQUALIZE

"The strongest argument for the bill is that we must equalize educational opportunity throughout the United States by providing substantially the same amount of money for the education of each child. We have pointed out that money is only one of the factors in education. A $40 education in some places may be much better than a $60 education in another. But beyond that, this bill does not equalize. Some of the greatest discrepancies occur within a particular State. Some school districts may be very wealthy, where others may be very poor. State equalization does not exist in many States, and there is nothing in this bill to compel it. Within single States there may be wide differences in the money expended on children of different races.

"Thus on page 19 of the hearings before the Committee on Education and Labor, we find that in Lousiana the cost per white pupil is $61.21, whereas the cost per Negro pupil is $12.62. Nothing in this act requires any equalization between white and Negro pupils. It is true that the bill requires the Federal funds to be distributed on an equitable basis between white schools and Negro schools, but it does not change the distribution of Louisiana funds. The result, as shown in the hearings under this bill, would be that white students would be educated at an expense of $76.40 apiece as compared to $23.61 per Negro student. The difference would be $52.79 after the passage of the bill as compared to $48.59 today.

"The bill, therefore, does not do the very thing which it is supposed to do. Equalization, as a matter of fact, cannot be secured except by complete Federal control and direction. Everyone agrees that complete Federal control and direction are worse than the inequality which now exists. It may be fairly argued that if the States and local communities are to be left alone to run their schools as they see fit, and to spend Federal moneys for school subsidies as they see fit, such an arrangement is indefensible from the standpoint of the Federal Government and the taxpayers generally. Congress ought not to give away Federal funds to the States, with no Federal control over the spending of the funds. If on the other hand the Federal Government is to retain control over the expenditures and to dictate them, then it means Federal control of education—an alternative equally obnoxious. There is no middle ground.

"Since the bill proposed does not in fact equalize, it is nothing except a subsidy for the increase of teachers' salaries. Such a subsidy is wholly unjustified when the States are better off financially than the Federal Government. We may admit that many teachers are underpaid, but there may be many who are not underpaid. This bill proposes to increase the salary of every teacher. Certainly Congress is not in a position to judge of the correctness of such a policy.

"CONCLUSION

"We do not subscribe to the doctrine that because our public schools and our educational facilities are a vital element in our national welfare, they thereby become the proper concern and implied responsibility of the National Government.

"Our schools are one of the few remaining bulwarks of local self-government and community enterprise. They should so remain. They have on the whole been well managed and generously supported. We have today too much centralization of control over the affairs of our citizens in a Federal bureaucracy. We should not add to it by this new excursion into the field of education."

EXHIBIT B

	State balances, end fiscal year 1946, exclusive of highways and veterans (millions)	Funds available to States under pending bill (millions)	Percent of total Federal revenue paid by States for calendar year 1947	Percent of total payments each State will receive under pending bill by States
Alabama	$23.9	$19.4	½	3⅓
Arizona	4.9	1.7	⅛	⅔
Arkansas	2.2	12.4	¼	4
California	417.5	7.2	7½	2⅓
Colorado	14.9	1.2	½	⅓
Connecticut	20.1	1.7	1½	⅔
Delaware	13.7	0.3	¾	1/11
Florida	17.2	2.2	1	⅔
Georgia	15.3	17.7	1	6
Idaho	7.6	1.0	⅛	⅓
Illinois	167.9	7.5	8¾	2½
Indiana	68.7	3.6	2¼	1
Iowa	28.4	2.5	1	⅔
Kansas	13.3	1.8	¾	⅔
Kentucky	17.9	16.1	1¾	5½
Louisiana	20.3	11.0	¾	¾
Maine	5.0	1.0	¼	⅓
Maryland	17.2	2.1	2	⅔
Massachusetts	11.3	4.1	3¼	1⅓
Michigan	21.5	6.0	4¾	3
Minnesota	15.5	2.8	1½	1
Mississippi	15.2	17.0	¼	5⅓
Missouri	40.4	3.7	2¼	1½
Montana	5.8	.5	1/6	1/6
Nebraska	3.8	1.3	¾	⅓
Nevada	2.5	.1	1/10	1/23
New Hampshire	2.0	.6	⅛	⅓
New Jersey	42.0	4.0	3.0	1⅓
New Mexico	5.5	3.4	⅛	1.0
New York	501.4	12.0	19.0	3.0
North Carolina	48.0	22.8	3.0	7⅔
North Dakota	14.5	1.6	⅛	½

EXHIBIT B—Continued

	State balances, end fiscal year 1946, exclusive of highways and veterans (millions)	Funds available to States under pending bill (millions)	Percent of total Federal revenue paid by States for calendar year 1947	Percent of total payments each State will receive under pending bill by States
Ohio	$145.1	$7.1	6.0	2⅓
Oklahoma	10.7	9.2	¾	3.0
Oregon	43.8	1.1	¾	⅓
Pennsylvania	109.0	10.4	7¼	3⅓
Rhode Island	6.2	.7	½	¼
South Carolina	10.9	13.8	½	4⅔
South Dakota	11.6	1.4	¼	½
Tennessee	14.1	14.7	¾	5.0
Texas	13.4	18.6	2¾	6.0
Utah	3.1	1.5	¼	½
Vermont	3.9	.6	1/10	1/6
Virginia	53.2	8.0	1¾	2⅔
Washington	77.3	1.8	1¼	¾
West Virginia	21.6	10.4	½	3⅓
Wisconsin	53.1	3.3	1¾	1.0
Wyoming	3.9	.3	1/12	1/11
Total	2,186.3			

EXHIBIT C

Expenditure increase for public-school education in 5-year period 1940–45 shown in percentage and on per pupil basis; average increase is about 42 percent, which is about 10 percent above increase for Federal employes

	Percent of increase in 5-year period, 1940–45	Money increase per pupil in 5-year period, 1940–45	Average daily attendance, 1945
United States average	42.37	$37.32	19,671,398
Alabama [1]	57.44	20.77	529,165
Arizona	32.51	31.29	91,444
Arkansas [1]	92.22	28.91	315,742
California	15.11	21.45	1,125,733
Colorado	40.67	37.43	170,276
Connecticut	46.09	50.32	223,971
Delaware	22.60	24.53	36,234
District of Columbia	22.23	29.28	77,762
Florida [1]	62.04	36.20	322,748
Georgia [1]	53.98	22.76	546,480
Idaho	43.93	34.29	93,040
Illinois	46.99	54.13	954,458
Indiana	52.43	45.16	534,535
Iowa	44.36	38.36	385,021
Kansas	58.39	48.24	271,784
Kentucky [1]	73.02	34.16	415,478
Louisiana [1]	68.45	38.73	366,965
Maine	53.94	34.25	131,521
Maryland	36.00	30.17	250,109
Massachusetts	45.54	52.15	514,334
Michigan	38.27	35.35	859,517
Minnesota	43.74	43.91	395,227
Mississippi [1]	45.83	14.08	448,684
Missouri	40.70	32.71	498,684
Montana	49.83	54.35	78,690
Nebraska	71.05	52.87	200,753
Nevada	18.68	24.53	19,192
New Hampshire	43.99	40.17	57,601
New Jersey	45.38	61.91	532,669
New Mexico	57.12	43.62	94,397
New York	23.98	37.61	1,556,225
North Carolina [1]	68.65	28.05	713,146
North Dakota	92.46	63.68	100,790
Ohio	43.46	41.88	1,096,961
Oklahoma [1]	53.28	33.58	381,028
Oregon	48.39	47.14	176,453
Pennsylvania	48.19	44.55	1,352,646
Rhode Island	41.64	43.79	80,312
South Carolina [1]	64.24	25.49	362,056
South Dakota	69.15	59.12	97,565
Tennessee [1]	57.37	25.41	509,678
Texas [1]	55.55	36.59	1,013,514
Utah	53.23	41.77	122,432
Vermont	38.58	32.82	49,436
Virginia [1]	74.26	35.58	467,297
Washington	51.72	54.47	292,917
West Virginia [1]	46.26	29.47	363,275
Wisconsin	54.18	49.34	431,229
Wyoming	51.91	56.33	41,220

[1] Southern State.

Source: U. S. Office of Education, and Library of Congress.

EXHIBIT D

Federal expenditures in direct payments to States under cooperative arrangements, and within States for relief and other aid (fiscal years 1947, 1946, and 1934–45, inclusive)

State	1947 estimated (millions)	1946 (millions)	Combined payments, 1934–45, inclusive (millions)	Total, 1934–47 (millions)
Alabama	$30.1	$21.8	$649.3	$701.2
Arizona	16.4	9.8	216.5	242.7
Arkansas	25.3	15.8	560.4	601.5
California	121.9	93.4	1,851.8	1,067.1
Colorado	30.7	25.1	495.0	550.8
Connecticut	12.9	9.8	317.3	340.0
Delaware	3.6	2.4	54.4	60.4
District of Columbia	9.9	7.7	351.6	369.1
Florida	30.0	21.6	443.6	495.2
Georgia	41.5	27.0	655.3	723.8
Idaho	16.8	11.6	264.0	292.4
Illinois	76.2	62.2	1,976.7	1,215.1
Indiana	37.4	27.4	865.9	930.7
Iowa	37.1	31.2	756.6	824.9
Kansas	33.1	20.8	662.6	716.5
Kentucky	34.4	27.7	530.3	592.4
Louisiana	33.2	32.7	559.9	615.8
Maine	10.5	7.4	173.0	190.9
Maryland	15.3	11.9	359.8	387.6
Massachusetts	40.4	29.4	1,024.2	1,083.8
Michigan	60.9	47.0	1,164.0	1,171.9
Minnesota	41.4	36.6	868.2	946.2
Mississippi	27.5	17.8	563.3	608.6
Missouri	57.2	41.2	972.9	971.3
Montana	17.9	15.9	354.8	388.6
Nebraska	28.7	21.0	567.0	616.7
Nevada	6.0	3.1	89.8	98.9
New Hampshire	5.0	3.6	109.8	118.4
New Jersey	22.6	16.8	787.4	826.8
New Mexico	14.0	10.1	228.3	252.4
New York	86.0	68.1	2,788.5	2,940.6
North Carolina	35.5	22.5	608.7	666.7
North Dakota	14.7	20.3	400.1	435.1
Ohio	63.8	48.8	1,736.5	1,849.1
Oklahoma	58.3	41.0	740.3	839.6
Oregon	25.8	18.7	413.9	458.4
Pennsylvania	67.8	48.0	2,127.4	2,243.2
Rhode Island	5.0	4.1	140.4	149.5
South Carolina	21.8	14.6	478.1	514.5
South Dakota	15.2	11.7	392.5	419.4
Tennessee	33.6	27.8	527.4	588.8
Texas	110.5	76.8	1,672.6	1,859.9
Utah	15.7	10.7	241.2	267.6
Vermont	5.3	3.9	86.1	95.3
Virginia	22.6	20.0	522.0	564.6
Washington	41.3	36.0	674.0	751.3
West Virginia	16.5	12.4	401.3	430.2
Wisconsin	35.6	27.7	804.7	868.0
Wyoming	11.5	8.6	151.5	171.6
Possessions	32.4	61.3	424.5	518.2
Total	1,694.0	1,290.1	33,807.5	36,791.6

Mr. PEPPER obtained the floor.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McGRATH. Due to train reservations which have been made somewhat in advance, I find it will be impossible for me to remain to vote on the pending measure. I should like to state for the RECORD, however, that, if I were present and permitted to vote, I would vote yea upon the final passage of the bill now before the Senate.

Mr. WHERRY. I may say to the Senator from Rhode Island that it was the purpose to consider the daylight-saving bill at the conclusion of consideration of Federal aid to education. I understood I was to notify the distinguished Senator from Illinois.

Mr. McGRATH. I understand that is the program, and the Senator from Washington [Mr. CAIN] has consented to sponsor the legislation on the floor. Also, the Senator from Louisiana has promised to be here tomorrow to conclude that item of business.

Mr. TAFT. Mr. President, at this point I should merely like to put into the RECORD the fact that on March 26 the Federal Government had a budget surplus of $7,483,588,953 for the fiscal year to this date, and that as far as I know there are no such expenditures contemplated as the Senator from Virginia [Mr. BYRD] mentions. There may be some increase, but nothing to take up the surplus, unless we have war. If we have war, I think something should be done about the current situation. As I say, compared with the current operations of the Federal Government, I doubt if there is a single State with any substantial budget surplus over the current expenditures of that State, with the present grossly increased rate of expenditure of the States.

The PRESIDING OFFICER. Does the Senator desire to make an insertion in the RECORD?

Mr. TAFT. No.

Mr. KEM. Mr. President, I should like to ask the Senator from Ohio whether he has figures as to the Federal debt on the date he mentioned?

Mr. TAFT. Yes. The Federal debt on that date was $252,948,000,000.

Mr. KEM. I should also like to ask the Senator if he has figures on the aggregate of State debts for a comparable period?

Mr. TAFT. No. I suggest that the debts of States and localities would probably aggregate five or six billion dollars.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Nevada.

Mr. MALONE. Mr. President, the beginning of Government control of any section of American life, sectors of activity, or of communities, is always related to a good objective. Price controls, rationing, the Wagner Act, the Taft-Hartley Act, housing bills, large appropriations for foreign countries under the guise of loans, the Reciprocal Trade Act, treaties such as the Italian slave-labor treaty, the World Bank, the world trade organization, the stabilization fund, and local subsidies all look good when the advocates say that it is an emergency and that the current cure for the current problem is necessary and stands alone between this Nation and chaos. The small matter that practically none of these so-called emergency measures seem to work out as predicted apparently has little effect on future actions.

Mr. President, I am in accord with the thought that the Federal Government must offer cooperation and assistance in the field of education, but I do not believe the manner in which such cooperation is to be extended through the pending legislation has been thoroughly explored, and I doubt the advisability of adopting the presently proposed legislation as now written.

Mr. President, I want to read into the RECORD a couple of paragraphs from a letter I have received from Mr. Earl Wooster, superintendent of schools in my State at Reno, in which, among other things, he says:

I would like your consideration of the matter of 50–50 matching funds for institutions in which the source of money is raised through taxation. There is before Congress at the present time a bill for Federal aid for education. This bill, I think, would mean the setting up of Federal agencies on a long-term basis which might wish to determine school policies and thereby interfere with local action. I feel that during this time of expansion just as much service can be done to the schools by aiding in the construction of school buildings. With such a program there would not be any Federal interference since Federal participation would cease as soon as the building was completed.

Certainly with the impetus being given to national defense we cannot help but feel that an intelligent citizenry offering opportunity for boys and girls to do more of their studies in science and in other important fields would give us opportunity to strengthen ourselves in those areas in which we are very apt to need the greatest possible strength in the future. I believe an ideal requirement of any program of using Federal funds for the building of educational institutions would be a requirement that they offer better than average facilities for work in science and mathematics. I believe it might also be required that there be a school area sufficient so that ROTC or other designated activities might be held there.

Mr. President, this communication from the superintendent of schools in my own State of Nevada, city of Reno, shows the trend of thinking in this connection, and it is my current opinion from the evidence at hand that further consideration should be given to this important question, prior to the passage of any legislation that could well establish an unwise precedent.

We know from experience that the $300,000,000 presently included in the pending measure is only a beginning—the amount will be raised each year under pressure of emergency need, soon the amount would be one-half billion dollars, then three-fourths of a billion dollars, then $1,000,000,000, and finally, when the States' economy had been adjusted to such annual asistance, any administration which might in the future become interested in directing the expenditure of the Federal funds would find a weakened resistance since the States could then well be in such a position of dependency upon such funds that they would be forced to accept more restrictive conditions.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a table showing all the States, the amount to be expended in each State, the amount to be received by each State, the percentage expended of income payments for education, and the average amount expended of income payments for education per pupil in average daily attendance.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

S. 472, Federal aid to education bill

State	Amount to be expended by each State	Amount to be received by each State [1]	Percent expended of income payments for education [2]	Average amount expended of income payments for education per pupil in average daily attendance (nearest dollar)
Alabama	$1,770,000	$19,390,000+	1.79	$55
Arizona	570,000	1,750,000+	2.31	124
Arkansas	750,000	12,390,000+	1.92	58
California	24,960,000	7,260,000−	1.61	156
Colorado	1,800,000	1,225,000−	2.12	129
Connecticut	5,190,000	1,705,000−	1.46	157
Delaware	2,970,000	285,000−	1.34	130
District of Columbia	3,780,000	720,000−	1.13	158
Florida	2,910,000	2,260,000−	1.61	93
Georgia	3,000,000	17,745,000+	1.80	64
Idaho	450,000	1,010,000+	2.36	111
Illinois	26,250,000	7,520,000−	1.78	167
Indiana	6,780,000	3,645,000−	2.03	130
Iowa	2,370,000	2,505,000+	2.24	124
Kansas	2,880,000	1,860,000−	2.18	130
Kentucky	5,250,000	16,120,000+	2.13	80
Louisiana	2,550,000	11,075,000+	2.11	95
Maine	990,000	1,060,000+	1.72	97
Maryland	5,340,000	2,135,000−	1.22	113
Massachusetts	10,740,000	4,160,000−	1.74	166
Michigan	14,580,000	5,980,000−	1.78	126
Minnesota	4,440,000	2,820,000−	2.54	143
Mississippi	690,000	16,985,000+	1.99	43
Missouri	8,070,000	3,755,000−	1.74	112
Montana	450,000	545,000+	2.63	162
Nebraska	2,070,000	1,350,000−	2.32	126
Nevada	270,000	135,000−	1.55	145
New Hampshire	570,000	640,000+	1.98	130
New Jersey	9,420,000	4,025,000−	2.04	197
New Mexico	330,000	3,390,000+	3.25	119
New York	60,120,000	12,010,000−	1.79	194
North Carolina	8,100,000	22,825,000+	2.21	66
North Dakota	330,000	1,655,000−	2.73	132
Ohio	19,170,000	7,090,000−	1.76	135
Oklahoma	2,160,000	9,195,000+	2.42	95
Oregon	2,040,000	1,125,000−	1.89	144
Pennsylvania	23,730,000	10,410,000−	1.91	136
Rhode Island	1,680,000	720,000−	1.39	148
South Carolina	1,350,000	13,855,000+	2.20	64
South Dakota	330,000	1,445,000+	2.96	143
Tennessee	2,400,000	14,785,000+	1.90	69
Texas	7,950,000	18,675,000+	1.97	102
Utah	600,000	1,535,000+	2.58	117
Vermont	330,000	615,000+	2.08	117
Virginia	5,580,000	8,070,000+	1.62	82
Washington	4,020,000	1,820,000−	1.78	153
West Virginia	1,440,000	10,405,000+	2.79	92
Wisconsin	6,240,000	3,300,000−	2.10	139
Wyoming	240,000	280,000+	2.67	152
Total	300,000,000	[3] 295,260,000	------	------

[1] From Committee on Labor and Public Welfare Report No. 425, pp. 15–16.
[2] Ibid., pp. 14–15.
[3] Territories and possessions not included in total.

Mr. MALONE. Mr. President, I note that my own State of Nevada will contribute much more to the fund than it will receive. However, I would not vote adversely on this proposed legislation for that reason; but I do not believe, with all due regard to the Committee on Labor and Public Welfare, that sufficient consideration has been given to the basis and the method of such Federal cooperation.

I want to take this occasion to quote a recent Supreme Court decision on a Federal issue, which declares that "it is consistent with due process for the Government to regulate that which it subsidizes."

Mr. WHERRY. Mr. President, will the Senator from Florida yield to me a moment?

Mr. PEPPER. I yield.

Mr. WHERRY. Mr. President, several Senators have asked concerning the length of time the Senate will remain in session this afternoon. As I announced several days ago and on several occasions since that time, it is our intention to complete action on the bill tonight. I think we shall possibly be able to vote at approximately 6:30 or 7 o'clock this evening. If it meets with the approval of the Senate, as I hope it does, that is the intended procedure. I think Senators should be available at that time and regulate their affairs accordingly.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, in view of the statement of the majority whip that the Senate will endeavor to complete action on the bill today, I wish to thank the distinguished senior Senator from Florida for yielding me a few moments. I shall try to complete my statement as rapidly as I can in order that the bill, which is so important to the children and to the people of the United States, may be concluded tonight.

Mr. President, had I not already known the need from long years of close association with this problem of public education in South Carolina, there would be no doubt in my mind now. I commend the authors of this bill on the clear and straightforward thinking evidenced in the provisions for aid.

Of course, there is no doubt in the minds of my distinguished colleagues in this Chamber as to my unwavering stand on any matter even touching on the sovereignty of State rights. Let me say that in addition to reflecting my own most sincere convictions, I am unstintingly carrying out the written and voiced endorsements of the people of South Carolina.

I could not ask for clearer or more forceful wording than that to be found in sections 2 and 6 in particular. It is especially gratifying to note that the wording of section 2 is the same as that of an amendment offered to Senate bill 637 in 1943 by the senior Senator from Arkansas and myself. It is a real pleasure for once to be able to sustain so completely the exact provisions of a bill which bears so directly on the day-to-day life of our young people at their most impressionable age as well as those who would guide them through this period. The bill, as it now stands, shows complete and remarkable attention to the right of the several States to act within their constitutional authority. I am glad to be able to dismiss the provisions of this legislation with a simple and wholehearted endorsement of its aims. I sincerely hope that it may be neither defeated nor hampered with crippling amendments.

I may say that in 1943, at some length, day after day, I had the privilege of supporting Senate bill 637 and the amendments which were placed on it.

But, Mr. President, in view of some of the able opposition to this bill, and out of respect for the repeated requests of the people of South Carolina for such legislation, I must take this opportunity not merely to vote for it but further to cite examples of the need for such aid to the school systems of the several States. Although the States needing this aid the most are in the minority in number, I cannot help but agree with the authors that the need is universal and should be so extended.

According to the report made to accompany the bill, there are only 23 States which would receive more than the $5 minimum allotment per child. There are 17 States which would receive more than $10, and only 9 which would receive $20 or more.

Mr. President, if each of my colleagues could see, as I have, the pitiful lack of educational opportunities for so many of our people I know they could never find it in their hearts to deny this aid under the terms of such a well-intended law.

Those of us who have had to stand by and watch the growing migration of our most able young people to wealthier centers in order that they might attain the benefits of a better educational system, and who have seen an appalling number of educations interrupted at the fourth or fifth year because further attendance was not practical, know that approximately 1,200,000 of our young men were rejected during the past war because of educational deficiencies. We know full well our great responsibility to the young people who are even now taking their places in the social and industrial society of our country.

In my State more than 16 percent did not have a fourth-grade education. Although I am in favor of selective service, one of the reasons the Army and Navy have difficulty in enlisting sufficient volunteers is because there are so many men who have been rejected because of educational deficiencies. Through no fault of their own they are being forced to take their places in an insecure world woefully unprepared and untrained for meeting the daily crises. In a State like mine where we have to support separate white and colored schools our educational appropriations are spread even thinner.

The classrooms of the Nation are being deserted in ever-increasing numbers by qualified teachers. Because the qualified teachers have been forced to leave the classrooms for better pay in other occupations, approximately one out of every seven of the remaining teachers is holding an emergency or substandard certificate. It is a strange parallel indeed to realize that we enforce rigid standards for pilots, doctors, and lawyers—we even maintain specific codes for electricians, plumbers, and brick masons—and yet we have something like 61,000 teachers with no education beyond high school. Is the molding and shaping of succeeding generations to be entrusted for years to come to the inept practices of untrained instruction? We would not think of submitting our children for a surgical operation to the unskilled hands of a premedical student. Then, I ask, why should we continue to submit these eager young minds to the distraught daily care of untrained, substandard classroom instruction?

Do not misunderstand, Mr. President. I am not placing the blame on the teachers. I have nothing but the greatest praise and admiration for those who have had the intestinal fortitude to stick by their classrooms simply through devotion to a cause which they must be sorely tempted to forsake. Surely there will be a special reward in the hereafter for those who have devoted a whole life to the daily guidance of our children with little more recompense than the satisfaction of a job well done. In these days of high living costs it is difficult enough to make both ends meet with a fairly decent living wage. At the pay we offer most of our teachers it is an utter impossibility.

While we are spending about half a billion dollars for public schools out of our national income of one hundred and sixty-five billions, we are spending three billions for beer, nearly four billions for cigarettes, and close to nine billions for liquor.

In a State where the 1945 income per capita amounted to $686, I think there is cause to feel a certain pride in the effort being made, even though the result is still a pathetic shortage of facilities and trained teachers.

We owe our young people far more than a token education, Mr. President. We owe those who would guide and counsel them during the most impressionable years of their lives more than a token payment. I think it is just that Federal aid should be granted to the educational system of our States; but only so long—I cannot make this point too strongly—only so long as it is tendered to the States without any strings attached.

Were students who are forced to drop out of primary schools now afforded the opportunity of better secondary schools, and were the secondary schools better able to provide adequate courses of instruction through at least the twelfth grade, the necessities for further schooling would not be nearly so great. Some of our better-financed secondary schools are even now extending themselves to such a point of varied and highly competent instruction that many of their graduates find they are no longer handicapped by their financial inability to go on to expensive institutions of higher learning.

Here, with this legislation, we have the opportunity to better equalize this situation. Where this opportunity is now within the reach of only a few who just happen to enjoy its fruits by virtue of having been born in or having moved to a more fortunate geographic location, under the proposed Federal assistance these increased educational facilities

would be made available to every child in this great land.

It will be difficult for this Nation to fulfill its new world role unless the population is fully informed and conscious of its obligations. Since only through an educated, intelligent electorate can we maintain a democratic government, it is necessary that we believe deeply, passionately, and earnestly in our public-school system.

Surely we can see the great need for capable leadership, not only right now but through the years to come, if we are to maintain our preeminent position in world affairs. If we are to hold our own in international affairs, then we owe it to our people that they be afforded every opportunity for preparing themselves for just and capable administration of our national and local affairs.

Mr. President, again I wish to thank the Senator from Florida for yielding to me to make these remarks.

PRINTING ADDITIONAL COPIES OF SENATE REPORT NO. 986

Mr. BROOKS. Mr. President, I am directed by the Committee on Rules and Administration to report favorably two short resolutions. I ask unanimous consent that the unfinished business be temporarily laid aside and that the resolutions be considered. I am sure there will be no controversy over them.

The PRESIDING OFFICER. Is there objection to the request of the Senator? The Chair hears none.

Mr. BROOKS. Mr. President, I report favorably from the Committee on Rules and Administration Senate Concurrent Resolution 46, submitted by the Senator from Minnesota [Mr. BALL] on March 15, 1948. I ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Con. Res. 46) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 10,000 additional copies of Senate Report No. 986 submitted by the Joint Committee on Labor-Management Relations, pursuant to Public Law 101, Eightieth Congress, for the use of said joint committee.

MEMORIAL SERVICES FOR DECEASED SENATORS

Mr. BROOKS. Mr. President, I report favorably from the Committee on Rules and Administration, with amendments, Senate Resolution 212, submitted by the Senator from Ohio [Mr. TAFT] on March 19, 1948. I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The clerk will state the first amendment of the Committee on Rules and Administration.

The first amendment of the committee was, on page 1, line 5, to strike out "legislative" and insert "calendar."

The amendment was agreed to.

The next amendment was, on page 1, line 5, to strike out "extend their remarks" and insert "have statements printed."

The amendment was agreed to.

The resolution as amended was agreed to, as follows:

Resolved, That on Wednesday, the 21st day of April 1948, at 3 o'clock p. m., the legislative business of the Senate be suspended for the purpose of holding memorial services for deceased Senators. Senators shall have leave for 60 calendar days to have statements printed in the CONGRESSIONAL RECORD on the life, character, and public service of deceased Senators. At the conclusion of the proceedings, the President pro tempore, as a further mark of respect to the memories of the deceased, shall declare the Senate adjourned. The necessary expenses connected with such memorial services shall be paid out of the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Rules and Administration.

ADMISSION OF CERTAIN EUROPEAN DISPLACED PERSONS FOR PERMANENT RESIDENCE—AMENDMENTS

Mr. FERGUSON. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. FERGUSON. Mr. President, I am offering today for myself, the junior Senator from New Jersey [Mr. SMITH], the junior Senator from Kentucky [Mr. COOPER], the junior Senator from Rhode Island [Mr. MCGRATH], and the senior Senator from Massachusetts [Mr. SALTONSTALL] six amendments to Senate bill 2242, known as the displaced-persons bill. The Senator from Oregon [Mr. MORSE], who made a special trip to Europe at the request of Secretary of War Patterson and made a report to him, is interested, and is a cosponsor of the amendments.

Amendment A provides that 200,000 eligible displaced persons may be admitted during the fiscal years ending June 30, 1949, and June 30, 1950.

Amendment B provides, in substance, that a fair cross section of all groups and elements among the displaced persons shall be included in the number to be admitted.

Amendment C is intended to mark out clearly the function of the Displaced Persons Commission authorized by S. 2242 and the function of the regular immigration authorities with respect to displaced persons, and to give sufficient authority to the Commission to carry out the purposes of the act.

Amendment D extends from December 22, 1945, to April 21, 1947, the period of time in which entrance into Germany, Austria, or Italy, makes eligible a displaced person for admittance into the United States, if other requirements are met.

Amendments E and F are technical in nature.

I would like to emphasize that the amendments which we offer have not been hastily considered. They represent the result of careful study and consideration of the displaced persons problem. The junior Senator from Rhode Island [Mr. MCGRATH] and the junior Senator from Kentucky [Mr. COOPER] were members of the subcommittee of the Committee on the Judiciary by whom the whole problem was studied for several months, and I joined in its study and consideration as a member of the full committee. The junior Senator from New Jersey [Mr. SMITH] was an advisory member of the subcommittee, representing the Committee on Foreign Relations. The Senator from Rhode Island [Mr. MCGRATH] and the Senator from New Jersey [Mr. SMITH] visited the displaced persons' camps last summer, and the Senator from Kentucky [Mr. COOPER] knew the problem in 1944–45 as a member of the Army in Europe. The senior Senator from Massachusetts was one of the joint sponsors of the bill which I introduced during the last session of the Congress, and has maintained a constant interest in the problem.

The amendments which we offer represent points of honest difference which were raised in the subcommittee and full Committee on the Judiciary.

We want to give great credit to the subcommittee, which spent weeks in the consideration of the bill, and to its able chairman, the distinguished Senator from West Virginia [Mr. REVERCOMB] for his fair and objective leadership. It must be remembered that the action of his subcommittee and the full committee is the only action that has been taken in the Congress toward a solution of the displaced-persons problem.

There are, however, diverse and sincere views concerning the solution of the displaced persons problem, and the responsibility of the United States in its solution. The amendments which I offer represent the views of the sponsors, and I believe the views of a great many other people of the Nation.

It is my understanding that Senate bill 2242 will soon come before the Senate for consideration, and at that time these amendments may be fully discussed. The reason for sending them to the desk today is to enable Members of the Senate to consider them and become more familiar with them at the time they are offered.

The PRESIDING OFFICER. The amendments will be received and printed and will lie on the table.

FEDERAL AID TO EDUCATION

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary

and secondary schools, for the general welfare, and for other purposes.

Several Senators addressed the chair.

The PRESIDING OFFICER. Does the Senator from Florida yield; and if so, to whom?

Mr. WHERRY. Mr. President, I am going to insist on the regular order. Farming out of time will not be permitted except in connection with the bill before the Senate. I do not object to Senators speaking on the bill, and I have no discrimination for one side or the other in regard to the measure. We are trying to get the bill through today.

The PRESIDING OFFICER. The Senator's point is well taken. The Senator from Florida may proceed.

Mr. LODGE. Mr. President, will the Senator from Florida yield to me?

Mr. PEPPER. I gladly yield to the Senator from Massachusetts if I may within the rules.

Mr. WHERRY. If there was a prior arrangement whereby the Senator from Massachusetts was to speak, I shall not object.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. LODGE. Mr. President, it is incumbent on me, I think, to announce some of the reasons which impel me to vote against this bill.

What can fairly be said of it?

Certainly we can say that its stated purpose is good. Knowledge is power. A soundly educated citizenry is a basic national asset. I hope and believe that effective means can be devised to achieve such a goal.

But careful study convinces me that this bill will both defeat its own purpose and will bring other evils in its train. To substantiate this assertion I set down the following:

First. This measure opens the way to huge outlays of public funds and it does so at a time when we confront enormous expenditures of thousands of millions of dollars for foreign rehabilitation, which are, of course, definitely in the interest of all the American people, or else we would not make them. It does so at a time when we are about to make other enormous expenditures for Army, Navy, Air Force, and military manpower. Is this the time for another limitless outlay?

Second. The allocation of funds is in my view unfair to the State of Massachusetts which I have the honor, in part, to represent in this body. Figures indicate that the people of Massachusetts would only receive about one-third of the amount they would contribute. This is an unfair penalization of the people of a State which has no great natural resources, but must depend on the character and industry of its inhabitants.

Let us, however, disregard these fiscal factors, important as they are. What else can be said?

Third. It must also be set down that this measure has provisions which are justly repugnant to leaders of important religious groups, and that it appears to me to draw and perpetuate distinctions between citizens on the basis of race. These distinctions are invidious and un-American.

Fourth. We are not just interested in any kind of education—we want good education—and good education is not education which is imposed from a distant point free of local control and without a strong sense of local responsibility. This measure dilutes and weakens State responsibility. This is a dangerous step to take.

Fifth. Finally, Mr. President, this is a bill which does not simply give money to the States to spend as they see fit. There are strings attached to this bill—strings which are bound to lead to an increasing measure of Federal control of education. I am always slow to use the entering wedge argument. In fact, I believe this is the first time I have ever done so. I prefer to judge a thing as it stands. But as a realist I know that this scheme will grow in money and grow in power; and I sense the fact that its supporters on this floor hope and believe that it will. The shadow of the Federal inspector will be over every school in the land. This bill heads us into a centralized Federal thought pattern. To me this is violently opposed to our traditions. We are not a monolithic state. We are an edifice, built of strong stones of different shapes all bound together by the strong bond of a common patriotism.

What have we seen in Europe? We have seen the advance of dictatorship. Whenever a would-be dictator seeks to grasp power, he reaches for two offices—offices which exist in every centralized European state. One office is the Ministry of Interior who controls the courts and the police; the other office is the Ministry of Education who controls the schools and the thoughts of the young people. In this country, thank Heaven, we have never had these two offices. A would-be dictator over here would have to subvert the governments of 48 States. That would be impossible—and therein lies the strength of our system.

I cannot cast my vote for a bill which in my view strikes at this fundamental principle.

Mr. PEPPER. Mr. President, it will be a great day for my State and for my country when this legislation becomes law, and I do not, therefore, wish to trespass upon the indulgence of the Senate long, and thus delay its passage.

I have had a deep interest in the subject matter of the pending bill for many years when I first ran for the Senate in 1934, one of the planks in my platform was Federal aid for public schools. I was born as a poor boy in east Alabama. I walked 3 miles to a one-teacher common school. I sat on a rough-hewn bench in that school, and like other students in that neighborhood, suffered the limitations and the privations of the educational system of my native State of Alabama. I said, Mr. President, as I grew older, if an opportunity ever came to me to broaden the intellectual horizon of the students of the Nation, the boys and girls of America, I should avail myself of that opportunity to assist.

When I came to the Senate, I was assigned to the Committee on Education and Labor, which had jurisdiction over the subject of aid to education. For now more than 11 years I have sat upon that committee, and its successor, the present Committee on Labor and Public Welfare. That committee from time to time has considered this subject and has brought forth legislation thereon.

I remember that one of the illustrious Senators from the South, Senator Pat Harrison, was one of the authors of one of the Federal aid to education bills, and I know that Pat Harrison would not have associated his name with any effort or endeavor that was not for the aid of his State, his South, and his country. Many other illustrious Members of the Senate have been identified with the authorship of legislation of this character and many others of us, though not authors have constantly aided and assisted in progressing this legislation.

Mr. President, now at long last, with a bipartisan support, and with the leadership of the distinguished Senator from Ohio [Mr. TAFT], who is to be commended, we have this legislation before the Senate, and I am happy that the prospects are that, on this very day, we shall see its adoption and passage by the Senate.

Mr. President, I remember also in my own lifetime of hearing men argue that those who were the parents of children had the first and the exclusive responsibility of educating those children. There are still to be heard a few who will say that it is not the responsibility of those who have wealth but no children, to help provide for the education of the children of their neighbors. But, Mr. President, there are not many left who would cling to that ancient attitude toward social responsibility and obligation.

I remember the session of the legislature of my State in 1929 when we adopted policies similar to those presented here today, namely, State assistance to the poorer counties of the State, to raise the level of education in those counties to a decent minimum standard of opportunity. Mr. President, we there were confronted with the same argument which some would make here today. Why should the rich counties of the State, with their tax money, be expected to come to the assistance of the poor counties of the State for purposes of public education? But, Mr. President, in my State, and I dare say in most, if not all States of the Nation, we have long passed that milestone in educational and civic progress. Today we proudly see all the children of our State as citizens of our State, and we call upon all parts of our State to help every boy and girl in the State to be a better citizen and a better patriot.

Now, Mr. President, we have come to the next and the logical extension of that principle and that policy. We know that

the children of the country are not distributed in the same ratio as the wealth of the country exists. For example, in the South we have 30 percent of the Nation's school children, but only 17 percent of the Nation's income as shown by the data for 1941–45. That means, Mr. President, that if we are to give our children in the Southland the same educational opportunity that children can receive in the wealthier States of the Nation, we have to tax ourselves to a far greater percentage of our per capita wealth than the wealthy States have to tax their citizens in order to achieve high levels of education.

So, Mr. President, it is a logical and financial necessity that brought us to ask this assistance of our fellow countrymen and of our sister States. Now, happily, I say, Mr. President, the wisdom of this program has so appealed to the wealthy States in general, and to the membership on both sides of the aisle in the Senate, that we have a magnificent bipartisan and Nation-wide support of the legislation. Experience has taught us that we all stand or fall together; that we cannot save just one part of America and lose the rest of it. We cannot have a part of the Nation strong and another part of it weak. We must have a country that is strong from border to border if we are to have a strong America. So this is a national approach to a program of national scope and concern.

Mr. President, to confirm the facts which I have just attested, I ask to incorporate at this point in my remarks pages 172, 173, and down to the middle of page 174 in the bulletin entitled "Federal Aid to Education," issued by the Legislative Reference Service of the Library of Congress.

There being no objection, the material referred to was ordered to be printed in the RECORD, as follows:

5. ABILITY AND EFFORT TO SUPPORT EDUCATION

Using total income payments to individuals residing in a State as a measure of the State's general financial ability, table 8, which follows, gives data on the relative effort of the States to support public education. The data show that ability to support education in 1945, as indicated in average income payments per child of school age, was 4.4 times greater in California than in Mississippi, the variations among the other States ranging below this extreme.

The great differences in the quality of educational services provided in various parts of the Nation are largely due to the combination of low financial ability and high birth rates in some regions contrasted with low birth rates and greater financial ability in other areas.

A comparison of (1) income payments per capita with (2) the percents of total income payments expended for education indicates that in general the States of lowest financial ability were making above-average effort to support education in 1945 (as shown in columns 2 and 4 of table 8). A study of the percents of population classed as urban (shown in column 7) in relation to the percents of total income payments expended for education (shown in column 4) indicates that the rural States were using larger proportions of their income for schools.

TABLE 8.—*Financial ability and effort of the States to support education*

State	1945 income payments per capita	Income payments per child from 5 to 17	Percent 1941–45 current cost of education is of total income payments	1945 total State tax revenues (thousands)	Percent 1944–45 current cost of education is of total State tax revenues	Percent of 1940 population classified as urban
	Dols.	*Dols.*		*Dols.*		
United States	1,177	5,372	1.59	5,476,459	45.0	56.5
Alabama	747	2,649	1.49	74,883	40.2	30.2
Arizona	1,026	4,368	1.96	25,846	45.1	34.8
Arkansas	659	2,384	1.56	49,362	38.5	22.2
California	1,503	9,009	1.35	566,219	32.5	71.0
Colorado	1,185	5,502	1.74	47,234	46.7	52.6
Connecticut	1,468	7,616	1.36	83,902	42.6	67.8
Delaware	1,429	7,145	1.23	13,819	34.9	52.3
District of Columbia	1,377	9,219	.99			100.0
Florida	1,049	5,463	1.26	75,890	40.2	55.1
Georgia	813	3,127	1.45	76,141	46.6	34.4
Idaho	1,112	4,773	1.99	17,240	60.6	33.7
Illinois	1,427	7,315	1.51	297,349	54.3	73.6
Indiana	1,168	5,448	1.71	133,236	52.7	55.1
Iowa	996	4,481	2.03	78,698	61.2	42.7
Kansas	1,076	5,088	1.86	58,032	61.3	41.9
Kentucky	751	2,800	1.72	65,254	51.5	29.8
Louisiana	832	3,418	1.76	119,857	29.2	41.5
Maine	1,048	4,389	1.52	30,176	42.6	40.5
Maryland	1,303	6,562	1.07	71,175	40.1	59.3
Massachusetts	1,340	6,712	1.52	164,634	52.1	89.4
Michigan	1,218	5,496	1.62	241,717	45.4	65.7
Minnesota	995	4,468	2.18	110,786	51.5	49.8
Mississippi	570	2,067	1.67	60,648	33.1	19.8
Missouri	1,063	5,055	1.49	112,977	49.9	51.8
Montana	1,228	5,236	2.32	19,981	64.4	37.8
Nebraska	1,086	4,847	1.92	27,895	91.6	39.1
Nevada	1,511	8,400	1.43	6,260	47.8	39.3
New Hampshire	977	4,600	1.65	15,138	50.0	57.6
New Jersey	1,516	7,817	1.78	174,763	60.5	81.6
New Mexico	850	2,909	2.53	24,167	46.9	33.2
New York	1,588	8,307	1.50	839,116	36.3	82.8
North Carolina	749	2,685	1.88	131,034	37.5	27.3
North Dakota	1,097	3,958	2.36	19,457	68.7	20.6
Ohio	1,329	6,382	1.53	292,567	47.6	66.8
Oklahoma	849	3,257	2.04	85,282	43.2	37.6
Oregon	1,231	6,657	1.56	53,997	47.2	48.8
Pennsylvania	1,220	5,407	1.63	332,826	55.7	66.5
Rhode Island	1,333	7,029	1.25	34,819	34.4	91.6
South Carolina	686	2,400	1.81	53,506	44.1	24.5
South Dakota	1,112	4,463	2.36	18,585	75.9	24.6
Tennessee	866	3,347	1.45	70,255	50.6	35.2
Texas	975	4,241	1.59	199,571	52.0	45.4
Utah	1,073	4,134	2.27	27,495	53.5	55.5
Vermont	1,009	4,190	1.76	12,813	45.5	34.3
Virginia	971	4,339	1.38	75,483	51.7	35.3
Washington	1,406	7,948	1.53	153,987	30.4	53.1
West Virginia	869	2,974	2.30	64,712	52.3	28.1
Wisconsin	1,159	5,202	1.77	158,852	38.1	53.5
Wyoming	1,153	5,315	2.37	8,823	77.0	37.3

Sources: (1) U. S. Bureau of Foreign and Domestic Commerce. Survey of Current Business, August 1947, pp. 22-23; (2) Research Division, National Education Association. Statistics of State Progress in Public Education. Research Bulletin, vol. XXV, No. 4, December 1947. Washington, D. C., the National Education Association, 1947, table 19.

Mr. PEPPER. Mr. President, I shall mention only one or two figures. In the State of Kentucky, for example, the 1945 income payments per capita were $751, and the income payments per child from 5 to 17 were $2,800.

Let us take the State of New York. In that State the per capita income is $1,588, twice as much as in the great State of Kentucky; and the income payments per child from 5 to 17 are $8,307, as compared to $2,800 in the great State of Kentucky—approximately four times as much. The purpose of this bill is to raise the level of education for every American boy and girl up to a minimum standard of opportunity.

The question was raised as to where the money was coming from. This is the answer: The statistics are carried in a recent outstanding article in the Washington Post, entitled "More School, More Pay." The headline is "Here's proof education raises earning power." The first paragraph reads as follows:

To those who think and say that "education doesn't pay," the Bureau of the Census has delivered a telling blow in Special Report P–46, No. 5. "Educational attainment by wage or salary income: 1940" shows a definite link between increased schooling and higher earning power.

Let us assume that the average workman in America is between 35 and 44 years of age. A workman in America, white, between 35 and 44 years of age, with no years of schooling, was found by the Census Bureau to be earning $486 a year. A man of the same age and the same race, with 7 or 8 years of elementary education, was found by the Census Bureau to have an annual income of $1,228. A man of the same age and race who had 4 years of high-school education was found by the Census Bureau to have an annual income of $1,764. A man of the same age and race who had a college education was found by the Census Bureau to have an annual income of $2,465.

Compare the white man between the ages of 35 and 44, with an income of $2,465, with the man with no education and an income of $486, and it will be seen that the man with the college education received six times as much. He may have been a man of the same inherent ability and the same strength of character. That is the answer to the argument of the Senator from Virginia [Mr. BYRD], who wanted to know where the money was coming from.

Mr. President, this is the best harvest we can possibly derive from the money we spend. We will have in return an abundant harvest which we could not get with any other investment, when we put our expenditure in better education and better skill and training for the boys and girls of our Nation.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CHAVEZ. I am not speaking from a racial standpoint; but, using the figures of the Senator from Florida, where would the Negro or the white man who receives the income which the Senator has stated, spend it? How would it affect the economy? Would the man who receives $15 a month be able to buy a second pair of overalls, as compared with the man who receives $45 a month?

Mr. PEPPER. The obvious inference from the Senator's question is absolutely correct. It is the purchasing power of the greater skill which adds to the wealth of the Nation, and helps everyone.

Mr. President, I cited the case of a white man between 35 and 44 years of age. I also have the figures of the Census Bureau for a Negro of the same age group, 35 to 44 years. The one without any education has an income for the year of $387. The man with a seventh- or eighth-grade elementary education has an income of approximately twice

as much, or $711. The man with a high-school education has an annual income of $856; and the man with a college education has an income of $1,157.

Inasmuch as I mention the Negro race, let me say that a great many of the problems of today can be solved by better educational and economic opportunities being given to the Negro people of our land.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CHAVEZ. Recurring to the economic side of the picture, the Senator knows, as does everyone else in the country, that the average business establishment, small or large, in the place where the Negro lives is operated by white persons. Where would the Negro spend his money whether he got $1,500 a year or $300 a year?

Mr. PEPPER. He would spend it primarily with white people.

I remember that in 1938 in my State, in my campaign the issue of the minimum-wage law was involved. There were some who complained about making the Negro the beneficiary of that legislation, as a citizen, as he was entitled to be.

I pointed out that every dollar added to the wages of the Negro worker would benefit the white businessman as well as the colored businessman with whom he traded, and with whom he spent the money which he earned.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks the entire article and the table to which I have referred.

There being no objection, the article and table were ordered to be printed in the RECORD, as follows:

MORE SCHOOL, MORE PAY—HERE'S PROOF EDUCATION RAISES EARNING POWER

To those who think and say that "education doesn't pay" the Bureau of the Census has delivered a telling blow in Special Report P-46, No. 5. "Educational Attainment by Wage or Salary Income; 1940" shows a definite link between increased schooling and higher earning power.

The recently released document bases its figures and conclusions on 1939 incomes as shown in the 1940 census, the latest total count available at this time. The Bureau arrived at its published findings by sampling a representative number of native white and Negro males, ranging from 25 to 64 years of age.

The separation into white and Negro categories is not a discriminatory procedure in the case of this survey. On the contrary, it serves as an effective indication that the Negro with equal qualifications is still far from obtaining economic equality. That this fact cannot be ascribed to lower intellectual standing has been demonstrated in a number of scientific tests.

The statistics show that of native white men with 7 to 8 years of elementary school, 70.8 percent earned less than $1,500 a year. Of those with 4 or more years of college, on the other hand, only 32 percent remained below the $1,500-income group.

The material value of education was further driven home by the fact that of those making $2,500 or more only 1.1 percent had no schooling. In the same brackets 4.8 percent had only elementary education; 11.3 percent were high school graduates; and 31.1 percent had completed at least 4 years of college.

Discussing the implications of the survey, the United States Office of Education cautions against the assumption that education alone is a factor and that schooling increases one's earning power, regardless of other circumstances. Those sincerely interested in education, are not likely to be seriously upset by that warning; they have never tried to express the value of learning in form of stock market quotations.

Far more significant is the additional remark that the economic background into which a boy is born influences his potential earning power. This works in a vicious circle, for financial criteria frequently determine whether a youngster is to attend college. All this is a highbrow way of saying that some people are still born with the traditional silver spoon in their mouths, and that the precious metal can later be converted into a good job more readily than the more lowly tin product.

Educators, however, feel justly confident that higher education, made available on a broader and more democratic basis according to ability and merit, will lessen the now severe differences in earning power.

The statistics prove that more education will be of direct benefit to the individual and to the Nation.

OFFICIAL TABULATION OF SCHOOLING AND EARNINGS

The following chart is based on a condensed table issued by the United States Office of Education. The incomes are for 1939 as shown in the 1940 census:

Age	Years of school completed			
	None	7 to 8 years elementary	4 years high school	College (4 or more)
NATIVE WHITE				
25 to 64 years	$473	$1,104	$1,454	$2,046
25 to 29 years	407	829	1,176	1,567
30 to 34 years	471	1,019	1,473	1,998
35 to 44 years	486	1,228	1,764	2,465
45 to 54 years	503	1,280	1,875	2,679
55 to 64 years	463	1,095	1,711	2,395
NEGRO				
25 to 64 years	365	656	775	1,047
25 to 29 years	316	522	689	882
30 to 34 years	348	633	770	1,000
35 to 44 years	387	711	856	1,157
45 to 54 years	373	732	902	1,201
55 to 64 years	364	682	787	1,103

Mr. PEPPER. Mr. President, this bill does not achieve everything I would like to see it achieve. It does not assure a minimum for teachers' salaries, which I should like to see.

Mr. KEM. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KEM. I should like to ask the Senator if he looks forward with confidence to the time when the bill will be so amended as to accomplish the objectives which he has in mind.

Mr. PEPPER. I thank the Senator very much. I know of the solicitude of the able Senator from Missouri for raising the salaries of teachers, and of his excellent efforts—with which he allowed me to be associated—to give the school teachers the benefit of income-tax deductions for expenditures which they make in the summer taking additional training which they are required to take, or find it advantageous to take.

Mr. KEM. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Florida yield to the Senator from Missouri?

Mr. PEPPER. I yield.

Mr. KEM. I seem to have failed to make myself clear. I appreciate the very graceful compliment of the Senator from Florida; but what I asked him was whether, if this bill should become law, he looks forward with confidence to the time when the objectives which he has in mind with reference to teachers' salaries will be accomplished.

Mr. PEPPER. I am sorry that I did not catch the full import of the able Senator's inquiry. I do look forward to that time. I feel that this is not the ultimate. This is simply the first step forward. I remember that on one occasion Mr. Baruch referred to something which President Roosevelt did as "a halting step forward." This may be a step more modest than we would like to take, but it is a tremendous step forward as compared with the past. I look forward with confidence to the time when all aspects of this problem will be so adequately met by the Congress that we shall give to the teacher the salary which he or she should receive, and provide for the education of the Nation's children all the money which can be wisely spent for that purpose.

Mr. KEM. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. KEM. I know the Senator claims no gifts of prophecy; but I should like to ask him whether he feels that if this bill becomes law, he can look forward with confidence to the time when certain standards of minimum salaries in all the States will be enforced by a bureaucracy in Washington.

Mr. PEPPER. No, Mr. President; I make a distinction between Federal aid to public schools and the support, for example, of the personnel of the States, counties, and municipalities to carry on the functions in those political subdivisions.

Mr. President, America cannot be strong unless it has a strong citizenship, and that strong citizenship must be distributed all over the Nation. Therefore, the Nation itself is vitally interested in every boy and girl, whether he be in one of the great metropolitan districts of the land or whether he be upon a bald mountainside or whether he be somewhere in the remote recesses of one of the agricultural areas of the Nation. It is the Nation's concern to see to it that the children of the Nation are adequately equipped for the future and made strong, so that they can serve the country's security and progress.

Mr. KEM. I quite agree with the able Senator.

Mr. President, will the Senator further yield to me?

Mr. PEPPER. I yield.

Mr. KEM. I should like to ask the Senator whether he feels that the standards he has in mind will be self-enforcing?

Mr. PEPPER. They will not be self-enforcing. They will require the enlightened support of Members of Congress in order to make them meaningful, of course.

Mr. KEM. And they will require, will they not, administration by bureaucrats in Washington?

Mr. PEPPER. Mr. President, I hope the Senator from Missouri would not wish to discredit and disparage either the competence or the high purpose of the faithful men and women of our Nation who, here in Washington and elsewhere throughout the country, are carrying on the important functions of our Government.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. KEM. Mr. President, I do not wish to discredit their services to our Nation, but I do wish to say——

The PRESIDING OFFICER. Does the Senator from Florida yield; and if so, to whom?

Mr. PEPPER. Will the Senator from Missouri permit me to yield at this time to the Senator from Ohio?

Mr. KEM. Certainly.

Mr. TAFT. Mr. President, all I wish to say is that so far as I can judge, the administrative set-up in Washington required by this bill would not exceed three persons. So I do not think the general charges of bureaucracy would be justified. The only other group would be a field force of auditors to see to it that the schools were spending $50 per child.

Mr. PEPPER. Mr. President, in view of that authoritative statement by the Senator from Ohio, I should say that the Washington group should be called a triumvirate, rather than a bureaucracy.

Mr. KEM. Mr. President, I should like to ask the Senator from Ohio whether the set-up he has in mind would be the one under the present bill or the one under the situation to which the Senator from Florida looks forward with confidence.

Mr. TAFT. It would be the one under the present bill.

Mr. PEPPER. I thank the Senator.

Mr. KEM. With regard to the services of the men and women who work for the Government, Mr. President, I should like to say that no one appreciates them more than I do; but I do not wish to see their activities and services extended generally beyond their present limits. I think we have reached the point beyond which they can properly be stopped.

Mr. PEPPER. I thank the Senator.

Mr. President, I was calling attention to the fact—and I thank my friends, but I am very anxious to keep a promise I made a few minutes ago that I would not take very long——

Mr. CHAVEZ. Mr. President, will the Senator yield to me?

Mr. PEPPER. However, Mr. President, I yield to the Senator from New Mexico.

Mr. CHAVEZ. Of course, I appreciate the sincerity of purpose of the Senator from Missouri, and I appreciate what he has in mind. I wish to say that when we think of Washington and when criticisms are made of the governmental groups in Washington, it is easy to forget that in time of emergency, when it is a question of calling the young men of the country to its service in order to answer the emergency call, the Nation depends on Washington. But when it comes to a question of having some responsibility in Washington to prepare the young people of the country to answer an emergency call, then it is assumed by some persons that responsibility in Washington is all wrong. Under that theory, it would be all right to call the young people to service, and let them be killed on some foreign battlefield, and subsequently give them a white cross and bring back their bodies to this country, but it is assumed that it is all wrong for Washington to help them to do their duty.

Mr. PEPPER. I thank the Senator very much.

Mr. President, I was about to say that the able Senator from Montana [Mr. MURRAY] and I introduced Senate bill 1157 in 1947. It provides for Federal grants-in-aid beginning with the fiscal year 1948, to enable the States to provide an $800 increase in public-school teachers' salaries, over the salaries in the year 1941, and to pay a minimum of $1,800 a year, and $2,400 a year if a 4-year college course is required, provided that the grants shall not be used to reduce State or local expenditures for teachers' salaries, and providing, of course, for local, instead of Federal, control.

Mr. President, at this point I offer for the RECORD a copy of the Gallup poll appearing in the August 1, 1947, issue of the Washington Post. It is entitled "Three Out of Four Favor $2,400 Salary for Public-School Teachers."

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

THE GALLUP POLL—THREE OUT OF FOUR FAVOR $2,400 SALARY FOR PUBLIC-SCHOOL TEACHERS

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N. J., July 31.—An overwhelming majority of American voters believe that public-school teachers should be paid at least $2,400 a year.

A national cross section was asked:

"It has been suggested that the lowest yearly wage which could be paid to any teacher in a public grade or high school anywhere in the United States should be $2,400 a year—that is, $200 a month. Do you agree or disagree with this idea?"

The response:

Agree	74 percent
Disagree	20 percent
No opinion	6 percent

California voters in 1946 approved a constitutional amendment fixing at $2,400 the minimum salary of all teachers in that State, which is the highest anywhere in the country. The actual California vote, 74 percent for approval, exactly parallels the results of the institutes current national poll. Several other States are planning to establish the same minimum.

When it comes to raising funds to make the minimum possible, 58 percent of the cross-section say they would be willing to pay higher taxes if necessary to pay teachers in their communities at least $2,400 a year. This response from almost 6 out of 10 voters is primarily a measure of the intensity with which people feel about higher wages for teachers, and is not related to any specific tax proposal.

Approval of the $2,400 minimum wage proposal is wide-spread throughout all parts of the population. Farmers give it a slightly higher majority than other occupational groups; more women that men approve it.

Those favoring the proposal cite the high cost of living as a principal reason. They also point out that establishing a minimum salary is probably the only way to raise teaching standards and that teachers have been underpaid for years.

Those disagreeing with the suggestion say that $200 a month is too high a figure, that living costs vary in different parts of the country, or that wages should be based on ability, training, and experience.

Previous institute surveys revealed that school teachers gained wide-spread public sympathy in their drive last winter for wage increases. In February 64 percent of the voters believed school teachers in their localities were not getting enough pay, compared to only 44 percent who held that view in September 1946.

Today teaching is far from a lucrative profession, with the average teacher receiving less than $45 weekly and 200,000 getting less than $25 a week. Educational authorities believe that $200 a month minimum will help reduce the shortage and turn-over of teachers and attract more qualified applicants for openings.

Mr. PEPPER. I also offer for the RECORD an article entitled "Taft Bill and Teacher Pay" appearing in the Portland Oregonian of May 5, 1947.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAFT BILL AND TEACHER PAY

In his column on this page Wednesday and again Saturday, Walter Lippmann discussed the inadequacies of teacher salaries and reviewed the scale of appropriations in the Taft bill for aid to education. The Taft bill gained more attention than several other bills on the same general subject, probably because of the prominence of the Senator whose name it bears, because it is sponsored also by several other Senators of note and because in the preceding session the same bill was exhaustively studied by the Committee on Education and Labor, and indorsed by six of its members. It was reported out too late in that session for action.

But the Taft bill is designed, as Senator TAFT told Congress when he introduced it, "to assist the States to provide a minimum education in the poorest districts." How much it would affect teacher salaries in general, which have aroused so much concern, would require deep exploration to find out.

Apportionment of funds as provided in the bill would be to States unable after spending on schools 1.1 percent (upped to 2.5 percent after 2 years) of the income received by their people, to produce $40 per year for every child of 5 to 17, inclusive. A State receiving aid would be required to see that every school district within it had $40 from Federal and State sources per child, white or black, to spend during the year.

The bill does not put a floor under teacher salaries, or make specific provisions for salaries. Federal aid, however, would have to be spent for current expenses of school districts, which in the main are comprised of teacher salaries. The floor that is established is, as hitherto said, under the amount spent per pupil. Some States, it is admitted, would not receive any funds.

Directly to the point of raising teacher pay is a bill sponsored by Senator PEPPER. This bill would provide Federal funds to insure that teachers receive $800 more per year than

they received in 1941, put a floor of $2,400 under salaries of teachers with 4 years of college training, and a floor of $1,800 under salaries of teachers with less training.

Another bill under the same authorship would allow teachers an income-tax reduction for money paid for taking college courses required for employment or for advancement in grade.

The last-named bill reminds us of a suggestion made on this page some time ago of a way to bring the low teacher salaries up nearer to standard. It was that Congress grant income-tax exemptions on teacher pay up to a determined level. It would provide some relief for the underpaid—perhaps not adequate relief, but it would be immediate. As then pointed out it is probably too simple a procedure to gain congressional attention. Congress' direct action, if any, will be to have Government provide money to raise teacher pay and then take back a sizable chunk of it in taxes.

Mr. PEPPER. I also offer for the RECORD a statement appearing in the Tampa Tribune of November 12, 1947, showing, county by county, the range in pay for teachers in Florida having 4 years of college education.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HILLSBOROUGH SCALE FOR TEACHERS RANKS SEVENTH IN FLORIDA

RANGE BY COUNTIES

Following is the range of pay by county for teachers having 4 years of college:

Counties	*Pay range*
Alachua	$2,300–$2,800
Baker	2,300
Bay	2,184– 2,760
Bradford	2,100– 2,996
Brevard	2,000– 2,850
Broward	2,400– 3,300
Calhoun	2,400– 2,650
Charlotte	2,200– 2,900
Citrus	2,100– 2,850
Clay	[1]
Collier	[2] 1,289
Columbia	2,304– 2,784
Dade	[1]
De Soto	2,160– 2,590
Dixie	2,250– 2,850
Duval	2,050– 2,770
Escambia	2,100– 2,850
Flager	2,300– 2,700
Franklin	2,300– 2,720
Gadsden	2,280– 2,700
Gilchrist	2,100– 2,700
Glades	2,100– 3,200
Gulf	2,175– 2,925
Hamilton	2,550– 2,750
Hardee	2,165– 2,690
Hendry	2,250– 2,750
Hernando	2,400
Highlands	1,700– 3,000
Hillsborough	2,200– 3,000
Holmes	2,300– 2,700
Indian River	2,250– 2,850
Jackson	2,244– 2,760
Jefferson	2,200– 2,800
Lafayette	2,200– 2,700
Lake	1,550– 3,060
Lee	2,125– 3,025
Leon	[1]
Levy	2,300– 2,900
Liberty	2,550– 3,150
Madison	2,400– 2,820
Manatee	2,100– 2,650
Marion	2,200– 2,800
Martin	2,200– 2,790
Monroe	2,325– 3,100
Nassau	2,400– 2,650
Okaloosa	2,340– 2,640
Okeechobee	2,100– 2,700
Orange	2,430– 3,000
Oscelo	$2,250–$2,850
Palm Beach	2,000– 3,475
Pasco	2,250– 2,750
Pinellas	[1]
Polk	[1]
Putnam	2,000– 2,600
St. Johns	2,000– 2,700
St. Lucie	2,040– 2,760
Santa Rosa	2,400– 2,700
Sarasota	2,200– 3,200
Seminole	2,000– 2,600
Sumter	2,166– 2,750
Suwannee	2,172– 2,820
Taylor	2,300– 2,800
Union	2,450– 2,550
Volusia	2,004– 2,880
Wakulla	2,400– 2,650
Walton	2,250– 2,600
Washington	2,400– 2,904

[1] Not shown.
[2] Minimum.

The foregoing figures compare with $2,550 as the average set in the school bill for 4-year teachers, part of the money to come from the State and part from the counties under a set-up that is not easily understood.

PAY FOR EXPERIENCE

The figures, however, show that most counties are paying something extra for experience or other qualifications.

The taxpayer usually is generous toward school needs, the Journal said, although he also is likely to be feeling pressure from county and city officials who want to levy ample millage for their respective purposes.

It can be seen, therefore, that not only do counties pay from their own funds a part of the allotment for all teachers in all ranks, but also that the requirements on some counties are so extensive as to leave little or no margin with which to supplement salary schedules. And in the beginning it was proposed that they should be able to do this.

Mr. PEPPER. Mr. President, as I have said, the pending bill will not bring the millennium in education; it will not guarantee the minimum salaries which teachers are entitled to have. But it is magnificent progress in that direction, and it is up to us hereafter to carry on the splendid work which is being begun here by the pending proposed legislation.

Mr. President, my colleague will attest our pride—and a great deal of the credit goes to my distinguished colleague the junior Senator from Florida [Mr. HOLLAND]—in what the State of Florida has done in the last 4 years to progress educational opportunity for the children of our State. My distinguished colleague, while he was governor, appointed a citizens' committee to make a study of what had been done in our State. A good statement of that program, giving due credit to my colleague and also to our present distinguished governor, appears in the National Education Association Journal for December 1947. I ask unanimous consent to have the article printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FLORIDA—FORWARD IN EDUCATION

In the past year the people of Florida have brought their educational system into the national limelight. They have served notice that Florida will be satisfied with only the best of educational facilities and conditions.

In November 1944 Gov. SPESSARD HOLLAND (now United States Senator), with the cooperation of the present Governor, Millard Caldwell, and the State superintendent of public instruction, appointed by Executive order, the Florida Citizens Committee on Education to investigate Florida's educational system and to make recommendations for its improvement.

Our last comprehensive survey had been completed by out-of-State experts some 20 years ago, and, although the report was excellent, tangible results were negligible.

The citizens committee, composed of 15 lay citizens—representative of the various groups and areas of the State and including a lawyer, printer, insurance man, minister, two editors, and other citizens, only two of whom had had contact with educational systems—engaged in a survey of the educational needs of the State.

The committee invited the participation of a large number of lay citizens and professional educators from the State, including local school personnel and members of the State department of education, who were soon organized as study and advisory committees to deal with the major problems. Out-of-State consultants were selected to work with these committees and to advise with the citizens committee, but the reports and subsequent recommendations were considered and approved by the committee members.

County citizens were also encouraged to carry on studies of their own communities, and nine representative counties were selected to cooperate in intensive county studies.

Representatives of the citizens committee visited schools and communities throughout the State in search of information, checked with 26,000 laymen for suggestions and recommendations; conferred with out-of-State educators on other school programs; talked with bankers, lawyers, mechanics, farmers, policemen, salesmen, shopkeepers, newspapermen, and parents to find out what the people of Florida wanted for their children.

Just prior to the convening of the 1947 Florida Legislature the committee published three reports of its activities, findings, and recommendations.

A complete, comprehensive report, Education and the Future of Florida, was published. Twelve thousand copies of a 96-page report, including 32 pages of illustrations, were printed and distributed. A special 32-page, two-color, illustrated report aimed at the layman-reader, was also prepared and 31,000 copies distributed throughout the State. The demand for these reports was great.

Summaries of the report were prepared, mimeographed, and sent to Florida daily newspapers in advance of the scheduled release dates, thus allowing editors sufficient time to familiarize themselves with the report. The releases, prepared especially for this purpose, were distributed at the rate of four a week for 5 weeks. Special condensed reports were also prepared for the State's almost 200 weekly newspapers.

Study groups were organized throughout the State to study the recommendations. A voluntary group, the Florida Forward Through Education Committee, spearheaded by the Florida Chamber of Commerce, the Florida Parent-Teachers Association, local civic groups, and other lay organizations, was organized to stimulate meetings and discussions. The Forward Through Education Committee acted as a clearinghouse for providing speakers and answering questions concerning Florida's educational position and the recommended improvements.

Practically all the newspapers cooperated wholeheartedly, with the result that the people were familiar with the major findings of the committee and were able to judge skillfully the worth of the report and to give their support to the legislation which had been prepared to enact the recommendations into law.

Many newspapers conducted vigorous campaigns, assigning special staff writers and artists to coverage of the report, the committee's activities, and the progress of the State-wide campaign. Volumes of newspaper space were devoted to the State campaign.

By the time the legislature convened last year it was evident that the time had arrived to face the issues and solve the many problems facing education. It was evident, too, that citizens would not be satisfied with a few small improvements, that they were going to insist on whatever steps were necessary to provide the type of educational program they wanted for their children.

All the major bills submitted to the legislature were approved by practically unanimous vote. The legislature ably interpreting what was clearly the will of the people, thus took the necessary steps to insure the people of Florida of the best educational opportunities, facilities, and conditions.

Here is what an aroused and informed citizenry has accomplished:

1. The State appropriation for public schools has not only been doubled but has been placed on a unit basis so that the funds provided will increase as attendance and training of teachers increase.

2. A comprehensive minimum foundation program in which every county participates has been established. This program provides for all minimum essentials of a balanced program, including instructional salaries, transportation, other current expenses, capital outlay, and debt service. All needs can be developed in proper relationship without distortion or neglect of any phase such as is commonly encountered in State-aid programs.

3. In determining the amount required for instructional salaries, an apportioning schedule has been established which assures greatly increased funds to each county when better-trained teachers are employed. Rather than adopting a State minimum salary schedule, Florida has established an apportioning plan which requires counties to develop sound salary schedules. This assures that teachers in each rank according to training and certification will be paid the average represented by the apportioning schedule, even in the poorest counties. The amount included ranges up to $3,600 a year as an average for persons with certificates based on 2 years of graduate work beyond an A. B. degree, many counties paying more.

4. As a part of the minimum foundation program, instructional units are authorized for teachers of exceptional children, adult classes, and vocational education. Provision is also made for kindergartens and junior colleges. Thus vocational education is recognized as an integral part of the foundation program and the necessity for a separate State appropriation for vocational education is eliminated.

5. Beginning January 1, 1948, all special tax districts in each county will be combined into one district. More than 700 separate taxing districts which previously existed will be reduced to 67.

6. Ten months of service are required for all members of the instructional staff. In each county there will be ample opportunity for planning in advance of the opening of schools and again after schools have closed. An educational program built around the interests and needs of the community and its children has become possible for the first time. A minimum of 180 actual teaching days is now required. Approximately one-eighth of the personnel can be employed on a year-round basis in all counties which desire to develop year-round service programs. The apportionment to the county is increased proportionally for each qualified person employed on a bona fide 12-month service basis.

7. All counties are required to have five-member, policy-determining boards in place of the three-member boards previously found in most counties. Board members are to be nominated and elected from resident districts by county-wide vote rather than district vote, and salaries for board members are to be eliminated at the expiration of present terms.

8. The number of scholarships for prospective teachers has been increased to approximately 1,000 annually. Half of these provide $400 a year and the other half, $200. They are awarded on the basis of competitive examinations. Summer-school scholarships at $75 per person are available for about one-fourth of the teachers each year.

9. A Teacher Education Advisory Council has been established to study and make recommendations for further improvements in teacher education.

10. All county superintendents of public instruction will be required to have certificates based on college graduation. Previously there had been no professional requirements for county superintendents.

11. General improvements have been made in the retirement system and a floor of $75 a month has been established for all teachers who have rendered 30 years of service. The maximum retirement allowance has been raised to $1,800 for those whose average salary during the 10 best years has been $3,600 or more. An optional plan has been authorized permitting teachers with 25 years of service to retire at 50 years of age.

12. Sick leave for teachers has been extended to 6 days a year, cumulative to a total of 72 days over a period of 12 years. Continuing contracts are authorized for teachers who are college graduates.

13. A university system has been established which is now entirely co-educational. The name of Florida State College for Women has been changed to Florida State University.

14. Appropriations for the institutions of higher learning have been greatly increased, with the result that salaries for professors now range up to $7,500 a year, thus enabling institutions to develop strong faculties.

15. The board of control has been authorized to contract with institutions in other States for the education of Florida students in areas in which education could not economically be provided in Florida. An appropriation of $100,000 a year for scholarships for students to be served at regional institutions has been provided.

Numerous other improvements have been made, but greatest of all has been the lifting of morale and the establishment, in the minds of lay citizens and teachers alike, of the idea that Florida is determined to have a much better program of education and that major improvements in all areas are expected during coming months.

Florida's success has been the result of a comprehensive and sincere study and the interest and support of the people of the State. Florida has succeeded in accomplishing in one legislative session that which ordinarily takes years to complete.

The people of Florida, awakened to the necessity of continuous public support of the school system, are now justly proud of the improvements made in the educational system serving their State.

THE FLORIDA SCHOOL PROGRAM, 1947–49

Mr. PEPPER. Mr. President, the total additional cost of the program for a 2-year period will be about $65,000,000 and this represents about a doubling of State funds for this purpose. It has varied from $32,000,000 to $34,000,000 in recent years.

The cost to the State for 1947–48 is estimated at $38,688,054 and to the counties $11,265,604.

The State money for 1947–48 will be expended as follows:

For teachers' salaries, $29,089,835.
School construction and debt payment, $3,890,265.
Current operating expenses, $3,935,227.
School bus transportation, $1,727,765.

The major emphasis of the program is on teacher qualifications and more teachers. The teacher shortage has been cut down.

TEACHER NEEDS IN FLORIDA

We shall need about 1,100,000 additional public school teachers by 1960 and 350,000 new classrooms by the same date, above the 1946 level.

The United States schools actually had 14,361 vacancies for teachers in 1946–47 and 7,633 in 1947–48. In 1946–47 Florida had 200 such vacancies and 100 in 1947–48.

However, the National Education Association estimates that Florida in 1947–48 also needs 1,100 qualified teachers who are needed to replace untrained emergency teachers and to reduce the present teacher load per pupil to the 1940–41 level. These figures do not reflect the total number of teachers needed above those now employed. The estimate represents needed replacements. Florida issued 3,000 emergency certificates in 1946–47 and about 1,100 in 1947–48.

Florida had 15,050 in 1946–47 and an estimated 15,760 in 1947–48.

As a result of teacher vacancies and shutdowns of classrooms, it is estimated that at least 1,000 Florida children are being deprived of schooling. But student enrollments in Florida were 428,489 in 1946–47 and 449,442 in 1947–48.

In 1947 State legislatures added $350,000,000 to teachers' salaries.

	Salaries all staff members and teachers	
	1946–47	1947–48
Florida	$1,939	$2,715
United States	[1] 2,250	[1] 2,550

[1] Estimated.

In 1945–46 Florida ranked twenty-fifth in terms of the average salary paid to the entire instructional staff—Florida averaged $1,719 compared with $2,000 for the United States.

In 1946–47 Florida ranked twenty-fifth, and in 1947–48, sixteenth.

The purchasing power of teachers' salaries in the United States in 1947–48 was only $1,594—based on 1935–39 cost-of-living base—and after taking into account taxes, only $1,438 compared with an average of $1,441 in 1939–40.

SCHOOL EXPENDITURES

The National Education Association in a recent survey pointed out—

(a) In the United States, and in more than three-fourths of the individual States, school boards had less purchasing power per pupil in 1947.

(b) Assuming that school expenditures per pupil between 1939–40 and 1946–47

should have risen as much as average annual earnings per full-time employee in private industry, 86 percent, we should be spending in the Nation $112 per pupil instead of $99 in 1946–47. Florida, unlike most States, is spending $83 per pupil in 1947 compared with $84 if it were to restore education to the 1939–40 level.

(c) The median percent increase in public school expenditures from 1939–40 to 1946–47 was 66 percent for the country and 84 percent for Florida in the same period.

(d) The median amount spent per pupil in the United States for school support was $60 in 1939–40 and $99 in 1946–47. The range for Florida was $45 in 1939–40 and $83 in 1946–47. The range for school boards in 1946–47 was about $20 for the lowest to $140 for the highest. Two hundred dollars is the minimum desirable amount according to the NEA.

EXPENDITURES AND FINANCING

The general condition of State finances has raised the question as to whether the States will be able to meet their continuing education needs without Federal aid. At the end of the 1946 fiscal year, Florida had an unobligated balance of State funds equal to $38,408,000. And in 39 States the total of surplus revenues was $1,854,712,616, but plans had been made to use all but $732,551,846 (or 39 percent) of the $1,122,000,000 to be expended. Only $68,000,000 (or 3.7 percent) was to be expended for elementary and secondary school purposes.

It has been estimated by the National Education Association that Florida would have needed for the fiscal year 1946 to spend $10,014,660 to raise its school expenditures to $116 per pupil in average daily attendance, the United States average in 1943–44, and the amount of its surplus not allocated to specific purposes was $14,761,836, so that Florida could have used its surplus to reach the national average. But this surplus could not entirely be allotted to public-school education without completely ignoring other vital public services. There is little evidence that the Florida surplus will continue for many years and once they are spent for even 1 year, nothing would be left to meet continuing needs of public education in Florida.

Estimates of per capita payments measure a State's relative fiscal capacity fairly well. Under S. 472, the allotment is based on the number of school children 5 to 17 and shall be the excess over $45 per child divided by 1 percent of the 5-year average annual increase, or $5 per child, whichever is greater. In order to be eligible the State must spend 2.5 percent of its average annual income for a 5-year period, and after 4 years, must spend 2 percent of its annual income payments, or $120 per pupil, whichever is the lesser.

	Total revenue for public education 1943–44	Sources (percent)			Total revenue per child 5 to 17
		Local	State	Federal	
Florida	$32,171,672	57.2	40.7	2.1	$71.18
United Stotes	2,604,048,806	65.6	33.0	1.4	90.01

	Total expenditures 1944–45	Amount per pupil of average daily attendance		
		Current expenses	Capital outlay	Total
Florida	$33,716,632	$94.55	$3.77	$104.66
United States	2,629,939,657	125.41	3.87	134.14

	1945 income per capita	Income per child 5 to 17	Percent 1944–45 current expense is to total income payments	Percent current expenses to State tax revenues
Florida	$1,049	$5,463	1.26	40.2
United States	1,177	5,372	1.59	45.0

Yet, Mr. President, proud as we are of what our State has done, commendable as it is, our State would have almost to double what it is now spending per year under our advanced program for education in order to meet the standards that are ultimately to be achieved with Federal aid under this proposed legislation. That simply goes to show that although ours is, I think we may say, one of the progressive States of the Nation today in this field, nevertheless we need the kind of assistance that is offered under this proposed legislation.

Mr. President, it has been alleged that we cannot adopt a good policy in this Congress on this subject without subjecting ourselves to the detriment of a bad policy, as well. However, I deny that the Congress of the United States cannot legislate without doing that which is improper, and adding that on to that which may be good and desirable. Our committee has worked out a well-balanced program and policy in connection with this legislation. I think the debate has added to our understanding of the line of cleavage that we have followed in connection with this wise proposal.

I hope that those hereafter who would tamper with its provisions, who would alter its purposes, who would attempt to vary its machinery, will look back to the illuminating debate and to the discussion in the committee and to the outstanding report of the committee, to see what was in the minds of the supporters of this legislation, both in our committee which approved it and in the Senate generally, and in the minds of the Members of Congress who adopted it and launched it on a course of distinguished service to the American people.

Mr. President, this measure provides a program of equal educational opportunity—a program of Federal assistance, not Federal control. Under the proposed program we shall not be surrendering to the Federal Government the control of our local educational institutions; we shall not be giving to the Federal Government the power to determine who our teachers shall be and to tell us what they shall teach and what books they shall use or what other standards shall govern the maintenance of our educational program. If I thought the pending bill would give the Federal Government such power, I would not be speaking here now for the bill; I would be calling upon the Senate to defeat it.

Mr. President, we are simply doing here, in the Senate today, what we already have done in the States: namely, providing equalized opportunity to the Nation's school children to give—from those who have more to those who have least—the aid that will make it possible for all to have a decent standard of educational opportunity.

Let me say just this in conclusion: All the world looks today to this great Republic of ours, which has been so blessed by providence. It may be that we shall be the Atlas upon the strong shoulders of which a free world can exist and endure. Mr. President, the illiterate can hardly bear the responsibility of a citizen in this difficult and challenging world of today and tomorrow. The safety of democracy demands the very best of every man or woman, boy or girl, in our land and in our world.

Mr. President, let us not be satisfied with the limitations of the past. The fathers and the mothers who have not enjoyed an opportunity for an education are most diligent to see that their children receive that which they were denied. So, Mr. President, at long last the conscience of a Nation has been quickened and we are reaching down into the poorest community in America and taking a little boy and a little girl by the hand and taking them to a good school, in a decent school bus, giving them a competent teacher, with adequate equipment, in a satisfactory building, with the safeguards they are entitled to enjoy, and they are in the future to know with assurance that not only their community, their State, but this great throbbing America stands behind them in the certainty that they will receive a decent educational opportunity. Mr. President, that is democracy, and let us show the world that in America democracy is moving ahead; that not only by what we preach but by what we practice are we showing the dignity of man and what freedom means and what opportunity actually can be afforded to those who have the blessings of a democracy.

So, Mr. President, it will be a great day, as I said, for my State and my country and, I believe, through what we shall do to serve democracy, for the whole world, when the Senate shall soon, as I hope it will, pass this legislation.

Mr. FULBRIGHT. Mr. President, I am strongly in favor of the pending bill. I think it is an excellent bill and I want to congratulate the senior Senator from Ohio for bringing it up and upon the excellent manner in which he has handled the bill on the floor.

Legislation of this kind has been before the Senate for many years. It has been thoroughly debated several times on the Senate floor, and, as was pointed out, it was before the Committee on Education and Labor for many years. I was on that committe before passage of the Legislative Reorganization Act of 1946. We studied and reported the bill.

The Senator from Ohio and others have discussed the provisions of the bill so thoroughly that I do not think it necessary specifically to discuss it further. I wish to discuss generally the necessity and wisdom of the proposed legislation.

The failure of the American people to support public education adequately is, I believe, the most serious defect in our national life. When one examines the present status of public education it is evident that at some point in our history our people abandoned the precepts of our founding fathers regarding education.

In his Farewell Address, George Washington admonished his fellow countrymen to—

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge.

In 1787 Thomas Jefferson said:

Above all things, I hope the education of the common people will be attended to.

I think Thomas Jefferson's attitude and his words on education are especially appropriate, in view of the discussion which took place a few moments ago, led by the senior Senator from Virginia. I hold in my hand a volume which has not yet been offered for sale to the public but which has been just recently published by Dumas Malone, formerly a professor of the University of Virginia, presently at Columbia University. It is entitled "Jefferson the Virginian." I had not intended to quote from this book until the discussion occurred a few moments ago, in which so much emphasis was put upon conditions in the State of Virginia. But I think it worth while reading a few excerpts about Jefferson and his work in education. I read first the following paragraph:

In long retrospect, Americans have come to regard him—

That is, Jefferson—

as the chief prophet of public education in the first half-century of the Union; and it is doubtful if any other American name has been so often cited in popular addresses and writings on this perennially interesting subject. This is owing in part to the political eminence he attained, and partly to the apt sayings that are scattered through his collected writings. Some of the most famous of these quotations are from private letters, such as one to George Wythe from Paris in which he said: "Preach, my dear sir, a crusade against ignorance; establish and improve the law for educating the common people." Not until after his death could such sayings as these gain wide currency, and they might have remained forever unknown if he had been politically obscure.

Again we read:

His—

That is, Jefferson's—

greatest services were rendered to posterity, but his immediate activities stand out in sharp relief against their specific background of place and time. In colonial and revolutionary Virginia formal education was largely a private matter and its benefits were almost wholly restricted to the gentry. Judging from its fruits, including Jefferson himself, the system was better than he thought it. Its chief merit was that it produced capable leaders, and he was concerned that it should continue to do this, on the basis of a more rational plan. He was unquestionably correct in concluding that the existing system rested on a dangerously narrow base.

Jefferson, as we all know, built and founded the University of Virginia, but before that, and before he became very prominent, as he later did, he had introduced bills in the Legislature of Virginia providing a system of public schools for the State. I desire to read a few excerpts relating to that matter, as follows:

His emphasis was on public purposes. The most important of these was to guard the freedom and happiness of individual members of society, but he did not describe education here in terms of personal refinement and culture. Fear of tyranny, even though this was only incipient tyranny, was prominent if not predominant in his thought.

That particular passage seems to be especially appropriate in view of present conditions in the world.

He saw the most effective preventive in the illumination of minds of the people at large. He was particularly anxious to give them knowledge of the facts of history, in order that they would recognize dangerous political ambition in any shape.

Second only to his purpose to prevent tyranny and safeguard freedom was the desire to assure wise and honest government.

That seems rather strange in view of the statements that have been made on this floor today about the danger of the pending bill to the wisdom, honesty, and efficiency of the Government. From the debate which has taken place one would think the bill would undermine our Government.

I continue the quotation:

This necessitated the training of leaders. Nothing in his plan called for the diminution of the educational opportunities of those whose parents were able to pay for them. However, he expected that some of these fortunate persons would prove unworthy to receive and unable to guard the sacred deposit of the rights and liberties of their fellow citizens; and he was convinced that it was folly to leave the public welfare dependent on the accidental circumstances of wealth or birth. Accordingly, he sought to make higher schooling available without charge to selected youths of marked native ability who would emerge from the unprivileged groups.

He introduced a bill providing for two levels of schooling in Virginia.

The hundred schools, which we should call primary, were to serve relatively small districts or hundreds, and were designed to effect his purposes of general public enlightenment. Three years of education were to be given gratis to all white children, male and female. However, these schools were not to be wholly public, for any child whose parents could pay for him might stay longer if he liked.

On the next level there were to be grammar schools, set up in districts including several counties.

I think his ideas are quite analogous to the purposes of the bill, namely, that elementary and secondary education is the real concern of the bill, and very properly so, I believe.

I continue reading from the book:

These proposals reveal him as a realistic and discriminating Democrat, or as an informed and critical aristocrat—whichever term may be preferred. His concern was to broaden the educational base of society and, at the same time, to search out and utilize for the public good the aristocracy of worth and genius which he afterward described as "the most precious gift of nature." He tried to frame a comprehensive program. "The general objects of this law," he said, "are to provide an education adapted to the years, to the capacity, and the condition of everyone, and directed to their freedom and happiness." He expected no utopia overnight but he was convinced that he was on the right track. In later years his American countrymen had no doubt he was, though they were more disposed than he to emphasize quantity for its own sake and more reluctant to apply selective standards at any stage of the educational process. * * *

On half a dozen counts Jefferson showed himself in this bill to be an American prophet in the field of higher education. He himself believed that it was defeated by the dissenting sects; but they still looked with disfavor upon an institution which had been historically Anglican, and their fears were not allayed by his amendments. He was not permitted to transform the college into a genuinely public institution or to enlarge its faculty.

That relates to his efforts with regard to the college at Williamsburg, the College of William and Mary.

I recommend this book very sincerely to anyone interested either in Jefferson or in education. It is one of the finest books which has come to my attention. I wish there were time for me to read the remainder of the passage relating to his interest in education. The thought struck me that it seemed a little bit odd that in those days, when Jefferson was carrying the torch of education in this country, and that today the people of Virginia have such a high regard for him, the leadership in opposition to the bill comes from the Senators from Virginia.

Mr. President, can anyone seriously maintain that today the people of this Nation regard the education of the common people as an object of primary importance?

In 1945 we spent in this country $7,700,000,000 for alcoholic beverages, $3,000,000,000 for tobacco and only slightly less on toilet preparations, beauty and barershop services. In that same year we spent two and one-half billion on our elementary and secondary schools, approximately one-third as much as was spent for whisky and other delightful, perhaps, but scarcely essential products.

During the last hundred and fifty years, something has upset our sense of values. In the early days of this Republic education was, as I have indicated above, a matter of primary importance. Today, judging from the actual conditions in the teaching profession, the education of our children certainly has no priority on our money or our thoughts.

As an example of the relative importance which is attached to the teaching profession, Mr. Benjamin Fine in his book, Our Children Are Cheated, page 45, cites the way the city of Detroit, one of our richest communities, rewards its public servants:

The prison cook gets a beginning salary of $2,736 in Detroit (the city jail); comfort-station attendants in any of the city's numerous comfort stations get $2,222. The dog catcher gets $2,485, and in a short time is able to receive a salary of $3,120. The zoo's animal keepers get $2,496 at the start, for their ability to feed the tigers and keep away from their paws. The garbage-collector foremen get $4,761 and by showing improvement and regular attendance, interest in their job, and similar traits, can eventually reach $5,238. The rat-exterminator foreman begins at $3,095 and whether or not he kills his quota of rats he can easily reach a maximum of $3,492.

Detroit's school teachers, in common with teachers everywhere, do not fare so well as many of these people. They begin at a salary of $2,094, only after they have completed a minimum of 4 years of college and have shown unusual ability in guiding children, plus a superior knowledge of one or more specific subjects. In terms of take-home pay, Detroit teachers receive slightly in excess of $8.25 a day on a 20 days per month basis.

Or take New Orleans: the dog catcher gets from $1,500 to $1,820 a year depending on his speed. * * * The zoo keepers' standard salary is $2,400 a year. The teacher starts at $1,400 per year. (See further figures, p. 46.)

Mr. President, there are many more interesting statistics in this book from many parts of the country, but I do not think I need labor the point that teachers, generally speaking, receive substantially less reward for their services than do doctors, lawyers, carpenters, plumbers, truck drivers, or dog catchers.

I realize that our time is growing short and, like the leadership of the majority, I am anxious to bring this measure to a vote.

A great deal is said in this Senate and in other forums about certain defects in our society. It seems to me that the fundamental defect in our society, the defect from which many of the other defects arise, is the lack of adequate educational opportunities for our children. If our country is not to be ruled by irrational whims or blind prejudice, our citizens must have some understanding of the social and political principles and institutions which are the sacred heritage of our people.

Mr. President, we have been in a kind of stalemate. We have needed support for public education from the Nation as a whole, but because of the lack of sufficient or proper education of the people and their representatives, we have been unable to obtain the required governmental support. It is a vicious circle which in some manner must be broken, or, through ignorance and indifference, we shall risk the loss of our democracy.

It took a war to dramatize our deficiency in education, and, in fact, to increase it to the point where we can no longer tolerate it, nor ignore the responsibility of the Federal Government to do something about it.

In the State of Arkansas, at the outbreak of the war, the average preparation of teachers was 2.6 college years. This average had dropped to 1.9 years in 1943. From 1940 to 1945 the number of teachers employed dropped from 13,173 to 12,650, a total of 523 positions discontinued during the period of the war. Some of this loss, of course, was attributable to shifting population, but in the main it was caused by inability to secure teachers for the salaries offered.

By 1945 over 50 percent of the prewar teaching staff of the State had left the profession.

To replace these lost teachers, the State Department of Education was compelled to accept applicants who could not meet normal requirements. Seventy-two percent of the replacements were persons who had completed less than 12 semester hours of college work.

In a normal year, the schools of Arkansas need from 1,000 to 1,200 replacements for those who die, retire, or for other reasons leave the teaching profession. Yet in 1944, only 288 people were trained for teaching in Arkansas, and only 25 percent of this number actually went into teaching.

The teacher shortage is so serious, not merely because there are fewer teachers, but because there are more children. From 1941 to 1946, about 13,000,000 babies were born, as against population experts' predictions of 9,000,000. Last year this wartime birth rate made itself felt in the Nation's schools. Even if the birth rate drops—and there is as yet no sign of it—enrollments in elementary schools will increase rapidly until 1950. By 1953 the high schools will feel the surge and must continue to expand until 1960.

And, as always, the States with the smallest incomes had the most children in the population. In 1943, for each 1,000 people in the country as a whole, there were 216 children aged 5 to 17. Arkansas, which ranked forty-seventh in per capita income with about one-half the national figure, had 259 children per 1,000 population, while California, with the highest national income, had 172 per 1,000.

The prime reason for the teacher shortage is lack of money. Public school teachers from 1939 to 1946 suffered a 20 percent loss in real wages.

Last year it was estimated that the national average salary paid to factory workers was $2,440. For teachers it was $2,100. The average salary paid to teachers in Arkansas was $1,450, which is about $300 less than the average industrial wage in the State.

Of course, the teacher shortage—the difficulty in securing and retaining competent teachers—is the most important shortcoming in the system.

But physical equipment has its importance too. Not only for its own sake, but also because it is one of the few things which, when adequate, encourages a person to make the sacrifice of entering the teaching profession. Good working conditions, including good buildings, cafeterias, classrooms, offices, and so forth, are necesary to the pupil for his own sake, and in order to make the teaching profession more attractive to those who would enter it.

Yet, of the 406,000 pupils attending school in Arkansas, 50 percent are housed in poorly constructed, overcrowded classrooms because of lack of funds to provide adequate buildings.

Mr. Ralph B. Jones, State commissioner of education for the State of Arkansas, made the following statement to the Senate committee on April 22, 1947:

Take my own State, for example, which is quite typical of many of the 48 comprising this Nation. There we have a population of educable youth, by actual house-to-house enumeration, amounting to 446,000 between the ages of 6 and 17 years, inclusive. The total enrollment last year 1945-46, in all schools of all types and classes was 406,000, leaving 40,000 educable youth in one State alone who were not in any school of any kind during that year. This is 10 percent of our future social and economic productivity which must not only be written off as a total loss but, in addition, must be carried as dead weight by the other 90 percent.

However, the picture darkens as we look a little further. The average in daily attendance for the same year was 322,000, leaving 118,000 who either were not in school at all or attended so irregularly as to gain very little, if any, benefit. That's 26 percent of future productivity to be written off as loss.

Some States are rich, some poor, and to a large degree a child's education depends on the place where it is born.

In 1944 Arkansas ranked forty-seventh in average annual salaries paid teachers; in annual expenditures per pupil in average daily attendance, and forty-sixth in value of school property per pupil.

I do not want to leave the impression that Arkansas has failed to realize its responsibility as a State in the education of its children. According to the report of the committee on S. 472, the State of Arkansas, from 1941 to 1945, spent 1.92 percent of its income for public elementary and secondary education, as against a national average of 1.87 percent.

In 1946, and again in 1947, 2.3 percent of the total income payments of people of the State of Arkansas was spent on public-school services. From 1937 to 1947 Arkansas increased its teachers' salaries from $534 to $1,450. From 1939–40 to 1944–45 Arkansas increased its expenditures for public education by 92.22 percent, the second highest increase in the Nation, as against a national average of 42.37 percent. In spite of this fact, however, at the end of that period, in 1944–45 the State of Arkansas ranked forty-fifth among the States in amount expended per child between the ages of 5 to 17.

Mr. KEM. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield to the Senator from Missouri.

Mr. KEM. I have been listening to the argument of the Senator from Arkansas. As I understand, his argument is that there are certain deficiencies in the educational systems in his State and in other States, and he feels that something should be done about it, and that therefore the Federal Government should intervene. I should like to ask him if he does not agree that keeping the peace is an important function of government.

Mr. FULBRIGHT. I certainly do.

Mr. KEM. Would the Senator agree that if the peace is not being kept in a State, the Federal Government should intervene?

Mr. FULBRIGHT. I thought the Senator meant peace among nations.

Mr. KEM. Oh, no.

Mr. FULBRIGHT. I am sorry I misunderstood the import of the Senator's question. The Senator was referring to the police power keeping the peace within a State?

Mr. KEM. Yes.

Mr. FULBRIGHT. I certainly do think it should be kept.

Mr. KEM. What distinction would the Senator draw between the function of keeping the peace and the function of education?

Mr. FULBRIGHT. The first distinction is that I think the States are doing

a very excellent job of keeping the peace within their borders, generally speaking. I would not wish to extend that to the Senator's State, but I would make that statement as to Arkansas.

Mr. KEM. The Senator realizes that there is a difference of opinion in that respect, does he not?

Mr. FULBRIGHT. I think that, generally speaking, the peace is very well kept, except in a few metropolitan areas where there are gangs. I would say that in Arkansas it is very satisfactorily kept, very well kept.

Mr. KEM. Assuming that the peace is not kept in some State other than the State of Arkansas, would the Senator be willing that the Federal Government intervene, and that appropriations be made for keeping the peace in that State?

Mr. FULBRIGHT. I would say that if there were a revolution and a complete break-down of the government of a State, that would be quite necessary. I think that is a wholly fictitious and unlikely supposition.

I do not wish to be personal about it, but I recall certain States and certain cities where the local government was unable to bring criminals to justice, and I am thinking particularly of the notorious Al Capone. In that case the Federal Government did intervene, and did bring to justice Mr. Al Capone. No one objected to that. I do not believe the Senator from Missouri would object to that.

Mr. KEM. That was for the evasion of income taxes.

Mr. FULBRIGHT. But the real crime of Mr. Capone was much greater than his evasion of income taxes.

Mr. KEM. What I am asking the Senator is whether, if the function of keeping the civil peace were not being properly discharged, he would be willing to have Federal appropriations made for that purpose.

Mr. FULBRIGHT. I do not know that I can answer any further than to say that if the governments within the States break down to the point where lives and health and welfare of the people are being endangered, and local governments will not function, the Federal Government should do something about it.

Mr. KEM. Would the Senator say that should apply to citizens of color, as well as white citizens?

Mr. FULBRIGHT. What is the question?

Mr. KEM. Does the Senator have in mind protection being accorded to citizens of color, as well as citizens of the white race?

Mr. FULBRIGHT. Yes; every one.

Mr. KEM. Then, the Senator would have no objection to the intervention of Federal agencies to keep the peace under the circumstances to which he has referred?

Mr. FULBRIGHT. No.

Mr. KEM. I thank the Senator.

Mr. FULBRIGHT. I may add that neither the Federal Government nor a State is going to keep the peace perfectly so that there will be no crime at all. I would say that as a general condition, as we understand the difficulties which arise where men live together, the peace has been kept and is being kept in my State, and in most of the States, certainly those in the South. I presume the Senator is indirectly referring to something like the antilynching law. If I take my own State as an example, there has not been a lynching there in 20 years. I dare say that in the great city where the Senator lives there will be two murders to every comparable crime in my whole State. That is a relative matter. I am not advocating that the Federal Government take over the police power in Missouri or in any other State.

In spite of the fact that there are crimes in other States, I think that, generally speaking, the States do as good a job as could be expected where men live together as we do. At least I am not aware of any great complaint about that, except in an election year, when men are trying to get some votes. That is the real significance of those particular efforts, I think.

To continue with the thought I have with regard to the effort Arkansas is making, the statistics I have read show that the State of Arkansas makes a relatively greater effort, in terms of taxpaying ability, than do the States of New York, New Jersey, California, and Connecticut, for example, although those States rank among the highest in current expenditure per pupil, and Arkansas ranks among the lowest.

I have attempted to show the problems of the State of Arkansas, its relative position in terms of need and in terms of its effort, not only because it is the State I represent, but also because it is one of the poorest, and because it exemplifies the acute need of Federal recognition and assistance in the field of education.

As I have said, a child's education depends in a large degree on the place where it is born. But an illiterate American is not merely a liability to the locality in which he momentarily lives, but he is a burden upon the entire Nation. This is true in times of peace as in war. The welfare of the Nation as a whole, as well as that of the States and communities, is directly dependent upon the quality of the education of all its citizens.

I may say that we are often misled by the fact that there is a great quantity of education in this country, but the quality is extremely low, particularly in those places where there is some kind of education in the sense that children at least attend school though I think the quality leaves much to be desired even in the richer States.

It is highly appropriate that we take up this measure as we become alerted to the danger of another war.

Education is the one factor of greatest importance in preserving peace, and I doubt if any institution or function of government is as important in terms of a nation's ability to wage war.

The President's Commission on Universal Training recognized this fact, I believe, when it listed, "A strong healthy, educated population" as the prime essential of an integrated national security program.

It is a rather strange commentary on our sense of values that so many people accept without alarm the proposal for universal military training, costing $2,000,000,000 or $3,000,000,000, but balk at $300,000,000 for education. I think that unconsciously many people support the universal military training program because they know of the defects and shortcomings in our established public education system.

The war clearly disclosed the country's deficiency in education for national defense purposes. There are 10,000,000 illiterate people in the United States. The Selective Service turned down 676,000 young men for educational deficiency, comprising 8 percent of those examined. Three hundred and fifty thousand registrants under selective service signed their names with a mark.

These facts, however, by no means show the true importance of education to national defense manpower problems. There are no statistics to show the number of physical rejections occasioned by lack of education. How many of these were attributable to the lack of an elementary knowledge of hygiene as taught in public schools? How much money was spent and how much time was lost by the armed forces in training which an adequate school system could have provided?

Of course, these are merely the superfical aspects of the importance of education to the Nation's war potential. The real importance cannot be measured in dollars nor in statistics. Nevertheless education, based upon a sound public-school system, is the very foundation for the conservation and development of our human resources. And, as materials are developed by the application of knowledge to natural resources, so is education the basis for production of goods for war and peace.

In this connection, I think it well to note that, according to Benjamin Fine, education editor of the New York Times, in 1946 while this country spent 1.5 percent of its national income for education, the Soviet Union averaged around 8 percent of its total income for education. That is a factor that all those who spend so much time berating communism should ponder over.

It is a strange thing to me that so many persons, and the same ones who are so strong in their condemnation of communism, at the same time see no merit in this bill and the program provided by it, which, I think would be clear to anyone, is the greatest defense against the spread of communism.

The importance of the public-school system as a basis for peace cannot be overemphasized. As prejudice is founded on ignorance, so does understanding arise from education. This country can carry its heavy international obligations only so long as all citizens understand the nature of and reasons for them.

The United States Chamber of Commerce, in 1944, made a study of the effect of education on living standards. The concluding paragraph of that study is as follows:

> The only sure way to raise the level of living of any country is to find more efficient ways of producing goods and services. This means more and more technical training

and more general education for all. From one standpoint, if a country or a community is already rich, it is easy for it to become richer. It has the margin of resources necessary to devote to increasing the efficiency of production. We have scarcely started to look for the most efficient means of producing food, or clothing, or housing, or any one of a thousand necessities or conveniences. New products to be found will make present ones seem crude. To find these improved methods and products will require far more research and technical training than any country now provides. The country that is really daring in its use of research, and greatly increases its provisions for education, will rapidly increase its level of income. This is the only sure way for a rich country to become richer, and it is one that we have hardly started to develop in the United States.

This statement clearly shows that the cost of the legislation is nothing compared with the benefits which are bound to accrue from it.

Education is a sound investment, which, in terms of dollars, will pay off at a higher rate than any other investment the Government has ever made.

Mr. President, as the most fortunate and most powerful nation of the western world, we are rightfully expected to exercise a wise leadership in these difficult and trying times. We have shown leadership in war and in the development of the physical sciences and technology, but the task now confronting us is to reestablish peace and harmony among the peoples of the world.

Today, we are fighting a war of ideas with the Communists. To understand and to give leadership in this war of ideas, we most assuredly must have an intelligent and well educated citizenry as well as wise leaders. If we are to unite and lead the western world in its struggle against the domination of Communist totalitarians, I believe we must give every American boy and girl a reasonably good education. How can we expect to win over the long run if we are content to spend only one-fourth as much of our national income on educating our children as the Russians spend?

Mr. President, I conclude by quoting two short paragraphs from the excellent report of the committee, on page 6:

> We cannot preserve the Republic at all unless the people are taught to read and to think so that they can understand its basic principles and the application of those principles to current problems. No man can be free who does not understand the opportunities which lie before him. No man can have equality of opportunity if he has not the knowledge to understand how to use the rights which may be conferred upon him in theory.
>
> The most precious asset this Nation, or any nation, has is its children. To conserve and develop this human resource is the best insurance we can have for the future greatness and security of our Nation. Not only is education essential to economic welfare, but it is the major defense of liberty against totalitarianism.

Mr. President, I sincerely hope we will have a vote on the bill tonight, and that the Senate will overwhelmingly endorse it.

Mr. BALDWIN. Mr. President, I feel very strongly that the passage of the bill will mark the beginning of control of education by the Federal Government. I think the passage of the bill will lead to even larger appropriations in the future; that with those appropriations will go control which will do violence to the ancient and sacred traditions of this land with reference to the freedom of education.

No one will deny, Mr. President, that in a republic such as ours education is a first esesntial, and that every reasonable effort must be made to improve our educational system. However, to proceed upon the assumption that dollar expenditures per pupil alone are an adequate measure of the quality of education, and that Federal grants to States are necessary, indeed indispensable, to finance a proper educational system, is, in my opinion, unwarranted.

First, any exact relationship between school expenditures and the quantity and quality of education provided is yet to be proved. Indeed, there is ample evidence to indicate that in many cases haphazard school organization and inefficient school operations are a major contributing factor to costs which are in no way commensurate with the sort of education provided.

It is right here, Mr. President, that I feel that in the long run the principle of Federal control of local education is going to be established. I do not believe that the Congress can honestly and fairly make substantial appropriations, as it proposes to do under the bill, and as it no doubt will increasingly do in the future, without saying to the States that this money must be effectively and efficiently and honestly spent. I do not think we should say to a State, "Here is money from the Federal Treasury. Go ahead and spend it in any way you see fit." I think that is an improper use of tax moneys collected from all the other States and indeed from the very State that may conduct its educational system in an ineffective fashion.

For that reason, Mr. President, I believe that as we proceed with Federal grants to education, increasingly we are going to come to impose upon the States control over the manner in which that money is spent. That, Mr. President, is the entering wedge, and a very wide entering wedge at its base to Federal control of education.

For many years school authorities have insisted upon gaging educational achievement almost solely upon expenditures per pupil. Repeated questioning of this premise has yet to elicit any demonstrable proof that it is true, and the taxpayer has been expected to accept it blindly as an article of faith.

Secondly, experience in various States has shown the danger as well as the futility of approaching the problem of education from the standpoint of expenditures divorced from any standards of performance.

There, Mr. President, is where Federal control is going to enter again, because sooner or later, as these appropriations increase, the Federal Government is bound to say to the States, "You must do this, you must do that; we must insist upon certain standards." That has in the past gone with every Federal grant, and I think, of necessity, it must be so. It is the business of the Congress to see to it that Federal funds expended by the States and in the States are expended honestly, fairly, and effectively. To do anything less is to shirk our duty in the important matter of the honest, fair, and effective expenditure of Federal funds. Once we get into that field with education, we enter the field of the Federal control of education, which we have never had in this land.

I am in hearty accord with what the distinguished junior Senator from Massachusetts [Mr. LODGE] said a short time ago, that in every police state control is obtained by taking over two important functions of government on the part of the dictator. One is the function of education. That is made a matter of control at top. The other is, of course, control of the police organizations of the localities. I believe that there are two respects in which we must always keep away from Federal control. One is in the field of education, and the other is the control of the local peace-enforcement agencies.

Experience with State grants points to the perpetuation of existing multiple districts and other substandard conditions through Federal grants if they are not coupled with mandatory standards.

Third, Senate bill 472 disclaims any intention of imposing Federal control. However, if Federal aid does not carry with it at least a provision for enforcing adequate standards with respect to efficient school administration, a dilemma is immediately created. For example, Connecticut does not desire Federal control of its educational system. Yet Connecticut, as one of the States which would contribute heavily to a Federal-aid program, cannot fairly be required to help subsidize education in other States without some assurance that such States have a real need for educational funds which they themselves are unable to provide—a real need in this case being a need which arises from inadequate resources, not merely from a dissipation of resources through unplanned and uneconomical administration. As I previously pointed out, when we enter that field we open the door to Federal control of education.

Mr. President, for the benefit of the RECORD I should like to state a few facts with respect to the State of Connecticut and the problem which she has had with education. I do not mean to imply that the people of the State of Connecticut resent having funds taken out of their pockets by Federal tax gatherers and spent in other States. We have been a part of the Federal Union for many years. As a matter of fact, there are only four States in the Union which have been in it longer than has the State of Connecticut.

Throughout all her history Connecticut has been paying into the Federal Treasury more than has ever come to her from it. We are glad to do so, because we recognize that the benefits we derive as a sovereign State from being a part of the Union more than outweigh any money we pay into the Federal Treasury. But it has been a solemn principle with us that when money is

collected for tax purposes it must be honestly, effectively, and efficiently spent. I say that these moneys for Federal aid to education cannot be honestly, effectively, and efficiently spent in every case and all the time unless there is some Federal control. That is where I want to draw the line in this important question of Federal aid to education.

What have we done with our own problem back home? Based upon computations according to the figures in the bill, there would be distributed to the States $226,335,000. Of this Connecticut would receive $1,705,000, and her taxpayers would be required to pay, as their share of financing the $226,335,000, the sum of $4,006,000. According to the present formula, 32 States would receive the minimum grant of $5 per child in average daily attendance. Had it not been for the amendment offered by the distinguished junior Senator from New York [Mr. IVES] we would have received less than $2.50 instead of the $5 per pupil.

Connecticut would be one of those 32 States. Therefore, in order to receive $1,705,000, we would be required to contribute $2,301,000 more for the support of education in other States. Mr. President, we do not resent doing that; we have done it all through our history; but we do insist that when it is done it be done under some form of control, so that we can be sure that the money is honestly, effectively, and efficiently spent. As I previously stated, we resent that kind of control in the important field of education.

In the past, as has been true of most of the States, Connecticut has been able to take care of her own educational requirements. For example, in 1943–44, for current expenses exclusive of expenditures for transportation, physically handicapped children, adult, and vocational education—and I may add that we have very substantial programs in those important fields—the people of Connecticut spent $31,294,305.42. In 1947–48, for the current year on the biennial budget, we spent $47,000,000, an increase of approximately $15,705,000, or 50 percent.

These total current expenses are financed by State grants, exclusive of aid for transportation, physically handicapped children, adult, and vocational education, amounting, in 1943–44, to $1,472,486.55, and in 1947–48 to $10,252,898.30.

At the last session of the General Assembly the State government stepped in with a new tax and made a very substantial increase in grants—in fact, an increase of nearly 600 percent in grants from State taxes to local education, in order to pay our teachers higher salaries, put our school buildings in better shape, and improve our educational system.

The local governments themselves also stepped into the breach. Local taxation and other miscellaneous revenues for education in 1943–44 were $29,821,819.07; in 1947–48 they were $36,747,101.70, or an increase of a little more than 23 percent. So through the years Connecticut has maintained an excellent educational system, and in the past few years she has greatly improved her system. She has spent substantially larger sums of money for educational needs within her borders, and she did it because she believed, and has always believed, that the problem of education was a local and State problem, and that it should be financed out of local and State funds. She believed that because she believed that education was one thing in which the Federal Government should never have any control. We in Connecticut want to continue along that road.

Mr. President, I would much rather vote in favor of a bill to take out of the Federal Treasury moneys to give to the States which need help. There are perhaps only 6 or 8 or 10 of them which I recognize do need this help. I should be glad to support legislation of that kind; but what are we doing? In order to get all the States in, we give 32 States $5 per pupil in order to win their support for this particular measure.

Mr. President, this bill is the opening wedge to Federal control of education; and I think we should consider the question very seriously and carefully before we take this all-important step.

Mr. SPARKMAN. Mr. President, I do not wish to detain the Senate for long, before voting on this bill; but I should not wish this record to be closed without stating my position on this measure.

When I first ran for Congress, in 1936, I had in my platform a plank advocating Federal aid for education, without Federal control. During all the time I served in the House of Representatives, I worked for such legislation. It was my pleasure to serve as a member of the bipartisan steering committee in the House, in an effort to secure the enactment of such legislation. In April 1941, I testified befor the Senate Committee on Education and Labor in favor of legislation of this character. I have testified before the House committee at different times in favor of it.

I am delighted that we have come this far with the legislation here in the Senate. I join with the many other Members of the Senate who have expressed the hope that before this day comes to an end we may have approved this particular measure.

I am pleased that the bill comes to us without any so-called crippling or hampering amendments. I think one of the vital points in connection with Federal aid to education is that it shall be without Federal control, so that the respective States shall be left to operate their educational systems just as they are doing today. Certainly we are working with the very fundamentals of government when we provide means of educating the boys and girls who are to be the citizens who will control the destinies of this country. We have found that the system of local government, whereby the States, counties, and local school districts run the affairs of educating the youth of this land, is the best system. This bill, in the form in which it comes to us for final vote, preserves that system.

Mr. President, I strongly believe in Federal-aid programs generally, and particularly in Federal aid for education. In this country we have had a long history of granting aid from the Federal Government to the various States for a great many different activities, and I know of none in which the Federal Government should take a greater interest than that of seeing to it that the boys and girls in all sections of the United States have at least an opportunity to obtain an education that will enable them to compete on a fair basis with the boys and girls from every other section of the United States.

A few years ago, while I was a Member of the House of Representatives, it was my privilege to serve on a special committee which was created for the purpose of studying interstate migration. I think I have never had connection with any study that was more interesting than that one, and I know of nothing that fortified my belief in the need for Federal aid for education more than that study did. It enabled me, among other things, to appreciate the widespread movement of boys and girls brought up and trained in one part of the Nation to other sections. I remember that during those hearings Dr. Rupert Vance, of the University of North Carolina, testified, and I recall his reference to the Southeast as the seedbed of the Nation. I remember studying some charts which were issued by the Bureau of the Census, and I remember seeing on those charts an indication as to what happens in the United States when our boys and girls grow up to maturity, some of them to remain in the States in which they were born and where they were educated and trained, and many others to migrate to other States. That was a very interesting study of the map of the United States.

I have before me now the hearings held at that time before the Senate Committee on Labor and Education. It is impossible for all Members of the Senate to see the chart included in the hearings, but the shaded portion on the chart shows how heavily populated certain areas would be if there were no migration. It takes in generally the southeastern section of the United States and out through New Mexico, Arizona, Utah, and Idaho, and then includes the two Dakotas. Those are the States, generally speaking, according to the Census Bureau, that have a high reproduction rate. I recall that as a result of those studies, it was shown that whereas in some of the industrial areas of the United States, the rate of reproduction was only 80 percent, in the southeastern part of the United States it ran as high as 130 percent. That simply means that in that area we have a great number of boys and girls to bring up, to train, to educate, to prepare to become producers in life, who are not going to stay in those States. So we see that there is a natural siphon which forces migration from those high birth-rate States to the low birth-rate areas.

Mr. President, it seems to me to be a matter of simple justice that aid for education should be afforded by this great Federal Government of ours, which, after all, is established for the common good. Such a system of aid will be fair to the boys and girls themselves, in order that they may compete on an equal basis with boys and girls trained in richer areas. It will be fair to the States that have the

job of training and educating those boys and girls, because they are carrying the burden, whereas other States will enjoy the productive capacity of those young men and young women after they have grown up and have moved elsewhere. It will be fair to the States to which those young people move, in order that those States may have the benefit of a greater productive capacity on the part of those who have been trained in other areas.

Mr. President, I remember during those hearings asking an official of the State of Rhode Island whether he believed that we should have Federal aid for education. His answer was this:

> In your State if you raise mules and ship them out of the State, people in other States pay you for the expense of raising them. But you raise children, and have all of the expense of education and other facilities; and when they go to other States, the other States do not pay you anything for raising those children.

Mr. President, I think it is merely a matter of recognizing the fact that boys and girls are not necessarily going to continue to live in the States in which they grow up, but many of them are going to move to other parts of the United States.

I remember that a good many years ago when, in my State of Alabama, we first adopted what was called the equalization plan, there was a great deal of opposition to it, because the richer counties of the State naturally did not want to be paying taxes to help support schools in the poorer counties. We had considerable difficulty in getting that plan placed into operation. Nevertheless, the good sense of the people, who realized what the problem was, prevailed, and we put into effect an equalization plan. Since that time we have had no trouble with the plan. We have had no complaints from the richer counties because they have helped to equalize the educational opportunities in the other counties.

I know the objection could very well be raised that in that case at least those units were within the same State and did not cross State lines. I admit the force of that argument, except for the fact that the migration of our boys and girls to other States after they grow up more or less serves to erase State lines, because we have no limitation on migration in the United States, and I am glad we do not.

Mr. President, in a great many places in these United States education has threatened to break down.

Mr. WHERRY. Mr. President, if the Senator will permit me to interrupt for a moment, I wish to inquire whether he can give me some idea as to how long he intends to speak on the bill. I ask this question for the reason that there are three or four other Senators who wish to speak on the bill tonight. If we can obtain a vote on this measure by 7 o'clock, we should like to do so. On the other hand, if it is impossible to have the various speeches concluded before 7 o'clock, we shall be inclined to consider having the Senate take a recess until tomorrow, and then resume the consideration of the bill.

Of course, I certainly would like very much to have the Senate vote on the bill tonight. On the other hand, I do not want in any way to rush the Senator. However, if he will tell me approximately when he will conclude his speech, possibly we shall be able to make some announcement as to what we shall do later on this evening.

Mr. SPARKMAN. Mr. President, I assure the Senator from Nebraska that I have no desire to postpone a vote on this bill. I wish to have the Senate vote on the bill tonight.

Mr. President, I realize I could stand here and talk a long time on this subject, but I assure the Senator from Nebraska and other Members of the Senate that I wish to cooperate. I want to vote tonight, and I shall be very glad——

Mr. WHERRY. Mr. President, if the distinguished Senator wants to vote tonight, I should like to say to him that it was announced we would try to reach a vote by 7 o'clock. Many plans have been made, and I would ask that the Senator keep that in mind, if he will.

Mr. SPARKMAN. Mr. President, I want to vote by 7 o'clock, and I am quitting right now.

Mr. WHERRY. I thank the Senator.

Mr. SPARKMAN. I hope we may pass the bill by 7 o'clock.

Mr. KEM. Mr. President, about a year ago a Pittsburgh man sent to Members of Congress an open letter in which he said he had just paid his Federal income taxes and noticed with astonishment the fact that the taxes were 37 times as great as all his taxes paid to the local subdivisions of government. He said that, for one thirty-seventh of the amount of the Federal taxes, he paid for such important services to himself and family as the education of his children, police, fire, and sanitary protection, and all the other services furnished by the local subdivisions of government, city, county, and State. He made this comment, Mr. President:

> Unless we have embarked openly on a policy of confiscation of property of the citizens, Federal taxes must be reduced until they are in line with other taxes.

I do not think we should be surprised that this taxpayer was astonished at what he found the condition to be, when we consider the increase in the Federal debt and the increase in the Federal pay roll for the past 15 years. Since I have had the honor of being a Member of this body I have noticed that Congress is under constant pressure to increase and extend the scope and character of services rendered by the Federal Government. New avenues of spending are being opened up. Almost every day bills are thrown into the hopper for this purpose. The effect of everyone of them, if enacted into law, would be to make the Federal Government bigger and cost the taxpayers more money.

For my part, I am convinced that the only way out of the difficulties in which we find ourselves is to reverse the trend and return to the principle under which America grew great and strong, the principle of local self-government.

I aline myself with those who feel that our best hope of preserving American democracy lies in preserving the independence and sovereignty of the States.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield to the Senator from Nevada.

Mr. MALONE. Would the trend of which the Senator speaks, in his judgment, have anything to do with the obvious lack of venture capital, about which complaint has been made by the head of the New York Stock Exchange, who formerly held a very responsible position in the Government? He stated that, due to taxes and increases in wages, we have reached a point where it was impossible for a person to keep money available for venture capital investment. Would this trend have anything to do with that?

Mr. KEM. I think, Mr. President, it has a great deal to do with it. I think if we are going to preserve the American free-enterprise system we must lighten the present burden of Federal taxation; if the States want to remain independent and sovereign, they must perform the functions that fall within their sphere. Education is one of those functions. From the beginning of our Government, education has been regarded as a State, local, and private concern. Federal control of education, which inevitably would develop from Federal support, would in my judgment be hostile to the best interests of education in a democratic government. I am familiar of course with the provisions in the pending bill which disclaim any present intention to control or regulate what is taught and how it is to be taught. I also know that amendments have been proposed at this very session of Congress by able and distinguished Senators, the purpose and intent of which was in effect to regulate what should be taught and how it should be taught. I have in mind, for instance, the amendment offered by my colleague, the senior Senator from Missouri, which would forbid federally aided teaching being conducted along sectarian lines, and the amendment offered by the senior Senator from New Jersey, which would require instruction in the theory and principles of the Constitution. The bill, Mr. President, in my opinion presents an opportunity for the camel to put his nose under the tent. We all recall the poem of our childhood:

> "My nose is cold," he meekly cried;
> "Oh, let me warm it by thy side!"

And then:

> The long and scraggy neck came next;
> And then, as falls the threatening storm,
> In leaped the whole ungainly form.

I am told that the proponents have not been particularly interested in the amount appropriated in the pending bill.

Mr. President, should this bill be passed, I think it would not require prophetic vision to foresee the day when bureaucrats sitting in Washington would set up so-called standards or safeguards to be met or satisfied by the States in order to qualify for Federal aid, and when, by means of such safeguards and standards, the Washington bureaucrats would determine what shall be taught, how it shall be taught, and by whom.

Then, Mr. President, as the next step, we may see in the United States—God forbid!—a ministry of education and propaganda, from its headquarters in Washington, guiding the thinking of the American people in accordance

with the political ideas of the party then in power.

The history of liberty is a history of the limitation of governmental power, not the increase of it. The fever chart of liberty is a record of resistance, not of supine submission.

We are on warning to withstand all beginnings of encroachment. "For the saddest epitaph," said Mr. Justice Sutherland, "which can be carved in memory of a vanished liberty is that it was lost because its possessors failed to stretch forth a saving hand while yet there was time."

There is yet time, Mr. President. I hope the Senate will stretch forth a saving hand.

Mr. MORSE. Mr. President, in the closing minutes of the debate, I want to make two or three very brief points. First, I want to pay my very sincere and enthusiastic compliments to the senior Senator from Ohio [Mr. TAFT] for the generalship and the statesmanship he has displayed in managing this bill. I know something about the problems which confronted the Senator from Ohio in his leadership on this bill, because the bill comes from the Committee of Labor and Public Welfare of which I am a member. I think he has worked out, when we consider all the problems which confronted him, a bill which contains conscionable compromises, and which, at the same time, never loses sight of the great objective upon which we are about to vote.

I think this is a historic hour, in that at long last the vote in the Senate tonight, I hope, will show we have finally caught up with Thomas Jefferson, so far as his views on the importance of education to democracy are concerned.

We cannot have a strong American democracy in this modern world, when we consider the rapidity with which great complex issues confront our American citizenry unless, as Thomas Jefferson pointed out, we have an enlightened people.

The following quotations from Thomas Jefferson, I think, clinch my point on the need for high-minimum standards of education for all the boys and girls of America wherever they live in our country if we are to maintain a sound representative government of self-governing people. Thus Jefferson stated:

> I think by far the most important bill in our whole code is that for the diffusion of knowledge among the people.
>
> Establish the law for educating the common people. This it is the business of the state to effect.
>
> If a nation expects to be ignorant and free, it expects what never was and never will be.
>
> Enlighten the people generally, and tyranny and oppression will vanish like evil spirits at the dawn of day.

There are great regions in this country in which the educational standards are so low that without Federal aid I can see little hope of raising them to a level which will be safe for democracy. I have no intention of voting for a bill which will make the Federal Government the determiner of Federal standards but I shall vote for any fair bill which provides that the money shall be administered by the States concerned. I think S. 472 now pending before us is such a bill.

I am not the least bit moved by the fear arguments I have heard this afternoon from some of my good friends of the Senate concerning the potential dangers, the imagined future dangers which may arise in the form of Federal domination of education if we shall pass Senate bill 472. I say I am not moved by those fear arguments, because I have covered the hearings on the bill very carefully and have studied the provisions of the bill very conscientiously and fail to find a single sentence or clause in the bill which supports any of the fear arguments we have heard this afternoon. On the contrary, I think the Senator from Ohio has been very careful in the preparation of the bill and its final submission to the Senate, to see to it that any danger of Federal domination of education, so far as the bill is concerned, is removed. There certainly has not been any danger of Federal domination of education under the Smith-Hughes Act which has been functioning in this country in the field of vocational education for many years.

I want to say to some of my friends of the Senate who seem to be a little disturbed about the danger of Federal domination of education that we cannot longer avoid the fact that the establishment of some minimum standards of education all over this country are vital to keeping American democracy strong. It is just as important that the boys and girls in Alabama, Georgia, Tennessee, Mississippi, Oregon, Washington, and all other States of the South and West have a minimum standard of education made available to them as it is that the boys and girls in Massachusetts, Connecticut, New York, Ohio, and other wealthy States of the East enjoy a high minimum standard of education.

There is, I am satisfied at the present time, general acceptance of the principle of Federal aid to the schools. The reasons in support of such aid are numerous. Thousands of American children are receiving substandard education. Indeed, according to census estimates taken in 1945 there were over 4,000,000 children between the ages of 10 and 17 who were attending no schools whatsoever.

Teachers are underpaid. I believe there are only two States which have been able to enact a $2,400 minimum salary law for new teachers, and over 50 percent of the teachers in public schools are paid under $2,000 a year. This has resulted in a lack of qualified teachers, as a consequence of which some of our schools and classes have been closed and others have been placed on a part-time basis. There exist in this country shocking educational inequalities because of the wide variance in the States' ability to support their schools.

These things furnish abundance of proof that the Federal Government must give support to the schools if we are to improve our educational system and provide throughout the country a more acceptable general educational standard for our children. There is absolutely no reason, at least no supportable reason, why a child who happens to have been born in a State where there is no great wealth should be through life handicapped by insufficient education.

The pending bill, S. 472, has been on the Senate calendar for almost a year. This bill contains provisions which give absolute safeguards that there will be no interference with State and local control of schools. Fear of such interference has been one of the primary objections to Federal aid. Indeed, there are specific prohibitions in the bill which would prevent any Federal department or employee of a Federal department from exercising supervision or control over any school or educational agency with respect to this act.

We no longer live in the kind of society where the simple rudiments of education are adequate to prepare a child for citizenship. The student of today must learn to think in terms of a highly complex world. If we are going to keep our democratic form of government strong we must add to the enlightenment of our people, and that can be done only through the educational forces of this country. Our schools are failing woefully in their obligations to the child and to the Nation unless they equip him to face world problems of today and to solve them.

S. 472 may not be the complete answer but it certainly is a partial one, and for that reason I am giving it my active support.

The next point I want to make, Mr. President, is to say that for many years in this country there have been some States principally wealthy eastern States which have been the beneficiaries of skimming off the economic cream of the great natural resources of the States of the South and West. It will be found that those beneficiary States for the most part are limited to some of the great industrial and financial States of the East. From some of those States in the East we find some of the strongest objections to the pending bill.

Many of the great industrial financial States of the East have received the raw materials and products of the natural resources of the South and West and manufactured them in the industrial plants of the East to the great economic advantage not only of the East but of the entire country. I would be the first to pay high tribute to the many industrial contributions which the manufacturing States of the East have made to American economy and to the high standard of living of the American people.

However, the fact remains that the people of the South and West are aware of the fact that the Eastern industrial States have been able to build up great wealth and financial empires as the result of the great profits which they have gained through their industrial processes of manufacturing southern and western raw materials into finished consumer goods. It is sometimes said that during the course of the development of the industrial era in America the raw material States of the South and West have served as economic colonies of the manufactur-

ing East and in no small measure have felt the effects of the exploitation of the natural resources of the South and West by the East.

Be that as it may, there can be no doubt about the fact that the sources of tax revenue are not nearly so great in the less wealthy States of the South and West as in the much more wealthy States of the East. This situation has been augmented by the fact that in many of our Southern and Western States the Federal Government owns large tracts of public lands from which no tax dollars can be collected by the State. This public domain serves all the people of the country including the residents of the Eastern States. The loss of State revenue from the public domain owned by the Federal Government is one of the reasons which has made it difficult for many States to maintain those minimum standards of education in their school system essential to educating an enlightened citizenry.

Therefore in view of the many economic benefits which the people of the East have received and are receiving from the natural resources of the South and the West I submit that it is not a sound argument for representatives of the Eastern States to argue in the Halls of Congress that it is unfair to raise revenue from Federal taxes in Eastern States to be used in a Federal-aid program for education throughout the Nation.

It is my view that there are few problems which come before us charged with a greater national public interest than is the need for providing decent educational advantages and facilities for all the children of America.

In my opinion the bill pending before us contains a financial formula for working out the specific amounts which shall be made available to the various States which is as fair, reasonable, and workable a formula as can be agreed upon in view of the surrounding facts and circumstances which have produced this bill.

I want to point out to some of the Senators who come from very wealthy Eastern States that when there is poor education in any State in the country, the boys and girls do not necessarily stay in those States. Under modern transportation conditions, and with the rapid shifts of population, the educational standards in States in the South and West are of vital concern to Massachusetts, Connecticut, New York, Ohio, Pennsylvania, and other wealthy States of the East.

There is another point I want to mention in connection with the many problems which confronted the Senator from Ohio in preparing this bill. The Senator has been confronted with opposition from some of the leaders of the private-school systems of this country. Senate bill 472 does not discriminate against the private-school systems of the country, in the sense that it denies them any financial benefits from the Federal Government, provided the States in which the private schools are located, within their constitutional power, provide from State funds certain educational benefits to the children of private schools. I want to say to the private-school leaders in the country that I recognize the public function they perform in public education in this country. The Members of Congress and the people of the country, including those who are opposed to any benefits going to children attending private schools, can best test whether the private schools of America are performing a public function by reflecting for a moment on this hypothetical case.

Suppose tonight every private school in America should be closed, and tomorrow morning the students of those schools should go to the doors of the public schools and ask for admittance. Would there then be imposed upon the taxpayers of America an additional tax burden? There is no question about it. It would amount to many millions of dollars.

So I say to my friends who are opposed to any benefits going to children attending private schools that in due course of time I think the American people will recognize the fact that our private schools, through their educational programs, are in fact performing also a public educational service. Hence, within the Constitution and in keeping with the doctrine of separation of church and state, I, for one, feel that private schools are performing public services which entitle the children in private schools to some Federal-aid benefits.

Frankly, I do not know what kind of a compromise can be worked out in regard to giving aid to the child who attends a private school. For the superior child I suppose a scholarship could be worked out. However, I do not agree that it is not proper to provide students in the private schools with hot-lunch programs, transportation or textbooks. I think that to say that supplying Federal aid for such services only results in the private school being able then to use its own money for other purposes is stretching the point a bit. I say that because I think those who so argue are overlooking the fact that the strictly educational functions performed by private schools involve a great public service.

As I just said suppose that tomorrow we should close every private school in the United States and throw all of the burden of the educational functions now performed by those schools upon our public schools. If that were done then I think the taxpayers of the country would have a better appreciation of the public service in education which private schools are now performing and at a considerable saving to the taxpayer. Thus I say that there is a conscionable area for compromise on this issue if we limit any aid to providing the individual child certain benefits which all American children should receive no matter what school they attend.

Take, for example, the bus situation. Walk out onto any side street in the morning when the youngsters are going to school and see the youngsters that go to public schools climb into a public bus and see the youngsters that go to private schools passed up by that bus and required to walk to school or seek some other form of transportation. They are walking to school on the same street on which the bus moves and that same street is built and maintained by the taxpayers' dollar. Granted that my example is an extreme one, I use it only to show that this whole problem is one of degree rather than one of immutable principle.

I have not reached any final conclusion in regard to what should be done about the problem because I am trying to find some reasonable solution to the question. However, I do not agree with those who argue that no Federal funds should be used to support private schools in any way, shape, or form if by that they mean that no Federal funds should be used for the benefit of the individual child who may be going to the private school. He, too, is going to be a citizen of this democracy, and I want him to be a good citizen. To the extent that a good education will help him to be a good citizen, I want him to have the benefit of that Federal aid which the Supreme Court may find can be granted him under our Constitution.

To a very large extent this question of Federal aid to children attending private schools involves still to be answered questions of constitutional law both in the respective States of the country and under the Federal Constitution as well. Under S. 472 we very wisely have not attempted to go too far into this particular phase of constitutional law. We have not done so because we think it important to establish in the statute law of this country a principle of Federal aid to education and do it by way of a statute about which there can be no serious question as to its constitutionality. I think S. 472 is such a statute.

In my opinion the leaders of private school education in this country are unwise in raising such vigorous opposition to S. 472 because I think they should first be willing to see established in the Federal statutes congressional approval of the principle of Federal aid to education.

I think they have been unwise in the second place in raising such strenuous opposition to S. 472 because the bill does not close the door to future Federal aid to children attending private schools to the extent that such may be possible within the terms of our Federal Constitution. It is true that S. 472 does not provide direct Federal aid to children in private schools but it does authorize the use of Federal aid funds for the benefit of children attending private schools to whatever degree a given State provides specific services under State law to children attending private schools. Thus paragraph (B), section 6 of the bill reads as follows:

(B) No provision of this act shall be construed to delimit a State in its definition of its program of public education: *Provided*, That the funds paid to a State under this act shall be expended only by public agencies and under public control, except that in any State in which funds derived from State or local revenues are disbursed to nonpublic educational institutions for expenditure for any of the purposes for which funds paid to such State under this act may be expended, funds so paid to such State may be disbursed to and expended by such institutions for such purposes; but the amounts disbursed

during any fiscal year to any such institution from funds paid to a State under this act shall not exceed an amount which bears the same ratio to the amount disbursed to such institution during such fiscal year from funds derived from State or local revenues as the aggregate of amounts disbursed by such State during such fiscal year from funds paid to such State under this act bears to the aggregate of amounts expended during such fiscal year for current expenditures (excluding interest, debt service, and capital outlay) for public elementary-school and public secondary-school education in such State from funds derived from State and local revenues.

I fully appreciate that this particular provision is not satisfactory to those private school leaders who want to have included in this first bill on Federal aid to education, which has a good chance of being passed by the Congress, a specific provision which would place children attending private schools on the same footing, as far as Federal aid is concerned, as children attending public schools. However, it should be said frankly that political realities made the inclusion of any such provision the death warrant for the bill itself. There are too many problems still to be solved in connection with the constitutional legal implications of such a proposal to justify jeopardizing the Federal aid principle for education which we seek to establish in Federal law by passage of this bill.

I completely agree with the position taken by the Committee on Labor and Public Welfare when in its report on this bill it had the following to say about section 6 in dealing with the availability of appropriations:

Section 6: Defines the objects for which Federal funds may be expended under the act. An expenditure in any given State, to be a proper expenditure of Federal funds under the act, must be (a) for an elementary- or secondary-school purpose, (b) a current expenditure for such purpose, and (c) an expenditure for which non-Federal educational funds may legally and constitutionally be expended in that State.

Variations in State finance systems is recognized in the section. Disbursements may be made directly by State educational authorities as is done in some States, through local public-school jurisdictions as is customary, or through other State public-education agencies. Non-public-school children may in any State receive benefits of the act to the extent that expenditures relating thereto meet the foregoing conditions; that is, the expenditures must be current expenditures for elementary- or secondary-school purposes, and they must be only for such objects of elementary- or secondary-school current expenditure from non-Federal educational funds in that State.

With respect to this section, the committee has examined extensive materials bearing upon the question of aid to nonpublic schools. The committee considered bills which would make Federal funds available to such schools regardless of the policy of any State government in refusing in any way to recognize such schools as part of the public-school system. There are many who argue in support of this position. There are others who hold that Federal funds should not be available for nonpublic elementary and secondary schools, even though made eligible by State governments to receive the benefits of State and local revenues. If the Congress were to yield to either of these arguments, it would clearly be changing the educational policy of the State and thus the principle of State and local control which we accept as basic to this legislation.

The difficulty has to do chiefly with those nonpublic, nontax-supported institutions which are sectarian. The committee has looked into the question of the constitutionality of direct financial assistance to sectarian schools. While there is no doubt in the minds of the committee regarding the constitutionality of use of Federal funds for the support of public schools under public control, it is equally certain that direct payments of public funds of all types to private sectarian schools is unconstitutional. In the words of the Supreme Court:

"No tax in any amount, large or small, can be levied to support any religious activities or institutions whatever they may be called, or whatever form they may adopt to teach or practice religion."

Courts have upheld practices of States providing children in sectarian schools, through public taxation, certain services auxiliary to education, such as free textbooks and transportation. These decisions have been based on the theory of benefit to the child, not benefit to the school. The most recent example is a decision of the Supreme Court which ruled that a statute in New Jersey authorizing reimbursement to parents for transportation of children attending parochial schools did not violate the Federal Constitution. The decision was based upon the theory that the statute was for a public purpose and not for support of the private school. According to this opinion—

"This Court has said that parents may, in the discharge of their duty under State compulsory education laws, send their children to a religious rather than a public school if the school meets the secular educational requirements which the State has power to impose. See *Pierce* v. *Society of Sisters* (268 U. S. 510). It appears that these parochial schools meet New Jersey's requirements. The State contributes no money to the schools. It does not support them. Its legislation, as applied, does no more than provide a general program to help parents get their children, regardless of their religion, safely and expeditiously to and from accredited schools.

"The first amendment has erected a wall between church and state. That wall must be kept high and impregnable. We could not approve the slightest breach. New Jersey has not breached it here."

This provision is not limited to the question of support of nonpublic schools. Many types of educational services are recognized as a part of tax-supported free public elementary and secondary education in some States and not in others. Not all States, for example, have generally established kindergartens. In some States the elementary and secondary school program includes only 11 years. In other States public tax-supported education under local control includes the thirteenth and fourteenth years.

It is natural that the character of education under our decentralized system differs in type and quality from State to State and community to community. Experiments in method have been freely made and have failed or succeeded after a fair trial. The people of States and localities are continuously changing, adapting, or extending their educational programs as so to provide improved educational services for children and youth. Men differently taught have developed novel and clashing theories which have finally met in the form of national debate to be passed upon by the entire people, as they should be in a free republic. This very variety of education has promoted a freedom of thought and, consequently, a material progress, greater than that of any other country in the world.

It is the intent of this section to supplement the prohibitions of section 2 in leaving a broad mandate to the States to continue exercising responsibility for determining the character of public-supported educational programs and the means by which it is to be achieved. It is not intended as an invitation to introduce practices which would breach provisions of the Constitution or which would otherwise violate the will of the people in any State as expressed through their legislatures and courts.

There is one other point I wish to make, and I shall close. I want the RECORD to show that in trying to strike the balance which I think we shall have to strike in future legislation, in seeing to it that the child in the private school, and not the private school itself, receives any benefits from any Federal-aid funds, we must comply strictly to the constitutional doctrine laid down by our Supreme Court. This will call for the highest type of statesmanship on our part in order to make it perfectly clear to all concerned that we do not intend to cross the constitutional line of separation of church and state.

However, during the course of this debate I think some of my friends who have argued against S. 472 on constitutional grounds have been following a static concept of the Constitution. To me the Constitution's great strength in preserving representative government through a written constitution is to be found in the fact that it is a dynamic and not a static document. Its dynamics permit of its flexible adjustment to changing social, economic, and political problems as they develop from decade to decade in America.

However, I do not mean to imply that political demand for Federal aid to private schools can ever justify setting aside through a loose interpretation of the Constitution the separation of church and state doctrine.

At the same time we must recognize that every American boy and girl, be he in attendance at a public school or at a private school, is training for American citizenship, and it is to the interest of all our people to see to it that he has afforded to him minimum educational standards which will help develop him into the highest type of citizenship.

Because I think that Senate bill 472 is a bill which represents fair compromises, and is a bill which is sound in principle I am pleased to support it with my vote.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a letter in opposition to S. 472, sent to me by one of the outstanding Catholic leaders of the country, the Most Reverend Francis P. Keough.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

EXHIBIT A

NATIONAL CATHOLIC
WELFARE CONFERENCE,
Washington, D. C., March 20, 1948.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: I have the honor to address you concerning S. 472, a bill for Federal aid to education, as reported to the Senate by the Committee on Labor and Public Welfare. On behalf of the Department of Education, National Catholic Welfare Conference, I wish to express objection to S. 472 in its present form.

In the first place, our objection is concerned with the bill's failure to confine Federal aid only to those States in need of

Federal funds for their schools. As you know, S. 472 authorizes Federal aid to every State, including, therefore, those States not in need of Federal assistance to maintain an adequate school system. Although the bill now authorizes only $5 per child for the 26 States which actually have sufficient State and local resources to finance their own schools, one may anticipate that once the pattern of Federal aid for every State is established, States and local communities will try to shift an ever-increasing amount of their financial burden for education to the Federal Government.

In view of the tremendous demands now being made upon the Federal Government for international purposes it would seem most unwise for the Congress to enact a bill granting $5 for every school child in the State of Delaware which certainly needs no help from the Federal Government to maintain its expensive public-school system. The same might be said of many other wealthy States. It is our opinion, therefore, that enactment of S. 472 in its present form will set a dangerous precedent in educational finance, one which might lead to unwarranted Federal interference with the Nation's schools.

Secondly, our objection is concerned with the discrimination against non-public-school children permitted by S. 472 in its present form. In one section of the bill the formula for allocating funds to the States "counts in" all children (ages 5–17), including those in nonpublic schools, as beneficiaries of Federal aid; in another section the bill permits the States "to count out" non-public-school children for whom Federal funds presumably were appropriated. Is it not fair to say that a bill is discriminatory if it "counts in" children in one section and "counts them out" in another?

Perhaps an example will illustrate the previous point. Ohio has about 1,400,000 children between the ages of 5 and 17. Of this number about 157,000 are enrolled in Catholic parochial schools. Under the bill's formula for allocating funds, Ohio would receive $5 for every one of the 157,000 parochial school children—a total of $785,000. Yet the bill has no requirement whatsoever that Ohio spend one penny of this amount for the direct or indirect aid of these parochial school children. This is an unfair method of distributing Federal funds appropriated for the educational welfare of all children.

This discrimination cannot be discounted by appealing to State's rights. Respect for State's rights does not mean that a Federal law must give any State the right to discriminate or not discriminate against non-public-school children.

I shall be most grateful for your kind consideration of this important issue.

Sincerely yours,

FRANCIS P. KEOUGH,
Episcopal Chairman.

Mr. BARKLEY. Mr. President, I wish very briefly to express my approval of the principles involved in the measure before the Senate. I shall not enter into any detailed discussion of the bill, because that is not necessary. I would not even take as much as 5 minutes, which I hope will be the limit of my remarks, to speak about the bill, except for the fact that 2 or 3 years ago, when a similar measure was before the Senate, I did everything within my power to secure its adoption by the Senate, but under the conditions which then existed the Senate voted to recommit the bill to the Committee on Education and Labor, and it has not been before the Senate from that time until this.

I am not disturbed, Mr. President, by the fears which seem to actuate some Members of the Senate, and others, that the adoption of this measure, providing Federal aid to education, will break down State lines or seriously interfere with the jurisdiction of the States in the control of their educational systems. Nor do I entertain any fear that the adoption of such a measure will in any way, directly or remotely, bring into question the problem of the separation of church and state. It is difficult to draw a straight line anywhere in considering our duties to our States and to our church, whatever that church may be, and say that all on one side belongs to the State and all on the other belongs to the church. Our duties as citizens of this country, moral and political, economic and social, cross this line intermittently at frequent intervals, so that it is utterly impossible to draw a fine-spun, hair-splitting distinction between our duties as citizens of this great Republic and our duties as Christians in this great Republic.

I am not disturbed by any of these compunctions, because I think that all of us, without regard to our political affiliations or our geographic locations, do the best we can, in public and in private life, to work out these problems, to solve them in a manner which will best militate in behalf of the welfare of the country now and in the future.

Likewise I do not entertain any fears that the adoption of this measure will in any way impinge upon the right of the States to control their educational systems. We are a nation. In war and in peace we think as a nation. We fight as a nation if we are compelled to fight. Our ambitions and our aspirations for peace and accord among the nations of the world have a national basis, without regard to artificial boundary lines drawn geographically which separate us in certain matters from the communities next door. We cannot otherwise be a great nation except as a united nation.

We know that whatever lowers the standard of life in any part of our country lowers it everywhere. Whatever breaks down the standard of our citizenship in the remotest section of the United States lowers it for the country as a whole. Therefore it is our object as a Nation, no less than it is an object of the individual States, to elevate, as far as we may, the intellectual conceptions of our people, their qualifications to exercise the divine life of self-government wherever they may live. We recognize that their ability to exercise that right wisely and intelligently is enhanced by their comprehension of the problems which face this country. Therefore, education, intellectual training, the ability to discriminate between the many issues which arise from time to time, the ability to separate the genuine from the spurious, must be a matter of training, as well as experience. Therefore the pending bill is intended to strengthen our ability as a Nation to comprehend and assess the values upon which the people must pass from time to time, regardless of their occupation.

Some 2 or 3 years ago a similar bill was before the Senate. I advocated its passage at that time, and did everything I could within my power to secure its adoption. It was recommitted to the Committee on Education and Labor, as I have already indicated, and it may be that the bill before the Senate now is a better bill than the one before it on the previous occasion. Our experience and our study of the problem have undoubtedly whetted our appetites for perfection, so far as we are capable of it, and I am glad to support the bill without any compunctions, without any reservations.

I have voted against most of the amendments which have been offered to the bill because I felt that the committee which reported the bill had considered all these problems and weighed the arguments for and against all the efforts to make a change, and had reached a wise conclusion.

Therefore, Mr. President, I am glad to support the bill. I hope it will be overwhelmingly adopted in the Senate, and that the House of Representatives will pass it, and that we may embark this great Nation of ours upon a program of enlightenment and education, so that whether any particular State or any particular community needs it or not, it may be available for those States and those communities which do need it, in order that we may gradually elevate the standards of our citizenship and our capacity of self-government and democracy, which, while not the ultimate goal of the American people, is the means of attaining the ultimate goal. I am happy to support the bill.

The PRESIDING OFFICER. The bill having been read the third time, the question now recurs on its final passage.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Morse
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Bricker	Hill	Overton
Brooks	Hoey	Pepper
Buck	Holland	Reed
Byrd	Ives	Revercomb
Cain	Jenner	Robertson, Va.
Capehart	Johnson, Colo.	Robertson, Wyo.
Capper	Johnston, S. C.	Russell
Chavez	Kem	Saltonstall
Connally	Kilgore	Smith
Cooper	Knowland	Sparkman
Cordon	Langer	Stennis
Donnell	Lodge	Stewart
Downey	Lucas	Taft
Dworshak	McCarran	Thomas, Utah
Eastland	McCarthy	Thye
Ecton	McClellan	Umstead
Ellender	McFarland	Vandenberg
Ferguson	McKellar	Watkins
Flanders	McMahon	Wherry
Fulbright	Malone	Wiley
George	Maybank	Williams
Green	Millikin	Wilson
Gurney	Moore	Young

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

The question is, Shall the bill pass?

Mr. TAFT and other Senators requested the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. OVERTON (when his name was called). On this vote I have a pair with

the senior Senator from Montana [Mr. MURRAY]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER] is necessarily absent. If present and voting, the Senator from Maine would vote "yea."

The Senator from Pennsylvania [Mr. MARTIN] is necessarily absent, and is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Pennsylvania would vote "nay" and the Senator from Wyoming would vote "yea."

The Senator from South Dakota [Mr. BUSHFIELD] who is unavoidably detained, is paired with the Senator from New Hampshire [Mr. TOBEY] who is necessarily absent. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from New Hampshire would vote "yea."

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Nebraska [Mr. BUTLER]. The Senator from New Hampshire is detained on official committee business, and the Senator from Nebraska is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Wyoming [Mr. O'MAHONEY] is paired with the Senator from Pennsylvania [Mr. MARTIN]. If present and voting, the Senator from Wyoming would vote "yea", and the Senator from Pennsylvania would vote "nay."

I announce further that if present and voting, the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "yea."

The result was announced—yeas 58, nays 22, as follows:

YEAS—58

Aiken	Hayden	Myers
Ball	Hickenlooper	Pepper
Barkley	Hill	Reed
Brooks	Hoey	Revercomb
Cain	Holland	Robertson, Wyo.
Capehart	Ives	Russell
Capper	Jenner	Saltonstall
Chavez	Johnson, Colo.	Smith
Cooper	Johnston, S. C.	Sparkman
Cordon	Kilgore	Stennis
Downey	Knowland	Stewart
Dworshak	Langer	Taft
Eastland	Lucas	Thomas, Utah
Ellender	McCarran	Thye
Ferguson	McClellan	Umstead
Flanders	McFarland	Vandenberg
Fulbright	McKellar	Watkins
George	McMahon	Wiley
Green	Maybank	
Hatch	Morse	

NAYS—22

Baldwin	Hawkes	O'Daniel
Bricker	Kem	Robertson, Va.
Buck	Lodge	Wherry
Byrd	McCarthy	Williams
Connally	Malone	Wilson
Donnell	Millikin	Young
Ecton	Moore	
Gurney	O'Conor	

NOT VOTING—16

Brewster	Martin	Tobey
Bridges	Murray	Tydings
Bushfield	O'Mahoney	Wagner
Butler	Overton	White
McGrath	Taylor	
Magnuson	Thomas, Okla.	

So the bill S. 472 was passed.

LABOR-MANAGEMENT RELATIONS—MINORITY VIEWS (PT. 2 OF REPT. NO. 986)

Mr. PEPPER. Mr. President, the minority members of the Joint Committee on Labor-Management Relations, the Senator from Montana [Mr. MURRAY], the senior Senator from Florida, and Representatives JOHN LESINSKI, of Michigan, and AUGUSTINE KELLEY, of Pennsylvania, have made a careful study of the first 6 months of experience under the Labor-Management Relations Act, commonly known as the Taft-Hartley law, and of the report made public by the committee on March 15, 1948.

We offer this report of the minority on the important subject of labor-management relations, knowing that the record under the new law is being carefully appraised by a wide segment of the American people. We have made this study with that care and impartiality warranted by the importance of the subject. It is submitted to the Congress and to the people of the United States in a sincere desire to acquaint them with the operation of the law, so that it may be better understood.

We are particularly indebted to the Public Affairs Institute, a scientific research organization, for the factual data which it has made available to us.

The PRESIDENT pro tempore. Without objection, the minority views will be received and printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. IVES in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. LANGER, from the Committee on Post Office and Civil Service:

Sundry postmasters.

COMPENSATION TO VETERANS TRAINING ON THE JOB—CONFERENCE REPORT

Mr. MORSE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill, and agree to the same with an amendment as follows: In lieu of the matter inserted by the House amendment insert the following: "That paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is hereby amended to read as follows:

"'6. While enrolled in and pursuing a course under this part, (including an institutional on-farm training course) such person, upon application to the Administrator, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year: Except, That (1) while so enrolled and pursuing a course of full-time institutional training, such person, shall be paid a subsistence allowance of $75 per month, if without a dependent or dependents, or $105 per month if he has one dependent or $120 per month if he has more than one dependent, and (2) while so enrolled and pursuing a course of part-time institutional training, including a course of institutional on-farm training, or other combination course, such person shall be paid, subject to the limitations of this paragraph, additional subsistence allowance in an amount bearing the same relation to the difference between the basic rates and the increased rates provided in (1) hereof as the institutional training part of such course bears to a course of full-time institutional training. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor whether performed as part of his apprentice or other training on the job at institutions, business or other establishments, or otherwise, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances as may be determined by the Administrator: *Provided*, That in no event shall the rate of such allowance plus the compensation received exceed $210 per month for a veteran without a dependent, or $270 per month for a veteran with one dependent, or $290 for a veteran with two or more dependents: *Provided further*, That only so much of the compensation as is derived from productive labor based on the standard workweek for the particular trade or industry, exclusive of overtime, shall be considered in computing the rate of allowances payable under this paragraph.'

"SEC. 2. So much of paragraph 3 of part VII of Veterans Regulation Numbered 1 (a), as amended, as precedes the first proviso, is hereby amended to read as follows:

"'3. While pursuing training prescribed herein and for two months after his employability is determined, each veteran pursuing a course under this part, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents: Except, That (1) each veteran pursuing a course of full-time institutional training under this part shall be paid a subsistence allowance of $75 per month, if without a dependent or dependents, or $105 per month, if he has one dependent, or $120 per month, if he has more than one dependent, and (2) each veteran enrolled in and pursuing a course of institutional on-farm training or other combination course, under this part shall be paid, subject to the limitations of this paragraph, additional subsistence allowance in an amount bearing the same relation to the difference between the basic rates and the increased rates provided in (1) hereof as the institutional training

part of such course bears to a course of full-time institutional training.'

"SEC. 3. This Act shall take effect on the first day of April, 1948."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same with an amendment as follows: In lieu of the matter inserted by the House amendment insert the following: "An Act to provide additional subsistence allowances and to raise the ceilings on wages and allowances pertaining to certain veterans"; and the House agree to the same.

WAYNE MORSE,
ELBERT D. THOMAS,
LISTER HILL,
Managers on the Part of the Senate.

EDITH NOURSE ROGERS,
BERNARD W. KEARNEY,
ALVIN E. O'KONSKI,
J. E. RANKIN,
W. M. WHEELER,
Managers on the Part of the House.

Mr. WHERRY. Mr. President, I ask that the conference report on Senate bill 1393, the so-called veterans' allowance bill, be made the unfinished business of the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, I ask unanimous consent that upon the convening of the Senate tomorrow the Senator from Illinois be recognized, in order that I may make a 40-minute speech upon the foreign policy of this country.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, far be it from me to object to the unanimous-consent request. However, I am wondering, because the conference report was to be expedited, if possible, at that time, if the Senator from Oregon objects to the unanimous-consent request.

Mr. MORSE. Mr. President. I think the Chair will recall that I asked unanimous consent to have the conference report made the unfinished business, and to proceed with it tomorrow noon.

The PRESIDING OFFICER. It is the unfinished business, by unanimous consent.

Mr. MORSE. I assure the Senator from Illinois that I do not think the conference report will require very long. However, in fairness to the Senator from Ohio [Mr. TAFT] it should be pointed out that the reason we are presenting the conference report at 12 o'clock tomorrow is that the Senator from Ohio must leave the city at 1:30. I think it is only fair to say that there will be objections. We want to be heard in argument. If the objections are sustained by the Chair, the junior Senator from Oregon proposes to appeal from the decision of the Chair and argue the point. The conference report has already been agreed to by the House, and I think we should dispose of it tomorrow favorably.

Mr. LUCAS. Mr. President, in view of the statement made by the able Senator from Oregon, I ask unanimous consent to be recognized by the Chair immediately following the disposition of the conference report.

The PRESIDING OFFICER. Is there objection?

Mr. OVERTON. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. TAFT. Mr. President, by the time the Senator from Oregon gets through, if the tax-bill veto comes to the House and is disposed of as quickly as is expected, we may have the tax-bill veto here, and I do not think we ought to agree to a unanimous-consent request to put something ahead of the consideration of that question.

Mr. CHAVEZ. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WHERRY. Mr. President, I feel that inasmuch as the request was made by the distinguished Senator from Illinois, who is the whip on the other side, we should assure him that after the tax-bill veto is disposed of he will be recognized, and possibly before.

Mr. BARKLEY. Or if the tax-bill veto is not here, the Senator may be recognized after the disposition of the conference report.

Mr. WHERRY. Yes.

Mr. OVERTON. Mr. President, the Senator from Rhode Island——

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. WHERRY] has the floor. Does the Senator yield to the Senator from Louisiana?

Mr. WHERRY. First I yield to the Senator from Illinois.

Mr. LUCAS. Mr. President, am I to understand that we have been told that a veto message in connection with the tax bill is coming here tomorrow? Is that known for a certainty?

The PRESIDING OFFICER. Is the Senator addressing that inquiry to the Chair?

Mr. LUCAS. Yes.

The PRESIDING OFFICER. The answer is that the Chair does not know.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BARKLEY. I think I can assure the Senate that the veto message on the tax bill will be here tomorrow. It must first go to the House. It will probably be acted upon immediately upon the convening of the House. I understand that the House is to vote upon it without debate. It ought to be here as soon as a roll call on the veto can be had in the House.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska has the floor. Does he yield; and if so, to whom?

Mr. WHERRY. Inasmuch as objection has been made to the unanimous-consent request, I am glad to yield first to the Senator from Illinois.

Mr. LUCAS. Mr. President, I make the further unanimous-consent request that after the conference report which was detailed by the able Senator from Oregon is acted upon and after the veto message from the President is considered, I be recognized at that time to make a speech on the foreign policy of this country.

The PRESIDING OFFICER. Is there objection?

Mr. CHAVEZ. I object.

The PRESIDING OFFICER. Objection is made.

Mr. WHERRY. I yield now to the Senator from Louisiana.

Mr. OVERTON. I was going to lodge an objection to the request; but since objection has already been made, I do not request recognition at this time.

RECESS

Mr. WHERRY. Mr. President, I now move that the Senate take a recess until tomorrow, Friday, at noon.

The motion was agreed to; and (at 7 o'clock and 31 minutes p. m.) the Senate took a recess until tomorrow, Friday, April 2, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 1 (legislative day of March 29), 1948:

UNITED STATES ATTORNEYS

William Marvel, of Delaware, to be United States attorney for the district of Delaware, vice John J. Morris, Jr., term expired.

John B. Tansil, of Montana, to be United States attorney for the district of Montana. (Mr. Tansil is now serving in this office under an appointment which expired March 17, 1948.)

UNITED STATES MARSHALS

Paul B. Messick, of Delaware, to be United States marshal for the district of Delaware. (Mr. Messick is now serving in this office under an appointment which expired March 17, 1948.)

Frank Golden, of Nebraska, to be United States marshal for the district of Nebraska, vice George E. Proudfit, resigned.

IN THE AIR FORCE

Gen. Hoyt S. Vandenberg, AO15355, Air Force of the United States (major general, U. S. Air Force), for appointment as Chief of Staff, United States Air Force, with rank of general, for the period of 4 years beginning from date of appointment, under the provisions of section 208 of the National Security Act of 1947.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 1 (legislative day of March 29), 1948:

IN THE ARMY

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be first lieutenants

William Ross Reed, O50328.
Lowell Russell Hutson, O38419.
Thomas Arnot Mort, O50330.
Roger Stanley Walden, O41320.
John Hyatt Newell, O38420.
Eric Otto Alfred Miller, Jr., A50342.
Harry Theodore Pierson, Jr., O50343.
Edward Paul Crovo, O38430.
Owen Joseph Walsh, O50345.
Kenneth Peter Fischer, O39471.
Otto William Huebner, O50346.
Jere Hill Dement, O50347.
John Maurice Barnard, O56483.
Erwin Risley Brigham, O38438.
Eames Langden Yates, O50350.

To be first lieutenants, Medical Service Corps

Roger Lee Cramer, O38574.
Robert Eugene Van Der Aa, O38575.
Robert Levi Covington, O38576.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947:

To be first lieutenants, Army Nurse Corps

Jeraldine Frances Skidmore, N797.
Mary Ellen Williams, N1168.
Mary Frances Imilda Haley, N796.
Kathryn Ione Dixon, N961.
Mary Catherine Proctor, N1169.
Helen Grace Kurutz, N1170.
Jessie Melnik, N962.
Dorothy Jones, N798.
Nancy Leigh Limb, N799.
Mary Ann V. Hartnett, N963.
Christine Elizabeth Reinsch, N1172.
Julia Choate, N800.
Lila Geneva Van Scoyk, N1173.
Mary Agnes Azzalino, N801.
Elizabeth Annerita LaRoche, N802.
Mary Ethel Doyal, N1174.

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

To be major generals

John Taylor Lewis O7000.
George Price Hays O7149.

To be brigadier generals

William Lynn Roberts O3597.
Vernon Edwin Prichard O3882.
Paul Vincent Kane O4452.
Julian Wallace Cunningham O4922.
Rex Webb Beasley O5246.
John Lloyd McKee O5613.

APPOINTMENTS IN THE REGULAR ARMY IN THE ARMY NURSE CORPS AND THE WOMEN'S MEDICAL SPECIALIST CORPS

To be captains

Genevieve S. Beard, WMSC (PT), M2215.
Leona F. Koch, WMSC (Diet.), R884.
Dot Miller, WMSC (Diet.), R2212.
Jessie L. Miller, WMSC (PT), M2111.
Elizabeth M. Nevels, WMSC (Diet.), R2209.
Margaret Stuart, WMSC (Diet.), R537.

To be first lieutenants

Agnes Bacior, ANC, N737362.
Ethel L. Barnes, WMSC (Diet.), R999.
Geraldine B. Bernard, ANC, N753081.
Edith J. Bonnet, ANC, N788513.
Faith Boyd, ANC, N721777.
Faunetta L. Brown, ANC, N727101.
Ann C. Browning, ANC, N762686.
Martha Carle, ANC, N725819.
Corinne Casey, ANC, N764298.
Mary A. Casserly, ANC, N722914.
Katherine E. Chickering, ANC, N720896.
Louise M. Coard, ANC, N742037.
Irene M. Connell, ANC, N757627.
Gladys R. Corey, ANC, N761393.
Dorcas E. Coulter, ANC, N755160.
Edna F. Crandall, ANC, N797540.
Paula B. Crowe, ANC, N727421.
Kathleen M. Dean, ANC, N757103.
Glenice H. Dearborn, ANC, N753327.
Ada W. Desprez, ANC, N767585.
Rachel E. Dillemuth, ANC, N725408.
Irene M. Donahue, ANC, N753537.
Pauline K. Driscoll, ANC, N732846.
Ruby I. Easter, ANC, N763533.
Nellie I. Feagans, ANC, N725473.
Virginia M. Gillespie, ANC, N745399.
Thelma R. Glover, ANC, N788312.
Alyce D. Gordon, ANC, N793629.
Orpha L. Grimsrud, ANC, N773989.
Irene I. Guenther, ANC, N775644.
Corinne R. Hauck, ANC, N755466.
Mildred J. Hillhouse, ANC, N774678.
Marynell A. Hoefs, ANC, N735073.
Betty J. Hughes, ANC, N731300.
Dorothy J. Hund, ANC, N775948.
Jane V. Isler, ANC, N723368.
Olah Jones, ANC, N795632.
Angie C. Kammeraad, ANC, N731238.
Elizabeth E. King, ANC, N726050.
Julia E. Koszalka, ANC, N724630.
Jean B. Koziol, ANC, N758909.
Rose Kudletz, ANC, N801068.
Ruth R. Kuhlmann, ANC, N775178.
Dorothy E. Kwiatkowski, ANC, N793382.
Mildred D. Lang, ANC, N729246.
Hester M. Logar, ANC, N759736.
Louise M. Malone, ANC, N728197.
Agnes McMahon, ANC, N754840.
Margaret M. McManus, ANC, N760419.
Marian R. McQuiston, ANC, N724987.
Mary A. Michelitch, ANC, N762272.
Irene E. Miller, ANC, N731182.
Ruth T. Mills, ANC, N796495.
Dorothy E. Mooneyham, ANC, N787360.
Dorothy B. Morgan, ANC, N778638.
Mary A. Mulholland, ANC, N769883.
Anne M. Murphy, ANC, N787887.
Gladys M. Nash, ANC, N734451.
Sarah L. Neal, ANC, N787755.
Anne L. Nodziak, ANC, N759749.
Alma M. Nyberg, ANC, N720757.
Ree S. Oler, ANC, N779590.
Mary E. Pilchard, ANC, N728832.
Olivette C. Plante, ANC, N721036.
Ann C. Polchak, ANC, N723095.
Julia R. Pollack, ANC, N755882.
Julianne M. Rheaume, ANC, N722736.
Emily M. Rickey, ANC, N762850.
Mabel L. Rime, ANC, N730455.
Ruth M. Robinson, ANC, N730523.
Margaret K. Rucker, ANC, N759826.
Lucile A. Seaman, ANC, N731657.
Eugenia M. Sieve, ANC, N768668.
Carolyn E. Smith, WMSC (Diet.) R1064.
Frances A. Soule, ANC, N797596.
Agatha B. Spaeth, ANC, N779492.
Margaret C. Stafford, ANC, N771471.
Valeska B. Staudt, ANC, N788882.
Annie B. Stewart, ANC, N764389.
Nellie T. Tamalonis, ANC, N796403.
Martha J. Taranta, ANC, N722782.
Lois L. Turnbull, ANC, N732395.
Maude C. Vertrees, ANC, N787411.
M. Eloise Watkins, ANC, N725272.
Marcella Wenderott, ANC, N783472.
Louise A. Whalen, ANC, N759373.
Juanita H. Williams, ANC, N734896.
Eileen A. Wittman, ANC, N758820.
Mary G. Young, ANC, N743936.
Nellie J. Zalesney, ANC, N787775.

To be second lieutenants

Ethlyn S. Altmann, ANC, N793948.
Margaret E. Burk, ANC, N792040.
Odessa A. Falls, ANC, N769510.
Helen J. Fitzgerald, ANC, N792063.
Marilyn A. Goeltz, ANC, N792041.
Alma E. Guinn, ANC, N792042.
Pearl I. Jank, ANC, N792058.
Phyllis I. Morrow, ANC, N792052.
Della I. Murphy, ANC, N780358.
Nancy B. Power, ANC, N765872.
Katherine W. Schumacher, ANC, N786881.
Jean E. Thompson, ANC, N795665.
Signe Trangsrud, ANC, N797818.
Betty J. Walls, ANC, N778728.
Marian Waterhouse, ANC, N754612.

UNITED STATES AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 510 of the officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to examination required by law. All others have been examined and found qualified for promotion. (The date of rank for these officers will be the date of appointment.)

To be colonels

×Early Edward Walters Duncan, AO7588.
Wallace William Millard, AO7613.
George Luke Usher, AO8050.
Joseph Henry Davidson, AO8098.
Robert Kauch, AO8345.
Douglas Johnston, AO8467.
Shiras Alexander Blair, AO8497.
×David Charles George Schlenker, AO8603.
Desmond O'Keefe, AO8621.
Hugh Whitt, AO9556.
×Ray Aloysious Dunn, AO9561.
×Frederick Foster Christine, AO8719.
John Isham Moore, AO9649.
Richard Cox Couplan, AO9792.
James Franklin Powell, AO9823.
Alonzo Maning Drake, AO9841.
Victor Herbert Strahm, AO9843.
Byron Turner Burt, Jr., AO9874.
Earle Gene Harper, AO9875.
Lotha August Smith, AO9879.
Guy Malcolm Kinman, AO9969.
Joseph Leonard Stromme, AO9998.
×Frank Denis Hackett, AO10040.
Theodore Joseph Koenig, AO10183.
Omer Osmer Niergarth, AO10207.
Hugh Gibson Culton, AO10325.
Auby Casey Strickland, AO10338.
Ulysses Grant Jones, AO10388.
Dache McClain Reeves, AO10462.
John Carroll Kennedy, AO10464.
Edmund Pendleton Gaines, AO10472.
Clayton Lawrence Bissell, AO10474.
Robert Victor Ignico, AO10491.
Clifford Cameron Nutt, AO10498.
Isaiah Davies, AO10505.
Arthur William Vanaman, AO10506.
Fred Cyrus Nelson, AO10519.
Clarence Herbert Welch, AO10571.
George Godfrey Lundberg, AO10579.
Bayard Johnson, AO10657.
Frank Martyn Paul, AO10586.
Phillips Melville, AO10696.
×John Gordon Williams, AO10697.
Albert Brown Pitts, AO10703.
Robert Duane Knapp, AO10707.
William Bettencourt Souza, AO10719.
Joseph Alexis Wilson, AO10723.
Charles Yawkey Banfill, AO10733.
Walter Raymond Peck, AO10768.
Emil Charles Kiel, AO10787.
Charles Hale Dowman, AO10805.
Thomas Welch Blackburn, AO10814.
Harry Anton Johnson, AO10825.
Max Frank Schneider, AO10840.
Bernard Tobias Castor, AO10897.
Edgar Eugene Glenn, AO10914.
Cortlandt Spencer Johnson, AO10922.
Charles Wesley Sullivan, AO10946.
Neal Dow Franklin, AO10959.
Melvin B. Asp, AO10971.
Malcolm Nebeker Stewart, AO10982.
Newton Longfellow, AO10995.
Wendell Brown McCoy, AO11009.
Martinus Stenseth, AO11014.
James Atwater Woodruff, AO11041.
Arthur Ignatius Ennis, AO11051.
John Frederick Whiteley, AO11099.
Guy Lewis McNeil, AO11103.
Clarence Prescott Talbot, AO11112.
Robert Theodore Zane, AO11159.
Lucas Victor Beau, AO11175.
James Milligan Gillespie, AO11186.
David Robert Stinson, AO11266.
Joseph Theodore Morris, AO11267.
George Allan McHenry, AO11279.
Paul Hyde Prentiss, AO11299.
Warren Arthur Maxwell, AO11303.
Paul Edmund Burrows, AO11331.
John Vernon Hart, AO11367.
Donald David Fitzgerald, AO11393.
Austin Walrath Martenstein, AO11399.
Levi L. Beery, AO11410.
Warren Rice Carter, AO11425.
Harold Alling McGinnis, AO11443.
Morton Howard McKinnon, AO11446.
George Hendricks Beverley, AO11455.
Wallace Gordon Smith, AO11471.
Charles Adam Horn, AO11473.
Byron Elihu Gates, AO11476.
Emile Tisdale Kennedy, AO11498.
George William Goddard, AO11514.
Thomas Herbert Chapman, AO11520.
Angier Hobbs Foster, AO11528.
Clarence Edgar Crumrine, AO11599.
John Ross Morgan, AO11611.
Charles Edwin Thomas, Jr., AO11615.
James Bumer Jordan, AO11624.
×Jack Clemens Hodgson, AO11668.
Stanton Thomas Smith, AO11796.
Joseph Popenjoy Bailey, AO11844.
Pardoe Martin, AO11890.
Charles Backes, AO11968.
Sigmund Franklin Landers, AO11980.
Ned Schramm, AO12014.
Don McNeal, AO12018.
Francis Bassett Valentine, AO12129.
Hobart Reed Yeager, AO12148.
Harry Earl Fisher, AO12671.

Donald Frank Stace, AO12708.
John Ferral McBlain, AO12791.
Harlan Thurston McCormick, AO12808.
Joseph Vincent de Paul Dillon, AO12836.
Edward Barber, AO14632.
Edmund Clarence Langmead, AO14738.
James Millikin Bevans, AO14723.
×Paul Hanes Kemmer, AO14732.
Cecil Elmore Archer, AO14824.
×Louis Meline Merrick, AO14875.
Ray Henry Clark, AO14860.
Homer Wilbur Ferguson, AO14857.
Robert William Calvert Wimsatt, AO14823.
Donald Fowler Fritch, AO14835.
John Sharpe Griffith, AO14852.
Alfred August Kessler, Jr., AO14903.
Stephen Cecil Lombard, AO14942.
James Wrathall Spry, AO14953.
Gilbert Hayden, AO14998.
Hilbert Milton Wittkop, AO15006.
Leo Henry Dawson, AO15040.
Ralph Adel Snavely, AO15100.
John Wesley Warren, AO15139.
Patrick Weston Timberlake, AO15165.
Clyde Kenneth Rich, AO15167.
Russell J. Minty, AO15201.
James Francis Joseph Early, AO15212.
Thomas Merritt Lowe, AO15223.
Wilfrid Henry Hardy, AO15245.
Joseph Smith, AO15249.
Joseph Harold Hicks, AO15252.
Robert Chaffee Oliver, AO15275.
John Maurice Welkert, AO15290.
John George Salsman, AO15318.
James Michael Fitzmaurice, AO15346.
Walter Cornelius White, AO15371.
Archibald Yarborough Smith, AO15422.
David Jerome Ellinger, AO15532.
William Lloyd Richardson, AO15586.
John Phillips Kirkendall, AO15666.
Robert Roy Selway, Jr., AO15673.
Leonard Henry Rodieck, AO15729.
George Hinkle Steel, AO15743.
Edward Higgins White, AO15761.
William Olmstead Eareckson, AO15775.
Ralph Emanuel Fisher, AO15814.
Carl Joseph Crane, AO15936.
Howard Eugene Engler, AO15977.
George Francis Schulgen, AO15999.
Wilfred Joseph Paul, AO16010.
Glenn L. Davasher, AO16011.
Walter William Wise, AO41376.
Colby Maxwell Myers, AO16057.
William Ludlow Ritchie, AO16059.
Russell Edward Randall, AO16081.
Oscar Carl Maier, AO16096.
William Frank Steer, AO16101.
Wiley Thomas Moore, AO16102.
Joseph Cyril Augustin Denniston, AO16177.
John Halliday McCormick, AO16195.
Milton Taylor Hankins, AO16199.
John Porter Kidwell, AO16229.
Charles Henry Caldwell, AO16250.
James Keller De Armond, AO16274.
James Gordon Pratt, AO16308.
Lee Quintus Wasser, AO16310.
Benjamin Thomas Starkey, AO16314.
George Henry Dietz, AO16332.
Glenn Oscar Barcus, AO16339.
Brintnall Hill Merchant, AO28814.
Robert Nevill Isbell, AO28830.
Leo Isaac Herman, AO39533.
Wallace Stribling Dawson, AO41427.
Herbert William Ehrgott, AO16373.
Francis LeRoy Ankenbrandt, AO16375.
Francis Xavier Purcell, Jr., AO16380.
Raymond Coleman Maude, AO16382.
Alfred Henry Johnson, AO16398.
John Colt Beaumont Elliott, AO16411.
Samuel Russ Harris, Jr., AO16412.
Shelton Ezra Prudhomme, AO16427.
John Paul Doyle, AO16428.
Leon William Johnson, AO16429.
Basil Littleton Riggs, AO16459.
Joseph Halversen, AO16470.
Morris Robert Nelson, AO16490.
Kenneth Perry McNaughton, AO16491.
James Bell Burwell, AO16504.
Wilson Turner Douglas, AO16508.
×Marvin John McKinney, AO16510.
Thomas Benjamin White, AO16511.
Charles Herman Deerwester, AO16559.
Bernard Alexander Bridget, AO16561.
Charles Arthur Bassett, AO16564.
Dixon McCarty Allison, AO16571.
Alva Lee Harvey, AO16574.
William Edwin Carpenter, AO28872.
James William Andrew, AO16591.
George J. Eppright, AO16593.
Clarence Daniel Wheeler, AO16612.
Walter Sylvester Lee, AO16614.
Manning Eugene Tillery, AO16615.
Elmer Joseph Rogers, Jr., AO16622.
John Caswell Crosthwaite, AO16628.
×Clarence Shortridge Irvine, AO16630.
Ralph Emerson Holmes, AO16636.
Darr Hayes Alkire, AO16639.
×Thurston H. Baxter, AO16641.
John Titcomb Sprague, AO16645.
Yantis Halbert Taylor, AO16655.
Claire Stroh, AO16660.
Oscar Frederick Carlson, AO16676.
George Edley Henry, AO16679.
Signa Allen Gilkey, AO16685.
Reuben Kyle, Jr., AO16697.
Julius Aubrie Kolb, AO28873.
John Ludden Mousseau des Islets, AO28875.
Herbert Miller Kidner, AO41451.
Andrew Joseph Kerwin Malone, AO16715.
John Edward Bodle, AO16720.
Russell Scott, AO16722.
Burton Murdock Hovey, AO16723.
Dale Davis Fisher, AO16726.
Henry Weisbrod Dorr, AO16727.
Carlisle Iverson Ferris, AO16730.
Willard Roland Wolfinbarger, AO16732.
Monro MacCloskey, AO28922.
John Robert Crume, Jr., AO16747.
George Woodburne McGregor, AO16748.
Charles Albert Harrington, AO16750.
Elmer Blair Garland, AO16753.
Woodbury Megrew Burgess, AO16757.
Manuel Jose Asensio, AO16758.
Alvin Louis Pachynski, AO16763.
Laurence Sherman Kuter, AO16777.
George McCoy, Jr., AO16793.
Edward Pont Mechling, AO16798.
John Mills Sterling, AO16814.
Orrin Leigh Grover, AO16831.
Milton Merrill Towner, AO16850.
Matthew Kemp Deichelmann, AO16859.
Neil Bosworth Harding, AO16930.
Charles Bernard Overacker, Jr., AO17007.
Hoyt Leroy Prindle, AO17012.
Donald Wright Benner, AO17016.
Lawrence Henry Douthit, AO17020.
×George Robert Acheson, AO17021.
Frank Hamlet Robinson, AO17024.
Waldine Winston Messmore, AO17025.
Allen Ralph Springer, AO17027.
Joseph Gerard Hopkins, AO17032.
Clayton Cyril Berry, AO41472.
Joseph Battersby Duckworth, AO38613.
Maurice Milton Beach, AO28992.
Elmer Perry Rose, AO17044.
Ford J. Lauer, AO17048.
Fay Oliver Dice, AO17049.
Edward Harold Porter, AO17054.
Joseph Hampton Atkinson, AO17055.
Robert Leonard Schoenlein, AO17056.
Frederick William Ott, AO17057.
Wentworth Goss, AO17059.
James Leslie Daniel, Jr., AO17060.
Budd John Peaslee, AO17061.
Louie Percy Turner, AO17069.
William Tell Hefley, AO17079.
Robert Scott Israel, Jr., AO17087.
Donald Bertrand Smith, AO17089.
James Elbert Briggs, AO17103.
John Stewart Mills, AO17106.
George Warren Mundy, AO17112.
Alfred Rockwood Maxwell, AO17113.
Roscoe Charles Wilson, AO17120.
Walter Edwin Todd, AO17121.
Bryant LeMaire Boatner, AO17123.
Robert Frederick Tate, AO17128.
Samuel Robert Brentnall, AO17132.
Charles Franklin Born, AO17143.
Frank Fort Everest, AO17145.
John Jordan Morrow, AO17150.
Robert Loyal Easton, AO17155.
Norris Brown Harbold, AO17159.
×Charles Grant Goodrich, AO17166.
Alvord Van Patten Anderson, Jr., AO17172.
Thayer Stevens Olds, AO17179.
Robert Falligant Travis, AO17187.
William Henry Tunner, AO17195.
Ralph Edward Koon, AO17197.
Howard Graham Bunker, AO17200.
John Alexander Samford, AO17206.
Roger Maxwell Ramey, AO17231.
Forrest Gordon Allen, AO17236.
Samuel Egbert Anderson, AO17244.
Joseph Arthur Bulger, AO17251.
George Ferrow Smith, AO17258.
Allen Wilson Reed, AO17259.
×James Elmer Totten, AO17267.
Truman Hempel Landon, AO17268.
Harry Edgar Wilson, AO17274.
Robert Williams Warren, AO17276.
Delmar Taft Spivey, AO17278.
August Walter Kissner, AO17282.
Emmett O'Donnell, Jr., AO17299.
Donald Winston Titus, AO17302.
Emmett Felix Yost, AO17303.
Robert Kinder Taylor, AO17309.
James Wilson Brown, Jr., AO17316.
William Columbus Sams, AO17317.
James Francis Olive, Jr., AO17326.
×Edgar Alexander Sirmyer, Jr., AO17327.
Thomas Webster Steed, AO17331.
Albert George Hewitt, AO29021.
Joshua Hill Foster, Jr., AO29036.
Glynne Morgan Jones, AO41566.
Ralph Orville Brownfield, AO17385.
Joel Edward Mallory, AO17384.
George Washington Hansen, AO17390.
Aubry Lee Moore, AO17392.
Ronald Roosevelt Walker, AO17393.
Lloyd Harrison Tull, AO17394.
Frederic Ernst Glantzberg, AO17398.
Leland Samuel Stranathan, AO17400.
Ernest Keeling Warburton, AO17401.
×Le Roy Hudson, AO17402.
×Roger Vincent Williams, AO17406.
Frederick Archibald Pillet, AO17409.
Homer LeRoy Sanders, AO17412.
Draper Frew Henry, AO17413.
×Walter Robertson Agee, AO17415.
×Hansford Wesley Pennington, AO17417.
Murray Clarke Woodbury, AO17421.
William Alexander Robert Robertson, AO17425.
Marden Mellier Munn, AO29086.
John Williams Persons, AO17436.
William Chamberlayne Bentley, AO17437.
Edwin Lee Tucker, AO17443.
Edward Holmes Underhill, AO17448.
William Pryor Sloan, AO17452.
George Frost Kinzie, AO17453.
Albert Boyd, AO17455.
James Wayne McCauley, AO17456.
Edward Harrison Alexander, AO17458.
Frank Alton Armstrong, Jr., AO17459.
William Albert Matheny, AO17460.
Reginald Franklin Conroy Vance, AO17464.
William Lecel Lee, AO17465.
Dudley Durward Hale, AO17471.
×Herbert Leonard Grills, AO17474.
Benjamin Scovill Kelsey, AO17476.
Thomas Lee Mosley, AO17477.
Raymond Lloyd Winn, AO17478.
Kingston Eric Tibbetts, AO17480.
Richard Henry Lee, AO17481.
Lewis R. Parker, AO17483.
William Maurice Morgan, AO17485.
Edwin Minor Day, AO17487.
Jack Weston Wood, AO17488.
James Herbert Wallace, AO17490.
Don Zabriskie Zimmerman, AO17499.
Frederick Rodgers Dent, Jr., AO17504.
Harold Huntley Bassett, AO17505.
Howard Moore, AO17507.
John Floyd McCartney, AO17508.
Harry Gage Montgomery, Jr., AO17518.
Roger James Browne, AO17525.
Joseph Jennings Ladd, AO17526.
Richard David Wentworth, AO17527.
Thomas Ludwell Bryan, Jr., AO17541.
Harold Quiskie Huglin, AO17548.
Lawrence McIlroy Guyer, AO17553.
Donald Philip Graul, AO17557.
Charles Sommers, AO17561.

John Coleman Horton, AO17568.
×Marshall Stanley Roth, AO17572.
Sidney Andrew Ofsthun, AO17586.
William Evens Hall, AO17588.
Frederic Harrison Smith, Jr., AO17589.
Donald John Keirn, AO17591.
John Jackson O'Hara, Jr., AO17609.
Emery Scott Wetzel, AO17615.
William Lafayette Fagg, AO17617.
George Eldridge Keeler, Jr., AO17641.
William Fulton McKee, AO17661.
Ezekiel Wimberly Napier, AO17668.
Thomas Benton McDonald, AO17694.
Thomas Jefferson DuBose, AO17701.
Daniel Campbell Doubleday, AO17702.
Harlan Clyde Parks, AO17703.
Pearl Harvey Robey, AO17722.
Phineas Kimball Morrill, Jr., AO17766.
George Elston Price, AO17843.
Richard Clark Lindsay, AO17845.
John Gordon Fowler, AO17846.
John Lyle Nedwed, AO17847.
Paul Thomas Cullen, AO17852.
George Graham Northrup, AO17853.
Thomas Sarsfield Power, AO17854.
×Lloyd Harold Watnee, AO17856.
Philip David Coates, AO17857.
John Herold Bundy, AO17860.
Mills Spencer Savage, AO17861.
Harold Webb Bowman, AO17862.
Lorry Norris Tindal, AO17863.
Merlin Ingels Carter, AO17865.
John Walker Sessums, Jr., AO17866.
Charles Kenneth Moore, AO17867.
Wycliffe Eugene Steele, AO17870.
Roy Henry Lynn, AO17873.
×Robert Bruce Davenport, AO17874.
Donald Leander Putt, AO17875.
Merrill Davis Burnside, AO17878.
Hollingsworth Franklin Gregory, AO17879.
Harold Winfield Grant, AO17881.
Reuben Columbus Hood, Jr., AO17884.
Leslie Oscar Peterson, AO17885.
Floyd Bernard Wood, AO17887.
Norman Delbert Sillin, AO17889.
Flint Garrison, Jr., AO17891.
James Leroy Jackson, AO17892.
Chester Price Gilger, AO17893.
Hugh Arthur Parker, AO17894.
Thomas David Ferguson, AO17895.
William Basil Offutt, AO17898.
James Arthur Ronin, AO17902.
Kenneth Ross Crosher, AO17918.
Stuart Phillips Wright, AO17920.
Ivan Lonsdale Farman, AO17922.
William Alexander Schulgen, AO17923.
Daniel Beckett White, AO17924.
Edward Wharton Anderson, AO17932.
Winslow Carroll Morse, AO17934.
Casper Perrin West, AO17935.
William Leroy Kennedy, AO17936.
Jesse Auton, AO17938.
Robert Shuter Macrum, AO17942.
Charles Lawrence Munroe, Jr., AO17943.
Llewellyn Owen Ryan, AO17944.
Hanlon H. Van Auken, AO17950.
Robert Oswald Cork, AO17951.
Herbert Henry Tellman, AO17953.
John Koehler Gerhart, AO17954.
Elder Patteson, AO17958.
Francis Hopkinson Griswold, AO17959.
Robert Whitney Burns, AO17961.
Daniel Webster Jenkins, AO17962.
Clarence Frank Hegy, AO17964.
James Presnall Newberry, AO17965.
Stoyte Ogleby Ross, AO17967.
William John Clinch, AO17971.
Cornelius Burton Cosgrove, Jr., AO29396.
William Preston Nuckols, AO29416.
Jarred Vincent Crabb, AO17996.
Tom William Scott, AO17997.
John Hubert Davies, AO17999.
Edwin William Rawlings, AO18005.
Julius Kahn Lacey, AO18006.
George Frank McGuire, AO18008.
Oliver Stanton Picher, AO18009.
Morley Frederick Slaght, AO18014.
Roy Dale Butler, AO18015.
Richard August Grussendorf, AO18018.
John Hiett Ives, AO18019.
Frederick Earl Calhoun, AO18020.
Carl Ralph Feldmann, AO18021.
Ralph Powell Swofford, Jr., AO18026.
Paul Ernest Ruestow, AO18029.
George Fletcher Schlatter, AO18035.
Howard Monroe McCoy, AO18054.
Aubrey Kenneth Dodson, AO18065.
Mark Edward Bradley, Jr., AO18066.
Wiley Duncan Ganey, AO18069.
Thetus Cayce Odom, AO18075.
Walter Campbell Sweeney, Jr., AO18080.
Morris John Lee, AO18099.
David Hodge Baker, AO18120.
Thatcher Sampson, AO18128.
Troup Miller, Jr., AO18145.
William Dole Eckert, AO18147.
Millard Lewis, AO18163.
John Chesley Kilborn, AO18167.
Carl Amandus Brandt, AO18171.
Harold Lester Smith, AO18182.
Norman Ray Burnett, AO18189.
Richard Joseph O'Keefe, AO18193.
Ephraim Melmoth Hampton, AO18206.
Jack Griffin Pitcher, AO18208.
Joseph Arthur Miller, AO18211.
Francis Joseph Corr, AO18219.
Kurt Martin Landon, AO18220.
Daniel Anderson Cooper, AO18225.
Sory Smith, AO18241.
Theodore Quentin Graff, AO41787.
Samuel James Gormly, Jr., AO29472.
Ernest Franklin Williams, AO29560.
Edward Bond Gallant, AO29581.
Anthony Gerard Hunter, AO29584.
Daniel Francis Callahan, AO18368.
Marcellus Duffy, AO18373.
Robert Alan, AO18379.
Gordon Aylesworth Blake, AO18389.
Julian Merritt Chappell, AO18407.
Donald Norton Yates, AO18419.
Frank Arthur Bogart, AO18432.
Ernest Moore, AO18445.
Royden Eugene Beebe, Jr., AO18447.
Earle William Hockenberry, AO18454.
Henry Keppler Mooney, AO18479.
Robert Merrill Lee, AO18483.
Dean Coldwell Strother, AO18495.
Jacob Edward Smart, AO18516.
Lester LeRoy Hilman Kunish, AO18528.
Robert Edward Lee Eaton, AO18529.
×Carl Fillmore Damberg, AO18531.
Wendell Washington Bowman, AO18532.
Richard Spencer Carter, AO18542.
Hilbert Fred Muenter, AO18543.
John Clarence Gordon, AO18571.
Charles Bowman Dougher, AO18581.
David William Hutchison, AO18585.
Gerald Evan Williams, AO18604.
Edward Julius Timberlake, Jr., AO18619.
Edward Nolen Backus, AO29600.
Archie J. Old, Jr., AO29608.
James Lloyd Tarr, AO29634.
Alfred Fredrich Kalberer, AO29521.
Stanley Tanner Wray, AO18657.
Leo Peter Dahl, AO18699.
John Bevier Ackerman, AO18706.
John Paul McConnell, AO18728.
Joe William Kelly, AO18731.
John Clifford McCawley, AO18739.
×John Morgan Price, AO18740.
Daniel Stone Campbell, AO18751.
Kenneth Burton Hobson, AO18763.
John Reynolds Sutherland, AO18764.
Donald Linwood Hardy, AO18765.
Richard Tide Coiner, Jr., AO18766.
Charles Albert Clark, Jr., AO18776.
Harvey Porter Huglin, AO18780.
George Dowery Campbell, Jr., AO18783.
Charles Hardin Anderson, AO18785.
Hunter Harris, Jr., AO18808.
Charles Albert Piddock, AO18813.
Andrew Meulenberg, AO18827.
Edwin Guldlin Simenson, AO18829.
Robert Haynes Terrill, AO18833.
Thomas Connell Darcy, AO18840.
Clifford Harcourt Rees, AO18847.
Richard Henry Smith, AO18850.
Eugene Porter Mussett, AO18853.
Edward Willis Suarez, AO18855.
×Herbert Bishop Thatcher, AO18865.
Robert Broussard Landry, AO18868.
Frank Greenleaf Jamison, AO18874.
Romulus Wright Puryear, AO18894.
William Madison Garland, AO18900.
James Walter Gurr, AO18906.
Robert Lee Scott, Jr., AO18908.
Robert Reginald Conner, AO51359.
Paul Smith Blair, AO29813.
Edward E. Toro, AO38728.
Thomas Samuel Moorman, Jr., AO18998.
Thomas Burns Hall, AO19010.
Travis Monroe Hetherington, AO19022.
Harold Cooper Donnelly, AO19040.
William Oscar Senter, AO19042.
Sidney Francis Giffin, AO19045.
Harold Roth Maddux, AO19086.
Laurence Browning Kelley, AO19108.
Robert Totten, AO19128.
Milton Fredrick Summerfelt, AO19153.
Gabriel Poillon Disosway, AO19156.
Franklin Stone Henley, AO19169.
Cordes Fredrich Tiemann, AO19193.
Samuel Abner Mundell, AO19206.
Stephen B. Mack, AO19240.
Nelson Parkyn Jackson, AO19253.
Sydney Dwight Grubbs, Jr., AO19271.
Charles Hoffman Pottenger, AO19290.
Kermit Douglas Stevens, AO30128.
William Milton Gross, AO19463.
Donald Robert Hutchinson, AO20441.

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947:

To be first lieutenants

Joseph Cary Wheeler, AO50326.
Jack David Elliott, AO56455.
Henry Simon, AO50325.
Hubert Dale Ehrlich, AO50329.
Robert Anderson Gambell, AO38437.
James Anthony DeYonker, AO56456.
David Wallace Wicks, AO56458.
Edward Joseph Saylor, AO56457.
Richard Keith Brown, AO50331.
Robert Benire McMurray, AO38445.
Ruffin Walker Gray, AO38421.
Edward Patrick McNeff, AO56459.
Cornell Robert Christenson, AO50332.
Charles William Getz, 3d, AO56461.
Herbert Leroy Pickett, AO56460.
Jack Allen Robinson, AO50333.
Werner George Goering, AO38425.
William Ralph Wright, AO50335.
Russell James McElroy, AO56462.
William Murray McDonald, AO50336.
Thomas Lowell Huddleston, AO56463.
Aubrey Clinton Adcock, Jr., AO56464.
Philip Fetler, AO50337.
John Henry Griffin, AO56465.
Donald Gordon Shirley, AO56466.
Calvin Gilbert Bass, AO50338.
Orin Emsley Nutting, AO50339.
John Francis Jamieson, AO38424.
Edward John Kinney, AO56467.
Alvin Glenn Kouts, AO56468.
Denis Ray Edwards, AO56469.
Harry George Skinner, AO56470.
Charles Eugene Daly, AO56471.
Charles Brandon Gresham, AO50340.
John Patrick Gaffney, AO50334.
William Francis Sullivan, AO50341.
Anthony Benedict Gallo, AO56472.
Curtis Lloyd Utterback, AO56474.
John Edwin Smith, AO56473.
Donald Jack Seed, AO38426.
Willard Wendell Yockey, AO56475.
Duke Cameron Horner, AO56476.
Ernest James Ticknor, AO38428.
Arthur Milton Gray, AO50344.
Herbert Smith McKinney, AO38429.
Lonnie Otis Ratley, Jr., AO56477.
James Roy Starnes, AO38431.
Orville Ralph Gravelle, AO56479.
Robert Francis Myers, AO38433.
Vaughn E. Denning, AO56478.
Frank Floyd Cannon, AO56480.
Michael John Nisos, AO41321.
John Robert Stoner, AO38434.
Rex Kirkland Stoner, Jr., AO38435.
Paul Pearson Taylor, AO56482.
George Villard Frost, AO56481.
James Thomas Weldon, AO38436.
Howard Alexander Courtney, AO50348.
John Kessler, Jr., AO56485.
Forrest Richard Miller, AO50349.

IN THE NAVY

The following-named officers for appointment in the Supply Corps of the Navy in the grades hereinafter stated:

LIEUTENANTS

Thomas G. Lewis
Jack W. Welty

LIEUTENANTS (JUNIOR GRADE)

James W. Herb
Herbert F. Mills, Jr.

ENSIGNS

James H. Forbes, Jr.
Albert F. MacDonald, Jr.
Robert A. Weir

The following-named midshipmen (aviation) to be ensigns in the Navy from June 4, 1948:

Jack F. Andrus	Harold F. Knudsen
Wallace D. Baldwin	Francis P. Koval
Ernest M. Brides	Louis Kriser
Stanley H. Bueg	Louis F. Memoli
Samuel F. Catterlin	Thomas E. Reilly, Jr.
John A. Chalbeck	Ernest E. Rivers
Edward J. Cronin	Charles W. Safanda
Vernon L. Crow	Thomas W. Schaaf
William H. Elliott	William C. Sharp
Glenn E. Faucett	Donald K. Stitt
William M. Flynn	William R. Tappe
John C. Hammel, Jr.	Robert E. Tigner
Arthur W. Hanton	Craig McD. White
Harold R. Herndon	Eugene H. Whittlessey
Francis J. Hohl	George M. A. Willows
Lee S. Houchins	Arthur O. Wolf
Donald Hubbard	

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Civil Engineer Corps of the Navy from June 4, 1948:

William Kleck, Jr.
Raymond D. Phillips
Harry L. Rimmer, Jr.

The following-named (civilian-college graduates) to be ensigns in the Supply Corps of the Navy:

John W. Randall
"J" F. Stuart

The following-named to be ensigns in the Nurse Corps of the Navy:

Billie J. Cole	Margaret E. Park
Joan T. Ernst	Elizabeth C. Riggs
Ferrell L. Greer	Agnes M. Roberts
Sarah C. Hargrove	Doris F. Travis
Betty J. Jones	Frances E. Weslowski
Elizabeth R. Meldahl	

The following-named officers to the grades indicated in the line of the Navy:

LIEUTENANT COMMANDER

Erik A. Johnson

LIEUTENANTS

Mitchell K. Disney	Carl E. Lundin, Jr.
Edward G. Grant	James H. Roberton
Frederic M. Lloyd 3d	

The following-named officers to the grades indicated in the Medical Corps of the Navy:

LIEUTENANT COMMANDER

Kenneth S. Scott

LIEUTENANTS (JUNIOR GRADE)

Garner L. Lewis	Robert E. Walsh
John B. Miller	Gilbert A. Webb
James T. Proctor	Arthur J. Wilets

The following-named officer to the grade indicated in the Medical Service Corps of the Navy:

ENSIGN

David R. Stutler

The following-named officers to the grades indicated in the Nurse Corps of the Navy:

LIEUTENANT

Emma L. Gamble

LIEUTENANTS (JUNIOR GRADE)

Jean B. Knecht
Mary E. Orlando
Mary A. E. Toepfer

ENSIGNS

Elizabeth E. Clark	Elizabeth G. Gaffney
Ethelyn E. England	Anna M. Steinmetz

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Navy from the 4th day of June 1948:

Charles DeArmond
Robert P. Hilton
Wayne G. Shear

Richard E. Fahrenwald (Naval Reserve Officers' Training Corps) to be an ensign in the Supply Corps of the Navy from the 4th day of June 1948.

Philip J. McEleney (Naval Reserve Officers' Training Corps) to be an ensign in the Civil Engineer Corps of the Navy from the 4th day of June 1948.

George P. Edgerton (civilian-college graduate) to be an ensign in the Supply Corps of the Navy.

The following-named officers to the grades indicated in the Medical Corps of the Navy.

LIEUTENANT COMMANDERS

Glenn E. Drewyer
James P. Moran

LIEUTENANTS (JUNIOR GRADE)

Jonathan M. Allen	Robert E. Rowand
William L. Chapman	Robert W. Sharp, Jr.
Holt B. Maddux	Charles R. Sullivan

The following-named officers to the grades indicated in the Dental Corps of the Navy.

LIEUTENANT COMMANDERS

George S. deShazo
William I. Gullett

LIEUTENANTS

Leonard M. Kraske
Jeremiah T. Sunde
Allan L. Wallace

LIEUTENANTS (JUNIOR GRADE)

Luke J. Braxmeier
Gage Colby
Robert G. Martin

The following-named officers to the grades indicated in the Nurse Corps of the Navy.

LIEUTENANTS

Eddy L. Harris
Ingrid C. Suess

LIEUTENANTS (JUNIOR GRADE)

Louise J. Bartlett	Lillie M. Harwood
Jane H. Farr	Gayle M. Lang

ENSIGNS

Ann Belaeff	Marita D. Petit
Isabel V. Hunsecker	Charlotte S. Rasmussen
Hedwig L. Kratz	
Louise W. Sharp	

IN THE UNITED STATES MARINE CORPS

APPOINTMENTS TO TEMPORARY GRADE

To the temporary grade of major general

Oliver P. Smith

To the temporary grade of brigadier general

John T. Selden

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 1, 1948

The House met at 12 o'clock noon.

Rev. Thomas G. Swales, pastor, Broad Street Methodist Church, Norwich, N. Y., offered the following prayer:

Our Heavenly Father, we are conscious of the presence of Thy reality. We know that Thou art God, and from Thee we receive strength that will enable us to face life with all of its situations. Truly Thou art our refuge and strength and a very present help at all times. Help us to cast our burdens upon Thee, knowing that Thou wilt sustain us, for Thou wilt not cause the righteous to be moved. We thank Thee that in the midst of uncertainty we can cling to the religious certainties of life. Help us to listen to the message Thou hast for us.

We pray that Thou wilt bless our President, our Speaker, and all others who have the privilege of guiding and directing the affairs of this great country of ours. Thou hast been our help in ages past, and we look to Thee for present guidance.

We thank Thee for hands to help bear the burdens of mankind, for eyes to see things as they are, for ears to hear the truth, and for minds to think through the facts that are presented to us. Help us to be open-minded. May we not be conditioned by our own selfish desires but motivated by high ideals.

We pray that we may continue to practice the Golden Rule of doing unto others as we would have them do unto us. Help us, Father, to be examples to those with whom we associate. We pray that we may be steadfast, always abounding in the love of God.

Grant us wisdom; grant us courage for the solving of the problems which confront us today. In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the President pro tempore had appointed Mr. LANGER and Mr. CHAVEZ members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of the Army and the Air Force.
3. Department of Commerce.
4. Department of Justice.
5. Post Office Department.
6. Department of the Treasury.
7. Housing and Home Finance Agency.
8. National Archives.
9. Veterans' Administration.

THE BRITISH SOCIALISTS SAY "APRIL FOOL" TO UNCLE SAM

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, prior to the passing of ERP—Marshall plan—by the House of Representatives, the socialistic Government of Britain was just spending, so it was said, the last pound in the Exchequer. Now that ERP has been catapulted through the House on a wave of hysteria, the Socialist Government of Britain announces with gusto that the Government had a surplus of $2,544,000,000 for the fiscal year which ended March 31, the very day ERP passed the House. This explains

why the proponents insisted that ERP pass before this British announcement came through. The British Socialists have pulled a fast April Fool's Day on the taxpayers of this country.

Under leave to extend, I am inserting in the RECORD the following article which appeared in the Washington Post of Thursday, April 1, 1948:

BRITAIN TAKES OVER ELECTRIC UTILITIES

LONDON, Thursday, April 1.—Britain took ownership last midnight of all the Nation's electric utilities, sixth major enterprise to be nationalized under the Labor government's Socialist program.

One of the first developments under state control will be higher rates for a large proportion of domestic consumers in urban areas.

Chairmen of 3 of the 14 regional boards that will administer the industry said domestic rates would have to be increased to meet rising costs, including higher prices for coal.

Other enterprises nationalized since the Labor government came to power in mid-1945 include coal, civil aviation, inland transport, the Bank of England, and cable and wireless.

Properties taken over by the Government included 170 generating stations and between 500 and 600 distribution systems employing 98,000 people.

Stockholders in private companies will be paid in Treasury stock, whose value will be announced tonight.

For municipally owned plants, the Government will pay only enough to meet net outstanding debts.

BRITAIN ANNOUNCES $2,500,000,000 SURPLUS

LONDON, March 31.—The Treasury announced tonight the Government had a £363,000,000 ($2,544,000,000) surplus for the fiscal year ended today.

It was double the surplus estimated last November.

HOME LOAN BANK BOARD

Mr. BEALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BEALL. Mr. Speaker, the Congress established the Federal Home Loan Bank Board as the supreme court of the hundreds of savings and loan institutions in this country. The Board was set up for the protection of these institutions and their shareholders. That was the intent of the Congress. Unfortunately, however, the Board has been used as a political instrument for the private gain of the Democratic Party. It is shot through with politics, and some of the decisions of the Board are out-and-out bids for political support. It is no longer a free and independent agency, such as the Federal Trade Commission and other bureaus. I ask that the House investigate the political tampering with the Federal Home Loan Bank Board.

There is so much internal wrangling in the Home Loan Bank Board that recently one of the Board members, Nathaniel Dyke, Jr., was dismissed because he refused to go along with policies with which he disagreed. The Dyke case, I believe, points up more clearly than anything I could say the weaknesses and the inevitable danger to savings and loan institutions inherent in the present structure of the Home Loan Bank Board. The Board is in great need of drastic changes, and only the Congress can do that.

Until recently John H. Fahey was Chairman of the Board, which he ran with an iron fist. J. Alston Adams and Mr. Dyke were the other two members. The two Board members were, in effect, forbidden to participate in the Board's decisions. In fact, it was because Mr. Dyke, in at least one case, refused to go along with Mr. Fahey that he was dismissed.

This was the now-famous case involving the Long Beach Federal Savings and Loan Association which was taken away from its shareholders and placed in the hands of a conservator. Mr. Dyke objected to that high-handed method of treating a savings and loan institution. He saw no reason for such action, and he was not afraid to say so. Mr. Fahey and his henchmen then went to the White House and demanded the dismissal of Mr. Dyke. Mr. Dyke had had only an interim appointment, and he was not reappointed to the Board this year. It was one of the most cruel double crosses I have seen in many years, particularly in view of the fact that Mr. Dyke had been promised the chairmanship on the resignation of Mr. Fahey.

Curiously enough, the very things that Mr. Dyke fought for and the policies for which he argued have now been established by the Home Loan Bank Board. The Long Beach Savings and Loan Association has been returned to its rightful owners. Many other Dyke policies have since been adopted. Mr. Dyke's dismissal is a national disgrace.

The Dyke case calls attention to the hypocritical cry of the Truman administration that competent and responsible businessmen cannot be secured for Government service. Mr. Truman and those around him say that high-grade business executives refused to serve in Washington because of the low salaries paid Government workers. They say that these salaries are not sufficient to attract good men. Well, of course, that is not true either. It is just another political hoax being perpetrated on the American people. There are scores of able and wealthy business executives who are anxious to serve their country, but when they witness the shameful treatment of Mr. Dyke and others we cannot blame them for not coming to Washington.

Mr. Dyke is no job holder or seeker. On the contrary, the 6 years he served his Government in Washington cost him thousands of dollars out of his own pocket. He is a wealthy businessman from Little Rock, Ark. The financial returns of the best job in Washington could not possibly interest him. He came to Washington in 1942 to inquire about priorities for his vast lumber business and the first thing he knew they gave him a desk at the War Production Board and asked him to help solve the many lumber-production problems. Mr. Dyke readily agreed to the request. After that he was given one assignment after another because of his superior knowledge of the lumber, building-materials, banking, and home-financing industries. Mr. Dyke heads up some 20 different corporations from coast-to-coast dealing in these various types of businesses, which are really integrated under the heading of homes and the things that go into their construction and financing.

After he had completed his assignment with the War Production Board, Mr. Dyke was asked to serve as consultant to the War Mobilization Board. Later, he went over as consultant to the Smaller War Plants Corporation, and from there he went to the Federal Deposit Insurance Corporation.

In all of this period, from 1942 until the summer of 1947, Mr. Dyke received no compensation from the Federal Government. Living in Washington and trying to run his business on the side cost him money out of his own pocket, as I have said. In the summer of 1947 Mr. Dyke was made a member of the Federal Home Loan Bank Board and for the first time accepted Government compensation which he was required to do by law. He did not last long, for he clashed almost immediately with Mr. Fahey over policies with which he disagreed. The final blow-up came when Mr. Fahey placed the Long Beach Association in the hands of a conservator.

Now I see by the papers that Mr. Dyke is being mentioned for a top executive job in the European relief program and in this connection I wish to insert in the RECORD a story from the American Banker of March 23, 1948:

DYKE POSSIBLE CHOICE TO ADMINISTER ERP
AMERICAN BANKER BUREAU

WASHINGTON, March 22.—Nathaniel Dyke, Jr., formerly with the Federal Home Loan Bank Board, previously an adviser of the Federal Deposit Insurance Corporation, and during the war on the War Production Board, is being prominently mentioned as under White House consideration for administrator of the European relief program.

And another from the Washington Post of March 24, 1948, which appeared in the column of Jerry Kluttz:

Politics: Bumbling White House operators are trying to interest Nathaniel Dyke, Jr., in a top job in the European Relief Administration. The Dyke story is one of the reasons why the President finds it difficult to persuade good men to enter Federal service. Dyke was made a member of the Home Loan Bank Board and he was promised the chairmanship. The next thing he knew he was fired. Now the White House assistant who knifed him is talking him up for an ERA job.

Good men will be needed to run the ERP and they are going to be hard to find, only because of the disgraceful treatment of Mr. Dyke and others.

For Members of the House who are interested in a detailed account of the Dyke story, I suggest reading the back files of Banktrends, a Washington weekly newsletter edited and published by U. V. Wilcox, one of the country's outstanding financial reporters.

EXTENSION OF REMARKS

Mr. GOODWIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution from the National Guard Association of Massachusetts.

Mr. SEELY-BROWN asked and was given permission to extend his remarks in the RECORD and include a speech.

APRIL FOOL

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, when I pick up this morning's Washington Post and see that Britain last year made a $2,544,000,000 surplus for the year ending March 31, 1948, and then think that this is the first day of April, called April Fool's Day, as far as the action on Congress is concerned, today might as well have been yesterday so far as fooling the American people. Britain has fooled our legislators.

At a time when I feel depressed, let me quote from Abraham Lincoln:

I do the best I know. The very best I can; and I mean to keep right on doing so until the end. If the end brings me out all right, what is said against me won't amount to anything. If the end brings me out wrong, 10 angels swearing I was right would make no difference.

Still quoting, let me read you part of a poem by Ella Wheeler Wilcox:

Let those who have failed take courage,
Though the enemy seemed to have won,
Though his rank be strong, if he be in the wrong,
The battle is not yet done.
For sure as the morning follows
The darkest hour of night,
No question is ever settled
Until it is settled right.

O man bowed down with labor,
O woman young, yet old;
O heart oppressed in the toiler's breast,
And crushed by the power of gold,
Keep on with your weary battle
Against triumphant night;
No question is ever settled
Until it is settled right.

ERP was not a settlement; I am sure it was a colossal blunder by the Congress; a hardship on America; a real mistake. Time will tell.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, on March 30, the distinguished gentleman from Georgia [Mr. COX] received permission to insert his remarks in the RECORD and include a newspaper article. The Government Printing Office advises that it will exceed 2 pages of the RECORD and will cost $177.50. The gentleman from Georgia is unavoidably absent this morning. I ask unanimous consent that the article be printed notwithstanding the cost.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an address delivered by Eamon de Valera at the Mayflower Hotel the other evening.

Mr. KELLEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Judge Eugene V. Alessandroni.

Mr. BARTLETT asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the United States Junior Chamber of Commerce endorsing statehood for Alaska.

Mr. ENGLE of California asked and was given permission to extend his remarks in the RECORD and include an editorial from the Sacramento Bee.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

AMENDMENTS TO MARSHALL PLAN PROPOSALS

Mr. DEVITT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DEVITT. Mr. Speaker, in the final hours of debate yesterday on the Marshall proposals, I proposed certain amendments which were adopted by the House and which will have far-reaching effects in the furnishing of relief by means of individual gift packages to needy people in Europe. Because of the shortness of time, I did not have an opportunity to fully explain the amendments, although they were accepted by the Committee on Foreign Affairs. Under permission to revise and extend my remarks, I have inserted a statement in explanation of the amendments. This is contained on page 3849 of the CONGRESSIONAL RECORD for March 31. I urge that the Members of the House read that portion of the RECORD.

The effect of these amendments is going to be that we will have a tremendous increase in the number of gift packages sent by individuals in this country to persons in the 16 Marshall plan countries of Europe. The amendments have the effect of reducing the postage rates on such packages by approximately 75 percent and making it mandatory that the governments of the participating countries change their laws so as to permit the tax-free entry of such relief packages.

By way of example, it should be pointed out that in many cases the postage rate on relief packages to Europe at present is as much as, or more than, the value of the article sent. For instance, the postage rate to occupied Germany from my home city of St. Paul, Minn., is 14 cents per pound. This means that it would cost $3.08 to send a 22-pound package to Germany. Under the amendments to the ERP bill accepted by the House yesterday, the Administrator is required to provide for free transportation of such relief packages from the port of embarkation in America to the port of landing in Europe and to provide by the use of revolving-fund moneys set up under the plan for additional free transportation of such packages from the port of landing to the place of residence of the addressee. The sender of such a package pays the postage only from his home in the United States to the port of embarkation. Instead of paying $3.08 as at present, the sender of a 22-pound package from St. Paul, Minn., would be required to pay only 74 cents. This is a reduction of more than 75 percent.

The inclusion of this provision in the bill will undoubtedly have the effect of encouraging more people to send more packages to Europe. This will mean quicker recovery and lessening of the financial burden on the Government of the United States.

The amendment adopted yesterday will serve another purpose. To wit, it will bring about the abolishment of import duties now imposed by many of the European countries on relief packages sent there since the amendment makes it a condition precedent to the receipt of the relief under the Marshall plan that the recipient countries agree with the Secretary of State for the free entry of such packages. In recent months many of these foreign countries have raised their import duties even on necessaries of life such as food and clothing.

Since such a large portion of funds appropriated by the ERP bill go strictly to relief, as distinguished from rehabilitation projects, it is submitted that the proposals accepted yesterday are most meritorious in that they will bring about speedier relief in Europe and build up a great amount of good will through individual giving between peoples of America and destitute peoples of Europe.

I importune the House conferees on this bill to be adamant in their insistence that these worth-while amendments be retained in the bill when it goes into conference. The provisions of the Senate bill are not as intelligently generous in these provisions as are the terms of the House bill. It is urged that the conferees on the part of the House exercise their utmost faculties to insure the retention of these meritorious provisions of the bill.

CIVIL DISOBEDIENCE DRIVE

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, I am sure many of us were shocked to learn through the radio and accounts of the morning press that certain alleged Negro leaders were advocating what they call a "civil disobedience drive" against any reinstitution of selective service or universal military training at this crucial time in the history of the world.

Since both Houses of Congress have by a substantial majority now approved the so-called Marshall or European recovery plan, it is now imperative that we take immediate steps to increase our military forces.

Recent acts on the part of high officials in the Democratic Party have greatly increased any racial tension that may have heretofore existed. We simply

must have unity now if we are to survive. The very last thing that any sincere American would want to do is to contribute to any already formidable problem. On the contrary, every true American should use every legitimate method to suppress and eradicate any influence that would tend to divide us.

We of the South admit that we have a race problem which we have been facing squarely. Although greatly handicapped by many impeding factors, progress is being made in the solution of race relationships. Sincere and effective efforts are being made to provide equal opportunities for education and gainful employment for the colored population. My colleagues in the Congress who represent various Southern States have always been acutely aware of the Negro problem and they have tirelessly worked for the Negro's advancement in every phase of life. Whether the fact is acknowledged or not, the best friends of the Negro are southerners of high principle who know the Negro better than any people in any other section of these United States could possibly know him.

The South has moved a long way in solving its Negro problem. That we have been moving in the right direction is evidenced by the fact that racial tension in the South, until the announcement by the President of his civil-rights program, is today at the lowest pitch in history, and understanding between Negroes and whites is growing day by day, year by year. Anything that tends to interrupt this ordered process of improvement constitutes a potential danger to the entire question of relations between the two races.

I repeat, interference is dangerous. Furthermore, interference can be disastrous when it is based—as it so often is—upon a complete lack of understanding of the problems of the South. That is why the President's recent message on civil rights has met with such opposition from southern Democratic leaders. For the President's civil-rights program includes those very measures that are designed to disrupt the entire southern approach to the racial problem. His acquiescence in the civil-rights affair was the major blunder of President Truman's otherwise excellent record as Chief Executive of the United States. We must believe that the President was poorly advised, that he did not weigh carefully the real import of his message or understand fully its consequences for the Democratic Party and the people of the South. Surely President Truman must realize that the southern race situation cannot safely be subjected to the Gordian knot technique. There is no short cut. There is nc easy way. The problems that exist in the South between the Negro and white races will be solved to the full satisfaction of all concerned if the South is left alone to solve them without outside interference and pressure techniques.

Intelligent Negroes in the South recognize this fact. They do not interpret the barrage of racial propaganda from other sections as contributory and helpful to their uplift. On the contrary, they are seriously concerned lest the inflammatory schemes of the agitators undo all the progress that has been so painfully achieved during the past three-quarters of a century. Those who agitate in the South for so-called civil rights are actually doing the Negro an irreparable harm.

Southern people are rightfully alarmed by the tendency to ignore the fact that there is a line which must not be crossed. We are anxious for the Negro to achieve equality of opportunity for education, for economic advancement, for culture. But that goal cannot be reached by an insistence on unrestricted social equality. Any recommendation which fails to recognize this fundamental fact must be regarded with distrust.

The President's recommendation for antidiscrimination legislation, in common with the programs of all the radical, left-wing communistic elements of the Nation, ignores this one essential condition. We must interpret the President's recommendation to mean the complete abolition of segregation among the races. Until it is acknowledged that segregation is the line which must not be crossed, the South cannot and will not accept any help, however well-intended, from people in other areas of the Nation.

We welcome any and all efforts to assist us and we believe that assistance can be extremely helpful—provided the basic principle of segregation is not menaced. We insist upon the recognition of the fact that the race situation in the Southland is not the same as the Negro situation in any northern State, and that the methods employed in many northern areas just will not work in the South. Segregation is the shield of southern culture and civilization. Once that shield is pierced the very life of the South is in danger. We welcome the assistance of any American citizen who is willing to recognize this one vital principle.

Yes, we can use help, but not the kind of help we are getting from President Truman, not the kind of help we are getting from the President's so-called civil-rights program, not the kind of help we are getting from the National Association for the Advancement of Colored People, not the kind of help we are getting from the Communist Party. We cannot use that kind of help. To paraphrase the President's own St. Patrick's Day speech: "The price is too high—we are not buying."

If these people want to help us, they can demonstrate their sincerity by working with us to build up the South economically. They can join our fight to eliminate unjust economic discriminations against the people of the South, discrimination against southern industry and agriculture in the form of inequitable freight rates. Let them pitch in and help the Southern States to develop their economic resources, promote expansion of southern industry, give southern agriculture an opportunity to compete on even terms with the rest of the Nation. The South's Negro problem is fundamentally a problem of education, and the South's education problems are fundamentally financial. Give us the opportunity, without interference and outside discrimination, to develop southern enterprise and raise the general standard of living among our people, and the first step will have been taken toward a final solution of the problem of equal opportunity for Negroes.

If these organizations must fight for a cause, let them direct toward these ends the tremendous amount of time, money, and energy they are now devoting to their unholy crusade to break through the retaining wall of southern culture—segregation.

Within the concept of segregation, the people of the South are today bending every effort to provide equal opportunity for Negroes. We are moving rapidly toward the goal of equal educational opportunity. Southern States are spending more on Negro education than at any time in history. Increasing sums of money are being allocated for Negro health programs, hospitalization, social welfare, and recreation. This is both a difficult and a costly task, but we are determined to see it through. The South is rich in culture and potentialities, but the per capita monetary income in the States of the South is far below that of our more prosperous northern neighbors. An entirely disproportionate share of that per capita income is required to carry on public education for Negro and white alike. Our schools remain relatively poor in spite of the heavy tax burdens imposed for school purposes. The Southern States contain 28 percent of the population of the Nation, educate 32 percent of the children of the Nation, but receive only 8 percent of the national income on a per capita basis.

In spite of this staggering handicap, the people of the Southern States have made valiant strides toward improving social conditions. We shall not permit that progress to be jeopardized by either well-meaning but ill-advised interference, or communistic techniques of propaganda and agitation. Segregation is the line that must not be crossed. Segregation is the only sensible answer to the racial situation. American statesmen throughout our history have recognized this truth. Thomas Jefferson and Abraham Lincoln, two of our stanchest supporters of real civil rights, realized that the Negro and white races cannot live together peacefully except on the basis of segregation. The great Negro leaders have accepted and confirmed this view. Booker T. Washington deplored the efforts of those who sought to break the social barriers between Negro and white. He said:

> In all things which are purely social, we can be as separate as the fingers, yet one as the hand in all things essential to mutual progress.

We of the South are not indifferent to the welfare of the Negro. Long experience has convinced us that the Negro's welfare is best promoted in separate schools, separate churches, separate communities, separate railroad cars. We can be divided in these things, yet united in all things essential to mututal progress.

In these trying hours, our great country, which has been called the melting pot of the world, cannot survive unless all of us work and pray for the preservation of the principles which contribute to our strength and security.

BERLIN CUT OFF BY RUSSIA

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Speaker, I hold in my hand the very latest edition of the Washington News which carries the headline "Berlin cut off." The gist of the story is that the Soviet authorities have closed all rail and highway communications into the capital of Germany. I cannot imagine a more serious threat to the peace of the world, nor can I imagine a more direct challenge to the Congress of the United States. That challenge means that we must, without further delay, consider and pass legislation providing for the reinstitution of selective service so that we may bring our armed forces up to their requisite strength and be prepared for any emergency.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD.

Mr. ROSS asked and was given permission to extend his remarks in the RECORD and include an article appearing in the New York Herald Tribune.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. TRIMBLE (at the request of Mr. HAYS) was given permission to extend his remarks in the RECORD.

SAME OLD MacLEISH

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include an editorial appearing in the Chicago Tribune entitled "Same Old MacLeish."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Speaker, a dizzy-headed poet, Archibald MacLeish, has sounded off condemning the House Committee on Un-American Activities. MacLeish came from my congressional district. For all of the fine patriotic people back home Mr. Speaker, I apologize for Mr. MacLeish's coming from that wonderful congressional district. He was a misfit there and went away.

For the balance of my minute, Mr. Speaker, let me bow my head and pray that he may some day recover from his dizziness and keep quiet until he does.

Be sure to read the Chicago Daily Tribune editorial of today, as follows:

SAME OLD MAC LEISH

Archibald MacLeish, the poet whose native dizziness was heightened by the whirl given him by Mr. Roosevelt, has broken his vow of silence just when people were beginning to hope they had heard the last from him. MacLeish, in condemning the House Committee on Un-American Activities, states that the committee "has done more in a year and a half to breach the defenses of freedom and to introduce the wooden horse of terror into the United States than all the Communists on earth."

All the Communists on earth would presumably include Stalin's Russia, which has bowled over one helpless country after another in its avowed march toward world domination; the Communist Party in the United States, which is dedicated to the destruction of the Republic, and all of its agents and fellow travelers who are stirring up class, race, and religious hatreds, trying to subvert the labor unions, and engaging in a thousand and one other conspiratorial activities to wreck freedom in America.

MacLeish was never distinguished for good sense when he was busy helping Roosevelt gum up the war as head of the New Deal propaganda establishment called the "Office of Facts and Figures," as a self-appointed prophet of millennial informationalism while on the pay roll as Librarian of Congress, in his activities as Assistant Secretary of State, or in his capacity as an administration mouthpiece in the United Nations. He has, however, never made a sillier statement than his latest.

He is of such tender sensibility toward Communists that he overlooks what his political bedmate, General Marshall, calls the Communist "reign of terror" in Czechoslovakia in order to view goggle-eyed a fancied "terror" here. The Committee on Un-American Activities hasn't shot or sent anybody to jail out of hand. Only the Communists are doing that. All it has done is to turn up a lot of Communists in Government and elsewhere and to designate some bureaucrats who certainly are under obligation to explain why Communists are their chosen associates.

HENRY WALLACE

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, the distinguished and amiable Professor Einstein is reported in the journals of the day to hold the theory that Henry Wallace can save us at home and abroad. It has often been noted that not more than a dozen persons can understand the Einstein theory.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 35]

Abbitt	Beall	Brooks
Allen, Ill.	Bell	Buck
Andresen, August H.	Bender	Buckley
	Bland	Busbey
Andrews, Ala.	Bloom	Chapman
Andrews, N. Y.	Boykin	Clark
Clippinger	Hill	Passman
Cole, N. Y.	Holifield	Pfeifer
Combs	Jackson, Calif.	Poulson
Cox	Jarman	Rains
Cravens	Jenkins, Pa.	Ramey
Dawson, Ill.	Jennings	Reeves
Delaney	Kee	Richards
Dingell	King	Rivers
Dirksen	Lesinski	Rizley
Douglas	Ludlow	Rooney
Eaton	Manasco	Sadowski
Feighan	Mason	Sikes
Grant, Ala.	Miller, Nebr.	Stratton
Hartley	Morgan	Taylor
Harvey	Murray, Wis.	Thomas, N. J.
Havenner	Norrell	West
Hébert	Norton	
Hendricks	Owens	

The SPEAKER. On this roll call, 359 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROGRAM FOR TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I wish to make a brief announcement for the information of the Members. I understand it has now been definitely established that a message on the tax-reduction bill will be here at noon tomorrow, and it is expected that prompt action will be taken on that measure. It is possible that the conference action on the so-called foreign-aid bill will be completed today, in which event it is my hope that final action on the bill can be taken tomorrow.

EXTENSION OF REMARKS

Mr. GAMBLE. Mr. Speaker, on March 23 I obtained a unanimous-consent request to extend my remarks in the RECORD and include a Lincoln Day address by Dr. Paul Austin Wolfe. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $195.25, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

THE EUROPEAN RECOVERY PROGRAM

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an article.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, a mature appraisal of congressional feeling as the ERP debate came to a close was given by the veteran radio commentator, George Reedy, this morning. While I do not necessarily subscribe to the precise analysis of the motives given by Mr. Reedy, it is of interest to note his comments, which were as follows:

The European recovery program is now for all practical purposes the foreign policy of the United States. There are still disagreements to be ironed out and technicalities to be handled, but, basically, there

is no doubt that we are committed to the measure.

What little doubt may have existed was decisively removed last night. The bill was approved by one of the largest House votes in recent years. Nothing remains now except a get-to-gether with the Senate over the final version of the legislation.

It may seem strange to those who remember the twenties that this country would ever approve such a bill. It has not been too long since the United States was definitely in the isolationist column. Americans wanted no part of Europe.

And yet today we are committed to rebuilding the shattered cities of the Old World and putting that continent back on its economic feet. Furthermore, we have taken that step knowing full well that it means depriving ourselves of many luxuries.

It is impossible to overestimate the historic importance of that decision. It goes far beyond any foreign-policy legislation ever proposed by the late President Roosevelt. It sets the United States upon a course never before tried by any nation.

Despite the overwhelming majority, the Members of the House did not vote for the bill with enthusiasm. To those around the Chamber yesterday, the uneasiness was obvious. Several legislators said openly they did not like the measure, but could see no other path.

That was the argument that clinched the final decision. It was not that every Member believed deeply in the European relief program. It was simply that most of them could see no alternative other than war. They decided to take the gamble.

Of course, the bill could never have been passed were it not for the fear of Soviet expansion. It should be stressed that the European recovery program is not the original Marshall plan. It has gone far beyond that stage.

The Marshall plan, as it was first proposed, was simply a program for rebuilding Europe. It was based on the idea that it was cheaper to get European economy running again than to go on giving hand-outs to the people of foreign countries.

Many shrewd observers of the political scene believe that measure could not have been jammed through Congress. They think it would have been defeated by a large vote. Something other than a recovery bill was needed to capture the vote.

That something other was provided by a mustached gentleman named Joseph Stalin. It was he and not Secretary of State Marshall who persuaded Congress to approve the Marshall plan. Had he kept a zipper on his lip, it might never have seen the light of day.

The measure that passed the House late yesterday was openly a bill to fight Communist imperialism. It was based on the belief that we should build up strong democratic countries in western Europe as a check to the Soviet Union.

The supporters of the bill believed privately that there was no other way of checking communism short of war. They admitted that it was a gamble, but they said that the gamble was worth taking. Only time will tell whether they were right.

At any rate, for good or bad, the United States has been committed to the program. We have set our sights on the goal of world leadership through the Marshall plan. Once on that path there is no turning back. We must walk it to the end.

THE COAL STRIKE

Mr. TOWE. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. HARTLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HARTLEY. Mr. Speaker, the Congress of the United States is now seriously considering the appropriation of billions of dollars to aid Europe, and millions for aid in other parts of the world. We contemplate expending large sums to strengthen the armed forces, inasmuch as this Nation is faced with problems that are world-wide and far-reaching and calculated to tax the statesmanship of the liberty loving people everywhere.

While all of this is going on, what do we find at home—here in the United States of America? On the 15th day of March this country was plunged into a coal strike, the results of which may rock the very foundations of our economic structure. The country is now faced with the sorry spectacle of one labor leader defying all orderly processes of Government. Is there anyone so naive as to believe for one moment that John L. Lewis is not responsible for the present coal strike? Is there any one who honestly believes that some 350,000 union members all decided to quit work simultaneously—without the guiding influence of John L. Lewis? No, that labor leader is defying the law of the land, and the administration is faced with the solemn responsibility of acting under the law in the interest of the people.

I have looked into the matter and in order that the record may be clear I shall briefly summarize the issues involved in this coal strike: A collective bargaining agreement was entered into and became effective the first of July 1947. In that agreement there was a provision which permitted the so-called welfare fund to be financed by collecting from the producers of coal throughout the land the sum of 10 cents per ton on every ton produced. This was to be an irrevocable trust fund, and the representatives of the coal mine owners named a trustee; the representatives of the union named a trustee—none other than Mr. Lewis—and those two trustees named a third or neutral trustee, as provided by law. The coal mine owners who made the contract delegated to the trustees the sole responsibility for working out a plan by which pensions, death benefits, and other welfare contributions should be made to those entitled to receive them. Mr. Lewis, according to the record, has insisted that all members of his union should become the beneficiaries of this fund. The law clearly requires that only employees of employers parties to the contract are entitled to benefits from this fund. The trustee representing the coal mine owners is on record as saying that Mr. Lewis is demanding benefits for some thirty to forty thousand men who are not entitled to receive such benefits, since they are not employed by the very persons who are paying the bill. Therefore, in utter disregard of the provisions of the Labor-Management Relations Act of 1947, Mr. Lewis is demanding that the law be violated.

This is an intricate subject—as are all trust agreements. However, private actuaries were employed to make a study of this matter and upon receipt of their reports Mr. Lewis rejected their conclusions because they did not sustain his contentions. Thereupon, the Social Security Administration of the United States was asked to make an actuarial study and it did so, but Mr. Lewis has completely ignored that study, because in all of its main provisions it sustained the privately made study, and again did not support Mr. Lewis' contentions. This is a matter of record and has been stated by the trustee representing the coal operators—the fund is not sufficient to grant the demands of Mr. Lewis that all miners reaching the age of 60, who have served 20 years, shall be entitled to a pension of $100 per month.

The contract expires on the 30th of June 1948. Over $30,000,000 are now in this fund, and the matter is deadlocked because Mr. Lewis cannot have his way.

The third or neutral trustee has resigned his assignment as of January 1, 1948, declining to accept the full responsibility of this question, and Mr. Lewis has publicly stated that the whole matter could have been satisfactorily concluded had the third or neutral trustee decided with him. This is begging the question simply because any money could be disposed of as long as everyone acceded to Mr. Lewis' wishes.

The record shows that Mr. Lewis has failed to join hands with the trustee representing the operators in the naming of another neutral trustee; consequently the trustee representing the mine owners has gone into the Federal court, in accordance with the provisions of the law, and requested the court to name a third or neutral trustee.

What about the coal-mine owners? I am advised they have repeatedly offered to meet and discuss with Mr. Lewis any grievance he might have whenever he returns the men to work. The contract entered into between the contracting parties clearly provides that any grievance or dispute shall be handled by the contracting parties as it has been the custom for many years not to discuss disputes while the men are out on strike. Lewis now ignores this practice.

This action on the part of one labor leader is giving aid and comfort to those elements in our national life that would weaken and destroy our system of Government. Lewis has defied the Board of Inquiry created by the President under the provisions of the Labor-Management Relations Act of 1947. These are all the facts on record. Charges that stand unanswered of record before the President's Board of Inquiry.

I want it made clear that I am as appreciative as any man in this Congress of the benefits John L. Lewis has brought to the coal miners. In fact, it was the deplorable conditions under which these miners lived and worked that made a John L. Lewis possible.

A John L. Lewis who was able to effectuate his just demands against the coal operators is the same John L. Lewis who now defies the legally constituted authority of the Government.

This Congress should understand that chaos faces the Nation if this strike continues many more days. Already transportation services have been curtailed, steel plants are closing down part of their operations; the European relief program is being jeopardized, and I for one do not believe that the great United States

Government is so impotent as not to be able to handle this ruthless labor leader in such a manner as to restore the production of coal.

Lewis, of course, denies that he has called a strike, but when he writes to his membership using violent language, what can they do—they are well trained—but follow their master, and they have without doubt complied with that intention.

Much of the present discussion concerning the current strike has centered around the question of whether or not the national emergency provisions of the Labor-Management Relations Act of 1947 are adequate to handle the United Mine Workers once and for all.

First. We will not know for some time whether or not the Taft-Hartley Act is adequate to deal with the current strike. The House should realize that its application by the present administration leaves much to be desired. The emergency strike provisions were designed to be administered rapidly in order to achieve the objectives of the act. That these provisions have not been administered rapidly is no fault of this House or its Committee on Labor.

Second. This House should realize that the emergency strike provisions of the Taft-Hartley Act were designed to delay strike action while reasonable men could arrive at an honest agreement on wages, hours, and other conditions of employment.

The time has come for us to consider legislation designed to drive Lewis into a position where his arbitrary actions are impossible.

It so happened that the original Hartley bill, as passed by this House, contained adequate provision, not only to end the current coal strike, but also to end, once and for all, the threat of John L. Lewis and other labor bosses of his type.

These provisions were redrafted into a new bill, which I introduced yesterday.

In explanation, I want to point out that every provision in this legislation has already been approved by the House of Representatives at the time you passed the original Hartley bill.

These provisions include:

First. A definition of monopolistic strikes.

Second. A provision making such monopolistic strikes unlawful concerted activities.

Third. Amendments to the Clayton Act permitting the Department of Justice to prosecute instigators of monopolistic strikes under the Sherman antitrust law.

I hope the Members of this body will consider this legislation carefully.

EXTENSION OF REMARKS

Mr. LEONARD W. HALL asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. MILLER of Connecticut asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper clippings.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD.

Mr. JOHNSON of Texas asked and was given permission to extend his remarks in the RECORD in two instances and include certain newspaper articles, excerpts, and editorials.

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the Alabama State Board of Public Welfare.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include letters and telegrams.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FIRST DEFICIENCY APPROPRIATION BILL, 1948

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6055) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be confined to 2 hours, the time to be equally divided and controlled by the gentleman from Missouri [Mr. CANNON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. CANNON. Mr. Speaker, reserving the right to object, the gentleman's request is not to exceed 2 hours for general debate?

Mr. TABER. That is right.

Mr. CANNON. And if debate can be concluded in less time, less time will be used?

Mr. TABER. That is right; just as little as possible.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. TABER].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6055, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill carries $332,407,000 of direct appropriations for activities of the Government, $14,000,000 for judgments and authorized claims, and $200,000,000 in reductions of appropriations. The appropriations are $66,000,000 below the budget and the reductions in appropriations $50,000,000 above. There is also $150,000,000 for contract authorizations, and several transfers of Navy funds.

I am going to take up first the item in the bill which I believe more Members are interested in than any other, that is, the item relating to the Veterans' Administration, although it is a comparatively small item.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON. Before the gentleman leaves the over-all figures, I should like to ask, because I do not find them specifically mentioned in the report, what is the total amount of cash appropriations and what is the total amount of contract authorizations carried by the bill?

Mr. TABER. The total amount, including contract authorizations, approximates $500,000,000.

Mr. CANNON. That is the authorizations or the total?

Mr. TABER. Contract authorizations and cash. The cash appropriation is $346,000,000.

Mr. CANNON. What amount in this bill is authorized to be transferred from other funds?

Mr. TABER. There is about $5,000,000. I do not have the exact figure in my head, but it is about that amount.

Mr. CANNON. What amount of receipts which otherwise would be covered into the Treasury are authorized for expenditure by this bill?

Mr. TABER. I do not know that any receipts that would otherwise be covered into the Treasury are involved here. There might be, but I do not have the figures in my head.

Mr. CANNON. What about the Maritime Commission? Is not it authorized to use certain receipts?

Mr. TABER. Yes, it is authorized to use an amount that runs a little over $4,000,000. I am just guessing at it.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. The amount of receipts authorized to be used is, I think, $17,600,000 for the Maritime Commission.

Mr. CANNON. What amounts in this bill are replacements of cuts made in previous appropriation bills?

Mr. TABER. A very small amount, comparatively: I would say maybe six or seven million dollars over all.

The veterans situation came to a head as a result of a letter that went out to the Office of the Administrator of Veterans' Affairs on the 16th of January reducing the personnel of the Veterans' Administration in their Administrative Section. We had the gentlewoman from Massachusetts [Mrs. ROGERS] and the gentleman from Massachusetts [Mr. MCCORMACK] before the committee on some resolutions they had introduced. We had General Gray, the Administrator, and Mr. Clark, Assistant Administrator, and Mr. Moore, the comptroller, and Mr. Sweet, the personnel officer. General Gray told us he felt he did not have the funds to take care of some needed activities which he wished to carry on through the balance of this fiscal year. We went into the matter very thoroughly. Finally he reached the point where he

said that he would like to have authority to put on 3,000 additional personnel. We figured the cost based on that particular type of personnel would be in the neighborhood of $10,500,000 a year. So as to be on the safe side for the 3 months from April 1 to July 1, we made it $3,000,000, so that there would be enough money to cover it. He went to work on it immediately. He has already increased the number of personnel in the Medical Department by 1,200 and the administrative end by 800. He told me he thought that that would take care of the situation.

It was the intention of the committee that the needed personnel for administration should be put back into the Veterans' Administration. It was not the intention, nor do I believe it is the intention of the House, that we carry personnel that are not needed or are not doing the job and rendering useful service. My understanding is that there has been some hesitancy on the part of the Veterans' Administration in putting back contact employees. My attitude, and I think the attitude of the Committee on Appropriations, is that where these contact people are needed to bring about efficient administration that they should be put back or put in whether they are in now or not. I expect that the Administrator will do that. That is what we had in mind when we laid this picture out: that needed things would be done; that the most pressing things would be done. I want to see the claims set-up handled in such a way that the veterans' claims will be taken care of thoroughly and promptly. Where they need contact men, I want to see them put in.

I am glad to yield to the gentleman from Massachusetts.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. McCORMACK. The gentleman has by his last remarks, I believe, conveyed information to the Members on a matter in which they are very generally interested; namely, the contact representatives. My understanding is that included in these $3,000,000 is enough money for the Administrator to keep employed necessary contact representatives in all parts of the country, is that correct?

Mr. TABER. In every part of the country where they are needed. There are a thousand open positions that the Administrator has not so far filled out of the 3,000 that was allowed him.

As I understand it, according to the Legion statement that I believe the gentleman from Massachusetts brought with him, or if not him, then it was the gentlewoman from Massachusetts [Mrs. ROGERS] it would take 600 to cover what they thought was needed in the contact picture. Maybe I am wrong on that but that is the way I remember it; but in any event there is plenty of money in there to do it.

Mr. McCORMACK. And as far as the Appropriations Committee is concerned they expect the Administrator to keep contact representatives in the various offices and suboffices where they are necessary.

Mr. TABER. That is correct.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KEARNEY. Does the gentleman understand that out of those 8,500 employees of the Veterans' Administration who were let go under this directive to take effect March 31, that these same employees will be rehired or retained?

Mr. TABER. Insofar as the positions that they previously occupied are concerned. I would hardly expect that a man who was engaged in an administrative capacity would be reemployed as a nurse, but insofar as the position he previously occupied is continued, yes.

Mr. KEARNEY. I am glad to hear the gentleman say that, for the reason that only this morning I was advised that they were not going to retain the employees who were discharged but were going to leave the field open and go out throughout the country and hire new ones.

Mr. TABER. That was not my understanding of what should be done.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mrs. ROGERS of Massachusetts. The figures that I have show that 725 contact positions will be lost or have been lost by the reduction of the VA personnel. I think the Committee on Veterans' Affairs will bear me out in the belief that General Gray does not intend to replace many of those contact men. I think General Gray is very able but he is very new in the Veterans' Administration. I will say I do not think General Gray realizes that the contact man is the first touch that the veteran has with the Veterans' Administration. That man helps him file his claim at once and as the Members of the House know, many of the veterans cannot get any compensation prior to the time that he files his claim.

General Gray has spoken of using itinerant men. How much good is an itinerant man going to be going to many places a hundred miles apart? How much time could he spend on each disabled veteran?

I believe General Gray testified to the Appropriations Committee that he had a thousand jobs now that he could fill, plus the $3,000,000 and plus, I understand, the understanding that the appropriations would give him a certain amount to pay for the terminal leave of these men, then you would have plenty of jobs for these contact men and for a good many other persons.

Can the gentleman give me any idea as to what will happen there?

Mr. TABER. Whatever there is of a requirement for terminal leave for any positions that are carried along where the funds are not available will be provided for in the general 1949 appropriation bill. There is plenty of money now to put back any of the contact men who are needed with this appropriation we are providing now.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JOHNSON of Oklahoma. I may say to the gentleman from New York that I asked General Gray this morning when he appeared before the Veterans' Affairs Committee the direct question whether if we gave him this $3,000,000 he would reemploy these 3,000 people or what percentage would be put back into contact work. I understood him to say "None," that they were going to use it first for medical, claims, insurance, and rehabilitation.

Many of us on the Veterans' Affairs Committee think that certainly a substantial percentage out of this $3,000,000 should be used to put back contact representatives. Will the gentleman from New York tell me what the feeling of his committee was when they granted this $3,000,000 with reference to contact men?

Mr. TABER. We went into the picture very carefully with General Gray, and General Gray told us that he thought 3,000 would give him the ones that were needed to carry on the job and do it thoroughly. We understand that that would allow him to put back any contact men that were needed and any claims men that were needed. He told us, and we have been advised, that this insurance picture does not head up until after the Supreme Court makes a decision, therefore there is no sense in building up that matter at this time.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. Quoting from the hearings, General Gray was asked by the gentleman from Wisconsin [Mr. KEEFE]:

> If you were given this $6,000,000 that is called for in the resolution offered by Mr. McCORMACK and Mrs. ROGERS, what would you do with it?
>
> General GRAY. I would put back some of the people who are now being separated.
>
> Mr. KEEFE. How many?
>
> General GRAY. I can only casually estimate that; I would say somewhere around 2,000—2,500—under 3,000.

Further in response to a question from the gentleman from Wisconsin [Mr. KEEFE]:

> So that if Congress appropriated to you $2,500,000 to $3,000,000 to carry these 3,000 personnel, whom it is now contemplated to dismiss from the rolls, will you be able with those 3,000 employees to furnish the essential and necessary and decent services to the veterans?
>
> General GRAY. Yes, sir.

I think it is clear therefore that we have provided all that General Gray feels he needs for essential services to our veterans.

Mr. TABER. That was my understanding, and that was the intention of the committee.

Mr. PEDEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Oklahoma.

Mr. PEDEN. In view of the statement made by the gentlewoman from Massachusetts [Mrs. ROGERS] and the gentleman from Oklahoma [Mr. JOHNSON], with respect to the testimony of Gen-

eral Gray this morning that he did not intend to replace some of these necessary contact officers, would it be advisable in expressing the true intent of Congress to put into this bill after the word "Administration" the words "including necessary contact officers" in which case we would be assured that the Administrator would follow the intent as you have expressed it that we believe the necessary contact officers should be included in this $3,000,000?

Mr. TABER. I should not object to that amendment, but I think that this discussion which we are presently having on the floor here would be sufficient to call it to the attention of the Administrator that it is the intention of the committee and the Congress to have that done. There seems to be no discordant note here on that subject.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New Jersey.

Mr. HAND. I want to make this perfectly clear. I think it is clear already from what the gentleman has said. In the event these contact officers that are necessary are not restored, it is wholly the fault of the Veterans' Administration and not because the veterans committee or the Congress have not given to General Gray the money asked for in this connection, is that correct?

Mr. TABER. That is my understanding.

Mr. ROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. ROSS. I think we should have this clarified here. This appropriation is being granted for the purpose of reinstating some of the employees that are about to be dismissed because of an order recently issued, is that correct?

Mr. TABER. Well, partly. It is also for the purpose of permitting the Administrator to put to work necessary people in the medical set-up that he feels are especially urgent. He has placed 1,200 additional people at work in that set-up already.

Mr. ROSS. That is what I would like to have clarified. When General Clay was before the committee this morning I asked him if the bulk of this money was not to be used for employing personnel for the medical division, and his answer was "Yes." I asked him further if a number of the employees who have been dismissed and who will be reinstated would be negligible, and he said "Yes."

Mr. TABER. I think perhaps that might be so.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Texas.

Mr. MAHON. The House should fully understand, and the employees of the Veterans' Administration who might have been given notice of separation should fully understand, that General Gray emphasized the fact that he was not willing to say to Congress that he was going to employ the identical people who were threatened with separation from the service. He was against the resolution introduced by the gentleman from Massachusetts [Mr. McCORMACK] and by the gentlewoman from Massachusetts [Mrs. ROGERS], because, he said, it would require him to freeze those particular people in jobs, and he was not willing to do that. He is going to take the $3,000,000, and with that he said he could meet the situation. That is the action of the committee.

Mr. TABER. That is what we understood.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. When the testimony was heard by the Veterans' Committee emphasis was placed on the fact that these contact officers that had exceptionally heavy case loads, that were rendering an exceptionally good service should be retained. These veterans live out in the districts and some of them cannot get into the central office without sacrifice of time and money, necessitating even several days off from their work to get the service. Do I understand the committee by granting this additional appropriation means that those contact officers with heavy loads, that were rendering these outstanding services, should be continued?

Mr. TABER. That is my understanding; that where these people are rendering a necessary and effective service, they should be cared for.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. In General Gray we recognize a very capable administrator, and I am wondering whether or not he indicated to the committee that there was any reorganization of the Veterans' Administration anticipated at the moment.

Mr. TABER. Well, there are some of these branch offices that he has not made up his mind about. I gathered that he certainly did not intend to increase the number, and that he hoped to reduce the number, and transfer some employees and put them where they were more needed.

Mr. VAN ZANDT. Is it not true that some of the employees discharged as of April 1 were probably undesirable employees?

Mr. TABER. That is probably so.

Mr. ROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. ROSS. It was stated before the Veterans' Committee that in this personnel reduction no members of the Medical Division would be terminated.

Mr. TABER. That is correct.

Mr. ROSS. That no members would be terminated under this recent reduction. Now we have additional appropriations being granted and most of the funds will be used for new employees who will be placed in the Medical Division. I just do not think that it should go out to the country that the Congress is now appropriating $2,000,000 for the reemployment of 3,000 of the 8,500 that were terminated, and then not have that done.

Mr. TABER. We did not understand that that was to be the result. As I understand, 1,200 have been put in the medical service and 800 in the administrative service down to this time.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. Under the reductions recently announced, certain adjudication boards were eliminated, or the number reduced. Was there any discussion as to whether those adjudication boards would be restored? That is a vital point.

Mr. TABER. As I understand, where they were needed they would be put back.

Mr. MILLER of Connecticut. Was there any explanation given as to where they were needed?

Mr. TABER. We did not go into the details of places that they were to be put, but we were told that where they were needed they would be put back.

Mr. MILLER of Connecticut. Does it appear to the gentleman that it is excusable to take 2 months after a veteran is examined before the adjudication board can act on his claim?

Mr. TABER. It is not.

Mr. MILLER of Connecticut. Well, that has happened in some cases.

Mr. TABER. Well, it should not happen.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New Jersey.

Mr. MATHEWS. Just to get the matter straight, it is my understanding that the appropriations made here are not made for the purpose of retaining particular people in particular jobs, but are given by the Committee on Appropriations to the Veterans' Administration to do the best possible job of service to the veteran as the Administration sees fit.

Mr. TABER. To do the things that he said were necessary to do to make the job effective.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Vermont.

Mr. PLUMLEY. As I understand, the Committee on Appropriations has not undertaken to run the Veterans' Administration.

Mr. TABER. That is correct.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6055) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendment of the House to the bill (S. 2202) entitled "An act to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world," with an amendment in the nature of a substitute; that it disagree to the amendment of the House to the title; that it agree to the conference asked by the House; that it insists upon its amendment and asks a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. VANDENBERG, Mr. CAPPER, Mr. WILEY, Mr. CONNALLY, and Mr. GEORGE to be the conferees on the part of the Senate.

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, disagree to the Senate amendment to the House amendment to the text of the bill, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. RICH. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Ohio if he noted in the morning paper that Britain on March 31 had a credit balance of $2,544,000,000? I am wondering whether the gentleman knew that before we passed this bill last night.

Mr. VORYS. We are taking notice of that.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. EATON, VORYS, MUNDT, BLOOM, and KEE.

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the conferees on this bill may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FIRST DEFICIENCY APPROPRIATION BILL, 1948

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6055) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6055, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Mississippi.

Mr. RANKIN. I was present at the veterans' committee meeting this morning when General Gray appeared and indicated that the greatest need of the Veterans' Administration is for men in the medical service to take care of our disabled veterans. He also pointed out that every veterans' organization had contact men in practically every community in the United States. So I do not want this record to leave the impression that General Gray is injuring the service by seeing that these men get proper medical treatment.

Mr. TABER. Mr. Chairman, I am going to take only a few minutes more to run through a little bit of this bill. I am not going to attempt to discuss it fully because the time for general debate will not permit.

We have carried $150,000,000 for the Atomic Energy Commission contract authorization. We have carried a $75,000,000 increase in the fund for rural electrification. We have carried $143,000,000 for going ahead with the feeding of the occupied territories in Germany, Austria, Japan, and Korea. We have an item here for the construction of a road in Alaska, involving $11,000,000. We have authorized the continuation, without interruption, of the vessel-operating functions of the Maritime Commission to the end of the fiscal year as provided for in the act of February 27, 1948. We have some minor items in the Bureau of Reclamation totaling $1,600,000. We have an item of $10,000,000 for the putting of the new uniform in the Air Force. That will cost us net about $2,500,000, according to the testimony that was given. For rivers and harbors we have a few emergency items totaling about $2,000,000. There are some items for the Post Office Department, due to the increase in the volume of mail. There are also a few items for the State Department.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. ANDREWS of New York. The gentleman made reference to the new uniforms for the Air Force. I have been in consultation with the Air Force on the matter and am hopeful that this is predicated upon a gradual attainment of the new uniform over a period of years, based upon usage and wear of the old uniforms.

Mr. TABER. It is.

Mr. ANDREWS of New York. I thank the gentleman very much.

Mr. CANNON. Mr. Chairman, to those who make a hobby of collecting exceptional congressional papers, I recommend the retention of this committee report. In inadequacy, circuitous indirection, and lack of pertinent information, it is probably without parallel in the annals of the Congress.

To begin with there is the most astonishing omission in this report. There is no over-all summary. In every committee report down to the Eightieth Congress you will always find in an introductory paragraph near the beginning of the report a summation which analyzes and digests the bill and the report.

You will look in vain for any such summary, either at the beginning of this report or elsewhere. I do not recall having seen a committee report a bill, especially on an important bill of this kind, where you could not find even the total amount carried by the bill until you put a slide rule and an adding machine on it, and even then be certain as to whether you had not overlooked something.

What is the purpose of a report. The purpose of the report on an appropriation bill is to indicate how much is appropriated, for what purpose it is appropriated, and in what way the funds are to be expended. There is nothing in this report which gives you any such analysis.

For example, you will not find in this report any statement anywhere as to the total amount appropriated and authorized for commitment and expenditure. I do not recall ever having seen a report that did not give that information by way of preface. If you will turn to page 24 of the report and add the totals of title I and title II, you get $346,629,152.23. Apparently, we are to understand that this is the total amount carried in the bill.

But as a matter of fact when you go through the bill item by item and take all the appropriations, reappropriations, contract authorizations and authority for reallocations, you find that this bill totals something in the neighborhood of $600,000,000. In other words, approximately twice as much as we would be led to believe is carried in the bill if you work out your own arithmetic on a basis of the figures at hand. So that the average Member coming on the floor and picking up the report will be surprised to find, when the whole thing is worked out, that the bill really carries approximately twice what it appears to carry on the face of this report.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. Is there anything under the rules which would prevent the minority from filing minority views if they do not like the majority report?

Mr. CANNON. I do not recall having seen a minority report on an appropriations bill of this character.

Mr. MILLER of Connecticut. It can be filed, though, can it not?

Mr. CANNON. It is not done. The majority with their staff of experts, and all facilities at hand, are always depended on to write the report.

I was surprised when the chairman said in answer to my question that only about $6,000,000 or $7,000,000 in the bill

is for replacements of cuts made in former bills. If you go through this bill, you find that practically half of the new obligational availability is directly due to the need for restoration of amounts previously claimed as economies. In other words, this committee has ever since the beginning of the Eightieth Congress been operating in many instances on the installment plan. The departments come before the committee and demonstrate the need of definite funds and the committee arbitrarily cuts the appropriation below the amount on which the department can operate, and then tells the country that we have made a saving.

And when the money falls short of the requirements of the department the committee brings in a deficiency or supplemental appropriation which absorbs or more than absorbs the so-called economies.

The last deficiency bill passed here in the House was made up principally of such restitutions. And a large part of this bill is made up of such items.

These appropriations by installments do not save a thin dime. On the contrary, they involve additional and unwarranted cost to the Government. Additional work is shouldered on the Federal agencies and the Congress in the repeated processing of these "come back" estimates. Budget staffs are burdened unnecessarily with additional work and the committees and the two Houses must without profit devote valuable time and energy to these repetitious proceedings. And we end up by restoring the funds arbitrarily denied without supporting factual data.

Mr. TABER. Would the gentleman point out one such item as that?

Mr. CANNON. Certainly. Here, for example, is the amount restored for Government relief in occupied areas. And here is something like $75,000,000 of delayed funds for the postal service. And there is a very substantial amount here for replacement of cuts in the provision for the Atomic Energy Commission. And here is money for the replacement of arbitrary cuts in the replenishment of the working capital of the Government Printing Office. Just these items alone will total something like $295,000,000 instead of the $6,000,000 or $7,000,000 which the gentleman assured us just now would include all replacements for cuts made in previous appropriation bills and heralded to the country as savings and economies.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to my chairman, the gentleman from New York.

Mr. TABER. There was no cut in the contract authorization of atomic energy. Heretofore the cuts in the Post Office were not in the items to any extent that are involved in this deficiency, and there were no substantial cuts in appropriations that have been restored in this bill. There were a few small items, maybe six or seven millions.

Mr. CANNON. Instead of six or seven millions there are in round figures $295,000,000 of restored cuts in the four items alone.

I have here figures supplied by the Budget Bureau which show that the original and supplemental estimates for the Post Office Department were $1,707,473,000. The amount appropriated so far is $1,605,934,000. And the pending supplemental estimate is $141,319,000, of which about $75,000,000 is to replace cuts. The Bureau says about $75,000,000 of the supplemental appropriation requests is considered as needed to offset the cuts by the Congress.

On the Atomic Energy Commission item, the original and supplemental estimates were for a total of $250,000,000. Of this the committee recommended and Congress appropriated $175,000,000, leaving a deficit of $75,000,000. The Budget Bureau says:

> These figures exclude $250,000,000 in contract authorizations requested by the President, approved and enacted. Instead of requesting additional appropriations to make up for the appropriation cuts, a supplemental request for $150,000,000 additional in contract authorizations has been submitted—revision of original request of $200,000,000.

The chairman does not refer to the $2,000,000 cut made in the working capital of the Government Printing Office and here restored in part, or to the $5,000,000 here restored in cuts from the appropriation for Government relief in occupied territory. All these are official figures from the Bureau of the Budget and aggregate roundly $295,000,000, instead of the six or seven mentioned by the chairman.

No attempt is made in the report to summarize the contract authorizations. What is a contract authorization? It is an authorization to enter into a commitment, to create an obligation, which must ultimately be paid by appropriations. That is not economy. The mere fact that you say: "Now, instead of giving you the money I will authorize you to go ahead and make a contract and when the contract eventuates I will pay the money," is in effect an appropriation. And eventually an appropriation must be made to pay it. It is in no sense a saving or an economy.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Wisconsin.

Mr. KEEFE. As a matter of fact that technicality of contract authorization was conceived under the brilliant leadership of the distinguished gentleman from Missouri when he was chairman of the Appropriations Committee.

Now the gentleman is criticizing his own child.

The gentleman is abandoning his own idea and criticizing his own brain child.

Mr. CANNON. Certainly. We frequently used the contractual authorization when warranted. But the gentleman cannot point to a single instance in which we tried to represent to the country that we were saving money by deferring the day of reckoning.

By way of recapitulation, Mr. Chairman, the amounts carried in this bill for Government relief of occupied areas, the postal service, the Atomic Energy Commission, and the working capital of the Government Printing Office, and not including other similar but smaller amounts, total approximately $295,000,000 of restored cuts, which at the time were represented as savings. It now turns out they were not savings at all, and we are in this bill restoring them.

Let me emphasize. When you add this $295,000,000 of restored cuts to prior restorations and the corresponding economies claimed at the first session of the Eightieth Congress, you will have dissipated claimed savings to the extent of upward of $1,100,000,000.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, I shall only speak briefly, but I do want to add a word with reference to the $3,000,000 item which is recommended by your committee for the Veterans' Administration. That is an item in which many of us have been very much interested and which has created considerable concern in New England.

As has been pointed out, General Gray has assured your committee that, with the shifts in personnel which he can make and which he intends to make promptly from places where there may be excess personnel to places where there may be too little personnel, he can, in his opinion, with the money here recommended, provide all essential services for our veterans.

To my friends in New England I may add that General Gray has also testified that New England has been shown to be undermanned, and that the situation there is to be dealt with promptly.

Now, just to keep the record straight, I want to make one or two brief observations.

First, it has been represented in veteran circles that the proposed cut on March 31 was the result of the failure by the Congress to provide sufficient funds for the fiscal year 1948.

That, Mr. Chairman, is not the fact. The proposed cut resulted primarily from the recommendations of the President in respect to the fiscal year 1949, which are substantially below appropriations for the fiscal year 1948, and the determination of the Veterans' Administration to conform to the proposed reduction in personnel, not on July 1, but 3 months in advance of that date, on March 31.

Let me quote in this connection from a statement that I made on the floor of the House on June 17, 1947, as chairman of the subcommittee in charge of the appropriation for the fiscal year 1948, when this appropriation was under consideration:

> I want to emphasize as the report emphasizes that no recommendation made contemplates any cut in any benefit provided by the Congress for our veterans; that no recommendation contemplates any cut in financial assistance to the disabled, to the widowed, to the orphaned, or in medical care for those who are eligible.

And, again:

> The record is clear that the Committee on Appropriations and the Congress have not denied one cent or one employee requested for hospitals.

As a matter of fact, Mr. Chairman, we all know that the Congress with respect to the fiscal year 1948 in the medical field made available not only every cent that was requested from the Appropriations Committees of the House and Senate but in addition thereto the sum of $20,000,000.

Second, it has been represented in veteran circles that the proposed cut on March 31 was due to the fact that representatives of the Veterans' Administration had been told by the Appropriations Committee of the House that they could not come back for a deficiency appropriation.

That, Mr. Chairman, is not the fact. The representatives of the Veterans' Administration who made the assertion have admitted on the record before your committee that they can find nothing in the record to justify that statement.

I have been a member of the committee for many years. I do not recall any such statement being made at any time to the Veterans' Administration or any other agency of this Government.

I know it is unnecessary to state that the Congress will always provide whatever funds are shown to be necessary for the proper care of our veterans.

Mr. MUHLENBERG. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Pennsylvania.

Mr. MUHLENBERG. In my section of the country there has been a good deal of talk that the reduction in personnel in district offices is done deliberately by the Veterans' Administration in order to build up the few larger offices. Will the gentleman state whether or not that is the opinion of the committee?

Mr. WIGGLESWORTH. I cannot answer the gentleman categorically. I may state, however, that in the New England area it appears that the cut of last summer, which was limited strictly to administrative personnel and which amounted to about 5 percent for the country as a whole, was for unexplained reasons applied by the Deputy Administrator in charge of the New England branch office in such a manner that the regional office in Boston took a cut of about 9 percent and the regional office in Providence a cut of 13.3 percent, as compared with a cut in his own branch office of .04 percent.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New Jersey.

Mr. MATHEWS. May I thank the gentleman from Massachusetts for the statement he has just made before this Committee? I think it was confirmed by the statement of General Gray before the Veterans' Affairs Committee this morning that practically all, if not all, the cuts in personnel were made by him to adjust the Administration to the coming, contemplated cut recommended by the President's budget. I think the gentleman has made that clear. I think the Committee ought to understand it and I hope they do.

Mr. WIGGLESWORTH. I thank the gentleman.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The hearings also bear out that fact. I may say to the gentleman that I personally would like to thank him and the chairman and the other members of the subcommittee for the very fine and considerate hearing they gave the gentleman from Massachusetts [Mr. McCORMACK] and me when we appeared on our resolutions. Our resolutions called for $6,000,000 in order to put back the personnel displaced by the Veterans' Administration, because we feared these employees might not be taken back if the appropriation was not earmarked in some way and there was a ruthless displacing of splendid personnel.

May I ask the gentleman this question: Does the gentleman remember that General Gray said:

> The skin back to March 31 was done for the purpose of taking care of the payment of terminal leave and separation, etc.

So, of course, when the Appropriations Committee authorized the payment of $3,000,000, the report goes on to say, the terminal leave will be taken care of in the 1949 budget, so in effect General Gray will have more than the $3,000,000 to spend for personnel. Is not that true?

Mr. WIGGLESWORTH. I think my colleague from Massachusetts is correct. The 3,000 personnel who are provided for up to the end of the fiscal year will, of course, either be provided for in the fiscal year 1949 or will be taken care of in that year as to terminal leave.

Mrs. ROGERS of Massachusetts. But there will be no skin back now, so no money would be taken back for that.

Mr. WIGGLESWORTH. No.

Mrs. ROGERS of Massachusetts. My understanding also is that there will be other money that will be put into the 1949 appropriation for terminal leave.

Mr. WIGGLESWORTH. There will have to be additional money for the fiscal year 1949 over and above the President's recommendation either for salaries or for terminal leave.

The effect, Mr. Chairman, of approving the recommendation of your committee and allowing $3,000,000 for the Veterans' Administration is to authorize the retention for the time being on the rolls of the Administration of some 3,000 more persons than are recommended by the President in respect to the fiscal year 1949, and to give General Gray the force which he says is necessary to cover all essential services for our veterans.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TABER. Mr. Chairman, I yield five additional minutes to the gentleman from Massachusetts.

Mr. CROW. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Pennsylvania.

Mr. CROW. I want to clear up one point the gentleman raised in regard to coming to the Appropriations Committee for a deficiency appropriation. Before our committee this morning Mr. Moore, the budget officer of the Veterans' Administration, testified that the letter of instructions came from the executive department to live within that budget and not ask for a deficiency appropriation. It did not come from the Appropriations Committee.

Mr. WIGGLESWORTH. I thank the gentleman for his contribution. That of course is an entirely different thing from the charge that has been made that the instructions came from the committee.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I wonder if the gentleman would assure me about one item on page 11 of the bill at line 19 calling for the appropriation of $35,000 for the Department of the Interior. Will that make possible the continuation of the publication of the fish marketing reports?

Mr. WIGGLESWORTH. I am aware of the great interest of the gentleman from Connecticut in that item. I am glad to assure him that the sum recommended here is considered adequate to continue the work throughout the balance of the fiscal year.

Mr. SEELY-BROWN. I thank the gentleman.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. BATES of Massachusetts. Does that include the distribution and mailing of that marketing service which has meant so much to the fishing industry and to the fishermen generally?

Mr. WIGGLESWORTH. I am not familiar with all the details of the work. I understand, however, that provision is made for carrying on the normal work of the activity during the balance of the fiscal year.

Mr. BATES of Massachusetts. That is what I understood the Committee on Appropriations really did consider. I know and we all know in the New England area of the attention that the gentleman from Massachusetts [Mr. WIGGLESWORTH] has given to veterans' problems in that area, and that he is fully conversant with the underlying causes of complaints that have been made, particularly in respect to the closing up of contact offices out in the districts, which had exceptionally heavy case loads. That was the basis of my complaints and the complaints of many others of my colleagues in the Massachusetts area. It seemed to be the intention to load up the central office in Boston with personnel at the expense of the so-called contact offices out in the districts. Under the provisions of this bill with the $3,000,000 appropriation, the Veterans' Administration will be permitted, where it is justified, to maintain contact offices that carry heavy case loads if they find it is in the interest of the veterans to do that.

Mr. WIGGLESWORTH. Yes. We cannot, of course, run the Veterans' Administration from the floor of Congress. We have given General Gray the amount of money that he says he needs for all essential services, and he can apply the funds in the manner in which the gentleman suggests or in any other

way that he sees fit to meet the essential needs of the veterans throughout the country.

Mr. BATES of Massachusetts. So you are in full agreement with the statement of the gentleman from New York, Chairman TABER, of the Committee on Appropriations, that it is the intention where the services are essential in these contact offices out in the districts which are nearer to the veterans that consideration should be given to the maintenance of such offices under this appropriation.

Mr. WIGGLESWORTH. I am, wherever those services are essential.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. ANGELL. I note on page 6 of the committee report with reference to the Department of the Interior, Bonneville Power Administration, that an allowance of $625,000 was made plus the contract authorization of $1,475,000. Is that amount sufficient in the gentleman's opinion to permit the Bonneville Power Administration to carry forward its program for the generation and transmission of hydroelectric power which is so essential now in our war activities and preparation for war in view of the critical situation that confronts us?

Mr. TABER. Whatever the budget estimates were, they were allowed.

Mr. ANGELL. The budget estimate was $725,000.

Mr. TABER. We carry that money for the purpose of going ahead and completing the power lines so that certain territory could be served.

Mr. ANGELL. In other words, so that the full utilization of the power to be generated at Grand Coulee will be made available?

Mr. TABER. I do not know about the full utilization, but that amount was carried so that certain territory could be served.

Mr. ANGELL. I mean full utilization of power presently being produced and to be made available in the near future.

I am glad the committee has made this essential appropriation.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAHON], a member of the committee.

Mr. MAHON. Mr. Chairman, I think the Members of the House like to have the feeling at this critical time in the history of our world that we are providing adequate funds for the Atomic Energy Commission. Yesterday we authorized a tremendous program for relief to Europe hoping that we might help free nations to retain their freedom and join with us in preserving the peace and security of the world. Certainly while we are undertaking indirectly to help ourselves by helping others, we should undertake directly to help our own country become more secure. Unfortunately last year requests for the atomic program, that is the Budget estimates for the atomic program, were reduced. But the bill now before us provides $150,000,000 for the Atomic Energy Commission. The members of the Commission explained in detail the need for the money and they indicated no desire for funds at this time except the $150,000,000 provided in this bill in the form of a contract authorization. I might say that I feel the Congress has the right to feel that a real aggressive program is being carried out in the atomic military program.

The Members of the House have indicated considerable interest in the $3,000,000 provided for the Veterans' Administration. This man, General Gray, the new Director of the Veterans' Administration, who appeared before the Deficiency Subcommittee for the first time insofar as I know, made a good impression; at any rate, he made a good impression upon me. He seems to be a man who deals forthrightly and fairly. He seems to have an alert mind and a broad background of experience, and I am hoping that he will be able to do a good job in administering this gigantic program over which he now has jurisdiction. He said that he needed the $3,000,000, and this Congress is, of course, in this bill providing the $3,000,000 which he requested, and he has wide latitude in the use of those funds in the employment of additional personnel. I reassert my own interest in seeing that the needs of the veterans of the Nation are adequately met.

The Voice of America program came in for a considerable reduction. The report will show that something over $5,000,000 was requested but only a portion of that amount was provided by the committee. It is my sincere conviction that the Voice of America program up to date has not been very well administered, and I joined others on the subcommittee in some very pointed criticism of some of the work that has recently been done by the Voice of America program. We had access to some programs which have been broadcast which we thought were utterly ridiculous and could serve no useful purpose. It is only fair, however, to say that the Congress has provided the Information Service in the State Department with inadequate funds in the past—has denied the State Department the funds it has previously requested.

I regret to say that it is perfectly apparent that as propagandists our Government is not very expert; we are rank amateurs. But at a time when communism is threatening to engulf a large portion of the world and threatens the liberties of all free governments, it is certainly mandatory that we try to meet that challenge, and preserve our liberties. It is the duty and function of the Voice of America to help make known to the world the true attitude of our Nation and our desire for peace among all peoples. Personally, I would like to have seen the full request of the President for the Voice of America carried in this bill. Members will realize that when we are appropriating many billions for foreign relief and many billions for our own domestic national defense program that the few millions of dollars involved in the Voice of America program can easily be justified. We must do a bigger and better job if the best interests of the Nation are to be served.

The Geological Survey, which has the responsibility of making continuous and intensive studies of the underground and surface waters of the Nation was denied by $150,000 the amount of money requested. This, I think, was a mistake on the part of the committee, because there is hardly a county, city, or community in America that does not have a water problem of some kind, ground water or surface water problem, and I personally feel that the full amount of $635,000 should have been approved rather than the $450,000 which is provided for in the bill.

Some of the expenditures provided for in this bill do not contribute to the overall worth of the Nation. That cannot be said, however, of the budget request of $175,000,000 for the REA that was slashed to only $75,000,000 which, in my judgment, was a serious mistake. The full $175,000,000 should have been provided in fairness to those who are interested in the REA program. It should be said that REA officials have said they cannot commit or spend the entire $175,000,000 prior to July 1 of this year, but they can obligate a considerable portion of that amount and they can carry the remaining sums over into the next year, and in this year and next year we will have the most ambitious REA program which has ever been undertaken in the history of the Nation. Every time we build an REA line and bring electricity to a rural home we are enriching the Nation, increasing our productive capacity, and contributing to the health and happiness of the people. What is more, there is no out-of-pocket cost to the taxpayer. Rather it is a gain to the taxpayer.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Mississippi.

Mr. RANKIN. With applications now pending and the ones that will come in during the next fiscal year, they will exceed the entire amount of this $175,000,000 plus the $400,000,000 provided for next year. If the money is not spent, it will not be used and every dollar that is spent will come back with interest. So you do not even run a chance of losing a dollar by this appropriation.

Mr. MAHON. The gentleman is correct that these funds cannot be lost. There is no charge to the Treasury if the funds are not expended and at a time when our national commitments and obligations are so heavy there is every reason why we should improve our own productive capacity, our own workshop, so to speak, if we are to meet the unforeseen problems of the future.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. VURSELL. I would like to get this REA matter straightened out in my own mind. I read in the RECORD in connection with previous appropriations for the REA that it asked the Budget last December for $175,000,000, according to their own testimony given before your committee or some committee at a previous hearing. The Bureau of the Budget would not allow that request. Then a few days ago in the Agricultural appropriation bill the committee gave them $100,000,000 more than they had requested.

Mr. MAHON. That was for the fiscal year 1949 which will begin July 1, making a total of $400,000,000 for the fiscal year 1949.

Mr. VURSELL. In other words, they were given by this committee $100,000,000 more than the administration was willing for them to have?

Mr. MAHON. Than the administration requested for the next fiscal year.

Mr. VURSELL. More than they would O. K. at that particular time.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KERR. Mr. Chairman, I yield the gentleman from Texas five additional minutes.

Mr. VURSELL. There are $75,000,000 written into this bill which makes up the $175,000,000. Now you will have about $475,000,000, as I understand it, for the coming year, is that right?

Mr. MAHON. Well, no. You will have for the coming year $400,000,000 and according to this bill $75,000,000 for the remainder of this year ending on June 30, 1948.

Mr. VURSELL. You will have $475,000,000. Is it not a fact they have been able to extend REA as fast as they could get labor and material today?

Mr. MAHON. No; that is not the precise fact. These orders for REA equipment must be placed. They have got to compete with our domestic orders for materials and also with foreign demands. If the farmer does not get into the waiting line for these materials he never gets them. There is a period of waiting between the time these funds are obligated and they actually get the material. The hearings show very clearly that the materials are becoming much more accessible than they have heretofore been. The hearings will show that the Congress appropriated for this fiscal year $225,000,000. The REA has dribbled this money along throughout the fiscal year in order not to run short of funds, feeling they were acting under the mandate of Congress. They could have wisely expended or obligated all of this money. After all, this is but a loan which is later repaid the Treasury. The REA held back the program. It had to. They kept down the applications and they denied people the REA services which the people were seeking to get because they wanted to make this money last throughout the entire year. They could have obligated it much earlier.

Mr. VURSELL. I realize they could have obligated probably more money but it is still a debatable question whether they could have gotten the material and the labor. Taking into consideration this appropriation which will bring the backlog up to something like $450,000,000 and taking into consideration that we are likely to have an increase in shortage of material by reason of the fact that we voted for the Marshall plan, the chances are in the coming 12 months you will not be able to get anywhere near the material for which you have the money on account of the shortage that is bound to follow by the shipping of steel, electrical equipment, and everything else that is going out of this country under the mandate of the Congress which yesterday passed the so-called Marshall plan.

Mr. MAHON. That is all the more reason why we should appropriate now the $175,000,000 in order that the different REA cooperatives out through rural America may get these funds, may enter into contracts for the purchase of equipment so that their requests for equipment may have priority over others which may come from industry both in this country and elsewhere. So the passage of the Marshall plan is all the more reason why those who want to help the farmer get electricity should vote for this additional appropriation of $175,000,000 for this program.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. In answer to the gentleman from Illinois, and his observations made a moment ago, let me say that about a month ago I was back in the district which I have the honor to represent and attended a meeting of a cooperative made up of three counties in my district, and I found these facts: There were 4,000 farmers who had applications in for REA—as many applicants that could not be served as there were users in that cooperative.

In other words, these men had had these applications on file for months waiting and waiting for this service, which every farmer is entitled to, and this $175,000,000 will, as the gentleman says, permit the cooperatives to make contracts and allocations and make it possible for these farmers, after a 6- or 12-month wait, to get the service which they are entitled to. This is not an expenditure but a loan to solvent borrowers which will be repaid to the Government with interest. I do hope we adopt the proposed amendment and make life for the people on many of our farms a little brighter.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KERR. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. MAHON. I will say to the gentleman that many people have made applications and made their deposits for REA service not only twelve months ago, but several years ago. By reason of the war and shortages of material they have waited a long, long time, and therefore I feel that Congress ought to embark upon a real program to take electricity to the farm homes of America, particularly since it does not cost the taxpayers any money. I am not going to pretend to economize by denying electricity to the farm homes of the Nation.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. WORLEY. I would like to say to the gentleman that I agree with the views he expresses on the REA program. I intend to support the amendment that will be offered to increase the amount for REA. I understand such an amendment will be offered; will it not?

Mr. MAHON. That is correct.

Mr. WORLEY. While REA is of great importance, another particularly important item during these troubled times is the amount appropriated for the Atomic Energy Commission. Did the gentleman say that was increased by $150,000,000?

Mr. MAHON. One hundred and fifty million dollars contract authorization, which will later be followed by an actual appropriation.

Mr. WORLEY. Then all the money that has been requested for that purpose has been provided for?

Mr. MAHON. All the money presently requested has been appropriated or provided for in contract authorization.

Mr. WORLEY. Can the gentleman assure the House that the atomic energy program is moving forward fast enough to meet any international emergency?

Mr. MAHON. It is my opinion based upon the information given our committee that the program is moving along in a satisfactory manner. Of course, the whole matter is desperately important to our security.

I thank the gentleman for his comments. I know of his interest in that program and his aggressive support of REA and atomic energy development.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Does the gentleman remember the original estimates set up for REA for the present fiscal year?

Mr. MAHON. I do not have the figure. We appropriated $225,000,000 this year for the REA. What the budget estimate was, I do not recall. But, the budget estimate now before us is $175,000,000, and this bill provides only $75,000,000.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. KERR. Mr. Chairman, I yield to the gentleman from Texas [Mr. RAYBURN].

THE FARMER—WHAT WE HAVE DONE FOR HIM AND WHAT MORE CAN BE DONE

Mr. RAYBURN. Mr. Chairman, the Bureau of the Budget has recommended that we appropriate $175,000,000 in order to keep the REA program moving from now until July 1. I know something about that budget request from its inception.

I also know that from my State alone there are applications on file at REA for $17,737,000 from people who want electricity and who are able to pay for it. I know the REA does not have enough money for the remainder of this fiscal year to take care of these people, and I know that every cent of the amount we will appropriate here today will be applied for before the fiscal year 1948 is over, and every cent of the $400,000,000 that we appropriated in the regular agricultural appropriation bill for 1949 will be needed to take care of the requests that will normally arise after July 1.

The budget asked us for $300,000,000 for 1949. We very wisely added $100,000,000 to that. The budget request we are now considering asked for $175,000,000 for use between now and July 1. You cut $100,000,000 off that. In the final analysis, you have added exactly nothing to the President's estimate.

I urge that this $100,000,000 be restored so that what we did for the rural people

2 weeks ago will not be canceled by what we do to them today.

KNEW BUDGET ESTIMATE FROM ITS INCEPTION

When REA began to slow up in approving loan applications from my people and yours, I took this matter up with Mr. Wickard. He said at that time that REA could use for the remainder of this year $175,000,000 without receiving another application that was not already on file. I then went to the Secretary of Agriculture, who agreed to send over this budget estimate; and, after I talked with officials of the budget, the estimate did come over for this $175,000,000. That is why I said earlier that I know something of this item from its inception.

I can well remember when the bill to authorize rural electrification was before this body. I handled it. I reported it from the committee. It passed the Senate. I passed it through the House. Good men, sensible men, men who wanted to help the farmers, got on this floor—and I reviewed the record the other day and read their speeches—and some said, "This money is all going to be wasted. These farmers will take electricity, and when the bill comes around they will take it out."

TEXAS FARMS HAVE KEPT ELECTRICITY

If there is one farm in the State of Texas that ever had rural electrification that has taken it out, I know nothing about it. Most of the cooperatives are ahead on their payments. We are lending this money to these farm cooperatives, and this money that is going out of the Treasury is coming back with interest. It is not an expense to the Government. It is actually an investment that shows a current profit.

In my State, to show you what has been done, in 1936 fewer than 3 percent of the farm homes were electrified. Those few homes were either just out of the city limits or they were the homes of rich men. Of course, we had practically a hiatus of construction during the war because you could not get copper wire and you could not get transformers and you could not get the poles. But even though practically nothing was done during the war years, today more than 53 percent of the farm homes in all of the State of Texas have the comforts and conveniences of rural electrification.

MUST HAVE ELECTRICITY AND ALL-WEATHER ROADS

I want to point out another thing. The young people of rural America are not going to stay on the farms and raise the food we need to eat and the fiber we need for our clothing unless they have two things. One is the comforts and conveniences of electricity and the other is all-weather roads. We might just as well face the music. If we are to develop this country so that we can feed ourselves and have some surplus left over to trade with the other countries of the world in exchange for their surplus products, we must have these two comforts and conveniences—these two necessities for our farm homes.

FARM BOY DOESN'T FORGET

A boy who is born and raised on the farm may forget many things as he grows older—he may forget what he learns in school, some of his business sense may slip his mind—but he never forgets the farm.

Nobody knows better than I how true that is.

Through the years I have been privileged to serve as Representative of the Fourth District of Texas I have never forgotten that I am just a farm boy.

The teachings of the farm and the farmers' understanding of the wonders of the soil, the goodness of people, and the great power of prayer and humility—those things have been my guiding principles in all that I have done on down through life.

As I see the picture of the world today, America needs to turn back to the farm. If that could come to pass, I know this country would get closer to God. Many of the weeds in our thinking would be killed off if that happened. The roots of democracy do not grow deep in the slums of the big cities, through the mud of inadequate farm roads, or in the darkness of unelectrified homes.

Men of the soil brought this free land of ours into being, because as farmers, they understood what freedom means. Whenever our precious heritage is in peril, you can count on men of the soil being the first to defend it.

These things must be emphasized in order to point out just how important the farmer is. He is the cornerstone of our freedom in this country and in the world. Giving him the tools and assistance he needs to produce an ever-increasing supply of food is every bit as important as supplying guns and shells to our soldiers.

We must not make the farmer the scapegoat of political promisers by abolishing or throttling our farm programs. This is no time for that sort of foolish and false economy.

PROMISES DO NOT REPLACE RAIN

It is not my practice to engage in promising that I will do this or I will do that in Washington. I have followed that policy throughout my service in public office because promises do not replace rain; promises do not support the price of cotton; promises do not top farm-to-market roads, and promises do not turn on electricity in farm homes.

Let us examine just what the major problems of our farmers are. What are the basic farm problems in my district and all across the land?

The fundamental problem is conservation of the soil. After all, the soil is the farm. If the soil washes away or blows away or is worn out, the farm is useless. No activity of our Government is more important than soil conservation.

Soil may be wonderfully rich, prices may be high, but what does all this matter if there are no roads to get the farmer and his family into town and to the market?

COTTON FARMERS' MONEY DEPENDS ON CONDITIONS AROUND THE GLOBE

Finally, of course, there is the problem of markets abroad for the food our farmers produce. Sometimes the ports of Europe and Asia seem far removed from north Texas, but actually the money a Texas cotton farmer carries in his pocket may depend upon conditions halfway around the globe.

Now that is just a hasty review of the problems that are most important for the farmers of the country at present. What have we done, and what are we now doing to solve them?

FARMERS ARE AS POOR AS THE SOIL THEY LIVE ON

First, on soil conservation.

When I was growing up in the rich black land and fertile sandy loam country around home, soil conservation was practically unheard of. So the land was plowed up and down the slope; the timber was cut; the streams were undammed for many years, and the results were just as sure as rain.

Our rich treasure of topsoil began washing away from the fields, leaving gullies and ditches across the plowed ground, and making some areas unfit for use. If that had continued, my district—and a goodly portion of the entire United States—would today be covered with empty ghost towns.

But since I came to Congress, I have been privileged to work with many fine men in the House to secure steadily increasing appropriations for the work of soil conservation. It has been during the history of this work that the dust storms appeared and then were mastered by soil-conservation experts. Yes; and you see fewer pastures and fields gutted down to rock bottom with ditches now. I helped create the Soil Conservation Service. I voted for the first money to put it in operation. I have continued to vote for the funds needed to keep that work going.

FARMERS ARE DEPENDENT ON THE PRICE OF WHAT THEY GROW

Now, second, let us consider the matter of prices.

Congress and Members of this body cannot crook a finger and command prices to come up, but Congress has used its power to say that prices shall not drop below a certain point.

The farm price-support program is certainly one of the most sound and beneficial activites of the Government. The farmers, who take a big gamble every time they plant a crop, deserve this stabilizer—this minimum wage for farmers.

There is talk about cutting the price support for cotton to 52 percent of parity. That is the floor set for basic commodities by the Soil Conservation and Domestic Allotment Act of 1938. Prior to the passage of this act our Government had never acknowledged any responsibility for the welfare of the farmer. It set a new standard of Government assistance to those who feed and clothe our people. I helped to develop that policy. I have helped to raise that floor, until today the price of cotton is supported at 92½ percent of parity, and the Government has not only helped our farmers but has made nearly a quarter of a billion dollars doing it. Other farm prices are also supported against disastrously low figures that would spell ruin to our farmers, then ruin to our whole economy. I do not propose to sit idly by and see it destroyed or weakened by those who never knew what it is to drag a cotton sack.

FARMERS SHOULD NOT BE FORCED TO LIVE ALONE

Farmers know that "no man liveth to himself alone." It makes no difference how far the farmer lives from the courthouse, from the railroad, from the bright lights, he and his family have the same desire to be able to see and visit these developments of civilization—and the same right—as those who live in cities. To do this the farmer must have roads—not highways, desirable as they are—but just plain roads over which he can travel every day in the year. If he does not have such roads, he is likely to move to town. If he does so, he becomes a competitor of those already there. Is it not better for the city dweller to help that farmer and that farmer's family stay on farms where they will be consumers of the products of industry and labor? Will not that farmer and his family be happier on the farm and be worth more to the country if he has a road which will enable them to participate in the civic life of the community and in the business life of the trade center?

Recently we passed a bill extending for 3 years more this highway program. In 1944 when postwar highway building legislation came before Congress, I told the Members that at least 30 percent of that money should be set aside for farm-to-market roads. The Members agreed, and now we can have nearly 1 mile of farm-to-market road built for every 2 miles of highways if the States will appropriate money to match the Federal funds. I expect to continue to ask for funds for these rural roads.

FARMERS DEPEND ON REA

Fourth, the rural electrification question—the question involved in this bill.

When I came to Washington as a Congressman, I could not have imagined what the current of electricity would do to the rural areas of this land—bring them to life, give them new prosperity and new hope, and add all the luxury of city life to rural areas.

I am very proud that I sponsored the legislation in Congress that started the rural-electrification program in this Nation.

It is now evident to every eye what electricity has done for the homes in rural areas all across the land. Now our rural areas can compete with the urban areas as never before. A great new era of wealth, comfort, and happiness has been made possible by electric current.

I am proud that the Fourth District of Texas has been among the leaders in expanding the lines of the REA cooperatives and making current available throughout the district. I know that each family with electricity enjoys a better life because of it.

FARMER'S INCOME RELATED TO WORLD TRADE

And, finally, we come to the question of how the world situation affects the farmer.

Some would have you believe that Texas farmers are not bothered about the matter of exports, but exports may make them or break any man in north Texas. I shall make a brief illustration of one case I have in mind.

PRICE OF COTTON KEPT HIGH

After World War II, the Department of Agriculture and the Army engaged in a big program of disposal of millions of bales of surplus cotton abroad throughout the war-torn countries.

I went to see the Agriculture Secretary shortly before that was done and discussed it with him. I felt that getting rid of the surplus at once was the wisest thing to do and would mean much to the American cotton farmer.

The Secretary agreed and the order was issued. Those exports kept the price of cotton high and prevented a sudden and unfortunate drop right at the end of the war. If we are to maintain the markets for our cotton, we must maintain our exports. I am constantly fighting to maintain these conditions which are so vital to the sale of the products of Texas farms.

I have reviewed these actions, not with any desire for personal acclaim, but rather to point out the fight some of us have carried on for the farmers of the entire Nation.

In the legislative processes of the United States, miracles are not wrought overnight. We have only begun. Appropriating the $175,000,000 today will be one step forward.

Promises are easy things to bestow and easy to give away. It has been my observation that promises do not get the job done alone—work and experience are necessary.

Mr. KERR. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I was delighted to hear the remarks of the two distinguished gentlemen from Texas [Mr. MAHON and Mr. RAYBURN] supporting this additional appropriation of $175,000,000 for rural electrification for the balance of this fiscal year.

I was surprised to hear my distinguished friend the gentleman from Illinois [Mr. VURSELL] raise the partisan issue, because, so far as I am concerned, and so far as the House is concerned, I have never observed any partisan fight on the rural electrification issue.

I remember in 1938 when I put through the amendment for the first $100,000,000 for rural electrification, some men on the other side of the aisle, I can mention some of the names now: Mr. Treadway, of Massachusetts; Mr. Rich, of Pennsylvania; Mr. Knutson; Mr. Woodruff; Mr. Michener; Mr. Reed of New York, and others, joined me on the teller vote, and we only won by six majority.

That gave rural electrification a real start, doing more for the American farmers than anything else that Congress has ever attempted.

During most of the calendar year 1947 applications were received at the rate of $24,000,000 a year. The record shows, however, that for the first 11 weeks of 1948 they were coming in at the rate of eight and one-third million dollars a week. If this rate continues during the remainder of the fiscal year 1948 and throughout 1949, we will have applications for $850,000,000. We only have $50,000,000 carried over. So it will take the full $800,000,000—the $400,000,000 provided for next year, the $225,000,000 already appropriated for the present fiscal year, and the $175,000,000 we are asking for in this amendment.

If the Senate approves the $400,000,000 for the fiscal year 1949 which the House has passed, and if the budget's request for this $175,000,000 supplemental for the remainder of the year is appropriated, as I said, the combined total will amount to $800,000,000 for the expansion of this great rural electrification program. We will have, as I said, $850,000,000 worth of applications at the present rate, and with the $50,000,000 on hand, when that is expended, we will need $800,000,000 for the balance of this year and for the next fiscal year.

I have broken down the applications now pending in the Rural Electrification Administration, and I call the attention of my distinguished friend from Illinois to the fact that there are applications pending from the State of Illinois for $9,387,000; from the State of Kansas applications are pending amounting to $13,523,000; from Iowa, $13,781,000.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. NICHOLSON. I wish to ask the gentleman from Mississippi what it costs for the administration of this act.

Mr. RANKIN. I do not have the exact figures here. Probably some of the other members of the committee can provide them.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. VURSELL. I can well understand that there might be $9,000,000 in the third or fourth largest State in the Union, but the point I want to bring out in fairness is that many of these obligations are 4 and 5 years old and could not be serviced because of lack of materials during the war. May I say this—that there is no one more interested in taking care of the people of Illinois than I am.

Mr. RANKIN. I want to assure the gentleman from Illinois that in this respect I am more than willing to help him. This is not a local issue with me at all.

There should be a mail box in front of every farmhouse in America, and I agree with the gentleman from Texas [Mr. RAYBURN] that there should be an all-weather road to every farmhouse; but above all, there should be a power line to every farmhouse in America.

When I began this fight back in 1934, 90 percent of the farms of Germany were electrified, 90 percent of the farms of Japan were electrified, 94 percent of the farms of France and of Italy were electrified, 65 percent of the farms of New Zealand, a new and sparsely settled country, were electrified. In this country we had only 10.9 percent of our farms electrified. Today we have more than 60 percent of our farms in this country electrified. Let us make it 100 percent.

Let me remind you again that this money all comes back with interest. You are not giving these farmers anything. One reason they cannot get materials allotted is that they are not sure of the money with which to pay for them. This money will add billions of dollars to the wealth of this Nation, and, as I said, it will not cost this Government a dime. Every dollar of it will come back with interest.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MILLER of California. Would the gentleman care to make an observation as to where the washing machines, the radios, the milking machines, the electrical equipment that goes into these farm homes comes from?

Mr. RANKIN. Certainly, they are manufactured in the territory of our distinguished colleague from Massachusetts [Mr. NICHOLSON] and in New York and the Eastern States.

Mr. ZIMMERMAN. Mr. Chairman, the gentleman has mentioned the increase in value of our farms through being electrified. What would the gentleman say about the increased production on our farms when the farm is electrified?

Mr. RANKIN. It has been tremendous. It has taken to the farmer everything we have in the city except the noise and city taxes.

It has done more to raise the standard of living on the American farm than anything else that has ever been undertaken.

Mr. ZIMMERMAN. Is it not true that had the farms of America been electrified during the critical times through which we have gone, their productive capacity would have been far greater than what it was?

Mr. RANKIN. Certainly.

Mr. ZIMMERMAN. And if in future years we could electrify the farms and see that they got the equipment they need it would add immeasurably to national defense.

Mr. RANKIN. Absolutely. I cannot understand why anybody would oppose this program. They talk about $400,000,000 for next year. At the rate we are going I have shown you that we will have $850,000,000 of applications. When the Bureau of the Budget realized this they added this $175,000,000 to the $225,000,000 already provided, which will bring this up to $800,000,000, every dollar of which will be used legitimately in improving the conditions of farm life.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. McCORMACK. I agree with the gentleman about the soundness of the investment in this program. I can remember years ago when the gentleman from Texas [Mr. RAYBURN] introduced the bill which brought about the REA program in the House and we Democrats from the city recognized the full impact favorably upon our national economy as well as the happiness it would bring to hundreds of thousands of our fine farmers and their families, increasing their production and benefiting our national economy, and we Democrats from the city have always supported it.

Mr. RANKIN. I thank the gentleman from Massachusetts.

I have supported the development of all the water power in this country. When I came to Congress we were using 40,000,000,000 kilowatt-hours of electricity a year. That was in 1921. Today we are using five and a half times that amount. We have 230,000,000,000 kilowatt-hours of hydroelectric power a year now going to waste. I am in favor of developing all of it, and providing it to the American people at the lowest possible rate.

Here is a list of applications for loans by States. The 12 States which have in the largest total applications at this time are: Missouri, with $30,437,000; North Dakota, $22,490,000; Texas, $17,739,500; Nebraska, $18,579,000; Georgia, $14,790,000; South Dakota, $14,260,000; Iowa, $13,781,000; Kansas, $13,523,000; South Carolina, $11,795,000; Minnesota, $11,753,000; Kentucky, $11,147,000; and Florida, $10,250,000.

The complete list follows:

ALABAMA

The applications now pending from that State amount to $5,752,000.

ARIZONA

The applications now pending from that State amount to $1,076,000.

ARKANSAS

The applications now pending from that State amount to $4,785,000.

CALIFORNIA

The applications now pending from that State amount to $130,000.

COLORADO

The applications now pending from that State amount to $5,698,000.

CONNECTICUT

The applications now pending from that State amount to zero.

DELAWARE

The applications now pending from that State amount to $150,000.

FLORIDA

The applications now pending from that State amount to $10,250,000.

GEORGIA

The applications now pending from that State amount to $14,790,000.

IDAHO

The applications now pending from that State amount to $1,310,000.

ILLINOIS

The applications now pending from that State amount to $9,387,000.

INDIANA

The applications now pending from that State amount to $2,130,000.

IOWA

The applications now pending from that State amount to $13,781,000.

KANSAS

The applications now pending from that State amount to $13,523,000.

KENTUCKY

The applications now pending from that State amount to $11,147,000.

LOUISIANA

The applications now pending from that State amount to $2,591,000.

MAINE

The applications now pending from that State amount to $146,000.

MARYLAND

The applications now pending from that State amount to $800,000.

MASSACHUSETTS

The applications now pending from that State amount to zero.

MICHIGAN

The applications now pending from that State amount to $2,456,000.

MINNESOTA

The applications now pending from that State amount to $11,753,000.

MISSISSIPPI

The applications now pending from that State amount to $6,730,000.

MISSOURI

The applications now pending from that State amount to $30,437,000.

MONTANA

The applications now pending from that State amount to $8,462,000.

NEBRASKA

The applications now pending from that State amount to $18,597,000.

NEVADA

The applications now pending from that State amount to $80,000.

NEW HAMPSHIRE

The applications now pending from that State amount to $3,469,000.

NEW JERSEY

The applications now pending from that State amount to $140,000.

NEW MEXICO

The applications now pending from that State amount to $1,510,000.

NEW YORK

The applications now pending from that State amount to $127,000.

NORTH CAROLINA

The applications now pending from that State amount to $4,112,000.

NORTH DAKOTA

The applications now pending from that State amount to $22,490,000.

OHIO

The applications now pending from that State amount to $3,276,000.

OKLAHOMA

The applications now pending from that State amount to $9,407,000.

OREGON

The applications now pending from that State amount to $1,740,000.

PENNSYLVANIA

The applications now pending from that State amount to $2,170,000.

RHODE ISLAND

The applications now pending from that State amount to zero.

SOUTH CAROLINA

The applications now pending from that State amount to $11,795,000.

SOUTH DAKOTA

The applications now pending from that State amount to $14,260,000.

TENNESSEE

The applications now pending from that State amount to $10,055,000.

TEXAS

The applications now pending from that State amount to $17,739,500.

UTAH

The applications now pending from that State amount to $590,000.

VERMONT

The applications now pending from that State amount to $450,000.

VIRGINIA

The applications now pending from that State amount to $4,485,000.

WASHINGTON

The applications now pending from that State amount to $2,195,000.

WEST VIRGINIA

The applications now pending from that State amount to $53,000.

WISCONSIN

The applications now pending from that State amount to $6,059,000.

WYOMING

The applications now pending from that State amount to $2,550,000.

Mr. KERR. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I would like to propound a question to the distinguished chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER]. I notice on page 19, lines 3, 4, 5, and 6, of the bill an appropriation of $143,000,000 for government and relief in occupied areas. It appears from the hearings that the request was for $150,000,000 and in the committee report, page 9, it is stated that those in charge of the program advised the committee that a saving of $7,000,000 can be had in civilian-employee pay and travel and so forth. The committee is therefore giving the War Department the full amount requested for relief in occupied areas?

Mr. TABER. For food; yes, sir.

Mr. PACE. Inasmuch as the committee has allowed the full amount requested, the Department will be expected to substantially follow the justification and the items set out in the hearings under this $150,000,000?

Mr. TABER. That is my understanding.

Mr. PACE. I thank the gentleman.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, I was gratified and relieved at the assurances given by the distinguished chairman of the Appropriations Committee, the gentleman from New York [Mr. TABER] and the chairman of the subcommittee, the gentleman from Massachusetts [Mr. WIGGLESWORTH] that the $3,000,000 contained in this deficiency bill would enable the Veterans' Administration to restore the essential services that have been recently curtailed, and I desire to express my appreciation to the committee for their willingness to provide these funds.

I represent a State that has no veterans hospital within its borders, and a district that has had three contact offices closed within the last few weeks. Nashua, the second largest city in the State; Concord, the State capitol; and Claremont; all in my district, have lost their offices.

I met with other members of the New England delegation on March 8 to consider this serious situation and on March 11 was one of a committee which interviewed the President of the United States, urging him to remove the restrictions which prevented the sending up a request to the Committee on Appropriations. I have conferred with the Veterans' Administration within the last 24 hours and have been informed that this deficiency appropriation will permit the restoration of all essential services. I have every confidence, therefore, that the situation in my district, as well as the districts of other members here who have suffered the most heavily, will be taken care of immediately, and I take this opportunity to express my appreciation of the attitude of the Administrator in regard to this matter.

I am positive that we are all in accord on one thing, and that is that whatever our decision may be as to what can be done for our veterans who enjoy physical health, there is one place in which we will not economize and that is in the prompt service and efficient care of the injured and disabled veterans. I shall continue to press this point in behalf of those whom I represent.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, I wish to ask the chairman of the Appropriations Committee a question. He will recall that earlier in the year on an appropriation bill the chairman handled I presented a limitation amendment in connection with proposed conversions to oil from coal or new installations of oil-burning equipment in the appropriation bill then pending. The chairman and the committee were good enough to accept it at that time.

Subsequently, it seemed to me it would be more advisable to take the matter up with each subcommittee and inquire during debate if it was the intention of the committee that no part of the appropriation shall be used for those purposes unless it can be clearly demonstrated that it is absolutely essential. I have asked this question of the chairman informally. I understand that is the purpose and intention of the committee handling this particular appropriation bill. Am I right?

Mr. TABER. That is correct.

Mr. HESELTON. I thank the gentleman.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, I rise to request that the Appropriations Committee and this body give further consideration to the $700,000 item which was eliminated from the Bureau of the Budget's request for maintenance and operation of schools. I refer specifically to page 6 of this bill, lines 16–24. You will note that the committee has recommended for the Federal Works Agency, Bureau of Community Facilities, an additional amount for maintenance and operation of schools to the extent of $1,300,000. The request of the Bureau of the Budget for this purpose was for $2,000,000. At this point I would like to call your attention to page 3 of the committee's report. It states, in discussing this action regarding the Federal Works Agency, that the committee believes expenditures should be limited to deficits incurred during the current year rather than reimbursements for deficits incurred for prior years. The committee accordingly eliminated $700,000, which supposedly was the amount earmarked for meeting 1946–47 school deficits. I would like to point out, however, that the Federal Works Agency requested only $669,181 to reduce the 1946–47 school deficits. In cutting the request by $700,000, then, the committee has actually eliminated $30,819 needed to meet 1947–48 school deficits. The Congress should, therefore, consider restoring this $30,819 if we are to meet the anticipated 1947–48 deficits. In fact, I might add that the deficits originally anticipated for 1947–48 have been exceeded because of the severe winter in sections of the country where the schools concerned are located.

I also wish to briefly call the attention of the Members of the House to the importance of meeting these 1946–47 deficits. It was the intent and purpose of the Lanham Act and the Landis Act which succeeded it to meet the deficits incurred by the schools which qualified for assistance under these measures. The fact that sufficient appropriations were not available in 1946–47 to make it possible for these schools to enter the 1947–48 year free of deficit is not the fault of the schools involved. These deficits are not just figures for academic discussion, they are actual bills which must be met. During the hearings of the committee some question was raised as to the legality of appropriating funds this year to meet the deficits of 1946–47. That matter was adequately settled by Mr. Frank L. Yates, Acting Comptroller General of the United States. Mr. Yates, in a letter to the Federal Works Agency, stated that to meet the 1946–47 deficits with funds appropriated this year was not prohibited by Public Law 317 and, as far as his office is concerned, no objection thereto would ever be interposed. To illustrate how real this problem is, I would like to cite you specific cases which exist in my own congressional district. Of the nine school districts eligible for Landis Act funds, six have sizable deficits carried over from 1946–47. These are as follows:

School district:	*1946–47 deficit*
Kent Meridian School District, No. 222	$2,080.24
Kent School District, No. 413	14,526.00
Redondo Federal Way School District, No. 210	11,970.00
Auburn School District, No. 408	41,404.00
Bellevue Overlake School District, No. 405	16,000.00
Clover Park School District, No. 400	4,462.09
Total	90,442.33

So you see, gentlemen, in one congressional district alone there is a 1946–47 school deficit totaling $90,442.33 which must be met.

I sincerely hope, therefore, that in the final action this Congress will appropriate sufficient funds to meet the 1946–47 school deficits and provide the amount in 1947–48 to meet the needs of the schools which are eligible. Therefore, Mr. Chairman, at the proper time I shall move that we amend line 21, page 6, of this bill to strike out the figure $1,300,000 and insert the figure $2,000,000.

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentleman from Idaho [Mr. GOFF].

Mr. GOFF. Mr. Chairman, I rise to express my appreciation to the Appropriation Committee for its action on the reclamation items in this bill and for the friendly attitude that has been shown by our Appropriation Committee toward reclamation. I think it is clear refutation of the false and partisan charges so often made that the Republican leadership is unfriendly to reclamation in our Western States. I particularly commend the fairness and discriminating judgment manifested by the chairman, the gentleman from New York [Mr. TABER] and the gentleman from Iowa [Mr. JENSEN], of the Interior Subcommittee.

Mr. KERR. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

FIGHT AGAINST AGRICULTURAL CREDIT ASSOCIATIONS

Mr. PATMAN. Mr. Chairman, although we have three times as much available money and credit as we ever had before in history, interest rates continue to go up. The law of supply and demand is evidently not working in this field. I am a strong believer in a sound and adequate banking system. For that reason I have always supported the private banking system by helping to pass laws that would encourage and protect the private banking system. The agricultural credit system is also a part of our private enterprise system and should be encouraged and protected. Congress has been too good to the private banking system for this system to now take advantage of its strength and power to try to destroy our agricultural credit system. Congress provided the money to set up the Federal Deposit Insurance Corporation; Congress made it a violation of the law for more than a very small amount to be paid by banks on time deposits—this was one of the earlier price control acts which remains in effect—Congress, in order to help the banks, made it a violation of the law for interest to be paid by a bank on demand deposits—these two provisions represent a net savings to banks of more than $500,000,000 annually compared with prewar years. I am not complaining but I am bringing these points up to remind the banks that they have been helped substantially by Congress and they should not complain if Congress extends some help in the form of credit to farm credit associations. Many other privileges and benefits to banks extended by Congress could be enumerated and if the banks continue to fight the farmers organizations it might become material to disclose them. It is my sincere hope that the banks will cease their fight against the farmers credit organizations.

The following letter by an able, public-spirited citizen of Texas, along this line is self-explanatory:

Mr. V. S. MARETT,
Chairman, Agricultural Committee,
Texas Bankers Association,
Gonzales State Bank,
Gonzales, Tex.

DEAR MR. MARETT: The conditions of our country are such that I am unable to treat lightly the letter of September 17 which you sent me asking, as chairman of the Texas Bankers' Association, for suggestions to be considered by your committee, in deciding upon its agricultural program.

In my letter last week suggesting that you propound like requests for suggestions to the Council of Economic Advisers to the President, to the Committee for Economic Development, and to the Department of Agriculture and proffer cooperation in problems pertaining to agriculture, it was my thought that such request and proffer from such source would serve to increase the interest of these groups in the problems of agriculture, as well as get suggestions from sources at the top in national economics.

To do a worth-while job will require expense. Make a worth-while program and get it and a budget of the needed expense approved by the president of the association. Submit both to member banks with requests for contributions to expense. The amount properly prorated will require small contributions of the several banks.

The two items I consider of prime importance in agriculture are soil and credit. These are of equal importance to our entire Nation. Both rural and urban people must be made aware of and kept impressed with the importance of soil conservation to them and to the entire Nation, until all become concerned. When all become concerned, that which should be done will be done. The conditions and importance of soil are told in the pamphlet Our Native Land, a Trust to Keep, and the newspaper clipping, How Strong Is America, which are enclosed herewith. I need not dwell upon the importance of soil. No country can out last its soil.

As to credit: Production of food, clothing, shelter, and everything that people use has to be produced. Credit is required in production. The larger production, the larger amount of credit. It was this Nation's credit and production that won the last war and with them, we are endeavoring to win the peace.

Production and credit require and demand a market for their products. When demand drops, production stops, and credit is left to stand and carry on or crash.

The booms and depression of recent years have taught us the need for strong and stronger credit. The depression of 1914–15 gave us the Federal Land Bank Act. The Federal Intermediate Credit Banks followed the postwar depression of 1921–22. The Coolidge prosperity largely increased credit. Demand for production began dropping in 1929. By 1933, 14,820 State and national banks with $8,484,101,000 of deposits failed. Strong as was the Federal Reserve System, the burden was too much. The credit structure of the Nation had to be strengthened. The Congress provided the Reconstruction Finance Corporation and added to the cooperative agricultural credit structure the banks for cooperatives, the production credit corporations and the Federal Farm Mortgage Corporation. The Reconstruction Finance Corporation came to the assistance of banks with over $3,000,000,000 of loans to them and/or investments in their capital structure.

The land banks, intermediate credit banks, banks for cooperatives, the production credit associations, with the aid of the Federal Farm Mortgage Corporation, shared with banks so strengthened and other lending concerns the debt burden of agriculture and all were strained to capacity.

There never was a time when our country had so great a need for strong and stronger credit institutions than the present. We must carry on. We must not crash. Both abundant credit and courage are required. Our Nation's welfare, the welfare of all Europe and the very preservation of civilization are largely dependent upon the credit strength of our Government and that of our credit institutions.

Such being the case, I am shocked and puzzled that the American Bankers' Association permits the Agricultural Commission of their association to be, at this time, endeavoring to destroy our cooperative farm credit system, which has done so much for agriculture and has been of value and convenience to commercial banks of farming sections of our country, when farmers have been unable to pay from farm income. See pages 4, 5, and 6 of Remarks by Governor of Farm Credit Administration, enclosed:

The annual cash income from Texas farms from 1928 to 1932, fell from $867,436,000 to $284,783,000—a fall of over 300 percent. Some further figures on Texas farm annual cash income: 1935—$400,542,000; 1939—$434,100,000; 1943—$1,067,269,000; 1944—$1,154,777,000. These changing conditions are not due to production but to prices that are not of the farmers' making.

What will happen if and when production shall exceed demand? Who, under the conditions now prevailing, would destroy or weaken any of our credit institutions, is more than shortsighted. He is blind as Sampson and bereft of reason.

The agricultural committee of the Texas Bankers' Association can do no greater service to agriculture, to Texas bankers and to the Nation than to acquaint itself of the advantage of cooperative credit and of cooperation in general in agriculture and become a factor in promoting it. I will mention a few items of advantage:

1. Cooperative agricultural credit possesses the strength of a government supervised and carefully directed group of thousands of farmers, as against the credit strength of an individual farmer.

2. Cooperative agricultural credit makes loans only for the purchase of land, improvements on land to be used for production and for production. The use of that credit is not inflationary as are loans for the purchase of consumer goods, now alarming the executives of the Federal Reserve Bank System.

3. The country needs the family-size farmer and farm family. Production that employs urban labor, needs the market farm families' buying power affords. For this market to serve to best advantage, these families should stop decreasing and must, in the future, have more stable income than in the past. Only by cooperation can that be attained.

4. The discovery is being made that the individual farmer cannot compete with large capital concerns, engaged in farm production of crops, with full supply of mechanized power and other machinery.

5. Collective action, by means of the corporation, has surpassed and supplanted the individual in all classes of industry except farming—proving the advantages and strength of collective action over the individual.

6. The rural community needs the collective advantages of cooperation, just as towns and villages need the collective advantages of the corporation.

7. Cooperation will strengthen and advance the industry of agriculture in the same manner the corporation has advanced other industries.

8. Finally, if we are to preserve our Government and the American way of life, we must keep the liberty-loving, independent, self-sufficient farmer and farm family, who Herbert Quick said "Are the ballast of our ship of State." Our form of government needs the stabilizing influence of our rural vote. Production needs the strength and certainty of cooperation. In cooperation, there are no strikes and no lockouts. There is no fight between labor and capital. Dr. Charles Eliot, president emeritus of Harvard, said "Cooperation affords an admirable example of collective action which does not diminish individual initiative and liberty, or

hinder the development of the individualistic virtues."

The soil conservation pamphlet and memoranda pocket book I am sending you would be a suitable and appreciated gift by banks to their farmer clientele. They can be had, without limit, for the asking.

Yours sincerely,

S. A. LINDSEY.

HIGH INTEREST

December 11, 1947, I made the following statements concerning higher interest:

There seems to be a deliberate attempt in this country, by powerful people, to greatly increase interest rates. The Government is now paying $5,000,000,000 a year interest on the national debt at the rate of 2.01 percent interest. Most of our house loans are 4 percent. A $10,000 home now can be purchased on long terms at a low rate of interest. Before 1933 such a home, as now sells for $10,000, would have been available for $4,500, but not as well constructed; and the purchaser of such a home then, on time, would have had 2 or 3 mortgages with refinancing problems practically every year and high interest rates, commissions, and fees to be paid. As high as the house is now, the purchaser, under Government standards, will not spend any more for the $10,000 house in the end than he would have spent in the end prior to 1933 for the $4,500 house. This illustration is not given to justify the high prices of homes today, but to indicate the disastrous effects of high interest rates. The result would likely be a stoppage of housing construction. If interest rates are increased, that means higher taxes in every city, county, and State in the Nation. It also means a higher cost of doing business for utilities that serve a city, which will result in higher rates to the utilities. Higher taxes and higher utility and transportation rates will mean higher wages and higher prices, both of which add to the spiral of inflation. Secretary of the Treasury Snyder is resisting this move to substantially increase long-term interest rates but the proposal is being pushed by very strong and influential people.

TIGHTER CREDIT

February 19, 1948, I made the following statement concerning higher interest rates:

The Reconstruction Finance Corporation, Government-owned, has been the means of keeping interest rates down the past 15 years; however, last session of Congress, the RFC was hog-tied and does not have the power to keep interest rates down that it formerly had. The lending institutions are taking advantage of this and are demanding higher and higher interest rates. This can lead to considerable trouble. The credit needs of business are very large and any increase in interest rates will be reflected in higher prices to the consumers. If the electric light, gas, water, railroads, and other utilities are compelled to pay higher interest rates, they will be seeking higher rates from the consumers, which will lead to higher taxes from the city to the Federal Government level. During the war, the average annual rate of interest paid by the Government on Government bonds was less than 2 percent; on account of tightening our interest rates the last few weeks, the average on the national debt has already increased substantially above 2 percent. Higher interest rates are already slowing housing construction.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. MACK].

Mr. MACK. Mr. Chairman, the House Appropriations Committee and its able chairman [Mr. TABER] are entitled to the greatest praise by every Member of this House for the outstandingly excellent job being done in cutting Government spending.

We must cut spending if we are to enjoy tax reduction. By cutting the spending this committee is making tax reduction possible and when we get tax reduction the workers get what amounts to more carry-home pay.

Tax reduction means that every citizen gets more money every pay day to take home to spend on his family rather than giving it to the Government for the politicians to spend for him.

In one respect, however, I believe this bill has gone too far in cutting costs. The item I refer to is the reduction to $1,300,000 of the $2,000,000 asked by the Federal Public Works Agency for the relief of school districts in war-swollen communities.

In one city of my district, Vancouver, Wash., the population increased from 20,000 to more than 60,000 in 3 years, largely as the result of war shipyards and war aluminum plants moving into that city.

Most of the new population moved into war housing from which the local community received no taxes. Yet the children of these newcomers—and the number of those children was great—had to be educated and the citizens of Vancouver, believing that the success of democracy depends on education, did educate those children.

The cost of this was exceedingly heavy on the school district of Vancouver. The Federal Government has shared some of that cost, but not all by any means. As a result of this heavy cost, the Vancouver school district no longer is in as good financial condition as it should be.

The Federal Works Agency which has surveyed the conditions believe that the full $2,000,000 is required to reimburse Vancouver and some 100 other similarly situated cities, and communities which suffer from war-swollen populations for the financial sacrifices the citizens of these cities and districts have made.

I hope that the full $2,000,000 originally proposed for this item will be restored in the bill.

Mr. TABER. Mr. Chairman, I yield the remainder of the time to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, the committee has acted on three propositions in this proposal, and I wish to congratulate them for their good sense and statesmanship. I refer specifically to the subject matter of the Bonneville Power Administration on page 6 of the report, Mount Edgecumbe Sanatorium, Sitka, Alaska, page 7 of the report; and particularly Turnagain Arm Road in Alaska, which is covered on page 8 of the report.

Yesterday afternoon this body overwhelmingly approved the plan for European relief, which plan I voted against, and I am now satisfied that we are on the way to plenty of trouble in the years to come, and insofar as I am personally concerned, I propose to support appropriations and other proposals to build the defense of this country, to the end that we may meet the military obligations which were voted by the Congress in this European relief program.

I think Alaska is one of our strategic areas of defense, and I look upon Alaska as the buffer state between Russia and the United States, and now I look upon the United States as the buffer state between Russia and the balance of the world. I consider power production and distribution in this country as essential as bread and butter and meat; and I consider the protection of the people of Alaska as important as the protection of the people in our States, and apparently the committee is moving in this direction.

Mr. RANKIN. Mr. Chairman. will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Mississippi.

Mr. RANKIN. The highest tide in America, with probably one exception, is at Turnagain Arm Road, Cook's Inlet, Alaska, it being 48 feet. I requested the Army engineers to make a survey of the possibility of developing hydroelectric power from that tide at that place.

Mr. CRAWFORD. I am in favor of developing hydroelectric power in Alaska, and I am in favor of making Alaska a State of the Union and paving the way for a million new settlers to go into that territory. We need them in that area, and we need them as quickly as we can get them there.

Mr. RANKIN. There is enough potential power in Alaska, I will say to the gentleman, if it were developed, to run a dozen States, almost.

Mr. CRAWFORD. That may be true. I have no patience at all with the argument to the effect that the Alaskan people cannot afford to pay for the State government which the Alaskan people will impose upon themselves. I have no patience with the argument to the effect that the people of the United States are able to do these other things in the world and yet we are unable to finance a new statehood in Hawaii or finance a new statehood in Alaska. So I think we had better drop that argument that some people have been using in recent months. Continuing with this matter of defense which the Committee on Appropriations has approved here on these three items, plus others which are mentioned in this bill; I am in full accord with it, and I congratulate the committee. So far as I am concerned, I am ready to vote for the reenactment of selective service just as quickly as the proper committee can bring it before this body. We might as well get into the harness and take up the financial obligation we have now assumed under the proposition voted upon here yesterday afternoon. I am not in favor of proceeding at this time with universal military training, and at the present time I do not propose to support it. But I do want my people to understand that although I voted against that bill yesterday afternoon, I voted my convictions on it. I still think it is an unsound course for us to have adopted. However, it is now the policy of this country, and I have serious doubts now whether this Congress should further support the reduction in taxes, because there is very little sense in our voting tax reductions

and then voting as we did yesterday afternoon. I shall not be at all disappointed if the President's veto of the tax bill is not overridden, because it will simply be a piecemeal affair; for next year we will need between $45,000,000,000 and $55,000,000,000 or more in the Budget on today's price levels. At the same time, I am not going to raise any bitter argument about giving the people a little grass for the current calendar year in the way of a tax reduction. But as we give it to them, we had better say to them that we will increase taxes next year or we will go into deficit financing. I do not propose to support deficit financing where the national income is running at the rate of $225,000,000,000 to $250,000,000,000 a year.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Construction of buildings: In addition to the appropriation of $1,377,920 contained in the Federal Security Agency Appropriation Act, 1947, for the construction of an engineering building and women's dormitory units on the grounds of Howard University, the Public Buildings Administration is authorized to enter into contracts for the purposes of said appropriation in an amount not to exceed $1,706,000: *Provided*, That no contract shall be entered into for such purposes which will result in a total cost to the Federal Government for completion of such buildings in excess of $1,788,000 for the engineering building and $1,378,000 for the women's dormitory units: *Provided further*, That the limitations on contract authority and total cost may be exceeded or shall be reduced by an amount equal to the percentage increase or decrease, if any, in construction costs generally dating from January 1, 1948, as determined by the Federal Works Administrator: *Provided further*, That transfers of funds may be made to the Public Buildings Administration, Federal Works Agency, of amounts appropriated for construction of these buildings.

Mr. FOGARTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 6, after line 7, insert the following:

"OFFICE OF VOCATIONAL REHABILITATION

"Payments to States (including Alaska, Hawaii, and Puerto Rico): For an additional amount for payments to States in accordance with the Vocational Rehabilitation Act, as amended (29 U. S. C., ch. 4), $2,000,000."

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Chairman, in my honest opinion, the Office of Vocational Rehabilitation is one of the best agencies of the Government I have ever run across. They have appealed to the Deficiency Committee this year for $2,000,000, and that has been stricken from the bill you have before you this afternoon.

I noticed in reading the report of the committee that they have denied this $2,000,000 for additional grants to States on the basis that they claim that the testimony discloses that these programs are successful in only 38 percent of the cases. They go further to say that on this basis it seems fair to say that expenditures in 62 percent of the cases are wasted because they fail to result in placing the individuals involved on an employable basis. This is a misleading statement.

When I read this statement this afternoon, having only finished with the testimony of this agency 3 or 4 weeks ago before the Subcommittee on Labor and Federal Security Appropriations, I checked into the figures we received in the hearings held by our committee, and I find that this statement is completely misleading. Apparently the Deficiency Committee, in considering these percentages, took into consideration that there were 112,000 applicants for vocational rehabilitation and only 43,800 were actually rehabilitated. The truth of the matter is that, out of the 112,000 applications for rehabilitation, 46,000 were thrown out on the basis of the application and the individuals would receive no help whatever. An additional 20,000 were thrown out after they had applied. Therefore the actual figures are that 46,000 applicants were taken into the program and 43,800 were rehabilitated and are employed today, which on a percentage basis means that 94.3 percent are now employed. That is a pretty good record for a Government agency to establish on the applicants they work with. Mind you, on the basis of the economy of our country, those 44,000 persons who were rehabilitated in 1947 have an earning capacity now of $70,000,000. They are turning in to the Federal Government in taxes $5,600,000. As a result, for every dollar that we appropriate for this program the Federal Government gets in return $10. It is not only beneficial to the Government, it is beneficial to every community in this country. It is beneficial to every State in the country.

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. POTTER. Is it not true that the States have appropriated as much money as they expected the Federal Government would match with Federal funds, and that the programs have been started to rehabilitate disabled persons? Those programs will be curtailed and the money then will be wasted that has already been put into the program.

Mr. FOGARTY. You are absolutely right. If these $2,000,000 are refused it means that the number of applicants they had hoped to rehabilitate in the year 1948 cannot be rehabilitated. They must say to 2,000 or 3,000 people who have been promised these services and this help by the Federal Government that the Congress refuses to appropriate the necessary amount to rehabilitate them in the year 1948. They will be told, "You will just have to wait your turn." Read the hearings before the deficiency committee. There was no justification, in my opinion, to leave out this $2,000,000. That is one of the best agencies in the country today. It is doing most good for those who do not have a chance to get by. It gives to every person who is of employable age and who can be rehabilitated a chance to hold his head high in the society of his own community and not be a ward of that particular community. Of these additional funds that are asked for, there is nothing that goes for additional personnel. What they are trying to do is to get $2,000,000 to bring their program for the year 1948 up to date mainly because of the rise in the cost of living and the rise in the cost of services which are necessary to take care of these poor, unfortunate people.

The only money out of these $2,000,000 which will go for anything else is $75,000 for audit adjustments. I think any sound governmental agency wants to make sure that their agency is in a sound fiscal position and so that they know where every dime is being spent.

This agency asked for $3,500,000 more than we allowed them for the fiscal year 1949. I offered an amendment at that time to raise the amount from eighteen million dollars to twenty-one-million-four-hundred-thousand-and-some-odd dollars. I gave as my reasons that the economic value to our Government was great as was the humane value to the person who was being rehabilitated. My distinguished chairman of the Subcommittee on Appropriations, the gentleman from Wisconsin [Mr. KEEFE], admitted that it was a great program. But the only thing that he had to offer that day was, "We must stop somewhere." Now I realize also that these things cannot keep going on and on pyramiding year after year, but we are responsible for this money that they are asking for now. We passed the original law. This law has been in effect since 1920. Five years ago the Congres liberalized the law. We placed no limitations then on the amounts that could be expended. If we want to do this in the right way and place a limitation on the amounts to be appropriated by this Congress or future Congresses, we should put a limitation in as to the number of people who can be rehabilitated year after year. In that program which they have for 1949, if they receive the $3,500,000 additional, they could by their own figures rehabilitate 64,000 people in the next fiscal year who will have an earning capacity of $100,000,000. They would pay in Federal taxes about $9,000,000 to say nothing of State and local taxes, not taking into consideration the relief load which would be lifted from the local communities and the States and our Federal Government as well.

Mr. Chairman, if there was ever a more worth-while project in our Government; one so necessary in the functions of those who are not able, through no fault of their own, to earn a living for themselves, I have never heard of it. It is a responsibility we owe to those unfortunate people. There is something that can be done about it. We can get them back on their feet. It is a worth-while program and I sincerely hope that this House this afternoon will grant this $2,000,000 additional that this Agency needs for the fiscal year 1948.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mrs. LUSK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in behalf of this amendment. Like the previous speaker, I, too, am deeply interested in this program, but from a different angle. I am interested in the trainees, the prospective trainees, who would like to retrain in order that they might become self-supporting and not be a liability upon the Government any longer.

There are two justifications, I think, for the restoration of this $2,000,000 requested in the original budget. In the first place, the $2,000,000 represents just about the percentage of the budget that our cost-of-living percentage has risen over the past year. In addition to that the war industries during the war period were a great hazard to those people who were engaged in the industry. A great many people, because of accidents, had to retrain in order that they may become self-supporting.

I would like to give you a little incident in my experience as executive officer of that program in New Mexico. During part of the year 1944 and the fiscal year ending July 1, 1945, we had trained 79 people who were really ready for entering employment again. The first year's check on their salaries, their earnings, amounted to something over $100,000 for those 79 workers who were retrained under the program. Their withholding taxes or income taxes amounted to more than half of the year's Federal money received by the State for the support of the program. If those 79 people could do that in 1 year it would not take very long to pay back their debt to the Government for their training. I cannot think of any program that the Government sponsors that does as much good as vocational rehabilitation. It is true that the program is not so well known, but it is not well known for one special reason. The instructors and the supervisors and the workers in this program go quietly about their work, because it is the desire of the leadership to protect the unfortunate people who need the training. If too much publicity were given to the work and to the opportunities offered, it might result in a hesitancy on the part of some people to retrain, and I think it is very wise that they do protect the trainees. I would like to urge that every Member reconsider and help to restore this very much needed $2,000,000.

Mr. FOGARTY. Mr. Chairman, will the gentlewoman yield?

Mrs. LUSK. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I would just like to get these percentages straightened out. The statement in the report is completely misleading that only 38 percent of the program has been successful. They had 111,000 cases in 1947. They screened out 45,000 before they gave them any service at all. They screened out an additional 20,000 after they had been talked to, which left a net sum of 46,000 persons who were in the program, and out of 46,500, 43,800 were rehabilitated in 1947, which is an average of 94.3 percent successful.

Mrs. LUSK. I am glad to answer the gentleman from Rhode Island that in our case more than 90 percent of the trainees are successful when they reenter employment. We have in New Mexico a health situation. A great many people come there for health purposes, and when they are able to work again they must learn to do something that will not be too much of a hazard upon their health after they have recovered from tuberculosis or other respiratory troubles. Those people have to be given some opportunity to learn a new work. This is the only program that provides that opportunity. Too many of the prospective trainees have no money for education after they have undergone medical care and health resoration.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. POTTER].

Mr. POTTER. Mr. Chairman, may I ask the chairman of the subcommittee [Mr. KEEFE] if this $2,000,000 is not appropriated will it curtail the services to disabled persons that have already been started?

Mr. KEEFE. My understanding is that it will curtail the number of those that come into the program.

Mr. POTTER. In other words, a trainee who has already started and is in the middle of his training will not be dropped because of lack of funds?

Mr. KEEFE. That is my understanding of it. It will simply curtail the number that they take in month after month, that is all. I read the record, and I hope the gentleman heard the questions and the answers that I directed to Mr. Shortly, the director.

Mr. POTTER. I was not certain about that and I wanted it cleared up.

Mr. KEEFE. That is my understanding of it. In other words, they have certain people who are eligible for the program and they bring them in from month to month as they dig them out of the population. It simply means that a reduced number will have the availability of the program to the end of the fiscal year.

Mr. POTTER. On page 3 of the report it is stated that only 38 percent of the cases have been successful. What is the basis for that?

Mr. KEEFE. I did not write that report, as the gentleman well knows. While I am a member of the committee, it is not my report. The basis for it was the language of the gentlemen who testified before the Deficiency Committee. It is found on page 431 of the hearings. I read the questions and the answers from the hearings, and there it is:

About what percentage are you able to make a go of?

Mr. BURNS. That is running about 38 percent of cases closed.

That is plain English to me.

Mr. POTTER. That seems to coincide with what the gentleman on the other side said, that that includes the cases that came in and applied and were automatically closed without service being rendered, because they were not eligible, possibly, for the training.

I am not exactly a novice in the field of vocational rehabilitation. I think it is very essential that we salvage as many broken bodies as possible. In fact, I much prefer to vote for an amendment that will provide $2,000,000, which will be matched by the States, thus having a $4,000,000 training program for disabled civilians, so that those people will become tax producers and not tax consumers.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I am in receipt of a letter from Mr. Boyle C. Scurlock, director of vocational rehabilitation division, State Department of Vocational Education of the State of Oklahoma, dated March 19, 1948, in which Mr. Scurlock said to me:

It is gratifying to know that you, as a member of the Subcommittee on Appropriations handling the appropriations for vocational education and rehabilitation, are alert to some of the dangers to these programs, and are conscious of the need for good State-Federal relations in programs such as these, where both State and Federal funds are involved.

The arguments which have been made in behalf of this amendment are not tenable. The arguments against it are fully supported by the record, as reflected in the printed hearings. The amendment should be voted down.

Mr. TABER. Mr. Chairman, so that the Members may have the exact picture on this and may know what it is, there was enough appropriated for this current year so that there were allotments made for four quarters of $4,500,000 for each quarter. There is remaining $4,500,000 to carry it through the balance of the ficsal year, to the first of July. If we add $2,000,000 to this, it raises the total for the quarter to $6,500,000. There is no State contribution with reference to this item. Four times six and a half million would be setting this agency up on a $26,000,000 basis for a year. We have just passed a bill providing $18,000,000 for next year, after the House had thoroughly considered the matter.

So that there may be no misunderstanding about the number of people involved, this question was asked, and I read from page 430 of the hearings:

The CHAIRMAN. How many people are involved in this set-up? How many beneficiaries are there in this set-up through the year?

Mr. BURNS. About 170,000. They are the the persons who are receiving rehabilitation services during the course of the year.

The CHAIRMAN. How long is the average period of rehabilitation?

Mr. BURNS. That has been running just around 1 year. Out of that group, we expect 53,000 or 54,000 to come out who are rehabilitated—that is, successfully rehabilitated.

The CHAIRMAN. You expect 54,000 to be rehabilitated——

Mr. BURNS. During this year.

The CHAIRMAN. And the others will not be; is that it?

Mr. BURNS. The most of them will not be.

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. POTTER. Does that not mean that they will not be rehabilitated and their training will have to be given up and will have to go over until next year?

Mr. TABER. I do not know. He says not during this year, but some of them would be rehabilitated in the opening months of next year.

There are 170,000 beneficiaries; 54,000 would come out. Then I asked them about what percentage they were able to make a go of, and Mr. Burns said, as appears on page 431 of the hearings, "That is running about 38 percent of the cases closed."

I am friendly toward this program, but it does seem to me that we have been very liberal in providing aid when we can take care of as many cases as we are taking care of. We should not go ahead and add more than 50 percent to the cost of this thing at this time.

Mr. Chairman, I hope the amendment will not be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 48, noes 79.

So the amendment was rejected.

The Clerk read as follows:

Maintenance and operation of schools: For an additional amount for "Maintenance and operation of schools," $1,300,000; and the limitation under this head in the Second Supplemental Appropriation Act, 1948, on the amount available for administrative expenses, is increased from "$50,000" to "$70,000."

Mr. TOLLEFSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TOLLEFSON: On page 6, line 21, strike out the figure "$1,300,000" and insert the figure "$2,000,000."

Mr. TOLLEFSON. Mr. Chairman, may I say at the outset that I dislike very much to offer an amendment which proposes to increase an item to which I am sure the Committee on Appropriations has given studious consideration.

I note in reading the hearings that considerable testimony was taken on this point, and I know that the committee has discussed this item considerably. However, I would be derelict in my obligation as I see it toward the people in my area if I did not seek to increase this item from the amount that is in the bill, namely $1,300,000 to the amount that was requested by the Federal Works Agency, namely, $2,000,000. This item does not apply to the majority of the Members of the House. It applies only to those gentlemen who come from areas where the population was increased because of war industry activity. To cite just a simple example so that those of you who do not live in those areas will understand the problem, I will refer to one of the seven school districts that exist in my area. In the town of Renton, the population prior to the war was approximately 5,000. During the war that population increased to 15,000. In other words, the population tripled. It is easy to understand the increase in the educational facility requirements which were necessary. The school district in which Renton is situated, and the services which were required for the school children who live in the Federal housing areas which sprang up, almost tripled.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. COLMER. The gentleman seeks to reinstate that portion which was authorized by the first session of the Eightieth Congress, is that not correct?

Mr. TOLLEFSON. Approximately, but not quite.

Mr. COLMER. Not quite all of it?

Mr. TOLLEFSON. That is right.

Mr. COLMER. But the House had authorized it, and the Committee on Appropriations cut it down during the last session to approximately half.

Mr. TOLLEFSON. That is correct. And may I say to the gentleman at this point that I am aware of his interest in this matter and of his strenuous efforts over a long period of time to secure Federal aid for our schools. He is to be commended for his excellent work.

Mr. COLMER. I just want to say I am for the gentleman's amendment and I hope the House will concur in it.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. MONRONEY. The amount which these small schools would get would still be $500,000 less than the House authorized for the schools.

Mr. TOLLEFSON. The gentleman is correct.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. MURDOCK. I can name right offhand four districts in my State that are in exactly the condition the gentleman describes. I am for the amendment heartily.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. ANGELL. Some difficulty exists in many of the school districts of my own State, as the gentleman knows, one particularly in the Hanford area. Forty thousand people came into that one area where there were no people living before. The school district there is a Federal project. The people come there to work for the Federal Government, and most of them are veterans. The Federal Government has the responsibility of providing necessary facilities not only for housing but for carrying on the schooling of these children where the local people have no opportunity at all to afford the schooling which the Federal Government has been affording.

Mr. TOLLEFSON. I thank the gentleman.

There are Members who come from areas that do not have this problem and the question may occur to them as to the efforts being made by the local school district or by the State. Referring again to this situation in the town of Renton, their resources are limited, and approximately 60 percent of the tax money paid by the citizens of that school district goes for school purposes. So the local areas are contributing to their fullest extent to cover their school costs. The State government likewise is doing everything that it possibly can within the limitation imposed by the constitution and the laws of the State of Washington.

Now, a further question arises with respect to tax money from the housing areas. These housing areas are federally owned and cannot be taxed. It is true that the Federal Government makes payments in lieu of txes, but it is agreed that that amount of money paid in lieu of taxes does not meet the need. There is no need to go into detail in the matter of Federal aid advanced to these districts, because that matter was fully covered when the Lanham Act was passed.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. TABER. Mr. Chairman, I would like to see if we can get a limitation on debate. I ask unanimous consent that debate on this section close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that I may extend my remarks after the vote on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last two words.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my remarks following the remarks of the gentleman from Oklahoma.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. MONRONEY. Mr. Chairman, I rise in support of this amendment. I think it is a very worth-while, fair, and desirable amendment. After much debate last year the Congress authorized $5,000,000 to help out these weak school districts whose enrollment had been vastly increased because of definite war activities.

It was not any catch-all proposition, it was carefully limited to about 193 Lanham Act schools that had this unusual enrollment burden placed upon them—this staggering burden—because of the location of war plants and industries, Boeing Aircraft, Douglas Aircraft, or some other big war installation. We therefore put money in the authorization bill because of this Government responsibility.

Although their estimate was that they required $5,500,000 it was reduced by the

House to $5,000,000. This Appropriations Committee is reducing the amount authorized by $1,200,000. They are even cutting $700,000 from the bare minimum recommended by the Public Works Administration. This administration has already reduced the schools' total requests of $5,500,000 down to $4,914,000.

In other words, there has been a burden of several hundred thousands already placed on these schools of money that they will not get and now we are cutting it further, $650,000 in addition to this reduction.

I know it will be argued by the Appropriations Committee that $614,000 of this money represents a deficit for the preceding year. It does represent a deficit, but in all of the past history of the administration of this act we have covered those deficits within the current year's appropriation.

So what in effect we will be doing if we deny this additional $700,000 to these 135 small school districts is short-changing them by $700,000. We are going to take it out of the educational budgets of these small schools burdened by this increased enrollment that was placed on them by the mighty United States Government. We are refusing to go along with our plain and simple responsibility if we refuse this $700,000 appropriation. Remember that it is still $500,000 less than the House itself has authorized for this emergency school work.

Mr. MURDOCK. Mr. Chairman, I want to add my voice to that of others who are urging that the amount for the Federal Works Agency, to be used for certain public schools, be increased from $1,300,000 to the full amount of the budget estimate of $2,000,000. Let it be remembered that all of this and more has been authorized.

This valuable help to schools which found themselves faced with building and personnel problems, because of war-swollen population in certain areas, has meant a great deal to many of the Arizona schools, just as it has to schools throughout our country. Without it they could not have carried on. Certain of them in Arizona would have found it impossible to meet those after-war problems, and even today some of the same schools are still handling overloads that are a direct consequence of shifting populations due to war activities. As I indicated to the gentleman offering the amendment, such is the case of Issac school district and Washington school district on the outskirts of Phoenix, and Sunnyside school district and Amphitheater school district on the outskirts of Tucson. I have now in my office pleas from officials of the schools and from school-board members, urging that I do everything possible to continue these Federal funds, as otherwise their educational activities would have to be limited through part-time classes or greatly overloaded classes, or through reduction in the length of the school term.

At the same time that we are helping democratic forces abroad, let us not forget that the very basis of democracy—and the only hope for its continuation—lies in an educated and well-informed citizenry. Let us remember this, as we vote on this particular item to make more funds available for the education of American children in areas made critical by war conditions.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. SANBORN].

Mr. SANBORN. Mr. Chairman, I am very much interested in the pending amendment because of the condition of schools in my district. The Pocatello school has been under a heavy expense in providing school facilities for children belonging to employees of the naval gun reboring establishment and the school authorities find themselves in a very difficult situation on this account. I know that the committee is taking the position that under this law deficits from previous years cannot be considered. As a matter of fact, however, the Acting Comptroller General of the United States, Frank L. Yates, rendered an opinion to the committee on this point, from which I quote the following:

> As the indebtedness of a particular school district is a legal obligation which it cannot avoid, I think it only reasonable to regard such obligation as in the nature of an encumbrance upon the income of the school district and that, in a real sense, such portion of its income is not available for maintenance and operation expenses within the contemplation of the agreements entered into between the school agencies and the Federal Government. In other words, the amount which is actually available for such expenses is represented by the net funds remaining from estimated income after deduction of such amounts as may be required to satisfy proper obligations incurred in the prior school year. For these reasons, this method of determining the amount of the Government's contribution for school purposes is not believed to be prohibited by Public Law 317, supra, and, so far as this office is concerned, no objection thereto will be interposed.

Mr. Chairman, that answers the objections that the committee has raised in connection with this matter. It is certainly necessary to have more money in this appropriation than the bill calls for. In previous appropriations there has been an actual deficit and that deficit has not been taken care of. As a result, deficits have occurred in these schools.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SANBORN. I yield to the gentleman from Michigan.

Mr. DONDERO. If this amendment is agreed to will it then go beyond the authorization of the amounts provided for these schools such as the gentleman has described?

Mr. SANBORN. I think not.

Mr. DONDERO. How much is left of the $5,000,000 that was authorized and not yet appropriated.

Mr. SANBORN. About a half-million dollars, I believe, which is being processed at the present time.

Mr. DONDERO. The bill has in it $1,300,000. The amendment would raise that to $2,000,000. Will that take it beyond the amount authorized by the Congress?

Mr. SANBORN. I think not.

Mr. GOFF. Mr. Chairman, will the gentleman yield?

Mr. SANBORN. I yield to the gentleman from Idaho.

Mr. GOFF. In confirmation of the gentleman's statement here may I read the following telegram which I have just received:

> POCATELLO, IDAHO, *April 1, 1948.*
> Congressman ABE GOFF,
> *House of Representatives:*
> Actual deficit due Pocatello schools unpaid by Federal Government through Lanham Act now called Landis Act on June 30, 1947, $19,156.23. Entreat you appear before lower House this afternoon with this telegram and present Pocatello status. Thanks.
> GEORGE N. GREEN,
> *Superintendent of Schools.*

This represents the amount that should have been paid by the Government to the school.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, this particular cause is one for which I have a great deal of sympathy. Last year I introduced one of the first bills that proposed to establish a fund so that the various Federal agencies which create common school problems in various parts of the country might have the funds to meet the educational responsibilities that developed. That was a very broad bill. Several other Members of the House introduced similar bills.

The matter was considered by the Committee on Education and Labor. I think the gentleman from Texas [Mr. COMBS] will recall the history of the legislation because he was helpful in the presentation that was made. When the presentation was made to the Committee on Education and Labor it became evident that the amount involved, if we took up the problem of providing schooling for the national parks and the national forests and all the military reservations and all the public housing projects, would be so large that the Committee on Education and Labor just backed away from it and said, "We cannot tackle that problem at this time." Then an emergency arose for we had the expiration of the Lanham Act facing us, and we sought to get a bill through to provide money for this purpose. I personally wrote the text of the bill on which this appropriation is made, and it was introduced by the gentleman from Indiana [Mr. LANDIS]. We wrote it as we did so that it could be referred to the Committee on Education and Labor, which heard the testimony, rather than as an amendment of the Lanham Act which would have gone to the Public Works Committee. We did that for the purpose of expediting consideration by getting the bill before the committee which had heard the whole testimony. It was in the closing days of the session. The bill passed the House. The Budget estimate was sent before the Senate and there, growing out of an item that was put in the Senate and growing out of the conference, $2,500,000 was provided. The budget estimates came up for an additional $2,000,000 this year. The reason that the Committee on Appropriations has recommended $1,300,000

is that that is in accord with the analysis of the problem made by the administrative agency.

On page 13 of the hearings Mr. Field said:

> To date we have not financed any of the last year's deficit because I felt there was a question in the minds of our own staff as to whether or not, due to the limited funds available, we should finance a deficit that occurred prior to July 1, 1947.

And General Fleming, who is the head of the Public Works Agency, in making the request for the funds before the Senate committee testified:

> These funds will be used in aid of maintenance and operation of schools, 1947–48.

I am taking this position because I think good faith requires it in keeping with the presentation that was made as to what this money was to be used for, which was for the use of schools to meet their operating expenses in 1947 and 1948. It is true that the Comptroller General has said that it is not illegal to use some of the money to pay for deficits of prior years, but that is not in keeping with the plea on which the bill was originally presented. And let me suggest to you that there is a very bad principle involved there if we recognize the principle that school districts or any local taxing body can make up its budget as it pleases and pass its deficits off to the Federal Government. We have then surrendered to local taxing bodies the right to make levies upon the Federal Treasury. The amendment should be rejected.

The CHAIRMAN. The time of the gentleman from South Dakota has expired. All time has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. COMBS] and the gentleman from South Carolina [Mr. RIVERS] may extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COMBS. Mr. Chairman, the gentleman from South Dakota [Mr. CASE] is slightly in error in his recital of the history of this school aid appropriation. I know he did not intend to be but he, like the balance of us, has many things on his mind these days.

The authorization for aid to schools in the war congested areas was for $5,000,000 as he has said. The appropriation bill containing it was brought up in the House in almost the closing hours of the first session of the Eightieth Congress last July. And in ironing out differences between the House and Senate bills, the appropriation was reduced $2,500,000. I, among others, opposed that and in the House debate pointed out that according to the best estimates we could get, the whole $5,000,000 would be needed. However, I recall distinctly that several other Members suggested that since the estimates might be in error, we should concur in the $2,500,000 appropriation, and that if it should be found that the amount so appropriated was insufficient, a deficiency appropriation could be passed during the second session of the Eightieth Congress making up the needed amount.

The appropriate agency administering this law requested a deficiency appropriation of $2,000,000 in the present bill. But the appropriation committee has cut that to $1,300,000. The sum eliminated by the committee was requested for the purpose of paying to something more than 130 schools, most of them small, the sums still due them on commitments of prior years which were not fully paid because of lack of funds.

Now this came about not by reason of any error in the budget estimates of the schools, as the gentleman from South Dakota suggested. It came about because commitments made to those schools by the appropriate Government agency were not paid in full. I think we will be setting no bad precedent whatever to up the appropriation in this bill to the $2,000,000 requested. These funds are badly needed by the schools. It may be that this does not represent a debt of the United States Government in a legal sense, but to my way of thinking it does represent a moral obligation, and I trust you will vote for the amendment offered by the gentleman from Washington [Mr. TOLLEFSON].

Mr. RIVERS. Mr. Chairman, prior to World War II the normal enrollment in school district No. 4, Charleston County, S. C., was 4,000 students. As a result of naval shipbuilding activities and other military installations activities the enrollment reached a top figure of 10,356. Since the war the enrollment dropped to 8,838 in 1947, a mere 15 percent of maximum influx. The large increase in enrollment was due to the increase in Federal activities in school district No. 4. The largest of these Federal industries is the Charleston naval shipyard. It, according to a recent newspaper statement by the Commandant, employs more persons than any other industry in South Carolina. The Army installations have virtually closed out, but the people they brought there are still living where they were during the war, in Cooper River School District No. 4. Most of the property is permanently off the tax books, the ones now in existence are not assessed for tax purposes inasmuch as they are owned either by the Federal Government or the State. The school district is facing a deficit in operating funds. The only fair solution is Federal assistance, which may be done through continuation of the Lanham Act.

Another situation in the First Congressional District of South Carolina is at Beaufort, adjacent to Parris Island, the Marine boot training camp. Beaufort is also the location of a new $10,000,000 naval hospital. Again, the only fair solution is Federal assistance, which may be done through continuation of the Lanham Act. Accordingly, I urge such continuation, for at least another year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. TOLLEFSON].

The question was taken; and on a division (demanded by Mr. TOLLEFSON) there were—ayes 42, noes 51.

The Committee again divided; and the tellers reported that there were—ayes 68, noes 65.

So the amendment was agreed to.

Mrs. DOUGLAS. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to speak out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Chairman, the action of the House of Representatives on Spain and the European recovery program is perhaps a diplomatic disaster that can be repaired. So Mr. Walter Lippmann says this morning in his syndicated column that goes throughout the Nation. What he means is, of course, that the conferees still have a chance to repair the injury done to our foreign policy in the hasty action that was taken by the House of Representatives.

Mr. Lippmann is not alone in describing our action as a diplomatic disaster. The newspaper columnists and the radio commentators of this Nation and the world have been talking these last 48 hours about the unfortunate vote that was taken in the House. The amendment was adopted, let us remember, after a few minutes of hasty debate. Never did so many people know so little about so much as when the Members voted on the Spain amendment.

The founding fathers, when they wrote our Constitution, never intended that the foreign policy of this Nation was to be formulated in heated, ill-considered, and hasty debate by the lower House. Foreign policy that affects our national security into the far future demands mature consideration. It cannot be arrived at in the manner in which we adopted the amendment on Spain.

This amendment has not changed the position of Spain in relation to the other nations of Europe. Those who are friends of the present Government of Spain have not brought Spain into the European recovery program by this amendment.

But the 188 Members that voted for this amendment have given a club to the Communists in Europe and around the world to beat over the head the liberals who are fighting for free government today. We have greatly jeopardized the chances of the non-Communist forces to win the Italian election. Is that what we wanted?

The 188 Members that voted for this amendment struck a blow at the United Nations, which passed a resolution to which we were a party, condemning the Franco government. Is this what the House of Representatives wanted?

The amendment was a blow to the leadership of the United States within the United Nations. Is that what the House of Representatives wanted? The manner in which the vote was taken on Spain is something that we ought to reexamine, so that in the future when we proceed to make foreign policy on the highest level in this lower House, we will understand what we are doing and we will understand that we cannot act in the hasty, ill-considered manner in which we acted on Spain if we intend to retain our Nation's place of leadership in the world and if we intend to win the

ideological battle upon which we have embarked everywhere in the world.

Do we not know that arms alone cannot guarantee our national security? I pose the question asked by Sumner Welles, "Are we prepared to agree that our moral prestige and the confidence of other peoples in the good faith of this country are no longer vital elements of our national security?"

Are we prepared to become the champions of fascism wherever it exists in the world?

We must not in our efforts to oppose communism take steps which destroy our moral integrity.

I pray that the conferees will repair the damage that has been done.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For an additional amount for administration, medical, hospital, and domiciliary services, $3,000,000.

Mr. PEDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEDEN: On page 9, line 5, after "administration", insert "including necessary contact representatives."

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PEDEN. I yield.

Mr. TABER. I have no personal objection to the gentleman's amendment.

Mr. PEDEN. I am pleased to know that we are all in accord in recognizing the valuable service rendered by the contact representatives. The recent reduction in this type of service in many parts of the country is working great hardships on the veterans. This is the real grass-root service of the Veterans' Administration and should be maintained in every instance where possible. This amendment will make certain the reinstatement of all the necessary contact representatives who have been notified to close such services to the veterans.

Mr. DEVITT. Mr. Chairman, in connection with our consideration of additional appropriatons for the Veterans' Administration, I am prompted to make an observation with reference to Carl R. Gray, Jr., Administrator of that Agency.

Today marks the completion of the third month of his incumbency of that office. At the time his appointment was announced by President Truman, I advised my colleagues of the House of the splendid background, training, and character Mr. Gray possessed and predicted for him a highly successful term of office. His management of the affairs of the Veterans' Administration in the last 3 months furnishes the best evidence of the truth of my previous observations. It can truly be said that we now have an exceptionally able Administrator of the largest of our Government agencies. In recent appearances before the Appropriations Committee in connection with the issuance of orders providing for a reduction of personnel in order to keep within his appropriations, I am advised that he impressed the members of the committee with his ability, forthrightness, and sound character. I am sure that Carl Gray believes that it is his function to administer the veterans' laws in the manner and spirit in which they are enacted by the Congress and within the fiscal limitations prescribed by it. Although his recent order prescribing a reduction in personnel was not a pleasant act for him to perform, it was done in order to maintain his agency within the congressonal appropriations of money, and is evidentuary of his desire to manage the Veterans' Administration in accordance with the rule book. The Goverment has long needed able men like General Gray.

We wish General Gray continued success in office. His many years of responsible executive experience and the record he has established in the first 3 months of office furnishes every reason for our belief that he will go on and establish for himself a record as an outstanding Government Administrator.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. PEDEN].

The amendment was agreed to.

The Clerk read as follows:

Loans: The authorization under this head in the Department of Agriculture Appropriation Act, 1948, for borrowings from the Secretary of the Treasury under section 3 (a) of the Rural Electrification Act of 1936, as amended, is increased from "$225,000,000" to "$300,000,000."

Mr. CANNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANNON: On page 10, line 7, strike out "$300,000,000" and insert in lieu thereof "$400,000,000."

Mr. CANNON. Mr. Chairman, the merits of the Rural Electrification Administration have been debated so often and so exhaustively here on the floor that Members of the House are familiar with its advantages and its needs. So I shall not take the time of the House to discuss it except to say that if you comb over the entire rural area of the United States this afternoon you would not find a single farmer in the entire United States who does not favor adequate provision for its support. The farmers of America sometimes find it difficult to get together. They may disagree on many matters, but there is one thing on which they are unanimously agreed, and that is on the benefits of the Rural Electrification Administration and the importance of providing adequate facilities for its maintenance and expansion.

And I think, Mr. Chairman, there is no Member of the House of Representatives here this afternoon who is not thoroughly convinced of the invaluable service rendered by Rural Electrification to rural America in particular and the Nation in general.

The only question then, which presents itself here this afternoon in connection with this amendment is the amount needed for the development and wholesome growth of REA at this time and the advantage of making provision for the full budget estimate at this time.

For that is all we are asking in this amendment. That the Committee instead of cutting the appropriation $100,000,000 below the budget estimate, allow the full amount.

It is purely a mathematical proposition at this time, according to the most recently ascertainable data, there are pending applications requiring $306,000,000 in loans. And there will accumulate during the coming fiscal year applications requiring $500,000,000 additional funds. Under the terms of the bill this appropriation will be available after the end of the fiscal year, June 30, 1948, and will require, even for the loans now in sight, a minimum of $806,000,000 between the date of the approval of this act and June 30, 1949.

To meet this need of $806,000,000 to finance applications already in sight, we will have the $400,000,000 carried in the Department of Agriculture appropriation bill, and the $75,000,000 proposed by the committee in this bill. That will be only $475,000,000 to supply $806,000,000 needed in the next 15 months.

Even if you provide the full $175,000,000, the full budget estimate, as provided by the pending amendment, we will still have only $575,000,000 in funds to meet $806,000,000 in applications. There are farmers all over the Nation who have had their applications for current on file for 2 and 3 years. Many have had their houses and barns wired, and appliances installed, for months; but they are without service because we have not appropriated enough money to process their loans. It is true, as the chairman will say, that poles and copper wire and transformers are not immediately available; but the sooner they are ordered, the sooner they will be delivered, and without this appropriation we cannot file their orders.

I could understand the committee's position if this item and this appropriation involved a grant or a gratuity or a contribution of any kind on the part of the Government. But it is not a grant. It is a loan. And it is a loan on the best of security. It is a loan which will be paid back with interest. There is in neither this paragraph of the bill, nor in this amendment, a charge of a single penny against the United States Treasury. It is strictly a business transaction with the undisputed assurance that the Government will get back, not only the principal of the loan in full, but substantial interest as well, a highly attractive investment.

And it means increased health, happiness, and prosperity for the farm family. It is a proposition in which the Government has everything to gain and nothing to lose.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to my colleague from Missouri.

Mr. COLE of Missouri. I believe the gentleman will agree that the security required by the REA on these loans is such that they must be repaid. It is not a question of dishing out as we did in the bill we passed yesterday. We are going to get back this money, and get it back with interest. Am I not correct?

Mr. CANNON. The gentleman is eminently correct. The collateral is the best security in the world based on monthly cash payments for service which may be

discontinued for nonpayment. The experience of REA over the dozen years since it was initiated in 1936 has been one of continued repayment of loans before maturity and prompt liquidation of all accrued interest.

I trust the amendment will be agreed to and the full amount of the budget estimate provided.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, last year we appropriated for this year or provided loan funds totaling $225,000,000. Of those figures they have been able to allocate $155,000,000 to the twelfth day of March. Under those circumstances when the budget estimate was submitted for increasing this figure by $175,000,000 we felt that the item should be analyzed and that we should know what was going on. Mr. Wickard stated that they probably could allocate $81,000,000 the rest of the year. We have provided an increase of $75,000,000. Let me read you a little bit of Mr. Wickard's testimony out of the hearings. You will remember that the Agriculture Committee gave Mr. Wickard for this particular purpose $100,000,000 more than the budget estimate, and then gave him $400,000,000 to be used next year. Now listen to what Mr. Wickard says about this picture on page 1284 of the hearings:

The CHAIRMAN. Have you taken into consideration in making that statement the amount that this committee has recommended?

Mr. WICKARD. That is what I was just about to speak of. We did not know when we made the recommendation for $175,000,000 a little over 2 months ago that the committee was going to recommend the $400,000,000 which the committee recommended yesterday.

In other words, they did not know that they were going to get this $400,000,000 that was given to them in the agricultural appropriation bill the other day. This estimate was put up without their knowing anything about it. Now, Mr. Wickard tells us that this amount that we cut out will be carried over, if it is provided, into next year and we give him about $500,000,000 to allocate because they cannot allocate much more than the $81,000,000 that he talks about the rest of this year. All of their allocations have been larger this year than the expenditures. The expenditures have been behind the allocations and they have just been building up a great big pile of allocations.

I want to see the program go ahead, but what happens when you try to crowd it too hard and try to get too much money? You create in the market a great big backlog of demand for these generators, copper wire and all that sort of thing which are required to go ahead with these electrical activities. You delay, you increase the price, you create inflation; you really hurt the farmer and make this stuff cost the farmer more money. The fellow who is really interested in this thing and really wants to see it move ahead in an intelligent way, wants to see it done in an orderly manner so that the orders that flow into the factories for these things will not be so much more than the factories are able to take care of. You are really not improving your position if you go ahead and increase this item.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BARRETT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to support of the pending amendment. In fact, Mr. Chairman, I have an identical amendment to that offered by the gentleman from Missouri on the Speaker's desk. It seems to me that if we are going to keep the construction of the REA projects proceeding in a satisfactory and orderly manner this amendment must be adopted. We have a critical power situation in my State and in many of the States of the West and Northwest. I have read over the entire hearings in connection with this item and it seems to me that in view of the fact that the Rural Electrification Administration has a terrific backlog of loan applications, many of which were made before the last war, we have waited long enough to catch up on these applications. It is true that the Administration has been making allotments of around $23,000,000 per month but the Administrator stated at the hearings that if funds were available the program could be accelerated so that they could process loan applications and make allocations of upward of thirty-five or forty million dollars per month.

Now, Mr. Chairman, there is another reason why this item should be increased from seventy-five to one hundred and seventy-five million dollars. Under the basic law, the Administrator is required to allot 50 percent of the appropriation in proportion to the number of unelectrified farms in each State, as compared with the number of unelectrified farms in the country, and so half of the money appropriated here today must be allocated with a certain proportion to each State, according to that formula. It must be borne in mind that these funds must be held for the various States until the end of the fiscal year. The remainder of the funds may be distributed among the States with the proviso that not more than 10 percent may go to any one State. As it stands today, the Rural Electrification Administration has around $57,000,000 that has not been loaned but all of those funds have been committed.

And so it seems to me, Mr. Chairman, that inasmuch as all of the funds available to the administration have been loaned, and because of the fact that the Administrator is required to allot one-half of the moneys appropriated to the several States of the Union that certainly if the Administrator is going to take care of the urgent applications already approved in the field and presently in his hands here in Washington, that this amendment should be adopted.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. Mr. Chairman, I would like to make an observation. Because of lack of funds the REA cooperatives in the various counties of my district particularly have been unable to place orders for equipment and supplies which they need to extend their lines, whereas the utility companies can always place their orders. They have the funds with which to pay for them, therefore, they get the preference in the delivery of those orders, thereby delaying construction of REA projects.

Mr. BARRETT. The gentleman is exactly right. Last year rural electric service was extended to 345,000 new REA consumers. About 80 percent of them are farmers. The fact is that the Intermountain and Western States have more applications than any other section of the country. In fact we have a backlog of over $2,500,000 of applications in the State of Wyoming alone. There is more oil development in Wyoming than in any other State in the Union at the present time. People living in the oil fields and the operators themselves are desperately in need of power that is unavailable to them.

Mr. COLE of Missouri. They cannot order the material until the funds are in their hands.

Mr. BARRETT. That is precisely right. Mr. Chairman, I hope this amendment is adopted.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I rise in support of this amendment. I would also like to make a little statement to help clarify this situation, if I may.

This amendment, in effect, raises by $175,000,000 the appropriation made in the Agriculture supply bill last year for fiscal 1948, the current year. This is raised because of the tremendous backlogs, some of them existing since 1939, of work that ought to be done on extensions of existing REA's. The money will not be withdrawn from the Treasury nor become an obligation until it has actually gone through contractual arrangements and supplies have been bought to extend lines. But, in order for them to contract in the market, in competition with utilities and other cooperative enterprises, it is necessary that we appropriate the money, which will not be spent except as I have indicated. Now, I think it is significant that the Administration only requested of the Department of Agriculture for the fiscal year 1949 $325,000,000. The Department of Agriculture brought to the House in the President's budget $300,000,000 which our Subcommittee on Agriculture Appropriations raised to $400,000,000. There was no deficiency request before the Congress when we wrote up that appropriation bill. There was only a request for three hundred million. The action of the Subcommittee on Agriculture Appropriations, therefore, and this amendment, if it prevails, will make available for REA a total of $575,000,000 for the servicing of applications which

today aggregate a little ove. $600,000,000. Not all of those have been tested for feasibility; not all of those will be accepted by the REA. But I think at long last we have cleared the decks through the work of our Subcommittee on Agriculture Appropriations and the good work today of the deficiency committee in bringing this bill to the House.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, a while ago the gentleman from New York [Mr. TABER] read from the testimony of Mr. Wickard at page 1284 of the hearings. I want to read some testimony of Mr. Wickard from the same page that the gentleman did not read. The gentleman from Texas [Mr. MAHON] was questioning Mr. Wickard, and he asked him:

Now, in view of the fact Congress will appropriate that $400,000,000, is it in the best interest of the acceleration of the REA program for us also to appropriate this deficiency of $175,000,000.

Mr. WICKARD. Yes; it will be in the interest of the program.

Mr. MAHON. And what is the reason why?

Mr. WICKARD. Because it will give us money now to keep the program going, and money left over can be used next year and can be used without restrictions in the formula.

Briefly, as has been pointed out by the gentleman from Missouri [Mr. COLE] and the gentleman from Washington [Mr. HORAN] these REA co-ops have to go into the market for the materials and place their orders many, many months in advance in competition with private buyers. They cannot pledge an allocation or make a contract for the delivery of these things unless the money has been actually appropriated and allocated even though it may not be used during the year. So, we are simply handicapping these REA co-ops in keeping their program going continuously by refusing them these appropriations, as was pointed out by Mr. Wickard.

In my own district we have hundreds and hundreds of miles of lines awaiting construction, for which the people have made their deposits and have had them up as much as 2, 2½, and 3 years, waiting for this necessary service. I think we can well afford to add this additional $175,000,000 to keep that program going at full speed. It is doing a great deal for the rural people of our Nation, adding to the development of our Nation, and for the welfare of our country.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I feel that we can be liberal in this appropriation. It is simply an authorization for loans. The record of the REA co-ops is one that may well be followed by other organizations that ask for public funds. They have paid the installments in advance, and in addition they have paid the interest on installments before due. It seems to me that no person should object to seeing to it that the farms of this Nation are electrified. I know the committee has been liberal, but I feel it can be a little more liberal than it has been in this matter. In my State there are 22,000 applications which cannot be considered because, I am informed by the Administration, there are not sufficient funds allotted to that State for them to accept these applications. Let us accept them, especially since so many Members were so liberal when they voted funds for foreign nations.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Mississippi.

Mr. RANKIN. The applications for the gentleman's State are a little more than $22,000,000, instead of 22,000.

Mr. LEMKE. Twenty-two thousand applications amounting to $22,000,000.

My State is one of the States least electrified. We are in arrears many millions of dollars, for the reason that during the war no construction was possible. I get letters nearly every day from people who say, "We have had our application in for 5 years and have not had any action on it." So I do hope the Committee will see fit to allow this extra $100,000,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. CANNON].

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 77, noes 79.

So the amendment was rejected.

The Clerk read as follows:

Penalty mail costs: For an additional amount for "Penalty mail costs," $35,000.

Mr. HAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise only to point out that in this one small item of $35,000 for penalty mail costs, on page 11 of the bill, there are sufficient funds for the rest of thi fiscal year to take care of the fish-marketing reports for the commercial-fishing industry all over the country. I am taking this time only to point out that I called this to the attention of the chairman of the Committee on Appropriations a very short time ago, and he acted very promptly to get this small item in the bill. It will be of immense assistance to the commercial-fishing industry throughout the country.

I am indebted to David Hart, of the Atlantic Fishermen's Union, for bringing this deficiency to my attention and permitting me to correct it.

Mr. PEDEN. Mr. Chairman, I ask unanimous consent to extend my remarks at that point in the RECORD where I offered an amendment in regard to the Veterans' Administration.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read as follows:

BONNEVILLE POWER ADMINISTRATION

Construction, operation, and maintenance, Bonneville power transmission system: For an additional amount for "Construction, operation, and maintenance, Bonneville power transmission system," $625,000, to remain available until expended, and to be subject to such limitations and restrictions, except as to operation and maintenance and personal services in the District of Columbia, as may be applicable to appropriations for this purpose in the Interior Department Appropriation Act, 1948, or other law and the limitation under this head in the Interior Department Appropriation Act, 1948, on the amount available for operation and maintenance of the Bonneville transmission system, is increased from "2,500,000" to "$2,600,000," and the limitation under said head on the amount available for personal services in the District of Columbia is increased from "$24,000" to "$24,500": *Provided*, That in addition to the contract authorizations contained in the Interior Department Appropriation Act, 1948, and the Supplemental Appropriation Act, 1948, the Administrator is authorized to contract in the fiscal year 1948 for materials, equipment, and services for power transmission facilities in an amount not in excess of $1,475,000.

Mr. ANGELL. Mr. Chairman, as brought out by my interrogation of the chairman of the Appropriations Committee, the gentleman from New York [Mr. TABER], earlier in the day, this item for the Bonneville Power Administration covers the amount of the budget estimate with the exception of the reduction of $100,000 for operation and maintenance. It includes an appropriation of $625,000 plus contractual authorization in the sum of $1,450,000.

I know those of you who have followed the development of hydroelectric power on the Columbia River realize that these projects have returned to us manyfold the moneys expended on them. As I have often pointed out, approximately one-third of the aluminum produced during World War II came from the Columbia River area, made possible by hydroelectric power developed in these plants. As was recently announced by the Bonneville Power Administration the Bonneville project is repaying the Federal Government for the moneys invested ahead of schedule.

Mr. Chairman, as I remarked on this floor heretofore, the Bonneville Power Administration has recently announced that a special advance payment of $2,100,000 has been made to the account of the Bonneville Dam project. This was good news. It shows that Uncle Sam has a sound investment in the Columbia River Dam projects. I said at that time I intended to call this to the attention of the Appropriations Committees with jurisdiction over these projects when requests for funds for further Northwest resource developments were being considered. I want them to know that their judgment was sound in that funds invested in the Columbia River Basin are gilt-edged.

It is gratifying to know that these great multiple-purpose projects are paying out ahead of the dates which were originally fixed for reimbursing the Federal Government for the moneys invested.

The surplus earnings to date, if continued, will result in a full repayment of the Bonneville Dam project 5 years ahead of schedule. Payments on the Columbia Basin project, namely, Grand Coulee, are also ahead of schedule, thereby making possible pay-out according to schedule despite the increased construction cost of the Grand Coulee facilities.

The Bonneville Dam project, which includes the dam, powerhouses, and accessory facilities constructed and operated by the Corps of Engineers, has, through the fiscal year 1947, received repayment, interest, and operating-ex-

pense credit on the books of the Treasury in the amount of $18,562,150.

About February 10, 1948, an additional advance payment of $2,100,000 was made on the books of the Treasury toward amortizing the cost of the power facilities of the Bonneville Dam project. This was made possible by a request by the Secretary of the Interior to the Secretary of the Treasury in accordance with the agreement between the Army Engineers operating the Bonneville Dam and the Bonneville Administration which is marketing the power. This $2,100,000 special additional or advance payment to the account of the Bonneville Dam project was an additional payment over and above the regular pay-out schedule payment of $3,119,850 for the year ending June 30, 1948. This special additional or advance payment was made possible by the fact that the power revenues from the Columbia projects exceed the estimates and are so running as to produce an annual surplus. The payments made from the Bonneville Administration to the Bonneville Dam project exceeded the minimum repayment requirements to the extent that as of January 1, 1948, repayments are $2,252,282 ahead of schedule requirements.

The revenues derived from the sale of power by Bonneville Power Administration, according to statute, are to be used to pay the operating expenses of the Bonneville Power Administration, the Army Engineers operating the Bonneville Dam, and the Bureau of Reclamation operating the Grand Coulee Dam. In addition, out of these revenues are to be paid the annual amortization of the Federal investment in these three agencies and the annual interest charges on the unamortized investment balance. The bookkeeping on these three projects is handled by the Bonneville Power Administration and it is audited annually by independent outside commercial auditors. Based on such an audit is the pay-out schedule showing annual payments to fully cover all the cost items of the Federal investment.

Through the fiscal year 1947 the revenues derived from the sale of power amounted to $101,165,847. These revenues have been and will be deposited with the United States Treasury, and are, and will be, distributed on the books of the Treasury so that the interest and amortization investment account of the power facilities will always show the annual and cumulative contributions toward full interest and capital repayment, as well as meeting annual operating, maintenance and replacement costs.

Power from the Bonneville and Grand Coulee Dams is transmitted over the transmission grid system of the Bonneville Power Administration, which serves the major load centers of the States of Oregon and Washington. The power sales are presently running at an annual rate of about $22,100,000. The additional generators brought in at the Grand Coulee Dam between 1948 and 1952 will increase the annual power revenues to approximately $30,000,000, with total revenues in excess of $270,000,000 during the next 10 years.

These results show what can be accomplished if abundant, firm, and low-cost power is available for resource development.

Mr. Chairman, I commend the committee for their fair treatment of this most worthy project.

The Clerk read as follows:

BUREAU OF INDIAN AFFAIRS

Salaries and expenses, Reservation Administration: For an additional amount for "Salaries and expenses, Reservation Administration," including the objects specified under this head in the Interior Department Appropriation Act, 1948, $1,000.

Mr. D'EWART. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. D'EWART: Page 13, after line 16, insert "Emergency work program, Navajo and Hopi Indians: For expenses necessary for administering and carrying out a work program for the Navajo and Hopi Indians, in accordance with the act of December 19, 1947 (Public Law 390), including personal services in the District of Columbia; printing and binding; $1,000,000, to remain available until July 30, 1949."

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. TABER. I understand that the gentleman has had considerable discussion during the day with the subcommittee handling appropriations for the Department of the Interior and that they have agreed with him on a break-down which I would like to see put into the RECORD at this point as to how this $1,000,000 might be spent.

Mr. D'EWART. That is my intention.

Mr. TABER. So far as I am concerned I do not object to this amendment in this form. I want to say if I may be permitted that I have been terribly disappointed at the performance of the Indian Bureau in connection with this Navajo business and the way they have used the funds out of the relief money to build up personnel, buying automobiles, and things of that kind. I hope we will get better results in the future.

Mr. D'EWART. I might say to the chairman of the committee that we have taken that matter into consideration in going into this request for additional funds for the Hopi and Navajo Indians. I took this matter up with Mr. JENSEN, chairman of the Interior Department Subcommittee, and with Mr. SCHWABE, who is chairman of the Indian Affairs Appropriation Subcommittee. They have agreed on the break-down. I think if this break-down is followed out, it will eliminate the things that you criticize as having happened with the previous appropriations. The break-down is as follows:

Hospital repair and modernization	$100,000
School repair and modernization	100,000
Health activities, hospital facilities, doctors, nurses, etc	100,000
Soil and moisture conservation including fertilizer and irrigation	250,000
Revolving fund for loans and purchase of milk animals	100,000
Road construction and repair	200,000
Expenses necessary in connection with off-reservation work	150,000
Total	1,000,000

I believe if this break-down is followed out the chairman of the Committee on Appropriations will not have occasion again to make the criticism that he has just made. This appropriation is in pursuance of the authorization which was voted by the Congress earlier in the year. It is a continuation of the program for which we voted $500,000 earlier in the session. It is a beginning of the long-range program which has recently been sent to the Public Lands Committee for study. We have not had the opportunity of studying that long-range program, but I hope to take it up this month. Every one of the features in this appropriation will be supplemented later by the long-range program. I think it is in the interest of the Navajo and Hopi Indians. I think that this program should be started. I think it is a step in the best interests of the Indians and for the welfare of the Hopi and Navajos.

I yield to the chairman of the Committee on Public Lands, the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, I wish at this time to express my appreciation to the chairman of the Committee on Appropriations and the members of the committee in approving the amount specified in the amendment under consideration. It will carry the Navajos and Hopi Indians over until a more extensive program is arranged for their welfare.

Mr. D'EWART. As chairman of the Indian Affairs Subcommittee I want to express my conviction of the need and my appreciation of the cooperation of the Appropriations Committee.

The CHAIRMAN. The time of the gentleman from Montana has expired.

The question is on the amendment offered by the gentleman from Montana.

The amendment was agreed to.

The Clerk read as follows:

Montana: Flathead, $125,000.

Mr. MANSFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to take this means to thank the subcommittee on Interior Appropriations for approving an item of $125,000 to extend and construct electrical service lines in the Flathead Indian project area. This will allow sufficient funds to carry forward construction during the remainder of this fiscal year and until additional funds can be provided in the regular 1949 Appropriation Act.

To the distinguished gentleman from Iowa, the Honorable BEN JENSEN, chairman of the subcommittee, to the Honorable IVOR FENTON, the Honorable LOWELL STOCKMAN, the Honorable GEORGE SCHWABE, the Honorable MIKE KIRWAN, ranking minority member, the Honorable WILLIAM NORRELL, and the Honorable ALBERT GORE I want to express the appreciation of the men and women of Montana who will benefit from the consideration and understanding shown by this committee.

The Clerk read as follows:

QUARTERMASTER CORPS

QUARTERMASTER SERVICE, ARMY

Clothing and equipage: For an additional amount for "Clothing and equipage," $10,000,000.

Mr. SCRIVNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER: On page 18, strike out lines 1 to 4 inclusive.

Mr. SCRIVNER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The gentleman from Kansas is recognized for 10 minutes.

Mr. SCRIVNER. Mr. Chairman, I hope it is thoroughly understood that the remarks I will make are in no way disparaging to the members of the Air Force or the exploits which they have already performed and which they may be called upon to perform in the future. I am speaking as a matter of principle.

This proposal contained in these lines involves more than the matter of $10,000,000. You will be told that the thing will be only $2,500,000. That is subject to debate. This is to provide congressional approval for the Air Force to procure and wear light-blue uniforms with chevrons considerably different than those worn in the past by members of the armed forces.

Just a short time ago we passed a bill which called for the unification of the armed services. We anticipated that this action would wipe out some of the jealousies between the branches of the service. I can tell you, with no doubt in my mind, that if this program is adopted, you will have greater division than you have had heretofore. You will have greatly intensified rivalry and jealousy, in view of the fact that the Air Force with its many privileges, including flying pay, already occupies an enviable position. The results to be obtained will not be those claimed by some of its proponents. They point out, of course, that the marines have a separate uniform. Their arguments, as far as logic is concerned, fall absolutely flat.

They tell you that they need this program to increase the morale of the Air Force. Morale? There is no outfit, except possibly the marines, that has a higher morale than the Air Force. That is shown by the fact that in their enlistment program they are now 7,000 above the figure permitted by the budget.

They say that this is necessary to create a greater interest in the Air Force. I do not know how we can have any greater interest, every youngster in America is interested in aviation. If new uniforms are a matter of necessity for building up morale and bringing in more voluntary recruits to the armed forces the place that you need them is in the Ground Forces. Think back to the days of the war and see these doughboys crawling on their bellies in the mud and along the hedgerows of France; in the snow and slush of Germany; fighting their way through the jungles of Pacific islands day after day after day and then spending the night where it overtook them, exhausted, grimy, dirty, hungry. They could not look forward to the fact that when their assignment was over they would be flown back to comfortable beds, warm barracks, hot coffee, good food, clean clothes, and a hot bath. Talk about needed morale and new uniforms! If they are to be furnished now—give them where they will do the most good. Within a very short time, if this program is adopted, the Army is coming in and say they need new uniforms to build up morale. There is no end to the demands. Some day when this Nation and the world is actually at peace, when the treaties have been signed, when we no longer live under armistice conditions, it may be necessary to bring in a program like this to buoy up the Air Force and the Ground Forces. But today that is not needed. If you will read the headlines in today's papers you will find that you may need something more than blue uniforms for the Air Force in a short time. It could happen.

When I think of all the things that are necessary, when I think of all the pleas that are being made to us for planes, new equipment, and everything else, I am certain that this is not the right time to ask the Congress to O. K. or approve a program for new blue uniforms for the Air Force.

This will set up another precedent. The infantry will come in and tell you it is entitled to have new uniforms too, and I would be inclined to agree if we were at peace.

Here is another practical problem: On every air base throughout the world, wherever they are now or may be, you are going to have on that base members of both the Air Force and the ground force. You will have the Air Force in their blue uniforms, black shoes, distinctive caps, shirts, and ties. The Army forces will be in the traditional and glorious OD's. You will have then the problem of distribution. You will have to have the uniforms of two colors instead of one. Unification was designed to simplify procurement and distribution, not complicate it. If there is going to be a need soon, you might as well keep your supply problems as simple as possible, keep both the Army and Air Force in the now available uniforms of the OD. If this change finally takes place there will be one item alone involving $17,000,000 for new overcoats. May I point out to the Air Force that the Marines, even though they have their dress blues, are not ashamed to be seen in their dress blues and their field-green overcoats.

Mr. Chairman, as I stated, this is not in derogation of the Air Force at all. I am proud of them and every American should be proud of them, but this is not the time for frills. We are looking now to a time when we may have many and more difficult jobs ahead of us. If the time is as critical as some have told us it is, and possibly they are right, we need more than new uniforms for the Air Force. We need more planes, more ammunition, more guns, and more men. If Air Force figures on recruiting stand up, if they are getting more than they are permitted certainly their argument that these are needed purely for boosting morale falls down.

Before I close I would like to call attention to the fact that last year in connection with the Army appropriation hearings General Spaatz appeared before us and I asked him specifically if there was any program contemplating putting the Air Force in new blue uniforms. Turn to page 624 of last year's hearings and you will find where General Spaatz stated these words: "We are not giving any consideration to such changes." If he did know the change was proposed he should have told us the truth.

Mr. NORBLAD. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Oregon.

Mr. NORBLAD. Is it not a fact that the Air Force is getting so many men now that they have to put them on a quota basis?

Mr. SCRIVNER. Orders went out some time ago to limit recruiting in the Air Force. Of course, those orders in view of proposed increased strength have since been rescinded.

Mr. Chairman, this new uniform is not necessary at all.

Mr. Chairman, it is time to prepare for security, not for show.

The amendment should prevail.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HINSHAW. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I do not believe there is a Member of this House who has a greater interest in the air arms of the military services than I have. I think if we could put the whole kit and kaboodle of them into one uniform, the Government, the people of the United States, and the services themselves would be a great deal better off than they are today. Pride in the uniform is a fine thing, but jealousy between the services is accented by differences between uniforms. Last year we passed the so-called Unification Act. Instead of resulting in unification it has resulted in triplification. Further accent of triplification by establishment of a new color of uniform is, to me, another step away from the unification we need so badly. I am getting a little sick of this old school tie stuff that I have been running into as chairman of the Combat Aviation Submittee of the Congressional Aviation Policy Board. I would like to see them all in the same uniform, perhaps with some little different designation in brass upon the collar. This business of distinguishing between services by different color or cut in uniforms in the United States is going entirely too far. As a matter of fact, if you would put the top brass into civilian clothes and sit them down in one room to argue out their problems, they could come to an agreement an awful lot faster than they can in different uniforms. Therefore, I support this amendment wholeheartedly with the idea that one uniform should ultimately be applied to all services and not different uniforms for each branch of the service.

I have recently introduced a bill, which I believe has gone to the Committee on the Armed Services, to provide for permissive transfer between the services of

all officers in all grades, and I believe that bill, if enacted, will do a great deal to alleviate the present situation in which differences of opinion are so firmly grounded in the separate branches of the armed services. Those differences of opinion would be much better resolved if it were possible for officers to transfer between one branch of the service and another. As a matter of fact, there is a great dearth of experienced officers in the Air Force between the ages of 43 and 53. There is a wide-open space in which naval air officers could go into the Air Force and thereby bring some of the indoctrination which they have received in the Navy Department into the Air Force. It would be a mighty good thing for the Navy and a mighty good thing for the Air Force if that bill were enacted and became law. But so far the Navy Department has opposed it because they are afraid they might lose some officers, forsooth. For goodness sake, if the Navy cannot keep its own officers, with its own attractions and inducements, then they ought to have some of them transferred; but if some of them transfer—and many of them desiring transfer have spoken to me—then there would be some vacancies in the Navy which could be filled by promotion of some of the younger officers, and both the Air Force and the Navy would be better off.

Mr. Chairman, I support this amendment wholeheartedly, and I hope the appropriation is stricken from the bill.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I do not know the origin of the proposal for the blue uniform, but I suppose it had its origin in the fact that the Royal Air Force of England has a distinctive and separate uniform. In World War I, I happened to be in the Marines. I think at the particular age at which I went into the Marines that a great many other boys selected the Marines for the same reason I did. We liked the spirit of the organization. It is possible the uniform contributed to the esprit de corps.

This country is going to be called upon soon for a very substantial increase in its Air Force recruitment. If giving a distinctive uniform will bring boys with the proper spirit into the Air Force I am in favor of them having it.

This proposal does not involve $10,000,000, although the language in the bill might seem to indicate that. It involves $2,500,000. The total cost of the changeover after the adjustment is once made is expected to be $2,500,000. It will cost initially a little bit more, for dyeing of cloth and getting up a stock of goods, but that will simply increase the total number of uniforms, olive drab and blue, that will be on hand initially.

The cloth will be the same; in fact, they are going to use some of the olive drab on hand and simply dye it blue. The air officers testified that the blue would spot less from oil and grease than the OD which turns black.

There is a reason for deciding the matter at this time, one way or the other. The idea has been widely discussed. Officers who need new uniforms have been hesitant as to whether they should buy some new OD uniforms or buy blue if that is to be the official color. The matter should be settled one way or the other.

I hope you will support the request of the Air Force that they be given this lift for the recruiting that is immediately ahead of them, and support the committee by rejecting the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. GOFF].

Mr. GOFF. Mr. Chairman, I am like the gentleman from California. I do not think anyone can say I am not in favor of a strong Air Force, because last November I introduced the Air Supremacy Act to build up our Air Force immediately and to appropriate $5,000,000,000 for that purpose. But I have been tied up with the armed services in some way since I was 17 years old. We have to consider, when we are thinking about the morale of the Air Force, the morale of the other branches of the service. It seems to me that about the worst thing we can do is buy some distinctive fancy new uniforms for the Air Force alone at this time. I am in favor of the proposition stated by the gentleman from California [Mr. HINSHAW] to give them all some new uniforms but the same kind of uniform. So I hope the Committee will support the amendment. I certainly expect to.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I too am not in favor of the Government buying fancy new uniforms for the Air Force. That is not the question. The question is a very simple one. It was necessary to place orders for additional uniforms, but before those orders were placed it was desired that a change be made in the Air Force uniform, not the material. The identical material used for the Army uniform will be used for the Air Force. There will simply be a change in the color. I cannot see any reason why this should not be done. The Navy has its uniform, and so do the Marine Corps, and the Army. Each branch of the service has its uniform. Why should not the Air Force have its uniform? Either all branches of the service should have the same uniform, and there is some argument for such a policy, or else this request of the Air Force should be approved. I am surprised at the objections which have been made.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. SCRIVNER].

The question was taken; and on a division (demanded by Mr. ENGEL of Michigan) there were—ayes 72, noes 48.

So the amendment was agreed to.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read and open for amendment or points of order.

Mr. CANNON. Mr. Chairman, we have no objection to that on this side.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there any points of order to be made to the bill? [After a pause.] The Chair hears none.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, probably the only serious difference of opinion that is yet to be resolved is that in regard to the appropriation of the full $175,000,000 recommended by the Budget for the REA. There will be a motion to recommit based upon this $100,000,000 increase for REA. It will be offered by the gentleman from Missouri [Mr. CANNON], the ranking minority member of the committee. All of those who want to give REA the loan funds it must have to meet the needs of our rural people will want to support that motion. I feel that this group should include members of the minority party as well as Democrats. In fact it will be necessary for them to vote for this motion in order to carry out the statements already made in all good faith.

Many members of the majority have publicly stated, and honestly and seriously stated, that the majority party of this House has raised the budget estimate for REA by $100,000,000. I know that just recently some of my Republican colleagues who went on the trip with the Agriculture Committee through various sections of the country made the repeated statement that the majority party had increased the budget estimate for REA by $100,000,000.

This was entirely in order. It was a proper and understandable statement. I offer no criticism. I know that these statements were made in good faith and I am sure that that good faith will be vindicated by the vote we will take in a few minutes. At the time these statements were made they were thought to be true.

They will still be true if we adopt this motion to recommit. If we do not adopt it we will, I am sure, greatly embarrass some of our colleagues. I do not think the House wants to put the Members who made those statements in a false light.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield briefly.

Mr. LECOMPTE. In the agriculture appropriation bill which we passed a couple of weeks ago, we had an item for REA of $400,000,000.

Mr. POAGE. We had a budget estimate of $300,000,000 in connection with the regular appropriation bill. The committee raised that to $400,000,000, which made an increase of $100,000,000 in that item in the regular appropriation bill for the fiscal year of 1949. But at the same time, not after, but before we voted on that, we had a budget estimate of $175,000,000 for a similar item for REA loans in the deficiency bill. The gentlemen will recall that back in February when the urgent deficiency bill was before this House I stated that I intended to ask for additional funds for REA when this bill was brought up. The gentleman from Mississippi actually offered an amendment to the first deficiency bill, which was defeated by only 20 votes. Everyone was on notice that REA was to seek more money in this bill. The budget sent its estimate for this deficiency item to the House before the regular bill was passed.

At the time the regular bill was passed the total budget request for the balance

of the 1948 fiscal year and for the fiscal year of 1949 totaled $475,000,000. In the regular 1949 appropriation the House gave $400,000,000. This lacked, and still lacks, $75,000,000 of equalling the total amount requested by the budget. As this bill now stands it, taken together with the regular 1949 bill, would give $475,000,000 for REA loans during the balance of the fiscal year of 1948 and during the fiscal year of 1949. That is exactly the total recommended by the budget. It is not the $100,000,000 increase which many majority Members have said this House was giving. The only way we can provide that extra $100,000,000 is to pass the motion to recommit.

Unless you adopt this motion to recommit you leave many of your colleagues in the position of having unintentionally deceived the country, of having misled the public. I know the majority Members of this House do not want to do that. If you want to keep faith with the public, and I know you do, if you want to make good on the claim that you have given the REA $100,000,000 more than the budget recommended, then vote for this motion to recommit because it is the only way you can make those statements stand up. I want to see this House act fairly with the people. I know my Republican colleagues want to see the majority of this House keep faith with the people and do what we said we were going to do.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LARCADE. Mr. Chairman, I ask unanimous consent to extend my own remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LARCADE. Mr. Chairman, on behalf of my constituents and myself, as well as for the citizens and taxpayers of other States, I wish to thank the committee chairman and members for the consideration given and the decisions reached in regard to the utilization of surplus farm and canned products in item "Government and relief in occupied areas" under the bill under consideration (H. R. 6055) and as established in colloquy between the distinguished chairman of the Appropriations Committee and the gentleman from Georgia [Mr. PACE], who preceded me. We are satisfied that the mandate of the committee and of this Congress will now be carried out in respect to the purchase of the surplus farm and agricultural products stated in the hearings on this bill.

So there will be no further misunderstanding of this matter, I wish to quote from page 852 of the hearings a statement of the foods and the amounts of same that are agreed upon by the Army and directed to be utilized in this program by the committee, as follows:

Commodity	Total program per justification using nearest 1,000-ton figure	Procured or procurable with already appropriated funds	Shipments [1] July 1, 1947, to Feb. 29, 1948	Expenditures, fiscal year 1948 funds only, from July 1, 1947, to Feb. 29, 1948 [2]	Additional to be procured with funds now requested
GERMANY					
		Net long tons	*Net long tons*		*Net long tons*
Bread grains and flour	3,226,000	[3] 2,672,000	[1] 2,133,662		554,000
Fats and oils	116,000	116,000	35,546		0
Soya flour	101,000	101,000	8,163		0
Peas and beans	94,000	84,000	22,423		10,000
Sugar	520,000	351,000	134,738		169,000
Dried skim milk	45,000	45,000	34,841		0
Potatoes	190,000	190,000	103,839		0
Fish	180,000	180,000	46,695		0
Dried fruit	157,000	157,000	31,696		0
Dried eggs	8,350	8,350	0		0
Dried soup mixes	25,000	0	0		25,000
Canned sweetpotatoes	26,000	0	0		26,000
Miscellaneous foods	31,000	31,000	23,772		0
Total	4,719,350	3,935,350	2,575,375	[4] $207,216,276	784,000
JAPAN					
Bread grains and flour	1,123,000	931,000	[1] 779,011		192,000
Copra	37,000	37,000	19,600		0
Soybeans	58,000	58,000	7,565		0
Peas and beans	77,000	77,000	54,543		0
Soya flour	147,000	147,000	100,283		0
Soybean meal	41,000	41,000	0		0
Sugar	500,000	308,000	208,121		192,000
Dried skim milk	34,000	34,000	16,011		0
Dried prunes	20,411	20,411	9,679		0
Miscellaneous foods	15,266	15,266	29,506		0
Total	2,052,677	1,668,677	1,223,319	[4] 106,337,292	384,000
KOREA					
Bread grains and flour	235,000	205,000	[1] 168,060		30,000
Rice	50,000	50,000	12,586		0
Sugar	58,000	25,000	16,381		33,000
Soya flour	8,000	8,000	8,019		0
Total	351,000	288,000	205,046	[4] 9,715,007	63,000
Grand total	7,123,027	5,892,027	[1] 4,003,740	[2] 323,268,575	1,231,000

[1] Excludes July 1947 shipments of bread grains.
[2] These figures do not include either (1) the $85,000,000 spent from fiscal year 1947 funds for foods constituting part of the fiscal year 1948 food program as set forth in the justifications; nor (2) the $100,000,000 (approximate figure) of fiscal year 1947 funds expended for grain shipments during July 1947 which were treated as part of the fiscal year 1947 program.
[3] Includes 57,000 tons Soviet grain not bought with appropriated funds.
[4] Figures are estimates only.

Mr. Chairman, I am advised that under this specific item in the appropriation under discussion, and under the table hereinabove outlined that there is set aside the sum of $2,437,000, for the purchase of canned sweetpotatoes, and I again state for the RECORD that I understand that it is the directive of the Committee and this Congress that a fair and reasonable price, as near as possible to the cost of production or processing shall be paid to our people by the Army for the canned sweetpotatoes, as well as all of the other agricultural products stated in the table presented.

Mr. Chairman, on behalf of my colleagues, the gentleman from Maryland [Mr. MILLER] and the gentleman from Georgia [Mr. PACE] and myself, who have worked with Mr. TABER and the Army officials in this matter, I wish to again thank Mr. TABER for the fine cooperation and assistance given in helping our people to include these foods in this program, and thereby save the loss of these fine and valuable foods, as well as making a contribution to the general economy of our country.

Mr. TABER. Mr. Chairman, unless there are some amendments to be offered I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6055) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. TABER. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CANNON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CANNON. I am, in its present form.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CANNON moves to recommit the bill to the Committee on Appropriations with instructions to report the bill back forthwith with an amendment as follows:

On page 10, line 7, strike out "$300,000,000" and insert in lieu thereof "$400,000,000."

Mr. TABER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. CANNON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 199, nays 154, not voting 78, as follows:

[Roll No. 36]

YEAS—199

Abernethy	Gillette	Morrison
Albert	Gordon	Multer
Allen, La.	Gore	Mundt
Almond	Gorski	Murdock
Andersen, H. Carl	Gossett	Murray, Tenn.
	Gregory	Murray, Wis.
Angell	Griffiths	Norblad
Arnold	Hagen	Norton
Banta	Hardy	O'Konski
Barden	Harris	Pace
Barrett	Harrison	Patman
Bates, Ky.	Hart	Peden
Battle	Havenner	Peterson
Beckworth	Hays	Philbin
Bennett, Mich	Hedrick	Phillips, Tenn.
Bennett, Mo.	Hobbs	Pickett
Blatnik	Hoeven	Poage
Boggs, La.	Holifield	Potter
Bonner	Hope	Powell
Brehm	Horan	Preston
Brooks	Huber	Price, Fla.
Brown, Ga.	Hull	Price, Ill.
Bryson	Isacson	Priest
Buchanan	Jackson, Wash.	Ramey
Bulwinkle	Jenkins, Ohio	Rankin
Burke	Johnson, Ind.	Rayburn
Burleson	Johnson, Okla.	Redden
Byrne, N. Y.	Johnson, Tex.	Regan
Camp	Jones, Ala.	Rich
Cannon	Jones, N. C.	Riley
Carroll	Karsten, Mo.	Rivers
Carson	Kee	Robertson
Celler	Kefauver	Rogers, Fla.
Chelf	Kelley	Sadowski
Clark	Kennedy	Sasscer
Cole, Mo.	Keogh	Schwabe, Mo.
Colmer	Kerr	Sheppard
Combs	Kilday	Short
Cooley	King	Simpson, Ill.
Cooper	Kirwan	Smathers
Courtney	Klein	Smith, Kans.
Cravens	Landis	Smith, Va.
Crosser	Lane	Smith, Wis.
Cunningham	Lanham	Somers
Curtis	Larcade	Spence
Davis, Ga.	Latham	Stanley
Davis, Tenn.	Lemke	Stefan
Davis, Wis.	Lucas	Stevenson
Deane	Lusk	Stigler
Dolliver	Lyle	Talle
Donohue	Lynch	Teague
Dorn	McCormack	Thomas, Tex.
Doughton	McCowen	Thompson
Douglas	McCulloch	Trimble
Durham	McGregor	Vinson
Eberharter	McMillan, S. C.	Vursell
Engle, Calif.	MacKinnon	Walter
Evins	Mahon	Wheeler
Feighan	Mansfield	Whitten
Fernandez	Marcantonio	Whittington
Fisher	Martin, Iowa	Williams
Flannagan	Merrow	Wilson, Tex.
Fogarty	Meyer	Winstead
Folger	Miller, Calif.	Wood
Forand	Mills	Worley
Gary	Monroney	Zimmerman
Gathings	Morris	

NAYS—154

Allen, Calif.	Church	Fletcher
Anderson, Calif.	Clason	Foote
Andrews, N. Y.	Clevenger	Fuller
Arends	Corbett	Fulton
Auchincloss	Cotton	Gallagher
Bakewell	Coudert	Gamble
Bates, Mass.	Crawford	Gavin
Bishop	Crow	Gearhart
Blackney	Dague	Gillie
Boggs, Del.	Dawson, Utah	Goff
Bolton	Devitt	Goodwin
Bradley	D'Ewart	Graham
Bramblett	Dondero	Grant, Ind.
Brophy	Elliott	Gross
Brown, Ohio	Ellis	Gwinn, N. Y.
Butler	Ellsworth	Gwynne, Iowa
Byrnes, Wis.	Elsaesser	Hale
Canfield	Elston	Hall, Edwin Arthur
Chadwick	Engel, Mich.	
Chenoweth	Fellows	Hall, Leonard W.
Chiperfield	Fenton	
Halleck	McGarvey	St. George
Hand	McMahon	Sanborn
Harvey	Mack	Sarbacher
Herter	Maloney	Schwabe, Okla.
Heselton	Mathews	Scoblick
Hess	Michener	Scott, Hugh D., Jr.
Hill	Miller, Conn.	
Hinshaw	Miller, Md.	Scrivner
Holmes	Mitchell	Seely-Brown
Javits	Morton	Smith, Maine
Jenison	Muhlenberg	Smith, Ohio
Jensen	Nicholson	Snyder
Johnson, Calif.	Nixon	Stockman
Johnson, Ill.	Nodar	Taber
Jonkman	O'Brien	Tibbott
Judd	O'Hara	Tollefson
Kean	Patterson	Towe
Kearney	Phillips, Calif.	Twyman
Keating	Plumley	Vail
Keefe	Potts	Van Zandt
Kersten, Wis.	Poulson	Vorys
Kilburn	Reed, Ill.	Wadsworth
Knutson	Reed, N. Y.	Welchel
Kunkel	Rees	Welch
Lea	Reeves	Wigglesworth
LeCompte	Riehlman	Wilson, Ind.
LeFevre	Rockwell	Wolcott
Lewis	Rogers, Mass.	Wolverton
Lodge	Rohrbough	Woodruff
McConnell	Ross	Youngblood
McDonough	Russell	
McDowell	Sadlak	

NOT VOTING—78

Abbitt	Domengeaux	Mason
Allen, Ill.	Eaton	Meade, Ky.
Andresen, August H.	Fallon	Meade, Md.
	Garmatz	Miller, Nebr.
Andrews, Ala.	Granger	Morgan
Beall	Grant, Ala.	Norrell
Bell	Harless, Ariz.	O'Toole
Bender	Harness, Ind.	Owens
Bland	Hartley	Passman
Bloom	Hébert	Pfeifer
Boykin	Heffernan	Ploeser
Buck	Hendricks	Rains
Buckley	Hoffman	Richards
Buffett	Jackson, Calif.	Rizley
Busbey	Jarman	Rooney
Case, N. J.	Jenkins, Pa.	Sabath
Case, S. Dak.	Jennings	Scott, Hardie
Chapman	Jones, Wash.	Shafer
Clippinger	Kearns	Sikes
Coffin	Lesinski	Simpson, Pa.
Cole, Kans.	Lichtenwalter	Stratton
Cole, N. Y.	Love	Sundstrom
Cox	Ludlow	Taylor
Dawson, Ill.	McMillen, Ill.	Thomas, N. J.
Delaney	Macy	West
Dingell	Madden	
Dirksen	Manasco	

So the bill was recommitted.

The Clerk announced the following pairs:

On this vote:

Mr. Boykin for, with Mr. Jenkins of Pennsylvania against.

Mr. Andrews of Alabama for, with Mr. Hardie Scott against.

Mr. Chapman for, with Mr. Buck against.

Mr. Rains for, with Mr. Sundstrom against.

Mr. Sikes for, with Mr. Lichtenwalter against.

Mr. Passman for, with Mr. Kearns against.

Mr. Richards for, with Mr. Hartley against.

Mr. Hendricks for, with Mr. Case of New Jersey against.

Mr. Cox for, with Mr. Macy against.

Mr. Abbitt for, with Mr. Thomas of New Jersey against.

General pairs until further notice:

Mr. West with Mr. Allen of Illinois.

Mr. Jarman with Mr. Beall.

Mr. Bell with Mr. Buffett.

Mr. Hébert with Mr. Clippinger.

Mr. Bloom with Mr. Coffin.

Mr. Dawson of Illinois with Mr. Cole of New York.

Mr. Bland with Mr. Dirksen.

Mr. Fallon with Mr. Miller of Nebraska.

Mr. Grant of Alabama with Mr. Meade of Kentucky.

Mr. Buckley with Mr. Love.

Mr. Domengeaux with Mr. Taylor.

Mr. Rooney with Mr. Simpson of Pennsylvania.

Mr. Delaney with Mr. Harness of Indiana.

Mr. Garmatz with Mr. Hoffman.

Mr. Sabath with Mr. Jones of Washington.

Mr. Dingell with Mr. Busbey.

Mr. Granger with Mr. H. Carl Andersen.

Mr. Lesinski with Mr. Cole of Kansas.

Mr. Manasco with Mr. Eaton.

Mr. Ludlow with Mr. McMillen of Illinois.

Mr. Norrell with Mr. Mason.

Mr. Harless of Arizona with Mr. Stratton.

Mr. Heffernan with Mr. Shafer.

Mr. Pfeifer with Mr. Rizley.

Mr. O'Toole with Mr. Ploeser.

Mr. Morgan with Mr. Owens.

Mr. Madden with Mr. Bender.

Mr. MICHENER, Mr. ELLIS, and Mr. BRADLEY changed their vote from "aye" to "no."

Mr. CARSON changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

Mr. TABER. Mr. Speaker, in accordance with the instructions of the House, I report the bill back with an amendment which is at the desk.

The SPEAKER. The Clerk will read the amendment.

The Clerk read as follows:

Page 10, line 7, strike out "$300,000,000" and insert in lieu thereof "$400,000,000."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 339, nays 4, not voting 88, as follows:

[Roll No. 37]

YEAS—339

Abernethy	Carson	Fellows
Albert	Case, S. Dak.	Fenton
Allen, Calif.	Celler	Fernandez
Allen, La.	Chadwick	Fisher
Almond	Chelf	Flannagan
Andersen, H. Carl	Chenoweth	Fletcher
	Chiperfield	Fogarty
Anderson, Calif.	Church	Folger
Andrews, N. Y.	Clark	Foote
Angell	Clason	Forand
Arends	Clevenger	Fuller
Arnold	Cole, Mo.	Fulton
Auchincloss	Colmer	Gamble
Bakewell	Combs	Gary
Banta	Cooley	Gathings
Barden	Cooper	Gavin
Barrett	Corbett	Gearhart
Bates, Ky.	Cotton	Gillette
Bates, Mass.	Coudert	Gillie
Battle	Courtney	Goff
Beckworth	Cravens	Goodwin
Bennett, Mich.	Crawford	Gordon
Bennett, Mo.	Crosser	Gorski
Bishop	Crow	Gossett
Blackney	Cunningham	Graham
Blatnik	Curtis	Grant, Ind.
Boggs, Del.	Dague	Gregory
Boggs, La.	Davis, Ga.	Griffiths
Bolton	Davis, Wis.	Gwinn, N. Y.
Bonner	Dawson, Utah	Gwynne, Iowa
Bradley	Deane	Hagen
Bramblett	Devitt	Hale
Brehm	D'Ewart	Hall, Edwin Arthur
Brooks	Dolliver	
Brophy	Dondero	Hall, Leonard W.
Brown, Ga.	Donohue	
Brown, Ohio	Dorn	Halleck
Bryson	Doughton	Hand
Buchanan	Douglas	Hardy
Bulwinkle	Durham	Harless, Ariz.
Burke	Eberharter	Harris
Burleson	Elliott	Harrison
Butler	Ellis	Hart
Byrne, N. Y.	Ellsworth	Harvey
Byrnes, Wis.	Elsaesser	Havenner
Camp	Elston	Hays
Canfield	Engel, Mich.	Hedrick
Cannon	Feighan	Herter

Heselton	McMillan, S. C.	Rogers, Mass.
Hill	Mack	Rohrbough
Hinshaw	MacKinnon	Ross
Hobbs	Mahon	Russell
Hoeven	Maloney	Sadlak
Holifield	Mansfield	Sadowski
Holmes	Marcantonio	Sanborn
Hope	Martin, Iowa	Sarbacher
Horan	Mathews	Sasscer
Huber	Merrow	Schwabe, Mo.
Hull	Meyer	Schwabe, Okla.
Isacson	Michener	Scoblick
Jackson, Wash.	Miller, Calif.	Scott,
Javits	Miller, Md.	Hugh D., Jr.
Jenison	Mills	Scrivner
Jenkins, Ohio	Mitchell	Seely-Brown
Jensen	Monroney	Sheppard
Johnson, Calif.	Morris	Short
Johnson, Ill.	Morrison	Simpson, Ill.
Johnson, Ind.	Morton	Simpson, Pa.
Johnson, Okla.	Muhlenberg	Smathers
Johnson, Tex.	Multer	Smith, Kans.
Jones, Ala.	Mundt	Smith, Maine
Jones, N. C.	Murdock	Smith, Va.
Jonkman	Murray, Tenn.	Smith, Wis.
Judd	Murray, Wis.	Snyder
Karsten, Mo.	Nicholson	Somers
Kean	Nixon	Spence
Kearney	Nodar	Stanley
Keating	Norton	Stefan
Kee	O'Brien	Stevenson
Keefe	O'Hara	Stigler
Kefauver	O'Konski	Stockman
Kelley	Pace	Taber
Kennedy	Patman	Talle
Keogh	Patterson	Teague
Kerr	Peden	Thomas, Tex.
Kersten, Wis.	Peterson	Thompson
Kilday	Philbin	Tibbott
King	Phillips, Calif.	Tollefson
Kirwan	Phillips, Tenn.	Trimble
Klein	Pickett	Twyman
Knutson	Ploeser	Vail
Kunkel	Plumley	Van Zandt
Landis	Poage	Vorys
Lane	Potter	Vursell
Lanham	Potts	Wadsworth
Larcade	Poulson	Walter
Lea	Powell	Weichel
LeCompte	Preston	Welch
LeFevre	Price, Fla.	Wheeler
Lemke	Price, Ill.	Whitten
Lewis	Ramey	Whittington
Lodge	Rankin	Wigglesworth
Lucas	Rayburn	Williams
Lusk	Redden	Wilson, Ind.
Lyle	Reed, Ill.	Wilson, Tex.
Lynch	Reed, N. Y.	Winstead
McConnell	Rees	Wolcott
McCormack	Reeves	Wolverton
McCowen	Regan	Wood
McCulloch	Riehlman	Woodruff
McDonough	Riley	Worley
McDowell	Rivers	Youngblood
McGarvey	Robertson	Zimmerman
McGregor	Rockwell	
McMahon	Rogers, Fla.	

NAYS—4

Gross	Miller, Conn.	Towe
Kilburn		

NOT VOTING—88

Abbitt	Engle, Calif.	Mason
Allen, Ill.	Evins	Meade, Ky.
Andresen,	Fallon	Meade, Md.
August H.	Gallagher	Miller, Nebr.
Andrews, Ala.	Garmatz	Morgan
Beall	Gore	Norblad
Bell	Granger	Norrell
Bender	Grant, Ala.	O'Toole
Bland	Harness, Ind.	Owens
Bloom	Hartley	Passman
Boykin	Hébert	Pfeifer
Buck	Heffernan	Priest
Buckley	Hendricks	Rains
Buffett	Hess	Rich
Busbey	Hoffman	Richards
Carroll	Jackson, Calif.	Rizley
Case, N. J.	Jarman	Rooney
Chapman	Jenkins, Pa.	Sabath
Clippinger	Jennings	St. George
Coffin	Jones, Wash.	Scott, Hardie
Cole, Kans.	Kearns	Shafer
Cole, N. Y.	Latham	Sikes
Cox	Lesinski	Smith, Ohio
Davis, Tenn.	Lichtenwalter	Stratton
Dawson, Ill.	Love	Sundstrom
Delaney	Ludlow	Taylor
Dingell	McMillen, Ill.	Thomas, N. J.
Dirksen	Macy	Vinson
Domengeaux	Madden	West
Eaton	Manasco	

So the bill was passed.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Bell with Mr. Allen of Illinois.
Mr. Bland with Mr. Hardie Scott.
Mr. Jarman with Mr. Busbey.
Mr. Abbitt with Mr. Gallagher.
Mr. Hébert with Mr. Lichtenwalter.
Mr. Grant of Alabama with Mr. Rich.
Mr. Priest with Mr. Case of New Jersey.
Mr. Richards with Mr. Cole of Kansas.
Mr. Andrews of Alabama with Mr. Dirksen.
Mr. Sikes with Mr. Eaton.
Mr. Vinson with Mr. Meade of Kentucky.
Mr. Bloom with Mr. McMillen of Illinois.
Mr. Rains with Mr. Love.
Mr. West with Mr. Kearns.
Mr. Domengeaux with Mr. Jones of Washington.
Mr. Hendricks with Mr. Hoffman.
Mr. Gore with Mr. Hess.
Mr. Evins with Mr. Harness of Indiana.
Mr. Cox with Mr. Clippinger.
Mr. Chapman with Mr. Cole of New York.
Mr. Davis of Tennessee with Mr. Jennings.
Mr. Carroll with Mr. Jenkins of Pennsylvania.
Mr. Boykin with Mr. Latham.
Mr. Manasco with Mr. Macy.
Mr. Norrell with Mr. Mason.
Mr. Fallon with Mr. Miller of Nebraska.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EVERY COUNTRY BUT OUR OWN

Mr. HOFFMAN. Mr. Speaker, yesterday, by an overwhelming vote, the House decided to extend aid to foreign governments for the purpose, it was said, of stopping communism and preventing our own destruction by Stalin and the Russians.

Years ago, a fighting American announced that this Government of ours had billions for defense but not 1 cent for tribute.

But confidence in constitutional government, in the ability, courage, and endurance of our own people seems to belong to the horse and buggy days.

The program adopted yesterday, whether the people know it or not, is unlimited as to amount or time. The debate in the Senate and in the House shows conclusively that $17,000,000,000 is not the total that will be asked and, unless the people halt it, given. A distinguished Member of the Senate, a proponent of the plan, during the debate stated that, with the passage of the bill, this country was morally obligated to following through. He did not say for how long. Nor does the plan end with the gift of money and supplies. Already we have sent military men as advisers to Greece and Turkey—doubtless to other countries.

Our gifts of money and materials, some of which are going to governments which will shortly turn at least a portion of them over to our potential enemy, Russia, and our military men will be followed by our Air Force, Navy, and Army unless the people call a halt.

Those supporting this plan do not tell us that it will avoid war. The most they will predict is that it may avoid war—that it is a calculated risk.

Having listened to the debates in both House and Senate just prior to World War II, my conclusion is that we are today following the same road we followed then. You will undoubtedly recall that the Congress made many appropriations, extended aid in many ways, to Great Britain in order to avoid war. You have not forgotten that Churchill told us that, if we would give Great Britain the tools, she would do the job.

Nor have you forgotten—at least you should not have forgotten—that when we went into the war he made the statement in substance and to the effect that that was the day he had been hoping and praying for.

We let ourselves be led into World War II. If we follow the administration and the propagandists, the passage of this Marshall plan will lead us into another war.

War is not inevitable if we choose to avoid it. Stalin is not going to come to America to fight a war.

Beyond question he intends to take over those countries which border on his own land. In my judgment, he is taking the things which Roosevelt and Churchill promised he should have. To date, the American public has not been able to learn how much nor what Roosevelt and Churchill conceded to Stalin in their various conferences. Nor does anyone know what concessions Truman made. The American people are entitled to a transcript of all the conversations and agreements entered into by Stalin on the one side and either Roosevelt, Churchill, or Truman on the other.

Already, under the authority granted by the unification bill, which was forced through our committee by our leaders and into which I endeavored to write some safeguards, the military are taking over and regimenting our natural resources and our industries.

Nor is that all. The next step is the bill for compulsory universal military training. It is proposed to establish here in America the same system used by Hitler, Stalin, and Mussolini, and which failed when put to the test.

Compulsory military training will be followed by a drive to conscript the young men and probably the young women of this land to fight another war.

With the war will come again scarcity, high prices, price fixing, and regimentation.

In short, to sum it all up, the proposition is that we force Stalin to get out of those countries which are adjacent to Russia, that we give those countries, and all others throughout the world, what some are pleased to describe as democracy—which, let us assume, they mean is equivalent to the freedom of action which we have here. We bleed ourselves white, we crack wide open our national defense in a futile effort to extend democracy abroad, and in return we get here at home price fixing, rationing, which adds up to regimentation which always means a dictator.

Without a war scare, Truman has no hope of reelection.

Without a war scare, those in the military service will be unable to destroy individual freedom, the American way of living and doing business.

Not so long ago the question in many minds was whether, following the New

Deal, we would have a labor or a military government. At the moment, it seems as though labor were losing, the military gaining, control.

The American people were twice, by ambitious politicans, led into war and 100 years of work and thrift by taxpaying Americans will not cancel the monetary cost.

The moral and spiritual loss caused by these two wars, and by those who were responsible for them, will darken the lives of future generations for—no one knows how long.

From the Chicago Tribune of March 31 comes an editorial captioned, "Later than you think," which reads as follows:

LATER THAN YOU THINK

The newspaper headlines, the radio babble, the urgent, solemn, and sometimes rather frantic statements of leaders, are all suggestive of 1941. There is an ominous parallel in demands for the immediate build-up of vast military force, with the assurance that, of course, this power is to enforce a will for peace, not to get the United States into war. That is what we were told last time.

Every prudent instinct warns that this is a maneuvered crisis. The Tribune has seen it coming for a long time. Almost alone among the newspapers of the country we warned of the rise of a dangerous militarist party in America when the so-called service unification bill, with all of its totalitarian apparatus, was thrust on Congress last year as must legislation.

We saw the lines of conflict being drawn for another war even before that when Mr. Truman enunciated his doctrine of stopping Russia at the borders of Greece and Turkey. Two world wars had convinced us of the tragic folly of trying to order the world to our design through use of force at ruinous moral and material expense. Crusades against tyranny abroad have only brought totalitarianism closer at home. We can't cheer another one when, once more, our security is not jeopardized by distant events.

It seems plain that this rigged crisis grows out of Truman's political desperation. He has become the captive of the powerful militaristic faction in his administration. The assertion of a foreign menace is necessary to provide them with the men, the money, the weapons, and the dominance over the Nation that they seek. It will also enhance his prestige by giving him the opportunity to play the strong man in resisting world communism, as convenient a bete noire as Hitlerism was for his predecessor. He has lost political control at home; there is a long chance that he can recapture it by military adventurism abroad.

This policy has its accustomed charm to the same internationalist elements which whipped up the war fever of 1940–41 by playing on the Nation's fears. The propaganda mechanisms of that period are being dusted off again. Although nothing developed out of World War II, according to the prophecies of these alarmists, they are back unabashed, telling us once more what we should do.

There are the same voices, the same scares, the same arguments. Here is Joseph C. Grew, Roosevelt's Ambassador to Japan, saying, "We cannot afford to face some future day when America will stand alone." We were told that in 1941. Here is Mrs. Roosevelt, saying that it is "inconsistent to cut taxes" because "the preparation on which we and other democratic nations are now embarked will be financed completely by the United States." These are echoes from the past: lend-lease all over again and our friends, the "peace-loving democracies," among which Mrs. Roosevelt used to reckon the present presumptive adversary.

Here is Dr. Isaiah Bowman, president of Johns Hopkins University and an architect of the United Nations, proclaiming: "This is not a time of peace. * * * What mountains of evidence must yet be piled up before the people of the United States realize that we are even now at war?" So the war is not ahead of us. It is here now.

A President and a war party that start playing the dangerous game of seeking political advantage and power in a threat of war will find in the outcome that they have carried their countrymen into irretrievable conflict. Step by step, a little at a time, they advance. Once started, they can't turn back.

The militarists know where they are headed. Truman may know. To the people, bewildered by the drumfire of propaganda and rendered victim to secret maneuvering, it is a confusing mystery. The Pearl Harbor investigation disclosed the technique after the last war was over. Are we in for another future inquest, showing again how the executive branch of the Government betrayed the people into war? We are, unless the people and Congress apprehend this sinister pattern in time. It should be familiar to them by now.

Truly it is later than you think, but the people of America still have one opportunity to rescue their Government from the politically ambitious, the over-fearful, the screwy thinking, the do-gooders who never seem to learn nor to accept realities. Unless next November the people elect a President who believes in our form of government, who has faith in the ability and courage of our people, we will be in a world war.

I am fearful that unless, before that election, Senators and Congressmen hear from their home folks, those Senators and Congressmen will so far commit us into the hands of the ambitious war-minded leaders of Europe and Asia that it will be impossible to avoid war. If the home folks do not want scarcities and all that scarcities mean; if they do not want bureaucratic price fixing and rationing; if they do not want a horde of little dictators telling them every day what to eat, what to wear, and what to do, they should without delay make their wishes known to their chosen representatives in Congress.

Yesterday there was hoisted over the Capitol in Washington the red flag of danger and the yellow flag of fear—the first, without reason, the second, without justification.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an analysis of the tax bill which will probably be before us tomorrow. I have analyzed the bill in question-and-answer form for the use of the membership of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KLEIN (at the request of Mr. MARCANTONIO) was given permission to extend his remarks in the RECORD and include newspaper articles.

LEASING OF STATE LANDS FOR PRODUCTION OF OIL, GAS, AND OTHER HYDROCARBONS

Mr. WELCH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4167) to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for the production of oil, gas, and other hydrocarbons for such terms of years and on such conditions as may be from time to time provided by the legislative assembly of the respective States, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 6, strike out all after "amended" where it appears the second time down to and including "States"." in line 12 and insert "to read as follows: 'Except as otherwise provided herein, the said lands may be leased under such regulations as the legislature may prescribe. Leases for the production of minerals, including leases for exploration for oil, gas, and other hydrocarbons and the extraction thereof, shall be for such term of years and on such conditions as may be from time to time provided by the legislatures of the respective States; leases for grazing and agricultural purposes shall be for a term not longer than 10 years; and leases for development of hydroelectric power shall be for a term not longer than 50 years.' "

Amend the title so as to read: "An act to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for production of minerals, including leases for exploration for oil, gas, and other hydrocarbons and the extraction thereof, for such terms of years and on such conditions as may be from time to time provided by the legislatures of the respective States."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO PRINT

Mr. TABER. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill may have permission to revise and extend their remarks and that all Members may have permission to extend their remarks in the RECORD in the deficiency appropriation bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CANNON] be permitted to revise and extend his remarks and insert a statement in regard to the history of Missouri, despite the fact that it will require an additional page in the RECORD.

The SPEAKER. Notwithstanding the excess, without objection, the request is granted.

There was no objection.

Mr. HOPE asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. JOHNSON of Illinois asked and was given permission to extend his re-

marks in the Appendix of the RECORD and include a statement by Mr. Harley J. Credicott, of Freeport, Ill.

Mr. ROHRBOUGH asked and was given permission to extend his remarks in the RECORD and include an editorial.

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. EDWIN ARTHUR HALL] is recognized for 45 minutes.

FLOODS ON THE SUSQUEHANNA RIVER

Mr. EDWIN ARTHUR HALL. Mr. Speaker, in view of the lateness of the hour I will make my remarks very brief. I do want, however, to point out that I intend to take 45 minutes sometime next week because I desire to cover a subject which is of the utmost importance to my own district. It has to do with the flooding of the Susquehanna River, which last week overflowed its banks and caused death and disaster to the western part of Broome County in the vicinity of Endicott, Johnson City, and Vestal, N. Y. It is my objective to talk on the bill which I am introducing today which will call upon Congress in this emergency to authorize $1,000,000 for the start of the building of flood walls on each side of the Susquehanna River in the Endicott-Johnson City-Vestal area.

I hope the House will give sympathetic attention to this grave matter because, as I have said, it has resulted in death and destruction to the extent of about half a million dollars.

Mr. Speaker, I yield back the balance of my time.

SPECIAL ORDER GRANTED

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent that on Tuesday next and on Thursday next I may on each date address the House for 45 minutes following the disposition of the business of the day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from New Hampshire [Mr. MERROW] is recognized for 20 minutes.

A BIPARTISAN FOREIGN POLICY

Mr. MERROW. Mr. Speaker, international relations are deteriorating at an amazing and an alarming rate. The Soviet Union is pushing a program of brazen, sinister, and ruthless expansion. The Kremlin, by its philosophy and by its actions, is clearly demonstrating that world domination is the ultimate Russian objective.

The interests of the United States are global. Our security and our survival are at stake. It is imperative for us to state our foreign policy concisely, clearly, and firmly so that there can be no misunderstanding as to our determination to establish a decent society and to guarantee world peace.

Failure to clearly set forth our position before the outbreak of two world wars resulted in a most costly experience for the United States. Failure to prepare ourselves adequately for any international emergency and failure to realize that any future war in which we may be involved will cost us dearly in material resources and human lives. By being utterly realistic in facing present disturbing world conditions we will be able to take the steps necessary to avert a third world war.

THE NATIONAL CONVENTIONS

In June and July the Republicans and the Democrats will hold their national conventions. They will write platforms and nominate candidates for the Presidency. In this uncertain, complex, and strife-ridden world international issues are becoming of increasing significance to every American citizen. It would be most salutary, most effective, most beneficial, and most heartening to the American people if the conventions would adopt an identical bipartisan foreign policy platform. It would be an announcement that the United States faces the world with a solid united front. It would be clearly understood that we intend to approach international issues in bipartisan unity and not in partisan dissension. A realistic bipartisan platform on foreign policy should include planks incorporating the following principles:

PROPOSED PRINCIPLES FOR PLANKS IN A BIPARTISAN PLATFORM ON FOREIGN POLICY

First. The United States should firmly dedicate itself and all its resources to the maintenance of its destiny-given position of leadership for world peace. This Republic was brought into being for the prime purpose of laying the foundations for a just and permanent peace. Every American heart must be devoted to the achievement of this objective. All the energy, all the ability, and all the statesmanship we possess must be employed for the realization of this goal.

Second. Congress should appoint immediately a select committee to conduct a thorough study of international relations and to carry out a searching investigation of the Department of State and the Foreign Service. Such procedure would give the Members of Congress a more potent voice in the development and in the implementation of foreign policy.

Third. The United States must continue to exercise leadership in the establishment of a real, workable, and effective world organization. The defects of the UN, chief of which is the veto, must be removed. If this cannot be accomplished and if the Kremlin continues in its refusal to cooperate, we must abandon the UN and form at once a new international organization of liberty-loving democratic states without the presence of the impeding Soviet Union.

Fourth. Diplomatic appeasement of the Soviet Union in which we have been indulging since the end of the war must cease. Diplomatic appeasement failed in the 1930's. It has failed in the 1940's. It leads only to conflict.

Fifth. Economic assistance to rehabilitate the economies of countries resisting the spread of communism and the drive of Russian aggression must be continued by the United States. An admirable beginning has been made in the passage of ERP. As long as aid to free nations is effective in checking the advance of the Soviet Union and in preventing the spread of communism, we must continue whether it be for 1, 4, 5, or 10 years.

In extending aid, we should constantly demand that the nations who receive assistance help themselves. As soon as they are self-supporting, have successfully liquidated the sinister spread of communism and strengthened themselves militarily, our aid can be greatly diminished or entirely ceased. We help guarantee our security by strengthening those who are resisting the march of Mr. Stalin and his politbureau.

Sixth. If a democratic country, threatened by a Communist minority within, which is either directly or indirectly aided, abetted, and controlled by the Kremlin, asks aid of the United States, assistance should be extended, be it economic or military.

Seventh. The United States should inform the world and particularly the Soviet Union that we intend to use our force to stop aggression directed at strategic points such as the approaches to the Atlantic, Gibraltar, the countries of western Europe, the Dardanelles, Greece, Turkey, Iran, the Near East, the Persian Gulf area, China, and the islands of the Pacific. We should state clearly that whenever there is encroachment on these areas, or any other strategic positions, the integrity of which we deem essential to the security and the survival of the United States, the power making such an encroachment will meet with our immediate, sustained, and unrelenting resistance. We should for our own self-interest and the peace of the world establish a line beyond which an aggressor may not move without encountering the full force and power of the United States.

Eighth. Most important of all planks in a realistic, bipartisan program on foreign policy is the achievement and the maintenance of adequate preparedness on the sea, on the land, and more especially in the air. Atomic supremacy and air supremacy by the United States must be realized at all costs.

United States air supremacy is the only road to world peace. All the funds required to keep us the strongest military nation on the planet should be unhesitatingly appropriated by the Congress. Having done this, the Congress should insist that the armed services efficiently and effectively move to an early and full realization of this determined objective.

Legislation to provide full and adequate manpower for the armed services should be enacted at once.

WAR OR PEACE

I am convinced that the proposed principles on United States foreign policy which I have outlined should be adopted as a program by both parties at their conventions in June and July and should be incorporated in their platforms.

A weak foreign policy, an unrealistic foreign policy, a fragmentary foreign policy, a vacillating foreign policy, a foreign policy of appeasement will lead us only to destruction, to war, to slavery, and to death.

A strong foreign policy, a resolute foreign policy, a firm foreign policy, a realistic foreign policy, a foreign policy dedicated to world freedom backed by the armed might of the United States

will guarantee a free world, a peaceful world, a world in which nations can live without fear of intimidation, of aggression, of slavery, and of ultimate annihilation.

The SPEAKER. Under the previous order of the House, the gentleman from Pennsylvania [Mr. McDOWELL] is recognized for 60 minutes.

EDWARD U. CONDON

Mr. McDOWELL. Mr. Speaker, despite the lateness of the hour, the Committee on Un-American Activities has a matter it has thought wise to bring before the House. We have carefully waited until the European recovery plan was disposed of. We feel now, however, that the matter should be discussed.

On March 1 of this year a subcommittee of the Committee on Un-American Activities issued a statement in which was named the Director of the Bureau of Standards of the Department of Commerce, Edward U. Condon. A member of that subcommittee, the very able gentleman from Illinois [Mr. VAIL] has prepared a statement that I feel the House will be greatly interested in hearing. I therefore yield at this point such time as he may desire to the gentleman from Illinois [Mr. VAIL].

Mr. VAIL. Mr. Speaker, throughout recent weeks the Committee on Un-American Activities has been the target of continuous vicious attacks by various organizations and individuals as well as by certain Members of this body, few in number, it is true, but blatantly vocal and chronically unsympathetic to the aims and objectives of the committee and as chronically blind to its accomplishments.

The very nature of the assignment entrusted to the committee to keep the Congress informed of subversive activities affecting the security of our country is sufficient of itself to draw the fire of those whose interests lie in establishing and maintaining a curtain of secrecy concealing the movements of organizations and individuals who seek to destroy our Government—a curtain that has been thrown aside times without number by the committee and its investigators, permitting the scorching glare of publicity to sear and wither the well-laid plans of our enemies.

It is the penalty of service on the committee to be reviled and blasphemed by persons and groups sympathetic to the aims of the Soviet Union, by so-called Liberals and by weaklings who have been influenced by communistic propaganda. That penalty we accept in good grace in the knowledge that were we less effective we would not be so cordially hated by those elements.

It is my very great honor to be a member of your Committee on Un-American Activities, and I have a keen appreciation of the important responsibilities that such a membership entails. I was and I am deeply gratified by my appointment to that committee since selection to serve thereon implied the confidence of our leadership in my judgment, general capacity, and patriotism.

I am now serving my second year and I have come to know well my associates on that committee and I have conceived a very great measure of respect for each of them and all of them, Republican and Democrat alike, for the intensity of their devotion to their country, for their high intelligence, for the wisdom of their decisions, for their temperate self-control in the face of epithet and insult hurled from the witness chair, and for the uniformly wholehearted cooperation and the fine esprit de corps that has characterized the committee throughout my period of service.

We have been described as bug-eyed witch hunters, vilified and excoriated as intent upon destruction of individual liberties, but I submit to you that, on the contrary, the members of the committee individually and collectively are conservative, conscientious, and possessed of a rare degree of calm, deliberate judgment and common sense, and their unceasing efforts are concentrated upon the preservation of every right guaranteed to American citizens under the Constitution.

Its members have been accused of using the committee as a springboard to publicity. Let me point out that considering its potentiality for press interest the committee has been exceptionally reserved and the majority of its members are rarely quoted or even mentioned in the press in connection with committee activities.

Your committee has been patient and tolerant of unfair criticisms from the floor in the light of their sources and in the knowledge that complete vindication of its acts awaited only the opportunity for formal presentation of the evidence in its possession.

It should not be necessary to defend the committee or its actions since the past record reflects the fact that the committee has without exception been sustained in its findings by preponderant vote of the House and subsequently by court decisions.

It would seem in the light of these facts that the committee has earned your confidence—at least to the extent that judgment be withheld until the full facts are made known in public hearing.

However, we take the floor today, departing from precedent, because there appears to be some question in the minds of Members who have consistently indicated their confidence in the committee as to whether or not, at long last, the committee has for once moved too hastily with respect to the release concerning Dr. Edward U. Condon. We appreciate that limited knowledge of the facts makes it difficult for such Members to adequately reply to critics from their districts in the period intervening before the hearing is held. Hence this statement.

First, let me point out that when the Committee on Un-American Activities levels a charge against any individual or organization the reputation of that individual or organization is not alone involved. The reputations of each committee member and of the committee itself hang in the balance, and if our charges are not fully substantiated, we would be discredited as individuals and as a committee, a fate we would richly deserve.

With that frequently accepted risk in mind and with a natural repugnance toward publicizing the shortcomings of any person, but with a deep sense of our obligation to protect our national security, our subcommittee met for consideration of the Condon case.

Dr. Edward U. Condon is Director of the National Bureau of Standards, which acts as custodian of the Nation's basic scientific standards and is one of the most important national-defense research organizations in the United States. It is engaged in projects at the present time concerning atomic energy, radar proximity fuses, instrument-landing systems, jet fuels, and other vital and secret projects that affect the security of our Nation. The Director of this agency has access to the confidential records not only of the atomic bomb but to other information that constitutes the objective of the prying activities of every Soviet espionage agent in the United States.

Dr. Condon was recommended to the vital post he now holds on November 5, 1945, by Henry Wallace, who was then Secretary of Commerce. In submitting his name, Mr. Wallace bypassed the visiting committee of three, who ordinarily pass upon the appointment of the Director of the Bureau of Standards, and when Mr. Wallace was challenged by a member of the committee he stated he did not know it was customary.

Dr. Condon, while with the Manhattan project, wrote a letter to his superior registering his impatience with the security regulations set up to protect the secret of atomic energy.

Dr. Condon is a member of the executive committee of the American-Soviet Science Society which is affiliated with the National Council of American-Soviet Friendship, Inc., an organization cited several years ago as a Communist front by the Committee on Un-American Activities and recently also cited as such by the Attorney General of the United States. His name, as a suggester of potential members is used by the organization in recruiting to its ranks scientists employed by the Bureau of Standards—successfully in at least 10 instances.

A member of Dr. Condon's immediate family is a member of an organization cited by the Attorney General as a Communist front and is active in another organization similarly designated by the House Committee on Un-American Activities.

Dr. Condon has frequently associated with diplomatic representatives of the Russian, Polish, and Czechoslovak Governments. He has been entertained at the homes of diplomatic representatives of the Bulgarian Government. It is a well-known fact that all of these governments are controlled by the communistic leaders of Soviet Russia. Dr. Condon has entertained diplomatic representatives of the Russian, Czechoslovakian and Bulgarian Governments in a home that has been supplied to him by the Government of the United States.

Dr. Condon has been associated with persons known to be subjects of investigation for espionage activity. He has associated with numerous persons who in turn have associated themselves with

known agents of the Soviet Government. He has been associated with an individual who was considered such a security risk that he could not obtain a passport to leave the United States. This person was discharged from the United States Government service because he was considered so pro-Russian that he could not be trusted to guard certain files of the United States Government against Russian encroachment.

Dr. Condon has also been associated with an individual who was dismissed from a non-Government agency because of his Communist tendencies. The identities of all of the persons to whom I have referred will be disclosed at the forthcoming hearing. However, the instances that I have cited should be sufficient to establish the character of the people with whom Dr. Condon has elected to associate himself.

It is conceivable that a person might associate with one or two individuals and have no knowledge of their Communist affiliations. However, when a person having access to vital information relating to atomic energy associates with 30 or more individuals, whether directly or indirectly, who are engaging not only in the dissemination of communistic doctrine, but who are engaged in espionage activity on behalf of the Soviet Russian Government, such association becomes a matter of national concern.

Dr. Condon has made a number of speeches indicating an interest in Russia, one of which was made on the occasion of the Fifth Annual Science Institute on March 5, 1946, in Washington, D. C., from which I quote. Condon, speaking of Russia, said:

> We must welcome their scientists to our laboratories, as they have welcomed us to theirs, and extend the base of scientific cooperation with this great people. Of course, we must behave this way toward the scientists of all nations. I only mention Russia because she is right now the target of attack by those irresponsibles who think she would be a suitable adversary in the next world war.

In the same address Condon made the statement:

> We must regain for all scientists that freedom from military domination if science is to be used for peaceful ends.

Condon's belief in the free exchange of information among world scientists is indicated by the following quotation from his article Is War Research Science? which appeared in the Saturday Review of Literature of January 15, 1945:

> The restoration of freedom to science is one of the elements in the civilization we have been fighting for—freedom from secrecy and freedom from national barriers.

So serious have Dr. Condon's associations been that on May 15, 1947, J. Edgar Hoover, Director of the Federal Bureau of Investigation, sent a confidential letter on the subject to W. Averill Harriman, Secretary of Commerce. Our investigator was able to copy hastily only part of the contents of Mr. Hoover's letter, which was 3½ pages long. That part which we believe to be essentially accurate we quote as follows:

> The files of the Bureau reflect that Dr. Edward U. Condon has been in contact as late as 1947 with an individual alleged by a self-confessed Soviet espionage agent to have engaged in espionage activities with the Russians in Washington, D. C., from 1941 to 1944.
>
> Mr. and Mrs. Condon associated with several individuals connected with the Polish Embassy in Washington, D. C. Among those are Mrs. Joseph Winiewicz, wife of the Polish Ambassador, Virginia Woerk, a clerk employee of the Polish Embassy; Helen M. Harris, secretary of the Polish Embassy, and Ignace Zlotowski, former counselor of the Polish Embassy and presently a Polish delegate to the United Nations.
>
> Helen Harris is identified as a former secretary to the American-Soviet Science Society during the time it was known as science committee of the National American-Soviet Friendship Society. She went to work for the Polish Embassy in the fall of 1946.
>
> Zlotowski is identified as a nuclear scientist who studied under Joliet Curie, known member of the Communist Party. He was ex-secretary of the American-Soviet Society. It is known that in February 1947 Zlotowski purchased 270 books on atomic energy which had been published by the Department of Commerce.
>
> It is also known that Mr. and Mrs. Condon were in contact with several other persons closely associated with this alleged Soviet espionage agent. It is also reliably reported that in March 1947 Zlotowski offered the use of the Polish diplomatic pouch to scientific groups as a means of transmitting scientific material outside the United States, dissemination of which had to be restricted because of security reasons by military authorities.
>
> Zlotowski was in contact with Anatole Cromov, first secretary of the Soviet Embassy, who has since returned to Russia. Condon applied for passport June 4, 1946, to Russia, which was issued but was later canceled by the Army.

I do not deem it proper to disclose at this time the full facts upon which the committee acted, since hearings are scheduled for April 21, when the entire compilation will be introduced in evidence. I feel that sufficient material has been presented in this statement to enable you to reach the conclusion tc which the committee arrived, namely, that it is the unanimous opinion of the subcommittee that Dr. Condon should either be removed or a statement should be forthcoming from the Secretary of Commerce setting forth the reasons why he has retained Dr. Condon in view of the derogatory information he has had before him.

Since the issuance of our report there has been a hue and cry from certain quarters that our committee was intimidating American scientists and as a result retarding scientific development. When the safety of our Nation is involved, so far as our committee is concerned, no individual or class of individuals enjoy any immunity from exposure, a scientist is accorded the same treatment as the butcher, baker, or candlestick maker.

It is the belief of our committee that Government service is a privilege and not a right, and that an individual who occupies the position of Director of the Bureau of Standards and acts as the custodian of scientific standards and developments, having under his direction projects dealing with secret scientific data vital to our national existence should not hold membership in an organization authoritatively declared to be subversive nor should he cultivate association with card-carrying Communists, and that also holds true of the members of his household.

Because we dared to call attention to Dr. Condon's dangerous associations and affiliations, we have been charged with retarding science.

Was J. Edgar Hoover retarding science when he wrote a three and one-half page letter to the Secretary of Commerce, in which he detailed Dr. Condon's associations?

Was Gen. Leslie Groves, Director of the Manhattan project, retarding science when he had Dr. Condon taken off a Soviet-bound plane in 1945, and refused to permit him to go to Russia, notwithstanding authorization of the trip by the State Department?

We grant that science may have been retarded by the arrest, conviction, and imprisonment for 10 years of Alan Munn May, professor of nuclear physics at Cambridge University, who was found guilty of the charge that he was a Soviet spy. His is not an isolated case—other scientists are serving sentences in Canadian prisons for the same offense.

Let me recapitulate the events that followed release of the report of the subcommittee that occurred at 4 p. m. on March 1. Several hours later, Under Secretary of Commerce William C. Foster, issued a public statement to the effect that Dr. Condon had been unanimously cleared by the Department of Commerce Loyalty Board on February 24, 1948, 6 days before the issuance of the report.

On March 3, the Committee on Un-American Activities served a subpena upon Mr. John L. Towne, secretary of the Loyalty Board of the Department of Commerce, calling upon him to appear before the committee and to bring with him the letter of May 15, 1947, from J. Edgar Hoover, to W. Averell Harriman, together with all records and files pertaining to Dr. Edward U. Condon. Mr. Towne appeared before the Committee and submitted a letter from the Secretary of Commerce Harriman, in which the Secretary said:

> I have after careful consideration reached the conclusion that the release of the documents and information called for in this case would, in fact, be prejudicial to the public interest.

He further stated:

> I have instructed the Secretary of the Loyalty Board of this Department to appear in response to the subpena which you have caused to be served upon him and to report to you that he is not authorized or empowered to produce the papers in question. I have further instructed him, in view of the considerations mentioned above, including the importance of avoiding any action which might prejudice the review of the case by the Loyalty Review Board of the Civil Service Commission, respectfully to decline to testify concerning the subject matter of the subpena.

The members of the Committee on Un-American Activities feel that it was in the public interest that the entire text of Mr. Hoover's letter be made public. The gentleman from California [Mr. NIXON], a member of our committee, sent telegrams to the Attorney General and to Mr. Harriman, requesting them to make public Mr. Hoover's letter.

They declined to do so. Another member of our committee, the gentleman from Mississippi [Mr. RANKIN], called upon President Truman to instruct the Secretary of Commerce to make the letter public. Now I submit, why would they not make the full text of this letter public? It does not contain the names of any informants. No confidences will be violated by its disclosure.

Now let us understand it—this entire letter deals with the activities, the associations, and indiscretions, if you please, of Dr. Edward U. Condon. This letter is a report from the Director of the Federal Bureau of Investigation about the activities and associations of one of the key Government officials. What is there in the letter the President, the Attorney General, and Secretary Harriman desire to keep from the Congress? They have defied a subpena of this House in order to cover up these facts. If they are so convinced of Dr. Condon's fitness and loyalty, and do not consider him a security risk in these perilous times, then why, in fairness to him and in fairness to the Congress and the people, do they not release the content of Mr. Hoover's letter?

Now, I would like to say a few words about this unanimous decision of the Department of Commerce Loyalty Board—the members of which were appointees of Henry Agard Wallace—which was supposed to have been made February 24. After the Secretary of Commerce refused to submit Mr. Hoover's letter, we subpenaed before us the three members of the Department of Commerce Loyalty Board, the Secretary of the Board, the Under Secretary of Commerce, the shorthand reporter of the Board, the investigating officer of the Board and the Solicitor of the Department of Commerce, and while they all informed us that they had been instructed by Mr. Harriman not to give any testimony regarding Dr. Condon, we did determine the following facts, which I think are very important:

First. It developed that Dr. Condon was not unanimously cleared by the Loyalty Board on February 24, as Mr. Foster announced, but he was, in fact, unanimously cleared several hours after the issuance of the subcommittee's report on March 1.

Second. That two members of this Board were not employees of the Department of Commerce when their finding was made, and in order to make it unanimous, one of the former employees was called by telephone in Illinois and permission to place his name on the Board's decision was obtained.

Third. It developed that the Department of Commerce Loyalty Board had been considering the case of Dr. Condon for 10 months; that they reached their decision as a result of the report of May 15, 1947, from J. Edgar Hoover, supplemented by a report of one investigator employed by the Department of Commerce.

Now in this important case, they called one witness during the entire 10 months. That one witness was Dr. Condon. In other words, during this 10 months that Dr. Condon was under investigation, no steps were taken by the Loyalty Board or the officials of the Department of Commerce, to deny him access to top secret material on atomic energy. As a matter of fact, in October of 1947, while the Board was considering Dr. Condon, and after they had received J. Edgar Hoover's letter, they permitted Dr. Condon to attend secret meetings at Oak Ridge, Tenn., and here is what is important about this unanimous opinion of the Loyalty Board. The Chairman of the Loyalty Board, Mr. Adrian S. Fisher, who is now General Counsel of the Atomic Energy Commission, having resigned as Solicitor of the Department of Commerce on February 25, testified before us that his board made a finding purely as to the individual loyalty of Dr. Condon. In other words, they made no finding as to whether through his associations, his affiliations or his indiscretions, he was a security risk, or unfit for the strategic position he held. The very essence of our report concerning Dr. Condon had to do with his associations, affiliations, and indiscretions. We did not charge Dr. Condon with being disloyal. We clearly stated that there was no evidence that Dr. Condon was a Communist, but we did state that Dr. Condon had been associating with individuals who were agents of the Soviet Government. In other words, so far as the Loyalty Board is concerned, Dr. Condon, a person who had access to highly confidential data, can associate every night with Soviet espionage agents, entertain them and be entertained by them, visit their embassies, their homes, entertain them in turn at his Government-owned home at the Bureau of Standards, associate with them socially and he and his family may hold membership in Communist front organizations. They do not take these matters into consideration in reaching their decision. They make their determination purely on whether or not he, as an individual, is loyal to the United States. He might be negligent and irresponsible in his conduct—they do not take that into consideration. They do not take into consideration whether or not he constitutes a security risk. To emephasize this point let me read you what the Chairman of the Commerce Department Loyalty Board said in this connection:

Mr. NIXON. What we want to know is what your Board has decided. As I understand it, then, from my question, your Board has decided only the narrow issue of individual loyalty of the man before you.

Mr. FISHER. That is correct.

Mr. NIXON. In other words, you have not made a decision one way or the other as to whether the man before you—and understand this is theoretical because I do not want you to refuse to answer this—whether or not the man before you may have been guilty of indiscreet associations over a period of time, and might, for that reason, be a questionable security risk for top secret documents.

Mr. FISHER. May I cite a supposititious case which, I think, will clear it up. Let me assume we had a case of a man, I will say.

Mr. NIXON. Yes.

Mr. FISHER. Economic conservative also, if I may state this, a religious man, and a southerner of which there are not economically radical people, I think. Yet, he had the bad habit of getting drunk, telling all he knew whenever he was given a drink. I think that is a supposititious case.

Mr. NIXON. Right.

Mr. FISHER. It is my interpretation under the Executive order that in that case we would have no alternative but to state his failings——

Mr. NIXON. But to clear the man for loyalty.

Mr. FISHER. That is correct. His failings are not before us.

I say that the issue here is not whether Dr. Condon fundamentally is loyal. The question is, can we entrust the very security of our Nation in the hands of an individual who apparently sees nothing wrong in associating with card-holding members of the Communist Party, with associating with persons who are known to be agents of the Soviet Union, and who affiliates with an organization which is in control of Communists? Is he not placing the security and the welfare of the people of the United States in jeopardy through such associations? If Dr. Condon, as a private scientist, wishes to engage in activities in which I know he has been engaged, that is his business, but when he, as a director of the Bureau of Standards, engages in this activity, it becomes not only the concern of the Congress of the United States, but likewise the concern of every citizen of this country. We are playing for keeps now, and misfeasance can be just as disastrous as malfeasance.

In making this statement, I call upon the President to "unfreeze" Mr. Hoover's letter of May 15. Let the Congress and the people see what J. Edgar Hoover reported to Mr. Harriman on May 15, 1947. Let us see what was in the file of Dr. Condon that caused Mr. Fisher, the Chairman of the Loyalty Board, to refer to it as "a hot potato" in his testimony before our committee.

As a result of this case, President Truman has seen fit to ring down an iron curtain between the important information in the files of the executive departments of the Government and the Congress. If we permit his action to go unchallenged, then we are surrendering one of our historic prerogatives, that of the investigative authority of the Congress.

In the Washington Post of Thursday, March 25, 1948, there is an article on page 1, under the byline of Alfred Friendly. I want to read to you a portion of this article:

The subcommittee report on Condon was released on March 1. Two days later, the Washington Post disclosed that when the subcommittee quoted in part from the now famous Hoover letter, it omitted a key sentence. It was not until yesterday, however, that it was discovered that the subcommittee also inserted three sentences which Hoover did not write.

The passage is a supposed summary of passport applications of Dr. and Mrs. Condon for foreign travel. Sources known to be familiar with the text of the Hoover letter assert that the sentences do not appear in that communication.

The Commerce Department has refused a request of the Un-American Activities Committee Subcommittee to make the Hoover letter public.

Here we have a strange situation indeed. We find that the Washington Post is able to refer freely to a document which has been denied to the people's representatives in Congress. The Washington Post is able to say what this document contains and what it does not contain,

yet the Congress is refused by the Department of Commerce and Secretary Harriman the right to learn anything whatsoever concerning it. At precisely what point does the people's rights in this regard end and the privileges of the Washington Post begin? This situation calls for a thorough investigation and removal from office of all responsible and condoning parties, including the Secretary of Commerce, if he fails to take action immediately.

What is there in the file of an official of the Government, or an employee of the Government, that should not be subject to inspection by Members of Congress? To say that we who create these agencies and appropriate the money for their operations do not have an obligation to determine whether or not these agencies are being properly administered or whether the employees of these agencies are loyal or disloyal, or whether or not they constitute a security risk, is absurd. Certainly these are matters of pertinent inquiry to the committees of Congress. The country would never have known about the Teapot Dome or Benny Myers or Gerhart Eisler or Hanns Eisler, if the Congress had not had access to the files of the executive branch of the Government.

The very authority of the Congress has been defied. It is incumbent upon us to override the President's action and the dangerous precedent thereby established.

Your committee has described Dr. Condon as "one of the weakest links in our atomic security." If there are weaker links in our security chain and the same Presidential and departmental safeguards are thrown up to protect them from exposure, the committee can only suggest that the Congress and the people of the United States join together in the fervent prayer, "God help America."

[From the Washington Times-Herald of March 21, 1948]

WHO SMEARED SCIENCE?

(By Frank C. Waldrop)

Who smeared science? Who has got people wondering about the loyalty of scientists to the Government of the United States?

On September 5, 1945, a little man walked into the office of the Ottawa (Canada) Journal.

His English was terrible. He had under his arms a large package of papers written in a foreign language. His story was fantastic.

He said that he was a code clerk at the Russian Embassy and that he wanted to report the existence of a Russian spy ring operating out of the Embassy. The papers, he said, were proof of the spy ring's work, documents that he had encoded and decoded.

The Ottawa Journal decided he was a "nut" and threw him out. He tried again the next day. No luck. He tried the Canadian Government. Still no luck. That night, September 6, 1945, he took his baby out of apartment 4, at 511 Somerset Street, Ottawa, to the next-door apartment of Sgt. Harold W. Main, of the Royal Canadian Air Force, and asked Main to look after the child because he, the code clerk, expected to be killed before the night was over.

But Sergeant Main had more sense than the Ottawa Journal or the Government of Canada, both of which had flatly refused to listen to the little man.

Sergeant Main went on a bicycle for the neighborhood cops.

The cops came around to apartment 4, at 511 Somerset Street, shortly after 11 p. m., September 6, 1945, and there found:

Vitali G. Pavlov, second secretary of the Soviet Embassy and chief of the Soviet secret service in Canada, Lt. Pavel Angelov, assistant military attaché, Lieutenant Colonel Rogov, air attaché, and Alexander Farantov, cipher clerk.

They had broken in and were tearing up the apartment. One was under the bed. One was in the clothes closet.

They were after those papers the little man had been trying so desperately to push into the hands of Canada. Thus broke the greatest spy case in North America, and it may yet turn out to be the most important in world history.

For the little man with the papers was Igor Gouzenko, the Embassy's code clerk. The papers were evidence of how the Soviets had stolen samples of uranium with which the United States of America had been making atom bombs. And of how they had stolen military secrets on radar, radio, high explosive, and other scientific weapons of war.

One of the papers the little man had was a coded cablegram to the headquarters of Soviet espionage in Moscow, reading:

"To the DIRECTOR:

"Facts given by Alek: (1) The test of the atom bomb was conducted in New Mexico (with "49," "94–239"). The bomb dropped on Japan was made of uranium 235.

"It is known that the output of uranium 235 amounts to 400 grams daily at the magnetic separation plant at Clinton. The output of "49" is likely two times greater (some graphite units are established, planned for 250 mega watts, i. e., grams, each day). The scientific work in this field is scheduled to be published but without the technical details. The Americans already have a published book on this subject.

"Alex (note: Spelling is from the original—FCW.) handed over to us a platinum with 162 micrograms of uranium 233 in the form of oxide in a thin lamina. We have had no news about the mail.

"Grant."

Decoded and translated, that message said that a Russian spy had furnished Russia with samples of United States atom-bomb material.

The name of the spy was Alan Nunn May.

Dr. May was an Englishman of the upper class, a professor in nuclear physics at ancient and honorable Cambridge university. His family had an ancient and honorable name in Britain. Dr. May was one of Britain's trusted scientific experts on the bomb, frequently in Washington, D. C., during the war.

And he was a Soviet spy. So much so, in fact, that the head of the Soviet spy ring in Ottawa, a Col. Gregory Zabotin, got a direct cable from Moscow to expect May's arrival.

May's spy name was "Alek." Zabotin's spy name was "Grant." And "the director" was the spy headquarters in Moscow.

Dr. May is now doing 10 years in a British prison. He should have been shot for the traitor he was. Numerous other scientists in the very heart of United States-Canadian war work, some Canadians by birth, some British by birth, were all caught in the same net he was.

They are doing time in various Canadian prisons as traitors.

Who smeared science in this case?

One further question: Where did Alan Nunn May get that sample of uranium he slipped to Spymaster Zabotin in Ottawa, Canada?

Uranium for bombs was manufactured only in the United States of America. And May was down here. Who gave him that stuff? There is but one answer possible.

What has science to say for itself? When the first atom bomb drops on America, science can accept the credit, for it was a scientists who gave the uranium to Russia in 1945.

Gentlemen of science, speak up.

[From the Paterson (N. J.) Morning Call of Monday, March 8, 1948]

TO RELAX NOW MAY MEAN TO WEEP LATER

Dr. Edward Condon, whose alleged association with Soviet agents is under congressional scrutiny, blithely advises us that he is "entirely reliable" and that "the country can relax." However, there is something in the record against him now before the House Un-American Activities Committee which makes us question the soundness of his advice.

Being Director of the United States National Bureau of Standards, Dr. Condon has access to all our atomic science records and files, and as a scientist has confidential knowledge of the mysteries of the atomic bomb, the one weapon Stalin longs for to speed up the Communist program of Europe's and then the world's subjugation. He of all people should be so beyond suspicion of disloyalty that no voice from any governmental quarter could be raised against him. Not only should he be "not disloyal" as he claims. He should be positively and passionately loyal to the United States, whose Government he is serving in so responsible a position of trust.

But the congressional committee, thank heavens, is not so easily taken off guard, for they have garnered evidence of questionable associations which belie his assurance that "the country can relax." This evidence points to some of his friends and intimates as "alleged Soviet espionage agents." It points to contacts with men and women, who while American citizens are said to be members of the Communist Party, and also to representatives of the Soviet and her satellite nations. It has reference to his membership in a society affiliated with an organization branded by the United States Attorney General himself as subversive.

Certainly these associations of Dr. Condon are not very conducive to inspiring public confidence in his assertion that "the country can relax," while he flits about among those who make no secret of their intent to overthrow our American democracy. Our Congress is right therefore in calling the administration to task for thus letting down its guard at so critical a moment in our Nation's history. It is surely not the time to throw our vigilance out of the window by giving to indiscreet officials in high places, with atomic bombs in their pockets, the benefit of every doubt. With Communist plotters to the east, west, north, and south of us, even cause for the slightest doubt calls for a searching and never-relaxing investigation.

Washington's patriotic advice to be vigilant in the hour of danger won us our liberty. Dr. Condon's unpatriotic advice to relax is the surest way of having it stolen from us.

Mr. McDOWELL. Mr. Speaker, I want to thank the gentleman from Illinois for his very excellent and very factual and very informative statement on this matter. May I also ask the gentleman from Illinois if he has taken cognizance of the many, many accusations to the effect that the committee has attacked scientists all over the Nation, and that scientists have been warned they may be subject to attacks and smears and one thing and another?

Mr. VAIL. I am quite aware of that.

Mr. McDOWELL. I wonder if the gentleman from Illinois knows how many scientists have been named in any mat-

ters ever issued by the Committee on Un-American Activities.

Mr. VAIL. I recall of no other scientist.

Mr. McDOWELL. There were two, I will say to the gentleman from Illinois, the moon-gazing, left-wing, fellow-traveling gentleman from Harvard University, Dr. Harlow Shapley, and Dr. Condon.

There is one other matter that ought to be cleared up. The accusation has been made by some radio commentators than an irresponsible subcommittee of the Committee on Un-American Activities issued this release. I would like to point out that the subcommittee consists, of course, of the gentleman from Illinois, who is known to the other members of the committee as being one of the most energetic, one of the most able fact-finders, one of the hardest working members of the committee and also one of the most conservative members of the committee. The other two members of the committee consist of the chairman of the full committee who has been a member of the Committee on Un-American Activities ever since it was first established in 1938. The third member of the committee was the minority member, the Honorable JOHN S. WOOD, of Georgia, known to this House for many years for his integrity, his ability, and who most certainly as chairman of the full committee was cautious about those things he did.

Again I wish to thank the gentleman from Illinois.

FOREIGN ASSISTANCE ACT OF 1948—CONFERENCE REPORT

Mr. EATON submitted a conference report and statement on the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on March 31, 1948, present to the President, for his approval, a bill of the House of the following title:

H. R. 5314. An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes.

ADJOURNMENT

Mr. McDOWELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 40 minutes p. m.) the House adjourned until tomorrow, Friday, April 2, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1431. A letter from the Secretary of the Army, transmitting a draft of a proposed bill to amend the Federal Tort Claims Act; to the Committee on the Judiciary.

1432. A letter from the Assistant to the Attorney General, transmitting a draft of a proposed bill to amend the Alien Registration Act of 1940; to the Committee on the Judiciary.

1433. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated January 28, 1948, submitting a report, together with accompanying papers and illustration, on a preliminary examination and survey of Noyo River and Harbor, Calif., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 586); to the Committee on Public Works and ordered to be printed, with one illustration.

1434. A letter from the Secretary of the Interior, transmitting a report and findings on the Cachuma unit of the Santa Barbara County project, California (H. Doc. No. 587); to the Committee on Public Lands and ordered to be printed, with illustrations.

1435. A communication from the President of the United States, transmitting a draft of a proposed provision for a contract authorization of $375,000,000 for the Treasury Department, in the form of an amendment to the budget for the fiscal year 1949 (H. Doc. No. 588); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CASE of New Jersey: Committee on the Judiciary. S. 1648. An act to authorize the expenditure of income from Federal Prison Industries, Inc., for training of Federal prisoners; with an amendment (Rept. No. 1653). Referred to the Committee of the Whole House on the State of the Union.

Mr. STEVENSON: Committee on Post Office and Civil Service. House Joint Resolution 347. Joint resolution to authorize the Postmaster General to withhold the awarding of star-route contracts for a period of 60 days; without amendment (Rept. No. 1654). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REEVES: Committee on the Judiciary. S. 1235. An act for the relief of Merchants Trapier Rogers; without amendment (Rept. No. 1623). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. S. 1307. An act for the relief of Edward Trapier Rogers; without amendment (Rept. No. 1624). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. S. 1312. An act for the relief of Jeanette C. Jones and minor children; without amendment (Rept. No. 1625). Referred to the Committee of the Whole House.

Mr. FOOTE: Committee on the Judiciary. H. R. 371. A bill for the relief of Jenness C. Thomas; without amendment (Rept. No. 1626). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 564. A bill for the relief of Sarah Lee Cregg; without amendment (Rept. No. 1627). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 636. A bill for the relief of Knox Lumber Sales Co., Thomson, Ga.; with amendments (Rept. No. 1628). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 838. A bill for the relief of Frank J. Patzke, Archie Mitchell, J. L. Shoemaker, Einar Engen, and N. L. Gifford; with amendments (Rept. No. 1629). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1303. A bill for the relief of E. La Ree Smoot; with an amendment (Rept. No. 1630). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1779. A bill for the relief of the Winona Machine & Foundry Co., a corporation, of Winona, Minn.; without amendment (Rept. No. 1631). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1801. A bill for the relief of Mose Altman; with an amendment (Rept. No. 1632). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 2131. A bill for the relief of Fred E. Gross; without amendment (Rept. No. 1636). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2785. A bill for the relief of the New Amsterdam Casualty Co.; without amendment (Rept. No. 1634). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 2918. A bill for the relief of the Sumner County Colored Fair Association; without amendment (Rept. No. 1635). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 3007. A bill for the relief of Ernest F. Lutzken; with an amendment (Rept. No. 1636). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 3114. A bill for the relief of the estate of John Delman; with an amendment (Rept. No. 1637). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 3189. A bill for the relief of Joe Parry, with amendments (Rept. No. 1638). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 3261. A bill for the relief of Capt. Carroll C. Garretson; without amendment (Rept. No. 1639). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 3553. A bill for the relief of the estate of Mrs. Minerva C. Davis; without amendment (Rept. No. 1640). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 3644. A bill for the relief of James M. Dingwall, Eileen Reynolds, W. G. Peterson, Bert Woolslayer, and Maisie Purser Davis; with amendments (Rept. No. 1641). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 3931. A bill for the relief of James W. Keith; with an amendment (Rept. No. 1642). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 4518. A bill for the relief of Gerald S. Furman; with an amendment (Rept. No. 1643). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 4602. A bill for the relief of Forest L. Weatherly; with an amendment (Rept. No. 1644). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 4718. A bill for the relief of Louis Brown; without amendment (Rept. No. 1645). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 5330. A bill for the relief of W. W. DeLoach; without amendment (Rept. No. 1646). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 5387. A bill for the relief of certain officers and employees of the Department of the Treasury who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions and whose claims for such losses have been considered and approved by the Secretary of the Treasury upon the recommendations of a Treasury claim board; without amendment (Rept. No. 1647). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. S. 1263. An act for the relief of Fire District No. 1 of the town of Colchester, Vt.; without amendment (Rept. No. 1648). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3497. A bill for the relief of Mrs. Shirley Leinwand; without amendment (Rept. No. 1649). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3740. A bill for the relief of Andrew Osiecimski Czapski; without amendment (Rept. No. 1650). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4199. A bill for the relief of George Haniotis; with an amendment (Rept. No. 1651). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4484. A bill for the relief of Theodore Loetsch; without amendment (Rept. No. 1652). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 6085. A bill to amend section 26 of the Shipping Act of 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. CURTIS:

H. R. 6086. A bill to define partnerships and partners for income-tax purposes; to the Committee on Ways and Means.

By Mr. DIRKSEN:

H. R. 6087. A bill to amend the act entitled "An act to regulate the practice of optometry in the District of Columbia"; to the Committee on the District of Columbia.

By Mr. EVINS:

H. R. 6088. A bill to amend the Reconstruction Finance Corporation Act so as to authorize the Reconstruction Finance Corporation to purchase home loans guaranteed or insured under the Servicemen's Readjustment Act of 1944; to the Committee on Banking and Currency.

By Mr. LYLE:

H. R. 6089. A bill to amend the act of July 6, 1945, Public Law 134; to the Committee on Post Office and Civil Service.

By Mr. MICHENER:

H. R. 6090. A bill authorizing the Secretary of the Interior to issue patents for lands held under color of title; to the Committee on Public Lands.

By Mr. WELCH:

H. R. 6091. A bill to withdraw certain land as available land within the meaning of the Hawaiian Homes Commission Act of 1920 (42 Stat. 108), as amended, and to restore it to its previous status under the control of the Territory of Hawaii; to the Committee of Public Lands.

By Mr. WORLEY:

H. R. 6092. A bill to authorize the erection of additional facilities at the existing Veterans' Administration facility at Amarillo, Tex.; to the Committee on Veterans' Affairs.

By Mr. LATHAM:

H. R. 6093. A bill to amend section 26 of the Shipping Act of 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNGBLOOD:

H. R. 6094. A bill to authorize the United States during an emergency period to undertake its fair share in the resettlement of displaced persons and expellees by permitting their admission into the United States; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 6095. A bill to provide for the collection and publication of statistical information by the Bureau of the Census; to the Committee on Post Office and Civil Service.

By Mr. JOHNSON of Illinois:

H. R. 6096. A bill to provide for making available the Government-owned alcohol plants at Muscatine, Iowa; Kansas City, Mo.; and Omaha, Nebr.; for the production of products from agricultural commodities in the furtherance of authorized programs of the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. MURDOCK:

H. R. 6097. A bill to authorize the furnishing of water to the Yuma auxiliary project, Arizona, through the works of the Gila project, Arizona, and for other purposes; to the Committee on Public Lands.

By Mr. SHAFER:

H. R. 6098. A bill to promote the common defense by providing for the retention and maintenance of a national reserve of industrial productive capacity, and for other purposes; to the Committee on Armed Services.

By Mr. DINGELL:

H. R. 6099. A bill to provide for a national program of old-age retirement, survivors, and permanent disability insurance; to the Committee on Ways and Means.

By Mr. NODAR:

H. R. 6100. A bill to provide free mailing privileges for patients in or at veterans' hospitals; to the Committee on Post Office and Civil Service.

H. R. 6101. A bill to extend for 3 years the period in which first-class letter mail matter may be transmitted free of postage by members of the armed forces; to the Committee on Armed Services.

H. R. 6102. A bill increasing the immigration quotas for Greece; to the Committee on the Judiciary.

By Mr. GATHINGS:

H. R. 6103. A bill to repeal the exemption from income tax now existing in favor of certain cooperative associations and corporations; to the Committee on Ways and Means.

By Mr. HARTLEY:

H. Res. 518. Resolution to provide funds for the Committee on Education and Labor; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Kentucky memorializing the President and the Congress of the United States concerning the acquisition and maintenance, as a national shrine, of the Albert Sidney Johnston home, the old courthouse and old post office located in the town of Washington, in Mason County, Ky.; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. REED of Illinois:

H. R. 6104. A bill for the relief of Thomas Falese; to the Committee on the Judiciary.

By Mr. RUSSELL:

H. R. 6105. A bill for the relief of Serapio Zabala-Arrien; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1708. By Mr. CANFIELD: Petition of sundry citizens for passage of such legislation as may be required for the reduction of shipping rates to stricken foreign countries; to the Committee on Post Office and Civil Service.

1709. By Mr. NORBLAD: Petition signed by Mrs. William J. Hamilton and 33 other citizens of Salem, Oreg., urging the abolition of the tax on yellow margarine; to the Committee on Agriculture.

1710. Also, petition signed by Mr. C. A. McCall and 33 other citizens of Salem, Oreg., urging the abolition of the tax on yellow margarine; to the Committee on Agriculture.

1711. By Mr. WELCH: California State Senate Resolution 30, memorializing Congress to take such steps as may be necessary to increase the compensation of the postal employees sufficiently to enable them to meet the enormously increased cost of living; to the Committee on Post Office and Civil Service.

1712. Also, California State Senate Resolution 39, memorializing Congress to adopt the resolution proposed by Representative WELCH asking that the Army, Navy, and Interior Department engineers study the possibility of building a dam at the northern end of San Francisco Bay to separate the salt water of the Pacific from the fresh water of the two rivers; to the Committee on Public Works.

1713. By the SPEAKER: Petition of the Board of Selectmen of Holliston, Mass., petitioning consideration of their resolution with reference to amending the United Nations Charter; to the Committee on Foreign Affairs.

1714. Also, petition of Henry M. Barnhart, Mount Dora, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1715. Also, petition of Mrs. Maude M. Gibson, Orlo Vista, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1716. Also, petition of Mrs. Ruey E. Collins, St. Cloud, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1717. Also, petition of Leslie D. Sailor and others, petitioning consideration of their resolution with reference to enactment of universal military training; to the Committee on Armed Services.

SENATE

FRIDAY, APRIL 2, 1948

(Legislative day of Monday, March 29, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, let us never be ashamed to come to Thee in prayer, for we are Thy children, Thou art our Father.

Together we pray for the Members of this body who need the healing ministry of the Great Physician and for their

loved ones concerning whom they are anxious.

O Christ, our Saviour, Thou art still the sympathizing Jesus. Be near this day to those whose names we whisper in our hearts and minister to them according to their needs and Thy loving kindness.

Help those who are in trouble.

Give Thy consolation to those who sorrow and Thy love to us all.

In Thy name we pray. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 1, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4167) to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for the production of oil, gas, and other hydrocarbons for such terms of years and on such conditions as may be from time to time provided by the legislative assembly of the respective States.

The message also announced that the House had passed a bill (H. R. 6055) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, in which it requested the concurrence of the Senate.

RUSSIAN STOPPAGE OF RAIL AND MOTOR COMMUNICATION INTO BERLIN

Mr. DONNELL. Mr. President, I ask unanimous consent that I may read and offer at this time certain preambles and a resolution and that they may be appropriately referred.

Whereas it appears from the public press that on Thursday, April 1, 1948, two American trains were stopped by Russians at the border of the Soviet occupation zone which completely surrounds the city of Berlin; and

Whereas it further appears that of the American trains so stopped one was carrying passengers en route from Frankfurt to Berlin and the other was a milk and mail train coming from Bremerhaven to Berlin, the milk on which last-mentioned train was for American dependents and children in Berlin, and which train carried 21 passengers, including the wife of an American lieutenant colonel; and

Whereas it further appears that a Russian order announced on March 31, 1948, and effective at midnight following the announcement requires all motor or rail passengers and freight to undergo Russian inspection at border control points; and

Whereas it appears further from the press that the Russians halted at the border of the Soviet occupation zone two British trains on April 1, 1948; and

Whereas it appears further that on the night preceding April 1, 1948, Russians installed a cordon across the only international rail and road routes leading from the city of Berlin and that Soviet check points insisted on passing on each Allied national going in or out of the city of Berlin, whether soldier or civilian; and

Whereas it further appears that Soviet officers attempted to board British and American military trains and were rejected, and that Russians thereupon refused to let said trains proceed; and

Whereas it further appears that approximately 10,000 nationals of the United States of America are in Berlin and that on April 1, 1948, the United States of America started to supply by air its nationals in Berlin, and that the shipments on April 1, 1948, by air into Berlin included 15,000 pounds of food; and

Whereas it further appears that both the American and British sectors of Berlin were, following suspension by American and British military authorities of all military trains under their jurisdiction, without their normal rail communications with the west; and

Whereas it is of urgent importance that Congress be fully and immediately informed of what agreements have hitherto been entered into which would in any manner be of assistance in determining the rights of the Government of the United States of America and of its nationals with respect to ingress into, and egress from, Berlin by persons and by shipments, and whether any rights of either said Government or nationals are infringed by the action taken, as hereinabove indicated, by either the Soviet Government or any Russian officials or other Soviet nationals: Therefore be it

Resolved, That the Senate of the United States does hereby request the Department of State and the Department of the Army each to furnish to the Congress of the United States, as immediately as is possible, full information as to the agreements and arrangements under which a sector of the city of Berlin has been and is being occupied by the United States of America, its armed forces, and other nationals, and as to the agreements or arrangements bearing on the question as to whether rights of the United States of America and its nationals have been infringed by the actions taken under any Russian order or by Russian officials or other Soviet nationals, to which actions reference is hereinabove made; and that, as part of the information herein requested to be furnished to the Congress of the United States, there shall be included copies of all documents of every nature creating, defining, or setting forth the respective rights of the four governmental powers by which the city of Berlin is now occupied concerning ingress into, and egress from, the city of Berlin on the part of individuals or shipments by any and all forms of transportation, including pedestrian, nonmotor traffic, rail, automotive, truck, and airplane.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. I did not hear everything the Senator from Missouri said when he began his remarks, but now that he has concluded, I understand he is offering a resolution calling for certain information.

Mr. DONNELL. That is correct.

Mr. HATCH. I understood the Senator to ask that the preambles and resolution be appropriately referred. My inquiry is, to what committee would that kind of a resolution be referred?

The PRESIDENT pro tempore. In the opinion of the Chair, the resolution should be referred to the Committee on Foreign Relations.

The resolution (S. Res. 218) submitted by Mr. DONNELL was referred to the Committee on Foreign Relations.

Mr. LODGE. Mr. President, in connection with what the Senator from Missouri [Mr. DONNELL] has just said, I desire to have the RECORD show my own conviction that the Russian tactics of bullying and intimidation in Berlin demonstrate what a ghastly error and what a tragic miscalculation were made at the end of the war when we withdrew our troops from what is now the Russian zone of Germany. It also shows the pressing need for prompt military preparedness if actual harm to American men, women, and children in Berlin is to be prevented.

NOTICE OF HEARING BY SUBCOMMITTEE OF COMMITTEE ON THE JUDICIARY ON S. 156

Mr. DONNELL. Mr. President, notice is hereby given that on Wednesday, April 21, 1948, at 10 a. m., a public hearing will begin in room 424, Senate Office Building, Washington, D. C., with respect to the bill (S.156) to permit retired officers of the armed forces to act as agents or attorneys for prosecuting claims against the United States, before a subcommittee of the Senate Committee on the Judiciary, which subcommittee is composed of Senator MCGRATH, of Rhode Island, and Senator DONNELL, of Missouri.

ORDER OF BUSINESS

Mr. WHITE. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHITE. Am I correct in my understanding that by unanimous consent the conference report on the veterans' bill, Senate bill 1393, is before the Senate?

The PRESIDENT pro tempore. The conference report is before the Senate.

Mr. WHITE. Was there not an agreement that the Senator from Oregon [Mr. MORSE] was to be recognized on the opening of the Senate today?

The PRESIDENT pro tempore. The Chair is not advised of any agreement, but the Senator from Oregon will be recognized very shortly.

INVESTIGATION OF EXPORTS TO RUSSIA AND ITS SATELLITE COUNTRIES

Mr. REVERCOMB. Mr. President, I have in my hand a resolution which I propose to submit at the close of my remarks. The resolution authorizes the proper committee of the Senate to make a full and complete investigation of all exports from the United States to Russia and its so-called satellite countries since January 1, 1947.

The purpose of the resolution is to have a public hearing, so that the people of the United States may be fully apprised of the shipments which have been made from this country to Russia, and to countries dominated by her.

I feel that the time has come when the people of the United States should know the facts. We have authorized and have appropriated billions of dollars that go to the people of Europe and to the governments of Europe. It is said that the purpose of that expenditure is to stop the

spread of communism. We have today before us the proposal for reinstating the draft of the young men of the country into the armed services. It is said that the one reason for bringing about the increase of the armed forces and reinstatement of the draft is to stop communism. We know, and we have been apprised from time to time, of the shipment of materials from the United States into Russia, the birthplace of communism and the champion of that philosophy of government and of thinking. Therefore, I believe it entirely appropriate at this time that the people of the United States be made aware of what is going on—for this is still the people's Government—and what course is to be taken.

We cannot say "Stop communism" and at the same time feed communism. If there are imports to the United States from Russia today—and there has been mention of this—let us know what they are, and let the reasons be given to the people of the country as to why this course, I may say this double course of action has been pursued.

Mr. President, I have some figures I desire to place in the RECORD at this time for the benefit of the Senate and for the benefit of the citizens of the United States.

I am advised that the total worth of exports from the United States to Russia from January 1, 1947, through January 31, 1948, was $156,585,000. Of this amount, $115,595,000 was in machinery and vehicles; $5,221,000 was in nonmetallic minerals, including petroleum; and $17,137,000 in metals and manufacturing materials.

In the matter of machinery and vehicles, the United States shipped $12,235,000 in construction and conveying equipment; $18,790,000 in mine, well, and pumping machinery; $16,689,000 in power-driven metal-working machine tools; $4,923,000 in electrical motors, starters, and controllers; and $21,210,000 listed simply by the Commerce Department as "Other industrial machinery."

In the same 13-month period, we exported to Soviet Russia a total of $17,137,000 in metals and manufacturing materials. In 1947 alone, the shipments included $3,697,000 of tubular products and fittings; and $3,521,000 of wire rope. These are materials, Mr. President, which definitely have been in short supply in the United States. I invite the attention of Senators to these figures, which represent just the beginning, I may say, of the revelation which should be made to the people of America, so that they may know whether we are traveling upon a sound course.

There have also been shipped to Russia $2,451,000 in iron and steel bars and rods.

Shipments of lubricating oils amounted to $1,041,000; gas oil and distillate fuel oil, $1,348,000; and $839,000 in motor fuel.

The Commerce Department also lists under 1947 the sum of $16,337,000 in lend-lease exports, and $32,072,000 in UNRRA shipments.

These figures, Mr. President, have been taken from reports of the Commerce Department of our Government.

The purpose of my resolution is to bring about a public hearing, not a private hearing, on the subject, so that the people may know where we are traveling, and what the real situation is, and so that we may not in one breath be talking about increasing the Army to stop communism, appropriating billions of dollars to stop communism, and at the same time find that our own Government is feeding and strengthening the very force it is said we are to stop. Let us have a settled course upon which we travel. Let us know what is received by us in return. Let the people know the exact situation, so that they will not be in a state of misunderstanding upon the subject. Let an end to confusion be made, and a settled, informed policy be established. This is the way to understanding. This is the surest way to a peaceful course. Certainly it is the way to united action upon the policy we should take.

Mr. President, therefore I ask unanimous consent to submit the resolution, and I request that it be appropriately referred and printed in the RECORD at the close of my remarks.

There being no objection, the resolution (S. Res. 219) submitted by Mr. REVERCOMB was received and referred to the Committee on Interstate and Foreign Commerce, as follows:

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of all exports from the United States to Russia and its so-called satellite countries since January 1, 1947, including export licenses issued therefor and the persons to whom issued. The committee shall report to the Senate as soon as possible the results of its investigation together with such recommendations as it may deem desirable.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

PERMANENT REORGANIZATION STATUTE (H. DOC. NO. 590)

The PRESIDENT pro tempore laid before the Senate the following communication from the President of the United States, which was referred to the Committee on Expenditures in the Executive Departments:

THE WHITE HOUSE,
Washington, April 1, 1948.

The PRESIDENT OF THE SENATE PRO TEMPORE.

SIR: Under section 5 (f) of the Reorganization Act of 1945 the authority of the President to submit reorganization plans for the consideration of the Congress terminated on March 31, 1948. I believe that the act should be made permanent. At the same time, the provisions of section 5 which exempt certain agencies and functions should be eliminated as these exemptions make it impossible to deal with the total problem of the organization of the executive branch.

Experience under the Reorganization Acts of 1939 and 1945 has clearly demonstrated the advantages of this special procedure whereby the President and the Congress cooperate in improving the structure of the executive branch. Under these acts no less than 24 agencies have been eliminated as independent establishments, exclusive of temporary war agencies, and three agencies of major importance have been created through the grouping of related functions. Ten bureaus have been consolidated and many other bureaus and units have been transferred to their appropriate locations in the departmental structure.

In the last 2 years 35 organizational changes have been effected by reorganization plan. Among the more important of these have been the establishment of the Housing and Home Finance Agency, the rounding out of the Federal Security Agency as the central instrumentality of the Government in the field of social welfare, and the concentration in the Coast Guard of Federal programs relating to safety of water transportation.

The existence of the Commission on the Organization of the Executive Branch of the Government makes the continuation of the Reorganization Act of 1945 especially vital. The reorganization plan procedure will be essential if the President and the Congress are to be in a position to act promptly on the recommendations of the Commission.

As you are well aware, the reorganization of the executive branch is a continuous task. As new programs develop and old ones change in size and character, the structure of the Government must be adjusted to new conditions and requirements. Experience indicates that the method established by the Reorganization Acts of 1939 and 1945 provides a simple and practicable procedure for effecting many such adjustments. An effective reorganization statute should be continually available to serve the President and the Congress.

Respectfully yours,

HARRY S. TRUMAN.

TRANSFER BY NAVY DEPARTMENT OF LANDING SHIP, TANK, TO CAPE MAY (N. J.) FERRY COMMISSION

The PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Cape May (N. J.) County Ferry Commission had requested the Navy Department to transfer a naval landing ship, tank, for use by that commission in a ferry service across lower Delaware Bay, which was referred to the Committee on Armed Services.

PETITION AND MEMORIAL

The PRESIDENT pro tempore laid before the Senate the following petition and memorial, which were referred as indicated:

A resolution adopted by the citizens of the town of Holliston, Mass., favoring an amendment to the United Nations Charter so that it may become an effective instrument for the establishment, maintenance, and enforcement of peace; to the Committee on Foreign Relations.

A resolution adopted by the District Council of Eastern Pennsylvania, Junior Order United American Mechanics, at Perkasie, Pa., protesting against the continuation of a personal or official representative to the Vatican from the United States; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

S. 1856. A bill to provide for the utilization as national cemeteries of surplus Army Department-owned military real property at Fort Devens, Mass.; Fort Logan, Colo.; and Fort Lewis, Wash.; with an amendment (Rept. No. 1049);

S. 1874. A bill authorizing the head of the department or agency using the public domain for national defense purposes to compensate holders of grazing permits and licenses for losses sustained by reason of such use of public lands for national defense purposes; with an amendment (Rept. No. 1050);

S. 2240. A bill to include certain lands within the Uinta and Wasatch National Forests, Utah, and for other purposes; without amendment (Rept. No. 1051); and

H. R. 2645. A bill to provide that appointments of United States commissioners for the Isle Royale, Hawaii, Mammoth Cave, and Olympic National Parks shall be made by the United States district courts without the recommendation and approval of the Secretary of the Interior; without amendment (Rept. No. 1052).

By Mr. BUCK, from the Committee on the District of Columbia:

S. 2195. A bill to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended; with amendments (Rept. No. 1053).

COORDINATION OF FEDERAL AND STATE TAXES—REPORT OF A COMMITTEE (REPT. NO. 1054)

Mr. BRICKER. Mr. President, I ask unanimous consent to submit a report from the Committee on Expenditures in the Executive Departments.

The report concerns the activity of the committee and its Subcommittee on Intergovernmental Fiscal Relations. This subcommittee was formed as a result of the introduction of Senate Joint Resolution 90 by Senator HERBERT R. O'CONOR, of Maryland, in the first session of this Congress.

The subcommittee developed, and the full committee approved, a preliminary program of suggested adjustments in the area of Federal and State tax relationships. I earnestly call this matter to the attention of every Senator and especially to the Committee on Finance so that they may have the benefit of our study on these important matters.

I should like to emphasize that our aim has not been tax relief so much as it is an adjustment of tax relationships aimed at taking the Federal Government out of certain fields, and State governments out of other fields. Any student of the tax problem is familiar with the pyramiding of taxes by a multitude of Federal and State laws, and the Committee on Expenditures in the Executive Departments earnestly suggests that this pyramiding must stop and that a dividing line must be drawn.

The tables contained in this report show the estimated effect of the abolition of certain Federal taxes, and they show much other information of value in the consideration of this subject.

While we are not a legislative committee, we are directed by the Legislative Reorganization Act to study these matters. The report I submit is the first effort along this line. Others will be forthcoming as time and circumstances will permit.

The PRESIDENT pro tempore. Without objection, the report will be received and printed.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MOORE:

S. 2428. A bill to repeal an act approved August 24, 1894, entitled "An act to authorize the purchasers of the property and franchises of the Choctaw Coal & Railway Co. to organize a corporation, and to confer upon the same all the powers, privileges, and franchises vested in that company," and all acts amendatory thereof and supplemental thereto; to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S. 2429. A bill for the relief of Edward Woolf; and

S. 2430. A bill for the relief of Mrs. Zumrut Zelveian, Haig Zelveian, and Mary Zelveian; to the Committee on the Judiciary.

(Mr. WILEY (by request) introduced Senate bill 2431, to amend the Trading with the Enemy Act, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

(Mr. WILEY (by request) introduced Senate bill 2432, to amend the Alien Registration Act of 1940, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. GURNEY:

S. 2433. A bill to except the Panama Railroad Co. from the Federal Tort Claims Act; to the Committee on Armed Services.

By Mr. McCARTHY:

S. 2434. A bill to incorporate the Paralyzed Veterans of America; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 2435. A bill for the relief of James Thomas Powers; to the Committee on Labor and Public Welfare.

By Mr. BUTLER:

S. 2436. A bill relating to custom duties on articles coming into the United States from the Virgin Islands; to the Committee on Finance.

By Mr. AIKEN (for himself, Mr. MORSE, Mr. IVES, Mr. THOMAS of Utah, Mr. HILL, Mr. MURRAY, and Mr. PEPPER):

S. 2437. A bill to amend the Railroad Retirement Act of 1937, as amended; and

S. 2438. A bill to amend the Railroad Unemployment Insurance Act, as amended; to the Committee on Labor and Public Welfare.

(Mr. FULBRIGHT introduced Senate bill 2439, to provide for the temporary retention in the United States of certain German paintings, which was referred to the Committee on Armed Services, and appears under a separate heading.)

By Mr. BUTLER:

S. J. Res. 203. Joint resolution providing for the ratification by Congress of a contract for the purchase of certain lands and mineral deposits by the United States from the Choctaw and Chickasaw Nations of Indians; to the Committee on Interior and Insular Affairs.

AMENDMENT OF TRADING WITH THE ENEMY ACT

Mr. WILEY. Mr. President, by request, I ask unanimous consent to introduce for appropriate reference a bill to amend the Trading With the Enemy Act, and I request that the bill together with a letter from the Department of Justice may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and the bill and letter will be printed in the RECORD as requested by the Senator from Wisconsin.

There being no objection, the bill (S. 2431) to amend the Trading With the Enemy Act, introduced by Mr. WILEY (by request), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 33 of the Trading With the Enemy Act (40 Stat. 411), as amended, is hereby further amended to read as follows:

"SEC. 33. No return may be made pursuant to section 9 or 32 unless notice of claim has been filed: (a) In the case of any property or interest acquired by the United States prior to December 18, 1941, by August 9, 1948; or (b) in the case of any property or interest acquired by the United States on or after December 18, 1941, by July 31, 1949, or 2 years from the vesting of the property or interest in respect of which the claim is made, whichever is later. No suit pursuant to section 9 may be instituted after August 9, 1948, or after the expiration of 2 years from the date of the seizure by or vesting in the Alien Property Custodian, as the case may be, of the property or interest in respect of which relief is sought, but in computing such 2 years there shall be excluded any period during which there was pending a suit or claim for return pursuant to section 9 or 32 (a) hereof."

The letter presented by Mr. WILEY is as follows:

DEPARTMENT OF JUSTICE,
Washington, March 25, 1948.

Hon. ALEXANDER WILEY,
Chairman, Committee on the Judiciary,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: This Department invites your attention to the desirability of amending section 33 of the Trading With the Enemy Act in order to extend the time for filing claims under sections 9 and 32 of that act.

Section 32 was first enacted in March 1946 (60 Stat. 50). It was amended and section 33 was added in August 1946 (60 Stat. 930; 60 Stat. 925). Both sections were amended in August 1947 (Public Law 370, 80th Cong., 1st sess.).

Section 32 permits return of vested property to any persons save those in certain defined categories hostile to the United States. Among those to whom return is permitted are persons who were enemies under the act only by reason of residence in occupied countries during the war and persons who were persecuted by an enemy government during the war. Section 33 originally provided that claims for return under section 32 (a) and section 9 (a) must be made within 2 years of the vesting of the property or by August 8, 1948 (2 years from the passage of section 33), whichever should be later. In July 1947, Italians were for the first time made eligible to receive returns under section 32 (a). In order to give Italians the two years for filing of claims enjoyed by other claimants, section 33 was amended to permit filing of Italian claims until July 31, 1949.

It now appears that the two years allowed for the filing of claims has proved insufficient in the case of many claimants. Until recently, many of the occupied countries have been in a disorganized condition in which communication has been restricted and it has been difficult if not impossible for claimants resident in such countries to file claims. Moreover, many potential claimants have been necessarily preoccupied with

the problems of day-to-day existence. The plight of the victims of persecution has been even more arduous. Most of them are presently either in displaced-person camps or dead. Many are presumably unaware of their privileges under the act and, despite the earnest efforts of this Department, will probably continue to be so for some time in the future. Only a very small number of such persons have thus far been able to file claims. The heirs of deceased victims of persecution (who also may file claims under section 32), some of whom are American citizens, are in many cases ignorant of the existence of the vested property, or of the fact that they are the heirs, or both. Unless the statute of limitations is extended, the purpose of Congress will be frustrated in many deserving cases.

The proposed amendment would accomplish three main purposes. First, it would extend from August 8, 1948, to July 31, 1949, the statute of limitations on claims filed pursuant to sections 9 and 32 of the act in cases involving property vested during World War II. In addition, where the August 1948 limiting date on the filing of claims and suits is retained, the date is changed from August 8 to August 9, it having been observed that August 8 falls on Sunday. Second, the statute of limitations governing subsection 9 (a) proceedings would be made applicable to all proceedings under section 9. Third, it would simplify section 33. The section is presently embodied in two statutes (60 Stat. 925 and Public Law 370, 80th Cong., 1st sess.), a consequence of separate legislation in respect of Italian vested property providing, among other things, a different period of limitations for such property than is applicable to other property. The proposed legislation would erase distinctions which the passage of time has made unnecessary and treat all World War II claims uniformly.

The extension of slightly less than a year which is here proposed would do much to alleviate the situation. The filing of stale claims would not be encouraged since, even with the extension, the entire period during which claims might be filed (i. e., from the enactment of sec. 32 to July 31, 1949) would be less than 3½ years.

Section 33 makes no provision for limitations in any proceedings under section 9 except those under subsection (a). This apparently inadvertent omission may have occurred because only subsection (a) has come into sufficiently general play in World War II to command attention. Nevertheless, there may be some claims from World War I under other subsections of section 9 which are controlled by no statute of limitations at present. While we are confident that such claims, if they exist at all, are not important, it would seem desirable, in the interest of good order, to be able to close the books in respect to such possible claims after the stated time.

A proposed bill to effectuate the foregoing suggestions is enclosed.

The Director of the Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours,

PEYTON FORD,
The Assistant to the Attorney General.

AMENDMENT OF ALIEN REGISTRATION ACT OF 1940

Mr. WILEY. Mr. President, by request, I ask unanimous consent to introduce for appropriate reference a bill to amend the Alien Registration Act of 1940, and I request that the bill together with a letter from the Department of Justice may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriatedly referred, and, without objection, the bill and letter will be printed in the RECORD as requested by the Senator from Wisconsin.

There being no objection, the bill (S. 2432) to amend the Alien Registration Act of 1940, introduced by Mr. WILEY (by request), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 35 of the Alien Registration Act of 1940, approved June 28, 1940 (54 Stat. 675; 8 U. S. C. 456), is hereby amended to read as follows:

"SEC. 35. Any alien required to be registered under this title who is an alien resident of the United States on July 1, 1948, and on July 1 of any succeeding year, shall, within 10 days following such dates, notify the Commissioner in writing of his current address. In the case of an alien for whom a parent or legal guardian is required to apply for registration, the notice required by this section shall be given by such parent or legal guardian."

SEC. 2. Subsection (b) of section 36 of the said act is hereby amended to read as follows:

"(b) Any alien or any parent or legal guardian of any alien who fails to give written notice to the Commissioner, as required by section 35 of this act, shall, upon conviction thereof, be fined not to exceed $100 or to be imprisoned not more than 30 days, or both."

The letter presented by Mr. WILEY is as follows:

DEPARTMENT OF JUSTICE,
Washington, March 24, 1948.

Hon. ALEXANDER WILEY,
Chairman, Committee on the Judiciary, United States Senate,
Washington, D. C.

MY DEAR SENATOR: This Department invites your attention to the desirability of amending the Alien Registration Act of 1940.

Section 35 of the Alien Registration Act of 1940 (54 Stat. 675; 8 U. S. C. 456) requires alien residents in the United States to advise the Commissioner of Immigration and Naturalization of a change of address within 5 days of such change. The same section also requires nonimmigrants to notify the Commissioner of their address at the expiration of each 3 months' period of residence in the United States regardless of whether there has been a change of address.

The foregoing section and the penalty provided for its violation in section 36 of the same act (8 U. S. C. 436 (b)) have not been effective in obtaining the desired information. Several years ago a number of alien registration records were sent out to the field offices of the Immigration and Naturalization Service for investigation, and it was discovered that a considerable percentage of the aliens involved had changed their address without complying with section 35. Criminal proceedings do not appear to have been effective in encouraging compliance with the provision in question inasmuch as the courts have been reluctant to impose a penalty for such an apparently minor infraction of the law.

It is deemed important that the centralized alien registration records should more accurately reflect the location of the aliens. With a view to achieving that objective, it is recommended that sections 35 and 36 (b) of the Alien Registration Act of 1940 (8 U. S. C. 456, 457 (b)) be amended to require that every alien resident of the United States on July 1, 1948, and on July 1 of every succeeding year shall, within 10 days following such date, notify the Commissioner of Immigration and Naturalization of the alien's current address.

A draft of a proposed bill to carry out this recommendation is enclosed.

The proposed bill would provide a definite period in each year within which all aliens must report their place of residence to the Commissioner of Immigration and Naturalization, and would in effect amount to an annual registration of aliens as to their location. It is believed that such a measure would also encourage many aliens to seek naturalization rather than continue the burden of having to register their whereabouts annually.

The director of the Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

Sincerely yours,

PEYTON FORD,
The Assistant to the Attorney General.

RETENTION OF GERMAN ART TREASURES IN UNITED STATES

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to provide for the temporary retention within the United States of certain German paintings, and to have printed in the RECORD an explanatory statement. In further explanation of the bill, I also ask unanimous consent to have printed in the RECORD two short articles and an editorial.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred; and, without objection, the statement, articles, and editorial will be printed in the RECORD, as requested by the Senator from Arkansas.

There being no objection, the bill (S. 2439) to provide for the temporary retention in the United States of certain German paintings, introduced by Mr. FULBRIGHT, was received, read twice by its title, and referred to the Committee on Armed Services.

The statement, articles, and editorial presented by Mr. FULBRIGHT are as follows:

STATEMENT

Late in the war the United States Army in Germany found a large number of fine paintings, originally from the Kaiser Friederick Museum in Berlin, which were then stored in a large salt mine near Merkers, Germany.

Two hundred and two of these paintings were crated and shipped to the United States for the purpose of safekeeping, according to my information, because expert personnel was not then available within the American zone to assure their safety.

The White House on September 26, 1945, announced "they will be returned to Germany when conditions there warrant."

The decision that these objects should be returned to Germany was based on an article of the Hague Convention to the effect that property of institutions dedicated to arts, even when state property, shall bt treated as private property and that seizures are forbidden.

I am advised that the Army now considers conditions in Wiesbaden and Munich safe enough to permit return of these paintings. The paintings are now on exhibition in the National Gallery of Art, and it is intended by the Army to return them at an early date.

I want to make it clear that I do not question the ownership of these paintings under the Hague Convention. However, I doubt the advisability of their return to Germany at this time. I do not believe that conditions in Germany are near enough to normal to assume that the people of Germany are interested, to any great extent, in return of the paintings in order that they may be put on exhibition.

Accordingly, I have introduced a bill which would provide for the temporary retention in the United States of these works of art. This bill expressly recognizes that the paintings are in possession of the United States for safekeeping only and that they are the property of Germany or of institutions or nationals of Germany.

I do not think that this action will or could be construed as a repudiation of our obligation to restore these works of art. As a matter of fact, this bill would accomplish more, by recognition of German ownership, than would the return of the paintings to Germany, as long as they, as intended by the Army, remain in the custody of our armed forces.

The bill also provides that upon the recognition of a national government for Germany, the Army shall return the paintings to Germany and restore them to their owners.

The bill would provide that such of the paintings as chosen by the Director and Chief Curator of the National Gallery of Art may be exhibited at such places as these officials deem feasible, that a reasonable admission fee be charged and that the net proceeds from such exhibitions be paid over to the United Nations International Children's Emergency Fund to be used for the benefit of German children.

According to an editorial in the New York Times of March 29, the United Nations International Children's Emergency Fund is preparing to carry out the greatest mass inoculation against tuberculosis on record.

It is proposed to test for tuberculosis 50,000,000 out of 230,000,000 hungry children in 11 European countries, with the certainty that only 15,000,000 will be free of infection. These 15,000,000 can be immunized, but the fate of the 35,000,000 who prove to be infected is problematical.

I quote from a portion of this editorial as follows:

"Such an undertaking of mercy is bound to be expensive. Hence, the United Nations International Children's Emergency Fund has pledged $2,000,000 for the European project and $2,000,000 for far eastern and South American projects which are still in the planning stage. These allotments are based on an estimated cost of 10 cents for each tuberculin test and 10 cents for each inoculation. An appeal for voluntary contributions has been addressed to 45 countries by the Crusade for Children of the American Overseas Aid-United Nations Appeal for Children. This country's contribution must be $60,000,000 (most of it for clothing and food) if some millions of European children are to be saved from malnutrition and tuberculosis. Of this sum, New York City is expected to contribute $6,600,000. No worthier cause is before the public."

In my opinion, such an undertaking would be of far more value to the German people and would reflect more credit upon the Government of the United States than would the return of the paintings to German soil.

I am aware of the fact that the Army will probably take the position that the risk of these paintings falling into Russian hands is no greater than other risks which this Government is undertaking as regards its property and personnel in Germany. But I wish to emphasize the distinction that those risks are unavoidable and indeed necessary, whereas, the return of this property to German soil creates a risk which is not only unnecessary but foolish.

Understanding among peoples of this and other nations is a two-way proposition. It is not only necessary that they have an appreciation of us, but it is equally important that we have knowledge and understanding of them. I think that an excellent means of achieving this is through this opportunity to learn something of the culture of these peoples through viewing its products.

It is also true, and interesting to note, that these paintings are a part of our own history, since they were created in those countries from which many of our people come, and from which we derive so much of our religious and cultural background.

I became interested in the retention of the paintings in this country after visiting the exhibition last week. It is interesting to note that my views are confirmed in an article appearing in this morning's Washington Post, about which I had no previous knowledge.

[From the Washington Post of April 2, 1948]

BERLIN EDITOR'S SUGGESTION—NATION-WIDE EXHIBITS PROPOSED FOR GERMAN ART TREASURES

The 202 German art treasures, now at the National Gallery should be exhibited in a dozen other American cities during the next 12 months, a leading German editor proposed yesterday.

The suggestion that the masterpieces should not be returned to Germany this month, as planned, came from Erik Reger, chief editor of the Berlin Tagesspiegel. It is the largest daily newspaper published in Germany under license of the American military government.

Reger, visiting this country at the invitation of American publishers, said another year's exhibition of the pictures in the United States would lead to better understanding between the two nations.

He added his belief that "most of my countrymen" would agree to the proposal.

He suggested, however, that eight or ten German art curators and experts come to the United States and take charge of the exhibit as it went from city to city.

This would suggest to the Germans, he explained, that the United States was scrupulously avoiding any impression that it was trying to withhold the pictures from an ultimate return to Germany.

"I have visited the exhibition at the National Gallery," Reger said in an interview, "and I have seen the crowds and the interest which the people took in every detail of the pictures and the painters, many of whom were German masters.

"I learned that in 2 weeks, more than 200,000 visitors have enjoyed the paintings. I know that many people have come to Washington, especially at this time of year, but certainly these are a small minority of those Americans who would like to see the masterpieces.

"There are so many towns in the United States whose people have no opportunity to come here, but who want to enjoy the exhibit, too.

"I would suggest that the exhibition go to ten or a dozen other big cities, throughout the country. It could remain in each about 4 weeks, making about a year's stay in all."

Reger said he highly appreciated the promise of the War Department to return the paintings to Germany after the gallery exhibit closes April 18, but that a better purpose would be served if they were put on view before more Americans.

The appointment of German custodians for the exhibit would convince Germans that the delay was no ruse to deny eventual return of the pictures, he said.

[From the New York Times]

SAVING EUROPE'S CHILDREN

Such are the ravages of tuberculosis in undernourished Europe that the United Nations International Children's Emergency Fund is to carry out the greatest mass inoculation on record. The vaccine to be used is known as BCG, an abbreviation of Bacillus Calmette Guerin, which is to be produced by the Danish Serotherapeutic Institute of Copenhagen and the Pasteur Institute of Paris. Some 50,000,000 out of 230,000,000 hungry children in 11 European countries are to be tested for tuberculosis, with the certainty that only 15,000,000 will be free of infection. These 15,000,000 can be immunized by inoculation with BCG. The fate of the 35,000,000 who will prove to be infected is problematical. No provision can be made for wholesale curative work. Hence, the importance of proper food and clothing. The need of this continent-wide attack on tuberculosis was driven home when Dr. Johannes Holm supervised a recent mass tuberculin test of 6,000,000 Hungarian children under 18 years of age, of whom two-thirds either once had or now have the disease and whom no vaccine could save. The rest, some two million in number, received BCG.

This mass attack on tuberculosis will be carried out by 250 medical teams during the next 18 months under the auspices of the International Children's Emergency Fund and the World Health Organization. By 1950 all countries that have received aid should continue testing and vaccinating on their own responsibility.

Such an undertaking of mercy is bound to be expensive. Hence, the United Nations International Children's Emergency Fund has pledged $2,000,000 for the European project and $2,000,000 for far eastern and South American projects which are still in the planning stage. These allotments are based on an estimated cost of 10 cents for each tuberculin test and 10 cents for each inoculation. An appeal for voluntary contributions has been addressed to 45 countries by the Crusade for Children of the American Overseas Aid-United Nations Appeal for Children. This country's contribution must be $60,000,000 (most of it for clothing and food) if some millions of European children are to be saved from malnutrition and tuberculosis. Of this sum New York City is expected to contribute $6,600,000. No worthier cause is before the public.

AUSTRIA'S FAMED ART TO CONTINUE TOURING; WILL BE SHOWN IN UNITED STATES

PARIS, March 29.—It looks now as if at least one of the world's finest collections of art may continue its present wanderings for some time to come.

A year ago Allied-occupied Austria, anxious for its treasures in an uncertain future, took the precaution to empty the Vienna museums for an indefinite road tour abroad.

It assembled works that rival those of the Louvre in Paris and the Uffizi Gallery in Florence—masters like Pierre and Jean Bruegel, Van Dyck, Albert Durer, Franz Hals, Rembrandt, Goya, Velasquez, Veronese, Titian, and Tintoretto.

Now, however, even more uneasy in view of recent events in Czechoslovakia, Austria does not intend to recall this multiple collection home—until its sovereignty is restored by treaty and fear of possible foreign encroachment is dispelled.

Austria's move has turned out to be both a safety measure against confiscation by a foreign invader—and a handsome source of revenue.

Art lovers have flocked in droves to see these works in Zurich, Prague (before the Red coup), and Brussels. And 2,500,000 Parisians paid $350,000 in admissions through the winter-long show in the French capital.

Stockholm is the next port of call for these art works. After that, they cross the Atlantic to go on display in New York and Philadelphia, and possibly Chicago.

An entire section of the composite collection is devoted to tapestries, baldachins, and standards, many of which belonged to Emperor Charles V, who once ruled half of Europe. For historians there are valuable manuscripts from as far back as the seventh century.

One magnificent display that dazzles all includes golden swords, goblets, bracelets, and rings, once the property of kings and

royal ladies who flitted through 1,000 years of Europe's history.

Among the best-known pieces is the fifteenth century cross of the Order of the Golden Fleece, before which knights swore fealty. It is in gold encrusted with sapphires, rubies, and pearls.

Another high light is a beautiful specimen of the goldsmith's art extant—a golden salt cellar wrought by Benvenuto Cellini for Francis I of France. Hapsburg family jewels and heirlooms—even treasures of the bygone dukes of Burgundy—are also to be seen.

Austria is determined not to bring back its "exhibition-in-exile" until a treaty is signed with the powers. If these times continue as troublous as now, however, there is a chance that Americans will have this great concentration of foreign art works and treasures in their midst for quite a spell.

ALTERATION OF CERTAIN HIGHWAY BRIDGES IN CONNECTION WITH FLOOD-CONTROL PROJECTS—AMENDMENTS

Mr. BUTLER submitted amendments intended to be proposed by him to the bill (S. 1993) to authorize the alteration of certain highway bridges at Federal expense in connection with flood-control projects, and for other purposes, which were referred to the Committee on Public Works and ordered to be printed.

HOUSE BILL REFERRED

The bill (H. R. 6055) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

CHANGES OF REFERENCES

Mr. BALL. Mr. President, Senate bill 2384 to extend the educational and training benefits of the Servicemen's Readjustment Act of 1944, as amended, to certain widows and children of deceased veterans, and to extend the loan benefits of such act to certain widows of deceased veterans, and Senate bill 2404, to provide benefits for veterans suffering injuries as the result of training, hospitalization, or medical treatment or examination administered under authority of any laws granting benefits to World War veterans, were mistakenly referred to the Committee on Labor and Public Welfare. They properly belong in the Committee on Finance, which handles that particular phase of veterans' legislation.

Therefore, I ask unanimous consent that the Committee on Labor and Public Welfare may be discharged from the further consideration of those bills, and that they be referred to the Committee on Finance.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

EUGENE D. MILLIKIN—ARTICLE FROM DENVER POST

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an article entitled "MILLIKIN Wins Spotlight by Brilliant Tax Victory," written by Barnet Nover and published in the Denver Post of March 28, 1948, which appears in the Appendix.]

RECIPROCAL TRADE AGREEMENTS—LETTERS FROM JOHN BRECKINRIDGE

[Mr. HAWKES asked and obtained leave to have printed in the RECORD two letters relating to reciprocal trade agreements, from John Breckinridge, which appear in the Appendix.]

THE UNITED STATES NEEDS DISPLACED PERSONS—EDITORIAL COMMENT

[Mr. KILGORE asked and obtained leave to have printed in the RECORD several editorials setting forth why the United States needs displaced persons, which appear in the Appendix.]

INTERNATIONAL AGREEMENTS—EDITORIAL FROM THE INDIANAPOLIS STAR

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Let Us Have the Record," published in the Indianapolis Star, which appears in the Appendix.]

THE PRESIDENT'S CIVIL-RIGHTS PROGRAM—ARTICLE BY V. A. COLLINS

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an article entitled "The Heart of the Constitution," by V. A. Collins, published in the Houston (Tex.) Post, March 21, 1948, which appears in the Appendix.]

LEAVES OF ABSENCE

Mr. HATCH asked and obtained consent to be absent from sessions of the Senate during next week because of certain commitments.

Mr. SPARKMAN asked and obtained consent to be absent from sessions of the Senate next week.

Mr. CAIN asked and obtained consent to be excused from attendance upon the Senate from Tuesday, April 6, through Friday, April 16.

COMPENSATION TO VETERANS TRAINING ON THE JOB—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. MORSE obtained the floor.

Mr. WHERRY and Mr. BARKLEY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Oregon yield; and if so, to whom?

Mr. MORSE. Mr. President, I will say to my colleagues that I am going to decline to yield further, in fairness to Senators involved in the parliamentary situation in which we find ourselves. The Senate will recall that it was agreed last night that the conference report on Senate bill 1393, to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation Numbered 1 (a), as amended, should be the unfinished business, and that it would be taken up immediately upon the convening of the Senate today, so that the Senator from Ohio [Mr. TAFT] could meet an engagement he had at 1:30 o'clock today. The Senator from Ohio desires to participate in the discussion.

I will also in fairness say that the Senator from Illinois [Mr. LUCAS] sought to make a speech at the opening of today's session, but he has graciously agreed to postpone his speech until we conclude action on the conference report and the veto message, which I think is coming to the Senate today. So, because of that parliamentary situation, I think in fairness to my colleagues I shall not yield further. I think, Mr. President, that we should proceed with a discussion of the conference report which is before the Senate, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Moore
Baldwin	Gurney	Morse
Ball	Hatch	Myers
Barkley	Hawkes	O'Conor
Brewster	Hayden	O'Daniel
Bricker	Hickenlooper	Overton
Bridges	Hill	Pepper
Brooks	Hoey	Reed
Buck	Holland	Revercomb
Bushfield	Ives	Robertson, Va.
Butler	Jenner	Robertson, Wyo.
Byrd	Johnson, Colo.	Russell
Cain	Johnston, S. C.	Saltonstall
Capehart	Kem	Smith
Capper	Kilgore	Sparkman
Chavez	Knowland	Stennis
Connally	Langer	Stewart
Cooper	Lodge	Taft
Cordon	Lucas	Thomas, Utah
Donnell	McCarran	Thye
Downey	McCarthy	Umstead
Dworshak	McClellan	Vandenberg
Eastland	McFarland	Watkins
Ecton	McKellar	Wherry
Ellender	McMahon	White
Ferguson	Malone	Wiley
Flanders	Martin	Williams
Fulbright	Maybank	Wilson
George	Millikin	Young

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

WALLACE H. WHITE

Mr. BARKLEY. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield to the Senator from Kentucky.

Mr. BARKLEY. I wish merely to take note of the presence of the majority leader, the distinguished Senator from Maine [Mr. WHITE], who to the great regret of all Members of the Senate, and I am sure of the country, has been ill since the beginning of the year. We are happy to note his recovery. We hope that he will continue to be blessed with good health and good spirits. We have greatly missed him during the past 2 or 3 months while he has been ill, and we are all happy to see him back. We hope that he may remain with us indefinitely. [Applause.]

Mr. WHITE. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. WHITE. I interrupt the Senator from Oregon only long enough to give assurance to the minority leader of my very deep and abiding gratification, and the pleasure his kind words give me.

There is much about a hospital experience that is not intriguing. One cannot avoid moments of discomfort and disquietude. I have had such moments, but they are all forgotten in the pleasure of meeting again with Members of the Senate. [Applause.]

COMPENSATION TO VETERANS TRAINING ON THE JOB—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans' Regulation No. 1 (a), as amended.

Mr. BRICKER. Mr. President, will the Senator from Oregon yield to me to submit a report of a subcommittee? It will require only about 2 minutes.

Mr. MORSE. I am sorry; but before the Senator entered the Chamber I explained why I could not yield, in order to meet a parliamentary situation. As soon as I shall have finished, I shall be happy to yield.

Mr. President, last night I submitted the conference report on Senate bill 1393 and asked for its immediate consideration. By way of explanation, I wish to make a few remarks.

The Senate passed Senate bill 1393, dealing with on-the-job-training ceilings, fixing the amount of $200 for veterans with no dependents and $250 for veterans with dependents.

The House then amended Senate bill 1393 by inserting the provisions of House bill 246, in which it sought to amend the basic law, including a reference to subsistence allowances, in that it restated that portion of the basic law dealing with subsistence, and proceeded to fix the amounts for on-the-job ceilings at $250 for veterans with no dependents, $325 for veterans with one dependent, and $350 for veterans with more than one dependent.

As a result of the conference discussions, I am pleased to report that on the basis of the on-the-job ceiling figures we reached a compromise between the figures of the House and those of the Senate, namely, $210 for veterans with no dependents, $270 for veterans with one dependent, and $290 for veterans with more than one dependent.

We also modified the House position in regard to that section of the House bill which dealt with subsistence figures by providing that veterans engaged in part-time training courses and institutional on-the-farm training courses should be paid a pro rata amount of the subsistence allowance, on the basis of the ratio of the hours of their course of study as compared with a full-time course of study.

That, in substance, is the conference report; and I ask for its adoption.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. TAFT. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. The Senator from Minnesota [Mr. BALL] and I did not sign the conference report, for the reason that we feel that it violates the rules of the Senate.

The point is briefly this: Last year we passed a bill which increased veterans' allowances approximately 15 percent above the $65 and $90 allowances. That bill was passed by the Senate and by the House. It did not increase the allowances to veterans for part-time educational courses. That bill was enacted and became the law. It established the basis on which veterans' allowances have been increased.

This bill had no relation whatever to veterans' allowances, except to change the ceilings for the total which a veteran could keep, including what he received from the Government and what he earned himself in on-the-job training or on-the-farm training. Those allowances were increased to a greater extent by the House than by the Senate, and we reached compromise figures which are entirely satisfactory to me.

The House also extended the 2-year on-the-job training to 4 years but it receded from that position. However, the House insisted upon inserting in this bill an increase in the allowances for part-time training, with which the bill did not deal at all. Neither the House nor the Senate made any provision whatever for any increase in allowances; and consequently the matter which is now included in the conference report, which increases the allowances to veterans for part-time educational training, was not considered by either House. There was no disagreement between the Houses, and yet the conference report includes an increase which I think is estimated to cost approximately $40,000,000 or $50,000,000. I am not certain as to the exact amount of the increase.

So, Mr. President, I make the point of order, under rule XXVII, paragraph 3, that this is a matter which was not committed to the conferees by either House and is not a germane modification of subjects in disagreement.

The PRESIDENT pro tempore. The Chair has been advised in advance of this point of order and is prepared to rule.

Obviously the Chair is not passing upon the merits of the legislation. He is passing only upon the parliamentary situation involved. It is a rather complicated one, and the Chair will ask the Senate to bear with him for the following statement in respect to the rule:

In addition to S. 1393 and the House substitute H. R. 246, there are two other bills, H. R. 2181 and S. 1394, which enter into and affect the present case, inasmuch as they became laws prior to the passage by the House of S. 1393.

S. 1393, upon which the conference report is submitted, passed the Senate on July 25, 1947. It amended only the proviso in paragraph 6 of part VIII of Veterans' Regulation Numbered 1 (a) as amended, which provided ceilings for subsistence allowance for on-the-job training for veterans. It passed the House on February 3, 1948, with an amendment in the nature of a substitute, being the text of H. R. 246, which had been on the House Calendar since February 26, 1947. While the substitute restated paragraph 6 in its amended form, the only change made in the law as it existed on February 26, 1947, was to increase the ceilings, as did the Senate bill, and to add a further proviso relative to a standard workweek. Neither the Senate bill nor House substitute made any reference to institutional on-farm training.

As shown by the House report accompanying H. R. 2181 on April 30, 1947, uncertainties and complications had arisen as to the status of on-farm trainees. This bill was designed to clarify and correct this situation. It amended paragraph 6 by specifically including therein a provision for "an institutional on-farm training course," which legislation, as expressly stated in the report, was necessary to provide full subsistence allowance for on-farm trainees. The bill passed both Houses and was approved on August 6, 1947—Public Law 377.

S. 1394 passed the House without amendment on February 3, 1948, and was approved by the President on February 14, 1948—Public Law 411—effective April 1, 1948. This bill made important amendments to that portion of paragraph 6 of part VIII which preceded the proviso, and did not in anywise conflict with the purpose of S. 1393.

In the consideration of S. 1393 on February 3, 1948, the text of H. R. 246, adopted as a substitute for the text of the Senate bill, was not perfected by including therein the amendments to paragraph 6 made by H. R. 2181 and S. 1394, and its effect is to repeal such amendments. As a result, the status of on-farm trainees reverted to that which existed prior to the passage of the two bills mentioned.

The former practice of conferees, in the case of substitute amendments, of incorporating new matter in their reports, is prohibited by section 135 of the Legislative Reorganization Act of 1946, and they are now required to apply to such amendments the rules of procedure that govern separate or numbered amendments, namely, that they shall not insert in their report matter not committed to them by either House nor strike therefrom matter agreed to by both Houses.

The conferees, in the adjustment of the two Houses, had no authority to consider these amendments. These differences, insofar as paragraph 6 was concerned, involved only an increase in ceiling rates. By including in their report a provision authorizing the payment of full subsistence allowance to on-farm trainees, the conferees are endeavoring to accomplish the same amendment of the law that was admittedly made necessary by the enactment of H. R. 2181 and S. 1394. Such a provision inserted by them is clearly new matter, within the meaning of the rule, and by taking such action the conferees have exceeded their authority.

The provision of the new rule authorizing conferees to include in their report

matter which is a germane modification of subjects in disagreement is not applicable or pertinent in the present case, for the reason that the legislative provision inserted in the conference report, while germane to the general subject, was not contained in any form in either the Senate bill or the House substitute, and is therefore a matter not in disagreement between the two Houses.

The conferees, in section 2 of their report, have inserted a provision amending paragraph 3 of part VII of said Veterans Regulation No. 1 (a) as amended. Neither the Senate bill nor the House substitute amended any portion of part VII of such regulation. This provision, therefore, is new matter, under the rule, and by inserting it in their report the conferees exceeded their authority.

There is no provision in either bill as to when it shall become effective; therefore, under general law, the act would become effective upon its approval by the President. Section 3 of the conference report provides that S. 1393 shall take effect on April 1, 1948. In thus fixing a different date, the conferees have changed matter to which the two Houses, in legal effect, have agreed, and in this respect have also exceeded their authority.

Conferees, in an effort to adjust differences between the two Houses in any given case, cannot, under the rule, give consideration to, or be governed by, the equities of such a situation or by the merits of any legislation they may propose. They have no power, under the rules, to include in their report a provision of a legislative character that relates to a matter not in disagreement. Their authority is to be strictly construed.

On March 8, 1918, the Senate amended Rule XXVII of its standing rules by providing that conferees should not insert in their report matter not committed to them by either House, nor should they strike from the bill matter agreed to by both Houses. On March 13, 1918, less than a week thereafter, the then Vice President, Thomas R. Marshall, in sustaining a point of order that conferees had exceeded their authority, stated the situation very clearly with respect to the authority of conferees. He said:

> This is not a question as to what the law is or what the law should be, nor is it a question as to what the legislation should or should not be. It is a plain question as to what can be done in this conference report under the rules of the Senate.

On August 23, 1922, in a case involving the authority of conferees, the Presiding Officer of the Senate, Mr. Wesley L. Jones, of Washington, with reference to the strict applicability of the rule, said:

> This rule was adopted to meet a practice of the Senate that had become an abuse and to which objection had often been made. It is clear and definite in the limits which it imposed upon the action of the conferees. It has not been often invoked since its adoption, but when invoked it is controlling upon the Senate. Whether the objection made is technical or substantial, if it comes within the terms of the rule, no discretion is left in the Presiding Officer.

On June 25, 1926, in the House of Representatives, in a case involving a similar point of order, the Speaker, Mr. Nicholas Longworth, of Ohio, passing upon the question of the germaneness of new matter inserted by the conferees, said:

> The rule is very well settled, passed on by a number of Speakers, as to the powers of conferees. It is well described in the Manual:
>
> "The managers of a conference must confine themselves to the differences committed to them and may not include subjects not within the disagreements, even though germane to a question in issue."
>
> Therefore the question of whether or not this question is germane has nothing to do with the point of order raised by the gentleman from Texas. The question is solely, Did the conferees go beyond the differences between the two Houses?

A few of the many precedents of the Senate and House, including those from which the above excerpts are taken, restricting the powers of conferees, are herewith cited:

On March 13, 1918, a point of order against the conference report on a bill providing for Government operation of railroads was sustained on the ground that the conferees had inserted a proviso that totally changed both the Senate and House text—Sixty-fifth Congress, second session, RECORD, pages 3305 to 3316; Senate Journal, pages 109, 112.

The decision of the Vice President, Thomas R. Marshall, was sustained, on appeal, by a vote of 51 yeas, 23 nays.

On April 18, 1918, a point of order against the conference report on the Indian appropriation bill for 1919 was sustained on the ground that the conferees had exceeded their authority in connection with oil and gas leases on lands of the Five Civilized Tribes. Vice President Marshall, in passing upon the point of order, said:

> This is not a question as to what the law is or what the law should be, nor is it a question as to what the legislation should or should not be. It is a plain question as to what can be done in this conference report under the rules of the Senate.

There was no provision in the House bill on the subject, it having been included by the Senate in its amendment.

The Vice President further said:

> The Senate adopted an amendment appropriating certain money and provided that no part of that money should be used in forwarding undisputed claims to the Department at Washington for approval, but that they might be approved by the Superintendent of the Five Civilized Tribes in Oklahoma. The claims that the Senate provided should not be forwarded to the Interior Department were agricultural and mineral leases, and the provisions specifically exempted oil and gas leases therefrom. The rule of the Senate recently adopted is that—
>
> Conferees shall not insert in their report matter not committed to them by either House.
>
> The conferees have now provided that oil and gas leases shall not be sent to Washington for approval by the Secretary of the Interior. That is a plain insertion of new matter by the conferees, and the Chair sustains the point of order. (65th Cong., 2d sess., RECORD, pp. 5239–5241; Senate Journal, p. 175.)

On February 22, 1919, a point of order was made against the conference report on Senate bill 2812, promoting the mining of coal, phosphate, oil, and gas on the public domain. In this case both Houses had adopted a provision that such lands should be outside the Territory of Alaska. The conferees included lands in Alaska. The Presiding Officer of the Senate, Mr. William F. Kirby, of Arkansas, held that the conferees had exceeded their authority and sustained the point of order—Sixty-fifth Congress, third session, RECORD, pages 4044 to 4048; Senate Journal, page 171.

On August 23, 1922, certain points of order were made in the Senate against the conference report on H. R. 9103, providing for the appointment of additional United States district judges, on the ground that they had left out matter agreed to by both Houses and had also inserted new matter. The Senate amendment was in the nature of a substitute for the House bill. The Presiding Officer, Mr. Wesley L. Jones, of Washington, after reading paragraph 2 of rule XXVII, said:

> This rule was adopted to meet a practice of the Senate that had become an abuse and to which objection had often been made. It is clear and definite in the limits which it imposed upon the action of the conferees. It has not been often invoked since its adoption, but when invoked it is controlling upon the Senate. Whether the objection made is technical or substantial, if it comes within the terms of the rule, no discretion is left in the Presiding Officer.

Omitting that part of the opinion dealing with the question of leaving out matter agreed to by both Houses, the Presiding Officer, with respects to the insertion of new matter by the conferees, said:

> The next proposition is with respect to the provision relating to the middle district of Tennessee. The House made provision for an additional judge for this district. It is conceded that under existing law the present judge is the judge for the eastern and the middle districts of Tennessee. The Senate made no provision for an additional judge for the middle district. The provision as finally agreed to and submitted by the conferees takes away the jurisdiction given to the present judge by existing law in the middle district and limits his jurisdiction to the eastern district.
>
> The question of limiting the jurisdiction of the existing judge was not submitted to either House; neither House gave it any consideration whatever; and the Chair believes it to be new matter in the conference report and prohibited by the rules. (67th Cong., 2d sess., RECORD, p. 11766; Senate Journal, p. 407.)

On February 17, 1925, during the consideration by the Senate of the conference report on H. R. 518, the Muscle Shoals bill, Mr. George W. Norris, of Nebraska, made the point of order that the conferees had included new matter in their report, and therefore had exceeded their authority. After debate, the President pro tempore, Mr. Albert B. Cummins, of Iowa, sustained the point of order. He said, in part:

> There can be no doubt that the changes made in the Senate bill in conference are germane in a broad, general sense to the subjects dealt with in the Senate bill, and if that is the test to be applied the point of order must be overruled.

In construing rule XXVIII, paragraph 2, however, as it related to new matter, the President pro tempore said:

Without attempting to define "new matter," the Chair is of the opinion that it was intended, when this paragraph of the rule was adopted, to restrict the general parliamentary law as frequently announced by the Speaker of the House of Representatives. * * *

The Chair does not desire to be understood as holding that every change made in the Senate bill by the conference report constitutes "new matter." It is of the opinion that in order to bring the change within the spirit of rule XXVII "new matter" must be of substantial import; that is to say, a change affecting in a substantial way the plan proposed in the Senate bill.

The ruling of the Chair, on appeal, was sustained by a vote of 45 yeas, 41 nays—Sixty-eighth Congress, second session, RECORD, page 4123; Senate Journal, page 210.

On June 25, 1926, in the House of Representatives, during the consideration of the conference report on H. R. 10827, a bill to increase the efficiency of the Army Air Corps, a point of order was made that the conferees had exceeded their authority by including in their report a provision relative to naval aircraft not in disagreement between the two Houses. The Speaker, Nicholas Longworth, of Ohio, in sustaining the point of order, among other things, said:

The rule is very well settled, passed on by a number of Speakers, as to the powers of conferees. It is well described in the manual:

"The managers of a conference must confine themselves to the differences committed to them and may not include subjects not within the disagreement, even though germane to a question in issue."

Therefore, the question of whether or not this amendment is germane has nothing to do with the point of order as raised by the gentleman from Texas. The question is solely, Did the conferees go beyond the differences between the two Houses?

In the face of these facts and these unavoidable conclusions, the Chair sustains the point of order.

With further reference to this matter, the Chair hands down a brief of precedents, which, without objection, will be printed at this point in the RECORD.

The brief is as follows:

A few of the many precedents of the Senate and House, including those from which the above excerpts are taken, restricting the powers of conferees, are herewith cited:

On March 13, 1918, a point of order against the conference report on a bill providing for Government operation of railroads was sustained on the ground that the conferees had inserted a proviso that totally changed both the Senate and House text. (65th Cong., 2d sess., RECORD, pp. 3305–3316; Senate Journal, pp. 109, 112.)

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On April 18, 1918, a point of order against the conference report on the Indian appropriation bill for 1919 was sustained on the ground that the conferees had exceeded their authority in connection with oil and gas leases on lands of the five civilized tribes. Vice President Marshall, in passing upon the point of order, said:

"This is not a question as to what the law is or what the law should be, nor is it a question as to what the legislation should or should not be. It is a plain question as to what can be done in this conference report under the rules of the Senate."

There was no provision in the House bill on the subject, it having been included by the Senate in its amendment.

The Vice President further said:

"The Senate adopted an amendment appropriating certain money and provided that no part of that money should be used in forwarding undisputed claims to the Department at Washington for approval, but that they might be approved by the superintendent of the five civilized tribes in Oklahoma. The claims that the Senate provided should not be forwarded to the Interior Department were agricultural and mineral leases, and the provisions specifically exempted oil and gas leases therefrom. The rule of the Senate recently adopted is that—

" 'Conferees shall not insert in their report matter not committed to them by either House.'

"The conferees have now provided that oil and gas leases shall not be sent to Washington for approval by the Secretary of the Interior. That is a plain insertion of new matter by the conferees, and the Chair sustains the point of order." (65th Cong., 2d sess., RECORD, pp. 5239–5241; Senate Journal, p. 175.)

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On August 23, 1922, certain points of order were made in the Senate against the conference report on H. R. 9103, providing for the appointment of additional United States district judges, on the ground that they had left out matter agreed to by both Houses and had also inserted new matter. The Senate amendment was in the nature of a substitute for the House bill. The Presiding Officer (Mr. Wesley L. Jones, of Washington), after reading paragraph 2 of rule XXVII, said:

"This rule was adopted to meet a practice of the Senate that had become an abuse and to which objection had often been made. It is clear and definite in the limits which it imposed upon the action of the conferees. It has not been often invoked since its adoption, but when invoked it is controlling upon the Senate. Whether the objection made is technical or substantial, if it comes within the terms of the rule, no discretion is left in the Presiding Officer."

Omitting that part of the opinion dealing with the question of leaving out matter agreed to by both Houses, the Presiding Officer, with respect to the insertion of new matter by the conferees, said:

"The next proposition is with respect to the provision relating to the middle district of Tennessee. The House made provision for an additional judge for this district. It is conceded that under existing law the present judge is the judge for the eastern and the middle districts of Tennessee. The Senate made no provision for an additional judge for the middle district. The provision as finally agreed to and submitted by the conferees takes away the jurisdiction given to the present judge by existing law in the middle district and limits his jurisdiction to the eastern district.

"The question of limiting the jurisdiction of the existing judge was not submitted to either House; neither House gave it any consideration whatever; and the Chair believes it to be new matter in the conference report and prohibited by the rules." (67th Cong., 2d sess., RECORD, p. 11766; Senate Journal, 407.)

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"There can be no doubt that the changes made in the Senate bill in conference are germane in a broad, general sense to the subjects dealt with in the Senate bill, and if that is the test to be applied the point of order must be overruled."

In construing rule XXVII, paragraph 2, however, as it related to new matter, the President pro tempore said:

"Without attempting to define 'new matter,' the Chair is of the opinion that it was intended, when this paragraph of the rule was adopted, to restrict the general parliamentary law as frequently announced by the Speaker of the House of Representatives. * * *

"The Chair does not desire to be understood as holding that every change made in the Senate bill by the conference report constitutes 'new matter.' It is of the opinion that in order to bring the change within the spirit of rule XXVII 'new matter' must be of substantial import; that is to say, a change affecting in a substantial way the plan proposed in the Senate bill."

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"The rule is very well settled, passed on by a number of Speakers, as to the powers of conferees. It is well described in the Manual:

" 'The managers of a conference must confine themselves to the differences committed to them and may not include subjects not within the disagreements, even though germane to a question in issue.'

"Therefore the question of whether or not this amendment is germane has nothing to do with the point of order as raised by the gentleman from Texas. The question is solely, Did the conferees go beyond the differences between the two Houses?"

Mr. MORSE. Mr. President, I most respectfully appeal from the decision of the Chair, and I should like to be heard a few moments in argument in opposition to the Chair's ruling.

The PRESIDENT pro tempore. The Senator from Oregon appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I feel that I should almost address the Chair also in the language "If the court please," because I think what we are dealing with is a very important issue of Senate law. I most respectfully take the position that the point of order raised against the conference report is not well taken, and I

wish to state my reasons for appealing from the decision of the Chair.

Under section 135 of the Legislative Reorganization Act of 1946, which deals with "conference rules on amendments in nature of a substitute," the conferees are authorized to report, first, "a substitute on the same subject matter," and second, "in any such case matter which is a germane modification of subjects in disagreement." The same section prohibits the conferees from reporting, first, new matter, and second, matters not germane.

Therefore, the question on which I find myself at issue with the able President pro tempore of the Senate is the question which arises under the language of the Reorganization Act which reads as follows:

SEC. 135. (a) In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House.

Not by the Senate alone, but "by either House," says the basic law, binding upon the conferees.

They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

In this instance, as I shall point out in detail later, the language of the House bill specifically referred to subsistence allowances and to part-time training courses. Therefore, the conference committee had jurisdiction to proceed to consider subsistence rates and part-time trainees. I stress this point because it is the crux of my appeal. The President pro tempore has overlooked the language of the House bill dealing with the two items and dealing with them in specific terms.

(b) In any case in which the conferees violate subsection (a), the conference report shall be subject to a point of order.

Mr. President, the question whether new matters and matters not germane were adopted by the conferees in their report, when they included a course of part-time institutional training or a course of institutional training on the farm, should be fully discussed, I think, this afternoon before we can reach an accurate decision. In order that you, Mr. President, may fully understand the questions under consideration, it might be well to make a complete statement setting forth the facts leading up to the adoption of the conference report.

Senate bill 1393, which is the subject of the conference report, deals with a proposed amendment to the basic law, which is section 400 (b), paragraph (6) of the Servicemen's Readjustment Act, Public Law 346, of the Seventy-eighth Congress, approved June 22, 1944, as amended. I cannot emphasize that point too strongly, Mr. President, because all this discussion hinges, in my judgment, on the fact that what we are doing is amending the basic law of 1944. From this point on, it should be kept in mind that paragraph 6 provided the basic rates of subsistence allowance, and the subsistence allowances under this paragraph were paid, under the basic law of 1944, as amended, which we now propose to amend again. The law of 1944 made no distinctions between and among the subsistence allowances for veterans taking the following types of training: (1) Full- or part-time educational courses at institutions, schools, and so forth; (2) apprenticeship training; and (3) other on-the-job training.

The point I desire to stress, Mr. President, is that when the basic law, which is what we are dealing with in this discussion, was passed in 1944 it drew no distinctions between subsistence allowances for students in school and subsistence allowances for veterans in on-the-job training or apprenticeship-training programs. In other words, we are dealing with the basic GI bill of rights law which has always lumped together as germane and under one topic subsistence and the on-the-job training programs, whether involving veterans participating in on-the-job training programs or as students in college. This is an important point, I submit, when we consider the questions both of germaneness to the conference report and the new-matter issue, too.

Mr. President, the on-the-farm trainees were entitled to receive and were paid the full subsistence allowance of either $65 or $90 per month, under paragraph 6, section 400 (b) of the basic law, as on-the-job trainees. That is, in 1944 when the GI bill was passed, the on-the-job farm trainee received the full $50 or $75 allowance, depending upon whether he was single or married, and later received the $65 and $90 allowance. Then what happened? Under the ruling of the Veterans' Administration the on-the-farm trainees were reduced to part-time rates for this training, one-fourth or one-half or three-fourths, depending upon the length of hours worked. The moment the Veterans' Administration issued a regulation reducing the farm trainees to partial subsistence payments, considerable congressional opposition was raised, spearheaded in the Senate, I think it is fair to say, by the distinguished senior Senator from Georgia [Mr. GEORGE]. As the result of certain protestations which we made to the Veterans' Administration at the time, the Veterans' Administration said that it would set aside its ruling that farm trainees would receive only partial subsistence payments, until Congress took further action in the matter and clarified the issue.

The Members of the Senate will recall that time after time last year I pressed for a clarification of the status of farm trainees. I introduced a bill to that effect. The clarification finally took the form of the passage of a companion bill to mine in the House, namely, House bill 2181, which became Public Law 377 of the Eightieth Congress, approved August 6, 1947. This law authorized the payment of full subsistence allowances to the group now known as institutional on-farm trainees.

Mr. President, institutional on-farm trainees represent a sort of a hybrid class, so far as classification under veterans' legislation is concerned, in that they are both on-the-job trainees and part-time institutional trainees. They are not in the class of the veteran who takes an on-the-job trainee's course at the corner service station, for example. Such a service-station employee has been considered, under the legislation, as an on-the-job trainee. Neither are they in the class of the veteran who attends, let us say, the University of Maryland, taking a full-time course of study. We refer to such veterans in our legislation as full-time education trainees. We are dealing here with farm boys who take a few hours each week under an institutional extension course, and devote the rest of their time to work on the farm as on-the-job trainees. But, mark you, Mr. President, up until now, and from the very beginning of the passage of the basic GI law in 1944, these boys have been considered as on-the-job trainees. It was only for clarification purposes that in Public Law 377 of the Eightieth Congress we used for the first time the language "institutional on-farm training-course trainees." But they are on-the-job trainees. We cannot escape that conclusion, it seems to me, if we go back to the basic law of 1944. Their rights under the legislation are the rights of on-the-job trainees.

The House enacted House bill 2181, approved August 6, 1947, which law authorized the payment to the group now known as institutional on-farm trainees, of a full subsistence allowance instead of partial subsistence-allowance payments which the Veterans' Administration sought to pay them and which a group of us, under the leadership of the Senator from Georgia succeeded in getting the Veterans' Administration to set aside until we could pass Public Law 377.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MORSE. If the Senator would permit me, I should like to finish my argument, and then I should be glad to have him take me back to any part of my remarks to which he wants to take exception.

Mr. TAFT. I would only point out that while the amendment relating to farm trainees is one question, the far larger increase is with regard to ordinary part-time employees, persons who take a course here and a course there. The proposition as to farm trainees is one question, but I do not think the Senator should present that as the only question. In fact, it is a minor question as compared with the other question.

Mr. MORSE. I intend to present all facets of the conference report, I assure the Senator. However, I want to point out that if we had jurisdiction to go into the question of farm trainees, by including a provision covering farm trainees, then the whole subsistence issue was before us and we had the right to consider the other types of trainees, such as the boys, for example, who are operating elevators in the Capitol Building and taking part-time study courses at George Washington University. I shall cover all phases of the conference report if the Senator from Ohio will wait patiently for me to do so. At this point I wish to make clear the position of farm trainees under the present law and under

the changes proposed in the conference report.

Mr. TAFT. If the Senator will yield further, I do not want to interrupt him, but he does not claim, does he, that either the House or the Senate bill dealt with institutional farm trainees or part-time trainees?

Mr. MORSE. I take the position that it was clearly involved when, in the House bill, the House included a section on subsistence.

Mr. TAFT. But they in no way changed the existing law on subsistence.

Mr. MORSE. Yes; I think they did, for reasons which I shall point out later. Further, once they included a section on subsistence in an attempt to amend the basic law, then I insist it was germane in the conference to proceed to consider the whole subsistence question, because we had to modify the subsistence section put into the House bill in conference if we were to avoid that bill's serving as a repeal of Public Law 411 of the Eightieth Congress, approved February 14, 1948. Had we not done that, the work we did in the Senate on February 14, 1948, in passing a subsistence bill, would have been of no practical effect or purpose, because the subsistence figures in the House bill cannot be reconciled with the subsistence figures in Public Law 411. They constitute a return to the old subsistence figures of the old basic law as it existed prior to the passage of Public Law 411. It is this point that is so critical in this discussion. I repeat that when the House referred to subsistence in the bill and modified the subsistence figures from what they are in the present law, which is the basic law with Public Law 411 in it, then it was not only proper and germane for the conference committee to deal with subsistence, but its clear duty to do so.

When we found that the House bill and Public Law 411 were in conflict on subsistence allowances we were then in conference confronted with that section of the House bill which I shall read shortly, and which forced us, it seems to me, to take into account the whole issue of subsistence allowances.

Mr. President, Senate bill 1394, which became Public Law 411 of the Eightieth Congress, approved February 14, 1948, simply increased subsistence allowances to veterans taking full-time courses and did not provide increases to institutional on-farm trainees, apprenticeship training, or on-the-job training groups. Both Public Law 377 of the Eightieth Congress and Public Law 411 of the Eightieth Congress amended the basic law, which was paragraph 6 of section 400 (b) of Public Law 346 of the Seventy-eighth Congress. Senate bill 1393, as it passed the Senate, amended only the proviso clause of paragraph 6 of section 400 (b) of Public Law 346 of the Seventy-eighth Congress, as amended, or what I refer to in this argument as the basic GI bill of rights. All we did in the Senate bill was to amend a clause of the proviso section of the basic act dealing with on-the-job ceilings. The House amended Senate bill 1393 by striking out all the language after the enacting clause and substituting new language. The House amendment substituted language of the basic law on subsistence as it existed before Public Law 411 was passed and in addition amended the proviso which was contained in paragraph 6 of section 400 (b) of the basic law, which was in effect prior to the approval of House bill 2181, and which law authorized payment of full subsistence allowances to on-the-farm trainees, instead of partial payments.

I think this is one of the cruxes of the argument, Mr. President. I want to reiterate it by quoting from the House bill itself, and I want to repeat that Senate bill 1393 amended only the proviso clause of paragraph 6 of section 400b of the basic law. But that is not what the House bill did. The House bill struck out all of the language of paragraph 6 after the enacting clause and inserted this language, which was the language which confronted the conferees in conference. I read from the House bill:

> While enrolled and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents, including regular holidays, and leave not exceeding 30 days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor, whether performed as part of their apprentice or other training on the job at institutions, business, or other establishments, or otherwise, shall be entitled to receive such lesser sums, if any, as subsistence or dependence allowances as may be determined by the Administrator: *Provided*, That in no event shall the rate of such allowance, plus the compensation received, exceed $250 a month for a veteran without a dependent or $325 per month for a veteran with one dependent, or $350 for a veteran with two or more dependents: *Provided, further*—

And here is the proviso clause:

> *Provided, further*, That only so much of the compensation as is derived from productive labor, based on the standard workweek for the particular trade or industry, exclusive of overtime, shall be considered in computing the rate of allowance payable under this paragraph.

Mr. President, to repeat, we were confronted with a proposal from the House in the form of an amendment to the Senate bill which struck out all of the language before the proviso clause and also modified the amendment the Senate put in the proviso clause. It purported to again amend the basic law, the 1944 law, and in amending the 1944 law it specifically dealt with subsistence, it specifically dealt with payment for part-time work, it specifically dealt with ceilings.

I say we must not overlook the fact, when we consider the questions of both new matter and germaneness, that we were dealing in conference with a House bill which we had to reconcile with the Senate bill. We had to reach an agreement with the House conferees by way of conscionable compromise, so that we could bring forth a bill which amended the basic law without in effect repealing Public Law 411.

Why do I stress the point that the House bill would in effect have repealed Public Law 411? Because the House, although they were purporting to amend the basic law as to subsistence allowances left out of the basic law this language:

> Except that while enrolled in and pursuing a course of full-time institutional training under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of $75 per month if without a dependent or dependents, or $105 per month if he has one dependent or $120 per month if he has more than one dependent, including regular holidays and leave not exceeding 30 days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor whether performed as part of his apprentice or other training * * * shall be entitled to receive such lesser sums, if any, as subsistence and dependency allowances as may be determined by the Administrator.

As I have said, the House bill left out that language, and the effect of leaving it out was to make null, in fact was to repeal, Public Law 411, or at least to make it ineffective. Public Law 411 was a law the Senate had already passed on February 14, 1948, which sought to raise the subsistence allowance for veterans in college.

By the reference to the language of the basic law providing for $65 for single veterans and $90 for married veterans, and the exclusion of the language which pertained to Public Law 411, the House bill, if adopted by the conferees, would in effect have repealed the law relating to subsistence we already had passed on February 14, 1948.

Mr. President, that was the practical situation which confronted the conferees. The gentlemen who did not sign the conference report could very well say, "What we should have agreed to was an acceptance of the Senate bill." I do not have to tell any Member of the Senate that taking such an adamant position is not the way conferences are usually conducted. We usually have to find some reasonable area of agreement between the two groups of conferees, and 8 of us out of 10 did find an area of agreement by which we could adjust our differences with the House and the House could adjust their differences with the Senate.

I wish to emphasize, Mr. President, that one of my major arguments is that when the House included in its bill an amendment which went back to the basic law of 1944, and which restated the subsistence allowances with the omission of Public Law 411, and which have always covered all types of trainees, then the issue of subsistence was before us in its entirety. If it was before us then we had the legal right, and I say the duty as conferees, to proceed to consider any germane modification of that section of the basic law dealing with subsistence. We also had the right, under the section of the Reorganization Act which I have already read, to include in our conference bill any substitute, by way of an amendment, which dealt with the types of trainees covered by section 6, paragraph 400 (b), of the basic law of 1944, as amended.

I wish to add further, Mr. President, that so far as subsistence allowances are concerned, the conferees merely adopted paragraph 6 of the basic law as amended,

as the law reads at this time, including the law of February 14, 1948. In other words, we recognized that the law of February 14, 1948, should be binding upon us, whereas the House proposal would in effect have repealed the law of February 14, 1948. So we went back and brought the basic law as amended up to date, including Public Law 411 which dealt with subsistence. But when we did that we necessarily were confronted with the House position on subsistence.

It should not be forgotten that when we dealt with the basic law as amended, that is, as the law reads at the present time, and agreed that veterans pursuing a course of part-time institutional training, including a course of institutional on-the-farm training, should be paid the additional subsistence allowances under certain conditions, we were dealing with a subject matter which was germane to the whole problem that was presented to us by the subsistence section of the House bill. I think that is pretty clear from the conference report itself, which provides that:

> While so enrolled and pursuing a course of part-time institutional training, including a course of institutional on-farm training, or other combination course, such person shall be paid, subject to the limitations of this paragraph, additional subsistence allowance in an amount bearing the same relation to the difference between the basic law rates and the increased rates provided in (1) hereof as the institutional training part of such course bears to a course of full-time institutional training.

Mr. President, I know of no way of ignoring the fact that the boys operating our elevators are also on-the-job trainees. Many of them are also part-time students in various schools and colleges. I know of no way of ignoring the fact that the boys working on the farms are also on-the-job trainees, and part-time institutional trainees, too. That has always been the case ever since the basic law was passed, in 1944.

That being true, and it also being true that we are dealing here with an amendment to the basic law, and with a House bill which incorporates not only by reference, but specifically, one section of the basic law, the section dealing with subsistence allowances, I am at a loss to understand how, by the processes of logic, we can escape the conclusion that it was germane and proper for the conference committee to deal also with subsistence allowances in the conference report bill. I say that because the subsistence section of the House bill raised the issue. When we are dealing with the on-the-job trainee House bill, we cannot separate ceilings from subsistence allowances because the House specifically included language in its bill dealing with subsistence. I think the President pro tempore has overlooked completely that vital part. All the on-the-job ceiling does is fix a top wage beyond which the trainee cannot go and still receive a subsistence allowance. Since the House bill goes back to the basic law and specifically make reference by language in the bill, to subsistence allowance, it seems to me, if we are going to be logical, we cannot avoid considering questions of subsistence allowance once that language was put in the House bill.

Mr. President, as to the question of germaneness, it should again be pointed out that under paragraph (6) payment of full subsistence allowance to on-the-farm trainees was provided for in the basic law of 1944, although later they received, by administrative order in the Veterans' Administration, only part-time payments; which we corrected in Public Law 377 of the Eightieth Congress passed August 6, 1947. The latter law amended paragraph (6) so as to provide with certainty for full-time subsistence allowances.

The subsistence allowances to those attending schools or colleges on a full-time basis were increased under Public Law 411 of the Eightieth Congress. These last two laws amended the basic law now before us in Senate bill 1393 and the conference report. They amended the basic law of paragraph (6), which was contained in the House amendment dealing with the payment of subsistence allowances. Thus the amendment adopted by the conferees is a germane modification of subject matter in disagreement, which continues to deal with the question of subsistence allowance payments provided for in the basic law to which the conference bill is an amendment.

Now as to the question of new matter, as discussed in the President pro tempore's ruling. As to the question of new matter being inserted by the conferees, it is again pointed out that the House amendment modified the basic law, and the amendments adopted by the conferees were to the same basic law, and were germane to the subject matter of payment of subsistence allowances, and the ceilings, too.

Further, I suggest that the partial payment of additional subsistence allowances to persons who already had title to some allowance payments under the basic act are in the nature of a substitute on the same subject matter and would not clearly constitute new material.

Let me repeat that point this way, Mr. President. These boys in the elevators are entitled to some subsistence payments now. The moment the question of ceilings is brought in—and they are also bound by ceilings—the moment the question of ceilings is brought into the discussion, the moment the House by specific language in its bill and by reference to the $65 per month and the $90 per month subsistence allowance, brought the question of subsistence into its bill, then clearly the conferees had jurisdiction to take into consideration by way of a substitute on the same subject matter a modification of those ceilings and subsistence for part-time trainees.

Therefore, in conclusion, Mr. President, I contend that the conferees adopted a compromise which, first, was a germane modification of the subject matter, because the House bill itself referred to subsistence allowances. The House bill itself modified the basic law as of the present time, because the House bill did not include within its terms the figures set out in the bill of February 14, 1948. We had to deal with that question. If we had not dealt with that question, if we had simply accepted the House bill, then the effect of the House bill would have been to repeal a bill which we had so recently passed as February 14 of this year. Therefore, I say, because we had to deal with this question of the omission from the House bill of the figures of Public Law 411, it was then germane for us to consider further modifications in subsistence allowances.

Second, I contend that it was proper for us to consider the amendment which will be found in the conference bill as to payments for part-time trainees, since that was in the form of a substitute on the same subject matter, because once we started to deal with subsistence and ceilings, and once it was admitted that these part-time trainees also are bound by ceilings and subsistence it was germane and proper for us then to consider the ceilings and subsistence allowances which would finally be applied to them.

Lastly I submit that the conference report does not include any new matter once we recognize, once we accept, the major premise that we are dealing with an amendment to the basic law, which section of the basic law has always dealt with both subsistence and on-the-job trainee programs.

Therefore I submit the report fully meets the requirements of section 135 (a) of the Reorganization Act, and is not subject to a point of order.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. TAFT. The Senator, however, does not claim that the House in any way increased in its bill any veterans' allowances to part-time or full-time trainees? The House did not in its bill increase in any way any allowance. Is that not a correct statement?

Mr. MORSE. I think the House in effect decreased the allowances of full-time trainees when on page 2 of the House bill they refer only to $65 per month if without a dependent or dependents, or $90 a month if with a dependent or dependents. I believe, on the basis of the legal proposition that law last passed by the Congress shall prevail, that there would be nothing a court could do but to rule that the $75 and the $105 and the $120 we approved on February 14 automatically would be repealed by the House provision on subsistence had we accepted the House bill. If I am correct in that, then the House provision dealing with subsistence raised the whole subsistence question before the conference committee, and once that question was before us, then I think we could deal with full-time and part-time trainees in relation to subsistence. I think we could deal with ceilings for full-time trainees and part-time trainees, too, if we wanted to.

Mr. TAFT. But the House in its bill did not increase any allowances, did it?

Mr. MORSE. No.

Mr. TAFT. And the Senate did not increase any allowances in the Senate bill?

Mr. MORSE. That is correct.

Mr. TAFT. So the net result of including these amendments on part-time allowances is to increase the total cost about $48,000,000 over what it would have been if we had confined our action to the question of ceilings, which was all

that either House can change. Is that correct?

Mr. MORSE. I want to say most respectfully that I think the latter part of the Senator's statement deals with the merits of the substance of the legislation, rather than with the point of order, because when the Senator from Ohio says that the House bill did not increase any allowances, I want him not to overlook what I think is the negative feature of what the House did. What the House did by going back and reinserting the language of the basic law and ignoring Public Law 411 of February 11, 1948, was in effect to decrease subsistence allowances. If it decreased subsistence allowances, then I think we have the same right to take jurisdiction over the question of subsistence as we would have if it had increased subsistence allowances.

Mr. TAFT. That happened to be because the House passed this bill before the other bill. The House had no intention whatever of decreasing allowances. It had no desire to change the basic allowances. There was no difference between the conferees on that question.

Mr. MORSE. I respectfully say to the Senator from Ohio that I do not think that the Senate has any right to accept anyone's interpretation as to what was the intention of the House. The fact is that the House gave us a bill containing language which in effect repealed Public Law 411, and had the effect of reducing the subsistence allowances. The Senator from Ohio cannot change that fact by discussing his views of the intentions or motives of the House. The cold, hard reality of this situation is that the House bill, as we received it in conference, did in fact decrease subsistence allowances. We had to correct that situation in conference. The Senator from Ohio recognized that fact when this issue was first raised in conference. He saw then that it was germane for us to proceed to deal with the House action on subsistence and attempt to bring the bill into line with Public Law 411. He does not like it because eight members of the conference committee did not stop there. However, the issue before us is whether or not the conferees once they had the right to modify the House provisions on subsistence had the right to amend the subsistence section of the House bill by a substitute. I say that they clearly did. I think the objections of the Senator from Ohio really go to the money results of the action of the conferees but not to the jurisdiction of the conferees.

Because of the fact that the House bill had the effect of reducing subsistence I say that the whole question of subsistence was before us, and we had the right to deal with it, either by increasing it, decreasing it, or applying it in different ratios to different types of trainees. That is the essence of my case.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. TAFT. In effect what the conferees did was to try to change the previous law, which dealt with allowances. Was not that the purpose of those who signed the conference report? They did not like what had been done in the previous law, and therefore they wanted to change it and add an increase for part time, which neither House had provided.

Mr. MORSE. Unquestionably there were mixed motives and desires on the part of 10 conferees. That always happens when a group of men try to reach compromises in conference. But speaking for myself, I think the Senator knows that at one time in the conference I took the position that we had to do something about the fact that the language in the House bill in regard to the $65 a month and the $90 a month had the effect of nullifying what we had done on February 14.

Mr. TAFT. We could have taken the Senate bill and modified it to meet the wishes of the House.

Mr. MORSE. Certainly; but all the Senator from Ohio is saying on that point, it seems to me, is that he would have liked it better if the conferees had taken the Senate bill rather than the House bill. But we had no right to force the Senate bill upon the House. The House conferees were a part, and a very effective part, of the conference committee. They refused to take the Senate bill.

The point I wish to make is that early in the conference, as the Senator will remember, the question of germaneness was raised. We discussed the question of germaneness. The Senator from Ohio can speak for himself; but it is my recollection that at that time the Senator from Ohio was impressed with the argument that, because of the language in the House bill on subsistence allowances to which I have referred, it would be necessary for the committee to do something about what the House had done in regard to the basic law on subsistence. He argued, as I understood him at the time, that we certainly would have to modify the language in the House bill which referred to the $65 and the $90 subsistence figures. So we proceeded in our discussion, I think the Senator will agree, at least with the tentative understanding that it was germane to consider subsistence issues. If it was germane then, it is germane now.

I wish to be absolutely fair on this question. I am speaking from recollection, but I see in the Chamber the Senator from Utah [Mr. THOMAS], one of the conferees. I ask him if it was not also his understanding that at the very beginning of the conference the question of germaneness was raised, and because of the language on page 2 of the House bill, dealing with subsistence, which we felt would require some modification on the part of the committee because of its effect on Public Law 411, we felt that going into the question of subsistence was germane. Is the Senator from Oregon correct in his understanding?

Mr. THOMAS of Utah. Mr. President, there is no doubt in my mind that we felt that what we did was germane to the subject. If I may take just a moment, I should like to say this:

To me this question is one of extreme practicality. The Constitution of the United States lays down a provision that before a bill can become a law it must pass both Houses of Congress and be signed by the President of the United States. If the Congress of the United States and our people had ever attempted a strict interpretation of that provision of the Constitution, we never would have had any law.

The idea of appointing managers and holding a conference is to reach an agreement. If an agreement had to be reached merely on the basis of wording, there would never be any agreement. The substance, ideas, and purposes must enter into any conference arrangement.

I cannot argue the legal aspects of this question, and I do not wish to attempt to do so, especially after the decision which has been made by the Chair, which is thoroughly legal and thoroughly proper, and after the appeal has been made in extremely well-defined legal fashion. I shall vote to sustain the appeal from the decision of the Chair, and I trust the appeal will be sustained, from a practical standpoint. We had this subject before us not for days, but almost weeks. Agreement had to be reached or there would have been no legislation. Every group of conferees on controversial matters of this kind find themselves ultimately reaching one question, and that is, "Can we do what we want to do on the question of germaneness, or must we throw what we want to accomplish out the window on a strict interpretation of germaneness?"

What I am afraid of is that if the ruling of the Chair should be sustained on the basis of the Reorganization Act, and if we should embark upon a policy of tying the hands of conferees by the strict interpretation which has been laid down here today, we shall find that future conferees will have a more difficult problem than ever.

On the aspects of this case, no one wanted to leave out a certain group and argue against a certain group of veterans and benefit only certain other groups. That would not have been fair. It would not have been in keeping with what either House had tried to do.

Often in conferences we find ourselves reaching the point where germaneness must be stretched; but common sense, and that which is attempted to be accomplished, within the instructions given to the conferees, should be respected.

Mr. President, I trust that the Senate will sustain the appeal from the decision of the Chair.

Mr. MORSE. Mr. President, I shall yield the floor with this statement:

We have before us a conference report which reconciles the differences between the Senate and the House on important veteran legislation. It brings order out of confusion so far as veteran's legislation is concerned. It meets the need of thousands of veterans and a great many employers who are being greatly harassed because we have not enacted this legislation.

I submit that the conference report is germane, because the House bill included specific reference to subsistence allowances. Once it did that, the whole question of subsistence was before us, and we had the right—and I say the duty—to reconcile the differences between the Senate and the House over

subsistence questions and to bring order out of chaos in this legislation. I submit that the decision of the Chair should be overruled.

The PRESIDENT pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House having proceeded to reconsider the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, returned by the President of the United States, with his objections, to the House of Representatives, in which it originated, it was—

Resolved, that the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

COMPENSATION TO VETERANS TRAINING ON THE JOB—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended.

The PRESIDENT pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. TAFT. Mr. President, the issue here is very simple. I think the decision of the Chair should be sustained if we are going to hold conference committees to the subjects which are committed to them.

I had great concern about the decision on the question dealing with the pension fund for Government employees, although certainly in that case there was much more excuse for the action taken.

But here we have a case in which the House dealt only with the question of ceilings and the Senate dealt only with the question of ceilings. Then the House conferees said in effect, "We do not like what another bill has done about allowances." Mr. President, the actual allowance made is an entirely different matter from the question of ceilings. That is shown by the fact that the Senator from Oregon, who introduced both bills in the Senate, introduced one bill dealing with allowances and introduced another bill dealing with ceilings.

The House conferees insisted that the conference go into the question of allowances; they then proceeded to do so, and the conferees agreed to make an increase in the allowances which amounted to $49,000,000. So this conference report provides for $49,000,000 more of expenditures than the conference report would have provided if the conferees had confined themselves to the question of ceilings.

Mr. President, we had no difficulty on the qestion of ceilings. We compromised between the House figure and the Senate figure. The House figure was larger.

If the decision of the Chair is sustained, we shall go back to conference and we shall agree on the ceilings again—on the proper ceilings. If the question of allowances is to be dealt with, it should be dealt with in a separate bill.

With reference to the question of farm trainees, perhaps there should be some allowances. But that is a minor factor of this increase. The main increase is one in all the allowances for part-time educational beneficiaries of the GI bill of rights. That question was considered by our committee last year, and was considered by the House committee. Both of them decided there should be no increase, and no increase was made in the bill which dealt with allowances. But then the conferees on another subject proceeded to increase those allowances to the extent of $49,000,000.

Mr. President, I have served on many conference committees. Conference committees do not give to the questions the consideration they should give. They never do. It is a question of trying to get together and make some compromise. They never have the evidence before them; they never have all the circumstances to consider. I believe very strongly that we certainly ought not to justify the practice of conference committees going outside the matters with which both Houses have dealt, and dealing with a subject with which neither House dealt and with which neither House intended to deal when it passed the bill, and holding that because there is some language somewhere in the total language dealing with some subject, the conference committee can step away from the things that are in disagreement, and can deal with some entirely different subject.

In this case it will also be seen that section 2 amends paragraph 3 of part VII, which was not in either bill. In the bill there was no reference to paragraph 3 of part VII. But that was dragged in by the conferees because it related to what was put into the other section.

So, Mr. President, I feel very strongly that if we are going to have a reasonable provision, regardless of the merits of the increase—that can be dealt with in another bill, if we wish to do so; and I certainly have no objection to dealing with it in the full committee—the decision of the Chair should be sustained. I feel very strongly that it should be sustained.

The PRESIDENT pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

REDUCTION OF INCOME TAXES—VETO MESSAGE (H. DOC. NO. 589)

Mr. TAFT. Mr. President, with the consent of the Senator from Oregon, I might agree to have the conference report laid aside, so that the veto message on the tax bill might come before the Senate. I do not wish to make a motion of that kind.

Mr. MORSE. Mr. President, can we have an understanding that thereafter we shall proceed with the conference report?

Mr. TAFT. That will be satisfactory.

The PRESIDENT pro tempore. If it is the desire of the Senate to have the veto message of the President laid down, the Chair is prepared to do so. It is a highly privileged matter, and takes precedence.

Mr. WHERRY. Mr. President, is it agreeable that the veto message on the tax bill be laid down at this time?

Mr. MORSE. It is agreeable to me, with the understanding that, after the tax bill is disposed of, we shall proceed with the conference report.

The PRESIDENT pro tempore laid before the Senate the following message from the House of Representatives:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
April 2, 1948.

The House of Representatives having proceeded to reconsider the bill (H. R. 4790) entitled "An act to reduce individual income-tax payments, and for other purposes," returned by the President of the United States with his objections, to the House of Representatives, in which it originated; it was

"*Resolved,* That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same."

Attest:

JOHN ANDREWS,
Clerk.

The PRESIDENT pro tempore. The clerk will read the President's message.

The Chief Clerk read as follows:

To the House of Representatives:

I return herewith, without my approval, H. R. 4790, entitled "An act to reduce individual income tax payments, and for other purposes."

It is a matter of deep regret to me that I am compelled to take this action. If I could conscientiously approve tax reductions, I would gladly do so. But I am convinced that to reduce the income of the Government by $5,000,000,000 at this time would exhibit a reckless disregard for the soundness of our economy and the finances of our Government.

All of us are aware that the world situation is one of uncertainty and, indeed, of danger. The United States, in common with other free nations, is taking positive action on many fronts to preserve conditions of peace with justice against the forces of dissension and chaos. In this endeavor, as I stated in my address to the Congress on March 17, 1948, "the United States has a tremendous responsibility to act according to the measure of our power for good in the world."

Under these conditions, the primary test which I must apply in considering this bill is whether or not it would contribute to the strength of the United States. My fundamental objection to the bill is that it would not strenghen, but instead would weaken, the United States.

This is true for two reasons.

First, the bill would reduce Government revenues to such an extent as to make likely a deficit in Government finances, at a time when responsible conduct of the financial affairs of this Nation requires a substantial surplus in order to reduce our large public debt and to be reasonably prepared against contingencies.

Second, the bill would greatly increase the danger of further inflation, by adding billions of dollars of purchasing power at a time when demand already exceeds

supply at many strategic points in the economy, and when Government expenditures are necessarily rising.

The estimates of Government expenditures for the fiscal year 1949 which I submitted to the Congress in January totaled $39.7 billion. Receipts were estimated at $44.5 billion, leaving a surplus of $4.8 billion for debt retirement and contingencies.

It has since become apparent that despite the most stringent efforts toward economy, there will be several important increases in expenditures above the January estimates. Legislation has been enacted increasing payments to veterans. Larger amounts will be required for assistance to certain foreign countries. Legislation to increase the salaries of Federal employees is being considered. It has been necessary to recommend substantial additional appropriations to the Congress to bring our armed forces to a proper strength.

Altogether these increases, after taking due account of appropriation actions by the Congress to date and of the additional tax refunds which would occur under this bill, involve additional expenditures for the fiscal year 1949 of at least $3.5 billion above the January estimates. In the fiscal year 1950, these additional programs would increase expenditures by another $2 billion, or by a total of $5.5 billion. It is clear that, if this bill which reduces taxes by $5 billion were to become law, there would in fact be a deficit in the fiscal year 1949 even under the more optimistic estimates of revenue used by the congressional committees.

The Congress proposes to extricate itself from this situation by charging $3 billion of 1949 expenditures under the European recovery program against the 1948 revenues. This might avoid a deficit in 1949. But the facts cannot be obscured by the fiscal sleight-of-hand by which a prospective deficit in 1949 is made to appear as a surplus. Actually the surplus available for debt retirement for the two years 1948 and 1949 would not be affected in the slightest by such a shift in accounting.

The public debt is $253 billion. I repeat what I have so often said before—if we do not reduce the public debt by substantial amounts during a prosperous period such as the present, there is little prospect that it will ever be materially reduced.

I am aware that some hold the view that it would be proper to reduce taxes now, and that it will be time enough to restore adequate Federal revenues when the full extent and cost of our commitments are more definitely determined. I cannot subscribe to such an erratic and vacillating tax policy. We already know enough about the Government's financial outlook to demonstrate the serious effects of reducing revenues now by $5,000,000,000. The additional expenditures which are in prospect, although not exactly determined as to amount, are of sufficient size to make clear the shortsightedness of cutting taxes at the very time our obligations are increasing. If I endorsed tax reduction now, knowing that to do so would in all likelihood mean increased taxes next year, I would not be dealing fairly with the American people.

This bill would undermine the soundness of our Government finances at a time when world peace depends upon the strength of the United States.

It would also gamble with the dangers of further inflation. I have urged on many occasions that steps be taken to relieve the distressing effects of high prices. Since these steps have not been taken, the most important force restraining inflation has been the Government surplus and the use of this surplus to reduce the public debt. This bill would reduce or eliminate this important weapon against inflation.

It has been argued that tax reduction now would furnish incentives for more active investment and business enterprise and, consequently, more production. The plain facts show that neither funds nor profit incentives are lacking for investment and business enterprise at present tax rates.

Industrial expenditures for new plant and equipment reached the record level of more than $16,000,000,000 in 1947, contrasted with $12,000,000,000 in 1946 and $8,000,000,000 in 1941. Preliminary estimates indicate that industrial expenditures for new plant and equipment during the first quarter of 1948 ran much higher than the average for 1947.

Corporate profits were at extraordinary levels during 1947, reaching $17,300,000,000 after taxes, contrasted with a previous peak of $12,500,000,000 in 1946. Preliminary estimates indicate that corporate profits during the first quarter of 1948 have substantially maintained the very high level of 1947.

The national income is at a record level. Employment is at a record level. Production is at a record peacetime level. The resources and labor force of this country are fully employed. Under these circumstances, tax reduction could only result in higher prices—not in higher production.

From the viewpoint of the average family which spends most of its income to buy the necessities of life, the kind of tax reduction which this bill provided would be an evil in disguise. Inflation is still here and the cost of living has not descended to reasonable levels. The consumers' price index, which was 159 for 1947 as a whole, was 167.5 in February 1948, and preliminary figures indicate that it was even higher in March. A large tax reduction at this time would help to drive the cost of living still higher.

With wise and careful planning the American tax system can make an important contribution to economic progress. But if we dissipate the strength of our revenue system by ill-timed tax reduction, we shall sacrifice for many years our opportunities to lay a solid foundation for a more effective tax system. Major reforms are needed in all important areas of the Federal tax system—excise taxes, corporate taxes, individual income taxes, and estate and gift taxes. The enactment of H. R. 4790 would, by prematurely weakening the tax system, not only aggravate our immediate problems but also constitute a serious obstacle in the path of realizing many urgently needed fundamental tax reforms.

The tax reduction provided by this bill is inequitable as well as untimely.

In the case of the income tax, nearly 40 percent of the reduction would go to individuals with net incomes in excess of $5,000, who constitute less than 5 percent of all taxpayers.

In the case of the estate and gift taxes, nearly all of the $250,000,000 annual reduction would go to only about 12,000 of the most wealthy families. The discovery that it is possible to make very substantial savings in the gift and estate taxes by dividing a family's wealth between husband and wife has brought forth much ingenious argument to the effect that the provisions in this bill are needed to equalize the application of these taxes in community-property and common-law States. In fact, this equalization was in all essential respects achieved by legislation enacted by the Congress in 1942.

For the reasons I have set forth, H. R. 4790 is not compatible with the requirements of the critical international situation. It is not compatible with sound domestic economic and debt-management policies. If enacted, it would materially weaken this Nation's efforts to maintain peace abroad and prosperity at home.

It is bad policy to reduce taxes in a manner which would encourage inflation and bring greater hardship, not relief, to our people. It is bad policy to endanger the soundness of our national finances at a time when our responsibilities are great in an unsettled world.

I am confident that the men and women of our country prefer the maintenance of our national strength to a reduction in taxes under the present circumstances.

I consider it my clear duty, therefore, to return H. R. 4790 without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 1, 1948.*

The Senate proceeded to reconsider the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? Under the Constitution, the yeas and nays will be taken.

Mr. MILLIKIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Chavez	Gurney
Baldwin	Connally	Hatch
Ball	Cooper	Hawkes
Barkley	Cordon	Hayden
Brewster	Donnell	Hickenlooper
Bricker	Downey	Hill
Bridges	Dworshak	Hoey
Brooks	Eastland	Holland
Buck	Ecton	Ives
Bushfield	Ellender	Jenner
Butler	Ferguson	Johnson, Colo.
Byrd	Flanders	Johnston, S. C.
Cain	Fulbright	Kem
Capehart	George	Kilgore
Capper	Green	Knowland

Langer	Morse	Stennis
Lodge	Myers	Stewart
Lucas	O'Conor	Taft
McCarran	O'Daniel	Thomas, Utah
McCarthy	Overton	Thye
McClellan	Pepper	Umstead
McFarland	Reed	Vandenberg
McKellar	Revercomb	Watkins
McMahon	Robertson, Va.	Wherry
Malone	Robertson, Wyo.	White
Martin	Russell	Wiley
Maybank	Saltonstall	Williams
Millikin	Smith	Wilson
Moore	Sparkman	Young

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. HATCH. Mr. President, twice during the course of debate on the tax-reduction bill I made brief statements. On neither occasion did I attempt to argue or debate the issue. I merely stated my position, giving only a few of the many reasons I had for opposing tax reduction. On each occasion I spoke with very little force or vigor because I felt an absolute sense of futility. It was apparent the Senate was going to pass the measure by a large majority. That it did pass the measure by a majority even larger than any of us anticipated is now a matter of history. The bill was passed by a majority which I think surprised even the distinguished and able Senator from Colorado. It was overwhelming.

Today we vote on sustaining or overriding the President's veto. Today we vote under entirely different conditions, world changing conditions.

Mr. President, during the consideration of the tax-reduction program, it was said many times, in and out of Congress, that the bill would pass because it was election year. Some were unkind enough to say that Members of Congress were more concerned with giving tax reduction because the elections will be shortly held than they were in maintaining the financial security of the country. That charge, Mr. President, is one easily made and frequently occurs when so-called popular issues are presented to the Congress during an election year. It is a charge I have never made and shall not make. As a matter of fact, today I mention this subject for the purpose of refuting it. Such charges are too often leveled at Members of Congress; they accomplish nothing and only tend to lower that respect for the integrity of Members of Congress which the public should hold. I have been a Member of this body nearly 15 years. During that period of time I have seen many changes. I have seen Senators come and Senators go. The huge Democratic majority which existed at one time has dwindled until now there is a small Republican majority. Regardless of those changes, either in men or in the political complexion of the Senate, I have found the individual Senator, no matter what his politics might be nor from what section of the country he might come, to be a man of honor and of integrity. I have not the slightest doubt that, if Members of this body really believed a reduction in taxes at this time would be detrimental and injurious to the financial solvency of the country, they would vote against tax reduction even though this is an election year.

If it were within my power today to convince my fellow Senators that overriding the Presidential veto and permitting the tax-reduction bill to become a law could grievously injure the country, I would do so, without hesitation, for such is my solemn, my strong, and my firm belief. I grant all the arguments which have been made in behalf of this bill, their reasonableness, and the sincerity of every man who spoke for the bill, but, notwithstanding that, I am more convinced today than ever that this is no time to reduce taxes.

I shall not talk of war, nor of the possibilities of armed conflict, although one could easily make out a strong case from that standpoint. Only those who are so blind that they cannot see or will not see, or so deaf that they cannot or will not hear, can have any doubt about the perilous situation of world affairs. In almost every part of the Old World conditions exist which could explode at any time. Even at this moment American men and women and our armed forces are under a virtual blockade in Berlin. What the outcome of that extremely delicate, if not dangerous, situation will be, no man in this body or any place else can foretell.

The ever-rising and higher-mounting cost of our national defense program should be apparent to the most unenlightened person in the United States. How far those costs can continue to rise no man can say.

The program of economic recovery upon which we are engaged now and will continue to be engaged throughout the coming year, and probably through other years, involves tremendous sums of money now and may involve even more before this session adjourns. I do not say that these things will occur and appropriations will be required in excess of what is being presently appropriated, but I do assert as strongly as it is possible for me to assert that there is grave possibility that we shall be called upon, before this session adjourns, for larger appropriations than are even now contemplated and which we will not dare refuse.

Because I want to speak briefly, I shall not mention other portents which may cause larger appropriations. They are known to all of us, and each of us should be aware that the surplus we now have could easily be wiped out in expenses which we will be forced and compelled to meet.

Also, I must again state, as I have often said before, that the inflationary spiral continues; it has not leveled off by any means. The huge expenditures that we are going to make and must make will all contribute to more and more inflation. Without question and beyond dispute or argument, tax reduction does increase purchasing power, and increased purchasing power means higher prices, more inflation.

To meet this issue of inflation, we may be called upon, and I think we will be called upon before we leave for the recess, to enact legislation such as that recommended by Mr. Baruch when he appeared recently before the Armed Services Committee. We may be called upon to institute another system of controls, controls none of us want to impose, and which the public will bitterly resent. Nevertheless, if it is necessary, and if there is no other course possible, the Congress will, before it adjourns, enact another system of price control. We will enact that system to fight inflation, to stop the higher and ever-increasing cost of living. Yet if we override the President's veto today, we in the Congress will be contributing to the very factors which we may later be compelled to fight through price control.

Yes, Mr. President, we may today, by reducing taxes, make it necessary to enact tomorrow drastic legislation which none of us would care to enact. On the other hand, if we do not adopt this tax-reduction program, if we sustain the President's veto, and if we take whatever surplus there may be and apply it on the public debt, which is so tremendous and so heavy, that in itself will be deflationary in character, and will be one of the brakes which might possibly prevent the adoption of price controls later. Yet today we refuse to apply this simple logic, and we will probably override the Presidential veto and later adopt a system to counteract what we do today.

Mr. President, simple as it may be, and perhaps oversimplified, when one owes debt, as our Government now owes, and has a surplus, as we will have, is it not the part of wisdom, just ordinary common sense and judgment, to pay on the debt what money is available by way of surplus? Would any man in his own private business, or in his own private affairs, voluntarily reduce his income when he was facing expenses which he knew he could not foresee, but beyond any shadow of doubt expenses which would grow larger and larger with each passing moment? Is it not wise to pay on a debt when one has the money to pay? Would not a man in his private business try by every possible means, instead of reducing his income, to increase his income, under such circumstances? As I have said, this may be oversimplified, but to me it is an argument that is unanswerable.

Mr. President, in the cold war in which we are engaged—and no man can deny that a cold war is going on, and no man with any vision or foresight or thought can deny that the cold war is growing warmer each moment—the chief weapons we are using are American dollars. They may be good weapons or they may be bad weapons; they may not accomplish what we hope to accomplish, and what we above everything else want to accomplish—that is, to avoid war and to bring some measure of peace into the disordered and chaotic world in which we live—but whether they be good weapons or bad weapons, Mr. President, they are weapons, and they are being used. In a sense, they constitute our armed forces in this cold war.

Mr. President, following the end of the shooting war, listening to the appeals of American citizens, just as we are listening today to appeals for tax reduction, we demobilized our Army and sent the soldiers back home. I have no criticism of the American fathers and mothers who wanted their sons back. I sympathized with them. I understood the

desire. But, Mr. President, I am confident that today there are certain countries in the world which so misunderstood that maneuver that when we brought our soldiers back they thought and believed America was doing after this war just as she did after the last war—that we were retreating into isolationism, and abandoning the field of battle as we did before.

As a result of that action, we have already paid a costly price. Had we not demobilized, had our strong Army, which so valiantly and gallantly swept aside the forces of the enemy in Europe, been retained in full strength there today until all the issues of peace had been settled finally and definitely, Americans would not today be blockaded in Berlin. Shall we again, now, repeat the same error? Must we always continue repeating error after error and error upon error? Shall we demobilize today the army of American dollars? Yet, Mr. President, that is exactly what is proposed by the bill which has been vetoed—that we demobilize this army and send it back home into civilian use, to increase inflation, and abandon sound business practices.

Mr. President, in my brief comments the other day I said I had voted for all the tremendous appropriations we have made. I supported the Greek-Turkish loan. I supported the interim-aid program. I supported the European recovery program. I voted for every appropriation for the national defense.

Mr. President, I shall so continue to do. I shall vote for universal military training. I shall vote for the temporary draft. I shall vote for every measure which will strengthen the United States of America. But, Mr. President, I shall not vote for all these things on the one hand and then on the other turn around and say to the people of America "You can have all these expenditures, these huge, costly expenditures, and at the same time have tax reduction." Such a position is as inconsistent as it is possible for a position to be. So far as I am concerned I shall vote for the expenditures, and I shall honestly tell the people of America, "You cannot have all these expenditures and at the same time have tax reduction."

Today, Mr. President, I would not only urge Senators, regardless of how they may have voted the other day on the bill, to vote to sustain the President's veto, but I would plead with Senators on this day to sustain the President in his vigorous, brief message, in which he has frankly told the people of America where we stand and what should be done.

I am not speaking, Mr. President, for the political fortunes of the President of the United States. I have lived too long to believe that our country is either going to rise or fall depending on whether we have a Republican or a Democratic President. I have been through administrations controlled by both parties, and have seen mistakes and errors made on both sides. I have the utmost confidence and respect for the patriotism of Senators on the other side of the aisle, as I have for the patriotism of Senators on this side of the aisle; but what I would like above everything else is to show the country, to show the world, that the Government of the United States, the executive and the legislative branches, stand together in this hour of peril. Mr. President, it is an hour of peril.

I conclude with the expression of the hope that Senators may this day vote for the interest and welfare of all America.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. WHERRY. I ask the President pro tempore if he will not make the announcement to the Members of the Senate that the conference report just received from the House of Representatives will be submitted and voted upon this afternoon. Am I correct?

The PRESIDENT pro tempore. The Senator from Nebraska is correct.

Mr. WHERRY. Senators should take due notice of that announcement, because some have asked about it already.

The PRESIDENT pro tempore. The House has acted on the conference report on the European aid bill, and the report will be submitted to the Senate at the first opportunity this afternoon.

REDUCTION OF INCOME TAXES—VETO MESSAGE

The Senate resumed the reconsideration of the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which had been vetoed by the President of the United States.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a brief statement regarding my views on the tax-reduction bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I voted for the tax-reduction bill on its passage. I shall vote to enact it despite the veto of the President. In view of the fact that I opposed tax reduction last year and have stated on numerous occasions and in correspondence with my constituents that I doubted the advisability of reducing taxes during this period of high national income, I make this brief statement of my reasons for voting to override.

The pending bill eliminates the advantage which has been enjoyed by taxpayers in community-property States to the detriment of other American citizens in the common-law States. Last year the taxpayers in my own State of Georgia paid $13,000,000 more in taxes into the Federal Treasury than was paid by taxpayers in community-property States enjoying the same income. I have fought this discrimination against the taxpayers in the non-community-property States for years. It is not only unfair to the individual taxpayer, but drains from the business and economy of the States in which they live a disproportionate part of the total State income, thereby hampering the industrial and economic development of the non-community-property States.

As a practical matter I realize that it is impossible to eliminate this inequity at a time when taxes are being increased. It can only be done in a tax-reduction bill. If this injustice is not corrected in this bill it may be years before there will be another opportunity.

I still recognize the hazard of reducing the national revenue in this period of world crisis which brings increasing demands for funds to provide for the national security. I am still committed to the proposition that we should reduce our staggering national debt while times are good and the national income is high. I shall continue to advocate elimination of unnecessary expenditures. It would be tragic if this tax-reduction bill, together with unexpected demands and the increased expenditures being voted by the Congress, should so deplete the national revenue as to bring about a revival of deficit financing. Let me point out in passing that while the executive branch of the Government has been roundly condemned for extravagance, this Congress on its own initiative has already passed or will enact laws not requested by the Chief Executive which will increase the expenses of Government by at least two billions of dollars per annum.

The passage of this bill will eliminate a long-standing injustice which has worked a great hardship on individual taxpayers and on sovereign States. It gives us a much fairer basis of national taxation. Upon the creation of this new base, applying equally to all citizens, I stand ready and willing to vote for any increase in the rates of taxation which may be necessary to maintain a sound fiscal position for the Government and to make a substantial payment each year upon our $260,000,000,000 national debt.

Mr. KILGORE. Mr. President, I voted against the tax reduction bill as it originally passed the Senate. Since that time I have received a great many communications on the subject, and also have talked with a considerable number of persons about it, and I sincerely believe this bill should not be passed over the President's veto.

This morning there appeared in the Washington News an editorial dealing with the President's veto of the tax bill. It will take me only about 2 minutes to read it, and I shall do so in order that it may appear in the RECORD. I believe every Senator should read it. I resent the criticism of Congress contained in the editorial, but I say frankly to the Members of the Senate that I believe the people of the country feel the way the editor felt when he wrote the editorial. It is as follows:

TAX VETO SHOULD BE SUSTAINED

Congress seems hell-bent on an election-year tax cut. But if we were a Member of that honorable body we would vote to sustain President Truman's anticipated veto of the Knutson-Millikin bill. A vote to override, in our opinion, would be an act of irresponsibility at a time of world crisis.

Congress has decided the situation is serious enough to justify spending $6,200,000,000 in the next year to help western Europe, Greece, Turkey, and China stand up against Communist aggression. Does it not follow, then, that it is too serious to diminish revenues our Government needs?

If peace and national security require—and we think they do—that Uncle Sam lay

his hand on the shoulders of several thousand young men for selective service and military training, then obviously this is no time to try to buy votes by taking more than 7,000,000 civilians completely off the income-tax rolls.

The public debt is $252,000,000,000, the annual interest charge $5,000,000,000, the defense budget alone rising to $14,000,000,000 or $15,000,000,000 or more. In the present state of things, when nobody can tell how many unanticipated expenditures will be necessary, there is no assurance that the Knutson-Millikin $4,800,000,000 can be spared without running the Government again into red ink.

The Republican plan is to vote on the veto as quickly as possible, with the minimum of debate. We think the issues are so paramount that the debate should be carried on long enough for public opinion to crystallize and for the people to make their wishes known.

Our belief is that most Americans at this time are more interested in saving their hides and saving the peace than in saving taxes.

Mr. President, I may say that I do not endorse the aspersions cast by that editorial, because I believe the members of both parties in Congress are sincere in the action they have taken on the tax matter, but I say, Mr. President, that we must realize that the fact that we have a Congress composed of Representatives of the people makes of our Government a true democracy, and that when the people of the United States lose faith in that body we shall no longer continue to be a democracy.

Mr. President, in the present days of world crisis I feel that the President's veto should be sustained.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. BARKLEY. Mr. President, I dislike to delay a vote on the veto by even as much as a few minutes. But inasmuch as I was unavoidably absent when the bill passed the Senate recently, I feel that I should submit for the RECORD a few observations on the President's veto.

I am not naive enough, Mr. President, to assume that anything I may say will change any votes in this body. I know in advance of the roll call what is going to happen. I realize how difficult it is to swim upstream. Nevertheless, I propose to swim upstream in what I may have to say and in the vote which I shall cast.

I imagine that no man in this Chamber, and no man in the United States, would be happier over, or who needs more than does the senior Senator from Kentucky, a reduction in his taxes. But I hope that neither in this instance nor in any other will my individual interests or my individual welfare color my attitude toward legislation of this or any other character that may come before the Congress of the United States.

I realize also the difficulty that confronts Senators in voting upon this veto and in voting originally on the bill, because of the provision contained in it affecting the so-called non-community-property States and attempting to adjust equitably among all the people of the United States the question of Federal taxation.

For a long time I have been a member of that group in the Committee on Finance and in the Senate who tried to make this adjustment by requiring those who resided in and paid taxes in the community-property States to make their income-tax reports based upon the general law of the country as applicable to non-community-property States. Originally there were nine such States, represented by 18 Members of the Senate. They had the power, and exercised it—or threatened to do so—to defeat any tax bill which undertook to bring about the leveling off of the taxing process as between the community-property States and the non-community-property States.

It became obvious, and is obvious now, that it is impossible to enact legislation of the type which for years we sought in the committee and on the floor of the Senate. In view of that situation, in a brief speech which I made in the last session of Congress and in numerous letters which I have written to my constituents and others, I committed myself to the proposition that if we could not get the dog to wag the tail I would finally, as a last resort, vote to allow the tail to wag the dog. That is what we have been driven to in the bill now before the Senate. The tail is wagging the dog. I have no objection to that, because I think that is the only way by which we can bring about an equitable adjustment in the tax situation existing in this group of States.

If it were an independent proposition, and I had the right to vote on it on its merits as an independent question, I would vote for the provision contained in the bill, in an attempt to adjust the disadvantage under which the people in 37 or 38 States find themselves in comparison with the people of the remaining 10 or 11 States. But in order to vote for that which I approve, and for which I would vote as an independent proposition, and with respect to which I have committed myself in numerous letters, if not here on the floor, I am compelled to vote for a bill which in my judgment ought not to be enacted at this time. I do not think it ought to be enacted because no man here now is wise enough, no staff is wise enough, no expert is wise enough, to know the problems which we shall face before this session of the Congress shall have been terminated.

Recently the two Houses adopted a resolution providing for a reduction of $2,500,000,000 in the President's budget. That was a species of wishful thinking. No one had any expert knowledge on the subject. No one could hold out any definite hope that $2,500,000,000 could be stricken from the President's budget. Even now, within less than 6 weeks from the time of the adoption of that resolution committing—in a Pickwickian sense—the Congress of the United States to a two-and-a-half-billion-dollar reduction in the President's budget, we know that it cannot be reduced by any such amount.

Not only do we know that it cannot be reduced by a single dollar of the two and a half billion, but we know that we shall be fortunate if we do not run into deficit expenditures and find ourselves either increasing the public debt before the end of this year or being called upon to raise taxes, not only back to where they are now but even to a higher level. No one can now predict that within the next 9 months, or even 6 months, we may not be borrowing money and thus increase our public debt. We may be borrowing money from others in order to pay those we now owe. No one can guarantee that that will not take place.

The President has sent a letter to the Presiding Officer of the Senate and to the Speaker of the House of Representatives outlining an additional expenditure, which probably will be authorized, of three and one-half billion dollars, which wipes out all the two and a half billion dollars we expected to save by cutting the budget to that extent and adds another billion dollars to it.

I do not know what Congress will do about these problems. We are faced with a very dangerous and delicate situation. Every day brings new evidence of a critical situation confronting the United States. Every day, every hour, brings the possibility of tensions, episodes, and incidents over which we have no control, and may have no control, and which may precipitate difficulties which will make a farce of our efforts now—whether for political purposes or otherwise—to relieve some of our people of the burden of taxation under which we all suffer and under which we all bend.

I have faith in the sincerity of the President of the United States. I may not agree with him about everything, and I do not agree with him about everything, any more than I have always agreed with any other President whenever my own conscience dictated a contrary course.

I have faith in the integrity and sincerity of the Secretary of State, one of the outstanding military leaders. Not only was he a great military leader, but if I may combine the description, during the war, prior to it, and since the war, in my judgment he has shown himself to be a great military statesman as well as a great military leader. If there was any man who ever was Chief of Staff of the Army of the United States who, beyond his military knowledge and beyond his military vision and beyond his skill as a military leader, combined the elements of statesmanship and vision and understanding among the nations of the world, it is George C. Marshall. I have the same abiding faith in his integrity and his sincerity today that I had when he was charting the course of our armies all over the world to win the greatest victory ever attained in the military annals of world history. I do not believe they are coming before the Congress with recommendations for increased expenditures, especially for our military equipment, without knowing whereof they speak.

There are now being held before the Committee on Armed Services hearings on the subject of universal military training and the reinstallation of the draft, the selective-service law. I have

not yet declared, either in any public utterance of mine or in any private correspondence in which I have engaged, how I shall vote on the question of universal military training. If I finally vote for it, I shall have reversed a lifelong position and lifelong convictions which I have entertained as an American citizen regarding the wisdom of universal compulsory military training. I have always been opposed to it as a policy of our Government, and I have never been convinced that it prevented war on the part of any nation that ever engaged in it. The nations who have been the aggressors and have brought about war in the past have at least been among those who had universal compulsory military training. But, Mr. President, although this has been my lifelong position on the subject and although I would regret the necessity of reversing that lifelong position, I shall not hesitate to do so if I am convinced that the safety and the integrity and the welfare of the American people require that I vote in order that we may have universal compulsory military training, because I think the safety and the welfare and the integrity of our institutions are more important than any lifelong convictions I have ever entertained on either that or any other subject.

These are times in which we have to break with the past, if compelled to do so. These are times in which we cannot advocate the status quo. These are times in which we cannot say that because for 50 or 75 or 100 years our attitude has been thus and so, therefore we shall continue it. The world is in flux everywhere. Democracy is in danger. Free institutions are in danger. We are confronted with a creeping paralysis or a creeping monster which we cannot ignore as it continues in an effort to dominate the souls and the bodies and the institutions of men all over the world. I am prepared to reverse myself on anything when I am convinced that such a reversal is in the interest of the American people and the free, democratic institutions in which we believe.

I anxiously await the report of the Committee on Armed Services on the subject I am now discussing. If we adopt it, we know that it will cost us—although not for the first year—$2,000,000,000 annually to carry out universal military training. If we are convinced of its essentiality and its indispensability, if we are convinced that it is the only alternative we can adopt to preserve our institutions and our freedom and our liberty, we know we shall adopt it, and we know we shall vote to expend all amounts of money necessary to be spent in order to bring about our safety and preserve our integrity. We know that now.

Mr. President, those who will vote for this tax bill over the veto of the President know that, and I do not question their sincerity. It is true that we may find ourselves marching down the hill and then marching up the hill before the end of this calendar year or even before the end of this fiscal year. It is not always a dignified performance to march down the hill and then have to march back up it.

We are also asked to reinaugurate selective service. Again, I do not know what the committee will report as to that. We may be confronted with a choice between universal military training and the selective service in order to equip our Army so as to bring it up to its requirements under the law. That is regarded as a somewhat temporary measure, I think, in order that we may in a hurry or rather hastily fulfill the requirements of the law with regard to our Army. The Army is now 350,000 men short of the goal set by Congress. Certainly in these trying times the Army should be up to the full requirements of the law. I wish to have done whatever is necessary to be done to bring the Army up to the full requirements, and that will cost another billion dollars. We cannot afford to create the impression, either among our enemies or among our friends, that we are lagging in the display of either the ordinary foresight or the prudence required of us in this uncertain age.

I think we should have a larger army in Germany than we have there now. I think we should strengthen our forces there in order that they may cope with any eventuality, whatever it may be. I hope they will not be needed; but certainly it is infinitely better to have them there and not need them, rather than to need them and not have them there. As between those two alternatives, I am in favor of having them there or having them wherever else they may be needed to protect not only the dignity and prestige but the welfare and the institutions of our country, in the fundamental interests of the people of the United States.

Mr. President, in my contacts among the people of the United States, not only in my State, but in other States, I have found that now, 3 years after hostilities have ceased, when we still have no peace in the world, when we are still confronted with an equal, if not greater, totalitarian danger than that which confronted us in the war we had won, or thought we had won, for democracy, the people of the United States are about 6 months ahead of Congress in their thinking about what ought to be done in this great emergency in world history. That was true prior to the war. When the Congress was trying to lay the foundation for what inevitably came, when the Congress was trying to repeal the Neutrality Act and the Embargo Act, and to enact legislation to strengthen the arms of the United States for any emergency, the American people were ahead of those of us here in the Congress of the United States in their thinking by not less than 6 months. They are ahead of us now; do not doubt it for a moment. They are in advance of us. Instead of our being leaders as we ought to be, we are forced. Perhaps that is entirely proper; perhaps we ought to hesitate and hum and haw and be cautious, because we do not always know what the sentiment in our States and districts may be. But if we are followers instead of leaders, let us follow as closely as we may the leadership of the American people. They are not fools; they are not deluded. They read more of the public press than we have time to read. They want the United States to be ready for any emergency. They may regard, as we do, the imminence of an emergency, and they undoubtedly hope as we hope that we may find some way by which to work out a peaceful solution of these problems. God knows that I hope we may. And I pray to the Almighty that I shall never again be called upon in my public life to vote to plunge this Nation into a military conflict with any other nation in the world. Between World War I and World War II I publicly stated that I doubted I should ever again vote for a resolution declaring war on the part of the United States. But in World War II I had to swallow those words. I know, as all of us know, we cannot project our minds far enough into the future to tell what we shall be called upon to do or not to do. But we know that whatever betides, whatever comes, we are going to vote and to take an attitude in favor of whatever is essential to protect the interests and rights of our people, and the democratic process throughout the world.

We have long since learned that democracy cannot succeed in America alone. It cannot succeed in the Western Hemisphere alone. Democracy must live, wherever it exists, in an atmosphere of fertility for the production of democratic institutions. Neither can we become an armed camp in the Western Hemisphere when all the rest of the world has been subjugated by this brutal and powerful, unthinkable, unbelievable, totalitarian thing which we are now fighting. We cannot afford to neglect our interests until we have been forced to become an armed camp on an island in the Western Hemisphere, called upon to defend ourselves against the approach of totalitarian monsters from every point of the compass.

So, Mr. President, without impuning the motives of anybody, without criticism of the patriotism or the integrity or the good faith of any man, irrespective of how he may vote on the veto message, I cannot avoid the conclusion that we may be living in a fool's paradise this day, we may be overlooking a Frankenstein that will rise up in the months to come to haunt us and to embarrass us.

I have many figures which I could discuss, but I shall not do that. Instead, I shall ask permission to print certain observations which I have reduced to writing, which I think are pertinent to the consideration of the veto. I ask unanimous consent, at this particular time and in this place, to include them and have them printed as a part of my remarks, so that I may not burden the Senate with their recital.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

INCREASE IN 1949 EXPENDITURES SET FORTH IN PRESIDENT'S TAX MESSAGE

In the veto message on the tax bill, the President stated that expenditures for 1949

would probably be three and a half billion dollars higher than the original estimate. These major increases, which now appear probable, are as follows:

For foreign aid, because of increases in the aid program for China, Greece, and Turkey	$400,000,000
For employees' pay (which amount is lower than the cost of either the bill reported by the Senate committee or the House subcommittee)	500,000,000
Tax refunds under the tax bill	500,000,000
For legislation which increased veterans' allowances	150,000,000
For additional expenditures for Army, Navy, and Air Force, as outlined in the President's letter of Apr. 1	1,700,000,000
For increased expenditures for universal military training and selective service	300,000,000
Total	3,550,000,000

The over-all estimate in the tax veto took into consideration the fact that reductions had been made in some of the appropriation bills acted on to date. It likewise took into consideration the additions which Congress has made, such as the $200,000,000 for rural electrification and the probable increase in expenditures under the new proposed housing program. It seems quite apparent in the light of actions to date that Congress will not make more than a small fraction of the $2,500,000,000 decrease in estimates proposed, since this necessarily could have been attained only by making the major part of the reductions in military and foreign-aid programs. Obviously, these reductions will not be made.

ESTIMATES OF RECEIPTS

1. The estimates of Government receipts in fiscal 1949 in the President's January budget were $44,500,000,000, based on an assumption of a personal-income level of $200,000,000,000 in calendar 1948.

2. The estimates of Government receipts in fiscal 1949 by the congressional staff, before the tax reduction, are $47,300,000,000, based on an assumed personal-income level of $208,000,000,000 in calendar 1948 (p. 10 of the Senate committee report on H. R. 4790).

3. H. R. 4790, according to the congressional staff, would reduce tax receipts by $4,800,000,000 (not including the cost of additional refunds, which were included in the additional expenditures referred to by the President). This would reduce Government receipts in 1949 to $42,500,000,000.

It should be noted that the Treasury calculates the reduction in revenues resulting from H. R. 4790 at $5,000,000,000 rather than $4,800,000,000 (not counting the cost of tax refunds). Under this estimate, Government receipts would drop to $42,300,000,000 if H. R. 4790 became law.

4. Thus, expenditures can be reasonably estimated to be at least $43,200,000,000, and revenues, even under the committee's revenue estimates, would be only $42,500,000,000, leaving a deficit of $700,000,000.

It is this deficit which the Millikin amendment, charging $3,000,000,000 of 1949 ERP expenditures to 1948, would conceal.

TAX REDUCTION AND THE FEDERAL BUDGET

It is estimated by the Treasury Department that the passage of the bill before you would reduce the revenues of the Federal Government by $5,000,000,000 in the fiscal year 1949. In addition, it would result in increasing the necessary amount of tax refunds by $500,000,000. As a result, the surplus of $4,800,000,000 estimated for the fiscal year 1949 would be converted into a deficit of $700,000,000.

I am sure that this House does not want to return to deficit financing for the purpose of tax reduction during a period of unprecedented prosperity. If we face the facts, we will not reduce taxes at this time.

But it is pleasant to turn away from the facts, when doing so offers an excuse for passing a piece of legislation very close to our hearts. It is not surprising, therefore, that many voices have been raised to assure you that this bill does not represent a return to deficit financing. What these voices are saying should be subjected to the closest scrutiny.

Mr. John Hanes testified to the Senate Finance Committee that, in his opinion, the present tax structure would yield a budget surplus of at least $10,100,000,000 in fiscal 1949—$5,300,000,000 in excess of that estimated by the Treasury. He, therefore, concluded that the passage of this bill would leave a substantial surplus for fiscal 1949.

Let us look more closely into the manner in which Mr. Hanes reached his conclusion.

Mr. Hanes started from the estimate of revenues for the fiscal year 1949 made by the staff of the Joint Committee on Internal Revenue Taxation. This estimate is $2,800,000,000 higher than that made by the Treasury. The estimate of the committee staff is based on assumed personal incomes of $209,000,000,000 in calendar year 1948, as compared with $200,000,000,000 assumed in the Treasury estimates. Personal incomes for the calendar year 1947 amounted to $197,000,000,000. January 1948 is the most recent month for which a figure on personal incomes is available. The $209,000,000,000 annual rate used by the joint committee staff has been equaled only in that month and in two previous months—September 1947 and December 1947—in the entire history of the country. It would be rash to predict that this average level will not be attained for the entire calendar year 1948; but it seems to me that it is equally imprudent to rest the soundness of the finances of the United States on the assumption that it will.

The Treasury estimates assume a continuation of high-level employment and high-level production, but do not forecast further inflation. They are as high as I believe that it is safe to go. In this connection, I should like to call the attention of the House to the fact that Standard & Poor's Corp., the largest private statistical organization in the country, under date of March 15, 1948, estimated personal incomes for this calendar year at $200,000,000,000—the same estimate as that made by the Treasury 3 months previously.

The assumption of this high level of personal incomes accounts for $2,800,000,000 of the difference between Mr. Hanes' estimates and those of the Treasury. The remaining $2,500,000,000 difference is derived by reducing the expenditures projected in the President's budget by the $2,500,000,000 called for in the congressional resolution on the legislative budget.

It is easier for us here in this House to understand the implications of this second adjustment than those of the first. We all know that it is not realistic. Yesterday, we passed a $6,200,000,000 foreign-aid bill, and we know that it will be necessary to spend additional money to strengthen our armed forces. While we may be able to cut some of the domestic items in the President's budget, the growing tenseness of the international situation makes it increasingly improbable that we can even hold the over-all total of the budget to the President's January figures—much less that we can lop off the $2,500,000,000 provided in the joint resolution.

As I have said previously, it is easy to be influenced by optimistic estimates when they support what we want to do. On April 7, 1947, with less than 3 months of the fiscal year to go, Mr. Hanes wrote a letter to Senator MILLIKIN, in which he said:

"New facts have recently come to light which I believe show that substantial debt reduction and substantial tax relief are not incompatible. It is possible to have both. The most important new fact is that the Treasury, for the fiscal year ending June 30, 1947, will have a substantial surplus—probably some $3,000,000,000 to $4,000,000,000."

Unfortunately, a yet newer fact which came out on June 30 was that the surplus was only $754,000,000. Let us not again be swayed by new facts or by wishful thinking into endangering the fiscal soundness of this country as it enters the critical period which lies ahead.

CONGRESS IS FLIRTING WITH RED INK AT A WRONG TIME

(By Ernest Lindley)

It is nice to have a tax reduction. But lest the celebration get out of hand, it should be kept in mind that:

1. This tax cut probably precludes abolition or reduction of excise taxes and other tax adjustments downward in the near future.

2. It may throw the Federal budget into the red during the coming fiscal year, ending June 30, 1949.

3. The income tax may have to be raised again next year to cover mounting costs of defense.

The President's January budget estimated expenditures next fiscal year at $39,700,000,000. The Republicans of the Joint Budget Committee promised to cut it by about $2,500,000,000. They had learned something from their embarrassing blunder of the preceding year when the House Republicans promised $6,000,000,000 in cuts and the Senate Republicans, considering themselves realistic, promised only $4,500,000,000. The cuts actually made were relatively small and have been wiped out by subsequent actions.

EXPENDITURES WILL BE HEAVY

Actual expenditures next year are likely to exceed the President's January estimates by a wide margin. Outlays on the armed services and for the Atomic Energy Commission probably will be three to four billion dollars higher than his January requests. The total outlay on foreign economic aid probably will be greater than he estimated in his budget. And yet to come is some form of military lend-lease for members of the western European defense pact.

It is a safe prediction that Congress will not cut the rest of the budget, apart from the armed services and foreign economic aid, $2,500,000,000 or any sum near it. Total Federal expenditures next year probably will exceed $40,000,000,000 and may be closer to $45,000,000,000 than to $40,000,000,000.

The President estimated revenues next year at $44,500,000,000. This may prove to be too low (although it could be too high). But the income-tax cut will knock off some $4,700,000,000. In forcing through this reduction, Congress is flirting with red ink.

Senator MILLIKIN has sought to provide a cushion by earmarking part of this year's surplus to be spent on ERP next year. However valid the arguments in favor of this device, it is simply a manipulation of the books.

FIFTY-BILLION BUDGET IN 1950?

In all probability we face a rising curve of defense expenditures for several years ahead. For example, the program just laid before Congress by Secretary of Defense Forrestal is based on an Air Force of 55 combat groups. The Air Force believes it should have 70 groups, and many Members of Congress agree. The 70-group program, with reserves and procurement of new aircraft at the rate

recommended by the Finletter committee, would raise total defense expenditures to $18,000,000,000, or higher, within about 2 years.

Some realists on the Hill are talking a $50,000,000,000 over-all budget by 1950. This assumes that war is prevented. It assumes, what now seems most probable, an armed truce.

It is very likely, therefore, that one of the first tasks of the next Congress will be to increase income taxes again. Many who are voting for the cut realize that. They said that taxpayers are entitled to relief, even if it is temporary. They say, also, that something had to be done to end the glaring discrimination between income taxpayers in the growing number of community-property States and those in other States. These and other arguments have some merit. But none of them has been so influential as the well-known fact that an election is coming in November.

Mr. BARKLEY. Mr. President, if I were an optimistic man, and if my optimism overcame my instincts and my desires, I should express the hope that the veto would be sustained, because, however desirable it may be for all of us to have our taxes reduced, the American economy today does not require a tax reduction. There is a difference of opinion between the Treasury and the staff of the joint committee, due to employing a different basis of computation, as to how much surplus there will be at the end of the current fiscal year. The President's budget contained an estimate of a surplus of $7,500,000,000 for the fiscal year 1948. We have already reduced that by $3,000,000,000, through a bookkeeping process placed in the European Recovery Act in order to have the basis for a political tax reduction in 1948. Deducting the $3,000,000,000 from $7,500,000,000 means a surplus on June 30 of $4,500,000,000. If we enact the urgent appropriations sent to us yesterday in a letter to the President of the Senate and the Speaker of the House, in the amount of $3,500,000,000 for increased military expenditures, increased pay of Government employees, and veterans' benefits, we shall have reduced the estimated surplus on June 30 to $1,000,000,000.

Last year we employed bookkeeping legerdemain in order to create a phony decrease in public expenditures, by eliminating $800,000,000 provided for tax refunds. There has been lying in the Appropriations Committee for the last 2 months a request of the Bureau of the Budget for an appropriation of $800,000,000 in order to refund that sum to the American people who have overpaid their taxes. The bill we are now considering will add $500,000,000 to that, so that the refund growing out of it will be $1,300,000,000. That more than offsets the $1,000,000,000 surplus we may have on the books at the end of this fiscal year.

There is not a prudent corporation in America which would reduce its income in the days of its all-time prosperity, instead of reducing its debt. We have heard from corporations and corporate officers, and I make no complaint of that. I have tried to meet their requirements and their suggestions by a logical argument. I have asked them whether their corporations, in the time of their peak income, would reduce their income rather than reduce their indebtedness. Not one of them has said to me that he would reduce his income rather than his debt. I do not believe there is a prudent corporation in America which would follow the course we are asked to follow as members of the board of directors of the greatest corporation in the world—the United States of America.

Mr. President, just a word about the debt. We owe at this time approximately $250,000,000,000. The interest charge alone is $5,000,000,000. If we could guarantee that we could pay two and a half billion dollars on that debt every year, not only during our lives but during the lives of our children, and our grandchildren, if not our great-great-grandchildren, it would take a hundred years to pay that debt, if we did not incur any additional obligation, if no new emergency should arise to tax the economic stability of our Government and of our people. How can we guarantee no such emergency will arise? How can we say to our children and our children's children and their children that in the next hundred years there will arise no other emergency which will require greater effort on our part or the part of our successors to defend our institutions and their liberties, to prevent them from going down into the great holocaust of totalitarian domination and brutality. How can we say to them that in the next hundred years no other emergency will arise such as that which we faced twice in the last generation? We can give no such guaranty.

According to the figures for January, the American people were earning money at the rate of $210,000,000,000 annually. The corporations, after paying all their taxes, earned more than $17,000,000,000, the greatest net corporate earnings after taxes in the whole history of the United States. When we have more than 61,000,000 workers engaged in gainful employment at higher wages than have ever been paid before in the history of the United States, how can we say to our successors in public or in private life, 20 or 30 years from today, "We can guarantee that no emergency, no crisis, will arise that will prevent your going on in the even tenor of your way, discharging the debt in 100 years at the rate of $2,500,000,000 a year"? We cannot do it.

What are we to say to those who now hold the bonds of the United States which they bought under pressure and under patriotic appeal and zeal? What can we say to them if we now refuse to adopt policies that will mean as hasty a reduction of that obligation as may be possible? They may cash their bonds in the Treasury of the United States after 60 days or after 6 months, or with respect to a certain type of bond, they may sell their bonds, because they are negotiable. What will happen to the value of those bonds if we pursue policies of fiscal inadequacy, unwisdom, and folly? What shall we say to those who hold those bonds, which are the obligations of their Government and which are just as valid as the dollars I have in my pocket, because they are issued by the same Government with the same guaranty—what shall we say to them if the folly of our fiscal policy shall mean that they become doubtful, skeptical, and suspicious regarding the solvency of our Government? If we call upon them for more money in order to protect them from any danger that may arise, what are we to say to them if they become suspicious for fear that the money which the Government now owes may never be paid, to say nothing of any additional bonds or obligations which we may have to incur in order to protect our institutions in some emergency that may arise in the next month, the next 6 months, the next 6 years, or the next 20 years, or during the life of the obligations which we induced the American people to accept from their Government in order that we might win a great war against totalitarianism? That totalitarianism has been succeeded by further danger from another totalitarianism even more brutal and more sinister than that which we defeated in World War II.

Mr. President, I apologize—I suppose I should—for taking even this much of the time of the Senate to reveal my inner sentiments and convictions on this question.

We ought not to pass this tax bill. We ought not to reduce the income of our Government. We ought not to run the chance of deficit financing, which is contrary to our convictions, at a time when we are enjoying prosperity and employment greater than was ever dreamed of in the years which have passed.

I have been impelled to make these brief remarks because, notwithstanding my own desires, notwithstanding my own needs, notwithstanding the needs of many people whom I have the honor to represent here, I feel that I cannot vote to override the President's veto. I cannot vote for what I believe to be financial folly at this time in the midst of a great crisis which grows day by day and hour by hour. I believe that on this subject, as well as on many other vital subjects, the American people are not thinking in terms of politics; they are not thinking in terms of who is going to be elected President of the United States, or United States Senator, or Representative, or governor, or who is to occupy any other office within their gift. They are thinking not of themselves alone, but of those who shall come after them. As I look into the faces of the Senators and recognize the honor and integrity that shine out from their countenances, I realize it makes little difference what may happen in our time. For the most part we have lived our lives; for the most part our lives have been full of honor and service, and I am sure that all of us can feel in our hearts that whatever may happen to us does not matter very much. I am thinking of what will happen to my children, their children, and their children's children for a century or more. What is happening to democracy?

What kind of civilization, what sort of institutions, what kind of a world are we handing down to them for the future? I am not willing to compromise the kind of institutions, the kind of liberty, the kind of life I hand down to them. I am not willing to compromise them by

any temporary advantages which I might obtain by any vote I cast here, either on a tax bill or on any other bill.

So, Mr. President, I shall vote to sustain the veto of the President of the United States, and I express the hope that the Senate will do the same.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. MILLIKIN. Mr. President, the distinguished minority leader has referred to our national debt, and what those of us who vote to override the veto shall say to our children and our children's children as to the relation of that debt to passing this tax-reduction bill over the President's veto.

I suggest that we shall say that we took an action here today to put our economy in condition to bear the costs of this debt, and to bear the costs of the heavy burdens which the Senator has portrayed, and which may come upon us.

I suggest that we cannot meet the increased foreign expenditures contemplated. I suggest that we cannot meet increased demands upon us for more military expenditures, except out of a healthy economy.

I suggest that the evidence before our committee—and we had full hearings—showed that risk capital, that which is necessary to keep our economic machine going, has dried up, and that this bill is an essential step toward relieving that destructive situation.

I suggest that our surpluses, under the predictions of our staff and on the facts which were assumed, are ample to sustain the revenue reductions which may be accomplished by the bill, and still leave large amounts of surplus to be applied to debt reduction.

It is disquieting to see a sudden addiction to "nervous Nellieism," by some of those who in the past have been willing to take bold measures in the public welfare. In 1945, when we had just come out of a $50,000,000,000 deficit, and when we were running into a year which ended with a deficit of approximately $30,000,000,000, we passed a tax-reduction bill which, translated into terms of present income levels, would have amounted to about $12,000,000,000. And why did we do it? We did it to carry this country out of the war into the transition; and it served that purpose. If we had not done that, we would not have had the capital to carry on and reconvert our industrial machine, we would not have had our present levels of income and employment.

In the 1920's, after we had come out of World War I and were in conditions that are comparable to those of today, only on a smaller scale, we passed tax-reduction bills, we increased exemptions, we reduced income and corporation taxes. We passed those bills in 1921, 1924, 1926, and 1928, and we did not lose revenue, we gained revenue, through the operation, I suggest, of a simple axiom, that when the economy is loaded down with oppressive rates of taxation, and they are released, there is bound to be a stimulation of business.

Mr. President, this income-tax-reduction bill will in and of itself create income and increase income. It will help the people in the lower brackets, who need help. The evidence shows that 70 percent of the benefit of the bill goes to people with incomes of less than $5,000.

It will release the shackles on incentive, and thus will increase production.

We cannot carry the production problems which have been posed today and the increased expenditures which go with them, unless we have a free, a strong, a healthy, and an expanding economy; and this bill will aid in attaining those objectives. All these things which are mentioned, if they should come to pass, will in and of themselves require more production which will reflect in greater national income and revenue.

Mr. President, I repeat, the likelihood is that this reduction will not destroy surpluses, that it will enhance surpluses, because it will enhance the revenues.

Of course, that can be carried to the point of diminishing returns. The other day a gentleman suggested to me, "If you are sound as far as you have gone, then why not abolish all taxes?" There may be a limit to tax reduction, but we are so far away from it now that we do not need to worry about it. Also it is possible that we can increase our expenditures to a point where we will wipe out our surpluses. A man would be dishonest if he did not say so, and if he did not face the fact frankly.

I aline myself with the distinguished senior Senator from Kentucky in this: We in the Senate will do whatever is necessary to be done to keep this country strong and healthy and to meet any peril which may beset it. But we cannot do it with a weak, tax-oppressed economy.

If we should come into total mobilization, of course, if we should come into war, we might have to raise taxes, but if we have to raise them, we will have a more equitable, a more bearable base for the increases than we have at the present time, and that fact alone warrants the passing of the bill.

No man knows what is going to happen, as has been said. It is possible the things which have been envisioned may not happen, but they may happen. We may confront total mobilization—God forbid, we may become involved in war. If so, this bill is a ray of light before we enter that tunnel, and let not the Senate of the United States snuff it out today.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? The clerk will call the roll, under the Constitution.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. A vote "yea" is a vote to override the veto, and a vote "nay" is a vote to sustain it; is that correct?

The PRESIDENT pro tempore. The Senator is correct.

The Chief Clerk called the roll.

Mr. WHERRY. Mr. President, the Senator from New Hampshire [Mr. TOBEY] who is necessarily absent, is paired with the Senator from Washington [Mr. MAGNUSON] and the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Washington would vote "yea," with the Senator from Oklahoma voting "nay."

Mr. LUCAS. I announce that the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

On this question the Senator from Washington [Mr. MAGNUSON] and the Senator from New Hampshire [Mr. TOBEY], both of whom would vote "yea" if present, are paired with the Senator from Oklahoma [Mr. THOMAS], who would vote "nay" if present.

If present and voting, the Senator from Rhode Island [Mr. MCGRATH], the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from New York [Mr. WAGNER] would vote "nay".

The yeas and nays resulted—yeas 77, nays 10, as follows:

YEAS—77

Aiken	Hawkes	O'Daniel
Baldwin	Hickenlooper	Overton
Ball	Hill	Pepper
Brewster	Hoey	Reed
Bricker	Holland	Revercomb
Bridges	Ives	Robertson, Va.
Brooks	Jenner	Robertson, Wyo.
Buck	Johnson, Colo.	Russell
Bushfield	Johnston, S. C.	Saltonstall
Butler	Kem	Smith
Byrd	Knowland	Sparkman
Cain	Langer	Stennis
Capehart	Lodge	Stewart
Capper	Lucas	Taft
Chavez	McCarran	Thomas, Utah
Cooper	McCarthy	Thye
Cordon	McClellan	Umstead
Donnell	McKellar	Vandenberg
Dworshak	McMahon	Watkins
Eastland	Malone	Wherry
Ecton	Martin	White
Ellender	Maybank	Wiley
Ferguson	Millikin	Williams
Flanders	Moore	Wilson
George	Morse	Young
Gurney	O'Conor	

NAYS—10

Barkley	Green	McFarland
Connally	Hatch	Myers
Downey	Hayden	
Fulbright	Kilgore	

NOT VOTING—9

McGrath	O'Mahoney	Tobey
Magnuson	Taylor	Tydings
Murray	Thomas, Okla.	Wagner

The PRESIDING OFFICER (Mr. CAIN in the chair). On this question the yeas are 77, the nays 10. More than two-thirds of the Senators present have voted in the affirmative, the bill is passed, the objections of the President of the United States to the contrary notwithstanding.

In event the question shall hereafter arise as to the time of the passage of the bill over the veto the Chair announces the hour to be 3:18 o'clock p. m.

FOREIGN ASSISTANCE ACT—CONFERENCE REPORT

Mr. VANDENBERG. Mr. President, if the Senator from Oregon [Mr. MORSE] does not object, I should like to present

the conference report on the omnibus recovery measure.

Mr. MORSE. Mr. President, I should be very glad to accommodate the Senator from Michigan.

Mr. VANDENBERG submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendments of the House to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, having met, after full and free conference, have agreed to recommend, and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter inserted by the Senate amendment and the House amendment, insert the following: "That this Act may be cited as the 'Foreign Assistance Act of 1948.'

"TITLE I

"SEC. 101. This title may be cited as the 'Economic Cooperation Act of 1948'.

"FINDINGS AND DECLARATION OF POLICY

"SEC. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

"PURPOSES OF TITLE

"(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title, by—

"(1) promoting industrial and agricultural production in the participating countries;

"(2) furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances; and

"(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

"PARTICIPATING COUNTRIES

"SEC. 103. (a) As used in this title, the term "participating country" means—

"(1) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

"(2) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

"(b) Until such time as the Free Territory of Trieste or either of its zones becomes eligible for assistance under this title as a participating country, assistance to the Free Territory of Trieste, or either of its zones, is hereby authorized under the Foreign Aid Act of 1947 until June 30, 1949, and the said Foreign Aid Act of 1947 is hereby amended accordingly, and not to exceed $20,000,000 out of funds authorized to be advanced by the Reconstruction Finance Corporation under subsection (a) of section 114 of this title, or under subsection (d) of section 11 of the Foreign Aid Act of 1947 notwithstanding any appropriation heretofore made under such Act, may be utilized for the purposes of this subsection: *Provided*, That section 11 (b) of the Foreign Aid Act of 1947 shall not apply in respect of the Free Territory of Trieste or either of its zones: *And provided further*, That the provisions of section 115 (b) (6) of this title shall apply to local currency deposited pursuant to section 5 (b) of that Act.

"ESTABLISHMENT OF ECONOMIC COOPERATION ADMINISTRATION

"SEC. 104. (a) There is hereby established, with its principal office in the District of Columbia, an agency of the Government which shall be known as the Economic Cooperation Administration, hereinafter referred to as the Administration. The Administration shall be headed by an Administrator for Economic Cooperation, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $20,000 per annum. The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department. Except as otherwise provided in this title, the administration of the provisions of this title is hereby vested in the Administrator and his functions shall be performed under the control of the President.

"(b) There shall be in the Administration a Deputy Administrator for Economic Cooperation who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $17,500 per annum. The Deputy Administrator for Economic Cooperation shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for Economic Cooperation during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

"(c) The President is authorized, pending the appointment and qualification of the first Administrator or Deputy Administrator for Economic Cooperation appointed hereunder, to provide, for a period of not to exceed thirty days after the date of enactment of this Act, for the performance of the functions of the Administrator under this title through such departments, agencies, or establishments of the United States Government as he may direct. In the event the President nominates an Administrator or Deputy Administrator prior to the expiration of such thirty-day period, the authority conferred upon the President by this subsection shall be extended beyond such thirty-day period but only until an Administrator or Deputy Administrator qualifies and takes office.

"(d) (1) The Administrator, with the approval of the President, is hereby authorized and empowered to create a corporation with such powers as the Administrator may deem necessary or appropriate for the accomplishment of the purposes of this title.

"(2) If a corporation is created under this section—

"(i) it shall have the power to sue and be sued, to acquire, hold, and dispose of property, to use its revenues, to determine the character of any necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid, and to exercise such other powers as may be necessary or appropriate to carry out the purposes of the corporation;

"(ii) its powers shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charter shall be valid only when similarly filed and published;

"(iii) it shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to Act of Congress; and

"(iv) it shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of such Act.

"(3) All capital stock of the corporation shall be of one class, be issued for cash only, and be subscribed for by the Administrator. Payment for such capital stock shall be made from funds available for the purposes of this title.

"(e) Any department, agency, or establishment of the Government (including, whenever used in this title, any corporation which is an instrumentality of the United States) performing functions under this title is authorized to employ, for duty within the continental limits of the United States, such personnel as may be necessary to carry out the provisions and purposes of this title, and funds available pursuant to section 114 of this title shall be available for personal services in the District of Columbia and elsewhere without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219). Of such personnel employed by the Administration, not to exceed one hundred may be compensated without regard to the provisions of the Classification Act of 1923,

as amended, of whom not more than twenty-five may be compensated at a rate in excess of $10,000 per annum, but not in excess of $15,000 per annum. Experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (U. S. C., title 5, sec. 55a), may be employed by the Administration, and individuals so employed may be compensated at rates not in excess of $50 per diem and while away from their homes or regular places of business, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses while so employed.

"(f) The Administrator may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out his functions under this title, and he may delegate authority to perform any of such functions to his subordinates, acting under his direction and under rules and regulations promulgated by him.

"GENERAL FUNCTIONS OF ADMINISTRATOR

"SEC. 105. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this title—

"(1) review and appraise the requirements of participating countries for assistance under the terms of this title;

"(2) formulate programs of United States assistance under this title, including approval of specific projects which have been submitted to him by the participating countries;

"(3) provide for the efficient execution of any such programs as may be placed in operation; and

"(4) terminate provision of assistance or take other remedial action as provided in section 118 of this title.

"(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

"(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

"(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision;

"(3) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with the Secretary of State and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"NATIONAL ADVISORY COUNCIL

"SEC. 106. Section 4 (a) of the Bretton Woods Agreements Act (59 Stat. 512, 513) is hereby amended to read as follows:

"'SEC. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions, there is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the "Council"), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Export-Import Bank of Washington, and during such period as the Economic Cooperation Administration shall continue to exist, the Administrator for Economic Cooperation.'

"PUBLIC ADVISORY BOARD

"SEC. 107. (a) There is hereby created a Public Advisory Board, hereinafter referred to as the Board, which shall advise and consult with the Administrator with respect to general or basic policy matters arising in connection with the Administrator's discharge of his responsibilities. The Board shall consist of the Administrator, who shall be Chairman, and not to exceed twelve additional members to be appointed by the President, by and with the advice and consent of the Senate, and who shall be selected from among citizens of the United States of broad and varied experience in matters affecting the public interest, other than officers and employees of the United States (including any agency or instrumentality of the United States) who, as such, regularly receive compensation for current services. The Board shall meet at least once a month and at other times upon the call of the Administrator or when three or more members of the Board request the Administrator to call a meeting. Not more than a majority of two of the members shall be appointed to the Board from the same political party. Members of the Board, other than the Administrator, shall receive, out of funds made available for the purposes of this title, a per diem allowance of $50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the Board, or at conferences held upon the call of the Administrator, and in necessary travel, and while so engaged, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses.

"(b) The Administrator may appoint such other advisory committees as he may determine to be necessary or desirable to effectuate the purposes of this title.

"UNITED STATES SPECIAL REPRESENTATIVE ABROAD

"SEC. 108. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the Act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government to any organization of participating countries which may be established by such countries to further a joint program for European recovery, and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this title. He may also be designated as the United States representative on the Economic Commission for Europe. He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 105 of this title. He shall coordinate the activities of the chiefs of special missions provided for in section 109 of this title. He shall keep the Administrator, the Secretary of State, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for in section 109 of this title currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this title.

"SPECIAL ECA MISSIONS ABROAD

"SEC. 109. (a) There shall be established for each participating country, except as provided in subsection (d) of this section, a special mission for economic cooperation under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this title. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country.

"(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States Special Representative in Europe. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

"(c) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Special Representative in Europe and his staff, and for the special mission in each participating country, as may be agreed between the Secretary of State and the Administrator.

"(d) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purposes of this title.

"PERSONNEL OUTSIDE UNITED STATES

"SEC. 110. (a) For the purpose of performing functions under this title outside the continental limits of the United States the Administrator may—

"(1) employ persons who shall receive compensation at any of the rates provided for the Foreign Service Reserve and staff by the Foreign Service Act of 1946 (60 Stat. 999), together with allowances and benefits established thereunder; and

"(2) recommend the appointment or assignment of persons, the Secretary of State may appoint or assign such persons, to any class in the Foreign Service Reserve or Staff for the duration of operations under this title, and the Secretary of State may assign, transfer, or promote such persons upon the recommendation of the Administrator. Persons so appointed to the Foreign Service Staff shall be entitled to the benefits of section 528 of the Foreign Service Act of 1946.

"(b) for the purpose of performing functions under this title outside the continental limits of the United States, the Secretary of State may, at the request of the Administrator, appoint, for the duration of operations under this title, alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946 (60 Stat. 999).

"(c) No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title for a period to exceed three months unless such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator, and until the Secretary of State or the Administrator has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

"NATURE AND METHOD OF ASSISTANCE

"SEC. 111. (a) The Administrator may, from time to time, furnish assistance to any participating country by providing for the performance of any of the functions set forth in paragraphs (1) through (5) of this subsection when he deems it to be in furtherance of the purposes of this title, and upon the terms and conditions set forth in this title and such additional terms and conditions consistent with the provisions of this title as he may determine to be necessary and proper.

"(1) Procurement from any source, including Government stocks on the same basis as procurement by Government agencies under Public Law 375 (Seventy-ninth Congress) for their own use, of any commodity which he determines to be required for the furtherance of the purposes of this title. As used in this title, the term "commodity" means any commodity, material, article, supply, or goods necessary for the purposes of this title.

"(2) Processing, storing, transporting, and repairing any commodities, or performing any other services with respect to a participating country which he determines to be required for accomplishing the purposes of this title. The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this title and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

"(3) Procurement of and furnishing technical information and assistance.

"(4) Transfer of any commodity or service, which transfer shall be signified by delivery of the custody and right of possession and use of such commodity, or otherwise making available any such commodity, or by rendering a service to a participating country or to any agency or organization representing a participating country.

"(5) The allocation of commodities or services to specific projects designed to carry out the purposes of this title, which have been submitted to the Administrator by participating countries and have been approved by him.

"(b) In order to facilitate and maximize the use of private channels of trade, subject to adequate safeguards to assure that all expenditures in connection with such procurement are within approved programs in accordance with terms and conditions established by the Administrator, he may provide for the performance of any of the functions described in subsection (a) of this section—

"(1) by establishing accounts against which, under regulations prescribed by the Administrator—

"(i) letters of commitment may be issued in connection with supply programs approved by the Administrator (and such letters of commitment, when issued, shall constitute obligations of the United States and monies due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940 and shall constitute obligations of applicable appropriations); and

"(ii) withdrawals may be made by participating countries, or agencies or organizations representing participating countries or by other persons or organizations, upon presentation of contracts, invoices, or other documentation specified by the Administrator under arrangements prescribed by the Administrator to assure the use of such withdrawals for purposes approved by the Administrator.

Such accounts may be established on the books of the Administration, or any other department, agency, or establishment of the Government specified by the Administrator, or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States under authority of this section may be accounted for exclusively on such certification as the Administrator may prescribe in regulations promulgated by him with the approval of the Comptroller General of the United States to assure expenditure in furtherance of the purposes of this title.

"(2) by utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment, or, in the President's discretion, by acting in cooperation with the United Nations or with other international organizations or with agencies of the participating countries, and funds allocated pursuant to this section to any department, agency, or establishment of the Government shall be established in separate appropriation accounts on the books of the Treasury.

"(3) by making, under rules and regulations to be prescribed by the Administrator, guaranties to any person of investments in connection with projects approved by the Administrator and the participating country concerned as furthering the purposes of this title (including guaranties of investments in enterprises producing or distributing informational media: *Provided*, That the amount of such guaranties in the first year after the date of the enactment of this Act does not exceed $15,000,000), which guaranties shall terminate not later than fourteen years from the date of enactment of this Act: *Provided*, That—

"(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator and shall be limited to the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as income from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof: *Provided*, That, when any payment is made to any person under authority of this paragraph, such currencies, or credits in such currencies, shall become the property of the United States Government;

"(ii) the Administrator may charge a fee in an amount determined by him not exceeding 1 per centum per annum of the amount of each guaranty, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this paragraph until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this paragraph; and

"(iii) as used in this paragraph, the term 'person' means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States.

The total amount of the guaranties made under this paragraph (3) shall not exceed $300,000,000, and as such guaranties are made the authority to realize funds from the sale of notes for the purpose of allocating funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section shall be accordingly reduced. Any payments made to discharge liabilities under guaranties issued under paragraph (3) of this subsection shall be paid out of fees collected under subparagraph (ii) of paragraph (3) of this subsection as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes which shall be issued under authority of paragraph (2) of subsection (c) of this section when necessary to discharge liabilities under any such guaranty.

"(c) (1) The Administrator may provide assistance for any participating country, in the form and under the procedures authorized in subsections (a) and (b), respectively, of this section, through grants or upon payment in cash, or on credit terms, or on such other terms of payment as he may find appropriate, including payment by the transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the participating country) of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources. In determining whether such assistance shall be through grants or upon terms of payment, and in determining the terms of payment, he shall act in consultation with the National Advisory Council on International Monetary and Financial Problems, and the determination whether or not a participating country should be required to make payment for any assistance furnished to such country in furtherance of the purposes of this title,, and the terms of such payment, if required, shall depend upon the character and purpose of the assistance and upon whether there is reasonable assurance of repayment considering the capacity of such country to make such payments without jeopardizing the accomplishment of the purposes of this title.

"(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to

the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. The Administrator is authorized to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate $1,000,000,000 (i) for the purpose of allocating funds to the Export-Import Bank of Washington under this paragraph during the period of one year following the date of enactment of this Act and (ii) for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section until all liabilities arising under guaranties made pursuant to such paragraph (3) have expired or have been discharged. Such notes shall be redeemable at the option of the Administrator before maturity in such manner as may be stipulated in such notes and shall have such maturity as may be determined by the Administrator with the approval of the Secretary of the Treasury. Each such note shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the note. Payment under this paragraph of the purchase price of such notes and repayments thereof by the Administrator shall be treated as public-debt transactions of the United States. In allocating funds to the Export-Import Bank of Washington under this paragraph, the Administrator shall first utilize such funds realized from the sale of notes authorized by this paragraph as he determines to be available for this purpose, and when such funds are exhausted, or after the end of one year from the date of enactment of this Act, whichever is earlier, he shall utilize any funds appropriated under this title. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any credits made under this paragraph shall be deposited into miscellaneous receipts of the Treasury: *Provided*, That, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes authorized under this paragraph shall be deposited into the Treasury for the purpose of the retirement of such notes.

"PROTECTION OF DOMESTIC ECONOMY

"SEC. 112. (a) The Administrator shall provide for the procurement in the United States of commodities under this title in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the fulfillment of vital needs of the people of the United States.

"(b) The procurement of petroleum and petroleum products under this title shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this title, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of alternate fuels or other sources of power is practicable.

"(c) In order to assure the conservation of domestic grain supplies and the retention in the United States of byproduct feeds necessary to the maintenance of the agricultural economy of the United States, the amounts of wheat and wheat flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States wheat used to produce the wheat flour procured in the United States for transfer by grant to such countries under this title shall not be less than 25 per centum of the aggregate of the unprocessed wheat and wheat in the form of flour procured in the United States for transfer by grant to such countries under this title.

"(d) The term 'surplus agricultural commodity' as used in this section is defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In providing for the procurement of any such surplus agricultural commodity for transfer by grant to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this title, give effect to the following:

"(1) The Administrator shall authorize the procurement of any such surplus agricultural commodity only within the United States: *Provided*, That this restriction shall not be applicable (i) to any agricultural commodity, or product thereof, located in one participating country, and intended for transfer to another participating country, if the Administrator, in consultation with the Secretary of Agriculture, determines that such procurement and transfer is in furtherance of the purposes of this title, and would not create a burdensome surplus in the United States or seriously prejudice the position of domestic producers of such surplus agricultural commodities, or (ii) if, and to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the participating countries under this title.

"(2) In providing for the procurement of any such surplus agricultural commodity, the Administrator shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, provide for the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements.

"(e) Whenever the Secretary of Agriculture determines that any quantity of any surplus agricultural commodity, heretofore or hereafter acquired by Commodity Credit Corporation in the administration of its price-support programs, is available for use in furnishing assistance to foreign countries, he shall so advise all departments, agencies, and establishments of the Government administering laws providing for the furnishing of assistance or relief to foreign countries (including occupied or liberated countries or areas of such countries). Thereafter the department, agency, or establishment administering any such law shall, to the maximum extent practicable, consistent with the provisions and in furtherance of the purposes of such law, and where for transfer by grant and in accordance with the requirements of such foreign country, procure or provide for the procurement of such quantity of such surplus agricultural commodity. The sales price paid as reimbursement to Commodity Credit Corporation for any such surplus agricultural commodity shall be in such amount as Commodity Credit Corporation determines will fully reimburse it for the cost to it of such surplus agricultural commodity at the time and place such surplus agricultural commodity is delivered by it, but in no event shall the sales price be higher than the domestic market price at such time and place of delivery as determined by the Secretary of Agriculture, and the Secretary of Agriculture may pay not to exceed 50 per centum of such sales price as authorized by subsection (f) of this section.

"(f) Subject to the provisions of this section, but notwithstanding any other provision of law, in order to encourage utilization of surplus agricultural commodities pursuant to this or any other Act providing for assistance or relief to foreign countries, the Secretary of Agriculture, in carrying out the purposes of clause (1), section 32, Public Law 320, Seventy-fourth Congress, as amended, may make payments, including payments to any government agency procuring or selling such surplus agricultural commodities, in an amount not to exceed 50 percentum of the sales price (basis free along ship or free on board vessel, United States ports), as determined by the Secretary of Agriculture, of such surplus agricultural commodities. The rescission of the remainder of section 32 funds by the Act of July 30, 1947 (Public Law 266, Eightieth Congress), is hereby canceled and such funds are hereby made available for the purposes of section 32 for the fiscal year ending June 30, 1948.

"(g) No export shall be authorized pursuant to authority conferred by section 6 of the Act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the department, agency, or officer, in the executive branch of the Government exercising the authority granted to the President by such section 6 of the Act of July 2, 1940, as amended, determines that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this title as determined by the Administrator: *Provided, however*, That such export may be authorized if such department, agency, or officer determines that such export is otherwise in the national interest of the United States.

"(h) In providing for the performance of any of the functions described in subsection (a) of section 111, the Administrator shall, to the maximum extent consistent with the accomplishment of the purposes of this title, utilize private channels of trade.

"REIMBURSEMENT TO GOVERNMENT AGENCIES

"SEC. 113. (a) The Administrator shall make reimbursement or payment, out of funds available for the purposes of this title, for any commodity, service, or facility procured under section 111 of this title from any department, agency, or establishment of the Government. Such reimbursement or payment shall be made to the owning or disposal agency, as the case may be, at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to between the Administrator and such agency. The amount of any reimbursement or payment to an owning agency for commodities, services, or facilities so procured shall be credited to current applicable appropriations, funds, or accounts from which there may be produced replacements of similar commodities or such services or facilities: *Provided*, That such commodities, services, or facilities may be procured from an owning agency only with the consent of such agency: *And provided further*, That where such appropriations, funds,

or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that replacement of any commodity procured under authority of this section is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

"(b) The Administrator, whenever in his judgment the interests of the United States will best be served thereby, may dispose of any commodity procured out of funds made available for the purposes of this title, in lieu of transferring such commodity to a participating country, (1) by transfer of such commodity, upon reimbursement, to any department, agency, or establishment of the Government for use or disposal by such department, agency, or establishment as authorized by law, or (2) without regard to provisions of law relating to the disposal of Government-owned property, when necessary to prevent spoilage or wastage of such commodity or to conserve the usefulness thereof. Funds realized from such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such commodity.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 114. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (c) of this section, to make advances not to exceed in the aggregate $1,000,000,000 to carry out the provisions of this title, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder, from funds made available for the purposes of this title.

"(b) Such part as the President may determine of the unobligated and unexpended balances of appropriations or other funds available for the purposes of the Foreign Aid Act of 1947 shall be available for the purpose of carrying out the purposes of this title.

"(c) In order to carry out the provisions of this title with respect to those participating countries which adhere to the purposes of this title, and remain eligible to receive assistance hereunder, such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952, to carry out the provisions and accomplish the purposes of this title: *Provided, however,* That for carrying out the provisions and accomplishing the purposes of this title for the period of one year following the date of enactment of this Act, there are hereby authorized to be so appropriated not to exceed $4,300,000,000. Nothing in this title is intended nor shall it be construed as an express or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries. The authorization in this title is limited to the period of twelve months in order that subsequent Congresses may pass on any subsequent authorizations.

"(d) Funds made available for the purposes of this title shall be available for incurring and defraying all necessary expenses incident to carrying out the provisions of this title, including administrative expenses and expenses for compensation, allowances and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this title, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of government funds, as the Administrator shall specify in the interest of the accomplishment of the purposes of this title.

"(e) The unencumbered portions of any deposits which may have been made by any participating country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress) may be merged with the deposits to be made by such participating country in accordance with section 115 (b) (6) of this title, and shall be held or used under the same terms and conditions as are provided in section 115 (b) (6) of this title.

"(f) In order to reserve some part of the surplus of the fiscal year 1948 for payments thereafter to be made under this title, there is hereby created on the books of the Treasury of the United States a trust fund to be known as the Foreign Economic Cooperation Trust Fund. Notwithstanding any other provision of law, an amount of $3,000,000,000, out of sums appropriated pursuant to the authorization contained in this title shall, when appropriated, be transferred immediately to the trust fund, and shall thereupon be considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures. The Secretary of the Treasury shall be the sole trustee of the trust fund and is authorized and directed to pay out of the fund such amounts as the Administrator shall duly requisition. The first expenditures made out of the appropriations authorized under this title in the fiscal year 1949 shall be made with funds requisitioned by the Administrator out of the trust fund until the fund is exhausted, at which time such fund shall cease to exist. The provisions of this subsection shall not be construed as affecting the application of any provision of law which would otherwise govern the obligation of funds so appropriated or the auditing or submission of accounts of transactions with respect to such funds.

"BILATERAL AND MULTILATERAL UNDERTAKINGS

"SEC. 115. (a) The Secretary of State, after consultation with the Administrator, is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this title. The Secretary of State, before an Administrator or Deputy Administrator shall have qualified and taken office, is authorized to negotiate and conclude such temporary agreements in implementation of subsection (b) of this section as he may deem necessary in furtherance of the purposes of this title: *Provided,* That when an Administrator or Deputy Administrator shall have qualified and taken office, the Secretary of State shall conclude the basic agreements required by subsection (b) of this section only after consultation with the Administrator or Deputy Administrator, as the case may be.

"(b) The provision of assistance under this title results from the multilateral pledges of the participating countries to use all their efforts to accomplish a joint recovery program based upon self-help and mutual cooperation as embodied in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, and is contingent upon continuous effort of the participating countries to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose. In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others, for—

"(1) promoting industrial and agricultural production in order to enable the participating country to become independent of extraordinary outside economic assistance; and submitting for the approval of the Administrator, upon his request and whenever he deems it in furtherance of the purposes of this title, specific projects proposed by such country to be undertaken in substantial part with assistance furnished under this title, which projects, whenever practicable, shall include projects for increased production of coal, steel, transportation facilities, and food;

"(2) taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system;

"(3) cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade among themselves and with other countries;

"(4) making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country, including any commodities, facilities, or services furnished under this title, which use shall include, to the extent practicable, taking measures to locate and identify and put into appropriate use, in furtherance of such program, assets, and earnings therefrom, which belong to the citizens of such country and which are situated within the United States, its Territories and possessions;

"(5) facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling or other purposes, for such period of time as may be agreed to and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country;

"(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis. Such special account, together with the unencumbered portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress), shall be held or used within such country for such purposes as may be agreed to between such country and the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems, and the Public Advisory Board provided for in section 107 (a) for purposes of internal monetary and financial stabilization, for the stimulation of productive activity and the exploration for and development of new sources of wealth, or for such other expenditures as may be consistent with the purposes of this title, including local currency administrative expenditures of the United States incident to

operations under this title, and under agreement that any unencumbered balance remaining in such account on June 30, 1952, shall be disposed of within such country for such purposes as may, subject to approval by Act or joint resolution of the Congress, be agreed to between such country and the Government of the United States;

"(7) publishing in such country and transmitting to the United States, not less frequently than every calendar quarter after the date of the agreemnt, full statements of operations under the agreement, including a report of the use of funds, commodities, and services received under this title;

"(8) furnishing promptly, upon request of the United States, any relevant information which would be of assistance to the United States in determining the nature and scope of operations and the use of assistance provided under this title;

"(9) recognizing the principle of equity in respect to the drain upon the natural resources of the United States and of the recipient countries, by agreeing to negotiate (a) a future schedule of minimum availabilities to the United States for future purchase and delivery of a fair share of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources at world market prices so as to protect the access of United States industry to an equitable share of such materials either in percentages of production or in absolute quantities from the participating countries, and (b) suitable protection for the right of access for any person as defined in paragraph (iii) of subparagraph (3) of section 111 (b) in the development of such materials on terms of treatment equivalent to those afforded to the nationals of the country concerned, and (c) an agreed schedule of increased production of such materials where practicable in such participating countries and for delivery of an agreed percentage of such increased production to be transferred to the United States on a long-term basis in consideration of assistance furnished by the Administrator to such countries under this title; and

"(10) submitting for the decision of the International Court of Justice or of any arbitral tribunal mutually agreed upon any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights, including contracts with or concessions from such country.

"(c) Notwithstanding the provisions of subsection (b) of this section, the Administrator, during the three months after the date of enactment of this Act, may perform with respect to any participating country any of the functions authorized under this title which he may determine to be essential in furtherance of the purposes of this title, if (1) such country has signified its adherence to the purposes of this title and its intention to conclude an agreement pursuant to subsection (b) of this section, and (2) he finds that such country is complying with the applicable provisions of subsection (b) of this section: *Provided*, That, notwithstanding the provisions of this subsection, the Administrator may, through June 30, 1948, provide for the transfer of food, medical supplies, fibers, fuel, petroleum and petroleum products, fertilizer, pesticides, and seed to any country of Europe which participated in the Committee of European Economic Cooperation and which undertook pledges to the other participants therein, when the Administrator determines that the transfer of any such supplies to any such country is essential in order to make it possible to carry out the purposes of this title by alleviating conditions of hunger and cold and by preventing serious economic retrogression.

"(d) The Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to ensure that each participating country makes efficient use of the resources of such country, including any commodities, facilities, or services furnished under this title, by observing and reviewing such use through an effective follow-up system approved by the joint organization.

"(e) The Administrator shall encourage arrangements among the participating countries in conjunction with the International Refugee Organization looking toward the largest practicable utilization of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this title.

"(f) The Administrator will request the Secretary of State to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

"(g) It is the understanding of the Congress that, in accordance with agreements now in effect, prisoners of war remaining in participating countries shall, if they so freely elect, be repatriated prior to January 1, 1949.

"WESTERN HEMISPHERE COUNTRIES

"SEC. 116. The President shall take appropriate steps to encourage all countries in the Western Hemisphere to make available to participating countries such assistance as they may be able to furnish.

"OTHER DUTIES OF THE ADMINISTRATOR

"SEC. 117. (a) The Administrator, in furtherance of the purposes of section 115 (b) (5), and in agreement with a participating country, shall, whenever practicable, promote, by means of funds made available for the purposes of this title, an increase in the production in such participating country of materials which are required by the United States as a result of deficiencies or potential deficiencies in the resources within the United States.

"(b) The Administrator, in cooperation with the Secretary of Commerce, shall facilitate and encourage, through private and public travel, transport, and other agencies, the promotion and development of travel by citizens of the United States to and within participating countries.

"(c) In order to further the efficient use of United States voluntary contributions for relief in participating countries receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones, funds made available for the purposes of this title shall be used insofar as practicable by the Administrator, under rules and regulations prescribed by him, to pay ocean freight charges from a United States port to a designated foreign port of entry (1) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid for operations in Europe, or (2) of relief packages conforming to such specified size, weight, and contents, as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones. Where practicable the Administrator is directed to make an agreement with such country for the use of a portion of the deposit of local currency placed in a special account pursuant to paragraph 6 of subsection (b) of section 115 of this title, for the purpose of defraying the transportation cost of such supplies and relief packages from the port of entry of such country to the designated shipping point of consignee. The Secretary of State, after consultation with the Administrator, shall make agreements where practicable with the participating countries for the free entry of such supplies and relief packages.

"(d) The Administrator is directed to refuse delivery insofar as practicable to participating countries of commodities which go into the production of any commodity for delivery to any nonparticipating European country which commodity would be refused export licenses to those countries by the United States in the interest of national security. Whenever the Administrator believes that the issuance of a license for the export of any commodity to any country wholly or partly in Europe which is not a participating country is inconsistent with the purposes and provisions of this title, he shall so advise the department, agency, or officer in the executive branch of the Government exercising the authority with respect to such commodity granted to the President by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, and if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"TERMINATION OF ASSISTANCE

"SEC. 118. The Administrator, in determining the form and measure of assistance provided under this title to any participating country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 115. The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 115, or is diverting from the purposes of this title assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this title or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States. Termination of assistance to any country under this section shall include the termination of deliveries of all supplies scheduled under the aid program for such country and not yet delivered.

"EXEMPTION FROM CONTRACT AND ACCOUNTING LAWS

"SEC. 119. When the President determines it to be in furtherance of the purposes of this title, the functions authorized under this title may be performed without regard to such provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

"EXEMPTION FROM CERTAIN FEDERAL LAWS RELATING TO EMPLOYMENT

"SEC. 120. Service of an individual as a member of the Public Advisory Board (other than the Administrator) created by section 107 (a), as a member of an advisory committee appointed pursuant to section 107 (b), as an expert or consultant under section 104 (e), or as an expert, consultant, or technician under section 124 (d), shall not be considered as service or employment bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203), of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"UNITED NATIONS

"SEC. 121. (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies or other international organizations, in carrying out the purposes of this title, and may make payments, by advancements or reimbursements, for such purpose, out of funds made available for the purposes of this title, as may be necessary therefor, to the extent that special compensation is usually required for such services and facilities. Nothing in this title shall be construed to authorize the Administrator to delegate to or otherwise confer upon any international or foreign organization or agency any of his authority to decide the method of furnishing assistance under this title to any participating country or the amount thereof.

"(b) The President shall cause to be transmitted to the Secretary General of the United Nations copies of reports to Congress on the operations conducted under this title.

"(c) Any agreements concluded between the United States and participating countries, or groups of such countries, in implementation of the purposes of this title, shall be registered with the United Nations if such registration is required by the Charter of the United Nations.

"TERMINATION OF PROGRAM

"SEC. 122. (a) After June 30, 1952, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, which declares that the powers conferred on the Administrator by or pursuant to subsection (a) of section 111 of this title are no longer necessary for the accomplishment of the purposes of this title, whichever shall first occur, none of the functions authorized under such provisions may be exercised; except that during the twelve months following such date commodities and services with respect to which the Administrator had, prior to such date, authorized procurement for, shipment to, or delivery in a participating country, may be transferred to such country, and funds appropriated under authority of this title may be obligated during such twelve-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer, and shall remain available during such period for the necessary expenses of liquidating operations under this title.

"(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the twelve months following such date, the powers, duties, and authority of the Administrator under this title may be transferred to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, and personnel of the Administration may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

"REPORTS TO CONGRESS

"SEC. 123. The President from time to time, but not less frequently than once every calendar quarter through June 30, 1952, and once every year thereafter until all operations under this title have been completed, shall transmit to the Congress a report of operations under this title, including the text of bilateral and multilateral agreements entered into in carrying out the provisions of this title. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

"JOINT CONGRESSIONAL COMMITTEE

"SEC. 124. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Foreign Economic Cooperation (hereinafter referred to as the committee), to be composed of ten members as follows:

"(1) Three members who are members of the Committee on Foreign Relations of the Senate, two from the majority and one from the minority party, to be appointed by the chairman of the committee; two members who are members of the Committee on Appropriations of the Senate, one from the majority and one from the minority party, to be appointed by the chairman of the committee; and

"(2) Three members who are members of the Committee on Foreign Affairs of the House, two from the majority and one from the minority party, to be appointed by the chairman of the committee; and two members who are members of the Committee on Appropriations of the House, one from the majority and one from the minority party, to be appointed by the chairman of the committee.

A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman from among its members.

"(b) It shall be the function of the committee to make a continuous study of the programs of United States economic assistance to foreign countries, and to review the progress achieved in the execution and administration of such programs. Upon request, the committee shall aid the several standing committees of the Congress having legislative jurisdiction over any part of the programs of United States economic assistance to foreign countries; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. The Administrator, at the request of the committee, shall consult with the committee from time to time with respect to his activities under this Act.

"(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 and 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this subsection.

"(d) The committee is authorized to appoint and without regard to the Classification Act of 1923, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

"(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman.

"SEPARABILITY CLAUSE

"SEC. 125. If any provision of this Act or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

"TITLE II

"SEC. 201. This title may be cited as the 'International Children's Emergency Fund Assistance Act of 1948'.

"SEC. 202. It is the purpose of this title to provide for the special care and feeding of children by authorizing additional moneys for the International Children's Emergency Fund of the United Nations.

"SEC. 203. The President is hereby authorized and directed any time after the date of the enactment of this Act and before July 1, 1949, to make contributions (a) from sums appropriated to carry out the purposes of this title and (b) from sums appropriated to carry out the general purposes of the proviso in the first paragraph of the first section of the joint resolution of May 31, 1947 (Public Law 84, Eightieth Congress), as amended, to the International Children's Emergency Fund of the United Nations for the special care and feeding of children.

"SEC. 204. No contribution shall be made pursuant to this title or such joint resolution of May 31, 1947, which would cause the sum of (a) the aggregate amount contributed pursuant to this title and (b) the aggregate amount contributed by the United States pursuant to such joint resolution of May 31, 1947, to exceed whichever of the following sums is the lesser:

"(1) 72 per centum of the total resources contributed after May 31, 1947, by all governments, including the United States, for programs carried out under the supervision of such Fund: *Provided*, That in computing the amount of resources contributed there shall not be included contributions by any government for the benefit of persons located within the territory of such contributing government; or

"(2) $100,000,000.

"SEC. 205. Funds appropriated for the purposes of such joint resolution of May 31, 1947, shall remain available through June 30, 1949.

"SEC. 206. There is hereby authorized to be appropriated to carry out the purposes of this title for the fiscal year ending June 30, 1949, the sum of $60,000,000.

"TITLE III

"SEC. 301. This title may be cited as the 'Greek-Turkish Assistance Act of 1948'.

"SEC. 302. In addition to the amounts authorized to be appropriated under subsection (b) of section 4 of the Act of May 22, 1947 (61 Stat. 103), there are hereby authorized to be appropriated not to exceed $275,000,000 to carry out the provisions of such Act, as amended.

"SEC. 303. (a) Subsection (a) of section 4, of such Act of May 22, 1947, is hereby amended by adding at the end thereof the following: 'The Reconstruction Finance Corporation is authorized and directed to make additional advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of this Act, as amended, in such manner and in such amounts as the President shall determine. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose.'

"(b) Subsection (b) of section 4 of the said Act is hereby amended by inserting after the word 'repaid' the following: 'without interest'.

"SEC. 304. Subsections (2) and (3) of section 1 of such Act of May 22, 1947, are hereby amended to permit detailing of persons referred to in such subsections to the United States Missions to Greece and Turkey as well as to the governments of those countries. Section 302 of the Act of January 27, 1948 (Public Law 402, Eightieth Congress), and section 110 (c) of the Economic Cooperation Act of 1948 (relating to investigations of personnel by the Federal Bureau of Investigation) shall be applicable to any person so detailed pursuant to such subsection (2) of such Act of 1947: *Provided*, That any military or civilian personnel detailed under section 1 of such Act of 1947 may receive such station allowances or additional allowances as the President may prescribe (and payments of

such allowances heretofore made are hereby validated).

"TITLE IV

"SEC. 401. This title may be cited as the 'China Aid Act of 1948.'

"SEC. 402. Recognizing the intimate economic and other relationships between the United States and China, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in China endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. It is the sense of the Congress that the further evolution in China of principles of individual liberty, free institutions, and genuine independence rests largely upon the continuing development of a strong and democratic national government as the basis for the establishment of sound economic conditions and for stable international economic relationships. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to China, it is declared to be the policy of the people of the United States to encourage the Republic of China and its people to exert sustained common efforts which will speedily achieve the internal peace and economic stability in China which are essential for lasting peace and prosperity in the world. It is further declared to be the policy of the people of the United States to encourage the Republic of China in its efforts to maintain the genuine independence and the administrative integrity of China, and to sustain and strengthen principles of individual liberty and free institutions in China through a program of assistance based on self-help and cooperation: *Provided,* That no assistance to China herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that assistance provided by the United States under this title should at all times be dependent upon cooperation by the Republic of China and its people in furthering the program: *Provided further,* That assistance furnished under this title shall not be construed as an express or implied assumption by the United States of any responsibility for policies, acts, or undertakings of the Republic of China or for conditions which may prevail in China at any time.

"SEC. 403. Aid provided under this title shall be provided under the applicable provisions of the Economic Cooperation Act of 1948 which are consistent with the purposes of this title. It is not the purpose of this title that China, in order to receive aid hereunder, shall adhere to a joint program for European recovery.

"SEC. 404. (a) In order to carry out the purposes of this title, there is hereby authorized to be appropriated to the President for aid to China a sum not to exceed $338,000,000 to remain available for obligation for the period of one year following the date of enactment of this Act.

"(b) There is also hereby authorized to be appropriated to the President a sum not to exceed $125,000,000 for additional aid to China through grants, on such terms as the President may determine and without regard to the provisions of the Economic Cooperation Act of 1948, to remain available for obligation for the period of one year following the date of enactment of this Act.

"SEC. 405. An agreement shall be entered into between China and the United States containing those undertakings by China which the Secretary of State, after consultation with the Administrator for Economic Cooperation, may deem necessary to carry out the purposes of this title and to improve commercial relations with China.

"SEC. 406. Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation is made pursuant to section 404, to make advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of this title in such manner and in such amounts as the President shall determine. From appropriations authorized under section 404, there shall be repaid without interest to the Reconstruction Finance Corporation the advances made by it under the authority contained herein. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation in implementation of this section.

"SEC. 407(a) The Secretary of State, after consultation with the Administrator, is hereby authorized to conclude an agreement with China establishing a Joint Commission on Rural Reconstruction in China, to be composed of two citizens of the United States appointed by the President of the United States and three citizens of China appointed by the President of China. Such Commission shall, subject to the direction and control of the Administrator, formulate and carry out a program for reconstruction in rural areas of China, which shall include such research and training activities as may be necessary or appropriate for such reconstruction: *Provided,* That assistance furnished under this section shall not be construed as an express or implied assumption by the United States of any responsibility for making any further contributions to carry out the purposes of this section.

"(b) Insofar as practicable, an amount equal to not more than 10 per centum of the funds made available under subsection (a) of section 404 shall be used to carry out the purposes of subsection (a) of this section. Such amount may be in United States dollars, proceeds in Chinese currency from the sale of commodities made available to China with funds authorized under subsection (a) of section 404, or both."

And the Senate agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

A. H. VANDENBERG,
A. CAPPER,
A. WILEY,
T. CONNALLY,
W. F. GEORGE,
Managers on the Part of the Senate.

C. A. EATON,
J. M. VORYS,
K. E. MUNDT,
S. BLOOM,
J. KEE,
Managers on the Part of the House.

Mr. VANDENBERG. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. VANDENBERG. Mr. President, I should like to make a very brief explanation of the conference report and what it contains.

In a general way the text of the various Senate bills which have been included in the ultimate omnibus bill remains substantially unchanged, except in a few particulars; and I shall indicate to the Senate the differences between the bill as reported by the conferees and the original three separate bills as passed by the Senate. I shall omit a number of mere clarifying and procedural amendments which I am sure are of no particular concern to the Senate.

I may say that the conference report has just been adopted in the House by a vote of 317 to 75.

The first difference between the conference report and the previous action of the Senate is that the conference report includes provision for economic and human relief in Trieste to the amount of $20,000,000. The Senate did not have that subject before it, but the $20,000,000 involved for Trieste is included within the totals previously voted by the Senate. Therefore it represents no additional expenditure.

The Senate may be interested in knowing that the conferees removed from the bill the recognition of Spain as a participating country, as voted originally by the House. It was the attitude of the Senate conferees—and the House conferees ultimately agreed—that the membership in the European recovery program is an autonomous institution of its own, that the 16 European participating countries are the ones who control the right of membership in their cooperative adventure, and that it is not for us to undertake to dictate the membership. It is for this reason, fundamentally, without passing upon the merits of the question itself, that the Spanish amendment was eliminated.

The conference report includes permission to the Administrator to organize a corporate form of administration if he concludes that it is desirable to do so. I know that that is a matter of interest to some Senators, because many of them favored the corporate form in the first instance; and at least to the extent that a corporate form is permissive, their viewpoint is reflected in the conference report.

The House bill sought to eliminate what has been loosely called the "watch dog" committee, which was a device created in the Senate bill to provide constant liaison between Congress and the administrative operation involved in the entire European recovery program, so that we could be in constant touch with every phase of the problem from day to day, and thus be in a position to pass adequate judgment upon the annual occasions when it is renewed. I repeat, the House voted out what has been called the "watch dog" committee, but in conference it was restored, except that the type of its membership was identified in a different way. It will now consist of three members of the Senate Foreign Relations Committee, two members of the Senate Appropriations Committee, and three members each of the comparable committees in the House.

Under the Senate bill as originally passed the authorization was for 4 years, although, of course, annual appropriations had to be made under the authorization. The House insisted that the authorizations as well as the appropriations must be annual, and the Senate conferees receded upon that point. That is the basis upon which the bill is written.

As the bill passed the Senate it involved a total of $5,300,000,000 for loans and grants. There was no specification as to the amount which had to be segregated for loans. As the bill passed the House $1,000,000,000 was required to be segregated for loans and for the guaranties which are made to industry in respect to the convertibility of currency. The House provision for $1,000,000,000, representing loans and credit guaranties, was put upon the basis of being financed by Treasury notes instead of by taxation. The Senate agreed to that arrangement. As a result, the appropriation under the bill would require at its maximum $4,300,000,000 instead of $5,300,000,000, the additional billion being segregated to loans and guaranties.

Some changes were made by the House in the Senate language in respect to the acquisition of strategic materials. All the changes were in the direction of a greater insistence upon the recognition of our right to a reciprocal consideration in regard to strategic materials; and since every one of those changes is in the direction of an additional recognition of the right of the Government and the people of the United States in this cooperation in regard to strategic materials, I am sure that the Senate will be very happy with those changes.

So far as exports are concerned, the House by its action underscored the fact that there is considerable dissatisfaction with export control as exercised in the Department of Commerce, particularly in respect to some of the nonparticipating countries in the European enterprise. In the final conference report, sympathizing as we did with some aspects of that criticism, it is now arranged that while the export control, both to participating and nonparticipating countries, continues to remain in the Department of Commerce under the statute which covers that situation, nevertheless, if the Administrator of the European relief program finds that the exercise of this authority in the Department of Commerce is colliding in any fashion with what he believes to be the national interest and the national security in respect to the European recovery program, that dispute may be taken to the President, as umpire, precisely as the Senate may recall was the arrangement made if, as, and when there might be any dispute on foreign policy between the Secretary of State and the Administrator.

With respect to aid to China——

Mr. PEPPER. Mr. President, would the Senator prefer to wait until he has finished before any questions are asked? The reason I rise at this time is that in the report of the conferees the subject which comes next after the general functions of the Administrator, to which the Senator has just referred, and the National Advisory Council, is that of the Public Advisory Board, and the action taken by the conferees with respect thereto.

Mr. VANDENBERG. I shall be glad to comment on that subject. If the Senator will allow me to conclude my general summary first, I shall then speak about the Public Advisory Board.

Mr. PEPPER. Very well.

Mr. VANDENBERG. So far as the Senate bill was concerned, the Senator from Florida will recall that the only definition of eligibility to the Public Advisory Board was a requirement—I have forgotten the precise language—that the members should be chosen from among citizens of the United States of broad and varied experience in matters affecting the public interest. The House amended that provision so as either to require or suggest that various specified interests—agricultural interests, labor interests, and so forth—should be covered in the selection of the Public Advisory Board.

Mr. LANGER. Mr. President, let me inquire how many members there are to be on the board.

Mr. VANDENBERG. There are to be not to exceed 12 members.

Mr. LANGER. I thank the Senator.

Mr. VANDENBERG. The Senate conferees felt that although it is highly desirable that the selection of the public advisory board should represent in the greatest possible degree a cross-section of the various fundamental interests in the life of the Nation, with particular emphasis upon agriculture and labor, nevertheless because of the small size of the public advisory board it would be exceedingly difficult if the President were required to start to divide it up categorically in respect to representation for various interests, because if it were ever undertaken to make that sort of division by categories, probably there would be more categories than there would be places that could be filled. The Senate conferees felt that in the final analysis, the public advisory board amounts to the dignity of such a tremendous responsibility in behalf of the public welfare that there should be no criterion in respect to the appointment of the members of the board except the fundamental criterion that they are totally equal to the total responsibility which they assume. I wish to repeat that that is said without derogation of the expectation and desire that the interests and the voice of labor, agriculture, and other fundamental interests most certainly will be considered and should be considered in the selection of the board.

Mr. PEPPER. Mr. President, I thank the Senator from Michigan very much. I think the words he has just uttered clarify the conference report, and they are entirely satisfactory.

Mr. VANDENBERG. I thank the Senator for his observation.

Mr. President, there are only one or two things more to be said.

The conference report includes an authorization of $60,000,000 for the International Children's Fund which was provided for in the House bill, but was never brought to the independent attention of the Senate. That has been included in the omnibus bill.

So far as the Greek-Turkish provision is concerned, it appears in the conference report in the precise form in which it passed the Senate. Therefore, there can be no Senate controversy at that point.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. VANDENBERG. I ask the Senator please to permit me to finish this statement first.

Mr. LANGER. Certainly.

Mr. VANDENBERG. So far as the China-aid provision is concerned, it follows the general form of the text of the bill passed by the Senate, with the exception of the adoption of the preamble from the House text and a change in the figure of $100,000,000 which the Senate allowed for an independent grant to the Government of China. The conference report provides for an increase of that amount from $100,000,000 to $125,000,000, with a proportionate reduction in the amount available for economic aid.

I should add that in the Chinese aid provision there is now identified specifically, as was the case in the House bill, a recognition of the tremendously valuable rural reconstruction enterprise which is being carried on by a great organized group in China, and which the Senate conferees agreed with the House conferees represents one of the great tangible hopes of value for China in connection with this aid program.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I wish to yield first to the Senator from North Dakota.

Mr. LANGER. Mr. President, I should like to get the name of the children's organization the Senator from Michigan mentioned.

Mr. VANDENBERG. It is the International Children's Fund.

Mr. LANGER. What countries does it include?

Mr. VANDENBERG. I am unable to tell the Senator. It is a specialized agency of the United Nations; and so far as I am advised, it covers all nations which qualify for the fund as a result of the surveys.

Mr. LANGER. Would it include the children of western Germany?

Mr. VANDENBERG. Up to the present time western Germany has not been included in the program of the children's fund, but it is my understanding that arrangements may be made at a later date for such participation.

Mr. LANGER. Would it also include the children of the ten or eleven million expellees who have come into western Germany from other countries?

Mr. VANDENBERG. Yes.

Now I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, I was not quite clear as to the amount allowed in the China program for rural reconstruction.

Mr. VANDENBERG. Up to 10 percent of the portion of the fund which is considered primarily for economic purposes. That would be $30,000,000 or $35,000,000. It is to be available either in dollars or in the local currency funds, because in the interior of China the local currency funds may be more useful.

Mr. PEPPER. Will the Senator tell us how that fund is to be expended or what sort of supervision or direction it is to have?

Mr. VANDENBERG. I am afraid I have no specific information for the Senator upon that score. All of it is subject to the investigation and exploration of the Administrator of our fund before anything is done about it.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. VANDENBERG. I yield.

Mr. PEPPER. I think the important thing is that that, too, comes under the supervision of the American administrator, so he can see to it that those funds reach that objective.

Mr. VANDENBERG. The Senator is entirely correct.

Mr. PEPPER. Mr. President, I wish to commend, indeed, both the chairman and the conferees for specifically allocating funds for that purpose. I hope that in future appropriations we can constantly enlarge that kind of aid. I think it is extremely vital in the interests of democracy.

Mr. VANDENBERG. I agree with the Senator that it symbolizes a type of aid which is most refreshing in its prospectus.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. SMITH. On page 23 of the conference report, title III says:

SEC. 301. This title may be cited as the "Greek-Turkish-Chinese Assistance Act of 1948."

Mr. VANDENBERG. Mr. President, that is a typographical error.

Mr. SMITH. I assumed it was.

Mr. VANDENBERG. And it has been corrected in the conference report as submitted.

Mr. SMITH. Then the Chinese Act is title IV, known as the "China Aid Act of 1948," and is a separate title; is it?

Mr. VANDENBERG. That is correct.

Mr. President, I think that covers the water front.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. PEPPER. Mr. President, there is one other question which I wish to ask the Senator. The amount provided in the conference report for the International Children's Emergency Fund is $60,000,000, I believe.

Mr. VANDENBERG. That is correct.

Mr. PEPPER. I wish to express regret that the amount was not made larger than the $60,000,000. As the Senator will recall, we debated that question somewhat in the Senate when we had the original European relief program bill before us. At that time we were told that perhaps we had better not add an amendment to the then pending bill, because an appropriation or authorization on that subject was coming through.

What disturbed the Senator from Florida was that the report of the international organization, the International Children's Emergency Fund, said they needed $250,000,000 and that in the world there were 20,000,000 children who were hungry and needed help, and that the United States was going to have to bear, obviously, the principal part of that burden.

Although I am gratified that $60,000,000 has been provided, it must be remembered that it is for the children of the world, and there are probably 30,000,000 or 40,000,000 who need help; but 20,000,000 need help at the present time.

Heretofore we had allowed only $15,000,000; that is to say, the United States had appropriated $15,000,000 for this purpose. That was on the basis of matching, which required 43 cents to be made available by other countries for every 57 cents put up by us.

Although this is a beginning and it is a step forward, yet I wonder whether the Senator from Michigan can give us any encouragement to believe that as this fund is expended, if the need is made to appear, and if the international organization conducts its affairs in a way that inspires the confidence of the Congress, we may hope for further assistance from the United States Government for this humanitarian purpose of aiding the children of the world.

Mr. VANDENBERG. The Senator from Michigan can understand the enthusiasm of the Senator from Florida for this great cause. Of course, it will depend upon events.

Mr. President, inasmuch as the conference report follows almost completely the various Senate bills on the subject, I doubt that there is any controversy, and I wonder whether we may have a vote on the conference report at this time.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. LUCAS obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator from Illinois yield? I was suggesting a voice vote on the conference report. The Senator could then be recognized on the other pending question.

Mr. LUCAS. In that event I would lose the floor, so I propose to proceed.

Mr. WHERRY. That could be taken care of by a unanimous-consent agreement.

Mr. CONNALLY. No; I think not.

Mr. VANDENBERG. The Senator would not lose the floor. I ask unanimous consent that he do not lose the floor, if he yields for a vote on the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the conference report.

The report was agreed to.

THE MEAT-PACKING STRIKE—RESOLUTION OF DE KALB LIVESTOCK FEEDERS ASSOCIATION

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram under date of March 31, from Naperville, Ill., setting forth the veiws of producers, as contrasted with those of others, in reference to the strike that is now occurring in the meat-packing industry.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NAPERVILLE, ILL., *March 31, 1948.*

Senator HUGH BUTLER,
Senate Office Building,
Washington, D. C.:

The following resolution was adopted by the De Kalb County Livestock Feeders Association tonight:

Whereas official Government figures show that at the very peak of commodity price levels so far reached, the income of factory workers was 469 percent of the 1909–13 levels while commodity price levels were only 242 percent of that level; and

Whereas any assertions that the proportionate total income taken home by workers is not now at the highest level in history and that they must have a wage raise to break even, is just sheer nonsense and poppycock and disapproved by the actual figures; and

Whereas commodity prices have broken sharply and livestock prices have broken until livestock feeders have been forced to take bad losses on the meat animals now being marketed; and

Whereas inability to market livestock that are ready to market will force greater consumption of feed grains which are already in short supply, and thereby jeopardize meat supplies of the future; and

Whereas history has shown that always during major wars commodity prices advance, only to decline after the deficits created by war have been filled up, a point rapidly being approached now; and

Whereas the strike of the unions in the packing industry is not so much a strike against the packers as it is an effort to gouge more from the consumers or the livestock feeders, and, that if successful, it will distort still more the natural balance between labor wages and the prices received by livestock feeders to our detriment: Now, therefore, be it

Resolved, That we, the De Kalb County, Ill., Livestock Feeders Association, affiliated with the Illinois Livestock Feeders Association and the Corn Belt Livestock Feeders Association, demand that the strike at the packing houses be ended and ended immediately; be it further

Resolved, That we call to the attention of organized labor in all branches of industry and the packers as well that it was the embattled farmers of Concord and Lexington who fired the first shots for liberty; that farmers are determined that this liberty shall be retained; that this country shall not be run by any labor czar or Communist organization operating under the guise of a labor union; that the farmers of this Nation outnumber the labor unions in votes and they can, if necessary, outnumber them in violence to preserve the liberty for which they have fought from Concord through every strife to date; that if it becomes a question of holding our livestock on farms until they show further big losses due to inability to slaughter because of a strike in the packing plants, we can and will take over the slaughter of that livestock so that the meat can move into consumption at fair prices both to the consumer and to the feeders; that we want action, and we want it now; so be it finally

Resolved, That we call on the President of the United States to get action to stop this impediment to the flow of livestock to market at fair prices.

PAUL ARNDT,
President, De Kalb County Livestock Feeders Association.

C. B. WATSON,
President, Illinois Livestock Feeders Association.

MARK W. PICKELL,
Executive Secretary, Corn Belt Livestock Feeders Association.

UMT AND SELECTIVE SERVICE—STATEMENT BY JOHN F. BRADY

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an outstanding statement made yesterday before the Armed Services Committee by Mr. John F. Brady, president of the Blinded Veterans' Association, in support of universal military training and selective serv-

ice. In sharp contrast to that statement, I ask to have printed immediately following it in the body of the RECORD a statement issued by the Communist Party of California, in opposition to the national defense program. After reading both statements I hope the Congress will expedite passage of the legislation required to place our defenses in first-class condition.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF JOHN F. BRADY, PRESIDENT, BLINDED VETERANS' ASSOCIATION, WASHINGTON, D. C.

The CHAIRMAN. Mr. Brady, are you ready to give your testimony?

Mr. BRADY. Yes, sir.

The CHAIRMAN. All right. You may proceed in your own way. We are mighty glad to have you with us.

Mr. BRADY. Thank you, Senator.

Mr. Chairman and gentlemen, I speak in behalf of the Blinded Veterans' Association, a national organization whose membership is constitutionally limited to men who lost their sight through service-connected cause while in the armed services.

The primary concern of our organization has been, and is, the rehabilitation of the blinded veteran, so that he may regain and take his place in his community as a useful and worth-while citizen.

In order that we could concentrate our energy for this purpose, we have made no commitments on matters of national public interest. Only the importance of the subject before us impels us to do so now.

The blinded veteran has clearly indicated his support of universal military training. To be certain of the sentiment of our organization, we asked our members to consider whether universal military training would not enhance the possibilities of our living in a peaceful world.

The answer of those men who answered the inquiry, 90 percent of them voted in favor of universal military training. Less than 9 percent expressed opposition.

Our opinion would have little significance here if it was measured simply by the yardstick of our numbers. The head wounds which were the chief cause of blindness were frequently fatal. Therefore, the number of blinded veterans is relatively small. However, there is no single group of men that has greater reason to abhor war. We carry with us daily a reminder of war's horrors, and its consequences.

For that reason you can be certain that in considering the matter we weighed carefully the aspects of UMT on world peace.

Experts have appeared before the committee over several weeks who are better qualified than we are to discuss the military, political, economic, social, or moral aspects of the proposed legislation. We will limit our remarks to the personal experience, base our conclusions on the personal experience that we, like all other veterans, have acquired through our years of service in training and combat.

We can remember vividly December 7, 1941, when those of us who were then in service, among the small number of men that were under arms at that time, had just completed a major series of maneuvers in which we trained with wooden guns and flags, and with trucks that were labeled "tank."

If the morale of the forces at that time was not particularly good, one could hardly expect it in view of the equipment we trained with.

We can remember then the years that followed, in which it was necessary for the country to call up millions of men, and to train them, and start training from scratch. We were fortunate in that we had time to train these men. It was borrowed time, however; it was time that we borrowed from the English, who were also later to supply the bases from which we could jump off in a counterattack.

At the same time, during that time, even though we had this 2½ years in which to prepare, we found that before long we were cutting the limited time allotted to military basic training, and before long we were throwing men into combat with no advanced training at all, and with only token basic training.

We can remember, too, that when we were hit, it was not on our mainland, any of the cities in our mainland, but one of our outposts, Pearl Harbor, and we have a pretty good idea of what some of our cities might have looked like. We have seen the cities of France, in Germany, and in the Low Countries, and the Philippines, and in Japan. It is not difficult to take their foreign names and transpose them to the names that sound more familiar, like New York, Cincinnati, St. Louis, or San Francisco.

It has been argued that the next war will be a push-button war. We know little about atomic or push-button warfare. It has been argued that during the next war we will not need men with basic training, but highly trained specialists.

We reject this argument and contend that even these long-range specialists will need essential basic training in evaluating the situation.

And taking these memories we have of the past, transposing them into visions of the future, we find no room for comfortable thinking. There can be no guaranty that there will not be a next time. Nor can anyone guarantee that when the next time comes it will give us the time we had before in which to train the millions of men we will need. There can be no guaranty that the next time, when we are hit, that we are not going to be hit in our own mainland, in our cities and towns across the country, nor is there any guaranty that we can hold long enough and prevent an aggressor from engulfing foreign bases from which we can jump off in a counterattack.

Certain arguments have been advanced that we find in the light of our own experience are easy to reject. It has been suggested or stated that military conscription, compulsory training breed war. This argument, we think, lacks validity in the face of the fact that within a single generation we have been involved in two wars. That is, two world wars.

It has been argued, too, that 6 to 12 months of basic training is worthless. We hold that this is not valid, that basic training is essential for any type of force that we put in the field, and the next time we may not have the time to acquire it.

It has always been said that UMT will make us a military nation, will make us militaristic, will give us a permanent military posture, and that UMT will affect or damage the physical or moral fiber of the young men who are exposed to it.

We can personally evaluate this in the light of our experience. We have been in the service from 1 to 5 years, and when we look at these charges, it is easy to dismiss them.

The thought of war is repugnant to us, and it is difficult for us to bring ourselves to the position of considering it, or considering any matter that touches remotely on it. However, in the face of the situation in today's troubled world, we feel that if we shut our minds to the world situation, that we would become mentally, as well as physically, blind.

For these considerations we support UMT as necessary in the interests of our national security.

We also support a temporary or stopgap draft, designed to bring up and keep up the authorized strength of our armed forces until such time as UMT, the long-range aspects of it, begin to be realized.

Finally, gentlemen, we feel that in both universal military training, and the proposed selective-service draft, that it will give us a safeguard that will prevent thousands of young Americans from joining the ranks of the blinded or other seriously disabled veterans.

That is all, sir.

The CHAIRMAN. Let me compliment you, Mr. Brady. First let me say that almost without exception everyone testifying before this committee during the last 2 weeks has read from a prepared statement. You must have a prepared statement in your mind. You have come far, I would say, in overcoming your handicap.

Mr. BRADY. Thank you, sir.

The CHAIRMAN. The most complete statement of sequence of events and fine continuity of your statement is amazing to me, and I am deeply grateful, and thank you very much.

Senator KNOWLAND.

Senator KNOWLAND. Mr. Chairman, I merely wish to say that I am sorry that all of the members of this committee did not have a chance to hear the statement, and that all of the Members of the Congress of the United States did not. Here is certainly a group well qualified to speak, and with every right to speak, who recognize the fact that in addition to the rights of citizenship, there are certain obligations of citizenship, and I, speaking merely as one Member of the Senate of the United States, hope that the chairman of this committee will have the testimony of the witness transcribed and will either read it or present it to the Senate of the United States, to have it published in the CONGRESSIONAL RECORD, so that it may have the distribution that I feel it well warrants.

Mr. BRADY. Thank you, sir.

The CHAIRMAN. I certainly will follow your suggestion, Senator KNOWLAND.

Are there any further statements or questions?

Thank you very much, Mr. Brady, and thank the rest of your group that came down here today.

Mr. BRADY. Thank you, sir.

The CHAIRMAN. We are glad to have you stay with us the rest of the afternoon, if you so desire.

Mr. BRADY. Thank you very much.

HALT THE WAR DRIVE!—AN ANSWER TO TRUMAN'S WAR SPEECH

(Issued by Communist Party of California, San Francisco, Calif.)

The American people are in grave danger of being plunged into military adventures by the latest war moves of the Truman administration.

The President's demand for universal military training and selective service is made at the behest of the brass hats of the Army and Navy and the Wall Street bankers, who are swarming in all key Government positions in Washington.

President Truman is seeking to ride back into office by stampeding the country into a war hysteria.

Wall Street is arrogantly telling the world that it will use military force against any government that does not conform to its liking. In Greece and China, the excuse for intervention was the civil war in those countries. In Italy, the prospect that a democratic election will result in a popular majority for the bloc of left parties is the excuse being used to threaten American military intervention.

The administration that fails to use troops to guarantee a democratic election in the South, or prevent a lynching, is getting ready to use troops in Italy for the April elections.

The warmongers who are demanding immediate atomic war against the Soviet Union are dangerously close to having their way, unless the American people arouse themthemselves to the danger of being dragged into a bloody world war.

Now the sham that the Marshall plan is a humanitarian project for civilian relief to Europe is exploded, and it is revealed as part of a war plan that includes military measures against the people of Europe and Asia.

We have hardly buried the dead of the last war against fascism, when the American people are being propagandized for war against our former allies.

The veterans have hardly laid aside their uniforms when they are being asked to shoulder arms again, this time for imperialist intervention against the peoples of other lands.

But there is still time to stop this mad drive to war.

There is still time for the American people to make known their will for a policy of peace through the United Nations and against the war plans of Wall Street.

There is still time, if the people act now.

Let every American, every organization that wants peace, inform the President, your Congressmen and Senators that you are opposed to the war measures proposed by the President, that you are opposed to the draft and universal military training, and that you are for a return to the policies of Roosevelt, for American-Soviet friendship, and United Nations unity to maintain world peace.

Let every American make sure that in the coming elections he supports those candidates who fight for peace and defeats the warmongers and the candidates of Wall Street.

PROGRAM FOR REMAINDER OF DAY

Mr. WHERRY. Mr. President, before the Senator from Illinois proceeds, I should at least like to announce to the Senate that the pending question is the appeal from the decision of the Chair relative to the conference report on Senate bill 1393, on which there may be a yea-and-nay vote. Senators should be advised that there will be another vote before the Senate concludes its work for the day.

The PRESIDING OFFICER. Senators are so advised.

THE WORLD POLITICAL SITUATION

Mr. LUCAS. Mr. President, what the Senator from Illinois will have to say in the next few minutes bears directly on the conference report on the European recovery program, which was just adopted by the Senate.

In less than two centuries this country has risen from colonial status to world power. Until a generation ago our national energies were preoccupied with organizing and unifying a continent. Matters of foreign policy were of secondary concern. Today it is not too much to say that the formulation of policy in foreign affairs poses a question of the survival of our people under a democratic form of government.

Two great world wars have been fought in which we played a decisive role. Our domestic economy has been drastically affected by the overwhelming expenditure of blood and treasure which these convulsions have brought forth. In the light of this recent history, it is little less than tragic for anyone to believe that we can insulate our economy and our domestic policy from the play of world forces.

Unless we insist upon being deaf, dumb, and blind, unless we want to live in the twilight of somnambulism, there is no escape from the hard fact that our national existence is entangled beyond remedy with what goes on in the outside world. To analyze our world position and construct an adequate foreign policy to protect our vital interest is the anxious task of this generation. At the close of World War II, we were at the pinnacle of power, superior in the military field, and a beacon light to which the people of a war-torn world could turn for help and guidance. We were confident that the defeat of Hitlerism was the beginning of an everlasting peace for all mankind. We were so confident that we demobilized as fast as possible the millions of men and women who wore the uniform.

When we review the existing world political situation and the balance of international forces, we find that the United States today has a preponderance of economic and potential military power. Despite this potential superiority, Americans feel uneasy about the military might of the Soviet Union, as well as the ideological preparation for further Soviet expansion throughout the strategic areas of the world.

I doubt that there has been a time in our history when we have felt such a foreboding sense of impending calamity. Mr. President, Americans must understand that we are facing the greatest challenge in our history. To analyze that challenge and to use our power in meeting it effectively is the great task of American statesmanship.

Unless we find the solution, Mr. President, America is in great danger, because we may well face for the first time, virtually alone, the communistic nation which threatens to dominate the whole European continent and which seeks ultimately to dominate the world.

The threat of Russian military expansion is not presented to the world in crude terms of conquest by force of arms, although no one should discount the present Russian military strength. It is rationalized in slogans of revolutionary justice for the oppressed and thereby seeks to enlist and exploit all forces of social division, discontent and frustration in the areas of its intended expansion. The Politburo is now realizing the fondest dreams of Czarist imperialism with lying promises of emancipation and abundance to the exhausted peoples of Europe. When a man has not enough to eat, he will believe and follow any leader who promises him bread. If a man starve, liberty to him is just a phrase. He will barter his freedom for a crust. Man must live before he can think of living well. In the backwash of war is an immense volume of frustration which the Communists, with consummate skill, have turned into anger against the civilized order of western society. They have organized this hostility into mass parties which are used with terrible effectiveness to interrupt the productive life of the community and create commotion, disorder, and civil war.

These mass parties do not work within constitutional limits. The individual in Russia and her satellite nations has no rights enforceable against the state, and no judicial remedy against the terror of its secret police. Opposition in America may lead one to the Presidency. Opposition in Russia is sure to lead one to jail. In Russia, there is no political opposition which is permitted to function as such. This is the critical test of freedom. It is the acid test of a free society.

A visiting delegation of British trade-unions once visited Stalin in the 1930's and asked why there was only one political party in the Soviet Union. "In Russia," protested Stalin, "we have many political parties, but it is only the Communist Party that governs. All the other parties sit in jail."

We in this country believe that a far more perfect form of economic democracy is attainable when economic power is shared, as it is here, by the millions of private owners of capital funds and that the productivity of our system is enhanced, beyond comparison with any other, by allowing individuals to venture these capital resources in the expectation of private gain. We are convinced that this is a system that has no equal or parallel. However, we recognize that there may be other roads to freedom and abundance, and the peoples of Europe have every right to choose theirs, provided they are allowed to make their choice freely. Therein lies all the difference between democracy and communism—between socialism and communism, if you please. We have no objection to communism in Europe if that is the free choice and will of the people, but we know that in Poland, Rumania, Bulgaria, Czechoslovakia and all the other satellite nations which have been swallowed by Russia, free elections were a mockery. The Communists conquered these countries through fear, force, and intimidation.

The Communist parties are conspiratorial organizations whose purpose is the establishment of a universal dictatorship with Moscow as the center. The bosses of the totalitarian states know that great masses of people with a grievance will listen to what the leaders of the new gospel will promise, failing to see what these leaders do.

Mr. President, I can understand how the weary, the weak, and the lame can become the prey to an ideology which promises the millennium, but what cuts me to the bone is to find in our own America there are approximately 100,000 Communists following with the utmost obedience the edicts laid down by the Kremlin in Moscow. If the Communist party sought to expand only the principles of communism, it would be less reprehensible, but we know that the Communist party in America is the blind servant of the Soviet Union. It is not a political party as we understand. It is an arm of the Russian Government. Few of these Americans are Communists because of poverty, misery, and despair. Many of them are blessed with the better things of life.

May I remind the American people of this important fact: In 1917, when the Russian Revolution occurred and the Bolsheviks came into power, there was only one Communist in Russia for every

2,277 Russians. Today in America we find one Communist for every 1,814. This Communist force in America stands ready at any moment to seize upon any weakness, real or imaginary, as a sounding-board for the advocacy of fundamental Communist tenets.

Mr. President, what a travesty of government it is that the American Communist uses the Constitution of the United States as a shield to protect his right of free speech, free press, and free elections; yet if permitted, that same American Communist would destroy the Constitution overnight, replacing it with a ruthless dictatorship under which our inalienable rights, the gift of a divine providence, would be mercilessly suppressed. They believe in, advocate, and teach the overthrow of government by force and violence. That same American Communist longs for the day when the blessed stars and stripes may be taken from the dome of the Capitol and the red flag of anarchy and terrorism be run up in its place.

This shall never come to pass in a country where freedom and liberty are in the very bone and marrow of our people, beginning with the landing of the *Mayflower* in Massachusetts in 1620.

Mr. President, whether or not any American citizen has the right to enjoy and use the fruits of free government for his own safety and protection, when he has taken a solemn and sacred oath to overthrow that government at the first available opportunity, may well pose a serious question for determination in the hectic days to come.

Why do I speak so bluntly? Because, Mr. President, the hour is already late. The American people must know the truth. They must be aroused. They must meet this creeping menace in America with words, deeds, and actions. It must not, it will not, happen here.

Listen to this, my distinguished and eminent colleagues:

Under the most humanitarian slogans of freedom and emancipation, and in the name of a more progressive social order, communism for 30 years has systematically liquidated millions of people within the Soviet Union. All who oppose it have been slaughtered or enslaved. The Senator from Illinois has learned from one of the highest authorities in this Government that twelve to fifteen millions of miserable victims languish in Soviet Arctic work camps where the population of slaves is slowly worked to death under conditions without parallel in recorded history. Let American labor who live under the free-enterprise system remember that the worker in Russia cannot leave his job without permission of the state. He has no voice whatever in fixing the wages or other conditions of his employment. The bosses and Politburo give the people phrases about 5-year plans and call it bread. They give them work camps and call it liberty. All this blood-letting and all this hypocrisy goes on in the vast spaces of the Soviet Union without limit and without end. The Russian masses are not to blame. They know little or nothing about the rest of the world.

Today communism is absolute master not only in the Soviet Union; it holds in its clutches all the countries east of the iron curtain and is working day and night to expand further. It is the combination of this military threat and the implacable attack upon our basic cultural values that constitutes the great crisis of western civilization.

Can we not make peace on some terms with this force?

That is the question upon the tongue of every American. Following World War II, all America hoped we might exist side by side with Russia in friendly competition for the support of peoples of the world. But after 2 years of earnest endeavor to reach such an amicable understanding with Russia, every sane American has about reached the point where he realizes there is no compromise with communism. We who have been hopeful and tolerant must now understand once and for all that the basic philosophy of communism lays down the proposition that the liquidation of western liberalism is historically inevitable; that the dictatorship of the proletariat is the instrument ordained by history to carry out this task; that ultimately victory for communism is certain; and that no scruple of a humanitarian or ethical nature can be allowed to prevent the complete liquidation and extermination of all opposition throughout the world. It cannot, therefore, conceive a permanent peace with the capitalist world without compromising its historical mission.

The world political situation at any given moment may require the Communist leaders to make temporary changes of tactics, sometimes to increase, sometimes to abate the pressure of attack. These zigzags are only maneuvers for more strategic positions. While in mortal danger during the war, we saw them agree to many political retreats. We hoped that these might be the beginning of sincere and lasting cooperation. If it now appears that immediately following the war, we demobilized our forces too fast and that we seemed to follow a doctrine of semiappeasement with the Russian bear, it was an honest course in view of our historical past. Humanitarian, nonaggressive, peace-loving Americans would approve no other policy. By our very democratic nature and our hope for an enduring and universal peace, we were deceived for the moment, forgetting or ignoring the ultimate goal of communistic strategy.

Mr. President, the determination of the Communist to destroy western society in a conquest of all power by the international Communist movement is and must be unalterable. Stalin himself cannot compromise on this proposition without entirely surrendering the ideological content of communism as a philosophy in a world movement. I doubt that this goal can be altered by any inducement. However, as one United States Senator and as a citizen of the United States, I am still willing to try, but, in the end, it is my studied judgment that we have only the alternatives of intelligent and continuous resistance or complete capitulation, and, Mr. President, we will never capitulate. Stalin and his sycophants of the Politburo should not miscalculate either the strength or the temper of the American people.

A singular fascination takes hold of some of our liberals at the sight of this monstrous power, like the rabbit staring, hypnotized, at a boa constrictor and awaiting its fate in a state of bliss. The failure, yes, even the treason, of some of our intellectuals has been one of the most dreadful symptoms of the sickness of our times. Who, if not our intellectual elite, should give voice to the horror and indignation of civilized mankind at the murder and enslavement of so many millions and at the endless cruelties of the Soviet Union? A generation ago, the trial of Sacco and Vanzetti roused a world-wide chorus of liberal disapproval. Where are those voices today, when hundreds of millions within the Soviet prison are writhing in their torment?

Some of these self-same liberals who then screamed their moral condemnation and today lack no eloquence to denounce the imperfections of our own social order, are filled with moral resignation and philosophical submission as they contemplate the cruelties of the Soviet system, or even condone these petty aberrations of what they call a higher achievement than our own in economic democracy. Such liberals as these—some confused or feeble minded, some consumed by personal envy, some ambitious for power, but all traitors to the historical tradition of liberalism—are now the leading collaborators of the Communist movement in this country and can be depended upon to confuse the people with their cries for peace with the Soviets as if it were we and not they who were the aggressors. Any American following this line of nonsensical chatter is either a dupe or a fool. There has never been such dangerous demogoguery in the name of peace and prosperity in all our history. To assume such individual or collective responsibility is playing fast and loose with the liberty of millions of people.

If we cannot make peace with world communism, how then shall we meet this threat to the world order? Shall we now resort to the force of arms? Shall we make our present potential military and economic power a reality, creating a preventive war and, with our atomic bombs, destroy the Communist world base?

Mr. President, this solution, simple and plausible though it may seem, is, at this time, utterly out of the question. Rooted in the American tradition is the deep conviction, amounting to an article of mystical faith, that war is the greatest of all earthly evils, and, unless forced upon us by the adversary, must be avoided at any risk short of national annihilation. Our innate abhorrence of war is so strong that it will not take into account considerations of prudence and refuses to admit the possibility of a distinction between making a just and an unjust war. This attitude toward war, deeply shared by the vast majority of our people, gives the enemy the diplomatic initiative in all forms of aggression short of open force, allows him to build up his power undisturbed, and gives him the initiative in delivering the first blow.

We are dealing here not with considerations of ordinary prudence, but with the deepest religious instincts of our people. Who can say that this conviction is wrong or that it does not express some deeper rationality even in the world of practical affairs? For a people so deeply pacific can be roused to terrible fury when its liberty, security, and freedom are threatened, either directly or indirectly, by an aggressive enemy whom it has refrained from striking. I hope no nation in this tormented world has forgotten that this country in World War II produced the most powerful Navy, Army, and Air Force ever mobilized under any banner in all the history of time. Hitler was as certain as all other previous would-be world conquerors that he had the key to world victory.

Mr. President, some advocate war now, but such a proposal is sheer stupidity. A preventive war, even if we were fully victorious, would not solve the world crisis. The international economy would lay in far greater ruins than today. Enormous effort to win, the certainty of great damage to some of our cities, would leave our own economy enfeebled and less capable of dealing with world chaos. Chaos would spawn a new crop of ideological monstrosities, all beating furiously upon the shores of liberty. For economic and other reasons, America could not successfully police the world. That, Mr. President, is a truism that applies to Russia or any other world power. There is no nation that can police the earth.

Victory would again have underlined the indefeasible truth that in modern war there are no victors. Let every aggressor learn that lesson before it is too late.

If we will not resort to surgical violence, what then is our policy?

Simply this:

We must rebuild Europe west of the Soviet Union into an economic and political force, independent of the Soviet Union as well as ourselves. This is the policy, the first step toward which we, as a people, are now debating, and which is now before the Congress in the form of the plan for European recovery. The Senate has just completed action on the conference report on the foreign-aid bill. My hope is that the Appropriations Committees of the House and the Senate will act upon the authorization with all convenient speed. The bitterness with which the project has been attacked by Communists and their sympathizers throughout the world is in itself a sufficient indication that in this countermove we touch upon the raw nerves of Soviet strategy. The recovery and reconstruction of Europe means the end of the Communist dream for dominating the whole of Europe. By postponing every basic issue of the world settlement and by using the mass Communist parties in the west as battering rams against their domestic economies, the Soviet Union has kept Europe in a state of economic disorganization, has aggravated the misery of European peoples, and has gained time in which to complete its own industrial and military rearmament.

We now propose to check at its roots this tactic of promoting and feeding upon world chaos, by giving to the 16 nations involved in the Marshall plan economic and moral support. We hope through this plan they also may become politically independent.

What is included within this Europe to which we hope to give a new political and economic constitution? All authorities agree it must include not only the German workshop, but also the agricultural areas of the Balkans. Without exchange of industrial products for Balkan foodstuffs, Europe cannot become permanently self-supporting and independent of continuous American aid. The Marshall plan is based upon the concept of east and west trade.

America, too, must continue trading with Russia, even under the present conditions, except in those goods which contribute to her war potentialities. There are some Americans so naive as to advocate a complete embargo upon all exports to Russia from this country. This is a dangerous and foolish policy. Total economic sanctions are utterly unthinkable. That is a step which leads to the breaking of diplomatic relations between nations, and when the latter happens it is only a step short of actual war.

Mr. President, any American who advocates that our Government engage in an all-out economic warfare with Russia, to the end that a complete embargo be placed upon all our goods, is playing with economic dynamite that could easily explode into an international disaster.

It should be remembered that before the last war the continent of Europe west of the Soviet Union was a great deal more unified economically than most people supposed. Despite its fragmentation into a congeries of independent states and a bewildering variety of customs barriers, this European area, when considered as a whole, formed a rational equilibrium between industry and agriculture, and, therefore, in a real sense was a unified market for the production and exchange of goods.

The vastly greater part of the foreign trade of each of the European states was with other European countries. To restore the exchange of goods in this area, to purge it of obsolete customs barriers and other artificial restrictions, and to develop forms of political unification which are correlative to the dominant European interest in preserving the freedom of this market, these, I say, ought to be, and must be, the goals of policy. Some form of political organization, tentative and elementary at first, confined in the beginning as necessarily it must be, to the nations of western Europe, will go hand in hand with the recovery of the European economy and with the growing recognition by Europeans themselves of their economic and political interdependence.

Only by the will of its peoples to reestablish Europe as a political and economic entity can we hope for the ultimate elimination of the iron curtain. Western Europe revived and revitalized by its own efforts and with American assistance and producing all of the kinds of manufactured goods which agricultural economies cannot produce for themselves will be drawn by powerful economic attraction to the other European areas east of the iron curtain. They will see the benefits and join us. No obstructive force, no iron curtain, can in time withstand the will of a revived Europe to establish the conditions of a viable existence.

When we speak of an independent Europe, what do we mean?

First, and primarily, a Europe capable of satisfying the minimum expectations of its peoples for the bare necessities of life; second, a Europe whose people have reached a general understanding that they are living under a just and fair social order, that is to say, a social order in which there is hope that by hard work a higher standard of living is attainable; third, a Europe which is capable of providing for its own defense. For it is the hard truth, and I hope I shall never be taxed as being cynical for saying so, that under present historical conditions independence means the ability of Europe to produce or buy whatever is necessary to defend its political integrity and sovereignty. Only a politically unified Europe will have the means to accomplish that objective.

To accomplish this plan, we have both the time and the means. Time, which the Soviet Union is using feverishly to build atomic war plants, we can use to create a great counterforce in Europe, which, because it wants to be independent, will have the ability and the will to resist Soviet expansion. We also have the means. I am not suggesting that the disbursement of these great sums is a matter of no consequence. It will definitely impose sacrifices on our people. But, Mr. President, the people understand. I submit they are far ahead of the Congress on the European recovery program. They cannot understand why we do not move with greater speed. They want Italy and the other western democracies who show signs of neurotic tension to be assured of our help before it is too late. If this analysis of the existing historical situation is correct, and if our policy is adequately responsive to the needs of the time, I am confident its success will insure the peace of the world during the next historical period.

Mr. President, let me say in conclusion that we are living in a century of wars and revolutions. Western civilization is in the midst of the deepest crisis in its history. The great revolution of the totalitarian states against individual freedom as an ideal for the organization of society is still in process with the issue in doubt. We are in the most dangerous phase of that revolution. Communism, no longer a mere conspiracy, but a world power with an immense material base, is in full and cold war against the civilization of the West. Its ultimate aim is the military and moral defeat of the United States. Its ultimate goal is the political and ideological mastery of the world. Its tactic is the reduction of Europe to economic chaos, wherever it cannot achieve control—as a preliminary to the absorption of its enormous potential power within the Soviet system.

To counter this, we must lay the material foundations for a Europe reconstituted as an independent economic and political force—a third force, if you

please, independent not only of the Soviet Union but of ourselves. To do this requires a great act of statesmanship on the part of the American people. We must bring to bear resources ample for the task at hand. We must be firm and frugal with our aid. Yet we must have care not to exploit the temporary necessities of our friends by imposing onerous or humiliating conditions. We must not use our help to bludgeon political concessions. Through the generosity and self-restraint display by the American people, we are about to take the first great step to restore Europe and to save the peace and the civilization of the West in its hour of agony.

Mr. FULBRIGHT. Mr. President, I want to compliment the Senator from Illinois on the very excellent statement of the present world conditions he has just made, and to say that I especially am pleased with his reference to the necessity for a politically unified Europe. I hope the Senator will give some further assistance along the road of getting an expression from the Senate as to the endorsement of that aspect of the problem, because I could not agree more strongly than I do that that is an essential element of the success of the Marshall plan, and the program the Senate has just acted upon in adopting the conference report on the foreign-aid bill.

Mr. LUCAS. I thank the Senator from Arkansas for his remarks.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2202) to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States, and it was signed by the President pro tempore.

LABOR-MANAGEMENT RELATIONS—MINORITY VIEWS PRESENTED BY MR. PEPPER

Mr. BALL. Mr. President, on March 15, 1948, the Joint Committee on Labor-Management Relations filed its progress report, as required by the Labor-Management Relations Act.

Last night the Senator from Florida [Mr. PEPPER] on behalf of himself, the Senator from Montana [Mr. MURRAY], and Representatives JOHN LESINSKI, of Michigan, and AUGUSTINE KELLEY, of Pennsylvania, filed minority views in connection with the report of the majority of 10 members of the joint committee. Ordinarily I would not comment on the filing of minority views, but I think the circumstances in connection with the filing of the minority views are so unusual that I cannot let the opportunity pass without placing a few facts in the RECORD.

The first fact goes to the interest shown by the four Members who filed the minority views in the work of the joint committee. Since our organization last summer the committee has held four major meetings. The first one was on October 7 and 8, of 1947, when we had a review of the staff work up to that time. None of the four minority Members who filed minority views was present at those meetings.

On December 17 we held another meeting, at which we reviewed the staff work up to that time; and again all four of these members were absent.

On March 1 we held a meeting with the National Labor Relations Board, at which we reviewed the Board's work in connection with the law up to that time. Representative KELLEY was present at the meeting for the first time, and the Senator from Montana [Mr. MURRAY] was present. The other two members who signed the minority views were absent.

On March 9 and 10 the committee met both days to view the preliminary report which was filed on March 16. The Senator from Montana was present on both days for a short time. None of the other three members signing the minority views were present on either day.

Furthermore, Mr. President, neither the chairman of the joint committee—myself—nor the chief counsel, Mr. Thomas E. Shroyer, has at any time received any suggestions from any one of the four minority members who in their minority views, condemned the majority report so vehemently as to the work of the joint committee, its staff, or what should be included in its report. It seems to me rather unusual for minority members of a committee who have shown so little interest in the work of the committee suddenly to develop minority views.

I think the answer is perhaps found in the preface to the minority views, which contains this paragraph:

> We called upon the Public Affairs Institute, a scientific research organization, to assist us in assembling the data which underlie this report. The institute's specialist in labor-relations problems, Herman Lazarus, has rendered the minority untiring expert assistance.

I was rather interested in what the Public Affairs Institute is, and who Herman Lazarus is. It develops that Herman Lazarus was a legal assistant to former general counsel Gerhard Van Arkel, of the National Labor Relations Board, in charge of legislative liaison; and all during the debate last year on the Taft-Hartley bill he sat in the gallery and conferred with Senators who were opposing the passage of that bill. When the chief counsel, Mr. Van Arkel, resigned from the National Labor Relations Board, claiming that the Taft-Hartley Act was unworkable and I may add that he is now counsel for the International Typographical Union—Mr. Lazarus also resigned, and apparently is now the labor relations expert for the Public Affairs Institute, which is labeled as a scientific research organization.

The origin of the Public Affairs Institute, which issued its first report in February 1948 is rather interesting. The head of the sponsoring committee was Mr. A. F. Whitney, president of the Brotherhood of Railroad Trainmen, whose position in regard to labor relations and labor relations legislation can hardly be termed scientific or objective.

The same applies to the other sponsors listed in a letter signed by the executive director of this so-called research institute, who is Dewey Anderson. Senators may recall that in 1946 Dewey Anderson was head of the staff of the Small Business Committee of the Senate, and was under constant fire from Senators because of his slanting of hearings and reports of the committee. He is an extreme political left-winger, and seemingly could not keep from inserting his personal views into reports of the committee.

Representative THOMAS L. OWENS, of Illinois, inserted in the Appendix of the RECORD, volume 93, part 12, page A3423, a circular issued by the Grand Lodge of the Brotherhood of Railroad Trainmen, which cites some expenditures made by Mr. Whitney to which exception was taken, showing, for example, that Mr. Dewey Anderson was on the pay roll of the Brotherhood of Railroad Trainmen from February 18 to May 31, 1947, along with a number of other so-called research analysts of writers, including, I might add, Charles Kramer, a research writer who drew $2,250 from the Brotherhood of Railroad Trainmen during that year. To those who are familiar with subversive activities and Communist activities in Washington, D. C., the name of Charles Kramer will be very familiar.

So I submit that this so-called scientific research organization, the Public Affairs Institute, is extremely far from being a research organization, and should be more properly labeled a straight propaganda organization.

I do not care to comment on the body of the minority views. I think they speak for themselves. Any Member who cares to read them will see that they are a straight presentation of extreme left-wing union views. I may add that the only sources quoted in the report are such statements as these: "It is generally recognized by experts," or "It has been widely reported," or such a general statement as "Bootleg contracts have become the fashion." Those are the sources for many generalizations and findings proceeding from that basis. There are no facts to amount to anything in the report, whereas I believe that every single finding in the majority report is supported by a wealth of factual material.

As I say, it is unusual, and I do not like to make such a statement about a minority of the committee of which I happen to be chairman; but I think the circumstances demand that the facts of the situation be placed in the RECORD.

BENEFITS FOR DEPENDENTS OF DISABLED VETERANS

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement issued by me on benefits for dependents of disabled veterans.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. EDWIN C. JOHNSON, OF COLORADO, UNITED STATES SENATE, APRIL 2, 1948

Mr. JOHNSON of Colorado. Mr. President, recently I had called to my attention an article written by Mrs. Ann Weber, national adjutant of the Disabled American Veterans Auxiliary, 220 East Washington Street, Colorado Springs, Colo., which gives very pertinent and complete information as to the benefits available through Federal agencies to the wives, widows, children and dependent parents of service-disabled veterans, living and dead.

The information and suggestions in this featured article ought to be brought to the attention of all the wives, widows, and parents of veterans. With the hope that many of them may be enabled to become informed as to their rights under existing laws pertaining to them, I insert this excellent article in full as follows:

"BENEFITS FOR DEPENDENTS OF DISABLED VETERANS

"Pensions are payable to the widows, orphans, and dependent parents of those members of the armed forces who died while serving actively in World Wars I and II and of such war veterans as have died as a result of their war-service-connected disabilities, at monthly rates as follows:

"Widow	$60.00
Widow with 1 child	78.00
Each additional child	15.60
No widow, but 1 child	30.00
No widow, but 2 children (equally divided)	45.60
Each additional child (total to be equally divided)	12.00
Dependent mother or father	54.00
Dependent mother and father (each will receive)	30.00

"Pensions are also payable to the dependent widows and orphans of most other deceased World War I veterans at rates as follows:

"Widow but no child	$42.00
Widow and 1 child	54.00
Each additional child	6.00
No widow, but 1 child	21.60
No widow, but 2 children	32.40
No widow, but 3 children (equally divided)	43.20
Each additional child (total equally divided)	4.80

"Pension is payable to a widow with no children (or to a child alone) whose annual income does not exceed $1,000, or to a widow with a child or children whose income does not exceed $2,500 a year.

"The World War I service must have been before November 12, 1918 (or before April 2, 1920, if service was in Russia) and the veteran must have served under conditions other than dishonorable for 90 days or more, or if the veteran served less than 90 days and was not discharged or released from active military duty on account of a disability incurred in line of duty, he must, at time of death, have been receiving or be entitled to receive compensation, pension, or retirement pay for a service-connected disability of 10 percent or more.

"Similar pensions are payable, under the provisions of Public Law 483, to certain dependent widows, children, or orphans of World War II veterans, who had a service-connected disability at time of death of 10 percent or more, even though death was due to some other disability, with the same income limitations.

"DEPENDENTS OF TRAINEES

"War-disabled veterans with one or more dependents receiving vocational rehabilitation under Public Law 16, who are rated less than 30 percent disabled, receive their disability compensation, plus a subsistence of $90 per month, plus $10 for the first child, plus $7 for each additional child, plus $15 for each dependent parent, with a minimum monthly subsistence of $115.

"War-disabled veterans with one or more dependents receiving vocational rehabilitation under Public Law 16, who are rated 30 percent or more disabled, receive their disability compensation, plus a subsistence of $90 per month, plus $20 for the first child, plus $15 for each additional child, plus $15 for each dependent parent, with a minimum monthly subsistence of $135.

"War-disabled veterans with dependents receiving on-the-job training under Public Law 16 may receive additional subsistence from their trainer-employer (exclusive of their disability compensation), which, when added to the subsistence received from the Veterans' Administration, shall not exceed the journeyman's wage rate prevailing in the particular job for which they are in training.

"Veterans receiving education under the GI bill, if actually enrolled in a full-time course of instruction in an approved institution of learning, receive monthly subsistence of $105 with one dependent and $120 if married with one or more children. This does not apply to those who are enrolled in part-time educational courses or on-the-job training. The latter receive monthly subsistence of $90 or fraction thereof (if they have one or more dependents), depending upon the number of hours actually in school per week or the number of hours actually working on the job. Those receiving on-the-job training may receive additional subsistence from their trainer-employer not exceeding $200 per month (including the amount received from the Veterans' Administration) if they have one or more dependents.

"DEFINITIONS

"The term 'widow of a World War I veteran', according to Public Law 483, is defined to mean a woman who was married prior to the date of the act December 14, 1944, or for a period of 10 or more years, to the person who served, provided that (1) the widow must have lived continuously with the veteran from date of marriage to the date of his death, except where separation was without fault on the part of the widow; and (2) the widow must not have remarried since the veteran's death.

"The term 'widow of a World War II veteran' means a person who was married to the veteran prior to the expiration of 10 years after the end of the war. Remarriage bars all rights to pension.

"For both World War I and II the term 'child' means: A legitimate child; a child legally adopted; a stepchild if a member of the veteran's household; an illegitimate child, but as to the father only, if acknowledged in writing signed by him, or if he has been judicially ordered or decreed to contribute to the child's support, or has been, prior to his death, judicially decreed to be the putative father of the child, or if he is otherwise shown by evidence satisfactory to the Administrator of Veterans' Affairs to be the putative father of the child.

"A child must be unmarried and under the age of 18, unless prior to reaching the age of 18 years it became permanently incapable of self-support because of mental or physical conditions; except that a child pursuing a course of instruction in an approved school may receive compensation or pension until completion of education or training (but not after reaching the age of 21).

"Husband or widower of a woman who served is no longer recognized under any laws. Widowers who were in receipt of death compensation under prior legislation may continue to receive benefits, but are not entitled to the increases provided by the later acts.

"Public Law 144 gives the following definition for parents: A natural mother or father of the veteran; mother or father through legal adoption; persons who have stood in loco parentis to a member of the military or naval forces at any time prior to entering into active service for a period of not less than 1 year. Not more than one father and one mother (as defined) can be recognized, and preference will be given to the mother or father exercising that relationship at time of or most nearly prior to date of entering active service. Dependency must be shown and remarriage of parent will not bar benefits if dependency continues to exist.

"Where payments of death compensation to a widow have been denied or terminated because of her marriage, payment to a child or children of a deceased veteran may be made as though there is no widow.

"Remarriage of the widow stops all right to claim but does not bar children from applying. A widow, upon remarriage, need not file a new claim for her minor children. She must, however, submit a certified copy of her marriage certificate before the pension will be changed over in favor of her children. To accept and cash checks after marriage would constitute a fraud and is punishable by law.

"No pension is ever paid unless written application is made for same.

"PROOF OF ELIGIBILITY

"Proof of the existence of a service-connected disability at time of death may be submitted by the widow after his death. Obtaining evidence of service connection of a disability, after death, is, however, obviously more difficult than while the veteran is living.

"Technically establishing the service connection of a measurable degree of disability, as to a World War II veteran, at least 10 percent in degree, is therefore, equivalent to a paid-up insurance policy, which, during the period of eligibility, will assure payment of a monthly income which might otherwise require an investment of from $4,500 to $19,000 yielding 4-percent interest per year, depending upon the number of dependents and their ages.

"It is very much to the interest of the wife of a veteran suffering with a service-connected disability to see to it that there is filed, in her husband's case record with the Veterans' Administration, during his lifetime, such evidence as would quickly clear the way for establishing her entitlement to pension in the event of his death. Such evidence should include a certified copy of the public record of her birth, the birth of each of her children, a certified copy of the public record of her marriage, as well as certified copies of the public record of all of her previous marriages, divorces, or deaths of previous husbands, if any, and also of her husband's previous domestic relationships, if any.

"Complications, by reason of previous civil and common-law marriages and divorces too often arise after death, which are very difficult and, in many cases, impossible to unravel, after death, which could, during the lives of both parties, have been straightened out, so that the Veterans' Administration would be able to ascertain who was lawfully married to whom, and whether an alleged widow is the lawful one.

"Any veteran who has himself been previously married, or who is married to a woman who has previously been married, should be sure that the woman with whom he is living, and regards as his wife, is actually his lawful wife, and would, in the event of his death, be regarded by the Veterans' Administration as his lawful widow.

"If application for death pension is made by a widow, otherwise eligible, within 1 year after date of death of her veteran husband, she would be entitled to receive such pension payments effective as of the date of

his death. If she makes the application more than 1 year after his death, she would be entitled to such pension payments only from the date of application and proof of eligibility therefor.

"APPORTIONMENTS

"Disability pension, compensation, emergency officers' retirement pay and service pension, amounting to more than $20 monthly, payable to veterans, may be apportioned to their dependents under the following conditions:

"(a) When the disabled person and his wife are not living together by reason of estrangement.

"(b) Where the child or children are not in the custody of the disabled veteran.

"(c) Where action is being taken to appoint a fiduciary for an incompetent or insane beneficiary.

"(d) In those cases where an incompetent veteran, who is entitled to pension for non-service-connected disability under the provisions of the Economy Act, has no guardian and is being maintained in a Government institution, apportionment may be made to a wife, child, or dependent parent.

"(e) Where an institutional award in behalf of an incompetent or insane beneficiary is in order, pending action on a special apportionment.

"Except as outlined above, apportionment of disability compensation, emergency officers' retirement pay, or disability pension, amounting to more than $20 per month, will be made as follows:

Disabled veteran and	Portion for disabled veteran	Portion for wife where children are in her custody	Portion for children not in custody of wife or veteran
	Percent	*Percent*	*Percent*
Wife but no child	70	30	----------
Wife and 1 child	60	40	20
Wife and 2 children	55	45	[1] 25
Wife and 3 or more children	50	50	[1] 30
No wife but 1 child	80	----------	20
No wife but 2 children	70	----------	[1] 30
No wife but 3 or more children	65	----------	[1] 35

[1] Equally divided.

"Apportioned amounts due a wife for herself and children in her custody are paid in one check. If children are not in the wife's custody, their share is paid to the person having custody or to a guardian as determined in each individual case.

"When a veteran who is receiving additional compensation because of dependency of a parent neglects or refuses to contribute to the parent's support, the additional amount may be apportioned and paid directly to the dependent.

"Non-service-connected pensions, payable to permanently and totally disabled veterans of World Wars I and II, are also subject to apportionment.

"Apportionment for a child will continue until he or she is 18 years of age, and until 21 if he or she is enrolled in an approved school before reaching the age of 18 and remains in attendance at an approved school.

"The right of a child to share an apportioned award, even after the mother remarries, is distinct and separate from the mother's right and continues after the remarriage of the mother.

"A wife is entitled to apportionment after an interlocutory decree of divorce has been granted and until the decree becomes final.

"The veteran or his estranged wife and/or his dependent children may apply for relief from the regulations in effect regarding apportionment on account of hardship, etc., but both sides, after they have stated their case in writing, must abide by the judgment of the Veterans' Administration.

"No apportionment of disability benefits will be authorized:

"(a) To a wife found guilty of infidelity by a court, or to children legally adopted by another person, except the amounts specifically authorized by the World War Veterans Act as reenacted by Public Law 141, to be paid to wife and children.

"(b) When a child is not in custody of the disabled person because of the child's entry into active military or naval service.

"(c) Unless and until relationship and dependency are established as required by Veterans' Administration regulations.

"(d) When the disabled veteran or his guardian has been directed by court decree to render support.

"(e) Where the monetary benefit payable is $20 monthly or less.

"(f) Of pension payable under the Economy Act for non-service-connected disability, except as described previously.

"(g) Of any amount in excess of the rate for total disability.

"CIVIL-SERVICE PREFERENCES

"The wife or dependent widowed mother of a veteran suffering with a service-connected disability who, by reason thereof, is himself unable to qualify for a civil-service position may make application for the 10-point preference on a civil-service examination, and would be entitled to the other civil-service preferences, which includes the right to reopen any active register for an examination which would otherwise go to her husband or son.

"The widow or unremarried widowed mother of a deceased veteran is entitled to receive 10 points in addition to her earned rating as to a civil-service examination and to the other preferences granted to veterans as to civil-service examinations, appointments, and retentions.

"The DAV Woman's Auxiliary took an active interest in the adoption of the Veterans' Preference Act and is quite interested in seeing that its provisions are carried out in every instance.

"BURIAL EXPENSES

"The widow, or the next of kin, of a deceased war veteran is entitled to apply for reimbursement of burial expenses, as to the body of the deceased veteran, in an amount not to exceed $150, and is entitled to receive the United States flag used to drape the casket at the funeral, provided that application is made therefor within 2 years after the date of burial of the veteran.

"A $150 burial allowance will also be allowed for all veterans discharged or retired from all branches of the armed forces for a disability incurred in line of duty or in receipt of benefits for a service-connected disability. The veteran must have enlisted before 12 o'clock noon, December 31, 1946.

"The widow may arrange for the body of the veteran to be buried in a national cemetery, and is entitled to receive, from the Department of National Defense, a marble, stone, or bronze headstone or marker for the grave of the veteran.

"Deceased veterans of all wars and peacetime service, who were discharged under conditions other than dishonorable from their last period of service, as well as all persons who die while serving actively in the armed forces, are eligible for burial in national cemeteries free of charge.

"A veteran's wife may be buried in a national cemetery regardless of whether her burial follows or precedes his. Her remains may be interred in the same grave as those of the veteran, or in a separate grave adjoining his, or a grave site assigned to him for his future interment; but the wife's burial, under any circumstances in advance of that of her husband, is only permissible if and when he agrees in writing to be buried with or beside her, irrespective of whether or not he remarries, and consent that in the event that he is not so buried, her remains are to be disinterred and removed from the cemetery without expense to the Government. In the event the veteran husband precedes the wife in death and if she remarries, she forfeits her right to burial with him.

"DEPENDENTS OF DISABLED VETERANS

"Notwithstanding the fact that dependency was recognized by all branches of the armed forces while a man or woman was serving, the living war disabled veteran's dependents have been completely ignored. The DAV auxiliary is doing all within its power to enact H. R. 2716, which is now pending in the Eightieth Congress, the provisions of which will grant additional allowances for dependents, based entirely upon the degree of disability for which such disabled veteran is now receiving compensation.

"Wives and widows of disabled veterans cannot help but be interested in problems of their husbands, and ought, therefore, to be intensely interested in the legislative, employment, and service programs of the DAV and should consequently be interested in helping to build up the membership of the DAV itself, and of its service-giving auxiliary.

"Formed in 1921, the DAV Auxiliary restricts its membership to the wives, widows, daughters, mothers, and sisters of war disabled veterans, both living and dead.

"At the present time this service-giving organization has various chapters scattered throughout the entire United States. Annual membership dues average $3. Mrs. Josephine Jeths, 11330 S. Lowe Street, Chicago 28, Ill., is the national commander.

"The voluntary services freely extended by the DAV Auxiliary have brought hope and cheer to thousands of hospitalized veterans all over the country."

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. CAIN in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BALL (for Mr. TAFT), from the Committee on Labor and Public Welfare:

Lydia M. Zetzsche, and several other candidates for appointment in the Regular Corps of the Public Health Service; and

Paul H. Stevenson, and sundry other candidates for appointment in the Regular Corps of the Public Health Service.

CONFIRMATION OF EXECUTIVE NOMINATIONS

Mr. WHERRY. Mr. President, as in executive session, I ask that the Senate now proceed to the consideration of the nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and the clerk will proceed to state the nominations.

CIVIL AERONAUTICS BOARD

The legislative clerk read the nomination of Joseph J. O'Connell, Jr., of New York, to be a member of the Civil Aeronautics Board for a term of 6 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The legislative clerk read the nomination of Elliot B. Roberts, to be commander in the Coast and Geodetic Survey.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Roswell C. Bolstad to be lieutenant commander in the Coast and Geodetic Survey.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Harley D. Nygren, to be ensign in the Coast and Geodetic Survey.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. WHERRY. Mr. President, I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

Mr. WHERRY. I also ask that the President be notified forthwith of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

SPAIN AND THE MARSHALL PLAN

Mr. CHAVEZ. Mr. President, I am sorry that a greater number of Members of the Senate are not present at this time. However, I am very happy that three members of the Foreign Relations Committee are present, because I wish to call attention to a matter which to my mind is extremely serious.

This afternoon we heard the senior Senator from Illinois [Mr. LUCAS] make a statement. It was a grand statement. I would say that the senior Senator from Illinois contributed something definite to American ideals and American statesmanship and the American way of doing things. It is because I agree with him and because I believe in what he discussed that I wish to call the attention of the Senate generally, and particularly the attention of the three members of the Foreign Relations Committee who are present at this time and are tolerant enough to listen to what I have to say, to a matter which I believe to be most important.

Mr. President, I wish the record kept straight. The main part of the speech of the Senator from Illinois was in regard to fighting communism. I believe in doing that. But, Mr. President, to my mind, the action of the conferees in striking out the amendment to the European recovery program bill which would have included Spain within the Marshall plan was extremely unwise and untimely, and I believe that ultimately it will be regretted by the American people.

Mr. President, these are perilous times. The tension in the world today is greater than that which existed prior to Pearl Harbor. Yet if the United States will only follow a consistent, steady, and unvarying foreign policy, the danger of war will be lessened. It is when a vacillating policy results in unnecessary tension that ordinary incidents become magnified, and will, if not controlled, result in another world conflagration, the horror of which no man can completely envision, and the outcome of which no man can predict.

So, Mr. President, why single out Spain and throw up our hands in horror as if we were dealing with the devil himself? Such action on our part cannot be defended on either moral or logical grounds. Why cannot we be realistic for once and think of ourselves and adopt a policy by which we would come out first?

Spain seems to have gotten along fairly well since she kicked out the Communists, whom we desire to fight, and against whom we talk so much. It seems to me that Spain has done fairly well since she kicked the Communists out of that section of Europe. At the present time she does not owe this country a single cent. She has never defaulted on any of her bank obligations. At the present time she is seeking credits for farm machinery and fertilizer which would help her increase her agricultural production and, in turn would help the remainder of Europe to recover.

Spain is the only nation in western Europe which today is exporting food. Three million tons of foodstuffs are shipped annually from Spain. That amount would be increased to 9,000,000 tons if we would assist her with credits for farm machinery and fertilizer, and that would relieve the strain on our own agricultural production and shipping and would strengthen the economy of the nation which first told the Communists to get out, and when they did not get out, threw them out by the seat of their britches, and has kept them out ever since.

We are fighting communism. So from a moral standpoint, why should we tell the Spanish people or any other people what kind of a government they should have? Mr. President, I do not agree with the Spanish Government. I could not be a Democrat in this country and at the same time agree with the Spanish Government. If I lived in Spain, I might be one of the persons now in jail there, or possibly I would be treated worse than that. There are many Americans who do not agree that a socialistic government is best for Great Britain. Nevertheless, the British people decided in no uncertain terms that the conservative government led by their wartime leader, Winston Churchill, should not continue in office, and they voted the Socialist Party into power, and subsequent elections have confirmed the strength of that party. Simply because we do not agree with that form of government, should we deny to the British people the aid they need for their economic recovery and to enable them to fight world communism?

Mr. President, I cannot see anything democratic in the Government of Turkey or the Government of Greece or the Government of Portugal, and I cannot see that Spain was any more unneutral than Ireland or Sweden during the recent war. At the time when the veto message was being considered today, it was intimated, in parliamentary language, of course, that it was possible that those who would vote to override the veto might be doing so for political reasons. I would not go so far as to say that the aid to Ireland and the aid to Sweden and the aid to Communist Italy were based on politics. Yet we arm and assist Turkey and Greece because they are bulwarks against communism. That is correct.

An invitation was extended to the governments headed by Mr. Stalin, Mr. Dimitrov, Mr. Tito, and Mr. Gottwald to join the European recovery program. They declined the invitation. Nevertheless, the invitation still stands, and I wish to make that record here. On what moral grounds can we justify the dictatorial governments of this crew of international highjackers? But we have not withdrawn the invitation. Probably we are hoping against hope that they will join in the plan. Does the Government in Yugoslavia or the Government in Bulgaria or the Government in Czechoslovakia strike you, Mr. President as being democratic? I should certainly dislike living under the governments of those dictators. These men call our Government Fascist and reactionary. That is what they say. One may pick up any edition of the Washington Star and, by reading the article entitled "What the Russians Are Saying About Us," see that that is what they are saying.

They are sowing the seeds of a new world war by their propaganda, which describes our Government as totally in the hands of Wall Street and the bankers. Would anyone classify those dictators with such advocates of democracy and the republican form of government as Jefferson, Tom Paine, or Carl Ritter?

Mr. President, do you know who first discovered that these men were, as some might say, rascals, international racketeers, whose one thought was world domination? In 1936 the Franco government and the Spanish people were fighting these very same people in the Spanish Civil War. They knew them to be then what we have at this late date discovered them to be, and, thank God, they did something about it. They fought a long and bloody civil war, and Tito, Dimitrov, Gottwald, and the present leaders of the Communist Party in Italy were run out of Spain. In Spain communism was wiped out completely; they have not been back since, and, in my opinion, notwithstanding the fact that I do not agree with the Spanish Government so long as the present Government of Spain continues, they will not be back in Spain. So the only ones who are being pleased now and appeased are the Communists of France, the Communists of Germany, the Communists of Italy, the Communists—the third party—in the United States. That is all that is being accomplished by leaving out Spain.

I referred to the election in Britain. The Spanish people had an election only recently. By common admission, by reports from such reliable American newspapers as the Baltimore Sun, the election was secret and completely free. We hope so. Yet 83 percent of the Spanish people—not 83 percent of the voters, but 83 percent of the Spanish people—voted in favor of the present Spanish Government. Mr. President, I hope you will

carefully read the returns of the election to be held on the 18th of April in Italy, as between the Communist Party and the King—the King of the moment, that is.

Logically, the omission of Spain from the aid program cannot be defended. We all know it cannot be defended. We want to stop communism. Why not help the only country that has stopped communism within its borders—that is, if we mean what we say and do not want to appease the Communists in the United States, in Italy, in Greece, or anywhere else. There are more Communists in France and in Italy than can be found anywhere else, in any Latin-American or Spanish country.

We are hoping and praying that the Communists will lose the election in Italy. I am afraid it is wishful thinking. We know that they number about 40 percent of the electorate in Italy, which country is a beneficiary of this fine piece of work we are doing against communism. France has a large Communist voting population, and incidentally the founder of the French Communist Party, André Marty, was among the many international Communists who were run out of Spain by Franco.

What in God's name is there in Europe to stop the Communist arms if they choose to move? Does anyone in his right mind believe that General Clay with all his ability can stop the Russians with his 250,000 occupation troops? Stalin could have his armies on the Channel and on the Atlantic within 48 hours if he chooses to move and there is nothing on earth capable of stopping the progress of his arms except the English Channel, the Pyrenees, and the Spanish Army. Spain has the only army in western Europe, and Spain and the British Isles are the only bases in Europe available to us if we should get into trouble and have to fight.

I realize that what has been done would be difficult to change at this late hour. I do not claim to be a prophet, but my voice was the first to be lifted in the United States Senate to urge recognition of Franco by this Government, in 1939, not because I liked his government—he is worse than any Republican ever dared be in the United States [laughter]—but on the basis of his overwhelming victory over the forces of international communism. These same forces are once again on the march.

If the truth were known, the only objection to helping Spain further came from Communists, who have more power and more "say" with our Government than those who are trying to carry out what we have in mind in fighting communism. Country after country is falling into their grasp. Austria and Italy are doomed unless we help with something more than election speeches.

Spain stands today as she did in 1936, an unalterable foe of international communism. I do not think this country needs the friendship of any other country when it comes to a show-down, if we have to fight it out; but, nevertheless, it would be well to have Spain's friendship, and we will regret our totally unwarranted action in excluding her from the assistance which would do so much to contribute to the recovery of Europe and to check the further advance of communism.

Mr. GEORGE and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield; and if so, to whom?

Mr. CHAVEZ. I yield first to the Senator from Georgia.

Mr. GEORGE. Mr. President, perhaps I may appropriately respond to my distinguished friend's statement regarding the elimination of Spain from the European recovery program, by this statement: I do not agree now, and I have not for quite a while, with the policy of the United States with respect to Spain. I do not think it can be justified. I know it is not an intelligent policy. But I want to say to the Senator from New Mexico that neither the Senate bill nor the bill agreed to in conference closed the door to Spain; that is to say, it did not exclude Spain from participation in the benefits of the Marshall plan. But inasmuch as the original invitation was made to those nations of western Europe who themselves would meet in conference and as a result thereof canvass their own resources and needs, and make suitable recommendations to us; and since Spain was not invited, or did not participate in that conference, it would seem altogether impossible that we should name Spain as one of the recipient nations under the European recovery program.

I want to assure the Senator that it was not because anyone wanted to appease anyone who was critical of Spain, although perhaps all of us disagree with the form of her government. It was because the European recovery program was conceived to be a means and method of promoting economic recovery of western European nations which were able to cooperate with each other. Since Spain was not in that group and did not participate in the meeting at Paris, we felt it would be entirely improper at least to include Spain by name as a beneficiary in the European recovery program. But the bill which the Senate passed and the conference report which has been agreed to by both Houses today do not close the door to Spain. If Spain, in cooperation and collaboration with the nations of western Europe, is able to reconcile her differences, if any exist, and bring herself into harmony with her sister states, she will be eligible, even under the technical provisions of the European recovery program.

I thought I should say that, Mr. President, because of my very great respect for the distinguished Senator from New Mexico, who is my personal friend.

Mr. CHAVEZ. I want to thank the Senator from Georgia for his remarks. There is not one iota of doubt in my mind as to his sincerity of purpose and his trying to do the right thing; but I call his attention to my statement that it was about time that Uncle Sam should be taking care of his own. Of course Spain was not invited. The Communists in Europe did not want her. If we are sincere regarding these matters, I believe it is wrong to leave Spain out. Under the law she probably can be included.

Congress is supplying $4,600,000,000 to western Europe. Does it belong to the European countries? It does not, but those Communist countries will tell us where it is to be spent. That is the point I am trying to make. I am not interested in Spain as a government, but I am interested in proving to the world that what we are trying to do is to act with sincerity; that when we say we are fighting communism we mean it, and will not be bluffed by any communistic government in Europe. I care not how the people may vote in Italy. We shall not be able to buy them with money. They are still going to be Communists. We cannot influence the Italian election on the 18th of April. So long as they receive the money they will say they are not Communists. But they are. That is also true of Greece and of France. So let us be sincere about these things once in a while, or at least let the American people know exactly how the record stands.

The Washington Star of yesterday contained an editorial entitled "Spain in ERP." In order to carry out the idea which I have tried to express to the Senate I think I should read it. It is a short editorial. It is as follows:

SPAIN IN ERP

The House vote for a gesture toward the inclusion of Spain in the European recovery program has been subjected to two kinds of criticism—rational and emotional.

The soundest criticism concerns the use which the European Communists may make of the House decision.

That is the Washington Star speaking, that is not apt to give impulsive opinions—

It is claimed, for example, that the bid to Franco to return to the democratic family, coming at this time, may swing a million doubtful votes into the Communist column in the forthcoming Italian election.

Because we try to be fair, because we try to carry out an American ideal and an American tradition, the million Communists in Italy will vote the other way. They deserve lots of attention.

If there is any truth to this, then it obviously would be unwise to go through with the invitation to Spain.

Another possibly sound objection is that the calculations which have been made for disbursement of the Marshall plan money would be upset if Spain should become eligible for a share of it. It may be doubted, however, that this presents any immediate problem. As adopted by the House, the proposal is that Spain be admitted only if accepted by the 16 participating nations, and, furthermore, the United States administrator of the program must be satisfied that Spain needs the aid and also that Spain is willing and able to conform to the 16-nation economic program.

In the light of these reservations, the House provision emerges for what it is—a gesture of good will. Perhaps the Communists will be able to make some propaganda capital out of it, but it is most unlikely that acceptance by the Senate would upset the timetable for the first year of the Marshall plan's operation.

The emotional criticism runs to the complaint that Franco is a dictator and that he is hostile to the democracies in his sympathies.

I might possibly agree with that. I think we have some members of the third party in our own country who are hostile to democracy.

Perhaps this is true. But it is not relevant to the real question.

In the first place, Russia and her satellites were invited, even urged, to come in on the program, and they would be welcomed today as participants. Are Stalin, Tito, Dimitrov, and company any less dictatorial in their rule than Franco? Are they not at least equally as hostile to democracy? If Franco should be barred on this ground, the others should never have been invited in.

Beyond this, however, there is the more important point that Spain would be a useful ally—

I maintain that we can get more cooperation and more genuine sincerity of purpose in Spain than we can in Italy and France put together—

that Spain would be a useful ally, both economically and strategically, in our struggle with communism. In the tight spot that we are in we have to look to the future, not to the past. If Spain, when all of the considerations are balanced, can be helpful—

And that is the point I want to make—

in the effort to check the spread of communism, that fact, and not emotional ideology, should govern our decision.

Mr. President, I believe that is a good editorial. It is in keeping with what the Senator from Illinois had in mind with regard to helping western Europe.

RESPONSIBILITY OF THE UNITED NATIONS IN SOLVING INTERNATIONAL PROBLEMS

Mr. MORSE obtained the floor.

Mr. FLANDERS. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. FLANDERS. Mr. President, 2 weeks ago in this place the junior Senator from Vermont presented a resolution requesting the President to take steps to call together the General Assembly of the United Nations, in order that it might consider the actions taken by the United States and the so-called western nations on the one hand and the Union of Soviet Socialist Republics and the governments of its so-called satellites on the other, and the effects of these actions on the maintenance of world peace and the principles of the charter of the United Nations.

Events have moved rapidly since then. Finland is being slowly sucked into the Communist whirlpool. Within the past 36 hours the Russians have started their campaign for pinching off the connections between the western nations and the areas assigned to them in Berlin. Events move fast. Our actions are slow and one-sided. We become the hapless sport of destiny instead of its master.

Mr. President, our fundamental error, in which we have persisted for many months, has been in relying on military means alone to solve the grave problem which we face. Higher and higher we have piled our stack of military chips. Louder and louder have been our protestations of military strength. Longer and stronger has gone our military support to friendly nations on the fringe of the Russian sphere.

Only in late months have we deployed our forces on the economic front. Today, and perhaps too late, we are authorizing a full occupation and exploitation of that front, but with the knowledge in our hearts that the military situation may outflank it and submerge it.

Yet today and for months and years past we offer no defense, let alone offense, on the political front, along which our adversary has so inexpensively and so efficiently made its advances. It takes but little hindsight to convince us that this front has been neglected. May I, Mr. President, call the attention of this body to the fact that for two of its Members, at least, that hindsight which we now all possess existed as prophetic foresight nearly a year ago?

The first Greek and Turkish loan is clear in our memories. We all voted it reluctantly. We were disturbed at the bypassing of the United Nations in this undertaking. Only the deep concern and ingenuity of the distinguished chairman of the Foreign Relations Committee established a formal postnatal connection with what should have been the parent body.

At that time the respected senior Senator from Virginia [Mr. BYRD] realized perhaps more keenly than any of us the morass into which we were moving. He submitted Senate Resolution 101, which read:

Resolved, That it is the sense of the Senate that the United States Representative to the United Nations Organization bring before the United Nations Organization immediately, for its immediate consideration, the present problems which have arisen with respect to Greece and Turkey with a view to having said organization take such action with respect to such problems as it may deem necessary for the immediate solution thereof.

Another Senator, the distinguished junior Senator from Utah [Mr. WATKINS], supported that resolution with his maiden speech on the floor of the Senate on April 22, 1947. He wanted to know why, with the declarations of the Atlantic Charter and the purposes of the United Nations as clear commitments on the part of the United Kingdom, the Soviet and ourselves, the questions which had arisen between these nations and which were troubling the whole earth were not brought before the Assembly of the United Nations. Mr. President, I ask that question again today. We have seen the world situation disintegrate. We have seen what we used to call the great powers, with their engines stilled and their rudders unhung, drifting into collision with each other in a tempestuous sea.

Mr. President, what is the United Nations for, anyway? I read from article 1.

To maintain international peace and security, and to that end to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace.

Is it not incredible, is it not indefensible, is it not outrageous and not to be suffered longer that the situation now existing should be hurrying to its fateful conclusion outside the authority, outside the influence, outside the official knowledge of the organization set up to bring such global disasters within human control?

Mr. President, I raise my voice today and shall continue to raise my voice until this Nation grasps the available weapon for waging and establishing peace—a weapon which we ourselves largely fashioned and which we are now allowing to rust in a discarded scabbard. I ask early action by the Foreign Relations Committee on Senate Concurrent Resolution 47, introduced on this floor 2 weeks ago today.

Mr. MORSE. Mr. President, I wish to say to the distinguished Senator from Vermont that I would have been very happy to join him in the United Nations resolution if I had had opportunity to do so. I certainly second everything the Senator has just said in the brief remarks he has delivered regarding the United Nations.

Mr. FLANDERS. Mr. President, I ask the Senator from Oregon whether he may not from time to time join in any voices which may be raised in pursuance of the purpose of the resolution?

Mr. MORSE. I certainly shall give it my full support.

Mr. FLANDERS. I thank the Senator.

RELEASE OF POWER FROM SHASTA DAM

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nevada?

Mr. MORSE. What is the purpose of the Senator from Nevada in asking me to yield?

Mr. McCARRAN. So that I may make a brief statement.

Mr. MORSE. I yield.

Mr. McCARRAN. Mr. President, on Monday morning of this week I gave to the press a statement calling for immediate action by the Bureau of Reclamation to release additional power from Shasta Dam for the purpose of relieving the stringent power shortage in northern California and northern and western Nevada.

Because it will save repetition, and at the same time lay the proper foundation for what I am about to say, I ask unanimous consent that the statement which I issued last Monday morning may be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR M'CARRAN

The central Pacific coast area, particularly California and northern and western Nevada, is now entering its third dry season, having had 27 consecutive months of unusually dry weather.

As a result rivers in this area are at a very low stage and the snow cover in mountainous regions of the area is far below normal.

Underground water tables have fallen and the difficulties of obtaining water by pumping are increasing.

This prolonged drought has led to a serious power shortage throughout the area, particularly in northern California and northern and western Nevada. This power short-

age has made necessary emergency action by the public utilities commissions of California and Nevada, including the appointment of an emergency power director in California and the issuance, in both California and Nevada, of orders and regulations prohibiting or severely restricting the use of electrical energy for outdoor advertising, for exterior illumination on commercial and public buildings, for new electric ranges or water heaters in residences and new space heaters and air-conditioning units in living and working areas, for general business and industrial use, and for agricultural irrigation pumping and other agricultural purposes.

The restrictions already necessarily imposed upon power for ranges, water heaters, space heating, and air conditioning are hampering efforts to complete the construction of new housing.

Restrictions imposed upon the use of power for agricultural purposes threatens to interfere disastrously with the production of needed crops.

Normal conduct of many businesses and industries in the area has been rendered temporarily impossible.

The welfare of more than 10,000,000 persons is directly affected, and whatever can be done to alleviate the situation should be done with all possible speed.

The Pacific Gas & Electric Co. serves all of northern and central California, and has for many years supplied an appreciable portion of the power used in northern and western Nevada. They have quite recently expanded and extended their contract with the Sierra Pacific Power Co. to supply substantially larger blocks of power to Nevada at appreciably lower rates.

Power from the Shasta plant of the Central Valley project in California became available in June 1944. The Pacific Gas & Electric Co. has purchased every bit of energy available from this great project. It has supplied to the people of California and Nevada more than 4,000,000,000 kilowatt-hours of this power for which it has paid the Government over $11,000,000. The Pacific Gas & Electric Co. makes no profit on the power it purchases from the Shasta project and can make none because the California Utilities Commission permits this company a return only on the investment it makes itself in its own facilities.

In statements made before the Senate Interior Appropriations Subcommittee, of which I have been a member for many years, the Pacific Gas & Electric Co. has repeatedly indicated its willingness to provide an immediate market for all power ever to be made available from the Shasta project, and has agreed to pay a price set by the appropriate Government agency.

Substantial amounts of additional power—power so desperately needed in California and Nevada—could be made available at once from this Government project by release of additional water. Demands for irrigation will require release of additional water by or before April 15. When that water is released, the full amount of additional power which then can be produced must be made available to the people in the power-shortage area of California and Nevada.

The Governor of California has publicly stated that the Pacific Gas & Electric Co. is the only possible taker of Shasta power since it is the only one with facilities in place to transmit and distribute it. The company is willing and ready to take this power.

However, the Bureau of Reclamation and the Interior Department continue to insist that before they will make this additional power available to northern California and Nevada, the Pacific Gas & Electric Co. must agree to carry this power as agent of the Bureau of Reclamation, to customers which the Bureau proposes to take away from the company, thus putting the Bureau further into the power-distribution business in competition with private industry.

The Bureau of Reclamation now has one line extending between Shasta Dam and Shasta substation over which some 160,000 kilowatts of power are being delivered to the Pacific Gas & Electric Co. The Bureau says another 75,000 kilowatts will be available at Shasta around April 15. The Pacific Gas & Electric Co. stated in its testimony before the California Public Utilities Commission on March 12 that its engineers are convinced that 70,000 kilowatts of this new power can be transmitted over the Bureau's present line to Shasta substation where the Pacific Gas & Electric Co. has all required facilities to transmit it to points of use. It is my position that the Bureau of Reclamation should be forced to release this additional power the instant it is available.

As a matter of fact, because of the delay on the part of the Bureau of Reclamation in getting the new generators in operation, the Bureau must accept partial responsibility for failing to meet the present power shortage. Two units with total capacity of at least 150,000 kilowatts were loaned by Shasta to Grand Coulee for use during the war. In the early part of 1946 they were returned to Shasta and should have been in operation last summer. One is now promised for use April 15 and the second several months from now—almost a year later than scheduled. I am told that during this same period—from the spring of 1946 to the spring of 1948—which it took the Bureau of Reclamation merely to recondition and install the units moved from Coulee, the Pacific Gas & Electric Co. will have built a completely new major plant from the ground up.

In July of last year the Congress provided the Bureau of Reclamation with $1,500,000 for transmission lines extending from Shasta Dam to Shasta substation. These lines will have all the transmission capacity the Bureau will ever need to market all the power ever to be produced at Shasta and Keswick Dams.

I am reliably informed that the Bureau of Reclamation is not building these lines along the shortest and most direct route, about 25 miles in length, but along a route some 7 miles longer than the route of the Bureau's present line. The Bureau of Reclamation must be called upon to explain why this is being done, and why, even though the Bureau has had the money for these lines for about 9 months, they have on questioning recently admitted these lines were only about 15 percent complete.

By this attitude and espoused policy, the Bureau of Reclamation is attempting to set up and establish a bureaucratic autocracy over the territory and the private industries which will be served by this power. They are trying to build themselves up by taking advantage of this emergency.

This policy, espoused by the Bureau of Reclamation under and by authority of the Deparatment of the Interior, and implemented by refusal to deliver power to the proper distributor, is working and will work irreparable damage and injury to private industry of all kinds in the natural service area of Shasta power, including northern California and northern and western Nevada.

The Committee on Appropriations has reported the various appropriations bills providing money for the construction of the Shasta Dam and for the maintenance and operation of the Shasta power plant and the necessary transmission lines to get the power to Shasta substation, where Pacific Gas & Electric Co. now has ample facilities for transmitting to market all power ever to be produced at Shasta and Keswick Dams.

The committee is now being asked to appropriate, for the coming fiscal year for operation of the power division of the Department of the Interior, which advises the Bureau of Reclamation with respect to its power policies and functions, and for the operation of the Bureau of Reclamation, which directly controls the power produced from the Shasta and Keswick power plants.

It will be the duty of the committee to determine what appropriations if any should be made for power lines, interchange, and other works to make possible additional distribution of Shasta power.

The committee does not, I feel sure, favor putting the Bureau of Reclamation or the Department of the Interior any further into the business of distributing and selling power in competition with private industry.

Transmission lines do not produce power. It takes generators to do that.

Congress has supplied the Bureau of Reclamation with the money for the plants and for lines to market the power. The Bureau is far behind in completing both these jobs, much to the disadvantage of the people in California and Nevada.

The Bureau has had much to say in the press lately about preference to public agencies and provisions of reclamation law. Reclamation law states simply that in the sale or lease of Government power preference shall be given to municipalities and other public bodies. Certainly this cannot be construed to mean that the Bureau can force a private company to carry power over its lines to customers the Bureau intends to take away from the private distributor. The Bureau is using the present emergency to try to force the people of California and Nevada to agree to provisions and edicts which will be a step toward socialization of the power industry in northern California and northern and western Nevada.

I call upon the Bureau, and the Department of the Interior, to abandon this destructive and self-seeking policy; and, in no case later than April 15, to make all the additional power that can be generated at Shasta Dam available to the people of California and Nevada by turning it over to the Pacific Gas & Electric Co. at Shasta substation, under the present contract or an extension thereof.

Mr. McCARRAN. Mr. President, on Monday afternoon of this week, only a few hours after I had issued that statement, the Bureau of Reclamation agreed, at a meeting in San Francisco, before the California Public Utilities Commission, to deliver the additional power soon to be available from Shasta, into the Pacific Gas & Electric Co. system, which provides power to northern and central California and parts of Nevada. I do not contend that the statement which I issued in the morning was in any way responsible for the action taken in the afternoon.

The point to which I wish to call the attention of the Senate is that the Bureau of Reclamation, though it did agree to deliver additional Shasta power into the hands of the only logical distributor of such power, nevertheless refused—the Bureau refused—to enter into any contract for delivery of this additional power. On the contrary, the Bureau of Reclamation promised the available additional power from Shasta Dam on a day-to-day basis only, though on the same basis, with respect to cost, as that provided in the present contract between the Bureau of Reclamation and the Pacific Gas & Electric Co., which expires at the end of this year.

To even this much, in my opinion, the Bureau of Reclamation would not have agreed except for the tremendous pressure of public opinion and the untenability of the Bureau's position. But this

agreement is not enough. Not only does it lack permanency, but the very insistence of the Bureau of Reclamation that the agreement should be on a temporary, day-to-day basis, and without commitments for the future, makes it obvious that the Bureau, while bowing to logic and the weight of public opinion at the moment, still cherishes the idea and the intention of again advancing and asserting, at some later date, its scheme for getting both feet into the power distribution business in California and Nevada through an ultimate refusal to release Shasta power except upon the Bureau's own terms.

In my opinion, the Bureau of Reclamation should be called upon to enter promptly into a permanent contract agreement with respect to this additional power which would cover furnishing the power on the same basis as that provided in the present contract between the Bureau and the Pacific Gas & Electric Co.

COMPENSATION TO VETERANS TRAINING ON THE JOB—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans' Regulation No. 1 (a), as amended.

Mr. MORSE. Mr. President, I shall now proceed for a few minutes to discuss the conference report on Senate bill 1393, which is the unfinished business before the Senate.

I have agreed with the Senator from Nebraska and others that final action on the conference report shall go over until next week, the date to be fixed by the Senator from Nebraska. I have entered into that agreement because the Senator from Ohio [Mr. TAFT], who raised the point of order in regard to the conference report, found it necessary to leave the Senate late this afternoon, and he will not be back until some time after the first part of next week.

It is always my desire to cooperate with individuals both on my side and on the opposite side of any issue on which I find myself. But I do not want the RECORD closed today, Mr. President, without this brief statement, which I shall endeavor to make as crystal clear as I am capable of making it on the issue I have with the Presiding Officer of the Senate, insofar as his ruling on the conference report earlier in the day is concerned. I want to say to the Members of the Senate that the issue involved in the ruling is of great importance to each one of us insofar as our rights and privileges under the Reorganization Act are concerned with our duties and jurisdiction as conferees on conference committees.

My appeal from the decision of the Chair goes to the merits of this issue, and I hope that Members of the Senate will look at the merits of the issue and vote accordingly. I am disturbed about what is told me in the cloakrooms today. Several Senators have come to me and said that the motivating force which will determine the vote when we come to vote on the matter will not be the merits of my position on the issue. They have said in effect, "You know, WAYNE, it is awfully hard to get people to overrule the Presiding Officer of the Senate. As a matter of courtesy they are inclined to vote to sustain his rulings, even though as in this case, many of them may be satisfied that he is dead wrong."

No one has a greater affection or a higher regard or a deeper respect for the President pro tempore of this body than does the junior Senator from Oregon, but I want to say to my colleagues in the Senate that it is my honest opinion that the President pro tempore of the Senate [Mr. VANDENBERG] is clearly wrong in his ruling, and I think that when he is wrong he should be reversed. I think if Senators will go into the merits of the matter they will find that the ruling handed down by the President pro tempore of the Senate is one which, in the interest of the Reorganization Act and in the interest of the rights of the Members of the Senate, and in the interest of future work of conference committees, should be overruled.

I want to point out what has happened in this matter. The Senate passed Senate bill 1393. Senate bill 1393 sought to amend only part of the basic so-called GI bill of 1944, dealing with on-the-job ceilings. We proposed in our amendment to change the amount of the ceilings from $175 for single veterans to $200, and from $200 for married veterans to $250. So all we did was amend the proviso clause of paragraph (6) of section 400 (b) of Public Law 346 of the Seventy-eighth Congress, which is the basic act. But that is not what the House of Representatives did, Mr. President, when S. 1393 reached the House of Representatives. What the House of Representatives proposed to do and proceeded to do was to amend not only the proviso clause of the basic law, but it amended other portions of paragraph (6) of section 400 (b) of the basic act. And unless the Presiding Officer of the Senate can find some eraser, Mr. President, that will erase the clear meaning of the language in the House bill which I am now going to read into the RECORD then I say he cannot sustain his ruling that what we have done in the conference report is to include new matter or material that is not germane to the two bills which were before us for reconcilement through conference.

I shall read the language of the House bill. What the House did was to strike all the language of Senate bill 1393, after the enacting clause, and insert the following language by way of an amendment to paragraph (6) of section 400 (b) of the basic law:

> While enrolled in and pursuing a course under this part, * * * such person, upon application to the Administrator, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding 30 days in a calendar year.

I say, Mr. President, that the language "subsistence allowance" and the figures relating to subsistence, placed before the conference committee the question of subsistence, and gave us jurisdiction to consider the subsistence issue. I do not know any way of escaping that fact, Mr. President.

Listen now to some more language of the House bill:

> Such person attending a course on a part-time basis, and such person receiving compensation for productive labor whether performed as part of his apprentice or other training on-the-job at institutions, business or other establishments, or otherwise, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances as may be determined by the Administrator: *Provided—*

Then the House proceeds with language that deals with on-the-job ceilings. But the language preceding the proviso clause—and the Senate bill dealt only with the proviso clause—the language preceding the proviso clause in the House bill dealt with subsistence allowances and dealt with attending courses on a part-time basis.

Now, Mr. President, what was wrong with the House bill from the standpoint of the task that confronted the conference committee in reconciling these two bills which were before us? Had we adopted the House bill—and no one certainly will deny that we would not have had the right to adopt the House bill—it would have had the effect of repealing the subsistence allowance increases of Public Law 411, passed on February 14, 1948. I say that because the figures in Public Law 411 passed by the Congress on February 14, 1948, were not figures of $65 and $90 respectively, but figures of $75, $105, and $120. On the very first day of our conference, Mr. President, we saw at once that we could not reconcile this first section of the House bill with what had already happened in regard to subsistence, namely, subsistence as set out in Public Law 411. Hence we said, "Well, we must try to reconcile this bill with the law already on the books," because when the House came to amend the basic law it did not amend the basic law on the basis of Public Law 411, but went back to the old basic law No. 426 of the Seventy-eighth Congress of 1944.

Now, for my good friend the Senator from Ohio [Mr. TAFT] to point out that the House just did not recognize the mistake it made is no answer to my argument at all. It is not for us in the Senate to try to determine what the intentions or the motives of the House were. The fact is the House on this subject sent us a bill containing a section on subsistence as well as on ceilings. We found ourselves in disagreement with the House, and I repeat the House bill contained reference to questions relating to and regulations of subsistence allowance both on a full-time and a part-time basis, as well as reference to ceilings. I am at a complete loss to understand how it can be argued by the President of the Senate that a House bill which specifically sought to amend the basic law as to subsistence and as to allowance for courses of study on a part-time basis failed to give us jurisdiction under the Reorganization Act, either by way of a substitute bill or by way of modifications over the issue of subsistence allowances set out in the House bill. Until we can

read out of the House bill the words "subsistence allowance" and the words "attending a course on a part-time basis" then the ruling of the Presiding Officer of the Senate today has no merit, in my judgment.

In conference we were confronted with the task of reconciling the differences between the law as proposed by way of amendment by the House and the law then existing, including Public Law 411, which was not referred to by the House in its bill; but rather the House put figures in its bill which could not be reconciled with Public Law 411. This question arose on the first day of the conference. As I recalled to the Senator from Ohio this afternoon—and it was verified by the Senator from Utah [Mr. THOMAS], and will be verified next week by the Senator from Alabama [Mr. HILL], the question of germaneness of the subsistence issue arose on the first day of the conference, and we argued the question pro and con.

Finally it was agreed that it was germane for us to proceed to consider subsistence allowance matters under the two bills, and that is what we did. We were in deadlock for several days. I proposed certain figures with respect to on-the-job ceilings. Those figures were finally adopted with one minor change, as I recall, and they appear in the final conference report. But once having the authority, as I think we clearly had, to start dealing with subsistence, then we had the right under the Reorganization Act to offer the amendments or proposals which we offered with regard to part-time training, because the act provides that a conference committee has the right to propose a substitute on the same subject matter, or it has the right to make germane modifications of the subject matter in disagreement. Once having started on the subsistence issue, then we certainly had the right to offer the amendments which we offered with regard to part-time training. We could not have reached an agreement on ceilings as continued in the Senate bill unless we reached an agreement on subsistence as raised by the House bill.

Earlier today the Senator from Ohio asked me if it was not true that neither the House bill nor the Senate bill proposed any increases in subsistence. That is true. But the point to which I should like to invite the attention of the Senator from Ohio once more, so that he may study it and answer it when he returns, is that when the House proposed in its bill subsistence allowances of $65 and $90, which were less than were provided for in the law at that time we automatically had the entire subsistence issue within our jurisdiction as conferees. We must not forget that the law at the time of the conference, and the law as it still exists, including Public Law 411, provided subsistence allowances of $75, $105, and $120—but the House bill in part reduced those allowances for subsistence to $65 and $90.

I should like to know what answer can be made to that argument. There is no doubt about the fact that the provision of the House bill which proposed subsistence allowances of $65 a month for single veterans and $90 a month for married veterans was a change from the present law. For the Senator from Ohio to say that the House was not aware of the fact that it was making any change in Public Law 411 does not in any way support his position on the ruling handed down by the Chair, because the fact is that this is the bill which the House gave us. The fact is that the literal meaning of that bill, the only meaning which can be given to that bill, is a meaning which recognizes a change in the subsistence allowance passed by the House, different from, and in this instance less than, the subsistence allowance in the basic law as amended by Public Law 411.

Mr. SPARKMAN. Mr. President, I should like to propound some questions to the Senator from Oregon, if I may.

Mr. MORSE. I shall be glad to answer them if I can.

Mr. SPARKMAN. I was hopeful that the appeal from the ruling of the Chair would come to a vote this afternoon, in order that I might be present to vote in favor of the appeal, in line with the argument of the able Senator from Oregon. I understand that the vote will go over until next week, when I shall not have the privilege of being present.

I should like to ask the Senator from Oregon if this is not true: If the ruling of the Chair is sustained, will we not then be in the position of saying to the House that its action was illegal, that it had no right to do what it did, and that it did not know what it was doing when it did it?

Mr. MORSE. I would not say that such action would amount to saying to the House that its action was illegal.

Mr. SPARKMAN. I should not have used the word "illegal." Let us say contrary to the rules.

Mr. MORSE. I think that if we sustain the ruling of the Chair and turn down this conference report, it will amount to saying to the House, "Either accept the Senate bill and the figures proposed by the Senate conferees with respect to on-the-job training ceilings, or you will get no bill."

Mr. SPARKMAN. That was another question which I was about to ask the Senator. Is it not true that the very fate of this bill hangs on the ruling of the Chair? Does the Senator believe that if this ruling is sustained we shall be able to get legislation?

Mr. MORSE. It is my sincere judgment that if the ruling of the Chair is sustained, we shall have lost any chance of getting legislation on this subject this year. If I am correctly informed by Members of the House, they feel that this bill is a proper, equitable, and fair reconciliation of the differences between the House and the Senate. They feel that the Senate conferees who signed the report ought to be sustained because of the hard work which they devoted to this question in bringing the two groups together and because their position is sound on the merits.

Mr. SPARKMAN. If we adhere to the ruling of the Chair the result will be, will it not, that we shall not be giving the relief for which the veterans have been asking for lo, these many months?

Mr. MORSE. That is my personal opinion.

Mr. SPARKMAN. We feel that they are entitled to such relief.

Mr. MORSE. That is my personal opinion.

Mr. SPARKMAN. Let me say to the able Senator from Oregon that I believe that the arguments which he has presented here today are exactly in point. They are sound from every standpoint. I regret that I shall not be able to be present when the question comes to a vote, so that I might vote with him. I am trying to arrange a live pair, in order that I may be recorded in favor of the conference report as the able Senator from Oregon has presented it.

Mr. MORSE. I thank the Senator from Alabama.

Mr. BALL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BALL. I think it would be very unfortunate if the statement were left in the RECORD that sustaining the point of order and the ruling of the Chair would eliminate any chance of legislation on the question of on-the-job ceilings, which was the major question dealt with by both the House and Senate. If I am correctly informed, the parliamentary situation is this: If the ruling of the Chair should be sustained, then a motion for the Senate to insist on its amendments, refuse to concur in the House changes, and ask for another conference would be perfectly in order. To say that the bill will be defeated simply because the House takes the adamant position that it will not yield to the Senate on any point unless the Senate agrees to violate its own rules and include matter which should not have been included under the rules of the Senate, it seems to me is an untenable position to take.

I am sure the Senator from Oregon did not intend to imply that the other House would defeat legislation by that kind of tactic.

Mr. MORSE. Mr. President, if the Senator from Minnesota has any misunderstanding as to what I intend, I certainly wish to make my intention very clear right now. My sincere opinion is that if we sustain the ruling of the Chair, we shall have an impossible obstacle to overcome in another conference on this proposed legislation, because sustaining the Chair on this matter would be sustaining the Chair in the commission of what I think is a clear error under the rules of the Senate.

I do not agree with the Senator from Minnesota that the Chair has issued a correct ruling. My argument is that the House had a perfect right to pass the bill that it passed. It had a perfect right to amend the basic law by amending the language preceding the proviso clause. It had a perfect right to deal with the subsistence issue along with the ceiling issue. That is what the House did. It sent us a bill that amended the basic law, including the language preceding the proviso clause of paragraph 6, section 400 (b) of the basic law. We cannot escape that fact, Mr. President. The House bill constitutes an amendment of that language. I clearly dealt

with the subsistence issue and the Senator from Minnesota cannot erase that part from the House bill no matter how hard he tries. The House bill cannot be reconciled with the existing law at the time, because it does not refer to or include the subsistence figures of Public Law 411. It substituted other figures—other figures on what? Other figures on subsistence. The moment it put in other figures on subsistence and the moment it put in language on a course of training on a part-time basis, its bill was dealing with subsistence. Once subsistence became a part of the House bill, then it fell within the jurisdiction, I repeat, of the Senate conferees to proceed to modify the subsistence provisions in accordance with the modification the conferees made.

I wish to close my argument by pointing out what that modification is. The modification includes part-time training and institutional, on-the-farm training, and provides that the subsistence allowances referred to in the House bill shall be prorated to these part-time trainees on the basis of a formula of the number of hours they spend in their course of study in relation to the number of hours in a full-time course of study.

So I say the issue is just this simple, Mr. President; I do not know how I can put it any clearer than this: Did the House bill refer to subsistence? Did it refer to part-time training courses?

Mr. President, the language shows clearly that it did. If the House bill referred to subsistence and to part-time training courses, then the subsistence issue and these part-time trainees fell within the jurisdiction of the conferees. The conferees then had a right to proceed to consider the whole question of subsistence, and either to increase it or decrease it or modify it in other respects. We certainly had the clear duty of modifying the subsistence figures of the House of Representatives in providing, as it did in its bill, for an amendment of the old basic law so as to provide for a subsistence allowance in an amount less than the amount provided for in Public Law 411. That was admitted on the first day of the conference. It was agreed that we had to do something about the subsistence figures in the House bill. It was agreed that if the first section of the House bill were to stand, it would have the effect of repealing Public Law 411. Why? Because of a very elementary principle of law that when Congress passes two inconsistent statutes, the statute which is last passed is the one that will prevail.

In this instance, the figures on subsistence, if we were to adopt the House bill, would be $65 and $90, and not $75, $105, and $120.

So we had to reconcile that situation with Public Law 411. When we had the right to do that—and that right was admitted on the first day of the conference—then we had the right, both because of germaneness and the power to amend by way of a substitute, to bring ourselves into agreement on what we were going to do about these part-time trainees who felt they were being discriminated against because not any of the increase was going to go to them.

That is the case in a nutshell or, at least, as clearly as I can state it. That is the issue on which the Senate will have to vote when the time comes to vote on the question of sustaining the decision of the Chair.

Mr. GEORGE. Mr. President, on account of a serious illness in the family, I ask unanimous consent to have leave of absence from the Senate next week.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. GEORGE. Before I leave, I wish to express regret that I shall not be here to vote on the question of the appeal from the decision of the Chair, which has just been discussed by the Senator from Oregon. I do not attempt to discuss it now, Mr. President. My opinion is that while the Chair's ruling might be narrowly and technically justified, yet it is not in harmony with the rule which ought to be applied in this case, and that inasmuch as the broad subject-matter of subsistence pay and part-time pay has been dealt with by either the House bill or the Senate bill—I understand it was dealt with by the House bill—then that question necessarily is in the conference, and that under any fair and broad application of the rules, this appeal should be sustained.

It is much like providing for a change in subsistence allowance for a particular group of Federal employees under the Civil Service system—for instance, the group in CAF–4. When we touch that basic law with respect to their allowances, of necessity we must keep a balance between all respective grades in the Civil Service system. That is precisely this situation, as I see it, in principle.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, it appears that the debate on the conference report on Senate bill 1393, which now is the unfinished business, and which has been so ably debated this afternoon, will not be concluded until all Senators on both sides of the case who are interested in it have an opportunity again to submit their views.

For that reason, the Senator from Ohio [Mr. TAFT] and the distinguished Senator from Oregon [Mr. MORSE], who met this afternoon with the acting majority leader, have agreed to ask the Senate to continue the conference report on Senate bill 1393 as the unfinished business, and that until Senators who would like to be heard on it and vote on it may return—which may not even be next week, although I hope it will be—or until some further arrangement can be made, it shall be the unfinished business, and may be displaced by unanimous consent only for the consideration of other proposed legislation.

Is that about the agreement we had?

Mr. MORSE. Yes.

The PRESIDING OFFICER. Does the Chair correctly understand that the Senator from Nebraska is proposing a unanimous-consent request for the continuation of the conference report on Senate bill 1393 as the unfinished business?

Mr. WHERRY. No, Mr. President; that does not require a unanimous-consent request.

The PRESIDING OFFICER. Very well.

DAYLIGHT-SAVING TIME IN THE DISTRICT OF COLUMBIA

Mr. WHERRY. Mr. President, in view of the fact that the conference report on Senate bill 1393 is the unfinished business, rather than to displace it—because an arrangement might be made for its consideration either early next week or late next week and it is the desire to have it remain the unfinished business—I now ask unanimous consent that it be temporarily laid aside for the consideration of Senate bill 1481, Calendar 485, the so-called District of Columbia daylight-saving-time bill. I now ask unanimous consent that that bill be made the unfinished business.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. HATCH. Is that agreeable to the Senator from Florida?

Mr. ELLENDER. Is it agreeable to my colleague?

Mr. WHERRY. Yes.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1481) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

LEGISLATIVE PROGRAM—RECESS TO TUESDAY

Mr. WHERRY. Mr. President, before moving a recess I should like to make an announcement. In the event the consideration of the daylight-savings bill is concluded on our next meeting day at an early hour, I advise the Members of the Senate that it is the purpose to make Calendar No. 1017, Senate bill 2287, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes, the pending business following the daylight-savings bill. My only reason for mentioning it is that I like to keep the Senate informed at least 2 or 3 days ahead, so Senators may know what will be brought up for consideration.

On Tuesday, if the Senate recesses until next Tuesday, in the event consideration of both those bills is concluded, House bill 296, which has not yet been reported to the calendar but which is expected to be reported on Monday, should be brought up next in order, if agreeable to Members of the Senate. It is a bill which has to do, I understand, with social-security benefits, freezing the rates, and status quo. I make this statement in order that the Senate may be advised of the measures to be considered on next Tuesday and Wednesday.

Mr. HATCH. Has the Senator from Nebraska consulted with the Senator from Kentucky [Mr. BARKLEY]?

Mr. WHERRY. Yes.

Mr. HATCH. And is the program announced agreeable to him?

Mr. WHERRY. In fact, I submitted a complete calendar of several bills to the minority leader, who expects to be absent all of next week. These bills are not controversial.

Mr. HATCH. Has the Senator agreed to them?

Mr. WHERRY. No. He agreed that any of the measures I have indicated could be brought up next week. He did not agree to give unanimous consent for their consideration. I did not ask that, as I did not think it necessary. But I am satisfied the arrangement will be perfectly agreeable to the minority leader.

Mr. HATCH. But the Senator from Kentucky understood the program, did he?

Mr. WHERRY. Yes; no doubt of it.

Mr. HATCH. That is all I wanted to know.

Mr. WHERRY. Mr. President, the Senate is pretty well caught up on its calendars. With the exception of a treaty, we have cleared the Executive Calendar. With the exception of old bills, the Legislative Calendar, from the point where it was last considered on March 29, has, I think, only about a dozen bills on it. It is not my purpose therefore to ask for a call of the Legislative Calendar until the Senate convenes next week and after proper notice. There are not very many bills on the calendar. I think notice to this effect should be given to Senators.

Mr. President, having in mind that our calendars are pretty well cleared, and in view of the fact that there is much important legislation now under consideration by the Appropriations and the Armed Services Committees, I move that the Senate recess until Tuesday next at noon.

The motion was agreed to; and (at 5 o'clock and 44 minutes p. m.) the Senate took a recess until Tuesday, April 6, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, April 2 (legislative day of March 29), 1948:

UNITED STATES DISTRICT JUDGE

Wilson Warlick, of North Carolina, to be United States district judge for the western district of North Carolina, vice Hon. Edwin Y. Webb, retired.

UNITED STATES ATTORNEY

Brian S. Odem, of Texas, to be United States attorney for the southern district of Texas. (Mr. Odem is now serving in this office under an appointment which expires May 9, 1948.)

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidate for appointment in the Regular Corps of the Public Health Service:

To be medical director (equivalent to the Army rank of colonel), effective date of acceptance:

Sanford M. Rosenthal

CONFIRMATIONS

Executive nominations confirmed by the Senate April 2 (legislative day of March 29), 1948:

CIVIL AERONAUTICS BOARD

Joseph J. O'Connell, Jr., to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1953.

COAST AND GEODETIC SURVEY

Elliott B. Roberts, to be a commander in the Coast and Geodetic Survey, to rank from March 1, 1948.

Roswell C. Bolstad, to be a lieutenant commander in the Coast and Geodetic Survey, to rank from March 1, 1948.

Harley D. Nygren, to be an ensign in the Coast and Geodetic Survey, from March 8, 1948.

POSTMASTERS

MARYLAND

Charles A. Snavely, Baldwin.
C. Gorman Griffith, Gaithersburg.
Calvin Burns, Grasonville.
Milton W. Corkran, Mount Wilson.
William E. Spoerlein, Oakland.
Joseph B. Rawson, Salisbury.
Edward P. Harris, Snow Hill.
Maybelle R. Baker, Union Bridge.

NEW MEXICO

Alorie V. Young, Hollywood.
Mary L. Mitchell, Oil Center.
Antonio J. Trujillo, Questa.
Paul Madrid, Vaughn.

NORTH CAROLINA

Ben B. Jaynes, Autryville.
Raeford E. Brown, Burgaw.
Claiborne R. Oakley, Carrboro.
Lacy E. Price, Cliffside.
William E. Newton, Currie.
Henry D. Johnson, Farmville.
Thurman R. Smith, Hazelwood.
Columbus Few, Hendersonville.
Robert Willis Pope, Lucama.
Robert H. Ballew, Nebo.
William Lester Farrell, Pittsboro.

SOUTH CAROLINA

James D. Watson, Blaney.
Jesse W. Parris, Clifton.
Della S. Beaty, Crescent Beach.
John Woods, Marion.
Alfred D. Parker, Sr., Pacolet Mills.
Raymond W. Coleman, Pamplico.
Helen A. Geraty, Yonges Island.

VERMONT

John J. Burns, Burlington.
John R. Kennett, Montgomery Center.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 2, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou Ancient of Days, whose love hath begotten us, to know Thee is blessed contemplation and to serve Thee is perfect freedom. In the perils of this life we are safe, not in our own virtue or wisdom, nor in any power we may possess, but in the plenitude of Thy mercy.

Thou hast put the keys of our Nation's life and destiny in our hands; shame upon any who seek to deny the privileges of our Republic to gratify their own selfish aims, as they talk in a wilderness of confusion. O remove the clouds which have been woven out of the warp and woof of hate and unrighteous ambition, that our priceless gifts of peace and freedom may survive. Lead us ever to praise the power that made us free, and bless the flag which declares to the world our national honor. Each day may we be united in purpose, strong and confident in Thee, and Thine shall be the praise forever.

Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 30, 1948:

H. R. 1809. An act to facilitate the use and occupancy of national-forest lands, and for other purposes; and

H. R. 5856. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act.

On March 31, 1948:

H. R. 5314. An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; and

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 472. An act to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; and

S. Con. Res. 46. Concurrent resolution providing for the printing of additional copies of Senate Report No. 986, on labor-management relations.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously, a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 38]

Andrews, Ala.	Hendricks	Rains
Bland	Jackson, Calif.	Richards
Blatnik	Jarman	Rizley
Boykin	Jenkins, Pa.	Rooney
Buck	Lesinski	Shafer
Buckley	McMillen, Ill.	Sikes
Chapman	Manasco	Stratton
Cole, N. Y.	Morgan	Taylor
Cox	Norrell	Thomas, N. J.
Dingell	O'Toole	Vursell
Grant, Ala.	Owens	
Hartley	Passman	

The SPEAKER. On this roll call, 398 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE TAX-REDUCTION BILL—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 589)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 4790, entitled "An act to reduce individual income-tax payments, and for other purposes."

It is a matter of deep regret to me that I am compelled to take this action. If I could conscientiously approve tax reductions, I would gladly do so. But I am convinced that to reduce the income of the Government by $5 billion at this time would exhibit a reckless disregard for the soundness of our economy and the finances of our Government.

All of us are aware that the world situation is one of uncertainty and, indeed, of danger. The United States, in common with other free nations, is taking positive action on many fronts to preserve conditions of peace with justice against the forces of dissension and chaos. In this endeavor, as I stated in my address to the Congress on March 17, 1948, "the United States has a tremendous responsibility to act according to the measure of our power for good in the world."

Under these conditions, the primary test which I must apply in considering this bill is whether or not it would contribute to the strength of the United States. My fundamental objection to the bill is that it would not strengthen, but instead would weaken, the United States.

This is true for two reasons.

First, the bill would reduce Government revenues to such an extent as to make likely a deficit in Government finances at a time when responsible conduct of the financial affairs of this Nation requires a substantial surplus in order to reduce our large public debt and to be reasonably prepared against contingencies.

Second, the bill would greatly increase the danger of further inflation, by adding billions of dollars of purchasing power at a time when demand already exceeds supply at many strategic points in the economy, and when Government expenditures are necessarily rising.

The estimates of Government expenditures for the fiscal year 1949 which I submitted to the Congress in January totaled $39.7 billion. Receipts were estimated at $44.5 billion, leaving a surplus of $4.8 billion for debt retirement and contingencies.

It has since become apparent that despite the most stringent efforts toward economy, there will be several important increases in expenditures above the January estimates. Legislation has been enacted increasing payments to veterans. Larger amounts will be required for assistance to certain foreign countries. Legislation to increase the salaries of Federal employees is being considered. It has been necessary to recommend substantial additional appropriations to the Congress to bring our armed forces to a proper strength.

Altogether these increases, after taking due account of appropriation actions by the Congress to date and of the additional tax refunds which would occur under this bill, involve additional expenditures for the fiscal year 1949 of at least $3.5 billion above the January estimates. In the fiscal year 1950, these additional programs would increase expenditures by another $2 billion, or by a total of $5.5 billion. It is clear that, if this bill which reduces taxes by $5 billion were to become law, there would in fact be a deficit in the fiscal year 1949 even under the more optimistic estimates of revenue used by the congressional committees.

The Congress proposes to extricate itself from this situation by charging $3 billion of 1949 expenditures under the European recovery program against the 1948 revenues. This might avoid a deficit in 1949. But the facts cannot be obscured by the fiscal sleight-of-hand by which a prospective deficit in 1949 is made to appear as a surplus. Actually, the surplus available for debt retirement for the 2 years 1948 and 1949 would not be affected in the slightest by such a shift in accounting.

The public debt is $253 billion. I repeat what I have so often said before—if we do not reduce the public debt by substantial amounts during a prosperous period such as the present, there is little prospect that it will ever be materially reduced.

I am aware that some hold the view that it would be proper to reduce taxes now, and that it will be time enough to restore adequate Federal revenues when the full extent and cost of our commitments are more definitely determined. I cannot subscribe to such an erratic and vacillating tax policy. We already know enough about the Government's financial outlook to demonstrate the serious effects of reducing revenues now by $5 billion. The additional expenditures which are in prospect, although not exactly determined as to amount, are of sufficient size to make clear the short-sightedness of cutting taxes at the very time our obligations are increasing. If I endorsed tax reduction now, knowing that to do so would in all likelihood mean increased taxes next year, I would not be dealing fairly with the American people.

This bill would undermine the soundness of our Government finances at a time when world peace depends upon the strength of the United States.

It would also gamble with the dangers of further inflation. I have urged on many occasions that steps be taken to relieve the distressing effects of high prices. Since these steps have not been taken, the most important force restraining inflation has been the Government surplus and the use of this surplus to reduce the public debt. This bill would reduce or eliminate this important weapon against inflation.

It has been argued that tax reduction now would furnish incentives for more active investment and business enterprise and, consequently, more production. The plain facts show that neither funds nor profit incentives are lacking for investment and business enterprise at present tax rates.

Industrial expenditures for new plant and equipment reached the record level of more than $16 billion in 1947, contrasted with $12 billion in 1946 and $8 billion in 1941. Preliminary estimates indicate that industrial expenditures for new plant and equipment during the first quarter of 1948 ran much higher than the average for 1947.

Corporate profits were at extraordinary levels during 1947, reaching $17.3 billion after taxes, contrasted with a previous peak of $12.5 billion in 1946. Preliminary estimates indicate that corporate profits during the first quarter of 1948 have substantially maintained the very high level of 1947.

The national income is at a record level. Employment is at a record level. Production is at a record peacetime level. The resources and labor force of this country are fully employed. Under these circumstances, tax reduction could only result in higher prices—not in higher production.

From the viewpoint of the average family, which spends most of its income to buy the necessities of life, the kind of tax reduction which this bill provides would be an evil in disguise. Inflation is still here, and the cost of living has not descended to reasonable levels. The consumers' price index, which was 159 for 1947 as a whole, was 167.5 in February 1948, and preliminary figures indicate that it was even higher in March. A large tax reduction at this time would help to drive the cost of living still higher.

With wise and careful planning the American tax system can make an important contribution to economic progress. But if we dissipate the strength of our revenue system by ill-timed tax reduction, we shall sacrifice for many years our opportunities to lay a solid foundation for a more effective tax system. Major reforms are needed in all important areas of the Federal tax system—excise taxes, corporate taxes, individual income taxes, and estate and gift taxes. The enactment of H. R. 4790 would, by prematurely weakening the tax system, not only aggravate our immediate problems but also constitute a serious obstacle in the path of realizing many urgently needed fundamental tax reforms.

The tax reduction provided by this bill is inequitable as well as untimely.

In the case of the income tax, nearly forty percent of the reduction would go to individuals with net incomes in excess of $5,000, who constitute less than 5 percent of all taxpayers.

In the case of the estate and gift taxes, nearly all of the $250 million annual reduction would go to only about 12,000 of the most wealthy families. The discovery that it is possible to make very substantial savings in the gift and estate taxes by dividing a family's wealth between husband and wife has brought forth much ingenious argument to the effect that the provisions in this bill are needed to equalize the application of these taxes in community-property and common-law States. In fact, this equalization was in all essential respects achieved by legislation enacted by the Congress in 1942.

For the reasons I have set forth, H. R. 4790 is not compatible with the requirements of the critical international situation. It is not compatible with sound domestic economic and debt-management policies. If enacted, it would materially weaken this Nation's efforts to maintain peace abroad and prosperity at home.

It is bad policy to reduce taxes in a manner which would encourage inflation and bring greater hardship, not relief, to our people. It is bad policy to

endanger the soundness of our national finances at a time when our responsibilities are great in an unsettled world.

I am confident that the men and women of our country prefer the maintenance of our national strength to a reduction in taxes under the present circumstances.

I consider it my clear duty, therefore, to return H. R. 4790 without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 1, 1948.*

The SPEAKER. The objections of the President will be spread at large upon the Journal and the bill and message will be printed as a House document.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Mr. KNUTSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. Under the Constitution, this vote must be determined by the yeas and nays.

The question was taken; and there were—yeas 311, nays 88, not voting 32, as follows:

[Roll No. 39]

YEAS—311

Abbitt	Crow	Hedrick
Abernethy	Cunningham	Herter
Allen, Calif.	Curtis	Heselton
Allen, Ill.	Dague	Hess
Allen, La.	Davis, Ga.	Hill
Almond	Davis, Tenn.	Hinshaw
Anderson, Calif.	Davis, Wis.	Hoeven
Andresen, August H.	Dawson, Utah	Hoffman
	Devitt	Holmes
Andrews, N. Y.	D'Ewart	Hope
Angell	Dirksen	Horan
Arends	Dolliver	Hull
Arnold	Domengeaux	Jackson, Wash.
Auchincloss	Dondero	Javits
Bakewell	Donohue	Jenison
Banta	Doughton	Jenkins, Ohio
Barden	Durham	Jennings
Barrett	Eaton	Jensen
Bates, Mass.	Elliott	Johnson, Calif.
Battle	Ellis	Johnson, Ill.
Beall	Ellsworth	Johnson, Ind.
Bender	Elsaesser	Johnson, Okla.
Bennett, Mich.	Elston	Jones, Ala.
Bennett, Mo.	Engel, Mich.	Jones, N. C.
Bishop	Fallon	Jones, Wash.
Blackney	Fellows	Jonkman
Boggs, Del.	Fenton	Judd
Boggs, La.	Fisher	Kean
Bolton	Fletcher	Kearney
Bonner	Folger	Kearns
Bradley	Foote	Keating
Bramblett	Fuller	Keefe
Brehm	Fulton	Kelley
Brooks	Gallagher	Kerr
Brophy	Gamble	Kersten, Wis.
Brown, Ga.	Garmatz	Kilburn
Brown, Ohio	Gary	Kilday
Bryson	Gathings	Knutson
Buffett	Gavin	Kunkel
Bulwinkle	Gearhart	Landis
Burke	Gillette	Lane
Busbey	Gillie	Lanham
Butler	Goff	Larcade
Byrnes, Wis.	Goodwin	Latham
Camp	Gossett	Lea
Canfield	Graham	LeCompte
Carson	Grant, Ind.	LeFevre
Case, N. J.	Griffiths	Lemke
Case, S. Dak.	Gross	Lewis
Chadwick	Gwinn, N. Y.	Lichtenwalter
Chenoweth	Gwynne, Iowa	Lodge
Chiperfield	Hagen	Love
Church	Hale	Lucas
Clason	Hall, Edwin Arthur	Lyle
Clevenger		McConnell
Clippinger	Hall, Leonard W.	McCowen
Coffin		McCulloch
Cole, Kans.	Halleck	McDonough
Cole, Mo.	Hand	McDowell
Colmer	Harness, Ind.	McGarvey
Corbett	Harris	McGregor
Cotton	Hart	McMahon
Coudert	Harvey	McMillan, S. C.
Cravens	Hays	Mack
Crawford	Hébert	MacKinnon
Macy	Ramey	Snyder
Maloney	Rankin	Stanley
Martin, Iowa	Redden	Stefan
Mason	Reed, Ill.	Stevenson
Mathews	Reed, N. Y.	Stockman
Meade, Ky.	Rees	Sundstrom
Meade, Md.	Reeves	Taber
Merrow	Regan	Talle
Meyer	Rich	Teague
Michener	Riehlman	Thomas, Tex.
Miller, Conn.	Riley	Thompson
Miller, Md.	Rivers	Tibbott
Miller, Nebr.	Robertson	Tollefson
Mills	Rockwell	Towe
Mitchell	Rogers, Fla.	Twyman
Morris	Rogers, Mass.	Vail
Morrison	Rohrbough	Van Zandt
Muhlenberg	Ross	Vinson
Mundt	Russell	Vorys
Murray, Tenn.	Sadlak	Vursell
Murray, Wis.	St. George	Wadsworth
Nicholson	Sanborn	Walter
Nixon	Sarbacher	Weichel
Nodar	Sasscer	Welch
Norblad	Schwabe, Mo.	West
O'Hara	Schwabe, Okla.	Wheeler
O'Konski	Scoblick	Whitten
Pace	Scott, Hardie	Whittington
Patterson	Scott, Hugh D., Jr.	Wigglesworth
Peterson		Williams
Philbin	Scrivner	Wilson, Ind.
Phillips, Calif.	Seely-Brown	Wilson, Tex.
Phillips, Tenn.	Sheppard	Winstead
Ploeser	Short	Wolcott
Plumley	Simpson, Ill.	Wolverton
Potter	Simpson, Pa.	Wood
Potts	Smith, Kans.	Woodruff
Poulson	Smith, Maine	Worley
Preston	Smith, Ohio	Youngblood
Price, Fla.	Smith, Wis.	Zimmerman

NAYS—88

Albert	Fernandez	McCormack
Andersen, H. Carl	Flannagan	Madden
	Fogarty	Mahon
Bates, Ky.	Forand	Mansfield
Beckworth	Gordon	Marcantonio
Bell	Gore	Miller, Calif.
Blatnik	Gorski	Monroney
Bloom	Granger	Morton
Buchanan	Gregory	Multer
Burleson	Hardy	Murdock
Byrne, N. Y.	Harless, Ariz.	Norton
Cannon	Harrison	O'Brien
Carroll	Havenner	Patman
Celler	Heffernan	Peden
Chelf	Hobbs	Pfeifer
Clark	Holifield	Pickett
Combs	Huber	Poage
Cooley	Isacson	Powell
Cooper	Johnson, Tex.	Price, Ill.
Courtney	Karsten, Mo.	Priest
Crosser	Kee	Rayburn
Dawson, Ill.	Kefauver	Sabath
Deane	Kennedy	Sadowski
Delaney	Keogh	Smathers
Dorn	King	Smith, Va.
Douglas	Kirwan	Somers
Eberharter	Klein	Spence
Engle, Calif.	Ludlow	Stigler
Evins	Lusk	Trimble
Feighan	Lynch	

NOT VOTING—32

Andrews, Ala.	Hendricks	Passman
Bland	Jackson, Calif.	Rains
Boykin	Jarman	Richards
Buck	Jenkins, Pa.	Rizley
Buckley	Lesinski	Rooney
Chapman	McMillen, Ill.	Shafer
Cole, N. Y.	Manasco	Sikes
Cox	Morgan	Stratton
Dingell	Norrell	Taylor
Grant, Ala.	O'Toole	Thomas, N. J.
Hartley	Owens	

So, two-thirds having voted in favor of, the bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs:

On this vote:

Mr. Chapman and Mr. Owens for, with Mr. Rooney against.

Mr. Sikes and Mr. Rizley for, with Mr. Morgan against.

Mr. Shafer and Mr. Passman for, with Mr. Dingell against.

Mr. McMillen of Illinois and Mr. Buck for, with Mr. Lesinski against.

Mr. Cox and Mr. Stratton for, with Mr. Buckley against.

Mr. Jenkins of Pennsylvania and Mr. Richards for, with Mr. O'Toole against.

Mr. Boykin and Mr. Hartley for, with Mr. Bland against.

General pairs:

Mr. Cole of New York with Mr. Norrell.

Mr. Taylor with Mr. Andrews of Alabama.

Mr. Jackson of California with Mr. Rains.

Mr. Thomas of New Jersey with Mr. Manasco.

The result of the vote was announced as above recorded.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to announce the program for the balance of today and for next week.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, after the conference report on the foreign-aid bill is disposed of, so far as I know, there is no further business for today. I might advise that a record vote is expected on the conference report.

Later in the day I shall ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday next. I also intend to ask unanimous consent that the Consent Calendar may be called on Tuesday, so that on Tuesday of next week, both the Consent Calendar and the Private Calendar will be called.

On Wednesday it is expected that we will take up H. R. 5098, the so-called hoof-and-mouth-disease research bill.

On Thursday we expect to take up H. R. 5888, to extend the Federal-Aid Highway Act.

The business for Friday is undetermined.

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I call up the conference report on the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, and ask unanimous consent that the statement of the Managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio.

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendments of the House to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic

conditions essential to a peaceful and prosperous world, having met, after full and free conference, have agreed to recommend, and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the admendment of the Senate to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter inserted by the Senate amendment and the House amendment, insert the following:

"That this Act may be cited as the 'Foreign Assistance Act of 1948'.

"TITLE I

"SEC. 101. This title may be cited as the 'Economic Cooperation Act of 1948'.

"Findings and declaration of policy

"SEC. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

"Purposes of title

"(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title, by—

"(1) promoting industrial and agricultural production in the participating countries;

"(2) furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances; and

"(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

"Participating countries

"SEC. 103. (a) As used in this title, the term 'participating country' means—

"(1) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

"(2) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

"(b) Until such time as the Free Territory of Trieste or either of its zones becomes eligible for assistance under this title as a participating country, assistance to the Free Territory of Trieste, or either of its zones, is hereby authorized under the Foreign Aid Act of 1947 until June 30, 1949, and the said Foreign Aid Act of 1947 is hereby amended accordingly, and not to exceed $20,000,000 out of funds authorized to be advanced by the Reconstruction Finance Corporation under subsection (a) of section 114 of this title, or under subsection (d) of section 11 of the Foreign Aid Act of 1947 notwithstanding any appropriation heretofore made under such Act, may be utilized for the purposes of this subsection: *Provided*, That section 11 (b) of the Foreign Aid Act of 1947 shall not apply in respect of the Free Territory of Trieste or either of its zones: *And provided further*, That the provisions of section 115 (b) (6) of this title shall apply to local currency deposited pursuant to section 5 (b) of that Act.

"Establishment of Economic Cooperation Administration

"SEC. 104. (a) There is hereby established, with its principal office in the District of Columbia, an agency of the Government which shall be known as the Economic Cooperation Administration, hereinafter referred to as the Administration. The Administration shall be headed by an Administrator for Economic Cooperation, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $20,000 per annum. The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department. Except as otherwise provided in this title, the administration of the provisions of this title is hereby vested in the Administrator and his functions shall be performed under the control of the President.

"(b) There shall be in the Administration a Deputy Administrator for Economic Cooperation who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $17,500 per annum. The Deputy Administrator for Economic Cooperation shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for Economic Cooperation during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

"(c) The President is authorized, pending the appointment and qualification of the first Administrator or Deputy Administrator for Economic Cooperation appointed hereunder, to provide, for a period of not to exceed thirty days after the date of enactment of this Act, for the performance of the functions of the Administrator under this title through such departments, agencies, or establishments of the United States Government as he may direct. In the event the President nominates an Administrator or Deputy Administrator prior to the expiration of such thirty-day period, the authority conferred upon the President by this subsection shall be extended beyond such thirty-day period but only until an Administrator or Deputy Administrator qualifies and takes office.

"(d) (1) The Administrator, with the approval of the President, is hereby authorized and empowered to create a corporation with such powers as the Administrator may deem necessary or appropriate for the accomplishment of the purposes of this title.

"(2) If a corporation is created under this section—

"(i) it shall have the power to sue and be sued, to acquire, hold, and dispose of property, to use its revenues, to determine the character of any necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid, and to exercise such other powers as may be necessary or appropriate to carry out the purposes of the corporation;

"(ii) its powers shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charter shall be valid only when similarly filed and published;

"(iii) it shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to Act of Congress; and

"(iv) it shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of such Act.

"(3) All capital stock of the corporation shall be of one class, be issued for cash only, and be subscribed for by the Administrator. Payment for such capital stock shall be made from funds available for the purposes of this title.

"(e) Any department, agency, or establishment of the Government (including, whenever used in this title, any corporation which is an instrumentality of the United States) performing functions under this title is authorized to employ, for duty within the continental limits of the United States, such personnel as may be necessary to carry out the provisions and purposes of this title, and funds available pursuant to section 114 of this title shall be available for personal services in the District of Columbia and elsewhere without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219). Of such personnel employed by the Administration, not to exceed one hundred may be compensated without regard to the provisions of the Classification Act of 1923, as amended, of whom not more than twenty-five may be compensated at a rate in excess of $10,000 per annum, but not in excess of $15,000 per annum. Experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (U. S. C., title 5, sec. 55a), may be employed by the Administration, and individuals so employed may be compensated at rates not in excess of $50 per diem and while away from their homes or regular places of business, they may be paid actual travel expenses and

not to exceed $10 per diem in lieu of subsistence and other expenses while so employed.

"(f) The Administrator may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out his functions under this title, and he may delegate authority to perform any of such functions to his subordinates, acting under his direction and under rules and regulations promulgated by him.

"General functions of Administrator

"SEC. 105. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this title—

"(1) review and appraise the requirements of participating countries for assistance under the terms of this title;

"(2) formulate programs of United States assistance under this title, including approval of specific projects which have been submitted to him by the participating countries;

"(3) provide for the efficient execution of any such programs as may be placed in operation; and

"(4) terminate provision of assistance or take other remedial action as provided in section 118 of this title.

"(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

"(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

"(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision;

"(3) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with the Secretary of State and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"NATIONAL ADVISORY COUNCIL

"SEC. 106. Section 4 (a) of the Bretton Woods Agreements Act (59 Stat. 512, 513) is hereby amended to read as follows:

"'SEC. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions, there is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the "Council"), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Export-Import Bank of Washington, and during such period as the Economic Cooperation Administration shall continue to exist, the Administrator for Economic Cooperation."

"Public Advisory Board

"SEC. 107. (a) There is hereby created a Public Advisory Board, hereinafter referred to as the Board, which shall advise and consult with the Administrator with respect to general or basic policy matters arising in connection with the Administrator's discharge of his responsibilities. The Board shall consist of the Administrator, who shall be Chairman, and not to exceed twelve additional members to be appointed by the President, by and with the advice and consent of the Senate, and who shall be selected from among citizens of the United States of broad and varied experience in matters affecting the public interest, other than officers and employees of the United States (including any agency or instrumentality of the United States) who, as such, regularly receive compensation for current services. The Board shall meet at least once a month and at other times upon the call of the Administrator or when three or more members of the Board request the Administrator to call a meeting. Not more than a majority of two of the members shall be appointed to the Board from the same political party. Members of the Board, other than the Administrator, shall receive, out of funds made available for the purposes of this title, a per diem allowance of $50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the Board, or at conferences held upon the call of the Administrator, and in necessary travel, and while so engaged, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses.

"(b) The Administrator may appoint such other advisory committees as he may determine to be necessary or desirable to effectuate the purposes of this title.

"United States special representative abroad

"SEC. 108. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowance as a chief of mission, class 1, within the meaning of the Act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government to any organization of participating countries which may be established by such countries to further a joint program for European recovery, and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this title. He may also be designated as the United States representative on the Economic Commission for Europe. He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 105 of this title. He shall coordinate the activities of the chiefs of special missions provided for in section 109 of this title. He shall keep the Administrator, the Secretary of State, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for in section 109 of this title currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this title.

"Special ECA missions abroad

"SEC. 109. (a) There shall be established for each participating country, except as provided in subsection (d) of this section, a special mission for economic cooperation under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this title. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country.

"(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States Special Representative in Europe. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

"(c) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Special Representative in Europe and his staff, and for the special mission in each participating country, as may be agreed between the Secretary of State and the Administrator.

"(d) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purposes of this title.

"Personnel outside United States

"SEC. 110. (a) For the purpose of performing functions under this title outside the continental limits of the United States the Administrator may—

"(1) employ persons who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), together with allowances and benefits established thereunder; and

"(2) recommend the appointment or assignment of persons, and the Secretary of State may appoint or assign such persons, to any class in the Foreign Service Reserve or Staff for the duration of operations under this title, and the Secretary of State may assign, transfer, or promote such persons upon the recommendation of the Administrator. Persons so appointed to the Foreign Service Staff shall be entitled to the benefits

of section 528 of the Foreign Service Act of 1946.

"(b) For the purpose of performing functions under this title outside the continental limits of the United States, the Secretary of State may, at the request of the Administrator, appoint, for the duration of operations under this title, alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946 (60 Stat. 999).

"(c) No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title for a period to exceed three months unless such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator, and until the Secretary of State or the Administrator has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

"Nature and method of assistance

"SEC. 111. (a) The Administrator may, from time to time, furnish assistance to any participating country by providing for the performance of any of the functions set forth in paragraphs (1) through (5) of this subsection when he deems it to be in furtherance of the purposes of this title, and upon the terms and conditions set forth in this title and such additional terms and conditions consistent with the provisions of this title as he may determine to be necessary and proper.

"(1) Procurement from any source, including Government stocks on the same basis as procurement by Government agencies under Public Law 375 (Seventy-ninth Congress) for their own use, of any commodity which he determines to be required for the furtherance of the purposes of this title. As used in this title, the term "commodity" means any commodity, material, article, supply, or goods necessary for the purposes of this title.

"(2) Processing, storing, transporting, and repairing any commodities, or performing any other services with respect to a participating country which he determines to be required for accomplishing the purposes of this title. The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this title and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

"(3) Procurement of and furnishing technical information and assistance.

"(4) Transfer of any commodity or service, which transfer shall be signified by delivery of the custody and right of possession and use of such commodity, or otherwise making available any such commodity, or by rendering a service to a participating country or to any agency or organization representing a participating country.

"(5) The allocation of commodities or services to specific projects designed to carry out the purposes of this title, which have been submitted to the Administrator by participating countries and have been approved by him.

"(b) In order to facilitate and maximize the use of private channels of trade, subject to adequate safeguards to assure that all expenditures in connection with such procurement are within approved programs in accordance with terms and conditions established by the Administrator, he may provide for the performance of any of the functions described in subsection (a) of this section—

"(1) by establishing accounts against which, under regulations prescribed by the Administrator—

"(i) letters of commitment may be issued in connection with supply programs approved by the Administrator (and such letters of commitment, when issued, shall constitute obligations of the United States and monies due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940 and shall constitute obligations of applicable appropriations); and

"(ii) withdrawals may be made by participating countries, or agencies or organizations representing participating countries or by other persons or organizations, upon presentation of contracts, invoices, or other documentation specified by the Administrator under arrangements prescribed by the Administrator to assure the use of such withdrawals for purposes approved by the Administrator.

Such accounts may be established on the books of the Administration, or any other department, agency, or establishment of the Government specified by the Administrator, or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States under authority of this section may be accounted for exclusively on such certification as the Administrator may prescribe in regulations promulgated by him with the approval of the Comptroller General of the United States to assure expenditure in furtherance of the purposes of this title.

"(2) by utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment, or, in the President's discretion, by acting in cooperation with the United Nations or with other international organizations or with agencies of the participating countries, and funds allocated pursuant to this section to any department, agency, or establishment of the Government shall be established in separate appropriation accounts on the books of the Treasury.

"(3) by making, under rules and regulations to be prescribed by the Administrator, guaranties to any person of investments in connection with projects approved by the Administrator and the participating country concerned as furthering the purposes of this title (including guaranties of investments in enterprises producing or distributing informational media: *Provided*, That the amount of such guaranties in the first year after the date of the enactment of this Act does not exceed $15,000,000), which guaranties shall terminate not later than fourteen years from the date of enactment of this Act: *Provided*, That—

"(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator and shall be limited to the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as income from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof: *Provided*, That, when any payment is made to any person under authority of this paragraph, such currencies, or credits in such currencies, shall become the property of the United States Government;

"(ii) the Administrator may charge a fee in an amount determined by him not exceeding 1 per centum per annum of the amount of each guaranty, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this paragraph until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this paragraph; and

"(iii) as used in this paragraph, the term 'person' means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States.

The total amount of the guaranties made under this paragraph (3) shall not exceed $300,000,000, and as such guaranties are made the authority to realize funds from the sale of notes for the purpose of allocating funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section shall be accordingly reduced. Any payments made to discharge liabilities under guaranties issued under paragraph (3) of this subsection shall be paid out of fees collected under subparagraph (ii) of paragraph (3) of this subsection as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes which shall be issued under authority of paragraph (2) of subsection (c) of this section when necessary to discharge liabilities under any such guarantee.

"(c) (1) The Administrator may provide assistance for any participating country, in the form and under the procedures authorized in subsections (a) and (b), respectively, of this section, through grants or upon payment in cash, or on credit terms, or on such other terms of payment as he may find appropriate, including payment by the transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the participating country) of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources. In determining whether such assistance shall be through grants or upon terms of payment, and in determining the terms of payment, he shall act in consultation with the National Advisory Council on International Monetary and Financial Problems, and the determination whether or not a participating country should be required to make payment for any assistance furnished to such country in furtherance of the purposes of this title, and the terms of such payment, if required, shall depend upon the character and purpose of the assistance and upon whether there is reasonable assurance of repayment considering the capacity of such country to make such payments without jeopardizing the accomplishment of the purposes of this title.

"(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. The Administrator is authorized to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate $1,000,000,000 (i) for the purpose of allocating funds to the Export-Import Bank of Washington under this paragraph during

the period of one year following the date of enactment of this Act and (ii) for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section until all liabilities arising under guaranties made pursuant to such paragraph (3) have expired or have been discharged. Such notes shall be redeemable at the option of the Administrator before maturity in such manner as may be stipulated in such notes and shall have such maturity as may be determined by the Administrator with the approval of the Secretary of the Treasury. Each such note shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the note. Payment under this paragraph of the purchase price of such notes and repayments thereof by the Administrator shall be treated as public-debt transactions of the United States. In allocating funds to the Export-Import Bank of Washington under this paragraph, the Administrator shall first utilize such funds realized from the sale of notes authorized by this paragraph as he determines to be available for this purpose, and when such funds are exhausted, or after the end of one year from the date of enactment of this Act, whichever is earlier, he shall utilize any funds appropriated under this title. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any credits made under this paragraph shall be deposited into miscellaneous receipts of the Treasury: *Provided*, That, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes authorized under this paragraph shall be deposited into the Treasury for the purpose of the retirement of such notes.

"Protection of domestic economy

"SEC. 112. (a) The Administrator shall provide for the procurement in the United States of commodities under this title in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the fulfillment of vital needs of the people of the United States.

"(b) The procurement of petroleum and petroleum products under this title shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this title, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of alternate fuels or other sources of power is practicable.

"(c) In order to assure the conservation of domestic grain supplies and the retention in the United States of byproduct feeds necessary to the maintenance of the agricultural economy of the United States, the amounts of wheat and wheat flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States wheat used to produce the wheat flour procured in the United States for transfer by grant to such countries under this title shall not be less than 25 per centum of the aggregate of the unprocessed wheat and wheat in the form of flour procured in the United States for transfer by grant to such countries under this title.

"(d) The term 'surplus agricultural commodity' as used in this section is defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In providing for the procurement of any such surplus agricultural commodity for transfer by grant to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this title, give effect to the following:

"(1) The Administrator shall authorize the procurement of any such surplus agricultural commodity only within the United States: *Provided*, That this restriction shall not be applicable (i) to any agricultural commodity, or product thereof, located in one participating country, and intended for transfer to another participating country, if the Administrator, in consultation with the Secretary of Agriculture, determines that such procurement and transfer is in furtherance of the purposes of this title, and would not create a burdensome surplus in the United States or seriously prejudice the position of domestic producers of such surplus agricultural commodities, or (ii) if, and to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the participating countries under this title.

"(2) In providing for the procurement of any such surplus agricultural commodity, the Administrator shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, provide for the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements.

"(e) Whenever the Secretary of Agriculture determines that any quantity of any surplus agricultural commodity, heretofore or hereafter acquired by Commodity Credit Corporation in the administration of its price-support programs, is available for use in furnishing assistance to foreign countries, he shall so advise all departments, agencies, and establishments of the Government administering laws providing for the furnishing of assistance or relief to foreign countries (including occupied or liberated countries or areas of such countries). Thereafter the department, agency, or establishment administering any such law shall, to the maximum extent practicable, consistent with the provisions and in furtherance of the purposes of such law, and where for transfer by grant and in accordance with the requirements of such foreign country, procure or provide for the procurement of such quantity of such surplus agricultural commodity. The sales price paid as reimbursement to Commodity Credit Corporation for any such surplus agricultural commodity shall be in such amount as Commodity Credit Corporation determines will fully reimburse it for the cost to it of such surplus agricultural commodity at the time and place such surplus agricultural commodity is delivered by it, but in no event shall the sales price be higher than the domestic market price at such time and place of delivery as determined by the Secretary of Agriculture, and the Secretary of Agriculture may pay not to exceed 50 per centum of such sales price as authorized by subsection (f) of this section.

"(f) Subject to the provisions of this section, but notwithstanding any other provision of law, in order to encourage utilization of surplus agricultural commodities pursuant to this or any other Act providing for assistance or relief to foreign countries, the Secretary of Agriculture, in carrying out the purposes of clause (1), section 32, Public Law 320, Seventy-fourth Congress, as amended, may make payments, including payments to any government agency procuring or selling such surplus agricultural commodities, in an amount not to exceed 50 per centum of the sales price (basis free along ship or free on board vessel, United States ports), as determined by the Secretary of Agriculture, of such surplus agricultural commodities. The rescission of the remainder of section 32 funds by the Act of July 30, 1947 (Public Law 266, Eightieth Congress), is hereby canceled and such funds are hereby made available for the purposes of section 32 for the fiscal year ending June 30, 1948.

"(g) No export shall be authorized pursuant to authority conferred by section 6 of the Act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the Act of July 2, 1940, as amended, determines that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this title as determined by the Administrator: *Provided, however*, That such export may be authorized if such department, agency, or officer determines that such export is otherwise in the national interest of the United States.

"(h) In providing for the performance of any of the functions described in subsection (a) of section 111, the Administrator shall, to the maximum extent consistent with the accomplishment of the purposes of this title, utilize private channels of trade.

"Reimbursement to Government agencies

"SEC. 113. (a) The Administrator shall make reimbursement or payment, out of funds available for the purposes of this title, for any commodity, service, or facility procured under section 111 of this title from any department, agency, or establishment of the Government. Such reimbursement or payment shall be made to the owning or disposal agency, as the case may be, at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to between the Administrator and such agency. The amount of any reimbursement or payment to an owning agency for commodities, services, or facilities so procured shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities or such services or facilities: *Provided*, That such commodities, services, or facilities may be procured from an owning agency only with the consent of such agency: *And provided further*, That where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that replacement of any commodity procured under authority of this section is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

"(b) The Administrator, whenever in his judgment the interests of the United States will best be served thereby, may dispose of any commodity procured out of funds made available for the purposes of this title, in lieu of transferring such commodity to a participating country, (1) by transfer of such commodity, upon reimbursement, to any department, agency, or establishment of the Government for use or disposal by such department, agency, or establishment as authorized by law, or (2) without regard to provisions of law relating to the disposal of

Government-owned property, when necessary to prevent spoilage or wastage of such commodity or to conserve the usefulness thereof. Funds realized from such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such commodity.

"Authorization of appropriations

"SEC. 114. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (c) of this section, to make advances not to exceed in the aggregate $1,000,000,000 to carry out the provisions of this title, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder, from funds made available for the purposes of this title.

"(b) Such part as the President may determine of the unobligated and unexpended balances of appropriations or other funds available for the purposes of the Foreign Aid Act of 1947 shall be available for the purpose of carrying out the purposes of this title.

"(c) In order to carry out the provisions of this title with respect to those participating countries which adhere to the purposes of this title, and remain eligible to receive assistance hereunder, such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952, to carry out the provisions and accomplish the purposes of this title: *Provided, however,* That for carrying out the provisions and accomplishing the purposes of this title for the period of one year following the date of enactment of this Act, there are hereby authorized to be so appropriated not to exceed $4,300,000,000. Nothing in this title is intended nor shall it be construed as an express or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries. The authorization in this title is limited to the period of twelve months in order that subsequent Congresses may pass on any subsequent authorizations.

"(d) Funds made available for the purposes of this title shall be available for incurring and defraying all necessary expenses incident to carrying out the provisions of this title, including administrative expenses and expenses for compensation, allowances and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this title, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of government funds, as the Administrator shall specify in the interest of the accomplishment of the purposes of this title.

"(e) The unencumbered portions of any deposits which may have been made by any participating country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress) may be merged with the deposits to be made by such participating country in accordance with section 115 (b) (6) of this title, and shall be held or used under the same terms and conditions as are provided in section 115 (b) (6) of this title.

"(f) In order to reserve some part of the surplus of the fiscal year 1948 for payments thereafter to be made under this title, there is hereby created on the books of the Treasury of the United States a trust fund to be known as the Foreign Economic Cooperation Trust Fund. Notwithstanding any other provision of law, an amount of $3,000,000,000, out of sums appropriated pursuant to the authorization contained in this title shall, when appropriated, be transferred immediately to the trust fund, and shall thereupon be considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures. The Secretary of the Treasury shall be the sole trustee of the trust fund and is authorized and directed to pay out of the fund such amounts as the Administrator shall duly requisition. The first expenditures made out of the appropriations authorized under this title in the fiscal year 1949 shall be made with funds requisitioned by the Administrator out of the trust fund until the fund is exhausted, at which time such fund shall cease to exist. The provisions of this subsection shall not be construed as affecting the application of any provision of law which would otherwise govern the obligation of funds so appropriated or the auditing or submission of accounts of transactions with respect to such funds.

"Bilateral and multilateral undertakings

"SEC. 115. (a) The Secretary of State, after consultation with the Administrator, is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this title. The Secretary of State, before an Administrator or Deputy Administrator shall have qualified and taken office, is authorized to negotiate and conclude such temporary agreements in implementation of subsection (b) of this section as he may deem necessary in furtherance of the purposes of this title: *Provided,* That when an Administrator or Deputy Administrator shall have qualified and taken office, the Secretary of State shall conclude the basic agreements required by subsection (b) of this section only after consultation with the Administrator or Deputy Administrator, as the case may be.

"(b) The provision of assistance under this title results from the multilateral pledges of the participating countries to use all their efforts to accomplish a joint recovery program based upon self-help and mutual cooperation as embodied in the report of the Committee of European Economic Cooperation signed at Paris on September 22 1947, and is contingent upon continuous effort of the participating countries to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose. In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others, for—

"(1) promoting industrial and agricultural production in order to enable the participating country to become independent of extraordinary outside economic assistance; and submitting for the approval of the Administrator, upon his request and whenever he deems it in furtherance of the purposes of this title, specific projects proposed by such country to be undertaken in substantial part with assistance furnished under this title, which projects, whenever practicable, shall include projects for increased production of coal, steel, transportation facilities, and food;

"(2) taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system;

"(3) cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade among themselves and with other countries;

"(4) making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country, including any commodities, facilities, or services furnished under this title, which use shall include, to the extent practicable, taking measures to locate and identify and put into appropriate use, in furtherance of such program, assets, and earnings therefrom, which belong to the citizens of such country and which are situated within the United States, its Territories and possessions;

"(5) facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling or other purposes, for such period of time as may be agreed to and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country;

"(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis. Such special account, together with the unencumbered portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress), shall be held or used within such country for such purposes as may be agreed to between such country and the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems, and the Public Advisory Board provided for in section 107 (a) for purposes of internal monetary and financial stabilization, for the stimulation of productive activity and the exploration for and development of new sources of wealth, or for such other expenditures as may be consistent with the purposes of this title, including local currency administrative expenditures of the United States incident to operations under this title, and under agreement that any unencumbered balance remaining in such account on June 30, 1952, shall be disposed of within such country for such purposes as may, subject to approval by Act or joint resolution of the Congress, be agreed to between such country and the Government of the United States;

"(7) publishing in such country and transmitting to the United States, not less frequently than every calendar quarter after the date of the agreement, full statements of operations under the agreement, including a report of the use of funds, commodities, and services received under this title;

"(8) furnishing promptly, upon request of the United States, any relevant information

which would be of assistance to the United States in determining the nature and scope of operations and the use of assistance provided under this title;

"(9) recognizing the principle of equity in respect to the drain upon the natural resources of the United States and of the recipient countries, by agreeing to negotiate (a) a future schedule of minimum availabilities to the United States for future purchase and delivery of a fair share of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources at world market prices so as to protect the access of United States industry to an equitable share of such materials either in percentages of production or in absolute quantities from the participating countries, and (b) suitable protection for the right of access for any person as defined in paragraph (iii) of subparagraph (3) of section 111 (b) in the development of such materials on terms of treatment equivalent to those afforded to the nationals of the country concerned, and (c) an agreed schedule of increased production of such materials where practicable in such participating countries and for delivery of an agreed percentage of such increased production to be transferred to the United States on a long-term basis in consideration of assistance furnished by the Administrator to such countries under this title; and

"(10) submitting for the decision of the International Court of Justice or of any arbitral tribunal mutually agreed upon any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights, including contracts with or concessions from such country.

"(c) Notwithstanding the provisions of subsection (b) of this section, the Administrator, during the three months after the date of enactment of this Act, may perform with respect to any participating country any of the functions authorized under this title which he may determine to be essential in furtherance of the purposes of this title, if (1) such country has signified its adherence to the purposes of this title and its intention to conclude an agreement pursuant to subsection (b) of this section, and (2) he finds that such country is complying with the applicable provisions of subsection (b) of this section: *Provided*, That, notwithstanding the provisions of this subsection, the Administrator may, through June 30, 1948, provide for the transfer of food, medical supplies, fibers, fuel, petroleum and petroleum products, fertilizer, pesticides, and seed to any country of Europe which participated in the Committee of European Economic Cooperation and which undertook pledges to the other participants therein, when the Administrator determines that the transfer of any such supplies to any such country is essential in order to make it possible to carry out the purposes of this title by alleviating conditions of hunger and cold and by preventing serious economic retrogression.

"(d) The Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to ensure that each participating country makes efficient use of the resources of such country, including any commodities, facilities, or services furnished under this title, by observing and reviewing such use through an effective follow-up system approved by the joint organization.

"(e) The Administrator shall encourage arrangements among the participating countries in conjunction with the International Refugee Organization looking toward the largest practicable utilization of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this title.

"(f) The Administrator will request the Secretary of State to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

"(g) It is the understanding of the Congress that, in accordance with agreements now in effect, prisoners of war remaining in participating countries shall, if they so freely elect, be repatriated prior to January 1, 1949.

"Western Hemisphere countries

"SEC. 116. The President shall take appropriate steps to encourage all countries in the Western Hemisphere to make available to participating countries such assistance as they may be able to furnish.

"Other duties of the Administrator

"SEC. 117. (a) The Administrator, in furtherance of the purposes of section 115 (b) (5), and in agreement with a participating country, shall, whenever practicable, promote, by means of funds made available for the purposes of this title, an increase in the production in such participating country of materials which are required by the United States as a result of deficiencies or potential deficiencies in the resources within the United States.

"(b) The Administrator, in cooperation with the Secretary of Commerce, shall facilitate and encourage, through private and public travel, transport, and other agencies, the promotion and development of travel by citizens of the United States to and within participating countries.

"(c) In order to further the efficient use of United States voluntary contributions for relief in participating countries receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones, funds made available for the purposes of this title shall be used, insofar as practicable, by the Administrator, under rules and regulations prescribed by him, to pay ocean freight charges from a United States port to a designated foreign port of entry (1) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid for operations in Europe, or (2) of relief packages conforming to such specified size, weight, and contents, as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones. Where practicable the Administrator is directed to make an agreement with such country for the use of a portion of the deposit of local currency placed in a special account pursuant to paragraph 6 of subsection (b) of section 115 of this title, for the purpose of defraying the transportation cost of such supplies and relief packages from the port of entry of such country to the designated shipping point of consignee. The Secretary of State, after consultation with the Administrator, shall make agreements where practicable with the participating countries for the free entry of such supplies and relief packages.

"(d) The Administrator is directed to refuse delivery insofar as practicable to participating countries of commodities which go into the production of any commodity for delivery to any nonparticipating European country which commodity would be refused export licenses to those countries by the United States in the interest of national security. Whenever the Administrator believes that the issuance of a license for the export of any commodity to any country wholly or partly in Europe which is not a participating country is inconsistent with the purposes and provisions of this title, he shall so advise the department, agency, or officer in the executive branch of the Government exercising the authority with respect to such commodity granted to the President by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"Termination of assistance

"SEC. 118. The Administrator, in determining the form and measure of assistance provided under this title to any participating country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 115. The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 115, or is diverting from the purposes of this title assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this title or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States. Termination of assistance to any country under this section shall include the termination of deliveries of all supplies scheduled under the aid program for such country and not yet delivered.

"Exemption from contract and accounting laws

"SEC. 119. When the President determines it to be in furtherance of the purposes of this title, the functions authorized under this title may be performed without regard to such provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

"Exemption from certain Federal laws relating to employment

"SEC. 120. Service of an individual as a member of the Public Advisory Board (other than the Administrator) created by section 107 (a), as a member of an advisory committee appointed pursuant to section 107 (b), as an expert or consultant under section 104 (e), or as an expert, consultant, or technician under section 124 (d), shall not be considered as service or employment bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203), of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"United Nations

"SEC. 121. (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this title, and may make payments, by advancements or reimbursements, for such purpose, out of funds made available for the purposes of this title, as may be necessary therefor, to the extent that special compensation is usually required for such services and facilities. Nothing in this title shall be construed to authorize the Administrator to delegate to or otherwise

confer upon any international or foreign organization or agency any of his authority to decide the method of furnishing assistance under this title to any participating country or the amount thereof.

"(b) The President shall cause to be transmitted to the Secretary General of the United Nations copies of reports to Congress on the operations conducted under this title.

"(c) Any agreements concluded between the United States and participating countries, or groups of such countries, in implementation of the purposes of this title, shall be registered with the United Nations if such registration is required by the Charter of the United Nations.

"Termination of program

"SEC. 122. (a) After June 30, 1952, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, which declares that the powers conferred on the Administrator by or pursuant to subsection (a) of section 111 of this title are no longer necessary for the accomplishment of the purposes of this title, whichever shall first occur, none of the functions authorized under such provisions may be exercised; except that during the twelve months following such date commodities and services with respect to which the Administrator had, prior to such date, authorized procurement for, shipment to, or delivery in a participating country, may be transferred to such country, and funds appropriated under authority of this title may be obligated during such twelve-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer, and shall remain available during such period for the necessary expenses of liquidating operations under this title.

"(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the twelve months following such date, the powers, duties, and authority of the Administrator under this title may be transferred to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, and personnel of the Administration may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

"Reports to Congress

"SEC. 123. The President from time to time, but not less frequently than once every calendar quarter through June 30, 1952, and once every year thereafter until all operations under this title have been completed, shall transmit to the Congress a report of operations under this title, including the text of bilateral and multilateral agreements entered into in carrying out the provisions of this title. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

"Joint congressional committee

"SEC. 124. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Foreign Economic Cooperation (hereinafter referred to as the committee), to be composed of ten members as follows:

"(1) Three members who are members of the Committee on Foreign Relations of the Senate, two from the majority and one from the minority party, to be appointed by the chairman of the committee; two members who are members of the Committee on Appropriations of the Senate, one from the majority and one from the minority party, to be appointed by the chairman of the committee; and

"(2) Three members who are members of the Committee on Foreign Affairs of the House, two from the majority and one from the minority party, to be appointed by the chairman of the committee; and two members who are members of the Committee on Appropriations of the House, one from the majority and one from the minority party, to be appointed by the chairman of the committee.

A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman from among its members.

"(b) It shall be the function of the committee to make a continuous study of the programs of United States economic assistance to foreign countries, and to review the progress achieved in the execution and administration of such programs. Upon request, the committee shall aid the several standing committees of the Congress having legislative jurisdiction over any part of the programs of United States economic assistance to foreign countries; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. The Administrator, at the request of the committee, shall consult with the committee from time to time with respect to his activities under this Act.

"(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this subsection.

"(d) The committee is authorized to appoint and, without regard to the Classification Act of 1923, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

"(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman.

"Separability clause

"SEC. 125. If any provision of this Act or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

"TITLE II

"SEC. 201. This title may be cited as the 'International Children's Emergency Fund Assistance Act of 1948'.

"SEC. 202. It is the purpose of this title to provide for the special care and feeding of children by authorizing additional moneys for the International Children's Emergency Fund of the United Nations.

"SEC. 203. The President is hereby authorized and directed any time after the date of the enactment of this Act and before July 1, 1949, to make contributions (a) from sums appropriated to carry out the purposes of this title and (b) from sums appropriated to carry out the general purposes of the proviso in the first paragraph of the first section of the joint resolution of May 31, 1947 (Public Law 84, Eightieth Congress), as amended, to the International Children's Emergency Fund of the United Nations for the special care and feeding of children.

"SEC. 204. No contribution shall be made pursuant to this title or such joint resolution of May 31, 1947, which would cause the sum of (a) the aggregate amount contributed pursuant to this title and (b) the aggregate amount contributed by the United States pursuant to such joint resolution of May 31, 1947, to exceed whichever of the following sums is the lesser:

"(1) 72 percent of the total resources contributed after May 31, 1947, by all governments, including the United States for programs carried out under the supervision of such Fund: *Provided*, That in computing the amount of resources contributed there shall not be included contributions by any government for the benefit of persons located within the territory of such contributing government; or

"(2) $100,000,000.

"SEC. 205. Funds appropriated for the purposes of such joint resolution of May 31, 1947, shall remain available through June 30, 1949.

"SEC. 206. There is hereby authorized to be appropriated to carry out the purposes of this title for the fiscal year ending June 30, 1949, the sum of $60,000,000.

"TITLE III

"SEC. 301. This title may be cited as the 'Greek-Turkish-Chinese Assistance Act of 1948'.

"SEC. 302. In addition to the amounts authorized to be appropriated under subsection (b) of section 4 of the Act of May 22, 1947 (61 Stat. 103), there are hereby authorized to be appropriated not to exceed $275,000,000 to carry out the provisions of such Act, as amended.

"SEC. 303. (a) Subsection (a) of section 4 of such Act of May 22, 1947, is hereby amended by adding at the end thereof the following: 'The Reconstruction Finance Corporation is authorized and directed to make additional advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of this Act, as amended, in such manner and in such amounts as the President shall determine. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose.'

"(b) Subsection (b) of section 4 of the said Act is hereby amended by inserting after the word 'repaid' the following: 'without interest'.

"SEC. 304. Subsections (2) and (3) of section 1 of such Act of May 22, 1947, are hereby amended to permit detailing of persons referred to in such subsections to the United States Missions to Greece and Turkey as well as to the governments of those countries. Section 302 of the Act of January 27, 1948 (Public Law 402, Eightieth Congress), and section 110 (c) of the Economic Cooperation Act of 1948 (relating to investigations of personnel by the Federal Bureau of Investigation) shall be applicable to any person so detailed pursuant to such subsection (2) of such Act of 1947: *Provided*, That any military or civilian personnel detailed under section 1 of such Act of 1947 may receive such station allowances or additional allowances as the President may prescribe (and payments of such allowances heretofore made are hereby validated).

"TITLE IV

"SEC. 401. This title may be cited as the 'China Aid Act of 1948'.

"SEC. 402. Recognizing the intimate economic and other relationships between the United States and China, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in China endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. It is the sense of the Congress that the further evolution in China of principles of

individual liberty, free institutions, and genuine independence rests largely upon the continuing development of a strong and democratic national government as the basis for the establishment of sound economic conditions and for stable international economic relationships. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to China, it is declared to be the policy of the people of the United States to encourage the Republic of China and its people to exert sustained common efforts which will speedily achieve the internal peace and economic stability in China which are essential for lasting peace and prosperity in the world. It is further declared to be the policy of the people of the United States to encourage the Republic of China in its efforts to maintain the genuine independence and the administrative integrity of China, and to sustain and strengthen principles of individual liberty and free institutions in China through a program of assistance based on self-help and cooperation: *Provided,* That no assistance to China herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that assistance provided by the United States under this title should at all times be dependent upon cooperation by the Republic of China and its people in furthering the program: *Provided further,* That assistance furnished under this title shall not be construed as an express or implied assumption by the United States of any responsibility for policies, acts, or undertakings of the Republic of China or for conditions which may prevail in China at any time.

"SEC. 403. Aid provided under this title shall be provided under the applicable provisions of the Economic Cooperation Act of 1948 which are consistent with the purposes of this title. It is not the purpose of this title that China, in order to receive aid hereunder, shall adhere to a joint program for European recovery.

"SEC. 404. (a) In order to carry out the purposes of this title, there is hereby authorized to be appropriated to the President for aid to China a sum not to exceed $338,000,000 to remain available for obligation for the period of one year following the date of enactment of this Act.

"(b) There is also hereby authorized to be appropriated to the President a sum not to exceed $100,000,000 for additional aid to China through grants, on such terms as the President may determine and without regard to the provisions of the Economic Cooperation Act of 1948, to remain available for obligation for the period of one year following the date of the enactment of this Act.

"SEC. 405. An agreement shall be entered into between China and the United States containing those undertakings by China which the Secretary of State, after consultation with the Administrator for Economic Cooperation, may deem necessary to carry out the purposes of this title and to improve commercial relations with China.

"SEC. 406. Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation is made pursuant to section 404, to make advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of this title in such manner and in such amounts as the President shall determine. From appropriations authorized under section 404, there shall be repaid without interest to the Reconstruction Finance Corporation the advances made by it under the authority contained herein. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation in implementation of this section.

"SEC. 407. (a) The Secretary of State, after consultation with the Administrator, is hereby authorized to conclude an agreement with China establishing a Joint Commission on Rural Reconstruction in China, to be composed of two citizens of the United States appointed by the President of the United States and three citizens of China appointed by the President of China. Such Commission shall, subject to the direction and control of the Administrator, formulate and carry out a program for reconstruction in rural areas of China, which shall include such research and training activities as may be necessary or appropriate for such reconstruction: *Provided,* That assistance furnished under this section shall not be construed as an express or implied assumption by the United States of any responsibility for making any further contributions to carry out the purposes of this section.

"(b) Insofar as practicable, an amount equal to not more than 10 per centum of the funds made available under subsection (a) of section 404 shall be used to carry out the purposes of subsection (a) of this section. Such amount may be in United States dollars, proceeds in Chinese currency from the sale of commodities made available to China with funds authorized under subsection (a) of section 404, or both."

And the Senate agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

C. A. EATON,
J. M. VORYS,
K. E. MUNDT,
S. BLOOM,
J. KEE,
Managers on the Part of the House.

A. H. VANDENBERG,
A. CAPPER,
A. WILEY,
T. CONNALLY,
W. F. GEORGE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendments of the House to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The differences between the House amendment and the bill as agreed to in conference are noted below, except for incidental changes made necessary by reason of agreements reached by the conferees and minor clarifying changes.

TITLE I

Findings and declaration of policy (sec. 102)

The bill as passed by the Senate stated the restoration and maintenance of individual liberty, free institutions, and genuine independence as resting upon the establishment of sound economic conditions, stable economic relationships, and the achievement by the European countries of a healthy economy, free of extraordinary outside assistance. The amendment as passed by the House added political as well as economic conditions and relationships to the criteria. The House recedes in view of the concept that the European recovery program is primarily an economic undertaking although political and other gains will be the byproducts.

Participating countries (sec. 103)

Section 3 (a) of the Senate bill provided that other European countries not now in the 16 country group might become participants in the program after fulfilling the steps required by the bill, but no such countries were named. The House amendment, in section 103 (a), inserted the word "Spain" in this provision but left in this qualifying language: "Provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title." Thus, the House left it to the joint action of the European nations to provide for inclusion of Spain.

In conference it was felt wiser not to mention Spain or any specific country which might become a participant by fulfilling the required conditions.

The merits of the question of including Spain are not being passed upon. This enterprise is open to Spain whenever the participating countries desire to have Spain enter the partnership. Under the theory upon which the partnership has been launched and organized, the United States leaves to the participating governments the initial decision on the admission of a new partner.

Nothing in the bill closes the door on Spain's participation. In the view of the managers on the part of the House, it is unnecessary to attempt to open a door that has never been closed in this legislation.

The provision in the amendment as passed by the House for assistance to the Free Territory of Trieste or either of its zones under the Foreign Aid Act of 1947 until such time as the territory or either of its zones becomes a participating country has been retained with an amendment which makes it clear that the $20,000,000 authorized to be advanced by the Reconstruction Finance Corporation pending an appropriation may be made available under the authority either of subsection (a) of section 114 of S. 2202 or subsection (d) of section 11 of the Foreign Aid Act of 1947. The amendment agreed to in the committee of conference does not increase the authorization for appropriation under either the bill or the Foreign Aid Act of 1947.

In the event that Trieste should be returned to Italy, funds authorized for assistance to Trieste will, of course, remain available for the general purposes of the act under which they were authorized.

General functions of administrator (sec. 105)

The House amendment to S. 2202 (a) directed the Administrator to consult with the Secretary of State in the event the Administrator believed that any action, proposed action, or omission of action on the part of the Secretary of State was inconsistent with the purposes of the European recovery program, and (b) specified that differences between the two officials in this regard should be referred to the President for final decision when the officials concerned were unable to settle these differences themselves.

The Senate recedes with an amendment which confines the relevant area of differences to functions under the European recovery program. The effect of this amendment is to make it clear that the Administrator's right to carry differences with the Secretary of State to the President is no more than equivalent to the corresponding right of the Secretary of State with respect to disagreements with the Administrator.

Public Advisory Board (sec. 107)

The amendment to S. 2202 as passed by the House specified that the members of the Public Advisory Board should have broad and

varied experience in business, labor, agriculture, and the professions, as well as in matters affecting the public interest. The House recedes from its position.

It was the view of the committee of conference that the qualifications of the members of the Public Advisory Board should be related to their broad and varied experience in matters affecting the public interest without reference to economic interest groups.

Personnel outside United States (sec. 110)

There was retained in substance the provision of the amendment passed by the House requiring certification by the Secretary of State or the Administrator of his belief in the loyalty of individuals employed for, or assigned to, duties under title I. Certain changes were made (1) to permit consideration of information in addition to the Federal Bureau of Investigation report; (2) to require certifications of belief as to loyalty rather than "unquestioned loyalty"; and (3) not to bar persons who may have belonged to organizations opposing specific statutory enactments as distinguished from organizations advocating the overthrow of the government by force and violence. The proviso contained in the House bill was deleted, however, since the language which was retained made it clear that present employees of the government might be temporarily assigned to such duties for a period of three months pending the Federal Bureau of Investigation report and certification by the Administrator or Secretary of State.

It is recognized that the burden of other duties of the Secretary of State and the Administrator will preclude their making personal evaluations in each case of the Federal Bureau of Investigation reports. It is therefore envisaged that this function may be delegated by the Administrator and the Secretary of State to trusted subordinates, although the responsibility for the selection and retention of employees loyal to the United States would remain in the Secretary of State and the Administrator in their capacity as head of their respective agencies.

Nature and method of assistance (sec. 111)

The Senate recedes on the provision in section 111 (b) (1) (i) of the amendment as passed by the House respecting the assignability under the Assignment of Claims Act of 1940 of moneys due or to become due under letters of commitment. A clarifying amendment has been added by the committee of conference to identify such moneys as those due under the letters of commitment rather than under the contracts to which the letters of commitment relate.

It should be noted that the Senate recedes on the language inserted in section 111 (b) of the amendment as passed by the House requiring expenditures for commodities or services procured offshore to be accounted for exclusively on such certification as the Administrator may prescribe "in regulations promulgated by him with the approval of the Comptroller General." Experience has shown that with respect to procurement outside the United States, particularly through normal trade channels, it is frequently impossible to obtain all the standard documentation required for auditing of accounts. Hence the Administrator is authorized to prescribe the documents required in support of expenditures for offshore procurement. The purpose of the amendment made by the House was to assure that the Administrator would obtain the approval of the General Accounting Office in promulgating regulations prescribing the documentation to support such expenditures for offshore procurement.

It is contemplated that the regulations would not specify such documentation with great particularity, but would indicate general requirements assuring appropriate expenditure, while leaving details of documentation to the discretion of the Administrator who would be free to take into account the exigencies of individual situations.

The Senate recedes on the provision in section 111 (b) (3) of the amendment as passed by the House including among the guaranties which may be made the guaranties of investments in enterprises producing or distributing informational media. The members of the committee of conference recognize that the nature of the information media industry is such that in many cases the investment to which the guaranty will apply will have been made in the United States and the product of the investment sold or exhibited abroad. In these cases the guaranty might well apply to the convertibility of foreign currencies earned by the sale or exhibition of the products of the industry, to the extent of the dollar cost of production wholly attributable to those specific products.

The Senate also recedes on the provision in section 111 (b) (3) of the amendment as passed by the House requiring that when any payment is made under a guaranty, foreign currency or credits in such currency in respect of which the guaranty was honored shall become the property of the United States. This provision will, of course, apply only to the amount of local currency or credit in such currency for which payment is made under the guaranty.

Protection of domestic economy (sec. 112)

The House recedes on the provision written into section 112 (c) of the amendment passed by the House requiring that not less than 50 percent of the corn to be transferred by grant to the participating countries should be in the form of corn derivatives other than intoxicating liquors.

Section 12 (d) of the bill as passed by the Senate provided detailed rules to be followed by the Administrator in the procurement of surplus agricultural commodities in order to protect the domestic economy. The term "surplus agricultural commodity" was defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In section 112 (d) of the amendment passed by the House there was added to this definition "canned foods and domestically produced fishery products which are determined by the Secretary of Agriculture to be in excess of domestic requirements. The House recedes on this amendment. The generality of the definition remains intact.

Authorization of appropriations (sec. 114)

Section 14 (a) of the bill as passed by the Senate provided that the Reconstruction Finance Corporation was to be repaid without interest from appropriations authorized under the bill for advances made by it in pursuance of the bill. In section 114 (a) of the amendment passed by the House the language was changed to provide for repayment "from funds made available for the purposes of this title." The Senate recedes on this amendment. This is in keeping with the acceptance by the committee of conference of the portions of the House amendment relating to public-debt transactions. A clarification is necessary: funds may be made available for assistance to any participating country out of the Reconstruction Finance Corporation advance prior to a determination whether such assistance should be by way of grant or loan. When such determination is made, the Reconstruction Finance Corporation will be repaid from appropriations made under section 114 (c) or from proceeds of the sale of notes under section 114 (c) (2) as the case may be.

The Senate recedes on the language adopted by the House in section 114 (c) insuring annual authorizations during the life of the program.

Bilateral and multilateral undertakings (sec. 115)

The bill as passed by the Senate in section 15 (b) (4) would require a participating country where applicable to agree in the basic bilateral agreement to undertake measures, to the extent practicable, to locate and control in furtherance of the joint program assets, and earnings therefrom, situated in the United States and belonging to citizens of such countries. Section 115 (b) (4) of the House amendment changed this language to a requirement to identify and "put into active use" such assets and earnings. The Senate receded on this part of the House amendment with an amendment changing the word "active" to "appropriate". This provision does not require the liquidation of the assets to which it applies. For instance, investments would be considered as being put into appropriate use if the income therefrom were being used in such a manner as would contribute to the furtherance of the recovery program.

Section 15 (b) (5) of the bill as passed by the Senate provided for a clause in the bilateral agreement, if applicable, under which a participating country would undertake within reasonable limits to facilitate the transfer to the United States, for stock-piling purposes, of materials required by the United States as a result of deficiencies or potential deficiencies in its own resources. The House amendment in section 115 (b) (5) included "other" purposes along with stock piling so as to indicate that scrap iron, and any similar materials which are immediately needed in our economy, need not be stock-piled. The Senate receded on this portion of the House amendment. In the opinion of the committee of conference materials such as scrap iron should be available for transfer to the United States under this provision for immediate use and not for stock piling.

In section 115 (b) (9) the House amendment added to the undertakings which might be applicable to the bilateral agreement an undertaking reinforcing the provisions included in the Senate bill respecting the acquisition of materials required by the United States as a result of deficiencies or potential deficiencies in its own resources. The participating country was to undertake to provide future schedules of minimum availabilities to the United States for future purchase and delivery, and also to provide an agreed schedule of increased production of such materials in repayment on a long-term basis of grants or loans made by the Administrator to the participating country. The Senate recedes on this portion of the House amendment with amendments making it clear (1) that the bilateral agreement need only contain an agreement by the participating country to negotiate in the future for providing such schedules and (2) that a portion of the increased production of such materials would be transferred to the United States on a long-term basis in consideration of assistance furnished to the participating country under Title I rather than in repayment of specific loans or grants.

Section 115 (b) (10) of the House amendment added to the undertakings which might be applicable to the bilateral agreement an undertaking to submit for the decision of the International Court of Justice or any mutually agreed tribunal any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights. The Senate recedes on this amendment. It should be pointed out that in making its decision as to whether to espouse a claim, the United States Government will give due regard to the availability of local remedies and to the question whether such remedies, if available, have been exhausted by the United States national concerned.

Other duties of the Administrator (sec. 117)

Section 17 (c) of the bill as passed by the Senate would give discretionary authority to the Administrator to defray ocean freight charges on relief packages sent by United States voluntary nonprofit relief agencies or by American individuals and consigned to

residents of participating countries receiving aid under grants. Section 117 (c) of the amendment passed by the House provided for a number of extensions and refinements of this authority. It also made the defrayment of such expenses mandatory and included port charges and the handling cost from the post office at the port terminal to shipside along with the ocean freight charges as expenses which might be defrayed. The House recedes on the mandatory requirement and on the inclusion of port charges and handling costs from the port terminal post office to shipside. It was the considered judgment of the members of the committee of conference that the subsidizing of expenses beyond ocean freight would result in an excessive drain on the funds authorized to be appropriated by this bill.

The House recedes also on an additional provision which would authorize the Administrator to grant equal benefits to American relief agencies which deliver packages from stock piles abroad. It was the view of the members of the committee of conference that with the removal of port charges and the cost of handling from the terminal post office to shipside an equitable balance is struck between individuals and organizations shipping relief packages directly from the United States on the one hand and organizations which stock-pile relief supplies in Europe on the other hand.

Section 117 (d) includes a provision which was in section 112 (g) of the amendment as passed by the House relevant to the authority of the Administrator to refuse delivery to participating countries of commodities or products which go into the production of any commodities or products for delivery to any nonparticipating European country, which commodity would be refused export licenses to those countries by the United States in the interest of its national security, and further authorizing the Administrator to intervene in the national interest in the enforcement of section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended. The Senate recedes with an amendment.

Under the amendment as agreed to by the committee of conference, it is contemplated that pursuant to the authority conferred by section 6 of the act of July 2, 1940, as amended, regulations will be promulgated by the President under which the Administrator can make a finding whether the denial of export licenses with respect to particular commodities destined for nonparticipating countries in Europe have been refused in the interest of the national security of the United States or whether they have been refused on other grounds.

Joint congressional committee (sec. 124)

Section 24 of S. 2202 as originally passed by the Senate contained a provision for a Joint Committee on Foreign Economic Cooperation, to be composed of seven Members of the Senate and seven Members of the House of Representatives to be appointed respectively by the President of the Senate and the Speaker of the House. The function of this committee would be to study continuously the programs of economic assistance to foreign countries, review progress under these programs, and assist the related standing committees of the Congress having legislative jurisdiction relevant to the program.

The House amendment to S. 2202 omitted this provision. Section 108 of the House amendment provided, however, that the United States Special Representative in Europe should keep the chairmen of the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House currently informed on his activities. A similar provision respecting the Chief of the Special Mission to China was included in section 405. These two provisions in the House amendment were to implement the legislative and appropriating committees concerned in carrying out their responsibilities under the Legislative Reorganization Act of 1946.

The House recedes with an amendment. The provisions for the United States Special Representative in Europe and the Chief of the Economic Mission to China to make special reports to the committee chairmen concerned are omitted. As a substitute for the provision for a joint congressional committee as contained in the bill as passed by the Senate, the bill as revised in the committee of conference provides for a joint committee to consist of 10 members equally balanced as between the two Houses of Congress, of which 3 members from each House will be from the committee having legislative jurisdiction and 2 members from each House will be from the committee having jurisdiction with respect to appropriations. The joint committee thus envisaged will maintain the balance as between the two major political parties and questions of policy and purse will be brought into a common focus.

The Senate's view emphasizes the need of a joint committee having a special obligation to follow up on the effectiveness of operations carried out in this new and far-reaching experiment in foreign relations. The view of the House, on the contrary, emphasizes the need of protecting the primary responsibility of the legislative committees and of the appropriations committees concerned in the feeling that supervision is most effective when linked to responsibility.

It is the view of the majority of the managers on the part of the House that the formula worked out in the committee of conference is a most satisfactory compromise between these two points of view.

TITLE II

The Senate receded with an amendment to the House amendment inserting title II in the bill. The purpose of the amendment as agreed to in the committee of conference is to set up a more convenient formula for computing the contribution to be made to the Children's Fund by the United States. The following is the method of computing the amount of the United States contributions under this amendment:

The entire resources of the fund consist of contributions from three sources:

Category (1): Contributions by governments other than the United States for the benefit of persons within their own territory;

Category (2): Contributions by governments other than the United States for the benefit of persons outside their own territory;

Category (3): Contributions by the United States.

The United States is authorized to contribute up to 70 percent of the total resources contributed by all governments, including the United States. The contributions by the United States, however, are not expected to exceed the sum of the contributions by other governments. Contributions by other governments for the benefit of persons outside their own borders, i. e., category (2), must match United States contributions on a 72–28 basis.

Thus, taking the total resources as 100 percent, category (3), contributions by the United States, are not expected to exceed 50 percent but may reach 70 percent. If the contributions by other governments for the benefit of persons outside their territory, i. e., category (2), equal exactly 20 percent, there will be 30 percent in category (1). For every $2 contributed by other governments for the benefit of persons outside their borders the United States may contribute as much as $5 to the Fund. In case no country makes a contribution to the Fund for the benefit of children inside its own borders, the $5 contributed by the United States would be matched only by the $2 in category (2). The United States contribution would then amount to 70 percent of the total resources, as authorized in the proposed language of the bill. If, however, other countries contribute 30 percent of the total resources for the benefit of children within their own borders, the United States contribution will be just 50 percent of the total resources.

TITLE III

The amendment as passed by the House included military-type aid to Greece, Turkey, and China in title III. As a result of the action taken by the committee of conference military-type aid to Greece and Turkey is retained in title III and military-type aid to China is shifted to title IV.

TITLE IV

China

The managers on the part of the House accepted changes which considerably shorten the text of the bill, consolidate aid to China in a single title, adjust the time period of the authorization from "until June 30, 1949" to a "period of one year", and adjust the amount authorized to the change from 15 months to 12. The purpose clause of the House bill was retained, as well as the provision on rural reconstruction. The Senate provision on an advance by RFC before appropriation was accepted.

Administrative Provisions

The managers on the part of the House accepted the clause from section 2 of the Senate bill, providing that aid to China is to be provided under the applicable provisions of the Economic Cooperation Act of 1948 which are consistent with the purposes of this title. This clause is a substitute for the complex provisions of the House bill. All of section 403 of the House bill with the exception of the authorization of funds, and the last clause relating to rural reconstruction, together with section 405 of the House bill, are thus replaced by three lines from the Senate bill with no change in effect, embodied in section 403 of the conference bill.

China—Amount Authorized

The amount authorized was changed from a total of $570,000,000 for approximately 15 months to a total of $463,000,000 for a period of 12 months. The new figure is slightly more than four-fifths of the former House figure, reflecting the assumption that the scale of aid will be highest at the beginning of the program and decline thereafter.

Of the total authorization it was agreed that $125,000,000 should be provided under the language of the Senate bill allowing for aid of military character, with $338,000,000 remaining for the economic reconstruction type of aid. In making this adjustment the allotment for military aid is slightly larger in proportion to purely economic aid than in the original House bill. These changes are embodied in section 404 of the agreed bill.

Rural Reconstruction

The so-called "Jimmy Yen" provision of the House bill, consisting of subparagraph (h) of section 403, together with the whole of section 404 of the House bill, was retained as section 407 of the agreed bill. The amount authorized was modified from a fraction of the total United States dollars to include either United States funds, Chinese funds made available under agreement, or both.

RFC Clause

The Senate provision allowing an advance of $50,000,000 by the Reconstruction Finance Corporation against the program for China was accepted by the managers on the part of the House. This reduces the authorization in this connection from $150,000,000 to

$50,000,000, but in the judgment of the conferees this smaller amount will be entirely adequate for the practical needs of the program. This provision is now section 406 of the bill.

C. A. EATON,
J. M. VORYS,
K. E. MUNDT,
S. BLOOM,
J. KEE,
Managers on the Part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. VORYS. Mr. Speaker, I wish to apologize to the Speaker and to the floor leader. We are 24 hours late on the program which the leadership planned for the consideration of this matter. However, we are a week ahead of the program that the critics of this package plan considered possible.

In conference we had to recede on certain matters, of course, and make certain adjustments, but there are few changes between the conference report and the House bill passed 2 days ago.

First. Provision is retained for a complete annual review of authorization and appropriations.

Second. The $1,000,000,000 cut in the amount for appropriations is still in the bill. The total is now $107,000,000 less than the House bill, or $6,095,000,000. Of this amount $1,000,000,000 is available solely for loans and guaranties.

Third. An independent administrator, with provision for use of a corporation for carrying on the program, is still in the bill.

Fourth. Trieste, the children's fund, Greek-Turkish assistance, and China are in. China is in for $125,000,000 military aid and $338,000,000 other aid for a period of 12 months, slightly over the proportionate figure for that period in the House bill.

Fifth. The loyalty test is in.

Sixth. The Mundt-Colmer amendment is in.

Spain is out. The House amendment left it to the joint action of the 16 countries as to whether Spain should be admitted to the plan. The conferees felt it was wiser to name no specific country among the many which might become participants by complying with the requirements of the joint plan. In this legislation we do not need to open a door that has never been closed. That is the situation with respect to mentioning Spain.

Corn, canned goods, and fish are out. They can be used if they meet standards for the program, but the conferees decided there was no need for their specific mention, as in the House bill.

Port charges for relief packages are out. It was found that this would amount to about $30,000,000, but ocean-freight payment for such relief packages is retained in the bill.

The so-called new watchdog committee proposed by the Senate is out, but instead a joint committee made up of Members of the House Foreign Affairs Committee and Appropriations Committee and similar committees of the other body is to aid in collecting information for the standing committees in carrying on their regular duties of checking the administration of laws under the Reorganization Act.

Mr. Speaker, I now yield to our distinguished and beloved chairman, the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Speaker, I wish to call the attention of the House to the fact that this is really an historic moment in the development of legislation by this body. I doubt if in our entire history we have laid the foundations of so broad and far-reaching a world policy as we have in this legislation. We of the Foreign Affairs Committee are just about one week short of three solid months of terrific and continuous toil in its preparation. I am thankful to say that we have come here today with a bill that is worthy of the favorable consideration of every Member of this House and the support of the people.

As to the watchdog committee, I do not like watchdogs, which constitute a reflection upon the integrity of that to be watched. The House voted overwhelmingly not to have one. But we in conference decided to have a little imitation one to satisfy the brethren who had a hungering in that direction. So I am going along with them to that extent.

Mr. VORYS. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. MUNDT] to explain the so-called Mundt-Colmer amendment.

Mr. MUNDT. Mr. Speaker, I expect to explain the amendments mentioned by the able and energetic gentleman from Ohio [Mr. VORYS] in just a minute, but first I would like to call to the attention of the membership the fact that seldom, if ever, in the 10 years that I have been a Member of this House have we had such good success as House conferees in conferring with the other body as was true with this legislation.

I would like to pay my tribute to the gentlemen from the other end of the Capitol in having yielded to the House position on virtually all the major items of controversy. There were nine major items of disagreement, and on seven of the nine the gentlemen from the other end of the Capitol accepted the position of the House.

Mr. Speaker, the nine most significant items in disagreement between our two legislative bodies were as follows:

First. Should this be a single-package bill including all of the major-assistance items required by the so-called Marshall-plan countries plus China and including both economic and military-type aid or should we handle these programs by separate items of legislation. The other body proposed handling the items separately; the House Foreign Affairs Committee argued that the time has come to wrap into one package the world programs in which we are engaged to contain and curb communism abroad. The position of the House prevailed in the conference. We are today voting for final passage of a single-package bill and may I add, sir, that this is also a distinct victory for our able and beloved Speaker and for his talented aide, our majority leader, since both of them favored the package approach. In settling the differences between the two types of legislation so quickly and in having the whole series of programs ready for passage today we have confounded the critics who a month or so ago were arguing that "the single package approach would delay aid to Italy and the other western countries." It did not make for delay. Quite to the contrary the single-package approach has made for far greater speed in implementing this rounded-out program of assistance than would otherwise have been possible. A month ago the State Department expressed the hope we could get this legislation through Congress "not later than April 10." Well sir, here it is today, ready for the President's signature and with RFC money immediately available for utilization on April 2. We beat the State Department's timetable by 8 days.

Second. The second major difference between Senate and House versions of the bill was on the matter of amount. Should this all be appropriated money available for grants or should a substantial portion be set aside for loans and guaranties? Again the House position prevailed in conference. One billion dollars of this aid need not be appropriated as it is to be extended as loans or guaranties. Much, maybe most, of this money should return to our Federal Treasury.

Third. The third point at issue was the matter of the time to be covered by this authorization. The Senate proposed 1952 as the termination date of this authorization. In language inserted by me during the committee consideration of this bill, we insisted that there be annual authorizations as well as annual appropriations. The House position prevailed in conference. So this legislation covers 12 months only. Another authorization, a new piece of legislation, a new series of hearings, and a new affirmative action by Congress will all be required to extend this program beyond 12 months. We all hope the program works so well and that the world is so peaceful and patient that we shall feel it wise and prudent to extend this program further when it comes before us again next year, if it is again brought before us. If we have it with us again next year, it will be an indication the program is measuring up to what is hoped of it. But today's commitment is for 1 year and for 1 year only.

Fourth. Our fourth difference of opinion grew out of what is to be done with the assets of foreigners in the United States. What should we do about these hidden assets owned by wealthy aliens and maintained in this country? The House language insisted through an amendment which you will recall my offering on the floor of the House and which you approved that these assets be put into active use. Again the House position prevailed. The conference language says "put into appropriate use." That is an improvement over my language. It means that when located and identified these assets of rich foreigners are to be put into appropriate use in the furtherance of this program. That is right and proper. It will help relieve the burden on American taxpayers by utilizing the earnings and assets of the foreigners whose homelands we are endeavoring to stabilize and save.

Fifth. On the matter of providing for repayment to the United States insofar as practicable of the assistance we extend by shipping to this country or making available to us metals and minerals which are in short supply, again the position of the House prevailed. Our amendment to guarantee us access to foreign minerals and to mandate the Administrator of this program to secure agreements where possible to ship us critical and strategic minerals in compensation for our assistance will be made part of this law as you vote final approval for it today.

Sixth. The FBI loyalty check remains in the bill, virtually in the same fashion that it passed the House. If anything, it has been strengthened because now we require the Economic Administrator or the Secretary of State to certify in writing after full consideration of the FBI report that the individuals in question are loyal to this Government and are not now or never have been members of an organization of a subversive nature, or which sponsors policies or programs contrary to the Constitution of the United States. I submit to you that that is the tightest and the toughest prohibition against the employment by the Federal Government of Communists and their fellow travelers that has ever been written into a criminal statute. I think it is going to operate successfully.

This amendment which follows but strengthens the pattern which our committee has insisted on writing into all of our foreign-aid proposals since our unhappy and unfortunate experiences with UNRRA is the best formula which we have yet found for keeping Communists and crypto-Communists out of Government service. This amendment is as full of teeth as a crocodile's jaw. It provides for a screening and scrutiny of the background of potential employees which should result in the appointment of men and women for ERP who have the same sense of sturdy Americanism as the agents of the FBI itself. Again the Senate receded, the position of the House prevailed in conference, and we bring this legislation back to you with a loyalty check of which we can all be proud. Unless the Administrator and/or the Secretary of State authorize the attachment of their signatures to certifications of loyalty under this act which are gross falsehoods and deliberate deceptions, I believe we can be assured of good American personnel in the administration of this act.

Seventh. The export prohibition amendment was retained also with all of its full impact and import in the intention in which it passed the House. In fact, the first section of it, the part which prohibits the reshipment to the Soviet sphere from any cooperating country of anything which we, in turn, deny our own producers the right to ship because of our national interest, remains exactly in the language that was approved by the House in adopting my export-control amendment.

We spent over 3 hours in controversy with the Senate last night over the second part of the export-control amendment. The gentlemen from the other end of the Capitol wanted to be sure that it was written in a constitutional manner, just as we wanted, and to be sure that it was workable. We think we have a formula which does exactly what the House has in mind. It places upon the Economic Administrator the responsibility, when he finds it in conformity with the purposes of this act, which you will recall, includes the protection of the national interests of the United States, to advise against shipping or exporting to any nonparticipating country in Europe any product jeopardizing our national security and interest. We make it mandatory upon the Administrator then to advise the Department of Commerce, or any other agency of the Government which may have control of export licenses at the time, that he feels prohibition should be made on such exports sent to the Soviet sphere, which we refer to in the language of statesmanship as the nonparticipating countries.

If the export-control authorities refuse to go along, the controversy is carried to the President and decided by him. It means that in the regular reports that the Economic Administrator makes to the Congress he has to define his position and his actions on such matters. He has to submit it in writing so that everybody in the country will know from now on if we ship machine tools or war potentials or war supplies to the Soviet sphere that is was done with the official approval of the President of the United States. There will be no dodging or no ducking of responsibility. I join all of you, I know, in the hope this export-control provision will be faithfully carried out and that hereafter no more war supplies or military potentials will be sent to the countries under Communist domination.

Mr. Speaker, I want to call attention now to one important correction, a typographical error on page 29 of the report. About 12:30 last night when we left the conference room it was agreed that the language appearing in the second line from the top of page 29 would be stricken from the report so that the report would read as follows, and I want this to appear in the permanent RECORD clearly since the conferees are in complete agreement about this, so that no administrator will ever come back to the Congress and say, "I was governed by a typographical error in the conference report." Beginning at the bottom of page 28, the correct and unanimously approved language of our conference report should read as follows:

> There was retained in substance the provision of the amendment passed by the House requiring certification by the Secretary of State or the Administrator of his belief in the loyalty of individuals employed for, or assigned to, duties under title I.

Immediately following that should be deleted, and the deleted part reads as follows:

> Certain changes were made (1) to permit consideration of information in addition to the Federal Bureau of Investigation report.

That language should not be in this report. Those words were stricken out by the conferees last night and the people who had charge of assembling the report deleted them. They appear in the report today purely as a typographical error. The Administrator is not permitted to ignore the FBI report or to set up another investigating group. He has to make his findings based upon full consideration of the FBI report, nothing more, nothing less. Let there be no misunderstanding about that. Let the Secretary of State and whoever is to be made Administrator of this act be governed accordingly.

Now, Mr. Speaker, a few words about the two remaining major points at issue between the two bodies, the issues on which your House conferees were compelled to recede and concur with the Senate.

The eighth point at issue was whether Spain should be mentioned by name as a country eligible for participation in the western European recovery program or whether the phrase "other countries" should be ample to make America's position clear on that point. The Senate preferred to mention no country by name outside of the 16 original participating countries. The House concurred with the Senate position and specific reference to Spain was deleted. As the gentleman from Ohio [Mr. VORYS] has said, however, that was not done as an indication that Congress believes that Spain should be excluded. As demonstrated by the vote of this House on the specific question a few days ago it is clear that a great body of opinion in America hopes that the 16 participating countries will utilize the cooperation of Spain in strengthening and stabilizing the economy and the political relationships of all the European countries still remaining outside of the Communist grasp.

On point 9, the so-called watchdog committee, a compromise amendment was accepted halfway between the position of the House and the position of the Senate. There will be a joint committee as the Senate language recommended but it will be comprised of six members of the Foreign Affairs and Foreign Relations Committee and four members of the Appropriations Committees of the two bodies. I think the language of the report is self-explanatory and clear on this amendment.

Mr. Speaker, after nearly 90 days and very many nights of hard labor on this legislation, our task is now completed. It leaves our committee with our prayers and yours that it may succeed. It represents the greatest adventure of American history in the active waging of peace. It is a mighty effort on the part of this great Christian country to curb the aggressions of Godless communism without war. It totally and finally marks the end of the era of appeasement which this country has followed since the conference at Teheran, and even earlier, down to the shipload of war supplies which the Russian freighter, the steamship *Chukotka*, carried out of the Claremont Terminal in Jersey City, N. J., with officially approved sailing orders last Saturday night.

If this plan for waging a peace succeeds it will be the most profitable and productive investment in American history. If it fails, war will become inevitable as the only remaining alternative for our own survival. If it succeeds, the costs will be as nothing compared

with the costs of failure. If it fails, the costs we shall then face will shrink into insignificance compared with what we now propose to spend to win the peace. Should we try and fail we shall have done our best. But should we fail to try, America might face the setting sun of civilization's destiny without ever having devoted her great strength toward trying to precipitate the dawn of permanent peace. Therefore, we are resolved to try our best.

Mr. VORYS. Mr. Speaker, there are three typographical errors in the printed conference report:

On page 23, in section 301, the citation should read "Greek-Turkish Assistance Act of 1948"; and on page 25, in section 404 (b), the figure should be $125,000,000" in lieu of $100,000,000." The amount is correctly shown in the statement of managers on page 35 of the printed report.

And then, as the gentleman from South Dakota [Mr. MUNDT] stated, there is the correction on page 29. The enrolled bill is correct.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. On page 18, subsection (e) of section 115, is the point where the Administrator shall encourage arrangements among participating countries in conjunction with the International Refugee Organization. That means, does it not, that the Administrator under this act has the right and the duty to negotiate agreements so that these participating countries will take their fair share of displaced persons now in Europe and in the various zones?

Mr. VORYS. Yes. The purpose is, however, to make it clear that he does not displace the head of the International Refugee Organization.

Mr. FULTON. Yes; but he has the duty to negotiate.

Mr. VORYS. Yes.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from New York.

Mr. JAVITS. The provision that is now in the section in regard to the shipment of relief packages by United States voluntary nonprofit agencies and individuals, is confined to ocean freight only and omits port charges and delivery charges from the post office to the terminal. Are we to understand that present provision was designed in that way to limit the amount of the cost of shipment to be absorbed, and the reason that the CARE amendment was left out was to preserve the equality between CARE and the voluntary agencies and individuals by confining the cost to be absorbed to this one item of ocean freight charges.

Mr. VORYS. Yes.

Mr. Speaker, I now ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THERE WILL BE HOPE FOR PEACE

Mr. JOHNSON of Texas. Mr. Speaker, the long hours of debate on this legislation are nearly ended, and soon this House will be called upon to vote "yes" or "no," on this program of financial aid to the free nations of the world across the seas.

No parliament of man ever before was confronted with a decision of more importance, for when we vote we will be voting "yes" or "no" upon the future of the human race.

If the vote is "yes," there will be hope for peace.

I would prefer to strike out that word "hope." I wish that I could say an affirmative vote on this measure would mean peace. In all honesty, that cannot be said. Our expenditure of this money is a gamble—the most heroic gamble in the history of mankind. Therefore, we can only hope that this will secure the peace.

THE SAFER RISK

But this is no reason for weak-hearted men to cower and retreat and run pell-mell away from destiny. In this world of violence, any course our Nation might take would be a gamble.

The course outlined in this legislation is, I believe, the safer risk.

If the vote should be "no," civilization would turn down the short and terrifying dead-end street of atomic warfare. From that path there would be no return.

Since the inception of this program many months ago the arguments have been heard at great length both for and against the proposal.

We have heard the America Firsters and the Russia Firsters rant and rave against it.

We have heard the voice of isolationism arise once more, parroting phrases of false prophecy and contending that economy in Government is more to be desired than peace in the world.

We have heard the voice of hysteria scream again, mimicking the voice of Moscow and telling us that we are warmongers because we are replacing bullets with bread in this field of international relations.

IRRESPONSIBLE POLITICAL CLOWNS

Yes; and I would particularly like to recall that in the chambers of debate there have been those irresponsible political clowns who shouted that this program of foreign aid was conceived in Moscow. What could be further from the truth?

This legislation was not written in Moscow.

This legislation was not written in Wall Street.

It was written on the Main Streets of America.

This legislation is what the great majority of the American public demands as minimum security for this hard-earned peace which we now hold so tentatively within our grasp.

VOTE HEARD AROUND THE WORLD

Whatever we do here as individuals acting upon this legislation, our final votes will long outlive our names in the memory of mankind. This vote will be heard around the world—and it will echo on and on, so long as the peace is kept among men.

Why is this vote so important? Why does so much hinge upon the appropriation of some $6,000,000,000 for aid to countries abroad?

The answer is this: For the first time in the history of the world a great Nation will, if this foreign aid bill becomes law, attempt to wage peace.

WARS BEGET WARS

Waging war is an old, established enterprise among nations. It has brought the greatest glory—and most tragic infamy—known to the history of nations. But wars beget wars, with the language of surrender supplying the vanquished with the text for aggression.

Events of the past few weeks have brought into focus, I believe, the dreadful reality we face. The cycle of war arising from war threatens to repeat—not 20 years hence, 10 years hence, or 5 years hence. It threatens to repeat within a matter of days.

Our course of action can proceed in either of two directions:

First, we can surrender ourselves and our civilization to a terrible, unnecessary pattern of history—we can prepare to fight a war.

Or, secondly, we can discard the dismay and cynicism of the past and assume a new posture of statesmanship: we can prepare to fight the peace.

I chose the course of peace.

This legislation opens the way to the last remaining chance for peace, and I am willing and anxious to try this course.

It is my belief that even if no threat of communism, no threat of aggression existed abroad in this aftermath of World War II, this Nation should take the course presented in this legislation.

WE ALONE HAVE STRENGTH TO HELP

The United States is singularly situated in the geography of the world to function as a peacemaker. Surrounded by friendly neighbors and neutral seas, our land has escaped the ravages of war. We, alone among nations, have the strength to help others.

It would be the Christian thing, the humanitarian thing, to lend our strength to reviving the stricken countries of Europe and Asia in the wake of the terrible devastation of war.

But today, in this mad world of ours, there is another consideration which makes this legislation essential.

That is the simple fact of self-preservation. It is a primitive and basic consideration, I agree. But this course of foreign aid is the only course we can take with any hope that it will keep war from us—and from the world.

A sinister and ruthless evil creeps forward across the continent of Europe, feeding on the despair and desolation and hunger of the ravaged nations and the weary people. This evil gnaws at the vitals of freedom everywhere, feeding always on uncertainty and despair.

WE SHALL WIN FIGHT FOR PEACE

By sending food, by sending financial aid, by sending faith abroad, we contest with the evil in a battle for peace. If

despair is replaced by faith, if desolation is replaced by construction, if hunger is answered by food—if those things are done, we shall be victors in the battle.

If those things are not done, we shall lose the peace.

I believe that the people of America, for the first time in their history, are now determined to wage peace as successfully as they have waged war in the past.

This legislation is the outgrowth of that determination.

I, for one, am confident that we are taking a great step toward establishing a lasting peace.

COLONIES AND ERP

Mr. POWELL. Mr. Speaker, it is impossible to give a proper evaluation of the European recovery program without taking into account the colonial implications and consequences of that proposed program.

Britain, France, Belgium, Netherlands, and Portugal are imperialist powers. They are the rulers of well over two-thirds of the 300,000,000 colonial subjects of Asia, Africa, and the West Indies.

Throughout modern history, the peoples and resources of these lands have been exploited to enrich the ruling class of the colonial overlords. Today that exploitation is carried on by powerful monopoly interests which not only hold the colonial empires in economic serfdom but also block the development of economic democracy in the European countries themselves.

A valid economic aid program for Europe cannot be based, as the administration-sponsored ERP is, upon the continuation of such a system of vested interests.

A valid economic aid program for Europe cannot be based, as the administration-sponsored ERP is, upon continued and intensified colonial exploitation.

America should help the European people to help themselves. The kind of help we are proposing to give under the ERP will simply make the people of Europe more dependent upon the United States and upon the European colonies.

The abject poverty and resultant social stagnation characteristic of all colonial countries are the inevitable consequence of their being held by stronger powers to supply cheap raw materials. The expropriation of their resources and the wealth produced by colonial labor is what keeps colonies poor.

Instead of helping to eliminate this vicious system, the ERP has the effect of perpetuating and strengthening it.

The Outline of European Recovery Program submitted by the Department of State for the use of the Senate Foreign Relations Committee, December 19, 1947, states—page 19—that paragraph (5) of subsection 10 (b) of the proposed economic cooperation bill "is designed to assist the United States wherever feasible to obtain materials for stock-piling purposes. Such materials will be purchased from a participating country or its colonies or dependencies, either through private contracts or through the procedures and with the funds authorized in the Stock-Piling Act. It is intended that arrangements will be worked out with the participating countries for the acquisition by the United States in the above manner of materials which will be specified in the bilateral agreements."

The meaning of this is made clearer on page 48 of the same document, where we read:

> The United States has few or no domestic sources of certain raw materials, such as tin, industrial diamonds, natural rubber, and quinine, and has inadequate resources in other raw materials, such as manganese, chromium, copper, lead, and zinc. * * * United States reserves of exhaustible natural resources are declining. It is proper that in partial return for the very considerable assistance provided them by the United States, the participating countries should give reasonable help in replenishing stocks of materials expected to be in long-term short supply in the United States.
>
> Not all of the participating countries themselves possess sources of such materials. Some among them do, however, have resources of this nature either within their own territory or that of their colonies, territories, or dependencies. In some instances present production and availability is at maximum levels without satisfying commercial demands. In other instances it appears that, under an aggressive plan of exploration, development, and expansion of productive facilities, or by other actions, additional supplies could be produced or made available.

It is further provided that United States loans may be made for procurement of equipment and services to step up the production of the raw materials that the United States wants; and if such loans can not be paid back in dollars when due, they can be paid off in still further quantities of such materials as the United States may want (page 49).

That is the picture of what the ERP means for the colonies of Britain and the other European imperial powers. Not a very pretty picture—all take and no give. What the ERP says in effect is that the European colonies in Africa, Asia, and elsewhere must serve the function that they have always served, but in a bigger and better way than hitherto, for they must now provide the raw material needs not only of their European rulers, but of America as well.

"Go out into your colonies and the far reaches of the world, and tap their riches," Bernard Baruch urged the rulers of empire, in his testimony before the Senate Foreign Relations Committee not long ago. "Produce. You will be able to sell it all."

One remarkable consequence of the current European economic crisis has been the veritable rediscovery of Africa. Last November Sir Stafford Cripps declared that—

> The whole future of the sterling group and its ability to survive depend * * * upon a quick and extensive development of our African resources.

Britain's leading Fascist, Sir Oswald Mosley, has shrewdly observed with approval America's desire to get Europe into Africa.

> Let Europe develop Africa as a source of supply and exchange for European manufactured goods—

He advises—

> and * * * leave America the Western Hemisphere and the larger part of the other world markets.

An official pronouncement somewhat along the same lines was made just 2 months ago, on January 22, by British Foreign Secretary Ernest Bevin and quickly received the approval of the White House and State Department. Little time has been lost in carrying forward Bevin's scheme—if it was indeed his—for the formation of a western European entente having as one of its primary aims the promotion of inter-imperialist collaboration in the intensified exploitation of Africa and other European colonial domains in order to rescue Europe from economic bankruptcy, as well as in joint military preparations in Africa for expected war with the Soviet Union.

For many years General Smuts has held out an invitation to American capital to help in the development of Africa provided there was no "interference in the existing administration of its territories"—Life, December 28, 1942. Many others have lately joined in extending this invitation. The ERP is part of the answer. Increasing American trade with and private capital investment in South Africa, Rhodesia, Liberia, and other sections of the continent represent another part of the answer.

The apologists for imperialism, of course, argue that economic development in the colonies is in the interest—nay, primarily in the interest—of the native population, will raise their living standards, and is the prerequisite to self-government.

The fact is that genuine and worthwhile economic development for the benefit of the millions who live in colonies and semicolonial countries is impossible so long as they are denied full democratic self-government—for just so long will the resources and economy of such countries be used and directed toward the benefit of a foreign oligarchy, primarily if not exclusively. The demand for colonial independence sweeping the world is the demand for freedom from economic slavery.

Let us face the truth honestly and admit that the United States Government is today the mainstay of world imperialism. Without American loans and credits; without Washington's political support at Lake Success and in London, Paris, Brussels, and the Hague; and without the ERP or something like it, the European colonial powers would be hard pressed to hold what they have.

In helping Britain, France, Belgium, and the Netherlands to hold on to their empires, Wall Street and Washington aim to keep the far-flung colonial empires, as well as their European rulers as allies against Communist aggression, and incidentally safe for American profits.

I am opposed to the administration's ERP, because it will not help Europe as Europe needs to be helped, because it is a political weapon of coercion and intimidation as everyone can now readily see in the case of Italy, and because, and this has been my main argument, it will further enslave millions of colonial peoples throughout the world, and notably in Africa.

I am one of those who believes that the way to help Europe economically, and not only western Europe, but the whole

of Europe, Asia, Africa, and the whole of this hemisphere, not omitting the 15,000,000 Negro people in the United States who are exploited and discriminated against economically and every other way, is by strengthening the United Nations and making it work to achieve world-wide democracy, security, and peace.

Nothing less than that, and nothing but that, will save America and the world from a devastating third world war.

Mr. KERSTEN of Wisconsin. Mr. Speaker, I believe it is necessary to clarify the provision of the ERP bill relating to the composition of the Public Advisory Board.

Section 107 (a) of S. 2202 as passed by the House provided for the creation of a Public Advisory Board to be "selected from among citizens of the United States of broad and varied experience of business, labor, and agriculture, the professions, and in matters effecting the public interest."

The function of the Board is to "advise and consult with the Administrator with respect to general or basic policy matters rising in connection with the Administrator's discharge of his responsibilities" with regard to the entire ERP program.

Section 107 (a) of the conference report now provides that members of the Board "shall be selected from among citizens of the United States of broad and varied experience in matters affecting the public interest."

In other words, the conferees left out the specific language "in business, labor, agriculture, and the professions."

It is my understanding that in striking out the specific categories of business, labor, agriculture, and the professions, that the conferees did not thereby intend in any way to infer that responsible leaders in business, labor, agriculture, and the professions should not be selected for the Advisory Board. Not only that, but in choosing the language as they did, "citizens of the United States of broad and varied experience in matters affecting the public interest" they necessarily included the categories of "business, labor, agriculture" and "the professions." This would be necessarily so because if the members are to be selected on the basis of matters affecting the public interest such public interest would be seriously neglected if responsible representatives from each of these categories were not selected for the Advisory Board.

While the statement of the managers as contained in the conference report, on page 28, reads that the members are to be selected without reference to economic-interest groups, it is my understanding that the word "reference" means without specifically naming them. Any other interpretation of the word "reference" would be stultifying under the circumstances. Certainly, if members are to be selected who have broad and varied experience in matters affecting the public interest, their experience would have to be in the several economic interest groups referred to. It would be unthinkable that the experience of the members would not be in the economic categories designated by business, labor, agriculture, and the professions. The whole ERP must, of course, be implemented by responsible representatives of these several categories. For example, it certainly is not contemplated that selected members who, while they might have broad experience in certain fields, would be mere theorists in the fields of business, labor, agriculture, or the professions. If that were true, the selection would not be in the public interest.

So therefore I say that the clear understanding of the language, as I take it, is that the members will be selected on the basis of broad experience in business, labor, agriculture, and the professions. Even though the final form of the bill does not so specifically state, any other interpretation would seriously neglect the public interest.

Neither is it contemplated that the council shall be composed of members experienced only in one of these categories. For example, experienced only in business or experienced only in labor or just in agriculture or the professions.

It is clear that the Board must be balanced in this regard because any unbalance would not be in the public interest.

I can understand the conferees in not wishing to specify the categories, although I would have preferred that they did. I can understand that they wish to keep the language general in nature in order to give the Administrator a free hand. But I do not think the Administrator's hand is so free as to disregard in any respect the public interest which would necessitate the selection of responsible representatives in each of these major economic fields as components of the Advisory Council.

It is particularly important that men of sound business experience be on the Council. The ERP is primarily an economic program, and who can conceive of the management of such program without good business management?

It is also vital that the Board contain outstanding representatives of labor. This is extremely important because of the special facts of the problem in Europe. We are seeking in this program to combat communism. The Communists have exerted their greatest efforts upon the European trade-unions. In fact, it was by virtue of taking over the trade-unions and police in Czechoslovakia that they caused the fall of the free government of that country. They are presently working on the trade-unions in Finland. We also know that the Communists will make their major efforts in France and Italy through trade-unions. It is the European trade-unionist who will fulfill the production quotas of the ERP. It is the European worker who will rebuild Europe. Therefore, it is of first importance that the Communist efforts to indoctrinate the European trade-unions be checked and countered by sound trade-union leaders. If, for example, sound trade-union leaders were excluded from the Advisory Board the Communists would make great capital of this fact in their propaganda directed at the European worker. The Communist would say, "The ERP is nothing more than a scheme of American capitalists and big business to take over European industry. The ERP is nothing more than American imperialism wherein the rights of workers are completely forgotten."

The presence of responsible American trade-union leaders on the Board is of first importance as is the presence thereon of business leaders. American management and labor are working shoulder to shoulder in this effort. Their cooperation in the ERP has already been forcibly expressed in patriotic terms by the leaders of both business and labor.

Perhaps the cooperation between management and labor that has sometimes been lacking in our own country can be strengthened and brought into full bloom in the common effort to resist the destruction of our civilization that is being made in the European recovery program. On March 9 and 10 last, in London there met the trade-union representatives of all the participating countries, except Portugal. Members of the minority, anti-Communist groups from France and Italy, from the Benelux countries, and from our American AFL and CIO unions, participated in the conference. The conference was unanimous in its view that the trade-union movement in each of the participating countries should seek to establish close contact with its government in the administration of their national production program. In other words, in this meeting in London were the representatives of the European trade-unions, together with those from America, voicing their wholehearted support for the success of the ERP. The sound trade-union movement in each country, including the United States, pledged support in behalf of the ERP and for that reason it should have proper representation on the Advisory Board as a matter of public interest.

Similarly, responsible representatives of agriculture must be on the Council, because the acceleration of food products is also of first importance. Any neglect of proper leadership in the field of agriculture would also be against the public interest.

Again the professions, particularly industrial engineering, must be represented as it is largely by the skill of this profession that Europe will be reconstructed.

I trust, therefore, Mr. Speaker, that there will be no misunderstanding as to the intent of Congress in the selection of the members for this Board, because any neglect of men of experience in the separate major categories of economic interest, would be a real neglect of the public interest for which the law provides.

Mr. DEVITT. Mr. Speaker, the committee on conference on the foreign aid bill is to be commended on the expeditious action it has taken in reaching agreement with the Senate.

I was particularly interested in the retention of certain amendments which I offered and which were accepted by the House to section 117 of the bill. I am happy to note that those amendments have been retained in essentially the same form in which they were introduced. I do note a discrepancy, however, between the terminology in subsection C of section 117 and the statement of the managers on the part of

the House with reference to that subsection. It is to be noted from a reading of section 117, subsection C that it is made mandatory for the Administrator to provide for ocean-free freight transportation on relief supplies and packages. This is clear from the use of the word "shall" rather than the use of the word "may." It will be recalled that in the original Senate bill the word "may" was used; however, the managers on the part of the House in explaining this subsection make the statement that "the House recedes on the mandatory requirement" with reference to ocean-free transportation. I am informed by the conferees that this is an erroneous statement and was inserted in the report through inadvertence and mistake. A reading of the section makes it clear that this is the case.

I am also happy to note that the managers have retained in the recommended bill the present last sentence of subsection C of section 117. This provides that—

> The Secretary of State, after consultation with the Administrator, shall make agreements where practicable with the participating countries for the free entry of such supplies and packages.

This sentence is essentially in the same words as it was in the original House bill. One sentence was stricken from the House bill. It read:

> The execution of such agreements by the participating countries shall be a condition precedent to the receipt of assistance under this title.

I understand that this sentence was stricken from the bill because it was felt that it embodied terminology not as diplomatic as would be conducive to the best international relations, but that the striking of the sentence was not intended to change the intent of the conferees or of the Congress that the Secretary of State shall make such agreements. This view is made manifest by the action of the conferees in retaining the injunction "shall make agreements" as used therein.

I am happy that these provisions have been retained in the bill and feel that they are most meritorious.

AMENDMENT TO THE EUROPEAN RECOVERY PROGRAM RELATING TO REDUCED POSTAGE FOR GIFT PARCELS OF MEDICINE, FOOD, AND CLOTHING TO FOREIGN COUNTRIES

Mr. REES. Mr. Speaker, I appreciated the work of the House conferees in retaining in this bill amendments made in the House which will provide for a definite program to carry relief packages at reduced rates to foreign countries. As I pointed out when the House amendment was being discussed, there are some particulars in which we could possibly have spelled out more clearly the actions to be taken by the Administrator in effecting the relief parcel program. However, I believe that as the conference report is written the language is in such general terms that a program can be established which will do the job. I believe that providing reasonable transportation for medicine, food, and clothing to the countries coming within the terms of the European recovery program serves a twofold purpose:

First, many individuals in this country would like to assist their friends and relatives in foreign lands which have been ravaged by war; secondly, there probably is no other program which brings the direct hand of friendship across the seas as one which provides for the transmission directly from one individual to another or from a charitable organization to an individual, parcels containing goods essential to life.

The Post Office and Civil Service Committee has been concerned with this general problem as it relates to reduced postage on gift parcels of food, medicine, and clothing. This committee has held public hearings on 12 bills on this subject. Most of these bills provide for either sending such gifts free or upon the payment of 25 percent of the regular postage. The Post Office Department was to be reimbursed for its expenditures for carrying out this program from such funds as were appropriated for foreign relief. It is an expensive form of transportation when parcels are sent by mail. This is particularly true considering the large volume of such parcels which would develop under a reduced postage program.

The volume of international parcel post had already increased immeasurably under the pressure of need of friends and relatives in foreign countries. The volume of this international parcel post has jumped from 25,792,138 pounds in the fiscal year 1939, before the war to the amazing figure of 401,841,067 pounds for the fiscal year 1947, or an increase of 16 times. It is impossible to estimate how much this parcel post will increase if the postage rates are reduced. Various opinions of the Post Office Department experts run from a doubling in volume up.

The committee was concerned at the time of these hearings with a number of problems. The Post Office Department was not set up to handle such a tremendous volume of gift parcels as mail. There is a critical shortage of mail sacks, terminal facilities, and trucks. Many relief and charitable associations have set up programs for forwarding parcels to foreign lands. There was considerable discussion as to what countries would participate in the reduced postage program.

To meet some of these objections I proposed at the hearings held on February 18 substitute language to H. R. 4598, a bill introduced by the gentleman from Michigan, Congressman YOUNGBLOOD, which would have had the following effect: (a) The costly overseas mail operation would have been eliminated by sending the parcels through the mail only as far as the postmaster of New York for parcels for European countries and San Francisco for parcels for Asiatic countries; (b) the Maritime Commission would be authorized and directed to provide ocean-shipping space and be responsible for the parcels from shipside to such warehouses as might be designated by the United States Foreign Relief Administration; (c) the agency charged with foreign-relief activities of the United States would be responsible for the distribution to the addressees of such gift parcels and would be charged with making maximum use of facilities of the countries concerned in distributing such parcels. This solution to the high cost of sending these relief parcels is in substance now included in the conference report.

Based upon the many communications the committee received on the subject and the presentations made by Members of Congress, I can assure you that this part of the program will be most acceptable to thousands of our citizens who are anxious to help relieve the situation by sending gift packages abroad.

Mr. MURDOCK. Mr. Speaker, our beloved chairman of the Foreign Affairs Committee states briefly but simply that the momentous issue on which the House is acting at this hour is indeed historic, probably as historic as any that has occurred during the life of this legislative body. I feel that the Chairman is correct and that without doubt his words are prophetic. It is not given to mortal man to know what lies in the future but certainly by our action here today in adopting this conference report America is embarking upon the greatest constructive program to help peace-loving nations which has ever been initiated.

The conference report is to my mind very much better than the measure passed by the House on day before yesterday. I had all along felt that America must do this great thing, but I have had some fears as to whether the program could be and would be carried through according to the wishes of our people. I think the conference report greatly improves the chances of a satisfactory fulfillment of this plan of mutual assistance.

Americans are a great-hearted, generous people. As individuals they contribute freely and whole-heartedly to the relief of distress and human suffering throughout the world. The European recovery program however is a national, governmental effort differing very materially from the individual and private efforts alluded to. Can the Government, acting for all of us, combine typical American generosity and American business sense and successfully carry forward this huge program of rehabilitation? Only the future can tell, but history will record that we made the effort, and for all the centuries to come humanity around the world will know of our intent.

It is natural that America should shrink from the appalling magnitude of this complex task. Not that the American people are indifferent to the plight of other nations, but America lacks experience. The historical significance of this effort is somewhat like the significance of the two global wars which America has successfully fought in the lifetime of this generation. However, in these two world wars America exhibited her strength to the world to crush evil men. In the program we are now undertaking America is determined to equal those previous efforts in this gigantic task of reconstruction and binding up the wounds of war. This must have been in the mind of our chairman as he spoke of the historical significance of our action today. We hope that this marks a new beginning in America's greatness.

Mr. VORYS. Mr. Speaker, this bill constitutes a big order. There are those who are saying that it is inconsistent for us to attempt to wage peace and prepare for war at the same time. There are those who say that it is inconsistent, impossible for us to reduce taxes and carry

the tremendous burdens this country faces. I want to say that I belong to a country that specializes in seeking and reaching apparently inconsistent, apparently impossible, goals. Union and liberty, order and freedom are inconsistent goals. We want both, and we get both. We carry on today in the spirit of the Panama Canal builders.

Got any rivers they say are uncrossable?
Got any mountains you can't tunnel through?
We specialize in the wholly impossible,
Doing the things that others can't do.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. VORYS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 318, nays 75, answered "present" 2, not voting, 36, as follows:

[Roll No. 40]

YEAS—318

Abbitt	Davis, Tenn.	Herter
Abernethy	Davis, Wis.	Heselton
Albert	Dawson, Utah	Hess
Allen, Calif.	Deane	Hill
Allen, La.	Delaney	Hinshaw
Almond	Devitt	Hobbs
Andersen, H. Carl	D'Ewart	Hoeven
	Dirksen	Holifield
Anderson, Calif.	Dolliver	Holmes
Andrews, N. Y.	Domengeaux	Hope
Angell	Donohue	Horan
Arends	Douglas	Huber
Auchincloss	Durham	Jackson, Wash.
Bakewell	Eaton	Javits
Barrett	Eberharter	Jenkins, Ohio
Bates, Ky.	Elliott	Jennings
Bates, Mass.	Ellsworth	Jensen
Battle	Elsaesser	Johnson, Calif.
Beall	Elston	Johnson, Tex.
Beckworth	Engel, Mich.	Jones, Ala.
Bell	Engle, Calif.	Jones, N. C.
Bender	Evins	Jones, Wash.
Blackney	Fallon	Jonkman
Blatnik	Feighan	Judd
Bloom	Fellows	Karsten, Mo.
Boggs, Del.	Fenton	Kean
Boggs, La.	Fernandez	Kearney
Bolton	Fisher	Kearns
Bonner	Flannagan	Keating
Bradley	Fletcher	Kee
Bramblett	Fogarty	Keefe
Brehm	Folger	Kefauver
Brooks	Foote	Kelley
Brophy	Forand	Kennedy
Brown, Ga.	Fuller	Keogh
Bryson	Fulton	Kerr
Buchanan	Gallagher	Kersten, Wis.
Bulwinkle	Gamble	Kilburn
Burke	Garmatz	Kilday
Burleson	Gary	King
Butler	Gathings	Kirwan
Byrne, N. Y.	Gavin	Klein
Byrnes, Wis.	Gearhart	Kunkel
Camp	Gillette	Lane
Canfield	Goff	Lanham
Carroll	Goodwin	Latham
Carson,	Gordon	Lea
Case, N. J.	Gore	LeCompte
Celler	Gorski	LeFevre
Chadwick	Gossett	Lichtenwalter
Chelf	Graham	Lodge
Chenoweth	Granger	Lucas
Clark	Grant, Ind.	Ludlow
Clason	Gregory	Lusk
Coffin	Hale	Lyle
Cole, Kans.	Hall,	Lynch
Colmer	Edwin Arthur	McConnell
Combs	Hall,	McCormack
Cooley	Leonard W.	McCulloch
Cooper	Halleck	McDonough
Corbett	Hardy	McDowell
Cotton	Harless, Ariz.	McGarvey
Coudert	Harris	McMahon
Courtney	Hart	McMillan, S. C.
Cravens	Harvey	Mack
Crosser	Havenner	MacKinnon
Crow	Hays	Madden
Cunningham	Hébert	Mahon
Dague	Hedrick	Maloney
Davis, Ga.	Heffernan	Mansfield
Mathews	Potts	Snyder
Meade, Ky.	Poulson	Somers
Merrow	Preston	Spence
Meyer	Price, Fla.	Stanley
Michener	Price, Ill.	Stevenson
Miller, Calif.	Priest	Stigler
Miller, Conn.	Ramey	Stockman
Miller, Md.	Rayburn	Sundstrom
Mills	Redden	Taber
Mitchell	Rees	Talle
Monroney	Reeves	Teague
Morrison	Riehlman	Thomas, Tex.
Morton	Riley	Thompson
Muhlenberg	Rivers	Tibbott
Multer	Robertson	Tollefson
Mundt	Rockwell	Towe
Murdock	Rogers, Fla.	Trimble
Murray, Tenn.	Rogers, Mass.	Van Zandt
Murray, Wis.	Rohrbough	Vinson
Nicholson	Ross	Vorys
Nixon	Russell	Wadsworth
Nodar	Sabath	Walter
Norblad	Sadlak	Weichel
Norton	St. George	Welch
O'Brien	Sarbacher	West
Pace	Sasscer	Wheeler
Patman	Scoblick	Whitten
Patterson	Scott, Hardie	Whittington
Peden	Scott, Hugh D., Jr.	Wigglesworth
Peterson		Williams
Pfeifer	Seely-Brown	Wilson, Tex.
Philbin	Sheppard	Winstead
Phillips, Tenn.	Simpson, Ill.	Wolcott
Pickett	Simpson, Pa.	Wolverton
Ploeser	Smathers	Worley
Plumley	Smith, Maine	Zimmerman
Poage	Smith, Va.	
Potter	Smith, Wis.	

NAYS—75

Allen, Ill.	Gwinn, N. Y.	O'Hara
Andresen, August H.	Gwynne, Iowa	O'Konski
	Hagen	Phillips, Calif.
Arnold	Hand	Powell
Banta	Harness, Ind.	Rankin
Barden	Harrison	Reed, Ill.
Bennett, Mich.	Hoffman	Reed, N. Y.
Bennett, Mo.	Hull	Rich
Bishop	Isacson	Sadowski
Buffett	Jenison	Sanborn
Busbey	Johnson, Ill.	Schwabe, Mo.
Case, S. Dak.	Johnson, Ind.	Schwabe, Okla.
Chiperfield	Johnson, Okla.	Scrivner
Church	Knutson	Short
Clevenger	Landis	Smith, Kans.
Clippinger	Larcade	Smith, Ohio
Cole, Mo.	Lemke	Stefan
Crawford	Lewis	Twyman
Curtis	Love	Vail
Dondero	McCowen	Vursell
Dorn	McGregor	Wilson, Ind.
Doughton	Marcantonio	Wood
Ellis	Martin, Iowa	Woodruff
Gillie	Mason	Youngblood
Griffiths	Miller, Nebr.	
Gross	Morris	

ANSWERED "PRESENT"—2

Brown, Ohio Macy

NOT VOTING—36

Andrews, Ala.	Hartley	Owens
Bland	Hendricks	Passman
Boykin	Jackson, Calif.	Rains
Buck	Jarman	Regan
Buckley	Jenkins, Pa.	Richards
Cannon	Lesinski	Rizley
Chapman	McMillen, Ill.	Rooney
Cole, N. Y.	Manasco	Shafer
Cox	Meade, Md.	Sikes
Dawson, Ill.	Morgan	Stratton
Dingell	Norrell	Taylor
Grant, Ala.	O'Toole	Thomas, N. J.

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Brown of Ohio for, with Mr. Rizley against.

Mr. Bland for, with Mr. Owens against.

Mr. Richards for, with Mr. Shafer against.

General pairs:

Mr. Buck with Mr. Dingell.

Mr. Hartley with Mr. Rooney.

Mr. Jenkins of Pennsylvania with Mr. Andrews of Alabama.

Mr. McMillen of Illinois with Mr. Jarman.

Mr. Jackson of California with Mr. Cox.

Mr. Stratton with Mr. Chapman.

Mr. Taylor with Mr. Grant of Alabama.

Mr. Thomas of New Jersey with Mr. Cannon.

Mr. BROWN of Ohio. Mr. Speaker, on this roll call I am recorded as voting "yea." I have a live pair with my colleague from Oklahoma Mr. RIZLEY, who if present would vote "nay." I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. VORYS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

TAX-REDUCTION BILL

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the tax-reduction bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

VETERANS' LEGISLATION

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent that the Committee on the Armed Services be discharged from the further consideration of the bills H. R. 582, H. R. 3137, H. R. 3808, and H. R. 4580, all of which amend the Soldiers' and Sailors' Relief Act, and that they be rereferred to the Committee on Veterans' Affairs.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONSENT CALENDAR

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar, which would be in order on Monday, may be called on Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SIGNING OF ENROLLED BILLS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Tuesday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. STRATTON (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD.

Mr. MAHON. Mr. Speaker, on yesterday I asked unanimous consent that the gentleman from Missouri [Mr. CANNON] be permitted to extend his remarks in the RECORD and include the Story of Missouri. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $195.25, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD.

THE PRESIDENT'S VETO

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Speaker, President's Truman's veto of the third tax relief bill needed by our people is wholly without justification. He wants to continue reckless Government spending both at home and abroad. He asked the Congress to spend billions in aiding countries who have themselves given their own people a reduction in wartime taxes. By continuing to oppose a reduction in the cost of government and continuing to oppose tax relief for the American people, he is following a policy which would ultimately stagnate our whole economy and bankrupt the Nation. A strong economy is an essential factor for a proper national defense. He apparently is more interested in the people of Europe than in the American people themselves.

OLEOMARGARINE

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, I have been longing for this opportunity. This is just to tell the House how much I appreciate the efforts of all the Members who worked so hard to get enough signatures to Discharge Petition No. 12 to have it placed on the calendar, with the hope that the Committee on Rules may have the opportunity to consider the bill H. R. 2245 before the 26th of this month. There are now 218 signatures on the petition. I am pleased to make this information known to the House, and to tell you that the people for whom you worked, the American housewives, through me say that they appreciate your efforts very much.

Mr. COOLEY. If the gentleman will yield, what bill is the gentleman talking about?

Mr. RIVERS. I am talking about the Rivers bill to take the tax off oleomargarine. I think everybody in the United States will be happy if that is done.

EXTENSION OF REMARKS

Mr. KEARNS asked and was given permission to extend his remarks in the RECORD.

Mr. WOLVERTON asked and was given permission to extend his remarks in the RECORD in two instances and include news articles in each.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD in two instances, and include in one a report he made to the gentleman from Minnesota, Representative AUGUST H. ANDRESEN, on the potato situation in Chicago and in the other a letter addressed to General Marshall by the combined Americanization committee of the VFW, American Legion, and Catholic War Veterans of greater New York.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD in two instances and include bills he has introduced and an article written by him.

A JOB FOR EISENHOWER

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, there is a job for Eisenhower. It is not a political job. It is one to which he would respond.

The job is to head a mission which should, in a neutral place, meet a mission from Moscow and seek a basis upon which both Russia and the United States can stop the moves and countermoves which are driving the world toward a terrible abyss.

Dwight Eisenhower would accept a call for such a job. And in it, he would have the confidence of Americans; he would have the respect of the Russians.

It is late, Mr. Speaker. Face-making, name-calling, intrigue, suspicion, and distrust have produced a situation which can have only one end—a war of a kind the world has never before seen. Tension grows. Today Berlin. Tomorrow Vienna. Then Trieste, Greece, Palestine, Korea, China. A war-tired world should not be asked again to endure what war would bring.

The stakes are high. They are not merely peace or war. They are society itself. They are civilization. They are all that mankind has struggled for through thousands of years. An effort should be made to resolve the issues without a war which of itself would destroy much of that for which we would fight and leave us with even more difficult problems.

Dwight Eisenhower would not need to be drafted for this job. In it, he would see the opportunity to serve those who were once his comrades and are now gone as well as those who live and hope to live in a world without war.

Mr. Speaker, I propose that the United States seek a solution to the menacing situation before the world, and call upon Eisenhower to head our delegation to the meeting.

ARMY RESERVE PROGRAM

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, the principle underlying our Military Establishment is comparatively small Regular armed forces supported by a well-trained citizenry reserve. This principle was enunciated by Washington and has been reaffirmed by every responsible military leader since, including Eisenhower and Marshall.

Today we are deeply concerned with the effectiveness of our Military Establishment. We are concerned with the condition of our Regular force and we are concerned with the condition of our Reserves.

We have been asked to pass selective-service laws to bring our Regular Establishment up to strength. We have been asked for the passage of universal military training to provide a steady flow of trained men into our Reserve units.

I am a supporter of the principle of universal military training. I believe well-trained, well-equipped Reserve units are vital to our national security. I believe universal military training is necessary to provide a steady influx of trained men into these units.

But we cannot support UMT blindly. We recognize that it will not provide defense in and of itself but only as it contributes to the strength of the civilian components which it supplies. It would be useless to pass this legislation unless we are assured that our Reserve program is a sound, well-managed, and a cohesive part of an intelligent whole.

That is not the case today.

A preliminary investigation on my part convinces me that our Army Reserve program, for instance, is floundering.

Commanders at the troop level in my district tell me that they are receiving little cooperation from the Army in the organization and training of their units, that the units are receiving little or no equipment with which to train and that there seems to be a general lack of intelligent planning in the whole program.

These charges are verified by the results of a recent Nation-wide survey of Reserve Officers Association department presidents by the gentleman from Texas [Mr. TEAGUE].

Only recently, it was necessary for the executive director of the ROA to beg the Committee on Civilian Components set up by the Secretary of Defense for the institution of a sound program. He implored that "what we now have in the way of reserve officers and men be speedily formed into a strong defense force."

In other words, Mr. Speaker, if these conditions exist, the more than one million men now in our Army and Air Force Reserve units are not being properly trained or used. If they exist, there has

been an almost criminal neglect somewhere in our military establishment. If they exist, I warn our Secretary of Defense that his pleas for more men to confuse further a confused program will require considerable clarification before they are accepted by this Congress.

I regret that it is necessary for me, as one who believes in the absolute necessity of universal military training, to object to the enactment of this legislation until we have developed an intelligent, cohesive and workable program that will effectively utilize the men supplied to it. The burden of proof that we have such a program lies, I believe, with the responsible departmental heads.

I include as part of my remarks a letter which I have sent to the Secretary of the Army:

APRIL 1, 1948.

Hon. KENNETH C. ROYALL,
Secretary of the Army,
Washington, D. C.

DEAR MR. SECRETARY: I have been greatly disturbed by reports from Army Reserve unit commanders in Wisconsin.

It is charged that the Reserve officers are receiving little cooperation from the Army in the organization and training of their units, that the units are receiving little or no equipment with which to train, and that there seems to be a lack of intelligent planning in the whole program.

This feeling seems to be general, according to a survey recently conducted by Representative OLIN B. TEAGUE, of Texas. He found that 91 percent of the department presidents of the Reserve Officers Association "claimed that the difficulty with the Organized Reserve Corps of the Army and air services involved either a poorly conceived and executed Reserve program, insufficient Reserve units, both as to number and as to type, lack of proper facilities, or inadequate training equipment."

I believe strongly in well-trained, well-equipped Reserve units. I believe they are absolutely vital to our national security. I have predicated my support of universal military training on the fact that such a program is absolutely necessary in order to provide a steady flow of men into our civilian components. This view is held by others, including the Secretary of Defense, who testified only a few days ago that UMT was needed as part of a "long-term" program, and that it was principally necessary because it will "provide annually for the civilian components of the Regular forces some 850,000 men who will have had basic training."

I am still convinced that UMT is necessary to provide a flow of men into the civilian components of the armed forces. I strongly question, however, the advisability or the logic of channeling more men into a program which suffers from mismanagement, poor planning, lack of equipment, and general neglect. Yet, if the allegations of those at the critical, or troop, level are true, that is exactly what is being asked of the Congress by the Secretary of Defense when he calls for the immediate enactment of UMT.

The purpose of this letter is to pose three questions:

1. Is there any basis for the serious charges that have been leveled at the Army Reserve program?

2. If there is, how did these conditions come about?

3. If there is, what is now being done to correct those conditions?

I will not consider as a satisfactory answer a referral to the Committee on Civilian Components.

To amplify:

I want to know particularly why there should be "a poorly conceived and executed Reserve program," under any circumstances, if such is the case.

I want to know particularly why there should be a lack of training equipment, if such is the case. To quote from a unit commander in my district, "We (the government) can give tanks and guns to civilian organizations to plant on their courthouse lawns; we can issue equipment to high-school ROTC units; we can give tons of uniforms to be sold by War Surplus, and yet the ORC has a hard time getting one paper clip per 1,000 men."

I want to know particularly:

1. The number of officers and men in the ORC, the number being effectively used, and the number assigned to each type of unit (A, B, and C).

2. The number of Reserve units of each class, the number fully equipped according to plan, the number partially equipped, and the number with no equipment.

3. The funds assigned to Army Reserve program for the fiscal years 1947, 1948, and 1949, including the amount requested by the Army, the amount allowed by the President, and the amount appropriated by the Congress.

I want to know particularly if there is any restriction upon the efforts of a unit commander to expand his unit. To quote from a unit commander in my district, "I asked to be allowed to expand my unit, which I could do; I was told 'No,' and that 'we (the Army) have placed the matter on our project list'."

I will be vitally interested in your reply. I regret that it is necessary for me to ask these questions—3 years after the end of World War II and during a period when a cohesive, intelligent, and well-organized armed force was never needed more.

Yours very truly,

JOHN W. BYRNES,
Member of Congress.

EXTENSION OF REMARKS

Mr. FULLER asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. Thomas E. Dewey.

Mr. ROBERTSON asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial from the United States News written by David Lawrence and also to include an editorial in the second instance.

THE SHOE INDUSTRY

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BATES of Massachusetts. Mr. Speaker, today the House gave final approval to the bill calling for expenditure of over $6,000,000,000 for European recovery. The purpose of the bill was to assist in the rehabilitation of the 16 nations of western Europe in order that we might find some way of setting up a barrier to the onward march of communism that threatens not only the democratic nations of Europe, but also threatens the democratic nations of the world, as well as the economy of those nations. Behind the iron curtain today, there are 10 nations. All of them have already embraced the Communist program including Czechoslovakia. In the consideration of our trade agreements we have always been dealing with nations whose system of government were entirely democratic and whose enterprises were entirely free, private, and independent. The industries of Czechoslovakia today have been nationalized, including the great Bata's shoe industry which employs over 15,000 people and according to the report I had last year produced over 33,000,000 pairs of shoes. This is the very industry which gave such great competition in 1939 to the shoe industries in our part of the country and which were deluging our markets and destroying our industry, causing the closing down of our factories and causing depression. Mr. Speaker, I hope that the President and the State Department will recognize the situation that now exists in their consideration of the trade agreements that are now being considered.

It seems quite ridiculous for us to be spending billions of dollars of American money to help the democratic nations of Europe to resist the spread of communism while at the same time, if we approve the trade agreement, we are opening up the American market for Communist-made products with which they can get the American dollars to strengthen their economy and to further the cause of communism in the European area.

It just does not make sense.

GENERAL EISENHOWER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I listened with a great deal of interest to the remarks and suggestions of the gentleman from South Dakota [Mr. CASE]. The people of the country have complete confidence in General Eisenhower. I think if there were less talk about his being a candidate for President under the emblem of this or that party, it would be much better for him and he would feel happier. Certainly any such thinking as that is what I would call "desperation thinking," and must be based upon the fact that General Eisenhower did not mean what he said some weeks ago when he announced that he would not be a candidate. In my opinion, he seeks to adopt a role so that during the trying years to come, he may speak with a powerful voice to the people of America from a completely detached and independent position, rather than being identified with either political party.

In relation to the remarks of my friend, it seems to me, and I agree with him on the basic premise that everything should be done to try to bring about peace, as I say it seems to me that we have shown the people of the world to-

day by our vote that without regard to party affiliations, where the national interest of this country is involved, we speak with unmistakable voice; and even those who voted against the bill will unhesitatingly vote to bring into operation the power of America if and when they think it is necessary to do so. It seems to me that on the higher level, the level of the President himself and Stalin, there should be a meeting. On three occasions President Truman has offered to meet with Stalin. As I understand it, Stalin has promised to come to Washington. President Truman, on three occasions, has publicly invited him. I do not think he will restrict himself to Washington. I do not think that should be done. On the other hand, we have shown the intent on the part of America, as evidenced by the vote in this House today, as well as in the other body, that we are primarily concerned with the national interest of the United States, and we seek peace for the world now and in the future. We hope that peace will result from our efforts. But peace can only be brought about by understanding, and any such meeting as discussed should be on the higher level, between the President of the United States and Stalin himself.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

SPECIAL ORDER GRANTED

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that at the conclusion of the business on the Speaker's desk today, and any other special orders, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

There was no objection.

FEDERAL AID FOR GENERAL EDUCATION

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Speaker, on yesterday the Senate passed by the impressive vote of 58 to 22, the bill providing for Federal aid to the States for general education, as distinguished from vocational education. The enactment of this measure by the House and its signing by the President would mark the most progressive piece of social legislation enacted so far by the Eightieth Congress.

Recently I voted for an additional appropriation for the work of the Un-American Activities Committee, in suppressing communism and other subversive movements. In my humble opinion, the enactment of this bill for aid to education would do more than any other one thing to stop the spread of alien isms in the United States.

Moreover, in my opinion it would do more to help the States settle their own racial and class problems than could ever be done by the enactment of laws intended to force the States to settle their problems according to some preconceived ideas of so-called reformers and do-gooders.

Education can bring to all classes and races a better understanding of their mutual problems, and more tolerance and enlightenment to their solution.

Is it too much to hope that the Committee on Education and Labor will report this bill favorably to the House, and that the Rules Committee will give it a place on the House calendar?

Senator SPARKMAN has called this bill "the Marshall plan for American children." Will we be one-twentieth as generous with our own children as we have been with the peoples of the world?

The SPEAKER. The time of the gentleman from Georgia has expired.

EXTENSION OF REMARKS

Mr. BROOKS asked and was granted permission to extend his remarks in the RECORD in two instances, in one to include an editorial dated March 31 from the Shreveport Journal and in another an editorial on March 21 from the Shreveport Times.

THE TAX BILL DOUBLES THE BURDEN ON THE TAXPAYERS; BREAKS FAITH WITH GOVERNMENT BONDHOLDERS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN].

There was no objection.

Mr. PATMAN. Mr. Speaker, I hope every person interested in the tax bill will read the veto message of President Truman. To my mind it is absolutely unanswerable. I do not criticize any person who voted the other way, but I could not in good conscience vote any other way except than to sustain the veto, for the reason that I would feel I was breaking faith with the millions of American citizens who have purchased United States Government bonds. The passage of that bill will, to my mind, weaken the security behind United States Government bonds. We should pay those bonds in good honest dollars. We should have sound money. We should not return to deficit financing, and I am afraid we will if that bill becomes law. It is inflationary.

This bill, instead of relieving the taxpayers of a burden, imposes additional taxes. We could pay $5,000,000,000 on the national debt and stop that much interest. By the time long-term Government bonds are paid, we pay as much in interest as we pay in principal. Therefore, it is doubling the burdens upon the taxpayers of this country.

The SPEAKER. The time of the gentleman from Texas has expired.

THE TAX BILL

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the record on the bill H. R. 4790, the tax bill passed today.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, we were called upon today to make a decision which will have an important bearing on the welfare of this country. These are grave and critical times. We must make every effort to buttress democracy throughout the world. Mere talk will not save the countries which are even now teetering on the brink of communism. They must be helped to the best of our ability and they must be shown that we mean to prepare for the defense of our way of life.

The tax reduction bill which the President has vetoed, if finally enacted into law, will weaken the country's financial strength by $5,000,000,000 a year. We cannot reduce taxes by this huge sum and, at the same time, provide the funds required for the Marshall plan, for military preparedness, and for an adequate installment on the public debt.

Sponsors of H. R. 4790 argue that they will vote to increase taxes if and when it is required. Our requirements for large amounts of revenues are immediate needs. The House has already authorized the expenditure of over $4,000,000,000 in the next fiscal year for the rehabilitation of democratic countries throughout the world. The President has requested further increases in expenditures to pay for universal military training, selective service, and modernization of our Air Forces. Increased payments to veterans amounting to several hundred million dollars have been authorized by the Congress. A temporary cost-of-living increase in the pay of Government workers is under consideration. All these funds are required now, not in some distant future. I can only conclude from the arguments of the sponsors of H. R. 4790 that, should taxes be increased after H. R. 4790 is passed, the increase would not be borne by the high-income groups who benefit so handsomely from the provisions of this bill.

The individual income-tax provision of H. R. 4790 would reduce the tax of a family of four by $90 if it has a net income of $3,000, by $157 if it has a net income of $5,000, by $501 if it has a net income of $10,000, by $3,046 if it has a net income of $25,000, by $16,658 if it has a net income of $100,000, and by $69,536 if it has a net income of $1,000,000. In these critical times when the need for funds is so great, the tax reduction to the highest-income families is unwarranted.

Aside from the inequities contained in the individual income-tax provisions of the bill, there are outrageous hand-outs to the wealthy families who are subject to the estate and gift taxes. In total the estate and gift tax liabilities are reduced by 30 percent. In particular cases the tax reduction accruing to some wealthy individuals will amount to even greater percentages. In effect, the estate and gift splitting device incorporated in the bill will raise the estate-tax exemption from $60,000 to $120,000, and the gift-tax exemption from $30,000 to $60,000.

These windfalls are justified by the sponsors of H. R. 4790 on the ground that they are required for tax equalization. It is obvious that to the sponsors of H. R.

4790 the term "tax equalization" is synonymous with huge windfalls for the wealthy.

I ask the sponsors of H. R. 4790, who say that they will vote for the increased taxes if they should be required by the grave international situation and difficult economic circumstances at home, whether they are prepared to restore the taxes on the wealthy which they have reduced so drastically by H. R. 4790?

The President's veto message clearly stated the reasons for rejecting H. R. 4790. Tax reduction would encourage inflation and would bring greater hardship to our people. Tax reduction endangers the soundness of our national finances at a time when we must shoulder heavy responsibilities for the maintenance of peace in the world. Moreover, tax reduction in accordance with the provisions of H. R. 4790 means windfalls to the wealthy.

H. R. 4790 cannot be justified on any ground. International, economic, fiscal, and equity consideration demand that the President's veto of this bill be sustained.

STATEMENT ON VETO OF THE TAX BILL

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. DINGELL] may extend his own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DINGELL. Mr. Speaker, it has been appropriately observed that H. R. 4790 should be entitled "An act to borrow money and reduce taxes." The public debt is now $253,000,000,000. By July 1, 1948, it will be further reduced to about $251,000,000,000. Yet, if this tax bill becomes law, as I understand the President, even if the most favorable economic conditions and revenue receipts are assumed, the public debt as of July 1, 1949, will be at least $252,000,000,000, or one billion greater than at the beginnig of the preceding fiscal year.

To try to hide this fact, the majority party has inserted in the foreign-assistance bill a fiscal sleight-of-hand provision calling for a paper transfer of $3,000,000,000 of 1949 expenditures under the European recovery program against 1948 revenues.

The bald truth, however, cannot be so easily evaded. How would the Republicans juggle the governmental accounts in 1950 to cover up their shortages?

The honest answer is to admit to the American people that heavier expenditures are now a realistic necessity. Increased benefits to veterans, assistance to foreign countries, and authorized appropriations to bring the armed forces up to authorized and proper strength, as the President has stressed, all cry for maintenance of present tax levels. Other proposals, such as deserved salary raises for Federal employees, would mean an increase in the President's budget. He now estimates that these additional programs already confronting Congress would result in an increase in expenditures of at least $3,500,000,000 above the January estimates. For 1950 the increased expenditures from these programs will total $5,500,000,000.

Mr. Speaker, I insert at this point a break-down in summary of these additional expenditures not contained in the President's budget:

INCREASE IN 1949 EXPENDITURES SET FORTH IN PRESIDENT'S TAX MESSAGE

In the veto message on the tax bill, the President stated that expenditures for 1949 would probably be $3,500,000,000 higher than the original estimate. These major increases which now appear probable are as follows:

For foreign aid, because of increases in the aid program for China, Greece, and Turkey	$400,000,000
For employees' pay (which amount is lower than the cost of either the bill reported by the Senate committee or the House subcommittee)	500,000,000
Tax refunds under the tax bill	500,000,000
For legislation which increased veterans' allowances	150,000,000
For additional expenditures for Army, Navy, and Air Force, as outlined in the President's letter of April 1	1,700,000,000
For increased expenditures for UMT and selective service	300,000,000
Total	3,550,000,000

What the expenditure requirements may be for 1950 nobody can predict with any degree of certainty. The importance of keeping the tax structure at present levels, however, should be evident to anyone who has seen estimated expenditures jump from $39,700,000,000 in January to $43,200,000,000 less than 3 months later.

And in 1950 there will be no surplus from a preceding fiscal year from which the Government may borrow to meet current needs. Even the sharpest accounting practices will be of no avail.

Mr. Speaker, I want to emphasize H. R. 4790—the bill to borrow money and reduce taxes—should not have been passed.

SPECIAL ORDER GRANTED

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on Wednesday next, after the legislative program of the day.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. DEANE asked and was given permission to extend his remarks in the RECORD in two instances and to include extraneous matter.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include a telegram, together with his reply.

Mr. FORAND asked and was given permission to extend his own remarks in the RECORD.

Mr. LICHTENWALTER (at the request of Mr. HALLECK) was given permission to extend his own remarks in the RECORD.

Mr. GWINN of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the American Slovakian newspaper.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and to include a recent newspaper article from the Binghamton (N. Y.) Sun.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include a letter.

VETO OF THE TAX BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, one of the principal grounds of the President for vetoing H. R. 4790 is that world conditions are so unsettled as to make necessary vast new expenditures for military preparedness and for increased international commitments. I appreciate full well the gravity of our relations with the Soviet Union. I know that expenditures may have to be increased to expand the Air Forces and to build up the armed services to the authorized strength. But I am convinced, whatever the revenue requirements of the Federal Government may be, that the tax bill vetoed by the President provides a sounder basic framework upon which to levy additional taxes.

H. R. 4790 is a tax-revision bill in two important respects: First, it eliminates the long-standing discrimination against married persons residing outside the community-property States. Under this discrimination a married couple in North Carolina with net income before personal exemption of $5,000 earned entirely by the husband pays $38 more in taxes than does a married couple with similar income residing in the State of Texas. The North Carolina couple with an $8,000 income pays $190 more in taxes; a $50,000 couple pays $6,071 more; and the lucky $500,000 couple pays $23,921 more. I contend that this discrimination is intolerable.

I introduced a bill in the first session of the present Congress to eliminate the problem, and even stated that I would never vote for another general tax bill that did not correct this discrimination.

Second, in view of the present high cost of living, it seems to me that a $600 personal exemption represents a minimum level of subsistence below which the Government should not go in collecting taxes. It is my understanding that increasing the personal and dependency exemption from $500 to $600 per capita will remove from the rolls about 6,000,000 of the lowest-income taxpayers.

Since over half of the loss in revenue resulting from this bill is utilized in the establishment of a more equitable tax structure, I believe that it should be enacted regardless of what the prospective expenditures of the Government may be. If tax rates later have to be in-

creased to avoid deficit financing, this eventuality can then more safely and equitably be met by the Congress.

The President in none of his three veto messages, so far as I can recall, has recommended the elimination of the discrimination under present tax laws in favor of married persons residing in community-property States and against married persons in common-law States. Anyone assuming to advise Congress on tax matters who does not recognize this discrimination and recommend a correction, does not carry much weight with me on tax matters.

EXTENSION OF REMARKS

Mr. HARDY asked and was given permission to extend his remarks in the RECORD.

RELIGION OR ATHEISM

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, a few minutes ago a gentleman addressed the House on the subject of aid to education, stating that that bill would be a great means of combating communism. In that regard, as a Member of the Committee on Education and Labor, I wish to remark concerning what I conceive to be a tragic decision of the Supreme Court in the McCollum case, in which the Court makes it impossible for our educational system to provide for any kind of general religious instruction for our public-school children.

When we realize, Mr. Speaker, that the main issue involved in the world today is the great basic issue of atheism as against belief in God; realizing that Lenin himself said that communism is coextensive with atheism, and that that is the real issue today. When we have a situation in our country where our highest Court states that the children of our country cannot receive any kind of general religious education by fair arrangement, then there is something wrong with our educational system when it does not prepare our children to meet this challenge that is being presented to the American people. So I say we should do something about that if we can, and we must do something about it if we are effectively to meet the challenge that faces the United States today in combatting communism. Our educational system can be realistic only if it affords our children the means of discovering the knowledge whereby the sophistry of communism can be overcome.

CONSUMPTION OF GRAIN BY DISTILLERIES INCREASES WHILE FOOD AND FEED SUPPLIES BECOME SHORTER

Mr. REES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Speaker, on numerous occasions I have called attention to the excessive amount of grain consumed by the distillers, that is so much needed for food. I have introduced legislation to stop the use of grain to distillers for a period of a year, and have pointed out that there is a supply on hand of distilled spirits to last for 3 or 4 years. In any event, the least that should be done is to limit the amount of grain for distilleries during a shortage of grain for food and for feed for livestock. It was suggested by those who did not want to impose controls that the distilleries might impose their own controls. Of course, the distilleries are not interested in reducing the use of corn that is needed for food and for feed for livestock.

Let us take a look at what has been done with reference to this matter since the first of the year.

Controls on grain to distillers expired on January 31. On February 9, the Joint Committee on the Economic Report voted unanimously to recommend the extensions of these controls, and in doing so said:

> It is estimated that the United States should endeavor to export at least 500,000,000 bushels of wheat from the crop harvested in 1947. A study of the available grain supplies in the United States as compared with the essential domestic and export requirements indicates that there can be no relaxation in our efforts to conserve grain. Although the domestic wheat crop in 1947 was 212,000,000 bushels greater than the domestic wheat crop in 1946, the current domestic and foreign demands are so great that, after providing for the carry-over of reserve stocks of wheat as of June 30, 1948, of 150,000,000 bushels required by law, only 450,000,000 bushels of wheat will be available for export in the absence of further conservation measures. The corn crop in 1947 was 850,000,000 bushels less than in 1946. Other feed grains are in extremely short supply. The amount of wheat which will be available for export will depend to a considerable extent upon the supplies of other grains available for feed, for if other grains are not available for feed, farmers will find it necessary to feed greater quantities of wheat to livestock.
>
> The saving from allocation and inventory control of the distilling industry, estimated at 30,000,000 bushels of whole grain a year (22,000,000 bushels through October 31, 1948), will make a material contribution to the supply of grain available for essential domestic and export requirements.
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> * * * * *
>
> The committee is convinced that the shortage of grain is sufficiently evident to warrant restricting nonessential users. That, with the present large stocks of whisky, no more than a minimum addition in stocks could be justified at the present time; and that the situation cannot be solved by voluntary agreements under the provisions of Public Law 395. While the distillery industry uses corn grain primarily, it is our expectation that limitations would save an equivalent amount of wheat for human consumption.

This is a report of an unbiased committee attempting to get at the facts. It was issued in February. So far as I am able to ascertain, no action is being taken with regard to it.

Now, let us take a look at what has taken place in the meantime. During the month of February this year, distillers consumed 6,000,000 bushels of grain. It was corn and barley, mostly corn. On the 1st of February, they had on hand 513,898,216 tax gallons of distilled spirits. It is 60,000,000 gallons more than they had on hand a year ago. They produced 9,489,000 tax gallons of alcohol during January 1948 and consumed 1,700,000 bushels of needed grain in doing it. This was under the restriction of 2,500,000 bushels enforced by the Secretary of Agriculture under a law passed by Congress in December; under which the Secretary deducted excess grain they used in October.

I am informed today by officials in the Department of Agriculture that during the month of March just ended, the distillers consumed more than 8,500,000 bushels of grain produced by the farmers of this country. This grain is needed for food and for feed for livestock. So, it appears, in 2 months' time 14,500,000 bushels of grain has gone to increase an already oversupply of distilled spirits, while livestock goes to market unfinished for meat purposes because of shortage of corn. If we had controls we could have saved at least 9,000,000 bushels of this grain. I have noticed that distillers say the leavings, after they have taken the best part of the corn, is good for feed. A rather poor excuse, I think.

Mr. Speaker, because of a short production of corn last year thousands of cattle were marketed before they were fattened for meat slaughter. Corn was too scarce and too high for farmers to use it to finish the livestock as they should. So prices of meat and meat products were also higher. There is a scarcity of corn in the country right now.

Corn is the ideal animal feed. Every bushel taken out of market makes the scarcity more acute. When grain is easily obtainable farmers increase their flocks of chickens and herds of cattle. Right now farmers are not increasing flocks of chickens. This will be felt later in less egg production and high prices, and there will be less meat.

There are fewer cattle on feed than a year ago.

Mr. Speaker, we are in a bad situation. We talk of stock piles of strategic materials. At the outbreak of World War II we had on hand large stocks of industrial alcohol. The stock pile of industrial alcohol has deteriorated from 200,000,000 gallons in 1943 to 21,000,000 gallons. This is only enough to last 10 days for manufacture of rubber and other synthetics. Here is something else. We have no grain stock pile aside from 150,000,000 set aside by Congress. In the face of all this our available supplies are going to distilleries.

Here is another thing that might be of interest. Russia's best secret weapon is food grain. Russia is offering wheat and other grain to non-Communist countries of Europe in order to build friendly relations. A supply of food to people in need will accomplish more to cultivate friendship than anything else. We know that. Mr. Speaker, in view of the commitments this Congress made in approving the European recovery program, that calls for a drain on our resources—especially food—it seems to me that to permit this precious food to go to distilleries is utterly inexcusable. The most important strategic material in the world is food. We had better begin to protect its supply, and do it now.

The SPEAKER. Under previous special order of the House, the gentleman

from Alabama [Mr. HOBBS] is recognized for 30 minutes.

"IN GOD WE TRUST"

Mr. HOBBS. Mr. Speaker, most of us, if not all, agree cordially with our beloved friends the gentleman from Massachusetts [Mr. MCCORMACK] and the gentleman from South Dakota [Mr. CASE] when they plan to avert war and preserve our Nation. But I believe there is another question of transcendent importance which must be answered solemnly, in that connection: Should we not see to it that our Nation continues to be worth preserving?

I have the highest regard for the Supreme Court of the United States, and for the ability and integrity of each one of the members of that Court, but I believe that they, as freely as any other American citizen, will admit they are not infallible. So, without being too critical, may I not speak of the necessity of making sure that this Nation's religious life is safe, and that the words of a decision about which our colleague the gentleman from Wisconsin [Mr. KERSTEN] has just spoken, may not be misunderstood as seeking to weaken the power that has made and preserved us a Nation, the author of liberty—our fathers' God.

Mr. Speaker, it was not until 1940 that the Supreme Court clearly enunciated the doctrine that the fourteenth amendment of our Constitution imposed on the States the duty required of Congress by the first amendment, that became a part of the Constitution in 1791. Mr. Justice Roberts, in *Cantwell* v. *Connecticut* (310 U. S. 296), held that the words of the first amendment: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof"; embraced "two concepts—freedom to believe and freedom to act."

The two latest decisions, however—the Everson and the McCollum cases—go so far beyond all former decisions as to cause the fear, if not the certitude, that the effect will be to destroy every mark that characterizes this a Nation dedicated to God, and to freedom of worship. That is why I have today struck at the root of the evil by introducing a House joint resolution repealing the fourteenth amendment. The reason that impels me to introduce that resolution stems entirely from these two latest Supreme Court opinions on this subject. I believe that it is necessary to cross that bridge once more. There are none who contend that the fourteenth amendment has fulfilled its intended mission. I know of no voice of respectable authority or standing in this Nation that has ever so contended. It has failed utterly of its intended mission, and what has happened now is that under that amendment the United States Supreme Court has upheld the erroneous claim that the States are interdicted by the first amendment, and also that the first amendment means that which was never intended. I believe that the time has come for us to acquit ourselves like men, and be strong, and face this issue squarely and to a conclusion. I want to call attention to just a few truths that are self-evident. I believe that the nub, the epitome, the essence of our problem, is this: Our forefathers came here for the priceless privilege of worshiping God, not for the purpose of ignoring Him; the essence of the religious philosophy of the United States of America has always been the absolute guaranty of freedom of religion, never of freedom from religion. God Almighty has never here been pushed from His throne.

Mr. MCCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am always delighted to yield to the gentleman from Massachusetts.

Mr. MCCORMACK. Not only freedom of religion, but the freedom to exercise one's religious conscience, which is very important.

Mr. HOBBS. And the corollary of that statement which I have just made—at the suggestion of my dear friend—is equally true. As Mr. Justice Roberts said in the Cantwell case, twin pillars of religious freedom; or as George Washington said, the two pillars of our safety are morality and religion, and he is vain and foolish who thinks that morality can long survive without religion. Yes, the first amendment of the Constitution says that Congress shall pass no law establishing a religion—a national church. That means giving no religion preference over any other; and the corollary, nor prohibiting to any man, woman, or child the free exercise thereof, according to his or her own conscience.

Now then, I want to call your attention very briefly in my concluding remarks to these thoughts: Our forefathers appointed a committee to design what some call our sign and seal. But, Jefferson, Franklin, and Adams were the three members of that great committee that labored to give us our sign and seal to display to the world. And, what was that? It was the American eagle. And, in reporting that decision, why did they select the American eagle? They referred to the Book of Books where, in Exodus, God said:

> Ye have seen what I did unto the Egyptians, and how I bare you on eagles' wings, and brought you unto myself.
>
> Now therefore, if ye will obey my voice indeed, and keep my covenant, then ye shall be a peculiar treasure unto me above all people—for all the earth is mine.

That was the first covenant promise, and Adams, Jefferson, and Franklin chose that as the symbol that on eagles' wings God had borne our forefathers across the flood of the Atlantic, just as He had through the Red Sea brought His first chosen people, and claimed the covenant promise which was then made by God, for this successor Nation, because we loved and revered and worshiped Almighty God.

Early we declared a day of thanksgiving to God for the first harvest that had blessed us.

So must our American eagle be struck for our currency. The pillar of cloud by day and of fire by night must be wiped off our original dollar bills, designed by that same committee, referring to the leadership they hoped and prayed for to direct this Nation all through its history. He is blind who cannot see that leading. The later, "In God we trust." Later still, the all-seeing eye of God, whereby we proclaimed on our great seal the fact that we wanted our Heavenly Father to keep us in mind and in His sight.

Then, if we follow the logic of those decisions, you will have to wipe out the oaths that have been required in our courts of every witness.

Mr. MCCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be delighted to yield to the gentleman from Massachusetts.

Mr. MCCORMACK. The gentleman is making one of the finest and most philosophical speeches I have ever heard in this Chamber. In connection with the motto on our coins, "In God we trust," I think it well to make a part of my friend's remarks a conversation I had 8 or 9 years ago with the late Franklin D. Roosevelt. During the course of that conversation he made a remark to me that made a profound impression on me and has never left my mind. My friend's remarks brings it back, and I repeat it on this occasion because I think it is very pertinent to the very fine speech the gentleman is now making.

At that time we were talking about communism and the late Franklin Delano Roosevelt in quoting part of a conversation he had with the Ambassador of another country said, "I said to the Ambassador that the journey that the United States takes is shown on the motto of our coins, 'In God we trust,' and I hope no neighboring country is taking any other journey because it would be considered an unfriendly act."

Mr. HOBBS. I thank the gentleman.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am so happy to yield.

Mr. KERSTEN of Wisconsin. I wish to compliment the gentleman for the very fine speech he is making. I am in thorough accord with what he says. Does not the gentleman also believe basic to our very philosophy of government is that phrase in our Declaration of Independence which recognizes that all of our rights are derived from our Creator and not from any state or political system and that it is only by that type of philosophy that we can maintain our form of government as distinguished from all these other totalitarian states and other such forms of statism where the dictator and the state bestow rights upon the people? Does the gentleman agree with that?

Mr. HOBBS. I certainly do, sir; and I believe more. I believe that the rank and file of the House of Representatives and everyone in our country believe implicitly that God is in His Heaven, although all is not right with His world. We believe that He still leads, and were it not so, if we were dependent upon our own frail minds and our own capacities there is not a one of us who would dare serve in this body. We believed that long before the Declaration of Independence was written. But I am delighted that you brought that to my mind. I agree with you, absolutely.

Now, Mr. Speaker, let me hurry on to my conclusion. Not only will oaths in court be stricken down, but when you come to qualify a witness of tender years, in every civilized land there has always

been this criterion: "Do you know God? Do you know about hell and heaven? Do you know about future blessedness and future punishment?" Those children have no hesitancy in answering that question ordinarily. But the point I am making is that if the fears that have been expressed by many are justified, we are on dangerous ground, and we will exclude some of the most wonderful witnesses that any of us who have ever worked in court know. They are the youth of our land, the young who are disqualified except by showing a knowledge of God and His truth and His promise of future reward and punishment. Then of course we will wipe out our compulsory religious exercises at Annapolis and West Point. We would wipe out every chaplain in our Army and Navy and every chaplain who has ever graced this stand here and in the other body. We have no right, so some think the meaning of this decision to be, to mention the name of Almighty God. Shall we go back to paganism and make this a pagan Nation? This Nation, founded under God and dedicated to Him, and which he has led all through the blessed days of our 150 years?

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be so happy to yield to the gentleman from Massachusetts.

Mr. McCORMACK. The very origin of our way of life, our civilization, as the gentleman from Wisconsin [Mr. KERSTEN] mentioned a few minutes ago in the colloquy with the gentleman from Alabama, the very origin of democratic institutions of government, starts in God Himself; in the belief of the people in God. It is immaterial what our denomination may be, whether Catholic or Protestant or Jew, we believe in one God; whether it is God the Father; God the Father and Son; or God the Father, Son, and Holy Ghost. That is the origin of our civilization. Every civilization has its origin in some relious belief. Communism is anti-God, and that is a religious origin from a negative, destructive angle; but it is a religious origin. Every civilization that has ever existed or ever will exist will have an origin in some higher belief, whether the higher belief is in a double negative or otherwise. But ours is affirmative, and our very institutions of government and the very fact that we are here today in this Chamber—we would not be here unless the origin of our civilization was in God Himself.

May I say there are too many people who are afraid to publicly talk about God. My mind goes back over 150 years of the existence of this body. In the early days I can see men rising and professing their love of God. It would be better for us if we had more like the gentleman from Alabama in these days, who are willing to talk about God and to apply his truths to our everyday life. We would all be much better off.

Mr. HOBBS. I thank the distinguished gentleman.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am happy to yield to the gentleman.

Mr. JOHNSON of Oklahoma. I am enjoying the remarks which the gentleman is making, but I just want to be sure in my own mind that I am getting the full import of it. What is there in the McCollum decision that disturbs the gentleman, that there is a threat to religious freedom? The gentleman mentioned two things, freedom to believe and freedom to act in pursuance thereof; freedom to worship any way you want to. What is there in that decision that disturbs the gentleman?

Mr. HOBBS. I am so glad the gentleman asked that. I will be delighted to answer him. It is because this lady, in seeking injunctive relief that she prayed for in her bill, does not claim that she was refused the right to use the classroom of the schools of Illinois to teach her boy or to have him taught at her own expense that there is no God. She does not claim that. In fact, the testimony given in the trial by herself and her son, shows there was no embarrassment, but rather they were proud of the fact that they were atheists. So that negatives another mudsill factor in the decision. But what worries me in this decision is that it grants the injunction she sought.

Mr. JOHNSON of Oklahoma. Her point was, as I remember it, that when she went to the public school she felt she did not want to be taught a class in religion.

Mr. HOBBS. Oh, I beg the gentleman's pardon.

Mr. JOHNSON of Oklahoma. I am asking for information.

Mr. HOBBS. I am delighted that the gentleman is pursuing that line of interrogation because I am so happy to answer it.

No; the Champaign plan pursued in the schools there did nothing of the kind. No one could go to any class of religious instruction without the written consent of his parents. The only thing that was complained of was that her boy, according to the rules of the school, devoted his study period to the study of, let us say, mathematics, or English, during the time that those children whose parents had requested such instruction by a priest, a rabbi, or a Protestant minister, paid by the people of their communion, were being taught those things in other classrooms. In other words, there was no compulsion, there was no attempt even to influence this McCollum boy, and he so swore.

Mr. JOHNSON of Oklahoma. But, mark you, the effect of it was to deny to others the right to voluntarily have those exercises.

Mr. HOBBS. Oh, no, sir. Such voluntary classes as any believer might wish to set up for his or her offspring was perfectly free to use a separate schoolroom.

My answer, summing up, is that I maintain that from the earliest dawn of our history it has been the right of a sovereign people who are the only king in our democracy to use the facilities of the schools for any kind of meeting they cared to put them to; and this is all that the Champaign plan is, the legitimate use, never before condemned, where the elements of constitutional accord are as clear as they are here.

All I am contending is that any State should have the right which was freely granted long before the Revolution and for a hundred years afterward.

These decisions are based on this one major premise, if I read them correctly, Thomas Jefferson's quoted statement that there must be a wall of separation between church and State. We all agree with that if it be understood to mean what Jefferson meant. But Jefferson, himself, when he made that statement in a private letter to a friend, later explained it, and when he was regent of the University of Virginia, which he created, he asked for religious instruction according to tenets of the different sects in the classrooms of the University of Virginia.

So, the basis of these two decisions seems erroneous, but with the utmost respect, we may be wrong in our interpretation, I say we tread on dangerous ground when we think further that in addition to all these other elements of danger that I have mentioned you must strike down Sunday. What right have we to say to a devout Jew who pays a license to the city to run a store: "You have got to close down on Sunday." He worships the same God, and believes in his religion just as firmly as anybody. He follows his faith and closes on Saturday. What right have we to close his store on Sunday, and to deny him that privilege which we licensed him to exercise? We know the answer of the Frolichstein case, but these recent Supreme Court decisions are based upon entirely different grounds.

It means that we have got to give up our Christian Sabbath. It means that we have got to surrender our Sunday, and in addition to that Christmas must go. There is another thing many of us have overlooked. We have got to cease exempting religious bodies from taxation. There is no escape from that conclusion, as it has been held many times that exemptions are the equivalent of appropriations. If you are excused from paying your ad valorem share of the tax burden, some other taxpayers must pay more than their share.

Mr. Speaker, those are some of the dangers we face. May God grant us the power to answer them and the answer I am proposing is simply to free the States again, as they were in the first hundred years of this Government, from the shackles of that tyranny from which our system of dual sovereignties was supposed to keep the States free.

The SPEAKER. The time of the gentleman from Alabama has expired.

CALENDAR WEDNESDAY BUSINESS DISPENSED WITH

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of committees in order on Calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. ALLEN of California (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 472. An act to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; to the Committee on Education and Labor.

S. Con. Res. 46. Concurrent resolution providing for the printing of additional copies of Senate Report No. 986, on Labor-Management Relations; to the Committee on House Administration.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 56 minutes p. m.), under its previous order, the House adjourned until Tuesday, April 6, 1948, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

JANUARY 14, 1948.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII I, Hon. L. MENDEL RIVERS, move to discharge the Committee on Agriculture from the consideration of the bill (H. R. 2245) entitled "A bill to repeal the tax on oleomargarine," which was referred to said committee February 26, 1947, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. L. Mendel Rivers.
2. Thomas G. Abernethy.
3. Joseph R. Bryson.
4. Walter B. Huber.
5. Melvin Price.
6. W. M. (Don) Wheeler.
7. John J. Riley.
8. John L. McMillan.
9. Abraham J. Multer.
10. Thomas S. Gordon.
11. Vito Marcantonio.
12. Arthur G. Klein.
13. Frank M. Karsten.
14. Edward A. Garmatz.
15. Glen B. Johnson.
16. Toby Morris.
17. W. J. Bryan Dorn.
18. M. M. Redden.
19. Frank W. Boykin.
20. Michael A. Feighan.
21. Thomas J. Lane.
22. Porter Hardy, Jr.
23. Carl Albert.
24. J. P. Richards.
25. John Lesinski.
26. W. D. Mills.
27. Herman P. Eberharter.
28. Laurie Battle.
29. Robert E. Jones, Jr.
30. Carter Manasco.
31. E. C. Gathings.
32. Otto E. Passman.
33. George A. Smathers.
34. Hale Boggs.
35. Louis Ludlow.
36. J. Hardin Peterson.
37. Albert Rains.
38. W. G. Stigler.
39. Prince H. Preston.
40. Robert Crosser.
41. Henry D. Larcade, Jr.
42. John D. Dingell.
43. John J. Kennedy.
44. A. Leonard Allen.
45. George P. Miller.
46. Franck R. Havenner.
47. Aime J. Forand.
48. John E. Fogarty.
49. Harold D. Donohue.
50. Frank Buchanan.
51. Henderson Lanham.
52. Preston E. Peden.
53. Andrew L. Somers.
54. Dwight L. Rogers.
55. John Bell Williams.
56. Emanuel Celler.
57. Harry R. Sheppard.
58. Tom Murray.
59. Orville Zimmerman.
60. James C. Davis.
61. Arthur Winstead.
62. Joe Hendricks.
63. George G. Sadowski.
64. Clark W. Thompson.
65. Augustine B. Kelley.
66. Chet Holifield.
67. Helen Gahagan Douglas.
68. Leo Isacson.
69. Edward J. Hart.
70. Jamie L. Whitten.
71. Walter A. Lynch.
72. Emory H. Price.
73. Carl Vinson.
74. Sol Bloom.
75. E. Wallace Chadwick.
76. Charles K. Fletcher.
77. Ellsworth B. Buck.
78. Gordon Canfield.
79. E. H. Hedrick.
80. Wright Patman.
81. Chester E. Merrow.
82. Harry L. Towe.
83. T. Millet Hand.
84. Charles B. Deane.
85. Clifford P. Case.
86. Brooks Hays.
87. Ken Regan.
88. E. A. Mitchell.
89. Philip J. Philbin.
90. Sam Hobbs.
91. Georgia L. Lusk.
92. Bob Sikes.
93. Thomas L. Owens.
94. John W. McCormack.
95. James C. Auchincloss.
96. Gordon L. McDonough.
97. Mary T. Norton.
98. Overton Brooks.
99. William J. Miller.
100. William T. Byrne.
101. Frederick A. Muhlenberg.
102. John McDowell.
103. A. J. Sabath.
104. Thomas E. Morgan.
105. Francis E. Walter.
106. Cliff Davis.
107. Oren Harris.
108. Thomas J. O'Brien.
109. George W. Sarbacher, Jr.
110. John J. Delaney.
111. Cecil R. King.
112. Fadjo Cravens.
113. E. E. Cox.
114. Robert M. McGarvey.
115. J. Frank Wilson.
116. Claude I. Bakewell.
117. George H. Fallon.
118. A. C. Powell, Jr.
119. W. F. Norrell.
120. Harold F. Youngblood.
121. S. O. Bland.
122. Edward J. Elsaesser.
123. James E. Van Zandt.
124. James G. Fulton.
125. Mitchell Jenkins.
126. Charles A. Buckley.
127. O. C. Fisher.
128. Richard B. Vail.
129. W. Howes Meade.
130. James J. Heffernan.
131. Jacob K. Javits.
132. Donald L. O'Toole.
133. George H. Bender.
134. James P. Scoblick.
135. John S. Wood.
136. Fred E. Busbey.
137. W. G. Andrews.
138. J. E. Rankin.
139. Hardie Scott.
140. William M. Colmer.
141. John C. Kunkel.
142. Robert J. Twyman.
143. John A. Carroll.
144. Mike Mansfield.
145. Ray J. Madden.
146. A. Sidney Camp.
147. Martin Gorski.
148. Richard Nixon.
149. Franklin J. Maloney.
150. Homer A. Ramey.
151. Carl Hinshaw.
152. Ellsworth B. Foote.
153. Harvey Tibbott.
154. Hugh D. Scott, Jr.
155. Richard J. Welch.
156. William E. Hess.
157. Charles H. Elston.
158. H. A. Coffin.
159. John Davis Lodge.
160. Mike Monroney.
161. Fred A. Hartley, Jr.
162. Charles R. Clason.
163. Joseph L. Pfeifer.
164. Ivor D. Fenton.
165. Eugene J. Keogh.
166. James Gallagher.
167. Christian A. Herter.
168. Roy Clippinger.
169. Frank A. Mathews, Jr.
170. David M. Potts.
171. Donald W. Nicholson.
172. James Domengeaux.
173. Herbert C. Bonner.
174. Margaret Chase Smith.
175. Homer D. Angell.
176. John E. Lyle.
177. Robert J. Corbett.
178. William L. Dawson.
179. W. R. Poage.
180. Omar Burleson.
181. Lindley Beckworth.
182. Milton H. West.
183. Lyndon B. Johnson.
184. Rolla C. McMillen.
185. Jere Cooper.
186. Paul Brown.
187. Olin E. Teague.
188. J. T. Patterson.
189. Frances P. Bolton.
190. J. W. Trimble.
191. Sam Rayburn.
192. Samuel K. McConnell, Jr.
193. Clair Engle.
194. John R. Murdock.
195. George Mahon.

196. John H. Kerr.
197. A. L. Bulwinkle.
198. Albert Thomas.
199. E. G. Rohrbough.
200. J. Percy Priest.
201. L. H. Gavin.
202. Estes Kefauver.
203. J. Vaughan Gary.
204. C. Jasper Bell.
205. Charles A. Wolverton.
206. Albert L. Reeves, Jr.
207. W. J. Crow.
208. Carl T. Durham.
209. Graham A. Barden.
210. William M. Whittington.
211. A. M. Fernandez.
212. F. Edward Hébert.
213. John W. Flannagan.
214. W. M. Abbit.
215. Harold D. Cooley.
216. Hamilton C. Jones.
217. Ed Gossett.
218. Wingate H. Lucas.

This motion was entered upon the Journal, entered into the CONGRESSIONAL RECORD with signatures thereto, and referred to the calendar of motions to discharge committees, April 2, 1948.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1436. A communication from the President of the United States, transmitting his proposal with regard to a permanent Reorganization Act of 1945 (H. Doc. No. 590); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1437. A letter from the Secretary, Department of the Air Force, transmitting a draft of a proposed bill to establish the Office of the Inspector General, United States Air Force, and for other purposes; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REES: Committee on Post Office and Civil Service. Report on survey and study of the postal service filed pursuant to House Resolution 176; without amendment (Rept. No. 1656). Referred to the Committee of the Whole House on the State of the Union.

CHANGE OF REFERENCE

Under clause 3 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 582) to amend the Soldiers' and Sailors' Civil Relief Act of 1940 so as to guarantee to persons after their period of military service certain rights with respect to employment; Committee on Armed Services discharged, and referred to the Committee on Veterans' Affairs.

A bill (H. R. 3137) to provide that the Soldiers' and Sailors' Civil Relief Act of 1940 shall not apply to divorce proceedings; Committee on Armed Services discharged, and referred to the Committee on Veterans' Affairs.

A bill (H. R. 3808) to make inapplicable to future actions and proceedings section 200 (1) and (2) of the Soldiers' and Sailors' Civil Relief Act of 1940, relating to default judgments; Committee on Armed Services discharged, and referred to the Committee on Veterans' Affairs.

A bill (H. R. 4584) to provide that the Soldiers' and Sailors' Civil Relief Act of 1940 shall not apply to divorce proceedings; Committee on Armed Services discharged, and referred to the Committee on Veterans' Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIRKSEN:

H. R. 6106. A bill to amend the act of December 20, 1944, to provide for the issuance, without examination, of licenses to certain persons to engage in business; to the Committee on the District of Columbia.

By Mr. KEARNEY:

H. R. 6107. A bill to amend part I and part II of Veterans' Regulation No. 1 (a), as amended, to increase death compensation rates for dependents of deceased war veterans and to increase peacetime disability and death compensation rates to 90 percent of the wartime rates; to the Committee on Veterans' Affairs.

By Mr. MULTER:

H. R. 6108. A bill to equalize income-tax revenues, and for other purposes; to the Committee on Ways and Means.

H. R. 6109. A bill to terminate certain wartime and other excise-tax rates; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H. R. 6110. A bill to permit the landing of halibut by Canadian fishing vessels to Alaskan ports, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. COLMER:

H. R. 6111. A bill to repeal the war-tax rate on toilet preparations; to the Committee on Ways and Means.

H. R. 6112. A bill to repeal the war-tax rate on certain admissions; to the Committee on Ways and Means.

By Mr. MURRAY of Wisconsin:

H. R. 6113. A bill to transfer certain land in Langlade County, Wis., to the United States Forest Service; to the Committee on Agriculture.

By Mr. PACE:

H. R. 6114. A bill to amend title I of the Bankhead-Jones Farm Tenant Act, as amended, so as to increase the interest rate on title I loans, to provide for the redemption of nondelinquent insured mortgages, to authorize advances for the preservation and protection of the insured loan security, and for other purposes; to the Committee on Agriculture.

By Mrs. ROGERS of Massachusetts:

H. R. 6115. A bill to authorize assistance to certain veterans in acquiring specially adapted housing which they require by reason of the nature of their service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. WOLVERTON:

H. R. 6116. A bill to amend the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BATTLE:

H. R. 6117. A bill to increase the compensation of new employees in the field service of the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HOBBS:

H. J. Res. 364. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. KLEIN:

H. J. Res. 365. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

By Mr. POTTS:

H. J. Res. 366. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. J. Res. 367. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

By Mr. GAMBLE:

H. Res. 519. Resolution authorizing the printing of additional copies of the factual analysis on housing entitled "Housing in America" for the use of the Joint Committee on Housing; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States with respect to a change in the Federal internal-revenue laws relating to traffic in alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ALLEN of California introduced a bill (H. R. 6118) for the relief of the widow of Frank E. Chaffin, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1718. By Mr. ANDREWS of New York: Resolution adopted by the religious and adult education committees of the First Unitarian Church of Buffalo, N. Y., beseeching the Congress to formulate and pass as rapidly as possible appropriate measures to implement the recommendations of the report of the President's Committee on Civil Rights entitled "To Secure These Rights," and pledging full cooperation in the abolition of prejudice and the promotion of civil liberties in their own church and lives; to the Committee on the Judiciary.

1719. By Mr. BAKEWELL: Petition of the House of Representatives, State of Missouri, petitioning Congress of the United States to create and maintain Jefferson Barracks as a national park; to the Committee on Public Lands.

1720. By Mr. ELSTON: Petition of Mary E. Schulte and 17 other residents of Cincinnati, Ohio, supporting passage of legislation to reduce postal rates on relief packages mailed to worthy and needy peoples of European countries; to the Committee on Post Office and Civil Service.

1721. Also, petition of Jeanne Schiller and 30 other residents of Cincinnati, Ohio, urging support of legislation to provide for universal military training; to the Committee on Armed Services.

1722. Also, petition of Bernard J. Naberhaus and 17 other residents of Cincinnati, Ohio, urging the passage of legislation to reduce postage on relief packages mailed to certain European countries; to the Committee on Post Office and Civil Service.

1723. By Mr. LECOMPTE: Petition of Miss Inez Dell Auld, Kirkville, Iowa, and members of the Kirkville Methodist Church School, in the interest of the Capper bill, S. 265, and H. R. 4983 to prevent the use of the facilities controlled by the Federal Government in advertising alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

1724. Also, petition of Miss Inez Dell Auld, Kirkville, Iowa, and members of the Kirkville Methodist Church School, in the interest of

the Stratton bill, H. R. 2910, to permit the entrance of 100,000 displaced persons to the United States each year over a 4-year period; to the Committee on the Judiciary.

1725. By Mr. SMITH of Wisconsin: Resolution by Wisconsin Conservation Commission, opposing House Joint Resolution 78 and any or all subsequent bills or resolutions of a similar nature designed to create additional channels for the entertainment and commercial broadcasting service by any means which would decrease the number of channels assigned to the mobile emergency service or render those channels unusable through cross interference; to the Committee on Interstate and Foreign Commerce.

1726. By the SPEAKER: Petition of the clerk of the Municipal Council, Unalaska, Alaska, petitioning consideration of their resolution with reference to the restoration of mail and freight and passenger service for the Alaska Peninsula; to the Committee on Post Office and Civil Service.

1727. Also, petition of Emma E. Harris and others, petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

SENATE

TUESDAY, APRIL 6, 1948

(Legislative day of Monday, March 29, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God, who hast made of one blood all the nations of mankind, so that all are kinsmen, forgive the selfishness that ignores the ties which Thou hast established.

We pray today for the people of Italy that they may be guided in the grave decisions they shortly must make.

May Thy will be done in that ancient land.

Save Thy people there from intimidation and coercion, and give them the courage of true faith in democracy that they may be free.

May we in this free land esteem more highly our liberties, in the light of the price others are called upon to pay. For Jesus' sake. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of Friday, April 2, 1948, was dispensed with, and the Journal was approved.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on April 3, 1948, he presented to the President of the United States the enrolled bill (S. 2202) to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 3, 1948, the President had approved and signed the act (S. 2202) to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4167) to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for production of minerals, including leases for exploration for oil, gas, and other hydrocarbons and the extraction thereof, for such terms of years and on such conditions as may be from time to time provided by the legislatures of the respective States, and it was signed by the President pro tempore.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE—DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION (S. DOC. NO. 141)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, Bureau of Reclamation, amounting to $3,000,000, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO EXISTING APPROPRIATION FOR DEPARTMENT OF JUSTICE (S. DOC. NO. 140)

A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the Department of Justice, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

EXTENSION OF PROVISION OF GOVERNMENT CORPORATION CONTROL ACT TO FEDERAL HOUSING ADMINISTRATION

A letter from the Administrator of the Housing and Home Finance Agency, transmitting a draft of proposed legislation to amend the Government Corporation Control Act to extend the provisions of that act to the Federal Housing Administration (with an accompanying paper); to the Committee on Banking and Currency.

TRANSFER BY NAVY DEPARTMENT OF A SUBMARINE CHASER TO ADMIRAL BILLARD ACADEMY, INC.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Admiral Billard Academy, Inc., of New London, Conn., had requested the Navy Department to transfer a submarine chaser to that academy for use in training students; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the President pro tempore and referred as indicated:

A joint resolution of the Legislature of the State of California; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Resolution 11

"Joint resolution relative to California wildlife conservation program

"Whereas the State of California has appropriated the sum of $9,000,000 to initiate a program dedicated to the conservation of the wildlife of the State; and

"Whereas there are at present no United States Government funds available to defray its cost of cooperation with said program of the State of California; and

"Whereas the wildlife of the State of California represents an important part of the resources of the United States and its conservation is of great importance to the Nation as a whole; and

"Whereas there now are pending in the Federal Congress two bills; that is, H. R. 3802, introduced by Congressman KERSTEN, and H. R. 107, introduced by Congressman LEA, which bills must be enacted before said California wildlife conservation program may become fully effective: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully urges and memorializes the Congress of the United States to enact H. R. 3802 and H. R. 107; and be it further

"Resolved, That the secretary of the senate be directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Armed Services:

"Assembly Joint Resolution 3

"Joint resolution relative to memorializing the President and the Congress of the United States in relation to the retention of the National Guard under State control

"Resolved by the Assembly and the Senate of the State of California (jointly), That the President and the Congress of the United States are hereby respectively urged and memorialized to continue the existence of the National Guard as now organized, and to oppose all plans for the amalgamation and combination of the National Guard with other organized reserves of the United States which would result in removing the National Guard from State control; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Post Office and Civil Service:

"Assembly Joint Resolution 9

"Joint resolution relative to memorializing Congress to provide a wage increase for postal-service employees

"Whereas the United States postal employees constitute an essential, loyal, and large group of workers throughout the United States; and

"Whereas the present salaries of such employees are inadequate to meet the increased cost of living and to maintain a standard of living commensurate with the dignity, the duties, and the responsibilities of public servants; and

"Whereas young veterans must start at a salary of only $2,100 per year, a salary which is obviously inadequate as compensation for loyal and faithful service to the United States Government and to the people thereof: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Legislature of California hereby endorses and respectfully memorializes Congress to provide a salary increase for postal employees of at least $800 a year 'take-home pay,' a wage readjustment commensurate with their heavy duties and adequate for their present needs; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives, to each Senator and Representative from California, to Senator WILLIAM LANGER, chairman of the United States Senate Post Office Committee, and to Congressman EDWARD REES, chairman of the House Post Office Committee, and to the Postmaster General of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Agriculture and Forestry:

"Senate Joint Resolution 13

"Joint resolution relative to memorializing the Congress of the United States in relation to foot-and-mouth disease

"Whereas—

"1. Foot-and-mouth disease is an acute, highly contagious, and highly communicable disease chiefly confined to cloven-hoofed animals, for which there is no known cure and which can be eradicated only by the slaughter and burial of infected animals and the thorough and complete disinfection of the places where such animals have been.

"2. The danger inherent in the possible entry and spread of said disease in countries free from infection is so great that, in 1930, Mexico and the United States entered into a treaty in which each agreed that it would not permit the importation of cattle from countries in which foot-and-mouth disease existed.

"3. This danger is further recognized in the Tariff Act of 1930, section 306 of which provides that if the Secretary of Agriculture of the United States determines that foot-and-mouth disease exists in any foreign country he shall notify the Secretary of the Treasury and give public notice thereof and that thereafter and until similar notice is given that such disease no longer exists in such foreign country the importation of cattle, sheep, other ruminants and swine, and the meat thereof from such foreign country is prohibited (sec. 1306, title 19, U. S. C.).

"4. On October 26, 1940, the Secretary of Agriculture of the United States officially determined and gave proper notice that foot-and-mouth disease existed in Brazil and that said order has not since been amended insofar as it affects Brazil (Bureau of Animal Industry Order No. 373, U. S. Department of Agriculture).

"5. On April 3, 1941, the then President of Mexico, Manuel Avila Camacho, issued a directive and proclamation finding foot-and-mouth disease to exist in certain countries, including Brazil, and prohibited the importation of cloven-hoofed animals from such countries into Mexico.

"6. Despite the clear and explicit policy of the Congress of the United States as expressed in the Tariff Act of 1930, above referred to, the State Department of the United States of America in 1935 negotiated a treaty with Argentina which would have permitted the importation of cattle into the United States from zones or areas of Argentina which were found to be free from and not exposed to foot-and-mouth disease.

"7. Said treaty was referred to the Foreign Relations Committee of the United States Senate and, because of protests of the livestock industry of the United States, was never acted upon but was not withdrawn until 1947, after the outbreak of foot-and-mouth disease hereinafter referred to.

"8. The attitude of the United States Department of State toward the sanitary safeguard provided in the Tariff Act of 1930 has consistently been that it operates as a trade barrier which should be removed rather than a vitally necessary sanitary measure which should be enforced, and that attitude has resulted in the conditions now confronting this country and its neighbor on the south, the Republic of Mexico.

"9. Despite the treaty between the United States and Mexico and the proclamation of the President of Mexico above referred to, in October 1945, approximately 130 head of Cebu or Brahma bulls were imported from Brazil, landed at Sacrificios Island near Vera Cruz and thence brought to the mainland of Mexico, and in May of 1946 a second shipment of 327 such bulls was similarly imported from Brazil and, after being held at Sacrificios Island, brought to the Mexican mainland with the result that the United States Secretary of Agriculture proclaimed Amendment No. 3 of Bureau of Animal Industry Order No. 368, which in practical effect was an embargo upon importation of cattle from Mexico.

"10. The practical result of this embargo was that the beef cattle business of the northern states of Mexico was seriously affected because such cattle are produced for the United States, rather than the Mexican, market, and the United States was thereby deprived of the opportunity to obtain between four and five hundred thousand head of animals per year and the losses to the Mexican cattle raisers were staggering.

"11. The Mexican-United States Agricultural Commission was formed to resolve all problems of common interest of the two countries involving agriculture, and two of the three members of said commission at the fourth meeting thereof were connected with the State Department of the United States. At said meeting a resolution was adopted reciting among other things that the government of Mexico had decided to remove the bulls originating in Brazil from Sacrificios Island and that the United States had decided to establish a quarantine station at Swan Island in the Caribbean Sea, although no decision to the latter effect had been made elsewhere than possibly in the State Department.

"12. Upon recommendation of said commission and the assurance that said 327 bulls would be returned to Brazil the United States Bureau of Animal Industry sent representatives to examine said bulls, but only 316 head were presented for examination and the other 11 head were unaccounted for.

"13. Many of the bulls so imported into Mexico were subsequently imported into the United States and there is evidence amounting to more than suspicion that the entire transaction was one enterprise whereby the United States law and treaty were circumvented by the device of using Mexico as a stopping place for a shipment which was, in actuality, one from Brazil to the United States and in violation of the Tariff Act of 1930 and the treaty between the United States and Mexico.

"14. Although vigorous protests against the importation of said bulls into Mexico were made by the Bureau of Animal Industry to the State Department no aggressive action was taken by the State Department to cause said bulls to be removed from Mexico, and the attitude of Mr. Messersmith, then Ambassador to Brazil and formerly Ambassador to Argentina should be investigated.

"15. Other instances of the importation of cattle into the United States from countries in which foot-and-mouth disease had been officially declared to exist have come to light.

"16. The Senate Interim Committee on Livestock Disease has conducted an investigation of all matters referred to herein and has filed with the senate of California a partial report of its activities: Now, therefore, be it

"'Resolved by the Senate and Assembly of the State of California (jointly), That the Congress of the United States is hereby memorialized as follows:

"1. That a congressional investigation be made of the nature and strength of the protest made to the Mexican Government in relation to the importation of the bulls referred to in this resolution and that such investigation include the correspondence between the Bureau of Animal Industry, the State Department, and Mr. Messersmith, and the ascertainment whether or not the State Department or any of its officials, including our Ambassadors, were attempting to substitute their judgment as to the danger of importing cattle from countries in which foot-and-mouth disease existed for the judgment of the Congress as evidenced by the laws and treaties of the United States.

"2. That a congressional investigation be made of the conduct of the examination of the 316 bulls by representatives of the Bureau of Animal Industry and the failure to ascertain and explain what had happened to the 11 head which were missing, including in said investigation the determination of why the examination was permitted and a certificate issued after the Mexican Government had repudiated its agreement to remove said bulls.

"3. That a congressional investigation be made of the matter of establishing an international animal quarantine station at Swan Island and the activities of the American members of the Mexican-United States Agricultural Commission in relation thereto, and also of the activities of said Commission in 1946 in proposing an amendment to the United States treaty with Mexico to permit zoning and also to permit importation of animals if held in quarantine for 60 days.

"4. That a congressional investigation be made of the facts and circumstances surrounding the importation of the bulls referred to in this resolution from Brazil, through Mexico, to the United States, to ascertain, first, if there was any criminal responsibility for violating the tariff laws; second, if there was any connivance or participation by officials of the United States; and, third, why the Bureau of Animal Industry, the State Department, and other Federal agencies have not heretofore made such investigation, including the ascertainment of reasons why the acts of Congress relating to foot-and-mouth disease are not enforced.

"5. That a congressional investigation be made of all other importations of animals into this country in violation of the treaty with Mexico and the Tariff Act of 1930 and of importations into Mexico in violation of said treaty, all as referred to in the report of the Senate Interim Committee on Livestock Diseases hereinabove referred to.

"6. That Congress enact such legislation as may be necessary to prevent the recurrence of such incidents and to prohibit the use of an intermediate country as a stopping place for cattle imported from a country in which foot-and-mouth disease exists.

"7. That Congress enact such legislation as may be necessary to provide for a top-flight executive to be put in charge of the fight against foot-and-mouth-disease in Mexico, said executive to be directly responsible to the Presidents of United States and Mexico and free from the entangling red tape of the Department of Agriculture and the Department of State.

"8. That Congress appropriate such money as may be necessary to provide for research in foot-and-mouth disease and the development of vaccines and other measures of prevention and control, and to require such research to be conducted outside of the United States so that no viable virus shall be

brought into the United States; and be it further

"Resolved, That the Secretary of the Senate is directed to transmit copies of this resolution to the President pro tempore of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each Senator and Representative from California in the Congress."

Two joint resolutions of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"Assembly Joint Resolution 11

"Joint resolution relative to the rights of the States of Arizona, Nevada, and California to the use of the water of the Colorado River

"Resolved by the Assembly and the Senate of the State of California (jointly), That the United States Congress is respectfully memorialized and urged to adopt one of the resolutions authorizing a suit in the United States Supreme Court to adjudicate the respective rights of the States of Arizona, Nevada, and California to the use of the water of the Colorado River; and be it further

"Resolved, That the United States Congress is respectfully memorialized and urged to suspend further consideration of the proposed central Arizona project pending the determination of the respective rights of the States of Arizona, Nevada, and California to the use of the water of the Colorado River; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives of the United States, and to each Senator and Representative from California in the Congress of the United States."

"Assembly Joint Resolution 13

"Joint resolution relating to providing funds for the United States Bureau of Reclamation for investigation of projects

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Congress of the United States is hereby memorialized and respectfully urged to provide funds necessary for the United States Bureau of Reclamation to complete surveys already commenced and to undertake and complete investigations as to the feasibility of all possible means of developing and utilizing the water resources of the State of California; and be it further

"Resolved, That the chief clerk of the assembly prepare and transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from the State of California."

Three joint resolutions of the Legislature of the State of California; to the Committee on Labor and Public Welfare:

"Senate Joint Resolution 1

"Joint resolution relative to the use of the hospital at the former military camp known as Camp White located near Medford, Oreg., by the Veterans' Administration

"Whereas there is a critical shortage of hospital facilities in northern California and southern Oregon for veterans: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California (jointly), That the Veterans' Administration is urged and requested to take over and operate as a veterans' hospital, the hospital at the former military camp known as 'Camp White' located near Medford, Oreg.; and be it further

"Resolved, That the Secretary of the Senate is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives of the United States, to the Administrator of Veterans' Affairs, and to the Senators and Representatives from California and Oregon in the Congress of the United States."

"Senate Joint Resolution 3

"Joint resolution relative to hospital facilities for veterans in California

"Whereas there are insufficient beds in Government hospitals for veterans in California as evidenced by waiting lists and by the large number of tubercular and mentally ill veterans now adding to the overcrowded conditions of California State and county hospitals; and

"Whereas the Veterans' Administration has announced plans for a future building program for hospitals to meet this need; and

"Whereas the United States Army and Navy hospitals have a large proportion of their hospital beds vacant, in particular the United States Naval Hospital at Corona, having less than 300 Navy patients recently; and

"Whereas the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and other ex-service organizations have recommended the Corona Naval Hospital for transfer to the Veterans' Administration; now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California (jointly), That the Veterans' Administration be, and hereby is, requested and urged to contract at once and without delay for all available beds in the armed service hospitals in California, for the care of sick and disabled veterans; and be it further

"Resolved, That the Congress of the United States is memorialized to bring about the release of the Corona Naval Hospital to the Veterans' Administration, if compatible with national defense and to enact any legislation which may be needed for that purpose; and be it further

"Resolved, That copies of this resolution shall immediately be dispatched by the secretary of the senate to the President of the United States, to the President pro tempore of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to each Senator and Representative from the State of California, and to the Veterans' Administrator."

"Senate Joint Resolution 15

"Joint resolution relative to adequate hospital facilities for veterans in California

"Whereas selective-service figures show as of December 1947, 1,089,052 men were inducted into World War II through the California draft boards, and that most all of these less 17,000 casualties have returned, and that since the end of World War II there has been a large migration of ex-servicemen to California, estimated at a minimum of 450,000, and that Branch 12, Office of the Veterans' Administration, as of February 28, 1947, gave a total of veteran population in California of 1,496,110, which is being added to at the rate of approximately 5,000 per month, and it being further shown from the veterans' service centers throughout the State that 44 percent of all applicants at service centers are veterans who are not residents of California and have migrated here since the end of World War II and it being further shown by national figures as of October 31, 1946, that the veteran population of California was more than 10 percent of the total national veteran population; and

"Whereas as of January 1, 1948, the Veterans' Administration lists an authorized capacity of available beds in Veterans' Administration hospitals in California at 8,139 and in addition thereto, beds on contract with the Army and Navy and private hospitals between 1,400 and 2,000 beds and 3,638 domiciliary beds; and

"Whereas it further has developed that of the new Veterans' Administration hospitals now authorized throughout the Nation that California's share amounts to only approximately 4 percent of these new hospitals; and

"Whereas there is a shortage of beds for tubercular and mental patients and there was a waiting list as of February 9, 1948, in San Fernando Hospital of 53 veterans and that No. 1 on the list made his application in July 1947; at Birmingham Hospital there was a waiting list of 28, the first name on the list made an application in September 1947; at Livermore Hospital there was a waiting list of approximately 100; that in the mental hospitals there was on that date at the Brentwood Hospital 137; at Palo Alto there was a waiting list of 210; that the waiting lists of the mental cases are on the increase and that only the extreme emergency cases are admitted; and that the instance of tubercular cases is increasing; and

"Whereas there are in the State mental institutions at the present time 1,523 veterans, which figure represents an increase of 321 veterans in 1 year, this showing an increase of 27.4 percent as against a total increase in State institutions of 4.09 percent, and while veteran patients at State institutions comprise only 9 percent of the male paients on active records, on June 30, 1947, veterans comprised 48 percent of the year's increase of 771 male patients; and

"Whereas State service officers report that there is a great reluctance by relatives of veterans to commit them to State institutions and that they try to keep them at home, causing many mental veteran cases who get into trouble and ultimately into jail because they cannot be taken care of in veterans' mental hospitals; and

"Whereas now it is almost impossible to get a mental case into a veterans' hospital, which is a serious and unnecessary condition; and

"Whereas the Veterans' Administration has authorized new hospitals, a general medical in San Diego and one in Fresno, and two mental hospitals, one in San Francisco and one in the Los Angeles area, of 1,000 beds each, but the Veterans' Administration program does not take into consideration the tremendous increase of veterans in California, and without doubt within the next 7 to 10 years there will be in California at least 2,000,000 veterans of World War II, and the program of only allowing California 4 percent of the new hospitals authorized throughout the Nation is not adequate and it is not warranted because of the tremendous growth of the veteran population in California: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress and the President of the United States are urged and memorialized to take such steps as may be necessary to have the Veterans' Administration speed the construction of the authorized mental-patient hospitals in California, complete them at the earliest date possible, reappraise future estimates of veterans' needs in California, and increase veterans' facilities on an equal parity with the rest of the Nation, based on actual veteran population, and allocate and erect for tubercular veterans in California additional facilities of at least 1,000 beds and for mental veteran cases at least 1,250 beds in addition to those authorized; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President of the United States, to Carl R. Gray, Administrator of Veterans' Affairs, to the President pro tempore of the Senate and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A petition of sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

A resolution adopted by the Reserve Officers of the Naval Services, Honolulu Chapter, at Pearl Harbor, Oahu, T. H., praying for the enactment of the European recovery plan and selective service law; ordered to lie on the table.

A resolution adopted by the Pasadena (Calif.) Chapter of the RONS and NROA, favoring the enactment of legislation providing selective service and the immediate mobilization of the Reserve components of the Army, Navy, Marine Corps, and Coast Guard; to the Committee on Armed Services.

A letter in the nature of a memorial from Mrs. Walter Winpigler, of Frederick, Md., remonstrating against the enactment of legislation providing universal military training and selective service; to the Committee on Armed Services.

A joint resolution adopted by the Long Beach Chapters of the Air Reserve Association, Officers Reserve Association of the United States, Reserve Officers of the Naval Services, and the National Guard Officers' Association, Long Beach, Calif., relating to the national defense; to the Committee on Armed Services.

A resolution adopted by the Republican Sixteenth Precinct Club, Fourth District, Honolulu, Hawaii, favoring statehood for Hawaii; to the Committee on Interior and Insular Affairs.

A letter in the nature of a petition from A. G. Doane, of Portland, Oreg., praying for the enactment of legislation providing an adequate air force against Russian aggressiveness; to the Committee on Armed Services.

A resolution adopted by the Los Angeles (Calif.) City Council, favoring the enactment of legislation to prohibit the use of the American flag for any other purpose than for patriotic display; to the Committee on the Judiciary.

A resolution adopted by South Hills Post No. 156, the American Legion, of Pittsburgh, Pa., favoring the enactment of legislation to stop the further advance and threat of communism; to the Committee on the Judiciary.

A resolution adopted by the Blue Star Mothers of America, Department of California, Los Angeles, Calif., relating to the prevention of the spread of communism; to the Committee on the Judiciary.

A resolution adopted by the Blue Star Mothers of America, Department of California, Los Angeles, Calif., favoring the enactment of legislation to provide the same vocational and educational services and benefits as would have been available to their husbands, had they lived; to the Committee on Finance.

A resolution adopted by the Blue Star Mothers of America, Department of California, Los Angeles, Calif., praying for the enactment of legislation to grant the rights and privileges of full citizenship to the American Inidans, and that sufficient appropriations be made to equalize the health and education programs of the Indians before sending additional supplies to foreign lands; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Blue Star Mothers of America, Department of California, Los Angeles, Calif., favoring the enactment of legislation to prohibit the exportation of heavy machinery, airplane motors, locomotives, etc., to any countries whose actions might negative our efforts to rehabilitate western Europe; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Blue Star Mothers of America, Department of California, Los Angeles, Calif., praying for the enactment of legislation to provide permanently for the retention of women in the armed forces; to the Committee on Armed Services.

A resolution adopted by the Blue Star Mothers of America, Department of California, Los Angeles, Calif., praying for the enactment of legislation to enable and encourage the armed services to secure and maintain strong Reserve forces in their respective branches; to the Committee on Armed Services.

A resolution adopted by the Blue Star Mothers of America, Department of California, Los Angeles, Calif., favoring the enactment of legislation to provide air supremacy for the United States; to the Committee on Armed Services.

A resolution adopted by the Blue Star Mothers of America, Department of California, Los Angeles, Calif., endorsing the Navy's current program to bring its strength to the level deemed essential for national security; to the Committee on Armed Services.

A resolution adopted by the Blue Star Mothers of America, Department of California, Los Angeles, Calif., praying for the enactment of legislation providing universal military training; to the Committee on Armed Services.

JEFFERSON BARRACKS

Mr. DONNELL. Mr. President, I ask that each of three several documents be incorporated in the body of the RECORD, and that each of the documents be appropriately referred.

The first document to which I direct attention is a series of preambles and resolutions adopted on March 12, 1948, by the board of aldermen of the city of St. Louis, Mo.

The second is a series of preambles and resolutions adopted at a large open meeting of the Jefferson Barracks National Park Committee, by a fine group of representatives from civic, business, labor, fraternal, and veterans' organizations.

The third is a series of preambles and resolutions drafted by the St. Louis County Planning Commission at a regular meeting on March 16, 1948.

Each of these several documents, Mr. President, relates to the matter of Jefferson Barracks, and points out, in substance, the importance of taking such action in Congress as may be necessary to create and maintain Jefferson Barracks as a national park, or words to that general effect.

The PRESIDENT pro tempore. Without objection, the documents presented by the Senator from Missouri will be received, appropriately referred, and printed in the RECORD.

To the Committee on Interior and Insular Affairs:

"Whereas Jefferson Barracks was established as a military outpost in 1826 and has ever been one of the greatest historical landmarks in North America; and

"Whereas the Jefferson Barracks site was for 120 years a part of the life of the citizens of Missouri, Illinois and the central West, and

"Whereas it is deemed proper and fitting that this hallowed ground be monumented to such an extent that it remain forever as a national shrine; and

"Whereas Jefferson Barracks National Cemetery is now bounded by the Jefferson Barracks Military Reservation; and

"Whereas we believe that it is both fitting and proper that the national cemetery be encompassed about by a national park, with its wooded grounds, to protect said cemetery from the encroachment of urban development; and

"Whereas we deplore the proposed plan to sell off large portions of the site of Jefferson Barracks to private investors for private exploitation: therefore be it

"*Resolved by the Board of Aldermen of the City of St. Louis*, That we hereby petition the Congress of the United States and the appropriate governmental agencies to withhold said Jefferson Barracks or any part of it from public sales, and to take such action as may be necessary to create and maintain said Jefferson Barracks as a national park.

"*Resolved*, That the present use of part of said reservation, as a veterans' housing project be retained for said use until the housing emergency in this area is definitely passed.

"*Resolved*, That a copy of this resolution be forwarded to the President of the United States, Secretary of the Interior, to the Members of Congress from the State of Missouri, the War Assets Administration, and the Secretary of War."

"JEFFERSON BARRACKS NATIONAL PARK COMMITTEE RESOLUTION

"Whereas Jefferson Barracks was established as a military outpost in 1826, and has ever since been one of the greatest historical landmarks in North America; and

"Whereas the Jefferson Barracks site was, for 120 years, a part of the life of the citizens of Missouri, Illinois, and Central West; thousands of citizens of said States and others have trained there and thousands more lie buried there; and

"Whereas it is deemed proper and fitting that this hallowed ground be monumented to such an extent that it remain forever as a national shrine; and

"Whereas Jefferson Barracks National Cemetery is now bounded by the Jefferson Barracks Military Reservation; and

"Whereas we believe that it is both fitting and proper that the national cemetery be encompassed about by a national park, with its wooded grounds, to protect said cemetery from the encroachment of urban development; and

"Whereas we deplore the proposed plan to sell off large portions of the site of Jefferson Barracks to private investors for private exploitation.

"Therefore the Jefferson Barracks National Park Committee, representing more than 100 civic and other organizations does hereby petition the Congress of the United States and the appropriate governmental agencies to withhold said Jefferson Barracks or any part of it from public sales and to take such action as may be necessary to create and maintain said Jefferson Barracks as a national park.

"Be it further recommended, that the present use of part of said reservation, as a veterans' housing project, be retained for said use until the housing emergency in this area is definitely passed; and

"Be it further resolved, that a copy of this resolution be forwarded to the President of the United States, Secretary of the Interior, United States Senators of Illinois and Missouri, Congressmen of the State of Illinois and State of Missouri; the War Assets Administration, Secretary of War, and Veterans' Administration.

"Respectfully submitted.

"Resolution committee: A. C. Waldemer, E. R. Kinsey, Jos. A. Kreyling, Vincent J. Hatch, Joseph W. Dierker, Raymond F. McNally, Jr., J. Edward Gragg, Eugene J. Coon, H. A. McCarty, P. Donald Fisher."

"Whereas the St. Louis County Planning Commission was formed under authority of the laws of the State of Missouri, for the purpose of promoting the health, safety, convenience, and general welfare of the inhabitants of St. Louis County, Mo.; and

"Whereas the comprehensive plan for parks and parkways of the county of St. Louis, Mo., as amended July 17, 1947, designates the Jefferson Barracks Military Reservation as a park site for possible future development; and

"Whereas certain existing streets in said Jefferson Barracks are adaptable for use as parkways for traffic relief of the Jefferson

Barracks Bridge, crossing the Mississippi River, in keeping with the major highway plan of St. Louis County; and

"Whereas we believe it is both fitting and proper that the national cemetery be encompassed by a national park with its wooded ground to protect said cemetery from encroachment of urban development; and

"Whereas many street improvements, utilities, and landscape features have been installed during World War II and the many years that Jefferson Barracks has been a part of the life of the citizens of Missouri, Illinois, and the Central West, and said improvements should be made available for the maximum use and enjoyment of the general public who have, through taxation, supported the development of the area.

"Therefore, the St. Louis County Planning Commission, in the interest of the citizens of St. Louis County, Mo., does hereby petition the Congress of the United States and the appropriate governmental agencies to withhold said Jefferson Barracks or any part of it from public sales and to take such action as may be necessary to create and maintain said Jefferson Barracks as a national park.

"Be it further recommended, that the present use of part of said reservation as a veterans' housing project be retained for said use until the housing emergency in this area is definitely passed, and

"Be it further resolved, that a copy of this resolution be forwarded to the President of the United States, Secretary of the Interior, United States Senators of Illinois and Missouri, Congressmen of the State of Illinois and State of Missouri, the War Assets Administration, Secretary of Defense, and Veterans' Administration.

"Respectfully submitted.

"OLIVER BLASE, *Chairman.*"

PROHIBITION AGAINST LIQUOR ADVERTISING—PETITION

Mr. WILLIAMS. Mr. President, I ask unanimous consent to present for appropriate reference a petition transmitted to me by Mrs. Elizabeth R. Porter, president of the Woman's Christian Temperance Union of Sussex County, Del., containing the names of 564 citizens of Delaware, praying for the enactment of S. 265, to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of such advertising over the radio.

The PRESIDENT pro tempore. Without objection, the petition will be received and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. 193. A bill for the relief of Yasutaro Ikuta; without amendment (Rept. No. 1068);

S. 252. A bill for the relief of the estate of Lee Jones Cardy; with an amendment (Rept. No. 1055);

S. 253. A bill for the relief of Ryohei Kubota; without amendment (Rept. No. 1069);

S. 283. A bill for the relief of Mrs. Kazumi Noda; without amendment (Rept. No. 1070);

S. 996. A bill for the relief of Jin Watanabe (alias Shinichiro Nomura); without amendment (Rept. No. 1071);

S. 1256. A bill for the relief of Andrew Mathewes; with an amendment (Rept. No. 1064);

S. 1332. A bill for the relief of Giovanni Battista Angelotti; without amendment (Rept. No. 1072);

S. 1365. A bill for the relief of Lowe Way Yuen and Dang Chee; without amendment (Rept. No. 1073);

S. 1483. A bill for the relief of Guy Cheng; without amendment (Rept. No. 1074);

S. 1637. A bill for the relief of Leo Hammermann; with an amendment (Rept. No. 1065);

S. 1656. A bill for the relief of Anna Steibel Younger; without amendment (Rept. No. 1075);

S. 1667. A bill for the relief of Armand Pullai; without amendment (Rept. No. 1076);

S. 1692. A bill for the relief of Ludmila Buresova, alias Buresh; Kristina Buresova, alias Buresh; and Edward Buresh, alias Eduard Bures; without amendment (Rept. No. 1077);

S. 1712. A bill for the relief of Spiros Harry Kefalas; without amendment (Rept. No. 1078);

S. 1729. A bill for the relief of Gudrun Emma Ericsson; with an amendment (Rept. No. 1066);

S. 1745. A bill for the relief of George Anthony Yaholkovsky; with an amendment (Rept. No. 1067);

S. 1886. A bill for the relief of William M. Looney; without amendment (Rept. No. 1058);

H. R. 358. A bill for the relief of Hilario A. Goitia; without amendment (Rept. No. 1079);

H. R. 387. A bill for the relief of Hayato Harris Ozawa; without amendment (Rept. No. 1080);

H. R. 420. A bill for the relief of Esther Ringel; without amendment (Rept. No. 1081);

H. R. 421. A bill for the relief of Betty Isabel Schunke; without amendment (Rept. No. 1082);

H. R. 560. A bill to record the lawful admission to the United States for permanent residence of Wilhemina Piper Enz; without amendment (Rept. No. 1083);

H. R. 899. A bill for the relief of Mrs. Keum Nyu Park; without amendment (Rept. No. 1084);

H. R. 927. A bill for the relief of the estate of Mary D. Briggs, deceased; without amendment (Rept. No. 1059);

H. R. 1859. A bill for the relief of Philip Sjoerdt Huizenga; without amendment (Rept. No. 1085);

H. R. 1912. A bill for the relief of John A. Dilboy; without amendment (Rept. No. 1086);

H. R. 1927. A bill for the relief of Margaret Katherine Hume; without amendment (Rept. No. 1087);

H. R. 2213. A bill for the relief of A. J. Sprouffske; without amendment (Rept. No. 1060);

H. R. 2250. A bill for the relief of Mrs. Daisy A. T. Jaegers; without amendment (Rept. No. 1088);

H. R. 2303. A bill for the relief of Mitsu M. Kobayashi, who is the wife of Edward T. Kobayashi, a citizen of the United States; without amendment (Rept. No. 1089);

H. R. 2425. A bill for the relief of August Dane Tetuaearo; without amendment (Rept. No. 1090);

H. R. 2427. A bill for the relief of Jose Cabral Lorenzo; without amendment (Rept. No. 1091);

H. R. 2557. A bill for the relief of Mable Gladys Viducich; without amendment (Rept. No. 1092);

H. R. 2633. A bill for the relief of Claude T. Thomas, legal guardian of Elizabeth Ann Mervine, a minor, and the estates of Mary L. Poole, deceased, and Hazel S. Thomas, deceased; without amendment (Rept. No. 1061);

H. R. 3039. A bill for the relief of Mrs. Marian D. McC. Plein; without amendment (Rept. No. 1093);

H. R. 3263. A bill for the relief of Tech. Sgt. Tsuyoshi Matsumoto; without amendment (Rept. No. 1094);

H. R. 3300. A bill for the relief of Martin A. King; without amendment (Rept. No. 1062);

H. R. 3387. A bill for the relief of Bruce Bros. Grain Co.; without amendment (Rept. No. 1063);

H. R. 3849. A bill for the relief of Domingo Gandarias; without amendment (Rept. No. 1095);

H. R. 3968. A bill for the relief of Olive Irene Milloglav; without amendment (Rept. No. 1096);

H. R. 4326. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; with an amendment (Rept. No. 1056);

H. R. 4403. A bill for the relief of Ladislao Vaida, Elena Vaida, and Stefano Vaida; without amendment (Rept. No. 1097); and

H. R. 4931. A bill to amend title 17 of the United States Code entitled "Copyrights"; with an amendment (Rept. No. 1057).

By Mr. YOUNG, from the Committee on Agriculture and Forestry:

S. 2376. A bill to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold; with an amendment (Rept. No. 1099).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 825. A bill for the relief of Ern Wright; with an amendment (Rept. No. 1100);

S. 2131. A bill for the relief of certain officers and employees of the Department of the Treasury who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions and whose claims for such losses have been considered and approved by the Secretary of the Treasury upon the recommendations of a Treasury Claim Board; without amendment (Rept. No. 1102);

H. R. 388. A bill for the relief of Bert Harrington, Jr.; without amendment (Rept. No. 1103);

H. R. 990. A bill for the relief of William B. Moore; without amendment (Rept. No. 1104); and

H. R. 1498. A bill for the relief of Hempstead Warehouse Corp.; with an amendment (Rept. No. 1101).

By Mr. CORDON, from the Committee on Interior and Insular Affairs:

S. 580. A bill relating to the administrative jurisdiction of certain public lands in the State of Oregon; with amendments (Rept. No. 1105).

SPECIFIED CARRY-OVER OF WHEAT IN UNITED STATES—REPORT OF A COMMITTEE

Mr. CAPPER. Mr. President, from the Committee on Agriculture and Forestry, I ask unanimous consent to submit a unanimous report on the bill (S. 2158) to amend the Foreign Aid Act of 1947 and the Third Supplemental Appropriation Act 1948, so as to eliminate certain provisions of such acts requiring the retention of a specified carry-over of wheat in the United States, and I submit a report (No. 1098) thereon. The bill is reported with a recommendation that it pass without amendment.

The committee believes that requirement by law of a minimum carry-over of 150,000,000 bushels of wheat on July 1, 1948, is no longer warranted in view of conditions at this time. Furthermore, it is the opinion of the committee that the provision may work an injustice on the wheat producers of the country.

The outlook for the 1948 world wheat crop has changed considerably since the enactment of the provisions which the bill would repeal. At that time crop conditions, especially in this country, were such as to lead to estimates of greatly reduced wheat production.

However, the world wheat situation has greatly improved over that of last November when the legislation was enacted. Whereas last year France produced only about 50 percent as much as it needed, it now seems apparent that despite acreage somewhat below prewar, that country will raise almost all the wheat it will need. Other countries, normally nonexporting, are known to have recovered from war damage to a great extent and expect to produce much larger crops of wheat this year. At the same time the main exporting countries of Canada, Australia, Argentina, Russia, and the United States have experienced favorable weather conditions for the 1948 crop and record acreages may be expected in those countries. For example, the 1948 wheat crop forecast for the United States is now the second largest in history.

Another contributing factor to the situation is the wheat stocks on hand in the United States at this time. It was estimated by the Department of Agriculture that stocks of wheat as of January 1, 1948, were 795,135,000 bushels, which is 152,858 bushels more than on January 1, 1947. In view of this supply plus prospects of a near-record crop in 1948, the committee believes that a minimum carry-over set by law is no longer necessary.

A minimum carry-over of wheat this year also will obstruct our present foreign-aid program. The need for grains undoubtedly will be the greatest this year in consideration of the improvement in world crop conditions. Therefore, if this country is to help supply necessary food at the time it is needed most, the restriction of exports to allow a certain minimum carry-over will prevent the completion of such aid.

This country met a record export program from the 1947 wheat crop with only an 84,000,000 bushel carry-over on July 1, 1947. Yet present plans point to considerable reduction in wheat exports from the 1948 wheat crop as compared to foreign demands on the 1947 crop.

Not only will a required carry-over of 150,000,000 bushels of wheat impair our efforts to aid the recovery of Europe, but it will also create an artificial market situation which may work to the detriment of agricultural producers. Crop prospects for 1948 indicate that more than one billion bushels of wheat will be produced this year. An absolute minimum carry-over of wheat would constitute a nonusable source of wheat, built up without regard to supply and demand, which would become available at the time the new crop will be on its way to the market. While there is no precedent for this situation, as it is the first time in history such a carry-over has been directed in this country, the effect on the market can be expected to result in undesirable fluctuations.

The committee believes the existence of this artificial element in the wheat market may penalize the American farmer who has just produced a record wheat crop, thereby greatly relieving starvation and suffering throughout the world, and who is now attempting to produce another crop of record proportions. Therefore, the committee urges immediate and favorable action on the bill.

Copies of the reports concerning this legislation from the Department of Agriculture and the Department of State are attached hereto and made a part of this report.

The PRESIDENT pro tempore. Without objection, the report will be received and the bill will be placed on the calendar.

PRINTING OF ADDITIONAL COPIES OF REPORT NO. 950, RELATING TO INVESTIGATION OF IMMIGRATION SYSTEM

Mr. WILEY, from the Committee on the Judiciary, reported an original resolution (S. Res. 220), which was referred to the Committee on Rules and Administration, as follows:

Resolved, That there be printed 2,000 additional copies of Senate Report No. 950, current session, submitted pursuant to Senate Resolution 137, a resolution authorizing the Committee on the Judiciary to make an investigation of the immigration system, of which 1,000 copies shall be for the use of the Committee on the Judiciary and 1,000 copies for the use of the Senate document room.

ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES RELATING TO FEDERAL PERSONNEL

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an additional report of the Joint Committee on Reduction of Nonessential Federal Expenditures relating to Federal personnel, with special Military Establishment compilation, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

ADDITIONAL REPORT OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, CONGRESS OF THE UNITED STATES, PURSUANT TO SECTION 601 OF THE REVENUE ACT OF 1941, ON FEDERAL PERSONNEL, JANUARY–FEBRUARY 1948, WITH SPECIAL MILITARY ESTABLISHMENT COMPILATION, JUNE 1945–FEBRUARY 1948

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH, FEBRUARY 1948, AND COMPARISON WITH JANUARY 1948

(The following report is compiled from signed, official personnel reports by the various agencies and departments of the Federal Government. Table I of the report shows personnel employed inside continental United States, by agency. Table II shows personnel employed outside continental United States, by agency. Table III shows total personnel employed inside and outside continental United States, by agency. Table IV gives by agency the industrial workers employed by the Federal Government. For purposes of comparison, figures for the previous month are shown in adjoining columns.)

(Special military establishment table: Table V, which has been added to this report in view of recent military recommendations, shows that the National Military Establishment was employing in February 1948 three times as many civilians per man in uniform as it employed at its wartime peak in 1945. Prior to current revitalization of the Nation's armed might, the combined armed forces of the United States in February 1948 were employing 8 civilians to every 14 men in uniform, as compared with 2 civilians for every 12 men in uniform in June 1945. In February the Department of the Army and the Air Forces combined employed nearly five civilians to every nine men in uniform, as compared with nearly two civilians to every eight men in uniform in June of 1945. The Department of the Navy was employing more than three civilians for each five men in uniform in February 1948, as compared with one civilian to every five men in uniform in June of 1945. Of the net decrease of 1,797,388 civilian employees between June of 1945 and February of 1948, 869,154 were so-called industrial employees and 928,234 were classified employees.)

According to monthly personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures, the total Federal personnel for February increased 11,932 from the January total of 2,000,511 to the February total of 2,012,443. (See table III.)

Exclusive of the National Military Establishment, there was an increase of 9,618 from the January total of 1,166,135 to the February total of 1,175,753.

Total employment for the National Military Establishment showed an increase of 2,314 from the January total of 834,376 to the February total of 836,690.

The Department of the Army reported an increase of 819 from its January total of 381,385 civilian employees. Inside continental United States the Army increased its civilian personnel 1,720, while outside continental United States personnel decreased 901.

The Department of the Air Forces increased civilian employment 903 from its January figure of 112,777 to the February figure of 113,680. These figures cover Air Forces civilian personnel within continental United States only.

The Department of the Navy reported an increase of 511 civilian employees, from the January figure of 339,620 to the February figure of 340,131.

Inside continental United States

Federal personnel within the United States increased 12,333 from the January total of 1,774,542 to the February total of 1,786,875. (See table I.)

Excluding the National Military Establishment, personnel inside the United States increased 9,061 from the January figure of 1,111,631 to the February figure of 1,120,692.

Total civilian employment within the United States for the National Military Establishment for February was 666,183, an increase of 3,272 over the January total of 662,911.

Department of the Army personnel within the United States increased 1,720 from the January figure of 254,078 to the February figure of 255,798.

The Department of the Air Forces increased civilian personnel within the United States by 903, from the January figure of 112,777 to the February figure of 113,680.

The Navy Department within the United States increased its civilian employment 568 from the January figure of 295,462 to the February figure of 296,030.

Outside continental United States

Outside continental United States, Federal personnel decreased 401 from the January total of 225,969 to the February total of 225,568. (See table II.)

An increase of 557 was reported in overseas civilian personnel by the departments and agencies other than the National Military Establishment, from the January total of 54,504 to the February figure of 55,061.

Total overseas civilian employment for the National Military Establishment decreased 985 from the January figure of 171,465 to the February figure of 170,507.

The Department of the Army reported a decrease of 1,720 civilian employees overseas, from the January figure of 127,307 to the February figure of 126,406.

The Navy Department decreased its overseas employment 57, from the January figure of 44,158 to the February figure of 44,101.

Industrial employment

Total industrial employment during the month of February increased 575 from the

January total of 550,556 to the February total of 551,131. (See table IV.)

The departments and agencies, exclusive of the National Military Establishment, increased their industrial employment 183 from the January figure of 20,102 to the February figure of 20,285.

The National Military Establishment increased its total industrial employment 392 from the January total of 530,454 to the February figure of 530,846.

The Department of the Army decreased its industrial employment 64 during the month of February; the Army increased 1,656 within continental United States while the overseas industrial employment for the Army decreased 1,720.

The Department of the Navy increased its industrial employment 456 from the January figure of 237,217 to the February figure of 237,673.

The term "industrial employees" as used by the committee refers to unskilled, semiskilled, skilled, and supervisory employees paid by the Federal Government who are working on construction projects such as airfields and roads, and in shipyards and arsenals. It does not include maintenance and custodial employees.

TABLE I.—*Federal personnel inside continental United States employed by executive agencies during February 1948, and comparison with January 1948*

Department or agency	January	February	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT NATIONAL MILITARY ESTABLISHMENT)			
Agriculture	68,377	68,427	+50
Commerce	34,712	35,482	+770
Interior	42,064	42,404	+340
Justice	25,480	25,754	+274
Labor	4,469	4,479	+10
Post Office	463,566	470,293	+6,727
State	7,401	7,496	+95
Treasury	84,717	87,216	+2,499
EXECUTIVE OFFICE OF THE PRESIDENT			
White House Office	222	220	−2
Bureau of the Budget	601	603	+2
Executive Mansion and Grounds	110	102	−8
National Security Council [1]	10	11	+1
National Security Resources Board	73	84	+11
Council of Economic Advisers	58	54	−4
Office of Government Reports	19	18	−1
EMERGENCY WAR AGENCIES			
Office of Defense Transportation	42	41	−1
POSTWAR AGENCIES			
Philippine Alien Property Administration	2	3	+1
War Assets Administration	29,125	28,839	−286
INDEPENDENT AGENCIES			
American Battle Monuments Commission	3	3	----------
Atomic Energy Commission	4,876	4,944	+68
Civil Aeronautics Board	565	569	+4
Civil Service Commission	3,873	4,007	+134
Export-Import Bank of Washington	111	112	+1
Federal Communications Commission	1,306	1,322	+16
Federal Deposit Insurance Corporation	1,144	1,148	+4
Federal Mediation and Conciliation Service	368	367	−1
Federal Power Commission	795	793	−2
Federal Security Agency	31,426	[2] 31,495	+69
Federal Trade Commission	561	559	−2
Federal Works Agency	22,360	22,226	−134
General Accounting Office	9,377	9,353	−24
Government Printing Office	7,485	7,398	−87
Housing and Home Finance Agency	11,914	11,783	−131
Indian Claims Commission	11	11	----------
Interstate Commerce Commission	2,263	2,257	−6
Maritime Commission	6,774	6,802	+28
National Advisory Committee for Aeronautics	6,172	6,249	+77
National Archives	330	335	+5
National Capital Housing Authority	290	284	−6
National Capital Park and Planning Commission	25	24	−1
National Gallery of Art	318	317	−1
National Labor Relations Board	957	1,130	+173
National Mediation Board	113	108	−5
Office of the Housing Expediter	4,608	4,608	----------
Office of Selective Service Records	649	665	+16
Panama Canal	543	542	−1
Philippine War Damage Commission	7	9	+2
Railroad Retirement Board	2,796	2,769	−27
Reconstruction Finance Corporation	6,012	5,857	−155
Securities and Exchange Commission	1,086	1,123	+37
Smithsonian Institution	507	512	+5
Tariff Commission	224	223	−1
Tax Court of the United States	126	125	−1
Tennessee Valley Authority	14,144	14,111	−33
Veterans' Administration	206,464	205,026	−1,438
Total, excluding National Military Establishment	1,111,631	1,120,692	+11,419 −2,358
Net increase, excluding National Military Establishment	----------	----------	+9,061
NATIONAL MILITARY ESTABLISHMENT			
Office of Secretary of Defense	594	675	+81
Department of the Army	254,078	255,798	+1,720
Department of the Air Force	112,777	113,680	+903
Department of the Navy	295,462	296,030	+568
Total, including National Military Establishment	1,774,542	1,786,875	+14,691 −2,358
Net increase, including National Military Establishment	----------	----------	+12,333

[1] Exclusive of personnel of the Central Intelligence Agency.

[2] Excludes 1,226 employees of Howard University and 99 employees of Columbia Institution for the Deaf, pending decision of the Bureau of the Budget on their status.

TABLE II.—*Federal personnel outside continental United States employed by executive agencies during February 1948, and comparison with January 1948*

Department or agency	January	February	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT NATIONAL MILITARY ESTABLISHMENT)			
Agriculture	1,775	1,717	−58
Commerce	2,659	2,712	+53
Interior	4,746	4,810	+64
Justice	419	421	+2
Labor	77	77	----------
Post Office	1,482	1,575	+93
State	13,453	13,974	+521
Treasury	589	623	+34
POSTWAR AGENCIES			
Philippine Alien Property Administration	169	168	−1
War Assets Administration	463	446	−17
INDEPENDENT AGENCIES			
American Battle Monuments Commission	99	100	+1
Atomic Energy Commission	3	3	----------
Civil Aeronautics Board	19	19	----------
Civil Service Commission	5	5	----------
Export-Import Bank of Washington	2	2	----------
Federal Communications Commission	36	37	+1
Federal Deposit Insurance Corporation	3	3	----------
Federal Security Agency	1,403	1,399	−4
Federal Works Agency	323	351	+28
Housing and Home Finance Agency	39	42	+3
Maritime Commission	147	146	−1
National Labor Relations Board	4	5	+1
Office of the Housing Expediter	27	27	----------
Office of Selective Service Records	14	15	+1
Panama Canal	24,314	24,190	−124
Philippine War Damage Commission	567	562	−5
Reconstruction Finance Corporation	41	26	−15
Smithsonian Institution	6	6	----------
Veterans' Administration	1,620	1,600	−20
Total, excluding National Military Establishment	54,504	55,061	+802 −245
Net increase, excluding National Military Establishment	----------	----------	+557
NATIONAL MILITARY ESTABLISHMENT			
Department of the Army	127,307	126,406	−901
Department of the Navy	44,158	44,101	−57
Total, including National Military Establishment	225,969	225,568	−1,203 +802
Net decrease, including National Military Establishment	----------	----------	−401

TABLE III.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during February 1948, and comparison with January 1948*

Department or agency	January	February	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT NATIONAL MILITARY ESTABLISHMENT)			
Agriculture	70,152	70,144	−8
Commerce	37,371	38,194	+823
Interior	46,810	47,214	+404
Justice	25,899	26,175	+276
Labor	4,546	4,556	+10
Post Office	465,048	471,868	+6,820
State	20,854	21,470	+616
Treasury	85,306	87,839	+2,533
EXECUTIVE OFFICE OF THE PRESIDENT			
White House Office	222	220	−2
Bureau of the Budget	601	603	+2
Executive Mansion and Grounds	110	102	−8
National Security Council [1]	10	11	+1
National Security Resources Board	73	84	+11
Council of Economic Advisers	58	54	−4
Office of Government Reports	19	18	−1
EMERGENCY WAR AGENCIES			
Office of Defense Transportation	42	41	−1
POSTWAR AGENCIES			
Philippine Alien Property Administration	171	171	----------
War Assets Administration	29,588	29,285	−303

[1] See footnote 1 in Table I.

Footnotes at end of table.

TABLE III.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during February 1948, and comparison with January 1948*—Continued

Department or agency	January	February	Increase (+) or decrease (−)
INDEPENDENT AGENCIES			
American Battle Monuments Commission	102	103	+1
Atomic Energy Commission	4,879	4,947	+68
Civil Aeronautics Board	584	588	+4
Civil Service Commission	3,878	4,012	+134
Export-Import Bank of Washington	113	114	+1
Federal Communications Commission	1,342	1,359	+17
Federal Deposit Insurance Corporation	1,147	1,151	+4
Federal Mediation and Conciliation Service	368	367	−1
Federal Power Commission	795	793	−2
Federal Security Agency	32,829	[2] 32,894	+65
Federal Trade Commission	561	559	−2
Federal Works Agency	22,683	22,577	−106
General Accounting Office	9,377	9,353	−24
Government Printing Office	7,485	7,398	−87
Housing and Home Finance Agency	11,953	11,825	−128
Indian Claims Commission	11	11	
Interstate Commerce Commission	2,263	2,257	−6
Maritime Commission	6,921	6,948	+27
National Advisory Committee for Aeronautics	6,172	6,249	+77
National Archives	330	335	+5
National Capital Housing Authority	290	284	−6
National Capital Park and Planning Commission	25	24	−1
National Gallery of Art	318	317	−1
National Labor Relations Board	961	1,135	+174
National Mediation Board	113	108	−5
Office of the Housing Expediter	4,635	4,635	
Office of Selective Service Records	663	680	+17
Panama Canal	24,857	24,732	−125

[2] See footnote 2 in Table I.

TABLE III.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during February 1948, and comparison with January 1984*—Continued

Department or agency	January	February	Increase (+) or decrease (−)
INDEPENDENT AGENCIES—continued			
Philippine War Damage Commission	574	571	−3
Railroad Retirement Board	2,796	2,769	−27
Reconstruction Finance Corporation	6,053	5,883	−170
Securities and Exchange Commission	1,086	1,123	+37
Smithsonian Institution	513	518	+5
Tariff Commission	224	223	−1
Tax Court of the United States	126	125	−1
Tennessee Valley Authority	14,144	14,111	−33
Veterans' Administration	208,084	206,626	−1,458
Total, excluding National Military Establishment	1,166,135	1,175,753	+12,132 −2,514
Net increase, excluding National Military Establishment			+9,618
NATIONAL MILITARY ESTABLISHMENT			
Office of Secretary of Defense	594	675	+81
Department of the Army:			
Inside continental United States	254,078	255,798	+1,720
Outside continental United States	127,307	126,406	901
Department of the Air Force	112,777	113,680	+903
Department of the Navy	339,620	340,131	+511
Total, including National Military Establishment	2,000,511	2,012,443	+15,347 −3,415
Net increase, including National Military Establishment			+11,932

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during February 1948, and comparison with January 1948*

Department or agency	January	February	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT NATIONAL MILITARY ESTABLISHMENT)			
Commerce	1,061	1,165	+104
Interior	5,110	5,260	+150
State	358	367	+9
Treasury	3,677	3,671	−6
INDEPENDENT AGENCIES			
Atomic Energy Commission	268	268	
Housing and Home Finance Agency	3	2	−1
Panama Canal	2,153	2,148	−5
Tennessee Valley Authority	7,472	7,404	−68
Total, excluding National Military Establishment	20,102	20,285	+263 −80
Net increase, excluding National Military Establishment			+183
NATIONAL MILITARY ESTABLISHMENT			
Department of the Army:			
Inside continental United States	196,352	198,008	+1,656
Outside continental United States	96,885	95,165	−1,720
Department of the Navy	237,217	237,673	+456
Total, including National Military Establishment	550,556	551,131	+2,375 −1,800
Net increase, including National Military Establishment			+575

TABLE V.—*Civilian and military personnel of the National Military Establishment, June 1945 to February 1948*

Month	Department of the Army [1]				Department of the Air Force			
	Civilian employees	Increase (+) or decrease (−)	Military personnel	Increase (+) or decrease (−)	Civilian employees	Increase (+) or decrease (−)	Military personnel	Increase (+) or decrease (−)
1945—June	1,881,192		8,291,336					
July	1,872,242	−8,950	8,266,373	−24,963				
August	1,810,971	−61,271	8,186,444	−79,929				
September	1,621,792	−189,179	8,023,304	−163,140				
October	1,556,228	−65,564	7,564,514	−458,790				
November	1,490,505	−65,723	6,487,053	−1,077,461				
December	1,226,904	−263,601	5,333,978	−1,153,075				
1946—January	1,156,944	−69,960	4,228,936	−1,105,042				
February	1,114,211	−42,733	3,469,272	−759,664				
March	1,073,864	−40,347	2,785,748	−683,524				
April	1,064,018	−9,846	2,430,779	−354,969				
May	1,000,240	−63,778	2,167,931	−262,848				
June	927,075	−73,165	2,008,494	−159,437				
July	878,374	−48,701	1,890,023	−118,471				
August	800,828	−77,546	1,815,356	−74,667				
September	736,825	−64,003	1,731,040	−84,316				
October	699,841	−36,984	1,737,701	+6,661				
November	653,190	−46,651	1,717,432	−20,269				
December	629,194	−23,996	1,511,262	−206,170				
1947—January	608,601	−20,593	1,319,483	−191,779				
February	602,548	−6,053	1,253,619	−65,864				
March	574,923	−27,625	1,199,456	−54,163				
April	562,114	−12,809	1,147,948	−51,508				
May	547,164	−14,950	1,081,492	−66,456				
June	503,213	−43,951	1,020,819	−60,673				
July	497,079	−6,134	989,664	−31,155				
August	492,302	−4,777	972,569	−17,095				
September	495,227	+2,925	955,698	−16,871				
October	500,711	+5,484	940,582	−15,116	110,305		329,523	
November	491,413	−9,298	920,044	−20,538	111,229	+924	335,671	+6,148
December	489,329	−2,084	911,537	−8,507	111,700	+471	339,246	+3,575
1948—January	494,162	+4,833	898,472	−13,065	112,777	+1,077	353,143	+13,897
February	495,884	+1,722	905,293	+6,821	113,680	+903	365,186	+12,043
Net increase or decrease		−1,385,308		−7,386,043		+3,375		+35,663

NOTE.—Of the total decrease in the civilian employment of the Department of the Army and Department of the Air Forces combined, 681,827 were industrial employees and 703,481 were classified employees.

[1] Includes Air Forces.

NOTE.—The Air Forces were divorced from the War Department as of September 1946 pursuant to the Unification Act, Public Law 253, Eightieth Congress. Air Force civilian personnel outside United States is still included in the Army civilian personnel reports. The figures set forth below are included in those compiled herein for the Department of the Army for purposes of comparison between June 1945 and February 1948. Therefore, the following civilian and military personnel figures for the Air Forces are compiled for current information:

TABLE V.—*Civilian and military personnel of the National Military Establishment, June 1945 to February 1948*—Continued

Month	Department of the Navy				Secretary of Defense		Total, National Military Establishment			
	Civilian employees	Increase (+) or decrease (−)	Military personnel	Increase (+) or decrease (−)	Civilian employees	Increase (+) or decrease (−)	Civilian employees	Increase (+) or decrease (−)	Military personnel	Increase (+) or decrease (−)
1945—June	752,886		4,006,011				2,634,078		12,297,347	
July	758,119	+5,233	4,028,718	+22,707			2,630,361	−3,717	12,295,091	−2,256
August	721,342	−36,777	4,058,817	+30,099			2,532,313	−98,048	12,245,261	−49,830
September	649,425	−71,917	4,058,908	+91			2,271,217	−261,096	12,082,212	−163,049
October	604,898	−44,527	3,955,018	−103,890			2,161,126	−110,091	11,519,532	−562,680
November	591,538	−13,360	3,603,900	−351,118			2,082,043	−79,083	10,090,953	−1,428,579
December	587,636	−3,902	3,241,607	−362,293			1,814,540	−267,503	8,575,585	−1,515,368
1946—January	586,994	−642	2,819,048	−422,559			1,743,938	−70,602	7,047,984	−1,527,601
February	592,856	+5,862	2,486,751	−332,297			1,707,067	−36,871	5,956,023	−1,091,961
March	561,501	−31,355	2,180,406	−306,345			1,635,365	−71,702	4,966,154	−989,869
April	543,854	−17,647	1,915,614	−264,792			1,607,872	−27,493	4,346,393	−619,761
May	529,664	−14,190	1,690,209	−225,405			1,529,904	−77,968	3,858,140	−488,253
June	490,239	−39,425	1,437,231	−252,978			1,417,314	−112,590	3,445,725	−412,415
July	470,530	−19,709	1,159,907	−277,324			1,348,904	−68,410	3,049,930	−395,795
August	419,280	−51,250	930,000	−229,907			1,220,108	−128,796	2,745,356	−304,574
September	394,740	−24,540	743,166	−186,834			1,131,565	−88,543	2,474,206	−271,150
October	384,336	−10,404	739,513	−3,653			1,084,177	−47,388	2,477,214	+3,008
November	380,880	−3,456	723,904	−15,609			1,034,070	−50,107	2,441,336	−35,878
December	377,383	−3,497	692,308	−31,596			1,006,577	−27,493	2,203,570	−237,766
1947—January	376,454	−929	660,174	−32,134			985,055	−21,522	1,979,657	−223,913
February	373,923	−2,531	646,268	−13,906			976,471	−8,584	1,899,887	−79,770
March	372,124	−1,799	636,855	−9,413			947,047	−29,424	1,836,311	−63,576
April	370,317	−1,807	629,024	−7,831			932,431	−14,616	1,776,972	−59,339
May	366,061	−4,256	621,614	−7,410			913,225	−19,206	1,703,106	−73,866
June	358,432	−7,629	610,967	−10,647			861,645	−51,580	1,631,786	−71,320
July	353,094	−5,338	601,871	−9,096			850,173	−11,472	1,591,535	−40,251
August	349,148	−3,946	602,727	+856			841,450	−8,723	1,575,296	−16,239
September	341,815	−7,333	601,698	−1,029			837,042	−4,408	1,557,396	−17,900
October	340,159	−1,656	602,549	+851	433	+433	841,303	+4,261	1,543,131	−14,265
November	339,219	−940	570,431	−32,118	455	+22	831,087	−10,216	1,490,475	−52,656
December	339,268	+49	540,921	−29,510	636	+181	829,233	−1,854	1,452,458	−38,017
1948—January	339,620	+352	513,687	−27,234	594	−42	834,376	+5,143	1,412,159	−40,299
February	340,131	+511	504,015	−9,672	675	+81	836,690	+2,314	1,409,308	−2,851
Net increase or decrease		−412,755		−3,501,996		+675		−1,797,388		−10,888,039

NOTE.—Of the total decrease in the civilian employment of the Department of the Navy, 187,307 were industrial employees and 225,448 were classified employees.

NOTE.—Of the total decrease in the civilian employment of the National Military Establishment, 869,154 were industrial employees and 928,234 were classified employees.

Sources: Civilian-employment figures, monthly personnel reports to Joint Committee on Reduction of Nonessential Federal Expenditures; military personnel figures, Bureau of Labor Statistics, and Department of Air Force Statistics Division.

STATEMENT BY SENATOR BYRD IN CONNECTION WITH THE MONTHLY PERSONNEL REPORT FOR FEBRUARY 1948

The National Military Establishment in February 1948 employed three times as many civilians per man in uniform as it employed at its wartime peak in 1945.

Prior to current revitalization of the Nation's armed might, the combined armed forces of the United States in February were employing 8 civilians to every 14 men in uniform, as compared with 2 civilians for every 12 men in uniform in June of 1945.

In February the Department of the Army and the Air Forces combined employed nearly 5 civilians to every 9 men in uniform; as compared with nearly 2 civilians to every 8 men in uniform in June of 1945.

The Department of the Navy was employing more than 3 civilians for each 5 men in uniform in February 1948, as compared with 1 civilian to every 5 men in uniform in June of 1945.

Of the net decrease of 1,797,388 civilian employees between June of 1945 and February of 1948, 869,154 were so-called industrial employees and 928,234 were classified employees.

In view of recent military recommendations these figures were developed by the Joint Committee on Reduction of Nonessential Federal Expenditures in connection with its monthly report of civilian employment for February 1948.

The report shows that during the month of February the National Military Establishment increased its civilian employment by a total of 2,314 employees. For the same period it is revealed that the uniformed strength of the National Military Establishment decreased by a total of 2,851 uniformed men.

The Department of the Army increased its civilian employment by a net of 819 during the month of February, while the military personnel of the Army decreased by a total of 5,222 men.

The Department of the Air Forces increased its civilian employment within the United States by 903 employees in February, and increased its uniformed personnel by 12,043 men.

The Department of the Navy increased its civilian employment by 511 employees but decreased its military personnel by 9,672 uniformed men for the month of February.

Total expenditures for civilian personal service in the National Military Establishment are estimated at $2,314,748,650 for fiscal year 1948. Civilian pay rolls for the armed forces will consume 20 percent of the total funds appropriated for the use of the National Military Establishment, as compared with 38 percent of the total military appropriations required for all pay, subsistence, travel, welfare, training, clothing, and medical expenditures of the military personnel.

Aside from the net increase of 2,314 in the military services during the month of February, the committee's report shows that there was a net increase of 9,618 in the civilian agencies of the Government.

The major increases in civilian personnel were reported as follows: Commerce Department, 823; Interior Department, 404; Justice Department, 276; Post Office Department, 6,820; State Department, 616; Treasury Department, 2,533; Civil Service Commission, 134; and National Labor Relations Board, 174.

Substantial decreases in civilian personnel were reported as follows: War Assets Administration, 303; Federal Works Agency, 106; Housing and Home Finance Agency, 128; Panama Canal, 125; Reconstruction Finance Corporation, 170; and Veterans' Administration, 1,458.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY (by request):

S. 2440. A bill for the relief of Charles Duncan Montieth; to the Committee on the Judiciary.

By Mr. LUCAS:

S. 2441. A bill for the relief of the E. J. Albrecht Co.; to the Committee on the Judiciary.

By Mr. BUSHFIELD:

S. 2442. A bill to authorize and direct the Secretary of the Interior to issue to Mrs. Avena M. Chips-White Bull a patent in fee to certain land; to the Committee on Interior and Insular Affairs.

By Mr. BALDWIN:

S. 2443. A bill to extend certain benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to the widows and orphans of employees and retired employees dying during the period from February 17, 1948, to February 28, 1948; to the Committee on Post Office and Civil Service.

By Mr. SALTONSTALL:

S. 2444. A bill for the relief of Jean Stepanoff and Alessandra Stepanoff; to the Committee on the Judiciary.

By Mr. GURNEY:

S. 2445. A bill to establish the Office of the Inspector General, United States Air Force, and for other purposes; to the Committee on Armed Services.

By Mr. MORSE:

S. 2446. A bill to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

By Mr. BREWSTER (for Mr. HAWKES):

S. 2447. A bill to provide for the planning of military aircraft requirements, to authorize the development and procurement of military aeronautical equipment, and for other purposes; to the Committee on Armed Services.

By Mr. BREWSTER:

S. 2448. A bill to provide for coordination of aviation policy, to improve the administration of the Civil Aeronautics Act of 1938, and to provide for an independent office of air safety, and for other purposes; and

S. 2449. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the regulation of interstate contract carriers by air, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BREWSTER (for Mr. HAWKES):

S. 2450. A bill to provide for the settlement of claims arising from the termination of contracts of the armed services, and for other purposes; to the Committee on the Judiciary.

By Mr. BREWSTER:

S. 2451. A bill to encourage the development of an international air-transportation system adapted to the needs of the foreign commerce of the United States, of the postal service, and of the national defense, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BREWSTER (for Mr. HAWKES):

S. 2452. A bill to amend the Civil Aeronautics Act of 1938, as amended, with respect to local enforcement of safety regulations of civil aviation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 2453. A bill to provide for the avoidance of multiple taxation of air commerce, and for other purposes; to the Committee on Finance.

By Mr. CAPEHART:

S. 2454. A bill to amend the Civil Aeronautics Act of 1938, as amended, to make further provision for the recording of title to, interests in, and encumbrances upon certain aircraft, and for other purposes;

S. 2455. A bill to amend the Civil Aeronautics Act of 1938, as amended, by limiting the liability of certain persons not in possession of aircraft; and

S. 2456. A bill to provide safety in aviation and to direct an investigation of the causes and characteristics of thunderstorms; to the Committee on Interstate and Foreign Commerce.

S. 2457. A bill to provide for an air parcel post service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BREWSTER:

S. 2458. A bill to provide for the more expeditious carriage of domestic and foreign first-class mail by air, and for other purposes; to the Committee on Post Office and Civil Service.

S. 2459. A bill to amend the Tariff Act of 1930; to the Committee on Finance.

By Mr. BREWSTER (for Mr. HAWKES):

S. 2460. A bill to exempt air carriers from statutory provisions requiring payments for compensation for customs employees' overtime services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BREWSTER:

S. 2461. A bill to exempt Canadian citizens and aircraft crewmen from certain visa requirements; and

S. 2462. A bill to amend the Immigration Acts of 1917 and 1924 to permit the mitigation of certain fines, and for other purposes; to the Committee on the Judiciary.

By Mr. BREWSTER (for Mr. HAWKES):

S. 2463. A bill to repeal the tax on transportation of persons and the tax on transportation of property, and for other purposes; to the Committee on Finance.

S. 2464. A bill to authorize the United States Maritime Commission to provide for the development of lighter-than-air rigid airships for commercial use; to the Committee on Interstate and Foreign Commerce.

By Mr. BREWSTER:

S. 2465. A bill to amend section 805 (c) of the Merchant Marine Act, 1936; and

S. 2466. A bill to amend the Civil Aeronautics Act of 1938, as amended, by redefining certain powers of the Administrator, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BREWSTER (for Mr. HAWKES):

S. J. Res. 204. Joint resolution to establish a Temporary Commission on Military Contract Audits; to the Committee on Armed Services.

By Mr. BREWSTER:

S. J. Res. 205. Joint resolution to establish a Joint Congressional Committee on Aviation Policy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

MASSMAN CONSTRUCTION CO.—CHANGE OF CONFEREE

Mr. WILEY. Mr. President, I ask unanimous consent that the junior Senator from Rhode Island [Mr. MCGRATH] be excused from further service on the conference committee on the bill (H. R. 2192) for the relief of the Massman Construction Co., and that the senior Senator from Nevada [Mr. MCCARRAN] be appointed in his place.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATION OF WILSON WARLICK TO BE UNITED STATES DISTRICT JUDGE, WESTERN DISTRICT OF NORTH CAROLINA

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, April 13, 1948, at 10 a. m., in the Senate Judiciary Committee room, room 424, Senate Office Building, upon the nomination of Wilson Warlick, of North Carolina, to be United States district judge for the western district of North Carolina, vice Hon. Edwin Y. Webb, retired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Michigan [Mr. FERGUSON], chairman; the Senator from Oklahoma [Mr. MOORE]; and the Senator from Arkansas [Mr. FULBRIGHT].

PROPOSED CONSIDERATION BY UNITED NATIONS ASSEMBLY OF AMERICAN AND SOVIET DIFFERENCES

Mr. FLANDERS. Mr. President, I presume that every Senator, whatever State he may represent, is in receipt of a large and continuing volume of correspondence expressing dissatisfaction with the present status of the United Nations and the limited sphere of action which is now assigned to it. That has certainly been my own experience from my own constituents, and I am receiving many similar communications from other parts of the country. Dissatisfaction is, in fact, too mild a word. Amazement is a better one. The people of this country are amazed at the lack of power of the organization which we all believed would be the instrument immediately concerned with the maintenance of world peace, and which would be active and effective in taking steps to maintain it in any conceivable crisis. The crisis is here. The United Nations organization is not dealing with the crisis. It is occupying itself in matters of limited usefulness while the crisis builds itself up toward the point of explosion.

In their perplexity the people of the country have offered many suggestions both individually and through the comment of columnists and editorial writers. One suggestion frequently urged is that Marshal Stalin and President Truman should have a personal meeting and endeavor to come to some sort of understanding with regard to the questions at issue between the two nations. It can be at once said that we have no precedent in the past to encourage us in the belief that any useful result can come from such a meeting. Previous meetings of this sort, whether under the Presidency of Mr. Truman or of Mr. Roosevelt, have each resulted in complications rather than simplifications of the problems which we face. We cannot look forward hopefully to the results of such a meeting from any basis of past experience.

Furthermore, Mr. President, this proposal seems to me to be based upon a misapprehension as to what really needs to be done. The crying need is for the appearance of Russia and her satellites on the one side and of ourselves and the western nations on the other before a bar of world judgment such as would be furnished by a United Nations Assembly called for that purpose. Before the Assembly each nation should state its position, its purposes, and its plans. It should likewise give expression as to its own viewpoint of the actions and the policies of the opposing country as they appear in their own eyes.

In the case of Russia, for instance, we might well call to the attention of their representatives the statement in Marshal Stalin's book, Problems of Leninism, in which he quotes from the collected works of Lenin, a statement with which Stalin agrees. It has been translated thus:

> International imperialism, with all the might of its capital and its highly organized military technique which represents a real fortress of international capital, could, under no circumstances, under no possible conditions, live in peace with the Soviet Republics. * * * A conflict is inevitable.

We must find out whether Russia considers us an international imperialist. If not, whom does she so consider? Is she acting on the assumption that war is inevitable with whatever nation or group of nations she so denominates?

On our side there has been, as every American knows, an assumption that Russia's internal social and political organization is her own affair with which we have no right or desire to interfere. To our own astonishment, however, we have seen her pursuing the same aggressive, imperialistic tactics that were pursued by Hitler's Germany and which brought on the Second World War. In our eyes Russia is definitely and purposely pursuing the same fateful course toward a third world war.

Mr. President, there are a number of plans for reorganizing the United Nations so that the organization may be effective instead of ineffective in the maintenance of peace. I am supporting and will support what seems to me to be the most direct and logical means of bringing about such a reorganization. It seems clear to me, however, that bringing the present situation before the bar of world judgment is an essential preliminary, and that it should be immediately undertaken. To this end the Senator from Indiana [Mr. CAPEHART] has

joined me in submitting Senate Concurrent Resolution 47, which has been referred to the Foreign Relations Committee.

Mr. President, we humbly urge on the Foreign Relations Committee early consideration of this resolution, and a favorable report back to this body.

PRESENTATION OF NAVY'S DISTINGUISHED PUBLIC SERVICE AWARD TO WILLIAM RANDOLPH HEARST

Mr. O'CONOR. Mr. President, outstanding recognition has just been accorded to one of America's foremost citizens, Mr. William Randolph Hearst, through the award of the Navy's highest civilian honor, the Distinguished Public Service Award. It was the first presentation of this award since it was officially authorized on December 17, 1947.

Mr. Hearst, who is publisher of the Baltimore News-Post and of many other newspapers throughout the country, and who is conspicuous for his insistence upon unadulterated Americanism and opposition to all "isms," foreign or otherwise, which would undermine American institutions and freedoms, was cited by the Honorable John L. Sullivan, Secretary of the Navy, for the patriotic contribution made to the successful prosecution of the war through the vigorous editorial support given by all his newspapers throughout the critical days and months between Pearl Harbor and VJ-day.

In these times, when so many misguided Americans are ever ready to champion the cause of America's enemies, and to question and misrepresent the high purposes of America's efforts to promote world peace, it is fitting that such an event as the honor accorded to Mr. Hearst be brought to the attention of as many of our people as possible. Such publication will help counteract the insidious poisons which are being so continuingly injected into the life stream of our Nation, and will reestablish and reaffirm in the hearts of all Americans the true nature and principles of American idealism.

In order to give as widespread publicity as possible to the honor thus conferred upon Mr. Hearst, I ask that the account from the Baltimore News-Post be published in the CONGRESSIONAL RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

W. R. HEARST HIGH NAVY AWARD PRESENTED—W. R. HEARST, JR., ACCEPTS HONOR ON BEHALF OF FATHER—NAVY CITATION TELLS PATRIOTIC SERVICE AIDING DEFENSE

(By Dan Markel)

WASHINGTON, April 5.—The Navy's highest civilian honor, the Distinguished Public Service Award, was en route to William Randolph Hearst in California today.

Secretary of the Navy John L. Sullivan made the presentation first, since the honor was officially created December 17, 1947.

William Randolph Hearst, Jr., publisher of the New York Journal-American, accepted the award in his father's behalf.

The presentation ceremony took place in the Navy's broad walnut-paneled conference room in which Admiral Ernest J. King and his staff planned their victorious naval strategy in wartime.

Twelve admirals and a number of naval captain aides to Secretary Sullivan participated.

CEREMONY WARM AND DIGNIFIED

The dramatic ceremony combined both warmth and dignity.

Presentation of the award, symbolized by a handsome blue and gold certificate, was made beside the tall flag standard from which was draped a silken stars and stripes.

Secretary Sullivan's personal tribute to Mr. Hearst was preceded by Capt. Richard P. Glass' formal reading of the citation. It read:

"Mr. William Randolph Hearst, Sr., through the medium of his publications and radio stations, has been of the greatest assistance to the country in helping the American public to understand the Navy and the part it plays in the security of the country.

"Ever keenly aware of and sympathetic to the needs of national defense, he has sought to keep American citizens advised of the importance of a strong Cancer Establishment."

MAJOR CONTRIBUTION TO NAVY

"This patriotic service has constituted a major contribution to the success of Navy recruiting and to a popular understanding of the role of the Navy in the framework of national security."

Secretary Sullivan, in presenting the award certificate, said:

"Mr. Hearst, I am very happy to have this opportunity to send to your father, through you, this certificate of award which symbolizes the appreciation for the United States Navy feels toward your father for his very many and great services to the United States Navy and to our country.

"Your father knows full well that weakness frequently invites the very type of conflict we seek to avoid.

"He knows full well that weakness invites aggression.

"Your father knows that we in the Navy wish to remain strong to protect the peace, not to prepare for war."

KNOWS MEANING OF SEA POWER

"He knows the real meaning of sea power and its importance to the people of this country.

"He has brought home to millions of American citizens its importance to the United States of America.

"For his many, many services we are extremely grateful."

Then grasping Mr. Hearst, Jr.'s hand, the Secretary added:

"In expressing our gratitude for all he has done for us, will you also extend to him our very best wishes that he may have many, many years of continuing usefulness to the Navy and to his country?"

Mr. Hearst, Jr., responded:

"Thank you, Mr. Secretary.

"I am proud and happy to accept this in my father's behalf.

"May I say to you for him that you can bank on him and the support of his papers always in your efforts to build up our Navy and merchant marine second to none."

OFFICERS CONGRATULATE MR. HEARST

One by one the admirals and captains participating in the ceremony added their personal congratulations to Mr. Hearst for the services his father has rendered to the Nation.

They included:

Vice Adm. Arthur W. Radford, vice chief of naval operations.

Vice Adm. William M. Fechteler, deputy chief of naval operations for personnel.

Rear Adm. C. W. Styer, coordinator of undersea warfare.

Rear Adm. Joseph J. Clark, assistant chief of naval operations for air.

Rear Adm. Alfred M. Pride, chief, Naval Bureau of Aeronautics.

Rear Adm. Edwin D. Foster, chief, Bureau of Supplies and Accounts.

Rear Adm. Charles W. Fox, deputy chief, Bureau of Supplies and Accounts.

Rear Adm. Malcolm G. Slarrow, general inspector, Naval Supply Corps.

Rear Adm. C. A. Swanson, chief of the Bureau of Medicine and Surgery.

OTHER NAVY CHIEFS LISTED

Rear Adm. Charles B. Momsen, member general board.

Rear Adm. Edward C. Ewen, director of public relations.

Rear Adm. Robert F. Hickey, deputy director of public relations.

Capt. E. M. Eller, director of public information.

Capt. Fitzhugh Lee, aide to the Secretary of the Navy.

Capt. Marion R. Kelley, assistant chief for planning and progress, Bureau of Ordnance.

The certificate of award, in blue and gold, bears the Navy emblem and the inscription, "In Appreciation of Distinguished Public Service to the United States Navy."

Above the inscription is embossed the name:

"William Randolph Hearst, Sr."

It is signed by Secretary John L. Sullivan.

As a further symbol of the honor conferred on Mr. Hearst, a specially designed blue and gold lapel pin was presented.

NAVY ISSUES FORMAL ANNOUNCEMENT

Simultaneously with the presentation ceremony, the Navy Department issued a formal public announcement.

It read, in part, as follows:

"William Randolph Hearst, Sr., editor and owner of Hearst Newspapers, San Simeon, Calif., today was awarded the Navy Distinguished Public Service Award for his outstanding contribution to the popular understanding of Navy programs and policies. * * *

"Mr. Hearst, through the medium of his publications and radio stations, has consistently supported strong armed forces and has used his publications to keep American citizens advised of the importance of adequate defense establishments.

"This service has constituted a major contribution to the success of Navy recruiting and to the popular understanding of the Navy."

THE NEGROES AND THE DRAFT—TELEGRAM FROM BISHOP E. J. CAIN

Mr. FULBRIGHT. Mr. President, on last Friday I received a telegram from Bishop E. J. Cain, president of the George Washington Carver Hospital, of Little Rock, Ark. Mr. Cain is one of the outstanding Negro citizens of Arkansas and of the Nation. I think the Members of the Senate and the people of the country ought to hear what Bishop Cain has said, and therefore I shall read the telegram:

LITTLE ROCK, ARK., *April 2, 1948.*

Hon. J. WILLIAM FULBRIGHT,
United States Senate,
Washington, D. C.:

We represent the religious groups of Negroes of Arkansas. As such we are opposed to the statement made by Mr. Randolph. We are not in accord with such propaganda. All thinking Negroes of the South stand ready to shoulder arms and fight for the hands that have fed us. We endorse the draft. You support it. We stand ready to stump the State to encourage Negroes to enlist.

Bishop E. J. CAIN,
President, George W. Carver Hospital.
Rev. U. L. BROWN,
Assistant.

Mr. President, that telegram is obviously from a great American. It is the most eloquent answer I can think of to the disruptive and dangerous propaganda which flows in a never-ending stream from the environs of New York City.

It seems to me that Congress and the country would be well advised if they consulted Bishop Cain rather than the Randolphs when affairs concerning Negroes are under consideration by Congress.

ADDRESS BY THE AMBASSADOR FROM NORWAY AT MADISON, WIS., AND STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by Hon. Wilhelm Morgenstierne, Ambassador from Norway, at the Norway Week dinner in Madison, Wis., on March 31, 1948, and a statement which Mr. WILEY issued regarding the Ambassador's address, which appear in the Appendix.]

COORDINATED CANCER RESEARCH PROGRAM OF THE UNIVERSITY OF CHICAGO

[Mr. LUCAS asked and obtained leave to have printed in the RECORD a letter from Maurice Goldblatt, and a brochure, both relating to the coordinated cancer research program of the University of Chicago, which appear in the Appendix.]

THE AMERICAN SCHOOL TEACHER—ARTICLE BY MISS ELISABETH WILEY

[Mr. SMITH asked and obtained leave to have printed in the RECORD an article dealing with Senator WILEY's conception of the importance of American school teachers, written by his daughter, Miss Elisabeth Wiley, and published in the April 1948 issue of the NEA Journal, which appears in the Appendix.]

MISSOURI VOTE FRAUD TRIALS—EDITORIAL FROM THE ST. LOUIS POST-DISPATCH

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "Up to Attorney General Clark," from the St. Louis Post-Dispatch of April 1, 1948, which appears in the Appendix.]

NEW DEALERS' DESERTION OF TRUMAN LACKS LOGIC—ARTICLE BY FRANK R. KENT

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled "New Dealers' Desertion of Truman Lacks Logic," by Frank R. Kent, from the Washington Post of April 2, 1948, which appears in the Appendix.]

PEACE APPEAL TO STALIN PROPOSED—ARTICLE BY DREW PEARSON

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article from the Washington Merry-Go-Round, by Drew Pearson, entitled "Peace Appeal to Stalin Proposed," which appears in the Appendix.]

GERMAN PAINTINGS—EDITORIAL FROM THE WASHINGTON POST

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an editorial entitled "German Paintings," from the Washington Post of April 6, 1948, which appears in the Appendix.]

REDUCTION IN PRICES BY STANDARD OIL CO. OF NEW JERSEY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a press release by the Standard Oil Co. of New Jersey announcing reductions in prices of 350 products, which appears in the Appendix.]

THE TENSE SITUATION IN BERLIN—BROADCAST BY GEORGE E. REEDY

[Mr. MYERS asked and obtained leave to have printed in the RECORD a broadcast regarding the tense situation in Berlin by George E. Reedy, from radio station WOL in Washington, D. C., April 6, 1948, which appears in the Appendix.]

LEAVE OF ABSENCE

Mr. MOORE. Mr. President, I ask unanimous consent to be absent from the Senate for the remainder of the week.

The PRESIDENT pro tempore. Reluctantly, but without objection, the request is granted.

MEETING OF COMMITTEE DURING SENATE SESSIONS

Mr. WHERRY asked and obtained permission for the Committee on Interstate and Foreign Commerce to hold hearings during the sessions of the Senate for the remainder of the week.

EVA L. DUDLEY ET AL.—CONFERENCE REPORT

Mr. WILEY. Mr. President, I submit a conference report on H. R. 1799, for the relief of Eva L. Dudley, Grace M. Collins, and Guy B. Slater.

The PRESIDENT pro tempore. The conference report will be read.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1799) for the relief of Eva L. Dudley, Grace M. Collins, and Guy B. Slater, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments.

ALEXANDER WILEY,
JOHN SHERMAN COOPER,
PAT MCCARRAN,
Managers on the Part of the Senate.

JOHN JENNINGS, Jr.,
CLIFFORD P. CASE,
FADJO CRAVENS,
Managers on the Part of the House.

Mr. WILEY. Mr. President, this is a private claim bill which was passed by the House for the benefit of three claimants injured in the same automobile accident. The Senate Judiciary Committee amended the bill so as to delete the names of two of the claimants. After a full and free conference, the Senate conferees agreed to recede from the Senate amendments with the result that the conferees recommend that the bill be considered in the form in which it originally passed the House. I now ask unanimous consent for the immediate consideration of the conference report.

There being no objection, the report was considered and agreed to.

NATIONAL CEMETERY IN THE PACIFIC AREA

Mr. MORSE. Mr. President, I ask unanimous consent to have published in the body of the RECORD an article appearing in the March 3, 1948, issue of the Honolulu Advertiser. The article is written by one of the most outstanding correspondents in the Pacific area, Buck Buchwach. It deals with the burial of the American war dead. I think the contents of this special article should be called to the attention of both the Foreign Relations Committee and the Committee on Armed Services. It points out that, after all, the responsibility for what clearly is, shall I say, an unfortunate handling, to date, of the burial of our war dead rests squarely upon the Congress, because of the failure of Congress to provide as yet for a national cemetery in the Pacific area.

The article proceeds to give a rather vivid description of the way the war dead are being handled in Hawaii, for example.

The first sentence of the article reads as follows:

The bodies of 12,000 Pacific war dead are today encased in steel caskets and stacked like cordwood at four corrugated tin warehouses at Schofield Barracks and Wahiawa.

Mr. President, I merely wish to say that if Mr. Buchwach's article is accurate, as I am sure it is, judging from his past writing, then it is most unfortunate, to use a mild term, that Congress to date has not provided for a national cemetery so that our war dead can receive more appropriate treatment and the respect and honor due them than apparently is being accorded by the type of handling which Mr. Buchwach describes in his article.

I only wish to say that I think the time has come for the appropriate committees of Congress to proceed to take the necessary action to give our war dead the honor due them, rather than have their bodies stacked, as Mr. Buchwach says, "like cordwood" in a series of tin warehouses in Hawaii.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWELVE THOUSAND BODIES OF WAR DEAD AWAIT BURIAL

(By Buck Buchwach)

The bodies of 12,000 Pacific war dead are today encased in steel caskets and stacked like cordwood at four corrugated tin warehouses at Schofield Barracks and Wahiawa.

At least 60 percent are expected to be buried in Honolulu's proposed national cemetery, but there is no such cemetery started yet, and meanwhile the dead servicemen must wait.

Some arrived here from China 10 months ago, after being rudely disturbed to have their remains boxed for shipment to the United States. And they may be waiting for burial for 2 years more, even if the Senate approves a bill already passed by the House authorizing the establishment of a national cemetery at Punchbowl.

The Army calls the casket-filled warehouses mausoleums, but readily admits they are nothing more than warehouses, two of which have been painted cream with green roofs.

The Army graves registration services, which is handling the repatriation and burial of war dead, acknowledges that the warehouses aren't fit repositories for the dead.

Officials point out, however, that thousands of the dead were expected to be buried by now, but that Congress failed to pass a bill in the last session authorizing a national cemetery for the Pacific. The graves registration officials had no idea the dead would be waiting so long, or they would have tried to build a suitable temporary mausoleum.

So today they are still using the warehouses. Next of kin who want to see caskets of deceased military personnel are escorted out to Schofield's "mausoleum"—two ramshackle structures flanked by unsightly ordnance equipment and stores on either side—and ushered into an attractive lounge, presided over by a nurse.

Then there is a viewing room, where next of kin may sit and view the casket, banked by palms in large tin cans that are painted green.

But they are not permitted entry into the other section of the warehouses. They don't see the thousands of caskets in their mud-brown shipping cases, stacked four high and 70 or more to the row.

They don't see the stained cement floors in the dimly lit warehouses—the war dead from Australia, in tinny, greenish caskets shipped here from Ipswich and Rockwood.

They don't see the piles of what look like apple boxes, but in reality are small wood caskets which contain bones of our dead from the cemeteries of Barrackpore and Kkalaickkunda, from Kunming, Tsingtao, Chengtu, and Mukden.

Here are the dead in various states of disarray * * * the bones of the marine from Guadalcanal in a green casket across the way from the boxed skeleton of an Air Force navigator shot down over the Hump.

Over on one side are hundreds of GI's who gave their lives in China and Burma. * * * On the other end are sailors who were temporarily buried in haste in Australia.

The two warehouses at Wahiawa are even more stark, more bare * * * unpainted storehouses for the dead * * * where technicians prepare more bones in a little white sheet and olive-drab blanket before lowering the remains into more caskets * * * more to be stacked and more to wait.

Each day more wooden boxes arrive, to be put on an almost endless conveyor belt, to be readied and fixed according to specifications. And this ghoulish job of mass production is apparently handled efficiently, carefully, and intelligently by the graves-registration service. But where is that national cemetery in Honolulu, the officials ask?

As for the thousands of dead they seem to desire to talk to Congress, according to one Navy chaplain who arranged for next of kin to visit the mausoleum.

The dead don't seem to be interested in the well-publicized GI bill of rights Congress wants to talk about. * * * They don't seem to care about promises for the future, the big bonuses, the low-cost housing, and all the rest of the lures that help snare the veteran vote.

There at Schofield, there at Wahaiwa, in the tragic aftermath of a horrible war, all they seem to ask is a quiet plot of ground in which to rest peacefully through eternity.

No promises, no oratory, no delay, * * * just a quick decision on where to locate a cemetery and a little care for it after that, * * * so their parents and wives and sons and relatives who come to Hawaii in the years to come will have their pain lessened somewhat by the knowledge that the confusion of war has given way to the orderliness of spiritual peace.

DAYLIGHT-SAVING TIME IN THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (S. 1481) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bushfield	Downey
Baldwin	Byrd	Dworshak
Ball	Capehart	Ecton
Barkley	Capper	Ellender
Brewster	Chavez	Ferguson
Bricker	Cooper	Flanders
Bridges	Cordon	Fulbright
Buck	Donnell	Green
Gurney	McMahon	Russell
Hayden	Malone	Saltonstall
Hickenlooper	Martin	Smith
Hill	Maybank	Stennis
Hoey	Millikin	Taylor
Holland	Moore	Thomas, Okla.
Ives	Morse	Thomas, Utah
Johnson, Colo.	Myers	Thye
Johnston, S. C.	O'Conor	Vandenberg
Kem	O'Daniel	Watkins
Knowland	O'Mahoney	Wherry
Lodge	Overton	Wiley
Lucas	Pepper	Williams
McCarran	Reed	Wilson
McClellan	Revercomb	Young
McFarland	Robertson, Va.	
McKellar	Robertson, Wyo.	

Mr. WHERRY. I announce that the Senator from Illinois [Mr. BROOKS], the Senator from New Jersey [Mr. HAWKES], the Senator from Indiana [Mr. JENNER], and the Senator from Wisconsin [Mr. MCCARTHY] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate on official committee business.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from North Dakota [Mr. LANGER] and the Senator from Maine [Mr. WHITE] are absent because of illness.

Mr. LUCAS. The Senator from Mississippi [Mr. EASTLAND] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness in his family.

The Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate.

The Senator from Texas [Mr. CONNALLY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Seventy-three Senators having answered to their names, a quorum is present.

Mr. BUCK. Mr. President, I understand that the matter before the Senate is the so-called daylight-saving bill for the District of Columbia.

I should like to state for the information of the Senate that this bill was unanimously approved by the Senate Committee on the District of Columbia. It is similar to a bill which was passed by the Senate last year by a vote of 56 to 17. The difference between the pending bill and the bill of last year is that the one of last year applied only to 1947, whereas the bill now before us applies to the present year, 1948, and to subsequent years.

Mr. President, this proposed legislation does not undertake to provide daylight-saving time for the District of Columbia directly. It is a measure which, if approved by the Congress and enacted into law, will authorize the Commissioners of the District of Columbia, after they hold hearings, to institute daylight-saving time in the District of Columbia, if they decide it is desired.

I think it is in order and timely to note some of the information and facts which were obtained on the problem of daylight-saving time for the city of Washington, when the Committee on the District of Columbia held hearings last year. The board of trade, the junior board of trade, and other business and civic organizations were heartily in favor of it. The American Legion, the Veterans of Foreign Wars, the Disabled Veterans, and the American Veterans Committee also wish to have daylight-saving time in the District of Columbia.

A poll taken by the junior board of trade showed that 82 percent of the principal civic and large business organizations which answered the poll were favorable to daylight-saving time.

The Washington Times-Herald last year conducted a poll, to which they received 6,600 replies. Forty-four hundred of them, or 67 percent, were favorable to daylight saving for the District of Columbia.

The committee itself received 3,300 favorable letters, and only 1,000 from persons who were opposed to having the clocks moved forward an hour.

Polls were taken in the Government establishments in the city of Washington. The results are quite interesting. In the Maritime Commission, 1,800 were favorable and 500 were opposed. In the Coast and Geodetic Survey, 543 were favorable and 121 were opposed. In the Patent Office, 956 were favorable and only 400 were opposed.

Recently, Colonel Press, who is executive secretary of the Washington Board of Trade, stated that this community is overwhelmingly in favor of daylight-saving time.

It is important to point out that the Virginia and Maryland legislatures have passed enabling legislation which would immediately permit the adjacent counties and towns to have daylight-saving time, in order that they might coordinate their time with the new time in the District of Columbia.

Mr. President, I hold in my hand a letter from John Russell Young, president of the Board of Commissioners of the District of Columbia, giving unqualified support to the pending measure.

In conclusion, I may say that the issue boils down to whether we in Congress should arbitrarily take away from the people of this disfranchised community a procedure in self-government which we granted them last year, which they so successfully exercised to their own satisfaction, without injury to anyone.

Mr. President, I urge the passage of Senate bill 1481 as a gesture of good faith to the people of the city of Washington.

The PRESIDENT pro tempore. The bill is open to amendment.

Mr. OVERTON. Mr. President, I should like very much if there were a larger attendance in the Senate on this occasion. I had the honor of opposing a corresponding bill last year. At that time the attendance of Senators was rather small. I started out with three votes against the measure last year, and, aided by the Senator from South Caro-

lina [Mr. MAYBANK], we succeeded in capturing 14 other votes, with the result that 17 votes were polled against it. I was hopeful that with a good attendance in the Senate on this occasion, we might be able to poll a majority against the bill.

However, Mr. President, it is my determined, deliberate, and diabolical purpose to shoot the daylights out of the daylight-saving fantasy. [Laughter.]

The statement was made last year that I was out of step with the Senate, and out of step with Washingtonians. Perhaps I was. In fact, I was. But I certainly kept in step with my fellow Louisianians; I kept in step with the farmers of the country; I kept in step with the railroads of the country; and I kept in step with the National Association of Broadcasters. I kept in step with an overwhelming majority of the people of the United States.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. OVERTON. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I noticed the Senator said in beginning his remarks that the pending bill is the same kind of bill as the one considered last year. The pending measure will make daylight saving permanent in the future. Last year the bill was merely for 1 year. Is that not true?

Mr. OVERTON. That is correct. I thank the Senator for calling my attention to it. I shall animadvert on that phase of the question a little later on.

Mr. President, I gave fair notice that I was not in step with the action of the Congress, on an occasion when I felt I ought to rise above principle, if there be such a thing as a principle in such a fantastic bill. I felt I ought to assert my own independence as an American citizen and determine what time I would get up in the morning, what time I would eat my breakfast, what time I would retire, and what time I would open my office. I did so with perfect satisfaction to myself and with applause on the part of my fellow Louisianians. I put a sign on my door in order that anybody coming there might know that the office was being run on standard time only. The result was that when constituents of mine wanted to telephone me from Louisiana on any important business they did not have to start about noon in order to reach me before the closing of my office; they found me there, according to regular standard time, from 9 in the morning until 5 in the afternoon. I gave notice to all my official staff that regular standard time was the law of suite 315 in the Senate Office Building, and that anyone who violated it would be discharged. No one could enter the portals of my office until 9 o'clock standard time or 10 o'clock daylight saving time, or leave until 5 o'clock standard time, 6 o'clock daylight saving time.

Mr. President, many ridiculous and absurd statements were made as to why I opposed the enactment of the 1947 bill on this subject. I desire to state why I opposed it last year, and very largely why I am opposing it this year. I am not opposing it in the interest of those who constitute a majority of the Washington board of trade, I am not opposing it on account of the socialites and the dilettantes, and the parvenus and the nouveaux riches of Washington, most of whom I understand are in favor of the pending bill. But I am opposing it in the interest of the poor, the laboring man, those who dwell in small hovels and tenements and in the ill-ventilated abodes in the city of Washington in which the poor must rest, in the summer's heat. And I think there is no place on God's green earth, not even down in the semitropical coast area of the United States, that at times is more hotter than the city of Washington. I say "more hotter" for emphasis, Mr. President, because the heat waves come dashing over the city like molten lava from the mountains and make human life almost unbearable.

In the sweltering heat, the laboring man can find but very little rest, he must wait until the early morning, when the earth's surface is cooled, in order to find a little repose. The poor housewife, who must rise early in the morning in order to get her children to school, her old man off to work, prepare his breakfast, tidy up the house and attend to all the household duties, gets 1 hour's less rest. The school children get an hour's less rest. Such is the heat, Mr. President, that these people, cooped up in the ill-ventilated apartments and buildings in which they are ensconced must in order to undertake to find some cool place in which to court the god Morpheus, betake themselves to the parks of the city. There, about 4 o'clock in the morning, they are able to fall into a fitful slumber.

Not so, not so, Mr. President, are those who live in air-conditioned apartments, in air-conditioned homes or surroundings, with every convenience of life—windows open, doors open, and exposures on the four sides of their dwellings. They have air-conditioning. I know them well. They get up any time they want to, because they do not have to rise, daylight saving or no daylight saving, at any appointed time; they get up in the morning—8 o'clock, 9 o'clock, 10 o'clock; they ring for the servant who brings coffee, in order that they may better open their eyes and reach a normal condition. Then after many a yawn and stretch, they proceed to bathe in baths fixed by the valet, who comes in, gets it just at the right temperature. Then, after they have finished their toilets, perfumed themselves for the day, and powdered their faces, they ring an electric bell and into the apartment come the servants with breakfast.

After they have finished their morning repast, with a liveried coachman, they betake themselves in their limousine to the office. It does not make any difference whether they arrive at the office at 9 o'clock, 10 o'clock, or 11 o'clock. A great many of them do not have to work. They are retired capitalists. Why do they want daylight saving time? Because it gives them an hour more of sunshine, an hour more of daylight in which, for instance, to play golf, or to visit cocktail parlors in order that they might arouse an appetite for their dinner. It is these socialites, nouveaux riches, parvenus, who want daylight saving. I think I can demonstrate that fact to the Senate before I finish.

Mr. President, I oppose this bill because I want to give the laboring men, the mothers, and the little children 1 hour more of rest in the almost unbearable heat which occurs in our National Capital during the summer months.

Let me quote from the Washington Times-Herald a picture of what happens during the heat waves in the city of Washington. The article is headed:

Sleep in the park if you must—during the heat—but you're perfect target for a roll job.

The body of the article says:

So many persons slept in the parks during the recent heat wave that it was almost impossible to find a place to lie down, and not a few of the sleepers went home without their purses.

Washington is a city of magnificent parks. Rock Creek Park, Potomac Park, Hains Point, and countless other parks are scattered throughout the city. Yet the parks were so crowded with people suffering from the tortures of the heat that many of them were unable to find a place in which to lie. That is not all—

There is a curfew—

I am still quoting from the Times-Herald—

There is a curfew in the uptown parks, Raspberry reminded.

That is Captain Raspberry, of the Park Police.

So if you desire to bunk out in Franklin Park or any of the others that dot the city, don't be surprised if an officer taps you gently on the sole of the shoe when 6:30 a. m. comes around. The Park Police have orders to "get 'em up and out" by that time, Raspberry said.

Get them up early, when they could fall into a sleep in order to prepare themselves and refresh themselves as best they might for the day's labor. At 5:30 in the morning, standard time, here come the police, guns in hand, and with the butts of their guns they rap the sleepers on the soles of their feet, or perhaps on the tops of their heads; and here is what they say, according to the Times-Herald:

Get out of here—

And, I might add, "You dog." This is daylight-saving time in the great city of Washington, and perhaps some high dignitaries of Washington may be rolling down the avenues and may go by the park and see some poor family lying asleep on the cooling grass, and their sense of the proprieties might be offended.

Ah, Mr. President, that is the "razberry" that was handed to the people of Washington during daylight-saving time.

Let me read a letter or two which I have received, taken from a file of letters from people in Washington, which are selected in order to show additional objections which are entertained to the daylight-saving bill by the people of

Washington. Here is a letter written by Mrs. Frank L. Baer:

MY DEAR SENATOR: As a mother and employee of the United States Government, I am solidly behind your proposal to require Federal agencies to operate on standard time.

I had introduced a bill, which is still pending. Hearings will be held in a few days. The purpose of the bill is to establish standard time throughout the United States. The bill has been referred to the Senate Committee on Interstate and Foreign Commerce. The Senator from Kansas [Mr. REED] is chairman of the subcommittee which will hold hearings on the bill. He will propose as a substitute a bill providing that daylight-saving time be standardized throughout the United States. At any rate, I take it that the able Senator is opposed to this haphazard, confusing program of daylight saving, under which one city is for it and another city is against it, one city adopts it and another city rejects it, and one State adopts it and another State rejects it.

Let me proceed with the letter:

Last summer was unduly hard on all mothers of children, particularly mothers who are also employed in offices.

God bless them. I think we ought to listen to the heart-rending appeals of the mothers of the city of Washington who have to rear their children and undergo the terrific heat and the stern discipline of daylight-saving time.

To divert for a moment, it looks as if the people of the United States during the war years grew accustomed to being regimented, and they have to be regimented in some sort of a way. They have got rid of most of the regimentation. They still have a modicum of rent control. But we have to have something else; we have to be regimented by an act of Congress which will tell us when to go to work, when to go to sleep, and when to arise in the morning.

The letter continues:

It is impossible to get children to bed before dark, which by the sun and standard time is about 8 o'clock, but by daylight-saving time becomes 9 o'clock. Contrary to arguments presented by daylight savers, the children, mine and all other children, did not sleep later in the morning, last summer, but, disturbed by the rising of their parents, got up with them, hence losing an hour of sleep. This was particularly hard on the children during the months of June and September when school was in session, and also affected children who attended day camps which start at 8:30 in the morning.

Mark these words:

A doctor in Philadelphia went on record in the newspapers last summer, that daylight saving was causing nervous disturbances in children and advocated return to standard time.

I am sure a city-wide poll on the question would prove that last year, the minority in Washington put over daylight saving merely by sheer noise.

Mr. President, in a few moments I am going to deal with the supposed referendum of the people of the city of Washington.

Let time remain "standard" in all the word implies.

Now I wish to say, incidentally, that the standard-time bill I introduced in the Senate has been endorsed by the District of Columbia Federation of Federal Employees. It is on record as being against daylight-saving time.

Mr. President, here is a letter from Mr. F. H. Schulz:

My desire and object in writing to you is to hope and pray for your success in the commendable stand you take against daylight-saving time. We have lived peaceably for years under standard time, and the people have made no complaint nor asked for a change. The railroad companies will not accept this false, interfering, deceptive, disturbing movement, preferring to remain consistent and correct.

And that is true.

President Truman was asked at a recent news conference if he would request daylight saving to save fuel. As you know, the answer was that daylight saving was "hooey," unless on a Nation-wide basis.

I should like to bring out the fact that the farmers, who are the most vitally important group, and on whom we depend for our existence, are entirely ignored and given no consideration. * * *

Based on the above, it is my opinion that daylight saving is strictly for the benefit of those persons interested in sports only, and is selfish, unjust, disturbing, and unqualified on any basis, whether local, Nation-wide, or world-wide. Congress should pass a law making it unlawful to change the standard time * * *.

Our local election on this subject is unfair and unreasonable, and Congress, being master of this situation, can keep us on standard consistency.

Mr. President, as I have read only excerpts from this letter, I ask that it be published in full in connection with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 29, 1948.

DEAR SENATOR OVERTON: My desire and object in writing to you is to hope and pray for your success in the commendable stand you take against daylight-saving time. We have lived peaceably for years under standard time, and the people have made no complaint nor asked for a change. The railroad companies will not accept this false, interfering, deceptive, disturbing movement, preferring to remain consistent and correct.

President Truman was asked at a recent news conference if he would request daylight saving to save fuel. As you know, the answer was that daylight saving was "hooey," unless on a Nation-wide basis.

I should like to bring out the fact that the farmers, who are the most vitally important group, and on whom we depend for our existence, are entirely ignored and given no consideration, notwithstanding the fact they do not have Saturday or Sunday leisure from their work. Some consideration should also be given to the mothers of children, as it is difficult to make children retire at the proper hour.

Based on the above, it is my opinion that daylight saving is strictly for the benefit of those persons interested in sports only, and is selfish, unjust, disturbing, and unqualified on any basis, whether local, Nation-wide or world-wide. Congress should pass a law making it unlawful to change the standard time, so we may continue our mode of living with regularity and consistency.

Our local election of this subject is unfair and unreliable, and Congress, being master of this situation, can keep us on standard consistency.

Sincerely yours,

Mr. F. H. SCHULZ.

WASHINGTON, D. C.

Mr. OVERTON. Mr. President, I have here a letter from a lady whom I know very well, and who takes a very active interest in all matters pertaining to the interests of the District of Columbia. She is Mrs. Leslie B. Wright. She says:

It would seem that any bill for daylight saving for the District should have a clause which would require a real probing of the wish of the District.

In that connection, Mr. President, I wish to say that before the vote is taken on the bill I shall offer an amendment which will call for an election on the part of the people of the District of Columbia. because I am satisfied from all I can gather that under a fair, square election the people of the District would vote overwhelmingly against daylight-saving time.

The bill last year required a referendum. What was held was a comic opera. Slips were provided at the District Building up on the fifth floor. Government workers could not get there as the hearing was at 10 a. m.

The very clerks in the District building were running upstairs to vote against daylight saving.

The most vociferous groups were business groups, and most of those testifying were from Arlington, Alexandria, Silver Springs, etc.

A real referendum should be held, with voting booths, and a check on the voters. Also it should be at a time when Government employees can attend.

No one got a ballot last year unless he toiled to the fifth floor of the District building and filled it in there.

The small membership of this junior chamber of commerce is certainly not representative of the citizens of the District.

The Bureau of Engraving and Printing's vote alone would have turned the scales the other way, but they could not get there. Their union objected. Also groups from Coast Guard Headquarters tried to get up a petition but were warned not to send one around.

General Accounting Office, postmen, all opposed. Insist on a real referendum. This association voted against daylight saving, but endorsed the referendum, thinking it would be a city-wide and thorough one.

Mr. President, I have read from youth, I have read from mothers, and I have read from patriotic citizens. Now I wish to read one other letter. It is from an old lady, 83 years of age. She has resided in the District of Columbia, I take it, all her life. She writes me under date of March 30 of this year:

DEAR SENATOR OVERTON: I see that you do not approve of daylight saving.

I wish you had it in your power to stop it all over the country. I think this change every year in different parts of the country is the cause of more jitters than you can imagine. Most mothers and farmers hate it, and if a real poll were taken, I am sure you would find 80 percent of the people against it.

In 1 day's travel in the West I had to change my watch three times.

The daylight saving only pleases a lot of idle people, who only think of pleasure. Also it is so bad for young children, for they run the streets so late.

You would certainly be doing every person good to stop this fool movement. I am so deathly sick of it.

It moves all the radio programs and certainly keeps one's nerves on edge. Do, I beseech you, put a stop to daylight saving.

God bless your efforts, and I am praying you will be successful.

Sincerely,

Miss MAY H. DICKINSON.

Still the battle goes on. There was a bill last year and there is one this year. The bill last year was proposed and ushered through the Senate by the Senator from Rhode Island [Mr. McGRATH]. He is not here today. I do not know why he should have deserted his baby. He turned it over to the Senator from Washington [Mr. CAIN], and the Senator from Washington is gone. Now we are honored with the opposition of the senior Senator from Delaware [Mr. BUCK].

Mr. President, with the opposition of all these humble people, the people who have to do the real work in the District of Columbia, the people who need sleep, the tired mothers who want rest at night, the little children who are awakened an hour before the regular time, and lose an hour's sleep each night—in spite of all that opposition, another bill is brought forward.

Methinks I hear a voice cry out:

"McGRATH doth murder sleep!" The innocent sleep,
Sleep that knits up the ravell'd sleeve of care,
The death of each day's life, sore labour's bath,
Balm of hurt minds, * * *
Chief nourisher in life's feast.

Mr. President, I apologize if there should seem to be any similarity of names of any persons living or dead. If there is any such similarity it is merely coincidental. I was simply quoting from Shakespeare.

Mr. President, I now want to refer to the election which was held, which the Congress of the United States ordered so as to determine whether the people of the District of Columbia wanted daylight saving. A referendum it is called. That word is much more euphonious than "election." I can hear the Senator from Rhode Island saying, "But you must do it, because we are going to have a referendum"—rolling it under his tongue. When I tell you about this referendum, I shall a tale unfold unto you that will freeze the blood in your veins and the very marrow in your bones.

Do Senators know what the population of the city of Washington is? According to a census taken in July 1947, there are 850,861 souls residing in the world's greatest capital. The referendum was not to be confined to the residents of the District of Columbia. In a spirit of grand liberality it was declared the referendum should be held not only among the citizens of the District of Columbia but among those of the environs of the District as well. According to the census the population of the metropolitan area of Washington is 1,205,220. That is what the Bureau of Census reported in April 1947. Of the 1,205,000 persons who were entitled to be heard in this matter, Mr. President, how many do you think there were with opportunity given them to be heard? I had better say first that the polls opened at 10 o'clock in the morning and closed at 12:45 p. m. That shut nearly every laboring man, nearly every laboring woman, almost every Federal worker, because such individuals could not forfeit a day's pay to go to the polls at 10 o'clock in the morning, or even by 12:45 in the day. Such persons were absolutely cut off from voting and denied the privilege of suffrage. I suppose the people of Washington are accustomed to that.

Now how many persons did vote in this referendum. Did 3,000,000 come forward and vote? No, Mr. President. Did 2,000,000 come forward and vote? No. Did 1,000,000? No. Did 500,000? No. Did 1,000? No. Did 500? No, Mr. President. There were 324 votes cast all told—324 out of 1,205,000 who were entitled to vote. There were 324 votes cast out of a total of 850,000 persons who live within the confines of the District of Columbia. The vote was 217 for and 107 against. So that is the grand referendum upon which the Senate proposes to act today, because there is no mention of a referendum or an election in the pending bill. That was determined last year.

So the bill provides:

That the Board of Commissioners of the District of Columbia is authorized to advance the standard time applicable to the District 1 hour for a period of each year commencing not earlier than the last Sunday of April and ending not later than the last Sunday of September. Any such time established by the Commissioners under authority of this act shall, during the period of the year for which it is applicable, be the standard time for the District of Columbia.

Mr. President, the bill proposes that there be no further referendum, no election, to determine the wishes of the voters of the District of Columbia, because 324 of these aristocrats of the city of Washington would impose upon the laboring mothers and the laboring men and the poor children of the District this damnable, infamous daylight saving time, and they are going to stand on that record—that is, according to the authors of the bill. I hope the Senate does not support them in their contention.

So much for that record. There were 217 votes cast in favor of daylight saving, out of 850,000 people in the District of Columbia, and out of 1,205,000 in the metropolitan area.

Mr. President, the sponsors of the bill and those who favor it are trying to foist daylight saving on the people of the District of Columbia. I would not care so much if it were not that this is our National Capital. If it were a little old place like New York or Philadelphia, let them have it if they want it. But the National Capital is the capital of the people of the United States. The people of the United States daily transact business with their Capital City. They telephone here expecting the doors of the different departments and agencies to be open on the basis of standard time, and that the employees are there to answer. They find the buildings are closed. The heads of the departments have left their offices, I presume, to play golf, because it is the golfers who, I am informed, are the moving spirit behind the proposed legislation in the District of Columbia.

Well, anyone who has communication with the people of the District of Columbia, with any of the departments, with any of the Representatives or any of the Senators must act according to a time of which they know nothing, in all probability. I heard one Representative who was called up by the Governor of his State, one of the far-off Western States, the Governor being a great power politically. The Consent Calendar was coming up in the House of Representatives that day. The difference of 1 hour under daylight saving made a tremendous difference in time between Washington and that Western State. He wanted the Representative to object to a certain bill on the unanimous-consent calendar. By the time he got in communication with him the bill, which was in its origin a Senate bill, had passed on the call of the calendar, and was then ready to be sent to the White House to become law.

I should like to say a word on behalf of the Commissioners of the District of Columbia. I know them all. I used to have a great deal to do with the government of the District of Columbia. Formerly I handled the appropriation bills for the District, and for many years I was a member of the legislative committee on the District of Columbia.

The consciences of the Commissioners smote them. They felt that there had not been a just and fair election, so they bethought themselves as to what they could do. They remembered something that was done in days of old when Joshua commanded the forces of the Israelites and was engaged in battle against the Amorites. So on the day on which daylight saving was to go into effect they bethought themselves that they would do what Joshua did when he stood on the plain surrounding the city of Gideon and said, "Sun, stand thou still upon Gideon; and thou, Moon, in the valley of Ajalon." So, according to dame rumor—I do not vouch for the absolute correctness of the account—but from what I learned my good friend, High Commissioner Young, the other Commissioner Young, and Commissioner Mason repaired to the Washington Monument and ascended to its utmost pinnacle. They were becomingly clad to suit the occasion. High Commissioner Young was the high priest, and he was clad in pontifical robes, with a mitre and crown. The others were attired in priestly robes. The High Commissioner had a megaphone in his hand. When the Lord of Day began to kindle with its rays the top of the Washington Monument then spake Commissioner Young, "Sun, stand thou still for 1 hour over the city of Washington; and thou, Moon, in the valley of the Potomac." That was repeated three times in stentorian tones.

Then the three Commissioners descended. When they reached the foot of the mountain they found that the great Lord of Day was gilding with golden rays the summit of the Capitol, and was strewing the dewey grass of the Mall with what Milton calls "orient pearls," and was marching on down, "in russet mantle clad," through the valley of the Potomac.

So that plan failed. They forgot that Joshua took counsel with the Lord God. Now they are undertaking to avoid any election by the people of the District of Columbia, and there will probably be no commands to the sun to stand still over Washington, or the moon over the valley of the Potomac.

Mr. President, I am very sorry to see so few Democrats in attendance. The Democratic Party is presumed to be the

party which stands for the poor, the humble, and the workingman. That has been its history. And yet when a Senator attempts to raise his voice in their behalf this side of the chamber is deserted. I see only four Democrats present. The Republicans are fairly well represented.. There really ought to be a quorum call and a forced attendance. Of what use is it for me to argue this question and bring out these facts when I speak to empty seats? When Senators do return, they will cast their votes with preconceived notions.

Mr. McFARLAND. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. OVERTON. I yield.

Mr. McFARLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. O'CONOR in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	O'Mahoney
Baldwn	Hoey	Overton
Bricker	Holland	Reed
Buck	Ives	Robertson, Va.
Capper	Lodge	Stennis
Chavez	Lucas	Thomas, Okla.
Cordon	McClellan	Thye
Donnell	McFarland	Vandenberg
Ellender	McKellar	Wherry
Ferguson	Maybank	Williams
Flanders	O'Conor	

The PRESIDING OFFICER. Thirty-two Senators having answered to their names, a quorum is not present. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators, and Mr. BALL, Mr. BYRD, Mr. DWORSHAK, Mr. JOHNSTON of South Carolina, Mr. MALONE, Mr. MARTIN, Mr. MILLIKIN, Mr. O'DANIEL, and Mr. SALTONSTALL answered to their names when called.

The PRESIDING OFFICER. Forty-one Senators having answered to their names, a quorum is not present.

Mr. WHERRY. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. GURNEY, Mr. COOPER, Mr. ROBERTSON of Wyoming, Mr. ECTON, Mr. WATKINS, Mr. RUSSELL, Mr. KEM, Mr. MORSE, Mr. MCCARRAN, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-one Senators having answered to their names, a quorum is present.

PRESENTATION OF HISTORIC AMERICAN FLAG TO CONGRESS

Mr. VANDENBERG. Mr. President, as part of the Army Day ceremonies, the Army has just presented to Congress a very famous flag. It is the flag which flew over the Capitol on the day of the Pearl Harbor calamity, but which lived subsequently to fly over the capitols in Berlin, Tokyo, and Rome in final victory.

I was permitted to participate, with the Speaker of the House of Representatives, in receiving this very sacred symbol and emblem of our liberty in behalf of Congress, on the plaza of the Capitol a few minutes ago, and I ask unanimous consent that at this point in the RECORD my brief remarks on that occasion be printed.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a deeply sacred privilege to be permitted to join in accepting this precious Flag of Liberation on behalf of the Congress and the people.

Whenever and wherever we salute the Stars and Stripes we greet the proudest symbol of liberty on earth. It is a flag of victory in war. It has led our finest sons in valiant defense of our great American inheritance. It is sanctified by their blood and sweat and tears—and by their martyred lives. But, above all else, it is a flag of victory in peace—the symbol of democracy's greatest achievement in human rights and fundamental freedoms. It is a flag of justice under law. Indeed, today it is everywhere the token of those homes by which free men live.

This particular Flag of Liberation adds still more to the sum of all these glories. It was flying o'er this Capitol in that dark hour when Pearl Harbor faced us with criminal calamity. But it survived to fly in victory over all the Axis capitols, which learned, once more, that the American spirit is invincible. It is a lesson that should encourage peace.

It is fitting that the Army should bring this flag home to us on Army Day. It reminds us of our debt to the Army—and to all the armed services which defend the honor and the security of the Republic. May their heroic tradition never wane. But, above every other prayer, may it be their destiny to carry on as the guardians of honorable peace.

We plot no conquest. We covet not one inch of alien soil. There is no taint of aggression in our souls. We hate war. We crave peace with justice—and none who shares this aim need ever fear that we shall be the first to draw the sword. But we love freedom. I say it again. We love freedom. And this Flag of Liberation will never—never—fly at half-mast over dead ideals.

DAYLIGHT-SAVING TIME IN THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (S. 1481) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

Mr. OVERTON. Mr. President, as I have stated, the bill is opposed by the Federation of Government Employees in the District of Columbia. It is also opposed by the Grange, and by the Farm Bureau Federation.

Daylight-saving legislation has been enacted in a few cities and States, mainly in the Northeast, but after one leaves the city of Washington and goes south or west of the Potomac he finds very few cities, comparatively speaking, which have adopted daylight-saving time. The bill is further opposed by the National Association of Broadcasters, it is opposed by the American Association of Railways, and it is opposed by sundry other organizations. It is also opposed by the Interstate Commerce Commission.

I should like for a moment to read two or three of the resolutions adopted by these organizations. The first is a resolution adopted by the National Association of Broadcasters:

Resolved, That the National Association of Broadcasters, because of the confusion to listeners and the disruption of orderly broadcasting brought about by the conflicting observance and nonobservance of daylight-saving time by various communities, endorses the principle of uniform-time system in each of the respective time zones of the United States and requests the officers of the association to promote Federal legislation to establish a uniform observance of time systems in each of the respective time zones of this country, and be it further

Resolved, That pending such Federal action to assure a uniform-time observance, it is recommended that the networks give serious consideration to the feasibility of operating on standard time.

Some broadcasting stations, I think most of them, in conformity with the influence of New York, where so many of the broadcasts originate, did go on daylight-saving time. But that is not true throughout the country, and some of them still adhered to standard time, which resulted in great confusion.

I have here a resolution adopted by the fourteenth district meeting at Salt Lake City, Utah. I ask that it be printed in the RECORD without reading.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the periodic changes in time adversely affect the ability of the broadcasting industry to properly serve the listening public and create maladjustments in the broadcast schedule to the disadvantage of the listeners: Now, therefore, be it

Resolved by the fourteenth district of the National Association of Broadcasters, That we cooperate with other industries similarly affected in developing some plans whereby uniform time may be applicable throughout the country and throughout the year.

Mr. OVERTON. Mr. President, I have here a similar resolution adopted by the National Association of Broadcasters District at San Francisco, one adopted by the thirteenth district at Houston, Tex., one adopted by the tenth and twelfth districts in Kansas City, Mo., one adopted by the eighth, ninth, and eleventh districts in Chicago.

In addition to these, the Interstate Commerce Commission, in its sixtieth annual report, published November 26, 1946, after pointing out the confusion and uncertainty resulting from daylight saving enactments by various States and municipalities, declares as follows:

We have repeatedly recommended additional legislation broadening the scope of the Standard Time Act, so that the standard time provided thereby for the four zones in the United States proper be made the exclusive measure of time for all purposes within the respective zones. In the last session of the Congress a bill was introduced which would have had that effect and was referred to the Committee on Interstate and Foreign Commerce, but no action was taken thereon. We renew our recommendation that Congress amend the Standard Time Act so as to occupy the legislative field to the exclusion of State legislation and local ordinance respecting the vast body of daily transactions which do not now fall within the scope of section 2 of that act.

The Interstate Commerce Commission renewed its recommendation on November 1, 1947. I ask that that recommendation be printed in the RECORD without reading.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

That the Congress amend the Standard Time Act so as fully to occupy the legislative field respecting standards of time to be observed throughout the Nation.

Mr. OVERTON. Mr. President, in its eighty-first annual session, held in Columbus, Ohio, last November, the National Grange adopted the following resolution:

Whereas there has been much confusion caused by the use of both standard time and daylight-saving time in the same zone; and

Whereas daylight-saving time is a hardship on agricultural people: Therefore, be it

Resolved, That we reaffirm the action of the previous National Grange convention by favoring Federal legislation to make standard time mandatory in each time zone in the United States.

Mr. President, I am going to do something that is rarely done in the Senate. I am going to quote rather extensively from the Bible. We are undertaking now to enact a man-made law which is contrary to the precepts of the Bible and the ordinances of our divine Creator. I read from the Bible as follows:

In the beginning God created the heaven and the earth.

* * * * *

And God said, Let there be light: and there was light.

That was the beginning of daylight.

And God saw the light, that it was good: and God divided the light from the darkness.

And there was day and there was night.

And God called the light Day, and the darkness he called Night. And the evening and the morning were the first day.

* * * * *

And God said, Let there be lights in the firmament of the heaven to divide the day from the night; and let them be for signs, and for seasons, and for days, and years:

* * * * *

And God made two great lights; the greater light to rule the day, and the lesser light to rule the night: he made the stars also.

And God set them in the firmament of the heaven to give light upon the earth,

And to rule over the day and over the night, and to divide the light from the darkness: and God saw that it was good.

* * * * *

And God saw everything that he had made, and, behold, it was very good. And the evening and the morning were the sixth day.

Thus the heavens and the earth were finished, and all the host of them.

* * * * *

These are the generations of the heavens and of the earth when they were created, in the day that the Lord God made the earth and the heavens.

The quotations are taken from Genesis, chapter 1.

I read one verse from the Psalms, Psalm XIX:

The heavens declare the glory of God; and the firmament sheweth his handiwork.

Now, standard time is God's time, the time that was set from the very creation of the world, the time based on the rising and the setting of the sun, the time based on dividing the light from the darkness, and the darkness from the light, the time based on the signs that the Lord God set among the heavens, to fix the days, and the years, and the seasons.

Mr. President, this bill is radical, irreligious, iconoclastic, infidelic, agnostic, blasphemous. We should follow God's time. Why undertake to fix by an act of Congress another and a different time for the District of Columbia, or any other part of the United States.

There is no argument I know of that can be brought forward successfully to defend daylight-saving time. It does not save any time. To save time it ought to be in the winter; it ought not to be in the summer. Daylight saving ought to be in the winter when the days are shorter and the nights are longer, and not in the summer when the nights are short and the days are long.

It is not only the golfers and the nouveaux riches to whom I have referred, and the aristocracy of the District of Columbia, who want this daylight-saving time. There are a great many people to whom the idea appeals, as a sort of a fantasy. They are undertaking, they think, to improve the world. There is nothing that is accomplished by daylight saving, because the sun rises in its own time, and it sets in its own time prescribed by our Father in Heaven at the time of the creation of the universe. But these people in their fantasy, with their eyes "rolling from earth to Heaven and from Heaven to earth" undertake to "body forth the forms of things unknown, and to give to airy nothing a local habitation and a name." Daylight saving is an airy nothing which is given a local habitation and a name.

How can we alter that which has been provided from the beginning? How can we as a legislative body undertake to supplant the powers of the Heaven and to administer daylight according to our own will and according to our own decrees, and not God's?

Who was it, Mr. President, that set this ball we call the earth rolling through the heavens? Who was it that gave it its rotary, oscillating, elliptical motion around the sun, giving us, as the Bible says, the days, the seasons, and the years? Who was it that set all the planets revolving around the sun in our solar system? Who was it that created solar systems upon solar systems through the limitless spaces of heaven—solar systems in which there are planets 25,000 times the size of the earth, and yet all rolling in perfect unison to the music of the spheres? Yet here we undertake to contravene God's holy ordinances, to contravene what He has ordained from the beginning, which has been lasting from the beginning, which will continue through the ages.

Mr. President, when I first came to the United States Senate I felt that it was my duty, in order properly to represent my constituents and my Government, to read every bill that was introduced in either the Senate or the House in order to ascertain whether it was good or whether it was bad. I labored long hours upon this almost superhuman task, labored until midnight and after midnight in my office. Some of the bills were so absurd that they never got out of committees. Some of them were so bad that they never reached the floor of either House or the Senate. Most of them were ill-advised and ill-conceived. After reading through those bills I would go out to the Capito' Park to get a breath of fresh air and look up into the heavens. It seemed to me that the stars were like the eyes of pitying angels looking down upon the bipeds we call men, moving with halting, faltering, and often stumbling steps toward that divine event to which all creation moves.

Mr. President, in Battery Square in New York City there used to be a gun which was called the sunset gun. Perhaps the Senator from New York [Mr. IVES] can tell me whether the sunset gun is still fired in Battery Square in New York.

Mr. IVES. Mr. President, I presume that question is directed at the junior Senator from New York. So far as I know, there is a great deal of construction going on at the present time around the Battery, and I doubt if the sunset gun is fired at present.

Mr. OVERTON. I thank the Senator for the information. I did not know. It is only about once in a decade that I ever visit that wicked city, and then it is under compulsion. When I went there years ago in my callow youth, the sunset gun in Battery Square was fired every day at sunset. An Irishman was coming from the old country to live in this country, and just as he stepped on the pier the sunset gun was fired. He leaped in the air, clicked his heels together three times, and said, "What a great country this is, when the sun goes down with a bang like that."

I am sure that if that Irishman were to visit here today and the sunset gun were fired according to daylight-saving time he would jump off the pier and try to save himself from what he conceived to be a bombing of New York City.

Mr. President—

The time is out of joint: O cursed spite
That ever I was born to set it right.

We have fantasies of all kinds, regimentation of all kinds. We call ourselves a democracy living under liberty. Again I make the observation that the Democratic side of the aisle is practically deserted. The Democratic Party is supposed to stand up for the rights of the American people. It is a party which is supposed to take its stand by the poor, and by the side of the sweating brow of labor. Gone is the campaign leader who fathered the bill. He has left it here as an orphan to be taken care of by the able Senator from Delaware.

Mr. President, there is much more that I could say about this bill, but I know that it is useless to undertake to speak after we have had two quorum calls and sent the Sergeant at Arms after absent Senators. There are now 11 Senators in the Chamber. We have just been honored by the presence of the senior Senator from Wyoming [Mr. O'MAHONEY]. He makes the eleventh.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. MALONE. Mr. President, I am in receipt of a petition from employees of

the Department of the Interior. I have not counted the number of names, but I judge that the petition is signed by between 400 and 600 persons objecting to daylight-saving time. The petition was submitted to me through a telephone conversation saying, in effect, that they had noticed that I had objected to the bill when it came up on the unanimous-consent calendar—therefore they were relying upon me to make it known that the request for daylight-saving time for the District was far from unanimous.

It is my present conviction that any interference by the Congress of the United States in the long-established regular standard time should be on a national uniform basis joined in by the transportation systems, and not to encourage a haphazard system where two different systems—daylight saving and standard—are prevalent in some cities and communities, merely adding to a general state of confusion.

To the District Committees of the Senate and the House of Representatives on Daylight-Saving Time:

We, the undersigned taxpaying property owners and residents of the District of Columbia and vicinity, object to having daylight-saving time imposed upon us now or in the future, for the following reasons:

1. Because we see no reason why we should be inconvenienced by having our hours changed from standard time to daylight-saving time to accommodate a few people, the majority of whom have no responsibilities and are seeking only pleasure and recreation.

2. Because we do not want to put our children to bed with the sun still shining and it is still too hot and noisy for them to get to sleep.

3. Nor do we want to get our children up so early when it is cool and the best time for them to sleep, to go to school, or those of us who work and have to take them to some place to be cared for during the day.

4. Because it is impossible for those of us who work and have home duties and responsibilities to get enough rest to be efficient on our jobs.

5. We do not want to go to bed before it is dark and still too hot to sleep in order to try and get enough rest to keep going and be able to arise in time to get to work at an early hour, in order to give some people who have nothing to do a little more recreation time. These people already have enough daylight time without changing the hours.

6. We do not need any more daylight time than we already have on standard time to get our gardens worked, as the days are long enough in the summertime.

7. We do not want the time changed because so many of us have to be at work at 7:45, which necessitates getting up around 4:30 a. m. standard time or 5:30 daylight-savings time, before it is really light, and then we get off duty right in the heat of the afternoon, when it is too hot to do anything.

8. Because we miss the most enjoyable part of the summer evenings by having to go to bed with the chickens, and miss the good sleep in the cool of the early mornings.

9. Because all social affairs have to be avoided to live a life of work, eat, and not enough rest and sleep. People who are the backbone of the community are too busy with important things and necessary duties to have much time for unnecessary recreation.

10. Because the busses and trains run on standard time, which causes so much confusion in travel.

11. Daylight-saving time also works a hardship on the farmers and dairymen and others who furnish produce to Washington and nearby suburbs. They usually get up about 4 a. m. in order to reach the markets early, and when the District is on daylight time this necessitates their starting their day about 3 a. m. As a consequence, many of these farmers have decided to furnish milk and other products from the preceding day. Thus, these dairy and farm proucts do not reach the markets and homes as fresh as they would if daylight saving were not in effect.

W. R. Grayson, C. J. Grayson, M. Haynes, J. Williams, M. Taylor, M. Dory, R. Maison, N. Smith, D. Woodson, M. M. Bell, I. W. Hamilton, M. A. Warner, R. A. Biscoe, R. Diggs, M. I. Dent, M. Addison, D. W. Dixon, M. I. Samuals, G. Ford, M. I. Lipscomb, J. M. Taylor, L. E. West, A. M. Reid, J. C. Josephs, R. A. Brown, V. H. Reid, J. M. Holley, M. I. Duckett, J. M. Bennett, R. Green, R. Hanson, M. Williamson, D. Williams, C. E. Edyland, H. James, A. R. King, Prince A. Lynch, Thelma Brown, Mary E. Johnson, Camence Nash, Ruth Elridge, George Dorsey, Griffin Fosett, Edith Sullivan, James Smith, Alberta Qualls, Bernice Hatton, Conley Hatton, Mary Smith, Eloise Duckett, Areatha King, William G. Brown, Annie W. Lynch, Mrs. J. P. Rappolt, Mr. J. P. Rappolt, Mrs. R. N. Feltwell, Anni E. Head, Jennie Welch, Mrs. M. T. Ingraham, Mrs. Fannie Dunbar, Katherine Knight, Mrs. James H. Brodnax, Mrs. Willis Fleetwood, Mrs. E. L. Bradford, Mr. and Mrs. R. M. Feltwell, E. Marvine, Elizabeth Waldo, Myra Magee, Inez F. Bell, Mrs. Elizabeth M. Bailey, A. G. Kenyon, Albert L. Kenyon, T. W. Wheat, Chas. T. Morse, Grace H. Morse, Mrs. Margaret Wilson, Andrew Wilson, Henning H. Burton, Mrs. John H. Connaughton, Belva Hoch, Mary H. Bengel, Mrs. D. S. Shook, Mrs. Dorothy E. Stone, Mrs. Jas. A. Lessard, Norine J. Fauble, Katherine Lewis, Mrs. E. Dewey, Miss Janet Tinker, Irma McInturff, Edna G. Matthews, Helen Turner, Mercy Creech, T. J. McDowell, Mrs. Roy Beggs, Harry L. Bell, Theodore Smith.

Myrtle V. Arundel, Doris Woychuk, Henry Woychuk, Maxine Portch, David Portch, John W. Teagle, Helen Teagle, Ford E. Teagle, J. C. Butler, Catherine Butler, Roy C. Gordy, John P. Thompson, W. R. Struece, Allen K. Hines, M. Fields, L. J. Rogan, Jr., Ernest C. McClure, H. W. Brown, R. J. Dungan, W. H. Andes, Nelson E. Rodeffer, A. B. Cooke, Fred J. Laskill, R. S. Harris, Delta O'Dell, Hallie R. Reynolds, Ruth C. Jackson, Mary Lou Mossey, E. L. Rowan, Catherine K. Nonamaker, Elouise K. Fletcher, Kathryn Irwin, Robert S. Weaver, Ethel E. Shifflett, Lois L. Allen, Vernon F. Athey, Frances Kraft, Maude V. Athey, Albert Whimpey, J. W. O'Brien, Shirley Owens, Cecil T. Owens, C. D. West, Alice West, Mr. and Mrs. Peter Comer, Mrs. Grace Dochery, Robert D. Dochery, L. N. Arundel, Dorothy G. Catterton, Irvin E. Catterton, Edna A. Carmichael, Olive C. Harrell, F. W. Batel, John R. Thornton, Thomas H. Knott, Dorothy A. Knott, Philip McAleer, J. A. Bauman, J. R. Mayberry, W. E. Knox, E. F. Farley, George R. Clarkson, S. S. Fort, L. G. Atchison, G. M. Cook, Edith E. Swart, A. H. Davies, J. O. Dittenhafer, W. F. Taylor, E. F. Boucher, John Wilson, Mrs. Esta Pankey, D. T. Pankey, Barney Barnes, Dick Newhirk, Tommie Knott, Blanche Whitside.

Emma Jordan, Juanita Boston, Rosie Jennings, James Monroe, Juanita Monroe, Leroy Green, Mary Johnson, John Gantt, Susie Gantt, Richard Foggy, Conrad Alexander, Flora Alexander, John Hill, Viola Hill, Sylvester Boston, Martha Brown, Willie Whopper, Cordelia Whooper, Everite Boston, Edna Boston, Dorothy Boston, Willie Hensley, Alberta Jackson, Achil James, Althea James, Mrs. Lucille Evans, Mr. and Mrs. Stephen Winn, Mrs. Ida Warrick, Mr. and Mrs. Roy Kelton, Mr. and Mrs. James Brooks, Wilbert Anderson, Willie Poteat, Mrs. Katie Randall, Mrs. Sadie Harrison, Mrs. Sarah Brooks, Mrs. E. F. Sutton, Edith L. Sullivan, Mrs. Dorothy Miller, John Henry Ragins, Mrs. Ethel Snowden, Mrs. Annie Mae Taylor, Mrs. Mabel Eshleman, Walter W. Beale, Martha L. Keith, Helen McNew, Dorothy M. Parrish, Eunice Mercer, Jacqueline R. Watts, Mamie S. Knott, Al Collins, Thomas H. Mercer, Elfriede Thomford, Mrs. Emma Thomford, M. W. Thomford, Sarah C. Waters, Esther H. Chapman, William Chapman, Eva Robinson, Grace Bell, Esther Bell, Helen S. Dame, Dora M. Shanaberger, Henry Spangler, Mrs. Paul V. (Mary R.) Bebe, Mrs. Elizabeth Harrison.

Martha S. Meeks, Theresa F. Luckett, Mrs. Emma C. Luckett, Anna Gabor, Hugh L. Dryden, Jr., Hugh L. Dryden, John A. McAneny, Mary L. McAneny, Ruth Dryden, Mary L. Dryden, Sarah E. Kincaid, D. J. Pavarese, Herbert H. Peterson, Ruth G. Peterson, Richard T. Rodda, Melva L. Rodda, Henry K. Dinan, Mrs. A. A. Dinan, Lillian R. Shoppy, Elsie L. Yeatman, R. Helen Jones, Helen Lenzen, Wm. H. Brown, Gertrude A. Shoppy, Gladys V. Frost, Mrs. E. G. Mohler, Eva M. Wentzel, Walter B. Williams, C. C. Camp, Ann L. Williams, Geo. A. Vitas, A. P. Cole, Helen G. Williams, Carlyle Crook, William H. Smothers, Stephen E. Morgan, Florence S. Harries, R. Annette Berube, Emanuel S. Brown, Sara F. Cullimore, Sydney G. Cullimore, Agatha K. Fallon, Charles S. Parnell, A. H. Frazier, L. Peirson, Calvin Peirson, Nancy T. Dryden, S. J. Skinner, Alvin Carper, Harold Redman, Lester O. Stotler, Maude E. Little, Theo J. Alley, Mrs. George Miller, Mrs. T. E. Nugent, Mrs. M. H. Richey.

Thomas E. Cheaney, Llewellyn J. Moore, Robert E. Laney, Wallace Moore, Arthur C. Harvey, Sefford Lane, J. P. Scharlje, Theo. B. Gittings, Paul E. Filmer, Ajelon A. Dinaer, Antoinette S. Young, Hollis H. Clark, Howard L. Hazeltaker, Harry C. Shepherd, Hobart W. Francis, Irene Staps, Paul L. Yost, Ida Andrews, Kenneth O. Pratt, Austin Van Wooten, Jas. C. Godwin, Tollie C. Haltzclaw, Charles W. Peters, Thomas W. Holder, I. A. Bowman, E. L. Warden, E. Reynolds, Jack L. Lambert, Odes White, G. E. Lamir, I. Connole, Roy E. Hill, Sherwood D. Rodman, Wm. W. Hutchinson, D. L. Green, O. D. Davis, R. E. Cross, D. J. Birdzell, H. W. Starkloff, B. E. Smice, E. O. Trainor, H. B. Arington, A. C. Doyle, Theo. A. Schultz, Thomas M. White, Ralph W. Magee, J. D. Smelt, Ida Andrews, Dorothea Molander, Elizabeth Townsend, Winifred R. Beverley, Suzane Seginah, Hilda S. Courtney, Irene Orndorff, Elbert Y. Poole, I. A. Bowman, J. Davis, Charles W. Peters, J. L. Neese, James L. Morrissey, Paul J. Dempsey, Albert Lemp, Homer G. Wood, E. T. Montgomery, L. B. Quimby, Emil Bugosh, Charles E. Erdmann, George G. Moore, Marian F. White, N. S. Dove, N. J. Dove, Ann White, Helen R. Yost, William J. McCarthy.

Emory P. Roberts, J. E. Kresky, R. H. Gurganns, L. M. Davis, John E. Boardley, William J. Smith, Coleman Bado, Bertha L. Hales, Vincent E. Matthews, Isadore D. Richards, Benjamin Jones, J. T. Morrison, Jr., C. D. McCloud, L. F. Newman, K. M. Burke, Gloria F. Yock, Marion A. Carpenter, Catherine Gunerman, Lewis Newell, Rachel Colvin, Mildred E. Ward, L. A. Fanget, C. R. Montgomery, John J. Sullin, Gerhard Lubbers, Alma O'Connor, Mary F. Edens, Emilie R. Dowell, Eugene L. Rzaezowski, M. Waugh, Raymond Tyler, Lorena J. Herman, Willa V. Winters, Bonita L. Combs, Nelle Bowen, A. L. Brow, E. V. Gannell, I. C. Bamble, Lorene Dyson, John C. Rabbitt, Wm. G. Schlecht, R. E. Stevens, John L. Mergner, Frank S. Reed, Willie Rollins, Grover C. Moreland, W. G. Schaller, Michael Fleucher, Pete N. Manthos, I. W. Avery, J. E. Buket, J. E. Norton, Mrs. Kaddy G. Clark, Fielding Bird, Violet Ann Hambleton, Marion M. Miller, L. V. Mann, Geba Lune, John D. Northrop, Lucie M. Wiltshire, M. J. Mellinger, Lloyd L. Young, Jessie R. Green, Octavia L. Wyman, Benjamin E. Jones, Myrtle V. Newman, Cecilia M. McNamara, Helen T. Gerson, Catherine K. Nonamaker.

Mr. President, if the Senator from Louisiana will further yield, this petition was forwarded to me because it had appeared in the press that I had

objected upon one occasion when the bill was reached on the call of the calendar. To keep the RECORD straight, let me say that I have no deep convictions on the question of daylight-saving time. We have a certain amount of work to do, and I believe that most members of this body work as long as they can get their clerks and secretaries to work, so it really makes very little difference to us personally in our work here.

However, I live 3,000 miles from here. When one is looking up the time when he is to arrive in San Francisco, Reno, or Salt Lake City on the plane or train, he finds that he must cross three time zones. He wonders what cities have daylight-saving time and what cities have standard time. He never knows what time it is anywhere. He may be an hour late or an hour early for a train or plane. It is very annoying.

As I have stated, I have no deep convictions on the subject; if it suits the convenience of this body, and if the city of Washington really ought to have daylight-saving time, I shall not stand in the way. Because of the fact that I had previously objected to consideration of the bill, the signers of the petition wanted me to know that the sentiment among the Government workers in Washington, D. C., was by no means unanimous in favor of daylight-saving time.

Mr. OVERTON. I thank the Senator for his valuable contribution.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. BUCK. Will the Senator from Nevada state the number of names on the list?

Mr. MALONE. I have not counted them accurately, but I judge there are approximately 500. There are about 15 pages.

Mr. BUCK. Would the Senator think that would be approximately 1 percent of the employees of the Federal Government in the city of Washington?

Mr. MALONE. Perhaps so, or probably less. At any rate, the opinion on this subject is not unanimous in the District of Columbia; I simply wished to point that out. Perhaps if the petition had gone to other departments, other names might have been added to it. I do not attempt to say whether that would be the case, of course.

Mr. President, to my mind the whole matter is silly. On the other hand, to other persons it makes sense. So I shall not attempt to stand in the way of the view of the majority of the Senate, if a majority of the Senate wishes to vote for this bill. But I do wish to point out that some of the people of the city of Washington do not want to have daylight saving go into effect. Of course, the Senator from Delaware has stated that the percentage of people in the District of Columbia opposing daylight saving time is a small one.

Mr. OVERTON. Mr. President, the Senator from Nevada agrees with the President of the United States, when he says that daylight saving is hooey; does he not?

Mr. MALONE. It is worse than that. This is merely one more thing piled on many other things. A few years ago Congress would never have considered doing such a thing—among other things. I shall not go into detail regarding them now, but I think we are carrying on these matters to such a degree that finally the people of the country will rise up.

Mr. OVERTON. Mr. President, before I conclude my remarks, I wish to offer an amendment and send it to the desk and have it read for the information of the Senate. It is an amendment in the nature of a substitute, and I shall offer it.

Mr. President, I appeal to the Senate on various grounds. The first one is that this bill adds to the confusion.

In the second place, there never was any referendum in the true sense of the word among the people of Washington, for only approximately 300 persons voted, out of 1,250,000 persons in the metropolitan area. The purpose of my amendment is to see to it that there is a fair and square election in order to determine what are the wishes of the people of the city of Washington in this matter. That is the theory on which the bill of last year was enacted: namely, that the people of Washington would be consulted, to determine what their preference was.

Mr. President, I have appealed to Senators from the pages of Holy Writ. Now I shall appeal to the Senate by asking Senators, if they do not pay attention to any of my other arguments, to remember Old Father Time. I should like to read, in part, a poem entitled "The Closing Year," by George D. Prentice:

Remorseless Time!
Fierce spirit of the glass and scythe! What power
Can stay him in his silent course, or melt
His iron heart to pity? On, still on
He presses, and forever. * * *
Revolutions sweep
O'er earth, like troubled visions o'er the breast
Of dreaming sorrow; cities rise and sink
Like bubbles on the water; fiery isles
Spring, blazing, from the ocean, and go back
To their mysterious caverns; mountains rear
To heaven their bald and blackened cliffs, and bow
Their tall heads to the plain; new empires rise,
Gathering the strength of hoary centuries,
And rush down like the Alpine avalanche,
Startling the nations; * * *
Yet Time,
Time the tomb-builder, holds his fierce career,
Dark, stern, all-pitiless, and pauses not
Amid the mighty wrecks that strew his path
To sit and muse, like other conquerors,
Upon the fearful ruin he has wrought.

Mr. President, I now send to the desk the amendment which I offer, and I ask to have it read for the information of the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That the Board of Commissioners of the District of Columbia is authorized to conduct a referendum among the residents of the District of Columbia on the question of establishing daylight-saving time in the District. Except as hereinafter provided such referendum shall be held under such rules and regulations and at such time and places as may be prescribed by the Commissioners, who shall likewise provide all machinery of election.

(b) For 2 weeks prior to the holding of such referendum the Board of Commissioners shall publish not less than three times weekly in the four leading dailies published in the city of Washington a list of the polling places, the polling officials, and the time of opening closing of the polls.

(c) All persons 21 years of age and over who have resided in the District of Columbia not less than 1 year prior to the date of holding such referendum shall be qualified to vote at such referendum.

(d) Polling places shall be established at such places in the District as the Commissioners shall determine will be most convenient to afford the largest number of qualified voters an opportunity to vote. All polling places shall be open for voting from 6 o'clock ante meridian to 8 o'clock post meridian on the day during which such referendum is conducted.

(e) There shall be five officials, exclusive of watchers, in charge of the conduct of the referendum at each polling place. Not less than two nor more than three of such officials shall be persons who favor daylight-saving time and not less than two nor more than three shall be persons who oppose daylight-saving time. There shall be two watchers at each polling place and at each place where counting of ballots is conducted. One watcher shall be a person in favor of daylight-saving time and one shall be a person opposed to daylight-saving time.

(f) The ballot shall contain only the statements "For Daylight-Saving Time" and "Against Daylight-Saving Time," and appropriate squares for marking the voter's choice, which mark shall be by pencil mark in such square. The statement receiving a majority of the total valid votes cast shall be the choice of the residents of the District on the question of establishing daylight-saving time.

SEC. 2. If the result of the referendum conducted pursuant to the first section is in favor of establishing daylight-saving time, the Board of Commissioners of the District of Columbia is authorized and directed to advance the standard time applicable to the District 1 hour for a period of each year commencing not earlier than the last Sunday of April and ending not later than the last Sunday of September. Any such time established by the Commissioners under authority of this act shall, during the period of the year for which it is applicable, be the standard time for the District of Columbia.

SEC. 3. There are authorized to be appropriated, out of any money in the Treasury to the credit of the general fund of the District of Columbia not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

Amend the title to read: "A bill relating to the establishment of daylight time in the District of Columbia."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. BUCK obtained the floor.

Mr. MALONE. Mr. President will the Senator yield to me?

Mr. BUCK. I yield.

Mr. MALONE. I have noted very carefully the amendment the Senator from Louisiana now offers to the bill. I should like to point out that the people of the District of Columbia are not the only ones affected. I wish to say again that although perhaps Senators who live within a few hundred miles of Washington or in approximately the same longitude will not be particularly affected—for normally there is no difference between the time in Washington and the

time in their communities, so probably they will not be very much inconvenienced by such a change—nevertheless, if a change of time such as the one now proposed is made, persons in Reno, Nev., or Las Vegas, or on the Pacific coast will be very greatly inconvenienced. For instance, if during the afternoon I were making a telephone call to Washington from my home office, if daylight-saving time were in effect most of my office force would have left the office for the day before I could get in touch with them by telephone. At the present time there is a difference of 3 hours between eastern standard time and the time in the Pacific coast and far western areas, and that difference would be increased to 4 hours if daylight-saving time were to go into effect in Washington. That would cause a terrific inconvenience.

What I have said indicates the importance of this matter to such persons, I believe. I really fail to see that upsetting the entire time arrangement in the whole United States is worth while.

If the railroads and the air lines and other means of transportation and communication would change their time to conform to our whims, that would be satisfactory; but that is never done. In other words, anyone who travels has to remember that such a change in time will cause him to be either an hour earlier or an hour later than normally would be the case. Of course, that is most important in connection with traveling by railroad or by airplane. Perhaps a traveler will miss his plane or train because, under those circumstances, he will be either an hour earlier or an hour later than he normally would.

I, for one, feel that daylight-saving time confuses the entire time schedule. I wish to point out to my distinguished colleague the Senator from Delaware that it is not altogether a matter of consulting the wishes of the people of the District of Columbia, for they are not the only ones concerned in this matter.

Mr. BUCK. Mr. President, I rise to oppose this amendment. If it is not its purpose, certainly its result would be to kill the pending bill.

I agree in part with what the distinguished Senator from Nevada has said about inconvenience to the Members of Congress. To some extent, I think daylight-saving time does cause such inconvenience.

But I am interested in trying to serve the people of Washington, of whom, according to the evidence adduced at the hearings, the majority are greatly in favor of daylight saving for the city.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BUCK. I am glad to yield.

Mr. OVERTON. The Senator knows that in the referendum conducted by the Commissioners there were less than 400 votes cast, out of 1,200,000 people in the metropolitan area of the District of Columbia. Presumably, there were at least 500,000 qualified to vote. With the polls open from 12 to 12:30, no opportunity was given the people to express their wishes.

Mr. BUCK. I did not have those facts, I may say to the Senator, but from the hearings we conducted last year and from the figures which I earlier placed in the RECORD, there is concrete evidence that a majority of the citizens of the city would like to have daylight saving.

Mr. OVERTON. Mr. President, if the Senator will further yield, I should like to read the official communication from John Russell Young, president of the Board of Commissioners of the District of Columbia, on that subject. In a letter addressed to me under date of November 17, 1947, he said:

MY DEAR SENATOR OVERTON: In response to your telephone call for information relative to the daylight-saving-time hearing, I am pleased to submit the following:

1. Date and time that hearing began: Wednesday, May 7, 1947, at 10 a. m.

2. Date and time hearing ended: Wednesday, May 7, 1947, at 12:45 p. m.

3. How many persons actually testified in person? Seventy-nine.

4. How much written testimony pro and con—letters, cards, etc.?

Ballots cast at hearing:

	For	*Against*
Individuals	147	98
Organizations	70	9
Communications:		
Individuals	3,226	689
Organizations	85	19

5. Is transcript of hearing available? Yes. Copy is attached hereto.

I hold in my hand a transcript of the hearing, containing very few pages, which I shall be glad to show the Senator. There were actually less than 400 votes cast.

Mr. BUCK. Mr. President, notwithstanding the objections of the distinguished Senator from Louisiana, I maintain that the people of the city want daylight saving. There is nothing in the bill now before the Senate really except the offer of a small crumb of home rule to the disfranchised residents of this city. I do not know of anything less they could ask in the way of self-government than what is contained in the pending bill. It does not provide daylight saving for the city. It simply permits the Commissioners to hold hearings and then decide whether or not they think the citizens of Washington want it. I hope the bill passes.

EXPORTS TO RUSSIA

Mr. ROBERTSON of Wyoming. Mr. President, I am deeply concerned, and the people of my State are deeply concerned, about the material and supplies going into Russia and her satellite countries. The people of my State, and I believe over the entire United States, particularly in the West, remember vividly shipload after shipload of scrap iron and petroleum products shipped to Japan almost up to the day of Pearl Harbor. In the months and years that followed this scrap came back to us in the form of shot and shell, bombs and planes, directed against our own brothers and sons.

I submit that the time has come when the United States must carefully examine its foreign policy in the light of the relationship between our trade program and our military program. It is time we let the left hand know what the right hand is doing.

I voted against every foreign-aid bill except the European recovery plan, because it seemed to me to be utter folly to be sending millions of American dollars to the Communist threatened countries of Europe, when in the final analysis Russia was to be the chief beneficiary. In the current issue of United States News there is a clear and concise analysis of the present situation.

Let us see how these programs worked. The British loan was for three and three-fourths billions. According to the analysis in the United States News, last year Britain shipped $49,000,000 worth of goods to Russia and more than twice that amount to countries in eastern Europe, chiefly satellite nations of Soviet Russia. Machinery made up more than four-fifths of Russia's purchases. In return Britain purchased from the eastern European countries more than $100,000,000 worth of cotton, timber, furs, canned fish, manganese, and other goods. In these transactions, therefore, the Russians maintained a favorable balance of trade by sending $51,000,000 worth of goods in excess of those purchased. It is not unreasonable to suppose, therefore, that these were American dollars, for the most part, which Russia gathered in from trading with Britain last year.

We learn now that Britain is planning to boost her trade with Russia this year under a new trade agreement, whereby machinery for timber cutting, petroleum, and electrical works are to go to Russia in exchange for 738,000 tons of fodder.

Let us take another example. Last year the United States offered interim aid to France, Italy, and Austria in the amount of $540,000,000. Last year France shipped to eastern Europe goods worth $47,000,000, and paid $55,000,000 for goods received from these nations, including Russian satellites. French exports consisted of trucks, wools, chemicals, and textiles. She imported wood pulp, paper, lumber, coal, and grain. While the difference here is smaller, France still paid out $8,000,000 more than she received. We must therefore conclude that our loans are subsidizing this unfavorable balance of trade.

It may be contended that there is very little the United States can do to control the trading of European nations, including the beneficiaries of our many foreign-aid programs. But let us see what the United States has been doing in the trade with Russia. The United States is doing more business with eastern Europe than with any other western European country. According to the analysis to which I have referred, the Soviet bloc got 23 percent of its imports last year from the United States.

During 1947 the United States sent $431,000,000 worth of goods to Russia and her satellite nations. A large percentage of this total was in machinery and vehicles, usable in peace, no doubt, but also usable in war. Almost 12 percent of the United States' machine and tool exports went to Russia. And what were our imports from Russia? We received $154,000,000 worth of furs, manganese, chrome, wood pulp, paper, and so forth.

The administration defends our trading with Russia on the grounds that that nation is still technically an ally—and it is further contended that the amount of

our exports going to Russia are not a significant portion of our total exports.

Regardless of how large the amounts, I contend that we should not ship one single farm tractor so long as there is an American farmer who wants one and cannot find it. We should not ship a single foot of oil line pipe or casing to Russia so long as there is an American oil producer who needs such pipe and cannot find it. We should not ship one single locomotive or boxcar to Russia so long as our railroads are still operating with outdated and antiquated equipment, through lack of replacements. This formula should be applied in the careful reexamination of our entire export program. In addition, we should make every effort to administer the ERP so that Russia will not receive our shipments through secondary trading operations.

A year ago some wag suggested that Russia would not fight us for 5 years, because we would not have her properly equipped before that time. At the rate we are going, one would think we were bent on stepping up this timetable.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. Will the Senator permit me to finish? I shall conclude in a moment.

We are bending every effort to put western Europe back on its feet, to produce more goods. But we must realize that these goods will be sold largely to eastern Europe. At the same time we are spending billions of dollars to build up our armed forces because the threat of another world war is imminent.

The American people have ample cause for alarm when they see that our wagon of peace is hitched to a runaway horse which we are lashing with the whip of an ill-conceived trade policy, while at the same tme we are frantically applying the brakes in the form of an accelerated defense program.

I now yield to the Senator from Nevada.

Mr. MALONE. Mr. President, I should like to ask my distinguished colleague from Wyoming if he is familiar with the fact that several principal nations included in the Marshall-plan countries have treaties direct with Russia or the satellite countries providing for the manufacture and processing of raw materials which we have been sending them and which we intend to send them under the Marshall plan, which are to be furnished to Russia and the satellite countries in the form of manufactured goods?

Mr. ROBERTSON of Wyoming. Yes. I appreciate the Senator's question. I am very much alive to the situation. Not only that, but I would say to the distinguished Senator that in the last 2 weeks the question has arisen in the State Department as to whether we should complete our trade treaty with Czechoslovakia.

Mr. MALONE. I suppose the Senator is familiar with the treaty made by England with Russia, which has been signed and which is presumably in operation, sending Russia everything from monkey-wrenches to locomotives, involving a very large amount of material manufactured from 6,000,000 or 8,000,000 tons of steel. Is the Senator familiar with that?

Mr. ROBERTSON of Wyoming. That is the treaty which I mentioned in my remarks.

Mr. MALONE. I should like to ask my distinguished colleague another question, if he will further yield.

Mr. ROBERTSON of Wyoming. I yield.

Mr. MALONE. Is the Senator aware that no export license is necessary with Canada, that the Dominion of Canada has been almost continuously, and presumably is yet, using approximately a million tons of steel, that we are shipping to Canada annually thousands of tons of aluminum ingots and other raw materials, and that a large part of this material is manufactured into finished goods and sent to countries behind the iron curtain?

Mr. ROBERTSON of Wyoming. I am aware of that, I would say to the Senator, and I am also aware that there is a considerable amount of petroleum products, particularly crude oil, being shipped from western States into Canada, in return for steel.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield to the Senator from Nebraska.

Mr. WHERRY. I was very much interested in the statement made by the distinguished Senator in his remarks that not one tractor should be shipped under ERP so long as an American farmer needs a tractor to produce at home. Am I correct in that statement?

Mr. ROBERTSON of Wyoming. That is correct.

Mr. WHERRY. I should like to point out to the distinguished Senator from Wyoming a colloquy which occurred in the House between Representative GILLIE, of Indiana, and Representative STEFAN, of Nebraska. Representative STEFAN has been in Congress 16 years and ranks very high on the House Appropriations Committee. The colloquy appears on page 3840 of the CONGRESSIONAL RECORD of last Wednesday. Representative GILLIE, speaking to the House, stated:

> Mr. GILLIE. Mr. Chairman, I take the floor at this time to make inquiry concerning one of the important aspects of this program, and that is farm machinery. I am particularly interested in this, because we have been holding hearings in the Agriculture Committee for several months on the long-range agricultural program—that includes farm machinery. When our committee was out West holding hearings last week, several witnesses, farmers and big ranchers, spoke to the committee asking about farm machinery. They talked about their wire-bound machinery and wondered whether they were going to get new machinery this year so that they could speed up their farm operations.

Then Mr. GILLIE turned to Representative STEFAN and said:

> I would like to ask the gentleman from Nebraska [Mr. STEFAN], a member of the Appropriations Committee, how much farm machinery is going to be shipped under this ERP program. I understand there is quite a bit of it that is going to be shipped; can we afford to do that?

Representative STEFAN, in answer to that inquiry from Representative GILLIE, said:

> Mr. STEFAN. According to the testimony before the Deficiency Committee by the Export Control Division of the Department of Commerce, the first-year operation of ERP will require one-fourth of all the production of farm machinery for exportable purposes. If I was a farmer today, I would start saving up my baling wire and save every piece of machinery in existence on the farm. This information comes directly from the Export Control Division of the Department of Commerce, and the testimony will be in the hearings that are available today on the first deficiency bill, which will follow this bill. If the gentleman from Indiana wants the official information from the Export Control Division of the Department of Commerce, I will read you briefly.

Then the distinguished Representative from Nebraska quoted from the testimony, in which the same thing is reiterated which was mentioned a moment ago, and that is that one-fourth of all of our production of farm machinery this year will go across the water under the provisions of ERP.

I think that is a vital thing to every farmer in this country. The first information I had regarding it was when I read it in the RECORD last Wednesday. I want to bring it not only to the attention of my distinguished colleague, because of the remarks he has made, which should be of interest to every farmer in Wyoming as well as in the whole farming section of this country, but I want to bring it to the attention of the entire membership of the Senate that farmers throughout this country will be faced with 25 percent of their production this year being sent out of the country under the provisions of ERP.

Mr. ROBERTSON of Wyoming. I thank the distinguished Senator from Nebraska for his contribution to this subject.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. MALONE. I want to take this opportunity to express my appreciation to my distinguished colleague from Wyoming for bringing up this subject at this time. It is very important, and too little attention is being paid to it. I think if it could be explained thoroughly to the people of the country so that they would fully understand it, there would be an entirely different temper in the Congress of the United States.

If the Senator will yield further I should like to mention a few of the items which, under the trade treaty between England and the U. S. S. R. are being shipped:

Description of equipment	*Quantity or amount*
Narrow-gage 750-millimeter locomotives	1,100
Flat trucks, 750-millimeter	2,400
Winches (2 and 3 drums)	2,400
Excavators	210
Caterpillar loading cranes (Diesel types in substitution for equivalent number of excavators)	54
Auto timber carriers	250
Tugs	14
Dredgers	4
Locomobiles (units)	200
50-kilowatt mobile Diesel electric generators	150
Steam power turbine stations, 500-kilowatt	24
Plywood equipment (value)	£1,050,000
Timber-mill equipment (value)	£400,000

Mr. President, I wish to call the attention of my distinguished colleague to the fact that a large amount of this equipment manufactured for shipment to Russia and the nations behind the iron curtain is manufactured from raw materials we send there, and it is equipment which is almost entirely unavailable to the ordinary purchaser in this country.

Mr. ROBERTSON of Wyoming. I thank the Senator from Nevada.

DAYLIGHT-SAVING TIME IN THE DISTRICT

The Senate resumed the consideration of the bill (S. 1481) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. OVERTON].

Mr. BUCK. Mr. President, I suggest the absence of a quorum.

Mr. WHERRY. Will the Senator withhold the suggestion a moment?

Mr. BUCK. I will.

Mr. WHERRY. It is my understanding that the distinguished Senator from Louisiana wishes a record vote on his amendment.

Mr. OVERTON. I asked for the yeas and nays.

The yeas and nays were not ordered.

Mr. WHERRY. Then let us have a quorum called.

The PRESIDING OFFICER. The Senator from Delaware suggests the absence of a quorum, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	O'Mahoney
Baldwin	Hill	Overton
Ball	Hoey	Pepper
Barkley	Holland	Reed
Bricker	Ives	Revercomb
Bridges	Johnson, Colo.	Robertson, Va.
Buck	Johnston, S. C.	Robertson, Wyo.
Byrd	Kem	Russell
Capper	Knowland	Saltonstall
Chavez	Lodge	Smith
Cooper	Lucas	Stennis
Cordon	McCarran	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Dworshak	McFarland	Thye
Ecton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	Wiley
Fulbright	Millikin	Williams
Green	Morse	Wilson
Gurney	Myers	Young
Hayden	O'Conor	

The PRESIDING OFFICER. Sixty-five Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. OVERTON].

Mr. OVERTON. Mr. President, I am going to ask for the yeas and nays on my amendment, but, first, I want to make a brief explanation of the amendment. My amendment simply requires that an election be held in the District of Columbia to determine the wishes of the people of the District. When Congress enacted a similar bill last year it contained a provision for a referendum, but the referendum was an absolute and perfect farce. The referendum was held only between the hours of 10 a. m. and 12:45 p. m.—but 2¾ hours. I do not know what notice was given, but only 324 votes were cast, and the population of the District of Columbia was 850,861, and the population of the metropolitan area, to which the question was submitted, was 1,205,220.

As the bill now reads it provides for no referendum at all. The question is going to be left to the Commissioners. The Congress is not deciding whether there is to be daylight saving or not. It is going to be left to three Commissioners to determine. I want the people of Washington to be heard in the matter. I want a democratic process provided. The Congress is on record as being desirous of knowing the wishes of the people of Washington, because Congress so provided in the bill enacted last year.

Therefore, Mr. President, I ask for the yeas and nays on my amendment.

Mr. BUCK. Mr. President, if the amendment is adopted we will not have daylight saving in Washington this summer. I believe the Senator from Louisiana will agree with me in that statement.

Mr. OVERTON. No; I will not agree with the Senator from Delaware.

Mr. BUCK. The machinery required to set up the referendum and the time required in preparing for it will prohibit any possibility of there being daylight saving in the District of Columbia this year.

Mr. OVERTON. Mr. President, the amendment provides that only 2 weeks' notice be given of the election. The notice will be given by April 20. It is proposed under the bill that daylight saving goes into effect on April 26. Let us suppose it does not go into effect before May 10, what difference does it make?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. BARKLEY. Is there provision made for setting up the machinery to guarantee that there shall be a fair vote on the question, and a fair count of the vote, similar to that obtaining in the same type of election held in the States? What does the amendment do about that?

Mr. OVERTON. It is patterned along the line of similar State elections. The amendment was drawn up by the legislative counsel of the Senate. The amendment contains the few necessary provisions. The Commissioners will have charge of the election and provide the actual machinery for the vote.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. IVES. Mr. President, may the amendment be read so we will know on what we are voting?

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That the Board of Commissioners of the District of Columbia is authorized to conduct a referendum among the residents of the District of Columbia on the question of establishing daylight saving time in the District. Except as hereinafter provided such referendum shall be held under such rules and regulations and at such time and places as may be prescribed by the Commissioners, who shall likewise provide all machinery of election.

(b) For 2 weeks prior to the holding of such referendum the Board of Commissioners shall publish not less than three times weekly in the four leading dailies published in the city of Washington a list of the polling places, the polling officials, and the time of opening and closing of the polls.

(c) All persons 21 years of age and over who have resided in the District of Columbia not less than 1 year prior to the date of holding such referendum shall be qualified to vote at such referendum.

(d) Polling places shall be established at such places in the District as the Commissioners shall determine will be most convenient to afford the largest number of qualified voters an opportunity to vote. All polling places shall be open for voting from 6 o'clock antemeridian to 8 o'clock postmeridian on the day during which such referendum is conducted.

(e) There shall be five officials, exclusive of watchers, in charge of the conduct of the referendum at each polling place. Not less than two nor more than three of such officials shall be persons who favor daylight saving time and not less than two nor more than three shall be persons who oppose daylight saving time. There shall be two watchers at each polling place and at each place where counting of ballots is conducted. One watcher shall be a person in favor of daylight saving time and one shall be a person opposed to daylight saving time.

(f) The ballot shall contain only the statement "For Daylight Saving Time" and "Against Daylight Saving Time," and appropriate squares for marking the voter's choice, which mark shall be by pencil mark in such square. The statement receiving a majority of the total valid votes cast shall be the choice of the residents of the District on the question of establishing daylight saving time.

SEC. 2. If the result of the referendum conducted pursuant to the first section is in favor of establishing daylight saving time, the Board of Commissioners of the District of Columbia is authorized and directed to advance the standard time applicable to the District 1 hour for a period of each year commencing not earlier than the last Sunday of April and ending not later than the last Sunday of September. Any such time established by the Commissioners under authority of the act shall, during the period of the year for which it is applicable, be the standard time for the District of Columbia.

SEC. 3. There are authorized to be appropriated, out of any money in the Treasury to the credit of the general fund of the District of Columbia not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

Amend the title to read: "A bill relating to the establishment of daylight time in the District of Columbia."

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Illinois [Mr. BROOKS], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. HAWKES], the Senator from Indiana [Mr. JENNER], and the Senator from Wisconsin [Mr. MCCARTHY] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate on official committee business. If present and voting, the Senator from Washington would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from North Dakota [Mr. LANGER] and the Senator from Maine [Mr. WHITE] are absent on account of illness.

The Senator from Pennsylvania [Mr. MARTIN], who is detained on official committee business, is paired with the Senator from West Virginia [Mr. KILGORE]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from West Virginia would vote "yea."

The Senator from Wyoming [Mr. ROBERTSON] is detained on official business.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from South Carolina [Mr. MAYBANK] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness in his family.

The Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate.

The Senator from Texas [Mr. CONNALLY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Texas [Mr. O'DANIEL], the Senator from Idaho [Mr. TAYLOR], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from South Carolina [Mr. MAYBANK] is paired with the Senator from Rhode Island [Mr. MCGRATH]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Rhode Island would vote "nay."

The Senator from West Virginia [Mr. KILGORE] is paired with the Senator from Pennsylvania [Mr. MARTIN]. If present and voting, the Senator from West Virginia would vote "yea," and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 16, nays 47, as follows:

YEAS—16

Byrd	Johnston, S. C.	Robertson, Va.
Chavez	McClellan	Russell
Ellender	McFarland	Thomas, Okla.
Fulbright	McKellar	Young
Hoey	Malone	
Johnson, Colo.	Overton	

NAYS—47

Aiken	Capper	Flanders
Baldwin	Cooper	Green
Ball	Cordon	Gurney
Barkley	Donnell	Hayden
Bricker	Dworshak	Hickenlooper
Bridges	Ecton	Hill
Buck	Ferguson	Holland
Ives	Myers	Thomas, Utah
Kem	O'Conor	Thye
Knowland	O'Mahoney	Vandenberg
Lodge	Pepper	Watkins
Lucas	Reed	Wherry
McCarran	Revercomb	Wiley
McMahon	Saltonstall	Williams
Millikin	Smith	Wilson
Morse	Stennis	

NOT VOTING—33

Brewster	Hawkes	O'Daniel
Brooks	Jenner	Robertson, Wyo.
Bushfield	Kilgore	Sparkman
Butler	Langer	Stewart
Cain	McCarthy	Taft
Capehart	McGrath	Taylor
Connally	Magnuson	Tobey
Downey	Martin	Tydings
Eastland	Maybank	Umstead
George	Moore	Wagner
Hatch	Murray	White

So Mr. OVERTON's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. BUCK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Illinois [Mr. BROOKS], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. HAWKES], the Senator from Indiana [Mr. JENNER], and the Senator from Wisconsin [Mr. MCCARTHY] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate on official committee business. If present and voting the Senator from Washington would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from North Dakota [Mr. LANGER] and the Senator from Maine [Mr. WHITE] are absent on account of illness.

The Senator from Pennsylvania [Mr. MARTIN], who is detained on official committee business, is paired with the Senator from West Virginia [Mr. KILGORE]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from West Virginia would vote "nay."

The Senator from Wyoming [Mr. ROBERTSON] is detained on official business.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from South Carolina [Mr. MAYBANK] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness in his family.

The Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate.

The Senator from Texas [Mr. CONNALLY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Texas [Mr. O'DANIEL], the Senator from Idaho [Mr. TAYLOR], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from South Carolina [Mr. MAYBANK] is paired with the Senator from Rhode Island [Mr. MCGRATH]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Rhode Island would vote "yea."

The Senator from West Virginia [Mr. KILGORE] is paired with the Senator from Pennsylvania [Mr. MARTIN]. If present and voting, the Senator from West Virginia would vote "nay," and the Senator from Pennsylvania would vote "yea."

The result was announced—yeas 46, nays 17, as follows:

YEAS—46

Aiken	Gurney	O'Conor
Baldwin	Hayden	O'Mahoney
Ball	Hickenlooper	Pepper
Barkley	Hill	Reed
Bricker	Holland	Revercomb
Bridges	Ives	Saltonstall
Buck	Johnson, Colo.	Smith
Capper	Kem	Thomas, Utah
Cooper	Knowland	Thye
Cordon	Lodge	Vandenberg
Donnell	Lucas	Watkins
Dworshak	McCarran	Wiley
Ecton	McMahon	Williams
Ferguson	Millikin	Wilson
Flanders	Morse	
Green	Myers	

NAYS—17

Byrd	McClellan	Russell
Chavez	McFarland	Stennis
Ellender	McKellar	Thomas, Okla.
Fulbright	Malone	Wherry
Hoey	Overton	Young
Johnston, S. C.	Robertson, Va.	

NOT VOTING—33

Brewster	Hawkes	O'Daniel
Brooks	Jenner	Robertson, Wyo.
Bushfield	Kilgore	Sparkman
Butler	Langer	Stewart
Cain	McCarthy	Taft
Capehart	McGrath	Taylor
Connally	Magnuson	Tobey
Downey	Martin	Tydings
Eastland	Maybank	Umstead
George	Moore	Wagner
Hatch	Murray	White

So the bill S. 1481 was passed, as follows:

Be it enacted, etc., That the Board of Commissioners of the District of Columbia is authorized to advance the standard time applicable to the District 1 hour for a period of each year commencing not earlier than the last Sunday of April and ending not later than the last Sunday of September. Any such time established by the Commissioners under authority of this act shall, during the period of the year for which it is applicable, be the standard time for the District of Columbia.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the

Senate by Mr. Miller, one of his secretaries.

Mr. VANDENBERG. Mr. President, as in executive session, I ask unanimous consent that the Chair lay before the Senate the message just received from the President of the United States. I know the press is anxious to have this information.

There being no objection, the Presiding Officer laid before the Senate the message from the President of the United States submitting the nomination of Paul G. Hoffman, of Indiana, to be Administrator for Economic Cooperation, which was referred to the Committee on Foreign Relations.

AMENDMENT OF RECONSTRUCTION FINANCE CORPORATION ACT, AS AMENDED

Mr. WHERRY. Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of Senate bill 2287, Calendar No. 1017, a bill to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska?

There being no objection, the Senate proceeded to consider the bill (S. 2287) to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes.

The bill is as follows:

Be it enacted, etc., That section 1 of the Reconstruction Finance Corporation Act, as amended, is amended to read as follows:

"SEC. 1. (a) There is hereby created a body corporate with the name 'Reconstruction Finance Corporation' (herein called the Corporation), with a cap'tal stock of $100,000,000 subscribed by the United States of America. Its principal office shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the Board of Directors. This act may be cited as the 'Reconstruction Finance Corporation Act.'

"(b) Within 6 months after the close of each fiscal year the Corporation shall make a report to the Congress of the United States which shall contain financial statements for the fiscal year, including a balance sheet, a statement of income and expense, and an analysis of accumulated net income. The accumulated net income shall be determined after provision for reasonable reserves for uncollectibility of loans and investments outstanding. Such statements shall be prepared from the financial records of the Corporation which shall be maintained in accordance with generally accepted accounting principles applicable to commercial corporate transactions. The report shall contain schedules showing, as o. the close of the fiscal year, each direct loan to any one borrower of $100,000 or more, each loan to any one borrower of $100,000 or more in which the Corporation has a participation or an agreement to participate, and the investments in the securities and obligations of any one borrower which total $100,000 or more. After the end of each fiscal year, beginning with the fiscal year ended June 30, 1948, the Corporation shall pay over to the Secretary of the Treasury as miscellaneous receipts, a dividend on its capital stock owned by the United States of America, in the amount by which its accumulated net income exceeds $50,000,000.

"(c) Within 60 days after the effective date of this amendment, the Corporation shall retire all its outstanding capital stock in excess of $100,000,000 and shall pay to the Treasury as miscellaneous receipts the par value of the stock so retired."

SEC. 2. Section 2 of the Reconstruction Finance Corporation Act, as amended, is amended to read as follows:

"SEC. 2. The management of the Corporation shall be vested in a board of directors consisting of five persons appointed by the President of the United States by and with the advice and consent of the Senate. Of the five members of the board, not more than three shall be members of any one political party and not more than one shall be appointed from any one Federal Reserve district. The office of director shall be a full-time position. The term of the incumbent directors is hereby extended to June 30, 1950. As of July 1, 1950, two directors shall be appointed for a term of 1 year, two directors shall be appointed for a term of 2 years, and one director shall be appointed for a term of 3 years. Thereafter the term of the directors shall be for a term of 3 years, but they may continue in office until their successors are appointed and qualified. Whenever a vacancy shall occur in the office of director other than by expiration of term, the person appointed to fill such vacancy shall hold office for the unexpired portion of the term of the director whose place he is selected to fill. After the confirmation of the directors by the Senate, the President shall designate one of the directors to serve as chairman for a period coextensive with his term as director. The directors, except the chairman, shall receive salaries at the rate of $12,500 per annum each. The chairman of the board of directors shall receive a salary at the rate of $15,000 per annum."

SEC. 3. Section 3 (a) of the Reconstruction Finance Corporation Act, as amended, is amended to read as follows:

"SEC. 3. (a) The Corporation shall have succession through June 30, 1960, unless it is sooner dissolved by an act of Congress. It shall have power to adopt, alter, and use a corporate seal; to make contracts; to lease or purchase such real estate as may be necessary for the transaction of its business; to sue and be sued, to complain and to defend, in any court of competent jurisdiction, State or Federal; to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the Corporation, in accordance with laws, applicable to the Corporation, as in effect on June 30, 1947, and as thereafter amended; and to prescribe, amend, and repeal, by its board of directors, bylaws, rules, and regulations governing the manner in which its general business may be conducted. Except as may be otherwise provided in this act or in the Government Corporation Control Act, the board of directors of the Corporation shall determine the necessity for and the character and amount of its obligations and expenditures under this act and the manner in which they shall be incurred, allowed, paid, and accounted for, without regard to the provisions of any other laws governing the expenditure of public funds, and such determinations shall be final and conclusive upon all other officers of the Government. The Corporation shall be entitled to and granted the same immunities and exemptions from the payment of costs, charges, and fees as are granted to the United States pursuant to the provisions of law codified in sections 543, 548, 555, 557, 578, and 578a of title 28 of the United States Code, 1940 edition. The Corporation shall also be entitled to the use of the United States mails in the same manner as the executive departments of the Government. Debts due the Corporation, whether heretofore or hereafter arising, shall not be entitled to the priority available to the United States pursuant to section 3466 of the Revised Statutes (U. S. C., title 31, sec. 191) except that the Corporation shall be entitled to such priority with respect to debts arising from any transaction pursuant to any of the following acts or provisions in effect at any time: Sections 5d (1) and 5d (2) of the Reconstruction Finance Corporation Act added by section 5 of the act entitled 'An act to authorize the purchase by the Reconstruction Finance Corporation of stock of Federal home-loan banks; to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes,' approved June 25, 1940 (54 Stat. 573); sections 4 (f) and 9 of the act entitled 'An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes,' approved June 11, 1942 (56 Stat. 354, 356); section 2 (e) of the Emergency Price Control Act of 1942 (56 Stat. 26); the Surplus Property Act of 1944 (58 Stat. 765 and the following); sections 11 and 12 of the Veterans' Emergency Housing Act of 1946 (60 Stat. 214, 215); and section 403 of the Sixth Supplemental National Defense Appropriation Act (56 Stat. 245)."

SEC. 4. Section 4 of the Reconstruction Finance Corporation Act, as amended, is amended to read as follows:

"SEC. 4. (a) To aid in financing agriculture, commerce, and industry, to encourage small business, to help in maintaining the economic stability of the country, and to assist in promoting maximum employment and production, the Corporation, within the limitations hereinafter provided, is authorized—

"(1) to purchase the obligations of and to make loans to any business enterprise organized or operating under the laws of any State or the United States: *Provided,* That the purchase of obligations (including equipment trust certificates) of, or the making of loans to, railroads or air carriers engaged in interstate commerce or receivers or trustees thereof, shall be with the approval of the Interstate Commerce Commission or the Civil Aeronautics Board, respectively: *Provided further,* That in the case of railroads or air carriers not in receivership or trusteeship, the Commission or the Board, as the case may be, in connection with its approval of such purchases or loans, shall also certify that such railroad or air carrier, on the basis of present and prospective earnings, may be expected to meet its fixed charges without a reduction thereof through judicial reorganization except that such certificates shall not be required in the case of loans or purchases made for the acquisition of equipment or for maintenance.

"(2) to make loans to any financial institution or insurance company organized under the laws of any State or of the United States. If the Secretary of the Treasury certifies to the Corporation that any bank or trust company, under the supervision of the Comptroller of the Currency or a State banking department, or any insurance company, is in need of funds for capital purposes, the Corporation may subscribe for or make loans upon nonassessable preferred stock in such bank or trust company or insurance company. In any case in which, under the laws of the State in which it is located, such institutions so certified are not permitted to issue nonassessable preferred stock, or if such laws permit such issue of preferred stock only by unanimous consent of stockholders, the Corporation is authorized to purchase the legally issued capital notes or debentures of such institutions.

"(3) in order to aid in financing projects authorized under Federal, State, or municipal law, to purchase the securities and obligations of, or make loans to, (A) States, municipalities, and political subdivisions of States; (B) public agencies and instrumentalities of one or more States, municipalities, and political subdivisions of States; and (C) public corporations, boards, and commissions: *Provided,* That no such purchase or loan shall be made for payment of ordinary

governmental or nonproject operating expenses as distinguished from purchases and loans to aid in financing specific public projects;

"(4) to make such loans, in an aggregate amount not to exceed $25,000,000 outstanding at any one time, as it may determine to be necessary or appropriate because of floods or other catastrophes.

"(b) The powers granted in section 4 (a) of this act shall be subject to the following restrictions and limitations:

"(1) No financial assistance shall be extended pursuant to paragraphs (1), (2), and (3) of subsection (a) of this section, unless the financial assistance applied for is not otherwise available on reasonable terms. All securities and obligations purchased and all loans made under paragraphs (1), (2), and (3) of subsection (a) of this section shall be of such sound value or so secured as reasonably to assure retirement or repayment and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise.

"(2) All such loans made, or obligations and securities purchased under section 4 (a) (1), (2), and (3), shall bear such interest or yield such return as to be reasonably calculated to enable the Corporation to operate without loss. The fees charged for agreements to participate in loans shall be at such rates as reasonably to assure the Corporation that these operations will be conducted without loss. Loans made under section 4 (a) (4) shall bear interest at such rates as the Corporation may determine.

"(3) No loan, including renewals or extensions thereof, may be made under sections 4 (a) (1), (2), and (4) for a period or periods exceeding 10 years, and no securities or obligations maturing more than 10 years from date of purchase by the Corporation may be purchased thereunder, except that capital notes and debentures purchased, and loans made on preferred stock, capital notes or debentures, under section 4 (a) (2) may have maturities not to exceed 20 years: *Provided,* That the foregoing restriction on maturities shall not apply to securities or obligations received by the Corporation as a claimant in bankruptcy or equitable reorganization: *Provided further,* That any loan made to a business enterprise prior to July 1, 1947, may, in aid of orderly liquidation thereof or the interest of the national security, be renewed or extended for such period not in excess of 10 years and upon such terms as the Corporation may determine. The Corporation may, in carrying out the provisions of subsection 4 (a) (3), purchase securities and obligations, or make loans, including renewals or extensions thereof, with maturity dates not in excess of 40 years, as the Corporation may determine.

"(4) In agreements to participate in loans, wherein the Corporation's disbursements are deferred, such participations by the Corporation shall be limited to 65 percent of the balance of the loan outstanding at the time of the disbursement, in those cases where the total amount borrowed is $100,000 or less, and shall be limited to 50 percent of the balance outstanding at the time of disbursement, in those cases where the total amount borrowed is over $100,000.

"(c) The total amount of investments, loans, purchases, and commitments made subsequent to June 30, 1947, pursuant to section 4 shall not exceed $1,000,000,000 outstanding at any one time.

"(d) No fee or commission shall be paid by any applicant for financial assistance under the provisions of this act in connection with any such application, and any agreement to pay or payment of any such fee or commission shall be unlawful.

"(e) No director, officer, attorney, agent, or employee of the Corporation in any manner, directly or indirectly, shall participate in the deliberation upon or the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.

"(f) The powers granted to the Corporation by this section 4 shall terminate at the close of business on June 30, 1958, but the termination of such powers shall not be construed (1) to prohibit disbursement of funds on purchases of securities and obligations, on loans, or on commitments or agreements to make such purchases or loans, made under this act prior to the close of business on such date, or (2) to affect the validity or performance of any other agreement made or entered into pursuant to law.

"(g) As used in this act, the term 'State' includes the District of Columbia, Alaska, Hawaii, and Puerto Rico."

SEC. 5. Section 203 of title II of the joint resolution entitled "Joint resolution to extend the succession, lending powers, and the functions of the Reconstruction Finance Corporation," approved June 30, 1947 (Public Law 132, 80th Cong.), is amended (a) by inserting, immediately after "Sec. 203", "(a)", and (b) by adding at the end thereof the following:

"(b) All assets and liabilities of every kind and nature, together with all documents, books of account, and records, of the Federal National Mortgage Association, a corporation organized under title 3 of the National Housing Act, all the capital stock of which is owned and held by Reconstruction Finance Corporation, are hereby transferred to Reconstruction Finance Corporation and the said Federal National Mortgage Association is hereby dissolved. With respect to the assets, liabilities, and records transferred, 'Reconstruction Finance Corporation' for all purposes is hereby substituted for 'Federal National Housing Association,' and no suit, action, or other proceeding lawfully commenced by or against such corporation shall abate by reason of the enactment of this act, but the court, on motion or supplemental petition filed at any time within 12 months after the date of such enactment, showing a necessity for the survival of such suit, action, or other proceeding to obtain a determination of the questions involved, may allow the same to be maintained by or against Reconstruction Finance Corporation."

SEC. 6. Subsection (m) of section 206 of title II of the joint resolution entitled "Joint resolution to extend the succession, lending powers, and the functions of the Reconstruction Finance Corporation," approved June 30, 1947 (Public Law 132, 80th Cong.), is amended to read as follows:

"(m) The first section and sections 2, 3, 9, 11, and 13 of the act approved January 31, 1935 (49 Stat. 1), as amended."

SEC. 7. Section 208 of title II of the joint resolution entitled "Joint resolution to extend the succession, lending powers, and the functions of the Reconstruction Finance Corporation," approved June 30, 1947 (Public Law 132, 80th Cong.), is hereby repealed.

SEC. 8. Section 209 of title II of the joint resolution entitled "Joint resolution to extend the succession, lending powers, and the functions of the Reconstruction Finance Corporation," approved June 30, 1947 (Public Law 132, 80th Cong.), is amended to read as follows:

"SEC. 209. During the period between June 30, 1948, and the date of enactment of legislation making funds available for administrative expenses for the fiscal year ending June 30, 1949, the Corporation is authorized to incur, and pay out of its general funds, administrative expenses in accordance with laws in effect on June 30, 1948, such obligations and expenditures to be charged against funds when made available for administrative expenses for the fiscal year 1949."

SEC. 9. The third paragraph of section 24 of the Federal Reserve Act, as amended by section 328 of the Banking Act of 1935, as amended, is hereby amended to read as follows:

"Loans made to established industrial or commercial businesses (a) which are in whole or in part discounted or purchased or loaned against as security by a Federal Reserve bank under the provisions of section 13b of this act, (b) for any part of which a commitment shall have been made by a Federal Reserve bank under the provisions of said section, (c) in the making of which a Federal Reserve bank participates under the provisions of said section, or (d) in which the Reconstruction Finance Corporation cooperates or purchases a participation under the provisions of the Reconstruction Finance Corporation Act, as amended, shall not be subject to the restrictions or limitations of this section upon loans secured by real estate."

Mr. BUCK. Mr. President, I ask unanimous consent that during the debate on this bill the privilege of the floor be granted to Mr. Lewis M. Stevens, chief counsel of the staff of the subcommittee on the RFC, and to Mr. Daniel Mungall, Jr., assistant counsel.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCK. Mr. President, the order of business now before the Senate is Senate bill 2287, Calendar No. 1017, which is the result of a study authorized by Senate Resolution 132. Under the authority of that resolution, a subcommittee of the Senate Banking and Currency Committee, consisting of the Senator from Indiana [Mr. CAPEHART], the Senator from Ohio [Mr. BRICKER], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. FULBRIGHT], and myself, was appointed by the chairman of the full committee to conduct a study of the operations of the Reconstruction Finance Corporation and to make recommendations concerning its future.

As a result of that study and the recommendations of the subcommittee, the Committee on Banking and Currency has reported favorably the bill now before us, which is entitled, "A bill to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes." At this point, I wish to pay tribute to my fellow members on the subcommittee for the splendid cooperation, wise counsel, and diligent effort they contributed in assisting me to carry out the mandate of the Senate. Likewise, I want to commend the staff of the subcommittee headed by Mr. Lewis Stevens, of Philadelphia who, assisted by Mr. Daniel Mungall, Jr., and others, carried out the details of the investigation in a most painstaking, efficient, and frugal manner. Their work has been commented upon most favorably by many who are familiar with it, and it should be noted for the record that under Mr. Stevens' direction less than $19,000 of the $50,000 authorized was expended on the study.

Since 1934, the powers and functions of the RFC have been expanded and modified from time to time as a result of amendments to the original act and duties granted to the Corporation by special statutes. In 1947 the Eightieth Congress enacted Public Law 132, which repealed for all intent and purposes, legislation affecting RFC up to that date,

and provided a charter for the Corporation. This charter set forth the Corporation's basic authority and it is under this act that the existence of the Corporation was extended to June 30, 1948.

The Corporation's lending authority prior to the 1947 act extended into five categories. These were: (1) banks and other financial institutions; (2) railroads; (3) public agencies; (4) business enterprises; and (5) catastrophe loans. In addition, under the National Housing Act, the Corporation was authorized to subscribe for stock of national mortgage associations, and the funds so subscribed were in turn used by the Federal National Mortgage Association for financing housing loans secured by mortgages on real estate. It might be pointed out that a subsidiary corporation, the RFC Mortgage Company, has provided a secondary market for Veterans' Administration guaranteed home loans under section 2 of Public Law 656, Seventy-ninth Congress, second session.

The 1947 act curtailed the former authority of the Corporation. It was given power to lend money to aid the following classifications: (1) business enterprises, including railroads; (2) financial institutions; (3) public projects; and (4) the power to make catastrophe loans. The Corporation was ordered to liquidate the RFC Mortgage Company, and the authority to purchase loans insured or guaranteed by the Veterans' Administration was removed. The Federal National Mortgage Association was continued and it operated by the authority given it under the National Housing Act. The authority to aid banks and insurance companies by the purchase of preferred stock of these institutions was abolished and only assistance in the form of loans was granted.

In summary, therefore, the RFC's activities prior to 1947 were changed by the 1947 act in three respects: (1) the removal of the authority to provide a secondary market for Veterans' Administration guaranteed home loans; (2) the elimination of the authority to purchase the preferred stock of banks and insurance companies; and (3) the repeal of various provisions under which RFC had made funds available to other Government corporations and departments.

Under present law, the life of RFC expires on June 30, 1948. The committee has concluded that there are sound reasons for justifying the continuance of the Corporation on a permanent basis, and recommends that the RFC Act be amended by extending the life of the Corporation to June 30, 1960.

The committee conducted extensive hearings into the operation of the Reconstruction Finance Corporation from its inception in January 1932, and believes the policy Congress intended for the basis of RFC as expressed in the present statute,—namely, that where private credit is unavailable on reasonable terms, RFC may act to aid in financing agriculture, commerce, and industry; to help in maintaining the economic stability of the country; and to assist in promoting maximum employment and production—has been adhered to by the Directors and management of the Corporation. The Corporation was created, as will be recalled, during a period of national financial emergency when banks, financial institutions, and business generally were experiencing great difficulties. Its primary purpose at that time was to assist, by means of loans and the purchase of preferred stock, the banks and financial institutions of this country which were experiencing difficulties resulting from a general shrinkage of deposits and loss in value of outstanding loans and investments.

The RFC by December 1934 held $1,724,000,000 in loans and preferred stock purchases of banks and other financial institutions of the country. In June 1947, only 4 percent of the total disbursements to these institutions remained outstanding.

As is abundantly clear from the hearings before the subcommittee, and as the Members of the Senate so well know, the assistance which RFC extended to these financial institutions helped greatly in saving them from disaster.

If aid of this character is available at the early stages of another such economic cycle, it should be more effective in reducing the resulting hardship and distress. It is not likely, however, that we can recognize the first signs of such a downturn, and recreate an agency like RFC in time to make it effective in the early stages. The committee believes, therefore, that RFC should be continued as a stand-by against any such development in our economic system in the future. It is the opinion of the committee that RFC provides an inexpensive check against such national distress.

Furthermore, RFC's availability during the period before the recent war, when the country was arming for defense, enabled the Government to proceed rapidly with the financing of those efforts. Should such an emergency arise again, the presence of the Corporation will permit prompt financing of such steps as appear necessary for the defense of the Nation.

The committee conducted a survey, page 519 of the hearings, of the Nation's 14,585 banks, page 481, to determine the relationship of the RFC under existing laws with the over-all banking picture. It was found from replies received from 8,217 banks that some of them occasionally declined business loans which a Government agency could make without competing with private sources of credit and without exposing the Government to undue risk of loss of the taxpayers' money.

Commercial banks are reluctant to make business loans with maturities of longer length, for example, over 5 years, because their deposits are subject to withdrawal at any time. The survey showed that banks also decline business-loan applications for other reasons, page 520, which are not directly concerned with the credit risks involved.

I think it would be interesting and worth while to put into the RECORD some of the other reasons why banks refused these loans. They include such reasons as that the loans were too large for the bank's loan limitations; the type of loan requested was not of a type handled by the bank; lack of experience in handling types of loans requested; requested maturity was too long, 5 years or less; requested maturity was too long, being over 10 years; applicant was a new enterprise; applicant was too small an enterprise; State banking laws and policies of State bank examiners; Federal banking laws and policies of Federal bank examiners.

There are other reasons, but I think those will suffice to show that there is a field in which an agency such as the RFC can function in the interest of the public welfare.

Since the relationship between a bank and its customer rests primarily on first-hand knowledge and confidence resulting from day-to-day business experience, the prospective borrower has, in most cases, only his regular bank to which to look in case of a need for credit. The committee believes that the public interest can be served by the presence of a Government lending agency to which an applicant, who has been declined credit by private sources, may go for a reconsideration of his proposal.

The RFC has provided funds for public projects, such as the San Francisco Bay Bridge and the Pennsylvania Turnpike. It is not difficult to understand that private capital is frequently reluctant to make the initial investments on such projects, but because of the public interest involved, an agency such as the RFC can definitely fulfill a service in handling such activities. Likewise in catastrophes, such as the Texas City disaster and the Bar Harbor, Maine, fire, RFC loans can help to relieve public hardships.

There are, therefore, situations in which the public interest will be served by the extension of financial assistance by RFC in times which cannot be described as emergency. For this reason, and because of the value of RFC as a stand-by in case of national emergencies, the committee as previously stated, is recommending its continuance. In so doing, it also recommends that all loans and renewals thereof, made by RFC subsequent to July 1, 1947, be limited to a period of 10 years, excepting loans to States, municipalities and subdivisions of States, which may have maturities not to exceed 40 years. A 10-year limit is also recommended for the maturity of any securities and obligations purchased by the Corporation, except that capital notes and debentures purchased and loans made on preferred stocks, capital notes and debentures of banks and insurance companies may have maturities not to exceed 20 years. The committee believes that by limiting business loans to 10 years, it will allow the Corporation to engage in longer-term financing, where a need for such aid exists, but will tend to prevent the supplying of capital funds, which is the task of private investors.

The committee believes that RFC's activities should be reduced in times such as exist today. But it does not believe that this can be accomplished by imposing statutory restrictions on the Corporation's powers without impairing its

ability to cope with any emergencies which may arise. There are certain controls, however, which should accomplish that result.

The first is the limitation placed by Congress on the money which RFC may have outstanding at any time. Under the present law, the limitation on loans since June 30, 1947, is $2,000,000,000. The committee recommends that this be reduced to $1,000,000,000, which amount it is agreed will be sufficient to enable the Corporation to operate under present day conditions..

The second control of the operation is through periodic examination of RFC activities by Congress. Amendments proposed by the committee require annual reports by the Corporation, which will provide a basis for the review of the activities each year.

The third control is a negative one which results from the fact that the demand for RFC loans in all fields but the business lending field, has declined sharply, with the result that activity in those fields has been greatly reduced.

The fourth control will result from compliance with three basic principles which the committee believes should govern the operations of RFC.

The first of these principles is that the activities must not compete with private sources of credit. The existing statute contains a direction that RFC shall not extend its financial assistance unless it is not otherwise available on reasonable terms. The committee believes that, by and large, RFC has complied with this direction, and that the provisions of the present law are sufficient to proscribe any activity by RFC which might be in competition with private sources of credit.

The second principle is that RFC should make loans only when the public interest will be served thereby. It is obviously impossible to develop a useful statutory definition of public interest, which will be sufficiently definite to provide a real guide, and yet will be broad enough to cover the many various situations in which the public interest can be served.

The committee believes that there should be some local, community, or other public interest to be served by the making of every loan and that the interest of the individual borrower should be considered only secondary.

Mr. KEM. Mr. President, will the Senator yield, or would he prefer to wait until the end of his address?

Mr. BUCK. I shall be glad to yield.

Mr. KEM. I should like to ask the Senator from Delaware whether in the committee bill there are any safeguards against loans being made by the RFC for the purpose of bailing out banks or relieving banks from loans which are shaky or which, for some reason, they do not care to continue to carry?

Mr. BUCK. It is certainly the intention of the committee that that shall not be done. The language contained in the bill would prohibit that, I think. We have a record of Mr. Goodloe's statement here.

Mr. KEM. Will the Senator point out that language as he proceeds? If he prefers to do it later, I do not want to interrupt the course of his remarks at this time.

Mr. BUCK. I shall do it a little later. It is in the record.

Mr. KEM. There is another point in which I am particularly interested. I do not know whether the Senator has reached it in his address. I refer to the question as to what consideration shall be given recommendations of local committees. Is that subject dealt with in the committee bill?

Mr. BUCK. No; I cannot say that it is dealt with in any different way from that in which it has been dealt with heretofore.

Mr. KEM. Does the Senator regard it as sound policy for a case of this kind to be dealt with in the following manner? An application for a loan is made to the local branch or agency of the RFC and is submitted to a local committee, which recommends against the loan. Then the application is brought to the headquarters office in Washington and the loan is granted without further notice or further consultation with the local committee. Does the Senator regard that as a sound practice, or does he consider that to be a case as to which there should be some safeguard in the public interest?

Mr. BUCK. I do not think it is a sound practice. I think I know the case to which the Senator refers, and I think that what the Senator told the management of the Corporation should pretty well straighten out the situation.

Mr. KEM. Does the Senator think there should be some safeguard in the law in the public interest with regard to that subject?

Mr. BUCK. The committee did not think so. It seems to me that we have pretty well taken care of that in the bill. If the Senator has an opportunity to read it he will note that that has been done. I shall refer a little later to the point which the Senator has raised.

Mr. KEM. I thank the Senator.

Mr. BUCK. Mr. President, in the last analysis, the decision as to whether a loan will serve the public interest is an administrative one which must be left in most cases to the discretion of the Corporation's Board of Directors. The exceptions arise from situations in which the presence of a public interest will have been declared by the President, by the Congress, or perhaps by some administrative body having the responsibility to determine public policy in certain fields.

The third principle which should govern the lending activities of RFC is that the activities should be self-sustaining insofar as is possible. The committee believes that the credit standard of the present law, which has been unchanged since 1938, is sufficient to accomplish this purpose. It should be stated that RFC's activities in the past—other than those associated with the war—have been self-sustaining, as is indicated by the Corporation's accumulated net income of $551,000,000, which it acquired on its peacetime operations prior to June 1947. Its wartime operations, however, resulted in a loss of $8,632,714,519, of which sum direct subsidies accounted for $3,089,434,083.

Until June of last year the Corporation borrowed money from the Treasury at a rate lower than the average rate paid by the Treasury for its marketable securities. The 1947 act corrected this for all new borrowings, and RFC has given the committee its assurance that it will renew all of its old borrowings, resulting from its lending activities, at the current average interest rate paid by the Treasury.

The Corporation has had the use of its capital funds interest-free. This amount was originally five hundred million, and is now three hundred and twenty-five million. The committee proposes to reduce this further to one hundred million. Also the Corporation has accumulated five hundred and fifty-one million of net income, which it uses instead of borrowing from the Treasury. The committee proposes to require the Corporation to pay to the Treasury each year, as a dividend on the capital funds, the amount by which the accumulated net income exceeds fifty million.

Mr. President, this means a credit will be given to the RFC by the Treasury on the moneys borrowed for these loans of $725,000,000, and in doing that it will reduce the capital and surplus of the Corporation to $100,000,000 and $50,000,000, respectively. That will be the only money which the Corporation will have which will be interest-free. The committee considered doing away with all of the capital funds, but it seemed that it should retain some of the basic corporate attributes, and this is one of the important ones.

The effect of these changes will be to require the Corporation to pay substantially all the costs to the Government of conducting the operations. The annual report of accumulated net income should, therefore, be a good indication as to whether the operations are self-sustaining.

The committee has suggested that the Corporation should adopt some reasonable system of accounting which will permit the determination of the net result of each of its major activities. For example, the Corporation should report, for the loans to business enterprises, the gross income, the losses, and the administrative expense which is attributable to that function. With this information, the Congress will be able to appraise the usefulness of each major function in the light of its financial success.

The committee has considered the activities of the Corporation in relation to small business. The hearings before the subcommittee disclose that 91 percent of the number of RFC loans are $100,000 or under, and that 65 percent of such loans do not exceed $25,000. Graphs offered in the hearings—pages 581 to 585—disclose that the distribution of the number and amount of RFC business loans, by size of loans, compares favorably with the distribution of commercial bank loans. It is, therefore, evident that RFC is serving a useful purpose in the small-business field.

The committee recommends, however, that the authority to purchase surplus property for small business under Government priority should be removed.

There have been some cases where this authority has enabled one small business to obtain surplus property at the expense of other interested small businesses. More important, however, is the fact that the benefits to be derived by this provision have been substantially achieved already. RFC's budget discloses that these purchases amounted to $54,000,000 for 8 months of the fiscal year 1947, and that the estimate for this year is $25,000,000, and for the next year only $3,000,000. In view of the fact that the present fiscal year is three-quarters over, there appears to be no real need for a continuance of this authority.

Mr. President, I might add that I took this question up with the War Assets Administrator, Mr. Jess Larson, and understood from him that, with the exception of real property, he expected the President to issue a directive or proclamation in a few weeks which will do away with all priorities after June 30 of this year.

The committee gave some consideration to the question of whether special authority to make mining development loans should be given to RFC. A mining venture is a business enterprise, and as such is entitled to credit under the present law, provided the loan meets the credit and other standards of the act. Special authority is required only if the loans cannot meet those standards. During the war, RFC was authorized to make, and did make, such loans without regard to the credit standards applicable to regular business loans. Of the approximately $5,800,000 disbursed, only $1,500,000 has been repaid, and the Corporation does not expect much additional repayment. It is clear that such special authority will not result in the extension of credit on any reasonable basis, but only in the supplying of very speculative risk capital. The committee believes that RFC should be a lending institution in the true sense, and not a supplier of risk capital or of subsidies. The performance of the latter activities, which are not conducted with any real expectation of repayment, may readily distort the Corporation's perspective with respect to regular loans. The committee has felt it inadvisable, therefore, to make any special provision for mining development loans or for any other special type loan.

I wish to reiterate the conclusion of the committee that the RFC should operate without a loss, at least under normal conditions. So that all costs may appear in RFC statements, the committee proposes, as previously mentioned, amendments which would reduce the funds which the Corporation uses without payment of interest to the Treasury.

The Federal National Mortgage Association, originally established to assist in the creation of a normal mortgage market, was subsequently authorized to create a secondary market for FHA mortgage loans. It has greatly curtailed its activities in the past few years. As a result, the Committee believes that no need exists at the present time for its continuance, and proposes to dissolve it into the RFC. The result will relieve the Corporation of authority to provide a secondary market for Government guaranteed or insured mortgages, but it will not prevent it from making loans to business enterprises on the security of real estate, or from granting construction loans for the erection of housing which are secured by mortgages on the housing to be constructed. The business lending authority of the present act will adequately govern such instances.

I wish to comment briefly concerning miscellaneous phases of RFC operation. First of all, since the RFC was intended to be merely supplementary to private sources of credit in this country, the committee feels that it should dispose of an investment or loan whenever private sources of credit are willing to take them over.

The committee believes too that excessive personnel is now employed by the RFC which grew out of wartime activity, and that this excess personnel will need to be eliminated if the Corporation is to operate more efficiently and economically.

As a result of staff investigations into the records of the Corporation, in their attempt to secure material to aid the committee in its investigation, a deficient record system was uncovered. Many conferences concerning a proposed loan were never summarized or written up in any form. As a result, no clear-cut chain of documentary evidence in support of a given loan could be found. In addition, a custom of maintaining private files by certain officials in relation to their activities and conferences on corporation matters grew up. While this may be accepted practice in certain private business institutions, it is bad practice and should be eliminated in a Government agency operating for the public interest. The committee has recommended a complete revision and overhaul of the present filing and record-keeping system so that changes in personnel will not affect the available information from the agency.

I should now like to turn to the committee bill, S. 2287, and discuss the proposals of the committee, section by section.

Section 1 of the bill amends section 1 of the RFC Act. In section 1 (a) of that act, the capital stock of the Corporation is reduced from $325,000,000 to $100,000,000. A new subsection (b) is added which requires an annual report by the Corporation which will contain a balance sheet, a statement of income and expenses, an analysis of the accumulated net income, and a schedule of all loans and investments to any one borrower of $100,000 or more. This subsection (b) also provides that the Corporation shall pay over to the Treasury each year as dividend on its capital stock the amount by which its accumulated net income exceeds $50,000,000. Subsection (c) provides for the retirement of the capital stock in excess of $100,000,000.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. BUCK. I yield.

Mr. KEM. Is the Reconstruction Finance Corporation a Federal corporation?

Mr. BUCK. Yes; it is.

Mr. KEM. Is it incorporated under the laws of the United States?

Mr. BUCK. Yes.

Mr. KEM. And would the bill continue it as such?

Mr. BUCK. Yes.

Section 2 of the committee bill amends section 2 of the RFC Act. Language is included to make clear that the Office of Director of the Corporation is a full-time position. The committee believes it desirable to provide for a staggering and extension of the terms of the directors. The term of the incumbent directors is extended to June 30, 1950. I might say, Mr. President, that they were recently confirmed, and their terms expire in January 1950, so it is only an extension in their case of about 5 months that is provided. As of that date, two directors shall be appointed for 1 year, two for 2 years, and one for 3 years. Thereafter the terms of the directors will be 3 years instead of 2, as presently provided. Provision is made for the designation of the Chairman by the President. Heretofore the Chairman has been named by the Board. The committee felt it would give the Chairman more prestige if he were named by the President. It means the same thing, however, because the one selected by the Board is a man who the President wishes to be Chairman.

Section 3 amends section 3 (a) of the RFC Act. The succession of the Corporation is extended from June 30, 1948, to June 30, 1960. Because of a recent Supreme Court decision, a question has arisen as to whether RFC may not be entitled to the priority in bankruptcy which is available to the United States. The committee believes that RFC should not have such priority with respect to debts arising from its normal lending activities. A proviison has been included in this section which will eliminate that priority except with respect to debts arising under the specific war powers which are designated therein. The committee believes that RFC should be entitled to such priority with respect to debts resulting from its wartime activities.

Section 4 of the bill amends section 4 of the RFC Act. In subsecetion (a), which designates the purposes of RFC's activity, the phrase "to encourage small business" has been added. This is not really an extension of RFC's power, but the committee thought it advisable to make it clear that RFC aid should be available on the same basis to small business as it is to large business. In subsection (a) (2), which deals with the power to make loans to financial institutions, the committee proposes to restore to the Corporation the power to subscribe for, or make loans upon, nonassessable preferred stock, or to purchase the capital notes and debentures of banks, trust companies, or insurance companies, when the Secretary of the Treasury certifies to the Corporation that the institution is in need of funds for capital purposes. This power proved extremely effective during the last depression and the committee believes that RFC should possess the authority in the event that such conditions should prevail again.

In subsection (3) (a), which deals with the financing of public projects, the com-

mittee has added the word "States" to make such financial aid available to the States as well as to municipalities and political subdivisions of States as is presently provided in the statute.

In subsection (b), the present provisions of that section are designated as subsection (1). A new subsection (2) is added, which provides that the Corporation's loans shall bear such interest as to be reasonably calculated to enable the Corporation to operate without loss. This is in accordance with the committee's belief that the operations should be self-sustaining insofar as is possible. A new subsection (3) is added dealing with the maturity of loans made and obligations purchased. Prior to the 1947 Act loans to business enterprises and public projects apparently had no maturity limitation. An act of January 31, 1935, as amended, provided that maturities should not extend beyond 1955, but these loans were excepted from that act. The revisions of the RFC Act and the failure to repeal the provisions of the 1935 act have raised a question as to whether that limitation applies to all loans made under the present act. The committee believes that such a limitation is purely arbitrary. The proposed provisions will limit the maturity of loans and their extensions, to business enterprises, to financial institutions, and catastrophe loans to a maximum of 10 years. In the case of loans secured by the preferred stock, capital notes or debentures of banks and insurance companies, the maturities may be 20 years. This type of financing obviously requires a longer maturity. Loans to a business enterprise prior to July 1, 1947 may be renewed or extended for a period not to exceed 10 years. The loans for public projects may carry maturities up to 40 years.

Subsection (b) (4) of this section 4 deals with what are known as deferred participations. RFC has made three types of business loans. The first of these is called the direct loan, in which RFC makes and disburses the entire loan. The second of these is called an immediate participation. These are cases in which either RFC or a bank agrees to make the loan, but under an arrangement in which RFC and the bank each disburses a portion of the loan. The third type is the deferred participation. These are loans made by banks, the full amount of which is disbursed by the bank, but under an agreement with RFC that RFC, upon request, will take up an agreed share of the loan by reimbursing the bank for that portion of its disbursement. This amendment of the committee will limit RFC's share in a deferred participation loan to 65 percent of the loan in cases where the total loan is $100,000 or less, and to 50 percent of the total loan in cases where the total amount borrowed is over $100,000. Since the bank handles the making and servicing of the loan, the committee believes it advisable to prevent RFC from agreeing to take a part of the loan unless the bank takes a substantial portion of the loan, and a larger share than has been customary heretofore. I believe the chairman stated that the average bank participation in this type of loan was 75 percent.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. BUCK. I yield.

Mr. JOHNSTON of South Carolina. I should like to know if there is anything in this bill which might aid in the making of loans to veterans; that is, taking up secondary loans. The banks are now loaded with veterans' second mortgages.

Mr. BUCK. No; the bill does not make such provision. The Senator is referring to GI loans, is he not?

Mr. JOHNSTON of South Carolina. I am referring to GI loans.

Mr. BUCK. That subject is not included in this bill.

Mr. JOHNSTON of South Carolina. I certainly wish there were something on that subject included in the bill. At this time we are talking about wanting to help the veterans build their homes. I know it to be a fact that the small banks throughout the United States are now loaded with second mortgages and cannot make further loans to veterans. I wish we could be thinking about that subject and doing something in that field, if we want to help veterans to own their own homes.

Mr. BUCK. I will say to the distinguished Senator from South Carolina that the committee gave that subject a great deal of thought. The committee decided that the RFC should not provide a secondary market for mortgages of that kind. They had been taking them without recourse. The loans had not been screened, and some of them had turned out to be quite unsatisfactory.

I may say to the Senator that the majority report of the Joint Committee on Housing contains this recommendation:

> The present secondary home mortgage market activities of the RFC should be liquidated, and there should be established within the Housing and Home Finance Agency, on a carefully restricted basis, a Government-sponsored secondary market for a 2-year period. This secondary market should be authorized to purchase both FHA-insured and VA-guaranteed loans on a limited basis where such purchases do not contribute to the inflationary pressures and are necessary to sustain the volume of residential construction.

I may also say that the amendment which I understand the distinguished Senator from Vermont [Mr. FLANDERS] offered to the Taft-Ellender-Wagner bill makes a provision of this kind.

Mr. FLANDERS. That is true.

Mr. BUCK. So the subject will be taken care of in that way.

Mr. JOHNSTON of South Carolina. That is, if that bill becomes law. We do not know what is going to happen to that bill.

Mr. BUCK. That is correct.

Mr. JOHNSTON of South Carolina. Something should be done to help veterans at the present time, without depending on some other legislation being enacted.

Mr. BUCK. The Senator may or may not recall that last year the Senate Committee on Banking and Currency tried to write such a provision in the bill as it passed the Senate; but in conference we could not keep it there. The House simply refused to accept it, and it was wiped out entirely. Now it is proposed to try to get it in the Housing Act.

Mr. JOHNSTON of South Carolina. I hope we shall do something about it.

Mr. BUCK. Subsection (c) of this section 4 is amended to reduce the ceiling on loans outstanding to $1,000,000,000. This ceiling applies only to loans and investments since June 30, 1947.

Subsection (f) of section 4 is amended to extend the powers of the Corporation to June 30, 1958. No changes are made in the other subsections of this section.

Section 5 amends section 203 of the 1947 act by adding a new provision which dissolves the Federal National Mortgage Association, a subsidiary of the RFC, which was organized under the National Housing Act. This Corporation has provided a secondary mortgage for FHA mortgage loans. In recent years its activity in this regard has been greatly curtailed, so the committee believes that no substantial need exists for its continuance.

Section 6 of the committee bill amends the repealer section of the 1947 act by adding for repeal two sections of the act of January 31, 1935. The first of these sections limited disbursements on a commitment to 1 year from the date of the commitment. The committee can find no real basis for any such restriction. Further, it has a detrimental effect in the case of deferred participations, since RFC is required to disburse its share of the loan within a year, even though there may never be a need for such disbursement. In the case of many construction loans the funds are not required within a year. It seems to the committee to be poor credit practice to require the disbursement of the fund before it is needed. The second of these sections is the maturity provision to which I have previously referred.

Section 7 of the committee bill repeals section 208 of the 1947 act which gave RFC the authority to purchase under Government priority surplus property for small business.

Section 8 amends section 209 of the 1947 act by changing the appropriate dates to 1948 and 1949, instead of 1947 and 1948. This provision merely authorizes the Corporation to use its general funds to pay administrative expenses in the event that appropriation legislation is not enacted by the end of this fiscal year.

Section 9 of the committee bill amends section 24 of the Federal Reserve Act, as amended, by striking out the words "of section 5d," which was a reference to provisions of the RFC Act as it existed prior to the 1947 amendment. Section 24 limits the total amount of loans secured by real estate to the amount of capital and surplus, or 60 percent of all deposits, whichever is greater. It also limits real-estate loans to 50 percent of the appraised value of the property, or 60 percent when the loan is secured by an amortized mortgage under which 40 percent of the principal will be paid off in 10 years or less. Section 24, however, provided an exemption from these percentage limitations in the case of loans to established businesses under certain

circumstances, one of those circumstances being loans in which RFC participates under section 5d of the RFC Act. Since the lending authority of section 5d is now contained in a different section of the 1947 revision, this amendment is necessary to give section 24 of the Federal Reserve Act, as amended, its previous effect.

As I have stated, this is an amendment to the Federal Reserve law; and being such, I wrote to Mr. Eccles and asked his views on the amendment. He wrote to me stating that there was no objection whatever to it.

Inasmuch as the present RFC act expires June 30, it is desirable that this measure be passed promptly. I hope the bill as reported by the Banking and Currency Committee will be passed by the Senate.

Mr. FLANDERS. Mr. President, as a member of the Banking and Currency Committee, I was one of those who went over the recommendations of the subcommittee headed by the able Senator from Delaware [Mr. BUCK]. I am glad to join with him in supporting this bill on the floor of the Senate.

However, I wish to register a little objection, not to anything in the bill, but to one paragraph in the report. It is the top paragraph on page 17. It seems to indicate that another bill, which was reported from the Banking and Currency Committee last year, is somewhat different in character than I think it will prove to be when carefully read. I refer to Senate bill 408, which by processes of attrition is one of the first bills on our calendar. It is a bill to repeal certain powers granted the Federal Reserve banks for making loans under section 13b—the so-called section 13b loans—and replacing them by a form of guarantee to banks of certain loans, particularly loans to small businesses.

I say to the Senator from Delaware that the sentence to which I take a little exception is as follows:

> Senate bill 408 * * * would in effect expand the powers of the Federal Reserve banks to make these loans.

As a matter of fact, I think the Senator will agree with me that it contracts those powers, in that it no longer permits the Federal Reserve banks to loan directly to business.

Mr. BUCK. The Senator means that they can have a participation up to 90 percent; does he not?

Mr. FLANDERS. That is correct. But the bill does not permit the making of direct loans, as the present section 13b does.

Mr. BUCK. That is correct.

Mr. FLANDERS. I thank the Senator.

Mr. BARKLEY. Mr. President, I wish to say a few words in support of the bill which is now before the Senate.

I am not a member of the Banking and Currency Committee. I was for a long time a member of that committee, until the Congressional Reorganization Act required Senators to select the two committees on which they would serve. So I had to give up my service on the Committee on Banking and Currency, where I had enjoyed the service very much. However, I have maintained my interest in the work of the committee and the proposed legislation it reports.

This bill really gives proper recognition to the great value of the work done by the Reconstruction Finance Corporation since it was established by Congress in 1932, as I recall the date. It was created to meet a demand which could not be met by private lending organizations, for reasons which have been explained by the Senator from Delaware in presenting this bill. It was obviously impossible, at the time of the creation of the RFC, for the commercial banks to meet the tremendous calls for loans. They were not organized for such tremendous operations.

Ever since the Reconstruction Finance Corporation has been in existence, it has justified, in my judgment, the first act of Congress creating it. I think it fulfills a necessary function in the financial and economic set-up necessary to develop our economic welfare and to preserve it.

There are now, and in my judgment there will continue to be, many characters and sizes of loans that cannot be made by the ordinary commercial bank; and there must be an interim organization, between the Government itself, as such, and the private institutions which are created under an act of Congress—the banks themselves—which can fill this gap. It seems to me that the more or less permanent character of the pending proposed legislation dealing with the Reconstruction Finance Corporation is wise and eminently justified.

Mr. President, I have received a letter from the chairman of the board of directors of the Reconstruction Finance Corporation, the Honorable John Goodloe, who has announced his intention to terminate his services with that organization very shortly, so as to go with a private enterprise with which all of us are familiar. In his letter he urges the passage of this proposed legislation, and calls attention to it and the need for it.

I wish to take this occasion to express my profound regret that John Goodloe is leaving the Government service. I congratulate him on the magnificent position he is to occupy with a private company, at a largely increased salary, much above what he is receiving as an employe of the Government. Of course, we could not expect to have the government embark upon a program of paying Government employees who are competent and faithful as much money as they can earn in employment in private enterprise. But it is a source of some consolation that after a man has given many years of his life to public service and to an unselfish devotion to the welfare of his country, at a modest compensation, he so establishes himself in the estimation of his country and in the estimation of private enterprise that they are willing to pay him a salary commensurate with the value of his services.

Although I regret profoundly Mr. Goodloe's prospective departure from the Government service and from the particular place which he has occupied in that service, yet I congratulate him and the company to which he is going for the recognition it is giving his outstanding service and ability.

I am glad to support the pending legislation. I feel that the committee is entitled to be congratulated, and the Senate also, on the thorough work that has been done by the committee, together with its staff, in going into all the ramifications of the work of the Reconstruction Finance Corporation and presenting the bill for our approval.

Mr. BUCK. I thank the distinguished Senator from Kentucky for his very helpful remarks. For myself, I may say it has been a very interesting experience. I have derived a great deal of pleasure from the work in which I have had a part, and from the study that has been made.

Mr. President, when the committee reported the bill, a copy of it with the accompanying report was sent to Mr. Jesse Jones. I received a letter in reply, from which I desire to read two excerpts. Mr. Jones said:

> I read the report with great interest. It is thorough and comprehensive, and it is a credit to your committee. The report is fair, enlightening, and fully justifies the creation and activities of the Corporation. I think the bill you introduced extending the life of the Reconstruction Finance Corporation is well drawn, and hope it will be passed promptly.

Coming from Mr. Jones I think that is a very refreshing and a comforting letter, he having played such an important part in the development of this large Corporation.

Mr. President, if it is in order, I have one or two amendments I should like to offer to the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. BUCK. Mr. President, on page 13, in line 3, there is an error in draftsmanship. The word "Mortgage" should be substituted for the word "Housing", so that the line will read: "For Federal National Mortgage Association," and so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BUCK. Mr. President, I received from Mr. Goodloe, this morning, a suggested amendment, on page 12, in line 10, to strike out "and", and to add after "Puerto Rico", "and the Virgin Islands", so as to make subparagraph (g), lines 9 and 10, read:

> As used in this act, the term "State" includes the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

The Chairman stated there have been applications from the Virgin Islands for both business and public loans. The amendment would permit the RFC to consider such loans and perhaps make them. I offer that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware.

The amendment was agreed to.

Mr. BUCK. Mr. President, I send to the desk another amendment, which I ask to have read.

The PRESIDING OFFICER. The Senator from Delaware offers a further amendment, which the clerk will read for the information of the Senate.

The CHIEF CLERK. The amendment proposes to strike out the proviso beginning in line 15, on page 10, and insert in lieu thereof the following:

Provided further, That any loan made or securities and obligations purchased prior to July 1, 1947, may in aid of orderly liquidation thereof or the interest of national security, be renewed or the maturity extended for such period not in excess of 10 years and upon such terms as the Corporation may determine: *Provided further,* That any loan made under section 4 (a) (1) for the purpose of constructing industrial facilites may have a maturity of 10 years plus such additional period as is estimated may be required to complete such construction.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Delaware.

Mr. KEM. Mr. President, may I have an explanation of the amendment?

Mr. BUCK. I intend to explain it. The pending bill refers simply to loans made to a business enterprise. The amendment would widen or broaden it so that "any loan made or securities and obligations purchased prior to July 1, 1947, may in aid of orderly liquidation thereof or the interest of national security, be renewed or the maturity extended for such period not in excess of 10 years." That is the difference. The bill as it reads simply provides for a business loan. The amendment would extend it as indicated.

The second part of the amendment covers an amendment proposed by the Senator from Washington [Mr. CAIN], which lies on the desk. Mr. Goodloe incorporated that amendment in the amendment which has just been read. The Senator from Washington was unable to be here to offer the amendment today.

The purpose of the amendment, as we understand it, is to permit the RFC to assist in the investment in necessary facilities for opening up the pulpwood supplies of Alaska for newsprint. I considered the amendment and consulted with Mr. Stevens and others concerning it. We see no objection to it and are glad to accept it.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. BUCK. I am glad to yield.

Mr. KEM. Why is a special amendment deemed necessary for the purpose stated?

Mr. BUCK. The amendment provides that there may be a maturity of 10 years, plus such additional period as it is estimated may be required to complete construction. It allows for an extension of more than 10 years on a loan in this particular classification.

Mr. KEM. In the opinion of the Senator from Delaware, is an extension of that kind justified? In the case of pulpwood loans in Alaska, is an exception justified?

Mr. BUCK. It is not an exception. There could be other types of loans, or loans made to other types of business. The amendment reads:

That any loan made * * * for the purpose of constructing industrial facilities may have a maturity of 10 years plus such additional period as is estimated may be required to complete such construction.

Mr. KEM. Is that limited to construction facilities in Alaska?

Mr. BUCK. No; it does not mention Alaska. I tried to emphasize what I understood the purpose of it was, namely, to aid the pulpwood business of Alaska. It reads, "that certain loans for the purpose of constructing industrial facilities, may have a maturity of 10 years plus such additional period as is estimated may be required to complete such construction."

Mr. KEM. Did the committee favor making that exception in such cases?

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. LUCAS. May a Senator debate with another Senator while he remains seated?

The PRESIDING OFFICER. The Senator from Delaware, having the floor, yielded to a question by the Senator from Missouri. That was all.

Mr. LUCAS. Mr. President, I submit that does not answer the question. I was merely asking as a matter of information from a parliamentary standpoint.

The PRESIDING OFFICER. In the opinion of the Chair, when a Senator addresses a question to another Senator, he should rise.

Mr. LUCAS. I thank the Chair.

Mr. BUCK. I have completed my explanation of the amendment, except to say that the committee did not pass upon the amendment. It was submitted by the Senator from Washington [Mr. CAIN], I think, last week, before he left.

Mr. KEM. Is the amendment recommended by the committee?

Mr. BUCK. I cannot say that it is. It was passed upon by Mr. Stevens. He could see no objection to it, and I could see no objection to it. I referred it to Mr. Stevens. Mr. Goodloe, with Mr. Stevens' help, I think, has written it, and incorporated in the amendment the provision which has just been read.

Mr. LUCAS. Mr. President, before a vote is taken on the bill, I want also to congratulate the committee on bringing in such a full report in connection with the operations of the Reconstruction Finance Corporation. It was only a short while ago, when hearings were held before the committee, that many innuendos were being uttered and indictments made by various witnesses against members of the Reconstruction Finance Corporation. That was especially true with respect to a loan which was made by the Reconstruction Finance Corporation to the Baltimore & Ohio Railroad Co.

I recall that almost every day the newspapers have carried headlines regarding the lack of good faith on the part of certain officials of the Reconstruction Finance Corporation. They were charged with collusion, impropriety, fraud upon the court, and a number of other acts detrimental to the Reconstruction Finance Corporation and its board members. I think it was well worth while for the committee to delve deeply into those questions and to submit a report such as that which has been given to the Senate and to the country in connection with the charges which were constantly being made. The committee agrees with the three-man court with respect to the charges of collusion, impropriety, fraud upon the court, bad faith, and so forth, which were made by certain individuals against the Reconstruction Finance Corporation and its members. In other words, the Reconstruction Finance Corporation comes out clean as the result of the investigation which was made by the committee regarding this one very important question.

I desire to pay tribute to Mr. Goodloe, Jesse Jones, and the other members of the Corporation who did such a magnificent job in handling the funds of the taxpayers in a great emergency before the war, during the war, and since the war. They deserve credit instead of condemnation. That is what the committee found in making its report, and I congratulate the committee.

Mr. BUCK. Mr. President, I wish to subscribe to much which the distinguished Senator has said, particularly regarding the management of the Reconstruction Finance Corporation. I do not subscribe to the indictments which were made against the Corporation and individuals connected with it, to which the Senator from Illinois has referred. That is now history, and we have here a report which I feel is up to date and which, I think, completely disposes of the matters which were referred to by the Senator.

Mr. LUCAS. Mr. President, I desire to say a word further in regard to the subject. I am happy that the Senator from Delaware agrees with the position I have suggested. It is very easy in these days to indict public officials by innuendo or implication. It is done right along, without any facts to support the charges. A charge was made, but when the committee went into the facts it discovered there was no basis for the charge.

The point I make is that the Members of the United States Senate should be careful with regard to indicting men high in office through any kind of innuendo or implication. We ought to know whereof we speak, because we ourselves are constantly subjected to that kind of treatment through letters, distortions in the press, and what not. I feel so keenly about what the committee has done in connection with giving to the members of the board of the RFC the credit to which they were entitled, that I wanted to raise my voice in thanks for the action the committee has taken.

Mr. BUCK. Mr. President, in conclusion, I should like to call to the attention of the distinguished Senator from Missouri [Mr. KEM] a letter appearing at page 613 of part 2 of the hearings, and

I should like to read the letter into the RECORD. It reads as follows:

RECONSTRUCTION FINANCE CORPORATION,
Washington, January 28, 1948.

Mr. LEWIS M. STEVENS,
Chief Counsel, RFC Inquiry, Senate Committee on Banking and Currency, Washington, D. C.

DEAR MR. STEVENS: This is in response to your inquiry today, by telephone, concerning whether the RFC makes loans to business enterprises for the purpose of enabling the borrowers to repay loans from banks or other lending institutions, thereby bailing the latter out of doubtful and frozen loans.

Your inquiry can be answered, categorically, in the negative. The RFC does not make loans for such purpose, and this has been its long-established policy.

However, under certain conditions, the RFC has made and does make loans where a portion of the proceeds may be used to repay previously existing loans, but only where the retirement of such existing loans is incidental to the consolidation of the borrower's indebtedness and collateral security, or is considered a proper step in strengthening the borrower's position. In no case is the making of a loan by RFC based, in any measure, upon a consideration of taking a bank or other lending institution out of a bad loan.

There have been some cases in which, where special circumstances warranted such action, RFC has taken a bank out of a loan which at the time was considered a sound loan, and it is possible that other similar cases may be presented where the public interest might be best served by a departure from our general policy.

With best wishes,

Sincerely yours,

JOHN D. GOODLOE, *Chairman.*

Mr. KEM. Mr. President, will the Senator yield?

Mr. BUCK. I am glad to yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator from Delaware whether he thinks the proviso contained in the first sentence of the second paragraph is, in effect, the negative of the categorical statement contained in the first paragraph. Reading the two together, as I see it, it means that the RFC does not bail out banks except under certain circumstances when it thinks it is desirable to do so in order to strengthen a borrower's position. From my point of view, there ought to be in the law a positive provision forbidding the RFC to bail out banks. I do not think anything else is sufficient, in the public interest. I do not think the letter which the Senator has read is sufficient as an indication of the policy of the Board. As I read the letter, it simply means that the Board will not bail out banks unless it thinks it desirable to do so. I do not believe that is the intention of the Congress, or the will of the American people. If the Senator will permit me to say so, I am sorry that the committee has not recommended an amendment to the law or a provision which would either forbid or severely curtail that prerogative of the RFC.

Mr. BUCK. Does not the Senator think that in a matter of that kind it is a matter of business judgment on the part of the directors?

Mr. KEM. I do not think they should have that power at all. I think it should be something entirely beyond their rights and prerogatives. It seems to me there is too much opportunity for abuse, too much opportunity for public funds in the hands of the RFC to be used for the purpose of dumping a bad loan.

Mr. President, I do not wish to enter into any extended discussion of the question, but, as the Senator knows, in some instances the RFC may perhaps be censurable.

Mr. BUCK. I will say to the Senator that I know of only one case of that kind, and it was gone into very thoroughly by the distinguished Senator himself.

Mr. KEM. I think the facts were developed, but they indicated the desirability of legislation on the subject.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. FULBRIGHT. Mr. President, I wish to pay tribute to the efficient and intelligent manner in which the Senator from Delaware [Mr. BUCK] handled Senate bill 2287. I particularly wish to commend him for having obtained the services of Mr. Lewis M. Stevens and his staff, and to say that in all my experiences I have never seen a staff handle legislation more efficiently than this group. I attended all the meetings of the committee, which began last fall, and the committee and its staff have done a remarkably fine piece of work in reviewing the whole background and history of legislation dealing with the Reconstruction Finance Corporation, and they deserve the congratulations of the whole Senate.

Mr. BALDWIN. Mr. President, there have been several Members of the Senate who have paid high and well-deserved praise to the membership of the committee which developed the Reconstruction Finance Corporation bill and submitted such an excellent report on it. No doubt the Reconstruction Finance Corporation has been one of the most successful agencies of the Government Congress has created in a great many years, or perhaps has ever created. I think all of us may well pay tribute to its splendid record and to the able men who have administered its intricate affairs down through the years.

I myself should like to say a word of praise and commendation on behalf of the American who first suggested and recommended to the Congress the organization of a Reconstruction Finance Corporation, and to pay grateful tribute to him for his wisdom and farsightedness in making that recommendation—former President Herbert Hoover.

ORDER OF BUSINESS

Mr. WHERRY. Mr. President, I inquire what is the parliamentary situation as to the business now pending before the Senate?

The PRESIDING OFFICER. On the passage of the bill just disposed of, the question recurs on the conference report.

Mr. WHERRY. I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 702, Senate bill 1557, a bill to incorporate the Catholic War Veterans of the United States of America.

Mr. CHAVEZ. I object.

Mr. WHERRY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. A conference report is always a privileged matter, is it not?

The PRESIDING OFFICER. The presentation of a conference report is a privileged matter.

Mr. WHERRY. Therefore a motion to displace now would not in any way involve the rights of that privileged matter?

The PRESIDING OFFICER. It is the opinion of the Chair that it would not.

Mr. WHERRY. I move that the Senate proceed to the consideration of Calendar No. 702, Senate bill 1557.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (S. 1557) to incorporate the Catholic War Veterans of the United States of America.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska.

Mr. CHAVEZ. Mr. President, I inquire of the acting majority leader what the schedule will be from now on.

Mr. WHERRY. It had been my intention, if Senate bill 1557 had been made the unfinished business, to move a recess until tomorrow. Now my motion is to make Senate bill 1557 the unfinished business, so it seems to me that, if it is agreeable to the Senate, at this hour we should take a recess until tomorrow, and debate the motion at that time.

Mr. CHAVEZ. The Senator's proposal is that the Senate recess at this time, without passing on the motion?

Mr. WHERRY. Yes. The motion is the unfinished business, and if there is to be debate on it, if it meets with the approval of the Senate I suggest that, at the conclusion of the session today, the Senate recess until tomorrow at noon.

Mr. CHAVEZ. Mr. President, I believe the acting majority leader is taking the proper course. In my opinion, there is no more important question before the Congress than that which is involved in these proposals and the result which might follow if we adopted this motion and then passed the bill. It is my purpose, notwithstanding the fact that the bill affects people of my religion, to delve deeply into the philosophy of the matter, into the Americanism of the matter, into the serious implications of dividing the American people. I am prepared to debate the question this evening, but I should rather wait until tomorrow.

Mr. WHERRY. In view of the statement of the distinguished Senator, I think the only sensible thing to do is to recess until tomorrow, at the conclusion of business today.

Mr. LODGE. Mr. President, am I correct in my understanding that after the

Senate has disposed of Calendar No. 702, Senate bill 1557, either by voting it up or voting it down, it is the intention to take up Calendar No. 696, Senate bill 1356?

Mr. WHERRY. I might say to the distinguished Senator from Massachusetts that that is exactly the program that is to be followed. My feeling is that since these bills have been passed over time and time again when the calendar was called it is right that they should have their day in court. Whether Senators are for them or against them, I think the only proper thing to do is to bring them up and have them voted up or down. Therefore, it is my intention, at the conclusion of the debate and action on Calendar No. 702, Senate bill 1557, to bring up Calendar No. 696, Senate bill 1356, a bill providing for the incorporation of the Franco-American War Veterans.

Mr. BALDWIN. Mr. President, does the Senator intend to bring up, following the disposition of the last bill to which he has referred, the bill for the incorporation of the Jewish War Veterans?

Mr. WHERRY. Yes. I was about to state the third bill on the program, and I appreciate the Senator's inquiry. The next will be Calendar No. 704, Senate bill 1375, a bill to incorporate the Jewish war veterans of the United States of America.

Mr. CHAVEZ. Let me make an inquiry of the acting majority leader. If bills are introduced to incorporate the Episcopal war veterans, the Methodist war veterans, the Baptist war veterans, and the Negro war veterans, will those proposals meet the same solicitous attitude and be brought up for discussion in the Senate?

Mr. WHERRY. Mr. President, the distinguished Senator from New Mexico knows that I am not at this time discussing the merits of the bills to which reference has been made, but the bills have been on the calendar for some time, and I think that even I have objected to their consideration in behalf of other Senators, because they were not present and ready to debate the issues. If any other such measures, whether they relate to Episcopal, Methodist, or even Presbyterian, war veterans, are on the calendar, and have been on the calendar as long as have been the bills we are discussing, I think the time will come when they, together with every other measure of this character, should have their day in court, and be voted either up or down.

Mr. President, I suggest to the membership of the Senate that for the remainder of the week it is contemplated after whatever disposition is made of Calendar No. 702, Senate bill 1557, Calendar 696, Senate bill 1356, and Calendar 704, Senate bill 1375, that the Senate proceed to the consideration of Calendar 897, Senate bill 1004, which is a bill to amend the Atomic Energy Act of 1946, and thereafter to proceed to the consideration of Calendar 895, House bill 2239, an act to amend section 13 (a) of the Surplus Property Act of 1944, as amended. That statement will give the membership some idea of the legislation proposed to be considered during the next 3 or 4 days.

Mr. McMAHON. Mr. President, am I correct in understanding the Senator to say that he will ask to have taken up for consideration the bill proposing to amend the Atomic Energy Act tomorrow?

Mr. WHERRY. No, Mr. President. That measure will be taken up at the conclusion of the three bills to which I previously referred—Senate bill 1557, Senate bill 1356, and Senate bill 1375. It is then anticipated that the Senate will consider Calendar No. 897, Senate bill 1004. I doubt if that bill will be reached tomorrow, however, in light of what has been said here tonight relative to the consideration of the three bills to which I just referred. But either at the conclusion of the debate on those three bills, or their disposition, it is the intention to proceed with Senate bill 1004, after which it is contemplated that consideration will be had of House bill 2239, which is an amendment to the Surplus Property Act. Following that, there are three or four bills which we will attempt to bring up, one being Calendar 365, House bill 3484, to transfer the Remount Service from the War Department to the Department of Agriculture. Following that, it is proposed to take up two or three agricultural bills, among which is Calendar No. 1066, Senate bill 2173, which I think is of interest to the citrus-fruit growers. Is that not true, I will ask the Senator from Florida?

Mr. PEPPER. Yes; the bill is of interest to the citrus industry.

Mr. WHERRY. What I have said will give Senators an idea of what we should like to take up for consideration during the sessions of the Senate this week. I do not guarantee that the bills I have mentioned will be brought up. It all depends on what action is taken on one bill as to when a succeeding bill can be considered.

Mr. FULBRIGHT. Mr. President, since there appears to be a period of time during which we can take up for consideration certain bills, I should like to ask the acting majority leader if it would be possible to bring up for consideration Calendar No. 169, Senate bill 299, to extend the reclamation laws to the State of Arkansas. That bill has been on the calendar for a long time. In fact, the bill appears on page 1 of the calendar. It affects only the State of Arkansas, and I have not asked that it be brought up heretofore, simply because of pressure of very important business. I should like to request now that the acting majority leader give consideration to bringing that bill up for consideration. I believe there is but one Senator who objects to it. I know of no other Senator who has objection to it. The bill affects only the State of Arkansas. It came from what was then known as the Committee on Public Lands with a unanimous report. That committee is under the chairmanship of the senior Senator from Nebraska [Mr. BUTLER].

Mr. WHERRY. Mr. President, I will say to the distinguished Senator from Arkansas that if he will see me about the bill we will endeavor to find out what can be done about having it brought before the Senate.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. O'CONOR in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

Edney Ridge, of North Carolina, to be United States marshal for the middle district of North Carolina.

By Mr. VANDENBERG, from the Committee on Foreign Relations:

Lincoln MacVeagh, of Connecticut, now Ambassador Extraordinary and Plenipotentiary to Greece, to be Ambassador Extraordinary and Plenipotentiary to Portugal;

Felix Cole, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Ceylon; and

Thomas C. Wasson, of New Jersey, and sundry other persons, for appointment in the Diplomatic and Foreign Service.

By Mr. CHAVEZ (for Mr. LANGER), from the Committee on Post Office and Civil Service:

Sundry postmasters.

CONSIDERATION OF NOMINATIONS—PUBLIC HEALTH SERVICE

Mr. WHERRY. Mr. President, I ask unanimous consent that, as in executive session, the Senate consider the nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none. The clerk will state the nominations on the calendar.

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. WHERRY. Mr. President, I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Mr. WHERRY. I ask that the President be immediately notified of the nominations just confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

RECESS

Mr. WHERRY. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 7, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 6 (legislative day of March 29), 1948:

ADMINISTRATOR FOR ECONOMIC COOPERATION

Paul G. Hoffman, of Indiana, to be Administrator for Economic Cooperation.

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons for promotion in the Foreign Service of the United States of America:

From Foreign Service officers of class 2 to Foreign Service officers of class 1:

Don C. Bliss, Jr., of Mississippi.
Clarence C. Brooks, of New Jersey.
Lewis Clark, of Alabama.
Edward S. Crocker 2d, of Massachusetts.
Paul R. Josselyn, of Iowa.
Austin R. Preston, of New York.
Joseph C. Satterthwaite, of Michigan.
George P. Shaw, of California.
Howard H. Tewksbury, of New Hampshire.

From Foreign Service officers of class 3 to Foreign Service officers of class 2:

George M. Abbott, of Ohio.
Garret G. Ackerson, Jr., of New Jersey.
Ware Adams, of Georgia.
Walworth Barbour, of Massachusetts.
Jacob D. Beam, of New Jersey.
Sidney H. Browne, of New Jersey.
DuWayne G. Clark, of California.
John Davies, Jr., of Ohio.
Allan Dawson, of Iowa.
Charles H. Derry, of Georgia.
Hooker A. Doolittle, of New York.
C. Burke Elbrick, of Kentucky.
Wilson C. Flake, of North Carolina.
Raleigh A. Gibson, of Illinois.
Franklin C. Gowen, of Pennsylvania.
Benjamin M. Hulley, of Florida.
J. Wesley Jones, of Iowa.
Kenneth C. Krentz, of Iowa.
Charles W. Lewis, Jr., of Michigan.
Cecil B. Lyon, of New York.
James S. Moose, Jr., of Arkansas.
Edward Page, Jr., of Massachusetts.
Avery F. Peterson, of Idaho.
James B. Pilcher, of Georgia.
Harold M. Randall, of Iowa.
Charles S. Reed 2d, of Ohio.
John S. Service, of Ohio.
Francis Bowden Stevens, of New York.
Laurence W. Taylor, of California.
Tyler Thompson, of New York.
William C. Trimble, of Maryland.
William T. Turner, of Georgia.
Walter N. Walmsley, Jr., of Maryland.
Miss Frances E. Willis, of California.
Robert F. Woodward, of Minnesota.

From Foreign Service officers of class 4 to Foreign Service officers of class 3:

Stephen E. Aguirre, of Texas.
Daniel V. Anderson, of Delaware.
Ralph A. Boernstein, of the District of Columbia.
Aaron S. Brown, of Michigan.
Howard Elting, Jr., of Illinois.
Herbert P. Fales, of California.
Edmund A. Gullion, of Kentucky.
Theodore J. Hadraba, of Nebraska.
Parker T. Hart, of Massachusetts.
James E. Henderson, of California.
Fred W. Jandrey, of Wisconsin.
Robert B. Memminger, of South Carolina.
John C. Pool, of Delaware.
Paul J. Reveley, of Connecticut.
Edward E. Rice, of Wisconsin.
Fred K. Salter, of Georgia.
John F. Stone, of Pennsylvania.
Robert M. Taylor, of Washington.
Charles W. Thayer, of Pennsylvania.
Joseph I. Touchette, of Massachusetts.
Rolland Welch, of Texas.
Milton K. Wells, of Oklahoma.

From Foreign Service officers of class 5 to Foreign Service officers of class 4.

William L. Blue, of Tennessee.
Robert M. Brandin, of New York.
John A. Calhoun, of California.
Robert J. Cavanaugh, of Illinois.
Adrian B. Colquitt, of Georgia.
Bartley P. Gordon, of Massachusetts.
David LeBreton, Jr., of the District of Columbia.
Frederick J. Mann, of New York.
Paul Paddock, of Iowa.
Claude G. Ross, of California.
Terry B. Sanders, Jr., of Texas.
Byron B. Snyder, of California.

From Foreign Service officers of class 6 to Foreign Service officers of class 5:

Robert W. Adams, of Texas.
Robert G. Bailey, of New Jersey.
Quentin R. Bates, of Iowa.
Williams Beal, of Massachusetts.
Robert M. Beaudry, of Maine.
Harry H. Bell, of New Jersey.
John Q. Blodgett, of Rhode Island.
Mrs. Katherine W. Bracken, of Florida.
William L. Brewster, of Texas.
Maurice J. Broderick, of New York.
Miss Lora C. Bryning, of Washington.
Rolland H. Bushner, of Oklahoma.
James M. Byrne, of New York.
Charles C. Carson, of Mississippi.
Wilbur P. Chase, of Ohio.
Keld Christensen, of Iowa.
Edward W. Clark, of New Jersey.
Bruce R. Crooks, of New Jersey.
John B. Crume, of Kentucky.
William N. Dale, of New York.
Rodger P. Davies, of California.
Alexander J. Davit, of Pennsylvania.
Richard C. Desmond, of Massachusetts.
Dwight Dickinson, of New Jersey.
Donald P. Downs, of Nevada.
Thomas J. Duffield, Jr., of Massachusetts.
Enoch S. Duncan, of Tennessee.
Paul F. DuVivier, of New York.
Cornelius J. Dwyer, of New York.
David I. Ferber, of Arizona.
Arthur D. Foley, of Michigan.
William H. Friedman, of Missouri.
Charles Gilbert, of New York.
Richard M. Herndon, of Pennsylvania.
Martin F. Herz, of New York.
Deane R. Hinton, of Illinois.
C. H. Walter Howe, of New Jersey.
John J. Ingersoll, of Pennsylvania.
Walter C. Isenberg, Jr., of Wisconsin.
Thomas M. Judd, of Maryland.
Ben D. Kimpel, of Arkansas.
Spencer M. King, of Maine.
William E. Knight 2d, of Connecticut.
Stephen A. Koczak, of New Jersey.
William K. Leonhart, of West Virginia.
Oliver M. Marcy, of Massachusetts.
James V. Martin, Jr., of Massachusetts.
Thomas W. McElhiney, of Maryland.
William A. McFadden, of New Jersey.
Thomas D. McKiernan, of Massachusetts.
Francis E. Meloy, Jr., of Maryland.
Lee E. Metcalf, of Texas.
Miss Betty Ann Middleton, of California.
John Y. Millar, of New York.
Joseph J. Montllor, of New York.
Robert W. Moore, of Iowa.
Warren S. Moore, Jr., of Illinois.
James O. Morgan, of Illinois.
David G. Nes, of Maryland.
Miss Helen R. Nicholl, of New York.
Albert V. Nyren, of Massachusetts.
Miss Mary S. Olmsted, of New York.
Andrew E. Olson, of Washington.
Douglas W. Overton, of New Hampshire.
Arthur L. Paddock, Jr., of New Jersey.
Alexander L. Peaslee, of Ohio.
Robert J. Redington, of Connecticut.
John G. Riddick, of South Carolina.
Edward F. Rivinus, Jr., of Pennsylvania.
Frederick D. Sharp 3d, of Connecticut.
Albert W. Sherer, Jr., of Illinois.
Joseph A. Silberstein, of New York.
Levi P. Smith, Jr., of Vermont.
Leslie Albion Squires, of California.
Richard H. Stephens, of Utah.
Gerald Stryker, of Connecticut.
Emory C. Swank, of Maryland.
Oliver L. Troxel, Jr., of Colorado.
Alfred W. Wells, of New York.
Robert E. Whedbee, of Kansas.
Louis A. Wiesner, of Michigan.
Harris H. Williams, of Virginia.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES OF THE ARMY OF THE UNITED STATES

To be brigadier general of the line

Brig. Gen. Errol Henry Zistel, O286558, Ohio National Guard, to date from December 7, 1947.

IN THE AIR FORCE

TEMPORARY APPOINTMENTS IN THE AIR FORCE OF THE UNITED STATES

To be major generals

Col. James Dennett McIntyre, AO7466, United States Air Force, retired.

Col. Arthur William Vanaman, AO10506, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Bryant LeMaire Boatner, AO17123, Air Force of the United States (major U. S. Air Force).

Brig. Gen. Frank Fort Everest, AO17145, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Truman Hempel Landon, AO17268, Air Force of the United States (major, U. S. Air Force).

To be brigadier generals

Col. Robert Chapin Candee, AO4678, United States Air Force.

Col. Rosenham Beam, AO5167, United States Air Force.

Col. Hugh Whitt, AO9556, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Vincent de Paul Dillon, AO12836, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Roscoe Charles Wilson, AO17120, Air Force of the United States (major, U. S. Air Force).

Col. Paul Thomas Cullen, AO17852, Air Force of the United States (major, U. S. Air Force).

Col. Oliver Stanton Picher, AO18009, Air Force of the United States (major, U. S. Air Force).

Col. Ralph Powell Swofford, Jr., AO18026, Air Force of the United States (major, U. S. Air Force).

Col. William Dole Eckert, AO18147, Air Force of the United States (major, U. S. Air Force).

APPOINTMENTS IN THE UNITED STATES AIR FORCE RESERVE OF THE AIR FORCE OF THE UNITED STATES

To be brigadier generals

Col. Emil Henry Molthan, AO473725, United States Air Force Reserve, Air Force of the United States.

Col. Lacey Van Buren Murrow, AO230184, United States Air Force Reserve, Air Force of the United States.

Col. Robert Armstrong Nagle, AO127345, United States Air Force Reserve, Air Force of the United States.

IN THE NAVY

Rear Adm. Arthur D. Struble, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Deputy Chief of Naval Operations (Operations).

CONFIRMATIONS

Executive nominations confirmed by the Senate April 6 (legislative day of March 29) 1948:

PUBLIC HEALTH SERVICE

TO BE SENIOR SURGEON (EQUIVALENT TO THE ARMY RANK OF LIEUTENANT COLONEL), EFFECTIVE DATE OF ACCEPTANCE

Paul H. Stevenson

TO BE SCIENTIST DIRECTOR (EQUIVALENT TO THE ARMY RANK OF COLONEL), EFFECTIVE DATE OF ACCEPTANCE

Lawrence T. Fairhall

TO BE SCIENTIST (EQUIVALENT TO THE ARMY RANK OF MAJOR), EFFECTIVE DATE OF ACCEPTANCE

Martin D. Young

TO BE NURSE OFFICERS (EQUIVALENT TO THE ARMY RANK OF MAJOR), EFFECTIVE DATE OF ACCEPTANCE

Helen Bean
Donna Pearce
Mary J. Dunn
Margaret G. Arnstein
Lydia M. Zetzsche

TO BE DIETITIANS (EQUIVALENT TO THE ARMY RANK OF MAJOR), EFFECTIVE DATE OF ACCEPTANCE

Clare B. Baldauf
Majorie J. Wood

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 6, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou listening Lord, Master of us all, like a happy springtime after a sore winter, come to this wounded world; come to its fallen ruins and transmit them into moral and spiritual might. Thou whose pure thoughts were wrought into immortal deeds, Thy sacrifice cannot fail, Thy mission cannot come to naught.

Heavenly Father, we pray for the defenders of our country who will never give the signal for cowardly defeat. In the challenge of this day, keep us mindful, not only of Thy wisdom, but the peril of forsaking duty for self-concern. Help us to find the strength of Thine everlasting arms, that we may chart the course of a just understanding that leads to universal peace. Bless our Speaker and all Members and keep us faithful and true to one another and to Thee. In the name of Christ we pray. Amen.

The Journal of the proceedings of Friday, April 2, 1948, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate, having proceeded to reconsider the bill H. R. 4790, an act to reduce individual income-tax payments, and for other purposes, returned by the President of the United States, with his objections, to the House of Representatives, in which it originated, and passed by the House of Representatives on reconsideration of the same, it was

Resolved, That the said bill pass, two-thirds of the Senators present having voted in the affirmative.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication:

APRIL 6, 1948.

The Honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to the authority granted by the House of Representatives on April 2, the Clerk did, on that day, receive from the Secretary of the Senate a message indicating that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2202) entitled "An act to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States."

Very truly yours,

JOHN ANDREWS,
Clerk of the House of Representatives.

ENROLLED BILL SIGNED

The SPEAKER. The Chair desires to announce that, pursuant to the authority granted him on April 2, 1948, he did on that day sign the following enrolled bill of the Senate:

S. 2202. An act to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States.

EXTENSION OF REMARKS

Mr. AUCHINCLOSS asked and was given permission extend his remarks in the RECORD and include a speech.

Mr. ROBERTSON asked and was given permission to extend his remarks in the RECORD and include an article from a magazine.

Mr. ROHRBOUGH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Sunday Washington Star.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD regarding amendments to the social-security law.

Mr. REES asked and was given permission to extend his remarks in the RECORD and include a statement from the president of the University of Kansas.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include a radio address he made recently.

Mr. POTTER asked and was given permission to extend his remarks in the RECORD and include a radio address and a letter.

Mr. LOVE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MACKINNON asked and was given permission to extend his remarks in the RECORD and include an editorial.

SPECIAL ORDERS GRANTED

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent that tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 45 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

A CLEAN SWEEP BY IDAHO IN THE ANNUAL FIELD AND STREAM FISHING CONTEST

Mr. GOFF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include a list.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. GOFF. Mr. Speaker, these are strenuous days for all of us, and for that very reason it is well that we occasionally turn our thoughts to more pleasant subjects. I can think of no subject more restful for a brief daydream than trout fishing in our clear, cold, mountain lakes of the Far West.

This brings me to the fact that, for the second successive year, the big Kamloops rainbow trout from north Idaho's Lake Pend Oreille, in my district, have scored a clean sweep in the rainbow-trout division of the national fishing contest conducted by the Field and Stream magazine. I refer you to page 72 of the April issue of this magazine, which I hold in my hand. In 1946, I blush to report that, of the 10 given honorable mention below the 10 prize winners, 1 of these was an outsider from another western State, but I am happy to inform you that in 1947 all of the 10 prize winners, as well as the next 10 given honorable mention, were the big fighting rainbows from north Idaho.

Mr. Speaker, the list of the 1947 prize winners is as follows:

Prize winners, 1947 Field and Stream fishing contest—rainbow trout, open, western division

Winner	Weight	Where caught	When
	Lb. Oz.		
1. Wes Hamlet	37 0	Pend Oreille Lake, Idaho.	Nov. 25
2. C. C. Shepherd	36 0	do	May 1
3. Chester B. Helme	34 4	do	Nov. 18
4. Mrs. O. G. Olson	33 8	do	May 24
5. Tom E. Kocher	33 0	do	Nov. 9
6. C. E. Jones	33 0	do	Nov. 7
7. Glenn E. Bandelin	32 4	do	Nov. 11
8. G. O. Phippeny	32 3	do	May 24
9. Jay Bly	32 0	do	Nov. 16
10. Jack K. Uagaoka	32 0	do	Nov. 9

Honorable mentions: Harold E. Brothers, 32 pounds, Pend Oreille Lake, Idaho; Mrs. Amy L. Worthy, 31 pounds, 8 ounces, Pend Oreille Lake, Idaho; W. V. Goodfellow, 31 pounds, 4 ounces, Pend Oreille Lake, Idaho; Bill Greenwood, 31 pounds, 3 ounces, Pend Oreille Lake, Idaho; Carl J. Haacke, 31 pounds, 2¼ ounces, Pend Oreille Lake, Idaho; Stephen Casadoro, 30 pounds, 12 ounces, Pend Oreille Lake, Idaho; Albert Hamby, 30 pounds, 5 ounces, Pend Oreille Lake, Idaho; Ray M. Kimble, 30 pounds, 4 ounches, Lakeview, Idaho; Robert A. Wieber, 30 pounds, Pend Oreille Lake, Idaho; Charles E. Glasby, 30 pounds, Pend Oreille Lake, Idaho.

ACCESS TO THE RECORDS OF THE EXECUTIVE DEPARTMENTS

Mr. MACKINNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MACKINNON. Mr. Speaker, the present attempts by the various branches of the executive departments to place the records of public business in the secret, confidential, and personal category and deny Congress access to the information they possess, has the most far reaching implications.

If Congress is indeed dependent upon the other branches for the facts necessary to guide its legislative judgment, then Congress is not in fact a responsible coordinate branch of the Government. To hold that a branch of the

Government, manned by personnel chosen directly by the people, answerable directly to the people, and removable directly by the people, may not be entrusted with enough power to properly discharge its constitutional responsibility is an indictment of the scheme of representative government. Congress cannot be held responsible for not doing properly that which it does not have the power properly to do. If it were held—that one could paralyze the inquisitorial machinery of Congress—upon what basis could the Congress claim to be a responsible coordinate branch of the Government, or upon what foundation of fact could the people hold it to that responsibility.

Mr. Speaker, I have quoted from the arguments of the Honorable Hatton W. Sumners, of Texas, then chairman of the House Committee on the Judiciary, when he appeared before the United States Supreme Court, amicus curiae, on January 7, 1935, in the case of *Jurney* v. *McCracken* (294 U. S. 125), involving the subpena and contempt powers of Congress. The Supreme Court decided he was right. Let us not fail to vigorously protect the congressional powers he helped preserve, which the Supreme Court recognizes we posses, and the exercise of which are necessary if we are to fulfill our constitutional duties and maintain the legislative department as an independent branch of our Government.

EXTENSION OF REMARKS

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD.

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include a splendid editorial from the St. Joseph News-Press opposing Federal aid to education entitled "The Illusion of Federal Aid."

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial from the Long Beach Press-Telegram, and in the other a resolution from the California Association of Port Authorities.

REDUCED POSTAGE FOR RELIEF PARCELS MAILED OVERSEAS

Mr. YOUNGBLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. YOUNGBLOOD. Mr. Speaker, as a part of the European recovery program, there has been established a procedure which will provide for reduced transportation rates on relief parcels sent by organizations or individuals to persons living in the countries coming within the provisions of the European recovery program.

By this action there has been included in the European recovery program a program for reduced postage similar to that provided for by H. R. 4598, a bill which I introduced on November 28, 1947. Under the terms of that bill, gift parcels containing food, clothing, or medicine intended for relief purposes could be sent for 25 percent of the existing parcel-post rates to the countries concerned. The scope of my bill would have been substantially larger than that provided under the European recovery program. Countries included under my bill were: Belgium, Korea, France, Greece, Italy, Luxemburg, Netherlands, Free Territory of Trieste, Portugal, Sweden, Switzerland, China, Japan, Czechoslovakia, Poland, and the American, French, British, and Russian occupied zones of Germany and Austria.

While the provisions of the reduced postage program under the European recovery program are not as broad as they were under my bill, I do believe that a good start has been made in the initiation of a program that will meet a wide popular demand throughout this country.

Under the provisions of the European recovery program as amended by the House and retained in the conference report, the Administrator of the European recovery program is required to furnish ocean transportation and port handling charges for gift parcels of food, medicine, and clothing sent to countries within the scope of that program. These parcels may be sent either by charitable organizations or individuals. Delivery to individuals to whom these parcels are addressed will be accomplished under the supervision of the Administrator of the ERP in cooperation with the local officials of the countries to which these parcels are sent. In addition, the Administrator is charged with taking such measures as are necessary to see that these gifts will not be subject to customs duty charges.

Hearings were held on my bill (H. R. 4598) by the Post Office and Civil Service Committee of the House. These hearings were broadcast over the Mutual network. As the result of great popular appeal, the House and Senate concurred in making the necessary provisions for the reduced rates of transportation of these gift parcels and included them in the European recovery program.

By providing reasonable transportation charges for medicine, food, and clothing to our friends in the war-torn countries overseas we are serving a twofold purpose. First, many individuals in this country would like to assist their friends and relatives in foreign lands which have been ravaged by war; secondly, there probably is no other program which brings the direct hand of friendship across the seas as one which provides for the transmission directly from one individual to another or from a charitable organization to an individual, parcels containing goods essential to life.

Even under the existing high rates of postage generous Americans are sending to their friends and relatives overseas an increasing volume of such parcels. The volume of international parcel post has already increased immeasurably under the pressure of need of friends and relatives in foreign countries. The volume of this international parcel post has jumped from 25,792,138 pounds in the fiscal year 1939, before the war, to the amazing figure of 401,941,067 pounds for the fiscal year 1947, or an increase of 16 times. It is impossible to estimate how much this parcel post will increase if the postage rates are reduced. Various opinions of the Post Office Department experts run from a doubling in volume up.

I am sure that the general acceptance of this program will be so great that we are going to reduce in the final analysis the need of Europe for these essentials to living by an amount many times the actual cost of the transportation we will furnish under this program.

I do want to say that while this program is not as broad as that which I originally proposed, I do believe that it represents a beginning. I hope that we can extend the principle of reduced transportation costs for food, medicine, and clothing to other countries where the need is so great. I am sure that the sending of these essentials of life from one friend or relative to another will go a long way toward reducing the possibility of war and tend toward a lasting and friendly peace.

EXTENSION OF REMARKS

Mr. PRESTON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and include a resolution.

SPECIAL ORDER GRANTED

Mr. BUCHANAN. Mr. Speaker, on behalf of my colleague the gentleman from California [Mr. HOLIFIELD], I ask unanimous consent that he may address the House for 10 minutes today following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. TRIMBLE asked and was given permission to extend his remarks in the RECORD and include an editorial.

PASSPORTS

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURLESON. Mr. Speaker, from the press and radio reports, I understand that the gentleman from New York [Mr. ISACSON] has requested a passport from the State Department to go to Paris to attend a conference, having as its purpose the giving of aid to Greek Communists. Further reports indicate that the State Department has denied that application and that the gentleman from New York has indicated he expects to confer with other Members of the Congress in protest. Of course, he has not conferred with me, but I offer this suggestion. I think the State Department should grant the application. In fact, I think the State Department should grant applications for passports to all those who want to go to Europe, and even to Russia, to aid the Communists, with this provision: That instead of a maximum date for the return as passports provide, a minimum date be fixed

and I suggest that that be, let us say, 30 years.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

JOHN L. LEWIS

Mr. FISHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FISHER. Mr. Speaker, the President's board to study the facts in the coal strike has reported. The findings make it conclusively certain that the alleged reasons given by old John L. Lewis for the present coal strike are absolutely phoney.

The strike was called by Lewis on March 12. That was the effect of his letter to the miners, according to the report. He has refused to bargain or negotiate and is now evidently engaged in one of his periodic public exhibitions put on for the purpose of showing the power and control which he holds over the 400,000 members of the United Mine Workers of America. This strike, which is typical of many he pulled during the darkest hours of the war, serves to demonstrate the need for even more laws to effectively curb him during his irresponsible moments and protect the public welfare.

The President is to be commended for making use of the Taft-Hartley Act in an attempt to stop the strike. But it becomes increasingly evident that even stronger laws are needed if the public interest is to be fully protected. The treatment may be desirable, but let us do something about the disease. This Congress should immediately enact a law to make Lewis and his kind subject to our antitrust laws and treat a labor monopoly that is actually in restraint of trade in the same manner as we apply such laws to a business monopoly. We should go further and prohibit the John L. Lewis type of industry-wide bargaining. Those provisions were enacted by the House last year but were stricken out in the Senate.

Mr. Speaker, as a result of the present strike more than 40,000 tons of coal have been lost to production. Unless settled, in 2 weeks a state of national economic paralysis will set in. Already nearly $100,000,000 in wages have been lost to 340,000 miners—a sum which is nearly three times the amount of the pension fund about which it is pretended the strike was called. Every day the striking miners are losing $4,500,000 in wages, and apparently no one but John L. Lewis knows why they are striking.

EXTENSION OF REMARKS

Mr. JENSEN asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Atlantic News Telegraph of Atlantic, Iowa.

Mr. JARMAN (at the request of Mr. JONES of Alabama) was granted permission to extend his own remarks in the RECORD.

Mr. COMBS asked and was granted permission to extend his remarks in the RECORD and include an address by Mr. John W. Fulbright on the intercoastal canal of Louisiana and Texas.

Mr. ZIMMERMAN asked and was granted permission to extend his remarks in the RECORD and include a speech by Mr. Dodd, Assistant Secretary of Agriculture, before the Rivers and Harbors Conference in Washington, on March 19.

Mr. MANSFIELD asked and was granted permission to extend his remarks in the RECORD and include a speech delivered by Hon. William O. Douglas at the University of Florida on March 22, notwithstanding the fact that it would exceed the amount allowed by 3½ pages and cost $248.50.

Mr. EBERHARTER asked and was granted permission to extend his remarks in the RECORD and include an editorial which appeared in the Washington edition of the Pittsburgh Courier on Saturday, April 3, 1948, entitled "ERP Versus District of Columbia Segregation."

Mr. ENGLE of California asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. DORN asked and was granted permission to extend his remarks in the RECORD and include a radio script by Mr. Calhoun, of Charlotte, N. C.

BETRAYAL OF PALESTINE NOW CLEAR

Mr. CELLER. Mr. Speaker, I ask unannmous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There was no objection.

Mr. CELLER. Mr. Speaker, the United States surrender of its moral leadership in the partition reversal on Palestine is now complete. Warren Austin's latest statement proves how far that betrayal has gone.

The trusteeship suggested, which is really to be British solely, is to continue until the Jews and Arabs come to an agreement. The Jews cannot hope to treat with the Arab assassin and Hitler stooge the ex-Grand Mufti of Jerusalem, whose sole aim has been and continues to be the extermination of the Jews. That means the trusteeship will be permanent. The British for 25 years insist that they have tried to bring the Jews and Arabs together and could not. Would a trusteeship presumably temporary bring them together, and will it last for another 25 years? Warren Austin should have been honest and not have spoken of trusteeship as a temporary one.

Even at this moment our State Department has its secret mission in London negotiating with the British to remain as mandatory power in Palestine with the United States Treasury pledged to underwrite the cost. Under the latest State Department proposal, the government of Palestine is to include a cabinet and a democratically elected legislature, preferably bicameral. Since the Jews are about one-third of the population of Palestine, this legislature would be controlled by the Arabs. The Arabs could by virtue of their numbers pass any kind of legislation they wish. Judging from what we already know of the nature of Arab leadership, the ex-Grand Mufti in particular, we know what kind of legislation that will be. The Jews would be frozen into a perpetual ghetto.

It is proposed that an agreement should make specific provisions for immigration and land purchases. The sting is in the tail of that proposal. Such immigration and land purchase, however, should be negotiated in consultation with representatives of the Jewish and Arab communities. We know very well in advance that the Arabs will not agree to further immigration and land purchases. They have vowed that not a single additional Jew shall enter Palestine.

I remind Warren Austin that only a short while back he stated that force would not be used to impose partition. With this statement, however, he now opens the door to military occupation of Palestine to enforce trusteeship and suppress the independence of the Jews. Everything points to the direction of further appeasement of the Arabs, the Arabs who betrayed the Allied cause in the last war and who aggressively refused to uphold the decision of the United Nations on the partition of Palestine.

The trusteeship agreement is supposed to replace the partition plan already agreed to by the General Assembly. Austin said recently that the Security Council cannot implement a political decision by force. If this new trusteeship is not a political decision, then I do not know what political decisions are.

I call attention again to the undeniable American policy on Palestine which through Presidential and legislative declaration since 1922 has favored the establishment in Palestine of a democratic Jewish commonwealth. I call attention to how deeply embedded this is in American policy as reflected in its embodiment in the party platforms of both major political parties.

I say without reservation that our State Department, without a mandate from the people, has perverted that policy. The completely autocratic behavior of our State Department must not go unchallenged nor unquestioned.

A CONFERENCE WITH THE RUSSIANS

Mr. FOLGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. FOLGER. Mr. Speaker, last week the gentleman from South Dakota [Mr. CASE] proposed that we call upon General Eisenhower to do something that he would do and to render a great service to the world in doing it; that was, to let him go with such others as might be selected to undertake to treat with the Russian officials, the Premier, Mr. Stalin, and others, in an effort to bring about a sensible situation in the world. I do not know, of course, how much thought was given to the statement of the gentleman from South Dakota but

I wish, if I may, to emphasize the wisdom of that course. The statement of the gentleman from South Dakota deserves immediate and favorable action.

The man upon whom is incumbent the responsibility of movement is the strong man. There is nothing of appeasement, there is nothing of cowardice in the strong man's undertaking to convince the weak that there ought to be peace in the world, and I think we ought to pursue it.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

THE GOVERNMENT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, a French economist suggested many years ago that a prize be offered for a good, simple, and intelligible definition of the word "government." He then asked:

> The government—what is it? Where is it? What does it do? What ought it to do? All we know is that it is a mysterious personage; and assuredly, it is the most solicited, the most tormented, the most overwhelmed, the most admired, the most accused, the most invoked, and the most provoked, of any personage in the world.

This eminent Frenchman goes on to say why he is interested in obtaining a definition of "government."

> I should be glad enough, you may be sure, if you had really discovered a beneficent and inexhaustible being, calling itself the government, which has bread for all mouths, work for all hands, capital for all enterprises, credit for all projects, oil for all wounds, balm for all suffering, advice for all perplexities, solution for all doubts, truths for all intellects, diversions for all who want them, milk for infancy, and wine for old age—which can provide for all our wants, satisfy all our curiosity, correct all our errors, repair all our faults, and exempt us henceforth from the necessity for foresight, prudence, judgment, sagacity, experience, order, economy, temperance, and activity.

I have quoted these observations because the same philosophy is now rampant and is rapidly leading our citizens to believe that the function of government is to support the people—not that the citizens should support the government. As the French economist of a century ago points out:

> Government is the great fiction, through which everybody endeavors to live at the expense of everybody else.

At the present time the people of 16 nations also hope to live at the expense of the taxpayers of the United States. By the adoption of ERP has our Congress accepted the philosophy that our Government should be the object as well as victim of plunder by the totalitarian, socialistic and communistic schemers and dreamers both here and abroad? Let the American voters decide this question in November 1948. The issues are solvency or insolvency, liberty or servitude.

SPECIAL ORDER GRANTED

Mr. POULSON. Mr. Speaker, I ask unanimous consent to address the House for 45 minutes today following the business on the Speaker's table and any other special orders heretofore entered for the day.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

OLEOMARGARINE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, I just want to call the attention of my Republican colleagues who have been falling for the propaganda of the cottonseed lobby and plead with them not to be too much influenced by this cotton bloc. The wholesale price of butter on the Chicago market for next November is only 66 and 67.1 cents per pound. Now, you can buy yourself a supply and you do not need to hear so much about dollar butter. Of course, you will not be a speculator in human misery if you provide only the butter for yourself.

There is another angle in connection with oleo to which I wish to call your attention. The cotton lobby is never satisfied. I have never seen such a greedy outfit as the cotton lobby is. They have done everything possible legislatively for them to do it seems to me. They have been on the gravy train for a long, long while and now that they are afraid they are going to get off the gravy train, they want one last grab. For example, before the war they made some 300,000,000 pounds-plus of oleo a year. This last year they made around 700,000,000 pounds, and it looks as though this year they would make around a billion pounds. They have increased their production threefold in a few years, yet they are never satisfied. Twenty-six oleo manufacturers have a monoply on the American market. They are now out to jeopardize the whole dairy business, including the two and one-half million dairymen in America.

One would think they would be satisfied with three times the prewar production, but now they are out to get it all. Before the war 42 cows out of every 100 cows produced milk for butter. This has now been reduced to 25 out of each 100. Do you wish to be a party to liquidating the 25 percent of the cows now producing milk for butter? They do not say a word about the quarter of a cent tax that there is on reprocessed butter and no one has ever asked to take this quarter of a cent tax off from this butter.

Remember one other thing, and that is, so far as imports are concerned, this oleomargarine and this cotton lobby have been able to fix it so that anyone has to pay 22 cents a pound tax to get oleomargarine into this country, but only 7 cents tax in order to get butter into this country for the first 50,000,000 pounds.

Mr. Speaker, I say the time has come to call this proposition what it is, and I expect to try to do that between now and April 26.

REMOVE CURBS ON WHEAT EXPORTS

Mr. STOCKMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. STOCKMAN. Mr. Speaker, I believe it is desirable in the national interest to repeal the carry-over provision which requires that United States stocks of old-crop wheat be not less than 150,000,000 bushels on June 30, 1948, and I have therefore introduced a bill, H. R. 5650, to do away with this short-sighted requirement which is operating to cause the Government to create an artificial wheat surplus in this country.

We are now growing approximately 2 bushels of wheat for every bushel consumed in the United States, and if we allow this carry-over requirement to continue, with its injurious effect of building up an artificial surplus in this country, this will be added to the natural surplus when the Government stops buying for foreign relief. I believe that shipping all we can spare out of current supplies will postpone that possibility.

Since the 150,000,000-bushel minimum carry-over was established, important developments have taken place that have a bearing on the future grain situation in relation to the need for carry-over stocks in this country. Continued good moisture conditions in the Great Plains area of this country have brought improved prospects for 1948 wheat production in this country. Winter grain conditions in western Europe are greatly improved over the situation a year ago, and the need in Europe for grain from our 1948 crop should be much less urgent than the need for grain from our 1947 crop.

As you know, this 150,000,000-bushel minimum carry-over requirement was made in connection with the Interim Foreign Aid Act passed at the special session of the Congress last fall. Public Law 389, known as the Foreign Aid Act of 1947, and Public Law 393, making supplemental appropriations for the fiscal year 1948, provide that the funds authorized under the acts shall not be made available or used to acquire a quantity of wheat, wheat flour, and cereal grain in the United States, which, after taking into consideration the amount estimated for export and the amount needed for domestic consumption will leave a carry-over of less than 150,000,000 bushels on July 1, 1948.

The declared purpose of this legislation is to protect the economy of the United States from inflationary prices and to assure against a scarcity of bread for domestic consumption during the crop year beginning July 1, 1948. The legislation does not contain any provisions to assure that the amount of wheat

carried over on July 1, 1948, be actually not less than 150,000,000 bushels; that is, the administration is not directed or authorized to assume ownership for the purpose of carrying over into the new-crop year such supplies of old-crop wheat as producers or the trade may be unwilling to hold and which, if moved into consumption channels, would cause the carry-over to be less than 150,000,000 bushels.

The law merely provides that in estimating the amount of wheat and wheat flour or cereal grain available for export from the United States, after giving due consideration to the amounts required in this country to meet essential domestic needs during the remainder of the crop year, including feed, food, industrial uses, wastage, and seed, allowance must be made for a carry-over of not less than 150,000,000 bushels by the end of the crop year.

The evident intent of the legislation was to reverse price pressures on grains by curtailing exports and creating a stock pile of wheat that would assure our domestic economy of adequate supplies and thus avoid the necessity for reinstating controls over use, distribution, and prices urged by the President. Testimony from the grain trade and the milling industry that it was dangerous to reduce the carry-over below a certain safe level, variously estimated between 150,000,000 and 250,000,000 bushels, contributed to the writing of this legislation. It was enacted at the time when grain prices were advancing to new high levels and widespread concern was felt over the inflationary effects of rising prices upon the cost of living and upon our whole economy.

While there are reasons for believing that the establishment of a minimum carry-over by the Congress was a factor in the recent sharp decline in grain prices, the effects of this legislation upon future price developments promise to be in the direction of serious market disturbances rather than increased stability. Very likely the brunt of such disturbances would be borne by producers who hold a large proportion of the carry-over of old-crop wheat.

One of the principal functions of carry-over stocks of old-crop wheat is to provide milling supplies for the interim period between the end of the old-crop year and the time when new-crop supplies become available in quantity. Likewise, some old-crop wheat is required for blending with new wheat. The amount of stocks carried over by producers, the trade, and the milling industry largely depends on the relative level of prices of old-crop wheat and the prospects for the new crop. Variations in the size of the carry-over above minimum operating requirements are closely related to price relationships which prevail toward the end of the crop year. A carry-over of much more than 150,000,000 bushels may be highly desirable under certain conditions, while it may be equally desirable at other times to carry over substantially less than that amount.

With reassuring new-crop prospects, both in this country and abroad, farmers, the grain trade, and millers are likely to be unwilling to carry over stocks as large as 150,000,000 bushels. Thus, the inflexible limitation embodied in the legislation would tend to cause sharp price declines toward the end of the crop year as farmers, the grain trade, and millers would reduce their holdings of old-crop wheat to minimum levels consistent with operating requirements. With the administration forbidden under this act to make increased export purchases that would reduce carry-over stocks below the legal minimum, and with domestic demand in food channels relatively inelastic, active governmental price support measures would be required to prevent prices from declining to levels where substantial supplies of old-crop wheat would be diverted to livestock feeding—a condition which should not be permitted to exist in the face of the urgent need for wheat for foreign relief.

The fact that a minimum limitation of the wheat carry-over of 150,000,000 bushels may be too large under certain conditions is borne out by the historical record of carry-over stocks. For instance, on July 1, 1947, the carry-over of 84,000,000 bushels proved to be adequate to meet all domestic needs. On this date, merchant mill stocks were 25,000,000 bushels, and no difficulties were encountered by flour mills in obtaining needed supplies of old-crop wheat before new-crop supplies became available in volume. Wheat prices at that time were substantially lower than current market prices. Had Public Law 389 been then in effect, the starving countries abroad would have been denied 66,000,000 bushels of wheat, while our domestic prices, which declined around 50 cents per bushel in the closing month of the 1946–47 crop year, would have receded to still lower levels because of the inflexible limitation on exports.

When good new crops are in prospect and old-crop prices are attractive, farmers and the trade should be at liberty to reduce their holdings of old-crop-wheat supplies. A legal limitation of 150,000,000 bushels upon the minimum size of carry-over stocks is particularly undesirable this year when foreign food requirements are urgent, while new-crop prospects are favorable and continue to improve. Our winter-wheat crop has greatly benefited from widespread rains and snow in the Southwest, and present indications are for a larger crop than earlier estimates. World wheat prospects are also greatly improved, and some falling off in foreign demand may be anticipated when European new-crop supplies become available. However, this will not be before August–September, and until that time every effort must be made to export maximum amounts that can be spared.

The present limitations as to carry-over stocks on July 1, 1948, would permit total wheat exports during the crop-year of 500,000,000 bushels. This estimate, however, is predicated on the assumption that the amount of wheat fed to livestock will not exceed 210,000,000 bushels, after making due allowance for domestic food needs and seed requirements for next year's crop. There is, however, no assurance that larger amounts than estimated will not be used for feeding purposes. Should wheat prices decline relative to the price of corn, as much as 250,000,000 bushels of wheat may be fed to livestock. Thus, the year-end carry-over would be correspondingly reduced. The minimum carry-over legislation has injected into our export program an inflexible factor which will make it increasingly difficult to balance domestic supplies against foreign requirements.

All indications suggest that producers and the trade will, in the face of continued favorable new-crop developments, be unwilling to carry old-crop wheat supplies in excess of minimum operating requirements. This is borne out by the fact that new-crop wheat for future delivery is selling at substantial discounts below current cash prices, and a progressive easing of new-crop wheat prices is clearly anticipated by the trade, with new-crop wheat for September delivery quoted lower than for July delivery and December lower than September. Normally the deferred deliveries sell at a premium over the nearby futures, reflecting carrying charges for wheat in storage. Under existing conditions, farmers and the trade have every incentive to clean out their bins.

In the light of these considerations, repeal of the carry-over provisions of the legislation would appear to be desirable from the standpoint of farmers, and the grain trade, and in the interest of grain conservation; it would create greater flexibility for adjusting supplies and prices to new-crop and market conditions and permit to meet greater export requirements; it would impart greater stability to wheat prices; and it would assure the maintenance of prices above the levels at which price support operations are mandatory.

EXTENSION OF REMARKS

Mr. CURTIS asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

Mr. BUSBEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial appearing in yesterday's Chicago Tribune.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the House Committee on Administration may have permission to sit this afternoon during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

FUMES FROM HELL'S KITCHEN

Mr. HILL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I quote the following from the Denver Post of March 31, 1948:

Stinkweeds to Dean Alfange, New York lawyer-toastmaster, for trying to foist Henry Wallace upon our Rocky Mountains. Orchids

to President Truman for vetoing that suggestion. He told Alfange, "That's fine country out there."

Alfange, a noted liberal who should know better, suggested that H. A. W. "repair to the Rocky Mountains with his following and be recognized by Stalin as the head of free United States Government." Even in jest we resent that, suh. We much prefer the Truman counterproposal that the third-party pest go home to Uncle Joe and "the country he loves so well."

We who dwell in the Rocky Mountain empire don't relish Henry any more than we do New Yorkers who think anything west of Buffalo is virgin wilderness. But if Attorney Alfange insists we have some highly appropriate Rocky Mountain geography to fit the case. Devil's Lake, Devil's Mountain, Devil's Nose, Devil's Head, and Devil's Slide are waiting. So is Hell Hole, a yawning pit in real wilderness at the base of Colorado's Peak and Fair Glaciers. Hell's Half Acre is in Wyoming; Loco Hills in New Mexico.

Right here in Colorado are Purgatory River and Purgatory Peak, Poison Mountain, Radical Hill, Troublesome Peak, Quandary Peak, Red Cone, Red Hill, two Red Peaks and an assortment of Red mountains.

Wyoming offers Bitter Creek in Sweetwater County; Dull Center, Goose Egg, Lost Cabin, and Recluse, and could isolate quite a number of troublemakers atop famous Devil's Tower, which by the way, is in Crook County.

THE COMING PRESIDENTIAL CAMPAIGN

Mr. BUSBEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BUSBEY. Mr. Speaker, a week ago just before leaving for Chicago I prepared a poll that I sent to every Member of the House, including Democrats and Republicans. The poll has to do with the coming Presidential campaign.

I am sure you will agree with me when I say one of the first questions asked you when you go back to your district is about the coming conventions. I am appointing a committee of three Republicans this week to tabulate the Republican ballots and three Democrats to tabulate the Democratic ballots.

The three questions asked in that poll were:

First. Who do you think will be nominated for President?

Second. Who is your personal choice for President?

Third. Who do you think stands the best chance of being elected President if nominated?

This is a secret ballot, it is nonpartisan, and the tellers will be appointed from various sections of the country. The result will be given to the press some time this week.

Those of you who have not sent your ballots back please do so today or tomorrow. Upon arriving back at my office this morning my secretary informed me that over one-third of the Members have returned their ballots. Please join with those who have responded as I would like to have this as representative as possible of the thinking of the Members of this body. I want to release this information to the press within a few days.

EXTENSION OF REMARKS

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a radio broadcast.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a news letter.

Mr. TOLLEFSON asked and was given permission to extend his remarks in the RECORD.

Mr. COLE of New York asked and was given permission to extend his remarks in the RECORD and include an editorial and a letter.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD.

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD and include newspaper statements.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD.

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in four instances and include in each extraneous matter.

THE FORGOTTEN EX-SERVICEMAN

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, at this time I desire to say a few words about the forgotten man, the serviceman from the rank and file who has been overlooked.

I have introduced a bill to pay our ex-servicemen adjusted compensation, and have filed a petition, petition No. 14, to bring that bill to the floor for passage.

You paid $1,040 to ex-servicemen who were willing to sit down for a year and do nothing. Now you are encouraging them to take their wives and children and move to college in order to get their part of the compensation.

The man who came back home and went to work—and invariably he was the best fighter in the service—has not asked for anything, and he has not received anything so far. My bill provides that what has been paid these people to go to college or for on-the-job or for on-the-farm training or as unemployment compensation shall be deducted from their part of this adjusted compensation.

Now, this bill, or a similar one is just as sure to pass as night follows the day, and the longer you put it off, the more expensive this program is going to become.

I hope every one of you will sign this petition and help us to do justice to those brave men who fought our battles in time of war and are now laboring to maintain our country in time of peace.

Remember the petition is now on the Clerk's desk, awaiting your signature. It is petition No. 14.

The bill reads as follows:

H. R. 4927

A bill to amend the Servicemen's Readjustment Act of 1944 so as to provide readjustment insurance for those persons who served in the armed forces of the United States during World War II, and for other purposes

Be it enacted, etc., That an additional title be added to the Servicemen's Readjustment Act of 1944, as amended, to read as follows:

"TITLE VII

"CHAPTER XVI—VETERANS' READJUSTMENT INSURANCE

"Definitions

"SEC. 1601. As used in this title—

"(a) The term 'service in the military or naval forces' shall mean full-time paid service in the Army, Navy, Marine Corps, and Coast Guard.

"(b) The term 'person who served' shall mean a person, whether male or female, whether commissioned, enlisted, enrolled, or drafted, who served as a member of the armed forces or as a member of one of the Reserve components thereof.

"(c) The term 'period of the present war' means the period beginning September 16, 1940, and ending December 31, 1946.

"(d) The term 'Department' means the War Department or the Navy Department, or one of the components thereof.

"(e) The term 'veteran' means any person who served during the period of the war whether or not such service shall have terminated.

"(f) The term 'overseas service' shall include all active service outside the continental limits of the United States or in Alaska."

SEC. 3. As used in this act monetary benefits received pursuant to the Servicemen's Readjustment Act of 1944, as amended, shall include and be limited to—

(a) Tuition (including laboratory, library, health, infirmary, and similar fees; and the cost of books, supplies, and other equipment) paid by the Administrator of Veterans' Affairs to educational or training institutions, including correspondence schools, pursuant to title II of the Servicemen's Readjustment Act of 1944, as amended.

(b) Subsistence allowances paid by the Administrator pursuant to title II of the Servicemen's Readjustment Act of 1944, as amended.

(c) Moneys expended by the Administrator to lenders on behalf of any individual participating in the benefits of title III of the Servicemen's Readjustment Act of 1944, as amended, which moneys shall be limited in each case to an amount equivalent to 4 percent on the amount guaranteed pursuant to this title.

(d) Moneys expended by the Administrator as guarantor of loans exercised under title III of the Servicemen's Readjustment Act of 1944, as amended, upon default of the lendee. Such set-off shall constitute a satisfaction of the obligation of the defaulting lendee to the Administrator to the extent of the amount set off.

(e) Readjustment allowances paid by the Administrator pursuant to title V of the Servicemen's Readjustment Act of 1944, as amended.

Adjusted-service credit

SEC. 4. Subject to the deductions set forth in section 6, the adjusted-service credit shall be computed by the Secretary of the Department concerned for each veteran. The amount of such credit shall be computed in the following manner:

(a) There shall be allowed $3 for each day of active service within the continental limits of the United States, exclusive of Alaska, and $4 for each day of active over-

seas service, during the period of the war: *Provided,* That any veteran who performed no overseas service shall be entitled to a minimum credit of not less than $100, and any veteran who performed overseas service shall be entitled to a minimum credit of not less than $500: *Provided further,* That the maximum amount allowable to a veteran who performed no overseas service shall be $3,500, and the maximum allowance to a veteran who performed overseas service shall be $4,500: *And provided further,* That any veteran may be given credit for active service in more than one enlistment, but the aggregate adjusted-service credit for all periods of service during the present war shall not exceed the maximum herein specified for the type of service performed.

(b) There shall be allowed, in addition to the amount authorized in (a) above, $500 for any wound for which the issuance of a wound chevron or other decoration or medal is prescribed: *Provided,* That under this subsection the amount of adjusted-service credit to any veteran as provided in (a) shall not be increased by more than $500: *And provided further,* That the adjusted-service credit under this section and payment thereof shall not be reduced by any amount paid or payable under the Mustering-Out Pay Act of February 3, 1944 (Public Law No. 225, 78th Cong.), or the Armed Forces Leave Act of 1946 (Public Law No. 704, 79th Cong.).

SEC. 5. In computing the adjusted-service credit no allowance shall be made—

(a) for service as a civilian officer or employee of any branch of the military or naval forces, contract surgeon, cadet, or midshipman of the United States Military Academy, Naval Academy, or Coast Guard Academy, or for service while attending or stationed at a civilian educational institution and undergoing a course of academic instruction, or for service as a member of the Philippine Army, the Philippine Scouts, the insular forces of the Navy, the Samoan native guard or band of the Navy, or the Samoan reserve force of the Marine Corps;

(b) for any period in excess of 30 days while confined under sentence of court martial or civil court, or absent without leave;

(c) for any furlough for the purpose of engaging in civilian pursuits;

(d) for service of any individual whose period of active military service is terminated under dishonorable conditions;

(e) for service of any person holding a permanent appointment, commission, or warrant in any governmental agency detailed to active service with the Army or Navy, or transferred as a part of the armed forces.

Deductions from adjusted-service pay

SEC. 6. The adjusted-service credit computed under section 4 and the payment thereof shall be reduced by an amount equal to the monetary benefits received under the Servicemen's Readjustment Act of 1944, as amended.

Application for adjusted-service pay

SEC. 7. (a) Each veteran, at time of discharge after the date of enactment of this act, shall be informed of his right to benefits under this act and shall be furnished an application for payment of adjusted-service pay thereunder. Upon filing of such application with the Department at time of or subsequent to discharge, the amount of adjusted-service credit of the veteran, under this act, shall be computed and shall be certified to the Administrator of Veterans' Affairs who shall compute the adjusted-service pay subject to the deductions provided in section 6. The Administrator shall then certify the amount of adjusted-service pay to the Secretary of the Treasury for payment in bonds of the United States: *Provided,* That if the adjusted-service credit is less than $300, it shall be paid by the Administrator in cash.

(b) Any person who remains in active service after termination of the war and whose service has been honorable to that date shall be furnished an application for payment of adjusted-service pay and upon filing thereof payment shall be made as provided in subsection (a) of this section.

SEC. 8. Upon application for adjusted-service pay filed with the Department concerned, in accordance with regulations prescribed by the Secretary thereof, by any person separated from the active service prior to the date of enactment of this act, the adjusted-service credit shall be computed and paid as provided in section 7 (a). Such application may be filed at any time subsequent to the enactment of this act.

Relation of adjusted-service pay to exercise of benefits under the Servicemen's Readjustment Act of 1944, as amended

SEC. 9. (a) Any person participating in the benefits of the Servicemen's Readjustment Act of 1944, as amended, on the day of enactment of this act, may continue to participate in such benefits and defer application for adjusted-service credit: *Provided,* That the operation of section 6 of this act upon subsequent application for adjusted-service credit shall not give rise to a financial obligation from such person to the United States.

(b) Any person receiving adjusted-service compensation as set forth in section 10 of this act and who subsequently makes application for benefits under the Servicemen's Readjustment Act of 1944 shall, as a prerequisite to approval of his application for such benefits, assign the unredeemed portion of the bonds received pursuant to this act to the Administrator of Veterans' Affairs. Pursuant to regulations prescribed by him, the Administrator is authorized and directed to withhold from such person monetary benefits under the Servicemen's Readjustment Act of 1944, as amended, to an amount equal to the face value of the redeemed portion of such bonds: *Provided,* That the operation of this subsection shall not result in the deprivation of any benefits under the Servicemen's Readjustment Act of 1944, as amended, which would ordinarily accrue to such person in the absence of this act.

(c) Any person participating in the benefits of the Servicemen's Readjustment Act of 1944, as amended, who makes application for the benefits of this act while so participating, shall assign the bonds issued under this act to the Administrator. The adjusted-service credit shall be computed as of the day of application and subject to the deductions set forth in section 6. The bonds shall then be subject to the operation of subsection (b) of this section.

(d) Pursuant to regulations prescribed y him, the Administrator is authorized and directed to accept an assignment of such bonds, the proceeds of which shall be used in payment of the benefits set forth in section 3. Any bond assigned under this subsection shall be redeemed at any time, upon presentation to the Secretary of the Treasury, and the proceeds thereof shall be paid and credited to the appropriate fund or appropriation designated by the Administrator.

Payment by bonds

SEC. 10. The amount of adjusted-service credit certified pursuant to this act by the Administrator shall be paid the veteran or his estate by the Secretary of the Treasury by the issuance of bonds of the United States, registered in the name of the veteran only, the denomination having a total face value equal to the highest multiple of $50 in the amount certified as due the veteran, and the difference between the amount certified as due the veteran and the face amount of the bonds so issued shall be paid by check to the veteran or his estate by the Secretary of the Treasury out of the appropriation authorized to be made under this act. Each bond shall be dated the 1st of the month in which it is issued and shall mature 10 years from such date. The bonds shall be redeemable in the manner hereinafter provided and at such places, including post offices, as the Secretary of the Treasury may designate. such bonds shall not be transferable, assignable, subject to taxation, attachment, levy, or seizure under any legal or equitable process, and shall be payable only to the veteran, except as hereinafter provided.

SEC. 11. In cases of deceased or incompetent veterans, the payments provided by this act shall be made to the next of kin of the person who served, or to his estate, as determined by the Administrator, or the Secretary of the Treasury to be lawfully entitled thereto, without the necessity of the appointment by judicial proceedings or otherwise of a legal representative of the estate or person of any veteran or of any other persons, or of compliance with State law in respect of the administration of estates. The provisions of this section shall be carried out subject to regulations to be issued from time to time to effectuate the purposes of this act.

SEC. 12. Interest on each bond issued hereunder shall accrue at the rate of 3 percent simple interest for the first 5 years and 3 percent compound interest thereafter but not beyond the date of maturity, and any accrued interest will be paid with the principal. Each bond shall bear five coupons covering, respectively, the first 5 years immediately following the date of the bond, each coupon to bear necessary information, including record of the face value of the bond and the face value of the coupon, which latter shall be one-fifth of the face value of the bond. Each coupon shall be redeemable at any time within or after the year indicated on its face, except that no interest shall be payable on any coupon redeemed before the expiration of the year it covers. Face value of coupons redeemed before maturity of the bond shall be deducted from the face value of the bond, and payment on coupons redeemed after the expiration of the year or years they cover shall include the face value of such coupons with interest as provided herein.

SEC. 13. If any veteran shall have died or shall die without applying or receiving the adjusted-service pay, application for the amount of such pay may be made at any time by such person or persons as may be authorized by the regulations issued under section 11, or the estate of the veteran. The application shall be filed with the Administrator who will, if less than $300, pay, or if $300 or more, certify to the Secretary of the Treasury for payment the adjusted-service credit computed under sections 4 and 6.

Administrative and penal provisions

SEC. 14. The decisions of the Secretary of War and the Secretary of the Navy and the Secretary of the Treasury and the Administrator of Veterans' Affairs hereunder shall be final and not subject to review by any court or other Government official.

SEC. 15. The Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, and the Administrator of Veterans' Affairs shall make such regulations not inconsistent with this act as may be necessary effectively to carry out the provisions thereof, and may make such joint regulations as are necessary for such purpose.

SEC. 16. The Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, and the Administrator of Veterans' Affairs are authorized to employ such additional personnel as may be necessary to administer their respective functions under this act subject to existing law with respect to personnel matters.

SEC. 17. Any person charged with the administration of any part of this act shall make a full report to the Congress the first

month of each year as to the administration thereof.

SEC. 18. Appropriations necessary to carry out the purposes of this act are hereby authorized. The appropriations for the War and Navy Departments and the Treasury Department and the Veterans' Administration for personnel, travel, and other administrative purposes shall be available for the administration of this act.

SEC. 19. Any person who charges or collects or attempts to charge or collect either directly or indirectly any fee or other compensation for assisting in any manner the veteran, his dependents, or other beneficiaries under this act in obtaining any of the benefits hereunder shall, upon conviction thereof, be subject to a fine of not more than $1,000 or imprisoned not more than 5 years, or both. Any person who fraudulently receives any amount of the adjusted-service credit or bonds to which he is not entitled shall, upon conviction thereof, be subject to a fine not less than twice the amount of such sum so received, and in addition may be subject to imprisonment for a period of not more than 1 year.

SEC. 20. Whoever falsely makes, forges, counterfeits, or alters, or causes or procures to be made, forged, counterfeited, or altered a certification or bond issued under authority of this act, or whoever passes, utters, publishes, or sells, or attempts to pass, utter, publish, or sell, any such false, forged, counterfeited, or altered certificate or bond, with intent to defraud the United States or any person, or whoever has in possession any such falsely made, forged, counterfeited, or altered certificate or bond with intent to unlawfully use the same, or who shall refuse to surrender or release, upon demand by the veteran or lawful beneficiary, any certificate or bond, shall be punished by fine of not more than $5,000 and imprisonment for not more than 15 years. The Secretary of the Treasury is hereby authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into the custody of the United States marshal having jurisdiction any person or persons violating any of the provisions of this section.

MARION S. GRIGGS

Mr. REEVES. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1523) for the relief of the estate of Marion S. Griggs, deceased, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, lines 5 and 6, strike out "the estate of Marion S. Griggs," and insert "Edwin H. Griggs, or his estate."

Page 1, line 6, strike out "$5,000" and insert "$1,236.55."

Page 1, line 7, after "sustained" insert "by his wife, the late Marion S. Griggs."

Amend the title so as to read: "An act for the relief of Edwin H. Griggs, or his estate."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

AMENDING ORGANIC ACT OF GEOLOGICAL SURVEY

The Clerk called the bill (H. R. 3106) to reenact and amend the Organic Act of the United States Geological Survey by incorporating therein substantive provisions confirming the exercise of long-continued duties and functions and by redefining their geographic scope.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN, Mr. CHENOWETH, and Mr. DEANE objected.

AMENDING THE ATOMIC ENERGY ACT OF 1946

The Clerk called the bill (H. R. 5216) to amend the Atomic Energy Act of 1946 so as to provide that no person shall take office as a member of the Atomic Energy Commission or as General Manager of such Commission until an investigation with respect to the character, associations, and loyalty of such person shall have been made by the Federal Bureau of Investigation.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PECUNIARY INTERESTS IN FREIGHT FORWARDERS

The Clerk called the bill (H. R. 3692) to amend the Interstate Commerce Act, as amended, with respect to ownership or stock interest in freight forwarders.

Mr. CARROLL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

STOWAWAYS

The Clerk called the bill (H. R. 5119) to amend the immigration laws relating to stowaways, and for other purposes.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ALLEGHENY COUNTY, PA.

The Clerk called the bill (H. R. 1008) for the relief of the county of Allegheny, Pa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the county of Allegheny, Pa., the sum of $42,053.26, in full satisfaction of all claims against the United States for damages sustained by the county of Allegheny, Pa., by a fire which completely destroyed a building known as Agricultural Hall, located in South Park, county of Allegheny, Pa., on February 16, 1944, while being occupied, used, and exclusively under the control of the War Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 1, line 6, strike out "$42,053.26" and insert "$29,147.50."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SODIUM LEASES

The Clerk called the bill (S. 1006) to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, so as to increase the acreage of sodium leases which may be issued in any State to a person, association, or corporation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN, Mr. CUNNINGHAM, and Mr. CHENOWETH objected.

AIR MAIL DELIVERY BY GOVERNMENT-OWNED VEHICLES

The Clerk called the bill (H. R. 2588) requiring all mails consigned to an airport from a post office or branch, or from an airport to a post office or branch, within a radius of thirty-five miles of a city in which there has been established a Government-owned vehicle service to be delivered by Government-owned motor vehicles.

Mr. CROW. Mr. Speaker, at the request of the gentleman from New York [Mr. BUCK], I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SAN JACINTO-SAN VICENTE AQUEDUCT

The Clerk called the bill (S. 1306) relating to the construction and disposition of the San Jacinto-San Vicente aqueduct.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Congress hereby (1) ratifies the action taken by various departments and agencies in the executive branch of the Government in planning for and proceeding with the construction of an aqueduct running from a connection with the Colorado River aqueduct of the Metropolitan Water District of Southern California near the west portal of San Jacinto tunnel in Riverside County, Calif., to San Vicente Reservoir in San Diego County, Calif.; (2) authorizes the completion of such aqueduct in accordance with existing Government plans for the completion thereof; and (3) ratifies the action of the Navy Department in disposing of the aqueduct to the city of San Diego, Calif., pursuant to contract NOy-13300 which provides, among other things, for the leasing of such aqueduct to such city.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERRITORY OF ALASKA

The Clerk called the bill (H. R. 5122 to amend section 9 of the act of August 24, 1912 (37 Stat. 512).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first proviso of section 9 of the act of August 24, 1912 (37 Stat. 512, 515), be amended to read as follows: "*Provided*, That all authorized indebtedness shall be paid in the order of its creation; all taxes shall be uniform upon the same class of subjects and shall be levied and collected under general laws. No tax shall be levied for Territorial purposes in excess of 2 percent upon the assessed valuation of the property therein in any one year; nor shall any incorporated town or municipality levy any tax, for any purpose, in excess of 3 percent of the assessed valuation of property wtihin the town in any one year."

With the following committee amendment:

Page 1, line 8, after "laws," insert "and the assessments shall be according to the true and full value thereof, except that unpatented mining claims and nonproducing patented mining claims, which are also unimproved, may be valued at the price paid the United States therefor, or at a flat rate fixed by the legislature, but if the surface ground is used for other than mining purposes, and has a separate and independent value for such other purposes, or if there are improvements or machinery or other property thereon of such a character as to be deemed a part of the realty, then the same shall be taxed according to the true and full value thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRGIN ISLANDS

The Clerk called the bill (S. 2081) to extend the provisions of the Federal Airport Act to the Virgin Islands.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Federal Airport Act of 1946 is hereby amended by—

(1) Adding after the words "Puerto Rico", wherever they appear in paragraph 7 of section 2 (a) and in sections 3 (a), 7, and 9 (c) thereof, the phrase "and the Virgin Islands."

(2) Adding after the word "Alaska" appearing in section 10 (c) the phrase "and the Virgin Islands."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOINT BOARD ON DEFENSE, UNITED STATES-CANADA

The Clerk called the bill (H. R. 5708) to exempt civilian members of the permanent Joint Board on Defense, United States-Canada, from certain statutory restrictions on outside activities.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That service of an individual as a civilian member of the United States section of the permanent Joint Board on Defense, United States-Canada, shall not be considered as service or employment bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., 1940 edition, title 18, secs. 198 and 203), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF IMMIGRATION ACT OF 1924

The Clerk called the bill (H. R. 5137) to amend the Immigration Act of 1924, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (a) of section 4 of the Immigration Act of May 26, 1924, as amended (8 U. S. C. 204 (a)), is hereby amended to read as follows:

"(a) An immigrant who is the unmarried child under 21 years of age, or the wife, or a husband, of a citizen of the United States.

SEC. 2. Section 6 (a) (1) (A) of the Immigration Act of May 26, 1924, as amended (8 U. S. C. 206 (a) (1) (A)), is hereby amended to read as follows:

"(A) Quota immigrants who are the fathers or the mothers of citizens of the United States who are 21 years of age or over."

With the following committee amendments:

Page 1, line 7, after "or" strike out "a" and insert "the."

Line 8, after "States" insert a colon and the following: "*Provided*, That the marriage shall have occurred prior to the issuance of visa and in the case of husbands of citizens, prior to January 1, 1948."

Page 2, at the end of the bill add "or who are the husbands of citizens of the United States by marriages occurring on or after January 1, 1948."

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, Members of Congress have had ample evidence during recent months of the uncertainty of fuel supply and the inability of industry and government under existing conditions to assure our people that sufficient fuels will be available at all times to meet the needs of home and factory. I am sure that there is no Member of this House who wishes to repeat the experiences of the past winter and who does not wish to do everything possible to avoid the recurring threats of fuel scarcities that have been our lot in recent years.

I have discussed this problem with the responsible Government officials and all agree that one of the greatest handicaps to government and industry in dealing with the fuel situation is the lack of factual information on the present and prospective supply-and-demand outlook in the United States and abroad, particularly in oil and gas. Invariably I have been told that one of the most urgent needs is for the Bureau of Mines to expand its fact-finding services on petroleum and natural gas so that the necessary data can be made available far enough in advance to permit effective measures to be taken to prevent critical shortages. It is recognized that the Bureau of Mines already is doing an excellent job but the resources at its command do not permit it to compile and analyze all the data required in the present situation. To remedy this deficiency I have introduced a bill directing the Bureau to perform the necessary services and authorizing the appropriation of sufficient funds to do the job. This bill provides the next essential step in bringing order into our confused fuel situation. It involves no controversial issues of regulation or control. It merely makes it possible for the Bureau of Mines to provide the facts so that the present voluntary teamwork between Government and industry can be fully effective. Because the need is urgent and because the project is no less essential to national-defense planning than it is to our peacetime economic security and well-being, I recommend prompt consideration of the bill and its enactment into law at an early date.

The tremendous growth in demand for petroleum and petroleum products during and since the war has transformed the supply position of the United States from one of chronic surplus to current and probable future scarcity. As a result, consumers in the United States are no longer assured of the availability of oil supplies adequate to meet their needs. Local and even widespread national shortages of fuel in periods of seasonably high demand are periodically threatened.

The services of the Government in times of peace have never been designed to meet the requirements of these new conditions. Available data are inadequate either for precise appraisal of local situations or for evaluation of the governing factors in the industry in a manner required for interpretation of their long-range impact upon the national life. Additional factual information is urgently needed to provide a broader base upon which intelligent policy may be founded and action taken to protect the public interest.

My bill directs the Bureau of Mines to obtain at frequent intervals first-hand data on consumption, storage capacity, and stocks of liquid fuels so that the Government will have available at all times reliable information showing the seasonal pattern of use and the supply-demand relationships in various sections of the country. Without these data public officials and industry must function without the basic knowledge of the major factors involved in the problems confronting them. The bill also provides for the accumulation of current data on production and refinery capacity and the capacity of national and international transportation facilities. These data will throw light on the balance between potential supply and demand on a regional basis and thus reveal possible bottlenecks in time to take remedial action before acute shortages develop.

The United States long has enjoyed an abundance of oil produced within its own borders. In fact, we have supplied generous proportions of this valuable resource to other parts of the world. Now, however, the evidence indicates that we are approaching an import status. For this reason and because petroleum and its products are so essential to our national security, events abroad are of transcendent importance. Discovery of new reserves, production trends, and transportation and market developments throughout the world all have a profound influence on our petroleum economy. Consequently we must at all times be fully and accurately informed on world events. At the present time much vital data are not available to the Government and as a result too often vital decisions on foreign and domestic policy and national defense are predicated on guesses when we should have the facts. In recognition of this situation my bill also directs the Bureau of Mines to obtain all foreign data on oil that are necessary for the efficient conduct of national affairs in this indispensable commodity.

A bill to provide for the collection and dissemination of information concerning the production, refining, transportation, storage, and marketing of petroleum, petroleum products, and natural gas, and for other purposes

Be it enacted, etc., That is is hereby recognized that accurate and current information concerning the present and future world supply of, and requirements for, petroleum, petroleum products, and natural gas is necessary for the conservation of the petroleum and natural gas reserves of the Nation, the national defense, the development of its foreign and domestic commerce, and to prevent or minimize recurring shortages of liquid or gaseous fuels that burden and obstruct commerce and industry and cause hardship and suffering among people. It is hereby declared to be the policy of the United States to provide for the periodic collection and dissemination of current world-wide information concerning the production, refining, transportation, storage, marketing, and uses of petroleum, petroleum products, and natural gas.

SEC. 2. In order to effectuate the policy declared in section 1 of this act, the Bureau of Mines, under the general direction of the Secretary of the Interior, is authorized and directed—

(a) to make such surveys and investigations of the petroleum and natural gas industries of the United States, and the utilization of petroleum products and natural gas by industries and the public generally as are necessary to secure currently information as to:

(1) available storage facilities, inventories, and sales of petroleum products of the marketing branch of the petroleum industry;

(2) capacities and operations of transportation systems for petroleum, petroleum products, and natural gas, including pipe line, tankers, barges, tank cars and trucks;

(3) refinery capacities and operation, including sources of petroleum, and types and quantities of products;

(4) requirements of industry and the consuming public for petroleum products and natural gas;

(b) to compile, analyze, and publish, either in summary or detailed form, the information obtained under this act, quarterly, or at such more frequent intervals as the Director of the Bureau of Mines may determine necessary, for the guidance of industry and the public with respect to the production, refining, storage, transportation, marketing, and utilization of petroleum, petroleum products, and natural gas.

SEC. 3. The Bureau of Mines under the general direction of the Secretary of the Interior, is further authorized and directed to obtain such information concerning the petroleum industry outside the United States, including reserves, production, development, refining, transportation, and marketing, as the Director of the Bureau of Mines may determine to be necessary for an evaluation of the effect of petroleum activities upon the peacetime economy and national security of the United States.

SEC. 4. Any statistical information furnished in confidence to the Bureau of Mines under this act by individuals, firms, or corporations shall be held to be confidential and shall be used only for the statistical purposes for which supplied. The Director of the Bureau of Mines shall not permit anyone other than duly authorized employees of the Department of the Interior to examine such individual reports, nor shall he permit any statistics obtained under this act to be published in such manner as to reveal the identity of the individual, firm, or corporation furnishing such information; unless expressly authorized by such individual, firm, or corporation.

SEC. 5. In carrying out the provisions of this act, the Bureau of Mines is authorized to cooperate with any other Federal or State department, agency, or instrumentality, and with any private person, firm, or corporation, trade association, or educational institution.

SEC. 6. There is authorized to be appropriated such sums, not to exceed $300,000 annually, as may be necessary to carry out the provisions and purposes of this act.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF NATIONALITY ACT OF 1940

The Clerk called the bill (H. R. 2286) to amend the Nationality Act of 1940.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OF FEDERAL CROP INSURANCE ACT

The Clerk called the bill (H. R. 5564) to amend the Federal Crop Insurance Act, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. I object, Mr. Speaker.

HIGH SCHOOL NEAR ROOSEVELT, UTAH

The Clerk called the bill (S. 805) authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the district embracing the east portion of Duchesne County and the west portion of Uintah County.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000 for the purpose of cooperating with the school districts in Utah comprising the east portion of Duchesne County and the west portion of Uintah County for the construction, extension, and improvement of a high-school building near Roosevelt, Utah: *Provided*, That the expenditure of any moneys appropriated hereunder shall be subject to the condition that the school authorities for the said school districts shall take any and all necessary steps, under the laws of the State of Utah, to provide any and all additional funds required to complete the construction, extension, and improvement of the said high-school building, and shall submit proof of compliance with this provision to the Commissioner of Indian Affairs: *Provided further*, That plans and specifications for the construction, extension, and improvement of the said high-school building shall be furnished by the local or State authorities, without cost to the United States, and submitted to the Commissioner of Indian Affairs for approval, before any moneys appropriated hereunder may be expended, and that upon compliance with this provision actual work shall proceed under the direction of such local or State officials: *Provided further*, That payment for work in place shall be made monthly on vouchers properly certified by local officials of the Indian Service to the Commissioner of Indian Affairs, whose determination and approval of the proper amount chargeable to any appropriation made hereunder shall be final and sufficient for such payment thereof: *And provided further*, That the said high school so constructed, extended, and improved shall be maintained by the said school districts and shall be available to all the Indian children of the said districts on the same terms, as to other children of said school districts.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TAXES ON CIGARETTES

The Clerk called the bill (H. R. 5645) to assist States in collecting sales and use taxes on cigarettes.

Mr. CARROLL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PREVENTING RETROACTIVE CHECKAGE OF RETIRED PAY IN CERTAIN CASES

The Clerk called the bill (H. R. 5344) to prevent retroactive checkage of retired pay in the cases of certain enlisted men and warrant officers appointed or advanced to commissioned rank or grade under the act of July 24, 1941 (55 Stat. 603), as amended, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That no enlisted man or warrant officer appointed or advanced to temporary commissioned rank or grade under the provisions of the act of July 24, 1941 (55 Stat. 603), as amended by the act of February 21, 1946 (Public Law 305, 79th Cong., 60 Stat. 26), whose retired pay was computed as authorized in section 8 of the act of July 24, 1941 (55 Stat. 604), as amended by section 5 of the act of August 10, 1946 Public Law 720, Seventy-ninth Congress, 60 Stat. 995), or section 10 of the said 1941 act (55 Stat. 605), as amended by section 8 of the act of February 21, 1946 (60 Stat. 28), shall be subject to any retroactive checkage for retired pay received for or on account of

services as a commissioned officer for any period prior to November 1, 1946, in contravention of section 212 of the act of June 30, 1932 (47 Stat. 406), as amended (5 U. S. C. 59a): *Provided*, That no disallowances in the accounts of disbursing officers shall be made for any such payments made prior to November 1, 1946, in contravention of section 212 of the act of June 30, 1932 (47 Stat. 406), as amended.

SEC. 2. Enlisted men and warrant officers appointed or advanced to commissioned rank or grade under the said act of July 24, 1941, as amended, whose retired pay, computed as authorized by that act as amended, was withheld or checked in whole or in part for any period prior to November 1, 1946, as being in contravention of section 212 of the act of June 30, 1932, as amended, shall be entitled to receive such retired pay as so computed through October 31, 1946, the provisions of said section 212 of the act of June 30, 1932, as amended, notwithstanding.

With the following committee amendment:

Immediately following section 2, add two new sections as follows:

"SEC. 3. Enlisted men and warrant officers heretofore or hereafter advanced to commissioned rank or grade on the retired list under the said act of July 24, 1941, as amended, shall, if application therefor is made to the Secretary of the Navy within 3 months from the date of approval of this act or within 3 months after the date of advancement to commissioned rank or grade on the retired list, whichever is the later, and subject to the approval of the Secretary of the Navy, be restored to their former retired enlisted or warrant officer status, as the case may be, and shall thereafter be deemed to be enlisted or warrant officer personnel, as appropriate, for all purposes.

"SEC. 4. The provisions of this act, except as may be necessary to adapt the same thereto, shall apply to personnel of the Coast Guard in relationship to the Coast Guard in the same manner and to the same extent as they apply to personnel of the Navy in relationship to the Navy: *Provided*, That the authority given to the Secretary of the Navy is hereby extended to the Secretary of the Treasury to be exercised with respect to the Coast Guard."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MUSTERING-OUT PAYMENTS ACT OF 1944

The Clerk called the bill (H. R. 5805) to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the Mustering-Out Payment Act of 1944, as amended (U. S. C., 1940 edition, Supp. V, title 38, sec. 691c is amended by striking out "within two years after the date of enactment" and inserting in lieu thereof "not later than February 3, 1950."

Mr. KEATING. Mr. Speaker, I desire to express my gratitude to the Chairman and members of the Committe on Armed Services, and particularly to the gentleman from Michigan [Mr. BLACKNEY] Chairman of the subcommittee, and the members of his committee, who have reported this bill favorably to the House.

This measure introduced March 10, 1948, is identical in all respects with H. R. 2518, which I introduced on March 12 last year, except that the period of time within which application must be made for mustering-out pay is February 3, 1950, rather than February 3, 1949, as provided in my bill.

My interest in some measure of this character was aroused by several constituents who served as enlisted men and were discharged prior to February 3, 1944, when the Mustering-Out Payment Act became a law. In one case a young man had been shipped overseas, seriously wounded, returned to this country and honorably discharged nearly a year before legislation was enacted which entitled him to mustering-out pay. It was not until late 1946 that he learned of his rights, which he found had then expired by virtue of the 2-year limitation in the original law.

In order to clear the records it is, of course, necessary that some date be fixed before which one entitled to this pay must make application. Certainly, however, we should afford ample time, as was not provided when the original legislation was passed, for these ex-service men to file their requests to be paid this compensation, which they have already earned.

I hope this desirable legislation will be speedily enacted.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESCORTS OF REPATRIATED WAR DEAD

The Clerk called the bill (H. R. 5870) to amend the act of May 16, 1946 (Public Law 383, 79th Cong.), as amended, to provide increased allowances for the escorts of repatriated war dead.

Mr. KEAN. Mr. Speaker, this bill is too large for consideration on the Consent Calendar, and therefore I object to its present consideration.

FORT KEARNEY, NEBR.

The Clerk called House Joint Resolution 341, to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of Fort Kearney in the State of Nebraska.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Postmaster General is authorized and directed to issue, during 1948, a special series of 3-cent postage stamps, of such design as he shall prescribe, in commemoration of the one hundredth anniversary of the founding of Fort Kearney in the State of Nebraska.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VOLUNTEER FIREMEN

The Clerk called House Joint Resolution 339, to provide for the issuance of a special postage stamp series in honor of volunteer firemen.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That, in honor of volunteer firemen and in commemoration of the three hundredth anniversary of the volunteer firemen service in the United States of America, the Postmaster General is hereby authorized and directed to issue as soon as practicable in 1948 a special postage stamp series of the denomination of 3 cents and of such design and for such period as he may determine.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALVAGE FACILITIES BY THE SECRETARY OF THE NAVY

The Clerk called the bill (H. R. 4490) to authorize the Secretary of the Navy to provide salvage facilities, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized:

(a) To provide, by contract or otherwise, necessary salvage facilities for both public and private vessels upon such terms and conditions as he may, in his discretion, determine to be in the best interests of the United States: *Provided*, That the proposed contracts for salvage facilities which affect the interests of the United States Maritime Commission shall be submitted to the Maritime Commission for recommendation and comment.

(b) To acquire or to transfer, by charter or otherwise, for operation by private salvage companies, such vessels and equipment as he may deem necessary.

(c) To advance to private salvage companies such funds as may, in his judgment, be necessary to provide for the immediate financing of salvage operations, these advances to be on such terms and under such conditions as he may deem adequate for the protection of the Government.

SEC. 2. The Secretary of the Navy and his designees are hereby authorized to consider, ascertain, adjust, determine, compromise, or settle any claim for salvage services rendered by the Navy Department to any vessel, and moneys received as a result of the exercise of authority contained in this act shall be credited to appropriations made for the Navy Department and the naval service for the purpose of maintaining salvage facilities by the Navy for the purposes prescribed by this act: *Provided*, That if the total moneys received annually by the Navy pursuant to authority contained in this act shall exceed the total annual costs incurred by the Navy in rendering and maintaining salvage service as authorized in this act, the amount of such excess shall be covered into the Treasury as "miscellaneous receipts."

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such funds, not in excess of $3,000,000 annually, as may be necessary to effectuate the purposes of this act.

SEC. 4. (a) The act entitled "An act to authorize the Secretary of the Navy to provide salvage facilities, and for other purposes," approved October 24, 1941 (55 Stat. 745), as amended by the act of February 10, 1942 (56 Stat. 86), is hereby repealed.

(b) That portion of the act of July 1, 1918, which is the last full paragraph appearing on page 705, volume 40, Statutes at Large, and which reads as follows: "That hereafter the Secretary of the Navy is authorized to cause vessels under his control adapted to the purpose, to afford salvage service to public or private vessels in distress: *Provided*, That when such salvage service is rendered by a vessel specially equipped for the purpose or by a tug, the Secretary of the Navy may determine and collect reasonable compensation therefor," is hereby repealed.

With the following committee amendments:

On page 2, between lines 8 and 9, insert the following new section:

"SEC. 2. (a) Term contracts for the provision of salvage facilities shall be made under section 1 (a) of this act only (1) after the Secretary of the Navy shall have determined that existing commercial salvage facilities available are not adequate to meet the requirements for such services in the interest of the national defense, and (2) after public notice of the intention to enter into such contracts shall have been given in such manner and for such period of time as will, in the judgment of the Secretary, provide the maximum competition among commercial salvage organizations for such contracts.

"(b) When any salvage vessel or salvage gear are sold, chartered, leased, loaned, or otherwise transferred by the Department of the Navy to any private party, such party shall first execute an agreement with the Department of the Navy (1) under which such vessel or gear will be employed, for such period of years as the Secretary of the Navy shall deem appropriate, to support organized offshore salvage facilities, and (2) which shall contain such other provisions as the Secretary of the Navy shall deem appropriate to assure the fulfillment of such undertaking."

On page 2, line 9, strike out "SEC. 2" and insert in lieu thereof "SEC. 3."

On page 2, line 24, strike out "SEC. 3" and insert in lieu thereof "SEC. 4."

On page 3, line 3, strike out "SEC. 4" and insert in lieu thereof "SEC. 5."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PORT NEWARK ARMY BASE

The Clerk called the bill (S. 1581) to provide additional time to the city of Newark, N. J., for paying certain installments on the purchase price of the Port Newark Army Base, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, is amended by striking out "of which $100,000 shall be paid in cash and the balance in annual installments, on or before August 1 of each succeeding year, of $100,000 per year for the first 5 years and $200,000 per year thereafter" and inserting in lieu thereof "of which $100,000 shall be paid in cash and the balance in annual installments of $100,000 on or before August 1 of each of the first 9 years in which the city of Newark or its lessee has possession and of $200,000 on or before August 1 of each of the next 5 years in which the city of Newark or its lessee has possession."

SEC. 2. The Secretary of War is authorized to execute a supplement to the contract of sale entered into with the city of Newark, N. J., pursuant to the act of June 26, 1936, in order to make effective the amendments made to such act by this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CANAL ZONE

The Clerk called the bill (S. 1799) to amend the act of June 3, 1916, as amended, to make it applicable to the Canal Zone, Guam, American Samoa, and the Virgin Islands.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 125 of the act of June 3, 1916 (39 Stat. 216; 10 U. S. C. 1393), as amended, is hereby further amended by inserting between the first and second paragraphs thereof the following new paragraph:

"The provisions of this section shall apply to the Canal Zone, Guam, American Samoa, and the Virgin Islands, as well as to all other places within the jurisdiction of the United States."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES NAVAL HOSPITAL, HOUSTON, TEX.

The Clerk called the bill (S. 1794) to authorize the Houston Council, Navy League of the United States, to construct a reflecting pool at the United States naval hospital, Houston, Tex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to permit the Houston Council, Navy League of the United States, to construct a reflecting pool on the grounds of the United States naval hospital, at Houston, Tex.

SEC. 2. The site of the reflecting pool and its design and construction shall be subject to the approval of the Secretary of the Navy. The design and construction of the reflecting pool shall be without cost to the United States.

SEC. 3. Upon completion of the construction of the reflecting pool, the Secretary of the Navy is authorized to accept it as an unconditional gift to the United States from the Houston Council, Navy League of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

AMENDING INTERSTATE COMMERCE ACT

The Clerk called the bill (H. R. 5623) to amend the Interstate Commerce Act, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, I object.

AMERICAN TURNERS SOCIETY

The Clerk called House Joint Resolution 340 to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of the American Turners Society in the United States.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Postmaster General is authorized and directed to prepare for issuance, during 1948, a special series of 3-cent postage stamps, of such design as he shall prescribe, in commemoration of the one-hundredth anniversary of the founding of the American Turners, which society sponsored physical education and recreation in America.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIALLY ADAPTED HOUSING FOR CERTAIN VETERANS

The Clerk called the bill (H. R. 4244) to authorize assistance to certain veterans in acquiring specially adapted housing which they require by reason of the nature of their service-connected disabilities.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, I understand that both the chairman of the committee and the author of the bill are willing to accept an amendment which will limit the benefits under this bill to service-connected paraplegics, so I will not object to the consideration of the bill at this time.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1, title 1, Public No. 2, Seventy-third Congress, approved March 20, 1933, as amended, is hereby amended by adding at the end thereof a new subsection known as subsection (g) and to read as follows:

"(g) Any person who served in the active military or naval service of the United States who is entitled to compensation under the provisions of Veterans Regulation No. 1 (a), as amended, for permanent and total service-connected disability which requires such person to make regular or frequent and periodical use of a wheel chair shall be entitled to assistance in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the person's disability, and necessary land therefor, subject to the provisions and limitations of Veterans Regulation No. 1 (a), as amended, part IX."

SEC. 2. Veterans Regulation No. 1 (a), as amended, is hereby amended by adding at the end thereof a new part to be known as part IX and to read as follows:

"PART IX

"1. The Administrator of Veterans' Affairs is authorized, under such regulations as he may prescribe, to assist any person (hereinafter referred to as 'veteran') who served in the active military or naval service of the United States, who is entitled to compensation under the provisions of this regulation for permanent and total service-connected disability which requires such veteran to make regular or frequent and periodical use of a wheel chair, in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, and necessary land therefor: *Provided*, That the regulations of the Administrator shall include, but not be limited to, provisions requiring findings that (a) it is medically feasible for such veteran to reside in the proposed housing unit and in the proposed locality; (b) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and (c) that the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes.

"2. The assistance authorized by paragraph 1 shall be limited in the case of any veteran to one housing unit, and necessary land therefor, and shall be afforded under one of the following plans, at the option of the veteran, but shall not exceed $10,000 in any one case:

"(a) Where the veteran elects to construct a housing unit on land to be acquired by him, the Administrator shall pay not to exceed $50 percent of the total cost to the

veteran of (1) the housing unit and (2) the necessary land upon which it is to be situated;

"(b) Where the veteran elects to construct a housing unit on land acquired by him prior to application for assistance under this part, the Administrator shall pay not to exceed the smaller of the following sums: (1) 50 percent of the total cost to the veteran of the housing unit and the land necessary for such housing unit, or (2) 50 percent of the cost to the veteran of the housing unit plus the full amount of the unpaid balance, if any, of the cost to the veteran of the land necessary for such housing unit;

"(c) Where the veteran elects to remodel a dwelling, which is not adapted to the requirements of his disability, acquired by him prior to application for assistance under this part, the Administrator shall pay not to exceed the total of (1) 50 percent of the cost to the veteran of such remodeling, plus (2) the smaller of the following sums: (A) 50 percent of the cost to the veteran of such dwelling and the necessary land upon which it is situated, or (B) the full amount of the unpaid balance, if any, of the cost to the veteran of such dwelling and the necessary land upon which it is situated;

"(d) Where the veteran has acquired a suitable housing unit, the Administrator shall pay not to exceed the smaller of the following sums: (1) 50 percent of the cost to the veteran of such housing unit and the necessary land upon which it is situated, or (2) the full amount of the unpaid balance, if any, of the cost to the veteran of such housing unit and the necessary land upon which it is situated.

"3. The Administrator of Veterans' Affairs is authorized to furnish to veterans eligible for assistance under this part, without cost to the veterans, model plans and specifications of suitable housing units.

"4. Any person who accepts the benefits of this part shall not by reason thereof be denied the benefits of title III of the Servicemen's Readjustment Act of 1944, as amended.

"5. The Government of the United States shall have no liability in connection with any housing unit, or necessary land therefor, acquired under the provisions of this part."

SEC. 3. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act.

Mr. KEAN. Mr. Speaker, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KEAN: Strike out all after the enacting clause of the bill H. R. 4244 and insert the provisions of H. R. 6115, as follows:

"That section 1, title I, Public Law Numbered 2, Seventy-third Congress, approved March 20, 1933, as amended, is hereby amended by adding at the end thereof a new subsection known as subsection (g) and to read as follows:

"'(g) Any person who served in the active military or naval service of the United States who is entitled to compensation under the provisions of Veterans Regulation No. 1 (a), as amended, for permanent and total service-connected disability due to spinal-cord disease or injury with paralysis of the legs and lower part of the body shall be entitled to assistance in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the person's disability, and necessary land therefor, subject to the provisions and limitations of Veterans Regulation No. 1 (a), as amended, part IX.'

"SEC. 2. Veterans Regulation No. 1 (a), as amended, is hereby amended by adding at the end thereof a new part to be known as part IX and to read as follows:

"'PART IX

"'1. The Administrator of Veterans' Affairs is authorized, under such regulations as he may prescribe, to assist any person (hereinafter referred to as "veteran") who served in the active military or naval service of the United States, who is entitled to compensation under the provisions of this regulation for permanent and total service-connected disability due to spinal-cord disease or injury with paralysis of the legs and lower part of the body in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, and necessary land therefor: *Provided*, That the regulations of the Administrator shall include, but not be limited to, provisions requiring findings that (a) it is medically feasible for such veteran to reside in the proposed housing unit and in the proposed locality; (b) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and (c) that the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes.

"'2. The assistance authorized by paragraph 1 shall be limited in the case of any veteran to one housing unit, and necessary land therefor, and shall be afforded under one of the following plans, at the option of the veteran, but shall not exceed $10,000 in any one case—

"'(a) where the veteran elects to construct a housing unit on land to be acquired by him, the Administrator shall pay not to exceed 50 percent of the total cost to the veteran of (1) the housing unit and (2) the necessary land upon which it is to be situated.

"'(b) where the veteran elects to construct a housing unit on land acquired by him prior to application for assistance under this part, the Administrator shall pay not to exceed the smaller of the following sums: (1) 50 percent of the total cost to the veteran of the housing unit and the land necessary for such housing unit, or (2) 50 percent of the cost to the veteran of the housing unit plus the full amount of the unpaid balance, if any, of the cost to the veteran of the land necessary for such housing unit;

"'(c) where the veteran elects to remodel a dwelling, which is not adapted to the requirements of his disability, acquired by him prior to application for assistance under this part, the Administrator shall pay not to exceed the total of (1) 50 percent of the cost to the veteran of such remodeling, plus (2) the smaller of the following sums: (A) 50 percent of the cost to the veterans of such dwelling and the necessary land upon which it is situated, or (B) the full amount of the unpaid balance, if any, of the cost to the veteran of such dwelling and the necessary land upon which it is situated; and

"'(d) where the veteran has acquired a suitable housing unit, the Administrator shall pay not to exceed the smaller of the following sums: (1) 50 percent of the cost to the veteran of such housing unit and the necessary land upon which it is situated, or (2) the full amount of the unpaid balance, if any, of the cost to the veteran of such housing unit and the necessary land upon which it is situated.

"'3. The Administrator of Veterans' Affairs is authorized to furnish to veterans eligible for assistance under this part, without cost to the veterans, model plans and specifications of suitable housing units.

"'4. Any person who accepts the benefits of this part shall not by reason thereof be denied the benefits of title III of the Servicemen's Readjustment Act of 1944, as amended.

"'5. The Government of the United States shall have no liability in connection with any housing unit, or necessary land therefor, acquired under the provisions of this part.'

"SEC. 3. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WOMEN'S ARMY CORPS

The Clerk called the bill (S. 1641) to establish the Women's Army Corps in the Regular Army, to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and the Naval and Marine Corps Reserve, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mrs. SMITH of Maine. Mr. Speaker, I object.

Mr. SHAFER. Mr. Speaker, if the gentlewoman will yield, does the gentlewoman insist upon her objection?

Mrs. SMITH of Maine. Yes, sir.

Mr. SHAFER. Mr. Speaker, it is difficult to understand the gentlewoman's objection. She has always been a great friend of the women in service. Her objection may mean the ultimate defeat of this legislation which was reported favorably to the House by the Armed Services Committee. Should there be adverse action as the result of the gentlewoman's objection, she must assume full responsibility.

The SPEAKER. Is there objection to the present consideration of the bill?

Mrs. SMITH of Maine. Mr. Speaker, I object.

The SPEAKER. That concludes the call of the bills on the Consent Calendar.

REREFERENCE OF CERTAIN BILLS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency be discharged from further consideration of the bills H. R. 2845, H. R. 3545, H. R. 5433, and that the same be rereferred to the Committee on Public Works.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend the remarks which I recently made and include the bill to which I referred.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first individual bill on the Private Calendar.

DONAT AND LAURA LAROCHE

The Clerk called the bill (S. 111) for the relief of Donat and Laura Laroche.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Donat and Laura

Laroche, Lawrence, Mass., the sum of $2,500. Such sum represents compensation for the death of their minor child, Clement Laroche who was fatally injured on July 30, 1940, at Berlin, N. H., when said child was struck by a National Youth Administration motor vehicle, while crossing upper Main Street in said town of Berlin, N. H.: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HEIRS OF IDA LONDINSKY

The Clerk called the bill (H. R. 342) for the relief of the heirs of Ida Londinsky.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER and Mr. SMITH of Wisconsin objected, and the bill, under the rule, was recommitted to the Committee on the Judiciary.

FRANK VICTOR NORALL

The Clerk called the bill (H. R. 1955) for the relief of Frank Victor Norall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank Victor Norall, presently of Washington, D. C., the sum of $512.15, in full satisfaction of his claim against the United States for compensation withheld by the Department of State from sums accruing to him through employment with the Office of Inter-American Affairs.

With the following committee amendment:

Page 1, line 10, insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MURPHY & WISCHMEYER

The Clerk called the bill (H. R. 2329) for the relief of Murphy & Wischmeyer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he hereby is, authorized and directed to settle and adjust the claim of Murphy & Wischmeyer on account of the increased costs incurred in the performance of the said firm's architectural-engineering contract No. WA-1064, dated January 5, 1942, with the Federal Works Agency, by reason of unavoidable delays on the part of other contractors in the construction and completion of the defense housing project at East Alton, Ill., and to allow in full and final settlement of the claim the amount of not to exceed $3,323.90. There is hereby appropriated the sum of $3,323.90, or so much thereof as may be necessary, for the payment of the said claim.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARDEN CONSTRUCTION CO., INC.

The Clerk called the bill (H. R. 2897) for the relief of the Marden Construction Co., Inc.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DORA GREENBAUM (BRENNER)

The Clerk called the bill (H. R. 926) for the relief of Dora Greenbaum (Brenner).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FRANTISEK JIRI PAVLIK OR GEORG PAVLIK

The Clerk called the bill (H. R. 1409) for the relief of Frantisek Jiri Pavlik or Georg Pavlik.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Frantisek Jiri Pavlik or Georg Pavlik, who arrived at the port of Boston on September 21, 1945, as a stowaway, shall, upon the payment of the required head tax, be considered, for the purposes of the immigration and naturalization laws, to have been lawfully admitted to the United States notwithstanding the fact that he was found to be inadmissible on the sole grounds that he arrived as a stowaway and was without proper immigration documentation. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Czechoslovakian quota of the first year that the same Czechoslovakian quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL BOULANGER

The Clerk called the bill (H. R. 2152) for the relief of Paul Boulanger.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. POTTS and Mr. DOLLIVER objected, and the bill, under the rule, was recommitted to the Committee on the Judiciary.

MRS. CHARLOTTE D. WANG ET AL.

The Clerk called the bill (H. R. 3640) for the relief of Mrs. Charlotte D. Wang, Harvey S. P. Wang, and Arthur Y. P. Wang.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is directed to cancel forthwith any outstanding warrant of arrest, order of deportation, warrant of deportation, and bond, in the case of the aliens Mrs. Charlotte D. Wang and her two minor sons, Harvey S. P. Wang and Arthur Y. P. Wang, all of Berkeley, Calif., and is directed not to issue hereafter any such warrants or orders in the case of such aliens. For the purposes of the immigration and naturalization laws, the said Mrs. Charlotte D. Wang, the said Harvey S. P. Wang, and the said Arthur Y. P. Wang, who entered the United States on August 2, 1945, for a temporary stay, shall be held and considered to have been lawfully admitted, as of such date, to the United States for permanent residence.

With the following committee amendment:

Page 2, line 6, insert: "Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct three numbers from the quota for Chinese persons of the first year that such quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. EFFIE S. CAMPBELL

The Clerk called the bill (H. R. 814) for the relief of Mrs. Effie S. Campbell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Effie S. Campbell, of Colorado Springs, Colo., the sum of $968.10, in full settlement of all claims against the United States for compensation for personal injuries sustained, and reimbursement of expenses incurred, and property damages to her automobile as the result of a collision between her car and an Army Red Cross ambulance from Peterson Field at Colorado Springs, Colo., in the service of the United States, on October 17, 1943, at the intersection of Tejon and Vermijo Streets in the city of Colorado Springs, Colo.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK E. BLANCHARD

The Clerk called the bill (H. R. 2264) for the relief of Frank E. Blanchard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank E. Blanchard, of Fort Pierce, Fla., the sum of $10,000, in full satisfaction of all claims against the

United States on account of personal injuries resulting from a gunshot wound inflicted on November 2, 1943, by Gerald T. Tansey, seaman, first class, United States Coast Guard Reserve: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$4,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIMPLE BENOIT

The Clerk called the bill (H. R. 5208) for the relief of Dimple Benoit.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $16,000 to Dimple Benoit, in full settlement of all her claims against the United States for personal injuries inflicted on the said Dimple Benoit, on December 24, 1943, resulting in a compound fracture of her skull over the right eye, a badly broken right leg, consisting of an extensive comminuted fracture of right femur middle and lower third, multiple lacerations, left hand and fingers thereof, cut on left eyelid and cut on right side of face from cheek bone to chin, badly bruised knee, and numerous other bodily bruises and cuts, as a result of which she suffered great physical pain and mental anguish, was compelled to expend large sums of money for ambulance, hospital bills, doctor bills, medicine, and nurse hire, and lost much valuable time and income, and as a result of which she is permanently injured and her capacity for work and labor is greatly and permanently impaired, and for the loss of her Chevrolet coupe of the value of $1,000. Said Dimple Benoit sustained said injuries and losses while she was riding in her Chevrolet coupe on and along Highway 70, north from Knoxville, Tenn., to Nashville, Tenn., on December 24, 1943, at a point 5 or 6 miles west of Cookeville, Tenn., when, while her said Chevrolet coupe was being driven in a careful and lawful manner on its side of said highway, a large Army truck was suddenly run from the dense woods which lay along each side of said highway at a point directly across said highway in front of the automobile in which Dimple Benoit was then riding. The driver of said automobile in which Dimple Benoit was riding made every effort to avoid being struck by said Government truck, but was unable to avoid the collision, as a result of which Dimple Benoit was injured as hereinbefore set out and her car was destroyed. The Army truck which ran in front of and struck the Benoit car was an Army GMC 2½-ton capacity, No. USA 4156955, and was being operated and run by soldiers of the United States Army in the line of their duty on an Army maneuver: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$16,000" and insert "$8,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL FADEM

The Clerk called the bill (H. R. 4372) for the relief of Samuel Fadem.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the immigration laws, the Attorney General is authorized and directed to permit Samuel Fadem to remain permanently in the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Samuel Fadem, who entered the United States lawfully at the port of New York on September 27, 1946. Upon the enactment of this act, the Secretary of State shall reduce by one the quota for Poland then current."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GABEL CONSTRUCTION CO.

The Clerk called the bill (H. R. 1734) for the relief of the Gabel Construction Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $136,121.86 to Louis E. Gabel, an individual trading as Gabel Construction Co., of Orlando, Fla., in full satisfaction of his claim against the United States under contract No. NOY-9336, dated October 13, 1944, entered into by Louis E. Gabel, an individual trading as Gabel Construction Co., with the United States Government through the Chief of the Bureau of Yards and Docks of the Navy Department, contracting for and providing for the construction of a water-treatment plant at the naval training base, Florida City, Fla., in the vicinity of Key West, Fla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, lines 5 and 6, strike out "$136,121.86" and insert "$65,089.11."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. MICHENER). The Clerk will report the next bill.

ANTHONY ARANCIO

The Clerk called the bill (H. R. 700) for the relief of Anthony Arancio.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anthony Arancio, of New York, N. Y., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Anthony Arancio against the United States arising out of personal injuries sustained by him on October 1, 1944, in New York, N. Y., when, acting as a member of the New York City Police Department in line of duty, he struggled with and subdued a colored military policeman of the United States Army who was terrorizing bystanders: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PACIFIC FIRE INSURANCE CO. AND AMERICAN ORCHESTRA CO., INC.

The Clerk called the bill (H. R. 894) for the relief of Pacific Fire Insurance Co. and American Orchestra Co., Inc.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Pacific Fire Insurance Co., New York, N. Y., the sum of $7,700, and to American Orchestra Co., Inc., Newark, N. J., the sum of $1,200. The payment of such sums shall be in full settlement of all claims of the said Pacific Fire Insurance Co. and American Orchestra Co., Inc., against the United States on account of property damage to and loss of use of a Reo motorbus, serial No. 385P119, motor No. 111A-406, which was destroyed by fire while traveling on property of the United States Navy at Earle, N. J., on November 10, 1944.

With the following committee amendment:

Page 1, line 6, strike out "$7,700" and insert "$7,670."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

ROBERT E. GRAHAM

The Clerk called the bill (H. R. 2193) for the relief of Robert E. Graham.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. POTTS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LOUISE PETERS LEWIS

The Clerk called the bill (H. R. 403) for the relief of Louise Peters Lewis.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. DOLLIVER and Mr. SMITH objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

MERCHANTS MOTOR FREIGHT

The Clerk called the bill (S. 1235) for the relief of Merchants Motor Freight.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Merchants Motor Freight, Inc., of St. Paul, Minn., the sum of $728.98, in full satisfaction of its claim against the United States (1) for reimbursement of amounts which it was required to expend for repairs to its open-top trailer as a result of damage to such trailer which occurred on June 30, 1943, when it undertook, at the insistence of a United States Navy officer acting in his official capacity, to transport certain heavy machinery for a war contractor, after it had protested that such machinery was too heavy for such trailer; (2) for reimbursement of expenses incurred in effecting the removal of such machinery from its trailer to another carrier; and (3) for compensation for the loss of use of such trailer: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUBREY F. HOUSTON

The Clerk called the bill (H. R. 2889) for the relief of Aubrey F. Houston.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Aubrey F. Houston, Los Angeles, Calif., a ranger in the employ of the National Park Service, Death Valley National Monument, Death Valley, Calif., the sum of $1,701.94. Such sum represents the value of certain personal property owned by the said Aubrey F. Houston and lost on November 1, 1945, when the Furnace Creek ranger residence (Furnace Creek ranger station, quarters No. 4, Outsite, southeast corner of Furnace Creek Camp) occupied by the said Aubrey F. Houston was destroyed by fire orginating from electric-light fixtures: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD TRAPIER ROGERS

The Clerk called the bill (S. 1307) for the relief of Edward Trapier Rogers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward Trapier Rogers, of Raleigh, N. C., the sum of $25,000, in full satisfaction of his claim against the United States for compensation, in addition to that provided by other provisions of law, for personal injuries sustained by him as a result of an explosion which occurred while he was mixing certain ingredients in the course of an experiment which he was performing as a civilian employee of the War Department at Edgewood Arsenal, Md., on October 31, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JEANETTE C. JONES AND MINOR CHILDREN

The Clerk called the bill (S. 1312) for the relief of Jeanette C. Jones and minor children.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. MICHENER in the chair). Is there objection to the request of the gentleman from Iowa?

There was no objection.

JENNESS C. THOMAS

The Clerk called the bill (H. R. 371) for the relief of Jenness C. Thomas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jenness C. Thomas, Halifax, Nova Scotia, the sum of $144. Such sum shall be in reimbursement for an equivalent amount which the said Jenness C. Thomas paid to the United States to balance the account of the Recruitment and Manning Organization office of the War Shipping Administration, Portland, Maine, because of the theft from such office, on July 29 or July 30, 1945, while he was in charge, and without fault on his part, of certain funds in the amount of $144. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SARAH LEE CREGG

The Clerk called the bill (H. R. 564) for the relief of Sarah Lee Cregg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sarah Lee Cregg, of Pensacola, Fla., the sum of $3,000. The payment of such sum shall be in full settlement of all claims of the said Sarah Lee Cregg against the United States on account of personal injuries received by her on November 2, 1943, at the Century Club, on West Cervantes Street, Pensacola, Fla., when a gun in the possession of a member of the Military Police was discharged by such member: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KNOX LUMBER SALES CO.

The Clerk called the bill (H. R. 636) for the relief of the Knox Lumber Sales Co., Thomson, Ga.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Knox Lumber Sales Co., of Thomson, Ga., the sum of $10,543.85, in full satisfaction of its claim against the United States for compensation for balance due to Knox Lumber Sales Co. for lumber shipped to Campagna Construction Co., Inc., Easthampton, Mass., as directed by the War Department, pursuant to an allocation placed with Knox Lumber Sales Co. through the Central Procurement Agency, Office of Chief of Engineers, War Department, the Central Procurement Agency having failed to advise the Knox Lumber Sales Co., prior to shipment, of the financial condition of the consignee: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $10,000.

With the following committee amendment:

Page 1, line 5, after "to" insert "W. A. Knox, W. L. M. Knox, and Frank C. Morris, operating as."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of W. A. Knox, W. L. M. Knox, and Frank C. Morris, operating as Knox Lumber Sales Co., of Thomson, Ga."

A motion to reconsider was laid on the table.

FRANK J. PATZKE ET AL.

The Clerk called the bill (H. R. 838) for the relief of Frank J. Patzke, Archie Mitchell, J. L. Shoemaker, Einar Engen, and N. L. Gifford.

Mr. POTTS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

E. LA REE SMOOT

The Clerk called the bill (H. R. 1303) for the relief of E. La Ree Smoot.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to E. La Ree Smoot, of Kennewick, Wash., in full settlement of all claims against the United States for permanent disfigurement of the face and hands sustained as the result of injuries on November 13, 1943, while employed as a junior clerk-stenographer, post engineers, Army air base, Madras, Oreg.: *Provided*, That no part of the amount approriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$10,000" and insert "$7,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WINONA MACHINE & FOUNDRY CO.

The Clerk called the bill (H. R. 1779) for the relief of the Winona Machine & Foundry Co., a corporation of Winona, Minn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Winona Machine & Foundry Co., a corporation of Winona, Minn., is hereby released from all liability to the United States arising out of the termination by the Navy Department of contract NOs-74270, dated June 11, 1940, and a purchase by the Navy Department against the account of the Winona Machine & Foundry Co., and the Comptroller General of the United States is hereby authorized and directed to cancel and remove from the records of the General Accounting Office the debt which has been raised therein against the Winona Machine & Foundry Co. in the sum of $7,148.77, together with interest and any other charges arising out of the aforesaid termination of contract NOs-74270 and the purchase against the account of the Winona Machine & Foundry Co.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOSE ALTMAN

The Clerk called the bill (H. R. 1801) for the relief of Mose Altman.

Mr. POTTS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

FRED E. GROSS

The Clerk called the bill (H. R. 2131) for the relief of Fred E. Gross.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Fred E. Gross, of Lonoke, Ark., is declared to have a valid claim against the United States for moneys due, arising under or growing out of the use by the United States in ordnance plants of a packing box for vane assemblies and bomb fuzes, which box was originated, designed, and patented (shown and described in his patent No. 2,389,358) by Fred E. Gross, and such claim shall be submitted to the Court of Claims with the right to appeal to the Supreme Court of the United States; and jurisdiction is hereby conferred upon the Court of Claims, notwithstanding any lapse of time or statute of limitations, to hear and determine the amount due under this claim and to render judgment for such sum as is determined to be due Fred E. Gross in accordance with the standards set out in sections 4 and 5 of this act.

SEC. 2. Fred E. Gross is hereby empowered, acting through his attorney, to maintain this cause of action and prosecute this claim by filing in the Court of Claims a petition as party plaintiff against the United States as party defendant; such petition shall be filed within 2 years from the date of enactment hereof.

SEC. 3. Any provision of law which bars this action or bars a Federal employee from instituting such action is hereby waived, and the citation for distinguished service issued Fred E. Gross is not to be considered as compensation or sufficient award or in lieu of compensation.

SEC. 4. The Court of Claims of the United States shall consider, in determining the amount of this claim, the following standards for making awards promulgated by the Secretary of War under the act of March 18, 1943 (Public Law 11):

(1) Conservation of manpower, material, time, or space.

(2) Elimination of necessary processes or improvement of existing methods.

(3) Improvements of conditions affecting safety or health.

(4) Increased productivity.

(5) Elimination of excesses or improvements of existing tooling or equipment.

(6) Invention of a mechanical device, which, when adopted, proves to be of value.

(7) Conservation of critical material and the utilization of material previously scrapped.

SEC. 5. The amount of the award determined by the Court of Claims of the United States shall be equal to 2½ percent of the savings as found by the court, to the United States Government, based on the standards set out in section 4, by the device from the time it was adopted by the Government until this case is heard.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEW AMSTERDAM CASUALTY CO.

The Clerk called the bill (H. R. 2785) for the relief of the New Amsterdam Casualty Co.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SUMNER COUNTY COLORED FAIR ASSOCIATION

The Clerk called the bill (H. R. 2918) for the relief of Sumner County Colored Fair Association.

Mr. POTTS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ERNEST F. LUTZKEN

The Clerk called the bill (H. R. 3007) for the relief of Ernest F. Lutzken.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Ernest F. Lutzken, of 633 Lake Road, Webster, N. Y., in full settlement of all claims against the United States for false detention by United States Navy authorities on board the hospital ship U. S. S. *Rescue* from December 7 to 13, 1945, and at the Mare Island Hospital from December 13 1945, to February 18, 1946, and loss of personal property, loss of earnings, and expenses incident thereto: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$10,000" and insert "$3,238.96."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN DEIMAN

The Clerk called the bill (H. R. 3114) for the relief of the estate of John Deiman.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

JOE PARRY

The Clerk called the bill (H. R. 3189) for the relief of Joe Parry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joe Parry, of El Paso, Tex., the sum of $25,000 for personal injury suffered by him at the hands of an Army driver of a vehicle owned by the United States Government on October 6, 1944, in the city of El Paso, Tex., also to cover medical and hospital expense incurred as the result of such injury.

With the following committee amendment:

Page 1, line 5, after the word "to" strike out down to and including the word "injury" in line 10 and insert "the legal guardian of Joe Parry, a minor, of El Paso, Tex., the sum of $10,180, in full settlement of all claims against the United States on account of the personal injuries and property damages sustained by the said Joe Parry in an accident involving an Army vehicle which occurred in El Paso, Tex., on October 6, 1944, and the medical, hospital, and incidental expenses incurred in connection with his treatment: *Provided*, That no part of the amount appropriated in this act shall be paid to any subrogee: *And provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Joe Parry, a minor."

A motion to reconsider was laid on the table.

CAPT. CARROLL C. GARRETSON

The Clerk called the bill (H. R. 3261) for the relief of Capt. Carroll C. Garretson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,916.10 to Capt. Carroll C. Garretson, Army serial No. O-391003, of the Five Hundred and Fourth Parachute Infantry, Fort Bragg, N. C., in full settlement of all claims against the United States for Army pay and allowances from December 10, 1945, to August 15, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MINERVA C. DAVIS

The Clerk called the bill (H. R. 3553) for the relief of the estate of Mrs. Minerva C. Davis.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. DOLLIVER and Mr. SMITH of Wisconsin objected.

JAMES M. DINGWALL AND OTHERS

The Clerk called the bill (H. R. 3644) for the relief of James M. Dingwall, Eileen Reynolds, W. G. Peterson, Bert Woolslayer, and Maisie Purser Davis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James M. Dingwall, $2.45; to Eileen Reynolds, $332.28; to W. G. Peterson, $15; to Bert Woolslayer, $150; and to Maisie Purser Davis, $63.08; all of North Bend, Wash., said claims being in full settlement of all claims against the United States for personal injuries, property damage, or medical expenses resulting from a collision on May 27, 1943, when the car in which they were riding was struck by an Army truck at the intersection of Fourth and Bendigo Streets: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "Eileen" and insert "Aileen."

Page 1, line 6, strike out "to W. G. Peterson, $15."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of James M. Dingwell, Jr.; Aileen Reynolds; Bert Woolslayer; and Mrs. Maisie Purser Davis."

A motion to reconsider was laid on the table.

JAMES W. KEITH

The Clerk called the bill (H. R. 3931) for the relief of James K. Keith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $337.89, to Mr. James W. Keith, 212 Hurley Avenue, Hilton Village, Newport News, Va., in full settlement of all claims against the United States for property damage sustained as the result of an accident involving a United States Army vehicle which occurred on November 25, 1943.

With the following committee amendment:

At the end of the bill insert *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERALD S. FURMAN

The Clerk called the bill (H. R. 4518) for the relief of Gerald S. Furman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $97.23, to Gerald S. Furman, of Plainfield, N. J., in full settlement of all claims against the United States, for expenses incurred in reporting to the St. Louis Medical Department Procurement District, St. Louis, Mo., as a civilian consultant of the War Department on October 26, 1942.

With the following committee amendment:

At the end of the bill insert *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOREST L. WEATHERLY

The Clerk called the bill (H. R. 4602) for the relief of Forest L. Weatherly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Forest L. Weatherly, Minneapolis, Minn., the sum of $2,500. The payment of such sum shall be in full settlement of all claims of the said Forest L. Weatherly against the United States for personal injuries, medical and hospital expenses, and loss of earnings which he sustained as a result of being struck on March 11, 1944, at the intersection of Fourth Avenue South and Ninth Street South, Minneapolis, Minn., by an automobile operated by an employee of the Post Office Department engaged in the performance of his duties as a special-deliv-

ery mail carrier for the United States post office at Minneapolis: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$2,500" and insert "$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS BROWN

The Clerk called the bill (H. R. 4718) for the relief of Louis Brown.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000, to Louis Brown, of Steelton, Pa., in full settlement of all claims against the United States for personal injuries, medical, and hospital expenses, and loss of earnings sustained as a result of an accident involving a United States Army vehicle at Nome, Tex., on August 12, 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. W. DeLOACH

The Clerk called the bill (H. R. 5330) for the relief of W. W. DeLoach.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. W. DeLoach, of Kosciusko, Miss., the sum of $114, in full settlement of all claims against the United States on account of services rendered in preparing and furnishing to the United States Army, on or about September 1, 1947, at the request of the Army provost marshal of Memphis, Tenn., a certified copy of the transcript of testimony in the case of the State of Mississippi against George Lee Mullins, case No. 2775, in the circuit court of Grenada County, Miss., the said George Lee Mullins then being an enlisted man in the United States Army who was tried and convicted in said case upon an indictment charging him with the murder of one Clinton Carpenter: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT FOR LOSSES OF TREASURY EMPLOYEES

The Clerk called the bill (H. R. 5387) for the relief of certain officers and employees of the Department of the Treasury who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions and whose claims for such losses have been considered and approved by the Secretary of the Treasury upon the recommendations of a Treasury claim board.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named persons not to exceed the sums herein specified in full satisfaction of their respective claims against the United States for the fair value of reasonable and necessary personal property lost by such persons as a result of war conditions, which claims have been considered and approved by the Secretary of the Treasury upon the recommendations of a Treasury claim board:

Isadore G. Alk, $231; Daniel Henry Blake, $195; Charles R. Clark, $346.38; William A. Conkright, $742.05; Earl W. Daley, $2,326.58; Dolor J. DeLagrave, $158; Mrs. Ella M. Doughty, $839.65; Joseph A. Fortier, $151.60; Roy V. Fox, $792.56; Smith B. Griffin, $82.59; William Lawrence Hebbard, $137; Paul Hermes, $753.31; Sidney J. Kennedy, $397.89; Charles Kruszewski, $379.40; Alice Libby, $170; Ronald N. Marquis, $50; T. F. McCrea, $200; Karl M. Richards, $4,995.48; Martin G. Scott, $2,246.59; Bernard Wait, $348.48; Laura S. Walker, $80; Hugo Wallenfels, $321.67; H. A. Wambold, $420; Florence I. Wilson, $76.56; Walter M. Wolff, $2,818.01: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLCHESTER, VT.

The Clerk called the bill (S. 1263) for the relief of Fire District No. 1 of the town of Colchester, Vt.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SMITH of Wisconsin and Mr. DOLLIVER objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

MRS. SHIRLEY LEINWAND

The Clerk called the bill (H. R. 3497) for the relief of Mrs. Shirley Leinwand.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Mrs. Shirley Leinwand, who entered the United States in May 1938, shall, upon the payment of the required head tax, be considered for purpose of immigration and naturalization laws, to have been lawfully admitted into the United States for permanent residence as of the date of entry. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Polish quota for the first year the Polish quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDREW OSIECIMSKI CZAPSKI

The Clerk called the bill (H. R. 3740) for the relief of Andrew Osiecimski Czapski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the alien Andrew Osiecimski Czapski, of Bloomfield, N. J., a national of Poland, shall be considered to have entered the United States on June 29, 1946, the date of his last entry, and to have been lawfully admitted to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Polish quota of the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE HANIOTIS

The Clerk called the bill (H. R. 4199) for the relief of George Haniotis.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THEODORE LOETSCH

The Clerk called the bill (H. R. 4484) for the relief of Theodore Loetsch.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. That concludes the call of the Private Calendar for today.

COMMUNICATION FROM THE CLERK

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

APRIL 6, 1948.

The honorable the SPEAKER,
House of Representatives.

SIR: The attached sealed envelope, indicating on its face that it contains a message from the President of the United States, and addressed to the Speaker of the House of Representatives of the United States, was received in the office of the Clerk on April 5, 1948.

Respectfully yours,

JOHN ANDREWS,
Clerk of the House of Representatives.

VENDORS OF NEWSPAPERS OR MAGAZINES—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 594)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 5052, a bill to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and the Internal Revenue Code.

This bill is identical with H. R. 3997, which I declined to approve in August 1947.

This legislation has far greater significance than appears on the surface. It proposes to remove the protection of the social security law from persons now entitled to its benefits. Thus, it raises the fundamental question of whether or not we shall maintain the integrity of our social security system.

H. R. 5052 would remove social security protection from news vendors who make a full-time job of selling papers and who are dependent on that job for their livelihood. Many vendors of newspapers are excluded even at present from coverage under the Social Security Act because they are not employees of the publishers whose papers they sell. But some vendors work under arrangements which make them bona fide employees of the publishers and, consequently, are entitled to the benefits of the Social Security Act.

If enacted into law, this bill would make the social-security rights of these employees depend almost completely upon the form in which their employers might choose to cast their employment contracts. Employers desiring to avoid the payment of taxes which would be the basis for social-security benefits for their employees could do so by the establishment of artificial legal arrangements governing their relationships with their employees. It was this sort of manipulation which the Supreme Court effectively outlawed in June of 1947 when the Court unanimously declared that employment relationships under the social-security laws should be determined in the light of realities rather than on the basis of technical legal forms. I cannot believe that this sound principle announced by the Court should be disregarded, as it would be by the present bill.

The principal consideration offered in support of the bill appears to be a concern for the administrative difficulties of certain employers in keeping the necessary records and in collecting the employee contributions required by the Social Security System. In appraising these difficulties, it should be recognized that the employers have control over the form of the employment contracts and the methods by which their salesmen are compensated. The salesmen are dependent upon the employers, and whatever remittances or reports are required for withholding and reporting purposes should be within each employer's reach. Certainly, the difficulties involved are not so formidable as to warrant the exclusion of these employees from coverage in the Social Security System and the consequent destruction of their benefit rights and those of their dependents.

It is said that the news vendors affected by this bill could more appropriately be covered by the social-security law as independent contractors, when and if coverage is extended to the self-employed. Whether that is true or not, surely they should continue to receive the benefits to which they are now entitled until the broader coverage is provided. It would be most inequitable to extinguish their present rights pending a determination as to whether it is more appropriate for them to be covered on some other basis.

In withholding my approval from H. R. 3997 last August, I expressed my concern that such a bill would open our social security structure to piecemeal attack and to slow undermining. That concern was well founded. The House of Representatives has recently passed a joint resolution which would destroy the social security coverage of several hundred thousand additional employees. As in the case of H. R. 5052, the joint resolution passed by the House is directed toward upsetting the doctrine established by the Supreme Court last summer that employment relationships should be determined on the basis of realities. The present bill must be appraised, therefore, as but one step in a larger process of the erosion of our social security structure.

The security and welfare of our Nation demand an expansion of social security to cover the groups which are now excluded from the program. Any step in the opposite direction can only serve to undermine the program and destroy the confidence of our people in the permanence of its protection against the hazards of old age, premature death, and unemployment.

For these reasons, I am compelled to return H. R. 5052 without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 5, 1948.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal, and the message and the bill will be printed as a House document.

Mr. GEARHART. Mr. Speaker, I move that the further consideration of the bill and the veto message be postponed until Wednesday, April 14, 1948.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the constitution of the AMVETS Auxiliary. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $248.50, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. CARSON asked and was given permission to extend his remarks in the RECORD and include a poem.

Mrs. SMITH of Maine asked and was given permission to extend her remarks in the RECORD and include two letters concerning the bill S. 1641.

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include an editorial.

The SPEAKER pro tempore (Mr. MICHENER). Under previous order of the House, the gentleman from New York [Mr. EDWIN ARTHUR HALL] is recognized for 45 minutes.

FLOOD CONTROL

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I have been trying for a week to get recognition on this very stringent emergency which exists in my district. I do not feel that today is the time to take the entire time so I have arranged for subsequent special orders throughout the week. I do, however, want to point out at this time that a state of emergency existed in the Triple Cities area of Binghamton, Johnson City, and Endicott and Vestal about a week and a half ago as the result of one of the most disastrous floods in the history of the Susquehanna River. This river, sometimes referred to as the Mississippi of the Northeast, flooded its banks and caused death and disaster in the Endicott-Vestal area. In 1944 an amendment of mine was passed by the House which provided for a survey of flood conditions in the Endicott-Johnson City and the Vestal area, which were and are absolutely without flood protection. On the other hand, the city of Binghamton, due to the vigilance of various flood-control committees, which were in authority 10 years before, as well as the activity of the Binghamton press, has a system of elaborate flood walls along both banks of the Susquehanna. The fact that the city of Binghamton suffered little flood damage a week ago is ample proof that flood walls were of the essence in that city. Further down the Susquehanna, about 7 miles below where Endicott is situated on one side and Vestal on the other side, flood walls similar to Binghamton, had they been there, would have prevented the last flood almost entirely. I have introduced today a bill calling upon Congress to authorize $1,000,000 to start flood walls immediately in the Endicott and Vestal section. I feel it is my duty as a Representative in Congress for my district to see that the flood walls are erected just as soon as the Army engineers can get through a favorable report. I feel sure that the survey which the Army engineers are now conducting, will be favorable. They were on the job at my request shortly after the flood had reached its peak. Certainly after they have observed the tremendous destruction which was done in that area, they will make a favorable report so that Congress can authorize the proper amount with which to proceed immediately with the construction of these flood walls. Then the Vestal-Johnson City-Endicott area will be taken care of permanently thereafter.

There has been some discussion about the construction of dams above this area

that I am talking about on the Susquehanna River. I am absolutely in accord with the construction of certain dams on the Susquehanna River. I believe that the Davenport Center project, for instance, should be started immediately. I believe some of the other projects which are now being contemplated by the very able Committee on Public Works will be of inestimable value in the case of the city of Binghamton and in the Endicott-Johnson City-Vestal area.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I am very happy to yield to the distinguished chairman of that committee.

Mr. DONDERO. I understand that your problem is that an investigation or survey has already been ordered to be done by the Army engineers and that the investigation or survey is now in progress, but they have not yet reported, is that correct?

Mr. EDWIN ARTHUR HALL. The gentleman is absolutely correct. I do appreciate his question as it leads to the next point I was going to take up. The survey is now under way. The Army engineers were on the job, at my request, shortly after the flood had reached its peak, photographs of which were in every large paper in the country, showing the disaster which had been wrought in this area.

The Army engineers, as I say, are now making a survey, and I presume that after having viewed the destruction which has taken place, they will make a favorable report. I know I can count on friendliness from the distinguished gentleman's committee, because he is always most understanding.

Mr. SHAFER. I will use my influence, too.

Mr. EDWIN ARTHUR HALL. I thank the gentleman. I have asked for a special order later this week to go into the subject a little more in detail, with a map to assist me, because I would like the Members to realize the tremendous difficulty we are up against and the unfortunate situation that the Triple Cities are now in.

Mr. NORBLAD. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. NORBLAD. We also have flood conditions in the Willamette Valley, and we are very anxious to have the project completed. Is the gentleman in favor of cooperating in the completion of that project?

Mr. EDWIN ARTHUR HALL. I want to assure the gentleman from Oregon that I am sympathetic with anything in which he is interested, because I think flood control is something that the entire House should concentrate upon.

Mr. SHAFER. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. SHAFER. I want to take care of the flood conditions in the Kalamazoo Valley and the Battle Creek also. Will the gentleman cooperate with me?

Mr. EDWIN ARTHUR HALL. If they merit it, I will certainly be the first to cooperate with the gentleman.

Mr. Speaker, I yield back the remainder of my time.

EXTENSION OF REMARKS

Mr. BOGGS of Louisiana asked and was granted permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. O'HARA asked and was granted permission to extend his remarks in the RECORD and include two newspaper accounts and resolutions.

SPECIAL ORDER GRANTED

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that after the legislative business on the Speaker's table tomorrow, and any other special orders that may have been heretofore entered, I may address the House for 45 minutes.

The SPEAKER pro tempore (Mr. MICHENER). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER pro tempore. Under special order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 5 minutes.

WILL ANYONE PAY FOR THE DAMAGE?

Mr. DONDERO. Mr. Speaker, it is remarkable how chickens will come home to roost—especially red ones. On July 9, 1947, I presented to the Congress the record of George Shaw Wheeler, then a leading official in the denazification branch of the American military government in Germany. For this I was reviled by the Washington Post, the Stars and Stripes, unofficially published by the AMG in Germany, and other publications which made it a practice to protect pro-Communist elements who penetrate into strategic places in our Government.

The loyalty board of the AMG cleared this man, but, in deference to my criticism, he was reluctantly compelled to resign. In the light of these developments I wish to call the attention of the House to the whereabouts of George Shaw Wheeler at the present time. I believe that his present occupation constitutes a complete corroboration of my charges and a repudiation of my vociferous but ill-advised critics.

He is at this moment employed with the approval of the Communist-dominated government in Czechoslovakia as an instructor in the technical high school in Prague, where he was given a warm welcome. Mr. Wheeler is now perfectly at home under a Communist dictatorship.

This incident is all the more significant in view of the fact that Mr. Wheeler was repeatedly defended and cleared as a result of the intervention of officials high in our Government service at the present time. Certainly these men bear a serious responsibility for such action.

Mr. Wheeler was cleared for service in Germany as a result of the intervention of Mr. William Treadwell Stone, who is now one of the chief officials in charge of the Voice of America in the State Department's Office of Information and Culture, charged with the responsibility of defending America against Soviet slander propaganda throughout the world. What a tragic joke.

He was recommended for service in Germany and cleared by the United States Civil Service Commission directly as the result of the intervention of Mr. David Morse, presently Assistant Secretary of Labor, together with other cronies of George Shaw Wheeler, who appeared in his behalf.

Will anyone pay for the damage which has been done?

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

SPECIAL ORDER

The SPEAKER pro tempore. Under the previous order of the House the gentleman from California [Mr. HOLIFIELD] is recognized for 10 minutes.

Mr. BUCHANAN. Mr. Speaker, on behalf of my colleague the gentleman from California [Mr. HOLIFIELD], I ask unanimous consent that he may extend his remarks at this point in the RECORD and include therein certain letters.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CALIFORNIA ATTORNEY GENERAL CHALLENGED TO ENFORCE STATE'S ANTITRUST LAW

Mr. HOLIFIELD. Mr. Speaker, on January 12 Mr. John F. Sonnett, Assistant Attorney General of the United States, addressed the Town Hall businessmen's group in Los Angeles, Calif.

During the course of his speech, whose title was "Does Inflation Warrant Government by Industry?" he made the following statement:

> The State of California has a comprehensive antitrust law, known as the Cartwright Act, which covers local commerce. That act articulates in detail a public policy against restraints of trade recognized for many years in the common law of England and of the United States. Under that act a local combination of businessmen which deprives the public of the advantage of competition is unlawful.
>
> The Supreme Court of California said, in 1946, regarding the State antitrust law: "* * * Under the common law of this State, combinations entered into for the purpose of restraining competition and fixing prices are unlawful. The public interest requires free competition so that prices be not dependent upon an understanding among the suppliers of any given commodity, but upon the interplay of the economic forces of supply and demand."
>
> The Cartwright Act is a penal statute which provides for fines or imprisonment for violation and which contains drastic provisions for the punishment of corporations, such as the forfeiture of their charter and rights and privileges in the State as a corporation. The Cartwright Act was first passed in this State some 40 years ago. There were legal difficulties in connection with the act because of an amendment which had been made in 1909. Those difficulties were solved at least 18 months ago. In 1946, the Supreme Court of the State of California, in a case known as the Speegle case, held the amendment to be invalid and by that decision the court restored the statute to full force.
>
> In the Speegle case the highest court of this State expressed a view of the law which had been urged by your present Governor. When he was the attorney general of this State, your Governor, the Honorable Earl Warren, in an opinion issued by him on July 29, 1940, as attorney general, stated: "In the absence of any further decision on the question by the Supreme Court of this State or of the United States, we are of the view that

the Cartwright Act, as originally enacted, is valid and in full force and effect."

Despite this opinion of Mr. Warren expressed over 7 years ago and despite the decision of the highest court of this State 18 months ago, it appears that no case has been brought by the attorney general of this State to enforce any provision of the Cartwright Act.

Whatever the reasons for the apparent lack of enforcement of your State antitrust law, it is clear from the experience of the Federal Antitrust Division in this State that numerous restraints of trade have occurred here.

A controversy between California's attorney general, Fred M. Howser, and the United States Assistant Attorney, John F. Sonnett, ensued in the newspaper collumns and by correspondence.

Mr. Howser denied that he, as California's attorney general, had been lax in prosecuting intrastate antitrust violations as publicly charged by Mr. Sonnett. Mr. Howser asked Mr. Sonnett to forward to his office instances of intrastate antitrust violations which had not been prosecuted.

Mr. Sonnett thereupon forwarded to Mr. Howser 11 specific cases of violation which had occurred in California during the past year or two.

In speaking of these 11 cases, Mr. Sonnett noted that all of them had been "referred to your office but as to which, so far as we are informed, your office has not yet filed any action."

The prosecution of antitrust violations is important to every small-business man in the United States. When these violations occur in interstate commerce it is the duty of the United States Attorney General's office to prosecute, and I point out that during the past 10 years, in California, an average of 1 major case per month has been prosecuted on the Federal level.

The prosecution on the State level—intrastate commerce violations—depends upon the State attorney general and the State antitrust laws. In California we have a very good antitrust law known as the Cartwright Act. This law was confirmed by a Supreme Court decision 20 months ago. Governor Warren, of California, while serving as attorney general 7 years ago, approved of the provisions of the Cartwright Act.

What has happened in the State of California during the present Republican administration? Mr. Warren has been spoken of as a potential Presidential candidate. Many California people who are opposed to monopolies would like to know why Governor Warren and his State Attorney General Fred Howser, have failed to prosecute these 11 intrastate antitrust violations, which have been brought to Mr. Howser's attention by Mr. Sonnett.

Mr. Speaker, under previous consent, I insert at this point an exchange of letters between California's attorney general, Fred N. Howser, and the Assistant Attorney General of the United States, Mr. John F. Sonnett. Because of the public interest in this matter in California, I have requested the copies of the correspondence inserted.

In the event Mr. Howser decides to prosecute these cases under the California Cartwright Act, I, of course, will be glad to publicize such action to the people of California. In the event that Mr. Howser wishes to explain his reason for failing to prosecute these cases, I shall be glad to publicize his reasons.

Unless trusts and monopolies are curbed in their excesses, we shall see small business disappear in the United States. When economic democracy is extinguished by the great monopolies, we can soon expect the demise of political democracy.

STATE OF CALIFORNIA,
DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Los Angeles, January 14, 1948.

Mr. JOHN F. SONNETT,
Assistant Attorney General, Antitrust Division, Department of Justice, Washington, D. C.

DEAR MR. SONNETT: My attention has been directed to your statements of recent date in California concerning the duties of the attorney general of California in the enforcement of the Cartwright Act.

You may be assured it is the wish and desire of the office of attorney general of this State to cooperate with you against any violation of the law that may come within our jurisdiction running concurrent with your enforcements under the Sherman Antitrust Act. I regret you have been misinformed that this office has taken no action, as I understand it was stated by you, against any intrastate monopolies or restraints of trade. To the contrary, we have.

In keeping with this above-expressed desire of cooperation on our part, will you please forward to this office, through such means as may be considered most convenient to you, all such records, evidence, or information you may have concerning intrastate monopolies or restraints of trade in California. In this respect, will you please limit such evidence or information of restraints of trade or monopolies to those not subject to prosecution under the Sherman Antitrust Act.

In view of section 2 of the Cartwright antitrust law wherein it provides "it shall be the duty of the attorney general or the district attorney of the proper county to institute proper suits * * *," and in view of our policy of leaving primary enforcement of the law to the local agency and only step in and assume the prerogative of the district attorney upon his total failure or willful neglect tantamount to a break-down in law enforcement, our desired plan of operation will be supervisorial in extent, so that uniformity and adequacy may generally apply in every county throughout the State.

I appreciate that letters are unsatisfactory, and if it is your desire to have a conference on this matter I shall arrange my affairs to meet with you.

Very truly yours,

FRED N. HOWSER,
Attorney General.

FEBRUARY 21, 1948.

Hon. FRED N. HOWSER,
Attorney General,
Los Angeles, Calif.

DEAR MR. HOWSER: Your letter of last month concerning your duties as Attorney General of California with respect to enforcement of California's Cartwright Act came to my attention after my return to Washington. In your letter you indicate that certain observations of mine in speeches which I made in California in January are incorrect because, you state, you have taken some action against local monopolies or restraints of trade under the Cartwright Act. You also request such information as we may have concerning any intrastate monopolies or restraints of trade in California.

I trust that I have not been inaccurate in stating that you had brought no case under the Cartwright Act. However, you do not describe the action which you state has been taken, and despite careful examination of all available sources, we were and are still unable to find any reported decision in any case instituted by you under the Cartwright Act. Thus, our examination of the California State Bar Journal, the San Francisco Recorder, the Los Angeles Times, McKinney's New California Digest, California Jurisprudence, Shepard's Statutes Annotated, and Commerce Clearing House, Trade Regulation Service discloses no indication of any action instituted by you under the act.

As you may know, the Federal Government has filed in California on the average one case a month for each month during the past 10 years, involving violations of Federal antitrust laws. These cases and the complaints herein described clearly indicate that the local commerce of California is burdened with unlawful restraints of trade.

Accordingly, in the speeches to which you refer, copies of which I enclose, the following observations, which I believe were and are correct, were made by me regarding your apparent failure to enforce the Cartwright Act:

"In the Speegle case the highest court of this State expressed a view of the law which had been urged by your present governor, when he was the attorney general of this State. Your governor, the Honorable Earl Warren, in an opinion issued by him on July 29, 1940, when he was attorney general, stated: 'In the absence of any further decision on the question by the Supreme Court of this State or of the United States, we are of the view that the Cartwright Act, as originally enacted, is valid and in full force and effect.'

"Despite this opinion of Mr. Warren expressed over 7 years ago and despite the decision of the highest court of this State 18 months ago in the Speegle case, it appears that no case has been brought by the attorney general of this State to enforce any provision of the Cartwright Act.

"Whatever the reasons for the apparent lack of enforcement of your State antitrust law, it is clear from the experience of the Federal Antitrust Division in this State that numerous restraints of trade have occurred. Since 1933 the United States Government has filed in California a number of cases involving violations of the Federal antitrust law; that is, where interstate commerce was involved. These cases have affected the important food industry, the construction industry, and some of the other basic industries. In all, the United States Government has filed in the State of California during the past 10 years about 132 cases under the Federal antitrust laws—an average of one case a month.

"It is quite clear from the experience of the Federal Antitrust Division that numerous restraints of trade and other violations of antitrust law have occurred in this State. These violations—these restraints on competition—hinder the full and normal development of your great and growing industries."

In accordance with your request, I list the following matters which have come to our attention within the past year or so, which involved local commerce of the State of California, and which were referred to your office but as to which, so far as we are informed, your office has not yet filed any action. They are:

1. On March 4, 1947, Max Garth, independent operator of a super market at 3612 West Sunset Boulevard, Los Angeles, was interviewed by the staff at the Los Angeles office of the Federal Antitrust Division. Mr. Garth complained that he had been informed by representatives of the major bread suppliers that a uniform price rise would be effected by all majors within a few days. On March 6 each of the major bread suppliers serving southern California made a 1-cent increase. The complainant stated that

these companies were members of an association called the Southern California Bakers' Industries, 1151 South Broadway, Los Angeles. The investigation made by our Los Angeles office disclosed that the traffic in bread was confined to the State of California and did not involve interstate commerce. The complainant was informed that our Los Angeles office was unable to proceed in this matter. Accordingly, he was referred to the State attorney general's office on March 25, 1947. Subsequently he contacted us about another matter and, at that time, informed us that he had advised the office of the State attorney general of the foregoing complaint and that insofar as he knew, no action had been taken with respect to it.

2. On October 9, 1947, David P. Lang, a businessman of 115 East Third Street, Los Angeles, complained to our Los Angeles office that the William Phillip Burvin Corp. of Fresno, Calif., and one Leon Sampliner, doing business as Western Carpet Co., Santa Monica, Calif., had entered into an agreement dividing the State as to purchasers of materials, and were monopolizing and restraining the marketing of such materials and depressing the price in an effort to drive out competition. The material involved appears principally to be used carpeting. Since the transactions were purely intrastate, our Los Angeles office referred the complaint to the office of the State attorney general with the suggestion that he request action under the Cartwright Act. He later reported that he had discussed the matter with the State attorney general's office and that office had declined to take any action.

3. In October 1947, our Los Angeles office received a complaint from a Mr. George Tutt, 6255 Hollymont Drive, Los Angeles, against the City Ford Co. of Los Angeles, Calif. The complainant stated that he had attempted to purchase a Ford automobile and was willing to pay cash, but the City Ford Co. refused to sell on that basis. The salesman told him that the City Ford Co. owned its own bank and that the purchase price of any automobile would have to be financed through its bank. Our office discussed the matter with the City Ford Co. which stated that if the purchaser wished and cars were available, he could pay cash, but if the car were financed, the financing must be done through the company-owned Huntington Park Bank. It was suggested to the complainant that he discuss this matter with the office of the State attorney general. As far as we have been able to determine no action has been taken by the State attorney general with respect to this matter.

4. A complaint was made to our Los Angeles office by a Mr. L. Dale Watson, 354 South Normandie Avenue, Los Angeles, in October 1947, to the effect that the Hollywood Lincoln Mercury Sales Co., Los Angeles, would not permit a purchaser to pay cash for a car, but required him to finance it through the Bank of America. Our Los Angeles office talked with the Hollywood Lincoln Mercury Sales Co. and was informed that an automobile could be purchased for cash if available, but that if a car were purchased on the installment plan, one-third would have to be paid in cash and the balance financed through the Bank of America. This complainant was also referred to the office of the State attorney general, inasmuch as the matter involved intrastate commerce. As far as we have been able to determine, no action has been taken by the State attorney general with respect to this matter.

5. Mr. Robert Himrod, an attorney in the office of John Moore Robinson, Seventh and Spring Streets, Los Angeles, called at the Los Angeles Federal antitrust office in November 1947 to complain that the American Building Maintenance Co. was involved in a conspiracy with a union of window cleaners to monopolize the business of cleaning windows and furnishing building-maintenance service to office buildings in the city of Los Angeles. The complainant's client had been invited to join an employers' association of maintenance companies which he claimed was dominated by the American Building Maintenance Co. and by the union. Inasmuch as this matter was purely intrastate it was suggested that complainant take up the matter with the office of the State attorney general. He informed us that he called there several times and discussed the matter with one of the deputies, but that no action had been taken.

6. On December 20, 1946, Stanley J. Weiss, of San Francisco, was referred by our San Francisco office to State authorities with his complaint of price fixing in the cleaning and pressing establishments of San Francisco.

7. On April 23, 1947, our San Francisco office referred P. James Osterhour, 22 Commonwealth Avenue, San Francisco, to the State officials for action on his complaint of price fixing by local retail cleaners, tailors, and dyers.

8. On December 2, 1946, our San Francisco office referred Mr. A. J. Clapham, 74 Sixth Street, San Francisco, to the attorney general of California for consideration of his complaint of price fixing by a group of parking-lot operators in San Francisco.

9. On January 13, 1948, our San Francisco office referred Harold Klang of Capel Klang & Co., 444 Bryant Street, San Francisco, to the office of the attorney general of California with a complaint of a threatened boycott by his competitors against his local source of insecticides as the cause of his being cut off from that source of supply.

10. On or about September 25, 1947, Mr. Francis Cross, attorney in San Francisco, complained on behalf of a client of a collusive arrangement between the Union Oil Co. and the Pacific Natural Gas Co. in connection with the production of natural gas which allegedly restrained and prejudiced the rights of his client. The San Francisco office of the Federal Antitrust Division discussed the jurisdictional aspects of this matter at length. Upon determining that sufficient interstate commerce was not involved, the complainant was referred to the State authorities.

11. On or about January 1, 1948, our San Francisco office referred to the office of the attorney general one Rosenblum, who complained that restrictive agreements and restraints of trade on the part of the association of janitorial contractors in San Francisco was effectively excluding him from entering that business.

The Federal Antitrust Division will, of course, continue its enforcement activities in California, restricted as it must be, to interstate commerce in each instance. Because of the geography of California and because of its productivity in supplying its own needs, the requisite interstate commerce is not found in all the restraints of trade and monopolistic practices occurring in the State. On the other hand, these same considerations of geography and productivity, in the view of many familiar with the enforcement of antitrust laws generally, indicate the necessity in California for vigorous State enforcement activity if the people of the State are to receive adequate protection against illegal restraints of trade and the benefits of free and competitive markets.

We shall, of course, be glad to refer to you any additional matters which come to our attention and which should be handled by you and shall be pleased to cooperate in any other proper action to assist you in your enforcement of your State antitrust laws.

Sincerely yours,

JOHN F. SONNETT,
Assistant Attorney General.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from California [Mr. POULSON] is recognized for 45 minutes.

SOUTHERN CALIFORNIA'S RIVER OF HOPE

Mr. POULSON. Mr. Speaker, one of the longest and most vital battles of the West is nearing a climax in the Congress. It concerns the future of southern California's water resources, especially the water of the Colorado River.

The outcome of this battle will affect the future of every citizen of southern California living today, and the economic life of the generations to come.

In order to acquaint you, the legislators, as well as the people of the United States, I am presenting herewith the facts of this critical controversy.

The story of the Colorado River is the greatest geographical drama in the history of America.

Its stage presents unsurpassed scenes: Towering mountains against clear western skies, still untamed deserts where no man lives, immense canyons whose scarred walls hold unbroken silence, gigantic buttes and mesas and benchlands, wilderness forests, high meadow lands on which wild game grazes, and the ranges of the West reaching into the haze of illimitable distance.

Across this vast setting moves a pageant as colorful and significant as any ever witnessed by mankind, and older by far than any other American epic. In it are the first westerners, the cavemen of prehistoric times, the basket makers, the pueblo dwellers, the nomads, the Spanish conquistadores and padres, the mountain men, the fur traders, the explorers of expanding America, the cowmen, the homesteaders, and the conquerors of the wilderness waters.

Each of them left their trail, their cultures and the evidence of their struggles, their defeats and victories. Their graves and their visible achievements symbolize their courage and their dreams of empire.

Among the ruins of adobe cities, among ancient shrines and century-old Indian villages rise the monuments of modern science, the gigantic dams, the generators, the causeways and aqueducts, the power lines, and flumes and canals, and reaching into the canyons and colored hills are lakes designed and created by the genius of man.

The Colorado is conquered now.

From a raging, untamed flood, mighty in the geographical scheme of things, but even mightier in the face of man's initial frailty before it, the Colorado has been transformed into an obedient servant, the producer of bountifulness, of comfort and security, the well of hope and destiny.

Without it vast areas of southern California would be barren desert, burning and unproductive as they were through the thousands of years before man came to them. Without this dependable water, there could be no great cities, no immense groves and vineyards, no fine pastures, no industry.

And without it there could be no assured future for millions yet unborn. Progress and development would soon reach a saturation point, and California would of necessity say to those who wished to live there and build: You cannot come here, for we cannot provide

for you. We cannot build more homes, more industries, more farms and orchards, for we have no more water. Every drop we can get now is spoken for, and there is no room for more of you.

That is why southern California must be assured that in its aqueducts and canals, water must always flow from the Colorado River.

As I have said before, the water from the Colorado River is southern California's lifeblood. We must never relax our vigilance in safeguarding it. We must never fail to preserve it. We must always be on guard against those who would take some of it from us. For without it we cannot exist.

California has fought many fierce battles in years gone to protect this vital water. There has been no year since the first irrigation ditch was dug that a controversy has not existed. There is controversy now, and California's congressional Members are never without a struggle on their hands to protect this water. This story will tell of those fights too, will tell why they occurred and how they resulted.

In no place in the world has man builded as he has on the Colorado and its tributaries. In no place have such riches and comfort and security come from a river that nature chose to create as a stream of countless moods, now peaceful in its great silent canyons, now wild and furious in flood, and ever changing in its shade.

WHAT IS THE COLORADO?

The Colorado is many rivers. Snow water trickling under a warming spring sun on the towering white peaks of western Wyoming is Colorado River water. The high mountain creeks of north central Colorado give birth to the main stream, 1,400 miles away from its delta in the Gulf of California. In all, more than one-twelfth of the United States is drained by this mighty stream. Except for the Mississippi River system, it is the second longest river in America.

Following the Colorado from its highest sources to the sea is a fascinating study in geography.

Glacial lakes and alpine creeks, high in the Wind River Mountains of Wyoming, form the Green River. This land, the Green River Basin, is a land of strangely contrasting topography. In it are some of the highest peaks of the West, snow-covered the year around. And there are high forested plateaus, fertile valleys, eroded badlands, and desert wastes.

As the Green flows southward it is joined by the Yampa and then the White, rivers coursing down the western slope of the Rocky Mountain in Colorado. Down from the eastern slope of the Wasatch Range in Utah come the Duchesne, the Price, and the San Rafael Rivers, and by the time the Green has reached southeastern Utah it is a powerful stream. Here it joins the Colorado, which, bearing its own name, has come from its birthplace among Colorado's highest peaks.

In the journey from its cradle to its meeting with the Green, the Colorado grows swiftly. Among the more prominent relatives which join its march are the Fraser, Williams, Blue, Eagle, and Roaring Fork Rivers. And some cousins—Willow, Troublesome, and Muddy. And two wandering kin with large families of their own—the Gunnison and the Dolores.

Down through the little-known high deserts of Utah it goes, through the Indian country, a land of prehistoric ruins, of high cliff dwellings and forgotten cities. Into the Colorado comes the yellow flood of the San Juan, the second largest tributary of the river's entire course. There are three others in this area that must be mentioned, for at times they rise up and become raging torrents—the Fremont, the Escalanta, and the Paria.

This is the area of great canyons, many of which to this day have been seen by few people. Not long after the main river enters Arizona it is joined by its smaller brother, the Little Colorado, flowing north and northwest out of Arizona's White Mountains in the Apache country. Out of southwestern Utah come clear mountain creeks and silt-laden streams—Kanab and Johnson Creeks—and then there is the Virgin River and its clan now finding its destiny in a gigantic man-made lake instead of a raging river.

The Colorado found its strength tested in northern Arizona as in no other place on its entire course. Here it was forced to cut through a high rocky plateau. It proved its force, and when the first man came here he stared in wonder at the Grand Canyon.

Where the river rushed on, escaping from the gigantic walls that would imprison it, men built the first great control that even the Colorado, with all its strength, could not push from its path—Hoover Dam.

The Colorado goes around it as men have willed, and soon the flash floods of Williams River rush into it. Now the great stream is on the last lap. As it moves on majestically through a great desert area only one more tributary, the Gila, draining arid Arizona, joins it.

The Colorado leaves the United States below Yuma, entering Mexico, and pours into the blue Gulf of California.

It has come through an ageless land. It has cut through the rocks of the oldest geological period. It has built its road through forest and desert and plain and plateau. It has brought down the silt upon which the bountifulness of today grows.

And today it sweeps on in unrivaled pageantry, laying its mighty shoulders against peak and canyon wall, giving of its power and the water that is life.

WHO FIRST KNEW THE COLORADO?

Who knows?

There were people on the lower Colorado 10,000 years ago. They lived in caves, in the cliff dwellings, in earthen houses. We have found some of their tools, their dishes, and their bones. Some of these people were nomads, and why they disappeared we cannot say. Some of them planted fields and irrigated them, living in permanent villages. Descendants of some of them still live in the Colorado Basin, like the modern men dependent upon the river water for their existence.

Whoever were the first, it may be safely said that the oldest and most extensive prehistoric Indian agriculture on this continent existed in the Colorado Basin. Their irrigation systems were centuries old when the first white man came into the country. And many of the present canals follow the routes of those which the ancients, whose history is far from established, dug out of rock and earth with stone tools. Where they went, we are not certain. They had powerful enemies, not alone that of man. There were pestilence and starvation, and there was also drought. Men of today know much of the latter.

After them came a man in breastplate and shining metal helmet. He came on astonishing sea craft and on animals that were unknown to the Indians. And he came not for agriculture, but for one thing, treasure, the fabled treasure of the unexplored country north of Mexico. He brought his weapons to protect him and to conquer, brought his padres to strengthen his spiritual weaknesses and to pray for his success, but he brought only a single dream—the dream of gold.

The first shadow of sail fell upon the upper reaches of the Gulf of California in the autumn of 1540 from the three galleons of Capt. Hernando Alarcon. Finding his way blocked by a low flat shore, Captain Alarcon was surprised and disappointed. His Spanish maps said that Baja California was an island.

The captain anxiously scanned the barren land before him. It appeared that an arm of the Gulf of California ran far inland. Further investigations revealed that a great silt-laden river was pouring into the sea.

Alarcon discovered the Colorado.

But Alarcon was not interested in rivers. He was looking for a water route that would take him to the Seven Cities of Cibola, to gold and turquoise, and other fabulous treasures, that Mexico had heard awaited the conqueror. Tales which had reached Cortez and other Spaniards had left them breathless. Houses of the Seven Cities were built of solid gold, streets were paved with precious jewels, and children played with golden toys.

Cortez gambled away a fortune seeking the Seven Cities, and failed. Now came Mendoza, head of Spanish-conquered Mexico, and he took up where Cortez stopped. Mendoza sent two expeditions northward, one by land and one by sea. Alarcon commanded the water forces. Francisco Coronado led the overland army.

Coming upon the great river, Alarcon sailed against its current as far as possible. Then he took to small boats and went sturdily onward. It is believed that Alarcon and his men ascended the Colorado as far as the present town of Needles before turning back. He sailed home a defeated man, without treasure, unaware that he had discovered one of the greatest inland rivers of America, the source of the fabulous treasures of the future.

Meanwhile, Coronado was pushing eastward across the present States of Arizona and New Mexico. He was to be the first to see the great buffalo plains of Oklahoma and Kansas; was likewise to return without great riches.

But Coronado had dispatched lieutenants in different directions. His aide, Diaz, traveled westward and came upon the Colorado, following it to its mouth. Another aide, Don Lopez Cardenas, pushed northwestward and found himself and his men stopped by an unbelievable depth. They discovered the Grand Canyon.

But canyons and rivers and buffalo plains and mud villages were far from the dreams of these men. They wanted only gold, and they turned back broken in spirit and empty-handed. The Colorado River was left to its silence in a wild and unfriendly land. Other Spaniards came in the following years, some to stay and build missions, to officiate in the empire's far-flung colony, and many to die of thirst or starvation or by Indian arrow and rest in unknown graves.

Two centuries were to pass before explorers crossed the river in the canyons. During this time the intrepid adventurers and fortune seekers avoided the tortuous area of the river, making their crossings either far below or far above the Grand Canyon area.

The Colorado had several names. Alarcon, who discovered it, called it the River of Good Guidance, because he believed it would carry him to treasure. Diaz called it the Firebrand River because natives along it carried firebrands to ward off mosquitoes. Padres, who followed in the footsteps of these men, knew it as the River of Good Hope, while others celled it the River of the Martyrs, because during the summer its waters resembled the color of blood.

But it was Father Garces, a padre who worked among the Indians, who gave it the name it was to bear for all time. He called it El Rio Colorado, the Red River.

Far behind the first Spaniards came the Americans, the first mountain men or fur hunters breaking trail through the wilderness. Gen. William Henry Ashley led his band of mountain men to the Green River. It was not many years after Lewis and Clark that Americans had penetrated every part of the basin. By the year 1840, according to historians, virtually every creek and river, mountain and valley, in the entire west had been explored. There are many names that will never be forgotten when one speaks of the opening of the Colorado Basin—James O. Pattie, R. W. H. Hardy, Jedediah Smith, Kit Carson, Ewing Young, William Wolfskill, Capt. B. L. E. Bonneville, Jim Bridger, John C. Fremont, T. J. Farnham, a host of others, plainsmen, hunters, soldiers, trappers, colonizers, and churchmen. Blood marked their trails, and low mounds told of their final resting places. They staked their lives to get a pack of peltries, to look into an unknown valley, to break a new path. They were a breed born of their time and they disappeared with their time. But what they accomplished can never be forgotten.

There was a well-marked trail to the Pacific coast now, to the sun-drenched valleys and missions of Alta, Calif., and over it came the pack trains and herds. Over it came the Mormon battalion to fight for their country against Mexico. In 1846 they marked a wagon road from Santa Fe to San Diego. The treaty of Guadalupe-Hidalgo in 1848—and the Gadsen Purchase in 1853—gave the Colorado Basin to the United States. Forever was the great river American property.

Then came the famed year of the stampede—1849. The gold-seekers came by the thousands, on foot, on horse, in wagons, leaving a trail of death and debris, destitution, and destruction. Across the Colorado they swarmed, cursing it and drowning in it. In the south, crossings were at two points, The Needles and Yuma. In the north, the hordes forded Green River, and on to the promized land under a horizon blazing with fabled opportunity.

The waters of the lower river were soon disturbed by a new invader, the steamboat. For the first time, in 1851, the main stream of the Colorado River was put to a practical use. Ships brought cargo to the head of the Gulf of California, and there it was transferred to steamboats which carried it up the river to various points. Wagon trains took the goods on to California.

On a steamboat came Lt. J. C. Ives with orders in his pocket. This was 1857. He was to take his boat upstream as far as possible. Ives obeyed. He fought the raging current for 400 miles, being forced to halt in a vicinity well known to all Americans of today.

This is what Ives told the War Department:

> The region is altogether valueless. It can be approached only from the south, and after entering it there is nothing to do but leave. Ours was the first, and doubtless will be the last, party of whites to visit this profitless locality. It seems intended by nature that the Colorado River along the greater portion of its lone and majestic way shall be forever unvisited and unmolested.

Lieutenant Ives was talking about the immediate area in which Hoover Dam stands today.

But neither man's curiosity nor his dream of self-betterment may be stifled by the discouragement of his predecessors.

One day a driver attached to an overland wagon train gazed at the swift, clear waters of Green River in Utah. He had heard that it flowed to the Pacific Ocean. Well, William Manley told himself that was where he was going, to the gold fields by the Pacific, and if this river went there.

Manley went to work. He found an abandoned ferryboat, a dilapidated craft in the sands along the river, and hauled it out. While repairing it he induced six bullwhackers to join him in his expedition.

Down the Green this daring crew swiftly sped. In one of the first deep canyons encountered, their craft was smashed to kindling wood. But they were alive and they were undaunted. They promptly hollowed out three logs and resumed their journey.

Indians saved their lives. The red men knew the river, and they told Manley that nothing alive could go through the Great Canyon that lay ahead. Manley heeded their counsel, and with his companions sadly abandoned the river and resumed the journey to California overland.

But there was soon to come a man who feared no canyon: Maj. John W. Powell, who had lost an arm at Shiloh. The Federal Government had attempted for several years to chart the course of the treacherous river with little success. In 1869, Major Powell did it.

With a small band he started down the upper waters of Green River. He was soon in canyons never before seen by white man. On they went, lost in an unknown land, with ever the threat that the next sharp bend would bring complete disaster.

Powell and his company were the first white men to gaze up at the walls of the Grand Canyon from the river and live to record his story. As he went, Major Powell gave names to the canyons and tributary streams which they bear today. He did not stop until he had reached the mouth of the Virgin River, not far above the place where Lieutenant Ives' steamboat had turned back.

Now the river was known. At least, men had gazed on its entire length.

Now the silence of its canyons had been broken by voices. Now its speed, its treachery, its power, and its destruction were experienced. Its courses had been charted.

Now the day had come for a new age. The West had been conquered. The hills were giving up their gold. The day of the conquistador, the explorer, the mountain man had forever gone.

Now men came with new ideas and new dreams. And with them were their women and children. With them was the desire to settle and to build. A different kind of people, less rugged perhaps but no less intrepid. A people with a desire for order and peace and security.

A new age began.

THE BUILDERS

These new people looked upon the Colorado River with the same awe as those who discovered it. They saw a terrifying force of destruction, terrible in its summer flood and treacherous and unpredictable at all times, heavy with the silt of seven far-flung States.

But these new people saw the river not alone as a barrier before them. They saw it as a force which could, if they were strong and patient enough to conquer it, be made to serve them.

They went to work. And theirs is an engineering saga unprecedented in American history.

In every aspect the flood menace was frightening and discouraging. The Colorado is one of the greatest silt-carrying streams on earth. Along the lower 200 miles of its course, the Colorado each year deposited enough silt to cover 100,000 acres of land a foot deep, a greater volume of earth than was excavated by us in digging the Panama Canal. The continuous dropping of this silt was raising the channel bed of the river higher each year. In part of its length the river was riding on a ridge higher than the land on either side of its banks.

Now and then the river, flexing its flood muscles, smashed and tore out of its own bed. The country was scarred in many places where these wild escapades had occurred.

Here was a constant menace, a mad, uncontrolled, mighty stream that might

in any year throw off all natural bonds and slash across the valleys and plains of the arid country.

But even that could not deter people with a great dream. They gazed on the immense flat reaches between the red hills, and in place of desert they saw groves and fields. Here was water, liquid gold, running to waste, while the earth thirsted. Here was fortune and security and a future for generations to come, if they could control the flood.

They set to work. One of the first was Thomas H. Blythe. It was in 1856 that he moved into the Palo Verde Valley and began to use the Colorado River water. In 1877 he made the first California filing on the river, claiming water to irrigate 40,000 acres. This was the Blythe Rancho.

Other men had been working and planning, meanwhile. In 1860, 17 years before the first transcontinental railroad reached southern California, Dr. O. M. Wozencraft and Ebenezer Hadley conceived a project for the irrigation and colonization of 3,000,000 acres in the Imperial Valley. They proposed to bring water from the river through Mexico.

Such big things are not accomplished quickly. The plans of Wozencraft and Hadley were approved by the California Legislature, but failed before the National Congress.

The United States Army Engineers sent Lt. Eric Bergland in 1876 to see if there was not a way to carry water from the river to the Imperial Valley in a canal that would lie entirely within the United States. Lieutenant Bergland did not find an all-American route. He thought the route through Mexico was the best.

Men kept on trying. In 1886 a private company unsuccessfully tried to irrigate lands in the Imperial Valley. Other men tried the same thing in 1892. Neither the river nor the desert would be easily conquered.

But in 1900, the California Development Co. began to build a canal. This took water from the river just below the international boundary and followed the general route proposed so many years before by Wozencraft, Hadley, and Bergland. From an engineering standpoint their plan was sound, but there were numerous international political obstacles to be overcome. Many years were to pass before these problems were solved by the All-American Canal.

These early builders worked against great odds. They depended on stream flow, taking the water directly from the running river, and they had no storage or regulation. There were years of flood and years when there was not enough water for the crops.

In 1905 the Colorado demonstrated its strength as it had never done during the memory of living men. Swollen by flood waters, the Colorado broke through a cut 4 miles below the American border. For 16 months it poured its entire flow into the Imperial Valley. It enlarged the Salton Sea to a great body of water 76 feet deep and 488 square miles in area. For a time this raging flood threatened to engulf the entire valley.

At last the break was closed, but incalculable damage had been done. Fifty thousand acres of arable land had been inundated. Farms were ruined. Homes were destroyed. Highways were washed away. Railroad tracks were at the bottom of a lake. Millions of dollars were lost.

The need was obvious: Regulation.

As the problem was studied, and plans were drawn, discarded, and redrawn, other floods occurred. The Palo Verde Valley suffered. Along the lower river 150 miles of levees were being maintained, and the cost of maintenance continued to rise. From 1906 to 1924, this levee protection cost more than $10,000,000. But even this great expenditure did not eliminate the menace. The Colorado was unpredictable. It could change its course. More than 100,000 people lived with the constant fear that the river might engulf and destroy them.

And financial difficulties beset the builders. The California Development Co. went into receivership and was sold to the Southern Pacific. The Imperial irrigation district bought the properties, and once more the great dream of regulation and an all-American canal was revived.

The conditions were forcefully called to the attention of Congress, and at last appropriations were made for surveys and studies. The wild river of the Southwest had to be tamed. Still it was not until 1920, with the passage of the Kincaid Act, that real progress began to be made.

Two years of expert study resulted in a definite program:

Build an immense dam in Boulder Canyon.

Build an all-American canal.

Build for flood control, irrigation, and hydroelectric power.

Two months after this report was submitted Congressman Phil D. Swing and Senator Hiram Johnson, of California, went to work in Washington on legislation that was to become famous. But, again, such great things could not be done quickly. Through four different Congresses Swing-Johnson bills were introduced. The last one became the Boulder Canyon Project Act.

Meanwhile, events had been transpiring out in the Southwest. While men battled the river, they also sought to agree among themselves on a plan of action. The Colorado drains seven immense western States. If dams and other projects were built, how was this water to be divided?

There had to be a compact. So, in 1921, men from the seven States sat down to talk things over. The Federal Government gave its blessing to the plan, and Herbert Hoover, the Secretary of Commerce, was appointed Chairman of the Colorado River Commission. For nearly 11 months the Commissioners conferred, wrangled, argued, disagreed, and finally came to terms.

On the 24th of November 1922, in Santa Fe, N. Mex., the Colorado River compact was signed.

This day marked an important milestone in the development of southern California. The compact was a green light, but there were still barriers to be overcome, and there were still red lights ahead.

The compact divided the river into upper and lower basins. To each basin it apportioned 7,500,000 acre-feet of water a year. In addition, the lower basin was given the right to increase its use of river water by 1,000,000 acre-feet per year.

The compact had many other provisions, but these were the important ones. But to put it into effect it had to be ratified by the legislatures of the seven States. Six States ratified in 1923, but Arizona, always the troublemaker on the river, refused.

This was the beginning of the interstate fight, especially between Arizona and California, that was to continue on through the years, and which neither all the Government's horsepower nor all the States' manpower could settle.

But the builders, the men who were determined to conquer the river and make a rich land out of a desert, did not stop. If they were discouraged by the political conflicts, the professional jealousies, the opposing claims, and the adamant attitudes of officials, they did not let this stop their dreaming and their practical planning.

The Colorado was still flooding, still menacing all things that had been built in its lower basin. And into Southern California were coming thousands of new residents. To sustain this phenomenal development new water must be secured. Los Angeles had brought water from the Owens Valley, but this was being rapidly absorbed.

The one place to secure this vital water was the Colorado.

And the one place to secure needed power was the Colorado.

Citizens in every walk of life joined in appealing to the Government to build Boulder Dam and the All-American Canal, and Los Angeles engineers began to sight out a route over which an aqueduct could be built that would bring water to the city's homes and industries.

In 1924, a group of men from southern California cities met in Pasadena and took another important step forward. They formed the Colorado River Aqueduct Association, similar to the Boulder Dam Association. Drive and organization, springing from civic consciousness and vision and the determination to build for the years to come, spurred them onward. The Metropolitan Water District of Southern California was organized.

In Congress and the various State legislatures, meanwhile, the fights continued. The fourth Swing-Johnson bill, calling for the construction of Boulder Dam, a great reservoir, power facilities and other river projects was before the House and the Senate.

This legislation did not ask that the Federal Government pay for the great dam. It asked only that the Federal Government appropriate the money at interest, and the people who benefited would pay the final bill. The builders of southern California were not asking for something for nothing.

Still Arizona was the stumbling block. The dam could not be built until the Colorado River Compact had been ratified.

But there was a will here, and there was a way.

The Boulder Canyon Project Act was passed by Congress late in 1928 and was approved by President Coolidge. Now the long struggle for legislation for the great dam was ended.

But there was still a major hurdle to be overcome before the Boulder Canyon Project Act could become effective:

Ratification of the Colorado River Compact on a six-State basis, and passage by California of an act limiting its use of Colorado River water were necessary.

Action followed swiftly. The dream of generations of builders was within the grasp of the farmers and city dwellers, and they bent to the work of making it come true. Wyoming and Colorado and New Mexico and Nevada were in line. California passed the required limitation act. Utah joined the parade a few days later.

On June 25, 1929, President Herbert Hoover issued a proclamation stating that the Boulder Canyon Project Act was effective.

The battle had been won. Between the towering walls of the river canyon that was now known all over the world, the vision of the world's greatest dam was becoming a reality.

Now men set forth to conquer the river. Now they began to blast and dig, to defy its roaring with the pounding of hammers and the blasts of steam whistles, the smooth humming of machinery.

Now the road ahead was clearer than ever before, and looking at it the builders saw an immense body of water reaching far back into the red mountains. They saw canals woven through the hills and desert ranges, bringing dependable life to fields and groves whose existence always before had been precarious. Now they saw tunnels and flumes and aqueducts carrying water hundreds of miles to swiftly growing villages and towns and cities, water for homes and plants that could not have existed without it.

They saw the great skeletons of the power lines striding across the miles with the energy that would turn wheels, give light and warmth.

And most of all they saw security. The wild river would be conquered, and on that victory they could build the future of which they had so long dreamed.

THE LAW OF THE RIVER

What is the law of the river?

No one lives in California to whom this law is not important. It gives men, women, and children the water they need each day. It guarantees that water is ever ready in a faucet in the homes of the poor and the rich. It means there can be flowers and groves and vineyards and grains and vegetables where only cactus and Joshua-trees grew. It means that great industries can operate, and therefore men can work and provide for their families and have comforts.

The law of the river is southern California's right to existence. It provides the hope, and the influences the destiny of all.

The law of the river is not a single statute. Rather it is a group of statutes. And everyone who lives by reason of these statutes in southern California should understand them, should know what they say and what they do.

Men interpret them differently, but their fundamental meanings are clear, and their force is inescapable.

Here they are:

THE COLORADO RIVER COMPACT

It divides the Colorado River drainage area into two basins. Above Lee Ferry, in northern Arizona, is the upper basin. Below Lee Ferry is the lower basin.

The compact apportions to each basin 7,500,000 acre-feet of water a year.

In addition, it grants to the lower basin, because of the established water rights and obviously greater demands, the right to increase its beneficial use of the river water by another million acre-feet per year.

It anticipates a water treaty with Mexico—which was to come—and makes provision for supplying this water, first from surplus, and if this is insufficient to fulfill the agreement with Mexico, then the upper and lower basins must equally make up the deficit.

If after all these allotments are satisfied there is still surplus water that is needed for beneficial use, then a division may be made, if by unanimous consent, any time after October 1, 1963.

The compact is the basic law of the river. It cleared the way for legislation that made possible development and building of the great projects.

THE BOULDER CANYON PROJECT ACT

This legislation is the means of direct action. It is the corner stone upon which the actual building took place.

It authorizes construction of Hoover Dam, of Lake Mead, of the All-American Canal, of the Hoover Dam power plant.

It provides the tools for the builders.

Section 4 of this act is the one Californians should understand above others, because it provides the tools for the builders. It says that the seven States of the Colorado basins must ratify the Colorado River Compact before this act can become effective. But it provides an alternative that was the means of opening the door to progress on the river. This alternative says that if seven States fail to ratify, there is another way to put the Boulder Act into operation. That is for six States, including California, to ratify the Colorado Compact, and for California, in addition, to pass a law agreeing to take only so much water from the river.

The six States—California, Nevada, Utah, Colorado, Wyoming, and New Mexico—ratified, and California passed its limitation act.

THE CALIFORNIA LIMITATION ACT

This is the act that made possible the operation of the Boulder Canyon Project Act, that made possible the building of Hoover Dam.

To meet all the terms of the Colorado River compact and the Boulder Canyon Project Act, California agreed to take not more than 4,400,000 acre-feet of the 7,500,000 acre-feet apportioned to lower basin, plus not more than one-half of any excess or surplus waters.

This California Act was the fuel that set the wheels of development on the Colorado River into high speed.

THE TREATY WITH MEXICO

The treaty which the Colorado River Compact had anticipated was completed in February 1944. It provides Mexico with 1,500,000 acre-feet of river water a year and with conditional additional quantities. It also gives to Mexico any river water passing the international boundary outside of the agreed upon supply.

California bitterly opposed the treaty, seeing in it a serious danger to the water supply. It succeeded in obtaining 11 important reservations on the Senate floor.

OTHER DOCUMENTS

There are numerous other contracts and agreements under which water is supplied to Los Angeles, the Metropolitan Water District, the Imperial Valley, the Palo Verde project, the Coachella Valley and San Diego. But they are supplemental, and the Genesis of all compacts is in those named above.

They all make up the law of the river, the law upon which California lives, the law under which its people are given security.

THE MENACING SHADOW

The great river was conquered. The desert bloomed. The fires of industry burned against the sky. Homes and gardens mounted the hillsides and filled the valleys. Still the people came into the land, in ever-increasing numbers, carrying in their hearts the hope of comfort and security—the same dreams which the first to arrive brought with them.

This was the year 1948. Twenty-five years had gone by since the group of men about a conference table in Santa Fe, N. Mex., had signed the first compact.

But with all the development, with all the progress, that had been accomplished in that quarter of a century there was a shadow over the river, over every dam and canal, every orchard and vineyard and field and garden.

It is true that as long as men covet the riches of their neighbors, so will there be trouble.

And all this quarter of a century Arizona has coveted water that belonged, under the law of the river, to California. Now Arizona put forth a plan to build a great new irrigation and power project that would take that water from California.

The fight over this proposal is a part of the great drama of the river.

And this is the story:

The controversy rests on the fact that California and Arizona interpret differently the compacts which make up the law of the river.

At stake in this controversy, among other things is the use of one to two million acre-feet of Colorado River water.

Throughout the years countless conferences failed to result in a settlement. Having exhausted every effort to produce an agreement, California and Nevada joined in proposing that the issues be placed before the United States Supreme

Court for final adjudication. Arizona fought this proposal, too.

Carrying out their plan of action, California and Nevada introduced legislation in Congress. This was required of them. As the United States would be a necessary party to the proposed litigation, the only way California could get into the Supreme Court was through an act of Congress.

In the Senate the legislation was introduced by Senators MCCARRAN, DOWNEY, KNOWLAND, and MALONE.

In the House the legislation was introduced by Congressmen SHEPPARD, PHILLIPS, GEARHART, FLETCHER, and POULSON

The battle lines were drawn, and this was a fight to preserve the progress California had made through the years to protect the investments and the homes of the people.

The drama unfolded.

Under article 3, paragraph A, of the Colorado River compact, the Lower Basin States—California, Nevada, Arizona—are apportioned 7,500,000 acre-feet of river water a year. This is known as A water, named after the paragraph in the compact.

Paragraph B of the compact states:

In addition to the apportionment of paragraph A, the Lower Basin is hereby given the right to increase its beneficial consumptive—

This is known as B water—

use of Colorado River water by 1,000,000 acre-feet per annum.

It will be remembered that Arizona refused to ratify the Colorado River Compact until 1944. But six other States did ratify, and under the law that was a sufficient number, providing California also enacted a limitation act.

The California Legislature enacted this required act. This is what it says:

California agrees to limit its use of Colorado River water to 4,400,000 acre-feet of the waters apportioned to the lower basin by paragraph A, plus not more than one-half of any excess or surplus waters.

Thus, California agreed to take a certain amount of A water, and not more than one-half of the B water.

Question: Is California entitled to share equally in the B water? Arizona says "no." California says "yes." This difference is one of interpretation of the California Limitation Act and the Boulder Canyon Project Act.

Here is another phase of the dramatic fight:

The Gila River, in Arizona, was a wasting tributary of the Colorado. Especially in the last 100 miles before it joined the Colorado its bed is wide, sandy, flat, and subject to the intense heat of the desert.

The Bureau of Reclamation estimates that in a state of nature the Gila emptied approximately 1,100,000 acre-feet of water into the Colorado.

But in the Phoenix area of Arizona, where the Gila water was chiefly used, about 2,300,000 acre-feet of water are taken from the Gila. The difference between these two figures, approximately 1,200,000 acre-feet, was lost by evaporation, deep seepage, and other causes.

The words "beneficial consumptive use" are important in this phase of the controversy.

The Colorado River Compact apportions water for exclusive beneficial consumptive use.

What is chargeable to the lower basin, and logically to each State, is whatever water from the Colorado River system is put to beneficial consumptive use.

The Gila is a main tributary of the Colorado, and it is in the State of Arizona.

Arizona contends that it should be charged for only the 1,100,000 acre-feet of Gila water that emptied into the Colorado when the river was in a state of nature.

But California contends that Arizona actually takes 2,300,000 acre-feet of water from the Gila, and therefore should be charged with that amount. All of this 2,300,000 acre-feet of Gila water is actually being beneficially and consumptively used in Arizona.

Question: Where and how must Arizona measure the amount of water it uses from the Gila River? California says this water must be measured where it is actually beneficially consumed. Arizona says this water must be measured where the Gila flows into the Colorado. This is a question of interpretation of the Colorado River Compact.

There is another important side to the California-Arizona struggle.

This is it:

Lake Mead is the immense reservoir behind Hoover Dam.

Under the statutory agreement between Congress and California, evidence by the Project Act and the Limitation Act, California is apportioned certain amounts of water.

Here is the language of the agreements:

The aggregate annual consumptive use of water from the Colorado River for use in the State of California * * * shall not exceed 4,400,000 acre-feet of the waters apportioned to the Lower Basin by paragraph A of the Colorado River Compact, plus not more than one-half of any excess or surplus waters unapportioned by said compact.

There are large losses of water in Lake Mead.

Arizona says that California must deduct these losses from its apportioned water. It is estimated that these deductions would amount to 600,000 acre-feet.

California contends that the water apportioned to it is a net apportionment, and therefore California is entitled to a beneficial consumptive use of 4,400,000 acre-feet of A-water.

Question: Is the amount of water to which California is entitled a net quantity, or is it subject to reduction by reason of evaporation and other losses in Lake Mead? This is, again, a question of interpretation of the California Limitation Act and the Boulder Canyon Project Act.

These are the problems that California has asked the Supreme Court to solve.

A settlement of this long-standing controversy is vital to the economic future of the entire Lower Basin.

The consequences California would suffer if it lost a fight of this kind are obvious. Development would have before it an impenetrable barrier. Emigration would have to be halted. No more people could be admitted to California, because there would be insufficient water. Expansion of industry would stop, and that would mean a limit on jobs. Agriculture could not progress. People could not come to California with their dream of a garden and an orchard, a home among flowers. Taxes would soar. California would say to the builders of new generations: You cannot build here.

Never must we relax our vigilance. Our water is our precious heritage. It is our life, our future, and the future of our children.

Always we must guard this heritage against unscrupulous speculators, against all persons who would steal it from us.

And this is a point to remember:

California has not asked for more water than that which was apportioned to it under the compacts.

It is California's position that, every other effort having been exhausted, it is fair, logical, and reasonable that the controversy be settled by the Supreme Court.

THE RIVER OF HOPE

As one looks back through the years on this great drama of the Colorado, one thing remains as a light shining through all the pages of colorful history.

That is the dream of empire.

Individually, that dream took different forms. Men came for gold, and others came for furs, and others came for their God and church, and others came for land.

The great river raged on its march to the sea a geographical fixture, and time did not change this. But time changed men, changed their desires, their missions, their dreams.

At last the builders came, and this is still the age of the builders. These men saw their empire in the waters racing to waste in the sea, and they conquered them.

Other men would take these achievements away from them. But as they fought to build, so will they fight to preserve.

That fight is the fight of everyone who lives among the groves, the vineyards, the fields, in the villages and in the cities of Southern California.

That is the fight for self-preservation. And as these words are set down, that fight is being carried forward, the fight to remove all shadow from the life-giving waters of the river of hope.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. PRICE of Illinois, for an indefinite period, on account of official business.

To Mr. COLE of New York, for an indefinite period, on account of official business.

To Mr. HARRISON, for 4 weeks, on account of illness.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found

truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4167. An act to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for production of minerals, including leases for exploration for oil, gas, and other hydrocarbons and the extraction thereof, for such terms of years and on such conditions as may be from time to time provided by the legislatures of the respective States.

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 18 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 7, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1438. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1949 in the amount of $432,500 for the District of Columbia (H. Doc. No. 591); to the Committee on Appropriations and ordered to be printed.

1439. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1949 in the amount of $46,190 for the legislative branch, House of Representatives (H. Doc. No. 592); to the Committee on Appropriations and ordered to be printed.

1440. A letter from the Administrator, Housing and Home Finance Agency, transmitting a draft of a proposed bill to amend the Government Corporation Control Act to extend the provisions of that act to the Federal Housing Administration; to the Committee on Expenditures in the Executive Departments.

1441. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to fiscal year 1948 authorizations of administrative expenses of corporations in the Department of Agriculture (H. Doc. No. 593); to the Committee on Appropriations and ordered to be printed.

1442. A letter from the Acting Secretary of the Navy, transmitting a report of a proposed transfer of a submarine chaser to the Admiral Billard Academy, Inc.; to the Committee on Armed Services.

1443. A letter from the national president, American War Mothers, transmitting a report of the American War Mothers for the year October 1, 1946, to October 1, 1947; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 5820. A bill to aid in the development of improved prosthetic appliances, and for other purposes; without amendment (Rept. No. 1657). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 5680. A bill to provide for limiting participation as beneficiary under the National Service Life Insurance Act of 1940, as amended, and for other purposes; without amendment (Rept. No. 1658). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 6096. A bill to provide for making available the Government-owned alcohol plants at Muscatine, Iowa, Kansas City, Mo., and Omaha, Nebr., for the production of products from agricultural commodities in the furtherance of authorized programs of the Department of Agriculture, and for other purposes; without amendment (Rept. No. 1659). Referred to the Committee of the Whole House on the State of the Union.

Mr. FELLOWS: Committee on the Judiciary. H. R. 5886. A bill to amend section 332 (a) of the Nationality Act of 1940; without amendment (Rept. No. 1661). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 3358. A bill for the relief of Dr. Timothy C. H. Liang; with amendments (Rept. No. 1660). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 6119. A bill to direct the Public Utilities Commission of the District of Columbia to conduct a study of existing bus routes in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BENNETT of Michigan:

H. R. 6120. A bill authorizing the Secretary of Agriculture to convey certain lands to the State of Michigan for public-park purposes; to the Committee on Agriculture.

H. R. 6121. A bill to establish rearing ponds and a fish hatchery; to the Committee on Merchant Marine and Fisheries.

By Mr. BENNETT of Missouri:

H. R. 6122. A bill to amend title III of the Servicemen's Readjustment Act of 1944, as amended, to provide guaranteed loans for the purchase of mobile trailer coaches, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 6123. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for personnel who have rendered at least 20 years of service in positions requiring direction, supervision, inspection, or direct contact with United States or military prisoners; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H. R. 6124. A bill to amend certain provisions of the immigration laws which discriminate against women; to the Committee on the Judiciary.

By Mr. COLE of New York:

H. R. 6125. A bill to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city of Corning, N. Y.; to the Committee on Banking and Currency.

By Mr. COX:

H. R. 6126. A bill to provide a cost-of-living adjustment in the rates of compensation payable to veterans of World Wars I and II for service-connected total disability and to the widows and minor children of veterans of World Wars I and II for service-connected death; to the Committee on Veterans' Affairs.

By Mr. HARNESS of Indiana:

H. R. 6127. A bill to authorize the allocation of funds to Grant County, Ind., for payment of one-half the cost of a certain bridge across the Mississinewa River in Grant County, Ind., and for other purposes; to the Committee on Public Works.

By Mr. MICHENER (by request):

H. R. 6128. A bill to amend the Alien Registration Act of 1940; to the Committee on the Judiciary.

H. R. 6129. A bill to amend section 259 of the Judicial Code so as to increase to $15 per day the limit on subsistence expenses allowed to judges traveling pursuant to assignment to duty outside the circuits of their residence; to the Committee on the Judiciary.

H. R. 6130. A bill for the relief of certain postal employees; to the Committee on the Judiciary.

H. R. 6131. A bill to except the Panama Railroad Company from the Federal Tort Claims Act; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 6132. A bill to provide for the collection and dissemination of information concerning the production, refining, transportation, storage, and marketing of petroleum, petroleum products, and natural gas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. POULSON:

H. R. 6133. A bill to provide for the establishment of additional trailer camp facilities within the national park system, and for other purposes; to the Committee on Public Lands.

By Mr. STEVENSON:

H. R. 6134. A bill to enable private individuals to bring suit in the Federal district courts, on their own behalf and that of the United States, for certain violations of the postal laws; to the Committee on the Judiciary.

By Mr. WHEELER:

H. R. 6135. A bill to provide for the transfer of educational benefits to the widows and children of members of the armed forces who died in service in World War II, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WOLVERTON:

H. R. 6136. A bill to amend the act to encourage travel in the United States, approved July 19, 1940; to the Committee on Interstate and Foreign Commerce.

H. R. 6137. A bill to encourage the development of an international air-transportation system adapted to the needs of the foreign commerce of the United States, of the postal service, and of the national defense, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BEALL:

H. R. 6138. A bill to provide for reimbursing the city of Hagerstown, Md., and Washington County, Md., for the loss of tax revenue resulting from the acquisition by the United States of certain property; to the Committee on Public Lands.

By Mr. EDWIN ARTHUR HALL:

H. J. Res. 368. Joint resolution to authorize funds to start construction of flood walls on the Susquehanna River in the Endicott-Vestal-Johnson City, N. Y., area; to the Committee on Public Works.

By Mr. SMITH of Wisconsin:

H. Res. 520. Resolution to direct the Committee on Foreign Affairs to investigate certain aspects of the occupation of Germany; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the use of the hospital at the former military camp known

as Camp White located near Medford, Oreg.; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States in relation to keeping the National Guard under State control; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRADLEY:

H. R. 6139. A bill for the relief of Man Hee Fong; to the Committee on the Judiciary.

By Mr. COLE of Missouri:

H. R. 6140. A bill to permit Joe T. Powell to file application for patent for a certain invention or discovery; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H. R. 6141. A bill for the relief of Eugenio Maisterrena Barreneche; to the Committee on the Judiciary.

By Mr. STEVENSON:

H. R. 6142. A bill for the relief of Raymond W. Nichols; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 6143. A bill to record the lawful admission to the United States for permanent residence of Emanuel Frangescos; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1728. By Mr. BOGGS of Delaware: Petition of Woman's Christian Temperance Union of New Castle County, Del., containing 298 signatures, requesting passage of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1729. By Mr. CLASON: Memorial of the General Court of the Commonwealth of Massachusetts to the Congress, urging the enactment of legislation to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

1730. By Mr. FORAND: Petition of the Mayor's Food Committee of the City of Providence, R. I., signed by 84 persons, urging the removal of all restrictions on the manufacture and sale of oleomargarine; to the Committee on Agriculture.

1731. By Mr. WELCH: Petition of the Board of Supervisors of the city and county of San Francisco, urging Congress to take immediate action to implement the urban redevelopment program; to the Committee on Banking and Currency.

1732. By the SPEAKER: Petition of the town clerk, city of Dover, Mass., pertaining consideration of his resolution with reference to amending the Charter of the United Nations; to the Committee on Foreign Affairs.

1733. Also, petition of the city clerk, Los Angeles, Calif., petitioning consideration of his resolution with reference to legislation that will prohibit the use of the American flag for any other purposes than for patriotic display; to the Committee on the Judiciary.

1734. Also, petition of Miss Charlotte E. Dixon and others, petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

1735. Also, petition of T. S. Kinney and others, petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

SENATE

WEDNESDAY, APRIL 7, 1948

(Legislative day of Monday, March 29, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God our Father, history and experience have given us so many evidences of Thy guidance to nations and to individuals that we should not doubt Thy power or Thy willingness to direct us. Give us the faith to believe that when God wants us to do or not to do any particular thing, God finds a way of letting us know it. May we not make it more difficult for Thee to guide us, but be willing to be led of Thee, that Thy will may be done in us and through us for the good of America and all mankind. This we ask in Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 6, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 111. An act for the relief of Donat and Laura Laroche;

S. 805. An act authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the district embracing the east portion of Duchesne County and the west portion of Uintah County;

S. 1235. An act for the relief of Merchants Motor Freight;

S. 1306. An act relating to the construction and disposition of the San Jacinto-San Vicente aqueduct;

S. 1307. An act for the relief of Edward Trapier Rogers;

S. 1581. An act to provide additional time to the city of Newark, N. J., for paying certain installments on the purchase price of the Port Newark Army Base, and for other purposes;

S. 1794. An act to authorize the Houston Council, Navy League of the United States, to construct a reflecting pool at the United States Naval Hospital, Houston, Tex.;

S. 1799. An act to amend the act of June 3, 1916, as amended, to make it applicable to the Canal Zone, Guam, American Samoa, and the Virgin Islands; and

S. 2081. An act to extend the provisions of the Federal Airport Act to the Virgin Islands.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 1523) for the relief of the estate of Marion S. Griggs, deceased.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 371. An act for the relief of Jenness C. Thomas;

H. R. 564. An act for the relief of Sarah Lee Cregg;

H. R. 636. An act for the relief of W. A. Knox, W. L. M. Knox, and Frank C. Morris, operating as Knox Lumber Sales Co., of Thomson, Ga.;

H. R. 700. An act for the relief of Anthony Arancio;

H. R. 814. An act for the relief of Mrs. Effie S. Campbell;

H. R. 894. An act for the relief of Pacific Fire Insurance Co. and American Orchestra Co., Inc.;

H. R. 1008. An act for the relief of the county of Allegheny, Pa.;

H. R. 1303. An act for the relief of E. La Ree Smoot;

H. R. 1409. An act for the relief of Frantisek Jiri Pavlik or Georg Pavlik;

H. R. 1734. An act for the relief of Gabel Construction Co.;

H. R. 1779. An act for the relief of the Winona Machine & Foundry Co., a corporation of Winona, Minn.;

H. R. 1955. An act for the relief of Frank Victor Norall;

H. R. 2131. An act for the relief of Fred E. Gross;

H. R. 2264. An act for the relief of Frank E. Blanchard;

H. R. 2329. An act for the relief of Murphy & Wischmeyer;

H. R. 2889. An act for the relief of Aubrey F. Houston;

H. R. 3007. An act for the relief of Ernest F. Lutzken;

H. R. 3189. An act for the relief of Joe Parry, a minor;

H. R. 3261. An act for the relief of Capt. Carroll C. Garretson;

H. R. 3497. An act for the relief of Mrs. Shirley Leinwand;

H. R. 3640. An act for the relief of Mrs. Charlotte D. Wang, Harvey S. P. Wang, and Arthur Y. P. Wang;

H. R. 3644. An act for the relief of James M. Dingwall, Jr., Aileen Reynold, Bert Woolslayer, and Mrs. Maisie Purser Davis;

H. R. 3740. An act for the relief of Andrew Osiecimski Czapski;

H. R. 3931. An act for the relief of James W. Keith;

H. R. 4244. An act to authorize assistance to certain veterans in acquiring specially adapted housing which they require by reason of the nature of their service-connected disabilities;

H. R. 4372. An act for the relief of Samuel Fadem;

H. R. 4490. An act to authorize the Secretary of the Navy to provide salvage facilities, and for other purposes;

H. R. 4518. An act for the relief of Gerald S. Furman;

H. R. 4602. An act for the relief of Forest L. Weatherly;

H. R. 4718. An act for the relief of Louis Brown;

H. R. 5122. An act to amend section 9 of the act of August 24, 1912 (37 Stat. 512);

H. R. 5137. An act to amend the Immigration Act of 1924, as amended;

H. R. 5208. An act for the relief of Dimple Benoit;

H. R. 5330. An act for the relief of W. W. DeLoach;

H. R. 5344. An act to prevent retroactive checkage of retired pay in the cases of certain enlisted men and warrant officers ap-

pointed or advanced to commissioned rank or grade under the act of July 24, 1941 (55 Stat. 603), as amended, and for other purposes;

H. R. 5387. An act for the relief of certain officers and employees of the Department of the Treasury who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions and whose claims for such losses have been considered and approved by the Secretary of the Treasury upon the recommendations of a Treasury claim board;

H. R. 5708. An act to exempt civilian members of the permanent Joint Board on Defense, United States-Canada, from certain statutory restrictions on outside activities;

H. R. 5805. An act to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act;

H. J. Res. 339. Joint resolution to provide for the issuance of a special postage stamp series in honor of volunteer firemen;

H. J. Res. 340. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of the American Turners Society in the United States; and

H. J. Res. 341. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of Fort Kearney in the State of Nebraska.

LOAN TO UNITED NATIONS FOR PERMANENT HEADQUARTERS

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President regarding arrangements for a loan between the United States and the United Nations with respect to the construction of permanent headquarters for the United Nations, which will be printed in full in the RECORD at this point; and, with the accompanying papers, referred to the Committee on Foreign Relations.

The message is as follows:

To the Congress of the United States:

I transmit herewith for the consideration of the Congress an agreement between the United States and the United Nations concerning a loan of $65,000,000, without interest, to be made by the United States to the United Nations to finance the construction of the permanent headquarters of the United Nations in the United States. I also enclose a letter from the Acting Secretary of State regarding this agreement.

The decision of the United Nations to locate its permanent headquarters in the United States was made pursuant to an invitation unanimously extended by concurrent resolution of the Congress on December 10 and 11, 1945. The specific site for the headquarters was chosen in December 1946. The United Nations is still operating in makeshift temporary headquarters. It is essential, not only for the effective operation of the United Nations, but for the continued prestige and leadership of the United States, as host to the United Nations, that adequate physical facilities be promptly furnished for the conduct of its business.

During the course of the second regular session of the General Assembly in New York last fall, it appeared that, in view of the critical dollar shortage confronting most of the members of the Organization, the only satisfactory way of providing for the prompt construction of the permanent home for the United Nations was a loan by the United States. In view of this fact and taking into consideration the economic and financial advantages that would accrue to the United States from this project, I authorized Ambassador Warren R. Austin, as representative of the United States to the United Nations to state that I would request the Congress to approve the making of a $65,000,000 interest-free loan for this purpose. This loan would be repaid in annual installments from the ordinary budget of the United Nations, according to an agreed schedule of repayments. This offer was accepted by the General Assembly of the United Nations on the express understanding that it was subject to the approval of the Congress.

It is my hope that the Congress will carefully consider this proposal and grant its approval. The construction of the permanent headquarters of the United Nations will be tangible evidence to the world that the United States is supporting to the full the institution to which the peoples of all nations are looking as their best hope for freedom from the fear of war.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 7, 1948.*

(Enclosures: (1) Agreement between the United States and the United Nations concerning a loan of $65,000,000; (2) letter from the Acting Secretary of State regarding the loan agreement.)

ATTITUDE OF THE SOVIET GOVERNMENT IN INTERNATIONAL AFFAIRS

Mr. FLANDERS. Mr. President, yesterday in this place I quoted from a book by Joseph Stalin entitled "Problems of Leninism," which, in turn, quoted from the works of Lenin himself. Since then I have received a more competent translation of the original passage from Lenin's works, which I shall now read:

> But international imperialism, which wields all the forces of united capital and all the acquirements of military technique, is a mighty power, and a very real power. In no circumstances, under no possible conditions, can it live at peace with the Soviet Republic. The objective situation of the capitalist imperialists, the economic interests of the capitalist class (incorporated, as they are, in international imperialism), the various commercial treaties between the capitalist nations, and all their international and financial relationships, combine to make this impossible. A conflict with international imperialism was inevitable.

If anything, this statement is more direct, more uncompromising than in the more freely rendered form which I read yesterday.

It is, of course, quite obvious that this doctrine was laid aside during the period of the World War. It seems no less obvious that it was laid aside very carefully and picked up complete and unimpaired, and that it has been the guiding principle of the Soviet Government in the negotiations from the closing months of the war until the present time. The evidence in support of this contention seems conclusive.

Nevertheless, Mr. President, it is in the spirit of the free institutions in which we were nurtured and live out our lives that no accused person or group is condemned unheard. It is a matter of the greatest importance that the charge against Russia of subversively fomenting war, through its actions in a body devoted to peace, should be brought against her for judgment by that body, the United Nations, which we conceive she is engaged in scuttling. She should have her day in court. She should be tried. If guilty, she should be given an opportunity to mend her ways. If she refuses to do this, she should be expelled, as should all of those governments which follow her commands. If, on the other hand, it is the judgment of world opinion that we likewise have been guilty in contributory ways, we should change our policies, mend our actions, and come to the council tables of the globe with clean hands.

Mr. President, I again humbly urge upon the committee to which it was referred that Senate Concurrent Resolution 47 be favorably reported back for action by this body.

DEATH OF REPRESENTATIVE ZIMMERMAN, OF MISSOURI

Mr. DONNELL. Mr. President, it is with deep sorrow that, for the junior Senator from Missouri [Mr. KEM] and myself, I announce to the Senate the unexpected death of an old and valued friend of his and mine, a Member of the House of Representatives of the Congress of the United States, ORVILLE ZIMMERMAN, who died today in his office on Capitol Hill.

Mr. ZIMMERMAN was a distinguished citizen of the State of Missouri. He was a valued member of the bar of our great State. He was a graduate of the Southeast Missouri State Teachers College and of the University of Missouri. In mentioning the University of Missouri, I add that his death will be noted with particular sorrow by many alumni of that institution. At the time of his death he was the president of the University of Missouri Alumni Association for Washington, D. C.

Mr. President, Mr. ZIMMERMAN had served as a Member of Congress from the year 1935 until the present time from the Tenth Missouri District. He served as a private in the United States Army in World War I. At the time of his death he was a member of the board of regents of the Southeast Missouri State College. He is survived by his widow, Mrs. Adah G. Hemphill Zimmerman, and by his son, Dr. Joe Adlai Zimmerman, who is now in Austria with the United States Army.

It is with deepest sorrow that, not only as a Member of this great legislative body, but as a close personal friend who had known him intimately for all these years, for myself, and in behalf of my colleague, who has likewise long known him closely as a friend, I express to the Senate both the news of Mr. ZIMMERMAN'S death, and our deep regret at his passing. He will be missed by many, both among Members of the Congress,

and among other citizens of the United States.

Mr. ROBERTSON of Virginia. Mr. President, I wish to say to the Senator from Missouri that I have heard with the deepest distress the news of the death of my dearly beloved friend, ORVILLE ZIMMERMAN. Yesterday I attended a luncheon in the dining room of the Speaker of the House of Representatives, and on the way to the dining room I met Mr. ZIMMERMAN. I shook hands with him, and he said, "We miss you on the House side." I replied, "I, too, miss you, and I shall never forget you and the other friends I had during my 14 years' service in the House."

Mr. President, I have lost a friend and the State of Missouri has lost a very outstanding Representative in the Congress.

AUDIT REPORT OF CORPORATIONS OF FARM CREDIT ADMINISTRATION

The PRESIDENT pro tempore laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the audit of the various Government corporations supervised by the Farm Credit Administration for the fiscal year ended June 30, 1946, which, with the accompanying report, was referred to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIAL

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A letter in the nature of a petition from J. Fred McGaughy, of Brownwood, Tex., praying for the adoption of a resolution requesting the President to set aside a time of prayer to save America from those who would destroy her; to the Committee on the Judiciary.

A petition of sundry citizens of Cleveland, Ohio, and vicinity, praying for an investigation of the conduct of the war crimes trials before the United States military tribunals at Nuremberg, Germany, especially those relating to German industrial leaders; to the Committee on Armed Services.

A petition of the Jacksonville (Fla.) Townsend Club No. 1, praying for the enactment of the so-called Townsend plan providing old-age assistance; to the Committee on Finance.

A paper in the nature of a memorial from Clara D. Taylor, of the State of Washington, remonstrating against the enactment of any legislation tending toward militarism; to the Committee on Armed Services.

By Mr. LODGE (for himself and Mr. SALTONSTALL):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions memorializing the Congress of the United States to enact legislation to relieve the hardships now suffered by veterans of World War II and their families because of the lack of dwelling accommodations

"*Resolved*, That, in the opinion of the General Court of Massachusetts, an acute public emergency exists in the serious shortage of dwelling accommodations for veterans of World War II and their families and other people in the commonwealth; that adequate, safe and sanitary dwelling accommodations are unavailable for veterans of World War II and their families; that the resulting conditions of insecurity, overcrowding, use of unsound and unsanitary buildings and dislocation of family life are disruptive of morale, injurious to health and safety, and detrimental to morals, and constitute a dangerous threat to the well-being of the entire commonwealth; that these conditions cannot be adequately and immediately remedied by the normal processes of construction of permanent housing, but rather constitute a critical emergency which requires emergency measures and the mobilization of all agencies to coordinate a program of public housing in order that public housing may be provided as expeditiously as possible; that this emergency requires the temporary suspension of various normal restrictions, prohibitions, limitations and procedures in order that immediate relief from this condition may be provided; that the shortage of adequate, safe, and sanitary dwellings for veterans and others of low income cannot be relieved through the operation of private enterprise and that the construction of housing for veterans and persons of low income by public agencies would not be competitive with private enterprise; that the construction of dwellings for veterans and other persons of low income is a public purpose necessary for the immediate relief of an emergency and is considered to be a governmental function of concern for the welfare of its citizens for which public funds to secure such relief may be expended; and that the lack of adequate housing in the acute housing shortage which now exists and the necessity in the public interest for providing funds for the construction of low-rental housing constitutes an emergency, the continued existence of which is considered to be injurious to life, health, and well-being: Therefore be it further

"*Resolved*, That—

"Whereas the greater resources which can be mobilized by the Government of the United States are needed in this acute emergency, it is deemed necessary that the Congress of the United States should immediately enact legislation tending to alleviate this condition, by (1) enactment of the Taft-Ellender-Wagner long-range housing bill with amendments; (2) providing legislation for the creation of a Veterans' Reconstruction Finance Corporation, permitting lending institutions to transfer mortgages on GI home loans without recourse; (3) by the enactment of legislation providing for direct Government loans to veterans, with no down payment and amortization over 40 years at 2 percent interest, for home building; (4) by the enactment of legislation to give veterans and veterans' mutual housing associations No. 1 preference in the purchase of permanent war housing; (5) by the enactment of legislation giving veterans preference for housing in Federal housing projects; and (6) request the War Surplus Administration to stop the sale to nonveterans of materials essential to veterans' housing: Therefore it is hereby further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the secretary of the commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this commonwealth.

"In senate, adopted, March 23, 1948.

"THOMAS A. CHADWICK,
"Assistant Clerk, Acting Clerk.

"In house of representatives, adopted, in concurrence, March 29, 1948.

"LAWRENCE R. GROVE,
Clerk."

The PRESIDENT pro tempore laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on Finance.

PALESTINE—RESOLUTION BY CITIZENS OF CINCINNATI

Mr. TOBEY. Mr. President, last night it was my privilege to address a mass meeting held in the Taft Auditorium in the city of Cincinnati—a meeting of approximately 2,000 representative citizens, which was called in protest against the recent reversal of the United Nations policy in regard to the matter of Palestine. At that meeting there was adopted a brief resolution, which I wish to read to the Senate:

To the Congress of the United States:

The tragic reversal of the historic decision of the United Nations to establish a Jewish state in a partitioned Palestine, proposed by the United States administration, is an act of appeasement toward the Nazi-Mufti and his Fascist Arab allies, who have perpetrated unspeakable crimes during the war and have brought pillage and murder to the Holy Land.

American patriotism does not sanction the scuttling of a policy that expressed the overwhelming position of our people since the days of Woodrow Wilson, and of every President and every Congress.

The national interests of the United States do not justify a decision that threatens the very life of the United Nations by initiating action that may lead to another Munich, another Ethiopia, and another Manchuria.

It is with a sense of profound sorrow that thousands of citizens and leaders of representative public bodies of Cincinnati, assembled in the Taft Auditorium to protest against any act that will lead to a weakening of our moral courage, against yielding to threats of violence by Arabs and outrages of the British administration.

American patriotism requires of us the strengthening of the United Nations and enhancing of the prestige of the United States by discharging its obligations to put an end to the invasion of Palestine by Arab members of the United Nations.

We declare our solidarity with the embattled men and women of Jewish Palestine, and we petition Congress to speak for the conscience of the American people and uphold the honor of the United States. In this grave hour of emergency we call upon our representatives to help in the redemption of Zion and the reestablishment of justice and peace in the land of Israel.

Mr. President, I concur in the sentiments expressed in the resolution, and I endorse every word of it. I ask that the resolution may be referred to the Foreign Relations Committee.

The PRESIDENT pro tempore. Without objection, the resolution will be received and referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. 314. A bill for the relief of Robert E. Lauritzen; with an amendment (Rept. No. 1108).

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

S. 2137. A bill to provide for the protection of potato and tomato production from the golden nematode, and for other purposes; without amendment (Rept. No. 1106); and

S. 2256. A bill relating to the meat-inspection service of the Department of Agriculture; with an amendment (Rept. No. 1107).

By Mr. ROBERTSON of Wyoming, from the Committee on Interior and Insular Affairs:

H. R. 3703. A bill to authorize transfer of surplus real property to the jurisdiction of the Department of the Interior for consolidation of Federal holdings within areas administered by the National Park Service; with an amendment (Rept. No. 1109); and

H. R. 4118. A bill to confirm title in fee simple in Thomas Lofiin to certain lands in Rankin County, Miss.; without amendment (Rept. No. 1110).

By Mr. CHAVEZ, from the Committee on Post Office and Civil Service:

S. 1949. A bill to provide additional compensation for postmasters and employees of the postal service; with an amendment (Rept. No. 1111); and

S. J. Res. 198. Joint resolution to authorize the Postmaster General to withhold the awarding of star-route contracts for a period of 60 days; without amendment (Rept. No. 1112).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. CHAVEZ (for Mr. LANGER), from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. HOLLAND:

S. 2467. A bill to amend the Interstate Commerce Act and the Civil Aeronautics Act of 1938 so as to penalize black marketing of transportation tickets; to the Committee on Interstate and Foreign Commerce.

By Mr. GURNEY:

S. 2468. A bill to correct possible inequity in the case of a certain application for letters patent of William R. Blair; to the Committee on the Judiciary.

By Mr. BROOKS:

S. 2469. A bill to amend section 1700 (a) (1) of the Internal Revenue Code so as to exempt hospitalized servicemen and veterans from the admissions tax when admitted free; to the Committee on Finance.

By Mr. WILEY:

S. J. Res. 206. Joint resolution consenting to an interstate boundary compact by and between the States of Michigan, Minnesota, and Wisconsin; to the Committee on the Judiciary.

JOINT COMMITTEE TO ARRANGE FOR THE INAUGURATION OF PRESIDENT-ELECT

Mr. BROOKS submitted the following concurrent resolution (S. Con. Res. 48), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January 1949.

PRINTING OF ADDITIONAL COPIES OF HEARINGS RELATING TO UNIVERSAL MILITARY TRAINING

Mr. GURNEY. Mr. President, I ask unanimous consent to submit a resolution authorizing the printing of 500 additional copies of the hearings held before the Committee on Armed Services on universal military training, and I request its immediate consideration.

There being no objection, the resolution (S. Res. 221) was considered and agreed to, as follows:

Resolved, That 500 additional copies of the hearings held before the Committee on Armed Services relative to universal military training be printed for the use of said committee.

PROFIT LIMITATION ON MANUFACTURE OF AIRPLANES—AMENDMENT

Mr. ROBERTSON of Virginia. Mr. President, when the Senate first took up for consideration the bill H. R. 3051, to amend the act of July 19, 1940—54 Stat. 780; 34 U. S. C. 495a—and to amend section 2 and to repeal the profit limitation and certain other limiting provisions of the act of March 27, 1934—48 Stat. 503; 34 U. S. C. 495—as amended, relating to the construction of vessels and aircraft, known as the Vinson-Trammell Act, and for other purposes, I sent to the desk to have printed a proposed amendment to retain the profit limitation upon the manufacture of airplanes. Upon further consideration of the bill I found that it provided for repeal of a part of the existing law on which the amendment I then proposed would have to rest. So I have prepared a substitute amendment, which I ask unanimous consent to send to the desk and have printed, to provide for a continuation of what might be called a limited excess-profits tax on the manufacture not only of airplanes but of airplane engines and essential parts.

In sending this amendment to the desk I wish frankly to say that I have consulted with both the Army and the Navy, and they do not think this profit limitation is necessary, because they say they think they can negotiate contracts for the manufacture of airplanes which will prevent the manufacturers from making excessive profits.

I merely had in mind what happened during the last war, when the armed services were unable to negotiate such contracts, and the further fact that we are planning to spend hundreds of millions of dollars in the manufacture of modern airplanes. I felt that if we are to undertake such a program, with the experience of the last war so fresh in our minds, it would at least be wise for the Senate to consider whether or not it wanted a profit limitation imposed.

I also consulted with the Treasury Department, and I must say that the Treasury Department told me that it was not interested in the revival of the profit limitation on the manufacture of airplanes.

I put the Senate on notice that my amendment does not cover the period of the past 2 years. The Treasury said that it had not had the personnel to enforce the law during that period, and did not think there had been a great deal of manufacture of airplanes for the Government, and that there had not been any substantial amount of excessive profits. But I want the Senate to know what is involved, and I am taking my present action without any desire to prevent the consideration of the bill at any time the Senate leaders choose to call it up again.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

REIMBURSEMENT OF STATES AND POLITICAL SUBDIVISIONS FOR LOSS OF CERTAIN REVENUE—AMENDMENT

Mr. HAWKES. Mr. President, I ask unanimous consent to submit for appropriate reference an amendment in the nature of a substitute, intended to be proposed by me to the bill (S. 41) to provide for certain payments to States and their political subdivisions as compensation for loss of revenues occasioned by the acquisition of real property by the United States for military purposes, which was introduced by me on January 6, 1947, and has been pending before the Senate Committee on Armed Services since that time.

I request that a statement by me explaining the amendment may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and referred to the Committee on Armed Services, and, without objection, the statement presented by the Senator from New Jersey will be printed in the RECORD.

The statement is as follows:

STATEMENT BY SENATOR HAWKES

This legislation authorizes payments by the Federal Government to States and their political subdivisions as reimbursement for loss of revenue occassioned by the acquisition by the United States of real property for military purposes, after the declaration of national emergency on September 7, 1939, but prior to VJ-day, August 5, 1945.

This legislation recognizes the injustice and inequity to State and local communities of continued Federal ownership of military real property, since such ownership is tax exempt and the new bill affords a basis for relief to the communities throughout the United States which thereby continue to suffer the loss of vitally needed tax revenue and other income.

It has long been apparent to me how unfair it is to ask these communities to assume a continuing loss of revenue which in all justice, is or should be the responsibility of the entire Nation. This serious burden placed on many local communities has been repeatedly brought to my attention by various sources in my own State of New Jersey and elsewhere throughout the Nation.

My substitute amendment is designed to preserve essentially proper aims of S. 41 and at the same time, to meet substantially the objections directed against S. 41 by the Treasury, War, and Navy Departments.

I am hopeful that enactment of my substitute amendment will result not only in providing an equitable basis for reimbursement where payments are found to be justified, but also that it will stimulate the divesting of Federal ownership of military real property in all cases where continued Federal ownership is unnecessary.

A brief summary of this substitute amendment follows:

The policy of the United States Government, within the limitations otherwise provided in the bill, shall be: (a) not to deprive any State or its political subdivision of revenue from property acquired for military purposes by the United States; (b) not to compel a State, or its political subdivisions, to assume inequitable tax burdens by reason of such acquisition; and (c) not to impose

upon the United States any duty to make reimbursement in an amount beyond the revenue that such military real property would produce if not owned by the United States (sec. 1).

Definitions of terms used in the act, including "military real property" are provided in section 2.

At any time prior to the expiration of 2 years after enactment, any State or its political subdivision may file with the Secretary of Defense a petition for reimbursement of loss in taxes or other revenue incurred by it as a result of ownership or acquisition of military real property within its boundaries by the United States (sec. 3 (a)).

The Secretary of Defense shall establish fair standards for reimbursement in order to bring about substantial equity between local taxpayers and the United States. The Secretary is authorized to establish an interdepartmental committee to perform, under his direction and control, the functions assigned to him by this act (sec. 3 (b)).

In determining the amount of reimbursement, consideration shall be given to:

1. The extent of actual tax loss during the fiscal year ending in 1948 as a result of ownership or acquisition of military real property; and

2. Any military benefit derived during such fiscal year by the State or its political subdivision which is a result of such acquisition or ownership.

Improvements made by the United States shall not be taken into consideration in determining the amount of reimbursement, except that, where local services (police, fire, and health) must be furnished because of the improvements, consideration shall be given to the value of such services (sec. 4 (a)).

The Secretary of Defense shall pay the amount determined to be due under subsection (a) of this section. Nineteen additional annual payments shall be made, each payment to be reduced progressively by one-twentieth, two-twentieths, etc., so that the last payment shall be in an amount equal to the original amount minus nineteen-twentieths of such original amount (sec. 4 (b)).

When title to military real property passes out of the United States, the Secretary shall reduce the amount of additional annual payments required to be made by section 4 (b) in an equitable amount (sec. 5).

Any decision of the Secretary, disallowing or reducing the amount of reimbursement claimed, may be appealed from to any United States district court, which may order retrial of the law and the facts. And judgment or decree of the district court shall be subject to review through the circuit court of appeals and the United States Supreme Court (sec. 6).

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR ORDERED TO BE PLACED ON THE CALENDAR

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated:

H. R. 371. An act for the relief of Jenness C. Thomas;

H. R. 564. An act for the relief of Sarah Lee Cregg;

H. R. 636. An act for the relief of W. A. Knox, W. L. M. Knox, and Frank C. Morris, operating as Knox Lumber Sales Co., of Thomson, Ga.;

H. R. 700. An act for the relief of Anthony Arancio;

H. R. 814. An act for the relief of Mrs. Effie S. Campbell;

H. R. 894. An act for the relief of Pacific Fire Insurance Co. and American Orchestra Co., Inc.;

H. R. 1008. An act for the relief of the county of Allegheny, Pa.;

H. R. 1303. An act for the relief of E. La Ree Smoot;

H. R. 1409. An act for the relief of Frantisek Jiri Pavlik or Georg Pavlik;

H. R. 1734. An act for the relief of Gabel Construction Co.;

H. R. 1779. An act for the relief of the Winona Machine & Foundry Co., a corporation of Winona, Minn.:

H. R. 1955. An act for the relief of Frank Victor Norall;

H. R. 2131. An act for the relief of Fred E. Gross;

H. R. 2264. An act for the relief of Frank E. Blanchard;

H. R. 2329. An act for the relief of Murphy & Wischmeyer;

H. R. 2889. An act for the relief of Aubrey F. Houston;

H. R. 3007. An act for the relief of Ernest F. Lutzken;

H. R. 3189. An act for the relief of Joe Parry, a minor;

H. R. 3261. An act for the relief of Capt. Carroll C. Garretson;

H. R 3497. An act for the relief of Mrs. Shirley Leinwand;

H. R. 3640. An act for the relief of Mrs. Charlotte D. Wang, Harvey S. P. Wang, and Arthur Y. P. Wang;

H. R. 3644. An act for the relief of James M. Dingwall, Jr.; Aileen Reynolds; Bert Woolslayer; and Mrs. Maisie Purser Davis;

H. R. 3740. An act for the relief of Andrew Osiecimski Czapski;

H. R. 3931. An act for the relief of James W. Keith;

H. R. 4372. An act for the relief of Samuel Fadem;

H. R. 4518. An act for the relief of Gerald S. Furman;

H. R. 4602. An act for the relief of Forest L. Weatherly;

H. R. 4718. An act for the relief of Louis Brown;

H. R. 5137. An act to amend the Immigration Act of 1924, as amended;

H. R. 5208. An act for the relief of Dimple Benoit;

H. R. 5330. An act for the relief of W. W. DeLoach; and

H. R. 5708. An act to exempt civilian members of the permanent Joint Board on Defense, United States-Canada, from certain statutory restrictions on outside activities; to the Committee on the Judiciary.

H. R. 4244. An act to authorize assistance to certain veterans in acquiring specially adapted housing which they require by reason of the nature of their service-connected disabilities; to the Committee on Banking and Currency.

H. R. 4490. An act to authorize the Secretary of the Navy to provide salvage facilities, and for other purposes;

H. R. 5344. An act to prevent retroactive checkage of retired pay in the cases of certain enlisted men and warrant officers appointed or advanced to commissioned rank or grade under the act of July 24, 1941 (55 Stat. 603), as amended, and for other purposes; and

H. R. 5805. An act to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act; to the Committee on Armed Services.

H. R. 5122. An act to amend section 9 of the act of August 24, 1912 (37 Stat. 512); to the Committee on Interior and Insular Affairs.

H. R. 5387. An act for the relief of certain officers and employees of the Department of the Treasury who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions and whose claims for such losses have been considered and approved by the Secretary of the Treasury upon the recommendations of a Treasury claim board; ordered to be placed on the calendar.

H. J. Res. 339. Joint resolution to provide for the issuance of a special postage stamp series in honor of volunteer firemen;

H. J. Res. 340. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the founding of the American Turners Society in the United States; and

H. J. Res. 341. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the founding of Fort Kearney in the State of Nebraska; to the Committee on Post Office and Civil Service.

CHARTER OF INTERNATIONAL TRADE ORGANIZATION—STATEMENTS BY SECRETARY MARSHALL AND AMBASSADOR AUSTIN

[Mr. ROBERTSON of Virginia asked and obtained leave to have printed in the RECORD statements by Secretary Marshall and Ambassador Austin, in connection with the signing of the charter of the International Trade Organization, which appear in the Appendix.]

THE PRESIDENT'S CIVIL-RIGHTS PROGRAM—ADDRESSES BY GOVERNOR TUCK, OF VIRGINIA, AND GOVERNOR CALDWELL, OF FLORIDA

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD radio addresses delivered by Gov. William M. Tuck, of Virginia, and Gov. Millard F. Caldwell, of Florida, relative to the President's proposed civil-rights program, which appear in the Appendix.]

AMERICAN FOREIGN POLICY

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a letter addressed by B. B. Brigham, of Genesee, Idaho, to the editor of the Daily Idahonian at Moscow, Idaho, relating to American policy toward Russia, which appears in the Appendix.]

LAND TENURE AS A CAUSE OF COMMUNISM

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a copy of a letter addressed to the Secretary of State by Paul E. Eke, economist at the University of Idaho, which appears in the Appendix.]

LEAVE OF ABSENCE

Mr. MILLIKIN asked and obtained consent to be excused from attendance on the sessions of the Senate next Monday and Tuesday.

INCORPORATION OF CATHOLIC WAR VETERANS

The PRESIDENT pro tempore. The question is on the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to the consideration of the bill (S. 1557) to incorporate the Catholic War Veterans of the United States of America.

Mr. BALDWIN obtained the floor.

Mr. WHERRY. Mr. President, will the Senator from Connecticut yield?

Mr. BALDWIN. I yield.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Byrd	Ellender
Baldwin	Capehart	Ferguson
Ball	Capper	Flanders
Barkley	Chavez	Fulbright
Brewster	Cooper	Green
Bricker	Cordon	Gurney
Bridges	Donnell	Hawkes
Brooks	Downey	Hayden
Buck	Dworshak	Hickenlooper
Bushfield	Ecton	Hill

Hoey	Martin	Smith
Holland	Maybank	Stennis
Ives	Millikin	Taylor
Jenner	Morse	Thomas, Okla.
Johnson, Colo.	Myers	Thomas, Utah
Johnston, S. C.	O'Conor	Thye
Kem	O'Daniel	Tobey
Knowland	O'Mahoney	Vandenberg
Lodge	Overton	Watkins
Lucas	Pepper	Wherry
McCarran	Reed	Wiley
McClellan	Revercomb	Williams
McFarland	Robertson, Va.	Wilson
McKellar	Robertson, Wyo.	Young
McMahon	Russell	
Malone	Saltonstall	

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate on official committee business.

The Senator from North Dakota [Mr. LANGER] and the Senator from Maine [Mr. WHITE] are absent because of illness.

The Senator from Wisconsin [Mr. MCCARTHY] is necessarily absent.

Mr. LUCAS. The Senator from Mississippi [Mr. EASTLAND] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness in his family.

The Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate.

The Senator from Texas [Mr. CONNALLY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDING OFFICER (Mr. Ives in the chair). Seventy-six Senators having answered to their names, a quorum is present.

NOMINATION OF PAUL G. HOFFMAN TO BE ADMINISTRATOR FOR ECONOMIC COOPERATION

Mr. VANDENBERG. Mr. President, will the Senator from Connecticut yield to me?

Mr. BALDWIN. I yield.

Mr. VANDENBERG. Out of order, and as in executive session, I ask unanimous consent to report from the Committee on Foreign Relations, by unanimous vote, 13 to 0, the nomination of Mr. Paul G. Hoffman, of Indiana, to be Administrator for Economic Cooperation. By instructions of the committee pursuant to a roll-call vote I am asking unanimous consent for present consideration of the nomination.

The PRESIDING OFFICER. Without objection, the report will be received, as in executive session. Is there objection to the present consideration of the nomination?

Mr. WHERRY. Mr. President, reserving the right to object, I wish the RECORD to show that although this is a request for the consideration of a nomination out of order, such nominations ordinarily going on the calendar and lying over for a day, as the acting majority leader I feel that time is of the essence, inasmuch as the authorizing legislation has been enacted, and this is such an important nomination. Therefore I shall not object. I feel that the recommendation of the Committee on Foreign Relations should be very carefully considered by all Members of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination?

There being no objection, as in executive session, the Senate proceeded to consider the nomination.

Mr. VANDENBERG. Mr. President, I wish to make a very brief statement in connection with the nomination.

This morning the Senate Committee on Foreign Relations spent an hour and a half with Mr. Hoffman, exploring every phase of the legislation which has been passed, and which he has been invited to administer. I think it is fair to say that the committee, without reservation, was completely satisfied with its experience this morning in discussing the situation with Mr. Hoffman.

The Senate is familiar with the fact that he is President of the Studebaker Corp., of South Bend, Ind., a position which he occupies as a result of his own efforts across the years. He is one of the prominent industrialists of the Nation. That is a primary specification upon which Congress insisted throughout the debate in respect to this high responsibility.

In addition to being one of the great and recognized industrialists of the country, he has had a broad experience also in his entirely unselfish activities as a citizen in respect to his public responsibilities. He has served in many advisory capacities to the Government, and inquiry indicates that it has always been with complete success and satisfaction. It will be remembered that he was a member of the Harriman Committee, which made the fundamental investigation of the European Recovery Program. As a result, Mr. Hoffman has the advantage over many others who might have been named, of a basic, fundamental familiarity with the entire problem.

I should like to testify for myself, Mr. President, for whatever it may be worth, that in the course of the last several months while the European recovery legislation has been before the Senate, I have had occasion to interview many groups, representing many different cross-sections of the American people, in respect to various phases of the legislation. The interviews usually concluded with a very earnest expression on the part of the citizens of this country who were present as to who would be Administrator. There seemed to be agreement in the mind of the country, as there is in the mind of Congress, that the capacity and sufficiency of the Administrator is the key to the entire problem. In the course of these 3 or 4 months and these many interviews—perhaps 100 of them—I was struck by the fact that when I, in turn, asked those citizens whom they would propose as an eligible Administrator—and I think this is very interesting, and I report it factually and truthfully—in at least 50 percent of the cases, involving all types of citizens coming from various sections of the country, the name of Mr. Hoffman was usually at the top of the list of those proposed. I found him to be the common denominator of the thought of the Nation, insofar as one might be recognized as the common denominator in respect to a problem of this character.

Mr. President, under the circumstances I think the President of the United States is fortunate to have been able to secure Mr. Hoffman's consent to proceed with this tremendous responsibility. I simply wish to add that in the course of our discussion in the committee this morning, it was made entirely plain to Mr. Hoffman that there is to be a joint congressional committee which is to be the liaison agent between the Economic Administration and the Congress, and that the closest and most intimate relationship is desired; and Mr. Hoffman expressed his complete anxiety to cooperate with the joint committee in behalf of that liaison.

Mr. President, I have heard no complaint against the nomination, and I hope it may be promptly confirmed.

Mr. BARKLEY. Mr. President, will the Senator from Connecticut yield to me?

Mr. BALDWIN. I yield.

Mr. BARKLEY. I wish to say simply a word or two in joining the Senator from Michigan in commending to the Senate the immediate confirmation of the nomination of Mr. Hoffman.

So far as I recall, I never saw Mr. Hoffman until this morning, when he appeared before the committee. I may have met him casually at some gathering, but I do not recall that I did.

I have known who he was and I have known something about his work, both as a businessman and as a public servant in various capacities, for a good many years. I feel that the President is to be congratulated that he was able to persuade Mr. Hoffman to undertake this tremendous task. No man who is worthy of it would have sought it. No man who connived or would have connived to get it should have been given any consideration at all. The position is not one that any normal man would seek merely as a gratification of some ambition or for some other reason. It was a peculiar situation in which the position sought the man, instead the man's seeking the position.

I think Mr. Hoffman, through his experience and his ability and his outlook and his approach to the problem, will make as nearly a completely satisfactory Administrator as could have been found. He realizes all the pitfalls which he faces and the difficulty of the task; but his understanding of the philosophy of the act itself and of what Congress expects and of what the Government of the United States and the people of the United States expect, comes as near to making him the ideal appointment as anyone I can think of.

So I am happy to join in the request that Mr. Hoffman's nomination be immediately confirmed. I hope the chairman of the committee will also request that the President be notified at once.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Mr. Paul G. Hoffman to be Administrator for Economic Cooperation?

The nomination was confirmed.

Mr. VANDENBERG. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be so notified.

JOINT COMMITTEE ON FOREIGN ECONOMIC COOPERATION

Mr. VANDENERG. Mr. President, will the Senator from Connecticut yield to me once more?

Mr. BALDWIN. I yield.

Mr. VANDENBERG. I thank the Senator.

Mr. President, under the terms of the Economic Recovery Act, as the Senate will recall, a joint committee is set up, familiarly known as the watchdog committee. By the terms of the act, the membership of that committee must be composed of two Republicans and one Democrat from the Senate Foreign Relations Committee and the House Committee on Foreign Affairs, respectively, and one Republican and one Democrat from the Senate Appropriations Committee and from the House Appropriations Committee, respectively. In each instance the selections are to be made by the chairmen of those committees.

I wish to announce the make-up of the Senate representation on the joint committee, as a result of the actions of the chairmen of those committees. The Senate will be represented from the Foreign Relations Committee by the Senator from New Jersey [Mr. SMITH], the Senator from Massachusetts [Mr. LODGE], and the Senator from Texas [Mr. CONNALLY]. It will be represented from the Appropriations Committee by the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nevada [Mr. MCCARRAN].

INCORPORATION OF CATHOLIC WAR VETERANS

Mr. BALDWIN. Mr. President, I understand that the pending business before the Senate is the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to the consideration of Senate bill 1557, and make it the order of business.

The PRESIDING OFFICER. The question before the Senate is on agreeing to the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to the consideration of Senate bill 1557 to incorporate the Catholic War Veterans of the United States of America. That is the immediate question.

Mr. BALDWIN. Mr. President, I think before a vote is taken it is right and proper that I should make an explanation of the bill. Its purpose is to incorporate the Catholic War Veterans of the United States of America, an organization which was founded in 1935 at Astoria, Long Island, by the Reverend Edward J. Higgins, who was an Army chaplain with distinguished service in World War I. Father Higgins and a group of veteran friends were discussing one evening the inroad of subversive groups into American institutions and American life. They decided that any un-American movement would first strike at religion. The group then determined that an organization of Catholic veterans who had served their country in time of war and who held honorable discharges for services rendered to their country should organize and dedicate themselves to God and country and home.

From this humble beginning at Astoria, Long Island, the Catholic War Veterans has expanded to an organization embracing a membership of more than 400,000 men and women of the Roman Catholic faith in 48 States of the Union. The members of the national board of officers and trustees of this organization serve without remuneration, defraying all their own expenses in connection with their Catholic War Veteran activities. That this has been a sacrifice in many cases is already an established fact. However, these men having been elected to the highest offices which the organization can bestow upon them, are willing to make this additional contribution in an effort better to serve their fellow veterans regardless of race or creed or color, and to enable the Catholic War Veterans to extend the helping hand to comrades of all faiths and members of their families regardless of creed or race or color.

Dedicated to God and country and home, they subscribe to a firm belief in the fatherhood of God and the brotherhood of man. By their example in their communities every day they, I believe, live up to these most important and fundamental principles. Each and every post of Catholic War Veterans has a welfare officer charged with the responsibility of advising, aiding, and assisting all veterans and members of their families, regardless of race or creed. Welfare officers of all Catholic War Veterans units have organized rehabilitation committees and arranged for one or more members to be present at their headquarters each night at specified hours in order to assist, without charge, veterans and members of their families in the many and varied problems which confront them.

Two and a half years ago—that was in 1945, and before the end of the war, as I recall—the Catholic War Veterans arranged to syndicate a column which was called The Veteran's Aid, which has been furnished gratis to some 50 newspapers each week and to more than 500 other newspapers in the foreign-language field. This column was established in a sincere effort to be of a greater assistance to the largest possible number of veterans and their dependents. Arrangements were made at that time with radio stations to broadcast each Friday night on the subject of Veterans' aid, on the subject of Americanism, on the subject of religious faith and its relation to citizenship, and to answer questions of veteran listeners and their families.

I might say here, Mr. President, that in 1940 the Veterans' Administration officially recognized the Catholic War Veterans of the United States "because of the showing made concerning the unselfish purposes of the organization and potentialities of service to a large group of veterans and their dependents."

I should like, Mr. President, to read from the bill the purposes of the organization:

> SEC. 9. The purposes of the corporation shall be to commemorate the campaign or wartime service and to foster the association of veterans of the Catholic faith who served in the armed forces of the United States of America; to give visual demonstration of their faith and patriotic loyalty; to maintain the spirit of patriotism and loyalty to the Constitution of the United States of America and to engender good will and understanding among all its citizens; to perpetuate that spirit of comradeship with fellow veterans of all races, creeds, and colors; to extend aid and assistance to fellow veterans of all races, creeds, and colors, and to their respective wives, widows, and children; and to perpetuate in prayer and with honor the memory of their departed comrades.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. BALDWIN. I am glad to yield to the Senator from Virginia.

Mr. ROBERTSON of Virginia. Mr. President, I, of course, shall gladly pay tribute to the high and noble sentiments actuating this group that is asking the Congress to incorporate officially a group that in a time of emergency proved their loyalty to their Government. I have no purpose or intention of opposing the bill or the two bills that I understand will follow it, to create similar organizations among Jewish veterans and an organization among another type of veterans. But I wish merely to make the general observation that in my opinion there has never been a time in our Nation when it was more important for everyone, veterans and nonveterans alike, to pay allegiance to the fundamental principle that we are Americans and should carefully avoid any movement that may later lead to disunity.

I was the other night reading a new book by Dr. Malone on the life of Thomas Jefferson, the first volume of which is called "Jefferson the Virginian." I highly commend it to my colleagues. I was struck with the fact that he said that in all his public utterances as well as in his private utterances Jefferson always referred to himself as a Virginian. I do not know whether my distinguished colleagues from Massachusetts recall it or not, but when the founding fathers of Massachusetts decided in 1620 to organize a democracy, they adopted this resolution:

> We, whose names are underwritten * * * having undertaken for the glory of God and advancement of the Christian faith * * * a voyage to plant the first colony in the northern parts of Virginia; do * * * solemnly and mutually in the presence of God and one another, covenant and combine ourselves into a civil body politic, for our better ordering and preservation and furtherance of the ends aforesaid.

We appreciate that reference to Virginia. But I very definitely remember that at the first session of the Continental Congress, Patrick Henry arose and said:

> I now speak no longer as a Virginian. I speak now and henceforth as an American.

He was the first one in the 13 States facing a contemplated program to form a new union, to establish a new form of government on this continent, to say that from then on he would speak as an American.

We of course cherish the early settlements in Virginia and Massachusetts, and I recall that at the laying of the cornerstone of the Bunker Hill Monument the great orator from Massachusetts, Daniel Webster, said that so long as the sea washed the shores of Plymouth Rock and the James flowed by the Jamestown Island, "no vigor of youth, no maturity of manhood will lead the Nation to forget the spots where its infancy was cradled and defended."

We have gone a long way, though, Mr. President, from that infancy of our Republic. We are challenged abroad by an alien ideology that strikes at the fundamental principles of the founding fathers at Jamestown and at Plymouth Rock. We face a crisis in which there must be no divided allegiance.

I want to repeat what I began by saying that while I am glad to see Catholic youth dedicated to high principles of patriotism and loyalty, Jewish youth dedicated to the same principles, and other youth dedicated to the same principles, all these bills rest for their validity, as I understand, upon an organization of veterans. The veterans were not trying to establish the Catholic religion; they were not trying to establish the Jewish religion; they were not trying to establish anything for which France stands. They were trying to perpetuate the democratic principles of the founding fathers, and, as such, they should be organized as Americans. I fear that if we encourage present groups to split up along religious or racial lines to promote patriotism and loyalty to their Government, the time may come when we shall lose sight of the fact that the primary obligation of every citizen is to be a loyal and patriotic American.

Mr. BALDWIN. Mr. President, I am glad that the distinguished Senator from Virginia has made the point he has made, because it gives me the opportunity to say what I had already planned to say, and it indicates to me the importance of my saying it and enlarging upon it. I begin my remarks with reference to this phase of the subject by again reading from section 9 of the proposed charter, as follows:

> To give visual demonstration of their faith and patriotic loyalty, to maintain the spirit of patriotism and loyalty for the Constitution of the United States, and to engender good will and understanding among all its citizens.

I do not know, Mr. President, how the purposes of which the distinguished Senator speaks could be more clearly and succinctly stated than they are stated in those two clauses.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I appreciate the noble purposes which the Senator from Connecticut has just stated, and there is no doubt in my mind of the sincerity of purpose of the statement; but if understanding of the kind of which the statement speaks is to be engendered, would it not have a better chance if the particular veterans mixed with their fellows instead of remaining separate and apart to themselves, whether their separation be based on religion, on race, or on something else? In other words, if the service organization should act in keeping with the way the soldiers acted in the Army, would it not be more effective?

What brings about misunderstanding? It is lack of contact. What creates prejudice? It is lack of contact. Oftentimes, as Senators know, we make up our minds in the everyday affairs of life that we do not like a certain person. That has happened to me. Yet the instant I am thrown in contact with a person against whom I am prejudiced I find that he has the same trials and tribulations that I have. I find that out by contact. If I should remain separate and apart from him I should still have in my mind that prejudice.

I believe we are doing a disservice not only to the country itself, but to the proponents of this and similar proposed legislation, if we do not keep in mind what I have suggested.

Mr. BALDWIN. Mr. President, this organization is already 13 years old, and none of the dangers and difficulties which the Senator has mentioned have yet appeared.

I think in some respects no other State in the Union is like Connecticut. Connecticut is a melting pot to a greater extent than is any other State. In it live representatives of all the races, creeds, and colors of which this country is composed, but I do not find that Connecticut has ever had any serious differences along those lines. The people of the State have been able to dwell together in amity and harmony to the highest degree. The patriotic contributions of Connecticut during the war were not exceeded by those of any other State in the Union. I say that in deference to all of them, because their contributions were all tremendously great, and they were highly patriotic.

In the State of Connecticut there have been organizations which have been based upon race, creed, national background, religious beliefs, and attendance on a religious organization or church. Rather than having weakened our body politic and our body civic, it has strengthened them, because each one of those organizations has its own peculiar type of appeal to a particular group. Its members might not be brought together into a group on any other basis. Each one of those groups, in its own peculiar and particular way, has contributed to the strength of our State and, I believe, to the strength of our Government and of the entire Nation.

I may say that so far as these veterans, the Catholic War Veterans, are concerned, and, I believe, the veterans who are affected by the other two bills, the great majority of them are already members of other veterans' organizations, such as the American Legion, the Veterans of Foreign Wars, the Amvets, and several other organizations.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. HICKENLOOPER. That being the case, I should like to ask the Senator why it is necessary to give a Federal charter to a group of veterans whose eligibility to membership is limited not by service to their country, but by some peculiar or particular social, civic, or economic association? Why not limit the membership in an organization which stems from service to country to persons whose eligibility is based upon that service?

Mr. BALDWIN. In answer to that question, I would say that this organization has been in existence for 13 years and has done valuable work. It has already been recognized by the Veterans' Administration. By reason of its growth and expansion it has found a field of activity, and it believes that in that field it can do a bigger, better, more complete, and more successful job under a Federal charter. It has membership in every one of the 48 States, and for that reason it believes that it is entitled to Federal recognition, as are many other organizations.

Mr. HICKENLOOPER. I have never had any objection—in fact, I have belonged—to organizations composed of veterans having a specialized background; but in those organizations I have always resisted the attempt to establish them on the basis of a State charter or a National charter, because the test of eligibility for service in those organizations was not service to the country. Through other associations they could readily have formed, they could well be served, as they are being well served, and have been well served by their own voluntary organizations which have been working so well.

Mr. BALDWIN. In reply to the Senator I may say that the most important basis of eligibility of this particular organization is service to country. One of the other bases of eligibility is the fact that he who seeks to join the organization is a Roman Catholic. Suffice it to say that were he a Methodist or an Episcopalian, for instance, he would always be entitled to embrace the religion he desired to embrace. This does not necessarily mean that the organization excludes all other citizens. It establishes standards for membership in the organization, which is open to all in the event they wish to accept those standards. Basically and fundamentally it is no different from any other veterans' organization.

Mr. HICKENLOOPER. Mr. President, if the Senator will yield again, I happen to belong to two veterans' organizations, but they have a specialized association. I have always opposed and I shall always oppose those two organizations to which I belong attempting to form a cleavage, if you please, in the very unity which I think veterans' organizations should maintain, by way of getting Federal charters or State charters, setting them aside and apart and making them exclusive because of certain collateral associations they may have, not based

entirely and solely upon their service to their country.

Mr. CHAVEZ. Mr. President, will the Senator from Connecticut yield that I may ask a question of the Senator from Iowa?

Mr. BALDWIN. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I am opposed to the type of legislation now proposed; but let us suppose this bill should pass. The bill we are considering affects the Catholic veterans. What kind of a condition would we have and how could we have any unity in the country, if the Presbyterians, the Baptists, and the Holy Rollers should come forward, and ask for similar legislation? There would never be an end to it. And if we are to base our action on racial grounds, why not pass a bill for every Indian tribe? Would that make for unity of purpose, a thing we need so much as this very time?

Mr. HICKENLOOPER. If the Senator from Connecticut will yield——

Mr. BALDWIN. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I hope the Senator from New Mexico does not think I am supporting the proposed legislation.

Mr. CHAVEZ. I do not, but will not the Senator from Iowa give us his opinion as to whether, if we pass this bill, a hundred other nationalities and races and organizations may make a similar request?

Mr. HICKENLOOPER. I think it naturally follows that, once the principle of setting up isolated groups, which can each get a special Federal charter, is established, there will be utterly no limit to the cleavages in an association which should have but one basis, namely, service to country.

Let me say to the Senator from Connecticut that I utterly and sincerely hope he does not think that my statements here are aimed at his bill, or at any particular group represented by his bill. I have not that feeling at all. I happen to belong to the Methodist Church, and I will fight the hardest I know how to keep from having a Federal charter given to Methodist veterans. I think such a movement is basically wrong; I believe it violates the principles and the traditions and the unity which characterize service to country. I would fight just as hard if made by any other group, whether it be racial, religious, geographical, or based on the color of a man's hair, a proposal to establish a special requirement for a veteran's belonging to a particular group, when the requirement should first of all be service to country.

I think we would be making a definite mistake if we began to open the door to what could be dozens and dozens and dozens of requests, each for a Federal charter for some organization which would become a competing factor in a field where there should be unity. That is my opinion about the matter. I thank the Senator from Connecticut for yielding.

Mr. BALDWIN. Mr. President, let me remind my distinguished friends from Iowa and New Mexico that the Veterans of Foreign Wars, of which I am proud to be a member, is limited in its membership to veterans who served overseas; that the AMVETS, to whom I think we have already granted a charter, is limited in membership to those who fought in World War II.

Mr. President, it is quite obvious that the men who seek a charter under the pending bill, and I on their behalf in the Senate seeking it for them, certainly do not have any thought in mind of trying to create any divisive influence of any kind. What we are trying to do through a charter is to use the common basis upon which these men can be brought together in a veterans' organization, a basis which might not be found otherwise, the basis of a great faith, to further the cause of the veterans, and to further the cause of the country. I see nothing divisive in that. It seems to me rather that it offers the possibility of making a great contribution.

Mr. President, one of the things guaranteed to every citizen in this land is the right of free assembly, the right to organize, the right to get together in groups on any basis those organizing see fit to adopt.

The Senator from New Mexico asks whether I would be in favor of the Episcopal veterans, or Methodist veterans, or veterans of some other denomination or group getting together. I would answer that question by saying, first, that I would desire to determine whether or not the particular group was large enough, and embraced a sufficiently wide field, to warrant its having a Federal charter. That might be true of one religious denomination. It might not be true of another, not by reason of the particular religious denomination alone but because of other considerations.

Once the war is won, I see no reason why veterans who in camp and on battlefield have worshipped in accordance with their own particular religious denomination and belief, who have been served through the Mass by a Roman Catholic chaplain, or in communion by an Episcopalian or a Methodist or a Presbyterian minister, or in some other meeting by a Quaker chaplain, or in another by a chaplain of some other denomination, should not form an organization and have a charter. It is not a divisive influence, and after a war is over, refusal to permit such organization does not seem to me to make sound sense.

Mr. HICKENLOOPER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Iowa?

Mr. BALDWIN. I yield.

Mrt. HICKENLOOPER. I want to make it completely clear to the Senator that I have no objection to those who had a community of experience in their war service getting together in their own voluntary organizations and areas if they care to do so. As I stated a while ago, I belong to at least two organizations in which certain associations draw the members together, perhaps social memories, service memories, or something of the kind. That is not the point, when they associate with common experience as a background. The point is the application for Federal charters, which gives a certain amount of recognition. I am not referring to any particular organization to which the Senator from Connecticut is referring at the moment, but I received a letter a few days ago soliciting funds, and the significant thing in large print at the top of the letterhead was, "This organization is chartered by the Federal Government." I was not impressed by the organization, but on checking up I found that at some time in the past a Federal charter had been given t. this organization, and now that banner is carried on the letterhead as an open sesame for the solicitation of funds from people all over the United States.

I ask the Senator not to misunderstand me. I am not saying that the organization now under discussion or any other would use a charter for such purposes, but if cleavage is begun, the gates will be opened utterly for the use of such organizations later, possibly, and sometimes potentially, as rackets to be inflicted upon the American people. While many organizations we could name would never do that, when the floodgates are opened to the handing out of Federal charters to organizations of persons who want to get together because of some community of interest, I think we are engaging in dangerous precedents, precedents not founded upon the true basis for Federal recognition of organizations. In this case again I think the basis is community of service to the Nation, and not particular isolated associations and groups.

Mr. BALDWIN. Mr. President, in response to the statement of the Senator from Iowa I would say that obviously community of service to the Nation is one of the things relied upon in the charter. It seems to me it might also be said that community of belief and reliance upon a particular faith rather adds to that than detracts from it, Mr. President. This particular organization, by its charter, says, "Because of our religious convictions, and because of the fact that we are veterans and have that common interest, it is up to us to advance the cause of the country, to advance the cause of the fatherhood of God and the brotherhood of man, to combat subversive influences, and to fight for freedom of religion and the practice of that freedom." It seems to me, Mr. President, they are called together on an extremely sacred basis in addition to the basis of their community of interest as veterans.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. OVERTON. Section 4 of the bill provides in brief that any American citizen of the Roman Catholic faith who has had war service shall be eligible for membership in the Catholic War Veterans of the United States. The bill bars all but Catholics under its very terms.

The first amendment of the Constitution provides:

> Congress shall make no law respecting an establishment of religion.

It is not perfectly clear to me, I will admit, whether a bill of this character is one which encroaches upon the constitutional amendment, and I should like

to ask the able Senator from Connecticut if he has looked into that question. Of course the bill does not establish the Roman Catholic faith as the religion of the United States, but the constitutional amendment says:

> Congress shall make no law respecting an establishment of religion.

If the bill were enacted we would have a law which might possibly be construed as respecting the establishment of a religion in that Congress charters an organization to which only persons of a certain religious faith can belong. I would like to hear the able Senator comment on that point.

Mr. BALDWIN. Mr. President, let me say first that the purpose of the bill, which is very manifest on its face, is not the establishment of any religion as such. I take it that the amendment to the Constitution means that the Congress would never have the power or authority under the Constitution to establish a state religion of any kind, a religion to which every one would have to belong, or at least render his support. The Constitution was written by men whose forefathers came from England and from other countries, but particularly from England where there was an established religion, where everyone had to contribute to the support of a state church. That was true of many of the other men who came to this country with their families in the early days. The bill makes no such provision as that.

Mr. OVERTON. But the amendment does not declare:

> Congress shall make no law establishing a religion.

It goes further than that. It declares:

> Congress shall make no law respecting an establishment of religion.

Mr. BALDWIN. My only answer to that is that the charter is not a charter respecting the establishment of a religion. The Roman Catholic faith is as old as the Christian faith. The proposed charter would do no more than say: "If you want to belong to the Catholic War Veterans of the United States and are a Roman Catholic by faith, you can belong to it." The charters of other veterans' organizations have qualifications—not, of course, on a religious basis, but nevertheless they have qualifications. In this case there is merely a single qualification. It does not seem to me that it in any way affects the establishment of a religion.

Let me go on further to say——

Mr. OVERTON. Mr. President, before the Senator continues will he again yield to me?

Mr. BALDWIN. Certainly.

Mr. OVERTON. Has the Congress ever passed a law bestowing benefits upon any religious organization? Has not Congress always refrained from enacting any religious statutory law of any kind, nature, or description, even one bestowing benefits? Certainly the bill, if it should become law, would bestow benefits upon the Roman Catholics. I am not opposed to the bill because it refers to the Roman Catholics. I would be as much opposed to the proposed legislation if it referred to the Jews—and there is another bill coming up behind the one now under consideration which I believe has for its purpose incorporating the veterans of the Hebraic faith. I would have just as much objection to a bill which would incorporate the Holy Rollers, or a bill which applied to Episcopalians, for instance, I being an Episcopalian. The point is that Congress has always assiduously avoided bestowing any benefits upon any religious organization as such, and that is exactly what the pending bill would do.

Mr. President, the more I think about the matter, the more I think it probably contravenes the first amendment to the Constitution, which is that—

> Congress shall make no law respecting an establishment of religion.

Certainly there is an undertaking to establish a religion under the proposed charter. It would be only those who belonged to the Roman Catholic Church who could come under the charter authorized by the Congress of the United States. To that extent it is establishing a religion.

Mr. President, I think the bill presents a very serious question. I do not like to see Congress encroach in any way upon the first amendment to the Constitution. It has never done so in the past, so far as I know.

Mr. BALDWIN. I can only say, Mr. President, that I differ radically with my distinguished friend, whose record in the Senate has been a very grand one, indeed, and whose citizenship has been of the highest order. I think he is assuming something which is not a fact, and that is that the charter, if granted, would in effect be a law respecting the establishment of religion. It does not have to do with the establishment of a religion. The charter simply says that one of the qualifications for belonging to the association which seeks this Federal charter is that a man be a Roman Catholic. A man in this country can embrace any faith he wants to embrace, and after the bill is passed that right is not going to be affected in one single iota. The status will be exactly the same as it ever was before. The same thing can be said for the bill which I hope to have considered later incorporating the Jewish War Veterans.

Mr. OVERTON. Mr. President, will the Senator yield further?

Mr. BALDWIN. Yes.

Mr. OVERTON. Let us assume that the Congress will incorporate only the Catholic War Veterans. Under that assumption, veterans belonging to the Methodist Church, veterans belonging to the Episcopal Church, veterans belonging to the Presbyterian Church, and veterans belonging to various other denominations cannot be affiliated with any veterans' organizations chartered by the Congress of the United States and working under the authority of the Federal Government unless they espouse the Roman Catholic faith. That would certainly be an inducement to a veteran who wanted to cooperate with other veterans and who wanted to do all he could for his country as a veteran in an organized group, to forego his religious faith and embrace the Roman Catholic faith, because only by embracing the Roman Catholic faith could he cooperate with his fellow veterans. Therefore, we must assume that this is the only law that is to be enacted. It may be said that Congress will pass a multitude of other laws authorizing the incorporation of other religious groups. That may be so and it may not be so. I am assuming now that Congress is to enact this bill and no other. This is the proposition to the veterans who served in the war: "If you want to cooperate, if you want to become affiliated with an organization which has the sanction of the Federal Government, you must become a Catholic or else you are out."

Mr. BALDWIN. Mr. President, let me say in answer to my distinguished friend that if this charter provided that in order to belong to any veterans' organization recognized by the Federal Government one must be a Roman Catholic, then I think my friend's point would be well taken. But there are already several veterans' organizations which have been chartered by the Congress, among them being the American Legion, the Veterans of Foreign Wars, the Spanish-American War Veterans, and the Grand Army of the Republic. I could name a great number which have had that privilege conferred upon them.

This charter does not say that in order to belong to a federally chartered veterans' organization one must be a Roman Catholic. It simply says that if one wishes to belong to this particular veterans' organization, the Catholic War Veterans of the United States, he must be a Roman Catholic.

Let me go a step further. The Constitution of the United States, if it means anything at all when it guarantees freedom of religious worship, has already recognized every one of the religious faiths in this country, and is bound to recognize everyone which may arise in the future. Consequently it seems to me that we are dealing with a subject which is already well within the Constitution, and with a qualification which is already recognized by the Constitution of the United States. It is bound to be so.

Let me make one further point in reply to what my distinguished friend from Louisiana has said. The first amendment to the Constitution does not say that Congress shall make no law respecting religion. It says that—

> Congress shall make no law respecting an establishment of religion.

There is a vast difference. According to the interpretation which my friend from Louisiana places on this particular bill, the Congress could not pass any law whatsoever which dealt in any way, shape, or manner with any religious sect or religious denomination. That is not what the Constitution says. The Constitution says that Congress shall make no law respecting the establishment of a particular religion. In the light of the history of the country, and in the light of the experience of our forefathers, who drafted the Constitution, in the light of the experience of living under and paying tithes to a state church, they meant just what they said in the first amendment, namely, that Congress should

make no law respecting the establishment of a religion, that is, the establishment of a state church, which might be the qualification for citizenship, which might be the qualification for the right to vote, which might be the qualification for the right to own property, and all those things. But this bill does not go that far, or even approach that direction.

Mr. OVERTON. Mr. President, will the Senator further yield?

Mr. BALDWIN. I yield.

Mr. OVERTON. The constitutional amendment goes further than that. It says:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof.

That is, the free exercise of religion. Here is an organization chartered by the Congress. The first and essential qualification is that one shall be a Roman Catholic. Thousands of Roman Catholics may join it. Suppose that one of them should wish to forego the Roman Catholic faith and adopt some other faith. He would be ousted from the organization, under the very letter of the statute enacted by the Congress. If he wanted to remain as a veteran, confederating with other veterans, he would have to continue to be a Roman Catholic, under penalty of dismissal if he embraced another faith. It could not be otherwise. Such a law would prevent the free exercise of religion. I submit that observation to the able Senator from Connecticut.

Mr. BALDWIN. Mr. President, I should like to use the particular phrase which my distinguished friend has used to prove the absolute opposite of what he says. The first amendment to the Constitution provides as follows:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof—

If this charter can be interpreted as a free exercise of religion in a particular manner, by gathering together a particular group on a denominational or religious basis, then it seems to me that, rather than that right being denied by the amendment which my friend has quoted, that right is guaranteed by that amendment. I should like to go a step further and read the next clause—

> or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

The right of assembly is one of the most sacred rights in the Constitution. Prior to World War I and prior to World War II it was the belief of the German General Staff that because we had so many different organizations, because we had so many groups which were organized on denominational, religious, political, social, national origin, and other bases, we were a nation which was hopelessly divided. What has history proved in the light of that belief? That was the general belief. It was the belief accepted by Hitler that we never could get together because of all these divisive influences in our country. But what was the fact? We found that when the time came to stand four-square for the things we were taught by our different religious denominations, for the things we believed, when we were brought together with a background of all sorts of rituals, churches, and plans of organization, we were the most cohesive, most completely organized, and most thoroughly united people in the world, and we were able to defend ourselves.

I might also mention the fact that among the corporations already chartered by special act of Congress are the Brotherhood of St. Andrew, the Congregation of the First Presbyterian Church of Washington, the Convention of the Protestant Episcopal Church of the Diocese of Washington, the First Congregational Church of Washington, and the International Sunday School Association, to mention only a few. Every one of those is an organization based upon a religious denomination. So, Mr. President, we are not doing violence to a precedent which is already established. We are simply living in keeping with one which has already been established.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. DONNELL. With the consent of the Senator I should like to insert in the RECORD certain observations in the latest case of which I know, with possibly one exception, bearing on the meaning of the "establishment of religion" clause. I refer to the case of Everson against Board of Education of the Township of Ewing, et al., decided by the Supreme Court of the United States on February 10, 1947. I think it might be well to have that brief observation in the RECORD at this point.

Mr. BALDWIN. Certainly.

Mr. DONNELL. The majority of the Court said:

> The "establishment of religion" clause of the first amendment means at least this: Neither a State nor the Federal Government can set up a church. Neither can pass laws which aid one religion, aid all religions, or prefer one religion over another. Neither can force nor influence a person to go to or to remain away from church against his will or force him to profess a belief or disbelief in any religion. No person can be punished for entertaining or professing religious beliefs or disbeliefs, for church attendance or nonattendance. No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion. Neither a State nor the Federal Government can, openly or secretly, participate in the affairs of any religious organization or groups and vice versa. In the words of Jefferson, the clause against establishment of religion by law was intended to erect "a wall of separation between church and state."

I should like to place that in the RECORD.

Mr. BALDWIN. I thank my distinguished frend for his splendid contribution.

Mr. DONNELL. Let me ask the Senator whether he intended to address himself to a matter of much less fundamental significance, but one of some practical importance; namely, the question of the financial standing of this particular organization which seeks Federal incorporation.

Mr. BALDWIN. Yes; I did intend to discuss that matter.

Mr. DONNELL. I am sure the Senator would not object if I were to give the Senate the benefit of the information which was received by me as chairman of the subcommittee of the Judiciary Committee on that point.

Mr. BALDWIN. I shall be very glad to have my distinguished friend do that, because the material which I intended to present, which I thought I had in my file, I find I had submitted to my distinguished friend, the Senator from Missouri, as chairman of the subcommittee.

Mr. DONNELL. Mr. President, I may state that the subcommittee of which I am a member reported this bill favorably, as I recall, to the Judiciary Committee, which in turn on the 22d of July 1947 reported the bill to the Senate favorably, with certain amendments. The report was made by the Senator from Wisconsin [Mr. WILEY], chairman of the committee.

I may state that the subcommittee to which this bill was referred consisted of two members of the Judiciary Committee; namely, the senior Senator from West Virginia [Mr. KILGORE] and myself.

I do not recall precisely the chronology of our inquiry, but I do recall that at least a question as to the financial position of this particular organization, the Catholic War Veterans of the United States of America, came before one or both of the members of our subcommittee.

In that connection I hold in my hand three telegraphic messages which I think it would be well to place in the RECORD in justice both to the Senate and to the organization concerned. I may state that I am somewhat at a loss to understand why it is that the dates of the telegraphic messages are slightly after the date of the reporting of the bill to the Senate. My conclusion is that probably the inquiry was made by us, and some assurances, more or less definite, were given, and were later confirmed by the telegraphic messages.

Mr. BALDWIN. Mr. President, let me interrupt the Senator there with his permission. What he has suggested is the fact. When I appeared in behalf of this proposed legislation before the subcommittee of which the distinguished Senator from Missouri was chairman, question was raised by the subcommittee as to the financial responsibility of this organization.

Mr. DONNELL. Yes.

Mr. BALDWIN. I got in touch with the officers, as I recall, by telephone, and received from them assurances and information as to the status of the organization, and I came back and conveyed that information to the committee, with the assurance that what I then told them would be confirmed by telegram.

Mr. DONNELL. I thank the Senator.

Mr. President, I should like to read the telegrams.

One comes from Philadelphia, Pa. It was received in Washington on July 22, 1947, at 9:58 p. m. It is addressed to me as chairman of the Judiciary Subcom-

mittee, United States Senate, and it reads as follows:

PHILADELPHIA, PA., *July 22, 1947.*
Hon. F. C. DONNELL,
Chairman, Judiciary Subcommittee,
United States Senate,
Washington, D. C.:

Am informed you object to our bill for congressional charter on account of financial statement showing $11,000 deficit. The following have pledged tonight to underwrite same: Thomas A. Shannahan, president, Federation Bank & Trust Co., New York City; Max H. Sorensen, vice president, Janney Cylinder Co., Philadelphia; Thomas Walsh, vice president, Wilbar Sales Corp., New York City; Ruth E. Manning, supervisor, Board of Education, New York City; Joseph F. Reilly, deputy commissioner of finance, New York City; Anthony Forbes, attorney at law, New York City; Edward T. McCaffrey, deputy commissioner of water, gas, and electric, New York City; William L. Lundy, engineer, Kimberly-Clark Corp., Wisconsin; Nicholas Wagoner, assistant district attorney, Detroit, Mich. Our organization is serving our veterans and our country well and is deserving of your support.

MAX H. SORENSEN,
National Commander, Catholic War Veterans of the United States.

I also hold in my hand a telegraphic message which, with the exception of variations due to a difference in date, is substantially the same as the one I have just read, it seems to me. However, in order that the Senate may have completely before it the correspondence which was received on this matter, I think it likewise well to place it in the RECORD.

This message was received in Washington on July 23, 1947, at 9:39 a. m. It is addressed to me, as chairman of the Judiciary Subcommittee, United States Senate. It came from Philadelphia, Pa., and reads as follows:

PHILADELPHIA, PA., *July 23, 1947.*
Hon. F. C. DONNELL,
Chairman, Judiciary Subcommittee,
United States Senate,

Am informed you object to our bill for congressional charter on account of financial statement showing $11,000 deficit. The following have pledged yesterday to underwrite same: Thomas J. Shannahan, president, Federation Bank & Trust Co., New York City; Max H. Sorensen, vice president, Janney Cylinder Co., Philadelphia; Thomas Walsh, vice president, Wilbar Sales Corp., New York City; Ruth E. Manning, supervisor, board of education, New York City; Joseph F. Reilly, deputy commissioner of finance, New York City; Anthony Forbes, attorney at law, New York City; Edward T. McCaferey, deputy commissioner of water, New York City; William L. Lundy, engineer, Kimberly Clark Corp., Wisconsin; Nicholas Wagner, assistant district attorney, Detroit, Mich. Our organization is serving our veterans and our country well and is deserving of your support.

MAX H. SORENSEN,
National Commander,
Catholic War Veterans.

Mr. President, I hold in my hand another telegraphic message which I think is of importance. It is dated at Hyannisport, Mass., and was received in Washington on July 23, 1947, at 1:27 p. m. It is addressed to me, and reads as follows:

HYANNISPORT, MASS., *July 23, 1947.*
Senator FORREST C. DONNELL,
Senate Office Building.

MY DEAR SENATOR: Max Sorensen, national commander of Catholic War Veterans, has just wired me that their bill for congressional charter is due on the Consent Calendar and that you object because the financial statement shows $11,000 deficit. He tells me that he has obtained a pledge from 10 people to underwrite the deficit. I thought you might be interested to know that I thought so well of their work for Americanism as against communism that I made them a gift of $10,000 a year ago to continue their good work. I feel sure that it is the type of organization that does splendid work for the things in which you and I are interested, and I am satisfied that there are enough responsible people in the country who would help them carry on their work if the need arose. I would appreciate your support of the bill.

JOSEPH P. KENNEDY.

Mr. President, there is no indentification of Mr. Kennedy here. Let me ask the Senator from Connecticut whether he knows if this is the same Joseph P. Kennedy who at one time was United States Ambassador to Great Britain.

Mr. BALDWIN. I am reliably informed that it is, and I believe it is.

Mr. DONNELL. Then at this time, in order that the RECORD may be complete, I ask consent to insert in the RECORD the most convincing statement appearing in Who's Who in America, at page 1271, volume 24, with respect to Mr. Joseph Patrick Kennedy.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Kennedy, Joseph Patrick: Business executive; born Boston, Mass., September 6, 1888; son of Patrick J. and Mary (Hickey) K.; graduate Boston Latin School, 1908; bachelor of laws, Harvard, 1912; honorary doctor of laws, National University of Dublin, Ireland, 1938, and from Universities of Edinburgh, Manchester, Liverpool, Bristol, and Cambridge, 1939; honorary doctor of laws, Catholic University, Washington, Oglethorpe University (Ga.), University of Notre Dame, Colby College; married Rose Fitzgerald, October 7, 1914; children—Joseph P., John F., Rosemary, Kathleen, Eunice, Patricia, Robert, Jeane, Edward. Bank examiner for Massachusetts, 1912–14; president, Columbia Trust Co., Boston, 1914–17; assistant general manager, Fore River, Mass., plant Bethlehem Shipbuilding Corp., 1917–19; manager, Hayden-Stone Co., investment bankers, Boston branch, 1919–24; president and chairman, board of directors, Film Booking Offices of America, 1926–28; chairman, board of directors, Keith, Albee, Orpheum Theaters Corp., 1928–29; president and chairman, board of directors, Pathe Exchange, Inc., 1929–30; corporation finance, 1930–35; appointed to Securities and Exchange Commission, July 2, 1934; elected Chairman, 1934, reelected, 1935, resigned, September 1935; Chairman, United States Maritime Commission, 1937; Ambassador to Britain, 1937–41, resigned November 1940; chairman special commission relative to establishing department of commerce in Massachusetts. Trustee, Notre Dame University. Knight of Malta, Grand Knight of Order of Pius X. Democrat. Catholic. Home: North Ocean Boulevard, Palm Beach, Fla.

Mr. DONNELL. I thank the Senator from Connecticut.

Mr. BALDWIN. I thank my distinguished friend for his fine help.

Mr. President, I want to add the names of several other corporations chartered by special acts of Congress, which corporations obviously have a religious foundation or background at least: The King Theological Hall, the Lucy Webb Hayes National Training School, the Society of Deaconesses and Missionaries, the National Theological Institute, the Presbyterian Congregation in Georgetown, the Protestant-Episcopal Cathedral Foundation of Washington, D. C., and the Union Church of the Canal Zone.

In summary, Mr. President, I may say that what we are doing here in my humble judgment is thoroughly consistent with what has been done in the past in the chartering of corporations. We are doing a thing which would grant a charter to a great organization, founded not only on the community of interest that veterans all have, but also on the great community of interest and faith that a great religious denomination has. We are giving to that organization strength to go forward and do the work it has already nobly and ably done, namely, the work of perpetuating faith in the fatherhood of God and the brotherhood of man, to which in this country we all subscribe, and to perpetuate the high ideals and purposes for which our Constitution was ordained and for which the country was established.

Mr. President, I certainly hope the motion to make the bill the unfinished business will prevail.

Mr. CHAVEZ. Mr. President, I appreciate everything the Senator from Connecticut has said today. No one, I believe, could fail to understand his statements with respect to the organization which is the subject of the pending legislation. However, notwithstanding the sincerity of purpose of the Senator from Connecticut and the sincerity of purpose of the other proponents of the legislation and notwithstanding the fact that I happen to be of the particular religion affected, I feel deeply that the proposed legislation is entirely contrary to the best interests of the United States. I say it with all due respect to all proponents of the bill, particularly to Senators who favor it.

I come from a State that is largely Catholic. A hundred years before the burning of the witch of Salem, and long before the advent of the fiery cross, the cross of Christianity was established in New Mexico. It has since remained in that State.

But, Mr. President, I make the point that legislation of the kind under consideration is not good for the people of the United States, regardless of the religious persuasion of the particular veterans involved. Such legislation tends to divide the American people.

How was our great Union formed? After the unpleasantness of the War Between the States, how was unity restored? The people of the South remained in the South, the people of the North remained in the North, and we of the West remained in the West. The Yankee cursed the southerner, the southerner cursed the Yankee, and both cursed the mountaineers and the people of the Plains. Eventually the barriers were broken down. Instead of separation there came contacts. With the coming of the automobile and the establishment of good roads, people from the South went to Connecticut. To their surprise, they found there were also good people in that State.

Mr. BALDWIN. If I may interrupt the Senator, the people of Connecticut enjoyed a similar experience in the South and West.

Mr. CHAVEZ. People from Connecticut visited in the West, where they found the same thing to be true. The people of the whole country became united. The state of mind of the American people came into agreement for common purposes. The opening words of the Constitution are, "We the people." We revere the Constitution. It will continue to be the symbol of a united people. The words are, "We the people of the United States," not "We the Catholics of the United States," "We the Baptists of the United States," "We the Franco-Americans of the United States," or "We the Jewish people of the United States." It is because I revere the Constitution, and because millions have died in order to protect that inspired document, that I am opposed to anything that would tend to divide the American people.

Proponents of the legislation may say, "No, the adherents of a certain religion belong to this particular organization." Its members would throng together. Perhaps they would be inclined to condemn others, even members of other servicemen's organizations. It is wrong. We are at this time engaged in an effort to protect ourselves against what might prove to be a terrible war. The entire country is jittery. The common topic of conversation with the cab driver, the barber, or the man in the street, is the question, "When are we going to have war?" With humility and, yet, with solemnity, I may say it is my opinion that if we should find ourselves plunged into another war, legislation of the kind now under consideration would be of no help, because its effect would be to divide the American people and to prevent the necessary unity of action.

If a bill is passed authorizing the incorporation of Catholic veterans, and if that is followed by a similar bill authorizing the incorporation of Franco-Americans, why may not the Portuguese in the southern part of New England ask authority similarly to be incorporated? Would the effect of the pending legislation be to unite veterans? I submit it would not; it would divide them.

How is the Senate of the United States organized? True, there are political parties, there is political thinking, there are differences of opinion; but we are Senators of the United States. We do not represent particular groups. Suppose Senators were organized into religious groups. The ordinary contacts which now occur daily would be ended. Would that be a good thing for the United States? I do not think the illustration is exaggerated. Suppose Senators were divided into groups according to lodge membership. Would they be performing faithfully the duties of their office? Would they be upholding the Constitution? I think not.

Mr. President, I submit the pending legislation is wrong in principle. It is wrong as a matter of public policy. It would, if passed, be detrimental to those who sponsor it and who expect to benefit by the legislation. It would foment religious strife. It is bad enough to have organizations which dislike Catholics. I think if members of such organizations really knew the Catholics, they would like them. If, however, Catholics are grouped in a separate organization, others may entertain vicious ideas of their character.

If, through the tolerance of the Congress, certain groups are to be given the opportunity to segregate themselves, I think no real and lasting benefit will accrue to anyone.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. McCLELLAN. I have been very much interested in the remarks of the able Senator from New Mexico, and I am particularly impressed in view of his religious affiliation. The pending measure is purportedly designed to favor or to benefit a group of persons of the same faith. I am wondering with regard to the precedent which is being set in legislation of this kind. Suppose Congress should grant this charter to a veterans' organization, as proposed in the bill. Could we well deny a charter to Ku Klux Klan veterans of America if they should apply for such a charter?

Mr. CHAVEZ. We are establishing a precedent.

Mr. McCLELLAN. Upon what basis could we deny such a charter if the Ku Klux Klan veterans should constitute a legal organization in the United States and should say they desired such a charter?

Mr. CHAVEZ. I think the Senator from Arkansas is correct. I do not see how we could deny it.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. BALDWIN. I should like an opportunity to answer that particular question. In answer to it I would say to my distinguished friend from Arkansas that the test would be the purpose of the organization, the record it had established, the membership which the organization contained, and all such factors. We might well decide, not on the basis that it was an organization having certain religious beliefs, but on the basis that it had convictions which were unfriendly to the whole system of our Government, that it worked in its own peculiar way and handled matters in secret, and that on that basis we would not want to give it a national charter. The same thing could apply to any organization.

Mr. McCLELLAN. Mr. President, will the Senator yield further?

Mr. CHAVEZ. I yield.

Mr. McCLELLAN. Would that condition be applied to members of the Masonic Order if they wanted a charter?

Mr. BALDWIN. I think my friend has me there, because I think maybe I should not have put in that particular qualification. There is a fundamental right to meet in secret assembly if so desired. What I intended to imply was that in meeting the question we would have to determine the fundamental purpose of the organization, what had been its record. In this particular case, Mr. President, we know the facts. We have a statement of its purposes; we have a list of the men who are to be its directors; we have the story of who founded the organization; we know what its record has been for the past 13 years.

Mr. McCLELLAN. Mr. President, will the Senator yield further?

Mr. CHAVEZ. I yield.

Mr. McCLELLAN. I am not defending the Ku Klux Klan. I am simply drawing an analogy. So far as I know, that organization has never been outlawed by the Federal Government. It is a legitimate organization as now constituted. Whether we like it or do not like it, if we issue charters to segregate groups and classes of people and distinguish one veteran from another, for the purpose of veterans' organizations, I maintain that the Ku Klux Klan would be as much entitled to a charter for veteran members as would any other denomination or organization.

Mr. CHAVEZ. Mr. President, I presume that quite a large number of boys with Ku Klux Klan inclinations were veterans. They did some fighting and dying. I do not believe in the fiery cross at all. But suppose they were veterans and were to organize a Ku Klux Klan war veterans' organization. If we shall pass this bill which contains such noble purposes in connection with the charter, to which we subscribe, how can we say that we want to maintain equality under the law if I be allowed, as a Catholic, to belong to a certain organization, and some other person is not allowed? I am speaking of the law. Religion is extremely personal. If I wish to be a Catholic, that is my business. I cannot make anyone else a Catholic. It is something which is inside. That is the way we should feel regarding the protection of the law. That is why I sometimes disagree with my good friend from Arkansas on matters affecting what I consider to be fundamental rights. We should approach this subject not in the interest of Catholics, not in the interest of Franco-Americans, not in the interest of Jewish-Americans, but in the interest of protecting the Constitution of the United States, and in the interest of the United States.

Let me make a suggestion. The country is now divided into groups because of an incident at Palestine. I ask, in all sincerity, if we shall pass this kind of a bill, is it thought that it may affect what might happen elsewhere? Of course.

I do not want to sidetrack and segregate Mr. Jew, Mr. Irishman, or Mr. Spaniard. I would want all those groups to do what they did during the war—to act for a common purpose, all for America. As to religion, let each one do the best he can according to his conscience. My principal opposition to this class of legislation is that it has a tendency to divide the people of the Nation. Oh, yes, Mr. President, we talk about and many of us learn the Pledge of Allegiance to the Flag. I have heard little children in my home State, who were just beginning to learn English, say:

> I pledge allegiance to the flag of the United States of America and to the Republic for which it stands—one nation, indivisible, with liberty and justice for all.

Would we be keeping our Nation indivisible if we should establish a prece-

dent by passing this type of bill? Let each Senator answer that question to his own satisfaction. That will be all right with me. My position might be unpopular back home, but I do not think so. I do not think I shall be excommunicated for the position which I am taking. The citizens of my State have a right to an opinion, just as I have. I have talked to some who favor the pending bill, and I know others who agree with me that it is wrong, and will be harmful not only for the country, but that it will be damaging so far as religion is concerned.

It is easy to engender some kind of opposition to religion. I am of an optimistic nature, and I try over and over again to make myself believe that the country is united on basic issues, not on matters of opinion or interpretations of the Constitution or law, but united in the spiritual sense. I should like to have that condition continue. But I believe the effort being made in the pending bill—and I say this in all solemnity, meekly and humbly—is wrong, and that we should not do what is proposed.

Mr. BALDWIN. Mr. President, just a word in answer to what the able and sincere Senator from New Mexico has said.

The Senator has stated several times, with great vehemence, that the effect of the bill would be to divide the American people, or tend to divide them. In answer to that suggestion let me say that the basis on which the men in the organization affected by the pending bill are brought together is the maintenance of a spirit of patriotism and loyalty to the Constitution of the United States of America, and the aim to engender good will and understanding among all its citizens, to commemorate the campaigns of wartime service, and to foster the association of veterans of the Catholic faith who served in the armed forces of the United States of America. In other words, Mr. President, the basis on which they are brought together in this particular veterans organization is a broader basis, a different basis, compared with that of which the Senator from New Mexico speaks. They are not brought together solely because they belong to the Roman Catholic faith. Nor would the Jews be brought together, under their bill, solely because they belonged to the Jewish faith. They would be brought together for the purpose of perpetuating the institutions for which they had fought in wartime. Their community of interest is not only based on their associations as veterans but also upon their embracement of a common religious belief.

Mr. President, if I were going to appeal to a group of men in this country to get a particular thing done, to perform a particular task, to advance a particular cause that was in the common interest of all, how would I go about it I would appeal to them first on the basis of the common cause. They might not heed the appeal solely on that basis. Then I would search for some other basis on which they would find an added interest in the community of interest. I would appeal to them on different grounds, as, indeed, we have in this country from the very beginning. We have said, "This man may not be willing to join a veterans' organization, but he might be if we could get a group of his fellow religionists together, and on that basis he may join the organization." Experience has shown that not only would men join such an organization, but if an interest in veterans' affairs were aroused in him he might join the other great organizations which are brought together on even a wider basis.

Mr. President, there is nothing in the particular bill now pending that will bring about any division among Americans. Heaven knows we have organizations which are founded on all sorts of bases, many of them on bases of religious convictions and beliefs.

Mr. COOPER. Mr. President, will the Senator from Connecticut yield?

Mr. BALDWIN. I yield.

Mr. COOPER. I did not hear the greater part of the Senator's remarks, to my regret. We are not discussing organizations which are to be organized. It is true, is it not, that the Franco-American War Veterans, and the Catholic War Veterans, and the Jewish War Veterans, are active, successful, growing organizations today?

Mr. BALDWIN. I answer the question in the affirmative.

Mr. COOPER. The organizations will continue and, without question, expand, without regard to what Congress does with the bills now under consideration. I wish to ask the Senator what particular advantage will be given to these organizations by the enactment of these bills.

Mr. BALDWIN. I would say that the advantage which would accrue to the organizations by the granting of the charters would be that they would be given a firmer and sounder organization and establishment, would be given added prestige across the country, because the organizations, certainly the Catholic War Veterans and Jewish War Veterans have members in every State. They have set for themselves a great program of work, which deals with the perpetuation of the American way of life and American institutions, and with the strength of a Federal charter, they believe in all sincerity that they will be better able to do their work. That is the advantage they would derive from the enactment of the bills.

Mr. COOPER. Reserving my own judgment in the matter, I cannot see what additional value the enactment of the bills would afford any of these organizations except that it will add to their prestige.

Mr. BALDWIN. It would give them added prestige, there is no question. There is no law under which they can organize on a Nation-wide basis. They can seek separate charters in individual States, but there is no law under which they can organize on a Nation-wide basis, and it must be by act of Congress.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. DONNELL. Am I correct or incorrect in the impression—it is only an impression—that in some States there are statutes authorizing only federally organized corporations of this general type to receive certain financial benefits of appropriations, and so forth, in those States? Is not that a fact, or does the Senator have information at hand to that effect?

Mr. BALDWIN. I do not recall that. I have not thought of the matter in that particular regard. That may very well be so.

Mr. DONNELL. My impression, as distinguished from recollection, if there can be such a distinction, is rather clear that it appeared before our subcommittee that there are some States, the identity of which I cannot, however, give, which do have statutory provisions to that general effect. If that be true, there is some financial benefit which may accrue to organizations of this type in holding a Federal charter.

Mr. BALDWIN. That may very well be true.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. BARKLEY. I should like to ask the Senator a question. There are three bills of a generally similar nature. The pending motion applies to only one, but there are three bills with respect to all of which I imagine the Senate will take similar action. When the first of the bills was called on the calendar in the closing days of the last session I made some comments on the general problem and the general practice, but announced that I would not object to any of the bills. However, I expressed the hope that in the future the Congress would act with caution in chartering organizations based upon race or religion; so we should not be confronted always with demands for a Federal charter for every group that might want to secure one on account of its particular religion or race or for any other reason.

I still adhere to the announcement I then made that I am not going to oppose the bill; I am not going to oppose any one of the three bills; but I express the hope that the Congress and its respective committees will exercise discrimination and judgment in determining how many and what organizations are to have a Federal charter, because there is distinctly an advantage in having one, and we cannot tell in advance to what use such Federal charter may be put by organizations which might seek congressional sanction.

Let me ask a question about the Franco-American war veterans. I understand that organization grows out of the fact that some former Canadians from Quebec have come into the United States and are now citizens of the United States and have formed this organization in New England. Obviously it is not Nation-wide. I have been told privately by Senators that it is purely a local matter, and therefore they would not be justified in using a Federal charter to seek to obtain members all over the United States, because there would not be Franco-Americans, former French citizens or descendants of French citizens, now Americans, who would be eligible for membership in such an organization in all the States of the Union.

I wonder if the Senator from Connecticut has any information concerning the extent of the effort which might be made through the possession of a Federal charter to extend membership in the so-called Franco-American War Veterans organization to States where there are no Franco-Americans in the sense in which the organization is assuming that name?

Mr. BALDWIN. Mr. President, the bill to charter the Franco-American veterans was introduced by the junior Senator from Massachusetts [Mr. LODGE], who just happened to step out of the Chamber as the point was raised. I shall attempt to answer the question for him the best I can, although I must confess at the beginning that I am not at all familiar with the details of the Franco-American War Veterans organization. I do have, however, a copy of its constitution, which provides that—

> The objects of the national headquarters are to form a body that will cover the United States of America and all its possessions in order to help the organization grow and prosper wherever and whenever local posts and State departments may be organized.

So, while they may not have presently a Nation-wide coverage, they certainly contemplate one, certainly in those States where Franco-Americans can be found.

Mr. BARKLEY. The name itself is confusing. I realize all the possibilities that may grow out of the possession of a Federal charter to an organization which is essentially local. I know how impressive a Federal charter is. It is impressive, as a Federal court is impressive. The average citizen is more awed by a Federal court than by a State court. The names, United States district court, United States circuit court, carry more weight than do the county court or district court within a State. A Federal charter of any organization carries more weight with it than a local charter granted by the authorities of a State. I was told that this particular Franco-American organization is a local organization, growing out of the immigration into the United States of French-Canadians in the New England section of our country. I do not think they would do such a thing, but there is the possibility that an organizer, representing such an organization, could equip himself with a copy of the Federal charter and go into every State of the Union, even where there are no Franco-Americans, and with the Federal charter induce membership beyond the purview of the present bill.

I wonder how far Congress can go in the chartering of these separate organizations. I still say I am not going to vote against a single one of the bills, but I am expressing some caution as to how far Congress will go in the future in determining that every organization which comes along may ask that there be granted to it a Federal charter which gives it certain privileges, which relieves it of the obligation of securing a State charter wherever it wants to operate, because one act of this sort covers the whole United States.

Where can we draw the line if we ever can draw it, once we take such action? Organizations which seek a Federal charter multiply. If I were certain we would stop with these three, I would have no fears about the matter.

So far as the Catholic War Veterans' organization is concerned, I have made it my business to familiarize myself with it since the matter came up last July. At that time I expressed some similar fears, but even then announced I was not going to vote against the bill. I think the organization is a worthy one, based on patriotic principles and based on desire to have an organized entity that may fight the inroads of communism from a religious standpoint. We need to be educated with respect to that viewpoint of communism in this country—what it stands for and what it intends to do.

Mr. President, I have no fear of that sort of an organization. I have no fear of the Jewish-American veterans, because I presume they are seeking, in a general way, to do the same thing.

The Franco-American veterans present a somewhat different problem. I am not so familiar with that organization as with some of the others. It is not based upon religion. It is not based upon any desire to use its organization or a Federal charter to combat subversive influences in the church, within the religious purview.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. BARKLEY. Before the Senator from Massachusetts entered the Chamber I was asking the Senator from Connecticut [Mr. BALDWIN] whether, under the charter which will be proposed for the Franco-American veterans, they will be authorized to go into States where presumably there are not now any citizens eligible for membership as Franco-Americans. Based upon information which I obtained a few months ago, my impression is that this particular organization is limited to New England and limited to a membership of French-Canadians who had come into the United States and wished to have a charter granted to them.

Mr. LODGE. Mr. President, let me say to the Senator from Kentucky that under the terms of my bill no racial or religious line is drawn. Anyone could become a member if he had been honorably separated from the land or naval forces of the United States, or if he were a member of a Reserve component, and if his qualifications as to moral character were approved by the board of trustees.

Mr. BARKLEY. So he would not need to be a Franco-American.

Mr. LODGE. No.

Mr. BARKLEY. He might be an Anglo-American, a Spanish-American, a Jewish-American, a Chinese-American, a Portuguese-American, or any other kind of American who served in the armed forces and was honorably discharged. Anyone possessing such qualifications could become a Franco-American by joining this organization.

Mr. LODGE. No; that is not quite true. He could become a member of the Franco-American War Veterans if he so desired; but as a matter of common sense we know that those who would desire to become members would be Americans of French descent.

Mr. BARKLEY. That would be the natural assumption.

Mr. LODGE. If the Senator from Kentucky wished to join, I am sure that he would be very welcome.

Mr. BARKLEY. I have been a pretty promiscuous joiner all my life; and if I were complimented by an invitation to join such an organization I would violate almost a lifetime rule if I did not join.

Mr. LODGE. I think the Senator would be a distinct ornament.

Mr. BARKLEY. I thank the Senator. However, I should not want to join under false pretenses, under the claim that I was a Franco-American, because I am not.

Mr. HICKENLOOPER. The Senator from Kentucky claims only to be an American.

Mr. BARKLEY. That is all I claim to be.

Mr. LODGE. He is not the only one who makes such a claim.

Mr. CHAVEZ. Mr. President, I should like to have the attention of the Senator from Kentucky [Mr. BARKLEY]. He has indicated some concern based upon the apprehension that if these three bills are passed we may be confronted with other such requests. If we pass these three bills, why should we not pass others? If we pass one for the Catholics, why should we not pass one for the Baptists? If we pass one for the Franco-Americans, why not pass one for the Navajo Indians? If we pass one for the Catholics, why not pass one for the I Ams, or any other religion? There would be nothing to prevent Congress from enacting legislation of that type once we established a precedent. The Senator from Iowa [Mr. HICKENLOOPER] stated it correctly when he indicated that there should be only one kind of American, and that is the kind provided for in the Constitution.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LODGE. I should like to invite the Senator's attention to the fact that Congress did grant a charter to the Veterans of Foreign Wars, an organization of which I happen to be a member. It very distinctly draws the line between Americans who fought overseas and Americans who did not. Congress has already established two categories of Americans so far as wartime service is concerned.

Mr. CHAVEZ. That is correct; but they all rendered military service. The ones to whom the Senator from Massachusetts refers rendered foreign service. But there was no proposal to organize the veterans of foreign wars who were Catholics, or the veterans of foreign wars who were Methodists, or the veterans of foreign wars who happened to be of French extraction, and there was no proposal to exclude veterans of foreign wars who happened to be of some other religion or race. That is the point which I am making. In my State there are 17 tribes of Indians, every one with a different origin. They are the original Americans. Why should not they be en-

titled to have a charter, or why should not all the Indians of the United States be entitled to a charter as the Indian Veterans of the United States?

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. BALDWIN. The Senator seems to place great emphasis upon precedent. I believe that precedent is an extremely important thing, because precedent indicates that the particular issue at stake has already been passed upon by the judgment of those who have gone before us. But precedent does not necessarily mean that we are precluded from exercising our own judgment.

The Senator mentions the Navajo Indians. His point brings the argument more or less to the stage of the ridiculous. But let me say this in all fairness: If it appeared in the wisdom of the Congress that some good was to be accomplished by the organization of the Navajo-American Veterans' Association, and if I were convinced of that fact, and they wanted a national charter because they wanted to promote something which contributed to the general welfare, I should say that they would be entitled to a charter. We must pass upon these cases as individual cases. Otherwise we need no Senate; we need no Congress. We can merely refer these questions to the books and let some clerk decide them.

We must exercise our own independent judgment and wisdom. The question now before the Senate in connection with this particular bill is this: Is some good to be accomplished by granting this organization a Federal character? That is the main question. They say that they can accomplish greater good for their country by being organized as veterans, on the basis of their common religious faith. The question is: Do we want to give them a charter so that they can do so? I submit that the question of organizing the Methodists, the Episcopalians, and the Navajo Indians is really beside the point. We must decide this case on its individual merits.

Mr. CHAVEZ. Of course no one can effectively argue against the noble purposes set forth in the proposed legislation. No one is against those purposes. So far as Congress passing judgment is concerned, it has the authority to do so. So far as precedent is concerned, I invite the attention of the Senator from Connecticut to the fact that the first precedent under which we operate is the preamble to the Constitution of the United States, which begins, "We, the people of the United States"—not "We, the Catholics," not "We, the Methodists," but "We, the people of the United States."

On that very basis the people of the United States under the Constitution were united and brought closer together. By the precedent which is now sought to be established we are seeking to divide them and segregate them. That is what I object to. It is not because I do not want my fellow Catholics to do good. They are doing good. They are good citizens, and they are loyal and patriotic. But I as one Catholic object very strenuously any time an attempt is made to segregate me as a Catholic.

Holding that view, Mr. President, I shall not vote to afford an opportunity for self-segregation.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. BALDWIN. The phrase which my distinguished friend quotes from the preamble to the Constitution is one of the most potent phrases in all written language—"We the people of the United States." What does it mean? On the Fourth of July in the city of Hartford we have a big parade. In that parade are contingents of the armed forces, the Army, the Navy, and the National Guard, with some military equipment. Then come the many organizations of which the population of the State of Connecticut is composed—the Italian-Americans, the Franco-Americans, the Boys' Brigade, and the Boy Scout troops. There is a Boy Scout troop from the Episcopal Church, one from the Catholic Church, and one from the Methodist Church. Other organizations participate in the parade, including the Polish, Lithuanian, Latvian, Carpatho-Russian, and other organizations, composed of all sorts of people from all the countries of the world. Are not they the people of the United States, Mr. President? Yet they walk down the street under the banners of their respective groups, and many of them clothed in the costumes of their native land.

Mr. President, I am an American who believes that when these groups get together and organize on some common basis in addition to American citizenship, they can bring from their ancestry and their former social life and traditions great additions to the melting pot that is America. We have never found that organizations built on those bases are divisive. To the contrary, they unite on the basis of some common custom or language or tradition from their early homeland, and they learn more about America and become better Americans because they have found some means of entering America as a group and feeling friendly and protected by it.

Such organizations have never been divisive, nor do I think the effect of this particular bill will be divisive because it recognizes a community of interest on the part of the members of one of the great religious denominations of the United States. Certainly that religion has never been divisive in our land. It is always to be found in the forefront of those who strive to advance freedom and liberty the world around.

So I feel profoundly that the argument made about the divisiveness of this proposal does not hold water, although I recognize the sincerity and genuineness of my good friend, the Senator from New Mexico [Mr. CHAVEZ], who advances it.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to me?

Mr. BALDWIN. I yield.

Mr. HICKENLOOPER. I think the Senator's reference to various groups having a common background which may march in a parade as distinctive groups is not at all appropriate to the discussion here. They march as distinctive groups simply because of voluntary action of their own choosing. It is one of the basic, fundamental principles of this country that we can choose our associates and we can make up our own groups on a voluntary basis.

But the issue now before the Senate is the question of lending to an organization a universal dignity and a universal power by means of a Federal charter, which in my opinion can do nothing but cause a cleavage in the localities where such an organization is set up. I submit that if the Federal Government were to grant a charter to the ex-servicemen of this Nation who are Protestants, and were to say that a Catholic could not belong to that organization, if thereafter that organization came into my town with paid organizers and with all the emotional sales appeal that goes with such organizational drives, there would be a cleavage that could not be lived down.

I do not wish to see an organization of that kind established. I do not wish to see the Federal Government begin such splitting and cleavage by means of the granting of a Federal charter to such organizations—which, as I have said, should have only service to our country as their basis for membership.

Mr. President, I feel very deeply about this matter. As I stated a moment ago, I am as much opposed to the granting of Federal charters to organizations to which I belong that have some specialized background, as I am to the granting of such charters to any other organizations of that type. I think it is a dangerous precedent. I think it goes to the fundamentals of democratic procedure in the United States.

I feel that a grave mistake would be made if we were to open this gate to specialized groups, by means of the bill the Senator from Connecticut has been discussing. Entirely aside from the fact that probably the organization would not want me as a member, anyway, I could not belong to it because I am not a member of the Catholic church. But I would fight the chartering of any group of the members of my church who formerly had served their country in time of war.

I feel that precedent is a dangerous thing. A camel which gets its nose under the tent may eventually occupy the entire tent. There is no more reason in the world for granting a special charter on the part of the Federal Government to the Catholic War Veterans or to the Jewish War Veterans or to any other group of that kind than there is for the granting of such a charter to a group of Protestant War Veterans, and I certainly would fight to the last ditch the granting of a charter to such a group. There is just as much justification for one as for the other; but it will be an evil that this country cannot live down, in respect to service organizations, if such a move is permitted to start and if more and more organizations which come to the Congress for the purpose of obtaining special Federal charters do not have as their real qualification for membership service to our common country.

Mr. President, I have friends in all these groups. I have attended, for instance, a great many meetings of Jewish members of the American Legion who have their own posts on a voluntary basis. They do a great deal of good. Such organizations that I know in various communities do a great deal of good and I have great respect for them. But they are voluntary organizations which use what they believe to be their own specialized methods of rendering help in their own communities. Certainly they do a great deal of good. I know some American Legion posts that are composed for the most part of Catholic boys; but they belong to the basic organization, and the basis of that organization is a community of service to their country.

Mr. President, I feel that the danger is great. I feel that we should consider well before we begin to start at the top, at the fountainhead of Federal power, if you please, to charter any of these organizations with specialized requirements.

I have great respect for the Senator from Connecticut. I know the universality of his consideration of the wishes of the people, and I think almost all other Members of the Senate give them the same basic consideration. But I am talking to the Senate today only on the basis of fundamental principles, and without prejudice either for or against any organization. I sincerely hope that I make that position clear.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska.

Mr. BALDWIN. Mr. President——

Mr. DONNELL. Mr. President, will the Senator yield to me?

Mr. BALDWIN. I yield.

Mr. DONNELL. Shortly after the presentation by the Senator from Louisiana of his views respecting the applicability of the first amendment of the Constitution of the United States, I quoted from the case of Everson against the Board of Education of Ewing Township. In the course of quoting from that decision, I stated that there might be a further and later decision of the Supreme Court of the United States upon the establishment of religion portion of that amendment. In order merely that the RECORD may be complete, I desire it to show that there is one later case, namely, the case of People of the State of Illinois, ex rel., McCollum against the Board of Education of School District No. 71, docket No. 90, October term 1947, decided March 8, 1948, in which by far the greater portion of the excerpt I quoted from the Everson case is quoted in the majority opinion.

Mr. BALDWIN. I thank the distinguished Senator from Missouri.

Mr. TAYLOR. Mr. President, I am opposed to granting charters to organizations based on racial origin or religion. I think it is a very bad practice. I am deeply concerned because of the fact that at the last session of the Congress several charters were before the committees. The American Veterans Committee also requested a charter. The AVC is not basing its request for a charter upon the fact that it excludes anybody because of religion or for any other reason. It is simply an organization of veterans, open to all veterans. The Senate committee has failed to report the AVC charter for action on the Senate floor, despite the fact that at the time the AMVETS charter was voted upon I allowed it to pass because I was assured action would be taken later on the AVC charter. If I had not thought the AVC charter would be acted upon, if I had not been assured of that, I would have opposed the AMVETS charter, though not because I am opposed to the AMVETS.

I am in favor of letting anybody have an organization so long as it is not based on religion or racial origin. But the AVC charter has not been reported. I know why. Frankly, it is because the AVC is liberal. It is not radical. It fought the question of Communist infiltration in its convention. The more conservative branch of the organization won out. However, we are refusing to give them a charter because there is a little liberalism running through the organization. Treatment of this sort will of course result in the AVC probably being dominated eventually by leftwingers. There will be resentment because the organization has been refused a charter. Extremists will have good arguments to show that the Government gives no consideration to liberals of any kind or description. In fact, Mr. President, quite frankly, I think this is all part of the trend of this country toward fascism. I say that advisedly. I hope no one will suggest I am making that statement rashly and do not realize what I am saying.

I should like to say, Mr. President, that in a few moments I shall comment upon statements made upon the floor of the Senate by several Senators the day the President delivered his message requesting universal military training and a few other things. I criticized the President's message that day. Several Senators criticized me, among them the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Oregon [Mr. MORSE], the Senator from Florida [Mr. HOLLAND], the Senator from Indiana [Mr. CAPEHART], and the Senator from Kentucky [Mr. BARKLEY]. The Senator from Wisconsin [Mr. WILEY] criticized me very mildly. The Senator from Nebraska [Mr. WHERRY] criticized my remarks rather mildly. I intend to dwell upon these things and answer the criticisms which were directed at me on that day. I was not on the floor at the time. I am announcing what I shall do in a few moments for the benefit of anybody who may want to notify the Senators that I am going to answer their criticisms of me.

In the meantime, Mr. President, I should like to point to some of the Fascist trends in this country. Henry Wallace held a meeting last night in Evansville, Ind., I believe it was, and several hundred unfriendly people congregated. Evidently there was insufficient police protection for the meeting, and several new-party adherents were injured in the melee, among them Mr. Baldwin, our national director.

I was in California recently, and was asked to hold a meeting on the campus of the University of California, at Los Angeles and at Berkeley. Both meetings were held on short notice. Incidentally, both of them were held off the campus. Secretary Marshall had been there shortly before I was. He was received on the campus with all honors and permitted to expound his philosophy that the country should be militarized. I had about 3,000 students at the Los Angeles campus meeting, on 2 days' notice—off the campus, as I say, at the edge of it. Before I spoke, a resolution was presented against universal military training. A voice vote was requested. On a voice vote the division was close. Even those opposing the resolution and supporting militarization might have had the best of it, but when a show of hands was called for, the vote was at least 5 to 1 in favor of the resolution opposing military training. I think that shows the trend in this country toward the storm-trooper complex of Germany. Those who are for militarization have the press behind them. They know they will not be investigated as subversive by the FBI or the Thomas committee or any other committee. They are very brave. They are also boisterous. The citizens who want peace in the world, who oppose militarization, speak up like ordinary citizens. They are not afraid to speak up, in some instances, but they are not excessively vocal.

What happened in California was very significant to me, Mr. President. At Berkeley it was necessary to hold our meeting at the University of California, off the campus. Secretary Marshall had enjoyed the privileges of the Greek theater on the campus and had been introduced by high officials of the university. About 6,000 students attended his meeting, which was preceded by elaborate preparations and advertising. At my meeting, held at the gate, I had about 10,000 students.

Mr. President, I have just returned, as I said, from California. I have a brother there. He is a railroad engineer; a good citizen in every way possible. He is completely law abiding. He is a model man, I may say. He does not take an active part in politics. Yet, of late, his neighbors have been saying to him, "Paul, you are being investigated. They have been around to all of us, your neighbors, and they ask us whether you kick your dogs, whether you beat your wife, how you treat your kids, what you read, who comes to visit you, and all about it." There is no reason in the world why he should be investigated, Mr. President. He does not work for the Government. He is seeking no job from the Government. He is being investigated merely because he is a brother of GLEN TAYLOR, the Senator from Idaho, running as candidate for Vice President with Henry A. Wallace. It is a sad commentary on the state of affairs in America today. We are not far from a police state.

I have recently been in West Virginia helping to get our new party organization going. We had our State convention at Huntington. We had made arrangements for a rabbi to open one session and for a Protestant minister to open the other session, with prayer. The day before the convention the publisher of the

newspapers in Huntington, W. Va., who is the treasurer of the church in which the Protestant minister officiates, called our director in West Virginia and said, "Reverend Bromley is not going to deliver the invocation at your meeting." Our director said, "We have not been informed of this." The treasurer replied, "That is all right, you do not need to be informed by the reverend. I am telling you. He is not going to be there." And he was not there, Mr. President. The rabbi was not there, Mr. President, so that meeting was opened without prayer. Yet, Mr. President, we pick up newspapers and read editorials stating that the party is godless, that no prayers are delivered to open its meetings. It is kind of hard to open a meeting with prayer when people will not let a minister come and pray for our poor, benighted, Red-smeared souls.

The news has been very significant in the past 2 or 3 days, Mr. President. I have here a copy of the New York Times of Monday, April 5, containing, on the front page, a picture of a great military parade, and the caption "Italian armed strength on display in Rome."

Here is another caption in the New York Herald Tribune, together with a picture of the tanks in Rome. The caption says:

Italy made the greatest show of military might since the days of Mussolini.

Viva Il Duce!

Mr. President, I have stated in speeches, and I repeat now, that it is my sincere conviction that this country is moving into the shoes vacated by Adolf Hitler in a determination to carry on the war he started against Russia, to destroy communism because it is a threat to cartel and monoply domination of the world, not because it is a threat to democracy. Communism can never be a threat to true democracy, when the common people have rights, are not investigated by secret police, and have a chance to earn a decent living. But when monopoly and cartels take over, communism is a threat. When the people are oppressed, when the little people do not have any land, when it is all owned by the landlords and the cartelists, then communism is a threat, Mr. President, and, frankly, I think it is a well-deserved threat.

There is not much choice between communism and fascism, as Hitler practiced the latter in Germany. The last two wars were started by big-business men, cartelists, because they wanted to exploit the world. Our cartelists helped whip Hitler's boys. They did not have much heart for it, inasmuch as they had helped to advance them in power over there. Those fellows double-crossed our boys when they went west. They were supposed to go east and fight Russia; but they thought they would lick everyone. The cartelists and monopolists got very selfish and stingy. They broke agreements with each other across international lines. Our cartelists gave Hitler's caretlists military secrets after the war started. They have never been tried for it and never will be, because they are very influential gentlemen. Our cartelists have now taken over and are now determined to carry through the program started by their cartel friends in Germany. With that in mind, they are building up Germany as rapidly as they possibly can. The decartelization program has been called off. We originally had a decartelization program in Germany, started under President Roosevelt. I have talked to several people who were over there connected with the decartelization program. They came home in disgust. They said the bankers followed the troops in and they could not decartelize anything. Everything is now in good shape, after the people who wanted seriously to decartelize Germany got disgusted and were either kicked out or voluntarily bowed out and came home. Imagine who took over as head of decartelization in Germany?

We all know that our Secretary of National Defense is Mr. Forrestal, formerly of Dillon, Read & Co. In fact, last year his latest address in Who's Who was his Wall Street address. He says he severed connections with that company in 1940. The Secretary of the Army is Mr. Draper, who is also a Dillon-Read man. They had figured on running the ERP with another Dillon-Read vice president, but by quick action that has been forestalled, and Mr. Hoffman takes over. But Mr. Draper went over to Germany and takes up our decartelization program. Dillon, Read & Co. was instrumental in financing Hitler. Mr. Draper went over and put his son-in-law in as head of our decartelization program in Germany. The name of the son-in-law is, I think, Mr. Hawkins.

So Germany is going along fine. We are rebuilding the big families in Japan, setting them up in business again. We are forcing everyone all over the world to accept our guns while they plead for food. What happened recently in Czechoslovakia? Certainly the way we treated the Czechs might have had something to do with it. Masaryk asked for loans. We refused to give them because we were not sure they would be good investments. Czechoslovakia was too close to Russia. But Czechoslovakia has gone into the Russian orbit irrevocably, of course.

We have given the Turks many guns. They are a bloodthirsty people, or they have that reputation. When I was a lad I used to hear about the Turks killing Armenians. That is one of my earliest memories. I thought at that time they were the cruelest people in the world.

Recently I have read in the press that the Turks asked us if we would please give them something to eat once in a while, instead of giving them so many guns. They had more guns than they knew what to do with.

Our friends, the Italians, have asked us to take our warships out of Italian harbors. We had so many warships over there that the Italians said it would work against them in their election. They said, "Our people have a little pride. They like to feel that they are running their own country, and when we see your warships in the harbor it works a hardship."

We did take them out of sight, anyway. They are maneuvering off Greece at this time.

The situation with respect to Greece is one of the things in this world of which I am most ashamed. We are supporting, for all practical purposes, the same government which Adolf Hitler had in power. Recently we took a number of people out of jails in Greece. When I say "we," I do not mean that our men actually took those people by the arm and led them out. The Greeks let them out, but they could not have done it without our agreement, because we are certainly running Greece. They took those poor wretches out of jail, where they had been ever since Hitler's occupation, where they had been incarcerated for so-called crimes against Hitler's occupation. Instead of giving them medals and annuities, they were shot.

That is the kind of people we are supporting all over the world—reactionaries, outright Fascists. If we do not find them in business, we set them up in business. In China we are supporting Chiang, who is so corrupt that he takes the arms we send and sells a part of them to the Communists so that they can keep the revolution going, and in that way he can get more guns to keep it going. It is sort of a perpetual-motion proposition. But Congress voted the money without any argument, so the Communists will evidently get more arms to keep the revolution going along, and we will give them more money next year.

I recently had a speaking engagement in New York City. Frankly, I went there to address the Council of Soviet American Friendship. The Ambassador from Russia was to be there. They wanted some American to welcome him into this country. I knew that I was the only American who would welcome him, so I went there. Inasmuch as I am preaching that we should have good relations with Soviet Russia, it ill behooved me to refuse to go there, shake the gentleman's hand, and say, "We are glad to have you here, Panyushkin." The accent is on the "Pan." I learned that at the meeting. The Ambassador was the most open-faced "conspirator" I have ever seen, a very likable chap. I have seen several of these Russians, though I have not sought them out. I went to the dedication of the "Little White House" at Warm Springs, Ga., last year, and the Ambassador from Russia at that time was along—I have forgotten what his name was. He was a very nice gentleman. He did not have any whiskers; he did not wear boots and did not wear his shirt outside his pants. He was just an ordinary looking fellow, very pleasant. He had a young fellow along with him as his interpreter. I remember his name—Mar Shinko. He looks more like an American farm boy than any American farm boy I can think of. He was red faced, open faced, a very husky fellow, always grinning and sociable. He was along on this trip to Georgia.

I might add that in Georgia at the ceremonies, attended mostly by country people, Georgia people from around the neighborhood, from the community, the visiting dignitaries were introduced. I was introduced, Mr. President. Pardon

my saying that I was one of the dignitaries. The Russian Ambassador got the best hand among all those present, showing that the American people want to get along with Russia, if the politicians and the press would quit blowing up every disagreement, denouncing Russia with little or no provocation every time they possibly can.

So I went to New York to speak at this meeting, showing that I at least had no enmity against the Russian Ambassador. The Greek-Turkish proposal came up on the floor of the Senate that afternoon. I thought I could go to New York that afternoon without jeopardizing my position. I wanted to speak against the Greek-Turkish proposition. I opposed it in the first instance, when it called for the payment of $300,000,000, and 1 year later, as I remember, the Senator from Florida [Mr. PEPPER] asked the Senator from Michigan [Mr. VANDENBERG] how many guerrillas there were in Greece a year before that, before we spent the three hundred million. The Senator from Michigan said, "Thirteen thousand." The Senator from Florida said, "How many are there now?" The reply was, "Twenty-six thousand." It is very costly, paying for more guerrillas over there in Greece. Now we have thrown another two hundred and seventy-five million into the kitty, and there should be 250,000 guerrillas next year.

American newsmen returning from Greece recently told me there are Royalists in the hills helping the people we like to call Communists. The plain, honest-to-God fact is that they are not Communists, or some of them are not. Some of the leaders may be, but there are people of all shades of political opinion in the mountains of Greece, because they do not want a foreign government, whether it is Adolf Hitler or one inspired by our cartelists. I am told there are Royalists in the mountains because they want a government, but want to run their own country, do not want anybody from outside telling them how to do it.

I thought it would take a week or 10 days to debate the Greek-Turkish loan. It took that long last year. But it was brought up on the floor of the Senate and passed in 3 hours, without even a record vote—and that takes only a show of hands of one-fifth of those present.

So we are heading very rapidly toward total militarization, and, of course, militarization feeds upon itself. The more generals we get the more militarization they want, and the more militarization we get the more generals we get. So it is just a thing which keeps on growing like a cancer, and we are headed in that direction.

Mr. President, here is another little item from the newspaper:

Chiang quitting Presidency to lead holy war.

Of course, Mr. Chiang Kai-shek is not the first person in the world who has wanted to lead a holy war against Russia. It is a well-known fact that there are certain people who want to lead a holy war against Russians. That is one of the principal reasons why we are heading in that direction so fast.

There is another little news item I wish to mention. The heading is "Soviet curtailing shipping to Iran."

In other words, they are doing something bad again. But in the article it is said:

The Iranian press launched today a spate of complaints over the American missions, saying they were not really doing any good to Iran and might get Iran into trouble with the Russians.

There we are, Mr. President, over in Iran, right next door to Russia, with the oil, and the Iranians do not want us there. But they know it is no good to appeal to the United Nations, as they did when Russia was in there and the Russians went home immediately, as soon as it was turned over to the United Nations. But it does not do any good to turn it over to them when we are in there, because we own the United Nations—lock, stock, and barrel. It is a thing we are using in our power-politics struggle with the Soviet Union.

I think that the way the news is developing these days, it might be a good idea if each morning during the lunch hour I should give an analysis of the news from a Senator's point of view. We hear all sorts of analyses of the news, by different ones, but I think perhaps we will start that. I tried with other Senators to arrange for a lunch period so that Senators could eat without missing anything, and inasmuch as my commentary would not be directed toward Senators, but toward people who read the CONGRESSIONAL RECORD, that would provide a good lunch hour. Senators could eat while I delivered an analysis of the news and showed how we were being led toward war.

I now want to comment on what happened on the floor of the Senate the day the President delivered his "Let's go to war" message. I came back to the floor of the Senate. The Senate was waiting to adjourn. I got the floor and talked for several minutes about the President's message. I did not say he was disloyal. I did not question that he meant what he said, I did not question his motives. I did question that he knew what he was talking about. I left the floor immediately I had finished. I thought the Senate was going to adjourn. But several Senators took me to task, not for anything I had said, but because I had said it, because I had the temerity to question the President's message. One should just never mention it. Of course, it is all right for the senior Senator from Ohio [Mr. TAFT] to question it, but, after all, I am running with Henry Wallace. I may say that I was not on the floor, and I did not know I was going to get this opportunity to speak today, and when I did, I notified the Senators, a moment ago, that I was going to mention these things. If the Senators are on the floor, that is all right. If not, they are no worse off than I was when they criticized me.

The junior Senator from Massachusetts [Mr. SALTONSTALL] took me to task first. He said:

Mr. President, whether we are Republicans or Democrats we listened to President Truman who spoke as a United States citizen in behalf of the United States and its security. I am not sure for whom the Senator from Idaho [Mr. TAYLOR] was speaking when he made his speech a moment ago.

Mr. President, I could assure the Senator from Massachusetts, if he were now present, that I was not speaking for the blue-blooded aristocracy of Massachusetts, I was speaking for the red-blooded people of America who do not want war, who want to love their fellow men and live at peace in this world.

Nor was I speaking for our cartelists. I was speaking in behalf of the small-business men of America. They are in a desperate plight right now. Credit is being tightened up. Many of them are going to be forced out of business. The RFC can give a billion dollars to get the ERP rolling, but it cannot give a few million dollars to Henry Kaiser to build a rolling mill on the coast so that we can have some steel, so that small-business men in that area can have some rolled steel to help break the monopoly of United States Steel. We cannot have any money for those things, but we can have money to build up armed forces in Europe. And rest assured, that is what most of it will be used for. The Greek movement started out as "bread and guns," and finally turned into "guns and bread," and it is not possible to find any bread, there are so many guns around. So much for the Sentor from Massachusetts. He questioned my loyalty. That is all right; I do not question his.

The next Senator to take over that day was the Senator from Oregon [Mr. MORSE], who has been appointed hatchet boy by the Republicans to take me on every time I open my mouth, because when some reactionary Senator would get up and call me a Communist it would not stick very well. But the Senator from Oregon has a reputation for being a liberal, so if he uses the ax on me it is painful, it hurts. He really can do a better job than any other Senator on the other side of the aisle. I was disappointed that the Senator from Oregon would do such a thing, but my suspicious were aroused a long time ago, when, in the last campaign he supported reactionaries who now occupy seats in the Senate Chamber, who never vote with the Senator fron. Oregon, but always vote against everything he is for. I wonder how the Senator from Oregon feels when he sees his ill-begotten offspring jump up and cut him down in that way.

When I delivered my speech on the ERP, which lasted one afternoon and went over until the next day, the Senator from Oregon was not present. He returned a few days later and criticized me on the floor of the Senate. He did not criticize anything I said. He simply said that he had read the speech. In the first place, Mr. President, we all know that when a Senator is away and returns to the Senate he does not read all the speeches which were delivered while he was away, unless someone tells him to read some speech for a specific reason.

Of course, the reason the Senator from Oregon read my speech was that he was the hatchet boy. He had to find out

what I said. He got up on the floor of the Senate and said he did not think the Senator from Idaho was a Communist; that he would not say it if he thought so. Well, now, that is a fine way to say he is a Communist, is it not, Mr. President? That was very clever of him. Then he went on to say that my speech could not have been more pro-Russian if it had been written by the Kremlin. But, as I said, he did not mention one thing I had said. I would be perfectly happy to take the speech I delivered on ERP and debate it, paragraph by paragraph, with the Senator from Oregon any time he wants to do so—any time there is time.

Let us see what the Senator from Oregon had to say: He said:

Do we intend to carry out the meanings of American democracy, based upon the right of the individual to political and personal freedom, or do we mean only to profess the human rights of democracy and not see to it that they are put into practice wherever there is an attempt to trample them under totalitarianism?

I wish the Senator from Oregon were present to make answer.

Mr. IVES. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. IVES. Will the Senator from Idaho desist in his remarks regarding the Senator from Oregon while the junior Senator from New York sees if he can find him?

Mr. TAYLOR. Yes. Go find him. I announced a while ago——

Mr. IVES. It is rather unfortunate that the Senator from Oregon is not on the floor while the Senator from Idaho is speaking of him.

Mr. TAYLOR. Yes; and I will say that I was not present when the Senator from Oregon criticized me, either.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. BALDWIN. I should ask the same privilege for the distinguished Senator from Massachusetts [Mr. SALTONSTALL], who is now under attack by the Senator from Idaho. He is now attending a very important meeting of the Armed Services Committee. That is why he is not present on the floor.

Mr. TAYLOR. I did not attack him. I did not question his loyalty. I specifically said I did not question his loyalty. I simply said what I had to say, and I said I was sorry he was not present.

I will point out again that at the time these statements were made about me I was not on the floor, and no one took the trouble to announce that anyone was publicly going to attack me so my friends could call me to the Senate Chamber. I announced some time ago that I was going to mention the statements made by the Senators on that occasion. Request has been made that I not mention the Senator from Oregon until he returns, after someone finds him.

We next come to the junior Senator from Florida [Mr. HOLLAND], who is on the floor. Let us see what he had to say. He said:

Mr. President, I wish to express my deep appreciation, as an American citizen, to the Senator from Massachusetts and the Senator from Oregon—

The list of speakers grew. As each one spoke more and more Senators jumped on me. The matter becomes kind of protracted down toward the last.

I continue to read what the Senator from Florida said:

who have so clearly spoken out in disapproval and repudiation of the sentiments expressed by the Senator from Idaho, who, unfortunately, sits on the same side of the Chamber where my own seat is found.

Mr. President, I shall return the compliment of the Senator from Florida and say that I am no happier at the situation existing than is the Senator from Florida. I quote further from what the Senator from Florida had to say:

I take this means, Mr. President, not only to express appreciation to the two real Americans who have spoken—and I suspect they speak for every Member on the other side of the Chamber—

I should not have quoted the remarks by the Senator from Florida respecting the Senator from Oregon. I am not supposed to mention the Senator from Oregon until he comes back.

The Senator from Florida continues:

but I take this first occasion to disassociate myself just as fully as it is possible to do so from what I regard as the overfriendly expressions toward an ideology in government which I do not think has the support or the friendliness of any Senator on this side of the Chamber save the Senator who spoke, the Senator from Idaho.

Mr. President, I wish to dissociate myself from the views of the Senator from Florida on the President's civil rights stand. I separated from the President because I do not want our country to go to war unnecessarily, and the Senator from Florida has deserted him because he is not in favor of equal rights for all our citizens. I am happy that I have my reasons.

So far as the Senator from Florida is concerned, I think it is as Americans who believe in American democracy—

Of course, I believe in democracy for everybody, Mr. President, black and white. I should like to make that statement now—

as Americans who believe in American democracy that we should receive that message—a difficult message to deliver.

I should not say it was a difficult message to deliver. It is not a difficult task to deliver a message like that. Any time one has a message like that to deliver, the press will give it headlines, blow it up, and hop it up. If Senators want to find something difficult to deliver, let them stand up and say that the Russians are human beings, and that they are not altogether to blame for the conditions existing in the world today. Then they will get into real difficulty, I can tell them.

The Senator from Florida continued:

It is a difficult path which he points out for us to follow. The message comes from the President of the United States, who himself is a great American—

I am sorry the Senator from Florida has reversed his stand since that time. He has decided that the President is unfit to serve as President of the United States any further—

and is entitled to have us, as true Americans, and not as apologists for a foreign and hateful ideology, receive his message at this time of great national and international crisis.

That is the end of the quotation I wish to make from the Senator from Florida.

Does anyone desire to call the Senator from Indiana [Mr. CAPEHART] to the floor? I am not going to be very tough on him. He comes next on the list. What did he say? I have high regard for the Senator from Indiana. I think he is one of the most sincere men on the Senate floor. I think he is mistaken in his views on a great many questions, but everyone is privileged to be honestly mistaken. All he had to say, that I will mention, was:

I cannot quite understand any person in the United States, regardless of who he may be or where he may come from, who is so short-sighted and who has so little vision that he is unable to see that the world today is divided on the issue of ideologies of government, and that sooner or later those two ideologies will clash.

Mr. President, of course that is an absolutely hopeless outlook. If we believe that sooner or later we must fight Russia, I say, by all means fight the Russians now, because they are not ready. They are unprepared to fight. Their country is devastated. They lost 20,000,000 men in the war. Their industrial potential is destroyed. If our country were equally devastated, it would be laid waste from Kansas City east—not from Kansas City west, but from Kansas City east. The Russians are in no position to fight. I do not believe they want to fight. I think we are in absolutely no danger of an attack from Russia for several years. I think they are convinced that they are in danger of attack from us, when they see the people who are gaining power in our country—the cartelists and their representatives, and the militarists. That is why they are pushing and pushing and trying to get everything they can peacefully, by infiltration. But I think they would be glad to call it off and live at peace with us if they had confidence that we wanted peace. That is my belief, and the assumption on which I proceed.

Of course, the Senator from Indiana takes the opposite view—that we must fight. I say that he is negligent in his duty to our country if he does not advocate that we fight right now, because if a fight is inevitable, now is the time to fight. I am not for it. I do not think it is inevitable, and I think we are in no danger of being attacked.

My good friend the Senator from Wisconsin [Mr. WILEY], to whom I pay my respects, did not say anything bad about me. However, he mentioned me, so I shall mention him. I want to reciprocate. What did he say?

I did not hear the remarks of the Senator from Idaho; but when the President of the United States comes to report to a joint session of the Senate and House he is acting within his constitutional purview.

Inasmuch as the Senator from Wisconsin did not hear my speech, I will say

to him that I did not question the President's right to deliver the message. That seems to be the only thing worrying the Senator fom Wisconsin. He seems to think that I did not want to let the President talk. I want to let everyone talk. I believe in democracy. I believe in freedom of speech.

Last year I was called by some liberal newspaper, the name of which I have forgotten, and was told, "Gerald L. K. Smith is going to speak in Washington. What have you to say about that?" The publishers of that newspaper knew that I had no sympathy with Mr. Smith and his views. They thought I might say, "We will look into this. We will not let Gerald speak." I said, "Let him speak. Let anyone speak. If I had my way, I would see that there was a public meeting place in every hamlet, town, village, and city in America, and that it was made available to anyone who wanted to talk about anything, so long as he did not violate the law of the land by advocating the overthrow of our Government by force or violence." Yes; I would be willing to let him speak, whether he was black or white, Mr. President.

My friend from Louisiana [Mr. ELLENDER] has just called my attention to the fact that the Senator from Oregon [Mr. MORSE] has returned to the Chamber. All I have been saying I can say to the Senator from Oregon. I have been criticizing his criticism of my criticism of the President's message, when he asked us to arm to the teeth and get ready to kill Russians, and one thing and another. The Senator from Oregon said this:

> Do we intend to carry out the meanings of American democracy based upon the right of the individual to political and personal freedom, or do we mean only to profess the human rights of democracy and not see to it that they are put into practice wherever there is an attempt to trample them under totalitarianism?

I do not know what relation that has to what I said, Mr. President, because I certainly did not advocate that the President should not be allowed to speak. I should like to ask the Senator from Oregon this question: Are we going to put democracy into effect over the world? Does he sincerely believe that we are supporting democracy in Greece and China? We have not joined Franco yet. We will, Mr. President. We will get Franco on our side shortly. The House was very honest about it. It came out openly and voted to bring Franco in; and I think that probably the Senate would have gone along, but the Senator from Michigan [Mr. VANDENBERG] was much too astute to let a blunder like that occur, or to let such a bald, indefensible situation develop. So we kicked Franco out and said, "We will ask Europe if it is desired to bring Franco into this program." We shall do that, Mr. President. We shall say, "Europe, do you want Franco in this thing?" Europe will say, "Oh, yes; we love Franco." Then we shall say, "See? We do not love Franco, but Europe does, and there is nothing we can do about it." We are pretty clever—a little too clever for our own good. If we were more honest and less clever, if we were more sincere, and quit doing things like shoving the partition of Palestine on to the United Nations, we would get along much better. When the Arabs got their dander up, and Standard Oil was endangered, then we reversed the entire policy. We do not want any more partition. Now we have written another plan, involving some kind of trusteeship. One cannot keep up with these things. We have written another plan. We did not ask the United Nations to write it. We wrote it, and called in the United Nations and said, "Here is a new plan. The other one did not work. Oil got in the works and spoiled it. Now, agree to this plan." There is some objection on the ground that we are making the United Nations appear simple; but they have it to do, because we have the money, and other folks in the world are pretty hard up.

Does the Senator from Oregon believe that we are supporting democracy when we do these things—when we tell the Italians that if they do not vote our way they can starve to death? Does the Senator from Oregon believe that that is in the tradition of democratic freedom?

Mr. MORSE. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. MORSE. I am very much interested in the address of the Senator from Idaho. When he lays down any premises which I think are of sufficient merit to warrant a reply, I shall reply. At this time I wish to say only that the question he has just asked contains the fallacy of an unproved premise, because it contains an assumption which the Senator from Idaho cannot support.

Mr. TAYLOR. Mr. President, if the Senator would talk in plain English, I might understand him. I suppose I shall have to let it go. He talked all around the subject and did not say anything, so far as I could understand him. Perhaps it is my ignorance that leaves me in the dark and accounts for my being on the side of the fence where I am on this great issue, believing in peace when everyone else is for guns.

Mr. President, I have something further to say about the Senator from Oregon. I was shut off awhile ago when he was not present. I pointed out that when he made his talk he indicated that he had read my speech in the RECORD. That is very flattering. No one ever reads a speech in the RECORD unless there is some very good reason. I was convinced that the Senator from Oregon had been appointed hatchet man to chop me down every time I opened my mouth, brand me as a Communist, and one thing and another. So he read my speech. He did not criticize anything I had said. He simply stated that the speech could not have been more Red if it had been written in the Kremlin, and he very cleverly stated that he did not believe that I was a Communist and that he would not say so if he believed it. That is another statement something like the one he just made. It is neither "yes" nor "no" nor "maybe."

I remember when the Senator from Oregon delivered that little talk about my ERP speech. I have always had high regard for him. I know that he is a very highly educated man. He stood at his place in the Senate, leaned back against his desk, and closed his eyes. I thought he was asking Divine guidance for what he was about to say. But after the things he said, Mr. President, I am convinced that he is like an old fellow in the town where I was raised, Kooskia, Idaho. The name means "clear water" in the Nez Perce Indian language. It is a town of approximately 400 population. The village drunk was a drayman. The Women's Christian Temperance Union got after him. They worked on him and got him to reform and promise to quit drinking and attend church. Of course, a number of other promises were exacted from him. He could not swear any more. He was an expert at that. He liked it almost as much as he liked his liquor. I was going home from school one day when I saw this man, who was probably about 60 years of age and rather corpulent. He had unharnessed his team, and while he was not looking his horses took off, and they were swimming the river. There they were, swimming the river; and he was standing on the bank. If you ever heard anyone cuss, he was doing it, Mr. President. He was cussing, "You blankety-blank so-and-so's, if God will forgive me for saying such a thing; you so-and-so so-and-so's, if God will forgive me for saying such a thing." Mr. President, after every string of cuss words, he asked God to forgive him for saying such a thing.

I think that after the Senator from Oregon finished saying I was a Communist and that my speech could not have been better if it had been written in the Kremlin, he must have been looking up through the skylight in this Chamber and must have been saying to himself, "If God will forgive me for saying such a thing."

Mr. President, who else joined the parade that day? Among them was the Senator from Nebraska [Mr. WHERRY]. His only offense was that he was mistaken. He said this:

> Mr. President, before this session closes, I think I should make this brief statement.

You see, Mr. President, it is catching; all of them want to say something.

Then he said:

> I heard the remarks of the Senator from Idaho [Mr. TAYLOR]. It seems to me to be unusual at least to take out of a speech a word, as he did, the word "political"—and thereby attribute partisan politics to the effort being made by the Chief Executive of our Nation to accomplish peace.

Mr. President, the funny part of the thing is that the word "political" is not in the President's speech. So how could I take it out?

Let me read further from what the Senator from Nebraska said at that time.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. TAYLOR. Yes; I am always happy to yield to the Senator from Nebraska. He has helped me out many times.

Mr. WHERRY. Is that all the Senator is going to say about me?

Mr. TAYLOR. That is all I am going to say about the Senator from Nebraska. He is a pretty nice guy. [Laughter.]

Mr. President, the last Senator to criticize me was the Senator from Kentucky. He was in the Chamber when I began to speak today and when I said I was going to mention him. So if he has left now, he evidently wishes to ignore me. I do not blame him; that is good strategy.

But after all the rest of the boys had finished taking me apart, the Senator from Kentucky got up and said:

Mr. President, I regret that I had not returned from the Hall of the House of Representatives when the Senator from Idaho [Mr. TAYLOR] made his remarks. Therefore, I do not know what he said, and I cannot comment upon what he said. He must have said something he should not have said, to draw the comments upon his remarks which have been made here by Members of the Senate.

Mr. President, honest men may differ without attributing to others perfidious motives. Certainly that should be true in critical times like the ones through which we are passing.

I wish to express my appreciation to all the Senators.

I am reading from the remarks of the Senator from Kentucky who was thanking everyone for giving me the devil, although he did not hear what I said. Yet he was convinced, through some clairvoyant operation, that it was bad, and therefore he wanted to thank them. Mr. President, it will take me some time to read the names of all those he thanked, because the list had become quite long by that time:

The Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Indiana [Mr. CAPEHART] the Senator from Nebraska [Mr. WHERRY], the Senator from Florida [Mr. HOLLAND], the Senator from Oregon [Mr. MORSE], and the Senator from Wisconsin [Mr. WILEY], who have risen to the high position of giving credit to the Chief Executive of this Nation for his sincerity and, I may say, his courage in presenting a program such as that he laid before the Congress today.

Mr. President, I think that needs no comment.

I believe sincerely that this country is headed toward Fascism, when we see Mr. Wallace's meetings broken up, when we see that preachers were even refused permission to pray for our third party, when my brother is being investigated by the FBI or by the Thomas committee or some other group, and suspicion is cast upon him for no reason other than that he is my brother. Those things do not belong in America, and they are going to be changed.

I say for my third party that we can get responsible citizens to come to our meetings if we hold them in back rooms of restaurants somewhere, where they can sneak up an alley to attend the meetings, and if we give our word that their names will not appear in the press. Under those circumstances, they will attend and will contribute financially; but they are afraid to be publicly associated with us because of the Red smear and other activities of that sort that are going on in this country. So there are a great many people who are afraid to attend our meetings.

However, I think there is so much resentment against this ruthless drive toward war, and it is becoming so apparent that it is not for the purpose of promoting American democracy, but is for the purpose of exploiting peoples all over the world, and the people are becoming so fed up with it, that, come election day, they will put a mark on the ballot so hard that they will clearly indicate their resentment against this march toward fascism.

Mr. WHERRY. Mr. President, I should like to make a brief observation in regard to the remarks which have just been made by the Senator from Idaho.

I wish to commend much of what he said. I wish it to be known that this occasion is a complete demonstration that a Senator of the United States can rise on the floor of the United States Senate and say what he pleases, and that any individual American can say whatever he pleases, in speaking from a platform anywhere in the United States, the land of free speech—free speech in a free America. In our considerations and deliberations in the years to come, it is my hope and prayer that we can always keep this a land of opportunity and a land of freedom where one can express himself as he chooses, as has been done by the Senator from Idaho this afternoon.

This Nation is confronted with the question of whether it shall have imposed upon it a totalitarian ideology which is in direct contradiction of the freedoms that have been established in our country by those who believe in those fundamental principles.

I simply wish to comment on the golden opportunity that is presented to all of us in the United States to express ourselves as we please. That cannot be done in any other nation of the world today in the same terms as those which have been used by the Senator from Idaho in expressing his opinion. That cannot be done in Russia or in many other countries; but it can be done in the United States of America. That is why the United States is a great country. Let us keep it a country that is free—with freedom of speech, freedom of religion, freedom in the seats of government. Let us not ape Communist Russia or even think of supplanting our Government with a government like that.

Mr. CHAVEZ. Mr. President, I agree with everything the Senator from Nebraska has said, and I agree with him that we wish to maintain in the United States the freedoms he has mentioned. That is one of the reasons why I am opposed to the pending motion to have the Senate consider the bill to incorporate the Catholic War Veterans. We wish to keep the United States true to the American tradition and the American ideology.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. IVES in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Chavez	Hawkes
Baldwin	Cooper	Hayden
Ball	Cordon	Hickenlooper
Barkley	Donnell	Hill
Brewster	Downey	Hoey
Bridges	Dworshak	Holland
Brooks	Ecton	Ives
Byrd	Ellender	Jenner
Capehart	Ferguson	Johnson, Colo.
Capper	Gurney	Johnston, S. C.
Kem	Myers	Taylor
Knowland	O'Conor	Thomas, Okla.
Lodge	O'Mahoney	Thomas, Utah
McCarran	Overton	Thye
McClellan	Pepper	Vandenberg
McFarland	Revercomb	Watkins
McKellar	Robertson, Va.	Wherry
McMahon	Russell	Wiley
Martin	Saltonstall	Williams
Millikin	Smith	Young
Morse	Stennis	

The PRESIDING OFFICER. Sixty-two Senators having responded to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. ORVILLE ZIMMERMAN, late a Representative from the State of Missouri, and transmitted the resolutions of the House thereon.

INCORPORATION OF CATHOLIC WAR VETERANS

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska [Mr. WHERRY].

Mr. CHAVEZ. Mr. President, I have one brief remark to make. I have stated heretofore what I thought would happen if we should pass this type of legislation. I want to call the attention of the Senate to what we may expect in the future. I have in my hand an article from today's Washington Star, headed "Veterans against draft." It is a letter to the editor of the Star, reading as follows:

VETERANS AGAINST DRAFT

To the EDITOR OF THE STAR:

It is a generally accepted theory that all veterans' groups favor universal military training because of the publicity that the American Legion got in the newspapers when its national commander appeared before the Armed Services Committee of the Senate; but this is not correct. The Protestant War Veterans of the United States, Inc., is on record as being against not only universal military training but against a military draft of any kind.

As far back as February 1947 we were informing the heads of the Army, Navy, Marine and Air Corps, as well as the various veterans' organizations, that we were going to fight against universal military training. We felt then, as we do now, that the greatest army in the world is a citizens' army.

What gives these internationalists the idea that we must adopt the European military caste system, which we Americans hate and despise, in order to combat the political and economic ideology of communism?

GEORGE H. THOMPSON,
Protestant War Veterans.

Mr. CHAVEZ. The point I am trying to make is not that I agree or disagree with the contents of that letter, but that if the Catholic War Veterans can organize and receive a charter from the Congress, there is no particular reason why Protestant War Veterans cannot also receive a charter. We would start the ball rolling and could not stop it. It is all against the interests of the country.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska.

Mr. BALDWIN and other Senators requested the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Chair will state the question again for the information of the Senate.

The question is on agreeing to the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to the consideration of Senate bill 1557 to incorporate the Catholic War Veterans of the United States of America.

The clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate on official committee business.

The Senator from North Dakota [Mr. LANGER] and the Senator from Maine [Mr. WHITE] are absent because of illness.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Wisconsin [Mr. MCCARTHY] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Iowa [Mr. WILSON] are detained on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from Delaware [Mr. BUCK], the Senator from Vermont [Mr. FLANDERS], the Senator from Kansas [Mr. REED], the Senator from Wyoming [Mr. ROBERTSON], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Wisconsin [Mr. WILEY] are detained on official committee business. If present and voting, the Senator from Wisconsin [Mr. WILEY] would vote "yea."

The Senator from Nevada [Mr. MALONE] is absent on official business.

Mr. HILL. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from South Carolina [Mr. MAYBANK] are absent on official committee business.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness in his family.

The Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate.

The Senator from Rhode Island [Mr. GREEN] is absent on official business.

The Senator from Texas [Mr. CONNALLY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Texas [Mr. O'DANIEL], the Senator from Illinois [Mr. LUCAS], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The result was announced—yeas 33, nays 27, as follows:

YEAS—33

Baldwin	Brewster	Capper
Ball	Bridges	Donnell
Barkley	Brooks	Downey
Ellender	Knowland	Robertson, Va.
Ferguson	Lodge	Saltonstall
Gurney	McCarran	Smith
Hill	McMahon	Thomas, Utah
Ives	Morse	Thye
Jenner	Myers	Vandenberg
Johnson, Colo.	Pepper	Wherry
Kem	Revercomb	Young

NAYS—27

Aiken	Hickenlooper	O'Conor
Byrd	Hoey	O'Mahoney
Chavez	Holland	Overton
Cooper	Johnston, S. C.	Russell
Cordon	McClellan	Stennis
Dworshak	McFarland	Taylor
Ecton	McKellar	Thomas, Okla.
Hawkes	Martin	Watkins
Hayden	Millikin	Williams

NOT VOTING—36

Bricker	Hatch	Reed
Buck	Kilgore	Robertson, Wyo.
Bushfield	Langer	Sparkman
Butler	Lucas	Stewart
Cain	McCarthy	Taft
Capehart	McGrath	Tobey
Connally	Magnuson	Tydings
Eastland	Malone	Umstead
Flanders	Maybank	Wagner
Fulbright	Moore	White
George	Murray	Wiley
Green	O'Daniel	Wilson

So Mr. WHERRY's motion was agreed to, and the Senate proceeded to consider the bill (S. 1557) to incorporate the Catholic War Veterans of the United States of America, which had been reported from the Committee on the Judiciary with amendments.

The PRESIDING OFFICER. The clerk will proceed to state the amendments of the committee.

The first amendment of the committee was in section 1, on page 5, line 3, after the word "persons", to strike out "as may be chosen", so as to make the section read:

Be it enacted, etc., That the following persons, to wit: Alfred L. Sachs, 502 Fifth Avenue East, Cullman, Ala.; Harry J. Dunham, care of St. Mary's Church, Phoenix, Ariz.; Thomas B. Newton, 811 Dennison Street, Little Rock, Ark.; Royal Handols, 130 Montgomery Street, San Francisco, Calif.; James Fielding, 446 Stratfield Road, Bridgeport, Conn.; Rev. Edward J. Higgins, 21–47 Twenty-ninth Street, Astoria, N. Y.; Rev. Leo W. Gildea, 1510 Penn Avenue, Scranton, Pa.; Joseph Dernessa, 606 Spruce Street, Wilmington, Del.; F. G. Baca, post-office box 1212, Flagstaff, Ariz.; Jerome Farrell, 2217 Fairfield Avenue, Hollywood, Calif.; Gordon Hunt, 2111 Main Street, Little Rock, Ark.; John P. Greblunas, 695 North Riverside Street, Waterbury, Conn.; Thomas Walsh, 1605 Hone Avenue, Bronx, N. Y.; Charles Pike, Pine Ridge, S. Dak.; Fred G Baugh, room 406, Baltimore & Ohio Building, Baltimore, Md.; Edward Punte, 1422 Stapler Place, Wilmington, Del.; Max H. Sorensen, 4616 Leiper Street, Philadelphia, Pa.; William J. Moynahan, 2344 West Touhy Avenue, Chicago, Ill.; Edward T. McCaffrey, 815 Crotona Park North, Bronx, N. Y.; John Carlton James, 1103 Lamar Street, Lafayette, La.; Patrick Caldwell, route 1, box 359, Kansas City, Kans.; John C. Morenc, 112 South Laurel Street, South Bend, Ind.; Wencel Hetman, 3615 North Harding Street, Chicago, Ill.; John F. Robinson, 10 North Main Street, West Hartford, Conn.; Patrick J. Lewis, 107 Henry Street, New Iberia, La.; Patrick Hellse, Beattie, Kans.; John M. Dealy, 21–77 Twenty-eighth Street, Astoria, N. Y.; Stephen Fenning, 1405 Magee Avenue, Philadelphia, Pa.; Daniel J. Herlihy, 158–18 Cryder's Lane, Beechhurst, N. Y.; Richard J. McManus, 14823 Alger Road, Cleveland, Ohio; W. T. Thomas, 421 North Detroit Street, Tulsa, Okla.; James Kelly, Windy Corners, Newton Square, Pa.; Frank W. Hayes, 1714 Williamsbridge Road, Bronx, N. Y.; Norberto C. Padilla, 822 Allendale Street, Santa Fe, N. Mex.; John Devereaux, 6234 South Green Street, Chicago, Ill.; Harry Grimmer, 4 Mason Street, Hammond, Ind.; Henry C. Evans, 6 South Calvert Street, Baltimore, Md.; Bernard J. Boris, 12 Raymond Street, Worcester, Mass.; Richard G. Hogan, 2411 Greenmount Avenue, Baltimore, Md.; Nicholas Wagener, 17333 Warrington Drive, Detroit, Mich.; Edward D. Sottile, 132 Appleton Avenue, Pittsfield, Mass.; Joseph F. Reilly, 19 Dongan Place, New York, N. Y.; Frank Pinola, 85 James Street, Kingston, Pa.; Clyde Wilson, 1406 Holly Street, Austin, Tex.; Henry Dieringer, 3119 Southeast Forty-third Street, Portland, Oreg.; Neil D. O'Donnell, 372 East First South, Salt Lake City, Utah; Ruth E. Manning 80–09 Thirty-fifth Avenue, Jackson Heights, N. Y.; Philip O'Brien, Prince Hotel, Bismarck, N. Dak.; Albert Rathgeber, 156 Kollogg Park, Portland, Oreg.; John J. Maher, 18265 Warrington Drive, Detroit, Mich.; Frederick J. Roy, 9137 Sligo Creek Parkway, Silver Spring, Md.; Leander F. Ross, Sauk Rapids, Minn.; John Lorden O'Sullivan, 22 Warner Plaza, Kansas City, Mo.; David Vail, 2320 E Street, Omaha, Nebr.; Joseph Sandkamp, Waite Park, Minn.; James A. LaRue, 716 West Roma Avenue, Albuquerque, N. Mex.; Dr. Thomas E. Purcell, 5421 Tracy, Kansas City, Mo.; G. C. Burns, 5021 South Thirty-seventh Street, Omaha, Nebr.; Thomas P. Cox, Jr., 2636 Madison Avenue, Kansas City, Md.; Anthony Forbes, 180 Central Park South, New York, N. Y.; Noble Poindexter, 4700 Depew Avenue, Austin, Tex.; Joseph G. Vayda, 450 Avenue E, Bayonne, N. J.; Salem T. Sanyour, post-office box 2025, Richmond, Va.; Stephen H. Huza, 603 North Naches Street, Yakima, Wash.; Edward J. Dwyer, 43 Cliff Street, Newark, N. J.; John B. Kirsch, 1309 Dexter Avenue, Seattle, Wash.; Theodore J. Higgins, 4350 North Henderson Road, Arlington, Va.; William Lundy, 1229 West Lawrence Street, Appleton, Wis.; H. L. Hegner, 609 Charles Street, Wellsburg, W. Va.; Archie Brand, 226 Kentucky Avenue SE., Washington, D. C.; Peter J. Cilone, Jr., Lower Main Street, Follansbee, W. Va.; Leonard Meyer, 1203 West Oklahoma Avenue, Appleton, Wis.; Edward Spedden, 2412 Chain Bridge Road NW., Washington, D. C.; Frank J. Manley, 662 Magenta Street, Bronx, N. Y.; Aloysius Stoegbauer, 2 Sherman Street, Appleton, Wis.; Joseph Ward, 243 Forty-sixth Street, Union City, N. J.; Fred Saefke, Fargo, N. Dak.; and such persons who are members of Catholic War Veterans, a patriotic society incorporated under the laws of the State of New York, of Catholic veterans having served in a war or campaign, as a member of the armed forces of the United States of America, and their successors, are hereby created and declared to be a body corporate.

The amendment was agreed to.

The next amendment was, on page 5, after line 11, to insert a new section, as follows:

SEC. 4. Any American citizen of the Roman Catholic faith, who was regularly enlisted, inducted, or commissioned, and who was accepted for, or was on, active duty in the Army, Navy, Marine Corps, or Coast Guard of the United States during any war, campaign, or expedition recognized by the Congress, shall be eligible for membership in the Catholic War Veterans of the United States of America: *Provided, however*, That no person the service of whom with the armed forces has terminated shall be eligible to membership unless such termination was by honorable discharge or honorable separation.

The amendment was agreed to.

The next amendment was, on page 7, line 14, after the word "officers" and the period, to insert "Each duly accredited delegate to an annual convention shall have one vote in the conduct of the business of the convention. In the conduct of official business of any local post or

chapter, each member shall have one vote," so as to make the section read:

SEC. 7. Members of the corporation shall have representation through duly accredited delegates at any annual convention and through such participation shall exercise control over the directors, officers, and affairs of the corporation, including all powers and authority which may be generally or specifically delegated by the membership in convention assembled to such directors and officers. Each duly accredited delegate to an annual convention shall have one vote in the conduct of the business of the convention. In the conduct of official business of any local post or chapter, each member shall have one vote.

The amendment was agreed to.

The next amendment was, on page 10, after line 6, to strike out section 15, as follows:

SEC. 15. (a) The financial transactions shall be audited annually by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositors, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than January 15 of each year. The report shall set forth the scope of the audit and shall include a vertification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds.

The amendment was agreed to.

The next amendment was, in section 16, page 11, line 6, after the words "consisting of", to strike out "the" and insert "Rev. Edward J. Higgins"; and on line 19, after the word "the", to insert "above-named", so as to make the section read:

SEC. 16. The officers of the corporation shall be nineteen in number consisting of Rev. Edward J. Higgins, founder, a national chaplain, a national commander, three national vice commanders, an adjutant general, a national treasurer, a national welfare officer, a national medical officer, a national officer of the day, a national historian, a national judge advocate, and six national trustees. All said officers, except the founder, the national chaplain, and the adjutant general, shall be respectively elected by not less than a majority vote of all votes cast for a respective office by duly accredited delegates assembled in annual national convention representing the membership of the corporation. All said elective officers shall be elected annually except said trustees may be elected for 3-year terms. The above-named founder may hold office for life. The national chaplain may be elected by majority vote of the said elective officers. The adjutant general may be appointed by the national commander. All the aforesaid officers by virture of their office shall compose the board of directors of the corporation.

The amendment was agreed to.

The next amendment was, on page 13, to insert a new section, as follows:

SEC. 22. The corporation may acquire any or all of the assets of the existing organization known as the Catholic War Veterans of the United States of America upon discharging or providing for the payment and discharge of all of its liabilities; and shall promptly file with the Congress full information with respect to such discharge of provision.

The amendment was agreed to.

The next amendment was, on page 13, after line 6, to insert a new section, as follows:

SEC. 23. As a condition precedent to the exercise of any power or privilege herein granted or conferred, the Catholic War Veterans of the United States of America shall file in the office of the secretary of state of each State in which subdivisions, chapters, or posts may be organized, the name and address of an authorized agent in such State upon whom legal process or demands against the corporation may be served.

The amendment was agreed to.

The next amendment was, on page 13, after line 14, to insert a new section, as follows:

SEC. 24. Such provisions, privileges, and prerogatives as have been granted theretofore to other national veterans' organizations by virtue of their being incorporated by Congress are hereby granted and shall accrue to the Catholic War Veterans of the United States of America.

The amendment was agreed to.

Mr. BALDWIN. Mr. President, I ask unanimous consent that the section numbers be changed to correspond to the text of the bill as amended.

The PRESIDING OFFICER. Is there objection?

There being no objection, the section numbers were ordered to be amended, so as to make the bill read:

Be it enacted, etc., That the following persons, to wit: Alfred L. Sachs, 502 Fifth Avenue, East, Cullman, Ala.; Harry J. Dunham, care of St. Mary's Church, Phoenix, Ariz.; Thomas B. Newton, 811 Dennison Street, Little Rock, Ark.; Royal Handlos, 130 Montgomery Street, San Francisco, Calif.; James Fielding, 446 Stratfield Road, Bridgeport, Conn.; Rev. Edward J. Higgins, 21–47 Twenty-ninth Street, Astoria, N. Y.; Rev. Leo W. Gildea, 1510 Penn Avenue, Scranton, Pa.; Joseph Dernessa, 606 Spruce Street, Wilmington, Del.; F. G. Baca, post-office box 1212, Flagstaff, Ariz.; Jerome Farrell, 2217 Fairfield Avenue, Hollywood, Calif.; Gordon Hunt, 2111 Main Street, Little Rock, Ark.; John P. Greblunas, 695 North Riverside Street, Waterbury, Conn.; Thomas Walsh, 1605 Home Avenue, Bronx, N. Y.; Charles Pike, Pine Ridge, S. Dak.; Fred G. Baugh, room 406, Baltimore & Ohio Building, Baltimore, Md.; Edward Punte, 1422 Stapler Place, Wilmington, Del.; Max H. Sorensen, 4616 Leiper Street, Philadelphia, Pa.; William J. Moynahan, 2344 West Touhy Avenue, Chicago, Ill.; Edward T. McCaffrey, 815 Crotona Park North, Bronx, N. Y.; John Carlton James, 1103 Lamar Street, Lafayette, La.; Patrick Caldwell, route 1, box 359, Kansas City, Kans.; John C. Morenc, 112 South Laurel Street, South Bend, Ind.; Wencel Hetman, 3615 North Harding Street, Chicago, Ill.; John F. Robinson, 10 North Main Street, West Hartford, Conn.; Patrick J. Lewis, 107 Henry Street, New Iberia, La.; Patrick Hellse, Beattie, Kans.; John M. Dealy, 21–77 Twenty-eighth Street, Astoria, N. Y.; Stephen Fenning, 1405 Magee Ave., Philadelphia, Pa.; Daniel J. Herlihy, 158–18 Cryder's Lane, Beechhurst, N. Y.; Richard J. McManus, 14823 Alger Road, Cleveland, Ohio; W. T. Thomas, 421 North Detroit Street, Tulsa, Okla.; James Kelly, Windy Corners, Newton Square, Pa.; Frank W. Hayes, 1714 Williamsbridge Road, Bronx, N. Y.; Norberto C. Padilla, 822 Allendale Street, Santa Fe, N. Mex.; John Devereaux, 6234 South Green Street, Chicago, Ill.; Harry Grimmer, 4 Mason Street, Hammond, Ind.; Henry C. Evans, 6 South Calvert Street, Baltimore, Md.; Bernard J. Boris, 12 Raymond Street, Worcester, Mass.; Richard G. Hogan, 2411 Greenmount Avenue, Baltimore, Md.; Nicholas Wagener, 17333 Warrington Drive, Detroit, Mich.; Edward D. Sottile, 132 Appleton Avenue, Pittsfield, Mass.; Joseph F. Reilly, 19 Dongan Place, New York, N. Y.; Frank Pinola, 85 James Street, Kingston, Pa.; Clyde Wilson, 1406 Holly Street, Austin, Tex.; Henry Dieringer, 3119 Southeast Forty-third Street, Portland, Oreg.; Neil D. O'Donnell, 372 East First South, Salt Lake City, Utah; Ruth E. Manning, 80–09 Thirty-fifth Avenue, Jackson Heights, N. Y.; Philip O'Brien, Prince Hotel, Bismarck, N. Dak.; Albert Rathgeber, 156 Kollogg Park, Portland, Oreg.; John J. Maher, 18265 Warrington Drive, Detroit, Mich.; Frederick J. Roy, 9137 Sligo Creek Parkway, Silver Spring, Md.; Leander F. Ross, Sauk Rapids, Minn.; John Lorden O'Sullivan, 22 Warner Plaza, Kansas City, Mo.; David Vail, 2320 E Street, Omaha, Nebr.; Joseph Sandkamp, Waite Park, Minn.; James A. LaRue, 716 West Roma Avenue, Albuquerque, N. Mex.; Dr. Thomas E. Purcell, 5421 Tracy, Kansas City, Mo.; G. C. Burns, 5021 South Thirty-seventh Street, Omaha, Nebr.; Thomas P. Cox, Jr., 2636 Madison Avenue, Kansas City, Mo.; Anthony Forbes, 180 Central Park South, New York, N. Y.; Noble Poindexter, 4700 Depew Ave., Austin, Tex.; Joseph G. Vayda, 450 Avenue E, Bayonne, N. J.; Salem T. Sanyour, post-office box 2055, Richmond, Va.; Stephen H. Huza, 603 North Naches Street, Yakima, Wash.; Edward J. Dwyer, 43 Cliff Street, Newark, N. J.; John B. Kirsch, 1309 Dexter Avenue, Seattle, Wash.; Theodore J. Higgins, 4350 North Henderson Road, Arlington, Va.; William Lundy, 1229 West Lawrence Street, Appleton, Wis.; H. L. Hegner, 609 Charles Street, Wellsburg, W. Va.; Archie Brand, 226 Kentucky Avenue SE., Washington, D. C.; Peter J. Cilone, Jr., Lower Main Street, Follansbee, W. Va.; Leonard Meyer, 1203 West Oklahoma Avenue, Appleton, Wis.; Edward Spedden, 2412 Chain Bridge Road NW., Washington, D. C.; Frank J. Manley, 662 Magenta Street, Bronx, N. Y.; Aloysius Stoegbauer, 2 Sherman Street, Appleton, Wis.; Joseph Ward, 243 Forty-sixth Street, Union City, N. J.; Fred Saefke, Fargo, N. Dak.; and such persons who are members of Catholic War Veterans, a patriotic society incorporated under the laws of the State of New York, of Catholic veterans having served in a war or campaign, as a member of the armed forces of the United States of America, and their successors, are hereby created and declared to be a body corporate.

SEC. 2. The name of the corporation shall be Catholic War Veterans of the United States of America.

SEC. 3. The corporation shall have perpetual existence.

SEC. 4. Any American citizen of the Roman Catholic faith, who was regularly enlisted, inducted, or commissioned, and who was accepted for, or was on, active duty in the Army, Navy, Marine Corps, or Coast Guard of the United States during any war, campaign, or expedition recognized by the Congress, shall be eligible for membership in the Catholic War Veterans of the United States of America: *Provided, however,* That no person the service of whom with the armed forces has terminated shall be eligible to membership unless such termination was by honorable discharge or honorable separation.

SEC. 5. The number of directors constituting the first board of directors shall be

19 and the name and address of each such director is as follows: Rev. Edward J. Higgins, 21–47 Twenty-ninth Street, Astoria, N. Y.; Rev. Leo W. Gildea, 1510 Penn Avenue, Scranton, Pa.; Max H. Sorensen, 4616 Leiper Street, Philadelphia, Pa.; Nicholas Wagener, 17333 Warrington Drive, Detroit, Mich.; Anthony Forbes, 180 Central Park South, New York, N. Y.; Ruth E. Manning, 80–09 Thirty-fifth Avenue, Jackson Heights, N. Y.; Frank W. Hayes, 1714 Williamsbridge Road, Bronx, N. Y.; Joseph Reilly, 19 Dongan Place, New York, N. Y.; Patrick J. Fogarty, 446 East One Hundred and Fortieth Street, New York, N. Y.; William L. Lundy, 1229 West Lawrence Street, Appleton, Wis.; John Embriani, 502 North Front Street, Reading, Pa.; Dr. Joseph L. Toland, 4605 Leiper Street, Philadelphia, Pa.; Hubert E. Chauffat, 21–59 Twenty-fourth Street, Astoria, N. Y.; Dr. Wencel F. Hetman, 3615 North Harding Street, Chicago, Ill.; John Carlton James, 1103 Lamar Street, Lafayette, La.; William H. McIntyre, 316 West Seventy-ninth Street, New York, N. Y.; Anthony Wallace, 18 Jetland Place, Bridgeport, Conn.; Edward J. Dwyer, 43 Cliff Street, Newark, N. J.; John M. Dealy, 21–77 Twenty-eighth Street, Astoria, N. Y.

SEC. 6. The principal office shall be located in the city and State of New York: *Provided,* That upon due and proper action of the board of directors, the location of said office may be removed to any other location within the continental limits of the United States; and the activities of the corporation may be conducted within the territorial limits of the 48 States, the District of Columbia, and the Territories, possessions, and lands of the United States of America or under the jurisdiction thereof, wherever situated.

SEC. 7. Members of the corporation shall have representation through duly accredited delegates at any annual convention and through such participation shall exercise control over the directors, officers, and affairs of the corporation, including all powers and authority which may be generally or specifically delegated by the membership in convention assembled to such directors and officers. Each duly accredited delegate to an annual convention shall have one vote in the conduct of the business of the convention. In the conduct of official business of any local post or chapter, each member shall have one vote.

SEC. 8. In the event of dissolution or final liquidation of the corporation, and only in such event, the assets of the corporation may be distributed equitably among all members of the corporation in good membership standing.

SEC. 9. The purposes of the corporation shall be to commemorate the campaign or wartime service and to foster the association of veterans of the Catholic faith who served in the armed forces of the United States of America; to give visual demonstration of their faith and patriotic loyalty; to maintain the spirit of patriotism and loyalty to the Constitution of the United States of America and to engender good will and understanding among all its citizens; to perpetuate that spirit of comradeship with fellow veterans of all races, creeds, and colors; to extend aid and assistance to fellow veterans of all races, creeds, and colors, and to their respective wives, widows, and children; and to perpetuate in prayer and with honor the memory of their departed comrades.

SEC. 10. The corporation shall be a nonprofit corporation and no part of the income or assets of the corporation shall inure to any of its members, directors, or officers, or be distributable thereto, except upon dissolution or final liquidation of the corporation.

SEC. 11. No part of the activities of the corporation shall consist of carrying on propaganda.

SEC. 12. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

SEC. 13. The corporation—

(a) shall have succession by its corporate name;

(b) may sue and be sued, complain, and defend in any court of competent jurisdiction;

(c) may adopt, use, and alter a corporate seal;

(d) may choose such officers, managers, and agents as the business of the corporation may require;

(e) may ordain and establish bylaws and regulations not inconsistent with the laws of the United States of America or any State thereof, for the management of its property and the regulation of its affairs;

(f) may contract and be contracted with;

(g) may take and hold by lease, gift, purchase, grant, devise, or bequest any property, real or personal, necessary for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State governing the amount or kind of real and personal property which may be held by, or otherwise limiting or controlling the ownership of real and personal property by a corporation operating in such State;

(h) may transfer and convey real or personal property; and

(i) may borrow money for the purposes of the corporation, and issue bonds or other promissory obligations therefor, and secure same by mortgage subject in every case to all applicable provisions of Federal or State law.

SEC. 14. The corporation shall be liable for the acts of its officers and agents.

SEC. 15. The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation, and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

SEC. 16. The officers of the corporation shall be 19 in number, consisting of Rev. Edward J. Higgins, founder, a national chaplain, a national commander, 3 national vice commanders, an adjutant general, a national treasurer, a national welfare officer, a national medical officer, a national officer of the day, a national historian, a national judge advocate, and 6 national trustees. All said officers, except the founder, the national chaplain, and the adjutant general, shall be respectively elected by not less than a majority vote of all votes cast for a respective office by duly accredited delegates assembled in annual national convention representing the membership of the corporation. All said elective officers shall be elected annually except said trustees may be elected for 3-year terms. The above-named founder may hold office for life. The national chaplain may be elected by majority vote of the said elective officers. The adjutant general may be appointed by the national commander. All the aforesaid officers by virtue of their office shall compose the board of directors of the corporation.

SEC. 17. The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, board of directors; and shall keep at its principal office a record giving the names and addresses of its members entitled to vote, and permit the inspection of books and records by any member or his agent or attorney, for any proper purpose at any reasonable time.

SEC. 18. The corporation shall not have or issue shares of stock, nor declare or pay dividends.

SEC. 19. The corporation shall not make loans to its officers or directors, or any of them. Any director of the corporation who votes for or assents to the making of a loan or advance to an officer or director of the corporation, and any officer or officers participating in the making of any such loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

SEC. 20. The corporation may adopt and shall have the exclusive right to manufacture and use such emblems and badges as may be deemed necessary in the fulfillment of the purposes of the corporation.

SEC. 21. The corporation and its State and local subdivisions shall have the sole and exclusive right to have and to use in carrying out its purposes the name of the corporation.

SEC. 22. The corporation may acquire any or all of the assets of the existing organization known as the Catholic War Veterans of the United States of America upon discharging or providing for the payment and discharge of all of its liabilities; and shall promptly file with the Congress full information with respect to such discharge of provision.

SEC. 23. As a condition precedent to the exercise of any power or privilege herein granted or conferred, the Catholic War Veterans of the United States of America shall file in the office of the secretary of state of each State in which subdivisions, chapters, or posts may be organized, the name and address of an authorized agent in such State upon whom legal process or demands against the corporation may be served.

SEC. 24. Such provisions, privileges, and prerogatives as have been granted theretofore to other national veterans' organizations by virtue of their being incorporated by Congress are hereby granted and shall accrue to the Catholic War Veterans of the United States of America.

SEC. 25. The right to repeal, alter, or amend this act at any time is expressly reserved.

Mr. AIKEN. Mr. President, I may be in error, but it appears to me that if this bill granting a charter to the Catholic War Veterans shall be approved, it is inevitable that the bills granting charters to the Jewish War Veterans, the Franco-American War Veterans, and any others involving creeds and races as may desire Federal charters will also be approved.

I notice that in the bill granting a Federal charter to the Catholic War Veterans the benefits which may be derived from the charter will be contingent upon membership in the Catholic Church. It appears to me that there would be a risk of having the bill declared unconstitutional on that ground. I am not a constitutional lawyer, but that appears self-evident on the face of the bill.

If that should come to pass, the Jewish War Veterans would be chartered federally, the Franco-American Veterans would be chartered federally, but in the end the Catholics would be without any Federal standing in their present organization.

Mr. President, I am merely making this as an observation which seems to make sense as I look at the situation. I never heard of the Federal Government granting benefits and making those benefits contingent upon membership in a particular church. I would seriously doubt whether any such legislation would be constitutional. I simply point out that if that should prove to be the case, there would be a Federal charter for the Jewish-American War Veterans and a Federal charter for the Franco-American

War Veterans. If one bill should be adopted, I should certainly vote for the others, but then there might not be any benefit whatever for the Catholic War Veterans.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. MILLIKIN. I simply wish to say that I shall vote against the bill and the other bills of a similar nature which I understand will come up after the one now before us is disposed of. We did not fight the war as Protestants or as Catholics or as Jews or on a racial basis. Therefore, I do not believe the Federal Government should give any of its support to organizations which draw those distinctions. The effect of such organizations operating under Federal launching might well be divisive rather than unifying.

Mr. BALDWIN. Mr. President, in answer to the observation made by the senior Senator from Vermont, I may say that earlier in the afternoon the distinguished Senator from Louisiana [Mr. OVERTON], and I, debated the question of constitutionality at some length, and while I do not say that we resolved the question, he no doubt went away entertaining his opinion, as I continue to entertain mine. But the point was raised in connection with the first amendment to the Constitution, which provides that Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.

It was the claim of the Senator from Louisiana that this was a measure which came within the prohibition of the first amendment to the Constitution. It was my claim that, on the other hand, rather than being a prohibition against it, the language of the first amendment rather guaranteed it, because this particular charter would not be a law respecting the establishment of a religion, and that is the only thing dealt with in the amendment.

The distinguished Senator from Missouri [Mr. DONNELL] then went on to quote from two cases, both of which held in substance that the first amendment, in which the language that there shall be no law respecting an establishment of religion appears, dealt with the establishment of a State church as such, and not with the subject of a law dealing with religion.

As a matter of fact there have already been incorporated by Congress a great many religious organizations. Whether or not there is any more of a prohibition in their particular charters with reference to a particular sect or religion than there is in the one covered by the pending bill I do not know, because I have not compared them. The charter covered by the pending bill simply provides that in order to be a member of the Catholic War Veterans of America one must have been a veteran of the war and a member of the Roman Catholic faith. There have been organized by Congress the Brotherhood of St. Andrews, the congregation of the First Presbyterian Church of Washington, the Benevolent Christian Association of Washington City, the Catholic University of America, the Colored Catholic Male Benevolent Association, the Young Men's Christian Association, the Convention of the Protestant Episcopal Church of the Diocese of Washington, the First Congregational Church of Washington, and the International Sunday School Association.

I assume, Mr. President, that in order to be a members of one of those corporations one must be a member of the Congregational Church or a member of the Episcopal Church or a member of any of the other organizations founded on a religious basis.

Mr. PEPPER. Mr. President, will the Senator yield to me?

Mr. BALDWIN. I yield.

Mr. PEPPER. I wish to ask the Senator a question for information. Were those organizations located in the District of Columbia, or were any of them outside, and, if any were outside, how many?

Mr. BALDWIN. Some of them were located outside the District of Columbia. Some were in the District, and some were outside. For example, the Protestant Episcopal Cathedral Foundation of the District of Columbia operates throughout the whole United States. The Union Church of the Canal Zone certainly does not operate in the District of Columbia.

Mr. PEPPER. Mr. President, will the Senator yield for a further question?

Mr. BALDWIN. Yes.

Mr. PEPPER. I voted to take up the bill, and probably will vote for the bill, but I wonder if the Senator would agree with me that if we set the precedent, and then the Baptists want to organize their veterans, and the Methodists want to organize their veterans, and the Presbyterians want to organize their veterans, and also the Quakers want to organze their veterans, and any other honorable and patriotic group wishes to ask for a charter, would we not be rather bound to grant them the same privilege we now are contemplating granting to the group in question?

Mr. BALDWIN. In answer to that question, Mr. President, I would say that, of course, enactment of the bill would establish a precedent, but I may add that the precedent has already been established, because we have already federally incorporated groups which are organized on a religious basis.

In the second place it seems to me that the Congress must act upon each case upon its own individual merits. It must treat each case as a separate and distinct case. The questions to be determined in each case are: What is the purpose of the organization? Who are to belong to it? What are its objectives? What is its record in the past? Is it worthy of having the benefit of a charter that gives it Nation-wide significance? I think those questions must be answered in each individual case.

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. BALDWIN. I yield.

Mr. AIKEN. I should like to ask the Senator from Connecticut what are the advantages of having a Federal charter in such a case as the one in question?

I do not agree with the Senator that the fact that organizations in the District of Columbia and in the Canal Zone have been given Federal charters is comparable to the present situation. But what are the advantages of having a Federal charter?

Mr. LODGE. Mr. President, it so happens that I have looked up that point. Section 5626 of the Regulations and Procedures of the Veterans' Administration states as follows:

> In general no additional organizations will be recognized after January 1, 1947, except * * * (2) organizations granted a charter or recognition by act of Congress.

In other words, a Federal charter confers the very real advantage that the organization can intercede before the Veterans' Bureau, and at present it cannot do so, because the Veterans' Bureau does not recognize a State charter.

Mr. BALDWIN. I may add that the Catholic war veterans have already been recognized by the Veterans' Bureau. That may weaken my case somewhat, but nevertheless I want to point out that the fact that there are a multiplicity of these organizations is not going to affect the Veterans' Administration.

Mr. AIKEN. Mr. President, will the Senator again yield?

Mr. BALDWIN. I yield.

Mr. AIKEN. It is my understanding that there are several States, including at least one large State, which make State contributions to any veterans' organization which has a Federal charter. I believe one State is already contributing $500,000 a year, or some such amount, to veterans' organizations within its State boundaries. Is it not possible that if there should be 15 or 20 organizations with Federal charters, the benefits which the State gives to any of them—the American Legion, the Veterans of Foreign Wars, the Disabled War Veterans, and so on—would become jeopardized if they should all make demands on the States for the contributions for which they would be eligible under the State law? I wonder if it would not be jeopardizing the welfare of some of the older organizations if we were to take the action now proposed.

Mr. BALDWIN. I may say that that question was brought up this afternoon, and frankly, I am not advised on that point. The Senator from Missouri [Mr. DONNELL] raised the question as to whether, under those circumstances, in certain States there would not be benefits of that kind which would inure to their membership. I believe that may be so, but as to the number and amount I do not know.

Mr. AIKEN. I understand the State of Ohio now contributes approximately half a million dollars a year to veterans' organizations, and I wonder where the end would be, if any new group could secure a Federal charter and could make its demands under it. I do not know on what basis the State contributions are made, whether they are made according to membership or in lump sum, or how the contributions are made. It seems to me that complications might arise.

Mr. LODGE. Mr. President, I think that complications might ensue; but in the case of the Franco-American War Veterans, and I think it in the case of

many of the Catholic War Veterans' organizations, almost all of their members belong to the American Legion, and consequently they also have a very great interest in the welfare of that organization. So while complications might theoretically arise, it is my judgment that in practice there would not be much trouble.

Mr. AIKEN. The point which I made earlier was the fear that the Catholic organization might be penalized should this bill be declared unconstitutional. However, I am not sure but that that would leave them exactly where they are now.

Mr. BALDWIN. It would leave them exactly where they are now; and would also leave the Jewish War Veterans where they are now.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. HICKENLOOPER. I have already expressed myself as emphatically as I can about the great mistake which I think we are making by setting a precedent of this kind. I have also expressed myself as against the idea of setting up a Protestant war veterans' association as a competitor of the Catholic war veterans' association, or a Christian war veterans' association as against a Jewish war veterans' association.

If the Senator will indulge me for a moment, I should like to invite his attention to the fact that there are presently pending in the Congress the following bills:

S. 1153, introduced by the Senator from Michigan [Mr. FERGUSON] to incorporate the National Committee for All War Widows, and for other purposes.

S. 456, introduced by the Senator from Indiana [Mr. CAPEHART], to provide for the incorporation of the National Woman's Relief Corps, Auxiliary to the Grand Army of the Republic, organized 1883, 65 years old.

S. 1074, introduced by the Senator from Connecticut [Mr. BALDWIN], to incorporate the Gold Star Wives of America.

S. 1097, introduced by the Senator from Missouri [Mr. KEM], to incorporate the American War Dads.

H. R. 232, introduced by Representative DONDERO, to incorporate the Moms of America.

H. R. 319, introduced by Representative Springer, to incorporate the Mothers of World War No. II, to set forth and establish the purposes and aims of the organization, fixing its corporate powers and establishing the rights of membership, and for other purposes.

H. R. 235, introduced by Representative GEARHART, to provide for the incorporation of the National Woman's Relief Corps, Auxiliary to the Grand Army of the Republic, organized 1888, 65 years old. That is a companion bill to Senate bill 456, to which I have previously referred.

H. R. 686, introduced by Representative GOODWIN, to incorporate the United War Mothers of America, Inc.

H. R. 3948, introduced by Representative Ross, to incorporate the Gold Star Society of American War Widows and Orphans.

H. R. 4231, introduced by Representative TOWE, to incorporate the Legion of Guardsmen.

S. 1805, introduced by the Senator from Wisconsin [Mr. WILEY], to incorporate the Italian-American World War Veterans of the United States.

S. 2093, introduced by the Senator from Massachusetts [Mr. LODGE], to incorporate the Italian-American World War Veterans of the United States.

S. 1415, introduced by the Senator from Rhode Island [Mr. MCGRATH], to incorporate the Jewish War Veterans of the United States of America.

S. 546, introduced by the Senator from Massachusetts [Mr. LODGE], providing for the incorporation of La Legion Franco-Americaine des Etats Unis d'Amerique.

S. 1387, introduced by the Senator from Maryland [Mr. TYDINGS], to incorporate National Service Star Legion.

S. 1610, introduced by the Senator from West Virginia [Mr. REVERCOMB], to incorporate the Society of the First Division.

Senate Joint Resolution 53, introduced by the Senator from Kansas [Mr. CAPPER], for the incorporation of the Ladies of the Grand Army of the Republic.

House Joint Resolution 337, introduced by Representative KERSTEN of Wisconsin, for the incorporation of the Ladies of the Grand Army of the Republic.

H. R. 5958, introduced by Representative MUHLENBERG, to incorporate the Paralyzed Veterans of America.

H. R. 5558, introduced by Representative MCCORMACK, providing for the incorporation of the United American Veterans of the United States of America, Incorporated.

S. 2321, introduced by the Senator from Florida [Mr. PEPPER], to incorporate the Seabee Veterans of America.

H. R. 4098, introduced by Representative KENNEDY, to incorporate the American Division, Incorporated, World War II Veterans Association.

H. R. 2663, introduced by Representative MCGARVEY, to incorporate the Catholic War Veterans of the United States of America. I take it this is a companion bill to the bill now under consideration in the Senate.

H. R. 2643, introduced by Representative LANE, to incorporate the Catholic War Veterans of the United States of America. There are several other House bills having the same purpose, including H. R. 2665, introduced by Representative NORTON; H. R. 2668, introduced by Representative PRICE; H. R. 2671, introduced by Representative ROGERS of Massachusetts; H. R. 2679, introduced by Representative ROSS; and H. R. 2737, introduced by Representative HARTLEY.

Representative BATES introduced H. R. 3554, providing for the incorporation of the Franco-American War Veterans.

H. R. 3558, introduced by Representative LANE, providing for the incorporation of the Franco-American War Veterans.

H. R. 1442, introduced by Representative FULLER, to incorporate the Italian-American World War Veterans of the United States.

H. R. 4955, introduced by Representative LANE, to incorporate the Italian-American World War Veterans of the United States.

H. R. 4872, introduced by Representative LANE, to incorporate the Italian-American World War Veterans of the United States.

H. R. 2584, introduced by Representative MILLER of Connecticut, to incorporate the Jewish War Veterans of the United States of America.

H. R. 2104, introduced by Representative LANE, to incorporate the World War Veterans of the United States Merchant Marine.

H. R. 932, introduced by Representative CUNNINGHAM, to authorize the incorporation of National Association, Rainbow Division Veterans.

H. R. 154, introduced by Representative WALTER, providing for the incorporation of the National Camp, Patriotic Order Sons of America, organized December 10, 1847.

H. R. 3794, introduced by Representative COLE of Missouri, to incorporate the National Service Star Legion.

H. R. 3779, introduced by Representative JUDD, providing for the incorporation of the United American Veterans and Auxiliary.

H. R. 3831, introduced by Representative FULTON, to incorporate United States Navy Veterans.

H. R. 4196, introduced by Representative REED of Illinois, to incorporate the Society of the First Division.

H. R. 2723, introduced by Representative MILLER of Connecticut, to incorporate the Jewish War Veterans of the United States of America.

H. R. 3462, introduced by Representative LANE, to incorporate the Jewish War Veterans of the United States of America.

H. R. 1686, introduced by Representative BATES of Massachusetts, providing for the incorporation of La Legion Franco-Americaine des Etats Unis d'Amerique.

H. R. 1701, introduced by Representative LANE, providing for the incorporation of La Legion Franco-Americaine des Etats Unis d'Amerique.

Mr. BALDWIN. Mr. President, I should like to ask my distinguished friend from Iowa, if this bill should be defeated today, would that mean that we should never consider any of the other bills he has mentioned?

Mr. HICKENLOOPER. I would not say that at all.

Mr. BALDWIN. That is exactly the point, Mr. President——

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I may say to the Senator from Connecticut that if the pending bill passes, every single one of the other organizations mentioned will have just as much right to a Federal charter as the organization which is seeking the charter under the pending bill. It does not necessarily follow that if the pending bill fails, no other bill should be considered; but the rights arise just as high under those bills as they do under any other organization bill, if it has a specialized purpose.

If the Senator will further yield, the Senator's recitation of a number of re-

ligious organizations which have been granted Federal charters, in my opinion is not a proper comparison. The charters to which he referred, heretofore granted, are charters based upon religious affiliation. The particular proposal which is before the Senate is a proposal which is based upon service to the country in time of war; but this bill makes a cleavage by setting off a little group of those who so served. If that group can be set off from every other group on whose behalf a bill has been introduced, then every other such group has just as much right to have a Federal charter; and Federal charters for organizations of that kind will be worth a dime a dozen, if that much.

Mr. BALDWIN. Mr. President, I give due weight to the argument of my friend, and every consideration to the genuineness and sincerity with which he makes it. However, the mere fact that we pass this bill would not in my opinion—as he claims—give the right to every one of these other organizations to have a Federal charter. The pending bill is before the Senate on the basis of its own merits, and no other basis. Every one of the other bills ought to be before the Senate, if they are approved by the committee, not on the basis of whether some other bill like it was passed, but on the basis of whether or not the particular bill, in the wisdom and judgment of the Senate, should be enacted into law.

Mr. President, we can distinguish this particular bill, which would authorize the granting of a charter to this organization, from every one of the other bills the Senator mentioned. It can be distinguished from the others on the basis of some very laudable and, in most instances, some very proper and sound reasons. Thus, we can say that this particular bill should be enacted into law, whereas the other bills should not be enacted, because of the particular purpose, organization, size, membership, and so forth, of the group which seeks to obtain a Federal charter. We cannot properly agree to grant or refuse to grant charters to the other organizations simply on the basis of what we do in this case.

So it seems to me that in passing or rejecting a bill we should never do so on the basis of considering whether there are many other bills like it. Each bill must be considered on its own merits or demerits, as such.

Mr. CORDON. Mr. President.

Mr. BALDWIN. I yield to the Senator from Oregon.

Mr. CORDON. Mr. President, I know that the distinguished Senator from Connecticut is aware of my views regarding this matter. I oppose the bill, and bills of like character, solely on the basis that it is my view that when the Congress grants Federal charters to groups of veterans there should be but one qualification for membership in those groups, and that qualification should be that the individual who seeks to become a member has served in the armed forces of the United States in time of war and has been honorably discharged.

Mr. BALDWIN. Mr. President, will the Senator yield for a question at this point?

Mr. CORDON. Of course, the Senator from Connecticut has the floor, and has yielded to me; and I am glad to have him interrupt me at any time.

Mr. BALDWIN. No doubt, the Senator from Oregon is aware—being a veteran himself—that one of the great veterans' organizations in the United States, the Veterans of Foreign Wars, has in its charter a provision by which only veterans who have served overseas may be admitted to membership. So that presents a distinction as between veterans. Certainly, we cannot say that the organization known as the Veterans of Foreign Wars has not rendered great and helpful and valuable service during the years of its existence in contributing to the welfare and advancement of the United States. Nevertheless, that organization does make that distinction as between veterans; and, with all due deference, I think it is a proper one.

Mr. CORDON. Mr. President, will the Senator yield to me at this time? Of course, he has the floor.

Mr. BALDWIN. I yield.

Mr. CORDON. I intended to end these few words with a question; but I desire to state my views, for the RECORD, now, simply to save time.

As I have said, my view is that the only qualification for membership in such organizations should be that of honorable service in time of war. I recognize an exception in two cases; namely, the one mentioned by the Senator from Connecticut, and also the Disabled War Veterans. I recognize that those two exceptions are valid.

However, I call attention to the fact that in each case all honorably discharged veterans who, in the case of the first group, served overseas, and, in the case of the second group, were disabled, are qualified for membership. There is no membership qualification on the basis of religion or color of hair or occupation or size of hat or size of shoe, or anything else except honorable service.

In the case we are now considering, qualification on the basis of adherence to a particular religion is indispensable, in addition to qualification on the basis of honorable service in the armed forces. I need hardly say that I have no objection to the application of the group concerned because it happens to be composed of persons of the Catholic faith, any more than I would have any objection to such an application by a group of persons of any other religious denomination, so far as that particular question is concerned. If any religious denomination has a right to be singled out by the granting of a Federal charter, the Catholics have, of course. As I view the matter, so have the Presbyterians, the Christian Scientists, and all other religious denomination groups, and, after that, all groups organized on the basis of crafts, professions, science, and so forth, and all kinds or groups of people who may desire to obtain a Federal charter and who have the qualification of having honorably served in the armed forces of the Nation in time of war.

But the Senator from Connecticut makes his case—and sincerely makes it according to his views—on the proposition that we must examine into the merits of each case, and should let each stand on its own feet, just as every barrel stands on its own bottom.

In this instance, although nothing but praiseworthy purposes are set forth in the proposed charter, and certainly those who seek the charter have no other purpose, what purpose does this group have which could not be served by every veteran who has honorably served in the armed forces of the Nation in time or war? What does this group seek to do which its members would not have all of their comrades do with them? I do not find that set out anywhere. If it is set out in the proposed charter, I hope the Senator from Connecticut will point it out to us.

What merit is there in this case which is not present in the case of other groups which seek Federal charters, the list of which was read a short time ago by the Senator from Iowa? I venture to say, although I have not read all the bills, that nothing but praiseworthy purposes are set out therein. All those have connection in some way or other with service in the armed forces, first, and with patriotic purposes with reference to the organizations themselves, in the second place.

When the Federal Government grants Federal charters to groups organized on the basis of having membership confined to those who have served their country in time of war and who have been honorably discharged, I can see that such a distinction can properly be made. The Congress has recognized such a distinction in the past, and I think the Congress is prepared to do so again. But I think the Congress would err if it were to give prestige by means of a favorable vote on such a bill presented by a group of veterans who would foreclose from membership in their organization any man or woman who has honorably served his or her country in time of war.

For that reason, Mr. President, I shall have to oppose the bill. I voted against the motion to have the Senate consider the bill, and did so solely because I felt that the entire matter had been debated in connection with the motion, and therefore a second debate would be unnecessary. I say to the Senator from Connecticut that otherwise I would have voted in favor of bringing the bill before the Senate. However, since the matter had been debated once, I could see no reason for having a second debate.

I thank the Senator for permitting me to present my views on this matter. I hope he will point out the peculiar merits of this bill, as distinguished from the other bills to which reference has been made.

Mr. BALDWIN. Mr. President, I do not wish to prolong the debate, but, of course, the Senator from Oregon has asked me a question.

Mr. COOPER. Mr. President, will the Senator yield to me?

Mr. BALDWIN. I yield.

Mr. COOPER. In my previous remarks I pointed out that each of the organizations referred to is at the present time a going, effective organization, and will continue as such, regardless of whether

this bill is passed or rejected. In the case of the other bills which have been mentioned I know the organizations concerned would obtain prestige by the passage of the bills. But again I ask the Senator, What special advantage or benefit would accrue to those organizations if those bills were passed?

Mr. BALDWIN. Mr. President, if the three bills were passed, it would give to each of the organizations a charter that would make it a Nation-wide organization, able to go into every State and solicit members and perform its particular work. It also would probably give the organizations recognition at the Veterans' Administration. It would probably give them better status and greater effectiveness in the several States in which they perform their work. I think the principal advantage is that it would increase and enhance their prestige. I think that is the sole purpose of it.

Mr. COOPER. I should like to ask another question. I do not know whether what I am going to say will be an exact statement, but some of those who have served as governors of various States have stated that if a veterans' organization receives a Federal charter, it becomes eligible to obtain State funds. Is that correct?

Mr. BALDWIN. That may be true in certain States. That I do not know. I would not deny it. It may very well be so.

Mr. COOPER. Then I want to ask the Senator if, as a matter of policy, he believes it would be a good thing for a veterans' organization, one of the membership requirements of which was based not upon general military service but upon religious preference, nationality, or race, or upon any affiliation unconnected with military service, to be granted funds by a State legislature?

Mr. BALDWIN. As a matter of policy?

Mr. COOPER. Yes.

Mr. BALDWIN. The Federal Government already does that. It already grants funds to schools, for example, of certain religious denominations. I mean that school lunches are provided for all schools, parochial as well as public, and there are several other things of that nature.

Mr. COOPER. I am speaking about appropriations that would be made by States.

Mr. BALDWIN. I think it would be up to the State entirely to say whether it wanted to do that or not.

Mr. COOPER. Then, is it true that if the bills should be passed, representatives of the organizations could appear before the Veterans' Administration to represent members of the organizations?

Mr. BALDWIN. Yes. So far as the Catholic Veterans' Association is concerned, they do that now. The organization is recognized by the Veterans' Administration; so the pending bill does not have that particular objective in view.

Mr. COOPER. I thank the Senator.

Mr. GURNEY. Mr. President, I have attended a great many meetings of veterans' organizations presently organized on a nation-wide basis. I have rubbed shoulders with veterans of every creed, nationality, and group, and I believe that each and every one of them glories in the fact that the veterans all meet in their organizations as Americans. I am thoroughly convinced that all members of patriotic veterans' groups glory in the strength and purposes of their organizations. I do not believe they would want to jeopardize the standing of the larger group by pulling off unto themselves into smaller groups that might be designated one way or another. That is my experience.

Certainly I should dislike to see the veterans organize into smaller groups, just as I should dislike to see 20 policies adopted when it comes to dealing with foreign countries. I am glad now to see there is unanimity in the Congress on our foreign policy, which is completely supported. I think, too, we have bipartisan support on the question of national security; it is all in one basket, so to speak. Therefore I shall oppose any bill that would set up separate groups.

Mr. CORDON. Mr. President, I move that the bill be recommitted to the Judiciary Committee for further study. Bills providing for Federal charters for groups related in some way to veterans have become so numerous and the nature of the groups seeking charters so varied, that there is a possibility of other groups seeking Federal charters, such groups being infinite in number and character. It seems to me the Judiciary Committee should have the opportunity of considering all bills now pending in both the House and Senate. While there can be no official consideration in the Senate of bills pending only in the House, the principle involved is the same, and our committee is on notice that such legislation is pending in the other House. It seems to me the committee should reexamine the problem and determine if there be special merit in one or another, and present to the Senate its considered views. Otherwise, we shall be inundated by legislation of this character, and it is going to be most difficult to find a yardstick with which to measure bills embracing purposes which we may accept and approve, and those which we should reject.

Under the circumstances, I feel that the Senate itself will be better served, all those represented in the groups who are requesting this special favor will be better served, and perhaps many of the questions which have been suggested and debated on the floor this afternoon will at least have a considered answer at the hands of the committee, if a reexamination of all the bills be had. On that basis, I hope my motion to recommit may be agreed to.

Mr. BALDWIN. Mr. President, I do not desire to prolong the argument, but I should like to ask, Why not face the issue now and settle it? The pending bill has been debated all afternoon. I think every phase of it has been explored. As I recall, the bill has been on the Senate Calendar since last July. It was in the committee for sometime, too, during which time it was given very careful consideration. I think we should decide the issue now, Mr. President. I recognize there are involved fundamental differences and very earnest and genuine feelings about the wisdom of chartering veterans' groups such as the Catholic War Veterans and the Jewish War Veterans.

I myself have no doubt concerning the wisdom of it. I think the purposes of the organization are noble; I think the basis on which they propose to be drawn together in a close bond to do the work they want to do is a perfectly proper one, a perfectly earnest one, and a perfectly sincere one. I can see nothing but good that could come from the granting of the charter, and I hope that the motion to recommit will be rejected.

I ask for the yeas and nays.

Mr. WHERRY. Mr. President, before the motion is put I should like to make a statement. I deeply appreciate the fact that the——

Mr. CORDON. Will the Senator speak more loudly? It is impossible to hear him.

Mr. WHERRY. Mr. President, this is the first time anyone has ever had any difficulty in hearing me. On some occasions I have been called the shouting Senator from Nebraska.

I appreciate that the motion made to consider the bill was sustained, but I want emphatically to state that of course a vote to take it up for consideration does not mean a vote on the merits of this or any other bill. We must act on the merits of each and every bill presented to the Senate. I want to thank those Senators who sustained the acting majority leader on his motion, but I want emphatically to state that even though I myself moved the consideration of the bill, that does not mean that because of the office I hold I am in complete agreement with the merits of any bill. Before a vote is taken I think that should be thoroughly understood.

The PRESIDING OFFICER. A motion has been made to recommit the bill, and the yeas and nays have been requested.

The yeas and nays were ordered.

Mr. WHERRY. Mr. President, this is a very important vote. I think the attendance is not so large as it should be for a record vote, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Morse
Baldwin	Hickenlooper	Myers
Ball	Hill	O'Conor
Brewster	Hoey	O'Daniel
Bricker	Holland	O'Mahoney
Brooks	Ives	Pepper
Byrd	Jenner	Robertson, Va.
Capper	Johnson, Colo.	Russell
Chavez	Johnston, S. C.	Saltonstall
Cooper	Kem	Stennis
Cordon	Knowland	Taylor
Donnell	Lodge	Thomas, Okla.
Downey	McCarran	Thye
Dworshak	McClellan	Vandenberg
Ecton	McFarland	Watkins
Ellender	McKellar	Wherry
Ferguson	McMahon	Wiley
Green	Martin	Williams
Gurney	Maybank	Young
Hawkes	Millikin	

The PRESIDING OFFICER. Fifty-nine Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from Oregon [Mr. CORDON] to recommit to the Committee

on the Judiciary Senate bill 1557. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate on official committee business.

The Senator from North Dakota [Mr. LANGER] and the Senator from Maine [Mr. WHITE] are absent because of illness.

The Senator from Wisconsin [Mr. MCCARTHY], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from South Dakota [Mr. BUSHFIELD] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from New Jersey [Mr. SMITH], the Senator from Delaware [Mr. BUCK], the Senator from Kansas [Mr. REED], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from New Hampshire [Mr. TOBEY] are detained on official committee business. If present and voting the Senator from New Hampshire [Mr. BRIDGES] would vote "nay."

The Senator from Indiana [Mr. CAPEHART] and the Senator from Iowa [Mr. WILSON] are detained on official business.

The Senator from Nevada [Mr. MALONE] is absent on official business.

Mr. HILL. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from Louisiana [Mr. OVERTON] are unavoidably detained.

The Senator from Arkansas [Mr. FULBRIGHT] is absent on official business.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness in his family.

The Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate.

The Senator from Texas [Mr. CONNALLY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Illinois [Mr. LUCAS], the Senator from Utah [Mr. THOMAS], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The result was announced—yeas 44, nays 15, as follows:

YEAS—44

Aiken	Ecton	Johnson, Colo.
Ball	Ellender	Johnston, S. C.
Bricker	Gurney	Kem
Byrd	Hawkes	Knowland
Capper	Hayden	McClellan
Chavez	Hickenlooper	McFarland
Cooper	Hill	McKellar
Cordon	Hoey	Martin
Downey	Holland	Maybank
Dworshak	Jenner	Millikin
Morse	Stennis	Watkins
O'Conor	Taylor	Wherry
O'Mahoney	Thomas, Okla.	Williams
Pepper	Thye	Young
Russell	Vandenberg	

NAYS—15

Baldwin	Green	Myers
Brewster	Ives	O'Daniel
Brooks	Lodge	Robertson, Va.
Donnell	McCarran	Saltonstall
Ferguson	McMahon	Wiley

NOT VOTING—37

Barkley	Kilgore	Smith
Bridges	Langer	Sparkman
Buck	Lucas	Stewart
Bushfield	McCarthy	Taft
Butler	McGrath	Thomas, Utah
Cain	Magnuson	Tobey
Capehart	Malone	Tydings
Connally	Moore	Umstead
Eastland	Murray	Wagner
Flanders	Overton	White
Fulbright	Reed	Wilson
George	Revercomb	
Hatch	Robertson, Wyo.	

So Mr. CORDON's motion was agreed to, and the bill (S. 1557) was recommitted to the Committee on the Judiciary.

INCORPORATION OF FRANCO-AMERICAN WAR VETERANS

Mr. WHERRY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 696, Senate bill 1356, providing for the incorporation of the Franco-American War Veterans.

Mr. CHAVEZ. Mr. President, I move that the bill be recommitted to the Committee on the Judiciary.

The PRESIDING OFFICER. The Chair would remind the Senator from New Mexico that that motion will not be in order until the bill is actually before the Senate.

The pending question is on the motion of the Senator from Nebraska that the Senate proceed to the consideration of Senate bill 1356. [Putting the question.] The "noes" appear to have it.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. The "noes" have it.

Mr. LODGE. Mr. President, I was on my feet asking for recognition.

The PRESIDING OFFICER. The Chair had not announced the result.

Mr. LODGE. The Chair has not announced the result?

The PRESIDING OFFICER. No; the Chair had not announced that the motion was lost.

Mr. LODGE. The motion is still pending?

The PRESIDING OFFICER. The Senator is correct.

Mr. LODGE. Mr. President, I have no illusions about what is going to happen regarding the bill, in the light of what has been done to Senate bill 1557, but I should like to have an opportunity to make a very brief statement in favor of my bill. Then I think it would be perhaps more businesslike if the Senate voted on the question of recommitting rather than on proceeding to consider, because then we could deal with it on the same basis on which we dealt with the preceding bill.

Mr. President, while Senate bill 1356 does relate to the matter of Federal incorporation, it is different from Senate bill 1557, in that membership in the organization concerned is open to any American citizen of good moral character who has had honorable connection with the military. There is no racial line and no religious line drawn, insofar as membership in the organization is concerned.

Of course, the name of the organization is the Franco-American War Veterans, and it is to be presumed that Americans of French descent will be the ones who would desire to become members, but under the terms of the bill itself any American who had honorable connection with the military would be eligible to join.

The purposes of the organization are as follows:

(a) To maintain true allegiance and fidelity to the Government of the United States;

(b) To defend the United States from all enemies;

(c) To combat fascism, nazism, communism, and all un-American activities;

(d) To assist the duly constituted authorities and civic bodies in the betterment of communities;

(e) To aid the underprivileged;

(f) To assist and protect American womanhood;

(g) To maintain the institutions of American freedom;

(h) To preserve and strengthen comradeship among the members of the corporation; and

(i) To assist such members and their widows and children in time of need.

Mr. President, the organization exists already in Massachusetts, Rhode Island, Connecticut, New York, and New Hampshire. It has been in existence since June 1932. Its financial condition is satisfactory, as has been alleged in messages that are on file with the Committee on the Judiciary. It has a patriotic purpose. I have attended many of its meetings, and I know that it has a very good influence. It seeks a Federal charter because of the prestige that this will confer on it in enabling it to secure more members in other States, and to enable it to intercede for its membership before the Veterans' Administration.

With that statement, Mr. President, I ask that the bill be considered by the Senate. The Senate can then vote on the motion to recommit.

Mr. CHAVEZ. Mr. President, of course we know what happened to the prior bill. I should like to call the attention of the Senate to some information respecting the bill which the Senator from Massachusetts has introduced. The organization affected by the bill which was just recommitted has branches in other States. Concerning the bill which is the subject of the pending motion, the Senator from Massachusetts, on July 18, 1947, addressed a letter to the Senator from Missouri [Mr. DONNELL], chairman of the subcommittee which considered the bill. It states the object of the bill, and so forth. Now listen to this language:

> Active posts are maintained at the present time in Massachusetts, Rhode Island, Connecticut, New York, and New Hampshire.

And there it stops. Even from that standpoint all the bill would do would be

to give an opportunity for the organization to go into every State of the Union and try to rustle up a few members.

Mr. LODGE. Mr. President, I inquire what is the parliamentary situation?

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska that the Senate proceed to consider Senate bill 1356.

Mr. LODGE. Mr. President, before the Chair puts the question, may I plead with the Senate to act consistently and allow this bill to be taken up, and then we can vote on the motion to recommit.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. HICKENLOOPER. I feel that the request of the Senator from Massachusetts is perfectly logical and orderly so far as my own personal desire in the matter is concerned. I do not care to debate the bill any further. I think the issues have been debated in the prior bill. It seems to be a perfectly orderly procedure to bring this bill, as well as the following bill, before the Senate, so the Senate may act on them as it acted on the prior bill. That would be consistent, and I hope that will be done.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska [Mr. WHERRY] that the Senate proceed to the consideration of Senate bill 1356.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 1356) providing for the incorporation of the Franco-American War Veterans.

Mr. CHAVEZ. Mr. President, I move that Senate bill 1356, which is now before the Senate, be recommitted to the Committee on the Judiciary.

Mr. LODGE. Mr. President, I shall speak on the motion to recommit. In the light of the action which the Senate has just taken on Senate bill 1557, I realize that most Members feel that it would be consistent for them to vote to recommit the bill now before us, and in the light of the roll call vote which has been had, I shall not ask for the yeas and nays on the motion to recommit, because it is clear to me that the previous bill had backing in a great many States in the Union, whereas the pending bill does not have backing in as many States. Therefore, the preceding bill would logically be stronger from a vote standpoint. I do want to say, however, that in my judgment, my bill rests on a different principle from the preceding one, in that any American citizen of good moral character, who has had honorable connection with the military, is eligible to become a member of the organization. It does not draw any line of race or religion so far as membership is concerned. For that reason, Mr. President, I hope that the bill will not be recommitted.

The PRESIDING OFFICER. The question is on the motion of the Senator from New Mexico [Mr. CHAVEZ] to recommit Senate bill 1356 to the Committee on the Judiciary.

The motion was agreed to; and the bill (S. 1356) was recommitted to the Committee on the Judiciary.

INCORPORATION OF THE JEWISH WAR VETERANS

Mr. WHERRY. Mr. President, I now move that the Senate proceed to the consideration of Calendar No. 704, Senate bill 1375, to incorporate the Jewish War Veterans of the United States of America.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1375) to incorporate the Jewish War Veterans of the United States of America.

Mr. CHAVEZ. Mr. President, I move that Senate bill 1375 be recommitted to the Committee on the Judiciary.

The PRESIDING OFFICER. The question is on the motion of the Senator from New Mexico to recommit Senate bill 1375.

Mr. BALDWIN. Mr. President, appreciating what has happened in the Senate respecting the other two bills, I am not going to delay long in debating the bill which is now before the Senate, nor shall I ask for a yea-and-nay vote on the motion of the Senator from New Mexico.

Mr. President, I simply want to place in the RECORD a brief statement of what the bill provides. The bill would incorporate the Jewish War Veterans of the United States. This veterans' organization was founded in 1896, and is now composed of approximately 100,000 members, plus 35,000 members in the ladies' auxiliary. It has maintained a national headquarters in New York for a long time.

There are seven regions into which the country is divided. Each State department has its own staff headquarters. Many prominent American citizens of Jewish faith belong to this great organization. It is now very ably and capably led by one of the best known men of the Jewish faith in the country.

Its objects and purposes are to teach allegiance to the flag and the country, to teach Americanism, to teach the aims of our Republic, to promote comradeship, to promote assistance to members and their families, to instill patriotism, to promote the well-being of members of the organization and their children, and to assist other veterans when called upon to do so.

Any American citizen of Jewish faith who entered the service through any of the normal channels, and who was accepted for active duty during any war, campaign, or expedition recognized by the Congress, is eligible for membership, provided his service has not been terminated by dishonorable discharge or separation.

Mr. President, I think I can say in behalf of the bill all that I said in behalf of the bill dealing with the Catholic War Veterans, that here is a group of men banded together, not only on the basis of their comradeship and service to their country in time of war, but also on the basis of their religious faith.

The purpose of their organization, as set forth in their charter, is to advance the cause of the free country in which they live. I think they are very well worthy of Federal recognition by receiving a Federal charter.

The PRESIDING OFFICER. The question is on the motion of the Senator from New Mexico [Mr. CHAVEZ] that Senate bill 1375 be recommitted.

The motion was agreed to; and the bill (S. 1375) was recommitted to the Committee on the Judiciary.

TRANSFER OF REMOUNT SERVICE

Mr. WHERRY. Mr. President, I now move that the Senate proceed to the consideration of Calendar No. 365, House bill 3484, an act to transfer the Remount Service from the War Department to the Department of Agriculture.

Mr. THOMAS of Oklahoma. Mr. President, I ask recognition for one moment.

The PRESIDING OFFICER. Will the Senator from Oklahoma withhold his request so the Chair may put the motion of the Senator from Nebraska?

The question is on the motion of the Senator from Nebraska that the Senate proceed to the consideration of House bill 3484.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture, which had been reported from the Committee on Armed Services with amendments.

Mr. THOMAS of Oklahoma. Mr. President, I favored the motion just put, and I am in favor of the amendments submitted by the committee, and if the amendments will be stated, I think we can dispose of them before I take the floor in my own right for further comment. The purpose of the amendments is to change certain dates.

The PRESIDING OFFICER. The clerk will state the committee amendments.

The first amendment of the Committee on Armed Services was, in section 1, on page 1, line 5, after the name "Quartermaster Corps", to strike out the name "War Department" and insert in lieu thereof "Department of the Army."

The amendment was agreed to.

The next amendment was, in section 1, on page 1, line 7, after the words "July 1", to strike out "1947" and insert in lieu thereof "1948."

The amendment was agreed to.

The next amendment was, in section 3, on page 2, line 22, after "June 30", to strike out "1948" and insert in lieu thereof "1949."

The amendment was agreed to.

The next amendment was, in section 3, on page 3, line 4, after the words "of the", to strike out "War Department" and insert in lieu thereof "Department of the Army."

The amendment was agreed to.

The next amendment was, in section 4, on page 3, line 13, after the words "of the", to strike out "War Department" and insert in lieu thereof "Department of the Army."

The amendment was agreed to.

The PRESIDING OFFICER. The Chair points out that on page 1, line 8, the word "War" should be stricken out and in lieu thereof the two words "the

Army" should be substituted; and the same amendment should be made on page 2, line 22. These two amendments are perfecting amendments; and, without objection, they are agreed to.

Mr. THOMAS of Oklahoma. I submit an amendment, and ask that it be printed at this point in the RECORD.

The PRESIDING OFFICER. Does the Senator desire to have the amendment lie on the table?

Mr. THOMAS of Oklahoma. I do not think I shall discuss this question tonight. It will require a little time, but not very much.

There being no objection, the amendment offered by Mr. THOMAS of Oklahoma was ordered to be printed in the RECORD, as follows:

On page 1, line 7, after "1948", insert the following proviso: "*Provided*, That the Remount Service stations Aleshire Quartermaster Depot (Remount), in Virginia; Pomona Quartermaster Depot (Remount), in California; and Robinson Quartermaster Depot (Remount), in Nebraska, shall be transferred and thereafter operated and managed as provided in sections 2 and 3 of this act: *And provided further*, That the Reno Quartermaster Depot (Remount), in Oklahoma, shall be transferred and disposed of as provided in section 4 of this act."

On page 3, after line 10, insert the following new section:

"SEC. 4. The said Remount station, known as the Reno Quartermaster Depot (Remount), located in Canadian County, Okla., comprising the former Fort Reno Military Reservation, together with the improvements thereon, shall be disposed of as follows:

"(a) The following-described lands, together with all improvements thereon, are hereby transferred to the Department of Justice, effective July 1, 1948, for use by the Bureau of Prisons in connection with the United States Southwestern Reformatory: All of sections 1, 9, 10, 11 (except that portion of section 11 which, together with all of section 12, was transferred by the Secretary of War to the control and jurisdiction of the Attorney General pursuant to the act of May 24, 1937 (50 Stat. 200)), township 12 north, and the southeast quarter of section 36, township 13 north, all in range 8 west, Indian meridian.

"(b) The following-described lands, together with all improvements thereon, are hereby transferred to the Department of Agriculture, effective July 1, 1948: All of sections 2, 3, and 4, township 12 north, those portions of sections 25 and 26 lying south of the North Canadian River, that portion of the west half of the west half of the northwest quarter of section 26 lying west of the North Canadian River channel change, all of sections 27, 28, 33, 34, and 35, and the west half and northeast quarter of section 36, township 13 north, all in range 8 west, Indian meridian.

"(c) All lands and improvements transferred by subsection (b) of this section, except that portion specified in subsection (d) of this section, shall be disposed of by the Secretary of Agriculture as expeditiously as possible in a manner consistent with and subject to the terms and conditions of the Bankhead-Jones Farm Tenant Act, as amended (50 Stat. 522, 60 Stat. 1062), and otherwise administered in accordance with said act: *Provided*, That during the period from the date of enactment of this act to and including June 30, 1950, all sales of such lands pursuant to the provisions of title I of the Bankhead-Jones Farm Tenant Act, as amended, shall be only to veterans as defined in section 1 (b) (2) of said act: *Provided further*, That if the claim of the Cheyenne and Arapahoe Tribes of Indians for such lands is sustained in the courts and a judgment is rendered in their behalf, then all moneys derived from the sale of the said tracts of land as herein provided shall be placed to the credit of such Cheyenne and Arapahoe Tribes of Indians and thereafter shall be considered a trust fund subject to disposal by the Congress: *Provided further*, That in allocating said lands, veterans, honorably discharged members of the Cheyenne and Arapahoe Tribes of Indians who meet the requirements of the said Bankhead-Jones Farm Tenant Act, shall have a preference right to acquire tracts of the said land and: *Provided further*, That the tract of land on which is located the building designated and known as General Sheridan's headquarters shall be set aside for the use and benefit of the Oklahoma State Historical Society: *And provided further*, That the Secretary of Agriculture shall be, and is hereby, authorized to make all necessary rules and regulations for carrying into effect the provisions of this act.

"(d) The Secretary of Agriculture shall grant to the city of El Reno, Okla., upon such conditions as may be mutually agreed upon, the following portion of the lands transferred by subsection (b) of this section, togther with all improvements thereon, and such easements and other rights as the Secretary may deem appropriate to such grant: That portion of the west half of the west half of the northwest quarter of section 26 lying west of the North Canadian River channel change, that portion of the southwest quarter of section 26 lying south of the North Canadian River, the east half of section 27, the northwest quarter of section 35, the north half of the southwest quarter of section 35, the northeast quarter of section 34, the north half of the southeast quarter of section 34, the east half of the northwest quarter of section 34, and the northeast quarter of the southwest quarter of section 34, township 13 north, range 8 west, Indian meridian."

On page 3, line 11, strike out "4" and insert "5."

Mr. THOMAS of Oklahoma. Mr. President, I have no objection to the pending bill in three aspects. In one aspect I do object.

The bill provides for the disposition of four remount stations. Heretofore they have been operated by the Army. The Army is going out of the horse-raising business, and has turned over these remount stations for disposal. The bill provides that the four stations shall be turned over to the Department of Agriculture, to be continued as remount stations.

I have no objection to the station in Virginia being continued as a remount station, if the Senators from Virginia desire it. I have no objection to the station in Nebraska being continued as a remount station if the Senators from Nebraska prefer it. I have no objection to the station in California, the Pomona station, being continued as a remount station if the Senators from California prefer it.

However, in my State there is objection. In my State the remount station occupies a fine tract of land, bottom land and upland. It is the finest land in Oklahoma. In my State we prefer to raise citizens rather than show horses. I am not speaking disparagingly of Virginia. The land at Front Royal, Va., is rough. Perhaps it is best adapted to raising horses. I am not familiar with the land in Nebraska. Perhaps it is best adapted for raising horses. I am not familiar with the land in California. Perhaps it is best adapted to raising horses instead of citizens. However, in my State the particular tract of land in question consists of 10,000 acres, 15 sections, of the finest land in the State, suitable for growing alfalfa and other crops adapted to that area. I want that land divided and make available to ex-service men under the Bankhead-Jones Farm Tenant Act.

Because it would require too long to discuss the question tonight, I now make a motion, which I send to the desk and ask to have read.

The PRESIDING OFFICER. The motion will be read.

The Chief Clerk read as follows:

I move that the bill H. R. 3484 be ordered rereferred to the Committee on Agriculture and Forestry for further consideration and report.

Mr. THOMAS of Oklahoma. Mr. President, in support of my motion, let me say that the Committee on Agriculture and Forestry has not fully considered this program. The Committee on Agriculture and Forestry has considered it in executive session. In order that the record may be complete, I send to the desk a resolution adopted by the Committee on Agriculture and Forestry and ask that it be read.

Mr. WHERRY. Mr. President, it was my understanding that after the committee amendments were agreed to the bill was to go over until tomorrow.

Mr. THOMAS of Oklahoma. Mr. President, I want this resolution in the RECORD.

Mr. WHERRY. Very well.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The Chief Clerk read as follows:

"*Resolved*, That the Senate Committee on Agriculture and Forestry request the Senate to refer H. R. 3484—a bill proposing to authorize and direct the transfer of certain remount stations from the War Department to the Agriculture Department—now on the Senate calendar to the said Senate Committee on Agriculture and Forestry for further consideration and recommendation."

Motion submitted by Senator BUSHFIELD, seconded by Senator YOUNG, and approved by the Committee on Agriculture and Forestry, January 7, 1948.

ARTHUR CAPPER,
Chairman.

Mr. MORSE. Mr. President, I do not intend to discuss the question at any length tonight, but in view of the remarks made by the distinguished Senator from Oklahoma, and in view of the possibility that some Members of the Senate may read the RECORD of today's proceedings, I should like to place in the RECORD a very brief rebuttal of what the Senator from Oklahoma has said. Tomorrow I shall indulge in a much longer debate on this subject.

I am somewhat at a loss to understand why the Senator from Oklahoma seems to think that Senators from a State in which Federal property belonging to all the people of the United States is located should have a controlling voice in the disposition of such property. I know that on past occasions the Senator from Oklahoma has at least given me the impression that because one of the remount stations is located in Oklahoma,

he apparently has some special rights or privileges in regard to it. That I deny. We are dealing here with Federal property, and it is the task of the Congress of the United States to determine the disposition of such Federal property in the interest of all the people, and not necessarily in accordance with the wishes of Senators from any particular State.

What the Senator from Oklahoma proposes to do is to except and exempt from the provisions of this bill what I consider to be the most important and vital of all the remount stations in the country; in fact, the only one which is operated pretty much on a self-sustaining basis.

The bill comes to the Senate after prolonged consideration by the Armed Services Committee of the Senate, and by a unanimous vote of the Armed Services Committee. The question has been pending before the Senate for about a year. Heretofore we have not been able to obtain consideration of the bill, because under the unanimous-consent rule we have been confronted by the fact that my good friend from Oklahoma has objected to the consideration of the bill unless his amendment, which exempts the Fort Reno station, is accepted by the Senate.

I should like to have Members of the Senate look at certain figures which I wish to place in the RECORD tonight. I want Senators to examine certain vital statistics which I think are connected with this problem.

First, let me say that House bill 3484 and the administrative proposals and plans under which the Remount Service will be operated under the terms of the bill have been arrived at by agreement between the Department of the Army and the Department of Agriculture. This bill and the proposals it embodies have the approval of those two Departments. It is true that the Department of the Army, then the War Department, proposed more than a year ago that the horse-breeding program be dispensed with if the cost of it were to be included in the Army budget, because, as the letters in the committee report, to which I shall refer in the debate tomorrow, point out, the then Secretary of War, Mr. Patterson, took the position that this function had become a civilian function, due to the fact that the Army no longer was maintaining any horse cavalry. But there was a recognition on the part of both those Departments of the value of this program as a civilian function. So the two Departments reached an agreement as to the transfer of the function to the Department of Agriculture.

Initially the subject matter was clearly within the jurisdiction of the Armed Services Committee. Tomorrow, if the Senator from Oklahoma raises the point of order which I understood from a letter I received from him a few weeks ago he might raise, we shall then discuss the jurisdiction of the Armed Services Committee in this matter. But suffice it for tonight to say that, in my opinion, there is no question that the bill was properly referred to the Armed Services Committee. That committee held hearings on it. The two Departments concerned entered into the necessary arrangements for the transfer. Now some members of the Agricultural Committee would like to have the bill referred to the Committee on Agriculture, so that they may proceed—I think it is perfectly clear what they intend to do—to rewrite the bill so as to make it more closely in line with the suggestions of the Senator from Oklahoma. I say that because the bill was clearly within the jurisdiction of the Armed Services Committee, no point of order can properly be raised as to the disposition of this matter by the Armed Services Committee.

As to the statistics which I want Senators to consider, let me say that the record shows that the continuation of this service, if transferred to the Department of Agriculture, will cost, in round numbers, $865,000 a year. The value of the property concerned is as follows: One of these remount stations is located at Front Royal, Va., and has a fair estimated value of $1,250,000. It is property belonging to the taxpayers, involving all the taxpayers of the United States.

There is a remount station at Pomona, Calif., valued at $800,000. That belongs to all the taxpayers of the United States, not merely to the taxpayers of California.

Another remount station, located at Fort Robinson, Nebr., is valued at $1,730,000, and again it belongs to all the people of the United States.

The fourth is the El Reno station, near El Reno, Okla. It is valued at $1,677,000 and belongs, not alone to the people of Oklahoma, but to all the people of the United States.

Then there are six so-called area headquarters, which, for the most part, consist of an office in the towns mentioned, with an Army officer and a secretary in charge. Those six area headquarters are at Front Royal, Va.; Lexington, Ky.; San Angelo, Tex.; Colorado Springs, Colo.; Sheridan, Wyo.; and Pomona, Calif.

I am perfectly willing to meet the Senator from Oklahoma tomorrow on the merits of his specific proposal; but I wish to point out now that the El Reno station, which is located 3 miles west of El Reno, Okla., originally in 1883, consisted of 9,493 acres. Subsequently there were transferred to the Department of Justice, for penal purposes, for the location of a penal institution, approximately 1,000 acres, leaving the El Reno remount station as of today approximately 8,493 acres.

Mr. President, approximately 1,000 acres of this land is bottom land, and more than 7,000 acres of this station are grazing land, buffalo grass land. One issue on which I am perfectly willing to meet the Senator from Oklahoma involves the value of this land for farm purposes. I say without fear of successful contradiction that it would be a great disservice to any veterans to break up this land into 80-acre or 160-acre plots, on the assumption that veterans could make a living out of that land, because soil-conservation authorities from the Senator's own State of Oklahoma, as well as soil-conservation authorities of the Federal Government, point out that to use this land for agricultural purposes of a productive farming type would amount to creating a dust bowl out of the land. I do not think we can justify, in the name of a sound soil-conservation program, the proposal offered by the Senator from Oklahoma.

I wish to say further, Mr. President, that I think that with international conditions being what they are, with the tensions being what they are, and with the facilities located on this land having such potential use available to the Government in the case of a more serious international crisis than that which confronts us tonight, I believe it is of great importance that this land be left in the control of the Federal Government.

I know of no committee which could possibly give more conscientious and serious consideration to a problem of this sort than the Armed Services Committee has given to this problem. Merely because some Senators find themselves in disagreement with the report of a committee, although the committee had jurisdiction over the subject matter when it went to work on it, I think it is very unsound procedure for the Senate to permit a motion of the type the Senator from Oklahoma has proposed tonight to be adopted. I do not think we should break down the committee work as is proposed, in effect, by the motion the Senator from Oklahoma has made. The Senate has received a report from the committee, and I say the Senate should either vote up or vote down the bill as reported by the Committee on Armed Services. Either we should have a remount program covering these four remount stations, or we should have none at all.

I believe the Senate should not give favorable consideration to the proposal of the Senator from Oklahoma, for the reasons which I shall set forth in the debate tomorrow from letters and briefs received from many of the Senator's own constituents, who say they think it would not be in the interest either of the country or of Oklahoma to adopt the program offered by the Senator from Oklahoma. I shall not detain the Senate any longer tonight to present my concrete evidence on that point.

I conclude for today by saying that I think in this instance there is involved a Federal problem, not an Oklahoma problem. It is a problem which involves more than $5,000,000 worth of taxpayers' property, and land which in my opinion should not be used for farm purposes along the lines of the proposal the Senator from Oklahoma makes. The land, as the statements I shall offer for the RECORD tomorrow will show, may have great potential oil resource value. I say that with the international situations being what they are, the Federal Government should maintain for the time being control over its own land, underlying which there may be very rich oil deposits.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. IVES in the chair) laid before the Senate a

message from the President of the United States submitting the nomination of Carl K. Connell, of Cameron, Mo., to be collector of internal revenue for the sixth district of Missouri, to fill an existing vacancy, which was referred to the Committee on Finance.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. BUCK, from the Committee on Banking and Currency:

Thomas Bayard McCabe, of Pennsylvania, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1942.

CONSIDERATION OF EXECUTIVE NOMINATIONS

Mr. WHERRY. Mr. President, as in executive session, I ask unanimous consent that the Senate now proceed to the consideration of nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will proceed to state the nominations on the executive calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

The PRESIDING OFFICER. Without objection, the nominations in the Diplomatic and Foreign Service are confirmed en bloc; and, without objection, the President will be notified forthwith.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Edney Ridge to be United States Marshal for the Middle District of North Carolina.

The PRESIDING OFFICER. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc; and, without objection, the President will be immediately notified.

That completes the executive calendar.

INCREASE IN BRITISH TARIFF ON TOBACCO

Mr. JOHNSTON of South Carolina. Mr. President, I have read an Associated Press dispatch, bearing a London date line and received yesterday, which states that Sir Stafford Cripps, British Chancelor of the Exchequer, has announced an increase in the duty on leaf tobacco of 3 shillings 4 pence, or about 68 cents a pound. A package of 20 cigarettes of popular brands has been increased from 68 cents to 72 cents. Cheaper brands formerly selling at 50 cents will sell for 52 cents.

Propaganda sources within this country, Mr. President—sources within the present administration and among British interests here—flooded the tobacco-growing regions of the Southeast with ballyhoo to the effect that, if the Congress did not authorize the appropriation of $17,000,000,000 for western European relief, the British could not buy American tobacco. In turn, letters rained in upon my office from the tobacco growers of South Carolina. "Senator," they pleaded, "please vote for the Marshall plan. If it does not pass, the British tell us they cannot buy our tobacco." I have had some experience with the British. I did not vote for the Marshall plan, but it was overwhelmingly adopted by the Congress.

Now, almost before the ink of the President's signature on the new law is dry, the British Government hikes the tariff on American tobacco to the point where its import will be virtually prohibited. Is not this consistent? After negotiating the United States out of three and three-quarter billion dollars—which Britain's Socialist government has already squandered but which was supposed to have lasted until 1950—the British immediately increased the import duty on American tobacco by 50 percent.

Many promises were made by that Government in 1946, Mr. President. We were told that the pound sterling bloc would be dissolved and that other trade barriers which work to the disadvantage of the United States would be removed. I ask now whether those promises have been kept.

Now that the British have apparently launched an all-out effort to freeze American tobacco out of the British market, I fear our tobacco farmers will see American tobacco stacked up on wharves and in warehouses, and that they will wish we had retained some of these billions of dollars so we might pay subsidies, which will be sorely needed.

As we recklessly pursue the road to financial bankruptcy in this country, who will be left strong enough, wealthy enough, and charitable enough to finance an American recovery program?

Sir Stafford Cripps states that the tax they put on tobacco last year failed to accomplish the desired result, which was to keep the people of Britain from smoking, and that therefore they must put an additional tax on it this year in order to cut down smoking in England. That is the way they are treating us, after having received from us the money with which to buy our products in America.

TRANSFER OF THE REMOUNT SERVICE

Mr. WHERRY. Mr. President, I think it would be well to have the parliamentary situation stated.

The PRESIDING OFFICER. The pending question is the motion of the Senator from Oklahoma [Mr. THOMAS] to refer to the Committee on Agriculture and Forestry the bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture.

DEATH OF REPRESENTATIVE ZIMMERMAN, OF MISSOURI

The PRESIDING OFFICER. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
April 7, 1948.

Resolved, That the House has heard with profound sorrow of the death of Hon. ORVILLE ZIMMERMAN, a Representative from the State of Missouri.

Resolved, That a committee of four Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. DONNELL. Mr. President, I send to the desk resolutions which I ask to have read and immediately considered.

The resolutions (S. Res. 222) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ORVILLE ZIMMERMAN, late a Representative from the State of Missouri.

Resolved, That a committee of two Senators be appointed by the Presiding Officer of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. As the committee on the part of the Senate to attend the funeral of the late Representative Zimmerman, the Chair appoints the senior Senator from Missouri [Mr. DONNELL] and the junior Senator from Missouri [Mr. KEM].

Mr. DONNELL. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now stand in recess until 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 5 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 8, 1948, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 7 (legislative day of March 29), 1948:

COLLECTOR OF INTERNAL REVENUE

Carl K. Connell, of Cameron, Mo., to be collector of internal revenue for the sixth district of Missouri, to fill an existing vacancy.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 7 (legislative day of March 29), 1948:

ADMINISTRATOR FOR ECONOMIC COOPERATION

Paul G. Hoffman to be Administrator for Economic Cooperation.

DIPLOMATIC AND FOREIGN SERVICE

TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO PORTUGAL

Lincoln MacVeagh

TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO CEYLON

Felix Cole

TO BE CONSUL GENERALS OF THE UNITED STATES OF AMERICA

Thomas C. Wasson
Raymond P. Ludden
James S. Moose, Jr.

TO BE CONSULS OF THE UNITED STATES OF AMERICA

Nicholas Feld.
Roger L. Heacock

UNITED STATES MARSHAL

Edney Ridge to be United States marshal for the middle district of North Carolina.

POSTMASTERS

KANSAS

Warren E. Harlan, Iola.
Wilmer G. Boothe, Lehigh.

MINNESOTA

Clarence Wall, Hayward.
Olice S. Erickson, Willmar.

TENNESSEE

John G. Hughes, Clifton.
Samuel G. Bazemore, Cordova.
Samuel A. Leftwich, Hampshire.
Lee T. McDaniel, Pittsburg Landing.
Ross Bass, Pulaski.
Earnest T. Browder, Sweetwater.

TEXAS

Robert L. Phinney, Austin.
Glenn H. Henderson, Bryson.
Walter G. Marek, Burlington.
Thomas A. Vaughan, Caddo Mills.
Richard A. Bowers, Caldwell.
Grace G. Sanderlin, Camp Wood.
Jesse L. Howard, Chester.
Louise I. Lintelman, Crosby.
James R. Brown, Denison.
Charles H. Yowell, Dodd City.
Euna C. Kelly, Freer.
William R. Ginnings, Frisco.
Sam S. Devall, Hallettsville.
Ernest A. Cryer, Jr., Hamshire.
Frederic E. Edgar, High Island.
Halbert McQuinn, Jefferson.
Herschel P. McCown, Kerens.
Robert A. White, La Porte.
Harold Sparks, La Villa.
John C. Groce, League City.
Charley J. Nichols, Mansfield.
Isaac E. White, Markham.
Roy B. Hennington, McCaulley.
Homer O. Gainer, Melvin.
Andrew J. Dennis, Moran.
Marvin C. Warncke, Needville.
H. L. Riddle, Ovalo.
Mark L. Hodges, Paris.
Ambrose W. Caufield, Phillips.
Edna A. Sutherlin, Selman City.
Otis Avary, Seymour.
Alton Joyce Evans, Shallowater.
Pearl H. Hardy, Shepherd.
Joe R. Christian, Tenaha.
Wallace Fred Cannon, Thornton.
Ralph W. Palmer, Tornillo.
Quel A. Hughes, Vera.
Dessie K. Bowden, Whiteface.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 7, 1948

The House met at 12 o'clock noon.

Rev. Paul Bussard, of St. Paul, Minn., editor of the Catholic Digest, offered the following prayer:

Let us pray that God, whose will is expressed by the laws which govern the motion and relations of the heavenly bodies and by the laws of science which govern the motion and relations of atoms, of which all matter consists, may enlighten the minds of this Congress so that His will in respect to the relation of man to his fellow man may also be followed by the art of government.

Mercifully grant to us, O God, the spirit to think and to do the things that are proper and just, so that we, who cannot exist without Thee, may be enabled to act according to Thy will. Through Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On April 3, 1948:

H. R. 986. An act for the relief of Leslie H. Ashlock;

H. R. 4478. An act to provide basic authority for certain administrative expenditures for the Veterans' Administration, and for other purposes; and

H. R. 4943. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the territory of the Republic of the Philippines.

On April 5, 1948:

H. R. 1215. An act for the relief of Kazue Oda Takahashi; and

H. R. 4938. An act to amend the Tariff Act of 1930 with reference to platinum foxes and platinum-fox furs, and for other purposes.

On April 6, 1948:

H. R. 2214. An act for the relief of Dave Hougardy; and

H. R. 3118. An act for the relief of Mrs. Susan W. Roe.

On April 7, 1948:

H. R. 3229. An act to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory; and

H. R. 4177. An act for the relief of William L. Cunliffe.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1481. An act to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District; and

S. 2287. An act to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes.

The message also announced that the Senate had ordered that Mr. McCARRAN be appointed a conferee on the bill H. R. 2192, "An act for the relief of the Massman Construction Co.," vice Mr. McGRATH, excused.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1799) entitled "An act for the relief of Eva L. Dudley, Grace M. Collins, and Guy B. Slater."

PAUL G. HOFFMAN

Mr. GRANT of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GRANT of Indiana. Mr. Speaker, the country will applaud the action of the President in nominating Mr. Paul G. Hoffman, president of the Studebaker Corp., as Administrator of the European recovery program.

Mr. Hoffman brings to this tremendously important assignment a wealth of experience in business and in civic affairs that augurs well for the program. As a member of the committee of citizens headed by Secretary of Commerce Harriman, he has already given much work and study to this foreign-aid program.

We are further encouraged by the speed with which the nomination was made. An early confirmation of this appointment can serve to keep the fumbling fingers of the State Department out of this program, as was definitely intended by Congress in its formulation.

Realizing as we do the waste and the extravagance of the public funds that all too often has marked these international programs in the past, the appointment of Mr. Hoffman gives encouragement to many of us who supported ERP, but who frankly had serious misgivings about the administration of these funds. There were grave doubts that we would realize the beneficial results that could come if the foreign-aid program were placed in capable hands.

Mr. Hoffman will bring to this program a good, sound business leadership. We expect him to gather into that organization people who are made of such good stuff as himself. ERP is off to a good start.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. POTTER asked and was given permission to extend his remarks in the RECORD and include a radio broadcast and a letter.

PAUL REVERE'S HORSE

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, Sunday, April 18, marks the one hundred and seventy-third anniversary of Paul Revere's celebrated ride. In poetry and in prose this famous historical event has been made known to every school child in America. Paul Revere has been honored for his gallantry and high patriotic purposes. Neglected in the annals of history has been the steed that carried Revere on his mad dash through the

Massachusetts countryside on that notable evening. Little is known about the horse that carried Revere as he spread his message which proclaimed one of the first steps in the freedom of our great Nation. Lost to posterity is the name, the breed, and the ultimate end of this brave animal.

On this next Saturday, April 10, 1 week previous to the celebration of the one hundred and seventy-third anniversay of this historic ride, over the Mutual Broadcasting System, at 3 p. m., sponsored by the United States Treasury Department in its bond-selling campaign, deserved musical tribute will be paid to the gallant horse ridden by Paul Revere in a new song. The song, written by my good friend the Honorable James A. Rhodes, who is mayor of the great city of Columbus, Ohio, will be presented by Lionel Hampton, one of America's greatest living musicians, at this broadcast. This tribute will be paid to the noble forgotten horse in an especially composed song for the occasion and while the horse's name has not been preserved to posterity, this song names him "The Freedom Horse," and I recommend that every red-blooded American listen to this broadcast.

With your permission, I read the lyrics of this song:

Deep under the sod of New England hills,
Historians are sleeping with tongues so still;
Silenced by time are these lifeless lips;
To us they willed a million manuscripts
That honor a man and worship his deed,
His ride they record but forget his steed.
Wake up, historians! Have you no remorse?
Tell us what became of Paul Revere's horse.

Tell us what became of this gallant horse
After he finished his courageous course.
Can't you recall or remember his name,
Or tell us his color from tail to mane?
How did he die or where was he buried?
To your grave these secrets you have carried.
If you historians cannot trace his source
We Americans will call him the "Freedom Horse."

The premier for the public will be given at a concert at Carnegie Hall on Saturday night, April 10, by Lionel Hampton.

I can recommend a pleasant and profitable evening spent in listening to this concert which will include this patriotic song.

EDUCATION: A FIRST LINE OF DEFENSE

Mr. LANDIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LANDIS. Mr. Speaker, under the GI bill of rights, and the vocational rehabilitation program, over 4,500,000 veterans of World War II lined up for the long march back to the classrooms that they left months and years before. They came from the shell-torn lands of western Europe, from the bloodstained beaches of the Pacific, and, in fact, from their country's service the world over. Approximately 2,800,000 of them are attending our schools and colleges at this time.

No government has ever before invested so heavily in the preparation of so many people for a full and useful civilian life. This great and merited educational program was not conceived primarily as a reward, however, but rather as a means of meeting future needs of the Nation. For otherwise, there soon would have been an acute shortage in the trained personnel, whose services are fundamental to the general welfare. For these reasons, the laws providing for GI education are perhaps the most significant ones ever passed by Congress for the enlargement of educational opportunity. Their success has shown that it is feasible and desirable to provide still more extensive Federal support for the schools.

It was not always easy to adjust to the calm of the campus and to the new assignments, with libraries, laboratories, and lecture halls substituted for the battlefields. The hope must have surged in the minds of all these veterans that some day education could make possible for the whole world, also, such transition over the troublous course from war to peaceful pursuits. Most of these men met their new duties with typical determination and purpose. Their education had been postponed. Their time was correspondingly more valuable. It was only natural that they would want to attend the best available institutions, where superior educational results could be expected. Inevitably they would gain there a better appreciation of the influence of good schools and good teaching on the destiny of nations as well as individuals.

The veterans made their own selection of schools and studies. But while they could pick outstanding schools, with the security of Government scholarships, their sons and daughters of necessity may be studying under poorly trained teachers in an unsuitable school environment. No other choice may be possible for them. As a result, they may be handicapped later, both in more advanced study and in contributing their share as citizens to the life of the Nation. The generation now of usual school age has not been given opportunity comparable to that of the veterans. The GI training program has given us a better-educated adult population than ever in the past. It is about the children that we now must be concerned, and the future of the Nation a quarter of a century from now and beyond.

The need of good schools throughout the Nation has become even more important since World War II. Our children must live in a more complex world. It will not be many years before they will be charged with the task of maintaining and directing to fuller reality the democratic ideals for which their fathers fought—ideals that inspired our armies successively in the Argonne and on Iwo Jima.

The consequence of the educational neglect of some of our people was brought forcibly to our attention in the last war. There was no place for illiterates in modern combat. Too much was at stake to gamble on their execution of front-line commands. Some were used for limited service only. Others were taught. Many were turned down altogether. Educational deficiency was the cause of one-eighth of all rejections. More than 676,000 were excluded from service for this reason. These men would have been qualified if proper attention had been given to their instruction in childhood. Instead, however, their educational lack impaired the speed and efficiency of the entire Nation in preparing for the scientific struggle that was thrust upon us at Pearl Harbor.

What we must not forget is the fact that the educational demands for serving one's country now are fully as great. Yet we have in our country approximately 10,000,000 people who are practically illiterate, and nearly 5,000,000 of our school-age children are not attending any schools. It is even more disturbing to realize that these conditions are not caused by any native inability. They are, on the contrary, the direct result of our failure to provide sufficient opportunity.

In meeting the unlimited emergency of the world's greatest conflict, the United States spent on war in 1 year far more than it spent on public elementary and secondary education in the 75 years immediately preceding. There was no alternative. The tremendous cost was necessary to preserve our heritage of freedom and opportunity under a democratic government. Therefore, we could, and did, afford it. We must not allow ourselves now to drift again into complacency. We are now confronting other great emergencies. One of them is the deprivation of educational opportunity for many of our people, limiting their use of the inalienable rights that have been preserved for them at great sacrifice. Our Nation needs today, more than ever, trained minds and skilled hands.

The causes for which we fought must be upheld and perpetuated. The translating of them into a better world order, with a new degree of peace and progress, depends upon many factors. The solution of our vast social, economic, and political problems of today and tomorrow will depend upon the education of all the people. To educate only a privileged number thus is an anachronism in this postwar era. But we have been allowing 2,000,000 of our children to suffer from poor teaching. This is the direct result of the low salaries prevailing in a profession which, more than any other, has the responsibility of molding their lives.

The Federal Government thus far has failed to make sufficient and lasting provision for the full development of our people through better education. While the principle of State support and control of the public schools has become thoroughly established, it is traditional also for the Federal Government to aid the States in meeting educational needs as they arise. Such help previously had the fault of being too meager in scope. But Federal aid for education has ever been justifiable. For the needs of the schools are the needs of the Nation. They are reflected in every phase of our national life.

The Federal Government has protected and developed our national resources. The conservation of soil and the production of power exemplify the programs that have contributed to our economic and social life. These are continuing programs. Many of our States, acting alone, cannot possibly meet the great and long-range problems of our schools and

thereby prevent the waste of our even more valuable human resources. The effort now being made to support the schools many times actually is greater in the low-income States. Certainly their people are fully as capable and deserving. But poor schools anywhere in a prosperous nation can have a severely retarding influence. They may rob even the most ambitious students of the incentive to climb higher on the educational ladder. Our best schools now have 60 times as much money as our poorest schools to invest in each classroom.

Only through a comprehensive program of Federal aid can all of the States be enabled to remedy the tragic effect of poor schools. The Senate recently passed a bill providing for such aid on the basis of need, economic ability, and effort. A similar bill is pending in the House of Representatives. Every State would benefit under this legislation, but the largest amounts would be apportioned to the most needy States and their most needy children. Our wealthiest State has, per pupil, six times the income of our poorest State. This extreme example of financial disparity serves to emphasize the needs of the States of relatively low income. Some of the schools of the richest States need improvement also, and they would also be helped under the Federal aid bills. Under the Senate bill, New York State would receive $12,000,000 and my own State of Indiana would receive $3,645,000.

This program would represent the greatest step ever made by our National Government toward equalizing educational opportunity. Major consideration should be given not to the expense but to what it will accomplish. The returns to the Nation are potentially so great as to be incalculable.

State and local control of schools would not be disturbed in any way. On the contrary, specific provision is made for use of the funds by the individual States in accordance with their own laws and regulations. The GI bill of rights itself illustrates the functioning of Federal aid without Federal control. The regularly constituted school and college authorities have full charge of the study of the veterans, determining their qualifications for admission, arranging for their accommodations, giving their instruction, and accrediting their achievements.

The Federal-aid program also would serve to strengthen at a most strategic time one of our first lines of defense—education. Every delay in building better schools increases the dangers to our democratic institutions. For the threats to the principles of Americanism, both at home and abroad, breed on educational inadequacy and resultant false ideas. Subversive tendencies cannot survive among a people given the educational opportunity, as envisioned at the very dawn of our history, to prepare for intelligent participation in our democracy. Our ideals, successfully defended in world conflict, must be defended now in our classrooms.

We came to see, during the trials of the last war, that it is economy, and not extravagance, to pay the cost of being prepared. Our defense needs today include the safeguard of armaments. They include accelerated effort for international understanding through the United Nations and world diplomacy. They include the economic and spiritual uplift of the people of less fortunate nations that are downtrodden by war. But prerequisite to all this is better education for the masses, and in this defense we must begin at home. A nation cannot be strong enough to lead the way in peace and democracy if it disregards the educational needs of its own people.

SOIL CONSERVATION

Mr. COLE of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. COLE of Kansas. Mr. Speaker, every day huge quantities of food are carried down the streams of our Nation and dumped into the ocean. Each muddy creek and river is a public conveyor, transporting wheat, corn, fruit, carrots, and potatoes—in fact, all the products of the soil. It is the food to be grown tomorrow—next year—the next generation.

It is food in its embryo stage—the top, fertile soil of America.

This tremendous waste is irreplaceable. It is the grave concern of the Nation. The preservation of future food is the preservation of our country. It is the duty and responsibility of our Government to prevent soil erosion.

We are spending many millions each year in soil conservation. It is not my intention to be critical of those programs. However, I have a plan to promote and encourage soil conservation that is not burdened with bureaucracy.

Today, I introduced a bill in the House which authorizes a deduction, for income-tax purposes, of expenditures made incident to the prevention of erosion of agricultural land. It is that simple.

Some farmers and landowners prefer to fix up their farms without governmental direction. If such expenditures were allowed, it would relieve the Government of some of its costs, would increase productivity of the farm, thereby creating more income to be taxed in future years; help eliminate food shortage; aid in combating inflation by promoting plenty; and give an incentive to the people who have the money to do the job in a short period of time.

Allowance of expenditures of a similar character has already been proven to be conducive toward the promotion of a big development program in the oil business. In this program, the taxpayer is extended the option of treating the drilling of the hole as a charge-off or capital expenditure on his tax return.

The bill which I have introduced would, if it becomes a law, benefit the country as a whole, economically and physically. It would give impetus to soil conservation and, at the same time, decrease the cost of providing such a program.

SOIL CONSERVATION

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, I am sure you are very much interested in the discussion by our colleague from Kansas. Every statement he made is true. That being so, I do not know why so many people wanted to sign the discharge petition and jeopardize the existence of the type of American agriculture that really conserves the soil without asking for Federal appropriations.

In Wisconsin yesterday we had an election. You probably heard about it. One candidate, Mr. Stassen, got 21 delegates, according to the headline in the paper this noon. Mr. Stassen stood up and answered every question. He showed them that he is not dominated by the cotton lobby, that has ruined the soil of the South for the last hundred years and now wants to ruin the rest of the land in the United States by its program. He showed that he is not dominated by the oleomargarine monopoly, that has had a monopoly on this product as far as the United States is concerned. It might be a pretty good thing for some of our Republican colleagues to kind of look that election over and see if they cannot draw some conclusions from it.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. MACKINNON and Mr. MURRAY of Wisconsin asked and were given permission to extend their remarks in the RECORD.

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD in three instances and include in each a newspaper item.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by four Nebraska Indian tribes.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an article by Mr. M. C. Herman, quartermaster adjutant of the Veterans of Foreign Wars of California.

SPECIAL ORDER GRANTED

Mr. LANE. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPLACED PERSONS

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Speaker, it is more than 3 years since the liberation of Europe. And yet, as we all know, there are still in Europe nearly 1,000,000 men, women, and children who hopefully await their day of liberation—liberation from the despair and misery and futility of their lives in the displaced persons camps. These displaced persons look primarily to us, the people of the United States, for leadership in the development of a just and democratic solution to their plight. The United States is recognized the world over as the major protagonist in the fight against tyranny and oppression. It is only fitting that we continue in the tradition of American democracy and assume our fair responsibility by permitting these victims of oppression, still in displaced persons' camps, to enter the United States. Not only should we reinforce the enviable reputation of this country as a haven for the oppressed, but our program for the admission of displaced persons should embody the essential spirit of democracy marked by the absence of discrimination because of race, religion, or nationality.

PAUL G. HOFFMAN

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, on yesterday President Truman appointed Mr. Paul G. Hoffman, a prominent citizen of Indiana, one of the most progressive businessmen in these United States, and a great American who believes in America and the American way of life, as administrator of the European recovery program.

The President is to be commended upon his selection of Mr. Hoffman. The task assigned Paul Hoffman is almost a superhuman one. It is doubted whether any man was ever called upon to administer a larger or a more complex program, but if any human being can satisfactorily administer such a gargantuan task I believe that he can.

I have had the privilege of knowing Paul Hoffman for the past several years. As chairman of the Committee for Economic Development, an organization of thousands of progressive businessmen from all over the United States set up during the war for the purpose of cooperating in an effort to furnish employment and generally get our economy back on an even keel in the postwar era, Mr. Hoffman performed a splendid job. It was my privilege as chairman of the Postwar Economic Policy Committee of the House to work with Mr. Hoffman and his committee during those years.

During the consideration of the Marshall plan one of the chief matters of concern for all Members of Congress was the question of who would administer the program. Therefore, the appointment of this outstanding American businessman should be reassuring to all concerned. Mr. Hoffman has my sympathy in his undertaking and I bespeak for him the cooperation of all Americans in his herculean task.

EXTENSION OF REMARKS

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD and include a letter and newspaper clipping.

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Star.

PROVIDING FOR AN AIR FORCE

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, I am today introducing a resolution to build our air force up to 70 groups with adequate reserves. I feel that on this particular day more of us should stand up and advocate the Air Force program. I regret to see the Secretary of Defense putting UMT and the draft for a big land army ahead of the air power program. I cannot see the reasoning behind such a course, nor can I see the tactical and strategic advantages of that kind of policy. I regret also that the President of the United States some time ago put these programs ahead of the air-power program. President Truman in his last personal appearance in this House failed to come out for strong air power or the 70-group force. Your joint Congressional Air Policy Board, some of the members of which I see on the floor, the gentleman from Nebraska [Mr. STEFAN], the gentleman from California [Mr. HINSHAW], and Mr. BREWSTER, a Member of the other body, have all advocated the Air Force program as the No. 1 defense program of this country. I think we should put the Air Force first. You can do it with less money. A big land army could not stop Russia. You could not build up a big enough land army to try that. All military strategists are agreed on that. So what other power do we have than air power? I wish the President of the United States would wake up, and I wish he would put so much pressure on Mr. Forrestal. I believe that is what the trouble is. Let us put first things first. Let us get our Air Force built up like it ought to be.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. DORN. I yield.

Mr. ARENDS. The gentleman might be interested to know that the Committee on Armed Services this morning passed a resolution endorsing the 70-group Air Force program.

Mr. DORN. I thank the gentleman. I wish to compliment his committee particularly. They have done a wonderful work. I hope this program will go through. The fight on Billy Mitchell's ideas is still going on and may result in catastrophe.

EXTENSION OF REMARKS

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD in three instances and to include extraneous material in each.

PAUL G. HOFFMAN AND THE EUROPEAN RECOVERY PROGRAM

Mr. GWINN of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GWINN of New York. Paul G. Hoffman—now watch the commies come out from under the beds of the various other departments, such as the State Department and the Department of Commerce and go under the bed of Paul G. Hoffman. There is no greater influence to the left in our country today than Paul G. Hoffman. I propose to introduce in the RECORD direct quotations from what he has said and what he has written, together with the reports to prove it. He believes in a managed economy and a managed currency and he follows the line of Marx without really knowing it, but he follows it just the same. Watch, gentlemen, as we were promised that the situation would be watched by the Congress to see that we would have a free economy and not a managed economy. We would have a hard-headed American businessman to administer ERP, a leader in industry. Instead we have got a soft-shelled New Deal operator. What else could we possibly have expected ahead of us?

Without notice or debate and with only 20 or 25 Senators on the floor, Paul G. Hoffman's appointment as European recovery administrator has been confirmed by the Senate by a voice vote. Thus again as Chief Justice Stone once said, the functioning of the Senate in confirming appointments by the administration is too often perfunctory and inoperative.

Mr. Hoffman is possibly the leading left-wing industrialist in America. His speeches and writings constantly extol the place of centralized government in a planned economy. At the same time he depreciates and deplores the free market and the free economy. He is quoted in the New York Herald Tribune of October 24, 1946, as saying that "those who claim that all we have to do is to unshackle free enterprise are guilty of loose, irresponsible talk."

Over and over again in his writings and speeches he has departed from the concept of government's primary function being that of maintaining and protecting the inalienable, constitutional rights of free men. He refers to men who hold to the free economy and the free market as "having their heads in the sand."

Speaking for the Government, he says: "It intends to take at least twenty billion dollars away from its citizens in taxes every year, and it will spend at least twenty billion." He has been hostile to the reduction of taxes, because it will be difficult to raise them again.

Mr. Hoffman is chairman of the Committee for Economic Development. It published a book entitled "Jobs and Markets," which amounts to a complete blueprint of a planned economy directed from Washington on a grand scale.

It says:

The monetary authorities should be enabled to expand or contract the money supply to stimulate or limit demand.

This is almost a quotation from Marx himself. By artificially printing or retiring money, government gives or takes away purchasing power without regard to production. Mr. Hoffman, chairman of the Committee for Economic Development, proposes to do away with money as tokens or receipts in exchange for real production as the basis of credit.

With that frame of mind he is now managing $6,250,000,000 of our domestic credit in dealing with the Socialist cabinets of Europe.

In the congressional debates we were urged to be patriotic and vote to stop communism. This morning we were shocked to find that we are in the hands of a man who in his very first public words said he hoped "to develop Soviet trade."

AIR FORCE PROGRAM

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Speaker, on behalf of the House Members of the Congressional Aviation Policy Board I desire to announce that we have today introduced 14 bills and 2 resolutions for the purpose of implementing the recommendations of the Board as contained in our report issued March 1. There were 92 recommendations in that report. A great many of them will simply require Executive action. The balance will require legislative action, and, of course, Executive action following the legislative action.

However, I believe that this is unprecedented action on the part of almost any board or joint committee of the Congress, in that we have not only made our report but we are offering legislation to the Congress for its consideration as promptly after the report was issued as we could possibly have the legislation drafted.

Outstanding among the bills presented today is one providing for the procurement of aircraft on a long-range basis, a procedure which military leaders have desired for many years and which is not possible under existing laws. The measure would remove time limitations on the expenditure of funds and contract authorizations by the Air Force. It also would make possible a succession of 5-year programs of aircraft design and procurement.

The bills were introduced in the Senate by Senator ALBERT W. HAWKES, of New Jersey, and in the House of Representatives by Congressman CHARLES R. CLASON, of Massachusetts, an ex-officio member of the Board, as the spearhead of the Board's legislative program presented to Congress little more than a month after the submission of its report.

The Board, in urging adoption of a long-range aircraft procurement program pointed out that the present policy of aircraft procurement is destructive to economical planning.

The desire to avoid forfeiture of annually appropriated funds within the year they are authorized often causes a tendency to conclude contracts which are not sound, the Board declared. Removal of time limitations and provision of funds on a continuing appropriation basis with amounts provided from year to year based upon evaluation of progress under the contracts, can overcome this tendency. The bills would authorize a succession of 5-year procurement programs, reviewable yearly to encourage a more considered view of the Nation's air needs and of industry's ability to meet them in peacetime as well as during an emergency.

The bills would also require the Secretary of Defense to submit to the Congress on or before January 15 of each year a report of the estimated procurement requirements of the National Military Establishment for aeronautical research, development, and production for the succeeding 5 years.

Immediate expansion of the military air power of the United States is provided for in another section of the bills which says that pending submission of the January 15 report to Congress, such sums as may be determined necessary for aeronautical research, development, production, and procurement be authorized.

Another important phase of the long-range formula for insuring superiority of American airpower, is the proposal to establish a Joint Congressional Aviation Policy Committee. This joint committee would keep a watchful eye on the country's aviation needs and make periodic reports and recommendations to the Congress as changes in the international picture indicate.

To achieve this a joint resolution was introduced in the Senate by Senator BREWSTER, and in the House by Congressman CARL HINSHAW. Among the duties of the committee would be the submission of a biennial report to the Congress detailing the defense and commercial air capabilities of the Nation in the light of the changing international situation and the aviation strength of other nations.

More than a dozen of the Board's recommendations are covered in omnibus bills introduced in the Senate by Senator BREWSTER and in the House by Representative HINSHAW.

These bills provide for sweeping reorganization of Government agencies controlling civil aviation. Among other features it would give statutory authority to the Air Coordinating Committee, create an independent Director of Air Safety, and establish an office of Civil Aviation to take the place of the present Civil Aeronautics Administration.

The new Air Coordinating Committee, replacing the one now operating under Executive order, would coordinate and recommend aviation policies affecting two or more Government agencies, and would be authorized to reach decisions by majority vote, in contrast with the present requirement of unanimous agreement before action can be taken.

These bills provide for annual rotation of the chairmanship among the member agencies, and charges the ACC with developing and coordinating air-sea and land rescue facilities.

They also transfer many functions of the Civil Aeronautics Administration, which will be abolished, to an Office of Civil Aviation under the Department of Commerce and authorize the establishment of a Federal airways system under a single civil head within the office of Civil Aviation. The Office of Civil Aviation would be charged with integrating the functions of this office with the military. The Federal Airways Service would also promulgate and administer regulations relating to aircraft in flight and at airports.

Another outstanding provision of the bills is authorization establishing an independent Director of Air Safety. He would be responsible for investigation and analysis of civil air accidents and for submitting reports and recommendations through the Air Coordinating Committee and annually to the Congress.

He would also be charged with promoting safety and certainty in air operations through educational means and would combine his efforts with those of the military services to arrive at the most effective methods of accident investigation by the exchange of findings and data with them.

To insure cooperation of both civil and military governmental agencies the Director would be assisted by a special subcommittee of the Air Coordinating Committee which would be charged with the responsibility for assisting the Director in his activities, providing him with needed facilities.

These bills would also provide for added responsibilities and duties of the Civil Aeronautics Board by amending the Civil Aeronautics Act. Besides providing an executive director for the Board, the bills direct that the Board be freed from all administrative ties to the Department of Commerce. They also authorize the CAB to delegate such functions as it considers proper to individual members, its executive director and to its staff except in the case of rate and route decisions. The CAB would continue as an independent quasi-legislative and quasi-judicial agency and be charged with the administration of the economic responsibilities imposed by the Civil Aeronautics Act of 1938, including the Civil Air Regulations having a direct bearing upon economics of operations.

The CAB would promulgate, administer and enforce regulations relating to the competency of airmen, certification and airworthiness of aircraft, air carrier operating specifications and other regulations relating to the economics of operations. In addition, it would hear and determine appeals from the Federal Airways Service in cases involving violation of traffic regulations.

Companion bills directing the Postmaster General to arrange for delivery of first-class mail by air when he finds it

expeditious and where adequate ground and air facilities are available were introduced by Senator BREWSTER and Representative FRANCIS CASE of South Dakota. Public benefits of such procedures are to be weighed by the Congress in considering such legislation, against the added costs involved.

At the same time bills authorizing the establishment of a domestic air parcel-post system were introduced by Senator HOMER E. CAPEHART, of Indiana, and Representative CASE of South Dakota.

Regulation of contract and charter air operations, a power not now given the Civil Aeronautics Board, would be given in other bills offered by Senator BREWSTER and Representative CHARLES A. WOLVERTON, of New Jersey. These bills would amend the Civil Aeronautics Act of 1938 giving the CAB the authority to regulate contract and charter operators in both domestic and in foreign operations.

Carrying out another recommendation of the Board, which called for a complete examination into present customs and immigration laws to bring about their modernization, were four bills introduced in the Senate and three in the House, by Senators BREWSTER and HAWKES, and by Representatives HINSHAW, CLASON, and STEFAN.

These bills are the first in a series to be introduced which are regarded as necessary to carry out fully the Board's recommendations. They include provisions for the relief of air carriers from fines and penalties imposed by the immigration laws under practices which have been regarded as archaic and unjust; elimination of overtime payments by air carriers for services of customs and immigration employees; and the exemption of Canadian citizens from certain visa requirements.

Another joint resolution calling upon the National Military Establishment in collaboration with the General Accounting Office and the Bureau of Internal Revenue to establish a single set of rules applying to audit and determination of cost under contracts of the National Military Establishment was offered by Senator HAWKES and Representative CASE of South Dakota.

To facilitate financing by the commercial air lines, companion bills which provide for the registration of spare parts of aircraft and aircraft engines were introduced in the Senate by Senator CAPEHART and in the House by the gentleman from New Jersey, Representate WOLVERTON; and a second set of bills to release persons having a security interest in or title to any civil aircraft from liability for injury, death, or property damages unless in their possession at the time of the accident, were introduced in the Senate by Senator CAPEHART and in the House by the gentleman from Nebraska, Representative STEFAN.

Another set of companion bills offered in the Senate by Senator HAWKES, and in the House by the gentleman from New Jersey, Representative WOLVERTON, allows State courts and other aviation agencies to have concurrent jurisdiction in enforcing regulations in the noncarrier field and in suspending airmen's certificates for cause, leaving with the Federal Government exclusive jurisdiction over the establishment of safety regulations applicable to all classes of aircraft and airmen. This delegation of authority was found desirable by the Board in view of the great increases in noncarrier flying in all of the States.

Legislation asking for the repeal of the excise tax of 15 percent on persons and 3 percent on cargo as a measure for encouraging air travel to help the industry to become self-sustaining was introduced in the Senate by Senator HAWKES and in the House by the gentleman from Nebraska, Representative STEFAN.

A Senate companion bill, similar to the one now pending in the House, giving authority to the Weather Bureau to continue investigations of the causes and characteristics of thunderstorms and hurricanes in the interest of greater air safety, was introduced by Senator CAPEHART.

The Board's recommendation that responsibility for the development of lighter-than-air rigid airships be transferred to the Maritime Commission is set forth in legislation which would enable the Commission to set up a lighter-than-air division and authorize experimental construction and operations of this type of craft. The recommendation was embraced in a bill introduced in the Senate by Senator HAWKES and in the House by the gentleman from Massachusetts, Representative CLASON.

Today's action by a congressional board has no parallel. The decision to take quick action and work for the speediest possible results on legislation during the present session was made by Senator BREWSTER and Representative HINSHAW after meeting with Board members. Drafts of bills were swiftly prepared, in many cases with the assistance of legal staffs of the Government departments directly affected. The bills were submitted for review to governmental agencies and put into final form rapidly because of the Board's conviction that immediate action was imperative for national security.

Of the Board's 92 recommendations less than half required new legislation.

The recommendations covered in today's bills were those that clearly required legislative action to make them effective. Its other recommendations were in two categories, those for which legislation may prove to be needed later and those which are possible of accomplishment by executive action of Government departments and agencies under existing authority.

Members of the Congressional Aviation Policy Board are: Senator BREWSTER, Chairman; Congressman CARL HINSHAW, Vice Chairman; Senators ALBERT W. HAWKES, HOMER E. CAPEHART, EDWIN C. JOHNSON, ERNEST W. MCFARLAND; and Representatives CHARLES A. WOLVERTON, KARL STEFAN, ALFRED L. BULWINKLE, and PAUL KILDAY. Ex officio members of the Board are Senators BURNET R. MAYBANK, JOSEPH H. BALL, GUY CORDON, LEVERETT SALTONSTALL, RAYMOND E. BALDWIN; and Representatives CHARLES R. CLASON, FRANCIS CASE, NOBLE J. JOHNSON, and J. VAUGHAN GARY. The Board's principal adviser is Merrill C. Meigs.

EXTENSION OF REMARKS

Mr. LODGE asked and was granted permission to extend his remarks in the RECORD and include a declaration by the American-Hungarian Federation on the centenary of the Hungarian independence.

Mr. DEVITT (at the request of Mr. MACKINNON) was granted permission to extend his remarks in the RECORD and include an editorial.

ERP ADMINISTRATION

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, the Members will remember that last week when we passed the foreign-aid bill one of the most controversial items in it was the Colmer amendment, as amended by the Mundt amendment. Finally, instead of making it mandatory on the recipient nation that the materials we are sending over there, which have a war potential, could not be shipped to Russia or the Russian satellite nations, it was weakened by the Mund amendment and left up to the Administrator. Yesterday, our new ERP Administrator, Mr. Hoffman, at the Statler Hotel, according to an article in today's Washington Post, said that he certainly hoped the countries of western Europe whom we propose to aid would build up a great trade with the Russian satellite countries. We know that when this material reaches the Russian satellite countries it is not going to stop there. It will find its way into Soviet Russia and while the program will weaken us it will strengthen Russia. I hope he relents and will change his mind on this matter. They said we would get a good Administrator that would use common sense, but, based on his own statements of yesterday, the very thing that some of us feared is going to happen. These materials will go into the Russian satellite countries and eventually find their way into Russia.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

STASSEN SWEEPS WISCONSIN REPUBLICAN PRIMARY ON AN ANTIOLEOMARGARINE PLATFORM

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it was really amusing to hear the remarks of the distinguished gentleman from Wisconsin [Mr. MURRAY] on the recent victory of his candidate, Harold Stassen, on

the antioleomargarine ticket in that State.

I was wondering what Mr. Stassen was running on. Now we have found out. He is running on the antioleomargarine ticket.

He skated around Moscow all winter making pro-Russian speeches, to the disgust of the American people, as I thought. Now he comes back and sweeps the Republican primary in the State of Wisconsin.

I wondered what it was all about. I just learned from our distinguished friend from Wisconsin [Mr. MURRAY] that he was running on the antioleomargarine ticket.

Well, the gentleman from Wisconsin [Mr. MURRAY] talks about the South being interested in this issue, and berates the cotton growers. Of course the South is interested. A great deal of oleomargarine is made from cottonseed oil; a great deal of it is made from soybean oil or from corn oil.

Some people seem to think that oleomargarine made from these oils is a very dangerous thing, although it is pure, clean, wholesome, and nourishing.

But some people seem to think that if you feed cottonseed meal, corn meal, or soybean meal to a diseased cow and let it pick up all the disease germs, as well as the scabs, hair, blood, pus, and corruption, then color it and make it look like real butter it will be all right. I do not care to quarrel with those people who seem to entertain such views.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I am sorry but my time is up, and I am therefore unable to yield to any of the advocates of Mr. Stassen and his antioleomargarine platform. Suppose we just wait and let nature take its course.

The SPEAKER. The time of the gentleman from Mississippi has expired.

COST OF MARKETING FRUITS AND VEGETABLES

Mr. HOPE. Mr. Speaker, by direction of the Committee on Agriculture, I submit a privileged resolution (H. Res. 511) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the Secretary of Agriculture is requested to report to the House of Representatives—

(1) the nature and extent of research activities now being conducted or in contemplation with respect to the ascertainment of the costs of marketing agricultural products, particularly fruits and vegetables, the causes of increases in any such costs, the factors involved in the price spread between producer and consumer, and ways and means of reducing such spread;

(2) the possibility of expediting the conduct and completion of any studies now in progress or contemplated with respect to the subjects described in paragraph (1); and

(3) the findings and conclusions of the Department of Agriculture, together with summaries of the evidence in support thereof, with respect to any such study as promptly as possible after the completion of the study or any integral part thereof.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. ANDERSON of California. As I understand it, the customary procedure is for the committee, after having considered a resolution of inquiry and requested the information contained in the resolution to act adversely on the resolution here in the House and report the information received from the Secretary of Agriculture to the House.

Mr. HOPE. Yes; that is my understanding; when information is secured the ordinary procedure is to report the resolution adversely; and, following that procedure we are dealing with it that way at this time.

Mr. ANDERSON of California. Do I understand that the gentleman's committee now has the information that was requested in the resolution?

Mr. HOPE. Yes; the information has been submitted by the Department of Agriculture.

Mr. ANDERSON of California. I thank the gentleman.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. SABATH. I just came in and do not know what the resolution is. Does it request information from the Department of Agriculture as to the high cost of fruit and agricultural products; is that it?

Mr. HOPE. The resolution is a privileged resolution of inquiry requesting the Department of Agriculture to furnish information as to what investigations it might be conducting as to the cost of marketing agricultural products.

The information requested has been furnished the committee and the committee has reported the resolution back to the House adversely as is customary in such cases.

Mr. SABATH. The reason for my interest is that I have been urging and advocating that the Committee on Agriculture ascertain the underlying reasons why there is such a difference between the price the farmer receives for his products and what the consumer is obliged to pay for them. So far, notwithstanding two or three resolutions that have been passed and the Committee on Agriculture having been given the power to make such investigation, I have as yet failed to obtain a real report from that committee; neither has the House.

Mr. HOPE. Mr. Speaker, I move to lay the resolution on the table.

The motion was agreed to.

A motion to reconsider was laid on the table.

RESEARCH BEING CONDUCTED INTO THE COSTS OF MARKETING AGRICULTURAL COMMODITIES

Mr. HOPE, from the Committee on Agriculture, submitted the following adverse report:

The Committee on Agriculture, to whom was referred the House resolution (H. Res. 511) requesting the Secretary of Agriculture to report on the nature and extent of research activities being conducted by the Department of Agriculture into the costs of marketing agricultural commodities, having considered the same, report thereon with a recommendation that it do not pass.

The information requested in this resolution is summarized in a report submitted on April 1, 1948, by the Secretary of Agriculture to the Chairman of the House Committee on Agriculture.

The report submitted by the Secretary of Agriculture is set forth below.

STATEMENT IN RESPONSE TO HOUSE RESOLUTION 511 REQUESTING THE SECRETARY OF AGRICULTURE TO REPORT THE NATURE AND EXTENT OF RESEARCH ACTIVITIES RELATING TO THE PRICE SPREAD BETWEEN THE PRODUCER AND CONSUMER OF AGRICULTURAL PRODUCTS, THE POSSIBILITY OF EXPEDITING SUCH ACTIVITY, AND THE FINDINGS AND CONCLUSIONS OF SUCH ACTIVITIES

House Resolution 511 requests certain information with respect to work on costs of marketing agricultural products now being conducted or in contemplation in the United States Department of Agriculture under three parts. Each of these three parts or sections is discussed briefly below.

Section 1

Almost all of the marketing work relating to the price spread between producer and consumer done in the Department of Agriculture is now carried on either in the Bureau of Agricultural Economics or in the Production and Marketing Administration. In addition, most of the marketing service and action programs which are designed to strengthen farmers' bargaining power or reduce marketing costs and margins are carried on in the Production and Marketing Administration. The work conducted in these two agencies is described in some detail in the material appended hereto as supplementary statements A and B.

Section 2

Plans are now under way for expediting marketing costs and margins work during the coming year, assuming necessary funds will be appropriated under the authorizations contained in the Research and Marketing Act. Work under other authorizations will necessarily continue at about current levels.

At its last quarterly meeting the National Advisory Committee, appointed pursuant to title III of the Research and Marketing Act, resolved to encourage and facilitate substantial expansion of marketing costs and margins research. We anticipate that this action on the part of the national committee will influence the several commodity advisory committees to also give a high priority to work on the price spread between the producer and consumer of agricultural products.

Current plans are to increase allotments for analyzing agricultural marketing margins and costs from the $185,000 allotted from Title II funds this year to somewhere between $600,000 and $1,100,000 for fiscal year 1949. Amounts used for marketing work including costs and margins research under Title I will also be increased, provided they are appropriated. A large part of this work would be performed by State Agricultural Experiment Stations or by the Department in cooperation with States.

One of the major obstacles encountered in attempting to expedite the conduct of marketing studies generally, and costs and margin work in particular, is the scarcity of trained men qualified to conduct the research.

The Government has not fared well in the competition with private industry for marketing specialists. Three avenues of approach are used to overcome this difficulty. One is the enlistment of help from operating agencies that are concerned with market problems. Second is the use of the contract provision of the act. Third is the training of young men and women in anticipation of work that needs to be done.

The facilities and personnel of the Production and Marketing Administration, the Farm Credit Administration, and the State Departments of Agriculture or Bureaus of Markets are being utilized to the fullest extent possible to initiate and accelerate research and service work pertaining to marketing. Here it is possible to obtain assist-

ance from men who have been dealing with marketing problems and are familiar with the operations of the marketing system and are therefore able to direct work in channels that will be particularly beneficial.

Private research and educational institutions together with trade associations offer some opportunities for initiating research work in marketing prior to the time that governmental agencies are equipped to perform it. A number of contracts are now under consideration but each of them has to be screened from the standpoint of ability of the agencies to perform consistent with the terms of the act, as well as to conduct the work in an objective manner.

In anticipation of the much greater emphasis that will be placed upon marketing research and service work in the future by virtue of the opportunities afforded by the Research and Marketing Act, an active program has been initiated to train and attract promising young men for marketing work. This activity is divided into three phases. The first involves the conduct of an in-service training course in the Department of Agriculture which is designed to better equip the people who are available to the Department for employment to participate in marketing research work. This activity, which is already under way, offers the most immediate opportunities for effective results. The second phase of the training program, which is being fostered and directed by a joint committee of educators in the land-grant colleges and the Personnel Division of the Department of Agriculture, is designed to encourage and stimulate marketing courses in summer schools this year. It is hoped that this activity will attract promising graduates of colleges toward marketing research work both in the States and the Federal Government. The third phase, which is also being fostered and initiated by a committee of educators from land-grant colleges, is intended to encourage more teaching of marketing in the regular courses of the colleges and universities. This activity is expected to yield, both to the public agencies and private business, profitable results over a longer period.

Section (3)

The Department of Agriculture endeavors to release findings and conclusions of its research work as soon as possible after the work is completed whether the work is done under the Research and Marketing Act or with funds otherwise provided.

The margin calculations of the Bureau of Agricultural Economics are released monthly in its publication, Marketing and Transportation Situation, while results of research studies generally are released by several agencies of the Department in mimeographed or printed form. There have been considerable delays in the past, especially in the releases of printed bulletins, owing to the shortage of funds available for this purpose. However, arrangements have been made within the Department to release the results of work done under the Research and Marketing Act more promptly. Inasmuch as the funds under this act can be used for printing, substantial progress should be made in speeding up the release of such material.

Incidentally, one of the first publications of research results having a bearing on marketing costs financed by the Research and Marketing Act of 1946 is on "Dressed chickens on New York farms, 1947." It is not to be construed as typical, but rather as evidence that the results of such work are already forthcoming.

SUPPLEMENTAL STATEMENT A

Margin and cost work of the Bureau of Agricultural Economics

I

For a number of years the Bureau has calculated and published currently data on farm-retail price spreads. These spreads, the farm and retail values from which the spreads or margins are calculated, and the farmer's share of the consumer's dollar have been made available on a monthly basis for all important farm-food products and for the family market basket which consists of the annual food purchases of a family of three average consumers. The Bureau also, on the basis of price, consumption, and related data, computes the national-marketing bill for all farm-food products and major individual commodities, and calculates hourly earnings and unit-labor costs in food marketing. These data are maintained currently but are in part on an annual rather than a monthly basis. The accompanying tables are summary illustrations of this type of work. All of these data are published regularly in the Marketing and Transportation Situation and have been brought together for the period 1913–44 in Miscellaneous Publication No. 576, Price Spreads Between Farmers and Consumers for Food Products, and in a statistical supplement to this publication released in mimeographed form in June 1947. Considerable unpublished material has been developed to measure average farm-retail price spreads on cotton, wool, and tobacco products, as well as margin break-downs by stages and shares for fruits and vegetables.

During the past 2 or 3 years, the Bureau has published a series of printed bulletins designed to provide the basic detailed data on margins and costs for the major farm products. Bulletins published deal with grain, dairy products, livestock, and meat, tobacco, and textiles. One dealing with hides, skins, and leather and another with poultry and eggs are ready for publication when funds become available. These studies attempt, in some cases on the basis of limited data, to show margins by various stages and typical channels, covering country shippers, transportation agencies, wholesalers, jobbers, processors, retailers, etc. In addition, an attempt is made to break down the consumer's dollar by distributive shares and cost items—wages, profits, advertising, payments to farmers, etc.—and to show these for the various marketing agencies and channels. Most of these data are for the census year 1939, although in a few instances, notably textiles and hides and leather, information collected in connection with wartime regulations has made possible the extension of series up to 1944, 1945, or later.

The last Marketing and Transportation Situation for January-February 1948 together with earlier issues contain summaries of marketing cost analyses and consumer dollar breakdowns for:

(1) Cotton products.
(2) Fresh fruits and vegetables.
(3) Wool products.
(4) Fluid milk.
(5) Tobacco products.
(6) Bakery and other cereal products.
(7) Bakery products.
(8) Butter.
(9) Meat products.
(10) All farm food products.
(11) Leather shoes.

Printed bulletins have been issued which present marketing margins and costs for the following:

(1) Marketing and manufacturing margins for textiles.
(2) Marketing and manufacturing margins for tobacco.
(3) Marketing margins and costs for livestock and meat.
(4) Marketing margins and costs for grains, grain products, and dry edible beans.
(5) Marketing margins and costs for dairy products.

II

The Bureau of Agricultural Economics is developing under the Research and Marketing Act an expanded program of measuring margins and costs and analyzing factors affecting them. As indicated above, farm-retail price spreads and related data are rather well developed for foods on the basis of national averages. However, similar series need to be developed for textiles, tobacco products and other nonfood products. This and the improvement of important individual estimates in the food category require the collection of new and more accurate price data.

The major task, however, consists of obtaining data on margins, and expenses entering into margins for the various stages, channels and agencies in the marketing process for all the important farm commodities for recent years. The Bureau proposes to obtain margin data for local assemblers, transportation agencies, processors, wholesalers, jobbers, and retailers for recent years; and to obtain data on the major cost factors—labor, occupancy, materials and supplies, and profit. In addition, series are needed on marketing input factors which affect marketing costs. These include wage rates and hourly earnings, unit labor costs, labor productivity per man-hour, capital investment in marketing enterprises, financing costs, percentages of capacity utilized, etc. To an important degree such information needs to be made available not only by individual commodities but by regions or marketing areas and in some cases for particular kinds and grades of commodities.

In addition it is planned, as far as funds, personnel and industry cooperation permit, to make studies of factors affecting differences in costs between alternative channels of marketing and between various business units in a given stage of marketing. This will involve analyses of the influence on marketing costs of differences in services rendered, size and organization of business, quality and condition of equipment, efficiency of management, quantity and productivity of labor, and other factors affecting costs and efficiency.

There follows a list of studies which are illustrative of the kind of margin and cost work which the Bureau now has under way and plans to continue on a more comprehensive basis in the coming fiscal year. These studies are in addition to those specifically referred to in I.

1. At the request of the California Farm Bureau Federation, the BAE in cooperation with the Giannini Foundation of the University of California made a study comparing prices charged by retailers with wholesale prices for the major fresh fruits and vegetables in the Los Angeles and San Francisco markets. Results of this study not only show relatively wide differences on the average between wholesale and retail prices but wide variations between individual commodities and between individual stores for the same commodity.

2. The Bureau is cooperating with the California Experiment Station in studying margins, price spreads, waste and spoilage, and price flexibility for selected western fruits and vegetables in a sample of 50 retail stores in the city of Denver. The analyses of these data, to be made jointly by economists of the Bureau and the California station, should yield valuable information on price spreads, waste and spoilage, and the behavior of retail prices in relation to prices in wholesale markets and at shipping points.

3. In connection with the program of regional research provided for under the Research and Marketing Act, the Bureau is cooperating with the experiment stations in Florida and Texas on a study of costs and margins and factors affecting them for Florida and Texas citrus fruits. The Farm

Credit Administration is assisting the States in the calculation of packing house and canning costs. The Production and Marketing Administration is analyzing wholesalers' margins and costs, and the BAE is studying retail costs and transportation charges for the citrus products of these two States. Due to limited funds and personnel, the retail and wholesale phases of the study have had to start on a small scale, and in this fiscal year operations are limited to sample establishments in the city of Louisville. In addition to serving as a pilot project in the analysis of costs of wholesaling and retailing, it is expected that the study will provide for the measurement of margins at successive stages in the marketing of citrus between the producing area and the final consumer in a representative Midwest market.

4. The Bureau is cooperating with the Southwestern States in a study of regional potato-marketing problems. In addition to measuring waste and spoilage and factors affecting grade and condition of potatoes, which work is being provided for by the Agricultural Research Administration, marketing margins are being obtained for selected lots of potatoes going through different channels. These margins and some indication of factors affecting them will be obtained at each stage from the shipping point to their purchase by the consumer in New York City.

5. A study is being made in cooperation with Cornell University of costs and factors affecting costs in a group of typical fruit- and vegetable-processing plants in New York State.

6. Both the North Central and the Southern Experiment Stations are interested in studying marketing channels, services, costs, and prices received by farmers for eggs marketed. In the North Central States, the BAE is obtaining information from farmers on eggs sold through the various marketing channels, prices received by grade, characteristics of eggs marketed, and home consumption. Generally similar information is being obtained in the Southern States from farmers and first handlers of eggs. The BAE intends to assist the States in the further development of projects of this kind in these and the other regions. These projects and related studies will be extended to provide margin and cost data for the various stages and channels in egg marketing between the producer and the consumer.

The studies referred to above are illustrative of a broad program of research work in the measurement and analysis of factors affecting margins and costs which is being developed in the Bureau. There are a number of other projects, particularly those involving cooperation with colleges and experiment stations in the various regions which have important margin and cost aspects but which have not been specifically referred to. These include studies relating to livestock and meats, dairy products, cotton, and fruits and vegetables, including potatoes. In addition, the Bureau is acquiring personnel and developing work plans to extend the measurement of margins and the analysis of costs affecting margins, step by step, within specific channels of marketing, for major commodities. Plans are farthest advanced with respect to grains, textiles, cottonseed, and soybeans. Progress in carrying forward such studies as these will depend chiefly upon allotments under the Research and Marketing Act.

TABLE 1.—*The market basket of farm food products—Retail cost of 1935–39 average annual purchases by a family of 3 average consumers, farm value of equivalent quantities sold by producers adjusted for value of byproducts, marketing charges, and the farmer's share of consumer's food dollar, 1913–47*

Year	Retail cost [1]	Farm value [2]	Marketing charges [3]	Farmer's share
				Percent
1913	$264	$124	$140	47
1914	272	125	147	46
1915	267	120	147	45
1916	321	145	176	45
1917	442	210	232	48
1918	453	235	223	51
1919	513	250	263	49
1920	568	245	323	43
1921	427	171	256	40
1922	408	163	245	40
1923	413	166	247	40
1924	406	166	240	41
1925	442	191	251	43
1926	448	188	260	42
1927	434	180	254	41
1928	435	185	250	43
1929	435	183	252	42
1930	421	165	256	39
1931	339	121	218	36
1932	284	92	192	32
1933	276	90	184	33
1934	311	107	195	34
1935	347	138	200	40
1936	349	143	206	41
1937	362	156	206	43
1938	328	128	200	39
1939	316	122	194	39
1940	317	128	189	40
1941	347	154	193	44
1942	407	196	211	48
1943	458	236	227	52
1944	450	237	225	53
1945	459	247	228	54
1946	528	283	254	54
1947	643	345	298	54
1948, January	695	380	314	55

[1] Based upon BLS retail prices in 56 cities and BAE retail prices in other cities and towns adjusted to average level for all consumer purchases.

[2] Based upon BAE average prices received by farmers with allowance for value of byproducts.

[3] Marketing charges equal the margin between farm value and retail cost plus marketing subsidies minus marketing taxes.

Source: Bureau of Agricultural Economics, Marketing and Transportation Research Division, March 16, 1948.

The market basket: Retail cost of 1935–39 average annual purchases of farm food products by a family of 3 average consumers; farm value of equivalent quantities sold by producers, adjusted for value of byproducts; marketing charges; and farmer's share of the consumer's food dollar, 1946–January 1948

Year and month	Retail cost	Farm value	Marketing charges [1]	Farmer's share
				Percent
1946—January	$467.77	$255.29	$228.15	55
February	464.02	251.74	227.48	54
March	466.14	253.37	227.98	54
April	471.97	252.30	234.86	53
May	473.54	250.30	238.48	53
June	480.37	254.49	242.27	53
July	546.65	287.49	260.45	53
August	572.01	297.05	275.97	52
September	539.42	291.25	259.17	54
October	593.15	328.86	264.63	55
November	634.83	335.79	299.23	53
December	622.70	332.33	290.40	53
Year	527.71	282.52	254.08	54
1947—January	612.33	321.82	290.42	53
February	606.85	328.74	277.89	54
March	630.71	351.04	279.32	56
April	631.46	338.85	292.23	54
May	627.08	327.46	299.24	52

[1] Marketing margin minus Government taxes plus Government payments to processors.

The market basket—Continued

Year and month	Retail cost	Farm value	Marketing charges	Farmer's share
				Percent
1947—June	$635.04	$326.38	$308.28	51
July	638.09	333.59	304.12	52
August	649.53	340.84	308.31	53
September	666.74	363.26	303.10	55
October	663.96	366.65	296.93	55
November	668.61	363.23	305.00	54
December	684.29	373.39	310.52	55
Year	642.89	344.60	297.95	54
1948—January	694.70	380.68	313.64	55

Fruits and vegetables, fresh and processed: Retail cost of 1935–39 average annual purchases by a family of 3 average consumers; farm value of equivalent quantities sold by producers; marketing charges; and farmer's share of retail cost, 1946–January 1948

Year and month	Retail cost	Farm value	Marketing charges [1]	Farmer's share
				Percent
1946—January	$134.32	$62.48	$73.19	47
February	135.01	63.65	72.70	47
March	137.77	65.21	73.90	47
April	140.46	64.09	77.71	46
May	139.71	56.99	84.06	41
June	136.09	58.13	79.25	43
July	138.07	57.37	81.88	42
August	131.37	51.51	80.76	39
September	130.87	52.07	79.26	40
October	130.27	52.01	78.49	40
November	134.57	55.82	78.83	41
December	133.89	53.94	79.95	40
Year	135.20	57.77	78.33	43
1947—January	135.80	57.03	78.77	42
February	139.03	61.01	78.02	44
March	142.02	70.08	71.94	49
April	147.16	67.62	79.54	46
May	152.86	63.60	89.26	42
June	152.18	57.89	94.29	38
July	147.73	56.32	91.41	38
August	145.86	54.91	90.95	38
September	141.43	53.89	87.54	38
October	140.18	56.64	83.54	40
November	143.61	60.30	83.31	42
December	147.05	59.57	87.48	41
Year	144.58	59.90	84.68	41
1948—January	149.86	61.95	87.91	41
February	152.64	63.14	89.50	41

[1] Marketing margin minus Government taxes plus Government payments to producers.

SUPPLEMENTARY STATEMENT B

Major activities of PMA concerned with reducing marketing costs and margins

Marketing activities of the Production and Marketing Administration are concerned with improving all aspects of the marketing system in the interests of both producers and consumers. These activities generally fall within three categories: (1) Expanding consumer demand and marketing outlets, (2) reducing marketing costs and margins, and (3) price-support programs. Frequently a given activity may have more than one of these objectives. At least half of the marketing activities of PMA are directly or indirectly concerned with reducing marketing costs or margins.

Distinction Between Marketing Costs and Margins

A marketing margin represents the gross spread between the buying and selling price. The sum of these margins is the total price spread between producers and consumers. Marketing costs are the expenses incurred by the marketing agencies operating between producers and consumers. Marketing mar-

gins at any time may be substantially greater or even somewhat less than marketing costs, depending on the degree of competition in the marketing system and market conditions.

Activities Designed To Reduce Marketing Margins

(1) Marketing agreements: Regulation of the flow of commodities to market under these programs assures buyers of relatively steady market conditions, permitting them to reduce their margins. Producers and their associations can bargain more effectively when the volume moving into trade channels is controlled. Furthermore, the milk-marketing-agreement programs assure all producers of a uniform price based on prices of milk products in the several channels of utilization.

(2) Giving publicity to consumers regarding relatively cheap and abundant foods: Activities under this heading enable consumers to time their buying plans in respect to seasonal surpluses and to know whether the prices being charged reflect general marketing conditions.

(3) Grading, standardization, and inspection: The extensive services of this nature rendered by the Department in connection with all commodities improves the bargaining position of individual producers and shippers by avoiding doubt and arguments regarding the quality of the product, and also contribute to reduce margins by minimizing risks assumed by buyers.

(4) Wholesale market news service: The Nation-wide market news service of the Department, covering important shipping points as well as terminal markets, furnishes information to producers, shippers, and the general public regarding market conditions which eliminates the disadvantage they would otherwise suffer in bargaining with better informed large buyers. Market news also reduces risks assumed by buyers, thus tending to reduce margins.

(5) Retail market news: Research is being conducted on the feasibility of retail market news service designed to keep producers and shippers informed of prices and volume of sales in retail markets. Consumers also would have access to this information, enabling them to avoid purchases at prices inflated by unduly large retail or other marketing margins.

(6) Regulatory acts: The Department administers a number of regulatory acts, nearly all of which tend to increase the bargaining power of farmers and shippers and hence reduce marketing margins. Two of them may be cited as examples. Activities conducted under the Perishable Agricultural Commodities Act suppress unfair and fraudulent practices in the marketing of fresh fruits and vegetables, such as rejection of shipments or failure to deliver without reasonable cause, the making of false or misleading statements for a fraudulent purpose, and failure to account correctly for returns received from consignments, and requires all produce commission merchants, dealers, and brokers operating in interstate commerce to secure a license from the Department. Regulations under the Packers and Stockyards Act are designed to prevent unfair practices on the part of packers, live-poultry dealers, stockyards owners, and other market agencies engaged in interstate commerce in meats, livestock, and poultry or eggs.

(7) Policing freight rates (sec. 201, Agricultural Adjustment Act of 1938): Under this authority the Department files and prosecutes complaints before the Interstate Commerce Commission with respect to rates, charges, and practices relating to the transportation of farm products. It is roughly estimated that, as a result of cases in which the Department has represented the interests of farmers, shippers are paying about $1,000,000,000 less per year in transportation charges than they otherwise would have paid. The spread between farmers and consumers is correspondingly reduced.

(8) Research: A number of research projects conducted by PMA under the Research and Marketing Act or other authorization are designed, at least partly, to contribute to reduced margins. Example are: A project dealing with the effects on returns to producers of different methods of weighing, grading, and testing milk, a matter which has been a sore point among dairy producers for many years; a study of marketing practices affecting prices of livestock; and an analysis of the feasibility of prepackaging and shipping branded packs of fruits and vegetables from points of origin by individual shippers, which might give them individual bargaining power in dealing with buyers in the consuming market.

Activities Designed To Reduce Marketing Costs

The spread between the farmer and the consumer may be reduced materially by activities of the type listed in the preceding section, which tend to reduce margins without necessarily affecting actual costs of marketing. But the most effective potential means of reducing the over-all spread is by reducing the actual expenses of operation of marketing agencies. Inefficiency is a more important cause of high margins than are exorbitant profits of marketing agencies. This is shown by marketing cost studies which have been made by the Bureau of Agricultural Economics and other agencies.

The PMA research and service activities designed to reduce costs of marketing may be summarized as follows:

(1) Reducing the steps in marketing: Or, reducing the number of agencies through which commodities must pass on their way from the producer to the consumer. This is a difficult field to explore, but a research project is planned to begin shortly.

(2) Coordination of marketing steps: Or, facilitating the market transactions between the various segments of the marketing system to minimize friction, risk and waste. The market news, grading and standardization and inspection activities of the Department contribute to this end. One of the most effective means of bringing about such coordination is through the type of activity engaged in by many State marketing bureaus in collaboration with the Production and Marketing Administration.

(3) Technological improvements: A number of Production and Marketing Administration activities fall in this field. For example, a study of the place of frozen foods in the marketing of perishable agricultural commodities will deal with the use of this new method of merchandising in reducing marketing costs as well as expanding market outlets. Another study conducted under the general supervision of the Production and Marketing Administration consists of the training of retailers in improved merchandising practices for fresh fruits and vegetables, many of which are designed to reduce costs of handling. The prepackaging of fruits and vegetables and fresh meats, the prepackaging and self-service selling of cotton and wool textiles, and improved merchandising techniques for eggs and butterfat, are other projects in this field. Another one deals with improved containers and loading techniques to reduce loss and damage in the shipment of agricultural perishables. The work of the State marketing bureaus, under the project supervised by the Production and Marketing Administration, is centered to a considerable extent upon helping local marketing agencies to adopt modern techniques which will reduce costs of operation.

(4) Improved marketing facilities: At least a dozen projects in the Production and Marketing Administration relate to the reduction of marketing costs through the improvement of marketing facilities. One of the principal lines of activity is the improvement of terminal market, secondary market, and concentration point facilities for fresh fruits and vegetables. In the case of New York it is estimated that the cost of handling between the city limits and the retail stores could be reduced by more than 20 percent through proper improvements in marketing facilities. Other projects relate to the development of new transportation facilities such as improved refrigerator cars and trucks, more efficient cotton ginning equipment, facilities for the storage of oil seeds and grain, better drying equipment for grain, improved public stockyards facilities, and the improvement of processing facilities for eggs, poultry, tobacco, and oilseeds.

(5) Increasing volume: One of the most effective means of reducing marketing costs is to take advantage of the lower per unit cost associated with the handling of large volume. Several projects are under way in this field. The education of retail fruit and vegetable dealers is designed partly to increase the volume of business handled by individual retail units. Several projects designed to improve merchandising practices in the handling of other commodities look to the expansion of volume and consequent reduction of cost.

(6) Improved management efficiency: Research and Marketing Act projects deal with improving the efficiency of wholesalers and retailers. These two types of marketing agencies together account for a considerable part of total marketing margins. Retailing alone in 1939 accounted for about 40 percent of the total spread between the farmer and the consumer for all agricultural commodities. There has been a tendency in past marketing research and service activities to concentrate effort at the farm end of the marketing system rather than at the consumer end, where most of the marketing charges are incurred. This deficiency is being rectified in connection with the projects of the Production and Marketing Administration under the Research and Marketing Act. Other projects in the field of management improvement include those dealing with work simplification. Studies have indicated that labor costs in processing plants and other marketing agencies can be very substantially reduced through the application of scientific labor management practices such as time and motion studies. The State Marketing Bureaus in collaboration with the Production and Marketing Administration also are doing work designed to improve the efficiency of marketing agencies.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—LOAN TO FINANCE CONSTRUCTION OF PERMANENT HEADQUARTERS OF UNITED NATIONS IN UNITED STATES (H. DOC. NO. 595)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

I transmit herewith for the consideration of the Congress an agreement between the United States and the United Nations concerning a loan of $65,000,000, without interest, to be made by the United States to the United Nations to finance the construction of the permanent headquarters of the United Nations in the United States. I also enclose a letter from the Acting Secretary of State regarding this agreement.

The decision of the United Nations to locate its permanent headquarters in the United States was made pursuant to an invitation unanimously extended by concurrent resolution of the Congress on December 10 and 11, 1945. The specific site for the headquarters was chosen in December 1946. The United Nations is still operating in makeshift temporary headquarters. It is essential, not only for the effective operation of the United Nations but for the continued prestige and leadership of the United States, as host to the United Nations, that adequate physical facilities be promptly furnished for the conduct of its business.

During the course of the second regular session of the General Assembly in New York last fall, it appeared that, in view of the critical dollar shortage confronting most of the members of the Organization, the only satisfactory way of providing for the prompt construction of the permanent home for the United Nations was a loan by the United States. In view of this fact and taking into consideration the economic and financial advantages that would accrue to the United States from this project, I authorized Ambassador Warren R. Austin, as Representative of the United States to the United Nations, to state that I would request the Congress to approve the making of a $65,000,000 interest-free loan for this purpose. This loan would be repaid in annual installments from the ordinary budget of the United Nations, according to an agreed schedule of repayments. This offer was accepted by the General Assembly of the United Nations on the express understanding that it was subject to the approval of the Congress.

It is my hope that the Congress will carefully consider this proposal and grant its approval. The construction of the permanent headquarters of the United Nations will be tangible evidence to the world that the United States is supporting to the full the institution to which he peoples of all nations are looking as their best hope for freedom from the fear of war.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 7, 1848.*

(Enclosures: 1. Agreement between the United States and the United Nations concerning a loan of $65,000,000; 2. Letter from the Acting Secretary of State regarding the loan agreement.)

RESIGNATION AS MEMBER OF THE BOARD OF VISITORS TO THE UNITED STATES NAVAL ACADEMY

The SPEAKER laid before the House the following letter, which was read:

APRIL 6, 1948.

HON. JOSEPH MARTIN,
Speaker of the House,
House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I herewith tender my resignation as a member of the Board of Visitors to the United States Naval Academy.

Sincerely,

LYNDON B. JOHNSON.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

APPOINTMENT AS MEMBER TO THE BOARD OF VISITORS, UNITED STATES NAVAL ACADEMY

The SPEAKER. Pursuant to the provisions of title 34, section 1081, United States Code, the Chair appoints as a member of the Board of Visitors to the United States Naval Academy to fill the existing vacancy thereon the gentleman from Texas [Mr. BURLESON].

AMENDMENT OF FEDERAL-AID ROAD ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 521, Rept. No. 1663), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5888) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

INDEPENDENT OFFICES APPROPRIATION BILL, 1949

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a conference report on the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING RESEARCH ON FOOT-AND-MOUTH DISEASE

Mr. WADSWORTH. Mr. Speaker, I call up House Resolution 491 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5098) to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. WADSWORTH. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH], and I yield myself such time as I may need.

Mr. Speaker, the rule which is now before the House brings before it, if adopted, H. R. 5098, to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals.

The rule provides for 1 hour of general debate, after which the bill will be read for amendment under the 5-minute rule. Points of order are waived.

Mr. Speaker, I intend to impose myself upon the House but for a very brief period. Every man who has had anything to do with livestock lives in dread of the foot-and-mouth disease. We have had some experience with it in years gone by and those of us who have encountered it have learned that it is the most contagious and infectious disease known in the animal kingdom. No cure has as yet been achieved, or any preventative. The only weapon which has been used for its extinction when it breaks out in a certain area is wholesale slaughter of all infected animals in that area.

The disruption caused by such a performance in the livestock industry itself and in the whole economy of the country is exceedingly serious. We are threatened with this thing today. Back in 1946, due to the unfortunate importation into the Republic of Mexico of some cattle from Brazil, the foot-and-mouth disease broke out in Mexico, in the central and southern parts of the country. The Mexican Government and the Mexican livestock industry were not able to combat it, and our Government, recognizing the danger to our own security inherent in this situation embarked upon a program of assisting the Mexicans in stamping out the disease. I think my recollection is correct when I say that the American Government, in cooperation with the Mexican Government, has spent $65,000,000 within the borders of Mexico in a desperate attempt to stamp out this disease. Through the fault of no one particularly, but as the result of exceedingly difficult conditions confronted in Mexico, especially with the rural population, the Mexican Indians, the attempt has failed, and the best that has been accomplished is the drawing of a quarantine line across the Republic of Mexico about 300 miles south of the Mexican-United States border, a line which is being held, or at least, desperate attempts are being made for the holding of that line, to prevent any infected animals crossing it and coming into northern Mexico which, of course, is the region immediately adjoining Texas, New Mexico, Arizona, and California, a region of the United States which is filled with livestock. What success will be achieved

in holding that line, none of us knows. It is a pretty desperate situation.

May I say, Mr. Speaker, that this disease has been known in England for some years, with greater or less severity, and British scientists and laboratory research people have been working on it to see if they could not prevent the disease or bring about a cure. It has been known, as most of you realize, in the Argentine for many years, with the result that for our own protection we have had to impose certain import restrictions against the Argentine-livestock industry. From Brazil it made its way into Mexico, and coming into Mexico it stands as a threat and a terrible menace to the economy of the United States. It affects every cloven-hoofed animal; cattle, sheep, hogs, and also deer. The infection may be carried by wild deer coming across the mountains or the prairies. Once it is established in an area, the only known thing to do today is to slaughter every animal in the area.

We have had two outbreaks that I can recollect. One of them had its origin in, strange to say, the State of Michigan where, as the result of the importation of some hog cholera virus in material infected with foot-and-mouth disease the latter disease spread over five or six States of the Union. There was another bad outbreak in California not many years ago which cost the State and the Government over $200,000,000 to slaughter thousands and thousands of creatures.

This bill proposes that the Department of Agriculture shall establish a scientific research undertaking to see if the scientists cannot find a preventive or cure, or both, for this disease. Research has been conducted, perhaps not in a largely organized way, in other countries, but certainly it is up to us, in my humble judgment, to authorize the establishment of such an undertaking.

The authors of the bill, conscious of the danger of infection, have inserted in it an amendment to the effect that such research laboratory shall be established within the territorial possessions of the United States, but, more than that, it must be established upon an island surrounded by deep navigable water, so as to reduce to a minimum the danger of the spread of infection from this laboratory. The members of the Committee on Rules believe that that amendment is a worthy one, and that it would go far toward reassuring the people of the country that this virus would not be brought in in such fashion and in such neighborhoods as to constitute a menace.

Mr. SABATH. Mr. Speaker, the gentleman from New York has explained the rule and the provisions of the bill which the rule makes in order. May I say that I fully appreciate the need for this legislation by reason of the fact that we have already authorized and have expended $60,000,000 in aiding Mexico in stamping out the dangerous foot-and-mouth disease infecting thousands of head of cattle in that country. Our help has been directed to prevent the spread of the disease over our border to protect our livestock, and, therefore, I favor this rule which will make in order for consideration the bill which will provide additional funds for research that I hope, eventually, will result in the eradication of this dreadful animal disease. The bill provides:

That the act of May 29, 1884 (23 Stat. 31), as amended, is hereby amended by adding a new section 12 reading as follows:

"SEC. 12. The Secretary of Agriculture is authorized to establish research laboratories, including the acquisition of necessary land, buildings, or facilities, and also the making of research contracts under the authority contained in section 10 (a) of the Bankhead-Jones Act of 1935, as amended by the Research and Marketing Act of 1946, for research and study, in the United States or elsewhere, of foot-and-mouth disease and other animal diseases which in the opinion of the Secretary constitute a threat to the livestock industry of the United States: *Provided*, That no live virus of foot-and-mouth disease may be introduced for any purpose into any part of the mainland of the United States except coastal islands separated therefrom by waters navigable for deep-water navigation, and except further, that in the event of outbreak of foot-and-mouth disease in this country, the Secretary of Agriculture may, at his discretion, permit said virus to be brought into the United States under adequate safeguards. To carry out the provisions of this section the Secretary is authorized to employ technical experts or scientists without regard to the Classification Act: *Provided*, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed $15,000 per annum. There is hereby authorized to be appropriated such sums as Congress may deem necessary; in addition, the Secretary is authorized to utilize, in carrying out this section, funds otherwise available for the control or eradication of such diseases."

Mr. Speaker, while I shall support and vote for this meritorious bill, I am more greatly concerned in the consideration and enactment of a bill which passed the Senate last year and which was favorably reported by the House Committee on Foreign Affairs. Unlike the bill now before us, which proposes to conduct research to eradicate foot-and-mouth disease in cattle and other animals, it is aimed to effect an organization of the leading physicians and surgeons of all the countries of the world to conduct a medical research and to spread medical knowledge to protect the health and safeguard the lives of human beings. The bill to which I refer is that which proposes to make the United States a member of the World Health Organization of the United Nations. Unfortunately, the Committee on Rules had withheld action in granting a rule for the consideration of the bill, which I think is a grave mistake. Within the past few days I have received more than 100 letters urging consideration of the legislation without delay, and stressing the necessity of our joining the World Health Organization to maintain our leadership in public-health matters. I have in my hand a letter addressed to me by Dr. John C. Kidneigh, associate director of the college of science, literature, and the arts, of the University of Minnesota, expressing his views as to the need for our participation in this organization. With the permission granted me, I include it as part of my remarks:

UNIVERSITY OF MINNESOTA,
COLLEGE OF SCIENCE, LITERATURE, AND THE ARTS,
Minneapolis, April 1, 1948.

Hon. ADOLPH J. SABATH,
House of Representatives Office Building, Washington, D. C.

DEAR MR. SABATH: I believe that the Rules Committee of the House of Representatives tabled a bill passed by the Senate in 1947 ratifying the constitution of the World Health Organization and making the United States a member of that body. Our country was one of the many nations that took part in the International Health Conference in New York City in 1946, at which time the constitution of WHO was written and an interim commission set up. Unless our Congress ratifies this constitution, the United States will neither have representation among the officers of WHO nor maintain its proper place as a leader in controlling the spread of diseases between the peoples of the world. Will you please do something to remove this bill from the table and urge its acceptance by the House. The health and welfare of too many people are at stake for such a bill as this to be stopped by the pressure of other business or of misguided opponents.

Sincerely yours,
JOHN C. KIDNEIGH,
Associate Director.

Mr. Speaker, I also include a letter directed to me by Dr. Francis J. Gerty, director of the psychiatric division, Illinois Neuropsychiatric Institute, College of Medicine, University of Illinois. It expresses his deep concern in our failure to join the World Health Organization in which 23 nations have already announced participation. His letter is as follows:

UNIVERSITY OF ILLINOIS,
COLLEGE OF MEDICINE,
Chicago, Ill., March 30, 1948.

Hon. ADOLPH J. SABATH,
House of Representatives Office Building, Washington, D. C.

DEAR MR. SABATH: I have been informed that the Rules Committee of the House of Representatives has tabled the bill passed by the Senate in 1947 ratifying the constitution of the World Health Organization, a bill already approved by the House Committee on Foreign Affairs.

This gives me grave concern because it means that the United States will not have membership in the World Health Organization which 23 nations have already approved. We shall have no representative at the Geneva meeting in June 1948. This is particularly embarrassing as we had taken a very active part in the International Health Conference in 1946 which set up the Interim Commission.

Can you inform me as to why the House Rules Committee tabled this bill? What are the prospects of reversing this action?

Very truly yours,
FRANCIS J. GERTY, M. D.,
Director, Psychiatric Division, Illinois Neuropsychiatric Institute.

Mr. Speaker, without unduly encumbering the RECORD, under the leave granted me, I shall include several more letters among the hundred or more which I have received from the heads and professors of universities and organizations who have appealed to me to cooperate

in obtaining early action for the consideration of this legislation, as follows:

MATERNITY CENTER ASSOCIATION,
New York, N. Y., April 2, 1948.
Hon. ADOLPH J. SABATH,
House of Representatives Office Building, Washington, D. C.

DEAR MR. SABATH: Health is above politics—your health and mine. It is one of the few realms of human activity on which the peoples of the world agree and on which they can work together in these days of crisis and misunderstanding. For that reason, I am writing to you about the World Health Organization. Cholera in China can be our business and very serious business indeed. Hoof-and-mouth disease in Mexico can menace our farmers and the price of meat. Air travel has brought the reservoirs of once remote epidemic diseases close to our shores. The newest knowledge about a medical or public health technique or drug developed in Sweden or Australia or Switzerland or Argentina may save lives in Illinois if we in the United States can learn of it quickly.

The purpose of the World Health Organization is to spread this knowledge and to work together to promote health and to save life wherever it is menaced in the world. The strong voice of the United States is needed in the counsels of the WHO. Our skills and money have much to contribute to world health but WHO is a means of bringing the knowledge and skills of other countries to bear upon the health and well-being of our own people.

I ask you as a member of the Rules Committee of the House of Representatives to do your utmost to secure the ratification of the constitution of the World Health Organization. This is one of the positive things which we in the United States must do today for the development of understanding and cooperation among the nations of the world.

Sincerely yours,
MRS. SHEPARD KRECH,
President.

TOPEKA, KANS., *April 2, 1948.*
The Honorable ADOLPH J. SABATH,
House of Representatives,
Washington, D. C.

DEAR MR. SABATH: I am writing to you as a member of the House Rules Committee, and have selected your name, first, because there is no Representative from the State of Kansas on your committee; and secondly, as a former resident of the State of Illinois, I am well acquainted with your record in the House.

The purpose in my writing is to protest the tabling of the bill passed by the Senate, ratifying the constitution of the World Health Organization. In view of the fact that this bill has been passed by the Senate and ratified by the House Committee on Foreign Affairs, plus the fact that the World Health Organization is likely to come into being without the participation of the United States, unless the bill reaches the floor of the House and is acted upon favorably, I deeply regret this action of your committee.

As a practicing psychiatrist, as a former member of the armed services, and as a citizen I feel it is extremely important that the United States does participate in the World Health Organization, and would very much like to see you and the other members of the committee put your efforts behind bringing it to the floor for favorable action by the House of Representatives.

I would appreciate it if you would bring these thoughts of mine to the attention of the other members of the committee.

Sincerely yours,
LEWIS L. ROBBINS, M. D.

THE TULANE UNIVERSITY OF LOUISIANA, SCHOOL OF MEDICINE,
New Orleans, March 31, 1948.
Hon. ADOLPH J. SABATH,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN SABATH: I note that the Rules Committee has indefinitely tabled the bill to make the United States a member of the World Health Organization of the United Nations.

This letter is a plea that you reconsider this action so that the bill may be reported out for vote. The United States has a most important place in the health affairs of the world at the present time. Unless our country supports this organization, our leadership in public health matters in the world may be jeopardized.

Sincerely,
W. A. SODEMAN, M. D.,
Professor and Chairman of Department.

I was especially impressed in reading a letter from Dr. Roland R. Cross, director of health of the State of Illinois, who makes an interesting statement as to the effectiveness of the work of the League of Nations on international health matters, and I take the liberty of including it as part of my remarks:

STATE OF ILLINOIS,
DEPARTMENT OF PUBLIC HEALTH,
Springfield, March 30, 1948.
Hon. ADOLPH J. SABATH,
United States Representative,
House Office Building,
Washington, D. C.

DEAR SIR: I was sharply surprised lately to learn that the Rules Committee of the House had tabled the bill which would ratify the constitution of the World Health Organization and make the United States a member of that body. Inasmuch as the bill had passed the Senate and had been approved by the House Committee on Foreign Affairs, the action of the Rules Committee was all the more surprising to me.

Undoubtedly the Rules Committee was motivated by reasons that appeared justifiable, although I am at a loss to know what those reasons could have been. It seems to me that an official international agency for controlling diseases and improving health has everything to recommend it and very little of significance against it. I know that the work of the old League of Nations on international health matters was of great benefit in the control of epidemic diseases. The Pan American Conference has been of substantial benefit along the same lines as have other agencies with an international complexion.

Unless there is some profound reason to the contrary, which does not suggest itself to me, I would urge that the Rules Committee reconsider the bill that would ratify the World Health Organization. From the standpoint of protecting and improving health and perhaps, indirectly, international relations, it seems to me that the World Health Organization would be an agency of the highest importance.

I shall be glad to hear from you concerning this matter.

Very truly yours,
ROLAND R. CROSS, M. D.,
Director of Public Health.

Mr. Speaker, in view of the fact that we have already appropriated $60,000,000 to aid in the elimination of diseases of cattle, it appears ridiculous to me to delay the consideration of legislation which will affect the health of millions of persons, and especially so in view of the fact that the authorization to permit our participation in the World Health Organization involves only an expenditure of a few thousand dollars.

I think it is improper to withhold action on this important legislation, and it is my hope that the gentleman who presented the rule this morning on the foot-and-mouth disease bill will cooperate with me in bringing about favorable consideration in the reporting of a rule to bring this vital and important legislation before the House.

Mr. Speaker, I do not wish to delay the House any longer. I have called attention to this important piece of legislation and I hope that shortly we will be able to have a vote in the Committee on Rules, which will make it possible for the membership to vote on this legislation, because I know a vast majority of the Members and the American people favor it. I feel it should be enacted.

Mr. Speaker, I reserve the balance of my time.

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may require to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, this is an important bill, as the gentleman from New York [Mr. WADSWORTH] has so pointedly said. It proposes to find a way to control the hoof-and-mouth disease, which has heretofore been regarded as controllable only when every exposed animal could be slaughtered.

The Appropriations Committee responded readily to the situation when it arose last year. We promptly reported appropriations as requested. The outbreak in Mexico, however, according to evidence brought before us, became virtually uncontrollable.

The problem of wild deer alone, acting as carriers, made capture and slaughter a virtual impossibility.

The necessity of paying the Mexican cattle owners enough to insure against hardship bordered closely to offering them so much that some were tempted to get quick money by suggesting that their cattle were exposed.

The difficulty of getting machinery for burying the slaughtered cattle was great in the out-of-the-way places. So another way had to be found.

The bill which is before us proposes to find a way to control this virus disease. It proposes a research program to go along with direct control methods. No one knows how soon a method of satisfactory control can be found, or even whether it can be found. The disasters that would follow from an outbreak of hoof-and-mouth disease among cloven-hoof animals in this country, however, would be so great that it is imperative that an effort be made to see what can be done. That is why this bill is before us, and why it ought to pass.

The stockmen of western South Dakota would endorse my words, I am sure, when I say this bill is a "must."

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that in connection with the resolution presented by the gentleman from Kansas [Mr. HOPE] this morning that the report which accompanies House Resolution 511 be printed in the RECORD following the reading of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WADSWORTH. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. I appreciate the action of the gentleman from New York, [Mr. WADSWORTH] in giving me this 5 minutes to discuss briefly an exceedingly important aspect of our air power. At this time, right today, the aviation industry in the United States is in the very dangerous position of having to lay off thousands of employees because orders have run out. One might say that fact is not something that should directly concern us particularly, but if one did say that he would be absolutely wrong, because we are vitally concerned in building the air power of the United States, producing additional aircraft. Let me give you some facts and figures.

Today we are building aircraft at the rate of about 18,000,000 airframe pounds per annum. We are withdrawing aircraft from storage at the rate of about 45,000,000 airframe pounds per annum. At that rate we are bringing into service 63,000,000 airframe pounds per annum, and it is to be hoped that with that quantity we can sustain the present 55-group program until 1950 or 1951 when the supply of effective aircraft in storage will be exhausted.

Remember, however, that the present production rate is less than 20,000,000 airframe pounds per annum. It takes from a year to a year and a half to double the production of an aircraft plant. If we are to be able to keep abreast of even the normal aircraft attrition of the air force and the Navy in 1950 and 1951, when the storage aircraft are completely exhausted, it is necessary to start at once to repair the probable damage of the future by doubling and trebling the production of aircraft in the United States because it will take that long to increase production from the present 18,000,000-pound rate to 63,000,000 pounds. That is only to break even with the 55-group program. If we are to go into the 70-group program, which many of us believe is highly necessary, then we must begin immediately to step up that production even faster, because at best it will be 1952 and possibly 1953 before the 70-group program can be fully implemented.

I am glad to see the gentleman from New York [Mr. TABER], chairman of the Appropriations Committee, on the floor. It is imperative that contract authorizations be issued at once so that we may start to prepare for 1950 at the earliest point, and 1952 and 1953 at the latest. It takes from 5 to 7 years to develop a new aircraft. If we are going to have the air power needed to preserve the peace and defend the United States, we have got to be about it today. If we wait until after the 30th of June, at the expiration of this fiscal year, we will delay the program probably 6 months, and not merely the 3 months between now and then.

Mr. LEA. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. LEA. Can the gentleman state whether or not plans are now available for the construction of the types of aircraft needed?

Mr. HINSHAW. They are practically all available for the construction of these aircraft. Certain of them are still research and development contracts, but many of them are ready to produce, and many are now in actual production, but at a slow rate.

Mr. LEA. I commend the gentleman for bringing this to the attention of the Congress, and I join in his recommendations.

Mr. HINSHAW. I thank the gentleman.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield to the distinguished majority leader.

Mr. HALLECK. Is it true that your group has proposed numerous bills for consideration by the appropriate committees and Congress?

Mr. HINSHAW. This morning we have introduced 14 bills and 2 resolutions to implement the Congressional Aviation Policy Board's report. We hope for early consideration by the respective committees to which they have been assigned.

Mr. HALLECK. I would like to say that many times special committees of Congress and other committees are criticized because they have investigated and do not bring forward any constructive suggestions. Of course, I do not know anything about the various measures the members of your policy board have introduced, or what will eventually happen with respect to them, or what their merits may be, but certainly the gentleman and his associates are to be commended for bringing forward specific proposals for the consideration of the Congress.

Mr. HINSHAW. I thank the distinguished gentleman. We have worked against time.

Mr. DORN. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from South Carolina.

Mr. DORN. I would also like to compliment the gentleman and this joint board for taking this step and for formulating a policy and having some definite program. When the President of the United States came here he did not mention this program at all. I wish to compliment the gentleman for going ahead with what he thinks is right to defend this country. I would like to ask the gentleman this question: This 70-group Air Force is the minimum for defense; is that not true?

Mr. HINSHAW. No; the minimum for defense is a 55-group force. The minimum for defense and a sustained offensive retaliation in the event we are attacked is the 70-group program, and that is the program which your Congressional Aviation Policy Board believes is the program that should be adopted.

Mr. DORN. I thank the gentleman very much. Frankly, I should like to see it a 100-group Air Force.

The SPEAKER. The time of the gentleman from California has expired.

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. BREHM].

Mr. BREHM. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Speaker, the threat to our Government by communism operating within the borders of our country is no idle dream. Communism will thrive if our economy ceases to provide the adequate standards of living to which our citizens feel entitled in this richest of all nations. Every American can truly thank God for the opportunity and freedom under which we have lived, and by which we have achieved a standard of living which has surpassed that of any nation in the world. If we can maintain this high standard, and continue to increase it, and show to the world that under our form of government life is more abundant than any other form, our Republic is safe. To do this, we must not neglect any large segment of our population.

It has been pointed out on this floor many times that our economy is falling short in its provision for those who perhaps because of adversity in their younger years were unable to make adequate financial provision for the future and who now due to advanced years find it impossible to continue earning a livelihood. Old-age assistance in the United States provides a very meager sum for retirement. In fact the average appropriation by the Federal Government averages around 60 cents per day, and in many States far less than that. I feel there is not a Member of the House but will agree that this condition should be remedied. In view of the stupendous amounts we appropriate for other purposes, I can see no excuse to continue these paltry sums for our deserving elder citizens.

Again, Mr. Speaker, the payment of a just and reasonable American pension will not benefit the elder citizens alone. If the children, for instance, who even now may be having a hard time making ends meet, but realizing they do have a responsibility to their parents, could have the assurance that their fathers

and mothers would be adequately provided for in their declining years, would it not boost their morale and add tremendous value to their citizenship? Would it not also mean much to these young people if they had the assurance that if through no fault of their own they should reach the sunset of life and find themselves in a position of uncertain social security that a grateful Nation would be standing by ready to provide each of them with a decent retirement income for life? Would this assurance not add tremendous value to our citizenship? Would it not be an added incentive for them to stand valiantly forth as defenders and protectors of the form of government which we enjoy in our Republic? Yes, Mr. Speaker, it should go a long way to improve the high character of our citizenship. It should immeasurably reduce the crime wave. It should add a greater meaning to the value of our American institutions and traditions. Would it not be a bulwark against every enemy of the Nation, both without and within? Would it not be a good antidote against every enemy, including communism? Let us enact an adequate, uniform, American pension to take the place of our inadequate old-age assistance. Let us do it in this Congress.

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, I would recommend to my colleagues that they support the amended bill H. R. 5098, to provide for experimentation with the live virus of foot-and-mouth disease. To you, who may not be familiar with this disease, permit me to say that foot-and-mouth disease is one of the most infectious and destructive of livestock diseases. While the mortality rate may not be more than 5 percent in adult animals, it is much higher in the young stock and the after results of the disease persist for many years. It is devastating to the livestock industry. It is different than rinderpest, which is highly contagious; it does not spread quite as fast, but has much higher mortality rate. The mortality rate from rinderpest is frequently 100 percent.

Our Government, in cooperation with the War Department and the Canadian Government during the war, established a laboratory at Grosse Ile, which is in Canadian waters, for the purpose of experimentation on the disease of rinderpest. It is my understanding that a vaccine has now been developed which can protect animals from this disease. It seems quite likely similar results could be obtained on foot-and-mouth disease after proper experimentations were carried on.

Foot-and-mouth disease affects all cloven-hoofed animals. It came into Mexico through the illegal importation of Brahma bulls from South America. The agreement between Mexico and the United States on the importation of live animals from countries having foot-and-mouth disease was broken. That is now water over the dam. There is no question but some individuals in Mexico and in this country made huge profits on the action and at the same time have fastened the disease upon Mexico for many years to come, perhaps permanently.

Foot-and-mouth disease has appeared in the United States six times in the past 50 years. The last outbreak was in 1929. In 1914 it was found to exist in 22 States and the District of Columbia. Our country has always followed a program of strict quarantine, with a slaughtering and burying of all infected and exposed animals. It is the only known method to date of eradicating the disease. This program must be followed until a suitable vaccine or other method is discovered to control the disease.

I have always felt, Mr. Speaker, that the veterinarian and science has not kept step and made progress in trying to ferret out ways and means of controlling foot-and-mouth disease. This country has been far behind England, Switzerland, and Denmark, where they have constantly had the disease on their doorstep. It is my understanding that Switzerland and Denmark have been working on a vaccine which seems to me to bring fairly good results. No experimentation on the live virus has been permitted in the United States. However, as a medical man, I recognize that medical science has been able to conquer many diseases which in the past have been fatal to large masses of our population. They did this by working with the live virus in laboratories and in universities all over the country. Tremendous progress is still being made to master some of the diseases which claim a high mortality percentage. I have every confidence that the diseases will be mastered one by one through work in the laboratories. I have enough faith in American science to believe that in the not too distant future we will conquer foot-and-mouth disease. It cannot be done without study and research. This bill provides for a method to move ahead in this field of research. Research is nothing more than seeking out from nature the unknown and trying to understand and master the problem.

We have foot-and-mouth disease within 300 miles of our border. It is a constant menace because we know it can be spread through roaming animals and even carried on the clothing of individuals. It would seem to me that we have the immediate problem of trying to control and keep the disease as far from our borders as is possible. In that respect we must continue in trying to get the Mexican Government to properly cooperate in containing this disease. The cooperation and the results with the Mexican Government to date have not been satisfactory.

I should also like to point out, Mr. Speaker, that the Bureau of Animal Industry in the Department of Agriculture, in my opinion, has not only been lax but derelict in its duty, since they have permitted horses trained for rodeo, to appear at numerous rodeo shows in Mexico City and the areas infected with foot-and-mouth disease. While it is true that the horse is immune from the disease, it can certainly be a carrier in that its hoofs and hair cannot be properly sterilized when they come back into this country. Regulations ought to be immediately put into effect to prevent horses going into this infected area, which in turn might bring the infection into our country. Certainly the Department is playing with fire when they permit this practice to continue.

You will recall, Mr. Speaker, that you placed me on a committee to visit the disease area in Mexico last year. I came back and gave a rather pessimistic account of what was occurring in Mexico, and gave as my opinion in July of last year, that the present methods being used by the Department of Agriculture and Mexico were unsatisfactory and that the disease would continue to spread without complete cooperation between the two Governments. In November 1947, we were notified that the slaughtering and burying program had to be discontinued. We have spent more than $40,000,000 and have obligated $61,000,000 in trying to eradicate the disease. It may take many hundreds of millions more, but if we can keep the disease from getting into our country the effort and money spent will be worth while. It is to be hoped that the Agriculture Department and the Bureau of Animal Industry will recognize that they must have top administrators handling the program if they are to expect any degree of success.

They are starting to use a vaccine in Mexico, its value is indeed very doubtful. They have established a line across Mexico and with a buffer zone, and if they carry out the program of keeping this area clean through the method of killing and burying all infected animals, some good may be accomplished. A fence across this area, in my opinion, would be of doubtful benefit. I would much prefer to see a high tight-wire fence along the Mexican and United States boundary, with more patrols and supervision of this area. I suggested last July that if the disease broke through into northern Mexico, that this country ought to consider cleaning out an area 50 miles wide on our own territory and destroy and keep out of the area all cloven-hoofed animals. This is drastic medicine, but this disease requires the most drastic and positive action if it is to be controlled.

For a long-range program it would seem wise to have laboratory facilities on some island or area within the United States for the purpose of studying the disease. If we are to follow the plan used by the medical profession in using the live virus under proper control, I believe it would bring little or no hazard to the livestock population of the country. I realize that there are many objections to using the live virus and I am not sure that this method should be pursued at this time. I would prefer to leave that to the judgment of veterinarians who have worked with the disease for many years and understand the risks, if any, that might be taken should a laboratory be established within the United States.

We ought to send good research men immediately to other countries where they have laboratories and gain all the information possible, which would assist us in perfecting a vaccine to bring protection from or a cure of this disease. If we were to establish a laboratory, it would take years to get the proper build-

ings and facilities. Other countries now have going laboratories and much information which I am sure would be available to the scientists of this country. Distance today means little because airplane service places all of us within 48 hours of any point in the world. I would prefer to see a permanent laboratory under our own supervision than to have it located in Mexico where the Government is none too stable and whose cooperation in the past has not always been good.

I would point out that we did master rinderpest in a short time. Perhaps with intensive research the same results could be accomplished with foot-and-mouth disease. At least it ought to be tried.

The long-range program could very well dovetail into a short-term program. The time is short and immediate action is needed. We ought to take every advantage possible of what other countries are doing. We can benefit by their experience.

I recommend this bill to my colleagues for passage. I am sure you know full well that if foot-and-mouth disease fastens itself upon the country, as it has upon Mexico, that it could well cost the livestock industry a billion or more dollars every year.

I have every confidence that science will master this dread disease. We should implement the program and go firmly forward with a program designed to eradicate foot-and-mouth disease in all cloven-hoofed animals.

Mr. WADSWORTH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. GARMATZ asked and was given permission to extend his remarks in the Appendix of the RECORD and include addresses by Hon. Thomas Alesandro, Jr., mayor of Baltimore, Md., and General Gerow.

AUTHORIZING RESEARCH ON FOOT-AND-MOUTH DISEASE

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5098) to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5098, with Mr. SMITH of Wisconsin in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Chairman, I have made several speeches on the floor in connection with this problem. I think it is very well known to everyone here concerning the outbreak we have had in Mexico and is still raging there. The situation is not getting any better.

When Mexico decided to change the program from kill and bury to vaccination and quarantine, they established immediately a quarantine line through the middle of Mexico. On that quarantine line we have all of our men at this time. There are none of our men from the Bureau working down in the central part of Mexico except those in the offices in Mexico City. There are some 1,500 or 1,600 Mexican soldiers patrolling that border, but patrolling the border in an effort to keep the disease below this particular line is going to be a superhuman effort and I doubt very much whether they will ever keep it below that line. Perhaps in a matter of a year from now we may be able to stay down there for 2 years and hold that line, but some day it is going to break through, then look out.

As the gentleman from Nebraska, Dr. MILLER, said just a few minutes ago, the disease itself would very likely break through in case there should be a letdown on that quarantine line. Except for six outbreaks, we have always been free of the foot-and-mouth disease in this country. Now we have the foot-and-mouth disease in the country next to us. I might say in connection with that that there are only five countries left where there is no foot-and-mouth disease. They are: The United States, Canada, Australia, New Zealand, and Colombia in South America. Those are the only five countries now remaining which do not have the foot-and-mouth disease. The problem is going to change, because it looks to me now we are going to have to live with it; I mean, live with it next door. If that is true, then we have got to change our thinking on this matter, and for that reason I have introduced this bill to build a research laboratory.

This research laboratory will be built on some island somewhere close to the United States. Our scientists have looked at several places along the eastern coast, and they would like to have it along the eastern coast, because of one very important reason, and that is the proximity to the metropolitan centers where they can draw scientific men, such as Rockefeller research laboratories, and institutions of that sort. We have got to have it some place close to these great scientific research centers, because if we do not, then the matter of travel will be too great, and as a result, they will not get the right kind of scientists to help in this very important work.

As I said before, the main question before us today is, How are we going to control this outbreak which now rages in Mexico? Perhaps 2 years from now they might have a different government down there and they would force all of our men up to our own border. I would not want to see that happen either, because if the disease ever gets close to our border, it is going to get into this country. I think it was the gentleman from Nebraska, Dr. MILLER, who called attention to drawing a line on this side of our border, a protective zone, 50 miles wide. Well, a protective zone 50 miles wide along the lower border of Texas would result in an enormous loss to those people down there. It would mean a loss of more than a billion dollars just in that State alone. Now, we cannot afford to do that. The next best thing to do is to get this laboratory built just as quickly as possible in order that they may develop a vaccine that will produce a permanent immunity. There have been several vaccines introduced in Europe which only give about 5 or 6 months' immunity. Well, that means vaccinating the cattle twice a year. When you get into the large herds like they have in the West and Southwest, that would be just an impossible job. It would not be practicable.

We have scientists over in Europe and we have some in the Argentine studying the foot-and-mouth disease at the present time.

I think it is pretty well understood that this program has changed down in Mexico. Some 800,000 head of cattle were killed and buried, but Mexico felt that they could not stand that strain on their economy. That is the reason they had to change. That was bad news for us, because it means that someday maybe we are going to have that disease in this country.

I have been through one of these foot-and-mouth scourges, back in 1914, and it is a terrible thing. We destroyed one of the finest herds of Galloway cattle in the United States. There were 75 head; we shot and buried them right there. That is just what is going to take place if it ever comes into this country. Personally I would want to continue to use this method to keep the disease out of this country. The only place we could use vaccine in this country, perhaps, would be in New Mexico or other places along the border, where, if the disease broke out, we could ring it by vaccinations for say 10, 15, or 20 miles around. That would perhaps stop it from spreading. But one wonders just how this thing spreads. I remember in 1914 the disease was on a farm close to Mapleton, Ind., and we thought we had it stopped right there. The next place it broke out was more than 4½ miles away from this place. No one has ever been able to explain how that disease got over to the next farm 4½ miles away. You see how dangerous it is. As the gentleman from New York [Mr. WADSWORTH] said earlier, he has been through this himself, and he knows what a dangerous disease it is. So I am very anxious that this program be carried out and we get our laboratory set up as soon as possible.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I am interested in the vaccine that has been tried in Europe. Can the gentleman tell us something about its effectiveness? What are the prospects of developing a vaccine that would give permanent immunity?

Mr. GILLIE. They have a laboratory in Perbright, England, about 15 miles from the center of London. They are carrying on a program for 25 years, but they have never been able to produce a vaccine that would produce immunity

for more than 6 months. Denmark is probably doing much further research along this line. They have a vaccine that will provide immunity for from 6 to 8 months. It is getting a little better all the time.

I know that we have the scientists and the skill and initiative to do this job, and our scientists, I am sure, could produce a vaccine that would set up permanent immunity. We did that very thing up in Grosse Ile during the war, producing a rinderpest vaccine that produced a permanent immunity. We did not know anything about this vaccine when we started, but our scientists produced a vaccine that was 100 percent perfect. We were afraid the Japanese were going to scatter the germs all over this country, but we were ready for them. We produced some 5,000,000 doses and never had to use one of them. That was the first time a permanent-immunity vaccine for rinderpest had ever been produced, and it took them less than a year to do it. They were able to produce that vaccine. Doctor Shope, who had charge of it, was from the Rockefeller Institute. Collaborating with him was Dr. R. A. Kelser, now president of the Veterinary College of the University of Pennsylvania.

Mr. SMITH of Virginia. Can the gentleman tell us something about whether there would be any danger of the spread of the disease if the laboratory were located off the east coast? I had a letter the other day from someone in New York protesting against placing the laboratory there. What would be the danger, if any, of having the disease spread from that island to the coast?

Mr. GILLIE. I do not think there would be very much danger. In the case of the Perbright Laboratory in England, they have been there for 25 years, and there has never been an outbreak.

Mr. SMITH of Virginia. Would the diseased animals be on that island? I take it they necessarily would.

Mr. GILLIE. The experimental animals would, but inside the laboratory always.

Mr. GRANGER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. WORLEY].

(Mr. WORLEY asked and was given permission to revise and extend his remarks and include certain resolutions.)

Mr. WORLEY. Mr. Chairman, under leave to extend my remarks I include a resolution adopted by the Texas and Southwestern Cattle Raising Association at their meeting in El Paso, a resolution of the Panhandle Livestock Association and an address by our former colleague, Hon. Richard Kleberg, on the foot-and-mouth disease program.

Mr. Chairman, I think the gentleman from Indiana, Dr. GILLIE, has upon several occasions given Congress a very vivid description of what would happen if the United States should suffer another outbreak of foot-and-mouth disease as we have had in the past. I regret to say that some people seem to look upon this threat as a local problem which endangers only the border States. Most everyone realizes that the disease itself travels as fast as a prairie fire, and could be transported as quickly from Mexico to the State of New York or Washington as it could be to Texas, although the proximity of the border States to Mexico does make us more immediately vulnerable. But suppose it should break out? The immediate result would be action by the several States themselves and the Federal Government to begin slaughter and burial of all livestock affected by or even exposed to the disease. I am sorry to say that the only method yet known, the only sure and positive method for eradication of the foot-and-mouth disease is slaughter and burial of infected animals. We are at least 100 years behind in the research program on this disease.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield.

Mr. EDWIN ARTHUR HALL. The gentleman is close to the border and knows a great deal about the attitude of the Mexican people. Does he not feel that the very fact we have entered upon a slaughtering program of these cattle has built up an antipathy in the minds of some of the people who have had to lose their cattle?

Mr. WORLEY. It has not only built up antipathy, but unfortunately, also a good bit of strenuous opposition.

We are not a sovereign power in Mexico but I feel we have the right to ask for their fullest cooperation in combating this disease. I think President Aleman and most of the informed Mexican people are just as anxious to rid themselves of this disease as we are to see them do it, but there are certain economic factors as the gentleman from Indiana, Dr. GILLIE, has pointed out, which have retarded and in fact practically stalemated our proposed program in Mexico.

I yield to the gentleman from Minnesota, who is on his feet, but first may I say that should this disease become widespread in this country the dangers to the dairy people of the gentleman's State and the subsequent cost of milk and meat to the consumers would make a mighty grim picture. I think the gentleman will agree with the accuracy of that statement.

Mr. AUGUST H. ANDRESEN. I agree with the gentleman's statement. We also have other threats to the dairy industry.

Mr. WORLEY. I understand, but let us not get into that question at this particular time.

Mr. AUGUST H. ANDRESEN. The gentleman indicated that we are probably a hundred years behind in our research.

Mr. WORLEY. I stated in my opinion that we are.

Mr. AUGUST H. ANDRESEN. Other countries, England, Sweden, and countries on the continent have had hoof-and-mouth disease under control for years. Does the gentleman not feel that we might profit some by the research and efforts of those countries?

Mr. WORLEY. If the gentleman will examine the hearings of the subcommittee on this particular subject he will find that I not only agree, but I am enthusiastically for this country taking advantage of every bit of scientific data and knowledge that the other countries have developed.

The CHAIRMAN. The time of the gentleman from Texas [Mr. WORLEY] has expired.

Mr. GRANGER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WORLEY. On that point, I will say to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] that the Department of Agriculture has already sent a number of their personnel to England, Sweden, and other countries of Europe to avail themselves of whatever information they could get. I know there will be some opposition to the location of this laboratory. I say, in all kindness to the gentleman from New York [Mr. MACY] it certainly is not my intention or the intention of any member of the committee to try to locate the laboratory in a district where it is not desired. But I will also say further that, in my opinion, if we are to have a research program, then we almost have to accept what has been worked out in this bill. I think the gentleman from New York will be amply safeguarded, he and his district, when the actual appropriation bill for this measure comes before the House. I am sure he realizes the distinguished, able, and very powerful Member from his State of New York [Mr. TABER], chairman of the Committee on Appropriations, will look into the suggested appropriation with his usual care and thoroughness, and see that the site finally selected is justified from every angle. If the gentleman can show to us any other site which would be more desirable or better for the research laboratory, I hope he will do so.

We have thus far been mighty lucky in holding the quarantine line in Mexico since the outbreak. The committee hopes to go down there soon and take a first-hand look at the entire program, and will report back to the Congress. But if we are ever going to get started on a research program, which is so vital not only to the cattle industry but to the entire economy of the United States, I hope we will take that first step today.

RESOLUTION ADOPTED AT CONVENTION OF TEXAS AND SOUTHWESTERN CATTLE RAISERS ASSOCIATION, EL PASO, TEX.

Mr. President, your committee on resolutions has completed its work and begs leave to now report to the convention the result of its deliberations, and, in doing so, respectfully represents to the convention that, although there are many serious and weighty problems confronting us at this time, they all are reduced to comparative insignificance by the great weight of one problem—foot-and-mouth disease—and, for that reason, we recommend the adoption of one resolution—and only one—which deals with this most serious of all problems.

Your committee recommends the following:

RESOLUTION

It is regretfully true that the enormity and the gravity of the problem that we face because of the existence of foot-and-mouth disease in Mexico is not realized by the American people. The false impression that this problem is peculiar to the livestock industry and even localized on the border area is all too prevalent. This problem is of national significance and bears upon all sections of the country, as well as upon all phases of our economy, because it is a direct threat to

the American—which now means the world's—food supply. We hope that the genuine universality of this danger will become known to all of the American people because we believe that from such knowledge will come strength to solve the problem.

Because of our single purpose, which is to protect our country from the disaster that foot-and-mouth disease brings, we, the Texas and Southwestern Cattle Raisers Association, in annual convention assembled in El Paso, Tex., do hereby adopt the following resolution:

I

We state it to be a fact that not only are the American people entitled to, but it is necessary that they should at all times be given full, complete, and entirely accurate information concerning foot-and-mouth disease, its characteristics and the full significance of what an outbreak of the disease in our own country would be. The American people should likewise be given the same type of information concerning all developments in the program being conducted in Mexico in conjunction with the Mexican Government. This problem is of grave national and international concern, is public in its nature, and no part of the true facts should be concealed or withheld. Any agencies of our Government possessing information concerning the problem or the program should immediately pass all of that information on to the public with complete frankness and accuracy.

II

We wish to express our gratitude and appreciation to the entire Congress of the United States for its intelligent comprehension of the seriousness of the foot-and-mouth problem and we commend the Congress for the thoroughness and speed with which it enacted all legislation requested for the purpose of combating the foot-and-mouth disease problem. Especially do we appreciate and commend the fine and effective work done by the subcommittee of the House Committee on Agriculture known as the "Gillie committee" for its study of the problem and its report to the Congress. We further express our keen appreciation of the whole-hearted and intelligent action of the Appropriations Committee of the House and the Appropriations Committee of the Senate in handling legislation in connection with making available the funds necessary to fight the disease and protect our country. In this matter, the entire Congress truly and intelligently represented and acted for the welfare of the entire country and the good of the people.

III

This association has heretofore, on several occasions, urged that the Department of Agriculture enter upon a program of scientific research into foot-and-mouth disease. We are aware of the fact that the Department of Agriculture now desires to institute a research program for the close study of foot-and-mouth disease in all its aspects and we fully endorse such purpose, but, at the same time, we respectfully suggest that such belated study and research can be of very little, if any, value in the present emergency fight to eradicate the disease from Mexico, though it would undoubtedly be of value in years to come. We are aware that the Department of Agriculture has requested legislation of the Congress to enable it to, at its discretion, establish such research laboratory in the continental United States. We have not forgotten the lessons taught us for many years by the Department of Agriculture, its experts, and by other scientists, and we greatly fear that if such research into foot-and-mouth disease be conducted in the continental United States, the fact that such research and experimentation would have to be done with the active, live virus would constitute a serious danger to our industry from a possible outbreak of the disease inducted by such virus escaping from the control of the researchers. We, therefore, reiterate our previously expressed position that we are opposed to such research being conducted within the continental limits of the United States and hope that the importation of the live virus in any form, or through any medium, will be prohibited. But we do express our hope that such research work outside the United States be authorized and provision be made therefor.

IV

We are regretfully aware of the fact that the patrol of the international boundary line for the protection of this country against the infiltration of foot-and-mouth disease is now and has at all times been inadequate and ineffective. We urge that this patrol of our border be so strengthened and improved that it will be impossible for contraband livestock or other commodities to cross the boundary line or be brought into this country.

V

The canning program being rapidly developed in the northern states of Mexico is proving to be a valuable and effective method for the disposal of large numbers of surplus cattle in that area. The full protection of this presently uninfected area and the recognition of the necessity for providing a market for the livestock of these Mexican states situated north of the quarantine line is essential to a well-considered plan of eradication of the foot-and-mouth disease in Mexico. We commend the Department of Agriculture of the United States and all of its agencies employed in the program for the efficient and aggressive handling of this phase of the eradication work. And we further state that this particular project is so vital to the entire program that we insist that contracts for he purchase of canned meats from the named area be extended beyond the current fiscal year ending June 30, 1948.

VI

The position of this association on the foot-and-mouth disease problem is the same now that it has been at all times. That this disease must be eradicated. Its presence upon the North American Continent cannot be tolerated. The respective economies of the United States and of the Republic of Mexico cannot bear the burden of having this disease fastened on any place on the continent, nor will the safety of the food supply of the world permit such strain to exist.

We deeply regret that efforts to secure eradication of the disease in Mexico have not been successful. We realize that large sums of money have been expended by our country in the effort at eradication without success but we know that eradication must be accomplished. Not until such eradication has been effected will we be able to breathe with relief and face our responsibility of producing food for the world with any degree of confidence.

It is our recommendation that a sincere fight to eradicate the disease be kept up constantly. We recommend that those officials upon whom rests the responsibility for the conduct of this fight concentrate their efforts to eradicate the disease by following a carefully planned program that will have ultimate success.

First and foremost we recommend that the northern quarantine line in Mexico be developed into a genuine quarantine line. We fear that the present effort to maintain this northern quarantine line is not adequate. We cannot urge too strongly that such quarantine line, which is the outer defense for our country, be rigidly and hermetically maintained.

We recommend that the responsible officials actually secure the adoption of the suggestions made by the Congress of the United States, which suggestions are also the suggestions of the official advisory committee, and that a qualified person be selected and appointed to manage and control the entire program and that such person be clothed with full authority to conduct the campaign.

We recommend that, between the quarantine line and the zone of infection a buffer zone be established and that all necessary steps, including slaughter and burial of any livestock that might become infected or directly exposed to infection in that zone and the judicious use of the best available vaccine, be adopted to keep such buffer zone free of infection. In the event of an outbreak above the quarantine line we recommend the immediate slaughter and burial on the spot of all infected and exposed livestock in that area and a complete quarantine of such zone of outbreak.

We recommend that constant effort be made to eradicate the disease within the zone of infection beginning at the northern edge of such zone and progressing southward. In such effort every available method must be used. Where practicable, slaughter and burial of infected and exposed livestock should be conducted. And, whenever the circumstances justify such method, use of vaccine and localized quarantine and isolation of stock and premises, having in mind that, at all times the slaughter and burial method is the only proven method of successful eradication and the education of the affected people should not be neglected and whenever an area shall have been determined to have been cleared of infection, then restock such area, moving the southern quarantine line of the buffer zone so as to incorporate such cleaned area within such buffer zone. By such constant and serious pressure on the infection it is hoped and believed that the infection can gradually but surely be eradicated from all parts of our neighboring Republic and the danger to our own country and to the world's food supply can be eliminated.

It is our very sincere and earnest hope that the two nations involved, the United States and the Republic of Mexico, and all officials, representatives, and the agents of these two countries will never lose sight of the ultimate objective—the freeing of the North American Continent from the curse of the infestation of foot-and-mouth disease. It is likewise our hope that the conduct of this campaign will be such that it will cement mutual friendship and respect between the Governments and the peoples. And it is our hope and trust that the effort to prevent the further spread of the disease toward the international boundary line between the two countries will be successful, but we fear that, unless greatly strengthened, such will not be the result. And any spread of the disease north of the present quarantine line will constitute an increased danger that will necessitate this country strengthening its defenses at the boundary line.

In the event of such a spread north of the present quarantine line—which we hope will not happen—then it is our recommendation that in order to provide the then greatest available degree of security for our country and for the food supply of our people and of the world, it will be necessary to close the international boundary line to all traffic and commerce until such time as the same may be resumed with security and safety.

RESOLUTION ADOPTED BY PANHANDLE LIVESTOCK ASSOCIATION IN ANNUAL CONVENTION AT AMARILLO, TEX., MARCH 2, 1948

RESEARCH

Whereas it has been deemed expedient that our Government appropriate such a sum of money as is necessary to properly carry on research into the foot-and-mouth disease and our Congress is now considering the passage of a bill making such research possible; and

Whereas we have at all times been advised by our Bureau of Animal Industry and scientists of the hazards involved by bringing infected animals into this country for a study of the disease: Now, therefore, be it

Resolved, That we do urge the research study be begun immediately; that Congress does make available ample funds for such research; but that so long as foot-and-mouth disease is not present in these United States, that such laboratories be established and such research be made at some place outside the continental United States.

FOOT-AND-MOUTH DISEASE

Whereas foot-and-mouth disease constitutes the greatest threat to the livestock industry and agriculture in general that this country has ever been faced with; and

Whereas the Congress of the United States has continually issued mandates to the Department of Agriculture to negotiate with the Mexican Government and develop an eradication program, and has appropriated vast sums of money to carry out such a program. The Industry Advisory Committee to the Secretary of Agriculture, all segments of livestock, cattle, sheep, and hogs; the dairy industry, and national farm organizations have all from time to time and repeatedly urged the Department of State, the Department of Agriculture, and even the President of these United States, to address themselves seriously to the development of an adequate and effective plan for the control and eradication of this dire threat to our national economy; and

Whereas today we find ourselves no closer to an accomplishment of this objective than we were when the disease was first declared present in Mexico: Now, therefore, be it

Resolved, That the Panhandle Live Stock Association in convention assembled at Amarillo, Tex., on March 2, 1948, add its voice to the rapidly growing rebellion against such a willful neglect of the expressed wishes of Congress and the needs of the people. We earnestly request that our Sentaors and Members of Congress look deeply into the reasons for such failure and forthwith take steps to correct in any manner deemed necessary, such an evil threat to our industry; be it further

Resolved, That copies of this resolution be furnished the principal newspapers of Texas and all of the Members of Congress from Texas.

Mr. Chairman, under leave to extend my remarks, I submit herewith a very interesting speech made by our former colleague, Hon. Richard Kleberg, on the foot-and-mouth-disease problem. The address was delivered in Lincoln on February 4 to the Nebraska Livestock Breeders and Feeders Association:

Mr. Chairman, ladies and gentlemen, the subject assigned to me by Mr. W. W. Derrick, the Seriousness of the Foot-and-Mouth-Disease Outbreak in Mexico as it Affects American Cattle Raisers, seems to me to be one which limits those who are endangered to a degree which is not consistent with the real purpose of my being here.

I am sure that you will pardon me if in range parlance I bust the hamestrings for the purpose of including all those who really suffer from the existence of foot-and-mouth disease in Mexico. In the first place, North America, including Mexico, up until December 26, 1946, was the only large part of the world contiguously joined that had been free of foot-and-mouth disease for a period of 10 years. In the second place, for over 6,000 years famines have occurred almost everywhere in the civilized world save in the United States of America. We have never had an alarming famine. In the third place, the existence of foot-and-mouth disease in Mexico seriously menaces the productivity and economy of the United States, Canada, and Mexico. Foot-and-mouth disease in the North American continent, and I hope you will please heed this statement, is at the moment the most serious menace to the entire world picture looking toward a hope-for lasting peace and better conditions throughout the world.

The relationship today of the United States to both the peace of this world and food for its starving millions, it is not necessary for me to discuss in detail.

Too, as you all know, the reiterated policy and system of government of a large part of the Old World, looking constantly toward the overthrow of all other forms of constituted authority by means of revolution, is best served by hunger wherever it is found. The one major difficulty which confronts the authorities of the United States, looking toward the eradication of foot-and-mouth disease on the North American Continent, is that the outbreak is on the soil of a foreign country, Mexico. Foot-and-mouth disease would have long ceased to be a menace or even news had the outbreak occurred on soil of the United States. Manifestly, this is true because the outbreaks in this country of 1870, 1880, 1884, 1902, 1908, 1914, 1925, and 1929 were all quickly, effectively, and completely combatted with eradication of the disease in each instance. One of the outbreaks, the one in my home State, Texas, which occurred September 27, 1924, according to the United States Yearbook of Agriculture of 1925, pages 65 and 66, states as follows: "Methods similar to those used in suppressing the California outbreak resulted in the suppression of infection in Texas within 30 days." The method referred to used for the suppression of the disease and its eradication involved first the throwing of a real quarantine line around the area where the infected cattle were located. Immediately following this, representatives of the Government slaughtered every animal infected, together with every animal subjected to exposure to the disease. The slaughtered animals were placed in large pits with their hides slashed to render the hide unusable. The cattle were then covered with quicklime, and, thus buried, were incapable of continuing to spread the infection. There being no further source of infection, eradication was complete insofar as the extension of the disease was concerned. The quarantined premises were kept under quarantine for 60 days. All of those engaged in work within the quarantined area, as well as those who lived within the area, were subjected to strong disinfectants, particularly their hands and feet and lower limbs and clothing, each time it was necessary for them to pass through the quarantine lines and into clean or uninfected areas.

After 60 days, the range was restocked with cattle which were kept under observation until they had proven that the infection no longer existed and the premises were clean. I give you this example only for the purpose of indicating the truth of my statement that, had the disease occurred in the United States, it would have long since been over. I think it best at this juncture to give you a short description of the disease known as foot-and-mouth disease. The latest truly valued authority on this subject is found in the 1942 Yearbook of Agriculture, starting on page 263 where you will find an article on foot-and-mouth disease by Dr. J. R. Mohler and Dr. Jacob Traum. Dr. Mohler was at that time Chief of the Bureau of Animal Industry of the United States, and Dr. Traum was professor of veterinary science at the University of California. Under the heading of "Character of the disease," I quote as follows from the same authority:

"Foot-and-mouth disease is characterized by the formation of vesicles or blisters on the mucous membranes covering the tongue, lips, cheeks, palate, and other tissues of the mouth, on the skin between and above the claws of the feet, and on the teats and udder, in cattle any one or several of these locations may be involved. In hogs lesions frequently occur also on and above the snout. In rare cases the muscles of cattle are affected. In sheep, goats, and deer, the feet are the most common site of the vesicle formation. As a rule, these vesicles rupture within 24 hours, leaving a raw, eroded, red surface. Mouth lesions cause salivation, especially in cattle. In none of these lesions is there the pustule formation which is always so characteristic a part of the disease process in pox diseases.

"The lesions of foot-and-mouth disease heal rather rapidly, but in some instances those on the feet may give rise to serious bacterial infections. Before and for a short time after the appearance of lesions there is a striking rise in temperature. During the attack the animals lose considerable flesh. In cows there is a severe reduction in the milk flow.

"The symptoms vary in extent from one or two small vesicles in one of the locations mentioned to extensive involvment of several of the locations. In some cattle more than one-half of the covering of the tongue may be lifted and the claws of all four feet may be lost.

"The deterioration of the animals may cause far greater loss than the actual mortality, which is estimated in ordinary outbreaks to be approximately 5 percent. There is, however, a malignant form of the disease which may be accompanied by heart lesions. In such outbreaks as many as 50 percent of the affected animals succumb or are so seriously injured that they have to be slaughtered, even in countries where eradication by this method is not practiced.

"The infective agent in foot-and-mouth disease is a filterable virus. Virus can pass through filters that hold back the smallest bacteria, and they cannot be seen with the most powerful microscope. The size of the foot-and-mouth-disease virus has been estimated to be between 8 and 12 millimicrons, which places it among the most minute of these ultra-microscopic infective agents. The virus is present in the fluid and the coverings of the vesicles and can also be found in the blood in the initial febrile (feverish) state of the disease. Saliva, milk, urine, and other secretions may also contain the virus. It is not definitely known whether these fluids contain the virus at their source, in the salivary glands, mammary glands, etc., or are infected later by becoming mixed with the vesicle fluids or coverings. For practical control of lesions, the important consideration is that the virus may be present in these secretions, which should be considered as infectious. The fluid and coverings of the vesicles in the animal usually lapse into infectivity within 4 to 6 days after the lesions occur."

You will see by this description of the disease how serious it it. All authorities agree that it is the most infectious and contagious of all livestock diseases. A close study of conditions under which materials harboring the virus are found ouside the animal body determine its viability, or ability to remain alive, and its infectivity. There are conditions under which the virus perishes in a very short time. When kept in an incubator temperature corresponding to the body temperature (98.5° F.), it has not produced disease after 24 to 48 hours, but at room temperature, such as 65° to 68° F., it has been kept alive for weeks. In the icebox, at temperatures between 39.2° and 44.6° F., it has been found alive after many months. When rapidly dried, particularly at temperatures below the freezing point, where no air has access to it, it remained alive for several years. I quote again from the article referred to:

"It is important to note, however, that owing to the great infectiousness of foot-and-mouth disease, experiments with it are not conducted within the United States. Experimental work by the United States Department of Agriculture has been done in

foreign countries by arrangement with the veterinarians and other public officials."

For your added information, there are only two other diseases, which resemble foot-and-mouth disease and which are found in cattle, swine, sheep, goats, and other cloven-footed animals. These two are virus diseases, one of them vesicular stomatitis and the other vesicular exanthema of swine. It would be well to carry in mind that the first of these is more common to horses than it is to other animals. The latter, vesicular exanthema of swine, likewise has been found to produce mild irritation in horses. Foot-and-mouth disease never attacks horses. In fact, experiments by inoculation have all failed in the case of horses. The only country which has been successful in eradicating the disease promptly following each outbreak has been the United States of America. It has accomplished eradication each time by means of the quarantine plan and burial method described earlier in my remarks. In fact, this is the only method which to date has been successful. Attempts to eradicate it by vaccination have proven futile in each instance. Likewise, attempts to hold it confined to an area by quarantine alone have all been futile.

From the moment that foot-and-mouth disease occurred in Mexico, the great food resources of the United States and Canada, as well as Mexico, were threatened. In our country, however, there is much more at stake than merely food resources. I will get to this in more detail later on in my remarks. Let me for the moment make this statement of conviction with all the emphasis which I can muster: One of the best ways to insure continued progress is to never forget those things responsible for our past progress as well as those which have blocked or may still block our development in America to its highest peak. We all know what we would have done had this disease broken out in these United States. Conditions, however, in Mexico are very different. There, you deal where the disease is now raging with farmers, small ranchmen, and peons of the low-income class as well as those of the no-income class. There, you deal with a rugged terrain with no roads, no automobiles or trucks, almost no radios, telephones, and telegraphic service, no country grocery stores, few if any towns where food and other necessary supplies may be purchased, etc. The people in this area are as nearly wholly dependent upon their oxen and milk cows and goats and their hogs as are to be found anywhere in the world. The oxen are used yoked to a primitive sharp-pointed stick as a plow, no harness as in the case of a Missouri mule, no tractors. The oxen are likewise used for transportation, in some of these sections, of supplies to market places yoked to huge wooden-wheeled carts. The people in this area when they go to town either ride a burro, walk on feet shod with guaraches (crude sandals laced between the toes and covering only the soles of the feet), on horseback a few, and others in carts drawn by oxen, and crude light wagons drawn by burros.

So you can readily see that the slaughter campaign alone, such as would be employed in the United States, would immediately leave these people without the means of producing corn, which is their staple food, or beef, goat flesh, or milk. They would be without employment which depends upon the use of these essentials just mentioned. In short, they would starve. It is natural, therefore, for them to oppose with great vehemence any program which would leave them in this plight. The present program in effect in Mexico, agreed upon by the Governments of the United States and Mexico, is a program which I believe to be utterly puerile. It is a plan which calls for the establishment of a quarantine line surrounding the infected area, together with a program of vaccination beginning at the quarantine line and closing in on the infected area, hoping thus to be able to eradicate the disease. This plan, of course, is doomed to worse than failure because, instead of eradicating the disease, it will probably be the most effective means of finally spreading it all over Mexico up to the boundary line between the United States and Mexico. The plan adopted by the United States-Mexico Foot-and-Mouth Disease Commission will bring about the maintenance of dangerous carriers of the disease—animals that have already recovered from the disease, together with those who are sick at the time, all of which will be merely vaccinated and will not be destroyed. No static line has ever been held or will ever be held against the ravages of this dread pestilence by vaccine and quarantine alone. Vaccine has no curative effect whatsoever, and the best available vaccine reputedly will immunize a high percentage of the cattle for a period of at most 6 months. By the records, cattle have been known to contract the disease within a period of 30 days after vaccination, which is another evidence of the futility of this plan.

The task of eradicating foot-and-mouth disease in Mexico is in my opinion by no means futile, as it apparently seems to be to many in high places. Even my good friend, the Honorable GEORGE W. GILLIE of Indiana, chairman of the Special House Subcommittee on Foot-and-Mouth Disease, has apparently accepted the futility of the fight in Mexico as inevitable. In the third paragraph of a speech which he made before the forty-eighth annual conference of the Veterinary Alumni Society, University of Pennsylvania at Philadelphia, on January 6, he made this statement, and I quote: "So whether we like it or not—and I for one frankly admit that I do not like it, we have got to learn the tricks of living with the foot and mouth disease if not actually in the United States, at least on the North American continent." Dr. GILLIE is a veterinarian and I cannot help but express my extreme disappointment in his having made such a statement. The facts are that we have not even attempted to fight the disease in Mexico by means of a program which fits the exigencies of that situation down there. There is, however, such a program before the authorities at this present moment, a program which is known as the Texas plan, and I propose here and now to submit this plan to you for your consideration. It is as follows:

A practical plan of systematic eradication, and one that probably would be acceptable to the Mexicans, should include the following:

1. Establish a quarantine line north of the zone of infection and exposure.

2. Vaccinate all susceptible animals north of that line for a distance of some 10 to 20 miles, taking into consideration natural barriers so far as possible.

3. While establishing the quarantine line and vaccinating all susceptible animals in the barrier area, start a campaign to eradicate systematically the disease in the zone of infection. This would involve the progressive purchase of all susceptible animals south of the quarantine line.

4. Title to the animals should be vested in the United States Government and, to make the area clean, they should be disposed of as rapidly as possible. With proper safeguards, a large percentage of the cattle could be used for human food, either in Mexico, south of the line, or for export after canning, south of the same line.

5. When an area or premises has been free of susceptible animals for 60 days restock it immediately with animals bought by the United States Government. These replacements would come from the clean area north of the quarantine line. Vaccination would be indicated by metal tags bearing Government stamp and date.

6. Any animals allowed to cross quarantine lines or to stray to clean premises should be killed, and no compensation provided. As further discouragement of such practices, the owner should be penalized heavily.

7. Continuous inspection of the tagged and vaccinated area must be maintained. Any outbreak of the disease in the area should be cleaned up immediately by slaughter and burial on the premises, and appropriate quarantine of the property established.

8. The United States should provide all vaccine for use on properly tagged animals from clean zones, but for no other. Use of vaccines by us in any other way should not be permitted.

9. Penalties for violation of any regulations for eradication of the foot-and-mouth disease should be provided.

10. In eradicating the foot-and-mouth disease, speed is essential. The work should go forward as rapidly as possible, consistent with the ability of the two countries to restore the economy of the infected area.

In the area south of the proposed quarantine line most of the cattle are on the open range. They are kept under control by herding in daytime and penning at night. There are very few wild cattle in the area, and so far very few wild animals have been found infected.

OPERATION OF PLAN

In the eradication program it may be found better policy to work in zones of specified kilometers or by States or other natural or political subdivisions.

In certain areas small holders may need temporary sustenance. This could be provided by giving them jobs in the program. The Red Cross and the Cruz Roja could be called in if necessary to provide for individuals temporarily destitute.

Some incentive compensation should be allowed for those carrying on the work, whether Mexican Army men on patrol or veterinarians in the field. The basis could be a certain number of dollars a head on all tagged and vaccinated animals used for replacement.

In considering the above proposals it must be borne in mind that the scientific plan developed by Dr. John Mohler calls for restocking premises 60 days after they have been cleaned up and contact broken with infected cattle. The soundness of this procedure is proved by the English experience, where over 57,000 different premises were cleaned up and disinfected, and after 6 weeks to 2 months, were restocked. Only 57 of these premises became reinfected.

When all the premises in an area are freed of infection for 60 days and restocked only with clean, vaccinated cattle the tract will stay clean for 6 months or forever if the plan is fully carried out. Animals have to be vaccinated every 6 to 8 months. There is no vaccine, so far as is known, that would assure immunity for a longer period.

The most reliable source of the vaccine is Holland, Denmark, and Switzerland. These countries have a limited quantity of vaccine usable until November 1948. They have not enough on hand for the job in Mexico, but Holland presumably could make as many as 70,000 doses a week when in full-scale production.

A dose of 30 centimeters is required to immunize one mature animal. The cost in Europe probably would vary from 80 cents to $1.60 a dose. The vaccine would have to be brought over in liter containers under controlled temperatures.

ADVANTAGES OF PLAN

The suggested plan has several advantages that are important and particularly suited to the situation in Mexico.

1. The owner is deprived of his livestock only 60 days. The replacement animals to him will be healthy and certain to remain free of the disease at least 6 months.

2. A market for the cattle of northern Mexico will be provided in the restocking of the cleaned-up area.

3. The cattle of southern Mexico will be improved, since the animals of northern Mexico are far better, on the whole, than those in the remainder of that country.

4. Since clean, freshly vaccinated cattle are always kept on the front line, and the front line is constantly advancing, this plan of attack is the safest.

COMPARISON OF PLANS

The plan adopted by the joint Mexico-United States Commission has none of the above advantages. Since dangerous carriers, cattle already exposed to the disease and in some cases even sick animals, probably will be vaccinated along with the others, the plan has no chance to succeed and eventually will fasten the disease on all Mexico.

No fixed quarantine line ever has been held by vaccine or any other method. Since vaccine has no curative effect, it is clear that its use as planned by the joint commission is the same old method used in Europe. This has curtailed the ravages of the disease, but has been of no value so far as eradiction is concerned. The disease cannot be contained by any such plan. The malady certainly will jump the quarantine line. Neither northern Mexico nor the United States is safe under that program.

On the other hand, the new method suggested offers safeguards additional to the scientific tried and true Mohler plan. We believe that it could be used to eradicate the disease in Mexico, Argentina, or anywhere else in the world, provided, of course, that it is properly implemented.

The use of the vaccine as specified in the joint Mexico-American Commission plan has the cart before the horse and should be discarded.

Hearings before committees in Washington are now going on concerning bills which have been introduced looking to the erecting of research laboratories in the United States or elsewhere for the purpose of studying and developing controls for foot-and-mouth disease. These research laboratories will be called upon to produce vaccines, serums, etc.

Right here and now let me state that I am for the erection, maintenance, and operation of research laboratories for this purpose elsewhere but not in or on the land of the United States. My opposition to the location of such research establishments within the United States is not based on any prejudice whatsoever, but to the contrary. I hope it is based on sound reason backed by the past records and experiences already had in this country with reference to this dread pestilence.

The outbreaks of 1902 and 1908, by the records, were traced to imported vaccine and virus carrying material from Japan where foot-and-mouth disease then existed. The research at that time was conducted in laboratories where research efforts, looking toward the development of counter-active virus and serum for smallpox in human beings, was being carried on.

Surely the care, scientific and otherwise, used in safeguarding this material would be at least as great as that which could be expected of today's scientists. This is reason number one for the record.

Reason No. 2 is that I can see no earthly common sense or scientific advantage to increasing the danger of foot-and-mouth disease outbreaks in this country by adding another source of danger. The outbreak in Mexico is the other source. Unless our scientists have grown soft and seek the continued comforts of their homeland to the extent of being willing to endanger that very homeland instead of sacrificing said comforts, I can see no reason why the research laboratories should not be set up in England, in France, or in Germany, if Mexico is not satisfactory. I would recommend the expenditure of requisite funds providing for the necessary building, laboratory equipment, and staffing of such an enterprise in England as a preferred place. A staff of American experts and students would be well received as allies in this line of research which has long been going forward in Britain.

I would recommend the periodic shipment to England of clean livestock from these United States for purposes of experimental tests.

It might take years to develop a vaccine more potent and effective than that now available and I, therefore, see no sound reason in the proposal that we increase the dangers to our country by adding the inevitable danger of working with the dread virus on our own land.

As a matter of fact the No. 1 thing on the agenda of the American people, all consumers and even infants are interested, should be a strong Nation-wide appeal from the people direct to their Congress, to their Senators and Congressmen, to their President, and we not adopt a defeatist attitude in this hour of grave emergency, but that we immediately do something to see to it that a plan which is at least thoroughly logical, and which will inevitably work, be put into effect as soon as possible. The sooner the better. Too much invaluable time has already been lost which makes it all the more imperative that every effort be made now to win this fight which we must win or suffer the consequences.

Let us take just a look at what these consequences look like—and I must be brief in this. In the first place, most other countries where foot-and-mouth disease exists, and where the people have been forced to live with it, are blessed by green grass for the major part of the year, together with plentiful water for livestock, located not too far apart between watering places. A poor brute with a sore mouth cannot eat dry or hard feed, grass or otherwise. Likewise, one with sore feet cannot walk 2 or more miles to water over hard, dry ground. The major cattle ranches of this country have dry grass for 6 months or more during the year, and watering places are generally far apart. Enough of that. Let us pause for an instant to peer over the fence at what is going on in our neighbor nation's back yard. Our first impulse and reaction is, of course, to do what we can to help our neighbor.

Our next reaction is likewise a natural one, best expressed in good old-fashioned American words: "Good heavens. Suppose that this should happen to us. We had better do something about it before it is too late." The trouble with us is that the full impact of impending disaster has not yet hit us. Let's see what we see across that border when we look at it: North of the present quarantine line, south of which dread foot-and-mouth disease rages, we see cattlemen and farmers possessed of 10,000,000 head of cattle who are now limited to the Mexican market where low prices prevail. South of the line is real tragedy; farmers and tenants owning approximately 4,000,000 head of cattle, to which may be added sheep, goats, and hogs. These farmers may not ship or transport any cattle, livestock products, dairy, beef cattle, or goat products save to those markets restricted to them within this quarantine zone where there are practically no markets and where prices are still lower. Too, the products of their tilled fields, grain, hay, farm products, vegetables, and fruits stagnate without proper markets. Those within the infected area can move nothing capable of transmitting the dread pestilence. This disease can be transmitted by hay, by dogs who try to cross infected areas and cross over into clean premises, automobiles, trucks, burros, men on foot—in short, anything that comes in direct contact with the infection, which may be on grass or on bare soil, may transmit this infection.

With the hopelessness of the present program, we can properly expect, if no chance is made, to have foot-and-mouth disease at the very boundary of these United States in a short time, and, if along the full length of our very long international boundary this disease knocks at the door, no quarantine which we establish, however strict, can hold it in check.

We will certainly have outbreaks in these United States. Dependent upon the number and the scope of these outbreaks will be its actual cost to us in holding it in check. The entire livestock industry, stockyards, packers, feeders, dairymen, etc., will immediately be dislocated from stem to stern. The very foundation upon which the credit structure of these United States now rests will tremble and crack as though from an earthquake.

The fate of the United States cow is far more important to all of the people in our homeland than the fate of any other cow anywhere in this world. Cattle in the United States (dairy and beef) form the keystone in the arch which supports our credit structure. There are, in round figure , 1,903,000,000 acres of land in the continental United States and Alaska. Of this enormous area, in excess of 70 percent of the acreage depends upon cattle alone for the conversion of its surface production into wealth. In excess of 50 cents out of every dollar produced by the productions of the tilled lands of this Nation is realized by the passage of this production through cattle, beef and dairy.

Stop for a moment and consider the manpower hours involved in felling great trees in the forests of Maine and the Pacific Northwest, the manpower hours expended in floating or sledding these trees to sawmills for conversion into lumber, considering only those whose planks and lumber will go into farmhouses, barns, fences, corrals, cattle cars, trucks, trailers, etc., that hold only cattle and their byproducts, beef and dairy. Consider the manpower hours in mines from the mining of the virgin ore to and through to conversion into rails, wheels, and axles, the equipment of great creameries, great packing plants, together with the manpower hours of those who operate the trains and trucks and creameries, etc. Consider, if you will, the manpower hours in the production and harvesting of our Nation's grain crops, in transporting these crops to elevators, in operating the elevators, the feed lots, the stockyards, etc., the manpower hours in manufacturing knives, cleavers, forks, frying pans, skillets, broilers, etc., that spent in moving, baling, and transporting sorghums, hay, alfalfa, legumes, etc., and you see why at the outset I refused to accept the limitations imposed by the subject assigned me.

Yes, my friends, the foot-and-mouth disease in Mexico is more than an American cattleman's problem. It is North America's problem. It is hungry Europe's problem. But this is not all. The United States cow is truly the foster mother of American babies. More of her milk goes down their young throats even than the milk of their mothers.

A great American patriot spoke the voice and words of these United States in days remote, when our Republic was young, when he said "Give me liberty or give me death." Our United States now has become part and parcel not only of our lives but of our liberty. We North Americans, Mexicans, citizens of the United States and Canadians, of this generation fail in our sacred trust to discharge our responsibility to future Americans if we do not meet the issue of the possible future which foot-and-mouth disease in Mexico establishes for us. The great dairy farms in the East and Central North depend for their cows on western and southwestern cattle ranches, as do many of the feed lots depend on the steers and calves from western and southwestern ranches. Both dairy and beef cattle products processed in the North and East find their way to almost all of the central and southern portion of this country. This great movement and traffic upon which our supply and production of livestock production depend will be im-

paired and reduced almost to a complete standstill, dependent upon how widespread infections of foot-and-mouth disease now in Mexico might be in these United States tomorrow. If we permit this disease to fix itself over all Mexico to our boundary line, we would probably face a more forbidding future even than I have painted. The Governments of both Mexico and the United States should face the fact that this is not a political war which could affect the respective parties in power, but to the contrary, it is a problem requiring the combined geniuses of the best minds in both countries, irrespective of party or politics, to combat. The benefit will be not only for North America, but for the whole world.

The United States of America is the only spot on this terrestial planet where freedom of individual enterprise and the untrammeled development of individual genius exists today. Human energy cannot furnish the maximum efficiency save in the case of freemen, but freedom and responsibility are indivisible consorts, therefore responsibility cannot be taken to mean license. We cannot be licentious in our approach to the solution of this problem. Laissez faire is a form of licentiousness, and, my dear friends, it will not do to practice it in this case. The eyes of the whole world are turned in hope toward this country as exemplar and leader out of the dangers of war to the right of peace in this land of free man and free woman, where the urge of conquest does not exist, where lies the hope of mankind for future centuries to come. Life itself is energy, and how well we in America use its adjunct freedom, through which we have become, while less than 7 percent of the population of the world, the owners, users, and consumers of over half the wealth and other important things upon which the American standard of living depends and is based.

We are one-hundred-and-forty-million-odd souls, part of approximately 2,512,000,000, other souls, in this land of ours. During its over one and one-half centuries of life, our country has never had a famine. Elsewhere, everywhere else, the story of 6,000 years of history is different. In some lands, babes were even killed to prevent them from inevitable starvation. Are we, in this atomic age, more advanced in the civilized and productive use of our energies than any other nation, to fail in the heritage entrusted to us by the God in whom we trust. The challenge is unmistakable, and if this is in truth a government for the people, of the people, and by the people, surely we the people will see to it that our Government does its part in this international world crises of which the foot-and-mouth outbreak in Mexico is a very vital part.

Mr. GRANGER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Chairman, scientific progress is often painful and generally somewhat frightening. How unfortunate it would be, however, if we permitted the threat of pain or danger to deter us in our quest for ways and means of wiping out disease.

It was shocking and astonishing to find recently that this country had done no research in the eradication of foot-and-mouth disease. Most of us—far too many of us—have been unconscious of the threat to this country of an invasion of this disease. Though we have experienced its destructive effect several times, we were able to stamp it out and it had never become fixed upon this continent. Unfortunately, today that is not true, for we live with it at our door. It is quite possible that today or tomorrow it will cross the border into California, Arizona, or Texas, and we stand helplessly and hopelessly with one weapon—slaughter and burial.

No one, I think, can estimate the cost to our economy that would result from such an invasion.

The proper location of a laboratory in which we may carry on scientific experiments leading to the development of an effective vaccine is not a question that can rightfully be decided on this floor. Your committee, headed by the able scientist, Dr. GILLIE, is fully conscious of the dangers of such experiments. Their consideration of the danger led to the very careful drafting of this legislation. They will continue, I am sure, to use their knowledge and influence for the proper placement of such a laboratory and none of us need fear any reckless disregard for the welfare of the people or industry in the selection of a site.

This legislation is long overdue, Mr. Chairman. We must develop an effective vaccine. It must be done now. We cannot rely upon the scientists of other nations. We must use our own great resources and have the benefit of our own great scientists.

No Member of this House can cast a vote more vital to the welfare of our future economy than one for this bill. It is well to proceed with prudence and caution. It is folly to proceed with timidity in so vital an issue. Failure to pass this bill would border on stupidity, for it is not a measure affecting the welfare of the cattle industry, but a bill affecting the welfare of our Nation. I sincerely hope it will have your enthusiastic support.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GRANGER. Mr. Chairman, I have no further requests for time.

Mr. HOPE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the act of May 29, 1884 (23 Stat. 31), as amended, is hereby amended by adding a new section 12 reading as follows:

"SEC. 12. The Secretary of Agriculture is authorized to establish research laboratories, including the acquisition of necessary land, buildings, or facilities, and also the making of research contracts under the authority contained in section 10 (a) of the Bankhead-Jones Act of 1935, as amended by the Research and Marketing Act of 1946, for research and study, in the United States or elsewhere, of foot-and-mouth disease and other animal diseases which in the opinion of the Secretary constitute a threat to the livestock industry of the United States. To carry out the provisions of this section, the Secretary is authorized to employ technical experts or scientists without regard to the Classification Act: *Provided*, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed $15,000 per annum. There is hereby authorized to be appropriated such sums as Congress may deem necessary; in addition, the Secretary is authorized to utilize, in carrying out this section, funds otherwise available for the control or eradication of such diseases."

With the following committee amendment:

Page 2, line 7, after the words "United States," strike out the period and insert in lieu thereof the following: ", *Provided*, That no live virus of foot-and-mouth disease may be introduced for any purpose into any part of the mainland of the United States except coastal islands separated therefrom by waters navigable for deep water navigation, and except further, that in the event of outbreak of foot-and-mouth disease in this country, the Secretary of Agriculture may, at his discretion, permit said virus to be brought into the United States under adequate safeguards."

Mr. MACY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACY to the committee amendment in the bill: On page 2, line 9, after the word "part" strike out the balance of the amendment and insert "of the continental limits of the United States."

Mr. MACY. Mr. Chairman, the district I represent, the First New York, takes in practically all that section of Long Island devoted to agriculture, the produce of which, together with the catch of fish and shellfish in the surrounding waters, makes it one of the greatest, if not the greatest, food-producing congressional districts in the United States. It goes without saying that I must be, and I am, wholeheartedly for the purpose of H. R. 5098 by Dr. GILLIE. What I am taking exception to is the location of the research laboratory on Long Island, where, with its large and growing population, the introduction of the virus of this dread foot-and-mouth disease would be dangerous and alarming.

It was my purpose first to suggest another amendment that I spoke to some Members of the House about, but, viewing this whole situation from a different, and, in my opinion, a more practical standpoint, let me hazard the thought that the presence of this dread foot-and-mouth disease on the southern boundary of our country demands action with all possible speed. I leave it to you to conjecture how long it will take, in these difficult building times, to erect and complete a $25,000,000 laboratory on eastern Long Island and equip it fully. While the idea has just come to me, and I will say has not been considerately explored even by me, I would venture to say that temporary field laboratories on the very grounds where the disease is prevalent might prove far more expeditious and, at the same time, less costly, though I would not want to intervene the cost in this situation at all because the importance of eradicating this disease should not depend on cost. If experimental resarches were to be quickly achieved, those laboratories abroad might be reinforced for immediate special study to the end that some more immediate corrective might evolve. The proposed several-year program would, in a measure, impeach the speed with which the instant legislation is being agitated.

It is interesting to note that Long Island's aversion to this project is shared by many other States having far longer coast lines, and especially that other

great empire State, Texas, whose Cattle Raisers Association passed a resolution this past March at its seventy-first annual convention reiterating its opposition to the importation into the continental United States of the live virus of foot-and-mouth disease in any form or through any medium and expressing the hope that such research work be authorized and provision made outside of the United States.

I read a portion of what they had to say in a pamphlet issued March 17:

> This association has heretofore on several occasions urged that the Department of Agriculture enter upon a program of scientific research into foot-and-mouth disease. We are aware of the fact that the Department of Agriculture now desires to institute a research program for the close study of foot-and-mouth disease in all its aspects.

Then they go on to speak of how important it is to the position they take right down on the boundary and they take the position they do not want to have it in any form in Texas or in continental United States. Therefore, I thought it was fair to introduce this resolution.

Another and important angle of this location question in any such thickly settled area of the country's eastern seaboard is transmission of the virus through the air, and that has not been scientifically eliminated, or through carriers. The Mosquito Commissions of Suffolk and Nassau Counties do not yet have that insect under full control and the tick abounds in the neighborhood of the location proposed. The Rocky Mountain spotted fever, with a high fatality percentage, appeared in the township of East Hampton along about 1912 and there has been a moderate but steady increase on eastern Long Island since that time. Ticks appear to prefer a habitat along animal trails while waiting the passage of a host animal. Dealing with this situation, Dr. R. D. Glasgow, the New York State entomologist, and Dr. D. L. Collins, of the New York State science service, wrote a paper in the April 1946 Journal of Economic Entomology entitled "Control of the American Dog Tick, a Vector of Rocky Mountain Spotted Fever: Preliminary Tests." Deer frequent these parts unregulated because there is no legal hunting season now prescribed. They are of the cloven-hoof variety, susceptible to the foot-and-mouth virus. From what I have said, it does not take much imagination to conjure up the fears that will be entertained for the introduction locally of the foot-and-mouth virus, from which scientists have not yet proved the complete immunity of human beings.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEOGH. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Chairman, I should like to ask the gentleman a question, if he will yield.

Mr. MACY. I yield to the gentleman from New York.

Mr. KEOGH. I notice in the report of the Secretary of Agriculture that it reads as follows:

> The most suitable location would be on a peninsula, from which traffic of the mainland could be carefully guarded.

I ask the gentleman if any part of Long Island will properly fall under that designation?

Mr. MACY. It would not seem to me so—connected, as it is, with large arterial highways and parks in that location where the people from the great metropolis of the city of New York spend a great deal of their summertime.

Mr. KEOGH. What is the population of Long Island, does the gentleman know?

Mr. MACY. The population of Long Island today is, roughly, 4,700,000.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MACY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I would like to make an observation, if the gentleman will permit, and then ask a question. When this matter came up before our Committee on Agriculture, I questioned the propriety or advisability of placing this laboratory on Long Island or other places where there was a bridge so that you could go from the mainland over the line of traffic to the laboratory. I did not like that. When I learned that it was going to be established on Long Island, I raised that question in committee. It was my hope that the Department could find some other location, and I think they can. I am inclined to agree with the gentleman's amendment in order to give them a chance to find a place which I believe will serve as good a purpose and protect the health of the livestock and also the people of the various communities.

Mr. MACY. I certainly welcome the friendly remarks of the gentleman from Minnesota.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we have a billion-dollar dairy industry in up-State New York. The gentleman's amendment certainly deserves the most careful consideration from those who are interested in preserving that industry. There are as many dairy cows in up-State New York as there are beef cattle in some of the great Western States. I should hate to see the foot-and-mouth disease get started in the dairy field. I should hate to see the placing of any laboratory anywhere near a great dairy section which takes care of the metropolitan districts of the country. The New York State milkshed supplies dairy products to untold millions in New York City, Philadelphia, Buffalo, Rochester, and others. We certainly do not want to see our industry jeopardized. For that reason I believe that the gentleman from New York has made a sound proposition at this time, and I am going to support his amendment.

I am supporting it for another reason. I have heard that a lot of these professors and medical men want to be near the big centers of population.

I believe Government service is predicated upon where you are assigned, not where you expect to choose your place of abode. For instance, I think the true, patriotic individual, whether he be in the higher brackets of Government service or in the lower brackets, should be perfectly willing to take an assignment whether it be in the Sahara Desert, in the wilds of Timbuctu, or anywhere else. I do not believe a man should insist on being assigned to New York City simply to be near the Stork Club or any other place of entertainment. The gentleman from New York has made a good proposal, which should be carefully considered by the House.

Meditation and thought should be given to the pursuit of one's duties in Government service in any place, whether it be a big city or some out-of-the-way locality. In other countries, scientific men go where they are placed. They go where it will be most advantageous to their work and to the government they are serving. Personal considerations are secondary. In the scientific professions, where it takes long hours of careful preparation, study, and the pursuit of knowledge in a laboratory, it makes little difference whether one is in a big city within easy reach of night life or out in the wide-open spaces.

I am reminded of these appropriate lines from As You Like It:

> Sweet are the uses of adversity;
> Which, like the toad, ugly and venomous,
> Wears yet a precious jewel in his head:
> And this our life, exempt from public haunt,
> Finds tongues in trees, books in the running brooks,
> Sermons in stones, and good in everything.

I think these scientific men can well ponder over these lines and realize that whether they are sent to New York City or the plains of Monterrey, they certainly owe it to the Government of the United States to go where they are assigned so that they can do properly and well the work they are cut out to do, and in this case so they can lick the foot-and-mouth disease for all time.

Mr. Chairman, I am for the amendment and hope it is adopted.

Mr. FISHER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York. The amendment offered by the committee permits the tests on research for a vaccine to be carried on on coastal islands but prohibits the live virus from being brought to the mainland. Now the Secretary of Agriculture should be left free to designate the island where this is to be done. He knows where it can be carried on to the best advantage and without danger of the virus getting to the mainland. It is not for this House to name the place. We will have prohibited the experiments on the mainland and

it is believed that is sufficient from the standpoint of protection.

Mr. Chairman, I am glad to see this bill come out. The battle against the foot-and-mouth disease in Mexico has been a disappointment to many of us. It becomes apparent that it may be a long, long time before the disease is driven out of the confines of our neighboring republic. Therefore it is wise that, while continuing the fight south of the border, we also let the battle shift to the laboratories and the test tubes. The war against this infectious and destructive disease should and must be waged on every front and we must not relax our efforts. We must use every weapon at our command to keep the disease out of the United States and eventually out of the North American Continent.

Mr. POTTS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I doubt very seriously that is was the intention of the framers of this proposed legislation to include within its scope an area which is so largely made up of actually, although not physically, an important part of the mainland of the United States. On Long Island there are contained two of the five counties of New York City. If you can find anything that is more representative of the mainland than that, I should like to know what it is. In this bill there is proposed this proviso, "That no live virus of foot-and-mouth disease may be introduced for any purpose into any part of the mainland of the United States except coastal islands separated therefrom by waters navigable for deep-water navigation."

Long Island fits within the exception to that proviso. It is a coastal island separated from the mainland by navigable waters for deep-water navigation. But it was never the intention that Long Island should come within this legislation. That is what happens here. As more positive manifestation of the fact that Long Island was not intended to be included in this legislation, let me point out certain language on page 2 of the report on this bill. It says, "The most suitable location would be on a peninsula from which traffic from the mainland could be carefully guarded." Now we have bridges and ferries and a great deal of traffic between Long Island and Manhattan and the other boroughs of New York City. Technically Long Island fits within that description, but again I say it was never the intention to bring two-fifths of New York City along with the rest of Long Island into this legislation.

Mr. Chairman, I yield back the balance of my time.

Mr. LATHAM. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I almost earnestly ask you to support this amendment. As one of the Members from the Long Island area, it is incomprehensible to me that anyone should even consider putting this experimental station in such a place as Long Island. That station would be dealing with a deadly virus. You will agree with me that Long Island is not an island in the sense contemplated by the framers of this bill. With its bridges and tunnels it is not really separated from the mainland at all.

Long Island is a vacation land and playland for about 20,000,000 people, and it is the home of about 5,000,000 people. Certainly that is no place to put an experimental station which is handling a deadly virus germ.

Mr. POTTS. Mr. Chairman, will the gentleman yield?

Mr. LATHAM. I yield.

Mr. POTTS. As a matter of fact, we have a tunnel under the river connecting Long Island with the mainland which goes from Queens to Manhattan, so we have many, many modes of transportation from Long Island to the mainland.

Mr. LATHAM. As a matter of fact, so far as the purposes of this legislation are concerned, it is a part of the mainland, because the traffic is moving back and forth all the time. As the gentleman from New York [Mr. MACY] so well pointed out there are mosquitoes and many ticks on Long Island. There are also many wild animals there that could easily spread this disease. What a tragedy it would be to spread this deadly virus throughout this vacation land on Long Island.

There are a thousand places that you could put this station, so why pick on a place like Long Island?

Mr. MILLER of Nebraska. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we are always afraid of the unknown. We are afraid of the thing that we do not know. The folks in New York are worried about the laboratory being situated someplace in a densely populated area. I call your attention to the fact that the big medical centers in New York have been working with live virus affecting human beings for many, many years that are even more deadly than the virus of the foot-and-mouth disease. We have no compunctions about bringing live virus affecting human beings into this country. They are working on such virus diseases in New York City and in this city and in every other large city in an effort to control diseases affecting humans. If we had not been able to do that, we might not have been able to make any progress against the unknown virus diseases affecting human beings. So I hope that it will allay your fears somewhat if I tell you that bringing the live virus of the foot-and-mouth disease into such laboratories is not dangerous. Perhaps you do not like it right on your doorsteps but personally as a physician knowing what the medical profession is doing with unknown virus affecting human beings, I can tell you that it is safe. There is no danger of spreading these diseases to your children in New York or the folks in Washington or Baltimore or at the Mayo Brothers Clinic, in Rochester. It might be better to have this laboratory some place else. I think it ought to be put where it can best serve the purpose, where we can get the best scientists available. They have worked with it in Denmark and Switzerland and in many large cities. However, as far as live virus coming into this country and being worked under the direction of scientists, it has been done and there has been no danger to the livestock industry.

Mr. MACY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. MACY. The committee in its wisdom put in an island as a qualification. Why did they put in an island if it is all right to have this virus right in the thickly settled centers? They must have had some reason.

Mr. MILLER of Nebraska. There, again, we are always afraid of the unknown.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. GRANGER. Speaking about being afraid of the unknown, I wonder what position we would have taken had we known of the destructiveness of the atom bomb, when it was located right in the heart of some of our big cities. We would have been scared to death of it.

Mr. MILLER of Nebraska. Yes. I think we overemphasize the fact that live virus may spread the disease in this country, because that has not occurred when we have worked with live virus. Many of them still have not been mastered. Many of them were brought from Africa and European countries. Many viruses that are deadly to human beings are being worked upon in many laboratories in the great centers of the population of the United States.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. KEOGH. Do I understand the gentleman to say there might be a better place to put it than Long Island?

Mr. MILLER of Nebraska. Oh, yes. I would not have any objection to putting it right here in the city of Washington.

Mr. KEOGH. Then why not put it some place other than Long Island?

Mr. MILLER of Nebraska. I think it ought to be located where it is most accessible to the scientists who are to use it, whether it is in Washington, D. C., or Long Island, or wherever it is. As far as danger from live virus is concerned, we are overemphasizing that particular phase of the question. Let us put the laboratory where it will do the most good.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. GRANGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is very easy to understand why everyone should be fearful of this dread disease. It should be said here that the committee had no intention, neither does this legislation intend, to select a location for this laboratory. We have talked about, and we have investigated, every alternative that has been suggested as to where the laboratory should be located. We decided, as a subcommittee at least, that that problem should best be left to the scientists who know most about this disease, to make the selection. We are not trying to locate it on Long Island. Maybe somebody has suggested that as a place, but, after all, I am sure the great State of New York, and the fine representation it has in this Congress, would be able to bring plenty of influence to bear to keep

it from going there if it was advocated to build it on Long Island.

As Dr. MILLER has well said, we fear most the things we do not understand. I think we have been scared stiff on this matter, but this is what we have been doing: Every year since we have had this quarantine over the years, in 1946 we imported into this country out of hoof-and-mouth disease infested countries, 89,000,000 hides of cattle. They have been specially processed, and they have been watched, and, as far as I know, no outbreak has occurred through that source.

In 1947 we imported 82,000,000 hides from infested countries that came into this country under restrictions, properly processed and policed, and never yet have we had an outbreak of disease from that source.

We have also been importing cattle from infested areas in the last few years. We have imported from Britain, the very heart of a foot-and-mouth disease area. We imported 147 British cattle in 1946, and 153 in 1947. These of course are small numbers but they are breeding stock, a special kind of cattle. They have been under the supervision of our Bureau of Animal Industry. They have been properly quarantined, properly supervised, and so far no bad results have been experienced because of those importations; and I want to say, being a small cowhand myself, that I would not want to do a single thing that would impair the livestock or dairy industry of this country, not at all. I am convinced, however, that the scientists, and my friend, the gentleman from Indiana [Mr. GILLIE], whom I am willing to follow in this matter, who has given it a great deal of study and who I am convinced in his own mind believes as the gentleman from Nebraska [Mr. MILLER], and the scientists believe, that we can supervise it, keep it under control; and I think it is imperative and necessary that we begin today to talk about doing something to control this disease.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. WOLVERTON. I wish to ask the gentleman why the committee precluded the building of such a research laboratory on the mainland of the United States if there is nothing to fear?

Mr. GRANGER. I would not go so far as to say there is nothing to fear. There is, of course, an element of risk in it; but, as the gentleman knows, our committee investigated every suggested site and it was a matter of compromise as to what we would do about it. This is the best we could do.

Mr. WOLVERTON. The compromise eliminates the whole mainland. That is not much of a compromise.

Mr. GRANGER. The committee compromise was an added precaution.

The CHAIRMAN. The time of the gentleman from Utah has expired.

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe any of us can easily understand the position of the gentleman from New York [Mr. MACY] in proposing this amendment. I have had, and I presume many other Members have had, numerous letters and telegrams from constituents of the gentleman from New York protesting the location of a foot-and-mouth disease laboratory on Long Island. That is to be expected, because I do not know of any area which wants an institution of this kind. I believe the fears and apprehension which have inspired those letters and telegrams are largely unfounded for reasons which I will state in a moment. However, as long as those fears exist, the constituents of the gentleman from New York are going to expect him to do everything in his power to keep this laboratory from being located on Long Island. I and many others can testify that he is doing all that anyone could possibly do in that regard.

There has been, of course, no definite decision made as to where this laboratory will go, but it is my understanding that the officials of the Department of Agriculture who have studied the matter think that the best location is on Long Island, not in the populous part of Long Island, but way out at the tip end in a thinly settled part of that island. I am advised that in East Hampton Township, which is the area affected and which is 20 miles in length, there were, according to the 1940 census, 6,529 people. The largest village in that township is the village of Sag Harbor, with a population of 2,517 people in 1940. This is a long way from any populous area. Now, as far as livestock is concerned, it is thinly populated also. In the entire county of Suffolk there are only 5,899 cattle, according to the agricultural census of 1945. There were 4,234 hogs and 484 sheep. In the adjoining county of Nassau there are only about half that many cattle, about one-fourth that many hogs, and only 266 sheep. The average county in the United States has 25,000 cattle and 20,000 hogs. So this is not an area which would involve any great danger as far as livestock is concerned, and it is not a congested area as to population. Even if it were a congested area, it should be considered that the English laboratory, which has been in existence for some 24 years, is located only 30 miles from the heart of London. Cattle graze within a mile and a half of this laboratory, yet there has never been a single instance where an outbreak of foot-and-mouth disease in England has been traced to this laboratory.

I think that the fears which have been expressed here are without any sound basis. It is contended or will be contended, if it has not been already, that this is an area with a fine beach not far away and that to establish this laboratory here will ruin the beach. In this connection, I want to read a statement from Dr. Simms, head of the Bureau of Animal Industry as to how this laboratory will be constructed and operated. I would like to have your close attention because this is very important. This statement reads as follows:

> The laboratory will be completely enclosed by a concrete wall surmounted with a heavy link-chain fence. No infected cattle will be taken to the laboratory. The virus of foot-and-mouth disease will be used only within a completely closed unit. This unit will be screened. All air going in will be filtered. All air passing out of the closed unit will be sterilized. All animals used in experiments will be incinerated. All waste materials from the laboratory will be sterilized and all solid parts will be incinerated. After sterilization and filtration, the liquid waste material from the laboratory will be discharged through a pipe line into the ocean far enough from the shore so that it will have no effect whatsoever upon the waters along the shore line. The laboratory will not be a nuisance as it will have neither noises nor odors that will be objectionable. The design and structure will be such that it will be attractive in appearance.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Chairman, this is a very serious matter. We have failed in our campaign to eradicate the foot-and-mouth disease in Mexico. We do not know when we may have it in this country. As a matter of fact, we are lucky it is not here now. The only other method of attack that our scientists have devised so far is to go to the laboratory. We are behind in that. Other countries are far ahead in that respect. It is most essential from the standpoint of the livestock industry in this country that we set up and establish a laboratory and attack the problem most energetically on that front.

If the amendment we are now considering is adopted it would make this bill entirely worthless, because it provides that a laboratory shall not be set up within the continental limits of the United States. I understand if this amendment is voted down other restrictive amendments will be offered and what I have to say about this amendment will apply to any other amendment of that nature. As serious a matter as this is, we are wasting our time and the money that may be spent upon this laboratory and it will be an expensive matter, unless we put it in the very best place that can be selected here in the United States.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I noted that the distinguished chairman of the Committee on Agriculture stated there is a great deal of misapprehension and that the objections are not on a sound basis. Will the gentleman advise us as to the reason why the whole mainland of the United States was exempted? Was it under a misapprehension? Was it on a solid, sound basis, or what was the reason?

Mr. HOPE. I think that everyone who has studied the matter is in agreement that the best place to locate a laboratory of this kind is along the seashore, on an island or a peninsula. That is partly on account of the isolation that would come about and partly because of the ability to dispose of the waste matter out into the ocean by means of a pipeline as sug-

gested by Dr. Simms. I would not be fair to my colleague if I did not say that every possible precaution must be taken to see that there is no chance for the virus to escape.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOPE. The more isolated the location you can select for this laboratory, the better it is. This location is an isolated location as far as proximity to a large livestock producing area is concerned and as far as proximity to great centers of population is concerned.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I have in mind the argument that the gentleman made that a similar research laboratory is now located within 30 miles of London. If that argument was offered to be persuasive, why then did the committee exempt the whole mainland of the United States?

Mr. HOPE. Well, the gentleman will understand that one of the chief factors to be considered in the location of a laboratory of this kind is that it should be near centers of education and research, where you have available the scientific and medical men who will be able to devote, perhaps not all of their time, but part of their time to an enterprise of that kind. That is the reason that the laboratory was located so close to London, because they had the scientists and the medical men so readily available. Now, this location certainly has a great advantage over the English location, because we have all of those advantages with reference to location nearby of educational institutions and scientific men, and at the same time we have the advantage of isolation.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. LEONARD W. HALL. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LEONARD W. HALL. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. LEONARD W. HALL. The gentleman speaks of this as an isolated spot. Does he realize that this isolated spot that he talks about is near some of our best State parks where thousands of people visit each summer, and that this fluid from this laboratory is going to flow into the waters of the Atlantic Ocean along which we have Jones Beach, the greatest bathing beach in the world so far as numbers of people visiting it are concerned? Does the gentleman realize that when he speaks of this as an isolated spot?

Mr. HOPE. I understand that to be the situation, but I have already read the statement of Dr. Simms, who points out that the laboratory will be so constructed and so operated that it will not in any way interfere with the pleasure which the people may derive from State parks or from their use of the bathing beaches or any other uses which might be made of land in that vicinity.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. KEATING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from New York be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

(The Clerk again read the Macy amendment.)

Mr. KEATING. Mr. Chairman, it impresses me that there might be some merit in the point made by the distinguished chairman of the Committee on Agriculture to the effect that this amendment goes too far because by its terms, as I understand it, it would strike out the balance of the bill. I know the gentleman from New York has at the Clerk's desk a more limited amendment. I understand that amendment, on page 2, line 11, after the word "navigation" adds the words "and which shall not be connected with the mainland by any tunnel." That would be sufficient to prevent this laboratory from being placed on Long Island. I wonder if the gentleman from New York, to whom I would be happy to yield now, would be willing to ask unanimous consent to substitute this amendment for the one he has offered.

Mr. MACY. The gentleman from New York has made the suggestion that I had at first contemplated placing before the House another amendment. As I said in my opening remarks, I presented the other, broader question for the discussion of the House in order to bring this question fully before the House. I shall be more than glad to accept that substitute amendment, if that is acceptable to the chairman and the Members of the House.

Mr. Chairman, I ask unanimous consent to withdraw the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACY: On page 2, line 11, after "navigation" insert "and which shall not be connected with the mainland by any tunnel."

Mr. MACY. Mr. Chairman, I would not be before the House for 1 minute if I felt the question of location was free and open for decision, because I believe the arguments are so overwhelming against the Long Island location that it would never be given the slightest consideration. The fact is that these scientists from the United States Department of Agriculture have focused upon this Long Island location, and the inquiries I have so far made lead inescapably to the conclusion that this predetermination has already been reached. Hence, only an amendment such as I am now seeking will prevent that selection, and it will be necessary for the House, in conference with the Senate, which has already passed a similar bill with no restriction whatsoever as to location, to insist that the House bill, with my amendment, finally prevail.

Before even legislation was introduced, there was no consultation by these scientists with the duly elected Representative from the district, which I think every Member of the House would feel was a substantive right in the event that he were similarly affected. It almost looks as though the bill had been framed for the very purpose of taking Camp Hero. It was only rumors that representatives from the Department of Agriculture had been on the ground dangling a $36,000,000 expenditure before those in the immediate locality to smooth the way that brought the matter to my attention, and then only I found that the House Committee on Agriculture had released the bill and immediately thereafter a rule had been granted for its admission to the floor.

When the 7,000 acres at Camp Upton were taken for war purposes and when this Camp Hero and other locations on Long Island were similarly taken, there was no opposition from those in our locality, who are certainly no less patriotic than those in any other section of the United States, but had they had any thought that these takings would be subverted to other, and purposes disastrous to their well-being just because they were already in the grip of the Federal Government, it would have been another story. I submit that it is very unfair to bring any economy argument into this burning question that far transcends any question of money expenditure in the damage that may be wrought to the future of one of the fastest-growing areas in the United States. If the scientists were proceeding anew to make a purchase of this character, it is doubtful if they would be able to purchase at any price, or if resort was made to condemnation whether even that would be possible over the opposition that would surely arise were the people cognizant of what was in the wind.

The bill before us states that this foot-and-mouth laboratory shall not be located on the mainland of the United States but shall be built on a coastal island separated from it by deep navigable waters. This sounds admirable to me and to all dairymen concerned with the threat of this virulent scourge. It is comforting, indeed, to read lines 7 to 15 of this bill, for therein is manifested the clear intent to set up the proposed laboratory remote from centers of population and the proximity of cattle.

Long Island, the internationally known vacation land, technically meets the restrictive geographical requirements. It

is land separated from the Continent of North America. But its narrow, watery divide is the East River—a river spanned by bridges and circumvented by tunnels which connect Long Island and its more than four and one-half million people to the mainland of America. So incidental and insignificant is the actual separation that part of the city of Greater New York is on one side of the bisecting river and part on the other, and neither Government nor taxes take cognizance thereof.

The area of Long Island is about that of the State of Rhode Island, though it outnumbers the combined population of the States of Nevada, Wyoming, Vermont, Utah, South Dakota, North Dakota, New Mexico, New Hampshire, Idaho, and Arizona, and in assessment valuation a combination of 13 other States. Long Island is 120 miles long and it constitutes practically all of New York State's salt-water front. It is a seashore resort, with ocean, sound, and inland bays. It contains one-half the City of New York with its theaters, museums, and varied other attractions. It draws people from all parts of the globe.

Thus, it is understandably attractive to scientists who do not wish to pursue their absorbing studies in some spot where inaccessibility might deprive them of ready enjoyment of these delights. Further, the scientists, though admitting the foregoing in part, say that in choosing a site on Long Island, they are influenced by a need to be near great metropolitan laboratories. I say boats and planes and old-fashioned correspondence may well be made the servants of researchers in their quest for answers and the interchange of knowledge. I further say that, sympathetic as I am to the very natural inclinations of young and very human scientists, I do not believe this wish of theirs should be the final determinant.

The concern over the proposed establishment of a laboratory on Long Island is widespread among the dairymen of New York State. Their livestock alone is valued at a quarter of a billion dollars and their annual dairy production approximates this figure. The State commissioner of agriculture, C. Chester DuMond, has gone on record publicly as being wholly opposed to a laboratory in the State of New York if the dairymen are adverse to it. They are adamantly opposed. Protest against it has been unequivocal, strong, and vocative. Public meetings have expressed unanimous disapproval. The Suffolk County Board of Supervisors, Suffolk's governing body, by official resolution has declared against the use of any land for such a purpose.

Commissioner Robert Moses, president of the Long Island State Park Commission, and chairman of the New York State Council of Parks, has entered his strongest objections to Camp Hero because it is only a few miles distant from Hither Hills Park, frequented by thousands during the summer season. This park, Camp Hero, and the village of East Hampton all are within the confines of the old township of East Hampton, settled some 300 years ago. The village of East Hampton is one of the most beautiful in the country, with its shapely elms, its white cottages and white-painted fences, its green sward and historic graveyard with the headstone of the minister, by his own request, facing the tombstones of his parishoners. In this environment still stands the Home, Sweet Home immortalized by John Howard Payne, who would surely turn in his grave if this Congress permitted a noisome pest house hard by.

For these and many other reasons that I could give were time allowed I earnestly seek your support of my amendment, which is the insertion of the following words directly following the word "navigation" on the eleventh line of the second page of Dr. GILLIE's bill "and which shall not be connected with the mainland by tunnels."

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. MACY. I yield.

Mr. HALE. So far as the language of this bill is concerned, Manhattan Island itself would qualify, would it not?

Mr. MACY. The gentleman is entirely correct.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. MACY. I yield.

Mr. MACKINNON. Mr. Chairman, the gentleman is discussing a very fundamental point in Federal-State relations. It was the original intent of the framers of our Constitution that the States would exercise a veto power over the acquisition of lands within their borders for Federal purposes. Article 1, section 8, clause 17 of the United States Constitution provides that the consent of the legislature of each individual State was necessary before lands within a State could be acquired or used for Federal purposes. The pertinent part of the United States Constitution above referred to gave the Congress authority to exercise exclusive jurisdiction only "over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, and arsenals, dockyards, and other needful buildings."

In New York State, the United States is only authorized to acquire land when it is authorized under the laws of the State of New York. This is borne out by section 26, McKinney's Consolidated Laws of New York Annotated, book 56, State law, which reads as follows:

When the United States shall have been authorized by law to acquire title to any real property within this State, such title may be acquired by gift or grant from the owner thereof, or by condemnation if, for any reason, the United States is unable to agree with the owner for the purchase thereof.

To what extent has the State of New York given consent to the United States Government to purchase and acquire land within its borders? This question is answered in section 50, McKinney's Consolidated Laws of New York, book 56, State law. Because of the interest of the gentleman in this particular subject I include the pertinent language of that section:

SEC. 50. 1. The consent of the State of New York is hereby given to the purchase by the Government of the United States, and under the authority of the same, of any tract, piece or parcel of land from any individual or individuals, bodies politic or corporate within the boundaries of this State, for the purpose of parade or maneuver grounds, aviation fields, navy yards and naval stations, or for the purpose of erecting thereon lighthouses, beacons, lighthouse keepers' dwellings, hospitals, sanatoriums, works for improving navigation, post-offices, custom houses, fortifications, or buildings and structures for the storage, manufacture or production of supplies, ordnance, apparatus or equipment of any kind whatsoever for the use of the Army or Navy, and any other needful buildings and structures.

2. In addition to the consent to purchase given in subdivision one of this section, the consent of the State is hereby given to the acquisition by exchange, donation or otherwise by the Government of the United States, and under the authority of the same, of any tract, piece or parcel of land from any county, city, town or village within this State for the purpose of parade or maneuver grounds or aviation fields, and every such county, city, town or village is hereby authorized and empowered to sell, exchange, donate or otherwise dispose of such tract, piece or parcel of land to the United States for such purpose or purposes; and all deeds, conveyances, or other papers. * * * As amended L. 1922, c. 14; L. 1941, c. 568, eff. April 19, 1941.

It is significant to me that the consent which the State of New York has given to the United States to acquire land within its borders has been restricted to land to be used for certain stated purposes. Even more significant is the fact that no consent has been given by the State of New York to the United States to acquire or use any land within its borders for an experimental laboratory dealing with the hoof-and-mouth disease.

I feel very strongly that it is necessary for us to do experimental work in connection with this very dangerous disease, but I do not believe it is desirable or necessary that the Federal Government place a laboratory in a State contrary to the wishes of the inhabitants. Likewise I do not feel that the Federal Government should place the laboratory in a State where they have no authority to place it.

It seems clear to me that the State of New York has not consented to the establishment of such a United States laboratory within its borders. Likewise it seems abundantly clear that the consent which the State of New York has given for the acquiring of lands for the specifically stated purposes of military and navigation installations and the other specific purposes authorized and designated does not include consent to convert land acquired for such purposes as specified and authorized for purposes unspecified and unauthorized. If such were the case then the designation of specific purposes would be meaningless.

Let us support the gentleman from New York in his position, and if he is unsuccessful, I merely wish to point out to him that he may have additional support in the laws of his own State to prevent conversion of military property to a purpose which was not authorized by the New York Legislature.

I am sure that many States in the Union would welcome the laboratory in question. Let us establish this laboratory where some person desires it and not place it where it is not wanted.

Mr. HOPE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker having resumed the Chair, Mr. SMITH of Wisconsin, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5098) to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 20, 1884 (23 Stat. 31), as amended, by adding another section, had come to no resolution thereon.

FEDERAL EMPLOYEES NEED A LIVING WAGE

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the fact that many different bills favoring a pay increase for United States Government workers have been introduced is evidence that the sentiment in Congress is for such an adjustment.

The sums mentioned range from $468 to $1,000 per year.

And the conditions vary from a cost-of-living bonus to a permanent increase.

After sifting through the mass of testimony which supports the case, I believe that we should legislate an $800 per year increase for Federal workers and make such an increase permanent.

Government workers cannot strike. For "collective bargaining" they must rely upon the conscience of Congress and the positive friendship of the public whom they serve.

In this connection, I am surprised and disappointed that businessmen the length and breadth of this land have not spoken up on their own accord to demand a living wage for our civil servants.

We are entitled to expect this affirmative action from them, not on humanitarian grounds alone but from the viewpoint of good business.

Take the postal service, for instance, because it is the largest civil agency and because it caters to the needs of every business and every individual in our Nation.

What would happen if that service which is too often taken for granted should break down today?

Business would be paralyzed.

"But they couldn't think of doing that to us!" business would protest.

Right. Loyal Government workers would not think of doing it, but the relentless pressure of economics might force them to do it. Already the Government has lost many of its best workers because they cannot live on the substandard salaries authorized by Congress. They are going into private industry where a man is worthy of his hire.

Government workers need incentive pay just as much as other workers. Business knows this from the exhaustive studies it has made concerning the efficiency of its own personnel. Workers who are underpaid, worried, and discontented cannot produce the best results.

We are appropriating billions for national defense and foreign reconstruction, forgetting that we must also make democracy work here at home.

Even the conservative and powerful National Association of Manufacturers is on record as stating that it was in error in failing to live up to its social responsibility in the past and in resting content with mere opposition to the New Deal instead of putting forward a positive, constructive program in the public interest to solve the social and economic problems with which the American people were beset.

The underpaid Government worker is one of these acute problems.

Since 1939, the entrance pay of postal personnel has been increased only 20 percent and today it stands at $2,100 annually. During that same period, the cost of living has risen 69 percent. Measured by the purchasing power of the 1939 dollar, the new postal worker is earning the munificent sum of $23.38 per week before deductions.

Many thousands of other Government workers start in at less.

And the public calls these jobs careers and expects from the human beings who perform these essential tasks the utmost efficiency in service.

Government workers cannot live in a vacuum. They too must eat and clothe themselves and raise families. They have earned the right not only to exist but to merit a living wage from the Government and the private individuals and the business enterprises whom they serve so well.

The fear among Government workers that we shall fail to correct adequately the substandard wages which they have been paid for the past 9 years is serious.

Many of them are now drawing on their meager savings in order to provide for themselves the bare necessities of life.

The new tax-reduction law will not help them much.

On the other hand, increased spending for defense and foreign aid will increase the inflationary pressures. Prices will go higher and the buying power of fixed incomes will shrink.

For the Government worker an already desperate situation will become worse.

It is for this reason that I appeal to businessmen to rally to the support of their civil servants upon whom they depend so much. Encourage the Congress to legislate an $800 permanent increase for all Federal employees.

Why $800?

To balance our neglect of 9 years, and to bring the income of Government workers up to a point commensurate with the increase in the cost of living during that period.

Through collective bargaining, business and industry have acknowledged the demand for pay increases from their own workers and have made several upward adjustments in wage levels to bridge the dangerous gap between wages and prices.

There are almost 2,000,000 Government workers. They, also, are human beings, who are entitled to a decent income if they are to properly serve the 140,000,000 people of the United States. Government workers are also customers whom business and industry need as we all need one another.

The present substandard income, however, is preventing them from being the consumers upon which business and industry rely in part for their livelihood.

As an expression of our genuine understanding and gratitude, I ask the general public and the business community to recommend to the Congress that an $800 increase per year on a permanent basis be granted to our Government employees.

Your active support of this proposed legislation is needed at once.

SPECIAL ORDER TRANSFERRED

Mr. KILDAY. Mr. Speaker, I had a special order for today. I ask unanimous consent that it be transferred until tomorrow at the conclusion of the legislative business of the day.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUSING LEGISLATION

Mr. BOGGS of Louisiana. Mr. Speaker, I had a special order for this afternoon. I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Speaker, on March 22 I introduced a comprehensive housing bill, H. R. 5920, known as the General Housing Act. This bill is the outgrowth of the work of the Joint Committee on Housing, of which I have been a member, and closely follows its legislative recommendations.

BACKGROUND OF H. R. 5920

The joint committee was created by House Concurrent Resolution No. 104. Recognizing the gravity of the housing problem, Congress, in this resolution, authorized the joint committee to make a thorough study and investigation of the entire field of housing and to submit its recommendations as to necessary legislation.

In its work the joint committee had a broad field of experience and information to draw upon. There was, first of all, the actual experience of Government itself with the administration of earlier housing legislation. Before the war, the Federal Government embarked on programs of assistance in housing, designed primarily to deal with the critical problems growing out of the economic crisis of the thirties. Some of these measures have become basic housing legislation, which proved invaluable in dealing with quite different problems of the war and postwar periods and which are now, in their separate fields, the foundation upon which future legislation, including H. R. 5920, is being recommended. I refer to the Federal Home Loan Bank Act, establishing the Federal home loan bank system strengthening the credit facilities of home lending institutions; the National Housing Act, which made the FHA loan an integral part of the housing vocabulary; and the United States Housing Act of 1937, which established the program

of Federal assistance to local communities undertaking housing programs for low-income families living in slums.

The Joint Committee on Housing went most thoroughly into all phases of the subject. In addition to examining material made available to it from various sources in Washington, members of the committee visited and held hearings in 32 cities in order to get grass-roots impressions of the housing problem. During a typical day of these field hearings 30 witnesses were heard. Individual members also conducted special surveys on assigned subjects.

The conclusions and recommendations, therefore, reflect the experience that has been gained in the operation of previous housing legislation and the facts and opinions presented not only during the work of the joint committee but also of previous inquiries into the problem.

With these introductory remarks, I shall go down the list of legislative recommendations of the joint committee and show how each of them has been translated into the legislative provisions of H. R. 5920. My frame of reference is House Report No. 1564 which the gentleman from New York [Mr. GAMBLE], chairman of the joint committee, submitted to the House on March 15. This is entitled the final majority report—actually, except for the disagreement on public housing, indicated by some members, it is the unanimous report of the committee. I mention this to make it clear that while several reports prepared by individual members and by the staff have been issued by the committee, this final majority report is the only statement of findings, conclusions, and recommendations which has been passed on by the committee as a whole and which has been given its stamp of approval.

NATIONAL HOUSING POLICY AND PROGRAM

The joint committee's first recommendation is that the Congress should establish a firm national housing policy, which shall make it clear that the resources of the Federal Government will be utilized to provide the aids necessary to achieve eventually a decent home and suitable living environment for all American families. This policy, the committee said, should provide that the primary emphasis should be upon expanding and improving the housing services of private enterprise.

H. R. 5920 follows this recommendation with this declaration of national policy:

> The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require a production of residential construction and related community development sufficient to remedy the serious cumulative housing shortage, to eliminate slums and blighted areas, to realize as soon as feasible the goal of a decent home and a suitable living environment for every American family, and to develop and redevelop communities so as to advance the growth and wealth of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) Private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; and (3) governmental aid to clear slums and provide adequate housing for groups with incomes so low that they cannot otherwise be decently housed in new and existing housing shall be extended only to those localities which estimate their own needs and demonstrate that these needs cannot fully be met through reliance solely upon private enterprise and upon local and State revenues and without such aid.

Having recommended a national policy, the joint committee then considered the amount of housing construction which would be required to accomplish this goal. After consideration of various estimates made available to it, the committee concluded, as a part of its first recommendation, that 1,250,000 to 1,500,000 homes a year would have to be produced between now and 1960 to serve American needs.

The legislative recommendations of the joint committee and the parallel provisions of H. R. 5920 are designed to achieve that volume of production.

AIDS TO PRIVATE ENTERPRISE

In line with the statement of policy emphasizing primary reliance upon private enterprise, the joint committee recommends, and H. R. 5920 would enact, a series of additions and improvements to Federal aids now available to private enterprise. These aids would be designed first to assist the home-building industry in reducing the costs of housing, and, second, to assure an adequate supply of credit at moderate cost, primarily from private financing sources, for a greatly expanded production.

The recent rise in building costs has highlighted what appeared to the committee to be the long-standing core of the problem: The fact that housing costs too much to permit an adequate supply to be built for American needs. The committee concluded that the filtering-down theory doesn't work effectively for lower-income families; not enough people can afford new houses to permit enough decent older homes to seep down to lower-income groups at prices which they can afford. The thinness of this market, furthermore, has produced fluctuations in building activity much more violent than in other consumer goods, resulting in periods of extremely low building activity like that of the early and middle thirties.

This inadequate supply of new housing has led to the accumulation, over a long period of years, of a tremendous housing deficit. This deficit is felt in the extreme shortage of which we are acutely aware today. It is eloquently demonstrated by the slums and other bad housing which long ago should have gone to the junkyard.

The committee found many causes for the high cost of housing, only a few of which are the result of the dislocations of the war. Basically they stem from the fact that home building is still largely a handicraft industry. Houses are being produced in much the same way that they were 50 years ago. The committee found, also, that these handicraft methods tend to preserve wasteful methods of distributing the parts that go into a house and a host of restrictive practices entered into by builders, subcontractors, manufacturers, distributors, and labor. These restrictions are reflected in local building codes. The blame cannot be placed on any single element in the home-building industry, nor can any group be expected to give up its advantage as long as it is operating under an atmosphere in which production and jobs are limited and insecure.

What we have, then, is a vicious cycle. Outdated methods of distribution and assembly have kept costs so high that they have limited the market and caused violent fluctuations in production. These in turn have encouraged restrictions which have prevented the introduction of techniques, material, and methods which would insure lower costs, larger markets, and a steadily expanding industry.

The committee found hopeful signs in the results achieved by some producers and builders with mass-production methods. But the infrequency of these examples and the obstacles which have stood in their way convinced the committee that rapid progress in this direction would require positive measures of assistance from Government.

The committee's recommendations for Federal assistance to reduce costs through programs of research and of credit assistance have been incorporated in H. R. 5920.

HOUSING RESEARCH

In line with the committee's recommendation, title III of H. R. 5920 would direct the Administrator of the Housing and Home Finance Agency to undertake a program of technical research and studies, "to develop, demonstrate, and promote the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs and stimulate the increased and sustained production of housing." Such a program would place particular emphasis on modernization of building codes and regulations, wider use of standardized dimensions, and improvement of distribution methods. The authorization extends also to methods of appraisal, land costs, housing needs, assistance to communities in land planning, and other fields related to housing.

This title contemplates that the Administrator would utilize other facilities of the Federal Government, as well as the resources of State and local governments, educational institutions, and nonprofit institutions. In this way duplication of activities and facilities would be avoided.

The joint committee found the lack of adequate research and of adequate means for testing and making known the results of new techniques and materials one of the clearest signs of the backwardness of this industry. Certain segments of the industry, it is true, have undertaken such programs, but they are concerned only with the improvement and promotion of particular products. No one element of the home-building industry has a large enough stake or sufficient resources to conduct research

and apply the results for the entire house as an end product. So I can conceive of no more important function of the Housing and Home Finance Agency than the direction of an adequate program of technical research and promotion into cost-reducing techniques and methods.

EXTENSION OF TITLE VI OF THE NATIONAL HOUSING ACT

Under H. R. 5920 title VI of the Housing Act, which has been the principal vehicle for FHA mortgage insurance since early in the war, would be extended for another year, but only on a modified basis recommended by the joint committee. Insurance of 90 percent loans on one- to four-family dwellings would be on a basis of value, instead of the potentially inflationary necessary current cost basis presently used for sales housing. Because of the desirability of expanding the volume of rental housing, replacement cost would be the basis for mortgage insurance written under section 608, but such cost would be pegged to December 31, 1947, levels in order to resist further rises in costs. One-half of the additional insurance authorization of $2,000,000,000 would be reserved for rental housing. The committee was hopeful that the extension on this transitional basis would permit discontinuance of title VI after this year and a return to the permanent title II credit aids of the National Housing Act as revised and expanded elsewhere in this bill.

Title VI as extended would also contain provisions specifically encouraging the introduction of mass production methods. Section 609, written into the act last year, provided FHA insurance of loans to manufacturers of prefabricated houses based on firm orders. Experience has shown that there is a gap in the availability of credit from the time the prefabricated houses are delivered until the time they are erected on the site and sold. Amendments to this section would close this gap and thereby make this new program effective.

Under a new section the FHA would be authorized to insure construction advances to builders erecting 25 or more houses on a site. The joint committee found that mass-production methods on the site promised probably the most immediate results in reduction of costs. The lack of adequate production credit for this type of operation, however, was deterring builders from utilizing these methods. This provision is designed to make such credit available.

These credit aids for mass production are new and experimental, and therefore have been written as part of title VI. If they prove feasible and desirable after a year's experience, Congress could include them in the permanent portions of the National Housing Act when title VI expires.

RFC LOANS TO MASS PRODUCERS

To round out the new credit aids available to mass producers of housing, the joint committee recommended that the Reconstruction Finance Corporation be authorized to make loans to business enterprises for the production of prefabricated housing or housing components or for large-scale, modernized site construction. The authorization is limited to $50,000,000 in loans outstanding at any one time and, if used for the purchase of equipment, plant, or machinery, may not exceed 75 percent of the purchase price. Such advances are to be made only when other credit is unavailable on reasonable terms. This recommendation is incorporated in H. R. 5920.

SECONDARY MARKET FOR FHA AND GI LOANS

The joint committee found considerable evidence of a tightening of the mortgage market within the last few months, with the result that financing under the GI bill of rights or FHA insurance was becoming difficult in many locations. It is essential that adequate supplies of credit be available for an expanded building program and I believe that we must have some assurance against unwarranted rises in interest rates. The best assurance is the availability of a secondary market in the Federal Government for the purchase of GI and FHA loans.

The committee recommended, and H. R. 5920 provides, that a secondary mortgage market be established within the Housing and Home Finance Agency with authority to purchase such loans for a 2-year period. Present secondary market facilities in the RFC would be liquidated. The maximum borrowing authority of the new mortgage corporation would be $500,000,000. Loan purchases of the corporation would be restricted to areas where scarcity of private secondary market facilities threatens the continued production of sales or rental housing. The corporation would be prohibited from making purchases which contribute to substantial increases in housing costs or prices. Other limitations are written in to avoid inflationary aspects which might otherwise attend a secondary market program.

IMPROVEMENT OF HOME OWNERSHIP AIDS UNDER TITLE II OF THE NATIONAL HOUSING ACT

In anticipation of the resumption of normal home-mortgage financing under title II of the National Housing Act, the joint committee recommended changes which would bring this title up to date and which would provide special incentive for the production of houses at low selling prices. It is the hope of the committee that these incentives, combined with credit aids available to mass producers, will stimulate a movement to lower prices.

As amended by H. R. 5920 in recognition of permanently higher cost levels, title II would authorize mortgage insurance for 90 percent 25-year mortgages for new homes costing up to $7,000. However, for new houses starting after March 31, 1949—when title VI expires—the FHA would be authorized to insure 95-percent, 30-year mortgages which do not exceed $6,000 in face value. The interest rate on these mortgages would be limited to 4 percent, compared with 4½ percent generally prevailing on title II home loans. Builders could secure insurance commitments on such houses up to 85 percent of value.

IMPROVEMENT AND EXTENSION OF PERMANENT AIDS FOR RENTAL HOUSING FOR FAMILIES OF MODERATE INCOME AND FOR COOPERATIVE HOUSING

The joint committee found very extensive evidence of the special need for a greater volume of rental housing. It has also found extensive interest in housing cooperatives, particularly among veterans' organizations. The committee, therefore, recommended the immediate improvement and expansion of permanent financing aids for rental and cooperative housing.

The committee recommended two major steps: first, the modernization and liberalization of mortgage insurance provisions of title II of the National Housing Act for rental housing and, second, the institution of FHA insurance of the yield on debt-free equity investments in rental housing.

As presently written, section 207 provides mortgage insurance for loans representing 80 percent of the value of rental housing property. To encourage the development of rental housing at lower rents, H. R. 5920 would make available FHA mortgage insurance on 40-year loans representing 90 percent of the value of the new housing when it is determined that lower rents are needed and are achievable. The maximum interest rate would be established at 4 percent. The same provisions would be available also to housing cooperatives desiring to obtain for their members the benefits of home ownership under the economies of large-scale production. In consideration of the special needs of veterans, the principal amount of mortgages insurable under this amendment would be increased to 95 percent of value in the case of housing cooperatives comprised principally of veterans. It is my conviction that this liberal provision reducing the initial cash outlay will make it possible for many veterans to band together for a solution of their housing problems without diminishing, in any way, the protection of standards of value, design, and construction which have been established by the FHA in its permanent program. Furthermore, it is contemplated that FHA would provide technical assistance to cooperatives in the planning and development of housing projects.

The basis for maximum loans eligible for insurance in rental or cooperative projects has been raised from the prewar figure of $1,350 per room to $8,100 per dwelling unit.

The yield-insurance provisions of H. R. 5920 are designed to encourage direct investment in new rental housing by institutions interested in an assured moderate return, without running the risks which normally attend real-estate investment, particularly in high-cost periods such as the present. This amendment is intended to attract particularly insurance companies and other large aggregates of capital which would be able to take advantage of the economies of large-scale building operations, but it is broad enough to cover all debt-free investments in new rental housing.

This amendment would guarantee an annual net return of 2¾ percent to the investor, above all operating costs, and an annual amortization of 2 percent. Rent schedules approved by the Administrator would be designed to permit an annual return of 3½ percent, and the investor would be entitled to half of the net earnings above this amount until his return reaches 5 percent. Excess earnings would be applied to accelerated amortization of capital investment.

As in the case of section 207 loans, the FHA would have broad authority in approving plans and determining construction standards, in approving rent schedules, and other phases of operation. Thus, there would be adequate provision to assure that the benefits of these liberal provisions for large-scale housing would be reflected in adequate standards and reasonable rents.

The maximum contingent liabilities assumed by the Federal Government under this amendment could not exceed $1,000,000,000.

SLUM CLEARANCE

Most of the provisions of H. R. 5920 are concerned with developing the tools by which private enterprise can take care of the major part of America's housing needs. This is in accord with the statement of national policy at the beginning of the bill. But it was the conclusion of the joint committee, buttressed by a preponderance of evidence presented to it, that there are critical phases of the housing problem which private enterprise will not be able to solve within the foreseeable future and which the States and cities are unable to handle without outside assistance.

Outstanding among those problem areas are the slums of our cities, in which a fifth of our urban population lives and which are the breeding ground of disease and ill health, crime, and juvenile delinquency. From mayors, Governors, and public-spirited citizens throughout the country have come distressing reports of the effect of these conditions upon the health and moral fabric of our cities and towns. Public officials everywhere were concerned with the threat of the spread of slums and blighted areas on the economic solvency of our cities. I can testify that the slum conditions in New Orleans are no less extensive or sordid because they happen to exist behind a picturesque facade.

Private enterprise cannot afford to pay the high prices such areas command, or to absorb the costs of slum clearance. It is, instead, forced to outlying areas where site costs are lower. There is abundant evidence, however, that if the unusual costs of site acquisition and slum clearance are absorbed elsewhere, private enterprise will be able and willing to redevelop the cleared areas in accordance with proper planning.

Thus, any effective slum clearance will necessarily have to be done with public funds to absorb the write-down costs. The joint committee, however, found that the cities and States were financially unable to absorb these costs without Federal assistance. Despite the fact that urban redevelopment legislation is on the books of half our States, the replies to Senator WAGNER'S questionnaire on slum clearance indicated that practically no results were being achieved because of the lack of funds. Similar testimony was presented at our hearings.

In view of this evidence, the committee concluded that Federal assistance would be necessary for undertaking slum-clearance programs. It decided also that Federal legislation should be enacted at this time in order to permit local communities to go ahead with their planning and land assembly, even though the acute housing shortage will not permit any extensive slum clearance immediately.

H. R. 5920 provides for $1,000,000,000 in loans to local communities, all repayable with interest, and authorizes the Administrator to enter into contracts calling for a total of $500,000,000 in grants over a 5-year period. These grants are to be used for payment of the Federal Government's share of the write-down cost of slum-land assembly on a 2-to-1 matching basis with the localities.

It will be noted that slum clearance is to be considered entirely separate from public housing, that the program anticipates that the major part of slum redevelopment will be undertaken by private enterprise, and that any land in redevelopment areas utilized for public housing will be paid for by the local public agency in the same manner as for other purposes.

H. R. 5920 requires the preparation of an adherence to adequate plans for redevelopment of cleared areas. It requires adequate provision for relocation of families displaced from the project area and prohibits, until July 1, 1950, demolition of residential structures if it will cause hardship.

The bill also would require the Administrator, in extending aid for slum clearance, to give consideration to the extent to which local governments have undertaken positive programs for reducing housing costs through improvement of building codes and other regulations and the elimination of restrictive practices.

LOW-RENT PUBLIC HOUSING

The inability of private enterprise to undertake programs of slum clearance applies with equal force to the provision of decent housing for low-income families forced to live in slums or other substandard housing. The gap between the rents which low-income families can pay and the prices at which private enterprise can supply decent housing, new or old, is too wide to hope for its elimination within the foreseeable future.

I don't think there was any disagreement in the Joint Committee as to the inability of private enterprise to serve the needs of low-income families at the present time—the only differences in connection with the entire majority report were concerned with the extent of Federal responsibility and the manner of exercising it.

It was the sense of the majority of the committee that the conditions under millions of our low-income families live are a matter of Federal concern and responsibility, and that direct Federal assistance would be necessary if these conditions were to be alleviated.

The majority found that despite conditions caused by the war, the program of Federal assistance to local communities undertaking low-rent-housing programs, established under the United States Housing Act of 1937, had effectively served the needs of low-income families. The committee therefore recommended an extension of this program to provide 500,000 additional low-rent units over the next 5 years and recommended refinements which experience had proved to be desirable.

H. R. 5920 would raise the prewar cost limits for public-housing units sufficiently to permit the program to go ahead under present-day construction costs. The bill would strengthen the requirements for removal of families whose income exceeds the limits for continued occupancy in low-rent housing. In accordance with another recommendation of the joint committee, disabled veterans would have first preference to admission to such projects, and the veterans' preferences generally would be extended to 5 years.

By reducing the amortization of bonds issued by local housing authorities from 60 to 40 years and enacting other financing amendments, H. R. 5920 would clear the way for full private financing of the capital cost of the additional program. The basis for computing the annual Federal contribution would be increased 1 percent, to absorb the higher debt amortization cost on the 40-year basis while still achieving the necessary low rents. This increase would be offset by the reduction in the contribution period from 60 to 40 years.

FARM HOUSING

Because of the migration from farms to urban areas, the joint committee did not find a critical shortage of farm housing. Neither did it find that the lack of modern sanitation and other amenities is as hazardous on the farms as it is in the cities. But there was abundant evidence of bad housing conditions on the farms. It was my privilege during the hearings to hear from numerous witnesses from rural areas. From their testimony and from other evidence presented to the committee, it is apparent that farm housing, from the point of view of overcrowding of occupied units and their structural condition, is relatively much worse than nonfarm housing. The committee concluded that any program that did not make provision for the replacement and repair of dilapidated farm housing could not be called a comprehensive housing program.

The farmhouse cannot be considered apart from the farm as a production unit, and it is paramount that a rural housing program not be conducted so as to encourage the continuance of uneconomic farming practices. Because of that situation, the farm-housing program recommended by the committee and provided in H. R. 5920 would be administered by the Secretary of Agriculture instead of the Administrator of the Housing and Home Finance Agency, who has general supervision over other programs covered in this bill.

The bill authorizes the Secretary to make loans for the construction or improvement of houses on adequate farms, and loans combined with subsidies on potentially adequate farms. In the latter case the borrowers must put into effect improvements and enlargements designed to make the farm adequate. The maximum annual subsidy is limited to the interest and half the annual amortization payment on the loan and is available only for 10 years. Provision

is made also for loans and grants, in combination not to exceed $1,000 per unit, for essential repairs of houses on farms not eligible for other loans, in order to remove hazards to health and safety.

The bill authorizes a total of $250,000,000 in 4 years for the loans and contributions for the improvement of farm housing.

Mr. Speaker, I do not think it is a coincidence that the Joint Committee on Housing, after months of intensive study and hearings, has arrived at the same basic principles for dealing with the housing problem that were reached by earlier congressional committees, and that were outlined by the President in his housing message on February 23. The inadequacies of American housing both in quantity and quality, the yearning of the American people for decent homes in which to live and bring up their families, and the importance which responsible citizens attach to the home and its environment as the source of American ideals and citizenship are all too compelling to permit any other conclusions. They may be summed up as follows:

First. That a national housing policy and a comprehensive housing program are essential.

Second. That this program should place primary responsibility on private enterprise, and should provide the aids necessary to permit private enterprise to fulfill this responsibility.

Third. That it is the responsibility of Government to provide for the housing needs of families which private enterprise cannot serve.

These are the principles recognized in the final report of the Joint Committee on Housing and these are the principles underlying my bill, H. R. 5920.

SPECIAL ORDER GRANTED

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I had a special order for today. I ask unanimous consent that it be canceled and that it be made effective on Monday next after the regular business on the Speaker's table.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. EDWIN ARTHUR HALL]?

There was no objection.

EXTENSION OF REMARKS

Mr. ALBERT asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. WORLEY asked and was granted permission to extend the remarks he previously made and include certain resolutions and extraneous matter.

Mr. JOHNSON of California asked and was granted permission to extend his remarks in the RECORD in two instances and include a poem and a resolution.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1481. An act to authorize the Board of Commissioners of the District of Columbia to establish daylight saving time in the District; to the Committee on the District of Columbia.

S. 2287. An act to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes; to the Committee on Banking and Currency.

THE LATE HONORABLE ORVILLE ZIMMERMAN

Mr. CANNON. Mr. Speaker, it is my sad duty to announce to the House the death of one of its most distinguished Members, Representative ZIMMERMAN, of Missouri.

ORVILLE ZIMMERMAN came to the House with the Seventy-fourth Congress and has served continuously from that day to this with ever-increasing influence and usefulness.

His service in the House covers the most important period in American history. In those years the Nation and the Congress have faced their most critical problems and ORVILLE ZIMMERMAN has had a large part in their solution.

His career was typically American. With no exceptional advantages save a keen intellect and indomitable energy he carved out his own destiny. He was a member of one of the major committees of the House and with his deep interest in flood control and his comprehensive knowledge of every phase of farm economy exerted a profound influence on the agricultural legislation of the last decade.

He was a man of great mental and spiritual stature. No one ever had any doubt about where he stood on any moral question. He was of sterling character and highest intellectual integrity. Along with the courage of his conviction and his unswerving devotion to duty he had the rare faculty of being able to differ with men without alienating their affection.

It is significant that as the news of his death spread through the corridors of the Capitol this afternoon the impulsive expression most frequently heard was "He was my friend."

He made friends by being a friend. He had the widest interests and the most cosmopolitan of sympathies. Men gravitated to him naturally when there was work to be done requiring tact and understanding fellowship. In addition to his work in committee and on the floor he had served in practically every extracurricular capacity. He had served as a member of the Democratic steering committee, as associate Democratic whip of the House, as president of the Missouri State Society of Washington, as president of the University of Missouri Alumni Association, as a member of the board of regents of the State College at Cape Girardeau, and in numerous other fields of State and congressional activity.

But the tired heart had reached the limit of its capacity. "And David, after he had served his generation by the will of God, fell on sleep."

He died as he would have wished, in the harness, hastening from his office to the floor to participate in the debate on a bill reported by his committee on a busy day and in a momentous session.

In a great book, The Robe, there is an oft-quoted passage in which Marcellus, one of its characters, advances a philosophy under which men of great achievement should not languish in an anticlimax of depleted powers of body and mind, but should leave the scenes of their triumphs in the noonday of their accomplishments. So passed ORVILLE ZIMMERMAN—in the height of his career and the zenith of his usefulness, surrounded by his family and his friends, serving his country and his generation.

And so real is his presence here among us still that we may well say with the Hoosier poet:

I cannot say and I will not say
That he is dead—he is just away.
With a cheery smile and a wave of the hand
He has vanished into an unknown land.

Mr. Speaker, I yield to the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Speaker, we were all saddened an hour or more ago when we learned of the untimely passing of our beloved comrade, Representative ORVILLE ZIMMERMAN. I remember when I came to Congress 14 years ago, Mr. ZIMMERMAN and I came here at the same time. Thrcughout the years I have known him and loved him, not only because he was a great American but because he was a man of a high sense of honor. Never in all the years I have known him have I ever heard him utter a word or seen him do an act that was not that of an honorable Christian gentleman. Only yesterday we had lunch together down in the House restaurant. He was preparing to go to Missouri to address a great meeting in his district. Although his health had not been as good as it might have been the last few months, he was still a soldier. He died with his boots on.

Many years ago ORVILLE ZIMMERMAN achieved distinction as a member of the bar in Missouri. He became known in all his section of that great State as a formidable trial lawyer, a man who knew how to present his cases either to a court or to a jury. He was a wise counselor. He was a man who loved the simple ways of life. He liked to live in a little town. More than once great firms in some of our larger cities tried to induce him to move into the big city and become a member of a great firm, but his love of his own part of the country and of his own way of life as a lawyer in his own community was so strong that he remained in southwest Missouri. I know of no man in all that section of the country more beloved by the people. People of high and low estate have all loved him and respected him. We are going to miss him from this body. The country has sustained a great loss for he was a real patriot, a gentleman, a good man. My heart goes out in sympathy to his beloved wife and to his son, Joe.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Speaker, Shakespeare once said:

When sorrows come, they come not single spies but in battalions.

I feel doubly wounded today. I was first elected to Congress in 1928 from the old Fourteenth Congressional District of Missouri, practically all of which is now in the Tenth Congressional District of Missouri, which, for the past 14 years, has been so ably and faithfully represented by our late and lamented colleague, ORVILLE ZIMMERMAN.

ORVILLE ZIMMERMAN ran for Congress from that district a few years before I did and was defeated. His law partner, a Republican, Robert J. Smith, had also been a candidate for Congress from that district and was defeated. They were stanch, warm, personal friends. Naturally, when I visited Kennett, the home of ORVILLE ZIMMERMAN, 20 years ago in the campaign, I called on him and Bob Smith, and there developed between all three of us a warm personal friendship. ORVILLE was a Democrat and I was—and am—a Republican, but we were Methodists, Masons, members of the Lions Club, the American Legion, and had many things in common. We often differed but always were tolerant of each others views.

Congressman ZIMMERMAN was born in Bollinger County, Mo., on December 31, 1880, and would have been 68 years of age, older than he looked, had he lived until the end of this year.

After attending the public schools in his home county he was graduated from the State College at Cape Girardeau in 1904. He then taught school for several years in those hill counties of his district, for which he had a warm affection. Hundreds of boys and girls he taught are now prominent in different trades and professions, successful men and women in public life. After buying and selling and trading in livestock for several years and saving frugally the small earnings from his school teaching, Orville attended the University of Missouri with Judge Tom R. Moore, in my district, and graduated from its law school in 1911. In that year he was admitted to the bar, and as the gentleman from Missouri, Judge BELL, has told you, was a most successful practitioner of the law. He was cool in his thinking and deliberative in his judgments.

His partner, Bob Smith, who, like ORVILLE, had been defeated for Congress, was later elected to the Springfield Court of Appeals, where he served with distinction and honor. Now both of them are gone.

I am informed by our colleague from Mississippi [Mr. RANKIN] that this morning's newspaper carried an item that I have not yet seen stating that on yesterday the Honorable James Fulbright, whom I defeated in 1928 for Congress, and who turned around the next election and gave me a pretty sound thrashing, had passed on at his home in Missouri. A former Congressman, Judge Fulbright, who served in this body for three or four terms, had been elected to the Springfield Court of Appeals. I know that every Member, particularly the older ones here, who served with Jim Fulbright will regret his passing, as we regret the passing of ORVILLE ZIMMERMAN. So I am doubly sad today.

What a short lease we have on this life! Only yesterday noon I spent 20 minutes visiting with Orville, who told me that he was sorry he could not attend a little party some of my friends are giving me today on my fiftieth birthday. He said: "Dewey, I wish you all the happiness and success in the world and hope you live another 50 years, but I am not going to wish you any more." I said: "No; I think a century will be long enough." And there are times when I feel that I have lived that long.

He was in high spirits, in good humor, and it is almost impossible for me to believe he is gone, because he was going to fly this afternoon, taking our colleague, the gentleman from North Carolina [Mr. COOLEY], with him out to Missouri to a political meeting.

ORVILLE ZIMMERMAN was a good man. He was a diligent student, he was a judicious legislator, he was a hard worker, he was a sound American, and though most times we voted differently, there always has existed between us a bond of warm mutual regard and affection. He was a fine Christian gentleman and represented his district as his people wanted him to. He could have remained in Congress indefinitely, so well was he liked. He had many Republican friends, strong Democrat as he was. He served all his people.

My old father was a stanch friend of Orville's, and always, when he came to Washington, he would visit Mr. ZIMMERMAN, and Orville used to ask me frequently about my dad. Naturally I feel so deeply today that it is difficult for me to express the feelings in my heart.

I feel with Tennyson:

Break, break, break,
On thy cold gray stones, O Sea!
And I would that my tongue could utter
The thoughts that arise in me.

O, well for the fisherman's boy
That he shouts with his sister at play;
O, well for the sailor lad,
That he sings in his boat on the bay!

And the stately ships go on,
To their haven under the hill;
But, O, for the touch of a vanished hand,
And the sound of a voice that is still!

Break, break, break,
At the foot of thy crags, O Sea!
But the tender grace of a day that is dead
Will never come back to me.

My wife and Mrs. Zimmerman are good friends, as were Orville and myself. I want to say only this in closing: One of the sweetest relationships that I have ever seen exist in anybody's married life was the complete devotion and utter loyalty that existed between ORVILLE ZIMMERMAN and his good, Christian wife. Both had a high interest, naturally, the fondest hopes, and the greatest affection for their only son, Joe, a doctor in the service of his country now in Germany, and who, I think, will perhaps be flown back to his father's funeral.

God rest ORVILLE ZIMMERMAN'S soul. God give this country in these trying times more men like him, and may the blessing of Almighty God, the Son, and the Holy Spirit bring solace and comfort, peace and contentment of mind, courage, and strength to assuage the sorrow and lighten the burden of the wife and son left even unto the perfect day.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, oh, how frail and precarious are our best holds on human life. A few brief moments ago my friend ORVILLE ZIMMERMAN lived, but now he is no more. Heaven has crowned his life. In the golden hours of his grand life, his soul slipped through the curtain of stars to the place we call the Great Unknown. He has gone to the other side of the Crystal Sea where he will receive the full reward and the glorious fate which his strong faith had purchased.

ORVILLE ZIMMERMAN'S character was a tower of strength and his great work far surpassed his wages. He made a thoroughfare for friendship wherever he went. By his intelligent devotion to duty, his unswerving fidelity to truth, his great integrity, and by the honest and courageous manner in which he discharged all of the vital functions of his high office, he distinguished himself in the service of his country and endeared himself to all of his colleagues in Congress. Missouri has lost one of its best-loved sons; America has lost one of its great citizens; I have lost a friend.

I knew ORVILLE ZIMMERMAN intimately and well. I first became acquainted with him when he came to Congress in 1935. We were both members of the House Committee on Agriculture and we worked side by side on that great committee for many years. I served with him on special committees and I know his worth. I had a deep and sincere affection for ORVILLE ZIMMERMAN and I shall always cherish the memory of our friendship.

I was perhaps the last person on earth to hear his sweet voice. I had just talked with him only a few moments before he was stricken, and he was happy in the glad thought that this evening he would return to his home in Missouri and to the bosom of his friends. He and I were scheduled to leave Washington this afternoon to attend a Jefferson-Jackson Day dinner in Sikeston, Mo., tomorrow night. Just after I had talked with him, he started to leave his office to go to the ticket office of the Transcontinental & Western Airlines for the purpose of picking up our tickets. Just as he went out of his office door he fell, and I reached his side just as he breathed his last breath. Oh, what a tragedy; oh, what a loss.

To his greatly beloved and broken-hearted wife, to his fine son, Joe, and to the bereaved family, I desire to express my deep, heartfelt sympathy. My earnest prayer for them is that the light of Heaven will light their pathway and be the master light of all their seeing.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Missouri [Mr. COLE].

Mr. COLE of Missouri. Mr. Speaker, I am deeply shocked and grieved to learn of the sudden and untimely death of my good friend ORVILLE ZIMMERMAN. It was not my privilege to know Orville before I came to Congress, but he was one of the first with whom I became acquainted

after reaching here in 1943. It was my privilege to know him fairly well and to associate with him socially. I have never known a nobler character, I have never known a cleaner and more alert mind. He was every inch a gentleman of the highest integrity and morals. His sterling qualities and sincerity of purpose endeared him to a legion of friends. I shall miss him much. My heart goes out to his charming and devoted wife and his son in their great loss. May God comfort them and keep them during this time of sorrow.

America has lost a true patriot, Missouri has lost a capable Representative, Congress has lost an able legislator, and we have lost a loyal friend.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN of Missouri. Mr. Speaker, like my colleagues from Missouri, I was deeply shocked to hear of the death of ORVILLE ZIMMERMAN. He has been my friend for many years. He was one of the first Members of Congress with whom I became acquainted when I came to Washington 12 years ago. Through the years ORVILLE ZIMMERMAN has helped me on many occasions. I have lost a real friend. The Congress has lost one of its most distinguished legislators. All of us, Democrats and Republicans alike, admired and respected him.

We from Missouri regarded ORVILLE ZIMMERMAN as a fixture here. It is hard to accept the fact that he is gone. We shall miss him very much. To his family I express my deepest sympathy with the prayer that the good Lord sustain them in their hour of sorrow.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, the news of the death of our colleague, ORVILLE ZIMMERMAN, came to me a few moments ago. It was a great shock and I am deeply grieved. I feel that I would like to join with my colleagues, especially those who have spoken, and paid well-deserved tribute to him—those from Missouri who recognize what that State has lost in his going. Missouri was the place of my birth and I have always felt a double interest in ORVILLE ZIMMERMAN because we were fellow Missourians.

It has been said by those preceding me that he was a Christian gentleman. I know that to be true. That is about the highest tribute that can be paid to any man. I would like to add that not only was he a Christian gentleman, he was a scholar as well as a gentleman.

Reference has been made to the fact that he was a schoolman. I noted frequently that he was interested in other than political and legal matters. I had long conversations with him concerning the cultural features of the Pacific Southwest in which he showed great interest. He spoke with me at various times about that part of the country in the far Southwest which the grand old State of Missouri helped to add to the Union, and did so much to develop into what it is today. He has a brother in Arizona and other relatives in that land of sunshine. Orville said to me at times, "John, sometime I want to come out to your part of the country, possibly to retire there." I always hoped that when he felt that he had finished his work here, he could come to the glorious Southwest and there make his home for many a long year to come.

Mr. Speaker, our life here is not only arduous but very precarious. It is not very well known, I think, among the people of the country generally, how tremendous are the burdens falling upon the shoulders of Members of this body. I know that ORVILLE ZIMMERMAN was thinking and acting for the best interest of the future. How easy to the casual observer seems the life of a Congressman or a Senator—to sit at a desk; to press a button; to come to the Chamber and answer the roll and with a monosyllable—yes or no—perform his duty.

Perhaps the public may not understand that behind that vote are hours of conscientious thinking and wrestling with the spirit. Our friend ORVILLE ZIMMERMAN, with you, has actually sweated blood, and struggled through the night with prayer to determine in these critical times what his vote should be, thinking of the long future which would be influenced by that vote. I sat with ORVILLE ZIMMERMAN on a special Committee on Post War Economic Policy and Planning. I know what thought he gave to the struggles of our reorganization after the war. He sought the wisest practical course for his country.

I knew his friendly good humor as well as his dreams and aspirations. He sometimes vied with me, saying that the Tenth Congressional District of Missouri produced better cotton than any other place in the United States. I understood and appreciated that spirit. That is common to all of us, to uphold our districts and our States, but back of it was the sincere thought of a great man wanting to make the best for his country.

My heart goes out to his family.

I wonder if you will bear with me, Mr. Speaker, while I repeat the words which were repeated on another sad occasion a few weeks ago on the death of a great Virginian, the words of a poet. They apply to ORVILLE ZIMMERMAN as to Patrick Henry Drury:

> Green be the turf above thee,
> Friend of my better days.
> None knew thee but to love thee;
> Nor named thee but to praise.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, I share the grief experienced by all Members of the House in the sudden and untimely death of our colleague, the Honorable ORVILLE ZIMMERMAN, of the Tenth District of Missouri. But more than that, Mr. Speaker, I have personally sustained the loss of a devoted fellow worker. For 10 years I have worked beside Mr. ZIMMERMAN in the House Committee on Agriculture. The distinguished gentleman from North Carolina [Mr. COOLEY] at his right hand and I had the privilege of working at his left hand. It was there through those 10 years that we learned to know this good man.

No constituency was ever served more faithfully than that represented by Mr. ZIMMERMAN. The farmers of this Nation never had one who was more devoted to their welfare or more earnest in serving their economic needs.

It was my privilege to spend about 3 hours with Mr. ZIMMERMAN yesterday afternoon. It was a rare opportunity to be in his company. We talked of many things. He talked of his only son on duty in far-away Austria. I spoke of my only son on duty in far-away Japan. He was bright. He was cheerful. He told me how much better he was feeling after a long illness last summer. He appeared to be in good health, full of vigor, and in love with life. When this news came of his sudden passing there flashed to my mind the lines of Robert Ingersoll used in the oration at the grave of his brother:

> Mistaking the approach of death for the return of health, he said, "I am better now."

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. RANKIN.]

Mr. RANKIN. Mr. Speaker, I agree thoroughly with the distinguished gentleman from Missouri [Mr. SHORT] in his quotation from Shakespeare that—

> When sorrows come, they come not single spies,
> But in battalions.

I have received a double shock today in the news of the passing of two of the finest men with whom I have ever served in this House, ORVILLE ZIMMERMAN and James F. Fulbright, both of Missouri.

Mr. ZIMMERMAN was not only a worthy and a capable representative of the people of his State, but he was a Christian gentleman, a real American, which means a great deal in this age, when the world is torn between atheistic communism and Christian civilization.

He has now gone to that "undiscovered country from whose bourne no traveler returns"; but he left behind a host of golden memories that will live forever in the hearts of his fellow Members.

When these shocks come to us, we sometimes ask the question: What is life? The great orator, referred to by my distinguished friend from Georgia [Mr. PACE], said that "life is a narrow vale between the cold and barren peaks of the two eternities," that "we strive in vain to look beyond the heights. We may cry aloud and the only answer is the echo of our wailing cry. But in the night of death hope sees a star, and listening love can hear the rustle of a wing."

A great musical composer once said that life is a series of preludes to that eternal symphony of which death sounds the first solemn note.

But the greatest Christian lay leader of modern times, to whom I have heard Mr. ZIMMERMAN refer frequently in the highest terms of admiration, William Jennings Bryan, tells us that life is but the beginning of an immortal existence. He said:

> If the Master deigns to touch with divine power the cold and pulseless heart of the

buried acorn, causing it to burst forth into new life, will He leave neglected in the earth the soul of man made in the image of his Creator? If He stoops to give to the rose-bush whose withered blossoms float upon the autumn breeze the sweet assurance of another springtime, will He refuse the words of hope to the sons of men when the frosts and winter come? If matter mute and inanimate, though changed by the forces of nature into a multitude of forms can never die, will the imperial spirit of man alone suffer annihilation after it has paid a brief visit, like a royal guest to this tenement of clay?

No; I am as sure that there is another life as I am that I live today.

Some time ago while in Cairo—

Said the Great Commoner—

I was shown a few grains of wheat that had slumbered for more than 3,000 years in an Egyptian tomb. As I looked upon those grains of wheat this thought came into my mind: If one of them had been planted upon the banks of the Nile the next year after it was grown and all its lineal descendants had been harvested and planted from that day to this, today its progeny would be sufficiently numerous to feed the teeming millions of this world. There is an unbroken chain of life which connects the earliest grain with the one which we now sow and reap.

If there is an invisible something in a grain of wheat which enables it, when warmed by the sunshine and nurtured by the rain, to discard its old body and build out of earth and air a new one so much like the old that you cannot tell the one from the other and transmit its own likeness through 3,000 generations, I need not fear that my soul will have the power to clothe itself with a new body suited to another existence when this earthly frame has crumbled into dust.

Those glorious words express the Christian hopes of these two great Missourians, ORVILLE ZIMMERMAN and James F. Fulbright.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, I, too, rise to pay tribute to the memory of ORVILLE ZIMMERMAN. He and I were first elected in 1934, along with 100 new Members of the House of Representatives. Most of those Members are no longer in these legislative halls. We lived in the same building for the first 3 years of our service, and we and our families became companions and good friends.

The 100 new Members who were first elected to the Congress in 1934 formed themselves into an organization in order that we might get better acquainted with each other and with our legislative work. While only a few of the 100 who belonged to that group yet remain, I would like to speak, along with the gentleman from Missouri, JASPER BELL, who was also first elected in 1934, for all of those who are unable to speak in paying tribute to ORVILLE ZIMMERMAN.

If there ever has been in the House of Representatives a finer character, a more wholesome gentleman than ORVILLE ZIMMERMAN, I have not had the privilege of meeting him. He had a fine sense of values. He had a disposition that permitted him never to lose his perspective. He loved his family, his friends, his country, his church. He had a fine family, and to his wife, Ada, and his son, Joe, I join my colleagues in words of sympathy and in tribute to the memory of one of the finest noblemen of them all, ORVILLE ZIMMERMAN.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, my fellow citizen and fellow colleague of the Mississippi Valley, my devoted friend, ORVILLE ZIMMERMAN, is no more. His sudden passing brought to all of his colleagues much sadness. I join with them in extending to his devoted wife and to his splendid son sincerest sympathy.

When ORVILLE ZIMMERMAN came to the Congress he was well prepared. He had an excellent background. He was assigned to the committee of which I had been a member for many years. Our districts had many problems that were common. He lived in the northern part of the Mississippi Valley. His district had been sorely stricken in the great flood of 1927. The district that I represent is located in the central part of the valley and also suffered greatly in the flood of 1927.

He was assigned to the Committee on Flood Control. Members come to know one another better for their service on the same committee. The real work of a Member of Congress is done in committee. Regular attendance at all hearings and careful study of all questions presented to the committees adds greatly to a Member's usefulness in the House.

It is difficult for a Member of Congress to be master of all the subjects considered by Congress. As a general policy, Members who concentrate and know the work of their committees are most useful. Members of the committee come to rely upon the members who work and study. Other Members of Congress soon know the members of committees who are informed and whose judgment and conclusions are sound. ORVILLE ZIMMERMAN was diligent in his committee work and was most helpful to Members of Congress as well as to his district with respect to all questions on which his committee submitted reports. He served ably on the Committee on Flood Control and subsequently on the Committee on Agriculture.

I am thinking now of ORVILLE ZIMMERMAN, not only as an industrious legislator, as a patriotic American who served his country well in the First World War and who enjoyed the esteem and confidence of his colleagues in the House of Representatives, but I am thinking of him especially as a friend. He was human. He was especially considerate. He was most thoughtful. He was a Christian gentleman. Friendship is one of the finest fruits of service in the House of Representatives. The only way to have friends is to be a friend.

I join with all my colleagues in paying tribute to the memory and character of ORVILLE ZIMMERMAN. He was a good man. He was a capable legislator. He was devoted to the service of his district and to the promotion of the best interests of his country. He was loyal to every friend and faithful to every trust.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, it is hard to realize that my dear friend, ORVILLE ZIMMERMAN, has passed on. I had known that in recent months he had not been in the best of health, but I understood that he was improving. I was happy in my belief that this was the case. It was a great shock to learn of his sudden and tragic passing a few brief moments ago.

Early in his congressional service, ORVILLE ZIMMERMAN became a member of the Committee on Agriculture. We worked on many problems together as members of that committee. We served on subcommittees and were associated on various matters of legislation. No Member of the House had a keener interest in the problems of agriculture and the farmers of this country had no more devoted friend than he. We were both members of the House Postwar Study Committee, and made a number of trips together as members of that committee, including an 8 weeks' trip to Europe in the fall of 1945. I think all of us know that on trips like that we learn to know each other better than in any other way. Although I had known the warm friendship of ORVILLE ZIMMERMAN before, I appreciated it even more as I came to know him in the course of that trip. I learned how proud he was of his fine son, and how devoted he was to his gracious wife. There could not have been a happier family relationship. ORVILLE ZIMMERMAN was a man who inspired friendship. It would be very hard for any one who really knew him to dislike him, and all who were acquainted with him were his friends. He liked to confide in his friends. He frequently told me of his early years as a lawyer in southeast Missouri. I know that he had flattering opportunities to go to larger cities to engage in the practice of law, but turned them down to stay among his own people, the people he loved so well and whom he represented so faithfully and loyally here.

In the passing of ORVILLE ZIMMERMAN this Congress has lost a conscientious and able Member; the country has lost a devoted public servant and I have lost a sincere friend. Peace be to his memory.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Illinois [Mr. JOHNSON].

Mr. JOHNSON of Illinois. Mr. Speaker, there is little I can add to the beautiful tributes paid to our departed friend, ORVILLE ZIMMERMAN. These tributes have been well deserved; we honor his memory. Honor is not given to anyone, it is achieved and earned, and ORVILLE ZIMMERMAN has earned all of the nice things that have been said about him here today.

It was my rare privilege to have been associated very closely with ORVILLE ZIMMERMAN for the past 10 years in Congress. I have served with him on many special committees and subcommittees. I have traveled with him to many places, and in that way you get to know a man. I concur in the comment of our colleague the gentleman from Arizona [Mr. MURDOCK], that ORVILLE ZIMMERMAN was a real Christian. He was a clean man, a man of high morals.

His passing is a distinct loss to this body and I know it is a great loss to the Committee on Agriculture, where I have been privileged to sit and work with him. Only a few days ago he and I were discussing the high mortality rate of Congressmen in these troubled days, and he was deeply concerned over the preservation of our form of government. My heart goes out to his family in this sad hour.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, today we are here and tomorrow we are gone. Yesterday we had ORVILLE ZIMMERMAN with us; today he is gone. I mourn his loss, along with the Missouri delegation and the other Members of the House, and especially with his devoted family.

I knew ORVILLE very intimately. I knew him as a friend and as a legislator, and I knew him on the golf course. You can come pretty near judging the worth and the virtue of a man when you have a close relationship with him on the golf links. On last Saturday he came to my office and took me to lunch, and while there we discussed his family. He told me how sorry he was that he did not have a boy to carry on his profession; that his boy had seen fit to become a doctor and not a lawyer.

Orville was broad-minded, he was tolerant, he was kind, and he was courteous. When you would greet him in the morning in the hall he always had a smile for you. He was unlike some that you pass by. When you say a pleasant good morning to them they reply "Yes, sir." He was interested in humanity. He was a Christian gentleman. In conclusion, I would say that "The elements were so mixed in him that Nature might stand up and say to all the world, 'This was a man.'" May the good Lord bless and sustain his family in this hour of sorrow and grief.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, in the passing of our very dear friend and colleague, ORVILLE ZIMMERMAN, the House loses one of its ablest and most influential Members. ORVILLE ZIMMERMAN was one of the strong men of the House—quiet, dignified, one who seldom orated, but he was a Member who wielded a tremendous influence, not only in the higher councils of the House, but in the higher councils of his own party. ORVILLE ZIMMERMAN was truly a great American and too, a great Democrat. When a Democrat or a Republican is loyal to his party, we respect such a person because a loyal party man is akin to being a loyal American, I believe there is a direct relationship and the basic premise is loyalty.

As the former majority leader for the past 6 years I think I can speak somewhat with the voice of authority when I say that ORVILLE ZIMMERMAN wielded a powerful influence in the House, and in the higher councils of his own party.

Former Speaker RAYBURN and I looked to him for advice. We valued his advice. We recognized him as a sound thinker possessed of a penetrating and logical mind whose deductions were clear and definite. Whether he participated in party policy or in legislation concerning the welfare of our country, the contributions of ORVILLE ZIMMERMAN, were always extremely valuable. He was always quiet, dignified, and as I have said, very effective. His logical thinking always left its imprint.

As I speak, now, my mind goes back through the years to many occasions when I was with him, perhaps having lunch together as several speakers today have mentioned, and when in our conversations about this or that bill, or this or that problem, there may have been a difference of opinion, but I could always be certain that ORVILLE ZIMMERMAN would make a pertinent observation which would do much to help clarify any problem we discussed. His opinions made a marked impression on me, and he always was of invaluable assistance to me. Invariably I went to him when I sought the advice of Members of my own party and the House, and I have always had confidence in his judgment. I think it also might well be said that he died in the line of duty for he died in his office, where he put forth his best efforts so well for the people of his district, State, and Nation.

So he has left us, but he has left behind a memory. Yes; he has left behind something more than a memory. He has left behind his contribution to this body during one of the most trying periods in the history of our Nation and the world. He was a great and capable Member of this House. His passing brings regret to all of us, not only because of his membership in this body but because of the personal friendship so many of us entertained for him.

To his wife and son I join with my other colleagues in extending to them my heartfelt sympathy. To the Members from the State of Missouri on both sides of the aisle, I join with my other colleagues from the other States of the Union in conveying to them our deep sympathy in the loss of one of their delegation whom they so dearly loved.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I cannot fail to embrace this opportunity to expres a brief but very sincere tribute to the life, character, and public service of my warm friend, our distinguished colleague, Hon. ORVILLE ZIMMERMAN. It was my privilege to know him very closely for many years. His district is just across the Mississippi River from the district which I have the honor to represent. We had been associated together in many legal matters before either of us came to Congress. Our relations were always very close and cordial.

I cherished his friendship throughout all the years and enjoyed the association that we experienced here as Members of the House of Representatives. It was my privilege to serve with him on the Committee on Postwar Economic Policy and Planning, and to find in him there, as every other place that called his attention, that degree of ability and outstanding statesmanship which characterized his public service.

I am sure we all feel that he was a man who possessed the highest attributes of Christian character and all of the sterling qualities of manhood, a man of recognized ability and demonstrated devotion to public service.

I join with others in conveying to the members of his family my most heartfelt sympathy in this time of their greatest bereavement.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, all of us feel a sense of sadness in the loss of our beloved colleague, ORVILLE ZIMMERMAN. All of us remember him as an outstanding courageous and sincere colleague. We all knew where ORVILLE ZIMMERMAN stood on any question. He never deceived any of his colleagues, his constituents, or his friends. At all times we were able to know his position and to know the reasons for his position, and, whether we agreed or not, we had to respect his judgment because we knew that it was his honest judgment.

Would that we had more men like ORVILLE ZIMMERMAN representing more districts in the Congress. We cannot afford to lose that type of man. We cannot afford to lose that type of public servant, and yet, when the All-Seeing Master calls we must accept the judgment, as we do this evening, but we do so with sorrow in our hearts and with sympathy for his family.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, during the last several hours I have heard secretaries, clerks, reporters, pages, and others of the hired help on Capitol Hill, so to speak, express heartfelt grief over the passing of our beloved colleague; and I can understand why. ORVILLE ZIMMERMAN was kind to everyone. He strove each day to do all he could to add to the sum of human happiness, to subtract from the sum of human misery. Yes; he was a great American.

Mr. SCHWABE of Missouri. Mr. Speaker, the sudden and untimely passing of our good friend and colleague ORVILLE ZIMMERMAN leaves a gap in our Missouri congressional delegation and in the membership roll of this House of Representatives that will be difficult to fill.

Serving my sixth year as a Member of this body, I find that one of the principal satisfactions we get from our service in Congress is the memory of our colleagues and our association one with another. The death of ORVILLE ZIMMERMAN marks the first passing of a sitting Member of the Missouri delegation since I have been in Congress. The last, I believe, was Phil Bennett, who was taken very suddenly and without warning just as was the case with ORVILLE ZIMMERMAN this afternoon. During these 6 years, I have learned to know and admire Orville for his personal qualities and for his service to the public. He was a diligent worker. He had rare judgment with respect to things political. I have never heard an unkind remark about him from any of his associates. All who knew him held him in high esteem and had the utmost respect for him.

Mr. Speaker, I believe that next to his devotion to his family, his entire life was wrapped up in his duties as a Member of Congress. He was fond of the people of southern Missouri, whom he had the honor to represent. How well I recall numerous occasions when Orville would recite the many advantages of his district, how fertile and productive the soil in some of the counties he represented. I would say that while his death is a shock to us, yet his service to his fellow man, to his family, and to his country was full and complete. He has gone on while in the harness, and I can imagine this is as he would have preferred it to be.

Mr. BANTA. Mr. Speaker, I was greatly shocked this afternoon when I learned of the sudden and untimely death of my good friend and our distinguished colleague, the Honorable ORVILLE ZIMMERMAN. Mr. ZIMMERMAN had rendered almost 14 years of outstanding public service as a Member of the Congress. Prior to his election as a Member of the Seventy-fourth Congress he was an active practicing lawyer, and one of the most capable in Missouri. I knew him well in those days and respected him not alone for his knowledge of the law and for his ability as an advocate, but for his honor as a lawyer and for the high standard which he set as a member of the bar of our State and in the locality where he engaged in his work.

Missouri has lost a capable and courageous Representative in this body, and this Nation has lost a devoted public servant. We have all lost a good friend.

I join with my colleagues in extending sympathy to the members of his family.

Mr. SPENCE. Mr. Speaker, it was with profound regret that I learned of the tragic death of our distinguished colleague ORVILLE ZIMMERMAN.

I have served in the House with him for 14 years. He was an able, conscientious public servent. He had the highest sense of fidelity to duty. He represented his people with courage. As I lived in the same hotel with him, I knew him also in his lighter hours of relaxation. He was a charming and delightful companion. Because of his many admirable qualities he gained and held his many friends. He was a Christian gentleman of the highest ideals and principles, who fulfilled his obligations to the fullest in every relationship of life.

The Congress has sustained a great loss, and we who knew him will miss him. Our deepest sympathy goes out to his devoted family in their hour of grief.

The moving finger writes, and having writ,
Moves on; nor all your piety nor wit
Shall lure it back to cancel half a line,
Nor all your tears wash out a word of it.

Mr. HARRIS. Mr. Speaker, our hearts are saddened by the passing of our colleague, ORVILLE ZIMMERMAN. Not only has the State of Missouri lost a good and faithful citizen, an honest, efficient, hard-working and able public official, but the entire Nation has lost one of our outstanding noble servants.

I have known ORVILLE ZIMMERMAN quite intimately during my 8 years of service in this Congress. It has been my privilege to have been associated with him a great deal during that time. For several years our offices have been just a few doors apart on the same floor in the House Office Building. I know of no one for whom I have held greater esteem and affection than for this late friend.

Though his condition of health had not been too good for the past several months, I think he felt generally he was in better health now and had been for some time. Stricken suddenly as he was reminds us, Mr. Speaker, that often the Grim Reaper knocks at the door without any warning.

I was just inside my office door around the corridor from his office when he fell. He was just coming out of his door coming over to the floor of this House. I ran to him and could see that he was dying. I felt of his pulse which was weak and flickering. It was only a matter of a few seconds until his pulse stopped and all sign of life gone.

It is a sad experience to be so helpless by the side of a very dear friend in his last moments of life. I had a feeling if only there was something that could be done.

It is not for us to judge why a man of such splendid character and who had rendered such outstanding service during the most turbulent time in the history of our Nation is suddenly taken away. We know that he was faithful and loyal to the cause of his country, State and his District, his friends and above all, his family. "Blessed are the pure in heart for they shall see God." ORVILLE ZIMMERMAN was pure in heart, and he is now with his Maker.

Another great and noble character has been taken from us, Mr. Speaker, we mourn his passing. We will miss him. To his family, whom he loved so dearly, and to whom he was devoted, I extend my deepest sympathy and may they be sustained by the fact that he lived such a noble, honest, and Christian life.

If he could speak to you, I think he would issue a word of caution to the Members of this House. I think he would say that in these trying and stormy days when there are so many troublesome problems to take it a little easier, be a little more careful, that we might better fulfill our mission and render a greater service to our Nation.

Mr. COLMER. Mr. Speaker, we are all deeply shocked and grieved at the sudden and untimely death of our friend, ORVILLE ZIMMERMAN.

ORVILLE ZIMMERMAN was one of my close and intimate friends. He was a member of the Postwar Economic Policy Committee, of which I was chairman, in the last two sessions of Congress. As a member of that committee he went to Europe with us immediately after the cessation of hostilities and made a splendid contribution to the study of that committee and its subsequent reports. I recall distinctly how he was impressed with the impending danger of the communistic sweep of Europe, even as was I. That trip influenced his whole line of thinking. He came back with a realistic sense of the danger of totalitarian Russia.

ORVILLE ZIMMERMAN was a lovable character, a true gentleman, and a real American. In the words of the poet, "To know him was to love him." Only yesterday I was talking with him. He was full of life and vigor. It is hard to realize that the hand of death has stricken him down. His family, to whom he was devoted with a passionate zeal, his congressional district, and his country, will miss him.

Mr. MICHENER. Mr. Speaker, the faults of our brothers we write upon the sands; their virtues on the tablets of love and memory. In recording the life and character of ORVILLE ZIMMERMAN, there will be very little writing on the sands.

When Mr. and Mrs. Zimmerman first came to Congress we lived at the same hotel. Our families were friends. We knew them well. There were no finer Christian people, always kind, generous, and tolerant.

ORVILLE ZIMMERMAN was a man of strong conviction; however, he never assumed the role of speaking with finality on controversial matters. He respected the honest views of others and all that he asked for himself was like consideration.

Mr. Speaker, this has been an unusual and an exceptionally long memorial service. Time will not permit all of us to speak at length. I concur fully in the splendid things that have been said by those who have preceded me.

It is with a sad heart that I extend to Mrs. Zimmerman and the splendid son my genuine sympathy in this hour of their great bereavement.

Mr. BAKEWELL. Mr. Speaker, it was with a sense of profound shock that we learned of the untimely death of our beloved colleague, ORVILLE ZIMMERMAN, Representative of the Tenth Missouri District. ORVILLE ZIMMERMAN was known and admired by the Members of this body since the date when he was first elected as a Member of the Seventy-fourth Congress. By his industry and efficiency he won the admiration of the Members of this body; by his courtesy, kindliness, consideration, and humanity he earned the affection of all who knew him.

It will be difficult to replace ORVILLE ZIMMERMAN in this body and in the Missouri delegation. For his successor, I can think of no finer wish than that he be an equal of his predecessor.

Mr. DAGUE. Mr. Speaker, I am moved by a sense of irreparable loss as I contemplate the untimely passing of our beloved friend and colleague, ORVILLE ZIMMERMAN.

When I came to Washington as a Member of the Eightieth Congress I was importuned by my good friend W. U. Myers, of Sikeston, Mo., a constituent of Mr. ZIMMERMAN'S, to pay my respects to his Congressman, which I did on the opening day of the first session. From that meeting there stemmed a friendship which waxed warmer with the passing months and which continued to bring to me a sense of deep personal pride and privilege in being associated with a gentleman who possessed to such a high degree the statesmanlike qualities displayed by this distinguished Member. On the House Committee on Agriculture, where it was my honor to be associated with him, I was constantly alive to his deep insight into the problems confronting us and his unswerving dedication to

the best interests of his district, his State, and his Nation.

Words prove so futile and ineffective in any attempt we may undertake to console those who are left to mourn these sad leavetakings. May I hope that these bereaved ones will take consolation in our brother's patriotic service and that they may rest secure in the knowledge that he now rests safely on the other shore there to await reunion with those whom he has loved and lost but for awhile.

Mr. PLUMLEY. Mr. Speaker, the news of the death of my good friend ORVILLE ZIMMERMAN shocks me terribly. I cannot believe he has gone. Only yesterday I talked with him—so strong, so capable, so good a friend, so able an adversary.

But these absent friends of ours are not dead. They have only gone before, a stage or two along the road we all must travel in the steps which they have trod.

I wonder if Shakespeare were right when he said:

To die: to sleep;
No more; and by a sleep to say we end
The heartache and the thousand natural shocks
That flesh is heir to, 'tis a consummation
Devoutly to be wished.

Or is that a poet's dream and a contemplation of what must happen to all of us, not taking into consideration the lot of those of us who are left to mourn departed friends while we realize the fact that all lives must die and pass through nature to eternity.

I am too shocked by the tragedy of his passing—although it is the way he would have chosen to go—to do justice to the memory of my dear friend in these brief words today.

If outstanding ability, plus humility and simplicity, is the measure of greatness, then the name of ORVILLE ZIMMERMAN will be inscribed high on the list of the world's great men.

He modestly, yet persistently and ably, served his neighbors, his State, and his country.

We have sustained a great loss in the death of ORVILLE ZIMMERMAN than whom God never made a better man nor a greater friend. He has gone out of this world of turmoil and strife into the fullness of immortality. God rest his soul and grant him the reward of eternal pleasant dreams.

Mr. GATHINGS. Mr. Speaker, today I was saddened to learn of the passing of Representative ORVILLE ZIMMERMAN. During the 10 years I have served in this body I have known him intimately. His problems and mine were identical. His district includes the rich delta agricultural section in southeast Missouri, adjoining my district. We frequently discussed matters of mutual concern. These associations were most pleasant. His energies were exerted in connection with legislation on behalf of the farmer. He was a strong advocate of proposals which had for their purpose the conserving of the soil. He was instrumental in the establishment of various flood-control projects in the lower Mississippi Valley.

Prior to his service in the Congress he was known far and wide for his exceptional ability as a trial lawyer. His vast practice extended into eastern Arkansas where many of his cases were tried.

Mr. ZIMMERMAN possessed the rare trait of kindliness to all of those with whom he was thrown. He had a pleasing personality which will be greatly missed by his colleagues. He discharged the heavy load of congressional duties with zeal and courage. Like the mighty oak of the forest he could break but would not bend. My sympathy goes out to his devoted wife and his son who is serving his country in an overseas station. His State and the Nation has lost an able legislator. I have lost a true friend.

Mr. LYLE. Mr. Speaker, the death of ORVILLE ZIMMERMAN leaves none of us unmoved. His life, more fortunately, left none of us untouched.

We were privileged to have served with so good a man, so kind and honorable a man, and so able a man, for it contributed materially to each of us as individuals.

It will, I am sure, be a source of comfort to his splendid soldier son and to his lovely wife, to know that we, too, had the keenest and most sincere regard and affection for him, and that we join them in sorrow at his death.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD on the life and character of the late ORVILLE ZIMMERMAN.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, I offer a resolution (H. Res. 523).

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. ORVILLE ZIMMERMAN, a Representative from the State of Missouri.

Resolved, That a committee of four Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the Houe.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints the following committee to attend the funeral: Messrs. CANNON, BELL, SHORT, and BANTA.

The Clerk will report the balance of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 3 o'clock and 27 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Thursday, April 8, 1948, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1444. A communication from the President of the United States, transmitting supplemental estimates of appropriation and contract authorizations for the fiscal year 1949 in the amount of $248,000 cash and $335,000 contract authorization for the Department of the Interior, Bonneville Power Administration (H. Doc. No. 596); to the Committee on Appropriations and ordered to be printed.

1445. A communication from the President of the United States, transmitting a revised estimate of appropriation for the Atomic Energy Commission for the fiscal year 1949 (H. Doc. No. 597); to the Committee on Appropriations and ordered to be printed.

1446. A letter from the Assistant to the Attorney General, transmitting a draft of a proposed bill to authorize the transfer to the Attorney General of the United States of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., for use in connection with the United States penitentiary at Terre Haute; to the Committee on Expenditures in the Executive Departments.

1447. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill for the relief of John Watkins; to the Committee on the Judiciary.

1448. A letter from the Comptroller General of the United States, transmitting a report on the audit of the various Government corporations supervised by the Farm Credit Administration for the fiscal year ended June 30, 1946 (H. Doc. No. 598); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1449. A letter from the Secretary of the Army, transmitting a draft of a proposed bill to correct possible inequity in the case of a certain application for letters patent of William R. Blair; to the Committee on the Judiciary.

1450. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated July 21, 1947, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of the Mississippi River and tributaries in the county of Aitkin, Minn., authorized by the Flood Control Act approved on December 22, 1944, and a review of report on the Mississippi River between Sandy Lake and Brainerd, Minn., requested by a resolution of the Committee on Commerce of the United States Senate adopted on August 8, 1944 (H. Doc. No. 599); to the Committee on Public Works and ordered to be printed, with four illustrations.

1451. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 13, 1948, submitting a report, together with accompanying papers and an illustration, on a review of reports on Provincetown Harbor, Mass., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on December 21, 1945 (H. Doc. No. 600); to the Committee on Public Works and ordered to be printed, with one illustration.

1452. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 13, 1948, submitting a report, together with accompanying papers and an illustration, on a review of reports on Deep Creek, Warwick County, Va., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on March 26, 1940 (H. Doc. No. 601); to the Committee on Public Works and ordered to be printed, with one illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOPE: Committee on Agriculture. House Resolution 511. Resolution requesting the Secretary of Agriculture to report the nature and extent of research activities relating to the price spread between the producer and consumer of agricultural products, the possibility of expediting such activities, and the findings and conclusions of such activities; without amendment (Rept. No. 1662). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 521. Resolution providing for consideration of H. R. 5888, a bill to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; without amendment (Rept. No. 1663). Referred to the House Calendar.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 1664. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. WELCH: Committee on Public Lands. S. 1021. An act authorizing the Secretary of the Interior to pay salaries and expenses of the chairman, secretary, and clerk of the Fort Peck General Council, members of the Fort Peck Tribal Executive Board, and other committees appointed by said Fort Peck General Council, and official delegates of the Fort Peck Tribes; without amendment (Rept. No. 1667). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. S. 1468. An act providing for payment of $50 to each enrolled member of the Mescalero Apache Indian Tribe from funds standing to their credit in the Treasury of the United States; without amendment (Rept. No. 1668). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. S. 1583. An act to provide for the conveyance to the State of Maryland, for the use of the University of Maryland, of the northern portion of a parcel of land previously constituting a part of the campus of the university and previously conveyed by the State of Maryland to the United States for the use of the Bureau of Mines; without amendment (Rept. No. 1669). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. Senate Joint Resolution 94. Joint resolution to establish the Fort Sumter National Monument in the State of South Carolina; without amendment (Rept. No. 1670). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2352. A bill to provide for sale to the Crow Tribe of interests in the estates of deceased Crow Indian allottees; with amendments (Rept. No. 1671). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3633. A bill to amend section 203 of the Hawaiian Homes Commission Act, designating certain public lands as available home lands; with an amendment (Rept. No. 1672). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3635. A bill to ratify sections 1 and 2 of Joint Resolution 7 enacted by the Legislature of the Territory of Hawaii in its regular session of 1947; without amendment (Rept. No. 1673). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3680. A bill to amend sections 207, 209, 213, 215, 216, 220, 222, and 225 of title 2 of the Hawaiian Homes Commission Act, 1920, as amended; with amendments (Rept. No. 1674). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3954. A bill to approve Act No. 74 of the Session Laws of 1947 of the Territory of Hawaii, entitled "An act relating to revenue bonds of the Territory of Hawaii," and Act No. 95 of the Session Laws of 1947 of the Territory of Hawaii, entitled "An act relating to Territorial and county public improvements and the financing thereof by the issuance of revenue bonds"; without amendment (Rept. No. 1675). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4091. A bill to ratify Act 237 of the Session Laws of Hawaii 1947; without amendment (Rept. No. 1676). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4201. A bill to authorize payments to the public-school district or districts serving the Fort Peck project, Montana, for the education of dependents of persons engaged on that project; with amendments (Rept. No. 1677). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4203. A bill to establish eligibility for burial in national cemeteries, and for other purposes; with amendments (Rept. No. 1678). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4512. A bill to provide for the conveyance of certain land to the Northeastern State Teachers College at Tahlequah, Okla.; with amendments (Rept. No. 1679). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4551. A bill to provide for the addition of certain surplus Government lands to the Cape Hatteras National Seashore Recreational Area project, and for other purposes; without amendment (Rept. No. 1680). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4642. A bill to provide for disposition and use of tribal funds of the Navajo Tribe of Indians; without amendment (Rept. No. 1681). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4722. A bill to provide for the utilization as national cemeteries of surplus Army Department owned military real property at Fort Devens, Mass.; Fort Logan, Colo.; and Fort Lewis, Wash.; with amendments (Rept. No. 1682). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4966. A bill directing the Secretary of the Interior to sell and lease certain houses, apartments, and lands in Boulder City, Nev.; with amendments (Rept. No. 1683). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5155. A bill to authorize the Secretary of the Interior to have made by the Public Roads Administration and the National Park Service a joint reconnaissance survey of the Chesapeake and Ohio Canal between Great Falls, Md., and Cumberland, Md., and to report to the Congress upon the advisability and practicability of constructing thereon a parkway, and for other purposes; without amendment (Rept. No. 1684). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5173. A bill to amend section 203 of the Hawaiian Homes Commission Act, designating certain public lands as available home lands; without amendment (Rept. No. 1685). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5175. A bill to confirm and ratify Act 205 of the session laws of 1947 of the Territory of Hawaii, relating to the issuance of public-improvement bonds; without amendment (Rept. No. 1686). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5244. A bill to amend an act entitled "An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War II"; with an amendment (Rept. No. 1687). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5262. A bill to authorize the sale of Indian lands acquired under the act of June 18, 1934, and under the act of June 26, 1926; with an amendment (Rept. No. 1688). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5609. A bill to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes; without amendment (Rept. No. 1689). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5651. A bill authorizing the Secretary of the Interior to convey certain lands in South Dakota for municipal or public purposes; with an amendment (Rept. No. 1690). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5669. A bill to provide for adjustment of irrigation charges on the Flathead Indian irrigation project, Montana, and for other purposes; with amendments (Rept. No. 1691). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5763. A bill to authorize the sale of certain public lands in San Juan County, Utah, to the Southwest Indian Mission, Inc.; without amendment (Rept. No. 1692). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5816. A bill to amend the act of April 25, 1947, relating to the establishment of the Theodore Roosevelt National Memorial Park, and for other purposes; without amendment (Rept. No. 1693). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5822. A bill to establish the Saratoga National Historical Park, in the State of New York, from the lands that have been acquired by the Federal Government for that purpose pursuant to the act of June 1, 1938 (52 Stat. 608), and for other purposes; without amendment (Rept. No. 1694). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WELCH: Committee on Public Lands. S. 608. An act authorizing and directing the Secretary of the Interior to issue a patent in fee to Growing Four Times; with an

amendment (Rept. No. 1665). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 714. An act authorizing the Secretary of the Interior to issue a patent in fee to Claude E. Milliken; with amendments (Rept. No. 1666). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HINSHAW:

H. R. 6144. A bill to provide for coordination of aviation policy, to improve the administration of the Civil Aeronautics Act of 1938, and to provide for an independent Office of Air Safety, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 6145. A bill to exempt air carriers from statutory provisions requiring payments for compensation for customs employees' overtime services, and for other purposes; to the Committee on Ways and Means.

By Mr. STEFAN:

H. R. 6146. A bill to amend the Civil Aeronautics Act of 1938, as amended, by limiting the liability of certain persons not in possession of aircraft; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLVERTON:

H. R. 6147. A bill to amend the Civil Aeronautics Act of 1938, as amended, with respect to local enforcement of safety regulations of civil aviation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 6148. A bill to amend the Civil Aeronautics Act of 1938, as amended, to make further provision for the recording of title to, interests in, and encumbrances upon certain aircraft, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 6149. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the regulation of interstate contract carriers by air, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEFAN:

H. R. 6150. A bill to repeal the tax on transportation of persons and the tax on transportation of property, and for other purposes; to the Committee on Ways and Means.

H. R. 6151. A bill to amend the Immigration Acts of 1917 and 1924 to permit the mitigation of certain fines, and for other purposes; to the Committee on the Judiciary.

By Mr. CLASON:

H. R. 6152. A bill to provide for the settlement of claims arising from the termination of contracts of the armed services, and for other purposes; to the Committee on the Judiciary.

H. R. 6153. A bill to authorize the United States Maritime Commission to provide for the development of lighter-than-air rigid airships for commercial use; to the Committee on Merchant Marine and Fisheries.

H. R. 6154. A bill to exempt Canadian citizens and aircraft crewmen from certain visa requirements; to the Committee on the Judiciary.

H. R. 6155. A bill to provide for the planning of military aircraft requirements, to authorize the development and procurement of military aeronautical equipment, and for other purposes; to the Committee on Armed Services.

By Mr. CASE of South Dakota:

H. R. 6156. A bill to provide for the more expeditious carriage of domestic and foreign first-class mail by air, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 6157. A bill to provide for an air parcel-post service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KILDAY:

H. R. 6158. A bill to establish the composition of the Air Force essential to the defense and security of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. BUCK:

H. R. 6159. A bill to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 6160. A bill to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones; to the Committee on Ways and Means.

By Mr. CURTIS:

H. R. 6161. A bill authorizing the construction of certain public works at Beatrice, Nebr., for flood control; to the Committee on Public Works.

By Mr. DINGELL:

H. R. 6162. A bill to make imported beer and other similar imported fermented liquors subject to the internal-revenue tax on fermented liquor; to the Committee on Ways and Means.

By Mr. FELLOWS:

H. R. 6163. A bill to authorize for a limited period of time the admission of displaced persons into the United States for permanent residence, and for other purposes; to the Committee on the Judiciary.

By Mr. LEA:

H. R. 6164. A bill to amend the Interstate Commerce Act and the Civil Aeronautics Act of 1938 so as to penalize black marketing of transportation tickets; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDREWS of New York:

H. R. 6165. A bill to establish the office of the Inspector General, United States Air Force, and for other purposes; to the Committee on Armed Services.

By Mr. BAKEWELL:

H. R. 6166. A bill to provide for the temporary retention in the United States of certain German paintings; to the Committee on Armed Services.

By Mr. COLE of Kansas:

H. R. 6167. A bill to allow a deduction, for income-tax purposes, of expenditures made incident to the prevention of erosion of agricultural land; to the Committee on Ways and Means.

By Mr. HART:

H. R. 6168. A bill to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the founding of the town of West New York, N. J.; to the Committee on Banking and Currency.

By Mr. DAVIS of Georgia:

H. R. 6169. A bill to allow retention credits to employees of the United States who were civilian prisoners of war; to the Committee on Post Office and Civil Service.

By Mr. LANDIS:

H. R. 6170. A bill to provide pensions for veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. McMAHON:

H. R. 6171. A bill to amend the National Service Life Insurance Act of 1940 so as to authorize the renewal of 5-year level-premium term policies; to the Committee on Veterans' Affairs.

By Mr. PHILLIPS of Tennessee:

H. R. 6172. A bill to repeal the retailers' excise tax on toilet preparations and on luggage purses, and similar articles; to the Committee on Ways and Means.

By Mr. HINSHAW:

H. J. Res. 369. Joint resolution to establish a Joint Congressional Committee on Aviation Policy, and for other purposes; to the Committee on Rules.

By Mr. CASE of South Dakota:

H. J. Res. 370. Joint resolution to establish a Temporary Commission on Military Contract Audits; to the Committee on Armed Services.

By Mr. ROSS:

H. J. Res. 371. Joint resolution to authorize the issuance of a stamp commemorative of the golden anniversary of the consolidation of the Boroughs of Manhattan, Bronx, Brooklyn, Queens, and Richmond, which boroughs now comprise New York City; to the Committee on Post Office and Civil Service.

By Mr. DORN:

H. Con. Res. 181. Concurrent resolution relating to peacetime composition of the Air Force; to the Committee on Armed Services.

By Mr. THOMAS of New Jersey:

H. Res. 522. Resolution directing the Secretary of Commerce to transmit to the House of Representatives a certain letter with respect to Dr. Edward U. Condon, Director of the National Bureau of Standards; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McCONNELL:

H. R. 6173. A bill to confer jurisdiction on the Court of Claims to hear and determine the claim of Preston L. Watson as administrator of the goods and chattels, rights and credits which were of Robert A. Watson, deceased; to the Committee on the Judiciary.

By Mr. SOMERS:

H. R. 6174. A bill for the relief of John Francis Sweeney; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1736. By Mr. CLASON: Memorial of the General Court of Massachusetts to the Congress of the United States, urging the enactment of legislation to relieve the hardships now suffered by veterans of World War II and their families because of the lack of dwelling accommodations; to the Committee on Banking and Currency.

1737. By Mr. LARCADE: Petition of Mrs. Percy Reed and others, of Eunice, La., in support of S. 265; to the Committee on Interstate and Foreign Commerce.

1738. By Mrs. ROGERS of Massachusetts: Memorial of the Commonwealth of Massachusetts, to enact legislation to relieve the hardships now suffered by veterans of World War II and their families because of the lack of dwelling accommodations; to the Committee on Banking and Currency.

1739. By the SPEAKER: Petition of Mae Shimer, Luke, Md., and others, petitioning consideration of their resolution with reference to opposing enactment of any program of compulsory peacetime military training; to the Committee on Armed Services.

1740. Also, petition of the Board of Aldermen, City of Chelsea, Mass., petitioning consideration of their resolution with reference to endorsement of H. R. 2495; to the Committee on Ways and Means.

1741. Also, petition of the chief clerk, City Council of Baltimore, petitioning consideration of their resolution with reference to the building and maintaining of an adequate modern merchant marine; to the Committee on Merchant Marine and Fisheries.

SENATE

THURSDAY, APRIL 8, 1948

(Legislative day of Monday, March 29, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, in times of confusion, when men doubt their beliefs and believe their doubts and are victims of ideologies that seek to divide and conquer, give to the people of this Nation a true appreciation of the great affirmations we hold in common. Let us appreciate our agreements and have the courage and conviction to stand up for them, that we stand united and fearless before the world.

Direct our Government that it may ever make it as hard as possible to do wrong and as easy as possible to do right. To that end, incline our leaders to the eternal truths Thou hast revealed in the Bible and in Thy Son, Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 7, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 111. An act for the relief of Donat and Laura Laroche;

S. 805. An act authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the district embracing the east portion of Duchesne County and the west portion of Uintah County;

S. 1235. An act for the relief of Merchants Motor Freight;

S. 1306. An act relating to the construction and disposition of the San Jacinto-San Vicente aqueduct;

S. 1307. An act for the relief of Edward Trapier Rogers;

S. 1581. An act to provide additional time to the city of Newark, N. J., for paying certain installments on the purchase price of the Port Newark Army Base, and for other purposes;

S. 1794. An act to authorize the Houston Council, Navy League of the United States, to construct a reflecting pool at the United States naval hospital, Houston, Tex.;

S. 1799. An act to amend the act of June 3, 1916, as amended, to make it applicable to the Canal Zone, Guam, American Samoa, and the Virgin Islands;

S. 2081. An act to extend the provisions of the Federal Airport Act to the Virgin Islands; and

H. R. 1523. An act for the relief of Edwin H. Griggs, or his estate.

INTERNATIONAL LABOR ORGANIZATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 603)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States transmitting the text of three conventions and two recommendations in respect to the International Labor Organization, which will be referred to the Committee on Foreign Relations, and the message from the President will be printed at this point in the RECORD.

The message is as follows:

To the Senate of the United States:

In accordance with the obligations of the Government of the United States of America as a member of the International Labor Organization, I transmit herewith authentic texts of three conventions and two recommendations formulated at the twenty-ninth session of the International Labor Conference, held at Montreal from September 19 to October 9, 1946.

Those conventions and recommendations are as follows:

Convention (No. 77) concerning medical examination for fitness for employment in industry of children and young persons;

Convention (No. 78) concerning medical examination of children and young persons for fitness for employment in nonindustrial occupations;

Convention (No. 79) concerning the restriction of night work of children and young persons in nonindustrial occupations;

Recommendation (No. 79) concerning the medical examination for fitness for employment of children and young persons; and

Recommendation (No. 80) concerning the restriction of night work of children and young persons in nonindustrial occupations.

I transmit also the report of the Acting Secretary of State regarding those conventions and recommendations, together with a copy of a letter addressed by the Secretary of Labor to the Secretary of State with respect to those conventions and recommendations.

In view of the opinions expressed by the Acting Secretary of State and the Secretary of Labor in the enclosed report and letter, I do not request at this time advice and consent to ratification of the three conventions or legislation to implement the three conventions and two recommendations transmitted herewith. Upon the entry into force of the constitution of the International Labor Organization instrument of amendment, which is expected to occur soon, it is planned that further referral of the enclosed conventions and recommendations be made under the provisions of article 19 of the revised constitution. The request that no action be taken at present with respect to approval or implementation of the enclosed instruments should not be construed in any sense, therefore, as a rejection on the part of the United States of America of those instruments or of the principles set forth therein.

I am also referring the texts of the conventions and recommendations to the House of Representatives.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 8, 1948.*

(Enclosures: (1) Report of the Acting Secretary of State; (2) letter from the Secretary of Labor; (3) authentic texts of conventions and recommendations.)

HEADQUARTERS BUILDING FOR UNITED NATIONS

Mr. FLANDERS. Mr. President, I should like to call attention to a news item which appeared in the Evening Star of last evening under the headline "Truman asks sixty-five million loan for United Nations buildings." The article reads in part:

President Truman today asked Congress to approve a $65,000,000 loan, without interest, to United Nations to build permanent headquarters in New York City.

A White House statement said the loan would be repaid over a period of 32 years in annual installments from the regular budget of the United Nations to which all its members contribute.

In asking congressional approval the President said, "The construction of the permanent headquarters of the United Nations will be tangible evidence to the world that the United States is supporting to the full the institution to which the peoples of all nations are looking as their best hope for freedom from the fear of war."

Mr. President, we cannot bring a dying body back to life and health by building a $65,000,000 mausoleum for it. I shall oppose the granting of the President's request for the loan of this or any similar sum until the United Nations organization is reinstated as our primary agent for the establishment and maintenance of peace, and in particular until this Nation brings before the Assembly of the United Nations the basic issue which will determine whether we have peace or war in the years just ahead of us. That basic issue is the question as to whether Russia is seeking peace in accordance with her responsibilities to the United Nations, or war in accordance with the official statements of those who have guided and now guide her social philosophy and political action.

Let us build no temples to a lost cause. Let us rather revive our faith and show that revived faith by appropriate deeds. Then and not till then let us build a structure worthy of great ideals which are in process of actual realization.

I trust that other Members of this body will join me in thus showing our determination that the United Nations shall be the heart and soul of our international policy instead of remaining a disregarded side issue.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED PROVISION PERTAINING TO APPROPRIATION FOR TAX COURT OF THE UNITED STATES (S. DOC. NO. 142)

A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an appropriation for The Tax Court of the United

States, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

JOHN WATKINS

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation for the relief of John Watkins (with accompanying papers); to the Committee on the Judiciary.

DONATIONS BY NAVY DEPARTMENT TO NONPROFIT INSTITUTIONS AND ORGANIZATIONS

A letter from the Acting Secretary of the Navy reporting, pursuant to law, a list of institutions and organizations, all nonprofit and eligible, which have requested donations from the Navy Department; to the Committee on Armed Services.

EXTENSION OF TITLES I, IV, AND X OF SOCIAL SECURITY ACT TO THE VIRGIN ISLANDS

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to extend titles I, IV, and X of the Social Security Act to the Virgin Islands (with an accompanying paper); to the Committee on Finance.

REPORT ON CONDITIONS IN UNDERGROUND BITUMINOUS-COAL AND LIGNITE MINES

A letter from the Secretary of the Interior, transmitting, pursuant to law, the third quarterly report covering conditions in all underground bituminous-coal and lignite mines inspected during the 9-month period July 1, 1947, to March 31, 1948 (with an accompanying report); to the Committee on Labor and Public Welfare.

INTERNSHIPS IN DEPARTMENT OF MEDICINE AND SURGERY OF VETERANS' ADMINISTRATION

A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to authorize the establishment of internships in the Department of Medicine and Surgery of the Veterans' Administration (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT OF EXPORT-IMPORT BANK OF WASHINGTON

A letter from the Acting Chairman of the Export-Import Bank of Washington, transmitting, pursuant to law, a report of the operations of that bank as of the close of business December 31, 1947 (with an accompanying report); to the Committee on Banking and Currency.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the City Council of Baltimore, Md., endorsing the recommendation of the President's Advisory Board relating to the construction of an adequate merchant marine, which was referred to the Committee on Interstate and Foreign Commerce.

LITHUANIAN FREEDOM — RESOLUTIONS OF FEDERATED AMERICAN LITHUANIAN SOCIETIES AND CLUBS

Mr. MARTIN. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD resolutions adopted by the Federated American Lithuanian Societies and Clubs, in the Borough of Shenandoah, Schuylkill County, Pa., relating to Lithuanian freedom and independence.

The PRESIDENT pro tempore. Without objection, the resolutions will be received, referred to the Committee on Foreign Relations, and printed in the RECORD, as requested by the Senator from Pennsylvania.

There being no objection, the resolutions were received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

"Whereas following World War I the nations of the world found the cause of Lithuanian freedom and independence to be just and her people to be worthy of self-government and political independence; and

"Whereas the Republic of Lithuania was thereby established and accorded political recognition by all of the independent governments of the world; and

"Whereas during its existence as a free and independent nation, the Republic of Lithuania made progress and flourished and proved its ability of self-government and to be a worthy member of the community of nations; and

"Whereas in the recent global struggle which began in 1939, the United States of America and Great Britain proclaimed certain principles of freedom and justice to all nations and expressed this in the Atlantic Charter and 'four freedoms,' to which the Union of Soviet Socialist Republics officially subscribed; and

"Whereas, in violation of these principles, Soviet Russia, on devious pretexts and in conformity with a secret agreement entered into with Nazi Germany in 1939, by overwhelming military forces occupied Lithuania in 1940 and now arbitrarily deprives this Republic of its independent political life and membership in the community of nations of the world; and

"Whereas, since this predatory occupation of Lithuania, the Union of Soviet Socialist Republics pursued and continues to pursue a ruthless policy of planned liquidation, deportation, and dispersion of the Lithuanian people in order to destroy the Lithuanian national entity which constitutes a crime of international magnitude; and

"Whereas the crime of genocide which the U. S. S. R. is perpetrating upon the defenseless Lithuanian nation violates all principles of human rights, international law, all the covenants and agreements entered into between the U. S. S. R. and the Lithuanian Republic and the avowed war aims of the allied powers as expressed in the Atlantic Charter and the "four freedoms"; and

"Whereas we recognize and acknowledge that the representatives of the people, the Congress of the United States, was not consulted and had no part in the infamous secret agreements whereby innocent nations were committed to communism, and its peoples exposed to the theories of slavery and Siberian deportation and possible extinction: Therefore be it

"Resolved, That we petition the Government of the United States to renounce, denounce, and repudiate all such secret agreements that violate human rights; and be it further

"Resolved, That we request our representatives at the United Nations to demand that the General Assembly of the United Nations take steps and proper measures to make Soviet Russia conform to the United Nations Charter and other international agreements and covenants; that the U. S. S. R. armed forces, puppet regimes, and terrorist police forces be withdrawn from Lithuania and other invaded countries and that their deported nationals be returned to their home and families; and be it further

"Resolved, That we petition the Government of the United States to initiate proper and firm measures for the purpose of rendering effective aid for the restoration of the violated sovereignties of Lithuania and other European countries; and be it further

"Resolved, That a copy of these resolutions be presented to our Senators, Hon. EDWARD MARTIN and Hon. FRANCIS J. MYERS, and to our Representative in Congress, Hon. Dr. IVOR D. FENTON, with a request to have them read into the CONGRESSIONAL RECORD and to have them forwarded to other officials for presentation to the proper authorities of the United Nations."

The foregoing resolutions were adopted by the Federated American Lithuanian Societies and Clubs, citizens of the United States, at a meeting held this 15th day of February A. D. 1948, in St. George Auditorium, 129 South Jardin Street, in the Borough of Shenandoah, Schuylkill County, Pa., by acclamation and unanimous vote.

A. J. STANISKAS,
Chairman.

Attest:

W. J. KRENCEWICZ,
Secretary.

RESOLUTIONS AFFECTING NATIONAL POLICY ADOPTED BY THE CORN BELT LIVESTOCK FEEDERS ASSOCIATION

Mr. CAPPER. Mr. President, I have received a copy of resolutions adopted by the Corn Belt Livestock Feeders Association in convention at Sioux City, Iowa, on March 4 and 5, 1948 asking for certain legislation in the interest of the livestock industry. The resolutions have such merit that I send them to the desk and ask unanimous consent to have them printed in the RECORD and appropriately referred.

There being no objection, the resolutions were received, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTIONS AFFECTING NATIONAL POLICY ADOPTED BY THE CORN BELT LIVESTOCK FEEDERS ASSOCIATION IN CONVENTION AT SIOUX CITY, IOWA, MARCH 4 AND 5, 1948

DEPARTMENT OF AGRICULTURE FAR AFIELD

Whereas the United States Department of Agriculture frequently has gone far afield in its activities in recent years, often to the detriment of the industry which it was created to serve: Be it

Resolved, That we, the livestock feeders of the Corn Belt strongly recommend that the Department of Agriculture discontinue its unauthorized activities and limit its efforts to the functions prescribed by the laws under which it was created.

PRICE CONTROLS REDUCE MEAT SUPPLIES FOR THE CONSUMER

Whereas experience has shown that Government controls over the livestock and meat industry through rationing and price fixing tend to limit and discourage livestock production and thereby to decrease the supply of meat available to the Nation's consumers: Be it

Resolved, That the members of the Corn Belt Livestock Feeders Association in convention assembled hereby express their continued and unalterable opposition to all such Federal controls and their firm belief that the Nation as a whole is best served when the market controls exercised by the natural laws of supply and demand are given free and full opportunity to function.

WASHINGTON DEPARTMENTS MUST COOPERATE TO STOP FOOT-AND-MOUTH DISEASE

Whereas the members of the Corn Belt Livestock Feeders Association are fully aware of the great danger to the entire economy of the United States that has resulted from the presence of foot-and-mouth disease in the neighboring Republic of Mexico, and we realize that an outbreak of this disease in our own country would be disastrous to our own as well as to other industries and would have a most harmful effect on the entire national economy; and

Whereas we also realize that this problem is one of serious proportions to the entire Nation and that it is not a local or single industry matter; and

Whereas the fact that the disease is now in a neighboring country enlarges the difficulties to be encountered in any program of eradication and makes imperative constant and complete cooperation of the Department of State, the Department of Agriculture, and the Congress of the United States: Now, therefore, be it

Resolved by this organization in annual convention assembled, That we do urge upon the Government of the United States, and particularly upon our Department of State, our Department of Agriculture, and the Congress, that a vigorous program be adopted and followed for the purpose of eradicating foot-and-mouth disease from the North American Continent, and that all departments of our Government cooperate in such program and that the Congress grant adequate support to the agencies engaged in the work of eradication; be it further

Resolved, That, until such program of eradication has been successful and the disease has been eradicated, we urge that every possible precaution be taken to prevent the spread of the disease into this country and that there be no relaxation of vigilance in guarding against such possible spread.

The secretary of this organization is instructed to forward to the Secretary of Agriculture, the Secretary of State, the chairman of the Senate Committee on Agriculture and Forestry, the chairman of the House Committee on Agriculture, and to the respective chairmen of the Senate and House Committees on Appropriations, copies of this resolution.

ELIMINATE BRUCELLOSIS (BANG'S DISEASE)

Whereas Bang's disease continues to be a growing menace to the livestock industry and also is very dangerous to human health, it is the recommendation of this committee that the Corn Belt Livestock Feeders Association lend its active support to all practical efforts to control and ultimately eradicate this disease.

First. Encourage uniform legislation for regulation by livestock sanitary boards in the various State;

Second. Such laws and regulations should not necessarily interfere with the movement of cattle across State lines for the purpose of feeding for slaughter;

Third. We further recommend that the several State livestock feeding associations urge their State legislators to provide adequate financial support to the veterinary departments of their State agricultural colleges and livestock sanitary boards to enable them to continue to carry on research work toward the solution of the Brucellosis problem.

We also recommend that the president of this association appoint a permanent committee to make a further study of the problem from the producer-feeder standpoint, also of the position of the Bureau of Animal Industry, United States Department of Agriculture, and report at the next annual meeting.

DEPENDENT ON CENTRAL PUBLIC MARKETS

Whereas the interests at the central public livestock markets have been most helpful to the stockmen of the Middle West, not only in providing facilities and support for organizations like the Corn Belt Livestock Feeders Association but also in their day-to-day efforts to maintain maximum competition for our livestock and sell such stock for the highest possible prices: Now, therefore, be it

Resolved, That we, the members of the Corn Belt Livestock Feeders Association, express our appreciation for those services and acknowledge our dependence on the central public markets as the principal selling agents of our industry.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. CHAVEZ, from the Committee on Post Office and Civil Service:

S. 1537. A bill to increase the rate of compensation of heads and assistant heads of executive departments and of other officers; with amendments (Rept. No. 1113).

NATIONAL HOUSING—REPORT OF A COMMITTEE (PT. 2 OF REPT. NO. 140)

Mr. FLANDERS. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report favorably amendments to the bill (S. 866) to establish a national housing objective and the policy to be followed in the attainment thereof, to facilitate sustained progress in the attainment of such objective and to provide for the coordinated execution of such policy through a National Housing Commission, and for other purposes, reported by that committee on April 24, 1947, and I submit a report thereon.

The PRESIDENT pro tempore. Without objection, the report and amendments will be received and printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing a nomination, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN:

S. 2470. A bill to grant time to employees in the executive branch of the Government to participate, without loss of pay or deduction from annual leave, in funerals for deceased members of the armed forces returned to the United States for burial; to the Committee on Post Office and Civil Service.

By Mr. WILEY (by request):

S. 2471. A bill to amend section 259 of the Judicial Code, so as to increase to $15 per day the limit on subsistence expenses allowed to judges traveling pursuant to assignment to duty outside the circuits of their residence (with accompanying papers); to the Committee on the Judiciary.

By Mr. BROOKS:

S. 2472. A bill for the relief of the Interstate Construction Co.; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 2473. A bill to provide for the allocation of the cost of Davis Dam and Davis Dam Reservoir; to the Committee on Interior and Insular Affairs.

By Mr. VANDENBERG (by request):

S. 2474. A bill to authorize the furnishing of services and the temporary detail of United States employees to public international organizations; to the Committee on Foreign Relations.

By Mr. CORDON:

S. 2475. A bill to prevent inconsistency in determinations by the Veterans' Administration with respect to whether veterans' disabilities were incurred in combat with enemies of the United States; to the Committee on Finance.

S. 2476. A bill for the relief of Anacortes Shipways, Inc. (Pacific Shipways Division), and for other purposes; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. GURNEY):

S. J. Res. 207. Joint resolution to provide for the commemoration of the sesquicentennial anniversary of the establishment of the Department of the Navy; to the Committee on Armed Services.

ADMISSION OF CERTAIN EUROPEAN DISPLACED PERSONS—AMENDMENTS

Mr. BROOKS submitted amendments intended to be proposed by him to the bill (S. 2242) to authorize for a limited period of time the admission into the United States of certain European displaced persons for permanent residence, and for other purposes, which were ordered to lie on the table and to be printed.

PROPOSED CONSIDERATION BY UNITED NATIONS ASSEMBLY OF AMERICAN AND RUSSIAN DIFFERENCES—ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTION

Mr. FLANDERS. Mr. President, on March 19, 1948, I submitted Senate Concurrent Resolution 47, requesting that steps be taken to convene the General Assembly of the United Nations to consider the international situation involving the United States and Russia. Inadvertently the name of the Senator from Indiana [Mr. CAPEHART] was omitted as a cosponsor. I now ask unanimous consent that his name be added as a cosponsor of the concurrent resolution.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEAVES OF ABSENCE

Mr. THYE asked and obtained consent to be absent from the Senate on next Monday and Tuesday, April 12 and 13.

Mr. BROOKS asked and obtained consent to be excused from attendance on the floor of the Senate during Monday, Tuesday, and Wednesday, April 12 to 14, inclusive.

COMMITTEE MEETING DURING SENATE SESSION

Mr. SMITH asked and obtained permission for the Subcommittee on Health of the Committee on Labor and Public Welfare to meet this afternoon during the session of the Senate.

ALLOCATION OF DISMANTLED INDUSTRIAL PLANTS IN GERMANY

Mr. DWORSHAK. Mr. President, for several months the Senate has been endeavoring to obtain some accurate information from the State Department concerning the allocation of dismantled war industrial plants in the United States zone of Germany. When the members of the Committee on Appropriations visited western European countries, particularly Germany, last fall, there was a great deal of dissatisfaction with the program involving dismantled plants. When the committee conferred with General Clay in Berlin it was obvious that our military governor did not approve of many of the policies adopted, but he justified the procedure which was being followed by the agreements which had been reached under the terms of the Potsdam agreement.

During the debate on various measures, like that providing for the European recovery program, efforts have been made by the Committee on Foreign Relations to obtain the statistical data. I wish to pay tribute to the President pro tempore of the Senate, the chairman of the Committee on Foreign Relations, because I think he has consistently, although unsuccessfully, sought to present this vital information to the Senate.

Mr. President, I was amazed and shocked to read an Associated Press dispatch which just came over the ticker from Berlin, and I shall impose on the Senate to read a portion of the dispatch. It is as follows:

BERLIN.—Russia and her satellites have grabbed the lion's share of industrial reparations from the United States zone of Germany, Gen. Lucius D. Clay said in his monthly report today.

The American military governor said the U. S. S. R. and Czechoslovakia, Yugoslavia, Poland, and Albania, have received 63 percent of the reparations. He based his reckoning on monetary value.

Clay said that in the first 2 years of the reparations program these countries received from American occupation zone factories 74,783,297 marks worth of equipment. The prewar mark was valued at 40 cents.

This was nearly twice as much as was delivered to 12 western Allied nations, which, up to March 1, had received equipment with a combined value of 42,412,313 marks.

Russia alone collected about 30 percent of the total—36,113,245 marks worth.

Then the dispatch tells about the various allocations made to Poland, Yugoslavia, and the other nations behind the iron curtain.

The point I make at this time, Mr. President, is that under the Potsdam agreement, Russia and Poland were entitled to receive 25 percent of the dismantled plants from the United States zone in Germany, but the report made by General Clay at Berlin, according to the Associated Press, shows that Russia and Poland received not 25 percent but approximately 40 percent of the dismantled plants from the United States zone.

The justification is that those plants are a war potential so long as they remain in Germany. I should like to have the State Department tell the Senate and the American people whether those same plants maintain their war potential threat when they are dismantled in the German zone and removed to the countries behind the iron curtain.

As I have already pointed out, I know that General Clay is circumscribed in his efforts to administer the agreements made at Potsdam, but it seems to me that the entire program of dismantling the industrial plants is inconsistent with the efforts being made currently by the United States to make the German people, or at least the American zone of Germany, more self-sufficient.

Germany comes within the purview of the European recovery program, and, naturally, the more of these plants that are dismantled and shipped out of Germany, the more the United States will be called upon to provide the steel and the plants and the equipment which are necessary to replace the dismantled plants, in order to enable Germany not only to rehabilitate her own national economy but to assist in restoring the economy of the other 16 countries included in the ERP.

Mr. President, I wish to make one final point. While Russia and Poland are receiving 40 percent of the dismantled plants coming from our zone of Germany, it is known that 100 percent of the plants being dismantled in the Russian zone of Germany are being sent to Russia and her satellite powers. So here we have this rather incongruous picture: Russia and Poland are receiving 40 percent instead of 25 percent. Other countries behind the iron curtain are receiving other plants in addition to that 40 percent. Then Russia is receiving 100 percent of all the dismantled plants from the Russian zone in Germany.

Mr. President, I want to commend General Clay for submitting this report in Berlin so that the American people will have a clearer picture of what is being done to destroy the self-sufficiency of the German people.

AUTHORITY FOR BANKING AND CURRENCY COMMITTEE TO FILE REPORT

Mr. BRICKER. Mr. President, I ask unanimous consent that the Committee on Banking and Currency be permitted to file later in the day—possibly after the recess—a report on Senate bill 2288, to provide for the sale at cost of Public Housing Administration project No. W. Va.-46011. The staff has not yet completed its work on the amendments which were adopted yesterday, when the bill was unanimously ordered reported from the committee.

The PRESIDENT pro tempore. Without objection, permission is granted.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that Mr. CASE of New Jersey had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2389) for the relief of Harriet Townsend Bottomley, vice Mr. Springer, deceased.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commission, and offices, for the fiscal year ending June 30, 1949, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 13 and 17 to the bill, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate No. 1 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, April 8, 1948, he presented to the President of the United States the following enrolled bills:

S. 111. An act for the relief of Donat and Laura Laroche;

S. 805. An act authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the district embracing the east portion of Duchesne County and the west portion of Uintah County;

S. 1235. An act for the relief of Merchants Motor Freight;

S. 1306. An act relating to the construction and disposition of the San Jacinto-San Vicente aqueduct;

S. 1307. An act for the relief of Edward Trapier Rogers;

S. 1581. An act to provide additional time to the city of Newark, N. J., for paying certain installments on the purchase price of the Port Newark Army Base, and for other purposes;

S. 1794. An act to authorize the Houston Council, Navy League of the United States, to construct a reflecting pool at the United States Naval Hospital, Houston, Tex.;

S. 1799. An act to amend the act of June 3, 1916, as amended, to make it applicable to the Canal Zone, Guam, American Samoa, and the Virgin Islands; and

S. 2081. An act to extend the provisions of the Federal Airport Act to the Virgin Islands.

COMPENSATION TO VETERANS TRAINING ON THE JOB—CONFERENCE REPORT

Mr. WHERRY. Mr. President, several Senators have inquired what disposition had been made of the conference report on Senate bill 1393. For the RECORD, I should like to refer them to the colloquy which occurred the first of this week, which was substantially to this effect: That until the senior Senator from Ohio [Mr. TAFT] returned, the conference report was to be temporarily set aside and considered either the last of this week or the first of next. We hope that at that time the conference report will be given the right of way. It has been temporarily set aside by motions which have been made, but it will be disposed of at the earliest possible moment, when the Senator from Ohio can be present and ready to debate further the point of order which has been raised.

TRANSFER OF REMOUNT SERVICE

The Senate resumed the consideration of the bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oklahoma [Mr. THOMAS] to refer to the Committee on Agriculture and Forestry the bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Baldwin	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Brewster	Hoey	Overton
Bricker	Holland	Pepper
Bridges	Ives	Reed
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Capehart	Kilgore	Smith
Capper	Knowland	Stennis
Chavez	Langer	Taylor
Cooper	Lodge	Thomas, Okla.
Cordon	Lucas	Thomas, Utah
Donnell	McCarran	Thye
Downey	McCarthy	Tobey
Dworshak	McClellan	Vandenberg
Ecton	McFarland	Watkins
Ellender	McKellar	Wherry
Ferguson	McMahon	Wiley
Flanders	Martin	Williams
Fulbright	Maybank	Wilson
Green	Millikin	Young
Gurney	Morse	

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate on official committee business.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from West Virginia [Mr. REVERCOMB] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness in his family.

The Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate.

The Senator from Texas [Mr. CONNALLY] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Seventy-seven Senators having answered to their names, a quorum is present.

Mr. THOMAS of Oklahoma. Mr. President, the pending motion is one made by myself to refer House bill 3484 to the Committee on Agriculture and Forestry for further consideration and report.

The bill passed the House at the last session of Congress and came to the Senate and was referred to the Committee on Armed Services, a proper reference at that time. The bill proposed to make disposition of four remount stations, former military establishments engaged in the business of producing horses for the Cavalry and Artillery, which are parts of the Army. The Army is now almost entirely mechanized, and has no further use, so the Secretary says, for the production of horses to be used either in the Cavalry or in the Artillery.

As I stated, the bill was referred to the Committee on Armed Services to consider the recommendation of the Secretary of War, which was to get rid of the remount services. I contend that the Armed Services Committee was the proper committee to which the bill should have been referred in the first instance. But after the Committee on Armed Services had considered the bill and acted favorably upon the recommendation of the Secretary of War, that committee had no further jurisdiction over the lands comprised in the four remount stations. I contend that the Armed Services Committee has no jurisdiction or authority to make a recommendation with respect to the work which comes under the Department of Agriculture. I made that point at the last session of Congress. The chairman of the Armed Services Committee [Mr. GURNEY] recognized the point immediately and asked unanimous consent that the bill be referred to the Committee on Agriculture and Forestry.

At that time the Senator from Oregon [Mr. MORSE] who is interested in the bill, was not present, and I had to object to that request, not because I did not want the bill to go to the committee, but because the Senator from Oregon, who was interested, was not present. The bill has come before the Senate on many occasions; but because there was not time to consider it adequately, I had to object.

Mr. President, I have no objection to the remount station in Virginia being continued as a remount station under the Department of Agriculture. The land there is rough and ragged. It produces good grass, but it cannot be economically cultivated. I have no objection, if the Senators from Virginia so desire, to continuing the remount station at Front Royal. So far as I am concerned, I am in entire agreement.

I have no objection to the remount station at Fort Robinson, Nebr., being continued, if the Senators from Nebraska so desire. I understand that there is a large tract of land there which is not good for much except growing grass. It may be an ideal ranch for the production of horses; and if the Senators from Nebraska wish to have that station continued as a remount station, I have no objection.

The third remount station is located at Pomona, Calif. If the Senators from California wish that station continued, I certainly have no objection. But I do object, and the State of Oklahoma objects, to continuing the breeding of horses on the Fort Reno Military Reservation located in my State.

In order that the RECORD may be complete—and I shall take only sufficient time to make it complete—I shall have to dwell for a moment on the issue. Oklahoma is an Indian country. In the early days the Indians were scattered all over the central-western area of the United States. They were known in the main as the plains Indians. As the white people moved west from the east and moved east from the west, moved south from the north, and north from the south, they finally came to the center of the United States, which is Oklahoma. That was the last frontier, so to speak. So as the white people drove the Indians from the east west and from the west east, they had to concentrate them somewhere, and they finally concentrated the remnants of the Indian tribes in Oklahoma. As a result, we have there today the remnants of 52 tribes of Indians.

In the early days all this land belonged to the Indian tribes of my State. As the surrounding States were settled, the white people began to crowd in upon the Indians, and after a while the Government divided Oklahoma into Indian reservations. The Government gave a large tract in the central portion of the State to two tribes of Indians, known as the Cheyennes and the Arapahos. That tract is in the west-central section of the State, and it embraces some of the best land in the State. This land is either on the Canadian River or adjoining the Canadian River; it is in the wheat belt of Oklahoma. My State produced last year more than 100,000,000 bushels of wheat, and the farmers who held the wheat sold it for more than $3 a bushel. That gave an income last year to the wheat-producing sections of my State of approximately $300,000,000 from the production of wheat.

This particular reservation is in the wheat belt of Oklahoma. Much of the land in question will produce wheat; much of it will produce alfalfa, and it is now producing alfalfa; much of it will produce cotton, and it is now producing cotton; much of it will produce corn, and it produced corn last year.

Yesterday, I heard the distinguished Senator from Oregon [Mr. MORSE] state that if this land were plowed up, it would blow away. Mr. President, we did have some dust storms in the northwestern section of Oklahoma a few years ago. The dust-storm area seemed to center at the apex or the junction points of Colorado, Kansas, Oklahoma, Texas, and New Mexico. There is one small point where all those States corner. That point is near the foothills of the Rocky Mountains. It is rather high, and the dust storms were rather severe a few years ago; but not so today.

Last year this land, which formerly was included in the Dust Bowl, produced wheat to the extent of 60 bushels an acre, and the farmers who held the wheat and sold it for such high price, received some $3 a bushel for such wheat. So last year a single acre of that former dust-bowl land in the northwestern part of Oklahoma produced some three times $60, or $180 an acre.

The land in the Fort Reno Reservation is a long way removed from the Dust Bowl. If it had been planted in wheat last year, it might have produced 60 bushels of wheat an acre, because last year was one of the best years we have ever had for the production of wheat.

As I have said, this land once belonged to the Cheyenne and Arapaho Tribes of Indians. Long ago the War Department decided it would like to have a military reservation there, so the Secretary of War made an appeal to the President, and a military reservation was set aside.

The first exhibit I wish to present for the RECORD is an application and memorandum signed by Robert T. Lincoln, Secretary of War, and sent to the Presi-

dent. It is dated July 17, 1883. This memorandum is a recommendation that a military reservation be created within the Cheyenne and Arapaho Indian Reservation, and the memorandum was approved by President Chester A. Arthur on July 17, 1883. Mr. President, I ask that the petition and the approval be placed in the RECORD at this point.

There being no objection, the petition and approval were ordered to be printed in the RECORD, as follows:

FORT RENO MILITARY RESERVE

WAR DEPARTMENT,
Washington City, July 17, 1883.

To the PRESIDENT:

SIR: Upon recommendation of the post commander, concurred in by the commanding general, Department of the Missouri, and the lieutenant-general, I have the honor to request that the following-described tract of land in the Indian Territory, located within the limits of the Cheyenne and Arapaho Indian Reservation, created by the Executive order dated August 10, 1869, be duly declared and set apart by the Executive as a military reservation for the post of Fort Reno, viz:

Beginning at the northwest corner of section 28, township 13 north, range 8 west of the Indian meridian, and running thence east to North Fork of the Canadian River; thence down this stream to the range line between ranges 7 and 8 west of the Indian meridian; thence south on said range line to the southeast corner of section 36, township 13 north, range 8 west of the Indian meridian; thence east to the northeast corner of township 12 north, range 8 west of the Indian meridian; thence south to the southeast corner of section 12 of said township; thence west to the southwest corner of section 9 of said township; thence north to the northwest corner of section 4 of said township; thence west to the southwest corner of section 33, township 13 north, range 8 west of the Indian meridian; thence north to the point of beginning, containing an area of about 14⅝ square miles, or 9,493 acres.

A sketch showing the proposed reservation is inclosed herewith, and the Interior Department reports that there is no objection on the part of the Indian Office to the setting apart for military purposes exclusively of the tract of land herein described.

I have the honor to be, sir, with great respect, etc.,

ROBERT T. LINCOLN,
Secretary of War.

EXECUTIVE MANSION,
Washington, July 17, 1883.

The within request is approved, and the reservation is made and proclaimed accordingly.

The Secretary of the Interior will cause the same to be noted in the General Land Office.

CHESTER A. ARTHUR.

Mr. THOMAS of Oklahoma. Mr. President, the document I have just presented for printing in the RECORD shows the creation of the Fort Reno Military Reservation.

After the country became settled and when the War Department saw there was no occasion for maintaining a military reservation there any longer for the protection of the white people from the Indians, or the Indians from the white people, it converted this reservation into a remount station for the production of horses for the cavalry and for the artillery. The reservation was maintained as a remount station for many years; indeed, until the War Department decided that it did not need to produce horses for the cavalry any longer because the cavalry was becoming mechanized, and it did not need to produce horses for the artillery any longer because the artillery likewise was becoming mechanized. So, having no further use for horses, the War Department decided that it would go out of the remount-station business and recommended that these lands, heretofore used for remount-station purposes, be removed from its jurisdiction and control and turned over to some other department of the Government.

About the time when the War Department decided to discontinue the remount-service program, a bill was introduced by myself in the Senate to subdivide the Fort Reno Reservation lands into a number of tracts and to make them available for returned veterans from World War I and World War II. At that time the War Department was not satisfied that it was through with the Fort Reno Station, and an adverse recommendation was made upon my bill.

During the last session of Congress another bill was introduced, and at that time the Department made a favorable report upon the bill. For the RECORD I submit the report of the Secretary of War, Mr. Robert P. Patterson, dated May 22, 1947. I wish to call attention to just one or two statements included in the report. Mr. Patterson said:

This report stated that the need for horses in military operations had virtually disappeared.

He further states that the bill, if passed, will transfer these lands to the Department of Agriculture, with all their equipment.

Mr. President, I file this report for the RECORD, for printing at this point in connection with my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT,
Washington, D. C., May 22, 1947.

Hon. W. G. ANDREWS,
Chairman, Committee on Armed Services, House of Representatives.

DEAR MR. ANDREWS: The War Department recommends the enactment of H. R. 3484, Eightieth Congress, a bill to transfer the Remount Service from the War Department to the Department of Agriculture.

The purpose of the bill is to transfer the records, property, real and personal, and civilian personnel of the Remount Service of the Quartermaster Corps, War Department, to the Department of Agriculture effective July 1, 1947, with the proviso that prior to this date, the respective Secretaries shall enter into a written agreement on the property and personnel covered by this transfer. Until June 30, 1948, the Secretary of War is further authorized to detail to the Department of Agriculture such military personnel as he may determine with the Secretary of Agriculture to be required to carry out the provisions of the bill or safeguard the interest of the United States. Section 2 of the bill authorizes the Secretary of Agriculture to receive said property and to carry on the program under such rules and regulations as are deemed necessary by him.

The War Department in a letter addressed to your committee, dated April 23, 1947, forwarded a report on H. R. 2866, Eightieth Congress, a bill similar in intent to H. R. 3484. This report stated that the need for horses in military operations had virtually disappeared. Consequently, it was determined that the horse-breeding program should be terminated not later than June 30, 1947. The report further stated that the War Department considered it was not the proper agency to continue this program as a civil function of the Federal Government. Certain amendments were also suggested to H. R. 2868.

It is noted that the suggested amendments have been incorporated in H. R. 3484. In view of these considerations, the War Department recommends that H. R. 3484 be enacted into law.

The Department is unable to estimate the administrative cost incident to the transfer of the property and records as a result of the proposed legislation.

Due to the limitation of time this report is submitted without a determination by the Bureau of the Budget as to whether it conforms to the program of the President.

Sincerely yours,

ROBERT P. PATTERSON,
Secretary of War.

Mr. THOMAS of Oklahoma. Mr. President, following that report a request was made of the Department of Agriculture for a report on the bill. On May 20, 1947, Mr. N. E. Dodd, then Acting Secretary of Agriculture, made such a report. Mr. Dodd recommended that the bill be approved and that the Department of Agriculture continue the Remount Service by keeping supervision over these four stations and continuing the production of horses for some purposes not at that time made entirely clear.

At this point, Mr. President, I wish to call attention to what the pending bill provides. It provides that the Department of Agriculture shall continue the production of horses for the following purposes: For "lending for use in fairs, shows, and other events, or otherwise"—

Mr. President, the people of my State are not agreeable to having the Department of Agriculture continue the operation of the Fort Reno military station for the production of horses to be shown at fairs and otherwise. We want this land divided into suitable units under the Bankhead-Jones Farm Tenant Act and the lands made available to the ex-servicemen of World War I and World War II.

Mr. President, it was on May 20, 1947, that Mr. Dodd reported. Mr. Anderson apparently was not in the city at that time, but he returned in June. So Mr. Anderson, the Secretary of Agriculture, made a report on this bill on June 19, 1947. I desire to read one paragraph from Mr. Anderson's report, as follows:

In view of the possibility of the transfer of this function to the Department of Agriculture, and since the Department has had no opportunity or occasion to survey the activity or to determine the scope of the program if the function should be transferred, we are unable at this time to make a definite recommendation regarding S. 718.

Mr. President, that was a bill having the same purpose as the bill now before the Senate so far as my amendment is concerned. I desire to have the letters of Mr. Dodd and Mr. Anderson placed in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, May 20, 1947.

Hon. W. G. ANDREWS,
Chairman, Committee on Armed Services, House of Representatives.

DEAR MR. ANDREWS: This is in reply to your request of May 17, 1947, for a report on H. R. 3484, which provides for the transfer of the Remount Service from the War Department to the Department of Agriculture effective July 1, 1947.

This Department does not now provide breeding service for any species of farm animals, although animals occasionally are placed with cooperators, through State experiment stations, to obtain breeding data. Transfer of the Remount Service would constitute a precedent in this respect. Several other countries, however, maintain Government studs for the improvement of horses as well as other livestock.

There is an increasing demand for light horses for use on farms and ranches and for recreational purposes, and it is desirable that there be a continuing program for the improvement of light horse breeds for such purposes. Such a program will also provide an additional source of income to farmers and ranchers.

The breeders with whom stallions are now placed are permitted to charge a breeding fee not to exceed $20 per service and retain all such fees as part of the cost of maintaining the stallions. It may be that any action to require the return to the Federal Government of any part of the breeding fees or of any increase in breeding fees authorized for the purpose might result in decreased breeding operations and decreased colt crop. Moreover, the costs of collecting and handling any such portions of fees might be prohibitive and the amount collected might be insignificant compared with losses to farmers in replacement of light horses for agricultural purposes. However, serious consideration will be given to possible means of making the program partially self-supporting.

If this activity is transferred to the Department of Agriculture, it is estimated that an annual appropriation of about $850,000 would be required for its operation, including $628,000 for personal services and $222,000 for other objects. It is our understanding that the War Department estimates total costs of this activity for the fiscal year 1947 at $2,177,225, including $965,275 for civilian personnel, $448,000 for pay and allowances of military personnel, and $763,950 for other objects of expenditure.

We suggest elimination of the semicolon after "stock" on page 2, line 7. This change would make clear what authority is being granted with reference to land, buildings, and facilities.

This Department recommends passage of the bill.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely,

N. E. DODD,
Acting Secretary.

JUNE 19, 1947.

Hon. CHAN GURNEY,
Chairman, Committee on Armed Services, United States Senate.

DEAR SENATOR: This is in response to your request of March 3, 1947, for a report on S. 718, a bill to provide for the disposition of lands comprising the Fort Reno Military Reservation in Canadian County, Okla.

Section 1 of the bill directs the transfer of certain specified lands to the Secretary of Agriculture. Section 2 directs that all of the lands transferred, except the lands to be granted to the city of El Reno, Okla., under section 3, which are suitable for farming purposes, shall be divided into economic family-sized units of not more than 200 and not less than 80 acres, and sold in a manner consistent with the provisions of title I of the Bankhead-Jones Farm Tenant Act, as amended.

The lands comprising the Fort Reno Military Reservation are presently being operated as a remount service depot of the Army in the development of light horses for military purposes, being one of four such depots. These four depots, together with four area headquarters and a supervisory unit in Washington, comprise the present Army Remount Service.

As you are no doubt aware, there is no provision in the War Department 1948 budget for continuing the Army Remount Service, and there has been some discussion regarding the transfer of this Service to the Department of Agriculture for continuation as a horse-breeding program as an aid to agriculture. In fact, bills (H. R. 2868 and S. 1034) were recently introduced to accomplish this.

In view of the possibility of the transfer of this function to the Department of Agriculture, and since the Department has had no opportunity or occasion to survey the activity or to determine the scope of the program if the function should be transferred, we are unable at this time to make a definite recommendation regarding S. 718. However, it is known that the Fort Reno Reservation is an important unit in the Remount Service and, we believe, its retention should be given serious consideration.

In the event that your committee desires to give consideration to such bill at this time, we would like to suggest for your consideration the following matters:

As drafted, the provisions of the bill might make it impossible to sell any of the land described therein to disabled veterans in less than economic family-type units, whereas section 1 (c) of the Bankhead-Jones Farm Tenant Act, as amended, provides, in part, that loans may be made for the acquisition of less than economic units "to veterans who have pensionable disabilities to enable such veterans to acquire, enlarge, repair, or improve farm units of sufficient size to meet the farming capabilities of such veterans and afford them income which, together with their pensions, will enable them to meet living and operating expenses and the amounts due on their loans."

Section 2 of the bill contains direct authority for the sale of all lands transferred which are suitable for farming and which can be subdivided into economic family-sized units. Conceivably, some of the lands to which section 2 is applicable may not be suitable for farming or there may be some tracts of land which cannot properly be attached to the economic family-sized units established. Authority should be provided for the disposition of such odd tracts as cannot be disposed of under the pattern of the bill. There may be need for authority to sell some building salvage material separate from the land on which the buildings are located. Such authority is provided in section 43 of the Bankhead-Jones Farm Tenant Act with respect to the subdivision and sale of personal property and economic family-type farm-management units of lands formerly comprising the resettlement projects and projects for rural rehabilitation. Section 43 (d) of that act provides that real and personal property comprising such projects determined by the Secretary not to be suitable for use as family-type farms shall be disposed of at public or private sale at the best price obtainable for cash or for credit with at least 20 percent cash and the balance in five equal annual installments. It would also be helpful in the servicing of credit sales under the act if the other provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended, could be made applicable to these lands.

Section 1 (b) (2) of the Bankhead-Jones Farm Tenant Act, as amended, defines a veteran for the purposes of that act as a person "who served in the military or naval forces of the United States during any war between the United States and any other nation, and who shall have been discharged or released therefrom under conditions other than dishonorable." The Surplus Property Act of 1944, as amended, defines a veteran as "any person in the active military or naval services of the United States during the present war, or any person who served in the active military or naval services of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under honorable conditions." The bill provides for the preferential disposition of family-sized farms to veterans as defined in the Surplus Property Act for the period from the date of enactment of the bill to and including June 30, 1949. It would be simpler of administration if the definition of veterans in the Bankhead-Jones Farm Tenant Act is used rather than the definition in the Surplus Property Act of 1944.

The foregoing suggestions could be accomplished by the revision of section 2 of the bill to read as follows:

"SEC. 2. All lands transferred pursuant to section 1 of this act, except that portion specified in section 3 of this act, shall be disposed of by the Secretary of Agriculture as expeditiously as possible in a manner consistent with the subject to the terms and conditions of the Bankhead-Jones Farm Tenant Act, as amended (50 Stat. 522, 60 Stat. 1062), and otherwise administered in accordance with said act: *Provided*, That during the period from the date of the enactment of this act to and including June 30, 1949, all sales of such lands pursuant to the provisions of title I of the Bankhead-Jones Farm Tenant Act, as amended, shall be only to veterans as defined in section 1 (b) (2) of said act."

Section 43 (b) of the Bankhead-Jones Farm Tenant Act, as amended, which would be applicable under the foregoing language contains specific authority to make loans to the purchasers if appropriations are made therefor by Congress. The last sentence in section 2 of the bill would therefore be unnecessary.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely yours,

CLINTON P. ANDERSON,
Secretary.

Mr. THOMAS of Oklahoma. Mr. President, I said a moment ago that the lands in question were formerly Indian lands. They were taken from the Indians by an Executive order. The Indians were not paid for this land. They may have been paid a nominal sum of 30 cents an acre, say, or 50 cents an acre, but they were not paid any sum commensurate with the value of the lands. The Indians therefore are now claiming that the lands should be returned to them, since the War Department has ceased to use them for the purpose for which they were originally taken.

I have before me a letter from the Assistant Commissioner of Indian Affairs, Mr. William Zimmerman, Jr., in which he states:

> The Cheyenne and Arapaho Indians believe that they still have not merely an interest in but a prior right to these lands and that when they are no longer needed for military purposes they should be returned to them.

The Indians, through the Commissioner of Indian Affairs, are claiming that the lands should be returned to their

reservation and they should have the benefit of them. I ask that the complete letter of the Assistant Commissioner of Indians Affairs be placed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, D. C., February 13, 1948.

Hon. ELMER THOMAS,
United States Senate.

MY DEAR SENATOR THOMAS: Receipt is acknowledged of your letter of January 28, enclosing a copy of your reply of the same date to a communication received from John Fletcher, a Cheyenne-Arapaho Indian, relating to the reversion to the Cheyenne and Arapaho Tribes of lands comprising the Fort Reno Military Reserve, which are no longer needed for military purposes.

In connection with your inquiry relating to the equity held by the Cheyenne and Arapaho Indians, the following is quoted from our letter of August 21, in reply to your letter of July 29, 1947:

"The land embraced in the Fort Reno Military Reserve was formerly a part of the Cheyenne and Arapaho Indian Reservation. By article II of the treaty with the Cheyenne and Arapaho Indians, ratified by section 13 of the act of March 3, 1891 (25 Stat. 989, 1022), the Indian title to this and certain other reservation lands was extinguished. The compensation which the Indians received, approximately 50 cents an acre, was obviously inadequate. The inadequacy of this amount has been recognized by Congress, in subsequent legislation which authorized the sale of certain of the ceded lands reserved for schools and other purposes, to which the Indian title had likewise been extinguished, and provided that the proceeds received from the sale thereof should be made available for the benefit of the Indians. See section 12 of the act of May 29, 1908 (35 Stat. 444, 447–448), and the act of June 17, 1910 (36 Stat. 533).

"The Cheyenne and Arapaho Indians believe that they still have not merely an interest in but a prior right to these lands and that when they are no longer needed for military purposes they should be returned to them. As early as 1934 the tribe requested that the lands embraced in the Fort Reno Military Reserve be turned over to them with a view to providing land for some of the landless Indians of the reservation.

"As Congress has already acknowledged the equity of the Indians in lands of similar status, as indicated above, I have hoped that the Congress would confirm this equity by returning full title to the Indians. Since the war the Indians have been urging that the land be made available to landless Indian veterans."

In connection with the legislation mentioned in your letter S. 718, we are recommending that the Department request that this bill be amended to effect the returning of the land to the Cheyenne and Arapaho Indians for assignment to Indian veterans of World War II.

Sincerely yours,
WILLIAM ZIMMERMAN, Jr.,
Acting Commissioner.

Mr. THOMAS of Oklahoma. Mr. President, the Cheyenne and Arapaho Indians have employed an attorney to represent them before the Court of Indian Claims. The attorney is a gentleman by the name of William Howard Payne. Mr. Payne has prepared a memorandum setting forth the claims of the Indians. I have a copy of his report, and I ask that the complete report prepared by Mr. Payne setting forth the reasons why the lands should be returned to the Indians be placed in the RECORD at this point in connection with my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM—CHEYENNE-ARAPAHO TRIBES OF OKLAHOMA—RE FORT RENO LANDS

Five million one hundred and thirty-eight thousand five hundred and sixty acres of land were set aside for the use and benefit of the Cheyenne and Arapaho Indians by virtue of Executive order of President Grant dated August 10, 1869. Ey Executive order of President Chester A. Arthur, dated July 17, 1883, 9,493 acres of said lands were set apart as a military reservation known as Fort Reno. There is no record of compensation to the Cheyenne-Arapaho Indians for the taking of the Fort Reno lands. (Copies of the two Executive orders are attached hereto.)

The act of March 3, 1891 (26 Stat. 1022–26), section 13, ratified an agreement dated, "the —— day of October 1890" between the United States Government and the Cheyenne and Arapaho Tribes in the Indian Territory. A treaty concluded by the same parties on October 28, 1867 (15 Stat. 593), provided that its provisions could only be changed with the consent of 75 percent of adult male Indians.

The agreement of 1890 (ratified by Act of March 3, 1891) provided essentially that the Cheyenne-Arapahos relinquish all their lands and as consideration were to receive (1) allotments in severalty amounting to 160 acres for all individuals of the Tribes, and (2) $1,500,000 in cash. The sum of $1,500,000 was appropriated by section 15 of the said Act and expended for or paid to the Cheyenne-Arapaho Indians according to the terms of the agreement. Approximately 530,000 acres of land were allotted in severalty. Approximately 3,500,000 acres were opened for settlement. Approximately 232,000 acres were reserved for public schools. The Fort Reno lands had already been taken and reserved for military use. It has been variously asserted that the Cheyenne-Arapaho Indians received 30 to 50 cents per acre for the lands relinquished.

If it could be logically asserted that the agreement ratified in 1891 vested in the United States title to the Fort Reno lands which had already been taken from the Indians by Executive order, the Congress has since recognized the hard bargain by compensating the Cheyenne-Arapaho Indians either by cash proceeds from sale of certain of the said lands or by returning the said lands to the use and benefit of the tribes.

The following acts of Congress are cited:

1908; Public Law 156 (60th Cong.) 35 Statutes 447, section 12: The Congress, upon a showing that the Darlington tract of 640 acres was no longer needed for its original purpose, authorized the sale of the land and improvements and the deposit of the proceeds thereof in the Treasury to the credit of the Cheyenne-Arapaho Indians.

1910; Public Law 215 (61st Cong.) 36 Statutes 533: Upon a showing that certain lands of the former Cheyenne-Arapaho Reservation were no longer required for purpose of original reserve, the Congress authorized sale under the homestead laws at not less than $5 per acre and the proceeds thereof to be paid into the Treasury to the credit of Cheyenne-Arapaho Indians and to draw 3-percent interest per annum.

1938; Public Law 480 (75th Cong.) 52 Statutes 213: Certain lands eliminated from the Seger School reserve and set aside for the use and benefit of the Cheyenne-Arapaho Indians. No allotments in severalty permitted.

1942; Public Law 419 (77th Cong.) 56 Statutes 21: Vested title in certain lands formerly in the Cheyenne-Arapaho Reservation in the United States in trust for the Cheyenne-Arapaho Indians.

Copies of the above acts are attached hereto.

The Cheyenne-Arapaho Indians have consistently over a long period of years objected to the agreement of 1890 on the grounds it was not signed by 75 percent of the adult males of the tribes and that the consideration of less than 50 cents per acre for lands so relinquished was inadequate. Their claim has been recognized by the above four acts of Congress in connection with lands formerly in the Cheyenne-Arapaho Reservation. The Congress in these acts, has either restored the lands (no longer needed for the original purpose) or has credited the proceeds of sale thereof to the Cheyenne-Arapaho Tribes. A strong moral claim, if not legal rights, has thus been recognized by the Congress.

Fort Reno obviously is no longer required or useful for military purposes. The Fort Reno lands were taken from the tribes by Executive order in 1883 without compensation. It is difficult how the tribes could be said to relinquish these lands, which they no longer controlled, by the agreement of 1890.

The Cheyenne-Arapaho Tribes of Oklahoma desire the return of the Fort Reno lands for their use and benefit rather than the proceeds from the sale thereof. The Bureau of Indian Affairs has received a report dated October 13, 1947, from its district director at Oklahoma City, recommending that the Fort Reno land (and not money) be returned to the said tribes. A copy of this report is attached hereto.

Senator MORSE has introduced S. 2007 to reserve to the United States all oil, gas, etc., minerals of the Fort Reno Military Reservation. The bill itself indicates there is doubt in connection with title thereto in the United States. The Department of the Interior is in process of preparing at this time a report on this bill and it is believed that recommendation will be made to amend the bill to vest said title in the Cheyenne-Arapaho Tribes of Oklahoma.

The Department of the Interior is also in process of reporting on S. 718 and H. R. 2289 and it is believed that recommendation will be made to amend these bills to vest title to said lands in the Cheyenne-Arapaho Tribes of Oklahoma.

For similar reasons the Department of the Interior indicates opposition to H. R. 3484 and probably would testify at future hearings if this bill is rereferred to the Senate Committee on Agriculture.

The Cheyenne-Arapaho Indians of Oklahoma vigorously urge that they have an opportunity to be heard on any proposed legislation affecting the Fort Reno lands.

Your attention is also respectfully called to committee print of the Armed Services Committee of the Senate entitled "Disposition of Certain Surplus Military Posts, Camps, and Stations." Legislation is proposed therein to permit priorities in purchase by States, counties, and political subdivisions, second only to agencies of the Federal Government. This proposal is inimical to the interest of the Cheyenne-Arapaho Tribes of Oklahoma with respect to Fort Reno.

Respectfully submitted.
WILLIAM HOWARD PAYNE.

Mr. THOMAS of Oklahoma. Mr. President, that is not all. The Department of Justice wants some of the lands. That Department has on one corner of the reservation a reformatory or penitentiary for Federal prisoners. The Department of Justice wants certain additional lands upon the reservation to be added to the lands it already occupies,

I present a letter for the RECORD enclosing a report signed by the Attorney General, in which the Attorney General asks that a portion of the lands be set aside for the benefit of the Department of Justice to be used in connection with the Federal reformatory. I ask that this letter be made a part of the RECORD.

There being no objection, the letter, and the report were ordered printed in the RECORD as follows:

UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, June 3, 1947.

Hon. ELMER THOMAS,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR THOMAS: There is enclosed herewith a copy of the remarks of the Attorney General of the United States on S. 718, your bill to provide for disposition of lands comprising the Fort Reno Military Reservation in Oklahoma.

The report of the War Department was forwarded to you on May 26. A report has also been requested from the Department of Agriculture, and immediately upon receipt of the report, a copy will be forwarded to you.

Sincerely yours,

JOHN G. ADAMS,
Chief Clerk.

Hon. CHAN GURNEY,
Chairman, Committee on Armed Services,
United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: I invite your attention to a bill (S. 718) to provide for disposition of lands comprising the Fort Reno Military Reservation in Canadian County, Okla.

The bill would authorize and direct the Secretary of War to transfer to the Secretary of Agriculture the control and jurisdiction of all of the lands situated in Canadian County, Okla., included in the Fort Reno Military Reservation, except that portion containing 1,000 acres which the Secretary of War was directed by the act of May 24, 1937 (50 Stat. 200) to transfer to the control and jurisdiction of the Attorney General as the permanent site for the United States Southwestern Reformatory. The Secretary of Agriculture would be authorized to subdivide the land transferred to his jurisdiction, which is suitable for farming, and sell the same in family-size units of not more than 200 and not less than 80 acres, excepting, however, portions of said site lying in sections 26, 27, 34, and 35, which the bill directs shall be granted to the city of El Reno, Okla., upon such conditions as may be mutually agreed upon.

The United States Southwestern Reformatory was established pursuant to an act of Congress, dated May 27, 1930 (46 Stat. 388) and possession of the tract of land excepted by the provisions of the bill was taken by the Bureau of Prisons under a permit of the Assistant Secretary of War dated April 20, 1936. The jurisdiction of this tract was transferred to the Attorney General by the act of May 24, 1937 (50 Stat. 200) for use as the permanent site of the reformatory.

In addition to this tract, and for the expanding needs of the United States Southwestern Reformatory, the Bureau of Prisons has obtained permits covering other lands within the Fort Reno Military Reservation which have been developed for and devoted to uses of the reformatory. By permit dated May 31, 1943, the Secretary of War authorized the use of a tract of land, containing 2.9 acres, in the northeast quarter of section 1, township 12 north, range 8 west, being the location of a sewage disposal plant, and the use of adjoining land in the same section and in the southeast quarter of section 36, township 13 north, range 8 west, for rights-of-way for sewer, water lines, electric lines, and roadways. By permit dated June 20, 1946, the Secretary of War authorized the use of sections 9, 10, and the west 2,168.02 feet of section 11, township 12 north, range 8 west, containing 1,568.13 acres, more or less, for grazing and dairy purposes. By permit dated February 25, 1947, effective as of July 10, 1946, the Secretary of War authorized the use of the east half northeast quarter and north half northeast quarter southeast quarter of section 1, township 12 north, range 8 west, containing 100 acres, more or less, being the site of the former prisoner-of-war camp.

The Bureau of Prisons needs the use of these additional lands now being held under permits from the Secretary of War and it is felt that the operations of the reformatory will be seriously jeopardized if any of the land now under its control is disposed of by sale to private individuals. It also appears that recurring claims may arise against the Government if private individuals acquire the portions of the land in the Fort Reno Military Reservation which are now used and serve as an affluent to the sewage disposal plant of the reformatory. It is recommended that the title to the lands developed and used by the Bureau of Prisons in connection with the above-mentioned permits be retained by the United States for the future use of the Southwestern Reformatory. This may be accomplished by the following amendment to the bill:

Strike from section 1 of the bill all of the language following the word "Reservation" in line 7, page 1, and substitute therefor the following:

"All of sections 2, 3, 4, township 12 north, those portions of sections 25 and 26 lying south of the North Canadian River, that portion of the west half of the west half of the northwest quarter of section 26 lying west of the North Canadian River channel change, all of sections 27, 28, 33, 34, and 35 and the west half and northeast quarter of section 36, township 13 north, range 8 west, Indian meridian."

Add to the bill a new section to be known as section 5, as follows:

"SEC. 5. The Secretary of War is authorized and directed to transfer to the control and jurisdiction of the Attorney General for use by the Bureau of Prisons in connection with the United States Southwestern Reformatory, all of sections 1, 9, 10, 11 (except that portion of section 11 which together with all of section 12, was transferred by the Secretary of War to the control and jurisdiction of the Attorney General, pursuant to the act of May 24, 1937 (50 Stat. 200)) township 12 north and the southeast quarter of section 36, township 13 north, all in range 8 west, Indian meridian, and being a portion of the lands originally established as the Fort Reno Military Reservation."

I have been advised by the Director of the Bureau of the Budget that there is no objection to the submission of this report.

With kind personal regards.

Sincerely yours,

TOM C. CLARK,
Attorney General.

Mr. THOMAS of Oklahoma. Mr. President, on the reservation there is a building center containing many buildings. It is the headquarters of the fort. In connection with the headquarters is a fine hospital. The improvements are located within a few miles of the city of El Reno, which is the county seat of Canadian County, containing a population numbering many thousands. The city has not an adequate hospital, but it needs and wants a hospital. So, it has applied to the Government for permission to acquire the hospital located on the Fort Reno military reservation. In the event permission is granted and the hospital is obtained, it will be maintained for the city of El Reno and Canadian County, in the nature of a public hospital.

In addition to the hospital, which in my opinion should go to the city of El Reno, the Oklahoma State Historical Society wants to acquire a small tract of land on which Sheridan's headquarters were established when the fort was first organized away back in the middle of the last century. I think this is a small tract of land, which with the building known as Sheridan's headquarters, should be given over to the State historical society, to be maintained as a museum. I submit for the record at this point a letter from former Gov. Robert L. Williams, president of the State historical society. With his letter is a copy of a letter sent by him to the Secretary of War. I ask that these data be placed in the RECORD at this point in connection with my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OKLAHOMA HISTORICAL SOCIETY,
Durant, Okla., June 5, 1947.

Hon. ELMER THOMAS,
United States Senator,
Washington, D. C.

DEAR SENATOR THOMAS: Herewith beg to hand you copy of letter I have this day written the Secretary of War. It explains what we want. As president of the Oklahoma Historical Society I am presenting this matter for your consideration.

I ask that you take the matter up direct or amend your bill so as to exclude the lot from passing to the hands of private parties, but provide that the lot shall be taken over by the Oklahoma Historical Society or whatever you think best after you consult with the War Department.

Let me hear from you.

Yours very truly,

ROBERT L. WILLIAMS,
President.

OKLAHOMA HISTORICAL SOCIETY,
Durant, Okla., June 5, 1947.

SECRETARY OF WAR,
Washington, D. C.

HONORABLE SIR: I understand that there is a bill pending in Congress with reference to Fort Reno Reservation, in Canadian County, Okla., where General Sheridan had his original headquarters while in this Territory. I think the bill was introduced by United States Senator THOMAS that the city of El Reno was to have certain barracks buildings that were necessary and that the rest of the land would be allotted under the homestead laws.

I am writing to Senator THOMAS asking him to take the matter up with you. I am president of the Oklahoma Historical Society.

I have a letter from the professor of the University of Oklahoma dated June 2 in which he states "I read in the paper that the Government is opening the Fort Reno Reservation to settlement for veterans, and that only the hospital there will be retained as Government or State property"—I suppose the hospital is to be moved to El Reno and he states he thinks some action should be taken by the historical society towards having the State or Federal Government keep possession of the small building which was the original headquarters of General Sheridan when the post was first organized, and that as we well know, a great many historic events are connected with that post and with the Cheyennes and Arapahos on whose reservation it was originally built. Then he asks me that the society act immediately to insure the preservation of this building. He further says "It is small and

insignificant looking, but somehow reminds me of the frontier more than most buildings in Oklahoma."

Pardon me for calling this to your attention. I am sending a copy of this letter to United States Senator THOMAS who introduced the bill seeking to effectuate the matters mentioned in his letter.

Sincerely yours,

ROBERT L. WILLIAMS,
President.

Mr. THOMAS of Oklahoma. Mr. President, it seems that the War Assets Administration have designs on the property in question. I do not think they have jurisdiction over it, but they would like to have the property for disposal. I have a letter from the Associate Administrator, of date October 10, 1947, in which he makes comments about the reservation. For its value, whatever it may be, for the RECORD, I submit the letter at this point in connection with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WAR ASSETS ADMINISTRATION,
Washington, D. C., October 10, 1947.

Hon. ELMER THOMAS,
United States Senate,
Washington, D. C.

DEAR SENATOR THOMAS: Reference is made to your letter of August 6, 1947, with respect to the military installation known as Fort Reno, Okla., and to the acknowledgment by this Administration informing you that an investigation would be made by the War Assets Administration zone office at Grand Prairie, Tex., to determine its disposal possibilities under the Surplus Property Act.

The field office report just received indicates that the city of El Reno is interested in acquiring 1,057 acres of land, together with 64 buildings and utilities, for use as a city-county hospital, and that the hospital area at the installation lends itself to this proposed use. It also is reported that a portion of the buildings could be used as an extension of the Federal reformatory presently located on the reservation. The majority of the land comprising the installation is reported to be suitable for agricultural use.

It is understood that the Corps of Engineers of the Department of the Army has suspended the preparation of surplus declaration forms in view of the action of the Eightieth Congress in appropriating funds for the continued maintenance of the installation. Based, however, on such information as is available at this time, it appears that the installation, if declared surplus by the Department of the Army, would be suitable for disposal in a manner which would substantially fulfill the objectives enumerated in your communication.

If the United States Bureau of Prisons wishes to acquire certain buildings for use as an extension of the Federal reformatory at Fort Reno, such buildings could be transferred at fair value under the top priority accorded to Federal agencies under the Surplus Property Act. It does not appear that the Reconstruction Finance Corporation would have an interest in acquiring any portion of the installation under its second priority for resale to small business. The city, therefore, would probably have an opportunity, under its third priority, to acquire the hospital area for use as a city-county hospital. As you know, the city would be eligible to receive a public-benefit allowance by reason of the proposed use of the area for public-health purposes.

The remainder of the land, if classified as agricultural and if not taken by one of the first three priority groups (Federal agencies, RFC for resale to small business, and State and local governments), would then be offered for sale to veterans on a priority basis. Inasmuch as this land was acquired by the Government prior to December 31, 1939, the former owner and former-owner tenant priorities contained in section 23 of the Surplus Property Act would be inapplicable. Veterans, therefore, would be entitled to fourth priority.

In the event of surplus declaration, that part of the installation classified by this administration as agricultural, would probably be assigned to the Farm Credit Administration of the Department of Agriculture, the disposal agency designated for this type of property. If the United States Bureau of Prisons is interested in acquiring a portion of the reservation for use as an extension of the Federal Reformatory, such portion would be so classified. The hospital area no doubt would be classified so as to reflect a highest and best use for public-health purposes. The disposal of the hospital area and the governmental-use property would be handled by the field office of this Administration.

The exact delineation of the various portion of an installation can be made only when full details of the property are transmitted to this Administration by means of a surplus declaration, and a disposal plan is devloped for all component parts of the facility. The tentative disposal plan presented herein is based upon information informally obtained by the War Assets Administration field office from the local office of the owning agency and other local sources.

Assuming the information informally developed by the War Assets Administration field office is correct, this installation would appear to be disposable under the Surplus Property Act in a manner comparable to your suggested plan of disposal. This Administration is unable to take steps to effectuate such disposal, however, until such time as the installation is declared surplus by the Department of the Army.

Cordially yours,

J. A. MOLLISON,
Associate Administrator.

Mr. THOMAS of Oklahoma. Mr. President, the tract of ground in question is far too valuable to be used for the production of show horses. Draft horses are not being produced; farm horses are not being produced. I do not know what a "show horse" may be, but I presume a polo pony is a show horse. I should think a jumping horse would also be a show horse, and I should think a running horse also would be a show horse. There is no proposal in the pending bill to produce draft horses for the farms. Mr. President, the farmers in Oklahoma are not using horses to any great extent any more, and, indeed, one scarcely ever sees a team of horses on the public highway in Oklahoma. Teams of horses are seen very seldom in the fields. They may be seen occasionally. Oklahoma is mechanized. Tractors, trucks, and other machines propelled by gasoline power are used in farm activities. There is no occasion for the production of show horses in my State.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. As a member of the Armed Services Committee, I heard some of the testimony. I should like to ask the Senator from Oklahoma a question. He states he has no interest as to whether the remount stations in Virginia, Nebraska, and California remain as remount stations or not, but he states that in Oklahoma there is no further need of a remount station. My question is, Why not let the bill become a law? If the Department of Agriculture then decides that it can confine the remount activities to Virginia, Nebraska, and California, why may it not then come forward with a bill to dispose of the property in Oklahoma in a proper way? In other words, let us accomplish the change, because it has been hanging over us now for more than a year. The Army has no further need for horses. If the Government is going out of the remount business, the service should be placed in the Department of Agriculture for purposes connected with agriculture. Why can we not handle the matter in that way, rather than delay it by sending the bill to another committee because of the issue in connection with the one remaining station?

Mr. THOMAS of Oklahoma. Mr. President, that could be done, of course, but I have the very definite conviction that the Congress of the United States is the policy-making branch of our Government. I am unwilling to turn the reservations over, especially the reservation in my State, to a department one member of which is in favor of continuing the remount service in Oklahoma. I shall show in a few moments that my State is opposed to a continuation of the remount service in Oklahoma, and we can have this issue worked out in the Committee on Agriculture within a week or two and brought to the floor of the Senate. We are not agreeable to having this fine tract of land, suited to the production of food for men, women, and children, diverted from that use, merely because someone wants to have it used in the production of horses and feed for horses.

The issue, Mr. President, is between producing feed for horses and food for human beings. The issue is between making homes for horses or homes for veterans. That is the whole question. The land involved is some of the finest land in my State. It will produce alfalfa, corn, wheat, cotton, and every other crop that will grow in my State.

I dwelt a moment ago on the question of jurisdiction. Of course, I shall make no point of order. In the House the issue of jurisdiction was recognized. When the Armed Services Committee passed upon the bill, not desiring to permit an injustice regarding the Committee on Agriculture, the bill was referred to that committee and the committee was asked to consider it and make a report thereon. On June 4, 1947, the chairman of the House Committee on Agriculture, Mr. CLIFFORD R. HOPE, made a report upon the bill. There being no adverse interests represented before the committee, apparently, the committee reported that it was agreeable to have the reservation transferred to the Agricultural Department for the continuation of the Remount Service. That is all I am asking for in this instance. I ask to have the bill referred to the Senate Committee on Agriculture and Forestry for the purpose of considering my particular amendment. I am not speaking for Virginia or Nebraska or California, but I certainly am speaking for Oklahoma.

As I shall show in a moment, my position is sustained by the people of my State. I desire to present for the RECORD at this point a copy of a letter from the chairman of the House Committee on Agriculture to the chairman of the Armed Services Committee of the House. It is signed by CLIFFORD R. HOPE.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C., June 4, 1947.

Hon. WALTER G. ANDREWS,
Chairman, Armed Services Committee,
House of Representatives,
Washington, D. C.

DEAR CHAIRMAN: This is to advise you that the Committee on Agriculture today adopted a report from a subcommittee headed by Mr. GILLIE regarding the proposed transfer of the Remount Service from the War Department to the Department of Agriculture. The report was in the following words:

"The War Department has abandoned horse cavalry. There was no request for funds in the current War Department appropriation for continuation of the Remount Service and the Secretary of War states that he has directed termination of the program. The purpose of the Remount Service is to improve the general breed of light horses in the United States by making available to farmers at nominal stud fees, breeding stock of superior quality.

"The committee believes that it is important to the general welfare of the country—as well as to farmers, cattlemen, and other users of light horses—that a program such as this be continued. It understands that the Department of Agriculture plans to continue it, if authorized, on substantially the same policies as now pursued by the War Department.

"Unless some provision is made for continuation of this work, the breeding stock and other property of the Remount Service will be declared surplus by the War Department at the end of this fiscal year and disposed of.

"The committee, therefore, approves in principle the purposes of H. R. 3484 and recommends that you transmit to the Armed Services Committee the general approval of the Committee on Agriculture of the proposed transfer."

Very sincerely yours,

CLIFFORD R. HOPE.

Mr. THOMAS of Oklahoma. With respect to jurisdiction, if this bill be voted on today and passed, it will be without any consideration whatever by the only committee in the Senate which has jurisdiction over agricultural questions. Under the Reorganization Act, the Department of Agriculture has exclusive jurisdiction, among other things, over the inspection of livestock and meat products, over animal industry, and the diseases of animals. I contend that before the bill is passed it should be referred to the Committee on Agriculture and Forestry for consideration and report. That can be done in the course of 10 days or 2 weeks. Such a reference is not without precedent.

In 1933 the Committee on Agriculture and Forestry considered and reported an amendment respecting money. The amendment proposed to give the President of the United States all power over money. The amendment was offered on the Senate floor. Of course, the Committee on Agriculture and Forestry did not have jurisdiction over money questions and money matters, and the moment the amendment was brought before the Senate, Senator Fletcher, of Florida, who at that time was chairman of the Committee on Banking and Currency, suggested that the amendment concerned money and should be referred to the Committee on Banking and Currency for consideration and report. I recognized the soundness of his suggestion. I was the author of the amendment in the first instance. I was speaking to the amendment on the floor of the Senate, and when the then Senator from Florida, standing at the desk at which I am now standing, made that suggestion, I asked unanimous consent that my amendment, proposing to give the President all power over money, including the power to cut the gold dollar in two, to buy silver, to issue more Treasury notes, and to issue more Federal Reserve notes, be referred to the Committee on Banking and Currency for consideration and report. The amendment took that course. The committee was called together immediately, hearings were held, and a favorable report was made upon the amendment which came back to the floor of the Senate and was promptly agreed to. It was under that amendment that the President of the United States acquired his powers with respect to money. I could not take a different position, and I cannot now see how any Senator can insist that a committee having no jurisdiction over agriculture should make a recommendation which would bind the Committee on Agriculture and Forestry.

Mr. Dodd, Acting Secretary of Agriculture, made one recommendation, and Mr. Anderson, the Secretary, made another recommendation as to the same bill.

Mr. President, I desire to show, if I may, the interest of my State in having the remount-station land divided up and made available to the ex-servicemen of the Nation, so far as it will go.

I submit for the RECORD a telegram from Gov. Roy Turner. I shall not read it, but it is favorable to the amendment. I ask that it be made a part of the RECORD at this point in connection with my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

OKLAHOMA CITY, OKLA., *February 22, 1947.*

Hon. ELMER THOMAS,
United States Senate,
Washington, D. C.:

Have reviewed your applicable telegraphic query and subsequent written suggestions of the 18th instant by Canadian County Farmers Committee, in conjunction with El Reno Chamber of Commerce, respecting Fort Reno Remount Station. Based thereupon, it is my belief that outlined procedure with regard to improve tracts and to agricultural lands is wholesome.

Cordially,

ROY TURNER,
Governor of State of Oklahoma.

Mr. THOMAS of Oklahoma. The second telegram is from Joe C. Scott, president of the State board of agriculture. I ask that it be made a part of the RECORD. It is an endorsement of the proposal to divide these lands into units of suitable size and make them available to ex-servicemen under the Bankhead-Jones Farm Tenant Act. That law provides that ex-servicemen having certain qualifications can be given tracts of land. They can pay for the land over a period of 40 years, at a rate of interest as low as 3 percent. Those are the principles embodied in the Bankhead-Jones Farm Tenant Act.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

OKLAHOMA CITY, OKLA., *July 22, 1947.*

Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

I have failed to reconcile the desire of the United States Department of Agriculture to produce light draft horses for exhibition at fairs with the agricultural needs of the State due to the desire on the part of farmers for mechanical farm equipment. The future indicates less need for draft horses on farms. Personally I would be very much in favor of subdividing land at Fort Reno Remount Station and making it available to ex-servicemen for farming purposes.

JOE C. SCOTT,
President, Oklahoma State Board of Agriculture.

Mr. THOMAS of Oklahoma. I submit the next telegram from Charles B. Duffy, department of commander of the American Legion. It reads as follows:

PONCA CITY, OKLA., *July 17, 1947.*

Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

Oklahoma American Legion urges enactment your bill converting Fort Reno into farms for veterans but opposes its use as an experimental stock ranch.

CHARLES B. DUFFY,
Department Commander, American Legion.

I next submit a telegram from Arthur Senge, commander of El Reno Post, No. 34, of the American Legion, which is located at El Reno. I read:

EL RENO, OKLA.

Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

We are informed by El Reno Chamber of Commerce that Department of Agriculture desires to retain Fort Reno Reservation for continuation of horse breeding program hitherto conducted by Remount Department of the Army instead of proceeding with your proposal of cutting it up into farm tracts for veterans. Since opportunities for veterans to acquire farms is extremely limited we urge you to oppose the Department of Agriculture proposal and to insist upon use of area for veterans' farms. We consider continuation of horse breeding program an obsolete and extravagant plan and register our strenuous objection to the idea. We still favor your bill as best for interests of veteran.

ARTHUR SENGE,
Commander, El Reno Post, No. 34,
American Legion.

The next telegram is from the Veterans of Foreign Wars, El Reno, reading as follows:

EL RENO, OKLA., *July 18, 1947.*

Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

If Fort Reno Reservation is turned over to Department of Agriculture, we wish to oppose changing plan of disposition from terms of your bill to plan to continue horse breeding

program of Army. Veterans of this vicinity are anxious to see land cut up into veteran farms as proposed in your bill, and we urge you to stand pat on your original proposal.

EL RENO POST, VETERANS OF FOREIGN WARS.

The next telegram is from Homer Duffy, the president of the Oklahoma Farmers Union. It reads as follows:

OKLAHOMA CITY, OKLA., *July 23, 1947.*

Senator ELMER THOMAS,
Washington, D. C.:

We heartily commend your stand for subdividing Fort Reno Station and other similar properties and making them available for veterans under the provisions of the Bankhead-Jones Farm Tenant Act. The farmers are more interested in getting such practical benefits than in raising show horses.

HOMER DUFFY,
President, Oklahoma Farmers Union.

That telegram is from the Farmers Union, a State-wide organization having some 25,000 members in my State alone.

The next telegram is from E. G. Jeffrey, of the Canadian County Farm Bureau, reading as follows:

EL RENO, OKLA., *July 17, 1947.*

Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

Canadian County Farm Bureau considers Department of Agriculture plan of continuing horse breeding program at Fort Reno as impractical, extravagant, and obsolete. We are backing you in your bill to cut tract up into farms for veterans. The day of the horse is over for both military and agricultural purposes and the land is sorely needed for young veterans wanting to make a start as farmers.

E. G. JEFFREY,
Canadian County Farm Bureau.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. KEM. I notice on page 4 of the report of the committee on the bill this statement, which appears in a letter addressed by N. E. Dodd, Acting Secretary, to the Senator from South Dakota [Mr. GURNEY], chairman of the Committee on Armed Services:

There is an increasing demand for light horses for use on farms and ranches and for recreational purposes.

A similar statement appears in the report of the committee, as I recall on the second page. I was surprised to see that, because I had assumed that the demand for horses had been falling off continuously during the past 2 years, and I wondered if the Senator had any figures on that, or any information about it.

Mr. THOMAS of Oklahoma. Mr. President, that statement certainly is not true as to my State of Oklahoma. There are horses in Oklahoma still, but the ones which are there are what we call cow ponies, which are used by the cowboys, and some which are used on the reservation by the Indians of the Osage Nation.

There is a demand in some of the cities for horses for riding clubs. I know it is nice for man to put on a red coat, and a pair of high boots, and a cap with a long bill, get a fine riding horse, and go out and join a hunt club and ride to the hounds. That is pleasant if men can afford it, but the man who can afford the red coat, the high-top boots, the riding breeches, the long-bill cap, and the hounds, can afford to pay for them. I certainly object to the Government maintaining a horse ranch in my State to furnish horses to that class of people.

Mr. KEM. That is necessarily a very limited use, is it not?

Mr. THOMAS of Oklahoma. It is wholly a luxury.

Mr. KEM. The number of people involved and the number of horses involved are very small, are they not?

Mr. THOMAS of Oklahoma. The number is very small.

Mr. KEM. Does the Senator have any figures indicating the horse population of the country?

Mr. THOMAS of Oklahoma. No, I do not have, but I am in my State frequently; I flew to Oklahoma Sunday night, and I was there 2 weeks ago. I travel over the State constantly, and rarely do I see a team on the highway. When they are on the highway, they cannot travel on the concrete, they must take a side road. As I go through the country, I rarely see a team or a horse. There are some, but they are very scarce.

Mr. KEM. Is there any testimony or evidence in the record of the committee that supports this statement about an increasing demand for horses?

Mr. THOMAS of Oklahoma. No; Mr. President. I should like to have the bill considered by a committee which would go into that phase. Apparently no record was made in the Armed Services Committee. The armed services were getting rid of horses. They wanted to get rid of the remount stations and take the War Department out of the business of producing horses. So apparently they did not have any interest in horses. I contend that the bill has had no consideration with respect to the need, if there be one, for the producing of horses for any purpose.

Next, Mr. President, I ask that the record show at this point a letter from the president of the Oklahoma State Farm Bureau Federation. It is signed by John I. Taylor. Without reading it, I ask that it be made a part of the record.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE OKLAHOMA FARM BUREAU,
Oklahoma City, Okla., January 9, 1948.

Hon. ELMER THOMAS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: We are still interested in the passage of your bill, S. 718, regarding the remount station at El Reno. Our convention passed the support of this bill. We have taken the matter up with the livestock committee and the board of directors of the American Farm Bureau Federation, and have secured their endorsement, or at least, shall I say, their interest in the matter. They oppose the House resolution in the American board, on the proposition of making it a horse farm, leaving the way open for their later endorsement of this bill. I have written several other State presidents in regard to their support of this bill, and will let you know their reactions when I hear from them.

Following your letter of last July 28, I presume that you discussed this matter with the people in this country. They are still somewhat divided as you doubtless learned, but there is no division among farm people on this matter. Thanking you very kindly for your past services, and hoping that you can push this bill to successful passage.

Very truly yours,

JOHN I. TAYLOR,
President.

Mr. THOMAS of Oklahoma. Mr. President, I next ask that the RECORD show a copy of a letter from Mr. W. R. Ogg, director of the Washington office of the American Farm Bureau Federation. This organization made a study of the bill and a report on it, and they recommend that the land be turned over to veterans, rather than used for the production of show horses.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., January 19, 1948.

Hon. ARTHUR CAPPER,
Chairman, Committee on Agriculture,
United States Senate, Washington, D. C.

MY DEAR CHAIRMAN CAPPER: There is now pending on the Senate Calendar a bill, H. R. 3484, which was reported by the Senate Committee on Armed Services, to transfer the Army Remount Service to the United States Department of Agriculture.

The national livestock committee of the American Farm Bureau Federation made a study of this bill and recommended that the Federation should oppose this measure and that the United States Department of Agriculture and the State agricultural experiment stations where remount stations are located be requested to make a study of the facilities and equipment available at the remount stations in order to determine how such facilities and equipment might be used in the interest of agriculture, at its meeting on December 19, approved these recommendations of our livestock committee.

In our study of this legislation, we have found no demand of any consequence from bona fide farmers for the continuation of the Remount Service, or any justifiable need for the continuation of the remount stations.

We therefore oppose enactment of H. R. 3484, and recommend that the bill be referred to the Senate Committee on Agriculture in order that due consideration can be given to the question of disposal of these facilities in a manner that will serve the welfare of agriculture.

Sincerely yours,

W. R. OGG,
Director, Washington Office.

Mr. THOMAS of Oklahoma. Mr. President, in Oklahoma a large farm journal is published. In almost every State there is published a farm journal of one kind or another. There is one in the State of Kansas which circulates very widely in our section, and there is one in my State that has a large circulation, the publication being known as The Farmer-Stockman. The editor of the paper is Mr. Ferdie Deering. I ask that a copy of a letter from Mr. Deering be printed in the RECORD at this point. This farm publication, which speaks for the farmers of Oklahoma and the Southwest, is strongly in favor of giving the land involved to the veterans, rather than using it for the production of horses.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE FARMER-STOCKMAN,
Oklahoma City, Okla., January 9, 1948.
Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THOMAS: Last summer, in reply to your question, we had considerable correspondence regarding the bills now pending in Congress relative to the disposition of the El Reno Remount Station Reservation. At that time, you will recall I held the point of view that there would be little achieved by transferring it to the Department of Agriculture as was proposed in some other quarters. I also questioned the advisability of establishing veterans on the land. Since that time I have gone into the matter further, and have obtained some additional information on the situation. This has led me to some change in my attitude on the proposal.

Without going into the reasoning and details back of it, I would like to state that my present belief is very much in harmony with statements that you made in your letters and telegrams to me. First, I think it would be an excellent project for the buildings at the headquarters and which are suitable for the purpose to be made available to El Reno and the surrounding area for establishment of a large community hospital. Second, if the occupancy of acreages is limited to disabled veterans receiving adequate disability pay to support themselves and their families, the subdivision of the reservation to provide 20- to 40-acre tracts on which they might establish themselves as useful citizens, I believe that most of the problems which I objected to could be taken care of satisfactorily.

I am not fully informed as to the present status of these bills, but since my change of viewpoint on this matter has been to conform more nearly to your own, I thought that you might be interested in knowing about it. I believe, also, that this point of view is shared by many residents of El Reno and that section of Oklahoma which would be most affected by such steps.

Very truly yours,
FERDIE DEERING,
Editor.

Mr. THOMAS of Oklahoma. I next submit for the RECORD, Mr. President, a report made by a group of farmers living in southwest Oklahoma. It is signed by C. E. Weller, chairman farmer, and representing the Farm Bureau; Edwin C. Porter, member of the Farm Bureau; C. A. Grass, Frank Ball, Sherman Schubnell, and William Dolezal, member farmer, state vice president of the Farmers Union.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

EL RENO, OKLA., *February 18, 1947.*
To: Hon. ELMER THOMAS, United States Senate, Washington, D. C.
From: Canadian County Farmer Committee, El Reno, Okla.
Subject: Farmer committee report and recommendations regarding Fort Reno Remount Station.

By request of the El Reno Chamber of Commerce we give you the following report and recommendations.

According to our information the Fort Reno Remount Station land and facilities are no longer needed by the Army.

This area has never been on the tax rolls of Canadian County and is greatly needed to support county government.

It is also needed for family-type farms for veteran farm families because no other land is available that can be purchased at its fair market value by veterans for agricultural purposes.

All of the land on this unit is very valuable for agricultural purposes as it is virgin soil and has not been depleted by erosion.

We have determined by our survey that the land involved can be developed into 50 or more family-type units that will be adequate and very desirable family-type farms.

These units will be accessible to schools, churches, good markets, and paved roads, since highway 66 crosses the acreage from east to west. Electricity is available from two sources; the area is well watered.

It has been determined that the size of the units should range from approximately 80 to 160 acres with the exception of a portion of sections 10 and 11, which is more rolling and lighter type of soil with some slight erosion that will possibly make it important that the unit be larger, final determination to be made by the agricultural earning capacity value as determined by a technical earning capacity report and farmer committee approval.

We recommend that all of the land and buildings, fences, water facilities, feeding equipment thereon, including prisoner-of-war camp (except land, buildings, and the area adjacent thereto, better known as the main fort area requested by the city of El Reno), be made available for subdivision for family-type farms for veteran farm families.

We further recommend that all mineral rights be conveyed to the purchaser when title is granted and that all buildings on the area including buildings in the prisoner-of-war camp be made available for remodeling use for farm homes and outbuildings on said farm units.

We estimate that the use of these buildings would reduce the cost to these veteran families of approximately 50 percent in improving their farms.

It is our intention that this area be operated according to Soil Conservation Service and or Production Marketing Administration practices as determined by the local committee, and the unit be developed on a watershed basis prior to its development into farms. This will result in a proper placing of bridges, waterways, farm improvements and will save several miles of terracing and waterways.

Making this land available for family-type farms will make it possible for many veteran families to have farm homes who otherwise would be unable to obtain farm land either by renting or ownership in rural areas in our county and State.

It is the desire and recommendation of the committee that these farms be developed into actual farm homes for only veterans who are unable financially to purchase adequate farm units otherwise.

We concur in your proposal that this land be disposed of through provisions of the Bankhead-Jones Farm Tenant Act.

C. E. WELLER,
Chairman Farmer,
Representing Farm Bureau.
EDWIN C. PORTER,
Member Farmer.
C. A. GRASS,
Member Farmer.
FRANK BALL,
Member Farmer.
SHERMAN SCHUBNELL,
Member Farmer.
WM. DOLEZAL,
Member Farmer,
State Vice President, Farmers' Union.

Mr. THOMAS of Oklahoma. Mr. President, in addition to the reports I have placed in the RECORD, I have received hundreds of letters, telegrams, and petitions from soldiers themselves who want a chance to get some of this land. I shall not undertake to put all these letters in the RECORD, but I shall insert a number sufficient to show the viewpoint of the veterans themselves. They want the land divided up into small tracts, family-size units, and they want a chance to get one of the farms on which they can move and make a living.

At this point, Mr. President, I submit the letters to which I have referred, and ask that they be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

HOUSTON, TEX., *July 30, 1947.*
ELMER THOMAS,
United States Senator,
Washington, D. C.

DEAR SIR: I am an ex-marine with over 3 years' service. Because of a brain injury I draw a 100-percent disability. I have read an article in the daily paper in which you propose that the Fort Reno Army Remount Station be divided into small tracts for sale to veterans. I would like to homestead in El Reno and am interested in finding out more about it. In the article, three other remount stations were mentioned. I would like to know where they are located and if they are available for homesteading. Thank you.

Yours truly,
CARL KEEPERS.

GRANTS PASS, OREG., *January 6, 1948.*
Senator ELMER THOMAS,
United States Senate,
Washington, D. C.

DEAR SENATOR: I am a resident of Oklahoma, visiting here in Oregon. Just before I left Oklahoma I read something in the Daily Oklahoman about the Government going to dispose of the Fort Reno land. Can you tell me if it will be the homestead proposition like they have been doing, or will it be a sale?

I am a Navy veteran and would like to get some of the land if possible.

Please advise me if this is so, if it is, what procedure shall I take to place my name on the list.

Very truly yours,
DAVID C. KONECHNEY.

BENMORREEL NAVAL HOUSING,
Norfolk, Va., May 20, 1947.
Hon. ELMER THOMAS,
United States Senator,
Washington, D. C.

Honorable SIR: Rumor has reached me that it is contemplated to divide into 80- and 160-acre plots and build houses thereon, Government land in the vicinity of Fort Reno, Okla., and will be made available to Oklahoma veterans.

I was born at Thomas, Okla., and enlisted in the United States Navy from Arapaho, Okla., December 1934. My late father, Willis S. Cooke, was a former county attorney of Custer County and practiced law there for a number of years. My mother still resides there. My naval records list my legal residence as Arapaho, Okla., and that congressional district is credited with my enlistment.

As I intend to return to Oklahoma to live when I am eligible to go into the Fleet Reserve, I am extremely interested in obtaining a plot of the before-mentioned land.

I presume it would be necessary to establish residence on the land, which I could do very easily. My wife is a native of Oklahoma and resides with her mother in Oklahoma City when I am out with units of the fleet. As neither she nor her mother own property either there or elsewhere, this isn't always a convenient arrangement, which is another reason I am desirous of obtaining property in Oklahoma in the near future.

I still have about 8 years' service to complete before I am eligible for the Fleet

Reserve. I am entitled to all GI benefits due to honorable discharge November 29, 1945.

I would be deeply in your debt for any information, advice, or assistance you might be able to give me on this business.

Sincerely yours,

THOMAS D. COOKE.

HEADQUARTERS COMPANY,
A. P. O. 958, c/o POSTMASTER,
San Francisco, Calif.

Senator ELMER THOMAS,
Washington, D. C.

HONORABLE SIR: I know you initiated a bill several months ago to use Fort Reno at El Reno, Okla., as a home site for returned servicemen and the buildings on the fort to be used as a hospital. At the time, you informed me the War Department did not favorably consider the proposal.

Now that the war has ended do you suppose the proposal would be kindly reconsidered? I want to make El Reno my home and the land and location of Fort Reno would be an ideal place to locate a home. I would appreciate anything you can do about the matter.

Yours truly,

FLOYD DURHAM.

CAMP MAXEY, TEX., *March 29, 1945.*

Senator ELMER THOMAS,
Washington, D. C.

HONORABLE SIR: There is some talk around El Reno, Okla., that Fort Reno will be used as a general hospital and the land will be sold to returning soldiers for home sites. I am heartily in favor of such a proposal, for I would like an acreage at Fort Reno for a home. Please do all you can to make this a reality.

Also, I hope that pre-Pearl Harbor fathers will be among the first to be discharged.

Yours truly,

Corp. FLOYD DURHAM.

SAN DIEGO, CALIF., *March 22, 1945.*

Senator THOMAS.

DEAR SIR: In regard to the Fort Reno Remount Station in Oklahoma, I am interested in the land that is proposed to the veterans of this war.

My home town is Sayre, Okla., and have been in San Diego since my discharge from the Navy, working in Corsair aircraft factory. I want to settle down back in the home State, and I like that location very well.

Like to have any and all information about the land there.

Yours truly,

JIM A. TAYLOR.

SHEPPARD FIELD, TEX., *March 23, 1945.*

Hon. ELMER THOMAS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR THOMAS: Recently I noticed in a local newspaper that Fort Reno Cavalry Remount Station is to be abandoned and that this land would be open for sale or utilized by the Veterans' Administration.

This land has always appealed to me, and I presume to many other fellow Oklahomans. I would like to suggest that this territory be divided into small tracts or acreages and that it be opened for purchase by Oklahoma overseas veterans of World War II.

If the price per acre could be held to a minimum, it would be an excellent investment for our Oklahoma servicemen. For those requesting loans for purchase, I am certain that they could be guaranteed under the GI bill of rights.

I would appreciate any information that you would be able to quote me on the above proposal.

Sincerely yours,

Tech. Sgt. LLOYD C. BURRIS.

Mr. THOMAS of Oklahoma. Mr. President, as I stated before, the land now embraced in the Fort Reno Station in my State should be divided into small tracts and offered to the veterans for homes, instead of being used for the production of horses for show purposes. The land should be so divided that the Department of Justice can get what land it desires for use in connection with the Federal reformatory now located on the reservation. The hospital should be made available to the city of El Reno and the county of Canadian, to be use for human beings, rather than continued as a veterinary hospital for horses.

The small tract of land on which Sheridan's headquarters were located should be turned over, in my opinion, to the Oklahoma State Historical Society, to be maintained by the State as museum for the exhibit of articles connected with that early western pioneer region.

Mr. President, I have stated the program which I hope will be adopted with respect to this one reservation. I am not trying to dictate what shall be done about Front Royal, or Fort Robinson, or Pomona, but inasmuch as my State wants the land of the Fort Reno Station divided for soldiers, and inasmuch as it is desirable from every standpoint that that be done, I hope the bill may be referred to the Committee on Agriculture, where the various persons interested may be heard, so that in a few days a report can be submitted to the Senate, upon which the Senate can act with some degree of intelligence and assurance.

My motion is to refer the bill to the Committee on Agriculture for further study and a report.

Mr. MORSE obtained the floor.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield to me so I may make the point of order that a quorum is not present?

The PRESIDENT pro tempore. Does the Senator from Oregon yield for that purpose?

Mr. MORSE. I would rather the Senator from Virginia withhold the suggestion of the absence of a quorum for the present.

Mr. ROBERTSON of Virginia. I will withhold the suggestion, as requested.

Mr. MORSE. Mr. President, I rise to oppose the motion pending before the Senate, submitted by the distinguished and able Senator from Oklahoma [Mr. THOMAS]. I have listened very carefully to the very able argument he has presented to the Senate in support of his motion, and I desire to reply to him.

I wish to say that so far as I can recall, without exception, the points he mentioned in his argument have been considered by the Armed Services Committee, and, without exception, his position on each point has been rejected by unanimous vote of that committee.

In the first part of his remarks he pointed out that some time past he asked to have the bill referred to the Committee on Agriculture and Forestry, and that the Chairman of the Armed Services Committee, the Senator from South Dakota [Mr. GURNEY] at that time expressed no opposition to the proposed reference; but as a matter of courtesy to the Senator from Oregon the Senator from Oklahoma suggested that the matter be withheld from action until the Senator from Oregon was on the floor. I appreciate very much the courtesy which the Senator from Oklahoma extended to me in that respect, and I am now privileged to speak in regard to this matter for the chairman of the Armed Services Committee the Senator from South Dakota [Mr. GURNEY] who, if present, would make a statement to the following effect: That, when the Senator from Oklahoma made the request, the chairman of the Armed Services Committee, as a matter of courtesy to the Senator from Oklahoma, and on first thought, did not see at that time any particular objection to the request. However, the Senator from South Dakota subsequently presented the matter to the full Armed Services Committee, and on the basis of the discussion of the proposal of the Senator from Oklahoma, the full Armed Services Committee, by unanimous vote, including the vote of the Senator from South Dakota, took the position that the bill should not be referred to the Committee on Agriculture and Forestry because of the fact that all the issues in connection with the bill had already been acted upon by the Armed Services Committee by unanimous vote; that the arrangements to which I referred yesterday between the Department of the Army and the Department of Agriculture had all been worked out through the good offices of the Senate Armed Services Committee, and, therefore, having completed our work, and having made arrangements which, I submit, are entirely satisfactory and proper for the disposal of the remount stations, the Armed Services Committee took the position that the bill should be either voted up or down, and should not be referred to any other committee.

The Senator from Oklahoma raises a point as to the jurisdiction of the Committee on Armed Services. In a letter addressed to me under date of February 20, 1948, the Senator from Oklahoma said in part:

> In addition to enclosing copies of the telegrams and letters just mentioned, I am enclosing copy of the text of a point of order which I may present to the Senate. Briefly the point of order goes to the following points.

The Senator then set out the points of which he has discussed on the floor of the Senate today.

Mr. President, this is a very important procedural point, which the Members of the Senate should consider quite separate and distinct from what their views might be on the merits of the legislation which is pending. It is to be noted that the Senator from Oklahoma did not raise his point of order, or at least up until this moment has not raised a point of order as to the jurisdiction of the Armed Services Committee to take final committee action on this remount bill. Instead he seeks to accomplish the same end by way of a motion to refer the bill to another committee. I think it quite proper to advise the Senate that upon

receipt of this letter from the Senator from Oklahoma I went into the question of his point of order, and I satisfied myself that the point of order, if raised, would not be well taken. I am advised that, if the point of order is raised, the Parliamentarian will take the position that it is not well taken; and if the Presiding Officer of the Senate should follow the advice of the Parliamentarian, he would necessarily rule against any such point of order.

It is quite proper that such a ruling should be handed down, Mr. President, because I think the position taken by the Senator from Oklahoma, either by way of a point of order or by way of the motion to refer the bill to the Agriculture Committee, which he now makes, would be a most unfortunate proposal for the Senate to approve from the standpoint of the rights of committees.

This subject of the Remount Service clearly fell within the jurisdiction of the Armed Services Committee, and we worked long and hard on it. We held a series of conferences with the appropriate officials of the Army and the Agricultural Departments. We worked out an arrangement between those two departments, as set forth in the bill, which provides, I submit, on the merits, all the safeguards to which any parties in interest are entitled.

So I think it would be a great mistake, after a committee having jurisdiction over a subject matter completes its work, for the Senate then, because a certain group of Senators do not like the final recommendation set forth in the committee's report to seek to get around the work of the committee by having the subject referred to another committee in which certain Senators think they may secure action more favorable to their position on the merits of the particular subject matter of the bill. If we ever start such a procedure in the Senate, it will become a merry game of ring around the rosy, in which we try to see what committee might be more favorable to our position, and then, when we get a committee report which is unfavorable to our position, endeavor to have the subject referred to another committee.

I am perfectly willing to admit that this subject also involves agricultural problems. But what piece of legislation is there which does not involve some facets of subject matters which also are of interest not only to another committee, but usually to several committees? Most of the subject matter which comes before the Senate crosses a good many committee lines. But a decision must be made as to where the preponderance of interest is to be found in a given subject matter, and the bill referred to the committee which has within its jurisdiction that preponderance of subject matter. That is exactly what has happened in this instance.

The bill was referred to the Armed Services Committee, quite properly. We in the committee have completed our work. I submit that we have done a good job in handling this problem. Now we are faced with the issue of voting up or down the position taken by the Armed Services Committee. In effect, the motion made by the Senator from Oklahoma seeks to circumvent the Armed Services Committee and bring this subject before another committee, which I assume the Senator from Oklahoma thinks will be more favorable to his position on the merits of the issue.

In his argument this afternoon the Senator from Oklahoma pointed out that apparently a great many interests, organizations, and departments have a concern in the disposal of this land. He talked about the interest of the Indians and of the Justice Department, the War Assets Administration, and other parties interested in the land. When he points all that out, I submit that he makes a pretty strong case in support of the position of the Armed Services Committee, that certainly for the time being we ought to keep this property within the jurisdiction and control of a Federal department—in this instance the Department of Agriculture. The very fact that other groups think they have an interest in this property argues well, I think, in support of my position that we certainly should not accept the final recommendation of the Senator from Oklahoma, which is, after all, a disposal of this property in a particular way for the benefit of private interests and private individuals. I think this point has been pretty well covered by a letter from the then Acting Secretary of Agriculture, Mr. Dodd, which I placed in the CONGRESSIONAL RECORD on July 23, last, when this question was before the Senate for discussion. I wish to read Mr. Dodd's letter again, because it covers so many of the points discussed by the Senator from Oklahoma. The letter reads as follows:

> This has reference to H. R. 3484, a bill to transfer the Remount Service from the War Department to the Department of Agriculture, now before the Senate for consideration, and to your proposed amendments to that bill which are similar to the provisions of S. 718, a bill to provide for disposition of the lands comprising the Fort Reno Military Reservation in Canadian County, Okla.
>
> It is evident that there is considerable interest within the State of Oklahoma relative to the disposition of the Fort Reno Reservation as proposed in S. 718. On the other hand, there appears to be much concern in the State regarding the continuation of the remount program, as evidenced by Resolution No. 16, memorializing the Congress to enact legislation transferring the Remount Service to the Department of Agriculture adopted by the Senate of the Legislature of the State of Oklahoma the first day of May 1947. (See CONGRESSIONAL RECORD of May 6, 1947, p. 4553.)

I digress to point out that I inserted in the RECORD last year—on May 6, 1947, as I recall—the resolution adopted by the Senate of the State of Oklahoma. The Senator from Oklahoma says in his argument today that there is strong support for his position on this issue in the State of Oklahoma. I do not question that, but I also point out for the RECORD that there is great opposition in the State of Oklahoma to the position taken by the Senator from Oklahoma on this issue, and I intend to place some of that evidence in the RECORD later in my remarks.

The first evidence I wish to point out as to the opposition in the State of Oklahoma to the position taken by the Senator from Oklahoma on this question is that the State Senate of his own State legislature last year adopted a resolution in opposition to his position and in support of the position which I have taken throughout the debate, namely, that the remount station at El Reno, Okla., should be transferred from the Department of the Army to the Department of Agriculture. Mr. Dodd refers to that resolution in the language just read from his letter. I continue reading from Mr. Dodd's letter:

> The Fort Reno Military Reservation is one of the most important of the four breeding stations now being operated as a part of the Remount Service by the War Department, and is the only one in the whole southwestern area of the United States. It is our considered judgment, therefore, that in the event of the enactment of H. R. 3484, the Fort Reno Military Reservation should be continued as an essential part of the Remount Service under the jurisdiction of this Department. In good conscience we could hardly recommend approval of the liquidation of this station if we are to operate a remount service. On the other hand, we have considerable sympathy for the objectives of your bill, S. 718, and greatly desire to further its aims to the fullest extent possible in line with our conclusions as to the proper operation of the Remount Service.

What could be fairer so far as the Department of Agriculture is concerned? What Mr. Dodd is saying—and I can assure the Senate that this is the position of the Department of Agriculture at this very hour—is that it is the position of the Department of Agriculture, as brought out in this letter, that the property should be transferred to the Department of Agriculture, and then when transferred it will be within the jurisdiction and the right of the Department of Agriculture to determine what modifications, if any, should be made in the remount program.

Of course, considerable modifications are bound to be made, because the funds requested total in round numbers only $865,000 for the operation of the Service. To show what a restricted program that is as compared with the past program for that Service in the Army, I point out that the amount which has been appropriated for the Army in the past has always been in the neighborhood of $2,000,000. Only $865,000 is asked for when the Service is transferred to the Department of Agriculture.

But Mr. Dodd goes on in his letter to explain further the position of the Department of Agriculture on this issue:

> After serious consideration of the problems involved, we believe that the following plan of operation would permit substantial compliance with all objectives.
>
> A preliminary survey of the facilities of the Fort Reno Reservation indicates that there are lands and buildings which will be surplus to the needs of the Remount Service under the jurisdiction of this Department. Immediately after the transfer to this Department we will be glad to start negotiations with the appropriate officials of the city of El Reno or of Canadian County with a view to granting a permit or license to the city or county for the use of the barracks building on the reservation for the purposes of a hospital.

Mr. President, I can assure the Senate that the Armed Services Committee has gone into that point in great detail with the Department of Agriculture, and I

can also assure the Senate that there is no doubt about the intention and the good faith of the Department of Agriculture to work out a satisfactory arrangement with the citizens of El Reno for the use of the hospital upon terms fair and reasonable to all concerned, and at the same time protecting, as the Department should protect, the paramount Federal interests in the matter. I think that takes care of the hospital issue raised by the Senator from Oklahoma, because I assume that, after all, what the citizens of El Reno want are the hospital facilities; and the Armed Services Committee is satisfied that they will be able to make satisfactory arrangements for the hospital facilities through the Department of Agriculture. Indeed, it is my honest opinion that they will get a better arrangement through the passage of this bill than they will if the course suggested by the Senator from Oklahoma were followed and the hospital property were to go under the jurisdiction of the War Assets Administration.

Mr. Dodd continues in his letter, as follows:

> We would also start a survey to determine with accuracy how much of the lands on the reservation would be needed for the purposes of the remount program and the amount and exact location of lands which would be surplus to our needs and which might be dedicated to other purposes.

In other words, Mr. Dodd is saying that it is the position of the Department of Agriculture—and I know it to be the position of the Department of Agriculture because as chairman of the subcommittee of the Armed Services Committee which handled this bill, we negotiated with the Department of Agriculture in regard to this matter—that it does not know for a certainty at the present time as to whether or not all the lands in the El Reno station should be used for remount purposes. Once the Department of Agriculture is granted control over the Remount Service it may find that some of the land should be declared surplus. However, the Department of Agriculture should be given jurisdiction over the station, and should be given authority to act in regard to the program in relation to the station. It should be allowed to make its survey as to how large a remount service is justified at El Reno. I submit, again, that Mr. Dodd's letter shows the complete fairness and good faith which have characterized the officers of the Department of Agriculture ever since this matter has been under consideration.

Next Mr. Dodd says in his letter:

> These actions could then be the basis for a bill similar in substance to S. 718. In this way, the city or county would have its hospital, the Department of Justice would secure permanently the land adjoining the reformatory which it needs, and a considerable quantity of land could be made available under title I and section 43 of the Bankhead-Jones Farm Tenant Act for subdivision into small farm units for the benefit of veterans.
>
> It is hoped that the foregoing will provide a basis for resolving a problem which is causing this Department grave concern. If any additional information is desired, we will be glad to give prompt consideration to your inquiry.
>
> Sincerely,
>
> N. E. DODD,
> *Acting Secretary.*

Mr. President, before I leave Mr. Dodd's letter, let me comment upon the reference in it to the interest of the Department of Justice in some of the land. Some weeks ago I had lunch with the director of the Bureau of Federal Prisons, Mr. James V. Bennett. We discussed this matter in detail. He explained to me his interest in securing some of the land on the El Reno Reservation which would be used in connection with the work of the reformatory in taking care of their livestock, providing a feed source for their livestock and, where it can be done without damage to the soil, utilizing some of the area for farm and garden produce. I pointed out to Mr. Bennett that the Department of Agriculture is perfectly willing to work out an arrangement with the Department of Justice, as Mr. Dodd points out in the letter I have just read, whereby some of the land will be made available to the United States Department of Justice reformatory situated in the proximity of this Federal reservation. But it is important, Mr. President, if such arrangements are to be made, that the control of this property be vested in the Department of Agriculture so it can complete its surveys and its studies, and then make disposition of the property in accordance with the best interests of all concerned, giving, of course, primary consideration to the paramount interest of the Federal Government.

So I say, Mr. President, that unless one delves into the hard work the Armed Services Committee has done on this matter, he may misjudge the entire situation and may overlook the fact that the very points the Senator from Oklahoma raised in his able argument have already been considered by the Armed Services Committee. We have done our very best to see to it that the interests of the various groups concerned will be protected when the remount service is transferred to the Department of Agriculture.

What is the sensible thing to do about disposing of this land, Mr. President? This is Federal property. Some disposition of it must be made by the Senate, and should be made during the present session of Congress. I hope a disposition of the question will be reached today, I hope we shall be able to vote on it today, because, as I was advised only last week by Kenneth Royall, Secretary of the Army, the Army officials are working on their budgetary and appropriations problems, and he wished to know what news I could give him regarding the disposition of this bill. I want the RECORD to show this, because I think they are entitled to credit for the assistance they have given me in this matter. I said, "Mr. Secretary, I have already explained the emergency features of this bill to Mr. TAFT and Mr. WHERRY, and suggested that they bring the bill up on the calendar, and they agreed to allow the bill to come up for disposition at a very early date."

So we have it here today on its merits for final disposal, if we defeat the motion offered by the Senator from Oklahoma to have the bill referred to the Committee on Agriculture. We now have the opportunity to support the hand of the Armed Services Committee insofar as its rights are concerned, because that committee has clear jurisdictional rights in this matter. We have the opportunity today, by the defeat of the motion of the Senator from Oklahoma, to serve clear notice that when a committee has gone to the labor the Armed Services Committee has gone, when it has worked as hard as our committee has worked on this question, and has completed the negotiations which we have completed with other departments of the Government, then it is entitled to Senate support at least on the procedural point of its jurisdictional rights. At least, someone in the Senate who is not satisfied with the committee's final recommendations should not be allowed to circumvent the committee's work by having the bill referred to another committee.

Mr. President, I wish to present only a few comments on the merits of the bill. I think they are rather well summarized in a letter written by Mr. L. C. Gadberry, president of the Investors' Building and Loan Association, of El Reno, Okla. I have a group of similar letters that I shall ask to have printed in the RECORD at a later moment; but this letter from El Reno, Okla., from the immediate area in which this remount station is located, sets forth an analysis of this situation which I think should be carefully considered by every Member of the Senate before the Senate votes on the merits of the proposal. This is a copy of a letter which Mr. Gadberry wrote to the Senator from Oklahoma under date of February 10, 1948:

> INVESTORS' BUILDING &
> LOAN ASSOCIATION,
> *El Reno, Okla., February 10, 1948.*
>
> Senator ELMER THOMAS,
> *Washington, D. C.*
>
> DEAR SENATOR: In reply to your letter of January 8, 1948, in regard to subdividing the Fort Reno land into small tracts, I wish to list herein some of the reasons for my opposition to such a proposition.
>
> 1. Land in this country is not suitable for small farming and small tracts.
>
> (a) This is a semiarid region. Farming is a hazardous business and is done on a big scale with power machinery. The tendency is for farms to get larger.
>
> (b) We have had about 4½ inches of rain since August 1. A man on a small tract would have to buy all his feed this year and most every year.
>
> (c) Farmers in this country rarely raise any garden as they are so undependable as it is not worth while planting them.
>
> (d) As for irrigation, it is not possible to irrigate this land from wells or river water. It is doubtful if sufficient water could be found on the acreage to supply the domestic needs of the family.
>
> (e) It would cost anywhere from $8,000 to $10,000 to put sufficient improvements and buy necessary equipment to operate a tract. The Government would have to furnish this money as no private lender would do it.
>
> (f) There are no roads in this area and the county has no money to build them. The Government would have to build all the roads and afterward there would be nobody to maintain them. There would be no taxes for the county as all these homes would be exempt from the tax rolls by the homestead exemption in this State.
>
> 2. If the land was divided into large tracts.

(a) There would only be 20 farms that could be made from this land which would provide a standard of living equal to a janitor in the local high school.

(b) The amount of money that could be obtained from the sale of this land would be more than any family could ever pay out in 40 years on a loan.

(c) The land would have to be given outright to the veterans, and this is a very unfair proposition to the other 15,000,000 veterans to give $20,000 worth of land to each one of 20 veterans and then to loan each of them ten to fifteen thousand dollars more to buy machinery, buildings, and equipment to farm the land as set out by the Bankhead-Jones Tenant Act.

(d) In 10 years, instead of having 20 farmers, there would only be 4 or 5 or maybe less. Crops are so unsteady in this area a man cannot carry a large debt and ever pay out.

3. Soil conservation.

(a) This is the finest grassland in Oklahoma and is very valuable as pasture. The Government is spending thousands of dollars annually to reseed land and turn it back to grass. It would be utter extravagance and waste of public funds to plow up the finest grass in the State and then in a few years start spending money to try to get it to grow back again.

4. A loss to El Reno.

(a) This reservation now supports from about 50 to 75 families in El Reno, most of them veterans who work on the post. To discharge them and to give the land to 20 veterans is a very unfair proposition to the veterans who are working there, and to the other 3,600 veterans in Canadian County.

(b) There is much talk of diversification of industry from the east to the west. If land is available El Reno would have a chance to get some project which would employ many people but once the land is divided that chance would be gone and there would be fewer and fewer people on the land each year.

(c) In my opinion, the dividing of this land will be the costliest blow El Reno will have for future growth and prosperity. Something could be made out of it that would be very profitable, employ lots of men, and no expense to the Government.

5. Indian claims.

The Indians are now trying to establish a claim on this land. If their claim should stand up, then the Government would have to pay them around a million dollars for the breaking of the treaty.

6. Oil possibilities.

(a) This land is located on one of the best oil structures in Oklahoma. If the Indians get the claim to the land, the Government would have to pay for the land and also for the oil. Should it develop there was oil, the cost would be untold millions and all of this would go to a few veterans to the detriment of the millions of others.

(b) If this land is finally divided the Government should retain all the oil and gas rights as a protection against the claims the Indians might have and also to conserve the oil and gas for the Nation.

7. Local support for dividing the land.

(a) I have made a careful survey and I have not talked to a veteran of World War II who is in favor of dividing the land. There is only one veteran of World War I who wanted it divided and he was in the air service in World War I and knows nothing about the farm. However, he is very desirous of being on good terms with the Senator.

(b) I know of no farmer who wants the grass plowed up. The leaders in the Farm Bureau and other organizations will not cross the Senator because they want his support for the Agriculture Department but they prefer the grass to remain.

(c) I am sure the county commissioners, the county excise board, the soil conservation agency and all of the people who work with the Agriculture Department prefer the land not to be plowed.

8. Hospital for El Reno.

(a) Everyone wants a hospital for El Reno. The Farm Bureau of Canadian County, the doctors of El Reno and all the citizens are very anxious for this hospital. I am also very anxious for it and would do anything to get it. However, I see no reason for destroying all the valuable land to get the hospital. Why is it not possible to have the hospital given to El Reno provided they maintain it and agree to let the Government use it during the next war and keep the land intact.

(b) I believe that you expressed a willingness to save the land and give El Reno the hospital. I have known you many years and know you do not care personally about the matter except to do the wishes of the people of El Reno. The leaders of our local organization object to getting the hospital without the division of the land and turning it to private parties. I could not understand this and I am wondering if the oil possibilities had anything to do with it. Is it to get the land from under the control of the Government so private parties could develop the oil possibilities? I would appreciate it if you would have some of your oil friends investigate the structure on the west side of El Reno.

9. There are many ways to develop this tract to the interest of El Reno and the Government. Breaking it up into farms is the last of them. It can always be divided up, but once divided it cannot be put together again.

I appreciate the opportunity of giving you my views on the matter. I think you have been misled as to the local sentiment in El Reno and Canadian County. People have been told that it is necessary to divide the land to get the hospital, but I feel sure that it is not necessary. The hospital is our baby and I see no reason for killing the mother to save the child. Save the mother to support the child.

Yours truly,

L. C. GADBERRY,
President, Investors' Building & Loan Association.

Mr. President, I have other letters from citizens and residents of El Reno, Okla., to the same effect, in opposition to the position taken by the Senator from Oklahoma in this matter. I ask unanimous consent to have a few of those letters inserted in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EL RENO, OKLA, *January 3, 1948.*
Hon. WAYNE L. MORSE,
United States Senator,
Washington, D. C.

DEAR SIR: At the instance and request of many citizens of El Reno and Canadian County I am hereby extending their thanks to you for the interest you have taken in the preservation of Fort Reno. * * * Since the years 1874–76 when this post was established, until now—it has served a useful purpose. In the First World War and the War II it came in handy for a recruiting and training station, and no one is able to foretell when it again becomes a handy place for our boys. In War II a portion of the grounds was used as a concentration camp for German prisoners of war.

From all appearances the buildings are in fine condition, the training grounds, none nicer or better. In every respect the post is modern, an ample supply of water for all purposes. In fact the post contains all modern conveniences that are found in other forts. It is located about 7 miles west and north of El Reno, in the center of about 8,000-acre tract. The land is all fenced with a high fence required to hold horses and mules—it being used as a remount station, and affords an abundance of grass pasture, besides supplying the barns with hay.

For years now many of our laboring people and mechanics have found employment to supply food for their families.

Therefore it doesn't make good sense to give away—as has been done with Government surpluses—property that should be retained by our Government for useful purposes.

Those opposing the destruction of Fort Reno will greatly appreciate your further efforts in this matter.

Thanking you for giving attention to our requests we remain,

Your obedient petitioners,

FRANK MEYERS.

EL RENO, OKLA., *October 2, 1947.*
Senator WAYNE R. MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: Please accept our sincere thanks for your effort to keep the Fort Reno Remount Depot intact.

We have been residents of El Reno for 35 years and feel that we are well acquainted with the things that are of interest to El Reno and the surrounding territory, and we believe that an erroneous impression has been created regarding the attitude of our people toward Fort Reno. We think they are in hopes that the Fort Reno Remount Depot will be retained, and that it will not be cut into small tracts for farming.

We hope you will continue to support this matter when Congress reconvenes.

Yours very truly,

Dr. and Mrs. P. F. HEROD.

EL RENO, OKLA., *January 19, 1948.*
Senator WAYNE R. MORSE,
United States Senate Office Building,
Washington, D. C.

DEAR SIR: I want to protest the dividing of the land at Fort Reno into tracts as not only a great mistake but a waste of public lands.

I am for keeping a remount station under the auspices of the Department of Agriculture, but I am not interested in the buildings.

If you wish to know the reasons for my position I will be glad to explain them.

Yours truly,

CHARLES H. THOMPKINS.

INVESTORS' BUILDING AND
LOAN ASSOCIATION,
El Reno, Okla., July 17, 1947.
Senator WAYNE MORSE,
Washington, D. C.

DEAR SIR: The local paper, the El Reno American, stated last week that you were investigating the disposal of Fort Reno Remount Depot. It is gratifying to me that a man like yourself will investigate the merits of the case.

The fact is that nobody in this country that loves the soil or knows anything about farming, wants this land plowed up. There is about a thousand acres already plowed which could be sold for $250 per acre. The rest, about 9,000 acres, is the finest native grass in this part of the country. It would be a crime against the future generations to plow up this land. It is sandy, we call it sugary and melts like sugar when there is no grass on it. The Government spends millions reclaiming land and why turn more to waste and allow it to wash down the river?

Not more than 50 fair-sized farms could be made out of it and not more than 20 farms that would afford a living compared to what a man has in town who draws $250 per month salary.

El Reno wanted the hospital building out there and the chamber of commerce asked Senator THOMAS to help them get it. He

said he would, provided they helped him parcel out the land to veterans. * * *

If a deal could be made with the Agriculture Department whereby El Reno got the hospital and three or four residences and the Agriculture Department got the rest, it would be a wonderful thing for the future of farming and the future of this county.

Thanks.

Yours truly,

L. C. GADBERRY.

Mr. MORSE. Mr. President, there is one letter I do want to read, because it goes to the question of soil conservation. It is a letter I have received from the chairman of the East Canadian County Soil Conservation District, of Yukon, Okla., signed by Steve Lucus. He writes to me as follows:

YUKON, OKLA., *November 10, 1947.*

The Honorable Senator WAYNE R. MORSE,
Office Building, United States Senate,
Washington, D. C.

DEAR SENATOR: The Board of Supervisors of the East Canadian County Soil Conservation District, being interested in soil conservation and soil land use, has studied and discussed the proposed uses of the Fort Reno lands.

From a sound and wise land-use viewpoint the grass land areas are not suitable for long-time use for cultivation. To be sold in small tracts, even 160-acre tracts, this would not be an economical unit for grassland. Should this land be broken out, it would, due to slope and soil type, be a matter of a few years until the topsoil would be gone due to washing and blowing, unless supervised conservation farming was carried on from the first. Experience has taught us that this is not done until damage has been done to most of the land.

One of the main problems of soil conservation districts is revegetation of our lands that are eroding. The Federal Government is spending vast sums of money to help accomplish this.

We as supervisors and farmers urge that this land be used as it is and remain in grass.

Very truly yours,

STEVE LUCUS,
Chairman, East Canadian County
Soil Conservation District.

Mr. President, I pointed out in my remarks at the close of the session yesterday afternoon that there are in this tract 8,493 acres of land, more or less. Approximately 1,000 acres of the land is so-called bottom land, on which the Senator from Oklahoma so ably commented in his remarks today. I wish to go into the question of the farming use of the 1,000 acres of land. I have discussed the matter with the Department of the Army officials who have jurisdiction over the use of it. They pointed out to me that they have followed the very best of soil-conservation programs in connection with the use of even the bottom land. They further pointed out to me that unless the bottom land be subjected to the most scientific soil-conservation use, it will be greatly damaged if used for general farming by men either not familiar with scientific soil-conservation farming or who permit a scientific soil-conservation program to lag or to lapse.

The Senator from Oklahoma stated in his speech that the land of the Fort Reno Remount Station is some of the best agricultural land in Oklahoma. However, in rebutting this particular argument with the Senator from Oklahoma I want to point out that those of us on the Senate Armed Forces Committee who investigated this matter collected a great deal of evidence which led us to the inescapable conclusion that most of the land in question is not suitable for general farming use. More than 7,000 acres of it is in buffalo grass and is suitable only for grazing. To plow it up would be in violation of a sound soil-conservation program.

There are approximately 1,000 acres of so-called bottom land but Army officials told us that not more than 700 acres of this bottom land is suitable for general farming. However, even as to those 700 acres we found out from Army officials, who have had jurisdiction over the land, and from Department of Agriculture soil-conservation experts, that those 700 acres must be subjected to careful soil-conservation farming if the topsoil is to be protected.

The Senator from Oklahoma referred to the value of the land at the Fort Reno Station as alfalfa land. We were advised by the Army officials with whom we consulted that they have never had more than 125 acres of this land in alfalfa and they have had to replant it much more frequently than is economical for alfalfa farming.

Some of this bottom land has been leased out this year for cotton, but only under strict conditions as to soil-conservation policies. In fact, Army officials have told us that the experiments which they have conducted in farming this land convinces them the safest and best use to which it can be put, and should be put, from the soil-conservation standpoint, is to keep the entire tract under some type of sod, hay, or cover-crop.

The letter which I have just read from Mr. Lucus, chairman of the East Canadian County Soil Conservation District, of Yukon, Okla., supports my position that the land of the Fort Reno Station can best be utilized by maintaining it as grassland. The detailed letter from Mr. Gadberry, president of the Investors' Building and Loan Association, of El Reno, Okla., clearly supports my argument that the Senator from Oklahoma is mistaken when he argues that this land should be used for general farm purposes in 160-acre tracts.

The people of the United States have invested a great deal of money, over the years, in the soil-conservation program which has characterized the use by the Fort Reno Remount Station by the United States Army. I prefer to take the advice of soil-conservation authorities, both in Oklahoma and in our own Department of Agriculture, and those in the Army who have carried out the recommendations of soil-conservation experts in preference to the argument made by the Senator from Oklahoma. I state again that it is my honest conviction that to cut the land up into small farm tracts would not be in keeping with the soil-conservation needs of the country. To attempt to cultivate the buffalo-grass area, which is approximately seven-eighths of the station area and is best suited for grassland, I think would constitute mayhem against a natural resource. I think it would be a wrong against a sound soil-conservation program to sink any plowshares into the buffalo-grass land of this reservation.

I have reliable information on this subject from soil experts in the Department of Agriculture and from men in the Department of the Army that any attempt to form this land into small tracts would have the effects pointed out by Mr. Gadberry in his letter. I am satisfied that I have been reliably advised by soil-conservation experts in the Department of Agriculture that to break the land up into small farm tracts would do violence to our soil-conservation program.

As I have said before on the floor of the Senate, I do not want to see the United States continue down the pathway of permitting large segments of the West to develop into another eroded China. That can happen within a century. It can happen in large measure in less time than that. I, for one, shall continue to take a stand in the Senate for soil conservation. I think we have a perfect exhibit here for the application of a soil-conservation program, a perfect opportunity to carry out the advice of our soil-conservation experts who tell us that this particular tract of land should not be broken up for general farming use, but should be retained and managed under a scientific soil-conservation program within the jurisdiction of the Federal Government.

I am almost through, Mr. President, but I want to move on to the next point. I do not know all the facts in regard to the value of the land as a potential oil reserve. My understanding is that its value as an oil reserve has yet to be determined; but communications which I have received, and advice which the Committee on Armed Services has received, indicate that there is a very good chance that there may be oil under the land because of the oil structure in that vicinity. I think we need to pause and remember that, with the international situation what it is, we should go slowly in turning over to private interests land under which there may be a potential supply of oil. I can say, without violating any confidence of the Armed Services Committee, Mr. President, that I know, from the standpoint of national security, the American people and their Government had better look to a program of oil conservation before it is too late. Until there is greater assurance of permanent peace in the world we must not dissipate our oil resources. So I say that so long as there is a question as to the value of the land as a potential oil reserve, it is in my opinion of the utmost importance that it be kept for the time being within Federal jurisdiction.

From another point of view, so far as national security is concerned, I think it should be retained under Federal jurisdiction. I have letters, which I have not taken the time to read, which point out that there are facilities and physical structures on the property which, in a time of national emergency, such as that which confronted us in 1941, could be quickly put into use for Army camp purposes. I hope we shall never have to reactivate some of our Army camps of World War II. But here we have a Federal investment already in existence, in

a fort site, which, in case of another national emergency, could be used for military purposes.

So, Mr. President, I am opposing the transfer of this land to private interests, and am proposing the retention of the land within Federal jurisdiction for the same reason that I am opposing the transfer to the Surplus Property Administration of some other Federally owned camp sites and hospital sites, the control of which I think the Government should retain until we see what world developments shall augur for us so far as peace is concerned.

There are other issues respecting the merits which I shall go into at another time. I do not think it is necessary to discuss them now in order to dispose of the procedural question which is involved in the motion of the Senator from Oklahoma to refer the bill to the Committee on Agriculture and Forestry.

I should like to say a word on the merits of the bill itself, in reply to a question asked by the Senator from Missouri [Mr. KEM]. We have been informed that there are more so-called light horses in the United States today than at any other time in our history. The depletion in our horse ranks has been for the most part in the draft horse group. But the Remount Service has never operated to serve draft horse needs. The Senator from Oklahoma is quite correct. The need for draft horses has diminished, but the Remount Service has been built up with an investment over the years of many million dollars in support of a scientific breeding program affecting so-called light horses.

Mr. KEM. Mr. President——

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Oregon yield to the Senator from Missouri?

Mr. MORSE. I yield.

Mr. KEM. How does the Senator define a light horse?

Mr. MORSE. A horse that is used for light harness or saddle purposes. As the Senator from Missouri, who is a very good horseman himself, knows, it falls within the class of the so-called standard breeds, the thoroughbreds, the Arabians, the quarter breds, and American saddle horses and similar breeds of horses weighing up to 1,200 pounds. The Remount Service itself, so far as both its brood mares and its stallions are concerned, has been limited almost entirely to the thoroughbreds and the Arabians, with a few of the quarter horses and a few of the American saddle horses.

Mr. KEM. Is the Senator referring only to purebred horses, or all horses that come within the light-horse class?

Mr. MORSE. I am referring to all horses that come within the light-horse class.

Mr. KEM. Does the Senator want the Senate to understand that there are more light horses in the United States today than at any time in history?

Mr. MORSE. Surprisingly as it may sound, that is the information which was given to our committee.

Mr. KEM. Has the Senator the figures to support that statement?

Mr. MORSE. I shall get the figures; they were presented to the committee. I shall get them and put them in the RECORD within a few minutes. I do not have them on my desk. However, I repeat that the decline has been in draft horses and mules, but not in light horses.

Mr. KEM. Considering the number of horses formerly used to draw carriages and buggies, and that sort of thing, I think the statement is at least very interesting.

Mr. MORSE. I shall get the figures for the Senator along with any qualifications which an explanation of the figures may require.

Mr. KEM. Does the Senator understand that the Department of Agriculture will continue these stations on their present scale?

Mr. MORSE. I shall put it in this way; I am satisfied from my discussion with the officials of the Department of Agriculture that there will be a considerable restriction in the program, and there should be. I want to make the record perfectly clear now that I do not think we should continue the Remount Service on the same scale on which it was operated when the Army was interested in securing a source of supply for cavalry horses. There is not the need for such a large-scale program but in my judgment there is a need for continuing the scientific breeding program which has been carried on over the years. We should not lose to animal husbandry the benefit of the scientific breeding program which has been conducted by the Remount Service. It seems to me we should not lose the services, available to many farmers and breeders of light horses in many sections of the country, of the blood lines which are provided for through the stallions which are farmed out from the remount stations.

Mr. KEM. As I understand, the Remount Service has some 1,200 stallions used for stud purposes throughout the United States. Is that correct?

Mr. MORSE. I think that is too large a figure. That was the figure under the old program. The latest figures I have show that there are 503 stallions, 500 brood mares, and 200 yearlings.

Mr. KEM. Does this program, which I understand the Senator to say is largely for scientific purposes, contemplate the continuation of such a large number?

Mr. MORSE. Not such a large number of brood mares, probably but as many stallions. It contemplates continuing the letting out of the stallions to the various sections of the country, but cutting down on the breeding program itself. In fact I understand the permanent Service has never been able to meet the demand for good stallions.

Mr. KEM. As I understand, the Remount Service is in addition to certain other activities of the Government in connection with breeding and raising horses, all of which costs the taxpayers money. As I understand, there is a Morgan horse farm in Vermont maintained at public expense, and an Arabian horse farm in California maintained at public expense.

Mr. MORSE. The Arabian farm is included in the Remount Service. I will get the figures as to the Morgan horse farm. The Morgan horse farm, according to my recollection, is operated at the present time by the Department of Agriculture. It is not operated by the Remount Service itself. The Arabian farm at Pomona, Calif., is operated by the Remount Service.

Mr. KEM. Are experiments in breeding horses being carried on at Beltsville?

Mr. MORSE. Not to my knowledge.

Mr. KEM. Are there any other horse activities except those of the Remount Service and the Morgan farm in Vermont?

Mr. MORSE. I know of none.

Mr. KEM. Can the Senator give the Senate an idea as to what this activity costs the taxpayers each year in terms of money?

Mr. MORSE. It will cost $865,000 for the next year; then the Department of Agriculture will have completed its survey, and I assume that its request will be somewhat less a year from now; but the request for the next year will be, as I stated yesterday, $865,000.

Mr. KEM. Did the department give the committee any idea as to what its future plans were, particularly as to the extent of the operations contemplated?

Mr. MORSE. None other than is contained in the letter of Mr. Dodd, then Acting Secretary of Agriculture, which I put in the RECORD. In this letter Mr. Dodd states that when the service is transferred to the Department of Agriculture, they are going to make a complete survey of the entire project, and then decide upon what the future program shall be.

Mr. President, I do not want my attitude misinterpreted. I want the Senator from Missouri to understand me and I desire to be completely accurate with him. I do not want to be interpreted as committing the Department of Agriculture to anything here today as to its future program. I am pointing out, however, that Mr. Dodd—and I know he speaks also for Mr. Anderson, Secretary of Agriculture—made very clear to the committee that the Department of Agriculture wants all the property transferred to them, and once they have jurisdiction, they will make a complete study and survey of the problem, and a year from now make their recommendations as to what the program should be for the future. I think the Senator will have to agree with me that if they then come forward with an appropriation request which cannot be substantiated, we can cut it down; but I think the request for $865,000 is reasonable for this first year, so that they can make their survey and decide how much of the program they want to continue another year and thereafter.

Mr. KEM. As a horse lover, and personally interested in horses, I am entirely in sympathy with the idea of having this work carried on in a limited way, to a limited extent. It seems to me, however, in view of changed conditions, and the fact that horses are no longer needed as a part of the national defense, that the maintenance of these four remount stations is absolutely extrava-

gant, and beyond any present justification. I should like to ask the Senator from Oregon if he does not feel that one of the stations would be ample for the purposes he has in mind.

Mr. MORSE. I do not mean to hedge on the Senator's question, but I would rather wait for the analysis of the situation by the Department of Agriculture before I made any statement as to what I thought the final number of remount stations should be. I am perfectly willing to make this commitment: That I do not think anyone has any right to expect that the program should be developed on the same basis and to the same extent to which it is carried on at the present time.

Let me say concerning the El Reno Station that, from a self-sustaining basis, it is the most valuable of all the stations. It is the one station which comes nearest to being totally self-sustaining in that it raises much of the hay that is used at the Nebraska station as well as at Fort Reno. It has developed a very large production of hay by keeping the land seeded and I should be inclined to think that certainly if we reduce the number of stations, the Fort Reno Station should not be the first station to go. But I do not want to be put into such a position that Senators from other States will rise and ask me if I think the stations in their States should be abandoned. I am simply taking the position today that I think the program should be restricted, and that the Department of Agriculture should have an opportunity to prepare for Congress, after it obtains jurisdiction of the subject matter, its report as to what it thinks the future of the program should be. My feeling is that for various good reasons all your stations should be maintained but the total program cut down so that the cost can be reduced.

Mr. ELLENDER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. ELLENDER. As I understand, four large farms—one located in each of the following States: California, Virginia, Oklahoma, and Nebraska—were established by the War Department years ago in order to enable it to obtain a sufficient number of horses for cavalry and artillery purposes.

At the bottom of page 1 of the committee report we find the following:

> The military importance of the horse-breeding program has decreased in proportion to the decrease in the need for horses in modern military operations.

In view of the decrease in the need for horses by the Army, has the committee given any thought to the idea of decreasing the number of farms where horses are bred and trained?

Mr. MORSE. Yes, the committee has given thought to that suggestion, but, as I just said to the Senator from Missouri, we think that the study and the recommendation in regard to the Remount Service should be made by the Department of Agriculture after we give the Department jurisdiction over the subject matter.

Mr. ELLENDER. But does not the Senator agree that it might be best for us to decide upon the number of farms that may be needed now, rather than wait until after the decision is placed in the hands of the Department of Agriculture?

Mr. MORSE. No, the committee does not believe that such a conclusion would be a proper decision for us to make at this time.

Mr. ELLENDER. It has been my experience that whenever a Department gets control of something of this nature, instead of decreasing the size of it or the personnel, there is a tendency to increase; and since we are to make the transfer from the War Department to the Department of Agriculture, would it not be a good idea for Congress to have the facts at hand so as to decide whether or not the time has arrived when there should be a decrease in the number of remount farms.

Mr. MORSE. No, I think not, because the Armed Services Committee has gone to great effort to get the Department of Agriculture to agree that it will submit a very careful study of the subject as far as a future program is concerned once it has jurisdiction over all these remount farms.

Furthermore, we have complete control so far as appropriations are concerned. The Department will have to come to Congress with a request for funds, and if it asks next year for an amount which is so large as to show that it is not trying to work out the minimum program which is necessary to carry out the objectives of the Remount Service, we can cut off the Department's funds to that extent.

Mr. ELLENDER. To what extent has the Department of Agriculture examined into these four remount farms? Does the Senator from Oregon know?

Mr. MORSE. All I can say is that I know that the Department of Agriculture has inspected the farms and is familiar with their nature. That was set forth in Mr. Dodd's letter in which he said that he thought all the farms should be transferred first, and then the Department should examine into the interests of the people who want land at El Reno, and, I presume, the same is true of the other stations.

Mr. ELLENDER. Does the Senator know how many horses are kept at the remount stations compared with the number years ago when there was need for more cavalry and artillery horses?

Mr. MORSE. I do not have the exact figures. I can secure them for the Senator. There were many more horses on these farms, of course, 10 years ago, when the so-called cavalry program was in existence, than there are today.

Mr. President, I shall be glad to discuss some of these breeding experiments, if the Senator wants me to. Let me say that the California station is doing some interesting work on Arabian-American horses which is of great interest to the stockmen of the country. The stock horse, the American ranch horse, has been very much remade in the past 20 years, largely because of the breeding experiments of the Government Remount Service. Of course, there is and always will be, so long as we raise cattle in the United States, a great demand for good stock horses.

Mr. ELLENDER. I assume the Senator agrees that that demand is decreasing because of the fact that most farmers now use tractors on their farms?

Mr. MORSE. But not for herding cattle.

Mr. President, since my colloquy a few moments ago with Senator KEM, my assistant obtained for me certain figures and information which bear upon some of the questions which Senator KEM asked me. My assistant has checked the records and has made a call on the telephone to one of the officials of the Agricultural Department who has given us these figures. They are the figures which I had in mind when I told the Senator from Missouri a few moments ago that the committee was informed that there are more so-called light horses in the United States at the present time than ever before in our history.

For example, the Department of Agriculture records show that in 1918 there were approximately 150,000 so-called light horses in the United States used for saddle and stock horse purposes. In 1947 there were 2,000,000 such horses. I am sure the Senator from Missouri will agree with me that this is a phenomenal increase. These figures do not include harness horses. I am advised that the Department of Agriculture and the Department of the Army do not have any statistics on the number of so-called light harness horses; but both departments advised the Armed Services Committee, and they have just restated their advice to my assistant, that there are more saddle horses of all types in the United States today than at any other time in our history. Further, my assistant informs me that Colonel Ireland, who at the present time is in charge of the Army Remount Service, states that there are more thoroughbred horses and more so-called halfbreed thoroughbred horses in the United States today than at any other time in our history.

There can be little doubt about the fact that the tremendous increase in blood horses, as far as saddle stock is concerned, is due chiefly to the excellent breeding and stallion program of the United States Remount Service. In fact, Colonel Ireland just informed my assistant that the Army has never had enough stallions to fill all bona fide requests from breeders, farmers, and ranchers.

After the Senator from Missouri asked me his questions about the plans of the Agriculture Department insofar as the continuation of the remount program is concerned I asked my assistant to call the Agriculture Department on that point. My assistant advises me that the Agriculture officials, with whom he talked, informed him that the tentative plans of the Agriculture Department will be to continue, without material change, the Remount Service program insofar as the farming out of stallions is concerned.

In fact, in view of the increasing demand for Remount stallions and in view of the growing demand for more and more well-bred saddle horses the number of stallions under the program conducted by the Department of Agriculture may be increased over the present number of stallions. On the basis of my personal knowledge of the need for Remount stallions I think their number should be increased. However, the Department of Agriculture advises this afternoon there probably will be some revision as to the types of stallions farmed out by the Remount Service because there no longer is the same need for strictly military types of horses. There is, however, an increasing need for thoroughbred stallions and the types of stallions that are being requested by stock ranchers and small farmers.

As to the plans of the Department of Agriculture concerning the four depots we are advised this afternoon that it is the present tentative plan of the Department to keep the four depots in operation on a reduced scale. As I said earlier in my remarks today, I think there are many good reasons why the four depots should be kept under Federal jurisdiction, but I am satisfied that the horse-breeding experiments at these depots can and should be somewhat curtailed in the interest of economy.

However, there are many other reasons, such as soil conservation and military needs, which I think justify and demand that these four stations should be retained by the Federal Government even after they are transferred to the United States Department of Agriculture. In fact, I think some additional uses can be made of these stations by the Department of Agriculture over and above the use to which they were put when they were under the sole jurisdiction of the War Department. I can well imagine that the Department of Agriculture may wish to carry on some future experiments in soil conservation, seeding, and other agriculture research projects on these reservations. Of one thing I am certain, and that is retention of these four stations by the Federal Government under the jurisdiction of the Department of Agriculture will constitute an economic asset in the best interest of all the people of the United States.

During my colloquy with the Senator from Missouri, a question was raised as to the Government Morgan horse farm in Vermont. I knew I had that information among my papers here on my desk, but I could not place my hands on it at the moment. However, I now have found it and I am glad to give this information to the Senator from Missouri.

The Government Morgan horse farm is located at Middlebury, Vt., and it has been operated by the United States Department of Agriculture since 1919. It consists of 987 acres, and of this acreage 435 acres were donated to the United States Government. The farm is known as the United States Morgan horse farm and an appropriation of $50,000 per year has been allotted to it.

This farm has carried on the bloodlines of one of the greatest stallions of American horsemen, the old foundation stallion, Justin Morgan. This famous American stallion was so prepotent in his characteristics that he founded a strain of horses which has become known as the Morgan horse. Most of our saddle-bred horses in America, except the thoroughbred and Arabian, have been marked, as we horsemen say, by Morgan blood. However, there was a danger some years ago that the pure Morgan would become extinct in America unless steps were taken to maintain a Morgan horse-breeding farm. Therefore, the United States Government established the Morgan Horse Breeding Farm at Middlebury, Vt., and it has performed a great breeding service for the American horse industry by maintaining a source for pure Morgan stallions.

The Department of Agriculture has farmed out a few of these Morgan stallions from time to time and the United States Remount Service has used a few of them. Breeders of so-called utility saddle horses are in general agreement that an infusion of Morgan blood from time to time is desirable in breeding programs which seek constantly to improve the utility saddle horses.

Before closing I also want to call attention to certain other statistics which were considered by the Armed Services Committee during our work on this bill. It was pointed out to us that during the past 3 years horses on American farms fell off from 8,000,000 to 6,000,000. This decline in horse operation was confined chiefly to draft horses and mules, because during the same period of time the number of saddle horses increased. However, the increase of the number of saddle horses was not sufficient to offset the very large decrease in draft horses and mules. It was pointed out to us by the officials of the Army Remount Service that the number of saddle horses would have increased at a much more rapid rate if it were not for the fact that the war disrupted not only the breeding program of the Remount Service but also the breeding programs of many horse farms throughout the United States. However, now that the war is over, the demand for saddle horses is greater than at any time during the last 25 years. Some evidence of this demand is to be found in the fact that prices of saddle horses are at an all-time high.

I am sure that these figures will be of interest to the Senator from Missouri. I wish particularly again to call to the attention of the Senator from Missouri that the statistics I have secured for him do not include figures on harness horses. I find that the statistics which were supplied our committee were limited to saddle horses of various types and did not include harness horses.

However, I also find in checking our records that the committee was advised by Army and Agriculture Department officials that there are more light horses under 1,200 pounds in weight per horse in the United States today than at any other time in our history and the demand for such horses is, interestingly enough, increasing rather than decreasing.

In conclusion, Mr. President, I urge the Senate to support the unanimous decision of the Armed Services Committee that the four remount stations involved in the pending bill be transferred from the Department of the Army to the Department of Agriculture. In order to accomplish this end Senators should vote against the motion of the Senator from Oklahoma [Mr. THOMAS] to refer the bill to the Senate Committee on Agriculture and also to vote against the amendment of the Senator from Oklahoma which amendment seeks to exempt the remount station at Fort Reno, Okla., from the terms of the pending bill.

Mr. WHERRY. Mr. President, let me make a statement with respect to the parliamentary situation. The debate so far has been on the motion to refer the bill to the Committee on Agriculture and Forestry. Is there to be further debate upon the motion? I should like to suggest to the distinguished Senator from Oregon that the Senator from Kansas [Mr. REED] desires to submit a conference report on the independent offices appropriation bill, which is a privileged matter. I should like to suggest the absence of a quorum for that purpose. After the conference report has been acted upon a vote can be taken on the motion to refer the pending bill to the Committee on Agriculture and Forestry, and if the bill is not referred, debate can be continued on it.

Mr. MORSE. Mr. President, so far as I am concerned, I am through with the debate on the motion. I only want to say again that the procedural point is a very important one, because I am satisfied that, as a matter of jurisdiction, the Armed Services Committee has the right to dispose of this matter.

Mr. ROBERTSON of Virginia. Mr. President, before the Senator from Nebraska makes the point of no quorum, I wish to say that I should like to be given 2 or 3 minutes to speak on the pending matter. I shall not require more than that time.

Mr. WHERRY. Does the Senator wish to speak now or after the quorum call?

Mr. ROBERTSON of Virginia. I should like to make my remarks after the quorum call.

Mr. WHERRY. Let me say to the Senator from Virginia that it is the purpose, after the quorum call, first to proceed with the conference report, and after that, if the Senator from Virginia wishes to debate the pending bill, very well.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS, 1949 — CONFERENCE REPORT

Mr. REED. Mr. President, I submit a conference report on House bill 5214, the executive and independent offices appropriation bill, and I request its immediate consideration.

The PRESIDING OFFICER. The conference report will be read.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, having met, after full and

free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 6, 14, and 20.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 11, 12, 15, 16, and 19, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In line 5 of the matter inserted by said amendment strike out "$100,000" and insert "$200,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,310,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ", of which amount not to exceed $3,695,500 may be expended for personal services in the District of Columbia"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,401,510"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "; and not less than $207,000 shall be available for the Trade Practice Conference Rule work"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$9,131,317"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 13, and 17.

CLYDE M. REED,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
C. WAYLAND BROOKS,
THEODORE FRANCIS GREEN,
KENNETH MCKELLAR,
Managers on the Part of Senate.

R. B. WIGGLESWORTH,
JOHN PHILLIPS,
CHAS. R. ROBERTSON,
F. R. COUDERT, Jr.,
JOE HENDRICKS,
ALBERT THOMAS,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. WHERRY. I now suggest the absence of a quorum, if the Senator from Kansas will yield for that purpose.

Mr. REED. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bricker	Byrd
Baldwin	Bridges	Capehart
Ball	Brooks	Capper
Barkley	Buck	Chavez
Brewster	Bushfield	Cooper
Cordon	Kem	Pepper
Donnell	Kilgore	Reed
Downey	Knowland	Robertson, Va.
Dworshak	Langer	Robertson, Wyo.
Ecton	Lodge	Russell
Ellender	Lucas	Saltonstall
Ferguson	McCarran	Smith
Flanders	McCarthy	Stennis
Fulbright	McClellan	Taylor
Green	McFarland	Thomas, Okla.
Gurney	McKellar	Thomas, Utah
Hawkes	McMahon	Thye
Hayden	Martin	Tobey
Hickenlooper	Maybank	Vandenberg
Hill	Millikin	Watkins
Hoey	Morse	Wherry
Holland	Myers	Wiley
Ives	O'Conor	Williams
Jenner	O'Daniel	Wilson
Johnson, Colo.	O'Mahoney	Young
Johnston, S. C.	Overton	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the conference report on the independent offices appropriation bill.

Mr. REED. Mr. President, this is the first of the large appropriation bills for the fiscal year 1949 to be enacted into law, assuming, of course, that the Senate takes favorable action on it today.

It is rather noteworthy that the conference report carries appropriation items totaling $81,014,313 less than the items contained in the budget estimates. The conference report totals are also $24,076,000 less than the amounts carried in the bill as passed by the House of Representatives. That, in itself, is quite unusual. The amount the conference report, as presented to the Senate today by the conferees, carries is $967,442,551.

I wish briefly to refer to the changes which were made in conference from the bill as passed by the Senate.

The emergency fund of the President for this year is $500,000. The Bureau of the Budget requested $1,000,000. The House of Representatives reduced that amount to $700,000. The Senate reduced the amount to $100,000. The conferees have added $100,000, so as to make the emergency fund of the President $200,000.

The Council of Economic Advisers has an appropriation, for this year, of $350,000. The House reduced that amount to $300,000. The Senate, in passing the bill, restored the amount to $350,000. The conferees have again reduced the amount to the House figure of $300,000.

The Office of Government Reports was discontinued entirely. The Senate version of the bill contained an item of $18,000 to continue it, but the House conferees insisted upon striking out that item.

The Federal Communications Commission appropriations were reduced, as a result of the conference, $50,000 under the amount provided in the Senate version of the bill, to make a total of $6,310,000 for salaries and expenses.

The Federal Trade Commission appropriations took a decrease of $120,000 under the amounts carried in the Senate version of the bill, making a total of $3,401,510.

There was considerable discussion in the conference over the amount of $120,000 which the Senate added to the bill, largely upon the insistence of the Senator from Wyoming [Mr. O'MAHONEY]. The House conferees took a totally different view of the purpose of that item and positively refused to allow anything for it.

Mr. O'MAHONEY. Mr. President, will the Senator from Kansas be kind enough to advise the Senate regarding what was the point of view of the conferees on the part of the House with respect to the amendment to which he has adverted?

As the Senator from Kansas knows, the country has been in the midst of a price inflation. The Senator knows that large corporations which are engaged in distributing food and other commodities which the people of the United States find essential to keep body and soul together, have been making tremendous profits, profits beyond all record, while they are charging prices higher than were ever charged at any previous time in the history of the United States. That we are now suffering from a high cost of living which is beyond any previous record is admitted upon every hand. Last October several committees were appointed by the Senate and the House under a resolution expanding the Joint Committee on the Economic Report by the appointment of other Members from the Senate and House. Those committees held hearings upon the cost of living throughout the country. There was an eastern committee, a far-western committee, and a middle-western committee. All three committees were unanimous, with no suggestion whatever of a division, in finding the cost of living in the United States to have risen so high that millions of people in the lower-income brackets were finding it difficult to make their incomes cover the cost of living.

We also know that through some mysterious process the great corporations which dominate the economic scene find a way of acting in unison, all raising their prices simultaneously.

The action of the Senate Committee on Appropriations and the subsequent action of the Senate were intended to provide relief from that situation by enabling the Federal Trade Commission, which is thoroughly equipped for the work, to conduct constructive studies of the manner in which prices are administered. We are not so naive that we do not know that prices are administered. The facts revealed by the Joint Committee on the Economic Report with respect to the steel industry were conclusive evidence of this fact. If Senators will read the record of that committee they will find a rather amusing exchange between the president of Bethlehem Steel and one of the members of the joint committee. It appeared that United States Steel had increased the price of semifinished steel by 5 percent on the 12th of February 1948. It was not discovered by the press until a week or so had elapsed, and then all the columnists and all the defenders of concentrated industry said, "Why, this is but a fragmentary proportion of the output of steel. It will not affect costs in the United States at all." But the Senator from Ohio [Mr. TAFT], chairman of the Joint Committee on the Economic Report, very properly summoned before the committee the president of United

States Steel and the president of Bethlehem Steel and others, to explain the unexplainable increase in the price of steel. When Mr. Homer was on the stand, I asked him how he happened to give authority to Bethlehem Steel to make exactly the same increase in the price of steel as that which had been made by United States Steel. I said, "Did you have any conference with them?" "Oh, no; no conference at all." "Did you make an investigation of your costs, so that you had a cost report upon which to base the increase?" "No." "Well, how did you come to make the increase in the price of steel?" "Well," he said—and this is in the record—"a salesman of Bethlehem Steel came to the office one day and reported that he had heard United States Steel had increased the price 5 percent; so we did." "Well," I said, "Mr. Homer, will you please explain why you had to do it?" "Oh," he said, "we had to be competitive." That is a new illustration of competition. In order to compete with United States Steel, Bethlehem Steel, instead of taking advantage of the better price it had been offering, simply boosted the price to make it the same as that which United States Steel was charging.

Mr. President, the facts before us, if we only had time to look at the facts and pay some attention to the needs of our constituents, prove this: It is true that the increase was upon semifinished steel. Semifinished steel is the raw material which steel finishers use in turning out the end products with which they compete with the United States Steel.

Mr. REED. Mr. President, I ask the Senator from Wyoming if he will not make his speech after I have concluded.

Mr. O'MAHONEY. Let me finish the thought, so the point may be clear. I am going to make a speech afterwards, too; the Senator may rely upon that. But here we have a situation in which United States Steel and Bethlehem Steel, the two largest units in the industry, have been spending money in the expansion, not of their ingot-producing facilities but in the expansion of their finishing facilities. They have seized upon this moment when the demand for finished products is so great that their independent competitors can absorb the cost. But, as a trade journal, Iron Age, put it very succinctly in one of its issues, the steel companies were setting the stage by which the little fellows would be unable to compete when conditions became normal.

Mr. REED. Mr. President, I ask the Senator from Wyoming to let me finish my statement with reference to the conference report, and then he can take the floor in his own right.

Mr. O'MAHONEY. If the Senator will indulge me, until I read this quotation—

The PRESIDING OFFICER. Does the Senator from Kansas yield further?

Mr. REED. The Senator from Wyoming is presuming considerably upon the Senator from Kansas.

Mr. O'MAHONEY. I do not like to presume, but I should like to read this quotation.

Mr. REED. How long is it?

Mr. O'MAHONEY. It is not very long. It would require less than a minute. It will not burden the Senator very much, and it will illuminate the mind of the Senator.

Mr. REED. The Senator from Wyoming knows that in the Federal Trade Commission Administration there are various ways of handling this trying question. The appropriation bill gives the Federal Trade Commission considerably more money than it had last year, and more than it has had for some years. It is operating under the antitrust law. The appropriation bill provides more than $200,000 to give effect to the policy, which has been urged upon Congress for some years, of having trade conferences in an effort to reach the question of agreement on prices. There is a third device, which is one specially favored by the Senator from Wyoming, known as the administered price structure. We provided in this bill, largely upon his urgency, an appropriation of $120,000 for that purpose. When it went to conference, the House conferees wholly disagreed with the Senate and with the Senate conferees upon the necessity of appropriating that particular sum. In the two categories of enforcement of the antitrust law and the price structure, the Federal Trade Commission has, under the conference bill, more money than it has had for a long time.

I now yield to the Senator for a moment, to enable him to read the quotation; after which I desire to conclude.

Mr. O'MAHONEY. Mr. President, I knew I could depend upon the indulgence of the genial Senator from Kansas.

This is what the Iron Age, looking into the future, said in its issue of July 10, 1946:

> With emphasis in the steel industry on increased finished capacity for flat-rolled products, the chances of extra semifinished steel being sold in the open market are getting slimmer and slimmer. This means that nonintegrated makers will find their sources of raw material for finished flat-rolled products contracting toward zero over the next few years.

I may say to the Senator that my purpose in urging the Senate and the Senate committee to make this allowance for a study of prices was so that the constituents of the Members of Congress would know how the large industrialists so arrange their prices that they are identical. Unless such study shall be made, we may be sure that our constituents will continue to be exploited.

I shall now desist, but when the Senator has completed his explanation of the bill, I intend to raise the question for further consideration.

Mr. REED. Mr. President, the Senator from Kansas was sure that the Senator from Wyoming would do that. The only thing the Senator from Kansas was at all concerned about was to get the report adopted, after which the Senator from Wyoming, so far as the Senator from Kansas is concerned, may take the remainder of the afternoon in expanding his theories of the enforcement of the laws against monopolies.

Mr. O'MAHONEY. If the Senator will permit me to interject, I intend to make my discussion before the conference report shall be adopted.

Mr. REED. Very well.

Mr. President, the National Capital Park and Planning Commission asked for two sums of money. One was $159,000 for the purpose of purchasing additional ground outside the District of Columbia for park purposes, growing out of the long-time park program covering the District of Columbia in addition to adjacent area in Maryland. The sum of $159,000 was left in the bill. The Senate put into the bill an item of $50,000 for making a plan in connection with the redevelopment, and that item went out in conference.

I have stated the general outlines of the conference agreement. I now move that the conference report be adopted.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. O'MAHONEY and Mr. HOLLAND addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. O'MAHONEY. I suggest the absence of a quorum.

Mr. WHERRY. Mr. President, we have not transacted any business since the last quorum call.

Mr. HOLLAND. Mr. President——

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WHERRY. I shall be glad to yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I ask the Senator from Nebraska to withhold his parliamentary inquiry in order to permit a quorum call. The reason I ask for a quorum call is that I want the largest possible number of Senators to hear the story of how the House conferees have refused to give their consent to a price study by the Federal Trade Commission.

Mr. HOLLAND. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. In a moment I shall be glad to yield. I shall be glad to withhold the parliamentary inquiry if the Senator from Wyoming will withhold his request for a quorum call until I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I hope the Senator from Wyoming will withhold his request for a quorum call, because I have a question to ask the Senator from Kansas, and that does not require the presence of additional Senators.

Did I correctly understand the distinguished Senator to say that in the conference the appropriation for the contingent fund for the President was raised from $100,000 to $200,000?

Mr. REED That is correct?

Mr. HOLLAND. Will the Senator from Nebraska yield for another question?

Mr. WHERRY. I yield briefly.

Mr. HOLLAND. The change of the amount of the appropriation for the contingent fund, or emergency fund, of the President from $100,000 to $200,000 was not in any way an effort to meet the need for funds for emergency or

disastrous conditions in the Nation, was it?

Mr. REED. Mr. President, during the debate on the passage of the bill, the junior Senator from Florida, the senior Senator from Florida, and the Senator from Kansas discussed at some length the need of an emergency fund. "Emergency fund" is a false title. It was not an emergency fund at all; it was not used for that purpose. That is why, in the first place, the House reduced it, and why the Senate reduced it to a greater extent than did the House. The Senator from Kansas agrees entirely with the Senator from Florida in his contention and belief that there should be a substantial emergency fund in the hands of the President of the United States to be used strictly for emergency purposes, not for the various purposes, none of which was emergency in character, which absorbed the President's so-called emergency fund.

General Fleming is under instructions to make a report to the President on the need of a fund to be used in disaster cases, including the amount needed, how it will be used, and who shall use it. The Senator from Kansas has said to the Senator from Florida, and now repeats it, that the Senator from Kansas agrees that there should be such an emergency fund. The Senator from Kansas has requested General Fleming to furnish him a copy of the report which he is to make to the President as soon as such report is available. I stated during the debate on the appropriation bill that I would be very glad to join with other Senators in enacting or attempting to enact the legislation which would actually cover real emergency situations.

Mr. HOLLAND. I sincerely appreciate the remarks of the distinguished Senator from Kansas. I wanted to have it perfectly clear in my own mind and for the RECORD that the increase of the contingent fund of the President in no way displaced the thought which I was sure the distinguished Senator had and which he shared with the two Senators from Florida, that there should exist an emergency fund to meet the terrible disasters which occur from time to time throughout the Nation.

Mr. REED. Mr. President, I move the adoption of the conference report.

Mr. O'MAHONEY. Mr. President, I desire to speak upon that motion. The acting majority leader has indicated to me that he desires to take up two other measures this afternoon and then to recess. He wants a vote upon the unfinished business dealing with the question affecting the remount stations and a vote upon the measure introduced by the junior Senator from California [Mr. KNOWLAND].

Mr. WHERRY. Mr. President, will the Senator yield for a moment?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. Mr. President, inasmuch as the announcement has been made, the indications are that the votes will be record votes, and I suggest, in view of that fact, that Members hold themselves in readiness and be prepared to vote on both the measures which have been mentioned.

Mr. O'MAHONEY. The Senator from Nebraska has indicated to me his belief that a quorum call would probably not bring to the floor more Members of the Senate than are now assembled, but I desire every Senator who proposes to vote on the question to know that the issue is whether the Republican majority in the Senate, with or without the aid of Democrats—I want to make it wholly nonpartisan, because the committee was nonpartisan in writing the provision into the bill——

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. What the Senator means is the coalition in the Senate, rather than the Republican majority, is it not?

Mr. O'MAHONEY. Let us call it a coalition, if the Senator prefers that. The question is whether or not the Senate shall make the record show here that it does not want to give a qualified and authorized agency of the Government money with which to conduct a sadly needed study of the manner in which prices are administered by the great businesses of the country. The Senator from Nebraska himself is chairman of the Small Business Committee, and I think no Member of the Senate is in a better position than he to know, from the evidence which has been presented to that committee to what extent little business throughout the United States is made the victim of price administration by the large industries.

I was undertaking, by quotation from the trade journal Iron Age, to show how this matter is understood by trade journals and by those who are interested in industry. I read a moment ago the statement which appeared in Iron Age on July 10, 1946. This was quoted from the column, Newsfront, which says:

> With emphasis in the steel industry on increased finished capacity for flat-rolled products, the chances of extra semifinished steel being sold in the open market are getting slimmer and slimmer. This means that nonintegrated makers will find their source of raw material for finished flat-rolled products contracting toward zero over the next few years.

That was a prediction made in July 1946. On the 26th of February 1948, 2 weeks after the increase in steel prices had been announced by United States Steel and copied by the others, Iron Age contained this paragraph:

> No secret has been made of the fact that several steel price increases have been put into effect since the first of the year. A summary of these includes tin plate, terne plate, black plate for alloys, steel bar extras, nails, wire fencing, railroad car axles and wheels, tie plates, all types of pipe and tubing, all types of semifinished steel. A conservative estimate on the basis of 1947 steel shipments indicates that these increases (which steel companies claim were necessary because of much higher prices for materials they purchased) on an annual basis would amount to more than $170,000,000 to the consumer if 1948 operations are as high as last year.

There is the evidence that these price increases covered not only the semifinished steel, but many other steel products, and the increased levy is paid by all the people of the United States.

The Senator from Nebraska and the Small Business Committee have been studying the oil problem and the shortage of oil. He knows, and his committee knows, that one of the contributing factors is the difficulty in getting pipe to lay the pipe lines and to sink the wells which are necessary to bring in new supplies. United States Steel, Bethlehem Steel, and the other steel companies acting in unison with them, have increased the price and made it more difficult to produce the oil which we need.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. It is not only a question of price. The Senator well knows that it is also a question of allocation, and that the exportation of steel is probably the big hurdle now in obtaining steel for small enterprises.

I want the distinguished Senator to know that I deeply appreciate the remarks he is making, because there is no doubt that small business is having a very difficult time in obtaining steel, not only because of its price, but because big business has established a pattern, apparently, of going into the field of small business, a practice started during the war which has been extended into the peace period. But along with the price, we find in our research—and I am sure the distinguished Senator will agree with me—that applications for the export of steel are now coming in not only by the hundreds, but by thousands, applications for export of steel because of the disruption and dislocation abroad that make it imperative.

We have protested the exportation of steel in cases in which it is doubtful if the shipments can be defended, for instance, the export of 35,000 tons of steel for construction of pipe lines, steel which should be used in this country during this period of emergency. Yet I am to be called down to the department tomorrow to get the answer. I am as sure as that I am standing here that the answer will be that they are going to continue to export the steel.

I do not care to impose on the time of the Senate, but I think that inasmuch as disruptions to small business have resulted because of prices and the imposition of quotas, the whole story should be told. We have already submitted a report, if Senators will but read it in the RECORD. Twenty-five percent of the farm implements produced in this country are going across the water this year. It is disrupting small business throughout the country.

Mr. O'MAHONEY. Mr. President, the Senator will permit me to say that the question of the export of steel was one of the phases debated when we passed the ERP measure.

Mr. WHERRY. The Senator is correct.

Mr. O'MAHONEY. There is no doubt that the export demand is one of the factors that tends to keep prices up. What I am pointing out is that, by the action of the conference committee upon the appropriation bill before the Senate, we are saying that we do not want the Federal Trade Commission to look into the way prices are administered

here at home. That is another question. The Congress by its vote upon the European recovery plan has stated that, because it believes it is necessary to rehabilitate Europe, to start Europe again upon the production of goods and food, these exports must be made, but that is no argument against having the Federal Trade Commission tell us how the great corporations arrange their prices.

What is being done in price management in the United States has everything to do with inflation. Now we are about to engage upon a new preparedness program which will create new demands, and if we do not have an understanding, through the study by a competent Federal agency to determine how these prices are managed, we shall not be in a position to exercise informed judgment on the problems which come before us.

Mr. REED. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield to the Senator from Kansas.

Mr. REED. I break into the argument of the Senator at this point to prevent an impression being left on the Senate that in any way the action of the conference committee has hindered the Federal Trade Commission. We have done nothing of the kind. The appropriation carried in the pending bill for the Federal Trade Commission is $3,401,510, and that is more than the Federal Trade Commission has had in any year for the last 15 or 20 years, so far as I know. The last year in which the party of the Senator from Wyoming was in the majority in the Senate the Federal Trade Commission received $2,615,672. This year it will receive $800,000 more than that. I repeat the figure of the amount it will receive this year. It is $3,420,510.

Mr. O'MAHONEY. Mr. President, I make no such charge.

Mr. REED. The Senator was certainly leaving that impression.

Mr. O'MAHONEY. No; what I am saying is that there has been eliminated an item of $120,000 which was designed to enable the Federal Trade Commission to carry on its administered price study.

Mr. REED. We have not tied the hands of the Federal Trade Commission in any respect. This is what happened——

Mr. O'MAHONEY. Does the Senator wish the Senate to understand that the Federal Trade Commission may nevertheless, despite the elimination of this sum, carry on a study of administered prices?

Mr. REED. It certainly can, and has more money with which to do it than it has had for 15 years.

Mr. O'MAHONEY. Will the Senator from Kansas call the attention of the Senate to the provision in the conference report which deals with this matter?

Mr. REED. Mr. President, the Senate conferees tried to retain in the bill the item to which the Senator from Wyoming refers. There was perhaps as much discussion of this item as there was of any other provision of the bill. We insisted upon the Senate item so long as there was any sense in doing so. The House conferees disagreed with us. They disagreed with the basic premise. There was nothing else for us to do in view of the disagreement by the House conferees. When conferees go to a conference on a bill as large as this is, which contains as many items as this contains, there are bound to be disagreements, and I never knew any conferees from either House who have had their own way entirely.

Mr. O'MAHONEY. Of course that is true. Nevertheless, the Congress should know precisely what is being done. I now read from the statement on the conference report, made by the managers on the part of the House, as it appears on page 4256 of the CONGRESSIONAL RECORD of April 8:

> Amendments Nos. 9 and 10, relating to the Federal Trade Commission: Appropriates $3,401,510 for salaries and expenses, instead of $3,361,510, as proposed by the House, and $3,521,510, as proposed by the Senate, the increase of $40,000 above the House bill provides $10,000 for mail-order insurance regulatory work and $30,000 for trade-practice conference work, no funds being provided in the conference agreement for administered price studies or program. The conferees have recommended elimination of the words "and investigations necessary thereto" in connection with the provision inserted by the Senate for trade-practice conference work.

No funds were provided in the conference agreement for administered price studies or programs.

Now will the Senator from Kansas interpret that language?

Mr. REED. Mr. President, there is money in the bill earmarked for trade-practice conference work and for certain other things. In the report the fact is mentioned that $10,000 for handling the insurance question is included which is a way of calling attention of Members of our body to certain purposes for which money is to be used. The Federal Trade Commission still has more money than it has received for 15 years. It has $800,000 more than it had the last year the Senator's party was in the majority, and it is perfectly free to use any part of that sum it wants to for the study of the administered price structure.

Mr. O'MAHONEY. Then what did the conferees mean when they said that no funds were to be provided for such a study or a program?

Mr. REED. This is one of the particular pet children of the Senator from Wyoming. He is a member of the Appropriations Committee of the Senate, and also a member of the subcommittee which framed the bill. We placed this language in the report of the Appropriations Committee of the Senate at the request of the Senator from Wyoming:

> The committee regards the administered price studies as an integral part of the anti-monopoly work and recommends that in allocating the over-all increase, funds should be provided to carry out an effective program.

So the Senate increased the sum total of appropriations $120,000 because of that. The action of the conference committee does not mean that the Federal Trade Commission cannot go ahead with the work. I say again that the Federal Trade Commission this year has $800,000 more than it had in the last year the Democrats were in the majority in this body and wrote the appropriation bill. It has more money to do its work than it has had for 15 years. I do not want any impression to be allowed to remain that the Federal Trade Commission had been restricted in the amount of money provided for it, or in any way restricted as to how it may use the money. It may use it as it wants to.

Mr. O'MAHONEY. I am very happy to hear the Senator from Kansas make that statement. I should like very much to believe that it represents a correct interpretation of our legislative determination. If the Federal Trade Commission is still authorized to use its funds to make a study of administered prices I would have no complaint, because I have not any doubt that the Commission may use some of its employees to carry on this study, provided that the language in the report is not to be interpreted as a prohibition against such use. Will the Senator from Kansas say that, in his opinion, it is not a prohibition?

Mr. REED. Well, Mr. President, I certainly say that it is not a prohibition.

Mr. O'MAHONEY. Then our legislative record is, therefore, that in the view of the Senator from Kansas, the chairman of the subcommittee in charge of the bill, despite the language in the conference report, the Federal Trade Commission, if in its judgment it thinks it desirable, may assign employees to carry on these studies?

Mr. REED. My answer to that is in the affirmative; yes.

Mr. O'MAHONEY. Mr President, in view of the fact that that affirmative statement has been made by the chairman, I shall not pursue the matter further, because what I want is results. I want to make certain that the agencies of the Government will use all the power they have to protect the people of the United States from inflationary prices which are engineered by monopolists, and for which the inhabitants of every community in this land pay the toll.

Mr. REED. Mr. President, the chairman of the subcommittee, who is ex-officio chairman of the conference between the two Houses, is so modest and self-effacing that he sometimes has bad luck in conferences. I want to say again that we held out as long as we could to retain this extra $120,000 which was put into the bill at the suggestion of the Senator from Wyoming, but the House conferees have as much power as we have.

Mr. O'MAHONEY. Mr. President, inasmuch as the Senator's interpretation is that the action of the conferees is only a reduction of the amount available, and not a reduction of the jurisdiction and power of the Federal Trade Commission with respect to these studies. I am perfectly agreeable.

Mr. REED. Mr. President, the Federal Trade Commission has an over-all sum to carry on its work. Two hundred and seven thousand dollars of that is earmarked for trade-practice conference work. Ten thousand dollars is mentioned in the report, but not in the bill, for mail-order insurance regulatory work. Thirty thousand dollars is mentioned in the report, but not in the bill, for another purpose. Then there is a wool-labeling provision which is in the bill itself. There are two items in the bill itself, one for trade conferences and one for wool labeling, which carry specific amounts. All the rest of the money

is at the disposal of the Federal Trade Commission. It carries on through the antitrust laws, through trade-practice conferences, and in various ways, and in the opinion of the Senator from Kansas, there is no limitation on the Federal Trade Commission as to how it shall use the money.

Mr. O'MAHONEY. Mr. President, I am very glad to accept the interpretation just announced by the Senator from Kansas.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks on the conference report an article which I have written upon the steel price issue.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

URGES MONOPOLY ACTION—BIG STEEL PRICE HIKE DESCRIBED AS SQUEEZE PLAY ON INDEPENDENTS

(By Senator JOSEPH C. O'MAHONEY, Democrat, of Wyoming)

Friends of free enterprise—and there are many, and they know no party lines—received conclusive evidence in the recent congressional hearing on the steel price increase that Congress must act without delay if it desires to prevent monopolistic regimentation of the American economy.

The testimony of President Fairless, of United States Steel, and of President Homer, of Bethlehem Steel, unwittingly, but nevertheless clearly, revealed the attack which is now being made by concentrated industry upon competition.

Defending themselves against the accusation that by the price increase they were promoting inflation, they sought to show that prices had been raised on only semifinished steel which they said constituted only an unimportant fraction of steel output, and which, therefore, could not be inflationary. The facts which I put in the record by questions addressed to the witnesses and by quotations from the trade journals of the oil and steel industry demonstrate that prices had in fact been raised not only on semifinished steel, but upon many other steel products which will definitely increase costs for the farmer and city dweller.

OPEN GUNS ON INDEPENDENTS

The really significant revelation, however, was that the increased price of semifinished steel is merely the opening gun in a new movement by the biggest units in the industry to drive the independents out of business.

Semifinished steel upon which the steel magnates admit they raised prices, is the raw material used by nonintegrated companies in turning out the finished products from wire and nails to pipe and tubing and structural steel used by all the people of the country. By increasing the cost of this raw material, United States Steel and Bethlehem have set the stage for the eventual acquisition of their nonintegrated competitors. On July 10, 1946, Iron Age, one of the leading trade journals of the iron and steel industry, published in its column Newsfront the following paragraph:

"With emphasis in the steel industry on increased finished capacity for flat-rolled products, the chances of extra semifinished steel being sold in the open market are getting slimmer and slimmer. This means that nonintegrated makers will find their source of raw material for finished flat-rolled products contracting toward zero over the next few years."

This prediction made only a few months ago is borne out by the price boost. The big steel companies have expended little or nothing in expanding their capacity to produce steel ingots, but whatever they have expended has been concentrated in the expansion of their finishing mills.

In other words, they have built much capacity to turn out the finished products which their independent customers have manufactured from semifinished steel. The price increase was a warning signal to the little fellows that the big units are moving in.

EIGHT CONTROL 79 PERCENT INGOT CAPACITY

United States Steel, Bethlehem, and six other corporate units own 79 percent of the total ingot capacity of the United States. Expansion of the finishing facilities of these big units promotes concentration, and concentration destroys competition.

This was demonstrated in the recent congressional hearing when the president of Bethlehem Steel told the Senators and Representatives that Bethlehem increased the price of its semifinished products only because United States Steel had done so. When I asked Mr. Homer whether his company had made a special study of costs before announcing the increase, his answer was in the negative.

Since the hearing, I have received a letter from a national association of metal manufacturers reporting that on February 12, United States Steel had announced a new schedule of higher "extra" prices on all carbon steels, and that another steel company, one of the Big Eight, Jones & Laughlin, immediately fell in line and without making any announcement of an increase began to bill its customers at the higher price ordained by United States Steel.

In other words, when United States Steel acts, the others follow. All this the steel industry calls competition. I call it monopoly. Competition is not fostered by uniform price increases. That's the way monopoly is established.

How perfectly indefensible it is in the present situation when inflation has driven the cost of living up is illustrated by a report in the March Economic Letter of the National City Bank of New York. This report shows that 36 corporations engaged in the iron and steel industry had a net income after taxes in 1947 of $409,478,000, as against a net income of $259,712,000 the year before. That was an increase after taxes of 57.7 percent. Identical prices and identical price raises created these profit gains.

WALL STREET GUIDES STEEL POLICY

The great danger of economic concentration and extortionate profit as illustrated in the case of the steel industry is emphasized by the fact that all the big banks of New York City are represented upon the board of directors of United States Steel. The dominant factors of the steel industry are guided by the financial leaders of Wall Street.

When these men countenance such tremendous profits and such price manipulation, it seems to me to be proof that the leaders of concentrated industry have no faith in the future of America and are preparing for a depression which they feel confident is coming.

This must have been the meaning of the following sentence taken from the 1946 annual report of United States Steel Corp.:

"Good management seems to require that all reasonable action be taken in an attempt to improve United States Steel's earnings in times of high operations, so that it may have the financial means to maintain itself during periods when customers' demand for steel is small."

This puts the issue up to Congress. The steel industry, like other big industries, is being controlled and regimented by the masters of concentrated economic power.

It is a challenge to the Congress of the United States to act positively against inflation and to put an end to the constant drift toward monopolistic mergers by passing the bill which Representative ESTES KEFAUVER (Democrat, of Tennessee) introduced in the House and which I have introduced in the Senate amending the Clayton Act so as to enable the Federal Trade Commission to put an end to monopolistic combinations.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. REED. Mr. President, I ask that the Chair lay before the Senate the action of the House on a certain Senate amendment.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5214, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
April 8, 1948.

Resolved, That the House recede from its disagreement to the amendments of the Senate Nos. 13 and 17 to the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate No. 1 to said bill and concur therein with an amendment as follows: In line 2 of said amendment after the word "arise", insert the following: "without regard to the provisions of law regulating the employment and compensation of persons in the Government service."

Mr. REED. Mr. President, I move that the Senate concur in the House amendment to the amendment of the Senate numbered 1.

The motion was agreed to.

TRANSFER OF REMOUNT SERVICE

The Senate resumed the consideration of the bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture.

Mr. WHERRY. Mr. President, as I understand the parliamentary situation, the pending question is the motion of the senior Senator from Oklahoma [Mr. THOMAS] to refer to the Committee on Agriculture and Forestry House bill 3484, to transfer the Remount Service from the War Department to the Department of Agriculture.

The PRESIDING OFFICER. The Senator is correct.

Mr. WHERRY. As I understand, the debate is to be continued by the Senator from Virginia [Mr. ROBERTSON], following which there will be a vote on the motion. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Dworshak	Johnston, S. C.
Baldwin	Ecton	Kem
Ball	Ellender	Knowland
Barkley	Ferguson	Langer
Brewster	Fulbright	Lodge
Bricker	Green	Lucas
Bridges	Gurney	McCarran
Brooks	Hawkes	McCarthy
Buck	Hayden	McClellan
Byrd	Hickenlooper	McFarland
Capehart	Hill	McKellar
Capper	Hoey	McMahon
Cooper	Holland	Martin
Cordon	Ives	Maybank
Donnell	Jenner	Millikin
Downey	Johnson, Colo.	Morse

Myers	Saltonstall	Vandenberg
O'Conor	Smith	Watkins
O'Mahoney	Stennis	Wherry
Pepper	Thomas, Okla.	Wiley
Reed	Thomas, Utah	Williams
Robertson, Va.	Thye	Young
Russell	Tobey	

The PRESIDING OFFICER. Sixty-eight Senators having answered to their names, a quorum is present.

Mr. ROBERTSON of Virginia. Mr. President, I realize that the hour is growing late and that the Members of the Senate are impatient to complete action on the pending measure, and then take up the bill dealing with atomic energy, with a view to completing action on it before the Senate takes a recess until next Monday.

However, I cannot let this opportunity pass without expressing the deep interest of the senior Senator from Virginia [Mr. BYRD] and myself in the program of maintaining the operations of these Government remount depots. The senior Senator from Virginia lives within 25 miles of the Front Royal depot, in Virginia, and I live about 135 miles from that depot. Both of us have been thoroughly familiar with the splendid work which has been done at that depot in Virginia over a long period of time, and we are very desirous of seeing the operations at that depot continued, as proposed by House bill 3484, under the direction of the Department of Agriculture.

I was interested in hearing the junior Senator from Missouri ask the disdistinguished Senator from Oregon whether or not there had been any increase in recent years in the number of light horses such as those the Army has been developing over a period of years. I take pleasure in calling his attention to the fact that there were approximately 150,000 light horses in 1918, and that there are now 2,000,000 of that type, while the trend has been away from the heavy draft horse because of the widespread use of tractors.

The pending question is the motion of the Senator from Oklahoma that House bill 3438 be recommitted——

Mr. WHERRY. Mr. President, if I may correct the Senator, it is a motion to refer the bill to the Committee on Agriculture and Forestry, which has not previously had possession of the bill.

Mr. ROBERTSON of Virginia. I thank the Senator for the suggestion. I should have realized that if we did anything to the bill by way of sending it back to committee, it should be returned to the committee having full jurisdiction of it, which has twice considered it and twice reported it by unanimous vote, the Committee on Armed Services, in which event the motion would have been to recommit.

Mr. President, the senior Senator from Virginia and I are very much opposed to the motion to refer the bill to the Committee on Agriculture and Forestry. The distinguished Senator from Oklahoma wrote me in February, after I had put him on notice that if he made such a motion on the floor I hoped to be present, and, if I were present, I certainly would oppose the motion. He wrote me that he hoped I would not object to it, because he said the committee would very briefly consider it and he would ask them to eliminate the Oklahoma station, and then he would let it come back promptly to the Senate, and all of us who like the work of the remounts and would like to see them continued could have our remounts and we could move merrily along. I sent that letter together with a copy of my reply to the distinguished Senator from Oregon, asking for his comment. I want to read what he said:

DEAR SENATOR ROBERTSON: Thank you very much for sending me a copy of your letter of March 10 addressed to Senator ELMER THOMAS.

I am unalterably opposed to Senator THOMAS' proposal, and I am ready to argue in opposition to the proposal on the floor of the Senate. I am unalterably opposed to committing this matter to the Agriculture Committe, because I am satisfied that every possible angle of the issue has been thoroughly considered by the Committee on Armed Services and that the jurisdiction to handle the matter rests clearly with the Senate Committee on Armed Services.

Unquestionably the issue has some agricultural facets inherent in it, but most matters taken up by various Senate committees have some features pertaining to subject matters which cross committee lines. We never would be able to do the work of the Senate if we required that each bill be considered by every committee which might have some interest in it.

Furthermore, I am satisfied that Senator THOMAS' attempt to secure singular treatment for the remount station at El Reno, Okla., will scuttle the entire remount program. He seems to think certain interests in Oklahoma have some special rights in the El Reno Remount Station separate and distinct from the interests of the rest of the people of the country in this project. I do not accept that premise. We are dealing here with a Federal project, and it must be looked at from the standpoint of the national interests involved in it.

I am satisfied that if Senator THOMAS succeeds in separating the Oklahoma station for special treatment, then all of the remount stations will be abolished. Hence I shall continue to insist upon and support a united remount-station program, because I am satisfied that we shall lose the entire program if Senator THOMAS has his way.

Sincerely yours,

WAYNE MORSE.

Mr. President, the distinguished Senator from Oregon, in a brilliant and logical speech, today has covered this subject so fully and so much better than I could possibly cover it that I shall not longer trespass upon the patience of my colleagues. However, on behalf of the horse breeders of Virginia, the horse breeders of the Nation, the horse lovers of Virginia, and the horse lovers of the Nation, I want to pay my sincere thanks to him for the fight he has made through the months to maintain the remount depots, which we feel will mean so much in the future to the improvement of the strain of horses that are now the principal type, the saddle horses, the cattle horses, the race horses, and the pleasure horses in general.

Mr. President, I conclude as I started, by saying, on behalf of the senior Senator from Virginia and myself, we hope the motion of the Senator from Oklahoma will not prevail.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON of Virginia. I yield to the Senator from Missouri.

Mr. KEM. It seems there are now four remount stations which are being conducted at an expense to the Government of approximately $800,000 a year. The system was built up in a day when horses were an important part of the national defense. I should like to ask the Senator from Virginia if he does not believe his estimate is extravagant and unrealistic, in view of the present demand and the present use of the horse, and if he does not think, if the change contemplated by the bill were to be accomplished, there should be a drastic reduction in this expense.

Mr. ROBERTSON of Virginia. Mr. President, on the contrary, I have already pointed out to my distinguished friend that the production of the light type of horse has increased from 150,000 in 1918 to 2,000,000 now. In addition to that, the Senator frequently visits his lovely daughter, whom I admire, and who lives in Orange County, Va. I want to tell him that in the nearby county of Fauquier there are more organized and recognized fox hunting clubs than are to be found in any other one county in the United States, and more than are to be found in any county in England or in any other civilized country where there is fox hunting. The breeding and the sale and use of those jumping horses in Fauquier County has made land that once sold for $25 or $30 an acre now worth $200 an acre. If the Senator will take some of those horses to Missouri and substitute them for some of the fine mules raised there, he will find it will add a great deal to the value of some of the Missouri land, because there is a genuine demand in the country for horses of this type.

Concerning the question of whether we shall have too many horses, the Department of Agriculture plans to continue all four of the stations on a reduced basis, with a little shift in emphasis on the type of horses which will principally be bred. But I want to remind the Senator from Missouri that there is a greater demand in rural sections for this type of horse than has ever before existed. Yet, when the remount stations were being operated by the War Department, that Department could never meet the demand for breeding horses.

Mr. KEM. Mr. President, will the Senator yield?

Mr. ROBERTSON of Virginia. I yield.

Mr. KEM. We have already made a substitution in Missouri. We are busy out there trying to make a living, and we do not have much opportunity to use pleasure horses. I am sure that persons who use such horses expect to pay for their pink coats, and I should think they would expect to pay for their breeding. While the Government may be justified in conducting some experiments for the purpose of improving a breed of horses, for my part I have considerable doubt whether an expenditure of $800,000 a year of the taxpayers' money is justified. If this bill should pass, there should be an understanding or recommendation, or perhaps an amendment, indicating that it is the desire of Congress that these establishments, developed for an en-

tirely different purpose which has ceased to exist, should be promptly curtailed.

I thank the Senator.

Mr. ROBERTSON of Virginia. I will say in response to the Senator that while the original purpose was to furnish Army mounts, there has always been a dual purpose. The secondary purpose has now become the major purpose. The production of horses of this type is a major asset to our Nation. In my opinion, the full amount of $800,000 for the operation of the stations is fully justified. After all, we are not binding Congress to any specific appropriation. Whatever amount Congress in the future may decide to appropriate is all that can be expended. But if we shall fail and refuse to transfer these remount stations, as proposed, to the Department of Agriculture, they will go back as surplus property to the War Assets Administration, and the Administrator will sell them, at a great loss to the American taxpayers.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. THOMAS] to refer to the Committee on Agriculture and Forestry House bill 3484 to transfer the Remount Service from the War Department to the Department of Agriculture.

Mr. THOMAS of Oklahoma. Mr. President, I ask for the yeas and nays. But before they are ordered I should like to say just a word. A new issue has developed within the last few moments. I have now learned that these remount stations are to be retained and maintained to produce fox-hunting horses. There are no foxes in my State. There used to be buffalo, but they are gone, excepting a few remaining on the reservation. We have no need for fox-hunting horses in Oklahoma. So, Mr. President, the issue now is between homes for fox-hunting horses and homes for veterans. It is an issue between feed for fox-hunting horses and food for men, women, and children. The issue is between a hospital for men, women, and children in El Reno, Okla., and a hospital for fox-hunting horses in El Reno, Okla.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ROBERTSON of Virginia. Did the Senator listen to the letter read by the Senator from Oregon [Mr. MORSE] in which the Department of Agriculture stated that if the transfer should be made such a hospital as the Senator desires for El Reno would be obtained?

Mr. THOMAS of Oklahoma. I want to make sure we shall get the hospital. I do not want to depend upon a Federal bureau to give it to us.

Mr. ROBERTSON of Virginia. Let me ask the Senator another question. Did he listen to the letter read by the Senator from Oregon, in which it was stated that if the land to which the Senator from Oklahoma has been referring were worked agriculturally it would develop into a dust bowl?

Mr. THOMAS of Oklahoma. Did the Senator ever see this land?

Mr. ROBERTSON of Virginia. I have never seen it; no.

Mr. THOMAS of Oklahoma. I have. I have seen it many times. All around the reservation are some of the finest farms in Oklahoma. They will match up with the finest farms in Virginia.

Mr. ROBERTSON of Virginia. If they will produce 60 bushels of wheat to the acre, they are twice as fertile as our land.

Mr. THOMAS of Oklahoma. The land in that section has produced 60 bushels of wheat to the acre. Wheat sold for $3 a bushel last year in my State. The bottom land produces more than a bale of cotton to the acre. A bale of cotton sells for $150 at the present time. Yet Members of the Senate, removed a thousand miles from Oklahoma, are insisting that that fine land be set aside and retained indefinitely to produce fox-hunting horses.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oklahoma to refer the bill to the Committee on Agriculture and Forestry.

Mr. THOMAS of Oklahoma. I renew my request for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate on official committee business.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from Nevada [Mr. MALONE] is absent on official business. If present and voting, the Senator from Nevada would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

The Senator from Illinois [Mr. BROOKS], the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. WILSON], and the Senator from Wyoming [Mr. ROBERTSON] are unavoidably detained. If present and voting, the Senator from Illinois [Mr. BROOKS] would vote "nay."

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness in his family.

The Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate.

The Senator from Texas [Mr. CONNALLY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. O'DANIEL], the Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. TAYLOR], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The result was announced—yeas 23, nays 44, as follows:

YEAS—23

Aiken	Johnston, S. C.	Pepper
Capper	Kem	Reed
Downey	Lucas	Russell
Ellender	McCarran	Stennis
Hayden	McClellan	Thomas, Okla.
Hoey	McFarland	Tobey
Holland	McKellar	Young
Johnson, Colo.	Maybank	

NAYS—44

Baldwin	Fulbright	Morse
Ball	Green	Myers
Barkley	Gurney	O'Conor
Brewster	Hawkes	O'Mahoney
Bricker	Hickenlooper	Robertson, Va.
Bridges	Hill	Saltonstall
Buck	Ives	Smith
Byrd	Jenner	Thomas, Utah
Capehart	Knowland	Thye
Cooper	Langer	Vandenberg
Cordon	Lodge	Watkins
Donnell	McCarthy	Wherry
Dworshak	McMahon	Wiley
Ecton	Martin	Williams
Ferguson	Millikin	

NOT VOTING—29

Brooks	Kilgore	Sparkman
Bushfield	McGrath	Stewart
Butler	Magnuson	Taft
Cain	Malone	Taylor
Chavez	Moore	Tydings
Connally	Murray	Umstead
Eastland	O'Daniel	Wagner
Flanders	Overton	White
George	Revercomb	Wilson
Hatch	Robertson, Wyo.	

So the motion of Mr. THOMAS of Oklahoma was rejected.

The PRESIDENT pro tempore. The bill is open to amendment.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment which I had intended to present to the committee in the event the bill had been referred to the Committee on Agriculture and Forestry.

The amendment, in effect, excepts Fort Reno from the group of remount stations. If the amendment should be agreed to, the bill would provide that the Front Royal station in Virginia, shall be retained and maintained as a remount station in the future, as in the past, but under the jurisdiction of the Department of Agriculture; that the Fort Robinson station in Nebraska shall be continued in the future as in the past, save that in the future it will be under the Department of Agriculture rather than the War Department; and that the California station at Pomona shall be continued in the future, as in the past, saving the one exception that the supervision will be under the Department of Agriculture rather than under the War Department. If my amendment is agreed to then the Fort Reno station will be transferred to the Department of Agriculture with instructions to subdivide the land into suitable sized units and make such units available to ex-servicemen of World War I and World War II, who can qualify under the Bankhead-Jones Farm Tenant Act. That is what the bill would do in the first instance.

In the second instance it would give the Department of Justice as much land as the Department wants for use in connection with the Fort Reno Federal Reformatory. It would give the city of El Reno the right to negotiate with the

Department of Agriculture with respect to the acquisition of a hospital for use as a public hospital for El Reno and for Canadian County.

Inasmuch as the Indians have a claim to this land—and I think any fair person would say that their claim is worthy of consideration, for all they ever received for the land was about 50 cents an acre, and some of the land is now worth two or three hundred dollars an acre—the bill would provide, if the amendment were adopted, that if their claims now pending in the Court of Claims, or to be filed in the Court of Claims, should be successful, then the money received from the sale of the land to the ex-service men would go to the credit of the Cheyenne and Arapaho Tribes of Indians, rather than to the credit of the Federal Treasury.

If the amendment should be agreed to the bill would further provide that if the Indians in the two reservations, the Cheyennes and Arapahos, want some of this land and are qualified, they shall have a prior right to take it.

Mr. President, that is the effect of my amendment. I submit it to the Senate for its consideration. It is not long. It covers three pages, but I have stated the substance of it. If any Senator wants it read, I submit it for that purpose.

The PRESIDENT pro tempore. Without objection, the amendment will be printed in the RECORD at this point. In view of the Senator's statement, it will not be stated.

The amendment offered by Mr. THOMAS of Oklahoma is as follows:

On page 1, line 7, after "1948", insert the following proviso: "*Provided*, That the Remount Service Stations: Aleshire Quartermaster Depot (Remount), in Virginia; Pomona Quartermaster Depot (Remount), in California; and Robinson Quartermaster Depot (Remount), in Nebraska, shall be transferred and thereafter operated and managed as provided in sections 2 and 3 of this act: *And provided further*, That the Reno Quartermaster Depot (Remount), in Oklahoma, shall be transferred and disposed of as provided in section 4 of this act."

On page 3, after line 10, insert the following new section:

"SEC. 4. The said Remount Station, known as the Reno Quartermaster Depot (Remount), located in Canadian County, Oklahoma, comprising the former Fort Reno Military Reservation, together with the improvements thereon, shall be disposed of as follows:

"(a) The following-described lands, together with all improvements thereon, are hereby transferred to the Department of Justice, effective July 1, 1948, for use by the Bureau of Prisons in connection with the United States Southwestern Reformatory: All of sections 1, 9, 10, 11 (except that portion of section 11 which, together with all of section 12, was transferred by the Secretary of War to the control and jurisdiction of the Attorney General pursuant to the act of May 24, 1937 (50 Stat. 200)), township 12 north, and the southeast quarter of section 36, township 13 north, all in range 8 west, Indian meridian.

"(b) The following-described lands, together with all improvements thereon, are hereby transferred to the Department of Agriculture, effective July 1, 1948: All of sections 2, 3, and 4, township 12 north, those portions of sections 25 and 26 lying south of the North Canadian River, that portion of the west half of the west half of the northwest quarter of section 26 lying west of the North Canadian River channel change, all of sections 27, 28, 33, 34, and 35, and the west half and northeast quarter of section 36, township 13 north, all in range 8 west, Indian meridian.

"(c) All lands and improvements transferred by subsection (b) of this section, except that portion specified in subsection (d) of this section, shall be disposed of by the Secretary of Agriculture as expeditiously as possible in a manner consistent with and subject to the terms and conditions of the Bankhead-Jones Farm Tenant Act, as amended (50 Stat. 522, 60 Stat. 1062), and otherwise administered in accordance with said act: *Provided*, That during the period from the date of enactment of this act to and including June 30, 1950, all sales of such lands pursuant to the provisions of title I of the Bankhead-Jones Farm Tenant Act, as amended, shall be only to veterans as defined in section 1 (b) (2) of said act: *Provided further*, That if the claim of the Cheyenne and Arapaho Tribes of Indians for such lands is sustained in the courts and a judgment is rendered in their behalf, then all moneys derived from the sale of the said tracts of land as herein provided shall be placed to the credit of such Cheyenne and Arapaho Tribes of Indians and thereafter shall be considered a trust fund subject to disposal by the Congress: *Provided further*, That in allocating said lands, veterans, honorably discharged members of the Cheyenne and Arapaho Tribes of Indians who meet the requirements of the said Bankhead-Jones Farm Tenant Act, shall have a preference right to acquire tracts of the said land and: *Provided further*, That the tract of land on which is located the building designated and known as General Sheridan's headquarters shall be set aside for the use and benefit of the Oklahoma State Historical Society: *And provided further*, That the Secretary of Agriculture shall be, and is hereby, authorized to make all necessary rules and regulations for carrying into effect the provisions of this act.

"(d) The Secretary of Agriculture shall grant to the city of El Reno, Oklahoma, upon such conditions as may be mutually agreed upon, the following portion of the lands transferred by subsection (b) of this section, together with all improvements thereon, and such easements and other rights as the Secretary may deem appropriate to such grant: That portion of the west half of the west half of the northwest quarter of section 26 lying west of the North Canadian River channel change, that portion of the southwest quarter of section 26 lying south of the North Canadian River, the east half of section 27, the northwest quarter of section 35, the north half of the southwest quarter of section 35, the northeast quarter of section 34, the north half of the southeast quarter of section 34, the east half of the northwest quarter of section 34, and the northeast quarter of the southwest quarter of section 34, township 13 north, range 8 west, Indian meridian."

On page 3, line 11, strike out "4" and insert "5."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. MORSE. Mr. President, I have stated before, but will again say in a few sentences, that the Armed Services Committee has considered the position of the Senator from Oklahoma in regard to his amendment. We bring to the Senate a negative report by a unanimous vote of that 13-man committee.

So far as the interest of the Department of Justice in securing land for use to expand the present Department of Justice reformatory is concerned, the committee has already worked out with the Department of Agriculture an agreement whereby, as I said earlier this afternoon, we can have assurance that that interest will be studied, once the reservation is turned over to the jurisdiction of the Department of Agriculture. The same statement applies to the proposal concerning the hospital.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. THOMAS of Oklahoma. On this question I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is detained on official committee business. If present and voting, the Senator from New Hampshire would vote "nay."

The Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate on official committee business.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from Nevada [Mr. MALONE] is absent on official business. If present and voting, the Senator from Nevada would vote "nay."

The Senator from Minnesota [Mr. BALL], the Senator from Delaware [Mr. BUCK], the Senator from Kansas [Mr. REED], and the Senator from New Hampshire [Mr. TOBEY] are detained on committee business.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate because of illness in his family.

The Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate.

The Senator from Texas [Mr. CONNALLY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Kentucky [Mr. BARKLEY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. MYERS], the Senator from Texas [Mr. O'DANIEL], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Louisiana [Mr. OVERTON], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], the Senator from Utah [Mr. THOMAS], the Senator from North Carolina [Mr. UMSTEAD], and

the Senator from New York [Mr. WAGNER] are necessarily absent.

The result was announced—yeas 15, nays 43, as follows:

YEAS—15

Downey	Kem	McMahon
Ellender	McCarran	Maybank
Hayden	McClellan	Stennis
Johnson Colo.	McFarland	Thomas, Okla.
Johnston, S. C.	McKellar	Young

NAYS—43

Aiken	Green	Millikin
Baldwin	Gurney	Morse
Brewster	Hawkes	O'Conor
Bricker	Hickenlooper	Robertson, Va.
Brooks	Hill	Russell
Byrd	Hoey	Saltonstall
Capehart	Holland	Smith
Capper	Ives	Thye
Cooper	Jenner	Vandenberg
Cordon	Knowland	Watkins
Donnell	Langer	Wherry
Dworshak	Lodge	Wiley
Ecton	Lucas	Willams
Ferguson	McCarthy	
Fulbright	Martin	

NOT VOTING—38

Ball	Kilgore	Robertson, Wyo.
Barkley	McGrath	Sparkman
Bridges	Magnuson	Stewart
Buck	Malone	Taft
Bushfield	Moore	Taylor
Butler	Murray	Thomas, Utah
Cain	Myers	Tobey
Chavez	O'Daniel	Tydings
Connally	O'Mahoney	Umstead
Eastland	Overton	Wagner
Flanders	Pepper	White
George	Reed	Wilson
Hatch	Revercomb	

So the amendment of Mr. THOMAS of Oklahoma was rejected.

The PRESIDENT pro tempore. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to transfer the Remount Service from the Department of the Army to the Department of Agriculture."

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

EXTENSION OF LENDING AUTHORITY OF EXPORT-IMPORT BANK—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read by the Chief Clerk and referred to the Committee on Banking and Currency, as follows:

To the Congress of the United States:

In recent months the United States has been considering a number of measures to further the achievement of the primary objective of our foreign policy—the establishment throughout the world of the conditions of a just and lasting peace.

One of the essential requirements for the attainment of that objective is continuing cooperation among the American Republics and collaboration in the development of their resources and industries.

Genuine friendship has long existed between the people of the United States and our neighbors to the south. This friendship has been marked by cultural and economic association and close cooperation. The people of the United States have strongly supported the policy of the good neighbor and have a special regard for the peoples of the countries to the south of us.

The United States has long recognized the importance of economic and political stability in the Western Hemisphere. Such stability rests substantially upon the continuation of a satisfactory rate of economic progress. In this respect, we must fairly recognize that the economies of the other American Republics are relatively undeveloped. In these countries, natural resources are abundant but the expansion of production has been restricted due to the lack of capital and of modern production methods. Production can be increased only by means of a considerable volume of capital investment in transportation and power facilities, processing plants and other installations.

To some extent the need for capital in these countries is met by domestic savings, but such savings in general are insufficient to secure the necessary equipment and technical skills. Substantial and continued progress in the development of the resources and industries of the other American Republics therefore requires foreign financing. The United States, by reason of its close relations with these countries and its strong economic position, is the principal source to which the other American Republics look for equipment, materials, and technology, as well as for their financing.

I recommend, therefore, that the Congress increase the lending authority of the Export-Import Bank by $500,000,000. The proposed increase in the lending authority of the bank would not involve any change in the statutory requirements under which the bank has been operating.

This increased lending authority would place the bank in a position to assist in meeting essential requirements for the financing of economic development in the other American Republics. It would permit the bank to make loans for well-planned development projects which are economically justified, and to cooperate most effectively with private funds.

Such an increase would not, of course, be a substitute for necessary action that the other American Republics can and should take to attract private investment capital and to mobilize fully their own investment resources.

The proposed increase represents, I believe, an important step which this Government should take to assist the economic development of the countries to the south of us.

It is of great importance to the United States, as a member of the American community, that there be continued expansion of production, increasing trade activity and rising standards of living in the other American Republics. It is in our mutual interest to help develop in the countries to the south those essential materials which are becoming less abundant in the United States, as well as others regularly imported from distant regions.

Above all, it is in our mutual interest to assist the American Republics to continue their economic progress, which can contribute so much to the cooperative strength of the independent American Republics.

I request the Congress, therefore, to give favorable consideration to the proposed increase in the lending authority of the Export-Import Bank.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 8, 1948.*

INVESTIGATION OF THE CHARACTER AND LOYALTY OF OFFICIALS OF THE ATOMIC ENERGY COMMISSION

Mr. WHERRY. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1004, Calendar No. 897, a bill to amend the Atomic Energy Act of 1946 so as to provide that no person shall be appointed as a member of the Atomic Energy Commission or as General Manager of such Commission until an investigation with respect to the character, associations and loyalty of such person shall have been made by the Federal Bureau of Investigation.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Joint Committee on Atomic Energy with amendments, on page 1, line 6, after the word "shall," to strike out "be appointed" and insert "take office"; on page 2, line 3, after the word "submitting", to strike out "any" and insert "his"; in line 11, after the word "shall", to strike out the words "be appointed" and insert "take office"; and in line 15, after the word "submitting", to strike out the word "any" and insert "his", so as to make the bill read:

Be it enacted, etc., That (a) paragraph (2) of section 2 (a) of the Atomic Energy Act of 1946 is amended by striking out the second sentence in such paragraph and inserting in lieu thereof the following: "No individual shall take office as a member of the Commission until the Federal Bureau of Investigation shall have made an investigation and report to the President on the character, associations, and loyalty of such individual. In submitting his nomination to the Senate, the President shall set forth the experience and the qualifications of the nominee and shall make available to the Senate members of the Joint Committee on Atomic Energy a report of such investigation by the Federal Bureau of Investigation."

(b) Subparagraph (A) of paragraph (4) of such section is amended by adding at the end thereof the following: "No individual shall take office as General Manager until the Federal Bureau of Investigation shall have made an investigation and report to the President on the character, associations, and loyalty of such individual. In submitting his nomination to the Senate, the President shall set forth the experience and the qualifications of the nominee and shall make available to the Senate members of the Joint Committee on Atomic Energy a report of such investigation by the Federal Bureau of Investigation."

Mr. KNOWLAND. Mr. President, I feel that this is one of the most important bills that will be before the present session of the Congress. It deals with the very vital question of atomic power. I do not intend to take a great deal of the time of the Senate this afternoon, because we had quite an extended discussion concerning it several weeks ago

when the bill was temporarily laid aside in order that other legislation might be considered. At that time, based upon the original bill which had been reported from the Joint Committee on Atomic Energy, certain questions were raised by the Senator from Georgia [Mr. GEORGE], the Senator from Louisiana [Mr. OVERTON], and other Senators, as to the constitutionality of the bill in its then form. In order to try to meet those objections, and at the same time to provide adequate legislation, we revised the bill, and have offered a substitute, which Senators will find on their desks.

I invite attention to the fact that the Atomic Energy Act as it now stands provides, in paragraph (e) on page 20, that the committee—that is, the joint committee, consisting of nine Members of the Senate and nine Members of the House of Representatives—is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

It is the opinion of the Joint Committee on Atomic Energy that under that section we have sufficient power to obtain whatever information may be needed from the executive branch of the Government in discharging the very heavy responsibility we have in the field of atomic power, so that we may keep ourselves and the Senate adequately informed on this question. However, the Senate in the performance of its constitutional duty must act upon the nominations submitted by the President of the United States, whereas the House of Representatives has no such constitutional function. Therefore, the Senate members of the joint committee, acting as a Senate section, need, we believe, certain specified powers to clarify at least the matter so as to leave no doubt whatsoever that when the Senate of the United States comes to discharge its constitutional duty, it will have all the information it needs in the discharge of the constitutional duty of confirmation or nonconfirmation of the nominations submitted by the President.

Therefore, the amendment I have offered, which is in the nature of a substitute for the original bill, provides the following:

That section 15 (e) of the Atomic Energy Act of 1946 is amended by inserting at the end thereof the following: "The Senate members of the joint committtee, as a committee, and independent of the similar power included in the broader authority of the joint committee as specified in the preceding sentence, may, prior to the giving of advice and consent or refusal to advise and consent by the Senate to any appointment by the President under this act that requires such advice and consent, direct the Federal Bureau of Investigation to investigate the character, associations, and loyalty of any such appointee. The Director of the Federal Bureau of Investigation shall cause such investigation to be made and, upon completion thereof, shall report to the Senate committee, in writing, setting out the information developed by such investigation, and shall thereafter furnish such amplification or supplementation thereof as the Senate committee may direct."

The remainder of my amendment in the nature of a substitute merely properly amends the title of the original bill.

Mr. President, it is the opinion of those who are asking the Senate to act favorably on this measure today that if we are properly to discharge the obligation imposed upon us—and it is a tremendous responsibility which the members of the Joint Committee on Atomic Energy have in keeping the Senate and ourselves adequately advised in this field—we must have this authority in order to secure whatever information it is necessary for us to have if we are properly to act regarding the confirmation or nonconfirmation of nominations which come to this body from the President.

Therefore, I ask the Senate to act favorably upon the amendment in the nature of a substitute which I have proposed, so that we may have these necessary powers which are so essential in the discharge of our duty.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from California.

Under the rule, the committee amendments to the original bill must be first considered.

Without objection, the committee amendments to the original bill will be considered and agreed to en bloc.

The question now is on agreeing to the amendment in the nature of a substitute proposed by the Senator from California.

Mr. McMAHON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McMAHON. The ruling the Chair has just announced does not bar the offering of an amendment to the amendment in the nature of a substitute; does it?

The PRESIDENT pro tempore. No; it does not.

Mr. McMAHON. Then, Mr. President, I offer and send to the desk an amendment to the amendment in the nature of a substitute.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. At the proper place in the amendment offered by the Senator from California, it is proposed to insert the following:

Provided, however, That nothing herein shall be applicable to any person serving as a member of the Commission on the date of enactment of this proviso in the event any such person is subsequently renominated by the President to be a member of the Commission.

Mr. McMAHON. Mr. President, when this matter was before us for discussion some weeks ago, it was pointed out to the Senate and particularly to the Senator from California that there was very grave constitutional objection to the original proposal. I am constrained to say that in my opinion the amendment in the nature of a substitute, which now has been offered by the Senator from California, is likewise open to constitutional objection. I do not intend to detain the Senate with a long constitutional argument, but I merely point out that the Constitution under which the Federal Government is organized provides for the division of powers between the executive, the legislative, and the judiciary; and I think that every proposal which is advanced, which would in any way break down that differentiation and that division of power, should be examined very closely indeed.

Mr. President, what does this proposal seek to do? Under it the Senate of the United States, which is supposed to be the greatest deliberative body in the world, when it is called upon to examine and pass upon certain nominations, must enlist the services of an investigative bureau of the Government to obtain information concerning the nominees.

Mr. President, I do not believe that the Congress of the United States is justified in saying to the director of a subsidiary bureau of a great department of Government, whose head is answerable directly to the President of the United States, and only to him, that we shall reach over the President of the United States, over the head of a department, and down into a subsidiary bureau of that department, and say to the director thereof, "You shall perform this administrative act." I do not believe the courts would sustain the power of the Congress to do that.

But, further than that, why is it necessary for us to admit legislatively that the Senate section of the joint committee is incapable of obtaining the facts regarding any person whose name the President of the United States may see fit to submit in the form of a nomination? I do not intend to revive the discussion which was had at the time when the last nominations to the Atomic Energy Commission were made. We all remember it too well. We remember that there were 56 sessions of the Senate section of the joint committee, and that it heard 102 witnesses and that it examined them in open and in closed sessions. I am not willing to admit that the Senator from Connecticut is not as capable of deriving information from any witness either pro or con, who may be brought before the committee, in regard to a nomination, as is the Federal Bureau of Investigation.

Let me point out that I have a very high respect for that Bureau. I worked with it for many years. Its director, Mr. J. Edgar Hoover, is my personal friend. I had the honor of addressing the last graduating class of the FBI Academy. So certainly my remarks are not made from the point of view of any personal bias or prejudice. But I say to the Senate of the United States that we are fully capable of hiring our own investigators, if necessary, to obtain information.

Incidentally, the pay roll of the Joint Committee on Atomic Energy is $150,000 a year, and it is not a penny too much. We have a staff of 16 persons, and they are very competent investigators; they are busy at their work every day, and constantly report to the chairman and other members of that committee. That joint committee, under the chairmanship of the distinguished Senator from Iowa [Mr. HICKENLOOPER], is in my opinion fully discharging the grave obligations which the act provides that it shall discharge.

Mr. President, I think we know what is going on in the Commission. We know their troubles, and we know some of their difficulties, and we know some of their accomplishments. I do not believe it is at all necessary for the Senate to take such action as is provided by the amendment which the Senator from California has offered.

However, Senators will remember that a few minutes ago I offered to that amendment an amendment which provides that if the act shall go into effect, at least the present members of the Commission shall not be subjected to a further investigation by the Federal Bureau of Investigation, if they are renominated. That is a very serious proposition. The atomic-energy bill became a law on August 1, 1946. The Commission really did not begin to function until after its confirmation in the spring of 1947. During that period of uncertainty the project disintegrated and almost fell apart.

I can envision a situation of this kind: Let us assume the President of the United States were to send to the Senate the nominations of the commissioners for reappointment, after almost 2 years of service, their terms expiring under the act on August 1 of this year. Would it not be ridiculous to provide, after the joint committee, day after day, has examined into the work of the Commission, that we must then call upon the Federal Bureau of Investigation to examine into the qualifications, character, loyalty, and associations of the five men who have been for the last year and a half serving as commissioners?

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McMAHON. I yield to the Senator from California.

Mr. KNOWLAND. I call to the attention of the Senator from Connecticut the fact that the language is, the Senate section, "prior to the giving of advice and consent, or refusal to advise and consent, by the Senate," may call for the information in question. If, in the judgment of the committee, because of the fact that the members of the Commission were performing their duties, that they were privy to all the information with respect to atomic secrets, the committee had all the information necessary, it might very well determine that it was unnecessary, in that particular case, on the reappointment of a member of the Commission, to request such information. But, Mr. President, I shall very vigorously oppose inclusion of the amendment of the Senator from Connecticut, because I believe it circumscribes powers which under the original Atomic Energy Act the Congress of the United States, at the time of creating and setting up an unprecedented structure for the control of atomic power, gave to the joint committee, as a joint committee. My amendment merely makes it clear that in discharging our obligation as the Senate section of the joint committee, we shall have whatever power is necessary properly to protect the Senate in the discharge of its obligations. So for that reason I think the Senator from Connecticut, if he accomplishes anything, throws a cloud upon the Commissioners who are now in office by suggesting that perhaps they could not stand scrutiny. I am sure the Senator from Connecticut does not want to do such a thing. So, for that reason, Mr. President, I oppose the amendment offered by the Senator from Connecticut.

Mr. McMAHON. I may say to the Senator from California that I would throw no cloud on the present Commissioners by the amendment I have offered. My purpose is to prevent what I think might be a blow at the national security. Let us assume that, about May 15, the President were to send to the Senate the nominations of the present Commissioners for reappointment. Let us assume the Senate planned to adjourn sine die on June 10, before the date of the Republican National Convention. Let it be further assumed that there were a demand for an investigation through the FBI, that the committee itself wanted a reinvestigation, and that the nominations were held up in committee. I am not saying that will happen. I merely say it might happen. Then, let us assume the Congress adjourned, that there were no Commissioners, and that the President would have to make interim appointments. We should then run into exactly the state of uncertainty and paralysis in which we found ourselves for more than a year when we were considering the original nominations, a situation that was absolutely disastrous to the progress of atomic development.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McMAHON. If the Senator will permit me, I should like to make one further observation. I hardly think the Senator feels there is any necessity for obtaining information from the FBI or from any other investigative agency of the Government concerning the present Commissioners of the Atomic Energy Commission. If the Senator thinks it is necessary, then in effect he pleads guilty to being unable as a member of the joint committee to make up his own mind, through the day-to-day contact which he has with the Commission, and through the investigatory staff that we ourselves maintain at a cost of $150,000 a year. I now yield to the Senator from California.

Mr. KNOWLAND. Mr. President, I should like to say to the able Senator from Connecticut, who had a considerable part in the drafting and passage of the original Atomic Energy Act, that he is no more interested in the Nation's atomic defenses and the development of atomic power for civilian purposes than are the other members of the joint committee. But I submit to the Senator from Connecticut that the problem he raises could be raised without this bill or the amendment offered by the Senator from Connecticut being considered at all, because, if those nominations were sent to the Senate very late, the Senate section of the joint committee could in its judgment determine that they would not recommend confirmation until they obtained whatever information they might feel to be necessary at that particular time. The situation the Senator suggests could be created without the passage of the bill.

Mr. McMAHON. Possibly so, but I do not want to disrupt the work of the Commission, nor do I want to see the Atomic Energy Act amended in a way that would lend encouragement to the procedure which the Senator from California considers possible.

Mr. KNOWLAND. If the Senator will yield once more, I shall try not to interrupt him again.

Mr. McMAHON. I yield. I welcome the Senator's interruptions. The question should be thoroughly debated.

Mr. KNOWLAND. I merely want to say to the Senator it is the judgment of the junior Senator from California that the matter of confirmation will be greatly expedited by clearing up the question as to whether the Senate of the United States has a right to obtain what information it deems necessary in order to perform its constitutional duty. The matter will be greatly expedited if we have that clarification, rather than to have a condition presented as to which, under the original Atomic Energy Act, there is a question whether we have the authority to obtain the information necessary to carry out our constitutional duties. This perhaps is not the time or place to go into a full and detailed discussion of the question, but I am sure the Senator from Connecticut has full information, as a member of the committee, along these lines.

Mr. McMAHON. I may say to the Senator from California that, while I believe the substitute as it is presented is contrary to the provisions of the Constitution, I do not intend to argue that question, as I pointed out when I started my remarks. I make the observation, and I believe it will be supported, that I think the attempt by the Senator from California to provide for such an investigation would be declared unconstitutional as an unwarranted invasion of the rights of the Executive. However, I point out that when the Senator says the Senator from Connecticut is throwing a cloud upon the Commission, it is really the Senator from California who is throwing a cloud, because he suggests that by refusing to accept the amendment of the Senator from Connecticut he will insist, as he has the right to insist, that the men referred to shall be investigated by the Federal Bureau of Investigation, in spite of the fact that they have served a year and a half or more upon the Commission.

Mr. President, it seems to me that the bill is wholly unnecessary. I think it is a reflection upon the estimate we have of our own ability and that of the President of the United States in submitting nominations to the Senate. I am certainly of the opinion that any committee of the Senate can call witnesses and ascertain all the facts. The bill is unnecessary, unconstitutional, and certainly the amendment which I have suggested should be adopted by way of exempting the present Commission.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. LUCAS. I should like to ask the Senator from California, the Senator from Connecticut, or any other Senator on the joint committee, whether the

is any question at this particular time about the character, associations, or loyalty of any member of the Commission which should require an investigation by the FBI.

Mr. KNOWLAND. So far as the Senator from California has any information concerning that subject, there is nothing at this time that would make him feel that such an investigation would be necessary, were the nominations resubmitted to the Senate. I may say to the Senator from Illinois that I would not voluntarily accept the amendment offered by the Senator from Connecticut, because if at the time nominations were sent to the Senate, if the judgment of the committee were that the safety of the Nation and the proper discharge of the duty of the Senate in confirming a Presidential appointment required that information be obtained regarding any one or more of the appointees, I would not want the committee prevented from obtaining the information if it were deemed necessary.

Mr. LUCAS. Of course, the Senator well knows that such information divulged in an executive session of the committee would bring forth such a resolution. If the committee had such information, it would not need any FBI investigation. I agree with the Senator from Connecticut that unless his amendment shall be agreed to, the procedure followed, in my humble judgment, will produce a cloud upon members of the Commission. That is the reason I asked the question as to whether there is any information now before the committee which would suggest that an FBI investigation should be made of any member with respect to his character, associations, and loyalty.

The Senator from California has said that there is not any such information at the present time. It seems to me that the moment we shall pass the bill without the amendment offered by the Senator from Connecticut a cloud will be cast on the members of the Commission which will remain until a clean bill of health is brought in by the FBI investigation. That might take weeks and all the time those being investigated would be under suspicion.

Mr. KNOWLAND. I merely wish to say that I do not agree with the able Senator from Illinois, for the reason that when the confirmation of the nominations of the original appointees was before this body and the committee recommended confirmation, which was on March 31, 1947, the junior Senator from California at that time pointed out some of the problems encountered in the confirmation hearings and in the later discussion on the floor of the Senate. We had found certain loopholes in the law, and for that reason, even before the confirmation of the nominations of the present members of the Commission, the junior Senator from California suggested language which would close the loopholes. The reason I feel it is so essential that action be taken now is that, in my judgment, by doing it now it cannot possibly be considered as being aimed at any particular person. But if we allow the time to go by, and one of the members of the Commission should resign or should die and a new nomination should be sent to the Senate, and we then sought the passage of a bill to enable us to have all the facts before us, it might look as though the proposed legislation were being aimed at the particular Presidential nominee.

Mr. LUCAS. The Senator is absolutely wrong in his interpretation of the amendment. All the amendment does is to exempt from investigation by the FBI those who are now serving on the Commission. If we take the position that they may be reinvestigated if reappointed by the President, we must take the position that there is something wrong with the members of the Commission; that something has happened with respect to their character, associations or loyalty since they were confirmed by the Senate. We could not take any other logical position and pass this kind of a bill unless we accept the amendment of the Senator from Connecticut. The Senator says that, in so far as he knows, there is absolutely nothing wrong with the patriotism, the qualifications, the background, and the way in which the members of the Commission are operating at the present time. Yet he wants to pass a law which provides that when the Commissioners are reappointed, if they should be reappointed, they may be examined by the FBI. We have to assume that either now or in the future the loyalty of some one of the Commissioners is or will be questioned. When we make that kind of an assumption we are placing a serious responsibility upon ourselves as Members of the Senate. We must assume that there is something wrong now, or we believe there may be in the future, as to the character or loyalty of these appointees, who, according to the Senator's own words are serving their country in a highly satisfactory manner.

Mr. KNOWLAND. On the contrary, I would say to the Senator from Illinois that I believe the cloud is cast by suggesting that the present members of the Commission could not stand that type of scrutiny. Of course, that is not true.

Mr. LUCAS. Why does the Senator from California want this sort of a law, when he has definitely stated that there is nothing against any member of the Commission?

Mr. KNOWLAND. For the simple reason that I do not believe the committee's hands should be so tied that if, in its judgment, it would be essential to acquire information it could not do so. Secondly, because, in the judgment of the junior Senator from California, the Joint Commission, under the original Atomic Energy Act, has power which I do not want to have circumscribed and reduced by the amendment which has been offered by the Senator from Connecticut.

Mr. HICKENLOOPER. Mr. President, I want to discuss the matter with the Senator from Illinois for a moment, because I am bound to assume that he either has not read the amendment in the nature of a substitute, or has been misinformed regarding its provisions, since it does not provide that an investigation must be had. The right to investigate by the FBI is provided for in the substitute. There is no mandatory requirement that upon the submission of a name the Senate committee must call for such an investigation. The Senator a moment ago said to the Senator from California that upon the sending up of names the Senate must investigate them. I wanted to correct that impression. There is no mandate on the Senate committee to investigate. It may investigate any nomination which is submitted. I merely wanted to clear up that point. It is permissive, not compulsory.

Mr. LUCAS. I understand that perfectly. We would still have the power and the right under the amendment to make such an investigation. If the committee wants to investigate, it may do so. In other words, if Mr. Lilienthal's name should be sent back for reappointment, the committee has the right, power, and authority to make a full and complete investigation, upon its own responsibility, before his nomination is confirmed.

Mr. HICKENLOOPER. It already has the right to make a reinvestigation or an enlarged investigation if it should care to do so.

Mr. LUCAS. That is the argument which the Senator from Connecticut made a moment ago. What I am discussing is the transferring of that power to the FBI. As a Senator of the United States and as a citizen, I certainly want every possible cloak of protection thrown around this Commission and the powers of the Commission, but I do not want anything done in the way of legislation at this particular moment in our history which would cast a single cloud of suspicion upon one of the members of the Commission. If there is anything against a single member of the Commission the committee should say so, and should not come in with a bill saying "We would like to have the power, if we want to do it, to have an FBI investigation made of one or more of these men who may be reappointed by the President." When the committee takes that position, it is axiomatic that they are assuming there is something wrong with the character, the associations, or the loyalty of the members of the Commission at the present time.

ORDER FOR RECESS TO MONDAY

Mr. WHERRY. Mr. President, I ask unanimous consent that when the Senate recesses at the conclusion of its session today, it recess until Monday next at noon.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the order is made.

ORDER FOR CONSIDERATION OF CALENDAR ON MONDAY

Mr. WHERRY. Mr. President, I wish to submit another unanimous-consent request, that when the Senate meets on Monday next, it proceed to the consideration of measures on the calendar to which there is no objection, beginning with Order of Business No. 1075, the point where the call was concluded when the calendar was called the last time.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the order is made.

INVESTIGATION OF THE CHARACTER AND LOYALTY OF OFFICIALS OF THE ATOMIC ENERGY COMMISSION

The Senate resumed the consideration of the bill (S. 1004) to amend the Atomic Energy Act of 1946, so as to provide that no person shall be appointed as a member of the Atomic Commission or as general manager of such Commission until an investigation, with respect to character, associations, and loyalty of such person shall have been made by the FBI.

Mr. WHERRY. Mr. President, will the bill now pending automatically come before the Senate at the conclusion of the call of the Calendar on Monday?

The PRESIDENT pro tempore. It will.

Mr. HICKENLOOPER obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield for a quorum call?

Mr. HICKENLOOPER. I yield.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Baldwin	Hill	Martin
Bricker	Hoey	Millikin
Bridges	Holland	Pepper
Brooks	Ives	Smith
Cooper	Jenner	Stennis
Cordon	Johnston, S. C.	Vandenberg
Donnell	Knowland	Wherry
Downey	Langer	Wiley
Flanders	Lucas	Williams
Green	McKellar	
Hickenlooper	McMahon	

The PRESIDENT pro tempore. Thirty-one Senators have answered to their names. There is not a quorum present. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators, and Mr. AIKEN, Mr. ELLENDER, Mr. FERGUSON, Mr. MCFARLAND, Mr. ROBERTSON of Virginia, and Mr. SALTONSTALL answered to their names when called.

The PRESIDENT pro tempore. Thirty-seven Senators have answered to their names. There is not a quorum present.

RECESS TO MONDAY

Mr. WHERRY. Mr. President, in view of the result of the quorum call, in view of the fact that we have had a pretty heavy schedule today, in view of the fact that the Armed Services Committee and the Appropriations Committee will be working very diligently tomorrow and the next day, in view of the order entered into by unanimous consent, that when the Senate takes a recess today it will recess until Monday next, and, further, in view of the unanimous-consent agreement that when the Senate convenes on Monday next, it shall proceed to the call of the calendar for unobjected-to bills from the point at which the call of the calendar was concluded the last time there was a call of the calendar, I now move that the Senate take a recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until Monday, April 12, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 8 (legislative day of March 29, 1948:

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Frank E. Cash, Jr., of Minnesota.
John H. Holdridge, of California.
Stephen H. McClintic, of Maryland.
William F. Penniman, Jr., of Georgia.

CIVIL AERONAUTICS ADMINISTRATION

Delos Wilson Rentzel, of Virginia, to the position of Administrator of Civil Aeronautics.

UNITED STATES ATTORNEY

Otto T. Ault, of Tennessee, to be United States attorney for the eastern district of Tennessee, vice James B. Frazier, term expired.

IN THE NAVY

The following-named (Naval R. O. T. C.) to be ensigns in the Navy:

Richard L. Alford, June 4, 1948.
Carl B. Austin, June 4, 1948.
Fred W. Baldwin, June 4, 1948.
John A. Bayers, June 4, 1948.
Francis E. Brooks, June 4, 1948.
Dudley A. Buck, June 4, 1948.
Francis J. Corrigan, June 4, 1948.
John A. Duffy, June 4, 1948.
Frederick L. Eareckson, Jr., June 4, 1948.
John L. Fogle, June 4, 1948.
Thomas F. Hahn, June 4, 1948.
Charles R. Hannum, June 4, 1948.
Charles Z. Hanus, June 4, 1948.
Elwin R. Harris, June 4, 1948.
James E. Henry, June 4, 1948.
William W. Holm, June 4, 1948.
Roy A. Howard, Jr., June 4, 1948.
Harry E. Hunt, June 4, 1948.
Harry C. Judy, Jr., June 4, 1948.
Robert G. Keller, June 4, 1948.
Francis J. Kovalcik, June 4, 1948.
Warren W. Lord, June 4, 1948.
Albert F. Lovata, June 4, 1948.
Robert B. McKay, June 4, 1948.
Albert C. MacDonald, June 4, 1948.
Thomas P. Marks, June 4, 1948.
Thomas D. Nabors, Jr., June 4, 1948.
Leonard H. Nettnin, June 4, 1948.
Paul W. Nicholson, June 4, 1948.
Jerry A. Pacilio, June 4, 1948.
Hugh W. Rose, June 4, 1948.
Francis J. Roth, June 4, 1948.
Aimo M. Saari, June 4, 1948.
Herbert J. Shields, June 4, 1948.
Ralph R. Speicher, Jr., June 4, 1948.
Douglas DeL. Swift, June 4, 1948.
Dillan W. Taff, June 4, 1948.
James P. Trinity, Jr., June 4, 1948.
James W. Walker, Jr., June 4, 1948.
Richard M. Znaniecki, June 4, 1948.

The following-named (Naval R. O. T. C.) to be ensigns in the Supply Corps of the Navy:

Herbert E. Reichert, June 4, 1948.
Charles E. P. Schappacher, June 4, 1948.
James E. Weibel, June 4, 1948.

The following-named (Naval R. O. T. C.) to be ensigns in the Civil Engineer Corps of the Navy:

Domenico N. Bibbo, June 4, 1948.
Charles W. Calhoun, June 4, 1948.
Frank W. Day, June 4, 1948.
Herbert R. Foster, June 4, 1948.
Robert F. Harsch, June 4, 1948.
Steven K. Kauffman, June 4, 1948.
William T. Peckham, June 4, 1948.
Robert R. Raber, June 4, 1948.
Jack M. Thornburgh, June 4, 1948.
Dexter M. Welton, June 4, 1948.
Robert L. Winkler, June 4, 1948.

Delmar W. Ruthig (civilian college graduate) to be a lieutenant (junior grade) in the Medical Corps of the Navy.

The following-named to be ensigns in the Nurse Corps of the Navy:

Margaret LaR. Boyer	Sonia Loir
Helen S. Crowell	Mae O. Lovin
Helen J. Francis	Owedia M. Searcy
Betty E. Jenkinson	Dorothy D. Stoddard
Virginia M. Jennings	

The following-named officers to the grades indicated in the Medical Corps of the Navy:

LIEUTENANT COMMANDERS

George Donabedian
Wilson G. Scanlon
Edward H. Taylor

LIEUTENANTS (JUNIOR GRADE)

John P. Colmore
Verne K. Harvey, Jr.
Charles E. Rogers

The following-named officer to the grade indicated in the Medical Service Corps of the Navy:

LIEUTENANT (JUNIOR GRADE)

Philip B. Dalton

The following-named officers to the grades indicated in the Nurse Corps of the Navy:

LIEUTENANTS

Elizabeth V. Butenas	Wordie Isbell
Bertha E. Harris	Carol E. Sawyer

LIEUTENANTS (JUNIOR GRADE)

Anne J. Chelf	Gertrude W. Killebrew
Marion M. Dooley	Mildred M. Lankenau
Carolyn L. Falconi	Alva B. Pelkington
Mary M. Hogan	Helen K. Quay
Dolores M. Iacone	Phyllis A. Scungio

ENSIGNS

Elizabeth M. Simpson
Dorothy M. Troyan
Irene M. Walters

WITHDRAWAL

Executive nomination withdrawn from the Senate April 8 (legislative day of March 29), 1948:

POSTMASTER

William Schroeder Warren to be postmaster at Jacobsburg, in the State of Ohio.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 8, 1948

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most loving Father, whose tender mercy hath given us the revelation of a new life and the blessing of new hope, grant that Thy presence may touch our hearts, emphasizing our sacred duty toward our fellow men. While the future is veiled from mortal sight and we know not just where victory lies, yet we praise Thee that earth and heaven are God's and His glorious majesty forever flows.

Blessed Lord, the alarm has sounded without warning; an honored Member has fallen. In his service for the welfare of our Nation, he lives in the hearts of his devoted countrymen. O hear us as we bestow the silent tokens of affection and sorrow. Receive his immortal soul into the courts above, where he may go from strength to strength in the life of perfect service. Enfold in Thine arms of love the dear ones who remain; breathe upon them, O breath of God,

and fill them with life anew until the perfect day. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had adopted the following resolution (S. Res. 222):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ORVILLE ZIMMERMAN, late a Representative from the State of Missouri.

Resolved, That a committee of two Senators be appointed by the President pro tempore of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock meridian tomorrow.

The message also announced that, pursuant to the above resolution, Mr. DONNELL and Mr. KEM were apppointed to the committee on the part of the Senate.

The message also announced that the President pro tempore announced that the following members on the part of the Senate of the Joint Committee on Foreign Economic Cooperation, established by section 124 of the Foreign Assistance Act of 1948 (Public Law No. 472), had been appointed by the chairmen of the Committees on Foreign Relations and Appropriations of the Senate, namely:

From the Committee on Foreign Relations: Mr. SMITH, Mr. LODGE, and Mr. CONNALLY.

From the Committee on Appropriations: Mr. BRIDGES and Mr. MCCARRAN.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

EXTENSION OF REMARKS

Mr. JOHNSON of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MATHEWS asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

THE NATIONAL GUARD

Mr. MATHEWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MATHEWS. Mr. Speaker, there is a serious feature of our national defense I think should be brought to the attention of the House so that the Armed Services Committee may make an investigation as to why it should exist.

Appropriations for the National Guard for the fiscal year 1948 were $134,000,000. With cash reimbursement and contract authorization, the total was brought to $149,124,003. As of January 30, 1948, there was actually expended only $30,849,813, and there was then the astonishing total of $101,294,535 unobligated on that date, or approximately two-thirds of the entire appropriations for the fiscal year.

In my own State rumors are going around that the Army says it does not have the funds to finance the field training of the National Guard, and I am informed that in at least one instance a unit of the National Guard borrowed equipment it did not have from another unit in order to pass inspection and avoid getting an unsatisfactory mark.

Since the fiscal year will end June 30, and by far the larger amount of summer field training should occur after that date, some explanation is due from the Department of the Army for this situation.

Is the high brass of the Army again sabotaging the National Guard?

If so, is it for the purpose of attempting to fool the public into believing the Army was not given the funds it requested to make the National Guard a well-trained and well-equipped arm of our national defense, while funds are being held back for some new vast program? Or is the money to be used for some other purpose?

Mr. Speaker, it is the plain duty of the Army to expend, and expend wisely, the appropriations which this Congress has given it for the National Guard to recruit, train, and equip that branch to bring it to the highest possible level of efficiency.

Nobody who has read American history can discount the value of the National Guard in our last two wars, despite the handicaps it had in the years preceding those two wars. We just cannot let the National Guard be handicapped like that again when this Congress has given appropriations sufficient to do the job.

To have a real defense program means first to do everything that can be done with the organizations now available and the moneys appropriated for them before we fly to new, big, glamorous ideas, the evils of which we know not of.

EXTENSION OF REMARKS

Mr. TOLLEFSON (at the request of Mr. MACK) was given permission to extend his remarks in the RECORD and include a radio address.

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. H. CARL ANDERSEN asked and was given permission to extend his remarks in the RECORD relative to the St. Lawrence seaway and include an editorial appearing in the Renville Star-Farmer.

WAR TALK

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ELLIS. Mr. Speaker, today I will include in my remarks an interesting statement in the morning paper by Eddy Gilmore, chief of the Associated Press bureau in Moscow.

Mr. Gilmore has been in Russia many years, is a good reporter, and has been a source of reliable information during and since the war.

The significance of today's item is the emphasis on the almost complete absence of war talk in Russia. One simply does not hear any.

Another significant statement relating to the same subject was made recently by Erik Reger, chief of the American zone paper, Der Tagesspiegel, who was here to cover the debate on the Marshall plan. Speaking of the Berlin incident, he stated that in his opinion we should use a firm hand against the Russians, and continuing:

I do not think that would lead to war because if the Russians see the United States is determined they will retire. I think the Russians are just trying a test of what they can do and what the United States intends to do.

This same observation was made in my presence a few nights ago by one of the best-informed men on Russia, Poland, and Czechoslovakia in our Government. He said very frankly that in his opinion, Russia is not a potential threat for war and does not want it and that inasmuch as they have been able to push us around for 4 or 5 years, they want to see how far they can go. They will stop when we show firmness. He predicted that we can expect other such incidents as long as our foreign policy is vacillating. Most top Army men and some high in the administration have stated publicly and to congressional committees that they do not believe the Berlin situation will lead to war and that Russia is not in a position to fight a major war. General Royall, Secretary of the Army, over the radio a few nights ago, stated in effect that he did not consider the Berlin situation serious in any sense and that they expected nothing but a peaceable solution.

The Russian mind understands firmness. Here we are with the best Army in the world, the largest and best Navy and the largest and best Air Force, but tragically we have lacked a stout-hearted leadership.

The item follows:

WAR TALK SCANT IN RUSSIA, UNITED STATES WRITER FINDS ON RETURN—TENSION NOTED IN BERLIN IS LACKING AFTER CROSSING BORDER, GILMORE SAYS

(By Eddy Gilmore)

Moscow, April 7.—Returning to the Soviet Union from the United States, one is struck by the absence of war talk among the Russian people. One simply doesn't hear any.

[Gilmore, chief of the Associated Press bureau in Moscow, has just returned to his post by way of Berlin from a trip to the United States.]

In Berlin the United States press department told me I'd better take a Russian-speaking American officer from the liaison section with me to the Soviet airdrome to catch the plane.

ESCORT OFFERED

"We'll give you a military escort, too," they said.

Showing up at 2 a. m., I was met by a liaison officer who said if it was all the same to me he wouldn't go along into the Soviet sector. I told him I spoke Russian and it wasn't necessary.

With a German chauffeur, four suitcases, a typewriter, and a small dog I had purchased for my little daughter, I set out. Halfway to the Rusian zone we were overtaken by American military police.

"We will escort you," said one of the men.

"Why?" I asked.

"Well, you never can tell," said the man.

HALT AT SOVIET ZONE

About 100 yards from the Soviet zone the military police car halted.

"This is as far as we go," said the man next to the driver. "We'll wait here. If your driver doesn't come back, we'll know you and he have had it."

This was not cheerful talk for so early in the morning.

About 200 yards down the road in the Soviet zone was a road block. A young Russian soldier stepped out and held up his hand.

"Where to?" he asked.

I told him.

"Got any documents?"

I told him, "No—just an American passport with a Soviet visa." He examined them by the headlights.

NO PAPERS FOR JEEP

"What about documents for the jeep and driver?" he asked.

"Don't have any. Yesterday was Sunday."

"Oh, well," said the guard, "I guess everything is all right."

This certainly was not very ominous.

At the airport gate it was the same story. Again I got through with no trouble.

"Here's your ticket," said the official. "We are not charging you for the dog. He can ride free."

There were 11 Soviet officers behind me. One suggested I should accompany him to have some tea.

After tea we discovered there was some vodka.

TOAST TO FRIENDSHIP

"To the friendship of our countries," said a young major returning to Moscow from an assignment in Berlin.

"To peace between our countries always," I proposed. All 11 officers drank the toast at once.

Despite the Berlin tension in the American headlines and war talk, I heard not one word of that in Moscow. I'll wait 24 hours, I said to myself, and talk to more Russians. This I've done. Not one has mentioned war or the possibility of it.

UNIFICATION OF EUROPE

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, it was Lenin, I believe, who said that all history is determined by economics. We have just passed the far-reaching economic recovery program for Europe. But that program is more than just merely an economic program. It has got to be more than that if it is to succeed. We congratulate the administration and the Senate on the alacrity with which they confirmed a very fine man as Administrator of this program, but in the implementation of that program something more than just economics must be our objective. A unification of these countries of Europe and the reinstatement of Germany among those nations is essential, and it must be more than just an economic program in order to accomplish that end, and that is the knocking down of trade barriers, the knocking down of barriers between people to make the people of that area free and independent to be really in a position where they can be free and independent.

OLEOMARGARINE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, yesterday the gentleman from Mississippi referred to cream, butter, and so forth. He talked in the same vein that the gentleman from South Carolina [Mr. RIVERS] does. The gentleman from Mississippi said concerning milk:

> But some people seem to think that if you feed cottonseed meal, corn meal, or soybean meal to a diseased cow and let it pick up all the disease germs, as well as the scabs, hair, blood, pus, and corruption—

And so on. May I say to the gentleman that if the farmers in his district are furnishing the condensery in his district with that kind of milk and putting it out to the public, something should be done to safeguard the public health. We in the great dairy States of this country are putting out a product that we can be proud of and stand back of, and our dairy products are endorsed by public-health authorities everywhere. These gentlemen from the South that are making these kind of remarks just do not know what good dairy supplies and dairy products are and what they mean to this country and to the public health. I would advise them to acquaint themselves with good dairy products and to encourage their use in the South, then they will do more clear thinking and not make such rash statements. The pink cotton weevil worm lives in cottonseed, and when they grind the seed and get the oleomargarine oil out of it you are getting a little worm oil with it. We have recently appropriated $1,000,000 to fight it. It reminds me of the man who refuses to eat a wormy apple but drinks all the cider he can get.

EXTENSION OF REMARKS

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include an editorial by H. B. Snyder appearing in the Gary (Ind.) Post-Tribune.

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include a synopsis of the veterans' laws of the State of Montana.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD and include some letters from the armed services relative to enlistments.

WISCONSIN ELECTION

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I have just made an analysis of the vote in Wisconsin. It shows that the top delegate for Mr. Stassen got 213,931 votes, and General MacArthur's delegate received 210,243 votes. If there had been one vote changed in each precinct of Wisconsin there would have been a change in the delegates. A change of just 5 votes in each precinct in Wisconsin would have given the general 15 delegates and Stassen 12. Returns are still to come from 112 precincts.

I want to remind you men running for Congress that have a tough race in your districts that organization and hard work pay a dividend. Mr. Stassen, with his fine organization in Wisconsin, his handshaking, and his cross-road speeches, made a real campaign. It was hard work but it paid dividends. So my colleagues if you are in trouble, go home, work hard, and make new friends, it will pay you well in votes.

General MacArthur is still in the race a very live dark horse. He did not quit at Bataan or Corregidor. He did come back and lick his foe. He will do so again. The American people want leadership and someone to deal with Joe Stalin. That man is in Japan. He will come at the call of the people.

MENTAL-HEALTH PROGRAM

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Speaker, I take this time in order to make a statement which will enable Members of Congress to answer letters which I know many Members are receiving. You will recall that when the Federal Security Agency Labor Department appropriation bill was presented to the House, there was nothing included in that bill for the so-called mental-health program. As a result, misinformation went abroad throughout the country to the effect that the committee was going to destroy the mental-health program that had been established pursuant to provisions of the Mental Health Act which was unanimously passed by the Congress. I want to say to the Members of Congress and to the public that the committee at no time had any such idea. The attitude of the committee at all times was that we wanted to develop a larger program, a more effective program, and one that would more amply meet the tragic needs in this country for dealing with this constantly growing problem of mental disease. So we have just concluded extended hearings which have been participated in by representatives of the

Parent-Teachers Associations, the various farm groups, and all of the medical groups of the country that are interested in that program. We are going to shortly bring to the Congress an appropriation bill to deal with that program in a manner much better than the program contemplated when the original budget estimate was submitted. We hope that the Congress will give to the people of this country a real program, properly implemented and properly financed, to deal with one of the most serious programs that confronts us on the domestic scene. So when you answer these communications, you may well advise those who inquire that the Congress is going to deal effectively with this program, not by way of curtailing or destroying the mental-health program, but by enlarging and expanding it to meet this growing menace.

EXTENSION OF REMARKS

Mr. JACKSON of Washington. Mr. Speaker, the chairman of the Committee on Foreign Affairs, the gentleman from New Jersey [Mr. EATON], has prepared an excellent statement concerning the administration of the Foreign Assistance Act for the benefit of the membership of the House. In his behalf, I ask unanimous consent that the statement may be printed in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

A REPUBLICAN CANDIDATE FOR PRESIDENT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I listened with a great deal of interest to the remarks made in relation to the Wisconsin primary and the election of delegates to the Republican National Convention. As an impersonal interpreter, it seems to me that the underlying influence was the fact that the people of Wisconsin wanted a progressive leadership in Government during the next 4 years, and they turned to the real progressive Republican candidate who was presented to them; namely, Mr. Stassen. Also, Mr. Stassen made a remarkable run, and there should be no effort made to detract from the remarkable victory that he enjoys; and good sports accept it in that light. Furthermore, it seems to me that it is going to complicate the Republican National Convention and afford an excellent opportunity for a dark horse to get the nomination. While we recognize that he would make a very serious candidate and a foe worthy of anyone's steel, we on the Democratic side hope that the Republican dark horse will be our beloved Speaker, Hon. JOSEPH W. MARTIN, JR.

LET US HAVE MORE PLANES AND FEWER BUREAUCRATS

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Speaker, I wish to commend the Committee on the Armed Services which voted yesterday in favor of an increase in our air power to a 70-group Air Force. I also wish to express my commendation of the Congressional Aviation Policy Board. Yesterday the members of that Board introduced 14 bills and 2 resolutions to carry out its recommendations as contained in its recent report to the Congress. I have not, of course, had opportunity to examine these various measures in detail, but it is none the less a clear indication that this Congress is determined that we shall have strong air power as a primary requisite for a strong national defense. It is an unfortunate fact that in his last message to Congress President Truman failed to emphasize the importance of air power.

It is quite apparent that if we are to meet the increasing demands from abroad and our defense requirements here at home, we must eliminate every single unnecessary expenditure of government. We must postpone every project or activity that can be postponed. It is not a question of merit, but a question of relative merits, in view of the pressing defense demands.

We have here in Washington and throughout the country a great sprawling bureaucracy. We have people serving on the Federal pay roll who perform no useful function. They are parasites on our national economy. Our theme should be, let us have more planes and fewer bureaucrats. That is what the people want.

Mr. RICH. Will the gentleman yield?

Mr. CHURCH. I yield to the gentleman from Pennsylvania.

Mr. RICH. I wish to concur in what the gentleman from Illinois has just said with respect to substituting planes for bureaucrats. I know that the gentleman from Illinois has long been an advocate of air power. If I recall correctly, he played a conspicuous part in making this country air-minded during the 6 years he served on the Naval Affairs Committee. I also know that the gentleman from Illinois believes in economy. I served with him on the Committee on Expenditures in the Executive Departments.

Speaking of bureaucrats, it is my understanding that the gentleman from Illinois is being opposed in the Republican primary in his district by a former New Deal bureaucrat who for a couple of years occupied one of these lush $8,000-a-year jobs. But if the people of his district are anything like the people of my district, they will certainly not send to Congress a bureaucrat to take the place of the gentleman who has so ardently fought against bureaucracy. They will certainly not sacrifice the seniority which the gentleman from Illinois has attained by virtue of his service in the position he now occupies on the powerful Committee on Appropriations. As a member of that committee, he has a large voice in how much money shall be spent and the purposes for which it shall be spent. It would take a new Member many years to attain his present position and the State of Illinois would lose in the prestige it now has in this great body if these tried-and-true Members are rejected for some former Government pay rollers.

THE WISCONSIN ELECTION

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, I was very much interested in listening to what the minority whip had to say, but I wish to call the attention of the Members of the House to the fact that part of the success of my former Governor, Mr. Stassen, was undoubtedly due to the fact that he recognized that oleomargarine has no place in the agricultural picture in America.

OLEOMARGARINE

Mr. FOOTE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. FOOTE. Mr. Speaker, I am one of those who introduced a bill to repeal the unjust tax on oleomargarine, having done so on January 13, 1948, said bill being H. R. 4930. This Congress has a mandate to do all possible to lower the cost of living. One of the best ways to do so is to bring down the cost of items that go to make up the family table. Due to the high price of butter, the housewives have turned to oleomargarine as a substitute, but are compelled to pay a tribute of 10 cents a pound. I believe this is the only item of food on which the Government places a direct tax. Those opposed to this legislation are making many reckless statements, one of which is that we are stooges for a so-called margarine lobby. The only lobby I am working for is the consuming public.

An editorial appearing in the Hartford (Conn.) Courant of April 5, 1948, entitled "Oleo Gets Another Chance," sums up the situation and reads as follows:

OLEO GETS ANOTHER CHANCE

Although all the bills removing or lessening taxes on oleomargarine were lobbied to death, the fight for remedial legislation is not dead. Proponents of oleo legislation have won a major victory. They have secured the necessary 218 signatures of House Members to force it out of the House Agricultural Committee to the floor of the House.

The drive for the repeal of the oleo tax was spearheaded by Representatives from States where cotton and soy beans are major crops. Opposed to them were Representatives of the dairy States. The latter have always been strong enough to squelch any legislation that would give oleomargarine a fair chance by the removal of punitive taxes. The recent decision of the House Agricultural Committee to kill all these measures followed the usual pattern. This time there has been a third party in interest representing the consumer. The arguments offered by this group are unanswerable. There is no good reason why the housewife, who, of her own volition, orders oleomargarine as a foodstuff for her family

should be compelled to pay a tribute of 10 cents a pound. Neither is there any sound reason why the housewife should be put to the inconvenience of coloring the margarine after it is purchased.

Interest in oleo legislation has been greatly sharpened in recent months because of the high price of butter. Buttressed by this fact, consumer groups made strong appeals to the Agricultural Committee to give the consumer a break. The committee turned a deaf ear to these pleas, and it was generally considered that the fight was over without action.

Now the whole matter is revived. It would be unduly optimistic to believe that both the House and Senate will repeal the tax on oleomargarine. Since 1931, when machinery for discharge by petition was set up, some 200 petitions have been circulated for a mighty poor batting average of one successful move. Only the wages-and-hours law successfully ran the legislative gantlet after it had been sunk by the committee to which it had been referred.

There is a measure of consolation, however, in the fact that if oleo legislation is now defeated it will be done openly in the House and not by the votes of 16 men behind closed doors. The American housewife has a stake in this legislation. It would not be surprising if Members of Congress were now deluged by requests to support this legislation. Certainly, if every housewife who has huffed and puffed transforming oleo from white to yellow should take pen in hand, the mail bags would be stuffed to overflowing.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. ARENDS. Mr. Speaker, I move the call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 41]

Andrews, N. Y.	Grant, Ala.	Norton
Bakewell	Harrison	O'Brien
Barden	Hartley	O'Hara
Battle	Harvey	O'Konski
Bell	Havenner	O'Toole
Bennett, Mo.	Heffernan	Owens
Bishop	Hendricks	Patterson
Bloom	Hobbs	Pfeifer
Bolton	Holifield	Philbin
Bonner	Jackson, Calif.	Ploeser
Boykin	Jarman	Plumley
Brooks	Javits	Powell
Buck	Jenkins, Ohio	Price, Fla.
Buckley	Jenkins, Pa.	Price, Ill.
Byrne, N. Y.	Jennings	Rains
Carroll	Jones, N. C.	Rayburn
Celler	Judd	Redden
Chadwick	Kee	Reed, Ill.
Chapman	Kefauver	Riehlman
Chelf	Kelley	Sadowski
Chiperfield	Kennedy	Sasscer
Clark	Keogh	Scott, Hardie
Clippinger	Kilburn	Scott, Hugh D., Jr.
Coffin	Kilday	Shafer
Cole, N. Y.	Klein	Sikes
Courtney	Kunkel	Simpson, Ill.
Cox	Lane	Simpson, Pa.
Cravens	Lanham	Smathers
Dawson, Ill.	Larcade	Smith, Va.
Delaney	Ludlow	Snyder
Dingell	McCowen	Stevenson
Dirksen	McCulloch	Stratton
Domengeaux	McDowell	Taylor
Donohue	McGarvey	Tollefson
Dorn	McMahon	Towe
Doughton	McMillen, Ill.	Twyman
Douglas	Maloney	Vail
Durham	Manasco	Vinson
Elliott	Merrow	Vorys
Elston	Mitchell	Wadsworth
Fogarty	Monroney	West
Fulton	Morgan	Williams
Gallagher	Muhlenberg	Wood
Gary	Multer	Worley
Gordon	Nodar	
Gorski	Norrell	

The SPEAKER. On this roll call, 291 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

HARRIET TOWNSEND BOTTOMLEY

Mr. REEVES. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to appoint a conferee on the part of the House on the bill (H. R. 2389) for the relief of Harriet Townsend Bottomley to fill the vacancy caused by the death of our former colleague from Indiana, Mr. Springer.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the gentleman from New Jersey [Mr. CASE] as a conferee. The Clerk will notify the Senate of the action of the House.

EXTENSION OF REMARKS

Mr. GOSSETT asked and was given permission to extend his remarks in the RECORD and include some excerpts.

EVA L. DUDLEY ET AL.

Mr. REEVES submitted a conference report and statement on the bill (H. R. 1799) for the relief of Eva L. Dudley, Grace M. Collins, and Guy B. Slater.

SPECIAL ORDER GRANTED

Mr. STOCKMAN. Mr. Speaker, I ask unanimous consent that I may address the House for 1 hour on Monday next after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

EXTENSION OF REMARKS

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a radio address by Ann Su Cardwell.

INDEPENDENT OFFICES APPROPRIATION BILL, 1949—CONFERENCE REPORT

Mr. WIGGLESWORTH. Mr. Speaker, I call up the conference report on the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes; and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. WIGGLESWORTH]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 6, 14, and 20.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 11, 12, 15, 16, and 19, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In line 5 of the matter inserted by said amendment strike out "$100,000" and insert "$200,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,310,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ", of which amount not to exceed $3,695,500 may be expended for personal services in the District of Columbia"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,401,510"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "; and not less than $207,000 shall be available for the Trade Practice Conference Rule work"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$9,131,317"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 13, and 17.

R. B. WIGGLESWORTH,
JOHN PHILLIPS,
CHAS. R. ROBERTSON,
F. R. COUDERT, Jr.,
JOE HENDRICKS,
ALBERT THOMAS,
Managers on the Part of the House.

CLYDE M. REED,
STYLES BRIDGES,
C. WAYLAND BROOKS,
THEODORE FRANCIS GREEN,
KENNETH MCKELLAR,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5214) making appropriations for the Executive Office, and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1, relating to additional services for the White House Office: Reported in disagreement.

Amendment No. 2: Appropriates $200,000 as an emergency fund for the President, instead of $100,000, as proposed by the Senate, and $700,000, as proposed by the House.

Amendment No. 3: Appropriates $2,992,000, as proposed by the Senate, instead of $3,192,000, as proposed by the House, for salaries and expenses, Bureau of the Budget, with the understanding that the reduction of $200,000 shall be applied to divisions other than the "Estimates and fiscal divisions" and those engaged in strictly budgetary work.

Amendment No. 4: Appropriates $300,000, as proposed by the House, instead of $350,000, as proposed by the Senate, for the Council of Economic Advisers.

Amendment No. 5: Strikes out the provision of the Senate appropriating $18,000 for salaries and expenses of the library of the Office of Government Reports.

Amendments Nos. 6, 7, and 8, relating to the Federal Communications Commission: Appropriates $6,310,000 for salaries and expenses, instead of $6,260,000, as proposed by the House, and $6,360,000, as proposed by the Senate, and restores the provision of the House limiting funds available for personal services in the District of Columbia, adjusted to provide $3,695,500 for such purpose.

Amendments Nos. 9 and 10, relating to the Federal Trade Commission: Appropriates $3,401,510 for salaries and expenses, instead of $3,361,510, as proposed by the House, and $3,521,510, as proposed by the Senate, the increase of $40,000 above the House bill provides $10,000 for mail-order insurance regulatory work and $30,000 for trade-practice conference work, no funds being provided in the conference agreement for administered price studies or program. The conferees have recommended elimination of the words "and investigations necessary thereto" in connection with the provision inserted by the Senate for trade-practice conference work.

Amendments Nos. 11 and 12: Strikes out the provision of the House bill providing for a health-service program in connection with the item for salaries and expenses, public buildings and grounds in the District of Columbia, Public Buildings Administration, and inserts, as proposed by the Senate, a similar item providing that funds available to the Public Buildings Administration may be used for such health-service program.

Amendment No. 13: Reported in disagreement.

Amendment No. 14: Restores the provision of the House authorizing the use of $100,000 of funds for administrative expenses, Public Roads Administration, for surveys in connection with the Inter-American Highway.

Amendments Nos. 15 and 16: Appropriates $427,288,854 for Federal-aid postwar highways, as proposed by the Senate, instead of $452,288,854, as proposed by the House.

Amendment No. 17: Reported in disagreement.

Amendment No. 18: Appropriates $9,131,317 for general expenses, Interstate Commerce Commission, instead of $9,056,317, as proposed by the House, and $9,206,317, as proposed by the Senate. Attention of the conferees has been called to embarrassment of petroleum pipe lines in payment of taxes because of valuation work of the Interstate Commerce Commission not being current. The conferees suggest that the Interstate Commerce Commission give all possible attention to this problem.

Amendment No. 19: Appropriates $400,000, as proposed by the Senate, instead of $241,000, as proposed by the House, for land acquisition, National Capital and metropolitan area, in connection with funds for the National Capital Park and Planning Commission.

Amendment No. 20: Strikes out the provision of the Senate appropriating $50,000 for District of Columbia redevelopment.

AMENDMENTS IN DISAGREEMENT

The managers on the part of the House have authorized the following motions with respect to amendments in disagreement:

Amendment No. 1, relating to additional personal services for the White House Office. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 13, relating to funds for a Geophysical Institute, Alaska. The managers on the part of the House will move to recede and concur.

Amendment No. 17, relating to funds for a testing and research laboratory, Public Roads Administration. The managers on the part of the House will move to recede and concur.

R. B. WIGGLESWORTH,
JOHN PHILLIPS,
CHAS. R. ROBERTSON,
F. R. COUDERT, JR.,
JOE HENDRICKS,
ALBERT THOMAS,
Managers on the Part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 1, page 3, line 1, insert the following: "For additional personal services for the White House Office to meet emergencies that may arise, $200,000."

Mr. WIGGLESWORTH. Mr. Speaker, I move that the House recede and concur with an amendment.

The SPEAKER. The Clerk will report the motion of the gentleman from Massachusetts.

The Clerk read as follows:

Mr. WIGGLESWORTH moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same with an amendment as follows: In line 2 of said amendment, after the word "arise," insert the following: "Without regard to the provisions of law regulating the employment and compensation of persons in the Government service."

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 13, on page 22, line 11, insert the following:

"Geophysical Institute, Alaska: For the establishment of a geophysical institute at the University of Alaska, as authorized by the act of July 31, 1946 (48 U. S. C. 175, 175a), $100,000, to be immediately available and to remain available until expended, and in addition thereto the Public Buildings Administration is authorized to enter into contracts for this purpose in an amount not exceeding $875,000: *Provided*, That no part of this appropriation shall become available unless and until title to the land upon which said institute is to be constructed shall have been conveyed to the United States: *Provided further*, That, notwithstanding the provision of any other law, all buildings and equipment constructed or acquired with funds herein appropriated or under authority to contract shall, upon the establishment of the institute, be the property of the United States."

Mr. WIGGLESWORTH. Mr. Speaker, I move that the House recede and concur in the amendment of the Senate numbered 13.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 17: page 27, line 18, "Testing and research laboratory: For continuing the construction of a laboratory, on a site already acquired, for permanent quarters for the testing and research work of the Public Roads Administration, $1,000,000, to remain available until expended."

Mr. WIGGLESWORTH. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 17, and concur in the same.

The motion was agreed to.

A motion to reconsider the votes on which action was taken on the several motions was laid on the table.

EXTENSION OF REMARKS

Mr. BENDER asked and was given permission to extend his remarks in four different instances and in each to include newspaper articles.

Mr. HÉBERT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the New Orleans States.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and to include a letter.

Mr. ANGELL asked and was given permission to extend the remarks he expects to make in the Committee of the Whole this afternoon and include excerpts.

AUTHORIZING RESEARCH ON FOOT-AND-MOUTH DISEASE

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5098) to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5098, with Mr. SMITH of Wisconsin in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, April 7, there was pending the amendment offered by the gentleman from New York [Mr. MACY] to the committee amendment.

Without objection, the Clerk will again read the amendment of the gentleman from New York.

There being no objection, the Clerk read as follows:

Amendment offered by Mr. MACY: On page 2, line 11, after the word "navigation", insert: "and which shall not be connected with the mainland by any tunnel."

Mr. FULLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, after a long and careful study of the situation as a member of the Agriculture Committee, I am very much in favor of the legislation before the House today. Unless this bill is enacted into law, our meat supply is gravely threatened, as well as the health and prosperity of the American people.

However, the question has arisen as to where the laboratories to study this terrible hoof-and-mouth disease should be located, and I am very much opposed to their being located in the populous Long Island area as recommended by the experts of the Department of Agriculture.

I am afraid that if the bill is enacted as it now stands, that Long Island will be the site selected. The people of that area are bitterly opposed to it for a number of very good reasons. These reasons have been presented to the members of the House in a most excellent brief prepared by the able and distinguished gentleman from New York [Mr. MACY], in whose district it is proposed to place this experimental station.

From every common-sense standpoint, this station should not be located on Long Island.

At this point I yield to my very dear friend and colleague, the gentleman from New York [Mr. MACY], and am pleased to second in advance his remarks and recommendations.

Mr. MACY. Mr. Chairman, I thank the gentleman from New York. This situation was discussed very fully yesterday and I do not want to intrude on your time today except to emphasize the point that New York City has never been considered by any one as not being a part of the mainland of the United States. Half of New York City is on Long Island. So when they consider Long Island as an island within the meaning of the House provision, it seems to me it is a very, very strained construction. Yet when I talked with the professors from the Department of Agriculture there was no question in their minds but what it would be located there and that is why I am before you today.

They do not know yet whether this virus is air-borne or not, they do not know of any way of correcting it; therefore it should not be imported into the United States of America. You have a very violent disease raging on our southern boundary and it seems to me the place to fight it is down there where the ingredients of the disease are located. That is the place to fight it. When we were fighting the Nazis, General Eisenhower did not bring them over here to fight them and when MacArthur was fighting the Japs he did not bring them over to the United States to fight them. You go where the operations are located.

If this is a conflagration down there you do not want to sit up here and fight it and build a $30,000,000 laboratory, which will take 3 or 4 years to build anyway. I say everything should be done to stamp out this disease and to protect us right where the disease is.

The distinguished chairman of the Committee on Public Works had a little piece the other day in the RECORD about a Mr. Wheeler. We do not know exactly who he is, or who these professional people are we are going to get. He made some remarks on that matter and was taken to task very heavily. We find that same professor turned up in Prague teaching with the approval of the Communists, apparently. So I think with the atom bomb situation on Long Island and with a great number of scientists there, we have our full share of Federal Government largesse and we can very well dispense with this added hoof-and-mouth hospital.

I hope the Members of the Congress will amend this bill in the moderate way I have asked that it be amended in order that we shall not have this threatened alarm down at the east end of my district. The chairman of the Agricultural Committee detailed the population of that community yesterday. May I say that in East Hampton Township you have one of the great parks of the State of New York to which thousands of people come every summer. I think that John Howard Payne would turn over in his grave if there were established there near Home, Sweet Home this so-called hospital, all protected in the manner in which it is protected, showing the danger of the disease.

Mr. Chairman, I therefore hope my amendment will prevail.

Mrs. LUSK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to speak in behalf of this committee which has labored so diligently in the preparation of this bill. I think they have given more study and thought to the need for research into the foot-and-mouth disease than any other Members of the House, and I feel that we should follow their recommendation. In my opinion the amendment is not necessary. There are several reasons for this. I think we can safely trust our modern scientists to take care of any precautions necessary to prevent infection in this country, and we should also leave it to their judgment to select the area best suited from all standpoints for the study of this infection. The important thing in my mind is to get something under way that will develop the virus needed for the protection of our livestock. I think it is too bad that we have delayed so long in making some preparation to combat this disease other than by trying to keep it from crossing our boundaries. We cannot always look forward to the protection of our livestock in that manner. We must be prepared to fight the disease with vaccine.

The CHAIRMAN. The time of the gentlewoman from New Mexico has expired.

Mr. HOEVEN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I doubt whether there is any necessity of going into details relating to the foot-and-mouth disease. We all know that something must be done to keep it out of this country. When this bill was considered in committee I was inclined to be a bit sympathetic with the efforts of the gentleman from New York [Mr. MACY] to prevent the location of a research laboratory on Long Island. But, in giving this matter very careful study I have come to the conclusion that the great need for something to be done right now transcends any quibbling or argument about the location of any particular laboratory. I need not remind those of you from our agricultural and livestock States of the consequences which will result if the foot-and-mouth disease spreads from Mexico into the United States.

There is nothing in this bill that says that a laboratory shall be established on Long Island. I am also quite sure that the able New York delegation, with its power and influence here in the Congress, and with the great State of New York supporting its position, is not going to permit the erection of a laboratory on Long Island if it is against the best interests of the people of New York State. We must not forget that the interests of all the people of the United States are involved here; including the great cattle industry, and the interest of agriculture in general. So, in my humble judgment, I believe it would be best to leave this matter of selecting sites for laboratories to the Department of Agriculture. Personally, I would have preferred building a laboratory on some island in the Atlantic Ocean far removed from the mainland, but that did not seem practicable to the committee. We must leave this authority somewhere, and as far as I am concerned I think that the Department of Agriculture will do its best to locate these laboratories where they will be able to perform research work to the best advantage. I sincerely trust that the work of the subcommittee, headed by my colleague the gentleman from Indiana [Mr. GILLIE], is being duly appreciated. I know of no subcommittee of the Committee on Agriculture that has done a more thorough piece of work. They are entitled to your support. I favor the bill and am opposed to the amendment which would restrict the location of the laboratories. We must get busy with the research work while there is yet time.

Mr. WORLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I endorse 100 percent the remarks of the gentleman from Iowa [Mr. HOEVEN]. The foot-and-mouth subcommittee of the Committee on Agriculture held hearings for weeks; in fact, it held hearings for months on the whole question of the foot-and-mouth disease in Mexico and what we in the United States, can do to eradicate it down there, and prevent its spread to our country. It has been a losing fight from the beginning in Mexico. It is simply a question of whether we are going to be prepared to fight the disease if it should get across the border

This is not a local problem by any means. Everybody, I think, realizes just what the shock to our economy would be if this disease were to escape. We simply have our choice of being prepared or not. This is just as much a war as the war from which we have just emerged although a war of a different type. Of course, I would naturally prefer that we take our technicians and our scientists to Mexico and set up a laboratory there and conduct the experiments right there on the spot, but I think almost everybody knows that it would be far more desirable for this country to have the laboratory located where we would have full, complete, and unquestioned control, where the climatic conditions where we would develop a vaccine would be the same as they would where the disease might break out, and where the scientists themselves would be close to research centers that could take advantage of the data the scientists of the metropolitan areas and the universities have already developed. I also believe we should conduct research in Mexico as well.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. May I ask the gentleman if he knows of any instance where the foot-and-mouth disease has broken out north of the fiftieth degree of latitude?

Mr. WORLEY. I know of no instance in which the disease has broken out above the present quarantine line, and I hope that it does not. In a research laboratory the United States technicians and scientists will certainly use every safeguard possible to keep the disease confined.

Mr. EDWIN ARTHUR HALL. The reason I asked that question is that there are many of us up in the North who are afraid the disease might get started in some of the dairy sections.

Mr. WORLEY. The disease could hit New York just as quickly as it could hit Texas. This bill does not in any shape, fashion, or form designate Long Island as the site for the research laboratory. It simply provides that wherever the laboratory is placed it shall be separated from the mainland by deep water navigation. I am willing to leave the location of this laboratory to the technicians and the scientists who have spent their lives studying the question. I am not qualified to say where the laboratory should be placed and I doubt that any Member of the House is sufficiently well qualified to do so, with the exception perhaps of the gentleman from Indiana, Dr. GILLIE, who is himself a veterinarian and who is supporting this bill.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield to the gentleman from Texas.

Mr. LYLE. It would be impractical for the Members of this House to try to select or limit the site other than to say that it shall be within the continental limits of the United States, would it not?

Mr. WORLEY. Nobody in the House felt qualified to locate the sites of the atomic energy research program. The qualified experts selected the sites, not Congress.

Mr. LYLE. As a matter of fact, your committee has been particularly careful about writing this bill so that it would not make the United States vulnerable to an invasion of the disease.

Mr. WORLEY. That is right. This legislation is simply looking down the road. If we are going to develop a cure for the foot-and-mouth disease, we have to do it by research and the quicker we get started the better.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield.

Mr. HARRIS. The gentleman has heard testimony in connection with this very important piece of legislation. It seems to me the issue is as to whether or not this research program would be located in Long Island. In the testimony before the gentleman's committee, were there alternative locations pointed out for the establishment of such a laboratory and program?

Mr. WORLEY. Yes. The committee considered such sites as Puerto Rico and islands in Hawaii and many other locations suggested. The committee went into that question quite carefully and thoroughly.

Mr. Chairman, I trust the committee will not support this amendment, and tie the hands of those best qualified to select a suitable island site.

Mr. GILLIE. Mr. Chairman, I rise in opposition to the amendment. As far as I am concerned, we do not want any amendments in this bill. If we are going to amend this bill, we might just as well not pass it. The scientists who have charge of this kind of work should be able to select the place where they are going to put this laboratory. I cannot understand for the life of me why the people from Long Island are so worried about this laboratory being placed on Long Island. There were several places, as you know by this time, that were looked at. Long Island happened to be one of them. There were some places down along the coast. Of course the people up in Long Island found out that they were up there looking at this spot and that is what stirred up this whole mess. There is no need of all this going on now because if the people of Long Island did not want it there, that would end it. We do not know where they are going to put the laboratory. It is going to be built on an island if one can be found. I would like to say in connection with some remarks that my colleague the gentleman from New York [Mr. EDWIN ARTHUR HALL] made yesterday concerning these scientists when he said that they ought to be willing to go to the Sahara Desert or Timbuktu and a couple of other places if they were working for the Government. These scientists are collaborators and are not paid by the Government. These men are brought into this work with no pay whatsoever. They are not even paid one penny. That is the reason we would like to have this laboratory close to a big metropolitan center so that we can draw on good scientists.

Mr. MACY. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield.

Mr. MACY. You remember very well in your office when you were gracious enough to bring the five scientists from the Department of Agriculture in? Was there any doubt in your mind as a result of the conversation then that they were going to locate this laboratory on Long Island and that that was their first choice?

Mr. GILLIE. That was one of the places they looked at, yes.

Mr. MACY. Therefore all the discussion about the laboratory possibly not going on Long Island means nothing if this bill is adopted. In view of the fact that the Representative from that district was not consulted in advance and that the decision was a predetermined one, I think that this amendment should be adopted.

Mr. GILLIE. As I said before, one reason why they want this laboratory close to a metropolitan center is so that they will be able to draw on the scientists to be found in those areas. If it is put away in some other spot in the United States far from these large centers, they are going to have trouble in getting scientists to go there and help them in this work. As the gentleman from Texas [Mr.. WORLEY] has so well said this morning, you must not forget that this is a war that we have on our hands right now. Just as sure as we are standing here today, we are going to have trouble with this foot-and-mouth disease, and we might as well be getting ready and get this laboratory built. It is only 300 miles away from our border now. It is much more important to try to get this disease licked than to be paying so much attention to where the laboratory will be built.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield.

Mr. RICH. The fact of the matter is we have given $36,000,000 to try to keep it away from our borders in Mexico during last year. If that disease is as bad as the Department of Agriculture says it is, we ought to keep it just as far away from our American shores as we possibly can. If we cannot get our scientists to go to the disease, we ought to be very careful in bringing the disease close to the thickly inhabited parts of our country. I want economy in Government, but it is money well spent if we pay some of these scientists, if necessary, to go there in order to keep this thing away from our shores. That would be money well spent.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. GILLIE] has expired.

Mr. LEONARD W. HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I listened to the remarks of the gentleman from Indiana [Mr. GILLIE]. I gained the impression from what he said that the site for this laboratory has not been fixed. As a matter of fact, the gentleman from New York [Mr. MACY] and I met with the scientists in Mr. GILLIE'S office, and if this bill is passed as it is, those scientists are going to put this laboratory on Long Island. So we are talking about a bill which is in general terms, but the area for this laboratory has been determined before this House has been asked to pass upon this bill.

I say this bill is not honest when it makes some difference between the area on Long Island and the mainland of the United States. To think that a committee brought in a bill which provides that you cannot put this laboratory on the mainland but you can put it on Long Island, where today we have better than 4,000,000 people, is impossible to understand. They put it next to our seashores where hundreds of thousands of people bathe each day. They put it in an area where much of our money has been spent for State parks for the benefit of the people. But there is another point involved in this question. During the war and before the war our people were willing to give up areas of land in all sections for defense purposes—for factories, forts, and so forth. Are we now going to find out that after the Government has taken land for defense purposes they can come in and put anything on that land that the Government desires to put on it, irrespective of the type of area, irrespective of the zoning regulations of the area involved?

I think we have heard enough about this bill, but I think, in all fairness, we should not be discussing what appears to be a general bill, with members of the committee telling Members of this House that this laboratory may go to any island in the United States, when I think, if the gentleman from Indiana [Mr. GILLIE] will just tell us about the meeting they had in his office, he will have to admit

that Long Island has been picked as the spot for this laboratory.

Mr. Chairman, there is no difference in the world between Long Island and the mainland of the United States.

Mr. GILLIE. Mr. Chairman, will the gentleman yield?

Mr. LEONARD W. HALL. I yield.

Mr. GILLIE. That, of course, was just one of the places discussed. There were several places mentioned, as I said before.

Mr. LEONARD W. HALL. Did not the gentleman arrange a meeting in his office for the gentleman from New York [Mr. MACY] and me to meet the scientists? And did not the scientists say that if they had their way this laboratory would go on Long Island?

Mr. GILLIE. Yes; but they are not the whole group.

Mr. LEONARD W. HALL. Did they not say that in the gentleman's office?

Mr. GILLIE. I do not remember that.

Mr. LEONARD W. HALL. I remember it very well.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. LEONARD W. HALL. I yield.

Mr. TABER. Is it not important that when we consider the location of this laboratory we take into consideration the question of the spread of the disease, as well as its prevention? And does not this amendment tend to help limit the spread of the disease?

Mr. LEONARD W. HALL. I do not know enough about the disease to say, but I cannot understand why, if this disease is not dangerous, the gentleman from Indiana sees to it that the laboratory cannot go in his State. He thinks it is all right, however, for it to go on Long Island.

Mr. GILLIE. Mr. Chairman, will the gentleman yield?

Mr. LEONARD W. HALL. I yield.

Mr. GILLIE. The gentleman knows that if he does not want it there it will not go there. How could this scientific council build it there if the people of Long Island did not want it there? How could they do it?

Mr. LEONARD W. HALL. I repeat to the gentleman from Indiana that at a meeting called by him the scientists told us this laboratory was going on Long Island if they had anything to say about it.

Mr. GILLIE. Another thing, if you want to stop it, you can stop it when it comes before the Appropriations Committee.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. LEONARD W. HALL. I yield.

Mr. REED of New York. Is it not a fact that if they locate this laboratory on Long Island it is going to affect adversely the value of all property on Long Island?

Mr. LEONARD W. HALL. The site of the laboratory is in the best residential area of Long Island. Not only that, it is also next to Jones' Beach. Everyone who is familiar with Long Island knows that it is the greatest bathing beach not only in New York but in the entire world.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. POTTS. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for two additional minutes. I wish to ask him some questions.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. POTTS. Mr. Chairman, will the gentleman yield?

Mr. LEONARD W. HALL. I yield.

Mr. POTTS. This area where the laboratory is to be set up—and I will accept the gentleman's comment on what has been decided—is but a few short miles across Long Island Sound from the mainland of Connecticut, Massachusetts, and all those New England States which have substantial cattle interests that could also be affected if this virus were transported by means of ferries or otherwise from the tip of Long Island to the mainland itself. Is not that so?

Mr. LEONARD W. HALL. I would say that is so. I may say also that had they wanted to pick out a site in the greatest concentration of population in the United States they could not have picked any site which fits that definition better than the site now in the minds of the scientists, on Long Island.

Mr. LATHAM. Mr. Chairman, will the gentleman yield?

Mr. LEONARD W. HALL. I yield.

Mr. LATHAM. I may call attention also to the fact that in the letter which the chairman of the Committee on Agriculture read to the House it was stated that they intended to dump the residue of these experiments into the waters of Long Island Sound.

Mr. LEONARD W. HALL. There is no question about that.

Mr. LATHAM. Used for bathing purposes by 20,000,000 people a year.

Mr. HOPE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would remind the membership that all these questions that were raised yesterday and have been raised today on this matter were thoroughly discussed, exhaustively discussed by the subcommittee which spent the better part of 4 or 5 weeks trying to work out a satisfactory solution to this problem. At the end of that time the subcommittee reported to the full committee and the full committee gave careful consideration to the matter and particular consideration to this problem of how limited we should make the location of this laboratory. After that was done, the gentleman from New York [Mr. MACY] requested the opportunity to come before the full committee and, although the committee had other very important business that day, it gave him the opportunity to appear before the committee to explain the situation of the people in his district. I may say that the committee was very sympathetic with the viewpoint which he presented; yet, after considering the matter from every possible angle, the committee did not feel it would be wise to further restrict the location of this laboratory.

Let me say that although it may appear now the tip end of Long Island is a suitable location for this laboratory, there has been no selection made of the site and I am positive from what I know of the general policy of the Department of Agriculture in locating installations of this kind that if there is serious opposition to its location at the point designated and discussed here, it will not be located there over that opposition.

Mr. Chairman, there is a lot of misapprehension here. It is quite possible that after the matter is thoroughly explained and discussed there will be no objection to the location of the laboratory on this designated site and for that reason I say let us not try to hamstring the Department today by saying the laboratory shall not be located on this particular site. Let us leave it open. I feel equally sure that if these objections persist and if they cannot be dissipated by a thorough discussion and understanding of the matter, the laboratory will not be located at that point. Let us not tie the hands of the Department in this most important matter because this is an effort to repel an invasion. It is an effort in the national defense, because if we permit the foot-and-mouth disease to get into this country and are not prepared to handle it, then it will be a disaster that can only be compared with a military disaster.

Mr. MACY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. MACY. The question as the gentleman presents it makes it possible to go down on Long Island for this site and, although he says that they will explain it all, one of the explanations that brought this up was the amount of money that would be expended down there as a means of enticement for the people to be for it. That puts us in a very unfair position to argue down there with the local people. The gentleman just mentioned the tremendous expenditure of money as an argument. That is what I like to be defended against by this amendment.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Utah.

Mr. GRANGER. Certainly the site has not been determined upon. No appropriation has been made. And, as the gentleman has said, when all the facts are known, perhaps some of the Members will be after the location of a $30,000,000 plant in their district rather than opposing it. This is the first time I have ever known of a Member of Congress opposing an installation of this kind in his district.

To make the RECORD clear on the remarks I made yesterday, Mr. Chairman, about the importation of infected cattle from infected areas, especially from Great Britain, it must be understood that those cattle before they came into the United States were quarantined in Canada. They were brought into this country after they had been quarantined in Canada and supervised.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ROONEY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise in support of the pending Macy amendment. It seems rather peculiar to me, bearing in mind the request just made by the distinguished chairman of the House Committee on Agriculture that we should not tie the hands of these scientists in

picking a spot for this laboratory, that these scientists select a location on Long Island with a population of 4,250,000 to 5,000,000 people. It seems to me, with all the vast areas in the United States where this laboratory could be built, that there must be something behind the proposition of locating it on Long Island. Do the cattle folks who are the victims, so to speak, of the foot-and-mouth disease, come to us as Greeks bearing gifts in locating their laboratory up on Long Island in an area, as has been ably pointed out by the gentleman from New York [Mr. HALL] which is heavily populated and which is a veritable playground where people not only from Long Island, but from the entire metropolitan New York City, Connecticut, New Jersey, and elsewhere go to bathe and to enjoy our beautiful park system. To even suggest the building of a laboratory such as this at such a spot looks to me like an instance of the Greeks bearing gifts. Mr. Chairman, this laboratory isn't wanted on Long Island. Let us proceed to a vote, which I trust will overwhelmingly sustain the amendment offered by the distinguished gentleman from New York [Mr. MACY].

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MACY].

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 71, noes 43.

So the amendment was agreed to.

Mr. ANDERSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of California: On page 2, line 15, after the word "safeguards", insert *"Provided,* That such research laboratory shall not be established in any State unless the Governor of such State shall signify his approval."

The CHAIRMAN. May the Chair ask the gentleman, Is the amendment offered as an amendment to the committee amendment?

Mr. ANDERSON of California. Yes, Mr. Chairman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Where would the gentleman suggest that this laboratory be built?

Mr. ANDERSON of California. I have no suggestion, but I will point out to the gentleman that I hope we will comply with the provisions of the Constitution and let the Governor of any State wherein this laboratory might be located give it his approval if he desires to have it there. We find ourselves today in a very unique position. I think in my 10 years in Congress this is the first time that I have seen a Federal project involving the expenditure of as much money as is involved here rejected by practically every Member of Congress and every State of the Union. I realize the importance of passing this legislation, but I seek to amend it so that we comply with the provisions of the Constitution, as pointed out by the gentleman from Minnesota [Mr. MACKINNON] yesterday. If you will refer to the CONGRESSIONAL RECORD, page 4204, you will find that he disgorged a rather learned mouthful in a brief period of time.

Florida, with all of its palm-fringed beaches and its really first-class oranges, does not want this project. Texas, with its vast prairies and its pink grapefruit, does not want the project. California, with its unequaled climate, its sun-kissed hills and valleys, and its prunes, does not want this project. I do not know of any State in the Union that does want it. I do not know whether Hawaii and Alaska have been consulted by the members of the committee or the BAI. The State of California Board of Agriculture recently met on this subject and passed a resolution, a provision of which I should like to read:

Now, therefore, be it resolved, That the California State Board of Agriculture in regular session at Sacramento, Calif., unanimously records its opposition to the importation into this country or adjacent islands of the virus of hoof-and-mouth disease for the purpose of experimentation therewith.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Ohio.

Mr. BENDER. The gentleman forgot to mention the fine pears that are grown in California.

Mr. ANDERSON of California. As the gentleman knows, I have a personal interest in the subject, and I modestly refrained from mentioning those pears.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Pennsylvania.

Mr. RICH. It seems to me from the discussion that was had here this morning, since we are trying to locate this project at centers where we will get free gifts of scientific knowledge to this organization to try to keep this disease from our animals, that the cheapest thing this country can do, after you spent $80,000,000 last year to eradicate it in Mexico, is to spend five, ten, fifteen, or twenty million dollars, if necessary, to hire men who are willing to try to find some way of killing this disease. That is the cheapest money we could spend. I have been for economy ever since I have been here, and I do not want to waste any more money now as we did down in Mexico, but I think we ought to hire some men and pay them to try to kill this disease before it gets into our country and into our livestock.

Mr. ANDERSON of California. It is so seldom that the gentleman from Pennsylvania stands on the floor and advocates the spending of money to hire anybody that I welcome his contribution and his suggestion.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. HINSHAW. Why should not they place this laboratory in Brazil, from which this disease lately emanated?

Mr. ANDERSON of California. That might be a splendid suggestion.

Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk again read the Anderson amendment.

Mr. ANDERSON of California. Mr. Chairman, the issue is clear. I hope the amendment will be supported.

Mr. WORLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is very heartening to see new converts to the theory of States' rights. If this were a local problem instead of a national problem I think the amendment offered by the gentleman from California would be very appropriate and should be adopted. However, nowhere in the Constitution do you find any provision which would prohibit the Congress from exercising its function of carrying on a fight against so dangerous a disease, an enemy which is just as real and just as dangerous as a wartime enemy. The Constitution of the Federal Government provides that the qualifications of electors shall be left to the States to decide, and that over questions like FEPC, the antilynch law, and matters of similar nature, the States themselves have full and complete control and jurisdiction, and I would like to see Congress honor and respect those constitutional provisions. But if the States themselves have any control or jurisdiction over Mexico, I do not know where it is. My own State of Texas has made ample appropriations to protect the border along the Rio Grande to keep the disease out, but she cannot fight this battle alone. As I say, if this were a local problem and if it were a problem that came strictly within the purview of the States, then I think the amendment offered by the gentleman from California ought to be adopted. But if you are in favor of a research program to help prevent an outbreak of the foot-and-mouth disease or to find a cure for it, I hardly see how you can honestly support the amendment offered by the gentleman.

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield.

Mr. ELLIS. What do you think would be the chances of reelection for the Governor of a State who would advocate the establishment of one of these laboratories in his State?

Mr. WORLEY. Politics being so uncertain today, I would hesitate to offer an opinion on that score.

But, Mr. Chairman, if the Committee wants to take a step to stop or retard the research program, the adoption of this amendment is one of the best and quickest ways to do that.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield to the distinguished gentleman from Michigan.

Mr. HOFFMAN. In answer to the question asked by the gentleman from Ohio, this is not a bill to reelect some Governor, is it?

Mr. WORLEY. No, it is not; and I am sure the amendment is not intended for that purpose. But if this amendment is adopted, then you immediately subvert the proper functions of the Federal Government. I feel confident the

States themselves want full and complete cooperation from the Federal Government. The dread foot-and-mouth virus recognizes no State lines or international boundaries.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ANDERSON].

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 19, noes 25.

So the amendment was rejected.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to see if I can get a little information with respect to this proposal. As the distinguished gentleman from Texas who just spoke well knows, I was privileged to sit in on all the hearings of the Deficiency Committee that dealt with this Mexican hoof-and-mouth disease. It was as the result of the action of that committee that Dr. GILLIE and his group went down to Mexico to make a personal inspection. I am thoroughly familiar with the prospective ravages to the livestock industry of America if this disease ever gets into our livestock here in America.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. WORLEY. I would like to say for the record that no one on the Appropriation Committee has been more sympathetic, or has worked harder to combat the foot-and-mouth disease than the gentleman from Wisconsin.

Mr. KEEFE. I thank the gentleman very much for that statement. But here is what alarms me about this thing. When this matter was before the Deficiency Committee, the representatives of the Department of Agriculture and all the scientists that we were able to get before the committee indicated that with all of the research that has been done in Europe and other countries as well as in this country, no one had been able to come up with any proposal to control this disease other than the proposal to slaughter the infected cattle and bury them and cover them up with lime.

That is the only way they knew of. This subject of viruses and counteracting the hoof-and-mouth disease by the utilization of virus was condemned before the committee as being ineffective, and there was no proof any place in the world that the use of virus would succeed in controlling the disease.

Now, this is what interests me: We know that the disease may be spread about, and is highly infectious, and it is dangerous, and we want to do something about it. So the committee says we are going into a research project. I am for that. You have been talking about a research laboratory, and yet the bill says:

> The Secretary of Agriculture is authorized to establish research laboratories.

That means more than one. Perhaps establish them all over the country. Then, the committee put an amendment into this bill, which limits the location of the laboratory or laboratories to "coastal islands separated from the mainland." And it again says, "except coastal islands separated therefrom by waters navigable for deep-water navigation." Again, it is contemplated that there be not only one but that there may be several laboratories established. So you cannot establish a laboratory unless it is put upon a coastal island. That is, if this legislation is passed. If you want to establish more than one, you have to have a lot of islands in order to establish them some place. I never heard any evidence before the Deficiency Committee on this subject, and I hope the Committee on Agriculture has something to produce. What is there about the hoof-and-mouth-disease spread that you know that would stop the spread of the hoof-and-mouth disease if you introduced an active virus onto an island, that would not be accomplished just as well as if you introduced it into laboratories on the mainland? What protection is there to the livestock industry of this country simply because you propose to build a laboratory on an island? The disease may be carried in the clothing of people. It may be air-borne. It may be carried by birds, or anything. It seems to me it is perfectly silly to talk about the establishment of this laboratory on an island and expect thereby that you will protect the livestock industry of America against infection with the hoof-and-mouth disease.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. MCCORMACK]?

There was no objection.

Mr. KEEFE. I am tremendously apprehensive about this thing, having heard the testimony on two long hearings in connection with this matter, but I want it understood, if we are going to pass this type of legislation, just what we are doing. There is not a man in this Congress who does not know of my intensive interest in the whole field of research. I want to see research conducted in this field also. But let us see what will happen if we pass this bill. We are authorizing the appropriation of a great deal of money. So somebody has to pick out a location, and it has to be on an island, and it cannot be on Long Island. It has to be on an island some place. Maybe out on Block Island, or some other place. I do not know where it could be. Perhaps Catalina Island.

So we begin to spar around with this proposition and we begin to get into fights because somebody fears the introduction of this live virus is going to destroy the livestock industry. What amazes me is this: We have out at Bethesda, and it has been there a great many years, one of the greatest laboratories in the world. It deals day in and day out with live viruses of all kinds—highly inflammable and infectious viruses, yellow fever, typhus, silicosis, everything you can think of that affects human beings, tropical diseases of all kinds. There is that laboratory out there with all this virus right within a few miles of where we are sitting today, and I have not heard a single person complain about the laboratory's being there or of the introduction of this live virus and their growth and development, or that by that activity we were injuring the health of the people of Bethesda or the District of Columbia.

I am afraid we have picked up a bug-a-boo about this virus, unless the committee has come up with some information that the introduction, cultivation, and experimentation and research with live virus in a laboratory is going to spread that disease. If they have any such information as that, does the mere existence of 100 feet of water as a moat offer protection or stop the spread of the disease? Unless you can give an answer to that question, then you have not any business establishing a laboratory any place in the United States on the mainland, on an island, or any other place. I would like to get an answer from the chairman of the committee.

Mr. HOPE. I should like to point out to the gentleman that the British have had a laboratory ever since 1924. It is located within 30 miles of the city of London. It is located in an agricultural area. There are cattle grazing in the fields within a mile and a half of this laboratory. So far there has been no evidence, as I understand, nor even any charge, that the foot-and-mouth disease has ever occurred anywhere in England as a result of virus escaping from this laboratory.

Mr. KEEFE. Then why did the committee put in this bill a provision that this laboratory must be located on an island adjacent to the mainland and separated from it by water deep enough for navigation, and all that sort of stuff? What proof did the committee have that that was necessary in order to protect the livestock industry of this country?

Mr. HOPE. I may say to the gentleman from Wisconsin that I do not know whether he was here during all the debate we have had on the bill yesterday and this morning, but if he was he got a very small sample of what the subcommittee and the committee were up against.

Mr. KEEFE. No; I am asking the Committee on Agriculture, of which the gentleman is chairman, what proof there was before that committee that indicated the necessity and the utmost necessity of establishing this on an island some place?

Mr. HOPE. Yes; that is what I am trying to tell the gentleman.

Mr. KEEFE. Then why is it in the bill? Is it a compromise?

Mr. HOPE. As a concession to public opinion and to allay a fear, a misapprehension, that seems to exist on the part of the American people. Now, I do not want to be misunderstood; I think it is necessary to carry out experiments of this kind under conditions where the greatest of care can be exercised. That is very important.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes in order to pursue this inquiry, because this is a most important matter that should be settled.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Would the gentleman from Kansas have any hesitancy in accepting the location of an institution of this kind in the State of Kansas and the spending of $30,000,000 on it?

Mr. HOPE. I will say to the gentleman that I would not have, no. I do not, however, know what my constituents might say about it.

Mr. KEEFE. Now, I ask the gentleman, Was there any evidence to indicate that if you locate this laboratory on an island it would be any protection at all against the spread of the hoof-and-mouth disease, assuming that the location of such a laboratory any place would be any aid or have any incidence on the spreading of the disease?

Mr. HOPE. I would prefer to let the gentleman from Texas [Mr. WORLEY] answer that question. He is a member of the subcommittee who heard all of the testimony. I read the testimony but did not hear it. He is more familiar with it than I.

Mr. WORLEY. Mr. Chairman, we went into that subject very thoroughly. I believe the gentleman's question was whether the location of the laboratory on an island would be any safer than if it were located on the mainland.

Mr. KEEFE. That is the point.

Mr. WORLEY. My answer is, Yes, that it would be safer on an island and less likely to spread than if it were on the mainland. A number of witnesses recommended a peninsula inhabited by as little stock as possible and as few people as possible, so that the danger of the spread, whether by air or by human beings or by animals, would be lessened. I do not take the position that if the laboratory were established on the mainland it would necessarily spread, but I do take the position, which is supported by expert testimony, that the building of the laboratory on an island will as a matter of degree reduce the risk of its spread.

Mr. KEEFE. Does the gentleman have any testimony from acknowledged scientists if you establish this laboratory, regardless of where it is established and there is live virus introduced for experimentation purposes into that laboratory, that fact in itself would constitute a potential source from which this disease could spread throughout the country?

Mr. WORLEY. It could spread unless adequate safeguards are exercised. Certainly it could spread and we had ample testimony to that effect.

Mr. KEEFE. Why should we establish the laboratory at all, then?

Mr. WORLEY. What would the gentleman suggest we do—wait until the disease gets up here on us without trying to find any cure for it?

Mr. KEEFE. The chairman of the committee says that you had evidence to the effect that a laboratory has been conducted within 30 miles of the heart of London.

Mr. WORLEY. That is true.

Mr. KEEFE. Without any spread in the disease.

Mr. WORLEY. Originally the British conducted their experiments on a ship out in the channel or in some part of the Atlantic Ocean.

Mr. KEEFE. Then if the bill passes in its present form, by the adoption of the Macy amendment we have eliminated Long Island out of this picture. There is a danger and a menace, so the gentleman says, wherever it is located, at least to the livestock industry if there is any on the island. What island has the gentleman in mind?

Mr. WORLEY. I have no island in mind because I do not think I am qualified as a scientist or as a technical expert to determine the location.

Mr. KEEFE. The idea of locating it on Long Island is that you are going to get closer to the scientists and the center of scientific information. Where are the other islands it is proposed to establish this thing on? Where are the other voices to be heard here?

Mr. WORLEY. Does the gentleman have any suggestion as to a proper place?

Mr. KEEFE. I do not know.

Mr. WORLEY. I do not either.

Mr. KEEFE. I have not the slightest idea, but I dislike voting for a piece of legislation that is so uncertain until we get the answers.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. GRANGER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. Since the scourge is principally in Mexico at the present time, and since we are trying to help the world, and I believe also South America, why would not Mexico be the most appropriate place to put this laboratory?

Mr. KEEFE. I am not in position to answer that question. I am not an expert. I am asking questions to see if we cannot get a little light on this thing as a result of all the emotion that has been displayed today.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Kansas.

Mr. HOPE. I think there is a very good reason for not putting it in Mexico. There may be some reasons for putting it there. One reason for not putting it there is that wherever it is established we ought to have full control. If you have it in a foreign country you will not have that full control. In the second place, if you establish it in Mexico, we already have strained relations on this question there which may affect the whole matter.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. GRANGER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. We have a quarantine station in the Gulf of Mexico on an island known as Swan Island where all livestock coming into the United States has to stay for a certain period of time in quarantine, and it seems to me that this station should be located on Swan Island.

Mr. KEEFE. Why do you not write it in the bill? That would settle the situation and allay the apprehension of people up on Puget Sound, perhaps, or the people up on Block Island, out on Narragansett Bay, or Catalina Island, or some other island. If you are going to leave it to somebody to determine, why is not the Congress of the United States able to determine this?

Mr. FLANNAGAN. It seems to me that that is the logical place to locate this station. Now, the reason they did not do it, I think, is apparent. The scientists did not want it located there, because it is a little inconvenient for some of them to make a trip.

Mr. KEEFE. May I say to my distinguished friend that so far as I am personally concerned, in the face of the record that has been made here, I want to see this thing carried on, but I should vote to recommit this bill to the committee and bring a bill in here that will answer some of these questions that have been asked that we have not gotten very satisfactory answers to as yet.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Kansas.

Mr. HOPE. Does the gentleman take the position that in any case where we appropriate funds and authorize the establishment of a research laboratory, that the bill itself must necessarily determine the location? I have not understood that to be the policy of the Congress in the past. We leave it to people who are competent and capable to select the best site, and that is what this bill does.

Mr. KEEFE. I would say, perhaps, that that is the general policy, but I have seen many instances on the floor of this House where the contrary has been done in connection with the expressed wish of the Congress.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In connection with that, the very provision in the bill limits the freedom of selection.

Mr. KEEFE. Yes. The bill limits it to an island of some kind, and if they go out and try to put it on an island over the wishes of the people affected, and perhaps the State that has jurisdiction over that island, you will stir up a tempest again. It seems to me we ought to know where this thing is going to be erected, if it is potentially dangerous, as the gentleman from Texas has indicated the evidence showed. I do not want to vote for a bill that is going to put in the hands of the Department of Agriculture the authority to place a potentially dangerous thing in my district or anybody else's district. If I can be shown that it is not potentially dangerous—and I do not believe that it is—then I would be willing to go along with it.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. GILLIE. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Indiana.

Mr. GILLIE. A few minutes ago the gentleman asked why this laboratory was to be put on an island.

Mr. KEEFE. Yes.

Mr. GILLIE. We had Dr. Galloway, who is the Director of the British Research Laboratory investigating the foot-and-mouth disease in England, before us, and we asked him where would be the best place to put it, and he told us that that would be the best place to put it.

Mr. KEEFE. On an island?

Mr. GILLIE. Yes. That is the main reason why we have chosen an island.

Mr. KEEFE. Did he indicate in his testimony that it would be dangerous if it was placed any other place?

Mr. GILLIE. No; he did not.

Mr. KEEFE. Did he indicate that it would be dangerous if it was placed over in New Mexico, Texas, or in Indiana?

Mr. GILLIE. There are other reasons why it should be put on an island. You have all this water around you, and that is important.

Mr. KEEFE. How is that a protection?

Mr. GILLIE. That is important, as he said here, that it be put on an island or a peninsula, either one or the other. That is the big reason we picked an island.

Mr. KEEFE. You have not picked an island yet. The only island that has been suggested, the House, by an almost overwhelming vote, eliminated. You have eliminated the one island suggested, and that was Long Island. I will guarantee that if you come up with a suggestion for Catalina Island similar action will be taken, and if you come up with the suggestion to put it on Swan Island you perhaps will find a similar objection raised by the Congress. It seems to me you are accepting a tremendous burden on yourselves when you leave this bill open.

Mr. GILLIE. If the foot-and-mouth disease ever gets up into this country we will all wish we had put it on any island.

Mr. KEEFE. I agree with that. I personally am not conscious, as some people are, of the so-called potential menace that may exist in the laboratory experimentations with live viruses. I have showed you that we have it right out here at Bethesda, dealing with a virus that is just as potentially dangerous as any live virus involving the hoof-and-mouth disease, and there never has been a leak in all the years that laboratory has been established. I think we are doing a lot of talking about something that does not exist at all.

Mr. BUCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCK: On page 2, line 10, after "by", insert "one-half mile of."

Mr. BUCK. Mr. Chairman, in accordance with the definition contained in this bill, this laboratory could be located on an island 30 feet from the mainland. If it is actually true that this deadly virus must be separated from the mainland by a substantial expanse of water to prevent its spread, let us assure by the terms of the bill that there must be such substantial expanse and not a mere 30, 40, or 50 feet.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. ROONEY. Under that definition, it would be possible to locate this laboratory on Staten Island.

Mr. BUCK. According to my amendment, it could not be put on Staten Island, because Staten Island is not a half mile from the mainland. As the bill is written, the laboratory could be put on Staten Island.

Mr. ROONEY. The question is whether or not there are any livestock on Staten Island.

Mr. BUCK. I am not particularly considering Staten Island. I am concerned with giving the protection that the expert testimony of the gentleman from Indiana and the gentleman from Texas showed should be put into effect. If we need the protection of water, let us have that protection.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. WADSWORTH. Has the gentleman given any consideration to the awful thing that might happen? Actually, this laboratory might be put on Blackwell's Island.

Mr. BUCK. It might be.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Nebraska.

Mr. STEFAN. Has the gentleman conferred with the admiral of the Nebraska navy as to whether it could be put on Brady or Grand Islands?

Mr. BUCK. I have not.

Mr. GAMBLE. How about Coney Island?

Mr. BUCK. Coney Island is not an island.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 16, noes 31.

So the amendment was rejected.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment was agreed to.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all Members who may want to extend their remarks on this measure may do so at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Chairman, foot-and-mouth disease is the most infectious and contagious disease known in its effects on cattle and other cloven-hoof animals. When once it breaks out, it is almost uncontrollable. Those in livestock industry are continuously concerned about this dreadful disease. It cannot be cured. Up to this time no one has been able to discover a preventive. There have been outbreaks in this country a few times during the past several years. The only way found to deal with the malady was to destroy the animals infected, and do it immediately. I believe it is estimated that livestock valued at a quarter of a billion dollars were destroyed in the State of California alone, a few years ago on account of this disease.

Livestock operators in this country are deeply concerned right now because of the outbreak in Mexico that has spread to various parts of that country. This came about by reason of a shipment of infected cattle from Brazil to Mexico a year and a half ago. Our Government contributed about $75,000,000 in an effort to help stamp out the disease in Mexico. Those who are familiar with the problem, tell me the situation in Mexico is very far from satisfactory. This, in spite of efforts of the Governments of Mexico and the United States to deal with the problem. The thing that makes the situation worse is that destruction of cattle is the destruction of food. Our Government is, I am sure, taking every precaution and effort to prevent the spread of the disease into this country.

It would be terrible to contemplate the disaster if this dread disease should become widespread in this country. It would not damage, and almost destroy, the second largest industry in the United States, but, worst of all, destroy a big segment of the food supply of our country. It would prevent our assistance in furnishing people of other countries in need of food. Mr. Chairman, I think it might be well to remind the people of this country that we have for years prohibited the importation of live cattle from South American countries, in an effort to protect the livestock industry in this country against this disease. There have been times when men engaged in the livestock industry have been criticized because they opposed the importation of cattle from South American countries. Hoof-and-mouth disease has prevailed in South American countries for many years. We are extremely fortunate not to have had more trouble with this malady.

This legislation is to provide for laboratory facilities in effort to develop vaccine, or some other means that may be found to prevent the spread of this disease. It will provide for a real scientific study of the problem. We hope modern science may discover a means of combating this dangerous malady.

Mr. Chairman, the authorization of the expenditure of these funds is of greatest importance. I do not believe anyone will oppose it.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Wisconsin, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5098) to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section, pursuant to House Resolution 491, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

Mr. HOPE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2038) to enable the Secretary of Agriculture to conduct research on foot-and-mouth disease and other diseases of animals and to amend the act of May 29, 1884 (23 Stat. 31), as amended, by adding another section.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of May 29, 1884 (23 Stat. 31), as amended, is hereby amended by adding a new section 12, reading as follows:

"SEC. 12. The Secretary of Agriculture is authorized to establish research laboratories, including the acquisition of necessary land, buildings, or facilities, and also the making of research contracts under the authority contained in section 10 (a) of the Bankhead-Jones Act of 1935 as amended by the Research and Marketing Act of 1946, for research and study, in the United States or elsewhere, of foot-and-mouth disease and other animal diseases which, in the opinion of the Secretary, constitute a threat to the livestock industry of the United States: *Provided*, That no live virus of foot-and-mouth disease may be introduced for any purpose into any part of the mainland of the United States except coastal islands separated therefrom by waters navigable for deep-water navigation, and which shall not be connected with the mainland by any tunnel, and except further, that in the event of outbreak of foot-and-mouth disease in this country, the Secretary of Agriculture may, at his discretion, permit said virus to be brought into the United States under adequate safeguards. To carry out the provisions of this section, the Secretary is authorized to employ technical experts or scientists without regard to the Classification Act: *Provided*, That the number so employed shall not exceed five, and that the maximum compensation for each shall not exceed $15,000 per annum. There is hereby authorized to be appropriated such sums as Congress may deem necessary; in addition, the Secretary is authorized to utilize, in carrying out this section, funds otherwise available for the control or eradication of such diseases."

Mr. HOPE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Strike out all after the enacting clause of the bill S. 2038 and insert the provisions of H. R. 5098, as amended, as follows:

Be it enacted, etc., That the act of May 29, 1884 (23 Stat. 31), as amended, is hereby amended by adding a new section 12 reading as follows:

"SEC. 12. The Secretary of Agriculture is authorized to establish research laboratories, including the acquisition of necessary land, buildings, or facilities, and also the making of research contracts under the authority contained in section 10 (a) of the Bankhead-Jones Act of 1935, as amended by the Research and Marketing Act of 1946, for research and study, in the United States or elsewhere, of foot-and-mouth disease and other animal diseases which in the opinion of the Secretary constitute a threat to the livestock industry of the United States: *Provided*, That no live virus of foot-and-mouth disease may be introduced for any purpose into any part of the mainland of the United States except coastal islands separated therefrom by waters navigable for deep-water navigation, and except further, that in the event of outbreak of foot-and-mouth disease in this country, the Secretary of Agriculture may, at his discretion, permit said virus to be brought into the United States under adequate safeguards. To carry out the provisions of this section the Secretary is authorized to employ technical experts or scientists without regard to the Classification Act: *Provided*, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed $15,000 per annum. There is hereby authorized to be appropriated such sums as Congress may deem necessary; in addition, the Secretary is authorized to utilize, in carrying out this section, funds otherwise available for the control or eradication of such diseases."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5098) was laid on the table.

PRIVILEGE OF THE HOUSE

Mr. THOMAS of New Jersey. Mr. Speaker, I rise to a question of the privilege of the House and ask that a subpena with which I have been served be read by the Clerk.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA

THE UNITED STATES VERSUS JOHN H. LAWSON, NO. 1352–47 CRIMINAL

The President of the United States to Hon. J. PARNELL THOMAS, 318 Old House Office Building and bring with you copy of subpena served on John Howard Lawson:

You are hereby commanded to attend the said court on Monday, April 12, 1948, at 1:30 o'clock p. m., to testify on behalf of the United States, and not depart the court without leave of the court or district attorney.

Witness the Honorable Bolitha J. Laws, chief justice of said court, this 7th day of April A. D. 1948.

HARRY M. HULL,
Clerk.
By MARGARET L. BOSWELL,
Deputy Clerk.

Mr. THOMAS of New Jersey. Mr. Speaker, I have been subpenaed to appear before the District Court of the United States for the District of Columbia to testify on Monday, April 12, 1948, at 1:30 p. m., in the case of the United States against John H. Lawson, which is a congressional contempt proceeding. Under the precedents of the House I am unable to comply with this subpena without the consent of the House, the privileges of the House being involved. I therefore submit the matter for the consideration of this body.

Mr. MICHENER. Mr. Speaker, I offer a resolution (H. Res. 524) and ask for its immediate consideration.

The Clerk read as follows:

Whereas Representative J. PARNELL THOMAS, a Member of this House, has been served with a subpena duces tecum to appear as a witness before the District Court of the United States for the District of Columbia to testify at 1:30 p. m., on the 12th day of April 1948, in the case of the United States versus John H. Lawson, criminal No. 1352–47; and

Whereas by the privileges of the House no Member is authorized to appear and testify but by the order of the House: Therefore be it *Resolved*, That Representative J. PARNELL THOMAS is authorized to appear in response to the subpena duces tecum of the District Court of the United States for the District of Columbia on Monday, April 12, 1948, in the case of the United States versus John H. Lawson; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpena of the said court.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. JAVITS asked and was granted permission to extend his remarks in the Appendix of the RECORD and include a resolution.

SPECIAL ORDER GRANTED

Mr. COLMER. Mr. Speaker, at the conclusion of the regular business of the House today and any other special orders, I ask unanimous consent to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

INTERNATIONAL LABOR ORGANIZATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 603)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the House of Representatives of the United States:

In accordance with the obligations of the Government of the United States of America as a member of the International Labor Organization, I transmit herewith authentic texts of three conventions and two recommendations formulated at the twenty-ninth session of

the International Labor Conference, held at Montreal from September 19 to October 9, 1946. Those conventions and recommendations are as follows:

Convention (No. 77) concerning medical examination for fitness for employment in industry of children and young persons;

Convention (No. 78) concerning medical examination of children and young persons for fitness for employment in nonindustrial occupations;

Convention (No. 79) concerning the restriction of night work of children and young persons in nonindustrial occupations;

Recommendation (No. 79) concerning the medical examination for fitness for employment of children and young persons; and

Recommendation (No. 80) concerning the restriction of night work of children and young persons in nonindustrial occupations.

I transmit also the report of the Acting Secretary of State regarding those Conventions and Recommendations, together with a copy of a letter addressed by the Secretary of Labor to the Secretary of State with respect to those Conventions and Recommendations.

In view of the opinions expressed by the Acting Secretary of State and the Secretary of Labor in the enclosed report and letter, I am not requesting at this time the advice and consent of the Senate to ratification of the three Conventions and am not recommending for the present the enactment of legislation to implement the three Conventions and two Recommendations transmitted herewith. Upon the entry into force of the Constitution of the International Labor Organization Instrument of Amendment, which is expected to occur soon, it is planned that further referral of the enclosed Conventions and Recommendations be made under the provisions of Article 19 of the revised Constitution. The request that no action be taken at present with respect to implementation of the enclosed instruments should not be construed in any sense, therefore, as a rejection on the part of the United States of America of those instruments or of the principles set forth therein.

I am also referring the texts of the Conventions and Recommendations to the Senate.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 8, 1948.*

(Enclosures: 1. Report of the Acting Secretary of State; 2. Letter from the Secretary of Labor; 3, Authentic texts of Conventions and Recommendations.)

DEPARTMENT OF STATE,
Washington, April 7, 1948.

The PRESIDENT,
The White House.

The PRESIDENT: The undersigned, the Acting Secretary of State, has the honor to lay before the President, with a view to their transmission to the Senate and the House of Representatives, in accordance with the obligations of the Government of the United States of America as a member of the International Labor Organization, authentic texts of three conventions and two recommendations formulated at the twenty-ninth session of the International Labor Conference, held at Montreal from September 19, to October 9, 1946.

Those conventions and recommendations are, as follows:

Convention (No. 77) concerning medical examination for fitness for employment in industry of children and young persons;

Convention (No. 78) concerning medical examination of children and young persons for fitness for employment in nonindustrial occupations;

Convention (No. 79) concerning the restriction of night work of children and young persons in nonindustrial occupations;

Recommendation (No. 79) concerning the medical examination for fitness for employment of children and young persons; and

Recommendation (No. 80) concerning the restriction of night work of children and young persons in nonindustrial occupations.

There is enclosed herewith a letter from the Secretary of Labor dated April 1, 1948, expressing the coordinated views of the executive departments and agencies concerned with respect to the above-listed conventions and recommendations. It is proposed in that letter "that the conventions not be ratified, and that no action be taken presently with respect to the recommendations."

The latter proposal results from the fact that article 19 of the constitution of the International Labor Organization Instrument of Amendment, which is expected to enter into force in the near future, embodies changes in the obligations of federal governments with respect to referral of conventions and recommendations to the appropriate Federal, State, provincial, or cantonal authorities for the enactment of legislation or other action. Inasmuch as some of those changes require careful analysis and interpretation to establish the exact nature of this Government's obligations, it is believed that before requesting congressional action the interested departments and agencies should make a detailed analysis of the present conventions and recommendations and of existing laws and regulations in order to prepare specific recommendations concerning further legislation or regulations which may be needed to effectuate the standards established in the conventions and recommendations.

It is recommended, accordingly, that the enclosed conventions and recommendations be transmitted to the Senate and the House of Representatives for the information of those bodies, but that for the present, no action be requested of the Senate and the House of Representatives either with a view to approval of the conventions or with respect to the enactment of legislation to implement the conventions and recommendations.

Respectfully submitted.

ROBERT A. LOVETT.

(Enclosures: 1. Letter from the Secretary of Labor; 2. Authentic texts of conventions and recommendations.)

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, April 1, 1948.

The honorable the SECRETARY OF STATE,
Washington, D. C.

MY DEAR MR. SECRETARY: This letter will express to you the coordinated view of the interested agencies and departments of the executive branch with respect to the conventions and recommendations adopted at the twenty-ninth session of the International Labor Conference at Montreal, Canada, from September 19 to October 9, 1946.

It is recommended that all of the conventions and recommendations adopted at the twenty-ninth session be transmitted to the Congress of the United States in accordance with the obligations of the Government of the United States of America as a member of the International Labor Organization, under the constitution of the International Labor Organization now in effect. It is recommended also that the conventions not be ratified and that no action be taken presently with respect to the recommendations.

It is our opinion that the Congress should be advised concurrently that the pending amendments to the constitution of the International Labor Organization are expected soon to come into effect and that these particular conventions and recommendations will thereafter be referred in accordance with the provisions of article 19 of the amended constitution applicable in the case of a federal state. Our recommendation relative to ratification and legislative action should not, therefore, be construed to reflect either disapproval of the provisions of the conventions and recommendations or declination of such action as is appropriate to bring the law and practice in the United States into conformance with their terms.

When these particular conventions and recommendations are referred in accordance with the provisions of article 19 of the amended constitution applicable in the case of a federal state, an analysis of the existing state legislation in this field and a more complete summary of the terms of these conventions and recommendations will be supplied. In short, the conventions and recommendations provide as follows:

Conventions Nos. 77 and 78 would require medical examinations as a prerequisite to employment of children and young persons under 18 years of age in industrial and nonindustrial undertakings (thus covering all types of employment except maritime and agricultural), with at least annual examination of such young workers up to age 18, and up to age 21 for work in occupations involving high health risks.

Convention No. 79 would prohibit night work in nonindustrial occupations for 12 night hours for children and young persons between 14 and 18 years of age who are not subject to full-time compulsory school attendance, and for 14 night hours for children under 14 years of age and children and young persons between 14 and 18 years of age who are subject to full-time compulsory school attendance.

Recommendation No. 79 expresses further recommendations concerning the application of conventions Nos. 77 and 78. Recommendation No. 80 expresses further recommendations concerning the application of convention No. 79.

Yours very truly,

L. B. SCHWELLENBACH,
Secretary of Labor.

SPECIAL ORDER GRANTED

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes on Monday next following the business of the day and special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. TOLLEFSON (at the request of Mr. MACK), for today, on account of official business.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and to include extraneous matter.

FEDERAL-AID HIGHWAY ACT OF 1948

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 521, making in order the bill (H. R. 5838) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5888) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority members of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, this resolution provides for the consideration of the bill, H. R. 5888, a bill to amend and supplement the Federal Aid Road Act, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. Speaker, this is an extension for 3 years of the Federal Aid Highway Act of 1944. It is an open rule and provides for 3 hours of general debate. I am sure the Members of the House are familiar with the Federal Aid Highway Act of 1944 which covered a 3-year period, and under which the Federal Government assists the States in the development of their highway systems on a 50–50 matching basis. That act authorized the appropriation of $500,000,000 a year for 3 years to carry out the program.

This bill will extend the present law for another 3 years, and authorizes $500,000,000 per year for an additional 3 years, for the fiscal years ending June 30, 1950, June 30, 1951, and June 30, 1952. There is a lapse of 1 year in this bill—the next fiscal year—for which no assistance is authorized.

Mr. Speaker, I am not going to take the time to explain the details of the bill. This measure was reported to the House by the unanimous vote of the committee. So far as I know, there is no controversy over the details of this legislation.

Contracts for the construction of roads have not been awarded as fast as anticipated. There is a shortage of materials, the contractors have had difficulty in obtaining supplies, and there has been a labor shortage in some places. As a result the different highway commissions have been slow in letting contracts. In some cases the bids have been too high. In others the contractors have been reluctant to bid on proposed projects.

As a result much of the money appropriated under the 1944 act has not been spent. The committee estimates that it will take a year for the funds now on hand to be spent. For this reason no money is authorized for the fiscal year beginning July 1, 1948, and ending June 30, 1949. The committee will explain in detail the amount of money on hand and why it is desirable to have this hiatus of 1 year.

It is estimated that there are now 3,000,000 more vehicles on the road than in 1941. This increased use of our highways, coupled with the extraordinary wear through the war years, when necessary repairs could not be made, makes this legislation absolutely imperative.

I might mention that the Federal Government is now collecting about $850,000,000 a year from the taxes on gasoline, oil, and other items. It is only right that we should put this money back into the development and improvement of our highways.

I am sure the advantages of this Federal-highway program are recognized by all. It is important that this bill be enacted to enable the States to continue their highway planning for the years to come. I feel confident that this measure will have the enthusiastic support of every Member of the House.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, there is no opposition on the Democratic side to the adoption of the pending rule.

My purpose in rising at this time is to express a few observations in relation to the bill S. 1641, to "establish the Woman's Army Corps in the Regular Army and to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and the Naval and Marine Corps Reserve, and for other purposes."

We witnessed the other day the colloquy that took place between the gentlewoman from Maine [Mrs. SMITH] and the gentleman from Michigan [Mr. SHAFER], in which the gentleman from Michigan undertook to place responsibility upon the gentlewoman from Maine for the defeat of the bill if she objected to its consideration at that time. I was very sorry to hear the gentleman from Michigan make that observation and I hope he is not going to persist in it because certainly the responsibility will not rest with the gentlewoman from Maine. All she was seeking to do was to have the bill brought up under the regular rules of the House or brought up under such conditions that the House could vote upon a substitute that the Committee on the Armed Services of the House has offered to the bill as it passed the Senat, which substitute amendment constitutes a substantial change from the bill as it passed the Senate. It seems to me that the gentlewoman from Maine [Mrs. SMITH] was not only within her rights, but adopted the proper course.

When a bill appearing on the Consent Calendar is called, and consent for its consideration is granted, every Member of the House is justified in assuming that no amendments will be offered to the bill after unanimous consent is granted for its consideration, certainly no amendment of a serious nature, and probably none other than an amendment which might come from the committee itself. Unanimous consent being granted for the consideration of a bill appearing on the Consent Calendar carries with it the implication and the implied promise, if not express, that the bill is going to be passed in the form reported by the committee. Of course, with a bill of this kind the gentlewoman from Maine, recognizing the situation, could not place herself in that position, and I admire her. When the gentleman from Michigan [Mr. SHAFER] undertook to place the responsibility upon her, he should have taken a little look at the gentlewoman's chin, and he would know that he could not bluff her, because the gentlewoman from Maine [Mrs. SMITH] is not the type that can be bluffed very easily from my observation of her during the years that both of us have served in this body.

It seems to me that the bill should be brought up as soon as possible, and that the House should have an opportunity of debating it on the merits of the bill; that is, as between the bill that passed the Senate and the substitute as reported by the Committee on the Armed Services. The Senate bill makes them a part of the Regular Army, the Regular Navy, and the Regular Marine Corps, and the House bill places them in an organized Reserve. There is a marked difference between that and being a member of the Regular Establishment. Certainly, during the last war it was shown that in modern warfare the female sex, the WACS and the WAVES and others, played an important part just as did the male sex. I can remember several weeks ago when I was talking with General Eisenhower on another matter, before the Committee on the Armed Services had acted, and when there was present also Senator JAMES MURRAY, of Montana. General Eisenhower told us that when the original WAC and WAVE bill was acted upon by the Congress, that he was not favorably inmpressed but, as a result of his experience during the war, noting the valuable services that those in these various categories had rendered, he was convinced that they should be made a part of the Regular Establishment now. Judging from our talk with him then, there is no stronger advocate of the bill as it passed the Senate, with the WACS and the WAVES and the other women units being made a part of the Regular Establishment. Certainly the opinion of one with his wide experience and his tremendous responsibility during the war is entitled to the greatest consideration. For anyone to undertake to prevent this bill coming up under the rules of the House, so that the House can pass upon either the Senate bill or the House substitute, would be a grave mistake. The gentlewoman from Maine [Mrs. SMITH] did the right thing, in my opinion, so that the House could have an opportunity of voting upon the substitute reported out by the Committee on the Armed Services, and she is to be congratulated. I can hardly believe that my distinguished friend the gentleman from Michigan [Mr. SHAFER] really meant what he said at the time. He is a very fine gentleman, and I like him very much. I am inclined to place the interpretation upon it that it was an impulsive utterance. Certainly the leadership of the House should not take any course of action adverse to this bill com-

ing up under the regular rules of the House.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. JOHNSON of California. I agree with the gentleman that it would be better to have this bill discussed fully on the floor of the House because it does make a very fundamental change. I also want to say that I was a member of the subcommittee that first reported the bill, and upon reconsideration I changed my mind, and we substituted the Reserve. But, I welcome a discussion of the matter on the floor of the House. Here is another thing. The sad part about this is that we have only heard from a few top bracket men in the Army, and in asking questions I found that there were many, many officers of the Army who are not sure that it is the right thing to do to make these women a part of the Regular Establishment. They have never had a chance to be heard.

Mr. McCORMACK. I appreciate the gentleman's contribution. My purpose now is not so much to discuss the merits or demerits of the House substitute, but that the bill should be permitted, within a reasonable time, to come up under the regular rules of the House. I realize the responsibilities of leadership, for I was leader for 6 years, and I know that to take the floor and just say that they should put it down for consideration at once would be unreasonable, but I do say that when the situation is such that it can be done in the reasonably near future, the bill should be brought up under the regular rules of the House and debated and considered and acted upon.

Mr. ANDREWS of New York. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. ANDREWS of New York. May I say that that is my intention. We have made arrangements to apply for a rule on the bill.

Mr. McCORMACK. I appreciate that observation. My only purpose was, in view of the colloquy the other day, to urge that the bill be brought up under the regular rules. May I also say that I construed the utterance of my very dear friend the gentleman from Michigan [Mr. SHAFER], under the situation, as being impulsive, and that he did not mean that the bill would not be brought up if the gentlewoman from Maine persisted in her position of objecting to the consideration of the bill on the Consent Calendar. The observation of the distinguished gentleman from New York, the chairman of the committee, relieves my disturbed state of mind and brings complete satisfaction to me.

PROGRAM FOR NEXT WEEK

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the distinguished gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I have asked for this time in order to state the program for the balance of the day and for next week.

We propose to have adopted this afternoon the rule on the pending measure, H. R. 5888, the road bill, and then begin debate on the bill on Monday next after disposition of District of Columbia business. On Tuesday we propose to continue with the consideration of the road bill if it is not completed on Monday.

It has been agreed that on Wednesday we will vote on the veto message on H. R. 5052, which has to do with clarifying the employer-employee status of certain newspaper and magazine vendors for social-security purposes. After the disposition of this matter on Wednesday we expect to begin consideration of a supplemental national defense appropriation bill having to do with aircraft procurement. It is expected that consideration of that matter will continue on Thursday.

The program for Friday is undetermined.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the rules of the House it may be in order to take up for consideration on Wednesday next the supplemental national defense appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of the committee in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

FEDERAL-AID HIGHWAY ACT OF 1948

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Speaker, it is my privilege to represent the Sixth Iowa District, an agricultural area of 15 counties in Iowa, the greatest farm State in the Union.

One of the perennial problems of the farmer is good roads. From time immemorial this has been true.

The proposed legislation is of very great importance to my district, and my State. The provisions for farm-to-market roads is of especial significance. The farmers need and must have adequate means of transporting the goods they produce from the place it is made to the place it is put into the channels of trade. Oftentimes, due to poor roads, this initial step in getting farm products to market is the one most difficult.

I sincerely hope this bill will pass to the end that every farmer may have a good all-weather road from his front door to the market where he sells his produce and buys his necessities. The farm production of this country is the basis of our good living in this land of ours. The well-being of the farmer is closely tied to the well-being of everyone else. Every reasonable thing the Congress can do to bring the farmer into easier contact with his commercial outlets is ultimately beneficial, not only to him, but to our people.

The program outlined in this bill is an extension and enlargement of the State-aid road program already in existence. During the war years, there has been a necessary curtailment of road projects, locally and nationally. Now we ought to proceed on an orderly and enlarged program of road building.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, as chairman of the Subcommittee on Roads of the Committee on Public Works I am taking this time under the rule because of the bare possibility that I may not be here on Monday. I propose to explain the bill (H. R. 5888), which extends the 1944 postwar Federal Highway Act for the three fiscal years commencing July 1, 1949, and terminating June 30, 1952. Since H. R. 5888 extends that act in its present form with only two more or less minor amendments, I shall now explain to you the 1944 Federal Highway Act, which was passed by this Congress in December of 1944 after extensive hearings lasting for about 3 months had been held by the Roads Committee, and every organization and everyone in the United States interested in the highway program had an opportunity to appear and testify.

The purpose of the bill at that time was to be ready with a program to rehabilitate, rebuild, and expand the highways of the United States including the Federal highway system, farm-to-market roads, and roads in the urban areas, particularly because during the war years, nothing had been done to rehabilitate, repair, or to keep up these highways, and no money had been appropriated for that purpose. It was thought well to have a bill providing a substantial amount for the 3 years following the end of World War II. Also the committee had in mind that there might be an unemployment problem with so many of the veterans returning. This bill as it was set up contemplated the employment of about 900,000 men per year for the three postwar fiscal years. It provided that it would become effective 6 months following the termination of the war or the end of hostilities. However, following VJ-day in 1945, the then chairman of the committee, Mr. Robinson of Utah, introduced a bill making the effective date of the 1944 act July 1, 1945. That bill was passed by the Congress. So the three fiscal years are 1945 to 1946; July 1, 1946, to July 1, 1947; and July 1, 1947, to July 1, 1948. The bill expires on July 1, 1948.

This measure authorized an appropriation of $500,000,000 for each of the three postwar fiscal years, to be apportioned to the 48 States under a formula known as the one-third, one-third, one-third rule. One-third of the money, that is of the $500,000,000 each year to be apportioned, was therefore set aside to eacn State under this formula under a percentage rule. That is one-third was

allocated or apportioned according to the relationship of the population of each State to the total population of the United States. The next one-third according to the relationship of the area of each State to the total area of the United States. The last one-third, according to post-road mileage, in other words the relationship percentagewise of the post-road mileage of each State to the total post-road mileage of the United States. Each State is required to match dollar for dollar the amount of money it receives under this act. The money then appropriated or apportioned to States and matched by the States is again divided as follows:

Forty-five percent or $225,000,000 for the Federal highway system.

Thirty percent or $150,000,000 per year for the secondary or feeder roads, sometimes known as farm-to-market roads.

I might say that under this bill, the 30 percent being provided or allocated for farm-to-market roads is seven times as much Federal aid per year for farm-to-market roads as was ever provided by the Federal Government in any previous year.

The remaining 25 percent or $125,000,000 is allocated to the Federal highway system in the urban areas.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the distinguished chairman of our committee.

Mr. DONDERO. In connection with the remarks the gentleman is making, it is my information that the United States has about 1,300,000 miles of good roads, or enough roads to girdle this earth 51 times.

Mr. CUNNINGHAM. That is correct. I thank the gentleman.

H. R. 5888 now extends that law for a period of 3 years, commencing July 1, 1949, with these two amendments: In the original act of 1944 there was a proviso known as the grace period of 12 months, whereby the States, if they had not completed the work that had been contracted for or programed at the end of the fiscal year, the money authorized would not revert to the Federal Treasury, but they would have an additional 12 months to go ahead and complete the contracts and complete the work.

At the opening of this session of Congress in January 1947 information came to your Committee on Roads that many of the States, due to shortage of materials, the high cost of building the highways, the shortage of labor, and also the fact that some of the State legislatures had been unable to appropriate the necessary money for matching, would not be able to complete the work they were entitled to have done in their States under that act, within the 12 months' period. I therefore introduced a bill known as H. R. 1874, which was passed by this Congress last year, which extended the grace period for an additional 12 months, or making a total grace period of 2 years. So that even though the third fiscal year of that law expires July 1, 1948, the States will have an additional 24 months or 2 years, running to July 1, 1950, to complete the work already started.

The first amendment in this bill, differing from the 1944 act, was to further extend that grace period another 12 months, or making it a total of 3 years. Therefore, if the money authorized to be appropriated under H. R. 5888 for the fiscal year ending July 1, 1950, is not contracted for by that time the States will have until July 1, 1953, to complete their contracts and finish the work. For the fiscal year ending July 1, 1951, they will have until July 1, 1954; and for the fiscal year ending July 1, 1952, which is the last year under the bill, they will have until July 1, 1955.

The other amendment deals with farm-to-market roads. Under the original act the farm-to-market roads are defined as follows:

> The term "secondary and feeder roads" means roads in rural areas, including farm-to-market roads, rural mail roads, school-bus roads not on the Federal-aid system.

Testimony given to our committee this year was that in some of the States, particularly the States east of the Mississippi River, they have a system of township roads as well as county roads. Complaints were brought to us that the township roads were not receiving their fair consideration and proper attention under the present law. So we amended it to include the words "township roads," and it now reads "county roads and township roads."

For those of you who reside in States west of the Mississippi River, I will say that, according to my understanding, not a single State west of the Mississippi River has township roads. I think there are 17 States east of the Mississippi River that do have township roads.

Mr. DONDERO. Mr. Speaker, will the gentleman yield again?

Mr. CUNNINGHAM. I yield.

Mr. DONDERO. Let me suggest that the idea of encouraging the county and State officials in each State to cooperate with township officials was the original idea of the gentleman from Ohio [Mr. MCGREGOR], who presented it with great force and ability before our committee.

Mr. CUNNINGHAM. The gentleman is correct.

Mr. Speaker, I have already said there was no work done on our highways, of any appreciable amount, during the war. This amazing testimony was corroborated to our committee. Today, 97½ percent of all motor-vehicle traffic in the United States originates and terminates within 30 miles of the urban centers.

An urban center is defined as a town or city of 2,500 population or more. I mention that to you because there are those who believe that we should now embark upon a program of transcontinental superhighways something on the order of the Pennsylvania Turnpike. This question was considered by your committee, but when we heard the testimony that 97½ percent of all motor-vehicle traffic originates and terminates within 30 miles of urban centers it was apparent that we are not ready for transcontinental superhighways. Rather, we should devote our attention to building superhighways or highways of 3, 4, 6, 8, or 10 lanes in width at and near the congested areas or around the congested areas, eliminating the bottlenecks in and at some of our larger cities where we have need for the large highways, and not spend money on 4-, 6-, 8-, or 10-lane highways over long stretches of our country where only the 2½ percent of the motor-vehicle travel originates. I took it upon myself last summer after I left Washington to make a couple of trips by automobile from Iowa to Colorado and back. I crossed the State of Nebraska several times, and I noticed on those trips that I would drive from 15 to 20 minutes at a time without meeting a car, particularly in the middle of the forenoon or the middle of the afternoon. I would sometimes drive 30 or 40 miles without seeing another vehicle. Obviously, a four- or six-lane highway in those stretches is not warranted, and to build such highways would be premature.

I am aware that there is a bill before the Congress—I think it is still known as the Snyder bill—that would authorize the building of three transcontinental east and west highways and six north and south, each eight lanes wide, and each lane 12 feet wide. If such a program were authorized by Congress today it in all probability could be financed only by the issuing and selling of revenue bonds, and then the charging of tolls to the public using these superhighways; and I believe that is the plan actually set forth in the bill for the retirement of the bonds and payment of interest thereon.

When you go out through the level stretches of the United States, where there are no mountains and no necessity of tunnels such as there are on the Pennsylvania Turnpike, you will find that if such highways were built, in the first place, they would not be used enough to justify their existence, and, in the second place, if tolls were charged many people would use the paralled existing highways, such as No. 30, No. 6, or No. 34, particularly where there would be no saving and no advantage such as there is in going over the Pennsylvania Turnpike and through the tunnels, thereby avoiding the necessity of driving over mountains.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I would prefer to continue but I will yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In this bill under consideration continuing Federal aid for the construction of highways as stated by the act of 1944, among other provisions is the following:

> His—
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> The Commissioner of Public Roads—
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> approval of any such agreement shall be a contractual obligation of the Federal Government for the payment of its pro rata share of the cost of such construction.

I notice the same question has been raised about that provision in the act of 1944 which is brought forward in the pending bill; and with the gentleman's permission I should like to call attention to the fact that there is nothing new in that provision. That has been the law ever since 1922, ever since the adoption of the Federal Highway Act of 1921. I call specific attention to the fact that in the act of 1922 this language occurred for the first time:

> The approval shall be a contractual obligation of the Government.

That has been brought forward in subsequent acts, having been made permanent law in the act of 1925. So there is nothing new in that provision. It is one of the best provisions that obtains in the act for this reason: At the time of the adoption of the Highway Act of 1921 the authorization and appropriations were made at the same time. Funds piled up that were not used in construction because it took some time to prepare the plans and to let the contracts. It is one of the best features of the highway acts, and nothing new.

Mr. CUNNINGHAM. I thank the gentleman and in connection with that may I say that it is necessary to have that in the bill for the long-range program that is planned so the highway engineers and the highway commissions of the 48 States can go ahead and get the rights-of-way, their surveys made, and condemnation proceedings under way so that they may know what they are going to do, thereby saving money to the taxpayers by having this knowledge in advance.

Mr. WHITTINGTON. And the Federal Treasury is protected because they cannot exceed the amount authorized.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Michigan.

Mr. DONDERO. Is there any instance on record where the States have not been able to match the Federal dollar and that money has been returned or recovered back into the Treasury of the United States?

Mr. CUNNINGHAM. I do not know that any has been recovered back. It would have been recovered back had it not been for the extension of the grace period and one of the reasons for that is the fact they have not been able to match in some of the States.

Mr. DONDERO. Otherwise the money has always been used?

Mr. CUNNINGHAM. Yes.

Mr. Speaker, in the United States in 1926 there were approximately 39,000,000,000 miles of travel by motor-vehicle. In that same year, 1926, there were approximately 42,000,000,000 miles of travel by rail. Twenty years later, in 1946, the rail travel had stepped up to 44,000,000,000 miles, but the motor vehicle travel had stepped up from 39,000,000,000 to over 550,000,000,000 miles. That was so amazing and astounding that we wanted to corroborate it. We checked and found that the testimony was accurate.

What does that tell us? It tells us we are a motor-minded Nation, that the use of the motor vehicle not only has been increasing but will increase and if we are to keep pace with the development of the motor vehicle and its use in the United States we must look into the future in the way of planning for our highway systems.

Mr. Speaker, in conclusion, may I say that it is refreshing to come before the Congress with a bill to build highways for the American people and to spend some money for the welfare of the American people. For once, instead of sending it all to some other nations in the world, and I was for the Marshall plan, we are spending this for the welfare of the American people. When we can spend so much of our money to help others we should take into consideration once in a while the needs of some of our own people and some of those who are caught between the upper and nether millstones, particularly our aged people.

Mr. Speaker, in the year 1946 there was received by the Federal Government and paid into the Federal Treasury approximately $882,000,000 in excise taxes on new automobiles, on automobile parts, on tires, tubes, lubricating oil and gasoline. Of that amount almost $860,000,000 was received from the highway users and of that amount approximately $500,000,000 was made up of gasoline taxes and lubricating oil taxes.

We do not as yet have the final figures for the year 1947 but we do have sufficient information to indicate that the Federal Government received from the highway users in 1947 more than $1,100,000,000 in excise taxes.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. WADSWORTH. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. CUNNINGHAM. I will be glad to yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman has, since I rose, answered part of the question which I was going to submit. Have we reason to assume that these excise taxes, which in 1946 amounted to $882,000,000-plus, and in 1947, $1,120,000,000-plus, will ever reach a point where they will do financing similar to what is now about to be done out of the general funds of the Treasury?

Mr. CUNNINGHAM. We are not taking 50 percent of the money now. Less than 50 percent of the money received from the excise taxes, from the automobile users, last year, will be used for the highways, and if they increase it will go down probably to about 40 percent. In other words, under this bill we will be putting back onto the highways less than 50 percent of the tax we collect from the highway user.

Mr. CRAWFORD. In addition, you are proposing to give about $500,000,000 for the next 3 years.

Mr. CUNNINGHAM. Yes. Now, you might say, "Why did we not make it more?" There are several reasons, and I think they are good ones. At the present time the cost of building highways is excessive, and they are not building any more than are absolutely necessary to meet the needs of the traveling public, hoping that the cost of construction will go down. Furthermore, the difficulty in getting labor and material is quite a problem, and some of the States are not yet ready to do the matching and would be discriminated against in favor of the States that are able to match. We still have, I believe it is, 13 or 17 States that divert gasoline tax money and do not earmark it or set it aside within the States for the use of the highways or the road program. Most of the States, however, do not divert. The fact that some States do divert while the most do not has caused some difficulty.

In connection with that I might also call the gentleman's attention to the fact that there is a hiatus of 1 year. You notice the extension starts on July 1, 1949. The present law expires July 1, 1948. That leaves 1 year with no money to be authorized to be appropriated, when we anticipate there will be a billion dollars or more again coming to the Federal Treasury. The reason for that is that they are behind in their program and it is not necessary to appropriate any more money next year. There will be sufficient left over from the last 3 years.

Mr. WELCH. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from California.

Mr. WELCH. The bill authorizes an appropriation of $500,000,000 as Federal aid to the several States for fiscal years 1950, 1951, and 1952.

Mr. CUNNINGHAM. That is right.

Mr. WELCH. Is there anything in this bill that would preclude a State highway commission from allocating any part of the funds allocated to a State to be used within an incorporated city or county?

Mr. CUNNINGHAM. Not at all; the portion allocated for the counties and the portion allocated to the urban areas.

Mr. WELCH. I desire to congratulate the Committee on Public Works, its splendid chairman, and committee for bringing this constructive measure to the floor.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Missouri.

Mr. ARNOLD. In view of the fact that not half of the money has been spent on road work that the Government collects from the automobile users, does the gentleman think it would be advisable to reduce the tax, say, about one-third?

Mr. CUNNINGHAM. Well, I am not on the Committtee on Ways and Means. I would rather not answer that question. I will say this to the gentleman from Missouri, however, that as long as they are collecting so much from the highway users, we should see to it that we put back on the highways as much as can be reasonably worked out under the present building program.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. ARNOLD. Will the States that have not finished their programs under former allocations get any more money before they complete their programs?

Mr. CUNNINGHAM. No; they can just get what their share is under the formula as authorized in the original act.

Mr. ARNOLD. They would not get any more money until they have finished their programs?

Mr. CUNNINGHAM. No.

Mr. ARNOLD. They have something like 2 years in which to finish them?

Mr. CUNNINGHAM. That is right.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman has given me assurance, but I should like to have it for the record,

that the authorizations for Indian-reservation roads will be continued as they were in the original act.

Mr. CUNNINGHAM. That provision is in the bill just as it was in the 1944 act, without a word of change. It is carried right on.

Mr. CASE of South Dakota. In conformity with the provisions we discussed?

Mr. CUNNINGHAM. Yes.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Michigan.

Mr. DONDERO. In further answer to the statement made by the gentleman from California, 25 percent of this bill is allocated to urban areas to meet the problem which he raised in his question.

Mr. CUNNINGHAM. May I say to my distinguished chairman that this question involved the situation where a city and a county are identical. I answered his question by saying that 25 percent of the money is for the Federal system in the urban areas.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Wyoming.

Mr. BARRETT. I note in section 1 of this bill that county roads are part of the secondary road system.

Mr. CUNNINGHAM. That is right.

Mr. BARRETT. May I inquire if they must be constructed to the same standard as the secondary or primary roads?

Mr. CUNNINGHAM. The secondary or primary roads, which would be the county roads not under the Federal system, known as the farm-to-market roads, are all built according to specifications that were authorized and approved by the American Association of State Highway Officials, and adopted by the Public Roads Administration; so the State Highway Commission in Wyoming has approved the specifications, and so have the highway commissions in every State in the Union. If they seem a little drastic in some of the States, the place to seek the remedy is back home.

Mr. BARRETT. Do I correctly understand the gentleman to say then that the State highway commission in Wyoming has the power to build these county roads with this Federal-aid money on a different standard?

Mr. CUNNINGHAM. No, I do not. I mean that the specifications that are set out by the Federal Government were approved by the highway commissions of the States.

Mr. BARRETT. I understand that, but it seems to me there ought to be a provision in here whereby the States could construct a road that would be wholly satisfactory to the people of that State and still such a road as would not be comparable to the standard Federal-aid highway road.

Mr. CUNNINGHAM. That was discussed, and I think that under the provision added here by the gentleman from Ohio [Mr. MCGREGOR], where township roads are included, there will be some lessening of the specifications. However, it was thought that, since the Federal Government was putting in this money, the roads should be built to uniform standards and specifications. If the States want to lower the specifications, they can be lowered if the highway commissions of the States will get together and agree on a lower standard of specifications.

Mr. WHITTINGTON. Mr. Speaker, I yield 15 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

THE SOUTH, THE DEMOCRATIC PARTY, THE SO-CALLED CIVIL-RIGHTS PROGRAM

Mr. COLMER. Mr. Speaker, not since the first gun was fired on Fort Sumter, resulting as it did in the greatest fratricidal strife in the history of the world, has any message of any President of these glorious United States provoked so much controversy, and resulted in the driving of a schism in the ranks of our people, as did President Truman's so-called civil-rights message, sent to the Congress several weeks ago. Not only did that message provoke serious racial controversies, but it raised anew the issue of the rights of the sovereign States as against a strong centralized government and drove a devastating wedge into the unity of the Democratic Party at a time when that party was riding high on a wave of popularity in the entire country.

It revived the age-old controversy which flourished at the very beginning of our Government, the controversy of a strong centralized government as advocated by Alexander Hamilton on the one hand, and a government of the people as opposed to a government by the rulers, as advocated by the greatest of all exponents of civil rights, possibly the greatest Democrat of them all, Thomas Jefferson. For, after all, it was Jefferson's theory that that people is best governed who is least governed, and the closer the government is to the people, the better the government is.

And while it is freely admitted and generally understood that this message was conceived as a political maneuver, at a time when that erstwhile Republican and Democrat, Henry Wallace, who echoes the voice of the Kremlin in Moscow, was attempting to form a third party, it must also be recognized that this proposed program would adversely affect the rights, privileges, and freedom of the people of all sections and of all walks of life in this country. It stabs at the very heart of the rights and freedom of all races, colors, and sections of our great country. For, if the Federal Government can repeal the poll tax in Mississippi and several other Southern States, regulate employment under the FEPC, punish innocent taxpayers under the antilynch bill, and abolish segregation in the several States by usurpation of the sovereign rights of the several States of the Union, then we have indeed witnessed an end of constitutional government as conceived by the founding fathers.

Mr. Speaker, I say that if such acts are constitutional, then the Federal Government can also step in, dominate and control practically every effort, endeavor, and action of the citizen of the several sovereign States. Certainly, if the Congress of the United States can enact a law repealing the poll tax in my State, it can also go a step further and repeal the law requiring registration. If the Congress has the power to enact a law assessing a money fine upon the innocent taxpayer of a county where a lynching occurs, and try those charged with the crime in Federal court, then the Congress also assuredly would have the power to remove from all State courts those charged with murder, larceny, or any other crime. Once the safeguards of the Constitution of the United States are broken down in any one of these instances under this proposed program, it requires no vivid imagination to see where this type of procedure would lead. This type of legislation, under the demands of organized minorities, would continue until our whole system of State, county, and municipal government would succumb to an ever-encroaching and all-powerful Federal Government. The rights and freedom of the citizen would gradually diminish until he became but a regimented servant of his master, the all-powerful state.

Then, indeed, would the Hitlers, the Mussolinis, and the Stalins have their day in this land of the free. The most perfect embodiment of human liberty ever conceived in the minds of men—the American form of government—with its free enterprise and individual initiative, where the citizen is king and the poorest American boy could some day hope to become President, would be gone indeed.

FEDERAL GESTAPO

For, Mr. Speaker, the enactment of President Truman's proposed program would establish precedents for Federal control of elections and ballot boxes, Federal legislation as to crimes within the State, Federal control and supervision of private business and labor unions in purely State and local matters. Yes, it is proposed, under this program, that those States which did not see fit to follow the Federal Government's edict to end segregation of the races would be denied their share of Federal funds, although those funds would be collected in part from the taxpayers of those States.

To insure the observance of these politically expedient laws, President Truman, in his so-called civil-rights message, also called for the setting up of a Federal police force, which, in effect, would become an American version of the Hitler gestapo. Its agents, not unlike Stalin's secret police, would rove about the Nation policing elections, meddling with private business, interfering in lawsuits, breeding litigation, keeping the people in a state of duress and intimidation, and, in effect, making of the Nation a police state, utterly foreign and repugnant, not only to the concept of those brave, true, and free men who set up our form of government, but abhorred by all free men of all races, colors, and sections of our country.

Even worse, if possible, it does not require a Solomon to anticipate that once these laws were on the Federal statute books, telling our people how their elections must be conducted, who they must employ, and how their races must be

commingled, that the next step would be a series of force bills such as prevailed in the dark days of the carpetbagger in the South immediately following the Civil War, when the Federal bayonet was sent into that section to enforce those laws.

THE DEMOCRATIC PARTY

Is it any wonder then, Mr. Speaker, that a revolt has arisen all over our country, from Mississippi on the shores of the Gulf-kissed coast in the South to the stony crags of Maine in the North, and from the Atlantic to the Pacific Oceans, by southern Democrats and those freedom-loving Americans everywhere, at this attempt to destroy the true civil rights of the citizens of our great and common country? For, I again call to the attention of my northern colleagues what I have often repeated upon the floor of this House, namely, that the South is not the only section aggrieved by these proposed unconstitutional laws. The small- as well as the large-business man in the North, the East, and the West, will find the heavy hand of the Federal Government just as oppressive in the operation of his business under FEPC as will the southern employer. The citizens of other sections of this country will feel, under these politically expedient laws, the same sharp resentment at the interference by a powerful Federal Government with their individual liberties as the people of the South.

Does any fair-minded American find amazement, however, that the people of the South are in revolt against the leadership of the Democratic Party? Is it necessary to remind any student of political history in this country that it was the section from which I hail that has cradled, nourished, and sustained the Democratic Party throughout its lean as well as its prosperous years? The South has ever been a strong believer in and contender for the Jeffersonian theory of democracy. It has ever been ready to fight for those principles. Many of its most gallant sons shed their precious blood upon the altar of States' rights. Certainly it is not surprising, therefore, that it should take the lead in the battle against this program, which would destroy the last vestige of the rights of the sovereign States.

The people of my section are in dead earnest about this matter. They have been willing to go along with the leadership of the Democratic Party heretofore, although taken for granted, without political reward, permitting the richest political plums to go to Democrats of other States when the party was in power, and receiving only such leadership as their reward for party loyalty as came to them by virtue of keeping their representatives in the Congress long enough to receive committee chairmanships, which they inherited under the rule of seniority.

But now, for the first time in the history of the country, and the loyalty of my section to the Democratic Party, a President of the United States has asked the Congress to enact such a devastating, obnoxious, and repugnant program to the people of that section and their Jeffersonian conception of democracy as this so-called civil-rights program. No President, either Democrat or Republican, has ever seen fit heretofore to make such recommendations.

And what, I ask you, my colleagues, has this message of our President, calling for the enactment of this program, accomplished to date? So far as I have been able to observe its accomplishments have been two-fold. First, it has inflicted an apparently fatal blow, not only to the unity of the party, but to the unity of the country, at a time when that unity is so highly desirable in a fight to the death with the enemy of free men—communism. Secondly, it has encouraged the arrogant demands of these minority groups to whom it was designed to appeal. Witness, Mr. Speaker, the sorry spectacle of an erstwhile pullman porter, William Randolph, a Negro labor leader, defiantly telling the membership of a committee of this Congress that unless segregation in the armed forces should be abolished that he would call upon the Negroes of this country to ignore the call of their country in the event of a war with Russia. Such ingratitude, such arrogance, such treason can only be attributed to such political bargaining as this proposed program.

Mr. Speaker, on a former occasion, and to be specific, on October 13, 1942, when one of these so-called civil-rights bills, the antilynch bill, was up for consideration in this body, I addressed myself at some length to this same subject. On that occasion I stressed the loyalty of my people in the solid South to the Democratic Party. I then, in the nature of a prophecy, said in part:

> Mr. Chairman, I never thought that I would live to see the day when the Democratic Party, the party to which my forebears have belonged for generations—the party which has been nourished, protected, and fathered by the South—would take the lead under its administration to force this type of action down the throat of its best friend. Since the Civil War the Democratic Party has been the beneficiary of everything the South had to offer. When the Democratic Party offered a candidate for President it knew that it had the support of the solid South. In that section it has been little short of treason for these many years to do other than vote the Democratic ticket.
>
> In all these years the South has asked for little and gotten less from that party. In fact the only thing it has ever gotten out of the Democratic Party when it was in power was the privilege of having representatives in the two branches of the Congress which the Constitution guaranteed it. Prior to the Civil War that great section of this country furnished many, if not most, of the great, outstanding, political figures of the country. It furnished its Washington, its Jefferson, its Patrick Henry, its Lee, its Davis, and its George. Today the caliber of its men has not decayed. It still provides the Nation with much of its leadership. But, because of its political isolation, it is denied the privilege of one of its sons becoming the nominee of its party for the exalted office of the Presidency. This not because it does not have the men of Presidential caliber, but because that party realizes that it already has the votes of that section of the solid South; and always the nominee comes from some doubtful section. When the party is in power the sweetest plums of political patronage and preference likewise go to other sections where political allegiance is not so constant. The only thing the South has ever asked, and the only reason it has been so constantly and consistently loyal to the Democratic Party has been because it thought that that party offered it the privilege of handling its own domestic and internal affairs. Today we see the sorry spectacle of the ingratitude of that party, joining hands with the Republican Party; nay, more than that, taking the leadership in trying to pass another force bill to compel a great people of a great section of this country to accept certain rules and regulations which will prevent the people of the Southland from even controlling their own election laws, their own State primaries, and meeting their own problems which are peculiar to that section.
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> It might be well in this connection, in passing, to point out to those beneficiaries of the Democratic Party in other sections of the country, those of you who are today becoming a party—an unwilling party, I grant you, but nevertheless a party—to forcing this legislation down our throats, that if you are going to deny our people the right to control these political and social matters which are so peculiarly their own there is little, if anything, left to the South as grounds for a unified support of that party. Might they not well reason that if this last vestige of benefit which they receive from that solid support of the Democratic Party is to be removed by a Democratic administration they might profitably seek another course and join the other States of the Union in frequent changes of their political affiliations? There is only one hope left to us—the hope that in the Senate, where the rules of procedure are different and where the time for debate is unlimited, this iniquitous and vicious attempt to violate the Constitution of our forefathers may be stopped. I feel confident that there are sufficient courageous Members of that body who, like the Spartans of old, will say, "It shall not pass."

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to my distinguished colleague from Arkansas.

Mr. HARRIS. The gentleman is making a very important statement that goes to the very fundamental principles of our basic democracy. The gentleman is from the South. He is a Democrat and is known to be one of the most ardent supporters of democratic principles. A short time ago some 76 Members of the House met and organized a committee which I am sure should be termed an unofficial committee. They met in an effort to formulate a program that would help prevent the enactment of such legislation. The gentleman from Mississippi, one of the leaders of this House, was very appropriately made chairman of that committee.

Mr. COLMER. I appreciate very much the compliment of my friend. Yes, Mr. Speaker, 76 Members of this House, believing in constitutional government and the right of sovereign States, organized and went on record that they would fight this iniquitous program to the finish. More than that, they warned the party against putting this type of program into the platform of the Democratic Party. And I might add that the distinguished gentleman from Arkansas was named secretary of that committee and he is performing a yeoman service in that capacity, like the true, constitutional Democrat and American he is.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. NICHOLSON. I heard the gentleman say there were 21 Senators from the South who voted on this proposition, but I also saw where they voted to have the Government step in on our educational system and turn it over to

them. In other words, they voted $300,000,000 for the Federal Government to run our schools. In 2 or 3 years it will be a billion dollars, and the Government will be running it. What do you think about that?

Mr. COLMER. Well, I am afraid the gentleman is trying to do what I am trying not to do—make this a sectional issue. As a matter of fact, if I understand the educational program in the Senate, it is being sponsored by a gentleman from another section of the country, a very prominent candidate for the Republican nomination for President. So I do not think the gentleman's analogy, while I appreciate his effort to be helpful, is quite proper under the circumstances.

Mr. NICHOLSON. Will the gentleman yield further?

Mr. COLMER. I yield.

Mr. NICHOLSON. I am not trying to bring any sectional politics into it, because, as a matter of fact, I am against FEPC, and I am against anybody trying to make something sectional out of this. I am agreeable with the gentleman.

What I do not understand is that while we vote against those things, yet when the Federal Government seeks to grasp our school system the southern gentlemen vote for it.

Mr. COLMER. I appreciate the gentleman's suggestion and his thoughts and, of course, we have to meet these problems as they are presented. I am, nevertheless, very happy to know of the gentleman's opposition to this communistic FEPC program. And, I might add, that there are other distinguished gentlemen on his side of the aisle who, too, are opposed to this vicious type of legislation. For instance, the distinguished gentleman from New York [Mr. WADSWORTH] who honors me with his attention here today, being the great, patriotic American that he is, has consistently opposed such bills as the anti-lynch legislative monstrosity.

THE SOUTH AND THE PARTY

Mr. Speaker, a moment ago I stated that the people of the South are in dead earnest about this matter. Yes, Mr. Speaker, it might well be said that they are in revolt against their party leadership. They are determined that this legislation shall not pass. They will not be a party to the defiling of their own nests; they will not contribute to the abandonment of constitutional government; they will not desert the principles of the Democratic Party's founders, Thomas Jefferson and Andrew Jackson, two outstanding southerners. They will not go along with the program of those who are now guiding the destiny of the party of Jefferson and Jackson, those who would destroy the principles of the party for the sake of political expediency. They would prefer to see the party go down in ignominious defeat than to surrender the high principles of States' rights, of free men, freedom of private enterprise, and individual initiative which have not only made the party a great party, but have made the Nation a great Nation. They are not willing, even for the national preferment, to follow the city bosses and the politically expedient leadership into whose hands the party has fallen.

PRACTICAL POLITICS

Mr. Speaker, from a practical political viewpoint, freedom-loving Democrats of the South, cognizant of the fact that they have too long permitted themselves to be taken for granted by their own party leaders, realize that they have nothing to lose but all to gain in this fight. They can no longer afford to blindly and unselfishly furnish loyalty to a leadership which blithely ignores their modest wishes and flaunts such unconstitutional and iniquitous programs against their section. The solid South, constituting more than a third of the political strength of the party, does not propose to see its interests traded in the political arena for either the handful of Communist followers of Henry Wallace, or the Harlem constituents of Congressman MARCANTONIO. They forcibly realize that they must exercise this last opportunity to recapture their once-exalted position in the party or forever hold their peace.

The southern Governors have met in conference and hoisted the flag of warning. A group of 21 United States Senators has organized to defeat this program, under the leadership of that outstanding southern Senator, the Honorable RICHARD B. RUSSELL, of Georgia. A group of 76 Members of the Nation's House of Representatives has organized to fight this program to a finish and has firmly warned the leadership of the party against the inclusion of such objectionable, unsound, and unconstitutional pronouncements as the President's civil-rights program into the party platform, as the gentleman from Arkansas [Mr. HARRIS] pointed out a moment ago.

Mr. Speaker, I take humble pride in the fact that my colleagues saw fit to name me as chairman of their group. We are working with the Senate group; we are cooperating with the Southern Governors' Conference, and with all of those who are opposed to this iniquitous program. We expect to do everything humanly, parliamentarially, and politically within our power to see that this program does not become the law of the land.

Mr. Speaker, in conclusion permit me to say, as a southerner, as a Democrat, whose forebears have always been Democrats, as one who loves the Democratic Party, but above all, as an American who places the welfare of his country above that of his party or political preferment, that in waging this fight I stand on solid ground. As a Mississippian, as a southerner, and as an American, I stand today on those principles for which Thomas Jefferson and Andrew Jackson fought. As much as I dislike to oppose the present leadership of my party in this program, I get comfort out of the knowledge that Jefferson Davis, L. Q. C. Lamar, and James Z. George, great Mississippians all, would take the same stand were they alive today that, in my humility and love of country, I now take.

The SPEAKER. The time of the gentleman from Mississippi has expired; all time has expired.

Mr. WADSWORTH. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY

Mrs. ROGERS of Massachusetts. Mr. Speaker, the bill H. R. 5515 was referred to the Committee on Veterans' Affairs. This is a claims bill, and the Committee on Veterans' Affairs does not handle claims. I ask unanimous consent that the Committee on Veterans' Affairs be discharged from the further consideration of this bill and that it be referred to the Committee on the Judiciary. I have discussed the matter with the chairman of the Committee on the Judiciary, the gentleman from Michigan [Mr. MICHENER], and that is satisfactory to him. It is also satisfactory to the author of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. MARCANTONIO asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. TOLLEFSON (at the request of Mr. MACK) was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. GWYNNE of Iowa asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. EDWIN ARTHUR HALL] is recognized for 45 minutes.

FLOOD CONTROL IN THE SUSQUEHANNA RIVER VALLEY

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I take this time because I see on the floor of the House two of the most eminent authorities on flood control in Congress, the gentleman from Michigan [Mr. DONDERO], chairman of the Committee on Public Works, and the gentleman from Mississippi [Mr. WHITTINGTON], who has served long on this committee and formerly was chairman of the Flood Control Committee of the House.

I have tried in vain for the past week to get an opportune moment to discuss this question so it is that I have no choice at this time but to proceed with my discussion because the people back home are demanding action. They are anxious to have me present this question to the entire House. I am going to work today, using a map of the great State of New York. Some years ago my home city of Binghamton was in the same position as the others of the triple cities are at the present time. I refer to Endicott, Johnson City, and the fourth municipality across the Susquehanna River, called Vestal. Floods have ravaged that section for years. This area continues for 7 miles below Binghamton.

About 12 years ago the gentleman from Mississippi [Mr. WHITTINGTON] and his distinguished committee, made a trip to up-State New York to examine the whole flood situation. They found that the city of Binghamton, which had suffered from the ravages of the floods of the Susquehanna for many years was in need of a sound program for the construction of

flood walls. As a result of the action of that committee, the House authorized the Army engineers to go ahead with surveys and construction which brought a very elaborate system of flood walls to the city of Binghamton. These have proven on several occasions since to be adequate enough to prevent most of that city from being engulfed by floods.

The Susquehanna River is sometimes known as the Mississippi of the Northeast. It ravages year after year countless miles of territory and does untold millions of dollars of damage in up-State New York. As it courses down past the city of Binghamton toward Pennsylvania, it brings a great deal of destruction to those particular sections.

Great credit is due the gentleman from Mississippi [Mr. WHITTINGTON] and his committee for the work done at Binghamton. Equal credit for emphasizing Binghamton's need for protection against floods should go to Tom R. Hutton, former editor of the Binghamton Press, whose brilliant, vigorous, and ceaseless campaign for flood walls for Binghamton put that city on the map and drew the attention of the entire Nation to the necessity of helping us.

Mr. Speaker, there is no section of the country that exceeds in importance the industrial area of Binghamton, Johnson City, and Endicott, shown on the map to be exactly halfway between the great city of Buffalo on the west and the city of New York on the southeast. It is the central stop for the Erie Railroad and Delaware, Lackawanna & Western Railroad and for other important roads that go north and south as well as east and west. It is the logical oasis between New York and Buffalo and vice versa. It is the sixth important industrial section of the State of New York and is, therefore, worthy of prime consideration.

One of the leading citizens of the city of Endicott, Mr. George W. Johnson, president of Endicott-Johnson Shoe Corp., in a very indignant statement made at the time of the flood about 2 weeks ago said: "Our section asks for little and consequently receives little." He stated it is about time we asked for something so that we may get it from the Congress.

As I have said, as a result of the visit to the scene of disaster which the gentleman from Mississippi [Mr. WHITTINGTON] and his committee made a decade ago, we were able to obtain flood walls for the city of Binghamton. In response to agitation now started in the communities I have mentioned I am sure that the Army engineers will take some sort of action. I have therefore introduced a bill calling upon Congress to authorize $1,000,000 to construct flood walls on the Susquehanna River in the Endicott and Vestal areas of the same sturdy type the city of Binghamton now enjoys. I submit, Mr. Speaker, that the construction of these walls will mean the saving of these very important communities, in which along with Binghamton are employed some 20,000 Endicott-Johnson Shoe workers, some 10,000 International Business Machine workers, and some 8,000 Ansco film workers. It will assure those people of the adequate protection which they deserve. It will also assure these people of modest means of the protection which their modest homes should certainly be guaranteed.

I have always been an advocate of a double system of flood protection, namely of dams, above flood areas which will impound much of the overflow and of adequate flood walls at the immediate spot of danger. You will see on this map of up-State New York, above the cities of Binghamton, Johnson City, and Endicott, the Susquehanna River coursing down from the northeast, scores of miles. The Army engineers have conceived the idea of constructing a number of important dams on the upper reaches of the Susquehanna, their contention being that the floods in the cities below will be materially lessened. I am absolutely in favor of the construction of these dams which I have referred to.

The Davenport Center project in Delaware County is one of them. This dam is now authorized with plans for about $3,000,000 worth of construction for this year under the civil-functions bill. I hope funds for its construction will be added soon.

Another project is the West Oneonta Dam, plans for which have already been laid out, and the construction of which will begin in the near future, because the Army engineers advocate this.

There is also the East Sidney Dam, the construction of which is already authorized in the civil-functions bill, in this session of Congress, and under way.

All these projects, when completed, will result in materially lessening the flood menace in the Triple Cities section. The construction of these dams on the Susquehanna in its upper reaches is fine, and I am 100 percent for it. I have advocated it time and again.

I also advocated, even before I came to Congress, the construction of the Whitney Point Dam on the Chenango River. This stream joins the Susquehanna River at Binghamton and adds to the flood misery of the Triple Cities area. The Army engineers built Whitney Point Dam, which controls to quite an extent the Otselic River flowing into the Chenango River a few miles above Binghamton. However, the recent flood proved that the main trouble now exists on the Susquehanna River which comes, as I said, from the northeast.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I will be very happy to yield.

Mr. WHITTINGTON. I am just wondering if the gentleman would mind my interrupting him.

Mr. EDWIN ARTHUR HALL. Not a bit.

Mr. WHITTINGTON. How do the floods during the current year compare with the great flood of 1936 in the Tri-Cities area relative to flood heights?

Mr. EDWIN ARTHUR HALL. I am happy to answer that question. As I mentioned, the Whitney Point Dam went a long way toward correcting the evil of the Chenango River which, prior to the gentleman's visit, went unchecked down through the Triple Cities area and was responsible for a great deal of damage. The Whitney Point Dam, I will say, tended to eliminate many of the troubles on the Chenango River and definitely lowered the flood height. As the result of the construction of the flood walls in the City of Binghamton, which the gentleman and his committee advocated and for the inspection of which they made their trip to the city of Binghamton, the city itself was thereafter almost wholly protected against floods. My contention at the present time is, that although this elaborate system of dams on the upper reaches of the Susquehanna which have already been proposed and are assured of eventual construction and the plans for others laid out—although that elaborate construction will do a great deal toward eliminating these flood damages, still there remains one more problem, and in my opinion the biggest one. This is the construction of flood walls on the Endicott side of the Susquehanna River 7 miles below Binghamton and similar walls on the opposite side of the Susquehanna at Vestal which, is equally important.

I have introduced a bill, and dropped it into the hopper a couple of days ago, which asks Congress to authorize the expenditure of $1,000,000 on the part of the Army engineers for starting construction immediately of these flood walls at Endicott and Vestal. I believe there is no alternative but to take care of this dangerously vulnerable area below Binghamton, which I have marked here in red crayon, starting from Johnson City and covering a distance of approximately 7 miles down the Susquehanna to Endicott on the north banks and Vestal on the south banks.

In spite of the adverse attitude taken by several authorities who are not in as close touch with the dangers and unfortunate situation the people have had to face in Endicott and Vestal, many local people have insisted for years that these floods walls be erected. We are now awaiting a favorable report on the part of the Army engineers. Since the inspection which Colonel Wanamaker of the Army engineers made of the Endicott-Vestal-Johnson City area in the wake of the flood 2 weeks ago, it is my sincere hope that a favorable report will be forthcoming. After having seen the great damage which has been wrought by those flood waters in the last 2 weeks, damage which has been vividly described in headlines and depicted in photographs which were spread on the pages of papers over the entire country, the Army engineers, in my opinion, can do nothing else but recommend most favorably the construction of these flood walls on each side of the Susquehanna River at Vestal and Endicott.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Oregon, a member of the committee.

Mr. ANGELL. I commend the gentleman on the forthright position he has taken in behalf of his district with reference to this and other projects. As the gentleman knows, I am a member of the Committee on Public Works, which has jurisdiction over flood control as well as many other very important projects with which the gentleman is concerned. My own subcommittee, however, is that on rivers and harbors. May I say that the gentleman has conferred with me on a number of occasions with reference to

the problem he is now discussing. I doubt if there is a member in our body that is more on the job looking after his district than the gentleman who is now addressing us. I am very happy to listen to the very excellent presentation he is making.

Mr. EDWIN ARTHUR HALL. I am deeply grateful to the gentleman from Oregon for his kind comments. I can assure him that I know of no better authority in the House on flood matters than he.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from California.

Mr. JOHNSON of California. I realize how apprehensive the gentleman is if his town is harassed by possible floods. My city has had such harassment for over 50 years. We finally built a flood-control dam. In just this last Congress we had approved a project to harness the floodwaters of a creek that had damaged our city greatly. I have listened to the discussion by the gentleman from New York with a great deal of interest and also with profit. I compliment the gentleman on looking after the interests of his people. Projects of this kind are the particular attention of local Congressmen. We cannot be worried about the 435 districts as far as the individual projects are concerned. I can say after the 6 years during which I have served here that the gentleman certainly does look after his people and tries to solve the problems confronting the people in his district. I sincerely hope that he will find a way, and I think he will, to have this project approved and put on a list of public works so that his community may be protected.

Mr. EDWIN ARTHUR HALL. I thank the gentleman and am grateful to him, especially in view of his own fine representation.

The gentleman from Mississippi asked me the question as to how I thought this flood wall project had aided the Triple Cities area, the project that he was responsible for. I will say that it helped the Binghamton area no end. In that city the recent flood destruction was decidedly less compared to the damage in 1935 and 1936 when the city had very little protection. However, the Endicott and Vestal areas were just as badly affected this time because they had no flood walls which proved to be such a great help to the city of Binghamton. The point I am making is that it is the contention of the Army engineers that the system of dams in the upper reaches of the Susquehanna will eventually eliminate the floods in the Endicott and Vestal area. I am in agreement that those dams will help the elimination of floods in the Endicott-Vestal area to a certain extent. I still maintain however that the only way to eliminate flood damage entirely is to put up these flood walls. The damage from the last flood two weeks ago resulted in washing out the water works of the city of Endicott. A great deal of public and private property was damaged to the extent of a half million dollars in both Endicott and Vestal across the river.

I want to say that before we can prevent damage from future floods in this danger area which I have marked here in red crayon on each side of the banks of the Susquehanna this work of flood walls must go ahead. The bill which I introduced calling upon the House to appropriate $1,000,000 for this flood-wall project will be a starter. I do not say it will take care of the whole problem. It will not be sufficient to construct walls 7 miles along the banks on each side which are needed, but it will certainly do a lot toward starting this necessary construction, and it will help eliminate for all time, I am sure, further serious flood damage.

Mr. NORBLAD. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. NORBLAD. I have been very interested in listening to the gentleman's discussion regarding this matter. I compliment him on his excellent presentation. I particularly feel that the maps that he has presented here to us today very graphically illustrate the problems that the people of his district have. The gentleman from New York is doing an excellent job in representing the people of his district.

Mr. EDWIN ARTHUR HALL. I am grateful to the gentleman from Oregon [Mr. NORBLAD] because he is a forthright Member of the House and he knows what is going on and is in a position to comment.

Mr. Speaker, I do not wish to presume upon the patience of the House as the hour is getting late, but I do want to emphasize my deep interest and fervent hope that something will be done by the Army engineers and by the proper committees of the House such as the Committee on Public Works and other committees to see that this danger spot in the northeast is taken care of.

I know of no section of the country that suffered more from the recent floods than did this area that I have mentioned. As I have said, the city of Binghamton has been made almost safe from floods by the construction of these elaborate flood walls on the south banks of the Susquehanna. There is, of course, need for some more walls in certain spots. Certainly Endicott and Vestal will profit by a similar program. I wish at this time to reiterate my hope that early action will be forthcoming.

I want to thank the committee for listening to this illustration, which may not have been too understandable, due to their limited knowledge of the geographic layout in that particular part of the State of New York. At the same time I know of no better way of bringing it to the attention of the House than by maps and by graphs prepared by the Army engineers for me, to point out the serious need of this construction.

I want to mention one more problem which we have just above where the Chenango River flows into the Susquehanna at Binghamton. This point is 4 or 5 miles above that junction, on the Susquehanna River, in the towns of Conklin on the south bank of the Susquehanna and of Kirkwood on the north bank. Those two towns were ravaged by the recent flood, and their respective committees have approached me expressing the hope that we can do something for them. I am requesting the Army enginers to make a survey of this plot, and I hope that some favorable recommendation will be forthcoming shortly. I plan to meet with their committee in a few days when I go home; and will report back to the House their recommendations.

The city of Binghamton is practically floodproof, except for an area on the north bank of the Susquehanna, just past the junction of the Chenango River, and on the west bank of the Chenango River just above that junction and reaching to the Court Street Bridge. I think flood walls could eventually be constructed in that area, which is the border of the city's third ward, and that would guarantee the city of Binghamton to be floodproof for years to come.

I wish to thank the Members of the House for their attention and to assure them that any assistance on their part will be greatly appreciated in pressing this much-needed program and bringing it to a head.

The SPEAKER pro tempore (Mr. D'EWART). The time of the gentleman has expired.

The SPEAKER pro tempore. Under special order of the House, the gentleman from Texas [Mr. KILDAY] is recognized for 30 minutes.

SEVENTY-GROUP AIR FORCE

Mr. KILDAY. Mr. Speaker, on yesterday I offered H. R. 6158, to authorize the establishment and maintenance of a 70-group Air Force. While offered in my name, the bill represents the views of a number of members of the Committee on Armed Services. It is also technically correct in its provisions for airframe weight and the numbers of personnel. It is no longer necessary to convince the American people that we must maintain an adequate Air Force. Recently the Congressional Aviation Policy Board, of which I had the honor to be a member, made its report to the Congress. That report stated:

> The initial strength necessary to mount promptly an effective, continuing, and successful air offensive against a major enemy is what is termed the Air Force 70-group program of 20,452 aircraft.

Surely nothing less than the strength to mount, continue, and successfully carry out an air offensive is sufficient.

My bill will provide 70 regular Air Force groups and 22 regular Air Force squadrons, together with their necessary supporting elements. Examples of these supporting elements are command headquarters, early warning radar, air depots, pilot training, and Air Force participation in the joint Military Air Transport System. In addition, the bill provides for 27 National Guard air groups and 34 equivalent Air Reserve groups.

The authorized active-duty strength of the Air Force of the United States is set in my bill at 502,000 military personnel. This would permit the manning of the Air Force at a level which would enable it to perform its assigned mission. The Air Force is currently authorized only 20,000 regular officers. This strength in career personnel is obviously inadequate to operate a force totaling 502,000 and should be increased to 40,000. It provides further that personnel au-

thorization provided by this bill shall not limit further authorizations under the National Security Act of 1947.

In enacting legislation for an air force, it is not possible to provide simply by numbers of planes. In the past, the Nationl Defense Act did so provide. The advancement of aviation and the production of larger and more complicated bombers, as well as the development of jet-propelled fighters, require that we seek another formula for authorization. We have had the example of such action in previous legislation authorizing the naval fleet. That legislation placed the authorization on the basis of tonnage. Such a basis is the only realistic one for air-force authorization. The size of aircraft determines their cost and their types. To provide for this necessity, it is now well recognized that the proper view of aircraft production is in the terms of "air-frame weight."

My bill authorizes the United States Air Force 225,000 airframe tons of serviceable aircraft, or approximately 24 000 aircraft. Air-frame tons are specified rather than number of aircraft in order to permit the Air Force to vary its composition within that figure as concepts of warfare change. Within the total thus authorized, the Secretary of the Air Force is authorized to procure 42,500 airframe tons, or approximately 5,200 aircraft annually, to replace unserviceable aircraft and to insure that the Air Force is equipped with completely modern aircraft with which to perform its mission. It further authorizes the Secretary of the Air Force to provide the necessary spares, equipment, and facilities required for the efficient operation and maintenance of the aircraft of the Air Force thereby authorized.

It is now a proven fact that airplane and engine development and production cannot be accomplished on a year-to-year procurement basis. Such a policy has been pursued in the past and has proven unsatisfactory. It has also proven to be most expensive and wasteful. Some have been of the opinion that because of the peculiar language of section 8 of the Constitution, giving Congress the power "to raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years; to provide and maintain a Navy," created a distinction between appropriations for the Army and Navy. Congress has for some years appropriated funds for the Navy for a period in excess of 2 years, as evidently the Constitution does not put the 2-year limitation on the Navy.

The counsel for the new Department of the Air Force has held, in a well-considered opinion, that the constitutional limitation upon appropriations to raise and support armies does not inhibit appropriations for aircraft to that term. I have carefully studied that opinion and agree with the conclusion. The Attorney General has also considered the opinion of the counsel of the Department of the Air Force and concurs therein. I believe that we must now accept as clear the fact that there is no constitutional prohibition against appropriations for a period in excess of 2 years. My bill authorizes the appropriation of the necessary moneys to carry out its purposes, which will be expended under the direction of the Secretary of the Air Force, in order to provide a 5-year procurement program, which is essential to the development and production of aircraft and the maintenance of a healthy and stable aircraft industry. Accordingly, the bill provides that any moneys appropriated to its purposes will remain available for obligation during the fiscal year in which appropriated and for four fiscal years thereafter.

It is the obligation of Congress, and it is the demand of the American people, that we proceed at once to authorize and establish an adequate air force. There is no major nation in the world, no potential enemy, which could reach this country except by air. There can be no defense for this country except the availability of an air force, in being, to meet and overcome any such effort. In addition, the very best defense that we can have against such an effort being made against us is the absolute knowledge on the part of all nations that any such attack will not only be met and overcome, but that retaliation far more devastating and effective will follow. We have the atomic bomb. All mankind fears its deadly and devastating effect. No nation would dare to attack us if it knew that we could deliver that bomb to its cities and industrial areas. We will be less than foresighted if we leave our Nation without that tremendous advantage.

On yesterday, your Committee on Armed Services, by unanimous vote, adopted a resolution requesting the Secretary of National Defense to seek a supplemental budget request, allocated to the Air Force, to permit the establishment immediately of the 70-group program as outlined in my bill.

The Air Force believes, the Congressional Aviation Policy Board believes, and the President's Aviation Policy Commission believes, that the 70-group program is necessary, and necessary now. It will require from 2 to 3 years to recruit, train, and equip 70 air groups. That task must be begun and it cannot be delayed. The present 55-group program is not adequate for the protection of our country. The funds to undertake the immediate expansion should be made available in the appropriations for the ensuing fiscal year. The Bureau of the Budget authorized $3,054,000,000 for the next fiscal year. That amount will not permit any expansion of our Air Force. As a matter of fact, with that amount of money the Air Force will continue to fall behind the great forward steps available in aviation. It will mean that at the end of the fiscal year we will be in far worse shape than we are now, because our Air Force equipment will be that much further outmoded than it is now.

To keep our Air Force as a living and progressing institution, the budget request must be increased. It must be increased by $2,388,000,000, making a total for the next fiscal year of $5,442,000,000, in appropriations and contract authorizations. An increase in cash of $1,000,000,000 is all that is necessary at this time, the remainder to be represented by contract authorizations. Such a program will permit the immediate institution of the 70-group program.

I am not unmindful of the necessity for proper strength on the ground and on the sea. I support a program of universal military training. I will support a provision for selective service. However, the most urgent thing we have today is the expansion of our Air Force. It is a task which cannot be accomplished overnight. It requires time. No airplane, the design of which went on the drafting boards after Pearl Harbor, participated in the last war. Let all realize that in a war lasting going on to 4 years, not a plane which was conceived after the war started ever got into that war. You will not have those years to prepare in the future. Our best insurance is to start now. Delay is costly and cannot be permitted.

Delay is most dangerous for another reason. In the event of an emergency, we must have an aviation-manufacturing industry in existence. The aviation industry of this Nation is in a precarious position. It cannot hold out indefinitely, losing money every year. We must have that industry in a stand-by position, ready for rapid expansion, should war come. All familiar with the situation agree that the maintenance of a 70-group program will keep our industry in a position of solvency and capable of rapid expansion to meet any emergency.

Our duty is clear. I hope that the Committee on Armed Services will proceed without delay with hearings on my bill, and that the Congress will enact it into law.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1523. An act for relief of Edwin H. Griggs, or his estate.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 111. An act for the relief of Donat and Laura Laroche;

S. 805. An act authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the district embracing the east portion of Duchesne County and the west portion of Uintah County;

S. 1235. An act for the relief of Merchants Motor Freight;

S. 1306. A act relating to the construction and disposition of the San Jacinto-San Vicente aqueduct;

S. 1307. An act for the relief of Edward Trapier Rogers;

S. 1581. An act to provide additional time to the city of Newark, N. J., for paying certain installments on the purchase price of the Port Newark Army Base, and for other purposes;

S. 1794. An act to authorize the Houston Council, Navy League of the United States, to construct a reflecting pool at the United States naval hospital, Houston, Tex.;

S. 1799. An act to amend the act of June 3, 1916, as amended, to make it applicable to the Canal Zone, Guam, American Samoa, and the Virgin Islands; and

S. 2081. An act to extend the provisions of the Federal Airport Act to the Virgin Islands.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 53 minutes p. m.), under its previous order, the House adjourned until Monday, April 12, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1453. A letter from the Acting Secretary of the Navy, transmitting a report of the proposed transfers to eligible institutions and organizations which have requested donations or loans from the Navy Department; to the Committee on Armed Services.

1454. A communication from the President of the United States, transmitting supplemental estimates of appropriation in the amount of $195,000,000 and contract authorizations in the amount of $530,000,000 for the fiscal year 1949 for the National Military Establishment (H. Doc. No. 602); to the Committee on Appropriations and ordered to be printed.

1455. A letter from the Acting Secretary of Commerce, transmitting a draft of a proposed bill to authorize the construction and equipment of a radio laboratory building for the National Bureau of Standards, Department of Commerce; to the Committee on Interstate and Foreign Commerce.

1456. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to extend titles I, IV, and X of the Social Security Act to the Virgin Islands; to the Committee on Ways and Means.

1457. A letter from the Secretary of the Interior, transmitting the third quarterly report, covering conditions in all underground bituminous-coal and lignite mines inspected during the 9-month period July 1, 1947, to March 31, 1948; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. S. 2277. An act to amend section 13 of the Surplus Property Act of 1944, as amended, to provide for the disposition of surplus real property to States, political subdivisions, and municipalities for use as public parks, recreational areas, and historic-monument sites, and for other purposes; with amendments (Rept. No. 1697). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 5904. A bill to incorporate the Virgin Islands Corporation, and for other purposes; with amendments (Rept. No. 1699). Referred to the Committee of the Whole House on the State of the Union.

Mr. CASE of New Jersey: Committee on the Judiciary. S. 560. An act to prohibit the operation of gambling ships, and for other purposes; without amendment (Rept. No. 1700). Referred to the Committee of the Whole House on the State of the Union.

Mr. CASE of New Jersey: Committee on the Judiciary. S. 1696. An act to amend the act of August 13, 1940 (54 Stat. 784), so as to extend the jurisdiction of the United States District Court, Territory of Hawaii, over Canton and Enderbury Islands; without amendment (Rept. No. 1701). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 1562. A bill to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States; with amendments (Rept. No. 1702). Referred to the Committee of the Whole House on the State of the Union.

Mr. CASE of New Jersey: Committee on the Judiciary H. R. 5040. A bill to amend the Contract Settlement Act of 1944, to provide that claims under section 17 must be filed within 6 months to be allowable, to stop further accrual of such claims, and for other purposes; without amendment (Rept. No. 1703). Referred to the Committee of the Whole House on the State of the Union.

Mr. BATES of Massachusetts: Committee on Armed Services. H. R. 2359. A bill to provide for the construction of a water-filtration plant on the military reservation at West Point, N. Y., and for other purposes; with amendments (Rept. No. 1704). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. S. 329. An act for the relief of Gentaro Takahashi; without amendment (Rept. No. 1698). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Veterans' Affairs was discharged from the consideration of the bill (H. R. 5515) for the relief of Mr. and Mrs. Albert Chandler, and the same was referred to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'KONSKI:

H. R. 6175. A bill to amend the jurisdictional act of August 30, 1935, affecting the Chippewa Indians of Lake Superior; to the Committee on Public Lands.

By Mr. VURSELL:

H. R. 6176. A bill to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945; to the Committee on Post Office and Civil Service.

By Mr. SASSCER:

H. R. 6177. A bill to provide for the development, administration, and maintenance of the Baltimore-Washington Parkway and the Suitland Parkway in the State of Maryland as extensions of the park system of the District of Columbia and its environs by the Secretary of the Interior, and for other purposes; to the Committee on Public Works.

By Mr. KERSTEN of Wisconsin:

H. R. 6178. A bill to regulate the number of nationals of the Union of Soviet Socialist Republics permitted in the United States; to the Committee on the Judiciary.

By Mr. BLATNIK:

H. R. 6179. A bill to extend time for filing claim for pensions or other benefits withheld from persons residing in countries occupied by the enemy forces during World War II; to the Committee on Veterans' Affairs.

By Mr. LEONARD W. HALL:

H. R. 6180. A bill to amend the Federal Airport Act; to the Committee on Interstate and Foreign Commerce.

By Mr. HARNESS of Indiana:

H. Res. 525. Resolution authorizing the printing of additional copies of House Report No. 786, entitled "Investigation of the Participation of Federal Officials in the Formation and Operation of Health Workshops"; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Mississippi, memorializing the President and the Congress of the United States to investigate the sales of our vital war resources in order to insure our defenses and safety and promote peace throughout the world; to the Committee on Expenditures in the Executive Departments.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to enact legislation to relieve the hardships now suffered by veterans of World War II and their families because of the lack of dwelling accommodations; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENDER:

H. R. 6181. A bill for the relief of Mrs. Yoshi Yokoya; to the Committee on the Judiciary.

By Mr. KERSTEN of Wisconsin:

H. R. 6182. A bill for the relief of the Huebsch Laundry Corp.; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 6183. A bill for the relief of Ralph A. Wood; to the Committee on the Judiciary.

By Mr. SEELY-BROWN:

H. R. 6184. A bill for the relief of the East Coast Ship & Yacht Corp., of Noank, Conn.; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H. R. 6185. A bill for the relief of George K. Wyman; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 6186. A bill for reimbursement of the Hawaiian Dredging Co., Ltd.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1742. By Mr. HAYS: Petition of Mrs. W. C. Smashey, for the Little Rock (Ark.) Council of Church Women, urging legislation for the displaced persons of Europe; to the Committee on the Judiciary.

1743. By Mr. LARCADE: Petition of members of the Acadia Post, No. 15, the American Legion, Crowley, La., in support of universal military training; to the Committee on Armed Services.

1744. By the SPEAKER: Petition of Mrs. W. A. Butler and others, petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

1745. Also, petition of Mrs. Peter Turner, Townsend Council, petitioning consideration of her resolution with reference to endorsement of H. R. 16; to the Committee on Ways and Means.

1746. Also, petition of T. S. Kinney, secretary, Townsend Club No. 2; petitioning consideration of his resolution with reference to endorsement of H. R. 16; to the Committee on Ways and Means.

1747. Also, petition of T. S. Kinney, Orlando, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1748. Also, petition of I. C. Ellis, Orlando, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.